Braintree District Council

COLCHESTER

Chelmsford City Council

Tendring District Council

Strategic Housing Market Assessment Update

December 2015

Planning & Development

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1. Introduction

Purpose

1.1 This report follows from the Objectively Assessed Housing Needs Study (OAHN) (Peter Brett Associates, July 2015) for Braintree, Chelmsford, Colchester and Tendring and forms part of the overall Strategic Housing Market Assessment (SHMA). The OAHN study identified the Housing Market Area (HMA) as incorporating the aforementioned Council areas and calculates the Objectively Assessed Need for housing across the HMA. This report focuses, principally, on the calculation on the level of affordable housing need and the size and tenure of all dwellings required within the overall OAHN Study.

1.2 At the time of this report, Tendring Council are further reviewing the OAHN for Tendring District. This is likely to result in a different OAHN figure[1]. This change may have an impact on those parts of this report that relate to Tendring, but will not impact the results that relate to the three other Councils.

Government Guidance

1.3 This report forms a component of an SHMA alongside the OAHN study. National Planning Policy is set out in the National Planning Policy Framework (NPPF). Paragraph 159 of the NPPF (March 2012) sets out the role of an SHMA.

Local planning authorities should have a clear understanding of housing requirements in their area. They should:

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

  o *meets household and population projections, taking account of migration and demographic change*

  o *addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as families with children, older people, disabled people, service families and people wishing to build their own homes); and*

  o *caters for housing demand and the scale of housing supply necessary to meet this demand (para 28)*

1.4 The first and third bullet points are addressed in the OAHN study, with the second bullet point addressed in this report. Chapters 3, 4 and 5 of the OAHN Study set out the latest projections and account for migration and demographic change, meeting the requirements of the first bullet. Chapters 6 and 7 of the OAHN Study assess the scale of housing supply necessary to meet demand, therefore addressing the third bullet point. Chapter 5 of this report examines the need for affordable housing as described in the second bullet point,

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[1] The catalyst for this review was the release of the 2012 projections and concerns around the treatment of 'unattributable population change' (UPC).

whilst the requirements of different groups of the community also required within the second bullet point are assessed in Chapter 6.

1.5 The NPPF outlines how a SHMA fits into the wider housing policy framework and the Planning Practice Guidance (PPG) sets out how the various elements of a SHMA should be undertaken, including detailing a comprehensive model for the assessment of affordable housing need (Chapter 5). The affordable housing need figure produced is an unconstrained figure set in the current housing market situation. It is not a component of the Objectively Assessed Need, but is entirely independent, calculated using a completely different approach and different data sources.

1.6 The report also includes the Long Term Balancing Housing Markets (LTBHM) model (Chapter 4) which, following the guidance set out in paragraph 021 of the PPG, breaks down the overall Objectively Assessed Need into the component household typology (tenure and size) of housing required.

Report coverage

1.7 This report is focused on detailing the future type and tenure of housing needed in the Housing Market Area (HMA)[2]. This report is therefore limited to:

- Examination of the latest data on the labour market and the resident population and a profile of the housing stock in the HMA and the changes that have occurred to it.

- Analysis of the price of property in the HMA and the affordability of housing for residents.

- Production of an analysis of the entire housing market within the long-term balancing housing markets model (LTBHM).

- Calculation of outputs for the affordable housing needs model strictly in accordance with the PPG approach.

- An analysis of the specific housing situation of the particular sub-groups of the population identified within the NPPF.

- A conclusion summarising the implications of these results.

Stakeholder consultation

1.8 To help disseminate the purpose of this work and ensure the accuracy of this report (and the assumptions used) stakeholders' views have been sought through the development of

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[2] The HMA in this report refers to the whole of the four constituent authorities of this study – Braintree, Chelmsford, Colchester and Tending

this study. An informal consultation event was held on the 28th September, after which written comments were invited.

1.9   Details of the stakeholder consultation that took place are presented in Appendix 1 to this report.

2. Socio-economic context

Introduction

2.1   Two main drivers of the housing market are the resident population and the local labour market. They affect the nature of housing demand including household formation rates and households' investment in housing. This chapter uses the most recently available data to document the current socio-economic profile in the Housing Market Area (HMA) and how it has changed.

2.2   Analysis of the stock of housing allows an understanding of the current market balance and existing occupation patterns. A range of data sources, including the 2011 Census, will be used to provide an overview of the housing stock in the HMA and a comparison to the regional and national situation will be presented where the data is available.

Demography

2.3   The 2011 Census data provides a comprehensive profile of the population in the HMA and how it has changed since the previous Census.

Population

2.4   The Census indicates that the resident population in the HMA in 2011 was 626,516 and that since 2001 the population had increased by 7.4%, just under 43,000 people. In comparison the population of the East region increased by 7.9% between the 2001 and 2011 Census, whilst the population of England grew by 8.9%. For the individual authorities within the HMA, the population growth between 2001 and 2011 was 11.3% in Braintree, 7.2% in Chelmsford, 11.1% in Colchester and decreased by 0.4% in Tendring[3].

2.5   Figure 2.1 illustrates the age composition of the population in the HMA in 2001 and 2011 according to the Census. It shows that since 2001 the number of people aged 60 to 74 has markedly increased as has the population in the HMA aged 15 to 29, and 75 and over. In contrast, the number of people aged between 30 and 44 has decreased. This figure is replicated for the constituent authorities of the HMA within the appendices to this report.

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[3] The Objectively Assessed Housing Needs Study considered 'unattributable population change' (UPC) which might account for discrepancies in the overall population figures in the 2001 and 2011 Census data which is particularly relevant for Tendring.

Figure 2.1 Population composition in the HMA (2001 and 2011)

Source: 2001 & 2011 Census
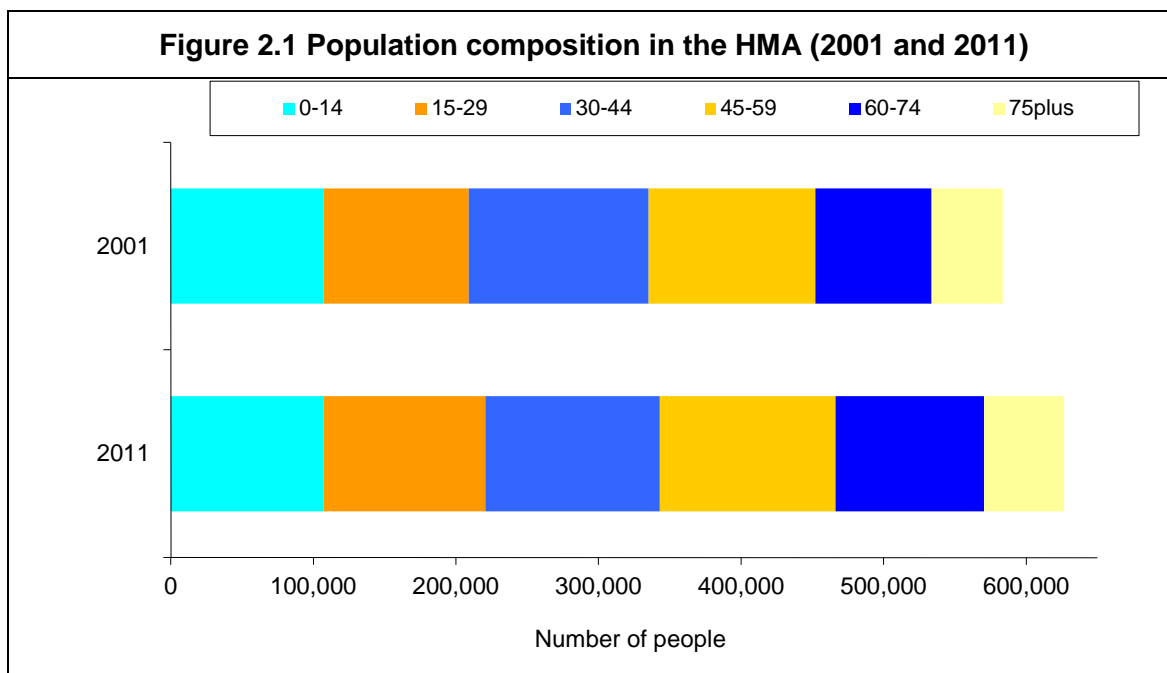
2.6   The 2011 Census figures also indicate that the HMA contains a lower proportion of the population that are of working age than is found regionally and nationally: 63.0% in the HMA compared to 63.5% in the East region and 64.8% across England. In contrast the population of older people (those 65 or over) in the HMA is larger than is found regionally and nationally; 18.4% compared to 17.5% in the East region and 16.3% in England. Within the HMA Colchester has the greatest proportion of the population that is working age at 65.9%, followed by Chelmsford with 64.8%, Braintree with 63.7% and Tendring with 56.7%. Tendring has the largest proportion of the population that is pensionable age at 27.0%, followed by Chelmsford and Braintree, both at 16.6%, and Colchester with 15.8%.

2.7   The 2011 Census indicates that the population density in the HMA is 387 people/km², an increase from 361 people/km² in 2001. The 2011 figure for England is 407 people/km². The figure for the East region is 306 people/km². Within the HMA the population density varies notably, ranging from 526 people/km² in Colchester and 497 people/km² in Chelmsford to 409 people/km² in Tendring and 240 people/km² in Braintree.

2.8   Some 17.7% of the resident population in the HMA have a long-term health problem or disability, compared to 16.7% of residents in the East region and 17.6% of people across England. This reflects the older than average profile of the population. Within each authority the proportion of the population with a long-term health problem or disability is, 16.4% in Braintree, 14.5% in Chelmsford, 15.8% in Colchester and 25.5% in Tendring.

Ethnicity

2.9   According to the 2001 Census, the proportion of Black, Asian and Minority Ethnic (BAME) (non-white) groups in the HMA was 2.7%, lower than that recorded for the East region (4.9%) and the national average (9.1%). The 2011 Census suggests that the BAME population has increased to 5.2% of the total population in the HMA, which is still notably

smaller than the regional and national figures (9.1% in the East and 14.5% in England). In Braintree the BAME population constitutes 3.4% of the total population, 6.1% in Chelmsford, 8.0% in Colchester and 2.4% in Tendring.

2.10 Figure 2.2 presents the ethnicity of the population in the HMA in 2011. The 'Asian or Asian British' represents the largest BAME group in the HMA area (comprising 2.3% of total population). It should be noted that the 'White' group includes 'White Irish' (0.7%), 'White Gypsy or Irish Traveller' (0.1%) and 'White Other' (2.7%) as well as 'White British' (91.3%). Figure 2.2 is replicated for the constituent authorities of the HMA within the appendices to this report.

Figure 2.2 Ethnicity of the HMA population, 2011

Legend:
- White
- Mixed/Multiple ethnic groups
- Asian or Asian British
- Black or Black British
- Other ethnic group
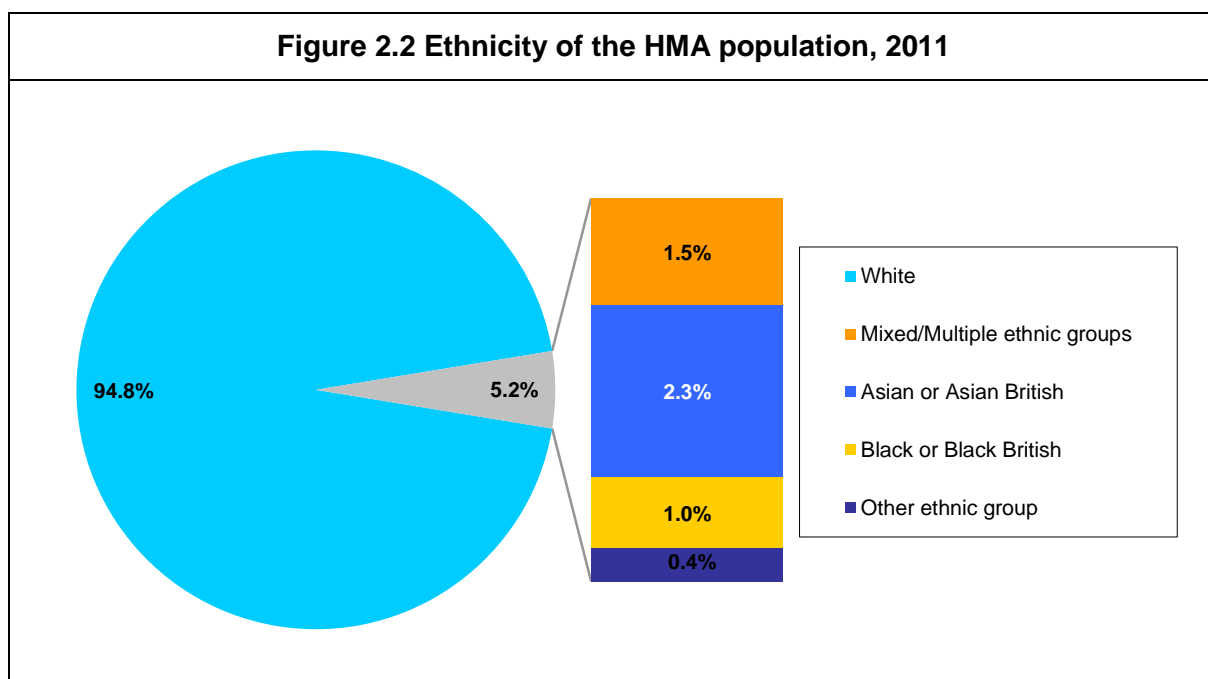
Source: 2011 Census

2.11 The Census reveals that just 1.1% of the population of the HMA in 2011 had been resident in the UK for less than two years, compared to 1.5% in the East region and 1.8% across England. The overwhelming majority of the population of the HMA have resided in the UK for over 5 years (including those born in the UK); 97.8% in the HMA compared to 96.7% in the East and 96.0% in England. Within the HMA, Colchester records the highest proportion of the population that were resident in the UK for less than two years in 2011 (at 2.4%) followed by Chelmsford (0.9%), Braintree (0.6%) and Tendring (0.3%).

Number of households

2.12 The 2011 Census revealed that the household population in the HMA has increased by 8.4% since 2001, reaching 264,449 households in total. This compares to the regional average of 8.6% and the national figure of 7.9%. Within the HMA the growth in the

household population ranges from 1.1% in Tendring[4] to 12.4% in Colchester, with the level of household growth in Braintree and Chelmsford 12.3% and 7.9% respectively.

2.13   In all areas the number of households has risen at a faster rate than the population between 2001 and 2011; this implies that the average size of households is falling across the HMA, as is illustrated in Table 2.1.

Table 2.1 Change in average household size between 2001 and 2011		
Location	*Average household size in 2001*	*Average household size in 2011*
HMA	2.35	2.32
Braintree	2.41	2.38
Chelmsford	2.40	2.39
Colchester	2.37	2.33
Tendring	2.21	2.19
East region	2.37	2.37
England	2.36	2.36

Source: 2001 & 2011 Census

2.14   It is interesting to note that this average household size of 2.32 compares to an average of 2.8 bedrooms per household in the HMA according to the 2011 Census. The 2011 Census also indicates that 5.8% of households in the HMA had fewer bedrooms than they required and were therefore overcrowded (compared to 3.6% across the East region and 4.8% nationally), whilst 73.4% have at least one bedroom more than they require (as opposed to 72.2% in the East and 68.7% across England). Within the HMA, Colchester records the highest level of overcrowded households (7.3%) followed by Chelmsford (5.8%) Tendring (5.1%) and Braintree (4.8%). By contrast Braintree records the greatest proportion of households with at least one spare room (74.6%), followed by Chelmsford (74.2%), Tendring (73.9%) and Colchester (71.2%).

2.15   Figure 2.3 compares the household composition in the HMA in 2011 with that recorded for the East region and England. The overall household distribution across the HMA area does not differ notably from the regional and national averages. Tendring records the most distinctive profile, with high levels of single person and older person only households.

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[4] The figure for Tendring reflects that there has been an exceptionally high level of Unattributable Population Change between the 2001 and 2011 Census in the District. This affects the figures for Tendring, which impacts on the HMA-wide average recorded.

Figure 2.3 Household composition in the HMA, the East region and England, 2011
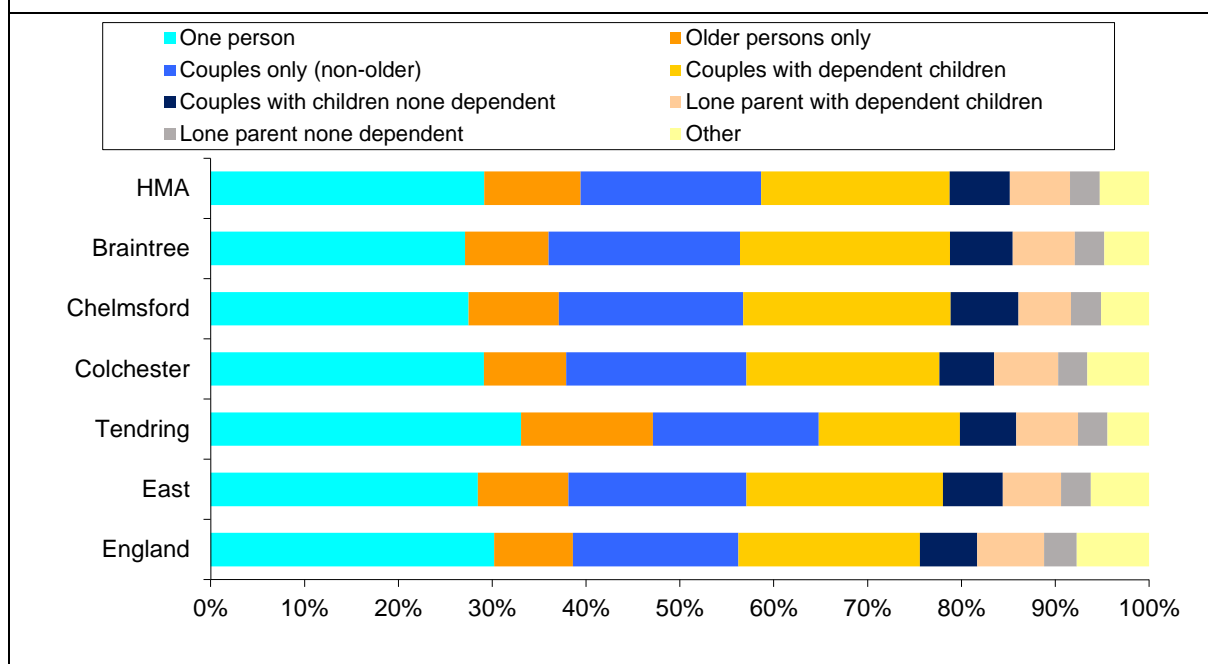
Source: 2011 Census

2.16   Figure 2.4 shows the change recorded between the 2001 and 2011 Census for the different household groups in the HMA. The figure shows that lone parent households have increased the most (although from a very low base), followed by 'other' households. It is interesting to note that couples with only non-dependent children have increased whilst the number of couples with dependent children has declined, particularly in Tendring. This suggests that household formation rates amongst young adults may have reduced.

Figure 2.4 Change in household types resident in the HMA 2001 to 2011
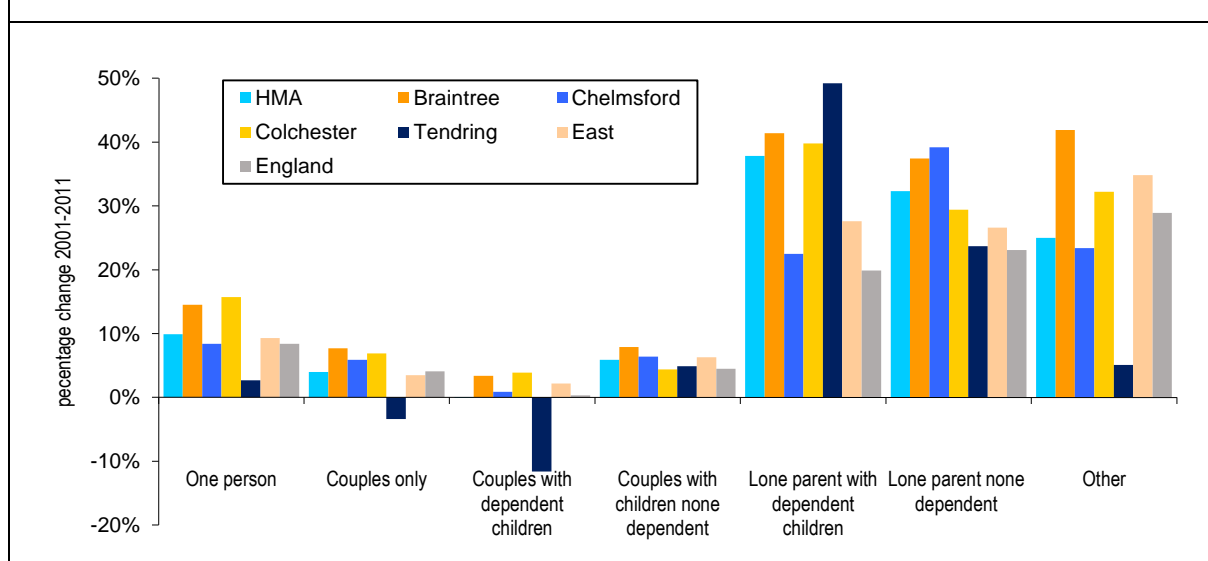
Source: 2001 & 2011 Census

Economy

2.17   Considerable data is available on the economic context in the HMA, which enables a profile of the current local economy to be presented.

Employment in the HMA

2.18   NOMIS[5] data on 'job density' (this is a measure of the number of jobs per person of working age) for 2013 shows that there are 0.75 jobs per working age person in the HMA, compared to 0.78 jobs per working age person across the East region, and 0.80 for England as a whole. The job density in the individual authorities are 0.62 in Braintree, 0.89 in Chelmsford, 0.81 in Colchester and 0.60 in Tendring. The HMA however, records an improvement in job density from 2009, during the recession, to 2013, (an increase from 0.71 to 0.78). Not all authorities within the HMA recorded an improvement in job density since 2009; it has increased in Chelmsford (from 0.83) and Tendring (from 0.56), remained the same in Colchester and decreased in Braintree (from 0.64).

2.19   Measured by the Office for National Statistics (ONS) Business Register and Employment Survey there were 242,800 employee jobs in the HMA in 2013. This is the highest level recorded since the data collection began in 2009, an increase of 1.8% over this period. This increase compares to an increase of 1.7% for the region and an increase of 2.0% nationally over the same time period. At the local authority level, Braintree recorded a decrease of 0.4% in employee jobs between 2009 and 2013, compared to an increase of 1.6% in Chelmsford, a rise of 2.7% in Colchester and a 3.1% growth in Tendring.

2.20   Data is also available from the ONS about the number of businesses in the area and how this has changed over the last few years (older data is not available as the format of the information collected changed in 2010). This can provide a good indication of the state of the economy as an increase in businesses would suggest either new companies moving to the area or an increase in local entrepreneurship.

2.21   The ONS indicates that in 2014 there were 22,885 enterprises across the HMA, with 6,025 located in Braintree, 6,770 in Chelmsford, 6,130 in Colchester and 3,960 in Tendring. A very similar proportion of enterprises are micro (with 9 or fewer employees) across the HMA (88.6%), compared with the East (88.9%) and England (88.3%).

Employment profile of residents in the HMA

2.22   Although the overall economic performance of the HMA provides important context, an understanding of the effect of the economic climate on the resident population is more pertinent to this study.

2.23   The Census provides an overview of the employment situation in the HMA in 2011. It shows that of all residents in work in the HMA (excluding those who are also students),

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[5] NOMIS is a website provided by the Office for National Statistics that contains a range of labour market data at a local authority level. www.nomisweb.co.uk

16.9% are self-employed, with 60.8% full-time employees and 22.9% part-time employees. The levels of part-time employment and self-employment are marginally higher than both the regional (16.2% and 22.1% respectively) and national averages (15.7% and 22.1%). Tendring records a particularly high level of self-employment (18.4% of residents in work) and part-time employees (26.6%), whereas self-employment is least common in Colchester (just 15.0%) and Chelmsford has the fewest part-time employees (21.8%).

2.24 Since the 2001 Census the number of part-time employees in the HMA has increased by 25.4%, and the number of full-time employees has risen by 1.3%. The number of self-employed residents in the HMA has increased by 20.6%.

2.25 The ONS publishes the number of people claiming Job Seekers Allowance on a monthly basis. This provides a very up-to-date measure of the level of unemployment of residents in an area. Figure 2.5 shows the change in the proportion of the working age population claiming Job Seekers Allowance in the HMA, since January 2007. The figure indicates that the overall HMA unemployment level, whilst fluctuating notably, has been consistently similar to the level for the East region and notably lower than the national level. Generally unemployment has been lowest in Chelmsford, although Braintree and Colchester record current unemployment levels similar to the City (1.0% in Colchester and 1.2% Braintree compared to 1.2% in Chelmsford in July 2015). The Tendring unemployment level has been consistently higher than the level for the East region and England as well as the other authorities in the HMA and is currently 2.1%.

2.26 Over the last twelve months unemployment has fallen dramatically in all areas (by 25.4% across the HMA, 29.1% in the East region and 28.9% in England as a whole). The same pattern has been recorded within the HMA; unemployment has decreased by 24.3% over the last 12 months in Braintree, by 17.7% in Chelmsford, by 35.7% in Colchester and by 23.6% in Tendring.

Figure 2.5 Level of unemployment in the HMA (2007-2015)
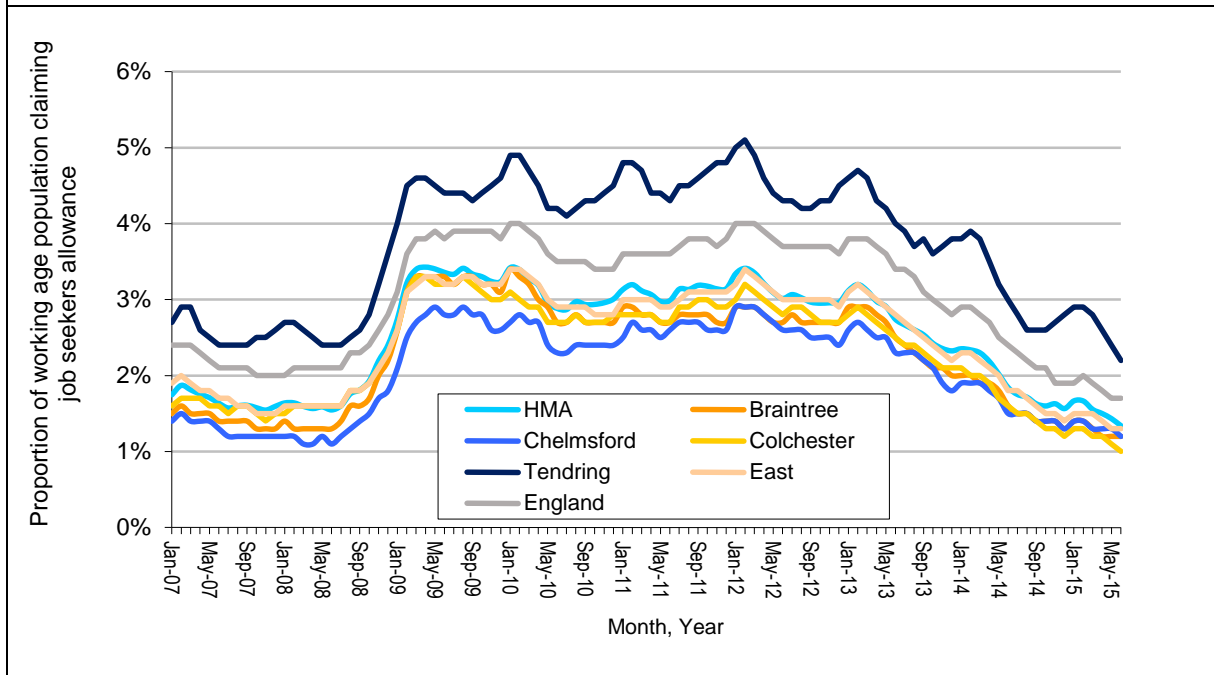
Source: ONS Claimant count

2.27 It is worth noting that the HMA has a low proportion of young people unemployed; 2.0% of 18 to 24 year olds in the HMA are unemployed compared to 1.9% at the regional level and 2.3% nationally. Tendring is the only authority within the HMA with a relatively high level of young people unemployed (3.5% compared to 2.2% in Braintree, 2.1% in Chelmsford and just 1.0% in Colchester). The level of long-term unemployed in the HMA (more than 12 months unemployed) is also low at 0.3% of the working age population, which compares to 0.3% in the East region and 0.5% for England.

2.28 The Census presents a 'Standard Occupation Classification' which categorises all working people resident within an area into one of nine groups depending on the nature of the skills that they use. These nine groups are graded from managerial jobs (Groups 1-3) to unskilled jobs (Groups 8-9). As Table 2.2 illustrates, some 40.9% of employed residents in the HMA work in Groups 1 to 3, identical to the figure for the East region and slightly lower than the national one. The HMA has a lower proportion of the workforce in occupation Groups 8 to 9 than is found regionally and nationally.

2.29 Chelmsford and Colchester both record a higher proportion of employed residents working in Groups 1 to 3 and a lower proportion in Groups 8 to 9 than the regional and national average, whilst the distribution in Braintree is very similar to the regional average. Tendring however, has a considerably lower than average proportion of employed residents working in Groups 1 to 3.

2.30 Further analysis shows that, since the 2001 Census, there has been a considerable increase in the number of people resident in the HMA employed within Groups 6 to 7 and a fall in those employed within Groups 8 and 9.

Table 2.2 Occupation structure							
Occupation Groups	HMA 2011	Braintree 2011	Chelmsford 2011	Colchester 2011	Tendring 2011	East 2011	England 2011
Group 1-3: Senior, Professional or Technical	40.9%	38.8%	46.2%	43.2%	31.5%	40.9%	41.1%
Group 4-5: Administrative, skilled trades	24.3%	25.9%	24.0%	22.5%	25.6%	23.9%	22.8%
Group 6-7: Personal service, Customer service and Sales	18.2%	17.5%	15.4%	18.8%	22.5%	17.2%	17.7%
Group 8-9: Machine operatives, Elementary occupations	16.6%	17.9%	14.3%	15.5%	20.3%	18.0%	18.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: 2011 Census

Qualifications

2.31   An important factor in the ability of any economy to grow is the level of skill of the workforce. Figure 2.6 shows the highest qualification level of the working-age residents of the HMA, compared to the regional and national equivalents as recorded in the 2011 Census. Level 1 qualification is the lowest (equivalent of any grade at GCSE or O-Level) and Level 4 the highest (undergraduate degree or higher). The data indicates that under a quarter (23.4%) of working-age residents in the HMA have no qualifications, similar to the figure for the East region and England (both 22.5%). The HMA has fewer residents with Level 4 or higher qualifications (at 23.9%) than the East region (25.7%) and England (27.4%). Within the HMA, Chelmsford and Colchester have a better than average qualified population, whilst Tendring has a lower and average. The profile in Braintree is slightly lower than that recorded for the HMA as a whole.

2.32   It is important to note however that, in the HMA, the proportion of working-age residents without qualifications has reduced since the 2001 Census (when 28.1% had no qualifications), and the proportion with Level 4 or higher qualifications has increased notably (from 16.4%).

Figure 2.6 Highest qualification level of residents in the HMA, the East region and England, 2011

Source: 2011 Census
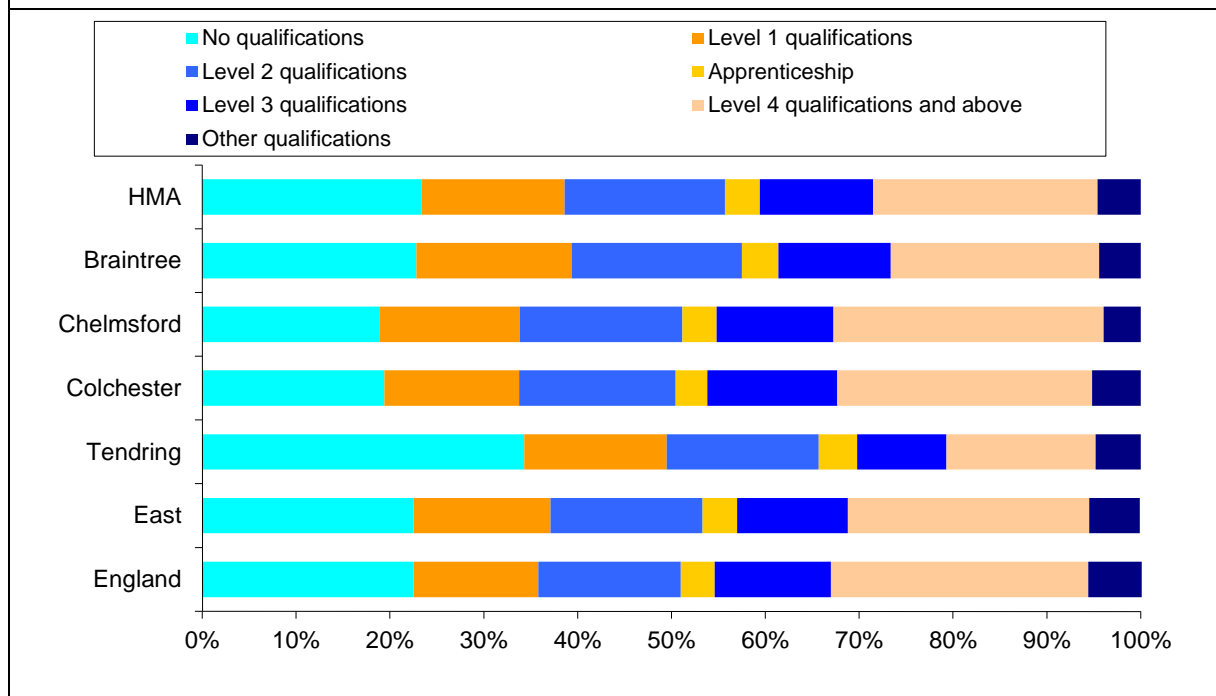
Income

2.33   Income has a core effect on the level of choice a household has when determining their future accommodation. The mean earned income for full-time employees resident in Braintree in 2014 was £34,476, according to the ONS Annual Survey of Hours and Earnings, whilst the equivalent figure for Chelmsford was £39,031, for Colchester it was £32,947 and for Tendring it was £28,116. In comparison, the regional figure was £34,185 and the national average was £32,765. It is important to note that these figures assess individual incomes rather than household incomes.

2.34   As Figure 2.7 shows, at all points on the distribution, annual gross income in Braintree is notably higher than the equivalent across the country. Lower quartile incomes in Tendring are higher than the national equivalents, but median and upper quartile incomes are below the figure for England, highlighting smaller differentiation between high and low earning people in the District than is typical nationally. Chelmsford records the biggest difference between lower and upper quartile incomes, suggesting a large distinction between high and low earning people in the City. In Colchester, the income at all points of the distribution is very close to the national equivalent.

2.35   It should be noted that the earnings of those residing in all four of the authorities within the HMA are much higher than those working within the HMA, reflecting that those commuting further to work tend to have higher incomes.

Figure 2.7 Annual gross income of full-time employed residents 2014

Source: ONS Annual Survey of Hours and Earnings (2014)
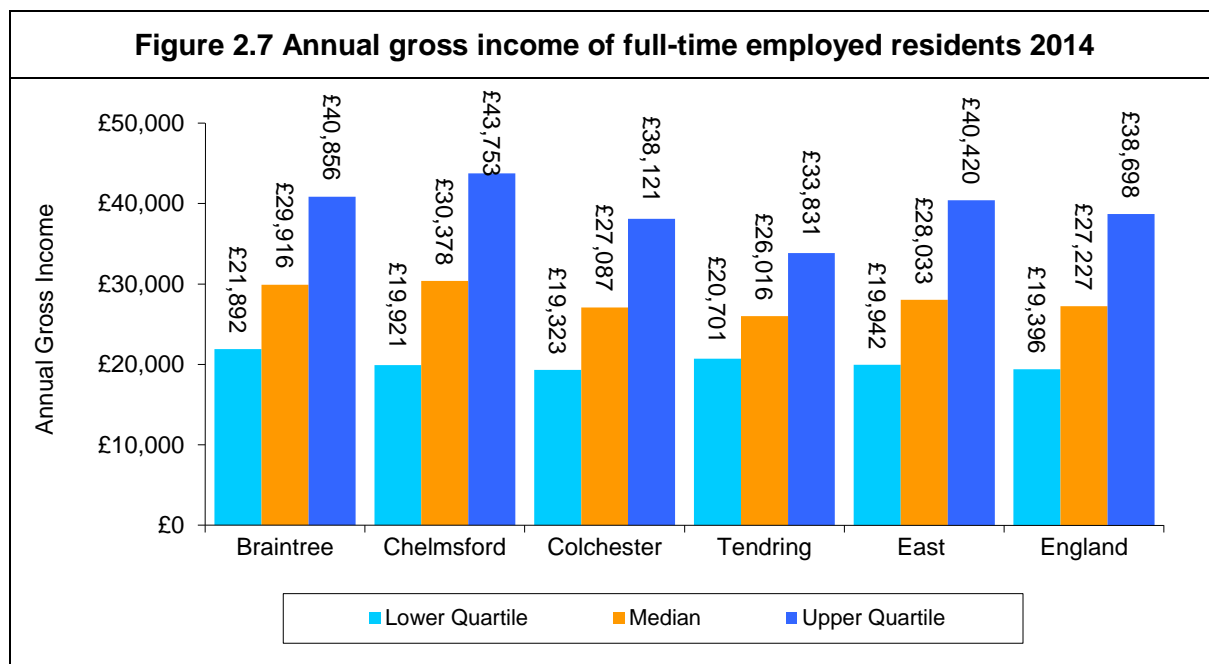
2.36   Figure 2.8 shows the change in the mean income of full-time employees resident in each authority in the HMA, the East region and England since 2008. Chelmsford has recorded the highest increase since 2008 within the HMA (at 15.7%) followed by Colchester (13.3%), Braintree (8.0%) and then Tendring (6.0%). The comparative regional and national figures are 8.5% across the East and 7.2% for England.

Figure 2.8 Change in mean annual income of full-time employed residents 2008-2014

Source: ONS Annual Survey of Hours and Earnings (2008-2014)
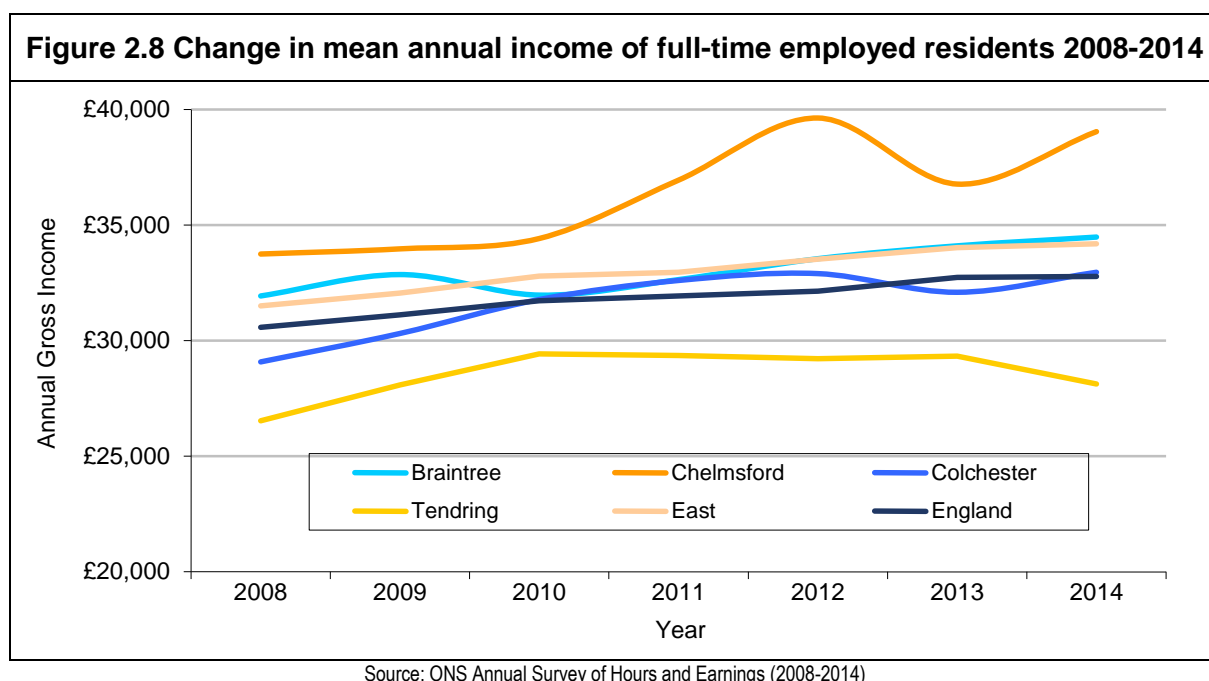
Household income

2.37   CACI Paycheck estimates that the mean gross annual household income in the HMA is £38,688, which is 1.0% below the regional equivalent (£39,071) and 5.6% above the

England & Wales figure (£36,636). The same data source indicates that the mean gross annual household income in Braintree is £41,078, whilst it is £45,204 in Chelmsford, £38,588 in Colchester and £29,071 in Tendring.

2.38 Figure 2.9 shows how household income at various points on the income distribution for each local authority and the HMA itself compares with the region-wide and national equivalents. The data indicates that households in Chelmsford are the most affluent in the HMA, followed by households in Braintree and then Colchester. Household incomes in Tendring are not only notably lower than the other authorities in the HMA but also lower than the national and regional averages.

Figure 2.9 Distribution of annual gross household income

Source: CACI Paycheck, 2015
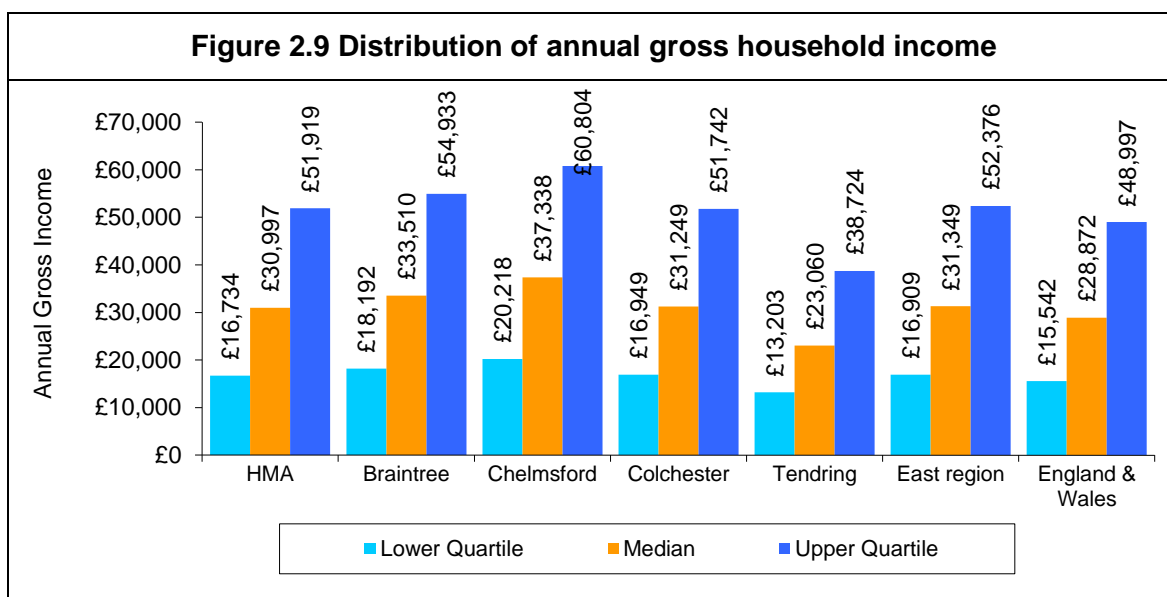
2.39 In December 2012, the CLG published data tracking economic and child income deprivation at neighbourhood level in England between 1999 and 2009. This showed that of the 326 authorities in England, Braintree was ranked the 176th worst for child income deprivation in 2009, with Chelmsford ranked 228th, Colchester ranked 155th and Tendring ranked 62nd. This suggests that pockets of poverty are likely to be a particular issue in Tendring.

Dwelling stock

2.40 The Census indicates that there were 275,417 dwellings in the HMA in 2011, and that since 2001 the number of dwellings has increased by 9.3%, over 23,300 properties. In comparison, the dwelling stock in the East region increased by 9.7% between the 2001 and 2011 Census, whilst the dwelling stock of England increased by 8.3%. Within the HMA, Colchester recorded the largest growth in dwellings (13.9%), followed by Braintree (12.2%), Chelmsford (8.0%) and Tendring (3.3%).

Accommodation profile

2.41 Figure 2.10 compares the type of accommodation in the HMA in 2011 with that recorded for the East region and England. The HMA contains more detached houses and fewer terraced dwellings than the regional and national averages. The most common property type across the HMA is detached houses followed by semi-detached dwellings. There are some notable differences within the HMA; almost a quarter of dwellings in Braintree are terraced houses, whilst they make no more than a fifth of the stock in the other three areas. Colchester and Chelmsford record notably more flats (20.1% and 17.7% respectively) than Braintree and Tendring (13.1% and 15.4% respectively). Some 39.6% of homes in Tendring are detached, a figure notably higher than in the other authority areas.

Figure 2.10 Dwelling type in the HMA, the East region and England, 2011

Source: 2011 Census
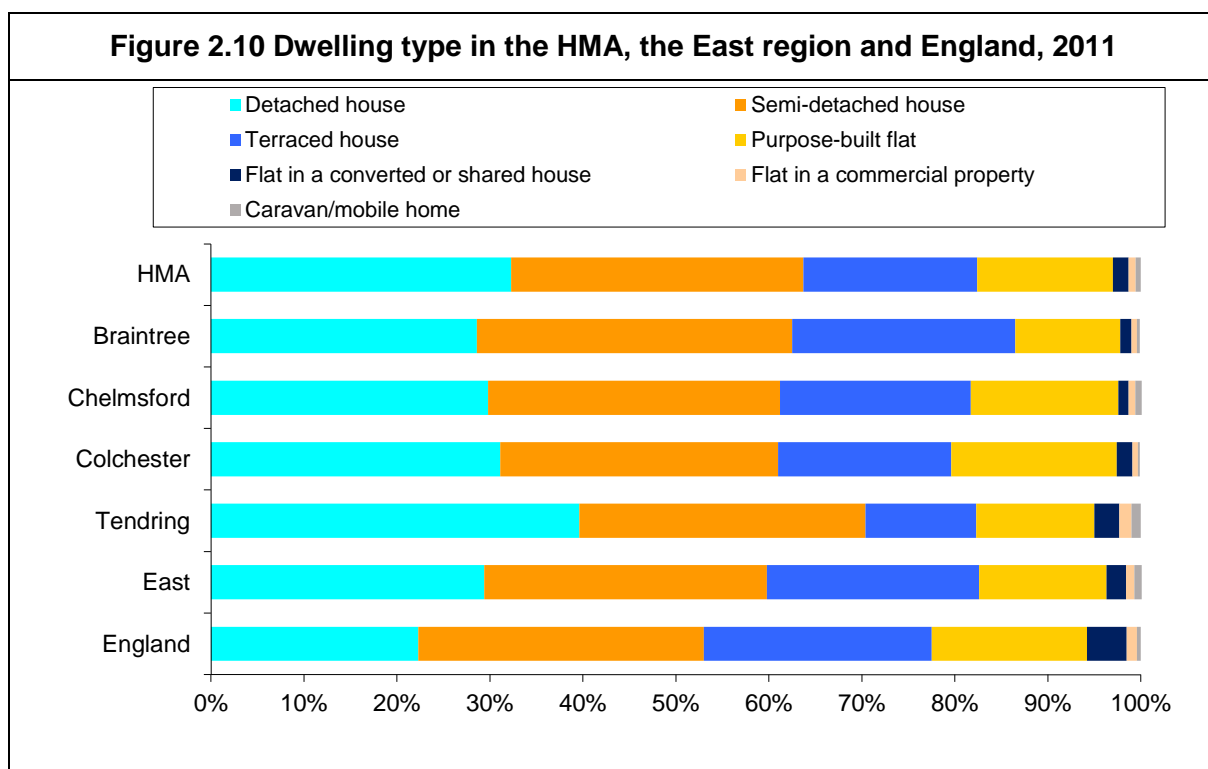
2.42 Since 2001 the number of purpose built flats has increased markedly in the HMA, by 37.9%. The change in the number of houses has been less notable, although terraced properties have recorded the biggest rise (8.9%), followed by semi-detached dwellings (4.9%) and detached homes (4.4%).

2.43 Table 2.3 compares the size of accommodation (in terms of bedrooms) in the HMA, the East region and England. The table indicates that Braintree has a greater proportion of large properties (four or more bedrooms) and fewer small homes (one or fewer bedrooms) than the East region and England as a whole. Overall, three bedroom homes account for almost 40% of all dwellings in the HMA. Within the HMA, Braintree records the lowest proportion of small dwellings and Tendring the lowest proportion of large homes.

Table 2.3 Size of dwelling stock in the HMA, the East region and England, 2011							
Property size	HMA 2011	Braintree 2011	Chelmsford 2011	Colchester 2011	Tendring 2011	East 2011	England 2011
No bedrooms	0.2%	0.2%	0.2%	0.3%	0.2%	0.2%	0.2%
1 bedroom	9.9%	8.4%	10.6%	10.7%	9.7%	10.4%	11.8%
2 bedrooms	28.4%	27.2%	22.1%	27.7%	37.6%	26.2%	27.9%
3 bedrooms	39.3%	41.0%	40.6%	39.4%	36.1%	41.4%	41.2%
4 bedrooms	17.2%	17.6%	20.9%	17.2%	12.7%	16.8%	14.4%
5 or more bedrooms	4.9%	5.6%	5.6%	4.8%	3.7%	5.1%	4.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: 2011 Census

2.44 The number of bedrooms in a property was not collected in the 2001 Census, however both the 2001 and 2011 Census recorded the total number of rooms in a dwelling. A comparison of the figures for the HMA shows that the number of larger dwellings has recorded the greatest rise; between 2001 and 2011 the number of properties with 8 or more rooms increased by 27.8% in the HMA and the number of homes with 7 rooms has increased by 19.5%. In contrast the number of homes with five rooms decreased by 1.5%. There was also a notable increase in the number of smaller dwellings, with the number of properties with two rooms increasing by 23.3% in the HMA.

Tenure

2.45 Figure 2.11 compares the tenure of households in the HMA in 2011 with that recorded for the East region and England. The data indicates that 35.1% of households in the HMA are owner-occupiers without a mortgage, compared to 32.9% in the region and 30.6% nationally. The proportion of owner-occupiers with a mortgage in the HMA (35.8%) is also higher than the regional (35.4%) and national average (33.6%). Some 12.9% of households in the HMA are resident in the social rented sector, lower than the figure for the East region (15.7%) and England as a whole (17.7%). Finally, some 15.1% of households in the HMA live in private rented accommodation, compared to 14.7% in the East and 16.8% across England. Within the HMA, Tendring records by far the largest level of owner-occupiers with no mortgage (44.6%) and a very small social rented stock (8.4%), Braintree records the largest social rented sector (16.5%) and the lowest level of owner-occupiers with no-mortgage (30.5%). Colchester records the largest private rented sector amongst the authorities of the HMA (18.7%), whilst Chelmsford has the greatest proportion of households resident in owner-occupied with mortgage homes (39.8%).

Figure 2.11 Tenure profile in the HMA, the East region and England, 2011

Legend:
- Owner-occupied (no mortgage)
- Owner-occupied (with mortgage)*
- Council
- RSL
- Private rented
- Living rent free

(Categories shown for: HMA, Braintree, Chelmsford, Colchester, Tendring, East, England)

Source: 2011 Census *Includes shared ownership
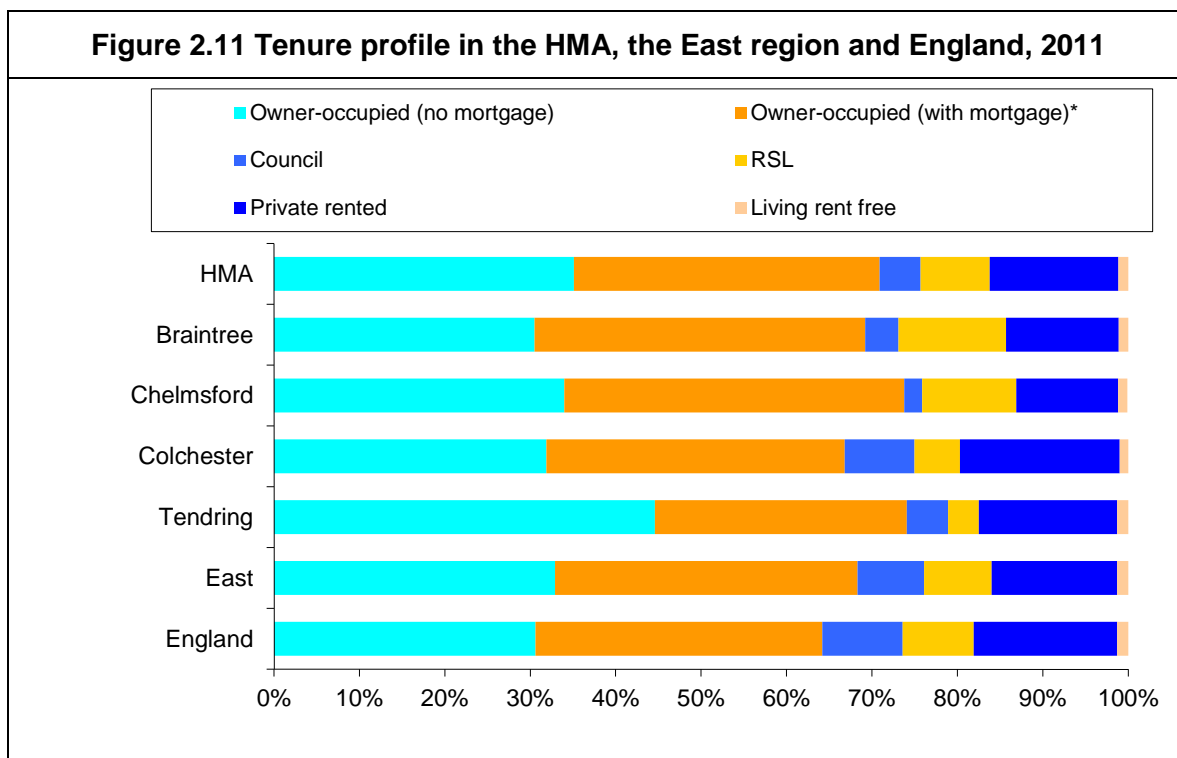
2.46   Figure 2.12 shows the change in the size of each tenure between the 2001 and 2011 Census. The figure shows that in all areas the private rented sector has increased dramatically and the number of owner-occupiers with no mortgage has also grown. In comparison, the number of owner-occupiers with a mortgage has decreased. The social rented sector has generally shown the smallest change.

Figure 2.12 Change in number of households in each tenure 2001 to 2011

Legend: HMA, Braintree, Chelmsford, Colchester, Tendring, East, England

Owner-occupied (no mortgage): 14.5%, 27.7%, 21.1%, 18.2%, 0.3%, 16.4%, 13.0%

Owner-occupied (with mortgage)*: -9.1%, -4.7%, -11.2%, -6.6%, -14.1%, -8.5%, -8.4%

Social rent: 0.0%, -3.2%, 9.2%, -0.7%, -6.9%, 3.2%, -0.9%

Private rent: 93.9%, 121.9%, 91.9%, 96.7%, 74.5%, 81.2%, 82.4%

*Includes shared ownership. Source: 2001 & 2011 Census
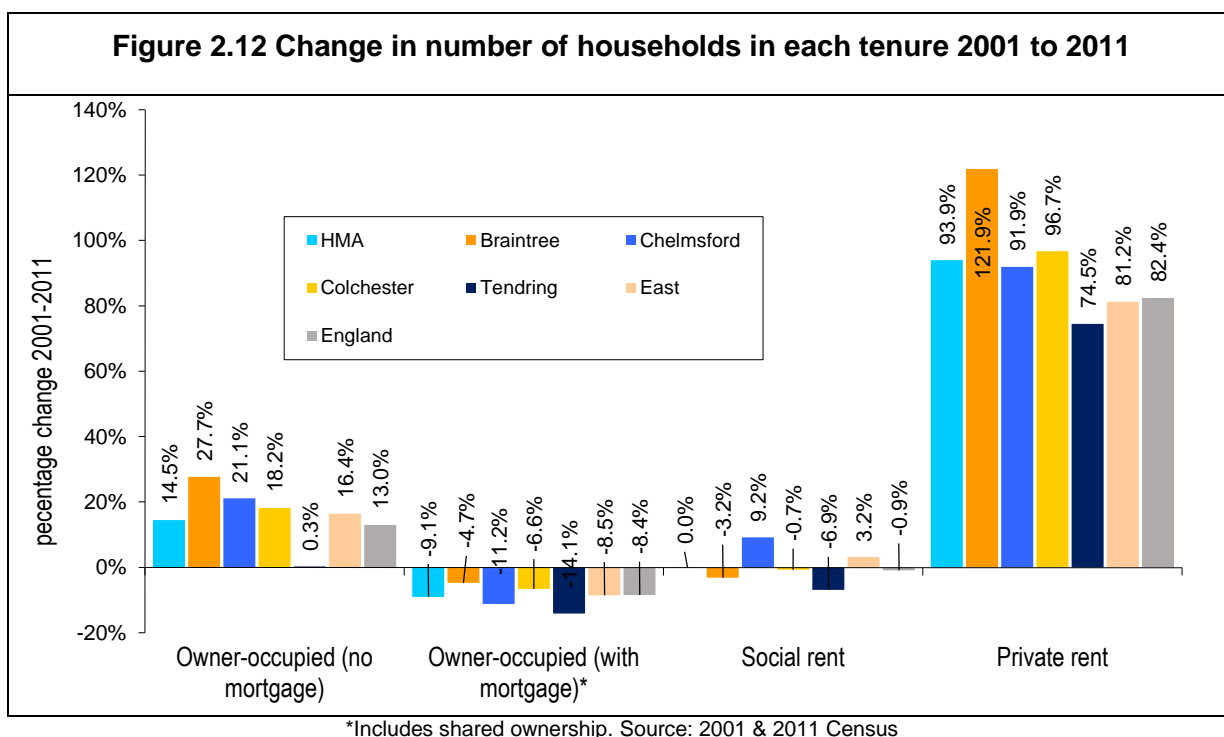
2.47   It should be noted that whilst the owner-occupied (with mortgage) sector has decreased, the number of shared ownership properties has increased, rising by 7.8% between 2001 and 2011 in the HMA.

Tenure by bedroom

2.48   Finally it is useful to understand the size of accommodation within each tenure as recorded in the 2011 Census. This is shown in Figure 2.13. The data indicates that, in the HMA, rented accommodation is smaller on average than owned dwellings. This figure is replicated for the constituent authorities of the HMA within the appendices to this report.

Figure 2.13 Dwelling size within each tenure in the HMA, 2011
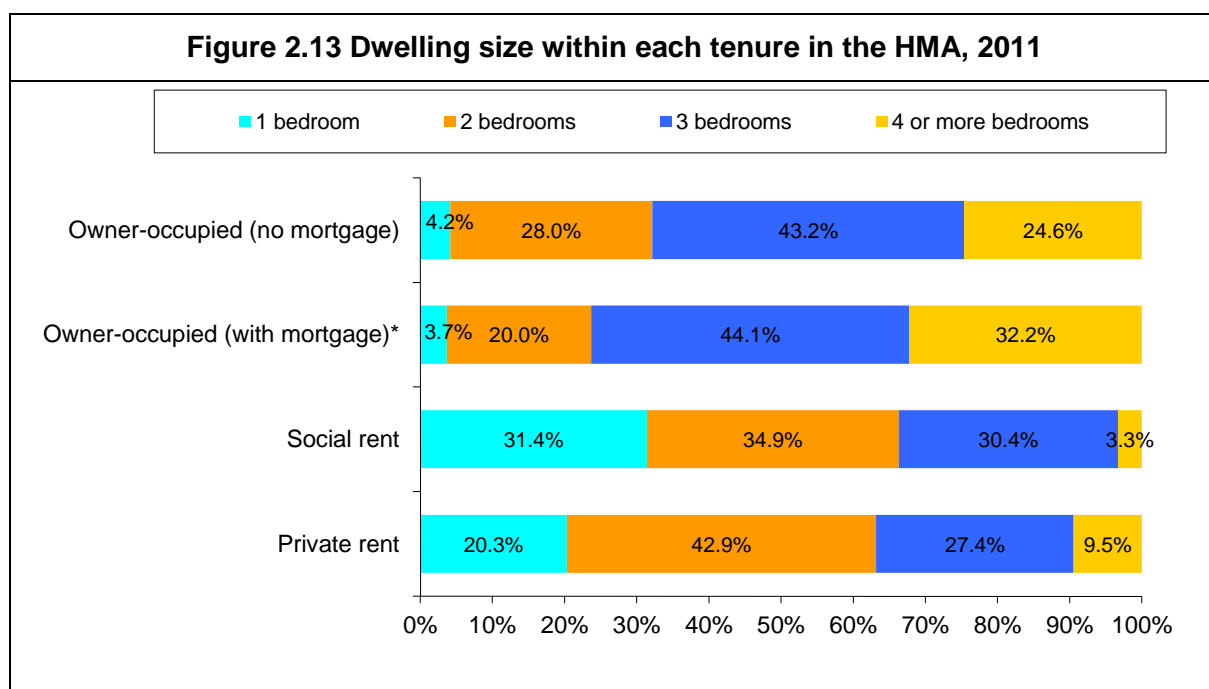
Source: 2011 Census *Includes shared ownership

3. The cost and affordability of housing

Introduction

3.1   An effective housing requirements study is founded on a thorough understanding of local housing – what it costs and how this varies. This chapter describes the changes in the housing market that have been recorded in the HMA. Subsequently, it assesses the entry-level costs of housing across the different price markets in operation. A comparison of the cost of different tenures will be used to identify the housing market gaps that exist. Finally the chapter will report changes in affordability as well as the affordability of housing for different groups of the population currently.

Relative prices

3.2   Recent house price data from the Land Registry, from the second quarter of 2015, is presented for the four authorities in the HMA, Essex and England & Wales as a whole in Table 3.1. The prices recorded for the second quarter of 2010 are also presented and the change in mean price over the last five years is shown.

3.3   The table indicates that the average price of dwellings in Chelmsford in Quarter 2 2015 is higher than both the County and national average, whilst the average price of homes in Colchester and Braintree is just below the national average. Average prices in Tendring are notably lower than all other areas presented. The table also shows that between 2010 and 2015 average prices have increased fastest in Colchester, with price rises in Braintree and Chelmsford being below the County-wide average, but above the national figure. The increase in Tendring of 9.5% was lower than the national average of 10.4% as well as the figure for Essex as a whole.

Table 3.1 Change in mean property prices 2010-2015			
Location	*Mean price Apr- Jun 2010*	*Mean price Apr- Jun 2015*	*Percentage change recorded 2010-2015*
Braintree	£216,582	£245,839	13.5%
Chelmsford	£265,444	£298,242	12.4%
Colchester	£204,097	£240,690	17.9%
Tendring	£173,337	£189,733	9.5%
Essex	£243,155	£283,301	16.5%
England & Wales	£230,940	£255,051	10.4%

Source: Land Registry

3.4   Figure 3.1 shows the change in mean property price in each Council area in the HMA since the second quarter of 2010. The figure shows that prices in Braintree and Chelmsford are more variable than prices in Colchester and Tendring.

Figure 3.1 Change in mean price since 2010 by area
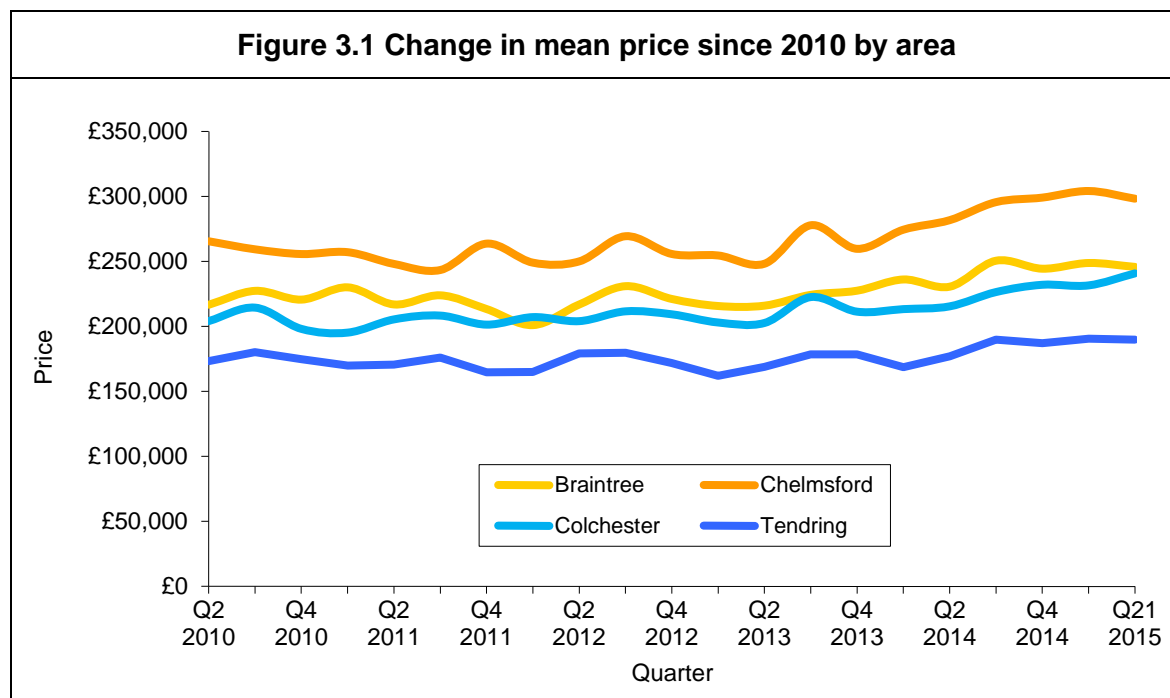
Source: Land Registry

3.5 Figure 3.2 shows the change in the number of property sales since the second quarter of 2010 for the Council areas in the HMA. The figure suggests that whilst Colchester records the highest level of sales every quarter, the pattern in each local authority follows the same seasonal fluctuations.

Figure 3.2 Indexed change in sales in the authorities of the HMA since 2010
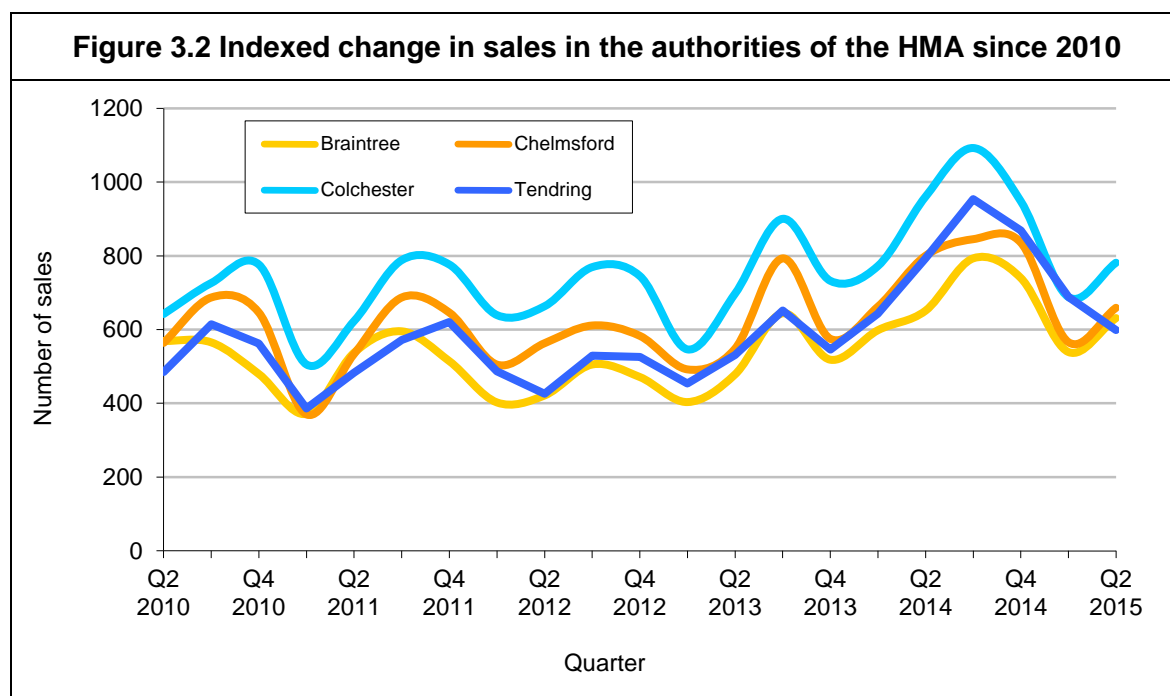
Source: Land Registry

3.6 It is useful to briefly review housing market activity over a longer period to consider influences on property price changes. Figure 3.3 shows the variation in mean prices and

property sales levels since 2005 in Braintree. The data suggests that property prices remained relatively stable over the last ten years despite property sales declining dramatically for part of that period (summer 2007 to summer 2009). Figures 3.3 to 3.6 repeat this analysis for the other three authorities in the HMA.

Figure 3.3 Changes in prices and sales levels in Braintree over the past 10 years
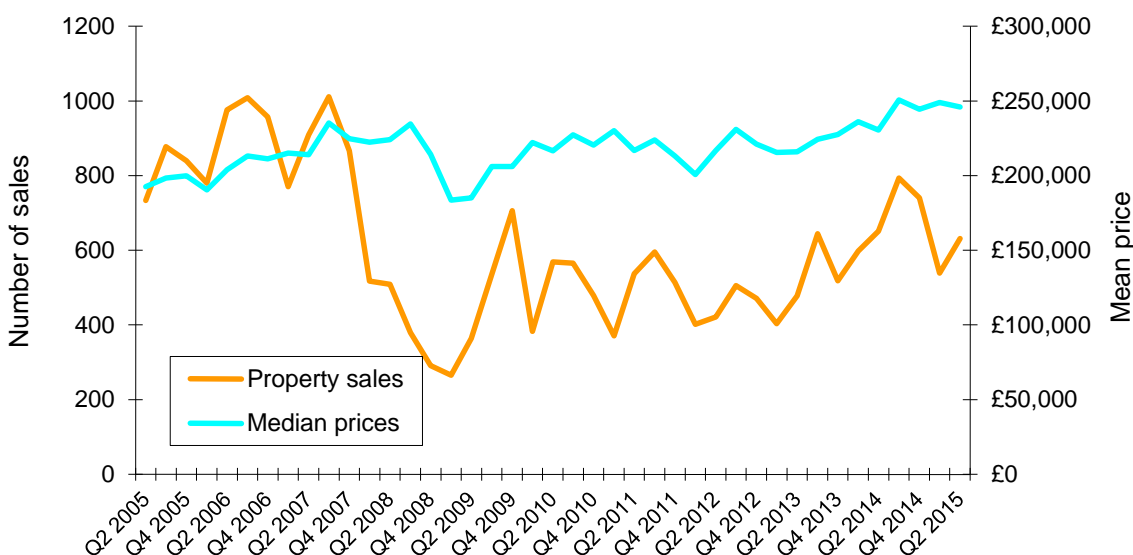
Source: Land Registry

Figure 3.4 Changes in prices and sales levels in Chelmsford over the past 10 years
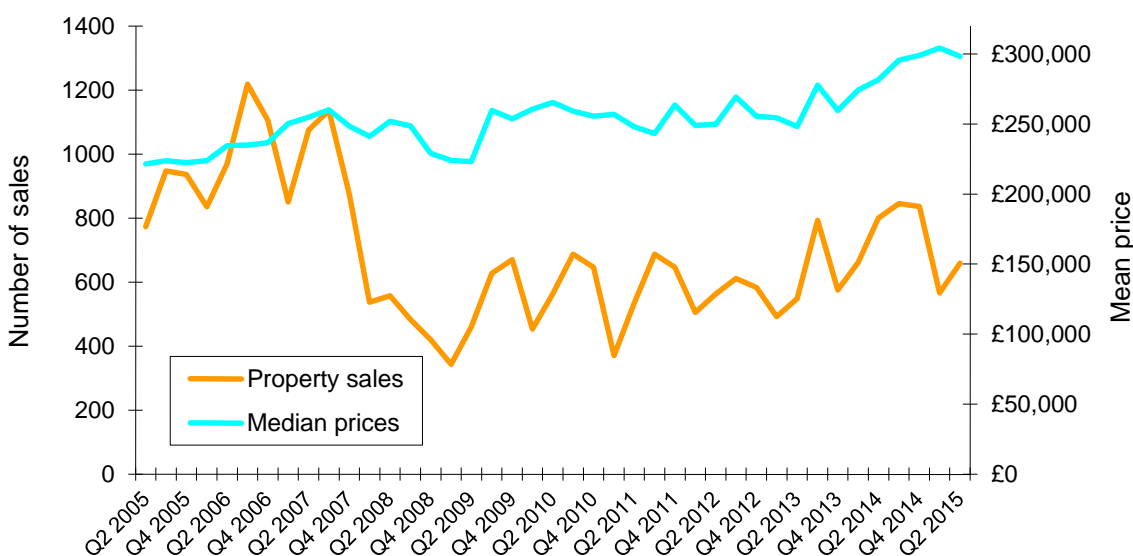
Source: Land Registry

Figure 3.5 Changes in prices and sales levels in Colchester over the past 10 years
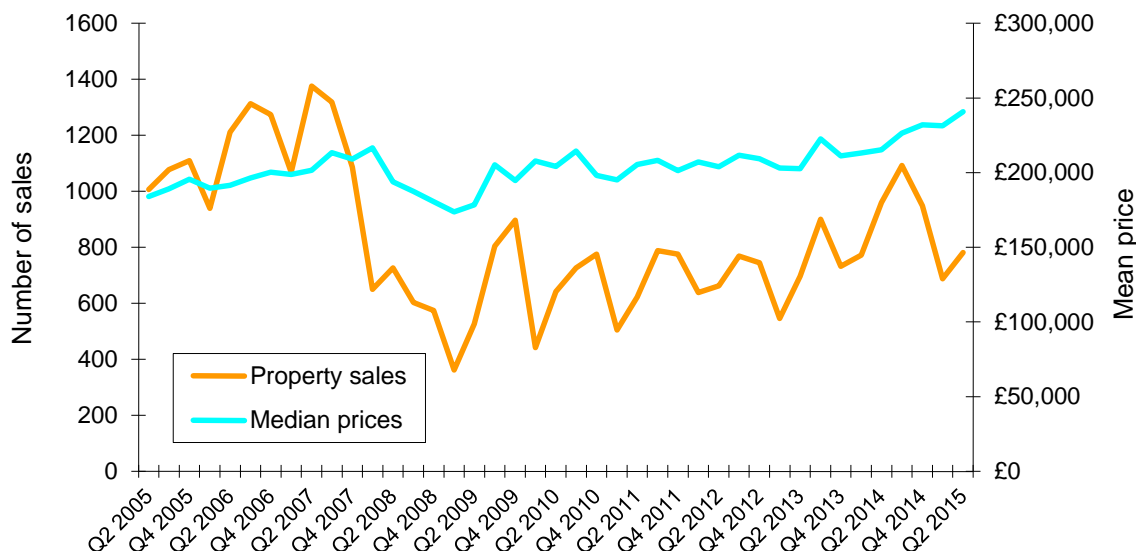
Source: Land Registry

Figure 3.6 Changes in prices and sales levels in Tendring over the past 10 years
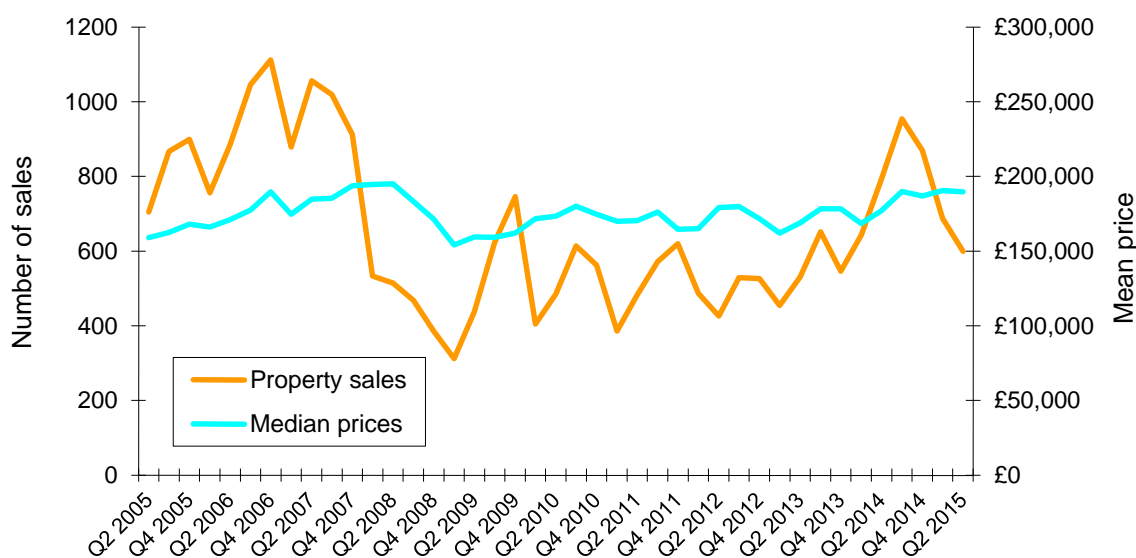
Source: Land Registry

The cost of housing

3.7   To fully understand the affordability of housing within an area, it is necessary to collect data on the cost of housing by number of bedrooms. This ensures that it is possible to assess the ability of households to afford market housing of the size required by that particular household. However, no secondary data contains this information. As part of this

study we have therefore undertaken a price survey to assess the current cost of market (owner-occupied and private rented) and affordable housing in the HMA area.

3.8 Variations in prices across the Council areas were examined and it was established the price markets identified in the previous SHMA work undertaken in each local authority area still applied. In total there were found to be 5 in Braintree, 5 in Chelmsford, 8 in Colchester and 8 in Tendring. Further detail on these price markets can be found in the appendices to this report, alongside the price and rent levels. The analysis presented in this chapter will focus on the price level across each local authority as a whole. Median property prices by number of bedrooms were obtained in each local authority area via an online search of properties advertised for sale during September 2015. The results of this online price survey are presented in Figure 3.7. The prices recorded include a discount to reflect that the full asking price is not usually achieved (with sales values typically 5% lower in Tendring and 3% lower in the rest of the HMA).

3.9 The figure shows that prices are highest in Chelmsford and lowest in Tendring. In Braintree and Chelmsford the difference between two and three bedroom homes is smallest, whilst in Tendring and Colchester the smallest difference is between one and two bedroom homes. In terms of market availability the analysis showed that three bedroom properties are most commonly available to purchase in all the Local Authorities except Colchester, where two bedroom homes are most widely available. In all Council areas, one bedroom homes (including one bedroom flats) are most scarce.

Figure 3.7 Median property prices by size and local authority

Source: Online estate agents survey September 2015
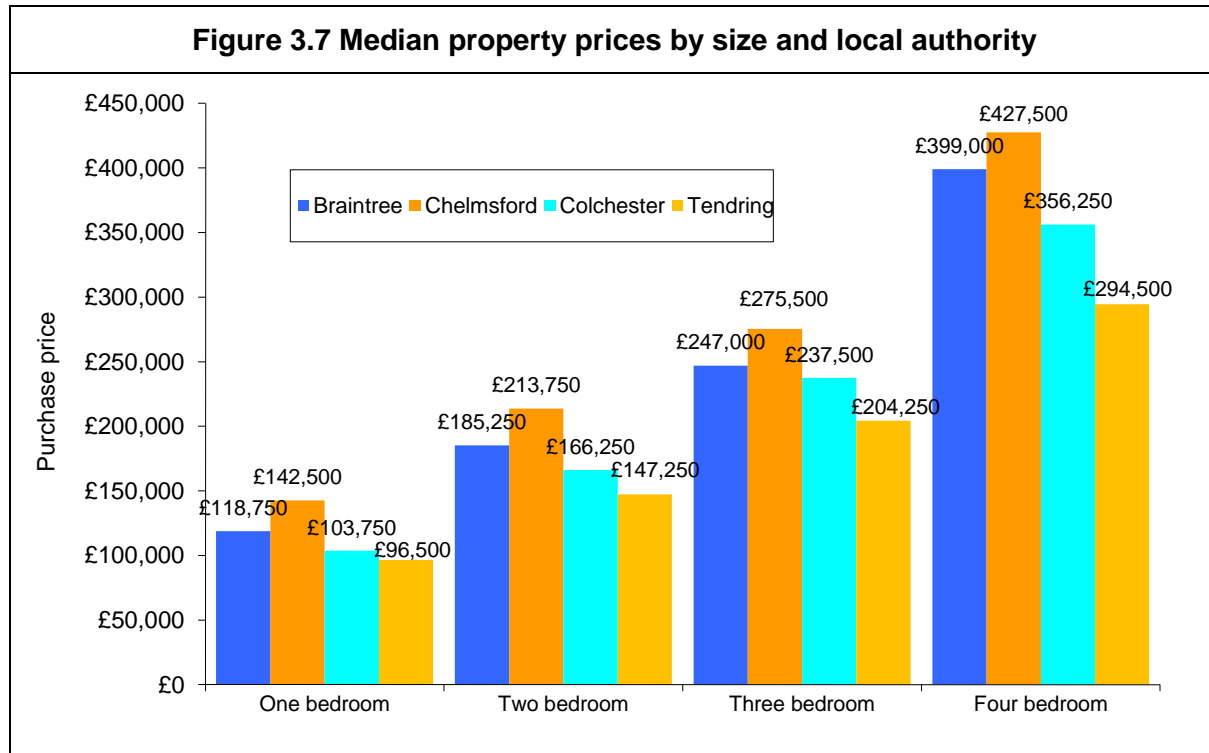
3.10 The online survey also collected information at different points of the price distribution. Entry-level property prices for each price market are presented in Figure 3.8. In

accordance with the PPG, entry-level prices are based on lower quartile prices (paragraph 025 Reference ID: 2a-025-20140306). There was almost universal agreement amongst stakeholders that the lower quartile was the appropriate point on the distribution to represent the entry-level cost in the HMA. The figure indicates that entry-level prices range from £79,750 for a one bedroom home in Tendring, up to £342,000 for a four bedroom property in Chelmsford.

Figure 3.8 Entry-level property prices by size and local authority
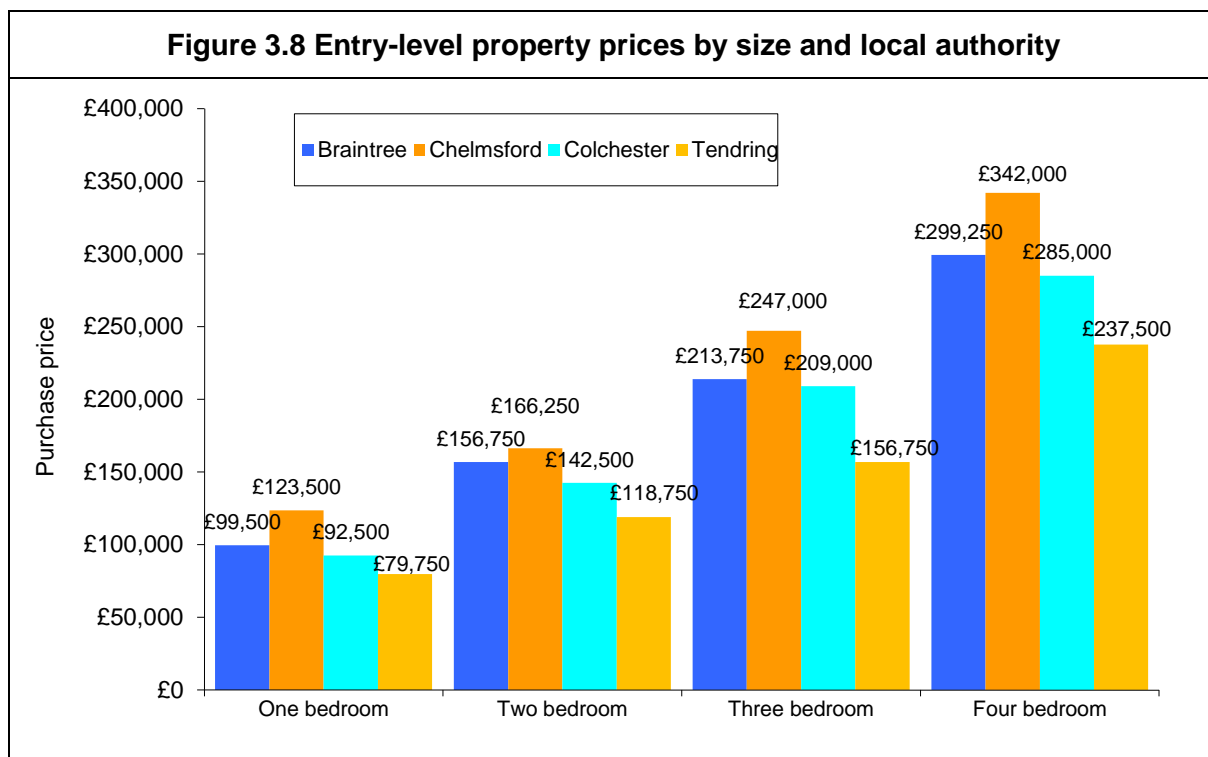
Source: Online estate agents survey September 2015

Private rents

3.11   Whilst private rent levels vary by local authority across the HMA, the distinction between the areas is less marked than with owner-occupation, reflecting that location is not as important a determinant in rent levels as condition and situation (i.e. the neighbourhood, the access and other very local factors) of the property. The median price for private rented accommodation by property size in each local authority is presented in Figure 3.9. The figure shows that the smallest difference is between the cost of one and two bedroom homes in all local authority areas. The difference between the cost of three and four bedroom accommodation is less marked in the private rented sector than for owner-occupation. In addition, the profile of properties available is somewhat different to that for purchase with a greater proportion of one and two bedroom homes available to rent in all Council areas.

Figure 3.9 Median private rents by size and local authority

Source: Online estate agents survey September 2015
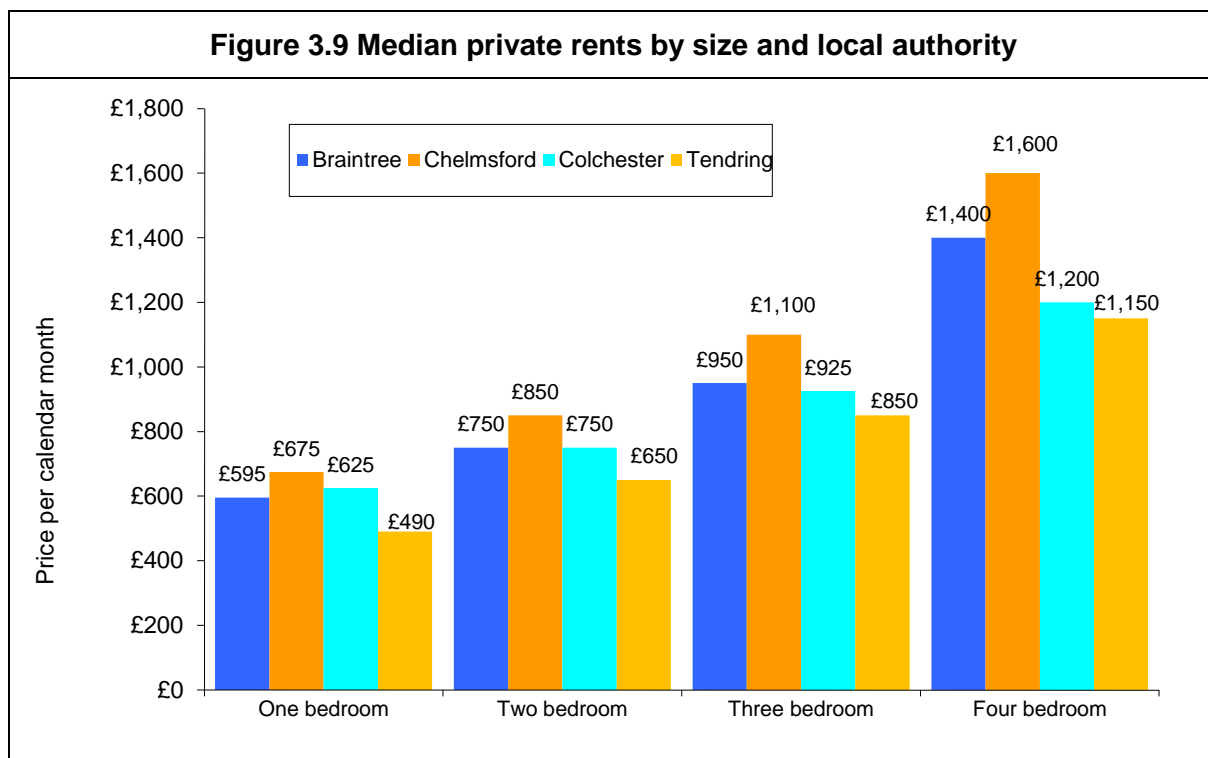
3.12   Entry-level private rents for each price market are presented in Figure 3.10. The figure indicates that entry-level rents in the HMA range from £450 per month for a one bedroom home in Tendring up to £1,315 per month for a four bedroom property in Chelmsford.

Figure 3.10 Entry-level private rents by size and local authority

Source: Online estate agents survey September 2015
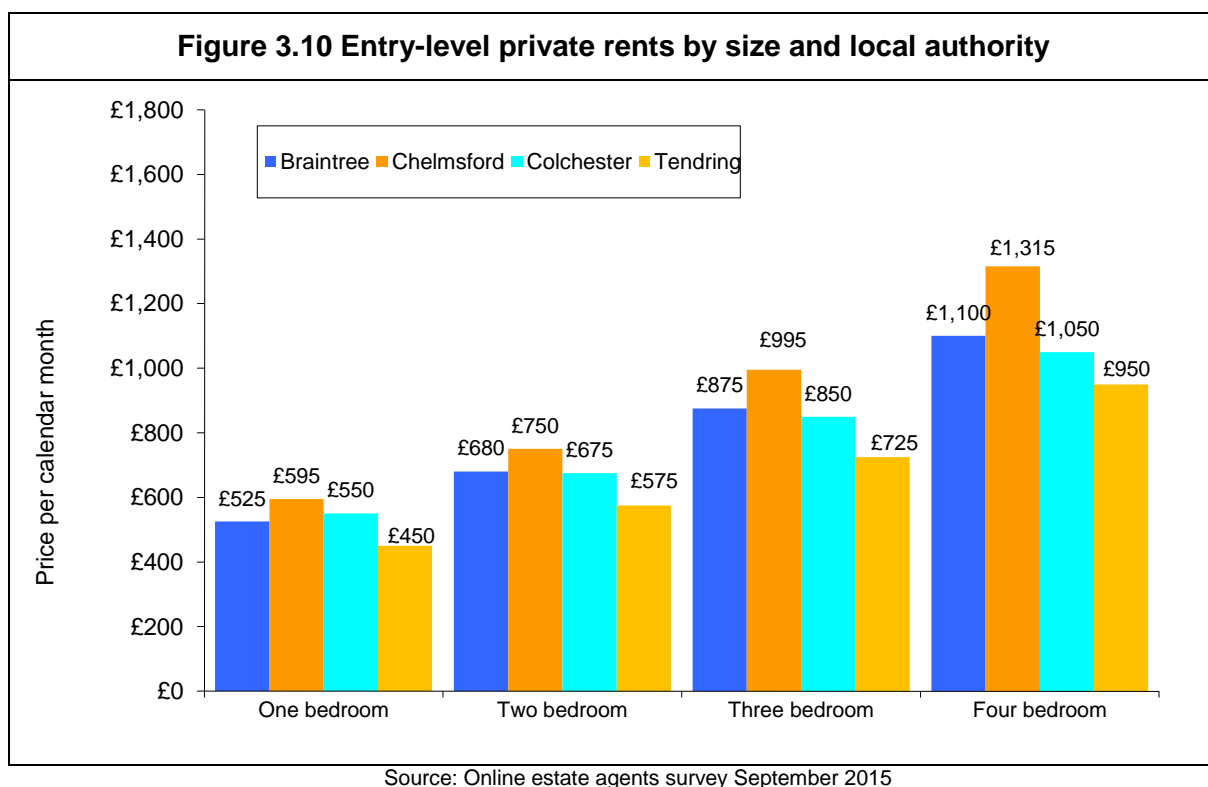
Social rents

3.13   The cost of social rented accommodation by dwelling size in each Council area can be obtained from the Homes & Communities Agency's Statistical Data Return dataset for the RSL sector and from the Local Authority Housing Statistics data return for the Council sector. Table 3.2 below illustrates the cost of social rented dwellings across each local authority in the HMA. As can be seen, the costs are significantly below those for private rented housing, particularly for larger homes, indicating a significant potential gap between the social rented and market sectors.

Table 3.2 Social rented costs (per month)				
Bedrooms	*Braintree*	*Chelmsford*	*Colchester*	*Tendring*
One bedroom	£338	£386	£334	£346
Two bedrooms	£396	£452	£391	£391
Three bedrooms	£431	£510	£448	£443
Four bedrooms	£500	£594	£524	£520

Source: HCA's Statistical Data Return 2014, Councils LAHS 2015

Affordable Rent

3.14   Affordable Rent is a relatively new product that has been introduced to reduce the requirement for capital subsidy for affordable accommodation. It is within the definition of affordable housing in the NPPF and is intended to house households on the Housing Register. It is not an intermediate product, but a new form of affordable housing for rent that coexists with the existing Social Rent tenure. Whilst there remain long-standing tenancies on social rent, the majority of new rented affordable accommodation in the HMA is as affordable rent; both re-lets from the existing stock and new affordable rented accommodation added to the stock. Due to its different cost level, detail will be presented on its relative affordability in comparison with social rent where this is possible (in Chapter 5). Affordable Rents can be set at up to 80% of open market rents, implying there is flexibility as to what they may cost.

3.15   The Homes & Communities Agency (HCA)'s Statistical Data Return details the Affordable Rent levels charged in each local authority in the HMA and these are set out in Table 3.3. A comparison with median market rents indicates that Affordable Rent levels are around 65% to 75% of market rents in the HMA.

Table 3.3 Affordable Rent costs (per month)				
Bedrooms	*Braintree*	*Chelmsford*	*Colchester*	*Tendring*
One bedroom	£416	£468	£384	£370
Two bedrooms	£511	£563	£496	£474
Three bedrooms	£673	£606	£641	£580
Four bedrooms	£731	£642	£758	£747

Source: HCA's Statistical Data Return 2014

Intermediate products

3.16 A range of intermediate options are available for households in the HMA, the costs of these are profiled below.

Shared ownership

3.17 Table 3.4 presents the estimated costs of shared ownership housing in the HMA as obtained from the online estate agent survey. The open market values are based on new build prices at the time of the estate agent survey. The monthly costs of purchasing the property with a 30% equity share is presented as stakeholders indicated that this is the most commonly available option. The monthly costs are based on a 25-year repayment mortgage with an interest rate of 5.69% paid on the equity share owned and a rent payable at 3.0% on the remaining equity, both of which figures were indicated as prudent by stakeholders. It is assumed that a deposit of 10% is required to acquire the housing.

3.18 The table shows that shared ownership is more expensive than market entry housing for three and four bedroom homes in Braintree and Tendring, four bedroom homes in Colchester and two, three and four bedroom homes in Chelmsford. In the other instances it is cheaper than market housing and can be considered an affordable product. Only in those instances in which shared ownership is cheaper than market-entry will it be considered for its suitability for meeting those in housing need in Chapter 5. Analysis of its wider potential demand from households currently in the private rented sector is considered at the end of this chapter.

Discounted home ownership

3.19 Discounted home ownership is based on selling a home for a proportion of the market value with no residual rent to pay. However, the equity level owned is capped and any future re-sale will be at the same proportion of the agreed price. In the HMA area the typical proportion of market value sold is 80%. The Government has recently announced its 'starter homes initiative' whereby the Government is offering concessions for housebuilders who construct new homes specifically to be sold as discount market houses (with a discount of at least 20%) for first-time buyers under 40 years old. The discounted price of these homes should be no more than £250,000 outside the London are.

3.20   Table 3.4 presents the estimated costs of discounted home ownership in the HMA. These are based on the same open market values as were used for shared ownership. The monthly costs are based on a 25-year repayment mortgage with an interest rate of 4.49% paid on the equity share owned. A lower interest rate than was used for the shared ownership model has been applied, to reflect that mortgage providers have less restrictions on the rates available within a more conventional ownership product than they do for shared ownership options – therefore lower rates are likely to be accessed by households hoping to obtain a discounted market house.

Table 3.4 Estimated cost of intermediate housing (monthly cost)					
	Braintree				
Bedrooms	Open market value	Shared ownership cost	Discount home ownership cost	Entry-level private rent	Entry-level owner-occupation
One bedroom	£150,000	£489	£666	£525	£552
Two bedrooms	£205,000	£669	£911	£680	£870
Three bedrooms	£275,000	£897	£1,222	£875	£1,187
Four bedrooms	£425,000	£1,387	£1,888	£1,100	£1,662
	Chelmsford				
Bedrooms	Open market value	Shared ownership cost	Discount home ownership cost	Entry-level private rent	Entry-level owner-occupation
One bedroom	£180,000	£587	£800	£595	£686
Two bedrooms	£250,000	£816	£1,111	£750	£924
Three bedrooms	£315,000	£1,028	£1,400	£995	£1,372
Four bedrooms	£475,000	£1,550	£2,111	£1,315	£1,900
	Colchester				
Bedrooms	Open market value	Shared ownership cost	Discount home ownership cost	Entry-level private rent	Entry-level owner-occupation
One bedroom	£140,000	£457	£622	£550	£514
Two bedrooms	£195,000	£636	£866	£675	£792
Three bedrooms	£260,000	£848	£1,156	£850	£1,161
Four bedrooms	£390,000	£1,272	£1,733	£1,050	£1,583
	Tendring				
Bedrooms	Open market value	Shared ownership cost	Discount home ownership cost	Entry-level private rent	Entry-level owner-occupation
One bedroom	£125,000	£408	£556	£450	£443
Two bedrooms	£170,000	£555	£756	£575	£660
Three bedrooms	£225,000	£734	£1,000	£725	£871
Four bedrooms	£320,000	£1,044	£1,422	£950	£1,319

Source: Online estate agents survey, September 2015

3.21   Discounted home ownership with an 80% share is more expensive than entry-level market accommodation (generally private rent) and shared ownership accommodation. It is also more expensive than entry-level home ownership, with the exception of three bedroom homes in Colchester. It is also worth noting that the price at which four bedroom discounted home ownership properties would be for sale (at 80% the value of new build home ownership) would exceed the cap of £250,000 in all four authorities. As it costs more than market accommodation it will not be considered for its suitability for meeting those in housing need in Chapter 5, however analysis of its potential demand from households currently in the private rented sector is considered at the end of this chapter.

Local Housing Allowance

3.22   Local Housing Allowance (LHA) has been brought in to replace Housing Benefit outside of the Social Rented sector. It is designed to make up the shortfall in people's ability to pay for their housing. Households unable to afford all of their rent are entitled to LHA to make up the difference so long as the rent does not exceed the LHA cap for the Broad Rental Market Area (BRMA) in which the claim is made as determined by the Valuation Office Agency. Table 3.5 sets out the monthly LHA caps that apply in the HMA, which is covered by four different BRMAs.

3.23   A comparison with the Affordable Rent levels in the HMA (set out in Table 3.3) indicates that the local Affordable Rents are currently cheaper than the LHA caps across the HMA, with the exception of three bedroom Affordable Rents in Braintree, which are more expensive than the three bedroom LHA cap in the part of the District within the Bury St Edmunds BRMA. A comparison with the cost of entry-level private rent indicates that the LHA cap is around 80% of this cost in most of the HMA, and at around 95% of the cost of entry-level private rent in Tendring.

Table 3.5 Local Housing Allowance Cap (per month)					
Bedrooms	*Chelmsford BRMA**	*Colchester BRMA***	*Bury St Edmunds BRMA****	*Cambridge BRMA*****	*South West Essex BRMA******
Shared room	£299	£281	£278	£349	£275
One bedroom	£546	£449	£443	£546	£556
Two bedrooms	£657	£573	£547	£610	£699
Three bedrooms	£803	£698	£652	£730	£816
Four bedrooms	£1,005	£886	£936	£945	£1,155

*The Chelmsford authority area excluding the most southern part which is within the South West Essex BRMA and the south west part of the Braintree authority area. **The whole Colchester authority area and the whole Tendring authority area and the eastern part of the Braintree authority area. ***The north eastern corner of the Braintree authority area. ****The north western corner of the Braintree authority area. *****The most southerly part of Chelmsford covering Runwell and the part of the authority area with a Southend-on-Sea postcode.   Source: Valuation Office Agency 2015

3.24   It is worth noting that during the Spending Review on 25th November 2015, the Government announced that housing benefit within the social rented sector, including the

Shared Accommodation Rate for single claimants aged under 35 without dependent children, is to be capped at the relevant LHA rates for new tenants.

Analysis of housing market 'gaps'

3.25   Housing market gaps analysis has been developed to allow comparison of the costs of different tenures. Figures 3.11 to 3.14 show the housing ladder that exists for different sizes of property in each local authority area. The housing ladder is illustrated by comparing the different types of housing in terms of their monthly cost. The monthly cost for entry-level and newbuild owner-occupation are based on a 25-year repayment mortgage with an interest rate of 4.49%.

3.26   The figures show a comparison of the monthly cost for different types of housing. Measurement of the size of the gaps between these 'rungs of the ladder' helps assess the feasibility of households moving between the tenures - the smaller the gaps, the easier it is for a household to ascend the ladder.

Figure 3.11 Monthly cost of housing in Braintree, by number of bedrooms

Source: Online survey of property prices September 2015, HCA's Statistical Data Return 2014, Councils LAHS 2015
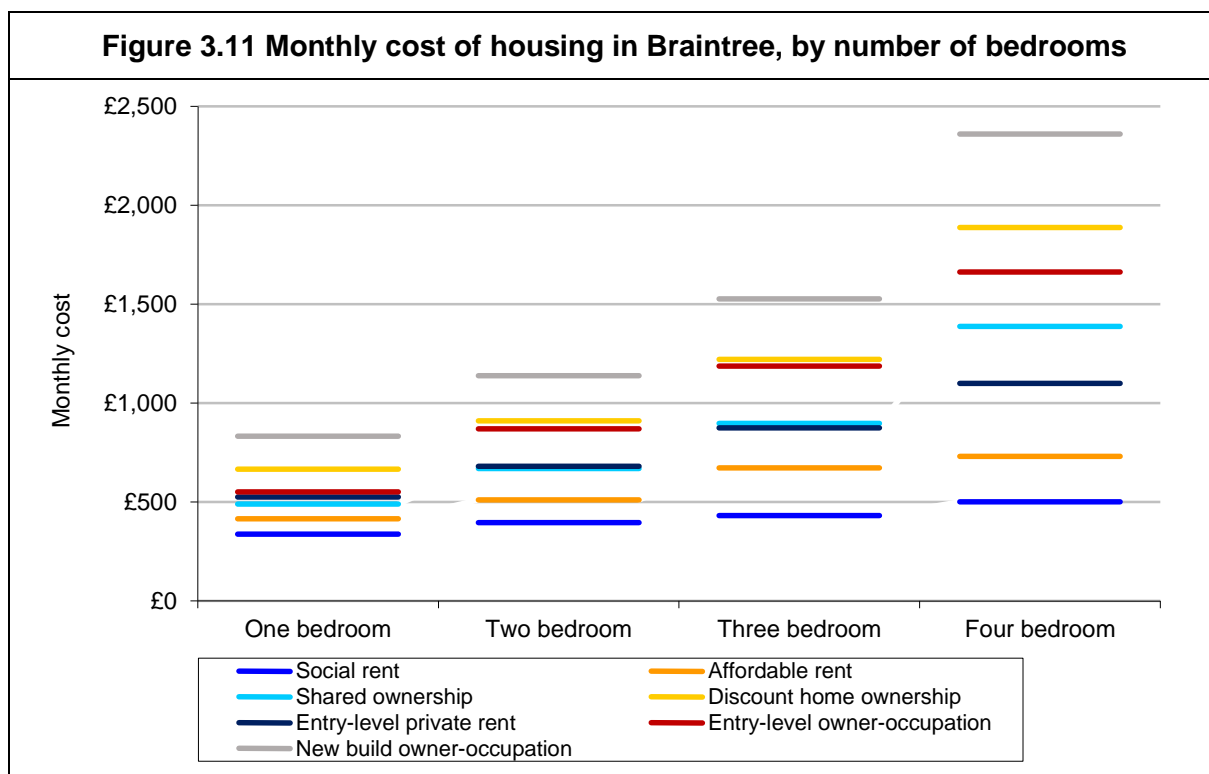
Figure 3.12 Monthly cost of housing in Chelmsford, by number of bedrooms
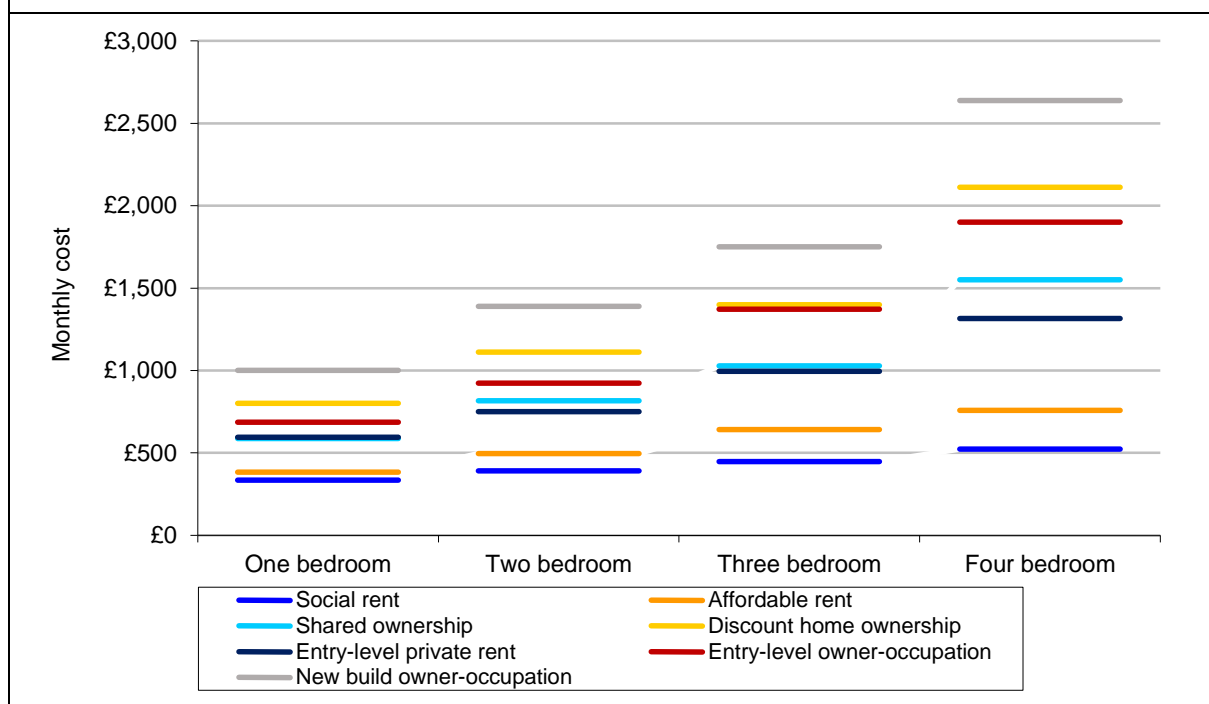
Source: Online survey of property prices September 2015, HCA's Statistical Data Return 2014, Councils LAHS 2015

Figure 3.13 Monthly cost of housing in Colchester, by number of bedrooms
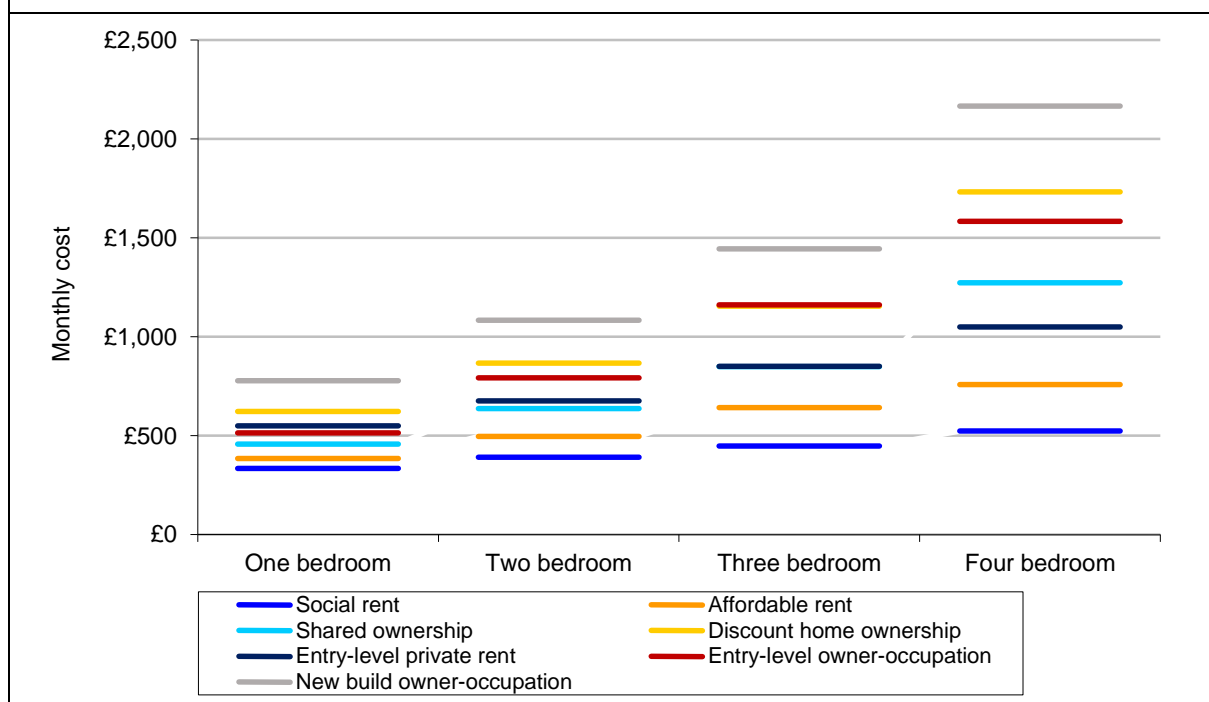
Source: Online survey of property prices September 2015, HCA's Statistical Data Return 2014, Councils LAHS 2015

Figure 3.14 Monthly cost of housing in Tendring, by number of bedrooms

Source: Online survey of property prices September 2015, HCA's Statistical Data Return 2014, Councils LAHS 2015
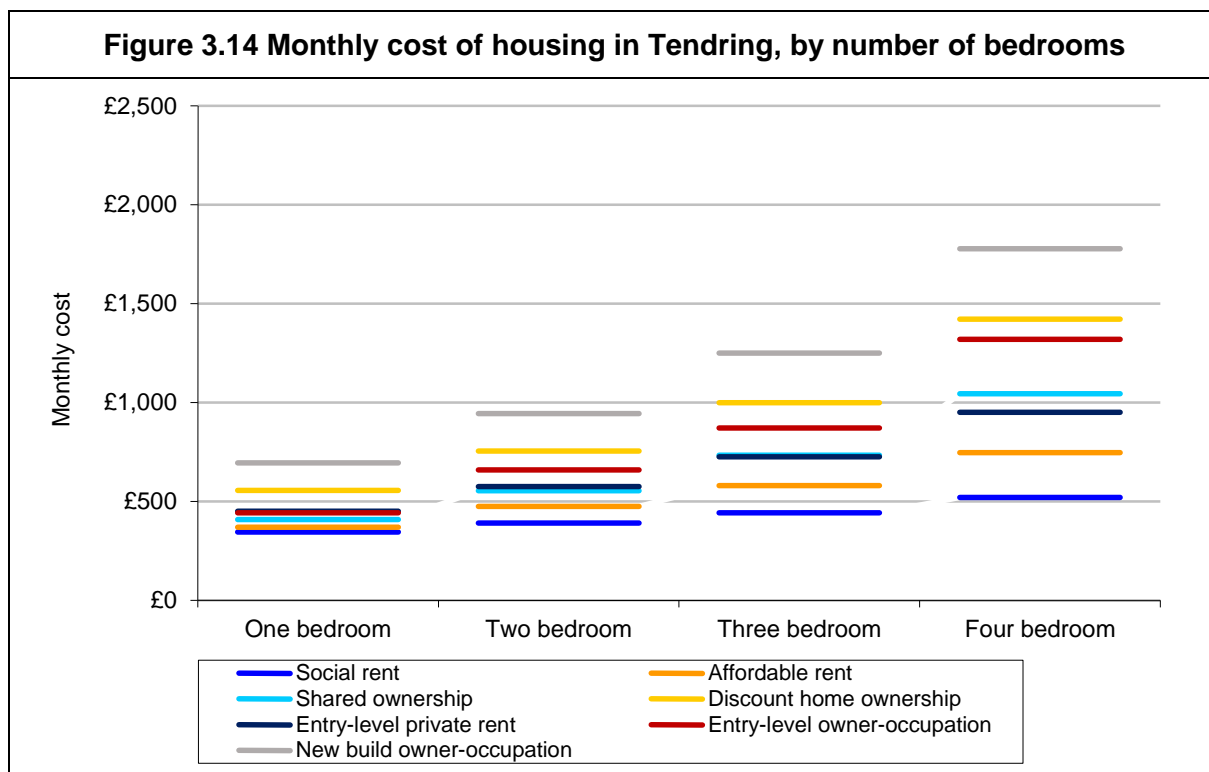
3.27   Table 3.6 shows the size of the gaps between the three key housing costs in a housing market; affordable rent, entry-level private rent and entry-level owner-occupation. This information is shown for each dwelling size in each local authority in the HMA. The table indicates, for example, that two bedroom market entry rents are 36.2% higher (in terms of monthly cost) than the cost of affordable rented accommodation in Colchester.

3.28   The very notable gap recorded between affordable rents and market entry rents for all dwelling sizes indicates that intermediate housing could potentially be useful for a number of households if it is suitably priced. The analysis of the existing intermediate options presented above however shows that only a small number of shared ownership dwellings fall within this gap. It therefore may be necessary to develop some alternative intermediate products to fully meet the potential need for housing within this gap.

Table 3.6 Scale of key housing market gaps		
Braintree		
Property size	*Affordable rent/entry-level rent*	*Entry-level rent/entry-level purchase*
One bedroom	26.2%	5.1%
Two bedrooms	33.0%	27.9%
Three bedrooms	30.1%	35.7%
Four bedrooms	50.4%	51.1%
Chelmsford		
Property size	*Affordable rent/entry-level rent*	*Entry-level rent/entry-level purchase*
One bedroom	54.9%	15.3%
Two bedrooms	51.3%	23.1%
Three bedrooms	55.2%	37.9%
Four bedrooms	73.5%	44.5%
Colchester		
Property size	*Affordable rent/entry-level rent*	*Entry-level rent/entry-level purchase*
One bedroom	43.2%	-6.6%
Two bedrooms	36.2%	17.3%
Three bedrooms	32.6%	36.6%
Four bedrooms	38.6%	50.8%
Tendring		
Property size	*Affordable rent/entry-level rent*	*Entry-level rent/entry-level purchase*
One bedroom	21.7%	-1.5%
Two bedrooms	21.3%	14.7%
Three bedrooms	25.0%	20.1%
Four bedrooms	27.1%	38.9%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Affordability of housing

3.29   Assessing the affordability of market housing in an area is crucial to understanding the sustainability of the housing market.

3.30   The affordability of housing in an area is measured by the ratio of market housing costs to income in that area. Initially the general authority-wide entry-level cost of market housing will be compared to different points on the earnings distribution of residents in the area to consider affordability in historical terms. This will be followed by an analysis that assesses the ability of households in the HMA to afford market accommodation of the size they

require, using data on the household income distribution and the household composition in each council area.

General affordability

3.31   Figures 3.15 to 3.18 show the lower quartile, median and upper quartile income of full-time workers in each local authority (as set out in Chapter 2) multiplied by 3.5 (the income multiple typically used by mortgage lenders) compared to lower quartile prices in each Council area. The figures show that full-time workers with earnings at the upper-quartile level in Colchester and Tendring would just be able to purchase an entry-level property in the authority, whilst those with earnings at the upper-quartile level in Braintree and Chelmsford would not be able to purchase.

3.32   In all areas full-time workers with earnings at the lower quartile or median level would require substantial additional income or a capital sum to deduct from the purchase price to be able to afford a lower quartile property in the HMA. It is clear that affordability theoretically improved immediately after the economic downturn (discounting the greater difficulty of acquiring a mortgage) and the affordability gap has reduced slightly since a peak in 2007.

Figure 3.15 Earnings compared with lower quartile prices in Braintree

Source: Land Registry via CLG; Annual Survey of Hours and Earnings
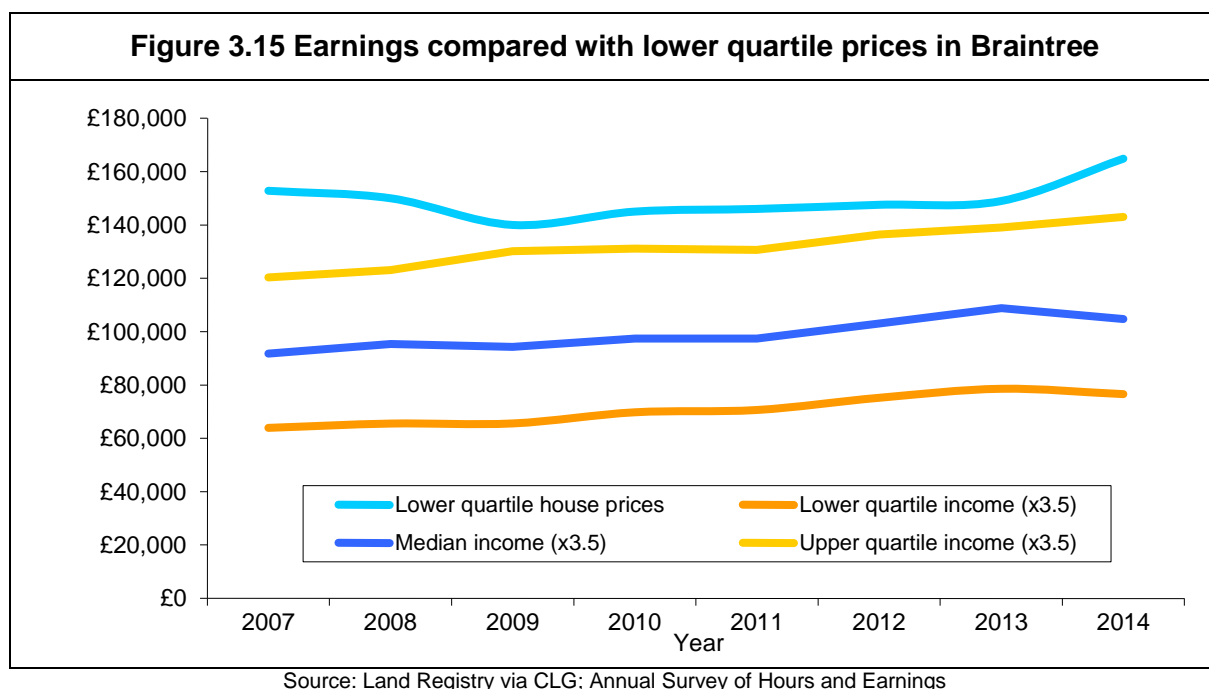
Figure 3.16 Earnings compared with lower quartile prices in Chelmsford
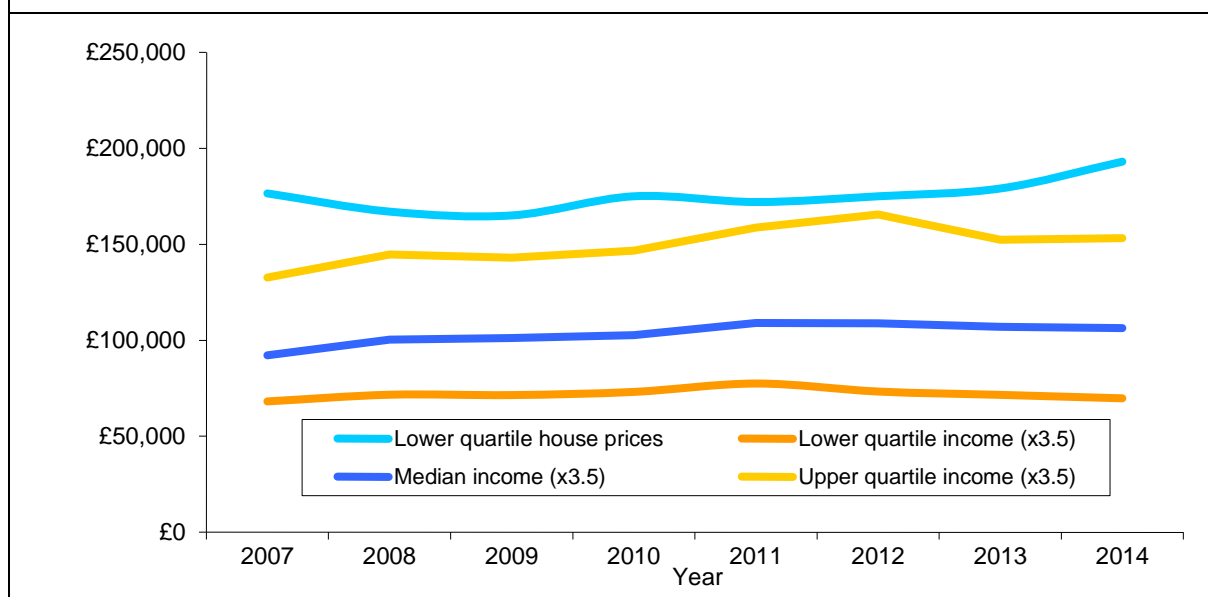
Source: Land Registry via CLG; Annual Survey of Hours and Earnings

Figure 3.17 Earnings compared with lower quartile prices in Colchester
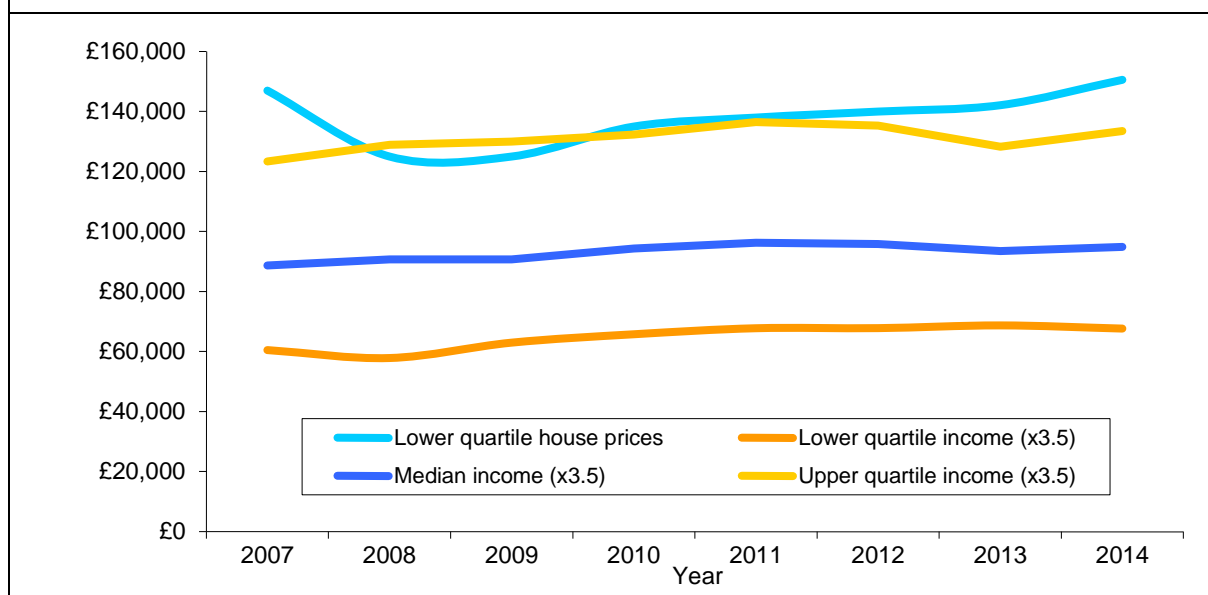
Source: Land Registry via CLG; Annual Survey of Hours and Earnings

Figure 3.18 Earnings compared with lower quartile prices in Tendring
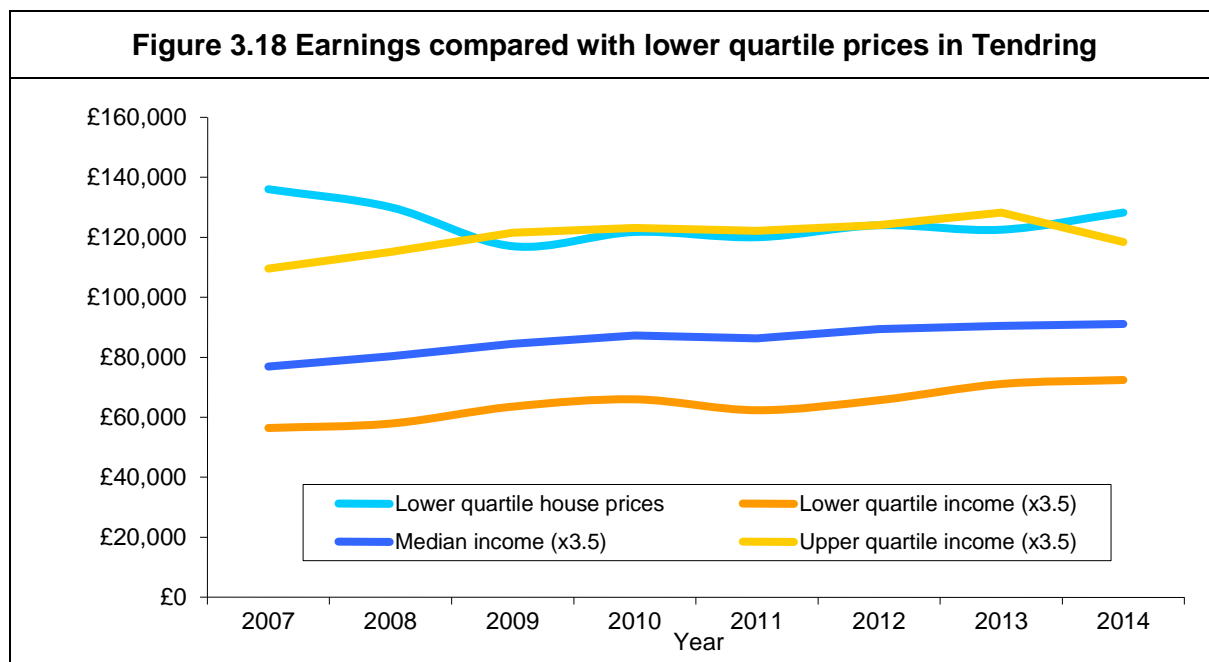
Source: Land Registry via CLG; Annual Survey of Hours and Earnings

Specific theoretical affordability

3.33 The household income distribution referred to in Figure 2.9 differentiated by household type can be used to assess the ability of households in each authority to afford the size of home that they require (according to the bedroom standard). The entry-level cost of housing by bedroom size is presented in Figures 3.8 and 3.10 and the test is based on the affordability criteria discussed above.

3.34 Figure 3.19 shows the current affordability of households in each local authority area by household type and number of bedrooms required. This is the theoretical affordability of households, as the analysis considers all households regardless of whether the household intends to move.

3.35 The data indicates that 49.4% of lone parent households in Braintree would be unable to afford market housing (if they were to move home now), as would 40.7% of lone parent households in Chelmsford, 43.3% of lone parent households in Colchester and 46.2% of lone parent households in Tendring. Single non-pensioner households are also relatively unlikely to be able to afford, whilst couple households without children are most likely to be able to afford market housing in Colchester and Tendring, with couple households with children most likely to be able to afford in Chelmsford and Braintree. Households requiring a four bedroom home are least likely to be able to afford this size market housing in all parts of the HMA.

Figure 3.19 Theoretical affordability of market housing in the HMA
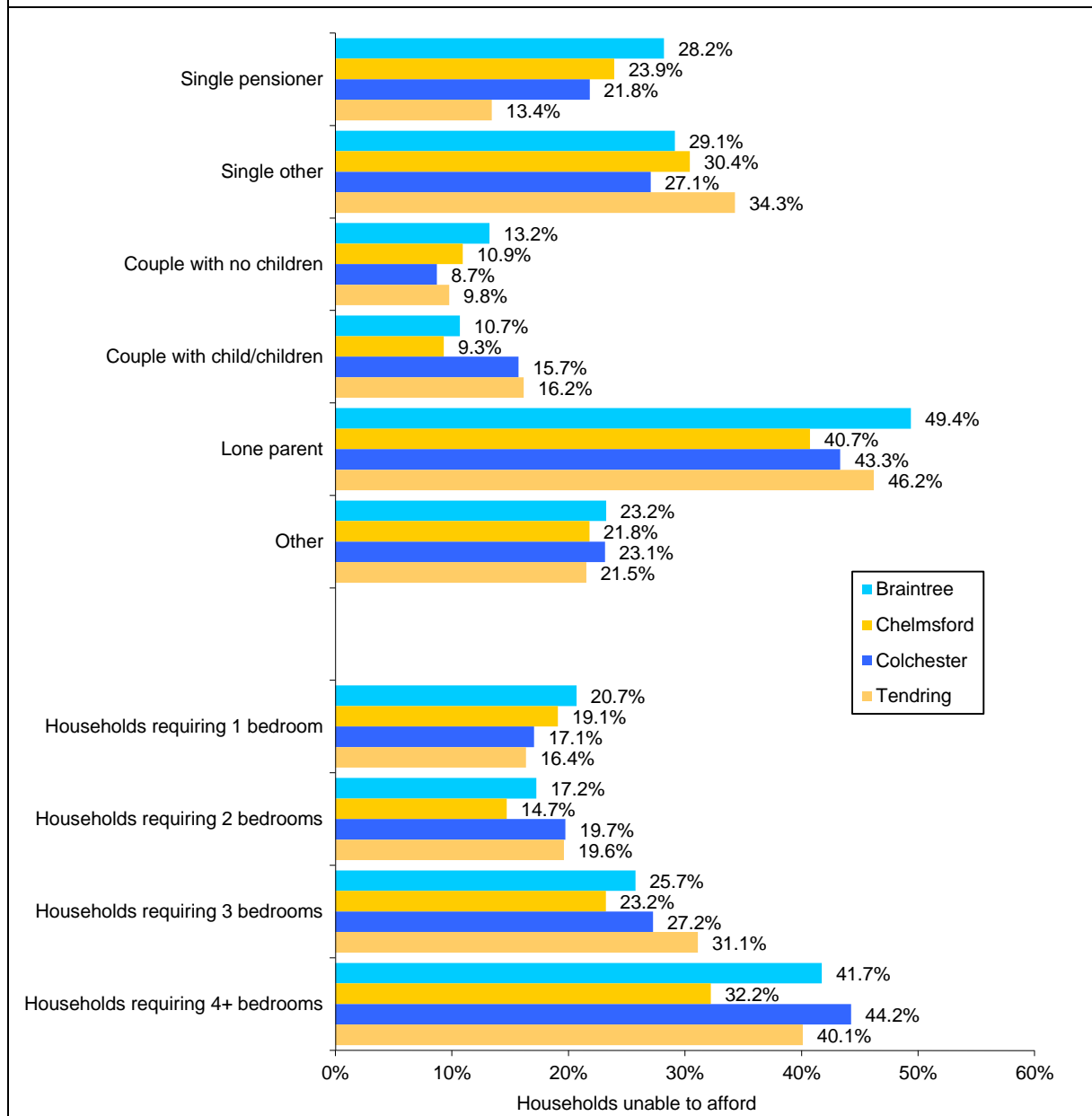
Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Potential demand for discount market housing (including starter homes)

3.36 Paragraphs 3.19 to 3.21 of this report introduce the discount market housing product available locally. It costs more than market entry rent and is also more expensive than entry-level owner-occupation in almost all cases. It is principally targeted at households in the private rented sector aspiring to purchase a home.

3.37 To try and establish the potential demand for these products from households in the private rented sector, the household income distribution differentiated by household type has been adjusted to reflect that nationally the income of private rented households is 98.9% of the figure for all households (according to the English Housing Survey). Applying this affordability profile to the number of households moving to a private rented home each

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year allows the number of these households that could afford discounted home ownership to be identified. This represents the potential annual demand for this product and is set out in Table 3.7, disaggregated by local authority and bedroom size requirements. These figures include households eligible for the 'starter home initiative' (first-time buyers under 40) but it is not possible to separate out this specific demand. It should be noted that this represents just the potential demand for these products, it is not possible to determine the tenure preferences of these households. In addition, all of these households would also be able to afford entry-level home ownership.

Table 3.7 Potential annual demand for discount home ownership				
Bedrooms	*Braintree*	*Chelmsford*	*Colchester*	*Tendring*
One bedroom	9	6	12	6
Two bedrooms	14	11	20	10
Three bedrooms	4	3	11	7
Four bedrooms	3	2	5	1
Total	30	23	48	24

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Potential demand for shared ownership housing

3.38   Paragraphs 3.17 to 3.18 of this report introduce the cost of shared ownership in the HMA. Whilst in some instances it is priced so that it is an affordable product, in others it costs more than market-entry housing of the same size. In all cases however it is cheaper than entry-level owner-occupation. As with discount home ownership, it can provide an opportunity for home ownership for households in the private rented sector aspiring to purchase a home.

3.39   Using the same approach as described in paragraph 3.36 above, Table 3.8 sets out the potential annual demand for this product, disaggregated by local authority and bedroom size requirements. These figures include households able to afford discount home ownership. It should be noted that this represents just the potential demand, it is not possible to determine the tenure preferences of these households.

Table 3.8 Potential annual demand for shared ownership				
Bedrooms	*Braintree*	*Chelmsford*	*Colchester*	*Tendring*
One bedroom	51	57	76	55
Two bedrooms	52	25	81	100
Three bedrooms	40	20	54	87
Four bedrooms	6	3	13	24
Total	149	105	224	266

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

4. Type and tenure of future housing needed

Introduction

4.1   Paragraph 021 of the PPG is clear that '*once an overall housing figure has been identified, plan makers will need to break this down by tenure, household type (singles, couples and families) and household size*'. This chapter describes the long-term balancing housing markets (LTBHM) model which uses secondary data to determine the future demand for housing by size and tenure based on the profile of households resident in each authority area in 2037. This will then be compared to the current housing stock and a profile of new accommodation required will be determined.

4.2   The model is set out in more detail subsequently, however this chapter initially presents the demographic changes that will occur in the HMA over the period of the Local Plan as set out in the projections used to calculate the Objectively Assessed Need. The change in the household composition in each area indicated within these projections drives the size and tenure demand profiles generated by the model.

Demographic projections

4.3   The household and population projections associated with the Objectively Assessed Need calculation presented in the OAHN Study have been provided by Edge Analytics and have been further disaggregated into different household groups to facilitate this analysis. Table 4.1 sets out the number of households that will be resident in the HMA in 2037 disaggregated by broad household type. The current (2015) household profile is also presented as a reference point.

Table 4.1 Projected household population in the HMA in 2037 by household type			
Household type	*2015 Number*	*2037 Number*	*2037 Percentage*
One person	81,088	111,743	32.7%
Couple with no children	82,114	104,879	30.7%
Couple with child/children	67,881	62,703	18.3%
Lone parent	27,513	42,184	12.3%
Other	16,333	20,392	6.0%
Total	**274,929**	**341,901**	**100.0%**

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

4.4   Figure 4.1 indicates the change in these household types that will occur between 2015 and 2037. The figure indicates that the number of lone parent households are expected to increase the most in the HMA, followed by one person households. Couples with children are projected to fall in number.
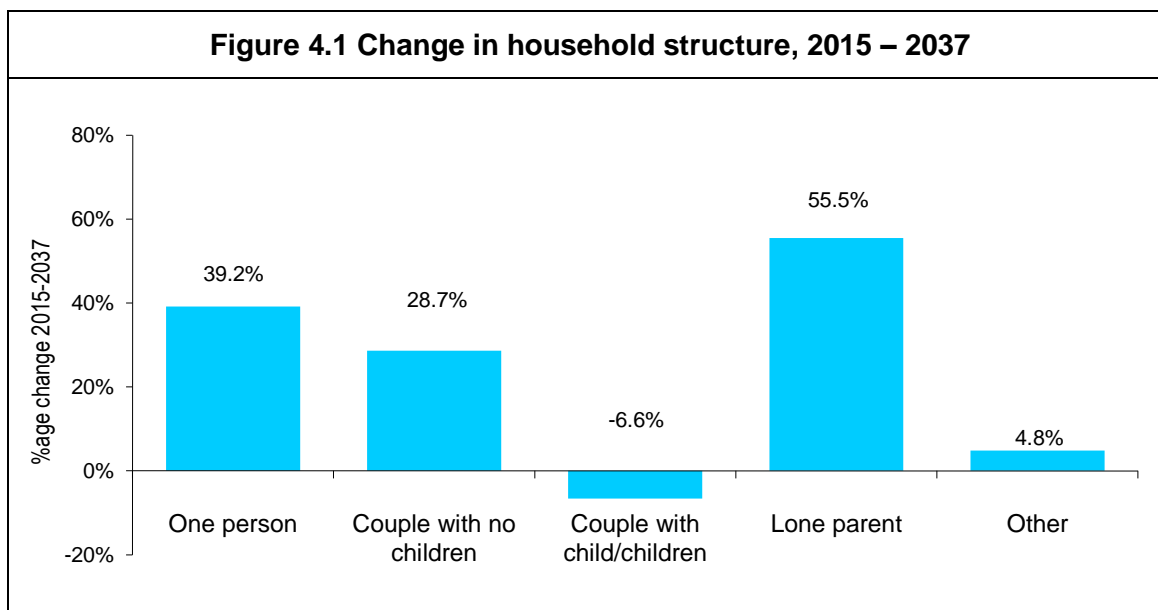
Figure 4.1 Change in household structure, 2015 – 2037

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Methodology of the model

4.5   The Census provides information on the size (in terms of bedrooms) and tenure of accommodation in each local authority in the HMA in 2011. This has been adjusted[6] to reflect the changes since 2011 to provide an accommodation profile in 2015.

4.6   The 2011 Census also provides detail on the occupational patterns of different household groups in each authority, which means that the profile of housing occupied by each household type can be determined. Rather than assuming the current usage patterns for each household type will apply to the future population of that household group, the model assesses the current trends in occupation patterns (recorded by the change in the tenure profile of each household type between the 2001 and 2011 Census in each Council area alongside the changes in the size of accommodation occupied within each tenure) and models their continuation through to 2037. In addition, a further adjustment is made to counter the existence of overcrowding, which the PPG indicates should be addressed. Households currently overcrowded will therefore be housed in adequately sized accommodation within the model. This means that the future housing stock will better reflect the requirements of the future population in the area.

4.7   This profile of suitable accommodation for each household type is applied to the size of the household group in 22 years' time. The accommodation profile required in 2037 is then compared to the current tenure profile and the nature of additional housing required is derived. It should be noted that the model works by matching dwellings to households so the figures are based on the change in number of households identified within the OAN calculations as provided by Edge Analytics. However the overall Objectively Assessed

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[6] Using the latest data from the Homes & Communities Agency's Statistical Data Return and the LAHS datasets and trends indicated within the English Housing Survey and in each local authority area by the Census.

Need figure calculated in the OAHN Study presumes that the requirement for new dwellings is greater than the projected growth in households in accordance with the approach set out in the PPG. Chapter 7 below will therefore convert the household based results from this chapter into dwelling based equivalents. The following section presents the outputs of this model.

Tenure of housing required

4.8 Table 4.2 shows the projected tenure profile for the HMA in 22 years' time. The data shows that in 2037 the housing stock across the HMA should comprise 63.7% owner-occupied dwellings, 21.1% private rented homes, 0.6% shared ownership properties and 14.6% social rented/Affordable Rented accommodation.

Table 4.2 Projected tenure profile in 2037		
Tenure	*Number*	*Percentage*
Owner-occupied	217,735	63.7%
Private rented	72,043	21.1%
Shared Ownership	2,133	0.6%
Social rent/Affordable Rent	49,990	14.6%
Total	341,901	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

4.9 Table 4.3 shows the tenure profile required by households resident in the HMA in 22 years' time in comparison to the tenure profile recorded currently. The difference between these two distributions is the change required to the housing stock over this period. The results show that 48.7% of new housing should be owner-occupied, 27.4% private rented, 1.8% should be shared ownership and 22.1% Social Rent/Affordable Rent.

Table 4.3 Tenure of new accommodation required in the HMA over the next 22 years				
Tenure	*Current tenure profile*	*Tenure profile 2037*	*Change required*	*% of change required*
Owner-occupied	185,091	217,735	32,644	48.7%
Private rent	53,713	72,043	18,330	27.4%
Shared ownership	962	2,133	1,171	1.8%
Social Rent/Affordable Rent	35,163	49,990	14,827	22.1%
Total	274,929	341,901	66,972	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

4.10 The model is also able to provide detail on the size of new dwellings required within the market tenures, as is set out in the section below.

Size of housing required within each market tenure

4.11   Table 4.4 presents the size of owner-occupied accommodation required in the HMA in 22 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented. The table shows that some 42.2% of new owner-occupied dwellings should be three bedroom properties, with 32.4% containing two bedrooms, 18.5% having four or more bedrooms and 6.9% having one bedroom.

Table 4.4 Size of new owner-occupied accommodation required in the HMA over the next 22 years				
Dwelling size	*Current size profile*	*Size profile 2037*	*Change required*	*% of change required*
One bedroom	7,270	9,511	2,241	6.9%
Two bedrooms	41,000	51,574	10,574	32.4%
Three bedrooms	79,544	93,329	13,784	42.2%
Four or more bedrooms	57,277	63,321	6,045	18.5%
Total	185,091	217,735	32,644	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

4.12   This analysis can be repeated for private rented housing and is presented in Table 4.5. The data indicates that of the 18,330 private rented dwellings required within the HMA, 48.8% should be three bedroom properties with a further 26.8% should have four bedrooms. Some 20.7% of dwellings should have two bedrooms and 3.7% single person accommodation.

Table 4.5 Size of new private rented accommodation required in the HMA over the next 22 years				
Dwelling size	*Current size profile*	*Size profile 2037*	*Change required*	*% of change required*
One bedroom	10,956	11,618	662	3.7%
Two bedrooms	23,632	27,428	3,796	20.7%
Three bedrooms	14,034	22,987	8,953	48.8%
Four or more bedrooms	5,091	10,009	4,918	26.8%
Total	53,713	72,043	18,330	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Further detail on the affordable sector

4.13   The model indicates the likely demand for different forms of accommodation arising from the future population based on existing usage patterns, projecting forward current trends in how these are changing and removing market imbalance in the form of overcrowding. However, as is noted within the PPG, it is necessary to use an alternative model to

establish the absolute need for affordable housing (as well as to detail the tenure and size of accommodation required within this sector). This is because this model does not test the affordability of the recommended housing for local households[7] and there is a danger that unsustainable income to housing cost ratios could be projected forward. The PPG clearly sets out the approach used for calculating the affordable housing need and the results of this process for the HMA are presented in the following chapter. The final chapter of this report indicates how the results from the two models should be integrated.

4.14 These outputs are replicated for the constituent authorities of the HMA in the appendices to this report.

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[7] This is because the Census, which is the key informant of the preferred accommodation profile for each household type within this model, does not contain sufficient information on income

5. Affordable housing need

Introduction

5.1 It is necessary to undertake a separate calculation of affordable housing need (the previous model has a limited capacity to assess resident households' ability to afford appropriate local housing). Paragraph 22 (Reference ID: 2a-022-20140306) to Paragraph 29 (Reference ID: 2a-029-20140306) of the *Housing and economic development needs assessments* section of the PPG details how affordable housing need should be calculated. It defines affordable housing need as *'number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market'.*

5.2 The PPG goes on to set out the types of households to be considered in housing need:

- *'homeless households or insecure tenure (e.g. housing that is too expensive compared to disposable income);*

- *households where there is a mismatch between the housing needed and the actual dwelling (e.g. overcrowded households);*

- *households containing people with social or physical impairment or other specific needs living in unsuitable dwellings (e.g. accessed via steps) which cannot be made suitable in-situ*

- *households that lack basic facilities (e.g. a bathroom or kitchen) and those subject to major disrepair or that are unfit for habitation;*

- *households containing people with particular social needs (e.g. escaping harassment) which cannot be resolved except through a move.'*

5.3 This chapter presents the results of the three broad stages of the model used to calculate affordable housing need. Within each of the three stages there are a number of detailed calculations many of which themselves have a number of components. This chapter presents details of how each of these stages is calculated using locally available data for each individual local authority. An annual estimate of the affordable housing need in the HMA is calculated and the tenure and size of accommodation most appropriate to meet this need is discussed.

5.4 The treatment of the private rented sector (PRS) was discussed at the consultation event. It was universally agreed amongst the developers, agents and other stakeholders that when it comes to the PRS, a household in the PRS and in receipt of LHA is not automatically in need of affordable housing (but may be for other reasons) and that PRS units with LHA should not be counted towards supply (in spite of Councils having the ability to house households in need in PRS with LHA).

Stage 1: Current unmet gross need for affordable housing

5.5 The first stage of the model assesses current need. This begins with an assessment of housing suitability, before the affordability test is applied to determine the number of these households that require affordable housing, and are therefore in current need.

5.6 The PPG sets out four particular categories of unsuitable housing that should be specifically identified. These are presented in Table 5.1 below, which also indicates the number of households in each category and the source of the data. The final column represents the revised total for each of these categories once any double-counting between them has been taken into account. Households can be unsuitably housed for more than one reason so it is important that they are only counted once.

5.7 The table shows that there are 14,046 households currently in unsuitable housing or lacking their own housing in the HMA and the most common reason for unsuitability is overcrowding. This figure of 14,046 represents 5.1% of all households in the HMA.

Element	Source	Number of households	Revised number of households
Table 5.1 Current households who lack their own housing or live in unsuitable housing in the HMA			
Homeless households	Each individual Council's housing register as of September 2015.	502	493[8]
Households in temporary accommodation	Section E6 of each Council's P1(E) return for 2nd quarter of 2015 from Braintree, Chelmsford and Tendring and 1st quarter of 2015 for Colchester, showing the number of homeless households accommodated in temporary accommodation by the authority at the end of the quarter.	148[9]	0[10]
Overcrowded households	2011 Census modelled to 2015. This was done by calculating the annual change in the number of overcrowded households (in terms of rooms not bedrooms as bedrooms were not included in the 2001 Census) in each authority recorded between the 2001 and 2011 Census. The four year change for each tenure recorded from this source was averaged against the latest four year change for each tenure recorded nationally by the English Housing Survey. This average four-year change was applied to the 2011 Census figures for overcrowding in each tenure to derive an estimate for 2015.	7,999	7,999
Concealed households*	2011 Census modelled to 2015. This was done by calculating the annual change in the number of concealed households recorded between the 2001 and 2011 Census.	340	118[11]
Other groups	Each individual Council's housing register as of September 2015. Only households that are on the register due to a category of unsuitable housing are included (excluding overcrowded, temporary, concealed and homeless households accounted for above).	5,436	5,436
Total		**14,425**	**14,046**

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment *According to the Practice Guidance, concealed households include couples, people with young children and single adults over 25 sharing a kitchen, bathroom or WC with another household.

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[8] Analysis of the housing register indicated that 9 of the homeless households were also overcrowded. These have therefore been excluded.

[9] This only includes households living in non-self-contained temporary accommodation i.e. B&B and hostels.

[10] All households in temporary accommodation are also on the Council's Housing Register, although the type temporary of accommodation they occupy is not separately distinguished so this is obtained from the P(1)E form.

[11] The 2001 Census indicated that 67.4% of concealed households were also overcrowded in Braintree, 58.6% in Chelmsford, 64.9% in Colchester and 66.7% in Tendring. In the absence of equivalent data from the 2011 Census it is presumed that these borough-wide proportions are accurate of the situation currently.

Affordability

5.8   Some of these households in unsuitable housing are likely to be able to afford alternative accommodation in the market sector without requiring subsidy. The ability of these households to afford the cost of entry-level market housing of the appropriate size (set out in Figures 3.8 and 3.10) is therefore tested. The waiting list details the size of accommodation required by homeless households and households unsuitably housed for other reasons. For overcrowded households and concealed households, the household composition recorded for these households in the Census is used to determine the size requirement profile. To test overcrowded households the income distribution for each dwelling size requirement, identified using the CACI income profile for each authority within the HMA, is adjusted to reflect that nationally the income of overcrowded households is 98.6% of the figure for all households (according to the English Housing Survey). Similarly for homeless, concealed and 'other' unsuitably housed households the income distribution is adjusted to reflect that nationally the income of social rented households is 52.0% of the figure for all households (according to the English Housing Survey).

5.9   These households in unsuitable housing or lacking their own housing are therefore tested for their ability to afford market housing in their authority area using an affordability test where the cost of housing can constitute up to 35% of gross income and still be affordable. This affordability test is used in preference to the affordability test of up to 25% of gross income on housing that was contained in the, now cancelled, 2007 Practice Guidance, as this is the most appropriate figure when the affordability of local housing is considered based on practice in the market (such as assumptions used by letting agents and mortgage brokers). This was agreed as the most suitable affordability threshold for the HMA by the vast majority of participants in the stakeholder consultation. The impact of using other thresholds is however examined in the appendices to this report, in light of the concerns raised by some that the figure of 35% is too high. Table 5.2 shows the number of unsuitably housed households requiring different dwelling sizes and the proportion of these households able to afford the market-entry point. The number of households that are therefore in current need is shown in the final column.

Table 5.2 Affordability of households in unsuitable housing			
Number of bedrooms required	*Unsuitable housed households*	*Percentage unable to afford entry-level market housing*	*Households in current need*
One bedroom	3,663	51.7%	1,894
Two bedroom	5,850	38.4%	2,244
Three bedroom	1,630	46.4%	756
Four or more bedrooms	2,902	46.8%	1,360
Total	**14,046**	**44.5%**	**6,254**

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

5.10 Overall 44.5% (6,254 households) of unsuitably housed households or households lacking their own housing in the HMA are unable to afford market housing and are in current need.

For the purposes of the housing needs assessment, households considered to be in housing need have been split into two categories: current occupiers of affordable housing in need that would make the property available when they move (this includes occupiers of social rented and shared ownership accommodation that are not living with another household currently), and other households. It is estimated that some 2,072 households in need currently live in affordable housing that would become available for reuse.

Total current need

5.11 Table 5.3 summarises the first stage of the assessment of affordable housing need as set out by PPG. The data shows that there are an estimated 6,254 households in current need in the HMA.

Table 5.3 Stage 1: Current unmet gross need	
Component	
Homeless households and those in temporary accommodation	485
Overcrowded and concealed households	2,992
Other groups	2,776
Total current housing need (gross)	**6,254**

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Stage 2: Newly arising affordable housing need

5.12 In addition to Current Need, there will also be Newly Arising (ongoing) Need. This forms the second stage of the affordable housing need model. This is split, as per the PPG, into two categories:

• new household formation ($\times$ proportion unable to buy or rent in market).

• existing households falling into need.

Need from newly forming households

5.13 The headship rate for each 5 year age cohort between the ages 15 and 49 was calculated using information in the Census on the number of people and number of household heads within each age cohort. This headship rate was then applied to the population projections associated with the calculation of the Objectively Assessed Need figure. This identified the projected number of households likely to form in each local authority within the HMA. This figure is then averaged to provide an annual estimate for the number of newly forming households.

5.14 Using this methodology it is estimated that 5,462 new households will form per year in the HMA. This represents a household formation rate of 2.0%, the same as the figure of 2.0% recorded nationally by the English Housing Survey. To assess the ability of these households to afford entry-level market housing of the appropriate size, it is presumed that these new households will have the same composition as the profile for new households

recorded in the English Housing Survey, from which the appropriate size requirement profile can be determined. To test newly forming households ability to afford market housing, the income distribution for each dwelling size requirement (identified using the CACI income profile for the each individual authority) is adjusted to reflect that nationally the income of newly forming households is 72.9% of the figure for all households (according to the English Housing Survey).

5.15   Table 5.4 shows details of the derivation of newly arising need from newly forming households. The table shows that 32.4% of newly forming households will be unable to afford market housing in the HMA, which means that there will be an annual affordable housing requirement from 1,770 newly forming households.

Table 5.4 Newly arising need from new household formation (per annum)	
Component	
Number of newly forming households	5,462
Proportion unable to afford entry-level market housing	32.4%
Number of newly forming households requiring affordable accommodation	**1,770**

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Existing households falling into need

5.16   The PPG recommends that this figure is derived by looking at recent trends in households applying for affordable housing. Analysis of the approaches for affordable accommodation made to the Councils over the last three years (September 2012 to August 2015) indicates that 6,735 of the 7,445 approaches in the HMA were from households in housing need. Annualised this is 2,245 (6,735/3) households per year in affordable housing need.

5.17   This figure will include newly forming households, which have featured in the previous step. The CORE LA Area Lettings Reports[12] provide an estimate of the proportion of social rented lets each year taken by newly forming households in Chelmsford and Tendring, whilst this figure is informed by the housing register details in Braintree and Colchester. It shows that an average of 24.7% of lettings in the HMA were to newly forming households over the last three years. It is assumed therefore that 554 (24.7% of 2,245) of the households that approach the each Council and are in need are newly forming households. The resultant number of existing households falling into need in the HMA is 1,691 (2,245-554) households per annum.

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[12] CORE (COntinuous REcording) is a national information source funded by the Department for Communities and local Government that records information on the characteristics of both private registered providers and local authority new social housing tenants and the homes they rent and buy.

Total newly arising need

5.18   Table 5.5 summarises the second stage of the assessment of affordable housing need as set out by the PPG. It indicates that 3,461 (1,770+1,691) households will be in newly arising need per annum in the HMA.

Table 5.5 Stage 2 Newly arising need (per annum)	
Component	
New household formation (gross per year)	5,462
Proportion of new households unable to buy or rent in the market	32.4%
Existing households falling into need	1,691
Total newly arising housing need (gross per year)	**3,461**

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Stage 3: Current affordable housing supply

5.19   The PPG indicates that the stock available to offset the current need includes stock from current occupiers of affordable housing in need, surplus stock from vacant properties and the committed supply of new affordable units. Units to be taken out of management are removed from the calculation.

Current occupiers of affordable housing in need

5.20   It is important when considering net need levels to discount households already living in affordable housing. This is because the movement of such households within affordable housing will have an overall nil effect in terms of housing need. As established when calculating current need (paragraph 5.10), there are 2,072 households currently in need already living in affordable housing in the HMA area.

Surplus stock

5.21   A certain level of vacant dwellings is normal as this allows for transfers and for work on properties to be carried out. Established good practice suggests that if the vacancy rate in the affordable stock is in excess of 3%, some of the vacant units should be considered as surplus stock which can be included within the supply to offset housing need. Braintree records a vacancy rate in the affordable sector of 1.0%, whilst it is 1.1% in Chelmsford, 1.4% in Colchester and 1.5% in Tendring. As the vacancy rate is lower than the 3% benchmark, no vacant dwellings are considered available to be brought back into use to increase the supply of affordable housing.

Committed supply of new affordable units

5.22   The PPG indicates that '*the committed supply of new affordable units (social rented and intermediate housing) at the point of the* assessment' be taken into account within the model. The Councils have indicated that there are 2,633 new affordable homes currently committed across the HMA.

Planned units to be taken out of management

5.23   The PPG states that the *'net number of units to be taken out of management (demolition or replacement schemes that lead to net losses of stock)'* should be quantified. The Councils have indicated that in all the local authorities in the HMA, any planned replacement schemes will lead to a net increase in the affordable housing stock.

Total current affordable housing supply

5.24   Having been through the four components in order to assess the current affordable housing supply, the stage of the model is summarised in Table 5.6. The data shows that there are an estimated 4,705 affordable homes currently available in the HMA area.

Table 5.6 Stage 3 Current affordable housing supply	
Component	
Affordable dwellings occupied by households in need	2,072
Surplus stock	0
Committed supply of affordable housing	2,633
Units to be taken out of management	0
Total affordable housing stock available	**4,705**

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Stage 4: Future housing supply of social re-lets and intermediate affordable housing

5.25   The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need. It is split between the annual supply of social re-lets and the annual supply of re-lets within the intermediate sector.

The future supply of social/affordable rented housing

5.26   This is an estimate of likely future re-lets from the affordable stock. The PPG suggests that the estimate should be based on past trend data over the last three years. CORE data provides an indication of the number of lettings in the Social Rented / Affordable Rented sector and the results for the last three years are presented in Table 5.7. The average number of lettings across the social and affordable rented sector over the three-year period was 2,115 per annum in the HMA.

Table 5.7 Analysis of past housing supply (social rented/Affordable Rented sector)					
Year	*Braintree*	*Chelmsford*	*Colchester*	*Tendring*	*HMA*
2011/12	626	472	720	413	2,231
2012/13	560	484	576	312	1,932
2013/14	674	447	696	363	2,180
Average	**620**	**468**	**664**	**363**	**2,115**

Source: CORE LA Area Lettings Report 2011/2012, 2012/2013, 2013/2014

Supply of intermediate housing

5.27   In most local authorities the amount of intermediate housing (mostly shared ownership) available in the stock is fairly limited (as is the case across the HMA). However, it is still important to consider to what extent the supply may be able to help those in need of affordable housing. Therefore we include an estimate of the number of intermediate units that become available each year, based on applying the estimated re-let rate for the social rented sector[13] (6.1% in Braintree, 5.0% in Chelmsford, 6.4% in Colchester and 6.4% in Tendring) to the estimated stock for each form of intermediate housing in each local authority. This is set out in Table 5.8. It is estimated that around 56 units of intermediate housing will become available to meet housing needs from the existing stock each year in the HMA.

Table 5.8 Estimated intermediate supply		
Intermediate tenure	*Stock*	*Annual re-lets*
Discount home ownership	13	0
Shared ownership	961	56
All intermediate lettings	**-**	**56**

Source: HCA's Statistical Data Return 2014

Annual future supply of affordable housing

5.28   The total future supply of affordable housing is the sum of the social rented supply and the intermediate supply as set out in Table 5.9.

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[13] This is calculated by dividing the total number of relets as set out in table 5.7 by the total stock of social and affordable housing as set out in the HCA's Statistical Data Return, 2014. It differs from the figures set out in para 5.20, which is calculated by dividing the total number of vacant homes by the total stock of housing.

Table 5.9 Stage 4 Future supply of all affordable housing (per annum)	
Component	
Annual supply of social/affordable rented re-lets	2,115
Annual supply of intermediate housing available for re-let or resale at sub-market levels	56
Annual supply of all affordable housing	**2,171**

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Estimate of net annual housing need

5.29   The PPG states that the figures in the model need to be converted to annual flows to establish the total need for affordable housing. The first step in this process is to calculate the total net current need. This is derived by subtracting the estimated current affordable housing supply (Stage 3) from the current unmet gross need for affordable housing (Stage 1).

5.30   The second step is to convert this total net current need figure into an annual flow. The PPG is not specific as to how this should be done. For the purposes of this study the period of 22 years will be used to fit in with the remaining timeframe of the Local Plan. The final step is to sum the annualised net current need with the total newly arising affordable housing need (Stage 2) and subtract the future annual supply of affordable housing (Stage 4). Table 5.10 sets out this process. It leads to a total need for affordable housing of 1,360 per year in the HMA.

Table 5.10 Results of the affordable housing needs model	
Stage in calculation	*HMA*
Stage 1: Current unmet gross need for affordable housing (Total) (Table 5.3)	6,254
Stage 2: Newly arising affordable housing need (Annual) (Table 5.5)	3,461
Stage 3: Current affordable housing supply (Total) (Table 5.6)	4,705
Stage 4: Future housing supply (Annual) (Table 5.9)	2,171
Stage 5.1 Net current need (Stage 1- Stage 3) (Total)	1,549
Stage 5.2 Annualise net current need (Stage 5.1/22) (Annual)	70
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	**1,360**
Total gross annual need (Stage 1/22 + Stage 2) (Annual)	3,745
Total gross annual supply (Stage 3/22 + Stage 4) (Annual)	2,385

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Refining the model in a local context

5.31   The model contains detail of the type of households in affordable housing need. This includes the number of single person households aged under 35. These individuals are deemed suitable to potentially meet their housing needs within the market as part of a

shared household. This is implied by the Local Housing Allowance regulations, which indicate that single people under 35 are only entitled to the shared accommodation rate rather than the rate for a one bedroom home.

5.32   Single person households on the waiting list in the HMA would not be considered to be in priority housing need (except if they have a particular need for an adapted house or are particularly vulnerable) and are therefore unlikely to be able to access affordable housing. Those under 35 are therefore deemed suitable to form part of a shared household should affordable accommodation not be available for them as a single household[14]. Single person households under the age of 35 unable to afford a one bedroom market home have therefore been tested for their ability to afford the local LHA shared room rate.

5.33   In the following analysis, single person households aged under 35 not deemed to be in housing need if they can afford the LHA shared room rate are excluded from the revised calculation of the total need for affordable housing[15]. In the HMA this accounts for 556 households per year. Removing these households adjusts the need for new affordable units to 804 (1,360-556) per year in the HMA. The gross need (set out in the second last row of the table above) also reduces to 3,189. This is demonstrated in Table 5.11.

Table 5.11 Impact of refining the model		
	Initial calculation	Revised outputs
Total gross annual need (Annual)	3,745	3,189
Total gross annual supply (Annual)	2,385	2,385
Total need for affordable housing (Annual)	1,360	804

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

5.34   The suitability of this assumption was discussed at some length at the stakeholder consultation event and within the consultation responses submitted. Whilst there was broad agreement that it was logical to rationalise the model outputs using this group, there were differences of opinions as to whether this should be done and how. The sensitivity testing appendix therefore considers this issue in more detail, providing further clarity on this group and considering the impact of varying this assumption on the overall requirement for affordable housing.

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[14] The 2011 Census indicates that just 4.6% of adults aged 34 or under in the HMA in 2011 lived as a single person household, whilst 95.4% formed part of a larger household with other people.

[15] The model still does account for an ambitious level of housing need arising from this group of the population – CORE data for the past three years indicates that an average of 608 households form into the social rented sector each year in the HMA, however the model presumes that there are 1,214 households forming into the social rented sector each year, including 221 single person households. The model therefore does not attempt to supress the housing need arising from this group, but reflects the level of affordable housing needed by this group in current market conditions.

Overall households in affordable housing need by type (gross)

5.35   Table 5.12 gives a breakdown of the gross annual households in need (after the refinement of the model), by household type in the HMA. The table shows that some 3.1% of 'other' households are in housing need compared to 0.8% of one person households and 0.8% of couple households with no children. Overall, couple with children households comprise 22.9% of all households in need.

Table 5.12 Annual need requirement by household type					
Household type	*Need requirement*				
	No. of h'holds in need (gross)	*Not in need*	*Total Number of h'holds*	*% of h'hold type in need*	*As a % of those in need*
One person	612	80,476	81,088	0.8%	19.2%
Couple with no children	664	81,449	82,114	0.8%	20.8%
Couple with child/children	731	67,150	67,881	1.1%	22.9%
Lone parent	679	26,834	27,513	2.5%	21.3%
Other	503	15,830	16,333	3.1%	15.8%
Total	**3,189**	**271,740**	**274,929**	**1.2%**	**100.0%**

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Size of accommodation required

5.36   Table 5.13 shows the size of accommodation required by households in housing need in the HMA. The supply distribution for social rented and intermediate homes is derived from the average profile of re-lets of affordable accommodation over the last three years as supplied from the Councils. The last column in the table presents the supply as a percentage of need. This is calculated by dividing the estimated supply of the property size by the derived need for that dwelling size. The lower the figure produced, the more acute the need for affordable accommodation in the area, as the current supply is unlikely to meet the identified need.

5.37   The table suggests that there is a net need for all sizes of affordable housing. The largest net need is for two bedroom accommodation, followed by three bedroom homes. The final column shows that the need relative to supply is the greatest for four bedroom homes, followed by three bedroom accommodation. Households in need requiring one bedroom accommodation are most likely to have their need met from the current supply.

	Need requirement				
Size of home	**Gross annual need**	**Gross annual supply**	**Net annual need**	**As a % of total net annual need**	**Supply as a % of gross need**
One bedroom	1,277	1,112	165	20.5%	87.1%
Two bedrooms	1,217	853	364	45.3%	70.1%
Three bedrooms	550	369	181	22.5%	67.1%
Four or more bedrooms	145	51	94	11.7%	35.1%
Total	**3,189**	**2,385**	**804**	**100.0%**	**74.8%**

Table 5.13 Size of additional units required to meet housing need

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Type of affordable home required

5.38   As discussed in Chapter 3, a range of affordable products is available to meet affordable housing need in the HMA. This section will consider the suitability of these different products for meeting affordable housing need.

Gross requirement

5.39   Table 5.14 illustrates how many households in affordable housing need in the HMA are able to afford the different affordable products. The figures presented are exclusive, so for example the 231 households requiring a three bedroom home that are able to afford Affordable Rent do not include the 6 households able to afford shared ownership (even though they would also be able to afford Affordable Rent). Households have therefore been assigned the most expensive product they are able to afford. The social rented group also includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside.

5.40   The table shows that of the 3,189 households in gross need each year in the HMA, 1.8% could afford shared ownership, 36.4% Affordable Rent and 61.8% can afford Social Rent or require support.

Table 5.14 Size and type of affordable home required by those in need (per annum)

Product	One bed	Two bed	Three bed	Four bed	Total (number)	Total (%)
Shared ownership	28	23	6	0	57	1.8%
Affordable rent	402	446	231	83	1,162	36.4%
Social rent/requires assistance	847	748	313	62	1,970	61.8%
All households	**1,277**	**1,217**	**550**	**145**	**3,189**	**100.0%**

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Net requirement

5.41   Whilst the overall affordability of these products is an important consideration, the supply of these dwellings needs to be considered before the overall housing requirement can be established. Figure 5.1 shows the overall net annual requirement for affordable housing in the HMA once the likely supply of affordable accommodation has been deducted from the gross need. The figure shows that across the HMA there is a requirement for a range of different new affordable rented accommodation, with the exception of one bedroom social rented homes, where there is likely to be a surplus. It is therefore suggested that a significant number of one bedroom social rented homes could be re-let as Affordable Rented accommodation once they become vacant through natural churn. As virtually all rented development in the social sector is Affordable Rent, rather than social rent, Chapter 7 will set out the overall dwelling mix for the Councils to pursue with these two sectors combined. There is also a surplus of two, three and four bedroom shared ownership accommodation across the HMA, reflecting the relative unaffordability of this product (relative to the cost of market housing) for households in need.
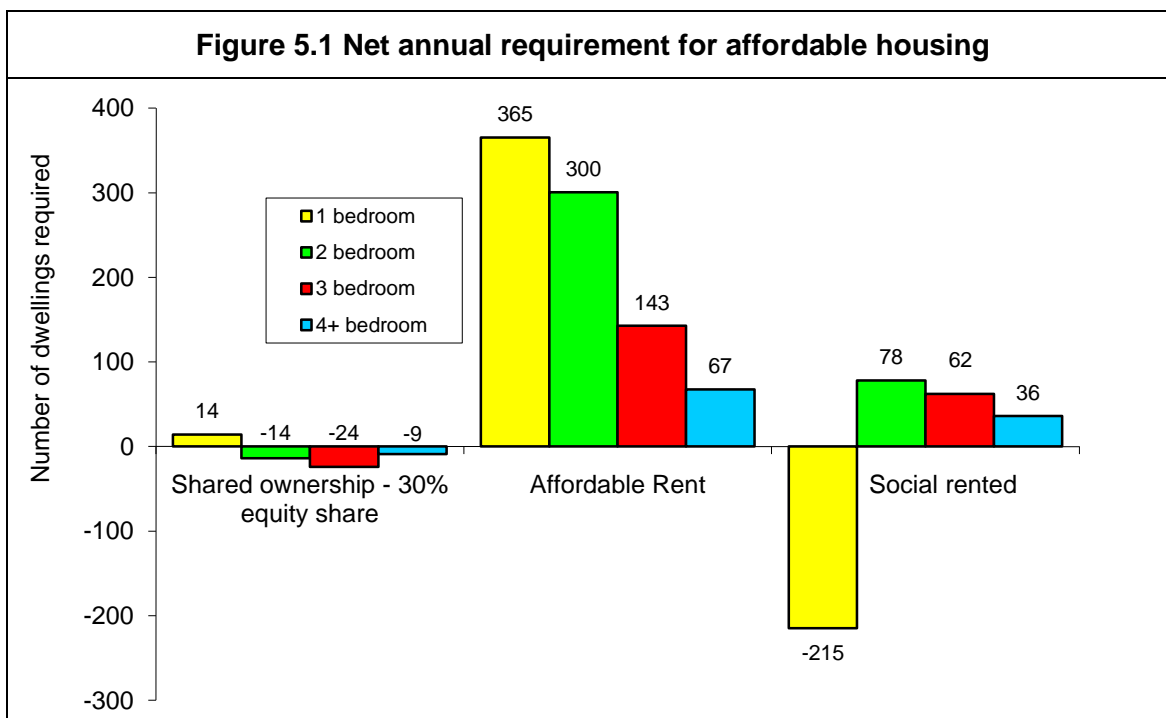
Figure 5.1 Net annual requirement for affordable housing

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

6. Requirements of specific groups of the population

Introduction

6.1   The NPPF indicates that a SHMA should ensure all subgroups of the population are addressed. Whilst the LTBHM considers all household groups within the model, the results can be broken down to show the accommodation requirements of certain household groups of interest. This chapter considers the specific profiles of the following groups of the population, which are suggested in the PPG and have an appreciable impact on the housing market within the HMA:

- Older persons

- People with disabilities

- Family households

- Students

- Service families

6.2   This chapter will also profile the private rented sector in more detail. Information with regard to the level of demand from people wishing to build their own homes is provided by the Councils outside this report.

Housing Needs of Older People

Current situation

6.3   The SHMA Guidance recognises the need to provide housing for older people as part of achieving a good mix of housing. The Census indicates that 23.5% of households in the HMA were older person only households (households where all members are 65 or over), compared to 22.3% regionally and 20.5% nationally. Within the HMA, Tendring records the largest proportion of older persons only households (32.6%) with all the other authorities having substantially lower figures (20.8% in Braintree, 21.1% in Chelmsford and 20.2% in Colchester). Of these older person only households in the HMA in 2011, 56.2% contained only one person, a similar distribution to that recorded in the East (56.8%) and England (60.0%).

6.4   Figure 6.1 shows the tenure profile of older person only households in the HMA in 2011 compared to the remainder of the household population. The figure also sets out the occupancy level of these groups. The results show that both of the older person groups show a high level of owner-occupation than other households. Older person households were also more likely than average to have multiple spare bedrooms in their home.
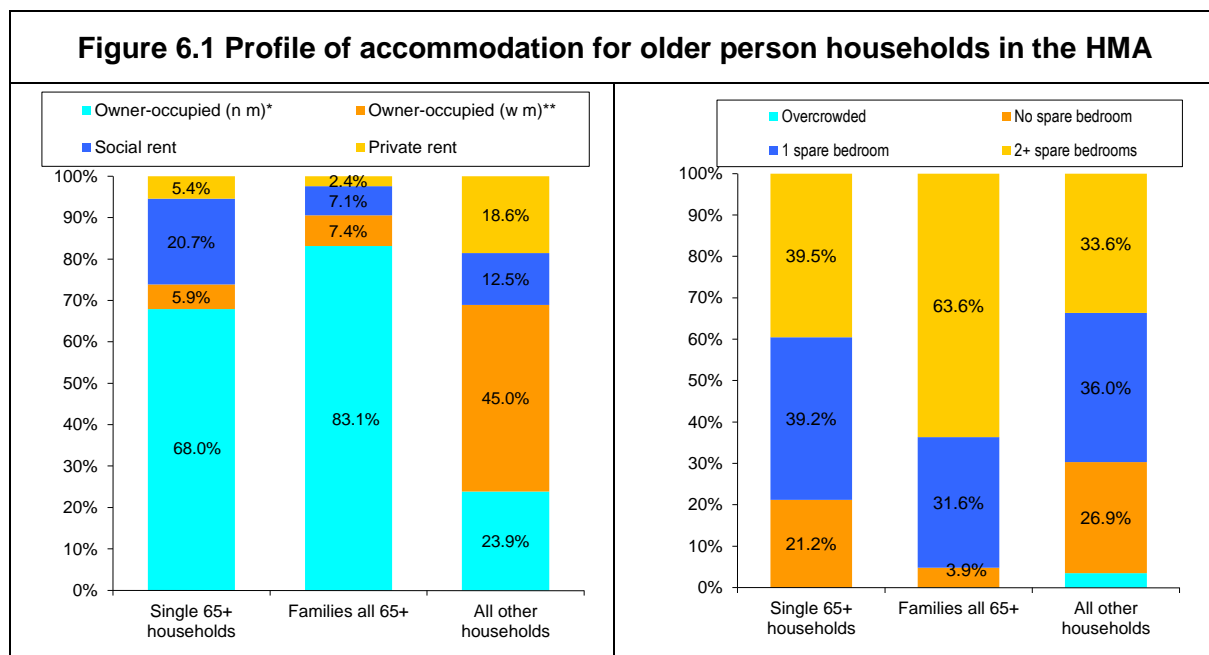
Figure 6.1 Profile of accommodation for older person households in the HMA

Source: 2011 Census *Owner–occupied no mortgage ** Owner-occupied with mortgage, includes shared ownership.

Future requirement

6.5 The Objectively Assessed Need projections supplied by Edge Analytics indicate that the population aged 65 or over is going to increase dramatically over the plan period from 134,682 in 2015 to 205,906 in 2037, a rise of 52.9%. Within the HMA, Colchester is projected to record the biggest growth in its older person population, (60.6%), followed by Chelmsford (57.5%), Braintree (51.0%) and Tendring (44.5%).

6.6 The Projecting Older People Information System (POPPI) website uses information on recent trends in the health and occupation patterns of those age 65, and applies them to the latest sub-national population projections to provide an indication of the potential future profile of older persons in each authority in the country. This source suggests that the proportion of older persons living alone in the HMA will increase from 36.2% in 2015 to 38.0% in 2030 (the furthest date that the POPPI website projects to).

6.7 The results of the LTBHM model can be disaggregated into different household groups within the whole population. Table 6.1 shows the projected accommodation profile for older person households in the HMA in 2037 arising from that model.

Table 6.1 Type of accommodation required for pensioner households in 2037

Dwelling size	Owner-occupation	Private rented	Shared ownership	Social rent/ Affordable Rented	Total
One bedroom	9.7%	4.5%	0.6%	9.2%	24.0%
Two bedrooms	28.2%	2.1%	0.3%	3.7%	34.3%
Three bedrooms	34.9%	0.4%	0.0%	0.5%	35.8%
Four or more bedrooms	5.9%	0.0%	0.0%	0.1%	6.0%
Total	**78.6%**	**6.9%**	**0.9%**	**13.6%**	**100.0%**

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Specialist accommodation

6.8   Given the dramatic growth in the older population and the higher levels of disability and health problems amongst older people there is likely to be an increased requirement for specialist housing options moving forward. It is therefore useful to consider the ability of specialist accommodation to meet the requirements of this group. To do this we use the Strategic Housing for Older People tool developed by the Housing Learning and Improvement Network[16]. It should be noted that this tool is only driven by demographic changes and does not take into account peoples' aspirations as to what form of accommodation they would prefer.

6.9   Table 6.2 shows the current supply of specialist housing for older people. At present it is estimated that there are 6,629 units in the HMA; this is equivalent to 123 units per 1,000 people aged 75 and over. The Strategic Housing for Older People tool uses this ratio (the number of units per 1,000 people 75 and over) as the key variant when modelling future demand so it is important to establish the current level. Within the HMA, the ratio varies, from, 95 per 1,000 in Colchester and 107 in Tendring to 144 in Braintree and 151 in Chelmsford.

6.10   Table 6.2 also shows the amount of specialist accommodation that will be required by the population in 2037 if the current rate of occupation is maintained (123 units per 1,000 people aged 75 and over). The total additional units required to increase the current provision to this level is also presented. As the current rate of provision is lower than the base recommended within the Strategic Housing for Older People tool (170 units per 1,000 people) it is useful to also consider a scenario where the rate of use of this form of accommodation increases to this level. The fifth and sixth columns of the table therefore show the total and net requirement for specialist accommodation if the usage rate increase to 170 per 1,000 people.

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[16] http://www.housinglin.org.uk/

Table 6.2 Specialist accommodation required in the HMA over the next 23 years					
Type of specialist accommodation	Current profile (2014)	Future requirement based on current usage ratio of 123 per 1,000 people aged 75+		Future requirement based on increasing usage ratio to 170 per 1,000 people aged 75+	
		Profile 2037	Additional units required	Profile 2037	Additional units required
Sheltered housing	6,368	13,525	7,157	16,758	10,390
Extra care housing	261	580	319	2,892	2,631
Total	**6,629**	**14,105**	**7,746**	**19,650**	**13,021**

Source: The Housing Learning and Improvement Network' Strategic Housing for Older People tool, 2015. This table is replicated for the constituent authorities of the HMA within the Appendices to this report.

6.11   If it is presumed that occupation patterns remain at current levels then there is a requirement for 7,746 additional specialist units of which 7,157 should be sheltered housing and 319 extra care housing. The requirement for 7,746 additional specialist units for older people represents 10.4% of the total Objectively Assessed Need for the period 2014 to 2037. If it is assumed that occupation rates increase to a rate of 170 per 1,000 people 75 or over then 13,021 additional specialist units are required which constitutes 18.0% of the total Objectively Assessed Need. As varying the occupation rate has such a dramatic effect on the overall requirement, it appears appropriate for the Councils to pursue the lower of these two figures, which is based on current occupation patterns. This would also be suitable because there is evidence of a higher than expected level of vacancies amongst some of the current sheltered housing stock in the HMA, including private sheltered accommodation in parts of Chelmsford and parts of central Braintree, alongside bedsits with shared facilities in Colchester.

6.12   The actual numbers of specialist accommodation needed depends on changes in patterns of demand and expectations. This report assumes that the current proportion of specialist stock is sustained for an increased elderly population. The Councils could commission research (or use existing studies) that concentrate on older persons' provision.

6.13   As well as the need for specialist housing for older people there will also be an additional requirement for Registered Care. According to the Strategic Housing for Older People tool there are around 5,882 spaces in nursing and residential care homes in the HMA currently. Presuming the current occupation rate by age across the area is continued forward, the Strategic Housing for Older People tool indicates there will be a requirement for 12,483 spaces in the HMA in 2037, suggesting an additional 6,601 spaces will be required over the next 23 years. This additional accommodation is required to meet the future institutional population and therefore does not form part of the new housing to meet the Objectively Assessed Need. (On a practical point it would not be appropriate to increase the housing requirement to meet this need (as it is not housing) – although it may be appropriate to plan for the provision of this need separately).

Households with specific needs

Current situation

6.14 Paragraph 2.8 indicates that, in 2011,some 17.7% of the resident population in the HMA had a long-term health problem or disability. Some 45.3% of all residents with a long-term health problem or disability in the HMA had a condition that limited day-to-day activities a lot, with 54.7% having a condition that limited activities a little.

6.15 Figure 6.2 below shows the tenure profile of people with a long-term health problem or disability in the HMA in 2011 compared to the remainder of the population. The figure also sets out the prevalence of a long-term health problem or disability in the different age groups of the population. The results show that whilst people with a long-term health problem or disability are more likely than average to be owner-occupiers with no mortgage, they are also more likely than average to reside in the social rented sector. The analysis also reveals a strong correlation between age and long-term health problem or disability.

Figure 6.2 Tenure and age profile of people with a long-term problem or disability in the HMA
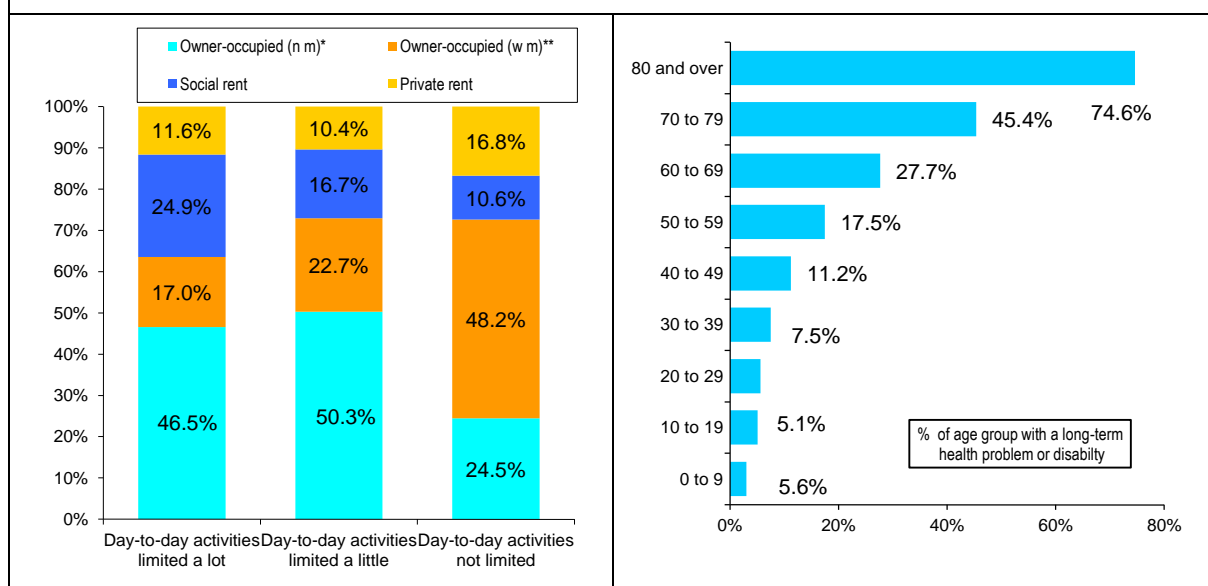
Source: 2011 Census *Owner–occupied no mortgage ** Owner-occupied with mortgage, includes shared ownership.

6.16 The Essex Joint Strategic Needs Assessment produced by Essex County Council in 2014 sets out that a survey of Essex residents indicates that 7% of the population in Braintree rates their general health as bad or very bad, as do 3% of the population in Chelmsford, 7% of the population in Colchester and 13% of the population in Tendring.

Profile of the health of the future population

6.17 The Projecting Older People Information System (POPPI) website and the parallel Projecting Adult Needs and Service Information (PANSI) model the likely future incidence of a range of health issues for each authority in England. Table 6.3 sets out the number of people projected to have one of four health issues over the next fifteen years in each

authority in the HMA as well as the HMA itself. The four issues chosen are broad health categories presented to provide the most useful general information for this report. The data from PANSI and POPPI is based on current and recent prevalence rates and whilst these may vary in the future, the figures provide a useful baseline estimate.

6.18   Table 6.3 shows that the number of those aged 65 or over with a limiting long-term illness that limits them a lot is expected to increase by 49.4% between 2015 and 2030 across the HMA. This compares to an increase of 8.3% in the number of people aged 18-64 with a serious physical disability, an increase of 3.5% in the number of people aged 18-64 with a common mental health disorder and an increase of 8.7% in the number of people with a moderate or severe learning disability.

6.19   This data has no direct impact on the requirements for housing, however it is useful contextual information.

Table 6.3 Number of people with particular health issues projected in the HMA over the next 15 years				
People aged 65 and over with an illness*				
	2015	2020	2025	2030
Braintree	5,847	6,840	8,190	9,577
Chelmsford	5,919	6,777	7,943	9,024
Colchester	6,600	7,545	8,814	10,132
Tendring	10,294	11,167	12,640	14,092
HMA	**28,660**	**32,329**	**37,587**	**42,825**
People aged 18-64 with a serious physical disability				
	2015	2020	2025	2030
Braintree	2,185	2,299	2,385	2,374
Chelmsford	2,434	2,543	2,609	2,598
Colchester	2,444	2,582	2,710	2,731
Tendring	1,963	2,052	2,108	2,074
HMA	**9,026**	**9,476**	**9,812**	**9,777**
People aged 18-64 with a common mental health disorder				
	2015	2020	2025	2030
Braintree	14,469	14,642	14,875	14,836
Chelmsford	16,649	16,835	16,957	16,962
Colchester	18,059	18,587	19,018	19,424
Tendring	11,850	11,895	11,984	11,945
HMA	**61,027**	**61,959**	**62,834**	**63,167**
People with a moderate or severe learning disability (all ages)				
	2015	2020	2025	2030
Braintree	579	596	612	630
Chelmsford	666	680	693	712
Colchester	716	743	768	797
Tendring	515	523	535	553
HMA	**2,476**	**2,542**	**2,608**	**2,692**

*A limiting long-term illness that limits them a lot. Source: The Projecting Older People Information System and Projecting Adult Needs and Service Information, 2015

Adaptations and support

6.20   In addition to specialist accommodation, the Councils help people to remain in their current home by providing support and assistance. Figure 6.3 shows the number of Disabled Facilities Grants that have been completed between 2011/12 and 2014/15 in each authority within the HMA. The figure shows that the requirement for these services has increased over this period, most notably in Braintree and Tendring.

Figure 6.3 Disabled Facilities Grant completions in the HMA
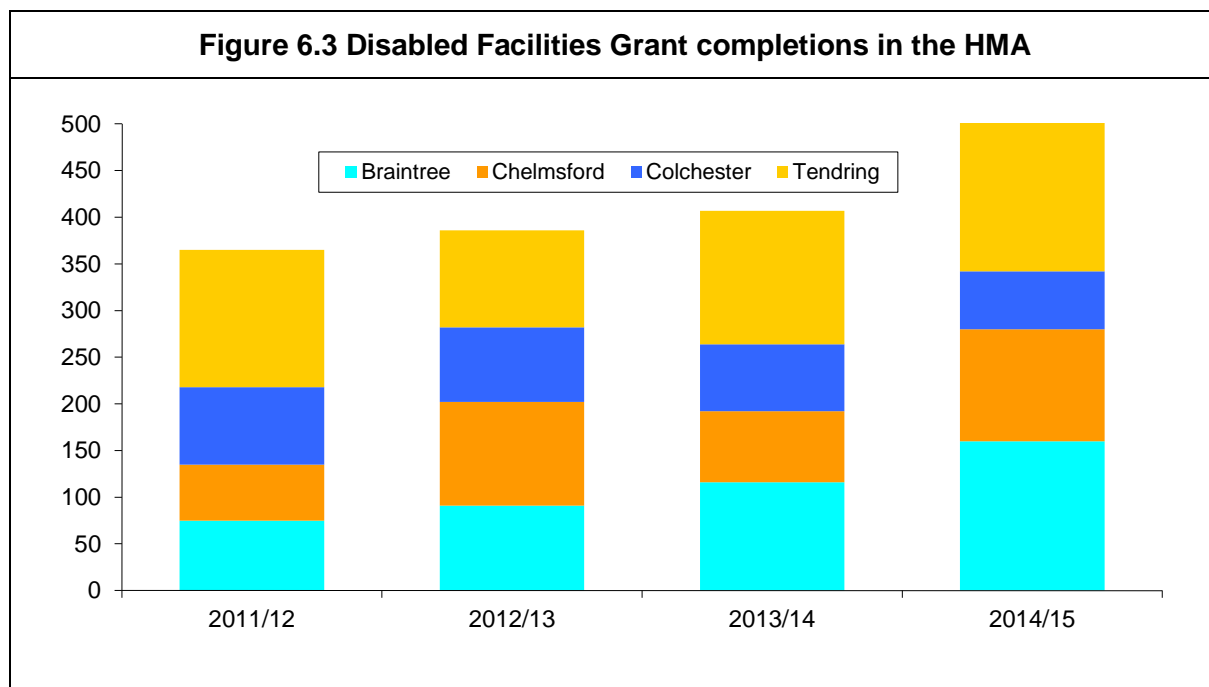
Source: HMA Councils, 2015

6.21   The Disabled Facilities Grant is most commonly used for a level access shower, followed by a stairlift and then ramped access. These adaptations are an important function of the housing market as they reduce the demand for specialist housing, by allowing residents to remain in their own home for longer. The majority of the Disabled Facilities Grants are given to people aged 55 or over indicating the preference for older people to continue to reside in their own home rather than move to 'specialist' older persons' accommodation.

Families with children

Current situation

6.22   Figure 2.4 shows the household composition recorded at the time of the Census. This indicated that 36.1% of the household population were families with children, a figure lower than the regional figure (36.7%) but slightly higher than the national average (36.0%). Within the HMA, Braintree and Chelmsford record the largest proportion of family households (38.8% and 38.2% respectively) and Colchester and Tendring the lowest (36.3% and 30.8% respectively).

6.23   Figure 6.4 below shows the tenure profile of the two main types of 'family with children' households in the HMA in 2011 compared to the remainder of the household population. The figure also sets out the occupancy level of these groups. The data shows that whilst there are notably fewer owner-occupiers with no-mortgage amongst couple households with children than amongst other households in the HMA, the proportion of this group in the social and private rented sector is not dissimilar. Lone parents however are notably more likely than other households to be in both social rented and private rented accommodation. Family households with children are also more likely to be overcrowded and less likely to be under-occupied than other households in the HMA.

Figure 6.4 Profile of accommodation for family households in the HMA

*Owner–occupied no mortgage ** Owner-occupied with mortgage, includes shared ownership. Source: 2011 Census
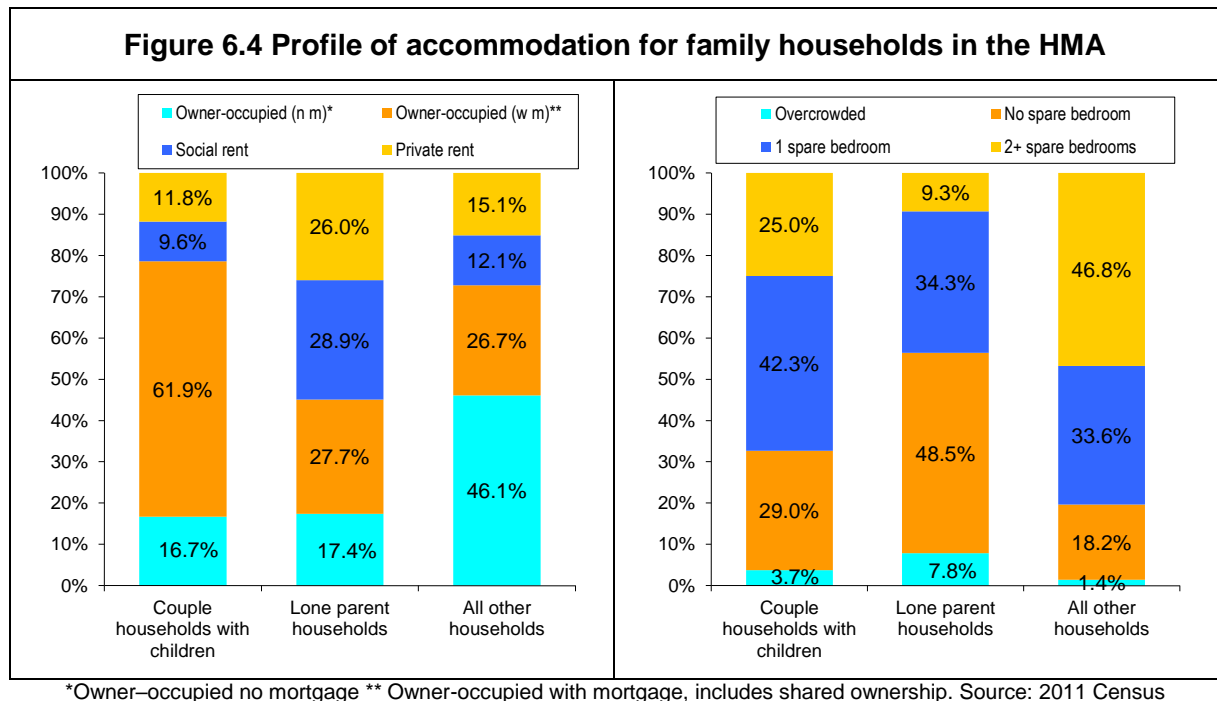
Future requirement

6.24 The Objectively Assessed Need projections indicate that the total population of families with children in the HMA is going to rise from 94,413 in 2015 to 100,481 by 2037 and the proportion of lone parent families within this group will grow from 28.1% in 2015 to 37.6% in 2037. Table 6.4 shows the projected accommodation profile for family households in the HMA in 2031 derived from the LTBHM model, presuming that households do not have to reside in overcrowded accommodation.

Table 6.4 Type of accommodation required for households with dependent children in 2037

Dwelling size	Owner-occupation	Private rented	Shared ownership	Social rent/ Affordable Rented	Total
One bedroom	0.0%	0.0%	0.0%	0.0%	0.0%
Two bedrooms	5.1%	2.7%	0.2%	8.0%	16.0%
Three bedrooms	31.2%	4.5%	0.3%	12.3%	48.3%
Four or more bedrooms	30.3%	3.4%	0.2%	1.9%	35.7%
Total	66.6%	10.6%	0.6%	22.2%	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Students

6.25 There are two Universities situated in the HMA; University of Essex, located principally in Colchester, and Anglia Ruskin University which has a campus in Chelmsford. Both of these organisations were contacted and asked about the current accommodation provision for its students, what expectations they have for future growth and where this growth will be

accommodated. At the time of this report, only Anglia Ruskin University have provided a response, which is summarised below.

Anglia Ruskin University Current profile

6.26   Anglia Ruskin University currently has 7,250 students based in Chelmsford comprising 5,450 undergraduates and 1,150 postgraduates. This includes 650 international students. The University offers a place in a managed hall of residents to 515 students, predominantly first years. After the first year students move into the private rented sector locally, with the University estimating that there are around 1,000 student households in this accommodation in Chelmsford, with accommodation concentrated in particular areas including Rectory Lane and Henry Road. In addition there are some students (including those studying part-time) who lived locally before joining the University meaning they have no additional accommodation requirements.

Anglia Ruskin University Plans for growth

6.27   The University's Corporate Plan aims towards increasing the student population at the Chelmsford campus to 8,600 by 2017 (6,450 undergraduates and 1,300 postgraduates and including 850 international students). The University is planning to add an extra 100 bedrooms of student accommodation within the next three years to help meet this demand and they have broader intentions to attract further private halls run by specialist operators in response to anecdotal evidence of the poor quality of some of the student accommodation available in the private rented sector.

6.28   Presuming that the expected growth is achieved and the University is able to provide 100 additional rooms in managed accommodation, it means that there will be an additional 1,250 students attending University in Chelmsford without accommodation. If it is presumed that 40% of these students reside at home, then there will be approximately 750 additional students looking for accommodation within the private rented sector. Typical occupation levels amongst students in private sector multiple occupancy housing would suggest that this would equate to around 175 new dwellings within the private rented sector.

6.29   It is estimated that there are currently 11,266 private rented households in Chelmsford. Whilst a growth of 175 private rented households in Chelmsford appears fairly large, the increase would represent an average annual growth of the private rented sector of just 0.8%. As implied in Figure 2.13, the average annual increase in the private rented sector between 2001 and 2011 was 9.2% in Chelmsford, which suggest that the housing market should be able to absorb the growth required in the private rented sector to house the expanding student population comfortably.

6.30   It is therefore recommended that whilst Chelmsford City Council should monitor the level of rents charged to determine whether increased demand from students is driving rent levels up quicker than is experienced elsewhere locally, it does not appear necessary to adjust the OAN to account for student growth.

Writtle College

6.31   Writtle College is a partner of the University of Essex and offers further and higher education courses at its site in Writtle, a small village to the west of Chelmsford. It has 770 undergraduate students on roll and offers 382 bedrooms within college owned accommodation. Although no detail has been provided on the scale of students at the College residing in the private rented sector, as the number of students at the institution is fairly small it can be presumed to have a minimal effect on the overall sector within Chelmsford.

Chelmsford College

6.32   Chelmsford College is a further education establishment within Chelmsford. It has 3,437 students on roll, including a number of post 18 students. The vast majority of students attending Chelmsford College already reside in the local area, so it has no significant impact on the housing market; there is no college owned student accommodation and the College consider it is unlikely that any students are living in private specialist student accommodation however no information is recorded on this. There is no plan to increase the number of students attending the College in the future.

Service Families

6.33   The main Ministry of Defence (MoD) site in the HMA is Colchester Garrison in the north east of Colchester. At the time of this report the MoD have not responded to the Councils' recent enquiries with regard to future changes in the Garrison. The Census indicates that in 2011 there were 2,501 residents in Colchester employed in the Armed Forces, of which 1,455 people lived in a communal establishment and 1,046 within a household.

The private rented sector

Growth

6.34   The current tenure profile in the HMA was modelled as part of the LTBHM model. This estimated that there are 53,713 private rented households in the HMA currently, with 11,602 in Braintree, 11,266 in Chelmsford, 17,877 in Colchester and 12,968 in Tendring. Across the HMA 19.5% of households reside in private rented accommodation. Figure 2.12 sets out the tenure profile in the authorities across the HMA at the time of the 2011 Census. It shows that Colchester has the largest proportional private rented sector and Chelmsford the smallest.

6.35   The private rented sector is becoming increasingly important in the HMA; as shown in Figure 2.13, the Census indicates that it increased by 93.9% in the HMA between 2001 and 2011. Within the individual authorities in the HMA, the private rented sector increased by 121.9% in Braintree, by 91.9% in Chelmsford, by 96.7% in Colchester and by 74.5% in Tendring. Figure 4.5 compares the household composition of the private rented sector in the HMA in 2001 to the profile of households resident in this tenure in the HMA in 2011.

The data shows that not only has the private rented sector expanded, but the households in it have diversified.

Figure 6.5 Change in the household composition of the private rented sector in the HMA

Legend: Single person · Couples with no children · Couple with children · Lone parent · Other

Year	Single person	Couples with no children	Couple with children	Lone parent	Other
2001	40.5%	20.7%	16.8%	11.8%	10.3%
2011	34.4%	18.4%	20.0%	15.7%	11.5%

Source: 2001 and 2011 Census
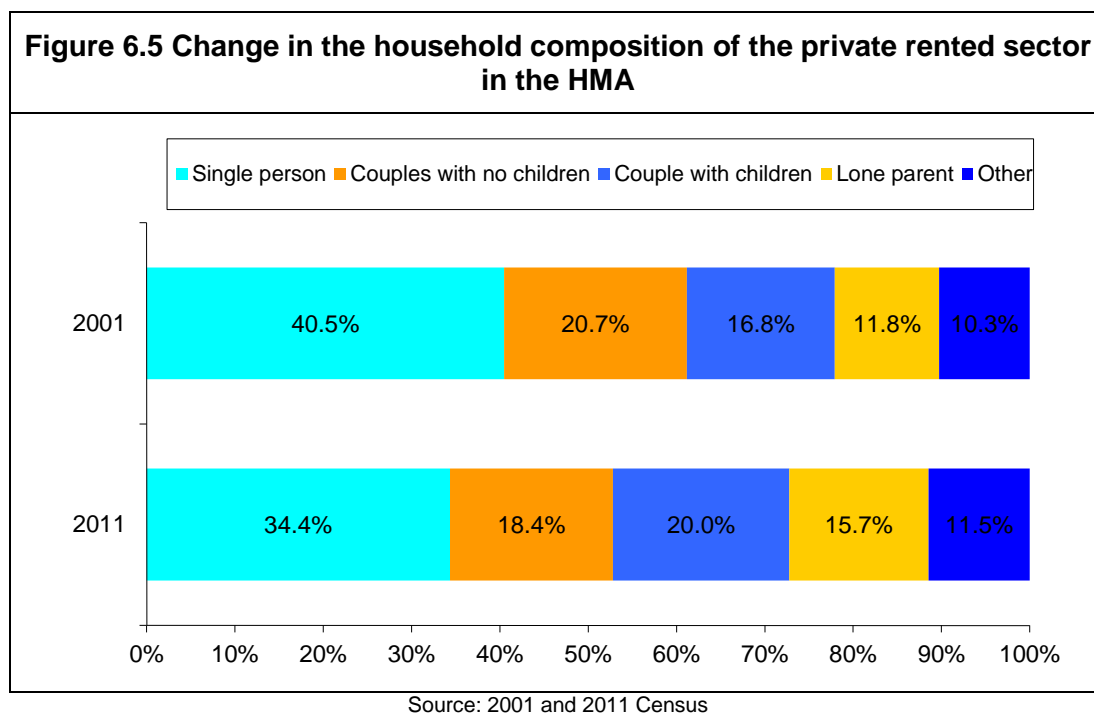
Current trends

6.36   To assess the stability of the sector currently it is useful to consider how the private rent levels charged vary over time. Table 4.5 shows the change in private rents over the last two years at both the median and lower quartile level. This data is disaggregated by local authority and accommodation size. The table shows for example that between 2011/12 and 2013/14 two bedroom median rents increased by 8.5% in Chelmsford. Overall the data suggests that the private rented sector is fairly stable, with rents changing only marginally over the two year period. The data does suggest that three and four bedroom rents are the most volatile in the market and that rents in Chelmsford have changed the most with rents in Tendring varying the least.

Table 6.5 Change in private rents charged in the HMA between 2011/12 and 2013/14				
Lower quartile prices				
Local authority	One bedroom	Two bedrooms	Three bedrooms	Four+ bedroom
Braintree	2.3%	4.3%	3.6%	2.8%
Chelmsford	4.5%	3.0%	6.9%	-2.1%
Colchester	0.0%	1.7%	3.3%	0.0%
Tendring	0.0%	0.9%	0.0%	6.3%
Median prices				
Local authority	One bedroom	Two bedrooms	Three bedrooms	Four+ bedroom
Braintree	0.0%	4.0%	4.0%	4.5%
Chelmsford	8.5%	3.4%	2.9%	-6.4%
Colchester	1.0%	1.6%	3.3%	4.5%
Tendring	0.0%	0.8%	-3.4%	0.0%

Source: Valuation Office Agency, 2015

The benefit-supported private rented sector

6.37   The report *'Who Lives in the Private Rented Sector'* published in January 2013 by the British and Social Housing Foundation estimates that nationally around a quarter of private tenants are in receipt of Local Housing Allowance. In the HMA the figure is 20.8% (excluding Tendring for which data is not available), with little variation between the constituent authorities (19.5% in Braintree, 20.3% in Chelmsford and 21.8% in Colchester). Further analysis shows that the number of private rented tenants in receipt of Local Housing Allowance across the HMA has increased by only 0.8% between April 2011 and April 2015, with all component authorities recording only a marginal change (an increase of 5.4% in Chelmsford, a decrease of 0.1% in Colchester and a decrease of 1.9% in Braintree). It should be noted that in all three areas the number of private tenants in receipt of Local Housing Allowance was highest in 2013 and 2014, before falling in 2015.

People wishing to build their own homes

6.38   It should be noted that the NPPF specifically refers *to people wishing to build their own homes* within the examples cited in paragraph 159. The Councils have collated this information outside this report.

7. Conclusion

7.1   On completion of the calculation of the need for affordable housing the PPG says at Reference ID: 2a-029-20140306:

The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.

7.2   It is clear that Planning Authorities should consider whether or not the housing target in the Local Plan should be increased to assist with meeting the need for affordable housing.

Braintree

7.3   The total annual affordable housing need in Braintree of 212 (as set out in Appendix 5) represents 25.8% of the annual projected household growth in the District between 2013 and 2037 (822 households per year as identified within the OAN calculations as provided by Edge Analytics). This proportion of new housing as affordable appears achievable to deliver in Braintree. It is clear that the Council can be confident that the affordable housing requirement can be met by the Objectively Assessed Need identified and no adjustment is required to this figure. The figure of 25.8% is similar to the proportion of new affordable housing required within the LTBHM model, 25.5% as indicated in Table A4.3a, providing further evidence that the assumptions reflect the realities of the current housing market locally.

7.4   Furthermore, the evidence in this report would suggest that the Council should pursue an overall affordable housing target of 30% or so, when negotiating section 106 sites with housing developers, although other evidence such as the Council's viability assessment will also need to be considered and allowance will need to be taken of the fact that some sites may not deliver affordable housing (for example due to policy thresholds).

7.5   Chapter 6 considered the impact of subgroups of the population on the housing target. There are no significant Ministry of Defence sites or universities in the District that have an impact on the housing market. In terms of specialist accommodation for older persons, as set out in Appendix 6, it is evidenced that in Braintree an additional 75 sheltered and extracare housing units should be provided each year within the identified Objectively Assessed Need. However, this total is dependent on future patterns of demand amongst potential residents of this accommodation increasing notably beyond current levels.

7.6   To profile the overall dwelling requirements, the household totals presented in this report will be converted to dwelling figures by applying the overall vacancy rate of 2.7% that was used by Edge Analytics in their work on the Objectively Assessed Need calculation (822 is the number of households that would occupy 845 homes if 2.7% of these dwellings were vacant). Therefore, of the 845 dwellings required per year in Braintree between 2013 and

2037, 218 (25.8%) should be affordable, as this is the requirement derived from the affordable housing need model. The residual dwellings within the Objectively Assessed Need estimate are market accommodation.

7.7   The size of housing required within these tenures is presented in Figure 7.1. The affordable sector is informed by the affordable housing needs model. The market profile is informed from the LTBHM model; the overall profile of market housing required is then distributed across the new market housing requirement total. It should be noted that the shared ownership requirement shown is only that required to meet affordable housing need (and forms part of the affordable housing requirement). The data presented in Tables 3.7 and 3.8 sets out the potential demand for both discount market housing and shared ownership arising from households already in the market sector (and not in affordable housing need). The demand indicated in Tables 3.7 and 3.8 would therefore form part of the future market housing requirement if the Council wanted to further disaggregate that by tenure.

Figure 7.1 Annual requirement for all new housing in Braintree

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Chelmsford

7.8   The total annual affordable housing need in Chelmsford of 175 (as set out in Appendix 5) represents 23.1% of the annual projected household growth in the City between 2013 and 2037 (758 households per year as identified within the OAN calculations as provided by Edge Analytics). This proportion of new housing as affordable appears achievable to deliver in Chelmsford. It is clear that the Council can be confident that the affordable housing requirement can be met by the Objectively Assessed Need identified and no adjustment is required to this figure. The figure of 23.1% is similar to the proportion of new affordable housing required within the LTBHM model, 23.3% as indicated in Table A4.3b,

providing further evidence that the assumptions reflect the realities of the current housing market locally.

7.9   Furthermore, the evidence in this report would suggest that the Council should pursue an overall affordable housing target of 30% or so, when negotiating section 106 sites with housing developers, although other evidence such as the Council's viability assessment will also need to be considered and allowance will need to be taken of the fact that some sites may not deliver affordable housing (for example due to policy thresholds).

7.10   Chapter 6 considered the impact of subgroups of the population on the housing target. The analysis indicated that the expansion of Anglia Ruskin University at Chelmsford would be absorbed quite comfortably within the current housing market as the annual scale of growth is likely to be small. In terms of specialist accommodation for older persons, as set out in Appendix 6, it is evidenced that in Chelmsford an additional 60 sheltered and extra care housing units should be provided each year within the identified Objectively Assessed Need. However, this total is dependent on future patterns of demand amongst potential residents of this accommodation increasing notably beyond current levels.

7.11   To profile the overall dwelling requirements, the household totals presented in this report will be converted to dwelling figures by applying the overall vacancy rate of 2.2% that was used in the OAHN Study (758 is the number of households that would occupy 775 homes if 2.2% of these dwellings were vacant). Therefore, of the 775 dwellings required per year in Chelmsford between 2013 and 2037, 179 (23.1%) should be affordable, as this is the requirement derived from the affordable housing need model. The residual dwellings within the Objectively Assessed Need estimate are market accommodation.

7.12   The size of housing required within these tenures is presented in Figure 7.2. The affordable sector is informed by the affordable housing needs model. The market profile is informed from the LTBHM model; the overall profile of market housing required is then distributed across the new market housing requirement total. It should be noted that the shared ownership requirement shown is only that required to meet affordable housing need (and forms part of the affordable housing requirement). The data presented in Tables 3.7 and 3.8 sets out the potential demand for both discount market housing and shared ownership arising from households already in the market sector (and not in affordable housing need). The demand indicated in Tables 3.7 and 3.8 would therefore form part of the future market housing requirement if the Council wanted to further disaggregate that by tenure.
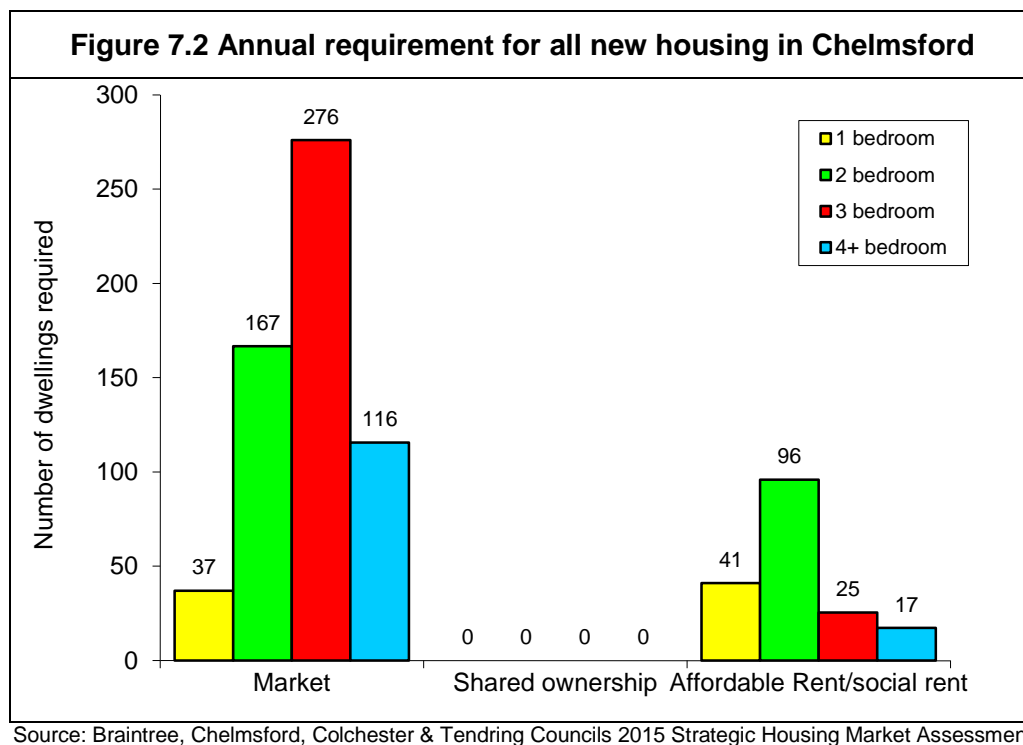
Figure 7.2 Annual requirement for all new housing in Chelmsford

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Colchester

7.13   The total annual affordable housing need in Colchester of 267 (as set out in Appendix 5) represents 30.2% of the annual projected household growth in the Borough between 2013 and 2037 (855 households per year as identified within the OAN calculations as provided by Edge Analytics). This proportion of new housing as affordable appears achievable to deliver in Colchester. It is clear that the Council can be confident that the affordable housing requirement can be met by the Objectively Assessed Need identified and no adjustment is required to this figure. The figure of 30.2% is similar to the proportion of new affordable housing required within the LTBHM model, 24.8% as indicated in table A4.3c, providing further evidence that the assumptions reflect the realities of the current housing market locally.
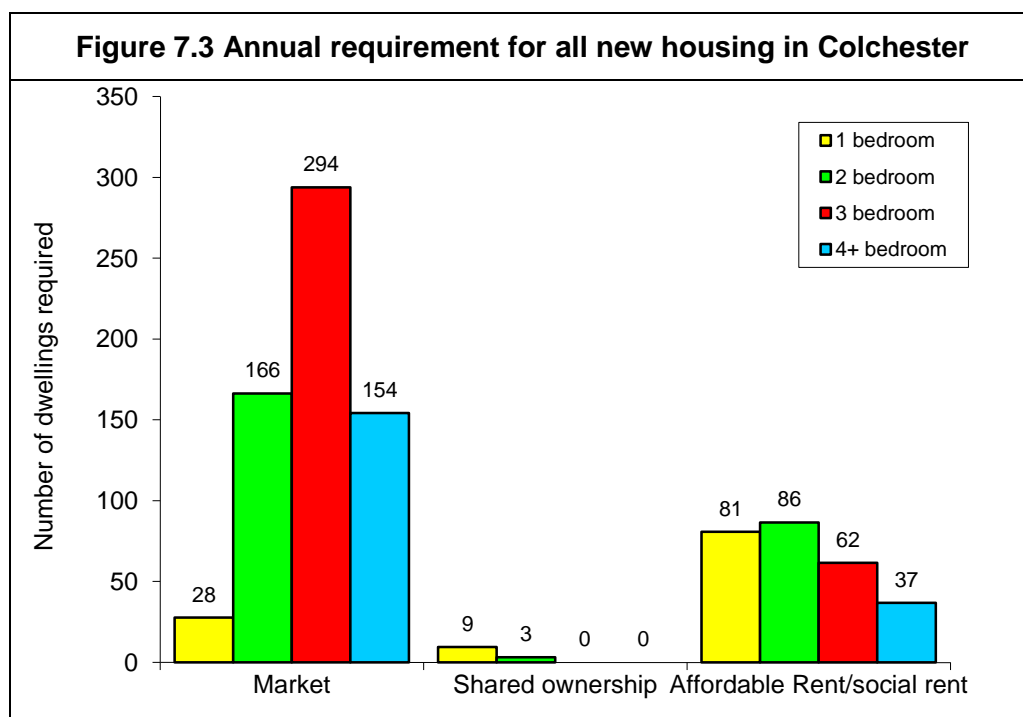
7.14   Furthermore, the evidence in this report would suggest that the Council should pursue an overall affordable housing target of 30-35% when negotiating section 106 sites with housing developers, although other evidence such as the Council's viability assessment will also need to be considered and allowance will need to be taken of the fact that some sites may not deliver affordable housing (for example due to policy thresholds).

7.15   Chapter 6 considered the impact of subgroups of the population on the housing target. In terms of specialist accommodation for older persons, as set out in Appendix 6, it is evidenced that in Colchester an additional 94 sheltered and extra care housing units should be provided each year within the identified Objectively Assessed Need. However, this total is dependent on future patterns of demand amongst potential residents of this accommodation increasing notably beyond current levels.

7.16   To profile the overall dwelling requirements, the household totals presented in this report will be converted to dwelling figures by applying the overall vacancy rate 3.8% that was used by Edge Analytics in their work on the Objectively Assessed Need calculation (855 is the number of households that would occupy 920 homes if 3.8% of these dwellings were vacant). Therefore, of the 920 dwellings required per year in Colchester between 2013 and 2037, 278 (30.2%) should be affordable, as this is the requirement derived from the affordable housing need model. The residual dwellings within the Objectively Assessed Need estimate are market accommodation.

7.17   The size of housing required within these tenures is presented in Figure 7.3. The affordable sector is informed by the affordable housing needs model. The market profile is informed from the LTBHM model; the overall profile of market housing required is then distributed across the new market housing requirement total. It should be noted that the shared ownership requirement shown is only that required to meet affordable housing need (and forms part of the affordable housing requirement). The data presented in Tables 3.7 and 3.8 sets out the potential demand for both discount market housing and shared ownership arising from households already in the market sector (and not in affordable housing need). The demand indicated in Tables 3.7 and 3.8 would therefore form part of the future market housing requirement if the Council wanted to further disaggregate that by tenure.

Figure 7.3 Annual requirement for all new housing in Colchester

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Tendring

7.18   The total annual affordable housing need in Tendring of 151 (as set out in Appendix 5) represents 27.3% of the annual projected household growth in the District between 2013 and 2037 (554 households per year as identified within the OAN calculations as provided by Edge Analytics). This proportion of new housing as affordable appears achievable to

deliver in Tendring. It is clear that the Council can be confident that the affordable housing requirement can be met by the Objectively Assessed Need identified and no adjustment is required to this figure. The figure of 27.3% is similar to the proportion of new affordable housing required within the LTBHM model, 20.7% as indicated in Table A4.3d, providing further evidence that the assumptions reflect the realities of the current housing market locally.

7.19   Furthermore, the evidence in this report would suggest that the Council should pursue an overall affordable housing target of 30% or so, when negotiating section 106 sites with housing developers, although other evidence such as the Council's viability assessment will also need to be considered and allowance will need to be taken of the fact that some sites may not deliver affordable housing (for example due to policy thresholds).

7.20   Chapter 6 considered the impact of subgroups of the population on the housing target. There are no significant Ministry of Defence sites or universities in the District that have an impact on the housing market. In terms of specialist accommodation for older persons, as set out in Appendix 6, it is evidenced that in Tendring an additional 97 sheltered and extra care housing units should be provided each year within the identified Objectively Assessed Need. However, this total is dependent on future patterns of demand amongst potential residents of this accommodation increasing notably beyond current levels.

7.21   To profile the overall dwelling requirements, the household totals presented in this report will be converted to dwelling figures by applying the overall vacancy rate of 7.2% that was used by Edge Analytics in their work on the Objectively Assessed Need calculation (544 is the number of households that would occupy 597 homes if 7.2% of these dwellings were vacant). Therefore, of the 597 dwellings required per year in Tendring between 2013 and 2037, 163 (27.3%) should be affordable, as this is the requirement derived from the affordable housing need model. The residual dwellings within the Objectively Assessed Need estimate are market accommodation.

7.22   The size of housing required within these tenures is presented in Figure 7.4. The affordable sector is informed by the affordable housing needs model. The market profile is informed from the LTBHM model; the overall profile of market housing required is then distributed across the new market housing requirement total. It should be noted that the shared ownership requirement shown is only that required to meet affordable housing need (and forms part of the affordable housing requirement). The data presented in Tables 3.7 and 3.8 sets out the potential demand for both discount market housing and shared ownership arising from households already in the market sector (and not in affordable housing need). The demand indicated in Tables 3.7 and 3.8 would therefore form part of the future market housing requirement if the Council wanted to further disaggregate that by tenure.
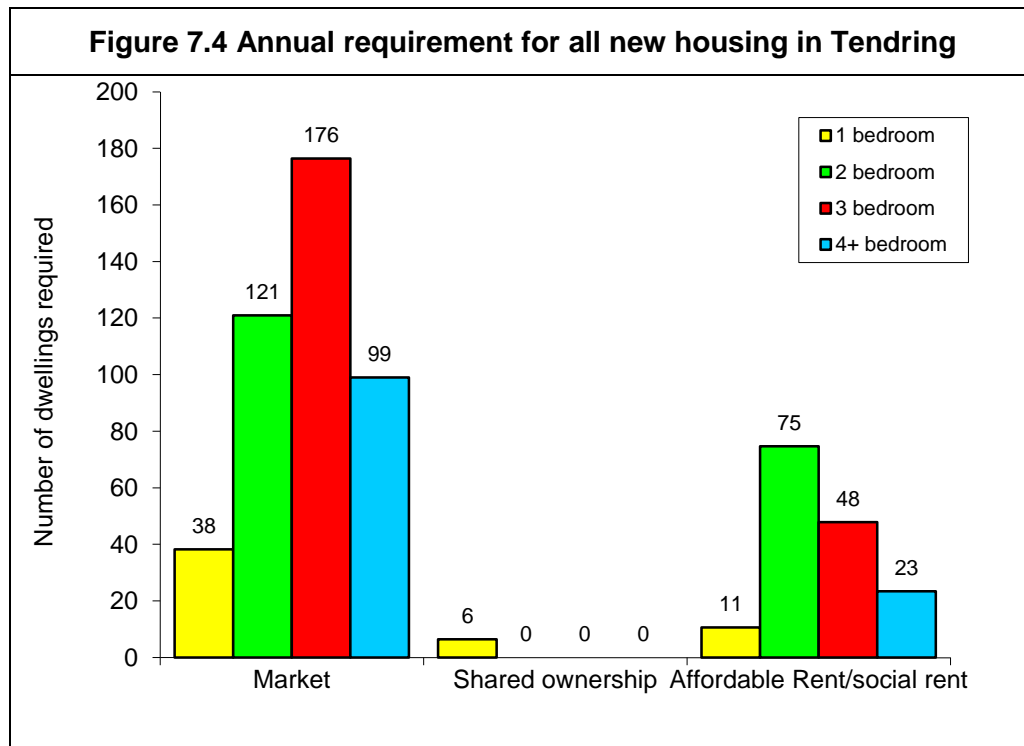
Figure 7.4 Annual requirement for all new housing in Tendring

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Appendix A1. Summary of stakeholder consultation

Introduction

This appendix describes the process of consulting with stakeholders – who was contacted and the nature of the consultation. It also describes the consultation event that took place, including what was discussed. Finally the appendix sets out the comments that were received and the response to them.

Stakeholder workshop

A consultation event on the draft HMA-wide findings of this study, took place on 28th September 2015. A wide range and breadth and number of organisations were invited to attend to observe the preliminary outputs of the study and to discuss the methodological assumptions used to derive the estimates. In total 153 individuals were invited from 108 different organisations including landowners, developers, planning professionals and agents. A full list of the organisations invited to the stakeholder event is set out in Table A1.1.

The event was well attended (33 people), with a diversity of stakeholders represented. The event was a presentation of the relevant national guidance which provides the framework for the study, an overview of the purpose of the report and the two main models used to obtain the outputs, the assumptions used within the models (principally focusing on the affordable housing need model), and the initial HMA-wide outputs of the study that had been derived. Questions were encouraged throughout and a few topics identified for more in depth discussion – the cost of housing, the role of the private rented sector, the appropriate affordability threshold to use and how to deal with single people under 35 potentially in housing need.

Table A1.1 List of organisations from whom representatives were invited to the stakeholder event		
ADP	Estuary Housing	Moody Homes Ltd
Alan Wipperman & Co	Family Mosaic	Nicholas Taylor & Associates
Andrew Martin Planning	Fenn Wright	Paul Dickinson and Associates
Aquila Developments Limited	Flagship Housing	Paul Hales Associates
ASP	Galliford Try	Pegasus Planning
b3 Architects llp	Genesis Housing	Persimmon Homes
Barton Willmore	GL Hearn Limited	Phase 2 Planning
BDB Design LLP	Gladman Developments	Pigeon Investment Management
Bellway	Great Leighs Holdings & Estates Limited	Planning Potential
Bidwells	Green Planning Studio	Police and Crime Commissioner for Essex
Bloor Homes	Greenfields Community Housing	Pomery Planning Consultants
Bovis Homes	Guinness Trust	Rapleys
Boyer Planning	Hallmark Developments	Robinson and Hall
Braintree District Council	Hanover Housing	Rose Builders
Bridgewater	Hastoe Housing	S A Mynard Limited
Brookglade Property Services Ltd	Hawkspur Ltd	Salvation Army HA
Capita Property and Infrastructure Ltd	Hill Street Holdings	Sanctuary Housing
Capital Property & Construction Consultants Ltd	Hills Group	Savills (UK) Limited
CEG	HLR Consulting Ltd	Scott Properties
CgMs Ltd	Home Group	Sellwood Planning
Chelmsford City Council	Hopkins Homes	Smart Planning
CHP	Iceni Homes	South Molton Real Estate Ltd
Christian Growth Centre Chelmsford	Iceni Projects	Springfields Planning & Development Limited
Circle	Indigo Planning Ltd	Star Planning
Clarke & Simpson	JB Planning Associates Ltd	Strutt & Parker LLP
Colchester Borough Council	John H Bayliss & Co	Sustainable by Design
Colliers International	Kemsley LLP	Swan Housing
Colne Housing	Ken Philpot Design	Sworders
Cotman Housing	Larmar Engineering	Taylor Wimpey
Countryside Properties	London Regeneration Ltd	Tendring District Council
Croudace	Mabb Planning	Terence O'Rourke Ltd
Dominic Lawson Bespoke Planning Ltd	Mark Jackson Planning	The JTS Partnership LLP
East Anglia London Properties Ltd	MDR Development Limited	The Planning & Design Bureau
East Thames	Mersea Homes	Tyler Parkes
Edward Gittins & Associates	Moat	Whirledge and Nott
Essex County Council		

Summary of discussion

A summary of the discussion that took place at the event is presented below:

Cost of Housing

SDH explained that the affordability test used was based on households accessing lower-quartile properties in both the rental and ownership markets. He stated that there was an argument for using the lower-decile figure rather than the lower-quartile. However, this was deemed not suitable as many of the properties in the lower-decile are in a poor condition and in need of repair. Also, there is relatively little difference in price between lower-quartile and lower-decile averages.

SC (Mersea Homes): What is the outcome of using lower-decile rather than lower-quartile?

SDH: The lower-decile figure produces a lower number, whilst using the lower-quartile figure increases the affordable housing requirement.

SH (Hills Group): Is it important to look at stock numbers in each of the percentiles?

SDH: As this is an affordability test, it is important to look at prices rather than stock numbers.

KC (CHP): Why have Bury and Cambridge figures been included?

MA: Braintree is covered by both in terms of the Broad Rental Market Areas.

Cost of Intermediate Housing

SDH: The model used for calculating the cost of Shared Ownership was based on a 50% equity share and a rent level of 2.5% of the remaining equity, is this correct?

JL (Hastoe): A more realistic equity level would be 30%.

There was general agreement that a lower equity share and higher rent level should be used when calculating shared ownership costs.

SH (Hills Group) Q: Does the model include a deposit, and at what level? What repayment period does it assume? The HCA allows up to 3% for rent so this figure should be used in the calculation.

MA: The model assumes a 10% deposit and 25 year repayment period for mortgages.

SDH: Is shared equity a more popular product than shared ownership housing?

A: Discounted home ownership is more attractive to the buyer.

Proportion of income spent on housing

SDH outlined the proportion of income spent on housing in different tenures and stated that an assumption of 35% had been used in the model and asked whether this was correct and reflected market practice.

KC (CHP): Should there be two calculations, one for working households and one for households on full benefit? The 35% figure would not be applicable to those on full benefit but was applicable to working households.

PC (Greenfields): As announced in the Budget, those households with an income over £30,000 will have to pay market rent. This will likely push more people towards Right to Buy/Acquire.

There was a lengthy discussion on this point. SDH stressed this was a policy off investigation of the housing market so it was important to investigate and reflect the actual workings of the housing market. There was agreement to the 35% assumption in the room. It was suggested that it would be useful to include some sensitivity testing in this regard.

The Private Rented Sector

SDH: Given the increasing similarities between the PRS and the social sector with regards to rent levels and type of tenancy offered, how should we be treating those housed in the PRS?

KC (CHP): Don't agree that tenancies in the PRS and social sector can be compared in that way with six month assured shorthold tenancies in the PRS and five year fixed term tenancies in the social sector. However, would agree that those housed in the PRS in receipt of Local Housing Allowance (LHA) should not be counted as being in housing need as local authorities can discharge their homelessness duty into the PRS.

SDH: Although those housed in the PRS in receipt of LHA won't automatically be assessed as being in housing need, unless there are other issues such as overcrowding, the PRS can't be classed as a supply of affordable housing because it doesn't meet the definition of affordable housing set out in the NPPF.

DU (Barton Willmore): Agree that this is the right approach to take.

SH (Hills Group): Should all housing not in the private sector be classed as affordable housing?

SDH: There is some blurring and should therefore stick to the definition in the NPPF.

Under 35 single person households

SDH outlined how single person households aged under 35 can be in need of affordable housing, however their access to affordable housing is restricted. They are only eligible for the shared rate of LHA and are in the lower category groups. In order to reflect the market, the needs figure is presented to only include those who cannot afford the shared room rate. A discussion took place around whether or not it is appropriate to remove these households from the calculation?

SC (Mersea Homes): Sounds like a big reduction.

PR (Terence O'Rourke): Could offer a lack of choice to single people that do not want to share?

KC (CHP): Will local authorities look at their allocations policies for those aged under 35?

SDH: The question is whether it is an appropriate reduction and whether, if it is an affordable option, these households should not be treated as being in housing need. The assessment should be a 'policy off' assessment that reflects how the market is operating.

SC (Mersea Homes): Would be happy to see the numbers come down.

PB (Gladman): Should there be some sensitivity testing on this point?

MA: Agreed to do some sensitivity testing on this point.

Final Comments

SC (Mersea Homes): We have always seen very large numbers in the SHMA for affordable housing need, and now it seems to be going the other way?

SDH: The old figures were produced by an out of date, and now cancelled, model which produced larger numbers that would never be achievable – hence the updated model in the PPG.

DU (Barton Willmore): will there be any sensitivity testing?

SDH: Will do sensitivity testing on the level of income spent on housing as inspectors always ask for it and on the number of under 35 year olds that could afford a shared room in the private sector.

DU (Barton Willmore): The Eastleigh inspector said that 30% of income spent on housing was the upper level.

SDH: This must be a policy off assessment of the need for affordable housing to inform a decision as to whether an adjustment needs to be made to the housing target in the Plan. If the market is working to another assumption then that must be used – but by including scenarios it is possible to develop policies based on lower thresholds if the Councils believe that is a priority.

RM (Mabb Planning): Are other groups of authorities around the country doing similar things?

SDH: Yes, there are a number of consultants doing this kind of work and they are all very busy.

JL (Hastoe): Should Housing Needs Surveys be carried out to establish need especially in rural areas? People may not join housing registers if they don't think there is any local supply to meet their need.

SDH: Agreed that Housing Needs Surveys were an effective way of establishing local need, however the PPG states that this information should come from housing registers.

SH (Hills Group): Is an equal weighting given to all tenancies? Doesn't seem right that the need for a bedroom and the need for a four bed house should have the same weighting.

SDH: It is an assessment of households not bedrooms.

JL (Hastoe): What happens when there is an increase in interest rates?

SDH: Assessments cover the plan period but will be under review to take account of significant changes in the market. SDH observed that whilst base rates are low, the interest rate assumption in the analysis was over 5% so an increase in interest rate had already been anticipated by the mortgage lenders.

DM (ASP): The NPPF requires need to be assessed for the HMA, is the next stage to look at the local authority level?

SDH: Yes, there will be a final report for the HMA with an appendix for each local authority.

ML (Kemsley LLP): How will you take account of all comments given that they will be coming from a range of sectors with different motives for making comments?

SDH: We will take account of all comments and use our professional judgement. There will not be universal agreement on each point (although there is a consensus), hence the sensitivity testing.

Q: Where do most responses come from?

SDH: Most comments come from those with interests in sites not included in the current plan.

PR (Terence O'Rourke): Are some Registered Providers looking to move away from Affordable Rent towards a higher proportion of Shared Ownership?

JL (Hastoe): Don't want to move away from Affordable Rent but are being forced to due to rent reductions.

SC (Mersea Homes): If there was only one site allocated would it be expected to follow the mix of both private and affordable housing as set out in the assessment? We would expect smaller affordable housing units but not the same level of smaller units in the private sector?

SDH: Yes, in order to balance the housing market the private mix would ideally reflect that set out in the LTBHM model which is a best estimate of what will be needed to meet the population change in the period under consideration.

The relevant slide was reviewed and it was clarified that it was not the same mix as the affordable sector. MA also noted that the mix presented for the market housing related to the owner occupied sector and there would be another table relating to the private rented sector.

SC (Mersea Homes): Confirmed the market mix is more consistent with market demand, especially in terms of the good old 3 bed semi.

DC (Iceni): When will the final report be ready?

SDH: The final report will be with the local authorities by the end of October.

Specialist Housing

SDH stated that the next stage of the assessment will take account of the needs of specialist groups such as older people, those with specific needs and students.

Q: Have the needs of these specialist groups had much impact in other areas?

SDH: Some impact from the MOD in Wilshire and the University in Gloucestershire but mainly the impact is minimal. The assessment will take into account information from different sources such as the LIN model for older people and the business plans of the relevant universities. The impact is determined by their expansion plans. There is not a requirement to look at housing for service persons but given the presence of the Garrison in Colchester it will be incorporated in the final report.

Written consultation

This summary of the discussion and a copy of the presentation slides were sent to all of the attendees, as well as those originally invited that were unable to attend. All recipients were encouraged to feedback their views, particularly regarding the small number of variables that can influence the outputs of the study and are not prescribed in relevant national planning guidance. The deadline for the consultation responses was 12th October (a two week period). The prompts set out in the e-mail covering the invitation for a formal response were:

Percentile used for assessing cost of housing
Is it right to use average lower-quartile prices for both rented and owned housing?

Percentage of income spent on housing
The assessment undertaken by the consultants is based on households spending 35% of their income on housing costs. Do you agree this is the right level?

Treatment of the Private Rented Sector
It is proposed that those housed in the Private Rented Sector in receipt of Local Housing Allowance are not automatically assessed as being in housing need, unless there are other issues such as overcrowding. Is this the correct approach to take?
The Private Rented Sector will not be classed as supply of affordable housing in line with the definition in the NPPF.

Under 35 single person households
As these households are only entitled to the shared rate of LHA, it is proposed that those who are able to afford the shared room rate should not be assessed as being in housing need. Do you agree these households should be removed from the assessment of the total need for affordable housing?

Consultation responses

In total five organisations submitted a formal response to the consultation documents. A summary of the points raised by each and how they have been addressed is set out in Table A1.2
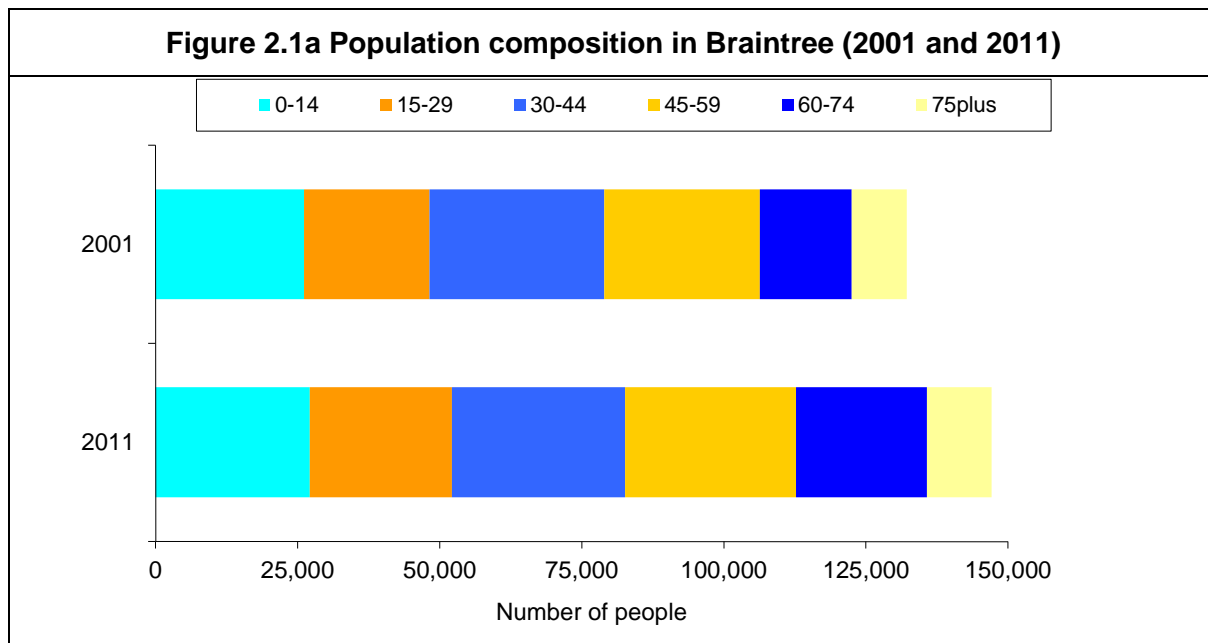
	Table A1.2 Comments received through formal consultation and a how they have been addressed	
Respondent	Summary of comment	Response to comment
JB Planning Associates	The Housing Needs Assessment presentation contained very little information regarding the need for particular types of specialist housing.	This information was not available in time for it to be included in the consultation however it has been included in the final version of the report.
JB Planning Associates	It seems somewhat surprising to us that the identified housing requirement figures for Chelmsford and the other local authorities within the Housing Market Area were not found to be higher in the Peter Brett Study	This relates to the calculation of the Objectively Assessed Need, which is a separate piece of work to this study.
JB Planning Associates	Subsequent to the presentation, we have now had the Government announcement regarding further changes to affordable housing requirements. The Study now needs to take the implications of this on board.	Additional analysis has been added to the report (in Chapter 3) to consider the potential demand for starter homes in wake of the Government announcement
Terence O'Rourke	It is clear that the consultants are keen to adhere to the guidance provided in the National Planning Policy Framework and associated Planning Practice Guidance and this approach is supported to ensure that the outcomes are robust and capable of being found sound through examination.	Support for approach noted in report.
Terence O'Rourke	1. Cost of Housing On the understanding that there is little practical difference between the lower- decile and lower-quartile average figures, the proposed approach of using lower- quartile figures would seem reasonable.	Support for approach noted in report.
Terence O'Rourke	2. Cost of Intermediate Housing We have no definitive view on the appropriate percentage equity share to be used in the model, for shared ownership, although the 50% figure suggested was clearly considered by some to be too high and that a lower figure would be more typical and realistic.	The assumptions for shared ownership have been adjusted and a lower equity share (30%) been presumed in light of stakeholder comments.
Terence O'Rourke	3. Proportion of Income Spent on Housing Reference was made during the session to the position adopted by the Planning Inspector who examined the Eastleigh Borough Local Plan. In that case the Inspector found no evidence to support the view that more than 30% of income could reasonably be spent on housing. Evidence must be carefully presented to demonstrate that the 35% figure is justified in this HMA as the use of a figure above 30% could underestimate the affordable housing need. This would bring the plan's soundness into question. Further investigation using the 30% figure should be undertaken to ascertain the effect of using that figure and to inform the decision making process.	Thank you for the comment, a sensitivity analysis has been added to the study to determine how the level of affordable housing need varies when a different affordability ratio is used. The figure of 35% is recognised as being reflective of the way the current market operates as confirmed by the majority of participants at the consultation event.
Terence O'Rourke	4. Private Rented Sector (PRS) We agree that the housing needs study should not classify PRS as a source of affordable housing, in accordance with NPPF guidance.	Support for approach noted in report.
Terence O'Rourke	5.Under 35 Single Person Households The reduction in annual housing need, arising from excluding those under 35 year olds who can afford the shared room rate is quite significant. Whilst this may be judged to be appropriate in terms of methodology, the effect of discounting a large number of younger people should be made clear to political decision makers in the reporting. This reduction potentially excludes	Thanks for the comment, further disaggregation of these households has been added to the report for clarify and to show the effect of changing the assumptions over which of these households should be taken as being in need of affordable.

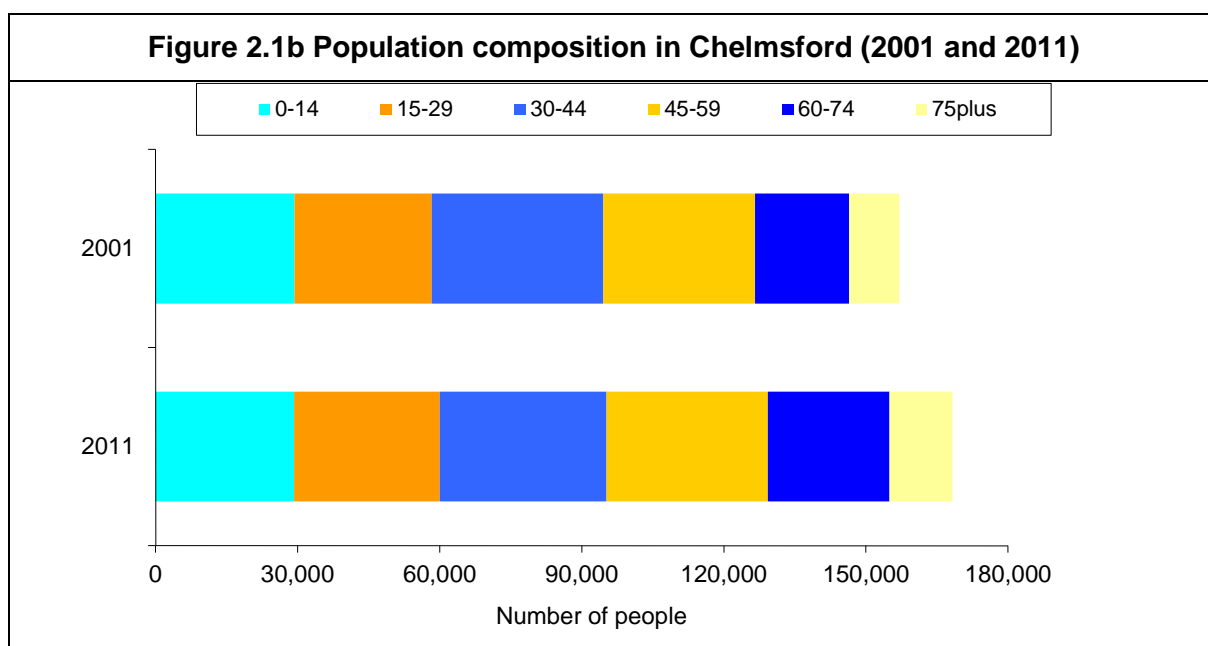|	significant numbers of young people from housing simply because they can afford to share accommodation with others, even though this may not be their preference or meet their actual housing need.	Justification of the approach used is presented at the end of this analysis.
	The Hammonds Estates is highly supportive of the principle of promoting social mobility and providing opportunities for people of all ages and circumstances to obtain access to suitable and affordable housing. The needs of under 35s should not simply be ignored due to methodological matters if a genuine need for housing exists for younger people, and this should be carefully considered by the local authorities in defining policy necessary to deliver sufficient affordable housing over the plan period.	
Terence O'Rourke	No evidence was presented at the consultation event looking at other aspects of housing need, including housing for the elderly and those with specialist needs, such as students and service personnel. It was mentioned that the output from this assessment would be relatively lightweight.	This information was not available in time for it to be included in the consultation however it has been included in the final version of the report. These issues have all been addressed substantively.
	Again we understand that this is also work in progress but as set out above, the Hammonds Estates is keen to ensure that the local plans for each area make sufficient housing provision for all types of need, and the evidence for the required provision must be in sufficient detail to pass an Inspector's scrutiny.	
Hills Group	<u>Percentile used for assessing cost of housing</u> Is it right to use average lower-quartile prices for both rented and owned housing? As I understand it this reflects the traditional assumption and is agreed.	Support for approach noted in report.
Hills Group	<u>Percentage of income spent on housing</u> The assessment undertaken by the consultants is based on households spending 35% of their income on housing costs. Do you agree this is the right level? As I understand it this reflects the traditional assumption and is agreed.	Support for approach noted in report.
Hills Group	<u>Treatment of the Private Rented Sector</u> It is proposed that those housed in the Private Rented Sector in receipt of Local Housing Allowance are not automatically assessed as being in housing need, unless there are other issues such as overcrowding. Is this the correct approach to take? The Private Rented Sector will not be classed as supply of affordable housing in line with the definition in the NPPF. This reflects current policy which is agreed.	Support for approach noted in report.
Hills Group	<u>Under 35 single person households</u> As these households are only entitled to the shared rate of LHA, it is proposed that those who are able to afford the shared room rate should not be assessed as being in housing need. Do you agree these households should be removed from the assessment of the total need for affordable housing? This reflects current policy which is agreed.	Support for approach noted in report.
Iceni Projects	**The proposed approach to PRS** The evidential base for the assessment confirms that the wider area has suffered from an undersupply of all forms of housing, including affordable housing. Across the HMA, this amounts to approximately 2,000 in the	Thanks for the comment although the approach that has been used with regards to the private rented sector may have been misinterpreted - we have presumed that the private rented

	period 2001 to 2014 (further details of the calculation can be provided on request). The proposed approach to the inclusion of PRS as a form of housing contributing to affordable housing supply will only worsen the current trend.	sector should <u>not</u> be considered an affordable housing supply.
	That proposition was set out in the 2nd bullet of slide 17 i.e. that a 'household in the PRS in receipt of LHA is not in housing need (although they may be for other reasons)'. Later in the presentation, the presenter proposed a reduction in affordable housing need from 1,361 per annum across the area to 805 per annum by deducting the proposed 556 annual supply of PRS (see slide 27).	The proposed reduction in the affordable housing need of 556 was not due to the annual supply of the private rented sector but due to the capacity of single people aged under 35 or under to share. We have only considered affordable housing that falls within the NPPF definition, so we have excluded the private rented sector.
	During discussion at the workshop, reference was made to the matters considered by the Eastleigh Inspector. In addition, several attendees suggested that this matter should be subject of sensitivity testing. However, with reference to the findings of the Eastleigh Inspector, we feel that it is necessary to go further than simple sensitivity testing and reject the concept in its entirety. Paragraph 34 of the Eastleigh Inspectors' Report confirms that "…there is no justification in the Framework or Guidance for reducing the identified need for affordable housing by the assumed continued role of the PRS with LHA." The Inspector goes on to confirm that PRS does not come within the definition of affordable housing and does not provide the form of accommodation required by those at greatest need, as it does not provide the same security of tenure and the standard of accommodation may well be poor.	
	Any proposal to place any reliance on PRS needs to be clearly justified and robust. There is no evidence currently available to suggest that the proposed approach is acceptable.	
Iceni Projects	**Market signals**	Market signals were not specifically discussed at the consultation event, just the current cost of housing (no trend information on prices or rents was presented). Although some data relating to market signals may be presented in the report, this is just to enable a contextual understanding of the local housing market - market signals were fully addressed as part of the Objectively Assessed Need study and are beyond the scope of this report.
	Those market signals discussed at the presentation confirmed that the area is suffering from the combined issue of rising rents and house price increases. These matters have a significant bearing on affordability criteria, the potential for overcrowding and the increase in hidden households.	
	To ensure these matters are properly taken into account, evidence of market signals should be presented in detail – and cross-checked using various sources – and the assessment should make proposals for an appropriate uplift in housing provision to address market signals.	
	Furthermore, it is imperative that sufficient flexibility is built into the recommendations to allow the housing provision figure to be increased further to address prevailing market conditions (NPPF 14).	
	A failure to account for market signals with clear evidence places the results of the assessment at risk and could result in greater demand being placed on lower quartile stock from the current 'market' sector to meet its needs.	
Iceni Projects	**Effect of under-provision**	This relates to market signals which were addressed as part of the Objectively Assessed Need study and are beyond the scope of this report.
	The area as a whole has suffered from an undersupply of all forms of housing, including affordable housing. In the period prior to the adoption of the various plans for which this assessment is	

	intended to inform it is likely that the level of undersupply will increase further. In order to address this, and minimise the risk of further pressure on affordability criteria and increased overcrowding, it is important that the assessment includes a contingency uplift to address the potential for undersupply arising in the period before plan adoption.	
Maldon Council	**Percentile used for assessing cost of housing** Yes – qualified by estimation of actual supply against identified need	Support for approach noted in report.
Maldon Council	**Percentage of income spent on housing** Yes – this is so well established that one would need compelling reasons to deviate.	Support for approach noted in report.
Maldon Council	**Treatment of the Private Rented Sector** Yes, depending on how calculation of affordable need is being carried out. Acceptable if using CLG / PPG correctly. However all local housing authorities in the region should now be preparing for those in PRS in receipt of LHA to be at risk of homelessness due to reductions in tax credits, benefit cap and pressure from London. PRS rent levels should be carefully monitored against affordability as this is now becoming a driver for affordable housing rather than an alternate option as used to be the case.	Support for approach noted in report. Concern for consequences of potential change in financial support offered in sector noted.
Maldon Council	**Under 35 single person households** No – in other words, no one single under the age of 35 should be considered as eligible for affordable housing on the basis that they would all be entitled in theory to claim or meet the cost of shared accommodation? This would leave LHAs at risk of being unable to meet their duties to those who are exempt from single room LHA and would also mean that two single people with their own rooms would not be counted as being in need of their own affordable home until they are 36!	Thanks for the comment although the assumption that has been used with regards to this group may have been misinterpreted – the model used has presumed that only those single households under 35 unable to afford the shared room LHA rate are eligible for affordable housing. Further disaggregation of these households has been added to the report for clarity and to show the effect of changing the assumptions over which of these households should be taken as being in need of affordable housing.

Appendix 2. Further local authority-level detail on socio-economic situation

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Figure 2.1a Population composition in Braintree (2001 and 2011)

Source: 2001 & 2011 Census

Figure 2.1b Population composition in Chelmsford (2001 and 2011)

Source: 2001 & 2011 Census

Figure 2.1c Population composition in Colchester (2001 and 2011)
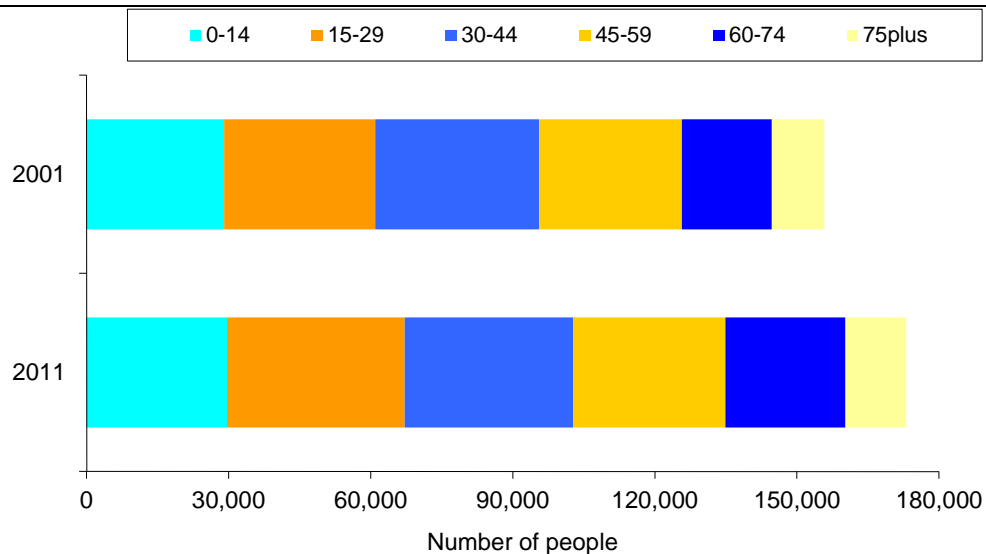
Source: 2001 & 2011 Census

Figure 2.1d Population composition in Tendring (2001 and 2011)
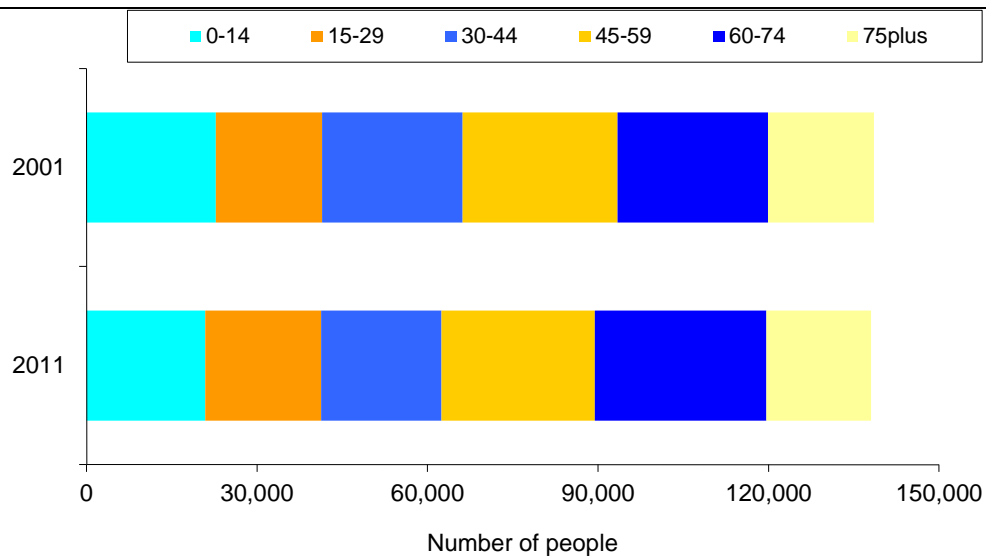
Source: 2001 & 2011 Census

Figure 2.2a Ethnicity of Braintree population, 2011
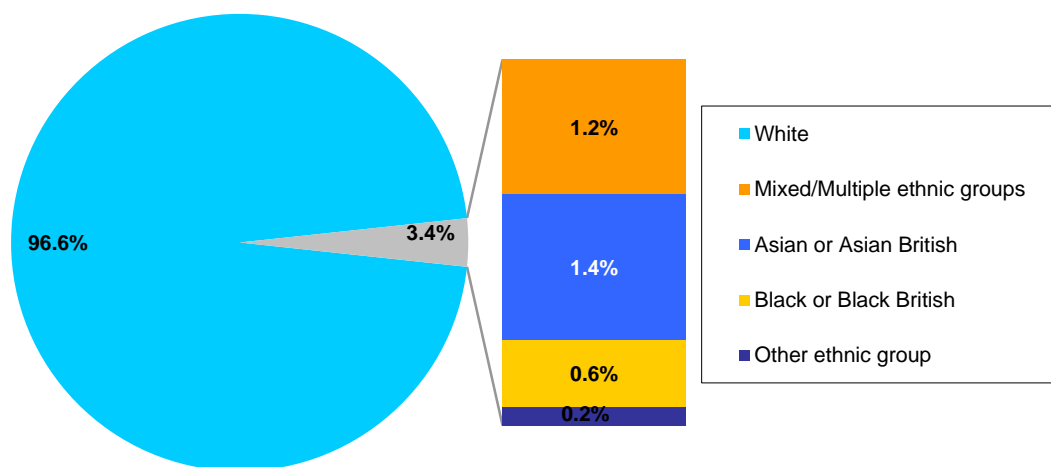
Source: 2011 Census

Figure 2.2b Ethnicity of Chelmsford population, 2011
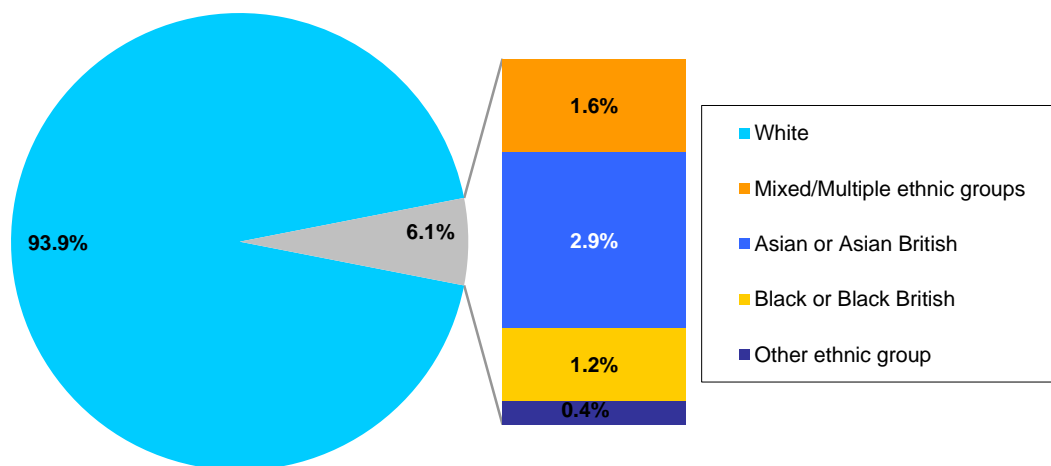
Source: 2011 Census

Figure 2.2c Ethnicity of Colchester population, 2011
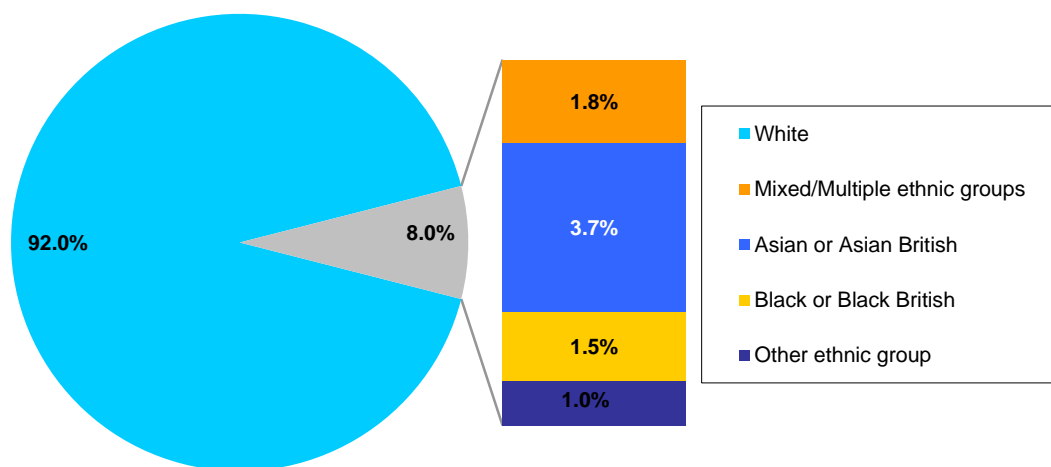
Source: 2011 Census

Figure 2.2d Ethnicity of Tendring population, 2011
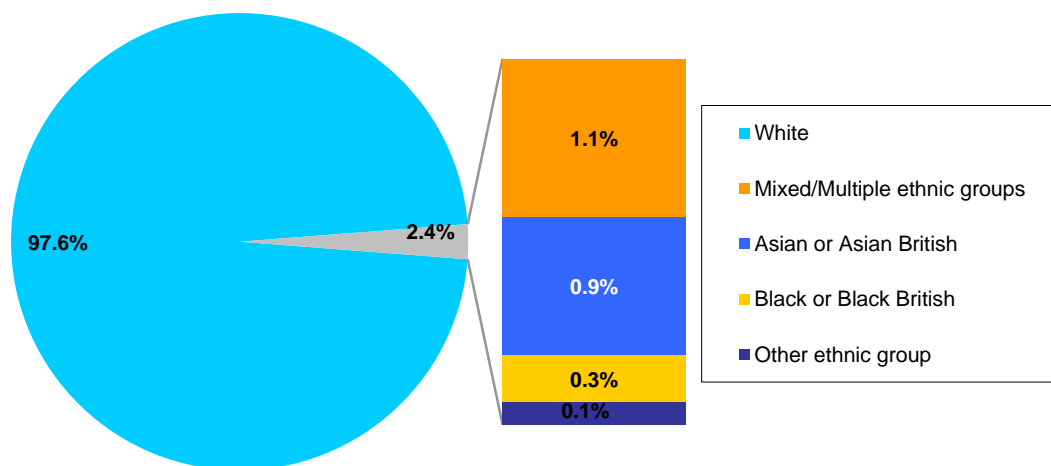
Source: 2011 Census

Figure 2.14a Dwelling size within each tenure in Braintree, 2011

■ 1 bedroom   ■ 2 bedrooms   ■ 3 bedrooms   ■ 4 or more bedrooms

Tenure	1 bedroom	2 bedrooms	3 bedrooms	4 or more bedrooms
Owner-occupied (no mortgage)	3.9%	23.2%	44.9%	27.9%
Owner-occupied (with mortgage)*	3.0%	19.3%	44.6%	33.0%
Social rent	21.8%	40.1%	34.6%	3.5%
Private rent	18.3%	42.4%	30.1%	9.2%
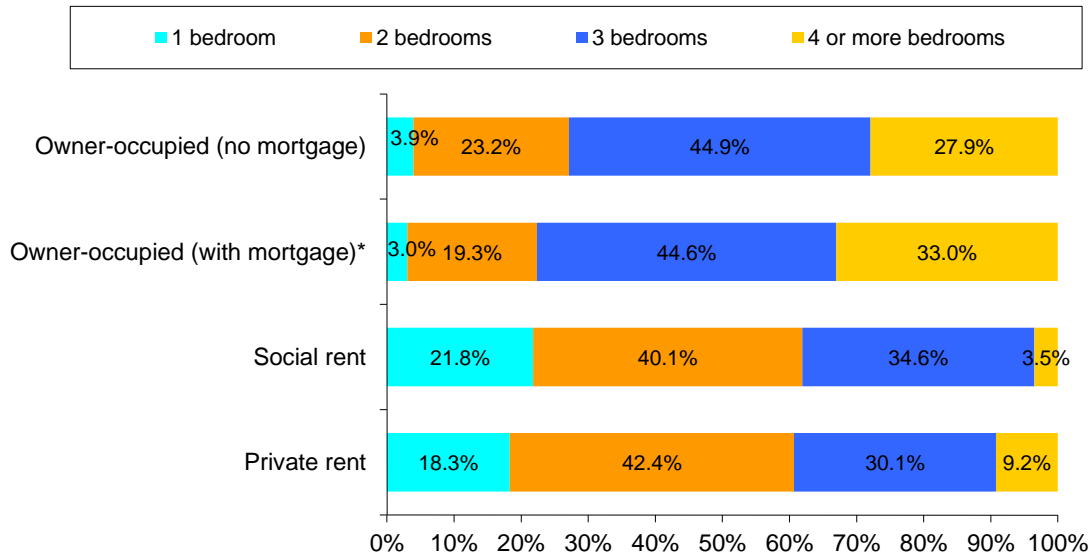
Source: 2011 Census *Includes shared ownership

Figure 2.14b Dwelling size within each tenure in Chelmsford, 2011

■ 1 bedroom   ■ 2 bedrooms   ■ 3 bedrooms   ■ 4 or more bedrooms

Tenure	1 bedroom	2 bedrooms	3 bedrooms	4 or more bedrooms
Owner-occupied (no mortgage)	3.7%	18.4%	46.7%	31.2%
Owner-occupied (with mortgage)*	4.4%	16.7%	43.4%	35.5%
Social rent	36.5%	30.8%	30.1%	2.6%
Private rent	22.6%	40.0%	27.0%	10.4%
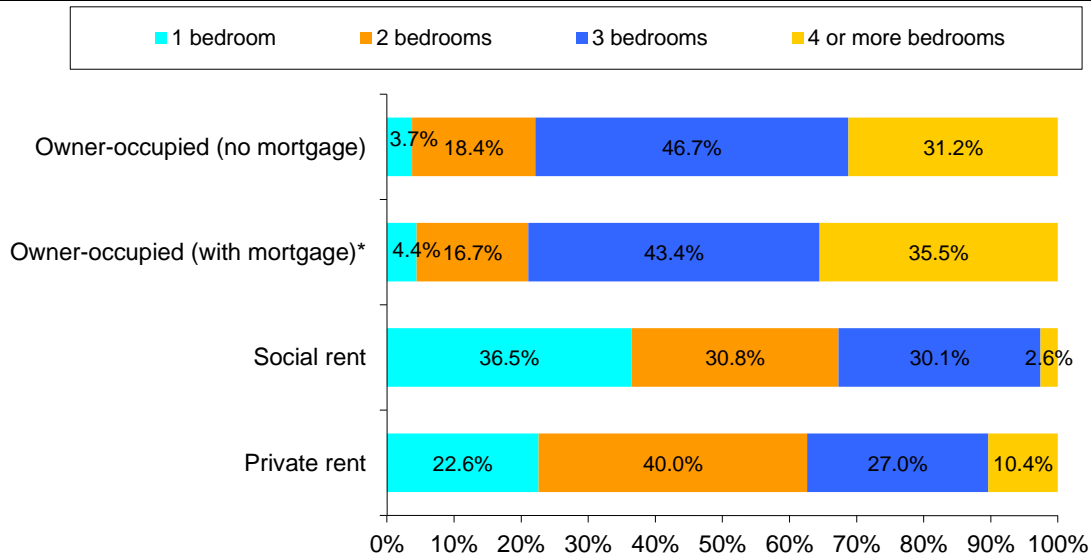
Source: 2011 Census *Includes shared ownership

Figure 2.14c Dwelling size within each tenure in Colchester, 2011

- 1 bedroom
- 2 bedrooms
- 3 bedrooms
- 4 or more bedrooms

Tenure	1 bedroom	2 bedrooms	3 bedrooms	4 or more bedrooms
Owner-occupied (no mortgage)	3.5%	23.6%	46.4%	26.4%
Owner-occupied (with mortgage)*	3.5%	20.6%	44.6%	31.2%
Social rent	34.9%	32.9%	28.3%	4.0%
Private rent	19.7%	43.2%	26.1%	10.9%
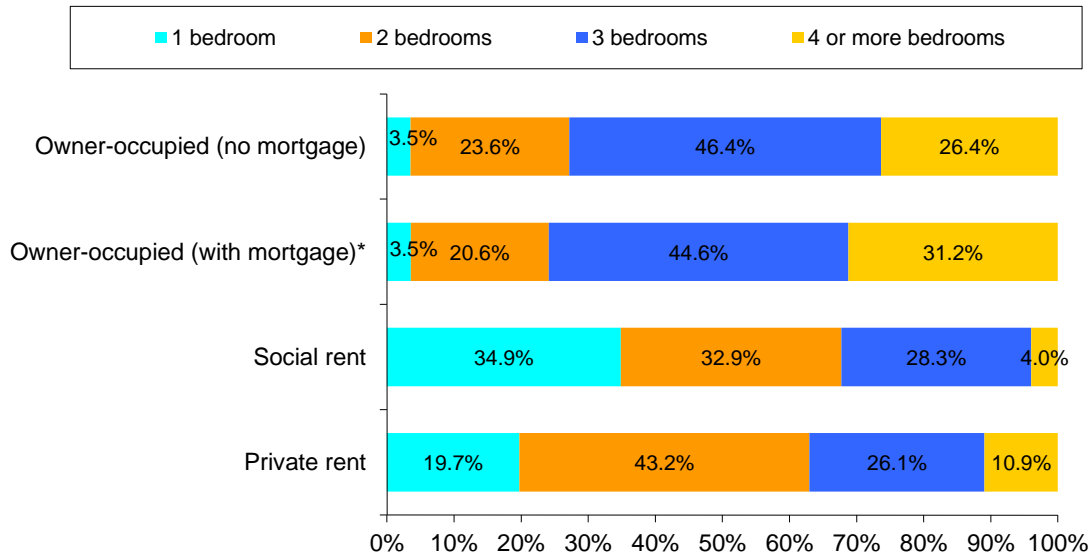
Source: 2011 Census *Includes shared ownership

Figure 2.14d Dwelling size within each tenure in Tendring, 2011

- 1 bedroom
- 2 bedrooms
- 3 bedrooms
- 4 or more bedrooms

Tenure	1 bedroom	2 bedrooms	3 bedrooms	4 or more bedrooms
Owner-occupied (no mortgage)	5.2%	43.0%	36.4%	15.3%
Owner-occupied (with mortgage)*	3.6%	25.2%	43.6%	27.5%
Social rent	34.6%	35.9%	26.5%	3.0%
Private rent	20.7%	45.1%	27.2%	6.9%
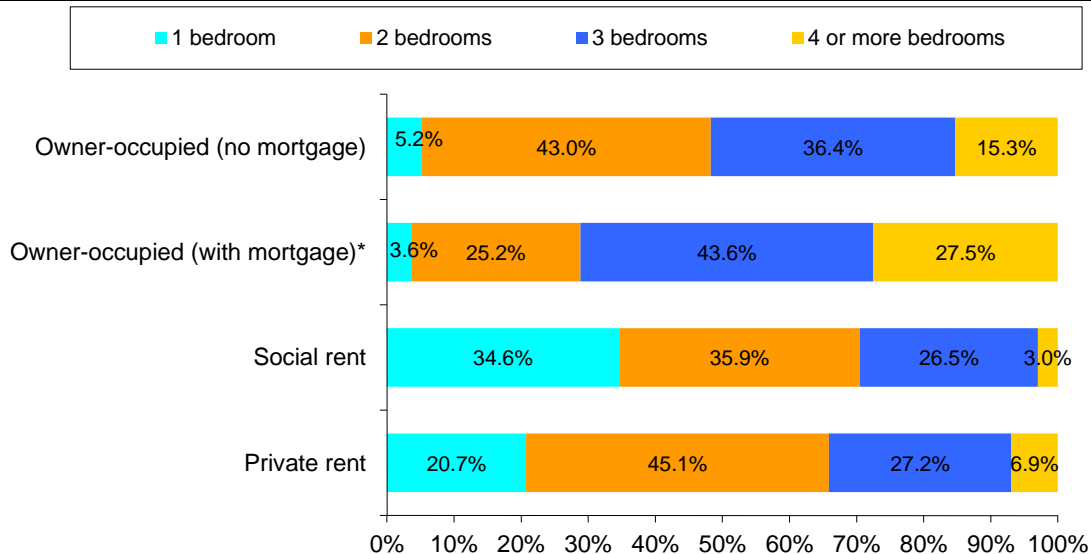
Source: 2011 Census *Includes shared ownership

Appendix 3. Purchase price and rental costs by price market

This appendix includes the data that is included in Chapter 3, disaggregated for each Council area.

Figure 3.7a Median property prices by size and price market in Braintree
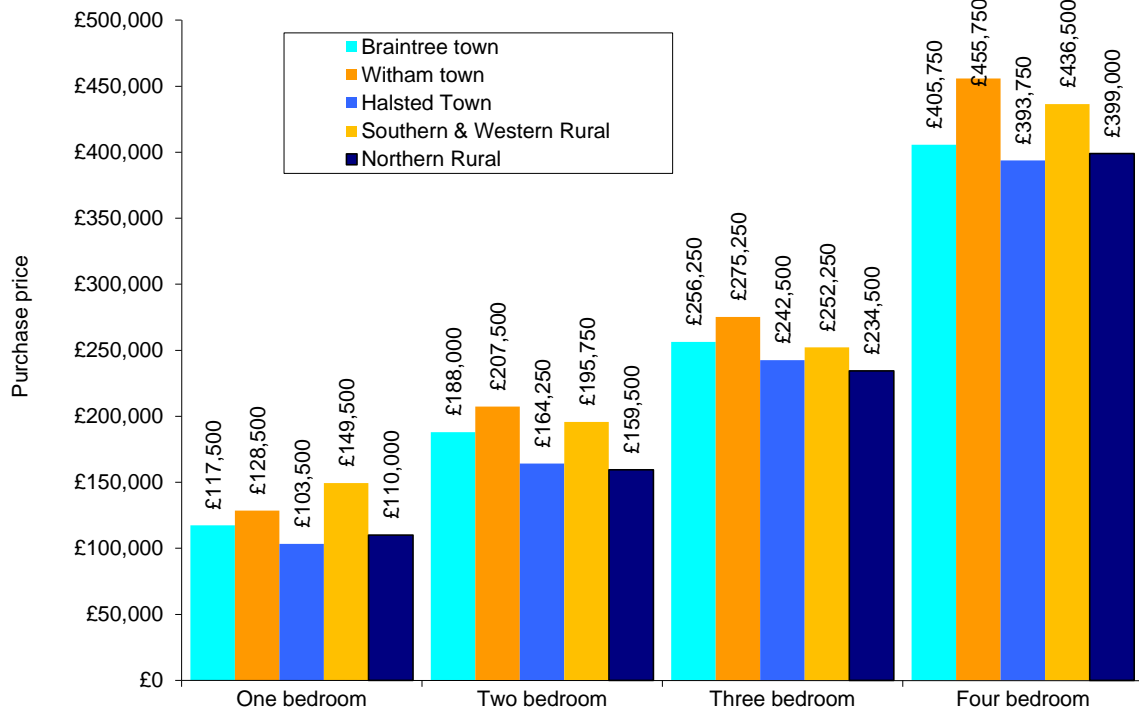
Source: Online estate agents survey September 2015

Figure 3.8a Entry-level property prices by size and price market in Braintree
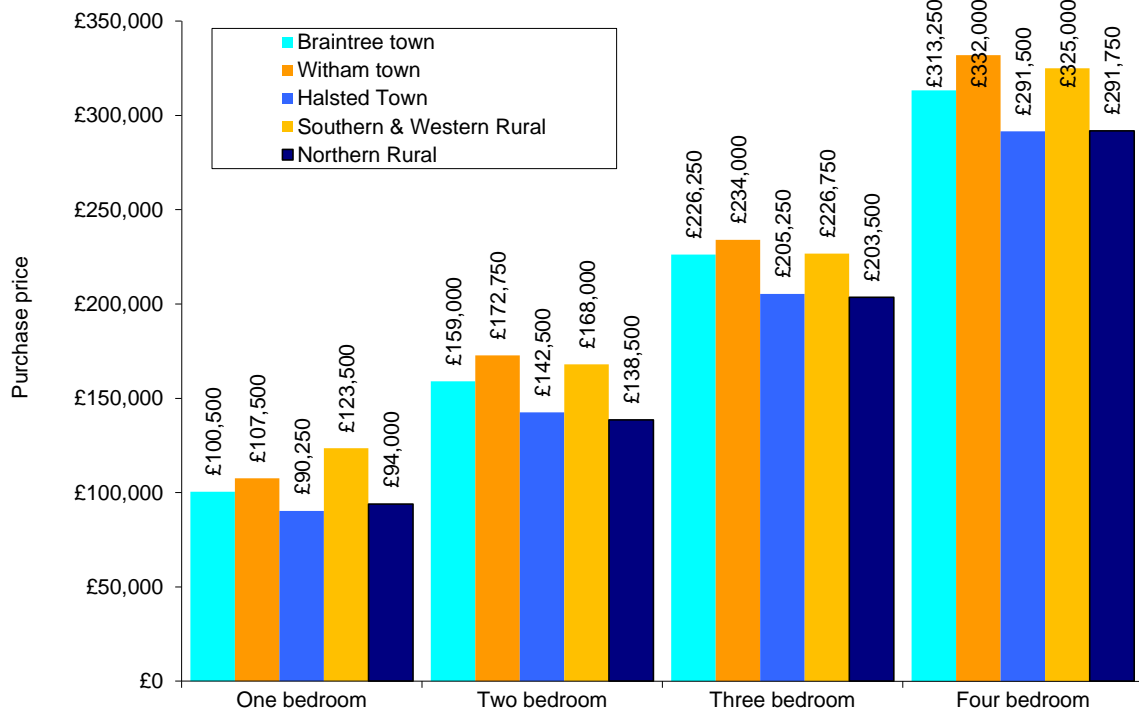
Source: Online estate agents survey September 2015

Figure 3.7b Median property prices by size and price market in Chelmsford
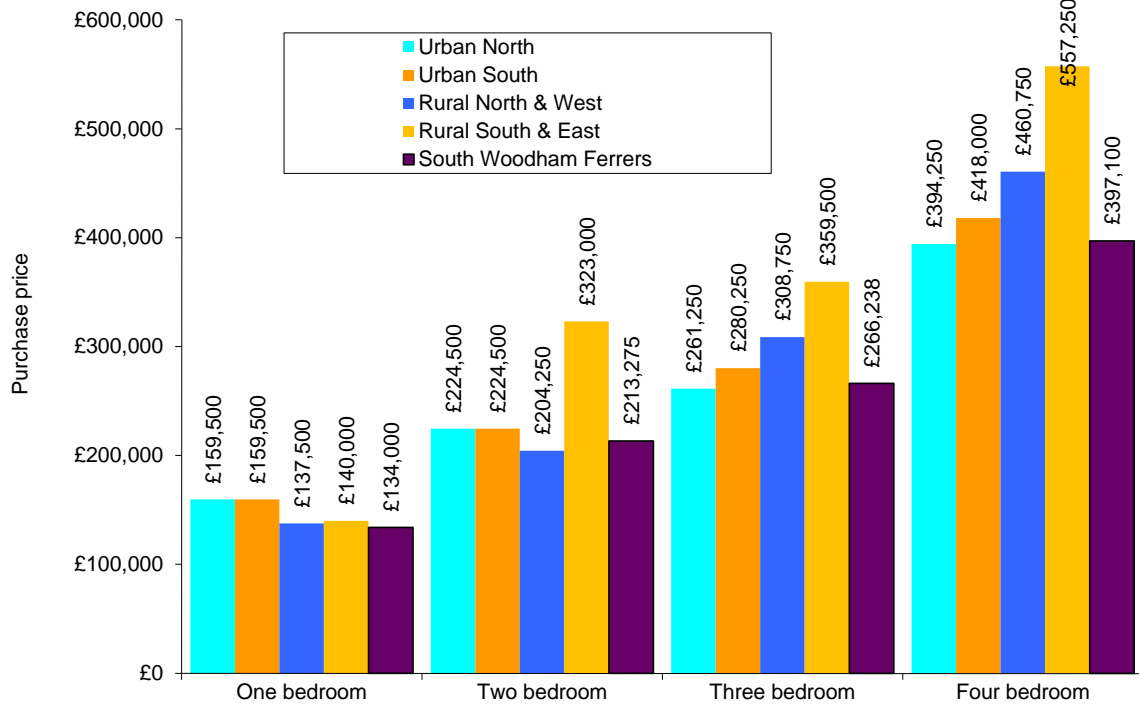
Source: Online estate agents survey September 2015

Figure 3.8b Entry-level property prices by size and price market in Chelmsford
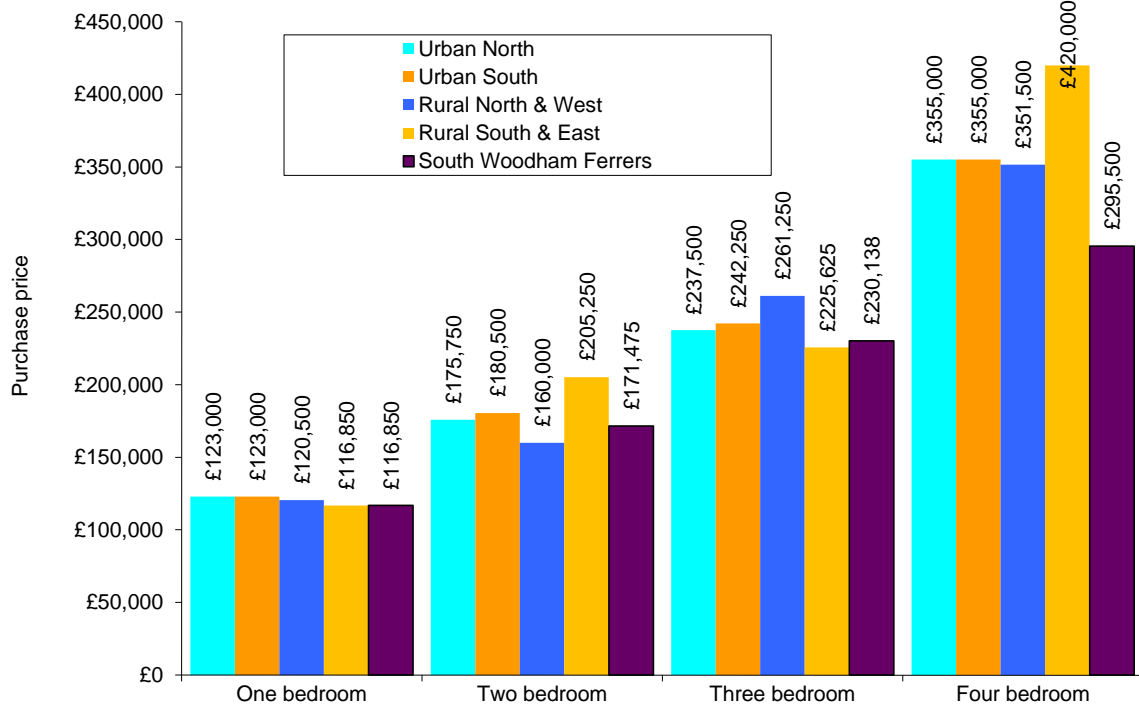
Source: Online estate agents survey September 2015

Figure 3.7c Median property prices by size and price market in Colchester
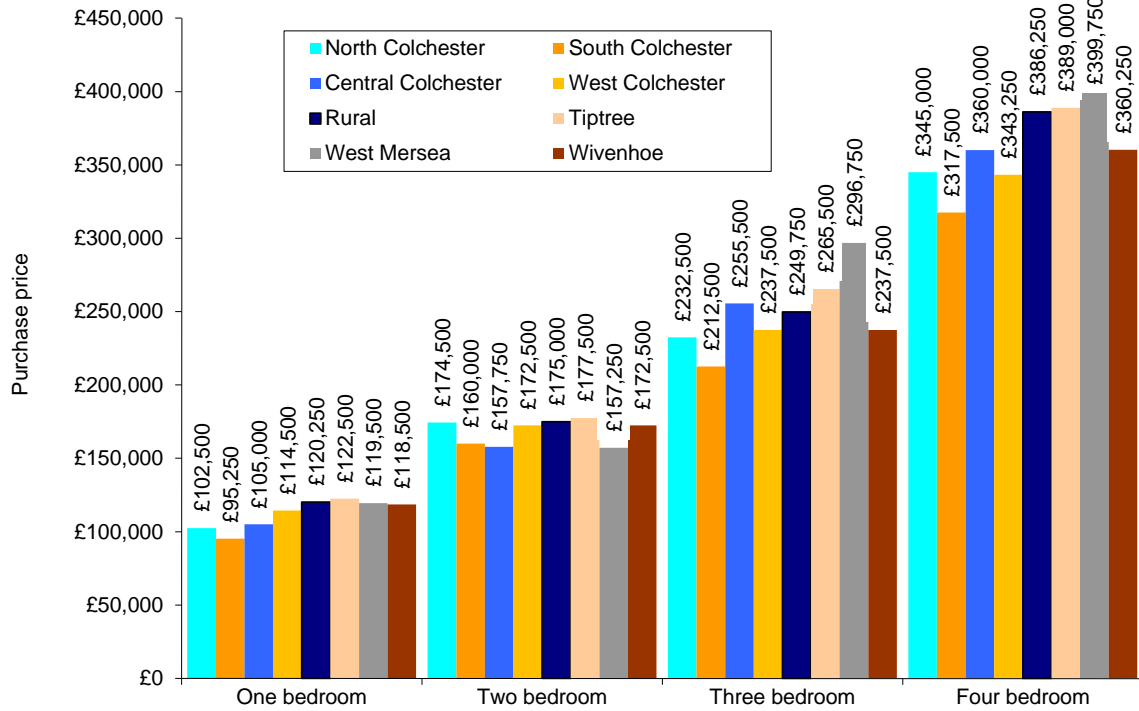
Source: Online estate agents survey September 2015

Figure 3.8c Entry-level property prices by size and price market in Colchester
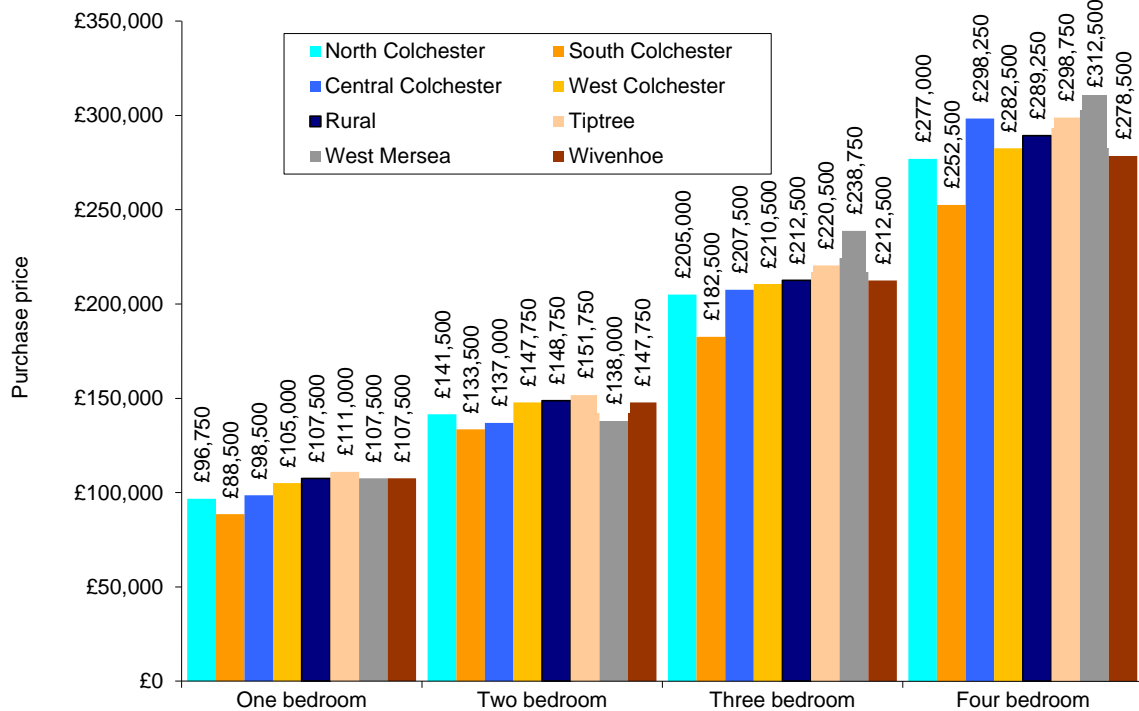
Source: Online estate agents survey September 2015

Figure 3.7d Median property prices by size and price market in Tendring
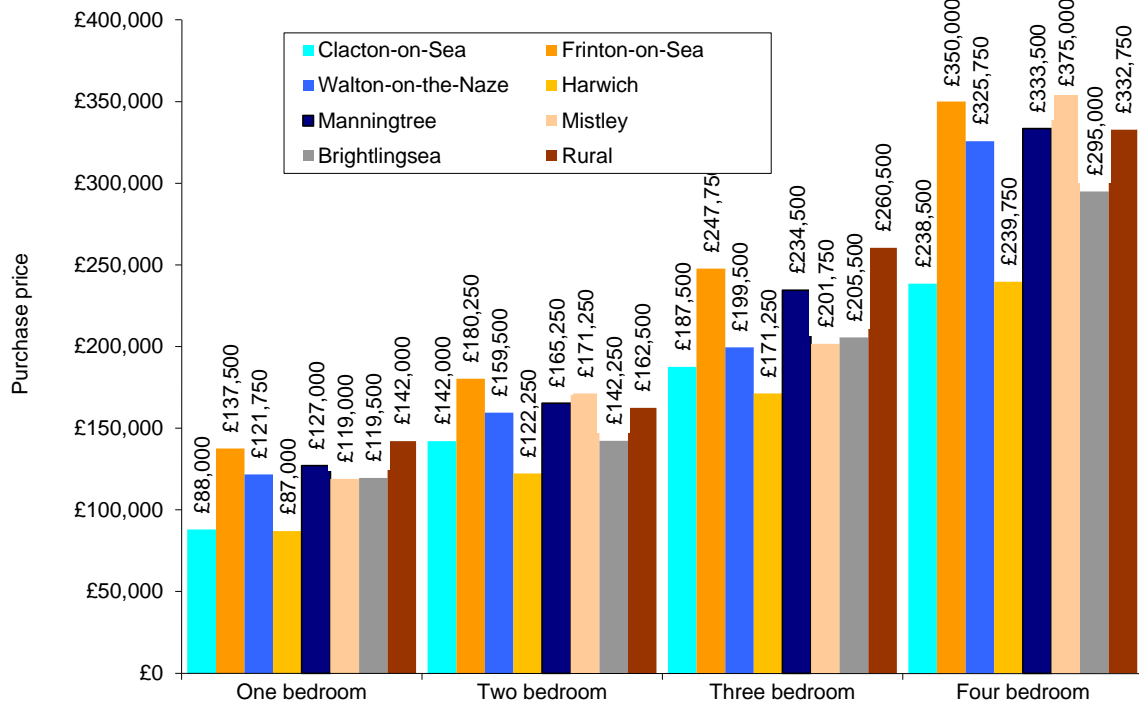
Source: Online estate agents survey September 2015

Figure 3.8d Entry-level property prices by size and price market in Tendring
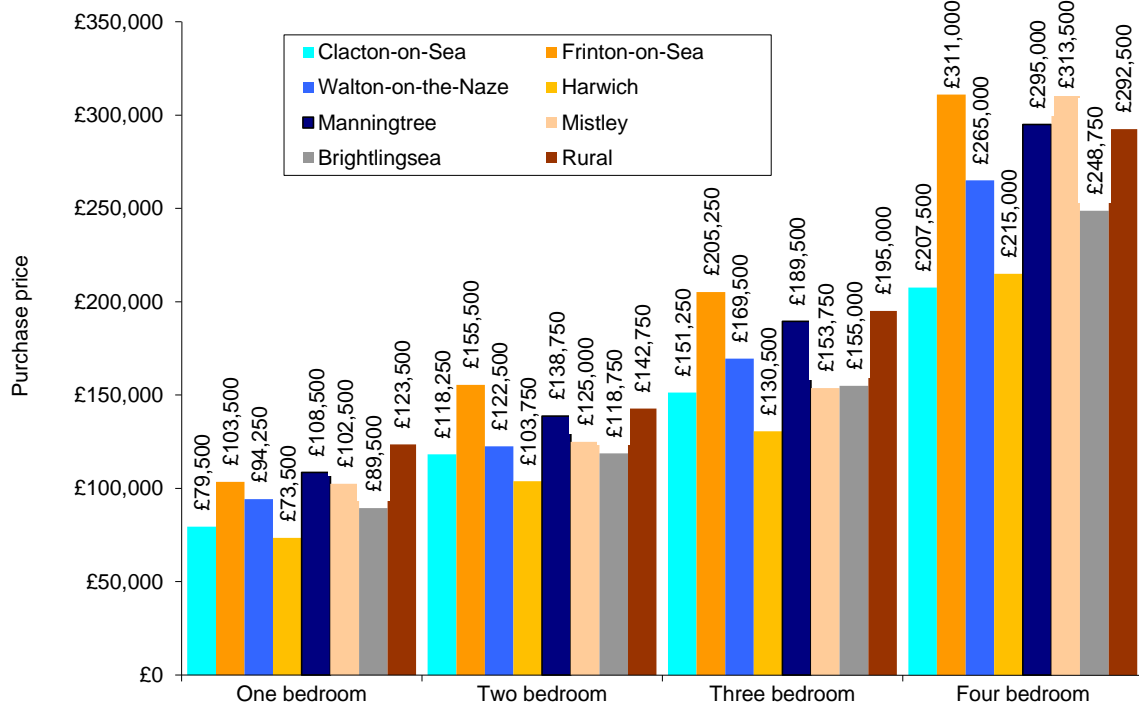
Source: Online estate agents survey September 2015

Figure 3.9a Median private rent prices by size and price market in Braintree
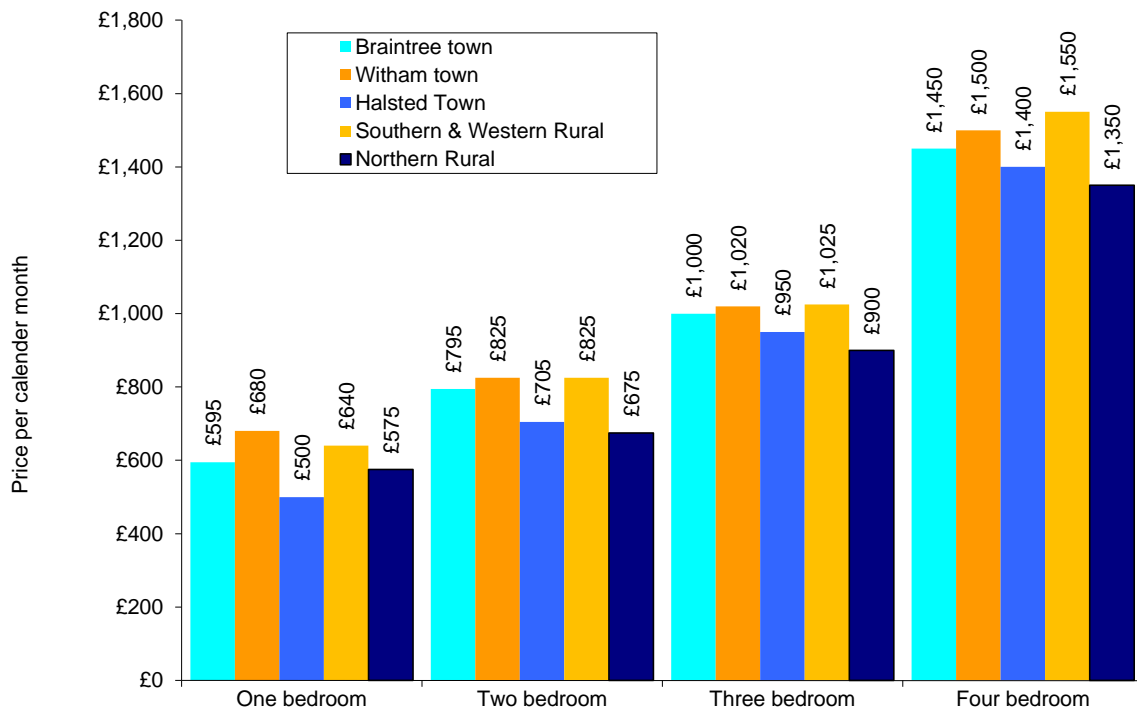
Source: Online estate agents survey September 2015

Figure 3.10a Entry-level private rent by size and price market in Braintree
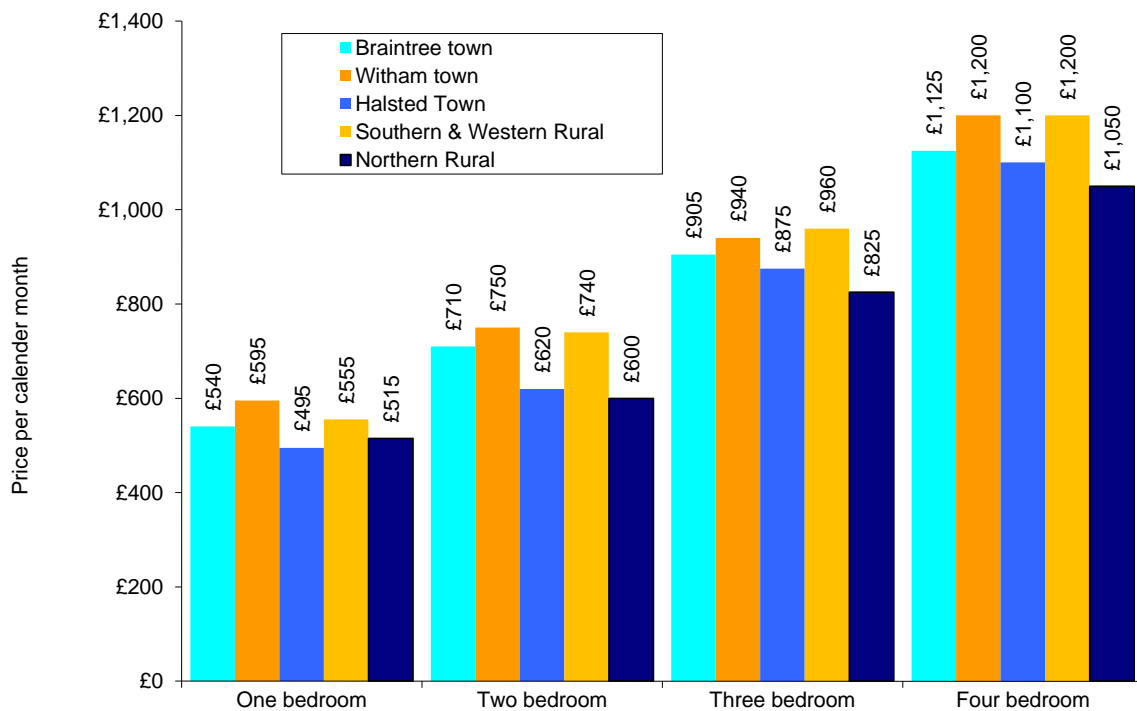
Source: Online estate agents survey September 2015

Figure 3.9b Median private rent prices by size and price market in Chelmsford
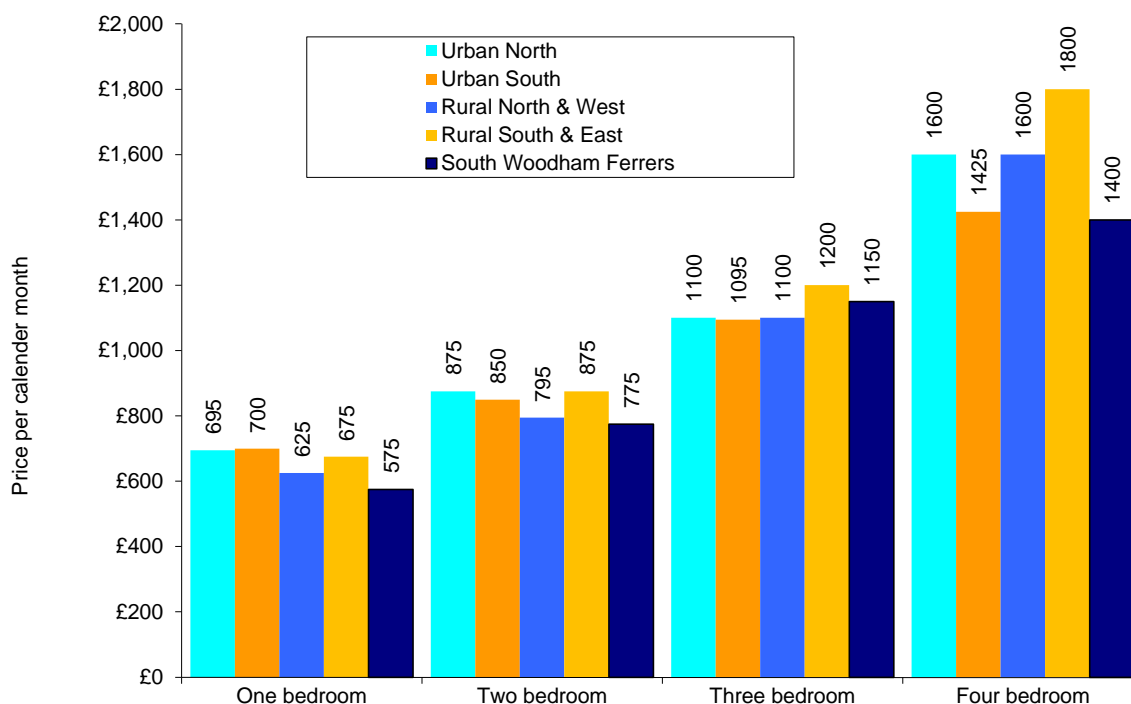
Source: Online estate agents survey September 2015

Figure 3.10b Entry-level private rent by size and price market in Chelmsford
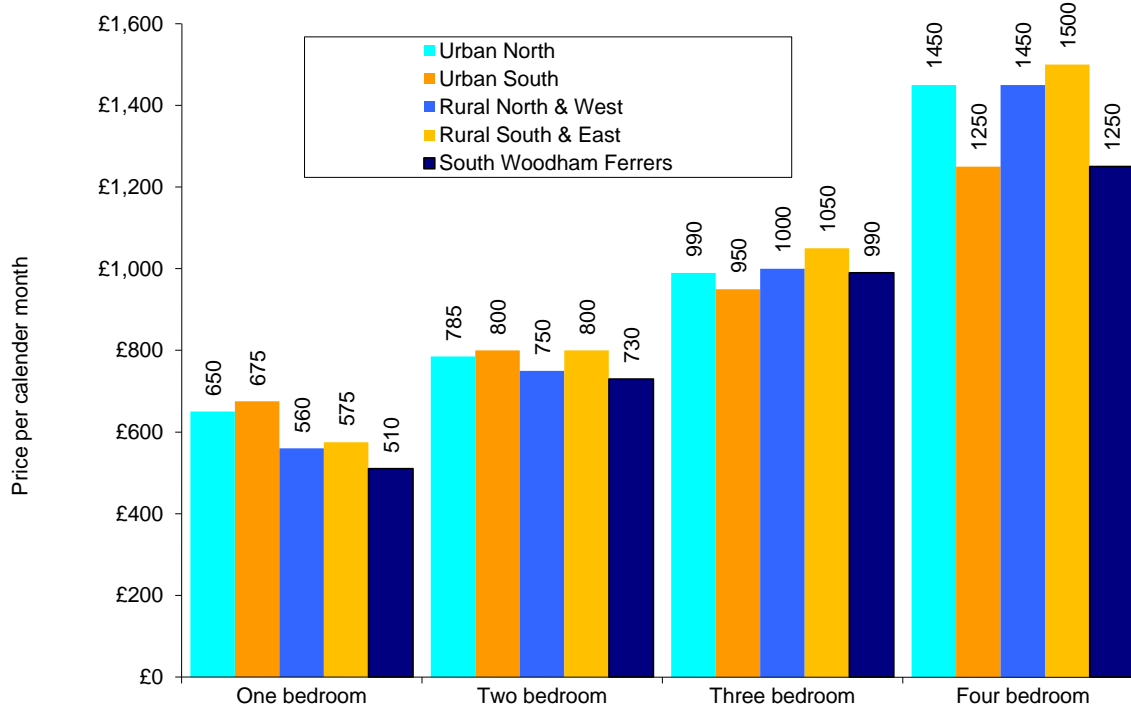
Source: Online estate agents survey September 2015

Figure 3.9c Median private rent prices by size and price market in Colchester
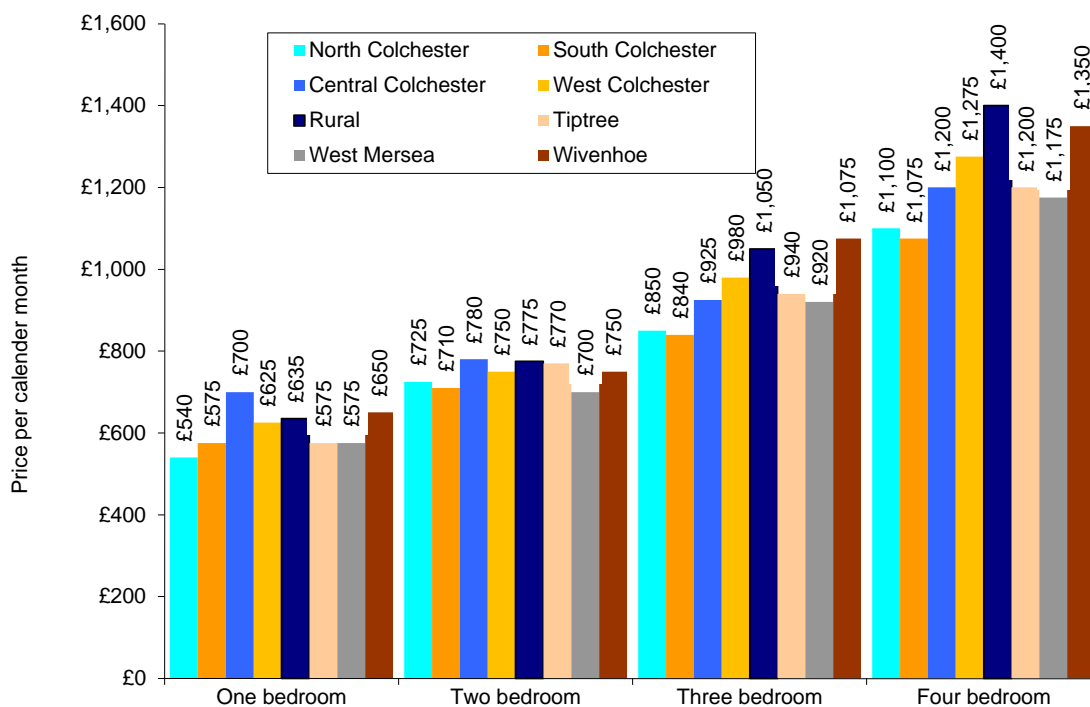
Source: Online estate agents survey September 2015

Figure 3.10c Entry-level private rent by size and price market in Colchester
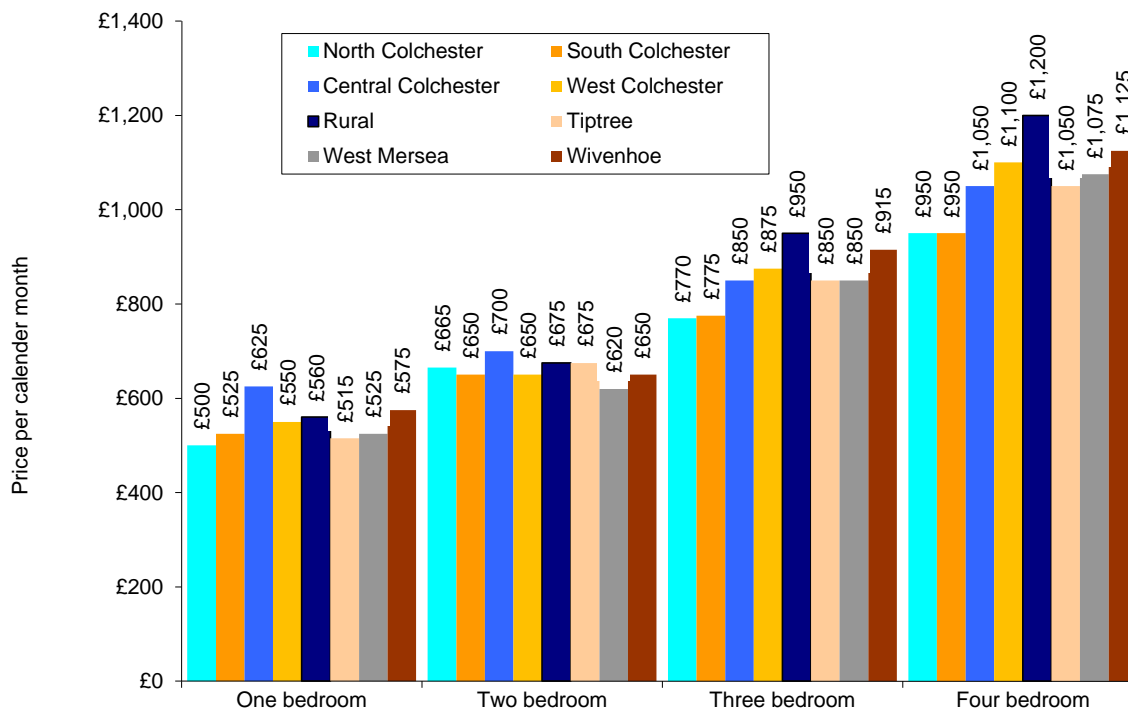
Source: Online estate agents survey September 2015

Figure 3.9d Median private rent prices by size and price market in Tendring
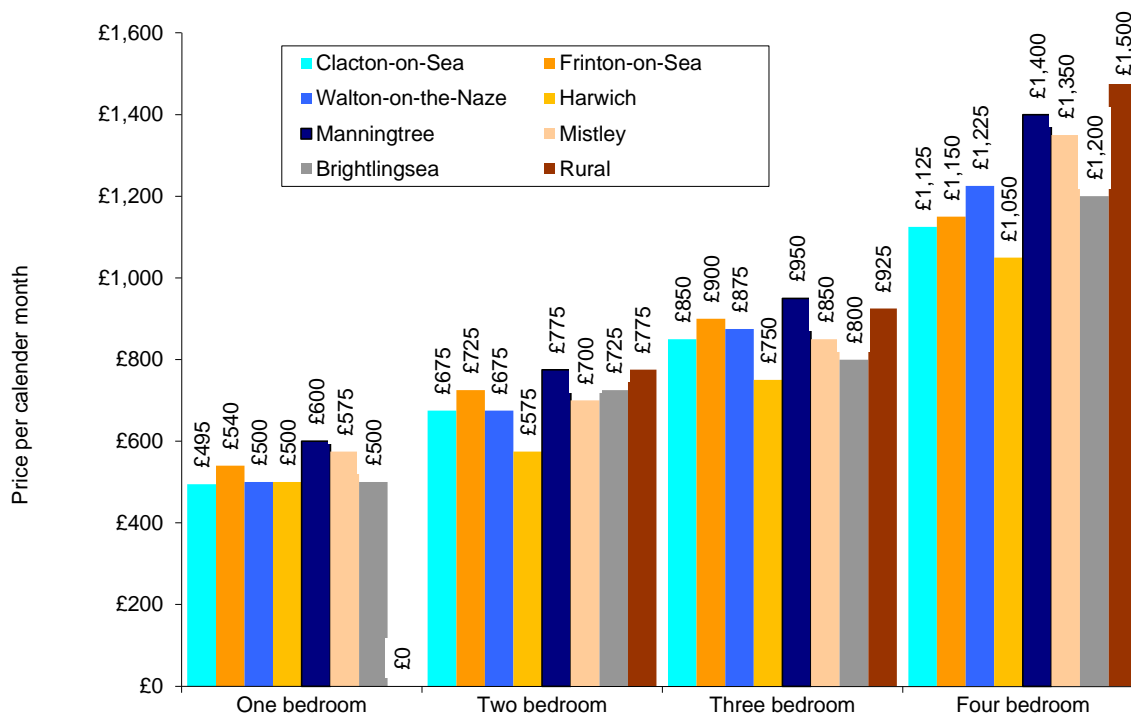
Source: Online estate agents survey September 2015

Figure 3.10d Entry-level private rent by size and price market in Tendring
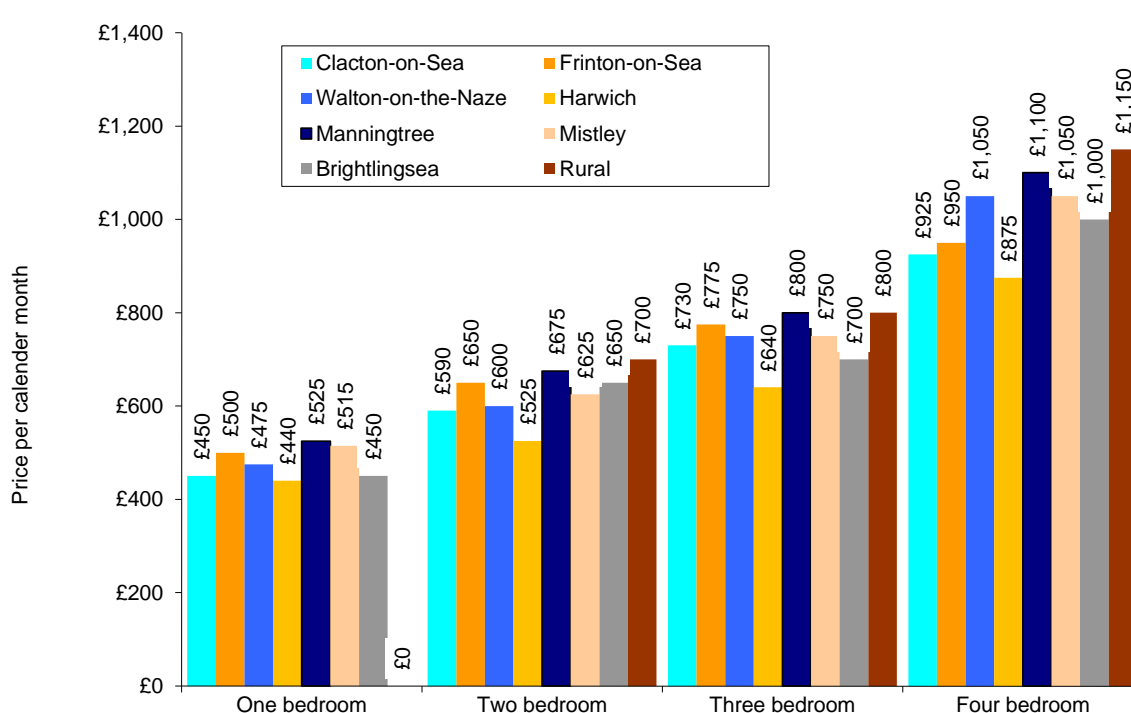
Source: Online estate agents survey September 2015

Appendix 4. Local authority-level results for the type and tenure of future housing needed

Braintree

Demographic projections

The household and population projections associated with the Objectively Assessed Need calculation presented in the OAHN Study have been provided by Edge Analytics and have been further disaggregated into different household groups. Table 4.1a sets out the number of households that will be resident in Braintree in 2037 disaggregated by broad household type. The current (2015) household profile is also presented as a reference point.

Table 4.1a Projected household population in 2037 by household type in Braintree			
Household type	*2015 Number*	*2037 Number*	*2037 Percentage*
One person	17,428	25,169	30.7%
Couple with no children	19,102	25,183	30.7%
Couple with child/children	17,342	16,413	20.0%
Lone parent	6,507	10,114	12.3%
Other	3,455	5,227	6.4%
Total	63,833	82,106	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Figure 4.1a indicates the change in these household types that will occur between 2015 and 2037. The figure indicates that the number of lone parent households are expected to increase the most in Braintree, followed by 'other' households. Couples with children are projected to fall in number.

Figure 4.1a Change in household structure, 2015 – 2037 in Braintree

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Tenure of housing required

Table 4.2a shows the projected tenure profile for Braintree in 22 years' time. The data shows that in 2037 the housing stock in Braintree should comprise 61.3% owner-occupied dwellings, 20.5% private rented homes, 0.7% shared ownership properties and 17.6% social rented/Affordable Rented accommodation.

Table 4.2a Projected tenure profile in 2037 in Braintree		
Tenure	*Number*	*Percentage*
Owner-occupied	50,338	61.3%
Private rented	16,795	20.5%
Shared Ownership	558	0.7%
Social rent/Affordable Rent	14,415	17.6%
Total	82,106	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Table 4.3a shows the tenure profile required by households resident in Braintree in 22 years' time in comparison to the tenure profile recorded currently. The difference between these two distributions is the change required to the housing stock over this period. The results show that 46.0% of new housing should be owner-occupied, 28.4% private rented, 1.6% should be shared ownership and 23.9% social rent/Affordable Rent.

Table 4.3a Tenure of new accommodation required in Braintree over the next 22 years				
Tenure	*Current tenure profile*	*Tenure profile 2037*	*Change required*	*% of change required*
Owner-occupied	41,926	50,338	8,412	46.0%
Private rent	11,602	16,795	5,194	28.4%
Shared ownership	262	558	296	1.6%
Social rent/Affordable Rented	10,043	14,415	4,372	23.9%
Total	63,833	82,106	18,273	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

The model is able to also provide detail on the size of new dwellings required within the market tenures, as is set out in the section below.

Size of housing required within each market tenure

Table 4.4a presents the size of owner-occupied accommodation required in Braintree in 22 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented. The table shows that some 42.8% of new owner-occupied dwellings should be three bedroom properties, with 34.2% containing two bedrooms, 17.2% having four or more bedrooms and 5.7% having one bedroom.

Table 4.4a Size of new owner-occupied accommodation required in Braintree over the next 22 years				
Dwelling size	*Current size profile*	*Size profile 2037*	*Change required*	*% of change required*
One bedroom	1,481	1,960	479	5.7%
Two bedrooms	8,280	11,158	2,878	34.2%
Three bedrooms	18,253	21,856	3,604	42.8%
Four or more bedrooms	13,913	15,364	1,451	17.2%
Total	41,926	50,338	8,412	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

This analysis can be repeated for private rented housing and is presented in Table 4.5a. The data indicates that of the 5,194 private rented dwellings required within Braintree, 47.5% should be three bedroom properties with a further 26.1% should have two bedrooms. Some 24.2% should have four or more bedrooms and 2.2% should have a single bedroom.

Table 4.5a Size of new private rented accommodation required in Braintree over the next 22 years

Dwelling size	Current size profile	Size profile 2037	Change required	% of change required
One bedroom	2,256	2,370	114	2.2%
Two bedrooms	5,163	6,516	1,353	26.1%
Three bedrooms	3,216	5,683	2,467	47.5%
Four or more bedrooms	967	2,227	1,259	24.2%
Total	11,602	16,795	5,194	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment
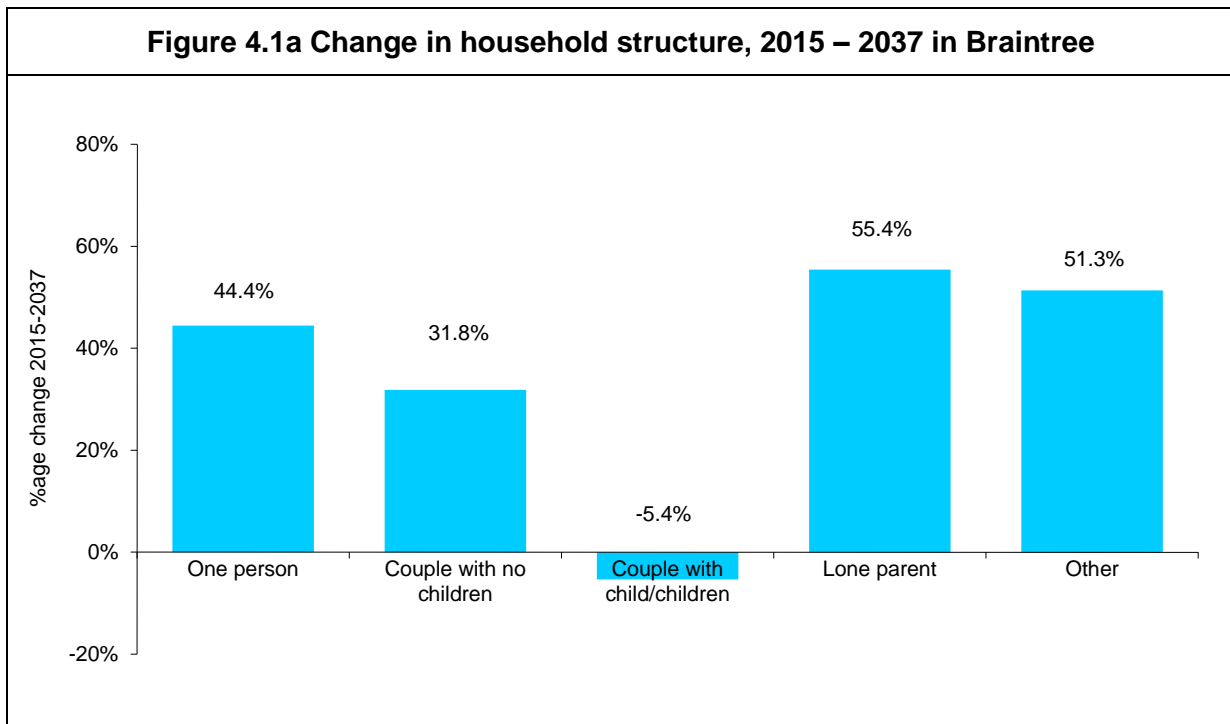
Chelmsford

Demographic projections

The household and population projections associated with the Objectively Assessed Need calculation presented in the OAHN Study have been provided by Edge Analytics and have been further disaggregated into different household groups. Table 4.1b sets out the number of households that will be resident in Chelmsford in 2037 disaggregated by broad household type. The current (2015) household profile is also presented as a reference point.

Table 4.1b Projected household population in 2037 by household type in Chelmsford

Household type	2015 Number	2037 Number	2037 Percentage
One person	20,231	28,153	31.6%
Couple with no children	21,477	27,634	31.0%
Couple with child/children	19,856	18,546	20.8%
Lone parent	6,716	10,444	11.7%
Other	4,180	4,382	4.9%
Total	72,461	89,159	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Figure 4.1b indicates the change in these household types that will occur between 2015 and 2037. The figure indicates that the number of lone parent households are expected to increase the most in Chelmsford, followed by one person households. Couples with children are projected to fall in number as are 'other' households.
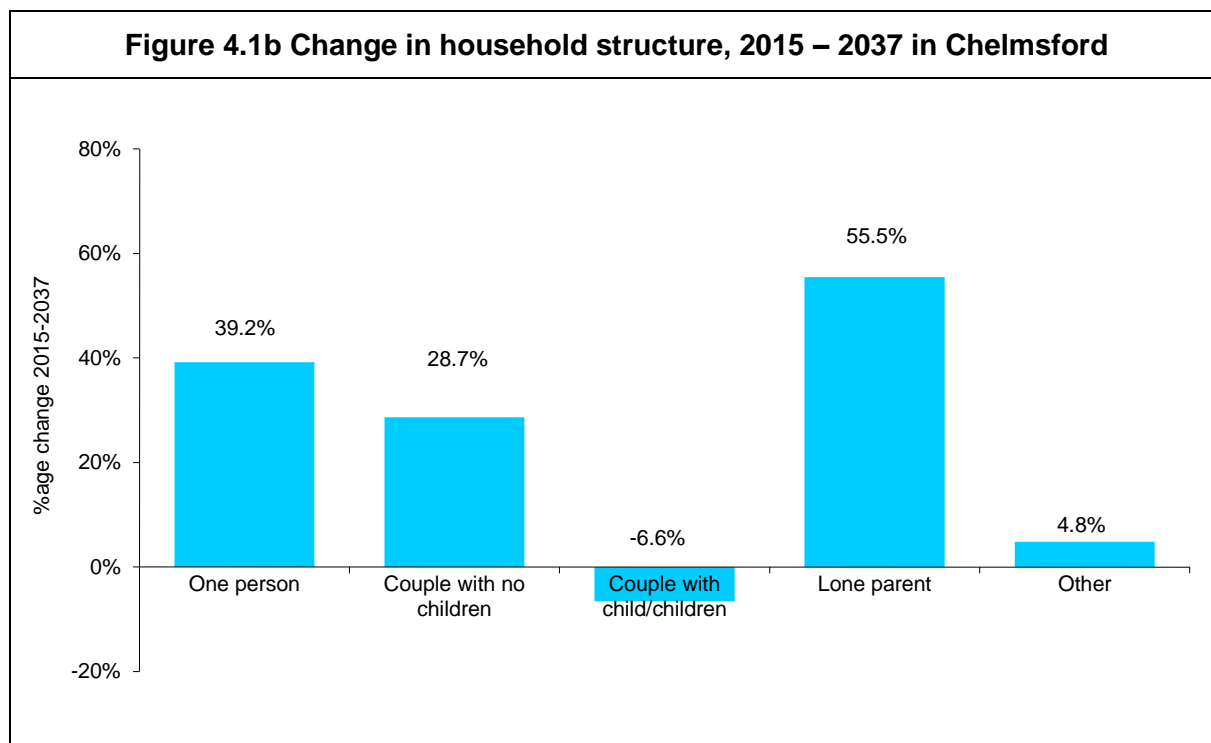
Figure 4.1b Change in household structure, 2015 – 2037 in Chelmsford

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Tenure of housing required

Table 4.2b shows the projected tenure profile for Chelmsford in 22 years' time. The data shows that in 2037 the housing stock in Chelmsford should comprise 67.5% owner-occupied dwellings, 17.5% private rented homes, 0.8% shared ownership properties and 14.5% social rented/Affordable Rented accommodation.

Table 4.2b Projected tenure profile in 2037 in Chelmsford		
Tenure	*Number*	*Percentage*
Owner-occupied	60,192	67.5%
Private rented	15,368	17.2%
Shared Ownership	707	0.8%
Social rent/Affordable Rent	12,892	14.5%
Total	89,159	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Table 4.3b shows the tenure profile required by households resident in Chelmsford in 22 years' time in comparison to the tenure profile recorded currently. The difference between these two distributions is the change required to the housing stock over this period. The results show that 52.1% of new housing should be owner-occupied, 24.6% private rented, 2.1% should be shared ownership and 21.3% social rent/Affordable Rent.

Table 4.3b Tenure of new accommodation required in Chelmsford over the next 22 years				
Tenure	Current tenure profile	Tenure profile 2037	Change required	% of change required
Owner-occupied	51,495	60,192	8,698	52.1%
Private rent	11,266	15,368	4,101	24.6%
Shared ownership	358	707	349	2.1%
Social rent/Affordable Rented	9,342	12,892	3,550	21.3%
Total	72,461	89,159	16,698	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

The model is able to also provide detail on the size of new dwellings required within the market tenures, as is set out in the section below.

Size of housing required within each market tenure

Table 4.4b presents the size of owner-occupied accommodation required in Chelmsford in 22 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented. The table shows that some 45.8% of new owner-occupied dwellings should be three bedroom properties, with 29.8% containing two bedrooms, 16.2% having four or more bedrooms and 8.2% having one bedroom.

Table 4.4b Size of new owner-occupied accommodation required in Chelmsford over the next 22 years				
Dwelling size	Current size profile	Size profile 2037	Change required	% of change required
One bedroom	2,117	2,829	712	8.2%
Two bedrooms	8,457	11,051	2,594	29.8%
Three bedrooms	22,266	26,247	3,981	45.8%
Four or more bedrooms	18,655	20,065	1,411	16.2%
Total	51,495	60,192	8,698	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

This analysis can be repeated for private rented housing and is presented in Table 4.5b. The data indicates that of the 4,101 private rented dwellings required within Chelmsford, 47.5% should be three bedroom properties with a further 26.2% should have four bedrooms. Some 2.3% should have a single bedroom and 26.2% two bedroom accommodation.

Table 4.5b Size of new private rented accommodation required in Chelmsford over the next 22 years

Dwelling size	Current size profile	Size profile 2037	Change required	% of change required
One bedroom	2,526	2,622	95	2.3%
Two bedrooms	4,623	5,609	986	24.1%
Three bedrooms	2,859	4,806	1,947	47.5%
Four or more bedrooms	1,258	2,331	1,073	26.2%
Total	11,266	15,368	4,101	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Colchester

Demographic projections

The household and population projections associated with the Objectively Assessed Need calculation presented in the OAHN Study have been provided by Edge Analytics and have been further disaggregated into different household groups. Table 4.1c sets out the number of households that will be resident in Colchester in 2037 disaggregated by broad household type. The current (2015) household profile is also presented as a reference point.

Table 4.1c Projected household population in 2037 by household type in Colchester

Household type	2015 Number	2037 Number	2037 Percentage
One person	22,246	30,555	32.2%
Couple with no children	21,283	27,318	28.8%
Couple with child/children	18,550	18,056	19.0%
Lone parent	7,812	11,636	12.3%
Other	5,415	7,280	7.7%
Total	75,306	94,845	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Figure 4.1c indicates the change in these household types that will occur between 2015 and 2037. The figure indicates that the number of lone parent households are expected to increase the most in Colchester, followed by one person households. Couples with children are projected to fall in number.

Figure 4.1c Change in household structure, 2015 – 2037 in Colchester
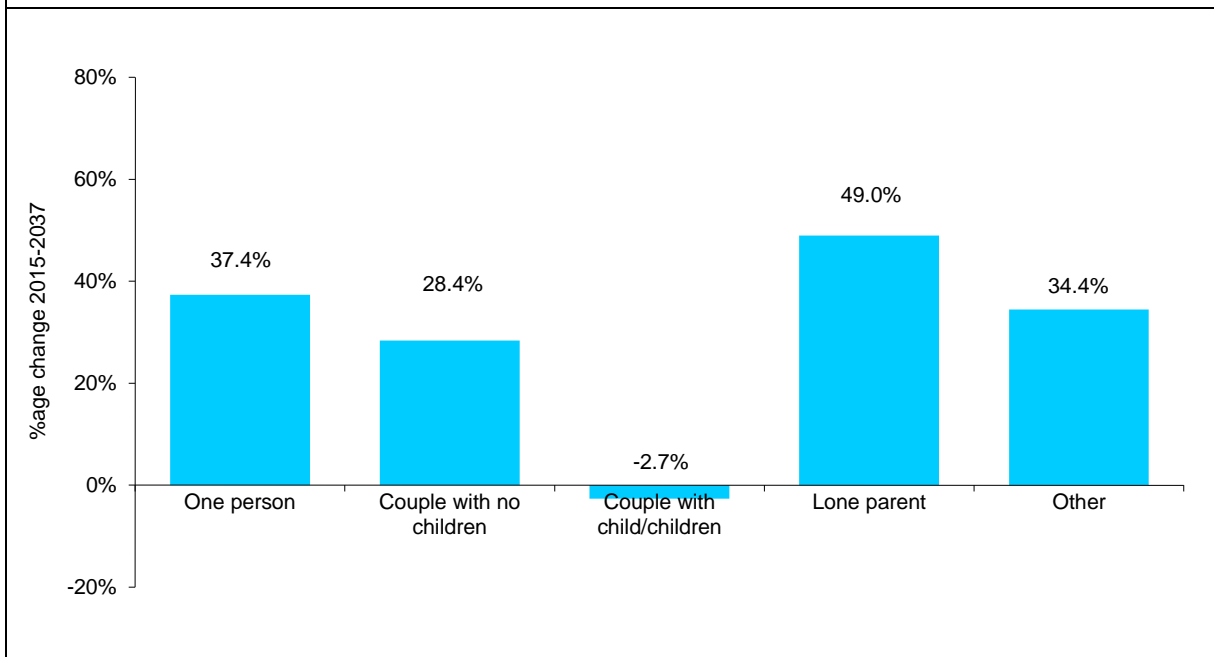
Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Tenure of housing required

Table 4.2c shows the projected tenure profile for Colchester in 22 years' time. The data shows that in 2037 the housing stock in Colchester should comprise 59.5% owner-occupied dwellings, 24.4% private rented homes, 0.6% shared ownership properties and 15.5% social rented/Affordable Rented accommodation.

Table 4.2c Projected tenure profile in 2037		
Tenure	*Number*	*Percentage*
Owner-occupied	56,444	59.5%
Private rented	23,132	24.4%
Shared Ownership	538	0.6%
Social rent/Affordable Rent	14,732	15.5%
Total	94,845	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Table 4.3c shows the tenure profile required by households resident in Colchester in 22 years' time in comparison to the tenure profile recorded currently. The difference between these two distributions is the change required to the housing stock over this period. The results show that 48.3% of new housing should be owner-occupied, 26.9% private rented, 1.4% should be shared ownership and 23.4% social rent/Affordable Rent.

Table 4.3c Tenure of new accommodation required in Colchester over the next 22 years

Tenure	Current tenure profile	Tenure profile 2037	Change required	% of change required
Owner-occupied	47,011	56,444	9,433	48.3%
Private rent	17,877	23,132	5,255	26.9%
Shared ownership	263	538	275	1.4%
Social rent/Affordable Rented	10,155	14,732	4,577	23.4%
Total	75,306	94,845	19,539	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

The model is able to also provide detail on the size of new dwellings required within the market tenures, as is set out in the section below.

Size of housing required within each market tenure

Table 4.4c presents the size of owner-occupied accommodation required in Colchester in 22 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented. The table shows that some 43.7% of new owner-occupied dwellings should be three bedroom properties, with 33.3% containing two bedrooms, 18.1% having four or more bedrooms and 4.9% having one bedroom.

Table 4.4c Size of new owner-occupied accommodation required in Colchester over the next 22 years

Dwelling size	Current size profile	Size profile 2037	Change required	% of change required
One bedroom	1,733	2,198	465	4.9%
Two bedrooms	9,741	12,885	3,143	33.3%
Three bedrooms	20,809	24,927	4,118	43.7%
Four or more bedrooms	14,728	16,435	1,706	18.1%
Total	47,011	56,444	9,433	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

This analysis can be repeated for private rented housing and is presented in Table 4.5c. The data indicates that of the 5,194 private rented dwellings required within Colchester, 47.5% should be three bedroom properties with a further 24.2% should have four bedrooms. Some 2.2% should have a single bedroom and 26.1% two bedroom accommodation.

Table 4.5c Size of new private rented accommodation required in Colchester over the next 22 years				
Dwelling size	Current size profile	Size profile 2037	Change required	% of change required
One bedroom	2,256	2,370	114	2.2%
Two bedrooms	5,163	6,516	1,353	26.1%
Three bedrooms	3,216	5,683	2,467	47.5%
Four or more bedrooms	967	2,227	1,259	24.2%
Total	11,602	16,795	5,194	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Tendring

Demographic projections

The household and population projections associated with the Objectively Assessed Need calculation presented in the OAHN Study have been provided by Edge Analytics and have been further disaggregated into different household groups. Table 4.1d sets out the number of households that will be resident in Tendring in 2037 disaggregated by broad household type. The current (2015) household profile is also presented as a reference point.

Table 4.1d Projected household population in 2037 by household type in Tendring			
Household type	2015 Number	2037 Number	2037 Percentage
One person	21,183	27,866	36.8%
Couple with no children	20,251	24,744	32.6%
Couple with child/children	12,133	9,688	12.8%
Lone parent	6,478	9,990	13.2%
Other	3,283	3,503	4.6%
Total	63,329	75,791	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Figure 4.1d indicates the change in these household types that will occur between 2015 and 2037. The figure indicates that the number of lone parent households are expected to increase the most in Tendring, followed by one person households. Couples with children are projected to fall in number.

Figure 4.1d Change in household structure, 2015 – 2037 in Tendring
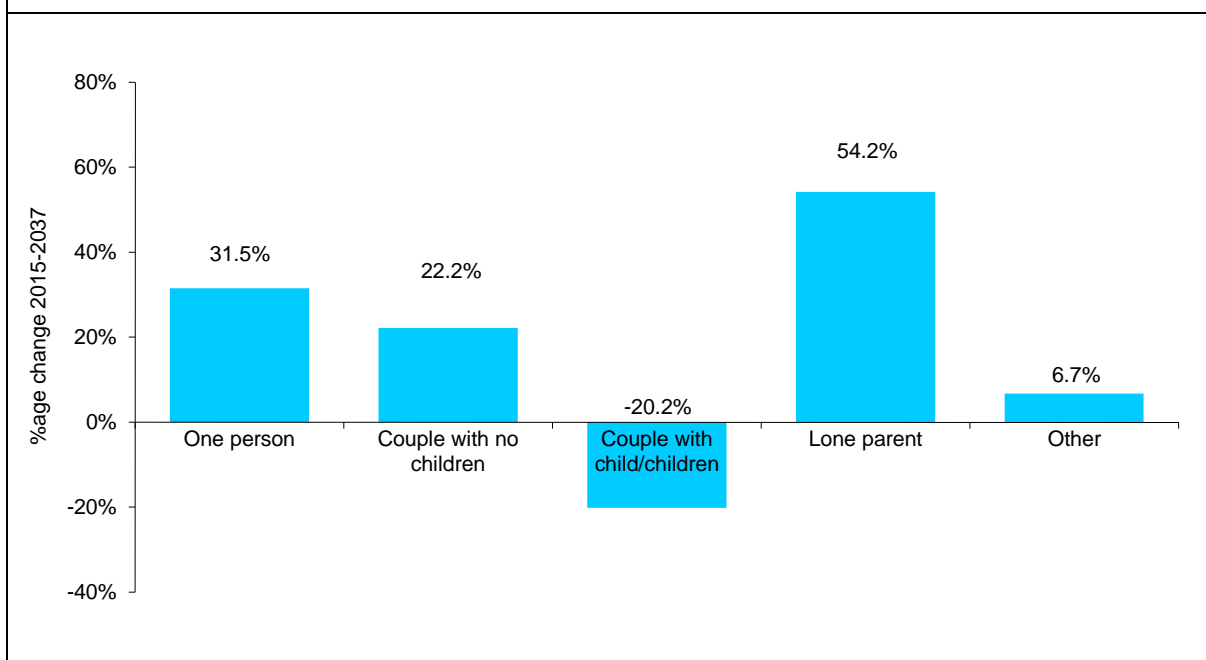
Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Tenure of housing required

Table 4.2d shows the projected tenure profile for Tendring in 22 years' time. The data shows that in 2037 the housing stock in Tendring should comprise 67.0% owner-occupied dwellings, 22.1% private rented homes, 0.4% shared ownership properties and 10.5% social rented/Affordable Rented accommodation.

Table 4.2d Projected tenure profile in 2037		
Tenure	*Number*	*Percentage*
Owner-occupied	50,761	67.0%
Private rented	16,748	22.1%
Shared Ownership	330	0.4%
Social rent/Affordable Rent	7,952	10.5%
Total	75,791	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Table 4.3d shows the tenure profile required by households resident in Tendring in 22 years' time in comparison to the tenure profile recorded currently. The difference between these two distributions is the change required to the housing stock over this period. The results show that 49.0% of new housing should be owner-occupied, 30.3% private rented, 2.0% should be shared ownership and 18.7% social rent/Affordable Rent.

Table 4.3d Tenure of new accommodation required in Tendring over the next 22 years				
Tenure	*Current tenure profile*	*Tenure profile 2037*	*Change required*	*% of change required*
Owner-occupied	44,659	50,761	6,101	49.0%
Private rent	12,968	16,748	3,780	30.3%
Shared ownership	79	330	251	2.0%
Social rent/Affordable Rented	5,623	7,952	2,329	18.7%
Total	63,329	75,791	12,462	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

The model is able to also provide detail on the size of new dwellings required within the market tenures, as is set out in the section below.

Size of housing required within each market tenure

Table 4.4d presents the size of owner-occupied accommodation required in Tendring in 22 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented. The table shows that some 32.1% of new owner-occupied dwellings should be two bedroom properties, with 34.1% containing three bedrooms, 24.2% having four or more bedrooms and 9.6% having one bedroom.

Table 4.4d Size of new owner-occupied accommodation required in Tendring over the next 22 years				
Dwelling size	*Current size profile*	*Size profile 2037*	*Change required*	*% of change required*
One bedroom	1,939	2,523	585	9.6%
Two bedrooms	14,522	16,481	1,958	32.1%
Three bedrooms	18,217	20,299	2,081	34.1%
Four or more bedrooms	9,981	11,458	1,477	24.2%
Total	44,659	50,761	6,101	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

This analysis can be repeated for private rented housing and is presented in Table 4.5d. The data indicates that of the 3,780 private rented dwellings required within Tendring, 51.2% should be three bedroom properties with a further 20.2% should have four bedrooms. Some 7.6% should have a single bedroom and 21.1% two bedroom accommodation.

Table 4.5d Size of new private rented accommodation required in Tendring over the next 22 years				
Dwelling size	Current size profile	Size profile 2037	Change required	% of change required
One bedroom	2,583	2,870	287	7.6%
Two bedrooms	5,730	6,526	796	21.1%
Three bedrooms	3,647	5,581	1,934	51.2%
Four or more bedrooms	1,008	1,771	763	20.2%
Total	12,968	16,748	3,780	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Appendix 5. Local authority-level results for affordable housing need model

Braintree

Estimate of net annual housing need

Table 5.10a sets out the total need for affordable housing of 351 per year across Braintree.

Table 5.10a Results of the affordable housing needs model in Braintree	
Stage in calculation	
Stage 1: Current unmet gross need for affordable housing (Total)	1,129
Stage 2: Newly arising affordable housing need (Annual)	978
Stage 3: Current affordable housing supply (Total)	925
Stage 4: Future housing supply (Annual)	636
Stage 5.1 Net current need (Stage 1- Stage 3) (Total)	204
Stage 5.2 Annualise net current need (Stage 5.1/22) (Annual)	9
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	351
Total gross annual need (Stage 1/22 + Stage 2) (Annual)	1029
Total gross annual supply (Stage 3/22 + Stage 4) (Annual)	678

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Refining the model in a local context

The model contains detail of the type of households in affordable housing need. This includes the number of single person households aged under 35. These individuals are deemed suitable to potentially meet their housing needs within the market as part of a shared household. This is implied by the Local Housing Allowance regulations, which indicate that single people under 35 are only entitled to the shared accommodation rate rather than the rate for a one bedroom home.

Single person households on the waiting list in Braintree would not be considered to be in priority housing need (except if they have a particular need for an adapted house or are particularly vulnerable) and are therefore unlikely to be able to access affordable housing. Those under 35 are therefore deemed suitable to form part of a shared household should affordable accommodation not be available for them as a single household. Single person households under the age of 35 unable to afford a one bedroom market home have therefore been tested for their ability to afford the local LHA shared room rate.

As the supply of affordable accommodation is limited in Braintree, any single person households aged under 35 in housing need that can afford the LHA shared room rate are excluded from the revised calculation of the total need for affordable housing. In Braintree

this accounts for 139 households per year. Removing these households adjusts the need for new affordable units to 212 (351-139) per year in Braintree. The gross need also reduces to 890.This is demonstrated in Table 5.11a.

Table 5.11a Impact of refining the model in Braintree		
	Initial calculation	Revised outputs
Total gross annual need (Annual)	1,029	890
Total gross annual supply (Annual)	678	678
Total need for affordable housing (Annual)	351	212

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

The suitability of this assumption was discussed at some length at the stakeholder consultation event and within the consultation responses submitted. Whilst there was broad agreement that it was logical to rationalise the model outputs using this group, there were differences of opinions as to whether this should be done and how. The sensitivity testing in Appendix 7 therefore considers this issue in more detail, providing further clarity on this group and considering the impact of varying this assumption on the overall requirement for affordable housing.

Overall households in affordable housing need by type (gross)

Table 5.12a gives a breakdown of the gross annual households in need (after the refinement of the model), by household type in Braintree. The table shows that some 4.3% of 'other' households are in housing need compared to 0.8% of one person households. Overall, couple with children households comprise 25.4% of all households in need.

Table 5.12a Annual need requirement by household type in Braintree					
Household type	Need requirement				
	No. of h'holds in need (gross)	Not in need	Total Number of h'holds	% of h'hold type in need	As a % of those in need
One person	138	17,290	17,428	0.8%	15.5%
Couple with no children	209	18,893	19,102	1.1%	23.5%
Couple with child/children	226	17,116	17,342	1.3%	25.4%
Lone parent	168	6,339	6,507	2.6%	18.8%
Other	150	3,305	3,455	4.3%	16.8%
Total	890	62,943	63,833	1.4%	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Size of accommodation required

Table 5.13a shows the size of accommodation required by households in housing need in Braintree. The supply distribution for social rented and intermediate homes is derived from the average profile of re-lets of affordable accommodation over the last three years as

supplied by the Council. The last column in the table presents the supply as a percentage of need. This is calculated by dividing the estimated supply of the property size by the derived need for that dwelling size. The lower the figure produced, the more acute the need for affordable accommodation in the area, as the current supply is unlikely to meet the identified need.

The table suggests that there is a net need for all sizes of affordable housing. The largest net need is for two bedroom accommodation, followed by three bedroom homes. The final column shows that the need relative to supply is the greatest for four bedroom homes, followed by three bedroom accommodation. Households in need requiring one bedroom accommodation are most likely to have their need met from the current supply.

Table 5.13a Size of additional units required to meet housing need in Braintree					
	Need requirement				
Size of home	Gross annual need	Gross annual supply	Net annual need	As a % of total net annual need	Supply as a % of gross need
One bedroom	347	324	23	10.9%	93.4%
Two bedrooms	359	243	116	54.7%	67.8%
Three bedrooms	148	95	52	24.8%	64.5%
Four or more bedrooms	36	16	21	9.7%	43.7%
Total	890	678	212	100.0%	76.2%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Type of affordable home required

As discussed in Chapter 3, a range of affordable products are available to meet affordable housing need in Braintree. This section will consider the suitability of these different products for meeting affordable housing need.

Gross requirement

Table 5.14a illustrates how many households in affordable housing need in Braintree are able to afford the different affordable products. The figures presented are exclusive, so for example the 126 households requiring a two bedroom home that are able to afford Affordable Rent do not include the 9 households able to afford shared ownership (even though they would also be able to afford Affordable Rent). Households have therefore been assigned the most expensive product they are able to afford. The social rented group also includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside. The table shows that of the 890 households in gross need each year in Braintree, 1.6% could afford shared ownership, 38.5% Affordable Rent and 59.9% can afford social rent or require support.

Table 5.14a Size and type of affordable home required by those in need (per annum) in Braintree						
Product	One bed	Two bed	Three bed	Four bed	Total (number)	Total (percentage)
Shared ownership	5	9	0	0	14	1.6%
Affordable rent	127	126	71	19	343	38.5%
Social rent/requires assistance	215	224	77	17	533	59.9%
All households	347	359	148	36	890	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Net requirement

Whilst the overall affordability of these products is an important consideration, the supply of these dwellings needs to be considered before the overall housing requirement can be established. Figure 5.1a shows the overall net annual requirement for affordable housing in Braintree once the likely supply of affordable accommodation has been deducted from the gross need. The figure shows that across Braintree there is a requirement for a range of different new affordable rented accommodation, with the exception of one bedroom social rented homes, where there is likely to be a surplus. It is therefore suggested that a significant number of one bedroom social rented homes could be re-let as Affordable Rented accommodation once they become vacant through natural churn. As virtually all rented development in the social sector is Affordable Rent, rather than social rent, Chapter 7 sets out the overall dwelling mix for the Council to pursue with these two sectors. There is also a surplus of three and four bedroom shared ownership accommodation across the HMA, reflecting the relative unaffordability of this product for households in need.

Figure 5.1a Net annual requirement for affordable housing in Braintree

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Chelmsford

Estimate of net annual housing need

Table 5.10b sets out the total need for affordable housing of 374 across Chelmsford.

Table 5.10b Results of the affordable housing needs model in Chelmsford	
Stage in calculation	
Stage 1: Current unmet gross need for affordable housing (Total)	2,206
Stage 2: Newly arising affordable housing need (Annual)	863
Stage 3: Current affordable housing supply (Total)	2,285
Stage 4: Future housing supply (Annual)	486
Stage 5.1 Net current need (Stage 1- Stage 3)	-78
Stage 5.2 Annualise net current need (Stage 5.1/22) (Annual)	-4
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	**374**
Total gross annual need (Stage 1/22 + Stage 2) (Annual)	963
Total gross annual supply (Stage 3/22 + Stage 4) (Annual)	589

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Refining the model in a local context

The model contains detail of the type of households in affordable housing need. This includes the number of single person households aged under 35. These individuals are deemed suitable to potentially meet their housing needs within the market as part of a shared household. This is implied by the Local Housing Allowance regulations, which indicate that single people under 35 are only entitled to the shared accommodation rate rather than the rate for a one bedroom home.

Single person households on the waiting list in Chelmsford would not be considered to be in priority housing need (except if they have a particular need for an adapted house or are particularly vulnerable) and are therefore unlikely to be able to access affordable housing. Those under 35 are therefore deemed suitable to form part of a shared household should affordable accommodation not be available for them as a single household. Single person households under the age of 35 unable to afford a one bedroom market home have therefore been tested for their ability to afford the local LHA shared room rate.

As the supply of affordable accommodation is limited in Chelmsford, any single person households aged under 35 in housing need that can afford the LHA shared room rate are excluded from the revised calculation of the total need for affordable housing. In Chelmsford this accounts for 199 households per year. Removing these households adjusts the need for new affordable units to 175 (374-199) per year in Chelmsford. The

gross need (set out in the second last row of the table above) also reduces to 764. This is demonstrated in Table 5.11b.

Table 5.11b Impact of refining the model in Chelmsford		
	Initial calculation	Revised outputs
Total gross annual need (Annual)	963	764
Total gross annual supply (Annual)	589	589
Total need for affordable housing (Annual)	374	175

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

The suitability of this assumption was discussed at some length at the stakeholder consultation event and within the consultation responses submitted. Whilst there was broad agreement that it was logical to rationalise the model outputs using this group, there were differences of opinions as to whether this should be done and how. The sensitivity testing in Appendix 7, therefore considers this issue in more detail, providing further clarity on this group and considering the impact of varying this assumption on the overall requirement for affordable housing.

Overall households in affordable housing need by type (gross)

Table 5.12b gives a breakdown of the gross annual households in need (after the refinement of the model), by household type in Chelmsford. The table shows that some 3.2% of 'other' households are in housing need compared to 0.7% of one person households. Overall, couples with no children households comprise 24.6% of all households in need.

Table 5.12b Annual need requirement by household type in Chelmsford					
Household type	Need requirement				
	No. of h'holds in need (gross)	Not in need	Total Number of h'holds	% of h'hold type in need	As a % of those in need
One person	151	20,080	20,231	0.7%	19.8%
Couple with no children	188	21,290	21,477	0.9%	24.6%
Couple with child/children	138	19,718	19,856	0.7%	18.1%
Lone parent	155	6,562	6,716	2.3%	20.3%
Other	132	4,048	4,180	3.2%	17.3%
Total	764	71,697	72,461	1.1%	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Size of accommodation required

Table 5.13b shows the size of accommodation required by households in housing need in Chelmsford. The supply distribution for social rented and intermediate homes is derived from the average profile of re-lets of affordable accommodation over the last three years

as supplied by the Council. The last column in the table presents the supply as a percentage of need. This is calculated by dividing the estimated supply of the property size by the derived need for that dwelling size. The lower the figure produced, the more acute the need for affordable accommodation in the area, as the current supply is unlikely to meet the identified need.

The table suggests that there is a net need for all sizes of affordable housing. The largest net need is for two bedroom accommodation, followed by one bedroom homes. The final column shows that the need relative to supply is the greatest for four bedroom homes, followed by two bedroom accommodation. Households in need requiring one bedroom accommodation are most likely to have their need met from the current supply.

Table 5.13b Size of additional units required to meet housing need in Chelmsford					
Size of home	Need requirement				
	Gross annual need	Gross annual supply	Net annual need	As a % of total net annual need	Supply as a % of gross need
One bedroom	339	300	39	22.5%	88.4%
Two bedrooms	283	190	94	53.6%	67.0%
Three bedrooms	113	88	25	14.2%	78.0%
Four or more bedrooms	29	12	17	9.7%	41.9%
Total	764	589	175	100.0%	77.1%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Type of affordable home required

As discussed in Chapter 3, a range of affordable products are available to meet affordable housing need in Chelmsford. This section will consider the suitability of these different products for meeting affordable housing need.

Gross requirement

Table 5.14b illustrates how many households in affordable housing need in Chelmsford are able to afford the different affordable products. The figures presented are exclusive, so for example the 126 households requiring a one bedroom home that are able to afford Affordable Rent do not include the 4 households able to afford shared ownership (even though they would also be able to afford Affordable Rent). Households have therefore been assigned the most expensive product they are able to afford. The social rented group also includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside. The table shows that of the 764 households in gross need each year in Chelmsford, 0.5% could afford shared ownership, 41.1% Affordable Rent and 58.4% can afford social rent or require support.

Table 5.14b Size and type of affordable home required by those in need (per annum) in Chelmsford						
Product	One bed	Two bed	Three bed	Four bed	Total (number)	Total (percentage)
Shared ownership	4	0	0	0	4	0.5%
Affordable rent	126	118	51	19	314	41.1%
Social rent/requires assistance	209	165	62	10	446	58.4%
All households	339	283	113	29	764	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Net requirement

Whilst the overall affordability of these products is an important consideration, the supply of these dwellings needs to be considered before the overall housing requirement can be established. Figure 5.1b shows the overall net annual requirement for affordable housing in Chelmsford once the likely supply of affordable accommodation has been deducted from the gross need. The figure shows that across Chelmsford there is a requirement for a range of different new affordable rented accommodation, with the exception of one bedroom social rented homes, where there is likely to be a surplus. It is therefore suggested that a significant number of one bedroom social rented homes could be re-let as Affordable Rented accommodation once they become vacant through natural churn. As virtually all rented development in the social sector is Affordable Rent, rather than social rent, Chapter 7 sets out the overall dwelling mix for the Council to pursue with these two sectors. There is also a surplus of all sizes of shared ownership accommodation across the HMA, reflecting the relative unaffordability of this product for households in need.

Figure 5.1b Net annual requirement for affordable housing in Chelmsford
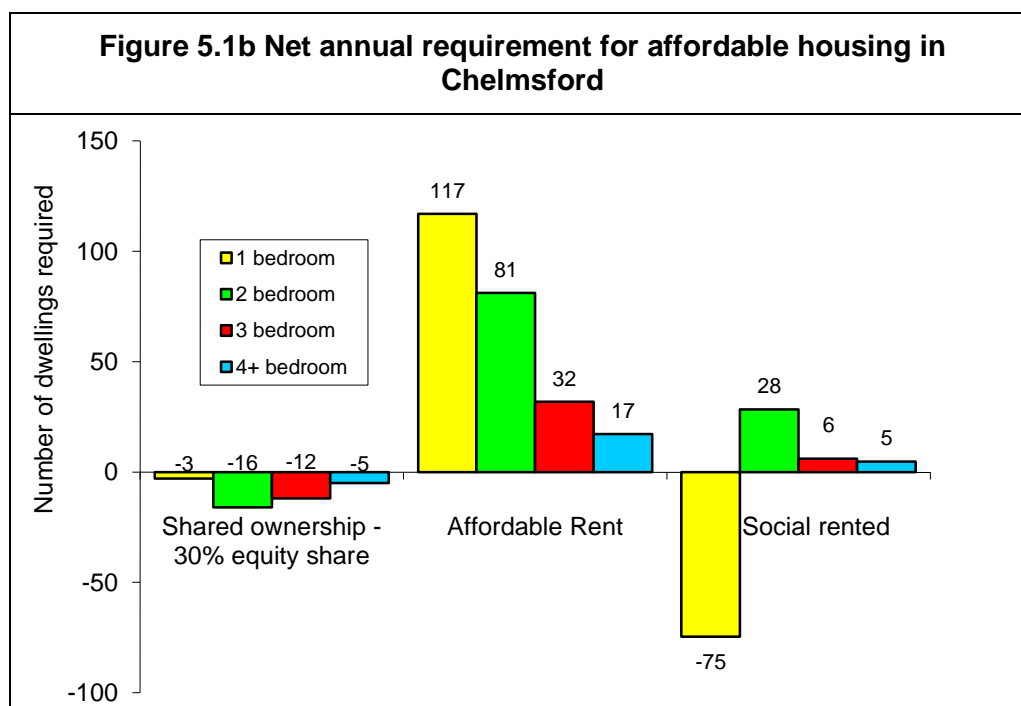
Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Colchester

Estimate of net annual housing need

Table 5.10c sets out the total need for affordable housing of 393 across Colchester.

Table 5.10c Results of the affordable housing needs model in Colchester	
Stage in calculation	
Stage 1: Current unmet gross need for affordable housing (Total)	1,991
Stage 2: Newly arising affordable housing need (Annual)	1,040
Stage 3: Current affordable housing supply (Total)	1,233
Stage 4: Future housing supply (Annual)	681
Stage 5.1 Net current need (Stage 1- Stage 3) (Total)	758
Stage 5.2 Annualise net current need (Stage 5.1/22) (Annual)	34
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	**393**
Total gross annual need (Stage 1/22 + Stage 2) (Annual)	1,130
Total gross annual supply (Stage 3/22 + Stage 4) (Annual)	737

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Refining the model in a local context

The model contains detail of the type of households in affordable housing need. This includes the number of single person households aged under 35. These individuals are deemed suitable to potentially meet their housing needs within the market as part of a shared household. This is implied by the Local Housing Allowance regulations, which indicate that single people under 35 are only entitled to the shared accommodation rate rather than the rate for a one bedroom home.

Single person households on the waiting list in Colchester would not be considered to be in priority housing need (except if they have a particular need for an adapted house or are particularly vulnerable) and are therefore unlikely to be able to access affordable housing. Those under 35 are therefore deemed suitable to form part of a shared household should affordable accommodation not be available for them as a single household. Single person households under the age of 35 unable to afford a one bedroom market home have therefore been tested for their ability to afford the local LHA shared room rate.

As the supply of affordable accommodation is limited in Colchester, any single person households aged under 35 in housing need that can afford the LHA shared room rate are excluded from the revised calculation of the total need for affordable housing. In Colchester this accounts for 126 households per year. Removing these households adjusts the need for new affordable units to 267 (393-126) per year in Colchester. The gross need (set out

in the second last row of the table above) also reduces to 1,004. This is demonstrated in Table 5.11c.

Table 5.11c Impact of refining the model in Colchester		
	Initial calculation	Revised outputs
Total gross annual need (Annual)	1,130	1,004
Total gross annual supply (Annual)	737	737
Total need for affordable housing (Annual)	393	126

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

The suitability of this assumption was discussed at some length at the stakeholder consultation event and within the consultation responses submitted. Whilst there was broad agreement that it was logical to rationalise the model outputs using this group, there were differences of opinions as to whether this should be done and how. The sensitivity testing in Appendix 7, therefore considers this issue in more detail, providing further clarity on this group and considering the impact of varying this assumption on the overall requirement for affordable housing.

Overall households in affordable housing need by type (gross)

Table 5.12c gives a breakdown of the gross annual households in need (after the refinement of the model), by household type in Colchester. The table shows that some 2.9% of lone parent households are in housing need compared to 0.8% of couples with no children households. Overall, couple with children households comprise 24.6% of all households in need.

Table 5.12c Annual need requirement by household type in Colchester					
Household type	Need requirement				
	No. of h'holds in need (gross)	Not in need	Total Number of h'holds	% of h'hold type in need	As a % of those in need
One person	207	22,040	22,246	0.9%	20.6%
Couple with no children	170	21,114	21,283	0.8%	16.9%
Couple with child/children	247	18,303	18,550	1.3%	24.6%
Lone parent	228	7,584	7,812	2.9%	22.7%
Other	153	5,261	5,415	2.8%	15.3%
Total	1,004	74,302	75,306	1.3%	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Size of accommodation required

Table 5.13c shows the size of accommodation required by households in housing need in Colchester. The supply distribution for social rented and intermediate homes is derived from the average profile of re-lets of affordable accommodation over the last three years

as supplied by the Council. The last column in the table presents the supply as a percentage of need. This is calculated by dividing the estimated supply of the property size by the derived need for that dwelling size. The lower the figure produced, the more acute the need for affordable accommodation in the area, as the current supply is unlikely to meet the identified need.

The table suggests that there is a net need for all sizes of affordable housing. The largest net need is for one and two bedroom accommodation. The final column shows that the need relative to supply is the greatest for four bedroom homes, followed by three bedroom accommodation. Households in need requiring two bedroom accommodation are most likely to have their need met from the current supply.

Table 5.13c Size of additional units required to meet housing need in Colchester					
Size of home	Need requirement				
	Gross annual need	Gross annual supply	Net annual need	As a % of total net annual need	Supply as a % of gross need
One bedroom	376	290	86	32.4%	77.0%
Two bedrooms	392	306	86	32.2%	78.1%
Three bedrooms	188	129	59	22.2%	68.6%
Four or more bedrooms	48	13	35	13.2%	26.8%
Total	1,004	737	267	100.0%	73.4%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Type of affordable home required

As discussed in Chapter 3, a range of affordable products are available to meet affordable housing need in Colchester. This section will consider the suitability of these different products for meeting affordable housing need.

Gross requirement

Table 5.14c illustrates how many households in affordable housing need in Colchester are able to afford the different affordable products. The figures presented are exclusive, so for example the 75 households requiring a three bedroom home that are able to afford Affordable Rent do not include the 6 households able to afford shared ownership (even though they would also be able to afford Affordable Rent). Households have therefore been assigned the most expensive product they are able to afford. The social rented group also includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside. The table shows that of the 1,004 households in gross need each year in Colchester, 2.9% could afford shared ownership, 32.1% Affordable Rent and 65.0% can afford social rent or require support.

Table 5.14c Size and type of affordable home required by those in need (per annum) in Colchester

Product	One bed	Two bed	Three bed	Four bed	Total (number)	Total (percentage)
Shared ownership	12	11	6	0	29	2.9%
Affordable rent	85	134	75	28	322	32.1%
Social rent/requires assistance	279	247	107	20	653	65.0%
All households	376	392	188	48	1,004	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Net requirement

Whilst the overall affordability of these products is an important consideration, the supply of these dwellings needs to be considered before the overall housing requirement can be established. Figure 5.1c shows the overall net annual requirement for affordable housing in Colchester once the likely supply of affordable accommodation has been deducted from the gross need. The figure shows that across the Colchester there is a requirement for a range of different affordable rented accommodation. As virtually all rented development in the social sector is Affordable Rent, rather than social rent, Chapter 7 sets out the overall dwelling mix for the Council to pursue with these two sectors. There is however a surplus of three and four bedroom shared ownership accommodation across the HMA, reflecting the relative unaffordability of this product for households in need.

Figure 5.1c Net annual requirement for affordable housing in Colchester
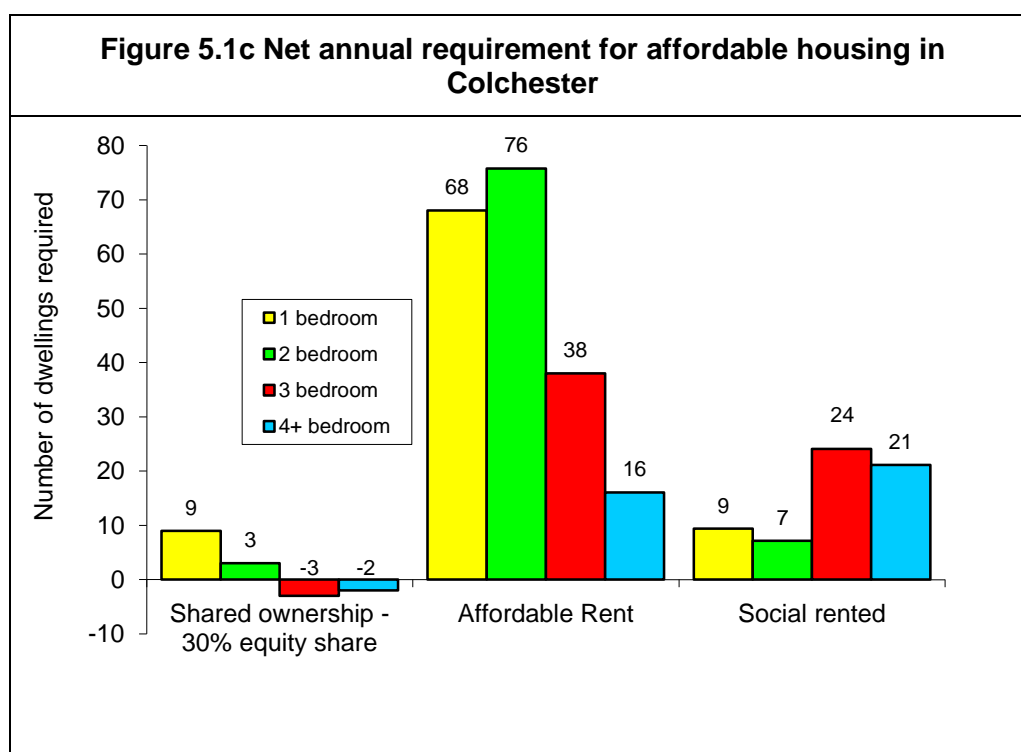
Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Tendring

Estimate of net annual housing need

Table 5.10d sets out the total need for affordable housing of 243 across Tendring.

Table 5.10d Results of the affordable housing needs model in Tendring	
Stage in calculation	
Stage 1: Current unmet gross need for affordable housing (Total)	927
Stage 2: Newly arising affordable housing need (Annual)	580
Stage 3: Current affordable housing supply (Total)	262
Stage 4: Future housing supply (Annual)	368
Stage 5.1 Net current need (Stage 1- Stage 3) (Total)	666
Stage 5.2 Annualise net current need (Stage 5.1/22) (Annual)	30
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	**243**
Total gross annual need (Stage 1/22 + Stage 2) (Annual)	622
Total gross annual supply (Stage 3/22 + Stage 4) (Annual)	380

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Refining the model in a local context

The model contains detail of the type of households in affordable housing need. This includes the number of single person households aged under 35. These individuals are deemed suitable to potentially meet their housing needs within the market as part of a shared household. This is implied by the Local Housing Allowance regulations, which indicate that single people under 35 are only entitled to the shared accommodation rate rather than the rate for a one bedroom home.

Single person households on the waiting list in Tendring would not be considered to be in priority housing need (except if they have a particular need for an adapted house or are particularly vulnerable) and are therefore unlikely to be able to access affordable housing. Those under 35 are therefore deemed suitable to form part of a shared household should affordable accommodation not be available for them as a single household. Single person households under the age of 35 unable to afford a one bedroom market home have therefore been tested for their ability to afford the local LHA shared room rate.

As the supply of affordable accommodation is limited in Tendring, any single person households aged under 35 in housing need that can afford the LHA shared room rate are excluded from the revised calculation of the total need for affordable housing. In Tendring this accounts for 91 households per year. Removing these households adjusts the need for new affordable units to 151 (243-91) per year in Tendring. The gross need (set out in

the second last row of the table above) also reduces to 531. This is demonstrated in Table 5.11d.

Table 5.11d Impact of refining the model in Tendring		
	Initial calculation	Revised outputs
Total gross annual need (Annual)	622	531
Total gross annual supply (Annual)	380	380
Total need for affordable housing (Annual)	243	151

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

The suitability of this assumption was discussed at some length at the stakeholder consultation event and within the consultation responses submitted. Whilst there was broad agreement that it was logical to rationalise the model outputs using this group, there were differences of opinions as to whether this should be done and how. The sensitivity testing in Appendix 7, therefore considers this issue in more detail, providing further clarity on this group and considering the impact of varying this assumption on the overall requirement for affordable housing.

Overall households in affordable housing need by type (gross)

Table 5.12d gives a breakdown of the gross annual households in need (after the refinement of the model), by household type in Tendring. The table shows that some 2.1% of 'other' households are in housing need compared to 0.5% of single person households and couples with no children households. Overall, lone parent households comprise 24.2% of all households in need.

Table 5.12d Annual need requirement by household type in Tendring					
Household type	Need requirement				
	No. of h'holds in need (gross)	Not in need	Total Number of h'holds	% of h'hold type in need	As a % of those in need
One person	116	21,067	21,183	0.5%	21.9%
Couple with no children	98	20,153	20,251	0.5%	18.5%
Couple with child/children	120	12,013	12,133	1.0%	22.6%
Lone parent	128	6,350	6,478	2.0%	24.2%
Other	68	3,215	3,283	2.1%	12.8%
Total	531	62,798	63,329	0.8%	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Size of accommodation required

Table 5.13d shows the size of accommodation required by households in housing need in Tendring. The supply distribution for social rented and intermediate homes is derived from the average profile of re-lets of affordable accommodation over the last three years as

supplied by the Council. The last column in the table presents the supply as a percentage of need. This is calculated by dividing the estimated supply of the property size by the derived need for that dwelling size. The lower the figure produced, the more acute the need for affordable accommodation in the area, as the current supply is unlikely to meet the identified need.

The table suggests that there is a net need for all sizes of affordable housing. The largest net need is for two bedroom accommodation, followed by three bedroom homes. The final column shows that the need relative to supply is the greatest for four bedroom homes, followed by three bedroom accommodation. Households in need requiring two bedroom accommodation are most likely to have their need met from the current supply.

Table 5.13d Size of additional units required to meet housing need in Tendring					
Size of home	Need requirement				
	Gross annual need	Gross annual supply	Net annual need	As a % of total net annual need	Supply as a % of gross need
One bedroom	214	199	16	10.5%	92.6%
Two bedrooms	184	114	69	45.8%	62.2%
Three bedrooms	101	57	44	29.4%	56.1%
Four or more bedrooms	32	10	22	14.4%	31.5%
Total	531	380	151	100.0%	71.5%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Type of affordable home required

As discussed in Chapter 3, a range of affordable products are available to meet affordable housing need in Tendring. This section will consider the suitability of these different products for meeting affordable housing need.

Gross requirement

Table 5.14d illustrates how many households in affordable housing need in Tendring are able to afford the different affordable products. The figures presented are exclusive, so for example the 69 households requiring a two bedroom home that are able to afford Affordable Rent do not include the 3 households able to afford shared ownership (even though they would also be able to afford Affordable Rent). Households have therefore been assigned the most expensive product they are able to afford. The social rented group also includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside. The table shows that of the 531 households in gross need each year in Tendring, 1.9% could afford shared ownership, and 34.5% Affordable Rent and 63.6% can afford social rent or require support.

Table 5.14d Size and type of affordable home required by those in need (per annum) in Tendring						
Product	One bed	Two bed	Three bed	Four bed	Total (number)	Total (percentage)
Shared ownership	7	3	0	0	10	1.9%
Affordable rent	63	69	34	17	183	34.5%
Social rent/requires assistance	144	112	67	15	338	63.6%
All households	214	184	101	32	531	100.0%

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Net requirement

Whilst the overall affordability of these products is an important consideration, the supply of these dwellings needs to be considered before the overall housing requirement can be established. Figure 5.1d shows the overall net annual requirement for affordable housing in Tendring once the likely supply of affordable accommodation has been deducted from the gross need. The figure shows that across Tendring there is a requirement for a range of different new affordable rented accommodation, with the exception of one bedroom social rented homes, where there is likely to be a surplus. It is therefore suggested that a significant number of one bedroom social rented homes could be re-let as Affordable Rented accommodation once they become vacant through natural churn. As virtually all rented development in the social sector is Affordable Rent, rather than social rent, Chapter 7 sets out the overall dwelling mix for the Council to pursue with these two sectors. There is also a surplus of two and three bedroom shared ownership accommodation across the HMA, reflecting the relative unaffordability of this product for households in need.

Figure 5.1d Net annual requirement for affordable housing in Tendring
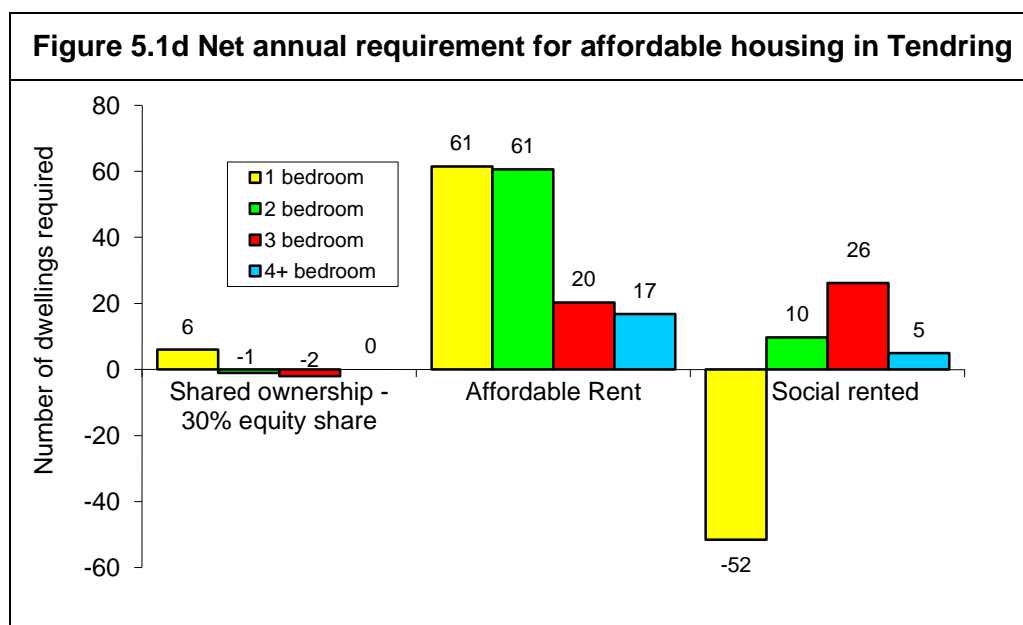
Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

Appendix 6. Specialist accommodation required in each local authority

Braintree

Table 6.2a shows the current supply of specialist housing for older people. At present it is estimated that there are 1,601 units in Braintree; this is equivalent to 144 units per 1,000 people aged 75 and over. The Strategic Housing for Older People tool uses this ratio (the number of units per 1,000 people 75 and over) as the key variant when modelling future demand so it is important to establish the current level.

Table 6.2a also shows the amount of specialist accommodation that will be required by the population in 2037 if the current HMA-wide rate of occupation is maintained (123 units per 1,000 people aged 75 and over). The total additional units required to increase the current provision to this level is also presented. As the current rate of provision is lower than the base recommended within the Strategic Housing for Older People tool (170 units per 1,000 people) it is useful to also consider a scenario where the rate of use of this form of accommodation increases to this level. The fifth and sixth columns of the table therefore show the total and net requirement for specialist accommodation if the usage rate increases to 170 per 1,000 people.

Table 6.2a Specialist accommodation required in Braintree over the next 23 years					
Type and tenure of specialist accommodation	Current profile (2014)	Future requirement based on current usage ratio of 123 per 1,000 people aged 75+		Future requirement based on increasing usage ratio to 170 per 1,000 people aged 75+	
		Profile 2037	Additional units required	Profile 2037	Additional units required
Sheltered housing	1,512	3,194	1,682	3,958	2,446
Extracare housing	89	137	48	683	594
Total	1,601	3,331	1,730	4,641	3,040

Source: The Housing Learning and Improvement Network' Strategic Housing for Older People tool, 2015.

If it is presumed that occupation patterns remain at current levels then there is a requirement for 1,730 additional specialist units of which 1,682 should be sheltered housing and 48 extra care housing. If it is assumed that occupation rates increase to a rate of 170 per 1,000 people 75 or over then 3,040 additional specialist units are required. As varying the occupation rate has such a dramatic effect on the overall requirement, it appears appropriate for the Council to pursue the lower of these two figures, which is based on current occupation patterns.

The actual numbers of specialist accommodation needed depend on changes in patterns of demand and expectations. This report assumes that the current proportion of specialist stock is sustained for an increased elderly population.

Chelmsford

Table 6.2b shows the current supply of specialist housing for older people. At present it is estimated that there are 1,998 units in Chelmsford; this is equivalent to 151 units per 1,000 people aged 75 and over. The Strategic Housing for Older People tool uses this ratio (the number of units per 1,000 people 75 and over) as the key variant when modelling future demand so it is important to establish the current level.

Table 6.2b also shows the amount of specialist accommodation that will be required by the population in 2037 if the current HMA-wide rate of occupation is maintained (123 units per 1,000 people aged 75 and over). The total additional units required to increase the current provision to this level is also presented. As the current rate of provision is lower than the base recommended within the Strategic Housing for Older People tool (170 units per 1,000 people) it is useful to also consider a scenario where the rate of use of this form of accommodation increases to this level. The fifth and sixth columns of the table therefore show the total and net requirement for specialist accommodation if the usage rate increases to 170 per 1,000 people.

Table 6.2b Specialist accommodation required in Chelmsford over the next 23 years					
Type and tenure of specialist accommodation	Current profile (2014)	Future requirement based on current usage ratio of 123 per 1,000 people aged 75+		Future requirement based on increasing usage ratio to 170 per 1,000 people aged 75+	
		Profile 2037	Additional units required	Profile 2037	Additional units required
Sheltered housing	1,926	3,241	1,315	4,016	2,090
Extra care housing	72	139	67	693	621
Total	1,998	3,380	1,382	4,709	2,711

Source: The Housing Learning and Improvement Network' Strategic Housing for Older People tool, 2015.

If it is presumed that occupation patterns remain at current levels then there is a requirement for 1,382 additional specialist units of which 1,315 should be sheltered housing and 67 extra care housing. If it is assumed that occupation rates increase to a rate of 170 per 1,000 people 75 or over then 2,711 additional specialist units are required As varying the occupation rate has such a dramatic effect on the overall requirement, it appears appropriate for the Council to pursue the lower of these two figures, which is based on current occupation patterns.

The actual numbers of specialist accommodation needed depend on changes in patterns of demand and expectations. This report assumes that the current proportion of specialist stock is sustained for an increased elderly population.

Colchester

Table 6.2c shows the current supply of specialist housing for older people. At present it is estimated that there are 1,191 units in Colchester; this is equivalent to 95 units per 1,000 people aged 75 and over. The Strategic Housing for Older People tool uses this ratio (the number of units per 1,000 people 75 and over) as the key variant when modelling future demand so it is important to establish the current level.

Table 6.2c also shows the amount of specialist accommodation that will be required by the population in 2037 if the current HMA-wide rate of occupation is maintained (123 units per 1,000 people aged 75 and over). The total additional units required to increase the current provision to this level is also presented. As the current rate of provision is lower than the base recommended within the Strategic Housing for Older People tool (170 units per 1,000 people) it is useful to also consider a scenario where the rate of use of this form of accommodation increases to this level. The fifth and sixth columns of the table therefore show the total and net requirement for specialist accommodation if the usage rate increases to 170 per 1,000 people.

Table 6.2c Specialist accommodation required in Colchester over the next 23 years					
Type and tenure of specialist accommodation	Current profile (2014)	Future requirement based on current usage ratio of 123 per 1,000 people aged 75+		Future requirement based on increasing usage ratio to 170 per 1,000 people aged 75+	
		Profile 2037	Additional units required	Profile 2037	Additional units required
Sheltered housing	1,135	3,200	2,066	3,965	2,830
Extra care housing	56	138	81	684	628
Total	1,191	3,338	2,147	4,649	3,458

Source: The Housing Learning and Improvement Network' Strategic Housing for Older People tool, 2015.

If it is presumed that occupation patterns remain at current levels then there is a requirement for 2,147 additional specialist units of which 2,066 should be sheltered housing and 81 extra care housing. If it is assumed that occupation rates increase to a rate of 170 per 1,000 people 75 or over then 3,458 additional specialist units are required. As varying the occupation rate has such a dramatic effect on the overall requirement, it appears appropriate for the Council to pursue the lower of these two figures, which is based on current occupation patterns.

The actual numbers of specialist accommodation needed depend on changes in patterns of demand and expectations. This report assumes that the current proportion of specialist stock is sustained for an increased elderly population.

Tendring

Table 6.2d shows the current supply of specialist housing for older people. At present it is estimated that there are 1,839 units in Tendring; this is equivalent to 107 units per 1,000 people aged 75 and over. The Strategic Housing for Older People tool uses this ratio (the number of units per 1,000 people 75 and over) as the key variant when modelling future demand so it is important to establish the current level.

Table 6.2d also shows the amount of specialist accommodation that will be required by the population in 2037 if the current HMA-wide rate of occupation is maintained (123 units per 1,000 people aged 75 and over). The total additional units required to increase the current provision to this level is also presented. As the current rate of provision is lower than the base recommended within the Strategic Housing for Older People tool (170 units per 1,000 people) it is useful to also consider a scenario where the rate of use of this form of accommodation increases to this level. The fifth and sixth columns of the table therefore show the total and net requirement for specialist accommodation if the usage rate increases to 170 per 1,000 people.

Table 6.2d Specialist accommodation required in Tendring over the next 23 years					
Type and tenure of specialist accommodation	Current profile (2014)	Future requirement based on current usage ratio of 123 per 1,000 people aged 75+		Future requirement based on increasing usage ratio to 170 per 1,000 people aged 75+	
		Profile 2037	Additional units required	Profile 2037	Additional units required
Sheltered housing	1,795	3,887	2,095	4,820	3,025
Extra care housing	44	166	122	831	787
Total	1,839	4,056	2,217	5,651	3,812

Source: The Housing Learning and Improvement Network' Strategic Housing for Older People tool, 2015.

If it is presumed that occupation patterns remain at current levels then there is a requirement for 2,217 additional specialist units of which 2,095 should be sheltered housing and 122 extra care housing. If it is assumed that occupation rates increase to a rate of 170 per 1,000 people 75 or over then 3,812 additional specialist units are required. As varying the occupation rate has such a dramatic effect on the overall requirement, it appears appropriate for the Council to pursue the lower of these two figures, which is based on current occupation patterns.

The actual numbers of specialist accommodation needed depend on changes in patterns of demand and expectations. This report assumes that the current proportion of specialist stock is sustained for an increased elderly population.

Appendix 7. Sensitivity testing of key assumptions in affordable housing need model

As discussed in the main report there were two assumptions used within the affordable housing needs model that stakeholders identified it would be useful to sensitivity test: the affordability threshold and the section of single person households aged under 35 assumed to be able to acquire shared accommodation in the market sector. This appendix considers the impact on the overall affordable housing need requirement of altering the assumptions used on these two issues.

Sensitivity analysis - affordability threshold

The results presented in Chapter 5 of the main report are based on using an affordability test where the cost of housing can constitute up to 35% of gross income and still be affordable. This was agreed by the majority of attendees at the consultation event as the most appropriate figure however there wasn't unanimity that this approach was suitable. The impact of adjusting this affordability threshold is therefore considered. This is set out in Table A7.1, which details the results of the PPG affordable housing need model across the HMA where the cost of housing could constitute no more than 20%, 30% and 40% of gross household income, rather than 35% used in the standard model.

Table A7.1 Impact of different affordability assumptions on affordable housing requirement in the HMA				
	Rent payable constitutes no more than:			
	35% of gross household income	*25% of gross household income*	*30% of gross household income*	*40% of gross household income*
Stage 1: Current gross need	6,254	8,101	7,172	5,636
Stage 2: Newly arising need	3,461	4,782	4,071	3,232
Stage 3: Current supply	4,705	5,889	4,996	4,541
Stage 4: Future supply	2,171	2,171	2,171	2,171
Stage 5.1 Net current need	1,549	2,212	2,176	1,095
Stage 5.2 Annual net current need	70	101	99	50
Stage 5.3 Total annual need	1,360	2,712	1,999	1,111
Refinement - under 35 singles able to afford shared room rate	556	395	489	627
Adjusted annual need	804	2,317	1,510	484

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

The table indicates that the net requirement would increase from 804 to 1,510 affordable homes per year in the HMA if 30% of gross household income could be spent on housing costs. This would increase further to 2,317 affordable homes per year if 25% of income could be spent on housing costs. The requirement would reduce to 284 affordable homes per year if the affordability assumption was changed to 40%.

The approach used (35% of income on housing) is justified because not only was it agreed as reflecting the current market practice by stakeholders at the consultation event and lettings agents approached during the price collection survey, but primary data on the proportion of income spent on private rents collected in the household survey undertaken as part of the 2013 SHMA, indicates that this is the situation for local households within the tenure in the HMA.

Braintree

This analysis of the impact of adjusting the affordability threshold is presented for Braintree in Table A7.1a. This details the results of the PPG affordable housing need model across the HMA where the cost of housing could constitute no more than 20%, 30% and 40% of gross household income, rather than 35% used in the standard model.

Table A7.1a Impact of different affordability assumptions on affordable housing requirement in Braintree				
	Rent payable constitutes no more than:			
	35% of gross household income	*25% of gross household income*	*30% of gross household income*	*40% of gross household income*
Stage 1: Current gross need	1,129	1,434	1,287	1,084
Stage 2: Newly arising need	978	1,350	1,125	929
Stage 3: Current supply	925	1,114	985	911
Stage 4: Future supply	636	636	636	636
Stage 5.1 Net current need	204	320	302	173
Stage 5.2 Annual net current need	9	15	14	8
Stage 5.3 Total annual need	351	728	502	301
Refinement - under 35 singles able to afford shared room rate	139	103	127	156
Adjusted annual need	212	**625**	**376**	**145**

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

The table indicates that the net requirement would increase from 212 to 376 affordable homes per year in Braintree if 30% of gross household income could be spent on housing costs. This would increase further to 625 affordable homes per year if 25% of income could be spent on housing costs. The requirement would reduce to 145 affordable homes per year if the affordability assumption was changed to 40%.

The approach used (35% of income on housing) is justified because not only was it agreed as reflecting the current market practice by stakeholders at the consultation event and lettings agents approached during the price collection survey, but primary data on the proportion of income spent on private rents collected in the household survey undertaken as part of the 2013 SHMA, indicates that this is the situation for local households within the tenure in the HMA.

Chelmsford

This analysis of the impact of adjusting the affordability threshold is presented for Chelmsford in Table A7.1b. This details the results of the PPG affordable housing need model across the HMA where the cost of housing could constitute no more than 20%, 30% and 40% of gross household income, rather than 35% used in the standard model.

Table A7.1b Impact of different affordability assumptions on affordable housing requirement in Chelmsford				
	Rent payable constitutes no more than:			
	35% of gross household income	*25% of gross household income*	*30% of gross household income*	*40% of gross household income*
Stage 1: Current gross need	2,206	2,736	2,471	2,008
Stage 2: Newly arising need	863	1,182	1,018	803
Stage 3: Current supply	2,285	2,650	2,372	2,223
Stage 4: Future supply	486	486	486	486
Stage 5.1 Net current need	-78	86	99	-215
Stage 5.2 Annual net current need	-4	4	4	-10
Stage 5.3 Total annual need	374	701	537	307
Refinement - under 35 singles able to afford shared room rate	199	137	171	229
Adjusted annual need	175	**563**	**366**	**78**

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

The table indicates that the net requirement would increase from 175 to 366 affordable homes per year in Chelmsford if 30% of gross household income could be spent on housing costs. This would increase further to 563 affordable homes per year if 25% of income could be spent on housing costs. The requirement would reduce to 78 affordable homes per year if the affordability assumption was changed to 40%.

The approach used (35% of income on housing) is justified because not only was it agreed as reflecting the current market practice by stakeholders at the consultation event and lettings agents approached during the price collection survey, but primary data on the proportion of income spent on private rents collected in the household survey undertaken as part of the 2013 SHMA, indicates that this is the situation for local households within the tenure in the HMA.

Colchester

This analysis of the impact of adjusting the affordability threshold is presented for Colchester in Table A7.1c. This details the results of the PPG affordable housing need model across the HMA where the cost of housing could constitute no more than 20%, 30% and 40% of gross household income, rather than 35% used in the standard model.

Table A7.1c Impact of different affordability assumptions on affordable housing requirement in Colchester				
	Rent payable constitutes no more than:			
	35% of gross household income	*25% of gross household income*	*30% of gross household income*	*40% of gross household income*
Stage 1: Current gross need	1,991	2,707	2,329	1,672
Stage 2: Newly arising need	1,040	1,455	1,237	967
Stage 3: Current supply	1,233	1,720	1,311	1,163
Stage 4: Future supply	681	681	681	681
Stage 5.1 Net current need	758	987	1,018	509
Stage 5.2 Annual net current need	34	45	46	23
Stage 5.3 Total annual need	393	819	602	309
Refinement - under 35 singles able to afford shared room rate	126	92	112	137
Adjusted annual need	267	**727**	**490**	**171**

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

The table indicates that the net requirement would increase from 267 to 490 affordable homes per year in Colchester if 30% of gross household income could be spent on housing costs. This would increase further to 727 affordable homes per year if 25% of income could be spent on housing costs. The requirement would reduce to 171 affordable homes per year if the affordability assumption was changed to 40%.

The approach used (35% of income on housing) is justified because not only was it agreed as reflecting the current market practice by stakeholders at the consultation event and lettings agents approached during the price collection survey, but primary data on the proportion of income spent on private rents collected in the household survey undertaken as part of the 2013 SHMA, indicates that this is the situation for local households within the tenure in the HMA.

Tendring

This analysis of the impact of adjusting the affordability threshold is presented for Tendring in Table A7.1d. This details the results of the PPG affordable housing need model across the HMA where the cost of housing could constitute no more than 20%, 30% and 40% of gross household income, rather than 35% used in the standard model.

Table A7.1d Impact of different affordability assumptions on affordable housing requirement in Tendring				
	Rent payable constitutes no more than:			
	35% of gross household income	*25% of gross household income*	*30% of gross household income*	*40% of gross household income*
Stage 1: Current gross need	927	1,224	1,085	872
Stage 2: Newly arising need	580	795	690	534
Stage 3: Current supply	262	404	328	243
Stage 4: Future supply	368	368	368	368
Stage 5.1 Net current need	666	820	757	628
Stage 5.2 Annual net current need	30	37	34	29
Stage 5.3 Total annual need	243	464	357	194
Refinement - under 35 singles able to afford shared room rate	91	63	79	105
Adjusted annual need	151	**401**	**278**	**89**

Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

The table indicates that the net requirement would increase from 151 to 278 affordable homes per year in Tendring if 30% of gross household income could be spent on housing costs. This would increase further to 401 affordable homes per year if 25% of income could be spent on housing costs. The requirement would reduce to 89 affordable homes per year if the affordability assumption was changed to 40%.

The approach used (35% of income on housing) is justified because not only was it agreed as reflecting the current market practice by stakeholders at the consultation event and lettings agents approached during the price collection survey, but primary data on the proportion of income spent on private rents collected in the household survey undertaken as part of the 2013 SHMA, indicates that this is the situation for local households within the tenure in the HMA.

Sensitivity analysis – single person households under 35

As set out in paras 5.30 to 5.33 of the main report, the initial model outputs were refined to reflect the difficulties of all single person households aged under 35 that are unable to afford one bedroom market accommodation. This group are a low priority in accessing suitable affordable accommodation, and the reality is that some will be required to seek accommodation as part of a shared household. The model therefore assumed that any single person household able to afford the cost of housing at the LHA shared room rate was not in housing need as they would be able to obtain housing within the market sector. Whilst this approach was agreed as appropriate by some stakeholders, others felt it was too restrictive. This section will therefore provide further clarity on this group and consider the impact of varying this assumption on the overall requirement for affordable housing.

Table A7.2 profiles the number of single person households under 35 identified as being potentially in need each year within the affordable housing need model. This group is then disaggregated between those that are able to afford a one bedroom market home (indicated as the row in bold in the table), those able to afford a shared room in the private rented sector (the first italicised row in the table), those able to afford the LHA shared room rate (the second italicised row in the table) and those unable to afford any of these options (the underlined row in the table).

The household totals in bold are definitely not in housing need as they can afford a market solution. The underlined household totals are definitely in housing need as they cannot afford any form of market solution. For the purpose of this report we have presumed that both italicised rows are not in need as they could afford a market solution. This means that there are 222 single person households under 35 that require affordable housing each year across the HMA.

However, if it were determined that all single person households under 35 unable to afford one bedroom market accommodation can be considered in need, it would mean there would be 777 single person households under 35 that require affordable housing each year across the HMA. This increases the overall annual need for new affordable units across the HMA to 1,360 (from 804). Alternatively if it were determined that all single person households under 35 unable to afford a shared room in the private rented sector can be considered in need, it would mean there would be 420 single person households under 35 that require affordable housing each year across the HMA. This increases the overall annual need for new affordable units across the HMA to 1,002 (from 804).

Table A7.2 Understanding the affordability of single under 35 year olds (figures represent annual number of households)					
	Braintree	*Chelmsford*	*Colchester*	*Tendring*	*Whole HMA*
All single person households under 35	478	545	526	301	1,850
Able to afford a one bedroom market home	**284**	**281**	**323**	**185**	**1,073**
Able to afford a shared room in the private rented sector*	*85*	*133*	*92*	*47*	*357*
Able to afford the shared room rate**	*54*	*66*	*34*	*44*	*198*
<u>In need of affordable housing</u>	<u>55</u>	<u>65</u>	<u>77</u>	<u>25</u>	<u>222</u>

*The entry-level cost of a shared room within the private rented sector is £350 in Braintree, £360 in Chelmsford, £350 in Colchester and £320 in Tendring. **Cost set out in table 3.5. Source: Braintree, Chelmsford, Colchester & Tendring Councils 2015 Strategic Housing Market Assessment

The approach taken is transparently set out and can be clearly justified. It reflects the reality that many people aged under 35 are required to reside in a shared household – the 2011 Census indicates that just 4.6% of adults aged 34 or under in the HMA in 2011 lived as a single person household, whilst 95.4% form part of a larger household with other people.

The model also accounts for an ambitious level of housing need arising from this group of the population (single person households aged under 35) – CORE data for the past three years indicates that an average of 608 households form into the social rented sector each year in the HMA, however the model presumes that there are 1,214 households forming into the social rented sector each year, including 221 single person households. The model therefore does not attempt to supress the housing need arising from this group, but to reflect the level of affordable housing needed by this group in current market conditions.

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