# Shaping the Housing Future of Calderdale

## Strategic Housing Market Assessment

November 2015

Turley
Economics

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# Executive Summary

1. This report represents a new Strategic Housing Market Assessment (SHMA) for Calderdale Council. The research has been undertaken by Turley in partnership with specialist demographic consultancy Edge Analytics, in order to provide robust evidence on the need for housing in the borough.

2. Calderdale represents an appropriate area for the assessment of housing needs, given that it operates as a single self-contained housing market area. A high proportion of people migrate within the borough when moving home, whilst there is also a relative containment of labour. There are, however, also notable functional relationships with other authorities that should be recognised in the future development of the evidence base and Local Plan policies.

3. Planning Practice Guidance (PPG) sets out the approach for assessing housing needs, with the 2012-based household projections (SNHP) – published by the Department for Communities and Local Government – representing the 'starting point'. This suggests that a continuation of recent trends would result in the formation of approximately 17,000 additional households in Calderdale over the period from 2012 to 2033. This implies a need for 836 dwellings per annum, after a vacancy rate from the 2011 Census is applied.

4. This 'starting point' projection is underpinned by the ONS 2012-based Sub National Population Projection (SNPP) which is a trend-based projection based primarily on historic demographic evidence for the 5/6 year period prior to 2012. Recognising that this period has been dominated by a national sustained economic downturn, further modelling has been undertaken within this SHMA by Edge Analytics to test the extent to which the 'starting point' is reflective of longer term trends. Taking a longer term, ten year trend suggests a slightly higher level of projected growth, increasing the implied housing need to 899 dwellings per annum. This excludes unattributable population change (UPC), which was applied to correct migration estimates after they were found by the 2011 Census to slightly underestimate historic flows in Calderdale. Whilst there is a degree of uncertainty about UPC, including this element increases the implied level of housing need to 910 dwellings per annum.

5. Overall, while the demographic scenarios suggest a degree of alignment, this does indicate that the 2012 SNHP may have been impacted by the recent historic demographic picture. An uplift can therefore be considered appropriate to allow for a potential return to higher levels of migration, which were seen in the borough prior to the recession, and the implied constraints resulting from lower levels of development.

6. In line with the PPG, modelling has been undertaken by Edge Analytics to explore the extent to which the demographic projections of need would support identified forecast levels of job growth in the authority. This analysis indicates that a further uplift would be required to accommodate the higher forecasts of employment growth assessed within the SHMA. The Council intends to commission a separate study to consider likely job growth in Calderdale, and therefore further work will need to be undertaken to establish the level of labour force growth required to support this job growth.

7. In the absence of this evidence, modelling has been undertaken by Edge Analytics to show the scale of population growth required to support the level of job creation forecast by Experian's Regional Econometric Model (REM) and Cambridge Econometrics. The REM forecasts the creation of 555 jobs annually over the modelling period, with Cambridge Econometrics suggesting that 458 jobs could be created over the same period.

8. The Edge Analytics modelling suggests that a continuation of past demographic trends is unlikely to support the scale of job creation in Calderdale implied by these forecasts, based on prudent assumptions about economic activity, unemployment and commuting. An increase in historic levels of migration would therefore be required to grow the labour force, implying a need for 1,131 dwellings per annum under the REM and 1,047 dwellings per annum under the Cambridge Econometrics forecasts. The SHMA analysis acknowledges that the potential exists for levels of job growth to be accommodated through improvements to labour-force participation, the result being an implied lower level of housing need to accommodate baseline forecast job growth. It is understood that the Council will consider this issue further through its updating of its economic evidence with assumptions around changing economic activity rates, beyond adjustments to reflect the impact of State Pension Age changes. This needs to be considered in the context of the types of jobs which are forecast to be created, and assessed against important national datasets including the forecasts published by the Office of Budgetary Responsibility (OBR).

9. The SHMA includes analysis of the full set of market signals identified within the PPG in order to establish the balance between supply and demand. Collectively, this does not suggest that there has been a significant worsening in market signals. However, in the context of the PPG there is evidence of a number of market signals showing a worsening of conditions. In particular, it is identified that there has been growth in house prices and worsening affordability which could have historically impacted upon the ability of households to form. The recommendation is reached that the analysis of market signals requires a modest positive adjustment to the implied levels of need based upon demographic projections of need.

10. This adjustment has been made by adjusting household formation rates for younger people in the modelling by Edge Analytics, where there is evidence amongst younger residents that rates have fallen over recent years and are not projected to recover under the 2012 SNHP. Returning to 2001 formation rates – which preceded a sustained period of growth in the housing market, and was the last point at which the ratio between house prices and earnings was at the long-term average – is identified as representing a positive adjustment to assess the implication of returning to healthier and more sustainable housing market conditions. This uplifts the housing need implied under all scenarios, representing an increase of around 4% which can be justified given the worsening of some market signals in Calderdale.

11. The need for an uplift to respond to market signals is also reinforced and justified in the context of the identified need for affordable housing in the borough, with a backlog of households who cannot afford to access market housing and an insufficient supply to meet newly arising needs as new households form and existing households fall into need. The assessment suggests that 527 affordable homes will be required annually

over the next five years to clear the backlog and meet newly arising needs, although once the backlog is cleared, this level of need will fall to 74 affordable homes per annum. Clearing the backlog over the whole plan period – generating an annual need for 182 affordable homes per annum – could provide a more deliverable response to the levels of need identified, although it is noted that delivery is largely dependent upon market housing being developed. The scale of the backlog therefore provides further justification for uplifting housing supply in response to market signals, although it should be recognised that a proportion of those identified in affordable housing need are already housed in the private market and will free up a property for occupation if an affordable home was provided.

12. Applying the household formation rate adjustment to the demographic scenarios suggests a need for **946 dwellings per annum** if a ten year past growth trend was sustained, including UPC, and this is considered to form an appropriate lower end of a range of objectively assessed needs for Calderdale. This would boost recent levels of supply, and would also contribute strongly towards meeting affordable housing need. This would also grow the labour force, supporting the local economy albeit failing to support the levels of job growth forecast in Calderdale.

13. The upper end of the OAN range is recommended as being represented by the projections which are aligned to the economic forecasts. This suggests an upper OAN range of **1,169 dwellings per annum** to support the job growth forecast by the REM.

14. The conclusions of the Council's economic evidence, once published, will need to be considered to assess the extent to which this upper end of the range should be adjusted. This will need to take into account the identified likely level of job growth as well as any adjustments to labour-force assumptions within the modelling which are justified by the evidence and compliant with the PPG. Provision at this level would require significant increases in net in-migration to Calderdale compared to historic trends, and the extent to which this is realistic and its implications for other authorities with which the authority shares housing market and economic relationships will need to be considered carefully by the Council. As set out above, it is anticipated that the upper end of this range will be reviewed and refined as the Council's commissioned economic evidence is finalised, as it is expected that further work will be undertaken to consider how much housing would be needed to support the likely job growth assessed through this study.

# 1. Introduction

1.1 This report represents a new Strategic Housing Market Assessment (SHMA) for Calderdale Council. The research has been undertaken by Turley in partnership with specialist demographic consultancy Edge Analytics.

## Purpose of the SHMA

1.2 In response to a changing national policy agenda, including new guidance on the objective assessment of housing needs, this report provides an updated evidence base in order to inform housing policy in the emerging Calderdale Local Plan. This report conforms to guidance outlined in the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG).

1.3 This report includes a summary and interpretation of current planning policy and guidance relating to housing, and the evidence of housing need, and particularly highlights any changes since the publication of current Calderdale documents, including the previous Calderdale SHMA, which was published in April 2011[1].

1.4 The SHMA is based on robust evidence, including updated secondary data sources, in order to provide key outputs including objectively assessed needs, affordable housing need and defined market areas.

1.5 This study was initially commissioned in February 2014, with baseline modelling and analysis undertaken in the following months. However, as a result of changes to the Local Plan timetable, the research was paused until spring 2015 to take account of the release of a number of important datasets, including new economic forecasts from the Regional Econometric Model and the 2012-based sub-national household projections, which were published in February 2015. Additional modelling was undertaken to incorporate these datasets, with the analysis in this report updated before publication in late 2015.

## National Planning Policy Framework

1.6 The National Planning Policy Framework (NPPF) was published by the Department for Communities and Local Government (DCLG) in March 2012 – after the publication of the previous SHMA – and sets out guidance on preparing this evidence. Firstly, it is important to recognise that the NPPF is built around a policy commitment to achieving sustainable development. A '*presumption in favour of sustainable development*' is at the heart of the NPPF, requiring local authorities to adopt a positive approach in the development of their Local Plans in order to '*seek opportunities to meet the development needs of an area*'[2].

1.7 Further clarification is provided through the core planning principles set out in paragraph 17 of the Framework. Importantly, this includes the following requirement that planning should:

[1] GVA (2011) Shaping the Housing Future of Calderdale – Strategic Housing Market Assessment
[2] DCLG (2012) National Planning Policy Framework (para 14)

*"Proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities"*[3]

1.8 On the issue of housing, the Framework states that, in order to boost the supply of housing, local authorities should:

*"Use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework"*[4]

1.9 This is qualified further in paragraph 14, which states that:

*"Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to change unless:*

- *any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or*
- *specific policies in this Framework indicate development should be restricted."*[5]

1.10 The Framework provides further guidance on the use of a proportionate evidence base, stating that:

*"Each local planning authority should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals"*[6]

1.11 The NPPF explains that a number of drivers and datasets should be considered when establishing this estimate of the objectively assessed housing need:

*"Local planning authorities should have a clear understanding of housing needs 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*

[3] *Ibid* (para 17)
[4] *Ibid* (para 47)
[5] *Ibid* (para 14)
[6] *Ibid* (para 158)

*should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:*

- *Meets household and population projections, taking account of migration and demographic change;*
- *Addresses the need for all types of housing, including affordable housing and the needs of different groups…; and*
- *Caters for housing demand and the scale of housing supply necessary to meet this demand"*[7]

### Planning Practice Guidance

1.12 The NPPF recognises that local authorities are required to undertake an assessment of the need for housing, identifying the SHMA as the central evidence based document for establishing objectively assessed housing needs.

1.13 The Department for Communities and Local Government (DCLG) published the web-based Planning Practice Guidance (PPG) in March 2014, which includes guidance on '*Housing and economic development needs assessments*'. This provides clear guidance on the approach, scope and methodology to be used in such assessments.

1.14 Within the PPG, need is defined as:

*"The scale and mix of housing and the range of tenures that is likely to be needed in the housing market over the plan period – and should cater for the housing demand of the area and identify the scale of housing supply necessary to meet that demand"*[8]

1.15 A clear distinction is made between the 'objective assessment of need' and the development of planning policy to provide for future needs:

*"The assessment of development needs is an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints. However, these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans"*[9]

1.16 Regarding the calculation of need, the PPG also states:

*"There is no one methodological approach or use of a particular dataset(s) that will provide a definitive assessment of development need. But the use of this standard methodology is strongly recommended because it will ensure that the assessment findings are transparently prepared. Local planning authorities may consider departing from the methodology, but they should explain why their particular local circumstances have led them to adopt a different approach where this is the case. The assessment*

[7] *Ibid* (para 159)

[8] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/the-approach-to-assessing-need/#paragraph_003

[9] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/the-approach-to-assessing-need/#paragraph_004

*should be thorough but proportionate, building where possible on existing information sources outlined within the guidance"*[10]

1.17 The PPG identifies that the household projections published by DCLG should provide the starting point for the estimate of overall housing need, but – importantly – states:

*"Plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates. Account should also be taken of the most recent demographic evidence including the latest Office of National Statistics population estimates"*[11]

1.18 The PPG also recognises the importance of taking other long-term drivers of the housing market into account in understanding future projections of need. The guidance states that importance should be attributed to employment trends, noting:

*"Plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area…Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems"*[12]

1.19 In addition to economic factors, the PPG also notes the importance of taking market signals into account:

*"The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings"*[13]

1.20 The PPG also provides guidance on the scope of assessment, noting that needs should be assessed in relation to the relevant functional housing market area, which is defined as:

*"A geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap"*[14]

[10] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/the-approach-to-assessing-need/#paragraph_005
[11] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_017
[12] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_018
[13] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_019
[14] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/scope-of-assessments/#paragraph_010

## Duty to Co-operate: policy and legislative framework

1.21 The NPPF states that local authorities have a 'Duty to Co-operate' on planning issues that cross administrative boundaries. The Planning and Compulsory Purchase Act (2004) also requires local authorities to engage constructively with neighbours.

1.22 The NPPF makes particular reference to the importance of effectively fulfilling this duty when considering – and presenting – the strategic policies to deliver new homes and jobs within Local Plan preparation.

1.23 The NPPF provides guidance to local authorities regarding the appropriate measures to undertake in order to fulfil the duty:

- Joint working on areas of common interest is to be diligently undertaken to the mutual benefit of neighbouring local authorities;
- Collaborative working is to be undertaken between local authorities and other bodies, such as Local Enterprise Partnerships (LEPs); and
- Consideration of the preparation of joint planning policies on strategic matters.

1.24 The Duty to Co-operate therefore acts as the mechanism by which local planning authorities can effectively:

*"Ensure that strategic priorities across local boundaries are properly coordinated and clearly reflected in individual Local Plans"*[15]

1.25 The NPPF states that the required outcome of the Duty to Co-operate is that, through this constructive process, it should enable:

*"Local planning authorities to work together to meet development requirements which cannot be met within their own areas"*[16]

1.26 The PPG provides further guidance on the Duty to Co-operate, particularly clarifying the expectation for local planning authorities to take a strategic approach in the development of a Local Plan, in compliance with requirements of the NPPF. Importantly, in relation to the objective assessment of need, it is noted that:

*"Local Plans should be based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring local planning authorities where it is reasonable to do so and consistent with achieving sustainable development. Therefore, if a local planning authority preparing a Local Plan provides robust evidence of an unmet requirement, such as unmet housing need, identified in a Strategic Housing Market Assessment, other local planning authorities in the housing market area will be required to consider the implications, including the need to review their housing policies"*[17]

[15] DCLG (2012) National Planning Policy Framework (para 179)
[16] *Ibid* (para 179)
[17] http://planningguidance.planningportal.gov.uk/blog/guidance/duty-to-cooperate/what-is-the-duty-to-cooperate-and-what-does-it-require/#paragraph_020

1.27 Finally, the PPG clarifies that the Duty to Co-operate is not necessarily a duty to agree. Clarification is provided to explain that there is not an obligation for unmet needs from other authorities in a housing market area to be met in addition to an authority's own needs. However, in arriving at this position, the PPG states that:

*"Local planning authorities are not obliged to accept the unmet needs of other planning authorities if they have robust evidence that this would be inconsistent with the policies set out in the National Planning Policy Framework, for example policies on Green Belt or other environmental constraints"*[18]

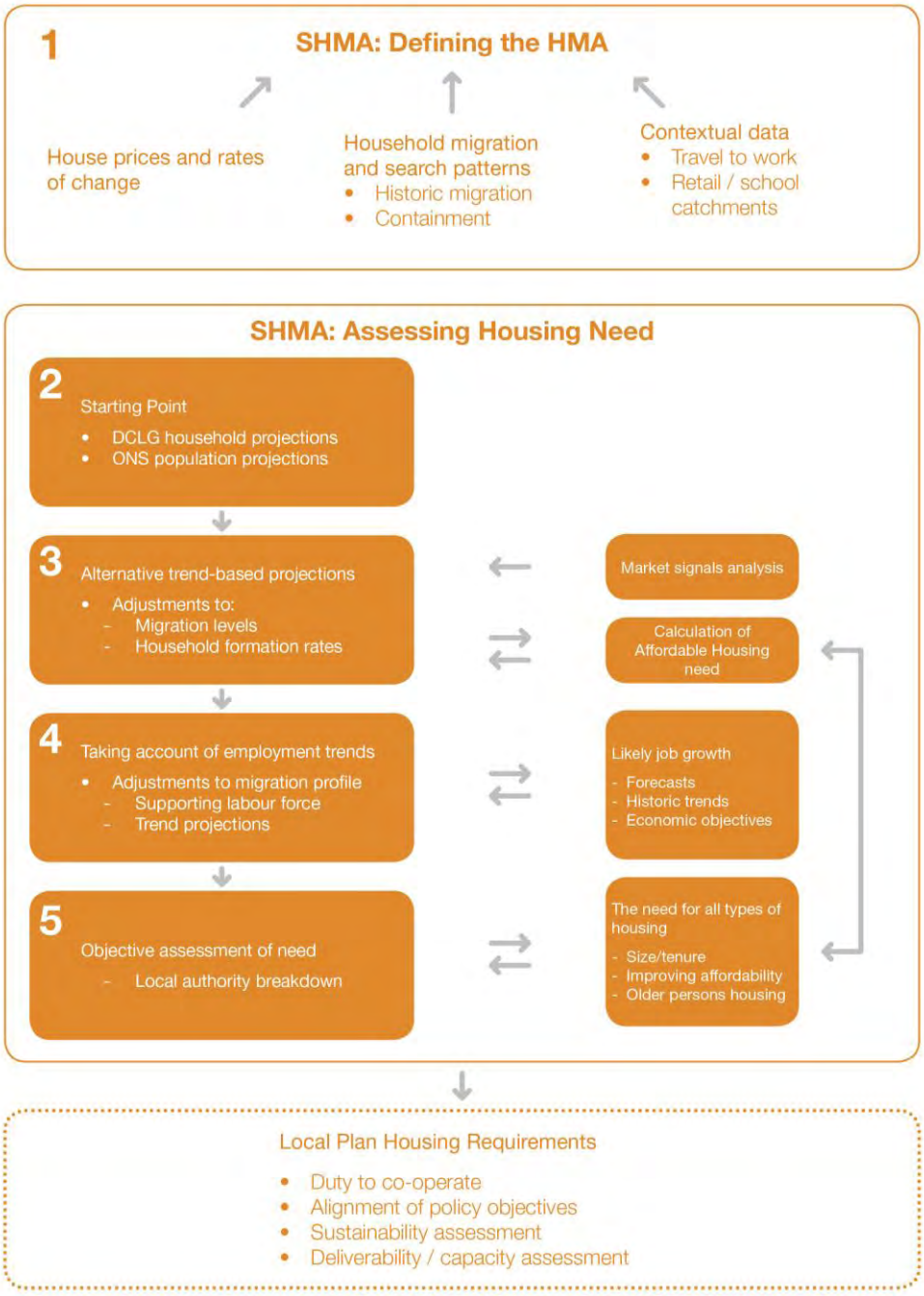
1.28 Calderdale Council is committed to maintaining a process of engagement in order to ensure compliance with the Duty to Co-operate, and are members of the Leeds City Region Partnership.

## Methodology

1.29 The methodology of the SHMA has been developed in accordance with the NPPF and PPG. A stepped process has been adopted, as illustrated in Figure 1.1.

[18] http://planningguidance.planningportal.gov.uk/blog/guidance/duty-to-cooperate/what-is-the-duty-to-cooperate-and-what-does-it-require/#paragraph_021

**Figure 1.1: SHMA Methodology**




## Stakeholder Engagement

1.30 Turley recognise the importance of engaging with stakeholders to obtain a wide-ranging set of views on the local housing market, and to provide further insights to assess the wide range of data sources used.

1.31 The Council engaged with stakeholders – including house builders, registered providers, neighbouring authorities and agents – at a stakeholder workshop in Halifax on 6 October 2014. The emerging findings of the research were presented by Turley, with attendees divided into groups to discuss the implications and approach adopted.

1.32 The views and feedback received through the stakeholder workshop have been used to inform the analysis throughout this report, with specific references included where appropriate.

## Report Structure

1.33 The remainder of this report is structured around the following sections:

- **Section 2 – Housing Market Area Geography** – existing housing market area definitions are considered, alongside analysis of the latest commuting and migration datasets to define the market geographies used within the SHMA research;

- **Section 3 – Housing Stock** – an assessment of the current profile of the housing stock across Calderdale, identifying change over time. This includes estimates of the current housing offer, with the number of current dwellings disaggregated by size, type, condition and tenure;

- **Section 4 – Demographic and Economic Drivers of the Market** – this section contains an analysis of the key long-term drivers of the housing market, including a range of demographic and economic factors;

- **Section 5 – Market Signals** – the relationship between supply and demand manifests itself in the operation of the active housing market. House prices, rental values and key measures of demand are all key indicators of market behaviour, providing a picture of the current health of the market and its future direction of travel;

- **Section 6 – Population and Household Projections** – a range of population and household projections are presented, built using the POPGROUP model. The assumptions underpinning these projections are derived from the analysis of historic and future trends set out in sections 3 - 5. The impact of the projected growth in the number of households is translated into associated estimates of the implied requirement for housing for all tenures;

- **Section 7 – Affordable Housing Need** – a calculation of the level of need for affordable housing has been undertaken, with data to populate the model drawn from a range of secondary data sources. Income and housing costs are considered in order to assess the role of different 'affordable' products in meeting need, including intermediate housing. This section concludes with an estimation of the breakdown by size of the affordable housing identified as being required over the next five years in Calderdale;

- **Section 8 – Housing Requirements of Specific Groups** – this section draws out specific conclusions related to a series of household groups with particular housing requirements in Calderdale, based on information gathered through secondary sources; and

- **Section 9 – Objective Assessment of Need and Conclusions** – the evidence presented in the preceding sections is used to assess and evaluate an

appropriate range of objectively assessed need across Calderdale alongside a summary of the other key conclusions and outputs of the SHMA.

# 2. Housing Market Area Geography

2.1 Understanding the housing market geographies affecting Calderdale is important in order to fully understand the implications of compliance, in accordance with national guidance and the Duty to Co-operate.

2.2 In defining a housing market area, the PPG notes:

*"A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work"*[19]

2.3 The PPG provides further guidance on the approach to defining housing market areas, with the identification of a number of key indicators which should be reviewed:

- **House prices and rates of change in house prices** - analysis of these indicators is intended to provide a market-based reflection of housing market area boundaries;
- **Household migration and search patterns** – considering peoples movements provides an indication of housing search patterns, and the extent to which people move house within a specific geography. Importantly, the PPG states that the findings can identify areas within which a relatively high proportion of household moves – typically 70% – are contained[20];
- **Contextual data** – the guidance suggests that this could include commuting patterns, retail and school catchment areas. Commuting can provide information about commuting flows and the spatial structure of the labour market, which can influence household price and location. These geographies can also provide information about the areas within which people move without changing other aspects of their lives, such as work or service use.

2.4 These indicators are considered separately below.

## Migration

2.5 Migration patterns provide an indication of a range of economic, social and environmental factors, and their importance in this context is reinforced in national guidance. Migration flows reflect households' preferences when moving home, allowing the identification of prevalent functional relationships.

2.6 Migration data from the 2011 Census was published in July 2014, and allows an assessment of the level of containment within Calderdale. This shows that:

[19] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/scope-of-assessments/#paragraph_010

[20] The PPG notes that the containment of around 70% of all moves excludes long distance moves, which may be made due to a change of lifestyle or retirement. Following correspondence with DCLG, it is assumed that these long distance moves fall within the 30% of moves which are not self-contained, and no migration flows have been excluded from this analysis. The exclusion of long-distance moves would further elevate levels of containment beyond those presented within the analysis in this section.

- Of all people who moved from an address in Calderdale within the year before the 2011 Census, **71.9%** – or 14,517 people – moved to another address within the borough; and

- Of all people who moved to an address in Calderdale within the year before the 2011 Census, **72.5%** moved from another address in the borough.

2.7 Together, this highlights a relatively high level of self-containment of moves, notably surpassing the 70% threshold identified in the PPG[21]. Based on this indicator, therefore, Calderdale is confirmed as a self-contained market geography.

2.8 The following tables present the flow between Calderdale and other authorities, based on 2011 Census data. The top ten inflows and outflows are shown in the table.

**Figure 2.1: Gross Migration Flows 2011**

| Moves into Calderdale | | Moves out of Calderdale | |
|---|---|---|---|
| Authority | Total | Authority | Total |
| Bradford | 1,117 | Kirklees | 1,123 |
| Kirklees | 1,107 | Bradford | 732 |
| Leeds | 468 | Leeds | 461 |
| Rochdale | 206 | Manchester | 226 |
| Manchester | 165 | Sheffield | 144 |
| Wakefield | 105 | Rochdale | 126 |
| East Riding of Yorkshire | 67 | York | 97 |
| Rossendale | 57 | East Riding of Yorkshire | 78 |
| Oldham | 49 | Wakefield | 78 |
| City of Kingston upon Hull | 43 | Newcastle upon Tyne | 72 |

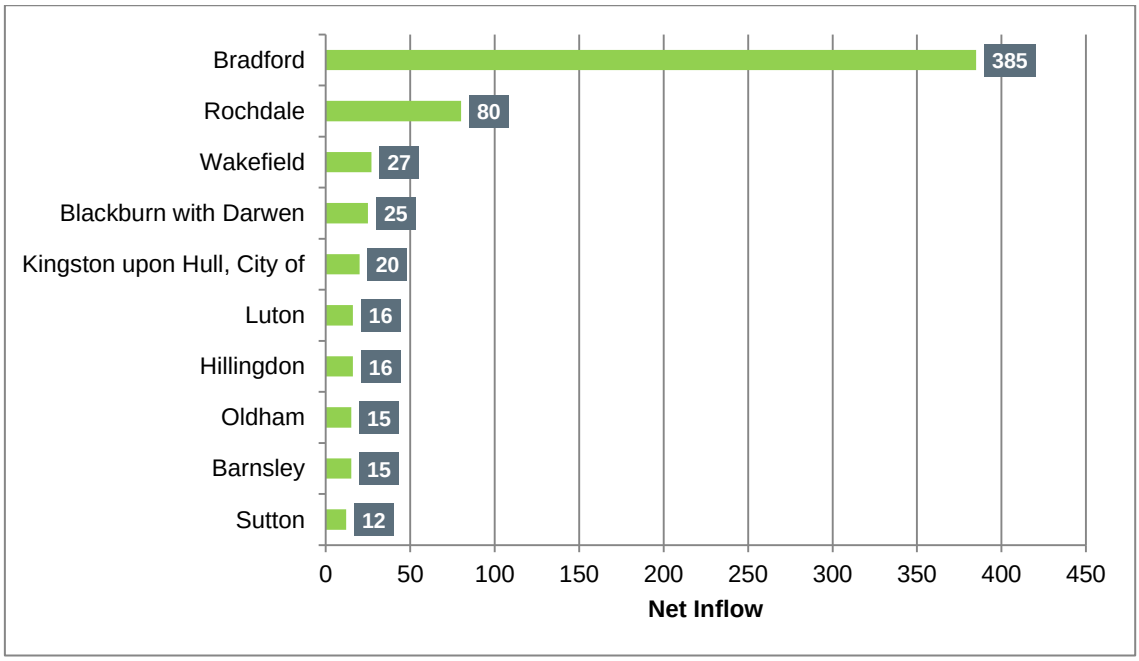
*Source: Census 2011*

2.9 Evidently, Calderdale shares a strong relationship with other authorities in the Leeds City Region, including Bradford and Kirklees in particular and to a lesser extent Leeds. Indeed, these three authorities form the main origins and destinations for moves to and from Calderdale. There is also an evident relationship with Greater Manchester, primarily Manchester and neighbouring Rochdale although the links are notably less significant.

2.10 For further context, it is important to establish net migration flows, in order to understand the net direction of flows. Again, this is based on 2011 Census data, with the top ten net flows presented in the graphs below.

[21] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/scope-of-assessments/#paragraph_011

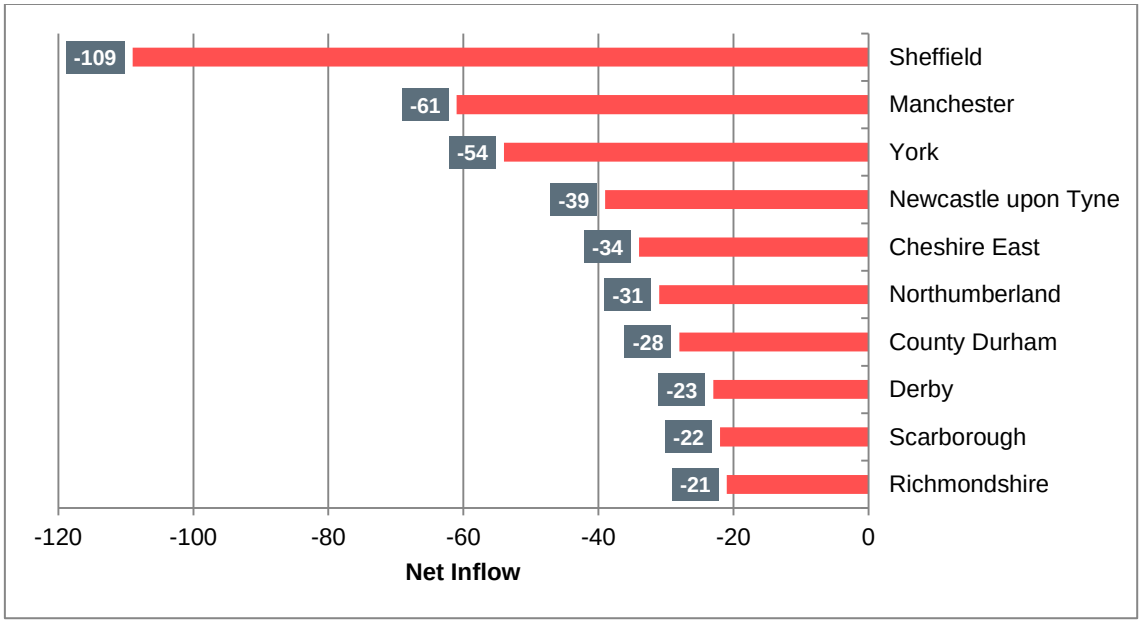
**Figure 2.2: Net Inflow 2011**




*Source: Census 2011*

2.11 There is a clear relationship with Bradford, with a significantly higher number of migrants moving into Calderdale from Bradford than moving in the opposite direction. The scale and extent of this flow confirms that this is an important spatial relationship that should be considered in developing housing policy. The next most significant net flow is with Rochdale, however, this is considerably lower at 80 persons per annum.

**Figure 2.3: Net Outflow 2011**




*Source: Census 2011*

2.12 Looking at net outflows, there is an evident net outflow of migrants to Sheffield, while there are also notable flows to Manchester, York and Newcastle upon Tyne. Given that these authorities are university towns, it is more than likely that this is influenced to a degree by a high number of students moving to study, with a smaller flow moving in the opposite direction, with this also potentially suggesting that Calderdale has historically not recaptured these graduates.

2.13 Further detail on migration – including an analysis of the demographic profile of migrants – is included in section 4 of this report.

## House Prices

2.14 The PPG also suggests that house prices can be an indicator of patterns in the relationship between housing demand and supply, allowing a market-based reflection of housing markets. It is therefore appropriate to compare house prices in Calderdale with those in neighbouring authorities, recognising that this includes those authorities with which the strongest gross migration relationships exist.

2.15 The table below summarises average house prices – based on DCLG Live Tables – in 2002, 2007 and 2012, allowing a profile to emerge of change in prices over a long term period, as well as shorter periods before and after the recession.

**Figure 2.4: Change in Average House Prices 2002 – 2012**

| Authority | Average house price | | | % change | | |
|---|---|---|---|---|---|---|
| | 2002 | 2007 | 2012 | 2002 – 12 | 2002 – 07 | 2007 – 12 |
| **Calderdale** | **£72,222** | **£148,777** | **£139,383** | **93.0%** | **106.0%** | **-6.3%** |
| Bradford | £74,421 | £147,265 | £141,076 | 89.6% | 97.9% | -4.2% |
| Burnley | £38,371 | £96,410 | £94,205 | 145.5% | 151.3% | -2.3% |
| Kirklees | £78,337 | £153,514 | £146,365 | 86.8% | 96.0% | -4.7% |
| Leeds | £99,795 | £171,077 | £169,243 | 69.6% | 71.4% | -1.1% |
| Oldham | £63,881 | £131,092 | £120,751 | 89.0% | 105.2% | -7.9% |
| Pendle | £49,419 | £115,829 | £109,123 | 120.8% | 134.4% | -5.8% |
| Rochdale | £71,167 | £132,108 | £127,735 | 79.5% | 85.6% | -3.3% |
| Rossendale | £65,748 | £132,985 | £125,208 | 90.4% | 102.3% | -5.8% |

*Source: DCLG, 2014*

2.16 House prices in Calderdale in 2012 were relatively average compared to neighbouring authorities, with the average price – of around £140,000 – similar to the average in Bradford. The borough has, however, seen relatively pronounced growth over the period shown, with house prices growing by 93% over the ten year period shown – second only to Burnley and Pendle, where prices are significantly lower. This was driven by particular growth in the five years prior to the recession. However, the average house price did fall following the recession, with a 6% decline second only to Oldham.

2.17 The analysis above suggests that, while – in 2012 – house prices in Calderdale showed a relatively close alignment with Bradford, it is evident that the rates of growth in the authorities are variable, with Calderdale in particular seeing greater growth prior to the recession and a slightly greater decline in prices following the downturn.

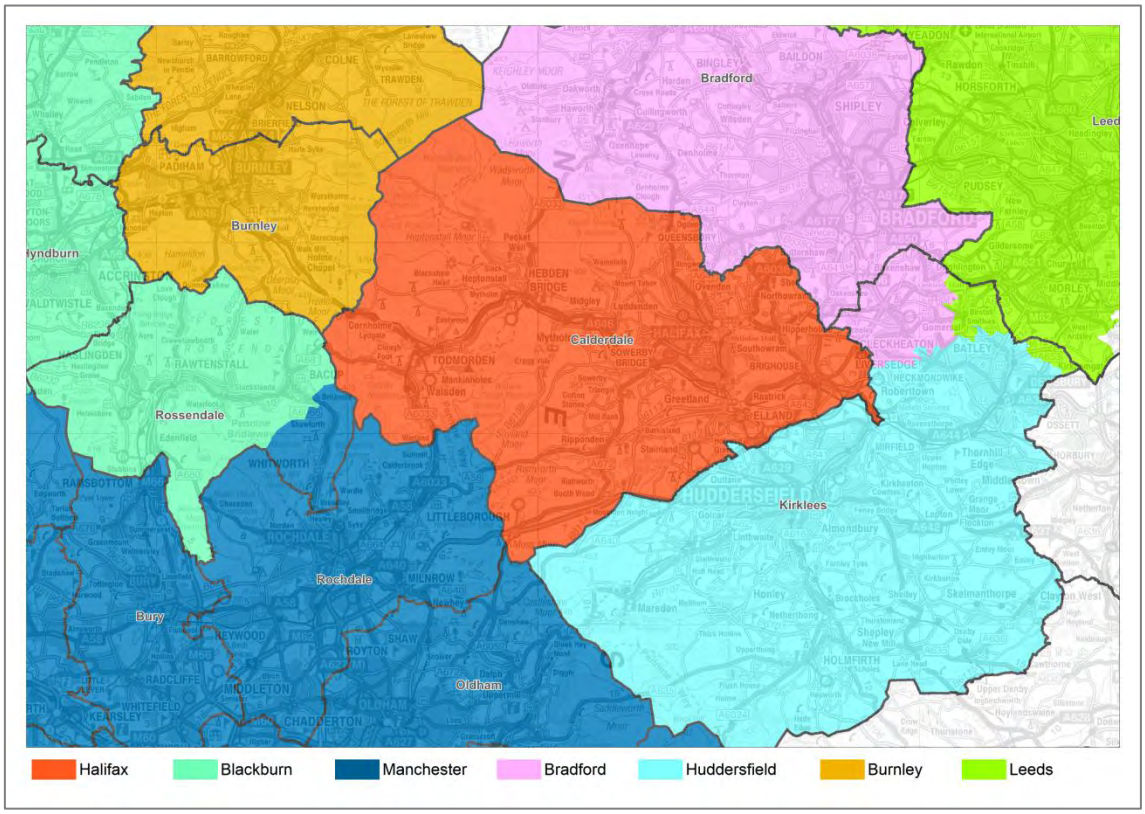
## Contextual Data

### Commuting

2.18 The PPG also suggests that further contextual data can be analysed to understand the operation of local housing markets. Commuting patterns provide a valuable indicator of how areas function, in recognition of the important relationship between place of work and place of residence. This provides a spatial structure to the labour market, with subsequent implications for housing demand and supply.

2.19 Travel to Work Areas (TTWAs) were published by ONS in August 2015, defining labour market areas within which the majority of residents work. The following plan shows TTWAs in Calderdale and surrounding areas, illustrating that the borough boundary is contiguous with the Halifax TTWA. This suggests that there is a distinct and self-contained economic geography – centred on Halifax – with limited overlap with neighbouring authorities.

**Figure 2.5: Travel to Work Areas 2011**




*Source: ONS, 2015*

2.20 TTWAs are based on 2011 Census data, which was published in July 2014. This can be further analysed to understand where people who live in Calderdale work, and where people who work in the borough commute from.

2.21 This shows that, in 2011, a total of 52,014 people lived and worked in Calderdale. This represents 65.8% of all people who work in the borough, and 64.4% of all working residents. This indicates that just under two thirds of the workforce in the borough are residents, while only around 35% of working residents commute to work in another authority. Both of these indicators suggest a relatively strong self-containment of the labour market which aligns with the ONS defined TTWA geography.

2.22 It is also helpful to understand the areas where a high number of residents of Calderdale work, and the place of residence for people who work in the borough. This is summarised in the following table, which shows the five main destinations for workers and residents in the borough.

**Figure 2.6: Main Commuting Flows to and from Calderdale 2011**

| Workplace of residents of Calderdale | | Place of residence for workers in Calderdale | |
|---|---|---|---|
| Authority | Total | Authority | Total |
| Calderdale | 52,014 | Calderdale | 52,014 |
| Bradford | 8,096 | Kirklees | 10,196 |
| Kirklees | 7,387 | Bradford | 6,164 |
| Leeds | 4,988 | Leeds | 2,401 |
| Rochdale | 1,131 | Rochdale | 689 |

*Source: Census 2011*

2.23 Evidently, there is again a relatively strong relationship with other areas in the Leeds City Region, including Bradford and Kirklees in particular as well as Leeds. Rochdale is identified as the fourth authority in terms of both workplace and place of residence, although it is noted that the scale of flow against both indicators is considerably lower than that recorded for the top three authorities.

2.24 It is understood that further work has been undertaken and continues to be developing looking at housing market area geographies across the Leeds City Region. This will potentially have implications regarding the analysis of the HMA geography in this SHMA and will need to be monitored in the future.

### Stakeholder Perspectives

2.25 A discussion was held at the stakeholder workshop to obtain views on the housing market area geography of Calderdale, with attendees asked to highlight any particular spatial relationships or market linkages that could be particularly important to consider.

2.26 There was a broad agreement that Calderdale represented a self-contained housing market, although attendees felt that there were important links to Huddersfield, Bradford,

Manchester and Lancashire. This was, however, variable throughout the borough, with different sub-areas defined by different characteristics and influenced by different areas.

2.27 While recognising that Calderdale functions within the wider Leeds City Region, attendees felt that – due to the size of Leeds – it should be seen as its own market, with Calderdale considered separately. There are strong links between Leeds and Halifax in particular – especially in terms of jobs – while improvements to road infrastructure have made travelling to the city easier. It was noted that western areas of the borough – such as Hebden Bridge – have stronger links with Greater Manchester, while the M62 provides access to both Leeds and Manchester. This provides access to more employment opportunities, while new rail services in the Upper Valley can improve access to some areas.

### 2011 Calderdale SHMA

2.28 The 2011 Calderdale SHMA[22] included analysis of housing market geographies. This analysis used the secondary data available at the time as well as the outputs of a housing survey of residents across the authority. This provides an important reference point for this SHMA and the updated evidence presented within.

2.29 The survey indicated that 10,880 households moved home between 2008 and 2010, moving either within or into Calderdale. Of these recorded moves, 73.8% were households moving within the borough, indicating that Calderdale acts as a self-contained market. There were, though, evidence of comparatively significant flows of households moving into Calderdale from Bradford, Leeds and Kirklees.

2.30 The SHMA recognised that the housing market in Calderdale is shaped by the operation of three markets. Calderdale is embedded within a wider functional housing market area which operates across the Leeds City Region, with sub-regional research suggesting that Calderdale operates as its own distinct housing market area[23]. Within the borough, nine sub-markets were identified, based on secondary data sources and the primary household survey.

## Implications

2.31 The evidence presented above suggests that both commuting and migration trends are relatively self-contained within Calderdale. For example, Census data on migration suggests that, when a person in Calderdale decides to move, over 70% remain within the borough. Furthermore, around two thirds of working Calderdale residents commute to a place of work within the borough.

2.32 Therefore, while there are evidenced strong links with other authorities – which will be important to consider in the context of the Duty to Co-operate – the evidence suggests that the borough functions as a self-contained housing market area in line with the PPG.

[22] GVA (2011) Shaping the Housing Future of Calderdale – Strategic Housing Market Assessment
[23] DTZ (2006) Yorkshire & Humber Mapping Markets Study

## Neighbouring Authorities

2.33 In order to develop a robust housing evidence base, it is important to consider housing market area definitions adopted in the preparation of neighbouring authorities' Local Plans. A full review of the current positions of neighbouring authorities is summarised in Appendix 3, although the summary below seeks to specifically identify instances where housing market area geographies overlap into Calderdale.

***Bradford***

2.34 Based on DCLG guidance which indicates that a market is self-contained if at least 70% of households moving originate from the same area, Bradford is considered as a self-contained housing market area in the 2010 SHMA[24]. Subsequent housing requirement studies[25] have considered the needs for Bradford for the authority alone.

***Burnley and Pendle***

2.35 A joint SHMA was conducted for Burnley and Pendle in December 2013[26], on the basis of a strong market relationship between the two authorities. With regard to Calderdale, the SHMA noted that there was little evidence of a substantial level of migration between Calderdale and Burnley or Pendle. This suggests that the linkages are not strong enough to justify a shared assessment of future housing needs, and the report concludes that other districts operate as discrete markets separate from the cohesive Burnley and Pendle housing market.

***Kirklees***

2.36 The Kirklees SHMA was published in October 2015[27], and concludes that the authority exhibits a high degree of self-containment following analysis of 2011 Census data. Approximately 73% of households move within Kirklees, while around 67% of employed residents work within the authority. Kirklees does, however, form part of a wider functional economic area, centred around Leeds.

***Leeds***

2.37 Although Leeds does not neighbour Calderdale, it is considered that – as the economic centre of West Yorkshire – it is appropriate to understand the extent to which the city influences a wider geography. The Leeds SHMA Update[28] covers a housing market geography that directly relates to the local authority boundary of Leeds. However, the report does appreciate and make reference to the Leeds City Region geography throughout.

***Oldham***

2.38 The Oldham SHMA, published in 2010[29] builds upon the Greater Manchester SHMA[30], which identified four distinct housing market areas in the City Region. Oldham lies in the North Eastern housing market area, alongside Rochdale and Tameside as well as some neighbourhoods in Manchester. The SHMA focuses solely on the borough of Oldham,

[24] Arc4 (2010) Bradford 2010 Strategic Housing Market Assessment
[25] GVA (2013) Bradford Housing Requirements Study
[26] NLP (2013) Burnley and Pendle Councils Housing Needs Study and SHMA
[27] Arc4 (2015) Kirklees Strategic Housing Market Assessment
[28] GVA (2012) Leeds Strategic Housing Market Assessment Update
[29] Oldham Partnership (2010) Oldham's Strategic Housing Market Assessment
[30] AGMA (2010) Greater Manchester Strategic Housing Market Assessment

but recognises its relationship with neighbouring boroughs within the North Eastern HMA and Greater Manchester. No reference is made to Calderdale, indicating that there is no evidence of a housing market relationship between the two authorities.

2.39 Oldham is also included within the Greater Manchester Spatial Framework evidence base, which was published for consultation in November 2015. The supporting evidence suggests that Greater Manchester represents a 'starting point' housing market area, but recognises the evidence of comparatively high levels of self-containment. This suggests that supplementary assessment is required for individual districts. The GM evidence base includes consideration of Calderdale in its evaluation of housing market area geographies, but it is concluded that the borough does not form part of a Greater Manchester HMA.

***Rochdale***

2.40 Like Oldham, Rochdale lies within the North Eastern housing market area in Greater Manchester, and references made above to the emerging GM evidence are also therefore applicable for Rochdale. The 2015 SHMA[31] considers that the borough is a self-contained housing market area, with in excess of 70% of households moving within Rochdale. This approach was previously accepted by the Planning Inspector[32] through the initial hearing sessions at the EiP. The SHMA does, though, acknowledge strong linkages – particularly economic – with elsewhere in Greater Manchester, with a recognition that the borough forms part of a wider functional housing market area which extends into Manchester, Bury and Oldham. There is evidently therefore on the basis of this evidence considered to be limited overlap of housing market geographies with Calderdale.

***Rossendale***

2.41 The 2008 SHMA[33] considered that Rossendale showed a high degree of self-containment in migration, commuting and demand for housing, and therefore a SHMA was conducted focusing solely on Rossendale. The Council are currently in the process of preparing an updated SHMA, with consultants again undertaking work based on a Rossendale-centric housing market area.

***Leeds City Region***

2.42 It is also important to recognise work undertaken by Leeds City Region in co-ordinating and developing housing policy and research. To inform this, a conversation was held with a representative from Leeds City Region to fully understand the evidence produced at City Region level.

2.43 Work was undertaken from 2006 onwards to identify strategic market areas in Yorkshire and the Humber, as part of the evidence base for the RSS. This initially identified Leeds City Region as an area with notable overlapping geographies.

2.44 More recently, work has been completed in order to establish a baseline position on housing market areas across the city region. This has involved a review of existing definitions, with cross-boundary issues identified. This will inform upcoming work on

[31] Arc4 (2015) Rochdale Strategic Housing Market Assessment
[32] PINS (2013) Housing issues letter to Rochdale Council
[33] Fordham Research (2009) Rossendale Strategic Housing Market Assessment

defining housing market areas, which will be undertaken to take account of the full Census 2011 dataset on migration and commuting. This will reflect previous work and new data to define new housing market areas, with this expected to be completed next year. This will form an important consideration under the Duty to Co-operate, which is increasingly important at city-region level, with an expectation that local authorities will work together where there are evidenced market linkages.

2.45 Leeds City Region also aims to co-ordinate through consideration of housing market areas and housing needs, with work being undertaken to identify an indicative range of housing requirements at a city-region level.

***Summary***

2.46 As this review has shown, while there is evidence of cross-boundary migration and commuting in the immediately surrounding area, the majority of authorities consider themselves to operate in a relatively self-contained housing market. This suggests broad consensus that there is limited overlap between Calderdale and neighbouring authorities, justifying analysis from a Calderdale centric perspective, albeit with reference where relevant to those authorities with which strongest links are identified.

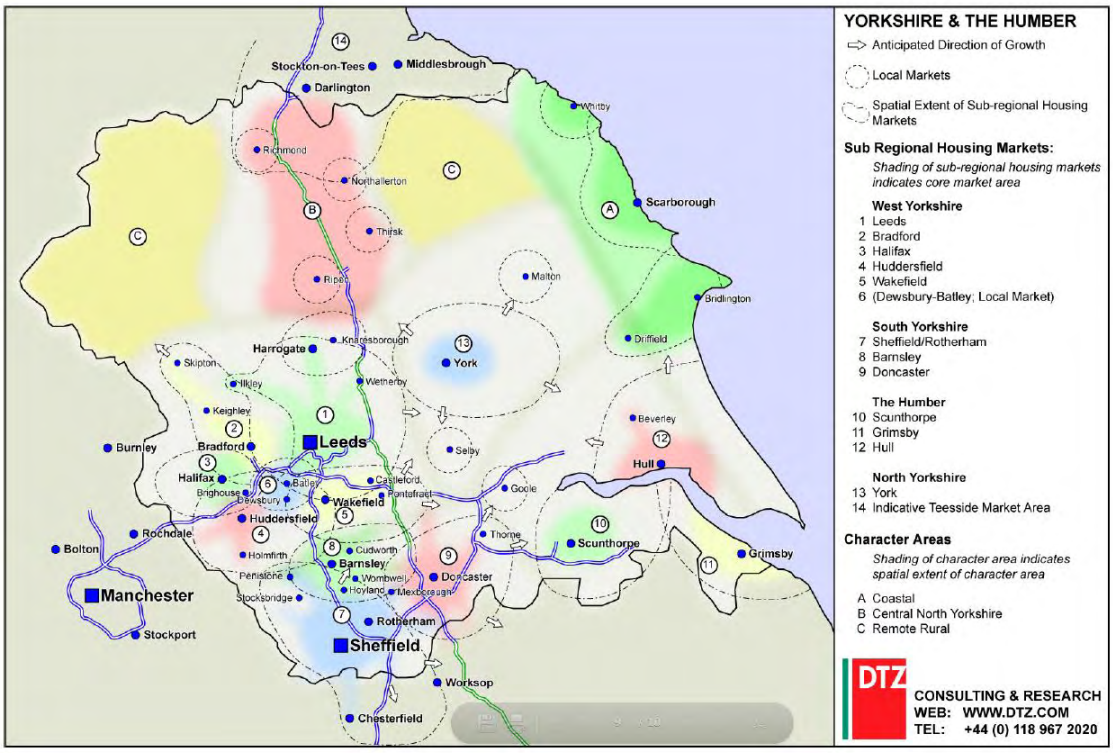
## Other Research

2.47 As part of the preparation of the Yorkshire and the Humber Regional Spatial Strategy (RSS), research was undertaken by DTZ to identify the pattern of sub-regional housing markets across the region[34]. This formed the basis from which strategies in the RSS were developed implemented, and was based on a range of data sources such as migration, travel to work and employment and market indicators.

2.48 The report notes that the absence of significant movements across the Pennines means that Calderdale has less cross-border interactions than other authorities. A sub-regional housing market is therefore identified centred around Halifax, which also covers Brighouse, although there is some overlap with the Bradford-centric housing market. This is illustrated in the following map, which shows the inter-relationships between different areas of Yorkshire and the Humber.

[34] DTZ (2007) Mapping Housing Markets in the Yorkshire and the Humber Region

**Figure 2.7: Strategic Housing Markets in Yorkshire and the Humber**




*Source: DTZ, 2007*

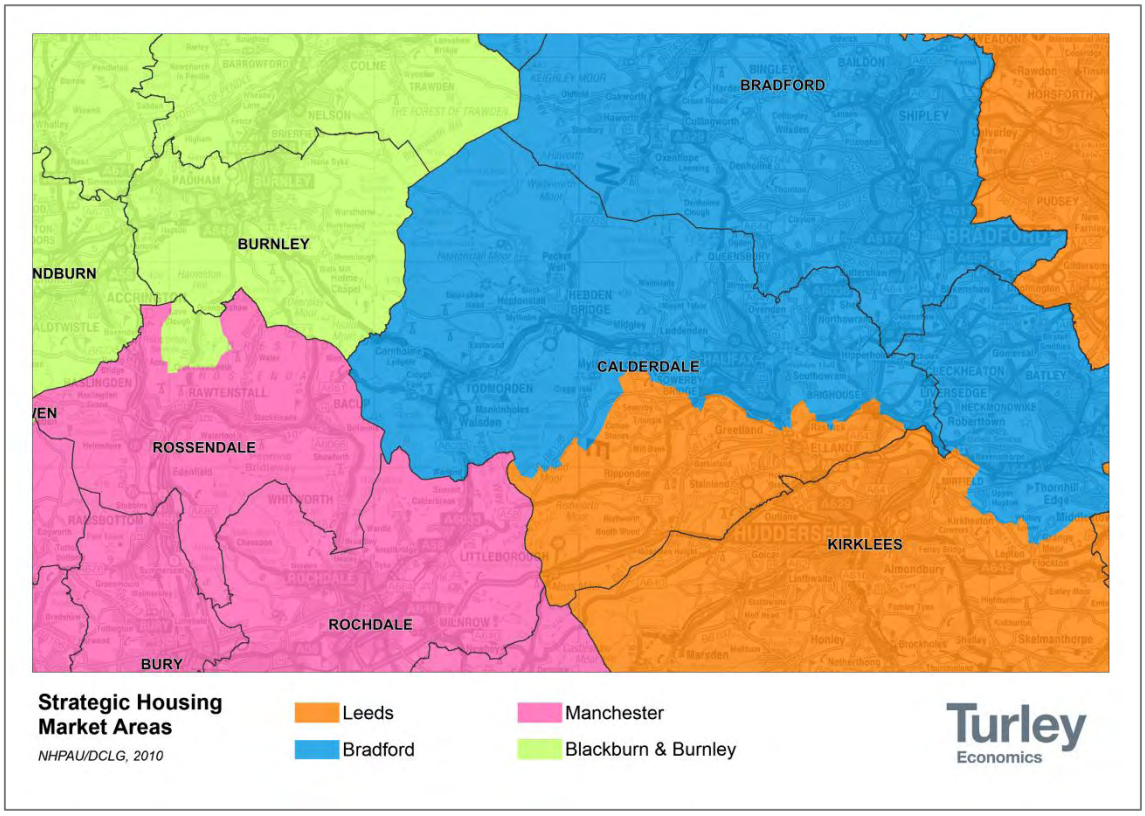
2.49 Notably, this research largely focuses on the relationship between towns and cities, rather than local authorities. An alternative, and more up-to-date, definition of housing market areas is included within research published by the National Housing and Planning Advice Unit (NHPAU) and DCLG[35]. This piece of work sought to define a set of strategic housing market area geographies across the country.

2.50 A two tier approach was advocated, through the identification of a strategic market area as well as a local housing market area. These are defined based on the strength of market connections, as identified through travel to work and migration connections and self-containment.

2.51 As shown in the following graphic, at a strategic level, the majority of Calderdale falls within the Bradford strategic housing market area, including the towns of Halifax, Hebden Bridge and Todmorden. The south of the authority, however – including Elland and Ripponden is covered by the Leeds strategic housing market area.

[35] NHPAU/ (2010) The Geography of Housing Markets across England

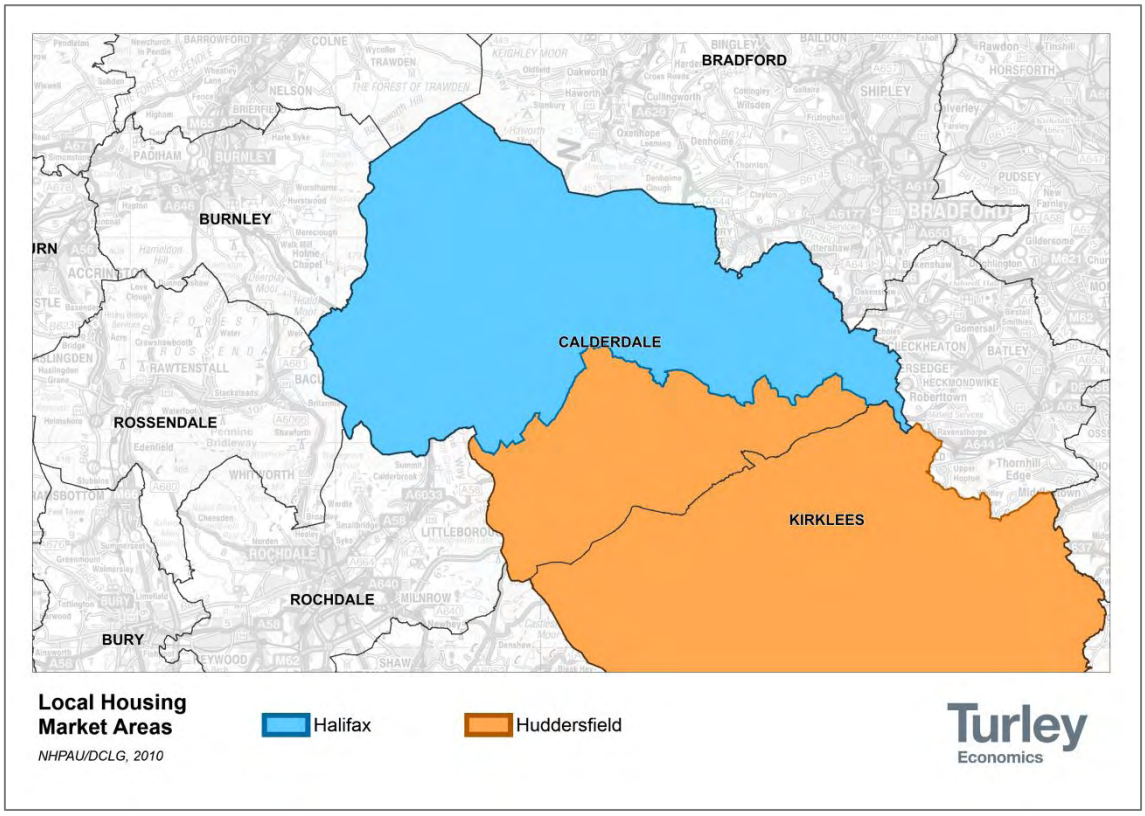
**Figure 2.8: NHPAU Strategic Housing Market Areas**




*Source: NHPAU/DCLG, 2010; Turley, 2014*

2.52 The DCLG research did, however, also conduct a more local level analysis, through the identification of local housing markets. This is shown in the graphic below, which illustrates local housing markets within Calderdale.

**Figure 2.9: NHPAU Local Housing Market Areas**




*Source: NHPAU/DCLG, 2010; Turley, 2014*

2.53 Again, this shows that the south of the borough in particular is influenced by wider geographies, with the same area included within the Huddersfield local housing market. However, there is a degree of self-containment in the north of borough, with a Halifax local housing market area contained within Calderdale.

## Sub-Authority Spatial Definitions

2.54 While Calderdale can be considered to act as a single functional housing market area, there exists spatial variation within the borough due to the operation of distinct sub-markets. Therefore, where data is available, the SHMA presents analysis at a sub-authority level, in addition to the borough-wide scale.

2.55 Sub-areas have been identified to align with the emerging Local Plan. These originated in the Refined Issues and Options version of the Core Strategy, with the borough split into a number of sub-areas to enable local residents, communities and other interested parties to have a greater influence on how their local communities develop. This enables the provision of locally distinctive policies and meaningful opportunities for community engagement, including the development of Neighbourhood Plans.

2.56 The areas were derived from a number of characteristics, including the associations between where people live and where they are likely to access their daily services, shopping and facilities. The key pieces of evidence used to identify the areas were the Settlement Hierarchy Study, Spatial Atlas, Retail Needs Study, Employment Land

Review, the then-emerging Strategic Housing Market Assessment and the natural geography of Calderdale.

2.57 Areas were defined with an overlap at the edge with adjoining areas, reflecting the fact that the zone of influence of individual settlements is not always distinct. In more outlying areas, associations between settlements weaken, resulting in residents and businesses seeking services within different towns. Each area included a primary area, with at least a local or higher order settlement within it, and a periphery area relating to the areas surrounding the urban areas, which was usually rural or semi-rural in nature.

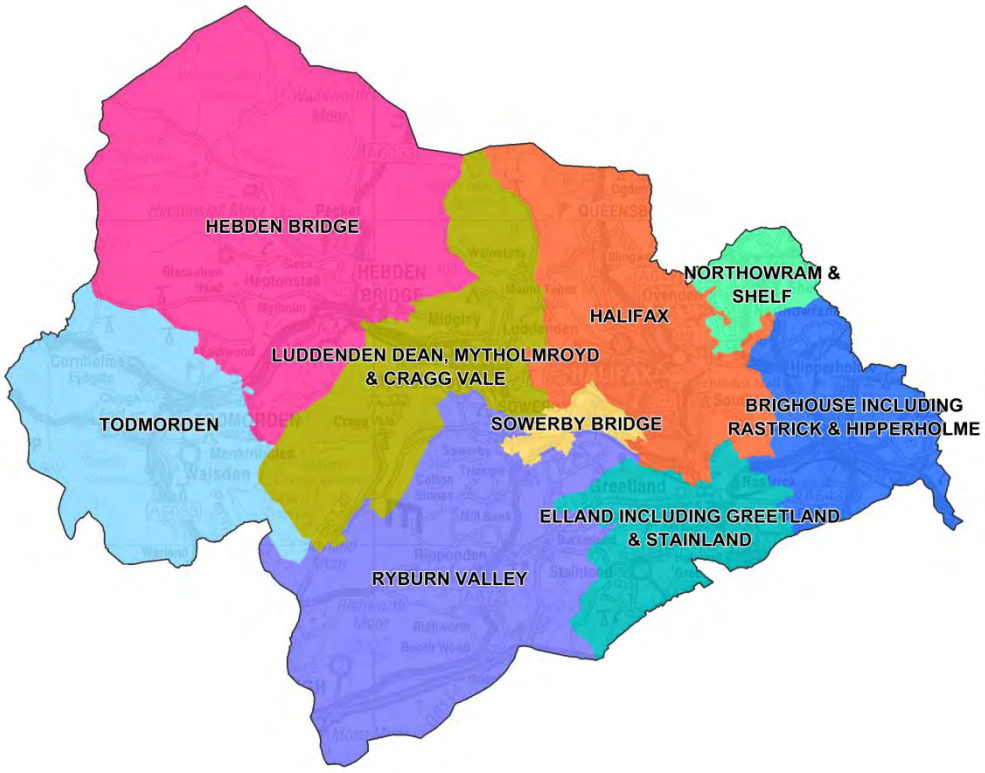
2.58 Following consultation on the Refined Issues and Options Core Strategy documents, it was clear that – whilst the general principle of defining sub-areas was supported – the complexity of primary and peripheral areas, with overlaps, was not universally understood. These were subsequently removed in the Preferred Options version of the Core Strategy, with the revised 10 sub-areas providing a simpler basis for subdivision of the borough.

2.59 During the work currently being undertaken in relation to the preparation of the draft Core Strategy – including the preparation of this updated SHMA – further refinements to the boundaries of the Local Plan sub-areas have been made. This allowed correspondence with lower level super output areas (LSOAs), and enabled alignment with standard statistical datasets.

2.60 It should also be noted that, as a result of the work undertaken above, the sub-areas introduced in this report do not align with sub-areas in the previous SHMA report.

2.61 Sub-areas are illustrated in the following graphic, and referenced throughout the report.

**Figure 2.10: Sub-Authority Spatial Areas**




*Source: Turley, 2014*

2.62 The level of containment of different sub-areas also provides useful context, and the following table provides a summary of commuting patterns in Calderdale's sub-areas. This is based on the latest 2011 Census data, which provides details on sub-authority commuting patterns. The table presents both the containment of workers in each sub-area – within both the sub-area and wider Calderdale – and the containment of residents.

**Figure 2.11: Labour Containment by Sub-Area 2011**

| Sub-Area | % of workers who live in sub-area | % of workers who live in Calderdale | % of residents who work in sub-area | % of residents who work in Calderdale |
|---|---|---|---|---|
| Brighouse including Rastrick & Hipperholme | 32.2% | 56.5% | 25.2% | 52.4% |
| Elland including Greetland & Stainland | 20.1% | 58.0% | 22.5% | 63.7% |
| Halifax | 39.0% | 66.8% | 57.1% | 73.5% |
| Hebden Bridge | 31.0% | 82.4% | 17.1% | 56.0% |
| Luddenden Dean, Mytholmroyd & Cragg Vale | 20.0% | 79.1% | 13.3% | 68.5% |
| Northowram & Shelf | 23.0% | 58.3% | 6.2% | 46.1% |
| Ryburn Valley | 28.2% | 74.9% | 10.8% | 60.2% |
| Sowerby Bridge | 27.8% | 80.7% | 13.8% | 74.3% |
| Todmorden | 42.7% | 73.2% | 34.2% | 57.9% |
| **Calderdale** | **–** | **65.8%** | **–** | **64.4%** |

*Source: Census 2011*

2.63 The table shows that there is a variable level of containment across the borough. For example, over half of Halifax residents commute locally to work within Halifax, in contrast to areas such as Northowram & Shelf and Ryburn Valley where a higher proportion commute elsewhere. Indeed, in the former, over half commute out of Calderdale to work.

2.64 Over 80% of the workforce in Hebden Bridge and Sowerby Bridge live in Calderdale, while – in contrast – there is a lower level of containment within the borough for the sub-areas of Brighouse including Rastrick & Hipperholme and Elland including Greetland & Stainland. This is reflective of the geography of the borough, with an inflow of commuters from adjacent neighbouring authorities. Furthermore, Todmorden and Halifax in particular draw upon a highly localised workforce, with a high proportion of workers also living in the sub-area.

## Bringing the Evidence Together

2.65 The analysis presented within this section has established the spatial geography for this assessment, allowing a number of conclusions to be drawn:

- The 2011 Census suggests that 71.9% of households that moved from an address in Calderdale remained within the borough. This shows that the housing market is relatively self-contained, although there is evidently demand for housing arising from outside Calderdale alongside locally derived needs;

- Analysis of migration flows suggests that Calderdale shares a strong relationship with other authorities in the Leeds City Region, in particular Bradford and Kirklees with relationships also shown with Leeds, while there is also a connection – albeit considerably weaker – with Rochdale;

- Commuting is a further indicator of spatial flows across the borough, with 2011 TTWAs published by ONS showing that Calderdale is a relatively self-contained economic geography centred around Halifax. 65.8% of workers in the borough live in Calderdale and 64.4% of working residents travel to a place of work within the borough;

- Collectively, analysis of migration and commuting suggests that Calderdale functions as a self-contained housing market area, although there are evidenced important connections with other authorities which should be considered;

- Previous research has been undertaken nationally and locally to identify a functional Calderdale housing market, with national research highlighting that Calderdale is relatively self-contained. There are, though, important connections with neighbouring authorities such as Bradford and Kirklees. The previous SHMA – completed in 2011 – recognised that the borough was shaped by three markets. The first is a wider 'strategic/policy' area which is formed by the connections within the wider Leeds City Region, the second is an evidenced self-contained Calderdale market centred around the authority reflecting migration and commuting statistics and the final area reflects a more local level of market operation through the identification of nine sub-markets within the borough;

- A review of housing market area definitions by neighbouring authorities has identified limited overlap with Calderdale, with the majority considering themselves to operate in a relatively self-contained housing market; and

- Within Calderdale, a number of distinct sub-markets have been identified, highlighting spatial variation across the borough. Sub-areas have been identified to align with the emerging Local Plan, and therefore – where data is available – the SHMA presents evidence at a sub-authority scale using these spatial definitions.

# 3. Housing Stock

3.1 This section provides an assessment of the current housing stock in Calderdale, with the findings of the 2011 Census – published from July 2012 in stages by ONS – integrated within the analysis, allowing consideration of changes and trends since 2001. This is augmented by other datasets and information provided by the Council.

## Current Stock Profile

3.2 The number of dwellings in Calderdale increased by around 7,500 between 2001 and 2011, equivalent to an 8.8% increase in housing stock. This is summarised in the following table for the borough and each sub-authority area.

**Figure 3.1: Change in Number of Dwellings 2001 – 2011**

| Sub-Area | 2001 | 2011 | Change | % |
|---|---|---|---|---|
| Brighouse including Rastrick & Hipperholme | 14,698 | 16,066 | 1,368 | 9.3% |
| Elland including Greetland & Stainland | 8,543 | 9,627 | 1,084 | 12.7% |
| Halifax | 33,118 | 34,825 | 1,707 | 5.2% |
| Hebden Bridge | 4,067 | 4,522 | 455 | 11.2% |
| Luddenden Dean, Mytholmroyd & Cragg Vale | 4,247 | 4,848 | 601 | 14.2% |
| Northowram & Shelf | 3,919 | 4,308 | 389 | 9.9% |
| Ryburn Valley | 3,735 | 4,360 | 625 | 16.7% |
| Sowerby Bridge | 5,946 | 6,559 | 613 | 10.3% |
| Todmorden | 6,446 | 7,058 | 612 | 9.5% |
| **Calderdale** | **84,719** | **92,173** | **7,454** | **8.8%** |

*Source: Census 2001, Census 2011*

3.3 As shown, the housing stock has grown across all areas of the borough. In absolute terms, Halifax has seen the greatest increase, with an additional 1,707 dwellings in 2011 relative to 2001. However, proportionally, this is the smallest increase of all areas. The total number of dwellings in Ryburn Valley, for example, grew by 16.7% over the same period, with Luddenden Dean, Mytholmroyd & Cragg Vale also seeing a notable proportional increase. Overall, though, it is clear that growth has been spread across Calderdale during this time.

## Dwelling Type

3.4 The following table provides a further assessment of the housing stock, through the identification of the type of dwellings provided in each area. The following table presents the type of accommodation in each sub-area at the time of the 2011 Census, with

figures shown as a proportion of all household spaces[36]. Comparable figures for England are also shown for comparison.

**Figure 3.2: Household Spaces by Type 2011**

| Sub-Area | Detached | Semi-Detached | Terraced | Flat | Caravan |
|---|---|---|---|---|---|
| Brighouse including Rastrick & Hipperholme | 17.7% | 35.3% | 33.8% | 13.1% | 0.1% |
| Elland including Greetland & Stainland | 17.3% | 26.1% | 39.4% | 17.0% | 0.2% |
| Halifax | 8.8% | 26.6% | 46.9% | 17.7% | 0.0% |
| Hebden Bridge | 18.1% | 18.2% | 51.8% | 11.5% | 0.4% |
| Luddenden Dean, Mytholmroyd & Cragg Vale | 19.2% | 24.9% | 41.4% | 14.4% | 0.1% |
| Northowram & Shelf | 22.5% | 40.8% | 29.1% | 7.5% | 0.1% |
| Ryburn Valley | 29.7% | 20.8% | 35.9% | 12.8% | 0.9% |
| Sowerby Bridge | 9.3% | 28.3% | 42.0% | 20.4% | 0.1% |
| Todmorden | 12.9% | 17.4% | 56.9% | 12.5% | 0.2% |
| **Calderdale** | **14.2%** | **27.3%** | **42.9%** | **15.4%** | **0.1%** |
| England | 22.3% | 30.7% | 24.5% | 22.1% | 0.4% |

*Source: Census 2011*

3.5 Comparison against the national average shows that Calderdale is characterised by a high proportion of terraced stock, with this type constituting 43% of all household spaces. In areas of the borough – Hebden Bridge and Todmorden – over half of the total stock is terraced. While other areas – such as Northowram & Shelf and Brighouse including Rastrick & Hipperholme – have comparatively low proportions of terraced stock relative to the borough, there remains a higher than average concentration.

3.6 In contrast, Calderdale has a relatively limited detached stock, and fewer than 10% of household spaces in Halifax and Sowerby Bridge are detached. Ryburn Valley and Northowram & Shelf, however, have relatively high proportions of detached stock.

3.7 Compared to England, Calderdale has a similar proportion of semi-detached stock, with this accounting for just over one in four household spaces in the borough. Northowram & Shelf and Brighouse including Rastrick & Hipperholme have particularly high numbers of semi-detached household spaces, with relatively few in Todmorden and Hebden Bridge.

3.8 Flats make up a smaller proportion of all household spaces relative to the national average, with the highest concentrations in Sowerby Bridge and Halifax. Northowram &

[36] A household space is accommodation which is used, or available for use, by an individual household. A dwelling may comprise one or more household spaces

Shelf, in particular, has a notably low number of flats. There are also relatively few caravans in the borough, with the greatest concentration in the rural Ryburn Valley.

3.9 As noted earlier, Calderdale has seen considerable growth in the number of dwellings in the borough, and for this reason, it is useful to assess how the type mix has changed in this time. Absolute change in each housing type for each sub-area can be calculated to highlight the type of new household spaces provided. A positive figure indicates an increase in a housing type, while a negative figure indicates a loss. The proportionate growth of each type of housing between 2001 and 2011 is also presented for Calderdale as a whole.

**Figure 3.3: Absolute Change in Household Spaces by Type 2001 – 2011**

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

*Source: Census 2001, Census 2011*

3.10 As shown – with the exception of caravans – there has been notable growth in all types of housing in Calderdale. Although the earlier analysis suggests that flats make up a relatively small proportion of the total housing stock, around 2,800 additional flats have been delivered between 2001 and 2011 – comfortably the main area of change in the borough. This increased the total number of flats in the borough by around a quarter. Elland including Greetland & Stainland saw the greatest increase in the number of flats, with Brighouse including Rastrick & Hipperholme and Halifax also seeing a notable increase.

3.11 A large number of terraced household spaces have also been delivered, with an additional 1,704 terraced household spaces in 2011 relative to 2001. This represented only a modest increase in terraced stock, however, equivalent to only 4.5%, recognising the historic prevalence of this house type definition in the authority. Semi-detached and

terraced saw greater proportionate increases, concentrated in Brighouse including Rastrick & Hipperholme and Halifax respectively.

## Tenure

3.12 An analysis of tenure allows an understanding of the basis on which households occupy their homes. The table below shows the proportion of all households within each tenure, with England also included as a comparator.

**Figure 3.4: Household Tenure 2011**

| Sub-Area | Owned Outright | Owned with Mortgage/Loan | Shared Ownership | Social Rented | Private Rented from Landlord | Private Rented: Other | Living Rent Free |
|---|---|---|---|---|---|---|---|
| Brighouse including Rastrick & Hipperholme | 36.7% | 36.7% | 0.3% | 13.3% | 13.3% | 1.2% | 1.2% |
| Elland including Greetland & Stainland | 38.1% | 38.1% | 0.8% | 13.8% | 14.8% | 1.5% | 1.3% |
| Halifax | 32.8% | 32.8% | 0.3% | 19.3% | 16.2% | 1.9% | 1.5% |
| Hebden Bridge | 35.5% | 35.5% | 1.0% | 9.6% | 15.3% | 1.3% | 1.0% |
| Luddenden Dean, Mytholmroyd & Cragg Vale | 36.0% | 36.0% | 0.2% | 11.3% | 13.5% | 1.8% | 1.2% |
| Northowram & Shelf | 40.8% | 41.1% | 0.1% | 5.3% | 10.6% | 1.2% | 0.7% |
| Ryburn Valley | 34.9% | 43.2% | 0.2% | 6.9% | 11.9% | 1.5% | 1.5% |
| Sowerby Bridge | 27.7% | 33.1% | 0.8% | 20.2% | 15.4% | 1.3% | 1.4% |
| Todmorden | 31.6% | 34.0% | 0.9% | 14.3% | 15.9% | 1.8% | 1.5% |
| **Calderdale** | **31.2%** | **35.3%** | **0.4%** | **15.2%** | **14.8%** | **1.6%** | **1.4%** |
| England | 30.6% | 32.8% | 0.8% | 17.7% | 15.4% | 1.4% | 1.3% |

*Source: Census 2011*

3.13 Around two thirds of households in Calderdale are owner occupiers, of which a slightly higher proportion own with a mortgage or loan than own outright. This indicates that owner occupation is slightly more frequent in Calderdale than the national average. Within the borough, there is a notably high level of outright ownership in Northowram & Shelf, with this sub-area – like Ryburn Valley – also accommodating a high proportion of households with a mortgage or loan. Sowerby Bridge in particular has relatively few owner occupiers.

3.14 Marginally fewer households are in both rented tenures – social and private rented from a landlord or agency – compared to the national profile. Approximately one in five households in Sowerby Bridge are socially renting, however, and there are also a relatively high number of such households in Halifax. This sub-area does, though, have the highest proportion of households privately renting from a landlord or agency.

3.15 Again, understanding how the tenure profile has changed between 2001 and 2011 provides useful context by identifying tenure trends. The following tables shows absolute change in tenure, although it should be noted that changes to the Census structure mean that a thorough analysis of change in other private renting and living rent free is not possible, with the 2001 Census grouping both into an 'Other' category.

**Figure 3.5: Change in Household Tenure 2001 – 2011**

| Sub-Area | Owned Outright | Owned with Mortgage/Loan | Shared Ownership | Social Rented | Private Rented from Landlord | Other |
|---|---|---|---|---|---|---|
| Brighouse including Rastrick & Hipperholme | 673 | -471 | 0 | 146 | 1,052 | -62 |
| Elland including Greetland & Stainland | 359 | -116 | 9 | 22 | 818 | 4 |
| Halifax | 590 | -623 | 5 | -384 | 2,607 | -49 |
| Hebden Bridge | 307 | -124 | 4 | 14 | 179 | -11 |
| Luddenden Dean, Mytholmroyd & Cragg Vale | 270 | -46 | 4 | 2 | 320 | 5 |
| Northowram & Shelf | 240 | -139 | -3 | -2 | 257 | -7 |
| Ryburn Valley | 237 | 97 | 1 | 27 | 238 | 17 |
| Sowerby Bridge | 185 | -79 | -8 | 16 | 616 | -18 |
| Todmorden | 85 | -20 | 38 | 1 | 433 | -15 |
| **Calderdale** | **2,946** | **-1,521** | **50** | **-158** | **6,520** | **-136** |
| % change between 2001 – 2011 | 11.9% | -4.6% | 14.4% | -1.2% | 98.9% | -48.4% |

*Source: Census 2001, Census 2011*

3.16 As shown, the most notable increase across the borough has been in the private rented sector, with approximately 6,500 additional households renting from a private landlord or agency in 2011 compared to 2001. This represents an almost doubling of the total number of households operating in this sector. A significant proportion of this growth has been concentrated in Halifax, which also followed the borough-wide trend in seeing a fall in the number of households socially renting.

3.17 Notably, there has also been a significant decline in the number of households owning their home with a mortgage or loan. This is in large part likely to reflect the impact of the credit crunch, and subsequent economic recession, which saw a more risk-adverse bank lending environment than seen in the first half of the previous decade. This made it difficult for many households to access a mortgage, with the evidence suggesting that many turned to the private rented sector which typically requires a smaller upfront financial commitment. Interestingly this is offset by an increase in the number of households who own-outright (without a mortgage or loan). This is likely to reflect the proportion of older households who have, over this period, paid off mortgages on property.

## Vacancy

3.18 Council Tax data is a valuable indicator of the number of properties which are unoccupied. In April 2014, a total of **3,292 properties** in Calderdale were vacant, of which 1,650 – or half – had been empty for less than six months and 1,642 had been empty for more than six months. This suggests an overall vacancy rate of 3.5%, with 1.8% of the total housing stock vacant for more than six months[37]. This is broadly consistent with the 2011 Census, which suggested that 3.9% of all household spaces were vacant in the borough.

3.19 The Council's Empty Homes Strategy[38] – recently updated to cover the period from 2014 to 2020 – highlights that properties that have been vacant for less than six months are typically between ownership or tenancies, as part of the normal cycle of people moving house. Where properties have been vacant for longer than six months, there is usually an underlying problem, while properties vacant for more than two years are likely to remain empty without intervention.

3.20 With the previous SHMA indicating that the vacancy rate stood at approximately 5.8% in April 2010[39], this suggests that the vacancy level has fallen over the four year period. This would imply that household growth has been accommodated not only through new dwellings, but also re-use of the existing stock. This forms important context for considering future projections, as set out in section 6

3.21 This reduction in vacancy rates is acknowledged in the Empty Homes Strategy[40], although it is noted that vacancy figures remain relatively high in Calderdale compared to neighbouring authorities and nationally. Indeed, the borough ranked twelfth in a list of local authorities with high proportions of long-term empty homes in October 2013, although this was higher than expected and has since fallen to a level more in line with neighbouring authorities.

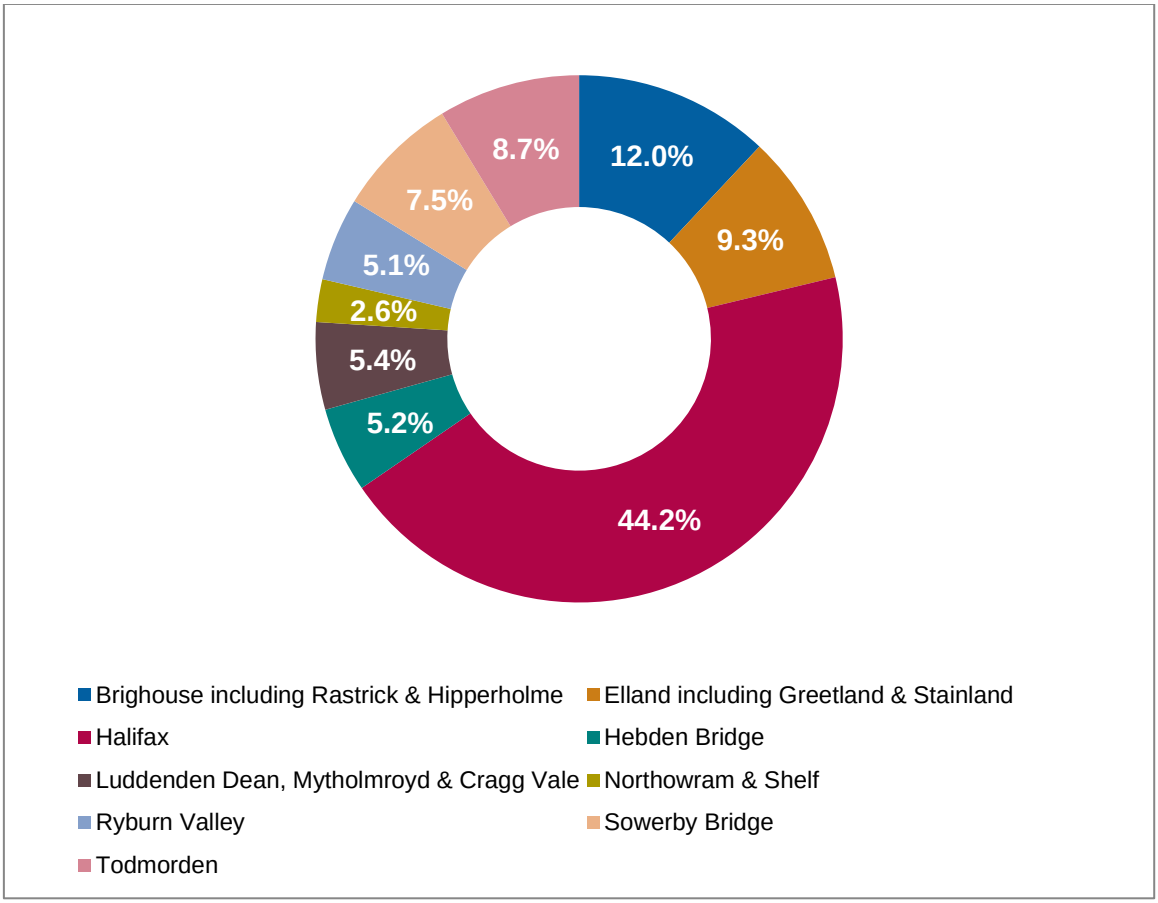
3.22 The Empty Homes Strategy also considers the reasons for vacancy, with some owners facing difficulty in selling or renting due to the wider housing market context, which is beginning to improve in the borough. Some housing is also unpopular due to its condition, size, type or location, reflecting the changing expectations of occupiers and requiring larger scale intervention and planning. Some homes in Calderdale are also vacant due to the inability or unwillingness of owners to take action to return the property to use.

3.23 Council Tax data can also be broken down by postcode to show the location of long-term properties in Calderdale. As the following graphic shows, a high proportion of vacant properties in the borough are located in Halifax, with this sub-area containing around 44% of all long-term empty stock. Brighouse including Rastrick & Hipperholme and Elland including Greetland & Stainland also contain a relatively high proportion of vacant stock, with Northowram & Shelf containg the smallest proportion of the borough's

[37] Based on 93,695 taxable homes in Calderdale, sourced from Council Tax data
[38] Calderdale Council (2014) Empty Homes Strategy 2014 – 2020
[39] GVA (2011) Shaping the Housing Future of Calderdale – Strategic Housing Market Assessment
[40] Calderdale Council (2014) Empty Homes Strategy 2014 – 2020

vacant properties. This reflects the relatively small number of dwellings in these sub-areas.

**Figure 3.6: Long-Term Vacant Homes by Sub-Area**




*Source: Calderdale Council, 2014*

3.24 The 2011 Census can also provide useful context in highlighting the type of properties which are vacant, although it should be recognised that this merely records the number of empty household spaces[41] on the day of the Census in March 2011, and does not take account of the reason for or length of vacancy. This indicated that there were 3,689 household spaces in the borough with no usual residents, of which over half (50.9%) were terraced and a quarter were flats, either in a purpose-built block or in a converted or shared house.

3.25 The Empty Homes Strategy[42] recognises that addressing vacancies can help to respond to the need for housing in Calderdale, with the return to use of vacant stock typically taking fewer resources, creating fewer carbon emissions and attracting less controversy. The Council is therefore aiming to reduce the number of long-term empty homes in Calderdale, by:

[41] Accommodation used or available for use by an individual household, which could be vacant or used as a second address
[42] *Ibid*

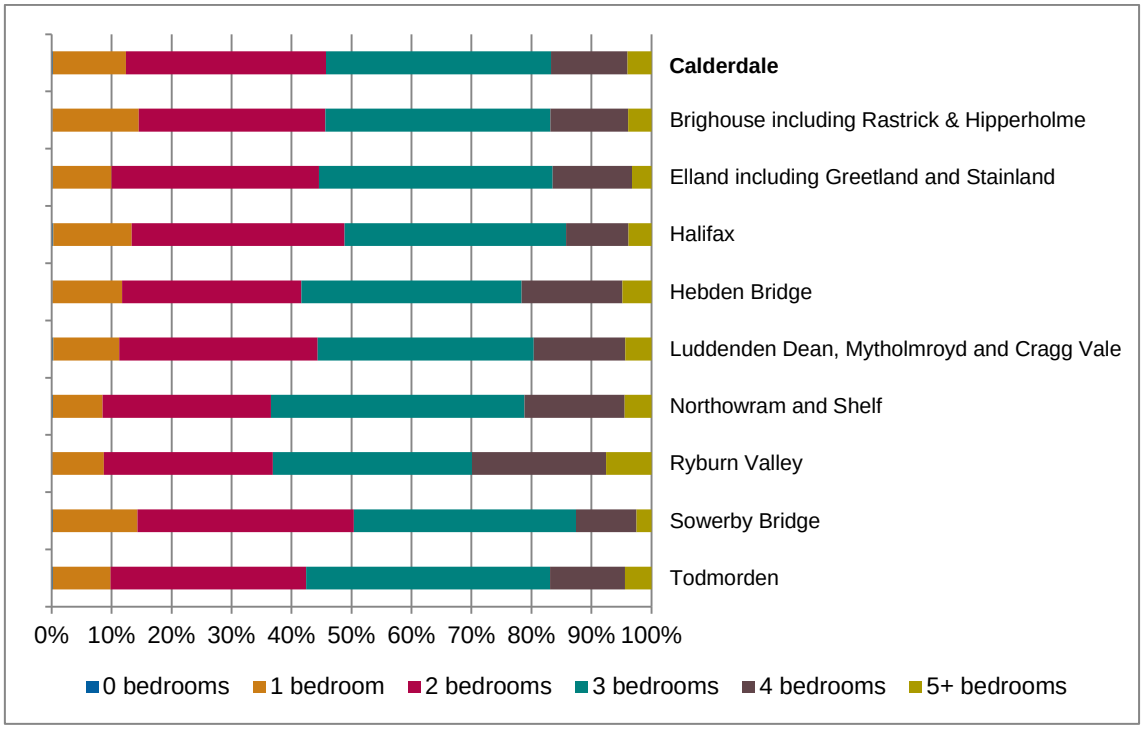
- Preventing homes from becoming empty, and encouraging owners to seek assistance for solutions to problems;
- Identifying empty homes, including those not recorded by Council Tax records;
- Collaborating with external organisations and residents to develop a co-ordinated and coherent strategic approach to tackling the issue;
- Demolishing and regenerating areas where a high number of empty homes suggests that area-based intervention work is required;
- Raising awareness of the problems associated with empty homes; and
- Introducing a toolkit for intervention to ensure that owners are aware of the range of options available to them to bring their property back into use.

## Dwelling Size

3.26 The Census allows an understanding of the size of the housing stock, measured by the number of bedrooms.

3.27 The following graph breaks down all household spaces – with at least one usual resident – by the number of bedrooms.

**Figure 3.7: Number of Bedrooms 2011**




*Source: Census 2011*

3.28 In Calderdale, around 46% of household spaces contain two bedrooms or fewer, although this is variable across the borough. Half of the stock in Sowerby Bridge, for

example, has two bedrooms or fewer, with Halifax also evidently characterised by a high proportion of smaller stock. Conversely, Ryburn Valley contains a notably high proportion of larger household spaces, with around 30% of the housing stock containing 4 or more bedrooms.

## Property Condition and Quality

3.29 Household surveys conducted during preparation of the 2011 Calderdale SHMA remains the most up-to-date assessment of property condition and quality in the borough. This found that only 237 households considered their property to be in serious disrepair, which equates to less than 1% of the borough's households[43].

3.30 Furthermore, the Council published an update to the Private Sector House Condition Survey in 2009, which indicated 16% of all private dwellings in the borough fail to meet the requirements of the Decent Homes Standard. The survey also showed that the housing stock is relatively old compared to the national profile, with 56% of dwellings in Calderdale built before 1945 and 38% built before 1919[44]. The survey nevertheless indicated that a relatively low proportion of vulnerable households are residing in non-decent homes, surpassing the target set in the government's Public Service Agreement 7.

## Bringing the Evidence Together

3.31 This section has provided an overview of the current housing stock in Calderdale, including a detailed analysis of a range of data sources. The key findings from this section are presented below:

- The number of dwellings increased by around 7,500 – or 8.8% - between 2001 and 2011, with an increase in stock across all areas of the borough. Halifax saw the greatest absolute increase, with Ryburn Valley seeing the greatest proportional increase;

- Calderdale has a high proportion of terraced stock, accounting for 43% of all household spaces, with over half of the housing stock terraced in some areas such as Hebden Bridge and Todmorden. There is a relatively limited detached stock in the borough, although there are relatively high proportions in Ryburn Valley and Northowram & Shelf in particular. Around a quarter of household spaces are semi-detached, while there are relatively few flats in the borough relative to the national average. There has, though, been a significant increase in the number of flats in Calderdale since 2001, although all house types – with the exception of caravans – saw notable growth over this period;

- Around two thirds of households in Calderdale are owner occupiers, suggesting that owner occupation is slightly more frequent than nationally. Northowram & Shelf and Ryburn Valley have a high proportion of owner occupiers, with comparatively few in Sowerby Bridge in particular. There are marginally fewer households in both rented tenures – private and social rented – than the national

[43] GVA (2011) Shaping the Housing Future of Calderdale – Strategic Housing Market Assessment (p45)
[44] Michael Dyson Associates (2009) Calderdale Private Sector House Condition Survey

average, although the social rented sector is notably prominent in Sowerby Bridge and Halifax. The latter also has a relatively high proportion of households privately renting from a landlord or agency. Indeed, the private rented sector has seen the greatest increase since 2001, with almost twice as many households operating in this tenure between 2001 and 2011. There has also been a significant decline in the number of households owning their home with a mortgage or loan;

- In April 2014, a total of 3,292 properties in Calderdale were vacant, of which half had been empty for less than six months and half had been empty for more than six months. This suggests an overall vacancy rate of 3.5%, with 1.8% of the total housing stock vacant for more than six months. With the previous SHMA suggesting that the vacancy rate stood at approximately 5.8% in April 2010, this indicates that the vacancy level has fallen over a comparatively short period of time;

- Areas of Calderdale, such as Sowerby Bridge and Halifax, are characterised by smaller housing stock – with two bedrooms or fewer – while Ryburn Valley contains a notably high proportion of larger stock, with around 30% of the housing stock containing 4 or more bedrooms; and

- Household surveys conducted during preparation of the 2011 SHMA found that only 237 households considered their property to be in serious disrepair, which equates to less than 1% of the borough's residents. Surveys undertaken by the Council also found that, in 2009, 16% of all private dwellings failed to meet the requirements of the Decent Homes Standard, although a relatively low proportion of vulnerable households are residing in non-decent homes. The survey also found that the housing stock in the borough is relatively old compared to the national average, with 56% of dwellings built before 1945 and 38% built before 1919.

# 4. Demographic and Economic Drivers of the Market

4.1 Guidance on the preparation of SHMAs highlights the importance of establishing an understanding of the key drivers of historic trends related to the housing market. Demographic evidence, including population and household dynamics, is a central factor in assessing the overall future need and demand for housing.

4.2 Following the release of 2011 Census records, a substantial amount of new data and information has been published since the previous SHMA was undertaken, and this requires careful consideration to understand how the socio-demographic profile of Calderdale has changed in the recent past. From this, an understanding can be gained of how this will influence the need for housing in the future, with the base data and analysis underpinning the population and household scenarios introduced in section 6.

4.3 It is important in considering these factors to note their inter-relatedness nature. Market and economic factors, for example, will have influenced the historic demographic change considered in this section. For example, the recent economic downturn has contributed to a slowdown in the levels of completions, with a subsequent impact on the ability of households to access finance to exercise choice within the housing market. This, in turn, is likely to have impacted on levels of household formation and potentially wider migration flows.

4.4 It is therefore equally important to consider economic and market factors, while adopting a more forward-looking approach to understand their impacts on the future level of housing demand in the borough. In addition, as both the NPPF and PPG identify, there is a clear steer from the government to facilitate and encourage opportunities for growth, necessitating a recognition of the role that housing has to play in enabling employment generation and business investment decisions.

4.5 On this basis, this section considers both demographic and economic factors, with further analysis of market signals developed in section 5.

## Demographic Drivers of Change

4.6 Demographics have traditionally been a key component of understanding current housing markets and projecting future demand, through a combination of demographic forecasts and supply side information. This approach recognises how changing demographic conditions influence the housing market, through overall housing requirements and the requirements of specific groups, such as the elderly, which will be considered in further detail later in this report.

### Population

4.7 Population data from the 2011 Census can be compared against the 2001 Census to understand how population has changed in the intervening years. This has also been broken down into sub-areas, in order to identify areas that have experienced significant change.

**Figure 4.1: Population Change 2001 – 2011**

| Sub-Area | 2001 | 2011 | Change | % |
|---|---|---|---|---|
| Brighouse including Rastrick & Hipperholme | 33,119 | 34,559 | 1,440 | 4.3% |
| Elland including Greetland & Stainland | 19,763 | 21,361 | 1,598 | 8.1% |
| Halifax | 75,771 | 80,038 | 4,267 | 5.6% |
| Hebden Bridge | 9,055 | 9,374 | 319 | 3.5% |
| Luddenden Dean, Mytholmroyd & Cragg Vale | 9,463 | 10,321 | 858 | 9.1% |
| Northowram & Shelf | 9,020 | 9,651 | 631 | 7.0% |
| Ryburn Valley | 8,864 | 9,897 | 1,033 | 11.7% |
| Sowerby Bridge | 13,084 | 13,876 | 792 | 6.1% |
| Todmorden | 14,266 | 14,749 | 483 | 3.4% |
| **Calderdale** | **192,405** | **203,826** | **11,421** | **5.9%** |
| England | 49,138,831 | 53,012,456 | 3,873,625 | 7.9% |

*Source: Census 2001, Census 2011*

4.8 Over the period shown, the population increased by around 11,400 in Calderdale, highlighting that the borough has seen a notable level of population growth over recent years. This level of growth, however, falls below the national rate of growth (7.9%) seen across England.

4.9 All sub-areas have seen an increase in population, although the scale of change is variable. Whereas Hebden Bridge has only seen a modest increase of 319 people, the population of Halifax has grown by almost 4,300. Proportionally, the greatest increase has been seen in Ryburn Valley. Notably, as shown earlier in Figure 3.1 Ryburn Valley also saw the greatest proportionate increase in number of dwellings, highlighting the relationship between housing supply and population growth.

4.10 Since the 2011 Census, mid-year population estimates (MYE) have been published by ONS at local authority level to determine how the population has changed since March 2011. Change since the 2011 Census is presented in the following table, highlighting that the population has continued to grow during the intervening period.

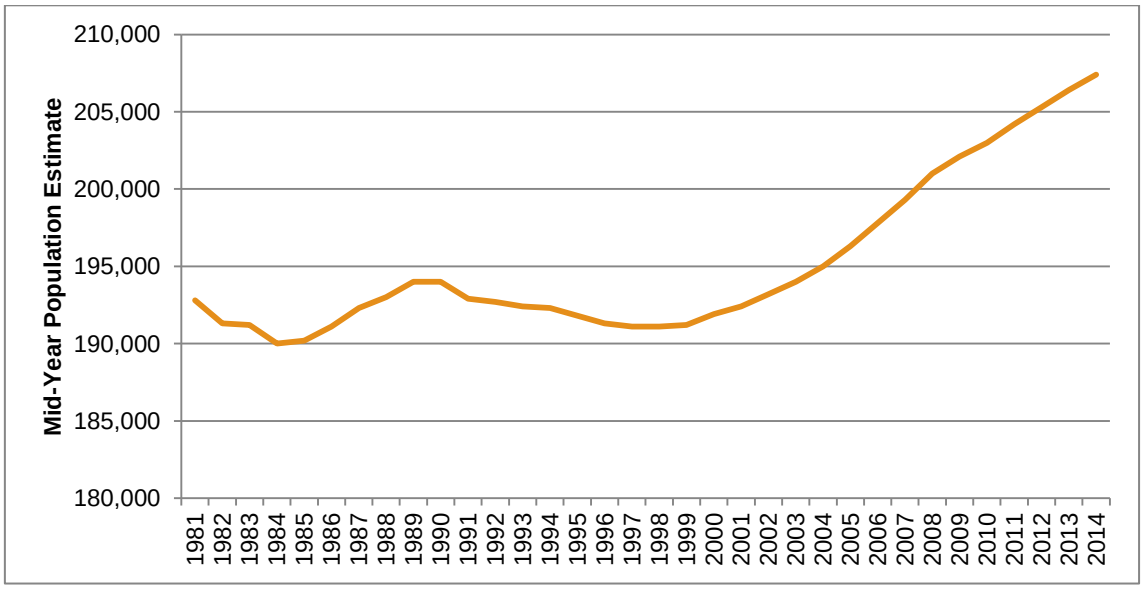
**Figure 4.2: Mid-Year Population Estimates 2011 – 2014**

| | 2011 Census | 2012 MYE | 2013 MYE | 2014 MYE |
|---|---|---|---|---|
| Calderdale | 203,826 | 205,293 | 206,355 | 207,376 |
| % increase per annum | – | 0.7% | 0.5% | 0.5% |

*Source: ONS, 2014*

4.11 Within this context, it is beneficial to understand how the population has changed historically in Calderdale, with mid-year population estimates extending back to 1981. The following graph therefore shows how the population has changed over this period.

**Figure 4.3: Population Change in Calderdale 1981 – 2013**

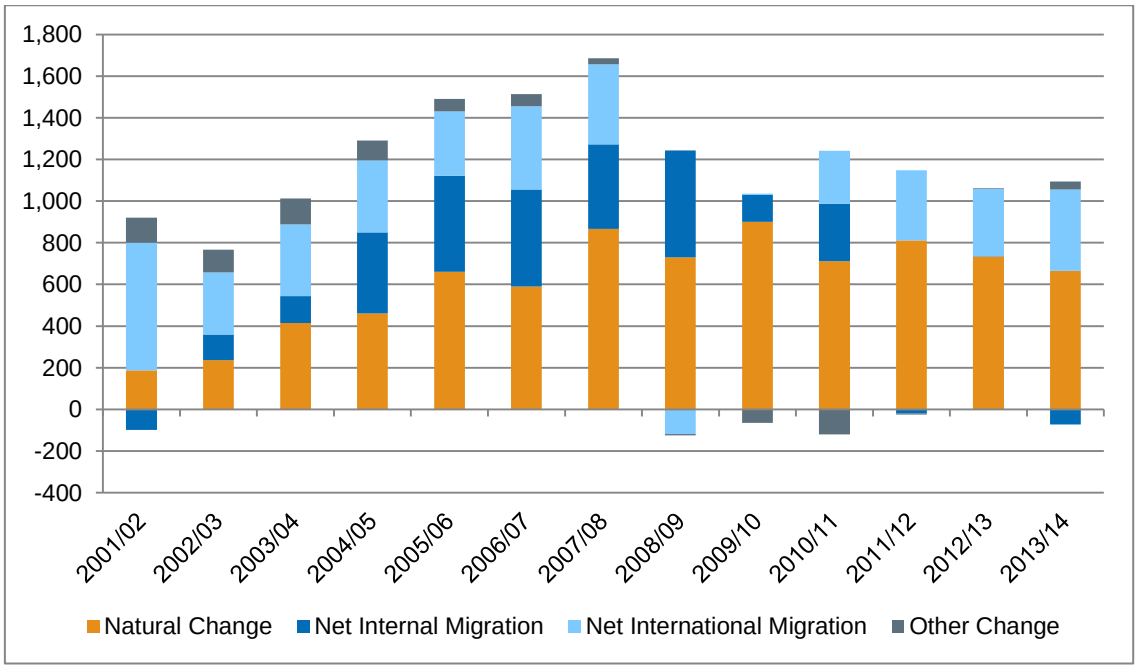



*Source: ONS, 2014*

4.12 Calderdale has evidently seen a period of significant sustained growth over recent years, particularly since 1999, when the borough has seen average growth of 0.5% per annum. Prior to this point, the population had been relatively static, and indeed had declined over the previous decade.

4.13 At the borough level, a further analysis of population can be undertaken to identify the components of population change, based on mid-year population estimates (MYE). This can be done by considering the relationship between natural change – i.e. the difference between births and deaths – and migration, and determining the relative role of these components in shaping overall increases and decreases. This is shown in the following graph.

**Figure 4.4: Components of Population Change**




*Source: ONS, 2013*

4.14 As shown, the population has grown year-on-year throughout the period analysed. It is clear that natural change has been an increasingly significant driver of population growth in Calderdale, increasing the population by around 600 people per year on average. This suggests that births have increasingly outnumbered deaths in the borough over the period analysed.

4.15 The scale of internal migration also grew during the early period, peaking in 2008/09 where there was a net inflow of over 500 people. This component has, though, shrunk over recent years, with the slowdown in completions and the availability of employment opportunities potential contributing factors to this trend. The last MYE dataset actually suggests a small net outflow of internal migrants. International migration has followed a reverse trajectory, peaking in 2001/02 – when there was a net inflow of over 600 international migrants – before generally decreasing in scale, although there was a return to growth over the final years of the period presented.

4.16 The graph also highlights other change as a further component. A revision to mid-year population estimates resulted in an adjustment, which is primarily associated with the mis-estimation of international migration. ONS has not explicitly assigned the mid-year estimate adjustment to international migration, but instead identified an additional 'other unattributable' component – shown in the graph as 'other change'. The implication of this 'correction' or mis-estimation is considered further in the presentation of alternative population and household projections developed by Edge Analytics in section 6 of this report.

4.17 Figure 4.1 indicated that all sub-areas of Calderdale have seen some level of recent population growth, driven by an increasing surplus of births over deaths and a net inflow of migrants to the borough. However, further analysis by Edge Analytics allows

population change to be broken down into components of change, similar to the analysis shown above. It should, however, be noted that this data only covers change to 2012. This is presented in Appendix 2, and highlights that the majority of areas have seen natural growth in the population which has been supplemented by net in-migration in most areas. Hebden Bridge is an exception, reflecting the comparatively low level of population growth seen in the sub-area over recent years.

## Age

4.18 Population data can also be grouped by age to show the distribution between age groups. This is important in understanding how the age profile of the borough has changed over time, and will be considered in relation to the differing housing requirements of different age groups. The graphics below show the age profile of Calderdale and England. The coloured bars show the proportion of the population within each age band at the time of the 2011 Census, while the outlines show the comparable age structure from 2001.

**Figure 4.5: Age Profile of Calderdale and England 2011**

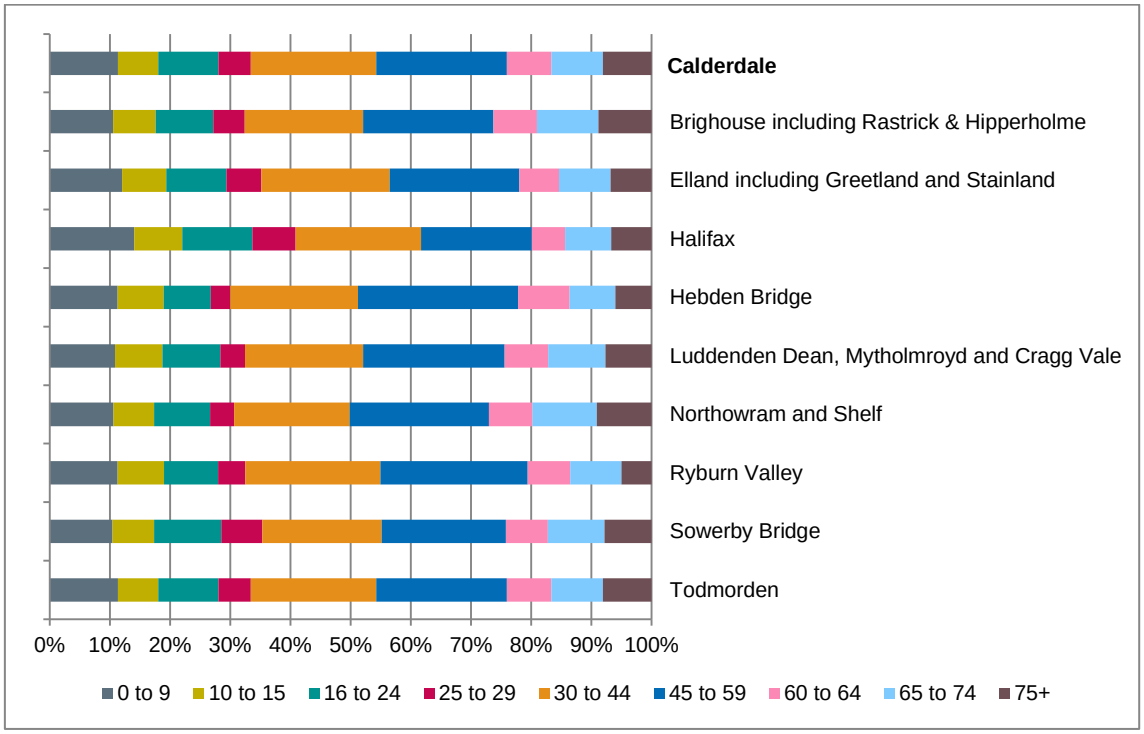

*Source: 2011 Census, 2001 Mid-Year Population Estimates. Graphic by ONS Data Visualisation Centre*

4.19 As shown, the age profile of Calderdale is broadly similar to the profile for England. Since 2001, however, the borough has seen a notable fall in the number of residents aged 30 to 40, with a further reduction in the number of children aged 5 to 15. This has been accompanied by marginal increases in those aged 40 to 50 and, most notably, residents aged 60 to 70. This suggests that Calderdale is following the national trend in seeing an ageing of the population.

4.20 This can be further explored through considering mean age. In 2011, the mean age in Calderdale was **39.6 years**, a slight increase on the comparable figure of 38.6 years in 2001. In England, the mean age increased from 38.6 years to 39.3 years over the same period.

4.21 Age can be further analysed at a sub-authority level, in order to identify areas which are characterised by a younger or older demographic. This can have implications for the type of housing required, and the following graph therefore shows the proportion of the population of each sub-area by age band.

**Figure 4.6: Age Profile by Sub-Area**




*Source: Census 2011*

4.22 This analysis identifies a number of interesting characteristics. Halifax, for example, has a relatively high proportion of residents aged 15 and under, suggesting that the town is a popular location for families. Halifax also contains a relatively high number of residents aged 16 to 24, particularly compared to Hebden Bridge where this age group is proportionally under-represented. Indeed, Hebden Bridge and Northowram & Shelf contain the highest proportion of residents aged 45 and over. When looking at older people aged 65 and over, Ryburn Valley contains relatively few people within this age group, in contrast to Northowram & Shelf, where almost one in five residents are over 65.

## Migration

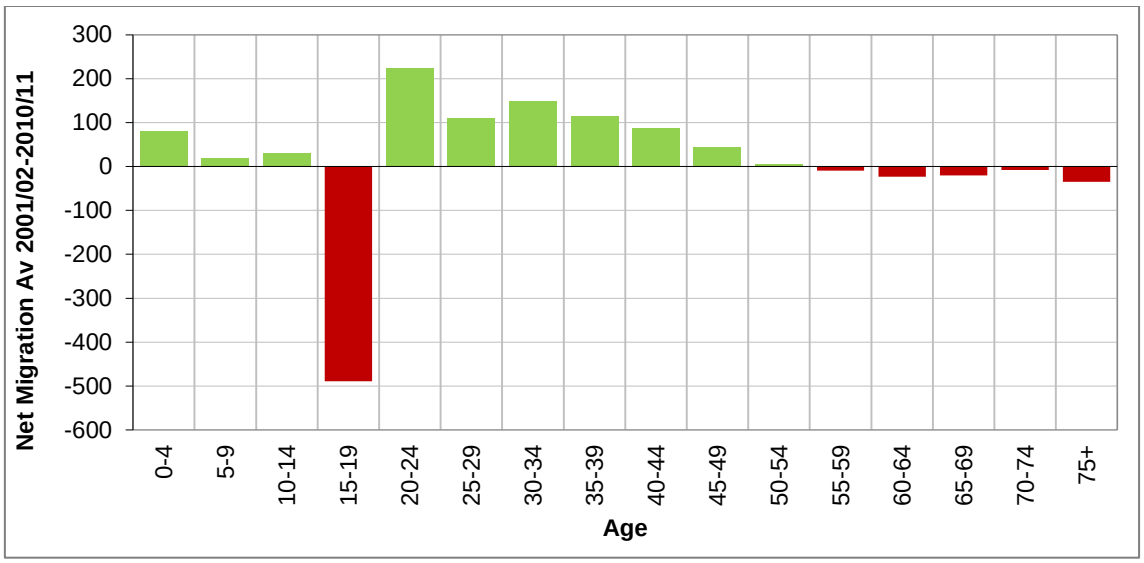
4.23 Migration trends were analysed in section 2 in exploring the extent of the housing market area geography, in line with guidance in the PPG. It is, though, pertinent to revisit this analysis in the context of identifying social and economic drivers of housing demand.

### *Internal Migration*

4.24 While the earlier analysis identified authorities with which Calderdale shares strong connections, and determined the scale of migration flows, it is beneficial to establish a more detailed social profile of migrants, with age a key indicator. The graph below

breaks down migrants by age group, based on net average migration flows over the period from 2001/02 to 2010/11. This information is based on analysis undertaken by Edge Analytics, derived from the Patient Register Data Service (PRDS). This data is used by the ONS in its mid-year population estimates and forms the basis for estimating migrant flows between local authority areas.

**Figure 4.7: Age Group Net Flows 2001/02 – 2010/11**




*Source: PRDS, Edge Analytics 2014*

4.25 The graph highlights that Calderdale sees a significant net outflow of younger people aged 15 to 19, with this typically associated with students moving to study at University. Notably, though, there is a net inflow of many subsequent age groups, suggesting that some students and young people may return to the borough after completing higher education. There is a net inflow of all age groups up to 55, after which there is a small net outflow of older people out of Calderdale.

***International Migration***

4.26 International migration is also an important component of population change in Calderdale, with the following table quantifying the scale of international in-migration each calendar year through an assessment of National Insurance number (NINo) registrations. This is sourced from the Department for Work and Pensions (DWP), with migrants grouped by world region. It should be noted that this data should not be compared directly with the analysis into components of population change – Figure 4.2 – as this is only a measure of gross registrations – i.e. immigration – and does not take account of emigration.

**Figure 4.8: NINo Registrations to Adult Overseas Nationals Entering the UK**

| | European Union | EU Accession[45] | Other European | Africa | Asia and Middle East | Americas | Australasia and Oceania | Total |
|---|---|---|---|---|---|---|---|---|
| 2002 | 28 | 8 | 12 | 25 | 254 | 7 | 14 | **348** |
| 2003 | 52 | 15 | 20 | 32 | 332 | 21 | 19 | **491** |
| 2004 | 46 | 80 | 0 | 26 | 267 | 17 | 26 | **462** |
| 2005 | 38 | 519 | 13 | 36 | 234 | 10 | 31 | **881** |
| 2006 | 35 | 517 | 8 | 39 | 229 | 19 | 20 | **867** |
| 2007 | 43 | 660 | 12 | 36 | 340 | 15 | 20 | **1,126** |
| 2008 | 47 | 386 | 15 | 37 | 309 | 12 | 16 | **822** |
| 2009 | 46 | 344 | 7 | 53 | 284 | 13 | 12 | **759** |
| 2010 | 57 | 324 | 14 | 53 | 322 | 14 | 8 | **792** |
| 2011 | 61 | 256 | 10 | 45 | 362 | 14 | 15 | **763** |
| 2012 | 46 | 329 | 5 | 25 | 249 | 7 | 13 | **674** |
| 2013 | 67 | 421 | 0 | 15 | 239 | 18 | 18 | **778** |
| **Total** | **566** | **3,859** | **116** | **422** | **3,421** | **167** | **212** | **8,763** |
| % | 6.5% | 44.0% | 1.3% | 4.8% | 39.0% | 1.9% | 2.4% | **-** |

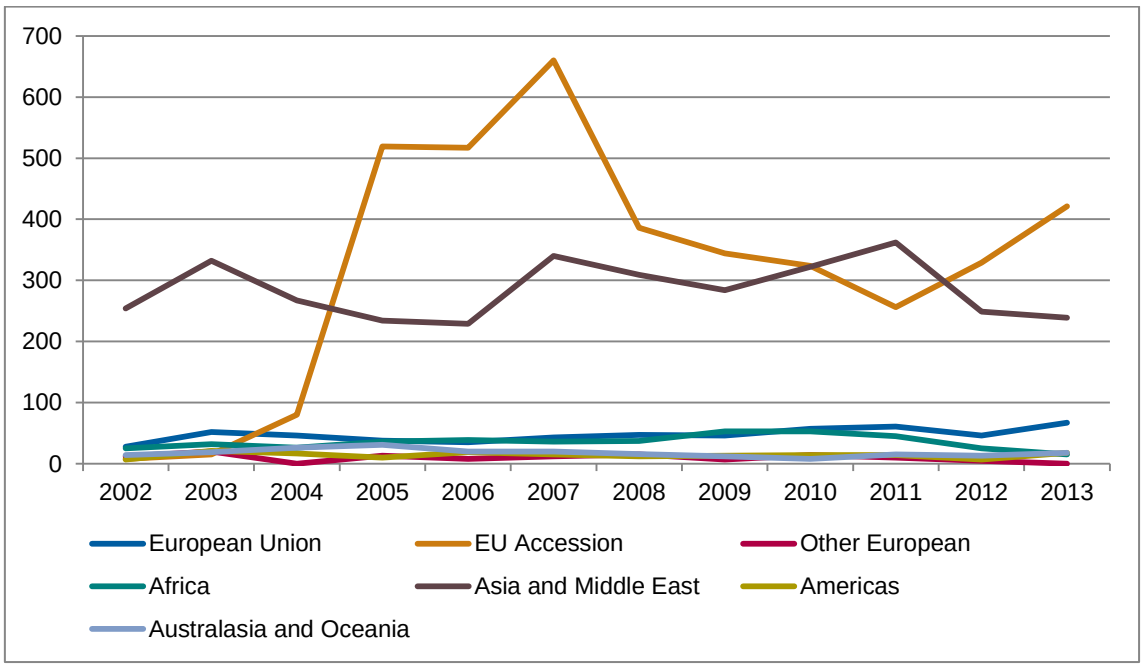
*Source: DWP, 2014*

4.27 This shows that there was significant growth in the number of NINo registrations in Calderdale up to a peak in 2007, where over 1,126 international migrants were recorded. This was largely driven by significant inmigration from EU Accession countries from 2005, which was driven by enlargement of the European Union in 2004. While the scale of inmigration fell following this peak, when looking at the period from 2002 to 2013 as a whole, 44% of inward migrants originated from EU Accession countries.

4.28 There is also notable inmigration from Asia and the Middle East, with approximately 285 migrants moving to Calderdale from this region each year on average. As the graph below illustrates, however, this has remained relatively steady throughout this period. While there are inward flows from other world regions, these are much less significant in scale.

[45] As at June 2013 - Estonia, Czech Republic, Slovakia, Hungary, Latvia, Lithuania, Poland, Slovenia, Malta, Cyprus, Bulgaria, Romania

**Figure 4.9: Nationality of NINo Registrations to Adult Overseas Nationals Entering the UK**




*Source: DWP, 2014*

4.29 Further context can be added by considering the age profile of NINo registrations, with this presented in the following table for 2013. This shows that the majority (73.8%) of registrants are aged 34 and under, with relatively few older international migrants.

**Figure 4.10: Age of NINo Registrants 2013**

| | Up to 18 | 18-24 | 25-34 | 35-44 | 45-54 | 55-59 | Over 60 |
|---|---|---|---|---|---|---|---|
| Total | 10 | 248 | 315 | 115 | 62 | 10 | 16 |
| % | 1.3% | 32.0% | 40.6% | 14.8% | 8.0% | 1.3% | 2.1% |

*Source: DWP, 2014*

4.30 The 2011 Census forms a useful source of data to understand more fully the international migrant community in Calderdale. This shows that **92.6%** of residents in Calderdale were born in the UK – higher than the national average of 86.2%. Of those that weren't born in the UK, the majority (60%) have lived in the UK for more than 10 years. Many arrived in the UK – although not necessarily Calderdale – as children or young adults, with 83% of those who weren't born in the UK arriving aged 29 or under.

## Households

4.31 It is important to consider the relationship between the total population and the total number of households, in order to understand the rate of household formation in recent years in Calderdale. This is presented in the following table.

**Figure 4.11: Change in Total Number of Households 2001 – 2011**

| Sub-Area | 2001 | 2011 | Change | % |
|---|---|---|---|---|
| Brighouse including Rastrick & Hipperholme | 14,178 | 15,519 | 1,341 | 9.5% |
| Elland including Greetland & Stainland | 8,266 | 9,363 | 1,097 | 13.3% |
| Halifax | 31,297 | 33,399 | 2,102 | 6.7% |
| Hebden Bridge | 3,936 | 4,310 | 374 | 9.5% |
| Luddenden Dean, Mytholmroyd & Cragg Vale | 4,055 | 4,613 | 558 | 13.8% |
| Northowram & Shelf | 3,842 | 4,183 | 341 | 8.9% |
| Ryburn Valley | 3,582 | 4,203 | 621 | 17.3% |
| Sowerby Bridge | 5,651 | 6,363 | 712 | 12.6% |
| Todmorden | 6,151 | 6,668 | 517 | 8.4% |
| **Calderdale** | **80,958** | **88,621** | **7,663** | **9.5%** |
| England | 20,451,427 | 22,063,368 | 1,611,941 | 7.9% |

*Source: Census 2001, Census 2011*

4.32 As shown, 7,663 additional households formed in Calderdale between 2001 and 2011, suggesting an average of 766 new households per year. The greatest proportionate increases were seen in Ryburn Valley and Luddenden Dean, Mytholmroyd & Cragg Vale, although the greatest absolute increases were in Halifax and Brighouse including Rastrick & Hipperholme.

4.33 It is important to note that the borough level of household growth is significantly higher than that seen nationally. It is important to consider this in the context of the analysis of population change where the authority saw a lower than national average rate of growth. This suggests that falling household size has continued to be an important factor in the growth in the number of households when compared with national data.

4.34 This analysis allows average household size to be calculated, by dividing the usual resident household population[46] by the total number of households in each sub-area. This is presented in the following table, with figures for 2001 and 2011 shown to allow comparison.

[46] Excluding those living in residential institutions

**Figure 4.12: Change in Average Household Size 2001 – 2011**

| Sub-Area | 2001 | 2011 |
|---|---|---|
| Brighouse including Rastrick & Hipperholme | 2.31 | 2.20 |
| Elland including Greetland & Stainland | 2.38 | 2.27 |
| Halifax | 2.40 | 2.38 |
| Hebden Bridge | 2.29 | 2.17 |
| Luddenden Dean, Mytholmroyd & Cragg Vale | 2.33 | 2.23 |
| Northowram & Shelf | 2.34 | 2.30 |
| Ryburn Valley | 2.45 | 2.33 |
| Sowerby Bridge | 2.31 | 2.17 |
| Todmorden | 2.29 | 2.18 |
| **Calderdale** | **2.36** | **2.28** |
| England | 2.36 | 2.36 |

*Source: Census 2011*

4.35 Across Calderdale, the average household size has fallen, with an average of 2.28 residents living in each household in 2011. It is evident that households in Hebden Bridge and Sowerby Bridge in particular are increasingly smaller, with larger households in Halifax and Ryburn Valley. This is despite the fact that Halifax is characterised by a high proportion of smaller stock, with this a contributing factor towards the relatively high levels of overcrowding in this sub-area (a factor considered further in section 5).

## Economic Drivers of Change

4.36 The PPG notes that likely change in employment and the local economy should be taken into account when assessing the need for housing, and this section therefore considers the economic drivers of population change in Calderdale.

4.37 Calderdale Council intends to undertake an update of its economic evidence base, with an up-to-date assessment of the economic future of Calderdale not available at the time this SHMA has been prepared. It is anticipated that this will include a detailed appraisal of likely future job growth, in compliance with the PPG, which will include analysis of economic forecasts, consultation with local businesses and a review of the implications of the identified capacity of employment land across the authority.

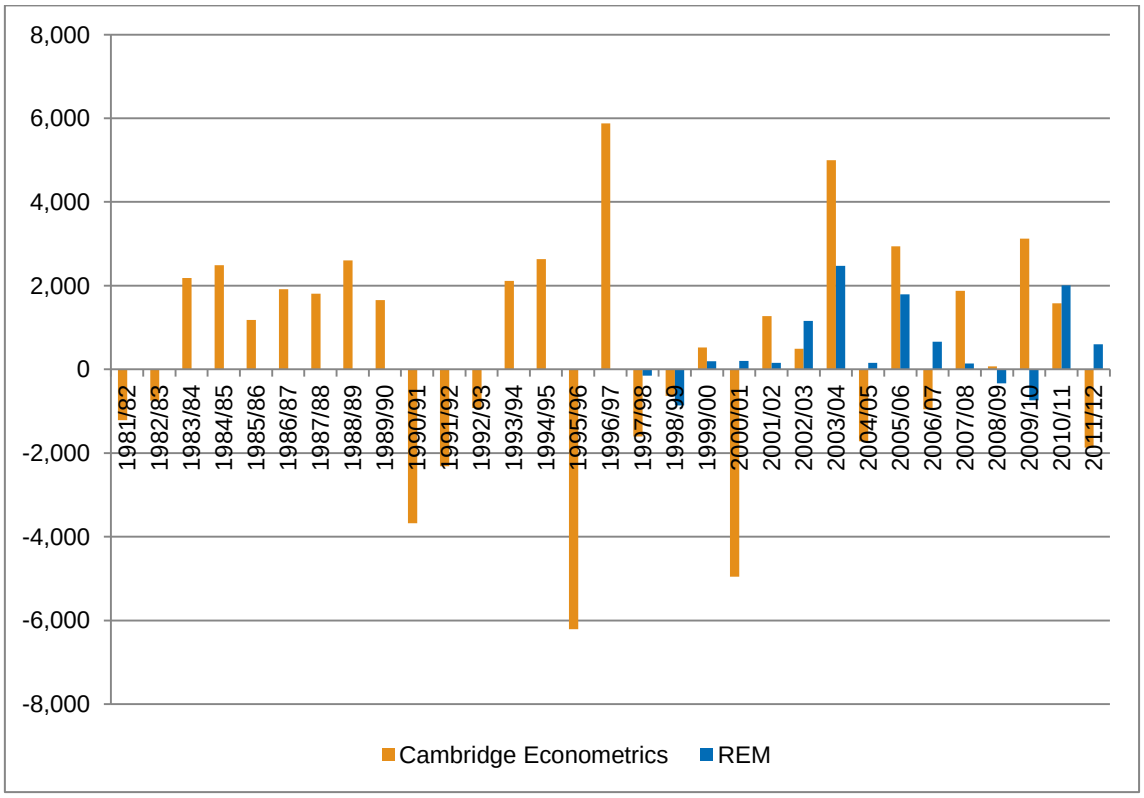
4.38 Recognising that this SHMA is being undertaken in advance of this important part of the Local Plan evidence base this section considers the latest economic forecasts produced on behalf of the Leeds City Region authorities and other authorities within the region, the Yorkshire and Humber Regional Econometric Model (REM), produced by Experian. In addition forecasts have also been sourced from a further industry-standard forecasting house Cambridge Econometrics. The REM dataset was released in November 2014, while the Cambridge Econometrics dataset is based on the August

2014 model. Whilst it is anticipated that these forecasts (or updated iterations) will be used within the Council's forthcoming economic evidence base documents the analysis in this section does not seek to undertake a detailed evaluation of these forecasts and should not be viewed as a substitute for a full employment land review evidence base.

### Historic Employment Change

4.39 The Cambridge Econometrics dataset includes data on total employment since 1981, and this therefore provides a valuable long term profile of how employment has changed in Calderdale. This is illustrated in the following graph, alongside REM data which is available from 1997.

**Figure 4.13: Historic Annual Change in Employment 1981 – 2012**




*Source: Cambridge Econometrics, 2014*

4.40 It is evident that Calderdale has seen clear periods of economic growth historically, with a sustained period of growth between 1983 and 1990 where an average of just under 2,000 jobs were created annually. The recession subsequently had an impact, however, with job losses in Calderdale. In subsequent years, while there has been significant job creation – with the creation of a total of around 9,500 jobs since 1993, according to Cambridge Econometrics – there have also been significant job losses, particularly in 1995/96 and 2000/01.

4.41 The following table summarises change in total employment since 1997 under both datasets. Evidently, both datasets show annual growth in employment over this period, although the Cambridge Econometrics data suggests a lower level of employment creation.

**Figure 4.14: Historic Change in Employment 1997 – 2012**

| | 1997 | 2012 | Change | Average annual change |
|---|---|---|---|---|
| REM | 89,445 | 96,871 | 7,426 | 495 |
| Cambridge | 94,449 | 99,588 | 5,139 | 343 |

*Source: Cambridge Econometrics, REM, 2014*

4.42 The forecasts also provide a breakdown by industry, which allows an understanding of key growth sectors in Calderdale. This is summarised in the following table, showing the number of jobs created in each industry over the period from 1997 to 2012.

**Figure 4.15: Historic Change in Employment 1997 – 2012**

| REM | | Cambridge Econometrics | |
|---|---|---|---|
| Industry | Change | Industry | Change |
| Professional and other private services | 6,613 | Financial and business services | 6,932 |
| Public services | 5,864 | Government services | 4,072 |
| Construction | 1,714 | Other services | 1,745 |
| Transport and storage | 1,566 | Construction | 1,694 |
| Accommodation, food services and recreation | 978 | Accommodation and food services | 669 |
| Wholesale and retail | 231 | Transport and storage | 174 |
| Information and communication | 123 | Agriculture | 157 |
| Extraction and mining | 21 | Electricity, gas, water etc | 66 |
| Utilities | -28 | Information and communication | 60 |
| Agriculture, forestry and fishing | -222 | Mining and quarrying | -68 |
| Finance and insurance | -556 | Distribution | -1,216 |
| Manufacturing | -8,879 | Manufacturing | -9,147 |

*Source: Cambridge Econometrics, REM, 2014*

4.43 As shown, there has been a substantial fall in the number of manufacturing jobs in Calderdale over the period analysed under both forecasts, with approximately 600 jobs lost per annum on average. There has, though, been significant growth in both the public and private service sectors. There has also been growth in the transport and storage industry and construction, while accommodation, food services and recreation has also grown.

## Forecast Employment Change

4.44 It is important to appreciate how the Calderdale economy is likely to change in future over the period considered in this study, as this is likely to be an important driver of future demand for housing, as noted in the PPG.

### *Overview of the Forecasts and Anticipated Future Updates*

4.45 As set out earlier in this section, two forecasts have been sourced from well-respected forecasting houses, Experian and Cambridge Econometrics, to inform the understanding of forecast future job growth in advance of the Council commissioning a more detailed study to consider the employment evidence base of Calderdale.

4.46 It is important to recognise that the two forecasts considered within this section are both considered to be largely policy-off – or baseline – forecasts, in that they do not directly seek to take account of planned investment or potential economic development projects.

4.47 The Regional Econometric Model (REM) – produced by Experian, who are regularly used by local authorities to inform their evidence base – provides economic and labour market estimates and forecasts for the UK, Yorkshire and the Humber region, local authority districts and city regions. Experian data is used within the model as a baseline, complemented with the application and adjustment of forecast outputs to reflect local economic understanding. In this context, Experian have confirmed the process involved:

*"When the RPS forecasts are incorporated into the REM, we run through an additional data assurance process. This involves the RPS employment and GVA inputs and consultation with clients. Adjustments are made directly where there is sound reason to do so when the local authority figure is checked back against BRES and regional workforce jobs. These adjustments are generally minor and the local authority results are controlled back to regional totals." (Experian response to Leeds Regional Economic Intelligence Unit, February 2015)*

4.48 At the time the SHMA modelling was undertaken by Edge Analytics, the latest forecasts from the REM were published in November 2014, and are summarised within this section.

4.49 Forecasts from Cambridge Econometrics – a well-respected forecasting house – were sourced by the Council to inform its Local Plan evidence base, with forecasts taken from the August 2014 iteration of the model.

4.50 Both Experian and Cambridge Econometrics operate their own bespoke integrated forecast models, with differing underpinning assumptions, and both forecasting houses are considered to be industry standard. In most cases, these begin with an assumption regarding potential future growth in the national economy, and this is subsequently broken down to local economy forecasts based on a resolution between the demand and supply for labour.

4.51 With regards to the REM (Experian) forecasts, this issue was directly explored with the Leeds Regional Economic Intelligence Unit (REIU) and Experian. This confirmed that the REM local modelling process does take into account and make short-term adjustments in the labour supply in response to demand conditions – such as when the

labour market improves significantly as seen in 2013 and 2014 – to reflect the economic reality that:

- When demand is high, the participation rate rises as potential workers are drawn into the labour force by the relatively buoyant conditions; and
- When demand is low, the participation rate declines as disillusioned workers leave the labour force because of the poor job market conditions.

4.52 In this context, the REIU confirmed via written correspondence:

*"This effect is visible in the current baseline REM data for Calderdale which sees both the employment rate and overall economic activity rate rise more sharply in response to the increased demand in the labour market – this uplift is then reflected in the long term forecasts with Experian taking the view that the rate of employment will slow and that this will also mean that the increases in the overall participation rate will also slow (this is the logic which drives the current assumptions on how the rate economic activity or participation will change) – the overall effect of this is ultimately determined by the amount and rate of change in the regional work force jobs total." (REIU correspondence February 2015)*

4.53 Further to this Experian have subsequently also produced a recent briefing note[47] in which it is recognised that future change in the composition of the population will have a significant economic impact, with Experian assuming that older workers will form an increasing proportion of the potential labour force. Experian expect participation rates to increase across all older bands for both men and women, particularly with the UK economy becoming more service-oriented, although many could be expected to work reduced hours.

4.54 This forms an important context in considering the modelling outputs produced by Edge Analytics in section 6. This modelling includes demographic scenarios run using POPGROUP which constrains population growth to job constraints including outputs from the REM. This demographic modelling applies adjustments to economic activity rates only to older age groups to take account of changes to pension ages, to a large extent, and does not include further variations of rates, as it is implied are integrated within the REM. Given the uncertainty associated with future economic conditions, the modelling presented in section 6 can therefore be considered as potentially taking a more 'prudent' set of assumptions to model the scale of labour-force growth implied as being required to support the input level of job growth[48].

4.55 It is important to recognise that population projections are an important input component to the forecasting model. Within the various economic forecast models, population can, for example, act as a constraint on job potential in an area where labour supply is projected to fall short of employment demand. In this context, again with reference to the REM, the REIU confirmed:

[47] Experian (2015) Employment Activity and the Ageing Population

[48] The REIU noted in the same correspondence: *it is important to say that structural economic models like the REM are not designed to show or forecast when economic cycles (no model can do this) – it should be borne in mind that when economic cycles change this will have an effect on the demand for and the supply of labour at national, regional and local level.*

*"In general terms we do not believe that population growth in Calderdale is acting as a constraint on job growth in Calderdale – we have arrived at this view based on a review of labour market and demographic trends in the REM and also taking into account Experian's input.*

*Whilst the REM is based on SNPP 2012 data and does not explicitly take into account the Edge forecasts the broad conclusion from both sets of forecasts (SNPP and Edge) is that the district has a sufficient surplus of total working age population (relative to work place based employment) to meet the forecast demand for labour at the local level in the short to medium term. The longer term picture suggests that this surplus will narrow but should not be structural in nature – indeed it is forecast that more of Calderdale's working age population will commute to work (in other LA areas) by 2031" (REIU correspondence February 2015)*

4.56 The important connection between population and forecast job growth is intended to represent the focus of the future development of the REM by the REIU in 2015/16. A short program of development work has been designed to upgrade the REM's capacity and capability to test and model key demographic variables whilst also allowing users to model new economic variables including economic participation and commuting flows. The intention is for this development work to be integrated into the next full update of the REM (scheduled to be undertaken in 2015/16). This updated facility will represent an important opportunity for Calderdale to re-consider the relationship between these two factors and compare and contrast the modelling outputs presented in section 6 of this report.

***Forecast outputs***

4.57 The following table shows how total employment is forecast to change between 2012 and 2031 under both forecasts, with 2012 the latest year of historic recorded data (as opposed to a forecast figure) in both forecasts[49].

**Figure 4.16: Forecast Employment Change 2012 – 2031**

| | 2012 | 2031 | Change | Average annual change |
|---|---|---|---|---|
| REM | 96,871 | 107,425 | 10,554 | 555 |
| Cambridge | 108,242 | 99,588 | 8,654 | 455 |

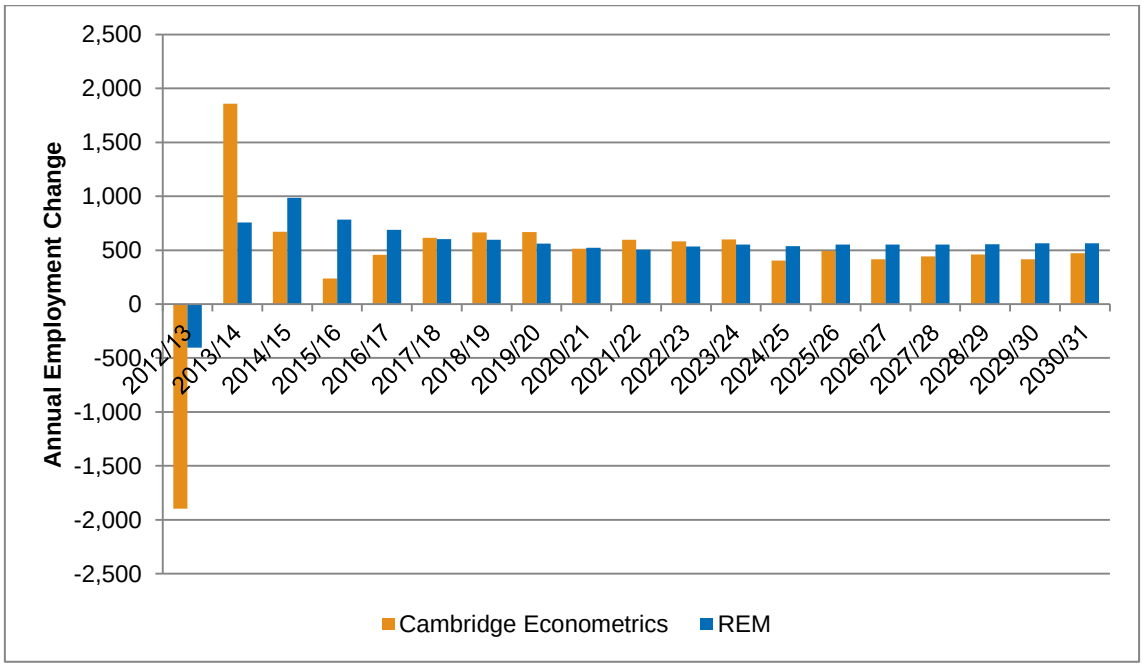
*Source: Cambridge Econometrics, REM, 2014*

4.58 There is evidently some variation in forecast levels of job growth, although annual growth in employment is forecast in both the REM and Cambridge Econometrics models. The latter expect 455 jobs to be created on average annually, while the REM expects 555 jobs to be created.

4.59 The overall trajectory of change is shown in Figure 4.17.

[49] Note – the scenarios developed in this report are projected to 2033, and – given that economic forecasts only stretch to 2031 – the more recent trend is extrapolated forward to 2033

**Figure 4.17: Forecast Annual Employment Change 2012 – 2031**




*Source: Cambridge Econometrics, REM, 2014*

4.60 The most notable difference between the two forecasts relates to change between 2012 and 2014, with Cambridge Econometrics forecasting a sizeable decline in 2012/13 followed by a year of significant creation, which then slows to 2016. The REM forecast, however, shows – following a moderate decline in 2012/13 – an increase in job creation to 2015, which slows to around 500 jobs per annum throughout the forecast period

4.61 Both forecasts also provide an industrial sector breakdown, allowing a more detailed understanding of the key sectors which are forecast to drive growth in Calderdale. This is summarised in the following table, which highlights total growth over the period from 2012 to 2031 based on both Experian and REM forecasts.

**Figure 4.18: Forecast Employment Change by Industry 2012 – 2031**

| REM | | Cambridge Econometrics | |
|---|---|---|---|
| Industry | Change | Industry | Change |
| Professional and other private services | 5,130 | Financial and business services | 5,416 |
| Accommodation, food services and recreation | 2,879 | Construction | 1,990 |
| Public services | 2,269 | Distribution | 971 |
| Construction | 1,652 | Transport and storage | 839 |
| Wholesale and retail | 1,499 | Government services | 600 |
| Transport and storage | 520 | Accommodation and food services | 568 |
| Information and communication | 429 | Information and communication | 167 |
| Utilities | 50 | Agriculture | 155 |
| Extraction and mining | -10 | Electricity, gas, water etc | 100 |
| Agriculture, forestry and fishing | -158 | Mining and quarrying | -25 |
| Finance and insurance | -641 | Other services | -101 |
| Manufacturing | -3,067 | Manufacturing | -2,025 |

*Source: Cambridge Econometrics, REM, 2014*

4.62 Both forecasts show a considerable growth in professional services, with growth in this sector expected to offset a forecast decline in the number of people employed in manufacturing. Accommodation, food services and recreation are forecast to be a key growth industry under the REM dataset alongside public services, while construction and – to a lesser extent – distribution are also expected to drive growth in Calderdale.

4.63 The REM forecasts also include a breakdown by Local Plan sub-area, allowing an understanding of levels of job creation within each of the sub-areas analysed in this report. The following table summarises the total change in FTE employment forecast by the REM, presented as a total figure and proportional rate of change. It is important to note that the figures in this table are based on FTE jobs, and are therefore not directly comparable to Figure 4.16 which measured total employment.

**Figure 4.19: REM Local Plan sub-area forecasts 2012 – 2031**

| Sub-Area | Total change in FTE jobs 2012 – 2031 | % change |
|---|---|---|
| Brighouse including Rastrick & Hipperholme | 1,031 | 8.6% |
| Elland including Greetland & Stainland | 1,241 | 11.9% |
| Halifax | 6,193 | 14.8% |
| Hebden Bridge | 208 | 10.4% |
| Luddenden Dean, Mytholmroyd & Cragg Vale | 303 | 11.9% |
| Northowram & Shelf | 150 | 15.8% |
| Ryburn Valley | 409 | 21.1% |
| Sowerby Bridge | 218 | 6.7% |
| Todmorden | 225 | 6.9% |
| **Calderdale** | **9,978** | **12.8%** |

*Source: REM, 2014*

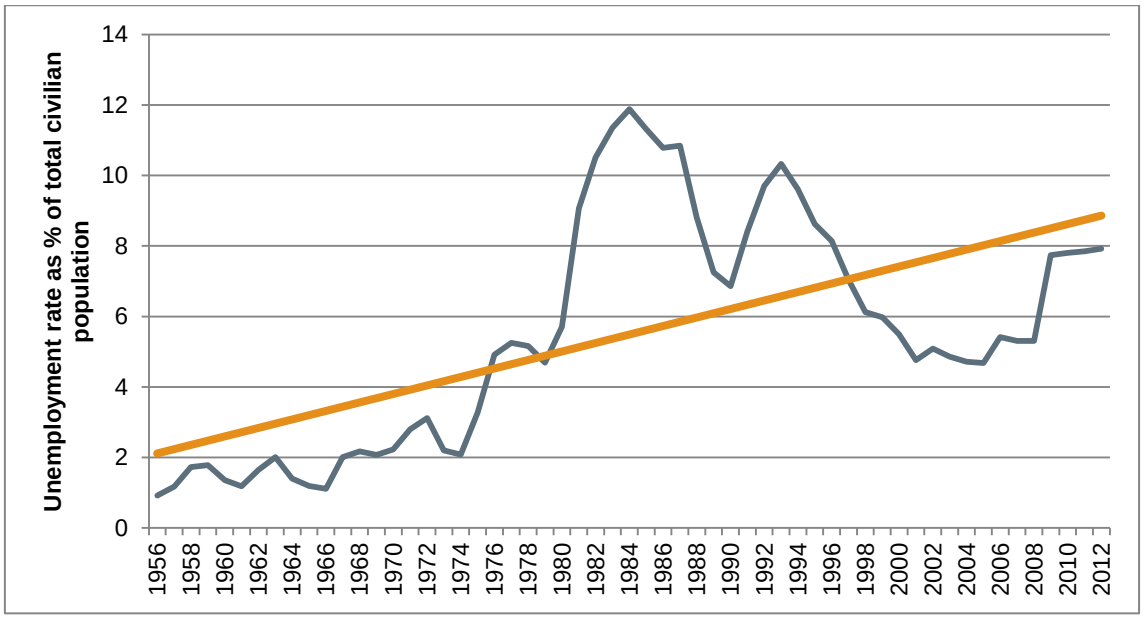
4.64 As shown, it is evident that the REM expects the majority of jobs – around 62% – to be created in Halifax, although some degree of job growth is also forecast in Brighouse including Rastrick & Hipperholme and Elland including Greetland & Stainland. Northowram and Shelf and Ryburn Valley are also expected to create jobs at a faster rate than the borough average.

### Unemployment

4.65 Unemployment is an important indicator of latent capacity in the local labour force, with economically active but unemployed residents able to make a valuable contribution to future growth in the economy.

4.66 It is important to understand unemployment in Calderdale within a national context, with the following graph showing unemployment rates – as a proportion of the civilian population – since 1956 across the entirety of the UK. The overlaid trend line shows that unemployment has increased from very low levels in the 1950s and 1960s, with the unemployment rate over the whole period – from 1956 to 2012 – standing at 5.5%.

**Figure 4.20: National Unemployment Rate 1956 – 2012**




*Source: OECD Statistics*

4.67 Evidently, the graph also shows that – more recently – unemployment levels have increased substantially, following the onset of the national economic recession. However, more recent indicators suggest a return to consistent economic growth through 2013 and into 2014. This has been reflected in falling unemployment rates at a national level, as the slack in the labour force is re-used.

4.68 The Economic and Fiscal Outlook[50], published by the Office for Budget Responsibility (OBR), sets out how the unemployment rate is forecast to change nationally over the next five years. The national unemployment rate is expected to fall from 6.2% in 2014 to 5.3% in 2018, suggesting that – in headline terms – the OBR forecasts a return to a level of unemployment more akin to the long-term average by 2018. The July (2015) Economic Indicators Briefing Paper[51] confirmed that the unemployment rate for the UK was 5.5% down 0.1% points on the previous quarter and 1.1% points on the previous year. This level is slightly higher than that seen prior to the onset of the recession in the UK.

4.69 A more detailed review of the latest available and historic labour force datasets has been undertaken for Calderdale, recognising that this forms an important consideration in understanding the potential input of the latent labour force to accommodate future job growth. This will also help to determine the additional labour force required for economic growth potential to be realised in full, which will increase demand for housing.

4.70 The following table presents annual unemployment rates for Calderdale between 2004 and 2013, based on the Annual Population Survey (APS). A range of average rates are presented based on recession and pre-recession periods, calculated over the years to the base date of the projections in 2012. As shown, prior to the recession, the

[50] Office for Budget Responsibility (March 2015) Economic and Fiscal Outlook
[51] Briefing Paper (No. 7248) 'Economic Indicators (July 2015), House of Commons Library

unemployment rate in Calderdale was notably lower, although this increased during the recession – peaking in 2010.

**Figure 4.21: Change in Unemployment 2004 – 2013**

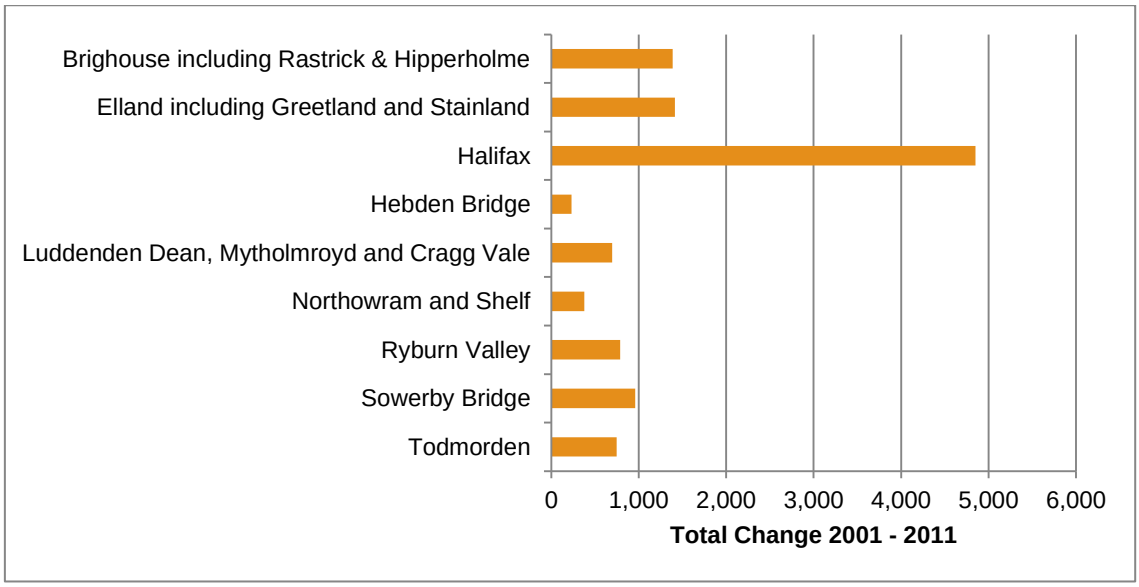
| Year | Unemployment rate |
|---|---|
| 2004 | 4.8% |
| 2005 | 2.5% |
| 2006 | 4.9% |
| 2007 | 4.8% |
| 2008 | 5.6% |
| 2009 | 8.5% |
| 2010 | 9.5% |
| 2011 | 7.7% |
| 2012 | 7.5% |
| 2013 | 8.9% |
| **Pre-recession (2004 – 07)** | **4.3%** |
| **Post-recession 5 year average (2008 – 12)** | **7.8%** |
| **9 year average (2004 – 12)** | **6.2%** |

*Source: Edge Analytics, ONS via Nomis, 2014*

### Change in Labour Force

4.71 It is also important to understand how the size of the labour force has changed historically, and the analysis undertaken by Edge Analytics allows an understanding of this factor. The total change in the size of the labour force is shown in the following graph. As shown, Halifax has seen the greatest growth in the size of labour force, with an increase of almost 5,000. Conversely, there has been little growth in Hebden Bridge.

**Figure 4.22: Change in Labour Force 2001 – 2011**




*Source: Edge Analytics, 2014*

## Bringing the Evidence Together

4.72 This section has considered and analysed demographic and economic drivers of housing demand in Calderdale, allowing a number of conclusions to be made:

- The population has increased by around 11,400 in Calderdale between 2001 and 2011, with all sub-areas seeing an increase in population – albeit of varying scales. While Hebden Bridge saw a modest increase, the population of Halifax grew significantly. Proportionally, though, the greatest increase was in Ryburn Valley, with this driven by an increase in housing stock in this sub-area;

- Calderdale has seen a significant population growth since 1999, reversing the slight decline seen over the preceding decade. Population has grown year-by-year in Calderdale since 2001, with natural change an increasingly significant driver of change. Internal migration has also driven population growth, although this has shrunk over recent years. International migration generally peaked in the early years of the past decade, but has increased again over recent years. At a local level, the impact of migration in driving population growth is evident, while many areas have seen an improved balance between births and deaths, with a surplus of the former driving natural population growth in many areas;

- Since 2001, Calderdale has seen a notable fall in the number of residents aged 30 to 40, with a reduction in the number of children aged 5 to 15. Indeed, it is evident that the borough is following the national trend in seeing an ageing of the population, with the mean age increasing between 2001 and 2011;

- At a sub-area level, Halifax has a relatively high proportion of residents aged 15 and under, suggesting that the town is a popular location for families. Hebden

Bridge and Northowram & Shelf contain a high proportion of residents aged 45 and over, while almost one in five residents in the latter are over 65;

- Calderdale sees a significant net outflow of younger people aged 15 to 19, with this typically associated with students moving to study at University. There is, though, a net inflow of many subsequent age groups, suggesting that some students and young people return to the borough after completing higher education;

- There has been a significant increase in the number of National Insurance registrations in Calderdale – peaking in 2007 – with this largely driven by significant inmigration from EU Accession countries from 2005 following the enlargement of the European Union. There is also notable inmigration from Asia and the Middle East. The majority of registrants are aged 34 and under, with relatively few older international migrants;

- Between 2001 and 2011, 766 new households formed per year, with the greatest proportionate increase in Ryburn Valley and the greatest absolute increases in Halifax. Average household size has fallen, with households in Hebden Bridge and Sowerby Bridge in particular increasingly smaller. Interestingly, Halifax has the largest household size, despite this area being characterised by a high proportion of smaller stock. This is a driving factor in the relatively high levels of overcrowding in Halifax, considered further in section 5;

- Both Cambridge Econometrics and the REM show annual growth in employment between 1997 and 2012, although the scale of growth recorded is variable with the former suggesting that around 340 new jobs were created annually and the latter indicating a higher level of growth equivalent to around 500 jobs per annum. Both forecasts have shown a substantial fall in the manufacturing sector, although this has coincided with notable growth in service industries – both public and private;

- The local economy in Calderdale is expected to continue to grow, with the REM forecasting the creation of 555 jobs per annum between 2012 and 2031 while Cambridge Econometrics forecast 455 new jobs annually over the same period. Both forecasts project a continued growth in professional services, which is forecast to offset a decline in the number of people employed in manufacturing;

- The REM also includes a breakdown by Local Plan sub-area, which shows that the majority of jobs are forecast to be created in Halifax. Some degree of job growth is also forecast in Brighouse including Rastrick & Hipperholme and Elland including Greetland & Stainland. Northowram and Shelf and Ryburn Valley are also expected to create jobs at a faster rate than the borough average; and

- Unemployment in Calderdale has historically been relatively low, but the recession saw an increase in the proportion of unemployed residents in the borough. Indeed, during the recession, the unemployment rate reached 7.8%, compared to a long-term 9 year average of 6.2%. This suggests that there is an element of labour-force ‘slack’ which needs to be considered in the context of

future job growth. There has also been growth in the size of the labour force since 2001, particularly in Halifax.

# 5. Market Signals

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

5.2 The PPG states:

*"The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Prices or rents rising faster than the national/local average may well indicate particular market undersupply relative to demand."*[52]

5.3 The PPG sets out six market signals which should be reviewed:

- Land prices;
- House prices;
- Rents;
- Affordability;
- Rate of development; and
- Overcrowding

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

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

*In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable. The more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (eg the differential between land prices), the*

[52] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_019

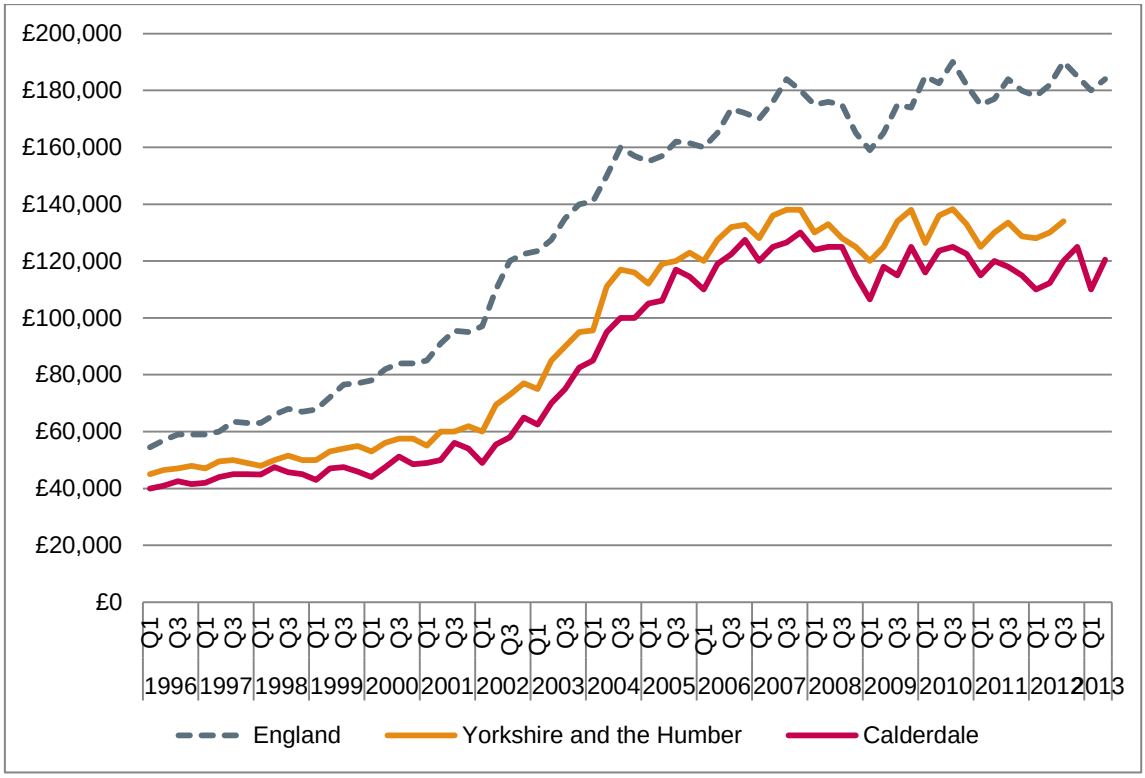
*larger the improvement in affordability needed and, therefore, the larger the additional supply response should be."*[53]

5.5 This section therefore contains an overview of the key market signals identified in the PPG, in order to determine how the housing market operates. This will have implications for the overall objective assessment of housing need – considered in section 9 – and will also form a key consideration in assessing the number of households that are, or will be, in need of affordable housing, as set out in section 7.

## House Prices

5.6 The PPG states that longer term increases in house prices can be indicative of an imbalance between supply and demand. DCLG provide information on median house prices, based on the Land Registry, enabling the analysis of long-term house price trends. The graph below shows median house prices in Calderdale, with the regional and national average also shown for context[54].

**Figure 5.1: Median House Price Change 1996 – Q2 2013**




*Source: DCLG, 2015*

5.7 As shown, house prices in Calderdale have been lower than the national and regional averages since 1996. There has, though, been significant growth in house prices up to 2007, which was followed by a period of stabilisation where there was little real growth

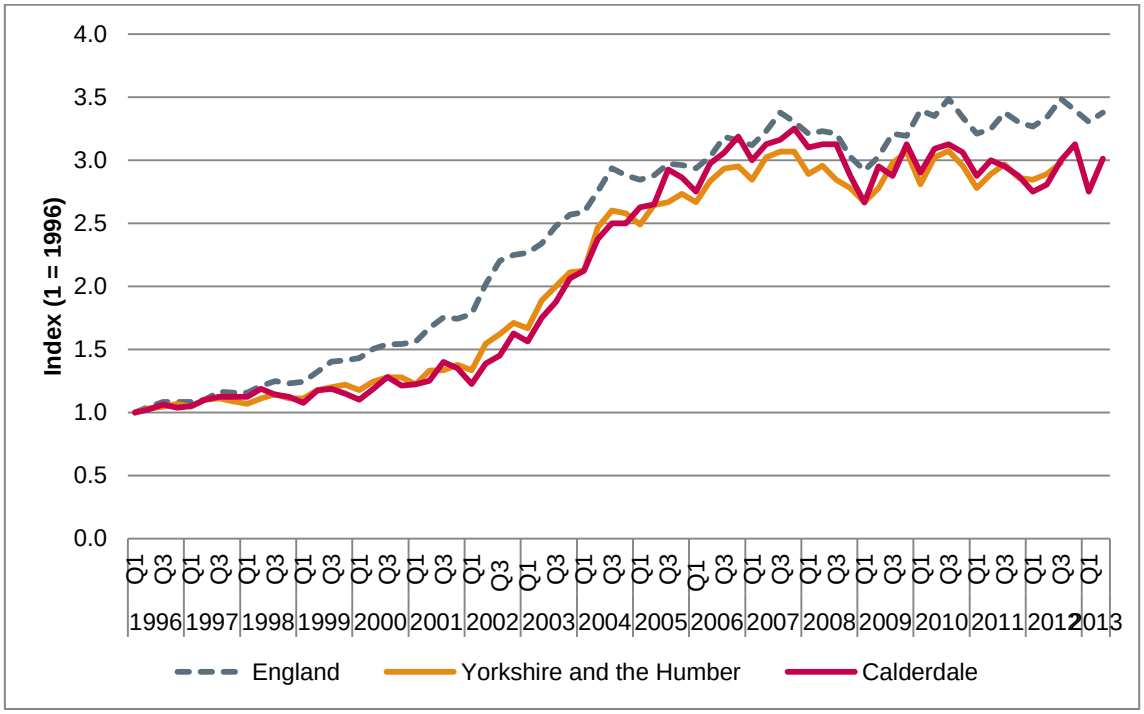
[53] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_020

[54] Note – regional averages were discontinued from 2011

in value. This was a consequence of the global economic downturn, which saw a decline in housing market activity as households struggled to access mortgage finance.

5.8 Furthermore, change in median house prices can be indexed to 1996 to show the rate of change. This is an important indicator highlighted in the PPG, which states that prices rising faster than the national or regional average can suggest an undersupply relative to demand. House price change in Calderdale, as well as regionally and nationally, is shown in the graph below.

**Figure 5.2: Indexed House Price Change 1996 – Q2 2013**




*Source: DCLG, 2015*

5.9 This indicator suggests that house prices in Calderdale have grown at a slightly faster rate than the wider region since 2004. Furthermore, prior to the economic downturn, the rate of growth was similar to that seen nationally, although there has been a slower recovery in values than seen in England as a whole.

5.10 It is important to note that available DCLG datasets contain an inherent time delay, and given the continued national recovery in the housing market, it is therefore beneficial to bring average values up to date. This can be achieved through analysis of Land Registry data, which records every residential transaction up to the full calendar year of 2014. Average values in 2014 are therefore summarised in the following table, with the rate of longer term change presented by drawing comparison with average values in 2001. Neighbouring authorities and the national average are also shown to enable relevant comparisons to be made, in accordance with the PPG.

**Figure 5.3: Change in Average House Price 2001 – 2014**

| | Average Price Paid 2001 | Average Price Paid 2014 | % Change 2001 – 2014 |
|---|---|---|---|
| England | £73,117 | £260,692 | 256.5% |
| Oldham | £55,957 | £134,253 | 139.9% |
| Pendle | £49,071 | £115,547 | 135.5% |
| Kirklees | £67,821 | £153,898 | 126.9% |
| Rossendale | £59,867 | £135,722 | 126.7% |
| **Calderdale** | **£65,274** | **£146,851** | **125.0%** |
| Bradford | £65,949 | £146,648 | 122.4% |
| Burnley | £45,444 | £96,318 | 111.9% |
| Rochdale | £63,652 | £133,077 | 109.1% |

*Source: Land Registry, 2015*

5.11 While the table shows that none of the authorities – or neighbouring areas – have seen house price growth at the same level as seen nationally, there is notable local variation in the rate of growth. The rate of growth between 2001 and 2014 in Calderdale exceeded that seen in Bradford, Burnley and Rochdale, but was lower than other neighbouring authorities or indeed the national rate of growth over this period.

5.12 A more detailed analysis can be undertaken at sub-authority level, in order to identify housing market characteristics within Calderdale. Land Registry data records the price paid in residential transactions, with data available to cover the period from January to December 2014.

5.13 The table below provides a summary of the average price paid for residential properties in each sub-area of Calderdale. The low 'base-prices' in the range are likely to reflect shared ownership transactions or other forms of 'intermediate' housing sales. These account for a relatively small amount of overall transactions.

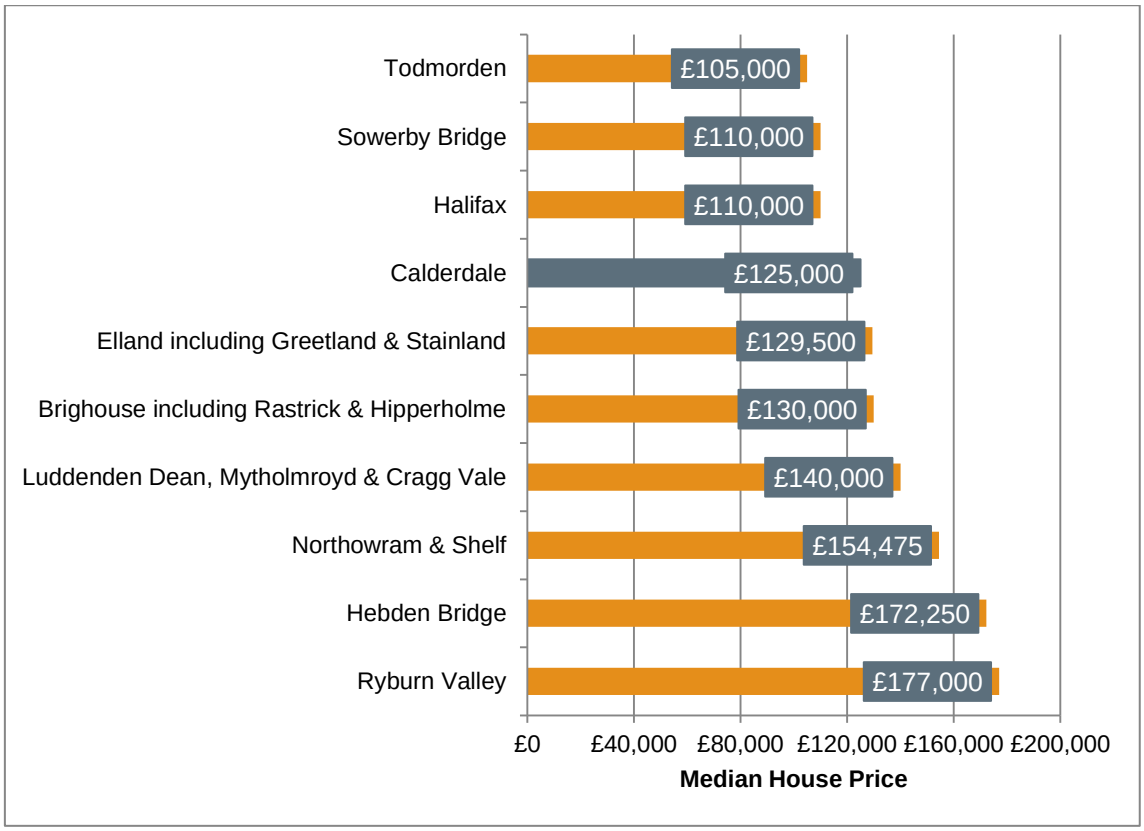
**Figure 5.4: Residential Transactions January – December 2014**

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

*Source: HM Land Registry, 2015*

5.14 The graph below ranks the sub-areas, based on median house prices, and this shows that Ryburn Valley and Hebden Bridge had the highest median house prices in the borough over the period analysed. In contrast, the lowest median house prices were in Todmorden and Halifax, with Sowerby Bridge also falling below the authority average.

**Figure 5.5: Median House Price by Sub-Area 2014**




*Source: HM Land Registry, 2015*

5.15 It is also possible to disaggregate house prices by housing type, to show the variation in prices for comparable properties. This is summarised in the table below.

**Figure 5.6: Mean Price Paid by Housing Type 2014**

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

*Source: HM Land Registry, 2015*

5.16 For all property types, with the exception of flats, Hebden Bridge and Ryburn Valley are the most expensive areas of Calderdale. In contrast, Sowerby Bridge, Halifax and Todmorden have the lowest average prices for these types of property. Semi-detached property in Todmorden does, though, command a higher average price than the authority average.

5.17 For flatted property, different trends emerge, with Hebden Bridge containing the highest priced flats on average. Flat prices were also relatively high in Luddenden Dean, Mythomroyd & Cragg Vale. The lowest price flats were located in Brighouse including Rastrick & Hipperholme, Sowerby Bridge and Todmorden.

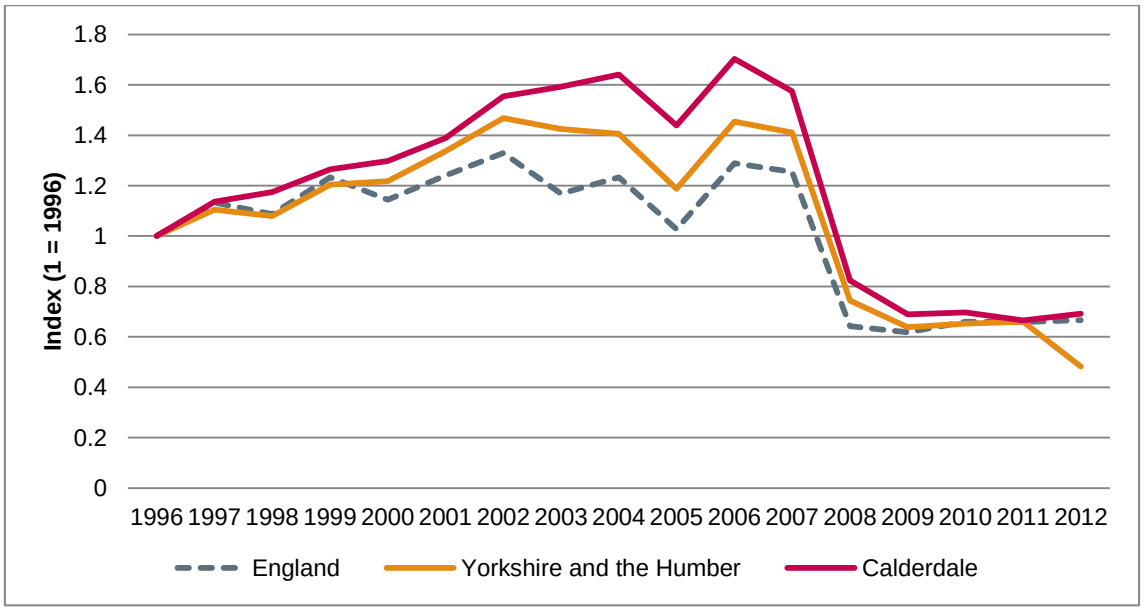
5.18 Crucially, the number of transactions influences the calculated average prices, and the next subsection provides an overview of the volume of sales, and how this provides an indicator of demand for property.

### Sales Volumes

5.19 While not explicitly highlighted as a market signal in the PPG, it is beneficial to consider how the number of house sales has changed in Calderdale. This provides valuable context on the operation and relative health of the housing market, with a fall in demand likely to be a key driver in changing house prices.

5.20 The graph below shows the volume of residential transactions, which can be used as an indicator of demand. For clarity, transactions have been indexed, with a base date of 1996, to allow the effective comparison between Calderdale, Yorkshire and the Humber and England.

**Figure 5.7: Indexed Residential Transactions 1996 – 2012**




*Source: DCLG, 2015*

5.21 Since 2007, it is clear that the volume of residential transactions has decreased dramatically, as a consequence of the credit crunch and subsequent issues in accessing mortgage finance. Interestingly, prior to the decline, the market in Calderdale was relatively strong, with the number of transactions increasing at a faster rate than regionally or nationally.

5.22 At a sub-authority level, utilising Land Registry data, some areas have inevitably seen a higher level of transactional activity than others, for a variety of reasons – including variation in population size and the size of the housing stock. The table below summarises the number of transactions within each sub-area, disaggregated by type of property sold.

**Figure 5.8: Volume of Transactions by Property Type 2014**

| Sub-Area | Total | Detached | Semi-Detached | Terraced | Flat |
|---|---|---|---|---|---|
| Brighouse including Rastrick & Hipperholme | 546 | 92 | 182 | 246 | 26 |
| Elland including Greetland & Stainland | 366 | 58 | 94 | 167 | 47 |
| Halifax | 1,201 | 150 | 352 | 619 | 80 |
| Hebden Bridge | 166 | 24 | 15 | 120 | 7 |
| Luddenden Dean, Mytholmroyd & Cragg Vale | 181 | 28 | 36 | 92 | 25 |
| Northowram & Shelf | 160 | 37 | 62 | 56 | 5 |
| Ryburn Valley | 185 | 48 | 28 | 73 | 36 |
| Sowerby Bridge | 232 | 32 | 54 | 127 | 19 |
| Todmorden | 218 | 21 | 36 | 151 | 10 |
| **Calderdale** | 3,255 | 490 | 859 | 1,651 | 255 |

*Source: HM Land Registry, 2015*

5.23 While, at the peak of the market, 5,606 transactions were recorded in Calderdale in 2006, there were 3,255 residential sales in the borough in 2014, illustrating the sustained lower levels of activity over recent years. Over half of transactions related to terraced properties, reflecting the concentration of this housing type in the borough. Around a quarter of transactions related to semi-detached properties, and there were relatively few detached and – particularly – flatted transactions.

## Rents

5.24 The PPG notes that, in assessing housing need, the rental market should also be considered, in order to establish the cost of consuming housing in an area. The PPG notes that longer term changes in rental levels may indicate an imbalance between demand for and supply of housing.

5.25 It is therefore important to establish an understanding of the private rental market in Calderdale. Data published by the Valuation Office Agency (VOA) collates information provided by private rental landlords, and proves a useful starting point for this assessment. The latest available data includes both lower quartile and median rents for local authorities for the period from April 2014 to March 2015. This data is presented for Calderdale, Yorkshire and the Humber and England in the table below.

**Figure 5.9: Monthly Private Rental Cost 2014/15**

| | | Number of Bedrooms | | | | |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4+ | All |
| **Lower Quartile** | Calderdale | £350 | £425 | £495 | £650 | £425 |
| | Yorkshire and the Humber | £350 | £425 | £475 | £695 | £400 |
| | England | £425 | £495 | £550 | £825 | £475 |
| **Median** | Calderdale | £395 | £450 | £550 | £750 | £475 |
| | Yorkshire and the Humber | £400 | £477 | £550 | £900 | £495 |
| | England | £525 | £595 | £675 | £1,175 | £600 |

*Source: VOA, 2015*

5.26 As shown, on average it is less expensive to rent a property in Calderdale compared to the national cost. A lower quartile property – used to model the cheaper, more accessible end of the market – is on average 11% cheaper in Calderdale, with a mid-market (median) property 21% cheaper on average.

5.27 In calculating an annual cost of privately renting a house in Calderdale, the average private rented property at the lower end of the market in Calderdale costs £5,100 per year, rising to £5,700 for a mid-market property.

5.28 It is helpful to understand how rents have changed in Calderdale, and values in the table above can be compared against earlier data releases by VOA. This is summarised in the following table for Calderdale and England

**Figure 5.10: Change in Median Monthly Private Rent 2011 – 2013**

| Number of bedrooms | Calderdale | | | England | | |
|---|---|---|---|---|---|---|
| | Year to June 2011 | Year to March 2015 | Change | Year to June 2011 | Year to March 2015 | Change |
| 1 bedroom | £375 | £395 | 5.3% | £495 | £525 | 6.1% |
| 2 bedrooms | £450 | £450 | 0.0% | £550 | £595 | 8.2% |
| 3 bedrooms | £550 | £550 | 0.0% | £650 | £675 | 3.8% |
| 4+ bedrooms | £700 | £750 | 7.1% | £1,000 | £1,175 | 17.5% |
| **All** | **£450** | **£475** | **5.6%** | **£570** | **£600** | **5.3%** |

*Source: VOA, 2015; VOA, 2011*

5.29 As shown, median rental values have shown signs of growth in Calderdale, with the average rent for all properties increasing at a slightly faster rate than seen nationally. The greatest change has been for smaller, one bedroom properties and larger

properties with four bedrooms or more, suggesting high demand for such properties that may be outstripping supply.

5.30 A further assessment of rental values can be done through primary research. In June 2015, a review of properties advertised on Rightmove was undertaken to identify rental values within Calderdale, with this analysis allowing variations between sub-areas to be identified. Median and lower quartile values for each sub-area are presented in the following table. It should be noted that where values are marked with an asterisk (*), this value has been calculated from a small sample size of one property only, and therefore the indicative average value should only be given limited weight. Where the value in the table is blank, this indicates that there was no advertised property of this type in Calderdale at the time of the assessment.

**Figure 5.11: Monthly Private Rental Cost by Sub-Area 2015**

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

*Source: Rightmove/Turley 2015*

5.31 The table illustrates that, within Calderdale, private rented property is available for a range of monthly rents. Broadly, Halifax, Todmorden and Sowerby Bridge include the most affordable rental property in the borough. In contrast, rental property is relatively expensive in Luddenden Dean, Mytholmroyd & Cragg Vale, Ryburn Valley and Hebden Bridge.

## Affordability

5.32 Nationally, the housing market has undergone significant change in recent years, with the recent economic downturn constraining the availability of mortgage finance.

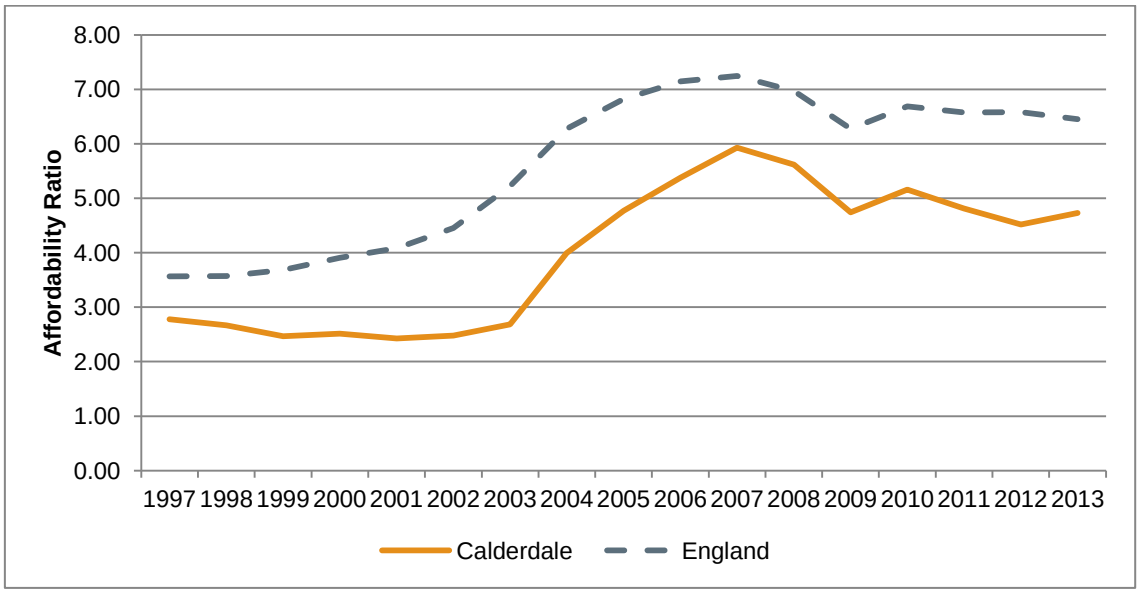
5.33 First time buyers, and those households purchasing at the height of the market, now find themselves in a more challenging position when looking to either buy a home or move home. Many younger households are increasingly turning to parents for deposit contributions, or looking to alternative housing products with lower immediate financial requirements.

5.34 Nationally, this has resulted in a considerable reduction in the number of residential transactions, with many households either saving for a deposit, deciding to remain in their current home due to economic insecurity or looking to the social rented or private rented sector as an alternative option.

5.35 The PPG asserts that it is necessary to assess the relative affordability of housing within an area with this involving a comparison of housing costs against the ability to pay.

5.36 Statistics published by DCLG show how the relationship between lower quartile house prices and lower quartile earnings has changed over recent years both in Calderdale and nationally. This provides an indication of how affordability at the lower end of the market has changed, as shown in the following graph.

**Figure 5.12: Change in Affordability Ratio 1997 – 2013**

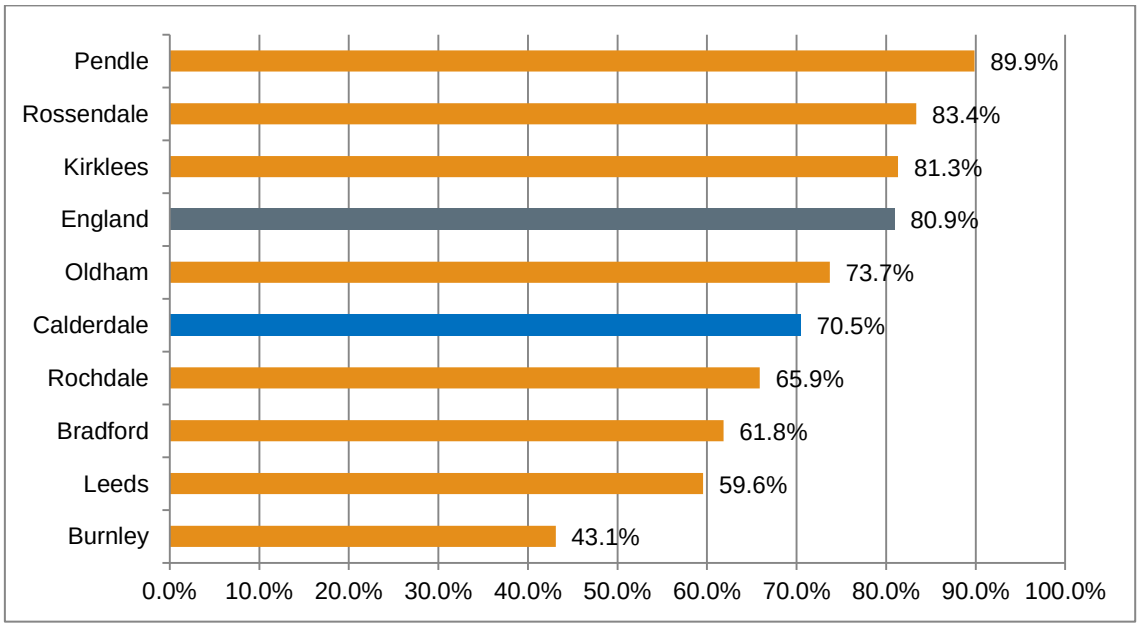



*Source: DCLG, 2014*

5.37 Calderdale clearly has historically remained more relatively affordable than the national average, with a household in 2013 required to spend around 4.5 years' income on the cost of purchasing a house at the lower end of the market. This notably worsened between 2003 and 2007, but has since improved and stabilised. Affordability does, however, remain considerably worse than the late 1990s, highlighting the increasing difficulties faced by households in affording the cost of housing.

5.38 It is beneficial to place this analysis within the context of neighbouring authorities – and the national picture – and the following graph therefore summarises the rate of long-term growth in affordability ratios between 1997 and 2013.

**Figure 5.13: Change in Affordability Ratio 1997 – 2013**




*Source: DCLG, 2014*

5.39 This suggests that the rate of affordability change in Calderdale surpasses the change seen in half of the neighbouring authorities, despite falling below the national rate and areas such as Pendle, Rossendale, Kirklees and Oldham.

## Rate of Development

5.40 The PPG suggests that the recent supply of new dwelling should be analysed in order to identify any shortfalls against planned provision as an indicator of previous under-delivery. The PPG states that:

*"If the historic rate of development shows that actual supply falls below planned supply, future supply should be increased to reflect the likelihood of under-delivery of a plan."*[55]

5.41 This section considers a range of development indicators to consider the implications of historic provision on future need analysis.

[55] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_019

## Net Completions

5.42 Annual monitoring undertaken by Calderdale Council allows net dwelling completions to be analysed in order to understand recent development trends in the borough.

**Figure 5.14: Net Dwelling Completions 2004/05 – 2013/14**

| Year | Completions | Losses | Net Completions |
|---|---|---|---|
| 2004/05 | 1,043 | 215 | 828 |
| 2005/06 | 1,234 | 55 | 1,179 |
| 2006/07 | 1,397 | 34 | 1,363 |
| 2007/08 | 1,399 | 49 | 1,350 |
| 2008/09 | 768 | 59 | 709 |
| 2009/10 | 707 | 3 | 704 |
| 2010/11 | 494 | 7 | 487 |
| 2011/12 | 513 | 23 | 490 |
| 2012/13 | 510 | 5 | 505 |
| 2013/14 | 373 | 34 | 339 |
| **Total** | **8,438** | **484** | **7,954** |
| **Average per annum** | **844** | **48** | **795** |

*Source: Calderdale Council, 2015*

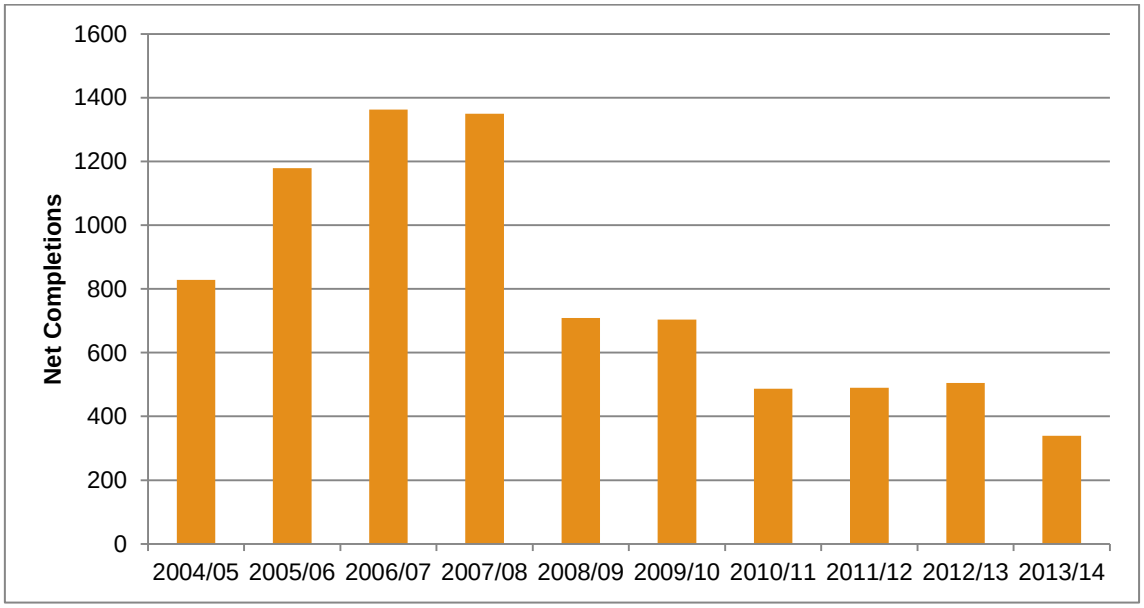
5.43 On average, over the period shown, 795 net additional dwellings have been delivered per annum, although it is evident that the delivery rate has been variable. In particular, early in this period, net completions were notably higher, with an average of 1,180 dwellings delivered per annum between 2004/05 and 2007/08. Stakeholder engagement suggests that the higher rate of delivery was partially linked to a focus on mill conversions, while the previous SHMA[56] indicates that the borough successfully grew the total stock of aspirational housing – in Council Tax band D and above – between 2001/02 and 2008/09.

5.44 Since then, however, the impact of the economic recession and subsequent slowdown in house building is clear, with the annual delivery rate falling such that – over the last five years – only 505 dwellings have been delivered annually on average. It is also clear that housebuilding in Calderdale has been slow to recover since the recession, with little real growth in the scale of delivery. Stakeholder engagement suggested that this could be linked to the diminished role of smaller regional and local housebuilders, who have historically played a role in delivering housing in Calderdale. Many of these builders went out of business during the recession, with any replacement housebuilders facing increased challenges in obtaining the finance required to develop housing. It was also noted by stakeholders that the topography of the borough means that the development of sites often requires specialist knowledge and skills.

[56] GVA (2011) Shaping the Housing Future of Calderdale – Strategic Housing Market Assessment

5.45 The rate of delivery is illustrated in the following graph.

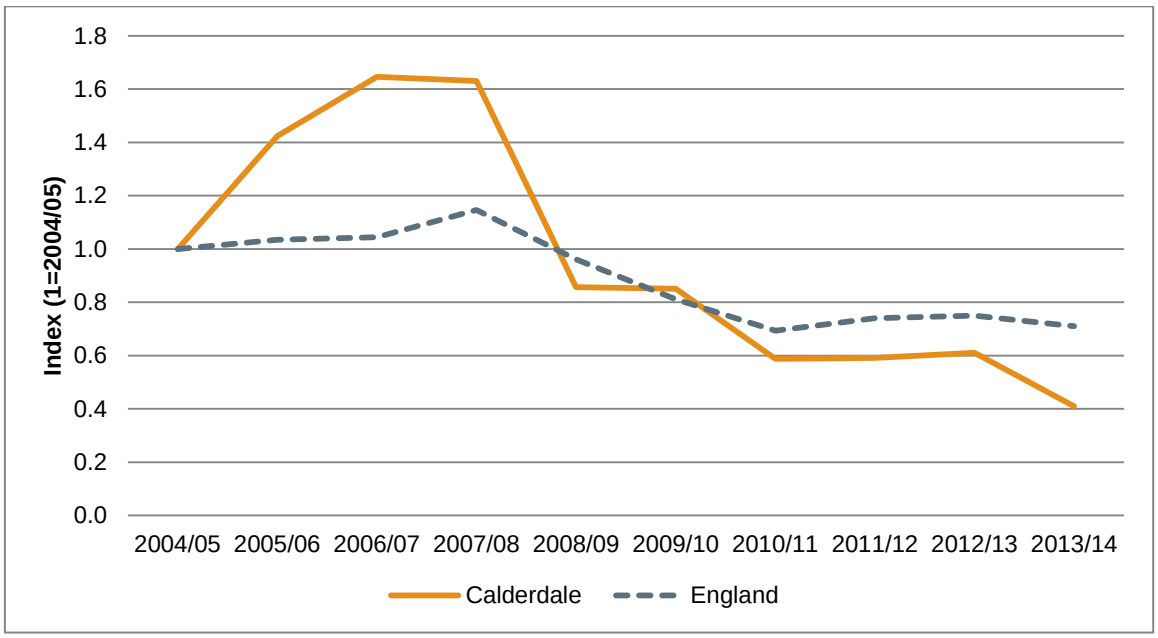
**Figure 5.15: Net Dwelling Completions 2004/05 – 2013/14**




*Source: Calderdale Council, 2014*

5.46 Through indexing, this can be compared with the national rate of delivery to determine whether the rate of delivery has surpassed or fallen below the national level, with the number of completions nationally sourced from DCLG Live Tables. This is presented in the following graph, which shows that the rate of delivery notably surpassed the indexed national rate prior to the recession.

**Figure 5.16: Indexed Rate of Completions 2004/05 – 2013/14**




*Source: Calderdale Council, 2014; DCLG, 2015*

5.47 As set out in the PPG, it is important to understand how the historic rate of development compares to planned supply, as set out in the Yorkshire and Humber Plan. In contrasting these two figures, it is important to recognise that the approach adopted within the RSS to derive a housing provision figure was materially different to the approach now required through the NPPF.

5.48 The RSS sought to provide 14,060 dwellings within Calderdale over the period from 2004 to 2026[57], representing an average annual delivery rate of 639 dwellings per annum. The RSS included a phasing of delivery with Calderdale set a requirement of 500 dwellings per annum between 2004 and 2008 with a subsequent requirement to deliver 670 homes per annum between 2008 and 2026.

5.49 Comparing this target to the level of net completions in Figure 5.17, it is clear that – between 2004 and 2008 – Calderdale exceeded its target by some 2,723 dwellings. Since 2008, however, while the borough initially saw development in line with the requirement, this fell over subsequent years, such that there was a shortfall of 465 dwellings between 2008 and 2013. However, looking at the RSS period from 2004 to 2011/12 – which is the base date of the POPGROUP modelling – it is apparent that a backlog had not built up, with an oversupply of 2,433 dwellings against the phased targets. As noted earlier, however, it needs to be recognised that the RSS housing provision figure does not represent an NPPF compliant objective assessment of need, as adjustments were made to account for policy factors which sought to redistribute need based on a regional framework.

## Overcrowding and Concealed Households

5.50 The PPG suggests that indicators on overcrowding, concealed and sharing households, homelessness and the numbers in temporary accommodation should be analysed, given that they can be indicative of unmet need for housing.

5.51 The PPG states that:

*"Longer term increase in the number of such households may be a signal to consider increasing planned housing numbers"*[58]

5.52 The 2011 Census allows an understanding of overcrowding and also under-occupation, based on the number of occupants and the number of bedrooms. The following table summarises the proportion of households who are overcrowded – with at least one fewer bedroom than required – or under-occupied, with at least one bedroom more than required, based on the bedroom standard. This is shown in the following table, as a proportion of all households.

[57] Government Office for Yorkshire and Humber (2008) The Yorkshire and Humber Plan

[58] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_019

**Figure 5.17: Proportion of Overcrowded and Under-Occupied Households 2011**

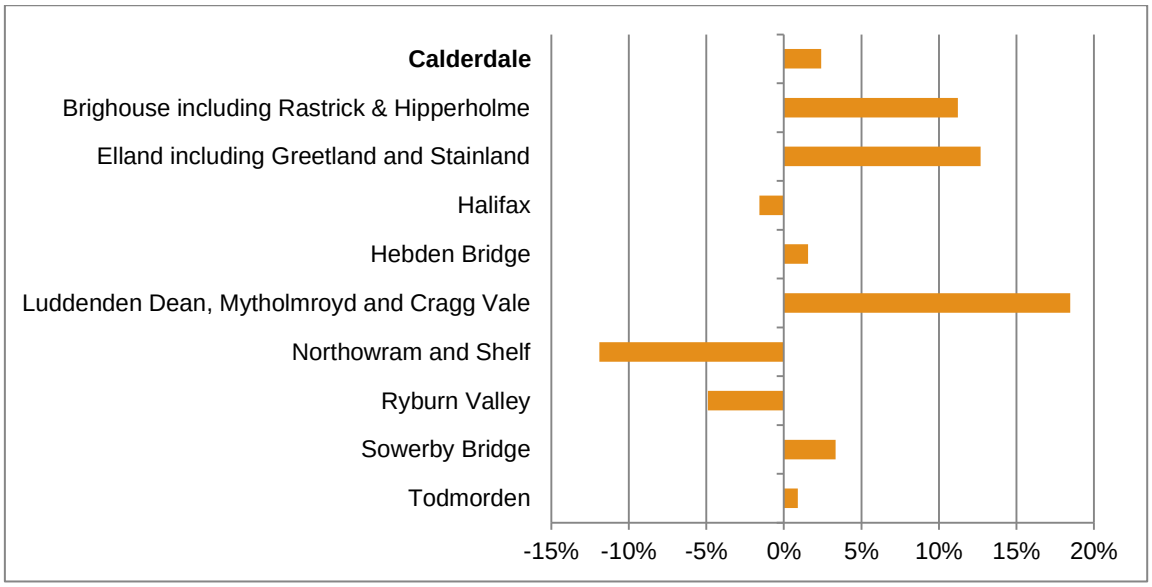
| | Overcrowded households | | Under-occupied households | |
|---|---|---|---|---|
| | Total | % | Total | % |
| Brighouse including Rastrick & Hipperholme | 324 | 2.1% | 10,912 | 70.3% |
| Elland including Greetland & Stainland | 228 | 2.4% | 6,828 | 72.9% |
| Halifax | 1,686 | 5.0% | 21,357 | 63.9% |
| Hebden Bridge | 78 | 1.8% | 3,190 | 74.0% |
| Luddenden Dean, Mytholmroyd & Cragg Vale | 120 | 2.6% | 3,373 | 73.1% |
| Northowram & Shelf | 47 | 1.1% | 3,302 | 78.9% |
| Ryburn Valley | 76 | 1.8% | 3,348 | 79.7% |
| Sowerby Bridge | 204 | 3.2% | 4,280 | 67.3% |
| Todmorden | 147 | 2.2% | 4,927 | 73.9% |
| **Calderdale** | **2,910** | **3.3%** | **61,517** | **69.4%** |
| England | | 4.6% | | 68.7% |

*Source: Census 2011*

5.53 As shown, Calderdale has a lower level of overcrowding than the national average, with under-occupancy subsequently more frequent. Within Calderdale, Halifax has notably high levels of overcrowding, with around 1,700 households living with at least one fewer bedroom than required, based on the bedroom standard. Under-occupancy is less common in Halifax, with a similarly low level of under-occupancy in Sowerby Bridge. Under-occupancy is, though, much more frequent in Ryburn Valley and Northowram & Shelf.

5.54 Focusing on overcrowding, it is helpful to understand how the number of overcrowded households has changed in Calderdale. The 2011 Census did not record the number of bedrooms, and therefore a direct comparison with the analysis presented above is not possible. However, the 2001 Census did record the number of rooms, and it is therefore possible to understand how the number of overcrowded households – based on the room standard – has changed in Calderdale between 2001 and 2011. This is summarised in the following graph.

**Figure 5.18: Change in Overcrowded Households (Rooms) 2001 – 2011**




*Source: Census 2011; Census 2001*

5.55 As shown, there has been an overall increase in the number of overcrowded households – based on the room standard – in Calderdale, although this has been driven by growth in a number of sub-areas, most notably Luddenden Dean, Mytholmroyd and Cragg Vale. Northowram and Shelf, Ryburn Valley and Halifax have seen falls in the number of overcrowded households, suggesting an increased tendency for households to occupy larger properties.

5.56 It is also beneficial to understand the rate of change in overcrowded households in other authorities in the Leeds City Region and on average across England, in order to benchmark the change seen in Calderdale. This is presented below.

**Figure 5.19: Change in Overcrowded Households (Rooms) 2001 – 2011**

| | Number of Overcrowded Households (rooms) | | |
|---|---|---|---|
| | 2001 | 2011 | % Change |
| York | 3,886 | 5,930 | 52.6% |
| Harrogate | 2,238 | 2,986 | 33.4% |
| Selby | 916 | 1,214 | 32.5% |
| England | 1,457,512 | 1,928,596 | 32.3% |
| Bradford | 14,906 | 19,429 | 30.3% |
| Leeds | 23,440 | 29,199 | 24.6% |
| Kirklees | 12,131 | 14,698 | 21.2% |
| Barnsley | 3,602 | 4,320 | 19.9% |
| Wakefield | 5,774 | 6,716 | 16.3% |
| Craven | 847 | 940 | 11.0% |
| **Calderdale** | **5,661** | **5,798** | **2.4%** |

*Source: Census 2001; Census 2011*

5.57 Evidence suggests that the level of growth in overcrowded households seen in Calderdale over the period from 2001 - 2011 is low when compared to growth seen in the wider Leeds City Region and England.

5.58 Affordability issues can manifest in other indicators, with the number of concealed families one such indicator. Concealed families occur when multiple households occupy the same dwelling, often due to affordability issues, although – in some cases – there are strong cultural traditions of extended families living together in the same dwelling. The Census found that there were 997 concealed families in Calderdale in 2011, and the following table summarises the make-up of these families in Calderdale, compared to the national average and neighbouring authorities in the Leeds City Region.

**Figure 5.20: Concealed Families 2011**

| | Calderdale | Leeds | Kirklees | Bradford | England |
|---|---|---|---|---|---|
| **All ages** | **1.7%** | **1.6%** | **2.3%** | **4.0%** | **1.9%** |
| Age 24 and under | 10.6% | 10.4% | 11.2% | 16.9% | 12.8% |
| Age 25 to 34 | 3.2% | 2.8% | 4.6% | 7.3% | 4.0% |
| Age 35 to 49 | 0.6% | 0.6% | 0.8% | 1.5% | 0.8% |
| Age 50 to 64 | 1.1% | 0.8% | 1.5% | 2.8% | 0.9% |
| Age 65 to 74 | 1.7% | 1.6% | 2.6% | 4.8% | 1.8% |
| Age 75 to 84 | 1.9% | 1.6% | 2.5% | 5.0% | 1.8% |
| Age 85 and over | 1.5% | 1.3% | 2.1% | 2.9% | 1.5% |

*Source: Census 2011*

5.59 This shows that there are a slightly lower proportion of concealed households in Calderdale than nationally, although approximately one in ten families aged 24 and under are concealed. Overall, concealment is less frequent in Calderdale than other neighbouring authorities, with the exception of Leeds, both for families of all ages and those aged 24 and under. There is evidently a considerably high number of concealed families in Bradford in particular.

5.60 Further analysis of the implication of these affordability issues on the net need for new affordable housing is included within section 7.

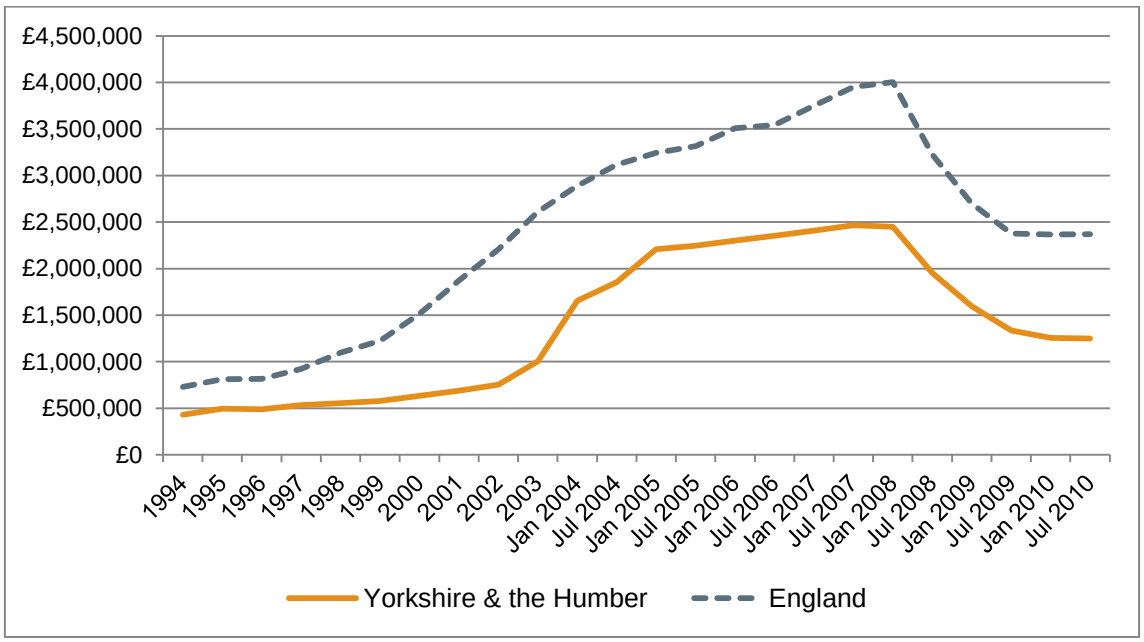
## Land Prices

5.61 In relation to land prices, the PPG states that:

*"Price premiums provide direct information on the shortage of land in any locality for any particular use"*

5.62 Data published by DCLG shows the average valuation of residential building land with planning permission over the period from 1994 to 2010. This data is only available at a regional level, but nevertheless provides an indication of the historic level of supply and demand in the wider regional context. Land price trends are also presented for England to allow comparison.

**Figure 5.21: Average Valuations of Residential Building Land with Outline Planning Permission**




*Source: DCLG*

5.63 As shown, land prices generally increased at the start of the period analysed, up to 2005, where price growth broadly stabilised. From January 2008, the onset of the recession stimulated a decline in land values, with reduced demand from residential developers owing to the credit crunch and subsequent reduction in the level of housing market activity. Overall, land prices in Yorkshire and the Humber have historically been lower than the average for England, which are particularly skewed by high values in the south-east.

5.64 This dataset does not extend beyond 2010, due to a decline in market activity. However, a collection of statistical and market evidence can provide an indication of the prevalent trends in land values.

5.65 Historic VOA Property Market Reports provide information on the price of bulk land – in excess of two hectares – in Halifax, which represents the most useful indicator for land values in Calderdale. The 2009 report identified that, at 1st July 2009, bulk land for residential development in Halifax was valued at around £700,000 per hectare – lower than the other areas analysed in Yorkshire and the Humber[59]. Benchmarked against a comparable figure of £520,000 in April 2001, this indicates that land values have increased over this period. Again, however, it is evident that land values haven't increased at the same rate as seen elsewhere in the region. This would suggest that there is relatively little pressure on residential land in Halifax, although land prices did grow at a faster rate than nationally up to 2007 when the market peaked.

[59] Average values were recorded for Harrogate, York, Bradford, Halifax, Leeds, Doncaster, Grimsby, Beverley and Sheffield, with Halifax recording the lowest average value

5.66 This is summarised in the table below, alongside comparable figures for other areas of the region and England and Wales (excluding London). A figure for 2001 and 2009 is presented, alongside a figure for 2007 which represents the height of the market.

**Figure 5.22: Typical Land Values for Residential Development 2001 – 2009**

| | £ per hectare (thousands) | | | % Change | |
|---|---|---|---|---|---|
| | 2001 | 2007 | 2009 | 2001 - 2007 | 2001 - 2009 |
| Beverley | 550 | 2,500 | 1,700 | 355% | 209% |
| Bradford | 535 | 2,000 | 900 | 274% | 68% |
| Doncaster | 625 | 2,100 | 1,500 | 236% | 140% |
| Grimsby | 350 | 1,250 | 1,100 | 257% | 214% |
| Halifax | 520 | 1,350 | 700 | 160% | 35% |
| Harrogate | 1,200 | 3,500 | 2,000 | 192% | 67% |
| Leeds | 1,050 | 3,500 | 1,800 | 233% | 71% |
| Sheffield | 750 | 2,600 | 1,300 | 247% | 73% |
| York | 1,200 | 3,500 | 1,800 | 192% | 50% |
| England and Wales (excluding London) | 1,250 | 2,810 | 1,770 | 125% | 42% |

*Source: VOA, 2001; VOA, 2007; VOA, 2009*

5.67 Savills highlight that strong demand for a limited pool of sites continues to drive growth in land prices[60], with the national market – excluding London – seeing greenfield and urban land values increase by 7.5% and 6.4% respectively over the year to March 2014. The effect of government funding initiatives, such as Help to Buy, is also credited with improving values outside the highest value towns, and improving sales rates are leading to further growth in land prices as developers seek to secure new sites. Knight Frank also published similar research[61], which showed that development land values in England and Wales rose for the fifth consecutive quarter in Q1 2014, with growth reflecting the increased momentum in the UK housing market. Help to Buy is credited with encouraging a step up in development activity, yet the supply of "oven ready" sites with planning permission remains constrained, underpinning growth in prices.

5.68 Calderdale Council commissioned GVA to prepare an Economic Viability Assessment in 2011. This included analysis of land sales as part of the evidence prepared to understand the comparative viability of housing development across the borough. Within the report land values were assessed using sales data from residential land transactions sourced from a number of databases including Essential Information Group, Focus and Estates Gazette Interactive. Values were also tested with stakeholders and local agents. The land values were sub-divided by the sub-markets based on market performance

[60] Savills (May 2014) Market in Minutes – UK Residential Development Land
[61] Knight Frank (2014) Residential Research – Residential Development Land Index – Q1 2014

(categorised as very hot to cold). The following land values were identified, with Figure 4.5 from the 2011 report replicated below.

**Figure 5.23: Calderdale Land Values within Sub-market**

| Small sites (less than 0.5ha) | | |
|---|---|---|
| Very Hot | £1,900,000 | per hectare |
| Hot | £1,700,000 | per hectare |
| Moderate | £1,500,000 | per hectare |
| Cold | £1,250,000 | per hectare |
| Large sites (greater than 0.5ha) | | |
| Very Hot | £1,000,000 | per hectare |
| Hot | £800,000 | per hectare |
| Moderate | £650,000 | per hectare |
| Cold | £500,000 | per hectare |

*Source: GVA, Calderdale Economic Viability Assessment – Report, replicated Figure 4.5, 2011*

5.69 It is evident from the above that whilst land prices may have increased to a degree between 2009 and 2010/11 this growth is not significant. The value of land, based on the EVA, remained relatively muted within Calderdale in both the context of the wider sub-region and the national average.

5.70 Overall, this analysis suggests that there is not a particular premium on residential development land in Halifax, nor has there been disproportionate growth in land prices which would indicate a shortage of supply relative to demand.

## Bringing the Evidence Together

5.71 This section has drawn together evidence on market signals – as required by the PPG – in order to determine whether there is an imbalance between supply and demand in Calderdale.

5.72 In particular, in line with the PPG, the rate of change in supply and demand is important to consider. In addition, understanding how Calderdale compares with neighbouring areas – and the national profile – provides valuable context on market signals. The following table therefore compares a number of key market signals – relating to house prices, rents, affordability, overcrowding and concealed families – to rank authorities and understand how they compare with other areas within a wider geography. Neighbouring authorities are included within this assessment, alongside England.

5.73 A rank of 1 – coloured in orange – indicates that an area has the worst market signal relative to the other areas shown, while a rank of 9 – coloured in blue – suggests more favourable market signals.

**Figure 5.24: Market Signals Summary**

| | Calderdale | Bradford | Burnley | Kirklees | Oldham | Pendle | Rochdale | Rossendale | England |
|---|---|---|---|---|---|---|---|---|---|
| **House prices** | | | | | | | | | |
| Lower quartile 2012 | 3 | 3 | 9 | 2 | 6 | 8 | 5 | 7 | 1 |
| Mean house price 2012 | 4 | 3 | 9 | 2 | 7 | 8 | 5 | 6 | 1 |
| Change (mean) 1996 – 2012 | 2 | 7 | 9 | 6 | 8 | 4 | 5 | 3 | 1 |
| **Rents** | | | | | | | | | |
| Mean (year to Sept 2014) | 2 | 5 | 9 | 6 | 3 | 8 | 4 | 7 | 1 |
| Change 2011 – 2014 | 3 | 8 | 4 | 5 | 6 | 2 | 9 | 7 | 1 |
| **Affordability** | | | | | | | | | |
| Affordability ratio 2013 | 4 | 5 | 9 | 2 | 6 | 8 | 7 | 3 | 1 |
| Change 1997 – 2013 | 6 | 8 | 9 | 3 | 5 | 1 | 7 | 2 | 4 |
| **Overcrowding** | | | | | | | | | |
| % of households overcrowded | 9 | 2 | 7 | 5 | 1 | 4 | 3 | 8 | 6 |
| **Concealed families** | | | | | | | | | |
| % of families concealed | 7 | 1 | 8 | 5 | 3 | 2 | 4 | 9 | 6 |

5.74 This table allows a number of conclusions to be drawn, relative to neighbouring authorities and the national profile. In relation to house price indicators, the table shows that Calderdale – and indeed much of the area – rank below the national average, although it is notable that both lower quartile prices and change in mean prices are towards the upper end of the range. Rents are also relatively high in comparison to the surrounding areas, second only to the national average, while there has also been growth in rents that has surpassed many other authorities.

5.75 Whilst house prices and rents have shown a comparatively high growth affordability indicators in Calderdale are generally average compared to the wider area, while there are also notably low levels of overcrowding and relatively few concealed families.

5.76 In addition, this section has considered the rate of development and land prices, which are not included within the summary table due to a lack of comparable data for neighbouring authorities. While there is no evidence of a significant price premium for residential development land – albeit with an absence of comprehensive data – the rate of development has clearly declined in Calderdale over recent years. In particular, the impact of the recession on housing completions is clear, with the rate of development slowing. For example, over the past five years, an average of around 505 dwellings have been completed annually across the authority, compared to around 1,086 over the preceding five years.

5.77 Nevertheless, when compared against planned targets, it is clear that Calderdale significantly exceeded its target between 2004 and 2008, although the phased increase in the housing target from 2008 coincided with a fall in the rate of development, resulting in a shortfall over subsequent years. Looking at the RSS period from 2004 to 2012, however – which forms the base date of the modelling undertaken by Edge Analytics within this report – it is apparent that a backlog has not built up, with an oversupply of some 2,433 dwellings against the phased targets.

5.78 On this basis, the evidence does not appear to indicate a significant worsening of market signals in Calderdale, particularly relative to neighbouring authorities and the national profile. There have, though, been growth in house prices, relatively high average rents and worsening affordability which could justify a modest uplift to the objective assessment of need. This is considered further later in this report.

# 6. Population and Household Projections

6.1 The PPG establishes the 'starting point' for assessing housing need, citing the 2012-based household projections as an estimate of overall housing need. This reflects its trend-based nature, given that they show how the number of households – and the underpinning population – may change if past demographic trends continue.

6.2 However, the PPG does suggest that the 'starting point' may require adjustment, based on factors affecting local demography and household formation rates. Consideration also needs to be given to economic factors, and the level of growth potentially required to support likely job creation in an area. This section therefore provides an overview of the 'starting point' – the 2012-based household projections – and also considers a range of alternative growth scenarios, in line with the PPG.

## The 'Starting Point'

6.3 The 2012 sub-national household projections (SNHP) were released in February 2015, representing a full new official dataset published by DCLG. This forms the 'starting point' for assessing housing need, as set out in the PPG.

6.4 The 2012 SNHP is underpinned by the population growth projected under the 2012-based sub-national population projections (SNPP), published by ONS. The 2012 SNPP was released in May 2014, and provides the latest official benchmark for the analysis of population growth. This takes full account of the 2011 Census.

6.5 The 2012 SNHP have been derived through the application of projected household representative rates – also referred to as headship rates – to a projection of the private household population, disaggregated by age, sex and relationship status.

6.6 The following table shows the projected growth in population and households in Calderdale over the period from 2012 to 2033[62]. This has also been converted to dwellings through the application of a vacancy rate assumption, in order to reflect the functional operation of the housing market. The applied vacancy rate of 3.9% has been derived by Edge Analytics from 2011 Census data[63], and has been fixed throughout the projection period.

**Figure 6.1: 2012-based Population and Household Projections 2012 – 2033**

| | Change 2012 – 2033 | | Average per year | |
|---|---|---|---|---|
| | Population change | Households change | Net migration | Dwellings |
| SNHP 2012 | 25,267 | 16,887 | 486 | 836 |

*Source: Edge Analytics, 2015*

[62] ONS 2012 mid-year population estimate is used as base point for all scenarios

[63] Census vacancy rate applied instead of Council Tax vacancy rate (3.5%) quoted in section 3, although notable that there is a broad consistency between rates

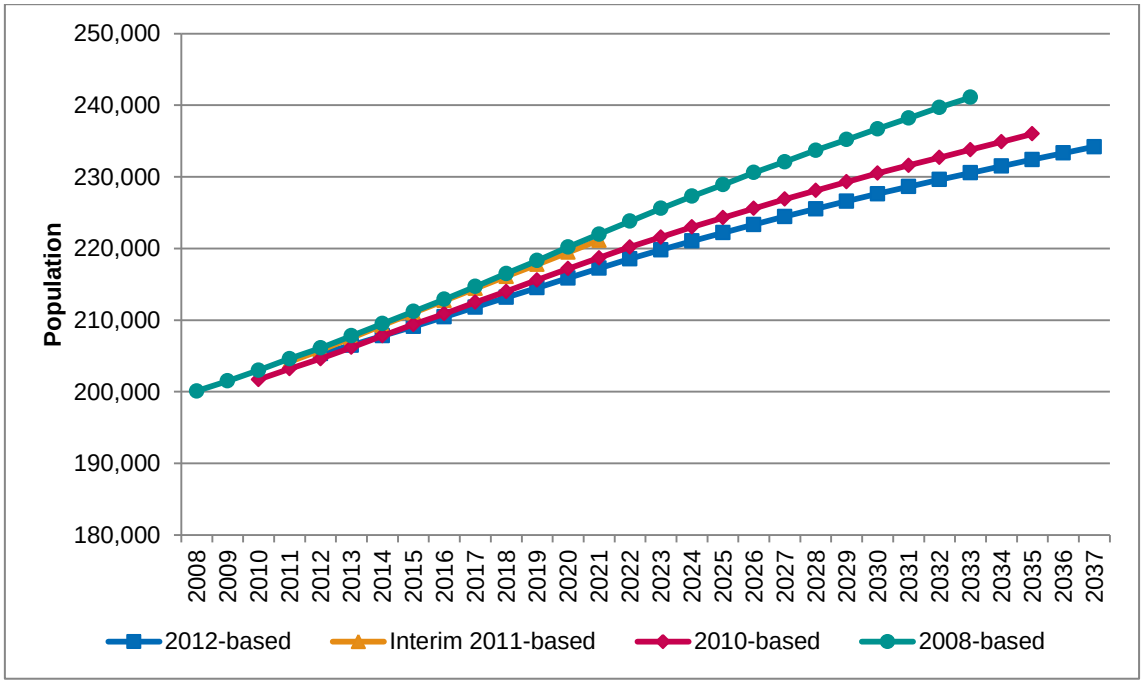
6.7 Under this scenario, the population is expected to grow by around 25,000 people, increasing the total population by 12.3% over the modelling period. This represents a slightly slower rate of growth than projected nationally over the same period (14.1%), but one which is slightly higher in terms of the absolute annual growth in population than that seen historically between the Census years. This growth will increase the number of households in Calderdale by 804 per annum, which – allowing for vacancy – results in a need for 836 dwellings per annum.

### 2012 Sub-National Population Projections

6.8 The 2012 SNHP is based on the 2012 SNPP, which shows how the population may change if recent trends continue. This includes assumptions about the changing role of migration and natural change in future population and growth – with the former generally based on a five year historic trend prior to 2012 – and these assumptions should therefore be considered in the context of historic trends in Calderdale.

6.9 The following chart shows the latest 2012-based population projections in the context of more recent previous SNPP datasets published by the ONS, which were evidently based on different historic time periods. The historic mid-year estimates (MYE) are also presented for context.

**Figure 6.2: Change in Official Population Projections for Calderdale**

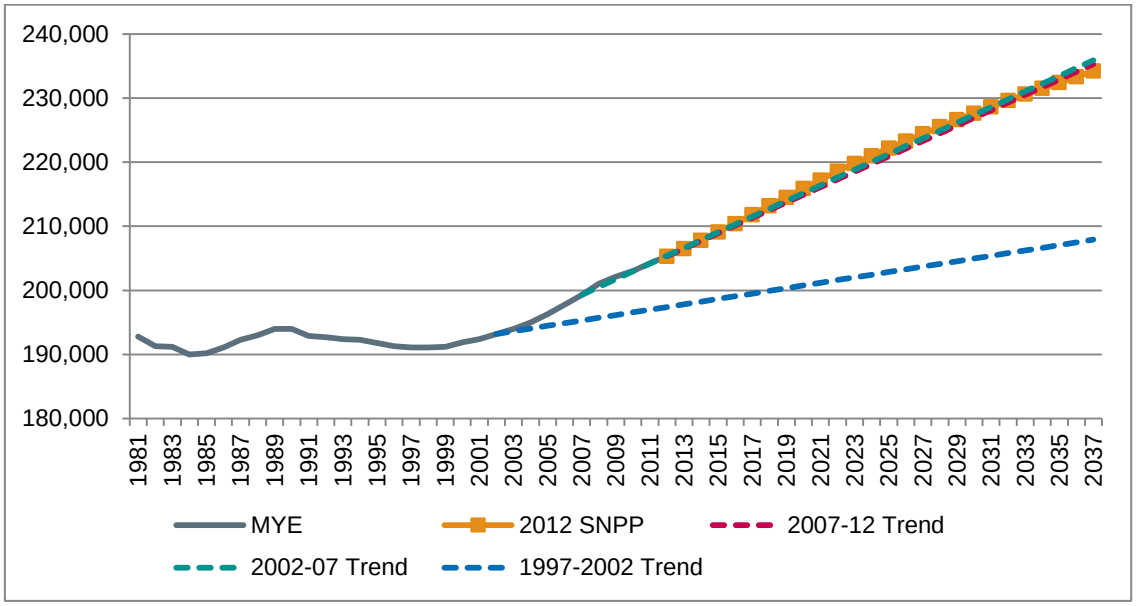



*Source: ONS, 2014*

6.10 Projections have been largely consistent in expecting growth in the population of Calderdale, although the projected scale was scaled down upon publication of the 2012-based projections. While the interim 2011-based projections increased the projected level of population growth, this has again been revised downwards slightly following the publication of the latest 2012-based projections in May 2014.

6.11 Projections are trend-based, and are therefore influenced by conditions during the historic period from which they are derived. The following graph illustrates the impacts of extrapolating forward different historic periods of growth, and establishes how the 2012 SNPP sits within this context.

**Figure 6.3: Recent Population Trends Relative to 2012 SNPP**

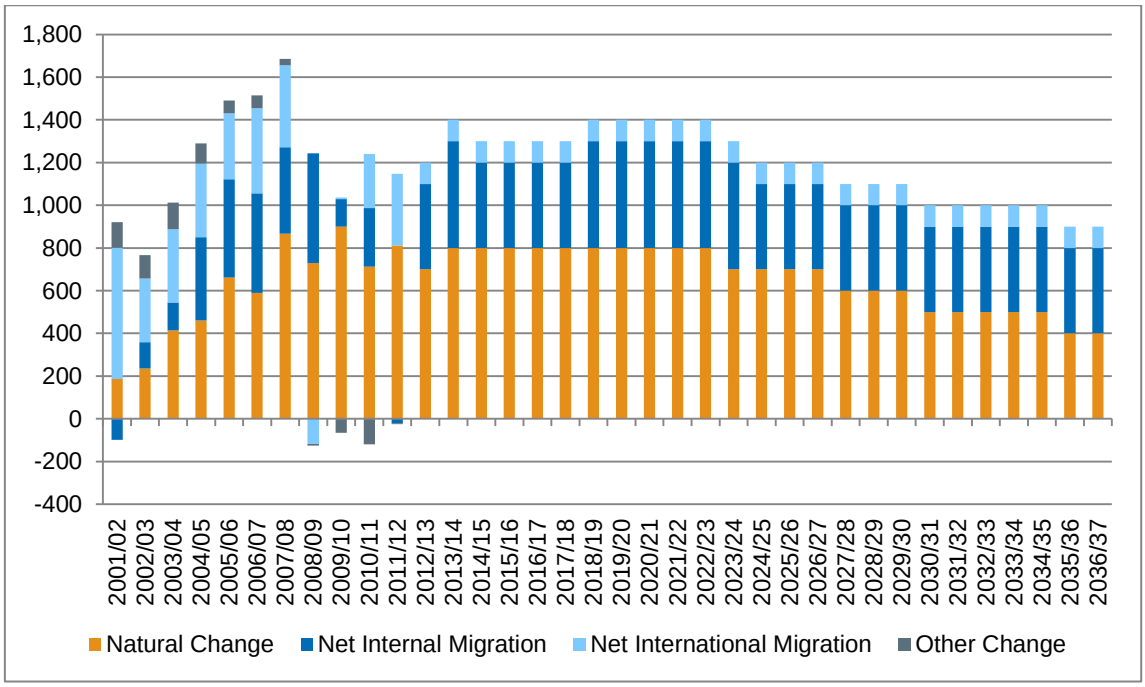



*Source: ONS, 2014; Turley, 2015*

6.12 As shown, the 2012 SNPP suggest a continuation of trends seen between 2002 and 2007, as well as the more recessionary period seen between 2007 and 2012. Both of these periods – and the 2012 SNPP – suggest a significantly higher level of growth than the earlier historic trend, with relatively little growth in the population between 1997 and 2002.

6.13 It is important to understand the drivers of population change, and the following graph therefore considers the components of change for the 2012-based population projections in the context of historic datasets. This identifies the extent to which migration or natural change is expected to cause population growth in Calderdale.

**Figure 6.4: Components of Population Change 2012 – 2037**



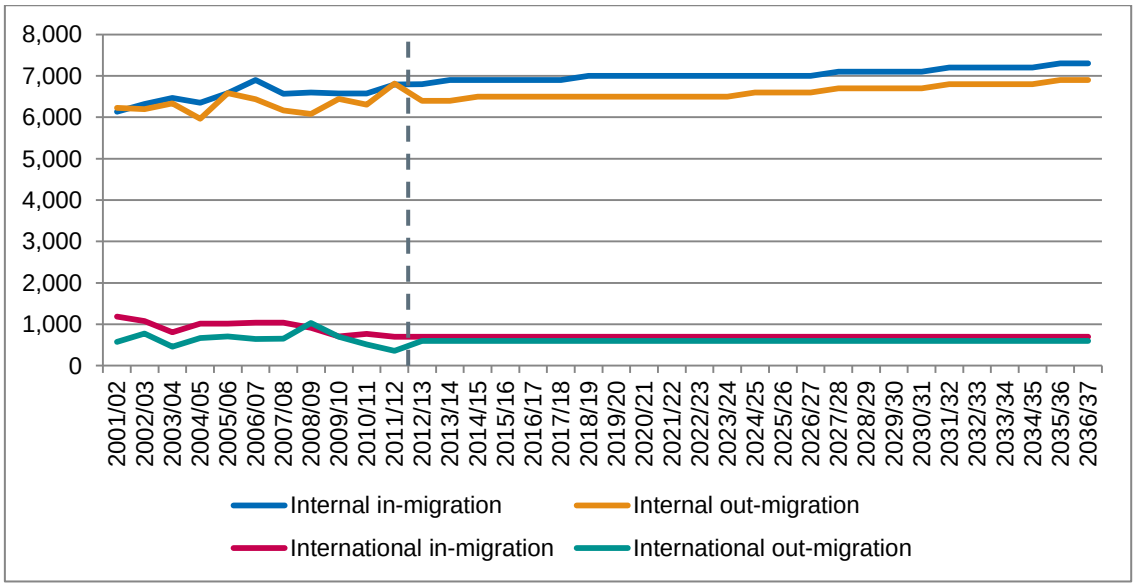

*Source: ONS, 2014*

6.14 The latest population projections assume that international migration will remain constant over the projected period to 2037, accounting for only a marginal proportion of population growth. Net internal migration is also expected to remain relatively constant, with a net inward flow of around 400 people per year. Natural change is expected to be the main component of population change, accounting for over half of projected growth. This is, though, expected to decline over the projection period, largely linked to an increase in older people which will see an increase in the number of deaths recorded in the borough.

6.15 The following graph provides a further breakdown of migration assumptions under the 2012 SNPP, with historic data also shown for context. As shown, while migration has remained relatively steady, out-migration from Calderdale to other local authorities has broadly increased over the historic period to 2012, and is expected to continue to increase. There has also been growth in the inflow of internal migrants to the borough, with this again expected to continue. The overall net impact of these projected flows is a slight increase in net internal migration in the context of the historic evidence.

6.16 Looking at international migration whilst the out-flow of migrants is projected to largely reflect historic trends in-migration, however, is projected to be lower than that seen historically.

**Figure 6.5: Historic and Projected Migration 2000 – 2037**




*Source: ONS, 2014*

6.17 The above population assumptions are particularly important to consider given that two further mid-year population estimates have been released by the ONS since publication of the 2012 SNPP. These are presented below, broken down by components of change.

**Figure 6.6: Projected and Estimated Mid-Year Population**

| | 2012 SNPP[64] | ONS MYE |
|---|---|---|
| **Mid-2012 population** | **205,300** | **205,293** |
| Natural Change | 700 | 734 |
| Net Internal Migration | 400 | 1 |
| Net International Migration | 100 | 323 |
| Other Change | – | 4 |
| **Mid-2013 population** | **206,500** | **206,355** |
| Natural Change | 800 | 665 |
| Net Internal Migration | 500 | -73 |
| Net International Migration | 100 | 391 |
| Other Change | – | 38 |
| **Mid-2014 population** | **207,800** | **207,376** |

*Source: ONS, 2015*

[64] Rounded figures are presented

6.18 The latest evidence suggests that the population has not grown to the extent expected by the 2012 SNPP to date, with the population around 400 persons lower in mid-2014 than projected. This is largely due to variance in migration, with significantly lower internal migration flows to Calderdale which have been offset partially by higher than anticipated international migration counts. It is important to note, however, that the overall scale of variance over the two years is comparatively small, particularly when considering the overall size of the population of the borough.

## Alternative Demographic Projections of Need

6.19 Following the analysis of the assumptions underpinning the 2012 SNHP, it is considered reasonable to undertake a process of sensitivity testing in relation to variant trend-based demographic projections. This is suggested within the PPG, where there is evidence that local demographic factors may have influenced the 'starting point' for overall housing need.

6.20 A scenario has been developed by Edge Analytics which bases both internal and international migration on historic trends seen between 2001/02 and 2011/12. This evidently covers a longer historic time horizon than used within the 2012 SNPP, and also covers a period which extends prior to the onset of the economic recession and subsequent housing market downturn, which influenced the propensity of households to move. This scenario therefore tests the extent to which the 2012 SNHP is representative of longer term trends.

6.21 Appendix 1 provides further information on the methodology used by Edge Analytics to model future demographic scenarios. The POPGROUP modelling prepared uses the historic demographic evidence to define future migration *rates* for internal migration, and fixed migration *counts* for international migration. This is consistent with the ONS SNPP methodology, as is the application of migration rates to an external 'reference' population, which is defined as those areas with which there are historically significant migration links. This ensures a level of integration within the modelling, which is important – in the ONS model – to ensure that sub-area projections sum to the national level.

6.22 The outputs of this scenario are presented in the following table, with the SNHP 2012 scenario also presented for comparison.

**Figure 6.7: 10 year Past Growth Scenario 2012 – 2033**

| | Change 2012 – 2033 | | Average per year | |
|---|---|---|---|---|
| | Population change | Households change | Net migration | Dwellings |
| SNHP 2012 | 25,267 | 16,887 | 486 | 836 |
| **10yr Past Growth** | **26,688** | **18,156** | **477** | **899** |

*Source: Edge Analytics, 2015*

6.23 Taking a longer term migration trend suggests a slightly higher level of projected growth, with the population expected to grow by around 1,270 persons per annum. This increases the implied need for housing, uplifting the 'starting point' by around 8% to 899 dwellings per annum, although it is notable that this is underpinned by slightly lower assumed migration levels. Edge Analytics confirm that this reflects the assumed profile of migrants, and the assumed likelihood of migrants being household representatives.

6.24 For consistency with the modelling produced by ONS and DCLG, the scenario presented above excludes unattributable population change (UPC). For Calderdale, the 2011 Census found that the population was slightly higher than expected, with previous population estimates likely to have underestimated the scale of migration to the borough. This slight underestimation is projected forward by the ONS and in the 10 year Past Growth scenario presented above, given that UPC is not taken into account.

6.25 A further scenario has, however, been run by Edge Analytics to test the impact of including UPC in modelled migration assumptions. This is presented below, and evidently suggests a slightly higher level of growth due to higher assumed migration levels. This represents total population growth of 13.2% over the modelling period, which continues to fall slightly below the rate of growth projected nationally under the 2012 SNPP. This increases the implied level of housing need to 910 dwellings per annum, reflecting slightly higher levels of population growth.

**Figure 6.8: 10 year Past Growth including UPC 2012 – 2033**

| | Change 2012 – 2033 | | Average per year | |
|---|---|---|---|---|
| | Population change | Households change | Net migration | Dwellings |
| SNHP 2012 | 25,267 | 16,887 | 486 | 836 |
| 10yr Past Growth | 26,688 | 18,156 | 477 | 899 |
| **10yr PG inc UPC** | **27,201** | **18,372** | **496** | **910** |

*Source: Edge Analytics, 2015*

## Taking Employment Trends into Account

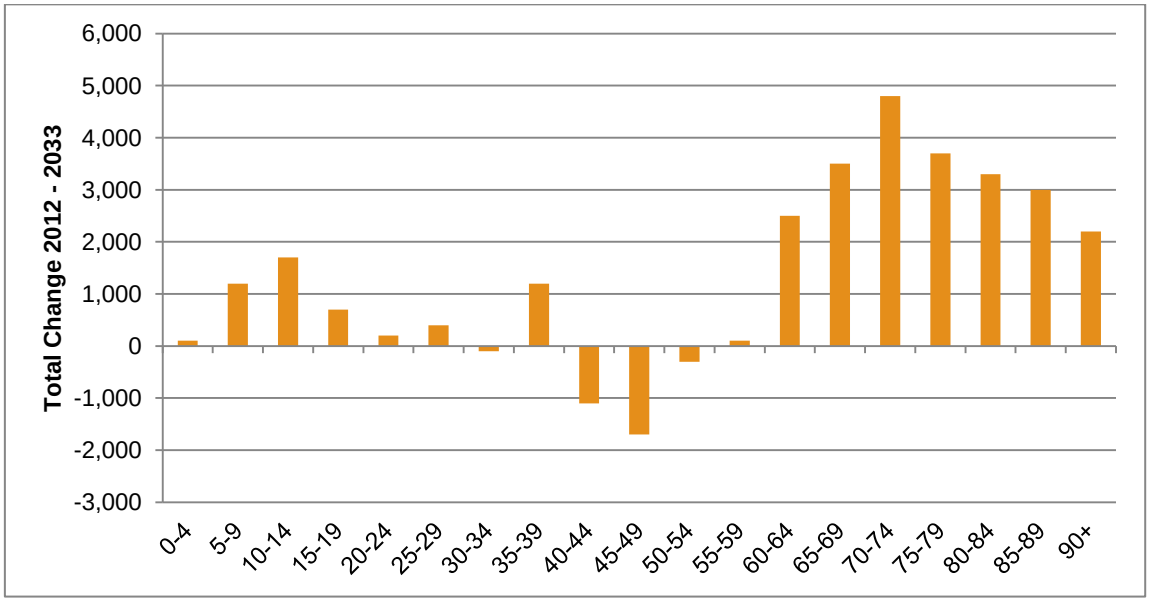
6.26 The PPG is clear in expecting local authorities to take employment trends into account when considering housing need, with plan makers required to make an assessment of likely job growth and consider the level of housing needed to support this likely job creation.

6.27 As noted in section 4, Calderdale Council will be commissioning a more detailed study to develop the employment evidence base for the emerging Local Plan. However, in the absence of this evidence, two employment forecasts have been considered – from Cambridge Econometrics and Experian's Regional Econometric Model (REM) – with scenarios developed to consider how much growth would be required to support this forecast job growth.

## Modelled Growth in Labour Force and Jobs Supported

6.28 Initially, however, it is beneficial to understand how the labour force may change in future if past demographic trends continue. The 2012 SNPP can be broken down to show the implied changing age profile of Calderdale over the modelling period, with a particular focus on the working age population. This is summarised in the following graph.

**Figure 6.9: Projected Change in Age Profile 2012 – 2033**




*Source: ONS, 2014*

6.29 As shown, the main growth in population under the 2012 SNPP is expected to be driven by older age groups, with a projected fall in those aged 40 to 54 but some growth in younger age groups. This suggests that the 2012 SNPP includes an assumed ageing of the population in Calderdale, which may have implications for the size of the labour force in the borough in the future.

6.30 The level of job growth that can be supported by the 2012 SNPP and other variant demographic scenarios can be established through the modelling undertaken by Edge Analytics. This is generated through the application of a number of prudent assumptions relating to economic activity, unemployment and commuting. These are set out in further detail in Appendix 1, but include:

- Commuting rates based on the 2011 Census, and held constant over the projection period;
- Economic activity rates based on the 2011 Census, and held constant for those aged 16 to 60. Modifications have been made to the economic activity rates for those aged 60 to 69, in order to take account of planned changes to the state pension age; and

- Unemployment rates have been incrementally reduced over the period from 2012 to 2018 from a recession average rate (2008 – 2012) to a nine year average (2004 – 2012). This is held constant thereafter.

6.31 Applying these assumptions provides an estimate of the total number of jobs supported under the demographic scenarios presented in this section.

**Figure 6.10: Job Growth Supported by Demographic Scenarios 2012 – 2033**

| | Jobs per annum | Population change per annum | Dwellings per annum |
|---|---|---|---|
| SNHP 2012 | **202** | 1,203 | 836 |
| 10yr Past Growth | **289** | 1,271 | 899 |
| 10yr PG with UPC | **301** | 1,295 | 910 |

*Source: Edge Analytics, 2015*

6.32 The 'starting point' of the SNHP 2012 would support around 200 additional jobs in Calderdale per annum, with application of a longer term migration trend increasing the number of jobs supported to around 300 due to an assumed greater increase in the population.

6.33 It is important to compare this to the employment forecasts introduced in section 4, and it is evident that labour force growth of this scale would not support the growth of 555 jobs annually forecast by Experian nor the 458 jobs forecast annually by Cambridge Econometrics over the modelling period[65]. The scale of job growth supported at the upper end of the demographic projections, however, does represent a positive increase in employment, albeit one which is below that seen in recent years based on the information presented by both forecasting houses in section 4. This suggests that higher levels of net migration to Calderdale may well be required to support the growth of the labour force, based on the prudent assumptions made about economic participation in the POPGROUP modelling.

6.34 Building upon the analysis in section 4, however, it is important to recognise that these employment forecasts are themselves underpinned by population projections, with short-term adjustments made to the labour supply in response to demand conditions. These adjustments contrast with the modelling assumptions applied by Edge Analytics, which – given the uncertainty associated with future changes in economic activity – can be considered as making relatively prudent assumptions to model the scale of labour force growth required to support input levels of job growth.

### Variant Employment-led Projections

6.35 A continued application of these prudent assumptions can be used to model the growth required to support forecast job creation in Calderdale, with an implied level of housing need. These scenarios are presented below.

[65] As employment forecasts run to 2031, job creation in 2031/32 and 2032/33 is estimated based on average forecast change between 2021 and 2031

**Figure 6.11: Employment-led Scenarios 2012 – 2033**

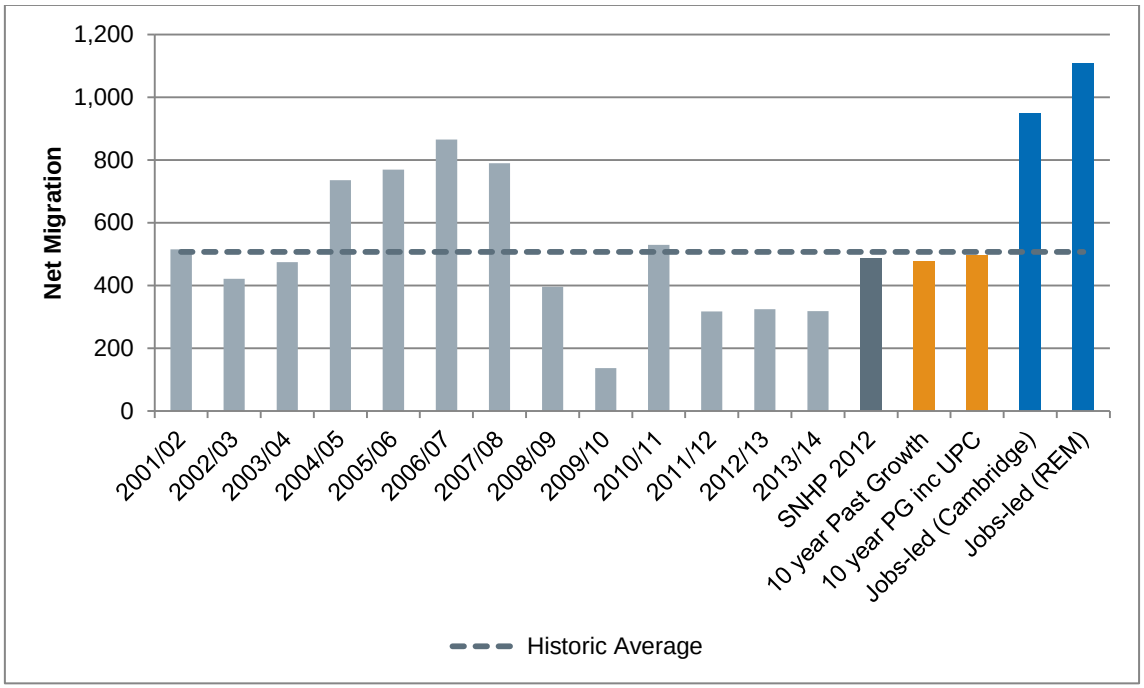
| | Change 2012 – 2033 | | Average per year | | |
|---|---|---|---|---|---|
| | Population change | Households change | Net migration | Dwellings | Jobs |
| REM | 40,037 | 22,827 | 1,109 | 1,131 | 555 |
| Cambridge | 35,925 | 21,135 | 949 | 1,047 | 458 |

*Source: Edge Analytics, 2015*

6.36 The modelling suggests that growth of around 40,000 persons would be required in Calderdale to grow the labour force and support the job growth forecast by Experian in the REM, thereby increasing the population by some 19.5%. This exceeds the growth of 14.1% projected nationally under the 2012 SNPP, and would also represent an increase in the recent rate of population growth in Calderdale. The Cambridge scenario would also require a sizeable growth in the population, albeit slightly lower than under the Experian scenario.

6.37 Growth in the labour force is, however, driven by assumed substantial increases in migration levels to Calderdale. Historically, Calderdale has seen a net inflow of around 500 migrants per annum[66], and therefore the employment-led scenarios would evidently require an approximately doubling of this historic rate of migration. This is further illustrated in the following graph, which shows assumed average net migration levels under each scenario, benchmarked against historic net flows.

**Figure 6.12: Historic and Modelled Net Migration**




[66] Sum of net internal and international migrants, average taken over period from 2001/02 to 2013/14

*Source: Edge Analytics, 2015; ONS, 2015*

6.38 The SNHP 2012 and variant demographic scenarios all expect a relatively similar level of net migration, which closely aligns with the average seen in Calderdale since 2001. This does, however, fall below the higher levels of migration seen immediately prior to the recession, when the rate of new housing development peaked. The jobs-led scenarios do, however, anticipate higher levels of net migration, exceeding the flows seen historically and – importantly – requiring these higher levels to be sustained throughout the modelling period.

6.39 As noted above, however, given that the forecasts are underpinned by population inputs, it is beneficial to understand these in further detail. The REM suggests that growth of 10,554 jobs over the period from 2012 to 2031[67] can be supported by total population growth of 23,184 persons over the same period. This is considerably lower than the implied growth of 36,207 persons suggested by Edge Analytics to support the same level of job growth over the same period[68].

6.40 Importantly, this also closely aligns with the projected growth of 23,335 persons between 2012 and 2031 under the 2012 SNPP. This therefore suggests that Experian forecast a greater utilisation of the existing labour force, expanding their capacity to support job growth in Calderdale and reducing the requirement for higher levels of net in-migration to grow the labour force, a point confirmed in the evidence presented in section 4.

6.41 Comparable data has not been provided for the Cambridge Econometrics forecasts, but it is understood that the forecasts of job growth are less influenced by population inputs than the Experian modelling.

6.42 The analysis of the employment-led scenarios and the consideration of the forecasting models in section 4 highlights the sensitivity of employment-led modelling to these assumptions, which creates potential challenges to conclusively understanding the level of population growth required to support job creation due to uncertainty regarding future change in economic activity and unemployment rates in particular.

## Headship Rate Sensitivity Analysis

6.43 The scenarios presented above convert population growth into households through the application of household representative rates – or headship rates – which make assumptions about the likelihood of different age groups and household types[69] forming households and being a household representative. These are drawn from the 2012-based household projections, which include a number of important updates compared to the rates applied in the previous interim 2011-based projections:

- Household population by sex, age and relationship-status consistent with the 2011 Census (rather than estimates for 2011, which were derived from 2001

[67] Due to extrapolation of forecasts to 2033, it is not possible to conduct this analysis over the modelling period from 2012 to 2033

[68] Total population change figure based on 2012 to 2031, rather than to 2033 as presented in tables

[69] Further detail on projected household types expected in Stage 2 release of household projections later in 2015

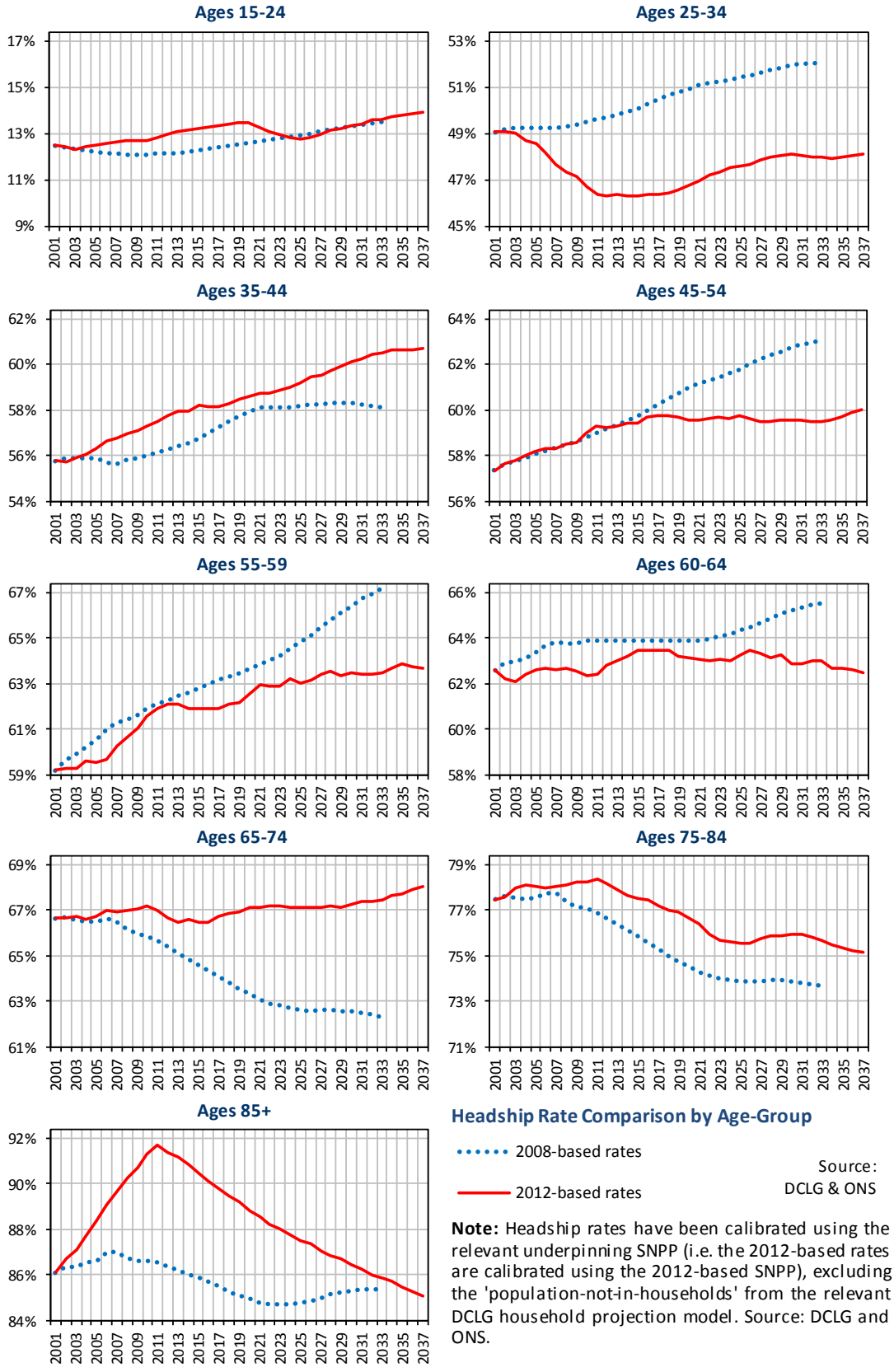
Census data, projections and national trends, as used in the 2011-interim projections);

- Communal population statistics by age and sex consistent with the 2011 Census (rather than the previous estimate, which were calibrated to the total communal population from the 2011 Census);
- Further information on household representatives from the 2011 Census relating to aggregate household representative rates by relationship status and age;
- Aggregate household representative rates at a local authority level, controlled to the national rate, based on the total number of households divided by the total adult population (rather than the total number of households divided by the total household population); and
- Adjustments to the projections of the household representative rates in 2012 based on the Labour Force Survey (LFS).

6.44 Whilst it is important to recognise that the 2012 SNHP are the '*most up-to-date estimate of future household growth*'[70], it can be useful to compare household formation assumptions from the 2012 SNHP against the previous full 2008-based dataset. This comparison is presented below.

[70] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_016

**Figure 6.13: Comparing Headship Rates by Age Group in Calderdale**




*Source: Edge Analytics, 2015*

6.45 There is evidently variation in assumed household formation rates, although the most significant change is seen in younger people aged 25 to 34. For residents in this age group, the household formation rate has fallen sharply, and while it is expected to recover to an extent, this is not assumed to fully recover to levels seen in 2001. This represents the greatest fall in household formation, with the exception of older age groups which are more likely to be influenced by social rather than affordability factors.

6.46 The impact of this constraint is acknowledged within the methodological report which accompanied the release of the 2012-based household projections:

*"At the present time, the results from the Census 2011 show that the 2008-based projections were overestimating the rate of household formation and support the evidence from the Labour Force Survey that household representative rates for some (particularly younger) age groups have fallen markedly since the 2001 Census. However for this update, it has not been possible to include detailed data on Stage One household representative from the Census 2011"*[71]

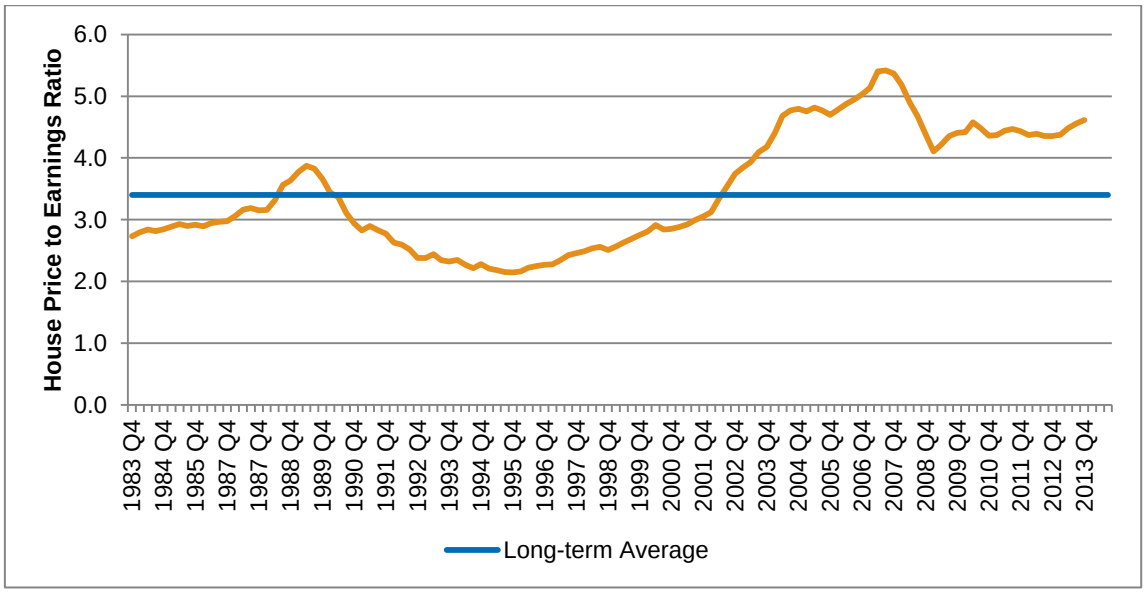
6.47 The PPG suggests that it is appropriate to undertake sensitivity testing where there is evidence that local factors have influenced the formation of new households. Given that there is evidence that formation rates amongst younger households in Calderdale may have been suppressed by wider market factors, modelling has been undertaken to illustrate the implication of applying alternative household formation rates to younger household groups.

6.48 This sensitivity explores the impact of a reversal of declining household formation amongst younger age groups[72] – where this has not already been anticipated in the rates applied in the 2012 SNHP – to reach a level last seen in 2001. It is assumed by Edge Analytics that respective 2001 values are reached by 2022.

6.49 This year is used as a benchmark given that it is widely recognised that the housing market has seen a period of significant growth since 2001, with prices far exceeding comparable rises in incomes. This has resulted in national affordability issues, as shown in the following chart, which compares gross house prices to earnings for first-time buyers in the UK.

[71] DCLG (2015) Household Projections 2012-based: Methodological Report
[72] Applied to 25 – 34 age group

**Figure 6.14: First-Time Buyer Gross House Price to Earnings Ratio – UK**




*Source: Nationwide; ONS*

6.50 This graph shows that 2001 was approximately the last point at which the ratio between house prices and earnings was at the long-term average, and a return to 2001 rates therefore could be viewed as exploring the impact of returning to a set of market conditions which suggested a healthier and more sustainable housing market. It should be noted, however, that the supply of housing at a national level in 2001 continued to fall short of projected levels of need, and therefore could potentially have continued to inhibit the ability of households to form.

6.51 The outputs of scenarios modelled under this sensitivity are presented in the following table, with the implied housing need under core 2012 headship rates without adjustment also presented for context.

**Figure 6.15: Headship Rate Sensitivity – Modelled Outputs 2012 – 2033**

| | Change 2012 – 2033 | | Average dwellings per annum – sensitivity | Average dwellings per annum – 2012 Headship Rates |
|---|---|---|---|---|
| | Population Change | Households Change | | |
| SNHP 2012 | 25,267 | 17,600 | **872** | 836 |
| 10yr Past Growth | 26,688 | 18,875 | **935** | 899 |
| 10yr PG with UPC | 27,201 | 19,094 | **946** | 910 |
| Jobs-led (REM) | 40,037 | 23,608 | **1,169** | 1,131 |
| Jobs-led (Cambridge) | 35,925 | 21,901 | **1,085** | 1,047 |

*Source: Edge Analytics, 2015*

6.52 The assumed return to higher household formation rates in younger age groups results in an increased projected growth in households in Calderdale over the modelling period. This represents an uplift of around 4% compared to the core unadjusted 2012 headship rates, illustrating that the number of households in the borough would increase to a greater extent if there was a return to higher levels of household formation amongst younger people.

6.53 This adjustment can be justified in the context of market signals in Calderdale, which has seen a worsening in some market signals such as house prices and a slowdown in the rate of new housing development over recent years. This may have served to constrain the formation of new households historically with this sensitivity therefore representing a positive adjustment.

## Size of Housing Required

6.54 The modelling undertaken by Edge Analytics includes a breakdown by household type, allowing a further understanding of the types of households likely to form over the projection period. This can be analysed to establish the size of property likely to be required to accommodate the changing household profile of Calderdale.

6.55 The 2008-based and interim 2011-based household projections included a full breakdown of household type into 17 different typologies. However, the 2012-based household projections provide less detail on household typologies, with households only broken down into three groups – single, couple and previously married – which does not allow an understanding of the size of housing required, as this does not provide information on the size of families, for example. It is understood that a further breakdown will be provided in a forthcoming data release later this year.

6.56 In the absence of this detailed breakdown of housing type, the analysis in this section is based on assumptions on the type of households projected to form in the 2008-based and 2011-based projections, which are applied proportionately to the 2012-based projections. This is considered to be appropriate in the absence of the more detailed data required within the 2012-based dataset, given that the analysis in this section has shown that household formation assumptions under the 2012-based projections largely sit between those in the previous 2008-based and 2011-based datasets.

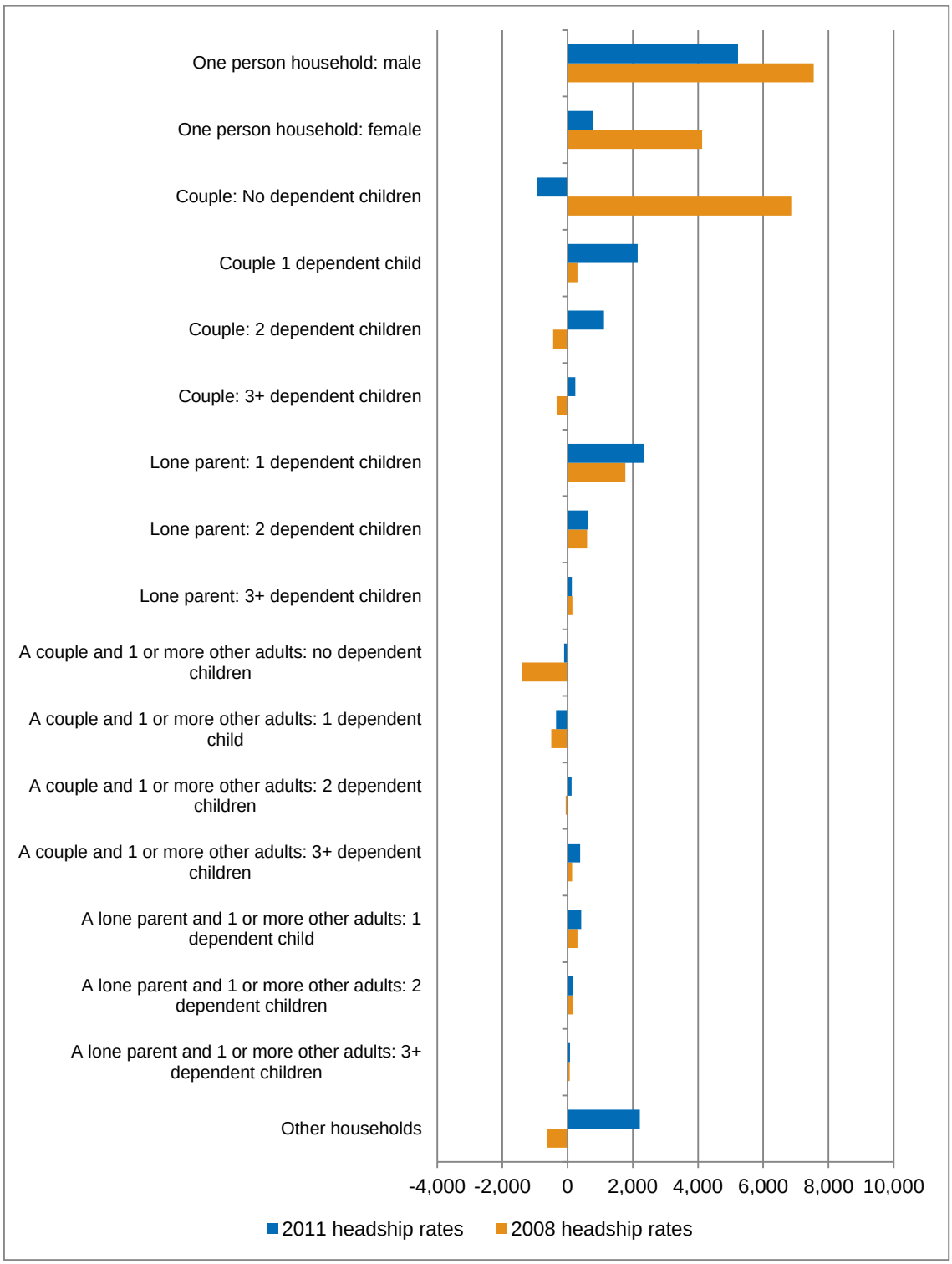
6.57 The scale of projected change in households of different types is illustrated in the following charts, under both 2008 and 2011 headship rates. Outputs under the 10 year Past Growth and Employment-led (REM) scenarios are presented, given that this represents an adjusted demographic scenario and a scenario where a higher level of growth is required to support job creation.

6.58 This shows that both scenarios expect a considerable increase in the number of one person households in particular, with growth also expected in family households with dependent children, including lone parents. The scale of this growth is variable based on the application of different headship rate assumptions.

6.59 Different headship rate assumptions also have an impact on the scale of growth projected in couples with no dependent children and ‘other households’, such as those with multiple adults. 2011 headship rates lead to decline in the former with an increase

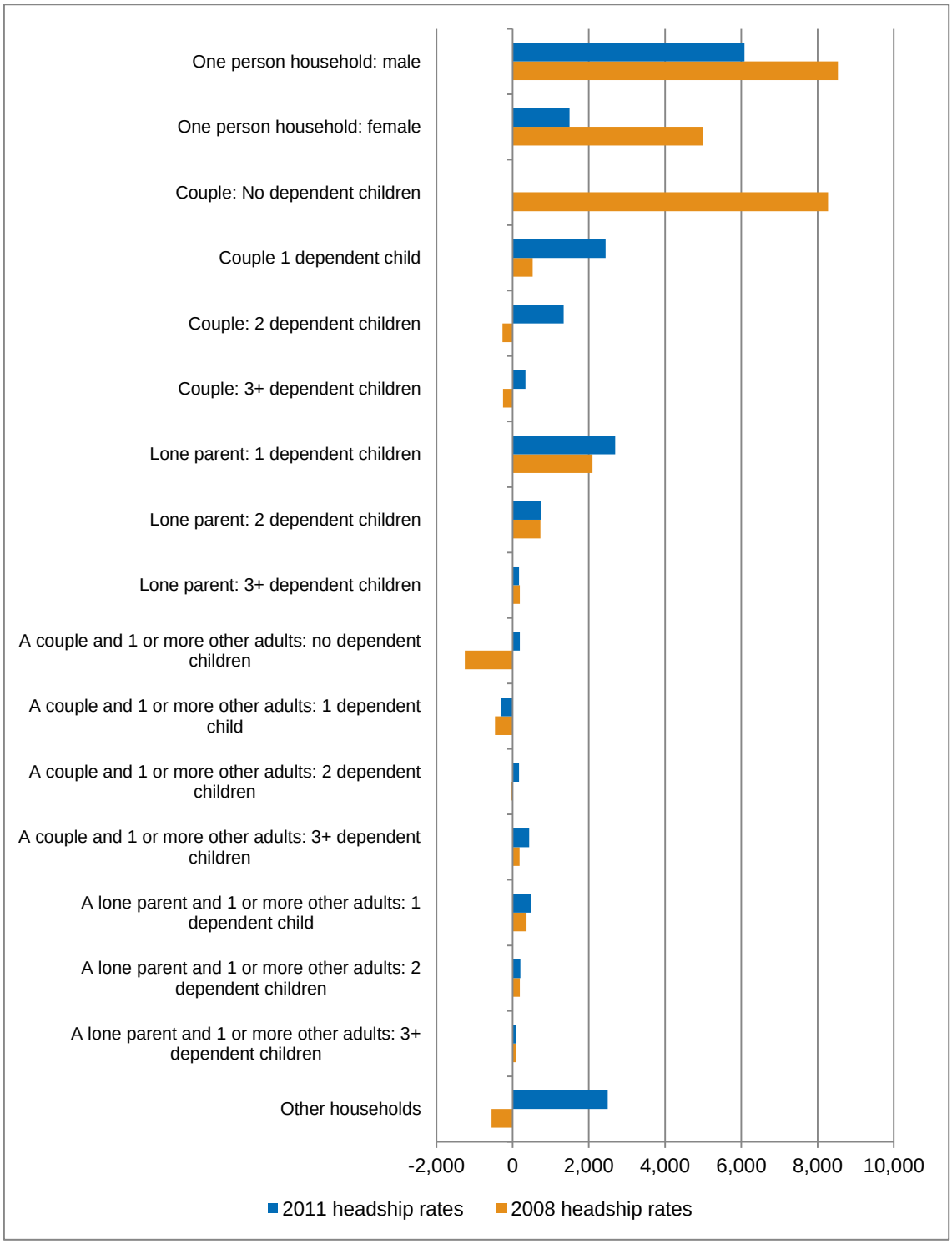
in the latter, although 2008 headship rates show the reverse, with a substantially higher level of household formation amongst couples with no dependent children. This reflects fundamentally different assumptions around young people leaving their parents' home to set up an independent household.

**Figure 6.16: Changing Household Type 2012 – 2033 (10yr Past Growth inc UPC)**




*Source: Edge Analytics, 2014*

**Figure 6.17: Changing Household Type 2012 – 2033 (Employment-led (REM))**




*Source: Edge Analytics, 2014.*

6.60 This analysis has implications for the size of housing required in Calderdale. However, matching changing household composition profiles with the sizes and types of housing required is challenging. Whilst households within affordable housing tenures are matched to housing based on a strict application of bedroom standards, the same is not

true of market housing. Therefore, a simplistic matching of the number of persons in a household to a size of property is not appropriate, and fails to take account of market choice or household aspirations.

6.61 The English Housing Survey provides a useful indication of the characteristics of different types of households, including the size of property they live in based on their total useable floorspace[73]. The range of floorspaces within the survey are summarised below, attributed to broad property descriptions based upon our own experience and analysis of comparables.

**Figure 6.18: Useable Floorspace Categories and Associated Property Types**

| Useable floorspace | Less than 50sqm | 50 to 69sqm | 70 to 89sqm | 90 to 109sqm | Over 110sqm |
|---|---|---|---|---|---|
| Broad associated property description | Studio or small 1 bedroom apartment | 2 bedroom flat or small mews house | 2 or 3 bedroom family house, either mews or semi-detached | 3 or 4 bedroom family semi-detached home or small 4 bedroom detached house | Larger 4+ bedroom family detached house |

*Source: English Housing Survey, 2013; Turley, 2015*

6.62 The English Housing Survey provides a further breakdown of the different types of households that occupy property of these types across England. As comparable data is not available at local authority level, this is replicated in the table below. This assumes that household aspirations at a national macro level are relatively matched with supply, and not disproportionately influenced by local supply.

[73] This data is not available in the latest English Household Survey, and therefore 2012/13 data continues to be used

**Figure 6.19: Household Type by Useable Floorspace**

| Household type | Less than 50sqm | 50 to 69sqm | 70 to 89sqm | 90 to 109sqm | Over 110sqm |
|---|---|---|---|---|---|
| Couple with no dependent child(ren) | 7.5% | 18.9% | 27.9% | 15.9% | 29.8% |
| Couple with dependent child(ren) | 2.8% | 19.3% | 28.8% | 17.8% | 31.3% |
| Lone parent with dependent child(ren) | 7.8% | 37.3% | 35.5% | 11.5% | 7.9% |
| Other multi-person households | 4.6% | 24.8% | 37.8% | 14.4% | 18.4% |
| One person | 26.2% | 30.6% | 23.0% | 9.9% | 10.3% |

*Source: English Housing Survey, 2013*

6.63 This profile can be compared to the modelling of projected household types, providing an indication of the sizes of property likely to be required across the housing market area over the projection period. This is done by establishing the proportionate split of the size of property required, based on alignment of household type and the English Housing Survey evidence.

6.64 This is presented in the following table, with analysis of the two variant headship rate scenarios – in the absence of detailed data on household typologies from the 2012-based household projections – generating a derived average figure. It is considered appropriate to apply this average figure to the 2012-based projections, given that the assumptions on household formation in the latest dataset broadly fall between the 2008 and 2011 projections. The release of more detailed outputs from the 2012 SNHP should continue to be monitored by the Council with this forming an important update to the analysis presented here.

**Figure 6.20: Estimated Size of Property Required – Modelled Household Change**

| | Studio or small 1 bedroom apartment | 2 bedroom flat or small mews house | 2 or 3 bedroom family house, either mews or semi-detached | 3 or 4 bedroom family semi-detached home or small 4 bedroom detached house | Larger 4+ bedroom family detached house |
|---|---|---|---|---|---|
| **10 Year Past Growth including UPC** | | | | | |
| 2011 headship rates | 13.7% | 29.4% | 29.5% | 12.6% | 14.8% |
| 2008 headship rates | 19.8% | 28.6% | 24.9% | 11.5% | 15.2% |
| **Average** | **16.7%** | **29.0%** | **27.2%** | **12.0%** | **15.0%** |
| **Employment-led (REM)** | | | | | |
| 2011 headship rates | 13.5% | 28.7% | 29.3% | 12.7% | 15.8% |
| 2008 headship rates | 18.7% | 28.1% | 25.5% | 11.8% | 15.9% |
| **Average** | **16.1%** | **28.4%** | **27.4%** | **12.3%** | **15.8%** |

*Source: Turley, 2015*

6.65 The analysis illustrates that property size requirements are relatively similar across both scenarios presented, albeit with a slightly greater need for larger properties under the REM scenario.

6.66 A final step is required to apply these rates to the total change in households anticipated under these scenarios based on the adjusted 2012 headship rate sensitivity. This is presented in the following table, and shows the type of properties likely to be required under both scenarios.

**Figure 6.21: Indicative type of Housing Required – 2012 Headship Rate Sensitivity Scenarios**

| | 10 year Past Growth including UPC | Employment-led (REM) |
|---|---|---|
| **Total Change in Households 2012 – 2033** | **19,094** | **23,608** |
| Studio or small 1 bedroom apartment | 3,192 | 3,801 |
| 2 bedroom flat or small mews house | 5,543 | 6,705 |
| 2 or 3 bedroom family house, either mews or semi-detached | 5,199 | 6,469 |
| 3 or 4 bedroom family semi-detached home or small 4 bedroom detached house | 2,294 | 2,904 |
| Larger 4+ bedroom family detached house | 2,867 | 3,730 |

*Source: Turley, 2015*

## Bringing the Evidence Together

6.67 This section has followed the guidance in the PPG by considering a range of population and household growth scenarios, in order to establish how the population of Calderdale may change over the period from 2012 to 2033.

6.68 The 'starting point' for assessing housing need is the 2012-based sub-national household projections (SNHP), which suggest that around 17,000 additional households will form over the modelling period with an implied need for 836 dwellings annually, allowing for a fixed vacancy rate from the 2011 Census.

6.69 Further modelling has been undertaken by Edge Analytics to test the extent to which the 'starting point' is representative of longer term trends, recognising that the population projections underpinning the 2012 SNHP are based on a shorter term, five year trend from the base year. Taking a longer term, ten year trend suggests a slightly higher level of projected growth, with a suggested need for 899 dwellings per annum over the modelling period. This excludes UPC, and may therefore slightly underestimate future migration levels, and including this element suggests a slightly higher level of growth due to higher assumed migration levels. This increases the implied level of housing need to 910 dwellings per annum, with a need for property of all sizes.

6.70 Consideration is also given to the extent to which this growth could support likely future job growth in Calderdale, and the application of prudent assumptions about economic activity, unemployment and commuting suggests that around 200 additional jobs could be supported each year in the borough under the 2012 SNHP scenario. Around 300 jobs could be supported annually under the longer term migration trend, due to an assumed greater increase in the population.

6.71 These scenarios would not, however, support the level of job creation forecast by Experian and Cambridge Econometrics – as detailed in section 4 – although it is important to recognise that these are underpinned by population assumptions. Indeed,

Experian assume that growth of a similar scale to the 2012-based SNPP could support their employment forecasts, due to assumed changes in economic activity and unemployment in particular which result in a greater utilisation of the existing workforce.

6.72 This contrasts with the more prudent assumptions applied by Edge Analytics, which suggest that the labour force will largely need to be grown through higher levels of net in-migration to Calderdale. Under the Experian REM scenario, this would generate a need for 1,131 dwellings per annum in the borough, with a need for 1,047 dwellings annually to support the level of job growth forecast by Cambridge Econometrics. This would require higher levels of net migration than seen historically in Calderdale, which would need to be sustained throughout the modelling period, and an implied slightly greater need for larger housing. There is, however, inherently some uncertainty about how economic participation rates may change in the future in Calderdale. A more positive assumed re-use of the existing labour-force coupled with uplifts in economic activity rates for older age groups in particular would potentially reduce the implied need for additional labour, reflected in the higher migration rates under these scenarios.

6.73 This section has also shown the impact of applying sensitivities to return to higher levels of household formation for younger households, where there is evidence that they have been constrained from forming new households over recent years. A return to more positive household formation rates for these people increases the level of housing needed by around 4%, resulting in a range of needs for between 872 and 1,169 dwellings per annum over the period from 2012 to 2033. This forms the basis for deriving the objective assessment of need later in this report.

# 7. Affordable Housing Need

7.1 Affordability has become a well-recognised challenge to the operation of the national housing market, and the ability of households to access housing that they are able to afford is fundamental to meeting policy objectives.

7.2 The National Planning Policy Framework (NPPF) requires local authorities to assess the number of affordable homes that are evidenced as being required. Affordable housing is defined within the NPPF:

*"Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative housing provision"*[74]

7.3 At the time of production of the SHMA, it is acknowledged that there is uncertainty around the future definition of affordable housing, with recent government announcements suggesting that the definition of affordable housing could be altered to include Starter Homes[75]. The contribution of Starter Homes in meeting affordable housing needs has not been considered in this assessment, although this will require consideration as local planning policy is developed and as the Housing and Planning Bill 2015 is enacted.

7.4 Delivery of housing is recognised as a core strand of the NPPF, with a number of expectations of local authorities, including:

*"Where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time"*[76]

7.5 The PPG provides detail on the approach to be adopted in the calculation of affordable housing needs, highlighting that this assessment is separate to the objective assessment of need and noting that:

*"Plan makers working with relevant colleagues within their local authority (eg housing, health and social care departments) will need to estimate the number of households and projected households who lack their own housing and who cannot afford to meet their housing needs in the market*

[74] DCLG (2012) National Planning Policy Framework (p50, Annex 2)
[75] Draft Housing and Planning Bill 2015
[76] DCLG (2012) National Planning Policy Framework (para 50)

*"This calculation involves adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of affordable housing stock"*[77]

7.6 The PPG also provides guidance on how affordable housing need should be taken into account in policy development:

*"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"*[78]

7.7 The PPG includes clear guidance on the methodology for calculating affordable housing need, with a requirement to identify current unmet housing need, estimate future projected housing need and subtract this from the currently supply of affordable housing[79]. This methodology is well established, with a comparable stepped approach advocated in the now superseded 2007 SHMA Guidance[80]. This approach was also followed in the previous 2011 Calderdale SHMA, and reference is made to the previous assessment where appropriate throughout this chapter. Both assessments are based on different datasets, however.

7.8 The calculation provides an estimate of the volume of affordable housing required on an annual basis to meet need, based on data supplied by the Council and secondary datasets identified throughout.

7.9 Each stage of the calculation is summarised and explained sequentially in this section, with the calculation broken down by size. The calculation is also broken down by sub-area later in this section.

## Current Unmet Gross Need

7.10 At the current point in time, as a result of sustained affordability issues across the country over a number of years, the majority of areas have an existing unmet need for affordable housing, with a backlog of households classified as in need. This backlog can be considered to be made up of a range of types of household in need, from those in urgent need of housing – without a current permanent home – to those who are living in overcrowded and substandard homes, but are already housed. This component of the calculation consists of three stages, introduced and presented below.

### Stage 1 – Current Housing Need (Gross Backlog)

7.11 This stage outlines the number of households classified as in need of affordable housing, drawing upon analysis of the current Housing Register in Calderdale.

[77] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_022
[78] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_029
[79] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/
[80] DCLG (2007) Strategic housing market assessments: practice guidance

7.12 Based on a review of the Council's Allocations Policy[81], only those households in a Gold or Silver priority band have been included at this stage, as this identifies only those in priority need of affordable housing and excludes those who are found to have no housing need. The current tenure of households in need – and the total need backlog on the Housing Register – is presented in the first stage of the calculation below.

**Figure 7.1: Stage 1 – Current Housing Need**

| Step | Source | Bedrooms | | | | Total |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4+ | |
| 1.1 Number of homeless households and those in temporary accommodation | Extracted directly from the Housing Register | 174 | 47 | 4 | 4 | **229** |
| 1.2 Number of overcrowded and concealed households not in affordable housing | Housing Register (Gold/Silver), excluding those identified at Step 1.1 and 1.4 to avoid double-counting | 1,047 | 860 | 316 | 130 | **2,354** |
| 1.3 Other groups on Housing Register including households from other tenures in need | | | | | | |
| 1.4 Existing affordable housing tenants in need | Number of households on Housing Register who are currently Council or housing association tenants | 438 | 281 | 141 | 59 | **919** |
| **1.5 Total current housing need (gross)** | **1.1 + 1.2 + 1.3 + 1.4** | **1,659** | **1,189** | **461** | **193** | **3,502** |

7.13 The evidence suggests that there is a sizeable current gross need for affordable housing in Calderdale, with around 3,500 households currently in need of an affordable property. This does include households who currently occupy affordable stock, while there are also a number of households in temporary accommodation or homeless. The greatest backlog relates to smaller property – with around half of households identified requiring only one bedroom – while there is also a slight increase implied since the previous assessment was undertaken, when just under 3,000 gross households were identified as in current need of affordable housing[82].

[81] Calderdale Council (2013) Housing Allocation Scheme
[82] GVA (2011) Shaping the Housing Future of Calderdale

7.14 The assessed current need is based solely on households identifying themselves as in need by registering for affordable housing through the waiting list. A range of other data sources can also be considered to understand the extent to which households' needs are not being met, such as the 2011 Census.

7.15 As shown in the earlier analysis of market signals, there were around 2,900 households with at least one bedroom fewer than required in 2011, and further analysis shows that 2,189 of these households live in private market housing, indicating that these households' needs were not being adequately met in the market. There were also 997 concealed families in Calderdale in 2011. It is, however, likely that some of these households may be able to afford to meet their needs through the private market, and there may also be other non-financial factors behind their overcrowded or concealed status. Nevertheless, there is a relatively close alignment with those households identified at steps 1.2 and 1.3 of the calculation presented above, although the calculation – drawing upon Housing Register data and taking account of allocations policies – represents a more up-to-date position.

7.16 As the PPG identifies, it is important to avoid double-counting:

*"Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market"*[83]

7.17 On this basis, while the Census provides a useful validation of the Housing Register analysis, this stage exclusively bases the estimate of current need on the Housing Register.

### Stage 2 – Affordable Housing Supply

7.18 In line with the PPG, it is important to recognise that there is a current amount of affordable housing which is available to address the backlog identified in Stage 1. This includes known stock which could be brought back into use, and stock currently occupied by tenants which would become available if their current needs are met. These supply factors are offset by a known amount of stock which will be taken out of management – no longer forming part of the affordable housing supply – although it is understood from the Council that no such stock has been identified at the current point in time.

7.19 As per the PPG, consideration also needs to be given to the scale of committed supply of new affordable housing over the next five years[84], with this providing additional capacity to address the backlog identified in Stage 1.

7.20 Collectively, this provides an indication of the total affordable stock which will be available to meet identified backlog needs, again broken down by the size of property required.

[83] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_024

[84] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_029

**Figure 7.2: Stage 2 – Affordable Housing Supply**

| Step | Source | Bedrooms | | | | Total |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4+ | |
| 2.1 Affordable dwellings occupied by households in need | Households identified at Step 1.4, which are transfers | 438 | 281 | 141 | 59 | **919** |
| 2.2 Surplus stock | Long-term vacant (over 6 months) | 94 | 104 | 33 | 1 | **232** |
| 2.3 Committed supply of new affordable housing | Commitments for next five years | 12 | 34 | 37 | 3 | **86** |
| 2.4 Units to be taken out of management | Committed demolitions and replacements | 0 | 0 | 0 | 0 | **0** |
| **2.5 Total affordable housing stock available** | **2.1 + 2.2 + 2.3 – 2.4** | **544** | **419** | **211** | **63** | **1,237** |

7.21 The majority of the identified supply of affordable stock consists of property which is currently occupied by households identified as in need of affordable housing in Stage 1, with much of this stock relatively small. There is also a relatively sizeable amount of vacant stock, and a committed supply of new affordable housing.

### Stage 3 – Shortfall in Affordable Housing to Meet Current 'Backlog' Housing Need

7.22 The output from Stage 1 is subtracted from Stage 2 to provide a total backlog need, which is divided by five to translate into an annual figure that would address backlog early in the plan period. This reflects the guidance in the PPG, which states that:

*"Local authorities should aim to deal with any undersupply within the first 5 years of the plan period where possible. Where this cannot be met in the first 5 years, local planning authorities will need to work with neighbouring authorities under the Duty to Co-operate"*[85]

7.23 As the calculation assumes that the backlog of need is addressed in full early in the plan period, this will need to be carefully monitored and considered in the context of the likely potential to deliver this level of stock. This reflects delivery mechanisms and the availability of finance and funding.

7.24 It is also important to recognise that this backlog cannot be directly factored in to the objective assessment of need, given the relationship between market and affordable housing. With some households on the waiting list currently occupying market housing,

[85] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-land-availability-assessment/stage-5-final-evidence-base/#paragraph_035

the provision of new affordable housing to clear the identified backlog would free up market stock for other households.

**Figure 7.3: Stage 3 – Historically Accumulated 'Backlog' Need (Net Annual)**

| Step | Source | Bedrooms | | | | Total |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4+ | |
| **3.1 Shortfall in affordable housing to meet current 'backlog' housing need (annual)** | **(1.5 – 2.5) / 5** | **223** | **154** | **50** | **26** | **453** |
| % | – | 49% | 34% | 11% | 6% | – |

7.25 Overall, the calculation indicates that there is a need to provide an additional 453 affordable homes annually over the next five years in Calderdale, in order to clear the existing backlog. Around half of this need relates to one bedroom properties, suggesting a sizeable short-term need for property of this size.

## Calculating Annual Net New Need

7.26 As with market housing, there is an underlying level of demand as new households form and require a property. In the context of the current economy and the housing market, a significant proportion of these newly forming households are likely to face challenges in gaining entry to market housing, subsequently driving need for affordable housing. In addition to new households, existing households fall into affordable housing need as household circumstances change, resulting in their current housing situation no longer being appropriate and a requirement for affordable housing arising. This needs to again be balanced against the supply of affordable housing available in an area to meet these needs. Again, a stepped approach to the calculation is required, as set out below.

### Stage 4 – Future Housing Need

7.27 The PPG provides guidance on how the future need for affordable housing should be estimated:

*"Projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need. This process should identify the minimum household income required to access lower quartile (entry level) market housing (plan makers should use current cost in this process, but may wish to factor in changes in house prices and wages). It should then assess what proportion of newly forming households will be unable to access market housing"*[86]

7.28 A gross household formation rate has been calculated by Edge Analytics, based on the 2012 SNHP. This is calculated by considering changes in the number of households in

[86] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_025

specific five year age bands relative to the numbers in the age band five years previously. In order to provide a more representative assessment of newly forming households, these estimates are limited to households where the head of household is aged 15 to 44.

7.29 The proportion of newly forming households who are unable to afford market housing can be estimated based on the application of affordability benchmarks, comparing the income profile of Calderdale's sub-areas with the cost of different tenures of property in each sub-area. This draws upon the market analysis of lower quartile rents and house prices in section 5, as well as income data sourced from CACI.

7.30 The assessment is sensitive to the proportion of income spent on housing costs, and work undertaken by the Resolution Foundation – and cited by both Shelter and Joseph Rowntree Foundation – suggests that a household should spend no more than one third of their disposable income on ongoing housing costs:

*"Previous research has demonstrated that households spending at or above this threshold are far more likely to struggle to actually make housing payments resulting in arrears and defaults, and are also far more likely to experience material hardship; the effort required to prioritise their housing commitments creates problems elsewhere in their budgets"*[87]

7.31 On this basis, it is considered reasonable to assume that a household can afford to spend up to one third of their income on the cost of private rent. As such, if a household would be required to spend in excess of one third of their income on the cost of renting, a need for affordable housing would arise.

7.32 Based on this assumption, the income required to access different tenures of housing in each sub-area can be established, based on the estimated annual cost of housing and drawing upon the market evidence presented in section 5. In order to estimate an annual cost of home ownership, mortgage repayments are annualised over a 25 year period – based on a fixed 3% interest rate – with an assumed 5% deposit. These are considered as reasonable benchmark assumptions, although it is acknowledged that a higher interest rate, longer repayment period or larger deposit could impact upon the income required to access housing in Calderdale.

[87] Resolution Foundation (2014) Housing pinched: understanding which households spend the most on housing costs

**Figure 7.4: Income Required to Access Different Tenures**

| | Private Rent | | Market Purchase | |
|---|---|---|---|---|
| | Annual rent | Income required | House price | Income required |
| Brighouse including Rastrick & Hipperholme | £5,100 | £15,300 | £91,000 | £21,088 |
| Elland including Greetland & Stainland | £5,400 | £16,200 | £99,950 | £23,162 |
| Halifax | £5,100 | £15,300 | £75,000 | £17,380 |
| Hebden Bridge | £6,000 | £18,000 | £130,000 | £30,126 |
| Luddenden Dean, Mytholmroyd & Cragg Vale | £6,600 | £19,800 | £107,500 | £24,912 |
| Northowram & Shelf | £5,448 | £16,344 | £125,000 | £28,967 |
| Ryburn Valley | £5,628 | £16,884 | £119,000 | £27,577 |
| Sowerby Bridge | £4,800 | £14,400 | £83,000 | £19,234 |
| Todmorden | £5,100 | £15,300 | £76,125 | £17,641 |

*Source: Turley, 2015; Rightmove, 2015; Land Registry, 2015*

7.33 In each sub-area, a lower income is required to access the private rented sector, although the income threshold varies across Calderdale. A comparably low income is required to rent in Halifax and Sowerby Bridge, while Hebden Bridge in particular requires a notably high income to purchase given the area's high lower quartile house prices.

7.34 An understanding of the proportion of households in each sub-area who can afford these income thresholds can be established using CACI data provided by the Council, which shows the proportion of households in different income brackets[88]. This is illustrated in the following table.

[88] Income brackets are rounded to nearest £5,000, and therefore access benchmarks have been rounded to nearest £5,000

**Figure 7.5: Proportion of Households Unable to Afford**

| | Private Rent | Market Purchase |
|---|---|---|
| Brighouse including Rastrick & Hipperholme | 27% | 37% |
| Elland including Greetland & Stainland | 25% | 43% |
| Halifax | 33% | 33% |
| Hebden Bridge | 35% | 51% |
| Luddenden Dean, Mytholmroyd & Cragg Vale | 36% | 44% |
| Northowram & Shelf | 32% | 47% |
| Ryburn Valley | 16% | 38% |
| Sowerby Bridge | 32% | 42% |
| Todmorden | 31% | 42% |

*Source: Turley, 2015*

7.35 A greater proportion of households in each sub-area can afford to privately rent, although in Halifax, a third of households are unable to afford either tenure presented. Market purchase is considerably less affordable for households in Hebden Bridge and Northowram and Shelf, while private rent is also relatively unaffordable in these sub-areas.

7.36 With the private rented sector representing the most affordable open market tenure for households in each sub-area, it is assumed that households who are unable to afford this tenure – ie those who would have to spend more than one third of their income on rent – would require affordable housing. These benchmarks are therefore applied to the number of newly forming households in each sub-area[89], assuming that the income profile of newly forming households reflects existing households in each area.

7.37 It is, however, important to note that the 2012 SNHP does not currently include sufficient detail to understand the size of households forming, creating a challenge in understanding the size of affordable housing required. The size profile of newly forming households in need of affordable housing is therefore assumed to reflect the household size profile of current social rented households in Calderdale, based on the 2011 Census.

7.38 In addition to newly forming households, a number of households fall into need from other tenures, and require affordable housing on an annual basis. In order to estimate the total number of such households annually, lettings data supplied by the Council has been analysed to identify the number of households who are in priority bands and receive a letting from other tenures[90]. This removes households who are newly forming or currently occupying social housing, and an annual average has been calculated based on 2013/14 and 2014/15 data.

[89] Distribution between sub-area draws upon sub-area modelling previously undertaken by Edge Analytics, applied to 2012 SNHP scenario

[90] Excludes those currently living in local authority or housing association stock, those living with family or friends or those with no fixed abode

**Figure 7.6: Stage 4 – Future Housing Need (Annual)**

| Step | Source | Bedrooms | | | | Total |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4+ | |
| 4.1 New household formation (annual) | Gross annual household formation (SNHP 2012) | **Applied at sub-area level, as shown in Figure 7.11** | | | | **1,693** |
| 4.2 Newly forming households in need | Proportion of households unable to purchase or privately rent in the open market (assuming LQ rent) | | | | | **–** |
| | Number of households unable to afford to purchase or privately rent in the open market (assuming LQ rent) | 226 | 158 | 108 | 16 | **508** |
| 4.3 Existing households falling into need | Households registering from other tenures and receiving a letting (2013/14 – 2014/15) | 152 | 66 | 56 | 7 | **280** |
| **4.4 Total newly arising need (gross per year)** | **(4.1 x 4.2) + 4.3** | **378** | **223** | **164** | **22** | **788** |

7.39 The evidence suggests that there will be a newly arising need for 788 affordable homes in Calderdale, of which around half relate to properties with only one bedroom. Much of this need is generated by newly forming households who are unable to afford the cost of accessing housing. There is also an estimated annual flow of households falling into need from other tenures.

### Stage 5 – Affordable Housing Supply

7.40 The annual amount of affordable housing anticipated to be made available each year can be estimated, based on the number of lettings which have become available for non-transfer tenants in the past. This is drawn from lettings data provided by the Council, with an annual average calculated based on a two year period from 2013/14 to 2014/15.

7.41 In addition, an estimate has been made of the number of intermediate units likely to become available each year. Again, monitoring data has been provided by the Council, and – given volatility in the number of shared ownership sales recorded – a longer term five year average has been calculated based on sales between 2008/09 and 2012/13.

**Figure 7.7: Stage 5 – Affordable Housing Supply (Annual)**

| Step | Source | Bedrooms | | | | Total |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4+ | |
| 5.1 Annual supply of social re-lets (annual net) | Lettings excluding transfers (annual average from 2013/14 – 2014/15) | 381 | 196 | 118 | 6 | **701** |
| 5.2 Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels | Council data on shared ownership sales (2008/09 – 2012/13) | 1 | 5 | 5 | 2 | **13** |
| **5.3 Annual supply of affordable housing** | **5.1 + 5.2** | **382** | **201** | **123** | **8** | **713** |

7.42 The evidence suggests that there is a relatively sizeable supply of new affordable housing on an annual basis in Calderdale, with over 700 lettings made annually to households who were not previously occupying social housing. Most of these lettings relate to relatively small property, with only one or two bedrooms. Intermediate housing has also become available in Calderdale, although this makes only a small contribution towards meeting overall needs.

### Stage 6 – Annual Net New Need

7.43 The output from Stage 5 can be subtracted from Stage 4 to provide an estimate of the number of households likely to have unmet needs for affordable housing, which – unless sufficient new stock is available to meet annual calculated needs in full – will add to the backlog position annually.

**Figure 7.8: Stage 6 – Annual Net New Need**

| Step | Source | Bedrooms | | | | Total |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4+ | |
| **6.1 Net new need (annual)** | **4.4 – 5.3** | **-3** | **23** | **41** | **14** | **74** |
| % | – | -5% | 30% | 55% | 19% | – |

7.44 The assessment suggests that there will be an annual net need for 74 new affordable homes in Calderdale, when newly arising need is balanced against the estimated annual supply. Much of this need relates to family sized property – with two or three bedrooms – and indeed it is implied that there is a sufficient supply of one bedroom stock in the borough to meet new need on an annual basis. Importantly, however, it should be recognised that the size profile of newly forming households cannot be established at

the current point in time – due to an absence of sufficient detail in the 2012-based household projections – and therefore the size requirements implied should be treated with caution and updated on release of this additional data.

## Total Affordable Housing Need

7.45 The final element of the calculation is the identification of the total affordable housing need on a net annual basis, which is calculated by adding the two components introduced above to derive the net annual need.

7.46 Recognising the importance of seeking to address the backlog within a reasonable timeframe – and following the guidance in the PPG – the analysis in this section assumes that the backlog is cleared within a five year time horizon. On this basis, a five year affordable need figure is presented, alongside a longer term net affordable figure.

7.47 This shows an estimated extrapolation of projected need once the backlog has been cleared, although it is important to note that this is based on information at a fixed point in time and does not take account of future changes to the housing market. The longer term net need over the plan period therefore assumes that future need is simply generated with the annual net new need for the remainder of the plan period.

**Figure 7.9: Stage 7 – Total Affordable Housing Need (Net Annual)**

| Step | Source | Bedrooms | | | | Total |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4+ | |
| 7.1 Shortfall in affordable housing to meet current 'backlog' housing need (annual) | 3.1 | 223 | 154 | 50 | 26 | **453** |
| 7.2 Newly arising future need (net annual) | 6.1 | -3 | 23 | 41 | 14 | **74** |
| **7.1 Net annual affordable housing need** | **3.1 + 6.1** | **219** | **176** | **91** | **40** | **527** |
| % | – | 42% | 33% | 17% | 8% | – |

7.48 The assessment suggests that there is a need for **527 affordable homes per annum over the next five years**, in order to clear the existing backlog whilst meeting newly arising need over this period. Much of this relates to smaller properties, with only one in four requiring a property with three bedrooms or more.

7.49 Much of this need relates to clearing the existing backlog, and therefore once this is cleared, only newly arising need will need to be met, requiring **74 affordable homes annually for the remainder of the plan period**. This will generate a need for larger property, with the existing supply of one bedroom properties sufficient to meet newly

arising needs. There is, however, uncertainty about the size of households forming in Calderdale due to the absence of detail in official 2012-based household projections.

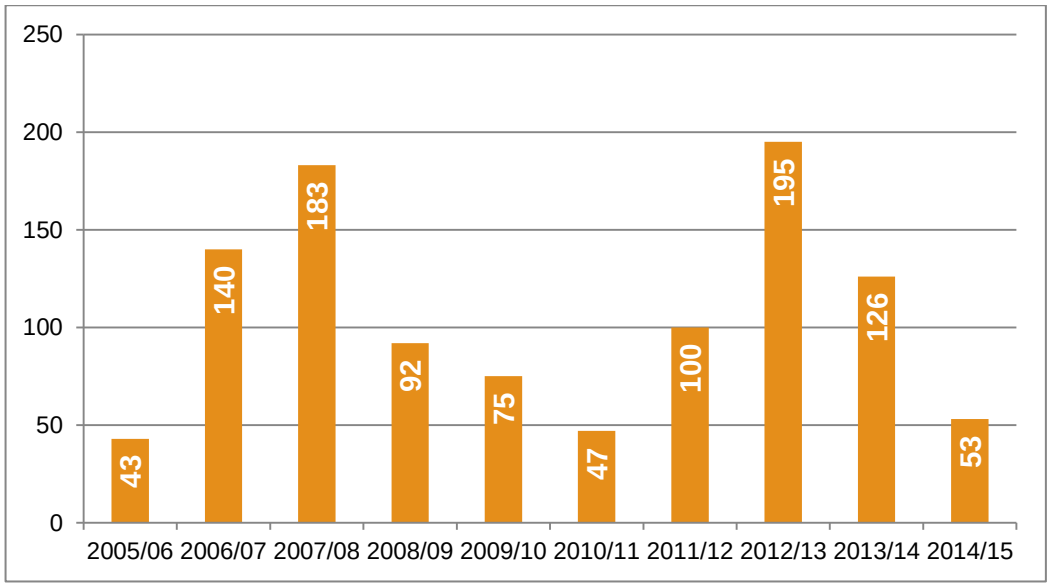
7.50 Furthermore, it will be important for the Council to monitor the extent to which the backlog is cleared over the first five years of the plan period, recognising that provision of this scale would require a substantial increase in affordable housing delivery. If this is not cleared, there will evidently be a need to continue to clear the backlog over the remainder of the plan period, in addition to meeting newly arising needs. Over the whole period considered in this study, there will be a need to provide 3,819 affordable homes[91] over the 21 year period from 2012 to 2033. This equates to an annual average of 182 affordable homes per annum, although this evidently would not prioritise clearance of the backlog over the first five years of the plan period as required by the PPG.

7.51 This reflects the reality that the varying importance of different drivers over this period – such as the relationship between house prices and incomes – will fundamentally impact on the overall need for affordable housing, and this should therefore continue to be monitored by the Council. It is also important to recognise that many of those classified as in need of housing are already occupying property within the borough, so – assuming these needs are met in another property – this would result in the return of a property to the wider housing market.

7.52 Equally, one of the important drivers of the net need for affordable housing over recent years has potentially been the comparatively low annual supply of new affordable housing stock in the context of evidenced need. As the following graph shows, this has been variable in Calderdale, with the effect of the recession clear. The downturn in the housing market – stimulated by the national economic recession – resulted in fewer affordable houses being delivered, although it is also notable that affordable housing supply has increased in recent years despite net completions remaining relatively static.

[91] Total of 2,635 affordable homes over first five years (527x5), plus 1,184 over remainder of the period considered in this study (74x16)

**Figure 7.10: Affordable Housing Delivery**




*Source: CORE, 2014; Calderdale Council, 2013*

## Affordable Housing Need by Sub-Area

7.53 While the calculation presented throughout this section has considered only the size of affordable housing required in Calderdale, the spatial distribution of need throughout the borough can also be considered, through an alternative presentation of the calculation. This is summarised in the following table.

**Figure 7.11: Affordable Housing Need by Sub-Area**

| Stage 1 – Current Housing Need | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Brighouse including Rastrick & Hipperholme | Elland including Greetland & Stainland | Halifax | Hebden Bridge | Luddenden Dean, Mytholmroyd & Cragg Vale | Northowram & Shelf | Ryburn Valley | Sowerby Bridge | Todmorden | Calderdale |
| 1.1 Number of homeless households and those in temporary accommodation | Extracted directly from the Housing Register | 29 | 21 | 110 | 14 | 6 | 7 | 1 | 21 | 20 | **229** |
| 1.2 Number of overcrowded and concealed households not in affordable housing | Housing Register (Gold/Silver), excluding those identified at Step 1.1 and 1.4 to avoid double-counting | 393 | 211 | 1,093 | 125 | 85 | 69 | 27 | 142 | 209 | **2,354** |
| 1.3 Other groups on Housing Register including households from other tenures in need | | | | | | | | | | | |
| 1.4 Existing affordable housing tenants in need | Number of households on Housing Register who are currently Council or housing association tenants | 165 | 59 | 423 | 45 | 29 | 16 | 27 | 85 | 70 | **919** |
| **1.5 Total current housing need (gross)** | **1.1 + 1.2 + 1.3 + 1.4** | **587** | **291** | **1,626** | **184** | **120** | **92** | **55** | **248** | **299** | **3,502** |

| Stage 2 – Affordable Housing Supply | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Brighouse including Rastrick & Hipperholme | Elland including Greetland & Stainland | Halifax | Hebden Bridge | Luddenden Dean, Mytholmroyd & Cragg Vale | Northowram & Shelf | Ryburn Valley | Sowerby Bridge | Todmorden | Calderdale |
| 2.1 Affordable dwellings occupied by households in need | Households identified at Step 1.4, which are transfers | 165 | 59 | 423 | 45 | 29 | 16 | 27 | 85 | 70 | **919** |
| 2.2 Surplus stock | Long-term vacant (over 6 months) | 9 | 11 | 135 | 3 | 8 | 2 | 16 | 37 | 11 | **232** |
| 2.3 Committed supply of new affordable housing | Commitments for next five years | 12 | 2 | 67 | 0 | 2 | 0 | 0 | 0 | 3 | **86** |
| 2.4 Units to be taken out of management | Committed demolitions and replacements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| **2.5 Total affordable housing stock available** | **2.1 + 2.2 + 2.3 – 2.4** | **186** | **72** | **625** | **48** | **39** | **18** | **43** | **122** | **84** | **1,237** |
| **Stage 3 – Shortfall in Affordable Housing to Meet Current Backlog Housing Need** | | | | | | | | | | | |
| **3.1 Shortfall in affordable housing to meet current 'backlog' housing need (annual)** | **(1.5 – 2.5) / 5** | **80** | **44** | **200** | **27** | **16** | **15** | **2** | **25** | **43** | **453** |

| Stage 4 – Future Housing Need (Annual) | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Brighouse including Rastrick & Hipperholme | Elland including Greetland & Stainland | Halifax | Hebden Bridge | Luddenden Dean, Mytholmroyd & Cragg Vale | Northowram & Shelf | Ryburn Valley | Sowerby Bridge | Todmorden | Calderdale |
| 4.1 New household formation (annual) | Gross annual household formation (SNHP 2012) | 277 | 178 | 667 | 68 | 93 | 76 | 93 | 118 | 123 | **1,693** |
| 4.2 Newly forming households in need | Proportion of households unable to purchase or privately rent in the open market (assuming LQ rent) | 27% | 25% | 33% | 35% | 36% | 32% | 16% | 32% | 31% | **–** |
| | Number of households unable to afford to purchase or privately rent in the open market (assuming LQ rent) | 74 | 45 | 217 | 24 | 33 | 24 | 15 | 37 | 39 | **508** |
| 4.3 Existing households falling into need | Households registering from other tenures and receiving a letting (2013/14 – 2014/15) | 55 | 32 | 111 | 16 | 13 | 3 | 8 | 19 | 23 | **280** |
| **4.4 Total newly arising need (gross per year)** | **(4.1 x 4.2) + 4.3** | **129** | **77** | **328** | **40** | **46** | **27** | **23** | **56** | **62** | **788** |

| Stage 5 – Affordable Housing Supply | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Brighouse including Rastrick & Hipperholme | Elland including Greetland & Stainland | Halifax | Hebden Bridge | Luddenden Dean, Mytholmroyd & Cragg Vale | Northowram & Shelf | Ryburn Valley | Sowerby Bridge | Todmorden | Calderdale |
| 5.1 Annual supply of social re-lets (annual net) | Lettings excluding transfers (annual average from 2013/14 – 2014/15) | 142 | 82 | 312 | 23 | 31 | 5 | 11 | 43 | 53 | **701** |
| 5.2 Annual supply of intermediate housing available at sub-market level | Council data on shared ownership sales (2008/09 – 2012/13) | 1 | 5 | 3 | 1 | 0 | 2 | 1 | 0 | 0 | **13** |
| **5.3 Annual supply of affordable housing** | **5.1 + 5.2** | **143** | **86** | **315** | **24** | **31** | **7** | **12** | **43** | **53** | **713** |
| **Stage 6 – Annual Net New Need** | | | | | | | | | | | |
| **6.1 Net new need (annual)** | **4.4 – 5.3** | **-14** | **-9** | **13** | **16** | **15** | **20** | **11** | **14** | **9** | **74** |
| **Stage 7 – Total Affordable Housing Need (Net Annual)** | | | | | | | | | | | |
| 7.1 Shortfall in affordable housing to meet current 'backlog' housing need | 3.1 | 80 | 44 | 200 | 27 | 16 | 15 | 2 | 25 | 43 | **453** |
| 7.2 Newly arising future need (net annual) | 6.1 | -14 | -9 | 13 | 16 | 15 | 20 | 11 | 14 | 9 | **74** |
| **7.1 Net annual affordable housing need** | **3.1 + 6.1 (annual)** | **66** | **35** | **213** | **43** | **31** | **35** | **14** | **39** | **52** | **527** |

7.54 There are evidently varying levels of affordable housing need across Calderdale, although it is important to note that this is likely to reflect the existing concentration of affordable stock in particular areas. This concentration could also result in a large number of lettings becoming available in areas, which could encourage people to register on the waiting list due to this available stock. Conversely, the limited supply of social stock in more rural areas of the borough could discourage households from registering on the waiting list. The need for affordable housing should therefore be considered and fully assessed at borough level, with consideration given to the implied distribution of need shown in the preceding table.

7.55 The assessment suggests that there is a sizeable need for affordable housing in Halifax, although much of this relates to the backlog of need which should be cleared over the first five years of the plan period. This contrasts with areas such as Northowram and Shelf and Ryburn Valley, where there is a smaller backlog and most affordable housing need is generated by newly forming households and existing households falling into need.

7.56 While both Brighouse including Rastrick and Hipperholme and Elland including Greetland and Stainland have a backlog that needs to be cleared, there is estimated to be a sufficient annual supply of affordable housing to meet newly arising needs once the backlog is cleared. In reality, therefore, affordable housing in this area could feasibly meet the needs of households in adjoining sub-areas, where there is a significant shortage in supply.

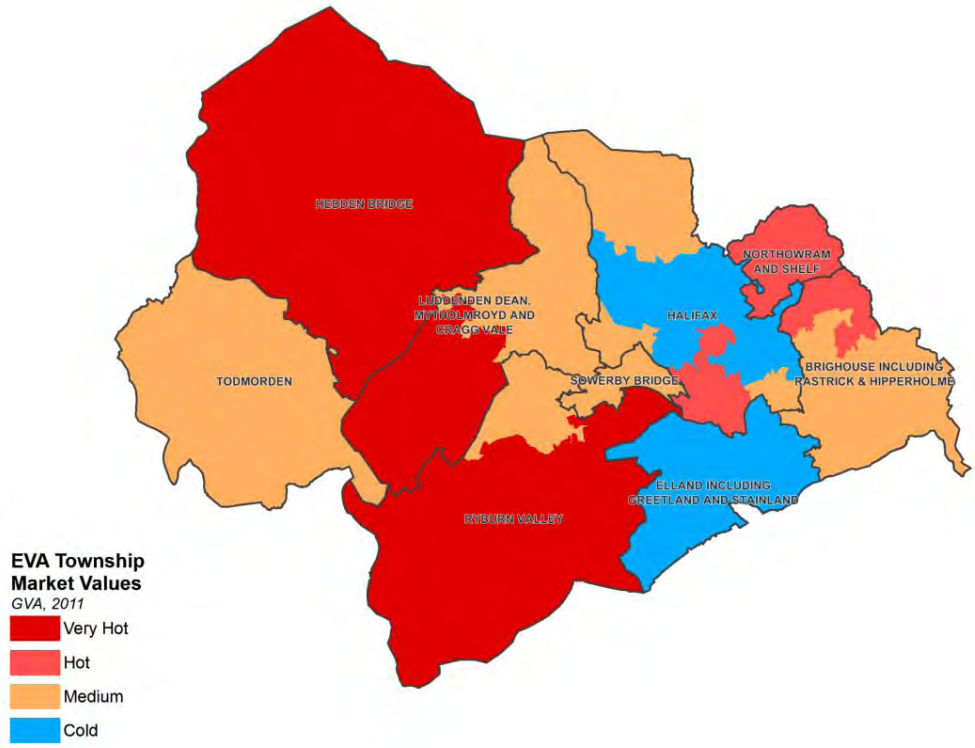
***Market Performance***

7.57 As part of the preparation of the previous SHMA, an Economic Viability Assessment[92] was published, which included an assessment of market performance within the borough. This was based on Land Registry data from February 2008 to February 2010, and categorised areas as either 'very hot', 'hot', 'moderate' or 'cold' markets. These values and categorisations were tested with stakeholders and local agents, although it is noted that this market evidence is now comparatively dated.

7.58 The identified market areas are summarised in the following plan, with Local Plan sub-areas – used throughout this report – overlaid to allow a comparison between geographies. This relationship has potential implications for the viability of affordable housing in areas where there is a high identified need.

[92] GVA (2011) Calderdale Economic Viability Assessment

**Figure 7.12: Calderdale Sub-Market Performance Characteristics**




*Source: GVA, 2011; Turley, 2015*

7.59 The plan shows that the colder market areas are in central and northern Halifax, and the wider Elland area. In the plan above, the geography of the latter area is consistent with the Elland including Greetland and Stainland sub-area geography used in this SHMA, where there is a total net annual need for 35 affordable homes. The Halifax sub-area, however, also covers medium and – to the south – hot market areas, suggesting that the net annual need for 213 affordable homes could be delivered in areas of higher value where the delivery of affordable housing is more likely to be viable.

7.60 Much of Ryburn Valley, Cragg Vale and Hebden Bridge are classified as a very hot market area, suggesting that at least 57 affordable homes – plus a portion of the need in the Luddenden Dean, Mytholmroyd and Cragg Vale sub-area – will need to be delivered in this market area, where viability is less likely to be a significant issue. Todmorden is categorised as a medium market area, where there is an annual net need for 52 affordable homes.

7.61 The Northowram and Shelf sub-area is covered by a hot market area, with a requirement for 35 affordable homes per annum. This market area also extends into the north of Brighouse including Rastrick and Hipperholme, where there is a need to deliver 66 affordable homes per annum over the next five years.

## Role of Intermediate Products

7.62 Intermediate housing products can play an important role in bridging the gap between social renting and owner occupation, allowing households to move towards owner occupation by renting whilst acquiring equity in their property. As a result, this type of housing tenure can provide an important step on the housing ladder, which particularly appeals to first-time buyers and households with lower incomes.

7.63 The NPPF includes a definition of intermediate housing:

*"Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing"*[93]

7.64 It is important to note, therefore, that intermediate products do not include affordable rent, nor homes provided by private sector bodies or provided without grant funding.

7.65 Starter Homes can also be classified as intermediate housing, with this initiative announced by Government in February 2015 in order to support first-time buyers aged under 40 years of age[94]. Starter Homes will be offered to younger people at a minimum 20% discount to the market price, with the discount price not significantly more than the average price paid for a first-time buyer. This means that discounted prices outside of London should be no more than £250,000[95]. There is an ambition to build 200,000 Starter Homes across England by 2020, with local authorities expected to promote supply. This assessment has not sought to estimate the precise impact on an increased supply of Starter Homes on affordable housing need in Calderdale, although it is clear that the provision of homes at a market discount would lower the cost of purchase for younger households in the borough, providing additional new housing which is more affordable for those able to buy.

### Affordability of Intermediate Dwellings

7.66 This section considers the potential role of intermediate housing in meeting affordable housing need through analysis of demand for intermediate products, and the relative affordability of intermediate products within Calderdale. It is recognised that wider factors constrain the ability of households in need to access intermediate homes, including the viability of delivery of this tenure in low value locations and the requirements for obtaining a deposit and mortgage.

7.67 The shared ownership and shared equity market is now largely split between two separate products that deal with different markets. The traditional shared ownership model allows purchasers who meet low income criteria to typically buy between 25 - 40% of the equity, paying rent on the rest. A second product relates to Help to Buy shared equity, where purchasers with higher incomes pay 75% of the purchase price and pay no rent. This product allows people to buy a property that is bigger, better or

[93] DCLG (2012) National Planning Policy Framework (p50, Annex 2)
[94] HMGovernment (February 2015) Young first-time buyers can register online for 100,000 cut-price homes
[95] Draft Housing and Planning Bill (2015)

newer than what they could already afford, stimulating the new build construction market – but remaining unaffordable to those on low incomes.

7.68 The analysis draws upon the income tests utilised within the affordable housing needs assessment to establish the number – and proportion – of households in need of affordable housing that are likely to be able to afford an intermediate housing product, and those for which only social rented housing is affordable.

7.69 To reflect the traditional shared ownership model, the proportion of households unable to afford a 40% equity share in a new house at the lower quartile[96] – plus the cost of annual rent – is established. This assumes an ongoing annual rent equivalent to 2.5% of the value of the unsold equity, allowing for a 40% equity purchase.

7.70 Secondly, to reflect the shared equity model, an additional scenario was tested to examine the impact of setting the income required to purchase at 75% of the purchase price of a new build house at the lower quartile in Calderdale.

7.71 For consistency with the earlier affordability benchmarking, it is assumed that a household can afford to access intermediate housing if the annual cost is less than one third of their income. The annual cost is assumed to consist of mortgage repayments and, for equity share, annual rent. It is assumed that households take out a mortgage with a 5% deposit to purchase their share, paying a fixed 3% interest rate over a 25 year repayment period.

7.72 The following table demonstrates the upper and lower income thresholds within which it is assumed households can afford intermediate housing in Calderdale, for both models. The proportion of households unable to afford to privately rent in the borough is also presented[97] for context, noting that this assessment only considers need at borough level.

**Figure 7.13: Income Thresholds for Intermediate Housing**

| | Private rent[98] | 40% equity share plus annual rent | 75% shared equity |
|---|---|---|---|
| Total annual cost | – | £6,770 | £8,545 |
| Income required | – | £20,310 | £25,636 |
| **Unable to afford** | **30%** | **39%** | **47%** |

*Source: Turley, 2015*

7.73 The earlier analysis suggested that 30% of households in Calderdale were unable to afford the cost of private renting, as they would have to spend in excess of one third of their income on rent. This assessment suggests, however, that a higher proportion of households in Calderdale would be unable to afford the cost of intermediate housing.

[96] Lower quartile price paid for new build house in Calderdale in 2014 - £147,500 (Land Registry)
[97] As income thresholds are applied by sub-area, borough level proportion has been calculated by summing households at step 4.3 of the calculation and dividing by total number of newly forming households at step 4.1
[98] Applied at sub-area level and therefore borough level annual costs are not available

7.74 This suggests that households who are unable to afford to privately rent are unlikely to be able to afford intermediate housing, with this product playing a greater role in enabling households to move from the private rented sector to an ownership product. Those households who are unable to afford to privately rent, therefore, will continue to generate a need for affordable housing, as their needs cannot be met through intermediate products. It is, however, important to recognise that there could be distinct local variations in the affordability of intermediate products, with these likely to play a greater role in those areas where rents are particularly high due to a limited supply.

## Role of the Private Rented Sector

7.75 The private rented sector is not formally recognised as affordable housing, and therefore the available guidance does not take account of the role of the private rented sector in meeting affordable housing need. Furthermore, the definition of affordable housing presented earlier in this section excludes the private rented sector.

7.76 However, the private rented sector has seen significant growth both in Calderdale and nationally, with many households meeting their affordable housing needs through this sector. The analysis in section 8 of this report highlights that the private rented sector plays a particularly important role in meeting the housing needs of younger households and also those with dependent children.

7.77 The extent to which households with affordable housing needs meet their requirements in the private sector can be estimated. This element of the assessment utilises the most recent data release from DWP, with a base date of February 2014, on the number of local housing allowance (LHA) recipients residing in households within the private rented sector across Calderdale.

7.78 The table below presents this data, showing the rented tenure of benefit claimants in the borough. A figure for England has also been included as a comparator.

**Figure 7.14: Rented Tenure of LHA Claimants**

| Tenure | Calderdale | England |
|---|---|---|
| Social rented | 56.6% | 65.5% |
| Private rented | 43.4% | 34.5% |
| All LHA claimants | 16,945 | 4,272,873 |

*Source: DWP, 2014*

7.79 The private rented sector evidently plays a considerable role in meeting the needs of those who cannot afford housing without benefits. Indeed, it plays a greater role than seen on a national scale, with a lesser reliance upon the social rented sector.

7.80 In this context, it is beneficial to estimate the proportion of private renters who are claiming local housing allowance, as shown in the table below. It is, though, important to acknowledge that this approach neglects to consider households containing multiple LHA claimants. This takes the total number of private rented households from the 2011

Census and the total number of LHA claimants privately renting from the DWP data presented above.

**Figure 7.15: Proportion of Private Renting Households Claiming LHA**

| Tenure | Calderdale |
|---|---|
| Total private rented households | 14,545 |
| Total local housing allowance claimants in private rented sector | 7,358 |
| Proportion of private renting households claiming local housing allowance | 50.1% |

*Source: Census 2011; DWP, 2014*

7.81 This estimate suggests that approximately half of private rented households are claiming LHA, compared to a figure of around 40% for England as a whole. This reinforces the view that the private rented sector plays an important role in meeting affordable housing needs in Calderdale, slightly more so than seen nationally.

7.82 For this reason, further insight can be gained by estimating the number of lettings made each year to tenants claiming LHA. The turnover of housing stock can be estimated from English Housing Survey returns, which – for 2012/13 – indicates that approximately 11% of private rented households are new lettings which either originate from other tenures or are newly formed[99]. This benchmark removes transfers between private rented stock, and from this, an estimate can be made of the number of new lettings per annum in Calderdale. Using the figures presented in the previous table, the number of new lettings arising from LHA claimants can be calculated, although – in actuality – this figure is likely to be lower in response to instances where numerous claimants share households.

**Figure 7.16: Number of Private Rented Lettings to LHA Claimants**

| Tenure | Calderdale |
|---|---|
| Total private rented households | 14,545 |
| New lettings per annum (11%) | 1,600 |
| Proportion of LHA claimants in private rented sector | 50.1% |
| Number of lettings to LHA claimants per annum | 816 |

*Source: Census 2011; English Housing Survey, 2014; DWP, 2014*

7.83 As shown, this method estimates that the private rented sector provides for 816 households per year. It is clear, therefore, that the private rented sector has over recent yearsplayed a crucial role in meeting a proportion of housing need in the borough.

[99] English Housing Survey Headline Report 2012/13 – Table 5 (Previous tenure by current tenure, 2012-13) indicates that, nationally, 448,000 private rented households were previously in another tenure. Over the same period, there were 3,956,000 private rented households (Table 1 – Demographic and economic characteristics by tenure, 2012-13) . This suggests that approximately 11%of private rented households are new lettings

## Impact of Welfare Reforms

7.84 Over recent years, there has been a sustained programme of welfare reform, with the coalition government aiming to make the benefit system fairer and more affordable, while reducing poverty, worklessness and welfare dependency[100]. Following the recent General Election, the government have signalled their intentions to introduce further changes to the welfare system. As set out in the Summer Budget 2015, the latest proposed reforms aim to save £12 billion from the working age welfare budget[101].

### Planned Welfare Reforms

7.85 The latest planned welfare changes are summarised below, based on the Summer Budget 2015[102]:

- The **benefit cap** will be lowered so that an out of work family can claim no more than £20,000 in benefits – or £23,000 in London – although those who find a job will continue to be exempt from the cap. Pensioners also will not be subject to this limit;

- Social housing tenants with household incomes of £30,000 and above in England – or over £40,000 in London – will be required to pay **market or near market rent** for their accommodation, with this subsidy either repaid to the Exchequer or reinvested in new housing;

- **Lifetime tenancies** in the social housing sector will be reviewed to ensure that the best use is made of the existing stock;

- **Automatic housing support entitlement will be withdrawn** for new Universal Credit claims from 18-21 year olds who are out of work, with a new Youth Obligation support regime introduced to encourage people of this age into sustainable employment;

- Working-age benefits – including local housing allowance (LHA) – will be **frozen for 4 years** from 2016/17, following a period since 2008 when growth in most benefits has outstripped growth in average earnings;

- Social housing rents in England will be **reduced by 1% annually for 4 years**, in response to a three year period since 2010/11 when average social rents have increased by 20%;

- **Universal Credit** will continue to expand to over 500 jobcentres by the end of 2015, and – in consolidating six benefits into one payment, including housing benefit – is described as the most fundamental reform to the welfare system since its inception; and

- Prior to being replaced by Universal Credit, the **tax credits system will be reformed** to support working families to grow their earnings through the tax system. The income threshold for tax credits – after which awards will begin to be

[100] Department for Work and Pensions (2013) Policy paper – 2010 to 2015 government policy: welfare reform
[101] HM Treasury (2015) Summer Budget 2015
[102] Ibid

withdrawn – will be reduced from £6,420 to £3,850. Support provided to families through tax credits will also be limited to 2 children, so that any subsequent children born after April 2017 will not be eligible for further support.

7.86 The Queen's Speech at the opening of Parliament in 2015 provided further information on future reforms which may impact the need and supply of affordable housing in England. This set out details on the Housing Bill, which will be introduced to support home ownership and give housing association tenants a right to buy their home, extending the rights received by local authority tenants. Local authorities will also be expected to dispose of high-value vacant council houses, releasing funds to extend the Right to Buy and build new affordable homes[103].

### Earlier Reforms

7.87 Elements of the latest reforms represent continuations of changes made during the previous government, with the benefit cap introduced from July 2013 at an initial threshold of £26,000. Housing benefit is one of the benefits subject to the cap, and is seen as a mechanism through which it can be implemented. Households lose some of their housing benefit if total benefits received surpass the designated limit, and this is likely to have the greatest impact on larger families, who require larger homes which typically demand higher rents. A lowering of the benefit cap as proposed could further limit the amount of housing benefit received, although the amount of other benefits received could also change in the future.

7.88 A government review of the impact of the benefit cap after its first year of operation highlights that its impact has been limited, with the greatest effect seeing capped claimants moving into or towards employment[104]. Some households, however, have faced barriers in accessing employment, including childcare issues and a shortage of language skills or qualifications. It is notable that the majority of claimants have not built up rent arrears, with very few moving house due to the benefit cap. Instead, households have adjusted through other means, such as finding employment or adjusting budgets.

7.89 The government also introduced the spare room subsidy from April 2013, where the benefit received would be reduced if a household was deemed to have a spare bedroom in their council or housing association home. The measure restricts housing benefit to a rate that allows for one bedroom for each person or couple living as part of a household, with the following exceptions:

- Two children under 16 of the same gender are expected to share a bedroom, thereby reducing the number of bedrooms that the household is eligible for;
- Two children under 10 are expected to share a bedroom regardless of gender;
- Disabled tenants or partners requiring a non-resident overnight carer will be allowed an extra bedroom;
- Approved foster carers will be allowed an additional room if they have fostered a child, or became an approved foster carer in the last 12 months; and

[103] https://www.gov.uk/government/publications/queens-speech-2015-what-it-means-for-you/queens-speech-2015-what-it-means-for-you#housing-bill
[104] DWP (2014) The benefit cap: a review of the first year

- Adult children in the Armed Forces will be treated as continuing to live at home when deployed on operations.

7.90 Where claimants have one or more spare bedrooms in their home, the amount of benefit they receive will be reduced by a fixed percentage of the eligible rent. The government has stated that this is set at 14% for one extra bedroom, and 25% for two or more extra bedrooms. An assessment prepared by the government estimates that those affected by the measures in Calderdale will incur an average reduction of £14 per week[105].

7.91 Data published by the Department for Work and Pensions (DWP) indicates that – in February 2015 – 6.9% of housing benefit claimants had a reduction due to spare bedrooms, with this representing a slight increase relative to the 6.2% recorded in February 2014. This does not suggest that the utilisation of social housing stock is becoming significantly more efficient, with many households simply assuming the additional cost associated. This accords with national research by the BBC, which showed that only a small proportion of affected social housing tenants have moved home[106].

## Implications

7.92 The changes introduced to the welfare system over recent years – alongside future planned reforms – could continue to impact upon the calculated need for affordable housing presented in this section.

7.93 The extension of the Right to Buy to housing association properties could reduce the supply of social housing available to meet needs on an annual basis, whilst the sale of higher value council and housing association properties could also reduce available supply. Whilst the reforms expect this to be replaced, there are established concerns regarding the extent to which stock can be replaced by new housing association properties. The sale of higher value property could also influence the spatial distribution of social housing across Calderdale.

7.94 This could be partially offset by the discontinuation of lifetime tenancies, which would be likely to increase the amount of stock becoming available on an annual basis as properties are vacated. This would, however, be likely to increase the number of transfers and relets and therefore the number of lettings excluding relets – a key component of calculated future housing supply in Stage 5 of the calculation – could remain relatively steady, albeit with some losses associated with the Right to Buy and sale of higher value stock if these are not directly replaced.

7.95 It is difficult to establish the impact of removing housing benefit for 18 to 21 year olds, particularly given that younger households can expect to retain their benefits if they partake in the Youth Obligation support scheme. Nevertheless, the removal of automatic benefits for people of this age could reduce the assessed level of need associated with this group, although there are likely to remain more vulnerable households in need.

[105] Department for Work and Pensions (December 2013) Number of Housing Benefit claimants and average weekly spare room subsidy amount withdrawal
[106] BBC News (March 2014) Housing benefits: changes 'see 6% of tenants move'

7.96 The commitment to reduce social housing rents can potentially offset some of the impacts suggested above, due to a reduction in the cost of housing, but this could also reduce council and housing association revenue and possibly limit their ability to deliver new social housing stock. This could challenge the extent to which affordable housing need is met through the provision of new social housing stock.

7.97 Furthermore, the introduction of market or near-market rents for higher income households in social housing will increase the cost of housing for these households, and assumes that their income can support higher rental levels. While this could act as a bridge between social and market housing – and allow a smoother transition to market housing for households on higher incomes, potentially freeing up social stock for those with lower incomes – challenges could, again, be presented where house prices are high.

7.98 Overall, it is clear that the ongoing programme of welfare reforms could significantly impact on the level and size of affordable housing need in Calderdale, and the available supply of social housing in the borough. This could have a direct impact, therefore altering the assessed balance between supply and demand and the implied level of backlog and particularly future need. The impacts of these reforms should therefore be monitored by the Council as they develop housing policy, with evidence of a substantial change potentially justifying a new calculation of affordable housing need.

## Bringing the Evidence Together

7.99 This section has followed the methodology in the PPG to calculate the need for affordable housing in Calderdale. This incorporates both current and future affordable housing need, balanced against supply.

7.100 The assessment suggests that there is a need to provide **527 affordable homes annually over the next five years**, in order to clear the backlog that has arisen historically while meeting newly arising needs over this period. Once the backlog is cleared, only newly arising need will need to be met, with a need for 74 affordable homes per annum thereafter. Much of the backlog relates to smaller properties with only one bedroom, although a need for larger properties will be generated in future. There is, however, uncertainty about the size of households forming in Calderdale due to the absence of detail in official 2012-based household projections at the time of writing.

7.101 Over the whole period considered in this study, the assessment suggests that there is a need for 3,819 affordable homes between 2012 and 2033, equating to an annual average of 182 affordable homes per annum. This would not, however, prioritise clearance of the backlog over the first five years of the plan period as required by the PPG.

7.102 The assessment has also been broken down by sub-area, illustrating the varying levels of affordable housing need across the borough. There is a sizeable backlog of need in Halifax, which contrasts with areas such as Northowram and Shelf and Ryburn Valley, where need generally relates to newly forming households and existing households falling into need. The spatial distribution of need is, however, partially reflective of existing stock, and affordable housing need could feasibly be met throughout the borough to reflect a policy approach.

7.103 The role of intermediate products has also been considered, although the assessment suggests that it is cheaper to privately rent than occupy housing through an intermediate tenure, such as 40% equity share or 75% shared equity. These products are therefore more likely to play a role in enabling households to move from the private rented sector to an ownership product, with those households unable to afford to private rent continuing to rely on traditional affordable housing provision. The private rented sector does, however, play a significant role in meeting affordable housing need, with an estimated 816 households per year meeting their affordable housing needs in recent years through this tenure.

# 8. Housing Requirements of Specific Groups

8.1 This report has set out the projected changes in the Calderdale housing market over the period from 2012 to 2033 to help inform the development of planning policy and housing strategy. The analysis has clearly shown that the demographic and economic profile of the borough is likely to change over this period, and the housing market will react to these changes. However, different social groups will be affected by these changes in different ways.

8.2 This section, therefore, considers particular groups that may have specific housing requirements, which require careful consideration when developing a housing strategy. The NPPF notes that this report does not need to assess every group in detail, but specific policy or service provision requirements should be informed by an understanding of the specific housing requirements of groups represented in Calderdale.

8.3 This section draws together existing research and provides updated analysis, and should be read alongside more detailed studies cited throughout.

## Older Persons

8.4 Older persons require suitable housing which can enable them to live independently at home for as long as possible, and it may also be necessary to provide a range of more specialised older persons accommodation in order to meet specific identified needs.

8.5 The PPG states that:

*"The need to provide housing for older people is critical given the projected increase in the number of households aged 65 and over accounts for over half of the new households (Department for Communities and Local Government Household Projections 2013). The age profile of the population can be drawn from Census data. Projection of population and households by age group should also be used. Plan makers will need to consider the size, location and quality of dwellings needed in the future for older people in order to allow them to live independently and safely in their own home for as long as possible, or to move to more suitable accommodation if they so wish. Supporting independent living can help to reduce the costs to health and social services, and providing more options for older people to move could also free up houses that are under occupied."*[107]

8.6 The PPG does, however, also note that many older people may not want or need specialist accommodation or care, and may wish to remain in general suitable housing, or homes which can be adapted.

[107] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_021

8.7 Within the PPG, further guidance is provided with reference to supply:

*"Older people have a wide range of different housing needs, ranging from suitable and appropriately located market housing through to residential institutions (Use Class C2). Local planning authorities should count housing provided for older people, including residential institutions in Use Class C2, against their housing requirement. The approach taken, which may include site allocations, should be clearly set out in the Local Plan"*[108]

8.8 The evidence presented in section 4 highlighted the changing age profile of Calderdale, with the average age increasing between 2001 and 2011. The following table shows that the number of residents aged 65 and over has increased by 8.2%, with particular growth in those aged 65 to 74 and those aged 90 and over.

**Figure 8.1: Change in Older Persons Population (age 65+) 2001 – 2011**

| Age Group | 2001 | 2011 | Change 2001 – 2011 | % Change 2001 – 2011 |
|---|---|---|---|---|
| 65 – 74 | 15,320 | 17,593 | 2,273 | 14.8% |
| 75 – 84 | 10,842 | 10,585 | -257 | -2.4% |
| 85 – 89 | 2,619 | 2,831 | 212 | 8.1% |
| 90+ | 1,221 | 1,463 | 242 | 19.8% |
| **Total Older Persons** | **30,002** | **32,472** | **2,470** | **8.2%** |
| England | 7,808,000 | 8,660,529 | 852,529 | 10.9% |

*Source: Census 2001; Census 2011*

8.9 It is important to consider the older population in isolation, in order to understand how this group has changed over recent years and how future need pressures can impact on the requirements for new housing.

8.10 Initially, therefore, it is beneficial to establish the context to understand prevalent housing trends amongst older households, where all occupants are aged 65 and over. There were 17,934 such households in Calderdale in 2011, with an average size – based on the relationship between the population and households[109] – of 1.8 residents, compared to the general average household size of 2.28 residents calculated earlier in this report. This indicates that older households are typically smaller.

8.11 As noted in the PPG, this can have implications on the level of under-occupancy in an area, and the table below therefore summarises the number of bedrooms in older households.

[108] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-land-availability-assessment/stage-5-final-evidence-base/#paragraph_037

[109] This calculation is an estimate as it assumes that all people aged 65 and over live in a household with other people aged 65 and over

**Figure 8.2: Number of Bedrooms in Older Households 2011**

| Household Type | Number of Bedrooms | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5+ |
| **All residents aged 65+** | **23%** | **37%** | **32%** | **6%** | **1%** |
| All categories | 12% | 33% | 38% | 13% | 4% |

*Source: Census 2011*

8.12 As shown, compared to all households, older households are typically likely to occupy smaller properties – 60% of older households contain one or two bedrooms, compared to 45% of all households. There are, however, around 7,000 households with three or more bedrooms which could – given the lower average household size – be classified as under-occupied. In particular, the 1,359 older households with four or more bedrooms are less likely to need such large properties, compared to bigger families. It may be the case, however, that there is an insufficient supply of attractive housing options to encourage such households to downsize.

8.13 It is also important to understand prevalent housing tenure trends in older people in Calderdale, with the Census facilitating an analysis of tenure where the head of household is aged 65 or over. The following table identifies the proportion of such households within each tenure type, with the tenure profile for all age groups also included for reference.

**Figure 8.3: Tenure of Older Persons Housing 2011**

| Tenure | Head of Household 65+ | | All Ages |
|---|---|---|---|
| | Total Households | % | % |
| Owned or shared ownership | 15,595 | 70.7% | 67.0% |
| Social rented | 4,761 | 21.6% | 15.2% |
| Private rented or living rent free | 1,702 | 7.7% | 17.8% |

*Source: Census 2011*

8.14 The table shows that the majority of older households own their home, although a relatively high proportion of older people socially rent compared to households of all ages. There are subsequently relatively few privately renting or living rent free.

8.15 In line with the PPG, this section also considers the level of need for residential institutions within Use Class C2. Within this context, it is important to recognise that a proportion of the occupants of this type of accommodation are not included within the private household population which forms the basis of the household projections developed by Edge Analytics. They are therefore not included within the resulting modelled projections of housing need set out in section 6.

## Specialist Accommodation

8.16 As recognised within the PPG, older people typically occupy a broad range of accommodation, including market housing and more specialist accommodation. Prior to considering the implications for future need and its relationship to the overall dwelling requirement, therefore, it is important to introduce a number of key terms relating to older persons accommodation, and its classification within modelling outputs.

8.17 A component of the older persons population live in communal establishments, which – though not only relating to older persons accommodation – can include[110]:

- Sheltered accommodation units where fewer than 50 per cent of the units in the establishment have their own cooking facilities, or similar accommodation where residents have their own rooms, but the main meal is provided. If half or more possess their own facilities for cooking – regardless of use – all units in the whole establishment are treated as separate households;

- Small hotels, guest houses, bed and breakfasts and inns and pubs with residential accommodation, with room for 10 or more guests excluding the owner or manager and family;

- All accommodation provided solely for students, during term-time. This includes university-owned cluster flats, houses and apartments located within student villages, and similar accommodation owned by a private company and provided solely for students. University-owned student houses that were difficult to identify and not clearly located with other student residents are treated as households, and houses rented to students by private landlords are also treated as households. Accommodation available only to students may include a small number of caretaking or maintenance staff, or academic staff; and

- Accommodation available only to nurses, including cluster flats and similar accommodation. Nurses' accommodation on a hospital site that does not also contain patients is treated as a separate communal establishment from the hospital and not categorised as a hospital, so that nurses are treated as residents and not resident staff or patients. This ensures consistency with similar nurses' accommodation not on a residential site.

8.18 DCLG also provide a further definition of communal establishments:

*"Communal establishments, ie establishments providing managed residential accommodation, are not counted in overall supply statistics (however, all student accommodation, whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus, can be included towards the housing provision in local development plans). These cover university and college student, hospital staff accommodation, hostels/homes, hotels/holiday complexes, defence establishments (not married quarters) and prisons. However, purpose-built (separate)*

[110] ONS (2014) 2011 Census Glossary of Terms (p11)

*homes (eg self-contained flats clustered into units with 4 to 6 bedrooms for students) should be included. Each self-contained unit should be counted as a dwelling"*[111]

8.19 Looking specifically at broad typologies of more specialist older persons accommodation, the following can be considered as broadly representative of the majority of types. Definitional text is drawn from the Age UK[112] and NHS[113] websites:

- **Sheltered housing** – there are many different types of sheltered housing schemes, although as a minimum they should provide 24 hour emergency help through an alarms system and there may also be an on-site scheme manager, although this is increasingly rare. Importantly, schemes are generally comprised of self-contained flats or bungalows – typically with between 20 to 40 units – with communal areas often on site. In planning terms, this type of housing is usually categorised as C3 housing, and is not classified as communal establishments;

- **Extra care housing** – this is sometimes referred to as very sheltered housing, or housing with care. This is considered as an intermediate form of accommodation between sheltered and care home housing, and may include converted properties and purpose-built accommodation, such as retirement villages, apartments and bungalows. They can also be large-scale villages with up to 300 properties. Importantly, accommodation is not limited only to older persons, but can accommodate people with disabilities regardless of age. Extra care housing is aimed at providing people with the opportunity to live independently in a home of their own, but with other services on hand if they need them. Accommodation is usually provided in the form of self-contained flats, but meals are provided and individual personal care may also be provided. This suggests that housing of this nature will largely be classified as C3 housing, and will not fall within the definition of communal establishments; and

- **Care homes** – staffed 24 hours a day with meals provided, and often referred to as either residential homes or nursing homes, with the categorisation dependent on the level of nursing care provided. Within this category, it is important to note therefore that the nature of accommodation – and degree of independence – will vary considerably, with the most profound needs met through nursing care. This accommodation type may well be categorised as communal establishments, due to lower levels of self-containment and independence of households, and could therefore fall within the C2 definition. This will depend, however, upon the proportion of accommodation within any particular care home which has its own cooking facilities, as per the ONS definition.

8.20 The 2011 Census highlights the number of residents living in communal establishments, broken down by age group. This shows that there were 1,341 residents at the Census living in communal establishments, of which 978 were aged 65 and over. The following table summarises the type of communal establishments occupied by these residents, which shows that the majority of these residents are living in care homes.

[111] https://www.gov.uk/definitions-of-general-housing-terms
[112] http://ageuk.org.uk
[113] http://nhs.uk

**Figure 8.4: Communal Establishment Residents (65+) by Type 2011**

| | Calderdale |
|---|---|
| **All usual residents in communal establishments** | **978** |
| Medical and care establishments – NHS | 0 |
| Medical and care establishments – local authority | 24 |
| Medical and care establishments – RP/HA | 0 |
| Medical and care establishments – care home with nursing | 445 |
| Medical and care establishments – care home without nursing | 495 |
| Medical and care establishments – other | 14 |
| Other establishments or not stated | 0 |

*Source: Census 2011*

### Future Need for Older Persons Accommodation

8.21 The population modelling undertaken by Edge Analytics – presented in section 6 – includes people of all ages, including older persons. Figure 8.5 therefore illustrates the modelled change in the older persons population under each of the modelled scenarios for Calderdale.

**Figure 8.5: Modelled Change in Older Persons (65+) 2012 – 2033**

| Scenario | Age | Change | % Change |
|---|---|---|---|
| Employment-led (Cambridge) | 60/65 – 74 | 10,014 | 39.7% |
| | 75 – 84 | 7,240 | 67.3% |
| | 85+ | 5,386 | 119.9% |
| | **Total** | **22,639** | **55.9%** |
| Employment-led (REM) | 60/65 – 74 | 9,463 | 37.5% |
| | 75 – 84 | 7,057 | 65.6% |
| | 85+ | 5,262 | 117.2% |
| | **Total** | **21,782** | **53.8%** |
| 10 year Past Growth | 60/65 – 74 | 8,992 | 35.6% |
| | 75 – 84 | 6,978 | 64.8% |
| | 85+ | 4,841 | 107.8% |
| | **Total** | **20,811** | **51.4%** |
| 10 year Past Growth inc UPC | 60/65 – 74 | 9,023 | 35.7% |
| | 75 – 84 | 6,997 | 65.0% |
| | 85+ | 4,852 | 108.1% |
| | **Total** | **20,872** | **51.5%** |
| SNHP 2012 | 60/65 – 74 | 9,338 | 37.0% |
| | 75 – 84 | 7,028 | 65.3% |
| | 85+ | 5,232 | 116.5% |
| | **Total** | **21,598** | **53.3%** |

*Source: Edge Analytics, 2014*

8.22 All scenarios anticipate significant growth in the older persons population between 2012 and 2033, with the greatest proportional growth expected in those aged 85 and over. Indeed, scenarios are consistent in forecasting approximately 5,000 additional residents within this age group by 2033.

8.23 In understanding the changing housing needs of this population, it is necessary to consider the proportion of this population who are projected to have specific requirements, which may require specific housing provision outside of general market or social housing. The Housing Learning and Improvement Network (Housing LIN) is a leading source of knowledge on housing for older people, with involvement with government, the HCA and other key professional, public and voluntary bodies. The Strategic Housing for Older People Analysis (SHOP@) tool was published by Housing LIN to show the prevalence rates for different types of specialist housing for persons aged 75 and over in different authorities. The PPG recommends the use of such toolkits

in estimating the future need for different types of specialist accommodation, and this toolkit has therefore been used to assess the projected need for different types of specialist accommodation under the 10 year Past Growth scenario, including UPC.

8.24 The need for specialist housing identified inputs the projected change in the population aged 75 and over – excluding those living in communal establishments, detailed separately later in this section – and this is therefore included within the implied projection of housing need derived from this scenario. This is separate to the growth in the communal population, which as noted earlier, is excluded from the household projections.

**Figure 8.6: Projected Need for Specialist Housing 2012 – 2033**

| | Change 2012 – 2033 |
|---|---|
| Projected change in population[114] aged 75+ | 11,144 |
| Sheltered housing – 125 units per 1,000 75+ | 1,393 |
| Enhanced sheltered housing – 20 per 1,000 75+ | 223 |
| Extra care with 24/7 support – 25 per 1,000 75+ | 279 |
| **Total specialist housing need (units)** | **1,894** |
| Specialist housing need per annum | 90 |

*Source: Housing LIN, 2015; Edge Analytics, 2015*

8.25 Under this demographic scenario, the growth in the older persons population is expected to generate an annual need for 90 additional specialist housing units over the period shown. The table provides an indication of the implied need for different types of specialist housing, although it is acknowledged that this need could be met through alternative older persons accommodation to reflect policy priorities. It is understood that extra care housing is a Council priority given that this is designed to be a long-term home for older people.

***Need for Additional Care Home (C2) Accommodation***

8.26 In considering the housing needs of the older population, it is important to recognise that the communal establishment population – in addition to being excluded from housing supply statistics – are not included within the population converted to households by DCLG. This population is therefore not included within the private household population modelled by Edge Analytics which is used to project housing need.

8.27 When treating the communal population, Edge Analytics adopt an approach which is consistent with DCLG, specifically:

- For all ages up to 74, the number of people in each age group that are not in households is recorded at the start of the projection period[115]; and

[114] Excludes those living in communal establishments

[115] Sourced directly from DCLG household projections, referred to as the 'institutional population' and taken from the 2011 Census

- For ages 75 and over, the *proportion* of the population that are not in households is recorded as a percentage. Therefore, the population that are not in households in these age groups varies across the forecast period, depending on the size of the population.

8.28 Consequently, modelled growth in the communal population will be made up entirely of older age groups aged 75 and over, with the younger age component fixed. The following table shows the projected change in the communal population under each of the scenarios modelled by Edge Analytics between 2012 and 2033.

**Figure 8.7: Modelled Change in Communal Population 2012 – 2033**

| Scenario | Change 2012 – 2033 |
|---|---|
| Employment-led (REM) | 791 |
| Employment-led (Cambridge) | 778 |
| SNHP 2012 | 752 |
| 10 year Past Growth including UPC | 705 |
| 10 year Past Growth | 703 |

*Source: Edge Analytics, 2014*

8.29 Evidently, all scenarios show a consistent level of growth in the communal population. This increase in need relates to individual persons, and this therefore indicates an increased need for bedspaces in communal establishments over the period shown. The earlier review of definitions notes that the approach to classify supply may require a translation into dwellings or establishments. There is no specific methodology for doing this, however, and this will therefore need to be considered in the context of individual care home proposals. The following table does, though, show the number of residents per care home in Calderdale, based on the 2011 Census. This can be used to quantify the number of establishments required to accommodate the growing communal population.

**Figure 8.8: Residents per Care Home Establishment 2011[116]**

| | Number of establishments | Residents per establishment |
|---|---|---|
| Care home with nursing | 21 | 25 |
| Care home without nursing | 46 | 14 |

*Source: Census 2011*

8.30 The modelling in this report is therefore underpinned by an assumed growth in the number of people living in communal establishments, for consistency with the modelling approach of DCLG. This is, however, separate from any policy ambitions of the Council to promote independent living, although – when developing policy – the need identified

[116] Based on all communal establishment residents, and therefore should not be directly compared to Figure 8.2 which only summarises residents aged 65 and over

in Figure 8.8 should be considered as additional to any objective assessment of housing need derived from the household projections presented in section 6.

## Disabled People

8.31 Understanding the broad number of households with support, special and/or specific needs – and the breadth of their individual challenges – is crucial to determining where and how much purpose-built or adapted housing is required.

8.32 There is no single data source which enables a thorough assessment to be made of the scale of these issues. However – similarly to the POPPI dataset introduced above – Projecting Adult Needs and Service Information (PANSI) is produced by the Institute of Public Care to explore changes in those with disabilities, particularly focusing on people aged 18 to 64. These households, alongside others, are likely to require some form of support within their properties. This analysis therefore provides a useful indication of the levels of demand for existing stock and future requirements to deliver new suitable properties or adaptations.

8.33 The table below summarises the proportion of the population aged 18 to 64 forecast to be classified as having a disability, with projections linked to the official 2012-based population projections. This allows analysis of change over the period from 2014 to 2030.

**Figure 8.9: Change in People with Disabilities (18 – 64) 2014 – 2030**

| Disability | 2014 | 2030 |
|---|---|---|
| **All people aged 18 to 64** | **207,800** | **227,600** |
| Moderate or severe learning disability | 0.3% | 0.3% |
| Moderate physical disability | 4.9% | 4.6% |
| Serious physical disability | 1.5% | 1.4% |

*Source: PANSI, 2014*

8.34 This dataset suggests that the proportion of residents with moderate or serious physical disabilities will fall slightly over the period to 2030, although – as the population is projected to increase – this could still result in an increase in the absolute number of residents with physical disabilities, who may have support needs. The proportion of residents with moderate or severe learning disabilities, however, is projected to remain constant, although again this is likely to grow with the population.

8.35 Carrying out adaptations to an existing home is one approach to addressing need, in order to modify the home environment to enable or restore independent living, dignity, confidence or privacy for individuals and their families. Home Adaptations for Disabled People[117], published by the Home Adaptations Consortium in 2013, provides a useful starting point in considering adaptations, and suggests that demand has accelerated

[117] Home Adaptations Consortium (2013) Home Adaptations for Disabled People – a detailed guide to related legislation, guidance and good practice

with social policy changes and medical advances, allowing people with disabilities and complex needs to lead more independent lives.

8.36 The 2011 Census includes indicators of health and disability in Calderdale. The Census found that 1.2% of residents in the borough describe their health as very bad. Furthermore, a total of 16,730 residents – or 8.2% – feel that their day-to-day activities are limited a lot by their long-term health problem or disability, of which 897 lived in communal establishments at the time of the Census. The Census further shows that almost three quarters of those residents in communal establishments who are significantly limited by their health or disability are aged 75 or over.

8.37 Overall, this suggests that the majority (approximately 95%) of those whose day-to-day activities are limited a lot by their long-term health or disability do not live in communal establishments, suggesting that many live at home or with relatives, friends or carers. This suggests an ongoing need to ensure that there is a sufficient supply of adapted homes. Calderdale Council offer means tested grants – including Disabled Facilities Grants – to help people adapt their homes, while the Accessible Homes Agency – part of the Council's Housing Services department – assists with carrying out adaptations, enabling independence or assists with finding more accessible alternative housing.

## Black and Minority Ethnic Groups

8.38 Figure 8.10 establishes the ethnic composition of Calderdale, using data from the 2011 Census. England is also included as a comparator.

**Figure 8.10: Ethnic Groups 2011**

| Ethnic Group | Calderdale | | England |
|---|---|---|---|
| | Total | % | |
| White British | 176,732 | 86.7% | 79.8% |
| White Irish* | 1,875 | 0.9% | 1.1% |
| White Other | 4,180 | 2.1% | 4.6% |
| Mixed Ethnicity | 2,797 | 1.4% | 2.2% |
| Asian or Asian British* | 16,875 | 8.3% | 7.7% |
| Black or Black British | 899 | 0.4% | 3.4% |
| Other Ethnic Group | 468 | 0.2% | 1.0% |

** Including Gypsy or Irish Traveller*

*^ Pakistani, Bangladeshi, Indian, other Asian*

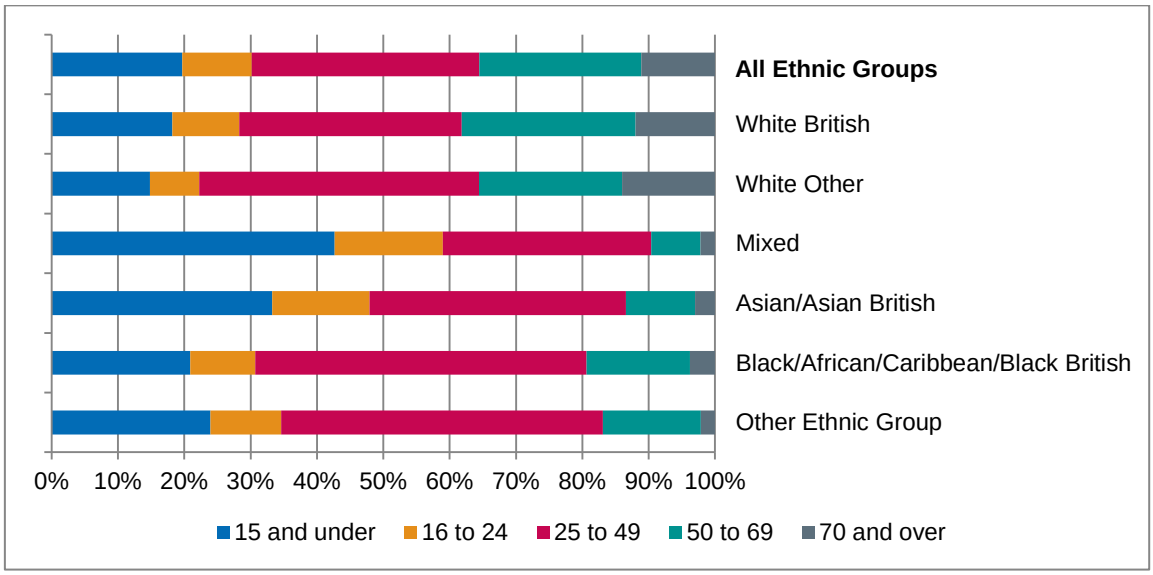
*Source: Census 2011*

8.39 Calderdale evidently contains a higher than average proportion of White British residents, compared to the national profile, with most other ethnic groups proportionally under-represented. There is, though, a sizeable Asian or Asian British population, with further analysis showing that there are a relatively high proportion of Pakistani residents.

It is also important to recognise that there is variation across the borough, with some areas characterised by different ethnic compositions.

8.40 It is also useful to understand the age profile of different ethnic groups in Calderdale, as shown in the graph below. This shows that there is a sizeable older population in White ethnic groups, with other ethnic groups – and particularly mixed ethnic groups – characterised by a younger demographic.

**Figure 8.11: Ethnic Group by Age 2011**




*Source: Census 2011*

8.41 Census data also allows an assessment of the tenure of choice for different ethnic groups, with this information presented in the following table. As shown, owner occupation is particularly common for White British and Asian ethnic groups in Calderdale, with the latter notably having a relatively low reliance upon the social rented sector. In contrast, the social rented sector is particularly important for Black ethnic groups in Calderdale, as is social renting, with a relatively low level of home ownership amongst this group.

**Figure 8.12: Tenure by Ethnic Group 2011**

| Ethnic Group | Owned or shared ownership | Social rented | Private rented or living rent free |
|---|---|---|---|
| **All groups** | **71.1%** | **12.7%** | **16.2%** |
| White British | 72.1% | 12.6% | 15.3% |
| White Other | 47.2% | 19.9% | 32.9% |
| Mixed | 50.3% | 20.5% | 29.2% |
| Asian/Asian British | 74.8% | 9.0% | 16.2% |
| Black/African/Caribbean/Black British | 42.9% | 26.1% | 30.9% |
| Other ethnic group | 46.0% | 15.8% | 38.2% |

*Source: Census 2011*

8.42 Overcrowding is a further indicator that can vary by ethnic group. The following table shows the proportion of the population within each ethnic group who are considered, based on the bedroom standard, to be overcrowding or under-occupying their home. It should be noted that the analysis in this table is not directly comparable with the overcrowding analysis introduced in sections 3 and 5, which was based on households rather than all residents as below.

**Figure 8.13: Overcrowding and Under-Occupation by Ethnic Group 2011**

| Ethnic Group | Proportion of residents overcrowded | Proportion of residents under-occupying |
|---|---|---|
| **All groups** | **6.4%** | **64.2%** |
| White British | 4.3% | 67.3% |
| White Other | 11.5% | 53.5% |
| Mixed | 8.2% | 51.6% |
| Asian/Asian British | 26.5% | 39.1% |
| Black/African/Caribbean/Black British | 9.3% | 45.4% |
| Other ethnic group | 9.1% | 9.1% |

*Source: Census 2011*

8.43 As shown, under-occupancy is most common amongst White British residents, with overcrowding generally more frequent in other ethnic groups. This is particularly notable for Asian and Asian British residents, of which around one in four have one or more fewer bedrooms than required, based on the bedroom standard.

## Families

8.44 The PPG suggests that the specific needs of families should be considered, by identifying the number of families including those with children.

8.45 The following table shows the number of families within sub-areas of Calderdale, and the proportion with dependent children. This is based on 2011 Census data.

**Figure 8.14: Families with Dependent Children 2011**

| Sub-Area | Families | Families with dependent children | % of families with dependent children |
|---|---|---|---|
| Brighouse including Rastrick & Hipperholme | 10,394 | 6,968 | 67.0% |
| Elland including Greetland & Stainland | 6,370 | 4,714 | 74.0% |
| Halifax | 21,853 | 20,086 | 91.9% |
| Hebden Bridge | 2,755 | 2,068 | 75.1% |
| Luddenden Dean, Mytholmroyd & Cragg Vale | 3,083 | 2,231 | 72.4% |
| Northowram & Shelf | 3,014 | 1,944 | 64.5% |
| Ryburn Valley | 3,053 | 2,128 | 69.7% |
| Sowerby Bridge | 4,081 | 2,796 | 68.5% |
| Todmorden | 4,242 | 3,058 | 72.1% |
| **Calderdale** | **58,845** | **45,993** | **78.2%** |

*Source: Census 2011*

8.46 As shown, the majority of families in Calderdale have dependent children, with the greatest concentration of families in Halifax. Indeed, Halifax also has the highest proportion of families with dependent children, with comparatively low levels in Northowram & Shelf and Brighouse including Rastrick & Hipperholme.

8.47 Based on household composition, it is also possible to determine the proportion of households with one family only who occupy different tenures in Calderdale. This is summarised in the following table, based on 2011 Census data for the borough as a whole. A comparable figure for all household types is also shown – replicated from Figure 3.4 – while families with dependent children are also presented separately.

**Figure 8.15: Tenure of One Family Households 2011**

| Tenure | One family only | One family only, with dependent children | All household types |
|---|---|---|---|
| Owned outright | 30.5% | 9.9% | 31.2% |
| Owned with mortgage or loan | 44.0% | 56.7% | 35.3% |
| Shared ownership | 0.4% | 0.5% | 0.4% |
| Social rented | 10.4% | 12.6% | 15.2% |
| Private rented from landlord or letting agency | 12.5% | 17.7% | 14.8% |
| Other private rented | 1.3% | 1.8% | 1.6% |
| Living rent free | 0.8% | 0.9% | 1.4% |

*Source: Census 2011*

8.48 A number of interesting trends are clear from the table. Families are more likely to be owner occupiers through a mortgage or loan, while there slightly less reliance upon the social rented sector. Interestingly, focusing on families with dependent children, there is a very low level of outright ownership, while the private rented sector also clearly plays an important role in housing families with dependent children in Calderdale.

## Younger Persons

8.49 The specific housing needs of younger persons should also be recognised in developing housing policy, in order to ensure that needs are identified and met.

8.50 There has been an increase in the number of residents aged 16 to 29 in Calderdale between 2001 and 2011, with younger people subsequently making up a slightly greater proportion of the borough's population. In 2001, 15.5% of the population were within this age group, with 16.4% within this cohort in 2011.

8.51 As highlighted in section 4, Halifax in particular is characterised by a younger demographic, while – as Figure 8.17 shows – there is also a relative concentration of younger people in Sowerby Bridge. Conversely, there are relatively few people aged 16 to 29 in Hebden Bridge.

**Figure 8.16: Proportion of Population Aged 16 – 29**

| Sub-Area | Usual residents aged 16 to 29 | % of all residents |
|---|---|---|
| Brighouse including Rastrick & Hipperholme | 5,093 | 14.7% |
| Elland including Greetland & Stainland | 3,375 | 15.8% |
| Halifax | 15,103 | 18.9% |
| Hebden Bridge | 1,038 | 11.1% |
| Luddenden Dean, Mytholmroyd & Cragg Vale | 1,413 | 13.7% |
| Northowram & Shelf | 1,283 | 13.3% |
| Ryburn Valley | 1,340 | 13.5% |
| Sowerby Bridge | 2,492 | 18.0% |
| Todmorden | 2,272 | 15.4% |
| **Calderdale** | **33,409** | **16.4%** |

*Source: Census 2011*

8.52 It is important to recognise that trends in housing occupation can be influenced by age, with younger people often occupying different types of housing – through different tenures – compared to other age groups. The Census allows an analysis of these trends, through the use of the age of household reference persons (HRP).

8.53 The following table shows the chosen tenure for household reference persons aged 16 to 34 in Calderdale[118]. The tenure mix for households of all ages is also shown for context. Most notably, this shows that younger households are much more likely to privately rent, with very few owning their property outright.

**Figure 8.17: Tenure of Younger Persons 2011**

| Tenure | HRP aged 16 to 34 | All ages |
|---|---|---|
| Owned outright | 5.1% | 31.2% |
| Owned with mortgage or loan or shared ownership | 36.6% | 35.8% |
| Social rented | 14.8% | 15.2% |
| Private rented from landlord or letting agency | 38.0% | 14.8% |
| Other private rented | 5.6% | 3.0% |

*Source: Census 2011*

8.54 Evidently, younger households are much more likely to privately rent, with very few owning their property outright. The private rented sector therefore plays an important

[118] This Census does not include a breakdown by those aged 16 to 29, which would ensure alignment with the previous table

role in meeting housing needs amongst younger people, particularly where they cannot afford the cost of home ownership.

## Self-Build and Custom Build

8.55 The NPPF, in expecting authorities to have a clear understanding of housing needs in their area, states that need should be addressed for all types of housing, including people wishing to build their own homes. Two approaches to building your own home are recognised – self-build covers instances where a person directly organises the design and construction of their own home, while custom build is where a person works with a specialist developer to deliver their own home[119].

8.56 'Laying the Foundations: a Housing Strategy for England' provides useful national context in relation to both self-build and custom build[120]. The strategy states that, in 2011, over 100,000 UK residents were looking for building plots across the country, with around one in ten new homes custom built. This is considerably lower than in many other European countries, and recent figures suggest that, while there is demand, there are relatively few self-built homes in the UK, with just 8,235 delivered in 2013 – a fall of 22% since 2010[121]. However, as many as half of people nationally would consider building their own home if they were able to[122].

8.57 This suggests that, despite suggested demand, there are a number of challenges holding back the potential of this sector, including limited finance and mortgage products, restrictive regulation, a lack of impartial evidence and, crucially, land. A lack of available land means that self-building often involves knocking down properties and rebuilding, with custom build therefore not increasing the housing stock as much as they could[123].

8.58 In response to this, the Budget 2014 outlined the Government's intention to consult on a new 'Right to Build', giving custom builders a right to a plot from local authorities, with a £150 million repayable fund made available to help provide up to 10,000 serviced plots for custom build[124]. The prospect of the Council promoting land for self-build was raised at the stakeholder workshop event, but the Council does not own much land and generally disposes at best value. The Council are, however, currently working with a group in Hebden Bridge.

8.59 At a local level in Calderdale, the impact of the national agenda to increase the number of self-build homes should be monitored, recognising that there is a deficiency of reliable data on the need for such forms of housing. It has been noted by the Council that there is evidence of increasing interest in self-build.

[119] The Self Build Portal – http://www.selfbuildportal.org.uk
[120] HMGovernment (2011) Laying the Foundations: a housing strategy for England
[121] Based on number of people claiming VAT relief on self-build homes – Parliamentary Answer to Hilary Benn MP, May 2014
[122] HMGovernment (2011) Laying the Foundations: a housing strategy for England
[123] http://www.self-build.co.uk/blog/more-plots-required-self-building
[124] HMGovernment (2014) Budget

## Bringing the Evidence Together

8.60 This section has identified a range of groups that may have specific housing requirements that should be taken into account when developing a housing strategy. The following conclusions have been identified:

- The number of older persons in Calderdale has grown over recent years – albeit not the same extent as seen nationally – with older households likely to contain fewer residents and occupy smaller properties. There are, however, a number of older households who under-occupy their home, while around 980 people aged 65 and over live in communal establishments such as care homes in Calderdale;

- Modelling undertaken by Edge Analytics suggests that the older persons population is likely to continue to grow considerably, with a resultant increase in the number of people who may require specialist accommodation. The PPG also separately requires consideration of the number of people who may require C2 accommodation, with all modelled scenarios projecting growth in the communal population which are not included within the private household population which is used to project housing need. This growth is entirely attributable to those aged 75 and over, suggesting an increased need for C2 accommodation in Calderdale;

- The analysis presented within this section suggests that the proportion of residents with moderate or serious physical disabilities will fall slightly over the period to 2030, although – as the population is projected to increase – this could still result in an increase in the absolute number of residents with physical disabilities, who may have support needs. This could generate a need for specialist accommodation, adaptations or Lifetime Homes;

- Calderdale contains a higher than average proportion of White British residents compared to the national profile, with most other ethnic groups proportionally under-represented. Many of those in White ethnic groups are older, however, with other ethnic groups – particularly those in mixed groups – characterised by a younger demographic. There is also variation in tenure trends, with White British and Asian ethnic groups more likely to be owner occupiers and the social rented sector playing a particularly important role for those in Black ethnic groups. It is also notable that Asian and Asian British residents are more likely to be overcrowded, with fewer bedrooms than required based on the bedroom standard;

- The majority of families in Calderdale have dependent children, with Halifax containing the greatest concentration of families including those with dependent children. In Calderdale, families are more likely to be owner occupiers with a mortgage or loan, with a weaker reliance upon the social rented sector compared to the broader tenure profile for the borough. The private rented sector also plays an important role in accommodating families with dependent children;

- There has been an increase in the number of younger residents – aged 16 to 29 – in Calderdale between 2001 and 2011, with Halifax in particular characterised

by a younger demographic and relatively few residents within this age group in Hebden Bridge. Younger people are also more likely to privately rent than average, with this sector playing a central role in meeting housing needs amongst younger people, particularly when they cannot afford the cost of home ownership; and

- Assessing the need for self-build and custom build housing in Calderdale is challenging, although there is a clear national ambition to increase the number of such developments to meet housing needs. There are, however, a number of challenges facing such development, such as a lack of suitable land. In response to this, the Budget 2014 outlined the Government's intention to consult on a new right to a plot from local authorities, although it is important to note that Calderdale Council does not own much land and generally disposes at best value. The Council are, however, currently working with a group in Hebden Bridge.

# 9. Objective Assessment of Need and Conclusions

9.1 This section draws together the evidence presented within this report, in order to objectively assess the need for housing in Calderdale following the PPG and in compliance with the NPPF. This will provide a robust evidence base for the development of housing policy in the borough, and updates the previous SHMA, which was published in April 2011.

9.2 The analysis in section 2 confirms that it is appropriate to consider Calderdale as a single self-contained housing market area. A high proportion of people migrate within the borough when moving home, surpassing the threshold in the PPG, while there is also a relative containment of labour. The local authority boundary therefore provides an appropriate geography for assessing housing needs, as per the PPG, although there are notable functional relationships with other authorities that should be recognised in the future development of the evidence base and Local Plan policies.

9.3 In addition to conclusions regarding the OAN, the section also summarises the key conclusions reached regarding the need for affordable housing, need by different sizes of housing and the specific needs of a number of identified groups as considered in the preceding sections of the SHMA.

## Demographic Projections of Need

9.4 The 'starting point' for assessing housing needs – in accordance with the PPG – is the 2012-based household projections (SNHP), which were released by DCLG in February 2015. This suggests that around 17,000 additional households could form in Calderdale over the period from 2012 to 2033, with an implied need for 836 dwellings per annum after a vacancy rate from the 2011 Census is applied.

9.5 This would increase the population of the borough by around 0.6% per annum, which would represent a continuation of the rate of growth seen over the past decade in the borough. Indeed, Calderdale has seen considerable population growth over recent years, particularly since 1999, and much of this growth has been driven by natural change, due to births increasingly outnumbering deaths. There has also been growth in internal migration from other areas of the UK, although this has fallen since the recession and may be linked to the slowdown in housing completions and the reduced availability of employment opportunities. Natural Change and migration components are expected to continue to drive population growth in the borough, although the scale of natural change is projected to decline to reflect the ageing population.

9.6 Further modelling has been undertaken by Edge Analytics to test the extent to which the 'starting point' is representative of longer term trends, recognising that the population projections underpinning the 2012 SNHP are based on a shorter term, five/ six year historic period from the base date. Taking a longer term, ten year trend[125] suggests a slightly higher level of projected growth, increasing the implied housing need to 899

[125] 2001/02 – 2011/12

dwellings per annum. This excludes unattributable population change (UPC) which was identified by the ONS to correct migration estimates after they were found – following the 2011 Census – to slightly underestimate historic population growth in Calderdale. While there is a degree of uncertainty about UPC, including this element to reflect the findings of the 2011 Census increases the implied level of housing need to 910 dwellings per annum, due to slight increases in assumed migration levels to the borough adjusting for the historic under-count in the ONS datasets.

9.7 Collectively, these demographic scenarios suggest a comparatively strong degree of alignment, with assumed population growth of between approximately 25,000 and 27,000 persons over the modelling period from 2012 to 2033. This suggests that the 2012 SNHP is relatively closely aligned with longer term trends. However, this also highlights that the underpinning 2012 SNPP may have been impacted by the more recent demographic picture. This is indicated when contrasting recent levels of migration with those higher levels of migration seen prior to the recession. Whilst it is acknowledged that these higher levels of migration coincided with notably high levels of development in Calderdale[126] – which exceeded the housing targets in place at this time, as identified through the analysis of market signals – the implied population growth resulting from these adjustments is not considerably higher than longer term trends. On this basis, the scale of implied population growth based on the longer-term trend and allowing for the inclusion of UPC is considered to represent a robust adjusted presentation of future need based on demographic factors alone.

## Taking Employment Trends into Account

9.8 The PPG also highlights the importance of aligning housing and employment evidence in plan making, and both Cambridge Econometrics and Experian's Regional Econometric Model (REM) show annual employment growth in Calderdale between 1997 and 2012, with growth in service industries minimising the impact of substantial losses in manufacturing. Unemployment has historically been relatively low, but did increase during the recession, suggesting a potential 'slack' in the labour force which may be able to support future job growth.

9.9 The Council intends to commission a separate study to consider likely job growth in Calderdale, and therefore further work will need to be undertaken to establish the level of labour force growth – and the implied associated housing need – required to support this job growth. However, in the absence of this evidence, forecasts from Cambridge Econometrics and the REM have been considered, which show that the local economy is forecast to continue to grow. The REM forecasts the creation of 555 jobs annually over the modelling period, with Cambridge Econometrics suggesting that 458 jobs could be created over the same period[127]. These forecasts are underpinned by continued growth in professional services, which again help to offset forecast declines in manufacturing.

[126] As noted in section 5 engagement with stakeholders suggested that this was driven by a high number of mill conversions, with smaller house builders making a significant contribution to new housing development.

[127] As employment forecasts only run to 2031, job change in the final two years of the period considered in this study is based on the annual average change between 2001 and 2031

9.10 Based on prudent labour force assumptions, modelling has been undertaken by Edge Analytics using the POPGROUP model to determine the level of job growth which can be supported under the demographic scenarios presented within this report. While these scenarios could support some additional job creation in Calderdale – with around 200 additional jobs per annum supported by the SNHP 2012 scenario, and circa 300 supported if a ten year trend were maintained – this falls below the annual average level of job creation forecast by Experian and Cambridge Econometrics, and would represent a potential slowdown in the rate of job creation seen historically in the borough since 1997. This suggests that additional growth in the labour force would be required to support forecast levels of job creation, which would require increases to historic levels of net migration to Calderdale and a divergence from past demographic trends.

9.11 Applying the same economic assumptions suggests that annual population growth of around 1,900 persons per annum would be required to support the higher level of job creation under the REM scenario. This represents average annual growth of 0.9%, which exceeds the projected national growth rate under the 2012 SNPP and would also represent a notable uplift on the historic rate of growth in the borough, even during the period of stronger growth over the past decade. Growth of around 1,700 persons per annum would be required to support the slightly lower level of job growth under the Cambridge Econometrics forecasts. These scenarios suggest a need for 1,131 and 1,047 dwellings per annum respectively, based on assumptions on household formation being applied from the 2012 SNHP.

9.12 It is, however, also important to recognise that the employment forecasts are underpinned by population inputs. Analysis of data underpinning the Experian forecasts shows that it is assumed that growth in population of a similar scale to the 2012-based SNPP could support the scale of job growth forecast. This is based upon Experian's assumed changes in economic activity and unemployment of the labour force in particular, but also with the model assuming variation in commuting flows to respond to labour demand and supply balances. Collectively, these assumptions project a greater utilisation of the existing population in the labour force. This in turn means that job growth is assumed to be able to be supported without the assumed increases in the net in-migration of working age persons implied by the POPGROUP modelling. There are evidently uncertainties as to how the labour force may change and respond to job growth in the borough in the future. The prudent assumptions applied in the POPGROUP modelling are considered to provide a transparent presentation of how job growth may impact on future population and household change, and are therefore presented in the context of the evidence of potential scenarios around the need for housing.

9.13 The Council's planned commissioning of a more detailed study to consider likely job growth in Calderdale will represent an important update to the evidence presented within this report. It will therefore be important for the Council to understand the level of housing needed to support the concluded likely job growth arrived at within its evidence base alongside the implications for labour force changes over the projection period.

## Taking Account of Market Signals

9.14 The SHMA includes analysis of the full set of market signals identified within the PPG in order to establish the historic balance between supply and demand and the implications this has on projecting forward the need for housing.

9.15 It is evident that house prices in Calderdale – and many surrounding areas – rank below the national average, although both lower quartile prices and change in mean prices are towards the upper end of the range. Rents in the borough are also comparatively high, second only to the national average, while the rate of growth in rents has surpassed many neighbouring authorities.

9.16 Affordability in Calderdale is relatively average in the context of surrounding areas, but has worsened over the past fifteen years. Whilst affordability is an acknowledged issue, as it is across much of the country, it is important to highlight that there are, however, notably low levels of overcrowding and relatively few concealed families in the borough.

9.17 With regards to land prices, there is no evidence of a significant price premium for residential development land in Calderdale, although there is an absence of comprehensive data. The rate of development has also varied considerably over recent years, with notably high levels of development prior to the recession – when planned targets were exceeded – which have fallen over recent years following the recession, which coincided with a phased increase in the housing target. However, when the RSS period is considered in full up to the base date of the modelling in 2012, the planned housing target has been exceeded by some 2,433 dwellings.

9.18 The analysis therefore does not suggest collectively that there has been a significant worsening in market signals, although there has been growth in house prices and worsening affordability which could have historically impacted upon the ability of households to form. It can therefore be considered that only a modest uplift will be required to account for market signals.

9.19 Analysis of headship rates from the 2012 SNHP – which show the assumed propensity of people of different ages to form households – shows that younger residents in Calderdale who are aged between 25 to 34 have seen a fall in the rate of new household formation historically, and this is not assumed to significantly recover in the future. There is therefore a risk that this constrained position – which is influenced by the wider market, including worsening affordability and rising house prices – could be projected forward in the demographic scenarios modelled with 2012 headship rates.

9.20 Recognising the implication of a negative trend in headship rates for younger age groups an adjustment has been made by Edge Analytics to run a sensitivity which assumes a return to levels of household formation last seen in 2001, when this is not already assumed in the 2012 headship rates. This adjustment has been applied to those aged 25 to 34, given that this group has seen the greatest fall in household formation over the past decade. The use of 2001 as a benchmark reflects the widely recognised view that this preceded a sustained period of growth in the housing market, and indeed evidence suggests that 2001 was the last point at which the ratio between house prices and earnings was at the long term average. A return to these conditions could therefore be viewed as a return to a more healthy and sustainable housing market, although it

should be noted that the supply of housing at this point nationally continued to fall below projected levels of need.

9.21 Applying this adjustment results in an uplift in the housing need implied under all scenarios, due to a greater projected increase in households. This represents an increase of around 4%, which can be justified given the worsening of some market signals in Calderdale which are likely to have contributed to constraining the formation of new households in younger age groups in particular.

***Affordable Housing Need***

9.22 Though not explicitly identified as a market signal, in accordance with the PPG consideration also needs to be given to the need for affordable housing. A High Court judgement recently confirmed how the gross unmet need for affordable housing should be considered:

*"The Framework makes clear these needs should be addressed in determining the…[Full Objective Assessment of Need (FOAN)], but neither the Framework nor the PPG suggest that they have to be met in full when determining that FOAN. This is no doubt because in practice very often the calculation of unmet affordable housing need will produce a figure which the planning authority has little or no prospect of delivering in practice. This is because the vast majority of delivery will occur as a proportion of open-market schemes and is therefore dependent for its delivery upon market housing being developed"*[128]

9.23 The methodology in the PPG has been followed in this report, incorporating both current and future affordable housing need, balanced against supply. The assessment suggests that there is a need to provide 527 affordable homes annually over the next five years, in order to clear the backlog that has arisen historically while meeting newly arising needs over this period. Once the backlog is cleared, only newly arising need will need to be met, with a need for 74 affordable homes per annum thereafter. The backlog is therefore a key driver of affordable housing need in Calderdale, and clearing the backlog over the whole plan period – generating an annual need for 182 affordable homes per annum – could provide a more deliverable response to the levels of need identified in this assessment. The scale of unmet needs from households who are currently unhoused should also be considered within the context of headship rate adjustments, which assume a return to more positive household formation rates for younger households to reduce the number of concealed households.

9.24 It is important to recognise that a sizeable number of households in newly arising need require affordable housing but are already housed in the private market. If an affordable home was provided for these households, this would free up a property for occupation by another household, highlighting the complex relationship between affordable housing provision and market housing.

9.25 The recent High Court judgement requires the SHMA to address the needs for affordable housing through the objective assessment of need. Given the size of the

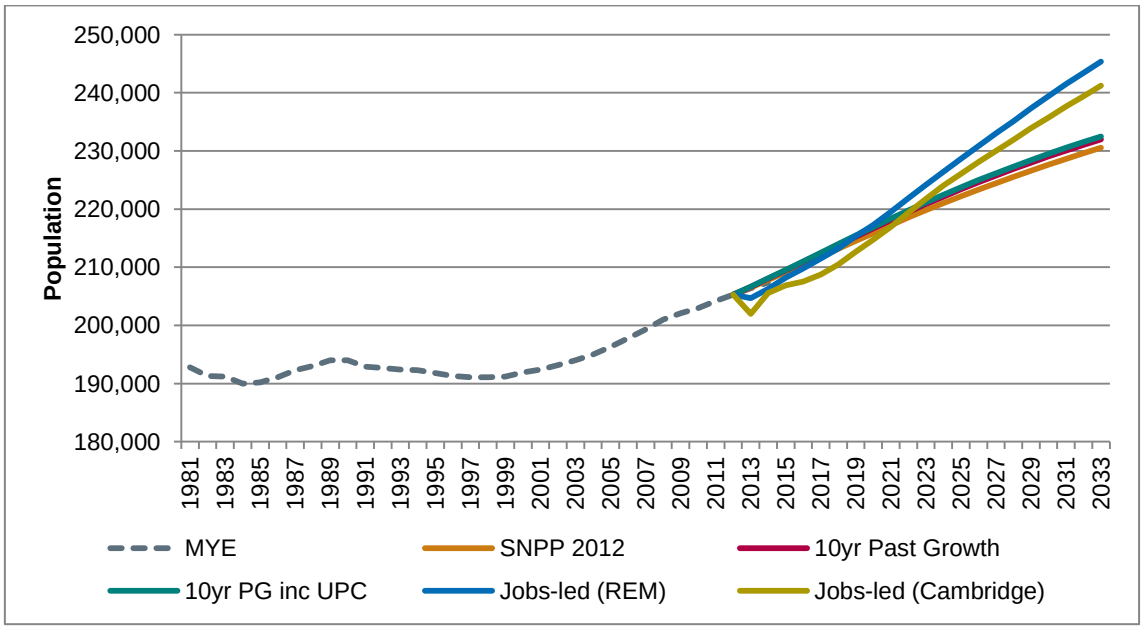
[128] Borough Council of Kings Lynn and West Norfolk v Secretary of State for Communities and Local Government, ELM Park Holdings Ltd (2015) EWHC 2464 (Admin)

backlog in particular, it will be important for the Council to seek to maximise the delivery of affordable housing through the provision of market housing.

## Evaluating the Scenarios

9.26 The scenarios presented in this report project a range of demographic futures for Calderdale, with the population modelled to increase by between 12% and 20% over the modelling period. This represents a continuation of the growth trend seen in the borough since the late 1990s, although the rate of growth is assumed to accelerate beyond recent trends under the employment-led scenarios.

**Figure 9.1: Modelled and Historic Change in Population**




*Source: Edge Analytics, 2015*

9.27 There is consistency in the modelled scenarios based on past demographic trends, albeit with a slight uplift applied to the 2012 SNHP to take account of longer term trends which are less likely to be influenced by the recession and the inclusion of UPC. Based on the adjusted headship rate sensitivity, this suggests a need for **946 dwellings per annum**, and this can be considered to form an appropriate lower end of a range of objectively assessed needs. This is based on the 10 year Past Growth scenario which includes UPC, and therefore includes the slight upward adjustment made to migration assumptions following the publication of results from the 2011 Census.

9.28 The provision of this level of housing annually would represent a boost to recent levels of supply in Calderdale, with an average of 795 net dwellings delivered annually between 2003/04 and 2013/14. Delivery of this scale could also make a significant contribution towards meeting affordable housing needs, particularly when considered over the plan period.

9.29 Delivery of 946 dwellings per annum could also support growth in the labour force, with the application of prudent assumptions suggesting that approximately 301 additional

jobs could be supported annually under this scenario. This would allow for future growth in the local economy, although as highlighted in the SHMA this would represent a slight slowing of the recent rate of job creation in the borough.

9.30 The modelling evidently suggests that growth of this scale would potentially fall short of supporting the level of job growth forecast by Experian and Cambridge Econometrics, without changes to the future operation of the labour force beyond that suggested by changes to state pension ages and an assumed gradual reduction in unemployment. It is important to recognise that further work will be commissioned by the Council to consider likely growth in the local economy. There is therefore some uncertainty associated with the employment-led scenarios which form the top end of the modelled projections of need.

9.31 Recognising the noted uncertainties around the inputs to the economic forecasts – and the relationship between labour force and job growth – the implied need for 1,169 dwellings per annum under the Experian scenario should be very much considered as an upper end of the range of objectively assessed needs based on the information currently available. This is based on the application of prudent assumptions about the capacity of the existing population to support job growth, and would require significant increases in net in-migration to Calderdale in order to grow the local labour force.

9.32 It is anticipated that the upper end of the range will be reviewed and refined following publication of the Council's Employment Land Review evidence. This will provide a full assessment of likely job growth in Calderdale, and further work will be necessary to consider how much housing would be required to support this level of growth. Monitoring will also need to be undertaken to establish how economic activity and unemployment rates in particular change in the future, with any future divergence from the assumptions applied by Edge Analytics using the POPGROUP model indicating that a different scale of growth may be required to support job growth in Calderdale.

## Size and Type of Housing Required

9.33 Consideration has also been given in section 6 to the size of housing required, through an understanding of the type of households that are projected to form based on the detailed breakdown of household typologies in the 2008 and 2011-based household projections. In the absence of comparable detail from the 2012-based projections – anticipated for release later this year – it is considered appropriate to apply a midpoint between the previous datasets, given that assumptions on household formation in the 2012-based dataset largely sit between the preceding projections. It is recognised, however, that this will need to be superseded upon release of the full 2012 SNHP dataset and the conclusions should therefore only be viewed as indicative.

9.34 Both employment-led and adjusted demographic scenarios show a need for property of all sizes in Calderdale, with the greatest need associated with small mews or semi-detached property with 2 or 3 bedrooms. There is also a need for flats and larger family housing.

9.35 Section 3 of this report has considered the current housing stock alongside recent change, and this shows that flats have accounted for around 38% of additional household spaces provided in Calderdale between 2001 and 2011, although there has

been growth in stock of all types. Continued growth would allow for the needs for property of all sizes and types to be met in the borough.

9.36 The assessment of affordable housing need has also considered the size of property required, with clearance of the backlog – over the first five years of the plan period – requiring smaller property, with only one bedroom. Newly arising future need will generate a need for larger properties, although there is some uncertainty about the size of households projected to form in future under the 2012-based household projections.

## Needs of Specific Groups

9.37 National guidance requires particular consideration of the housing needs of specific groups, and the conclusions from this report are summarised below:

- **Older persons** – the number of older persons in Calderdale has grown over recent years – albeit not to the same extent as seen nationally – with older households likely to contain fewer residents and occupy smaller properties. There are, however, a number of older households who under-occupy their home, while several live in communal establishments, such as care homes. Modelling undertaken by Edge Analytics suggests that the number of people with support needs is likely to continue to grow, with a subsequent increase in the number of people with support needs that may require specialist accommodation. All scenarios therefore project growth in the communal population, which is not included within the private household population used to assess housing need and will therefore be additional to the objective assessment of need. This growth is entirely attributable to those aged 75 and over, suggesting an increased need for C2 accommodation in Calderdale;

- **Disabled people** – the analysis within this report suggests that the proportion of residents with moderate or serious physical disabilities will fall slightly over the period to 2030, although – as the population is projected to grow – this could still result in an increase in the absolute number of residents with physical disabilities, who may have support needs. This could generate a need for specialist accommodation or adaptations;

- **Black and minority ethnic groups** – Calderdale contains a greater than average proportion of White British residents compared to England as a whole, although many in this age group are older with other ethnic groups characterised by a younger demographic. There is also variation in tenure between different ethnic groups, with White British and Asian residents more likely to be owner occupiers and the social rented sector playing a particularly important role for Black ethnic groups. It is also notable that Asian and Asian British residents are more likely to be overcrowded, and provision of a range of types and sizes of accommodation will ensure that the needs of all ethnic groups are met;

- **Families** – the majority of families in Calderdale have dependent children, with Halifax containing the highest proportion of such families. Families within the borough are more likely to be owner occupiers with a mortgage or loan, although the private rented sector also plays an important role in accommodating families;

- **Younger persons** – the number of younger persons aged 16 to 29 has increased in Calderdale, with Halifax in particular characterised by a younger age profile and Hebden Bridge, conversely, seeing comparatively few. Younger residents are more likely than average to privately rent, with this sector evidently playing a significant role in meeting these specific needs; and

- **Self-build and custom build** – assessing the need for self-build and custom build in Calderdale is challenging, given the absence of specific data, although there is a clear national ambition to increase the contribution that this sector makes to housing supply. However, there are a number of challenges facing growth in this sector, such as a lack of suitable land. Government initiatives to release publicly owned land for self-build and custom build development is unlikely to have a significant impact in Calderdale, given that the Council does not own much land and typically disposes at best value.

# Glossary

**Affordable housing** – social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision

**Commuting ratio** – balance of inward and outward commuting, such that a ratio of less than 1 indicates that an area is a net importer of labour (ie more jobs than workers) and a ratio of more than 1 indicates that an area is a net exporter of labour (ie more workers than jobs)

**Containment** – the proportion of migrants or commuters who stay within the authority when they migrate or travel to work

**Dwelling** – a dwelling is a unit of accommodation in which all rooms, including the kitchen, bathroom and toilet are behind a door that only that household can use. A dwelling may comprise one or more household spaces

**Economic Activity** – a person is deemed economically active if they are either in employment, or not in employment but seeking work and ready to start work within two weeks, or waiting to start a job already obtained

**Family** – a family is defined as a group of people who are either: a married, same-sex civil partnership, or cohabiting couple, with or without children; a lone parent with children; a married, same-sex civil partnership, or cohabiting couple with grandchildren but with no children present from the intervening generation; or a single grandparent with grandchildren but no children present from the intervening generation

**Gross migration flow** – the sum of inward and outward migration flows

**Headship rates** – also referred to as household representative rate. The probability of anyone in a particular demographic group being classified as being a household representative, and can take any value between 0 and 1

**Household** – one person living alone, or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room, sitting room or dining area

**Household space** – the accommodation used or available for use by an individual household

**Housing market area** – a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work

**Intermediate housing** – homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above.

These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing

**Internal migration** – movement within the country

**International migration** – movement to and from a different country

**Local Enterprise Partnership** – a body, designated by the Secretary of State for Communities and Local Government, established for the purpose of creating or improving the conditions for economic growth in an area

**Long-term empty** – properties which have been empty for over six months

**Lower quartile** – value that divides an ascending dataset into four and returns the lowest value. Used in this assessment to represent a mid-point of the lower half of the housing market

**Market housing** – property available for sale or rent where prices are set in the open market

**Mean** – the result obtained by adding together numerical values and then dividing this total by the number of values, in order to achieve an average rate. Used in this assessment to take account of all values in a dataset

**Median** – the value at the mid-point of an ascending dataset, such that there is an equal probability of the true value falling above or below it. Used in this assessment to represent the mid-point of the market, irrespective of outlying values which are extremely high or low

**Natural change** – total births minus total deaths

**Net dwelling completions** – the number of dwellings completed, net of loss of dwellings

**Net migration flow** – in-migration minus outmigration. A positive figure indicates that there is net in-migration, with a negative figure indicating net outmigration

**New Commonwealth** – countries that have achieved self-government within the Commonwealth since 1945

**Old Commonwealth** – Australia, Canada, New Zealand, South Africa and USA

**Older people** – people over retirement age, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs

**Output areas** – a geography designed for the collection and publication of small area statistics

**Overcrowded** – a household with an occupancy rating of -1 or less. Occupancy ratings provide a measure of whether a household's accommodation is overcrowded or under-occupied, with the number of bedrooms required (based on a standard formula) subtracted from the number of rooms present

**People with disabilities** – people have a disability if they have a physical or mental impairment, and that impairment has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities. These persons include, but are not limited to, people with ambulatory difficulties, blindness, learning difficulties, autism and mental health needs

**Registered Provider (RP)** – independent bodies established for the purpose of providing low-cost social housing for people in housing need on a non-profit-making basis. Any trading surplus is used to maintain existing homes and to help finance new ones

**RSS** – Regional Spatial Strategy – regional level planning frameworks for the regions of England outside London, now revoked

**Secondary data** – primary data that was collected by someone else or for a purpose other than the current one

**Shared households** – a dwelling is shared if the household spaces it contains have the accommodation type 'part of a converted or shared house', if not all rooms are behind a door that only that household can use and there is at least one other household space at that address with which it can be combined

**Social rented housing** – housing owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency

**Under-occupied** – a household with an occupancy rating of +1 or more. Occupancy ratings provide a measure of whether a household's accommodation is overcrowded or under-occupied, with the number of bedrooms required (based on a standard formula) subtracted from the number of rooms

**Unemployment** – a person is defined as unemployed if he or she is not in employment, is available to start work in the next 2 weeks and has either looked for work in the last 4 weeks or is waiting to start a new job

# Appendix 1: Edge Analytics Modelling Assumptions Note

# Calderdale

## Data inputs, assumptions & methodology

May 2015

edge analytics

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# POPGROUP Methodology

## Forecasting Methodology

1.1 Evidence is often challenged on the basis of the appropriateness of the methodology that has been employed to develop growth forecasts. The use of a recognised forecasting product which incorporates an industry-standard methodology (a cohort component model) removes this obstacle and enables a focus on assumptions and output, rather than methods.

1.2 Demographic forecasts have been developed using the POPGROUP suite of products. POPGROUP is a family of demographic models that enables forecasts to be derived for population, households and the labour force, for areas and social groups. The main POPGROUP model (Figure 1) is a cohort component model, which enables the development of population forecasts based on births, deaths and migration inputs and assumptions.

1.3 The Derived Forecast (DF) model (Figure 2) sits alongside the population model, providing a headship rate model for household projections and an economic activity rate model for labour-force projections.

1.4 The latest development in the POPGROUP suite of demographic models is POPGROUP v.4, which was released in January 2014. A number of changes have been made to the POPGROUP model to improve its operation and to ensure greater consistency with ONS forecasting methods. The most significant methodological change relates to the handling of internal migration in the POPGROUP forecasting model. The level of internal in-migration to an area is now calculated as a rate of migration relative to a defined 'reference population' (by default the UK population), rather than as a rate of migration relative to the population of the area itself (as in POPGROUP v3.1). This approach ensures a closer alignment with the 'multi-regional' approach to modelling migration that is used by ONS.

1.5 For further information on POPGROUP, please refer to the Edge Analytics website: http://edgeanalytics.co.uk/popgroup.

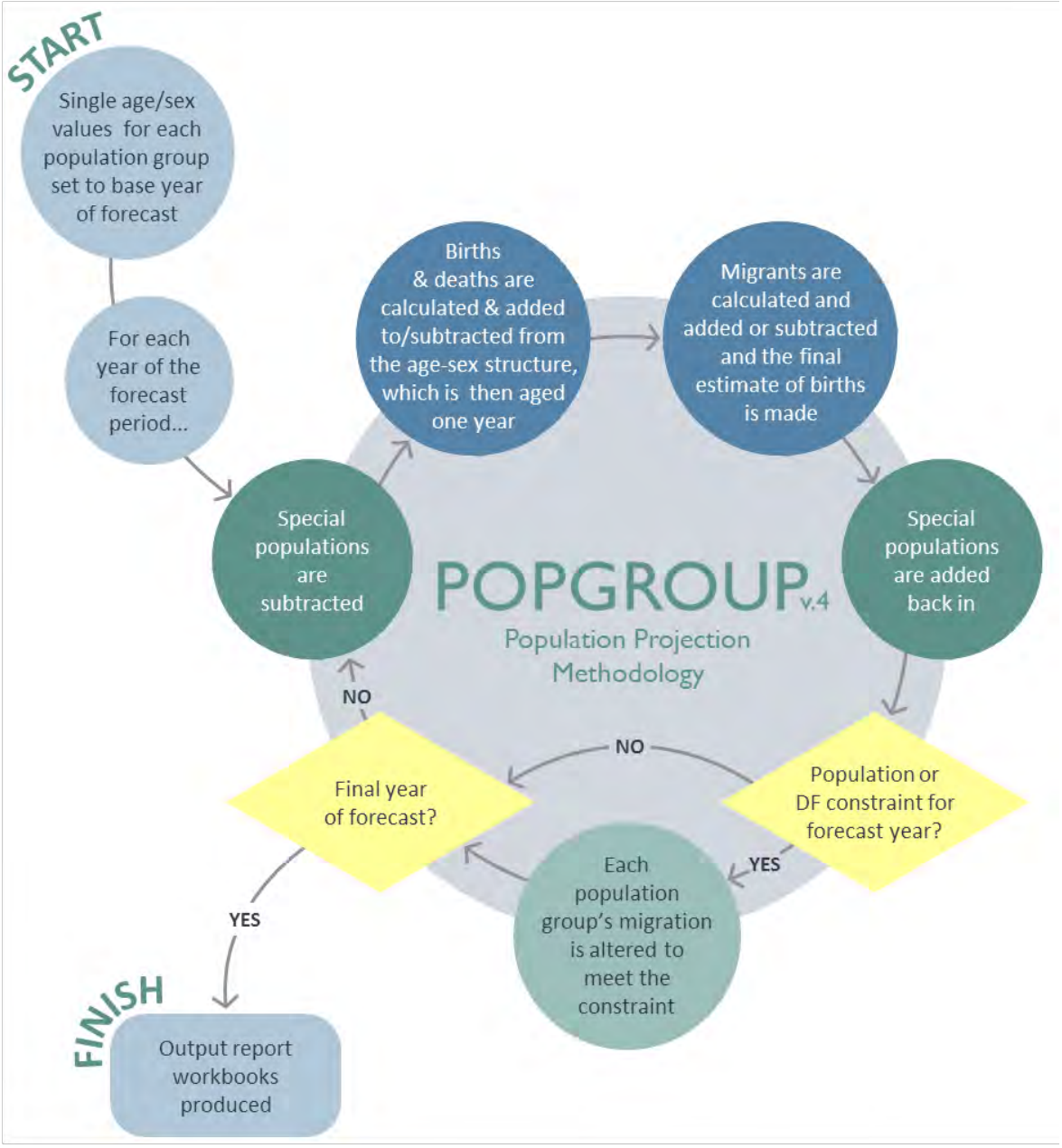
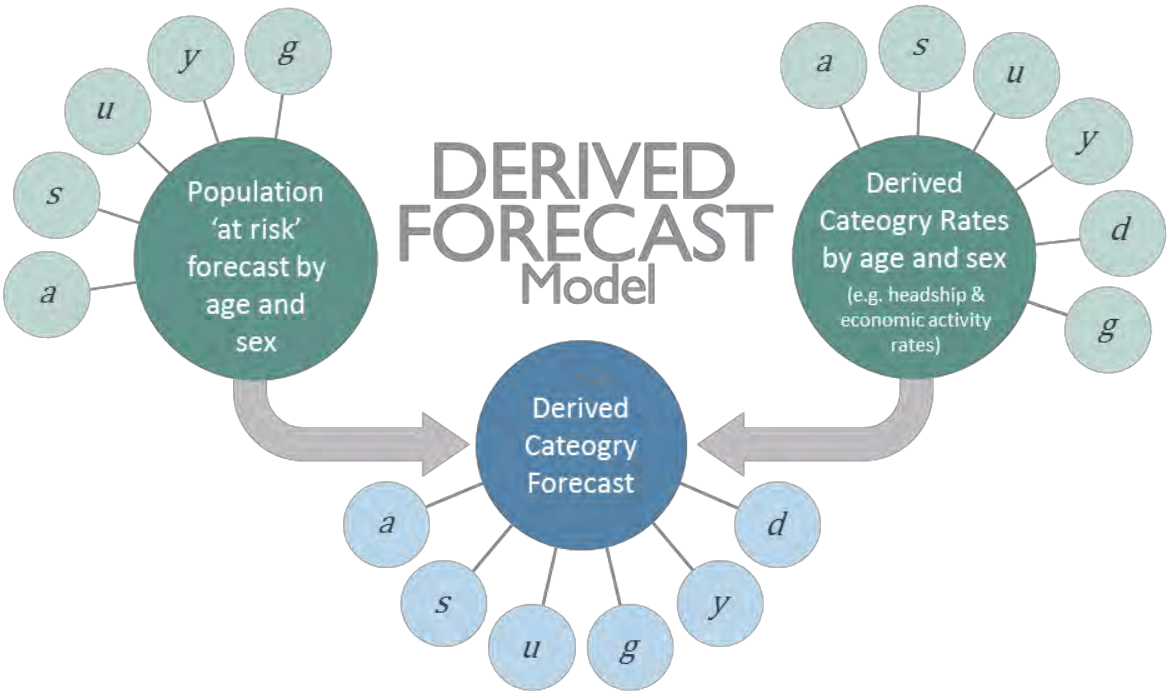



Figure 1: POPGROUP population projection methodology




$$D_{a,s,u,y,d,g} = \frac{P_{a,s,u,y,g}\ R_{a,s,u,y,d,g}}{100}$$

| | | | |
|---|---|---|---|
| $D$ | Derived Category Forecast | $y$ | Year |
| $P$ | Population 'at risk' Forecast | $d$ | Derived category |
| $R$ | Derived Category Rates | $g$ | Group (usually an area, but can be an ethnic group or social group) |
| $a$ | Age-group | | |
| $s$ | Sex | | |
| $u$ | Sub-population | | |

Figure 2: Derived Forecast (DF) methodology

# 2 Data Inputs & Assumptions

## Introduction

2.1 Edge Analytics has developed a suite of demographic scenarios for Calderdale using POPGROUP v.4 and the Derived Forecast model. The POPGROUP suite of demographic models draws data from a number of sources, building an historical picture of population, households, fertility, mortality and migration on which to base its scenario forecasts. Using historical data evidence for 2001–2013, in conjunction with information from ONS sub-national population projections (SNPPs) and DCLG household projections, a series of assumptions have been derived which drive the scenario forecasts.

2.2 The following scenarios have been produced:

- SNPP-2012
- PG-10Yr
- PG-10Yr-X
- Natural Change
- Net Nil
- Employment-led - REM (Nov 2014)
- Employment-led - Cambridge

2.3 In each scenario, household growth has been assessed using assumptions from the 2012-based household projection model from the Department for Communities and Local Government (DCLG). These scenarios are identified by the '**HH-12**' suffix.

2.4 In addition, each scenario listed above in paragraph 2.2 has been run using an adjusted set of 2012-based headship rates. In this set of rates, the aggregate headship rates for the following age groups are returned to their respective 2001 values by 2022:

- 25–29
- 30–34

2.5 These scenarios are identified using the '**HH-12 Return**' suffix.

2.6 In the following sections, a narrative on the data inputs and assumptions underpinning the scenarios is presented.

# Scenario Definitions

## Official Projection

2.7 In accordance with the PPG, the scenario alternatives are 'benchmarked' against the most recent official population projections from the ONS, the 2012-based SNPP, which was released in May 2014. The **'SNPP-2012'** scenario replicates this official population projection.

## Alternative Trend

2.8 The following 'alternative trend' scenarios have been developed, based upon the latest demographic evidence:

- **PG-10Yr**: internal migration rates and international migration flow assumptions are based on the last 10 years of historical evidence (2002/03 to 2011/12). The UPC component is *included* in the international migration assumptions.
- **PG-10Yr-X**: internal migration rates and international migration flow assumptions are based on the last 10 years of historical evidence (2002/03 to 2011/12). The UPC component is ex*cluded* in the international migration assumptions.

## Employment-led

2.9 In an 'employment-led' scenario, population growth is determined by the scale of future jobs growth within an area. Migration is used to balance the relationship between the size of the population's labour force and the forecast number of jobs. A higher level of net in-migration will occur if there is insufficient population and resident labour force to meet the forecast number of jobs. A higher level of net out-migration will occur if the population is too high relative to the forecast number of jobs.

2.10 The following employment-led scenarios have been developed:

- **Employment-led – REM (Nov 2014)**: population growth is determined by an annual change in jobs numbers as specified in the November 2014 REM employment forecast for Calderdale.
- **Employment-led - Cambridge**: population growth is determined by an annual change in jobs numbers as specified in the Cambridge Econometrics employment forecast for Calderdale.

# Population, Births & Deaths

## Population

2.11 In each scenario, historical population statistics are provided by the mid-year population estimates for 2001–2012, with all data recorded by single-year of age and sex. These data include the revised mid-year population estimates for 2002–2010, which were released by the ONS in May 2013. The revised mid-year population estimates provide consistency in the measurement of the components of change (i.e. births, deaths, internal migration and international migration) between the 2001 and 2011 Censuses.

2.12 In the **SNPP-2012** scenario, future population counts are provided by single-year of age and sex to ensure consistency with the trajectory of the ONS 2012-based SNPP.

## Births & Fertility

2.13 In each scenario, historical mid-year to mid-year counts of births by sex from 2001/02 to 2011/12 have been sourced from ONS Vital Statistics.

2.14 In the **SNPP-2012** scenario, future counts of births are specified to ensure consistency with the official projections.

2.15 In the other scenarios, a 'local' (i.e. area-specific) age-specific fertility rate (ASFR) schedule, which measures the expected fertility rates by age and sex in 2013/14, is included in the POPGROUP model assumptions. This is derived from the ONS 2012-based SNPP.

2.16 Long-term assumptions on changes in age-specific fertility rates are taken from the ONS 2012-based SNPP.

2.17 In combination with the 'population-at-risk' (i.e. all women between the ages of 15–49), the area-specific ASFR and future fertility rate assumptions provide the basis for the calculation of births in each year of the forecast period.

## Deaths & Mortality

2.18 In each scenario, historical mid-year to mid-year counts of deaths by age and sex from 2001/02 to 2011/12 have been sourced from ONS Vital Statistics.

2.19 In the **SNPP-2012** scenario, future counts of deaths are specified to ensure consistency with the official projections.

2.20 In the other scenarios, a 'local' (i.e. area-specific) age-specific mortality rate (ASMR) schedule, which measures the expected mortality rates by age and sex in 2013/14 is included the POPGROUP model assumptions. This is derived from the ONS 2012-based SNPP.

2.21 Long-term assumptions on changes in age-specific mortality rates are taken from the ONS 2012-based SNPP.

2.22 In combination with the 'population-at-risk' (i.e. the total population), the area-specific ASMR and future mortality rate assumptions provide the basis for the calculation of deaths in each year of the forecast period.

# Migration

## Internal Migration

2.23 In all scenarios, historical mid-year to mid-year counts of in- and out-migration by five year age group and sex from 2001/02 to 2011/12 have been sourced from the 'components of change' files that underpin the ONS MYEs. The original source of these internal migration statistics is the Patient Register Data Service (PRDS), which captures the movement of patients as they register with a GP. This data provides an accurate representation of inter-area flows, albeit with some issues with regard to potential under-registration in certain age groups (young males in particular).

2.24 In the **SNPP-2012** scenarios, future counts of internal migrants are specified, to ensure consistency with the official projections.

2.25 In the alternative trend-based scenarios, age-specific migration rate (ASMigR) schedules are derived from the area-specific historical migration data. In the **PG-10Yr** and **PG-10Yr-X** scenarios, a ten year internal migration history is used (2002/03–2011/12).

2.26 The **employment-led** scenarios calculate their own internal migration assumptions to ensure an appropriate balance between the population and the targeted increase in the number of jobs that is defined in each year of the forecast period. In the employment-led scenarios, a higher level of net internal migration will occur if there is insufficient population and resident labour force to meet the forecast number of jobs. In the employment-led scenarios, the profile of internal migrants is defined by an ASMigR schedule, derived from the ONS 2012-based SNPP.

2.27 Rather than the schedule of rates being applied to the area-specific population – as is the case with the other components (i.e. births, deaths and international migration) – in the case of internal in-migration the ASMigR schedule of rates is applied to an external 'reference' population (i.e. the population 'at-risk' of migrating into the area).

2.28 In the case of Calderdale, the reference population is derived through an analysis of migration into the Leeds City Region Local Enterprise Partnership (LEP) that Calderdale is a member of. The reference population is defined by considering the areas which have historically contributed the majority of migrants into the LEP areas. In this case, the reference population comprises all districts which cumulatively contributed 70% of migrants into the combined LEP area in 2008/09–2011/12.

## International Migration

2.29 Historical mid-year to mid-year counts of total immigration and emigration from 2001/02 to 2011/12 have been sourced from the 'components of change' files that underpin the ONS MYEs. Any 'adjustments' made to the MYEs to account for asylum cases are included in the international migration balance.

2.30 In all scenarios, future international migration assumptions are defined as 'counts' of migration.

2.31 In the **SNPP-2012** scenarios, the international in- and out-migration counts are drawn directly from the official projections.

2.32 Implied within the international migration component of change in all scenarios (apart from the **PG-10Yr-X** scenario) is an 'unattributable population change' (UPC) figure, which ONS identified within its latest MYE revisions. The POPGROUP model has assigned the UPC to international migration as it is the component with the greatest uncertainty associated with its estimation. In the **PG-10Yr-X** scenario, the UPC is not considered when calculating the migration assumptions.

2.33 In the alternative trend-based (**PG-10Yr** and **PG-10Yr-X**) scenarios, the international in- and out-migration counts are derived from the area-specific historical migration data. In the **PG-10Yr** and **PG-10Yr-X** scenarios, a ten year international migration history is used (2002/03–2011/12). An ASMigR schedule of rates is derived from a ten year migration history and is used to distribute future counts by single year of age.

2.34 In the **employment-led** scenarios, international migration counts are taken from the ONS 2012-based SNPP (i.e. counts are consistent with the SNPP-2012 scenario). An ASMigR schedule of rates from the ONS 2012-based SNPP is used to distribute future counts by single year of age.

# Households & Dwellings

2.35 The 2011 Census defines a household as:

> *"one person living alone, or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area."*[1]

2.36 A dwelling is defined as a unit of accommodation which may comprise one or more household spaces (a household space is the accommodation used or available for use by an individual household).

2.37 For each scenario, the household and dwelling implications of the population growth trajectory have been evaluated through the application of headship rate statistics, communal population

[1] http://www.ons.gov.uk/ons/guide-method/census/2011/census-data/2011-census-user-guide/glossary/index.html

statistics and a dwelling vacancy rate. These data assumptions have been sourced from the 2001 and 2011 Censuses and 2012-based household projection model from the DCLG.

## Household Headship Rates

2.38 A household headship rate (also known as a household representative rate) is the *"probability of anyone in a particular demographic group being classified as being a household representative"*[2].

2.39 The household headship rates used in the POPGROUP modelling have been taken from the DCLG 2012-based household projections. The 2012-based household projections were released for local authority districts in England in February/March 2015, superseding the 2011-based model.

2.40 The DCLG household projections are derived through the application of projected household representative rates to a projection of the private household population.

2.41 In the scenarios presented here, the following headship rate assumptions have been applied:

- In the **HH-12** outcome, the 2012-based DCLG headship rates are applied.
- In the **HH-12 Return** outcome, the headship rates for ages 25–29 and 30–34 are incrementally adjusted from 2012, returning to their respective 2001 values by 2022. After 2022, the rate of change from the original 2012-based headship rates is followed. The headship rates for all other age groups remain unchanged and are consistent with the rates used in the HH-12 scenario alternatives.

2.42 In POPGROUP, the 2012-based headship rates are defined by age, sex and relationship status. These rates therefore determine the likelihood of a person of a particular age-group, sex and relationship status being head of a household in a particular year, given the age-sex structure of the population. The methodological basis of the 2012-based household projections is consistent with that employed in the previous 2008-based and 2011-based interim household projections. The methodology used by DCLG in its household projection models consists of two distinct stages:

- **Stage One** produces the national and local authority projections for the total number of households by sex, age-group and relationship-status group over the projection

[2] Household Projections 2012-based: Methodological Report. Department for Communities and Local Government (February 2015). https://www.gov.uk/government/statistics/2012-based-household-projections-methodology

period. All Stage One output and assumptions for the 2012-based household projection model have been released by DCLG.

- **Stage Two** provides the detailed 'household-type' projection by age-group, controlled to the previous Stage One totals. Stage Two assumptions and output for the 2012-based model have yet to be released by DCLG.

2.43 Whilst methodologically similar to previous releases, the 2012-based household projections provide an important update on the 2011-based interim household projections with the inclusion of the following new information:

- 2012-based SNPP by sex and age that extend to 2037 (rather than to 2021 as was the case in the 2011-based interim projections).
- Household population by sex, age and relationship-status consistent with the 2011 Census (rather than estimates for 2011, which were derived from 2001 Census data, projections and national trends, as used in the 2011-interim projections).
- Communal population statistics by age and sex consistent with the 2011 Census (rather than the previous estimate, which were calibrated to the total communal population from the 2011 Census).
- Further information on household representatives from the 2011 Census relating to aggregate household representative rates by relationship status and age.
- Aggregate household representative rates at local authority level, controlled to the national rate, based on the total number of households divided by the total adult household population (rather than the total number of households divided by the total household population).
- Adjustments to the projections of the household representative rates in 2012 based on the Labour Force Survey (LFS).

(Source: DCLG Methodology[3], page 5)

[3] Household Projections 2012-based: Methodological Report. Department for Communities and Local Government (February 2015). https://www.gov.uk/government/statistics/2012-based-household-projections-methodology

## Communal Population

2.44 Household projections in POPGROUP exclude the population 'not-in-households' (i.e. the communal/institutional population). These data are drawn from the DCLG 2012-based household projection, which uses statistics from the 2011 Census. Examples of communal establishments include prisons, residential care homes and student halls of residence.

2.45 For ages 0–74, the number of people in each age group 'not-in-households' is kept fixed throughout the forecast period. For ages 75–85+, the proportion of the population 'not-in-households' is recorded. Therefore, the population not-in-households for ages 75–85+ varies across the forecast period depending on the size of the population.

## Vacancy Rate

2.46 The relationship between households and dwellings is modelled using a 'vacancy rate', sourced from the 2011 Census.

2.47 A vacancy rate of 3.9% for Calderdale has been applied, fixed throughout the forecast period. Using this vacancy rate, the 'dwelling requirement' of the each household growth trajectory has been calculated.

# Labour Force & Jobs

2.48 For each scenario (apart from the **employment-led** scenarios), the labour force and jobs implications of the population growth trajectory have been evaluated through the application of three key data items: economic activity rates, a commuting ratio and an unemployment rate.

2.49 In the **employment-led** scenarios, these three data items are used to determine the population growth required by a particular jobs growth trajectory.

## Economic Activity Rates

2.50 The level of labour force participation is recorded in the economic activity rates. Economic activity rates by five year age group (ages 16-74) and sex have been derived from 2001 and 2011 Census statistics. The 2011 Census statistics include an open-ended 65+ age category, so

economic activity rates for the 65–69 and 70–74 age groups have been estimated using a combination of Census 2011 tables, disaggregated using evidence from the 2001 Census. Between 2001 and 2011, the rates are linearly interpolated.

2.51 For Calderdale, rates of economic activity increased for all age groups between 20–74 between the 2001 and 2011 Censuses, most noticeably for women (Figure 3).

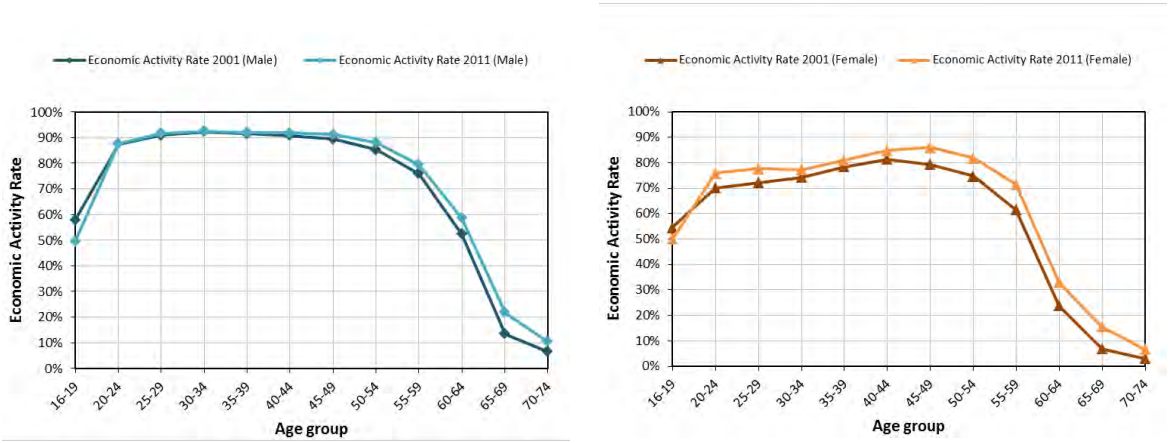



Figure 3: Calderdale economic activity rates: 2001 and 2011 Census comparison (source: ONS)

2.52 In all scenarios, Edge Analytics has made changes to the age-sex specific economic activity rates to take account of changes to the State Pension Age (SPA) and to accommodate potential changes in economic participation which might result from an ageing but healthier population in the older labour-force age-groups.

2.53 The SPA for women is increasing from 60 to 65 by 2018, bringing it in line with that for men. Between December 2018 and April 2020, the SPA for both men and women will then rise to 66. Under current legislation, the SPA will be increased to 67 between 2034 and 2036 and 68 between 2044 and 2046. It has been proposed that the rise in the SPA to 67 is brought forward to 2026–2028[4].

2.54 ONS published its last set of economic activity rate forecasts from a 2006 base[5]. These incorporated an increase in SPA for women to 65 by 2020 but this has since been altered to an accelerated transition by 2018 plus a further extension to 66 by 2020. Over the 2011–2020

[4] https://www.gov.uk/changes-state-pension

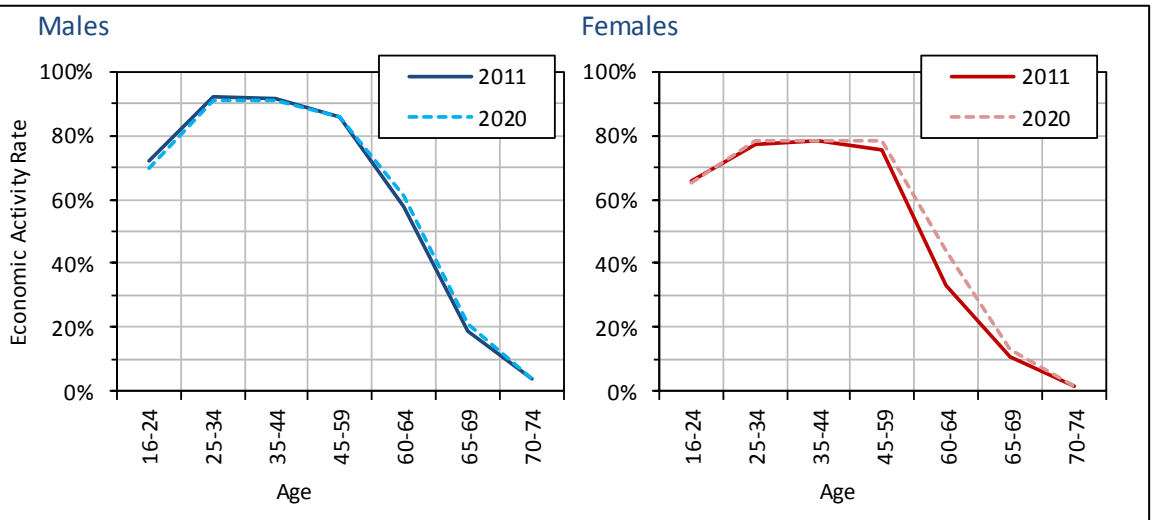
[5] ONS January 2006, Projections of the UK labour force, 2006 to 2020 http://www.ons.gov.uk/ons/rel/lms/labour-market-trends--discontinued-/volume-114--no--1/projections-of-the-uk-labour-force--2006-to-2020.pdf

period, the ONS forecasts suggested that male economic activity rates would rise by 5.6% and 11.9% in the 60-64 and 65-69 age groups respectively. Corresponding female rates would rise by 33.4% and 16.3% (Figure 4).

2.55 To take account of planned changes to the SPA, the following modifications have been made to the Edge Analytics economic activity rates:

- Women aged 60–64: 40% increase from 2011 to 2020.
- Women aged 65–69: 20% increase from 2011 to 2020.
- Men aged 60–64: 5% increase from 2011 to 2020.
- Men aged 65–69: 10% increase from 2011 to 2020

2.56 Note that the rates for women in the 60–64 age and 65–69 age-groups are higher than the original ONS figures (Figure 4), accounting for the accelerated pace of change in the SPA. No changes have been applied to other age-groups. In addition, no changes have been applied to economic activity rates beyond 2020. This is an appropriately prudent approach given the uncertainty associated with forecasting future rates of economic participation.




| % Change 2011 - 2020 | | | | | | | |
|---|---|---|---|---|---|---|---|
| Sex \ Age | 16-24 | 25-34 | 35-44 | 45-59 | 60-64 | 65-69 | 70-74 |
| Males | -3.1% | -0.8% | -0.7% | 0.3% | 5.6% | 11.9% | -5.6% |
| Females | -1.2% | 1.8% | 0.4% | 3.9% | 33.4% | 16.3% | 0.0% |

Figure 4: ONS Labour Force Projection 2006 – Economic Activity Rates 2011–2020. Source: ONS

2.57 Given the accelerated pace of change in the female SPA and the clear trends for increased female labour force participation across all age-groups in the last decade (Figure 5), these 2011–2020 rate increases (Figure 5) would appear to be relatively conservative assumptions.

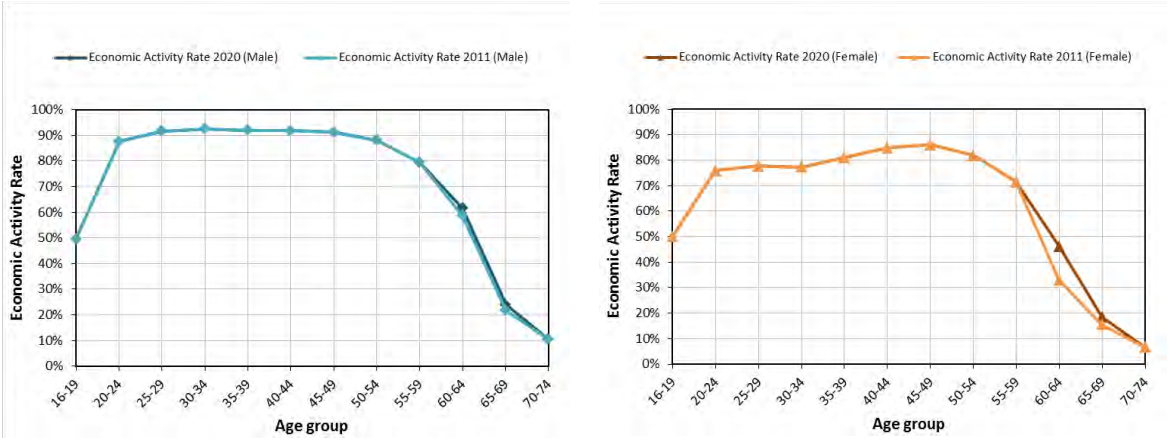



Figure 5: Edge Analytics economic activity rate profiles for Calderdale, 2011 and 2020 comparison.

## Commuting Ratio

2.58 The commuting ratio, together with the unemployment rate, controls the balance between the number of workers living in a district (i.e. the resident labour force) and the number of jobs available in the district.

2.59 A commuting ratio greater than 1.00 indicates that the size of the resident workforce exceeds the number of jobs available in the district, resulting in a net out-commute. A commuting ratio less than 1.00 indicates that the number of jobs in the district exceeds the size of the labour force, resulting in a net in-commute.

2.60 From the 2011 Census 'Travel to Work' statistics, published by ONS in July 2014, a commuting ratio has been derived for Calderdale. This is compared to the 2001 Census value in Table 1.

Table 1: Commuting Ratio Comparison

| Calderdale | | 2001 Census | 2011 Census |
|---|---|---|---|
| **Workers** | $a$ | 88,012 | 96,645 |
| **Jobs** | $b$ | 83,300 | 94,742 |
| **Commuting Ratio** | $a/b$ | **1.06** | **1.02** |

Note: 2001 data from Census Table *T101 – UK Travel Flows*; 2011 data from Census Table *WU02UK - Location of usual residence and place of work by age*.

## Unemployment Rate

2.61 The unemployment rate, together with the commuting ratio, controls the balance between the size of the labour force and the number of jobs available within an area. In all scenarios, a 'recession' average unemployment rate (2008–2012) of 7.8% is applied in 2012. The unemployment rate then decreases to a nine-year average (2004–2012) of 6.2% in 2018. After 2018, the unemployment rate is held constant.

# Appendix 2: Sub-Area Analysis

In order to inform the development of planning policy in Calderdale, further modelling has been undertaken at sub-authority level to show how different areas of Calderdale have changed demographically in the past, and estimate how sub-area populations may change in future.

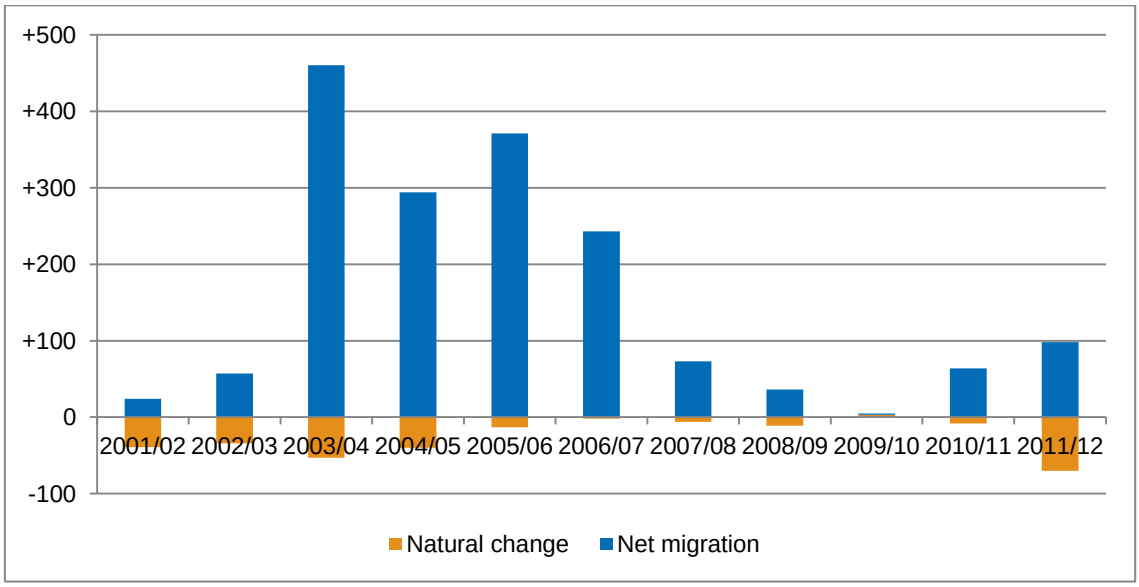
## Historic Components of Population Change

All sub-areas of Calderdale have seen some level of recent population growth, driven by an increasing surplus of births over deaths and a net inflow of migrants to the borough. However, further analysis by Edge Analytics allows population change to be broken down into components of change, similar to the analysis shown above. It should be noted that due to limited data availability at the small area level, there is no distinction between internal and international migration.

### Brighouse including Rastrick & Hipperholme

Brighouse including Rastrick & Hipperholme has seen growth in population over the period shown, which has been largely driven by net inmigration, particularly from 2003. The scale of inmigration has, however, fallen in recent years. Deaths largely outnumber births in the area, with little natural population growth.

**Figure 2.1 Components of Population Change – Brighouse including Rastrick & Hipperholme**



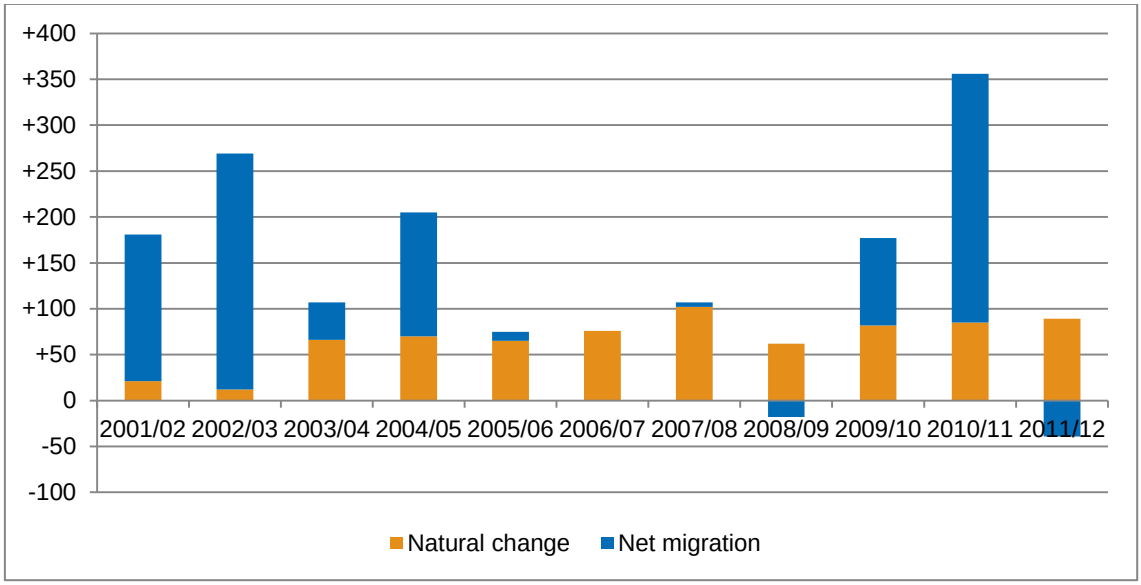

*Source: Edge Analytics, 2014*

### Elland including Greetland & Stainland

There has been an increasing trend whereby births outnumber deaths in Elland including Greetland & Stainland, driving increasingly natural population growth in the area. There has also been a net inflow of migrants over the period shown, although this was largely concentrated in the earlier period – from 2001 to 2005 – and between 2009 and 2011. In other

years, in- and out-migration was largely balanced, and indeed there were marginal net outflows in 2008/09 and 2011/12.

**Figure 2.2 Components of Population Change – Elland including Greetland & Stainland**

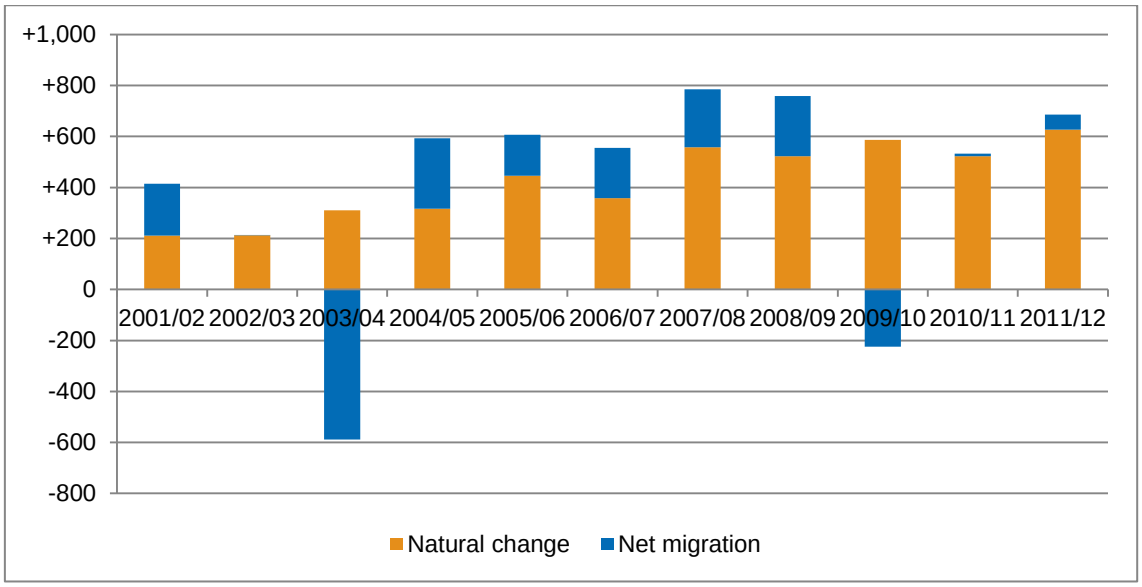



*Source: Edge Analytics, 2014*

## Halifax

Natural change has been an increasingly important component of population change in Halifax, suggesting an increasing imbalance between births and deaths that is increasing the total population. Migration also plays an important role, with net inmigration or balanced migration flows over most of the years shown. However, in 2003/04 and 2009/10, there were net ouflows of migrants from Halifax.

**Figure 2.3 Components of Population Change – Halifax**

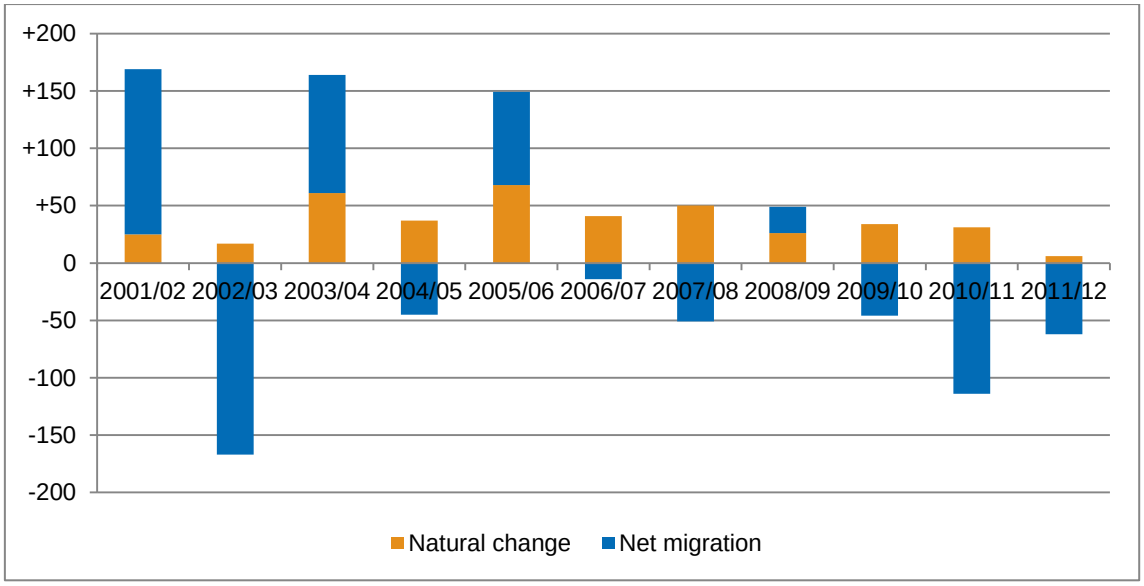



*Source: Edge Analytics, 2014*

## Hebden Bridge

The scale of change in Hebden Bridge is notably quite low, reflecting the evidence from the Census which highlighted that the area has seen relatively little change in population over recent years. As shown below, births have outnumbered deaths in Hebden Bridge over the period analysed, and there is no consistent migration flow into or out of the area. During the earlier years – with the exception of 2002/03 and 2004/05 – there was a general net inflow of migrants, although in subsequent years – except 2008/09 – there was a net outflow of migrants from Hedben Bridge.

**Figure 2.4 Components of Population Change – Hebden Bridge**

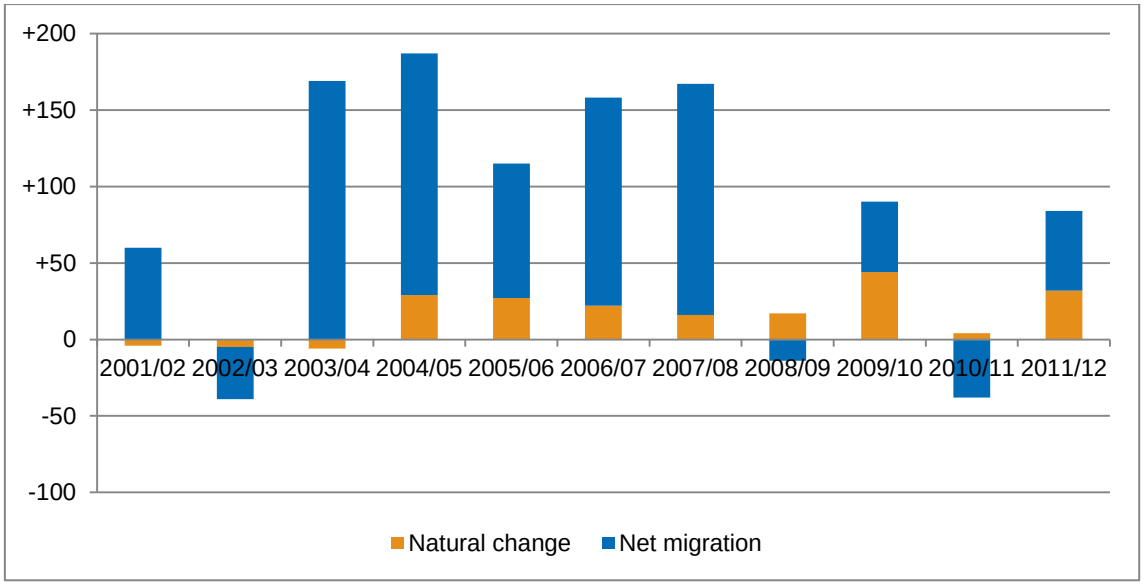



*Source: Edge Analytics, 2014*

## Luddenden Dean, Mytholmroyd & Cragg Vale

There has been a general net inflow of migrants to Luddenden Dean, Mytholmroyd & Cragg Vale, although the scale of migration fell from 2008/09 onwards, returning to levels seen earlier in the decade. Births have largely outnumbered deaths since 2004.

**Figure 2.5 Components of Population Change – Luddenden Dean, Mytholmroyd & Cragg Vale**

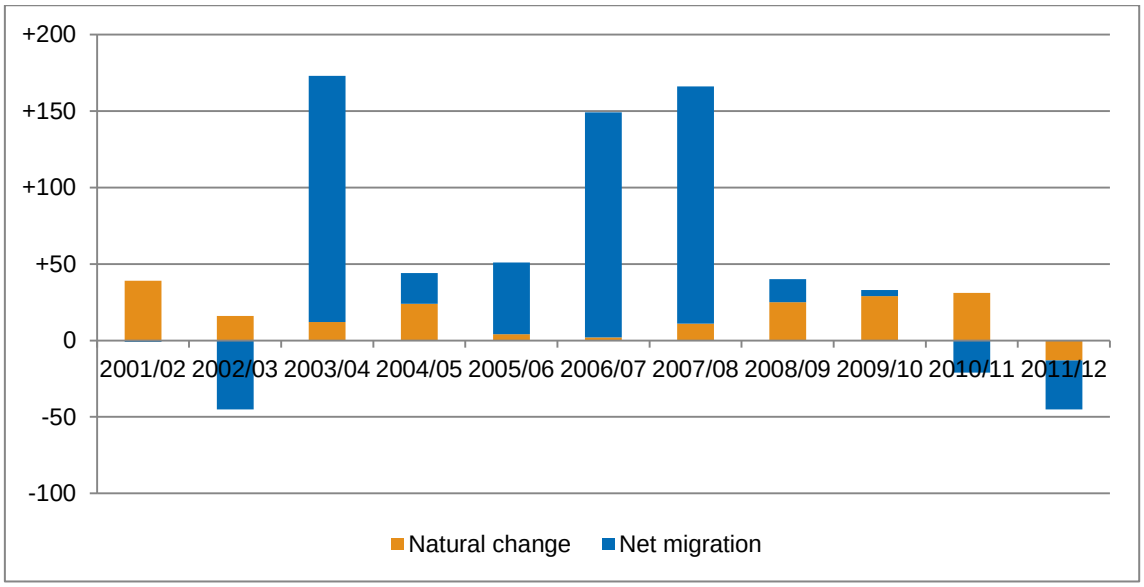



*Source: Edge Analytics, 2014*

## Northowram & Shelf

There was a notable significant inflow of migrants to Northowram & Shelf between 2003 and 2008, increasing the population by around 530 during this period. This has fallen in subsequent years, however, with a net ouflow of migrants since 2010.

**Figure 2.6 Components of Population Change – Northowram & Shelf**

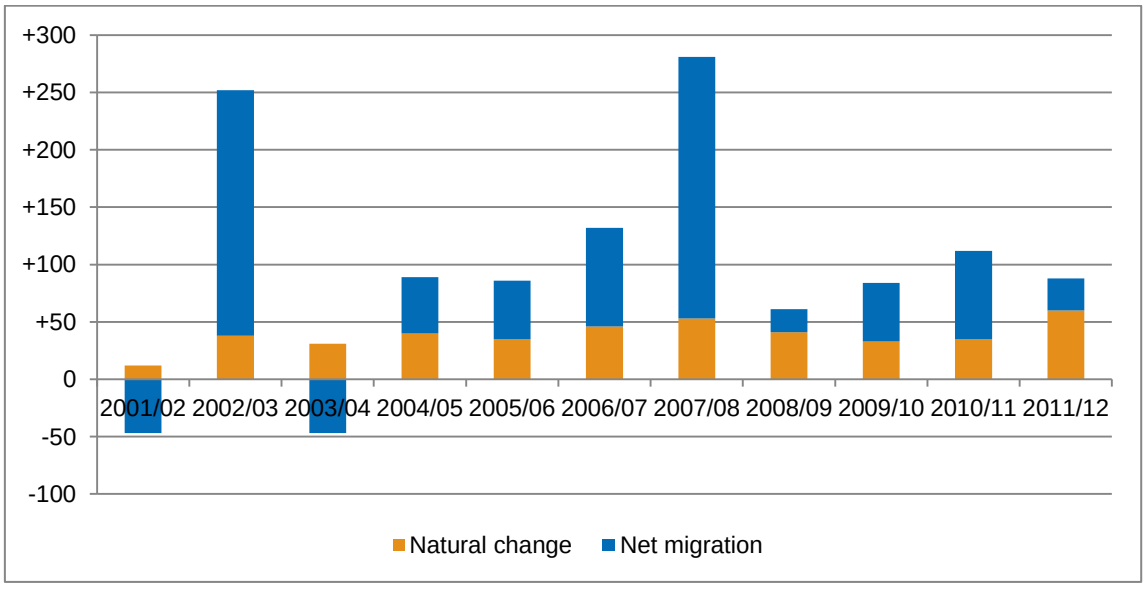



*Source: Edge Analytics, 2014*

## Ryburn Valley

Births have increasingly outnumbered deaths in Ryburn Valley, suggesting natural population growth, although this has also been supplemented by growth associated with migration. There has been a net inflow of migrants since 2001, with particular peaks in 2002/03 and 2007/08.

**Figure 2.7 Components of Population Change – Ryburn Valley**

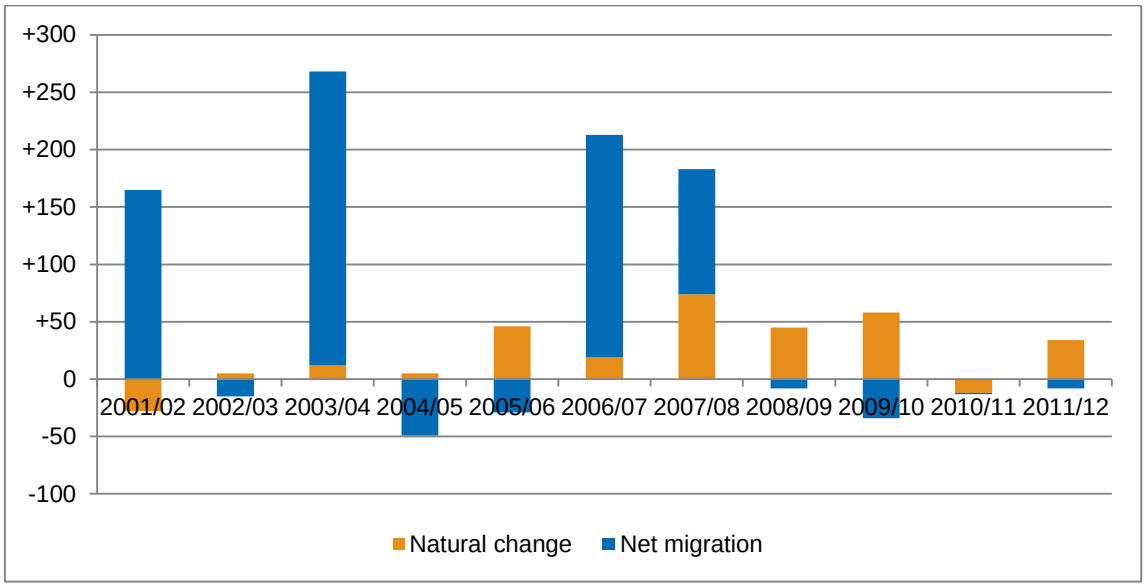



*Source: Edge Analytics, 2014*

## Sowerby Bridge

Sowerby Bridge has seen relatively significant net inflows of migrants, particularly during the early part of the period analysed, although this has fallen since 2008, with net outmigration.

**Figure 2.8 Components of Population Change – Sowerby Bridge**

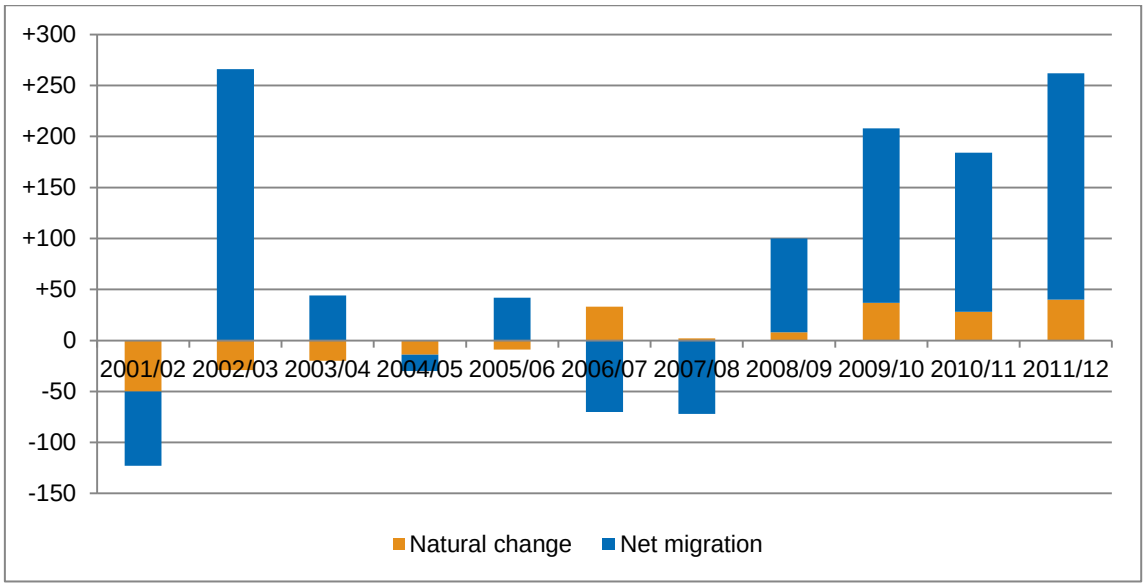



*Source: Edge Analytics, 2014*

## Todmorden

Todmorden has seen a shift in the balance of natural change since 2001 – when there were more deaths than births – with births now outnumbering deaths and driving population growth. Migration has also been a key component, particularly since 2008, and indeed it is evident that much of Todmorden's population growth has been seen over recent years since 2008.

**Figure 2.9 Components of Population Change – Todmorden**




*Source: Edge Analytics, 2014*

## Sub-Area Projections

The modelling undertaken by Edge Analytics is also broken down by sub-area, and this section therefore considers population and household forecasts produced at a local level for each of the sub-areas identified in this report.

This analysis is restricted to the **SNPP 2012** scenario, while a further hypothetical **Natural Change** scenario has also been modelled. These scenarios provide an important representation of how the population of local areas may change based purely on demographic factors. It is noted, however, that this does not take account of the adjustments applied in the deriving of the OAN to take account of longer-term demographic trends.

Evidently at a small area geography projections are heavily affected by what has happened in the past i.e. the supply of housing. Those areas which have seen a notable uplift in the supply of housing will have been likely to have retained people and attracted new migrants to the area. These projections will extrapolate these trends forward. The Natural Change scenario removes the impact of migration and therefore illustrates how an area would change on the basis of its current population. The 2012 SNPP, by contrast, integrates the impact of migration, which as noted above will be – at least in part – affected by historic local development levels.

At a local area the relationship between jobs and homes is more complex as a result of infrastructure and the availability of jobs. It is not therefore appropriate to model 'jobs-led' scenarios at this level. This section does, however, consider the relationship between the change in projected labour-force and forecast levels of job-growth based on the outputs of the REM as reviewed in section 4.

The following table illustrates the scale of population change in total and per annum under both the Natural Change and SNPP 2012 scenario for each of the sub-areas across Calderdale.

**Figure 2.10 Sub-Area Population Projections 2012 – 2033**

| Sub-Area | Natural Change | | SNPP 2012 | |
|---|---|---|---|---|
| | Total change 2012 – 2033 | Average change pa | Total change 2012 – 2033 | Average change pa |
| Brighouse including Rastrick & Hipperholme | -1,022 | -49 | 2,452 | 117 |
| Elland including Greetland & Stainland | 993 | 47 | 2,553 | 122 |
| Halifax | 11,118 | 529 | 12,887 | 614 |
| Hebden Bridge | 99 | 5 | -753 | -36 |
| Luddenden Dean, Mytholmroyd & Cragg Vale | 234 | 11 | 1,771 | 84 |
| Northowram & Shelf | -177 | -8 | 981 | 47 |
| Ryburn Valley | 564 | 27 | 2,192 | 104 |
| Sowerby Bridge | 495 | 24 | 1,597 | 76 |
| Todmorden | 166 | 8 | 1,587 | 76 |

*Source: Edge Analytics, 2014*

As shown, Halifax is forecast to see the greatest level of population growth in Calderdale, with both scenarios projecting change in excess of 500 per year. This is considerably higher than other sub-areas, underlining the evidenced role of Halifax within the borough.

Minimal population growth is projected in Hebden Bridge, with the SNPP 2012 scenario in particular projecting a decline in total population. The Natural Change scenario, meanwhile, projects decline in Northowram & Shelf and Brighouse including Rastrick & Hipperholme, highlighting the important role of migration in sustaining the population.

The projections also include forecasts of the size of the labour force, which as noted in the introduction to this sub-section can be compared against the local level REM forecasts introduced in section 4. In considering this modelled labour-force, it is important to note that this is built using wider local authority level assumptions in relation to economic activity rates, for example, as opposed to local data. In addition, the labour-force estimate takes no account of those classified as unemployed returning to work (as considered within the local authority level modelling of scenarios) or commuting relationships. The modelled projected labour-force estimates are summarised in the following table, for the period from 2013 to 2033, based on the 2012 SNPP scenario and compared with the sub-area REM forecasts[129].

[129] It is important to note that the REM outputs do not directly align with the Local Plan geographical definitions as they are based on Census MSOA geographies. A best fit approach has been adopted to enable a level of comparison, and the data should be considered in this context.

**Figure 2.11 Change in Labour Force and Forecast Job Creation 2012 – 2033**

| Sub-Area | Total change in labour force 2012 – 2033 (SNPP 2012) | Total change in FTE employment 2012 – 2033 |
|---|---|---|
| Brighouse including Rastrick & Hipperholme | -678 | 1,031 |
| Elland including Greetland & Stainland | 100 | 1,241 |
| Halifax | 4,135 | 6,193 |
| Hebden Bridge | -1,339 | 208 |
| Luddenden Dean, Mytholmroyd & Cragg Vale | 318 | 303 |
| Northowram & Shelf | -204 | 150 |
| Ryburn Valley | 452 | 409 |
| Sowerby Bridge | 157 | 218 |
| Todmorden | -76 | 225 |

*Source: Edge Analytics, 2014; REM, 2014*

It is evident that for a number of sub-areas the projected change to the labour force is potentially considerably lower than the level of job growth forecast. This is most notable for Hebden Bridge, Northowram & Shelf, Brighouse including Rastrick & Hipperholme and Todmorden, where the labour force is expected to shrink.

By contrast, a number of other areas are projected to see the labour force grow to a greater extent than forecast job growth, including Ryburn Valley and Luddenden Dean, Mytholmroyd & Cragg Vale. This will potentially have an impact on changing local commuting patterns.

It is important to note, however, that this analysis does not take into account any changes to unemployment or commuting, which will evidently impact upon the scale of job growth supported in the Local Plan sub-areas.

# Appendix 3: Evidence in Neighbouring Authorities

While this report demonstrates that Calderdale functions as a self-contained housing market area, it is nevertheless important to understand the wider context. This appendix therefore audits the evidence base of neighbouring authorities in order to establish a wider context and highlight any potential implications for Calderdale.

This table was constructed following telephone conversations with neighbouring authorities in May/June 2014, with updates made following publication of additional evidence.

**Figure 3.1 Objectively Assessed Need in Neighbouring Authorities**

| Authority | 2012 SNHP (annual 2012 – 2037) | Objectively Assessed Need | | Local Plan | | Relationship with Calderdale |
|---|---|---|---|---|---|---|
| | | Evidence base | OAN | Stage | Average proposed / presented housing requirement | |
| Bradford | 1,793 | 2010 SHMA produced based on 2008-based household projections. An updated Housing Requirements Study was published in 2013 to consider new 2011-based interim household projections through updated modelling, which informed the figure in the Core Strategy | 2,186 dpa (1,807 – 2,565 dpa) | Submitted to Secretary of State for Examination in December 2014, with the Council currently finalising proposed Main and Additional Modifications following Examination | 2,200 dpa | While there is a notable connection with Calderdale in terms of migration flows it is noted that Bradford are planning based on a requirement covering the authority. The proposed requirement exceeds the growth expected by household projections. This could have some implications regarding the future scale of outflows between Bradford and Calderdale if set in policy and realised. |
| Burnley | 50 | SHMA produced in 2013, in accordance with new guidance in NPPF and emerging PPG. Concluded OAN was taken forward for consultation in Issues and Options report | 60 – 100 dpa | Issues and Options stage, with Preferred Options consultation expected to commence in January 2016 | 60 – 100 dpa, with high growth scenario for 150 dpa also consulted upon | No evidence of significant relationship, although it was noted that this may change with the opening of the Todmorden Curve railway line |

| | | | | | | |
|---|---|---|---|---|---|---|
| Kirklees | 1,394 | SHMA published in October 2015 for Kirklees, with a range of demographic and employment-led scenarios modelled by Edge Analytics. Concluded OAN based on 2012 SNPP with an upward adjustment for jobs growth and no adjustment for market signals | 1,630dpa | Council consulting on Draft Local Plan in November 2015, based on evidence base including SHMA | 1,630 dpa | SHMA produced to cover Kirklees only, although work being undertaken by Leeds City Region will highlight scale of relationship between authorities |
| Oldham | 639 | Two SHMAs produced in 2010 to cover Oldham and wider Greater Manchester respectively. Neither included an objective assessment of need, and an updated SHMA is currently being prepared. Oldham is also included within the Greater Manchester Spatial Framework evidence base which was published for consultation in November 2015. Whilst this includes district level modelling, it does not identify an OAN below the GM level. | - | Adopted 2011, based on RSS housing requirements | 289 dpa | There is no evidence of a significant relationship between Calderdale and Oldham. It is noted that the current Core Strategy requirement falls considerably below the official household projection for the borough. |
| Pendle | 193 | SHMA produced with neighbouring Burnley in 2013. Further updates were published in September 2014 and April 2015 to assess the implications | 250 – 340 dpa | Local Plan found sound in October 2015, subject to modifications which do not affect the housing requirement | 298 dpa | Negligible relationship with Calderdale, based on commuting and migration. Lack of physical transport connections and rural nature |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | of new 2012-based population and household projections, with a downward adjustment made to the objectively assessed need range identified in the original SHMA | | | | limits housing market linkages, while people are also generally looking for different housing products within the two areas |
| Rochdale | 419 | SHMA Update published in January 2015 to replace previous 2010 evidence and provide an objective assessment of housing need. This is based on the official 2012-based SNPP projection, and is higher than the level of housing proposed in the suspended EIP. Rochdale is also included within the Greater Manchester Spatial Framework evidence base which was published for consultation in November 2015. Whilst this includes district level modelling, it does not identify an OAN below the GM level. | 460 dpa | EIP suspended to update housing evidence base through production of new SHMA. Resumed hearing held in June 2015. | 400 dpa | Evidence to date has not highlighted a particularly strong relationship with Calderdale, with stronger connections with authorities such as Rossendale and Oldham and elsewhere in Greater Manchester. This may be due to geographical constraints |
| Rossendale | 195 | Previous SHMA published in 2008, although the housing figure was largely underpinned by RSS. A new SHMA is currently being produced as the previous assessment was not | - | Adopted November 2011 | 247 dpa | The relationship between Calderdale and Rossendale is not particularly strong, potentially due to a general absence of physical linkages between the boroughs |

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| | considered robust or up-to-date. This should be published in the near future. |

*Source: Turley, 2015*

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