

APPENDIX ONE

East Riding of Yorkshire Council

Strategic Housing Market Assessment 2019

1. TABLE OF CONTENTS

Executive summary.....	1
1. Introduction	5
2. Existing stock	9
3. The East Riding Profile	15
4. Market Signals	35
5. Housing need in East Riding	55
6. Housing mix	59
7. Affordability modelling.....	65
8. Affordable housing needs assessment.....	83
9. The Housing Needs of different types of households.....	91
Appendices	113
Appendix 1: Affordable housing definition	114

EXECUTIVE SUMMARY

The East Riding Strategic Housing Market Assessment 2019 (SHMA) provides the latest available evidence to help shape the future planning and housing policies of the area. The research provides an up to date analysis of the social, economic and demographic profile across East Riding. It provides an assessment of future needs for market and affordable housing, and considers the needs of different groups within the population over the next twenty years. The SHMA includes a high volume of detailed evidence and analysis; the key messages from the research are presented in this executive summary.

Profile of area

There are approximately 334,000¹ residents in just over 150,000 households across East Riding. The area has an ageing profile and there is also evidence of a slowing population growth rate since 2012. 2014 Population projections indicate that East Riding's population will continue to grow at a slower rate than England and the Yorkshire and Humber region. Over the period 2019 to 2039 it is projected that deaths will exceed births by 26,100. However, net migration of 45,300 into East Riding over the period ensures population growth.

The average household size in East Riding is reducing; it was 2.4 in 2001, 2.34 in 2011 and the 2014 SNHP indicate that it is now 2.28. Couples with no dependent children are the most common household type followed by single households.

Valuation Office Agency (VOA) data records show that there are approximately 153,080 dwellings in the East Riding. A breakdown by type is presented in Figure 1; the evidence shows that East Riding has a relatively high proportion of bungalows

¹ 2017 mid-year estimates

and detached dwellings and a lower proportion of flats and terraced accommodation in comparison to regional and national levels.

Figure 1: Stock profile

Location	Detached	Semi detached	Flat	Terraced	Bungalow	Unknown
East Riding	23%	25%	10%	21%	20%	1%
Y and H Region	14%	29%	15%	29%	11%	2%
England	16%	24%	23%	26%	9%	2%

Source: VOA 2018

The VOA data also provides an updated position on the size of housing stock in East Riding; 43% of dwellings have three bedrooms. Figure 2 refers.

Figure 2: Number of bedrooms

Location	One bed	Two bed	Three bed	Four bed +
East Riding	7%	29%	43%	21%

Source: VOA 2018

Around three quarters of households in East Riding are owner occupiers, approximately 9% live in social rented accommodation and 14% are in the private rented sector.

Approximately 2% of households are overcrowded; this is significantly lower than the national figure of 4.64%. 81% of households under-occupy their homes.

Market Signals

In terms of the housing market, house prices in East Riding have been consistently higher than regional prices and lower than national averages. The lower quartile house price is £125,000 and the median price is £173,500. Since 2008, house prices have grown at a slower rate than regional and national figures. The current affordability ratio for house prices is 6.64. Private sector rents in East Riding have remained generally flat over the last five years.

New housebuilding continues to slowly recover with an average of 1,151 net additional dwellings across 2016 /17 and 2017/18.

Housing need

Using the government's standard methodology, the **minimum** annual housing need figure is calculated to be 935 dwellings per annum (dpa). However, based on recent increases in housing delivery and ongoing high levels of need for affordable housing, it is suggested that the Council's may wish to plan for a higher housing requirement through the Local Plan than that suggested by the standard methodology.

Affordable housing need

Defining 'affordability' is complex. The government provides a wide definition of affordable housing and a methodology to calculate how much is required. Using this methodology results in an annual need for affordable housing of 266 dwellings per annum between 2018 and 2039. It is recommended that this is set as a target for affordable housing delivery within the reviewed Local Plan. In line with the government's focus on affordable home ownership, it is further recommended that the Council considers a 70% affordable rented and 30% affordable ownership tenure split across East Riding.

Housing size and tenure

Figure 3 presents the proposed size of housing by mix and tenure. However, it is important to highlight that planning for future housing should not be overly prescriptive concerning mix and type of dwellings that the Council should consider to be provided as part of new developments, particularly in the context of market housing.

Figure 3: Proposed size of housing by tenure

Tenure	1-bed	2-bed	3-bed	4+ bed
<i>Market</i>	5-10%	40-45%	35-40%	10-15%
<i>Social/Affordable Rented</i>	35-40%	40-45%	15-20%	0-5%
<i>Intermediate/Starter Homes</i>	5-10%	50-55%	35-40%	0-5%

Housing for older people

A key strategic challenge for the Council is to ensure that there is a range of appropriate housing provision suitable for the area's ageing population. By 2039, 63% of households will be headed by someone aged 55 or over. Modelling undertaken in the SHMA recommends that, within the general mix, 295 dwellings per annum are provided that are built to accessible and adaptable standards. These dwellings would be appropriate for older soon to retire/ retired residents looking to downsize but not wanting to live in specialist retirement housing.

Within the overall need for housing there will also potentially be a need to provide some specialist (supported) housing. PPG recommended toolkits have been used which suggest the need for an additional 240 such units of accommodation for older people. This is a combined figure for both market and affordable housing. The analysis also considers Registered Care needs and demographic modelling highlights a potential need for an additional 140 registered care bed spaces per annum for older people (aged 75 and over).

In relation to both specialist and Registered Care housing, it is important to note that the figures quoted relate to factual evidence. It will be necessary in responding to such needs to consider wider policy matters (including the need for other forms of housing), spatial priorities, scheme viability and other funding pressures.

1. INTRODUCTION

Background

The East Riding Strategic Housing Market Assessment 2019 (SHMA) updates the evidence contained within the 2016 SHMA. It provides a robust understanding of housing market dynamics in order to assess future needs for both market and affordable housing and assess the housing needs of different groups of the population.

The SHMA does not seek to set policies; it instead forms part of a wider evidence base required to develop and support sound policy development including those contained in the Local Plan. Its findings should be considered alongside other factors such as the viability of delivering affordable housing, land availability and local policy priorities including creating mixed and balanced communities.

Preparation of the SHMA

The update takes account of the revisions made to the National Planning Policy Framework (NPPF) published in July 2018 and national Planning Practice Guidance (PPG).

The review:

- Follows the standard method for assessing local housing need which uses a formula to identify the minimum number of homes expected to be planned for;
- Considers whether a figure higher than the standard method is required;
- Identifies the need for different types of housing and how this relates to the overall housing need figure; and
- Reviews the affordable housing need calculation.

National Planning Policy Framework, Planning Practice Guidance and other requirements

Guidance contained within the NPPF and PPG has been followed. The update is based largely on the use of secondary datasets; however, where appropriate, primary research has been undertaken.

National Planning Policy Framework requirements

The NPPF sets out the government's planning policies for England and how these are expected to be applied. It provides a framework within which locally prepared plans for housing and development can be produced. The NPPF must be taken into account in preparing the development plan.

The following section provides an overview of the key sections of the NPPF which this SHMA addresses.

The revised NPPF (February 2019) identified that local planning authorities should have a clear understanding of housing needs in their area.

Paragraph 11 of the NPPF sets a presumption in favour of sustainable development whereby local plans should meet objectively assessed development needs, with sufficient flexibility to respond to rapid change.

Paragraph 31 states that the preparation and review of all policies should be underpinned by relevant and up-to-date evidence.

Paragraph 60 states that *'To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.'*

Paragraph 61 of the NPPF requires local authorities to plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community. This includes the recommendation that planning authorities should assess the size, type and tenure of housing needed for different groups in the community. *‘Within this context [Paragraph 60], the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes).’*

The revised NPPF updates the definition of affordable housing (NPPF Annex 2) to include a number of affordable home ownership options within the definition of need.

The NPPF also states at **paragraph 65**:

Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period.

Planning Practice Guidance (PPG)

The PPG contains guidance on how the NPPF should be interpreted. The section on housing need assessments is of relevance to this SHMA. The approach taken in this SHMA takes account of the PPG.

Relevant NPPF and planning policy guidance is outlined throughout this document and provides the basis for which evidence is presented within the SHMA.

East Riding Local Plan

The East Riding Local Plan, which was adopted in 2016, sets the strategic development framework for East Riding to 2029. A review of the Local Plan is currently being undertaken and this updated SHMA will help to inform the review by providing evidence in relation to levels of housing tenure, type, mix and affordable housing.

Report Structure

This report provides evidence on the housing market and estimates of housing demand and need for East Riding, and where evidence is available, at the sub-area level. The report structure is set out below. Analysis of the housing market area and allocation of six sub-market areas was undertaken in 2016; these findings remain appropriate for this study.

- [Chapter two](#) outlines the characteristics of East Riding's housing stock;
- [Chapter three](#) considers the local population, household characteristics, tenure patterns and the economy and how these may be changing;
- [Chapter four](#) presents a review of housing market signals, including house prices, rents, affordability, development rates, overcrowding, and land prices;
- [Chapter five](#) calculates the overall housing need figure for East Riding;
- [Chapter six](#) provides a recommended mix of housing;
- [Chapter seven](#) discusses the affordability of housing in the East Riding;
- [Chapter eight](#) assesses the need for affordable housing; and
- [Chapter nine](#) considers the housing needs of different groups in East Riding, focussing in particular on older people.

2. EXISTING STOCK

Introduction

This chapter considers the current housing stock on offer in East Riding with the findings of the 2011 Census included within the analysis, allowing for consideration of trends since 2001. This is supported by other datasets and Council information.

An updated snapshot of size, type and Council Tax banding is available through the Valuation Office Agency (VOA) which recorded all domestic properties with a Council Tax Band at March 2018. This provides an updated picture of the size and type of properties in East Riding and enables analysis of the location and size of bungalows within East Riding; data which was unavailable through Census 2011.

Profile of dwellings

Housing type

Latest VOA Council Tax data records 153,080 dwellings in the East Riding with semi-detached dwellings accounting for the largest proportion, followed by detached properties.

The data shows that East Riding has a higher proportion of detached stock and bungalows than the national and regional averages. There is a lower percentage of flats and terraced houses.

Figure 4: Housing type comparison

Type	East Riding	Y and H region	England
Detached	23%	14%	16%
Semi-detached	25%	29%	24%
Flat	10%	15%	23%
Terraced	21%	29%	26%
Bungalow	20%	11%	9%
Other or unknown	1%	2%	2%

VOA: March 2018

Figure 5 shows the proportion of stock that are bungalows within each sub area. Comparisons are made to East Riding, regional and national proportions. There is a higher proportion of bungalows in each of the sub-areas than national and regional comparators figures; however, there are vast differences between sub-area, with bungalows accounting for 31% of stock in Holderness sub-area and 12% in Beverley sub-area.

Figure 5: Comparison of proportion of bungalows by sub-area

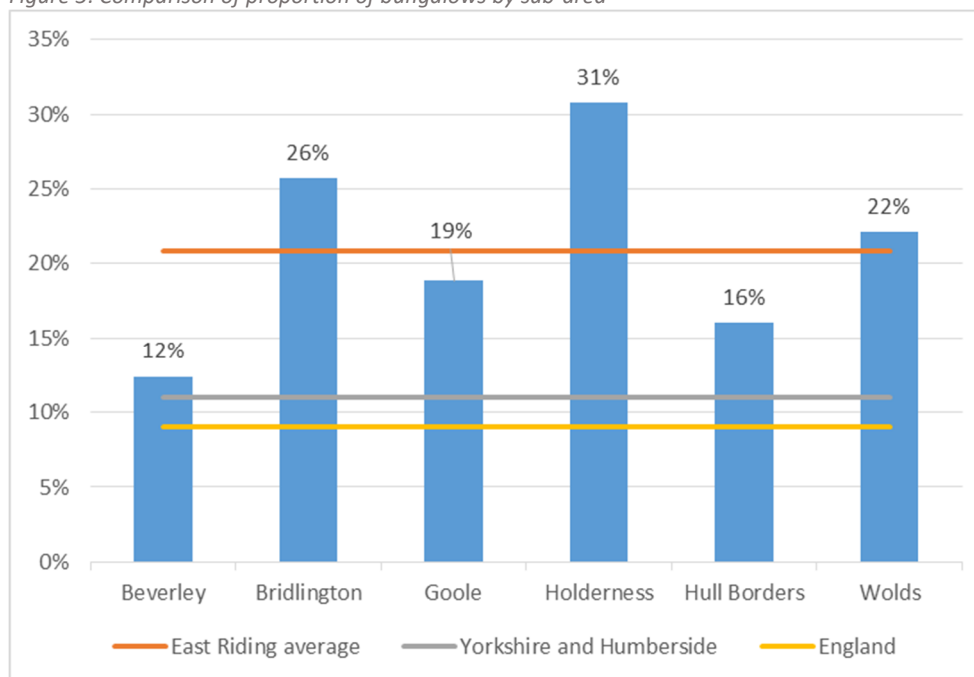


Figure 6: Proportion of flats/terraced stock by sub-area

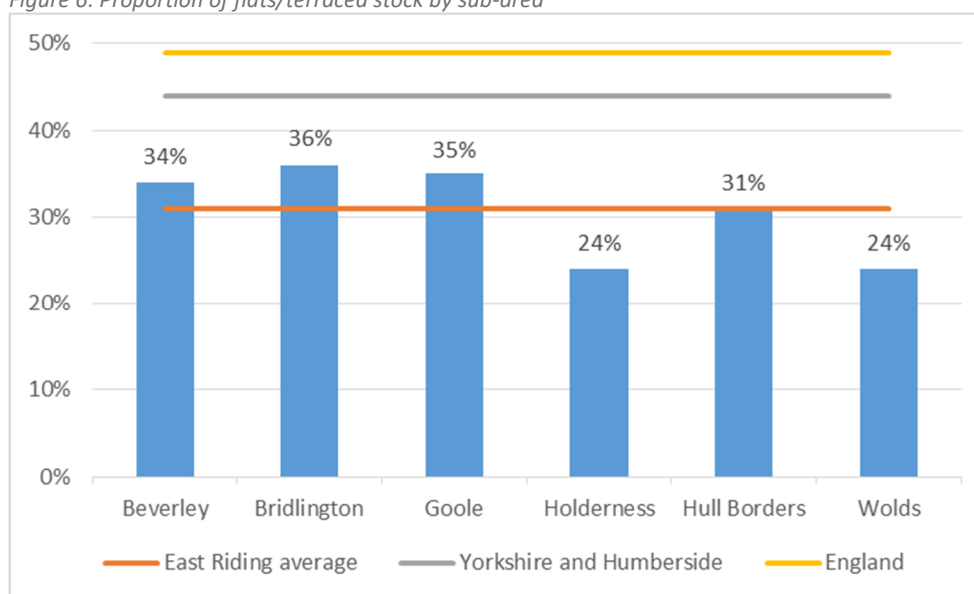
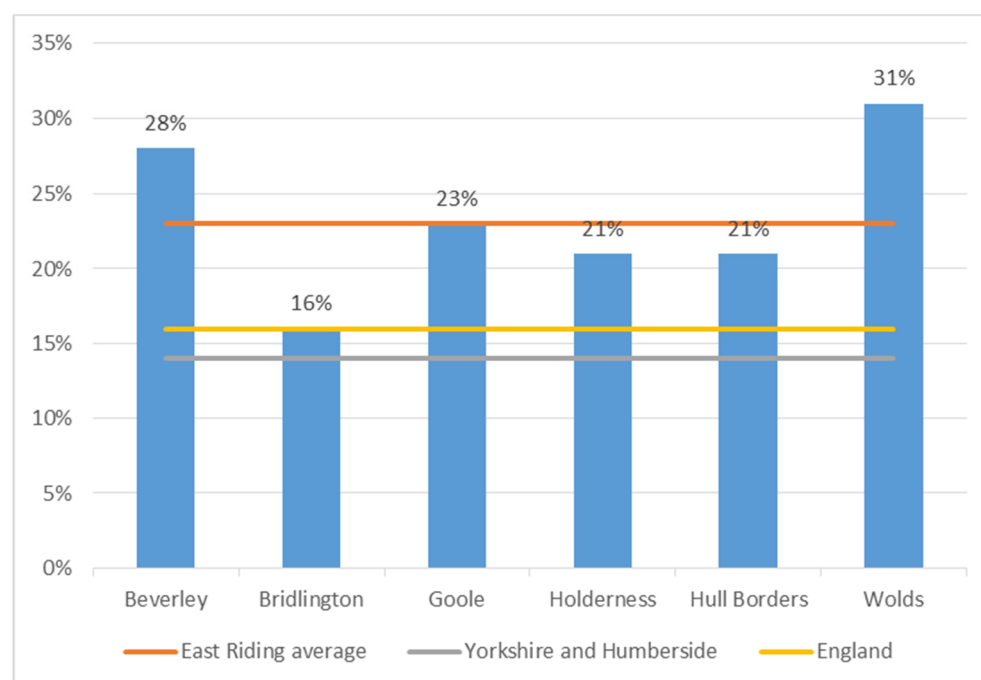


Figure 7 shows that all sub-areas have a higher proportion of detached properties than England and Yorkshire and Humber, except Bridlington which has an equal proportion as England. Wolds and Beverley sub-areas have the largest proportions.

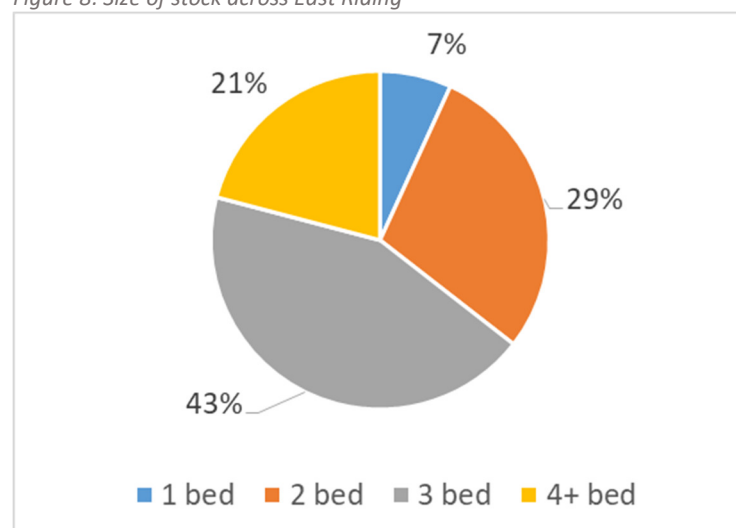
Figure 7: Comparison of detached properties by sub-area



Size of the housing stock

The VOA data also provides an updated position on the number of bedrooms in dwellings in East Riding. As shown in Figure 8, the size of stock varies across East Riding with three bedrooms being the most frequent.

Figure 8: Size of stock across East Riding



Source: VOA 2018

Figure 9 provides a breakdown of housing stock by sub-area; Bridlington has a high proportion of smaller one and two bedroom dwellings (43%) and Hull Borders has the largest proportion of larger, three bedroom plus dwellings (72%).

Figure 9: Size of stock by sub-area VOA 2018

Housing sub-area	1 Bed	2 Bed	3 Bed	4 Bed
Beverley	5%	28%	44%	23%
Bridlington	12%	35%	38%	15%
Goole	7%	32%	44%	17%
Holderness	5%	31%	45%	19%
Hull Borders	5%	23%	50%	22%
Wolds	5%	28%	43%	23%
Grand Total	7%	29%	44%	20%

Figure 10: Average number of bedrooms by sub-area

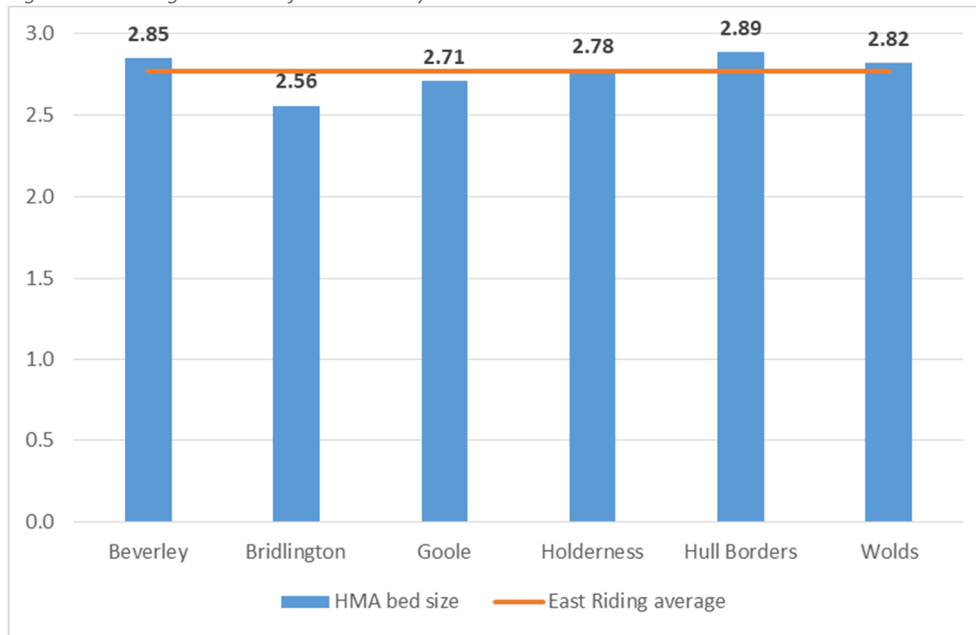
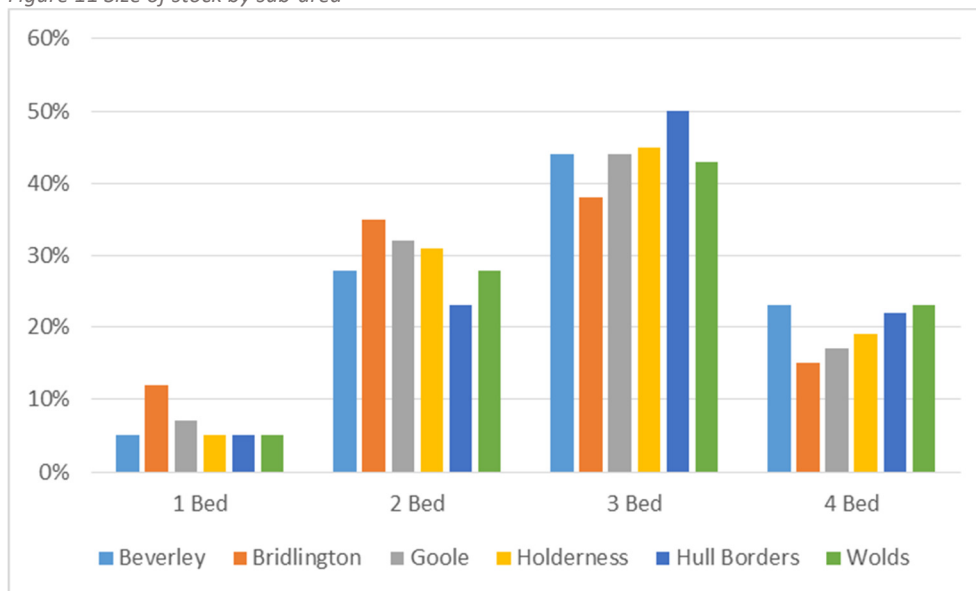


Figure 11 Size of stock by sub-area



Comparisons with Census 2011 data (Figure 12) show that since 2011 there has been a slight decrease in the proportion of stock that is 4 bed or larger and an increase in 1, 2 and 3 bedroom dwellings. However, there are differences within East Riding at a sub-area level. Beverley, Hull Borders and Wolds have seen the largest change in the proportion of 3 bedroom dwellings; Goole 2 beds, Bridlington 2 beds and the only one to have an increased proportion of 1 bed. Wolds- the closest to Census. All have seen a reduction in the proportion of 4 beds

Figure 12: Size of stock

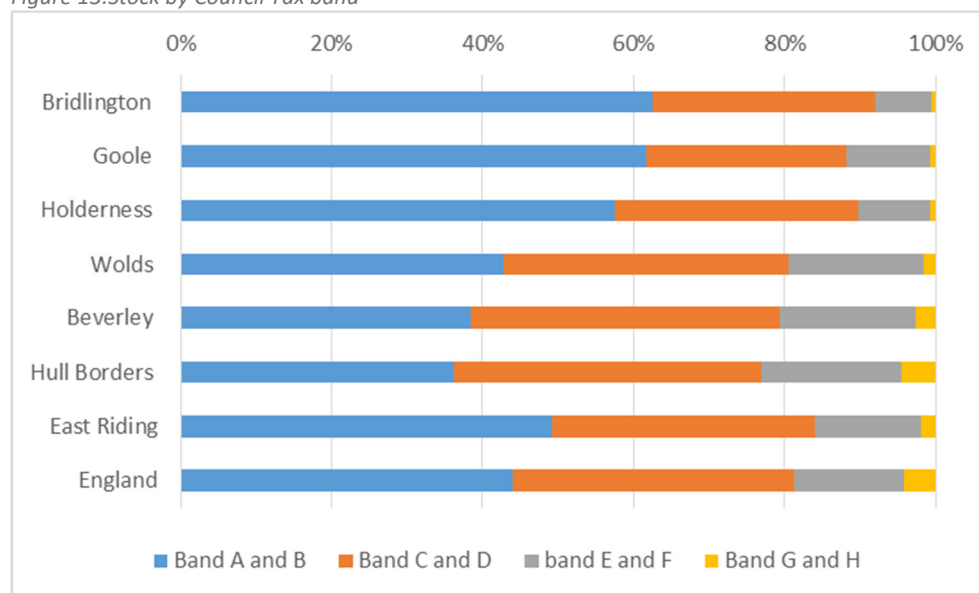
Housing sub-area	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms
Beverley	6%	27%	40%	27%
Bridlington	11%	33%	37%	19%
Goole	7%	27%	44%	22%
Holderness	5%	30%	43%	21%
Hull Borders	6%	24%	45%	26%
Wolds	6%	27%	40%	27%
Grand Total	7%	28%	42%	24%

Source Census 2011

Council Tax data

Council Tax data from VOA which can give an insight into the value of stock in East Riding. Half of properties are in Bands A and B compared to 44% nationally. There are significant differences between sub-areas; Bridlington, Goole and Holderness have 63%, 62% and 57% of properties in Bands A and B respectively compared to Beverley, Hull Borders and Wolds which have 39%, 36% and 43%.

Figure 13: Stock by Council Tax band

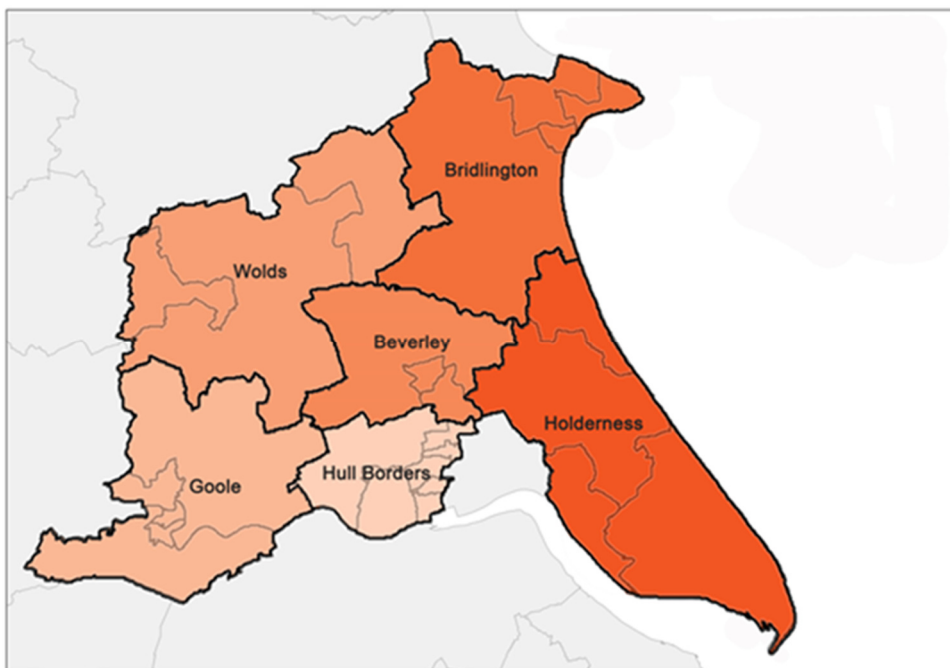


3. THE EAST RIDING PROFILE

This chapter considers the local population, household characteristics, tenure patterns and the economy in East Riding and how these may be changing. Recent years have seen changes in migration patterns, demographic change and the economy which will influence local housing market conditions.

The analysis includes summary information for each of East Riding's six sub-areas which remain unchanged from the review undertaken in the 2016 SHMA (Figure 14 refers).

Figure 14: East Riding housing sub-areas

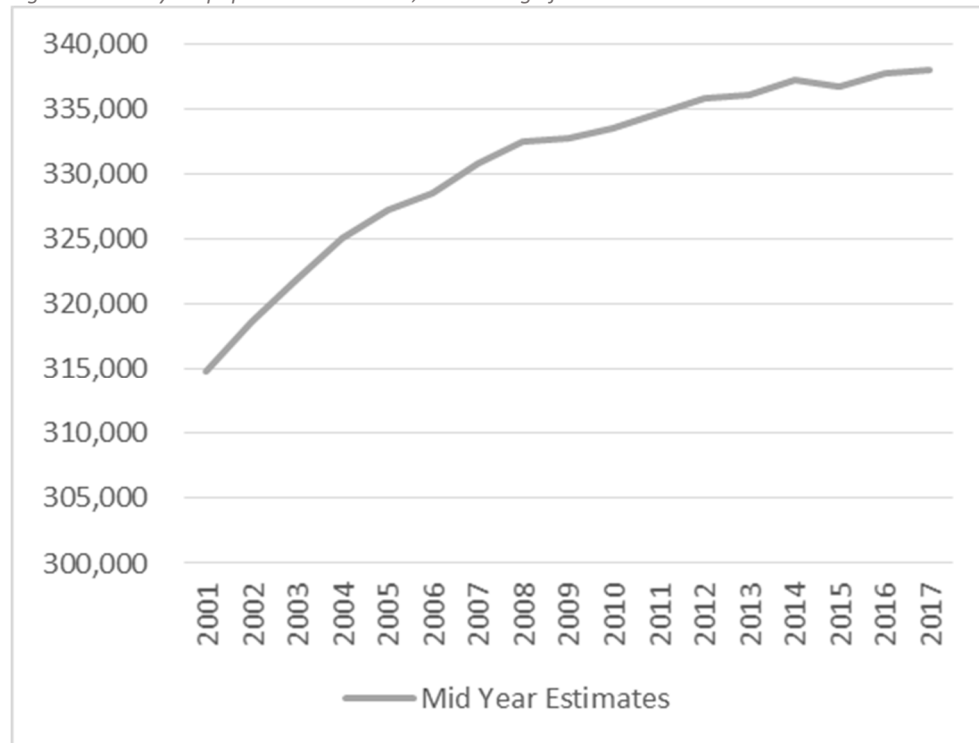


Population and household profile

Population data from the Census 2011 and the ONS mid-year population estimates (2017) are to understand population change at a local authority and sub-area level.

Figure 15 shows historic population change in East Riding from 2001 based on ONS mid-year population estimates. There is evidence of a slowing rate of population growth since 2012.

Figure 15: Mid-year population estimates; East Riding of Yorkshire



Since 2011, all sub-areas except Bridlington have seen an increase in population, although the scale of changes varies. Goole and Wolds sub-areas have had the most significant change. However, overall, the growth rate for East Riding (1.2%) falls below the national growth rate seen across England of 4.9%.

Figure 16: Population growth rate comparison

Housing sub-area	2011	2017 MYE	2017 Change	% Change
Beverley	46,388	46,420	32	0.1%
Bridlington	53,133	52,984	-149	-0.3%
Goole	50,288	53,336	2,048	4.1%
Holderness	53,360	53,837	477	0.9%
Hull Borders	83,766	83,952	186	0.2%
Wolds	47,244	48,532	1,288	2.7%
East Riding	334,179	338,061	3,882	1.2%
England	53,012,456	55,619,430	2,606,974	4.9%

Figure 17 compares the East Riding age profile with the national picture. It highlights the ageing profile of East Riding, showing that those aged 50-75 make up the largest

section of the population. In comparison to England, the graph shows that there is a higher proportion of over 45's in East Riding and a lower proportion of under 45's.

Figure 17: East Riding population profile compared to England

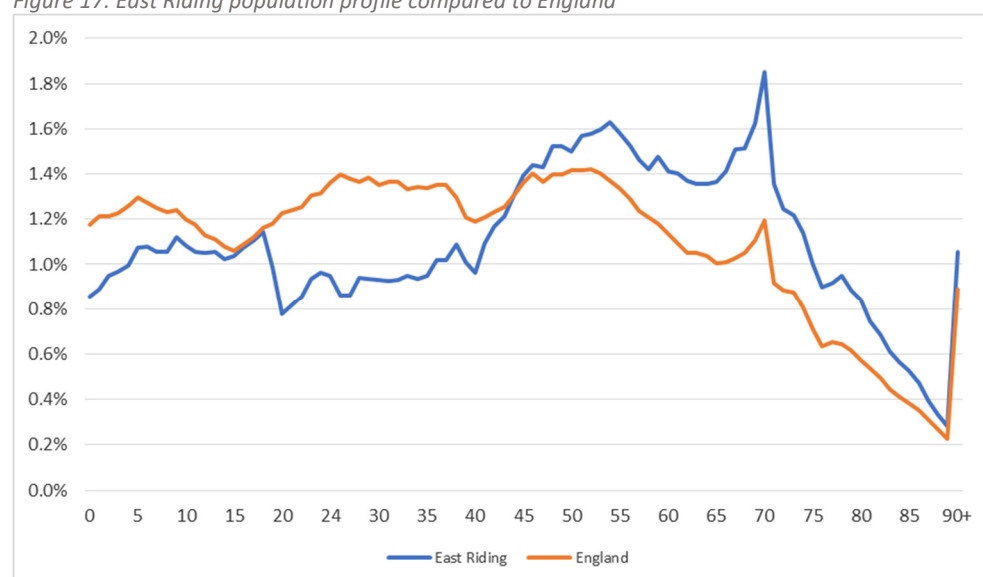


Figure 18 compares Yorkshire and Humber and England by broad age bracket highlighting the significant difference between the populations aged under and over 44 years of age.

Figure 18: Population comparison by broad age bracket

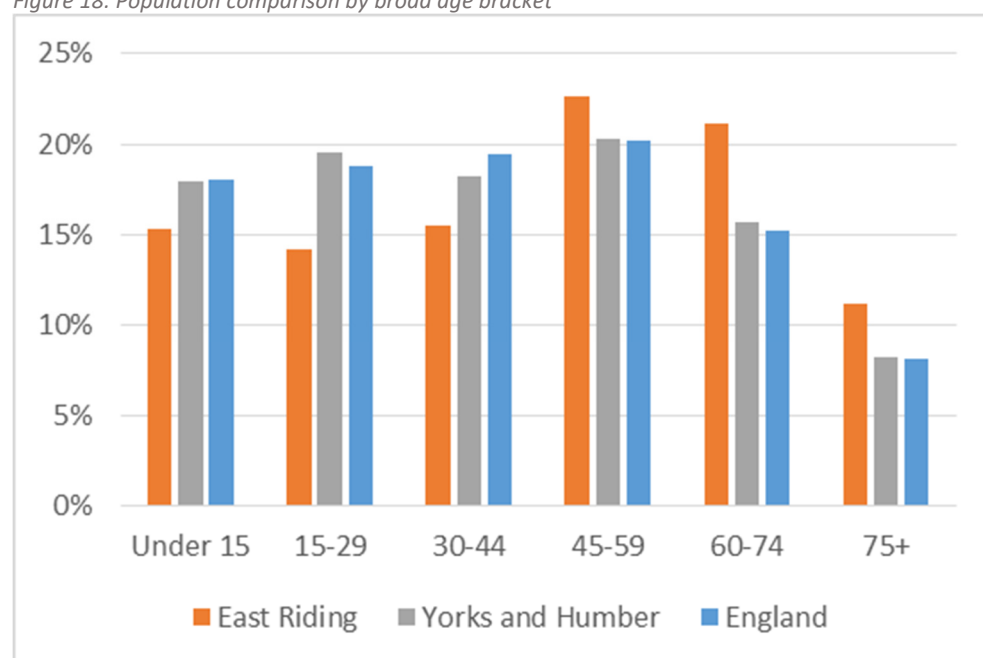


Figure 19 highlights the between sub-area variation of ages within East Riding; Bridlington and Holderness sub-areas have a broadly older population and Goole sub-area have a younger population than the overall East Riding profile.

Figure 19: Age comparison by sub-area

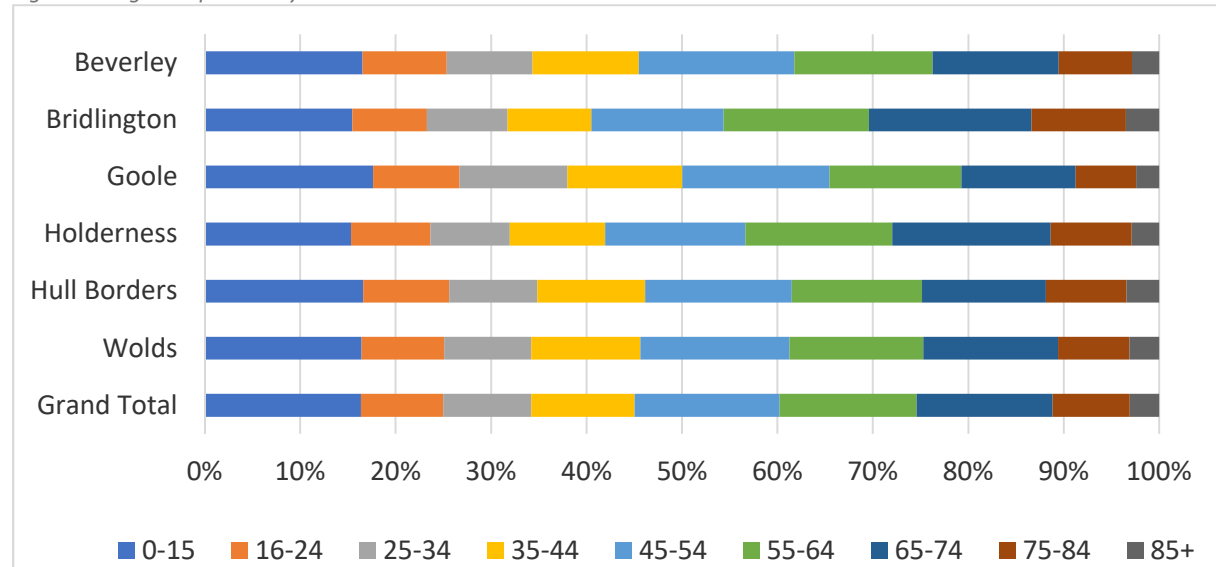
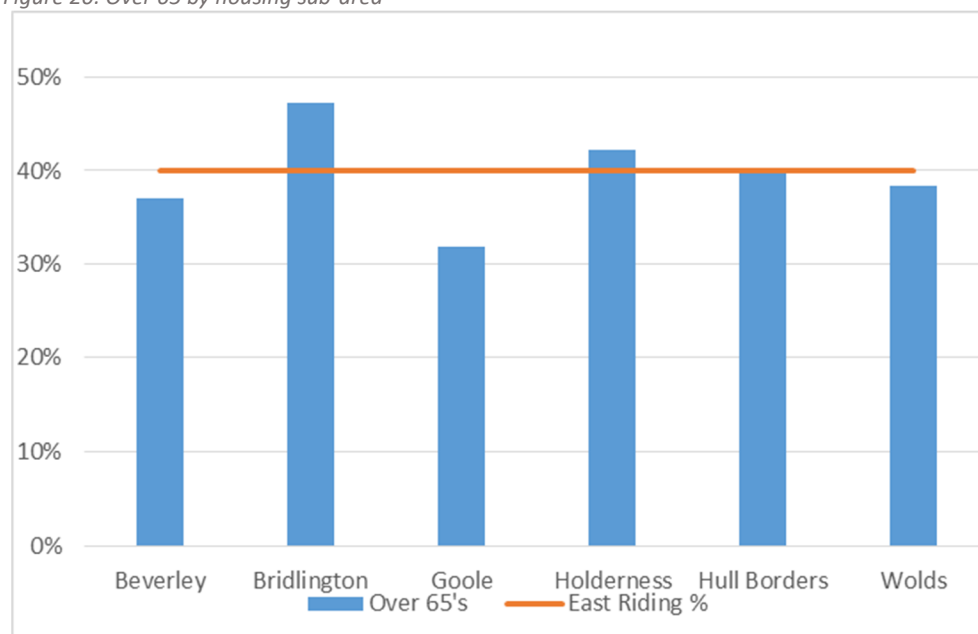


Figure 20 compares the over 65 population by sub-area with the overall East Riding average.

Figure 20: Over 65 by housing sub-area



Population projections

2014 based population projections indicate that the East Riding population is set to increase at a slower rate than the regional and national comparators. Between 2014 and 2039 the growth rate for England is 17%, for Yorkshire and Humber region it is 10% and for East Riding it is 7%. Figure 21 refers.

Figure 21: Population growth comparison (2014 SNPP)

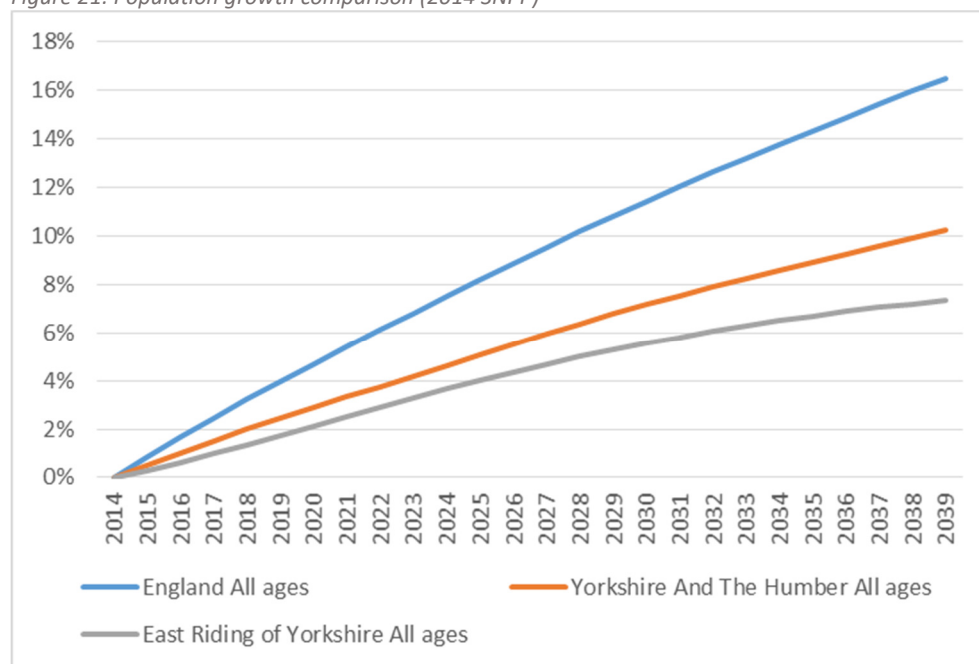


Figure 22 provides detail of the population projections by broad age band between 2019 and 2039. The 2014 based population projections show that those aged 55-74 represent the largest proportion of the population across the period although there has been a decline. The proportion of the total population aged under 15 and between 15-34 remains steady across the period.

The largest proportional growth in population is in the over 75 age bracket which is projected to increase from 12% to 19% across the period.

Figure 22: East Riding age projections by broad age range

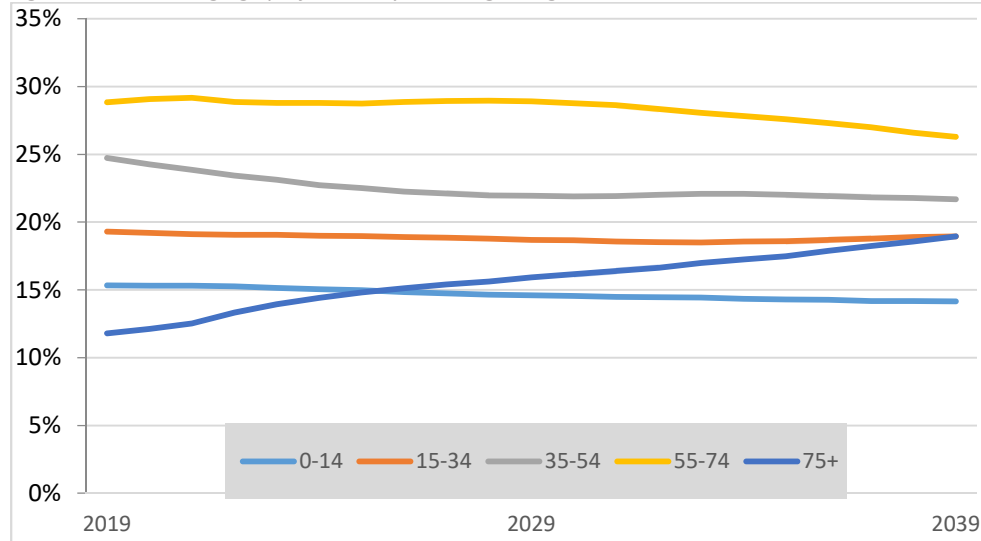
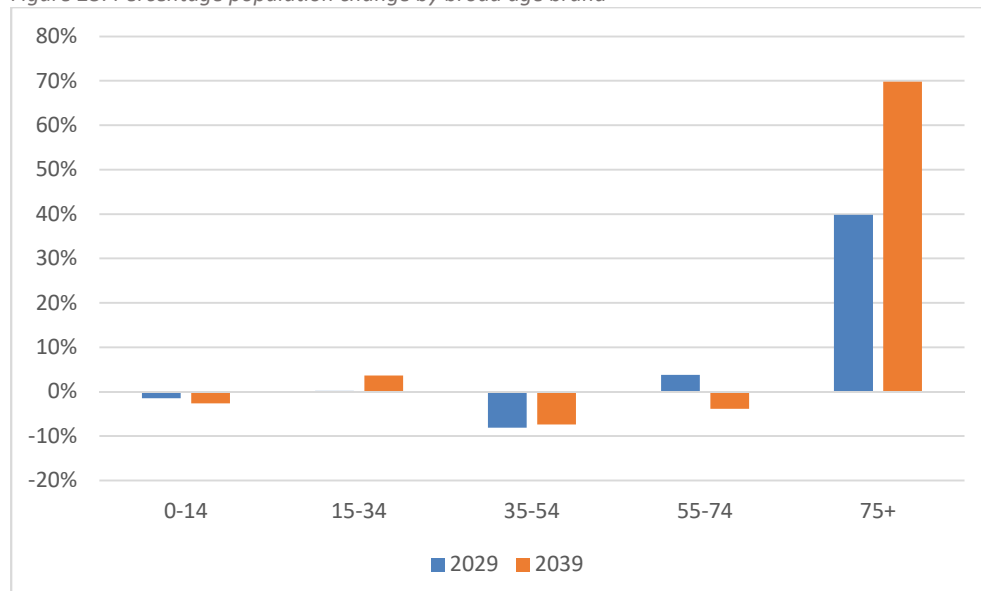


Figure 23 shows that the greatest rate of population change by broad age range between 2019, 2029 and 2039 is for the over 75 age bracket which will increase by 40% over the next ten years and 70% over the next twenty years. The population aged between 15 and 34 will see a slight increase of 4% to 2039. There will be a small decline in under 14 year olds and those in the 35 to 54 age bracket will reduce by 7% up to 2039.

Figure 23: Percentage population change by broad age brand



Components of change

Year on year population change comprises of natural change plus net migration.

Natural change is the difference between births and deaths and net migration is the difference between the number of people moving into and out of an area.

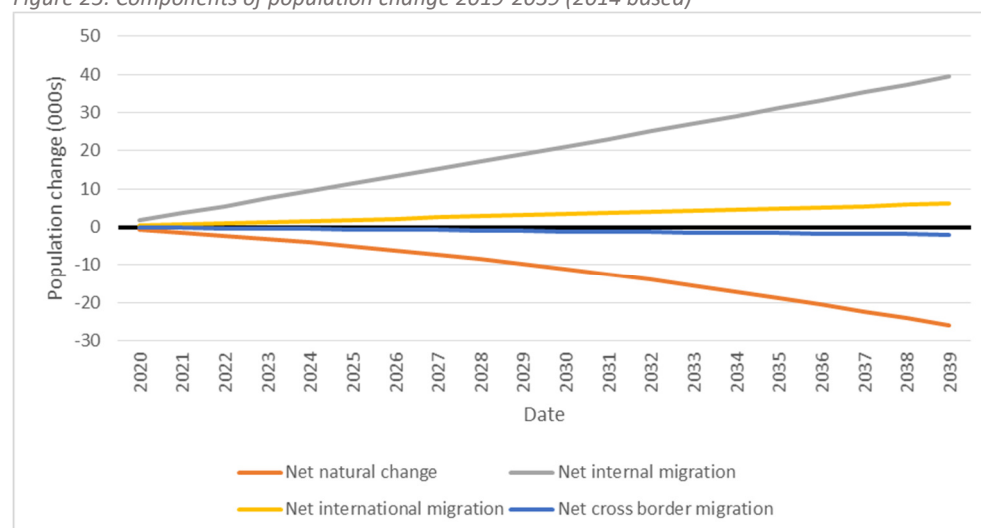
Over the period 2019 to 2029 and 2039, East Riding loses population to natural change but gains population due to migration.

Figure 24: East Riding components of change

Components of change	2029	2039
<i>Natural change (000s)</i>	-9.90	-26.10
<i>Net migration (000s)</i>	21.9	45.3
<i>Total population change (000s)</i>	12.00	19.00

Over the period 2019-2039 there will be an additional 58,600 births compared to 84,700 deaths, a net deficit of 26,100 population. Inward migration is important to ensure population growth; the 2014 SNPP estimate a net increase of 45,300 residents due to migration. The most important component of migration is internal migration (migration from other parts of England into East Riding) which accounts for an additional 39,500 population between 2019 and 2039. International migration accounts for an increase of 6,100 population. Cross border migration (between migration between East Riding and other UK countries accounts for a reduction in population of -2,000).

Figure 25: Components of population change 2019-2039 (2014 based)



Household characteristics

Number of households

Census 2001-2011

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. This is presented in Figure 26.

Figure 26: Household formation by sub-area 2001-2011

Sub-area	2001	2011	change	%
Beverley	18,592	20,007	1,415	8%
Bridlington	22,172	24,015	1,843	8%
Goole	18,998	21,211	2,213	12%
Holderness	21,135	22,942	1,807	9%
Hull Borders	32,810	34,927	2,117	6%
Wolds	17,381	19,930	2,549	15%
East Riding	131,088	143,032	11,944	9%
England	20,451,427	22,063,368	1,611,941	7.9%

As shown, 11,944 additional households formed in East Riding between 2001 and 2011, suggesting an average of 1,194 new households per year. The greatest proportionate increases were seen in Wolds and Goole sub-areas.

Household growth in East Riding is higher than 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 growth in the number of households when compared with national data.

This analysis allows average household size to be calculated, by dividing the usual resident household population by the number of households in each sub-area. This is presented in Figure 27.

Figure 27: Household size change 2001-2011 by sub-area

Sub-area	2001	2011
<i>Beverley</i>	2.38	2.32
<i>Bridlington</i>	2.28	2.21
<i>Goole</i>	2.42	2.37
<i>Holderness</i>	2.41	2.33
<i>Hull Borders</i>	2.45	2.40
<i>Wolds</i>	2.43	2.37
<i>East Riding</i>	2.40	2.34

Across East Riding, the average household size has fallen, with an average of 2.34 residents living in each household in 2011. It is evident that households in Bridlington in particular are becoming increasingly smaller. The 2014 based household projections gives a further lower household size for East Riding of 2.28.

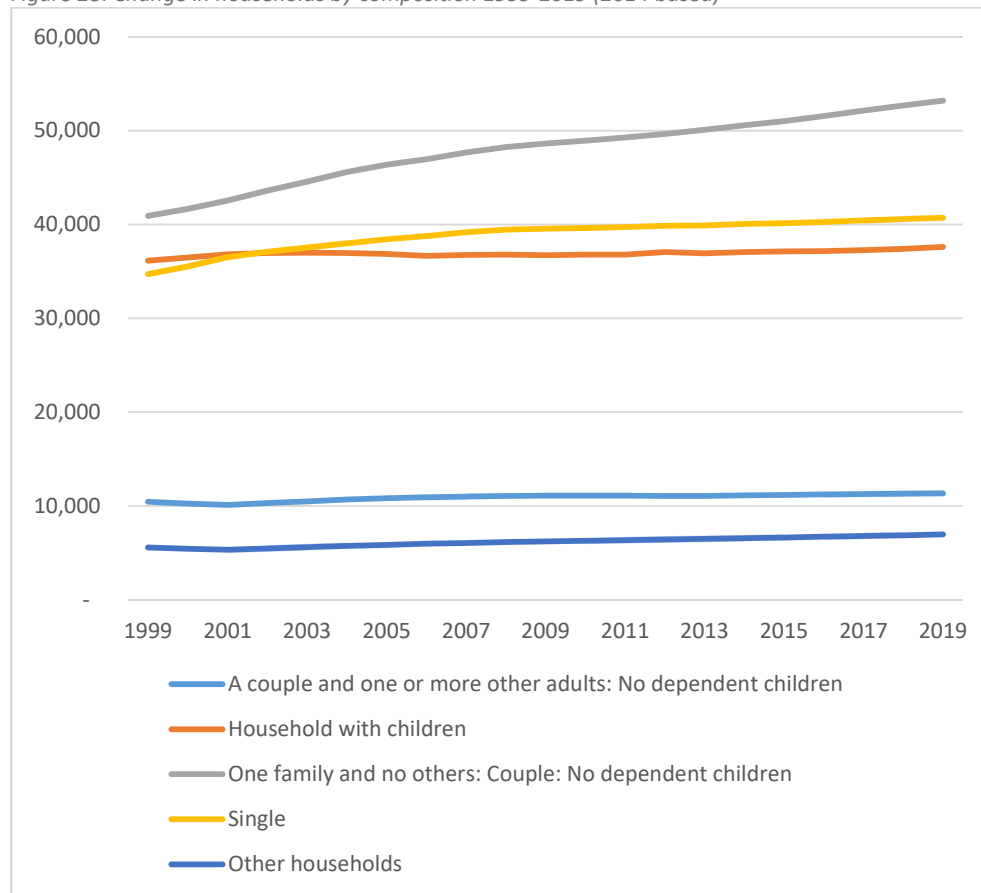
Household Projections 2014 based

The 2014-based sub-national household projections estimate that in 2019 there were 149,789 households in East Riding, an increase of 7,568 since 2009. The percentage growth in households of 5.32% is lower than the 9% growth between 2001 and 2011.

Figure 28 shows the change in numbers of households in East Riding by household type, between 1999 and 2019. Couples with no dependent children have been the most common household type throughout the period; this household type has also increased at the fastest rate with 53,185 (36%) of this type of household type. Single

households are the next largest proportion (27%) followed by households with dependent children (25%).

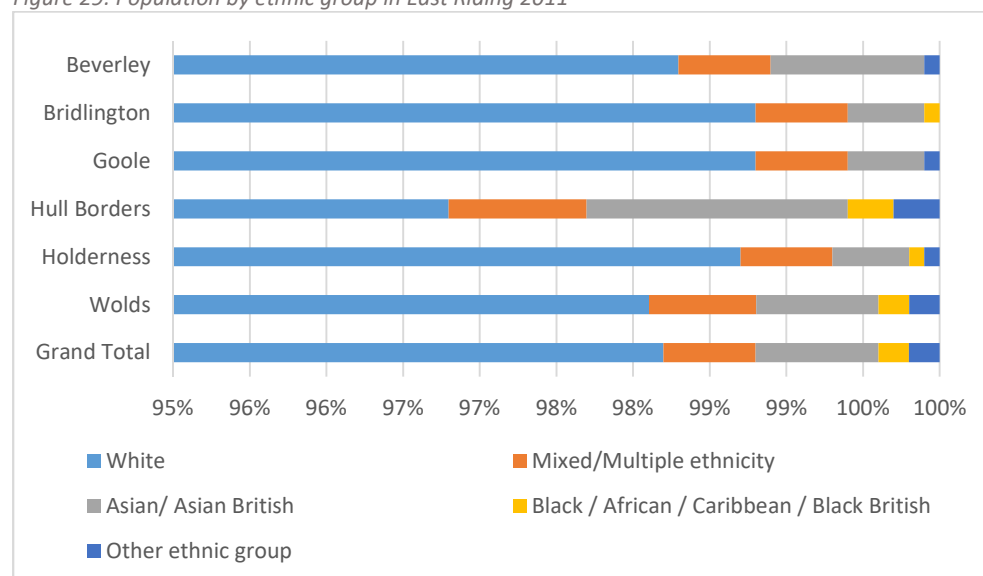
Figure 28: Change in households by composition 1999-2019 (2014 based)



Black and minority ethnic (BME) communities

The number of people from a minority ethnic group in East Riding has increased from 2.4% in 2001 to 3.9% in 2011. However, this is significantly lower than the 2011 national average (14.6%). The Hull Borders sub-area has the highest proportion of BME communities (3.3%) and Bridlington sub-area has the lowest (1.2%). Figure 29 refers.

Figure 29: Population by ethnic group in East Riding 2011



Housing Tenure

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

Figure 30: Household tenure 2011

Area	Owned outright	Owned with a mortgage or loan	Social rented	Private rented	Living rent free	Shared ownership (part owned and part rented)
Hull Borders	41.4%	40.2%	6.9%	10.2%	1.0%	0.2%
Goole	35.3%	36.9%	11.3%	14.6%	1.5%	0.3%
Beverley	37.1%	37.5%	10.2%	13.1%	1.6%	0.4%
Bridlington	41.1%	27.1%	10.7%	18.9%	1.8%	0.4%
Wolds	38.4%	37.2%	7.7%	14.4%	2.0%	0.3%
Holderness	40.3%	36.0%	9.0%	12.8%	1.7%	0.2%
East Riding	39.2%	36.1%	9.1%	13.7%	1.6%	0.3%
England	30.6%	32.8%	17.7%	16.8%	1.3%	0.8%

SOURCE: CENSUS 2011

Around three quarters of households in East Riding are owner occupiers, of which a slightly higher proportion own outright than own with a mortgage or loan. This indicates that owner occupation is a lot more frequent in East Riding than the

national average. Consequently, East Riding has fewer households in both rented tenures compared to the national profile, particularly in the social rented sector.

Analysis by East Riding sub-area shows that:

- Hull Borders sub-area has the highest proportion of home ownership and the lowest proportion of households in the social rented sector.
- Goole sub-area has the highest proportion of households in the social rented sector and the second largest proportion of residents in the private rented sector. It also has the lowest proportion of households that own their property outright.
- Bridlington sub-area has the highest proportion of households in the private rented sector and also a high level of homes in the social rented sector and has the lowest levels of home ownership. However, it has high levels of outright home ownership which is probably a reflection of the higher proportion of elderly residents that live in the sub-area.
- Wolds sub-area has a low proportion of household in the social rented sector and mid-range levels of home ownership.
- The Beverley and Holderness sub-areas have mid-range levels across all tenures.

Understanding how the tenure profile has changed between 2001 and 2011 provides a useful context for identifying tenure trends. Figure 31 shows the extent of the change from 2001. However, it should be noted that changes to the Census structure mean that a thorough analysis of change in the 'other private renting' and 'living rent free' categories is not possible, with the 2001 Census grouping both into an 'Other' category.

Figure 31: Change in household tenure 2001-2011

Sub-area	Owned outright	Owned with a mortgage or loan	Shared owners (part owned and part rented)	Social rented: Rented from council (Local Authority)	Social rented: Other	Private rented: Private landlord or letting agency	Other
Beverley	1713	-1269	17	-218	37	1125	10
Bridlington	1486	-840	10	-397	202	1427	-45
Goole	1009	-75	5	-231	66	1528	-88
Holderness	1673	-786	-6	-156	57	1060	-36
Hull	2201	-1311	-6	-347	8	1630	-56
Wolds	1786	-475	14	-8	79	1169	-13
Grand Total	9868	-4756	34	-1357	449	7939	-228
% change	21%	-8%	9%	-11%	21%	81%	-5%

Census: 2011

As shown the most notable increase across East Riding has been in the private rented sector, with approximately 7,939 additional households renting from a private landlord in 2011 compared to 2001. This represents an 81% increase of the total number of households in this sector. Goole sub-area has seen the most significant growth in this sector (115%), followed by Hull Borders (99%) and Beverley (95%). Notably, there has also been a significant decline in the number of households owning their own home with a mortgage or loan.

Sales transactions and turnover

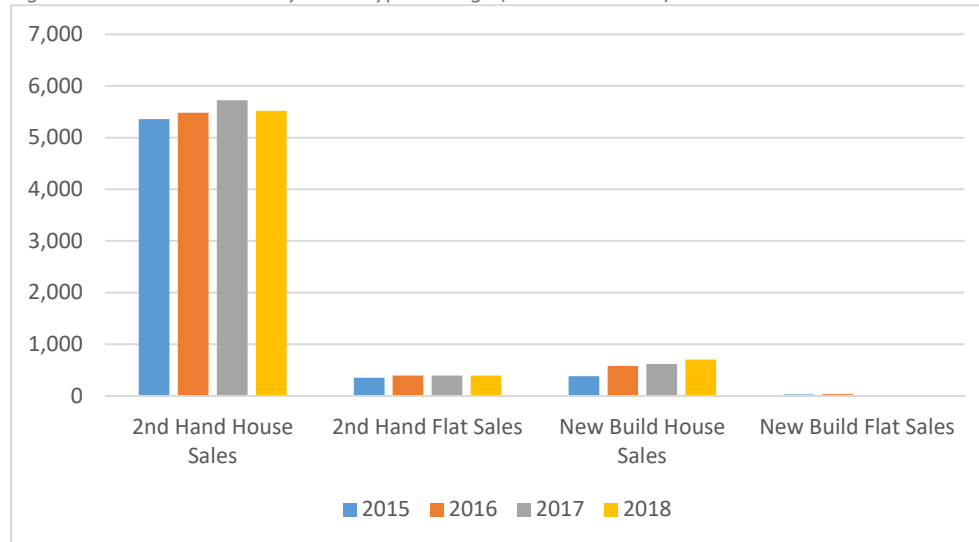
Total turnover has increased from 6,118 sales in 2015 to 6,620 in 2018. The proportion of all sales that are new build has increased from 7% in 2015 to 11% in 2018.

Figure 32: Sales transactions by age (Hometrack/Land Registry)

Year	2 nd hand sales	New build sales	Total	New build as a % of total sales
2015	5,708	410	6,118	7%
2016	5,877	619	6,496	10%
2017	6,117	625	6,742	9%
2018	5,911	709	6,620	11%

Figure 33 shows the volume of housing turnover in East Riding each year between 2015 and 2018 broken down by dwelling type. The total turnover as a proportion of private housing stock has increased from 4.1% in 2015 to 4.4% in 2018.

Figure 33: Annual turnover by broad type and age (Hometrack data)



Socio-economic profile

Economic activity

Economically active people refers to those that are in or seeking employment.

Economically inactive people are those not in work or seeking work, for example students, those who are temporarily or long term sick, retired people and those that are looking after a family or home.

Since 2011, the proportion of economically inactive residents has increased from 37% to 41%. This has been driven by East Riding's increasingly ageing population. Economic inactivity rates for the regional and national averages have decreased over this period from 38.6% to 38.2% and 37% to 36% respectively, Figure 34 refers.

Figure 34: East Riding Economic Activity Rates (APS)

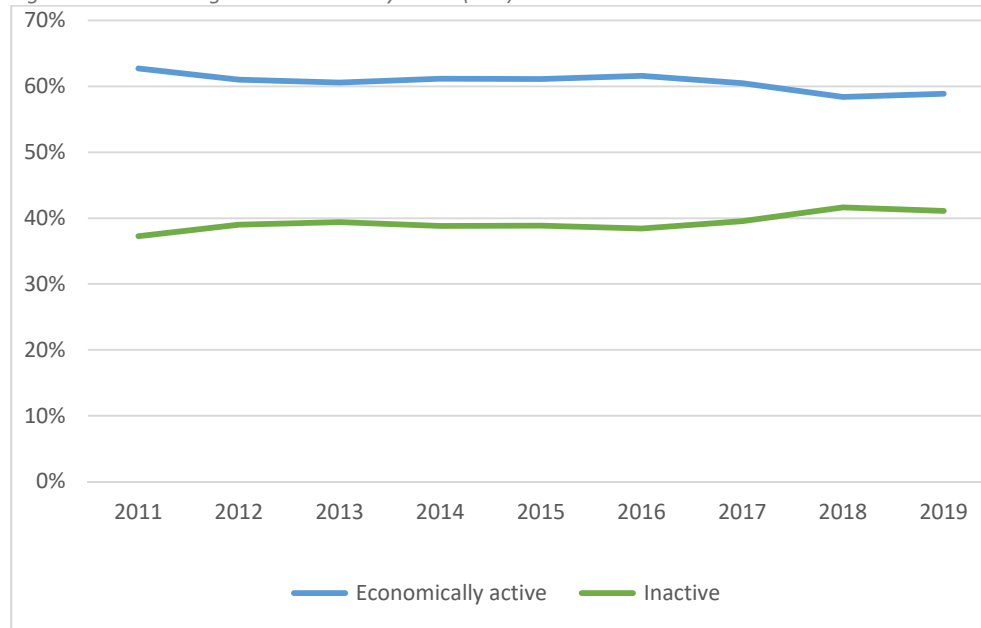
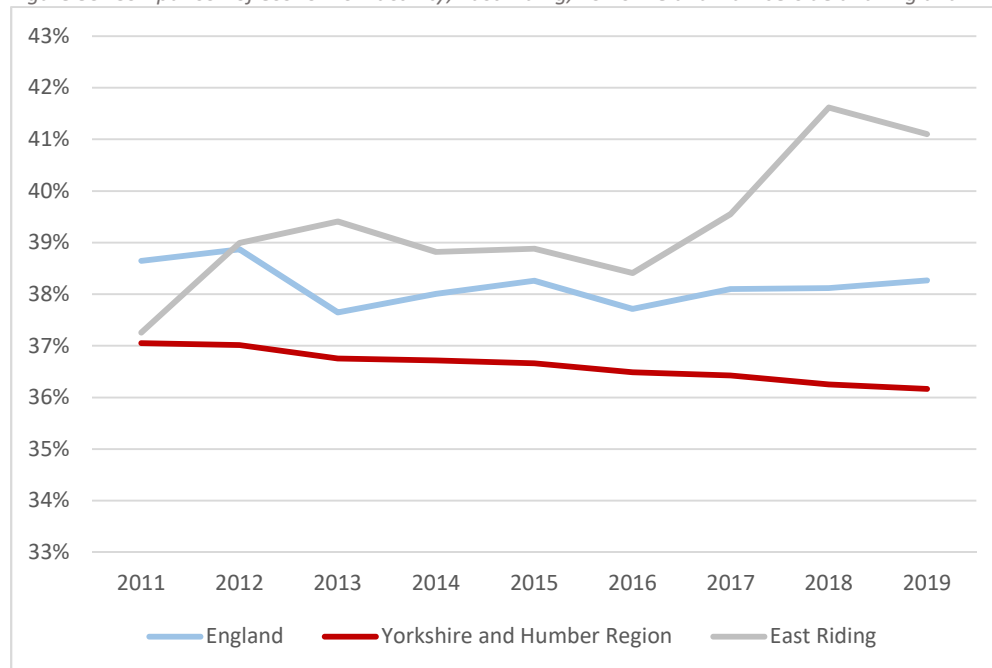
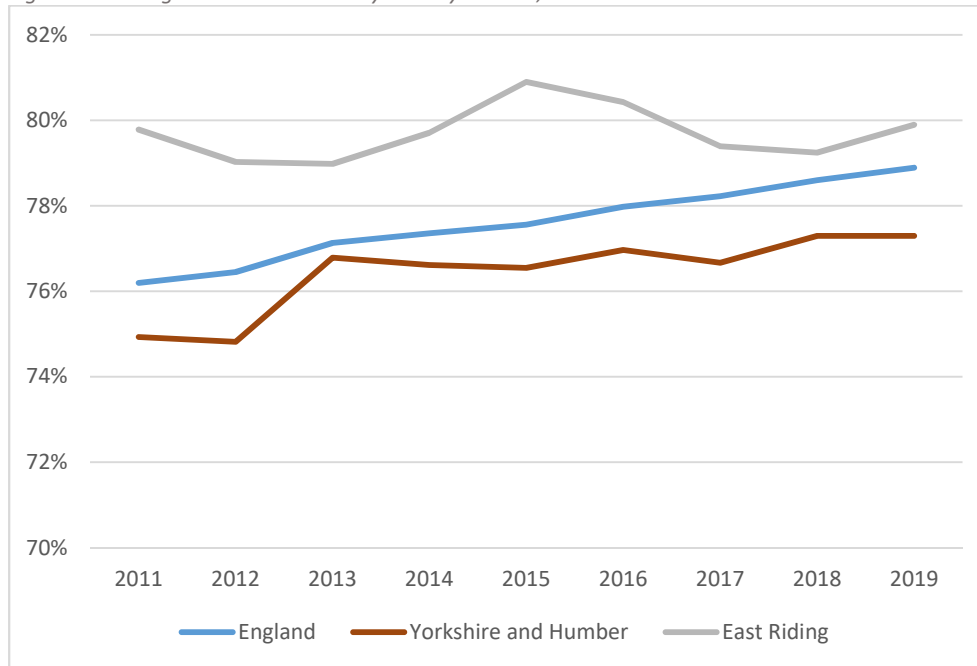


Figure 35: Comparison of economic inactivity; East Riding, Yorkshire and Humberside and England All residents



In respect of the 16 to 64 year old population, Figure 36 shows that the economic activity rate for East Riding has remained relatively stable since 2011. The rate is higher than regional and national averages however their rates of growth are higher than East Riding.

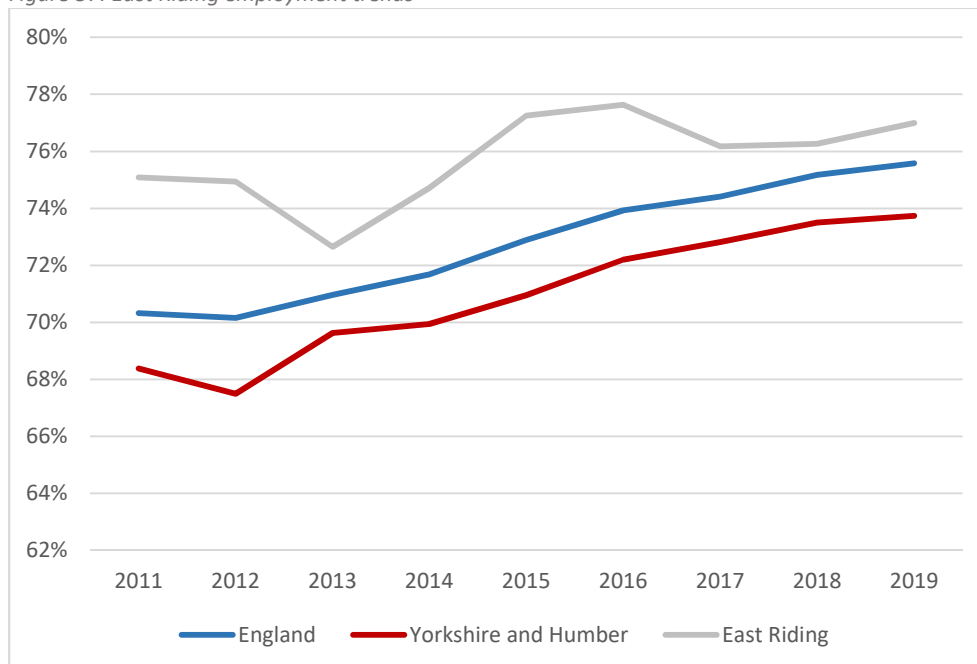
Figure 36: Change in economic activity 16-64 year olds, 2011-2019



Employment trends

According to the Annual Population Survey, 77% of East Riding's working age population were in work in the period April 2018 to March 2019. This is higher than the regional average (73.7%) and national rate (78.89%).

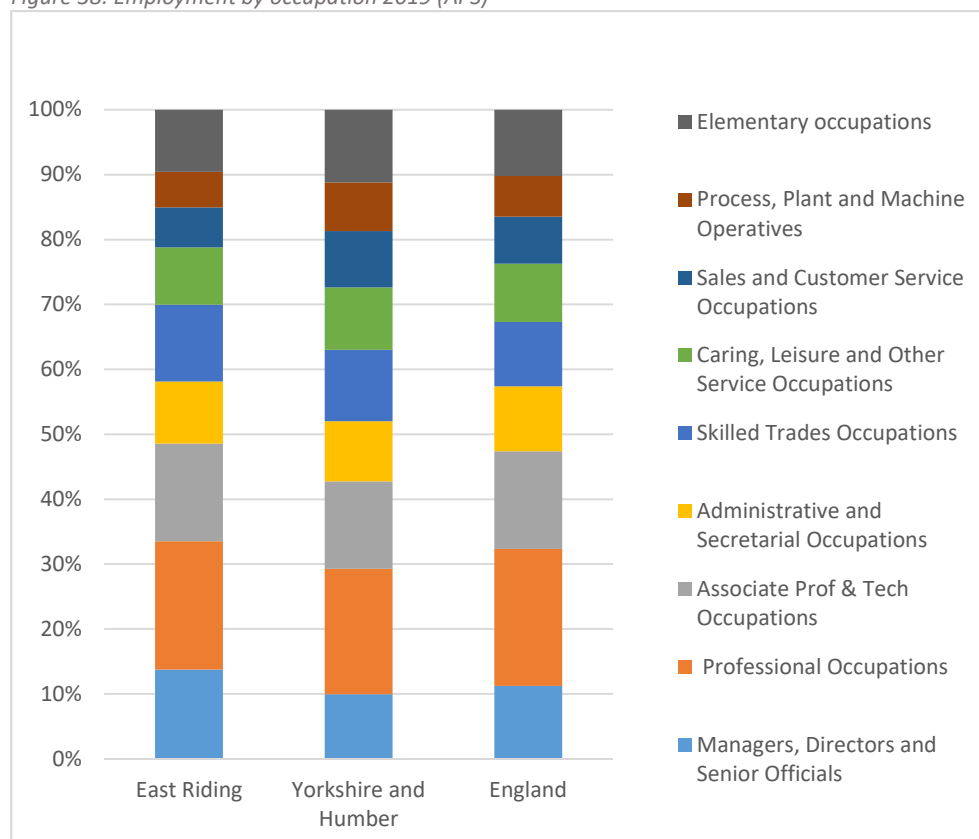
Figure 37: East Riding employment trends



Employment by occupation

Figure 38 shows a comparison of employment by occupation, East Riding has a similar employment pattern as England. However, compared to the region there is a higher proportion of managers, directors and senior officials in East Riding and a smaller proportion of sales and customer services, and elementary occupations.

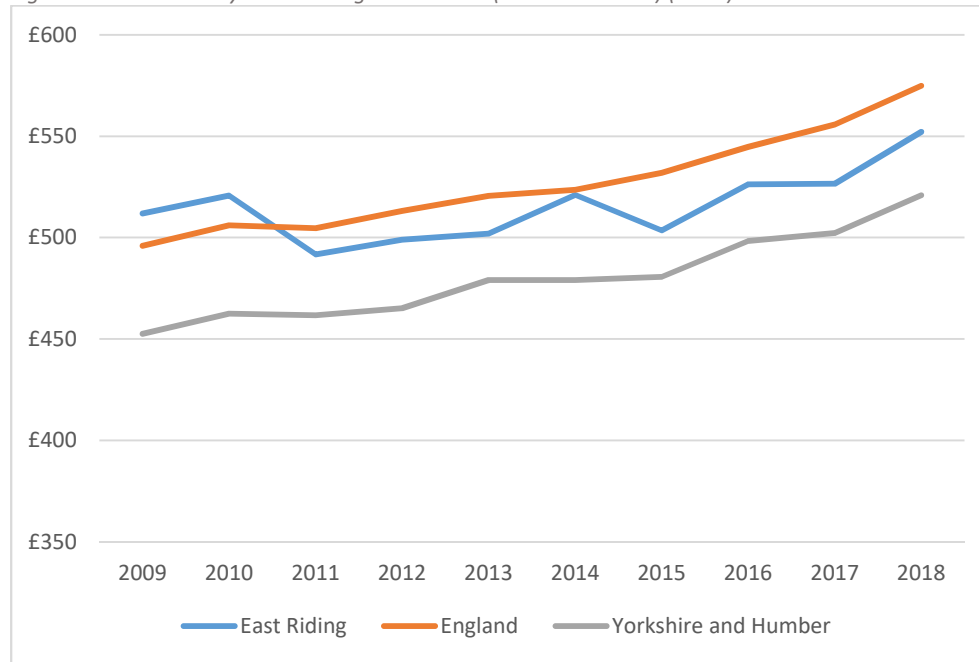
Figure 38: Employment by occupation 2019 (APS)



Earnings and income

Total median gross weekly resident's pay in East Riding has fluctuated over the last 10 years; averaging £552 in 2018. Wage inflation has not kept pace with England and the region which have seen respective increases of 16% and 15% since 2009, compared to 8% in East Riding. Figure 39 refers.

Figure 39: Gross weekly median wage 2009-2019 (residence based) (ASHE)



Since 2013, lower quartile wages in East Riding have increased at a faster rate than England and regional rates (14.1% compared to 12% and 12.2%). The rise in lower quartile earnings since 2013 will help those on modest incomes access the housing market. More detailed analysis of incomes and affordability is presented in [Chapter 7](#).

Figure 40: Comparison of lower quartile earnings.

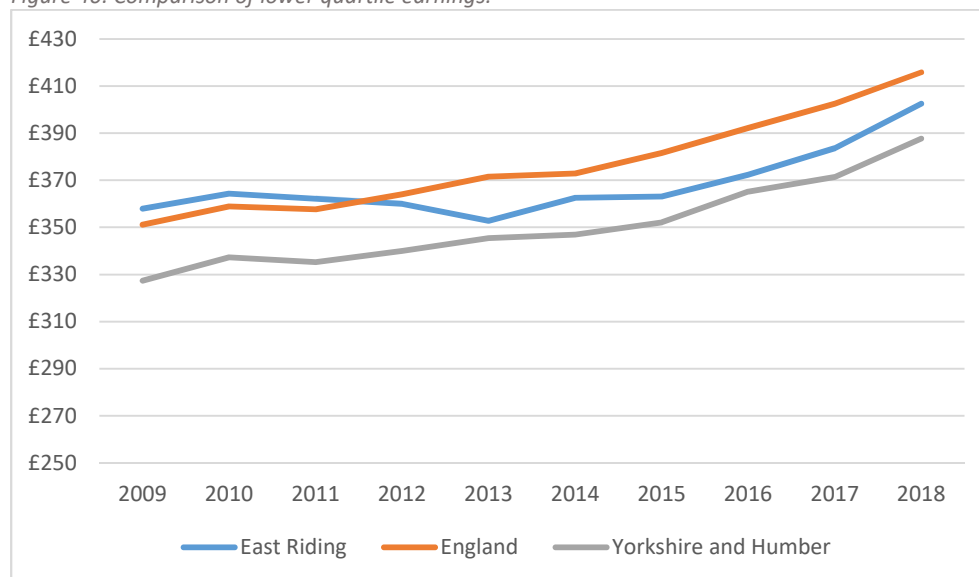


Figure 41 shows that the median annual gross pay for people working in East Riding is 7% less than those resident in the area. This suggests that a significant proportion

of the population commute out of the area to access higher paid opportunities within the wider Yorkshire and Humber region.

Figure 41: East Riding gross median annual pay

Year	Residency based	Work place based	Difference
2018	£28,709.20	£26,790.40	£1,918.80

4. MARKET SIGNALS

Background

The standard methodology for calculating housing need considers the market through the affordability uplift however it is important to continue to monitor the operation of the housing market. For example house prices or rents rising faster than the national/local average may well indicate particular market undersupply relative to demand.

The NPPF highlights that local plans and policies:

Should be underpinned by relevant and up-to-date evidence. This should be adequate and proportionate, focussed tightly on supporting and justifying the policies concerned, and take into account relevant market signals.

In this section, the following market signals are reviewed:

- House prices;
- Rents;
- Affordability;
- Development rates;
- Overcrowding, and
- Land prices.

House prices

Long term changes in house prices may indicate an imbalance between supply and demand. ONS produce House Price Statistics for Small Area (HPSSA) measures which include median and lower quartile house prices. Figure 42 and Figure 43 show these values for England, the Yorkshire and Humber region, York and Hull.

Figure 42: Median house prices 2008-2018

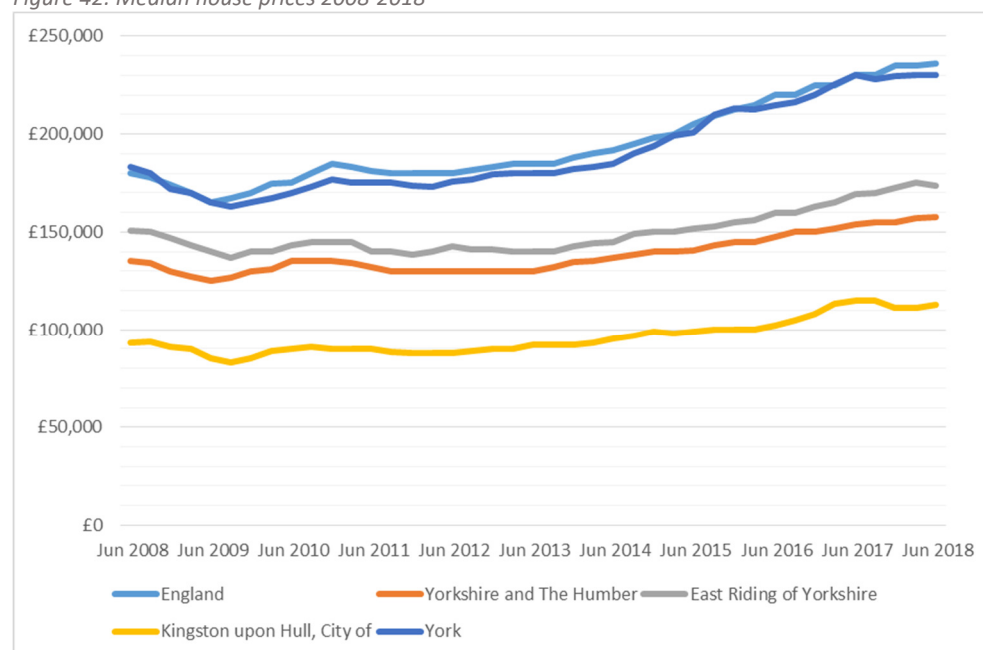


Figure 43: Lower quartile house prices

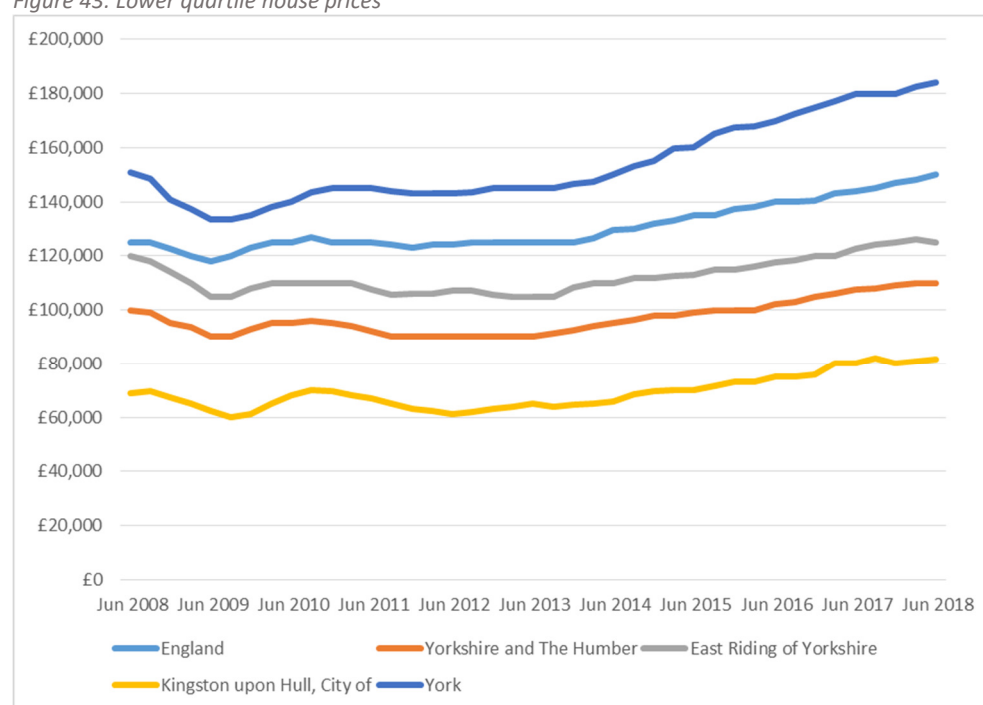


Figure 44: 2018 house price data

Area	House price 2018	
	Lower quartile house price	Median house price
East Riding of Yorkshire	£125,00	£173,500
England	£149,995	£235,995
Yorkshire and Humber	£110,00	£157,500
Hull	£81,000	£113,000
York	£182,400	£230,000

Median and lower quartile house prices in East Riding have been consistently higher than both Hull and the region and lower than York and England. However, the long term rate of growth has been slower in East Riding than comparators. Lower quartile house prices have risen 4% over the last ten years and median house prices have risen by 15% over the same period.

Figure 45: Rates of house price growth 2008-2018

Area	Rate of growth 2008-2018	
	Lower quartile house price	Median house price
East Riding of Yorkshire	4%	15%
England	20%	31%
Yorkshire and Humber	10%	17%
Hull	18%	22%
York	22%	26%

ONS: HPSSA datasets

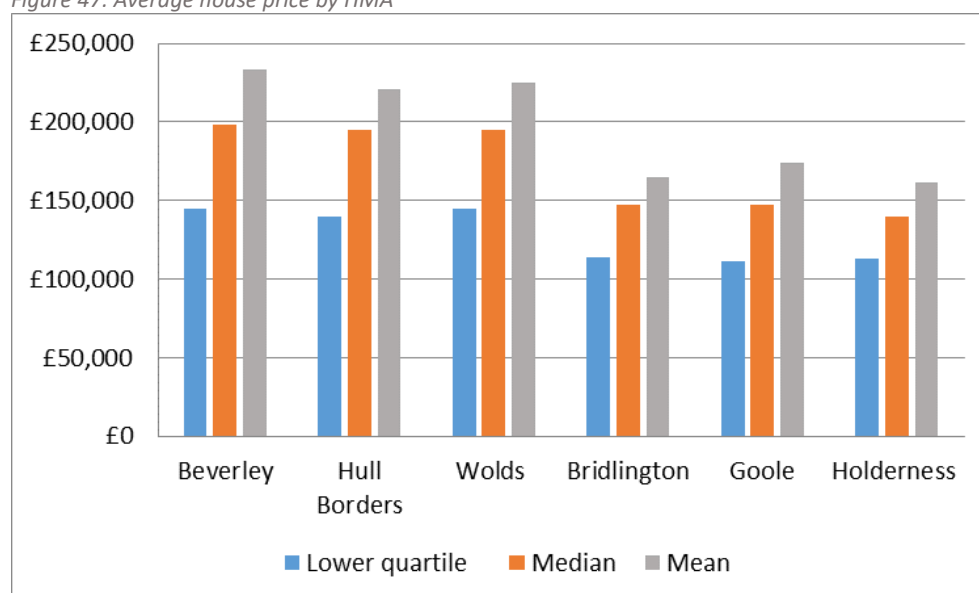
A detailed analysis of housing market characteristics has been undertaken at a housing sub-area level. Land Registry data records the price paid in residential transactions with data available covering the period November 2017 to October 2018. Figure 46 summarises the average price paid for residential properties in each sub-area of East Riding.

Figure 46: House prices in East Riding by sub-area

Housing Sub-area	Volume	Mean	Median	Lower Quartile
Beverley	827	£233,375	£198,00	£145,000
Bridlington	873	£165,116	£147,500	£114,00
Goole	730	£174,201	£147,250	£111,625
Holderness	857	£161,639	£140,000	£112,950
Hull Borders	1423	£225,437	£195,000	£140,000
Wolds	1008	£200,032	£195,000	£145,000

Looking at median house prices paid in East Riding there is a distinct divide between lower priced properties in the Bridlington, Goole and Holderness HMAs and higher priced properties in the Beverley, Hull Borders and Wolds HMAs.

Figure 47: Average house price by HMA

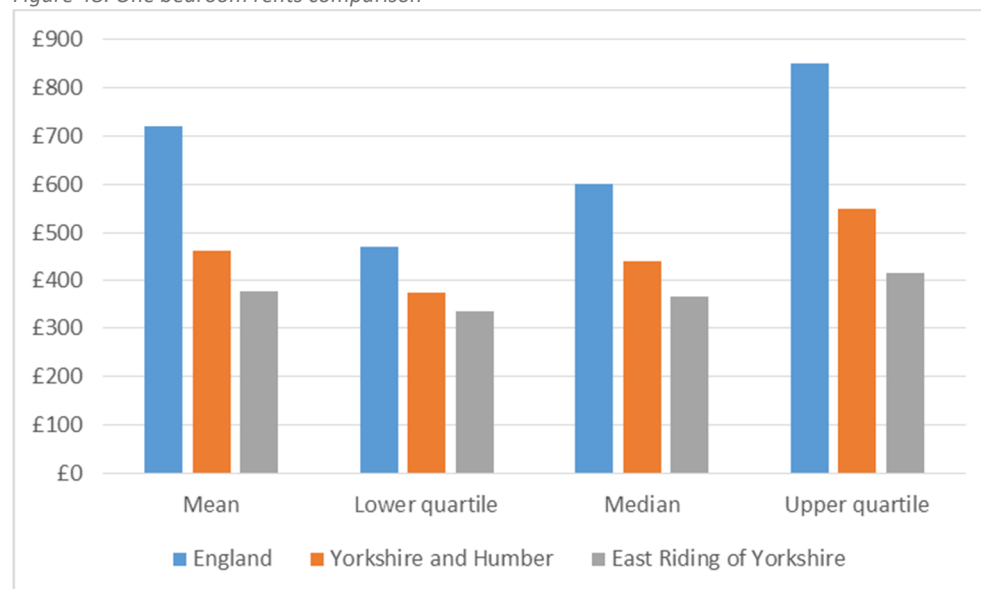


Rents

Changes in rental levels may be an indication of an imbalance between supply and demand for housing. Data published by the Valuation Office Agency (VOA) collates information provided by private rental landlords and provides a useful starting point for an assessment of rents.

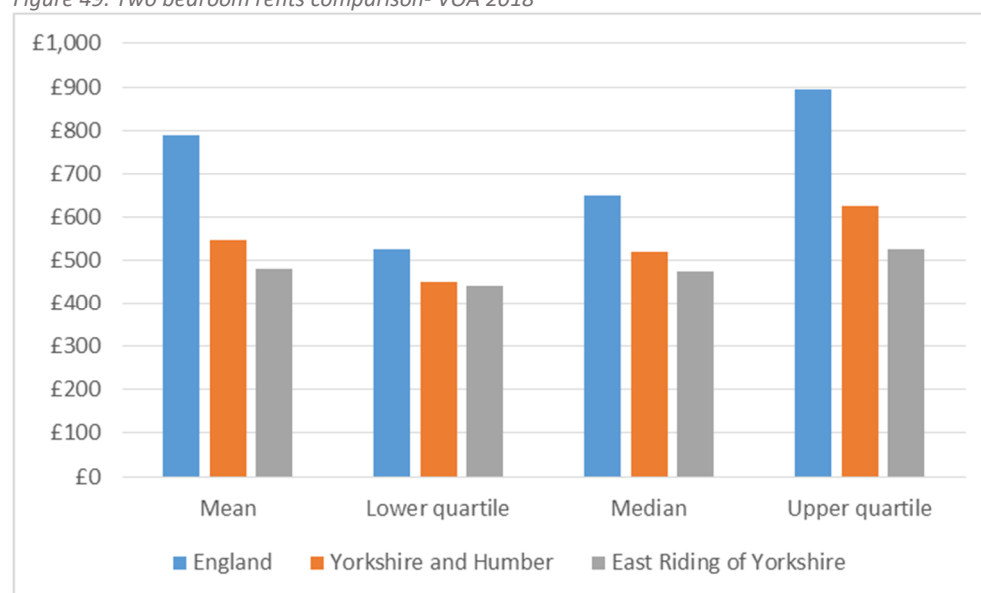
The latest available data includes mean, median, lower quartile and upper quartile rents for the period October 2017 to September 2018. Figure 48 through to Figure 51 presents the data for East Riding, Yorkshire and Humber and England.

Figure 48: One bedroom rents comparison



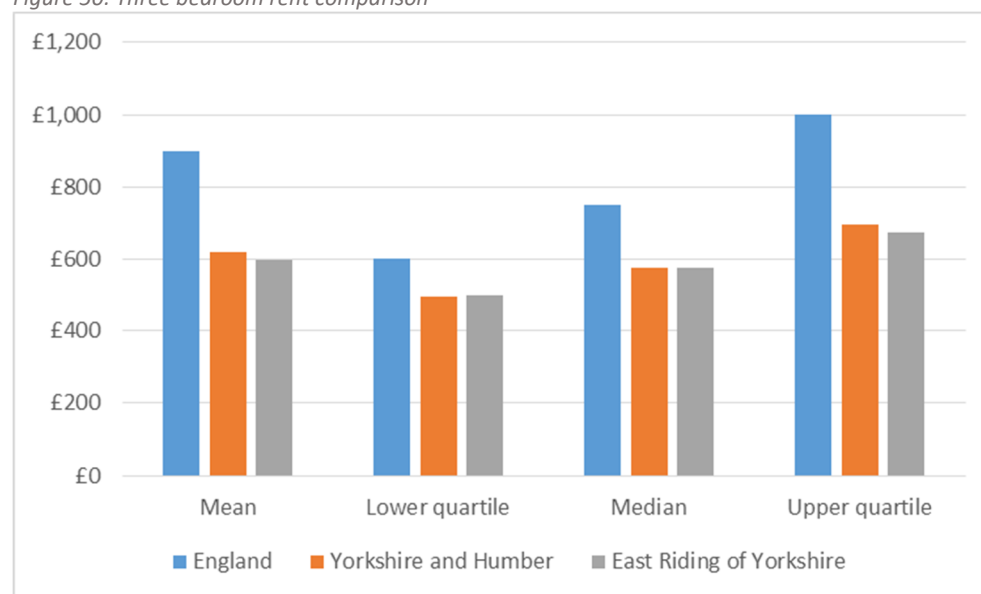
Source VOA Dec 2018

Figure 49: Two bedroom rents comparison- VOA 2018



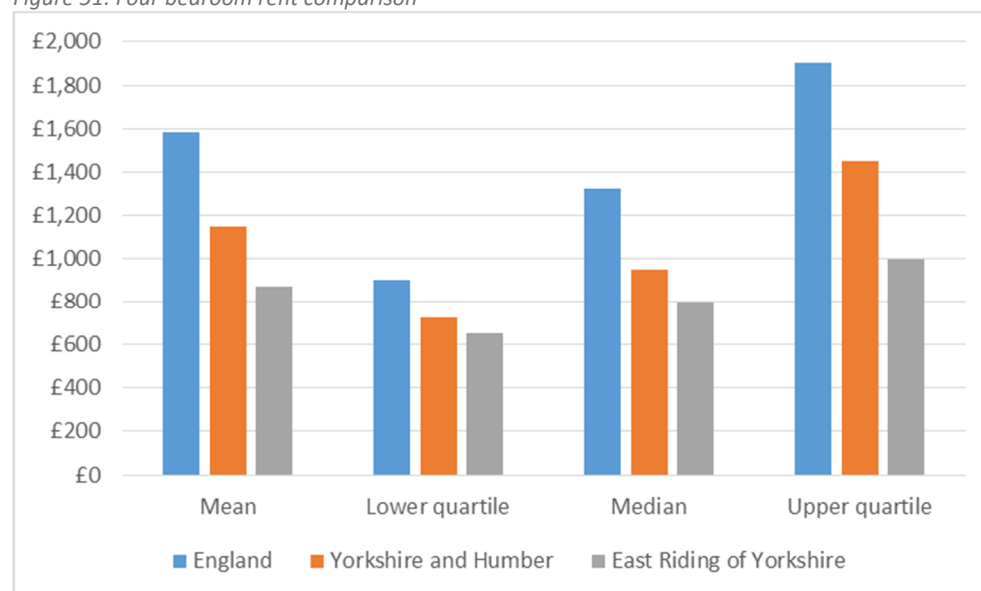
Source VOA Dec 2018

Figure 50: Three bedroom rent comparison



Source VOA Dec 2018

Figure 51: Four bedroom rent comparison



Source VOA Dec 2018

Figure 52: Lower quartile and median rents (pcm)

House price	location	One Bed	Two bed	Three bed	Four or more	All categories
Lower quartile	<i>East Riding</i>	£335	£440	£500	£650	£425
	<i>Y & H</i>	£375	£450	£495	£725	£433
	<i>England</i>	£470	£525	£600	£900	£525
Median	<i>East Riding</i>	£368	£475	£575	£800	£495
	<i>Y & H</i>	£440	£520	£575	£950	£525
	<i>England</i>	£600	£650	£750	£1,320	£690

SOURCE VOA DECEMBER 2018

As shown, it is generally cheaper to rent private accommodation in East Riding than in the Yorkshire and Humber region, except for three bedroom dwellings which are similarly priced.

A lower quartile property, used to model affordability thresholds is, on average, 2% less than the regional cost and 19% lower than the national cost of renting in the private sector. In terms of median prices, East Riding is 5% and 28% cheaper than the region and national median costs, respectively.

In calculating an annual cost of private renting, the average private rented sector property at the lower end of the market in East Riding costs £5,100 per year, rising to £5,940 for a mid-market property.

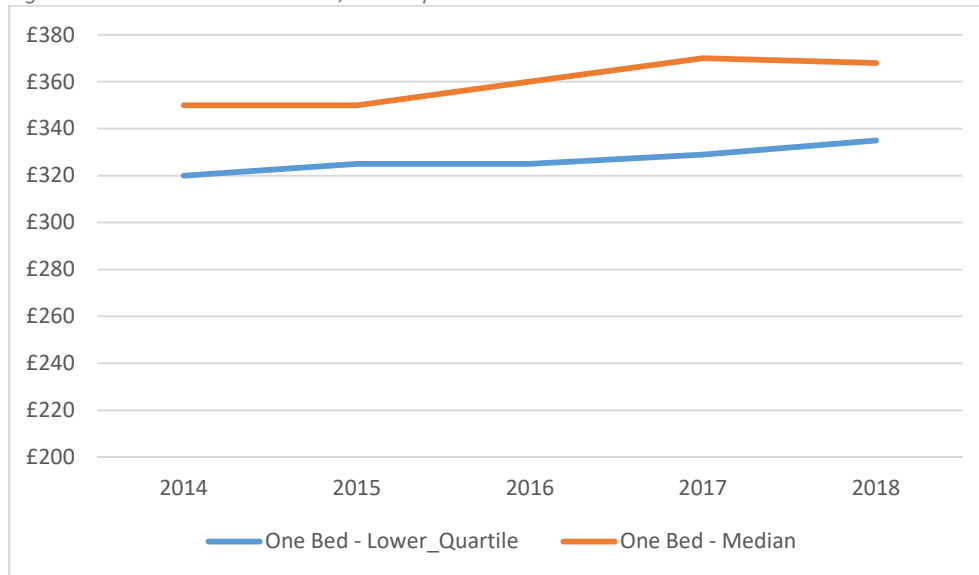
Across East Riding private sector rents have remained relatively flat over the last five years with the highest lower quartile price rises in four or more and two bed properties (8.3% and 7.3% respectively).

Figure 53: Change in rents by bedroom size: 2014-2018

Bedrooms	Lower quartile		Median		% increase	
	2014	2018	2014	2018	Lower quartile	Median
One Bed	£320	£335	£350	£368	4.7%	5.1%
Two Bed	£410	£440	£450	£475	7.3%	5.6%
Three Bed	£495	£500	£550	£575	1.0%	4.5%
Four or more beds	£600	£650	£738	£800	8.3%	8.4%
All categories	£400	£425	£475	£495	6.3%	4.2%

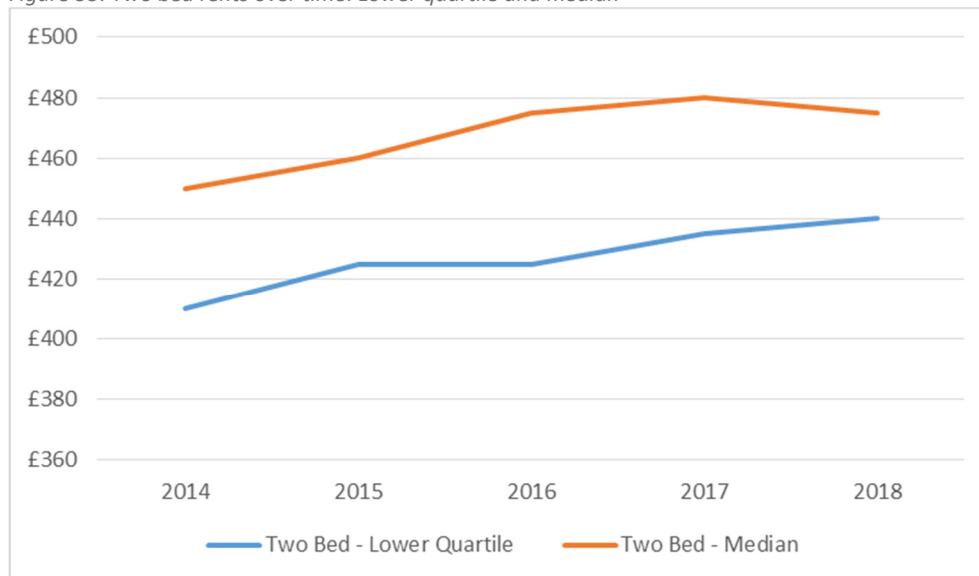
Source: VOA

Figure 54: One bed rents over time; Lower quartile and median



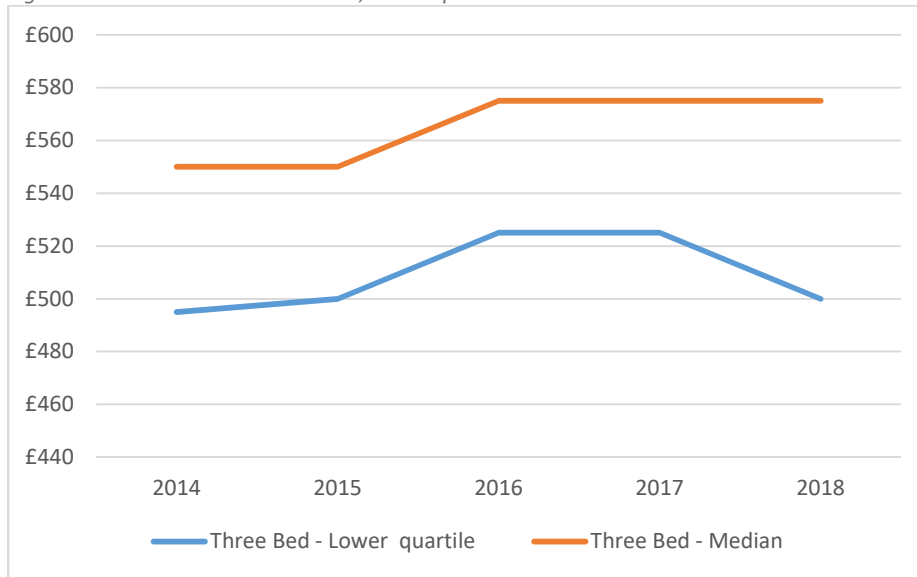
Source VOA

Figure 55: Two bed rents over time: Lower quartile and median



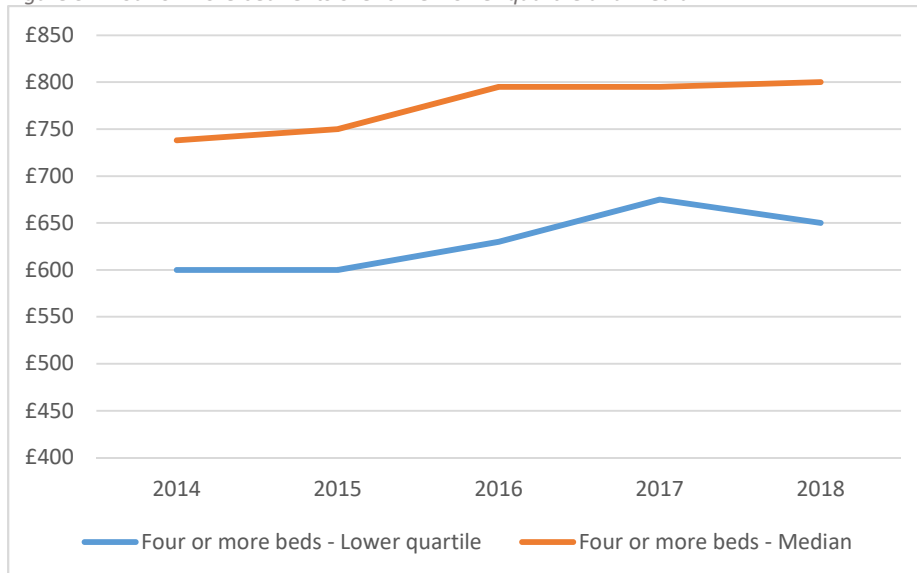
Source VOA

Figure 56: Three bed rents over time; Lower quartile and median



Source: VOA

Figure 57: Four or more bed rents over time: Lower quartile and median.



Source VOA

Further analysis of rents can be done at HMA levels by modelling Hometrack Housing Intelligence System (HIS) data. The highest rents for one, two and three bed dwellings are found in Beverley HMA. Wolds HMA has the highest four bed rents. Holderness HMA has the lowest rents.

Figure 58 Lower quartile rents by HMA

Housing sub-area	1 bed	2 bed	3 bed	4 bed
Beverley	£421.75	£510.00	£634.00	£851.00
Bridlington	£345.50	£455.25	£569.50	£785.00
Goole	£387.00	£462.75	£525.00	£752.50
Holderness	£345.00	£431.75	£510.00	£690.50
Hull Borders	£392.00	£464.00	£608.00	£855.50
Wolds	£381.00	£459.00	£577.00	£919.00
East Riding	£371.00	£459.00	£562.00	£825.00

Source: Hometrack HIS 2018

Figure 59 Median rents by HMA

Housing sub-area	1 bed	2 bed	3 bed	4 bed
Beverley	£448.00	£552.00	£711.00	£871.00
Bridlington	£381.00	£495.00	£598.00	£820.00
Goole	£402.00	£500.00	£557.00	£820.00
Holderness	£371.00	£474.00	£577.00	£804.00
Hull Borders	£418.00	£515.00	£675.00	£974.00
Wolds	£397.00	£500.00	£636.50	£1,020.50
East Riding	£402.00	£500.00	£610.50	£902.00

Source Hometrack HIS 2018

Comparing rents to 2016 show that lower quartile rents have increased for all sizes in the Beverley HMA. Bridlington has seen a small increase in 2 bedrooms dwellings and a large increase in the cost of four bedroom properties. There has been an increase in rents for one bed dwellings in Holderness.

Figure 60 Monthly lower quartile rents by HMA 2018

Housing sub-area	1 bed	2 bed	3 bed	4 bed
Beverley	£422	£510	£634	£851
Bridlington	£346	£455	£570	£785
Goole	£387	£463	£525	£753
Holderness	£345	£432	£510	£691
Hull Borders	£392	£464	£608	£856
Wolds	£381	£459	£577	£919
East Riding	£371	£459	£562	£825

Figure 61 Monthly lower quartile rents by HMA 2016

Housing sub-area	1 bed	2 bed	3 bed	4 bed
Beverley	£394	£493	£612	£819
Bridlington	£347	£446	£584	£672
Goole	£394	£468	£547	£742
Holderness	£321	£451	£519	£718
Hull Borders	£409	£469	£603	£859
Wolds	£423	£519	£601	£1,010
East Riding	£391	£474	£578	£831

Figure 62 Difference between monthly lower quartile rents 2016-2018

Housing sub-area	1 bed	2 bed	3 bed	4 bed
Beverley	£27	£17	£22	£32
Bridlington	-£1	£9	-£14	£113
Goole	-£7	-£5	-£22	£10
Holderness	£24	-£19	-£9	-£27
Hull Borders	-£17	-£5	£5	-£3
Wolds	-£42	-£60	-£24	-£91
East Riding	-£20	-£15	-£16	-£6

Key: Green text is a rent reduction. Red text is a rent increase

Figure 63 Monthly median rents by HMA 2018

Housing sub-area	1 bed	2 bed	3 bed	4 bed
Beverley	£448	£552	£711	£871
Bridlington	£381	£495	£598	£820
Goole	£402	£500	£557	£820
Holderness	£371	£474	£577	£804
Hull Borders	£418	£515	£675	£974
Wolds	£397	£500	£637	£1,021
East Riding	£402	£500	£611	£902

Figure 64 Monthly median rents by HMA 2016

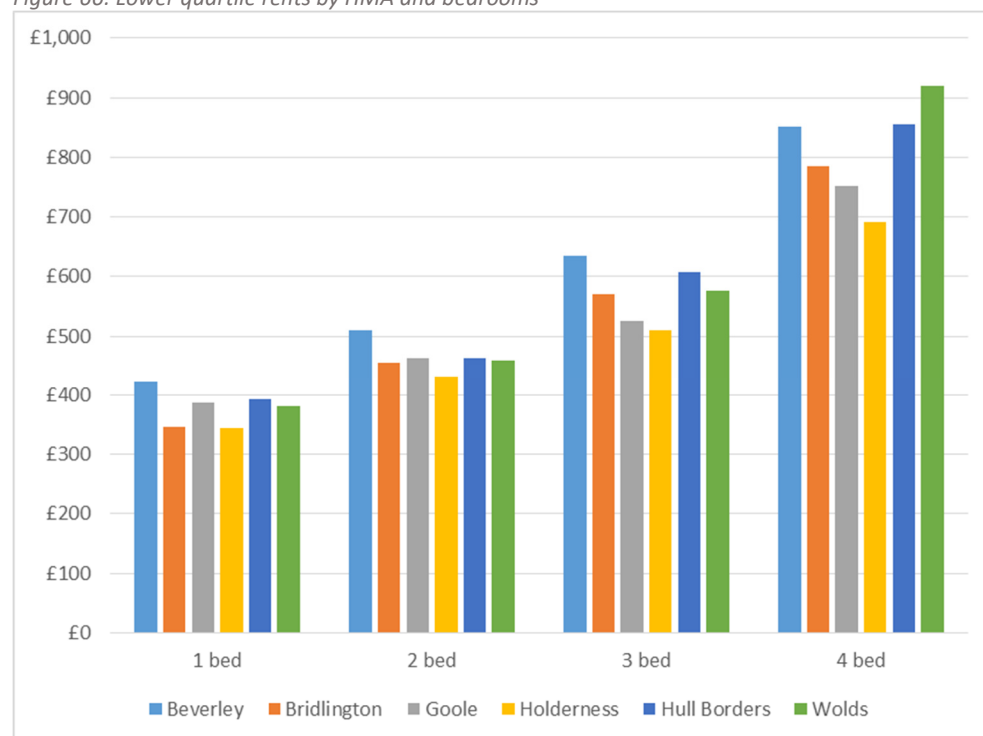
Housing sub-area	1 bed	2 bed	3 bed	4 bed
Beverley	£436	£526	£640	£849
Bridlington	£353	£477	£618	£724
Goole	£410	£504	£583	£754
Holderness	£358	£465	£546	£748
Hull Borders	£421	£502	£640	£895
Wolds	£445	£550	£615	£1,010
East Riding	£411	£504	£608	£854

Figure 65 Difference between monthly median rents 2018-2016

Housing sub-area	1 bed	2 bed	3 bed	4 bed
Beverley	£12.50	£26.24	£71.10	£21.67
Bridlington	£27.83	£18.33	-£20.24	£96.33
Goole	-£7.50	-£4.40	-£26.27	£66.00
Holderness	£13.50	£9.25	£31.00	£55.76
Hull Borders	-£2.94	£12.94	£34.92	£79.17
Wolds	-£47.90	-£50.33	£21.17	£10.83
East Riding	-£8.71	-£4.01	£2.19	£47.73

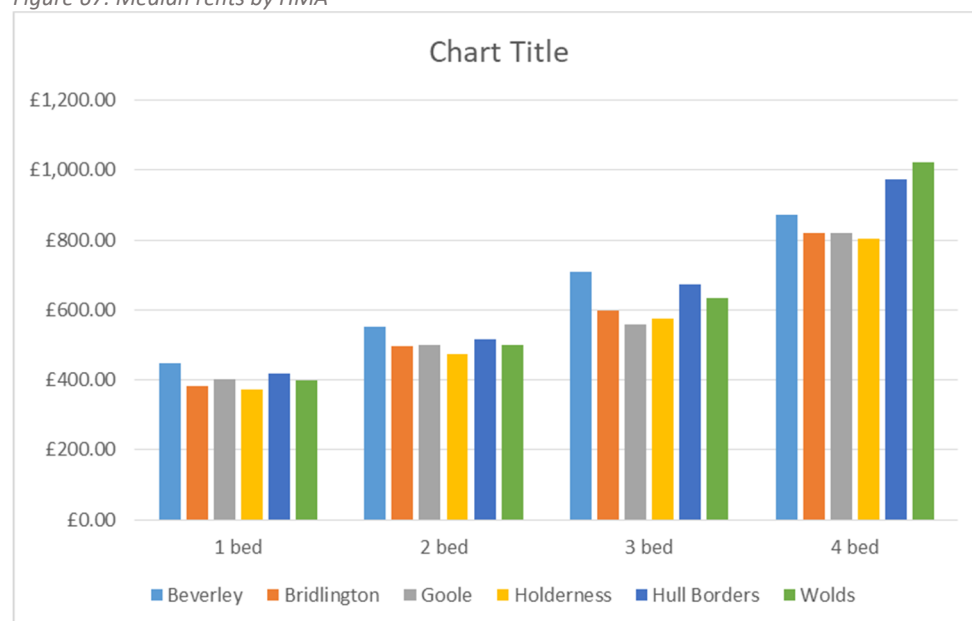
Key: Green text is a rent reduction. Red text is a rent increase

Figure 66: Lower quartile rents by HMA and bedrooms



Source Hometrack HIS 2018

Figure 67: Median rents by HMA



SOURCE HOMETRACK HIS 2018

Affordability

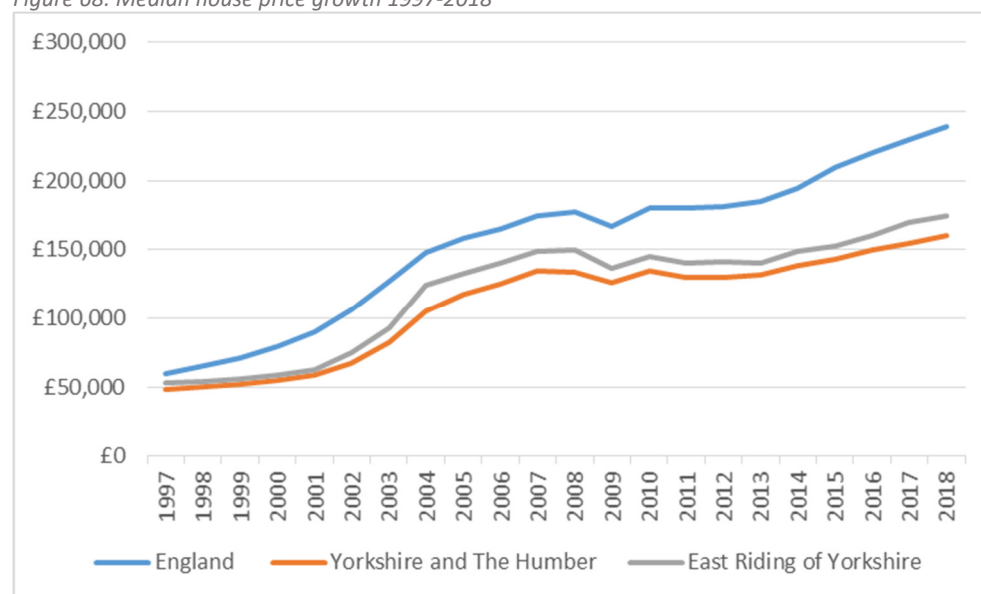
Measuring affordability

House price to earnings (or income) ratios are perhaps the most popular method for demonstrating the affordability of housing. They are also an important component in the standard method of calculating need, through use of ONS ratios.

Statistics published by MHCLG show the relationship between median and lower quartile earnings, and house prices. These provide an indication of how affordability has changed over recent years in East Riding in comparison to regional and national equivalents. This information is presented in Figure 68 to Figure 70 below.

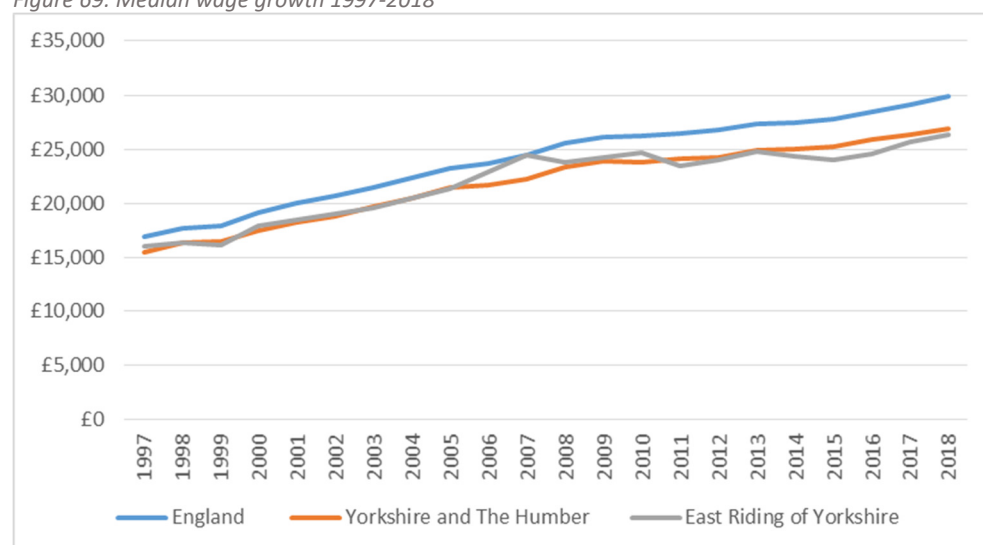
Median affordability indicators

Figure 68: Median house price growth 1997-2018



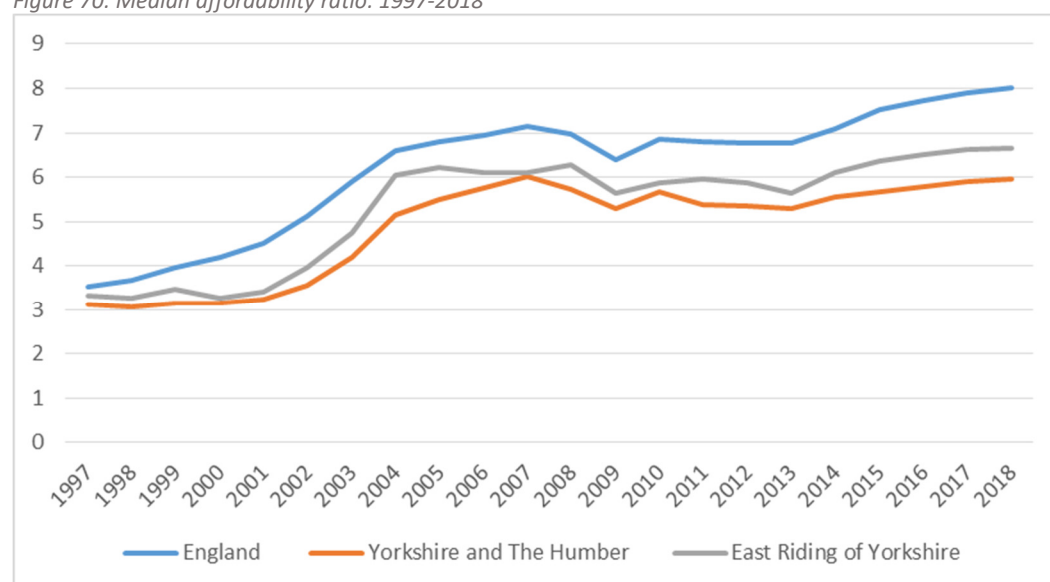
Source MHCLG

Figure 69: Median wage growth 1997-2018



Source: MHCLG

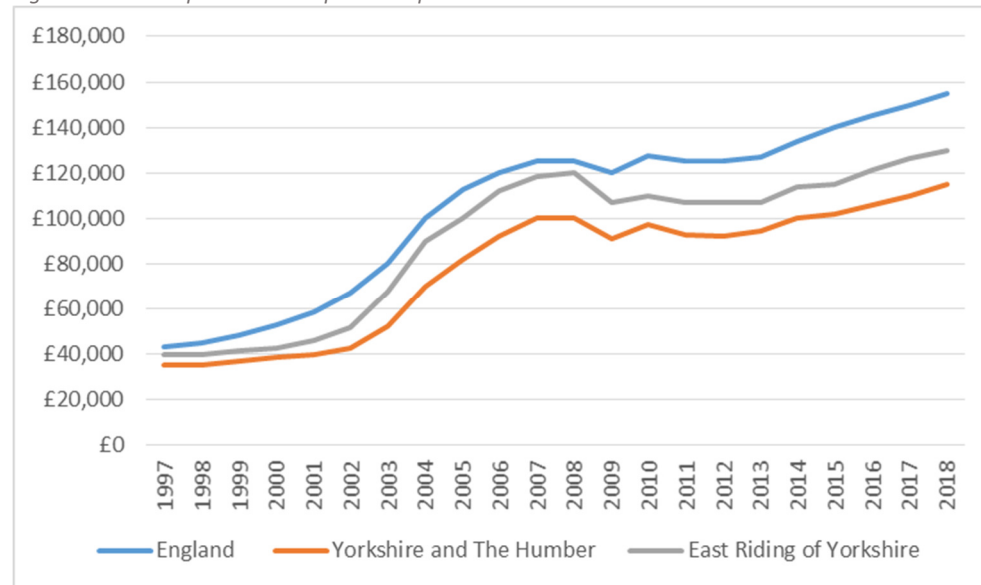
Figure 70: Median affordability ratio: 1997-2018



Source: MHCLG

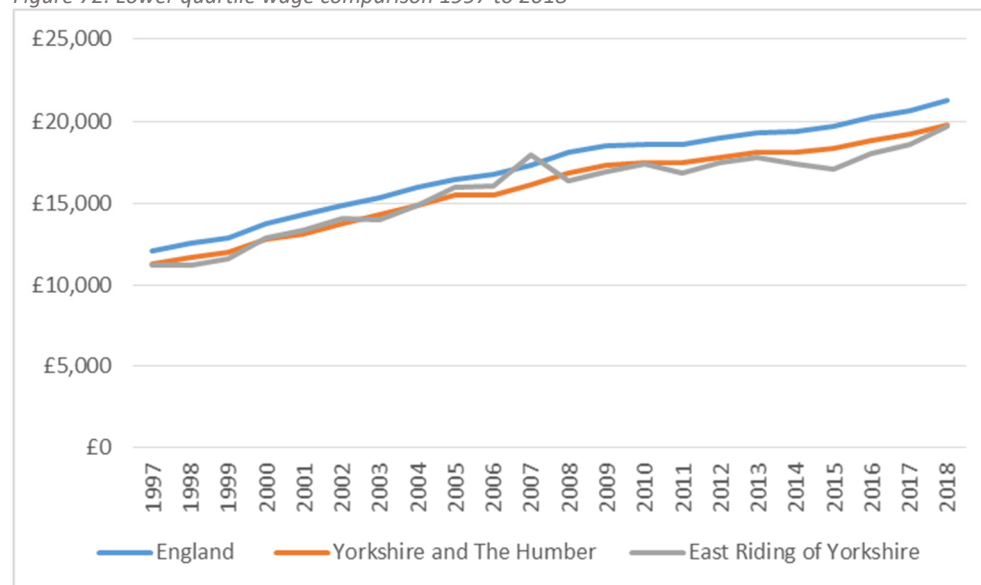
Lower quartile affordability indicators

Figure 71: Lower quartile house price comparison 1997- 2018



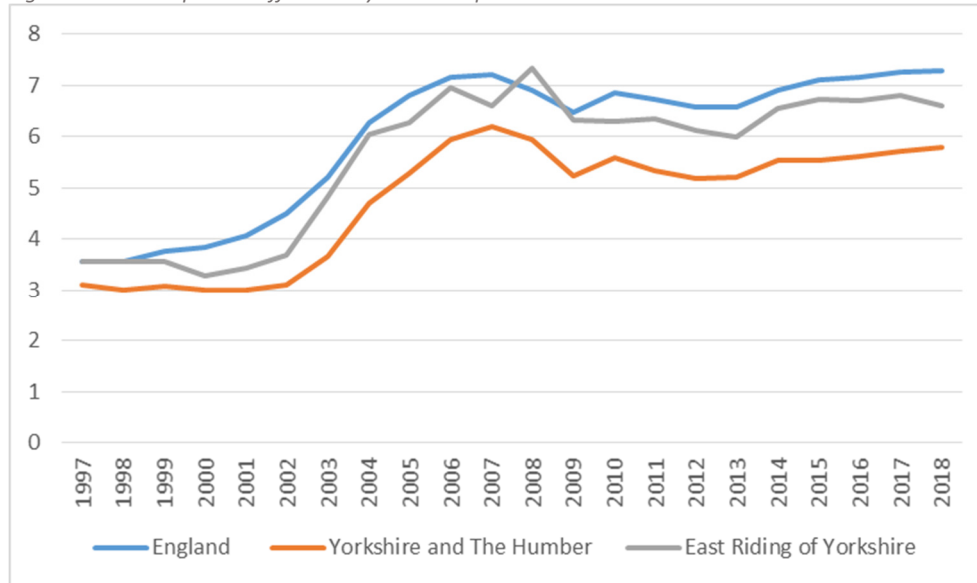
Source: MHCLG

Figure 72: Lower quartile wage comparison 1997 to 2018



Source: MHCLG

Figure 73: Lower quartile affordability ratio comparison 1997 to 2018



Source: MHCLG

Housing delivery

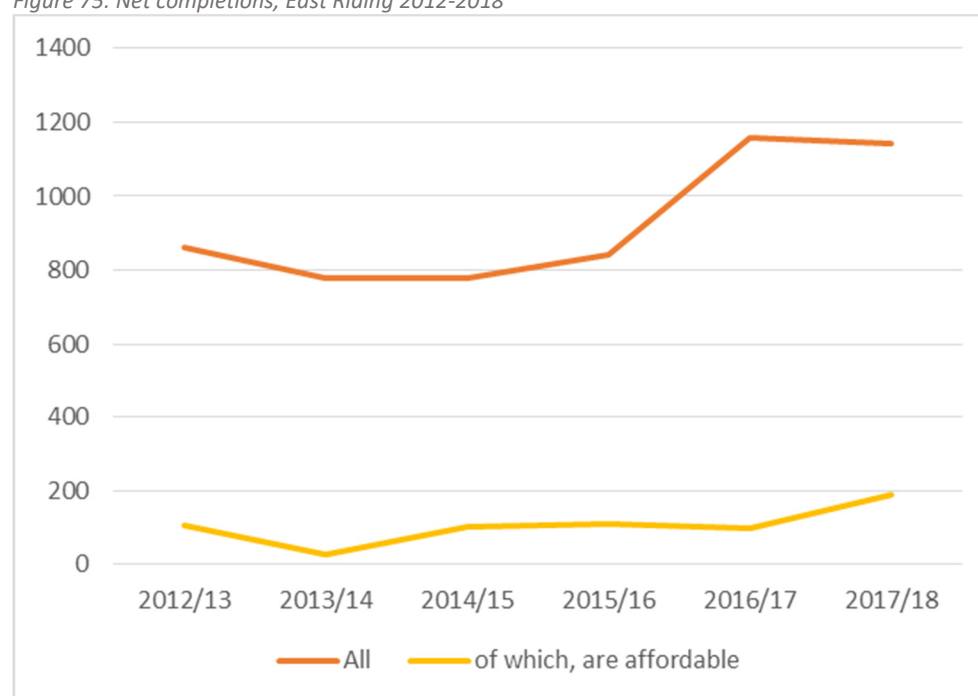
This section considers a range of development indicators to consider the implications of the historic provision on future needs analysis.

East Riding undertakes annual monitoring which allows for an understanding of recent development trends. Figure 74 shows the annual housing completions since the base date of the Local Plan. The gross figure indicates the total number of dwellings completed whereas the net completions reflect the losses from dwelling conversions, change of use and demolitions. Figure 74 also shows performance in respect of affordable home provision.

Figure 74: Gross and Net completions 2012-2018

Date	Total dwellings		Of which, are affordable	
	Gross	Net	Gross	Net
2012/13	997	861	173	105
2013/14	905	779	92	28
2014/15	844	779	166	100
2015/16	1000	842	179	108
2016/17	1291	1159	171	96
2017/18	1234	1143	254	190
Total	6,271	5,563	1,035	627

Figure 75: Net completions, East Riding 2012-2018



Source: East Riding of Yorkshire Council

Annual net delivery over the Local Plan period has totalled 927 net additional dwellings per annum however there has been a significant increase in delivery since 2016 to approximately 1,150 per annum.

Overcrowding and concealed households

Overcrowding and concealed households provide an indication of unmet need for housing; an increase in such numbers may be a signal to increase housing numbers. However, measuring sharing, concealed and overcrowded houses is difficult. The

best source for local level data is the Census despite limitations on the ability to monitor changes over time.

The 2011 Census allows an understanding of overcrowding and also under-occupation at a housing sub-area, based on the number of occupants and the number of bedrooms. Figure 76 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. Figure 76 refers.

Figure 76: Overcrowding by sub-area

Housing sub-area	Overcrowded Households	Under-occupied households
<i>Beverley</i>	1.77%	81.95%
<i>Bridlington</i>	2.70%	73.06%
<i>Goole</i>	2.45%	77.69%
<i>Holderness</i>	2.01%	81.36%
<i>Hull Borders</i>	1.46%	82.97%
<i>Wolds</i>	1.52%	83.11%
<i>East Riding overall</i>	1.91%	80.58%
<i>England</i>	4.64%	68.68%

SOURCE CENSUS 2011

As shown, East Riding has a lower level of overcrowding than the national average and a substantially higher level of under-occupation. The sub-areas of Goole and Bridlington have the highest overcrowding and the lowest amount of under-occupation.

Land values

MHCLG's publication *Land Value estimates for Policy Appraisal*² provides estimates of residential land values (post planning permission) for local authorities in England.

² The assumptions underpinning the valuation can be found at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/710539/Land_Values_2017.pdf

Figure 77 outlines the values recorded in January 2014, March 2015 and May 2017 for East Riding, England (excluding London) and the Yorkshire and Humber Region.

Figure 77: Residential Land Values per Hectare

	Jan-14 (£000s)	Mar-15 (£000s)	May-17 (£000s)	% inc Jan 14 - May 17	% inc Mar 15- May 17
<i>East Riding</i>	1,300	1,600	1,900	32%	19%
<i>Y&H</i>	1,300	1,400	1,500	13%	7%
<i>England exc London</i>	2,000	2,100	2,800	29%	33%

Source MHCLG

Using this measure, land values are relatively low compared to the national average and high compared to the regional average. Since 2014, East Riding land values have risen at a faster rate than the regional and national comparators. However, England has seen a faster growth rate during the period March 2015 – May 2017.

The MHCLG advise that the figures are appropriate for a single, hypothetical site and should not be taken for all sites in the locality. However, it is notable that East Riding's rate of increase in estimated value exceeded both the national and regional averages between January 2014 and May 2017.

5. HOUSING NEED IN EAST RIDING

The National Planning Policy Framework (NPPF) expects strategic policy making authorities to follow the standard method for calculating need which is contained within the national Planning Policy guidance (PPG).

The standard method uses a formula to identify the minimum number of homes expected to be planned for and comprises three components;

1. Establishing a baseline;
2. Adjusting to take account of house price affordability, and
3. Capping the level of increase

The standard method identifies a minimum annual housing need figure; it does not produce a housing requirement.

The calculation of future housing need in East Riding, is set out below:

Step 1 – Setting the baseline

Guidance recommends using national household growth projections³ averaged over 10 years to set the baseline. In accordance with the PPG and to be consistent with the Government's objective of boosting the supply of homes, the 2014 based household projections have been used for the assessment of local housing need.

In East Riding the total number of households is set to increase from 149,789 to 157,819 between 2019 and 2029. The total change is an increase of 8,030 over the 10 year period.

This equates to an annual average household growth of 803 each year; an increase of 5.4%.

³ <https://www.gov.uk/government/collections/household-projections> 2014 based household projections in England, table 406.

Step 2 – Adjusting to take account of affordability

An affordability adjustment is applied as the Government considers household growth on its own to be an insufficient indicator of future housing need. This is because:

- household formation is constrained by the supply of available properties, and
- household projections do not take account of people who may want to move into an area that they do not currently reside.

The most recent median workplace-based house price to earnings ratios published by Office for National Statistics (ONS) at a local authority level, should be used.⁴

For each 1% increase in the ratio of house prices to earnings, where the ratio is above 4, the average household growth should be increased by a quarter of a percent. Broadly, this approach increases the housing need number in areas with high house prices and leaves it unadjusted in areas with low house prices.

The current ratio is 6.64 which is 2018 based; applying the affordability adjustment formula to this figure increases the minimum local housing need figure by 0.165% from 803 to 935.

$$803 \times (1+0.165) = 935.$$

Step 3: Capping the level of any increase

The PPG acknowledges that the standard method may identify a minimum local housing need figure that is significantly higher than the number of homes being planned for. A cap may be applied which limits the increase in the minimum annual housing need figure an individual authority can face.

4

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

However, as the minimum housing need figure of 935 per annum is below the average annual housing requirement figure set out in existing policies (1400 per annum), no cap is required.

The minimum housing need figure 2019-2029 is 935 per annum.

When should the housing need figure be reviewed

The local housing needs figure should be calculated at the start of the plan-making process. This number should be kept under review and revised where appropriate.

The housing need figure generated using the standard method may change as the inputs are variable and this should be taken into consideration.

However, local housing need calculated using the standard method can be relied upon for two years from the time that a plan is submitted to the Planning Inspectorate for examination.

Should a figure higher than the standard method be considered?

Within the standard method, there is no attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore there will be circumstances where actual housing need may be higher than the figure identified.

These include but are not limited to:

- where growth strategies are in place, particularly where those growth strategies identify that additional housing above historic trends is needed to support growth or funding is in place to promote and facilitate growth (e.g. Housing Deals);
- where strategic infrastructure improvements are planned that would support new homes;

- where an authority has agreed to take on unmet need, calculated using the standard method, from neighbouring authorities, as set out in a statement of common ground;

Consideration should also be given to:

- previous delivery levels. Where previous delivery has exceeded the minimum need identified it should be considered whether the level of delivery is indicative of greater housing need ; and
- recent assessments of need, such as a Strategic Housing Market Assessments (SHMA). Where these assessments suggest higher levels of need than those proposed by a strategic policy-making authority, an assessment of lower need should be justified.

The Council has delivered an average of 998 net additional dwellings over the Local Plan period (2012-2019). However, this can be split into two distinct periods; 2012-2015 averaged 815 dpa and 2016-2018 averaged 1,150 dpa.

Based on continued affordability pressures and recent levels of delivery in the East Riding, the Council may wish to plan for a higher housing requirement through the Local Plan than that suggested by the standard methodology.

6. HOUSING MIX

The PPG requires Local Authorities to disaggregate the housing need figure by size and tenure, and provide the affordable housing mix and composition. This is not done by the standard method therefore the need for particular sizes, types and tenures of homes as well as the housing needs for particular groups should be considered separately. In order to do this, demographic data of the households that make up the housing need figure is required.

Modelling has been undertaken through use of Census data, sub-national household projection (SNHP) figures and mid-year estimates. Figures have been sense checked against the 2016 JHNS undertaken by JGC consultants and previous SHMA findings.

MHCLG Household projections (2014-based) give detailed household projections by age and household type. Applying Census analysis to the projections allows for estimates of the type and size of housing required in East Riding to be established.

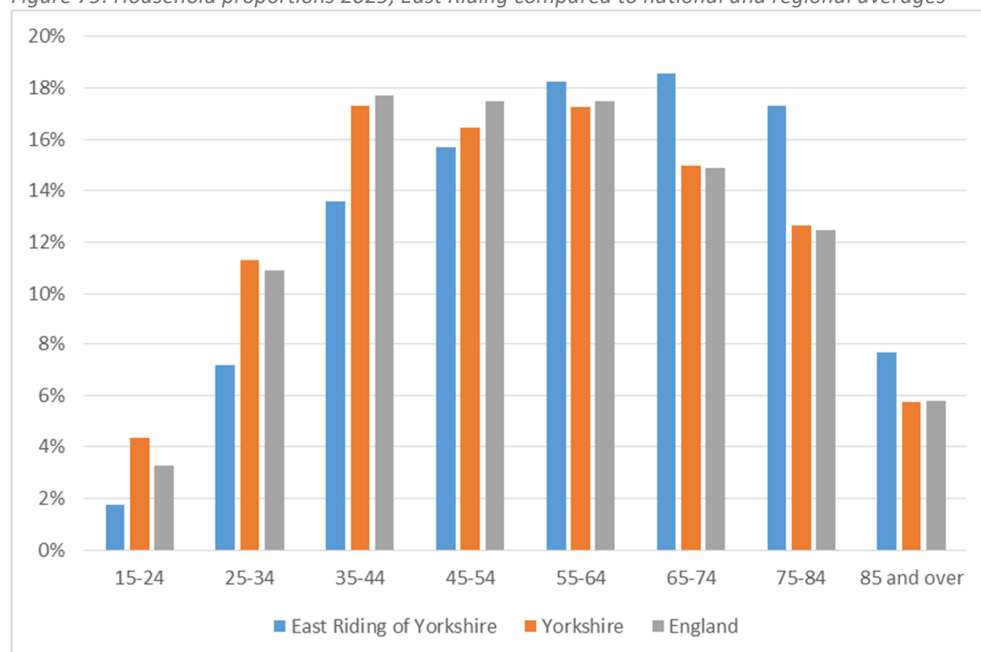
The SNHP indicate that there will be a reduction in the number of households headed by the younger age groups and that most increases will be in the older age groups (75+ years), Figure 78 refers.

Figure 78: Household change

Year	2019	2029	2039	2019-29 % change	2019-2039 % change
Under 25	2,523	2,733	2,680	8%	6%
25-34	12,987	11,355	11,109	-13%	-14%
35-44	19,428	21,452	19,329	10%	-1%
45-54	29,004	24,768	27,781	-15%	-4%
55-64	28,445	28,780	23,693	1%	-17%
65-74	29,017	29,312	29,541	1%	2%
75-84	20,461	27,335	30,040	34%	47%
85+	7,920	12,090	18,651	53%	135%
Grand Total	149,785	157,825	162,824	5%	9%

Compared with national and regional figures, East Riding will have a much lower proportion of younger households aged under 45 and a much higher proportion of older households. This will have notable implications for housing needs within East Riding over the next twenty years. Figure 79 refers.

Figure 79: Household proportions 2029, East Riding compared to national and regional averages

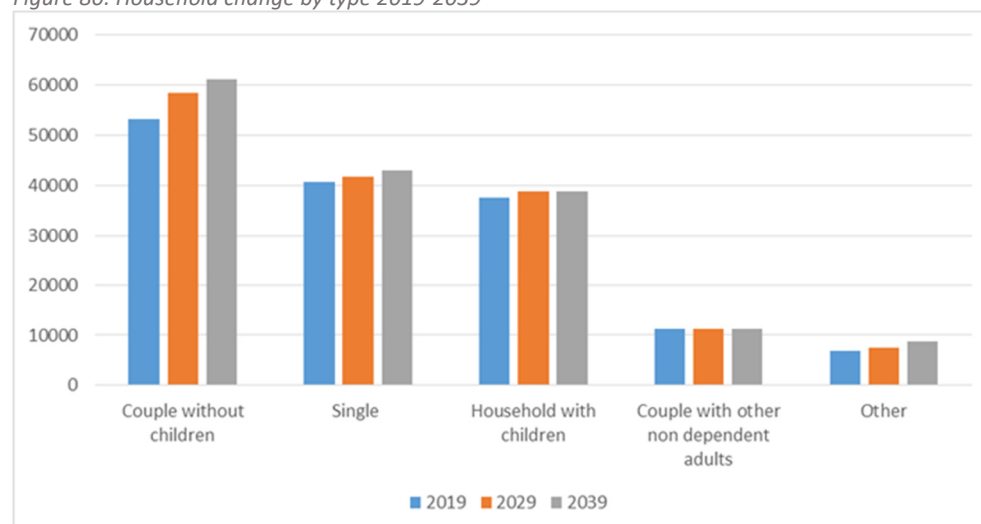


2014 based household projections provide a reliable and robust breakdown of household composition to 2029 and 2039. The following chart illustrates projected change in the number of households of different types over the period 2019-2039.

The number of couples without children is projected to see the strongest absolute increase by a significant margin, followed by single male households. This contrasts with a reduction in the number of larger households with two or more children.

In respect of household growth to 2029, single person and couple households without dependent children represent 64% of all households. Together, these two household groups will increase by around 6,500 between 2019 and 2029, which is around 80% of the overall household growth for this period. Smaller housing will be required to accommodate these households.

Figure 80: Household change by type 2019-2039



Modelling housing mix

The model updates the work undertaken by JGC consultants in the 2016 Joint Housing Needs Study (JHNS) which was based on how households occupy housing at different age brackets.⁵ These are projected forward to account for how households of different ages will change in the future. Adjustments are made to account for differing occupation patterns between affordable and market housing. Outputs are compared to existing profile leading to recommendations on the housing required by tenure and size. Modelling is based on ONS commissioned table CT0621 which profiles size of housing by age bracket and tenure. The model has been updated to estimate future need for different sizes for the period 2019-2039.

As households differ in the way that they occupy market and affordable housing separate assessments are required for each sector. For modelling purposes, the analysis assumes 20% of net completions are of affordable housing. This continues the assumptions made in the JHNS.⁶

The figure of 20% of net completions being affordable housing is not a policy target; it has been applied as a method of providing outputs from the modelling.

⁵ For further details of the Housing Mix model see Chapter 7 of the Hull and East Riding Joint Housing Needs Study, December 2016 by JGC consulting

⁶ Paragraph 7.1 refers

Policy targets for affordable housing vary across East Riding; some sites require a higher level of affordable housing than 20%; not all sites deliver policy-compliant affordable housing, whilst some delivery is on sites below affordable housing policy thresholds.

Market housing

Although demand for market housing is influenced by a wide range of factors, demographic projections are a key influence and provide a good indication of how the population and households structures will develop over time. However, they need to be considered alongside how household types occupy housing.

The 2014 based household projections indicate an increase of 10,400 additional households requiring market housing to 2039. The analysis highlights that the majority of these need two and three bedroom homes. The expectation that household sizes will fall, in part due to an ageing population living in smaller households, results in a shift in the distribution of size of housing towards an increased requirement for two bed accommodation. The REIU forecasts undertaken as part of the JHNS suggest a requirement for a slightly higher proportion of larger three and four bedroom accommodation.

It is important to highlight that planning for future housing should not be overly prescriptive when concerning size, mix and type of dwellings which the Council should consider to be provided as part of any new development, particularly in the context of market housing. That said, Figure 81 provides the output estimates for need by size from the modelling undertaken. Findings from the JHNS 2016 have been included for comparison.

Figure 81: Modelling market housing need

Number of bedrooms	SNPP 2014 based modelling (2019-2039)	JHNS SNPP 2014 based modelling (2016-2032)	JHNS REIU policy-on JHNS study (2016-2032)
1 bed	5.6%	6.0%	5.5%
2 bed	43.2%	45.4%	37.6%
3 bed	39.3%	41%	42%
4 bed +	11.9%	7.7%	14.9%

Size of market housing by sub-area was modelled and no significant variation in size requirement was identified.

Affordable Housing

Figure 82 provides estimates of the need for different sized affordable homes based on the demographic modelling undertaken. The data suggests that, in the period 2019-2039 the main need is for one or two bedrooms across East Riding with a requirement for 20% of homes to be larger three bedrooms or more. REIU forecasts undertaken in the JHNS are included for comparison as are the JHNS SNPP 2014 based 2016-2032 modelling results.

Figure 82: Modelling affordable housing need

Number of bedrooms	SNPP 2014 based modelling (2019-2039)	JHNS SNPP 2014 based modelling (2016-2032)	JHNS REIU policy-on JHNS study (2016-2032)
1 bed	38.9%	41.5%	36.0%
2 bed	40.7%	42.2%	41.9%
3 bed	18.9%	15.1%	20.5%
4 bed +	1.5%	1.2%	1.5%

The need for affordable housing will vary by local area and change over time. When considering the mix of housing on specific developments the information provided within this chapter should be considered alongside other evidence of local affordable housing need such as households on the housing register and the types of stock and rates of turnover of existing properties.

HOUSING MIX

Taking into account the demographic modelling and the outputs from the Affordable Housing Needs Assessment, the following might be considered a reasonable mix of affordable and market housing provision.

Figure 83: Proposed size of dwellings by tenure

Tenure	1-bed	2-bed	3-bed	4+ bed
<i>Market</i>	5-10%	40-45%	35-40%	10-15%
<i>Social/Affordable Rented</i>	35-40%	40-45%	15-20%	0-5%
<i>Intermediate/Starter Homes</i>	5-10%	50-55%	35-40%	0-5%

7. AFFORDABILITY MODELLING

There are various ways to model the affordability of housing costs (rent or mortgage payments). If gross income is available, then a standard approach is to measure the ratio of rent or mortgage payment to that income. An accepted affordability principle is used; that housing costs are considered to be affordable if they comprise no more than one-third of gross household income. In addition to being a widely used benchmark, this represents a balanced position which allows some margin for increases in housing costs and salary reductions at the same time as recognising that a residual income is required to cover other living expenses. Financial support through Housing Benefit or Universal Credit housing payments can mitigate financial hardship, but only partially, some households may not qualify to have all of their rent covered by benefit payments.

Household incomes

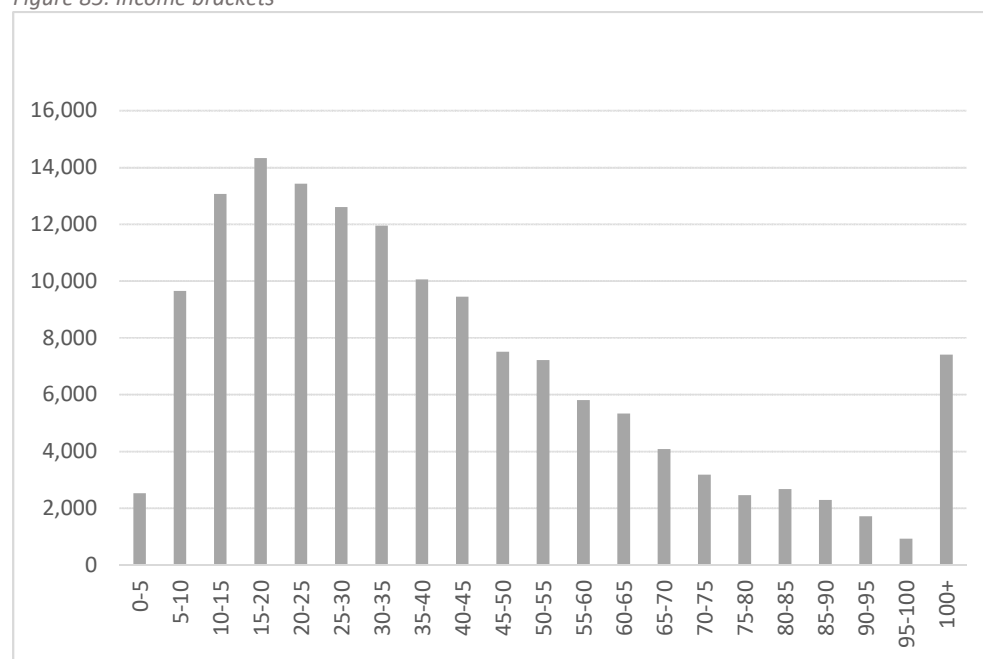
Household incomes primarily influence tenure choice. East Riding data used to inform this assessment is set out below, this shows that 36% of households have gross income of less than £25,000; 27% have an income of less than £20,000 and 17% have less than £15,000.

AFFORDABILITY MODELLING

Figure 84: Household income brackets

Income bracket £ ,000's	Number of households	Cumulative number of households	Cumulative %
0-5	2,527	2,527	2%
5-10	9,656	12,183	8%
10-15	13,069	25,252	17%
15-20	14,334	39,586	27%
20-25	13,432	53,018	36%
25-30	12,607	65,625	44%
30-35	11,952	77,577	53%
35-40	10,063	87,640	59%
40-45	9,450	97,090	66%
45-50	7,518	104,608	71%
50-55	7,215	111,823	76%
55-60	5,816	117,639	80%
60-65	5,342	122,981	83%
65-70	4,090	127,071	86%
70-75	3,187	130,258	88%
75-80	2,462	132,720	90%
80-85	2,680	135,400	92%
85-90	2,292	137,692	93%
90-95	1,716	139,408	94%
95-100	929	140,337	95%
100+	7,412	147,749	100%

Figure 85: Income brackets



Access to owner occupation

The following assumptions are applied in relation to establishing accessibility to owner occupation:

- The test uses lower quartile figures;
- Deposits are tested at 25%, 10% and 5% (reflecting current market and government initiatives);
- Mortgages are assumed to be no more than 4.5 x income; more typically 3.5 times income. Lenders are restricting the proportion of mortgages at 4.5 times income or above; and
- Interest rates are tested at 4% to 6%. Generally, fixed term initial offers could be lower but are increased to around 4% at the end of the offer period.

The following five tests are looked at in relation to East Riding's six sub market areas;

1. Assuming that a mortgage could be obtained and a deposit raised, what is the gap between lower quartile incomes and lower quartile house prices?
2. What income is required to afford a lower quartile property?
3. Based on lower quartile income, what is affordable? By how much would a property need to be discounted to be affordable based on lower quartile income?
4. How affordable are mortgage payments assuming a potential owner-occupier could obtain a mortgage? If modelling indicates that a particular loan to value income or income multiplier, and a large mortgage, along with a deposit, would close the gap, what would the implications for a household who then had to repay the mortgage on a monthly basis?
5. What is the effect of different loan to values?

Test 1: Assuming a mortgage could be obtained and a deposit raised, what is the gap between lower quartile incomes and lower quartile house prices?

Figure 86 below shows the extent of the gap if an individual with lower quartile household income was to purchase a lower quartile property. The difference is at its lowest in Holderness, Goole and Hull Borders housing sub-areas. Since the last SHMA, the gap has widened in Bridlington sub-area; reduced substantially in Beverley sub-area and reduced slightly in the Wolds sub-area.

For example, a household living in the Beverley housing sub-area who are on a lower quartile income, have a 25% deposit and have a mortgage that is four times their income there would be a gap of £20,750 between the amount that they could borrow and the price of a lower quartile house.

FIGURE 86: GAP BETWEEN LQ HOUSE PRICE AND INCOME

Housing sub-area	Lower quartile house price	Lower quartile income	Deposit %	Income multiple	Gap between LQ house and potential mortgage
Beverley	£145,000	£22,000	25% £36,250	3.5	£31,750
				4	£20,750
				4.5	£9,750
			10% £14,500	3.5	£53,500
				4	£42,500
				4.5	£31,500
			5% £7,250	3.5	£60,750
				4	£49,750
				4.5	£38,750
			25% £28,500	3.5	£29,500
				4	£21,500
				4.5	£13,500
Bridlington	£114,000	£16,000	10% £11,400	3.5	£46,600
				4	£38,600
				4.5	£30,600
				3.5	£52,300

Housing sub-area	Lower quartile house price	Lower quartile income	Deposit %	Income multiple	Gap between LQ house and potential mortgage			
Goole	£112,000	£18,000	5% £5,700	4	£44,300			
				4.5	£36,300			
				3.5	£21,000			
			25% £28,000	4	£12,000			
				4.5	£3,000			
				3.5	£37,800			
			10% £11,200	4	£28,800			
				4.5	£19,800			
				3.5	£43,400			
			5% £5,600	4	£34,400			
				4.5	£25,400			
				3.5	£18,250			
Holderness	£113,000	£19,000	25% £28,250	4	£8,750			
				4.5	-£750			
				3.5	£35,200			
			10% £11,300	4	£25,700			
				4.5	£16,200			
				3.5	£40,850			
			5% £5,650	4	£31,350			
				4.5	£21,850			
				3.5	£28,000			
			Hull Borders	£140,000	£22,000	25% £35,000	4	£17,000
							4.5	£6,000
							3.5	£49,000
10% £14,000	4	£38,000						
	4.5	£27,000						
	3.5	£56,000						
5% £7,000	4	£45,000						
	4.5	£34,000						
	3.5	£38,750						
Wolds	£145,000	£20,000				25% £36,250	4	£28,750
							4.5	£18,750
							3.5	£60,500
			10% £14,500	4	£50,500			
				4.5	£40,500			
				3.5	£67,750			
						4	£57,750	

Housing sub-area	Lower quartile house price	Lower quartile income	Deposit %	Income multiple	Gap between LQ house and potential mortgage
				4.5	£47,750

Test 2: What income is required to afford a lower quartile property?

Figure 87, Figure 88 and Figure 89 show the point at which the 'gap' identified in test 1 is closed; that is to say that there is no longer a shortfall between funds available (deposit and mortgage) and the price of a lower quartile property. This test shows what a household would be theoretically able to borrow based on three different mortgage multipliers. There is no affordability test at this point to determine whether the mortgage can be repaid; this is considered at Test 4.

The tables indicate that lower quartile owner occupation is viable with an income ranging from £18-19,000 in Bridlington, Goole and Holderness sub-areas and £23-24,000 in Beverley, Hull Borders and Wolds sub-areas. However, the mortgages would need to be 4.5 times income and deposits of over £28,000 would be required.

Rather than build into modelling and policy development an assumption that relies on high risk borrowing and unrealistic deposits, four times income multipliers and a 10% deposit are the preferred choices for determining affordability. Based on these assumptions, lower quartile affordability is limited by an income of £22,000-23,000 in Bridlington, Goole and Holderness HMAs and between £28-£29,000 in Beverley, Hull Borders and Wolds HMAs.

Rather than build into modelling and policy development an assumption that relies on high risk borrowing at more than 4.5 times income and 25% deposit levels; **four times income multipliers and a 10% deposit are the preferred choices for determining affordability**

Figure 87

Housing sub-area	Lower quartile price	25% Deposit	Mortgage	3.5 times income required	4 times Income required	4.5 times income required
Beverley	£145,000	£36,250	£108,750	£31,000	£27,250	£24,250
Bridlington	£114,000	£28,500	£85,500	£24,750	£21,500	£19,000
Goole	£111,750	£28,000	£83,750	£24,000	£21,000	£18,500
Holderness	£113,000	£28,250	£84,7250	£24,250	£21,250	£18,750
Hull Borders	£140,000	£35,000	£105,000	£30,000	£26,250	£23,250
Wolds	£145,000	£36,250	£108,750	£31,071	£27,250	£24,250

Figure 88

Housing sub-area	Lower quartile price	25% Deposit	Mortgage	3.5 times income required	4 times Income required	4.5 times income required
Beverley	£145,000	£14,500	£130,500	£37,250	£32,750	£29,000
Bridlington	£114,000	£11,500	£102,500	£29,250	£25,750	£22,750
Goole	£111,750	£11,250	£100,500	£28,750	£25,000	£22,250
Holderness	£113,000	£11,250	£101,750	£29,000	£25,500	£22,500
Hull Borders	£140,000	£14,000	£126,000	£36,000	£31,500	£28,000
Wolds	£145,000	£14,500	£130,500	£37,250	£32,750	£29,000

Figure 89

Housing sub-area	Lower quartile price	25% Deposit	Mortgage	3.5 times income required	4 times Income required	4.5 times income required
Beverley	£145,000	£7,250	£137,750	£39,500	£34,500	£30,500
Bridlington	£114,000	£5,750	£108,250	£31,000	£27,000	£24,000
Goole	£111,750	£5,500	£106,000	£30,250	£26,500	£23,500
Holderness	£113,000	£5,750	£107,250	£30,750	£26,750	£23,750
Hull Borders	£140,000	£7,000	£133,000	£38,000	£33,250	£29,500
Wolds	£145,000	£7,250	£137,750	£39,500	£34,500	£30,500

Test 3: Based on lower quartile income, what is affordable?

This test shows what is affordable based on incomes; the target property price is the overall sub area lower quartile price, not any particular size.

This analysis shows the combination of deposit and income multiplier that secures the highest property price; or the property price that could be sought that requires less financial stretch on either the deposit or the mortgage. Finally, this analysis could also determine the extent of any discount or subsidy that may be required for people on low incomes to be able to buy.

The test shows that based on 4.5 times income and a 25% deposit, lower quartile incomes in Beverley and Hull Borders sub-areas would be able to afford a property of approximately £132,000; in Wolds sub-area the figure is £120,000; Holderness £114,000; Goole £108,000 and Bridlington £96,000. However, these levels of borrowing have been identified as being high risk.

Based on a recommended 10% deposit and 4 times income multipliers, the test shows that lower quartile household incomes in Bridlington sub-area would be able to afford a property of approximately £71,000. In Beverley and Hull Borders sub-area properties at £98,000 would be accessible. Properties priced at £80,000, £84,500 and £89,000 are affordable for household with lower quartile incomes in Goole, Holderness and Wolds sub-areas respectively. Figure 90 refers.

Figure 90

	3.5 times income			4 times income			4.5 times income		
Housing sub-area	25% deposit	10% deposit	5 % deposit	25% deposit	10% deposit	5 % deposit	25% deposit	10% deposit	5 % deposit
Beverley	£102,500	£85,500	£81,000	£111,750	£98,000	£92,500	£132,000	£111,000	£104,250
Bridlington	£74,500	£62,250	£59,000	£85,250	£71,000	£67,250	£96,000	£80,000	£75,750
Goole	£84,000	£70,000	£66,250	£96,000	£80,000	£75,750	£108,000	£90,000	£85,250
Holderness	£88,500	£74,000	£70,000	£101,250	£84,500	£80,000	£114,000	£95,000	£90,000
Hull Borders	£102,500	£85,500	£81,000	£111,750	£98,000	£92,500	£132,000	£111,000	£104,250
Wolds	£92,250	£77,750	£73,750	£106,750	£89,000	£84,250	£120,000	£100,000	£94,750

Tests 1, 2 and 3 provide evidence of entry into the lower quartile market at the income levels outlined in Figure 91 below, based on 25% deposit or 10% deposit and a mortgage of 4 times income.

Due to the improbability of households on lower quartile incomes having access to 25% deposit levels, the incomes used to calculate affordability in [Chapter 8](#) are based on a 4 times income multiplier and a 10 per cent deposit.

Figure 91

Housing sub-area	4 times income 25% deposit	4 times income 10% deposit
<i>Beverley</i>	£27,250	£32,750
<i>Bridlington</i>	£21,500	£25,750
<i>Goole</i>	£21,000	£25,000
<i>Holderness</i>	£21,250	£25,500
<i>Hull Borders</i>	£26,250	£31,500
<i>Wolds</i>	£27,250	£32,750

Test 4: How affordable are mortgage payments assuming a potential owner-occupier could obtain a mortgage?

Test 4 calculates how much income is required to pay a mortgage up to the point where there is no shortfall in affordability. The test is based on 4 times income mortgage with a 10% deposit

Mortgage payments have been tested at 4% and 6%. Lower fixed rate mortgages are available but once the fixed term has ended a rate of 4% is not unusual. A further test has been applied to establish at what point the mortgage payments become unaffordable; that is to say they cost over one-third of household income.

Mortgage repayments at four times income can tolerate an interest rate of 6.7% before they exceed one third of household income. Mortgage values at 4.5 times are close to one third gross of income at an interest rate of 5.4% and exceed one third gross income at 6%. This is another reason for not selecting high mortgage

multipliers as a standard for affordability testing as small interest rate rises can increase the repayments to an unsustainable level.

Mortgage payments at 4% and 6% are below the one-third household income threshold across the sub-areas. The mortgage interest rate can increase to 6.7% before the repayment becomes unsustainable. Therefore, there is some capacity for interest rate rises.

Test 5: the effect of different loan to values

Test 5 looks at how different sized deposits affect affordability. For example

The tests are based on the lower quartile house prices used above and reiterated in Figure 92.

Figure 92

Housing sub-area	Lower quartile house price	Loan to value			
		95%	90%	80%	75%
Beverley	£145,000	£137,750	£130,500	£116,000	£108,750
Bridlington	£114,000	£108,300	£102,600	£91,200	£85,500
Goole	£111,625	£106,000	£100,500	£89,300	£83,750
Holderness	£113,000	£107,350	£101,700	£90,400	£84,750
Hull Borders	£140,000	£133,000	£126,000	£112,000	£105,000
Wolds	£145,000	£137,750	£130,500	£116,000	£108,750

Based on the values presented in Figure 92, the following tables present incomes required

Figure 93

Beverley housing sub-area

<i>Based on a 4% interest rate</i>				<i>Based on a 6% interest rate</i>			
LTV %	Monthly mortgage payment	Income needed to pay mortgage	Income multiplier	Monthly mortgage payment	Income needed to pay mortgage	Income multiplier	Income required to reduce mortgage to 4 times income multiplier
95	£735	£26,460	5.21	£898	£32,328	4.26	£34,438
90	£696	£25,056	5.21	£851	£30,636	4.26	£32,625
80	£619	£22,284	5.21	£756	£27,216	4.26	£29,000
75	£580	£20,880	5.21	£709	£25,524	4.26	£27,188

Figure 94

Bridlington housing sub-area

<i>Based on a 4% interest rate</i>				<i>Based on a 6% interest rate</i>			
LTV %	Monthly mortgage payment	Income needed to pay mortgage	Income multiplier	Monthly mortgage payment	Income needed to pay mortgage	Income multiplier	Income required to reduce mortgage to 4 times income multiplier
95	£578	£20,808	5.21	£706	£25,416	4.26	£27,075
90	£547	£19,962	5.21	£669	£24,084	4.26	£25,650
80	£486	£17,496	5.21	£595	£21,420	4.26	£22,800
75	£456	£16,416	5.21	£557	£20,052	4.26	£21,375

Figure 95

Goole housing sub-area

<i>Based on a 4% interest rate</i>				<i>Based on a 6% interest rate</i>			
LTV %	Monthly mortgage payment	Income needed to pay mortgage	Income multiplier	Monthly mortgage payment	Income needed to pay mortgage	Income multiplier	Income required to reduce mortgage to 4 times income multiplier
95	£566	£20,376	5.21	£691	£24,876	4.26	£26,511
90	£536	£19,296	5.21	£655	£23,580	4.26	£25,116
80	£477	£17,172	5.21	£582	£20,952	4.26	£22,325
75	£447	£16,092	5.21	£546	£19,656	4.26	£20,930

Figure 96

Holderness housing sub-area

<i>Based on a 4% interest rate</i>				<i>Based on a 6% interest rate</i>			
LTV %	Monthly mortgage payment	Income needed to pay mortgage	Income multiplier	Monthly mortgage payment	Income needed to pay mortgage	Income multiplier	Income required for a 4 times income multiplier
95	£572	20,592	5.21	£699	£25,164	4.26	£26,826
90	£542	£19,494	5.21	£662	£23,832	4.26	£25,414
80	£481	£17,316	5.21	£589	£21,204	4.26	£22,590
75	£451	£16,236	5.21	£552	£19,872	4.26	£21,178

Figure 97

Hull Borders housing sub-area

<i>Based on a 4% interest rate</i>				<i>Based on a 6% interest rate</i>			
LTV %	Monthly mortgage payment	Income needed to pay mortgage	Income multiplier	Monthly mortgage payment	Income needed to pay mortgage	Income multiplier	Income required for a 4 times income multiplier
95	£710	£25,560	5.21	£866	£31,176	4.26	£33,250
90	£673	£24,210	5.21	£821	£29,556	4.26	£31,500
80	£598	£21,528	5.21	£729	£26,244	4.26	£28,000
75	£560	£20,160	5.21	£684	£24,624	4.26	£26,250

Figure 98

Wolds housing sub-area

<i>Based on a 4% interest rate</i>				<i>Based on a 6% interest rate</i>			
LTV %	Monthly mortgage payment	Income needed to pay mortgage	Income multiplier	Monthly mortgage payment	Income needed to pay mortgage	Income multiplier	Income required for a 4 times income multiplier
95	£735	£26,460	5.21	£898	£32,328	4.26	£34,438
90	£696	£25,056	5.21	£851	£30,636	4.26	£32,625
80	£619	£22,284	5.21	£756	£27,216	4.26	£29,000
75	£580	£20,880	5.21	£709	£25,524	4.26	£27,188

Higher mortgage income multipliers can reduce the need for larger deposits, but they carry risks with lenders and they have restricted the amount of these loans on their books.

Based on the evidence of the tests applied in this section, incomes required to purchase a lower quartile house by housing sub-area have been established. Additionally, the proportion of households in each sub-area that are priced out of purchasing a lower quartile property have been calculated. These are outlined in Figure 99. The incomes are based on 90% loan to value mortgages on a four times income basis. These have been used as benchmark levels within the Affordable Housing Needs Assessment in [Chapter 7](#).

Figure 99:

Housing Market Area	Income required to afford LQ house price	% of households unable to afford LQ house price
<i>Beverley</i>	£32,750	43%
<i>Bridlington</i>	£25,750	45%
<i>Goole</i>	£25,000	40%
<i>Holderness</i>	£25,500	39%
<i>Hull Borders</i>	£31,500	40%
<i>Wolds</i>	£27,500	36%

Access to Shared Ownership

Shared ownership is an affordable home ownership scheme which makes it easier for first time buyers to get onto the property ladder. Buyers purchase a share of a property, and pay rent on the remaining share. It makes home ownership more affordable as it reduces the amount required for a deposit, and the owner only pays the mortgage on the share that they own.

Shared ownership is government funded, and as such there are specific criteria and eligibility rules which govern who can purchase.

Figure 100 shows the annual income required to access a shared ownership property. Data are derived from an assessment of Land Registry price data of lower

quartile new build purchases since 2015. The rental element is assumed at 2.75% and mortgage repayments are based on 4.2% which is based on an average of available shared ownership interest rates. Loan to value is assumed at 90% in all cases i.e. it is assumed that the buyer has made a 10% deposit on their portion of the property they have bought.

Figure 100

Housing sub-area	25% Shared Ownership		40% Shared Ownership	
	Monthly cost	% of households unable to afford	Monthly cost	% of households unable to afford
Beverley	£610	39%	£691	45%
Bridlington	£395	32%	£447	37%
Goole	£436	32%	£494	38%
Holderness	£448	33%	£507	39%
Hull Borders	£654	41%	£741	47%
Wolds	£607	41%	£687	42%
East Riding	£557	37%	£631	42%

Access to Private Rents

Figure 101 shows private rent levels in East Riding for properties by the number of bedrooms; it also shows the gross annual income required to afford the rent level based on housing costs amounting to 33% of gross household income.

Figure 101: Affordability in the private rental sector East Riding

Sub-area	Monthly rent				Annual income required to afford			
	1 bed	2 bed	3 bed	4 bed	1 bed	2 bed	3 bed	4 bed
Beverley	£422	£510	£634	£851	£15,183	£18,360	£22,824	£30,636
Bridlington	£346	£455	£570	£785	£12,438	£16,389	£20,502	£28,260
Goole	£387	£463	£525	£753	£13,932	£16,659	£18,900	£27,090
Holderness	£345	£432	£510	£691	£12,420	£15,543	£18,360	£24,858
Hull Borders	£392	£464	£608	£856	£14,112	£16,704	£21,888	£30,798
Wolds	£381	£459	£577	£919	£13,716	£16,524	£20,772	£33,084
East Riding	£371	£459	£562	£825	£13,356	£16,524	£20,232	£29,700

Affordability testing has been undertaken on a mid-way point between one and two bedroom properties. This allows for a range of house types given that “entry-level” should be wider ranging than single people and one-bedroomed accommodation.

Figure 102

Housing sub-area	Monthly rent	Annual income needed	% unable to afford
<i>Beverley</i>	£466	£16,772	19%
<i>Bridlington</i>	£400	£14,414	23%
<i>Goole</i>	£425	£15,296	24%
<i>Holderness</i>	£388	£13,982	15%
<i>Hull Borders</i>	£428	£15,408	16%
<i>Wolds</i>	£420	£15,120	16%

Starter Homes

The Housing and Planning Act 2016 introduced starter homes into legislation. Starter homes are an affordable housing product designed to meet the needs of first-time buyers under 40 years of age. Starter homes will be offered at a minimum 20% discount to the market price, although the discount price should not be significantly more than the average price paid by a first-time buyer. The discounted prices outside of London should be no more than £250,000.

It is hard to estimate the precise impact of an increased supply of starter homes on affordable housing need in East Riding. The provision of starter homes at a discount in East Riding would, however, evidently lower the cost of purchase for younger households providing additional housing which is more affordable for those to buy. Assuming the minimum discount of 20% is applied, prospective buyers unable to afford the cost of a lower quartile house (deemed entry level for this assessment) are unlikely to be able to afford the cost of a starter home.

Figure 103

Housing sub-area	% Priced out
Beverley	51%
Bridlington	45%
Goole	43%
Holderness	44%
Hull Borders	51%
Wolds	52%

Rent to buy

Rent to buy scheme is designed to ease the transition from renting to buying a home by providing subsidised rent. The scheme offers households a newly built home rented at approximately 20% below the market rate in order to save for a deposit to buy the property.

It is worth noting that rent to buy products work out as more affordable than lower quartile rents, which are more than 80% of the median. However, the product is targeted at households that are unable to afford market rent and may therefore find it difficult to save up for a deposit to buy.

Figure 104

Housing sub-area	Median rent	Rent to buy 80% of median	Income required	Priced out	LQ rent
Beverley	£593.00	£474.40	£17,078.40	19%	£529.75
Bridlington	£557.00	£445.60	£16,041.60	25%	£485.00
Goole	£533.50	£426.80	£15,364.80	22%	£490.00
Holderness	£500.00	£400.00	£14,400.00	19%	£459.00
Hull Borders	£588.00	£470.40	£16,934.40	17%	£495.00
Wolds	£582.50	£466.00	£16,776.00	18%	£500.00

Affordability by tenures

Bringing together the findings of the affordability assessment provides entry level incomes required to access 25% shared ownership products and lower quartile owner occupation for use within the affordable housing needs assessment. Access to other products are included for comparison. Figure 105 refers.

Figure 105

Housing sub-area	Proportion priced out by tenure									
	Social Rent	Affordable rent	Lower quartile PRS	Rent to buy	25% shared ownership	65% discount for sale	Lower quartile house price	40% shared ownership	75% discount for sale	Starter homes
<i>Beverley</i>	12%	15%	19%	19%	39%	42%	43%	45%	49%	51%
<i>Bridlington</i>	16%	16%	23%	25%	32%	37%	47%	37%	43%	45%
<i>Goole</i>	12%	21%	24%	22%	32%	36%	41%	38%	43%	43%
<i>Holderness</i>	13%	16%	15%	19%	33%	37%	41%	39%	43%	44%
<i>Hull Borders</i>	9%	12%	16%	17%	41%	44%	41%	47%	53%	51%
<i>Wolds</i>	13%	16%	16%	18%	41%	44%	37%	45%	52%	52%

8. AFFORDABLE HOUSING NEEDS ASSESSMENT

Background

The capacity of households to access housing that they can afford is a challenge across the country and within East Riding; tackling this issue is a fundamental policy objective. All households whose needs are not met by the market can be considered in affordable housing need. The definition of affordable housing for planning purposes is set out in Annex 2 of the NPPF and at [Appendix 1](#) to this document.

In order to identify whether there is a shortfall or surplus of affordable housing in East Riding, an assessment of annual affordable housing need has been undertaken; the assessment is compliant with [PPG](#).

It is stressed that the figures presented in this chapter are not targets for affordable house building but provide a way to understand potential levels of future demand. The model considers what needs can be expected to arise from both existing and newly forming households who require financial support to access suitable housing. This figure is compared against the projected supply of affordable housing from turnover of existing stock and affordable housing in the pipeline.

Calculating Affordable Housing Needs

The affordable housing need calculation requires the;

- Identification of current unmet need;
- Estimation of future projected housing need, and
- Subtraction of the current supply of affordable housing.

The calculation is a point-in-time assessment of current evidence and therefore reflects current housing market conditions. In particular, affordability, housing costs and the existing supply of affordable housing.

Stage 1: Current gross unmet need for affordable housing

The first stage of the assessment is to consider the current need for affordable housing. The number of households lacking their own housing or living in unsuitable housing is estimated. PPG advises that the figure can be established by assessing past trends and current estimates of:

- The number of homeless households;
- The number of those in priority need who are currently housed in temporary accommodation;
- The number of households in over-crowded housing;
- The number of concealed households;
- The number of existing affordable housing tenants in need (i.e. currently living in unsuitable dwellings); and
- The number of households from other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration.

The approach set out in the PPG focuses on the use of secondary data sources, including data held by the Local Authority on homeless households, Housing Registers, Census data and English Housing Survey data. This assessment draws on all of these sources.

The Council holds an up to date Housing Register of all households who have expressed an interest in living in accommodation managed by the local authority or registered providers. Applicants are assigned a priority band based on their need from band one (highest level of need) through to band nine (lowest level of need). The assessment includes all applicants who are in bands one to seven.⁷

⁷ Band 8 are applicants with a local connection to East Riding of Yorkshire who do not have a housing need or, following a financial and need assessment, would be able to purchase a property or rent market priced housing within the East Riding of Yorkshire which is suitable for their needs and band 9 applicants are without a local connection to East Riding of Yorkshire who do fall within the class of person defined as having a reasonable preference as set out in the Housing Act 1996

Based on analysis of the Council's Housing Register, the evidence identifies 2,224 households that are currently in housing need.

Figure 106

Step	Source	Total
1.1	Total current housing need	Housing Register
		2,224

Stage 2: Affordable housing supply

There is affordable housing available to address the backlog identified in Stage 1. This includes stock to be brought back into use, and housing occupied by tenants which would become available if their housing needs are met. Stock taken out of management is offset as it will no longer form part of the affordable housing supply.

The calculation considers the committed supply of new affordable housing at the time of the assessment as it provides extra capacity to address the backlog identified at Stage 1.

This calculation estimates 666 units of affordable stock that is available to meet identified backlog needs. Figure 107 refers.

Figure 107: Available affordable housing stock

Step	Source	Total
2.1	Affordable homes occupied by	Households identified at stage 1
2.2	Surplus stock	Long term vacant (over 6 months)
2.3	Committed supply of new affordable housing	Committed affordable housing starts, Homes England June 2019 ⁸
2.4	Units to be taken out of management	Local data sources
2.5	Total affordable housing stock	2.1 + 2.2 + 2.3 – 2.4
		666

Stage 3: Shortfall in affordable housing to meet current 'backlog' housing need.

The Stage 2 result is subtracted from Stage 1 to provide a total backlog need.

⁸ <https://www.gov.uk/government/statistics/housing-statistics-1-april-2018-to-31-march-2019>

This figure is divided by twenty to provide an annual total of affordable housing needed to clear the backlog need over the Local Plan period (2019-2039).

Figure 108

Step	Source	Total
3.1	Shortfall in affordable housing to meet current 'backlog' (annual)	78
	(1.5-2.5)/20 (2,224-666)/20	

Stage 4: Total newly arising affordable housing need (gross per year)

There is an underlying demand for affordable housing as new households form and need a property. Some of these newly forming households will not have the financial resources to access market housing.

Existing households can also fall into affordable housing need as their circumstances change. This needs to be balanced against the supply of affordable housing available to meet these needs. The following paragraphs set out the approach to this stage of the calculation.

Calculating new household formation

This stage requires an estimate of the number of new households likely to form each year. The PPG suggests that MHCLG household projections are an appropriate data source and that a gross figure should be used.

The gross household formation rate is calculated by considering changes in the number of households by specific five year age bands; the 2014-based projections have been used. The calculation limits the estimates to households where the head of household is aged under 45 years of age; this is consistent with guidance.

The affordability benchmarks established in [Chapter 8](#) are used to estimate the number of newly forming households unable to afford market housing.

Based on this modelling, the calculation identifies 2,052 newly forming households of which 40% (822) are unable to afford lower quartile owner occupation.

Figure 109

Step	Source	Totals
4.1 New household formation	2014 SNHP	2052
4.2 % of newly forming households that are unable to afford	Modelled CACI household income data, Land Registry, Hometrack	40%
4.3 Newly forming households in need of affordable housing	4.1 x 4.2	822

Existing Households falling into need

The second part of this calculation is to identify the number of existing households that will fall into housing need. Recent trends in households applying for affordable housing provides local, accurate, detailed data on applicant households.

Data from CORE Lettings identifies 244 such households.

Figure 110

Step	Source	Total
4.4 Existing households falling into need	Core datasets/ housing register	244

The assumed total newly arising housing need can be calculated by adding the number of existing households falling into need to the number of newly forming households unable to afford market housing. In East Riding there are an estimated 1,377 people classed as newly arising housing need per year. Figure 111 refers.

Figure 111

Step	Source	Total
4.5 Total	Step 4.3 + Step 4.4	1,066

Stage 5 – Future affordable housing supply

We calculate the future annual supply of social relets by using Core data between 2015 and 2018. The model uses the average figure.

The figure includes both general housing and sheltered housing. This stage takes off lettings to existing social tenants (transfers) as they have a nil effect in releasing housing stock to meet the needs of new households. An average supply of 870 is identified.

Help to Buy North East and Yorkshire and Humber data is used to estimate the number of intermediate resale housing available each year

Step		Source	Total
5.1	Annual supply of social relets	ERYC	870
5.2	Annual supply of intermediate housing	HTB NEYH	4
5.3	Annual supply of affordable housing	5.1 + 5.2	874

Stage 6: Deriving the annual net need for affordable housing

Step 5.3 is deducted from step 4.5 to provide an estimate of the number of newly arising households that have an unmet need for affordable housing which will be added to the backlog position each year.

Figure 112

Step	Source	Total
6.1	Step 4.5 – Step 5.3	186

The assessment suggests that newly arising needs will not be met by the existing supply of affordable housing in East Riding. The shortfall is 186 affordable homes a year.

Stage 7: Total affordable housing need

The final stage of the calculation is to estimate the overall net affordable housing needs required yearly by adding together the findings from above.

The analysis in this section assumes the backlog is cleared within twenty years.

The information is based on a fixed point of time and does not take into account future changes which may occur in the housing market.

Figure 113

Step	Source	Total
7.1 Shortfall in affordable housing to meet current 'backlog' housing need (annual)	3.1	78
7.2 Newly arising future need (net annual)	6.1	186
7.3 Net annual affordable housing need	3.1 + 6.1	264

The assessment suggests a net need for 264 affordable homes each year to clear existing backlog over the new draft Local Plan period whilst continuing to meet newly arising housing need over this period. This equates to 5,280 additional affordable homes between 2019 and 2039.

The need for different types of affordable housing

The next step is to estimate the proportion of affordable housing need that could be met through provision of various affordable housing products. The income figures presented in [Chapter 7](#) are used to assess affordability of intermediate or social and affordable rented products.

Tenure preference data is available from the housing register which indicates that 19% of applicants in current housing need would like a low cost home ownership product, either as their main tenure choice or within a range of tenure preferences. A final tenure split also needs to consider the current planning context as set out in the NPPF paragraph 64 (February 2019):

Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership²⁹, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.

The government focus here is on affordable home ownership and it is therefore recommended that the Council considers a 70% affordable rented and 30% affordable ownership tenure split across East Riding.

The size of affordable housing required is outlined in [Chapter 6](#).

Sub area affordable housing tenure mix

Additional analysis has been undertaken to estimate affordable housing tenure splits at a sub-area level with a focus on local incomes and housing costs. Based on this analysis, the following tenure splits are estimated.

Figure 114: Affordable housing tenure split by housing sub-area

Housing sub-are	Social/ affordable rent	Intermediate-
<i>Beverley</i>	65%	35%
<i>Bridlington</i>	80%	20%
<i>Goole</i>	80%	20%
<i>Holderness</i>	75%	25%
<i>Hull Borders</i>	60%	40%
<i>Wolds</i>	65%	35%

The figures are indicative of need at the sub-area level; in determining policies for affordable housing provision on individual sites, the analysis should be brought together with other local evidence such as from the Housing Register. Consideration could also be given to areas with high concentrations of social rented housing where additional intermediate housing might be desirable to improve the housing mix and to create 'housing pathways'.

9. THE HOUSING NEEDS OF DIFFERENT TYPES OF HOUSEHOLDS

This chapter reviews the needs of groups within the population who have specialist housing needs, or whose housing needs differ from the wider population. Paragraph 017 of the PPG states that *“When producing policies to address the needs of specific groups strategic policy-making authorities will need to consider how the needs of individual groups can be addressed within the overall need established.”*

The following key groups have been identified and analysed as potentially having housing needs which may differ from those of the wider population of East Riding:

- Older people;
- People who require housing with care (including those with disabilities);
- Private renters;
- People wishing to commission build their own homes;
- Students;
- Families;
- Members and ex-members of the Armed Forces; and
- Gypsies and Travellers

It is recommended that further work is carried out at a sub-area level to complement the analysis undertaken within this SHMA.

Housing for Older People

Background

The need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing. For example, between 2019 and 2039 in East Riding, the number of people aged over 85 is projected to increase by 123%. Offering older people a better choice of accommodation which suits their changing needs can help them to live

independently for longer, feel more connected to their communities and help to reduce costs to the health and social care systems.

The analysis and outputs are split into two sections:

- Mainstream or general needs housing which is suitable for an ageing population; and
- Specialist housing including community wellbeing schemes, extra care and sheltered housing.

Registered care needs are considered [separately](#).

Guidance and definitions

The NPPF defines older people as *“People over or approaching retirement age, including the active, newly retired through to the very frail elderly; and whose needs can encompass accessible, adaptable general needs housing through to the full range of retirement housing for those with support or care needs.”*

This definition acknowledges the diverse housing needs of older people whose health and lifestyles differ greatly across the population. This section takes a broad view of the term ‘older’ taking it to mean 55 years of age and over. This ensures that those that pro-actively move in response to early older age life changes such as retirement are captured; it also aligns with the PPG definition of age restricted general market housing ([see below](#)).

There are broadly two types of housing which are lived in by older people; mainstream ‘general needs’ housing; and specialist housing for older people.

Mainstream housing includes:

- ‘Ordinary’ housing – often the family home – in which most older people choose to ‘stay put’, even if it becomes less suitable in later life because of a range of factors including location, size, stairs, garden, maintenance and heating costs;

- Accessible and adaptable housing for people of any age, but considered (and sometimes marketed) as especially suitable for older people, either because of the dwelling type (e.g. bungalows), specific design features (including ‘lifetime homes’) or because of adaptations to suit older people’s needs (e.g. with a stair-lift or a level access shower room etc).⁹¹⁰

PPG states that there are different types of **specialist housing** designed to meet the diverse needs of older people, which can include:

- **Age-restricted general market housing:** This type of housing is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens, but does not include support or care services.
- **Retirement living or sheltered housing:** This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently. This can include 24 hour on-site assistance (with an alarm) and a warden or house manager.
- **Extra care housing or housing-with-care:** This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24 hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages or community wellbeing schemes- the intention is for

9

https://www.npi.org.uk/files/5213/7485/1289/Market_Assessment_of_Housing_Options_for_Older_People.pdf

¹⁰ <http://www.lifetimehomes.org.uk/>

residents to benefit from varying levels of care as time progresses. These would cater for the early stages of dementia.

Residential care homes and nursing homes fall under the heading of care homes rather than housing; care home occupants do not have a legal right to occupy the housing under housing law. These homes have individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not include support services for independent living. This type of housing can also include dementia care homes.

There is a significant amount of variability in the types of specialist housing for older people and the list above is indicative rather than definitive. Any single development can include a range of different types of specialist housing.

Older people research

Assumptions are often made about where older people want to live in later life; the reality is that the vast majority of older people live in mainstream housing with little desire to move. Many older people may not want or need specialist accommodation or care and may wish to stay or move to general needs housing that is already suitable, such as bungalows, or homes which can be adapted to meet a change in their needs. Responses to an ageing population have tended to emphasise the provision of purpose-built specialist housing and age restricted communities; while there is a demand for such facilities these options only serve a small percentage of the older population.

Research¹¹ shows that being able to make positive proactive choices about housing circumstances is easier for wealthier groups. It has also been found that social tenants are most likely to access specialist accommodation when moving as they can be assisted to do so. It is estimated that only the wealthiest 10% and least wealthy

¹¹ Park, A., and F. Ziegler. 2016. "A Home for Life? A Critical Perspective on Housing Choice for 'Downsizers' in the UK." *Architecture_MPS* 9(2):1–21.

30% of older people (supported by the social housing sector) have adequate options when wanting to move in later life. This leaves 60% of the older population who find it difficult to make proactive housing choices who are only able to move home at a time of crisis ¹² (bereavement, divorce, ill health). A gap in provision exists for this section of the population; increasing supply of housing that is accessible and adaptable will enable older people to age in place whilst retaining a high quality of life.

Another key priority (which is not the focus for this particular exercise) is promoting adaptations and improvements to existing housing.

Identifying the housing requirements of older people in East Riding

PPG outlines the evidence that can be used to determine the housing needs of older people. The age of the population can be drawn from Census data. Projections of households by age group can also be used. The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) can be obtained from online tool kits provided by the sector, for example SHOP@ (Strategic Housing for Older People Analysis Tool), which is a tool for forecasting the housing and care needs of older people.¹³ The Projecting Older People Population Information System and Centre for Regional Economic and Social Research (CRESR) toolkit Housing for Older People Supply Recommendations (HOPSR) and Extra Care Demand Assessor (ECDA) have also been used.¹⁴

Population change

Between 2019 and 2039 the East Riding population is projected to increase by 6% from 342,900 to 362,000. As discussed in Chapter 3, the overall rate of population growth over the period is slower than for England and the region. However, there is

¹² https://www.greatermanchester-ca.gov.uk/media/1168/rightsizing_msa_final3.pdf

¹³ <https://www.gov.uk/guidance/housing-for-older-and-disabled-people> paragraph: 004 Reference ID: 63-004-20190626

¹⁴ <https://www4.shu.ac.uk/research/cresr/news/housing-older-people-supply-recommendations-hopsr>

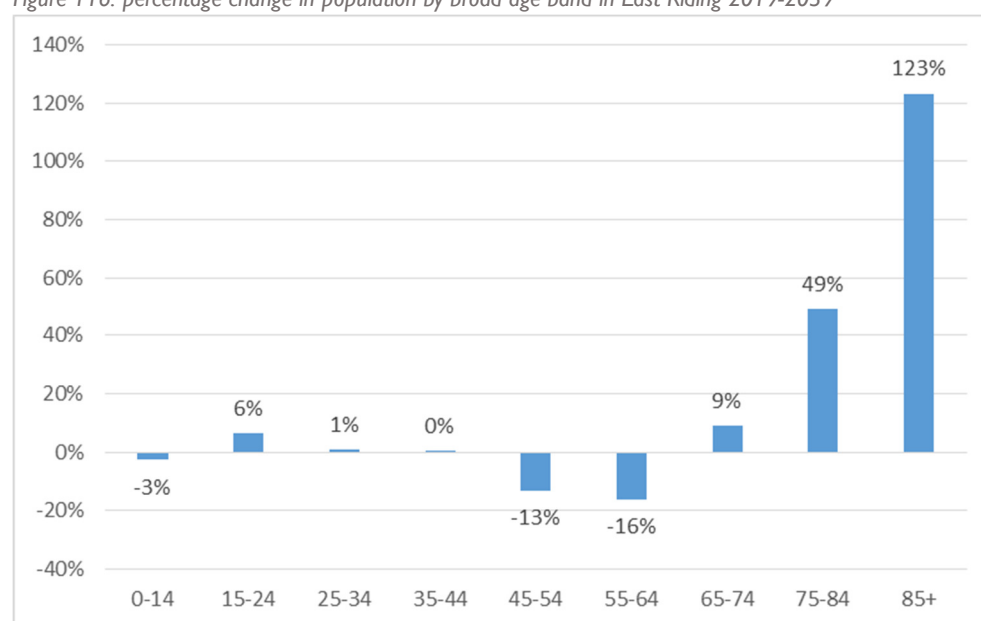
a distinct difference between growth of the over 55 and under 55 age groups; the former set to decline by 3% and the latter increasing by 18%.

Figure 115

Age group	Population (000s) 2019	Population (000s) 2039	Total change 2019-39 (000s)	% change
Under 55	203.6	198.3	-5.3	-3%
Over 55	139.3	163.7	24.4	18%
All	342.9	362.0	19.1	6%

Figure 116 provides a breakdown of population change in East Riding by broad age band; there will be a decline in the 55-64 age bracket however there will be significant increases in the over 65 population.

Figure 116: percentage change in population by broad age band in East Riding 2019-2039



Older households

Over the period 2019 to 2039, the proportion of households in East Riding where the oldest person is aged over 85 will grow faster than any other age group followed by those aged between 75 and 84. In 2039 63% of all households in East Riding will be aged over 55; an increase of approximately 16,000 households.

HOUSING NEEDS OF DIFFERENT TYPES OF HOUSEHOLDS

Figure 117: SNPP 2014 household projections

Age	2019	2039	2019-2039 % Change
Under 25	2,523	2,680	6%
25-34	12,987	11,109	-14%
35-44	19,428	19,329	-1%
45-54	29,004	27,781	-4%
55-64	28,445	23,693	-17%
65-74	29,017	29,541	2%
75-84	20,461	30,040	47%
85+	7,920	18,651	135%
Grand Total	149,785	162,824	9%

The increase in the number of older households in East Riding over the next twenty years will result in a change in the requirements of the housing stock; more homes will be needed that are suitable for older people to live in. This could be specialist housing similar to today's models, different forms of specialist housing, or mainstream housing (e.g. accessible and adaptable housing). With a larger number of older person households there could be an increase in the number of moves among older person households. Therefore the demand for bungalows and the need for accessible and adaptable homes are likely to increase; bungalows because they are popular among older person households and accessible and adaptable homes because they allow the older people that move to them to live there for longer despite changing health needs.

The current government approach is to support such developments but allow decisions to be made locally. PPG states that, where an identified need exists, plans are expected to make use of optional technical standards guidance to help bring through an adequate supply of accessible housing. Population and household projections suggest that such a need exists and it is recommended that a minimum

requirement is set for a proportion of new housing that is delivered to M4 (2)

Category 2: Accessible and adaptable dwellings, as outlined in Figure 118.¹⁵

Figure 118

Requirement	
<i>Optional requirement</i>	<i>Limits on application</i>
Part M access to and use of buildings Category 2 – accessible and adaptable dwellings M4 (2) optional requirement	
(1) Reasonable provision must be made for people to – a) Gain access to; and b) Use, the dwelling and its facilities.	a) May apply only in relation to a dwelling that is erected;
(2) The provision made must be sufficient to- a) Meet the needs of occupants with differing needs including some older and disabled people; and b) To allow adaptation of the dwelling to meet the changing needs of occupants over time	b) Will apply in substitution for requirement M4 (1) c) Does not apply where optional requirement M4 (3) applies d) Does not apply to any part of a building that is used solely to enable the building or any service or fitting in the building to be inspected, repaired or maintained.

Demographic projections suggest that there will be an additional 16,400 households aged over 55 by 2039. Modelling of demographic change and moving patterns has been undertaken which result in a requirement for an estimated additional 295 ‘mainstream’ dwellings per annum which are accessible and adaptable for the growing older population.

¹⁵

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/540330/BR_PDF_AD_M1_2015_with_2016_amendments_V3.pdf

The modelling has also been undertaken at a housing sub-area; the estimates are presented in Figure 119.

Figure 119

Sub-area	2019-2039
Beverley	760
Bridlington	1,000
Goole	760
Holderness	1,000
Hull Borders	1,600
Wolds	760
Total	5,900

Housing size and tenure

In East Riding, the majority of older households are owner-occupiers with the vast majority owning their home outright. 13% of over 65s live in social rented accommodation and 5% live in the private rented sector.

Figure 120 outlines the prevalent trends for housing amongst households aged 55 and over. There is a distinct difference between the size of housing occupied by older people in the market and affordable sector; 64% of over 55s living in market housing have 3 or more bedrooms compared to 19% in the affordable sector. As households age the number of bedrooms that they occupy reduces, however just under half of all households aged 85 or over living in market housing have 3 or more bedrooms. The majority of affordable housing tenants aged over 55 (81%) live in one or two bed accommodation compared to 35% of household in market accommodation.

Figure 120

Market	55-65	65-75	75-85	85+	All
1 bed	3%	4%	5%	7%	4%
2 bed	23%	31%	40%	44%	31%
3 bed	44%	44%	41%	39%	43%
4 bed	30%	20%	13%	10%	21%

Figure 121

Affordable	55-65	65-75	75-85	85+	All
1 bed	30%	39%	41%	50%	39%
2 bed	42%	43%	44%	38%	42%
3 bed	26%	18%	14%	11%	18%
4 bed	2%	1%	1%	1%	1%

Source: Housing mix modelling

Based on analysis of housing tenure and how older people occupy housing a recommended split of older person's housing by tenure and bedroom size is outlined in Figure 122.

Figure 122

	Market housing	Affordable housing
1 bed	10%	40%
2 bed	35%	40%
3 bed	45%	20%
4 bed	10%	0%

Specialist housing for older people

By 2035, 25,935 (22%) of those aged over 65 will have a limiting long term illness that limits their day to day activities a lot. It is predicted that 7.96% of over 65s will have dementia by 2035 this represents a significant increase between 2019 and 2035 of 54%.¹⁶

Given the ageing population and higher levels of disability and health problems amongst older people there is likely to be an increased requirement for specialist housing options. The analysis in this section draws on data from the Housing Learning and Information Network's (Housing LIN) Strategic Housing for Older People Analysis (SHOP@) tool. The SHOP@ calculates the prevalence rates for different

¹⁶ <https://www.poppi.org.uk/>

types of specialist housing for persons aged 75 and over in different authority areas. Comparisons are also made with the outputs from the CRESR HOPSR toolkit.

SHOP@ modelling estimates that there is a need for an additional 4,794 specialist units (sheltered housing, enhanced sheltered housing and extra care/ community wellbeing schemes with 24/7 support) for older people over the period 2019-2039; this equates to 240 per annum. This is broken down by type in Figure 123.

Figure 123: SHOP' toolkit outputs

Type of specialist units	Total additional requirement 2019-2039
Sheltered housing	3,525
Extra Care with 24/ 7 support/ Enhanced sheltered housing	1269
Total specialist housing need (units)	4,794
Specialist housing need per annum	240

Based on the outputs of the SHOP@ tool, further modelling has been undertaken to provide an estimate of the need for specialist housing at a housing sub-area level over the period 2019 to 2039. The results are presented in Figure 124.

Figure 124: Modelling of specialist housing at a housing sub-area level

	2019-2039					
	Beverl- ey	Bridlin- gton	Goole	Holder- ness	Hull Borders	Wolds
Sheltered housing	504	544	540	571	859	508
Extra Care with 24/ 7 support/ Enhanced sheltered housing	182	196	194	203	309	183
Total specialist housing need (units)	686	740	734	777	1168	691
Specialist housing need per annum	34	37	37	39	58	35

Further modelling has been undertaken based on the CRESR methodology which has been updated to reflect the period 2019 to 2039. The findings are displayed in Figure 125.

Figure 125: Specialist housing modelling based on CRESR methodology

Type of specialist units	Total additional requirement 2019-2039
Sheltered housing	4,176
Extra care with 24/7 support Enhanced sheltered housing	495
Total specialist housing need (units)	4,671
Specialist housing need per annum	233

CRESR identifies the need for a total of 233 sheltered, enhanced sheltered and extra care units per annum. This is similar to the figure of 240 per annum produced by the SHOP@ tool. However, there are differences between the individual types of housing; the SHOP@ tool recommends that enhanced sheltered and extra care should make up approximately 25% of specialist units and the CRESR model estimates that they should account for approximately 10% of units.

Further modelling has been undertaken at a sub-area level, Figure 126 refers.

Figure 126

Type of specialist units	Housing sub-area requirement 2019-2039					
	Beverley	Bridlington	Goole	Holderness	Hull Borders	Wolds
Sheltered housing	597	694	639	676	1017	602
Extra care with 24/7 support Enhanced sheltered housing	71	77	76	81	121	72
Total specialist housing need units	668	720	715	757	1138	673
Specialist housing needs per annum	33	36	36	38	57	34

Need for additional Residential/Nursing Care Home- C2 Accommodation

As well as the need for specialist housing for older people this analysis considers registered care needs. Demographic modelling highlights the potential need for an additional 140 registered care bed-spaces per annum for older people (aged 75 or over) between 2019 and 2039. Given new models of provision it may be the case

that an increase in this number would not be required. There will however need to be a recognition that there may be some additional need for particular groups such as those requiring specialist nursing or for people with dementia.

In relation to both specialist and Registered Care Housing, it is important to note that the figures quoted relate to factual evidence. It will be necessary in responding to such needs to consider wider policy matters (including the need for other forms of housing), spatial priorities and scheme viability.

Housing needs of disabled people

The Census 2011 defines a long-term health problem or disability (LTHPD) as:

(a condition) that limits a person's day-to-day activities and has lasted, or is expected to last, at least 12 months. This includes problems that are related to old age. People were asked to assess whether their daily activities were limited a lot or a little by such a health problem, or whether their daily activities were not limited at all.¹⁷

This definition is adopted for the analysis presented in this section.

East Riding has a similar proportion of people who have a self-reported LTHPD compared to the region and higher proportion than England. The region have a higher proportion than East Riding that state that their day-to-day activities are limited a lot and East Riding has a higher proportion that state that their activities are limited a little. Figure 127 refers.

Figure 127

	Day-to-day activities limited a lot	Day-to-day activities limited a little	Day-to-day activities not limited
East Riding	8.0%	10.3%	81.7%
Yorkshire and Humberside	8.6%	9.7%	81.6%
England	7.9%	9.3%	82.8%

¹⁷ <http://www.ons.gov.uk/ons/guide-method/census/2011/census-data/2011-census-data/2011-first-release/2011-census-definitions/2011-census-glossary.pdf>

Figure 128 shows that there is a concentration of people with a LTHPD living in the Social Rented sector in East Riding; given the specialist and supported housing offered by the sector this is understandable.

Figure 128: Long term health problem or disability by tenure, East Riding 2011

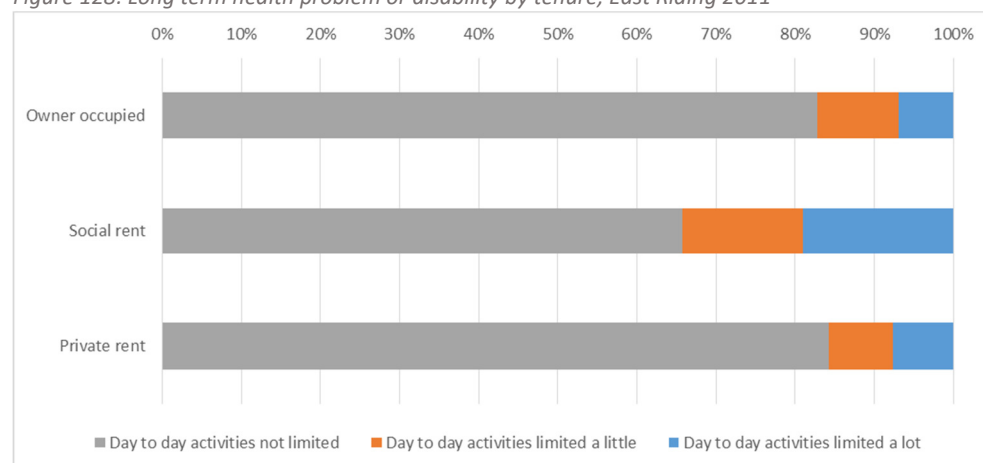
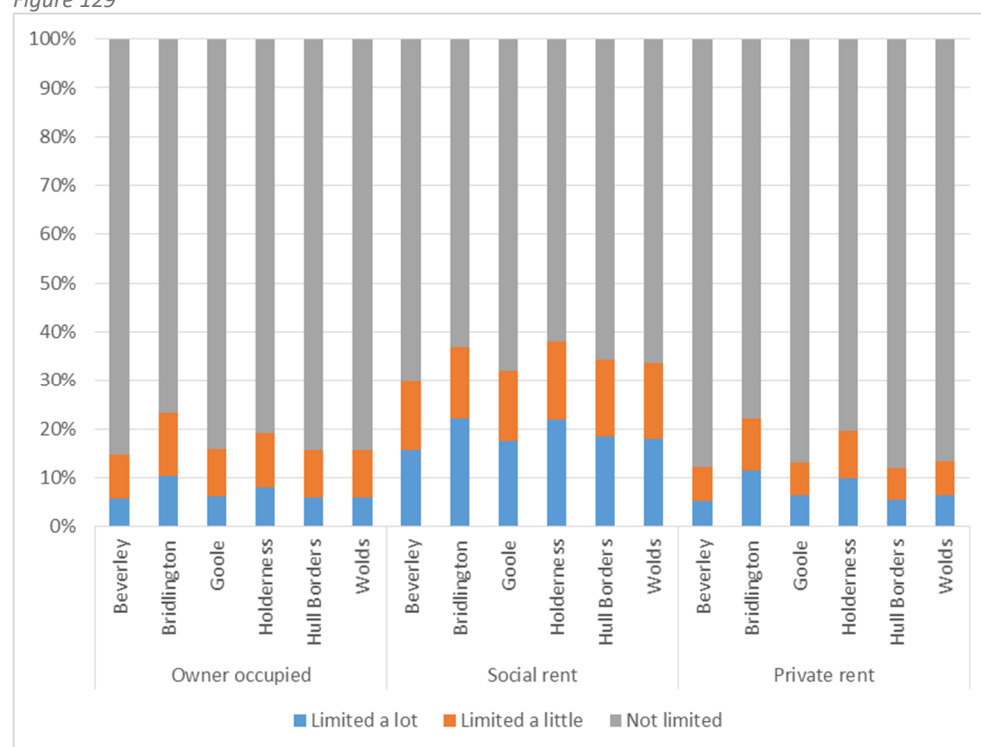


Figure 129 below summarises the picture across the six housing sub-areas and three main tenures. Bridlington sub-area has a high proportion of residents with a LTHPD across all tenures. Holderness housing sub-area also has a high level of LTHPD in the Social and Private sectors. Beverley, Goole, Hull Borders and Wolds have relatively low levels of LTHPD across tenures.

Figure 129



The prevalence of disability rises with age; nationally around 6% of children are disabled, compared to 16% of working age adults and 45% of adults over State Pension age.¹⁸

Projecting Adult Needs and Service Information data (PANSI)

PANSI is produced by the Institute of Public Care to explore changes in those with disabilities, particularly focussing in people aged 18 to 64. These households are likely to require some form of support within their properties. The analysis therefore provides a useful indication of the levels of demand for existing stock and future requirements to deliver new suitable properties and/or adaptations.

¹⁸ <https://www.gov.uk/government/statistics/disability-prevalence-estimates-200203-to-201112-apr-to-mar>

Wheelchair user households

Evidence for the need for wheelchair users is not readily available so this analysis has been carried out based on the 'Towards accessible housing' toolkit produced by Habinteg.¹⁹ Habinteg research (2010) found;

- that 84% of homes do not allow someone using a wheelchair to get to and through the front door without difficulty and only 0.5% of homes are reported to be 'accessible and adaptable';
- the unmet need for wheelchair user households is 3.5 per 1,000 households; and
- future wheelchair user need is from around 3% of households.

Figure 130 estimates the need for wheelchair user homes based on the assumptions above. Across the East Riding it is estimated that there is need for an estimated 915 homes over the next twenty years.

Figure 130

	Backlog need	Projected need 2019-39	Total	Per annum
East Riding	524	391	915	46

Private renters

The Planning Practice Guidance states that the future need for the private rented sector (PRS) should be addressed. There is no guidance included on how this should be undertaken or the potential outputs. ONS tenure data and the level of changes in rents are suggested sources of evidence; however ONS data is based on past trends. The English Housing Survey, ONS private rental index Valuation Office Agency and other commercial sources are also recommended.

¹⁹ <https://www.habinteg.org.uk/tah-toolkit>

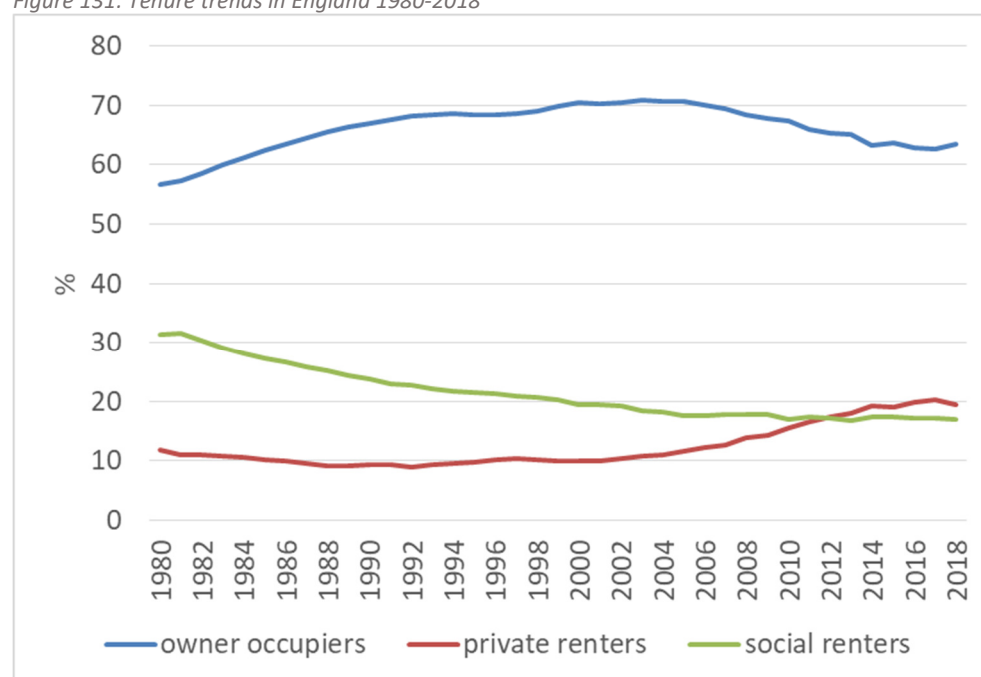
The PRS consists of homes that are rented from a private landlord, letting agency or other private organisation or individual.

As discussed at [Chapter 3](#), between 2001 and 2011 the number of households living in the PRS in East Riding increased by 81% to 19,468 households. The share of households living in the PRS doubled from 7% to 14%. In terms of household types, single households and households with children have seen the greatest rise.

Although up to date robust local data on the extent of the PRS is unavailable, the English Housing Survey provides a detailed profile of households that live in the sector at the national level.

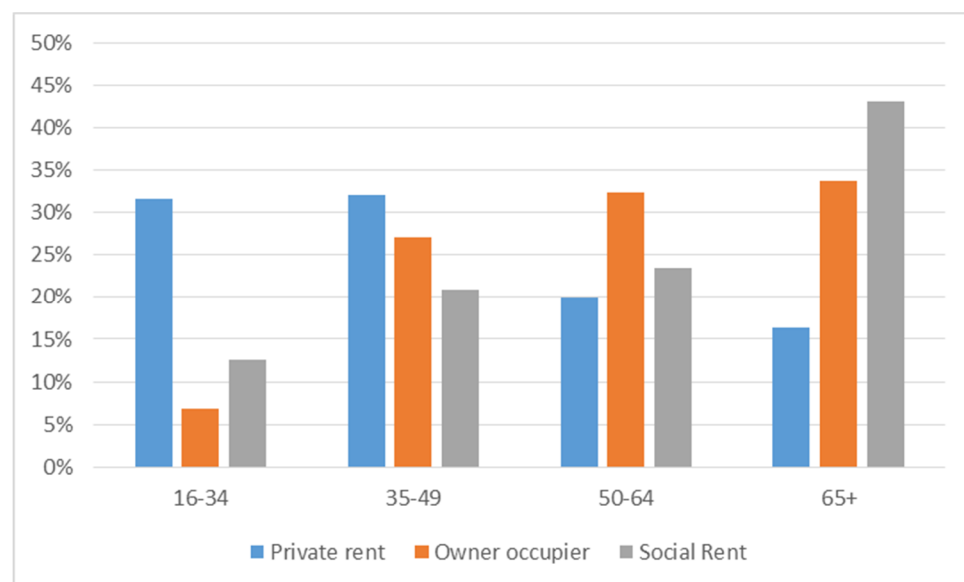
Figure 131 shows the trend in tenures nationally since 1980. This shows that there was an increase in the proportion of private renters since 2007 which coincided with a decline in the proportion of owner occupiers.

Figure 131: Tenure trends in England 1980-2018



Age of private renters

Private renters are younger than social renters and owner occupiers; a third of all households in the PRS are aged under 35 and 64% are aged under 50.



Nationally, the EHS highlights the significantly increased proportion of 25 to 34 year olds living in the PRS from 27.1% in 2006-07 to 43.7% in 2017-18. Over the same period, households in this age group living in owner occupation decreased from 56.5% to 37.6% and the social rented sector increased from 16.4% to 18.6%.

PRS by household composition

The PRS houses a range of households from single people to families with children. The proportions vary across housing sub-areas but not to a large extent. Bridlington has the highest proportion of single people in the PRS and Beverley and Wolds have the highest proportion of families with children. Goole, Hull Borders and Holderness have the highest proportion of couples without children.

	Single	Couple no children	Family with children	Other
Beverley	37%	29%	30%	4%
Bridlington	43%	28%	27%	2%
Goole	35%	34%	26%	4%
Holderness	35%	34%	28%	2%
Hull Borders	38%	34%	26%	3%
Wolds	36%	31%	30%	3%
Grand Total	38%	32%	28%	3%

Analysis shows no specific need for additional private rented sector accommodation. However it is recommended that the Council continues to monitor this sector in case future issues arise which necessitate a policy response.

Self-build and custom housebuilding

Self-build and custom built housing is promoted by the Government as an important way of adding to supply. The Self-Build and Custom House-building Act (2015) and Self-Build and Custom House-building (Register) Regulations (2016) require local authorities to establish local registers of custom builders wishing to acquire suitable land to build their own home. Local Authorities should have regard to demand from this local register when exercising planning functions.

The number of people registered on East Riding's self-build register in August 2019 was 30. Applicants are asked to indicate which housing sub-areas they would consider; many applicants choose multiple sub-areas and a total of 93 choices have been registered. Preferences are outlined in Figure 132 with Beverley and Hull Borders sub-area being the most popular sub-areas.

Figure 132: Self-build register preferred locations

Sub-area	%
Beverley	24%
Hull Borders	23%
Wolds	19%
Goole	15%
Holderness	10%
Bridlington	10%

The local authority has a duty to have regard to the self-build and custom housebuilding register when carrying out its planning, housing land disposal and regeneration functions and to give suitable development permission enough serviced plots of land to meet demand.

Housing for Families with dependent children

In 2019 East Riding had 37,596 households with dependent children. 18,315 of these families had one child, 14,716 had two children and 4,565 and three children. By 2039, the number of dwellings in East Riding containing any dependent children is expected to rise to 38,873, a rise of 3.4%. All of the increase in households with one child and households with two or three children are all expected to decrease.

Nationally, all the groups of dependent children are expected to increase with one child households increasing the most at 15%.

Area	Number of dependent children	Number of households 2019	Number of households 2039	Change in number of households 2019	% change in the number of households
East Riding	1	18,315	20,432	2,117	10.4%
	2	14,716	14,442	-274	-1.9%
	3 or more	4,565	3,999	-566	-14.2%
	All	37,596	38,873	1,277	3.4%
England	1	3,246,604	3,828,141	581,537	15.2%
	2	2,520,506	2,600,481	79,975	3.1%
	3 or more	1,109,170	1,126,122	16,952	1.5%
	All	6,876,280	7,554,744	678,464	14.6%

The analysis presented above has been factored into the modelling of housing mix, presented in Chapter 6.

Armed Forces

Serving and former members of the armed forces and their families are covered by the Armed Forces Covenant, published by the Government in 2011. It is supported by East Riding Council which reaffirmed its commitment in July 2018. The covenant is a commitment to ensure that the armed forces community are treated fairly in many aspects of civilian life, including housing. These matters are currently overseen by the East Riding Community Covenant Delivery Action Group (ERCCDAG).

Serving members of the armed forces

Serving members of the armed forces are generally entitled to service accommodation, either Single Living Accommodation (SLA) or Service Family Accommodation (SFA) if they have dependent children. Ministry of Defence statistics show that around 78% of serving personnel are housed in this type of accommodation.²⁰

As of February 2017, there were approximately 50,000 SFA dwellings of which 14 are in the East Riding of Yorkshire. No geographical breakdown was given for SLA, but there are 126,000 units in England.²¹

²⁰ <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7985>

²¹ <https://www.parliament.uk/written-questions-answers-statements/written-question/commons/2017-03-20/68441>

Ex-service personnel

There are a number of housing options for those who have left the armed forces, including:

- Forces help to buy;²²
- Government funded shared ownership, and
- Accessing social housing through the housing register.

Access to social housing for ex-service personnel

Local authorities are able to make provision for ex-service personnel and their families to receive additional priority for rehousing in their allocations policies. Provisions include awarding additional preference to ex-service personnel in housing need, as well as removing local connection criteria for ex-service personnel and their families. The East Riding Council Housing Allocation Policy has provision for awarding higher need and foregoing local connection criteria.

No specific need for armed forces personnel has been identified however the situation will continue to be monitored through the work of the ERCCDAG.

Gypsy and Travellers accommodation

East Riding Council undertook a Gypsy and Traveller Accommodation Assessment in 2018 which took account of the change in definition of the need for Gypsy and Traveller groups. The assessment identified a need for two pitches over the period 2018-2032 which could be met by using existing vacant pitches and /or future vacancies.

²² <https://www.gov.uk/guidance/forces-help-to-buy>

APPENDICES

APPENDIX 1: AFFORDABLE HOUSING DEFINITION

Affordable housing definition

The NPPF defines affordable housing as:

Affordable housing: *housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:*

*a) **Affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).*

*b) **Starter homes:** is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.*

*c) **Discounted market sales housing:** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local*

house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

*d) **Other affordable routes to home ownership:** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.*