



North Northamptonshire Joint Planning Unit: Strategic Housing Market Assessment Update

**Housing Requirements
Technical Report**

January 2015

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Executive Summary

- ES 1. The purpose of this report is to update the General and Older Persons' housing requirements of the 2012 Strategic Housing Market Assessment (SHMA) for the North Northamptonshire Joint Planning Unit (NNJPU) and its constituent authorities
- ES 2. This report has been completed by applying latest CLG *2011-based Household Projections* (adjusted and projected forward to 2031 by CCHPR) to revised *HMA and Housing Requirements Toolkits* for each authority.

Key conclusions are:

- ES 3. For all 4 areas, market housing (Private rent and Owner occupier) has become less affordable. Intermediate housing (including Affordable Rent) is more affordable in 3 of the 4 areas (households that could previously afford Market housing are now slipping into the Intermediate sector affordability bands).
- ES 4. There are shifts from social renting in both Corby and East Northants to the intermediate sector. This, along with the top down shift from the Market sector, will probably result in more pressure for intermediate properties. Kettering and Wellingborough show shifts towards increased requirements for social rent.
- ES 5. For most tenures a 2-bed property has become relatively more affordable in 2014 than in 2012 to a household on a lower quartile income. But, only one tenure, social renting, falls within either the recommended 25% affordability threshold or the more recently suggested 30%.
- ES 6. The Net Housing Requirement for North Northants of 35,000 is 6,097 units less than the 2012 Migration-led scenario total. This is a 14% decrease across the sub-region and is in line with CCHPR taking account of lower household formation rates in general since the 2008 CLG projections were issued.
- ES 7. The main changes in the Net Housing Requirements, are for 1-beds which have decreased from 35,255 units to 19,049. And for 3-bed, which have changed from a surplus of 756 to a requirement of 10,210.
- ES 8. Additional 65+ households for North Northants have decreased from 21,719 to 20,670.
- ES 9. These additional 65+ households (20,670) represent 60% of the total projected household growth for North Northants (35,000) between 2011 and 2031.
- ES 10. The most pressing issue over the next 20 years is the growth in older households with only Corby showing a growth of under 40%. The largest growth is East Northants at 79% with growth across the sub-region at 60%.



Assessing housing requirements from household projections for North Northants

1. Purpose and context of this report

- 1.1. The purpose of this report is to update the General and Older Persons' housing requirements of the 2012 Strategic Housing Market Assessment (SHMA) for the North Northamptonshire Joint Planning Unit (NNJPU) and its constituent authorities – Corby Borough Council (CBC), Kettering Borough Council (KBC), East Northamptonshire Council (ENC) and the Borough Council of Wellingborough (BCW).
- 1.2. The NNJPU is currently finalising its Joint Core Strategy (JCS) which will supersede the Core Spatial Strategy as adopted in June 2008. As part of this it has needed to estimate the 'objectively assessed needs' for housing across the four local authority areas and to identify the corresponding mix of housing size and tenure. This report serves as the evidence base upon which the identified mix and tenure requirements of the area to 2031, as summarised in JCS Policy 30 (Housing Mix and Tenure), are founded.

2. Methodology

- 2.1. Housing requirements data has been estimated using updated Household Projections commissioned by NNJPU from the Cambridge Centre for Housing and Planning Research (CCHPR)¹.
- 2.2. CCHPR used revised household formation rates (based on data from the Census 2011) to update and extend the current CLG 2011 Household Projections (2011-2021) to 2031. For this update, CCHPR modelled two scenarios. For clarity, the scenario applied within the current study is "2008 Tracking".
- 2.3. NNJPU had also commissioned updates of the Housing Requirements Toolkits used in producing the original 2012 SHMA.
- 2.4. The "2008 Tracking" Household Projections have been entered and embedded into the updated copies of the Toolkits for each authority.
- 2.5. All other data in the Toolkits (e.g. CACI Income Data, housing costs and affordability) has also been updated.
- 2.6. Interactive Toolkits Ltd have used the results of the CCHPR work on Household Projections along with updated data (following on from that which was available at the time of the production of the 2012 SHMA) to re-populate the Housing Requirements Toolkits. Data from these updated Toolkits has been used to update the findings in this report.
- 2.7. Aligned with the those Housing Requirements proposed in the Pre-Submission JCS, this report outlines the future housing mix and tenure, plus

¹ McDonald and Whitehead (2013), *Assessing the Housing Requirements of North Northamptonshire*, Cambridge Centre for Housing and Planning Research, CCHPR



the requirements of older households across the area to 2031 (Section 9), (“Policy on”). For completeness details are also provided of those requirements arising from the CCHPR 2008 Tracking scenario (“Policy off”) at Appendix 4 and the Corby Strategic Opportunity (Appendix 5).

3. How the Toolkits are structured and applied

- 3.1. The structure of the Toolkit is explained below, and guidance on its application is available through a separate User Manual². The Toolkits are based on both fixed and variable data.
- 3.2. The fixed data (e.g. Household Projections, CACI Incomes) is embedded into the Toolkit until it is re-issued, although for flexibility this embedded data can be varied by +/- values up to 100% using sliders within the Toolkit.
- 3.3. The variable data can be input and changed by the user at any time and includes the start and finish years for projections, housing costs, housing supply; any affordable housing backlog as well as estimated levels of under-occupation in 65+ households.
- 3.4. The Toolkits apply local data for household projections, incomes and housing costs to identify the basic housing requirements of households, i.e., the bedrooms required by size and composition of household; it does not assume the provision of ‘spare’ bedrooms. This is not to advocate the minimal provision of bedrooms and the provision of additional bedrooms can be modelled as preferred.
- 3.5. They allow any housing backlog from any sector to be included and its reduction to be modelled over any policy period.
- 3.6. They estimate levels of under-occupation in older (65+) households and projects potential requirements for specialised housing for this age group for all older and projected additional older households.
- 3.7. They also project the requirement for 3+ bed housing that will be required for older households not downsizing.
- 3.8. The Toolkits consist of 5 sections, each of which represents a stage in assessing the housing required to meet household growth as follows:
 - **Household Projections:** for any two years, this identifies the number of households by type and age, and changes between the start and finish years chosen in terms of absolute and proportionate change.
 - **Housing Costs and Affordability:** this determines the cost of housing of different types, bedsizes and tenures, and applies an affordability threshold to determine the proportion of households who are able to afford housing by tenure.

² HMA and Housing Requirements Toolkit: User Guide, Interactive Toolkits Ltd., 2014



- **Gross Housing Requirements:** the future housing requirements arising from new or additional households by bed size and tenure are derived by combining household projections with cost and affordability data. There is also the facility to assess the impact of a backlog in the requirement for affordable housing and of previous under-supply in any tenure.
- **Net Housing Requirements:** this section pulls together all of the data from the previous sections, allows for assumptions regarding Shared Accommodation and older households' 1 bed requirements. Outputs presented are for net housing requirements by age, bedsize and tenure and requirements for sub-market areas by bedsize and tenure. Separate consideration is given to the specialised requirements for older households and requirements for replacement 3+ bed housing in the context of the extent of under-occupation.
- **Housing supply:** this enables constant monitoring of the local housing stock and housing supply as a basis for understanding future housing requirements.

3.9. Each of the above are explained in more detail below and related to the findings for each of the Local Authority areas concerned.

4. Household Projections - CCHPR

- 4.1. As mentioned above, NPPF Guidance advises that the CLG's household projections should be taken as the starting point for estimating housing needs.
- 4.2. The latest set of CLG Household Projections are the *2011-based Interim Household Projections*, published on 9 April 2013. They are based on the Office for National Statistic's (ONS's) *2011-based Interim Population Projections*, published on 28 September 2012. Both only cover the period 2011 to 2021, rather than the 25 years covered by a full set of CLG or ONS projections.
- 4.3. CCHPR have used these projections as the base for their scenario modelling for North Northants.
- 4.4. In reviewing the latest projections, CCHPR concluded that there were two areas "not captured in past trends" where it was appropriate to adjust the official projections: the projected net flow into Corby from the rest of the UK; and, the assumptions made about future household formation rates.
- 4.5. CCHPR extended the 2011-based projections beyond 2021 using an approach developed by Dr Alan Holmans³. This involved projecting household formation rates (in the 2011-based projections) forward beyond 2021 and applying those projected rates to extended population projections

³ McDonald and Whitehead (2013), *Assessing the Housing Requirements of North Northamptonshire*, Cambridge Centre for Housing and Planning Research, CCHPR – Section 4



(2011-based Interim Population Projections⁴ and the 2012-based National Population Projections⁵). Simple statistical techniques were been used to project forward the formation rates resulting in the extended household projection for North Northamptonshire.

- 4.6. For this update, CCHPR modelled two scenarios: the “Partial return to trend” and the “2008 Tracking” option.
- 4.7. They state that the differences between the two variant options are not great but the “2008 Tracking” approach has the advantage that it ensures that there is not an increasing divergence from the previous trend – which can happen for some age groups in the “Partial return to trend” scenario. The “2008 Tracking” option is taken to be the preferred alternative scenario and therefore applied in the Toolkits.
- 4.8. In 2012 the household projections used for the SHMA were also a variation on the 2008 CLG Household Projections: the “Migration-led recalibrated” scenario from Edge Analytics⁶. All 2012 comparisons in this report are based on these Migration-led recalibrated projections.
- 4.9. As with CLG projections, those provided by CCHPR are based on the following 17 household types.
 - One person male
 - One person female
 - Other households
 - Couple no children
 - Couple 1 child
 - Lone parent 1 child
 - Couple 2 children
 - Couple and 1 or more adults no children
 - Lone parent 2 children
 - Couple and 1 or more adults 1 child
 - Lone parent 1 or more adults 1 child
 - Couple 3+ children
 - Couple and 1 or more adults 2 children
 - Lone parent 3+ children
 - Lone parent 1 or more adults 2 children
 - Couple and 1 or more adults 3+ children
 - Lone parent 1 or more adults 3+ children

⁴ Interim 2011-based subnational population projections for England <http://www.ons.gov.uk/ons/rel/snpp/sub-national-population-projections/Interim-2011-based/index.html>.

⁵ National Population Projections, 2012-based <http://www.ons.gov.uk/ons/rel/npp/national-population-projections/2012-based-projections/stb-2012-based-npp-principal-and-key-variants.html>

⁶ Edge Analytics (2011), *North Northants Population and Household Forecasts Guide-May 2011*



4.10. Many of the differences between these are minor, and to make the process more manageable, we have reduced these to 8 household types which match their bedsize/person requirements as set out in the following table. Where there are 2 or more children in a household, the bedroom requirement will be determined according to their age and sex. It is not possible to predict these with accuracy and therefore the minimum bedroom requirement has been assumed in all cases.

4.11. As a result of this exercise, the 8 derived household types applied in projecting housing requirements are:

- One person
- Couple no children
- Couple/lone parent and 1 child
- Couple/lone parent and 2 children/couple and 1 or more adults no children
- Couple/lone parent and 1 or more adults and 1 child
- Couple/lone parent and 3+ children/ couple/lone parent and 1 or more adults and 2 children
- Couple/lone parent and 1 or more adults 3+ children
- Other

Table 4.1: derived household types and associated minimum bedsize

Household type	Beds	Persons	Derived household types	Minimum bedsize
One person male	0/1	1	One person	1
One person female	0/1	1		
Other households	0/1	1	Other	1
Couple no children	1	2	Couple no children	1
Couple 1 child	2	3	Couple/lone parent and 1 child	2
Lone parent 1 child	2	2		
Couple 2 children	2/3	4	Couple/lone parent and 2 children/couple and 1 or more adults no children	2
Couple and 1 or more adults no children	2/3	3/4		
Lone parent 2 children	2/3	3/4		
Couple and 1 or more adults 1 child	3	4/5	Couple/lone parent and 1 or more adults and 1 child	3
Lone parent and 1 or more adults 1 child	3	3/4		
Couple 3+ children	3/4	5/6	Couple/lone parent and 3+ children/ couple/lone parent and 1 or more adults and 2 children	3



Couple and 1 or more adults and 2 children	3/4	5/6		3
Lone parent and 3+ children	3/4	4/5		
Lone parent 1 or more adults 2 children	3/4	4/5		
Couple and 1 or more adults 3+ children	4/5	6/7	Couple/lone parent and 1 or more adults 3+ children	4
Lone parent 1 or more adults 3+ children	4/5	5/6		

(Source: Housing Vision/Interactive Toolkits)

4.12. The outputs, in terms of projected growth in households by type and age for the period, are fed into the Gross and Net Housing Requirements pages of the Toolkit.

5. Housing Costs and Affordability

5.1. This section of the Toolkit provides detailed and interactive modelling of the cost and affordability of housing of all types and bedsizes in all tenures.

5.2. Furthermore, using CACI PayCheck profile data, enables an assessment of the local income required to afford housing of different types, and the proportion of local households who are able to do so.

5.3. The default setting is the affordability of 2 bed houses as this is especially relevant to meeting the typical requirements of additional households, the majority of which are small, and can be considered an 'average' housing type. However, figures can be entered for any target housing type in the column labelled Affordability.

5.4. All tenures have been included in this Assessment in terms of a hierarchy of affordability. Affordable Rent has been treated as a full cost market product though access to Housing Benefit may make it more accessible to lower income groups. Private rent has been separately identified as it now constitutes a major element of housing supply, though in terms of new housing required, this is likely to be provided by the home ownership sector then transferred to the private rental sector.

5.5. The outcome of this housing cost and affordability modelling is the identification of the cumulative proportion of households who can afford each tenure. For example in Kettering, 34.97% can only afford social rented housing (32.87% in 2012). Therefore the affordable housing requirement is 35% (33% in 2012) rounded.

5.6. 5.37% (3.31% in 2012) can afford full cost Affordable Rented (AR) housing as can all those above the income level required to access AR. 3.58% (1.97%) can afford shared ownership/equity loan housing as can all those above the



income level required to access this tenure. Based on these percentages, the intermediate housing requirement is 9% (5%) rounded.

- 5.7. 8.18% (55.38%) can afford private rented housing as can all those above the income level required for this tenure and 47.91% (6.46%) can afford full cost home ownership. Therefore the full cost market housing requirement is 56% (62%) rounded.
- 5.8. The following table lists the outcome for all 4 authorities.

Table 5.1: affordability by sector, proportion of households 2012

<i>Tenure</i>	<i>Sector</i>	<i>Corby</i>	<i>East Northants.</i>	<i>Kettering</i>	<i>W/borough</i>
Affordable	Social rent	34.21%	32.73%	32.87%	34.96%
	Affordable Rent	2.33%	1.63%	1.97%	2.13%
Intermediate	Shared equity/ ownership	7.11%	6.46%	3.31%	8.35%
Market	Private rent	1.88%	7.42%	55.38%	4.69%
	Owner occupier	54.47%	51.76%	6.46%	49.87%

- 5.9. It should be noted that in 2012 the weekly costs of being an Owner occupier for a 2-bed house in Kettering were less than the weekly Private rent for the same property. And, as these projections are based on affordability, the percentage requirements for Private rent and Owner occupier are correct. The percentage of households that could afford market housing (Private rent and Owner occupier) were 6.46% + 55.38% = 61.84%. Weekly housing costs take account of all relevant costs but not access to deposits.
- 5.10. As shown in Table 5.2 below, 2014 represents in Kettering a more typical situation of the weekly costs of home ownership for the proxy properties (2-bed houses) being more expensive than the weekly rent for a similar private rented property.
- 5.11. Table 5.2 also shows that the situation that existed in Kettering in 2012 now applies to Corby in 2014. This is the reason for the “flipping” of the affordability percentages for Owner occupier and Private rent between 2012 and 2014. The actual percentage of households in Corby that can afford market housing (both Private rent and Owner occupier) are 53.36% + 0.0% = 53.36%. Weekly housing costs take account of all relevant costs but not access to deposits.

Table 5.2: affordability by sector, proportion of households 2014

<i>Tenure</i>	<i>Sector</i>	<i>Corby</i>	<i>East Northants.</i>	<i>Kettering</i>	<i>W/borough</i>
Affordable	Social rent	32.84%	32.54%	34.97%	36.48%
	Affordable Rent	4.51%	5.19%	5.37%	7.24%
Intermediate	Shared equity/ ownership	9.28%	3.46%	3.58%	1.81%
Market	Private rent	53.36%	8.04%	8.18%	6.59%
	Owner occupier	0.0%	50.76%	47.91%	47.88%



Table 5.3: affordability by sector, comparative changes 2012- 2014

<i>Tenure</i>	<i>Sector</i>	<i>Corby</i>	<i>East Northants.</i>	<i>Kettering</i>	<i>W/borough</i>
Affordable	SR	-1.37%	-0.19%	2.10%	1.52%
Intermediate	AR+SO/SE	4.35%	0.56%	3.67%	-1.43%
Market	OO+PR	-2.99%	-0.38%	-5.75%	-0.09%

5.12. Table 5.3 shows that, for all 4 areas, market housing (Private rent and Owner occupier) have become less affordable. Intermediate housing (including Affordable Rent) is more affordable in 3 of the 4 areas (households that could previously afford Market housing now slipping into the Intermediate sector affordability bands).

5.13. There are also shifts from social renting in both Corby and East Northants to the intermediate sector. This, along with the top down shift from the Market sector, will probably result in more pressure for intermediate properties. Kettering and Wellingborough show shifts towards increased requirements for social rented properties due to affordability pressures in the other sectors.

6. Changes in affordability since 2012

6.1. Although the Toolkit uses all local household data from CACI to assess affordability, in order to show a comparison of affordability movements between 2012 and 2014 in each area we have used an income metric commonly used to index affordability by CLG, ONS, CML etc. to represent entry-level household incomes; lower quartile (LQ) incomes. LQ incomes are widely used to examine affordability and the accessibility of households for first-time buyers^{7,8}.

6.2. When using LQ incomes to index affordability it is common to produce ratios against LQ house prices. These are somewhat basic measures of affordability which we have refined using data from the Toolkits.

6.3. In the tables below we have used local housing cost data for each tenure and for each year, to show how much these costs represent as a proportion of each areas' lower quartile incomes.

6.4. The tables show the proportionate affordability to this LQ income the costs of a 2-bed property in each tenure represents, if the changes in income between 2012 and 2014 make each tenure more or less affordable to the 2014 incomes and, whether the household costs are above or below two affordability thresholds; 25% and 30% of gross household income. (The affordability threshold is the proportion of income that should not be exceeded when paying for a home of adequate size.)

⁷ NHPAU National Housing and Planning Advice Unit (2007) *Affordability Matters*, National Housing and Planning Advice Unit.

⁸ Barker, K (2004), *Review of Housing Supply: Delivering Stability: Securing our Future Housing Need*, http://webarchive.nationalarchives.gov.uk/http://www.hm-treasury.gov.uk/barker_review_of_housing_supply_recommendations.htm



6.5. Interactive Toolkits recommend applying 25% of gross income (34% of net) for affordability (see Appendix 1: *Determining the affordability of housing*). Other recent studies have recommended using up to 30% of gross income so this has also been included in the tables.

6.6. **Table 6.1: Corby**

Weekly housing costs and costs as a percentage of LQ income by tenure 2012 and 2014								
2 bed house prices		Corby						
	2012		2014		LQ income change	Affordability threshold		
LQ income	£13,706		£15,507		13.14%	Within	Within	
Tenure	H/hold cost	H/hold cost %	H/hold cost	H/hold cost %	More/Less affordable	25%	30%	
Social Rent	£70.00	26.56%	£73.20	24.55%	✓	✓	✓	
Affordable Rent	£91.20	34.60%	£99.69	33.43%	✓	✗	✗	
Private Rent	£114.00	43.25%	£124.61	41.79%	✓	✗	✗	
Market-Resale	£118.50	44.96%	£120.30	40.34%	✓	✗	✗	
Market-New Build	£136.22	51.68%	£132.33	44.37%	✓	✗	✗	
Shared Ownership	£93.35	35.42%	£90.48	30.34%	✓	✗	✗	

The above table shows that, for a 2-bed property in Corby, all tenures are *relatively* more affordable to households with lower quartile incomes in 2014 than in 2012. This is due to housing costs increasing at a lower rate than lower quartile incomes. Housing costs for Corby show increases between 2% and 9% and incomes 13.14%.

That said, it should also be noted that *only one tenure*, social renting, falls within the recommended affordability threshold of 25% and alternative one of 30% of gross household income to be spent on housing costs.

6.7. **Table 6.2: East Northants**

Weekly housing costs and costs as a percentage of LQ income by tenure 2012 and 2014								
2 bed house prices		East Northants						
	2012		2014		LQ income change	Affordability threshold		
LQ income	£15,931		£17,034		6.92%	Within	Within	
Tenure	H/hold cost	H/hold cost %	H/hold cost	H/hold cost %	More/Less affordable	25%	30%	
Social Rent	£89.45	29.20%	£87.82	26.81%	✓	✗	✓	
Affordable Rent	£98.58	32.18%	£99.32	30.32%	✓	✗	✗	
Private Rent	£123.33	40.26%	£124.15	37.90%	✓	✗	✗	
Market-Resale	£147.23	48.06%	£145.44	44.40%	✓	✗	✗	
Market-New Build	£155.85	50.87%	£159.99	48.84%	✓	✗	✗	
Shared Ownership	£104.58	34.14%	£106.17	32.41%	✓	✗	✗	

The above table shows that all tenures in east Northants are *relatively* more affordable to households with LQ incomes in 2014 than in 2012. This is due to housing costs increasing at a lower rate than lower quartile incomes. Housing costs for East Northants show increases between 1% and 3% and incomes 6.92%.

Again, it should also be noted that *no tenures* fall within the recommended affordability threshold of 25% and one tenure, social renting, falls within the alternative threshold of 30% of gross household income to be spent on housing costs.



6.8. Table 6.3: Kettering

Weekly housing costs and costs as a percentage of LQ income by tenure 2012 and 2014								
2 bed house prices		Kettering						
	2012		2014		LQ income change	Affordability threshold		
LQ income	£15,010		£16,278		8.45%	Within	Within	
Tenure	H/hold cost	H/hold cost %	H/hold cost	H/hold cost %	More/Less affordable	25%	30%	
Social Rent	£72.36	25.07%	£84.13	26.88%	✗	✗	✓	
Affordable Rent	£100.80	34.92%	£96.18	30.72%	✓	✗	✗	
Private Rent	£126.00	43.65%	£120.23	38.41%	✓	✗	✗	
Market-Resale	£109.67	37.99%	£147.64	47.16%	✗	✗	✗	
Market-New Build	£132.76	45.99%	£162.40	51.88%	✗	✗	✗	
Shared Ownership	£91.37	31.65%	£107.54	34.35%	✗	✗	✗	

The above table shows that in Kettering, two tenures, Affordable Rent (AR) and Private Rent (PR) (both of which are directly connected as AR is *up to 80%* of PR) have become *relatively* more affordable to households with lower quartile incomes in 2014 than in 2012. This is due to private rents reducing during the period shown whilst all other tenures have increased.

No tenures fall within the recommended affordability threshold of 25% and one tenure, social renting, falls within the alternative threshold of 30% of gross household income to be spent on housing costs.

6.9. Table 6.4: Wellingborough

Weekly housing costs and costs as a percentage of LQ income by tenure 2012 and 2014								
2 bed house prices		Wellingborough						
	2012		2014		LQ income change	Affordability threshold		
LQ income	£14,173		£16,050		13.24%	Within	Within	
Tenure	H/hold cost	H/hold cost %	H/hold cost	H/hold cost %	More/Less affordable	25%	30%	
Social Rent	£77.26	28.35%	£85.60	27.73%	✓	✗	✓	
Affordable Rent	£97.48	35.76%	£97.10	31.46%	✓	✗	✗	
Private Rent	£121.85	44.71%	£121.38	39.33%	✓	✗	✗	
Market-Resale	£134.86	49.48%	£140.46	45.51%	✓	✗	✗	
Market-New Build	£136.22	49.98%	£154.51	50.06%	✗	✗	✗	
Shared Ownership	£93.35	34.25%	£103.06	33.39%	✓	✗	✗	

This table shows that all but one tenure, New Build Market housing, have become *relatively* more affordable to households with lower quartile incomes in Wellingborough in 2014 compared to 2012. This is due to housing costs increasing at a lower rate than lower quartile incomes. Housing costs for Wellingborough show increases between 0% and 13% and incomes 13.24%.

Again, *no tenures* fall within the recommended affordability threshold of 25% and one tenure, social renting, falls within the alternative threshold of 30% of gross household income to be spent on housing costs.

6.10. In general, in North Northants, for most tenures a 2-bed property has become *relatively* more affordable in 2014 than in 2012 to a household on a lower quartile income. But, *only one tenure*, social renting, falls within either the recommended 25% affordability threshold or the more recently suggested 30%.



7. Housing Requirements

- 7.1. Having calculated the household projections in Section 1 and established the levels of local affordability for each tenure in Section 2, the next Sections use this data to estimate future housing requirements by bedsize and tenure.
- 7.2. These housing requirements are presented in 2 further sections; Gross Housing Requirements and Net Housing Requirements.
- 7.3. The Gross Housing Requirements are the basic requirements derived from the household projections and resultant local affordability percentages before any assumptions are applied. These can be adjusted to include any known backlog of requirements.
- 7.4. The Net Housing Requirements are the final figures after the modelling assumptions in Appendix 3 have been applied.
- 7.5. It should also be noted that nothing has been applied in the modelling concerning the provision of a spare bedroom additional to that required to meet a household's minimum requirement. This is not to advocate building housing to the minimum requirement. It is more sustainable to build housing with a spare bedroom, for example to give young families the opportunity to expand or enable older people to have a carer to stay. In view of restrictions imposed on eligibility for Housing Benefit, it is likely that affordable housing will be limited to the minimum requirement but, in the market sector, there is likely to be a preference by consumers and providers for an additional bedroom which, in terms of the greater flexibility achieved should be encouraged.

8. Gross Housing Requirements

- 8.1. The output tables from this section of the Toolkit are the 2014 equivalent of the tables included in the 2012 SHMA.
- 8.2. Although it has been agreed that, for this report, we will use the outputs from the Net Housing Requirements, we have included the tables of Gross Housing Requirements for each authority in Appendix 2.

9. Net Housing Requirements

- 9.1. The Net Housing Requirements are the final figures after the modelling assumptions have been applied.
- 9.2. Modelling assumptions are detailed in Appendix 3.
- 9.3. It should be noted that the following projected housing requirements 2011-2031 do not take into account either backlogs or household bedsize adjustments (e.g. adding an extra bedroom to the market housing requirements for 1-bed units).
- 9.4. The following tables summarise the outcome in terms of housing required by bedsize and tenure for the period 2011-2031.



9.5. Corby

Table 9.1: Projected housing requirements for Corby 2011-2031, not adjusted for backlog or household bedsize, Joint Core Strategy (2015) – Minimum Requirements⁹

Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	0	1,382	770	915	-46	3,021	32.84%
	Affordable Rent	0	391	217	259	-13	854	9.28%
Intermediate	Shared Ownership	0	190	106	126	-6	415	4.51%
Market	Private rent	0	2,246	1,251	1,487	-74	4,910	53.37%
	Owner occupier	0	0	0	0	0	0	0.00%
Totals		0	4,209	2,343	2,787	-139	9,200	100.0%

- Please note that in Corby the weekly cost of being an Owner occupier for a 2-bed house (£120.30) is less than the weekly Private rent (£124.61) for the same property (costs do not take into account access to deposits). So, if a privately renting household could access the requisite deposit, they could afford the ongoing mortgage costs for a similar property. And, as these projections are based on affordability, the requirements for Private rent and Owner occupier are correct. The actual percentage of households that could afford market housing (both Private rent and Owner occupier) are 53.37% + 0.0% = 53.37%.
- The total JCS requirement of 9,200 is 1,250 units less than the 2012 Migration-led scenario total. This is a 12% decrease. This is in part accounted for by CCHPR taking account of lower household formation rates in general since the 2008 CLG projections were issued (-14%). Edge state in their report¹⁰ that “analysis has revealed a likely undercount in the immigration estimates for the area, particularly in Corby”. This resulted in household projections for 2031 of 35,600 compared to 30,800 from the 2011-based projections and 32,500 for the 2008 Tracking scenario; differences of between -12% and -15%.

9.6. Taking account of the overall -12% decrease from the 2012 projections and the modelling assumption that transfers to the 3-bed requirements 65+ households already housed but showing as requiring 1-beds, the requirements for 1-beds has decreased by -58% (from 6,663 to 4,209). The requirement for 3-beds has increased by 118% (from 1,281 to 2,787).

⁹ An assessment of the requirements arising from the Strategic Opportunity for Corby Borough is provided at Appendix 5 of this Report for completeness.

¹⁰ Edge Analytics (2011), *Population Modelling: Emerging Approach-May 2011*



9.7. East Northants

Table 9.2: Projected housing requirements for East Northants 2011-2031, not adjusted for backlog or household bedsize, Joint Core Strategy (2015)

Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	0	1,582	332	807	13	2,734	32.55%
	Affordable Rent	0	168	35	86	1	291	3.45%
Intermediate	Shared Ownership	0	252	53	129	2	436	5.18%
Market	Private rent	0	391	82	199	3	676	8.05%
	Owner occupier	0	2,468	518	1,258	20	4,265	50.77%
Totals		0	4,862	1,020	2,479	40	8,401	100.0%

- The total requirement of 8,401 is 2,191 units less than the 2012 Migration-led scenario total. This is a 21% decrease and can be accounted for by CCHPR taking account of lower household formation rates in general since the 2008 CLG projections were issued.
- The main changes in the Net Housing Requirements, are for 1-beds which have decreased by -51%, from 10,008 units to 4,862. And for 3-bed, which have increased by 315%, from a surplus of 1,156 to a requirement of 2,479.

9.8. Kettering

Table 9.3: Projected housing requirements for Kettering 2011-2031, not adjusted for backlog or household bedsize, Joint Core Strategy (2015)

Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	0	2,065	492	983	96	3,636	34.96%
	Affordable Rent	0	211	50	101	10	372	3.59%
Intermediate	Shared Ownership	0	317	75	151	15	558	5.36%
Market	Private rent	0	483	115	230	23	850	8.18%
	Owner occupier	0	2,829	673	1,347	132	4,981	47.90%
Totals		0	5,906	1,406	2,812	276	10,400	100.0%

- The total requirement of 10,400 is 3,239 units less than the 2012 Migration-led scenario total. This is a 24% decrease, the majority of which can be accounted for by CCHPR taking account of lower household formation rates in general since the 2008 CLG projections were issued.

9.9. Again, the main changes in the Net Housing Requirements, are for 1-beds which have decreased from 11,837 units to 5,906. And for 3-bed, which have changed from a surplus of 201 to a requirement of 2,812.



9.10. Wellingborough

Table 9.4: Projected housing requirements for Wellingborough 2011-2031, not adjusted for backlog or household bedsize, Joint Core Strategy (2015)

Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	0	1,486	248	778	42	2,554	36.49%
	Affordable Rent	0	74	12	39	2	127	1.82%
Intermediate	Shared Ownership	0	295	49	154	8	506	7.23%
Market	Private rent	0	268	45	140	8	461	6.57%
	Owner occupier	0	1,950	325	1,021	56	3,352	47.89%
Totals		0	4,073	679	2,132	116	7,000	100.00%

- The total requirement of 7,000 is 582 units more than the 2012 Migration-led scenario total. This is a 9% increase, which can be accounted for by CCHPR taking account of lower household formation rates in general since the 2008 CLG projections were issued.
- Again, the main changes in the Net Housing Requirements, are for 1-beds which have decreased from 6,778 units to 4,073. And for 3-bed, which have changed from a surplus of 678 to a requirement of 2,132.

9.11. North Northants

Table 9.5: Projected housing requirements for North Northants 2011-2031, not adjusted for backlog or household bedsize, Joint Core Strategy (2015)

Tenure	Sector	Shar ed	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	0	6,515	1,842	3,483	105	11,945	34.13%
	Affordable Rent	0	844	314	485	0	1,643	4.69%
Intermediate	Shared Ownership	0	1,054	284	560	19	1,917	5.48%
Market	Private rent	0	3,389	1,493	2,056	-40	6,898	19.71%
	Owner occupier	0	7,247	1,516	3,626	208	12,597	35.99%
Totals		0	19,049	5,449	10,210	292	35,000	100.00%

- The total requirement of 35,000 is 6,097 units less than the 2012 Migration-led scenario total. This is a 15% decrease across the sub-region and is in line with CCHPR taking account of lower household formation rates in general since the 2008 CLG projections were issued.
- Of the total of 35,000 units, the Affordable housing requirement (Social and Affordable Rent, Shared Ownership) is 15,505 units (44.30%).
- The Affordable housing requirement comprises 1-bed 8,413 (24.04%); 2-bed 2,440 (6.97%); 3-bed 4,528 (12.94%); and 4-bed +124 (0.35%).
- Again, the main changes in the Net Housing Requirements, are for 1-beds which have decreased from 35,255 units to 19,049. And for 3-bed, which have changed from a surplus of 756 to a requirement of 10,210.



10. Balancing Surpluses and Requirements

10.1. With the exception of shared units, surpluses of housing can be set against shortages of lower sized properties as follows:

- Surpluses of 1 bed units can be set against the requirement for shared units;
- Surpluses of 2 bed units can be set against the requirement for 1 bed units;
- Surpluses of 3 bed units can be set against the requirement for 2 bed units;
- Surpluses of 4 bed units can be set against the requirement for 3 bed units; and
- If the quality of the shared unit accommodation is known, surpluses of shared units *can be considered* against the requirement for 1 bed units.

11. The housing requirements of older households

11.1. In view of the significance of the projected growth in older households, the Toolkit enables projections to be made of the numbers of pensioner households requiring designated, sheltered or extra-care housing.

11.2. The methodology is drawn from *Interactive Toolkits Ltd-Care and Prevention for Older People: A Need for Services Toolkit*¹¹ that has been tested, approved and is now in use by a number of local authorities.

11.3. The requirement for 3 types of specialised housing has been determined:

- **Designated:** housing, such as private sector retirement apartments, which includes the following features:
 - fully adapted accommodation;
 - integrated alarm with staff response when required;
 - facilitation of mutual support; and
 - opportunities for social activities.
- **Sheltered or Supported:** as Designated Housing above but providing personal support to residents as required;
- **Extra Care:** housing which crosses the boundary between high-level support needs and high-level care needs, with a larger proportion in the latter category.

11.4. Output figures for specialised housing for older people have been provided for the whole population of the area and for additional households, these are not mutually exclusive, the latter is a sub-set of the former.

11.5. The following tables summarise the outcome in terms of the number of underoccupying pensioner household and the specialised housing required

¹¹ <http://www.interactivetoolkits.co.uk/older-people-toolkit>



for the whole population of the area and for additional households.

Table 11.1: projected specialised housing requirements of older households for Corby, 2011-2031 (Joint Core Strategy (2015) – Minimum Requirements

65+ Households	65+ totals	Under-occupying	Designated	Sheltered	Extra Care
Additional H'holds	3,545	2,013	223	106	195

- Between 2012 and 2014 there are small increases in all the 65+ outputs for Corby with additional households showing the largest change, from 3,072 to 3,545.
- These additional 65+ households (3,545) represent 39% of the total projected household growth for Corby (9,200) between 2011 and 2031.

Table 11.2: projected specialised housing requirements of older households for East Northants 2011-2031, (Joint Core Strategy (2015)

65+ Households	65+ totals	Under-occupying	Designated	Sheltered	Extra Care
Additional H'holds	6,656	4,125	419	200	366

- There are small decreases in all the 65+ outputs for East Northants. Additional households show the largest change, from 6,897 to 6,656.
- These additional 65+ households (6,656) represent 79% of the total projected household growth for East Northants (8,400) between 2011 and 2031.

Table 11.3: projected specialised housing requirements of older households for Kettering, 2011-2031, (Joint Core Strategy (2015)

65+ Households	65+ totals	Under-occupying	Designated	Sheltered	Extra Care
Additional H'holds	5,825	3,385	366	175	320

- Again, there are small decreases in all the 65+ outputs for Kettering with additional households showing the largest change, from 6,399 to 5,825.
- These additional 65+ households (5,825) represent 56% of the total projected household growth for Kettering (10,400) between 2011 and 2031.



Table 11.4: projected specialised housing requirements of older households for Wellingborough, 2011-2031, (Joint Core Strategy (2015))

65+ Households	65+ totals	Under-occupying	Designated	Sheltered	Extra Care
Additional H'holds	4,644	2,654	292	139	255

- Again, there are small decreases in all the 65+ outputs for Wellingborough with additional households showing the largest, from 5,351 to 4,644.
- These additional 65+ households (4,644) represent 66% of the total projected household growth for Wellingborough (7,000) between 2011 and 2031.

Table 11.5: projected specialised housing requirements of older households for North Northants, 2011-2031, (Joint Core Strategy (2015))

65+ Households	65+ totals	Under-occupying	Designated	Sheltered	Extra Care
Additional H'holds	20,670	12,177	1,300	620	1,136

- Again, there are small decreases in all the 65+ outputs for North Northants with additional households show the largest, from 21,719 to 20,670.
- These additional 65+ households (20,670) represent 60% of the total projected household growth for North Northants (35,000) between 2011 and 2031.
- As can be seen from the above tables the most pressing issue over the next 20 years is the growth in older households with only Corby showing a growth of under 40%. The largest growth is East Northants at 79% with growth across the sub-region of 60%.



APPENDIX 1: Determining the affordability of housing

There are two main approaches to determining the affordability housing:

1. **The residual income approach** which calculates how much income is left over for housing after relevant living expenses have been taken into account for different household types. If there is insufficient income left for housing costs, a household has an affordability problem. This approach requires calculations to be made for a very wide variety of household types and income levels and is more appropriate for middle to higher income groups.

2. **The affordability threshold approach** which involves setting an affordability threshold or benchmark which identifies the maximum proportion of a household's gross or net income which should be spent on housing costs. This is a straightforward approach which is considered more appropriate for lower to middle income groups.

In both cases, particular mention should be made of the disadvantaged position of families with children as their additional living expenses constrain what they can afford to spend on housing, including their ability to borrow to purchase market housing. An assessment of this can be obtained by consulting Equivalence Scales, see Table 2, University of York, Social Policy Research Unit's Minimum Income Standards paper:

http://www.crsp.ac.uk/MIS/downloads/launch/equivalence_WP3_20june08.pdf

In view of the complexity of developing a generic model capable of calculating residual incomes, an affordability threshold approach has been applied but there is no consensus over the affordability level to be adopted. For example:

- The National Housing Federation (NHF), the representative body for housing associations, had previously recommended rent levels were affordable when they were 25% or less of gross household income for new tenant households in work, equivalent to 34% of net income.
- The Homes and Communities Agency (HCA), the funding body for new affordable housing, recommended that 30 - 45% of net income is the acceptable range for housing costs. (Capital Funding Guide, HCA, 2011), please see: <http://cfg.homesandcommunities.co.uk/>
- The CLG whose assessment of affordability for intermediate housing is that a household should use a maximum of 25% of gross income to pay for their mortgage and rent (Strategic Housing Market Assessment Practice Guide, 2007), please see: <http://www.communities.gov.uk/publications/planningandbuilding/strategichousingmarket>
- The Mayor of London: the London Plan states that for products where a rent is paid, the annual housing costs, including rent and service charge, should be no greater than 40% of net household income (London Plan Annual



Monitoring Report, February 2011), please see:

<http://www.london.gov.uk/priorities/planning/research-reports/annual-monitoring-reports>

- Tenant referencing agencies provide affordability checks for private landlords. Based on experience and historic levels of rent defaults the standard level of rent to gross income acceptable to private landlords is 40%.
- A major review of data sources undertaken in 2010 concluded that a household can be considered able to afford market renting where the rent payable is up to 25 per cent of their gross household income. The 'rent payable' figure is defined as the entire rent due, even if it is partially or entirely met by housing benefit. Other housing-related costs, such as council tax and utility bills should not be included (Measuring Housing Affordability: A Review of Data Sources, CCHPR, 2010), please see: <http://www.communities.gov.uk/documents/507390/pdf/1098230.pdf>
- Finally, 'the 30/40 rule' has been developed including Australia which takes 30% of gross income committed to housing costs as the benchmark and applies this either to all households or to the lower 40% of households by income.

Based on the above, and Interactive Toolkit's experience in housing market and affordability assessment, a baseline affordability threshold has been applied of 25% of gross household income which is equivalent to 34% of net household income where net income is assumed to constitute 74% of gross. Applying a 25% Affordability Threshold (the percentage of household income that can sustainably be spent on housing costs), the affordability of all property types and sizes and can be modelled for all tenures.



APPENDIX 2: Gross Housing Requirement Tables

Corby 2012								
Gross								
Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	-91	2,286	889	441	71	3,596	34.41%
	Affordable Rent	0	138	54	27	4	223	2.13%
Intermediate	Shared Ownership	-18	472	184	91	15	744	7.12%
Market	Private rent	0	111	43	21	3	178	1.70%
	Owner occupier	-141	3,626	1,411	700	112	5,708	54.63%
Totals		-250	6633	2581	1280	205	10449	100.00%
Corby 2014								
Gross								
Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	-18	1,597	599	210	-36	2,352	22.51%
	Affordable Rent	-2	219	82	29	-5	323	3.09%
Intermediate	Shared Ownership	-5	451	169	59	-10	664	6.35%
Market	Private rent	0	0	0	0	0	0	0.00%
	Owner occupier	-29	2,594	974	341	-58	3,822	36.58%
Totals		-54	4861	1824	639	-109	7161	68.53%
Changes 2012-2014								
Gross								
Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	73	-689	-290	-231	-107	-1,244	-11.91%
	Affordable Rent	-2	81	28	2	-9	100	0.96%
Intermediate	Shared Ownership	13	-21	-15	-32	-25	-80	-0.77%
Market	Private rent	0	-111	-43	-21	-3	-178	-1.70%
	Owner occupier	112	-1032	-437	-359	-170	-1,886	-18.05%
Totals		196	-1772	-757	-641	-314	-3288	-31.47%



East Northants 2012								
Gross								
Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	55	3,277	457	-378	61	3,472	32.78%
	Affordable Rent	0	162	23	-19	3	169	1.60%
Intermediate	Shared Ownership	10	646	90	-75	12	683	6.45%
Market	Private rent	0	736	102	-85	14	767	7.24%
	Owner occupier	94	5,187	723	-599	97	5,502	51.94%
Totals		159	10008	1395	-1156	187	10593	100.00%
East Northants 2014								
Gross								
Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	65	2,827	347	-382	20	2,877	27.16%
	Affordable Rent	7	300	37	-41	2	305	2.88%
Intermediate	Shared Ownership	10	451	55	-61	3	458	4.32%
Market	Private rent	16	699	86	-94	5	712	6.72%
	Owner occupier	101	4,410	541	-596	30	4,486	42.35%
Totals		199	8687	1066	-1174	60	8838	83.43%
Changes 2012-2014								
Gross								
Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	10	-450	-110	-4	-41	-595	-5.62%
	Affordable Rent	7	138	14	-22	-1	136	1.28%
Intermediate	Shared Ownership	0	-195	-35	14	-9	-225	-2.12%
Market	Private rent	16	-37	-16	-9	-9	-55	-0.52%
	Owner occupier	7	-777	-182	3	-67	-1,016	-9.59%
Totals		40	-1321	-329	-18	-127	-1755	-16.57%



Kettering 2012								
Gross								
Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	-55	3,891	588	-66	123	4,481	32.85%
	Affordable Rent	-5	392	59	-7	12	451	3.31%
Intermediate	Shared Ownership	0	233	35	-4	7	271	1.99%
Market	Private rent	-98	6,556	990	-111	207	7,544	55.31%
	Owner occupier	0	765	116	-13	24	892	6.54%
Totals		-158	11837	1788	-201	373	13639	100.00%
Kettering 2014								
Gross								
Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	10	3,298	524	-57	103	3,878	28.43%
	Affordable Rent	1	338	54	-6	11	398	2.92%
Intermediate	Shared Ownership	2	506	80	-9	16	595	4.36%
Market	Private rent	2	771	123	-13	24	907	6.65%
	Owner occupier	14	4,519	718	-78	141	5,314	38.96%
Totals		29	9432	1499	-163	295	11092	81.33%
Changes 2012-2014								
Gross								
Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	65	-593	-64	9	-20	-603	-4.42%
	Affordable Rent	6	-54	-5	1	-1	-53	-0.39%
Intermediate	Shared Ownership	2	273	45	-5	9	324	2.38%
Market	Private rent	100	-5785	-867	98	-183	-6,637	-48.66%
	Owner occupier	14	3754	602	-65	117	4,422	32.42%
Totals		187	-2405	-289	38	-78	-2547	-18.67%



Wellingborough 2012								
Gross								
Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	-77	2,377	167	-238	17	2,246	35.01%
	Affordable Rent	-17	566	40	-57	4	536	8.35%
Intermediate	Shared Ownership	0	137	10	-14	1	134	2.09%
Market	Private rent	0	301	21	-30	2	294	4.58%
	Owner occupier	-114	3,396	239	-340	25	3,206	49.97%
Totals		-208	6777	477	-679	49	6416	100.00%
Wellingborough 2014								
Gross								
Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	-21	2,308	239	-106	41	2,461	38.36%
	Affordable Rent	-1	115	12	-5	2	123	1.92%
Intermediate	Shared Ownership	-4	458	47	-21	8	488	7.61%
Market	Private rent	-4	417	43	-19	7	444	6.92%
	Owner occupier	-27	3,029	313	-139	54	3,230	50.34%
Totals		-57	6327	654	-290	112	6746	105.14%
Changes 2012-2014								
Gross								
Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	56	-69	72	132	24	215	3.35%
	Affordable Rent	16	-451	-28	52	-2	-413	-6.44%
Intermediate	Shared Ownership	-4	321	37	-7	7	354	5.52%
Market	Private rent	-4	116	22	11	5	150	2.34%
	Owner occupier	87	-367	74	201	29	24	0.37%
Totals		151	-450	177	389	63	330	5.14%



North Northants 2012								
Gross								
Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	-168	11831	2101	-241	272	13,795	33.57%
	Affordable Rent	-22	1258	176	-56	23	1,379	3.36%
Intermediate	Shared Ownership	-8	1488	319	-2	35	1,832	4.46%
Market	Private rent	-98	7704	1156	-205	226	8,783	21.37%
	Owner occupier	-161	12974	2489	-252	258	15,308	37.25%
Totals		-457	35255	6241	-756	814	41097	100.00%
North Northants 2014								
Gross								
Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	36	10030	1709	-335	128	11,568	28.15%
	Affordable Rent	5	972	185	-23	10	1,149	2.80%
Intermediate	Shared Ownership	3	1866	351	-32	17	2,205	5.37%
Market	Private rent	14	1887	252	-126	36	2,063	5.02%
	Owner occupier	59	14552	2546	-472	167	16,852	41.01%
Totals		117	29307	5043	-988	358	33837	82.33%
Changes 2012-2014								
Gross								
Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	204	-1801	-392	-94	-144	-2,227	-5.42%
	Affordable Rent	27	-286	9	33	-13	-230	-0.56%
Intermediate	Shared Ownership	11	378	32	-30	-18	373	0.91%
Market	Private rent	112	-5817	-904	79	-190	-6,720	-16.35%
	Owner occupier	220	1578	57	-220	-91	1,544	3.76%
Totals		574	-5948	-1198	-232	-456	-7260	-17.67%



APPENDIX 3: Modelling assumptions applied to estimate Net Housing Requirements

- All shared accommodation is discounted. This is because we do not know what size or quality of accommodation it represents. Therefore, all surpluses are ignored and all requirements are added to the 1-bed requirements. The effect is to show zero requirements or surpluses in the Shared Accommodation columns. This effectively means that any Shared Accommodation surpluses are lost to the overall accommodation count (and requirements added to the 1-bed count). This results in *the overall Net Housing Requirements totals showing a larger requirement than the Gross Housing Requirements totals*.
- Not all household growth will be from new households, this is especially the case for older households who have progressed through the life cycle, and who constitute the majority of projected net growth. Most will be currently housed, and typically in 3 bed homes. The number of households in this situation has been modelled on the basis of those pensioner households who have 2 or more bedrooms not in use which, at the time of the 2011 Census.
- These older (65+) households show up in the Gross Housing Requirements tables as needing 1-bed accommodation. This means that the requirement for 1-bed accommodation is overestimated by this number of households *and* the 3-bed requirement is be underestimated by a similar figure.
- On the basis of this assumption we have calculated the number of non-downsizing, underoccupying older households, requiring 1-bed accommodation and transferred this number to the 3-bed requirements. These requirements are distributed proportionately amongst the 15-64 year old household requirements.
- This reduces both the 65+ 1-bed requirement in particular and the 1-bed total requirement, and increases the 3-bed requirement totals.



APPENDIX 4: Projected Net Housing Requirements, not adjusted for backlog or household bedsize, 2008 Tracking

A4.1 For reasons of completeness, the net housing requirements arising from the 2008 Tracking scenario (CCHPR, 2013) are outlined. As per Section 9 of this paper, this is undertaken on a local authority and North Northamptonshire basis with an assessment also made against the housing requirements of older households.

A4.2 Corby

Table A4.1: Projected housing requirements for Corby 2011-2031, not adjusted for backlog or household bedsize, 2008 Tracking

Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	0	1,076	599	713	-36	2,352	32.84%
	Affordable Rent	0	304	169	201	-10	664	9.27%
Intermediate	Shared Ownership	0	148	82	98	-5	323	4.51%
Market	Private rent	0	1,749	974	1,158	-58	3,823	53.38%
	Owner occupier	0	0	0	0	0	0	0.00%
Totals		0	3,277	1,824	2,170	-109	7,162	100.00%

A4.2.1 Please note that in Corby the weekly cost of being an Owner occupier for a 2-bed house (£120.30) is less than the weekly Private rent (£124.61) for the same property (costs do not take into account access to deposits). So, if a privately renting household could access the requisite deposit, they could afford the ongoing mortgage costs for a similar property. And, as these projections are based on affordability, the requirements for Private rent and Owner occupier are correct. The actual percentage of households that could afford market housing (both Private rent and Owner occupier) are 53.37% + 0.0% = 53.37%.

A4.2.2 The total 2008 Tracking requirement for Corby Borough is 7,163 dwellings. This is in part accounted for by CCHPR taking account of lower household formation rates in general since the 2008 CLG projections were issued (-14%) and in part by the Edge Analytics applying their Migration-led recalibrated assumptions to flawed population and household projections.

A4.2.3 As shown by Table A4.1, the largest housing requirement resulting from the 2008 Tracking scenario for Corby Borough, 2011-31, is for 1 bedroom properties (3,277 dwellings) followed by 3 bedroom properties (2,170). By 2031 there will be an anticipated surplus of 4 bedroom housing according to need (109 dwellings). Overall, under this scenario, the greatest need will be for Market Housing in Corby Borough 2011-31 (53.38%).



A4.2.4 Edge state in their report¹² that “analysis has revealed a likely undercount in the immigration estimates for the area, particularly in Corby”. This resulted in household projections for 2031 of 35,600 compared to 30,800 from the 2011-based projections and 32,500 for the 2008 Tracking scenario; differences of between -12% and -15%.

10.2. East Northants

Table A4.2: Projected housing requirements for East Northants 2011-2031, not adjusted for backlog or household bedsize, 2008 Tracking

Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	0	1,654	347	855	20	2,876	32.55%
	Affordable Rent	0	176	37	91	2	306	3.46%
Intermediate	Shared Ownership	0	264	55	136	3	458	5.18%
Market	Private rent	0	409	86	211	5	711	8.05%
	Owner occupier	0	2,580	541	1,334	30	4,485	50.76%
Totals		0	5,083	1,066	2,627	60	8,836	100.00%

A4.2.5 The total 2008 Tracking requirement for East Northamptonshire is 8,836 dwellings.

A4.2.6 As shown by Table A4.2, the largest housing requirement resulting from the 2008 Tracking scenario for East Northamptonshire, 2011-31, is for 1 bedroom properties (5,083 dwellings) followed by 3 bedroom properties (2,627). Overall, under this scenario, the greatest need in East Northamptonshire will be for Market Housing 2011-31 (58.81%), most of which will be for Owner-occupied dwellings.

10.3. Kettering

Table A4.3: Projected housing requirements for Kettering 2011-2031, not adjusted for backlog or household bedsize, 2008 Tracking

Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	0	2,203	524	1,049	103	3,879	34.97%
	Affordable Rent	0	225	54	107	11	397	3.58%
Intermediate	Shared Ownership	0	338	80	161	16	595	5.36%
Market	Private rent	0	515	123	245	24	907	8.18%
	Owner occupier	0	3,018	718	1,437	141	5,314	47.97%
Totals		0	6,299	1,499	2,999	295	11,092	100.00%

A4.2.8 The total 2008 Tracking requirement for Kettering Borough is 11,092 dwellings.

¹² Edge Analytics (2011), *Population Modelling: Emerging Approach-May 2011*



A4.2.9 As shown by Table A4.3, the largest housing requirement resulting from the 2008 Tracking scenario for Kettering Borough, 2011-31, is for 1 bedroom properties (6,299 dwellings) followed by 3 bedroom properties (2,999). Overall, under this scenario, the greatest need in Kettering Borough will be for Market Housing 2011-31 (56.15%), most of which will be for Owner-occupied dwellings.

10.4. Wellingborough

Table A4.4: Projected housing requirements for Wellingborough 2011-2031, not adjusted for backlog or household bedsize, 2008 Tracking

<i>Tenure</i>	<i>Sector</i>	<i>Shared</i>	<i>1 bed</i>	<i>2 bed</i>	<i>3 bed</i>	<i>4+ bed</i>	<i>Totals</i>	
Affordable	Social rent	0	1,432	239	750	41	2,462	36.50%
	Affordable Rent	0	71	12	37	2	122	1.81%
Intermediate	Shared Ownership	0	284	47	149	8	488	7.23%
Market	Private rent	0	258	43	135	7	443	6.57%
	Owner occupier	0	1,879	313	984	54	3,230	47.89%
Totals		0	3,924	654	2,055	112	6,745	100.00%

A4.2.10 The total 2008 Tracking requirement for the Borough of Wellingborough is 6,745 dwellings

A4.2.11 As shown by Table A4.4, the largest housing requirement resulting from the 2008 Tracking scenario for the Borough of Wellingborough, 2011-31, is for 1 bedroom properties (3,924 dwellings) followed by 3 bedroom properties (2,055). Overall, under this scenario, the greatest need will be for Market Housing 2011-31 (54.46%), most of which will be for Owner-occupied dwellings.

10.5. North Northants

Table A4.5: Projected housing requirements for North Northants 2011-2031, not adjusted for backlog or household bedsize, 2008 Tracking

<i>Tenure</i>	<i>Sector</i>	<i>Shared</i>	<i>1 bed</i>	<i>2 bed</i>	<i>3 bed</i>	<i>4+ bed</i>	<i>Totals</i>	
Affordable	Social rent	0	6,365	1,709	3,367	128	11,569	34.19%
	Affordable Rent	0	776	272	436	5	1,489	4.40%
Intermediate	Shared Ownership	0	1,034	264	544	22	1,864	5.51%
Market	Private rent	0	2,931	1,226	1,749	-22	5,884	17.39%
	Owner occupier	0	7,477	1,572	3,755	225	13,029	38.51%
Totals		0	18,583	5,043	9,851	358	33,835	100.00%

A4.2.12 The total 2008 Tracking requirement for North Northamptonshire is 33,835 dwellings.

A4.2.13 As shown by Table A4.5, the largest housing requirement resulting from the 2008 Tracking scenario for the HMA, 2011-31, is for 1 bedroom properties (18,583 dwellings) followed by 3 bedroom properties (9,851). Overall, under this scenario, the greatest need will



be for Market Housing 2011-31 (55.90%), most of which will be for Owner-occupied dwellings followed by Affordable dwellings (38.59%).

A4.3 Balancing Surpluses and Requirements

A4.3.1 With the exception of shared units, surpluses of housing can be set against shortages of lower sized properties as follows:

- Surpluses of 1 bed units can be set against the requirement for shared units;
- Surpluses of 2 bed units can be set against the requirement for 1 bed units;
- Surpluses of 3 bed units can be set against the requirement for 2 bed units;
- Surpluses of 4 bed units can be set against the requirement for 3 bed units; and
- If the quality of the shared unit accommodation is known, surpluses of shared units *can be considered* against the requirement for 1 bed units.

A4.4 The housing requirements of older households

A4.4.1 In view of the significance of the projected growth in older households, the Toolkit enables projections to be made of the numbers of pensioner households requiring designated, sheltered or extra-care housing.

A4.4.2 The methodology is drawn from *Interactive Toolkits Ltd-Care and Prevention for Older People: A Need for Services Toolkit*¹³ that has been tested, approved and is now in use by a number of local authorities.

A4.4.3 The requirement for 3 types of specialised housing has been determined:

- **Designated:** housing, such as private sector retirement apartments, which includes the following features:
 - fully adapted accommodation;
 - integrated alarm with staff response when required;
 - facilitation of mutual support; and
 - opportunities for social activities.
- **Sheltered or Supported:** as Designated Housing above but providing personal support to residents as required;
- **Extra Care:** housing which crosses the boundary between high-level support needs and high-level care needs, with a larger proportion in the latter category.

A4.4.4 Output figures for specialised housing for older people have been provided for the whole population of the area and for additional

¹³ <http://www.interactivetoolkits.co.uk/older-people-toolkit>



households, these are not mutually exclusive, the latter is a sub-set of the former.

A4.4.5 The following tables summarise the outcome in terms of the number of underoccupying pensioner household and the specialised housing required for the whole population of the area and for additional households.

Table 11.1: projected specialised housing requirements of older households for Corby, 2011-2031 (2008 Tracking)

<i>65+ Households</i>	<i>65+ totals</i>	<i>Under-occupying</i>	<i>Designated</i>	<i>Sheltered</i>	<i>Extra Care</i>
Additional H'holds	2,995	1,701	188	90	165

- Under the 2008 Tracking Scenario there is a requirement for an additional 2,995 65+ households in Corby Borough between 2011 and 2031. These households represent 42% of the total projected household growth (7,162).

Table 11.2: projected specialised housing requirements of older households for East Northants 2011-2031, (2008 Tracking)

<i>65+ Households</i>	<i>65+ totals</i>	<i>Under-occupying</i>	<i>Designated</i>	<i>Sheltered</i>	<i>Extra Care</i>
Additional H'holds	6,818	4,225	429	204	375

- Under the 2008 Tracking Scenario there is a requirement for an additional 6,818 65+ households in East Northamptonshire between 2011 and 2031. These households represent 77% of the total projected household growth (8,836).

Table 11.3: projected specialised housing requirements of older households for Kettering, 2011-2031, (2008 Tracking)

<i>65+ Households</i>	<i>65+ totals</i>	<i>Under-occupying</i>	<i>Designated</i>	<i>Sheltered</i>	<i>Extra Care</i>
Additional H'holds	6,046	3,514	381	181	332

- Under the 2008 Tracking Scenario there is a requirement for an additional 6,046 65+ households in Kettering Borough between 2011 and 2031. These households represent 55% of the total projected household growth (11,092).

Table 11.4: projected specialised housing requirements of older households for Wellingborough, 2011-2031, (2008 Tracking)

<i>65+ Households</i>	<i>65+ totals</i>	<i>Under-occupying</i>	<i>Designated</i>	<i>Sheltered</i>	<i>Extra Care</i>
Additional H'holds	4,557	2,605	287	137	251



- Under the 2008 Tracking Scenario there is a requirement for an additional 4,557 65+ households in the Borough of Wellingborough between 2011 and 2031. These households represent 68% of the total projected household growth (6,745).

Table 11.5: projected specialised housing requirements of older households for North Northants, 2011-2031, (2008 Tracking)

<i>65+ Households</i>	<i>65+ totals</i>	<i>Under-occupying</i>	<i>Designated</i>	<i>Sheltered</i>	<i>Extra Care</i>
Additional H'holds	20,416	12,045	1,285	612	1,123

- Under the 2008 Tracking Scenario there is a requirement for an additional 20,416 65+ households across North Northamptonshire between 2011 and 2031. These households represent 60% of the total projected household growth (33,835).
- As can be seen from the preceding tables, the growth in older households is forecast to be a pressing issue across the area to 2031. In all local authority areas, with the exception of Corby (39%), this growth is anticipated to be in excess of 50%, the greatest growth being in East Northamptonshire (77%). At the North Northamptonshire level, this growth is 58% overall.



APPENDIX 5: Corby Borough Projected Net Housing Requirements, not adjusted for backlog or household bedsize, Joint Core Strategy (2015) – Strategic Opportunity

Table A5.1: Projected housing requirements for Corby 2011-2031, not adjusted for backlog or household bedsize, Joint Core Strategy (2015) – Strategic Opportunity

Tenure	Sector	Shared	1 bed	2 bed	3 bed	4+ bed	Totals	
Affordable	Social rent	0	2,134	1,188	1,413	-70	4,665	32.85%
	Affordable Rent	0	603	336	399	-20	1,318	9.28%
Intermediate	Shared Ownership	0	293	163	194	-10	640	4.51%
Market	Private rent	0	3,467	1,930	2,295	-114	7,578	53.36%
	Owner occupier	0	0	0	0	0	0	0.00%
Totals		0	6,497	3,617	4,301	-214	14,201	100.00%

- A5.1.1 Please note that as for Kettering in 2012, in Corby the weekly costs of being an Owner occupier for a 2-bed house are less than the weekly Private rent for the same property (costs do not take into account access to deposits). And, as these projections are based on affordability, the requirements for Private rent and Owner occupier are correct. The actual percentage of households that could afford market housing (both Private rent and Owner occupier) are 53.36% + 0.0% = 53.36%.
- A5.1.2 The total JCS Strategic Opportunity requirement for Corby Borough is 14,200 dwellings. This is in part accounted for by CCHPR taking account of lower household formation rates in general since the 2008 CLG projections were issued (-14%) and in part by the Edge Analytics applying their Migration-led recalibrated assumptions to flawed population and household projections.
- A5.1.3 As shown by Table A5.1, the largest housing requirement resulting from the Strategic Opportunity scenario for Corby Borough, 2011-31, is for 1 bedroom properties (6,497 dwellings) followed by 3 bedroom properties (4,301). By 2031 there will be an anticipated surplus of 4 bedroom housing according to need (214 dwellings). Overall, under this scenario, the greatest need will be for Market Housing in Corby Borough 2011-31 (53.36%).