



Policy and Resources Committee - 9 October 2017

Informing East Northamptonshire's Housing Mix

Purpose of report

To present the findings of the report "Informing East Northamptonshire's Housing Mix" and to publish the report as background evidence to inform future policy development.

Attachment

https://www.east-northamptonshire.gov.uk/meetings/meeting/801/policy_and_resources_committee

1.0 Background

- 1.1 At the Housing Policy Working Party (HPWP) meeting held on 13th July 2016, a report was considered that proposed options for members to consider in respect of gathering improved information on future housing mix requirements for the district. It was agreed that housing aspirations as well as housing needs should be considered, and that links would need to be made with economic development.
- 1.2 It was also agreed by the HPWP that this report should feed into the work on the Local Plan and that housing mix requirements needed to be established to inform the housing requirements associated with the developing Masterplans for Rushden East and Tresham Garden Village.
- 1.3 Subsequently a brief was drawn up to identify evidence to support the potential of creating larger and higher value new residential properties as part of the District's housing mix, supporting the future economic wellbeing and growth.
- 1.4 Consultants Housing Vision was the successful bidder; the consultants have subsequently produced a baseline and final report to provide evidence to inform future policy development. The report has been discussed and acknowledged through the HPWP, it was resolved at the HPWP of 5th July 2017 that the report is presented to a future committee meeting.

2.0 The Report: Key Findings

- 2.1 The report aims to address the perception that a lack, or insufficient supply, of new, larger and higher value houses for higher earners may be acting as a brake on economic wellbeing and growth within the District and considers how the Council can positively intervene to help create the conditions for such provision in the future.
- 2.2 To provide evidence in helping to understand the capacity of the local market to increase the supply of larger, higher value housing in East

Northamptonshire, a practice review identifying studies and evidence to understand the economic impact of new housing was undertaken.

- 2.3 A policy review of a range of documentation was also conducted to assist understanding of the drivers underpinning housing need and demand, in addition to profiling current housing supply.
- 2.4 In addition a market review was undertaken to provide a baseline to aid understanding of the drivers underpinning housing need and demand in combination with profiling the current supply of larger and higher value housing across the District.
- 2.5 The above reviews were undertaken to establish a baseline report. Further work was also undertaken to explore the opportunity in considering potential need and demand for larger and higher value housing, how supply might be increased and to understand the economic impact of an increasing in supply of such types of housing.
- 2.6 The market review identifies a number of key findings (pp15-26 of the report) that anticipate future demographics impacting on East Northamptonshire. The outcomes of which are summarised in the conclusions section of this report. These findings are further supplemented in the consultants report by future household projections for East Northamptonshire (pp28-44) and an employer's survey (Section 6 of the Study).
- 2.7 **The Potential Economic Impact of Increasing the Supply of Larger and Higher Value Housing**
- 2.8 The policy review demonstrated that a strategic framework already exists, which supports pursuing the supply of larger and higher value housing within East Northamptonshire. Also Policy 30 of the North Northamptonshire Joint Core Strategy encourages the provision of attractive housing opportunities to allow the increasing number of under occupying older households to downsize, including ensuring good space standards and custom build opportunities being made available.
- 2.9 Interviews with agents and developers implied that policy direction provides too much emphasis to affordable housing, which is seen as a barrier to encouraging and enabling a larger supply of higher value housing. Although this perception needs to be considered alongside Central Government objectives for providing a mix of housing types and tenures to meet the needs of all sectors of the population.
- 2.10 The practice review considered whether experience from elsewhere supports a policy of explicitly promoting and enabling the supply of higher value housing in East Northamptonshire. Case studies do show that such housing provision has positive effects throughout the economy. There is also evidence of a link between entrepreneurial activity and the opportunity for self-expression in home design.
- 2.11 The report suggests that increasing the supply of higher value homes is likely to be concentrated in two key market sectors, the supply of family housing and the supply of housing suitable for older households wishing to downsize to smaller properties.

3.0 Conclusions and Recommendations

3.1 The report draws together a number of key conclusions as follows:

3.2 Policy

An exclusive focus on the supply of smaller dwellings to meet population growth and the needs of new households may not be the most appropriate course of action. More sophistication is required to meet demand (aspiration) and to enable the development of a wide range of housing options.

3.3 Large scale strategic developments (Rushden East and Tresham Garden Village) will provide a significant opportunity for creating the conditions to deliver a full range of housing provision.

3.4 Demographics

Any consideration of the potential to increase the supply of larger housing needs to take account of the demographic that indicates a significant growth in older households within the District. Its implications are the need and demand for suitable housing options ranging from spacious and quality properties to attracting downsizing to the need for accommodation with high levels of support and care.

3.5 Migration and commuting

Census data revealing travel patterns raises questions as to the extent to which it might be possible to stimulate the local economy to reduce this level of movement.

3.6 Projected housing need

Modelling of the most recent household projections confirms that there is no need for 3 bedroom or larger homes to meet basic requirements by bedroom size. Over the period 2011-2036, the need for such properties remains almost stable. It is important however to understand that this conclusion is relates to meeting basic housing needs or requirements rather than meeting housing demand expressed through preferences or aspirations.

3.7 The supply of new housing

The level of supply of new homes has been much higher than the national average over the 3 years 2014-2016 amounting to in the region of 15% of all sales. The construction of new homes has, with the exception of Oundle, tended to be concentrated in the south of the district whilst the high value 'hot spots' tend to be scattered across the north.

3.8 The adequacy of supply of larger and higher value new homes

East Northamptonshire Council is a relatively affordable location, particularly for people working in higher paid jobs in adjoining areas. The area is economically buoyant, with demand and supply being broadly in balance in the urban areas in the south. However, the view from within the development and housebuilding sector is that demand for larger and higher value homes is exceeding supply in well connected villages in the south and in villages and market towns in the north of the District. As a result, there are considerable price pressures in the 'right' locations.

3.9 Increasing the supply of higher value homes

A recommended doubling of the current supply of larger and higher value

homes would increase annual output to in the region of 50 homes per annum.

3.10 Higher values are not synonymous with larger properties. There is a very strong market for high quality, down-size properties, possessing generous living space and 2-3 bedrooms, set on small, manageable plots and in good (often historic) locations. Nevertheless, privacy is extremely important in that market sector.

3.11 The report concludes that the growing market for downsizing properties may be in the region of 50 properties per annum, but if suitable properties are provided, this may well be much higher.

3.12 The potential for high value is limited within the SUEs, and could be difficult to achieve at Tresham/Deenethorpe, until the later years of development.

3.13 The location and setting of such dwellings is very important – to be ‘exclusive’, they must be in small developments in desirable locations – usually in smaller settlements.

4.0 Equality and Diversity Implications

4.1 There are no equality and diversity implications arising directly from this report.

5.0 Legal Implications

5.1 There are adopted Local Plan policy requirements and Central Government objectives which carry weight in relation to forming a future direction of policy, the report takes this into account.

6.0 Risk Management

6.1 There are no implications arising from the report.

7.0 Resource and Financial Implications

7.1 There are no immediate resource and financial implications arising from the report’s recommendations.

8.0 Constitutional Implications

8.1 There are no constitutional implications arising from this report.

9.0 Customer Service Implications

9.1 There are no customer service implications arising from this report

10.0 Corporate Outcomes

10.1 The Corporate Outcomes are:

- Good Quality of Life – To ensure a mix and range of housing types are provided to meet future need and aspiration
- Effective Partnership Working – To deliver future housing need with a range of partners and stakeholders

11.0 Recommendation

11.1 The Committee is recommended to:

1. Endorse the findings of the report and publish the study as an evidence base to assist future policy development.

(Reason To assist the development of future policy and inform Masterplanning for strategic housing proposals)

Legal	Power:				
	Other considerations:				
Background Papers: Informing East Northamptonshire’s Housing Mix (Housing Vision report June 2017)					
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