



HOUSING VISION

North Northamptonshire Strategic Housing Market Assessment Update

Final Summary Report
August 2012

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Housing Vision (HV)

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1. Introduction

The National Planning Policy Framework, Paragraph 159 establishes that Local Planning Authorities should have a clear understanding of housing requirements in their area and should prepare a Strategic Housing Market Assessment (SHMA) to identify the scale and mix of housing and the range of tenures that the local population is likely to require over the plan period. This paper summarises the key findings arising from an Update to the SHMA completed in 2007, and follows the chapter structure for the main report.

This Update makes the maximum use of existing and available demographic, social and housing data to identify the dynamics of the local housing market; the choices available to local people; the current and future relationship between need, demand and supply; the projected future requirement for housing and the interventions which might improve housing choice in the area. Consequently, the report focuses on five questions:

- what key influences and drivers are at work in the housing market?
- what choices do consumers have in the housing market?
- what is the current pattern of need and demand for housing?
- what is the projected future requirement for housing?

2. What key influences and drivers are at work in the housing market?

Demographic

The principal drivers at work across the area are demographic consisting of an increase in the youngest and oldest populations and a projected growth in the number of households. Produced by the Office for National Statistics, 2010-based population projections have been applied in this Update and are trend-based whereas household projections take into account current and prospective lifestyle changes. The Update uses household projections commissioned from Edge Analytics which enable comparisons between 'natural change' and scenarios which model varying levels of migration. The scenario applied here is designated 'Migration-led recalibrated' in which migration assumptions are based on historical evidence 2004/5 – 2008/9, which takes in the peak of the market plus first year of economic recession.

The area's population is projected to increase by 24% between 2011 and 2031 driven by dramatic growth in those aged 65+ whose numbers are expected to increase by 70% or by 36,000 people. The same pattern is being experienced throughout the country as 'baby boomers' born immediately after the Second World War reach retirement age and older. The scale of the projected growth in the older population is dramatic, and coincides with improvements in health and well being which extend life expectancy.

There are 3 main implications for housing systems of this growth in the older population:

1. older people are increasingly likely to be home owners and to own their home outright. The growth in the older population is associated with a growth in owner occupation amongst the retirement population. Whilst only three quarters of those aged 65+ were home owners in 2001 and over 15% tenants in the social housing sector, these proportions will change to over 80% and under 10% respectively and continue to apply over the next 20 years. Of these, over 80% own their homes outright which implies that such home owners have the potential either to release equity or to move to a smaller dwelling as appropriate.
2. older people are least likely to move home. The 2009-10 Survey of English Housing recorded that only 1.7% of people aged 65+ moved home. Most older people continue to live in family housing and one of the central principles of social care is to support older people to live in their existing homes. The effect of low moving rates combined with support to live in existing homes is that many older people will be under-occupying homes which are too large to meet their requirements, and which may be difficult to manage. The end result will be a 'log jam' in the supply of family housing and a dramatic increase in the need for home-based care.
3. alternatives to conventional housing will be both desirable and necessary, the supply of designated, sheltered and extra-care housing will need to increase. There is no benchmark for the proportion of older people willing and able to 'downsize' though research undertaken by Housing Vision in Bromsgrove (2010) and housing needs studies in Ipswich (2005) and South Kesteven (2006) identified that 10-11% of under-occupying older households were willing to move. As a result, a figure of 10% has been identified as the percentage of under-occupying older households willing to move and downsize identifies a minimum of 10% are willing to downsize, a figure which may well increase as the choice of aspirational options improves. Simply applying this percentage to the 30,000 pensioner households living in houses at 2001 implies that as many as 3,000 would be willing to downsize, though their ability would depend on the value of their home in relation to suitable alternatives. However, the proportion of older people requiring designated, sheltered and extra-care housing is much clearer. Detailed modelling undertaken by Housing Vision and HGO identifies that by 2031, there will be a requirement for over 5,000 designated and sheltered, and over 3,000 Extra Care units across the area.

The growth in the older population partly explains the projected growth in households, and especially smaller households. However, there are a number of other factors at work here which include:

- people living independently for longer;
- a major shift from marriage to co-habitation resulting in earlier but less stable relationships;

- women delaying childbirth;
- relationship breakdown which results in the requirement for 2 homes; and
- movement away from multi-generational living amongst south Asian ethnic minorities.

As can be seen, many factors underpin the projected increase in all and smaller households, but other trends may have the reverse effect. These include:

- the growth in multi-generational or other shared households through economic necessity or to provide care and support for those in need; and
- the growth in forms of communal or collaborative living among older people also to provide care and support.

It is too early to determine the scale of these trends but it is essential to monitor evidence of lifestyle change and its impact on housing requirements.

Household projections identify the following trends to 2031:

- for singles and couples: a growth of almost 25% in single person households, many of whom will consist of older people, and a small growth in couple households; and
- for families: a small increase in the number of family households made up of a 15% decline in two parent but a 25% growth in lone parent households.

Each of these trends has distinct implications for the housing system:

- for singles and couples: an increase in the requirement for smaller 2 bed properties in an area with a historically low supply of smaller homes; and
- for families: a small increase in the requirement for family housing is complicated by the projected large increase in lone parent households who have incomes typically around one third of the average. The implication of a substantial increase in the requirement for family housing affordable to lone parents is clear.

Migration and mobility

A key component of demographic change is international and internal migration which is captured in population projections through trend-based analysis. Particular attention has been given to understanding these trends and patterns.

In common with the region and the rest of the country, North Northants experienced an acceleration in the number of international migrants registering for work in the first half of the last decade since when, numbers have slowly fallen. However, the pattern has varied across the area with most

movement to Corby - including of 'short term migrants' - and least to East Northants.

Almost two thirds of those registering were from 6 of the 8 central/east European countries which acceded to the EU in 2004 and especially from Poland implying that communities are now likely to be well established. The significance of this trend in housing terms is likely to have been a shift from a demand for single or shared accommodation in the 'informal' or private rented sectors towards an increased demand for larger homes as families with children are re-built or established.

North Northants has continued to gain population through migration internal to England and Wales, and there was a net increase of 2,400 people between 2007 and 2010. Not surprisingly, most regional migration takes place with the East Midlands but there are significant population exchanges with the East and South East regions. The net effect in recent years has been strong gains from the East and the London regions, with the main loss to the South West region, a favourite location for retirement.

All districts have gained population through internal migration with the exception of Wellingborough. The limited data by age suggests families with children are being attracted to the area, and to a more limited extent those aged 45-64 and 65+. In contrast, students and those of first working age are leaving the area, especially from Wellingborough, a common trend where local higher education provision is limited.

In terms of trends and patterns by local authority area, between 2007 and 2010 there were strong net gains to North Northants from Northampton, Bedford, Peterborough, Milton Keynes, Luton and Huntingdonshire; a near equal exchange of population with Daventry, and clear losses to Sheffield, Leeds, Nottingham and South Kesteven.

Commuting

Understanding such patterns is constrained by the limited data available. In 2001, 14,500 more people travelled to work outside the area than travelled in; a pattern consistent for all local authorities except Corby where more people travelled in than out. The main local authorities to which people travelled to work were Northampton, Peterborough and Bedford; the only main destination which was not adjacent was the London Borough of Westminster. The main local authorities from which people travelled to work in North Northants were from Northampton, Market Harborough, Daventry and Peterborough.

Data from the 2008 Annual Population Survey suggest some limited change in commuting patterns with an increase in people living and working in Corby and a decrease in commuting from Kettering. An obvious question is why this should be the case. The increased choice of housing - as discussed below - may well be a factor, but the opening of the railway station in 2009 was too late to apply to a survey undertaken in 2008.

3. What choices do consumers have in the housing market?

Trends in supply

In considering supply, there is still some reliance on 2001 Census data which will not be capable of revision until 2011 Census results are available later in 2012 or 2013.

The trend in the North Northants housing market has been one of consistent growth, especially in Corby and Kettering. An estimated 12% increase in housing supply since 2001, in the region of 15,000 units, is close to the 'Migration-led Recalibrated' estimate of an 18,000 increase in the number of households. These figures suggest that the construction of new homes has almost kept up with household growth but the relationship between the types of properties required by new households and the types of properties built is less clear. Data for East Northants and Wellingborough indicates that between 2006 and 2011, just under half of new homes were 2 bed or less - which would complement the trend towards more smaller households - but the remainder were 3 bed (28%) or 4 bed (23%).

The area started the last decade with fewer smaller and more larger homes than regionally or nationally; larger proportions of detached and semi-detached houses and lower proportions of flats. In terms of tenure, the area had a lower proportion of private rented housing than the national pattern; and Corby had a distinctive housing profile with below average proportions of both private renting and home ownership, and above average proportions of social renting.

There have been substantial additions to the affordable housing stock. Data on over 8,000 completions since 2006-07 identifies a near 75: 25 split between market and affordable housing, ranging from 38% affordable in Kettering and Wellingborough to 24% in East Northants and 12% in Corby which already had over 30% social housing in 2001. Two thirds of affordable completions were social rented and one third intermediate housing including intermediate rent and shared ownership.

Data on completions by bedsize is only available for 2,211 homes built in East Northants and Wellingborough between 2006 and 2011. This identifies a near equal emphasis on building 1-2 and 3-4 bed homes whilst household projections imply a growing requirement for smaller homes.

In the absence of comprehensive data, the private rented sector is less easy to analyse, though the general trend has been one of strong growth. The English Housing Survey provides a benchmark, estimating that in 2010-2011, private rented properties made up almost 17% of all dwellings. The 2008 Labour Force Survey provides the most recent estimate for the East Midlands region of 12% of all housing.

Estimates developed by Housing Vision indicate strong growth in private renting amounting to almost three and a half times since 2001, and reaching

over 6 times in Corby. As a result, it is estimated that there are almost 23,000 private rented homes, equivalent to almost 17% of all housing, and ranging from 13% in East Northants. to almost 21% in Kettering.

It is estimated that private renting now exceeds the social rented sector's 15% of homes, and its growth has resulted in a decline in home ownership as properties - especially new build - have been transferred between sectors. As a result, it is estimated that home ownership across the area has fallen from 73% in 2001 to 67% in 2011.

The significance of the growth of the private rented sector cannot be underestimated in re-balancing the area's housing markets, especially in Corby; in extending flexibility and choice, and in maintaining a supply of housing when turnover has reduced in the depressed home ownership and diminished in the social rented sectors. However, it must be recognised that growth may also have had the effect of increasing competition for homes attractive to first time buyers.

In terms of the overall pattern of housing supply, it is estimated that the home ownership sector is currently supplying less than 4,000 homes through sales and the social rented sector in the region of 1,700 lettings, mostly through turnover, compared with as many as 7,000 lettings in the private rented sector. This dynamic is explored further below.

Supply in the home ownership sector

This sector is in the doldrums in terms of sales volume and prices, the number of transactions fell dramatically from almost 9,500 in 2006 to under 4,000 in 2010 representing a current turnover rate of only 4%. Average prices peaked in 2007 and have since fallen by almost 3% overall; lowest in Wellingborough at 2% and highest in Corby at over 12.4%. Only East Northants has bucked the trend with a 1% increase in average prices, the district remains the highest value area with Corby the lowest.

Reflecting the profile of the housing stock, detached and semi-detached properties made up almost 70% of sales in 2010-11, terraced houses over one quarter and flats and apartments only 5%. This pattern reflects in part the difficulty first time buyers are experiencing in entering the housing market and the historic low supply of smaller homes. As a result, the home ownership sector is currently more effective in meeting the requirements of families and less effective in meeting the requirements of singles and couples, demand from whom will continue to increase.

Supply in the private rented sector

In terms of annual supply, the private rented sector now makes a major contribution with a turnover as high as 30% providing up to 7,000 lettings. Compared with the home ownership sector, it has a different profile with flats and terraced houses the main property types advertised, and only one fifth detached houses. The private rented sector is, therefore, more effective in

meeting the requirements of singles, couples and smaller family households whose numbers will continue to increase.

Valuation Office Agency data for 2011 which typically profiles the lower 40% of the market, identified that 2 bed properties or smaller made up 55% of properties on which a rent determination was made, but studios and rooms made up only 3%. 26% of properties were 3 bed and 10% 4 bed. In the context of the application of the Local Housing Allowance shared accommodation rate to all single people under 35 years old, the very low supply of shared and bedsit accommodation is significant in identifying the limited choice of housing available to them.

There are wide variations in rentals by bedsize and location, with higher values in Corby for rooms and 1 bed properties; for studios, 2, 3 and 4 bed properties in the highest cost district of East Northants.; for 3 bed properties in Kettering and for 1, 2, 3 and 4 bed properties in Wellingborough which also emerges as a relatively high cost area.

Supply in the intermediate housing sector

HSSA data for the period 2001 and 2011 records 671 shared ownership and 79 intermediate rent completions. When combined with totals at the 2001 Census, this implies a total of 1,247 intermediate properties in North Northants or less than 1% of all homes consisting of 104 in Corby, 234 in East Northants., 613 in Kettering and 296 in Wellingborough. Taking account of the low level of staircasing to full ownership, a 5% turnover rate implies in the region of 65 shared ownership vacancies per year and a very marginal role for the sector in supplying less than 0.5% of overall housing supply.

Supply in the social rented sector

There are currently 22,500 social rented properties across the area, almost the same number as in 2001, and which are almost equally distributed between the 4 authorities. The largest proportion is 3 bed, followed by 2 and then one bed. Only 2% are bedsits and 3% are 4 bed or larger.

The key indicator in terms of annual supply is turnover, as a result of which 1,700 properties were advertised in 2010-11, one quarter of the number provided by the private rented sector. The largest proportion of lettings was 2 bed (41%) followed by 1 bed (35%) and 3 bed (26%). Less than 3% were bedsits and less than 2% were 4 bed homes or larger. In common with the private rented sector, the social rented sector is more effective in meeting the requirements of singles, couples and smaller family households whose numbers will continue to increase. Also in common with the private rented sector, there is a low stock and supply of the smallest properties, the demand for which is likely to increase under the impact of the application of the LHA Shared Accommodation Rate to under 35s.

Turnover has declined in recent years and in 2010-11 averaged 8.4%, ranging from 5.6% in Wellingborough to 9.0% in Kettering. Turnover by bedsize

ranged from over 12% for 1 bed properties; 10% for bedsits and 2 bed properties; 5% for 3 bed and 4 bed, and less than 2% for 4 bed properties and larger, those accessing family housing tend to stay put. The

The largest proportion of lettings was 2 bed (38%) followed by 1 bed (34%) and 3 bed (24%). Less than 3% were bedsits and less than 2% were 4 bed homes or larger.

There is considerable variation between rents with Corby consistently the lowest and East Northants. the highest; examples include £62 for a 1 bed flat in Corby and £76 in East Northants and £75 for a 3 bed house in Corby and £95 in East Northants.

4. What is the current pattern of need and demand for affordable housing?

In relation to social housing

There are currently almost 8,000 registered applicants, 34% of whom are resident in Corby, 28% in Wellingborough, 25% in Kettering and 13% in East Northants. Just over half of all applicants are in the lowest priority band; almost 2% in the highest priority (133) and 18% in the second highest priority (1,431).

There are similar patterns in terms of employment status across the priority bands, between 26 and 41% of applicants are unemployed; between 8 and 30% are in full-time work and 9-16% part-time, and typically less than one in 10 are receiving any one of incapacity, sickness or maternity benefits.

There are common patterns and variations in the ratio of bids to number of lettings, an average of close to 60 bids was made for each letting in Kettering and Wellingborough, 38 in Corby but only 23 in East Northants. Wide variations are apparent by bedsize; for 1 bed properties, the range varied from 33:1 in Corby to 55:1 in Kettering; for 2 bed properties, from 55:1 in Corby to 119:1 in Wellingborough; for 3 bed properties, from 15:1 in East Northants to 52:1 in Kettering and for 4 bed properties, from 24:1 in Corby to 81:1 in Wellingborough.

Based on 2010 and 2011 lettings data, the social rented sector is being most effective in housing single people (40%) followed by lone parents (26%) then other families and couples (each 16%); older people made up only 7% of those being housed.

From a peak of 448 households in 2006-07, homeless acceptances fell steadily but the trend reversed in 2010-11. The data available is patchy but implies a minimum of 1,130 households requiring special accommodation across North Northants. with the main needs for sheltered/supported housing and a ground floor property associated with disability/old age

In relation to intermediate housing

Based on 2010 and 2011 sales, the intermediate housing sector is also most successful in housing single people (43%) followed by couples (27%) and this almost certainly reflects the typical production of smaller units in this sector. Two parent families make up 12% of the total and lone parents 10%. Older people make up only 5% of those being housed in this way.

The intermediate housing sector is also most successful in housing people who were previously living with family or friends (44%) and those who were previously renting privately (almost 40%). Only 6% were previously renting from a local authority or housing association.

The impact of welfare reforms

It is essential to assess the impact of the government's welfare reforms on access to housing in the affordable and private rented sectors in terms of properties available by bedsize in relation to supply as follows:

In relation to the private rented sector:

- The change in Local Housing Allowance (LHA) Rates from the 50th to the 30th percentile and the abolition of the higher rate for 5 bed or larger properties.
- Applying the LHA shared accommodation rate to all under 35, a change with obvious implications for younger people.

In relation to the affordable sector:

- The introduction of Affordable Rented properties with rents set at up to 80% of market rents;
- The introduction of reductions in Housing Benefit for under-occupying working age households in the social rented sector.

In relation to the affordable and private rented sectors:

- The introduction of LHA caps to private rented and Affordable Rented properties.
- The proposal to introduce a Universal Credit to simplify the benefits system.

5. What is the projected requirement for housing?

This Update adopts a new approach to determining housing requirements arising from household growth and change. It moves away from static or scenario-based analyses by applying an interactive Housing Requirements

Toolkit to identify the requirements of new or additional households and enable them to be constantly modelled and monitored.

Household projections are based on the following 17 household types which have been reduced to 7 which match their bedsize/person requirements. 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. The household types and their bedroom requirements are:

- Requiring 1 bedroom: one person and couples with no children
- Requiring 2 bedrooms: couple/lone parent and 1 child; couple/lone parent and 2 children; couple and 1 or more adults no children
- Requiring 3 bedrooms: 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
- Requiring 4 bedrooms: couple/lone parent and 1 or more adults 3+ children

Detailed and interactive modelling of the cost and affordability of housing of all types and bedsizes enables an assessment of the income required to afford housing of different types, and the proportion of households who are able to do so. The default setting is the affordability of 2 bed houses as this can be considered an 'average' housing type and is especially relevant to meeting the requirements of additional households, the majority of which are small.

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. The outcome of this housing cost and affordability modelling is set out in the following table:

Table 1: affordability by sector, cumulative proportion of households, Natural Change scenario

| Tenure | Sector | Corby | East Northants. | Kettering | W/borough |
|---------------|-------------------------|--------------|------------------------|------------------|------------------|
| 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 | Owner occupier | 54.47% | 51.76% | 6.46% | 49.87% |
| | Private rent | 1.88% | 7.42% | 55.38% | 4.69% |

Please note that the weekly costs of home ownership for a 2 bed house in Kettering are less than the weekly rent for the same property and, as these

projections are based on affordability, the requirements for Private rent and Owner occupier are correct. Therefore, the percentage of households that can afford market housing are $6.46\% + 55.38\% = 61.84\%$.

The following tables identify the projected requirements for housing for 2011-2031 applying for each local authority and for North Northants as a whole, Natural Change then Migration-led Recalibrated household projections. The first set of tables are not adjusted for a backlog in the requirement for affordable housing and the second set show the effect of adding such a backlog. The affordable housing backlog has been estimated on the basis of those households which have no permanent home of their own, i.e., they are recorded on housing registers as 'living with family/friends/other; of no fixed abode; in supported housing'. The bedroom requirements of such applicants have been determined from housing registers and they have been added to the Social Rent sub-sector of the Affordable Tenure

Set 1: requirements not adjusted for affordable housing backlog, July 2012

Table 2a: projected housing requirements for Corby 2011-2031, not adjusted for backlog or household bedsize, Natural Change

| Tenure | Sector | Shared | 1 bed | 2 bed | 3 bed | 4+ bed | Totals | |
|--------------|------------------|--------|-------|-------|-------|--------|--------|--------|
| Affordable | Social Rent | -124 | 487 | 656 | 22 | -85 | 956 | 34.21% |
| | Affordable Rent | 0 | 29 | 40 | 1 | -5 | 65 | 2.33% |
| Intermediate | Shared Ownership | -24 | 101 | 135 | 4 | -17 | 199 | 7.11% |
| Market | Private Rent | 0 | 24 | 32 | 1 | -4 | 53 | 1.88% |
| | Owner Occupier | -191 | 773 | 1,041 | 35 | -134 | 1,524 | 54.47% |
| Totals | | -339 | 1,414 | 1,904 | 63 | -245 | 2,797 | 100.0% |

Table 2b: projected housing requirements for Corby 2011-2031, not adjusted for backlog or household bedsize, Migration-led Recalibrated

| Tenure | Sector | Shared | 1 bed | 2 bed | 3 bed | 4+ bed | Totals | |
|--------------|------------------|--------|-------|-------|-------|--------|--------|--------|
| Affordable | Social Rent | -91 | 2,286 | 889 | 441 | 71 | 3,596 | 34.20% |
| | Affordable Rent | 0 | 138 | 54 | 27 | 4 | 222 | 2.12% |
| Intermediate | Shared Ownership | -18 | 472 | 184 | 91 | 15 | 743 | 7.11% |
| Market | Private Rent | 0 | 111 | 43 | 21 | 3 | 180 | 1.72% |
| | Owner Occupier | -141 | 3,626 | 1,411 | 700 | 112 | 5,709 | 54.63% |
| Totals | | -250 | 6,633 | 2,581 | 1,281 | 205 | 10,450 | 100.0% |

Table 3a: projected housing requirements for East Northants 2011-2031, not adjusted for backlog or household bedsize, Natural Change

| Tenure | Sector | Shared | 1 bed | 2 bed | 3 bed | 4+ bed | Totals | |
|---------------|------------------|---------------|--------------|--------------|--------------|---------------|---------------|---------|
| Affordable | Social Rent | -13 | 876 | 966 | -476 | -32 | 1,321 | 32.73% |
| | Affordable Rent | 0 | 43 | 48 | -23 | -2 | 66 | 1.63% |
| Intermediate | Shared Ownership | -2 | 173 | 190 | -94 | -6 | 261 | 6.46% |
| Market | Private Rent | 0 | 197 | 217 | -107 | -7 | 300 | 7.42% |
| | Owner Occupier | -22 | 1,387 | 1,528 | -753 | -51 | 2,089 | 51.76% |
| Totals | | -37 | 2,676 | 2,949 | -1453 | -98 | 4,037 | 100.00% |

Table 3b: projected housing requirements for East Northants 2011-2031, not adjusted for backlog or household bedsize, Migration-led Recalibrated

| Tenure | Sector | Shared | 1 bed | 2 bed | 3 bed | 4+ bed | Totals | |
|---------------|------------------|---------------|--------------|--------------|--------------|---------------|---------------|--------|
| Affordable | Social Rent | 55 | 3,277 | 457 | -378 | 61 | 3,471 | 32.77% |
| | Affordable Rent | 0 | 162 | 23 | -19 | 3 | 168 | 1.59% |
| Intermediate | Shared Ownership | 10 | 646 | 90 | -75 | 12 | 684 | 6.46% |
| Market | Private Rent | 0 | 736 | 102 | -85 | 14 | 767 | 7.24% |
| | Owner Occupier | 94 | 5,187 | 723 | -599 | 97 | 5,501 | 51.94% |
| Totals | | 159 | 10,008 | 1,394 | -1,156 | 186 | 10,592 | 100.0% |

Table 4a: projected housing requirements for Kettering 2011-2031, not adjusted for backlog or household bedsize, Natural Change

| Tenure | Sector | Shared | 1 bed | 2 bed | 3 bed | 4+ bed | Totals | |
|---------------|------------------|---------------|--------------|--------------|--------------|---------------|---------------|---------|
| Affordable | Social Rent | -99 | 1,972 | 144 | -521 | 95 | 1,591 | 35.58% |
| | Affordable Rent | -9 | 118 | 9 | -31 | -6 | 81 | 3.40% |
| Intermediate | Shared Ownership | 0 | 199 | 15 | -52 | -10 | 152 | 1.81% |
| Market | Private Rent | -175 | 3,323 | 243 | -877 | -161 | 2,353 | 52.62% |
| | Owner occupier | 0 | 388 | 28 | -102 | -19 | 295 | 6.60% |
| Totals | | -283 | 6,000 | 439 | -1,583 | -101 | 4,472 | 100.00% |

Please note that the weekly costs of home ownership for a 2 bed house in Kettering are less than the weekly rent for the same property and, as these projections are based on affordability, the requirements for Private rent and Owner occupier are correct. Therefore, the percentage of households that can afford market housing are 6.60% + 52.62% = 59.20%.

Table 4b: projected housing requirements for Kettering 2011-2031, not adjusted for backlog or household bedsize, Migration-led Recalibrated

| Tenure | Sector | Shared | 1 bed | 2 bed | 3 bed | 4+ bed | Totals | |
|---------------|------------------|---------------|--------------|--------------|--------------|---------------|---------------|--------|
| Affordable | Social Rent | -55 | 3,891 | 588 | -66 | 123 | 4,480 | 32.85% |
| | Affordable Rent | -5 | 392 | 59 | -7 | 12 | 452 | 3.31% |
| Intermediate | Shared Ownership | 0 | 233 | 35 | -4 | 7 | 272 | 1.99% |
| Market | Private Rent | -98 | 6,556 | 990 | -111 | 207 | 7,543 | 55.31% |
| | Owner Occupier | 0 | 765 | 116 | -13 | 24 | 892 | 6.54% |
| Totals | | -159 | 11,837 | 1,788 | -201 | 373 | 13,639 | 100.0% |

As above, the weekly costs of home ownership for a 2 bed house in Kettering are less than the weekly rent for the same property therefore the requirements for Private rent and Owner occupier are correct. The percentage of households that can afford market housing are 6.54% + 55.31% = 61.85%.

Table 5a: projected housing requirements for Wellingborough 2011-2031, not adjusted for backlog or household bedsize, Natural Change

| Tenure | Sector | Shared | 1 bed | 2 bed | 3 bed | 4+ bed | Totals | |
|---------------|------------------|---------------|--------------|--------------|--------------|---------------|---------------|--------|
| Affordable | Social Rent | -84 | 1,971 | 45 | -427 | -48 | 1,457 | 34.96% |
| | Affordable Rent | 0 | 114 | 3 | -25 | -3 | 89 | 2.13% |
| Intermediate | Shared Ownership | -19 | 469 | 11 | -102 | -11 | 348 | 8.35% |
| Market | Private Rent | 0 | 250 | 6 | -54 | -6 | 196 | 4.69% |
| | Owner Occupier | -124 | 2,816 | 64 | -610 | -69 | 2,077 | 49.87% |
| Totals | | -227 | 5,620 | 129 | -1218 | -137 | 4,167 | 100.0% |

Table 5b: projected housing requirements for Wellingborough 2011-2031, not adjusted for backlog or household bedsize, Migration-led Recalibrated

| Tenure | Tenure | Shared | 1 bed | 2 bed | 3 bed | 4+ bed | Totals | |
|---------------|------------------|---------------|--------------|--------------|--------------|---------------|---------------|--------|
| Affordable | Social Rent | -77 | 2,377 | 167 | -238 | 17 | 2,247 | 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 | 4.59% |
| | Owner Occupier | -114 | 3,396 | 239 | -340 | 25 | 3,207 | 49.97% |
| Totals | | -208 | 6,778 | 477 | -678 | 50 | 6,418 | 100.0% |

Table 6a: projected housing requirements for North Northants 2011-2031, not adjusted for backlog or household bedsize, Natural Change

| Tenure | Sector | Shared | 1 bed | 2 bed | 3 bed | 4+ bed | Totals | |
|--------------|------------------|--------|--------|-------|-------|--------|--------|--------|
| | | | | | | | | |
| Affordable | Social Rent | -320 | 5,306 | 1,811 | - | -70 | 5,325 | 34.41% |
| | Affordable Rent | 0 | 385 | 106 | 1,402 | -99 | 372 | 2.40% |
| Intermediate | Shared Ownership | -54 | 861 | 345 | -223 | -40 | 889 | 5.75% |
| Market | Private Rent | 0 | 3,794 | 498 | - | -178 | 3,077 | 19.89% |
| | Owner occupier | -512 | 5,364 | 2,661 | 1,430 | -273 | 5,810 | 37.55% |
| Totals | | -886 | 15,710 | 5,421 | - | -581 | 15,473 | 100.0% |

Table 6b: projected housing requirements for North Northants 2011-2031, not adjusted for backlog or household bedsize, Migration-led Recalibrated

| Tenure | Tenure | Shared | 1 bed | 2 bed | 3 bed | 4+ bed | Totals | |
|--------------|------------------|--------|--------|-------|-------|--------|--------|--------|
| | | | | | | | | |
| Affordable | Social Rent | -168 | 11,831 | 2,101 | -241 | 272 | 13,795 | 33.57% |
| | Affordable Rent | -22 | 1,258 | 176 | -56 | 23 | 1,379 | 3.36% |
| Intermediate | Shared Ownership | -8 | 1,488 | 319 | -2 | 35 | 1,832 | 4.46% |
| Market | Private Rent | -98 | 7,704 | 1,156 | -205 | 226 | 8,783 | 21.37% |
| | Owner occupier | -161 | 12,974 | 2,489 | -252 | 258 | 15,308 | 37.25% |
| Totals | | -457 | 35,255 | 6,241 | -756 | 814 | 41,097 | 100.0% |

Set 2: Requirements adjusted for affordable housing backlog, July 2012

Table 7a: projected housing requirements for Corby 2011-2031, adjusted for backlog, Natural Change

| Tenure | Sector | Shared | 1 bed | 2 bed | 3 bed | 4+ bed | Totals | |
|--------------|------------------|--------|-------|-------|-------|--------|--------|---------|
| | | | | | | | | |
| Affordable | Social Rent | 767 | 599 | 905 | 42 | -82 | 2,231 | 54.79% |
| | Affordable Rent | 0 | 29 | 40 | 1 | -5 | 65 | 1.60% |
| Intermediate | Shared Ownership | -24 | 101 | 135 | 4 | -17 | 199 | 4.89% |
| Market | Private Rent | 0 | 24 | 32 | 1 | -4 | 53 | 1.30% |
| | Owner Occupier | -191 | 773 | 1,041 | 35 | -134 | 1,524 | 37.43% |
| Totals | | 552 | 1,526 | 2,153 | 83 | -242 | 4,072 | 100.00% |

Table 7b: projected housing requirements for Corby 2011-2031, adjusted for backlog Migration-led Recalibrated

| Tenure | Sector | Shared | 1 bed | 2 bed | 3 bed | 4+ bed | Totals | |
|--------------|------------------|--------|-------|-------|-------|--------|--------|--------|
| Affordable | Social rent | 800 | 2,398 | 1,138 | 461 | 74 | 4,871 | 41.55% |
| | Affordable Rent | 0 | 138 | 54 | 27 | 4 | 222 | 1.89% |
| Intermediate | Shared Ownership | -18 | 472 | 184 | 91 | 15 | 743 | 6.34% |
| Market | Private Rent | 0 | 111 | 43 | 21 | 3 | 180 | 1.53% |
| | Owner Occupier | -141 | 3,626 | 1,411 | 700 | 112 | 5,709 | 48.69% |
| Totals | | 641 | 6,745 | 2,830 | 1,301 | 208 | 11,725 | 100.0% |

Table 8a: projected housing requirements for East Northants 2011-2031, adjusted for backlog, Natural Change

| Tenure | Sector | Shared | 1 bed | 2 bed | 3 bed | 4+ bed | Totals | |
|--------------|------------------|--------|-------|-------|-------|--------|--------|---------|
| Affordable | Social Rent | 195 | 912 | 1,061 | -465 | -31 | 1,672 | 38.10% |
| | Affordable Rent | 0 | 43 | 48 | -23 | -2 | 66 | 1.50% |
| Intermediate | Shared Ownership | -2 | 173 | 190 | -94 | -6 | 261 | 5.95% |
| Market | Private Rent | 0 | 197 | 217 | -107 | -7 | 300 | 6.84% |
| | Owner Occupier | -22 | 1,387 | 1,528 | -753 | -51 | 2,089 | 47.61% |
| Totals | | 171 | 2,712 | 3,044 | -1442 | -97 | 4,388 | 100.00% |

Table 8b: projected housing requirements for East Northants 2011-2031, adjusted for backlog, Migration-led Recalibrated

| Tenure | Sector | Shared | 1 bed | 2 bed | 3 bed | 4+ bed | Totals | |
|--------------|------------------|--------|--------|-------|--------|--------|--------|---------|
| Affordable | Social Rent | 263 | 3,313 | 552 | -367 | 62 | 3,823 | 34.93% |
| | Affordable Rent | 0 | 162 | 23 | -19 | 3 | 169 | 1.54% |
| Intermediate | Shared Ownership | 10 | 646 | 90 | -75 | 12 | 683 | 6.24% |
| Market | Private Rent | 0 | 736 | 102 | -85 | 14 | 767 | 7.01% |
| | Owner Occupier | 94 | 5,187 | 723 | -599 | 97 | 5,502 | 50.27% |
| Totals | | 367 | 10,044 | 1,490 | -1,145 | 188 | 10,944 | 100.00% |

Table 9a: projected housing requirements for Kettering 2011-2031, adjusted for backlog, Natural Change

| Tenure | Sector | Shared | 1 bed | 2 bed | 3 bed | 4+ bed | Totals | |
|--------------|------------------|--------|-------|-------|--------|--------|--------|---------|
| Affordable | Social Rent | 638 | 2,052 | 424 | -489 | 100 | 2,725 | 48.61% |
| | Affordable Rent | -9 | 118 | 9 | -31 | -6 | 81 | 1.44% |
| Intermediate | Shared Ownership | 0 | 199 | 15 | -52 | -10 | 152 | 2.71% |
| Market | Private Rent | -175 | 3,323 | 243 | -877 | -161 | 2,353 | 41.97% |
| | Owner Occupier | 0 | 388 | 28 | -102 | -19 | 295 | 5.26% |
| Totals | | 454 | 6,080 | 719 | -1,551 | -96 | 5,606 | 100.00% |

Table 9b: projected housing requirements for Kettering 2011-2031, adjusted for backlog, Migration-led Recalibrated

| Tenure | Sector | Shared | 1 bed | 2 bed | 3 bed | 4+ bed | Totals | |
|---------------|------------------|---------------|---------------|--------------|--------------|---------------|---------------|---------------|
| Affordable | Social Rent | 682 | 3,971 | 868 | -34 | 128 | 5,614 | 38.00% |
| | Affordable Rent | -5 | 392 | 59 | -7 | 12 | 452 | 1.84% |
| Intermediate | Shared Ownership | 0 | 233 | 35 | -4 | 7 | 272 | 3.06% |
| Market | Private Rent | -98 | 6,556 | 990 | -111 | 207 | 7,543 | 51.06% |
| | Owner Occupier | 0 | 765 | 116 | -13 | 24 | 892 | 6.03% |
| Totals | | 578 | 11,917 | 2,068 | -169 | 378 | 14,773 | 100.0% |

Table 10a: projected housing requirements for Wellingborough 2011-2031, adjusted for backlog, Natural Change

| Tenure | Sector | Shared | 1 bed | 2 bed | 3 bed | 4+ bed | Totals | |
|---------------|------------------|---------------|--------------|--------------|---------------|---------------|---------------|---------------|
| Affordable | Social Rent | 607 | 2,074 | 304 | -394 | -43 | 2,547 | 48.46% |
| | Affordable Rent | 0 | 114 | 3 | -25 | -3 | 89 | 1.69% |
| Intermediate | Shared Ownership | -19 | 469 | 11 | -102 | -11 | 348 | 6.62% |
| Market | Private Rent | 0 | 250 | 6 | -54 | -6 | 196 | 3.71% |
| | Owner Occupier | -124 | 2,816 | 64 | -610 | -69 | 2,077 | 39.52% |
| Totals | | 463 | 5,723 | 387 | -1,185 | -132 | 5,256 | 100.0% |

Table 10b: projected housing requirements for Wellingborough 2011-2031, adjusted for backlog, Migration-led Recalibrated

| Tenure | Tenure | Shared | 1 bed | 2 bed | 3 bed | 4+ bed | Totals | |
|---------------|------------------|---------------|--------------|--------------|--------------|---------------|---------------|---------------|
| Affordable | Social Rent | 614 | 2,480 | 426 | -205 | 22 | 3,338 | 44.45% |
| | Affordable Rent | -17 | 566 | 40 | -57 | 4 | 536 | 1.78% |
| Intermediate | Shared Ownership | 0 | 137 | 10 | -14 | 1 | 134 | 7.14% |
| Market | Private Rent | 0 | 301 | 21 | -30 | 2 | 294 | 3.92% |
| | Owner Occupier | -114 | 3,396 | 239 | -340 | 25 | 3,207 | 42.71% |
| Totals | | 483 | 6,881 | 736 | -645 | 55 | 7,509 | 100.0% |

Table 11a: projected housing requirements for North Northants 2011-2031, adjusted for backlog, Natural Change

| Tenure | Sector | Shared | 1 bed | 2 bed | 3 bed | 4+ bed | Totals | |
|---------------|------------------|---------------|---------------|--------------|--------------|---------------|---------------|----------------|
| Affordable | Social Rent | 2,207 | 5,637 | 2,694 | - | -56 | 9,176 | 47.48% |
| | Affordable Rent | 0 | 385 | 106 | -99 | -20 | 372 | 1.93% |
| Intermediate | Shared Ownership | -54 | 861 | 345 | -223 | -40 | 889 | 4.60% |
| Market | Private Rent | 0 | 3,794 | 498 | - | -178 | 3,077 | 15.92% |
| | Owner Occupier | -512 | 5,364 | 2,661 | - | -273 | 5,810 | 30.07% |
| Totals | | 1,641 | 16,041 | 6,304 | - | -567 | 19,324 | 100.00% |

Table 11b: projected housing requirements for North Northants 2011-2031, adjusted for backlog, Migration-led Recalibrated

| Tenure | Tenure | Shared | 1 bed | 2 bed | 3 bed | 4+ bed | Totals | |
|---------------|------------------|---------------|------------------|------------------|------------------|-------------------|---------------|---------|
| Affordable | Social Rent | 2,359 | 12162 | 2984 | -145 | 286 | 17,646 | 39.26% |
| | Affordable Rent | -22 | 1258 | 176 | -56 | 23 | 1,379 | 3.07% |
| Intermediate | Shared Ownership | -8 | 1488 | 319 | -2 | 35 | 1,832 | 4.08% |
| Market | Private Rent | -98 | 7704 | 1156 | -205 | 226 | 8,783 | 19.54% |
| | Owner Occupier | -161 | 12974 | 2489 | -252 | 258 | 15,308 | 34.06% |
| Totals | | 2,070 | 35,586 | 7,124 | -660 | 828 | 44,948 | 100.00% |

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 proportion 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 2001 Census. For each additional older household not downsizing to a 2 bed home, a minimum of a 3 bed house will be required to replace it.

In view of the significance of the projected growth in older households, projections have been made of the numbers of pensioner households requiring one of:

- 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.

The following tables summarises 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 12: projected specialised housing requirements of older households for Corby, 2011-2031

| 65+ Households | 65+ totals | Under-occupying (56.77%) | Designated | Sheltered | Extra Care |
|-----------------------|-------------------|---------------------------------|-------------------|------------------|-------------------|
| 2011 | 5,827 | 3,308 | 367 | 175 | 320 |
| 2031 | 8,899 | 5,052 | 560 | 267 | 489 |
| Additional Households | 3,072 | 1,744 | 193 | 92 | 169 |

Table 13: projected specialised housing requirements of older households for East Northants, 2011-2031

| 65+ Households | 65+ totals | Under-occupying (61.98%) | Designated | Sheltered | Extra Care |
|-----------------------|-------------------|---------------------------------|-------------------|------------------|-------------------|
| 2011 | 9,388 | 5,818 | 590 | 282 | 516 |
| 2031 | 16,284 | 10,093 | 1,024 | 489 | 896 |
| Additional Households | 6,897 | 4,274 | 434 | 207 | 379 |

Table 14: projected specialised housing requirements of older households for Kettering, 2011-2031

| 65+ Households | 65+ totals | Under-occupying (58.11%) | Designated | Sheltered | Extra Care |
|-----------------------|-------------------|---------------------------------|-------------------|------------------|-------------------|
| 2011 | 10,018 | 5,822 | 630 | 301 | 551 |
| 2031 | 16,417 | 9,540 | 1,033 | 493 | 903 |
| Additional Households | 6,399 | 3,718 | 402 | 192 | 352 |

Table 15: projected specialised housing requirements of older households for Wellingborough, 2011-2031

| 65+ Households | 65+ totals | Under-occupying (56.77%) | Designated | Sheltered | Extra Care |
|-----------------------|-------------------|---------------------------------|-------------------|------------------|-------------------|
| 2011 | 9,001 | 5,145 | 566 | 270 | 495 |
| 2031 | 14,352 | 8,204 | 903 | 431 | 789 |
| Additional Households | 5,351 | 3,058 | 337 | 161 | 294 |

Table 16: projected specialised housing requirements of older households for North Northants 2011-2031,

| 65+ Households | 65+ totals | Under-occupying (58.41%) | Designated | Sheltered | Extra Care |
|-----------------------|-------------------|---------------------------------|-------------------|------------------|-------------------|
| 2011 | 34,234 | 20,093 | 2,153 | 1,028 | 1,882 |
| 2031 | 55,952 | 32,889 | 3,520 | 1,680 | 3,077 |
| Additional Households | 21,719 | 12,794 | 1,366 | 652 | 1,194 |

Concluding remarks

The Update has confirmed North Northamptonshire as a functional housing market area both internally and in relation to adjacent areas. The 'housing offer' is a very broad one, ranging from lower cost options in an extended Corby market to the higher value properties available in the high demand East Northants. area. The area's housing market has been diversified through the growth of the private rented sector which appears to have responded to the increased requirement for smaller properties, not least from a growing population of central/eastern European migrants.

On the evidence available, the home ownership sector has been less responsive to demographic trends and has continued to develop a high level of traditional and larger family housing. It is interesting to note that the area continues to make a net gain of families with children through migration, and it may well be that the new-build sector is stimulating that demand.

The social rented sector continue to play an important function in housing smaller households and both need and demand are likely to increase under the joint pressures of demographic change and welfare reform.

The main challenges for the area's housing market are whether it can:

1. provide aspirational downsizing and typically 2 bed homes for underoccupying older households living in 3 bed and larger family housing;
2. meet the requirement for designated, sheltered and extra care housing from a rapidly expanding older population, especially from those aged 85 and above; and
3. adapt to the impact of welfare reform in constraining the access of low income households to housing in the social and private rented sectors.