



GL Hearn

Part of Capita Real Estate

Strategic Housing Market Assessment

**North York Moors National Park
Authority**

Final Report

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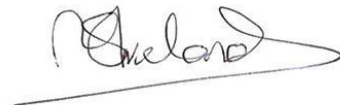
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1 INTRODUCTION

- 1.1 The North York Moors National Park Authority (NYMNPA) is in the process of developing a Local Plan, which will cover the North York Moors National Park (NYMNP) area. As part of the evidence for their Local Plan the NYMNPA commissioned GL Hearn to undertake a study examining housing need within the National Park
- 1.2 The NYMNPA is the planning authority within the National Park. The NYMNPA has two statutory purposes to:
- i. Conserve and enhance the natural beauty, wildlife and cultural heritage of the area; and*
 - ii. Promote opportunities for the understanding and enjoyment of the special qualities of the Park by the public.*
- 1.3 In carrying out these purposes, the NYMNPA has a duty to foster the economic and social well-being of local communities within the NYMNP.
- 1.4 Section 62 of the Environment Act 1995 requires all relevant authorities, including statutory undertakers and other public bodies, to have regard to these purposes. Where there is an irreconcilable conflict between the statutory purposes, the 'Sandford Principle' is statutorily required to be applied and the first Purpose of the National Park will be given priority. The Sandford Principle relates to a statement first made by Lord Sandford in his committee report on possible changes to the management and legislation governing National Parks and now in the Environment Act 1995 which states that: 'if it appears that there is a conflict between those two Purposes, any relevant Authority shall attach greater weight to the first [Purpose]'.
- 1.5 Paragraph 115 in the NPPF reaffirms this, setting out that "*great weight should be given to conserving landscape and scenic beauty in National Parks, the Broads and Areas of Outstanding Natural Beauty, which have the highest status of protection in relation to landscape and scenic beauty. The conservation of wildlife and cultural heritage are important considerations in all these areas, and should be given great weight in National Parks and the Broads.*"
- 1.6 National Park Authorities also need to take into account the 2010 Circular¹ which sets out national policy in respect of National Parks. In this the Government is clear that action by National Park Authorities should include fostering and maintaining thriving rural economies, and supporting the delivery of affordable housing.

¹ DEFRA (2010) English national parks and the broads: UK government vision and circular 2010

- 1.7 The 2010 Circular recognises that National Parks often have higher house prices than surrounding areas, and can have include low paid jobs in their local economies. It clearly sets out that national park authorities have an important role to play in the delivery of affordable housing, setting out that:

“Through their Local Development Frameworks they should include policies that pro-actively respond to local housing needs. The Government recognises that the National Parks are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them. The expectation is that new housing will be focused on meeting affordable housing requirements, supporting local employment opportunities and key services.

The Government expects the Authorities to maintain a focus on affordable housing and to work with local authorities and other agencies to ensure that the needs of local communities in the Parks are met and that affordable housing remains so in the longer-term.²”

- 1.8 There is thus a particular emphasis in national policy on meeting affordable housing needs within national parks; and recognition that unrestricted provision of housing is not appropriate.

Purpose of this Report

- 1.9 To put this work in context, a Strategic Housing Market Assessment (SHMA) is required by Paragraph 159 of the National Planning Policy Framework (NPPF)³ to inform future Local Plan policies for housing provision, based on adequate, up to date and relevant evidence. A SHMA is required to assess the overall need for housing; the need for different types of housing, including affordable housing; and the housing needs of different groups within the community.
- 1.10 Planning Practice Guidance⁴ (PPG) sets out a standard approach to assessing the full need for market and affordable housing. The approach adopted in this report in assessing overall housing needs is consistent with the PPG.
- 1.11 However, the assessment of overall housing need is somewhat theoretical, as it required to ‘leave aside’ development constraints, as it is required to do, and thus does not take account of the NYMNP’s designation.
- 1.12 **In policy terms, the emphasis on seeking to meet full objectively assessed housing need, as set out in Paragraph 14 in the NPPF, does not apply in national parks where it can be shown that this conflicts with the statutory purpose of conserving and enhancing. The policy framework for national parks focuses primarily on seeking to deliver affordable housing to meet local needs. Affordable housing need is therefore considered in detail in this SHMA.**

² DEFRA (2010) Circular: National Parks, Paragraphs 78 and 79

³ CLG (March 2012) *National Planning Policy Framework*

⁴ Planning Practice Guidance on Housing and Economic Development Needs Assessments

1.13 The footnote to this Paragraph clearly outlines that the Framework accepts the designation of a National Park may restrict development, where appropriate if it fails to conserve landscape and scenic beauty – and thus there is not an expectation that the NYMNP will seek to meet its objectively assessed housing needs in full. Instead, as set out above, the policy focus is on meeting local needs with a specific focus on providing affordable housing within the NYMNP; and working with local authorities to plan to meet housing needs across the wider HMAs.

- In consideration of national planning policy, we therefore consider that: The NYMNP should plan to meet a proportion of these housing needs within the National Park itself, in particular to meet the local affordable housing need;
- This proportion would be defined (for the purposes of the NYMNP's Local Plan) taking account of the statutory Purposes and Duty and 2010 Circular based on:
 - Meeting local housing needs, particularly for affordable housing;
 - Supporting local employment opportunities and key services;
 - Landscape impact and development constraints.
- The NYMNP needs to work with local authorities to establish full housing need for the relevant Housing Market Areas which cut across the NYMNP. These assessments should be free of constraints.

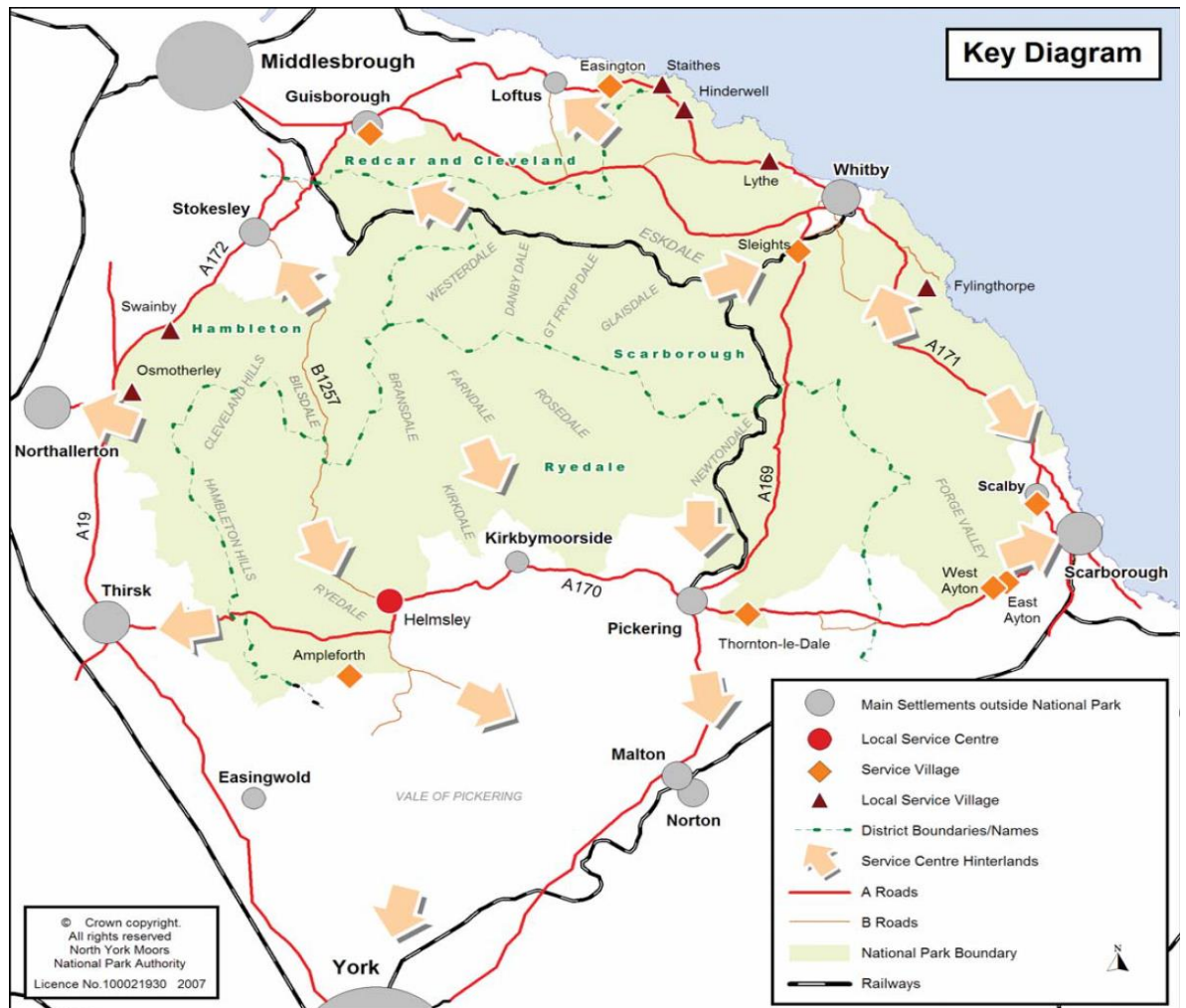
1.14 This assessment thus seeks to consider housing need - identifying in particular the need for affordable housing, as well as considering the mix of housing and the housing needs of specific groups within the population. Overall housing needs are assessed, leaving aside development constraints as Planning Practice Guidance requires, for comparative purposes – not least in allowing the NYMNP to engage with local authorities within the various Housing Market Areas which cut across the North York Moors National Park.

1.15 **There is not an expectation in the NPPF that full objectively assessed need (OAN) for housing will be met in full within the National Park.**

North York Moors National Park

1.16 Figure 1 shows the boundary of the NYMNP. The National Park cuts across four local authorities (Hambleton, Ryedale, Scarborough and Redcar and Cleveland). Its main settlements include Swainby, Osmotherly, Hutton le Hole, Thornton le Dale and Goathland, while Guisborough, Sleights and Helmsley lies on the edge of the National Park.

Figure 1: North York Moors National Park



Source: NYMNP Core Strategy and Development Policies, 2008

- 1.17 The duty to cooperate applies to the NYMNP and the Local authorities within the Housing Market Areas (HMAs) which cut across the National Park. The NPPF sets out that local authorities will need to work together across relevant HMAs to identify housing need and seek to meet this as far as it is sustainable to do so. This may mean delivering some of the Parks need outside of the Park itself.
- 1.18 Within this report we identify the Housing Market Areas which include parts of the National Park and profile the population characteristics of the NYMNP area. This draws largely on 2011 Census data and is benchmarked against the wider HMAs and the Yorkshire and Humber region.
- 1.19 A bespoke demographic model has been developed to estimate housing need within the NYMNP. This uses Census data and Mid-Year Estimates from ONS. The model provides the potential to disaggregate housing need (covering both market and affordable housing). The bespoke demographic modelling builds on and seeks to augment work undertaken previously.

- 1.20 We have used this model to run a range of scenarios to review the impact of different assumptions on migration and maintaining population base overall and for certain key groups. For these scenarios, we have calculated the level of housing need and assessed how the age structure changes, as well as the impact on the resident workforce. The report also investigates affordable housing need within the National Park.
- 1.21 We have also assessed house prices and trends across the NYMNP and how these compare to surrounding areas. It looks at local level price differentials across different parts of the NYMNP.

Note on Geographies

The National Park boundary does not reflect any administrative or standard boundary as the designation is landscape-based rather than population or politically-based. Therefore, many of the datasets we would normally use to prepare a SHMA are not readily available specifically for the NYMNP area.

There is some limited data, which is taken from the census, which accurately reflects the NYMNP Boundary. Where possible we have used this data as a first choice.

Where specific data is not available for the North York Moors Development Plan (NYMDP), we have therefore developed a geography based on aggregating Output Areas (OA) data to reflect a “best fit” to the NYMNP. However, this geography, by its nature, extends slightly beyond the NYMNP boundary and any data relating to it would not exactly correspond with the National Park. Indeed, it captures a number of villages and built development which are outside the National Park. Specific statistics should therefore be treated with a degree of caution.

In addition, some data has been aggregated to HMAs. These extend well beyond the National Park boundary. The nature of these areas is described in more detail in Section 2.

We refer to these areas respectively as:

- The North York Moors National Park (NYMNP); and
- Housing Market Areas (HMAs).

2 HOUSING MARKET GEOGRAPHIES

2.1 Paragraph 47 of the National Planning Policy Framework (NPPF) states that local planning authorities should “use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area (HMA), as far as is consistent with the policies set out in this Framework”

2.2 The NPPF emphasises that housing need is expected to be assessed for the Housing Market Area, and that development constraints should not be applied to the assessment of need, although these are relevant considerations in bringing together evidence to set policy targets in plans.

2.3 Paragraph 10 of the Planning Practice Guidance (PPG) relating to Housing and Economic Development Needs Assessments (ID: 2a-010-20140306) outlines what a housing market area is, setting out:

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

The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate⁵.”

2.4 Paragraph 159 of the NPPF makes clear that local planning authorities should “prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries”.

2.5 GL Hearn through our work with Ryedale and Hambleton Council identified Housing Market Areas using a best fit of Local Authorities. This showed that Hambleton and Ryedale fell into different single authority housing market areas. The evidence for this is summarised below and is augmented with further commentary around Scarborough (which identified itself as a stand-alone HMA) and Redcar and Cleveland which identified itself as part of the TV4 HMA along with Stockton, Middlesbrough and Hartlepool. As such it is clear the NYMNP falls across a number of HMAs.

Approach to Defining Housing Market Areas

2.6 Planning Practice Guidance (PPG) on *Housing and Economic Development Needs Assessments* was issued by Government in March 2014 (and subsequently revised, with the latest version - dated March 2015 - used to inform analysis herein). The PPG provides a definition of a Housing Market Area (HMA)⁶ and guidance on how this should be defined.

⁵ Reference ID: 2a-011-20140306

⁶ This is not to be confused with SHMA which refers to the Strategic Housing Market Assessment (SHMA) i.e. reports such as this.

2.7 Paragraph 9 of the PPG (ID: 2a-009-20140306) indicates that local planning authorities can use a combination of approaches to identify relevant housing market areas, recognising that there is no single comprehensive source of information. Paragraph 11 of the PPG (ID: 2a-011-20140306) indicates three primary information sources:

- Patterns of house prices and rates of change in house prices, which provides a 'market based' reflection of housing market boundaries;
- Population and household migration flows, which reflect the preferences and the trade-offs made when choosing housing with different characteristics; and
- Contextual data, such as travel to work areas, which reflects the spatial structure of the labour market and the functional relationships between places where people work and live.

2.8 There is no right or wrong answer regarding what weight should be applied to these different factors. Paragraph 009 of the PPG (ID: 2a-009-20140306) says is that:

“No single source of information on needs will be comprehensive in identifying the appropriate assessment area; careful consideration should be given to the appropriateness of each source of information and how they relate to one another. For example, for housing, where there are issues of affordability or low demand, house price or rental level analyses will be particularly important in identifying the assessment area. Where there are relatively high or volatile rates of household movement, migration data will be particularly important. Plan makers will need to consider the usefulness of each source of information and approach for their purposes.”

2.9 There are some further practical issues which are dealt with in the recent Planning Advisory Service (PAS) Technical Advice Note on Objectively Assessed Need and Housing Targets⁷. This report, written by Peter Brett Associates (PBA), outlines that in practice, the main indicators used to define HMAs are migration and commuting flows. In Paragraphs 5.5 and 5.6, the report goes on to point out that:

“One problem in drawing boundaries is that any individual authority is usually most tightly linked to adjacent authorities and other physically close neighbours. But each of these close neighbours in turn is most tightly linked to its own closest neighbours, and the chain continues indefinitely.

Therefore, if individual authorities worked independently to define HMAs, almost each authority would likely draw a different map, centred on its own area.”

2.10 Paragraph 5.6 of the PAS Note argues that to address this issue, it is useful to start with a “top down analysis” which looks at the whole country. This is provided by a research study led by the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University to define HMAs across England, which was published by Government in November 2010⁸. This has defined a consistent set of HMAs across England based on migration and commuting data from the 2001 Census.

⁷ Objectively Assessed Need and Housing Targets: Technical Advice Note, Prepared for the Planning Advisory Service by Peter Brett Associates (July 2015)

⁸ Jones, C. Coombes, M. and Wong, C. (2010) *Geography of Housing Market Areas in England: Summary Report*

- 2.11 In Paragraph 5.10 PBA emphasise that this should be considered only a 'starting point' and should be 'sense-checked' against local knowledge and more recent data, especially on migration and commuting. PBA conclude that more recent data 'should always trump' the national research. GL Hearn agrees with PBA conclusions in this respect.
- 2.12 Our approach was structured to firstly consider the CURDS geographies then other recent work which has considered housing market geographies in North Yorkshire and the surrounding areas and finally to establish the most appropriate HMA boundaries through analysis of key indicators set out in the PPG.
- 2.13 We did not review retail and school catchment data when defining Housing Market Areas as in our experience these tend to be relatively localised, and whilst they may inform the definition of sub-markets, are less likely to be of use in considering sub-regional housing market geographies. We recognise that retail and school catchments may cut across local authority boundaries.

Practical Issues

- 2.14 The PPG largely reiterates previous guidance on defining HMAs set out within the CLG's 2007 Advice Note⁹ on *Identifying Sub-Regional Housing Market Areas*. There has been effectively no change in guidance, which continues to emphasise that there is no right or wrong answer as to how an HMA should be defined; and confirms that the approach should, in effect, reflect local market characteristics and circumstances.
- 2.15 There is a range of previous work which has been undertaken to define HMAs over the last decade, at national, regional and local levels. It is now however appropriate to review this, not least given that a significant proportion of the past work is informed by 2001 Census data regarding commuting and migration patterns. 2011 Census flow data was issued between July 2014 and December 2014.
- 2.16 A further practical issue regards the geographical building blocks that housing market areas are built up from. A key purpose of a SHMA is to define the Objectively Assessed Need (OAN) for housing. Paragraphs 15 - 17 of the PPG relating to *Housing and Economic Development Needs Assessments* are clear that the starting point for doing so are the latest official population and household projections. These are published at a national level and for local authorities, and provide the most up to date official estimates of household growth. They are based on statistically robust and nationally consistent assumptions, as the PPG sets out.
- 2.17 Official population and household projections are not published below local authority level, nor is the data available (regarding migration and trends in household formation which are key drivers

⁹ DCLG (March 2007) *Identifying Sub-Regional Housing Market Area: Advice Note*

within the projections) to allow projections to be robustly developed for areas below local authority level.

2.18 On this basis we considered that HMAs should be defined based on the 'best fit' to local authority boundaries; albeit that SHMAs can (and should) recognise cross-boundary influences and interactions. Paragraph 5.21 of the PAS Technical Advice Note¹⁰ supports this, concluding that:

"it is best if HMAs, as defined for the purpose of needs assessments, do not straddle local authority boundaries. For areas smaller than local authorities, data availability is poor and analysis becomes impossibly complex."

2.19 This approach is widely accepted and is a practical and pragmatic response to data availability and one we would wish to adopt. In practical terms, we are of the view that towards the edges of most housing markets there are likely to be influences in two directions with some overlap between HMAs.

Existing Definitions

2.20 This section of this report reviews existing research which considered the definition of HMAs. It starts with national research undertaken for Government by a consortium of academics led by the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University has sought to define housing markets across England.¹¹

2.21 The CURDS Study for CLG considers commuting and migration dynamics (based on 2001 Census data) and house prices (standardised to account for differences in housing mix and neighbourhood characteristics). This information was brought together by CURDS to define a three tiered structure of housing markets, as follows:

- Strategic (Framework) Housing Markets– based on 77.5% commuting self-containment;
- Local Housing Market Areas – based on 50% migration self-containment; and
- Sub-Markets – which would be defined based on neighbourhood factors and house types.

2.22 The Framework and Local HMAs are mapped across England, with the Local HMAs embedded within the wider Strategic HMAs. Both are defined based on wards at a "gold standard" and based on local authorities for the "silver standard" geography. In Paragraph 5.9 of the PAS Technical Advice Note, Peter Brett Associates comment on this geography stating:

"We prefer the single-tier level because strategic HMAs are often too large to be manageable; we prefer the 'silver standard' because HMAs boundaries that straddle local authority areas are usually impractical, given that planning policy is mostly made at the local authority level, and many kinds of data are unavailable for smaller areas. But for some

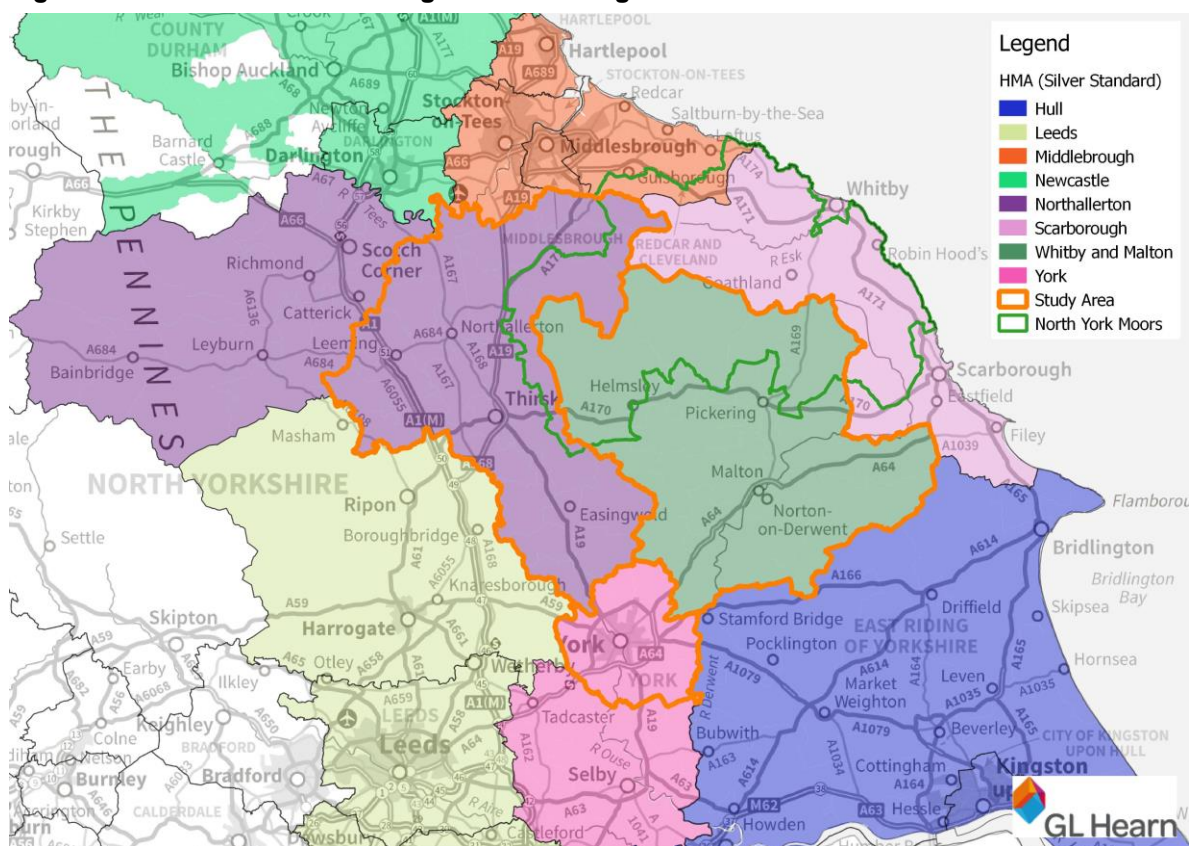
¹⁰ Objectively Assessed Need and Housing Targets: Technical Advice Note, Prepared for the Planning Advisory Service by Peter Brett Associates (July 2015)

¹¹ <http://www.ncl.ac.uk/curds/research/defining/NHPAU.htm>

areas, including many close to London, the single-tier silver standard geography looks unconvincing; in that plan-makers should look for guidance to other levels in the NHPAU analysis.”

2.23 Figure 2 shows the silver standard Framework HMA geography. This illustrates that the four local authorities in which the NYMNP is located fall into separate HMAs. The areas in Hambleton fall within the Northallerton HMA and those parts in Redcar and Cleveland within the Middlesbrough HMA. The majority of the National Park however falls within Whitby and Malton (Ryedale) and Scarborough HMA.

Figure 2: CURDS – Defined Single-Tier Housing Market Areas



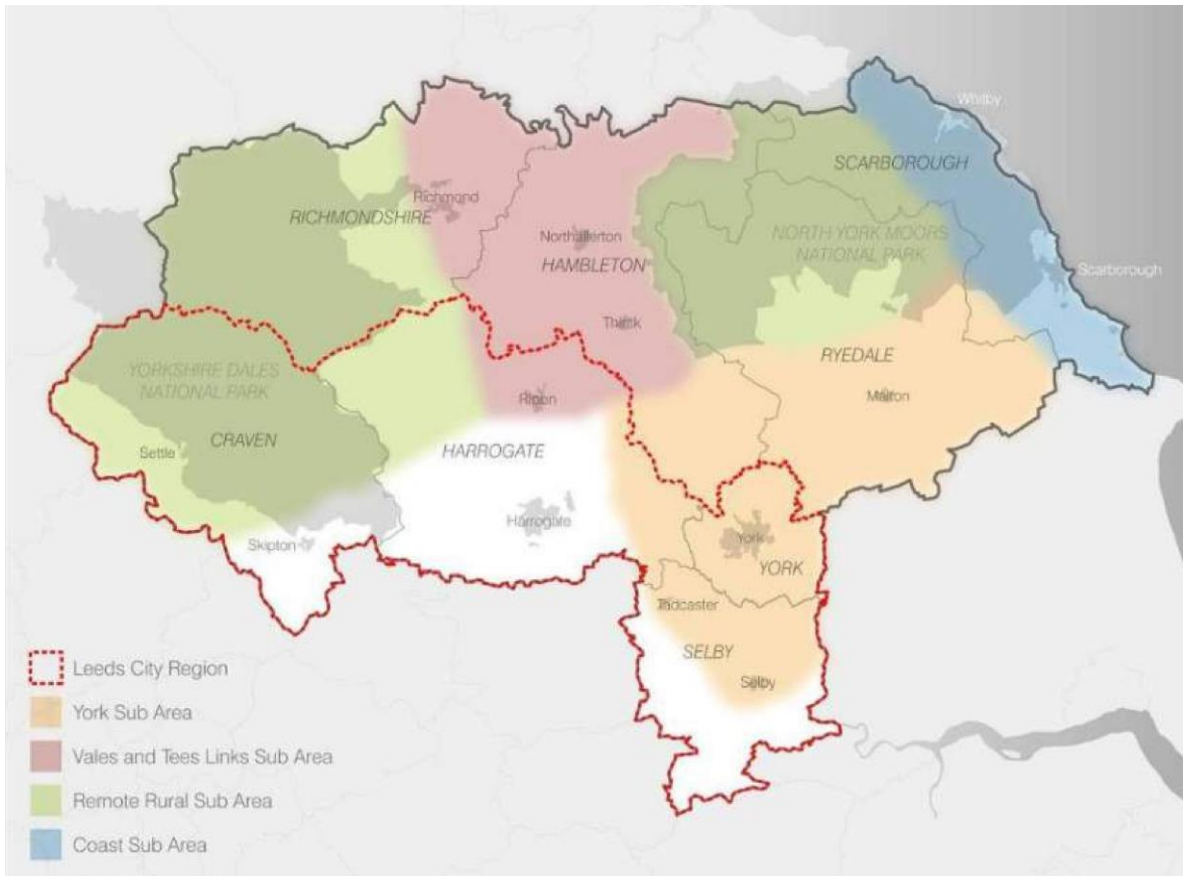
Source: CURDS, 2009/10, © Crown copyright and database rights 2015 Ordnance Survey 100019153

2.24 It must however be borne in mind that the CURDS work is based on 2001 data, which is now 14 years old. 2011 Census commuting and migration flow data was released in 2014 which provides a basis for reconsidering housing market geographies using more recent information. This is considered later in this section.

North Yorkshire SHMA (2010)

2.25 The previous Strategic Housing Market Assessment carried out by GVA on behalf of the North Yorkshire Strategic Housing Partnership (NYSHP) in September 2010 identified four sub areas across North Yorkshire.

Figure 3: North Yorkshire Sub- Regional Market Area



Source: GVA, 2010

2.26 The majority of the North York Moors National Park also falls within the Remote Rural Sub Area although the more eastern parts are located within the Coast sub area.

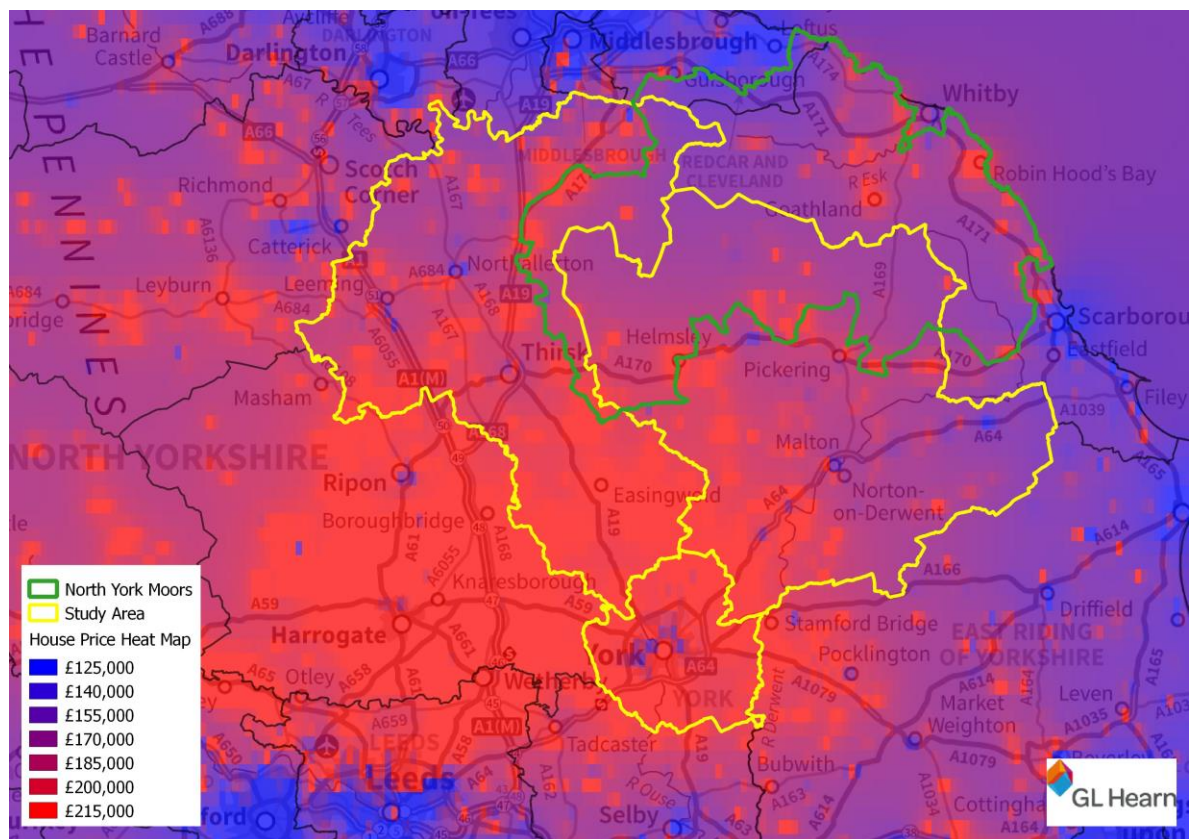
Reviewing Housing Market Area Geographies

2.27 This section of the report moves on to review HMA geographies taking account of the latest available data on house prices, migration and commuting flows. These are the key indicators identified in paragraph 2a-011 of the PPG. However, many of the datasets used to do this are not available for the National Park area. We have therefore reviewed the dynamics within each of the constituent local authorities.

House Price Dynamics

2.28 We have used the 2014 Price Paid Data from Land Registry to identify areas of higher or lower value homes in Yorkshire and the Humber. Figure 4 house prices in the wider area with the most expensive are York, Harrogate, Wetherby or Knaresborough. However, many parts of the National Park also have higher house prices but because there are fewer and a wider dispersal of sales the NYMNP is illustrated as have lower values

Figure 4: All Sales (2014)



Source: HM Land Registry, 2015

2.29 The map also illustrates that areas located outside the study area within more urban areas such as Scarborough, Middlesbrough, Darlington, Selby and central or southern Leeds tend to be of much lower value than anywhere in the study area.

House Prices by Type

2.30 Typically, we would also see higher house prices in those areas which have a high percentage of detached properties (rural areas such as the NYMNP) and lower values in areas where there are high percentages of smaller flatted stock (Urban areas).

2.31 In order to counteract this, we have looked at the house prices across the range of typologies. In order to draw firmer conclusions on HMA areas we have also shifted away from more localised data to data based on Local Authorities. Table 1 sets out median house price by type for each local authority in North Yorkshire and selected surrounding local authorities as well as the NYMNP area. Each type is coloured to indicate relative house prices with dark red being the most expensive and dark blue the least expensive. The table is sorted by the overall median house price.

Table 1: Median House Prices by Type and Local Authority (2014)

	Detached	Semi-Detached	Terrace	Flat	Median
North York Moors National Park Area	£280,000	£195,000	£192,000	£155,000	£225,000
Harrogate	£360,000	£213,500	£179,800	£154,750	£222,500
Hambleton	£284,000	£175,000	£161,000	£120,000	£210,000
York	£276,500	£193,000	£175,000	£144,725	£192,000
Richmondshire	£239,950	£161,000	£173,000	£110,000	£185,000
Ryedale	£249,950	£158,250	£144,998	£133,750	£182,000
Craven	£322,500	£190,250	£140,000	£124,950	£175,000
Selby	£227,000	£142,500	£130,000	£83,975	£162,000
Leeds	£270,000	£153,000	£120,000	£114,000	£148,501
Scarborough	£220,000	£149,950	£124,000	£96,500	£145,000
Stockton-on-Tees	£199,950	£122,750	£93,000	£83,250	£130,000
Kirklees	£234,975	£129,725	£100,000	£88,125	£125,000
Wakefield	£200,000	£124,950	£96,000	£81,975	£124,999
Calderdale	£249,995	£143,000	£97,500	£99,950	£124,000
Redcar & Cleveland	£189,950	£120,000	£80,000	£78,995	£122,000
Bradford	£245,000	£125,000	£101,000	£68,735	£120,000
Middlesbrough	£219,000	£124,950	£67,750	£69,000	£117,000

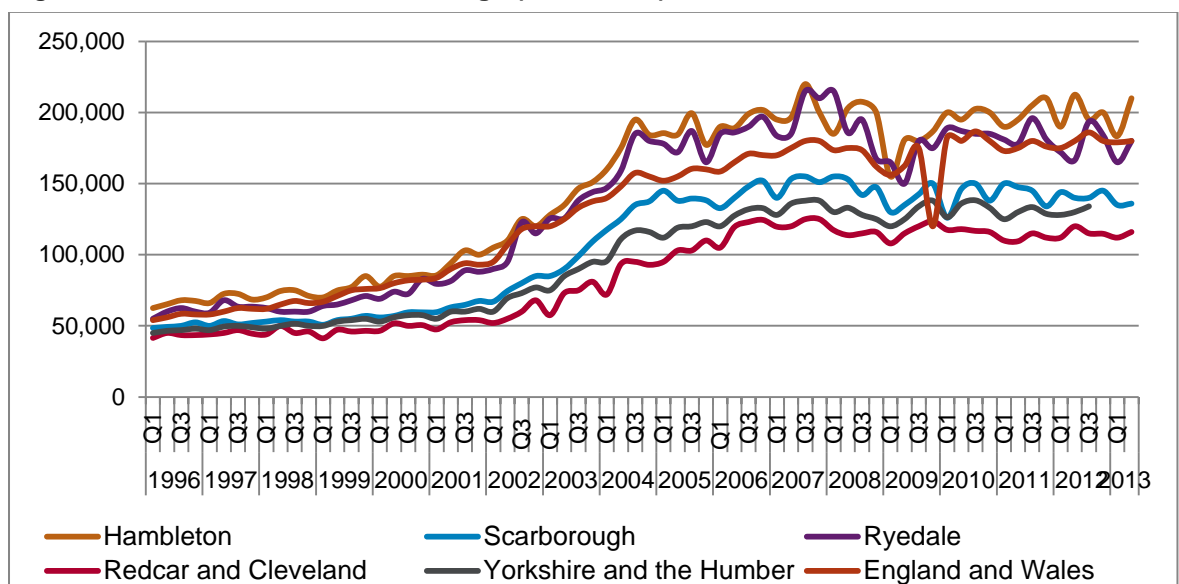
Source: HM Land Registry, 2015

2.32 Within the wider sub region, the NYMNP area is the most expensive while Middlesbrough occupies the bottom of the table. Harrogate and Hambleton are the next most expensive. Scarborough is a mid-ranking authority while Redcar and Cleveland is one of the least expensive. There are however significant differences between the property types with median costs in Hambleton exceeding those in the National Park for detached properties.

House price changes

- 2.33 Longer term house price data is not available for the NYMNP however there was a broad correlation in house price growth between Hambleton and Ryedale (Figure 5). Since 2002-3 the price growth in these areas has been at a faster rate than the other areas under consideration.
- 2.34 There is however a substantial difference between Redcar and Cleveland and the other areas under consideration. Both price levels and rate of growth are significantly below the regional and national averages.

Figure 5: Median House Price Change (1996 -2013)



Source: CLG, 2014

- 2.35 Scarborough has seen average growth in comparison to the other areas. The above analysis therefore indicates that parts of the local authorities falling within the boundaries of North York Moors National Park have a different housing market performance and dynamics.

Migration

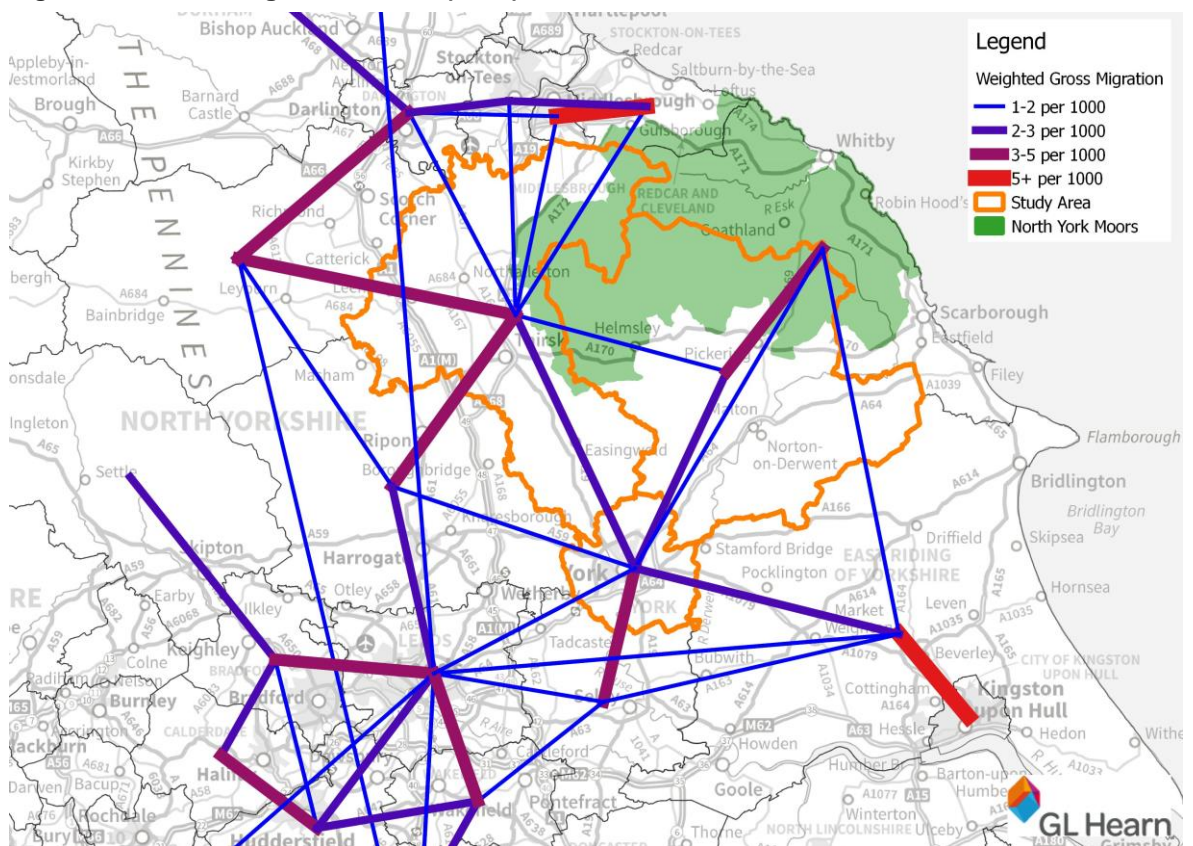
- 2.36 Migration flows reflect households' movements between areas, and thus are a key factor in considering the geography of housing markets. To test the definition of the housing market area, and to understand functional housing market inter-relationships across local authority boundaries, we have analysed Census data on internal migration flows between relevant local authority areas.
- 2.37 Migration data is not available for the National Parks areas therefore any analysis on flows and self-containment is not possible.

2.38 The data we have used (at a local authority level) typically shows larger flows between authorities which are close to or border one another and between cities and student towns around the country. The scale of flows is partly influenced by the population of the authorities, with for instance the expectation that two large urban/ metropolitan authorities would support stronger flows than two smaller ones.

2.39 Taking this into account, we have sought to standardise the analysis of gross flows to take account of the combined population of different authorities. The map below shows gross migration flows in numeric terms and expressed per combined 1,000 population.

2.40 As illustrated in Figure 6, the strongest relationship involving local authorities collocated with the National Park are those between Redcar and Cleveland and Middlesbrough, Ryedale and Scarborough, Hambleton and Harrogate and Hambleton and Richmondshire. There are also lesser but notable links between York and Hambleton and York and Ryedale. With the exception of Ryedale and Hambleton there are fairly weak links between the local authorities.

Figure 6: Gross Migration Flows (2011)



2.41 Looking at this data in Tabular form (see Table 2) shows that Redcar and Cleveland and Middlesbrough is one of the larger gross flows in the wider area. The table also highlights that the strongest relationship within the host authorities (in Bold) is between Ryedale and Scarborough.

Table 2: Gross Migration Flows (2011)

Location	Location	Gross per 1,000 Population
East Riding of Yorkshire	Kingston upon Hull, City of	12.29
Redcar & Cleveland	Middlesbrough	6.49
Leeds	Bradford	4.23
York	Selby	3.81
Sheffield	Rotherham	3.76
Kirklees	Calderdale	3.56
Scarborough	Ryedale	3.37
Harrogate	Hambleton	3.36
Darlington	Richmondshire	3.31
Leeds	Wakefield	3.20
Richmondshire	Hambleton	3.20
Leeds	Kirklees	2.85
Redcar & Cleveland	Stockton-on-Tees	2.74
East Riding of Yorkshire	York	2.70
Sheffield	North East Derbyshire	2.61
Bradford	Calderdale	2.55
Ryedale	York	2.51
Darlington	Stockton-on-Tees	2.33
York	Hambleton	2.29
Wakefield	Barnsley	2.23
Wakefield	Kirklees	2.22
Leeds	Harrogate	2.11
Darlington	County Durham	2.09
Bradford	Craven	2.07
Sheffield	Barnsley	2.01
Kirklees	Bradford	1.97
York	Harrogate	1.90
East Riding of Yorkshire	Selby	1.81
Wakefield	Selby	1.79
Hambleton	Ryedale	1.78

Source: ONS Census, 2011

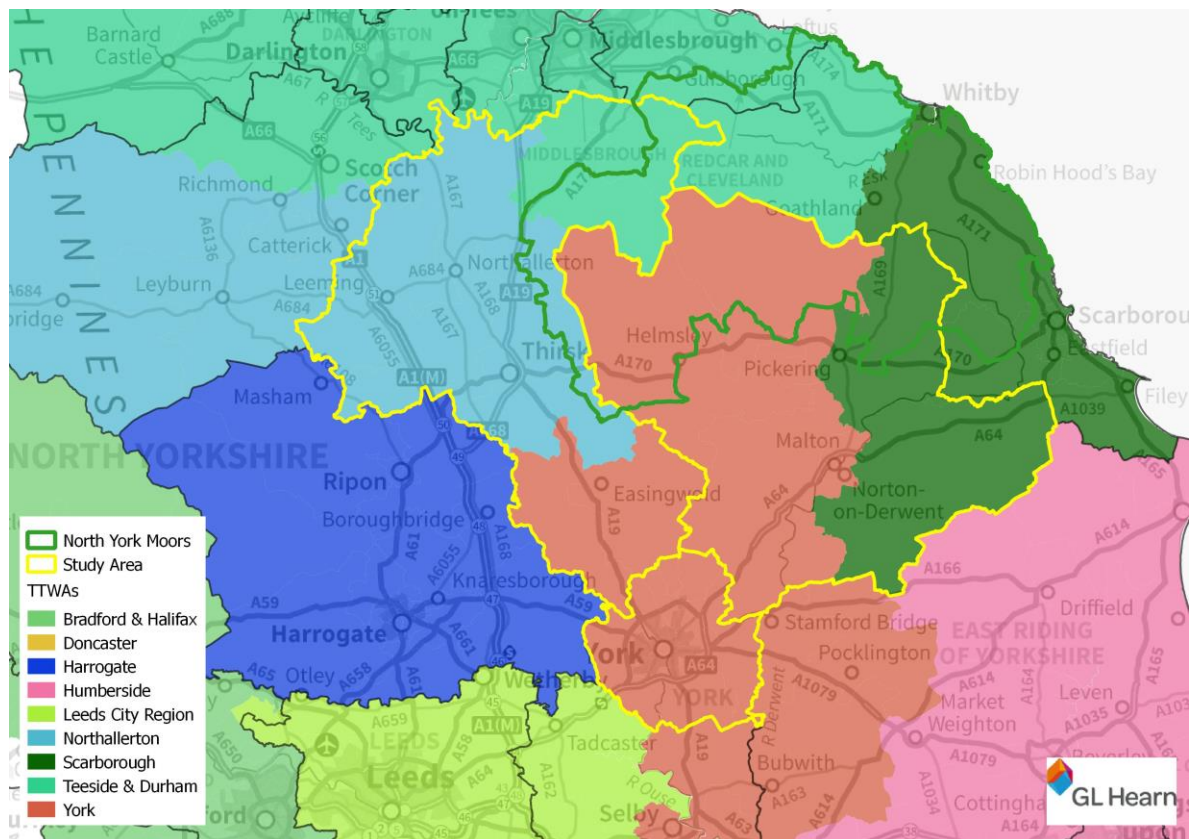
Commuting Patterns

2.42 Commuting flows provide important evidence of the functional relationships between different areas. The Planning Practice Guidance directs planning authorities to consider commuting flows as a

source of contextual information about the spatial dynamics of the local labour market as these will somewhat influence search patterns and location choices within the housing market.

- 2.43 In considering commuting patterns, we have reviewed the 2011 Travel to Work Areas (TTWA) work which was produced by the ONS earlier this year. These are the only official and nationally consistent definition of Travel to Work Areas.
- 2.44 The TTWAs were an attempt to identify self-contained labour market areas in which all commuting occurs within the boundary of the area. It should however be recognised that in practice, it is not possible to divide the UK into entirely separate labour market areas as commuting patterns are too diffuse.
- 2.45 The TTWAs were developed as approximations to self-contained labour markets, i.e. areas where most people both live and work. As such they are based on a statistical analysis rather than administrative boundaries. The areas were produced by analysing commuting flows from the 2011 Census.
- 2.46 The criteria for defining TTWAs were that at least 75% of the area's resident workforce work in the area and at least 75% of the people who work in the area also live in the area in most instances. The area must also have had a working population of at least 3,500. However, for areas where the working population in excess of 25,000, self-containment rates as low as 66.66% were accepted.

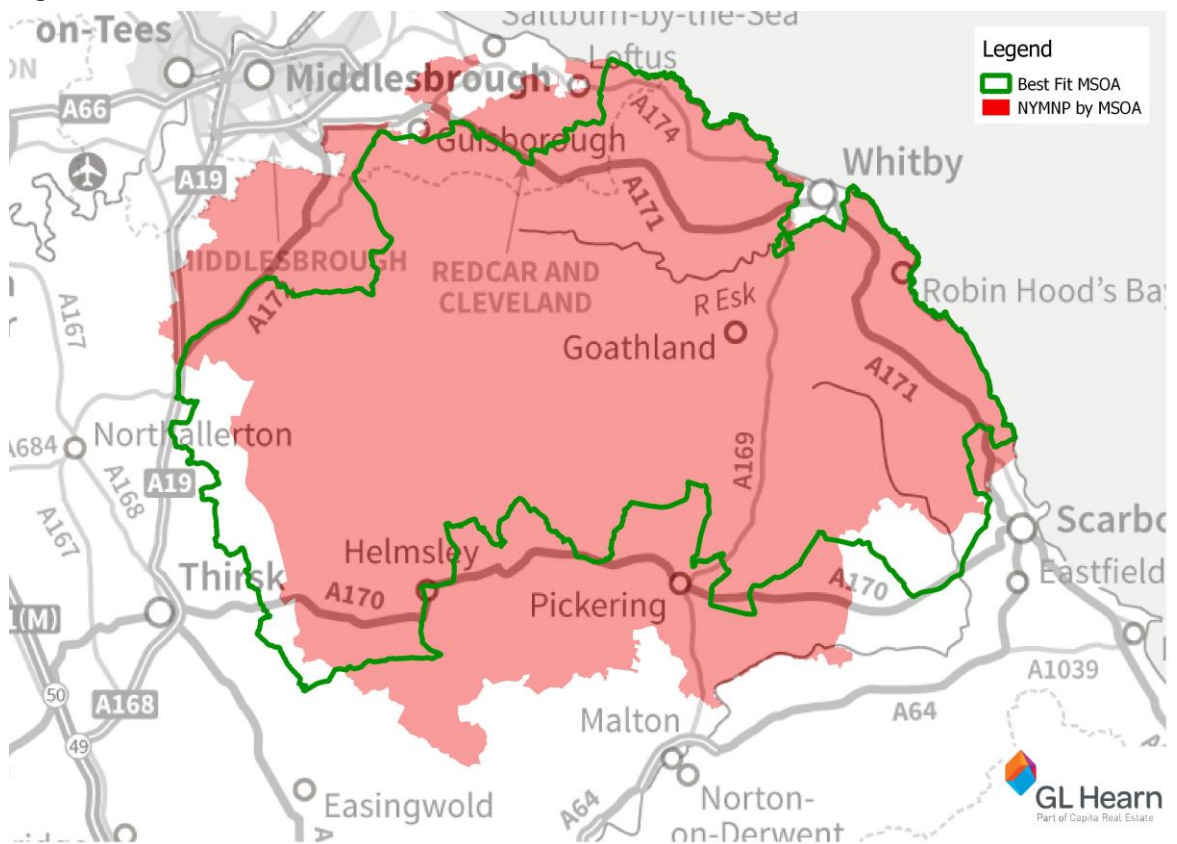
Figure 7: 2011 TTWA



Source: ONS, 2011

- 2.47 As illustrated in Figure 7 there are four travel to work areas which cross the NYMNP. The northern parts of the National Park fall within the Middlesbrough TTWA. The South West of the Park falls into the York TTWA with the South East in the Scarborough TTWA. The western edge of the park falls into the Northallerton TTWA although this is largely a peripheral part.
- 2.48 While the TTWA area clearly identifies the core commuting patterns in the National Park we have also looked at Local Authority flows in addition to aid the Identification of HMAs. Again we are not able to do this at a National Park level but we have created a proxy area best on the best fit of Mid-Super Output Areas (MSOA) (see Figure 8)

Figure 8: Best fit MSOA for North York Moors National Park



Source: ONS and Natural England

- 2.49 The table below provides workplace analysis for the best fit for the North York Moors National Park. Overall, there are 17,790 people working within the best fit area. There is a job self-containment rate of 46% and resident self-containment rate of 37%. On this basis the best fit area would not by any definition be viewed as a self-contained area.
- 2.50 The vast majority of people working within this best-fit area travels from the host local authorities including sizeable numbers form Ryedale (5,355 people). Although the other local authorities also have large numbers commuting into this area; Scarborough (3,550) Redcar and Cleveland (3,023) and Hambleton (2,137).

Table 3: TTWA commuting flows- workplace analysis

Location of Residence	Commuters	% of Workforce
Ryedale	5,355	30.1%
Scarborough	3,550	20.0%
Redcar and Cleveland	3,023	17.0%
Hambleton	2,137	12.0%
Middlesbrough	1,088	6.1%
Stockton-on-Tees	809	4.5%
York	432	2.4%
East Riding of Yorkshire	169	0.9%
Harrogate	135	0.8%
County Durham	126	0.7%
Darlington	101	0.6%

Source: Census 2011

- 2.51 The largest numbers coming from the outside the host authorities include Middlesbrough, Stockton-on Tees, York and East Riding of Yorkshire.
- 2.52 We have also analysed the workplace of those residing in the best fit area. The same patterns exist with the main location of employment being the host local authorities with the most notable external flows to Middlesbrough, Stockton- on Tees, York.

Table 4: TTWA Commuting Flows- Resident Analysis

Location of Workplace	Commuters	% of Residents
Ryedale	5,659	25.5%
Scarborough	4,118	18.6%
Redcar and Cleveland	3,434	15.5%
Hambleton	2,737	12.3%
Middlesbrough	2,084	9.4%
Stockton-on-Tees	1,325	6.0%
York	636	2.9%
County Durham	209	0.9%
Leeds	207	0.9%
Harrogate	191	0.9%
Darlington	183	0.8%
East Riding of Yorkshire	166	0.7%
Hartlepool	127	0.6%

Source: Census 2011

Drawing the Analysis Together

- 2.53 The PPG sets out that:

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

The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate¹².

- 2.54 It outlines that the HMA can be defined using three sources of information – house prices and rates of change; migration patterns; and contextual information including travel to work areas. In practice, migration and commuting data are the key inputs to defining HMAs (in both this and other areas). This is recognised in the Planning Advisory Service (PAS) Technical Note.
- 2.55 The PAS Report outlines that whilst recognising local relationships, it is appropriate for strategic planning purposes to define the HMA based on a ‘best fit’ to local authority boundaries. GL Hearn supports this approach – particularly given that a key purpose of an SHMA is to identify housing need; and that demographic projections which form an important input to this are not published below local authority level.
- 2.56 Our previous analysis supported the view that Hambleton and Ryedale were in separate housing market areas. The data analysed above does not suggest there is any correlation between Scarborough and Redcar and Cleveland therefore we would suggest that these are also in separate HMA.
- 2.57 Although we have not sought to define the extent of the HMA area which Scarborough and Redcar and Cleveland fall within the latter clearly has strong links with the other local authorities in Teesside. Scarborough on the other hand is relatively self-contained although it does have notable links to Ryedale.
- 2.58 We can conclude that there are four Housing Market Areas within the NYMNP which are delineated along the local authority boundaries.

¹² Reference ID: 2a-011-20140306

3 INTERPRETING THE POLICY FRAMEWORK

National Policy Context and Guidance

National Planning Policy Framework (NPPF)

- 3.1 The NPPF was published in March 2012 in which Paragraph 14 outlines a presumption in favour of sustainable development whereby Local Plans should meet objectively assessed development needs, with sufficient flexibility to respond to rapid change, unless any adverse impacts of doing so would significantly or demonstrably outweigh the benefits or policies, when assessed against the policies in the NPPF taken as a whole or specific policies which indicate development should be restricted. It should be noted that footnote 9 of paragraph 14 references National Parks as areas where development should be restricted. However, the NPPF does not exclude development in National Parks and the presumption in favour of development applies subject to other policies of the NPPF as they relate to the designated status of the National Park.
- 3.2 Paragraph 159 of the NPPF outlines that SHMAs are a key piece of evidence in determining housing needs. It outlines that this should identify the scale and mix of housing and the range of tenures which the local population is likely to need over the plan period which:
- Meets household and population projections, taking account of migration and demographic change;
 - Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community; and
 - Caters for housing demand and the scale of housing supply necessary to meet this demand.
- 3.3 This is reaffirmed in the NPPF in paragraph 50 which outlines the need for local authorities to identify the HMA and should be completed in partnership through the duty to co-operate particularly where an HMA crosses administrative boundaries.
- 3.4 Paragraph 181 states Local Planning Authorities (LPAs) will be expected to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts when their Local Plans are submitted for examination. LPAs are expected to work collaboratively and engage constructively with one another, as required by Section 33A of the 2004 Planning and Compulsory Purchase Act. It is important that there is a robust audit trail showing joint working to meet the requirements of paragraph 181 of the NPPF.
- 3.5 Local plans must be 'sound.' The NPPF sets out that this means that they must be positively prepared, justified, effective and consistent with national policy. This is tested by an independent inspector through the plan examination process. To be positively prepared, a Plan "*should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet needs from neighbouring authorities where it is*

reasonable to do so and consistent with achieving sustainable development.” Thus local authorities in preparing plans must seek to work with their neighbours to consider whether there are unmet needs in one area which could be met within another.

3.6 However, in respect of National Parks the Framework is clear (in Paragraphs 115 and 116) that:

Great weight should be given to conserving landscape and scenic beauty in National Parks, the Broads and Areas of Outstanding Natural Beauty, which have the highest status of protection in relation to landscape and scenic beauty. The conservation of wildlife and cultural heritage are important considerations in all these areas, and should be given great weight in National Parks and the Broads

Planning permission should be refused for major developments in these designated areas except in exceptional circumstances and where it can be demonstrated they are in the public interest. Consideration of such applications should include an assessment of:

- *the need for the development, including in terms of any national considerations, and the impact of permitting it, or refusing it, upon the local economy;*
- *the cost of, and scope for, developing elsewhere outside the designated area, or meeting the need for it in some other way; and*
- *any detrimental effect on the environment, the landscape and recreational opportunities, and the extent to which that could be moderated.*

3.7 In regard to housing mix, the NPPF sets out that authorities should plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community. Planning authorities should identify the size, type, tenure and range of housing that is required in particular locations reflecting local demand. Where a need for affordable housing is identified, authorities should set policies for meeting this need on site. National thresholds for affordable housing provision have been removed as have national brownfield development targets.

3.8 In setting affordable housing targets, the NPPF states that to ensure a plan is deliverable, the sites and the scale of development identified in the plan should not be subject to a scale of obligations and policy burdens such that their ability to be developed is threatened and should support development throughout the economic cycle. The costs of requirements likely to be applied to development, including affordable housing requirements, contributions to infrastructure and other policies in the Plan, should not compromise the viability of development schemes.

National Planning Practice Guidance

3.9 National Planning Practice Guidance was issued by Government in March 2014 on ‘Assessment of Housing and Economic Development Needs’. It is maintained as an online resource, and updated periodically. This is relevant, in that it provides clarity on how key elements of the NPPF should be interpreted, including the approach to deriving an objective assessment of the need for housing, although in some circumstances certain policies within the NPPF do not apply to the National Parks.

3.10 The Guidance defines “need” as referring to:

“the scale and mix of housing and the range of tenures that is likely to be needed in the housing market area over the plan period – and should cater for the housing demand of the area and identify the scale of housing supply necessary to meet this need.”

3.11 In this respect, the Guidance is clear that assessments of need should take account of the local need and demand for market housing (including in-migration). The assessment of need is intended to be undertaken for the relevant Housing Market Area.

3.12 The Guidance outlines that estimating future need is not an exact science and that there is no one methodological approach or dataset which will provide a definitive assessment of need. However, the starting point for establishing the need for housing should be the latest household projections published by the Department for Communities and Local Government (CLG). At the time of preparation of this report the latest projections are the 2011-based ‘Interim’ Household Projections¹³. It also outlines that the latest population projections should be considered. These are the 2012 Sub-National Population Projections published by ONS in May 2014.

3.13 It sets out that there may be instances where these national projections require adjustment to take account of factors affecting local demography or household formation rates, in particular where there is evidence that household formation rates are or have been constrained by supply. It suggests that proportional adjustments should be made where the market signals point to supply being constrained relative to long-term trends or to other areas in order to improve affordability.

3.14 Evidence of affordable housing needs is also relevant, with the Guidance suggesting that the total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing. In some instances, it suggests this may provide a case for increasing the level of overall housing provision. Although this is unlikely to be the case in a nationally protected landscape.

3.15 In regard to employment trends, the Guidance indicates that job growth trends and/or economic forecasts should be considered having regard to the growth in working-age population in the housing market area. It sets out that:

“where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility and other sustainable options such as walking and cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing and infrastructure development could help to address these problems.”

¹³ CLG (April 2013) *2011-based Interim Household Projections*

- 3.16 The Guidance indicates that the assessment should consider the need for different types of housing and the needs of different groups, including family housing, housing for older people, and households with specific needs and those looking to build their own home. It sets out that the need for older persons housing should be broken down by tenure and type, and should include an assessment of need for residential institutions.

National Park Purposes and Duty

- 3.17 The National Parks have two statutory purposes (as set out in The National Parks and Access to the Countryside Act 1949 and reaffirmed by the 1995 Environment Act). The purposes are to:

- Conserve and enhance the natural beauty, wildlife and cultural heritage of their areas; and
- Promote opportunities for the public understanding and enjoyment of the special qualities of the National Parks by the public.

- 3.18 In meeting these purposes, National Park Authorities also have a duty to “seek to foster the economic and social well-being of local communities within National Parks. The latter is set out in Section 11A(1) of the 1949 Act.

- 3.19 Section 11(A) of the 1949 Act (inserted by Section 62 of the 1995 Environment Act) requires any relevant authority (including public bodies and statutory undertakers), when exercising or performing functions which relate to or affect land in a National Park, to attach great weight to the purpose of ‘conserving and enhancing’ the area, if it appears that there is a conflict between the two National Park purposes. This enshrines in legislation the long-established Government policy often referred to as the “Sandford Principle.” Public bodies have a duty to have regard to the two statutory purposes of a national park when making decisions that could affect the National Parks under Section 62(2) of the 1995 Environment Act.

The National Parks and the Broads: UK Government Vision and Circular 2010

- 3.20 National Park Authorities also need to take into account the 2010 Circular which sets out national policy guidance in respect of National Parks. Although published in 2010, it is referenced in the NPPF (at footnote 25). In this the Government is clear that action by National Park Authorities should include fostering and maintaining thriving rural economies, and supporting the delivery of affordable housing.

- 3.21 The 2010 Circular recognises that National Parks often have higher house prices than surrounding areas, and can include low paid jobs in their local economies. It clearly sets out that National Park Authorities have an important role to play in the delivery of affordable housing, setting out that:

“Through their Local Development Frameworks they should include policies that pro-actively respond to local housing needs. The Government recognises that the National Parks are not

*suitable locations for unrestricted housing and does not therefore provide general housing targets for them. The expectation is that new housing will be focused on meeting affordable housing requirements, supporting local employment opportunities and key services. **The Government expects the Authorities to maintain a focus on affordable housing and to work with local authorities and other agencies to ensure that the needs of local communities in the Parks are met and that affordable housing remains so in the longer-term**¹⁴*

Implications for the NYMNP

- 3.22 In exploring the implications for the NYMNPA we need to integrate an understanding of the statutory Purposes and Duty, the NPPF, the 2010 Circular and the Planning Practice Guidance.
- 3.23 The presumption in favour of sustainable development in the NPPF states that Local Plans should be based on meeting objectively assessed development needs *unless* other policies in the NPPF indicate that development should be restricted. It is clear that the presumption does apply within National Parks. (See para 3.1).
- 3.24 The National Park Authority has a duty to foster the social and economic well-being of local communities within the NYMNP, where this does not conflict with the duty to conserve and enhance the natural beauty, wildlife and cultural heritage of the area. The emphasis is on the need of *local communities*, and this is reaffirmed by the 2010 Circular which emphasises that in regard to housing provision this in particular means meeting *local* housing needs with a particular focus on delivery of affordable housing, supporting local employment opportunities and key services.
- 3.25 We consider that, in practical terms, this means considering future housing provision based on meeting local affordable housing and supporting local employment and key services. The expectation is not that the NYMNP will necessarily plan to meet “full objectively assessed need” but that it will in effect meet “local needs” focused on meeting affordable need to support communities within the NYMNP, rather than catering particularly for wider market demand.
- 3.26 However, this does not mean that no market housing provision will be necessary, not least given that some market housing provision may help to contribute to supporting local employment opportunities and services. However, the expectation is not that “full needs” are met.
- 3.27 For the purposes of being clear on what “full objectively assessed needs” are in this context, we consider that it is sufficient that this is defined across the NYMNP. This has been assessed principally through other studies.
- 3.28 The NYMNPA however does need to consider what proportion of this ‘full need’ within the relevant HMAs (and ideally districts) it can meet. Through the Duty to Cooperate the expectation would then

¹⁴ DEFRA (2010) Circular: National Parks, Paragraphs 78 and 79

be that as much as possible of the remainder of the full need is met in areas which fall outside of the NYMNP. Through collaboration between authorities it will therefore be possible to identify how the full need has been met for the Housing Market Area – meeting the relevant test in the NPPF.

3.29 The question which we then turn to is how the ‘local’ component of need might be defined for the NYMNP, segmented between the constituent local authorities. The components to this might be:

- Need for affordable housing within these areas and, taking account of development viability and funding mechanisms, what overall level of housing provision might be necessary to deliver this;
- Understanding of economic growth potential and what level of housing provision, particularly affordable housing provision, might be necessary to support the local economy (whilst recognising that because of the age structure it may more appropriate to address this through targeting housing mix rather than overall numbers);
- Wider housing need from the existing population, for instance based on a zero net migration approach;
- More local based evidence, such as consideration of what level of housing provision might be necessary to maintain population levels (or population within certain age groups) to support the viability of local services within different parts of the NYMNP.

3.30 These issues, together with landscape and sustainability factors, are particularly relevant in considering the appropriate provision for housing to be made within the NYMNP’s Local Plan.

NYMNP Core Strategy and Development Policies

3.31 Key document in the NYMNP is the North York Moors National Park Development Framework. It comprises the Core Strategy and Development Policies (adopted in November 2008 following the examination by an Inspector).

3.32 This states that The Local Development Framework system provides an opportunity to bring together other plans and strategies for the Park and deliver the spatial elements of these whilst balancing these interests within the context of sustainable development and National Park purposes.

3.33 Policy J of the Core Strategy sets out the authorities housing policy stating that it will seek a mix of housing without specifically quantifying need. However, it was anticipated that future completions will be around 26 units per annum (based on the then historic average) and will be focused in the Local Service Centre and Service Villages.

3.34 The location of new build open market housing is restricted to built-up areas with a 50% affordable housing requirement (although localised viability consideration may alter this). Any development outside of the built up area should be used solely to support the farming, forestry or other essential land management activities.

3.35 The Authority also supports local needs housing on infill sites or the conversion of existing buildings within the main built up areas. The occupancy of local needs housing will be restricted to:

- People who are currently living in and have permanently resided in the National Park for 5 years or more and are living in accommodation that no longer meets their requirements or
- People who do not currently live in the National Park but have a strong and long standing link to the local community including a previous period of residence of 5 years or more or
- People who have an essential need to move to live close to relatives who are currently living in and have resided in the National Park for at least the previous 5 years or more and require support for reasons of age or infirmity or
- People who require support for reasons of age or infirmity and need to move to live close to relatives who are currently living and have resided in the National Park for at least the previous 5 years or more or
- People who need to live in the National Park as a result of current sole employment within that parish or adjacent parishes within the National Park.

North Yorkshire Strategic Housing Market Assessment, GVA (2011)

3.36 This study provides a detailed breakdown of Sub- Regional Market Area Analysis that includes the National Parks. It states that the analysis for the National Parks span a number of administrative authorities and the National Parks have their own statutory plan-making requirements and therefore the analysis includes results against the core outputs as set within the CLG Guidance and presented for individual authorities through the North Yorkshire SHMA document.

3.37 The analysis provided by GVA indicates the amount of affordable housing need to be delivered in North York Moors National Park. This is based on the calculation of the level of affordable housing need within the NP. It states that the gross annual affordable housing need in NYMNP is 134 dwellings per year. It provides a further breakdown of this number in each of the local authorities within the NYMNP boundaries. These are as follows:

- Scarborough 92 dwellings;
- Ryedale 38 dwellings; and
- Hambleton 4 dwellings.

Review of Current Local Authority Planning Policies

3.38 We have reviewed current or emerging plans of local authorities which cut across the NYMNP. All authorities' local plans identify a housing target.

Hambleton

3.39 Hambleton District Council has recently adopted Local Development Scheme that came into effect on 15 December 2015. Under the Local Development Framework, the Council produced and adopted a full suite of DPDs and SCI, including the following documents:

- Core Strategy DPD- Adopted 2 April 2007;
- Development Policies DPD adopted 26 February 2008;
- Allocations DPD Adopted 21 December 2010;
- Proposals Map DPD Adopted 21 December 2010; and
- Statement of Community Involvement Adopted 23 July 2013.

3.40 GL Hearn was involved in preparing the Draft Hambleton Strategic Housing Market Assessment that recommended 274 dwellings per annum. This included 168 deriving from the demographic baseline analysis, 39 as an adjustment to take account of Long Term Migration, 38 to Meet the Needs of the Local Economy and 29 to respond to Market Signals.

Ryedale

3.41 The Ryedale Plan consists of three documents which are Development Plan Documents. They are the recently adopted Local Plan Strategy which is a key part of the Ryedale Plan. It sets out a long-term vision, objectives and strategy to guide public and private sector investment over the next 15 years from 2012.

3.42 As a part of this policy framework, GL Hearn was also involved in preparing the Draft Strategic Housing Market Assessment. The document assessed the overall housing need in the authority at 211 dwellings. As in Hambleton SHMA, majority of the dwellings derived from the demographic baseline (136), long term migration (66) and market signals (9).

Scarborough

3.43 Currently Scarborough Borough Council plans to submit the Local Plan to the Secretary of State for Communities and Local Government for independent examination in public. The document will set the vision and objectives for the borough and allocates sites for housing in Scarborough area up to 2032.

3.44 Scarborough Borough Strategic Market Assessment 2015 identifies a need for 429 dwellings per annum including 371 affordable units.

Redcar and Cleveland

3.45 The Redcar & Cleveland Local Plan will be prepared over the next two years to replace the existing development plan documents, including Core Strategy DPD 2007 and Development Policies DPD

2007. The current timescales for preparing the Local Plan is for the consultation on the Scoping Report to take place in July 2015 and to consult on the Draft in May 2016.

- 3.46 In terms of the detailed housing assessment, up to date Strategic Housing Market Assessment is currently not available. An independent assessment consultant has been commissioned to carry out a SHMA across the borough and the report is expected to be published shortly. In order to make certain this evidence is up to date, Redcar and Cleveland Borough Council has commissioned an independent assessment of housing requirements across the borough to inform future housing and planning policies.
- 3.47 The previous Tees Valley SHMA covered the Redcar and Cleveland area was published in May 2012. Based on CLG household projections the report calculates a baseline household formation rate of 476 per annum of which 86.6% could not afford market housing.

4 POPULATION AND SOCIO-ECONOMIC PROFILING

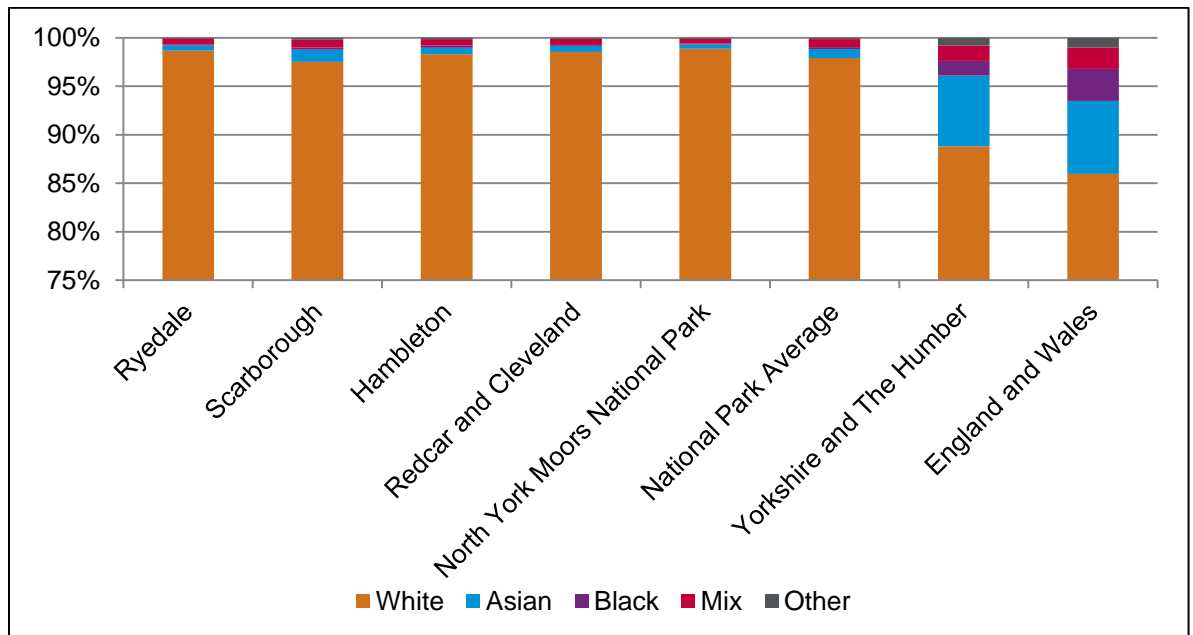
- 4.1 According to the ONS, the North York Moors National Park had a population of 23,380 in 2011. This is slightly below the average of 30,993 for all the National Parks in the country. There are slightly more females than males across NYMNP. Long term trends show a rapidly ageing population.
- 4.2 Where possible we have referred to the data published by the ONS which relates directly to the National Park area. However, the scope of this data is limited and cannot be broken down to review sub-areas. We have also used some local data using a best fit of Output Areas (OAs). However, this should be treated with caution, as it reflects a slightly wider area than the National Park itself. In order to generate this 'best fit' we have taken each OA which is in part located within the NYMNP. As discussed, some caution should however be applied in interpreting data based on the aggregation of OAs.
- 4.3 As well as regional (Yorkshire and Humber) and National comparators we have provided for the equivalent figures for the four local authorities co- located within the administrative boundaries of the North York Moors National Park:
- Ryedale;
 - Hambleton;
 - Scarborough; and
 - Redcar and Cleveland.

Population Profile

Ethnic Profile

- 4.4 Figure 9 profiles the population by ethnic group from the 2011 Census. The largest ethnic group across all of the areas is White. The North York Moors National Park is the least diverse of the areas compared with 98.9% of the population self-identifying as White. This is one percentage point above the average values for all National Parks across the country (97.9%).
- 4.5 Data at the local authority level shows a broadly similar profile; the least diverse local authority is Ryedale (98.7% white), while most diverse is Scarborough (97.5% white). The figures are significantly higher than the equivalent values at the regional (88.8% white) and national level (86.0% white).
- 4.6 The largest minority groups in the North York Moors National Park are the Asian and Mixed ethnic groups, both accounting for 0.5% of the total population in the National Park. These group are also the second and third largest at the district and regional level although at a national level the Black population is second largest ethnic group (3.3%).

Figure 9: Population by Ethnic Group (2011)

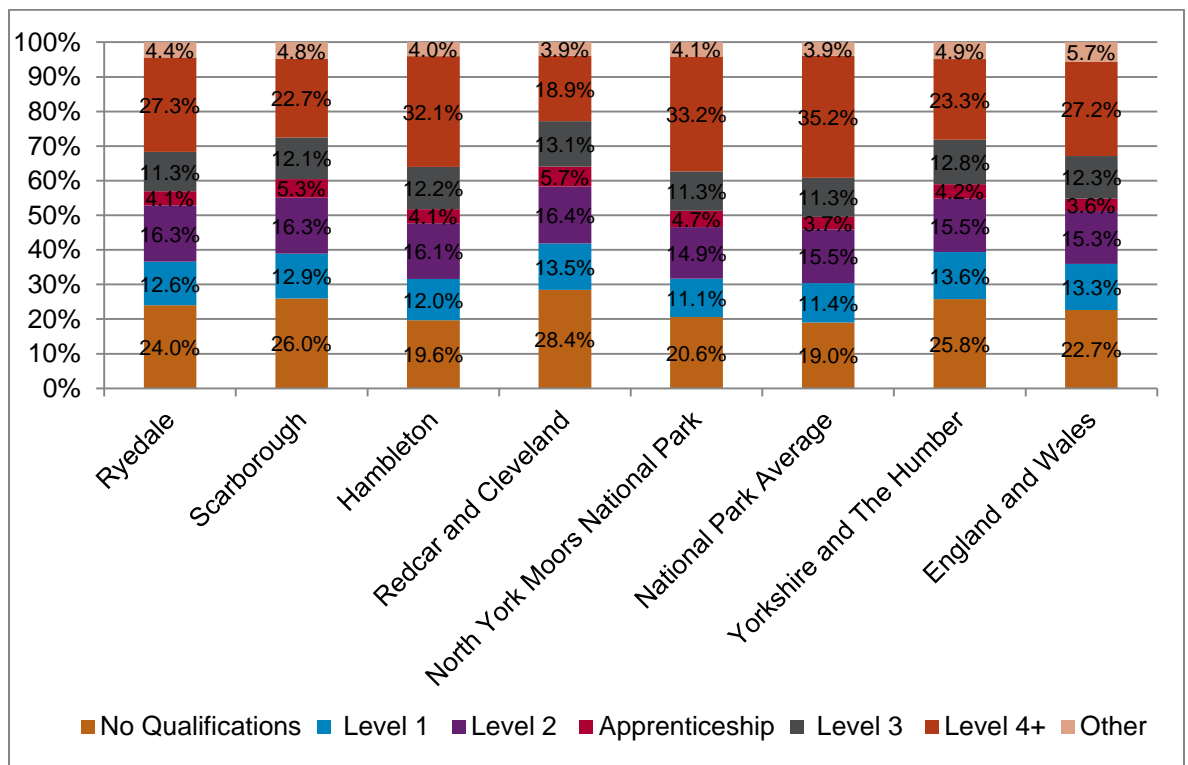


Source: Census 2011

Qualifications and Skills

- 4.7 Figure 10 provides a breakdown of qualifications and skills of the local residents across the analysed areas. In general, the North York Moors National Park has a high proportion of highly qualified residents.
- 4.8 Almost a third of residents are qualified to level 4 or above in the National Park, equivalent of degree level. This is significantly higher than the results for the local authorities (18.9%-32.1%) and at the regional level (23.3%). The figure is also 5% points higher than the National figure (27.2%). Although the North York Moors National Park has a slightly lower percentage of level 4 qualified population than the average results for National Parks (35.2%).
- 4.9 Conversely, the North York Moors National Park has the second smallest proportion of people with no qualifications (20.6%) when compared to the wider areas. This compares to the National Park average (19%) however it is much lower than the results at the regional (25.8%) and national levels (22.7%).

Figure 10: Qualifications and Skills (2011)



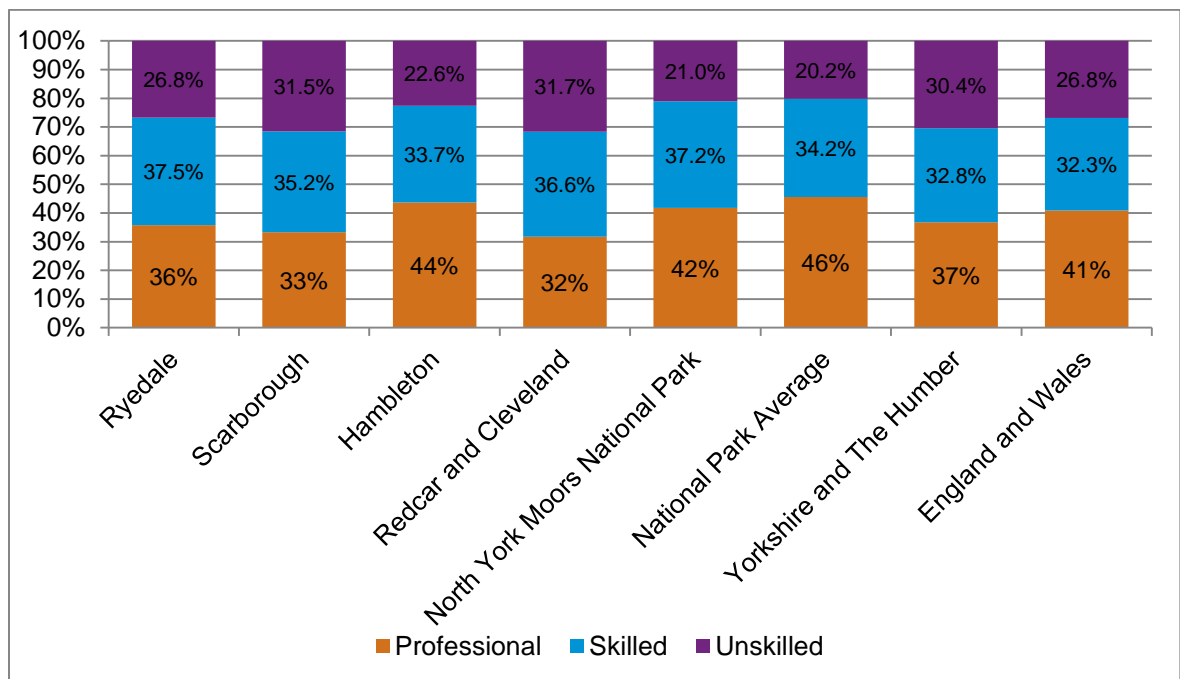
Source: Census 2011

Occupations

4.10 The North York Moors National Park has 42% residents working in professional occupations. This figure is relatively high when compared to the other areas under consideration although falls behind the National Park average (46%) and Hambleton (44%). The North York Moors National Park also has a higher proportions of skilled workers (37.2%) compared to the average results for National Parks (34.2%) in England and Wales (32.3%).

4.11 Conversely the North York Moors National Park has only 21% of residents in unskilled occupations. This is slightly higher than the National Park average (20.2%) but significantly lower than the Regional (30.4%) and National (26.8%) results.

Figure 11: Occupations (2011)



Source: Census 2011

- 4.12 Across all of the areas under consideration the highest percentages of population in unskilled occupations can be found in Redcar and Cleveland (31.7%) and Scarborough (31.5%).

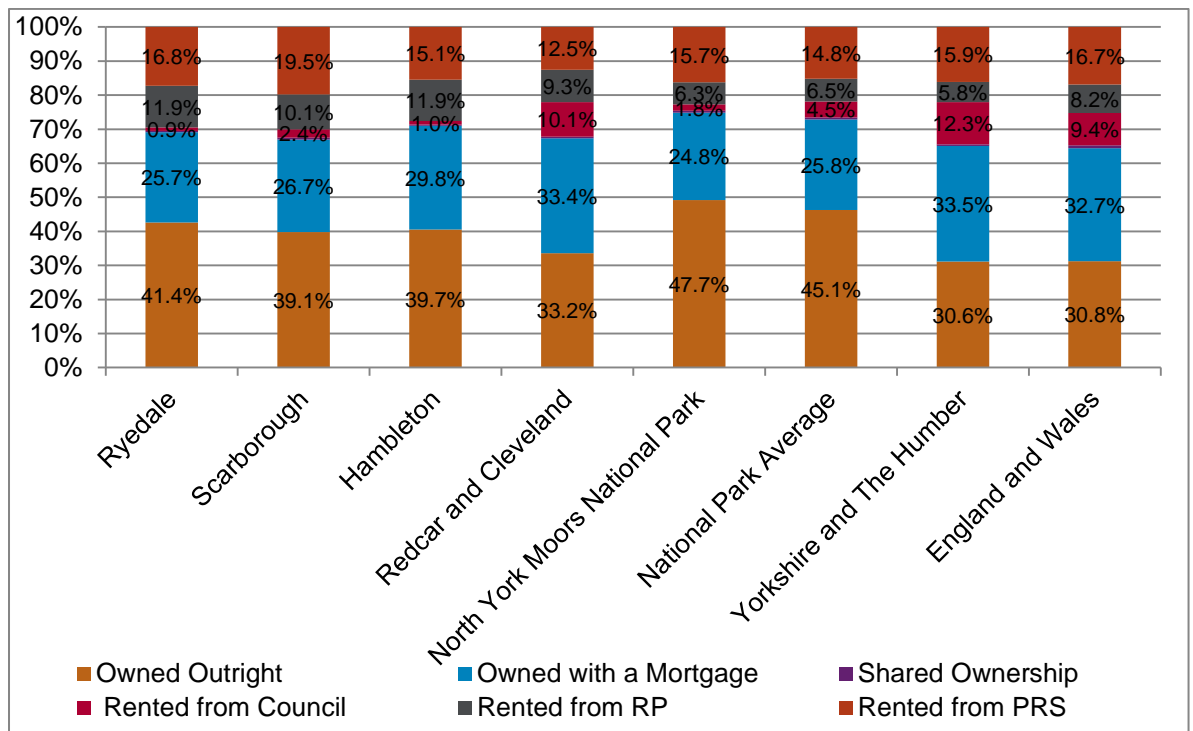
Housing Stock and Supply

Tenure Profile

- 4.13 This sub-section reviews the housing profile of NYMNP and the wider comparators. The tenure profile (from Census 2011) shows almost half of the households in NYMNP (48%) own their properties outright. A further 25% of households owned their home with a mortgage or loan and 15.7% are rented from the Private Sector.
- 4.14 The NYMNP has the highest rate of home ownership across all of the areas under consideration. The proportion of households who own their property outright in NYMNP is 2.6 percentage points higher than the equivalent figures for National Parks Average (45.1%) and significantly higher than the Yorkshire and the Humber (31%) England and Wales figures (30.8%).
- 4.15 The highest proportion of households in the PRS in Scarborough (19.5%) and lowest is in Redcar and Cleveland (12.5%). In the case of the NYMNP, the proportion of privately rented accommodation is 15.7%. This is slightly more than the average values for all of the National Parks (14.8%) in the country.

- 4.16 There is a significantly smaller proportion of households in the North York Moors National Park who own their property with a mortgage (24.8%) compared Redcar and Cleveland (33.4%), regional (33.5%) and national level (32.7%).
- 4.17 The proportion of shared ownership is broadly similar across all of the areas (between 0.4- 0.6%) with the exception of England and Wales (0.8%).
- 4.18 Council owned properties remain a small part of the existing tenures across the areas under consideration. The highest proportion can be found in regional figures (12.3%), while the lowest in Ryedale (0.9%). The NYMNP has only 1.8% of households renting from the Councils. This figure is slightly smaller than the average values for all of the National Parks (4.5%).

Figure 12: Tenure (2011)



Source: Census 2011

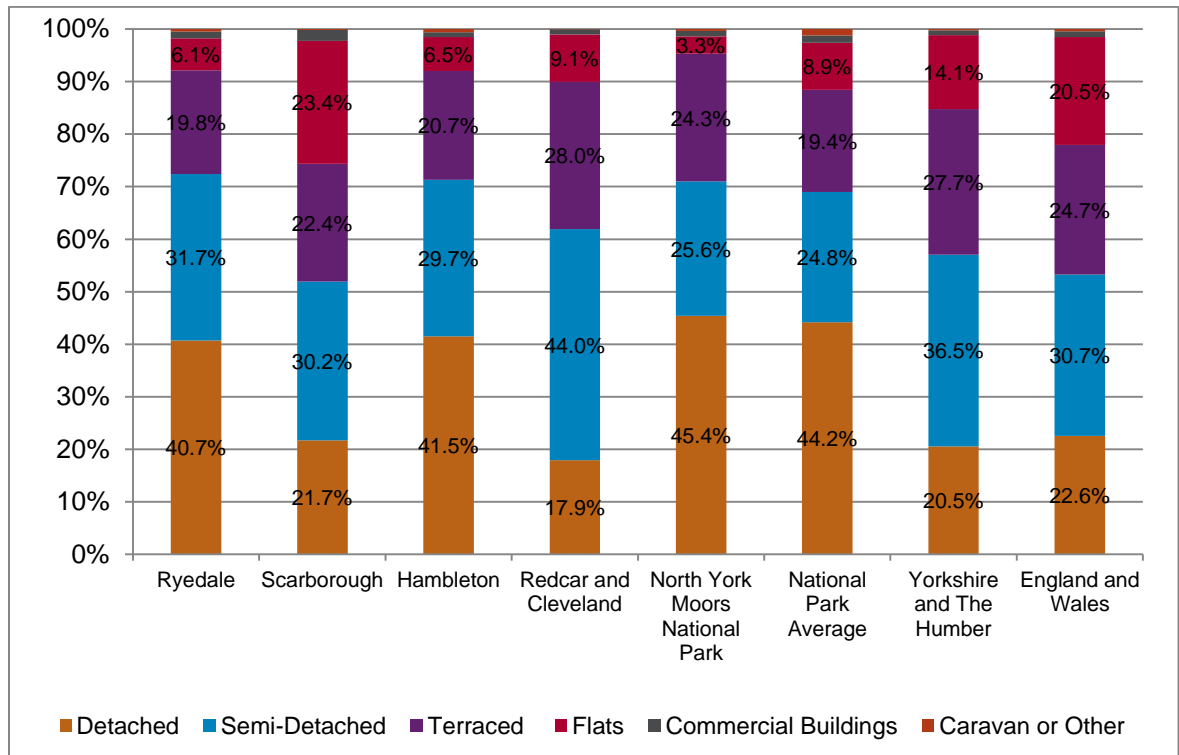
- 4.19 In terms of the remaining households in the National Park, 6.3% are renting from Registered Providers. This is one of the lowest figures across all of the areas, as Ryedale, Hambleton or Redcar and Cleveland have 11.9%, 11.9% and 9.3% respectively. These figures are impacted by stock transfers and some renting from local authority may well be misreported.

House Types

- 4.20 Figure 13 provides a detailed breakdown of the type of housing in each area. In the North York Moors National Park, the most common type of property is detached homes, accounting for 45.4%

of the local housing stock. The second most common property are semi-detached homes, (25.6%) with Terraced (24.3%) and flats for 3.3% making up the remainder of the stock.

Figure 13: Profile of Stock by Type (2011)



Source: Census 2011

4.21 This is broadly reflective of National Parks average although the North York Moors National Park has lower proportion of the flats (8.9%). The NYMNP also has a significantly lower percentage of flats compared to the regional (14.1%) and national (20.5%) figures and a comparatively higher percentage of detached stock (20.5% and 22.6% respectively).

Summary

4.22 The NYMNP population profile is broadly reflecting trends for the rest of the National Parks in the country with an ageing population. The population also well qualified, with almost a third of the local residents having 4 or above qualifications. Further to that, 42% of the local population of the NYMNP have professional jobs.

4.23 In terms of the tenure, almost half of the households in the National Park (48%) own their homes outright. This is significantly above the local, regional and national trends. The most common type of the property is detached homes which reflects the trends across all of the National Parks.

5 DEMOGRAPHIC PROJECTIONS

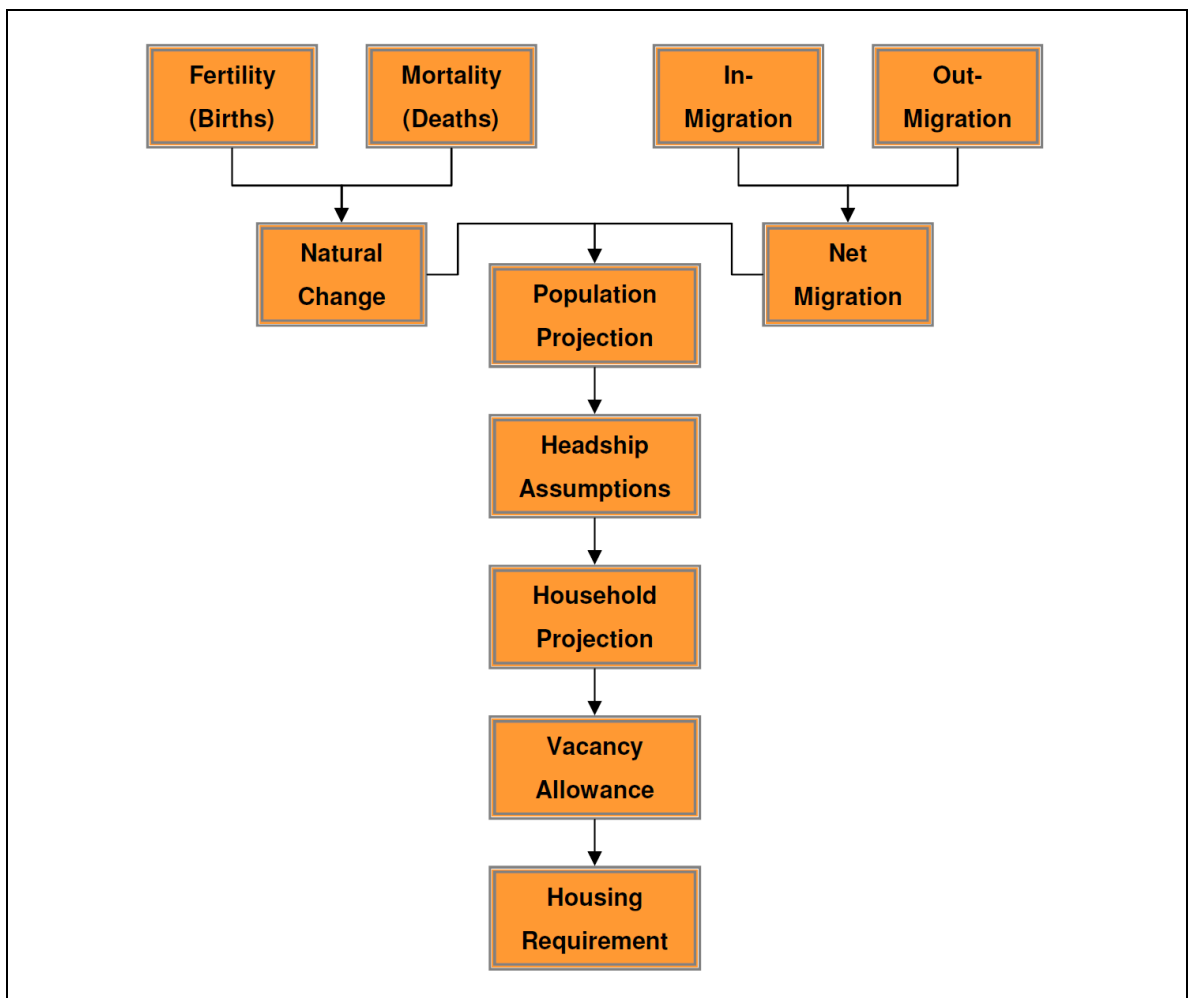
Introduction

- 5.1 In this section consideration is given to demographic evidence of housing need and trend-based projections. Such projections are critical to the SHMA process and this is emphasised in the NPPF (para 158) which states that local planning authorities should prepare a SHMA to identify the scale of housing which *'meets household and population projection, taking account of migration and demographic change'*.
- 5.2 The analysis begins by developing a bespoke set of population projections for the NYMNP area utilising information in the 2012-based Sub-National Population Projections (SNPP) for key local authorities where parts of the area are within the NYMNP. To convert population into households, the concept of 'headship rates' is used and we have again studied recent data about household formation rates from published projections to form a view about the most appropriate data to use.
- 5.3 **It should be borne in mind that development potential in the NYMNP is restricted because of its designation, and the policy focus is on conserving the NYMNP's landscape; and meeting local need for affordable housing. Thus whilst the projections indicate what level of housing provision might be needed in the absence of development constraints, it may well be the case that housing provision falls below the projected level of need.**
- 5.4 The natural starting point for an assessment of need i.e. the latest nationally produced population and household projections, is not produced for the National Parks but at a local authority level. We should also be mindful that as the National Park cuts across a number of local authorities it is necessary to make a number of assumptions about population and household growth and thus diverge from the PPG.

Overview of Methodology

- 5.5 The methodology used to assess population and household growth is based on a standard population projection methodology consistent with the methodology used by ONS and CLG in their national population and household projections. Essentially the method establishes the current population and how this will change in the period from 2014 to 2035, by estimating the birth rate, the death rate and the number of people that will move into or out of the area (all other factors being equal). These are the principal components of population change and are used to construct our principal trend-based population projections. The figure below shows the key stages of the projection analysis.

Figure 14: Overview of Methodology



5.6 Much of the data for our projections draws on ONS information contained within Mid-Year Population Estimates (MYE), 2011 Census data, the 2012-based Subnational Population Projections (SNPP) and the 2012-based CLG Household Projections.

5.7 Given that the NYMNP area does not fit neatly with local authority boundaries (which are the main areas used in published projections) it has been necessary to construct a best-fit of Census Output Areas (OAs) to the NYMNP and then constrained levels of population to be consistent with published data about the population in the NYMNP area. In particular, we have used the various sources to look at fertility rates, mortality rates and the profile of in- and out-migrants (by age and sex). The range of assumptions necessary to develop the projections, based on data availability, means that the projections should be treated with a degree of caution albeit that they follow a logical approach which is consistent with the national projections and thus can be considered to provide a reasonable estimate based on available information of housing need, leaving aside development constraints.

5.8 Overall, the methodology used can be summarised as:

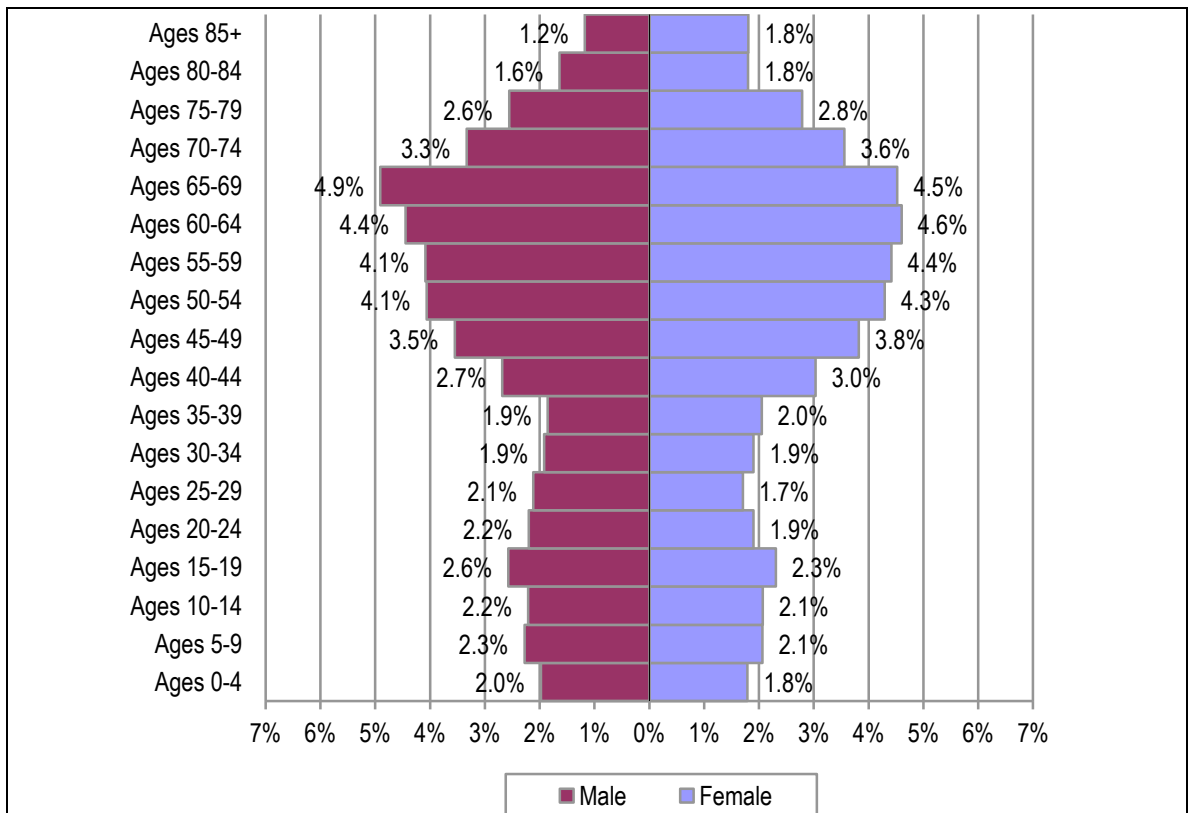
- Start with published 2014 mid-year population estimates as these correspond to the park boundary;
- Forward projections (i.e. information about births, deaths and migration (by age and sex) are only available at a District level and so a 'best fit' of Census Output Areas (OA) is used to estimate the population profile for the parts of the park within each of Hambleton, Redcar & Cleveland, Ryedale and Scarborough;
- The OA analysis was then constrained back to the total population of the park (by age and sex). Recognising that some OAs are partly within and outside of the park the analysis took half of the population of OAs which straddle the boundary prior to constraining back to park-wide figures;
- From the age/sex profile in each part of the park (i.e. the parts of local authorities within the park) a series of migration schedules were developed based on the difference between the age structure within the park and the rest of District – essentially where the proportion of a particular age group is higher in the park than the relevant local authority, it is assumed that migration will be higher (and vice versa);
- For birth and death rates, figures are taken from the SNPP (for each local authority) and applied on a pro-rata basis depending on the proportion of the population within the park – i.e. if say 40% of the park is in Ryedale then 40% of the estimate of birth rates is taken from Ryedale data; and
- To convert population into households, the same process is undertaken in terms of household formation rates (i.e. to draw a relevant proportion from each 'hosting' local authority depending on the proportion of households estimated to be in the park (households being built up from OAs in the same way as population). Total household estimates are again constrained back to park totals (which in this case is informed by 2011 Census data).

Baseline Assumptions

Baseline Population

5.9 The baseline for our projections is taken to be 2014 with projections run for each year over the period up to 2035. The estimated population profile as of 2014 has been taken from ONS 2014 Mid-Year Population Estimates (which are provided for National Park areas). The overall population in 2014 was estimated to be 23,226 with slightly more females than males (see figure below). The figure shows a particularly high proportion of the population to be aged 50-69.

Figure 15: Population of NYMNP – 2014



Source: 2014-Mid-Year Population Estimates

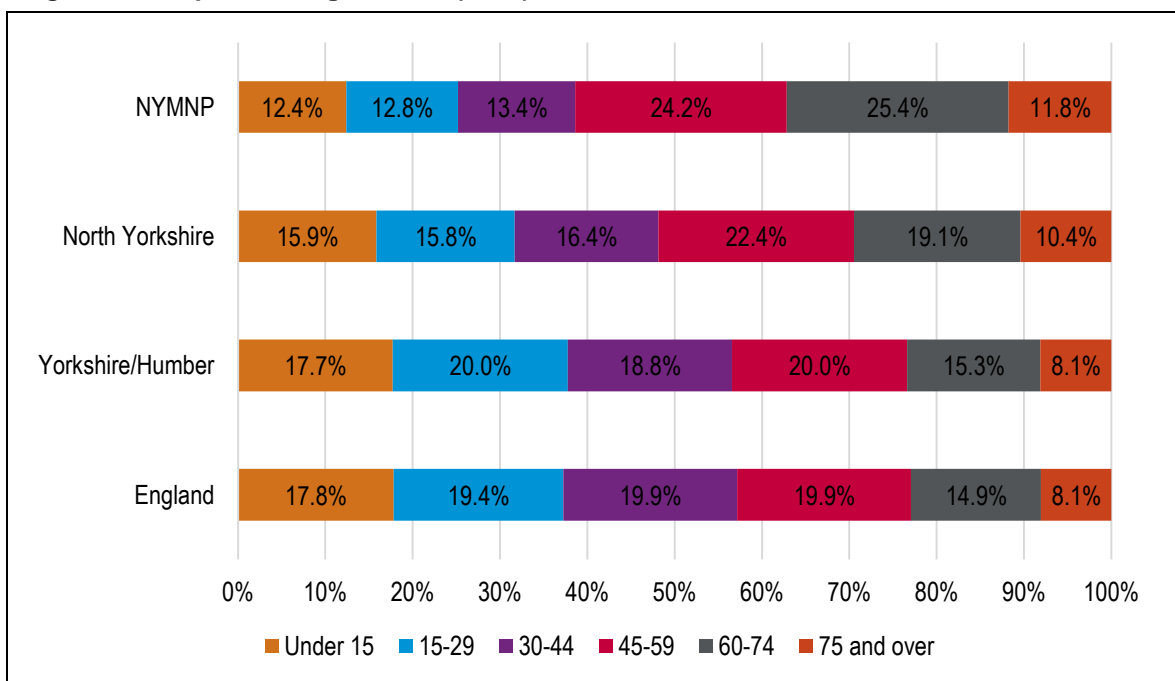
Table 5: Population age profile - NYMNP (2014)

Age group	Sex		Total
	Male	Female	
Ages 0-4	459	416	875
Ages 5-9	529	479	1,008
Ages 10-14	513	481	994
Ages 15-19	597	536	1,133
Ages 20-24	511	441	952
Ages 25-29	492	397	889
Ages 30-34	445	441	886
Ages 35-39	430	476	906
Ages 40-44	623	704	1,327
Ages 45-49	824	888	1,712
Ages 50-54	943	998	1,941
Ages 55-59	949	1,026	1,975
Ages 60-64	1,033	1,069	2,102
Ages 65-69	1,140	1,051	2,191
Ages 70-74	774	827	1,601
Ages 75-79	594	648	1,242
Ages 80-84	380	419	799
Ages 85+	273	420	693
All Ages	11,509	11,717	23,226

Source: 2014-Mid-Year Population Estimates

- 5.10 The figure below shows the population distribution in broad 15-year age categories and compares this with data for North Yorkshire, the Yorkshire & Humber region and England. The data shows that the population of the NYMNP area is notably 'older' than in other locations. Around 25% of the population of the NYMNP is aged under 30 compared with 37%-38% regionally and nationally. In addition, 37% of the NYMNP's population is aged 60 or over compared with 23% across the region and 23% in England. The NYMNP area also has a particularly high proportion of people aged 45-59 and relatively few aged 30-44.
- 5.11 Differences between NYMNP and North Yorkshire are less marked than when compared with regional figures, although it is still clear that the NYMNP area has a significantly older population.

Figure 16: Population Age Profile (2013)



Source: 2014-Mid-Year Population Estimates

5.12 The table below shows how the age structure of the population has changed over the 2001 to 2014 period. The data shows that whilst overall population change has been modest (a 3% decline) there have been substantial changes for some age groups. In particular, the number of people aged Under 15 and 30-44 have declined by 23% and 31% respectively, whilst the population aged 60 and over has increase by more than 30%.

Table 6: Change in age structure 2001 to 2014 – NYMNP

Age group	2001	2014	Change	% change
Under 15	3,750	2,877	-873	-23.3%
15-29	2,982	2,974	-8	-0.3%
30-44	4,506	3,119	-1,387	-30.8%
45-59	6,204	5,628	-576	-9.3%
60-74	4,440	5,894	1,454	32.7%
75 and over	2,112	2,734	622	29.5%
Total	23,994	23,226	-768	-3.2%

Source: Mid-Year Population Estimates

Fertility and Mortality Rate Assumptions

5.13 For modelling of fertility we have used the rates contained within the ONS 2012-based SNPP. For all key areas (i.e. local authorities where a proportion of the population falls within the NYMNP), analysis has been undertaken to consider the proportion of the population within the NYMNP and therefore the potential influence this has on the rate across the whole area.

- 5.14 The table below shows figures for the Total Fertility Rate (TFR): the expected average number of live births per woman throughout their childbearing years) and life expectancy for key dates at the start and end of the projection period. The data shows the TFR is projected to increase slightly over time (from 1.94 births per woman up to 2.19); this increase is largely as a consequence of the modelling process with data (nationally at least) typically showing fertility rates to be at constant level moving forward. Life expectancy for both males and females is projected to increase over time.
- 5.15 Although this data has been built up from analysis of projections for a range of areas with an influence on the NYMNP, we have no evidence to suggest that either the fertility or mortality estimates below are unreasonable in a local context.

Table 7: Fertility and Mortality Assumptions (estimated for the NYMNP)

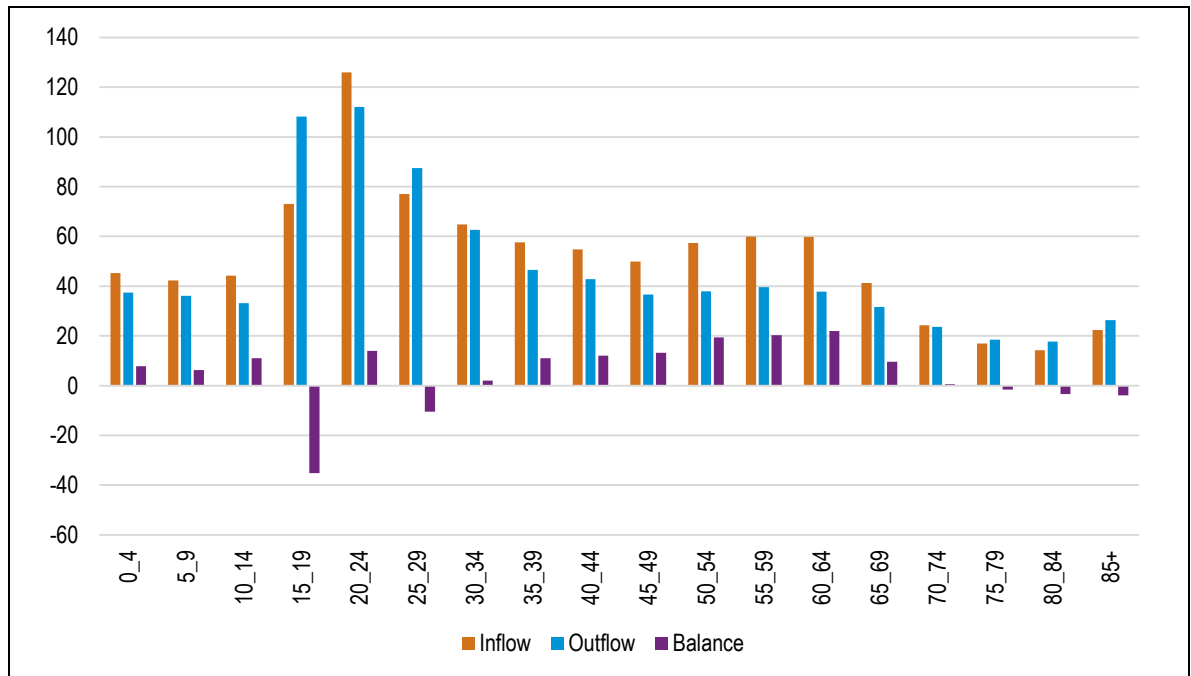
	2014/15	2034/35
Total fertility rate (TFR)	1.94	2.19
Male life expectancy (e0)	79.3	81.3
Female life expectancy (e0)	83.0	85.4

Source: Derived from ONS 2012-based SNPP

Migration Assumptions

- 5.16 For the purposes of understanding the profile of migrants we have again drawn on the ONS 2012-based SNPP and looked at migration patterns in each area with an influence on the NYMNP, with figures adjusted according to the proportion of the population (by age and sex) estimated to be within the NYMNP in each local authority.
- 5.17 The figure below presents the profile of in- and out-migrants in the National Park. Linked to this analysis it should be noted that within the modelling a small further adjustment is made to population levels to draw on data about past age structure changes (which is not captured in the data below). This adjustment essentially seeks to recognise that in-migration will be less influenced by the current age profile in the park than out-migration (as in-migration will also depend on the size of the population (by age/sex) in the areas from which migrants come). The adjustments made are very minor and seek to smooth out data where for any particular year there appears to be a data anomaly (which is generally caused by using data for single-year-of-age (by sex) meaning that some cells of data can be very small).
- 5.18 The baseline projection sees an average level of net in-migration of 95 people per annum (made up of 931 in-migrants and 836 people moving out). The data shows (as with trends seen regionally/nationally) that younger people have a higher propensity to move. The analysis does however also indicate high levels of migration amongst the population aged up to about 64 – this is consistent with relatively high proportions of the population being in such age groups (in NYMNP).

Figure 17: Estimated Annual Level of Migration by Five-Year Age Band (2013-2033) – (estimated for NYMNP)



Source: Derived from ONS 2012-based Sub-National Population Projections

5.19 The migration profile shown above is based on the initial development of a demographic model for the NYMNP although the analysis to follow does provide alternative scenarios (such as for Zero Net Migration or to maintain a Constant Population) These have been developed from the baseline projection, through adjusting levels of in-migration. Assumptions on fertility and mortality are held constant in all of the projections.

Initial Projections

5.20 Five initial demographic projections have been run to look at how the population of the NYMNP area might change in the future:

- Baseline
- 5-year population growth trends
- 13-year population growth trends
- Zero net migration
- Constant population

5.21 Normally in analysis of this type, consideration would be given to past trends in migration. However, we do not have specific data for the NYMNP area. We do however have information about the size of the population (in terms of a time series of ONS Mid-Year Population Estimates from 2001 onwards) and have used this to construct trend-based projections. The table below shows the

estimated size of the population in the NYMNP from 2001 to 2014 – this being the longest time series for which data is available.

5.22 The analysis shows that the population is estimated to have decreased from 23,994 people to 23,226 from 2001 to 2014 – a decrease of around 770 or 3%. Growth has varied over time, with some years seeing moderate population increases and other years' notable declines. Over the past 5-years the average level of population decrease has been 72 people per annum; with a slightly lower average of 59 persons per annum if the 2001-14 period is considered.

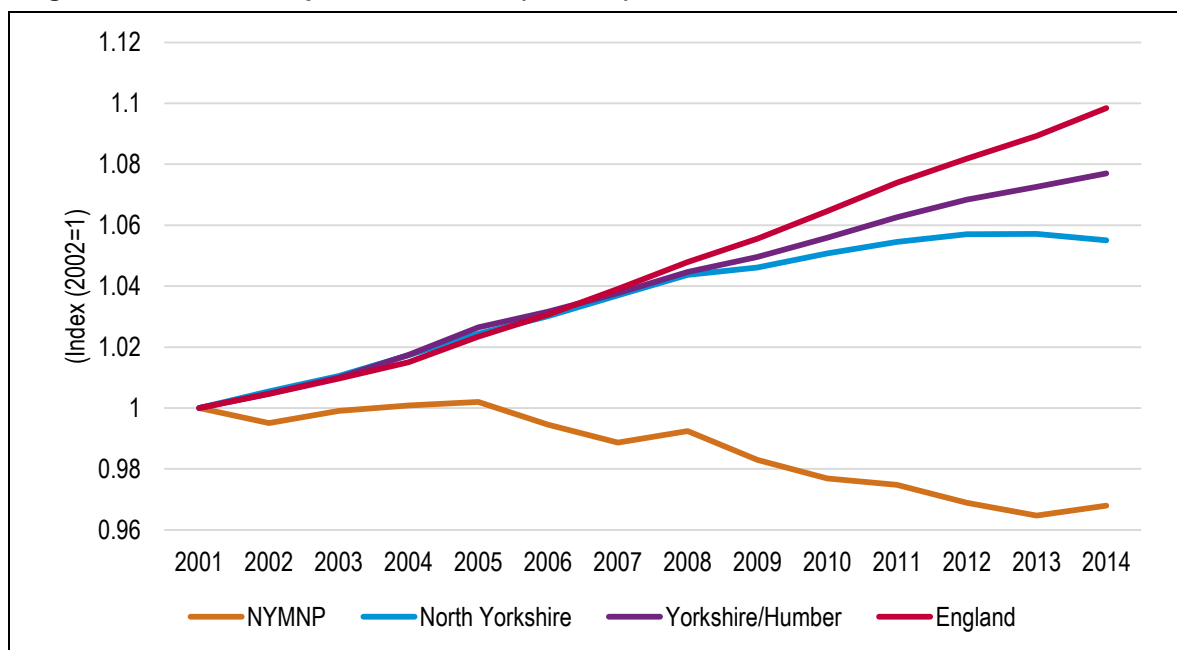
Table 8: Population growth in NYMNP – 2001 to 2014

Year	Population	Change from previous year
2001	23,994	-
2002	23,875	-119
2003	23,972	97
2004	24,015	43
2005	24,041	26
2006	23,862	-179
2007	23,721	-141
2008	23,812	91
2009	23,585	-227
2010	23,439	-146
2011	23,390	-49
2012	23,248	-142
2013	23,146	-102
2014	23,226	80
Average (2001-14)	-768	-59
Average (2009-14)	-359	-72

Source: ONS Mid-Year Population Estimates

5.23 The figure below shows indexed population growth from 2001 to 2014 (where 2001=1) in the NYMNP, North Yorkshire, the Yorkshire/Humber region and England. The analysis shows that population growth in the NYMNP has been substantially different to that seen in other areas. This is to be expected, given that the area is designated a National Park and levels of development are therefore likely to have been below that in wider areas which are not subject to the same level of development constraint.

Figure 18: Indexed Population Growth (2002-13)



Source: ONS Mid-Year Population Estimates

5.24 The table below shows estimated population growth under each of the demographic scenarios. The table shows that the baseline model develop would see population decline of about 1,070 people from 2014 to 2035 (5%) whilst with 5- and 13-year trends the level of decline is slightly higher. If there were to be no net migration to the area, then the population would be expected to fall by around 3,300 people – a 14% decrease from the population level seen in 2014. In this Zero Net Migration Scenario, the population falls as deaths exceed births (principally as a result of the age structure of the population). It indicates that some net in-migration is necessary to support population growth (or a stable level of population) in the NYMNP.

Table 9: Population Change under a Range of Scenarios (2014-35) – NYMNP

	Population 2014	Population 2035	Change from 2014	% change from 2014
Baseline	23,226	22,156	-1,070	-4.6%
5-year trends	23,226	21,718	-1,508	-6.5%
13-year trends	23,226	21,985	-1,241	-5.3%
Zero net migration	23,226	19,903	-3,323	-14.3%
Zero population growth	23,226	23,226	0	0.0%

Source: GLH and JGC Demographic Modelling

5.25 It is of interest at this stage to look at the components of population change (i.e. how much is due to migration and how much due to natural change (births minus deaths)). The table below shows that natural change is significantly negative in all scenarios (ranging from 2,945 to 3,323) – generally an excess of about 150 deaths each year compared with births (a finding driven by the age profile in

the park). The data also identifies that even to keep the level of population steady there would need to be a net in-migration of about 2,945 people (140 per annum).

Table 10: Components of Population Change under a Range of Scenarios (2014-35) – NYMNP

	Natural change	Net migration	Total change (2014-35)
Baseline	-3,067	1,997	-1,070
5-year trends	-3,117	1,609	-1,508
13-year trends	-3,086	1,845	-1,241
Zero net migration	-3,323	0	-3,323
Zero population growth	-2,945	2,945	0

Source: GLH and JGC Demographic Modelling

Age Structure Changes

5.26 With changes to the overall size of the population will also come age structure changes. The tables below summarise the findings for key (15-year) age groups under the baseline projection shown above and also with zero population growth (which is the highest of the scenarios developed).

5.27 In both cases, the analysis shows that largest growth will be in people aged 60 and over; it is estimated (using the baseline projection) that there will be 11,100 people aged 60 and over in 2035 – this is an increase of 2,400 from 2014, representing growth of 28%. The population aged 75 and over is projected to increase by an even greater proportion, 49%. Looking at the other end of the age spectrum the data shows that there is projected to be population decreases in all other age groups (with some of these showing quite significant decreases).

5.28 With the zero population growth projection the general trends are the same although it is notable that the biggest differences (when compared with the baseline) are lower levels of population loss amongst the Under 60 population.

Table 11: Population change 2014 to 2035 by fifteen-year age bands (baseline projection) – NYMNP

Age group	Population 2014	Population 2035	Change in population	% change from 2014
Under 15	2,877	2,144	-733	-25.5%
15-29	2,974	2,904	-70	-2.4%
30-44	3,119	2,003	-1,116	-35.8%
45-59	5,628	4,048	-1,580	-28.1%
60-74	5,894	6,992	1,098	18.6%
75+	2,734	4,065	1,331	48.7%
Total	23,226	22,156	-1,070	-4.6%

Source: GLH and JGC Demographic Modelling

Table 12: Population change 2014 to 2035 by fifteen-year age bands (zero population growth projection) – NYMNP

Age group	Population 2014	Population 2035	Change in population	% change from 2014
Under 15	2,877	2,342	-535	-18.6%
15-29	2,974	3,116	142	4.8%
30-44	3,119	2,236	-883	-28.3%
45-59	5,628	4,226	-1,402	-24.9%
60-74	5,894	7,177	1,283	21.8%
75+	2,734	4,129	1,395	51.0%
Total	23,226	23,226	0	0.0%

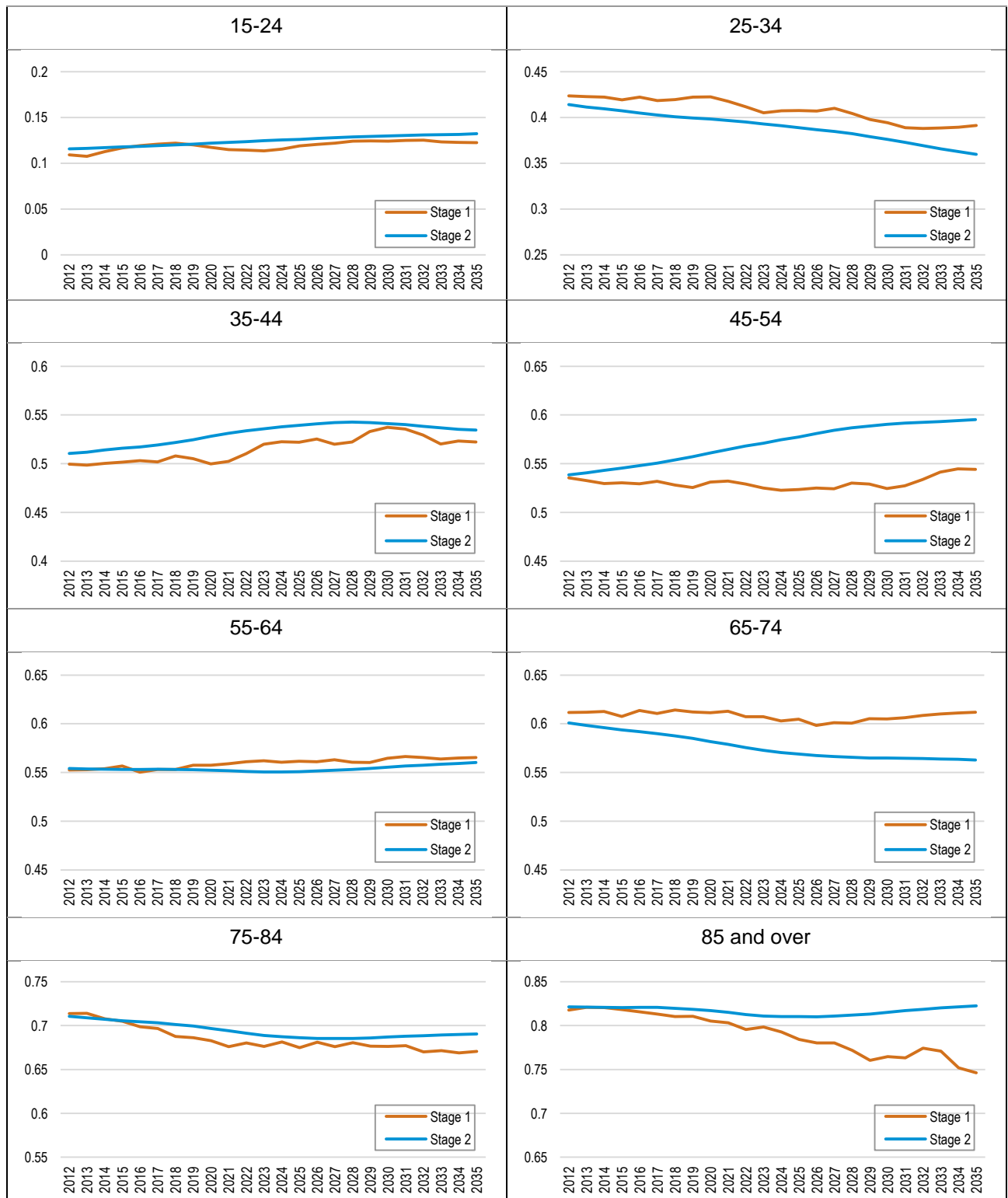
Source: GLH and JGC Demographic Modelling

Household Formation and Headship Rates

- 5.29 Having studied the population size and the age/sex profile of the population, the next step in the process is to convert this information into estimates of the number of households in the area. To do this the concept of headship rates is used. Headship rates can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)).
- 5.30 With the publication of new 2012-based CLG household projections a new set of headship rates is now available. These rates are considered to be more positive than the previous set (2011-based) and typically suggest higher rates of household growth for a given population. The CLG projections were published in two stages; Stage 1 in February 2015 and Stage 2 in December 2015. Both show the same level of overall household growth but some of the age specific assumptions differ – this means that alternative population scenarios can differ (in terms of household estimates).
- 5.31 As with other analysis, it is difficult to undertake an analysis of household growth for the NYMNP area and the approach has been taken to look at headship rates in all of the key local authorities which include parts of the NYMNP and develop a series of headship rates on a *pro-rata* basis. The number of households in the area has then been fixed by reference to 2011 Census data to ensure an overall consistency between population and households.
- 5.32 The figure below shows the assumed headship rates used in analysis. This analysis can be used to consider if the 2012-based projections are robust and the extent to which household formation rates are expected to be suppressed in the future. Ideally, a similar analysis would be carried out to look at past trends; this however is difficult in NYMNP due to the fact that these figures are not published data but a best estimate based on drawing together data from other areas.
- 5.33 The data shows that there are some differences between the Stage 1 and Stage 2 figures (although it should be noted that these do derive virtually the same level of household growth). The modelling

does suggest that there may be some suppression of household formation from the population aged 25-34 (and indeed there may well have been some in the past). However, in looking at suppression amongst the 25-34 age group it is also useful to look at the 35-44 age group (noting that, for example, people aged 25-34 in 2011 will be aged 35-44 by 2021). The 35-44 age group shows a modest increase in headship rates in the future. On this basis there is no significant evidence of suppression in this age group and this analysis therefore suggests that the extent to which there is a suppression in the 25-34 age group, it is expected that this will not remain as a suppressed household formation – the analysis would suggest that all of the households who might be expected to form will do so, it's just that some of this formation might be delayed (i.e. households who might historically been expected to form when aged 25-34 will now form when aged 35-44). Overall, therefore levels of household growth will over a period of time (e.g. to 2035) fully reflect the needs of the local population with no suppression being evident in the long-term.

Figure 19: Projected Household Formation Rates by Age of Head of Household – NYMNP



Source: Derived from CLG data

- 5.34 It is difficult to say which of Stage 1 or Stage 2 are the most reliable to take forward into demographic modelling although it is considered that over time the Stage 2 figures are likely to become the most commonly used. This is because the Stage 2 figures provide outputs about household types (e.g. single people, households with children etc.) whereas Stage 1 looks at marital status. Typically, the household type figures are considered the more useful and useable of the outputs, and would link to other outputs such as understanding the mix of homes that might be required. On this basis, the figures to follow have used the estimates of headship rates based on the Stage 2 household projections.
- 5.35 Clearly there is some uncertainty regarding future household formation, which makes long-term projections somewhat problematic. It is difficult to predict with accuracy the combined impact of the range of factors which will influence household formation, including:
- Overall economic performance;
 - Growth in earnings in real terms;
 - Access to mortgage finance;
 - Interest rates;
 - Balance between housing demand and supply;
 - Subsidy and funding mechanisms for affordable housing.
- 5.36 These factors are macro-economic as well as local and may influence future trends in household formation.

Household Growth and Housing Need

- 5.37 The table below brings together outputs in terms of household growth and housing need for each of the scenarios described above, based on the estimates of Stage 2 headship rates. To convert households into dwellings the data includes an uplift to take account of vacant and second homes. A figure of 17.3% has been used, based on data on the level of vacant and second homes in the NYMNP shown by the 2011 Census. This uplift should be considered as a high level figure and alternative (and lower) figures could be used if the bulk of new housing stock is for local occupancy only (or affordable housing).
- 5.38 The data shows that by applying the 2012-based headship rates to the baseline projection there would be a need for 6 dwellings per annum (116 over the 2014-35 period). The housing need is negative with 5-year trends and zero net migration and very modest when looking at 13-year trends. The only scenario to show any notable level of housing need is the one where the level of population in 2035 is assumed to be the same as in 2014 – this suggests a need for 29 dwellings per annum (609 in total from 2014 to 2035).

Table 13: Projected housing need – range of demographic based scenarios and 2012-based headship rates - NYMNP

	Households 2014	Households 2035	Change in households	Per annum	Dwellings (per annum)
Baseline	10,412	10,511	99	5	6
5-year trends	10,412	10,339	-73	-3	-4
13-year trends	10,412	10,444	31	1	2
Zero net migration	10,412	9,626	-786	-37	-44
Zero population growth	10,412	10,932	519	25	29

Local Need

5.39 Whilst the PPG sets out a standard approach to assessing the full need for market and affordable housing, there is a particular policy framework in national parks. The policy emphasis is on delivering affordable housing to meet local needs; and supporting the national park’s economy. The policy emphasis on identifying and then seeking to meet full objectively assessed housing need, as set out in Paragraph 14 in the NPPF, does not apply in national parks.

5.40 The 2010 Circular in respect of national parks emphasises national park authorities have an important role to play in the delivery of affordable housing, setting out that:

“Through their Local Development Frameworks they should include policies that pro-actively respond to local housing needs. The Government recognises that the National Parks are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them. The expectation is that new housing will be focused on meeting affordable housing requirements, supporting local employment opportunities and key services.

The Government expects the Authorities to maintain a focus on affordable housing and to work with local authorities and other agencies to ensure that the needs of local communities in the Parks are met and that affordable housing remains so in the longer-term.¹⁵”

5.41 There is thus a particular emphasis in national policy on meeting affordable housing needs within national parks; and recognition that unrestricted provision of housing is not appropriate. Therefore, the NYMNP will not necessarily plan to meet “full objectively assessed need” but instead seek to meet “local needs” focused on supporting communities within the Park, rather than catering for wider market demand.

5.42 The question which we then turn to is how the ‘local’ component of need might be defined for the Park area, segmented between the constituent local authorities. The components to this might be:

- Need for affordable housing within these areas and, taking account of development viability and funding mechanisms, what overall level of housing provision might be necessary to deliver this;
- Understanding of economic growth potential and what level of housing provision, particularly affordable housing provision, might be necessary to support the local economy;

¹⁵ DEFRA (2010) Circular: National Parks, Paragraphs 78 and 79

- More local based evidence, such as consideration of what level of housing provision might be necessary to maintain population levels (or population within certain age groups) to support the viability of local services within different parts of the Park; and
- Wider housing need from the existing population, for instance based on a zero net migration approach.

5.43 The first of these has been considered in Section 6. We consider below what level of housing provision might be needed to maintain population levels; and based on Zero Net Migration. The relationship to economic dynamics is considered later in this section in terms of maintaining the working age population and the economic need resulting from the maintain population levels scenario.

Maintaining the Existing Population

5.44 Maintaining existing population levels is relevant, in planning terms, in considering what provision of housing might be necessary to support local services, including shops, healthcare etc. This scenario requires additional housing principally as the intensity at which the housing stock is occupied (and average household sizes) falls, linked particularly to an older population who occupy homes less intensely. As noted above, such a scenario would imply a need for about 29 dwellings to be provided each year in the 2014 to 2035 period.

Interaction of the Economy and the Housing Market

5.45 Planning Practice Guidance sets out that consideration should be given to future economic performance in drawing conclusions on the overall need for housing. Where the evidence suggests that higher migration might be needed than seen in past trends in order to support economic growth, consideration should be given to adjusting the spatial distribution of housing. Specifically, the Guidance outlines that:

'Plan makers should make an assessment of the likely growth in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population'

And that:

'Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems'

5.46 For a National Park area, economic forecasts are likely to be quite unreliable given the small areas covered (in terms of jobs and workforce) and the fact that most forecasts are essentially modified national figures (taking account of local factors). Therefore, rather than comparing forecasts with

the resident population, this section seeks to estimate what level of job growth might be supported by the demographic projections developed. This is based on considering the likely growth in the economically active population (and it is assumed that there will broadly be a 1:1 relationship between jobs and the economically active population – although the exact link will also be influenced by commuting patterns, unemployment and the number of people with more than one job). In effect the analysis takes a demographic led approach to job growth rather than a job-led approach to future demographics.

Linking resident workforce change to demographic projections

- 5.47 Estimating how the resident workforce of an area might change is a very thorny issue with no set methodology and a range of different methods and views being used. It is considered, having studied this for many years is that it is impossible to robustly project how economic activity or employment rates will change in the future and hence such an approach is not sufficiently rigorous when looking at the link between jobs and housing.
- 5.48 For example, all of the main forecasting houses (Experian, Oxford Economics and Cambridge Econometrics) use population data as an input to their forecasts and each will estimate different levels of job growth. Inherently, each of the forecasting houses are therefore suggesting that whatever level of job growth they expect, this will be met by the population (and the population as it is projected to change). Given the different levels of job growth it is therefore implicit that there will be an assumption about how employment rates are likely to change, and this assumption will be different depending on the forecasting house. There could also be changes such as double jobbing within the modelling although this is difficult to determine.
- 5.49 Whilst it is possible to estimate what the implied employment rates are, this is difficult to do with any confidence at a smaller area level and attempts to estimate these have at times been criticised by planning inspectors (particularly where modelling attempts to look at individual age and sex groups).
- 5.50 Some consultancies (both for public and private sector clients) have looked for other sources of employment or economic activity rate data; the most commonly used being a set of figures published by the Office for Budget Responsibility (OBR). These however are at a national level and are not robustly applicable to smaller areas. Perhaps more significantly, the level of job growth (growth in residents in employment) estimated by OBR is significantly lower than from any of the main forecasting houses (a growth in residents in employment of about 2,500,000 from 2014-35 compared with a figure in excess of 4,000,000 in the most recent Experian forecast for the United Kingdom). This means that the OBR employment/activity rate figures cannot realistically be used when testing job growth levels from forecasts, as they relate to a completely different set of national assumptions.

5.51 One final set of rate data that is utilised is that published by Kent County Council (KCC) in November 2014. This is specific to Kent and so not applicable in other areas, however, more importantly many of the rates used in the model draw from a 2006 ONS publication (about projecting economic activity rates); this publication can (by 2014) be seen to have been substantially wrong for all age groups where a reasonable comparison can be made with more up-to-date information.

5.52 Hence, there is no clear and agreed set of figures which can be used to estimate how economic activity rates might change in the future. At best, any rates will be informed guesswork and at worst they can simply be unrealistic when set against the forecasts being used (either being too positive or too negative).

5.53 For these reasons this report has sought to look at changes to economic activity rates using as much data as possible for which there is relative certainty, whilst some level of assumption is required, the method used is designed to limit the amount of speculation and therefore provide some certainty that the outputs properly reflect what might be expected to happen. The method used considers two key groups of the population:

- The population of working age who are economically active;
- The population who have reached retirement age who are economically active.

5.54 Below is a discussion of these two groups and how the number of economically active people is projected to change. As a general rule it would be assumed that the number of economically active residents would roughly equate to the number of jobs they could sustain although even this is imperfect as some economically active people will be unemployed, whilst some may have more than one job. Commuting patterns can also influence this relationship at a local level.

Working-age population

5.55 The first part of the analysis looks at the working-age population. Such an analysis is uncontroversial, with working age being fixed by Central Government through the setting of pensionable age (most recently in the Pensions Act of 2014). The use of working-age is also consistent with wording in the PPG [2a-018] which states that:

'plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to growth of the working age population in the housing market area' [emphasis added]

5.56 Estimating the working age population and how this will change over time is not as straightforward as it has been in the past where conventionally the working age population has been defined as the population aged 16-64 (and previously 16-64 for males and 16-59 for females). The situation

currently is one where there are incremental changes to pensionable age for both sexes which means that gradually people will be able to draw a state pension later in life.

5.57 The tables below are taken from supporting information from the 2014-based national population projections from ONS and show for both males and females the proportion of an age group who are considered to be of pensionable age. For example, the first table shows in 2019 that an estimated 60% of males aged 65 will be of pensionable age and in 2020 about 10% will have reached that threshold. The data is cut off from 2027 and age 66 as there are currently no future proposals for changes to pensionable age until 2044 (which is some way beyond the date of projections developed in this report).

Table 14: Proportion of males of pensionable age by age and date

	Age group						
	60	61	62	63	64	65	66
2011	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
2012	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
2013	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
2014	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
2015	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
2016	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
2017	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
2018	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
2019	0.0%	0.0%	0.0%	0.0%	0.0%	60.3%	100.0%
2020	0.0%	0.0%	0.0%	0.0%	0.0%	9.9%	100.0%
2021	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2022	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2023	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2026	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	84.7%
2027	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	35.1%

Source: (ONS – table: pensioncalcsfor2014npps_tcm77-421363.xls)

Table 15: Proportion of females of pensionable age by age and date

	Age group						
	60	61	62	63	64	65	66
2011	35.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2012	0.0%	84.7%	100.0%	100.0%	100.0%	100.0%	100.0%
2013	0.0%	35.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2014	0.0%	0.0%	84.7%	100.0%	100.0%	100.0%	100.0%
2015	0.0%	0.0%	35.1%	100.0%	100.0%	100.0%	100.0%
2016	0.0%	0.0%	0.0%	76.4%	100.0%	100.0%	100.0%
2017	0.0%	0.0%	0.0%	1.4%	100.0%	100.0%	100.0%
2018	0.0%	0.0%	0.0%	0.0%	26.6%	100.0%	100.0%
2019	0.0%	0.0%	0.0%	0.0%	0.0%	60.3%	100.0%
2020	0.0%	0.0%	0.0%	0.0%	0.0%	9.9%	100.0%
2021	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2022	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2023	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
2026	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	84.7%
2027	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	35.1%

Source: (ONS – table: pensioncalcsfor2014npps_tcm77-421363.xls)

5.58 Using the various demographic projections developed it is possible to apply the rates above to see how the working-age population might change and this is shown in the table below. Over the 2014-35 period the working-age population is projected to decrease by between 140 and 2,340 people – a 1% to 18% decrease. On the basis of the baseline demographic projection the decrease in the number of people of working age is projected to be about 850 (7%).

Table 16: Projected change in working-age population

	Working-age population (2011)	Working-age population (2031)	Change in working-age population	% change
Baseline	12,973	12,127	-847	-6.5%
5-year trends	12,973	11,836	-1,137	-8.8%
13-year trends	12,973	12,013	-960	-7.4%
Zero net migration	12,973	10,633	-2,340	-18.0%
Zero population growth	12,973	12,836	-138	-1.1%

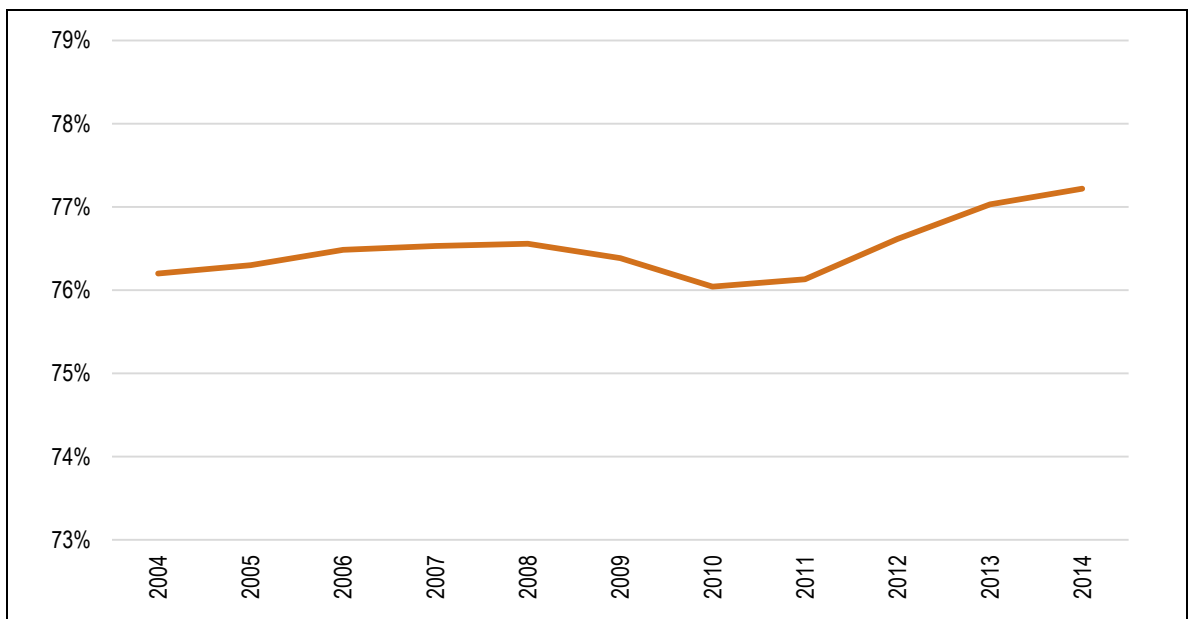
Source: Derived from demographic projections

5.59 However, the working-age population does not tell us how many are economically active, some people of working age will not be in work or actively seeking employment. To look at the proportion who are economically active, Census data (from 2011) has been analysed. This looks at the population aged 16-64 for males and 16-59 for females – the different age band for females reflects

the fact that at the time of the Census changes to pensionable age were only just starting and so the vast majority of females in the 60-64 age band would have reached pensionable age.

- 5.60 Using data based on a best-fit of Middle Layer Super Outputs Areas (MSOA) it is estimated that around 80% of the working age population who are economically active. This proportion can be applied to the change in the working age population to estimate how the number of economically active residents would change. It is however worth briefly assessing if this figure is likely to increase (or decrease) over time.
- 5.61 To study this, a time series analysis has been carried out using Annual Population Survey data looking at the 16-64 age group. This age group does not exactly match 'working-age' due to changes to pensionable age but is the closest match available to the age groups which need to be studied. The core analysis looks at how rates have changed across the whole United Kingdom – this is due to there being relatively high error margins associated with the data at a smaller are level. The time period covered is from 2004 to 2014 which is the longest consistent time series available from this source.
- 5.62 The analysis shows that if anything the proportion of the working-age population who are economically active has increased slightly over the past decade – however, it should be stressed that the changes are pretty modest and only start from about 2010 (which does coincide with the start of pension reforms).
- 5.63 On this basis it is considered that there is no evidence to suggest that the economic activity rates of the working-age population will increase in the future (and likewise no evidence of a decline). Hence for the purposes of modelling the percent of people economically active (as shown by the Census) is applied to the growth in the working age population to derive an estimate of the change in the economically active population.

Figure 20: Change in economic activity rate (United Kingdom) – population aged 16-64



Source: Annual Population Survey (from nomis)

Economically active population of pensionable age

- 5.64 The analysis above has looked at the working age population and the likely proportion who will be economically active. To complete the analysis of how the economically active population might change it is also necessary to consider people who have reached pensionable age who are still working (or possibly seeking work).
- 5.65 A similar process has been undertaken and this begins by considering the pensionable age population and how this will change in the future; the table below shows that the number of people of pensionable age is projected to increase by between 210 and 680 (depending on the projection being run). There is less variation than when looking at the working-age population, this is because the demographic scenarios consider changes to migration, and migration tends to be more strongly concentrated amongst working-age people (and their children).

Table 17: Projected change in pensionable-age population

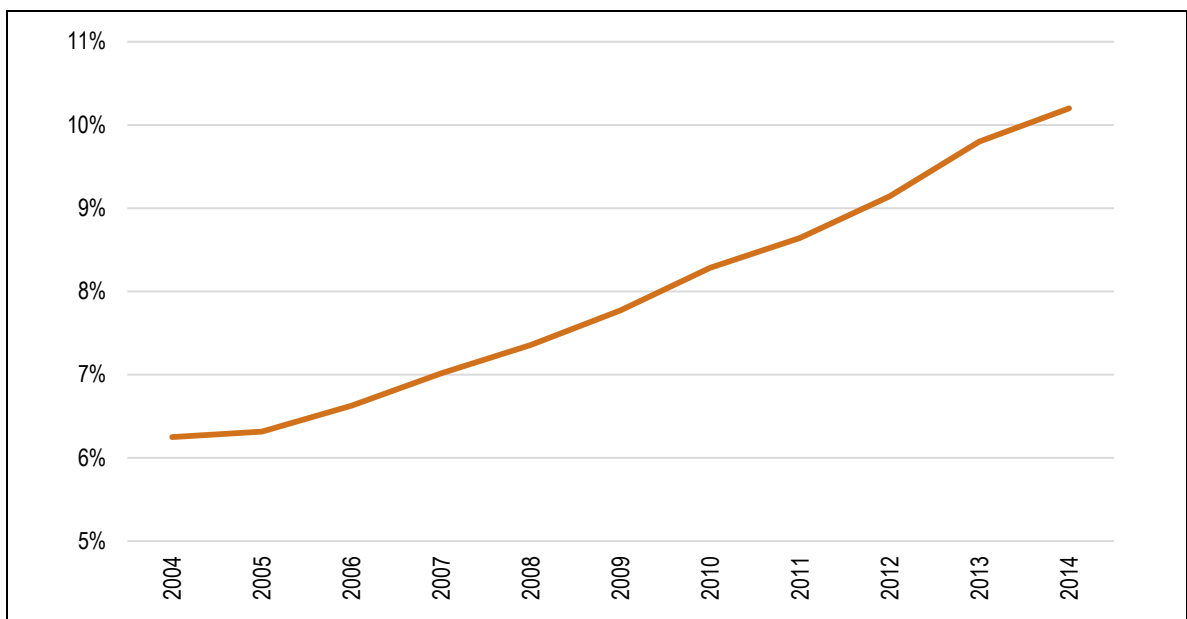
	Pensionable- age population (2011)	Pensionable- age population (2031)	Change in pensionable- age population	% change
Baseline	7,155	7,685	530	7.4%
5-year trends	7,155	7,623	468	6.5%
13-year trends	7,155	7,660	506	7.1%
Zero net migration	7,155	7,365	210	2.9%
Zero population growth	7,155	7,836	682	9.5%

Source: Derived from demographic projections

- 5.66 Again, the change in the number of people of pensionable age does not tell us how many are economically active. To look at the proportion who are economically active, Census data (from 2011) has again been utilised. This looks at the population aged 65+ for males and 60+ for females – consistent with the analysis undertaken for the working-age population. Across the NYMNP this analysis suggests that around 17% of people of pensionable age are also economically active.
- 5.67 Again, this proportion could be applied to the change in the pensionable age population to estimate how the number of economically active residents would change. It is however again worth assessing if this figure is likely to increase (or decrease) over time.
- 5.68 To study this a time series analysis has again been carried out using Annual Population Survey data looking at the 65+ age group. This age group does not exactly match ‘pensionable-age’ but is the closest match available from this source. The core analysis looks at how rates have changed across the whole United Kingdom – this again is due to there being relatively high error margins associated with the data at a smaller are level. The time period covered is from 2004 to 2014 which is the longest consistent time series available from this source.
- 5.69 The analysis shows that the proportion of the pensionable-age population who are economically active has increased notably over the past decade (increasing from about 6% in 2004 to 10% in 2014) – this would suggest that further potential increase in activity rates of the older population might reasonably be expected. It is difficult to know by how much the economic activity rate of this cohort of the population might change in the future and the analysis takes the pragmatic view that further increases will be at half of the rate seen in the 2004-14 decade (this is a 0.2% increase per annum).
- 5.70 Whilst there is no precedent in the use of a ‘half’ increase, it is arguably a reasonable assumption for modelling given that the data clearly shows an upward trend with no evidence of this slowing down. However, it is noted that such a trend could not continue indefinitely on a linear pattern (to do so would mean that eventually everyone aged 65+ would be assumed to be economically active

(which is not realistic)). Additionally, the use of a 'half' recognises that much of the ageing of the population is in older age groups (e.g. those aged 85+) where activity rates are likely to be very low; that said an ageing of the population will also be underpinning the APS analysis.

Figure 21: Change in economic activity rate (United Kingdom) – population aged 65+



Source: Annual Population Survey (from nomis)

What is the change to the economically-active population?

- 5.71 Having run through an analysis of the two groups from which economically active people will arise (those of working age and those who have reached pensionable age) it is possible to estimate the overall change in the number of economically active people in the NYMNP. This is set out in the table below and uses the proportions of each group who are economically active (and changes as appropriate) applied to the relevant population.
- 5.72 The analysis shows that linked to the baseline projection there would be a decrease in the economically active population of about 270 people. All of the other projections other than zero population growth show higher decreases in the economically-active population. With no population growth moving forward from 2014 it is estimated that the economically active population would increase by about 333 people (16 per annum) – this increase is however only supported due to a projected increase in people of pensionable age remaining in the labour-force.

Table 18: Estimated change to the economically active population (2014-35)

	Change in working-age economically active	Change in pensionable age economically active	Total change in economically active	Per annum change
Baseline	-680	412	-268	-13
5-year trends	-913	399	-514	-24
13-year trends	-771	407	-364	-17
Zero net migration	-1,879	345	-1,534	-73
Zero population growth	-110	444	333	16

Source: Derived from demographic projections

What is the level of housing need if there were no change to the economically-active population?

5.73 A final scenario has been run in this section to consider the level of population growth and housing need if there were to be no change to the number of people who are economically active between 2014 and 2035. This is shown in the table below along with the range of demographic based scenarios already developed. This shows a need for 335 dwellings over the 2014-35 period (16 per annum). The associated level of population growth associated with this is a decline of 594 people. To achieve no change in the economically active population would see an increase of about 426 people beyond retirement age being active (and therefore a loss of 426 in the working age economically active population). Hence maintaining the economically active population will be dependent on older people continuing to work longer (although such a scenario is consistent with past trends).

Table 19: Projected housing need – range of demographic based scenarios and 2012-based headship rates - NYMNP

	Households 2014	Households 2035	Change in households	Per annum	Dwellings (per annum)
Baseline	10,412	10,511	99	5	6
5-year trends	10,412	10,339	-73	-3	-4
13-year trends	10,412	10,444	31	1	2
Zero net migration	10,412	9,626	-786	-37	-44
Zero population growth	10,412	10,932	519	25	29
Constant workforce	10,412	10,698	286	335	16

Source: Derived from demographic projections

6 AFFORDABLE HOUSING NEED

- 6.2 In this section we discuss levels of affordable housing need in the NYMNP. Affordable housing need is defined in the NPPF (Annex 2) as ‘social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market’. The PPG (2a-022) describes affordable housing need as being an estimate of *‘the number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market’*.
- 6.3 The policy framework for housing in national parks is particularly focused on delivering affordable housing to meet local needs, support local employment and key services. This is set out in The English National Parks and Broads UK Government Vision and Circular 2010.
- 6.4 The PPG sets out a model for assessing affordable housing need – this model largely replicates the model set out in previous SHMA guidance (of 2007). The 2007 guide contained more detail about specific aspects of the analysis and so is referred to in this section as appropriate. The analysis is based on secondary data sources. It draws on a number of sources of information including 2011 Census data, demographic projections, house prices/rents and income information.
- 6.5 The affordable housing needs model is based largely on housing market conditions (and particularly the relationship of housing costs and incomes) at a particular point in time – the time of the assessment – as well as the existing supply of affordable housing which can be used to meet the need. The base date for analysis is 2015 (e.g. data about housing costs and incomes is for 2015). It is recognised that the analysis should align with other research and hence estimates of affordable housing need are provided in this section on an annual basis for the 21-year period between 2014 and 2035 (to be consistent with the demographic projections described in the previous sections).
- 6.6 The level of detail which can be provided in this report is influenced by data available using secondary sources and the analysis deals with the affordable housing need for the NYMNP as a whole. The report therefore provides a strategic-level analysis of affordable housing need. Rural housing needs surveys will also continue to be useful (alongside the SHMA analysis) in providing local evidence of affordable housing need at a point in time, and the mix of homes which might be provided to meet this, at a settlement level.

Key Definitions

- 6.7 We begin by setting out key definitions relating to affordable housing need, affordability and affordable housing.

Current Affordable Housing Need

- 6.8 Current affordable housing need is defined as the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market.

Newly-Arising Need

- 6.9 Newly-arising (or future) need is a measure of the number of households who are expected to have an affordable housing need at some point in the future. In this assessment we have used trend data from The Continuous Recording of Lettings and Sales in Social Housing in England (CoRe) along with demographic projections about the number of new households forming (along with affordability) to estimate future needs.

Supply of Affordable Housing

- 6.10 An estimate of the likely future supply of affordable housing is also made (drawing on secondary data sources about past lettings). The future supply of affordable housing is subtracted from the newly-arising need to make an assessment of the net future need for affordable housing.

Affordability

- 6.11 Affordability is assessed by comparing household incomes, based on income data modelled using a number of sources including CACI, the Annual Survey of Hours and Earning (ASHE), the English Housing Survey (EHS) and ONS data, against the cost of suitable market housing (to either buy or rent). Separate tests are applied for home ownership and private renting (in line with the SHMA Guidance) and are summarised below:

- a. Assessing whether a household can afford home ownership: A household is considered able to afford to buy a home if it costs 3.5 times the gross household income – CLG guidance suggests using different measures for households with multiple incomes (2.9×) and those with a single income (3.5×), however (partly due to data availability) we have only used a 3.5 times multiplier for analysis. This ensures that affordable housing need figures are not over-estimated – in practical terms it makes little difference to the analysis due to the inclusion of a rental test (below) which tends to require lower incomes for households to be able to afford access to market housing;
 - b. Assessing whether a household can afford market renting: A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income. The choice of an appropriate threshold is an important aspect of the analysis, CLG guidance (of 2007) suggested that 25% of income is a reasonable start point but also notes that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40% (although this can vary by area). Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40% (depending on household characteristics). This assessment uses a 30% threshold to be consistent with analysis carried out in other areas of North Yorkshire by GL Hearn.
- 6.12 It should be recognised that a key challenge in assessing affordable housing need using secondary sources is the lack of information available regarding households' existing savings. This is a key factor affecting the ability of young households to purchase housing particularly in the current market context where a deposit of at least 10% is typically required for the more attractive mortgage deals. The 'help to buy' scheme is likely to be making some improvements in access to the owner-occupied sector although at present this is likely to be limited (although the impact of recent extensions to this scheme to include the second-hand market should be monitored moving forward).
- 6.13 In many cases households who do not have sufficient savings to purchase have sufficient income to rent housing privately without support, and thus the impact of deposit issues on the overall assessment of affordable housing need is limited. The analysis does not take account of access to a deposit when testing for rental affordability because the sums of money are small relative to requirements for owner-occupied housing (additionally, such data is not readily available). However, it does need to be recognised, in some cases, that the need for a deposit may act as a barrier for some households seeking to access the private rented sector.

Affordable Housing

- 6.14 The NPPF provides the definition of affordable housing (as used in this report). The following is taken from Annex 2 of NPPF.

“Affordable housing includes social rented, affordable rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices;

- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.”

6.15 Within the definition of affordable housing there is also the distinction between social rented affordable rented, and intermediate housing. Social rented housing is defined as:

“Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency as a condition of grant.”

6.16 Affordable rented housing is defined as:

“Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80 per cent of the local market rent.”

6.17 The definition of intermediate housing is shown below:

“Intermediate affordable housing is ‘Housing at prices and rents above those of social rent, but below market price or rents. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent but does not include affordable rented housing.’

6.18 As part of our analysis in this report we have therefore studied the extent to which social rented, intermediate and affordable rented housing can meet affordable housing need in NYMNP.

Local Prices & Rents

6.19 An important part of the SHMA is to establish the entry-level costs of housing to buy and rent – this data is then used in the assessment of the need for affordable housing. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an ‘affordable housing need.’

6.20 In this section we establish the entry-level costs of housing to both buy and rent across the whole NYMNP area. The approach has been to carry out a desktop survey using internet sources; assessing prices and rents for different sizes of properties from one to four (or more) bedrooms across the Park. The table below shows estimated lower quartile property prices obtained from this search. The prices have been reduced slightly (on average by about 10%) to take account of the difference between asking prices and prices paid based.

6.21 The data shows that entry-level costs to buy are estimated to start from about £135,000 for a one- or two-bedroom home (noting a very limited supply of one bedroom properties) flat and rising to

£305,000 for a home with four or more bedrooms. Looking at the lower quartile price across all dwelling types the analysis shows a figure of £165,000 (which is the same as a lower quartile three-bedroom home).

Table 20: Lower Quartile Sales Prices by Size (January 2016)

Dwelling size	Lower quartile price
1 bedroom	£135,000
2 bedrooms	£135,000
3 bedrooms	£165,000
4+ bedrooms	£305,000
All dwellings	£165,000

Source: Online Estate and Letting Agents Survey (January 2016)

- 6.22 A similar analysis has been carried out for private rents; the analysis shows an average lower quartile cost (across all dwelling sizes) of £475 per month.

Table 21: Lower Quartile Monthly Private Rents (January 2016)

Dwelling size	Monthly rent
1 bedroom	£395
2 bedrooms	£450
3 bedrooms	£600
4+ bedrooms	£875
All dwellings	£475

Source: Online Estate and Letting Agents Survey (January 2016)

- 6.23 The analysis in the report works on the basis of a single housing cost for affordability testing, which in turn is taken to be the lower quartile price and rent shown above (i.e. £165,000 for purchase or £475 per month to rent). For analysis, the cheaper of these (in terms of income requirements) is taken to be the entry-level point to the market. In NYMNP (as in most areas) the incomes required to access the private rented sector are typically lower and hence it is rented housing which is used for affordability testing.
- 6.24 As an example, with a lower quartile price of £165,000 and a 10% deposit, a household would need an income of £42,400 per annum (based on 3.5 times income). For renting (based on a rent of £475) the income would need to be £19,000 (based on a threshold for affordability of 30%).

Income levels and affordability

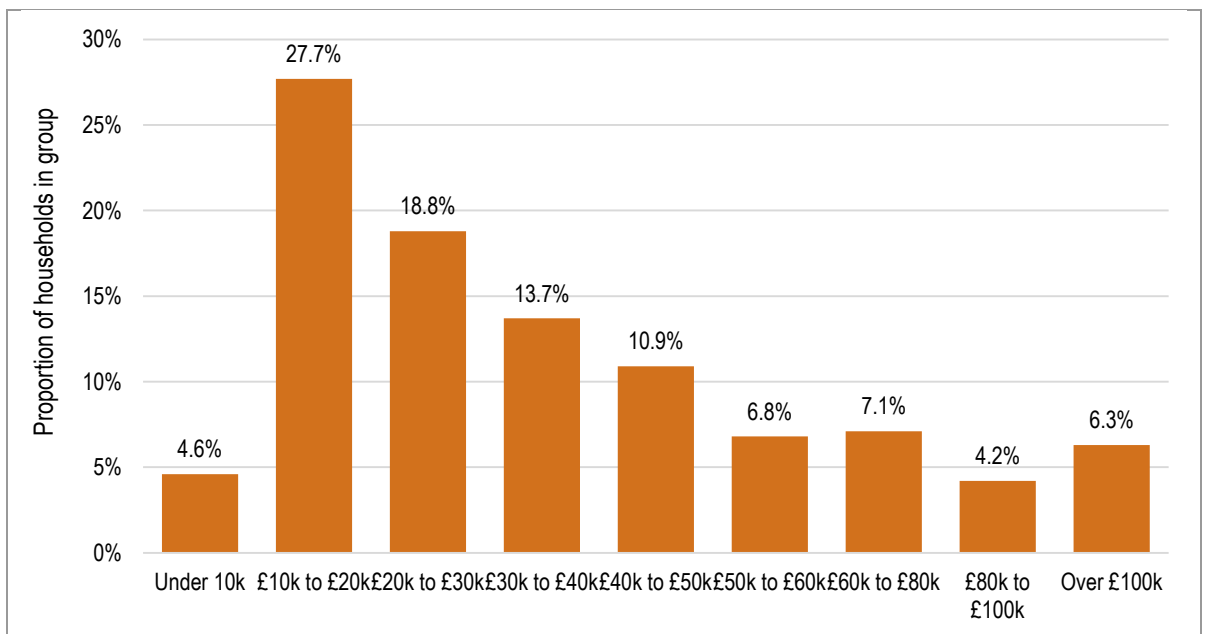
- 6.25 Following on from our assessment of local prices and rents it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability and also provide an indication of the potential for intermediate housing to meet needs. Data about total household income has been modelled on the basis of a number of different sources of information

to provide both an overall average income and the likely distribution of incomes in each area. The key sources of data include:

- CACI from *Wealth of the Nation 2012* – to provide an overall national average income figure for benchmarking
- English Housing Survey (EHS) – to provide information about the distribution of incomes (taking account of variation by tenure in particular)
- Annual Survey of Hours and Earnings (ASHE) – to assist in looking at how incomes have changed from 2012 to 2014 (a 3% increase per annum was identified from this source for the Yorkshire/Humber region)
- ONS modelled income estimates – to assist in providing more localised income estimates (i.e. for the National Park)

6.26 Drawing all of this data together we have therefore been able to construct an income distribution for the whole of the NYMNP for 2014. The data shows that around a third (32%) of households have incomes below £20,000 with a further third in the range of £20,000 to £40,000. The overall average (median) income of all households in the area was estimated to be around £29,400 with a mean income of £38,700.

Figure 22: Distribution of Household Income in NYMNP (2014)



Source: Derived from ASHE, EHS, CACI and ONS data

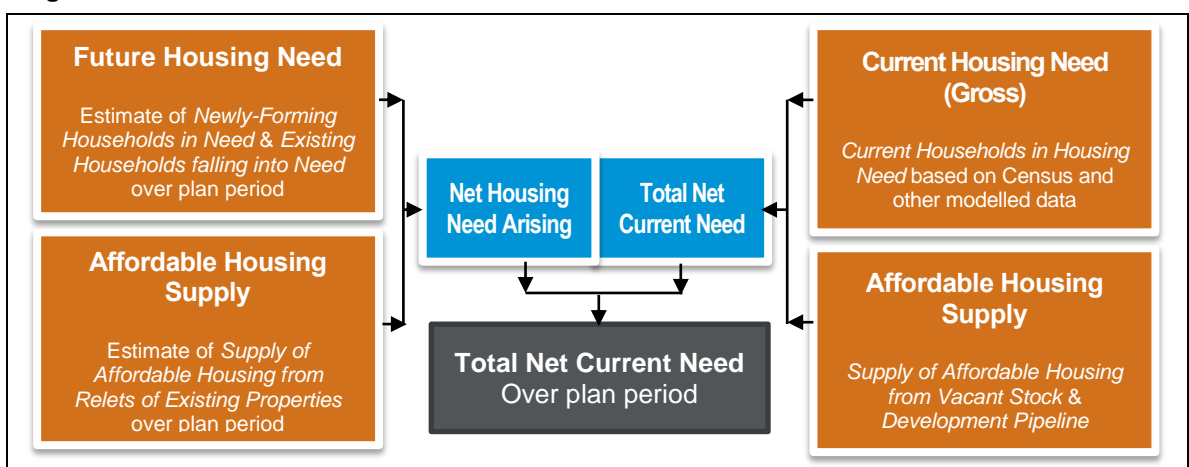
6.27 To assess affordability, we have looked at households' ability to afford either home ownership or private rented housing (whichever is the cheapest), without financial support. The distribution of household incomes is then used to estimate the likely proportion of households who are unable to afford to meet their needs in the private sector without support, on the basis of existing incomes. This analysis brings together the data on household incomes with the estimated incomes required to access private sector housing.

6.28 Different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g. recognising that newly forming households are likely on average to have lower incomes than existing households). Assumptions about income levels are discussed where relevant in the analysis that follows.

Affordable Housing Needs Assessment

6.29 Affordable housing need has been assessed using the Basic Needs Assessment Model, in accordance with the CLG Practice Guidance. This model is summarised in the chart below.

Figure 23: Overview of Basic Needs Assessment Model



6.30 The figures presented in this report for affordable housing needs have been based on secondary data sources including analysis of 2011 Census data. The modelling undertaken provides an assessment of affordable housing need for a 21-year period (which is then annualised). Each of the stages of the affordable housing needs model calculation are discussed in more detail below.

Methodological Issues

6.31 As the analysis being based on secondary data sources only, there are a number of assumptions that need to be made to ensure that the analysis is as robust as possible. Key assumptions include considering the number of households who have a need due to issues such as insecure tenancies or housing costs – such households form part of the affordable need as set out in guidance (see paragraph 023 of the PPG for example) but are not readily captured from secondary data sources. Assumptions also need to be made about the likely income levels of different groups of the population (such as newly forming households), recognising that such households' incomes may differ from those in the general population.

6.32 To overcome the limitations of a secondary-data-only assessment, additional data has been taken from a range of survey-based affordable needs assessments carried out by GL Hearn over the past five years or so. These surveys (which cover a range of areas and time periods) allow the

assessment to consider issues such as needs which are not picked up in published sources and different income levels for different household groups. This data is then applied to actual data for NYMNP (e.g. from the Census) as appropriate. It is the case that outputs from surveys in other areas show remarkably similar outputs to each other for a range of core variables (for example the income levels of newly forming households when compared with existing households) and are therefore likely to be fairly reflective of the situation locally in NYMNP. Where possible, data has also been drawn from national surveys (notably the English Housing Survey).

- 6.33 It should also be stressed that the secondary data approach is consistent with the PPG. Specifically, guidance states that:

'Plan makers should avoid expending significant resources on primary research (information that is collected through surveys, focus groups or interviews etc. and analysed to produce a new set of findings) as this will in many cases be a disproportionate way of establishing an evidence base. They should instead look to rely predominantly on secondary data (e.g. Census, national surveys) to inform their assessment which are identified within the guidance.'

- 6.34 The analysis that follows is therefore consistent with the requirements of the Planning Practice Guidance.

- 6.35 The PPG also suggests that the housing register can be used to estimate levels of affordable housing need. Experience working across the country is that housing registers can be highly variable in the way allocation policies and pointing systems work. This means that in many areas it is difficult to have confidence that the register is able to define an underlying need. Many housing registers include households who might not have a need whilst there will be households in need who do not register (possibly due to being aware that they have little chance of being housed). For these reasons, the method linked to a range of secondary data sources is preferred.

Current Affordable Housing Need

- 6.36 In line with PPG, the current need for affordable housing need has been based on considering the likely number of households with one or more housing problem. A list is initially set out in paragraph 023 of the PPG and provides the following.

What types of households are considered in affordable housing need?

The types of households to be considered in housing need are:

- homeless households or insecure tenure (e.g. housing that is too expensive compared to disposable income);
- households where there is a mismatch between the housing needed and the actual dwelling (e.g. overcrowded households);
- households containing people with social or physical impairment or other specific needs living in unsuitable dwellings (e.g. accessed via steps) which cannot be made suitable in-situ
- households that lack basic facilities (e.g. a bathroom or kitchen) and those subject to major disrepair or that are unfit for habitation;
- households containing people with particular social needs (e.g. escaping harassment) which cannot be resolved except through a move.

Source: PPG [ID 2a-023-20140306]

6.37 The table below sets out the data used in each part of the assessment. All efforts have been made to avoid double counting; this includes excluding households living in non-hostel and B&B properties from the number of 'other' households in need (such households will be included in the homeless in temporary accommodation). However, there may be some issues with looking at both concealed households and overcrowding – it is likely that providing housing for some concealed households would remove an overcrowding issue – no account has been taken of this and therefore arguably the figures presented could be slightly too high. On the other hand, the analysis of concealed households only includes those with children and it is possible that some 'childless' concealed households also have a need (which would make the figures too low). On balance it is considered that the analysis and outputs (whilst noting some potential deficiencies of using a secondary data approach) will be as accurate and plausible as is reasonably possible.

6.38 Additionally, it should be noted that there will be other people living in households seeking to form an independent household (typically grown-up children living with parents). This cohort of the population is not considered in the current affordable need but are picked up as newly forming households as part of the projection of future need.

Table 22: Main sources for assessing the current unmet need for affordable housing

	Source	Notes
Homeless households	CLG Live Table 784	Total where a duty is owed but no accommodation has been secured
Those in priority need who are currently housed in temporary accommodation	CLG Live Table 784	Total in temporary accommodation
Households in overcrowded housing	Census table LC4108EW	Analysis undertaken by tenure
Concealed households	Census table LC1110EW	Number of concealed families (with dependent or non-dependent children)
Existing affordable housing tenants in need	Modelled data linking to past survey analysis	Will include households with many of the issues in the first box above (e.g. insecure tenure). Figures exclude those living in LA/HA or private sector/Other temporary accommodation)
Households from other tenures in need	Modelled data linking to past survey analysis	

Source: PPG [ID 2a-024-20140306]

6.39 Table 23 therefore shows the initial estimate of the number of households who potentially have a current housing need. These figures are before any consideration of affordability has been made and has been termed ‘the number of households in unsuitable housing’. Overall, the analysis suggests that there are currently some 476 households living in unsuitable housing (or without housing) – this is 4.6% of the estimated total number of households living in the NYMNP (in 2014).

Table 23: Estimated number of households living in unsuitable housing

Category of ‘need’	Households
Homeless households	0
Those in priority need who are currently housed in temporary accommodation	6
Households in overcrowded housing	151
Concealed households	59
Exiting affordable housing tenants in need	17
Households from other tenures in need	242
Total	476

Source: CLG Live Tables, Census (2011) and data modelling

6.40 In taking this estimate (476) forward, the data modelling estimates housing unsuitability by tenure. From the overall number in unsuitable housing, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). This discounting is based on overall need across all types and sizes of homes and it needs to be recognised that provision of the right housing is needed to enable households to move. Consideration of the types and tenures of affordable housing that might be needed in the future can be found in Section 8 of this report.

- 6.41 The analysis also excludes 90% of owner-occupiers under the assumption (which is supported by analysis of survey data) that the vast majority will be able to afford housing once savings and equity are taken into account. Additionally, the ‘temporary accommodation’ group are split depending on whether or not they are currently housed (with those temporarily housed in LA/HA accommodation then being excluded as per the analysis for affordable housing (i.e. they would be a transfer)).
- 6.42 Table 24 shows that as of mid-2014 it is estimated that there were 288 households living in unsuitable housing (excluding current social tenants and the majority (90%) of owner-occupiers) – this represents 2.8% of all households in the NYMNP in 2014.

Table 24: Unsuitable housing by tenure and numbers to take forward into affordability modelling

	In unsuitable housing	Number to take forward for affordability testing
Owner-occupied	152	15
Social rented	52	0
Private rented	207	207
No housing (homeless/concealed)	65	65
Total	476	288

Source: CLG Live Tales, Census (2011) and data modelling

- 6.43 Having established the figure of 288, it needs to be considered that a number of these households might be able to afford market housing without the need for subsidy, because they could afford a suitable market housing solution.
- 6.44 For an affordability test the income data has been used, with the distribution adjusted to reflect a lower average income amongst households living in unsuitable housing – for the purposes of the modelling an income distribution that reduces the level of income to 69% of the figure for all households has been used to identify the proportion of households whose needs could not be met within the market (for households currently living in housing other than in temporary accommodation). A lower figure (of 42%) has been used to apply an affordability test for the concealed/homeless households who do not currently occupy housing and those in temporary accommodation.
- 6.45 These two percentage figures have been based on a consideration of typical income levels of households who are in unsuitable housing (and excluding social tenants and the majority of owners) along with typical income levels of households accessing social rented housing (for those without accommodation). These figures are considered to be best estimates, and likely to approximately reflect the differing income levels of different groups with a current housing problem. These adjustments to the income profiles would show an average (median) income of £20,300 for

households currently living in unsuitable housing and a figure of around £12,400 for those without housing (mainly comprised of concealed households).

6.46 Overall, around half of households with a current need are estimated to be likely to have insufficient income to afford market housing and so the estimate of the total current need is reduced to 150 households in NYMNP. The table below also shows the current need split by broad category of current housing. The analysis shows that 46 of the households do not have housing – this is an important number within this analysis as it is this group who will need additional accommodation to be provided. The remaining households (104) have a need but if they were to move to alternative accommodation would free-up a home for use by another household (and hence no need for additional accommodation overall is required).

Table 25: Estimated Current Need

	In unsuitable housing (taken forward for affordability test)	% Unable to Afford	Revised Gross Need (including Affordability)
Households in housing	222	46.7%	104
No housing (homeless/concealed)	65	70.9%	46
Total	288	52.2%	150

Source: CLG Live Tales, Census (2011), data modelling and affordability analysis

Newly-Arising Need

6.47 To estimate newly-arising (projected future) need we have looked at two key groups of households based on the CLGs SHMA Guidance. These are:

- Newly forming households; and
- Existing households falling into need.

Newly-Forming Households

6.48 The number of newly-forming households has been estimated through the demographic modelling. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below 5 years previously to provide an estimate of *gross* household formation. This differs from numbers presented in the demographic projections which are for *net* household growth. The numbers of newly-forming households are limited to households forming who are aged under 45 – this is consistent with CLG 2007 SHMA Guidance which notes after age 45 that headship (household formation) rates ‘plateau’. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.

6.49 The estimates of gross new household formation have been based on outputs from the demographic projection linked to the baseline information (use of a different projection would not significantly change estimates of the number of new households as the majority of these come from the existing population). In looking at the likely affordability of newly-forming households the analysis draws on data from previous surveys. This establishes that the average income of newly-forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level). This analysis suggests that the average (median) income of newly forming households will be about £24,700.

6.50 We have therefore adjusted the overall household income data to reflect the lower average income for newly-forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this we are able to calculate the proportion of households unable to afford market housing without any form of subsidy (such as LHA/HB). Our assessment suggests that overall just over a third of newly-forming households will be unable to afford market housing and that a total of 27 new households will have a need on average in each year to 2035 in NYMNP.

Table 26: Estimated Level of Affordable Housing Need from Newly Forming Households (per annum)

Area	Number of new households	% unable to afford	Total in need
NYMNP	72	37.7%	27

Source: Projection Modelling/Income analysis

Existing Households falling into Affordable Housing Need

6.51 The second element of newly arising need is existing households falling into need. To assess this, we have used information from CoRe. We have looked at households who have been housed over the past three years (2012-15) – this group will represent the flow of households onto the Housing Register over this period. From this we have discounted any newly forming households (e.g. those currently living with family) as well as households who have transferred from another social rented property. An affordability test has also been applied, although relatively few households are estimated to have sufficient income to afford market housing.

6.52 This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that '*Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)*'. Households who have not been housed will be counted as having a current affordable housing need.

- 6.53 The method used to estimate the number of existing households falling into need is imperfect as it will exclude a number of households with a need who do not present themselves to the local authority. The estimates are therefore likely to under-estimate the need (although it is not possible to quantify by how much). That said, the analysis used in this report has become an 'industry standard' methodology, adopted by most consultants and local authorities when undertaking such assessments.
- 6.54 Following the analysis through suggests a need arising from 31 existing households each year – this is about 0.3% of all households living in the NYMNP (in 2014).

Supply of Affordable Housing

- 6.55 The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need. It is split between the annual supply of social/affordable rent relets and the annual supply of relets/sales within the intermediate sector.
- 6.56 The Planning Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. Data from a range of sources (including CoRe and the 2011 Census) has been used to estimate past patterns of social housing turnover – this is not a straightforward process for NYMNP.
- 6.57 For example, it is not useful to look at patterns of lettings for each of the individual local authorities as the vast majority of stock is outside the National Park; for example, Redcar & Cleveland has a turnover of about 12%-13% of its stock each year on average (over the 2012-15 period) – this is a high figure but is unlikely to be relevant to dwellings in the National Park (Scarborough also shows a high turnover). Turnover in the more rural districts (Hambleton and Ryedale) is about 20% lower than in Scarborough/Redcar & Cleveland but again is unlikely to reflect park turnover due to potentially different figures in larger towns (e.g. Northallerton and Malton). Generally, more urban areas would also be expected to have higher proportions of supported housing which tends to have a higher turnover than general needs housing.
- 6.58 Analysis has therefore considered national level turnover and likely differences between urban and rural areas to provide a guide to turnover. Nationally, over the 2012-15 period, turnover in England has averaged about 9.2% of social/affordable rented homes and furthermore it appears as if rural areas have turnover which is about 15% lower than more urban locations (a figure of 15% is consistent with the 20% observation when comparing Hambleton/Ryedale with Scarborough/Redcar & Cleveland). Hence for the purposes of estimating likely supply from existing stock in NYMNP a turnover of 85% of 9.2% has been assumed (turnover of 7.8%). It should be stressed that this is a best guess but is thought to be likely to be of the right order of magnitude. On

the basis of an estimated stock of 839 affordable homes (from Census data about the size of the social rented stock) this would give a turnover of about 65 homes each year.

6.59 This figure would be taken to include general needs and supported lettings and for the final supply estimate it is also necessary to exclude an estimate of the number of transfers from other social rented homes. This exclusion is made to ensure that the figures presented reflect relets from the existing stock (noting that households currently living in affordable housing are not included within the needs side of the equation). To look at this, a range of geographies have been considered, including national and local level CoRe data for both general needs and supported lettings. Overall this points towards around 62.4% of the turnover being to households who were not previously living in affordable accommodation and this figure is applied to the estimated turnover.

6.60 On the basis of past trend data it has been estimated that 41 units of social/affordable rented housing are likely to become available each year moving forward. It should be stressed that this is a best estimate based on a range of data across a number of different geographical locations – it is however considered to be likely to be of the right order of magnitude.

Table 27: Estimated future supply of social/affordable rented housing from existing stock (per annum)

	Number/%
Total stock	839
Turnover of stock (estimated 7.8%)	65
% non-transfers	62.4%
Total lettings to new tenants	41

Source: CoRe and Census (2011)

6.61 The supply figure is for the relets of social/affordable rented housing only and whilst the stock of intermediate housing in the NYMNP is not significant compared to the social/affordable rented stock it is likely that some housing does become available each year (e.g. re-sales of shared ownership). For the purposes of this assessment we have estimated the likely size and turnover in the intermediate stock on the basis of 2011 Census data (and assuming a turnover half of the rate seen in the social/affordable rented stock). From this it is estimated that around 3 additional properties might become available per annum. As shown in the table below the total supply of affordable housing is therefore estimated to be 44 per annum.

Table 28: Supply of Affordable Housing

Area	Social/affordable rented relets	Intermediate housing 'relets'	Total supply (per annum)
NYMNP	41	3	44

Source: CoRe and Census (2011)

Net Affordable Housing Need

6.62 The table below shows the overall calculation of affordable housing need. This excludes supply arising from sites with planning consent (the 'development pipeline'). The analysis shows an estimated need for 21 affordable homes per annum to be provided – this is 446 dwellings over the 2014-35 period. The net need is calculated as follows:

$$\text{Net Need} = \text{Current Need} + \text{Need from Newly-Forming Households} + \text{Existing Households falling into Need} - \text{Supply of Affordable Housing}$$

Table 29: Estimated annual level of Affordable Housing Need

	Per annum	Total (2014-35)
Current need	7	150
Newly forming households	27	566
Existing households falling into need	31	644
Total Gross Need	65	1,360
Supply	44	914
Net Need	21	446

Source: Census (2011)/CoRe/Projection Modelling and affordability analysis

Need for Different Types of Affordable Housing

6.63 As well as considering the sizes of homes required the analysis makes an estimate of the proportion of affordable housing need that should be met through provision of different housing products. The income information used in the affordable needs analysis is used to estimate the proportion of households who are likely to be able to afford intermediate housing and the number for whom only social or affordable rented housing will be affordable. There are three main types of affordable housing that can be studied in this analysis:

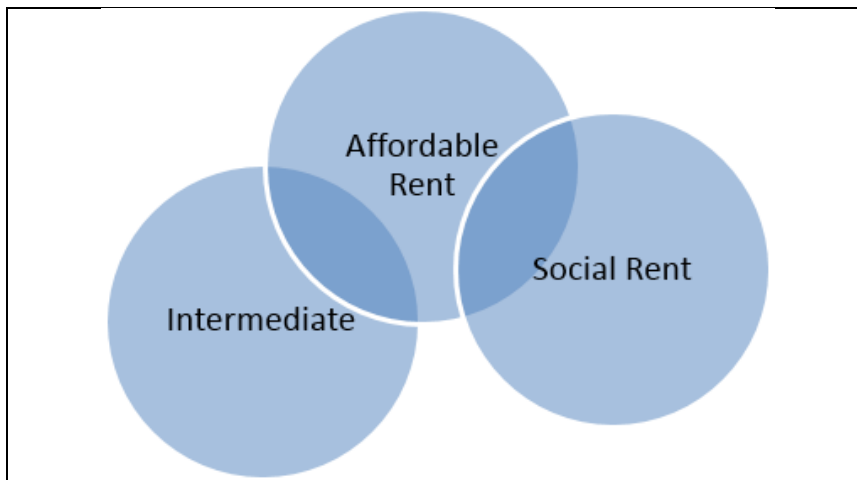
- Intermediate
- Affordable rent
- Social rent

6.64 Whilst the process of separating households into different income bands for analytical purposes is quite straightforward, this does not necessarily tell us what sort of affordable housing they might be able to afford or occupy.

6.65 For example, a household with an income close to being able to afford market housing might be able to afford intermediate or affordable rent but may be prevented from accessing certain intermediate products (such as shared ownership) as they have an insufficient savings to cover a deposit. Such a household might therefore be allocated to affordable rented or intermediate rented housing as the most suitable solution.

- 6.66 The distinction between social and affordable rented housing is also complex. Whilst rents for affordable rented housing would be expected to be higher than social rents, this does not necessarily mean that such a product would be reserved for households with a higher income. In reality, as long as the rent to be paid falls at or below LHA limits then it will be accessible to a range of households (many of whom will need to claim housing benefit). Local authorities' tenancy strategies might set policies regarding the types of households which might be allocated affordable rented homes; and many authorities will seek to avoid where possible households having to claim higher levels of housing benefit. This however needs to be set against other factors, including viability and the availability of grant funding. Over the current spending period to 2015 grant funding is primarily available to support delivery of affordable rented homes. A significant level of affordable housing delivery is however through developer contributions (Section 106 Agreements).
- 6.67 For these reasons it is difficult to exactly pin down what proportion of additional affordable homes should be provided through different affordable tenure categories. In effect there is a degree of overlap between different affordable housing tenures, as the figure below shows.

Figure 24: Overlap between Affordable Housing Tenures



- 6.68 The intermediate category would include equity-based intermediate products such as shared ownership and shared equity homes. The other two categories are both rented housing and in reality can be considered together (both likely to be provided by Registered Providers (or the Council) with some degree of subsidy). Additionally, both affordable rented and social rented housing is likely to be targeted at the same group of households; many of whom will be claiming Housing Benefit. For these reasons the last two categories are considered together for the purposes of drawing conclusions, for analytical purposes we have defined the following two categories:

- Households who can afford 80% or more of market rent levels (termed intermediate housing) – this will include equity-based intermediate products such as shared ownership and shared equity homes;
- Households who would not afford 80% of market rent levels (or would require housing benefit, or an increased level of housing benefit to do so) – this has been termed social/affordable rented although in reality our analysis shows that a rent at 80% of a lower quartile market rent would potentially be lower than for a social rented home.

6.69 We do not have detailed information on households’ savings. For the purposes of the analysis of affordability it has been assumed that all households with an income which would allow them to afford 80% or more of market rents would represent the potential market for equity-based intermediate products such as shared ownership and shared equity homes with the remainder needing a rented product.

6.70 When working the above assumptions through the affordability models developed in the affordable needs analysis (taking account of the different elements of need and using a 30% affordability threshold) it is estimated that around a fifth of households would be able to afford a product priced at 80% of the market cost.

Table 30: Gross need for Intermediate affordable housing

Component of need (all per annum)	Afford 80% of market rents	Cannot afford 80% of market rents	Total
Current need (with housing)	1	4	5
Current need (without housing)	0	2	2
Newly forming households	7	20	27
Existing households falling into need	5	26	31
Total	13	52	65
Percentage of total	20%	80%	100%

6.71 However, the figures in the table above should not be directly taken to be the proportion of housing that should be provided as intermediate. There are two factors which need to be considered and these are described below:

- Savings and or access to a deposit – as noted, there is no information about household savings and their ability to afford an equity-based intermediate product. In reality, many households with a modest income may not be able to afford intermediate housing due to this factor. For this reason, the figures presented in the table above are arguably too high
- Supply of intermediate housing – however, the current supply of affordable housing also needs to be considered. As previous analysis has shown, the vast majority of the affordable housing stock and relets is in the social/affordable rented category with only a modest supply of intermediate housing. Therefore, it is arguable that a higher proportion of intermediate housing would be needed due to this imbalance

6.72 As can be seen these two factors suggest that the need is either higher or lower than presented in the table above. Given this, it is suggested that a prudent response would be to consider the figures

in the table as being broadly reflective of the need for intermediate products. Given the range of figures the following is suggested as a reasonable tenure mix for affordable housing across the National Park:

- 20% - intermediate housing
- 80% - social and affordable rented housing

6.73 In determining policies for affordable housing provision on individual sites, the analysis should be brought together with other local evidence such as from local needs survey and the Housing Register.

7 HOUSING MARKET DYNAMICS

7.1 In line with the Planning Practice Guidance, we have sought to analyse in detail housing market dynamics. This section, initially reviews housing market dynamics including national and macro-economic drivers. This is then developed at a NYMNP and district level with quantitative analysis of local prices, sales volumes and affordability. The availability of the data, particularly historic data, is limited for the National Park area. We have however modelled data for the North York Moors National Park where possible.

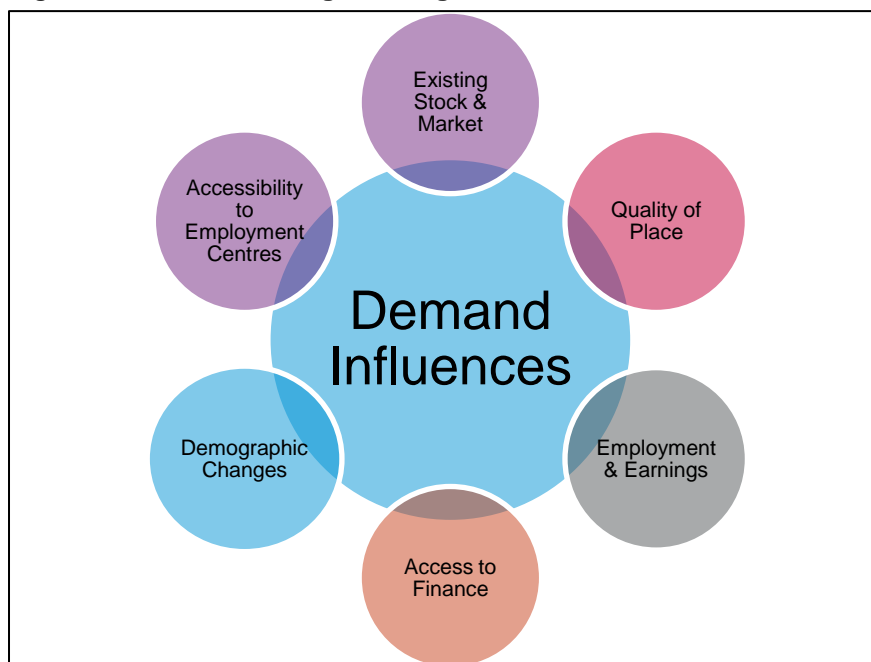
7.2 Furthermore, certain key statistics are only available at local authority level. Where possible we have provided analysis and assessed data for the using postcode data from the Land Registry or data from the census (Mid Super Output Area (MSOA) level) which aligns with our best fit methodology to the National Park Boundary (see Figure 8).

Overview of the Housing Market and Economy

Conceptual Framework

7.3 It is important to understand that the housing market is influenced by macro-economic factors, as well as the housing market conditions at a regional and local level. There are a number of key influences on housing demand, which are set out in the diagram below:

Figure 25: Understanding Housing Demand Drivers



Source: GL Hearn

7.4 At the macro-level, the market is particularly influenced by interest rates and mortgage availability, as well as market sentiment (which is influenced by economic performance and prospects at the

macro-level). In the recent recessionary period, these macro conditions have been particularly prominent in driving the housing market.

7.5 The market is also influenced by the economy at both regional and local levels, recognising that economic employment trends will influence migration patterns (as people move to and from areas to access jobs) and that the nature of employment growth and labour demand will influence changes in earnings and wealth (which influences affordability).

7.6 Housing demand over the longer-term is particularly influenced by population and economic trends: changes in the size and structure of the population directly influence housing need and demand, and the nature of demand for different housing products.

7.7 There are then a number of factors which play out at a more local level, within a functional housing market and influence demand in different locations. The importance of these local factors is perhaps more pronounced in stable or healthy economic times, when mortgage availability and market liquidity are far less of a constraint on activity. Local factors include:

- quality of place and neighbourhood character;
- school performance and the catchments of good schools;
- the accessibility of areas including to employment centres (with transport links being an important component of this); and
- the existing housing market and local market conditions.

7.8 These factors influence the demand profile and pricing within the market. At a local level, this often means that the housing market (in terms of the profile of buyers) tends to be influenced and consequently reinforce to some degree the existing stock profile. However, regenerative investment or delivery of new transport infrastructure can influence the profile of housing demand in a location, by affecting its attractiveness to different households.

7.9 Local housing markets or sub-markets are also influenced by dynamics in surrounding areas, in regard to the relative balance between supply and demand in different markets; and the relative pricing of housing within them. Understanding relative pricing and price trends is thus important.

Local Demand Indicators and Market Signals

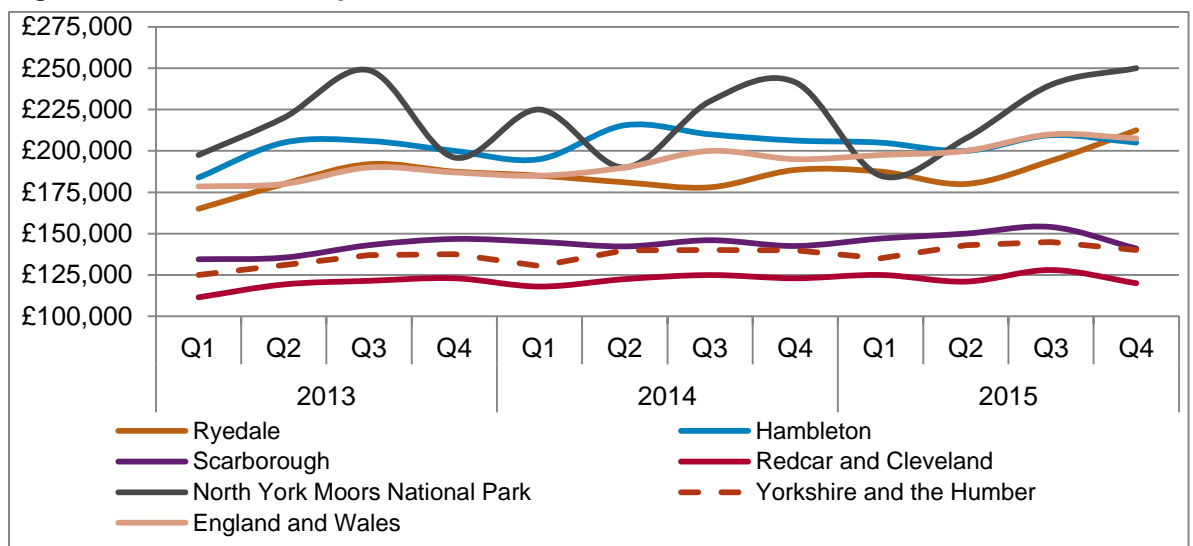
House Price Change

7.10 The figure below provides a median house price growth for North York Moors National Park, compared to the wider local authorities of Ryedale, Scarborough, Hambleton, and Redcar and Cleveland.

7.11 The values indicate the median house price (for 2015) in the NYMNP at £212,950. This is higher than the wider local authorities. Of these Hambleton has the highest median (£205,000) with Ryedale (£192,500), Scarborough (£150,000) and Redcar and Cleveland (£125,000) following. All of the above areas fall below the values at the national level (£268,000).

7.12 In looking at shorter term house price dynamics we can see that the National Park and the wider comparators all saw strong and steady growth between Q1 2013 and Q4 2015. The highest growth was in Ryedale, where house prices have grown by 29% since Q1 2013. This is slightly higher than the rate of growth in North York Moors National Park (27%).

Figure 26: Median House prices 2013-2015



Source: GLH Analysis: Land Registry Price Paid Data

7.13 When compared to the national values, both Ryedale and North York Moors National Park show a faster house price growth than England and Wales (16%) over the same period. The slowest rate of growth was in Scarborough, where house prices have risen by 5% since Q1 2013.

7.14 We have also looked at the median house prices over the longer (2000-2015) median (2005-2015) and shorter term periods (2010-2015). Long term trends indicate a 221% growth in median house prices for North York Moors National Park. This is the highest growth rate across all of the areas under consideration. The second highest rate of growth was in Ryedale, where house prices have grown by 213% over the same period. Both these are above the national levels, as prices for England and Wales have grown by 171%. The slowest rate of was in Scarborough (156%), closely followed by Redcar and Cleveland (161%).

7.15 Over the medium term (2005-2015) these was an overall slowdown in median house prices which reflects the post 2007 recession. Medium house prices in the North York Moors National Park increased by 9% over this period. This is substantially lower than the longer term growth. In

comparison to the wider areas the NYMNP experienced a much lower level of growth than Redcar and Cleveland (19%) and a slightly lower level of growth at Hambleton (11%).

Table 31: House Price Change over different periods

	Short- term trend 2010-2015	Medium- term trend 2005-2015	Long- term trend 2000-2015
NYMNP	-7%	9%	163%
Ryedale	6%	10%	157%
Hambleton	-2%	11%	146%
Scarborough	3%	9%	159%
Redcar & Cleveland	2%	19%	150%

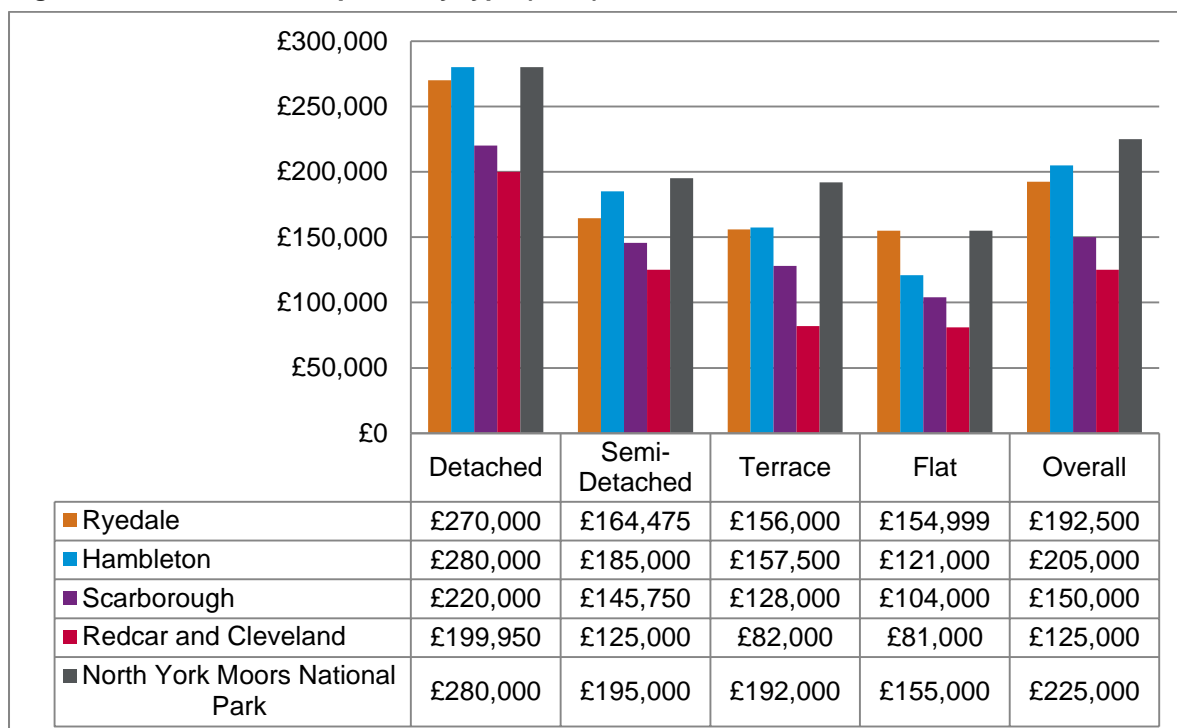
Source: Land Registry

- 7.16 Looking at the growth rates for the shorter term (2010- 2015), we have identified a further slowing in the rate of house price growth and in the case of the NYMNP a 7% decrease. A similar situation can be seen some of the other areas under consideration, including Hambleton (-2% decrease). This might suggest slower local market recovery from the 2008 recessionary period. On such a basis, it can be argued that the substantial growth of the house prices in all of the areas over the last 15 years is therefore driven in years 2000-2007/8.

House Price by Type

- 7.17 Overall median house prices in 2015 for North York Moors National Park are £225,000. This is the highest median price across all of the areas under consideration. The lowest median house prices are in Redcar and Cleveland (£125,000). However, this is driven in part by the high percentage of detached properties in the National Park.
- 7.18 Figure 27 provides a breakdown of house prices by dwelling type. In the North York Moors National Park, the median price for detached home was £280,000. This is broadly in line with the values for Hambleton (£280,000) and is slightly above prices in Ryedale (£270,000).

Figure 27: Median House prices by type (2015)



Source: GLH Analysis: Land Registry Price Paid Data

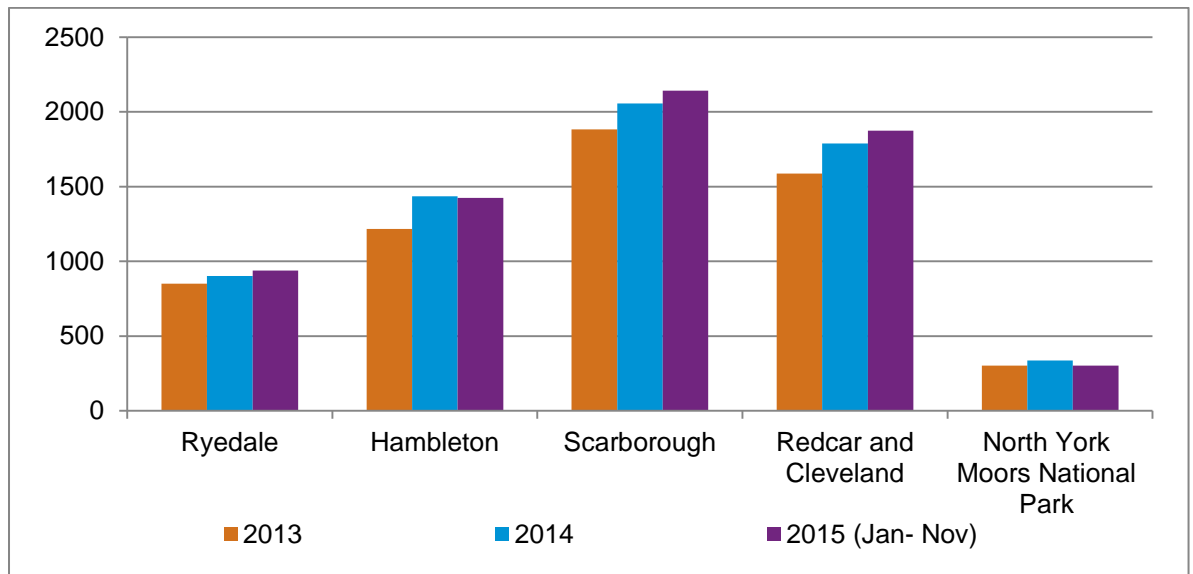
7.19 Median house prices for semi- detached house in the NYMNP are £195,000 and £192,000 for terraced properties. The latter compares to £157,500 in Hambleton and £156,000 in Ryedale. In contrast, terraced prices in Redcar and Cleveland are significantly lower at (£82,000).

Transactions

7.20 There was a substantial decline in transactions between 2010 and 2015. Further to that, the intrinsic characteristics of the local housing market, its geographical setting and related planning legislations result in much smaller number of transactions carried over any given period. The smaller number of transactions results in the increased volatility of the market compared to larger/more populated areas.

7.21 In 2014 there were 337 transactions recorded in the NYMNP area, compared to 901 in Ryedale and 2,057 in Scarborough. The figure below provides a breakdown of the annual number of transactions carried out between 2013 and 2015 and how these have changed. Figures for 2015 only include the 11 months up to and including November; later data is not yet available.

Figure 28: Number of properties transacted (2013-2015)



Source: GLH Analysis: Land Registry Price Paid Data

7.22 In all areas bar Hambleton and the NYMNP these has been a steady recovery in the number of homes sold. The number of transactions in Hambleton grew significantly in 2014 although there was a reduction in 2015 (albeit this did not include December). There was a similar decrease in the NYMNP although the fall although the increase in 2014 wasn't as substantial.

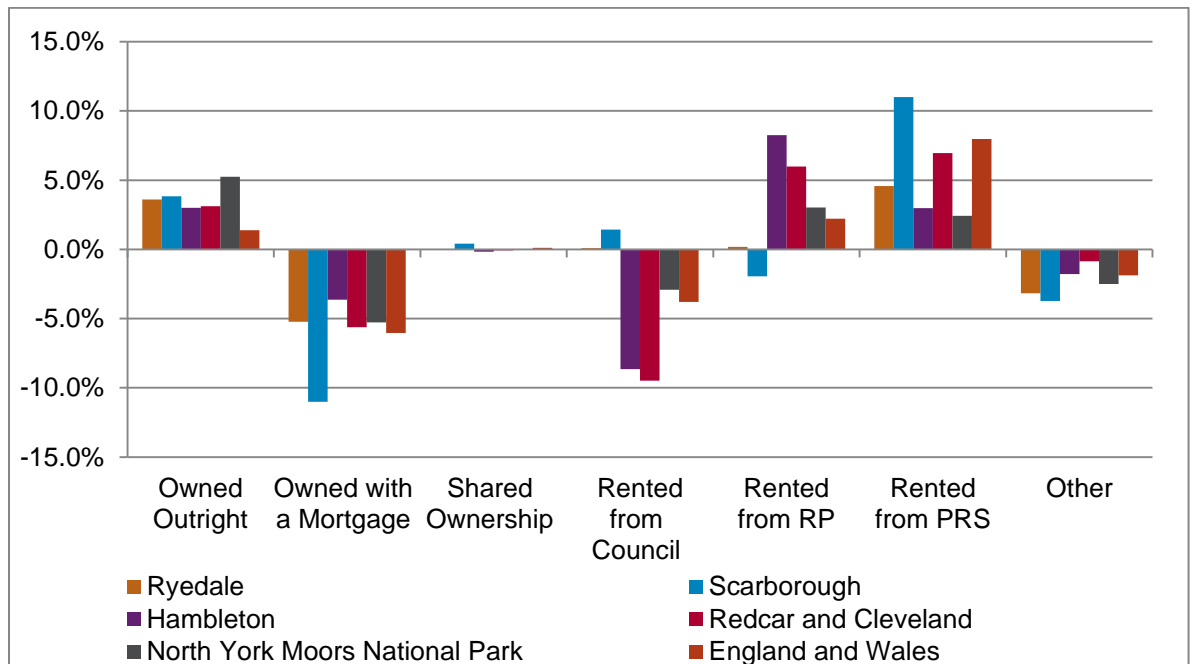
Tenure change

7.23 The figure below provides an overview of the tenure changes between the 2001 and 2011 Census. Data for 2001 and 2011 for North York Moors National Park has been modelled as a best fit area basing on Output Areas.

7.24 Looking at the levels of outright home ownership, it can be observed that these increased over the 10-year period (2001-2011). The highest rate of growth can be seen in North York Moors National Park (5.2%), followed by Scarborough (3.8%) and Ryedale (3.6%). This is substantially higher than the rate of growth observed at the national level (1.4%).

7.25 Significant decreases can be observed in ownership with a mortgage or loan category. The largest decrease was seen in Scarborough, where number of households in the category dropped by 11% over the period of 2001-2011. The NYMNP noted a 5.3% decrease which broadly reflects trends at the national level (6% decrease).

Figure 29: Changes in tenure (2001-2011)



Source: Census 2001 and 2011

- 7.26 Renting from Local Authorities also saw a notable decrease in tenure over the same period of 10 years. The decrease for the NYMNP was 2.9%, less substantial than the changes at the national level (3.8% decrease). The biggest change can be observed in Redcar and Cleveland (9.5%) and Hambleton (8.7%). This might be linked to the stock transfer.
- 7.27 The impact of stock transfers is also reflected in considerable increase in renting properties from registered providers (+3%) across NYMNP area. This is lower than for other areas under consideration, as Hambleton notes an 8.2% increase in renting properties from registered providers.
- 7.28 One of the most notable shifts (both nationally and local) has been the growth of the Private Rental Sector. Although the NYMNP has seen modest growth (4.6%) some of the wider local authorities, particularly Scarborough (11%) saw significant change. This scenario is largely reflective of restrictions to mortgage access forcing younger households to rent privately.

Occupation Rate

- 7.29 We have also assessed trends in occupancy rates (dwellings that are deemed to have more/fewer rooms than meet the household's requirements). The results show that 89.1% of the properties in the North York Moors National Park are under-occupied.

7.30 This is the highest percentage of households across the compared areas and is 16% points higher than the result at the national level. In contrast the NYMNP also has one of the lowest levels of over-occupied properties with just 2.4% of all households having too few bedrooms.

Table 32: Proportion of under- occupied and over- occupied properties (2011)

	Under- occupied	Over- occupied
Redcar and Cleveland	79.6%	3.8%
Ryedale	86.0%	3.0%
Scarborough	77.4%	6.0%
Hambleton	86.1%	2.6%
North York Moors National Park	89.1%	2.4%
England and Wales	73.1%	8.5%

Source: Census 2011

7.31 The table below provides a change in occupancy rates over the 10-year period between the census. Changes in the under- occupied properties are broadly consistent. Only Redcar and Cleveland has a positive trend, marking a 2.5% increase in under- occupied properties. North York Moors National Park sees a 0.4% decrease in the proportion of under- occupied houses.

Table 33: Change in under- occupied and over- occupied properties over the 10-year period (2001- 2011)

	Under- occupied	Over- occupied
Redcar and Cleveland	2.5%	-0.8%
Ryedale	0.4%	0.2%
Scarborough	-1.3%	1.0%
Hambleton	-0.5%	0.2%
North York Moors National Park	-0.4%	0.5%
England and Wales	-2.0%	1.6%

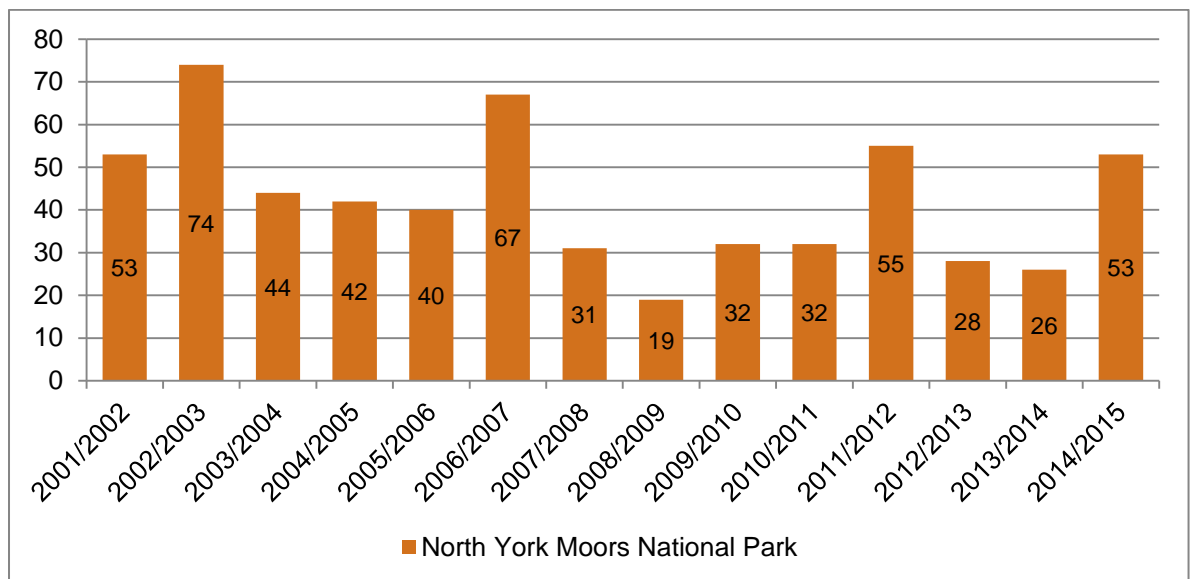
Source: Census 2011

7.32 Redcar and Cleveland (-0.8%) also saw a marked decrease in over- occupied properties. The remaining areas, including the NYMNP area saw a small increase in the proportion of over-occupied houses, with the highest growth at the national level (1.6%).

Past Housing Supply vs. Targets

7.33 Figure 30 provides an overview of the housing completion trends for North York Moors National Park between 1995 and 2015. The average number of units delivered over this time is 42 per annum. From the graph below it can be observed that the highest number of units (74) was delivered in 2002-2003 followed by 67 in 2006-2007.

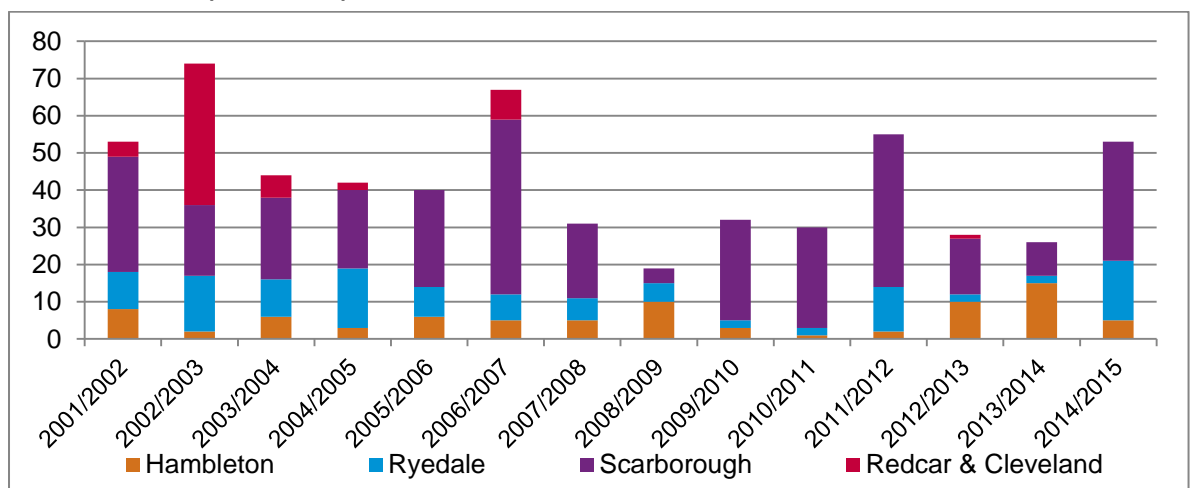
Figure 30: Housing Completion Trends for North York Moors National Park (1995-2015)



Source: North York Moors National Park Residential Land Survey Report 2015

7.34 The figure below provides a trend line of housing completion for each Local Authority area within the perimeter of North York Moors National Park. It can be seen that Scarborough is a key driver of housing delivery in North York Moors National Park. The lowest levels of the housing delivery across the National Park area can be seen in Redcar and Cleveland, which apart from the peak of 38 properties in 2002-2003, delivered on average 4 units per year.

Figure 31: Housing Completion Trends in North York Moors National Park Area – area breakdown (1995-2015)

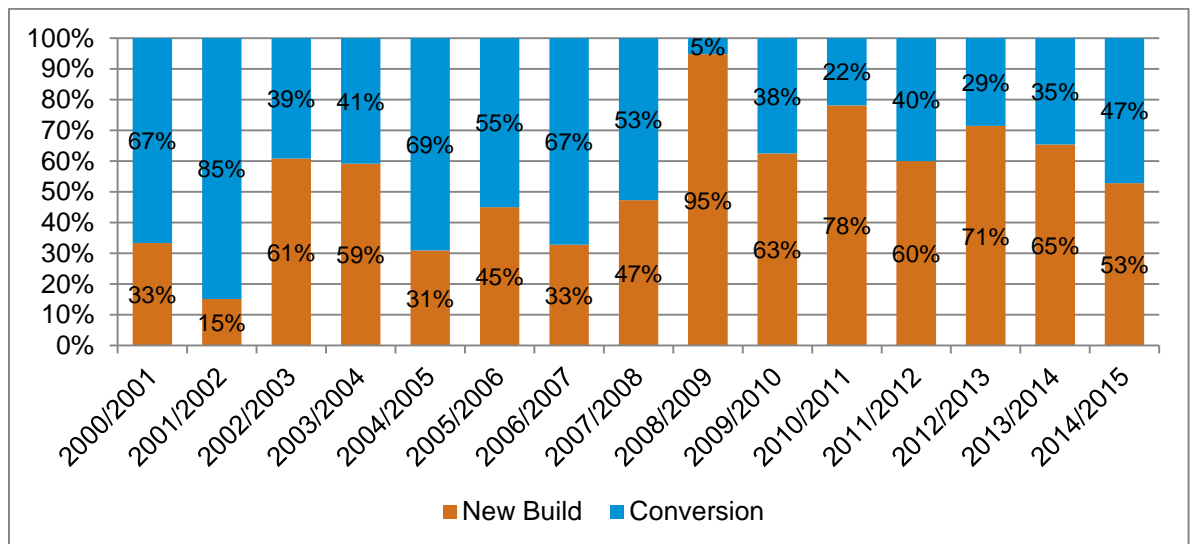


Source: North York Moors National Park Residential Land Survey Report 2015

7.35 Using data from the North York Moors National Park, Residential Land Survey Report (2015) we have analysed the composition of completed units each year since 1995. The average proportion of additional housing is from new build units (54%) compared to 46% from converted developments.

7.36 The last few years marked a notable change with the average proportion of the units delivered shifting towards new built developments. The number of new built developments increased to an average of 66% of the total units delivered between 2010 and 2015.

Figure 32: New Build vs. Converted units delivered in North York Moors National Park (1995-2015)



Source: North York Moors National Park Residential Land Survey Report 2015

Qualitative Evidence

Introduction

7.37 This part of the report presents the key findings of consultation with estate and letting agents and qualitative research with other stakeholders into housing market conditions within the housing market area (HMA). This analysis was not undertaken specifically for the NYMNP area but for the Ryedale Hambleton and the City of York also.

7.38 The aim of this consultation is to add a local perspective to the study and provide a 'how and why' perspective to support SHMA findings. It describes market dynamics and shortages in supply at the time of the assessment in late July 2015.

7.39 We have endeavoured to inform the following research questions:

- To what extent do agents' area of operation mirror housing market boundaries?
- What are the main gaps in supply for each local housing market area for new build, resale and rented housing?
- To what extent does new build housing meet local need?
- What contribution does the private rented sector make to meeting local need? and
- What impact does the tourist industry have on local housing markets?

Evidence from estate agents, letting agents and new build on site sales staff

- 7.40 Our findings are based upon 29 face to face interviews with sales and lettings agents based in all of the major towns of the districts of Hambleton and Ryedale, the City of York including those areas within the NYMNP.
- 7.41 Information about the National Park's housing market was obtained from estate and letting agents in the market towns outside the park supplemented by information from people who resided in the park and owned or managed businesses in the National Park too. Estate and letting agents were asked to provide information about their local market and it should be noted that this covers both the market town in which they are based and surrounding villages.
- 7.42 Interviews were designed to broadly understand local housing market conditions, trends and drivers, and which parts of the market serve the needs of important groups such as local people, incomers, first time buyers, investors, those on low income and vulnerable people. The research also explores the interfaces between the sales and letting markets and these markets with sub market and affordable housing.
- 7.43 Additional homes are mostly supplied from new build housing. It is important to understand the characteristics of new build housing and households that purchase or occupy it to establish whether the characteristics of this group differs from purchasers of re-sale housing. To inform this we interviewed 7 house-builders with on-site sales staff. A further 3 sites have been contacted and we are awaiting a response. We came across numerous infill sites being developed local builders, and registered providers, none of which had on site viewing and or sales facilities.

Rightmove data

- 7.44 Rightmove provides a nationwide searchable database of property currently for sale or rent by estate and letting agents. We have used Rightmove data where appropriate to supplement the evidence from agents and help define an area's re-sale and rental market in terms of price range, property size/type and target market. These data are a snapshot of vacancies and asking prices at the time our fieldwork was undertaken. Prices quoted here will differ from price analysis elsewhere in this report that are based upon agreed prices. It is noteworthy that the data does not include sales and lettings offered by owners not using lettings agents.

General findings from the qualitative research

- 7.45 We present the general findings first then the supporting evidence. This is because the area based evidence that follows is detailed and is sometimes repetitious as some factors are common to more than one local authority.

Key features of the local housing market

- 7.46 Based upon the perceptions of estate and letting agents, local housing markets of the market towns within each of the local authorities housing markets are very self-contained. Around, and in some cases over 80% of all transactions are bought sold or let to local people. Of the other 20% most are from the City of York and West Yorkshire with a small amount of long distance re-location. It is noteworthy that there is no significant re-location from the overheating markets of London and the South East of England.
- 7.47 The road and rail transport network enables residents to commute to labour markets within the study area, the coastal towns and the Leeds city region labour market. Hambleton and Ryedale agents told us that the main driver of demand for incomers was because the quality of life, the landscape and better value for money than offered in York and Leeds.
- 7.48 New build housing also tended to supply local demand and did not attract a higher proportion of incomers as has been noted in most other studies. Most agents concluded that people tend to stay in or return to their home town.
- 7.49 Agents told us that in most locations sales volumes had reached or exceeded 2006 levels. A small number of towns within the districts and the City were price hotspots where prices had exceeded their 2006 peak levels. This was due to the exceptional character of these locations. The hotspots include the City of York, Helmsley and Stokesley.
- 7.50 The National Park's housing market was different to that of its districts. A larger number of premium market residences were offered for sale but many had potential to be second homes or had established holiday home accommodation that was part of the offer. Agents told us that some were slow to sell because of unrealistic prices. There were relatively fewer homes for sale in the non-premium sector. Agents were clear about the advantages and disadvantages of living within the park and concluded that it is a lifestyle choice not suited to some families and this factor tended to dampen demand from people re-locating to the park villages.
- 7.51 Within the National Park and market towns on its border (and coastal towns not in the study area) the housing stock serves many markets. Agents report a high proportion of second homes some of which are let when not needed by their owners. Agents also told us that there is a high proportion of smaller home that are holiday lets rather than residential lets. This has resulted in gaps in supply for local residents. We were also told that this market is very competitive and some dwellings have been returned to the market recently.

Gaps in supply

- Most resale agents say that there is very high demand for 2 and 3-bedroom family homes at up to local median prices. They are sought after by households seeking to upsize from their first home and higher income first time buyers.
- Agents cited local shortages of some other house types. Some agents highlighted unmet demand for bungalows due largely to older people staying put and rather than the absolute number of bungalows in the market area. All agents recognised that that retired households seeking to downsize were a significant part of market demand and there is some evidence that developers are responding to this
- Most letting agents say the crucial gap in supply is of good quality family homes although demand continues to be very strong right across the private rented sector. Investors are very active in markets where dwellings can be bought for under £150,000.

New build

- Throughout the study area around 80% of sales of new build housing were achieved by local households. Most incomers to the districts were from York and West Yorkshire with very few long distance movers.
- The majority of sales at the more affordable end of the market have been assisted with the help to buy. However most second time buyers seeking to upsize would take advantage of part exchange schemes offered by volume house builders.
- Most current development is sought after by the gaps identified by resale agents – first time buyers and first time movers seeking to up-size.

Investors and first time buyers

- Agents report that there is competition between investors and first time buyers for homes at entry level prices. Although first time buyers avoid dwellings that require major investment.

The private rented sector

- Many landlords that employ letting agents will generally tenancies to working households that claim top up benefits provided they can provide references, finance a bond and supply a guarantor.
- Landlords are continuing to invest to meet demand and agents told these are mostly local landlords. However, supply is not in balance with demand as there is a growing trend for tenants to stay in tenancies long term. In the national park many acquisitions are agreed without involving estate agents and lettings are directly between landlord and tenant.

Registered Providers

7.52 We were told that the government's budget measures were having a massive impact on the sector and the development programme for lower value areas was severely reduced. Where development was proceeding the evidence suggests that the development mix is broadly in line with local authority strategic needs and gaps in supply for affordable and low cost housing.

- 7.53 A registered provider working in rural areas explained that future development in the national park and other rural areas was a low priority due to the high cost of development in these areas and concerns about the long term sustainability of such development.

8 NEED FOR DIFFERENT SIZES OF HOMES

Introduction

8.1 As noted in Section 4, there are a range of factors which influence housing demand. These factors play out at different spatial scales and influence both the level of housing demand (in terms of aggregate household growth) and the nature of demand for different types, tenures and sizes of homes. It is important to understand that the housing market is influenced by macro-economic factors, as well as the housing market conditions at a regional and local level.

8.2 The analysis in this section seeks to use the information available about the size and structure of the population and household structures; and consider what impact this may have on the sizes of housing required in the future. For analysis purposes, the analysis has considered two of the projections developed. These are:

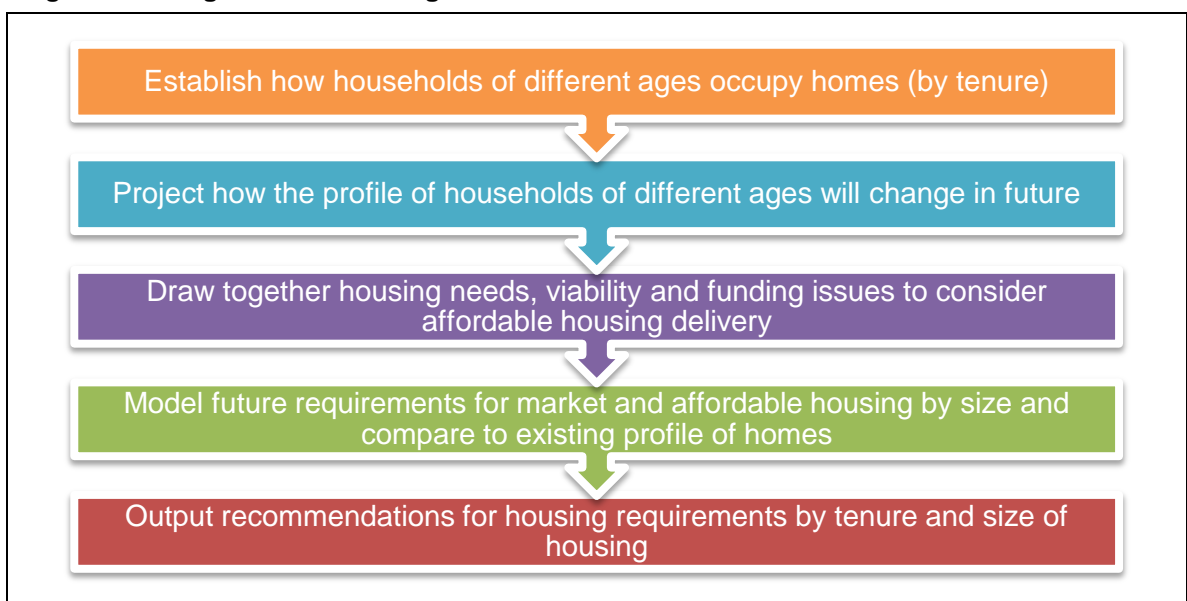
- Baseline assumptions – a need for 116 homes across NYMNP (2014-35)
- Zero population growth assumptions – a need for 609 homes across NYMNP (2014-35)

8.3 It should be noted that these projections will not necessarily be translated into policy, but have been used to indicate the likely need for different sizes of homes moving forward.

Methodology

8.4 The figure below describes the broad methodology employed in the housing market model which is used to consider the need for different sizes of market and affordable homes. Data is drawn from a range of sources including the 2011 Census and demographic projections.

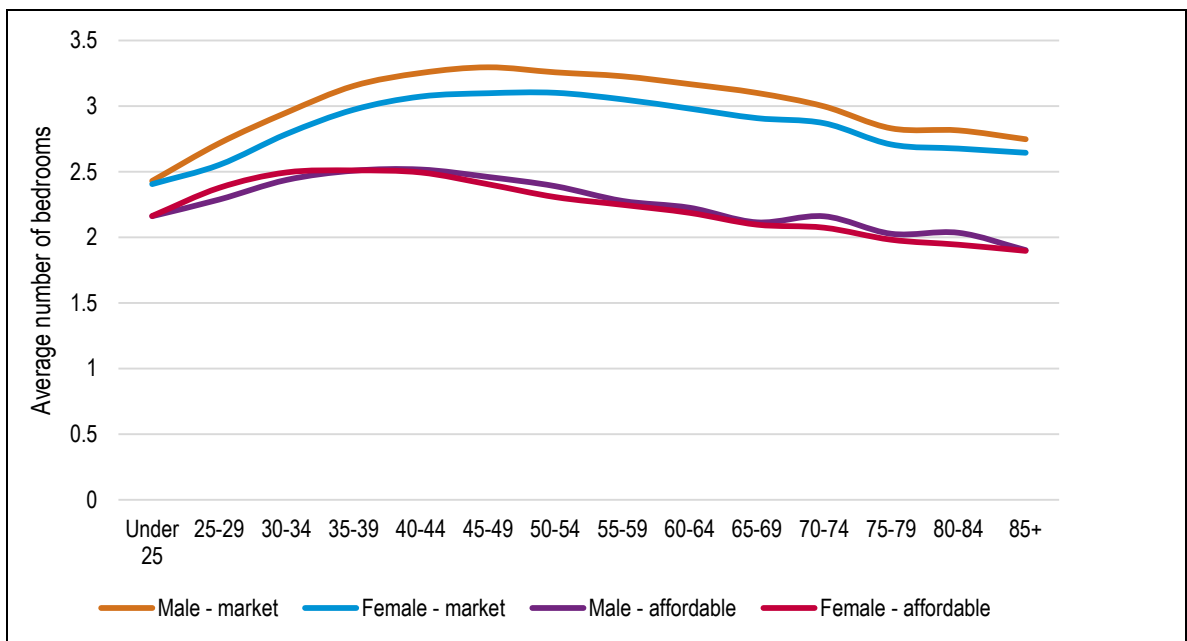
Figure 33: Stages in the Housing Market Model



Understanding how Households Occupy Homes

- 8.5 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households in to a suggested profile for additional housing to be provided. The main reason for this is that in the market sector households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.
- 8.6 The size of housing which households occupy relates more to their wealth and age than the number of people which they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a four-bedroom home as long as they can afford it and hence projecting an increase in single person households does not automatically translate in to a need for smaller units. This issue is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to continue to under-occupy their current homes.
- 8.7 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age and sex group and apply this to the profile of housing within these groups. The data for this analysis has been formed from a commissioned table by ONS (Table C1213 which provides relevant data for all local authorities in England) with data then calibrated to be consistent with 2011 Census data (e.g. about house sizes in different tenure groups and locations).
- 8.8 The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and different sexes by broad tenure group. In the market sector the average size of accommodation rises over time to typically reach a peak around the age of 45-49. In the affordable sector this peak appears earlier. After this peak the average dwelling size decreases – as typically some households downsize as they get older.
- 8.9 It is also notable that the average size for affordable housing dwellings are lower than those for market housing whilst in market housing male HRPs live in larger accommodation for all age groups (with no particular trend being seen in the affordable sector).

Figure 34: Average Bedrooms by Age, Sex and Tenure – NYMNP



Source: Derived from ONS Commissioned Table C1213 and 2011 Census

Establishing a Baseline Position

- 8.10 As of 2014 it is estimated that there were 10,412 households living in NYMNP. Analysis of Census data linked to the demographic baseline provides an estimate of the profile of the housing stock in 2014, as shown in the table below. This shows that an estimated 9% of households live in affordable housing with 91% being in the market sector. The size of the affordable sector has been fixed by reference to an estimate of the number of occupied social rented and shared ownership homes in the 2011 Census. The data also suggests that homes in the market sector are generally bigger than in the affordable sector with 73% having three or more bedrooms compared to 41% for affordable housing.
- 8.11 These figures are for households rather than dwellings as information about the sizes of vacant homes across the whole stock (i.e. market and affordable) is not readily available. For the purposes of analysis this will not make any notable difference to the outcome (in terms of the future sizes of homes required).

Table 34: Estimated Profile of Dwellings in 2014 by Size – NYMNP

Size of housing	Market		Affordable		Total	
	Number	%	Number	%	Number	%
1 bedroom	263	2.8%	148	16.6%	411	3.9%
2 bedrooms	2,327	24.4%	379	42.3%	2,705	26.0%
3 bedrooms	3,859	40.5%	322	36.0%	4,182	40.2%
4+ bedrooms	3,070	32.3%	45	5.0%	3,115	29.9%
Total	9,518	100.0%	894	100.0%	10,412	100.0%
% in tenure	91.4%		8.6%		100.0%	

Source: Derived from 2011 Census

Tenure Assumptions

- 8.12 The housing market model has been used to estimate the future need for different sizes of property over the 21-year period from 2014 to 2035. The model works by looking at the types and sizes of accommodation occupied by different ages of residents, and attaching projected changes in the population to this to project need and demand for different sizes of homes. However, the way households of different ages occupy homes differs between the market and affordable sectors (as shown earlier). Thus it is necessary to consider what the mix of future housing will be in the market and affordable sectors.
- 8.13 It is necessary on this basis to make some judgement for modelling purposes on what proportion of net completions might be of market and affordable housing. For modelling purposes, the analysis assumes that 50% of net completions are of affordable housing – this is in-line with the current policy position in the NYMNP. It should however be stressed that this figure has been applied simply for the purposes of providing outputs from the modelling process.

Key Findings: Market Housing

- 8.14 There are a range of factors which can influence demand for market housing in different locations. The focus of this analysis is on considering long-term needs, where changing demographics are expected to be a key influence. It uses a demographic-driven approach to quantify demand for different sizes of properties over the 21-year period from 2014 to 2035.
- 8.15 On the basis of the modelling assumptions, an increase of 49 additional households is modelled with the baseline projection and 260 with zero population growth. The analysis shows that the main need is for two-bedroom homes with both projections showing an apparent surplus of four-bedroom stock. This does not mean that there is no demand for four bedroom homes, but reflects the fact that there is already a significant stock of this size. The finding also reflects the observation that dwelling sizes occupied by older people tend to decrease over time (as some households downsize) – as the population ages, the modelling assumes some shift towards smaller homes.

8.16 In fact, looking at the zero population growth scenario, it can be seen in 2035 that the modelling assumes a need for around 30% of market homes to have four or more bedrooms (2,963 households), however, in 2014 it is estimated that there are already some 3,070 households living in stock of this size.

Table 35: Estimated Size of Dwellings Needed 2014 to 2035 – Market Housing – NYMNP – baseline demographic projection

Size	2014	2035	Additional households 2014-2035	% change from 2014
1 bedroom	263	271	8	3.8%
2 bedrooms	2,327	2,515	189	9.5%
3 bedrooms	3,859	3,890	31	0.9%
4+ bedrooms	3,070	2,891	-179	-6.8%
Total	9,518	9,568	49	0.5%

Source: Housing Market Model

Table 36: Estimated Size of Dwellings Needed 2014 to 2035 – Market Housing – NYMNP – zero population growth demographic projection

Size	2014	2035	Additional households 2014-2035	change from 2014
1 bedroom	263	278	16	7.0%
2 bedrooms	2,327	2,561	235	11.8%
3 bedrooms	3,859	3,976	117	3.5%
4+ bedrooms	3,070	2,963	-107	-4.1%
Total	9,518	9,778	260	2.7%

Source: Housing Market Model

8.17 The statistics are based upon the modelling of demographic trends. As has been identified, it should be recognised that a range of factors including affordability pressures and market signals will continue to be important in understanding market demand; this may include an increased demand in the private rented sector for rooms in a shared house due to changes in housing benefit for single people. In determining policies for housing mix, policy aspirations are also relevant.

8.18 At the strategic level, the NYMNP in considering which sites to allocate, can consider what type of development would likely be delivered on these sites. It can also provide guidance on housing mix implicitly through policies on development densities.

Key Findings: Affordable Housing

8.19 The tables below show estimates of the need for different sizes of affordable homes based on the analysis of demographic trends. The data suggests in the period between 2014 and 2035 that the main need is for homes with one- or two-bedrooms across the NYMNP with only a modest need for

larger homes with three or more bedrooms (in fact the analysis shows a surplus when using baseline demographic assumptions).

8.20 This analysis provides a longer-term view of the need for different sizes of affordable housing and does not reflect any specific priorities such as for family households in need rather than single people. In addition, it should be noted that smaller properties (i.e. one bedroom homes) typically offer limited flexibility in accommodating the changing needs of households, whilst delivery of larger properties can help to meet the needs of households in high priority and to manage the housing stock by releasing supply of smaller properties. That said, there may in the short-term be an increased requirement for smaller homes as a result of welfare reforms limiting the amount of housing benefit being paid to some working-age households.

Table 37: Estimated Size of Dwellings Needed 2014 to 2035 – Affordable Housing – NYMNP – baseline demographic projection

Size	2014	2035	Additional households 2014-2035	% change from 2014
1 bedroom	148	173	25	20.1%
2 bedrooms	379	413	35	10.8%
3 bedrooms	322	314	-8	-2.8%
4+ bedrooms	45	42	-3	-7.8%
Total	894	943	49	5.5%

Source: Housing Market Model

Table 38: Estimated Size of Dwellings Needed 2014 to 2035 – Affordable Housing – NYMNP – zero population growth demographic projection

Size	2014	2035	Additional households 2014-2035	change from 2014
1 bedroom	148	210	62	48.9%
2 bedrooms	379	504	126	38.9%
3 bedrooms	322	387	65	23.7%
4+ bedrooms	45	52	7	18.1%
Total	894	1,154	260	34.0%

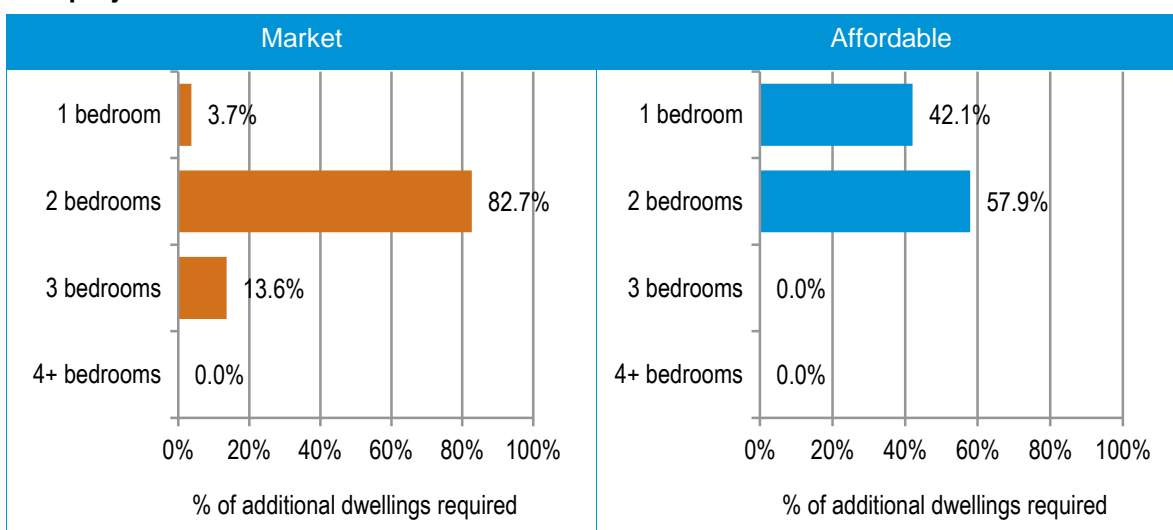
Source: Housing Market Model

8.21 As with market housing, the data again shows that relative to the current profile there is a slight move towards a greater proportion of smaller homes being needed (again related to the ageing population and the observation that older person households are more likely to occupy smaller dwellings).

Indicative Targets by Dwelling Size

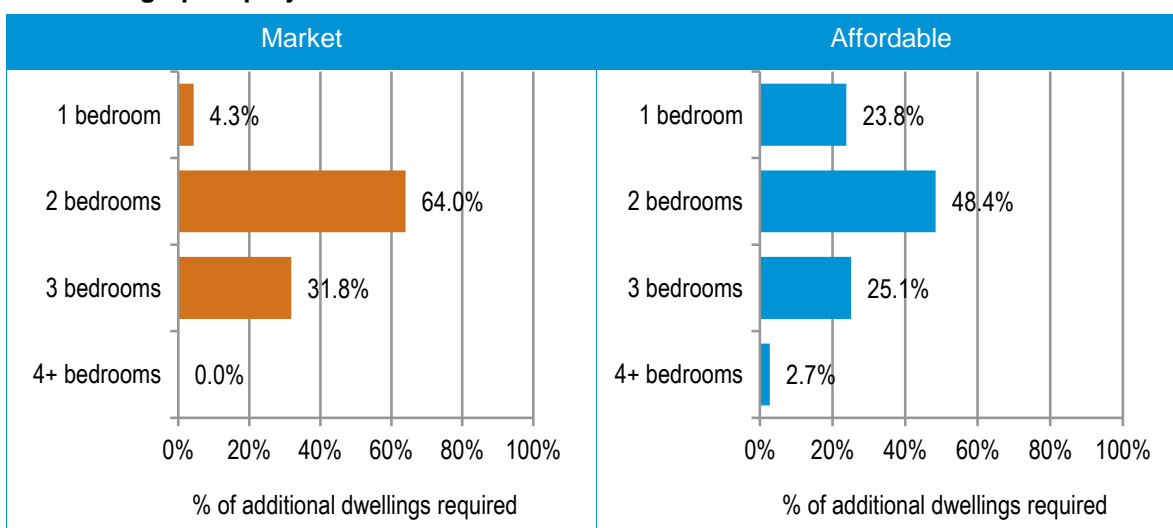
8.22 The figures below summarise the above data in both the market and affordable sectors under the modelling exercise. Where a particular size of home has shown a surplus need, the figures have been excluded, with the remaining data adjusted so that the totals come to 100%.

Figure 35: Size of housing required 2014 to 2035 – NYMNP – baseline demographic projection



Source: Housing Market Model

Figure 36: Size of housing required 2014 to 2035 – NYMNP – zero population growth demographic projection



Source: Housing Market Model

8.23 Whilst the outputs of the modelling provide estimates of the proportion of homes of different sizes that should be provided there are a range of factors which should be taken into account in setting policies for provision. This is particularly the case in the affordable sector where there are typically

issues around the demand for and turnover of one bedroom homes. Conclusions also need to consider that the stock of four-bedroom affordable housing is very limited and tends to have a very low turnover. As a result, whilst the number of households coming forward for four or more bedroom homes is typically quite small the ability for these needs to be met is even more limited.

- 8.24 It should also be recognised that local authorities have statutory homeless responsibilities towards families with children and would therefore prioritise the needs of families over single person households and couples. On this basis the profile of affordable housing to be provided would be further weighted to two or more-bedroom housing. In the short-term however there may be a need to increase the supply of one-bedroom homes due to the social sector size criteria.
- 8.25 For these reasons it is suggested in converting the long-term modelled outputs into a profile of housing to be provided (in the affordable sector) that the proportion of one bedroom homes required is reduced slightly from these outputs with a commensurate increase in four or more bedroom homes also being appropriate.
- 8.26 There are thus a range of factors which are relevant in considering policies for the mix of affordable housing sought through development schemes. At a National Park-wide level, the analysis would support policies for the mix of affordable housing of:
- 1-bed properties: 30-45%
 - 2-bed properties: 30-45%
 - 3-bed properties: 10-25%
 - 4-bed properties: 5-10%
- 8.27 The strategic conclusions recognise the role which delivery of larger family homes can play in releasing supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.
- 8.28 The need for affordable housing of different sizes will vary by area (at a more localised level) area and over time. In considering the mix of homes to be provided within specific development schemes, the information herein should be brought together with details of households currently on the Housing Register in the local area and the stock and turnover of existing properties.
- 8.29 In the market sector a profile of housing that closely matches the outputs of the modelling is suggested. The recommendations take some account of the time period used for the modelling and the fact that the full impact of the ageing population will not be experienced in the short-term. In addition, as noted earlier, current constraints on mortgage finance is likely to suppress demand for

smaller units in the short-term (particularly those which would normally have high demand from first-time buyers).

8.30 On the basis of these factors it is considered that the provision of market housing should be more explicitly focused on delivering smaller family housing for younger households. On this basis the following mix of market housing is recommended:

- 1-bed properties: 15-30%
- 2-bed properties: 40-60%
- 3-bed properties: 15-25%
- 4-bed properties: 5-10%

8.31 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market it does not necessarily follow that such prescriptive figures should be included in the plan making process. The 'market' is to some degree a better judge of what is the most appropriate profile of homes to deliver at any point in time, and demand can change over time linked to macro-economic factors and local supply. The figures can however be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area.

9 SPECIALIST HOUSING NEEDS

Introduction

- 9.1 We have considered in the previous section the needs for different sizes of property. In this section we move on to consider the need for specialist (supported) housing. To focus is therefore on the needs of older person households and the ageing population although the analysis also considers the number of people with disabilities and how that might change in the future (recognising that there is a strong link between age and disability).
- 9.2 Planning Policy Guidance recognises the need to provide housing for older people as part of achieving a good mix of housing. A key driver of change in the housing market over the next few years is expected to be the growth in the population of older persons.
- 9.3 Indeed, as population projections show, the number of older people is expected to increase significantly over the next few years. In this section we draw on a range of sources including our population projections, 2011 Census information and data from POPPI (Projecting Older People Population Information).
- 9.4 The context to older persons housing provision can be summarised as below:
- A rising population of older people;
 - Many older households are equity rich and are able to exercise housing choice;
 - A move away from residential institutions towards providing care support in someone's homes through adaptation and visiting support; and
 - An increased diversity of specialist housing to reflect different levels of care support.

Current Population of Older People

- 9.5 The table below provides baseline population data about older persons and compared this with other areas. The data for has been taken from the published ONS mid-year population estimates and is provided for age groups from 65 and upwards. The data shows, when compared with both the region and England, that NYMNP has a notably higher proportion of older persons (and indeed higher than North Yorkshire). In 2014 it is estimated that 28% of the population of NYMNP was aged 65 or over.

Table 39: Older Person Population (2014)

		Under 65	65-74	75-84	85+	Total	Total 65+
NYMNP	Popn	16,700	3,792	2,041	693	23,226	6,526
	% of popn	71.9%	16.3%	8.8%	3.0%	100.0%	28.1%
North Yorkshire	% of popn	77.2%	12.4%	7.4%	3.0%	100.0%	22.8%
Yorkshire/Humber	% of popn	82.1%	9.7%	5.9%	2.3%	100.0%	17.9%
England	% of popn	82.4%	9.5%	5.7%	2.3%	100.0%	17.6%

Source: ONS 2014 Mid-Year Population Estimates

Future Changes in the Population of Older Persons

9.6 As well as providing a baseline position for the proportion of older persons in the area we can use population projections to provide an indication of how the numbers might change in the future compared with other areas. The data presented below uses the projection linked to zero population growth for NYMNP, the 2012-based SNPP for North Yorkshire and the region and 2014-based data for England.

9.7 The data shows that the area (in line with other locations) is expected to see a notable increase in the older person population with the total number of people aged 65 and over expected to increase by 35% over the 21-years from 2014; this is against a background assumption of no overall population growth and therefore sees a decrease in the Under 65 population of 14%. The projected growth in the population aged 65 and over is lower than that projected for other areas although this will be due to having no population growth overall, along with the analysis starting with an already high base of older people in the population.

Table 40: Projected Change in Population of Older Persons (2014 to 2035)

	Under 65	65-74	75-84	85+	Total	Total 65+
NYMNP	-13.8%	23.9%	43.6%	72.8%	0.0%	35.3%
North Yorkshire	-7.3%	25.2%	52.8%	144.3%	5.8%	50.1%
Yorkshire/Humber	1.3%	28.5%	47.0%	125.6%	9.4%	47.0%
England	6.4%	34.6%	52.9%	117.2%	14.3%	51.6%

Source: ONS (2012- and 2014-based projections) and SHMA demographic projections

Health-related Population Projections

9.8 In addition to providing projections about how the number and proportion of older people is expected to change in the future we can look at the likely impact on the number of people with specific illnesses or disabilities. For this we have used data from the Projecting Older People Information System (POPPI) website which provides prevalence rates for different disabilities by age and sex. For the purposes of the SHMA analysis has focussed on estimates of the number of people with dementia and mobility problems.

9.9 For both of the health issues analysed the figures relate to the population aged 65 and over. The figures from POPPI are based on prevalence rates from a range of different sources and whilst these might change in the future (e.g. as general health of the older person population improves) the estimates are likely to be of the right order.

9.10 The figure below shows that both of the illnesses/disabilities are expected to increase significantly in the future although this would be expected given the increasing population. In particular, there is projected to be a large rise in the number of people with dementia (up 56%) along with a 47% increase in the number with mobility problems.

Table 41: Estimated Population Change for range of Health Issues (2014 to 2035)

Type of illness/disability	2014	2035	Change	% increase
Dementia	399	625	225	56.4%
Mobility problems	1,098	1,615	516	47.0%

Source: Data from POPPI and demographic projections

People with disabilities

9.11 Linked to the number of older persons and the analysis above about dementia and mobility problems will be levels of disability generally. The table below shows the proportion of people with a long-term health problem or disability (LTHPD) and the proportion of households where at least one person has a LTHPD. The data suggests that across the area some 26% of households contain someone with a LTHPD. This figure is slightly lower than seen across the Yorkshire/Humber region but above that seen in North Yorkshire and England. The figures for the population with a LTHPD shows a higher proportion than in other areas (an estimated 19% of the population of the area have a LTHPD).

9.12 Overall, levels of disability amongst the population of NYMNP are not significantly different to that seen in other areas – this is despite the area having a significantly older population.

Table 42: Households and people with Long-Term Health Problem or Disability (2011)

Area	Households containing someone with health problem		Population with health problem	
	Number	%	Number	%
NYMNP	2,719	26.3%	4,545	19.4%
North Yorkshire	64,282	25.1%	104,744	17.5%
Yorkshire/Humber	593,043	26.7%	993,649	18.8%
England	5,659,606	25.7%	9,352,586	17.6%

Source: 2011 Census

Indicative Need for Specialist Housing

- 9.13 Given the ageing population and higher levels of disability amongst older people there is likely to be an increased requirement for specialist housing options moving forward. The analysis in this section draws on data from the Housing Learning and Information Network (Housing LIN) along with our demographic projections to provide an indication of the potential level of additional specialist housing that might be required for older people in the future.
- 9.14 The Housing LIN website identifies a prevalence rate of around 170 units of specialist accommodation per 1,000 population aged 75 and over. In this instance specialist accommodation includes sheltered and Extra-care housing in both the market and affordable sector. In projecting forward (at a national level) the Housing LIN works on the basis of a requirement for 125 sheltered housing units per 1,000 population, 20 enhanced sheltered units and 25 Extra-care units. It also suggests a broad tenure split of 40% rented housing (affordable housing) and 60% in the market¹⁶. The higher proportion in the market reflects the fact that the majority of older person households are currently owner-occupiers (as is the case in the NYMNP).
- 9.15 For the purposes of our analysis we have used the Housing LIN prevalence rates to estimate how much specialist provision might be needed in the future. The analysis should be considered as indicative and interpreted with the following considerations:
- The analysis takes no account of whether or not there is a shortfall (or surplus) of specialist housing at the base date of 2014;
 - Locally, the figure of 170 per 1,000 may be considered too high given that older people in the NYMNP are likely to have lower levels of disability than nationally (as evidenced by comparing the age structure with overall disability levels);
 - The national tenure split of 60% affordable housing may be considered too high given the relatively high level of owner-occupation in NYMNP.
 - Whilst the analysis is split between sheltered, enhanced sheltered and extra-care housing in the same proportions as shown nationally, it may be the case that there will over time be a shift away from conventional sheltered housing to reflect the demand profile in the sector and a possible requirement for higher levels of care as the population ages.
- 9.16 The table below therefore shows an estimate of the potential demand for different types of specialist housing for older people. Across the whole NYMNP area the number of people aged 75 and over is projected to increase by around 1,395 people and with a rate of 170 units per 1,000 population this leads to an estimated demand for 237 specialist homes for older people – 11 per annum. The figure of 237 per annum represents some 39% of the total housing need derived from the demographic projections (609 dwellings in total (2014-35) linked to zero population growth).

¹⁶ See: http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf

Table 43: Estimated Need for Specialist Housing for Older People, NYMNP 2014-35

	Affordable		Market		Total	
	2014-35	Per Annum	2014-35	Per Annum	2014-35	Per Annum
Sheltered	70	3	105	5	174	8
Enhanced sheltered	11	1	17	1	28	1
Extra-Care	14	1	21	1	35	2
Total	95	5	142	7	237	11

Source: Derived from demographic projections and Housing LIN (numbers may not add due to rounding)

Registered Care Housing

- 9.17 As well as the need for specialist housing for older people, the analysis needs to consider Registered Care. Given new models of provision (including extra-care housing), it may be the case that an increase in this number would not be required. There will however need to be a recognition that there may be some additional need for particular groups such as those requiring specialist nursing or for people with dementia.
- 9.18 The demographic modelling includes estimates of the number of people expected to be living in 'institutions'. Between 2014 and 2035, this number (based on the population aged 75+) is expected to increase by 102 people (5 per annum). These people form part of an 'institutional population' which is separate from the household population which is used in the development of the demographic projections herein. The need for residential care accommodation is not captured within the demographic projections set out previously.
- 9.19 This figure is important to note if there is an intention to include C2 class uses in assessments of 5-year housing land supply as it will be necessary to include figures on both the need and supply side of the equation.

Summary

- 9.20 Within the overall need for housing there will potentially be a need to provide some specialist (supported) housing. This is particularly in response to an ageing population and the higher levels of disability experience by older persons.
- 9.21 At present the population of older people in the NYMNP is high when compared with other areas (particularly the Yorkshire/Humber region and England) – some 28% of people were aged 65 and over in 2014. Over the 2014-35 period the number of people aged 65 and over is expected to increase by 35% with a higher (73%) increase in the number of people aged 85 and over.

- 9.22 This demographic change is expected to see an increase in the number of people with specific disabilities (dementia and mobility problems) as well as a general increase in the numbers with a long-term health problem or disability.
- 9.23 The analysis identifies that over the 2014-35 period there may be a need for 237 specialist units of accommodation for older people (generally considered to be sheltered or extra-care housing) per annum. This figure represents up to 39% of all housing provision suggested in demographic modelling. Such provision would be within a C3 use class and would therefore be part of the objective assessment of need.
- 9.24 Additionally, the analysis highlights a potential need for an additional 5 registered care bedspaces per annum for older people (aged 75 and over) in the 2014-35 period. As these would be in use class C2, they would be in addition to the estimates of housing need from demographic modelling.

10 CONCLUSIONS AND RECOMMENDATIONS

- 10.1 For National Parks a distinction between full objectively assessed need (OAN) and housing need within the Park must be drawn. The OAN is relevant within the wider HMA areas which the National Park is located. However, policy considerations and the need to ensure that “great weight” is given to “conserving landscape and scenic beauty in National Parks” makes an OAN figure (as defined by the NPPF) largely redundant for National Park.
- 10.2 The expectation is that the NYMNP will not necessarily plan to meet “full objectively assessed need” but that it will in effect meet “local needs” focused on meeting affordable need and/or to support the local economy and local communities within the NYMNP. It will not be catering particularly for wider market demand.
- 10.3 However, this does not mean that no market housing provision will be provided, not least given that some market housing will help to contribute to supporting local employment opportunities and services. However, the expectation is not that “full needs” will not be met.
- 10.4 The initial focus is to meet local affordable housing. This was assessed within this SHMA using the Basic Needs Assessment Model and is a statutory requirement to support policies seeking affordable housing in new developments.
- 10.5 The SHMA analysis indicates that 21 net additional households per year will require support in meeting their housing needs (using a 30% income threshold). There may be some need to deliver further market housing in order to viably deliver the affordable housing needed. It should also be noted that the level of affordable housing need calculated is heavily predicated on the assumptions relating to the level of income which is spent on housing costs.
- 10.6 We have tested a number of demographic scenarios the core output of which is a scenario whereby the current population is maintained. This scenario is most relevant, in planning terms, in considering what provision of housing might be necessary to support local services, including shops, healthcare etc. This calculation was also the highest of the scenarios developed and was based on maintaining a constant population of 23,226.
- 10.7 The analysis shows that although there will be no change in population there will be an impact of the existing population ageing. It is estimated (using the baseline projection) that there will be 11,100 people aged 60 and over in 2035 – this is an increase of 2,400 from 2014, representing growth of 28%. Looking at the other end of the age spectrum the data shows that there is projected to be population decreases in all other age groups.

- 10.8 In converting this scenario into household estimates we have applied headship rates to the changing population structure. We have used the 2012-based CLG household projections to do this. Although there is no overall population change this scenario requires additional housing principally as the intensity at which the housing stock is occupied (and average household sizes) falls. This is directly linked to an older population who occupy homes less intensely.
- 10.9 As with other analysis within this SHMA, it is difficult to undertake an analysis of household growth for the NYMNP area and the approach has been taken to look at headship rates in all of the key local authorities which include parts of the NYMNP and develop a series of headship rates on a *pro-rata* basis. The number of households in the area has then been fixed by reference to 2011 Census data to ensure an overall consistency between population and households. This showed a growth of 25 households per annum.
- 10.10 Finally, to convert households into dwellings the calculations include an uplift to take account of vacant and second homes. A figure of 17.3% has been used, based on data on the level of vacant and second homes in the NYMNP shown by the 2011 Census. This steps results in a need for 29 dwellings per annum (609 in total from 2014 to 2035).
- 10.11 This scenario also results in increase of the economically active population by about 333 people (16 per annum) – this increase is however only supported due to a projected increase in people of pensionable age remaining in the labour-force.
- 10.12 If the economically active population is maintained, then the housing need would be slightly lower at (16 per annum). To achieve no change in the economically active population such a scenario would see an increase of about 426 people beyond retirement age being active (and therefore a loss of 426 in the working age economically active population). Hence maintaining the economically active population will be dependent on older people continuing to work longer (although such a scenario is consistent with past trends).
- 10.13 The higher level of growth associated with the maintain population scenario would also support the delivery of the 21 homes per annum required to meet affordable housing need. The scenario is also broadly in line with historic targets (26 per annum within the Regional Spatial Strategy) and historic delivery rates (recent rates are 34 per annum). There is therefore some justification for using this as a starting point in the formulation of a “housing target”.
- 10.14 Although this level of growth will help maintain the current population and deliver the requisite affordable housing there is a range of policy considerations that must be brought together through the plan making process to determine a local housing target.

- 10.15 These considerations include environmental and infrastructure constraints, housing capacity but perhaps most importantly and understanding of the level of housing which could sustainably be delivered without impacting on the wider Purposes and Duty of the National Park, which are to:
- Conserve and enhance the natural beauty, wildlife and cultural heritage of their areas; and
 - Promote opportunities for the public understanding and enjoyment of the special qualities of the National Parks by the public.
- 10.16 The policy emphasis is particularly on conserving the National Park's landscape. This may mean restricting housing development overall and at specific locations and thus a housing target which different to the identified starting point.