

**Parishes of Halton with Aughton,
and Caton, Slyne, Quernmore and Skerton
Housing Needs Survey**

For the Lune Valley Community Land Trust

Final Report

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Please note that in this report some of the tables include rounded figures. This can result in some column or row totals not adding up to 100 or to the anticipated row or column 'total' due to the use of rounded decimal figures. We include this description here as it covers all tables and associated textual commentary included. If tables or figures are to be used in-house then we recommend the addition of a similarly worded statement being included as a note to each table used.

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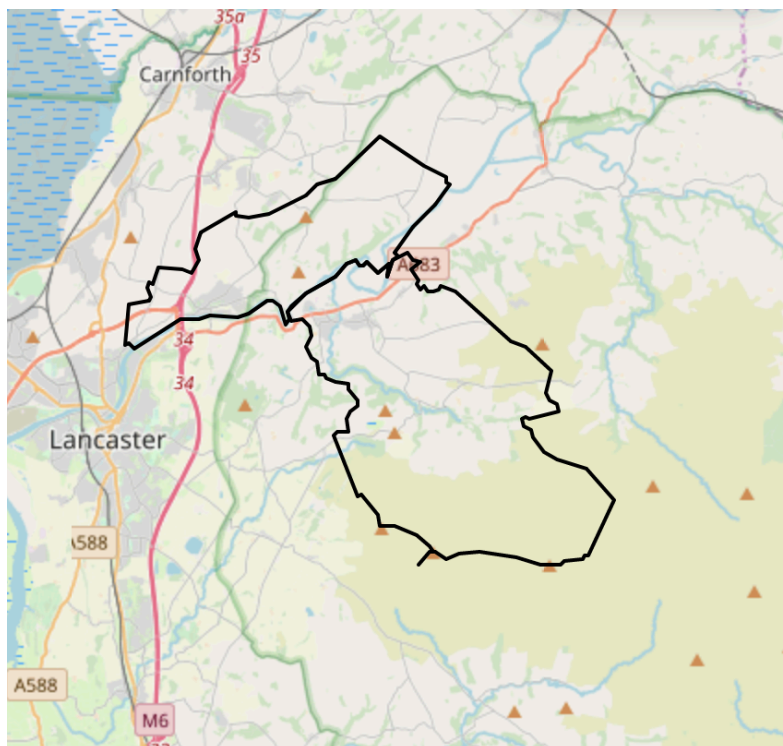
1. Introduction

- 1.1 arc⁴ was commissioned by the Lune Valley Community Land Trust (CLT) to undertake research in order to provide an estimate of housing requirements in the area specified below. Specific aims were to understand housing need and demand across the study area and to assess demand for an affordable housing scheme to be developed by the CLT.

The study area

- 1.2 The geography of the study is based on areas local to and surrounding the CLT's target parish of Halton. This will enable housing needs of local people and people with a strong connection to the study area to be taken into account.
- 1.3 The study area identified by the CLT was:
- the parish of Halton-with-Aughton;
 - the parish of Caton; and
 - parts of Slyne, Quernmore and Skerton.
- 1.4 The following map defines the location of the parishes Halton-with-Aughton and Caton which forms the major part of the proposed study area (Halton-with-Aughton to the North).

Map 1 Halton-with-Aughton and Caton parishes



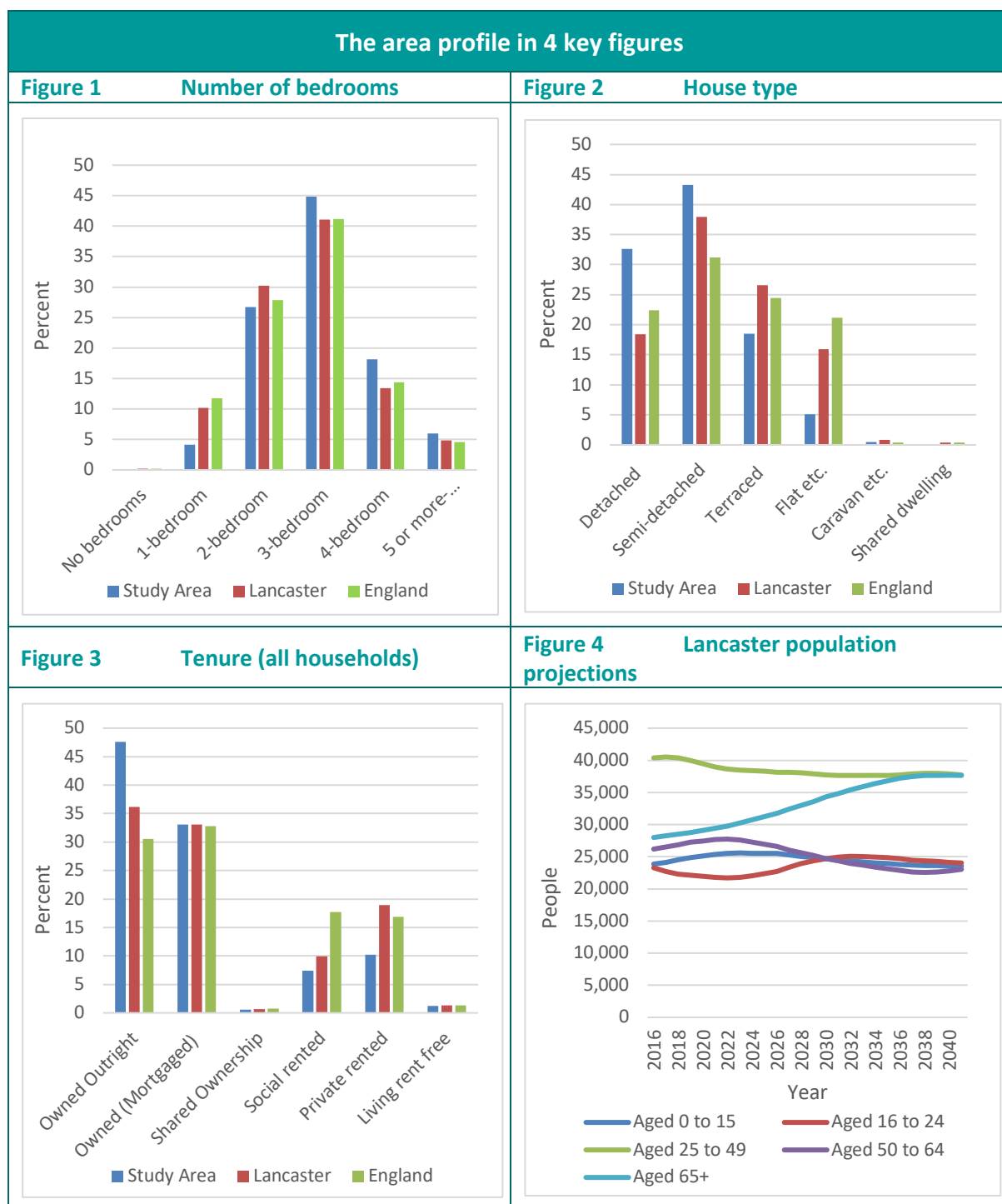
Source: Nomis

2. Methodology

- 2.1 Several methods are used to arrive at a robust estimation of the quantity, size and type of housing needed by local existing and newly forming households, that are resident in the study area or having a strong connection to it. Affordable housing estimates are based upon household survey information and information published by the local authority. This information is used in a standard model to provide a consistent basis for assessing affordable housing need.
- 2.2 Market housing requirements are based on household survey information and secondary data, to inform an arc⁴ model that defines the mismatch between the supply created by moving households, and demand from those households who plan to seek more suitable accommodation in the study area. The mismatch is quantified and defined in terms of number of bedrooms, house type and tenure needed.
- 2.3 Overall, information is brought together from several sources to form a long-term comprehensive description of housing needs and requirements that is unlikely to be met from existing supply. This information is viewed in a local context:
 - official data from the census 2011 and other sources to profile housing and households in the study area;
 - population projections;
 - evidence from the Land Registry, Valuation Office Agency (VOA) and Rightmove; and
 - a household survey.
- 2.4 All of this information is compared and analysed; trends and drivers of demand are understood. The information provides essential context for modelling of housing requirements based upon these data.
- 2.5 Survey data provides an incomplete picture of household intentions, due to households choosing not to complete the survey questionnaire. Data weighting is used to adjust for this.
- 2.6 Weighting is widely used in social research to adjust the results of a study to bring them more in line with what is known about a population. For example, if survey results contain 40% males and the population is known to contain 49% males, weighting can be used to correct for this discrepancy. Weighting carries a risk that the weighted data may not be representative of the sample, so error margins are calculated and are stated in chapter 5.

3. The area profile

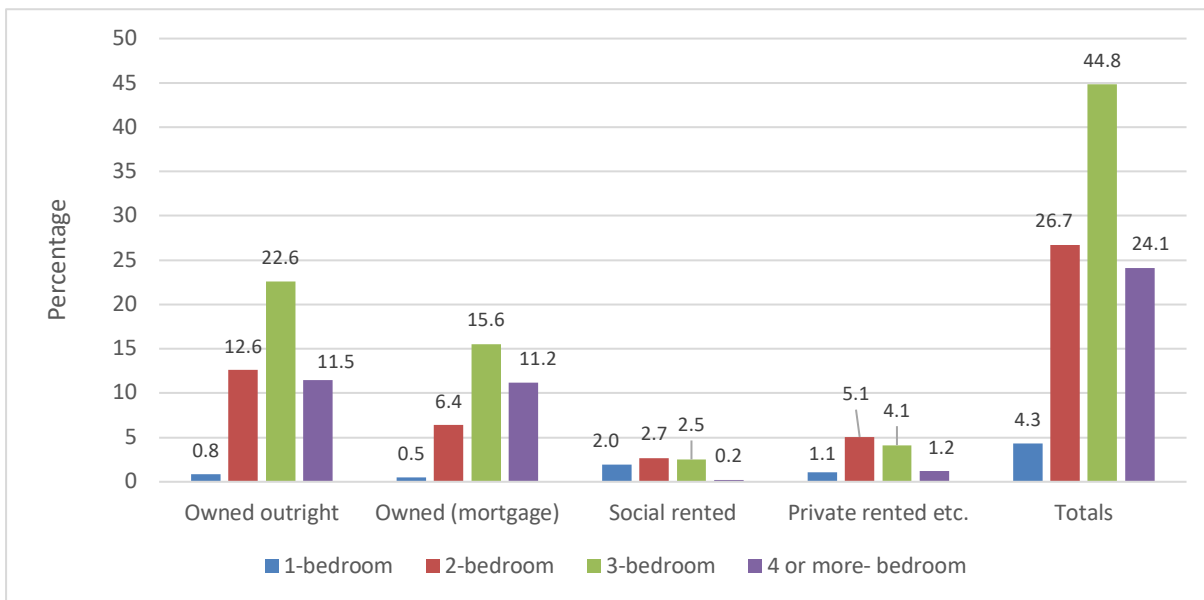
- 3.1 The following information will help us to put the survey findings into context. Our aim is to both understand the housing need of households, and the extent to which the housing stock is suited to the needs of local households.
- 3.2 The following figures profile the study area's housing, population and households. They are proportions (percentages) of people and households within the parish compared to Lancaster District (the district) and England as a whole. Data is taken from the census 2011 and is presented in the appendix.
- 3.3 On census day 2011 there were 8,198 people living in 3,575 households in the study area. This is an average of 2.29 people per household, compared to 2.39 for the district and 2.4 for England overall.
- 3.4 Figures 1-4 summarise the key points of the profile.
- 3.5 Figure 1 shows that the study area had a much greater proportion of larger dwellings (with 3 or more-bedrooms) than other geographies (nearly 69% compared to roughly 60% for both the district and country), with a lower proportion of 1 and 2-bedroom sizes. The largest proportion, as for other geographies, was for homes with 3-bedrooms (44.8%).
- 3.6 Proportions of both detached and semi-detached dwellings were higher in the study area compared to the district and the country (32.6% and 43.3% respectively), as shown in figure 2. Overall, as with other geographies, dwellings were most likely to be semi-detached. There were smaller proportions of terraced houses and flats in the study area.
- 3.7 The study area had high proportions of owned homes (81%, with nearly 48% owned outright). This was much higher than both the district and county, although dwellings owned with a mortgage were similar. Renting in the study area had the lowest proportion compared to the other geographies, both for social and private. See figure 3.
- 3.8 Figure 4 shows population projections for the Lancaster district, and estimates change in population by age group over a 25-year period from 2016 to 2041. Overall, there is a 3% increase equating to 4,293 people. However, this masks major changes in the age profile, with the over 65 age group increasing by 34.5% (an increase of 9,668 people), helping it to become the equal largest age group by that point. The largest fall in numbers is for the 50 to 64 age group at minus 11.9%.



Source: Census 2011 and Nomis

3.9 Figure 5 shows a cross tabulation of tenure and number of bedrooms. This shows the dominance of both 3-bedroom and owned homes. Approaching two thirds of total housing stock (61%) was owned and had 3 or more-bedrooms. Rented homes were most likely to have 2-bedrooms. Meanwhile, 45% of 1-bedroom dwellings were socially rented, with another 25% privately rented (not shown in this figure).

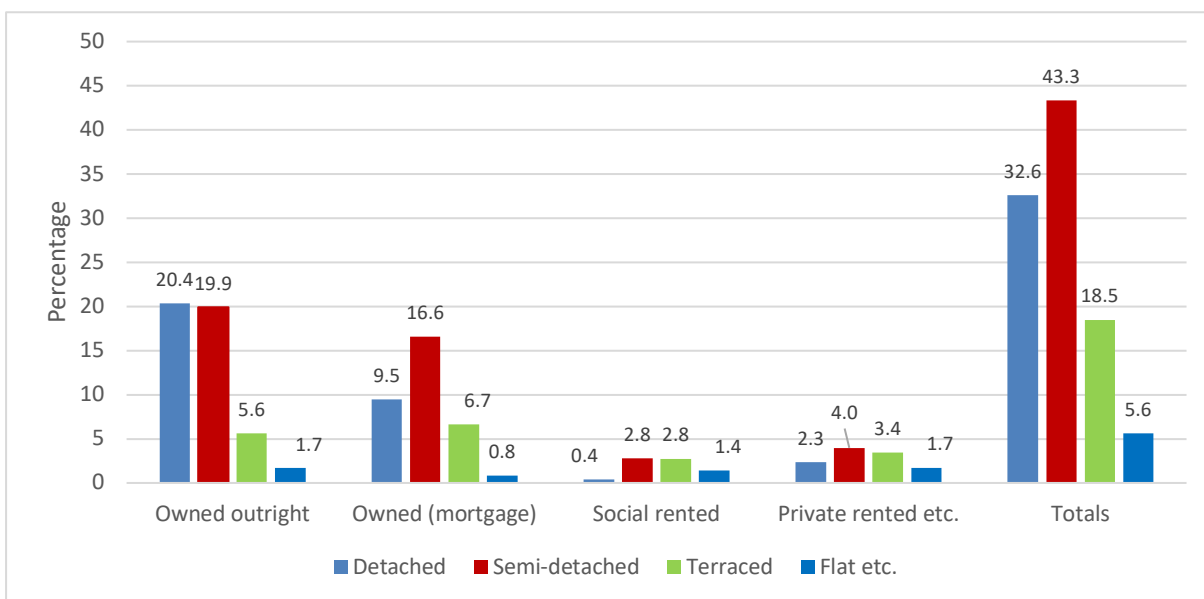
Figure 5 Number of bedrooms by tenure (study area only)



Source: Census 2011. Proportions are of the study area total housing stock.

3.10 Figure 6 is a cross tabulation of house type by tenure, and shows a high proportion of detached and semi-detached dwellings that were owned (especially detached owned outright). Rentals tended to be semi-detached or terraced. The proportion of flats overall was small.

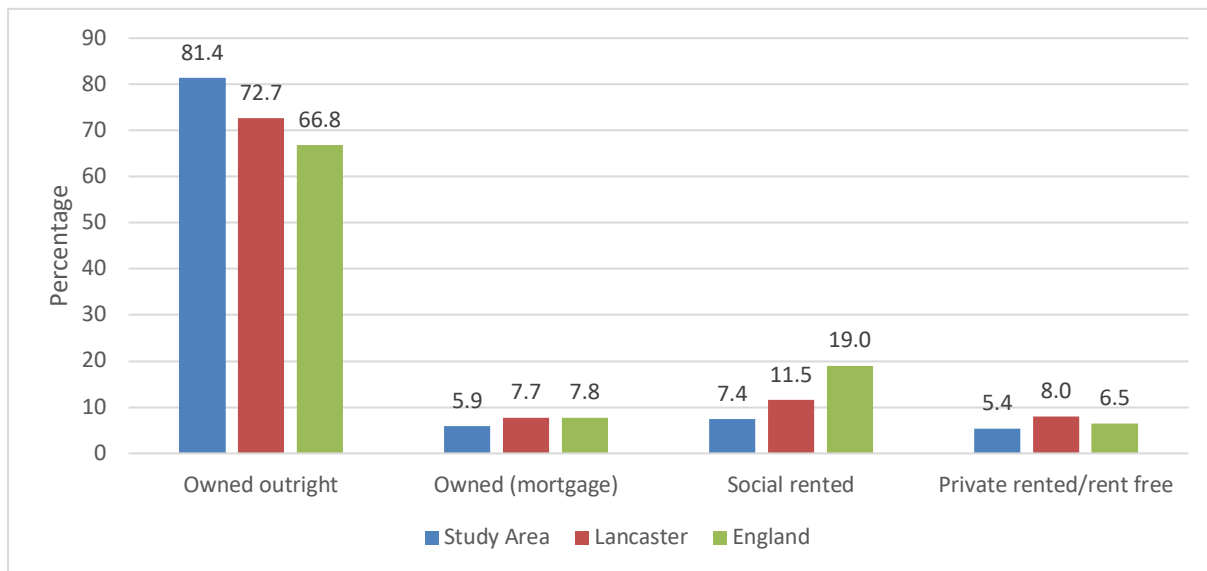
Figure 6 House type by tenure (study area only)



Source: Census 2011. Proportions are of the study area total housing stock.

3.11 Figure 7 shows tenure where the head of household, or household representative person (HRP), was aged 65 or over. Owner-occupiers (including with a mortgage) made up just over 87% of this group, more than other geographies, with most of these owning outright (81.4%). Proportions of renters were smaller than both the district and England as a whole.

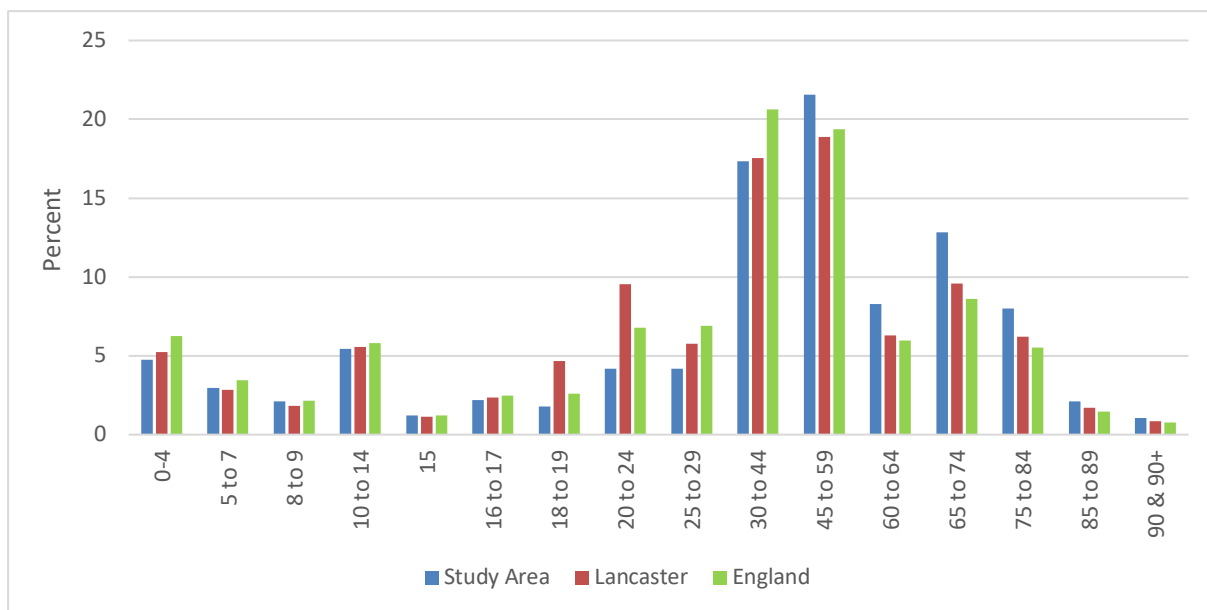
Figure 7 Tenure (HRP 65 years or older)



Source: Census 2011

3.12 Figure 8 shows that on census day 2011 the study area had higher proportions of ages above 45 than both other geographies, with smaller proportions of lower age groups. Looking at age groups over 60 combined, the study area had a percentage of 32.2% (compared to 24.6% and 22.3% for the district and country respectively).

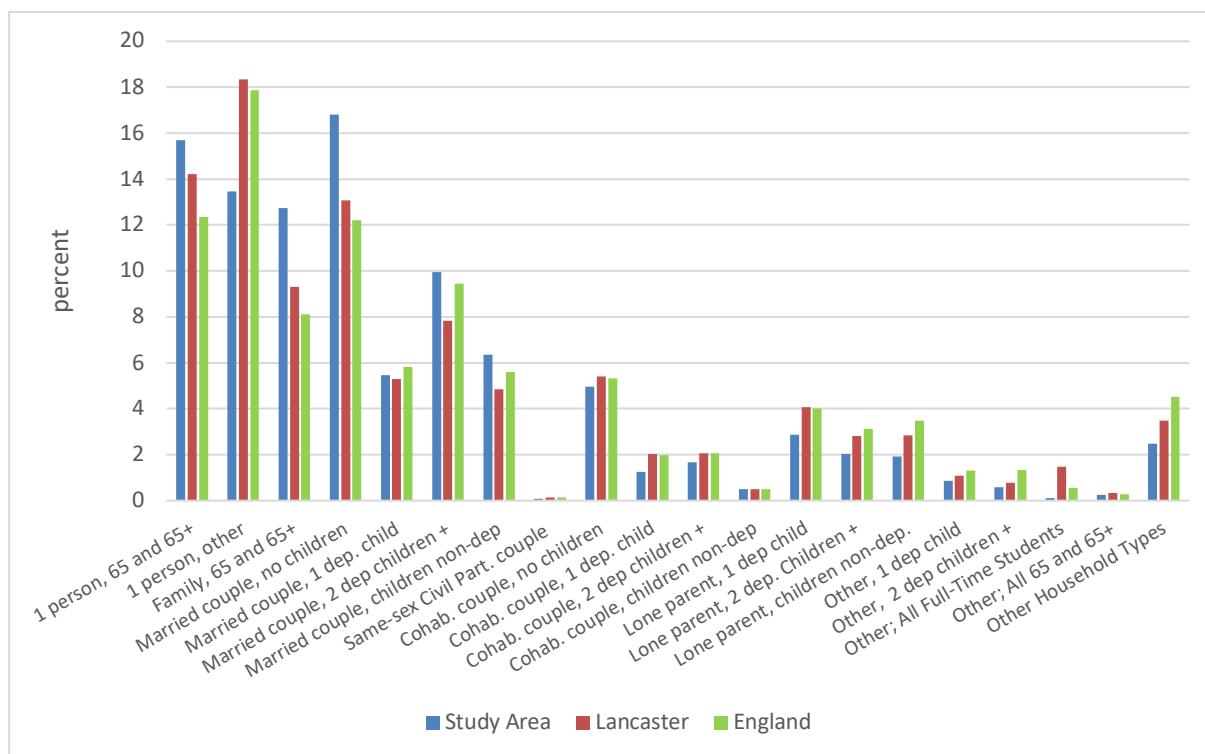
Figure 8 Population age structure



Source: Census 2011

3.13 In the study area, the household composition group with the highest proportion was ‘married couple, no children’ followed by ‘1 person over 65’. The first of these, at nearly 17%, was highest of all the geographies. If all households’ figures are combined, the study area had 30.6% with no dependent children, and 28.7% were over 65. Both these groupings were higher than other geographies. Meanwhile, just less than one quarter had dependent children.

Figure 9 Household composition

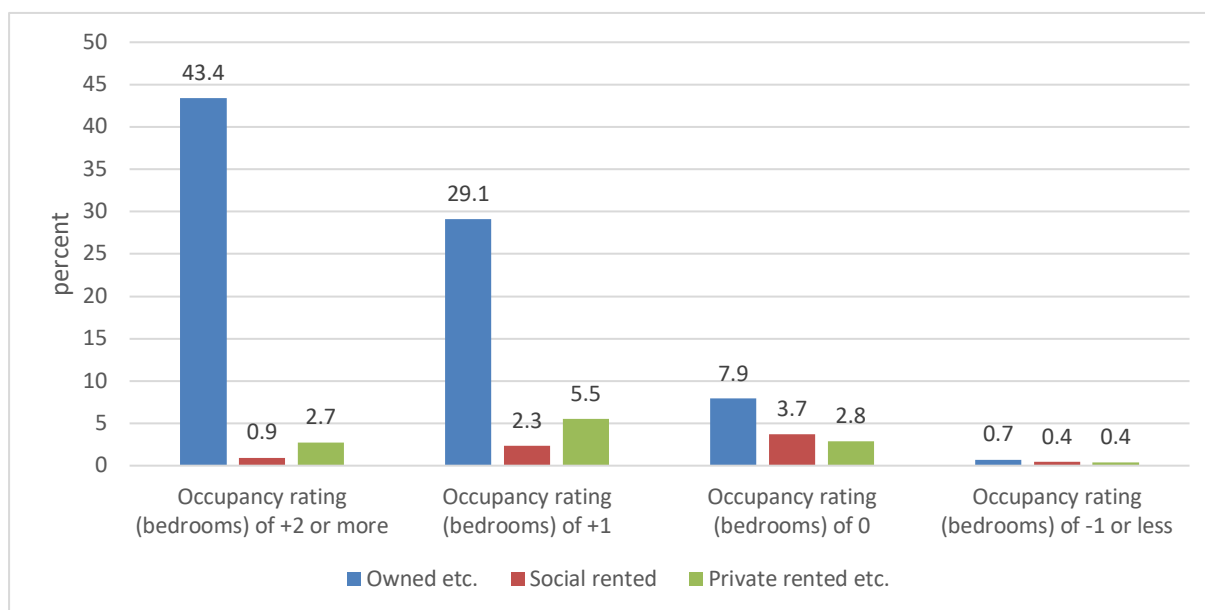


Source: Census 2011

3.14 The occupancy rating shown in figure 10 provides a measure of whether a household's accommodation is overcrowded or under occupied. The rating is shown for each broad tenure group at parish level.

3.15 The occupancy rating is based upon the number of rooms in a household's accommodation. The ages of the household members and their relationships to each other are used to derive the number of rooms/bedrooms they require, based on a standard formula. The number of rooms required is subtracted from the number of rooms in the household's accommodation to obtain the occupancy rating. An occupancy rating of -1 implies that a household has one fewer room than required, whereas +1 implies that they have one more room than the standard requirement.

3.16 84% of all housing stock in the study area had at least one spare room (under-occupancy) with 47% having 2 or more. The majority of these (72.5% and 43.4% respectively) were owned. There was a small level of overcrowding (1.5%) split fairly equally across all tenures. Private rentals were most likely to have 1 spare room, and social rentals most likely to be the right size.

Figure 10 Occupancy rating for total housing stock (study area only)

Source: Census 2011

Key findings from the area profile

- 3.17 At the time of the 2011 census, the study area showed high proportions of larger and detached dwellings and of home ownership. 84% were under-occupied to some degree, the majority of which were owned.
- 3.18 There was a low proportion of renting, with rented homes most likely to have 2 bedrooms. Of (the low proportion of) 1-bedroom dwellings, 45% were socially rented, and 25% privately.
- 3.19 The over 60 age group made up a high proportion of the study area, and where the household representative person (HRP) was over 65, 87.2% were owner-occupiers. There was a small proportion of renters in this age group.
- 3.20 The over 65 group is projected to grow by 34.5% over the 25-year period from 2016 to 2041, becoming the equal largest group by that point.

4. House prices, affordability and market appraisal

Introduction

- 4.1 This section assesses the affordability of housing to local households in general terms. It uses data from the Land Registry for resale housing 'price paid' for each registered sale in 2018. It assesses data from Zoopla regarding rental transactions for 2018. Household survey data is used to assess household income. A standard measure of affordability is used, based upon government guidance. For house purchase this is a mortgage of 3.5 times annual gross income, assuming a 10% deposit; and 25% of gross household income for rent. It is very difficult to assess the affordability of local housing as, in reality, individual household circumstances will vary considerably. There can be any combination of income savings and equity. The mortgage interest rate can vary significantly according to household circumstances, credit ratings and history of an applicant. This is why the government's preferred criteria, described above, are adopted in this report.

House prices

- 4.2 The aim of this section is to explore the affordability of local market housing, whether for sale or rent. From the household survey we can estimate local income levels. These two factors enable us to understand the affordability of local house prices to local people. We also provide information obtained from local estate agents, to learn more about the supply of market housing locally and to understand if any gaps in the market exist.
- 4.3 The Land Registry provides basic information about every sale. In the study area there were 154 sales in 2018, excluding new build housing. House price percentiles are shown in table 1 below, alongside information for the Lancaster district. Here it can be clearly seen that house prices for the study area are more expensive than the district; the difference is £44,000 at 25th percentile prices.

	25th percentile (£)	50th percentile (£)	75th percentile (£)	No. of sales
Lune Valley Study Area	158,000	217,000	283,000	154
Lancaster	114,000	146,000	220,000	2,437

Source: Land Registry (price paid for registered re-sales)

The affordability of market housing

- 4.4 Household survey data provides an income distribution for existing households planning to move within the next 5 years (shown in table 2), and for newly forming households (table 3), and is used to establish key percentiles.

- 4.5 Affordability of housing in general is determined by comparing house prices and household income. 25th percentile prices and incomes are also used to provide benchmarks used in estimates of affordable housing need.

Table 2 Household gross income (existing households within the study area)		
	Count	% in group
Up to £5,200 annually	7	0.9%
£5,200 to under £7,800 annually	23	2.9%
£7,800 to under £10,400 annually	17	2.1%
£10,400 to under £13,000 annually	41	5.2%
£13,000 to under £15,600 annually	33	4.2%
£15,600 to under £18,200 annually	23	2.9%
£18,200 to under £20,800 annually – lower quartile	56	7.0%
£20,800 to under £23,400 annually	23	2.9%
£23,400 to under £26,000 annually	94	11.8%
£26,000 to under £39,000 annually - median	93	11.7%
£39,000 to under £49,400 annually	152	19.1%
£49,400 to under £59,800	72	9.1%
£59,800 to under £70,200	23	2.9%
£70,200 and above	138	17.4%
Total number of households in group	795	

Source: household survey 2019

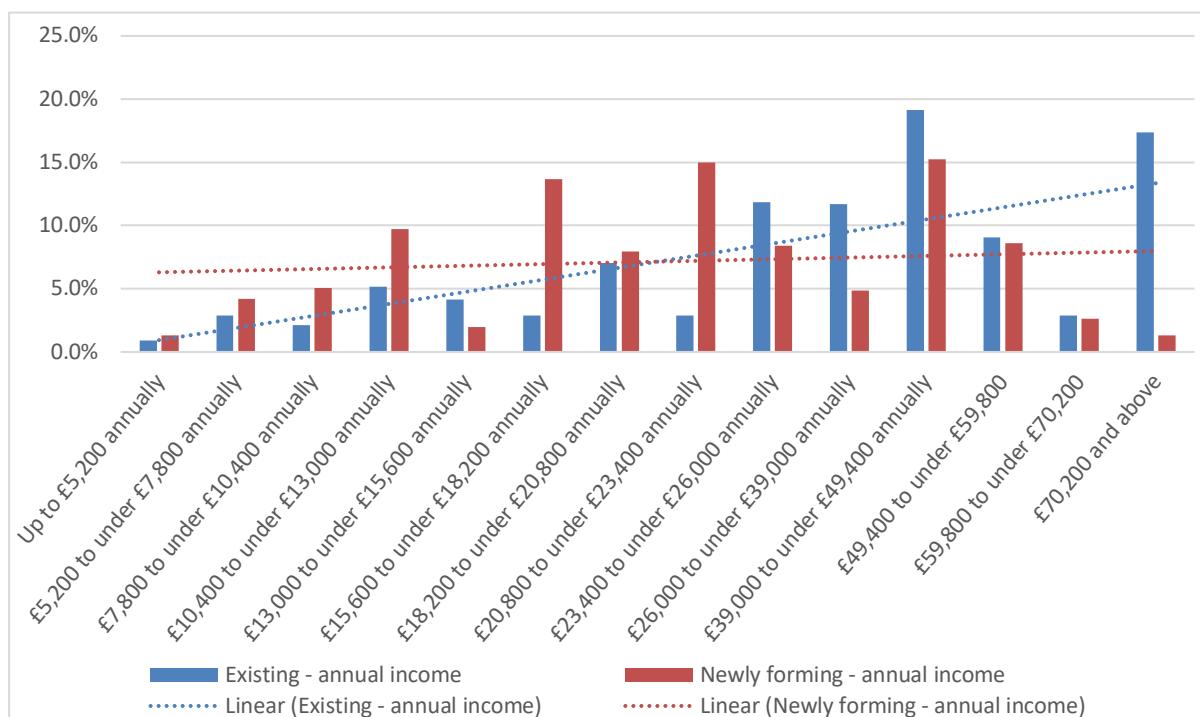
- 4.6 The lower quartile income level for existing households planning to move within the next 5 years in the study area is within the range £18,200 to £20,800 (mid-point £19,500), with the median in the range £26,000 to £39,000 (mid-point £32,500).
- 4.7 The income of newly forming households tends to be lower than existing households. Data for households expecting to be able to move out is shown in the table below.

Table 3 Household income (newly forming)		
	Count	% in group
Up to £5,200 annually	6	1.3%
£5,200 to under £7,800 annually	19	4.2%
£7,800 to under £10,400 annually	23	5.1%
£10,400 to under £13,000 annually	44	9.7%
£13,000 to under £15,600 annually	9	2.0%
£15,600 to under £18,200 annually – lower quartile	62	13.7%
£18,200 to under £20,800 annually	36	7.9%
£20,800 to under £23,400 annually - median	68	15.0%
£23,400 to under £26,000 annually	38	8.4%
£26,000 to under £39,000 annually	22	4.9%
£39,000 to under £49,400 annually	69	15.2%
£49,400 to under £59,800	39	8.6%
£59,800 to under £70,200	12	2.6%
£70,200 and above	6	1.3%
Total number of households in group	453	

Source: household survey 2019

- 4.8 The lower quartile income range in this instance is £15,600 to £18,200 (mid-point £16,900), whilst the median is in the range £20,800 to £23,400 (mid-point £22,100).
- 4.9 The income distributions of existing and newly forming households have been compared in the following figure. This shows the higher proportions of higher income groups for existing households, with incomes for newly forming households concentrating further down the scale, show by the flatter trend line.

Figure 11 New and existing household income profiles compared



- 4.10 The deposit and annual income required to purchase a dwelling have been estimated, using the figures for lower quartile and median house prices as presented in table 1. These are presented in table 4. We are advised that mortgage providers may typically lend around 3.5 times gross income subject to credit rating, so we have used this for the calculations assuming a 10% deposit.

	Study area		District	
	Lower quartile £	Median £	Lower quartile £	Median £
Purchase price	158,000	217,000	114,000	146,000
Minimum deposit (10%)	15,800	21,700	11,400	14,600
Mortgage required	142,200	195,300	102,600	131,400
Annual gross household Income required (factor 3.5)	40,629	55,800	29,314	37,543

Source: arc4

- 4.11 The table shows the disparity between the study area and the district, with a household in the former needing an income of over £11,000 p.a. more to fund a lower quartile price in the area than would be required at district prices.
- 4.12 Comparing the income levels taken from table 4 with those in table 3, it can be seen that around 27% of newly forming households could afford dwellings at lower quartile prices, and less than 12% at median prices. (Looking at figure 11, it can be seen that there are a fairly large proportion of households reporting incomes in the £39,000 to £49,400 bracket, which is affecting this.) The percentage of existing households who could afford lower quartile prices is just under 48%, and around 29% for median prices.
- 4.13 A newly forming household on a lower quartile income of £16,900 would be able to afford a dwelling of £65,500, around 40% of the actual lower quartile house prices. An existing household at a lower quartile income meanwhile, could afford a house at £75,500, nearly 50% of the actual lower quartile house prices. So such households could afford part-ownership tenures at these percentages of market prices.
- 4.14 Existing households who are moving may also be able to offer a larger deposit, funded by the sale of the present home, further reducing the size of the mortgage required. Some first-time movers may not have enough equity to fund a deposit.
- 4.15 A similar exercise can be undertaken to assess affordability of entry level market rental prices, using 'Broad Rental Market Areas' (BRMAs) levels as our reference point. BRMAs are areas within which Local Housing Allowance (LHA) rates are determined for housing benefit purposes.
- 4.16 The study area falls to the centre and west of the Lancaster BRMA, and we are using these figures to assess the price threshold from affordable to market rates.

Dwelling size	£pcm
Shared accommodation	237
1-bedroom	364
2-bedroom	460
3-bedroom	529
4-bedroom	582

Source: VOA 2019

- 4.17 The government considers that rents at 25% of gross income can reasonably be afforded by households. Table 6 shows the income required to service the above rents on this basis. This would be the minimum income level required to afford an open market rental on the basis outlined above.

Dwelling size	Monthly rental price	Annual gross household income required
Shared accommodation	237	11,366
1-bedroom	364	17,453
2-bedroom	460	22,093
3-bedroom	529	25,405
4-bedroom	582	27,923

Sources: VOA 2019; arc4

- 4.18 Comparing table 6 with tables 3 and 2, shows that while newly forming households on lower quartile incomes could afford shared accommodation, they would not have the income required for a 1-bedroom dwelling or larger. Existing households wishing to rent could afford 1-bedroom, but not more.

Evidence from Rightmove

- 4.19 Rightmove publishes up to date information on local housing markets. It is possible to find information on the individual parishes included in the study area, but not the area as a whole. Searches brought back information on the whole of Slyne and Skerton which were used in part for the study area.
- 4.20 According to Rightmove as at August 2019, over the last year:
- for overall average price, Quernmore was the most expensive (although on only 6 sales) at £347,333 and Skerton was the least at £122,220;
 - the majority of houses sold in Skerton were terraced, whilst in Halton, Quernmore and Slyne they were detached – reflecting the differences in prices; and

- prices in most of the parishes were up over the past 12 months, but down in Halton (Rightmove adds a note of caution on Nether Kellet, Quernmore and Slyne due to small numbers of sales).

Key findings arising from the analysis

- 4.21 Affordability of purchase and rental of local housing appears challenging to households wishing to move, especially those newly forming and on below average incomes.
- 4.22 There is a disparity in house prices between the study area and the district generally, with a difference of £44,000 at 25th percentile prices. This equates to an annual salary requirement of £11,000 more for households wishing to buy in the study area.
- 4.23 A newly forming household on a lower quartile income of £16,900 (taken from the household survey) would be able to afford a dwelling of £65,000, around 40% of the actual lower quartile house prices.
- 4.24 Existing home owners wishing to move may have more to offer as a deposit due to equity in their current home which affects the size of mortgage required. Meanwhile, between 50 and 70% of newly forming household respondents report less than £16,000 to offer as a deposit, the amount required for a lower quartile priced house.
- 4.25 Using BRMA rental rates as a guide, newly forming households on lower quartile incomes could afford shared accommodation only, and existing households would struggle with anything larger than a 1-bedroom dwelling.

5. The household survey key findings

- 5.1 A household survey was conducted in May/June 2019. A questionnaire was sent to every household in the study area and 665 responses were received. 4,108 were dispatched, so there was a 17% response rate and therefore a $\pm 3.4\%$ sampling error overall.
- 5.2 This chapter reports the main outputs of the survey, to inform the need for additional market housing; and further information about local households - especially those that are proposing to move home, or newly forming households seeking their first home.
- 5.3 As explained in chapter 2, the survey findings are presented as weighted data. Survey responses have been up-scaled to represent the parish household population as a whole.

Respondents' general views on housing needed

- 5.4 Respondents were asked for their views about which groups of people and types of housing were needed in the study area. They were asked to rate each category as 'no', 'some' or 'high' priority.
- 5.5 Table 7 shows responses about household groupings. The percentages on the right show which categories were seen as the highest, or lowest, priority. Respondents saw the highest priority groups as those requiring affordable homes to rent or part buy, and first-time buyers. The lowest priority groups were people seeking to build their own homes, and those seeking private landlord rentals.

Table 7 Q15. Which household groups do you consider to be a priority for additional housing?								
	Priority: Number				Priority: %			
	None	Some	High	Total	None	Some	High	Total
First time buyers	346	1,297	1,942	3,584	9.7	36.2	54.2	100
People seeking private landlord rentals	1,641	1,062	189	2,892	56.7	36.7	6.5	100
Affordable homes to rent/part buy to meet needs of the local community	407	1,003	2,061	3,471	11.7	28.9	59.4	100
People seeking shared ownership (part buy/part rent)	1,049	1,498	493	3,040	34.5	49.3	16.2	100
Older people that want to downsize	597	1,740	1,065	3,402	17.5	51.1	31.3	100
Families that need to upsize as their families grow	648	1,607	871	3,126	20.7	51.4	27.9	100
Sheltered housing for older people/disabled people	386	1,354	1,567	3,307	11.7	40.9	47.4	100
People seeking to commission or build their own home	2,190	700	196	3,085	71.0	22.7	6.4	100
People providing care or support for village residents	543	1,780	877	3,199	17.0	55.6	27.4	100

Source: household survey 2019

- 5.6 Table 8 shows responses to questions about the types of houses seen as a priority for future building in the study area. The highest priorities were seen to be small family homes (2 to 3-bedroom) and small homes for single people and couples. The categories given the lowest priority were housing designed for seasonal tourist use and 3-storey townhouses.

Table 8 Q16. Which house types would you consider to be a priority for future house building in the Parish?

	Priority: Number				Priority: %			
	None	Some	High	Total	None	Some	High	Total
Small homes for single people and couples	603	1,616	1,102	3,321	18.2	48.7	33.2	100
Small family homes (2 or 3-bedrooms)	369	1,348	1,777	3,495	10.6	38.6	50.8	100
Larger family homes (4 or 5-bedrooms)	1,388	1,064	560	3,011	46.1	35.3	18.6	100
Detached houses	1,648	1,064	247	2,959	55.7	36.0	8.3	100
Bungalows	720	1,672	836	3,228	22.3	51.8	25.9	100
Semi-detached houses	711	1,824	397	2,933	24.2	62.2	13.5	100
Terraced houses	1,225	1,390	371	2,986	41.0	46.6	12.4	100
Flats or apartments	1,455	1,234	301	2,990	48.7	41.3	10.1	100
Town houses (3 storeys)	1,989	830	128	2,948	67.5	28.2	4.3	100
Housing designed for seasonal tourist use	2,786	168	10	2,964	94.0	5.7	0.3	100

Source: household survey 2019

Older person household long term intentions

- 5.7 Respondents over the age of 55 were asked which of a list of long-term housing options they would seriously consider, whether or not they currently had definite plans to move home. Any number of options could be chosen, and the percentages in the table below are of the number of respondents.

Option	All responses		Tenure					
			Owner Occupier		Private rent		Affordable rent	
	Total	Total %	No.	%	No.	%	No.	%
Continue to live in current home with support when needed	2,132	80	1,911	82	146	71	74	59
Buying more suitable housing on the open market	767	29	720	31	34	17	13	10
Rent more suitable housing from a private landlord	102	4	71	3	31	15	0	0
Rent more suitable housing from a Housing Association	181	7	78	3	65	32	39	31
Sheltered accommodation - renting	403	15	283	12	55	27	65	52
Sheltered accommodation - buying	687	26	660	28	20	10	7	6
Sheltered accommodation - part rent/buy (shared ownership)	166	6	146	6	13	6	7	6
Extra care housing - renting	346	13	277	12	14	7	54	43
Extra care housing - buying	669	25	648	28	20	10	0	0
Extra care housing - part rent/buy (shared ownership)	226	8	223	10	0	0	4	3
Residential care home	332	12	299	13	9	4	24	19
Cohousing - renting	221	8	162	7	45	22	14	11
Cohousing - buying	291	11	270	12	20	10	0	0
Cohousing - part rent/buy (shared ownership)	114	4	97	4	13	6	4	3
Go to live with children or other relatives	266	10	201	9	63	31	2	2
Other	103	4	95	4	7	3	0	0
Total respondents	2,672		2,342		206		125	

Source: household survey 2019

- 5.8 By far the most popular option, from 80% of respondents, was for continuing to live in the current home with support as needed. This was followed by buying a more suitable home on the open market. If the options are split out by current tenure, the first preference remains the same across the board. The second preference however differs; private renters prefer renting a more suitable dwelling from a Housing Association, and those currently in affordable housing choose renting sheltered accommodation.

Households coming to live in the parish

5.9 Respondents were asked if they had moved in the last 5 years, and if so, the reasons they had done so. The following table shows the main single reason. The first 8 rows can be said to be housing need reasons, whilst the rest are aspirational. Options not selected have been removed from the table.

Reason	All responses		Tenure					
	Total	%	Owner Occupier		Private rent		Affordable rent	
			No.	%	No.	%	No.	%
Forced to move (eviction, tenancy end, had to leave, relationship breakdown)	90	10	42	7	46	22	3	4
Family was overcrowded	35	4	35	5	0	0	0	0
Was sharing with family or friends and was seeking a place of my/our own	101	11	69	11	16	8	15	18
Could not manage existing house - could not afford	34	4	3	0	4	2	27	33
Could not manage existing house - house/garden too big	24	3	24	4	0	0	0	0
Health problems and/or needed housing suitable for older/disabled person	28	3	15	2	9	4	4	5
House was in severe disrepair	12	1	0	0	12	6	0	0
Was suffering harassment, threat of harassment or domestic abuse	6	1	6	1	0	0	0	0
Wanted a nicer house	41	4	19	3	22	10	0	0
Wanted to live in a nicer area	112	12	95	15	17	8	0	0
Wanted a garden or bigger garden	36	4	23	4	13	6	0	0
Wanted to live in a different school catchment area	28	3	26	4	3	1	0	0
Wanted to live closer to family or friends	75	8	56	9	3	1	15	18
To reduce journey time or distance to work	37	4	16	3	20	9	0	0
Needed to re-locate for employment	56	6	40	6	16	8	0	0
Wanted to move away - bad neighbours	33	4	15	2	3	1	15	18
Wanted to live closer to shops or doctors or other services	10	1	10	2	0	0	0	0
Other reason	174	19	144	23	26	12	4	5
Total	931		638		211		83	

Source: household survey 2019

5.10 Owner occupiers gave wanting to live in a nicer area as the highest rated option, within the aspirational responses; and seeking a place of their own, when currently sharing with friends or family, as the highest option within the housing need responses. Private renters gave being forced to move as the main reason, with wanting a nicer house the highest aspirational option. Amongst respondents in affordable housing,

the main reason given was not being able to afford the current housing, while wanting to live close to family or friends, and wanting to move away from bad neighbours, were the main aspirational reasons.

Existing households: future housing requirements

- 5.11 Respondents were asked whether the household intended to move home. Nearly 22% said they did, and 74% did not. The remainder, an estimated 143 households, said that they would like to, but were unable to. Reasons given are shown in table 12. It is important to note that the base sizes are small when the results are split by tenure, with none coming from the affordable housing category.
- 5.12 A number of reasons could be given, and the percentages are of the number of respondents. The most frequently given reason was not being able to afford a more suitable home, with all private renters giving this as one of their reasons. All those in affordable rented housing currently expected to move to more suitable homes, within the affordable rented sector.

Response	All responses		Tenure					
			Owner Occupier		Private rent		Affordable rent	
	Total	%	No.	%	No.	%	No.	%
Cannot afford a more suitable home	105	76	48	58	57	100	0	0
I/we are in negative equity	7	5	7	8	0	0	0	0
Cannot find suitable property	61	44	19	23	42	74	0	0
Reluctant to leave school catchment area	7	5	7	8	0	0	0	0
Cannot leave because of place of work	7	5	7	8	0	0	0	0
Other reason	22	16	22	27	0	0	0	0
Total respondents	139		83		57		0	
Actual base	22		17		5		0	

Source: household survey 2019

- 5.13 Table 12 shows the main reason for needing to move home given by households. The first 9 rows can be seen as housing need response and the remainder as aspirational reasons. A number of options in the questionnaire had no response and are not included.
- 5.14 The main housing need response selected was not being able to manage the existing house, because it or the garden were too big. However, when the responses of different tenures are looked at separately, private renters said they were seeking a place of their own, when currently sharing with family or friends; and respondents in affordable housing said it was because of overcrowding (the latter being on a small base).
- 5.15 The main aspirational reasons given were wanting to live closer to family or friends and needing to re-locate for employment.

Response	All responses		Tenure					
			Owner Occupier		Private rent		Affordable rent	
	Total	%	No.	%	No.	%	No.	%
Forced to move (eviction, tenancy ending, had to leave family home, relationship breakdown)	12	2	3	1	6	4	3	5
Was living in temporary accommodation	25	4	0	0	25	15	0	0
Family was overcrowded	56	8	17	4	7	4	32	51
Was sharing with family or friends and was seeking a place of my/our own	26	4	0	0	26	15	0	0
Could not manage existing house - could not afford	10	1	7	1	3	2	0	0
Could not manage existing house - could not manage the stairs	6	1	6	1	0	0	0	0
Could not manage existing house - house/garden too big	93	13	93	19	0	0	0	0
Health problems and/or needed housing suitable for older/disabled person	48	7	39	8	9	5	0	0
Accommodation lacked bathroom/kitchen/toilet	3	0	3	1	0	0	0	0
Wanted a nicer house	39	6	36	8	3	2	0	0
Wanted to live in a nicer area	34	5	23	5	0	0	11	17
Wanted a garden or bigger garden	39	6	39	8	0	0	0	0
Wanted off street parking or a garage	13	2	13	3	0	0	0	0
Wanted to live in a different school catchment area	3	0	0	0	3	2	0	0
Wanted to live closer to family or friends	51	7	46	10	3	2	2	3
To reduce journey time or distance to work	6	1	6	1	0	0	0	0
Needed to re-locate for employment	27	4	12	3	0	0	15	24
Wanted to live closer to shops or doctors or other services	19	3	19	4	0	0	0	0
Other reason	199	28	116	24	83	49	0	0
Total	709		478		168		63	
Actual base	116		90		20		6	

Source: household survey 2019

5.16 These respondents were asked where they wished their next home to be. The following table shows their first choices. The study area was further split into the 5

parish areas, and the full results are shown in appendix B. 67% of respondents said that they would like to remain somewhere within the study area.

Area	All responses		Tenure					
			Owner Occupier		Private rent		Affordable rent	
	Total	%	No.	%	No.	%	No.	%
Within the study area	581	67	345	61	192	85	44	55
Elsewhere within the Lancaster City area	115	13	63	11	18	8	34	43
Outside the Lancaster City area	176	20	158	28	16	7	2	3
Total	872		566		226		80	
Actual base	137		106		23		7	

Source: household survey 2019

Interest in cohousing from existing households

- 5.17 Cohousing is an intentional community of homes clustered around shared space. Each home has traditional amenities, including a private kitchen; and shared spaces typically feature a common area, which may include a large kitchen, dining area, laundry and recreational spaces.
- 5.18 Respondents that were existing households were asked whether they would be interested in living in a cohousing scheme. 127 respondents replied that they would be interested, and 125 replied maybe, making nearly 30% of those who responded.
- 5.19 These respondents were then asked what type of tenure would interest them. The results are in table 14, showing that the majority would be interested in buying.

Tenure	All responses	%
Affordable rent	74	30.1
Buy	130	52.8
Part rent/part buy (shared ownership)	42	17.1
Total	246	

Source: household survey 2019

Newly forming households

- 5.20 Respondents were asked whether any members of the household were planning to move out separately into a new home – a newly forming household. Table 15 shows numbers who felt they were able to move, and those unable to.

Table 15 Q41 Does the new household wish to move out but it cannot for some reason?		
Reason	Newly forming households	%
Able to move out	630	58.3
Unable to move out	450	41.7
Total	1,080	

Source: household survey 2019

- 5.21 Table 16 shows the reasons given for not being able to move out. More than one reason could be selected, so percentages are of total responses not respondents. The most likely selected reason was lack of suitable housing that could be afforded.

Table 16 Q42 What are the main reasons they are unable to move?		
Reason	Total	%
Can't afford a more suitable home	343	68.6
Can't find a more suitable home	110	22.0
Can't leave because of place of work	10	2.0
Any other reason	131	26.2
Respondents	500	

Source: household survey 2019

- 5.22 Newly forming households were also asked where they would prefer to live. As with existing households, the study area was further split into the 5 areas, and the full results are shown in Appendix B. Table 17 shows respondent's first choice. 57.5% wished to remain somewhere within the study area.

Table 17 Q48 Newly forming household's location preference – 1st choice		
Area	Total	Total %
Within the Study Area	291	57.5
Elsewhere within the Lancaster City area	52	10.3
Outside the Lancaster City area	163	32.2
Total	506	100.0%

Source: household survey 2019

Interest in cohousing schemes from newly forming households

- 5.23 Respondents seeking to set up a new home were also asked whether they would be interested in living in a cohousing scheme. 67 respondents replied that they would be interested, and 113 replied maybe, nearly 34% of newly forming households in all.

5.24 These respondents were then asked what type of tenure would interest them. The results are in Table 18.

Table 18 Q45 Would you be interested in living in a cohousing scheme?		
Tenure	All responses	%
Affordable rent	90	52.3
Buy	55	32.0
Part rent/part buy (shared ownership)	27	15.7
Total	172	100.0%

Source: household survey 2019

6. Supply and demand for market housing

- 6.1 This section uses survey findings to suggest the scale and mix of housing that might be appropriate, to meet market housing needs over the next 5 years. The data presented here on low cost and affordable housing [6.9 onwards] should also be considered in the wider context of affordable housing need, which is considered in our concluding chapter 8.
- 6.2 The supply of resale market housing comes from entire households that told us that they plan to move home over the next 5-years. We have analysed this supply in terms of house type and number of bedrooms.
- 6.3 Demand for re-sale market housing comes from households who plan to move, but to stay within the area; plus households that are likely to form over the next 5 years, again staying within the area.
- 6.4 If we compare the profile of the supply, by house type and number of bedrooms, to the demand profile of the housing that becomes vacant from the house move, we can estimate the mismatch between the two. This is the basis for our estimate of the additional housing that is required in the area, if the housing stock is to be more in-step with the needs of its households.
- 6.5 Table 20 shows that there is an estimated demand over the next 5 years for 533 homes, and a supply of 670; a net surplus of 137. The biggest demand from newly forming households is for smaller (1 or 2-bedroom) houses and flats, whilst for existing moving households it is for houses with more than 3-bedrooms.
- 6.6 Overall, the demands result in surpluses of these larger (3 and more-bedroom) houses. ‘Surpluses’ arise because a proportion of moving households are seeking their next home outside the study area. It is important to note that ‘surpluses’ reported here will not translate into long term vacant housing. Such housing that is not needed by local people will be sold or let to people not currently living in the study area that can afford to do so. However, the prediction of surpluses shows that recent and current commercial developments are not meeting the needs of local people for the specific dwelling types.
- 6.7 The largest shortfall is in the number of, mainly smaller, bungalows.
- 6.8 The shortfalls can be shown as follows:
- 16 no. 1 and 2-bedroom houses;
 - 51 no. 1 and 2-bedroom bungalows;
 - 9 no. 3 or more-bedroom bungalows;
 - 28 no. 1 and 2-bedroom flats; and
 - 9 no. 1 and 2-bedroom other housing types.

Table 19 Summary of housing requirements for those seeking home ownership housing over the next 5 years										
SUPPLY	1 or 2 - bedroom house	3 - bedroom house	4 or more – bedroom house	1 or 2 - bedroom bungalow	3 or more – bedroom bungalow	1 or 2 – bedroom flat	3 or more – bedroom flat	1 or 2 - bedroom other	3 or more – bedroom other	total
Existing households moving within the parish	59	173	128	6	36	14	0	0	6	422
Out-migrating households	26	71	97	10	17	27	0	0	0	248
Total supply	85	244	225	16	53	41	0	0	6	670
DEMAND										total
From existing households moving within the parish	36	85	92	54	44	20	0	9	0	340
From newly forming households within the parish	65	35	13	13	18	49	0	0	0	193
Total demand	101	120	105	67	62	69	0	9	0	533
Net shortfall (-)/surplus										
	1 or 2 - bedroom house	3 - bedroom house	4 or more - bedroom house	1 or 2 - bedroom bungalow	3 or more - bedroom bungalow	1 or 2 - bedroom flat	3 or more - bedroom flat	1 or 2 - bedroom other	3 or more - bedroom other	total
Net shortfall (-)/surplus	-16	124	120	-51	-9	-28	0	-9	6	137

Source: household survey 2019

Key Findings arising from the analysis

- 6.9 The highest priorities given by respondents about new house building were for first time buyers and those needing affordable homes, to rent or part buy. Respondents saw the highest priority house type to be 2 to 3-bedroom family homes, and small homes for single people and couples.
- 6.10 The main long-term housing options considered by respondents within the over 55 age group, were continuing to live in the current home with support and buying a more suitable house on the open market. For renters, the second option became renting a more suitable dwelling from a Housing Association (private) and renting sheltered accommodation (affordable).
- 6.11 The most frequently given reason for not being able to move, when the household wished, or needed to move, for both existing and newly forming households, was not being able to afford a suitable home.
- 6.12 The main housing need reasons for wanting to move, given by existing households, were that the existing house was too large, they wanted to stop sharing, or the current home was overcrowded. The main aspirational reasons were wanting to live closer to family or friends and needing to relocate for employment.
- 6.13 67% of all existing households, and 57.5% of newly forming households, wishing to move wanted to stay within the study area.
- 6.14 30% of existing and 34% of newly forming households wishing to move, said that they would or may be interested in cohousing options. The most popular tenure for the former being to buy and affordable rent for the latter.
- 6.15 Over the next 5 years there is an estimated surplus of 137 homes; a demand of 533 and a supply of 670. Surpluses were seen mainly in larger houses (3 and more-bedroom).
- 6.16 There with shortages of:
- 16 no. 1 and 2-bedroom houses;
 - 51 no. 1 and 2-bedroom bungalows;
 - 9 no. 3 or more-bedroom bungalows;
 - 28 no. 1 and 2-bedroom flats; and
 - 9 no. 1 and 2-bedroom other housing type.

7. The need for affordable housing

Introduction

- 7.1 Housing need is defined as *the quantity of housing required for households who are unable to access suitable housing without financial assistance*. The 2019 household survey and secondary data provide a robust range of information to quantify housing need in the parish.
- 7.2 In summary, the needs assessment model reviews in a step-wise process:
- Stage 1: Current housing need;
 - Stage 2: Future housing need (gross);
 - Stage 3: Affordable housing supply; and
 - Stage 4: Estimate of households in need and additional housing required (net of supply).
- 7.3 Table 20 summarises the different steps taken in assessing housing need, and in evidencing the extent to which there is a surplus or shortfall in affordable housing in the study area. Modelling has been carried out using household survey data, and takes into account household type and property size requirements. Note that as explained in chapter 1, data have been weighted to reflect the total number of households in the study area. Table 20 is a simplification of the full affordable housing need model recommended by government guidance and best practice. The full model can be found in appendix D.
- 7.4 Other data sources include Land Registry, Zoopla, Core lettings and the Lune Valley Rural Housing Association Annual Report 2017.
- 7.5 This table shows that there is a net annual shortfall of 50 affordable dwellings, which takes into account estimated supply from existing affordable housing. This is equivalent to 250 dwellings over a 5-year period.
- 7.6 This annual need is distributed across the component parishes of the study area. The net annual need for Halton parish itself is for 22 affordable dwellings.

	Halton-with-Aughton	Nether Kellet	Quernmore	Caton-with-Littledale	Skerton East	Slyne-with-Hest	LUNE VALLEY (total)
1. Level of need over the next 5-years from existing households that are in housing need or will fall into need and are seeking housing in the areas and cannot afford market prices	35	2	0	35	7	5	84
2. Clear need from existing households over 5 years to produce an annual flow (step 1 X 20%)	7	1	0	7	1	1	17
3. Annual need over the next 5-years from newly forming households that are seeking housing in the parish and cannot afford market prices	17	2	1	12	3	4	39
4. Gross flow of households in affordable need (steps 2+3)	24	3	1	19	4	5	56
5. Annual flow of affordable supply generated from the affordable rented housing capacity in the areas	2	0	0	2	1	1	6
6. Imbalance between the annual flows of need and supply of affordable housing (deduct step 5 from step 4)	22	3	1	17	3	4	50

Source: household survey data and Land Registry, Zoopla, Core lettings and the Lune Valley Rural Housing Association Annual Report 2017

- 7.7 Further analysis has been undertaken to assess the type of affordable need (social rent and intermediate housing) by parish, shown in table 21. Note that this analysis balances to the gross need (stage 4) in the above model as we cannot reliably predict possible future supply in the smaller areas. There was in-fact no recent intermediate supply in the study area. The preference for intermediate tenure was as stated by the respondents to question 34 in the questionnaire. Additional analysis of the affordability and feasibility of providing intermediate housing and other forms of affordable housing defined in the National Planning Policy Framework (NPPF) appears later in this chapter. The NPPF definitions are listed in appendix C.

Table 21 Realistic preference for affordable tenure (gross number of households in affordable need)

	Halton-with-Aughton	Nether Kellet	Quernmore	Caton-with-Littledale	Skerton East	Slyne-with-Hest	LUNE VALLEY
Affordable/social rented	5	0	1	3	1	0	11
Intermediate tenure	20	3	1	15	3	5	45
TOTAL	24	3	1	19	4	5	56

Source as above

- 7.8 Table 22 expresses the same data as *proportions* of households seeking affordable intermediate for each parish. Overall 80% of households in affordable need expressed a preference for intermediate affordable housing.

Table 22 Realistic preference for affordable tenure (proportion of households in affordable need)

	Halton-with-Aughton	Nether Kellet	Quernmore	Caton-with-Littledale	Skerton East	Slyne-with-Hest	LUNE VALLEY
Affordable/social rented	18.8	0.0	50.0	18.2	25.0	0.0	20.0
Intermediate tenure	81.3	100.0	50.0	81.8	75.0	100.0	80.0
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source as above

- 7.9 Table 23 shows the dwelling type, and number of bedrooms required, by the 56 households in gross affordable need, by parish. Table 24 shows these numbers as proportions of the total number of households in affordable need (56). 15 of the 56 households in need (27%) were seeking 1 or 2-bedroom houses. 1 or 2 or 3-bedroom houses, and 1 or 2-bedroom flats were the most numerous choices, making up 75% of the total.

Table 23 Realistic preference for dwelling type and number of bedrooms (households in affordable need (NUMBER))

	Halton-with-Aughton	Nether Kellet	Quernmore	Caton-with-Littledale	Skerton East	Slyne-with-Hest	LUNE VALLEY
1 or 2-bedroom house	6	1	0	6	1	1	15
3-bedroom house	6	0	1	4	0	1	11
4 or more-bedroom house	2	0	0	1	0	0	3
1 or 2-bedroom bungalow	2	0	0	3	0	0	5
3 or more-bedroom bungalow	2	0	0	1	0	1	3
1 or 2-bedroom flat	4	1	1	3	3	2	14
3 or more-bedroom flat	0	0	0	0	0	0	0
1 or 2-bedroom other	2	0	0	1	0	0	4
3 or more-bedroom other	0	0	0	0	0	0	0
TOTAL	24	3	1	19	4	5	56

Table 24 Realistic preference for dwelling type and number of bedrooms (households in affordable need (PROPORTION (%)))

	Halton-with-Aughton	Nether Kellet	Quernmore	Caton-with-Littledale	Skerton East	Slyne-with-Hest	LUNE VALLEY
1 or 2-bedroom house	26.0	27.4	15.2	33.1	16.5	18.3	27.0
3-bedroom house	23.2	0.0	39.2	21.2	11.2	22.5	20.2
4 or more-bedroom house	8.5	0.0	0.0	4.7	0.0	5.1	5.3
1 or 2-bedroom bungalow	9.7	17.8	0.0	15.8	0.0	0.0	9.4
3 or more-bedroom bungalow	6.4	0.0	0.0	3.3	5.6	17.4	5.8
1 or 2-bedroom flat	17.8	41.1	50.0	14.6	66.7	36.7	25.3
3 or more-bedroom flat	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1 or 2-bedroom other	8.5	13.7	0.0	7.3	0.0	0.0	6.5
3 or more-bedroom other	0.0	0.0	-4.4	0.0	0.0	0.0	0.5
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0

7.10 Table 25 shows the origin and preferred destination of all household planning to move home. This was a multiple-choice question (first, second and third choice). The table sums to the number of choices, not the number of households. Note that some households chose to live outside the study area. For the avoidance of doubt, the 56 households in affordable need that tables 21 and 23, sum to all are either current residents of the study area, are in affordable need and are seeking future housing in the study area.

- 7.11 So, as an example, for Halton-with-Aughton the second column shows that 55 choices were expressed in total; 16 (29%) of the choices expressed some preference to live in Halton, and there were 9 preferences to live in Caton. The first row shows that there were 28 choices (24%) expressed for Halton, in total, from all the parishes in the study area.

Table 25 Origin of moving household and preferred destination (aggregate number of 1st 2nd and 3rd choices)

CURRENT PARISH = (COLUMN)> DESTINATION PARISH = (ROW):	Halton-with-Aughton	Nether Kellet	Quernmore	Caton-with-Littledale	Skerton East	Slyne-with-Hest	Total
Halton	16	1	1	6	1	3	28
Caton	9	1	0	19	0	3	32
Slyne	6	0	0	2	1	1	10
Quernmore	3	0	0	2	0	0	5
Nether Kellet	3	1	0	0	0	1	5
Elsewhere within the Lancaster City area	10	0	3	3	1	2	19
Outside the Lancaster City area	8	0	2	4	2	0	16
Total	55	3	6	36	5	10	115
(%) remain with	29%			53%			

Bedrooms required – overall number by need category

- 7.12 Table 26 presents the net shortfall across the study area by designation (general needs and older person), and the number of bedrooms required. The requirement shows a trend for 2-bedroom homes for general needs, and smaller (1 and 2-bedroom) homes for older people. This table has been produced so that comparison can be made with the Housing Register, in our ‘reality check’ in the next section of this chapter.

Table 26 Net affordable housing requirements

	General Needs	Older Person	Total	Total %
1-bedroom	5	9	14	28%
2-bedroom	12	8	20	40%
3-bedroom	8	3	11	22%
4 or more-bedrooms	4	1	5	10%
Total	29	21	50	100%

Sources: 2019 Household Survey

Reality Check

Prevalence rates

- 7.13 arc⁴ has devised a method for comparing survey-based findings to those produced by standardised data. From arc⁴'s national database, we are able to define prevalence rates for households likely to be in affordable need, whether these are existing households falling into need, or newly forming households.
- 7.14 arc⁴ is the only national housing consultancy that offers household surveys as a component of large-scale district, borough or city wide SHMA or HNS studies. The database contains anonymous weighted data representative of over 1,000,000 households. This enables arc⁴ to understand the demographic and socio-economic characteristics and housing history of respondents, by household type. Findings based upon this database have been found sound at local plan inquiries.
- 7.15 Table 27 summarises the impact of prevalence rates on the household population at the parish level. Based upon arc⁴ national survey data, and assumptions normally applied to primary data led housing needs assessments, we have estimated households falling into affordable need within the study area. The table shows that this affordable need is made up of need from both existing and newly forming households.
- 7.16 We must point out that the locally arising need identified by this method does not take into account a local household preference to live outside the study area.
- 7.17 However, neither this prevalence method, nor the survey method, take into account the need from households with a local connection, but not resident in the area. Examples are those that lived in the local area previously and wish to return, for example for employment reasons; or to give or receive care and support to or from a resident living in the study area.
- 7.18 We consider that the two factors will be in balance, and no adjustment has been made for these factors; except to say that for the reasons outlined above, the survey-based method is likely to underestimate local need.

Table 27 Estimate of annual gross need using a prevalence method				
		Prevalence rate or factor	Households in area	Notes
			4,178	
1	Existing households in need over 5 years	10%	418	Based on national arc4 estimate
2	% in affordable need	44.9%	188	Based on arc ⁴ household survey
3	Divide to convert to annual need	5	38	Assume clearance over a 5-year period
4	Newly forming households per annum	1.55%	65	Based on national gross household formation rate from the Survey of English Housing
5	Newly forming households, % in affordable need	44.9%	29	Based on arc ⁴ household survey
6	Total GROSS annual need (3+5)		67	

Source: arc4

- 7.19 By this method, 67 households are estimated to be in affordable need in the study area. Based on the survey-based needs assessment model, table 12, the gross estimate of need is 56 (row 4.5). These findings are of a similar order of magnitude, and are comparable when the different methodologies are taken into account.

Housing Register

- 7.20 The following information has been obtained from the Lancaster City Council Housing Register. Anyone can register with the council for affordable housing, but applications are assessed to be sure that the applicant is in affordable need and the number of bedrooms that are needed. Housing registers may not fully reflect the level of affordable housing need in an area as households in affordable need may not register their need. Analysis of the register shows that:
- 83% of the registered need is for 1 or 2-bedroom housing. This compares to 68% from the household survey (table 26);.
 - 30.2% of the registered need is for Halton-with-Aughton. This compares to $24/56=43\%$ from the household survey (table 24); and
 - 54.7% of the registered need is for Caton. This compared to $19/56=34\%$ from the household survey (table 23).

No bedrooms	Number	Percent
1-bedroom	24	45.3%
2-bedroom	20	37.7%
3-bedroom	5	9.4%
4-bedroom	4	7.5%
Total	53	100.0%

Area	Number	Percent
Halton	16	30.2%
Caton	29	54.7%
Slyne	6	11.3%
Nether Kellet	2	3.8%
Total	53	100.0%

Source: Lancaster City housing register

Low-cost and affordable home ownership options – further analysis

- 7.21 As noted above, younger newly forming households are at a disadvantage when seeking home ownership. Young people generally have relatively low incomes as they begin their working lives and have limited ability to save for a deposit. New households forming as a result of a relationship breakdown may also be at a disadvantage if they have a single income and have shared any savings with their former partner. So low cost ownership homes will be particularly important to these groups. Definitions are stated in appendix C.
- 7.22 However not all low-cost homes can be regarded as intermediate affordable ones. Intermediate affordable homes would be priced at between social rents and entry level market prices, normally equivalent to 25th percentile, as dwellings for sale or rent on the open market. Also, affordable homes of any type can only be designated as affordable dwellings if they are sold or let to households in housing need, as defined by the local authority's allocations policy. Shared ownership homes are generally deemed to be affordable homes, as they are sold to qualifying applicants. Discounted sale homes can be deemed affordable, if they are priced at or below 25th percentile local prices; the discount applies in perpetuity, and sales are restricted to households in need. Whilst the term 'starter home' in table 30 illustrates the impact of discounting open market prices, as envisaged by the government's 'starter home' initiative, they could only be deemed affordable housing if the discount were to apply in perpetuity and sales are restricted to households in need. Using these criteria, housing sold under the 'help to buy' scheme cannot by definition be considered affordable, as it is traded as open market housing.
- 7.23 Using the income data and house prices stated in chapter 4 we illustrate, in table 30 the relative cost of options aimed at assisting households to get onto the housing ladder. We have investigated the affordability of each, using the above local house prices.
- 7.24 The most affordable of these low-cost options is a 30% discounted Starter Home at a 25th percentile market sale price, which would require an annual household income of £22,120. Over 40% of newly forming households would find this affordable (see table 3). It should be noted that there are fairly large percentages of households with annual incomes in this and higher income bands. The other side to this picture is in table 16 which shows that affordability is the reason for 69% of newly forming households feeling they are unable to move out.

7.25 25% shared ownership is the next most affordable option requiring a household income of £25,196.

Table 30 Income required to take up low-cost home ownership options	
Starter Home (20% discount)	Costings
Full price (based on 25th percentile)	£158,000
Starter home price (20% off full price)	£126,400
10% deposit on equity share	£12,640
Mortgaged amount	£113,760
Income required for mortgage	£25,280
Starter Home (30% discount)	Costings
Full price (based on 25th percentile)	£158,000
Starter home price (30% off full price)	£110,600
10% deposit on equity share	£11,060
Mortgaged amount	£99,540
Income required for mortgage	£22,120
Shared ownership 50%	Costings
Full price (based on 25th percentile)	£158,000
Equity 50%	£79,000
10% deposit on equity share	£7,900
Mortgaged amount	£71,100
Service charge (monthly)	£30
Rent (per month based on 2.75% on remaining equity)*	£181
Income required for mortgage	£20,314
Income required for rent/service charge	£10,130
TOTAL income required	£30,444
Shared ownership 25%	Costings
Full price (based on 25th percentile)	£158,000
Equity 25%	£39,500
5% deposit on equity share	£1,975
Mortgaged amount	£37,525
Service charge (monthly)	£30
Rent (per month based on 2.75% on remaining equity)**	£272
Income required for mortgage	£10,721
Income required for rent/service charge	£14,475
TOTAL income required	£25,196
Help to buy	Costings
Full price (based on 25th percentile)	£158,000
Equity 75%	£118,500
Loan 20%	£31,600
Deposit 5%	£7,900
Mortgaged amount	£118,500
Total income required	£26,333
Loan fee (1.75% in year 6)	£553

7.26 Regarding shared ownership the above illustrations are based upon rent per month based on 2.75% on remaining equity. Some housing associations charge a lower rate of 2%. Others charge a rate between 2% and 2.75%.

- *If a rate of 2% were applied to 50% shared ownership remaining equity at lower quartile prices, the income required would be £28,074;
 - **If a rate of 2% were applied to 25% shared ownership remaining equity at lower quartile prices, the income required would be £21,641;
 - on this basis 25% shared ownership becomes the lowest cost option in terms of income and deposit;
- 7.27 For comparison, the income required to service a social rent without benefit support is £17,392 p.a.
- 7.28 Tables 4 and 5 above state the income distribution for existing and newly forming households respectively. Incomes are expressed as a range as respondents can be sensitive about declaring their exact income. It is noteworthy that the income required for 25% shared ownership on the basis of a 2% rate on unsold equity would be affordable to around 23 existing and 36 newly forming households are at the threshold of the 'intermediate range' i.e. can just afford more than a social rent but not more than lower quartile house prices. In-fact the intermediate range is quite deep in the study area as an income of £40,629 is required to afford a lower quartile house price in the study area. There are a significant number of existing and newly forming households in the intermediate range with incomes between £17,392 p.a. and £40,629 p.a. All of the products within the wide range of NPPF defined affordable products (appendix C and table 30 above) fall within this income bracket, although not all of these households may be seeking their future housing within the study area or be in affordable need.

Key Findings arising from the analysis

- 7.29 There is an estimated annual net requirement of 50 affordable dwellings; mostly 2-bedroom homes for general needs and smaller (1 and 2-bedroom) homes of older people. This is equivalent to 250 additional homes of a 5-year period.
- 7.30 22 households would potentially seek housing in Halton, 17 in Caton and 11 across the other areas (parts of Slyne, Quernmore and Skerton).
- 7.31 The most affordable of the low-cost options is a 30% discount Starter Home, requiring an annual household income of £22,120, at a 25th percentile local market price. This would be affordable to approximately two fifths of newly forming households.
- 7.32 The next most affordable option is 25% shared ownership, requiring a household income of £25,196, at a 25th percentile local market price. This would be affordable to approximately one third of newly forming households.
- 7.33 Shared ownership options are affordable to a wider group of people in the study area if the interest on residual equity is reduced to 2% see table 30 narrative. On this basis there are a significant number of existing and newly forming households in the intermediate range with incomes between £17,392 p.a. and £40,629 p.a. All of the products within the wide range of NPPF defined affordable products (appendix C and table 30 above) fall within this income bracket, although not all of these households may be seeking their future housing within the study area or be in affordable need.

- 7.34 A secondary data method has also been applied to the local population and the results confirm a similar proportion of affordable need.
- 7.35 Results have been compared the council's Housing Register, and a similar proportion of gross affordable need is apparent. Survey findings are in line with the housing mix as far as number of bedrooms is concerned, although the area of choice diverges.
- 7.36 The robustness of our finding is therefore improved, as gross requirements are similar by each method.

8. Summary of findings and conclusion

- 8.1 Information has been brought together from the following sources to form a description of the local context and of housing needs and requirements that is unlikely to be met from existing supply:
- official data from the census 2011 and other sources to profile housing and households in the study area;
 - population projections;
 - evidence from the Land Registry, VOA and Rightmove; and
 - a household survey.
- 8.2 The census in 2011 showed high proportions of larger and detached dwellings and of home ownership. 87% of the over 65 age group were owner-occupiers and this group is projected to grow by 34.5% over the 25-year period to 2014. 84% of dwellings were under-occupied to some degree, and there was a low proportion of renting.
- 8.3 Housing in the study area is more expensive than the district generally, with a difference of £44,000 at 25th percentile prices. The evidence suggests that affordability levels of both purchase and rental of local housing are low when taking household income into account and would be a significant barrier to households wishing to move. A newly forming household on the lower quartile income would be able to afford only of 40% of actual lower quartile house prices.
- 8.4 Responses given in the household survey by older residents in the study area suggest that 80% would prefer to stay in their own home, with support as needed. This would result in lower sales volumes. Meanwhile, 29% said that they would be open to buying a more suitable home on the open market.
- 8.5 Respondents told us that, in their opinion, the priority groups for any future housing development were households requiring affordable homes to rent or buy, and first-time buyers. It was thought that small family homes (2 to 3-bedroom) and small homes for single people and couples were the most important for future development.
- 8.6 67% of existing households and 57.5% of newly forming households, who wished to move, want to stay in the study area. The most frequently given reason for not being able to move was not being able to afford a suitable home.
- 8.7 30% of existing and 34% of newly forming households who wished to move said they would or may be interested in cohousing options. The most popular tenure for the former group is to buy, with affordable rent the most popular for the latter.
- 8.8 Over the next 5 years there is an estimated surplus of 137 homes, with surpluses mainly in larger houses (3 and more-bedroom); but there are shortages of:
- 16 no. 1 and 2-bedroom houses;
 - 51 no. 1 and 2-bedroom bungalows;
 - 9 no. 3 or more-bedroom bungalows;
 - 28 no. 1 and 2-bedroom flats; and
 - 9 no. 1 and 2-bedroom other housing type.

- 8.9 It is important to note that ‘surpluses’ reported here will not translate into long term vacant housing. Such housing that is not needed by local people will be sold or let to people not living in the study area that can afford to do so. However, the prediction of surpluses shows that recent and current commercial developments are not meeting the needs of local people for the specific dwelling types.
- 8.10 There is an estimated annual net requirement of 50 affordable dwellings; mostly 2-bedroom homes for general needs and smaller (1 and 2-bedroom) homes for older people. This is equivalent to 250 additional homes of a 5-year period.
- 8.11 A significant proportion of households in affordable need indicated a preference for intermediate affordable housing rather than social rented housing. Analysis of the income distribution of survey respondents shows that intermediate options are financially feasible for many households. The most affordable options can be shown to be a 30% Starter Home; however, if registered providers offer shared ownership at a lower rental charge, 25% shared ownership would be the most affordable product and would require the lowest deposit.
- 8.12 A secondary data method has also been applied to the local population and the results confirm this level of affordable need. Findings are also comparable to the council’s Housing Register.

Overall conclusion

- 8.13 It is clear that the housing profile of the area is not in step with the predicted needs of local households. Like many rural settlements the population is predominately elderly and ageing, but with some younger and newly forming households being unable to afford the premium prices associated with villages rather than town environments.
- 8.14 The survey findings are consistent with the above scenario:
- a shift in demand for market housing, as older households seek to downsize from large houses;
 - significant need for affordable housing from younger and older households, with affordable products such as Starter Homes and shared ownership housing being potentially affordable to local households, in addition to traditional social rented housing;
 - the proportion of social rented housing being smaller in the study area than the district and England as a whole, indicating a shortage.
- 8.15 The level of interest in cohousing is greater than in other studies we have conducted, by some margin. This is likely to be due to the success of the scheme that has been established locally.
- 8.16 The level of need identified by this survey (and corroborated by additional methods) needs to be fully understood when considering development proposals based upon this evidence, other development proposals, and extant planning consents. Supply from additional homes under construction, or given planning consent, cannot simply be netted off the level of affordable need. It is crucial to understand that the net imbalance of 50 homes is an annual flow, due to the circumstances of households in the study area changing constantly (births deaths, employment and retirement factors, illness,

disability and relationship breakdown). Therefore, even if 50 additional dwellings are provided and 50 local households are housed, an additional 50 households may still fall into need the following year. Whilst 50 additional homes provide a one-off supply, they will also provide a re-let supply in future years. Nationally this is around 10%, say 5 per year; but according to data supplied to us the proportion seems much lower in the study area. According to the census 2011 there were 264 affordable dwellings across the study area, so the re-let rate is very small at $6/264=2.2\%$. Even if build rates are high for a few years, there will still be an outstanding need generated every year. It is a simple matter to calculate the amount of affordable housing required at current flows of households in need.

- 8.17 If 50 homes are needed every year, we can calculate what 'stock' of affordable housing is needed to meet the needs of this flow of people, purely through re-letting of existing homes. If local re-let supply rates are used this is $50/2.2\% = 2,272$ units of affordable housing; nearly 9 times the existing stock. Even if the national rate is used, the capacity needs to be around 500, i.e. nearly double the existing stock in the study area. This is a minimum quantity, as there will always be an element of mismatch between re-let supply (type and bedrooms) and what is needed by households. Whilst building this amount of affordable housing in the study area would be implausible, the calculation serves to demonstrate the scale of the shortage of affordable housing.

Appendix A: Profile data

The figures presented in Chapter 3 are based upon the data in the following tables. All data is taken from the census 2011 unless otherwise stated. Figure and table reference numbers correspond.

Table A1 Number of bedrooms						
	Study area		Lancaster		England	
	No	%	No	%	No	%
Studio/bedsit	6	0.2	122	0.2	54,938	0.2
1-bedroom	150	4.2	5,887	10.2	2,593,893	11.8
2-bedroom	956	26.7	17,491	30.2	6,145,083	27.9
3-bedroom	1,602	44.8	23,730	41.0	9,088,213	41.2
4-bedroom	648	18.1	7,768	13.4	3,166,531	14.4
5 or more-bedroom	213	6.0	2,824	4.9	1,014,710	4.6
Total	3,575	100	57,822	100	22,063,368	100

Table A2 House type						
	Study area		Lancaster		England	
	No	%	No	%	No	%
Detached	1,165	32.6	10,658	18.4	4,949,216	22.4
Semi-detached	1,548	43.3	21,948	38.0	6,889,935	31.2
Terraced	661	18.5	15,345	26.5	5,396,459	24.5
Flat etc.	182	5.1	9,199	15.9	4,668,839	21.2
Caravan etc.	18	0.5	470	0.8	80,964	0.4
Shared dwelling	1	0.0	202	0.3	77,955	0.4
Totals	3,575	100	57,822	100	22,063,368	100

Table A3 Tenure						
	Study area		Lancaster		England	
	No	%	No	%	No	%
Owned Outright	1,700	47.6	20,890	36.1	6,745,584	30.6
Owned (Mortgaged)	1,181	33.0	19,109	33.0	7,229,440	32.8
Shared Ownership	19	0.5	367	0.6	173,760	0.8
Social rented	264	7.4	5,762	10.0	3,903,550	17.7
Private rented	365	10.2	10,929	18.9	3,715,924	16.8
Living rent free	45	1.3	765	1.3	295,110	1.3
Totals	3,575	100	57,822	100	22,063,368	100

Table A4 Population projection - district						
Projected Year	Aged 0 to 15	Aged 16 to 24	Aged 25 to 49	Aged 50 to 64	Aged 65+	All Ages
2016	23,891	23,290	40,387	26,166	27,989	141,723
2017	24,112	22,672	40,523	26,534	28,233	142,072
2018	24,523	22,266	40,368	26,874	28,491	142,518
2019	24,834	22,079	39,934	27,240	28,772	142,860
2020	25,146	21,916	39,454	27,457	29,111	143,077
2021	25,380	21,797	38,956	27,657	29,428	143,214
2022	25,533	21,700	38,622	27,741	29,786	143,383
2023	25,592	21,760	38,475	27,594	30,218	143,639
2024	25,537	22,017	38,407	27,304	30,726	143,991
2025	25,544	22,347	38,296	26,967	31,259	144,408
2026	25,519	22,729	38,181	26,619	31,786	144,834
2027	25,284	23,390	38,108	26,043	32,434	145,259
2028	25,038	23,950	38,020	25,590	33,011	145,606
2029	24,830	24,387	37,907	25,163	33,614	145,897
2030	24,678	24,692	37,749	24,724	34,297	146,142
2031	24,508	24,946	37,678	24,369	34,859	146,360
2032	24,341	25,060	37,667	23,983	35,416	146,468
2033	24,207	25,000	37,670	23,683	35,910	146,468
2034	24,061	24,931	37,652	23,350	36,419	146,409
2035	23,925	24,846	37,666	23,085	36,827	146,349
2036	23,804	24,664	37,753	22,828	37,200	146,252
2037	23,707	24,477	37,875	22,634	37,484	146,175
2038	23,635	24,336	37,979	22,556	37,615	146,116
2039	23,583	24,240	37,987	22,609	37,661	146,076
2040	23,553	24,141	37,889	22,787	37,673	146,043
2041	23,548	24,024	37,737	23,052	37,657	146,016

Table A5 Number of bedrooms by tenure (Study area only)										
	Owned outright		Owned (mortgage)		Social rented		Private rented		Row totals	
	No.	%	No.	%	No.	%	No.	%	No.	%
1-bedroom	30	0.8	17	0.5	70	2.0	39	1.1	155	4.3
2-bedroom	451	12.6	228	6.4	96	2.7	181	5.1	956	26.7
3-bedroom	808	22.6	556	15.6	90	2.5	148	4.1	1,602	44.8
4 or more-bedrooms	411	11.5	399	11.2	8	0.2	43	1.2	862	24.1
Column Totals	1,700	47.6	1,200	33.6	264	7.4	410	11.5	3,575	100

Table A6 House type by tenure (Study area only)										
	Owned outright		Owned (mortgage)		Social rented		Private rented		Row totals	
	No.	%	No.	%	No.	%	No.	%	No.	%
Detached house/bungalow	728	20.4	339	9.5	15	0.4	83	2.3	1,165	32.6
Semi-detached house/bungalow	711	19.9	594	16.6	101	2.8	142	4.0	1,548	43.3
Terraced house/bungalow	201	5.6	238	6.7	98	2.8	123	3.4	661	18.5
Flat etc.	60	1.7	29	0.8	50	1.4	61	1.7	201	5.6
Column totals	1,700	47.6	1,200	33.6	264	7.4	410	11.5	3,575	100

Table A7 Tenure: HRP aged 65 or over						
	Study area		Lancaster		England	
	No	%	No	%	No	%
Owned	1,000	81.4	12,141	72.7	3,822,366	66.8
Owned mortgage	72	5.9	1,287	7.7	444,300	7.8
Social Rented	91	7.4	1,928	11.5	1,084,460	19.0
Private Rented	66	5.4	1,341	8.0	370,598	6.5
All Households > 65	1,229	100	16,697	100	5,721,724	100

Table A8 Population age structure						
	Study area		Lancaster		England	
	No.	%	No.	%	No.	%
Age 0 to 4	390	4.8	7,232	5.2	3,318,449	6.3
Age 5 to 7	243	3.0	3,956	2.9	1,827,610	3.4
Age 8 to 9	172	2.1	2,511	1.8	1,145,022	2.2
Age 10 to 14	448	5.5	7,714	5.6	3,080,929	5.8
Age 15	98	1.2	1,557	1.1	650,826	1.2
Age 16 to 17	179	2.2	3,260	2.4	1,314,124	2.5
Age 18 to 19	148	1.8	6,456	4.7	1,375,315	2.6
Age 20 to 24	343	4.2	13,194	9.5	3,595,321	6.8
Age 25 to 29	344	4.2	7,969	5.8	3,650,881	6.9
Age 30 to 44	1,421	17.3	24,291	17.6	10,944,271	20.6
Age 45 to 59	1,768	21.6	26,135	18.9	10,276,902	19.4
Age 60 to 64	680	8.3	8,735	6.3	3,172,277	6.0
Age 65 to 74	1,051	12.8	13,256	9.6	4,552,283	8.6
Age 75 to 84	656	8.0	8,572	6.2	2,928,118	5.5
Age 85 to 89	171	2.1	2,348	1.7	776,311	1.5
Age 90 & on	86	1.0	1,189	0.9	403,817	0.8
Totals	8,198	100	138,375	100	53,012,456	100

Table A9 Household composition						
	Study area		Lancaster		England	
	No	%	No	%	No	%
One person aged 65 & 65+	561	15.7	8,225	14.2	2,725,596	12.4
One person other	481	13.5	10,613	18.4	3,940,897	17.9
Family all aged 65 and 65+	455	12.7	5,388	9.3	1,789,465	8.1
Married couple no children	601	16.8	7,563	13.1	2,691,927	12.2
Married couple 1 dependent child	195	5.5	3,067	5.3	1,285,267	5.8
Married couple: 2 or more dependent children	355	9.9	4,523	7.8	2,087,738	9.5
Married couple: non-dependent children	227	6.3	2,797	4.8	1,233,748	5.6
Same-sex Civil Partnership couple	3	0.1	85	0.1	30,775	0.1
Cohabiting couple: no children	177	4.9	3,121	5.4	1,173,172	5.3
Cohabiting couple 1 dependent child	45	1.2	1,179	2.0	438,750	2.0
Cohabiting couple 2 or more dependent children	59	1.7	1,191	2.1	452,030	2.0
Cohabiting couple: non-dependent children	18	0.5	296	0.5	108,486	0.5
Lone parent 1 dependent child	102	2.9	2,359	4.1	883,356	4.0
Lone parent 2 or more dependent children	72	2.0	1,627	2.8	689,899	3.1
Lone parent all children non-dependent	69	1.9	1,648	2.9	766,569	3.5
Other: One dependent child	31	0.9	622	1.1	290,816	1.3
Other with 2 or more dependent children	21	0.6	450	0.8	293,200	1.3
Other: All full-time student	4	0.1	860	1.5	124,285	0.6
Other: All aged 65 and over	9	0.3	196	0.3	61,715	0.3
Other household types	89	2.5	2,012	3.5	995,677	4.5
Totals	3,575	100	57,822	100	22,063,368	100

Table A10 Occupancy rating by each tenure (Study area only)						
	Owned		Social rented		Private rented	
	No	%	No	%	No	%
2+ bedrooms	1,551	43.4	33	0.9	97	2.7
1 bedroom	1,042	29.1	83	2.3	197	5.5
0	283	7.9	133	3.7	102	2.8
-1 bedrooms	25	0.7	15	0.4	14	0.4
Total	2,901	81.1	264	7.4	410	11.5

Appendix B: Survey data

	All responses		Tenure					
			Owner Occupier		Private rent		Affordable rent	
	Total	%	No.	%	No.	%	No.	%
Halton	278	31	139	24	95	42	44	55
Caton	166	19	119	21	47	21	0	0
Slyne	48	5	48	8	0	0	0	0
Quernmore	45	5	26	4	19	8	0	0
Nether Kellet	56	6	25	4	31	14	0	0
Elsewhere within Lancaster City area	115	13	63	11	18	8	34	43
Outside the Lancaster City area	176	20	158	27	16	7	2	3
Total	884		578		226		80	
Actual base	278	31	139	24	95	42	44	55

	Total	Total %
Halton	128	25.3
Caton	65	12.8
Slyne	44	8.7
Quernmore	16	3.2
Nether Kellet	38	7.5
Elsewhere within the Lancaster City area	52	10.3
Outside the Lancaster City area	163	32.2
Total	506	

Appendix C: NPPF February 2019 Summary of affordable housing definition

Affordable housing:

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

- a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).
- b) Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.
- c) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.
- d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to government or the relevant authority specified in the funding agreement.

Appendix D: Full Version of the affordable need 4 stage model

Table D1 Affordable needs assessment summary			
Step	Stage and Step description	Calculation	Number
	Stage 1: CURRENT NEED		
1.1	Homeless households and those in temporary accommodation	Annual requirement	38
1.2	Overcrowding and concealed households	Current need	31
1.3	Other groups	Current need	182
1.4	Total current housing need (gross)	Total no. of households with one or more needs	230
	Stage 2: FUTURE NEED		
2.1	New household formation	Annual requirement based on average of past formation rate, national formation rate and households wanting to form in the next 5-years	60
2.2	Newly forming households needing affordable accommodation	44.9%	27
2.3	Existing households falling into need	Annual requirement	12
2.4	Total newly-arising housing need (gross each year)	2.2 + 2.3	39
	Stage 3: AFFORDABLE HOUSING SUPPLY		
3.1	Affordable dwellings occupied by households in need	(based on 1.4)	31
3.2	Surplus stock	Vacancy rate <2% so no surplus stock assumed	0
3.3	Committed supply of new affordable units	Total annual	11
3.4	Units to be taken out of management	None assumed	0
3.5	Total affordable housing stock available	3.1+3.2+3.3-3.4	42
3.6	Annual supply of social re-lets (net)	Based on re-lets from Lune Valley Annual Report 2017	6
3.7	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels		0
3.8	Total annual supply of affordable housing	3.5:3.7	6
	Stage 4: ESTIMATE OF 5 YEAR HOUSING NEED		
4.1	Total backlog need	1.4-3.5	188
4.1A	Total cannot afford	44.9%	84
4.2	Quota to reduce over 5 years	20%	
4.3	Annual backlog reduction	Annual (cleared over 5 years)	17
4.4	Newly-arising need (annual)	2.4	39
4.5	Total affordable need (annual)	4.3+4.4	56
4.6	Affordable capacity (annual)	3.8	6
4.7	NET SHORTFALL (annual)	4.5-4.6 NET	50