# HEDNA Appendices

**Leicester and Leicestershire
Authorities and the Leicester and
Leicestershire Enterprise Partnership**

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**Prepared by**

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# 1      DEFINING THE HOUSING MARKET AREA

1.1     The purpose of this section is to assess what the relevant Housing Market Areas (HMA) that Leicester and the Leicestershire authorities sit within is.

## HMA Guidance

1.2     The National Planning Policy Framework (NPPF) states that in planning for housing provision, local authorities should work together at a 'housing market area' level. The starting point in planning for housing is that objectively assessed needs for the housing market area should be met within it.

1.3     Based on Planning Practice Guidance (PPG) the housing market areas are geographical areas defined by household demand and preferences for housing. It identifies three primary sources of information which can be used to define these:

- House prices and rates of change in house prices, which reflect household demand and preferences for different sizes and types of housing in different locations;
- Household migration and search patterns, reflecting preferences and the trade-offs made when choosing housing with different characteristics; and
- Contextual data, such as travel to work areas, which reflects the functional relationships between places where people work and live.

1.4     We have not reviewed 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, they 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.

1.5     The PPG largely reiterates previous guidance on defining HMAs set out within the CLG's 2007 Advice Note[1] 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.

1.6     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.

1.7     A further practical issue regards the geographical building blocks that housing market areas are built up from. A key purpose of a HEDNA is to define the Objectively Assessed Need (OAN) for housing and land/floorspace for economic growth. Paragraphs 15-17 of the PPG relating to Housing

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

and Economic Development Needs Assessments are clear that the starting point for doing so is 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.

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

1.9     On this basis we consider that HMAs should be defined based on the 'best fit' to local authority boundaries; albeit that assessments can (and should) recognise cross-boundary influences and interactions. Paragraph 5.21 of the PAS Technical Advice Note[2] 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."*

1.10    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.

1.11    The guidance makes it clear that these sources of information can reflect different aspects of household behaviour and that there is therefore no 'right or wrong' set to use in identifying housing markets; the focus is on considering what is appropriate in a local context.

1.12    The 2014 SHMA sought to assess housing market geographies, considering past research (including the national CURDS Study), migration and commuting patterns, house price differentials and socio-economic characteristics using Experian's MOSAIC classification.

1.13    Since this time additional data has been issued which should be considered for this work, in particular 2011 Census flow data on commuting and migration and official Travel to Work Areas from the Office of National Statistics (ONS).

### National Research on Defining Housing Market Areas

1.14    As well as the PPG there are also some further practical issues in identifying the HMA which are dealt with in the recent Planning Advisory Service (PAS) Technical Advice Note on Objectively Assessed Need and Housing Targets[3].

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

1.15    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."*

1.16    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 2010[4]. This has defined a consistent set of HMAs across England based on migration and commuting data from the 2001 Census.

1.17    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.

1.18    Our approach is structured to firstly consider the CURDS geographies then other recent work which has considered housing market geographies in Leicester and Leicestershire and the surrounding areas and finally to establish the most appropriate HMA boundaries through analysis of key indicators set out in the PPG.

1.19    The CURDS work sought to identify the geographies of housing markets across England. This academic-driven project considered commuting and migration dynamics and house prices standardised for differences in housing mix and neighbourhood characteristics.

1.20    This information was brought together to define a three tiered structure of housing markets, as follows:

- Strategic (Framework) Housing Market Areas– based on 77.5% commuting self-containment (Figure 1);
- Local Housing Market Areas – which are sub divisions of the framework HMAs in urban areas are based on 50% migration self-containment (Figure 2); and
- Sub-Markets – which would be defined based on neighbourhood factors and house types.

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

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

1.21    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.

**Figure 1: CURDS-defined Strategic Housing Market Areas**
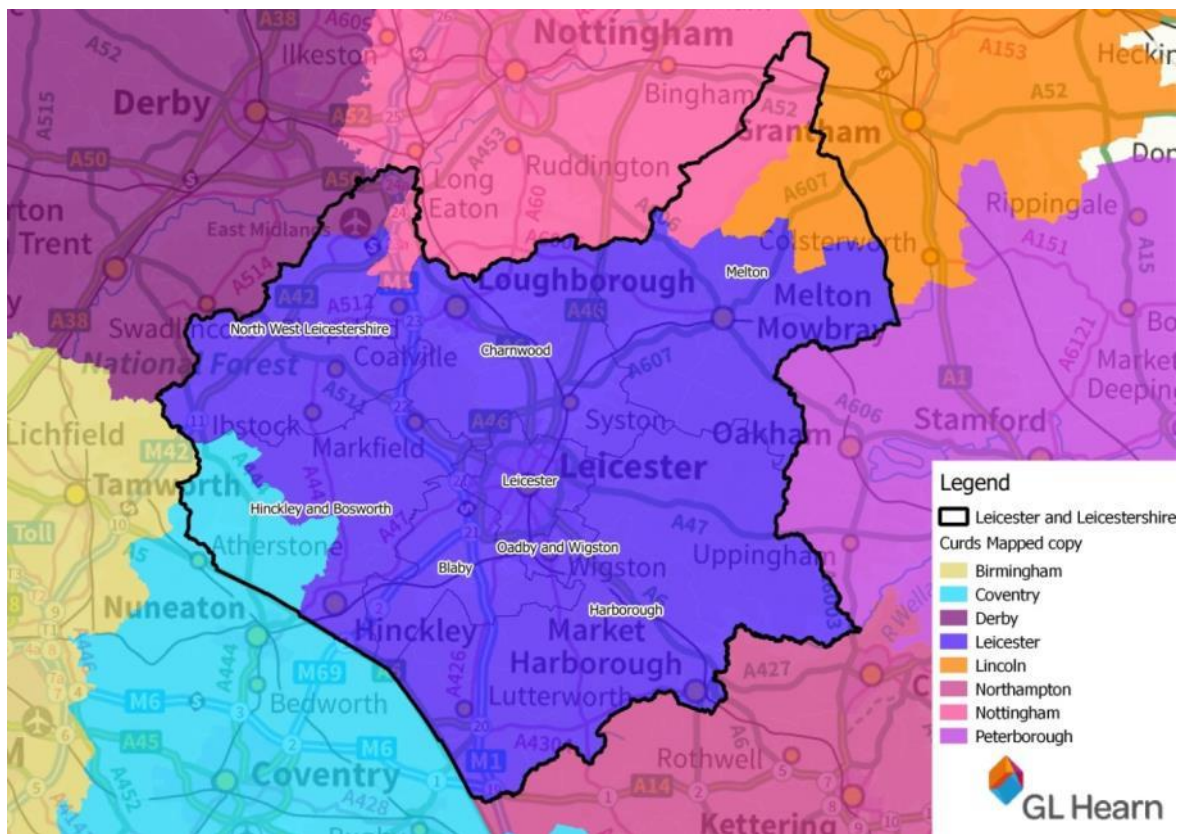


Source: *CURDS Study*

1.22    The CURDS Study also defined Local Housing Market Areas (LHMAs) which are embedded within the Framework of HMAs, based on areas with 50% self-containment of migration flows (using 2001 Census data).

1.23    The study area consists of eight LHMAs. The Coalville, Hinckley, Leicester West, Leicester East and Market Harborough, Melton Mowbray and Loughborough LHMA sit entirely within the study area. The northern part of North West Leicestershire DC sits within Derby LHMA; parts of Charnwood BC and Melton BC sit within Nottingham LHMA; the north east part of Melton BC sits within Grantham LHMA; and the western part of Hinckley and Bosworth BC sits within Nuneaton LHMA.

**Figure 2:  CURDS-defined Local Housing Market Areas**
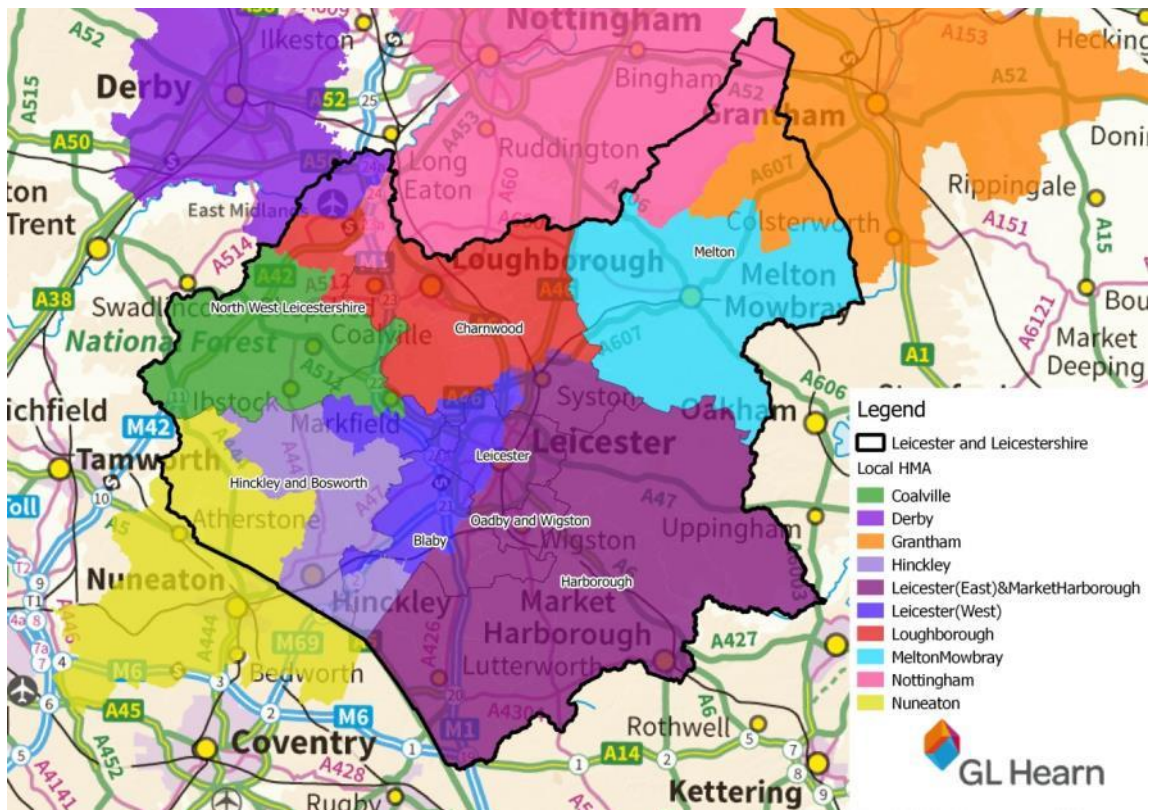


Source: *CURDS Study*

1.24    The CURDS work defined HMAs by grouping wards together. However, as population and household projections are only published at a local authority basis, it is accepted standard practice to group local authorities as the "best fit" to an HMA.

1.25    Figure 3 shows the "Single Tier Silver Standard" geography defined by CURDS. This shows that there is a single HMA across the county extending in to South Derbyshire. 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 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."*

**Figure 3:   CURDS-defined Silver Standard Housing Market Areas**
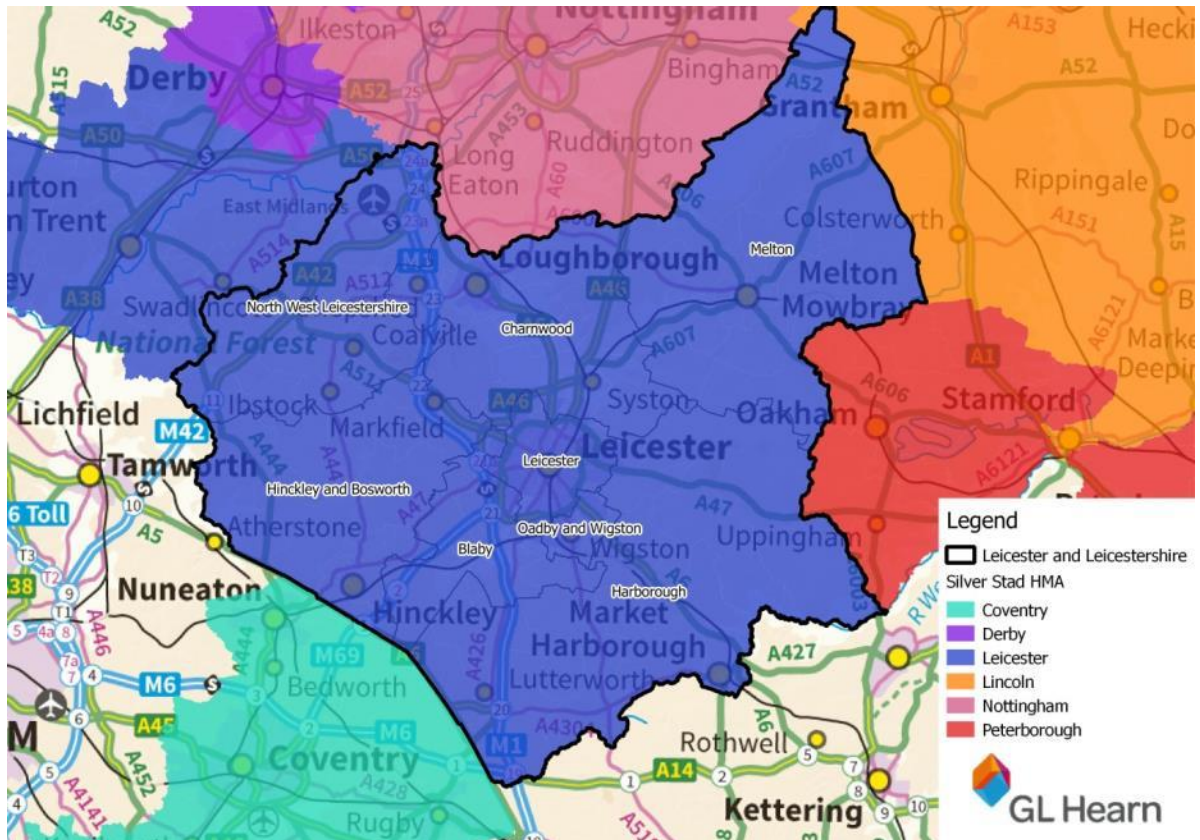


Source: *CURDS Study*

1.26    It should be noted that these HMA definitions are based on 2001 Census analysis (which is now somewhat dated). In addition this research is based on national-level data analysis which whilst providing a useful basis for starting to look at housing market areas is undertaken at a high level. Thus this report tests and considers further the definition of housing market areas based on other research and more recent evidence as presented in the following sections.

## Regional Research on Housing Market Areas

1.27    A regional study was undertaken by DTZ for the East Midlands Regional Assembly and the Homes and Communities Agency in 2005 to define housing market areas across the East Midlands. This concluded that the Leicester Housing Market Area embraces all of Blaby, Charnwood, Harborough, Hinckley and Bosworth, the City of Leicester and Oadby and Wigston local authority areas.

1.28    Melton BC was shown to be in an area of overlap between Leicester, Peterborough and Nottingham HMAs. Similarly North West Leicestershire was in an area of overlap between the Leicester and Derby HMA (which also included South Derbyshire). The area around Melton Mowbray was characterised as "area of regional distinctiveness".

1.29   The spatial boundaries of the housing market areas identified in the DTZ research are shown in the Figure 4 below.

**Figure 4:   DTZ-defined Spatial boundaries in East Midlands**
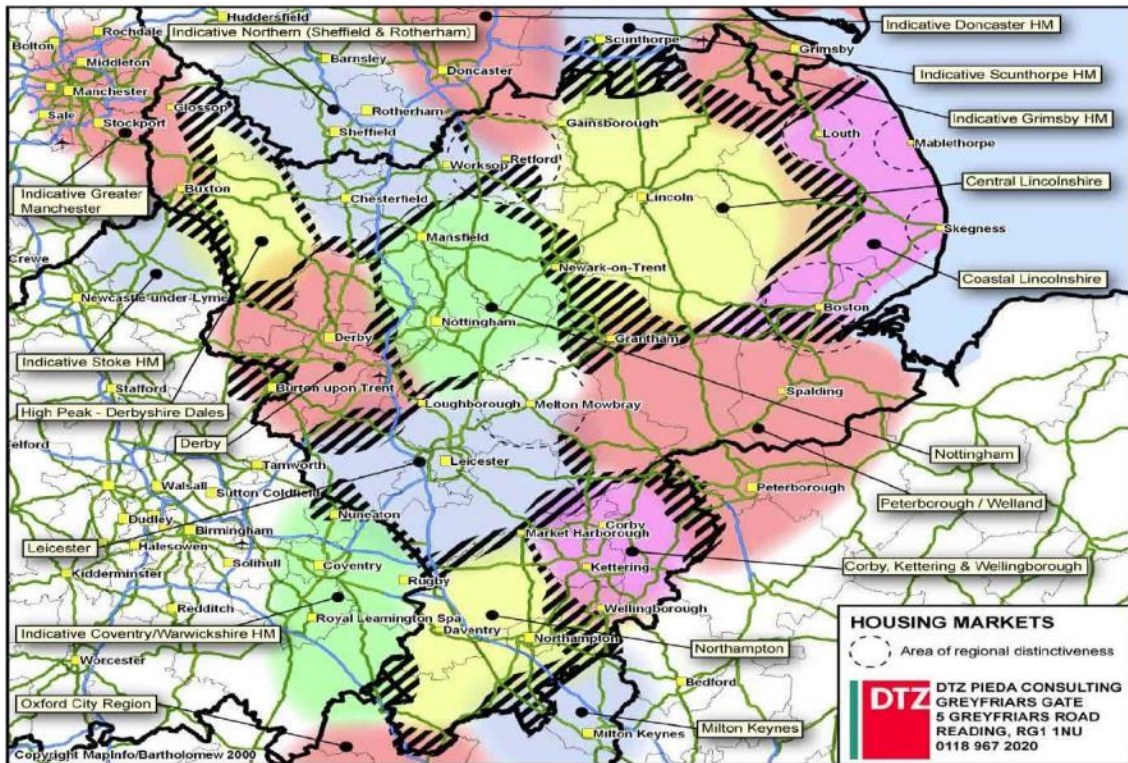


Source: *DTZ*

## Updating the Evidence

1.30   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.

1.31   Paragraph 011 of the PPG (ID: 2a-011-20140306) relating to housing and economic development needs assessments states that house prices can be used to provide a 'market based' definition of HMA boundaries, based on considering areas which (as the PPG describes) have clearly different price levels compared to surrounding areas.

1.32   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 Figure 114 below:

**Figure 5:  Understanding Housing Demand Drivers**



Source: GL Hearn

1.33    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).

1.34    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).

1.35    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.

1.36    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. 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.

1.37    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 by and to some degree reinforces the existing stock profile.

1.38    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.

1.39    The important thing to recognise here is that we are likely to see localised variations in housing costs which reflect differences in the housing offer, quality of place and accessibility of different areas. We would also expect urban areas to have lower house prices than neighbouring suburban or rural areas. This reflects differences in the size/m2 of properties being sold and the influence of quality of place on housing costs. Some settlements, or parts of an area, are likely to command higher prices than others reflecting these factors; and indeed we would expect areas with varying house prices within any HMA reflecting these issues. These factors are most relevant in considering housing sub-markets (the third tier of market using the CURDS definition).

1.40    What this section is focused upon is considering market geographies at a higher spatial level. Consideration of price differentials at a sub-region level is therefore of most relevance.

## House Prices

1.41    With the exception of central London the general geography of house prices is of higher housing costs in rural areas with lower housing costs within the principal urban areas. This largely reflects the mix of housing within these respective areas although other considerations such as the quality of place and accessibility also factor.

1.42    Using Land Registry data to map house prices across Leicester and Leicestershire and the wider area. This illustrates that in relative terms, average house prices for property are lowest in the City of Leicester and highest in the attractive smaller settlements such as Market Bosworth (Hinckley and Bosworth BC), Great Easton (Harborough DC) or villages in the north eastern part of Melton BC.

1.43    Figure 6 illustrates the heat map of the housing prices paid in 2015. The following broad price zones[5] can be identified:

- Prices under £175,000 in the City of Leicester (Inner and Outer), Wigston and Coalville;
- Prices between £175,000 and £200,000 in Hinckley, Kegworth, Ibstock and Markfield;
- Prices between £200,000 and £225,000 in Loughborough, Caste Donington and Melton Mowbray;

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[5] Based on data from Land Registry 2015 Complete Year.

- Prices between £225,000 and £250,000 in Oadby, Ashby-de-la-Zouch and Burbage;
- Prices between £250,000 and £275,000 in Market Harborough and Lutterworth and;
- Prices above £275,000 in Market Bosworth and the north east parts of Melton BC including Normanton, Bottesford, Muston and Redmile.

**Figure 6: House Price paid in 2015**
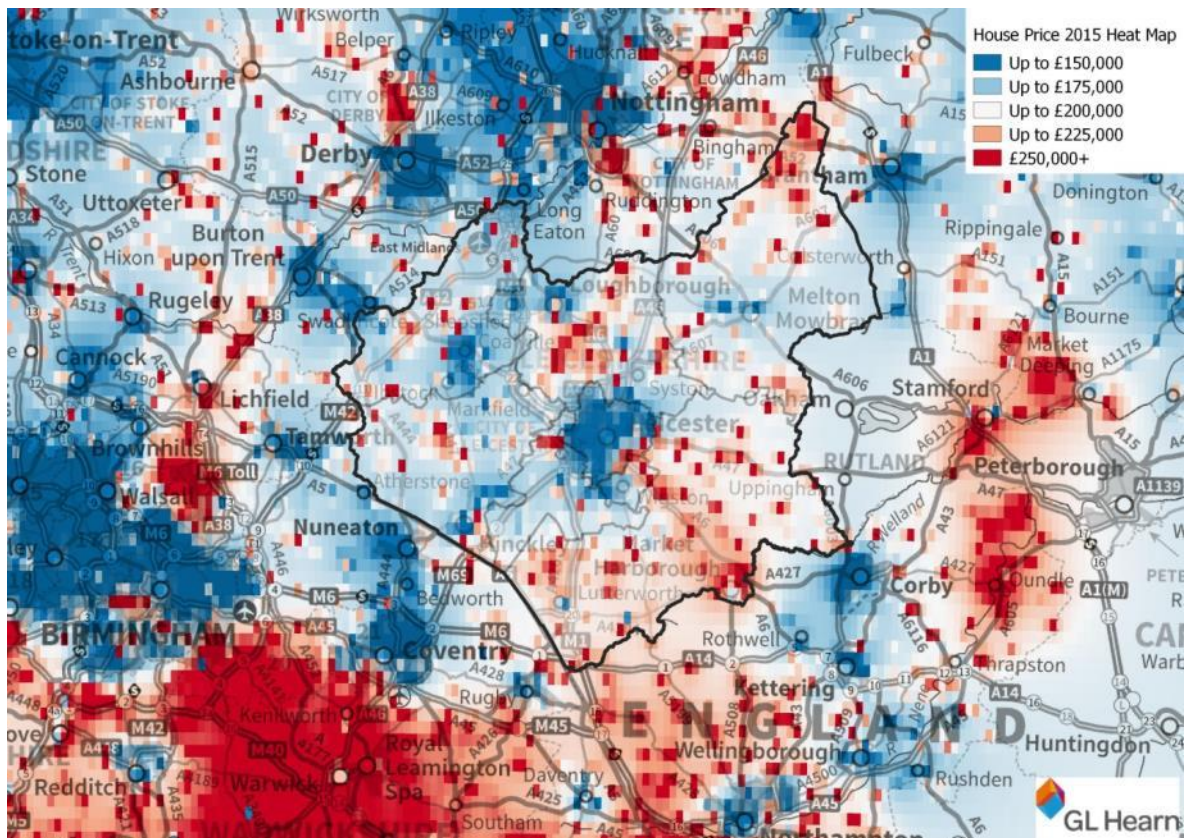


*Source: Land Registry, 2016*

### House Price by Type

1.44    Typically, we would expect higher house prices in those areas which have a high percentage of detached properties (rural areas) and lower values in areas where there are high percentages of smaller flatted stock (urban areas).

1.45    In order to corroborate 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. Figure 7 sets out median house price by type for each local authority in Leicestershire.

**Figure 7:   Median Price by type of residence 2015**
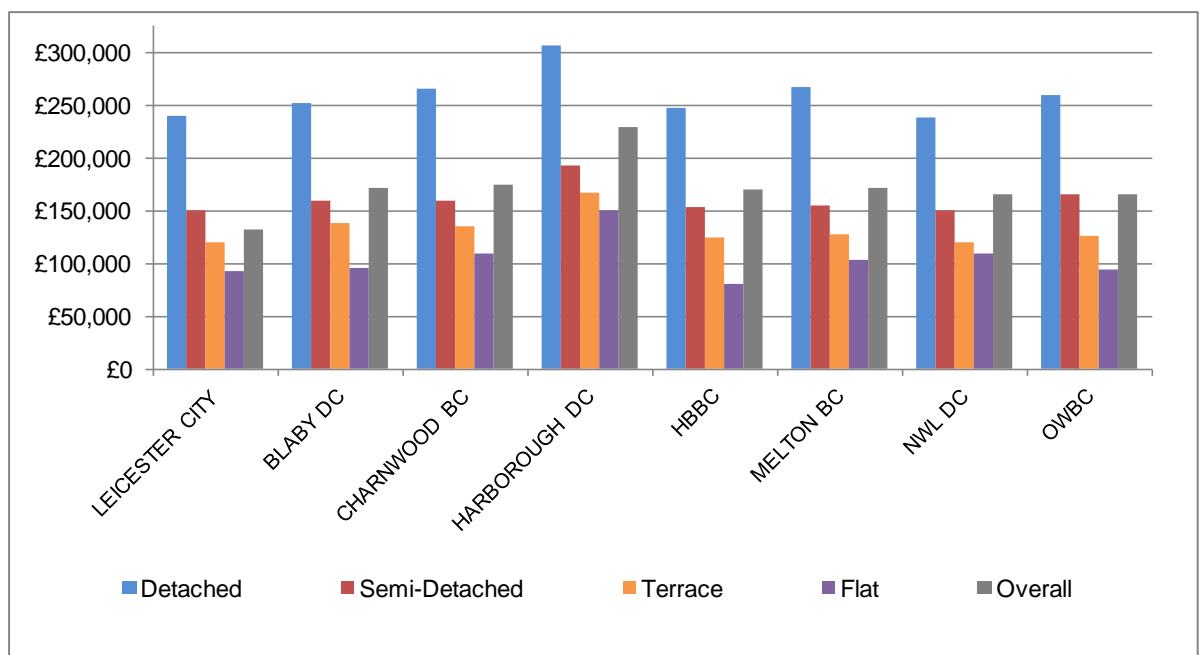


*Source: CLG (2015) and Land Registry (2016)*

1.46    Comparing the overall price figure, Harborough DC prices are the highest in the study area (approx £230,000). Apart from the City of Leicester the rest of the authorities have a price narrow range between £165,000 and £175,000. The City's house price overall is £132,000, substantially lower than the rest of the study area.

### House Price Change

1.47    The table below presents house price change analysis looking at the changes over 1, 5, 10 and 15 year periods to 2015. Since 2000 all the authorities have had substantially increased housing prices, however only the City of Leicester, Charnwood BC and Hinckley and Bosworth BC had a higher

increase than the national figure. The earlier part of this period coincided with some of the highest rises in house prices recorded.

1.48    In the last ten years median house prices in study area have increased by a more modest 18% overall. Harborough DC had the highest increase (25%) however that was still lower than the national comparator.

1.49    Between 2010 and 2015 the prices continued to increase with a 12% increase for the study area. Blaby DC, Charnwood BC and Harborough DC presented the highest increase rate (14%) which was above the rate of England and Wales.

1.50    In the last year the median house prices across the study area increased by 3%. Oadby and Wigston had the highest rate (7%), followed by the City of Leicester (6%). The national rate for the same period was 6% and the regional 5%.

1.51    There were also notably slower rates of growth over the last year. Median prices in Melton BC only increased by 2% while median prices in North West Leicestershire DC did not change.

**Table 1:      Median House Prices and Changes since 2000**

|                      | 15 years change (2000-2015) | 10 years change (2005-2015) | 5 years change (2010-2015) | 1 years change (2014-2015) |
|----------------------|:---:|:---:|:---:|:---:|
| England and Wales    | 154% | 30% | 12% | 6% |
| East Midlands        | 148% | 17% | 12% | 5% |
| Leicestershire       | 137% | 13% | 6% | n/a |
| Blaby                | 141% | 17% | 14% | 1% |
| Charnwood            | 169% | 21% | 14% | 4% |
| Harborough           | 143% | 25% | 14% | 4% |
| Hinckley & Bosworth  | 158% | 20% | 11% | 4% |
| Melton               | 137% | 17% | 9% | 2% |
| NWL                  | 145% | 17% | 11% | 0% |
| Oadby & Wigston      | 145% | 14% | 12% | 7% |
| Leicester            | 183% | 13% | 10% | 6% |
| **HMA Average**      | **151%** | **18%** | **12%** | **3%** |

Source: CLG (2015) and Land Registry (2016)

## Migration patterns

1.52    Migration flows reflect the movement of people between homes. They are thus an important factor in considering the definition of an HMA. Migration data from the 2011 Census is only published at a local authority level. The Census records migration, asking people where they lived one year prior to Census day and on Census day itself. The use of Census data is preferable to other data (such as from the NHS Central Health Register) as it records movement within individual local authorities, as well as between them.

**Self-Containment within Individual Local Authorities**

1.53    The core analysis relating to migration is self-containment rates. Paragraph 11 of the PPG sets out that when defining HMAs:

> *"Migration flows and housing search patterns reflect preferences and the trade-offs made when choosing housing with different characteristics. Analysis of migration flow patterns can help to identify these relationships and the extent to which people move house within an area. The findings can identify the areas within which a relatively high proportion of household moves (typically 70 per cent) are contained. This excludes long distance moves (e.g. those due to a change of lifestyle or retirement), reflecting the fact that most people move relatively short distances due to connections to families, friends, jobs, and schools."*

1.54    Table 2 shows self-containment levels within the individual authorities initially including long-distance moves. These can be measured either in terms of those who moved out of or those who moved in to each local authority during 2010-2011.

1.55    The self-containment rate varies significantly across the study area from 26.5% in Oadby and Wigston BC to 66.2% in the City of Leicester. It should be noted that there are significant flows of students between both of these local authorities as the halls of residence for the University of Leicester sit within Oadby and Wigston with the student area post first year located in the City of Leicester.

**Table 2:      Self-containment of Migration flows within Individual Authorities 2010-11**

| Local Authority | % Self-containment of out to flows | % Self-containment of in from flows |
|---|---|---|
| Leicester | 66.21% | 63.96% |
| Blaby | 40.41% | 42.69% |
| Charnwood | 58.48% | 54.67% |
| Harborough | 47.87% | 48.23% |
| Hinckley & Bosworth | 56.29% | 57.39% |
| Melton | 60.96% | 58.01% |
| NWL | 56.42% | 56.39% |
| Oadby & Wigston | 26.52% | 27.68% |

Source: *Census 2011*

1.56    We have then sought to re-calculate the self-containment rate with long distance moves excluded. For this we have defined long distance flows as those coming from outside of a 50 mile distance from Leicestershire. In total there are 66 local authorities which fall into the "short distance" moves category. This analysis presented in the table below shows that the updated self-containment varies between 30.42% and 83.54%.

**Table 3:    Self-containment of Short Distance Migration flows within Individual Authorities 2010-11**

| Local Authority | % Self-containment of out to flows | % Self-containment of in from flows |
|---|---|---|
| Leicester | 76.03% | 75.53% |
| Blaby | 46.92% | 47.03% |
| Charnwood | 83.54% | 71.06% |
| Harborough | 60.13% | 56.30% |
| Hinckley & Bosworth | 64.54% | 63.83% |
| Melton | 70.21% | 66.22% |
| NWL | 65.30% | 62.82% |
| Oadby & Wigston | 30.42% | 38.51% |

Source: *Census 2011*

1.57    Because many of the local authorities fall below the typical 70% self-containment rate we have sought to aggregate these local authorities to larger areas to ensure the threshold is exceeded. We have sought to analyse the gross flows in order to understand the strongest inter-relationships and thus the most logical groupings of local authorities.

**Migration flows between local authorities**

1.58    In absolute terms almost all of the largest gross migration flows[6], involve the City of Leicester:

- The City of Leicester and Oadby and Wigston BC combined flow of 3,081 persons per annum;
- The City of Leicester and Blaby DC combined flow of 2,854 ppa;
- The City of Leicester and Charnwood BC combined flow of 2,596 ppa;
- Blaby DC and Hinckley and Bosworth BC combined flow of 1,082 ppa and;
- The City of Leicester and Harborough DC combined flow of 1,062 ppa.

1.59    The major flows to areas outside of Leicester and Leicestershire are principally to other relatively large nearby cities. For example, there are gross flows of over 1,000 people per annum from Leicester and Leicestershire to Birmingham, Nottingham, Coventry, Sheffield and Leeds. This can be closely linked with the migration for employment and student population moving to and from these areas.

1.60    More locally, there were notable gross flows between North West Leicestershire DC and South Derbyshire DC (1,090ppa), Harborough DC and Kettering BC (550 ppa), Hinckley and Bosworth BC and Nuneaton and Bedworth BC (640 ppa) and Melton BC and South Kesteven DC (440 ppa) in 2014.

1.61    Typically, this data 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

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[6] ONS Internal Migration Statistics, annual average 2006-14

the population of the authorities, with for instance the expectation that two large urban authorities would support stronger flows than two smaller ones.

1.62    Taking this into account, we have sought to standardise the analysis of gross flows to take account of the combined population of the different authorities. The tables and figures below show gross migration flows in numeric terms and expressed per combined 1,000 people. In other words the map below illustrates the interrelationships between the study area and its surroundings based on Census 2011 and weighted to reflect the size of the combined population.

1.63    The analysis suggests that all the local authorities present their strong inter-relationships with another local authority within the Leicester and Leicestershire administrative area apart from North West Leicestershire DC that has its strongest gross weighted flow with South Derbyshire DC.

**Figure 8:   Gross weighted migration flows**
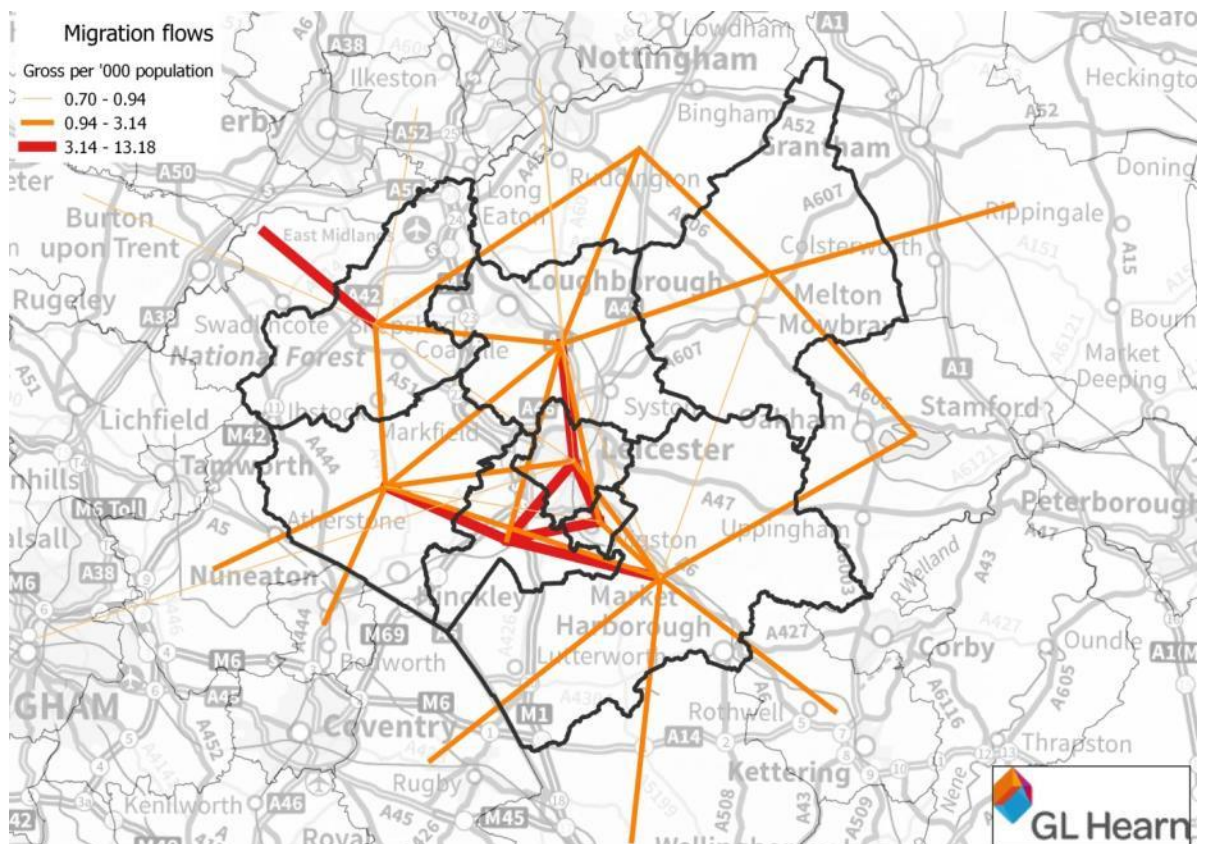


Source: *Census 2011, GL Hearn Analysis*

1.64    Blaby DC, Charnwood BC and Oadby and Wigston BC have their strongest gross weighted flows with the City of Leicester. Melton BC's strongest and North West Leicestershire DC's second strongest flows are with Charnwood BC suggesting strong links across the north of the county. Hinckley and Bosworth BC and Harborough DC have their strongest gross weighted flows with

Blaby DC. Finally the City of Leicester's strongest flow is with Oadby and Wigston BC followed closely by Blaby DC and Charnwood BC.

1.65    Migration from Oadby and Wigston BC to the City of Leicester is particularly strong and can be largely attributed to students moving from the Student Halls in Oadby and Wigston BC to the student areas in the City of Leicester, such as Evington and Clarendon Park.

**Table 4:    Top Gross flows Per '000 population for each Authority**

|  | Leicester | Blaby | Charn-wood | Har-borough | Hinckley & Bosworth | Melton | NW Leics | Oadby & Wigston |
|---|---|---|---|---|---|---|---|---|
| **Leicester** | - | **6.24** | **5.62** | 2.42 | 1.99 | 0.58 | 0.72 | **8.41** |
| **Charnwood** | 5.62 | 2.08 | - | 0.92 | 1.75 | **1.64** | 2.87 | 1.00 |
| **Blaby** | 6.24 | - | 2.08 | **3.94** | **4.41** | 0.42 | 0.65 | 3.98 |
| **Oadby & Wigston** | **8.41** | 3.98 | 1.00 | 3.14 | 0.74 | 0.53 | 0.36 | - |
| **Harborough** | 2.42 | 3.94 | 0.92 |  | 1.48 | 0.74 | 0.25 | 3.14 |
| **Hinckley & Bosworth** | 1.99 | 4.41 | 1.75 | 1.48 | - | 0.48 | 2.28 | 0.74 |
| **NW Leics** | 0.72 | 0.65 | 2.87 | 0.25 | 2.28 | 0.49 | - | 0.36 |
| **Melton** | 0.58 | 0.42 | 1.64 | 0.74 | 0.48 | - | 0.49 | 0.53 |
| **Nottingham** | 0.86 | 0.32 | 0.80 | 0.25 | 0.19 | 0.35 | 0.38 | 0.19 |
| **Derby** | 0.51 | 0.20 | 0.45 | 0.05 | 0.16 | 0.10 | 0.67 | 0.11 |
| **Nuneaton & Bedworth** | 0.30 | 0.21 | 0.15 | 0.20 | 2.54 | 0.01 | 0.21 | 0.07 |
| **Rushcliffe** | 0.27 | 0.21 | 1.67 | 0.17 | 0.15 | 1.57 | 1.18 | 0.12 |
| **South Derbyshire** | 0.20 | 0.19 | 0.37 | 0.08 | 0.21 | 0.10 | **4.70** | 0.13 |
| **Erewash** | 0.13 | 0.11 | 0.33 | 0.06 | 0.05 | 0.11 | 0.94 | 0.01 |
| **East Staffs** | 0.14 | 0.04 | 0.14 | 0.11 | 0.10 | 0.04 | 0.81 | 0.05 |
| **North Warks** | 0.09 | 0.05 | 0.11 | 0.11 | 1.16 | 0.04 | 0.52 | 0.13 |

*The green boxes highlight the top gross flow for each Authority*

*Source:* Census 2011, GL Hearn Analysis

1.66    North West Leicestershire DC is the only local authority which in weighted gross migration terms has its strongest relationship with a local authority outside of the study area, South Derbyshire DC. This is also North West Leicestershire DC's strongest relationship in absolute terms. Although South Derbyshire DC's absolute flows and weighted flows are stronger with Derby City and East Staffordshire DC.

**Reconsidering Self-Containment**

1.67    We have therefore sought to test the self-containment of a combined North West Leicestershire DC and South Derbyshire DC area as this presents the strongest weighted gross flows. The combined area (North West Leicestershire DC and South Derbyshire DC) has a self-containment rate including long distances of 57% in-flows and 58% out-flows. The self-containment of short distances is 64% for in-flows and 66.5% for out-flows. Thus the area should not be considered as a HMA on its own right. However, the strong links suggest that there should be synergies under duty to cooperate between the two authorities.

1.68    We have next sought to group the self-containment rate for the entire study area. This is justified on the basis of the complex set of relationships identified above which in general centre around the City of Leicester. The findings are presented in the table below and support the notion of a single HMA covering the study area.

**Table 5:    Self-containment of Short Distance Migration flows for the total of the study area**

| Local Authority | % Self-containment of out to flows | % Self-containment of in from flows |
|---|---|---|
| **Study Area** | **90.52%** | **83.81%** |

*Source:* Census 2011, GL Hearn Analysis

1.69    As illustrated the Study area has a significant self-containment rate (over 90%) when long distance moves are excluded. This would suggest that a HMA covering the study area is justified on the basis of migration patterns.

1.70    The ONS also identify the most statistically significant flows between local authorities. These are based on the scale and range of flows within each local authority between 2011 and 2014. The statistically significant flows to/in for individual authorities in the Study are presented in in the table below.

1.71    This data shows that each of the local authorities has a statistically significant in-flow from the City of Leicester and all but North West Leicestershire DC has a statistically significant outflow to the City of Leicester. North West Leicestershire DC's most significant flows include an inward flow from Rushcliffe DC and South Derbyshire DC with a significant outward flow to the latter. Neither of which are within the study area.

**Table 6:    Statistically Significant Migration Flows (2011-2014)**

| Direction | Inward | Outward |
|---|---|---|
| **Leicester** | Blaby | Blaby |
| | Oadby and Wigston | Charnwood |
| | | Birmingham |
| | | Oadby and Wigston |
| **Blaby** | Leicester | Hinckley and Bosworth |
| | | Harborough |
| | | Charnwood |
| | | Leicester |
| **Charnwood** | Leicester | Hinckley and Bosworth |
| | | Harborough |
| | | Charnwood |
| | | Leicester |
| **Harborough** | Leicester | Hinckley and Bosworth |
| | Kettering | Daventry |
| | Blaby | Kettering |
| | | Leicester |
| **Hinckley and Bosworth** | Blaby | Blaby |
| | Leicester | Leicester |
| | Charnwood | Charnwood |
| | Nuneaton and Bedworth | Nuneaton and Bedworth |
| | NWL | NWL |
| **Melton** | Leicester | Leicester |
| | Rutland | Rutland |
| | Rushcliffe | Rushcliffe |
| | South Kesteven | South Kesteven |
| | | Charnwood |
| **NWL** | Hinckley and Bosworth | Charnwood |
| | Rushcliffe | South Derbyshire |
| | Charnwood | Hinckley and Bosworth |
| | South Derbyshire | |
| | Leicester | |
| **Oadby & Wigston** | Leicester | Leicester |
| | Blaby | Blaby |

*Source:* ONS Internal Migration Estimates

1.72    Other major external flows include from the City of Leicester to Birmingham City, from Harborough DC to Daventry DC and to and from Kettering BC. Hinckley and Bosworth BC has a significant two way flow with Nuneaton and Bedworth BC as does Melton BC with Rutland DC, Rushcliffe DC and South Kesteven DC.

## Commuting Flows

1.73    The analysis of the commuting flows in this section has been used not only to consider further the housing market geography; but also to provide key input to the functional economic market area's definition. We have sought to consider commuting dynamics taking account of the Office for

National Statistics definition of Travel to Work Areas (TTWAs), together with more detailed interrogation of commuting dynamics locally.

1.74    The TTWAs aim to identify self-contained labour market areas in which the majority of 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.

1.75    The TTWAs have been 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. There are two types of self-containment that are analysed: the residents self-containment which is the percentage (%) of employed residents who work locally and; jobs self-containment which is the percentage (%) of local jobs taken by local residents.

1.76    The criteria for defining TTWAs were that at least 75% of the area's resident workforce works in the area and at least 75% of 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 people. However, for areas where the working population is in excess of 25,000 people, self-containment rates as low as 66.66% were accepted. The TTWA covering Leicestershire are illustrated in Figure 9 below.

**Figure 9:   Travel to Work Areas (2011)**
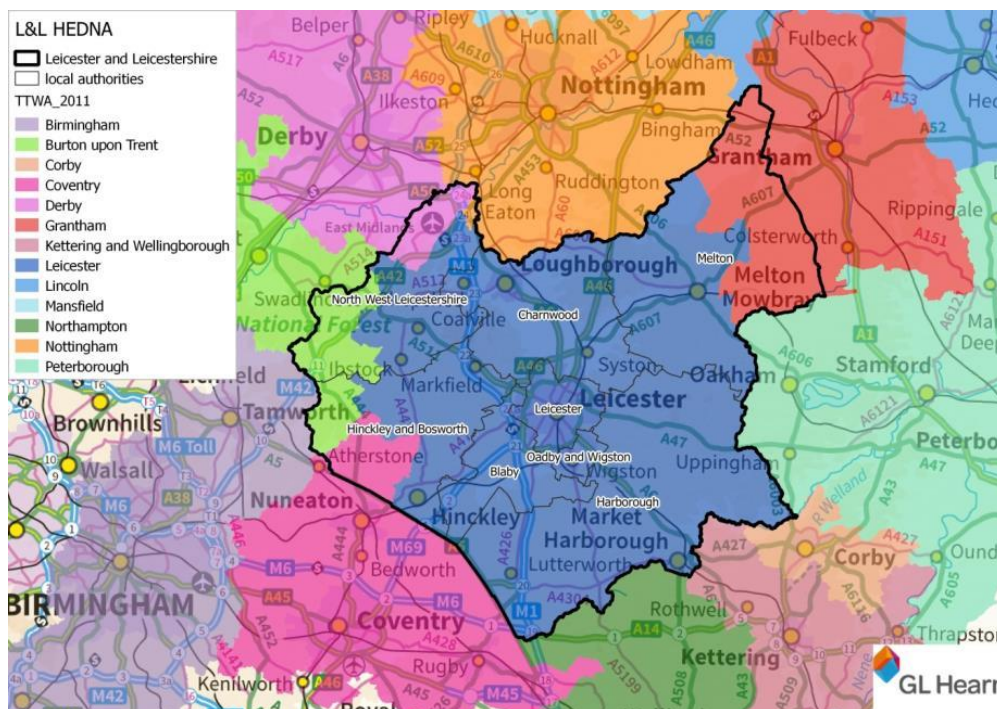


Source: *ONS, 2015*

1.77    As illustrated Leicester and Leicestershire falls within five different TTWA boundaries (using 2011 Census data, published in 2015). Although the vast majority (in population and land mass) of the study area falls within Leicester TTWA with the following minor exceptions:

- north east Melton BC falls partially within Grantham TTWA;
- west North West Leicestershire DC falls partially within Burton Upon Trent TTWA;
- north North West Leicestershire DC falls partially within Derby TTWA;
- west Hinckley and Bosworth BC falls partially within Burton Upon Trent TTWA; and
- south west Hinckley and Bosworth BC falls partially within Coventry TTWA.

1.78    The table below presents the self-containment percentages of all the travel to work areas related to Leicester and Leicestershire based on Census 2011. This data is provided by ONS to provide context to the TTWA they have identified.

**Table 7:    Self-containment in travel to work areas**

| TTWA | Residents self-containment (% employed residents who work locally) | Jobs self-containment (% local jobs taken by local residents) |
|---|---|---|
| Leicester | 87.0 | 87.6 |
| Grantham | 68.5 | 74.9 |
| Derby | 75.3 | 75.2 |
| Burton upon Trent | 68.2 | 71.0 |
| Coventry | 78.0 | 76.7 |

Source: *2011 Census ONS (called Leicester TTWA but covers the whole study area)*

1.79    Although these are statistically robust definitions of travel to work areas, they are difficult to use for HMA definitions as they cut across local authority boundaries. As set out earlier it is more practical to consider defining the HMA as an aggregation of local authorities. We have therefore sought to consider the self-containment rates for the individual local authorities.

1.80    The Table below splits down the self-containment percentages in local authority level based on Census 2011 location of usual residence and place of work. The City of Leicester presents the highest residents self-containment of 69% followed by North West Leicestershire DC (57%). Melton BC presents the highest jobs self-containment (49%) followed by the City of Leicester (48%). Oadby and Wigston BC and Blaby DC have the lowest self-containment rates mainly because of their proximity to the City of Leicester.

GL Hearn
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**Table 8:      Self-containment in local authority - merged output areas**

| Local Authority | Residents self-containment (% employed residents who work locally) | Jobs self-containment (% local jobs taken by local residents) |
|---|---|---|
| Leicester | 69% | 48% |
| Charnwood | 51% | 47% |
| Blaby | 33% | 23% |
| NWL | 57% | 35% |
| Hinckley and Bosworth | 50% | 41% |
| Harborough | 44% | 31% |
| Oadby and Wigston | 26% | 26% |
| Melton | 54% | 49% |

Source: *2011 Census ONS*

1.81    We have next sought to undertake further analysis considering 2011 Census commuting patterns derived by location of usual residence and place of work. The City of Leicester constitutes the largest employment centre in the study area where around 134,000 people (38% of the total workforce) work. Charnwood BC is the second largest employment centre in the study area where 47,000 people (13% of total workforce) work from the study area.

1.82    Figure 10 presents the location of workplace by local authority for Leicester and Leicestershire residents (excluding self-contained flows) based on ONS 2011 flow data. The City of Leicester serves as the main workplace destination employing 56,000 people from the other parts of the study area.

1.83    Blaby DC is the second most popular work place destination attracting 27,000 people to work from the other parts of the study area because of the significant amount of industrial estates, business parks and employment land that sits within its boundary.

1.84    There is, in general, strong internal links within the study area. Indeed the study areas self-containment rate is 78%. The remaining 22% (Less than 40,000 people) travel to work out of the study area with Nottingham City, Coventry City, Nuneaton and Bedworth BC, Rugby BC, Birmingham City and Rushcliffe DC being the most popular workplace destinations accounting for more than 50% of the external flows.

**Figure 10: Location of workplace for Leicester & Leicestershire residents excluding self-contained flows (+1,000 people)**
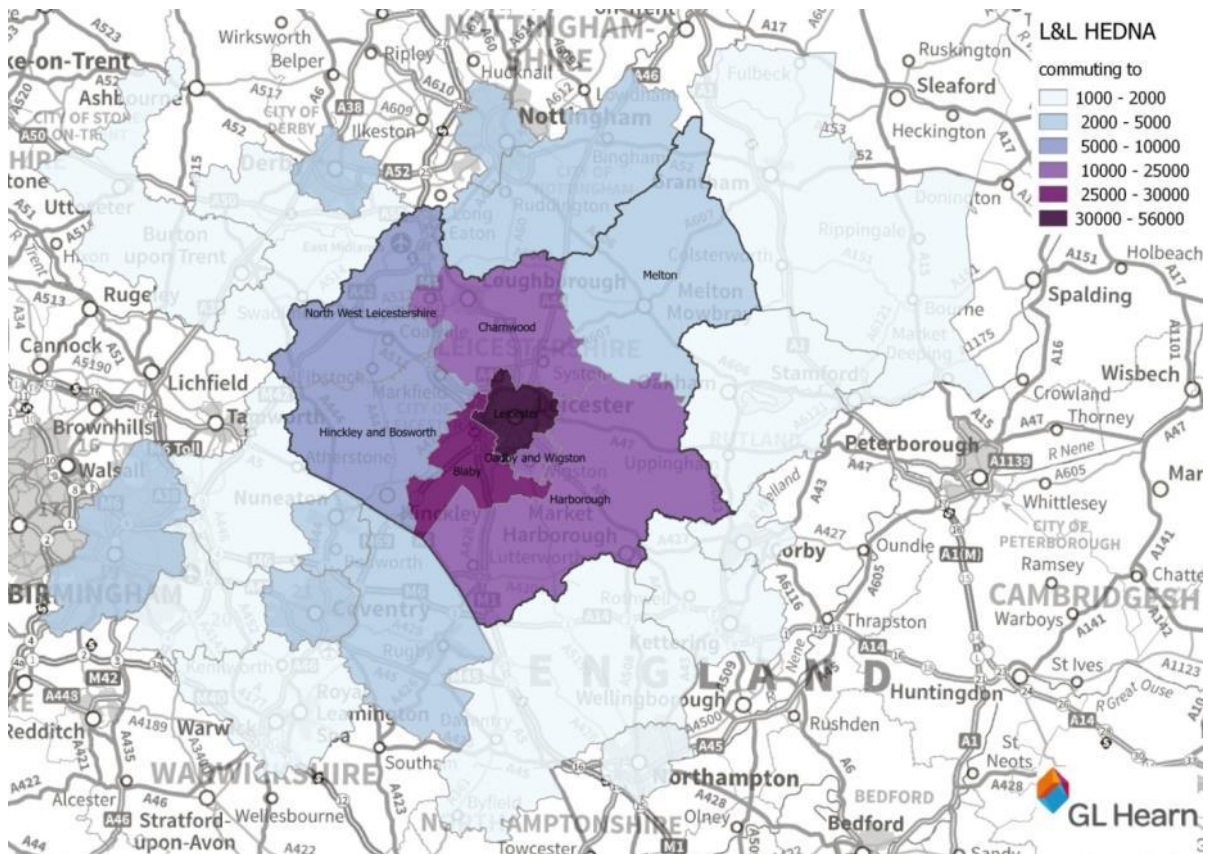


Source: *2011 Census ONS*

1.85    The high level of self-containment within Leicester and Leicestershire once again justifies a single housing market area (based on commuting patterns) covering the study area. Again recognising that there are areas of overlap particularly around Rushcliffe DC, Nuneaton and Bedworth BC, Coventry City and Rugby BC.

1.86    Finally, the ONS also publish statistically significant commuting flows to/in individual local authorities. Again these are based on the range and scale of flows in each location. The results for the study area are presented in the table below.

1.87    This again highlights the primacy of the City of Leicester in terms of employment centres within the study area as all the other local authorities have a significant inward and outward flow with the City.

**Table 9:**      **Statistically Significant Commuting flows (2011-2014)**

| Direction (Authority) | Inward | Outward |
|---|---|---|
| **Leicester** | Harborough | Oadby and Wigston |
| | Hinckley and Bosworth | Blaby |
| | Charnwood | Harborough |
| | Blaby | Charnwood |
| **Blaby** | Leicester | Leicester |
| **Charnwood** | Leicester | Leicester |
| | NWL | |
| **Harborough** | Leicester | Leicester |
| | Blaby | Blaby |
| | Kettering | |
| | Rugby | |
| | Hinckley and Bosworth | |
| | Nuneaton and Bedworth | |
| **Hinckley and Bosworth** | North West | Blaby |
| | Charnwood | Harborough |
| | Leicester | Leicester |
| | Blaby | North West |
| | Nuneaton and Bedworth | Coventry |
| **Melton** | Rushcliffe | Blaby |
| | Charnwood | Nottingham |
| | Leicester | South Kesteven |
| | South Kesteven | Rushcliffe |
| | | Leicester |
| | | Charnwood, Rutland |
| **North West Leicestershire** | South Derbyshire | Blaby |
| | Derby | Hinckley and Bosworth |
| | Erewash | Charnwood |
| | Charnwood | Leicester |
| | Leicester | South Derbyshire |
| | Hinckley and Bosworth | |
| **Oadby and Wigston** | Leicester | Leicester |

Source: *ONS Internal Migration Estimates*

**HMA Conclusion**

1.88    Drawing the analysis together, there is a high level of self-containment in Leicester and Leicestershire. We consider that there is a single housing market centred around the City of Leicester but covering the entire study area. That said, functional market areas clearly do not precisely fit to local authority boundaries; and at the borders of any area which is defined there are often interactive links mainly with the adjoining areas.

1.89    Previous research and also ratified by this report has identified links between North West Leicestershire DC and South Derbyshire DC; and between parts of Melton BC with Rushcliffe DC among others. There are also notable links with Nuneaton and Bedworth BC to the south west.

However at a strategic level; the strongest links remain those between the City of Leicester and the Boroughs and Districts within Leicestershire.

1.90     Whilst these external relationships do not affect the definition of Leicester and Leicestershire as a HMA, they should be borne in mind with regard to the Duty to Cooperate.

## Leicester Principal Urban Area

1.91     Previous SHMA defined the Leicester Principal Urban Area. This is a relatively well established area and reflects Leicester's urban area which extends beyond the City Council's boundaries. Should be noted that the area is just presented and has not been used as a modelling or analysis subject.

**Figure 11: Boundary of the Leicester Principal Urban Area**
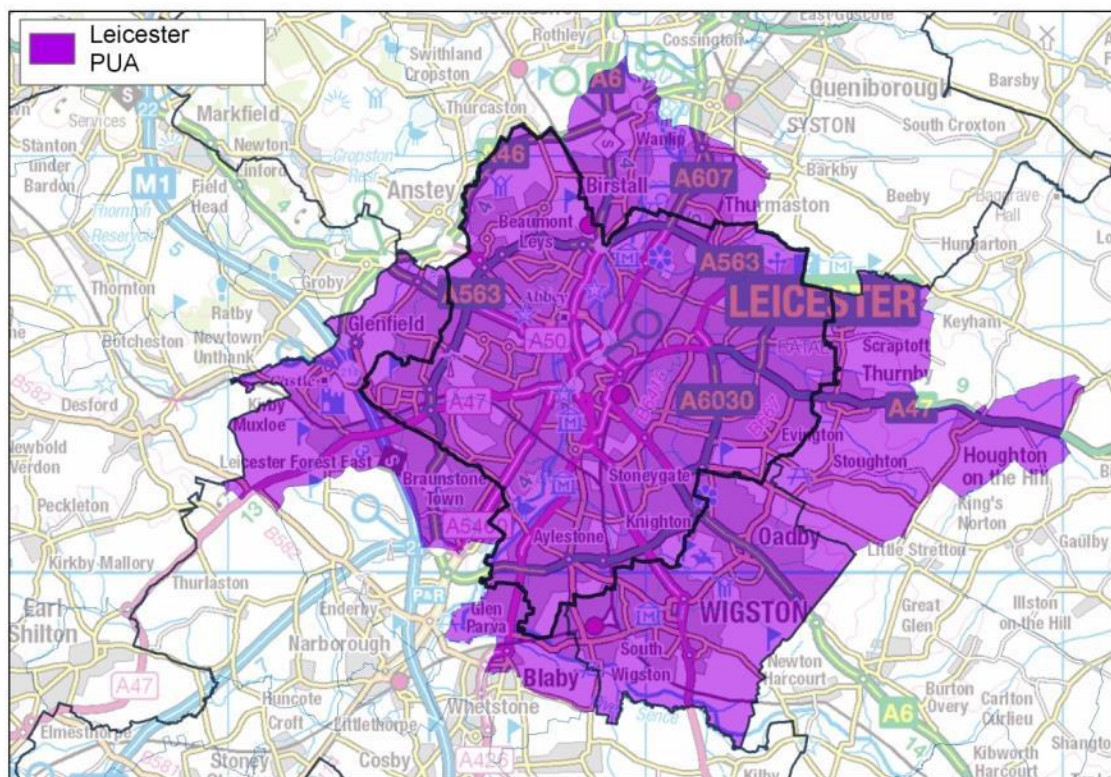


Source: GL Hearn, 2014

1.92     This area was identified in the (revoked) Regional Spatial Strategy for the East Midlands but did not have definitive boundaries. As a proxy for this area we have used the following wards. This is a practical definition and not all of every ward is wholly within the PUA (Figure 120):

•        The City of Leicester – All Wards;

•        Oadby and Wigston BC - All Wards;

- Blaby DC – Ellis, Fairestone Forest, Millfield, Muxloe, Ravenhurst and Fosse, Saxondale, and Winstanley Wards;

- Charnwood BC– Birstall Wanlip, Birstall Watermead, and Thurmaston Wards; and

- Harborough DC – Thurnby and Houghton Wards.

## 2        DEFINING THE FUNCTIONAL ECONOMIC MARKET AREA

2.1    According to PPG the geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply.

2.2    It is also possible to relate a FEMA with business activity i.e. an area within which there is a degree of common identity, and within which businesses compete and cooperate. This reflects the understanding that businesses (i.e. employment activity - factory, offices, research and development centres and warehouses) tend to locate using locational criteria such as proximity to infrastructure and urban areas. This usually corresponds with an area with a visibly defined commercial property market – being an area with mutual locational characteristics and within which business premises can be situated, and within which new developments will compete against existing property to secure tenants/occupiers.

### FEMA Guidance

2.3    Since patterns of economic activity vary from place to place, there is no standard approach to defining a functional economic market area (FEMA), however, the PPG suggests that it is possible to define them taking account of factors including:

- The extent of any Local Enterprise Partnership within the area;
- travel to work areas (see previous section);
- housing market area (see previous section);
- flow of goods, services and information within the local economy;
- service market for consumers;
- administrative area;
- catchment areas of facilities providing cultural and social well-being; and
- transport network.

2.4    While some of these factors have been analysed using quantitative data there is no robust information available which can be used on a consistent basis to consider supply chains. Similar studies have in the past used business surveys to understand this factor.

2.5    We will address through our analysis issues associated with different sectors/ market segments – e.g. Midlands/ Golden Triangle market for strategic distribution which in reality is likely to have a different functional geography to for example retail.

2.6    The analysis of housing market areas and commuting should be considered as the key input to defining the FEMA, as it reflects relationships between where people live and work. These were set out in more detail in the previous chapters. In addition, some of the factors are fairly well defined

such as administrative areas. Leicestershire being the county and service provider for all of local authorities in a two-tier system with the City of Leicester acting as a unitary authority as the sole exception.

2.7     The flow of goods and services is difficult to specifically quantify on a robust basis, given available datasets. We have however reviewed the other factors when seeking to define FEMA. These are set out in turn below.

## Local Enterprise Partnership

2.8     The area sits entirely within the Leicester and Leicestershire Local Enterprise Partnership (LEP) area. The Leicester and Leicestershire LEP is surrounded by the Greater Lincolnshire; Greater Cambridge and Greater Peterborough; Northamptonshire; Coventry and Warwickshire; Birmingham and Solihull and; Derby, Derbyshire, Nottingham and Nottinghamshire LEPs (Figure 12).

**Figure 12:  Local Enterprise Partnership Areas**
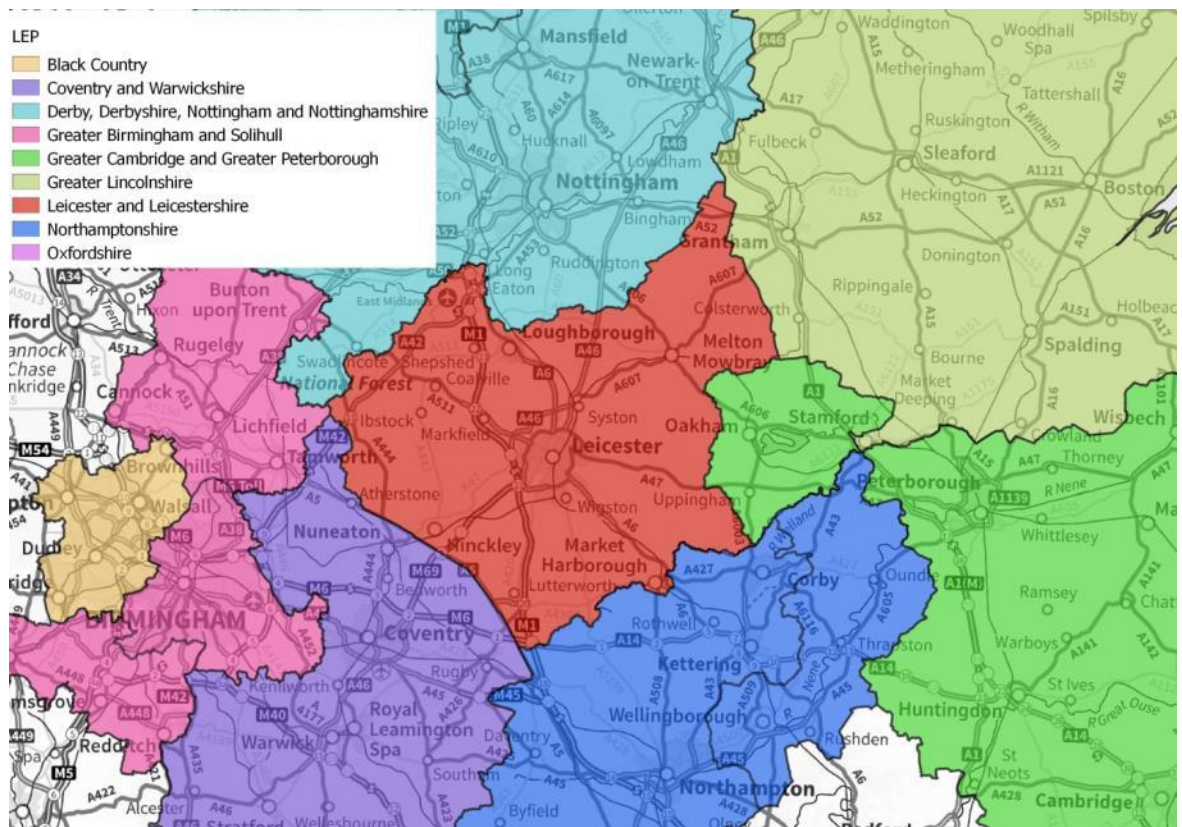


2.9     With regards to retail provision we have adopted a high level approach to identify the major retail centres of the wider area. Figure 13 sets out the major retail centres in Midlands and their approximate trade draw. This information has been exported from CACI Retail Footprint map which lists the major retail centres by expenditure nationally.

**Figure 13: Retail Centres in Midlands (Expenditure in £mil)**
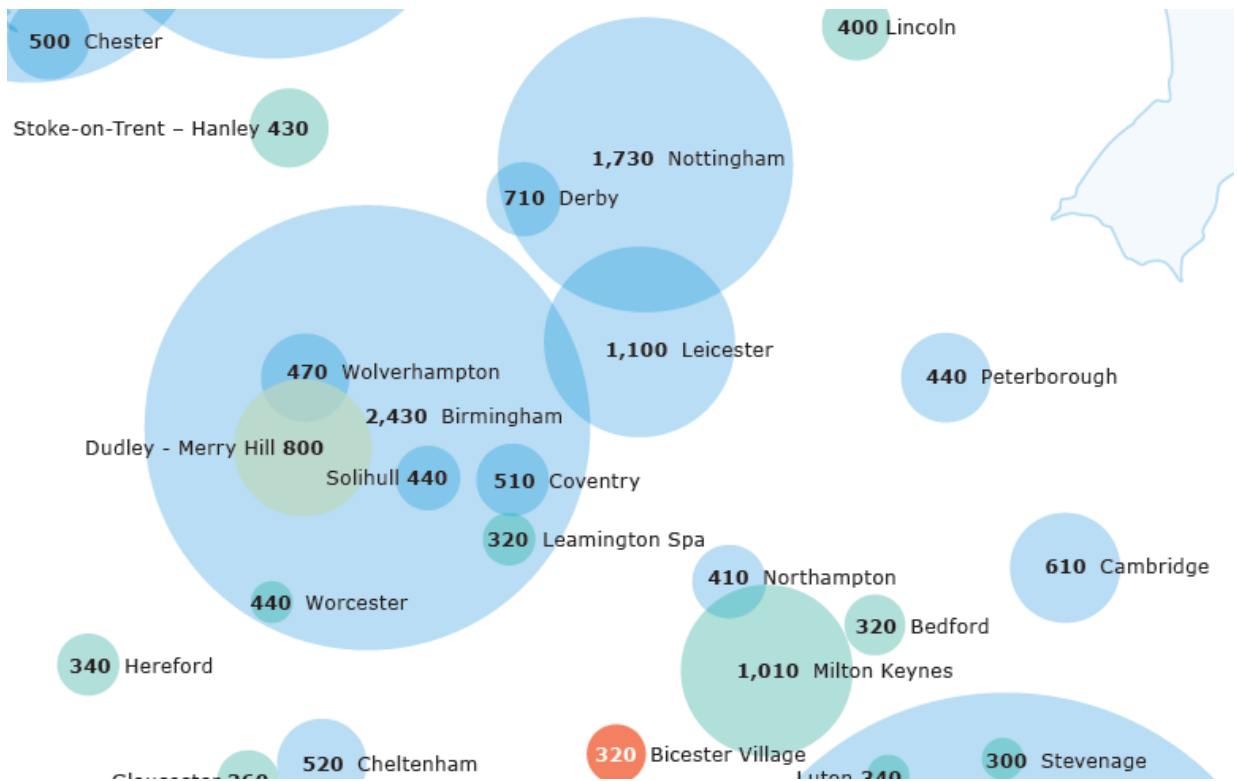


Source: *CACI Retail Footprint (2011)*

2.10    According to CACI Footprint 2011 Leicester is listed as the 12th largest retail centre nationally with £1,100m expenditure. In addition, Fosse Shopping Park (in Blaby) is listed 4th largest retail park nationally (£210m expenditure). However, Birmingham (£2,430m) and Nottingham are the Midlands largest retail centres and these are likely to draw some expenditure away from Leicester and Leicestershire.

2.11    There is a hierarchy of retail destinations in Leicester and Leicestershire, with local centres being the focus for convenience spends and the City Centre and Fosse Park the focus for comparison spends and destinations. The following table summarises the Retail Market destinations in the study area.

**Table 10: Main retail destinations in the study area**

| Local Authority | Key retail destinations | Source |
|---|---|---|
| **The City of Leicester** | City's Centre<br>Fosse Park (Blaby)<br>Hamilton district Centre<br>Beaumont Leys<br>St George Retail Park<br>Abbey Retail Park | The City of Leicester council and Blaby District Council Town Centre Retail Study, WYG Planning (2015) |
| **Blaby** | Blaby town centre<br>Fosse Park and Grove Farm<br>Triangle<br>Leicester<br>Hinckley | The City of Leicester council and Blaby District Council Town Centre Retail Study, WYG Planning (2015) |
| **Charnwood** | The Rushes Shopping Centre,<br>Loughborough Town Centre<br>Leicester & Fosse Park (Blaby)<br>Nottingham | Charnwood Retail & Town Centre Study, Peter Brett\| Roger Tym & Partners<br>(2013 Update) |
| **Hinckley & Bosworth** | Hinckley Town Centre<br>Leicester & Fosse Park (Blaby)<br>Nuneaton | Hinckley & Bosworth Retail Study, Roger Tym & Partners<br>(ES - 2007) |
| **Oadby & Wigston** | Oadby District Centre<br>Wigston Town Centre<br>South Wigston District Centre<br>Leicester & Fosse Park (Blaby) | Oadby & Wigston Retail Capacity, Savills (2008) |
| **Harborough** | Market Harborough Town Centre<br>Lutterworth<br>Rugby<br>Leicester & Fosse Park (Blaby) | Harborough Retail Study NLP (2013) |
| **Melton** | Melton Mowbray<br>Leicester & Fosse Park (Blaby)<br>Nottingham | Melton Borough Retail Study, Peter Brett\| Roger Tym & Partners<br>(2015) |
| **NWL** | Coalville (Belvoir Shopping Centre)<br>Ashby-de-la-Zouch<br>Leicester & Fosse Park (Blaby)<br>Loughborough | North West Leicestershire Retail Study, Peter Brett\| Roger Tym & Partners<br>(2012 Update) |

Source: *Retail studies listed in the table*

2.12    The spending retail leakages of the study area are towards the main surrounding urban destinations of Nottingham, Peterborough and Derby. Moreover, there are small leakages towards Nuneaton and Grantham. Birmingham is the main retail destination in Midlands and it creates also some leakages from the study area. However it should be noted that the majority of the study area visits Leicester and Fosse Park for their shopping needs. The outside area shopping destinations are mainly an outcome of cross boundary relationships.

## Leisure and social services

2.13    In terms of gauging cultural provision we have sought to identify the following leisure services in relation to Leicester and Leicestershire area:

- Museums;
- Cinemas;
- Theatres; and
- Other leisure facilities including bowling alleys, Zoo, art centres, football stadium, football clubs, racecourse, etc.

2.14    As illustrated in Figure 14 the main leisure facilities are concentrated in Leicester and Loughborough. There is a significant number of museums although the majority are within the City of Leicester. This illustrates the primacy of Leicester within the study area and the reliance on the city for key leisure provision from the other local authorities.

**Figure 14:    Leisure Provision**
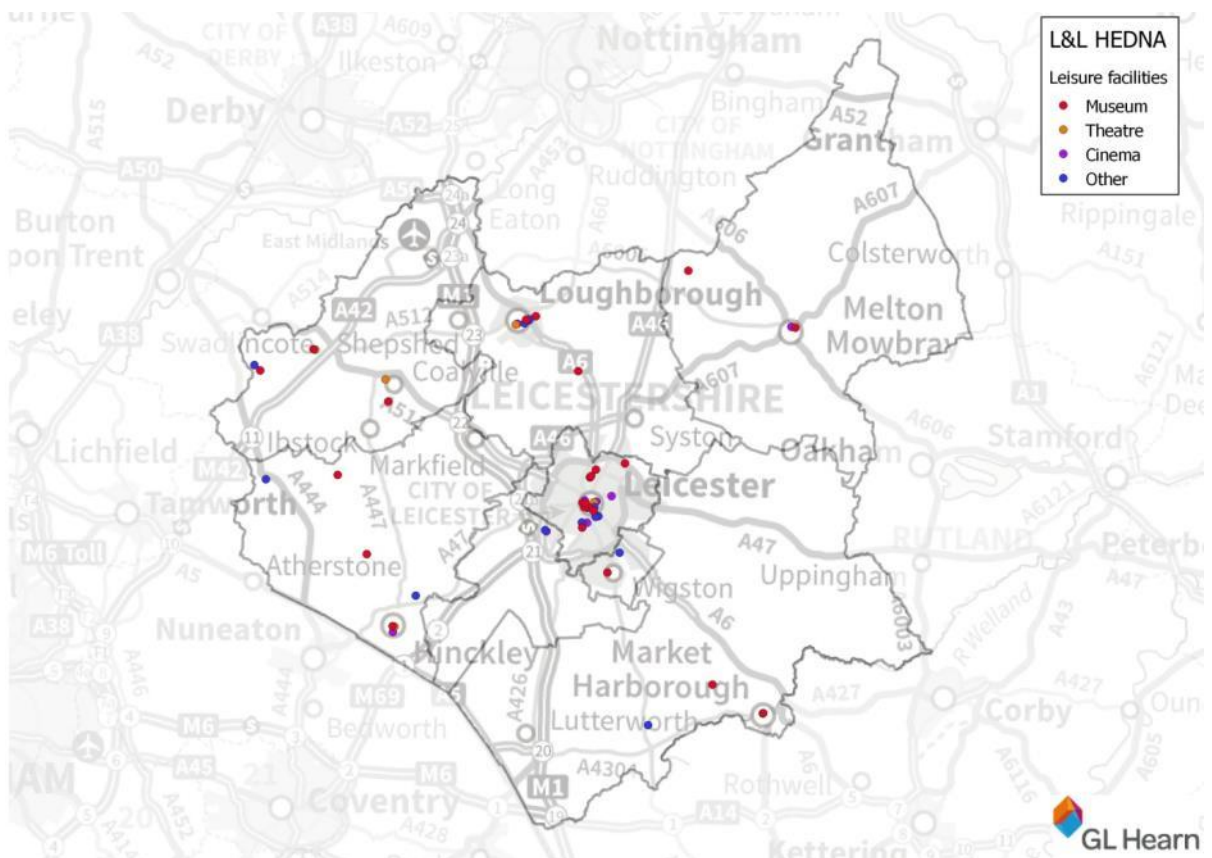


Source: *GL Hearn, 2016*

2.15    We have also sought to analyse the key social facilities. There is one Leicestershire Partnership NHS Trust covering the whole of the study area. Similarly Leicestershire Police Constabulary and Leicestershire and Rutland Fire and Rescue Service cover the study area and Rutland.

**Transport Network**

2.16    The transport infrastructure directly influences the commuting patterns and the access to goods and services. In addition, new transport investment will influence the local and wider economy by providing new jobs, minimising further the transport costs, encouraging economies of agglomeration and increasing the attractiveness of investment in the wider area.

*Road Network*

2.17    In terms of highways accessibility, the Leicester and Leicestershire area connects well to its surroundings as well as the rest of the country via the M1 and M69. The road travel times to UK markets make the western part of study area an attractive location for the distribution sector.

2.18    The strategic nature of the distribution industry within the HMA means that Leicester and Leicestershire draws its workforce from a much larger area than many other industries. It is therefore unreliable for drawing FEMA conclusions solely on this basis.

2.19    The motorway network is focused in the western parts of Leicester and Leicestershire and becomes congested at peak times, thus discouraging longer distance commutes. There are some local 'pinch points' on the road network which increase journey times.

2.20    The eastern part of the study area is less well connected. Although there are a number of radial routes emanating from Leicester there is less north-south connectivity. Generally, however, the City of Leicester remains the focal point for the non-motorway strategic road networks with most primary routes originating/ending in the City.

*Rail*

2.21    The north-south rail services can be characterised as good, particularly in light of the proposed electrification of the Midlands Main Line but east-west services are poor thereby creating commuting issues and isolating the workforce of those areas. The average travel time to London is less than one hour and fifteen minutes from the City of Leicester (and 54 mins St Pancras to/from Market Harborough) and to Birmingham is one hour and twenty minutes.

2.22    Although there are train routes between Leicester and other parts of the HMA these tend to be infrequent services. There are also large parts of the HMA which have no access to commercial rail services. This includes many of the smaller towns in the east and west of the HMA.

2.23    Although HS2 is expected to cross the HMA there are no proposals for a station in Leicester or Leicestershire, the nearest station being proposed at present is at Toton (Long Eaton, Nottinghamshire).

*Public Transport*

2.24    Apart from the Principal Urban Area of the City of Leicester the rest of the study area is poorly served by buses and other forms of public transport.

2.25    This lack of public transport in combination with the travel costs has been recognised by employment agencies as a factor that could exclude a number of potential employees from applying for positions. The lack of suitable public transport across the HMA, particularly in the rural areas, means that most commuting is by car. Although this extends the definitions of functional areas it has the knock on effect of congestion.

*East Midlands Airport*

2.26    East Midlands Airport serves 80 leisure and business destinations and has on average approx. 4 million passengers per annum. The airport manages 300,000 tonnes of freight per annum and it is the bases for two of the world's top four air express freight operators, namely DHL and UPS.

2.27    The airport supports 6,000 jobs[7] and according to LLEP SEP 2014, it is a main growth area for the sub-region. The area around the East Midlands Enterprise Gateway brings together road, rail and air freight in a central location.

2.28    As a sub-regional facility on the apex of three counties and with excellent transport links the airport draws in its workforce from a much wider area than Leicestershire. Different facilities will have different draw and thus a sub-regional facility is not the most useful analysis when trying to understand functional economic market areas.

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[7] East Midlands Airport Facts and Figures, Last Visited: 01/04/16).

**Figure 15:    Transport Infrastructure**
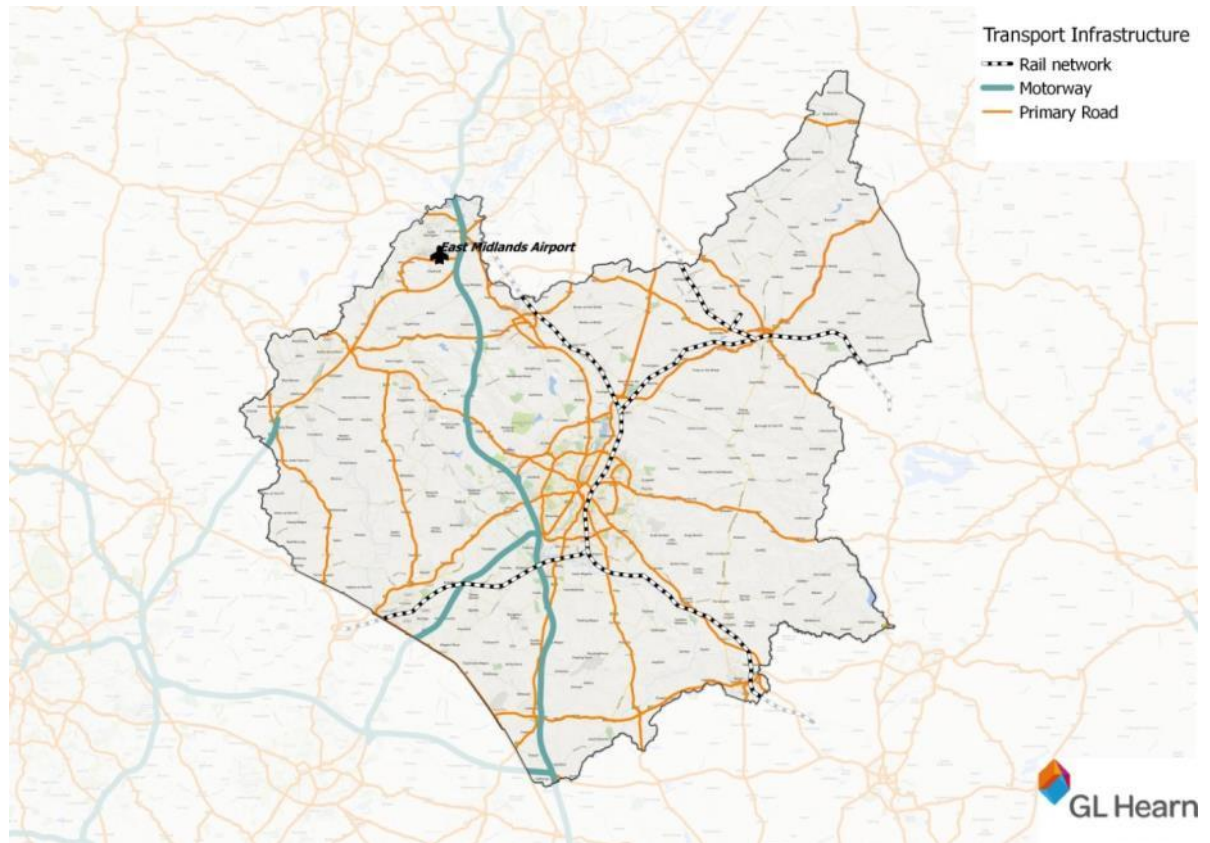


Source: *GL Hearn, 2016.*

**FEMA Conclusions**

2.29    Drawing the FEMA analysis together it is recognised that there are clearly strong economic relationships between the City of Leicester and Leicestershire. The study area is a self-contained area where the majority of the workforce works and live within its administrative boundaries.

2.30    When LEPs were established in 2010 the main criterion for their boundary definition was to reflect the geographies of local functional economies. As the study area sits entirely within the Leicester and Leicestershire LEP area this provides strong evidence of well-established economic relationships across the study area.

2.31    From a retail perspective the City of Leicester and Fosse Park retain the majority of comparison expenditure in the study area. Although Birmingham and Nottingham draw some retail expenditure from the County the Leicester Urban Area remains the core retail destination.

2.32    Similarly leisure facilities are concentrated in the City of Leicester and to a lesser extent Loughborough. There is no evidence to suggest there are any substantial gaps in supply which would result in substantial necessary flows to outside the county.

2.33    The road network is well-developed providing a comprehensive system for the majority of the study area, although the western parts of the county are much better served than those in the east. It is however evident that most of the primary routes originate or terminate in Leicester.

2.34    Public transport in the county (particularly outside the City) is poor isolating the workforce in large parts of the county who cannot afford their own means of transport. Apart from new bus routes needed to cover the study area, rail improvements and new links particularly between the east and west are emerging in order to create employment opportunities for the economically vulnerable population.

2.35    However, according to the commuting analysis the study area still has strong internal relationships and high levels of self-containment. This was also shown in the Travel-to-work-areas' definition produced by Office of National Statistics. This showed that the majority of each local authority falls within the Leicester TTWA. This is the key analysis for identifying the FEMA.

2.36    For some sectors, such as Distribution, the area forms part of a much wider logistics "golden triangle" which is formed by M42, M1 and M6. Similarly facilities such as East Midlands Airport will also have sub-regional significance. In practical terms however the FEMA should be drawn at a smaller functional area, relating to the majority of economic activity.

2.37    Thus the FEMA can be defined as including the City and the County of Leicestershire including the local authorities of the City of Leicester, Blaby DC, Charnwood BC, Harborough DC, Hinckley and Bosworth BC, Melton BC, North West Leicestershire DC and Oadby and Wigston BC, matching the boundaries of HMA and LEP.

2.38    It should be noted that there are overlaps in the peripheral parts of any FEMA. For instance Leicestershire will have an influence on areas such as Rushcliffe, Nuneaton and Bedworth, and South Derbyshire. Similarly larger urban areas such as Nottingham, Derby and Coventry will also influence parts of Leicestershire.

## 3    MARKET SIGNALS OF COMPARABLE AUTHORITIES

3.1    Within the main report we benchmark market signals indicator against the East Midlands region and national position.   The PPG suggests that similar demographic areas should also be used as benchmarks.

3.2    ONS publish a list of comparable areas for each local authority.   These are calculated using a squared Euclidean distance (SED) value assessed across 59 different Census variables. For the local authorities in the HMA ONS identified similarities with the local authorities set out in the table below:

**Table 11:    Comparable Authorities**

| Authority | Comparable Local Authorities | | |
|---|---|---|---|
| **Leicester** | Birmingham | Coventry | Luton |
| **Blaby** | Gedling | South Ribble | Lichfield |
| **Charnwood** | Newcastle-under-Lyme | Warwick | Bath & North East Somerset |
| **Harborough** | South Northamptonshire | East Hampshire | Lichfield |
| **Hinckley & Bosworth** | Selby | Erewash East | Amber Valley |
| **Melton** | South Kesteven | Mid Devon | Selby |
| **NW Leicestershire** | North Warwickshire | South Derbyshire | East Northamptonshire |
| **Oadby & Wigston** | Broxstowe | Newcastle-under-Lyme | Solihull |

Source: *ONS*

3.3    Figure 12 provides a comparative assessment of key market signals indicators against the comparable authorities.

**Table 12:   HMA authorities benchmarked against their most similar comparators**

| Local Authority | Land Values | 2015 Median Values | House price Change (10 Years) | Monthly Rental Costs | Rental Change | LQ Afford-ability Ratio |
|---|---|---|---|---|---|---|
| **Leicester** | **£2,060,000** | **£132,000** | **11.9%** | **£495** | **1.0%** | **5.88** |
| Birmingham | £1,485,000 | £140,000 | 11.1% | £625 | 19.0% | 5.49 |
| Coventry | £1,480,000 | £140,000 | 18.6% | £550 | 11.1% | 5.84 |
| Luton | £1,555,000 | £189,000 | 35.0% | £725 | 21.8% | 8.1 |
| **Blaby** | **£2,080,000** | **£171,500** | **16.7%** | **£625** | **8.7%** | **7.48** |
| Gedling | £1,175,000 | £147,500 | 16.1% | £550 | 11.1% | 6.1 |
| South Ribble | £963,000 | £150,000 | 15.4% | £550 | 0.0% | 6.35 |
| Lichfield | £2,825,000 | £199,950 | 16.9% | £625 | 8.7% | 8.33 |
| **Charnwood** | **£1,180,000** | **£175,000** | **20.7%** | **£525** | **9.4%** | **7.13** |
| Newcastle-under-Lyme | £805,000 | £132,000 | 19.2% | £495 | 4.2% | 5.98 |
| Warwick | £2,835,000 | £251,000 | 35.7% | £775 | 30.3% | 9.48 |
| Bath and NE Somerset | £2,050,000 | £270,000 | 37.4% | £900 | 20.0% | 10.43 |
| **Harborough** | **£2,160,000** | **£228,995** | **25.5%** | **£650** | **18.2%** | **9.03** |
| South Northants | £2,070,000 | £260,000 | 40.5% | £775 | 11.5% | 10.58 |
| East Hants | £5,390,000 | £307,500 | 35.9% | £800 | 6.7% | 12.37 |
| Lichfield | £2,825,000 | £199,950 | 16.9% | £625 | 8.7% | 8.33 |
| **Hinckley & Bosworth** | **£1,550,000** | **£169,995** | **20.1%** | **£550** | **11.1%** | **6.88** |
| Selby | £622,000 | £169,000 | 7.0% | £550 | 7.8% | 6.91 |
| Erewash East | £790,000 | £135,000 | 14.4% | £495 | 4.2% | 6.02 |
| Amber Valley | £445,000 | £148,500 | 25.8% | £495 | 4.2% | 5.54 |
| **Melton** | **£1,280,000** | **£172,000** | **16.2%** | **£575** | **16.2%** | **8.91** |
| South Kesteven | £965,000 | £177,000 | 18.0% | £575 | 15.0% | 7.83 |
| Mid Devon | £610,000 | £200,000 | 17.7% | £600 | 4.3% | 8.54 |
| Selby | £622,000 | £169,000 | 7.0% | £550 | 7.8% | 6.91 |
| **NW Leicestershire** | **£1,160,000** | **£165,000** | **16.8%** | **£565** | **7.6%** | **7.03** |
| North Warks | £1,435,000 | £169,995 | 21.4% | £570 | 8.6% | 7.06 |
| South Derbys | £485,000 | £165,000 | 14.6% | £550 | 3.8% | 6.64 |
| East Northants | £785,000 | £170,000 | 15.7% | £595 | 8.2% | 6.79 |
| **Oadby & Wigston** | **£1,365,000** | **£166,000** | **14.5%** | **£595** | **8.2%** | **8.61** |
| Broxstowe | £1,840,000 | £148,000 | 10.0% | £550 | 4.8% | 5.58 |
| Newcastle-under-Lyme | £805,000 | £132,000 | 19.2% | £495 | 4.2% | 5.98 |
| Solihull | £3,150,000 | £235,000 | 26.3% | £695 | 3.0% | 8.45 |

Source: *GLH Analysis, Land Registry Price paid data, VOA, DCLG Housing Statistics*

## 4    FURTHER AFFORDABLE HOUSING NEEDS ANALYSIS

4.1    The analysis of affordable housing need – consistent with advice in the PPG[8] – uses secondary data sources. It draws on a range of data including 2011 Census data, demographic projections, house prices/rents and income information. Given data availability, 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 2a-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.

4.2    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/ Justin Gardner Consulting historically, triangulated with national data such as from the English Housing Survey, to consider issues such as needs which are not picked up in published sources and different income levels for different household groups. It should also be stressed that the secondary data approach is consistent with the PPG. Specifically, paragraph 14 (ID: 2a-014-20140306) 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'.*

4.3    Planning Practice Guidance also suggests that the housing register can be used to estimate levels of affordable housing need. Our experience of working across the country is that housing registers can be highly variable in the way their allocation policies and points systems work and the need shown can reflect more how the register. 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.

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[8] ID: 2a-014-20140306

## Key Definitions

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

### Affordable Housing

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

*"Affordable housing: Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision."*

4.6     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:

*"Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned 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."*

4.7     Affordable rented housing is defined as:

*"Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable)."*

4.8     The definition of intermediate housing is shown below:

*"Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing."*

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

### Current Affordable Housing Need

4.10    Current Affordable housing need is defined as the number of households who currently lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market. This is sometimes referred to as the 'backlog'.

***Newly-Arising Need***

4.11    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. As per paragraph 25 of the PPG this is made up of newly forming households and existing households falling into need at some point in the future.

***Supply of Affordable Housing***

4.12    The supply of affordable housing is an estimate of the number of social/affordable rented and intermediate housing units likely to be available through relets of the current stock (based on past trend data).

***Affordability***

4.13    Affordability is assessed by comparing household incomes, based on income data modelled using a number of sources including CACI, Annual Survey of Hours and Earnings (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 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 – The former CLG guidance[9] (August 2007) 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). Consideration of a reasonable proportion of income to use in analysis can be found later in this section.*

4.14    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 in 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

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[9] Strategic Housing Market Assessment – Practice Guidance  Version 2  - DCLG (August 2007)

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). 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.

## Local Prices and Rents

4.15    An important part of the HEDNA 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.'

4.16    In this section we establish the entry-level costs of housing to both buy and rent across the HMA. Our approach has been to analyse Land Registry and Valuation Office Agency (VOA) data to establish lower quartile prices and rents. For the purposes of analysis (and to be consistent with Paragraph 25 of the PPG (Reference ID: 2a-025-20140306)) we have taken lower quartile prices and rents to reflect the entry-level point into the market

4.17    The table below shows estimated lower quartile property prices by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £80,000 for a flat (in most areas) and rising to in excess of £200,000 for a detached home. Looking at the lower quartile price across all dwelling types the analysis shows a range from £108,000 in Leicester, up to £173,000 in Harborough.

**Table 13:   Lower quartile sales prices by type (2015)**

|                      | Flat     | Terraced | Semi-detached | Detached  | All dwellings |
|----------------------|----------|----------|---------------|-----------|---------------|
| Leicester            | £73,000  | £105,000 | £124,000      | £188,000  | £108,000      |
| Blaby                | £80,000  | £127,000 | £145,000      | £207,000  | £147,000      |
| Charnwood            | £82,000  | £116,000 | £142,500      | £220,000  | £135,000      |
| Harborough           | £121,000 | £142,500 | £165,000      | £250,000  | £173,000      |
| Hinckley & Bosworth  | £63,000  | £108,000 | £131,000      | £200,000  | £130,000      |
| Melton               | £86,000  | £112,000 | £140,000      | £210,000  | £139,000      |
| NWL                  | £78,000  | £98,000  | £130,000      | £187,000  | £130,000      |
| Oadby & Wigston      | £86,000  | £114,000 | £146,000      | £210,000  | £138,000      |

Source: Land Registry (2015)

4.18    A similar analysis has been carried out for private rents using Valuation Office Agency (VOA) data – this covers a 12-month period to March 2016. For the rental data, information about dwelling sizes

is provided (rather than types); the analysis shows an average lower quartile cost (across all dwelling sizes) of between £350 per month (in Leicester), rising to £550 in Blaby and Harborough.

**Table 14:   Lower quartile private rents by size and location (year to March 2016) – per month**

|                      | Room only | Studio | 1 bedroom | 2 bedrooms | 3 bedrooms | 4+ bedrooms | All dwellings |
|----------------------|-----------|--------|-----------|------------|------------|-------------|---------------|
| Leicester            | £260      | £275   | £375      | £350       | £525       | £695        | £350          |
| Blaby                | -         | -      | £425      | £535       | £625       | £795        | £550          |
| Charnwood            | £282      | £320   | £395      | £490       | £575       | £725        | £395          |
| Harborough           | -         | -      | £425      | £550       | £650       | £925        | £550          |
| Hinckley & Bosworth  | -         | £320   | £333      | £475       | £575       | £783        | £450          |
| Melton               | -         | £275   | £340      | £495       | £550       | £850        | £475          |
| NWL                  | £300      | £350   | £375      | £490       | £575       | £873        | £495          |
| Oadby & Wigston      | -         | £325   | £395      | £500       | £625       | £795        | £500          |

Source: Valuation Office Agency (2016)

## Assessing Affordability

4.19    Households ability to afford market housing (to buy or rent) is a function of housing costs, household incomes and how much households can be expected to spend on 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.'

4.20    For the purposes of analysis and to be consistent the PPG[10] we have taken lower quartile prices and rents to reflect the entry-level point into the market.

4.21    There is no official guidance on what proportion of gross income households might reasonably spend on housing costs. Typically this would sit between 25% - 40%. The selection off an appropriate threshold will be linked to the cost of housing rather than income. Income levels are only relevant in determining the number (or proportion) of households who fail to meet the threshold.

4.22    The key point when looking at thresholds and housing costs is one of 'residual income' – i.e. the amount of money a household has after housing costs are paid for. To consider what threshold might be appropriate, a national benchmarking exercise has initially been carried out. Across the Country, evidence points to the cheapest areas having lower quartile rents of around £350 per month (this includes Liverpool, Hull and Leicester). It is assumed that these areas would have a 25% affordability threshold (i.e. the bottom end of the threshold range reflects the bottom end of the housing cost range). Using the £350 pcm example, if a household spent 25% of income on housing then their residual income would be £1,050 per month. The same threshold in Blaby would show a

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residual income of £1,650 (i.e. 57% higher). Hence it is arguably not appropriate to use the same (25%) threshold in each area.

4.23    This analysis is not conclusive given that such an analysis would need to be predicated on a) an assumption that a 25% thresholds is an appropriate benchmark at the bottom end of the market; b) that living costs (other than housing) are equal across areas and c) to note that the analysis is based on gross income (households with higher gross incomes would be expected to be paying more tax). It does however serve to show why the cost of housing is the key input into understanding a reasonable threshold for affordability.

4.24    Returning to the question for the Leicester and Leicestershire authorities, the analysis seeks to recognise residual income and also issues about tax and the cost of living. If it were assumed that the residual income (i.e. £1,050) should be held constant for all areas, then this would suggest a threshold in Blaby of 34%. However as noted keeping the residual income figure constant is probably not realistic. Hence, the analysis takes a simple average between the bottom line 25% and the 34% figure; this gives a threshold for affordability in Blaby of 30%. For information this threshold would give a level of residual income in Blaby of around £1,300.

4.25    A similar analysis has been carried out to look at appropriate thresholds for each of the different local authorities, with figures shown in the below. These income thresholds (describing the proportion of gross household income which households might spend on housing) are used in the analysis.

**Table 15:    Affordability Thresholds**

|  | Threshold for affordability |
|---|---|
| Leicester | 25% |
| Blaby | 30% |
| Charnwood | 26% |
| Harborough | 30% |
| Hinckley & Bosworth | 28% |
| Melton | 28% |
| North West Leicestershire | 29% |
| Oadby & Wigston | 29% |

Source: Housing costs from VOA and CoRe

## Affordable Housing Needs Assessment

**Current Affordable Housing Need**

4.26     In line with PPG[11], the current need for affordable housing has been based on considering the likely number of households with one or more housing problems, as shown below.

**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

4.27     This list of potential households in need is then expanded on in Paragraph 24 of the PPG which provides a list of the categories to consider when assessing current need. This assessment seeks to follow this list by drawing on a number of different data sources. The table below sets out the data used in each part of the assessment.

**Table 16:   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 PLUS the 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) |
| Households from other tenures in need | Modelled data linking to past survey analysis | |

*Source*: PPG ID 2a-024-20140306

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[11] ID: 2a-017-20140306

4.28    It should be noted that there may be some overlap between categories (such as overcrowding and concealed households, whereby the overcrowding would be remedied if the concealed household moved). The data available does not enable analysis to be undertaken to study the impact of this and so it is possible that the figures presented include a small element of double counting. Additionally, some of the concealed households may be older people who have moved back in with their families and might not be considered as in need.

4.29    The table below shows the initial estimate of the number of households within the HMA with 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'. The analysis suggests that there are currently some 30,635 households living in unsuitable housing (or without housing) – around three-fifths of these households currently live in Leicester.

**Table 17:   Estimated number of households living in unsuitable housing**

| Category of 'need' | Households |
|---|---|
| Homeless households | 159 |
| Households in overcrowded housing | 17,469 |
| Concealed households | 3,607 |
| Existing affordable housing tenants in need | 1,288 |
| Households from other tenures in need | 8,112 |
| Total | 30,635 |

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

4.30    One difference between the HEDNA and the 2014 SHMA is that homeless and concealed households have been separately identified in the modelling of the current need.  This is can be achieved as full data on concealed households is now available from the Census.  The Census does indicate an increase to the assessed need, and this particularly impacts on Leicester.

4.31    There are some potential concerns about the possibility of double counting between overcrowded and concealed households in the modelling; however, when looking at the period to 2036, the additional concealed households included in the modelling account for less than 3% of the total needs identified.

**Table 18: Estimated number of households living in unsuitable housing**

|  | Homeless | Over-crowded | Concealed | AH tenants | Other tenures | Total |
|---|---|---|---|---|---|---|
| Leicester | 72 | 12,052 | 2,170 | 679 | 3,040 | 18,013 |
| Blaby | 1 | 684 | 233 | 64 | 690 | 1,672 |
| Charnwood | 14 | 1,671 | 367 | 171 | 1,350 | 3,573 |
| Harborough | 4 | 526 | 147 | 64 | 656 | 1,396 |
| Hinckley & Bosworth | 25 | 787 | 174 | 102 | 841 | 1,928 |
| Melton | 27 | 335 | 78 | 52 | 445 | 937 |
| NWL | 11 | 746 | 194 | 122 | 710 | 1,782 |
| Oadby & Wigston | 5 | 668 | 244 | 35 | 382 | 1,334 |
| HMA | 159 | 17,469 | 3,607 | 1,288 | 8,112 | 30,635 |

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

4.32    In taking this estimate 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), although this group of households could have implications on the mix of housing. 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.

4.33    A final adjustment is to slightly reduce the unsuitability figures in the private rented sector to take account of student-only households – such households could technically be overcrowded/living in unsuitable housing but would be unlikely to be considered as being in affordable housing need (Student households rarely qualify for affordable housing). Once these households are removed from the analysis, the remainder are taken forward for affordability testing.

4.34    The table below shows it is estimated that there were 14,385 households living in unsuitable housing (excluding current social tenants and the majority of owner-occupiers).

**Table 19: Unsuitable housing by tenure and numbers to take forward into affordability modelling**

|  | In unsuitable housing | Number to take forward for affordability testing |
|---|---|---|
| Owner-occupied | 9,762 | 976 |
| Affordable housing | 6,667 | 0 |
| Private rented | 10,441 | 9,643 |
| No housing (homeless/concealed) | 3,766 | 3,766 |
| Total | 30,635 | 14,385 |

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

4.35    Having established this figure, it needs to be considered that a number of these households might be able to afford market housing without the need for subsidy. 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). A lower figure (of 42%) has been used to apply an affordability test for the concealed/homeless households who do not currently occupy housing. 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.

4.36    Overall, around three-fifths of households with a current need are estimated to be likely to have insufficient income to afford market housing and so the analysis identifies 8,433 households who have a current affordable housing need across the HMA. The Table below shows how current need is estimated to vary across local authorities.

**Table 20:    Estimated Current Affordable Housing Need**

|  | In unsuitable housing (taken forward for affordability test) | % Unable to Afford Market Housing (without subsidy) | Revised Gross Need (including Affordability) |
|---|---|---|---|
| Leicester | 8,597 | 60.2% | 5,176 |
| Blaby | 777 | 60.2% | 468 |
| Charnwood | 1,567 | 52.1% | 816 |
| Harborough | 655 | 53.6% | 351 |
| Hinckley & Bosworth | 878 | 55.5% | 488 |
| Melton | 487 | 55.6% | 271 |
| NWL | 805 | 59.0% | 475 |
| Oadby & Wigston | 617 | 62.9% | 388 |
| HMA | 14,385 | 58.6% | 8,433 |

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

**Newly-Arising Affordable Housing Need**

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

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

*Newly-Forming Households*

4.38    The number of newly-forming households has been estimated through the demographic modelling with an affordability test also being applied. 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.[12] This is consistent with Guidance and differs from numbers presented in the demographic projections which are for net household growth.

4.39    The numbers of newly-forming households are limited to households forming who are aged under 45.[13] 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.

4.40    The estimates of gross new household formation have been based on outputs from our core demographic projection. In looking at the likely affordability of newly-forming households we have drawn on data from the English Housing Survey which shows that the average income of newly-forming households is around 84% of the figure for all households. 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 Local Housing Allowance /Housing Benefit).

4.41    Our assessment suggests that overall around two-fifths of newly-forming households will be unable to afford market housing and that a total of 3,410 new households will have an affordable need on average in each year to 2036 in the HMA.

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[12] i.e. the analysis considers the number of households aged under 45 in a particular year and subtracts the number aged under 40 five-years previously – this provides an indication of the number of new household (i.e. that didn't exist five years earlier)

[13] This is consistent with CLG 2007 SHMA Practice Guidance (Annex B) which notes after age 45 that headship (household formation) rates 'plateau'.

**Table 21:  Estimated Level of Affordable Housing Need from Newly Forming Households (per annum)**

| | Number of new households | % unable to afford market housing without subsidy | Total in need |
|---|---|---|---|
| Leicester | 3,024 | 44.0% | 1,330 |
| Blaby | 741 | 43.3% | 321 |
| Charnwood | 1,547 | 37.2% | 576 |
| Harborough | 642 | 38.9% | 250 |
| Hinckley & Bosworth | 843 | 40.6% | 342 |
| Melton | 338 | 41.0% | 139 |
| NWL | 690 | 43.2% | 298 |
| Oadby & Wigston | 355 | 43.6% | 155 |
| HMA | 8,179 | 41.7% | 3,410 |

Source: Projection Modelling/Income analysis

**Existing Households falling into Affordable Housing Need**

4.42    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 represents 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 affordable property. An affordability test has also been applied, although relatively few households are estimated to have sufficient income to afford market housing.

4.43    This method for assessing existing households falling into need (in the absence of any guidance in the PPG) 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)'.*

4.44    As shown in the table below, following the analysis through suggests a need arising from 1,862 existing households each year across the study area, with over half of these being in Leicester.

**Table 22:    Estimated level of Housing Need from Existing Households (per annum)**

|  | Number of Existing Households falling into Need | % of Existing Households falling into Need |
|---|---|---|
| Leicester | 971 | 52.1% |
| Blaby | 113 | 6.1% |
| Charnwood | 240 | 12.9% |
| Harborough | 80 | 4.3% |
| Hinckley & Bosworth | 163 | 8.8% |
| Melton | 81 | 4.4% |
| NWL | 174 | 9.3% |
| Oadby & Wigston | 40 | 2.1% |
| HMA | 1,862 | 100.0% |

Source: CoRe/affordability analysis

**Supply of Affordable Housing**

4.45    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.  The method used to look at supply excludes new supply and so any recent above/below average delivery should not be impacting on the figures. Similarly future delivery may also be higher or lower but does not impact on the analysis.

4.46    The PPG[14] 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. We have used information from the Continuous Recording system (CoRe) to establish past patterns of social housing turnover. Our figures include general needs and supported lettings but exclude lettings of new properties plus an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock. Some figures for Charnwood are based on information provided by the Council (with regard to new-build affordable housing).

4.47    On the basis of past trend data it has been estimated that 3,337 units of social/affordable rented housing are likely to become available each year moving forward, with a notably higher proportion of these being in Leicester.

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[14] ID: 2a-027-20140

**Table 23:**  **Analysis of past social/affordable rented housing supply (per annum – based on data for the 2012-15 period)**

|  | Total lettings | % as non-new build | Lettings in existing stock | % non-transfers | Total lettings to new tenants |
|---|---|---|---|---|---|
| Leicester | 2,937 | 91.9% | 2,700 | 65.4% | 1,766 |
| Blaby | 311 | 82.8% | 258 | 69.3% | 178 |
| Charnwood | 835 | 84.0% | 701 | 65.3% | 458 |
| Harborough | 301 | 79.5% | 240 | 57.3% | 137 |
| Hinckley & Bosworth | 522 | 84.1% | 439 | 62.6% | 275 |
| Melton | 248 | 88.7% | 220 | 71.5% | 157 |
| NWL | 564 | 80.4% | 454 | 65.0% | 295 |
| Oadby & Wigston | 127 | 93.4% | 119 | 60.1% | 71 |
| HMA | 5,845 | 87.8% | 5,129 | 65.1% | 3,337 |

Source: CoRe (2012-15)

4.48    The supply figure is for social/affordable rented housing only and whilst the stock of intermediate housing in the HMA 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).

4.49    For the purposes of this assessment we have again utilised CoRe data about the number of sales of homes that were not new-build. From this it is estimated that around 33 additional properties might become available per annum. The Table below shows that the total supply of affordable housing is therefore estimated to be 3,371 per annum across the HMA.

**Table 24:**  **Supply of affordable housing**

|  | Social/affordable rented relets | Intermediate housing 'relets' | Total supply (per annum) |
|---|---|---|---|
| Leicester | 1,766 | 8 | 1,774 |
| Blaby | 178 | 6 | 184 |
| Charnwood | 458 | 6 | 464 |
| Harborough | 137 | 4 | 141 |
| Hinckley & Bosworth | 275 | 4 | 278 |
| Melton | 157 | 3 | 160 |
| NWL | 295 | 2 | 297 |
| Oadby & Wigston | 71 | 0 | 71 |
| HMA | 3,337 | 33 | 3,371 |

Source: CoRe (2012-15)

**Net Affordable Housing Need**

4.50    The Table below shows our overall calculation of affordable housing need. This excludes supply arising from sites with planning permission (the 'development pipeline') and has been based on meeting affordable housing need over the 25-year period from 2011 to 2036 and 20-year period 2011-2031, to allow for a comparison with the demographic projections set out in the report. Whilst

most of the data in the model are annual figures, the current need has been divided by 25 or 20 to make an equivalent annual figure.

4.51    As the table sets out the analysis calculates an overall need for affordable housing of 55,900 units over the 25-years to 2036 (2,238 per annum) across the HMA and 46,500 to 2031. The net need is calculated as follows:

**Net Need = Current Need + Need from Newly-Forming Households + Existing Households falling into Need – Supply of Affordable Housing**

**Table 25:    Estimated level of Affordable Housing Need– HMA**

|  | Per annum (2011-2031) | Total 2011-2031 | Per annum (2011-36) | Total 2011-36 |
|---|---|---|---|---|
| Current need | 422 | 8,433 | 337 | 8,433 |
| Newly forming households | 3,410 | 68,200 | 3,410 | 85,245 |
| Existing households falling into need | 1,862 | 37,240 | 1,862 | 46,540 |
| Total Gross Need | 5,693 | 113,873 | 5,609 | 140,218 |
| Supply from existing stock | 3,371 | 67,420 | 3,371 | 84,271 |
| Net Need | 2,322 | 46,453 | 2,238 | 55,947 |

Source: Census (2011)/CoRe/Projection Modelling and affordability analysis. (Numbers may not add up due to rounding)

4.52    The table below shows the annualised information for each local authority. The analysis shows a need for additional affordable housing in all areas.  This increases slightly across the HMA when the need is examined across a shorter time period.

**Table 26:    Estimated level of Affordable Housing Need per annum – by HMA and local authority - (2011-36)**

|  | Current need | Newly forming households | Existing households falling into need | Total Need | Supply from existing stock | Net Need |
|---|---|---|---|---|---|---|
| Leicester | 207 | 1,330 | 971 | 2,508 | 1,774 | 734 |
| Blaby | 19 | 321 | 113 | 452 | 184 | 268 |
| Charnwood | 33 | 576 | 240 | 848 | 464 | 384 |
| Harborough | 14 | 250 | 80 | 343 | 141 | 202 |
| H&B | 20 | 342 | 163 | 525 | 278 | 247 |
| Melton | 11 | 139 | 81 | 231 | 160 | 70 |
| NWL | 19 | 298 | 174 | 491 | 297 | 194 |
| Oadby & Wigston | 16 | 155 | 40 | 210 | 71 | 139 |
| HMA | 337 | 3,410 | 1,862 | 5,609 | 3,371 | 2,238 |

Source: 2011 Census/CoRe/Projection Modelling and affordability analysis (numbers may not add up due to rounding)

**Table 27:    Estimated level of Affordable Housing Need per annum – by HMA and local authority - (2011-31)**

| | Current need | Newly forming households | Existing households falling into need | Total Need | Supply from existing stock | Net Need |
|---|---|---|---|---|---|---|
| Leicester | 259 | 1,330 | 971 | 2,560 | 1,774 | 786 |
| Blaby | 23 | 321 | 113 | 457 | 184 | 273 |
| Charnwood | 41 | 576 | 240 | 857 | 464 | 392 |
| Harborough | 18 | 250 | 80 | 347 | 141 | 206 |
| H&B | 24 | 342 | 163 | 530 | 278 | 251 |
| Melton | 14 | 139 | 81 | 234 | 160 | 73 |
| NWL | 24 | 298 | 174 | 496 | 297 | 199 |
| Oadby & Wigston | 19 | 155 | 40 | 214 | 71 | 143 |
| HMA | 422 | 3,410 | 1,862 | 5,693 | 3,371 | 2,322 |

Source: 2011 Census/CoRe/Projection Modelling and affordability analysis (numbers may not add up due to rounding)

## Comparison of Affordable Need with Previous Assessments

4.53    The analysis in this report can be compared with the 2014 Strategic Housing Market Assessment, also carried out by GL Hearn. The table below shows that the SHMA estimated a net need for some 1,913 affordable homes per annum.

4.54    As well as using more up to date information there are a number of methodology changes since the SHMA. The core change is that the assumed percentage spent on housing is based on a sliding scale across the HMA (25%-31%) rather than a flat rate 30% used previously.

4.55    The overall net affordable need suggested by the SHMA is somewhat lower than that estimated in this assessment. Looking at the components of the needs assessment model, the levels of gross need are only very slightly different. However, the main difference is in terms of estimated future supply where the SHMA identified a figure around 300 dwellings higher. Estimates of the number of newly forming households in need also vary due to changes in the demographic projections, for example in Harborough this is lower and hence they have a lower affordable housing need.

**Table 28:    Estimated level of Affordable Housing Need (comparing the HEDNA with the 2014 SHMA)**

| | 2016 HEDNA | 2014 SHMA |
|---|---|---|
| Current need | 337 | 216 |
| Newly forming households | 3,410 | 3,481 |
| Existing households falling into need | 1,862 | 1,878 |
| Total Gross Need | 5,609 | 5,576 |
| Supply | 3,371 | 3,663 |
| Net Need | 2,238 | 1,913 |

Source: Leicester and Leicestershire SHMA (2014) and this assessment

4.56    Both analyses show a need for additional affordable housing although this does not automatically mean a need for additional provision over and above the needs shown by demographic modelling – this is discussed in section 7 of the main report.

## Initiatives to address or manage Affordable Housing Need

4.57    Set out below are examples from each local authority of initiatives undertaken by local authorities which have sought to either reduce or restrict the number of households falling into need or to provide affordable housing by means other than developer contributions.

**Leicester**

4.58    Leicester City Council has had programmes aimed at bringing empty private market homes back into use as Affordable Housing. Further initiatives include schemes driven by Registered Providers to deliver additional affordable housing through street rehabilitation programmes, although funding is not currently available for these schemes.

4.59    The City Council has also enabled Registered Providers developments and has built new Council houses in their own right. Other initiatives include delivering affordable housing from the existing stock. This includes, creating new Affordable Housing from non-residential parts of existing housing such as garages.

**Blaby**

4.60    Blaby Council have a range of initiatives which seek to reduce the number of households falling into need. Examples include offering tenants looking to access housing in the private rented sector assistance in the way of rent in advance and also a tenancy deposit scheme.

4.61    The Council have also provided loans to private tenants to pay off arrears. There are also other small funding streams which seek to assist households financially without necessarily being housing related. For example providing food parcels and/or furniture.

4.62    On the supply side the Council offer both loans and grants to private owners of empty properties in the District who are willing to bring the properties up to a rentable standard. In exchange for the loan or grant the Council require that the property is then rented out to households on the Council's housing register.

**Charnwood**

4.63    Charnwood Council have a range of initiatives which seek to reduce the number of households falling into need. These include the Tenant Finder Bond Scheme which provides a rent in advance and a written bond up to Local Housing Allowance (LHA) limits and the Housing Advice service

(through the Housing Options team) which focuses on homelessness prevention for all residents that have proven a local connection with the council.

4.64    In addition for the council tenants there is a variety of initiatives including the Financial Inclusion Team which support tenants in receipt of benefits or on low incomes to maximise their income, e.g. Severn Trent Trust Fund assists with debt whilst the Big Difference Scheme assists with current bills and Warm Homes Scheme provides a discount on electricity bills. Moreover the Tenancy Support Team provides support to vulnerable tenants to maintain their tenancies and make external referrals for longer term support as well as the Landlord Services make referrals to Adult Social Services, Mental Health. The council also work with Registered Providers to ensure that appropriate Affordable Housing is developed as part of new schemes.

4.65    Finally it should be noted that Charnwood has included within its Business Plan a small amount of development opportunities (up to 10 units) in order to provide more affordable housing from the existing stock.

**Harborough**

4.66    Harborough District offer a rent deposit and property sustainment schemes to aid those needing help with private housing costs. These schemes are loans which have to be repaid. Other initiatives include the offer of paperless bonds. The Council also undertake tenure sustainment prevention work which helps vulnerable households to stay in their current home or find alternative accommodation.

4.67    The Council also provide advice and information on their Housing Options Advice webpage. This includes information about finding social (including mutual exchange) and affordable rented properties, including those in the PRS and information on low cost home ownership to help people make informed choices about addressing their housing need.

4.68    The Council also have a range of homelessness prevention tools and well as a Move on Plan Protocol (MOPP) to help residents move out of supported accommodation into independent living. The Council also award priority to assisting households threatened with homelessness to find alternative accommodation quickly through the housing register. Finally the Council offer a mediation service to help homeless young people return to the family home.

**Hinckley and Bosworth**

4.69    Hinckley and Bosworth Borough Council have been reasonably successful in providing more affordable housing outside of developer contributions. This includes the following:

- Buy-back of ex-Council housing lost under right to buy;

- The purchase of properties on section 106 schemes where no Registered Provider interest has been established;
- Acceptance of gifted units on section 106 schemes where no Registered Provider bid for the affordable housing
- Development of Housing Revenue Account owned site in a rural village in the District.

4.70    The Council also offer a range of initiatives for reducing the number of households in need including:

- Establishment of a mortgage rescue scheme;
- Supporting Leicestershire Families scheme, working with families in danger of eviction to keep them in their tenancy;
- Prevention loan scheme to provide the deposit and rent in advance for private tenants;
- Cashless bond scheme to help single people access private sector renting; and
- Establishing a Private Sector Leasing scheme

**Melton**

4.71    Melton Borough Council regularly use the Discretionary Housing Benefit Fund to pay for deposits for applicants who can access private renting. They also refer applicants to their "Me & My Learning" Project which assists single applicants with access to private rented accommodation. This is through charity funding for private rented accommodation. The Me & My Learning Project also supports applicants in housing need and supports them in their home through money advice, accessing education and employment, and help with drug/alcohol abuse.

4.72    The Council also supply housing support through the Supporting Leicestershire Family project and the Bridge. These schemes supply housing support to families and single people to assist them to remain in their home with the necessary support.

4.73    The Council also transfers applicants who are under-occupying family accommodation to a high housing need band. This facilitates a move to smaller accommodation thereby freeing up family accommodation. This provides a quicker supply of lager properties than they has typically seen in the past.

**North West Leicestershire**

4.74    North West Leicestershire District Council operate a rent deposit scheme that assisted seven households in to the private rented sector last year.

**Oadby and Wigston**

4.75    Oadby and Wigston Borough Council offer a range of initiatives which have sought to reduce affordable housing need or increase the supply of affordable homes. For the past 10 years the Homeless Prevention Grant has been made available to help households with children to access

privately rented accommodation. This has recently been expanded to all homeless households living in the borough.

4.76     The Council have also provided grants to bring empty properties back into use. This includes a programme to offer 100% grant funding to bring long term empty properties back into use.

4.77     Grant funding is also available to pay for rental deposits and indeed anything to prevent homelessness since 2014. To date rental deposit and rent in advance payments continue to account for the majority expenditure.

4.78     A small number of households have been prevented from becoming homeless through funds being granted to secure homes – extra locks, improved security (in the case of anti-social behaviour and domestic abuse), lump sum payments to reduce rent arrears to help persuade landlords to keep tenants they might otherwise have evicted.

## 5 ANALYSIS OF STARTER HOME HOUSING NEEDS

5.1 Starter Homes are to be included within the definition of affordable housing, although it is difficult to see how such accommodation will be 'affordable' in the traditional meaning of the word – this is simply because the sort of income levels likely to be required to access a Starter Home will be above the levels needed to access market housing generally (e.g. in the private rented sector). The issue of income levels is discussed later in this section.

5.2 Whilst Starter Homes will not meet affordable need in a traditional sense (and the inclusion of Starter Homes within the definition of affordable housing looks to be quite a radical change) there is some consistency with the current NPPF which seeks in para 50 to *'widen opportunities for home ownership'*. Starter Homes can therefore be seen to be meeting an aspiration rather than a need and the analysis in this section is therefore primarily aimed at establishing the scope for households (within a defined target group) to access Starter Homes.

5.3 The analysis to follow seeks to establish the potential market for Starter Homes in the HMA (defined for simplicity as the potential 'need'). Whilst there is no published methodology for assessing this (unlike for affordable housing need as currently defined in the PPG) it does seem logical that the 'need' can be considered in a similar way (i.e. that there is a "current need" and will be a "future need" as the population age structure changes and cohorts move through time). Hence the analysis seeks to consider likely need (on an annual basis) taking account of both current and projected need.

5.4 The analysis undertaken looks at a gross need with no reduction for estimated supply; this makes sense given that at present Starter Homes are not available as a product. It also makes the analysis slightly more straight forward. It should also be recognised that in reality there is a degree of overlap between the potential market for shared ownership homes, homes sold under the Government's Help-to-Buy Scheme and Starter Homes.

**Starter Homes – target group**

5.5 This Appendix sets out the analysis of demand for starter homes across the HMA from first time buyers aged under 40. This is followed by a short section providing the results at a local authority level. Detailed information on the calculations at a local authority level are provided in Appendix 6.

5.6 As a precursor it is perhaps of interest to understand why the Starter Home initiative has been introduced. One of the key reasons is the fall in the number of younger owner-occupiers across the Country over the past 15-years or so (and certainly since 2001). Using Census data, it is possible to look at the target group in some detail with the table below showing that the number of households living in private rented accommodation has increased by around 30,400, whilst the number of

owners with a mortgage has dropped by around 14,900. The trend over the decade has been of a falling number of young households able to move into home ownership, and increases in those renting.

**Table 29:   Change in Tenure 2001-11 (households) – HMA**

| Tenure | 2001 | 2011 | Change | % change |
|--------|------|------|--------|----------|
| Outright owner | 109,089 | 127,118 | 18,029 | 16.5% |
| Owned with mortgage | 154,318 | 139,385 | -14,933 | -9.7% |
| Social rented | 58,080 | 59,287 | 1,207 | 2.1% |
| Private rented | 29,508 | 59,931 | 30,423 | 103.1% |
| Other | 5,398 | 4,838 | -560 | -10.4% |
| Total | 356,393 | 390,559 | 34,166 | 9.6% |

Source: Census (2001 and 2011)

5.7     If the proportion of households in each tenure group had stayed the same in 2011 as it was in 2001 then it would have been expected that there would be 32,300 households living in the private rented sector. The actual number is about 27,600 higher than this and therefore it is arguable that this is the number of households who might be considered as 'would be owner-occupiers' and therefore a potential target group for Starter Homes. For some young households, renting may have however been a lifestyle choice or desired because of its flexibility.

5.8     In addition there are numerous reasons why households move into the private sector and are not able to be owner occupiers even if they wish to do so.  For example, some may be excluded from the housing register because of bad debts or ASBO etc.  Others may not be able to access mortgages because of their employment status (i.e. recently self-employed). The final example is of households which have visiting children and may not be allocated a household which allows them obtaining properties that enable overnight visits.  While we recognise this potential group, it is not possible to quantify this group.

5.9     The data above shows information for all households and it needs to be recognised that the Starter Home Initiative is to be targeted at non-owners/first time buyers aged 23 or over and under 40. Interrogating changes for this age group is difficult as the two Census periods (to 2001 and 2011) use different age bandings and do not typically include an 'up to 40' band in the data, nor any differentiation at age 23. It is however possible to provide an indication of the change in tenure by looking at households aged under 35 and this is shown in the table below. It should be noted that to provide consistent analysis, both groups of owners have been merged, whilst the private rented category also includes the 'other' category as shown in the table above.

5.10    For the Under 35 age group the analysis again shows a sharp increase in the number of households living in private rented accommodation. Surprisingly the growth in this age group is slightly below that for all households although it does need to be borne in mind that overall this age

group also saw a decline in household numbers overall. The analysis also highlights a very significant decrease in the number of owner occupiers (decreasing by approaching 40% in just 10-years). This analysis does provide some support for widening access to owner-occupation for younger people where there is a desire and possibility to do so.

**Table 30:   Change in tenure 2001-11 (all households aged under 35) – HMA**

| Tenure | 2001 | 2011 | Change | % change |
|--------|------|------|--------|----------|
| Owned | 42,123 | 25,672 | -16,451 | -39.1% |
| Social rented | 13,778 | 13,001 | -777 | -5.6% |
| Private rented | 16,147 | 30,446 | 14,299 | 88.6% |
| TOTAL | 72,048 | 69,119 | -2,929 | -4.1% |

Source: Census (2001 and 2011)

**Estimates of the number of households in the target group**

5.11    To look at the current need for Starter Homes an analysis has been undertaken to estimate the size of the target group for such housing. This has been assumed to be the difference between the number of households living in the private rented sector in 2011 with the number that might have been expected if there were no changes in the proportion of households in this sector from 2001 (the analysis then being limited to households who are aged Under 40 (where the household reference person is aged under 40) and aged 23 or over.

5.12    Arguably there will be other households who might be in this target group, particularly those currently living with parents; however, these are not included in the current need as it is assumed that they will be picked up as part of the projection of need (i.e. at the time at which they might be expected to form an independent household). Additionally, there could be some households living in social rented housing who might be part of this target group; however, in this case it is not considered that many (if any) would have sufficient levels of income to afford a Starter Home (and even if they did, they might well wish to remain in their current subsidised housing).

5.13    The first part of the analysis looks at the proportion of people (by age) who live in private rented accommodation. As noted above this analysis is slightly imperfect as the Census source used does not allow for a split to be made at age 40. Additionally, data from each of the 2001 and 2011 Census use slightly different age bandings within published analysis. We have therefore plotted the data available and drawn a trend line between the available data points to establish what proportion of different age bands live in the private rented sector – this analysis includes the 'other' tenure category due to this not being able to be separated out within the 2001 Census data.

5.14    The figure below shows this analysis, which clearly identifies high levels of private renting amongst younger age groups, the analysis also shows an increase in the proportion of households privately

renting in 2011 compared with 2001 – the biggest increase looks to be for households aged up to 30 with the proportion of 30-year olds privately renting in 2011 estimated to be 38%, compared with about 17% in 2001.

**Figure 16:  Change in proportion of households living in private rented housing (2001-11) by age – HMA**
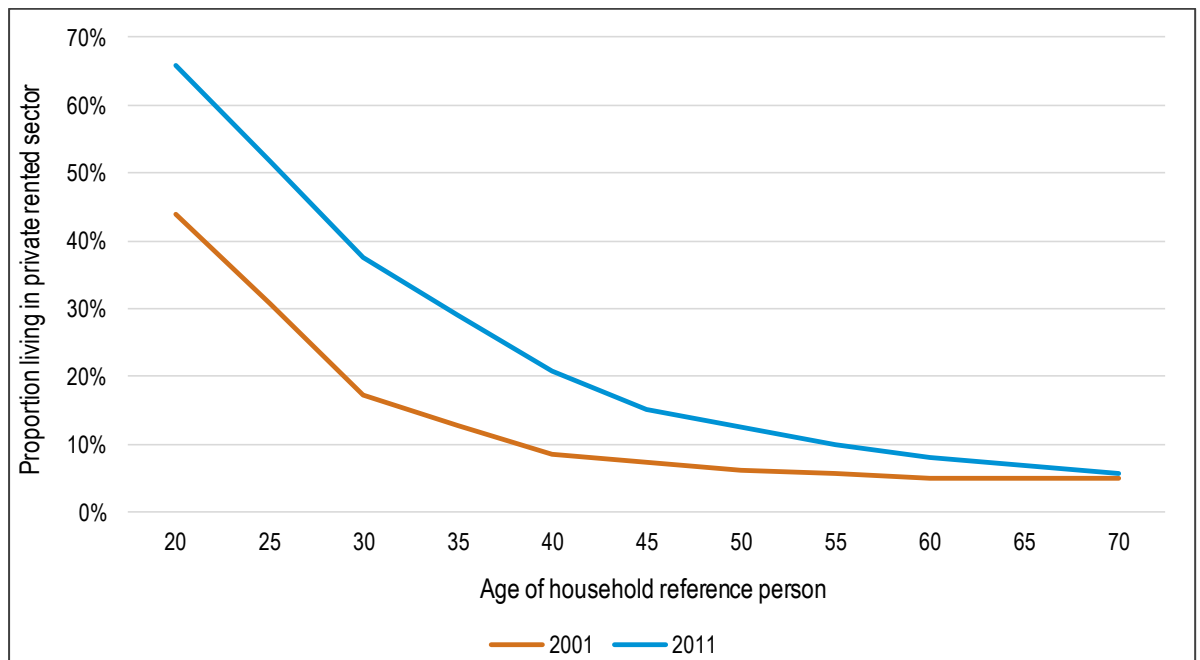


Source: Census (2001 and 2011)

5.15    The table below summarises the information from the figures above to make an estimate of the changes in the proportions living in the private rented sector for various age bands up to age 40 – whilst Starter Homes are not available for people aged under 23 and band from age 20 is included due to data availability issues. The analysis clearly identifies an increase in the proportion in the private rented sector for all age groups.

**Table 31:   Change in proportion of households living in private rented housing (2001-11) by age – HMA**

|       | 2001 | 2011 | Change |
|-------|------|------|--------|
| 20-24 | 37.3% | 58.9% | 21.6% |
| 25-29 | 23.9% | 44.7% | 20.8% |
| 30-34 | 15.0% | 33.4% | 18.4% |
| 35-39 | 10.6% | 24.9% | 14.3% |

Source: Census (2001 and 2011)

5.16    To work out the current size of the target group of households for Starter Homes, the change in the proportion of households in the private rented sector is multiplied by the number of households in each age band. This analysis is shown in the table below and identifies around 16,300 households as currently being a potential target for Starter Homes.

**Table 32:    Estimated Current Target Group for Starter Homes – HMA**

|  | Number of households (2015) | % in target group* | Number in target group (2015) |
|---|---|---|---|
| 23-24 | 6,418 | 21.6% | 1,354 |
| 25-29 | 24,069 | 20.8% | 4,862 |
| 30-34 | 30,800 | 18.4% | 5,478 |
| 35-39 | 32,551 | 14.3% | 4,597 |
| TOTAL | 93,837 | - | 16,292 |

Source: Census (2001 and 2011) and demographic projections  (percentages do not quite match due to data being built up from local authority data)

5.17    The analysis above has considered the current target group for Starter Homes. It is also necessary to understand how many new households will be expected to join this group moving forward. To study this, a similar analysis is carried out to that in the main affordable needs modelling; this seeks to estimate the number of new households in each of the age bands up to age 40. The new households are calculated as the number of household reference persons (HRP) in an age band who were not an HRP five years previously. The analysis is based on annual figures over the full projection period to 2036 and shows that each year an additional 1,077 households are expected to fall into the target group for Starter Homes.

**Table 33:    Estimated Projected Target Group for Starter Homes (per annum) – HMA**

|  | Number of newly forming households | % in target group* | Number in target group |
|---|---|---|---|
| 23-24 | 1,173 | 21.6% | 249 |
| 25-29 | 1,912 | 20.8% | 395 |
| 30-34 | 1,659 | 18.4% | 292 |
| 35-39 | 1,035 | 14.3% | 142 |
| TOTAL | 5,779 |  | 1,077 |

Source: Census (2001 and 2011) and demographic projections (note percentages do not quite match due to data being built up from local authority data)

**Affordability of Starter Homes**

5.18    To understand the likely affordability of Starter Homes in the HMA a similar analysis to that typically undertaken for affordable housing needs modelling has been undertaken. This essentially seeks to estimate the income levels likely to be required to access housing and the income profile of the target group (i.e. non-owners aged 23 to 39). Income estimates are then compared with the estimated level of income required to access such housing.

**Estimated income level required to access Starter Homes**

5.19    In looking at the cost of housing it needs to be recognised that Starter Homes will be a new build product (and therefore may have a small premium) and that discounts on open market value (OMV) of at least 20% will be available. To establish the likely OMV we have looked at Land Registry data for new build properties and taken a lower quartile value to equate to a typical cost; the use of a lower quartile is trying to recognise that Starter Homes are likely to be towards the bottom end (in price terms) of the new build market. In 2015, the lower quartile new build price in the HMA, from the Land Registry source, was estimated to be around £175,000.

5.20    To convert the property price into an income level it has been assumed that there will be a 20% discount and it has also been assumed that a household will have a 10% deposit. Whilst a deposit may potentially be an issue for a number of households, it is the case that Starter Homes will be able to be bought in conjunction with other incentives (such as Help-to-Buy ISAs). Finally, it is assumed that a mortgage could be secured for four times the household income. This is slightly higher than the typical multiples used in such analysis (which often use 3 to 3.5 times income) but again reflects the fact that there is likely to be some keenness from Government to ensure that prospective households are able to access the finance they need. For the Help-to-Buy Scheme, the maximum income multiple is for instance 4.5.

5.21    The table below therefore works through the calculations to determine what level of income might be required to be able to buy a Starter Home. The analysis shows that an income of about £31,500 would be needed (with a 20% discount, 10% deposit and 4 times income mortgage multiple).

**Table 34:    Income Required to Purchase Starter Home – HMA**

|  |  |
| --- | --- |
| Open Market Value | £175,000 |
| With discount | £140,000 |
| Minus deposit (amount of mortgage) | £126,000 |
| Income required | £31,500 |

Source: Derived from Land Registry data

5.22    It is worth briefly reflecting on the estimated level of income required to afford a Starter Home. The latest Valuation Office Agency data for private rental costs suggests in the year to March 2016 that the 'average' lower quartile property cost £350 per month to rent in Leicester and £475 across the rest of the HMA; on the basis of a 25% affordability threshold (i.e. the proportion of income to be spent on housing costs) this would equate to an annual income of £16,800 to £22,800 (note: that 25% is at the very bottom end of what might be a reasonable range to use). This compares with the figure of £31,500 for Starter Homes derived above. This shows that Starter Homes are not 'affordable' in the traditional sense of the definition as those households able to afford a Starter

Home will also be able to afford private rented housing. There may however be non-owners who can afford a Starter Home with the analysis below now seeking to look at the likely numbers.

**Income levels**

5.23    The next step in the process is to consider income levels. The difficulty here is that we are wanting to focus on a very particular group of households (non-owners aged 23-39) about which specific data does not readily exist. However, it is considered that the majority of the target group will be households living in private rented accommodation and so some consideration of income levels in this sector will help to get an idea of our target group. Additionally, it is possible to look at HMRC data about the incomes of people in different age bands. The analysis of the incomes of the target group of households therefore essentially has two stages:

- How do income levels of each age group compare with the overall average?
- How do income levels of those living in the private rented sector vary from other households?

5.24    The table below shows average (median) income before tax for people aged both under and over 40 (the data is from the Survey of Personal Incomes 2013-14) for the whole of the Country but only includes taxpayers. This indicates that the income levels of people aged under 30 are lower than those of people aged over 40 but that people aged 30-39 typically have slightly higher incomes.

5.25    It should however be remembered that this is an imperfect analysis and in reality it is probable that income levels amongst older people are relatively higher (if for example there are other non-tax incomes such as from dividends). Additionally, the figures are for individual taxpayers rather than households (which is the category used for the affordability analysis); hence the figures in the last column should be given some weight although the actual income levels shown are of limited use.

**Table 35:    Estimated income levels by age (United Kingdom)**

| Age group | Median income (before tax) | % of all taxpayers |
|---|---|---|
| 20-24 | £15,200 | 69.4% |
| 25-29 | £20,200 | 92.2% |
| 30-34 | £24,000 | 109.6% |
| 35-39 | £26,100 | 119.2% |
| All ages (including 40 and over) | £21,900 | - |

Source: National Statistics -Distribution of median and mean income and tax by age range and gender

5.26    When looking specifically at households in the private rented sector we have looked at data from the English Housing Survey. In 2013-14 (the latest year for which data is available) this source shows an average (mean) income of £580 per week in the private rented sector, compared with £672 for all households – the private rented sector is therefore at about 86% of the overall average.

5.27    On the basis of this analysis, it is concluded for the purposes of modelling that the incomes of the target group by age can be calculated by multiplying age specific differences in incomes by the typical proportion of all household income seen in the private rented sector. The table below shows estimated median incomes in the HMA for the target group for Starter Homes by age; the figures shown are calculated as a proportion of the overall median income in the HMA which as of 2015 has been estimated to be £26,600 per annum.

5.28    The analysis suggests that younger households in the target group will have relatively low incomes, however by the time a household moves in to their 30s, income levels are similar to those seen across the whole HMA.

**Table 36:    Estimated income levels by age for Starter homes target group – HMA**

| Age group | Multiplier from all household income | Estimated median income |
|---|---|---|
| 23-24 | 0.60 | £15,927 |
| 25-29 | 0.80 | £21,167 |
| 30-34 | 0.95 | £25,148 |
| 35-39 | 1.03 | £27,349 |

Source: Derived from a range of analysis (as described)

**Affordability**

5.29    In taking this information forward an income distribution has been constructed for each age group based on the distribution for all households. This is then applied to the income thresholds already derived to estimate the likely proportion of households in each age group who might be able to afford a starter home. This is shown in the table below and shows that only about 20% of households aged 23-24 would be expected to be able to afford a Starter Home; this figure rises to 45% when considering the 35-39 age group. This would suggest that only the best off minority of households age under 40 will be able to afford Starter Homes in the HMA.

5.30    These figures essentially include anyone with an income above the thresholds derived and analysis based on these figures should be considered as indicative; for example, some of the higher earners in this category would have the choice between Starter Homes and other owner-occupied products and may not choose the discounted new build option.

**Table 37:    Affordability of Starter Homes by age band**

| Age group | % able to afford Starter Home |
|---|---|
| 23-24 | 20.2% |
| 25-29 | 32.9% |
| 30-34 | 41.1% |
| 35-39 | 44.9% |

Source: Derived from a range of analysis (as described)

**Bringing the analysis together – the potential need for Starter Homes**

5.31    The analysis below brings together the analysis of the number of households in a target group for Starter Homes along with the affordability estimates. Analysis is provided separately for the current and future need and then brought together into a single annual estimate of the potential need for Starter Homes. The figures are initially presented as an annual figure for the period to 2036 (from 2015) – i.e. a 21-year period.

5.32    The table below shows the estimated current need for Starter Homes; this is 6,129 households. Annualised, this represents 292 homes per annum over the period to 2036 and 383 over the shorter period to 2031.

**Table 38:    Estimated Current Need for Starter Homes**

|  | Size of target group | % able to afford* | Number able to afford |
|---|---|---|---|
| 23-24 | 1,354 | 20.2% | 266 |
| 25-29 | 4,862 | 32.9% | 1,579 |
| 30-34 | 5,478 | 41.1% | 2,233 |
| 35-39 | 4,597 | 44.9% | 2,052 |
| TOTAL | 16,292 | - | 6,129 |
| Annualised (2015-36) | - | - | 292 |
| Annualised (2015-31) |  |  | 383 |

Source: Derived from a range of analysis (as described) (* percentages do not quite match due to data being built up from local authority data)

5.33    The table below shows a similar analysis for future newly forming households; this analysis indicates a potential need for around 362 Starter Homes each year regardless of the period.

**Table 39:    Estimated Future Need for Starter Homes (per annum)**

|  | Size of target group | % able to afford* | Number able to afford |
|---|---|---|---|
| 23-24 | 249 | 20.2% | 48 |
| 25-29 | 395 | 32.9% | 130 |
| 30-34 | 292 | 41.1% | 119 |
| 35-39 | 142 | 44.9% | 64 |
| Total | 1,077 | - | 362 |

Source: Derived from a range of analysis (as described) (* percentages do not quite match due to data being built up from local authority data)

5.34    The analysis can also be brought together (i.e. adding the current and future need) to provide an annual estimate of the likely need for Starter Homes. The analysis as presented above annualises the current need as if this were to be met over the remainder of the projection period (to 2031/2036).

5.35    However, it should be noted that it is currently the Government's pledge to get Starter Homes delivered by 2020 (200,000 Starter Homes out of a total of 1 million homes). Hence the analysis

below also looks at meeting the current need over five years. The table below shows that over the next five years, the potential 'need' for Starter Homes is around 1,588 per annum, but this figure more than halves if this 'need' is sought to be met by 2036 rather than earlier.

**Table 40:  Total need for Starter Homes over different time periods**

| Scenario | Current need (pa) | Future need (pa) | Total need (pa) |
|----------|-------------------|------------------|-----------------|
| 2015-36 | 292 | 362 | 654 |
| 2015-31 | 383 | 362 | 745 |
| 2015-20 | 1,226 | 362 | 1,588 |

Source: Derived from a range of analysis (as described)

5.36    The annual estimated need for Starter Homes can be compared with the overall need for housing as assessed through demographic projections – this suggested a range of need for 4,265 dpa for the 2011-36 period and 4,368 for the 2011-31 period. The Starter Homes need represents between about 15% and 36% of the overall household need– depending on the time period over which the current need is addressed.

5.37    On balance, this analysis would suggest that there is likely to be sufficient demand for 20% of all housing to be provided as Starter Homes (particularly over the short term) although issues about the affordability of such a product remain.

5.38    As currently worded, the Housing and Planning Act seems likely to require local authorities to provide at least 20% of housing as Starter Homes. Were there to be a degree of flexibility in the proportion of homes to be provided within this tenure then the Councils in Leicester and Leicestershire will need to consider this by balancing the needs for more traditional forms of affordable housing. This could well be through seeking a lower proportion of Starter Homes (or possibly none) recognising that those households with the potential to afford such a product will already be able to meet their own needs in the housing market (through renting privately).

## Starter Homes 'Need' by Local Authority

5.39    At a local authority level the results for starter home demand varies considerably.  Over the longer 2015 to 2036 period, the total need for starter homes totals 654 dwellings per annum increasing to 754 dwellings per annum for the 2011-2031 period.  This equates to around 15% of the OAN when the affordable needs adjustment is made.  The calculations for this section are set out in Appendix 6 in more detail.

**Table 41:** **Total annual need for Starter Homes over different time periods – by local authority**

| | 2015-2031 | 2015-36 | 2015-20 | % of OAN 2015-2031 | % of OAN 2015-36 |
|---|---|---|---|---|---|
| Leicester | 294 | 253 | 668 | 17% | 15% |
| Blaby | 79 | 71 | 154 | 21% | 20% |
| Charnwood | 96 | 84 | 210 | 9% | 8% |
| Harborough | 60 | 54 | 118 | 11% | 11% |
| Hinckley & Bosworth | 83 | 74 | 167 | 18% | 16% |
| Melton | 38 | 33 | 77 | 20% | 19% |
| North West Leicestershire | 62 | 55 | 128 | 13% | 12% |
| Oadby & Wigston | 33 | 29 | 66 | 22% | 19% |
| HMA | 745 | 654 | 1,588 | 15% | 14% |

Source: Derived from a range of analysis (as described)

5.40    When set against the annual need across the 2011-2036 period there is a particularly high need for starter homes in Melton, Blaby and Oadby and Wigston (all of which exceed the 20% requirement. In contrast the need for starter homes in Charnwood equates to just 9% of the OAN.

5.41    It should be stressed that this is not necessarily the appropriate housing mix for these areas it is simply reflective of the potential scale of demand for starter homes. Local Planning Authorities in England are under a general duty to promote the supply of such accommodation (although in the absence of regulations, it is unclear exactly what form of housing this might take). Hence, there will be further choices to make regarding the provision of Starter Homes and this will include consideration of issues such as the discount on Open Market Values.

5.42    There are further considerations when looking at the tenures of affordable homes to be provided. This includes the cost to the public purse of Housing Benefit and also the extent to which households might get caught in a benefit trap if rent levels are too high (which could act as a disincentive to seek employment). Differences in the pricing and availability of housing in rural areas will also be a consideration when deciding what mix of housing is most appropriate (e.g. rural housing is more expensive, and these areas typically have a lower proportion of social rented homes currently).

5.43    Overall, whilst the HEDNA provides an evidence base about the need for affordable housing and the different types of housing to meet this need, it remains the case that local authorities will need to recognise that there are a series of choices to be made with regard to the provision of new homes; essentially a trade-off between the affordability of accommodation and the number of homes that can viably be provided.

# 6        LOCAL AUTHORITY LEVEL STARTER HOMES ANALYSIS

## Leicester

**Table 42:    Change in Tenure 2001-11 (all households) – Leicester**

| Tenure | 2001 | 2011 | Change | % change |
|---|---|---|---|---|
| Outright owner | 26,241 | 28,018 | 1,777 | 6.8% |
| Owned with mortgage | 38,146 | 33,926 | -4,220 | -11.1% |
| Social rented | 31,098 | 31,270 | 172 | 0.6% |
| Private rented | 14,025 | 27,999 | 13,974 | 99.6% |
| Other | 1,638 | 1,912 | 274 | 16.7% |
| TOTAL | 111,148 | 123,125 | 11,977 | 10.8% |

Source: Census (2001 and 2011)

**Table 43:    Change in tenure 2001-11 (all households aged under 35) – Leicester**

| Tenure | 2001 | 2011 | Change | % change |
|---|---|---|---|---|
| Owned | 12,548 | 8,206 | -4,342 | -34.6% |
| Social rented | 8,639 | 7,856 | -783 | -9.1% |
| Private rented | 8,844 | 16,205 | 7,361 | 83.2% |
| TOTAL | 30,031 | 32,267 | 2,236 | 7.4% |

Source: Census (2001 and 2011)

**Figure 17:  Change in proportion of households living in private rented housing (2001-11) by age – Leicester**
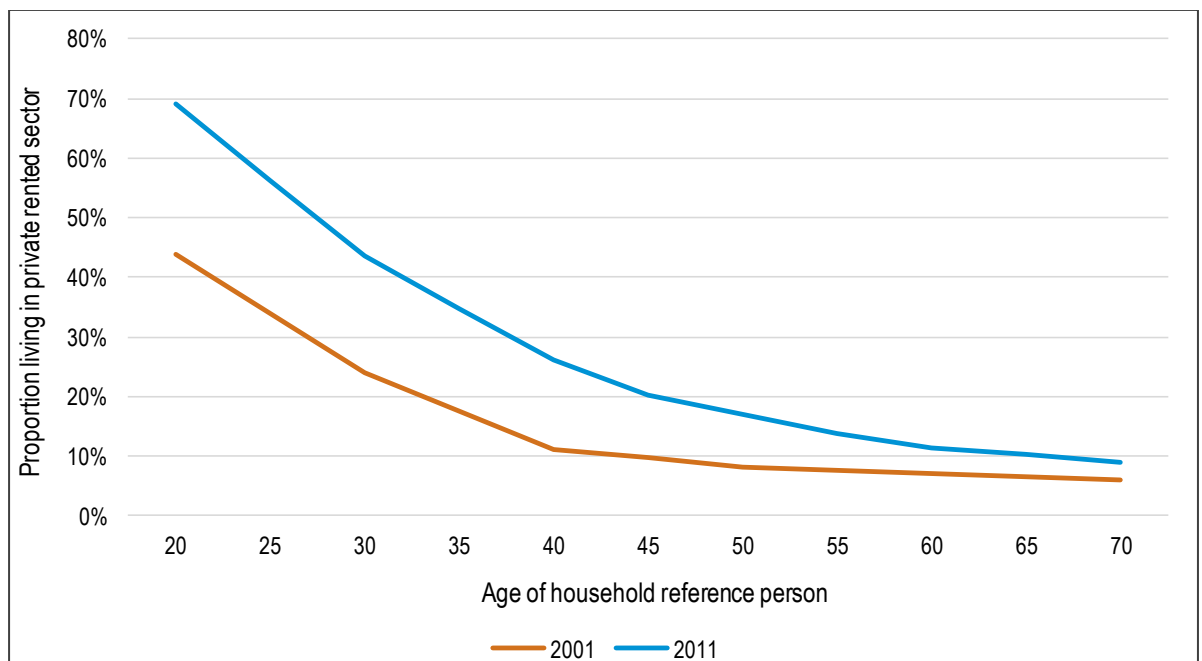


Source: Census (2001 and 2011)

**Table 44:   Change in proportion of households living in private rented housing (2001-11) by age – Leicester**

|       | 2001  | 2011  | Change |
|-------|-------|-------|--------|
| 20-24 | 38.9% | 62.7% | 23.8%  |
| 25-29 | 29.0% | 49.9% | 20.9%  |
| 30-34 | 20.8% | 39.2% | 18.4%  |
| 35-39 | 14.4% | 30.5% | 16.1%  |

Source: Census (2001 and 2011)

**Table 45:   Estimated Current Target Group for Starter Homes – Leicester**

|       | Number of households (2015) | % in target group | Number in target group (2015) |
|-------|-----------------------------|-------------------|-------------------------------|
| 23-24 | 3,543                       | 23.8%             | 843                           |
| 25-29 | 10,592                      | 20.9%             | 2,215                         |
| 30-34 | 12,899                      | 18.4%             | 2,367                         |
| 35-39 | 12,816                      | 16.1%             | 2,062                         |
| TOTAL | 39,850                      |                   | 7,487                         |

Source: Census (2001 and 2011) and demographic projections

**Table 46:   Estimated Projected Target Group for Starter Homes (per annum) – Leicester**

|       | Number of newly forming households | % in target group | Number in target group |
|-------|------------------------------------|-------------------|------------------------|
| 23-24 | 673                                | 23.8%             | 160                    |
| 25-29 | 463                                | 20.9%             | 97                     |
| 30-34 | 604                                | 18.4%             | 111                    |
| 35-39 | 230                                | 16.1%             | 37                     |
| TOTAL | 1,971                              |                   | 405                    |

Source: Census (2001 and 2011) and demographic projections

**Table 47:   Estimated income level required to access Starter Homes – Leicester**

|                                   | 20%      |
|-----------------------------------|----------|
| Open Market Value                 | £145,000 |
| With discount                     | £116,000 |
| Minus deposit (amount of mortgage)| £104,400 |
| Income required                   | £26,100  |

Source: Derived from Land Registry data

**Table 48:    Estimated income levels by age for Starter homes target group – Leicester**

| Age group | Multiplier from all household income | Estimated median income |
|---|---|---|
| 23-24 | 0.60 | £13,504 |
| 25-29 | 0.80 | £17,946 |
| 30-34 | 0.95 | £21,321 |
| 35-39 | 1.03 | £23,187 |

Source: Derived from a range of analysis (as described)

**Table 49:    Affordability of Starter Homes by age band – Leicester**

| Age group | % able to afford Starter Home |
|---|---|
| 23-24 | 19.4% |
| 25-29 | 32.0% |
| 30-34 | 40.2% |
| 35-39 | 44.0% |

Source: Derived from a range of analysis (as described)

**Table 50:    Estimated Current Need for Starter Homes – Leicester**

| | Size of target group | % able to afford | Number able to afford |
|---|---|---|---|
| 23-24 | 843 | 19.4% | 163 |
| 25-29 | 2,215 | 32.0% | 708 |
| 30-34 | 2,367 | 40.2% | 950 |
| 35-39 | 2,062 | 44.0% | 906 |
| TOTAL | 7,487 | | 2,728 |
| Annualised | | | 130 |

Source: Derived from a range of analysis (as described)

**Table 51:    Estimated Future Need for Starter Homes (per annum) – Leicester**

| | Size of target group | % able to afford | Number able to afford |
|---|---|---|---|
| 23-24 | 160 | 19.4% | 31 |
| 25-29 | 97 | 32.0% | 31 |
| 30-34 | 111 | 40.2% | 44 |
| 35-39 | 37 | 44.0% | 16 |
| TOTAL | 405 | | 123 |

Source: Derived from a range of analysis (as described)

**Table 52:    Total need for Starter Homes over different time periods – Leicester**

| Scenario | Current need (pa) | Future need (pa) | Total need (pa) |
|---|---|---|---|
| 2015-36 | 130 | 123 | 253 |
| 2015-20 | 546 | 123 | 668 |

Source: Derived from a range of analysis (as described)

## Blaby

**Table 53:    Change in Tenure 2001-11 (all households) – Blaby**

| Tenure | 2001 | 2011 | Change | % change |
|---|---|---|---|---|
| Outright owner | 12,262 | 14,745 | 2,483 | 20.2% |
| Owned with mortgage | 18,990 | 16,811 | -2,179 | -11.5% |
| Social rented | 2,942 | 2,948 | 6 | 0.2% |
| Private rented | 1,444 | 3,876 | 2,432 | 168.4% |
| Other | 270 | 306 | 36 | 13.3% |
| TOTAL | 35,908 | 38,686 | 2,778 | 7.7% |

Source: Census (2001 and 2011)

**Table 54:    Change in tenure 2001-11 (all households aged under 35) – Blaby**

| Tenure | 2001 | 2011 | Change | % change |
|---|---|---|---|---|
| Owned | 5,079 | 2,730 | -2,349 | -46.2% |
| Social rented | 445 | 440 | -5 | -1.1% |
| Private rented | 613 | 1,687 | 1,074 | 175.2% |
| TOTAL | 6,137 | 4,857 | -1,280 | -20.9% |

Source: Census (2001 and 2011)

**Figure 18:  Change in proportion of households living in private rented housing (2001-11) by age – Blaby**
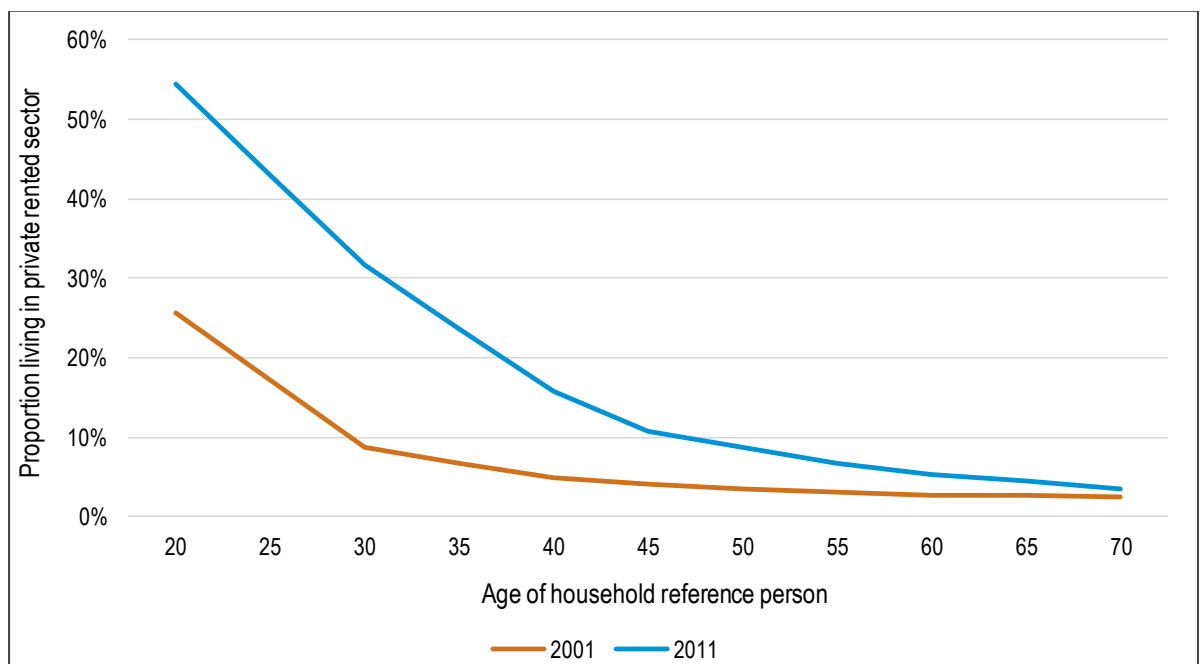


Source: Census (2001 and 2011)

**Table 55:   Change in proportion of households living in private rented housing (2001-11) by age – Blaby**

|        | 2001  | 2011  | Change |
|--------|-------|-------|--------|
| 20-24  | 21.3% | 48.7% | 27.4%  |
| 25-29  | 12.9% | 37.3% | 24.4%  |
| 30-34  | 7.7%  | 27.7% | 20.0%  |
| 35-39  | 5.8%  | 19.8% | 13.9%  |

Source: Census (2001 and 2011)

**Table 56:   Estimated Current Target Group for Starter Homes – Blaby**

|       | Number of households (2015) | % in target group | Number in target group (2015) |
|-------|-----------------------------|-------------------|-------------------------------|
| 23-24 | 239                         | 27.4%             | 65                            |
| 25-29 | 1,970                       | 24.4%             | 481                           |
| 30-34 | 2,560                       | 20.0%             | 511                           |
| 35-39 | 2,988                       | 13.9%             | 416                           |
| TOTAL | 7,756                       |                   | 1,474                         |

Source: Census (2001 and 2011) and demographic projections

**Table 57:   Estimated Projected Target Group for Starter Homes (per annum) – Blaby**

|       | Number of newly forming households | % in target group | Number in target group |
|-------|------------------------------------|-------------------|------------------------|
| 23-24 | 47                                 | 27.4%             | 13                     |
| 25-29 | 302                                | 24.4%             | 74                     |
| 30-34 | 122                                | 20.0%             | 24                     |
| 35-39 | 171                                | 13.9%             | 24                     |
| TOTAL | 642                                |                   | 135                    |

Source: Census (2001 and 2011) and demographic projections

**Table 58:   Estimated income level required to access Starter Homes – Blaby**

|                                   | 20%       |
|-----------------------------------|-----------|
| Open Market Value                 | £193,000  |
| With discount                     | £154,400  |
| Minus deposit (amount of mortgage)| £138,960  |
| Income required                   | £34,740   |

Source: Derived from Land Registry data

**Table 59:   Estimated income levels by age for Starter homes target group – Blaby**

| Age group | Multiplier from all household income | Estimated median income |
|-----------|--------------------------------------|-------------------------|
| 23-24     | 0.60                                 | £17,679                 |
| 25-29     | 0.80                                 | £23,495                 |
| 30-34     | 0.95                                 | £27,914                 |
| 35-39     | 1.03                                 | £30,357                 |

Source: Derived from a range of analysis (as described)

**Table 60:    Affordability of Starter Homes by age band – Blaby**

| Age group | % able to afford Starter Home |
|---|---|
| 23-24 | **18.7%** |
| 25-29 | **31.1%** |
| 30-34 | **39.3%** |
| 35-39 | **43.1%** |

Source: Derived from a range of analysis (as described)

**Table 61:    Estimated Current Need for Starter Homes – Blaby**

| | Size of target group | % able to afford | Number able to afford |
|---|---|---|---|
| 23-24 | 65 | 18.7% | 12 |
| 25-29 | 481 | 31.1% | 150 |
| 30-34 | 511 | 39.3% | 201 |
| 35-39 | 416 | 43.1% | 180 |
| TOTAL | 1,474 | | 543 |
| Annualised | | | 26 |

Source: Derived from a range of analysis (as described)

**Table 62:    Estimated Future Need for Starter Homes (per annum) – Blaby**

| | Size of target group | % able to afford | Number able to afford |
|---|---|---|---|
| 23-24 | 13 | 18.7% | 2 |
| 25-29 | 74 | 31.1% | 23 |
| 30-34 | 24 | 39.3% | 10 |
| 35-39 | 24 | 43.1% | 10 |
| TOTAL | 135 | | 45 |

Source: Derived from a range of analysis (as described)

**Table 63:    Total need for Starter Homes over different time periods – Blaby**

| Scenario | Current need (pa) | Future need (pa) | Total need (pa) |
|---|---|---|---|
| 2015-36 | 26 | 45 | 71 |
| 2015-20 | 109 | 45 | 154 |

Source: Derived from a range of analysis (as described)

## Charnwood

**Table 64:    Change in Tenure 2001-11 (all households) – Charnwood**

| Tenure | 2001 | 2011 | Change | % change |
|---|---|---|---|---|
| Outright owner | 19,504 | 23,729 | 4,225 | 21.7% |
| Owned with mortgage | 27,536 | 24,771 | -2,765 | -10.0% |
| Social rented | 7,282 | 7,851 | 569 | 7.8% |
| Private rented | 5,026 | 9,396 | 4,370 | 86.9% |
| Other | 1,124 | 769 | -355 | -31.6% |
| TOTAL | 60,472 | 66,516 | 6,044 | 10.0% |

Source: Census (2001 and 2011)

**Table 65:    Change in tenure 2001-11 (all households aged under 35) – Charnwood**

| Tenure | 2001 | 2011 | Change | % change |
|---|---|---|---|---|
| Owned | 6,994 | 4,630 | -2,364 | -33.8% |
| Social rented | 1,742 | 1,705 | -37 | -2.1% |
| Private rented | 3,062 | 5,168 | 2,106 | 68.8% |
| TOTAL | 11,798 | 11,503 | -295 | -2.5% |

Source: Census (2001 and 2011)

**Figure 19: Change in proportion of households living in private rented housing (2001-11) by age – Charnwood**
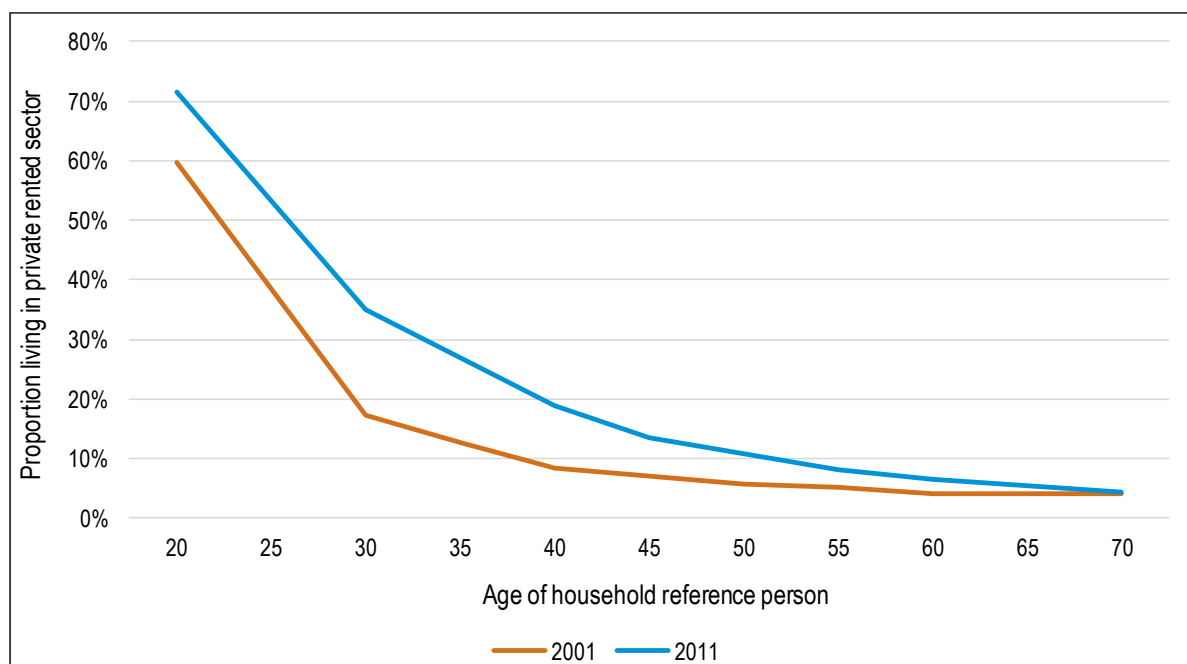


Source: Census (2001 and 2011)

**Table 66:    Change in proportion of households living in private rented housing (2001-11) by age – Charnwood**

|  | 2001 | 2011 | Change |
|---|---|---|---|
| 20-24 | 49.1% | 62.4% | 13.3% |
| 25-29 | 27.8% | 44.1% | 16.3% |
| 30-34 | 15.0% | 31.0% | 16.0% |
| 35-39 | 10.7% | 22.9% | 12.2% |

Source: Census (2001 and 2011)

**Table 67:   Estimated Current Target Group for Starter Homes – Charnwood**

|  | Number of households (2015) | % in target group | Number in target group (2015) |
|---|---|---|---|
| 23-24 | 1,343 | 13.3% | 179 |
| 25-29 | 4,142 | 16.3% | 675 |
| 30-34 | 5,281 | 16.0% | 843 |
| 35-39 | 5,176 | 12.2% | 634 |
| Total | 15,942 |  | 2,331 |

Source: Census (2001 and 2011) and demographic projections

**Table 68:   Estimated Projected Target Group for Starter Homes (per annum) – Charnwood**

|  | Number of newly forming households | % in target group | Number in target group |
|---|---|---|---|
| 23-24 | 250 | 13.3% | 33 |
| 25-29 | 221 | 16.3% | 36 |
| 30-34 | 336 | 16.0% | 54 |
| 35-39 | 147 | 12.2% | 18 |
| Total | 954 |  | 141 |

Source: Census (2001 and 2011) and demographic projections

**Table 69:   Estimated income level required to access Starter Homes – Charnwood**

|  | 20% |
|---|---|
| Open Market Value | £187,000 |
| With discount | £149,600 |
| Minus deposit (amount of mortgage) | £134,640 |
| Income required | £33,660 |

Source: Derived from Land Registry data

**Table 70:   Estimated income levels by age for Starter homes target group – Charnwood**

| Age group | Multiplier from all household income | Estimated median income |
|---|---|---|
| 23-24 | 0.60 | £16,731 |
| 25-29 | 0.80 | £22,234 |
| 30-34 | 0.95 | £26,417 |
| 35-39 | 1.03 | £28,729 |

Source: Derived from a range of analysis (as described)

**Table 71:   Affordability of Starter Homes by age band – Charnwood**

| Age group | % able to afford Starter Home |
|---|---|
| 23-24 | 18.1% |
| 25-29 | 30.0% |
| 30-34 | 38.3% |
| 35-39 | 42.1% |

Source: Derived from a range of analysis (as described)

**Table 72:    Estimated Current Need for Starter Homes – Charnwood**

|         | Size of target group | % able to afford | Number able to afford |
|---------|---------------------|------------------|----------------------|
| 23-24   | 179                 | 18.1%            | 32                   |
| 25-29   | 675                 | 30.0%            | 202                  |
| 30-34   | 843                 | 38.3%            | 322                  |
| 35-39   | 634                 | 42.1%            | 267                  |
| TOTAL   | 2,331               |                  | 823                  |
| Annualised |                  |                  | 39                   |

Source: Derived from a range of analysis (as described)

**Table 73:    Estimated Future Need for Starter Homes (per annum) – Charnwood**

|         | Size of target group | % able to afford | Number able to afford |
|---------|---------------------|------------------|----------------------|
| 23-24   | 33                  | 18.1%            | 6                    |
| 25-29   | 36                  | 30.0%            | 11                   |
| 30-34   | 54                  | 38.3%            | 20                   |
| 35-39   | 18                  | 42.1%            | 8                    |
| TOTAL   | 141                 |                  | 45                   |

Source: Derived from a range of analysis (as described)

**Table 74:    Total need for Starter Homes over different time periods – Charnwood**

| Scenario | Current need (pa) | Future need (pa) | Total need (pa) |
|----------|-------------------|------------------|-----------------|
| 2015-36  | 39                | 45               | 84              |
| 2015-20  | 165               | 45               | 210             |

Source: Derived from a range of analysis (as described)

## Harborough

**Table 75:    Change in Tenure 2001-11 (all households) – Harborough**

| Tenure | 2001 | 2011 | Change | % change |
|--------|------|------|--------|----------|
| Outright owner | 10,718 | 13,389 | 2,671 | 24.9% |
| Owned with mortgage | 15,226 | 14,263 | -963 | -6.3% |
| Social rented | 2,593 | 2,923 | 330 | 12.7% |
| Private rented | 1,800 | 3,922 | 2,122 | 117.9% |
| Other | 512 | 401 | -111 | -21.7% |
| Total | 30,849 | 34,898 | 4,049 | 13.1% |

Source: Census (2001 and 2011)

**Table 76:    Change in tenure 2001-11 (all households aged under 35) – Harborough**

| Tenure | 2001 | 2011 | Change | % change |
|--------|------|------|--------|----------|
| Owned | 3,486 | 1,792 | -1,694 | -48.6% |
| Social rented | 433 | 424 | -9 | -2.1% |
| Private rented | 713 | 1,396 | 683 | 95.8% |
| TOTAL | 4,632 | 3,612 | -1,020 | -22.0% |

Source: Census (2001 and 2011)

**Figure 20:  Change in proportion of households living in private rented housing (2001-11) by age – Harborough**
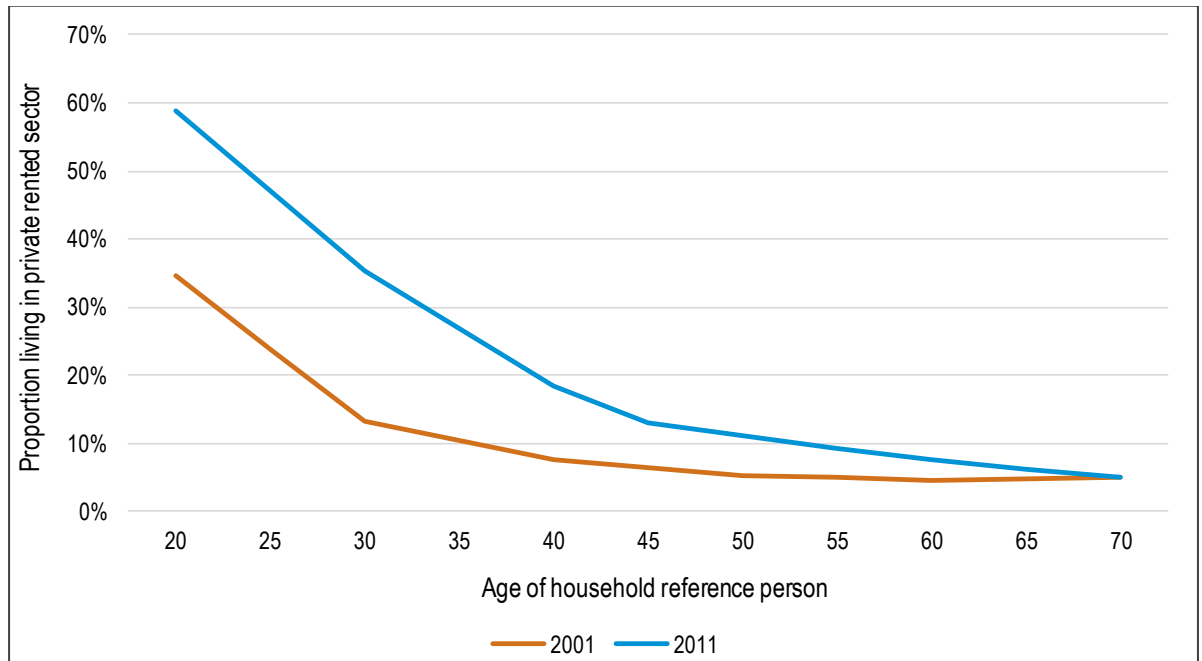


Source: Census (2001 and 2011)

**Table 77:   Change in proportion of households living in private rented housing (2001-11) by age – Harborough**

|  | 2001 | 2011 | Change |
|---|---|---|---|
| 20-24 | 29.3% | 53.0% | 23.6% |
| 25-29 | 18.6% | 41.3% | 22.7% |
| 30-34 | 11.8% | 31.1% | 19.4% |
| 35-39 | 8.9% | 22.6% | 13.7% |

Source: Census (2001 and 2011)

**Table 78:   Estimated Current Target Group for Starter Homes – Harborough**

|  | Number of households (2015) | % in target group | Number in target group (2015) |
|---|---|---|---|
| 23-24 | 207 | 23.6% | 49 |
| 25-29 | 1,435 | 22.7% | 326 |
| 30-34 | 1,902 | 19.4% | 369 |
| 35-39 | 2,409 | 13.7% | 329 |
| TOTAL | 5,953 |  | 1,073 |

Source: Census (2001 and 2011) and demographic projections

**Table 79:    Estimated Projected Target Group for Starter Homes (per annum) – Harborough**

|  | Number of newly forming households | % in target group | Number in target group |
|---|---|---|---|
| 23-24 | 32 | 23.6% | 8 |
| 25-29 | 209 | 22.7% | 47 |
| 30-34 | 115 | 19.4% | 22 |
| 35-39 | 131 | 13.7% | 18 |
| TOTAL | 487 |  | 95 |

Source: Census (2001 and 2011) and demographic projections

**Table 80:    Estimated income level required to access Starter Homes – Harborough**

|  | 20% |
|---|---|
| Open Market Value | £205,000 |
| With discount | £164,000 |
| Minus deposit (amount of mortgage) | £147,600 |
| Income required | £36,900 |

Source: Derived from Land Registry data

**Table 81:    Estimated income levels by age for Starter homes target group – Harborough**

| Age group | Multiplier from all household income | Estimated median income |
|---|---|---|
| 23-24 | 0.60 | £19,505 |
| 25-29 | 0.80 | £25,922 |
| 30-34 | 0.95 | £30,798 |
| 35-39 | 1.03 | £33,493 |

Source: Derived from a range of analysis (as described)

**Table 82:    Affordability of Starter Homes by age band – Harborough**

| Age group | % able to afford Starter Home |
|---|---|
| 23-24 | 20.2% |
| 25-29 | 33.0% |
| 30-34 | 41.0% |
| 35-39 | 44.9% |

Source: Derived from a range of analysis (as described)

**Table 83:    Estimated Current Need for Starter Homes – Harborough**

|  | Size of target group | % able to afford | Number able to afford |
|---|---|---|---|
| 23-24 | 49 | 20.2% | 10 |
| 25-29 | 326 | 33.0% | 108 |
| 30-34 | 369 | 41.0% | 151 |
| 35-39 | 329 | 44.9% | 148 |
| TOTAL | 1,073 |  | 417 |
| Annualised |  |  | 20 |

Source: Derived from a range of analysis (as described)

**Table 84:   Estimated Future Need for Starter Homes (per annum) – Harborough**

|       | Size of target group | % able to afford | Number able to afford |
|-------|----------------------|------------------|-----------------------|
| 23-24 | 8                    | 20.2%            | 2                     |
| 25-29 | 47                   | 33.0%            | 16                    |
| 30-34 | 22                   | 41.0%            | 9                     |
| 35-39 | 18                   | 44.9%            | 8                     |
| TOTAL | 95                   |                  | 34                    |

Source: Derived from a range of analysis (as described)

**Table 85:   Total need for Starter Homes over different time periods – Harborough**

| Scenario | Current need (pa) | Future need (pa) | Total need (pa) |
|----------|-------------------|------------------|-----------------|
| 2015-36  | 20                | 34               | 54              |
| 2015-20  | 83                | 34               | 118             |

Source: Derived from a range of analysis (as described)

## Hinckley & Bosworth

**Table 86:   Change in Tenure 2001-11 (all households) – Hinckley & Bosworth**

| Tenure             | 2001   | 2011   | Change  | % change |
|--------------------|--------|--------|---------|----------|
| Outright owner     | 14,101 | 16,859 | 2,758   | 19.6%    |
| Owned with mortgage| 19,827 | 18,234 | -1,593  | -8.0%    |
| Social rented      | 4,363  | 4,685  | 322     | 7.4%     |
| Private rented     | 2,261  | 5,156  | 2,895   | 128.0%   |
| Other              | 533    | 443    | -90     | -16.9%   |
| TOTAL              | 41,085 | 45,377 | 4,292   | 10.4%    |

Source: Census (2001 and 2011)

**Table 87:   Change in tenure 2001-11 (all households aged under 35) – Hinckley & Bosworth**

| Tenure         | 2001  | 2011  | Change | % change |
|----------------|-------|-------|--------|----------|
| Owned          | 5,102 | 3,251 | -1,851 | -36.3%   |
| Social rented  | 756   | 873   | 117    | 15.5%    |
| Private rented | 972   | 2,305 | 1,333  | 137.1%   |
| TOTAL          | 6,830 | 6,429 | -401   | -5.9%    |

Source: Census (2001 and 2011)

**Figure 21:  Change in proportion of households living in private rented housing (2001-11) by age – Hinckley & Bosworth**



Source: Census (2001 and 2011)

**Table 88:  Change in proportion of households living in private rented housing (2001-11) by age – Hinckley & Bosworth**

|  | 2001 | 2011 | Change |
|---|---|---|---|
| 20-24 | 27.6% | 50.4% | 22.7% |
| 25-29 | 16.9% | 37.8% | 20.9% |
| 30-34 | 10.2% | 27.9% | 17.7% |
| 35-39 | 7.5% | 20.6% | 13.1% |

Source: Census (2001 and 2011)

**Table 89:  Estimated Current Target Group for Starter Homes – Hinckley & Bosworth**

|  | Number of households (2015) | % in target group | Number in target group (2015) |
|---|---|---|---|
| 23-24 | 367 | 22.7% | 83 |
| 25-29 | 2,182 | 20.9% | 457 |
| 30-34 | 2,961 | 17.7% | 525 |
| 35-39 | 3,526 | 13.1% | 462 |
| TOTAL | 9,037 |  | 1,527 |

Source: Census (2001 and 2011) and demographic projections

**Table 90:   Estimated Projected Target Group for Starter Homes (per annum) – Hinckley & Bosworth**

|  | Number of newly forming households | % in target group | Number in target group |
|---|---|---|---|
| 23-24 | 65 | 22.7% | 15 |
| 25-29 | 261 | 20.9% | 55 |
| 30-34 | 172 | 17.7% | 30 |
| 35-39 | 163 | 13.1% | 21 |
| TOTAL | 662 |  | 121 |

Source: Census (2001 and 2011) and demographic projections

**Table 91:   Estimated income level required to access Starter Homes – Hinckley & Bosworth**

|  | 20% |
|---|---|
| Open Market Value | £170,000 |
| With discount | £136,000 |
| Minus deposit (amount of mortgage) | £122,400 |
| Income required | £30,600 |

Source: Derived from Land Registry data

**Table 92:   Estimated income levels by age for Starter homes target group – Hinckley & Bosworth**

| Age group | Multiplier from all household income | Estimated median income |
|---|---|---|
| 23-24 | 0.60 | £16,664 |
| 25-29 | 0.80 | £22,146 |
| 30-34 | 0.95 | £26,312 |
| 35-39 | 1.03 | £28,614 |

Source: Derived from a range of analysis (as described)

**Table 93:   Affordability of Starter Homes by age band – Hinckley & Bosworth**

| Age group | % able to afford Starter Home |
|---|---|
| 23-24 | 21.3% |
| 25-29 | 34.5% |
| 30-34 | 42.5% |
| 35-39 | 46.5% |

Source: Derived from a range of analysis (as described)

**Table 94:   Estimated Current Need for Starter Homes – Hinckley & Bosworth**

|  | Size of target group | % able to afford | Number able to afford |
|---|---|---|---|
| 23-24 | 83 | 21.3% | 18 |
| 25-29 | 457 | 34.5% | 157 |
| 30-34 | 525 | 42.5% | 223 |
| 35-39 | 462 | 46.5% | 215 |
| TOTAL | 1,527 |  | 613 |
| Annualised |  |  | 29 |

Source: Derived from a range of analysis (as described)

**Table 95:   Estimated Future Need for Starter Homes (per annum) – Hinckley & Bosworth**

|  | Size of target group | % able to afford | Number able to afford |
|---|---|---|---|
| 23-24 | 15 | 21.3% | 3 |
| 25-29 | 55 | 34.5% | 19 |
| 30-34 | 30 | 42.5% | 13 |
| 35-39 | 21 | 46.5% | 10 |
| TOTAL | 121 |  | 45 |

Source: Derived from a range of analysis (as described)

**Table 96:   Total need for Starter Homes over different time periods – Hinckley & Bosworth**

| Scenario | Current need (pa) | Future need (pa) | Total need (pa) |
|---|---|---|---|
| 2015-36 | 29 | 45 | 74 |
| 2015-20 | 123 | 45 | 167 |

Source: Derived from a range of analysis (as described)

## Melton

**Table 97:   Change in Tenure 2001-11 (all households) – Melton**

| Tenure | 2001 | 2011 | Change | % change |
|---|---|---|---|---|
| Outright owner | 6,373 | 7,728 | 1,355 | 21.3% |
| Owned with mortgage | 8,637 | 7,968 | -669 | -7.7% |
| Social rented | 2,344 | 2,402 | 58 | 2.5% |
| Private rented | 1,836 | 3,054 | 1,218 | 66.3% |
| Other | 425 | 338 | -87 | -20.5% |
| TOTAL | 19,615 | 21,490 | 1,875 | 9.6% |

Source: Census (2001 and 2011)

**Table 98:   Change in tenure 2001-11 (all households aged under 35) – Melton**

| Tenure | 2001 | 2011 | Change | % change |
|---|---|---|---|---|
| Owned | 2,031 | 1,204 | -827 | -40.7% |
| Social rented | 440 | 456 | 16 | 3.6% |
| Private rented | 626 | 1,100 | 474 | 75.7% |
| TOTAL | 3,097 | 2,760 | -337 | -10.9% |

Source: Census (2001 and 2011)

**Figure 22:  Change in proportion of households living in private rented housing (2001-11) by age – Melton**
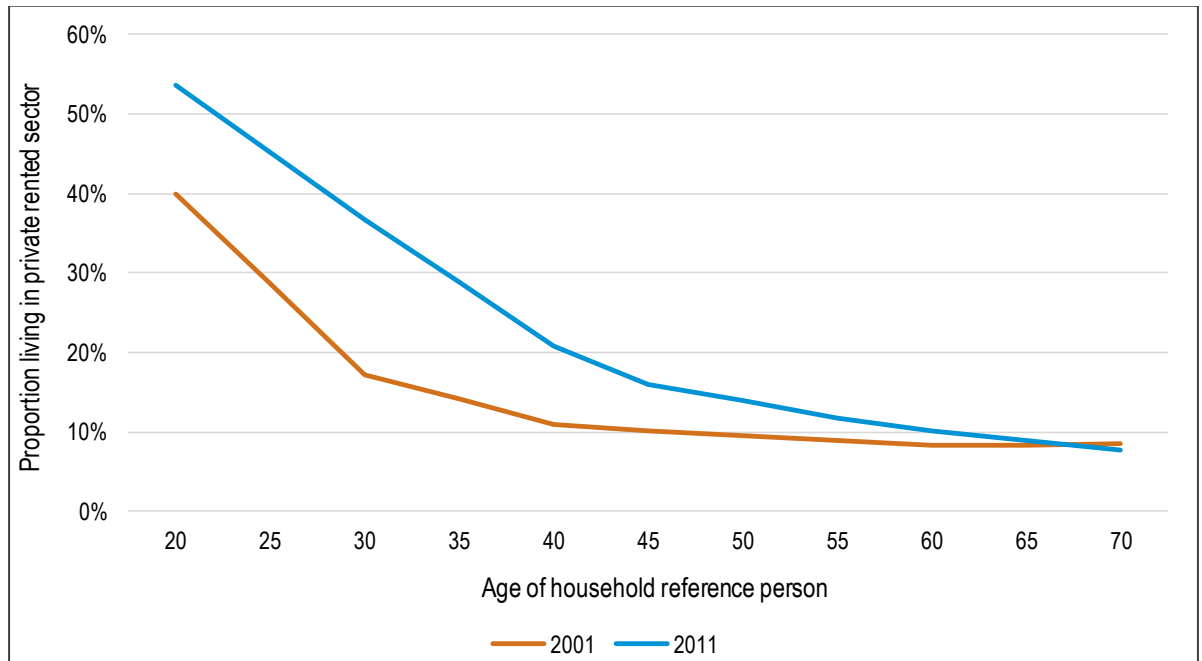


Source: Census (2001 and 2011)

**Table 99:   Change in proportion of households living in private rented housing (2001-11) by age – Melton**

|  | 2001 | 2011 | Change |
|---|---|---|---|
| 20-24 | 34.3% | 49.4% | 15.1% |
| 25-29 | 23.0% | 40.9% | 18.0% |
| 30-34 | 15.7% | 32.8% | 17.1% |
| 35-39 | 12.5% | 24.9% | 12.4% |

Source: Census (2001 and 2011)

**Table 100:  Estimated Current Target Group for Starter Homes – Melton**

|  | Number of households (2015) | % in target group | Number in target group (2015) |
|---|---|---|---|
| 23-24 | 155 | 15.1% | 23 |
| 25-29 | 997 | 18.0% | 179 |
| 30-34 | 1,225 | 17.1% | 209 |
| 35-39 | 1,398 | 12.4% | 173 |
| TOTAL | 3,776 |  | 585 |

Source: Census (2001 and 2011) and demographic projections

**Table 101: Estimated Projected Target Group for Starter Homes (per annum) – Melton**

|  | Number of newly forming households | % in target group | Number in target group |
|---|---|---|---|
| 23-24 | 24 | 15.1% | 4 |
| 25-29 | 123 | 18.0% | 22 |
| 30-34 | 54 | 17.1% | 9 |
| 35-39 | 63 | 12.4% | 8 |
| TOTAL | 265 |  | 43 |

Source: Census (2001 and 2011) and demographic projections

**Table 102: Estimated income level required to access Starter Homes – Melton**

|  | 20% |
|---|---|
| Open Market Value | £145,000 |
| With discount | £116,000 |
| Minus deposit (amount of mortgage) | £104,400 |
| Income required | £26,100 |

Source: Derived from Land Registry data

**Table 103: Estimated income levels by age for Starter homes target group – Melton**

| Age group | Multiplier from all household income | Estimated median income |
|---|---|---|
| 23-24 | 0.60 | £17,034 |
| 25-29 | 0.80 | £22,637 |
| 30-34 | 0.95 | £26,895 |
| 35-39 | 1.03 | £29,248 |

Source: Derived from a range of analysis (as described)

**Table 104: Affordability of Starter Homes by age band – Melton**

| Age group | % able to afford Starter Home |
|---|---|
| 23-24 | 29.3% |
| 25-29 | 42.8% |
| 30-34 | 51.5% |
| 35-39 | 55.6% |

Source: Derived from a range of analysis (as described)

**Table 105: Estimated Current Need for Starter Homes – Melton**

|  | Size of target group | % able to afford | Number able to afford |
|---|---|---|---|
| 23-24 | 23 | 29.3% | 7 |
| 25-29 | 179 | 42.8% | 77 |
| 30-34 | 209 | 51.5% | 108 |
| 35-39 | 173 | 55.6% | 96 |
| TOTAL | 585 |  | 288 |
| Annualised |  |  | 14 |

Source: Derived from a range of analysis (as described)

**Table 106:  Estimated Future Need for Starter Homes (per annum) – Melton**

|  | Size of target group | % able to afford | Number able to afford |
|---|---|---|---|
| 23-24 | 4 | 29.3% | 1 |
| 25-29 | 22 | 42.8% | 10 |
| 30-34 | 9 | 51.5% | 5 |
| 35-39 | 8 | 55.6% | 4 |
| TOTAL | 43 |  | 20 |

Source: Derived from a range of analysis (as described)

**Table 107:  Total need for Starter Homes over different time periods – Melton**

| Scenario | Current need (pa) | Future need (pa) | Total need (pa) |
|---|---|---|---|
| 2015-36 | 14 | 20 | 33 |
| 2015-20 | 58 | 20 | 77 |

Source: Derived from a range of analysis (as described)

## North West Leicestershire

**Table 108:  Change in Tenure 2001-11 (all households) – NWL**

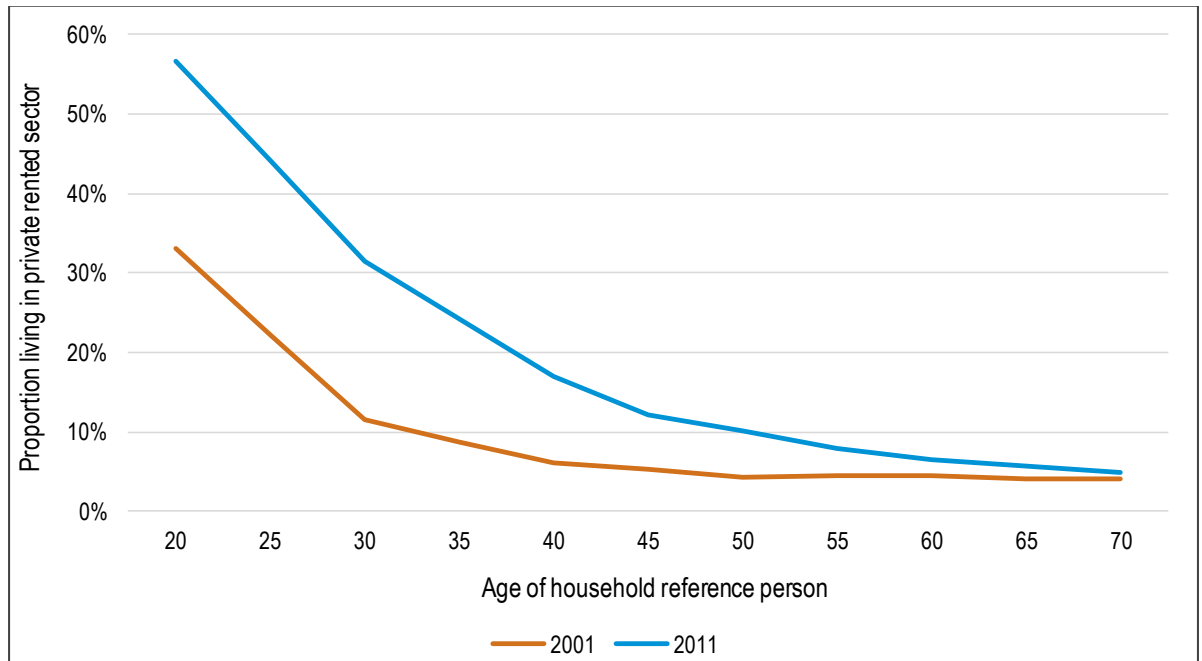| Tenure | 2001 | 2011 | Change | % change |
|---|---|---|---|---|
| Outright owner | 11,603 | 13,581 | 1,978 | 17.0% |
| Owned with mortgage | 15,512 | 15,081 | -431 | -2.8% |
| Social rented | 5,715 | 5,598 | -117 | -2.0% |
| Private rented | 1,933 | 4,411 | 2,478 | 128.2% |
| Other | 631 | 457 | -174 | -27.6% |
| TOTAL | 35,394 | 39,128 | 3,734 | 10.5% |

Source: Census (2001 and 2011)

**Table 109:  Change in tenure 2001-11 (all households aged under 35) – NWL**

| Tenure | 2001 | 2011 | Change | % change |
|---|---|---|---|---|
| Owned | 4,301 | 2,512 | -1,789 | -41.6% |
| Social rented | 985 | 939 | -46 | -4.7% |
| Private rented | 789 | 1,761 | 972 | 123.2% |
| TOTAL | 6,075 | 5,212 | -863 | -14.2% |

Source: Census (2001 and 2011)

**Figure 23:  Change in proportion of households living in private rented housing (2001-11) by age – NWL**
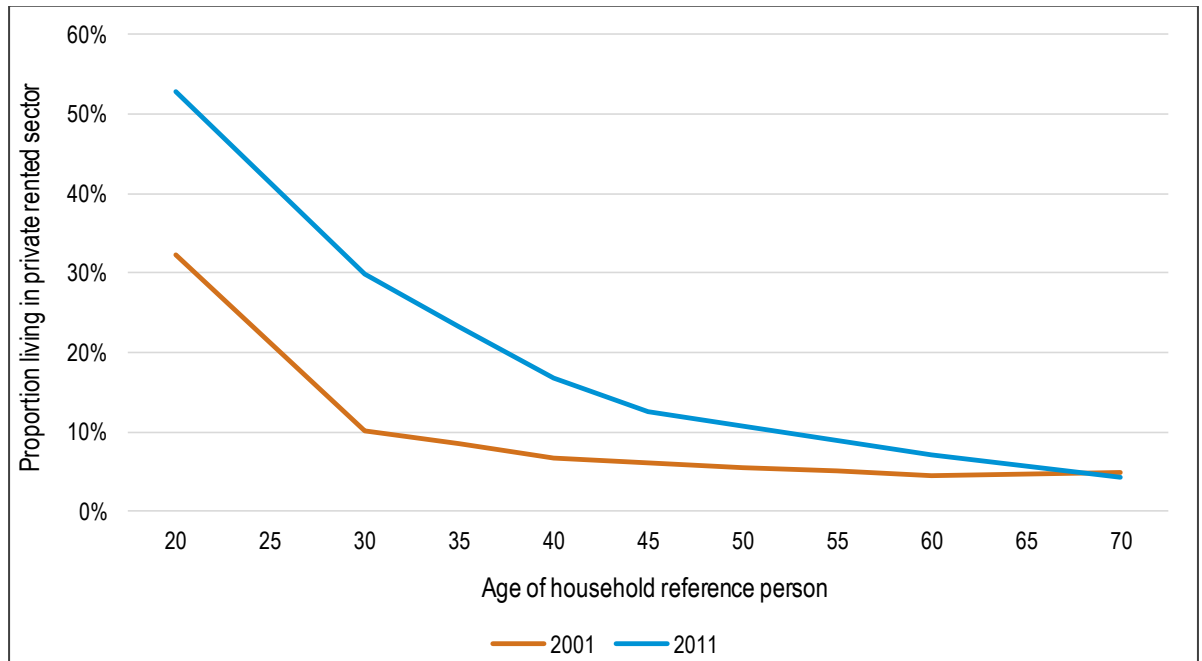


Source: Census (2001 and 2011)

**Table 110:  Change in proportion of households living in private rented housing (2001-11) by age – NWL**

|        | 2001  | 2011  | Change |
|--------|-------|-------|--------|
| 20-24  | 26.8% | 47.1% | 20.3%  |
| 25-29  | 15.8% | 35.6% | 19.8%  |
| 30-34  | 9.4%  | 26.6% | 17.2%  |
| 35-39  | 7.6%  | 20.1% | 12.5%  |

Source: Census (2001 and 2011)

**Table 111:  Estimated Current Target Group for Starter Homes – NWL**

|        | Number of households (2015) | % in target group | Number in target group (2015) |
|--------|------------------------------|-------------------|-------------------------------|
| 23-24  | 376                          | 20.3%             | 76                            |
| 25-29  | 2,065                        | 19.8%             | 409                           |
| 30-34  | 2,608                        | 17.2%             | 449                           |
| 35-39  | 2,859                        | 12.5%             | 357                           |
| TOTAL  | 7,908                        |                   | 1,291                         |

Source: Census (2001 and 2011) and demographic projections

**Table 112: Estimated Projected Target Group for Starter Homes (per annum) – NWL**

|  | Number of newly forming households | % in target group | Number in target group |
|---|---|---|---|
| 23-24 | 65 | 20.3% | 13 |
| 25-29 | 257 | 19.8% | 51 |
| 30-34 | 126 | 17.2% | 22 |
| 35-39 | 80 | 12.5% | 10 |
| TOTAL | 529 |  | 96 |

Source: Census (2001 and 2011) and demographic projections

**Table 113: Estimated income level required to access Starter Homes – NWL**

|  | 20% |
|---|---|
| Open Market Value | £179,000 |
| With discount | £143,200 |
| Minus deposit (amount of mortgage) | £128,880 |
| Income required | £32,220 |

Source: Derived from Land Registry data

**Table 114: Estimated income levels by age for Starter homes target group – NWL**

| Age group | Multiplier from all household income | Estimated median income |
|---|---|---|
| 23-24 | 0.60 | £16,606 |
| 25-29 | 0.80 | £22,069 |
| 30-34 | 0.95 | £26,221 |
| 35-39 | 1.03 | £28,515 |

Source: Derived from a range of analysis (as described)

**Table 115: Affordability of Starter Homes by age band – NWL**

| Age group | % able to afford Starter Home |
|---|---|
| 23-24 | 19.2% |
| 25-29 | 31.7% |
| 30-34 | 39.9% |
| 35-39 | 43.7% |

Source: Derived from a range of analysis (as described)

**Table 116: Estimated Current Need for Starter Homes – NWL**

|  | Size of target group | % able to afford | Number able to afford |
|---|---|---|---|
| 23-24 | 76 | 19.2% | 15 |
| 25-29 | 409 | 31.7% | 130 |
| 30-34 | 449 | 39.9% | 179 |
| 35-39 | 357 | 43.7% | 156 |
| TOTAL | 1,291 |  | 480 |
| Annualised |  |  | 23 |

Source: Derived from a range of analysis (as described)

**Table 117: Estimated Future Need for Starter Homes (per annum) – NWL**

|       | Size of target group | % able to afford | Number able to afford |
|-------|----------------------|------------------|-----------------------|
| 23-24 | 13                   | 19.2%            | 3                     |
| 25-29 | 51                   | 31.7%            | 16                    |
| 30-34 | 22                   | 39.9%            | 9                     |
| 35-39 | 10                   | 43.7%            | 4                     |
| TOTAL | 96                   |                  | 32                    |

Source: Derived from a range of analysis (as described)

**Table 118: Total need for Starter Homes over different time periods – NWL**

| Scenario | Current need (pa) | Future need (pa) | Total need (pa) |
|----------|-------------------|------------------|-----------------|
| 2015-36  | 23                | 32               | 55              |
| 2015-20  | 96                | 32               | 128             |

Source: Derived from a range of analysis (as described)

## Oadby & Wigston

**Table 119: Change in Tenure 2001-11 (all households) – Oadby & Wigston**

| Tenure             | 2001   | 2011   | Change | % change |
|--------------------|--------|--------|--------|----------|
| Outright owner     | 8,287  | 9,069  | 782    | 9.4%     |
| Owned with mortgage| 10,444 | 8,331  | -2,113 | -20.2%   |
| Social rented      | 1,743  | 1,610  | -133   | -7.6%    |
| Private rented     | 1,183  | 2,117  | 934    | 79.0%    |
| Other              | 265    | 212    | -53    | -20.0%   |
| TOTAL              | 21,922 | 21,339 | -583   | -2.7%    |

Source: Census (2001 and 2011)

**Table 120: Change in tenure 2001-11 (all households aged under 35) – Oadby & Wigston**

| Tenure         | 2001  | 2011  | Change | % change |
|----------------|-------|-------|--------|----------|
| Owned          | 2,582 | 1,347 | -1,235 | -47.8%   |
| Social rented  | 338   | 308   | -30    | -8.9%    |
| Private rented | 528   | 824   | 296    | 56.1%    |
| TOTAL          | 3,448 | 2,479 | -969   | -28.1%   |

Source: Census (2001 and 2011)

**Figure 24:  Change in proportion of households living in private rented housing (2001-11) by age – Oadby & Wigston**
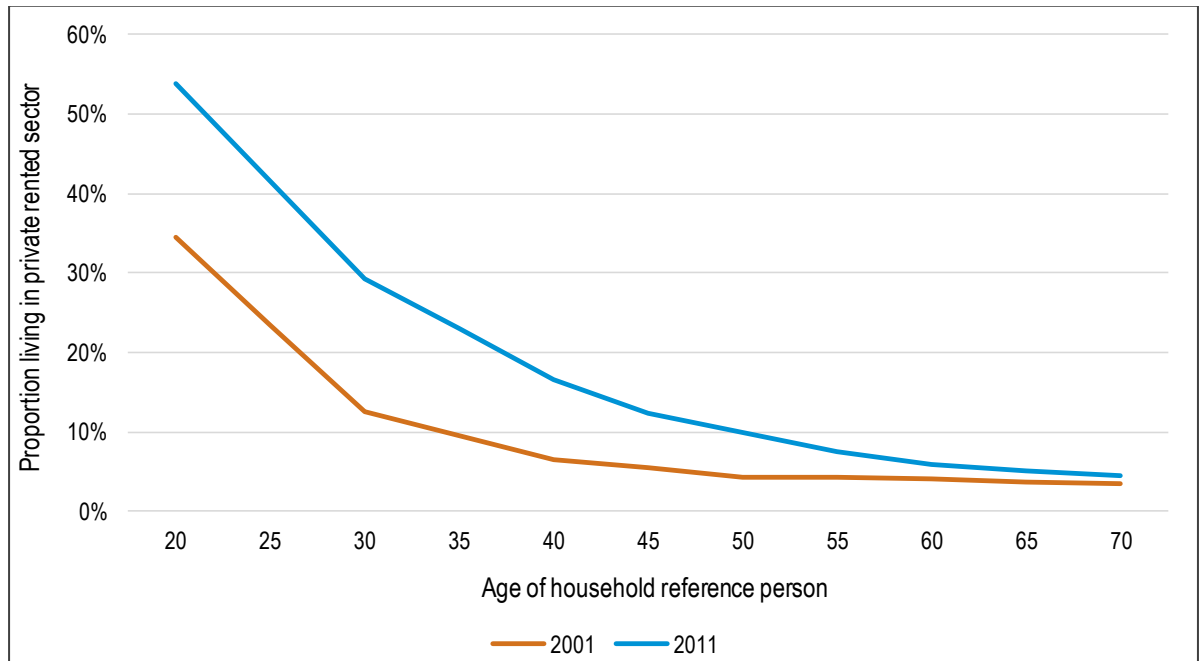


Source: Census (2001 and 2011)

**Table 121:  Change in proportion of households living in private rented housing (2001-11) by age – Oadby & Wigston**

|         | 2001   | 2011   | Change  |
|---------|--------|--------|---------|
| 20-24   | 29.0%  | 47.7%  | 18.7%   |
| 25-29   | 18.0%  | 35.4%  | 17.4%   |
| 30-34   | 11.0%  | 26.1%  | 15.1%   |
| 35-39   | 8.0%   | 19.8%  | 11.8%   |

Source: Census (2001 and 2011)

**Table 122:  Estimated Current Target Group for Starter Homes – Oadby & Wigston**

|         | Number of households (2015) | % in target group | Number in target group (2015) |
|---------|------------------------------|-------------------|-------------------------------|
| 23-24   | 189                          | 18.7%             | 35                            |
| 25-29   | 685                          | 17.4%             | 119                           |
| 30-34   | 1,364                        | 15.1%             | 206                           |
| 35-39   | 1,378                        | 11.8%             | 163                           |
| TOTAL   | 3,616                        |                   | 524                           |

Source: Census (2001 and 2011) and demographic projections

**Table 123: Estimated Projected Target Group for Starter Homes (per annum) – Oadby & Wigston**

|  | Number of newly forming households | % in target group | Number in target group |
|---|---|---|---|
| 23-24 | 16 | 18.7% | 3 |
| 25-29 | 75 | 17.4% | 13 |
| 30-34 | 130 | 15.1% | 20 |
| 35-39 | 48 | 11.8% | 6 |
| TOTAL | 269 |  | 41 |

Source: Census (2001 and 2011) and demographic projections

**Table 124: Estimated income level required to access Starter Homes – Oadby & Wigston**

|  | 20% |
|---|---|
| Open Market Value | £153,000 |
| With discount | £122,400 |
| Minus deposit (amount of mortgage) | £110,160 |
| Income required | £27,540 |

Source: Derived from Land Registry data

**Table 125: Estimated income levels by age for Starter homes target group – Oadby & Wigston**

| Age group | Multiplier from all household income | Estimated median income |
|---|---|---|
| 23-24 | 0.60 | £16,596 |
| 25-29 | 0.80 | £22,055 |
| 30-34 | 0.95 | £26,204 |
| 35-39 | 1.03 | £28,497 |

Source: Derived from a range of analysis (as described)

**Table 126: Affordability of Starter Homes by age band – Oadby & Wigston**

| Age group | % able to afford Starter Home |
|---|---|
| 23-24 | 25.5% |
| 25-29 | 39.3% |
| 30-34 | 47.4% |
| 35-39 | 51.8% |

Source: Derived from a range of analysis (as described)

**Table 127: Estimated Current Need for Starter Homes – Oadby & Wigston**

|  | Size of target group | % able to afford | Number able to afford |
|---|---|---|---|
| 23-24 | 35 | 25.5% | 9 |
| 25-29 | 119 | 39.3% | 47 |
| 30-34 | 206 | 47.4% | 98 |
| 35-39 | 163 | 51.8% | 84 |
| TOTAL | 524 |  | 238 |
| Annualised |  |  | 11 |

Source: Derived from a range of analysis (as described)

**Table 128: Estimated Future Need for Starter Homes (per annum) – Oadby & Wigston**

|  | Size of target group | % able to afford | Number able to afford |
|---|---|---|---|
| 23-24 | 3 | 25.5% | 1 |
| 25-29 | 13 | 39.3% | 5 |
| 30-34 | 20 | 47.4% | 9 |
| 35-39 | 6 | 51.8% | 3 |
| TOTAL | 41 |  | 18 |

Source: Derived from a range of analysis (as described)

**Table 129: Total need for Starter Homes over different time periods – Oadby & Wigston**

| Scenario | Current need (pa) | Future need (pa) | Total need (pa) |
|---|---|---|---|
| 2015-36 | 11 | 18 | 29 |
| 2015-20 | 48 | 18 | 66 |

Source: Derived from a range of analysis (as described)

# 7    ADDITIONAL LOCAL LEVEL DEMOGRAPHIC FIGURES

7.1    This appendix  presents a breakdown of figures presented in the main report.

**Figure 25:  Age Structure – Leicester City (2014)**
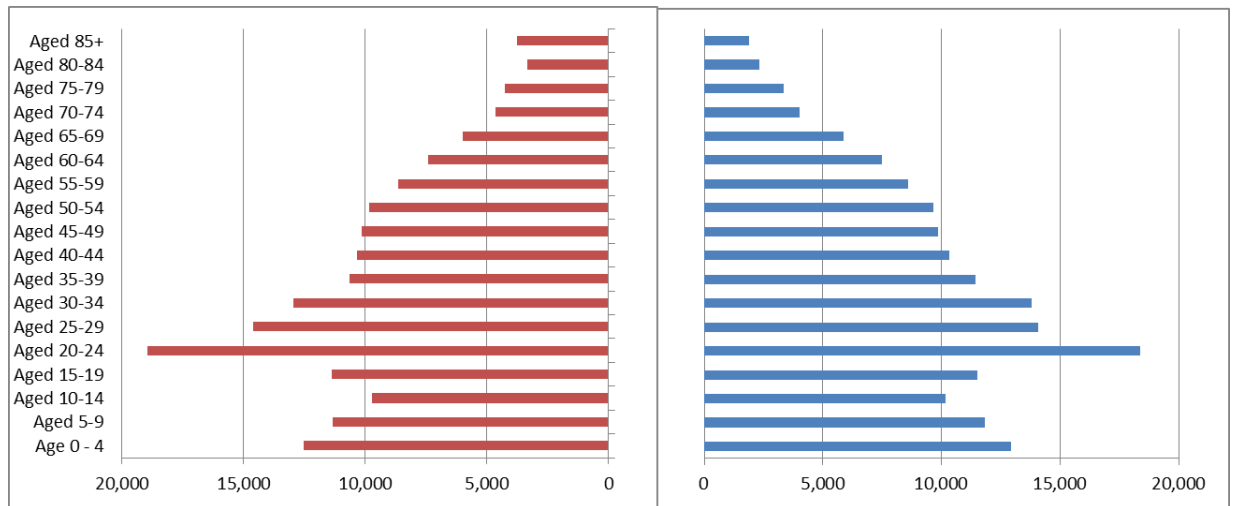


Source: *ONS Population Estimates 2014*

**Figure 26:  Age Structure – County (2014)**
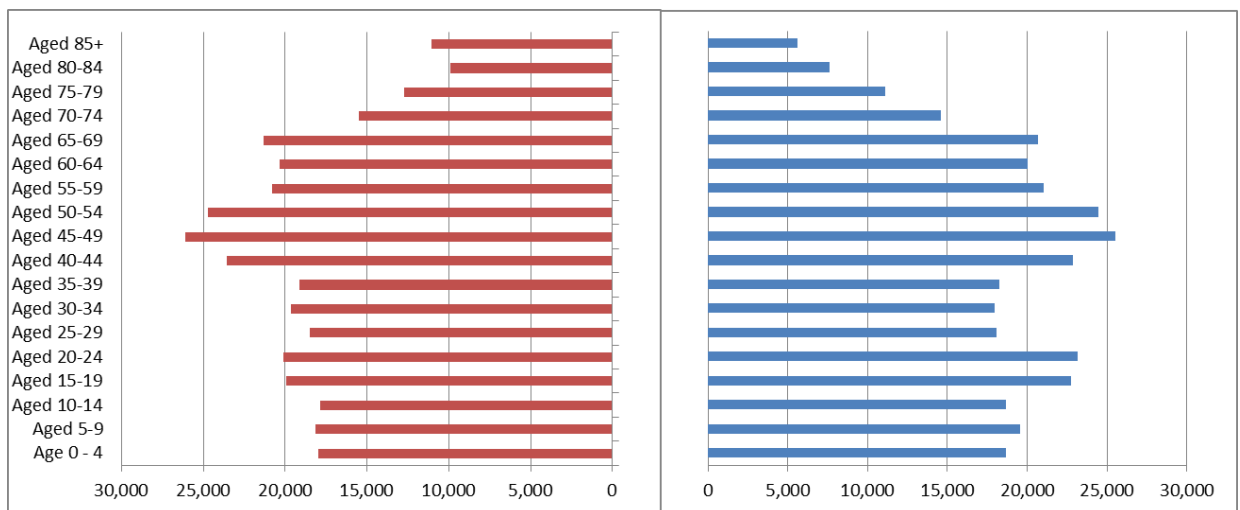


Source: *ONS Population Estimates 2014*

**Figure 27:**          **International Migration Assumptions**

F:\Documents\Temporary Files\HEDNA Final Documents\HEDNA Appendices (January 2017) (Final for Publication).docx

**Figure 28:  Components of population change, mid-2001 to mid-2015 – Leicester**



Source: ONS

**Table 130:  Components of population change, mid-2001 to mid-2015 – Leicester**

| Year | Natural change | Net internal migration | Net international migration | Other changes | Other (unattributable) | Total change |
|------|------|------|------|------|------|------|
| 2001/2 | 1,424 | -2,996 | 1,819 | 84 | 2,207 | 2,538 |
| 2002/3 | 1,368 | -2,876 | 2,399 | 322 | 2,140 | 3,353 |
| 2003/4 | 1,791 | -2,579 | 3,888 | 471 | 1,908 | 5,479 |
| 2004/5 | 1,808 | -2,768 | 5,848 | 752 | 1,776 | 7,416 |
| 2005/6 | 2,122 | -2,863 | 3,353 | 864 | 1,529 | 5,005 |
| 2006/7 | 2,370 | -4,112 | 4,133 | 918 | 1,446 | 4,755 |
| 2007/8 | 2,662 | -3,565 | 2,712 | 997 | 1,364 | 4,170 |
| 2008/9 | 2,699 | -2,691 | 1,891 | 1,034 | 1,302 | 4,235 |
| 2009/10 | 2,750 | -1,623 | 2,123 | 805 | 1,149 | 5,204 |
| 2010/11 | 2,991 | -2,758 | 3,275 | -29 | 1,236 | 4,715 |
| 2011/12 | 3,089 | -2,311 | 1,200 | 1 | 0 | 1,979 |
| 2012/13 | 2,644 | -2,872 | 2,366 | 68 | 0 | 2,206 |
| 2013/14 | 2,731 | -2,900 | 3,985 | 25 | 0 | 3,841 |
| 2014/15 | 2,626 | -2,266 | 4,672 | -58 | 0 | 4,974 |

Source: ONS

**Figure 29:  Components of population change, mid-2001 to mid-2015 – Blaby**



Source: ONS

**Table 131:  Components of population change, mid-2001 to mid-2015 – Blaby**

| Year | Natural change | Net internal migration | Net international migration | Other changes | Other (unattributable) | Total change |
|------|------|------|------|------|------|------|
| 2001/2  | 259 | 654  | -1  | 34  | -82 | 864 |
| 2002/3  | 260 | 96   | 60  | 27  | -76 | 367 |
| 2003/4  | 273 | -60  | 22  | -90 | -73 | 72  |
| 2004/5  | 244 | -186 | 97  | -16 | -82 | 57  |
| 2005/6  | 329 | 73   | 209 | 7   | -73 | 545 |
| 2006/7  | 266 | 118  | 167 | -1  | -75 | 475 |
| 2007/8  | 337 | 128  | 125 | 59  | -49 | 600 |
| 2008/9  | 297 | -123 | 78  | -24 | -58 | 170 |
| 2009/10 | 246 | 196  | 52  | -21 | -49 | 424 |
| 2010/11 | 279 | -182 | 143 | 34  | -77 | 197 |
| 2011/12 | 290 | 188  | 15  | -32 | 0   | 461 |
| 2012/13 | 258 | 229  | 33  | -21 | 0   | 499 |
| 2013/14 | 223 | 403  | 118 | 15  | 0   | 759 |
| 2014/15 | 233 | 389  | 136 | -65 | 0   | 693 |

Source: ONS

**Figure 30: Components of population change, mid-2001 to mid-2015 – Charnwood**



Source: ONS

**Table 132: Components of population change, mid-2001 to mid-2015 – Charnwood**

| Year | Natural change | Net internal migration | Net international migration | Other changes | Other (unattributable) | Total change |
|------|------|------|------|------|------|------|
| 2001/2 | 184 | 439 | -169 | -16 | -561 | -123 |
| 2002/3 | 138 | 636 | 65 | -16 | -590 | 233 |
| 2003/4 | 237 | 1,246 | 150 | 17 | -574 | 1,076 |
| 2004/5 | 213 | 1,033 | 371 | -5 | -584 | 1,028 |
| 2005/6 | 195 | 805 | 986 | -6 | -595 | 1,385 |
| 2006/7 | 400 | 689 | 1,025 | -14 | -586 | 1,514 |
| 2007/8 | 488 | 1,028 | 907 | 7 | -588 | 1,842 |
| 2008/9 | 387 | 1,127 | 920 | -13 | -600 | 1,821 |
| 2009/10 | 560 | 1,035 | 1,073 | -15 | -637 | 2,016 |
| 2010/11 | 479 | 442 | 1,209 | 35 | -635 | 1,530 |
| 2011/12 | 441 | 1,317 | 1,128 | 17 | 0 | 2,903 |
| 2012/13 | 354 | 535 | 957 | 20 | 0 | 1,866 |
| 2013/14 | 340 | 1,223 | 1,339 | -2 | 0 | 2,900 |
| 2014/15 | 436 | 1,293 | 1,442 | 4 | 0 | 3,175 |

Source: ONS

**Figure 31: Components of population change, mid-2001 to mid-2015 – Harborough**
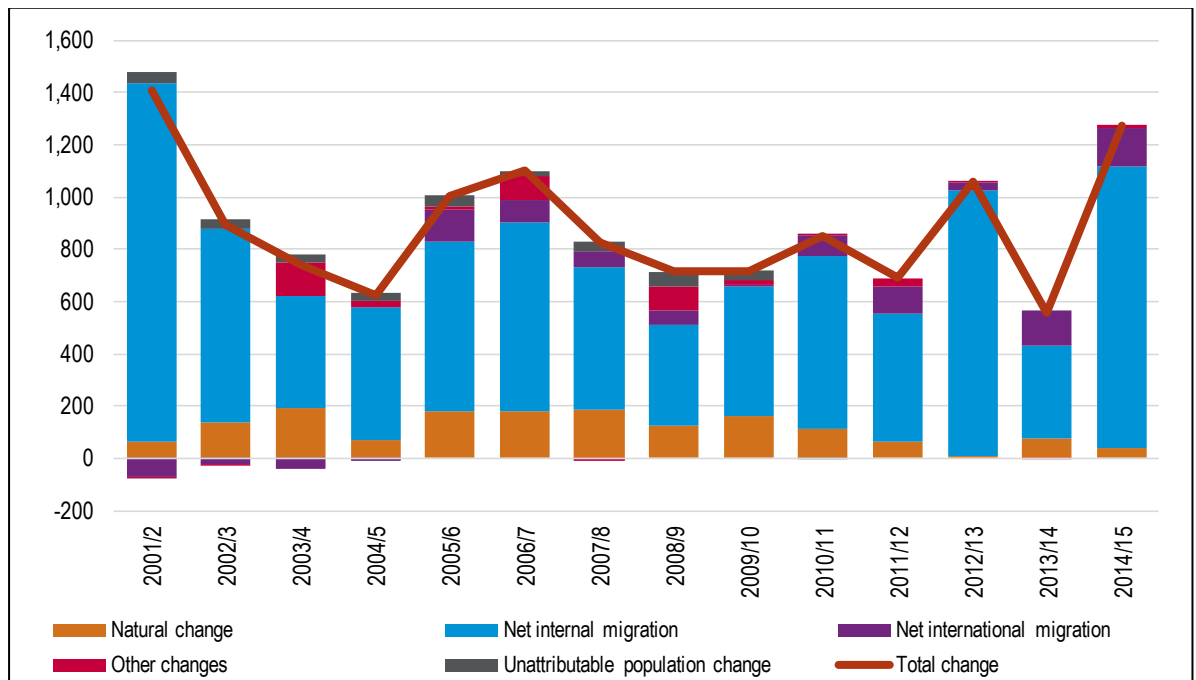


Source: ONS

**Table 133: Components of population change, mid-2001 to mid-2015 – Harborough**

| Year | Natural change | Net internal migration | Net international migration | Other changes | Other (unattributable) | Total change |
|------|-----|-----|-----|-----|-----|-----|
| 2001/2 | 64 | 1,370 | -68 | -6 | 48 | 1,408 |
| 2002/3 | 139 | 737 | -22 | -3 | 41 | 892 |
| 2003/4 | 195 | 429 | -40 | 123 | 35 | 742 |
| 2004/5 | 70 | 506 | -7 | 27 | 30 | 626 |
| 2005/6 | 182 | 649 | 121 | 15 | 39 | 1,006 |
| 2006/7 | 178 | 724 | 85 | 95 | 19 | 1,101 |
| 2007/8 | 187 | 546 | 60 | -8 | 39 | 824 |
| 2008/9 | 127 | 381 | 57 | 93 | 57 | 715 |
| 2009/10 | 160 | 500 | 5 | 18 | 34 | 717 |
| 2010/11 | 115 | 658 | 79 | 1 | -3 | 850 |
| 2011/12 | 64 | 491 | 100 | 35 | 0 | 690 |
| 2012/13 | 8 | 1,019 | 27 | 7 | 0 | 1,061 |
| 2013/14 | 74 | 357 | 133 | -6 | 0 | 558 |
| 2014/15 | 41 | 1,079 | 145 | 11 | 0 | 1,276 |

Source: ONS

**Figure 32: Components of population change, mid-2001 to mid-2015 – Hinckley & Bosworth**
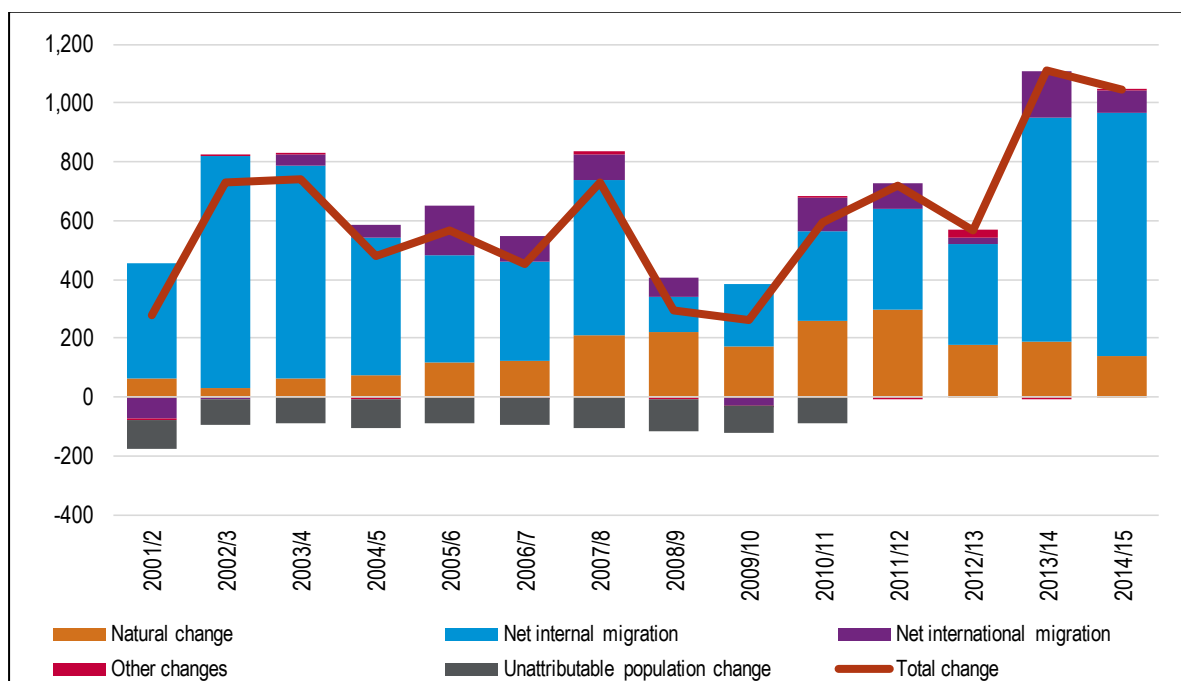


Source: ONS

**Table 134: Components of population change, mid-2001 to mid-2015 – Hinckley & Bosworth**

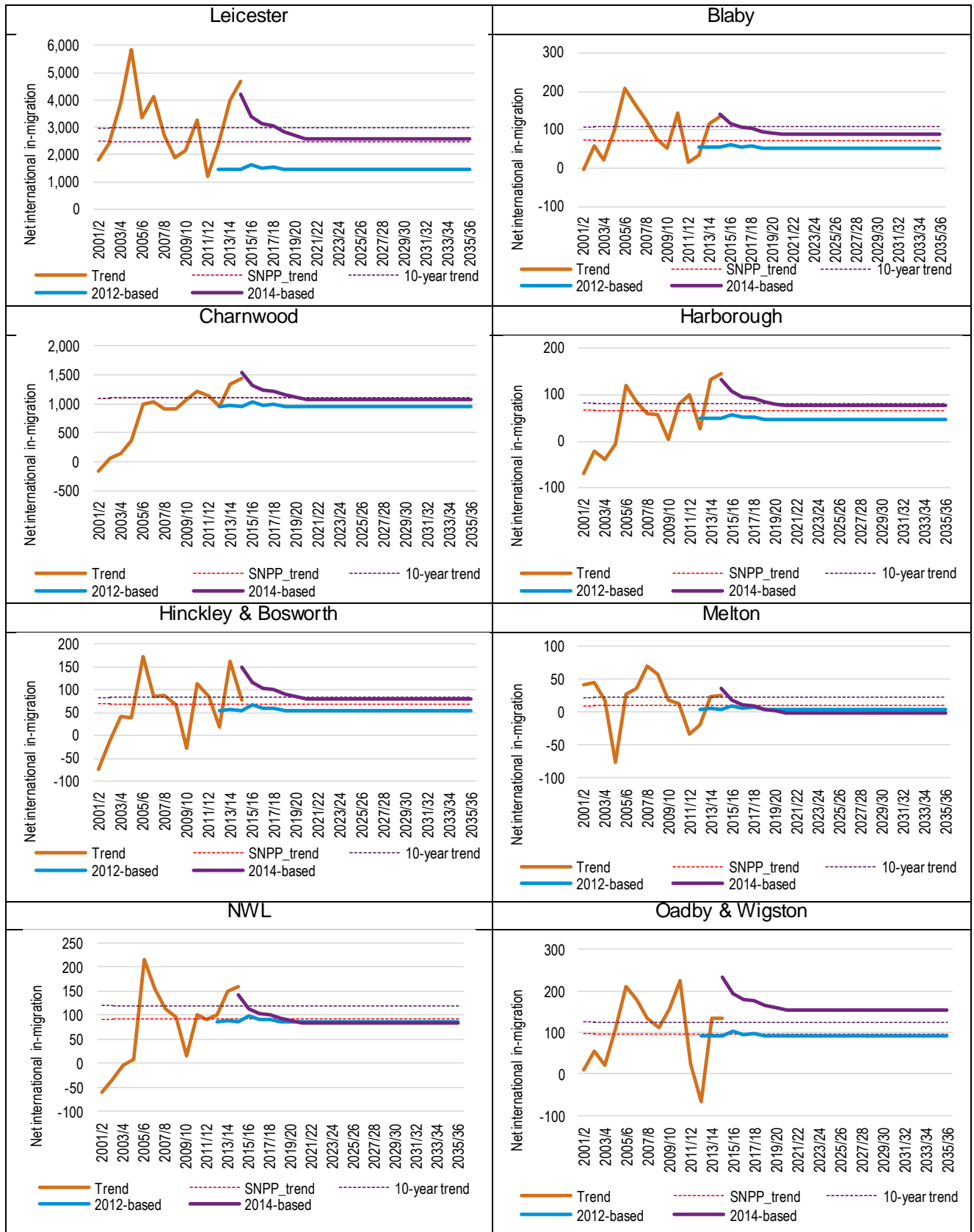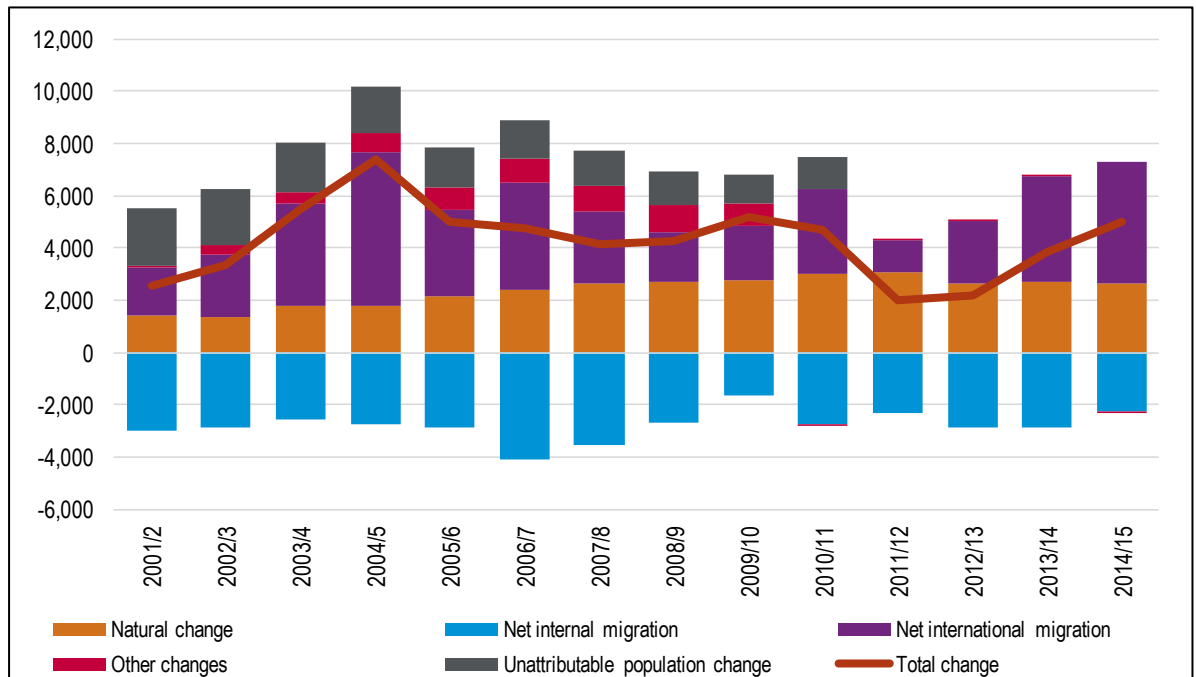| Year | Natural change | Net internal migration | Net international migration | Other changes | Other (unattributable) | Total change |
|------|------|------|------|------|------|------|
| 2001/2 | 61 | 394 | -74 | -5 | -96 | 280 |
| 2002/3 | 28 | 793 | -10 | 3 | -86 | 728 |
| 2003/4 | 63 | 722 | 42 | 3 | -87 | 743 |
| 2004/5 | 74 | 471 | 39 | -7 | -99 | 478 |
| 2005/6 | 115 | 366 | 173 | 0 | -89 | 565 |
| 2006/7 | 121 | 342 | 84 | -4 | -89 | 454 |
| 2007/8 | 209 | 532 | 87 | 6 | -105 | 729 |
| 2008/9 | 219 | 122 | 67 | -9 | -105 | 294 |
| 2009/10 | 172 | 212 | -27 | -3 | -93 | 261 |
| 2010/11 | 261 | 305 | 113 | 2 | -87 | 594 |
| 2011/12 | 298 | 344 | 85 | -9 | 0 | 718 |
| 2012/13 | 179 | 343 | 18 | 27 | 0 | 567 |
| 2013/14 | 189 | 760 | 161 | -1 | 0 | 1,109 |
| 2014/15 | 142 | 826 | 77 | 2 | 0 | 1,047 |

Source: ONS

**Figure 33: Components of population change, mid-2001 to mid-2015 – Melton**
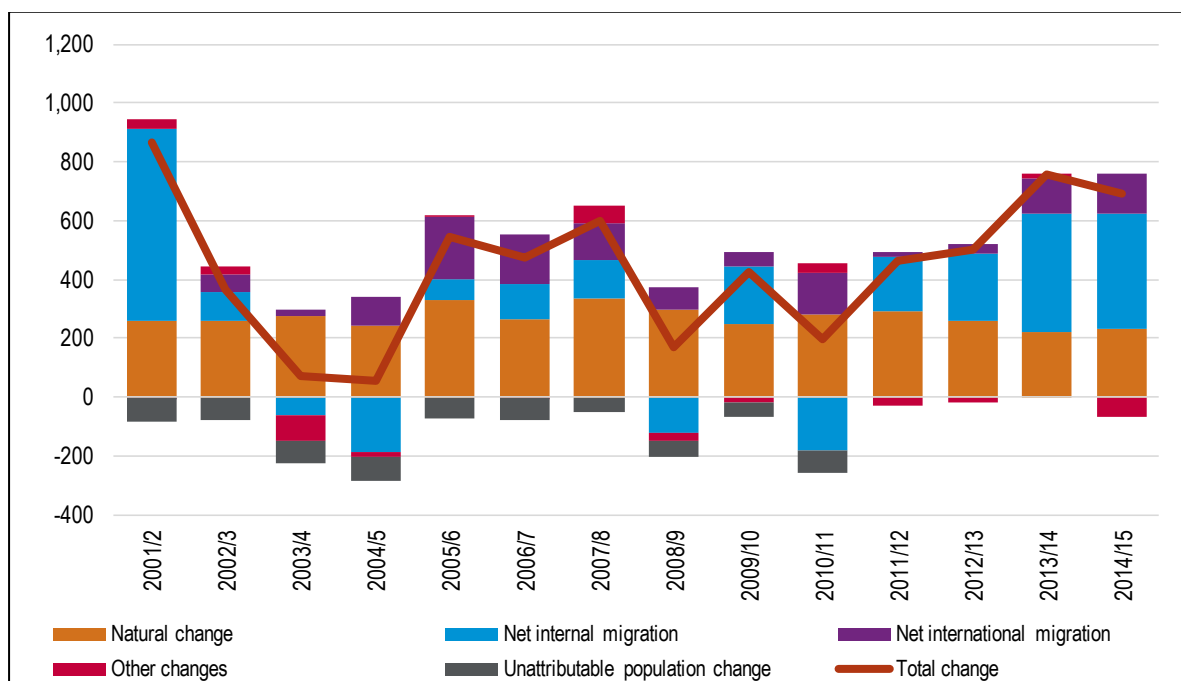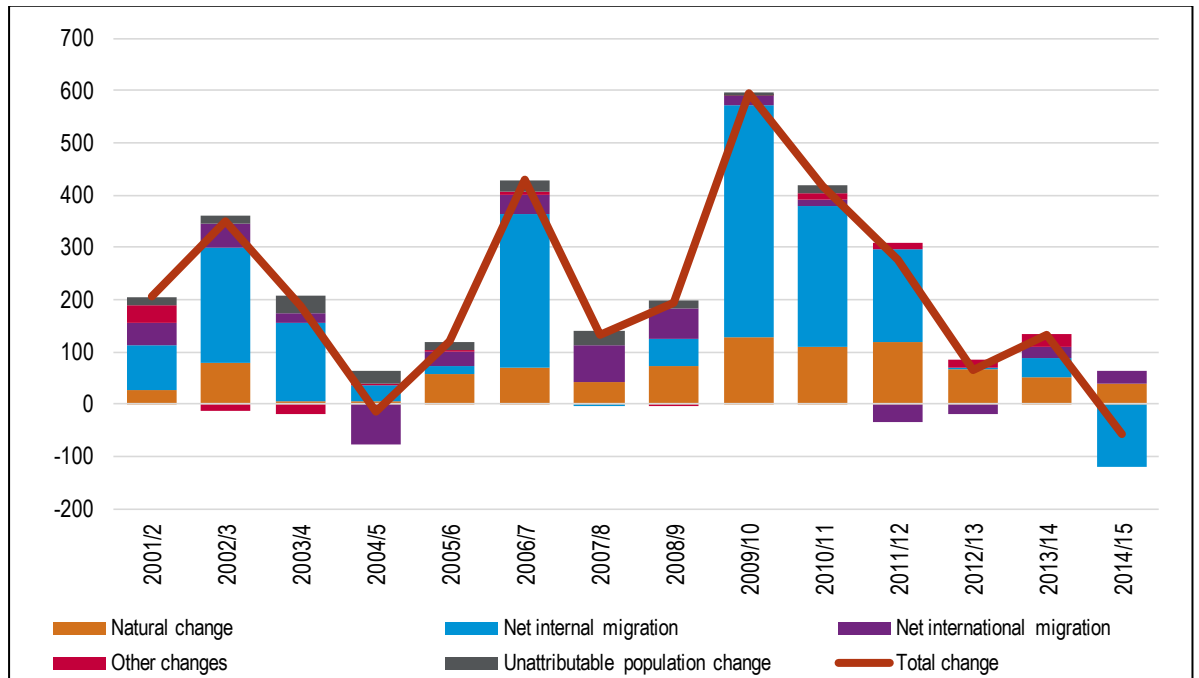


Source: ONS

**Table 135: Components of population change, mid-2001 to mid-2015 – Melton**

| Year | Natural change | Net internal migration | Net international migration | Other changes | Other (unattributable) | Total change |
|------|------|------|------|------|------|------|
| 2001/2 | 27 | 86 | 42 | 35 | 15 | 205 |
| 2002/3 | 78 | 223 | 44 | -13 | 17 | 349 |
| 2003/4 | 5 | 149 | 19 | -19 | 35 | 189 |
| 2004/5 | 4 | 32 | -77 | 3 | 25 | -13 |
| 2005/6 | 57 | 17 | 27 | 2 | 16 | 119 |
| 2006/7 | 70 | 294 | 36 | 7 | 22 | 429 |
| 2007/8 | 42 | -5 | 70 | 0 | 27 | 134 |
| 2008/9 | 72 | 52 | 58 | -5 | 17 | 194 |
| 2009/10 | 129 | 443 | 18 | 2 | 4 | 596 |
| 2010/11 | 111 | 269 | 12 | 12 | 14 | 418 |
| 2011/12 | 118 | 177 | -33 | 13 | 0 | 275 |
| 2012/13 | 66 | 3 | -20 | 17 | 0 | 66 |
| 2013/14 | 51 | 36 | 24 | 22 | 0 | 133 |
| 2014/15 | 39 | -121 | 25 | 0 | 0 | -57 |

Source: ONS

**Figure 34:  Components of population change, mid-2001 to mid-2015 – NWL**
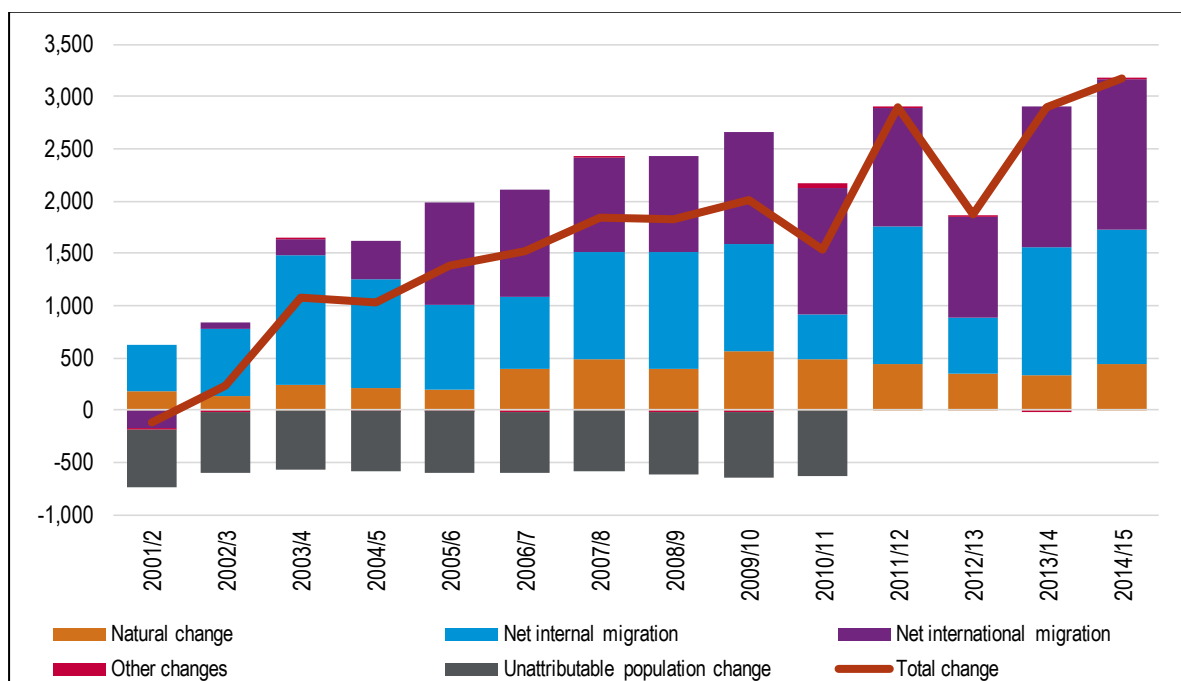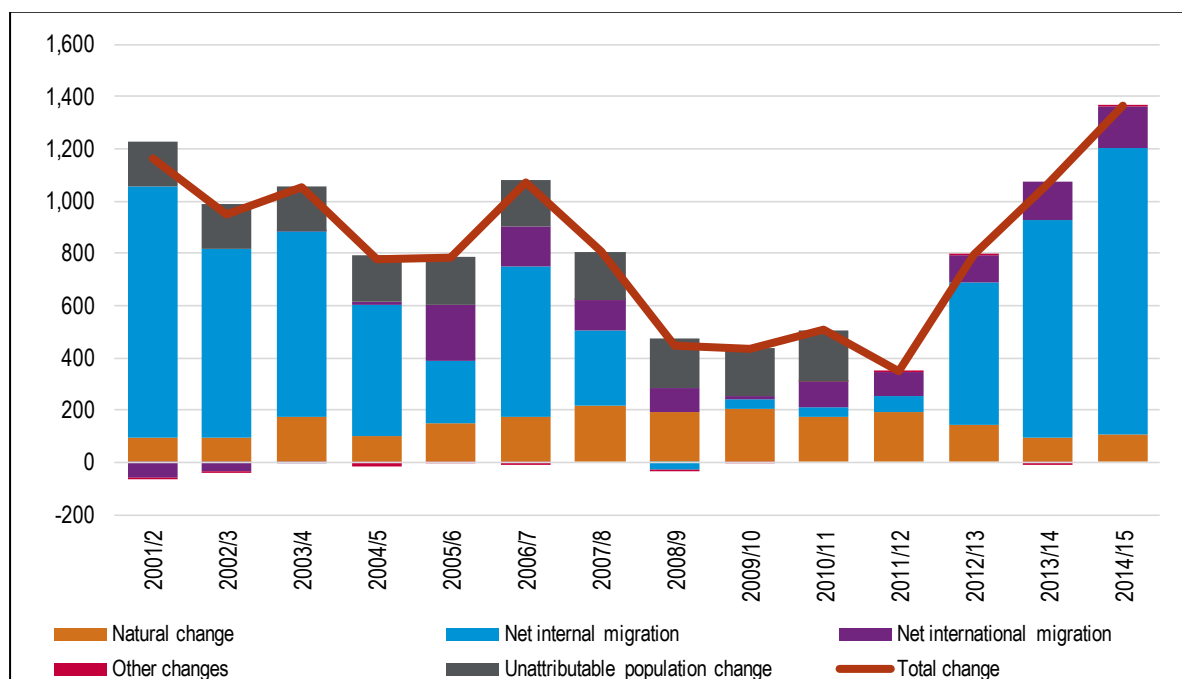


Source: ONS

**Table 136:  Components of population change, mid-2001 to mid-2015 – NWL**

| Year | Natural change | Net internal migration | Net international migration | Other changes | Other (unattributable) | Total change |
|---|---|---|---|---|---|---|
| 2001/2 | 97 | 962 | -60 | -6 | 171 | 1,164 |
| 2002/3 | 97 | 720 | -33 | -4 | 172 | 952 |
| 2003/4 | 175 | 711 | -5 | 1 | 169 | 1,051 |
| 2004/5 | 103 | 502 | 9 | -13 | 177 | 778 |
| 2005/6 | 150 | 240 | 214 | -3 | 182 | 783 |
| 2006/7 | 176 | 575 | 155 | -12 | 176 | 1,070 |
| 2007/8 | 217 | 290 | 113 | 3 | 184 | 807 |
| 2008/9 | 190 | -28 | 95 | -2 | 190 | 445 |
| 2009/10 | 205 | 36 | 14 | -3 | 185 | 437 |
| 2010/11 | 175 | 34 | 101 | 1 | 194 | 505 |
| 2011/12 | 193 | 61 | 91 | 3 | 0 | 348 |
| 2012/13 | 142 | 549 | 100 | 5 | 0 | 796 |
| 2013/14 | 95 | 832 | 149 | -8 | 0 | 1,068 |
| 2014/15 | 108 | 1,095 | 159 | 3 | 0 | 1,365 |

Source: ONS

**Figure 35: Components of population change, mid-2001 to mid-2015 – Oadby & Wigston**
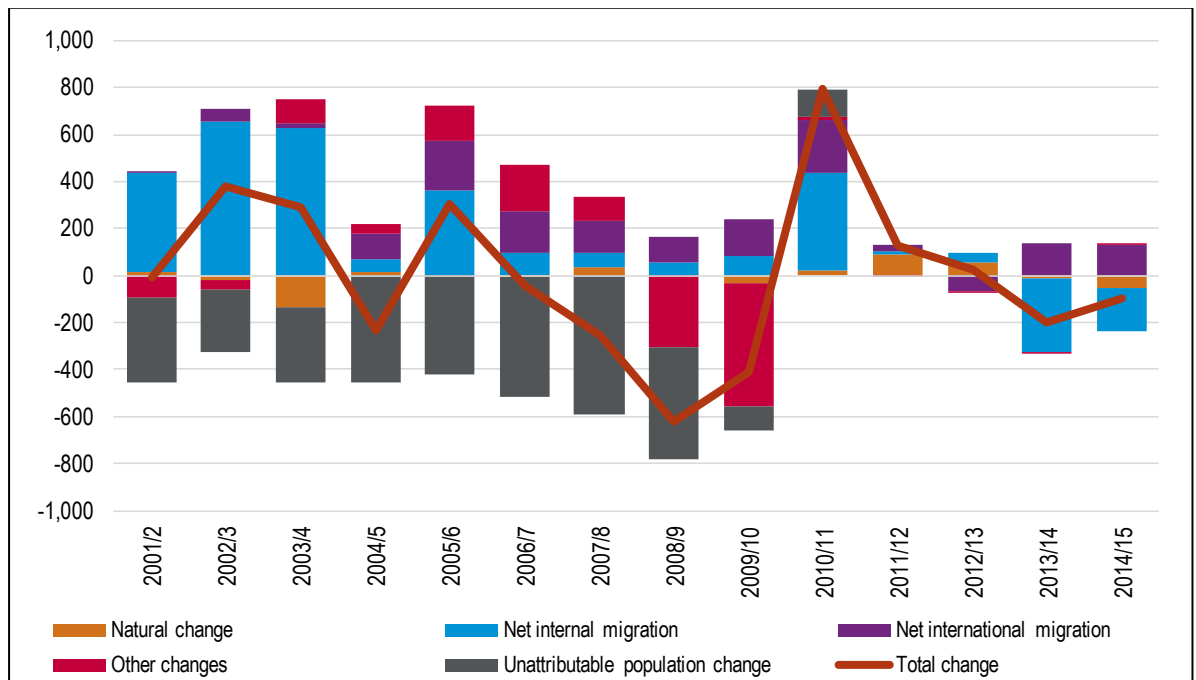


Source: ONS

**Table 137: Components of population change, mid-2001 to mid-2015 – Oadby & Wigston**

| Year | Natural change | Net internal migration | Net international migration | Other changes | Other (unattributable) | Total change |
|---|---|---|---|---|---|---|
| 2001/2 | 12 | 423 | 11 | -95 | -363 | -12 |
| 2002/3 | -17 | 655 | 55 | -41 | -270 | 382 |
| 2003/4 | -133 | 628 | 21 | 102 | -325 | 293 |
| 2004/5 | 16 | 54 | 109 | 38 | -453 | -236 |
| 2005/6 | -2 | 364 | 210 | 148 | -419 | 301 |
| 2006/7 | -5 | 93 | 180 | 197 | -509 | -44 |
| 2007/8 | 36 | 60 | 135 | 104 | -590 | -255 |
| 2008/9 | 2 | 51 | 110 | -303 | -480 | -620 |
| 2009/10 | -34 | 85 | 157 | -525 | -97 | -414 |
| 2010/11 | 19 | 417 | 225 | 14 | 118 | 793 |
| 2011/12 | 92 | 13 | 23 | -4 | 0 | 124 |
| 2012/13 | 56 | 39 | -67 | -6 | 0 | 22 |
| 2013/14 | -11 | -315 | 135 | -6 | 0 | -197 |
| 2014/15 | -52 | -183 | 133 | 7 | 0 | -95 |

Source: ONS

**Figure 36:  Population Age Profile (2015)**
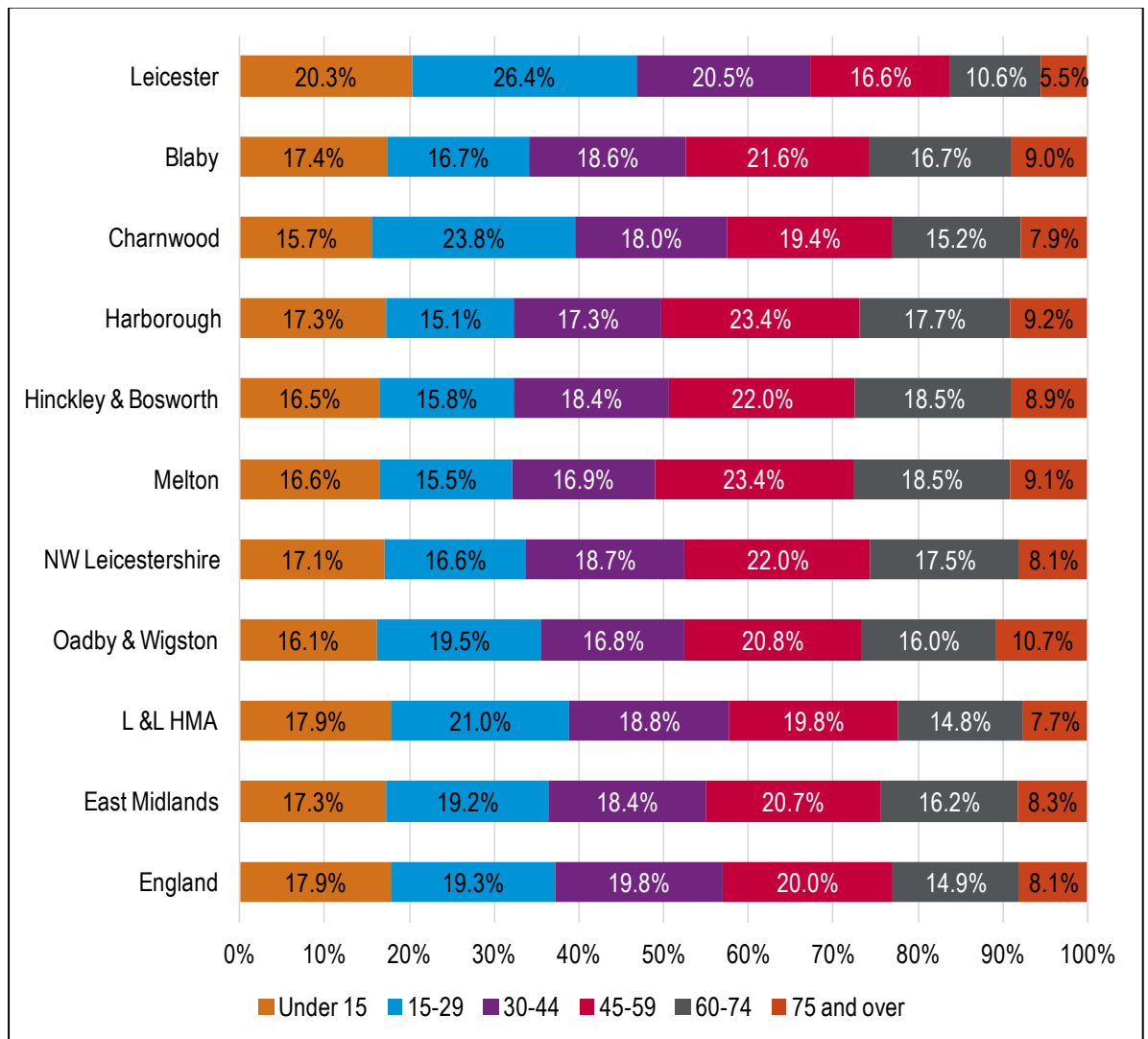


Source: ONS 2015 mid-year population estimates

**Table 138:  Change in Age Structure (2001-2015) – Leicester**

| Age group | 2001 | 2015 | Change | % change |
|---|---|---|---|---|
| Under 15 | 58,217 | 69,707 | 11,490 | 19.7% |
| 15-29 | 69,447 | 90,454 | 21,007 | 30.2% |
| 30-44 | 62,435 | 70,272 | 7,837 | 12.6% |
| 45-59 | 43,753 | 56,997 | 13,244 | 30.3% |
| 60-74 | 30,291 | 36,288 | 5,997 | 19.8% |
| 75 and over | 18,614 | 18,909 | 295 | 1.6% |
| Total | 282,757 | 342,627 | 59,870 | 21.2% |

Source: ONS mid-year population estimates

**Table 139:  Change in Age Structure (2001-2015) – Blaby**

| Age group | 2001 | 2015 | Change | % change |
|---|---|---|---|---|
| Under 15 | 16,958 | 16,810 | -148 | -0.9% |
| 15-29 | 15,066 | 16,082 | 1,016 | 6.7% |
| 30-44 | 21,593 | 17,921 | -3,672 | -17.0% |
| 45-59 | 18,356 | 20,896 | 2,540 | 13.8% |
| 60-74 | 12,394 | 16,160 | 3,766 | 30.4% |
| 75 and over | 5,994 | 8,675 | 2,681 | 44.7% |
| Total | 90,361 | 96,544 | 6,183 | 6.8% |

Source: ONS mid-year population estimates

**Table 140:  Change in Age Structure (2001-2015) – Charnwood**

| Age group | 2001 | 2015 | Change | % change |
|---|---|---|---|---|
| Under 15 | 27,338 | 27,792 | 454 | 1.7% |
| 15-29 | 33,119 | 42,018 | 8,899 | 26.9% |
| 30-44 | 32,877 | 31,862 | -1,015 | -3.1% |
| 45-59 | 30,131 | 34,199 | 4,068 | 13.5% |
| 60-74 | 19,545 | 26,825 | 7,280 | 37.2% |
| 75 and over | 10,544 | 14,024 | 3,480 | 33.0% |
| Total | 153,554 | 176,720 | 23,166 | 15.1% |

Source: ONS mid-year population estimates

**Table 141:  Change in Age Structure (2001-2015) – Harborough**

| Age group | 2001 | 2015 | Change | % change |
|---|---|---|---|---|
| Under 15 | 14,562 | 15,452 | 890 | 6.1% |
| 15-29 | 11,361 | 13,454 | 2,093 | 18.4% |
| 30-44 | 18,122 | 15,476 | -2,646 | -14.6% |
| 45-59 | 16,830 | 20,903 | 4,073 | 24.2% |
| 60-74 | 10,367 | 15,773 | 5,406 | 52.1% |
| 75 and over | 5,576 | 8,226 | 2,650 | 47.5% |
| Total | 76,818 | 89,284 | 12,466 | 16.2% |

Source: ONS mid-year population estimates

**Table 142:  Change in Age Structure (2001-2015) – Hinckley & Bosworth**

| Age group | 2001 | 2015 | Change | % change |
|---|---|---|---|---|
| Under 15 | 17,851 | 17,937 | 86 | 0.5% |
| 15-29 | 16,406 | 17,172 | 766 | 4.7% |
| 30-44 | 22,629 | 19,981 | -2,648 | -11.7% |
| 45-59 | 22,048 | 23,925 | 1,877 | 8.5% |
| 60-74 | 13,799 | 20,073 | 6,274 | 45.5% |
| 75 and over | 7,469 | 9,681 | 2,212 | 29.6% |
| Total | 100,202 | 108,769 | 8,567 | 8.5% |

Source: ONS mid-year population estimates

**Table 143:  Change in Age Structure (2001-2015) – Melton**

| Age group | 2001 | 2015 | Change | % change |
|---|---|---|---|---|
| Under 15 | 8,924 | 8,428 | -496 | -5.6% |
| 15-29 | 7,278 | 7,890 | 612 | 8.4% |
| 30-44 | 11,147 | 8,587 | -2,560 | -23.0% |
| 45-59 | 10,331 | 11,929 | 1,598 | 15.5% |
| 60-74 | 6,497 | 9,421 | 2,924 | 45.0% |
| 75 and over | 3,698 | 4,657 | 959 | 25.9% |
| Total | 47,875 | 50,912 | 3,037 | 6.3% |

Source: ONS mid-year population estimates

**Table 144:  Change in Age Structure (2001-2015) – NWL**

| Age group | 2001 | 2015 | Change | % change |
|---|---|---|---|---|
| Under 15 | 15,863 | 16,641 | 778 | 4.9% |
| 15-29 | 13,839 | 16,188 | 2,349 | 17.0% |
| 30-44 | 19,772 | 18,151 | -1,621 | -8.2% |
| 45-59 | 18,182 | 21,438 | 3,256 | 17.9% |
| 60-74 | 11,544 | 16,977 | 5,433 | 47.1% |
| 75 and over | 6,478 | 7,852 | 1,374 | 21.2% |
| Total | 85,678 | 97,247 | 11,569 | 13.5% |

Source: ONS mid-year population estimates

**Table 145:  Change in Age Structure (2001-2015) – Oadby & Wigston**

| Age group | 2001 | 2015 | Change | % change |
|---|---|---|---|---|
| Under 15 | 10,280 | 9,008 | -1,272 | -12.4% |
| 15-29 | 10,237 | 10,904 | 667 | 6.5% |
| 30-44 | 11,992 | 9,372 | -2,620 | -21.8% |
| 45-59 | 10,727 | 11,621 | 894 | 8.3% |
| 60-74 | 8,334 | 8,932 | 598 | 7.2% |
| 75 and over | 4,221 | 5,996 | 1,775 | 42.1% |
| Total | 55,791 | 55,833 | 42 | 0.1% |

Source: ONS mid-year population estimates

**Table 146:  Average net migration assumptions used in demographic modelling (persons per annum 2015-36) – Leicester**

| | 2014-based SNPP | 10-year migration |
|---|---|---|
| **Internal migration** | -2,975 | -3,246 |
| **International migration** | 2,682 | 2,914 |
| **Total net migration** | -292 | -332 |

Source: Demographic analysis based on ONS data

**Table 147: Average net migration assumptions used in demographic modelling (persons per annum 2015-36) – Blaby**

|                          | 2014-based SNPP | 10-year migration |
|--------------------------|-----------------|-------------------|
| **Internal migration**       | 273             | 304               |
| **International migration**  | 92              | 116               |
| **Total net migration**      | 365             | 420               |

Source: Demographic analysis based on ONS data

**Table 148: Average net migration assumptions used in demographic modelling (persons per annum 2015-36) – Charnwood**

|                          | 2014-based SNPP | 10-year migration |
|--------------------------|-----------------|-------------------|
| **Internal migration**       | 209             | 227               |
| **International migration**  | 1,112           | 1,049             |
| **Total net migration**      | 1,321           | 1,276             |

Source: Demographic analysis based on ONS data

**Table 149: Average net migration assumptions used in demographic modelling (persons per annum 2015-36) – Harborough**

|                          | 2014-based SNPP | 10-year migration |
|--------------------------|-----------------|-------------------|
| **Internal migration**       | 665             | 747               |
| **International migration**  | 80              | 86                |
| **Total net migration**      | 745             | 834               |

Source: Demographic analysis based on ONS data

**Table 150: Average net migration assumptions used in demographic modelling (persons per annum 2015-36) – Hinckley & Bosworth**

|                          | 2014-based SNPP | 10-year migration |
|--------------------------|-----------------|-------------------|
| **Internal migration**       | 508             | 585               |
| **International migration**  | 85              | 91                |
| **Total net migration**      | 593             | 676               |

Source: Demographic analysis based on ONS data

**Table 151: Average net migration assumptions used in demographic modelling (persons per annum 2015-36) – Melton**

|                          | 2014-based SNPP | 10-year migration |
|--------------------------|-----------------|-------------------|
| **Internal migration**       | 267             | 219               |
| **International migration**  | 1               | 7                 |
| **Total net migration**      | 268             | 226               |

Source: Demographic analysis based on ONS data

**Table 152:  Average net migration assumptions used in demographic modelling (persons per annum 2015-36) – NWL**

|  | 2014-based SNPP | 10-year migration |
|---|---|---|
| Internal migration | 375 | 509 |
| International migration | 87 | 104 |
| Total net migration | 462 | 613 |

Source: Demographic analysis based on ONS data

**Table 153:  Average net migration assumptions used in demographic modelling (persons per annum 2015-36) – Oadby & Wigston**

|  | 2014-based SNPP | 10-year migration |
|---|---|---|
| Internal migration | 147 | 166 |
| International migration | 159 | 165 |
| Total net migration | 306 | 331 |

Source: Demographic analysis based on ONS data

**Table 154:  Projected population growth (2011-2036) – alternative scenarios – Leicester**

|  | Population 2011 | Population 2036 | Change in population | % change |
|---|---|---|---|---|
| 2014-based SNPP | 329,627 | 399,283 | 69,656 | 21.1% |
| 2014-based SNPP (+MYE) | 329,627 | 399,458 | 69,831 | 21.2% |
| 10-year migration | 329,627 | 398,240 | 68,613 | 20.8% |

Source: Demographic projections

**Table 155:  Projected population growth (2011-2036) – alternative scenarios – Blaby**

|  | Population 2011 | Population 2036 | Change in population | % change |
|---|---|---|---|---|
| 2014-based SNPP | 94,132 | 109,247 | 15,115 | 16.1% |
| 2014-based SNPP (+MYE) | 94,132 | 109,301 | 15,169 | 16.1% |
| 10-year migration | 94,132 | 110,716 | 16,584 | 17.6% |

Source: Demographic projections

**Table 156:  Projected population growth (2011-2036) – alternative scenarios – Charnwood**

|  | Population 2011 | Population 2036 | Change in population | % change |
|---|---|---|---|---|
| 2014-based SNPP | 165,876 | 212,306 | 46,430 | 28.0% |
| 2014-based SNPP (+MYE) | 165,876 | 213,279 | 47,403 | 28.6% |
| 10-year migration | 165,876 | 212,255 | 46,379 | 28.0% |

Source: Demographic projections

**Table 157: Projected population growth (2011-2036) – alternative scenarios – Harborough**

|  | Population 2011 | Population 2036 | Change in population | % change |
|---|---|---|---|---|
| 2014-based SNPP | 85,699 | 102,740 | 17,041 | 19.9% |
| 2014-based SNPP (+MYE) | 85,699 | 103,641 | 17,942 | 20.9% |
| 10-year migration | 85,699 | 105,731 | 20,032 | 23.4% |

Source: Demographic projections

**Table 158: Projected population growth (2011-2036) – alternative scenarios – Hinckley & Bosworth**

|  | Population 2011 | Population 2036 | Change in population | % change |
|---|---|---|---|---|
| 2014-based SNPP | 105,328 | 122,876 | 17,548 | 16.7% |
| 2014-based SNPP (+MYE) | 105,328 | 123,198 | 17,870 | 17.0% |
| 10-year migration | 105,328 | 125,235 | 19,907 | 18.9% |

Source: Demographic projections

**Table 159: Projected population growth (2011-2036) – alternative scenarios – Melton**

|  | Population 2011 | Population 2036 | Change in population | % change |
|---|---|---|---|---|
| 2014-based SNPP | 50,495 | 57,202 | 6,707 | 13.3% |
| 2014-based SNPP (+MYE) | 50,495 | 56,762 | 6,267 | 12.4% |
| 10-year migration | 50,495 | 55,726 | 5,231 | 10.4% |

Source: Demographic projections

**Table 160: Projected population growth (2011-2036) – alternative scenarios – NWL**

|  | Population 2011 | Population 2036 | Change in population | % change |
|---|---|---|---|---|
| 2014-based SNPP | 93,670 | 107,813 | 14,143 | 15.1% |
| 2014-based SNPP (+MYE) | 93,670 | 108,857 | 15,187 | 16.2% |
| 10-year migration | 93,670 | 112,543 | 18,873 | 20.1% |

Source: Demographic projections

**Table 161: Projected population growth (2011-2036) – alternative scenarios – Oadby & Wigston**

|  | Population 2011 | Population 2036 | Change in population | % change |
|---|---|---|---|---|
| 2014-based SNPP | 55,979 | 60,903 | 4,924 | 8.8% |
| 2014-based SNPP (+MYE) | 55,979 | 61,116 | 5,137 | 9.2% |
| 10-year migration | 55,979 | 61,785 | 5,806 | 10.4% |

Source: Demographic projections

**Table 162: Population change 2011 to 2036 by fifteen-year age bands (10-year migration trends) – Leicester**

| Age group | Population 2011 | Population 2036 | Change in population | % change from 2011 |
|---|---|---|---|---|
| Under 15 | 65,355 | 76,556 | 11,201 | 17.1% |
| 15-29 | 88,555 | 102,715 | 14,160 | 16.0% |
| 30-44 | 68,358 | 76,591 | 8,233 | 12.0% |
| 45-59 | 55,753 | 62,246 | 6,493 | 11.6% |
| 60-74 | 33,177 | 47,919 | 14,742 | 44.4% |
| 75+ | 18,429 | 32,212 | 13,783 | 74.8% |
| Total | 329,627 | 398,240 | 68,613 | 20.8% |

Source: ONS and demographic projections

**Table 163: Population change 2011 to 2036 by fifteen-year age bands (10-year migration trends) – Blaby**

| Age group | Population 2011 | Population 2036 | Change in population | % change from 2011 |
|---|---|---|---|---|
| Under 15 | 16,393 | 19,385 | 2,992 | 18.3% |
| 15-29 | 15,983 | 17,653 | 1,670 | 10.4% |
| 30-44 | 18,873 | 20,040 | 1,167 | 6.2% |
| 45-59 | 19,555 | 19,072 | -483 | -2.5% |
| 60-74 | 15,528 | 19,363 | 3,835 | 24.7% |
| 75+ | 7,800 | 15,203 | 7,403 | 94.9% |
| Total | 94,132 | 110,716 | 16,584 | 17.6% |

Source: ONS and demographic projections

**Table 164: Population change 2011 to 2036 by fifteen-year age bands (10-year migration trends) – Charnwood**

| Age group | Population 2011 | Population 2036 | Change in population | % change from 2011 |
|---|---|---|---|---|
| Under 15 | 26,314 | 32,741 | 6,427 | 24.4% |
| 15-29 | 38,530 | 47,224 | 8,694 | 22.6% |
| 30-44 | 31,024 | 35,941 | 4,917 | 15.8% |
| 45-59 | 32,115 | 36,489 | 4,374 | 13.6% |
| 60-74 | 24,848 | 33,872 | 9,024 | 36.3% |
| 75+ | 13,045 | 25,987 | 12,942 | 99.2% |
| Total | 165,876 | 212,255 | 46,379 | 28.0% |

Source: ONS and demographic projections

**Table 165: Population change 2011 to 2036 by fifteen-year age bands (10-year migration trends) – Harborough**

| Age group | Population 2011 | Population 2036 | Change in population | % change from 2011 |
|---|---|---|---|---|
| Under 15 | 15,166 | 17,207 | 2,041 | 13.5% |
| 15-29 | 12,718 | 14,143 | 1,425 | 11.2% |
| 30-44 | 16,712 | 16,985 | 273 | 1.6% |
| 45-59 | 19,244 | 19,755 | 511 | 2.7% |
| 60-74 | 14,659 | 20,903 | 6,244 | 42.6% |
| 75+ | 7,200 | 16,738 | 9,538 | 132.5% |
| Total | 85,699 | 105,731 | 20,032 | 23.4% |

Source: ONS and demographic projections

**Table 166: Population change 2011 to 2036 by fifteen-year age bands (10-year migration trends) – Hinckley & Bosworth**

| Age group | Population 2011 | Population 2036 | Change in population | % change from 2011 |
|---|---|---|---|---|
| Under 15 | 17,306 | 19,921 | 2,615 | 15.1% |
| 15-29 | 17,172 | 18,795 | 1,623 | 9.5% |
| 30-44 | 20,773 | 21,209 | 436 | 2.1% |
| 45-59 | 22,659 | 22,823 | 164 | 0.7% |
| 60-74 | 18,572 | 23,908 | 5,336 | 28.7% |
| 75+ | 8,846 | 18,579 | 9,733 | 110.0% |
| Total | 105,328 | 125,235 | 19,907 | 18.9% |

Source: ONS and demographic projections

**Table 167: Population change 2011 to 2036 by fifteen-year age bands (10-year migration trends) – Melton**

| Age group | Population 2011 | Population 2036 | Change in population | % change from 2011 |
|---|---|---|---|---|
| Under 15 | 8,474 | 8,973 | 499 | 5.9% |
| 15-29 | 8,133 | 7,912 | -221 | -2.7% |
| 30-44 | 9,536 | 8,557 | -979 | -10.3% |
| 45-59 | 11,362 | 10,058 | -1,304 | -11.5% |
| 60-74 | 8,688 | 11,300 | 2,612 | 30.1% |
| 75+ | 4,302 | 8,926 | 4,624 | 107.5% |
| Total | 50,495 | 55,726 | 5,231 | 10.4% |

Source: ONS and demographic projections

**Table 168: Population change 2011 to 2036 by fifteen-year age bands (10-year migration trends) – NWL**

| Age group | Population 2011 | Population 2036 | Change in population | % change from 2011 |
|---|---|---|---|---|
| Under 15 | 16,536 | 18,468 | 1,932 | 11.7% |
| 15-29 | 15,116 | 17,415 | 2,299 | 15.2% |
| 30-44 | 19,128 | 19,856 | 728 | 3.8% |
| 45-59 | 19,918 | 19,944 | 26 | 0.1% |
| 60-74 | 15,679 | 21,475 | 5,796 | 37.0% |
| 75+ | 7,293 | 15,385 | 8,092 | 111.0% |
| Total | 93,670 | 112,543 | 18,873 | 20.1% |

Source: ONS and demographic projections

**Table 169: Population change 2011 to 2036 by fifteen-year age bands (10-year migration trends) – Oadby & Wigston**

| Age group | Population 2011 | Population 2036 | Change in population | % change from 2011 |
|---|---|---|---|---|
| Under 15 | 8,988 | 10,357 | 1,369 | 15.2% |
| 15-29 | 11,347 | 10,589 | -758 | -6.7% |
| 30-44 | 10,011 | 10,268 | 257 | 2.6% |
| 45-59 | 11,283 | 10,473 | -810 | -7.2% |
| 60-74 | 8,766 | 10,501 | 1,735 | 19.8% |
| 75+ | 5,584 | 9,597 | 4,013 | 71.9% |
| Total | 55,979 | 61,785 | 5,806 | 10.4% |

Source: ONS and demographic projections

**Table 170: Estimated Profile of Dwellings in 2011 by Size and Tenure – Leicester**

| Size of housing | Market | | Affordable | | Total | |
|---|---|---|---|---|---|---|
| | Number | % | Number | % | Number | % |
| 1 bedroom | 9,062 | 9.9% | 10,420 | 33.3% | 19,482 | 15.8% |
| 2 bedrooms | 23,101 | 25.2% | 9,102 | 29.1% | 32,203 | 26.2% |
| 3 bedrooms | 44,791 | 48.8% | 10,220 | 32.7% | 55,011 | 44.7% |
| 4+ bedrooms | 14,805 | 16.1% | 1,527 | 4.9% | 16,332 | 13.3% |
| Total | 91,760 | 100.0% | 31,269 | 100.0% | 123,029 | 100.0% |
| % in tenure | 74.6% | | 25.4% | | 100.0% | |

Source: Derived from 2011 Census

**Table 171: Estimated Profile of Dwellings in 2011 by Size and Tenure – Blaby**

| Size of housing | Market | | Affordable | | Total | |
|---|---|---|---|---|---|---|
| | Number | % | Number | % | Number | % |
| 1 bedroom | 809 | 2.3% | 1,121 | 38.1% | 1,930 | 5.0% |
| 2 bedrooms | 6,869 | 19.2% | 1,123 | 38.1% | 7,992 | 20.6% |
| 3 bedrooms | 19,139 | 53.4% | 638 | 21.7% | 19,777 | 51.0% |
| 4+ bedrooms | 9,009 | 25.1% | 64 | 2.2% | 9,073 | 23.4% |
| Total | 35,825 | 100.0% | 2,946 | 100.0% | 38,771 | 100.0% |
| % in tenure | 92.4% | | 7.6% | | 100.0% | |

Source: Derived from 2011 Census

**Table 172: Estimated Profile of Dwellings in 2011 by Size and Tenure – Charnwood**

| Size of housing | Market | | Affordable | | Total | |
|---|---|---|---|---|---|---|
| | Number | % | Number | % | Number | % |
| 1 bedroom | 2,631 | 4.5% | 3,089 | 39.3% | 5,720 | 8.6% |
| 2 bedrooms | 14,069 | 24.0% | 1,854 | 23.6% | 15,923 | 24.0% |
| 3 bedrooms | 26,764 | 45.7% | 2,624 | 33.4% | 29,388 | 44.2% |
| 4+ bedrooms | 15,133 | 25.8% | 284 | 3.6% | 15,417 | 23.2% |
| Total | 58,598 | 100.0% | 7,851 | 100.0% | 66,449 | 100.0% |
| % in tenure | 88.2% | | 11.8% | | 100.0% | |

Source: Derived from 2011 Census

**Table 173: Estimated Profile of Dwellings in 2011 by Size and Tenure – Harborough**

| Size of housing | Market | | Affordable | | Total | |
|---|---|---|---|---|---|---|
| | Number | % | Number | % | Number | % |
| 1 bedroom | 1,167 | 3.6% | 925 | 31.6% | 2,092 | 6.0% |
| 2 bedrooms | 6,809 | 21.2% | 1,081 | 37.0% | 7,890 | 22.5% |
| 3 bedrooms | 12,240 | 38.1% | 846 | 28.9% | 13,086 | 37.3% |
| 4+ bedrooms | 11,939 | 37.1% | 71 | 2.4% | 12,010 | 34.2% |
| Total | 32,154 | 100.0% | 2,923 | 100.0% | 35,077 | 100.0% |
| % in tenure | 91.7% | | 8.3% | | 100.0% | |

Source: Derived from 2011 Census

**Table 174: Estimated Profile of Dwellings in 2011 by Size and Tenure – Hinckley & Bosworth**

| Size of housing | Market | | Affordable | | Total | |
|---|---|---|---|---|---|---|
| | Number | % | Number | % | Number | % |
| 1 bedroom | 1,622 | 4.0% | 1,089 | 23.2% | 2,711 | 6.0% |
| 2 bedrooms | 10,361 | 25.4% | 1,781 | 38.0% | 12,142 | 26.7% |
| 3 bedrooms | 18,970 | 46.5% | 1,717 | 36.7% | 20,687 | 45.5% |
| 4+ bedrooms | 9,865 | 24.2% | 97 | 2.1% | 9,962 | 21.9% |
| Total | 40,818 | 100.0% | 4,684 | 100.0% | 45,502 | 100.0% |
| % in tenure | 89.7% | | 10.3% | | 100.0% | |

Source: Derived from 2011 Census

**Table 175: Estimated Profile of Dwellings in 2011 by Size and Tenure – Melton**

| Size of housing | Market | | Affordable | | Total | |
|---|---|---|---|---|---|---|
| | Number | % | Number | % | Number | % |
| 1 bedroom | 588 | 3.1% | 703 | 29.3% | 1,291 | 6.0% |
| 2 bedrooms | 3,837 | 20.0% | 835 | 34.8% | 4,672 | 21.7% |
| 3 bedrooms | 9,223 | 48.1% | 760 | 31.6% | 9,983 | 46.3% |
| 4+ bedrooms | 5,509 | 28.8% | 104 | 4.3% | 5,613 | 26.0% |
| Total | 19,158 | 100.0% | 2,402 | 100.0% | 21,560 | 100.0% |
| % in tenure | 88.9% | | 11.1% | | 100.0% | |

Source: Derived from 2011 Census

**Table 176: Estimated Profile of Dwellings in 2011 by Size and Tenure – NWL**

| Size of housing | Market | | Affordable | | Total | |
|---|---|---|---|---|---|---|
| | Number | % | Number | % | Number | % |
| 1 bedroom | 1,058 | 3.1% | 1,235 | 22.1% | 2,293 | 5.8% |
| 2 bedrooms | 7,385 | 22.0% | 1,757 | 31.4% | 9,142 | 23.3% |
| 3 bedrooms | 16,213 | 48.2% | 2,370 | 42.3% | 18,583 | 47.4% |
| 4+ bedrooms | 8,978 | 26.7% | 236 | 4.2% | 9,214 | 23.5% |
| Total | 33,636 | 100.0% | 5,598 | 100.0% | 39,234 | 100.0% |
| % in tenure | 85.7% | | 14.3% | | 100.0% | |

Source: Derived from 2011 Census

**Table 177: Estimated Profile of Dwellings in 2011 by Size and Tenure – Oadby & Wigston**

| Size of housing | Market | | Affordable | | Total | |
|---|---|---|---|---|---|---|
| | Number | % | Number | % | Number | % |
| 1 bedroom | 575 | 2.9% | 467 | 29.0% | 1,042 | 4.9% |
| 2 bedrooms | 4,704 | 23.9% | 533 | 33.1% | 5,237 | 24.6% |
| 3 bedrooms | 9,699 | 49.3% | 574 | 35.7% | 10,273 | 48.3% |
| 4+ bedrooms | 4,700 | 23.9% | 36 | 2.2% | 4,736 | 22.2% |
| Total | 19,678 | 100.0% | 1,610 | 100.0% | 21,288 | 100.0% |
| % in tenure | 92.4% | | 7.6% | | 100.0% | |

Source: Derived from 2011 Census

## 8    STAKEHOLDER CONSULTATION

8.1    Two stakeholder events were held on Monday 27th June 2016 at Pioneer Park in Leicester. The workshops were part of the wider consultation held during that period.

8.2    The morning session (9:30-11:30) was addressed to private sector stakeholders and 26 people attended representing 25 companies. The table lists in detail the attendees.

**Table 178:  Private Sector Session - Attendees List**

| Name | Company |
|------|---------|
| Adrian Thorpe | OWDC |
| Amy Hordon | Bilfinger GVA |
| Andy Thorns | Andrew Thorns Ltd |
| Ben Matthews | Richard Watkins & partners |
| Craig Alsbury | GVA |
| David Prowse | Permission Homes |
| David Ward | Wilson Bowden Co |
| Gary Stephens | Marrons Planning |
| Gary Turner | Matthew Moore |
| George Bread | Persimmon Homes (2 attendees) |
| Gwyn Stubbings | IDI Gazeley Brookfield Logistics Properties |
| Unnamed | Hallam Land Management Limited |
| Helen Prangley | Davidson group |
| James Bompas | Money Hill Consortium |
| Justin Gartland | Nathaniel Lichfield & Partners, |
| Mark Rose, Director | Define |
| Neil Cox | Pegasus East Midlands |
| Nora Galley | Now Planning |
| Ollie Barnes | Savills |
| Unnamed | Peveril Homes Ltd |
| Phill Bamford | Gladman Developments |
| Richard Walters | Richard Walters |
| Rob Thorn | Jelson |
| Robert Gilmore | Oxalis Planning |
| Sarah Jinks | William Davis |
| Simon Atha | Cerda Planning |

8.3    The afternoon session (12:30-14:30) was held for public sector stakeholder. This session had 13 attendees including 3 officers from the neighbouring authorities of the study area. Table 179 presents all the attendees.

**Table 179: Public Sector Session - Attendees List**

| Name | Company |
|------|---------|
| **Bill Cullen** | Hinckley & Bosworth Borough |
| **Cllr John Pope** | Parish Clerk, Market Bosworth Parish Council |
| **Cllr John Wasteney** | Parish Clerk, Market Bosworth Parish Council |
| **Steve Buffery** | Derbyshire County Council |
| **Tom James** | Daventry District Council |
| **Vicky Chapman** | Rugby Borough Council |
| **B Grimshaw** | Desford Neighbourhood Plan Group |
| **Matt Hall** | Chief Executive O&W Borough Council |
| **Lesley Aspinall** | Harborough DC |
| **Andrew Avison** | LCC |
| **Rachel Armstrong** | Melton BC |
| **John Pope** | Market Bosworth Parish Council |
| **John Western** | Market Bosworth Parish Council |
| **Paul Tebbitt** | Charnwood BC |

8.4     The presentation in both sessions was split in to four main parts. Firstly GL Hearn presented the Methodology adopted in developing the HEDNA. The second part was a detailed presentation on the definition of the HMA and FEMA.

8.5     The third part of the presentation was focused on the housing market dynamics, which informed the market signals section of this report. Finally the economic growth factors were presented.

8.6     This was followed by a question and answer section and discussion relating to the work presented. During the discussion, issues raised with regards the methodology were addressed directly.

8.7     The discussion focused on a number of key areas, firstly the future development pipeline in the Leicester and Leicestershire authorities. Many of these sites being raised were some way off being permitted and the study takes a Policy –Off approach.

8.8     Secondly the definition of the HMA and FEMA and what discussions are ongoing with neighbouring areas.   Most parties were content with the HMA definitions although we recognised that there was still a duty to cooperate with neighbouring authorities.

8.9     The discussion also focussed on the potential impact of Brexit (the event was held three days after the referendum), with regards the impacts on the local and national economy.

8.10    Following the workshops there was a period of two weeks to for stakeholders to provide feedback. A small number of formal responses were received. A summary of those representations is presented below anonymously.

**Key Representation Comments**

*Area Definition:*

- The definition of HMA and FEMA is the most appropriate for the purposes of the study. It is important to recognise that both HMA and FEMA have links outside of the study area and their influence on Leicester and Leicestershire.

    Response – These links are noted and the local authorities will continue with their duty to cooperate with local authorities outside of the study area.

*Demographic:*

- There will be a need to 'sensitivity test' the 2014 Household Projections figures to assess whether they continue to be influenced by issues affecting the ability of the younger age groups to access the housing market and form households. Any evidence of this should be reflected in an adjustment to the demographic starting point to reflect the Government's agenda on increasing home ownership, especially in young age groups.

    Response – These sensitivities are included within the report.  There does not however seem to be a suppression of household formation rates across the HMA.

- It is appropriate to do the sensitivity test for the effect of unattributable population change (UPC) within the HEDNA. The HEDNA should clearly justify the approach that has been taken to UPC.

    Response – We have tested the impact of UPC on the housing need within the report.  However we do not think that it is relevant to focus on a scenario which includes this element.

*Economic:*

- The key issue for the HMA HEDNA revolves around supporting the economic growth potential of the area. Hence it is essential that a more detailed and fine-grained analysis of the employment growth prospects of the area are researched and feed into the final HEDNA.

    Response – We have undertaken detailed conversations with economic development officers in each local authority and developed a bespoke forecast.  Each permitted major site has been fed into this "planned growth" forecast.

- This analysis should look at historic employment growth and business performance, the concrete expansion plans of major employers, and the job and skills requirements of schemes such as MIRA,  Magna Park, East Midlands Airport and Gateway, Amazon

    Response – Where appropriate we have taken into account consented development of the above schemes.  Noting that not all of them have planning permission.

- A main consideration should be that many of the large scale employment growth areas lie in the outer boundaries of study area. The study will need to assess what level of employment will be drawn from within the study area and what level may be drawn from surrounding districts

    Response – We have maintained utilised the commuting changes within the OE forecasts, these reflect the current patterns for commuting in each area, although as job numbers change so to do commuting numbers.

- When assessing the link between employment growth and population/housing growth reference should be made to the Office of Budgetary Responsibility 2015 economic activity/participation projections.

  Response – Disagree.  These are national forecasts and cannot be rigidly applied to a local level.  Furthermore they project a level of employment growth nationally which is far lower than the OE forecasts.  If we were therefore to apply the economic activity rates within the OBR forecasts then we must also significantly reduce the FEMA's growth prospects.  We do not this this is an appropriate analysis.  We have run sensitivities around the Experian and OE Economic activity/employment rates.

- The HEDNA should be a positive exercise and should reflect paragraph 17 of NPPF.

  Response- Agree, I believe we have looked at the level of employment growth in a positive light and this is reflected in the planned growth scenario.

*Market Signals:*

- The response to identified issues had been arbitrary and frequently not sufficient to make a material impact on the future affordability of an area. It would be sensible for the HEDNA to assess the market signals information against the LPEG methodology to ascertain if the uplift to housing needs across the area is appropriate.

  Response – The LPEG methodology is not national policy and may never become national policy.  It is therefore inappropriate to fully endorse this approach.

*Affordable Housing:*

- The HEDNA should assess the potential supply of affordable housing against need and indicate whether an adjustment to the overall OAN is required to better meet the needs of those who cannot access the housing market.

  Response – Disagree the link between OAN and affordable housing need is complex and our approach is set out within the report.  Based on recent decisions in Kings Lynn this was recognised.  We have however made an increase to the OAN to address affordable housing need

- It would be sensible for the outcomes of the HEDNA to be sense checked against this approach to ensure any uplift is appropriate.

  Response – Disagree the link between OAN and affordable housing need is complex and our approach is set out within the report.  Based on recent decisions in Kings Lynn this was recognised.  We have however made an increase to the OAN to address affordable housing need

*General:*

- It is fundamental that the HEDNA is genuinely and completely policy off. The Method Statement references to the Leicester PUA (which is a creature of policy and it is dated) - it is unclear why it is included in HEDNA.

Response – The PUA is reflective of reality and I would argue that its boundaries are no more policy on than those of the local authorities.  We have not however sought to redistribute growth along any lines including the PUA

- Implications of Brexit analysis and its outputs might be too complex and short on clarity

Response – We have not included any Brexit impact although we have noted that any growth estimations may be on the optimistic side given most commentators believe this will have a negative impact on the economy.

- It is positive that the study will be flexible enough to reflect potential change in OAN process that may come through the Local Plan Expert Group (LPEG).

Response – The LPEG methodology is not national policy and may never become national policy.  It is therefore inappropriate to fully endorse this approach.  Our approach has been to follow the guidance (PPG para 20) as it is currently set out.

## 9    RESIDENTIAL MARKET PERCEPTIONS FROM ESTATE AND LETTING AGENTS

9.1    In order to further understand the performance of the market and to complement the quantitative findings presented above, GL Hearn carried out direct telephone engagement with local estate and lettings agents across the HMA in early August 2016.

9.2    The responses were broadly positive in relation to market performance and stated that the sales and lettings market across the HMA over the last few years had seen increased numbers of transactions although very recent trends appears to indicate otherwise. The agents noted a decrease in investor activity in the market, triggered by the increase in house prices and stamp duty changes.

9.3    Agents also indicated a market slowdown following the vote to leave the European Union, with the uncertainty around these causing potential buyers to postpone investment decisions. In particular, sales in the Leicester had been generally good, but there was a notable slowdown caused by the vote to leave. Nevertheless, the level of sales had still increased on the same time in 2015 with more first-time-buyers entering the market. Market sentiment in mid 2016 should be seen as an immediate short-term reaction to the Vote, and press coverage around this; with more recent evidence suggesting that housing market fundamentals remain strong.

9.4    Agents reported a shift in activity among small scale investors who have moved away from the more affluent areas to cheaper semi-detached or terraced properties in out of town areas. This is in order to make better use of their capital.

9.5    Large scale investors with bigger portfolios are more active in Leicester City Centre. They typically target smaller 1 and 2 bedroom apartments which offer higher growth in capital values, more rental security and additional liquidity upon disposal.

9.6    The lettings market is particularly strong (as at Autumn 2016) as properties, with agents reporting that properties are only on the market for a single week before being let. The most desirable properties were 1 and 2 bed apartments close to the City Centre or with a good proximity to public transport facilities. Rental values varied depending on the location, with £550 pcm on average achieved on a 2 bedroom apartment in the City. The agents also highlighted a 5% increase in rents over the last year.

9.7    The profile tenants varies across HMA. In Leicester a high proportion are first-time-buyers, professionals and young families getting onto the housing ladder by picking up the lower end of the stock. The most popular types of properties transacted are 2-3 bed semi- detached or terraced homes out of the City Centre. Close to the City Centre, demand is for 1-2 bed apartments to let in

locations with good proximity to the public transport facilities. Agents' responses indicated a wide age profile of tenants, with people between 20 and 40 years of age being the dominant group. Tenants were typically young professional couples and/or prospective first-time buyers unable to get onto the property ladder, students or small families relocating from other parts of the country.

9.8     In Charnwood, sales prices were reported to have increased by around 15% over the last year or so, with a lack of stock being highlighted by the agents as the cause. First-time buyers numbers have increased, due to recent enhancements to mortgage availability. There is also activity in the middle market where families will upsize their property and move up the ladder.

9.9     In terms of lettings in Charnwood, there is a proportion of tenants renting temporarily in hope of purchasing a more suitable property at a better price. Additionally there is demand from students in the lettings market, however their activity is limited as it occurs between the end of August and middle of October every year.

9.10    In Harborough, the market is the strongest within the HMA. Sales have slightly increased while rental values have presented a 10-15% increase in the last year. Market Harborough is a particularly attractive place to live or rent due to its setting and good fast train links to London and properties are taken off the market very quickly and usually achieve above the asking price.

9.11    The rest of the HMA has a generally healthy market with no particular change over the last year apart from Melton where agents have reported a decrease in sales. According to agents, this is caused by the lack of available stock resulting in a steady increase in values over the last 18 months. The lettings market is considered to be very good, with properties being let in a very short period of time, usually above the asking price.

9.12    Buyers in Harborough and Melton include first-time buyers in their early 30s or families that are looking to upgrade the size of their property. Prospective tenants in Harborough are typically young professionals and young families in their early 30s aiming to enter the housing ladder in the near future. In Melton the tenant profile ranges from young people targeting small flats to elderly couples that target good quality bungalows.

9.13    Sales in Hinckley and Bosworth have increased and overall there is a demand for all types of properties in the Borough. Rental properties are also performing well and typically achieve at least the asking price within a week of their advertisement.

9.14    The market in North West Leicestershire performs well with steadily growing prices. Lettings have picked up over the last few months, with most of the properties being let in a short period of time for the asking price or above.

9.15    In Hinckley and Bosworth and North West Leicestershire the main buyers are either first-time buyers in their late 20s or families that seek to upgrade their properties. Tenants tend to be young professionals or young families. In North West Leicestershire there is also demand for bungalows and retirement properties to rent.

9.16    In Blaby the current sales market performs well with an average of 15 properties per estate agency sold each month. The market is considered to be similar to last year but has significantly improved over the longer term. The buyers ranged from mid-20s first-time-buyers to older couples seeking retirement properties. The most popular type of properties are semi-detached dwellings and bungalows.

9.17    The lettings market in Blaby is active, with properties being transacted within a week of appearing on the market. Almost all of the transactions are occurring as at Autumn 2016 above the asking price, with several offers made on each property. Prospective tenants in Blaby are typically professionals in their 30s and above. There is a high demand for 3-bed semi-detached and terraced properties at the lower end of the market.

9.18    Finally in Oadby and Wigston, agents reported a strong sales market, with properties sold within a couple of weeks from appearing on the market. In general Oadby is considered to be a very attractive area to live, with a historically vibrant property market. Over the past few months there has been a gradual shift in the profile of the buyers, with decreased investor activity but a steady growth in the number of first-time buyers. A significant proportion of the buyers are young professionals, couples and families. The lettings market is very strong in the area and agents have noted a significant increase, with the majority of the properties being let above the asking price. Young families are the main group of prospective tenants in the area. Moreover the area offers good transport links and excellent school catchments therefore more affluent families are seeking to rent or buy in the area.