



Appendix 6

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North Yorkshire Strategic Housing Market Assessment

Appendix 6: Scarborough-specific SHMA Analysis

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For and on behalf of GVA Grimley Ltd

1. Introduction to the Appendix Document

- 1.1 GVA was commissioned to undertake a Strategic Housing Market Assessment (SHMA) on behalf of the North Yorkshire Strategic Housing Partnership (NYSHP) in March 2010. The findings of this research will be used to inform the development of emerging strategic planning documents across the sub-region, including Local Development Framework (LDF) Core Strategy documents, and development control decisions.
- 1.2 The purpose of the SHMA, as explored in more detail in the context of Government guidance within the main report, is two-fold:
- To provide a SHMA undertaken in accordance with Government guidance and meeting PPS3 requirements; and
 - To assist in supporting the Council to fulfil their strategic housing role in planning for housing investment that meets the needs of the community.

Purpose of Appendix Document

- 1.3 It was agreed at the outset of the commission that the main North Yorkshire SHMA report would present analysis at the North Yorkshire level, identifying key findings of note at Local Authority level.
- 1.4 In line with the requirements of SHMA guidance sub-areas below Local Authority level have been identified¹ and reflected in primary data collection and where possible secondary data collection and analysis².
- 1.5 Given the scale of the North Yorkshire sub-region, specifically the number of sub-areas identified below Local Authority level, and the need to provide a clear and useable SHMA report sub-Local Authority level analysis is documented within this Appendix document. It should be read alongside the main North Yorkshire SHMA report as providing more locally specific detail focusing specifically on the primary data collected and analysed as part of the process.

¹ The geography of analysis applied in relation to Scarborough is summarised in the following section of this document.

² The full methodological approach to primary and secondary sources of data utilised within the SHMA are considered within full in Section 1 of the main report.

Report Structure

1.6 This Appendix document follows a similar structure to the North Yorkshire SHMA report. It draws on both primary and secondary data where appropriate, and should, as previously noted, be read alongside the North Yorkshire SHMA report as providing strategic context to the analysis presented.

- 1: Introduction – Introduces the purpose of the document and its structure;
- 2: Context – This section sets out the geography of analysis applied in relation to Scarborough specifically including a definition of the sub-local authority areas used and presented through this Appendix;

Part 1: The Current Housing Market

- 3: Demographic and Economic Context – Whilst the dynamics of the housing market are complex, the consideration of the demographic and economic context based on current snapshot and past trends represents a fundamental foundation upon which to understand supply and demand currently and in the future. This section presents an assessment of key demographic and economic drivers concluding with analysis of the functional relationships between the local authority sub-areas identified within Scarborough;
- 4: The Housing Stock – This section provides an assessment of the current profile of the housing stock across Scarborough. This includes estimates of the current 'housing offer' in Scarborough in terms of the number of current dwellings broken down by size, type, condition and tenure;
- 5: The Active Market – The relationship between supply and demand manifests itself in the operation of the active market. House prices, rental levels and key measures of demand including the number of households on waiting lists are all symptoms of market behaviour which are clear indicators of the current health of the market and the future direction of travel. An assessment of the active market is undertaken using both primary and secondary data, with key issues around affordability examined in detail;

Part 2: Future Housing Market and Need

- 6: Future Housing Market – The North Yorkshire SHMA report provides a comprehensive assessment of future household projections and analysis of the implications of change relating to a number of economic and demographic drivers in terms of future demand for housing, including demand for different sizes of property. Using the datasets available for this research it is not possible to break this analysis down below local authority area. This section therefore represents the headline findings of Section 7 in the North Yorkshire SHMA report alongside local authority specific tables and charts in order to make the findings easier to interpret;
- 7: Housing Need – As with Section 6 the North Yorkshire SHMA report provides a comprehensive assessment of housing need at a North Yorkshire and individual authority level. This section includes additional local authority specific data and methodological explanation, including a more detailed comparison with previous survey work. In addition the analysis of housing need is broken down to a local authority sub-area level. Ward level breakdowns of housing need are available as well in Appendix 12; and
- 8: Drawing the Evidence Together – Conclusions – The research concludes the key findings and recommendations emerging with specific reference to Scarborough. Conclusions drawn will be presented to directly respond to the core outputs set out in Figure 1.1 of the CLG Guidance.

1.7 Note: The Authority Appendix does not include comparative sections 3 and 9 from the North Yorkshire SHMA Report. Section 3 in the main report provides a strategic policy and market context which is not duplicated in this appendix. Section 9 of the main report presents a detailed analysis of the housing requirements of specific groups. A large proportion of this analysis is not able to be presented at a sub-local authority level and again is therefore not duplicated within this Appendix. Key areas of analysis which can be presented at this level are integrated into sections 2 – 6 within this Appendix. The ward table in Appendix 12 provides further localised analysis of the current and future housing needs of older person households at this geographical level.

2. Context

- 2.1 As a precursor to the analysis presented within the remainder of this document, it is necessary to establish the spatial context for the SHMA. Within this section the geography at which the analysis has been undertaken and is reported at is set out and explained.
- 2.2 The spatial context for the wider North Yorkshire sub-region is presented in full within Section 2 of the main SHMA report. This includes the recognition of North Yorkshire market areas operating at a level below the sub-region but above local authority across North Yorkshire. With specific reference to Scarborough this includes recognition of both the Coast sub-area and the Remote Rural sub-area, as well as the periphery of the Scarborough sub-area. These sub-regional market areas are considered in more detail within Appendix 11.

Scarborough District

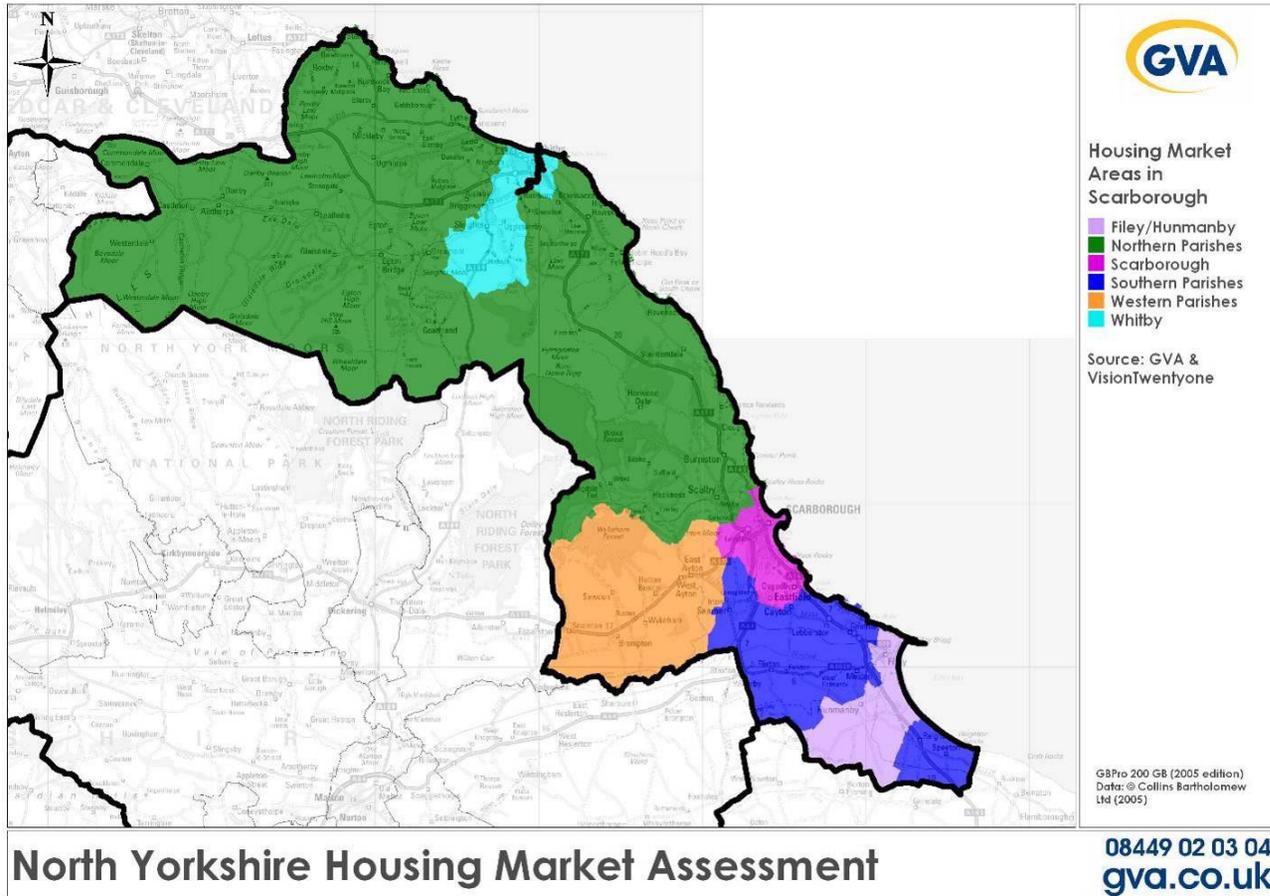
- 2.3 The following summary of the geography and general character of Scarborough is taken from the Core Strategy Preferred Options DPD (October 2009).
- 2.4 The total population of the Borough is approximately 108,900 (2009 estimate). When taking into account only that part of the Borough that is outside the North York Moors National Park, the population is approximately 98,000. The majority of the population resides in the 3 seaside towns of Scarborough (population of around 38,400 in the town and approaching 60,000 for the wider urban area), Whitby (population approaching 14,000) and Filey (population around 7000). The remainder are spread among a number of rural villages which vary in size and in the level of services they provide. Approximately 12,000 people live in that part of the Borough that is within the North York Moors National Park. The National Park area is not within the scope of this document but is covered by a Local Development Framework prepared by the National Park Authority.
- 2.5 Scarborough is the largest town by some distance and acts as the main centre for the Borough and indeed is the 'Coastal Capital' for a much wider area. Filey and to a certain extent Hunmanby, and particularly Whitby serve surrounding rural areas. Whitby is defined in the Regional Spatial Strategy (RSS) for Yorkshire and the Humber as a 'Principal Town' and also interacts with settlements in the Borough of Redcar and Cleveland. Scarborough Borough contains extensive rural areas outside the North York

Moors National Park and it is important to plan for a scale of development that enables rural settlements to be sustained but retains their essential character.

Scarborough Local Market Areas

- 2.6 In line with the CLG Guidance the SHMA must define market areas and the key drivers associated with these areas. This will include consideration of geographies below the District level.
- 2.7 Scarborough has pre-defined local market areas, established previously and cited within a previous HMA (2007). A total of five market areas are defined including Whitby, Filey / Hunmanby, North York Moors, Southern Parishes, and Western Parishes, as mapped overleaf on Figure 2.1.

Figure 2. 1: Scarborough Sub Areas (2011)



Local Policy Context

Scarborough Borough Council Draft Core Strategy Preferred Options November 2009

- 2.8 The **Scarborough Preferred Options Core Strategy** report was published in November 2009 and is scheduled to proceed to pre-submission stage in late summer 2011. **Scarborough Core Strategy** sets out the direction and strategy for managing change in the Borough up to 2026. The Core Strategy allows the effective co-ordination of investment decisions and development, with a particular focus on sustainable development. The Core Strategy aims to create a thriving and diverse economy with Scarborough itself leading economic growth through the expansion of its retail, cultural and accommodation offer.
- 2.9 In particular between 2004 and 2026 12,000 new homes, or 560 dwellings per annum from 2008 to 2026, will be built in the Borough providing an increasing choice of accommodation for Scarborough's residents. The majority of new homes will be concentrated in and around Scarborough Town. In particular the South of Cayton and Eastfield Expansion site will accommodate 2,000 dwellings. Whitby, Filey and Hunmanby will also be focuses for residential development.
- 2.10 The Borough has a combination of a low wage economy and above average house prices which has resulted in severe affordability problems in the Borough. Scarborough has an affordable housing shortage which extends across the Borough, with an identifiable need for 540 affordable homes per year between 2007 and 2012. 54% of local authority owned housing in the borough of Scarborough is classed as 'non decent', compared to a national average of 37%.

Scarborough Council towards 2020 The Renaissance of the Yorkshire Coast: Economic Development Strategy for Scarborough Council October 2006

- 2.11 Scarborough's economy has some significant structural problems which are constraining the future economic growth of the borough. Scarborough is seeking to address these problems "to achieve the renaissance of the North Yorkshire Coast by 2020" by working with their stakeholder partners to implement priority projects structured around six strategic objectives;
- To enhance cultural provision and the environment in order to rebuild the image of the area as a quality and dynamic place to live, work and invest.

- To improve connectivity to the Borough.
- To diversify the economic base of the area through the continued expansion of high value added advanced manufacturing, knowledge based and service industries.
- To enhance business performance in the tourism sector and increase expenditure by building on the area's strengths.
- To improve the skills and the educational attainment of the local population and workforce.
- To target action at specific neighbourhood areas which are economically and socially disadvantaged.

2.12 It is envisioned that the Renaissance agenda will deliver change with targeted public sector investment to help stimulate and be a catalyst for private sector investment in the Borough's ambitions.

Part 1: The Current Housing Market

3. Demographic and Economic Context

The relationship between the economy, household composition and the housing stock represents a key driver in determining the balance between supply i.e. the stock of housing as explored in Section 4 and demand.

This section examines the two principal long-term drivers of demand, the demography of an area and the health of the economy to present clearly how Scarborough's housing market has evolved in response.

The changing demography (population, household size, age structure etc) of an area impacts strongly on the housing market and the type and quantity of housing required.

The role of the economy in shaping demand is also important with, for example, the level and type of employment available in an area playing an important role in determining the levels of disposable income available to households and therefore their ability to exercise choice in the market an issue which is considered in greater detail within Section 5. The linkage between employment opportunities and the housing offer also manifests itself in the relationship between work and home. The section concludes with analysis of commuting patterns to demonstrate current levels of containment in the District and the relationships with surrounding authorities.

Demographic Drivers of Change

Demographic Trends

- 3.1 Traditionally demographics have been a key component of determining both the current shape of housing markets and their future trajectory. Changing demographic conditions strongly influence the housing market, including the overall housing stock required and the requirements of the stock to meet the needs of specific groups, for example the elderly.
- 3.2 Since the 1950s planning for housing policy has combined demographic projections with supply side information and spatial policy bias. It is therefore vital to have a clear

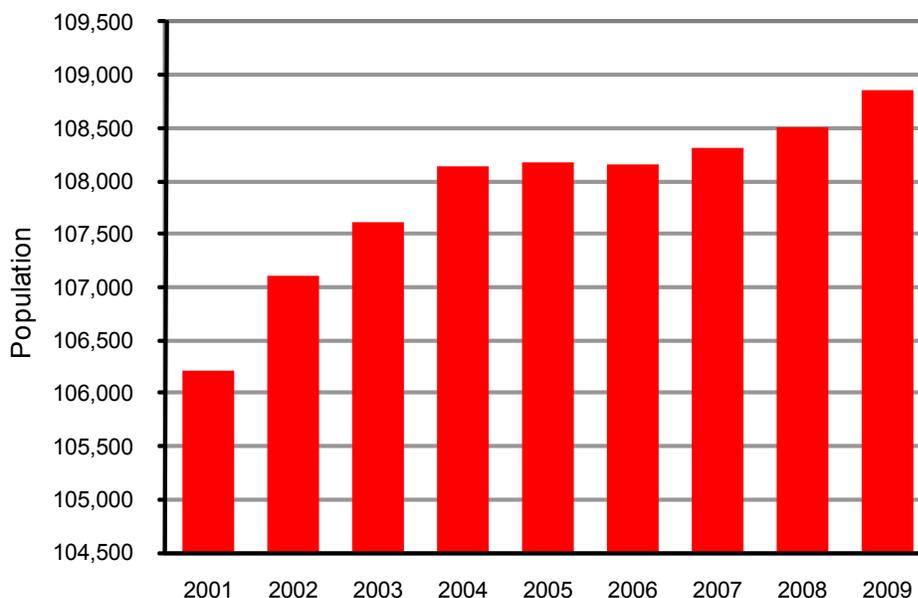
understanding of the population and household structure when assessing current and future housing demand.

Current Demography and the Components of Change

- The 2001 Census provided the most recent, definitive count of the resident population of Scarborough identifying 106,221 people within the area.
- Since 2001, the Office for National Statistics (ONS) has produced 'Mid-Year Estimates' (MYE) of local authority populations, taking account of the annual impact of births and deaths (natural change), internal migration and international migration (the components of change). The latest MYE for Scarborough (2009) suggests that its population has increased by approximately 2,631 since 2001, a 2.5% rise over the nine year period, compared to an increase of 5.7% across North Yorkshire.

Current Demography

Figure 3. 2: Population Change, Scarborough, 2001 – 2009

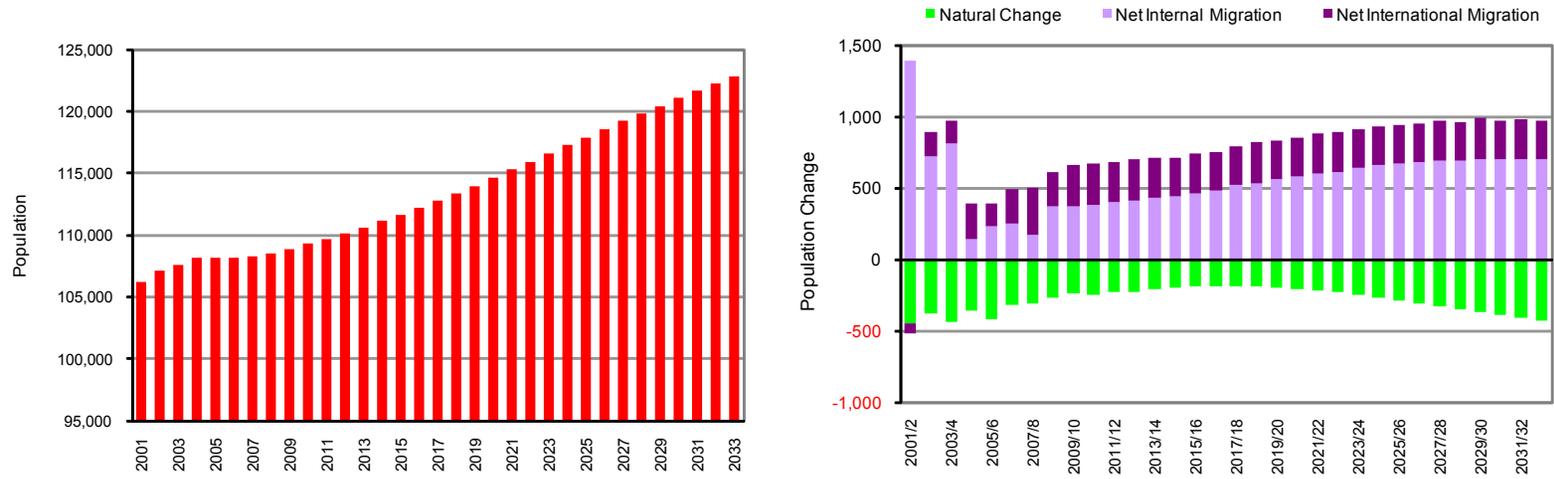


Source: ONS, 2010

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- Disaggregation of this population change into its 'components of change' reveals the relative importance that is assigned to estimates of natural change, net internal migration and net international migration since 2001. Of the total population growth across Scarborough between 2001/02 and 2008/09 (2,631), 1,487 (56.5%) is due to the net impact of international migration, compared to approximately 4,081 (155.1%) attributed to net internal migration. Natural change accounts for -11.6% of total population growth over the period.
 - Total population growth across North Yorkshire over the same period was driven by net international migration, accounting for growth of 22,500 between 2001 and 2009 (53% of net population growth), compared to 21,508 (51%) attributed to net internal migration. Natural change accounted for a slight decrease in total population over the period of 1,608.

Figure 3. 3: Scarborough Components of Change Estimates, 2001 – 2009

Scarborough

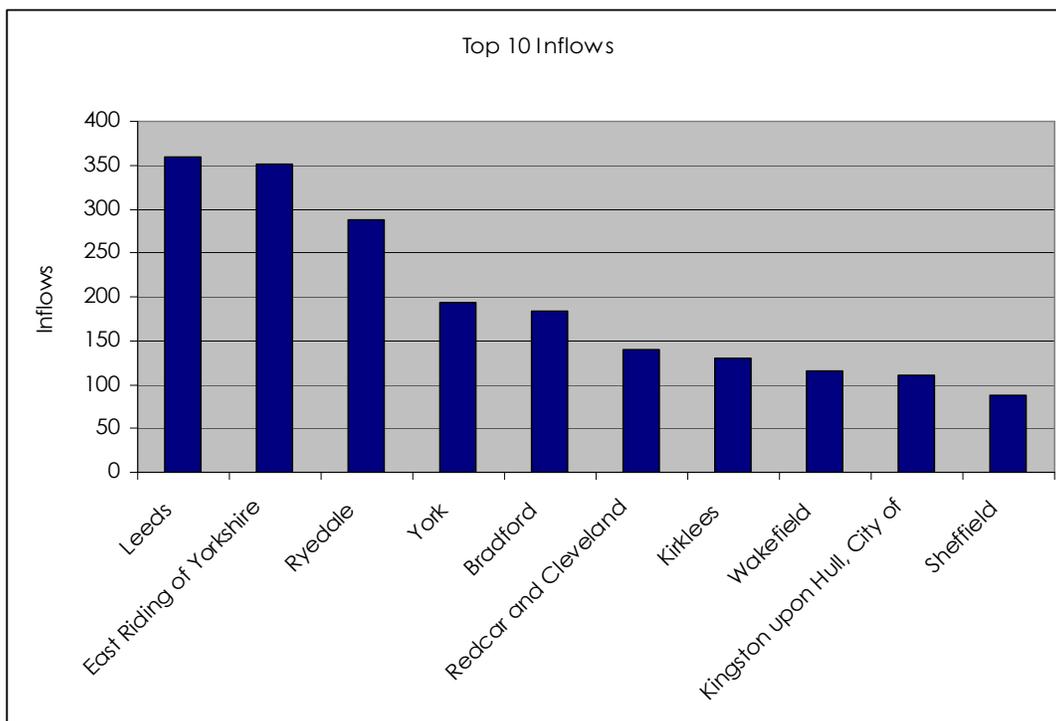


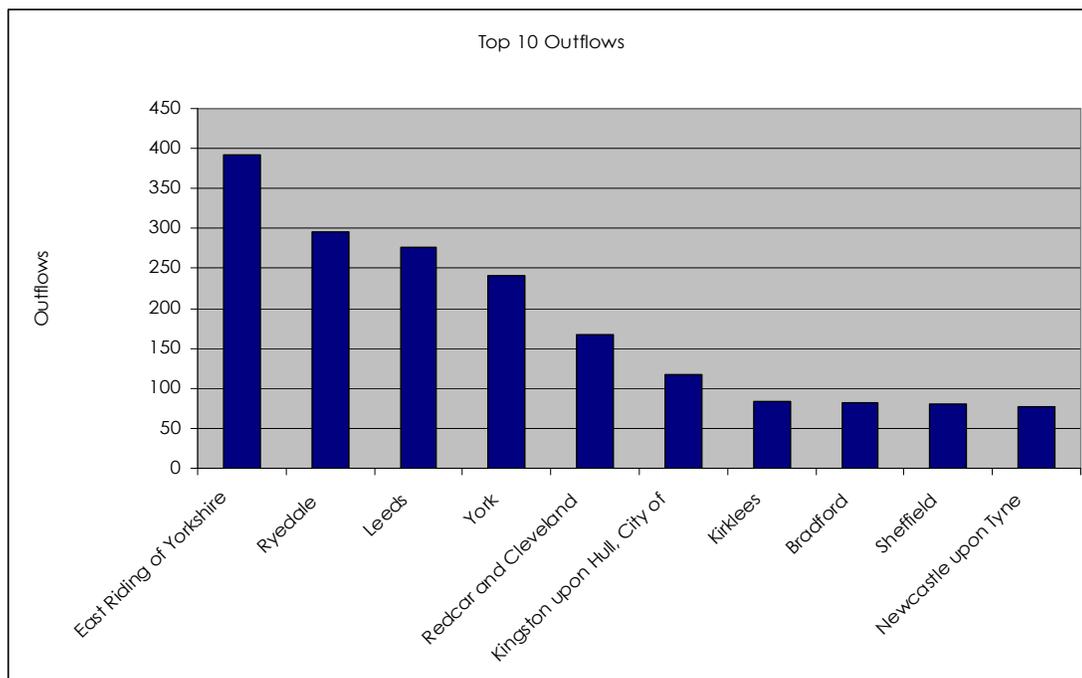
Source: ONS, 2010

Considering Internal Migration

- The migration of people into the authorities of North Yorkshire has been an important driver in the changing population profile of the area since 2001. Over the period 2002 to 2008 Scarborough is noted to have experienced a net outflow of residents.
- The most significant inflow of residents to Scarborough over this period is noted to be from Leeds, followed by the East Riding of Yorkshire and Ryedale. The top outflows noted from Scarborough annually over this period support recognition of the important links with these three authorities, with the top three outflows from Scarborough to East Riding of Yorkshire, Ryedale, and Leeds respectively. The annual balance to the three main authorities and Scarborough is 40, 7, and -83 respectively over the period 2002 to 2008.

Figure 3. 4: Migration Inflows and Outflows, Annual Average 2002 – 2008

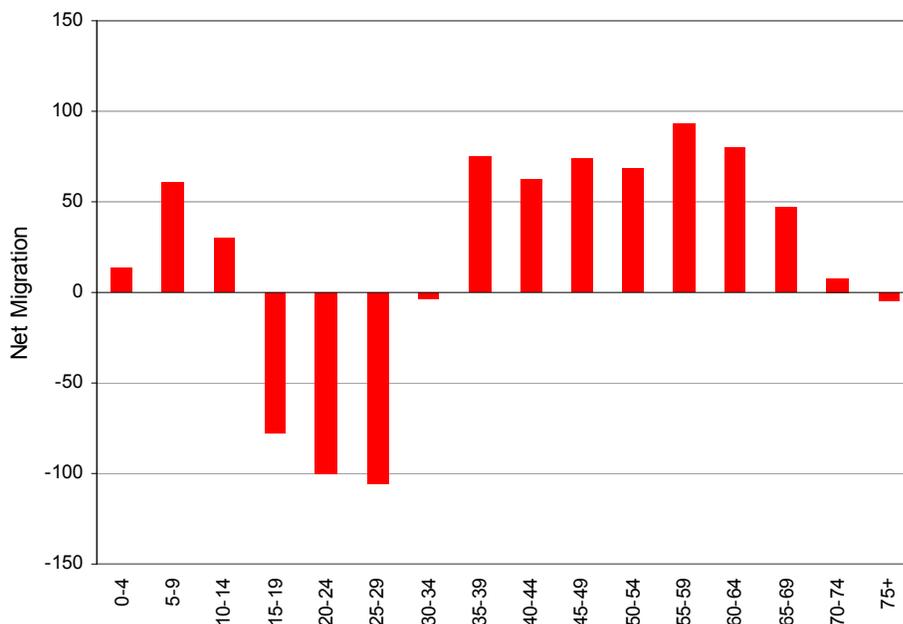




Source: Patient Registration Statistics, ONS, 2010

- In aggregate terms, averaging age-group flows 2002 to 2008, North Yorkshire gained population through net migration in all age-groups, with the exception of young adults aged between 20 and 29. Young families with children all saw positive net migration gains, as have each of the older adult age groups, across the sub-region.
- The data for the Scarborough over the same period shows an outflow of people aged 15 to 34, with little net migration for the age cohorts of 0- 14 a distinct position compared to the other North Yorkshire authorities.

Figure 3. 5: Migration Inflows and Outflows, Age Profile, Scarborough, Annual Average 2002 – 2008

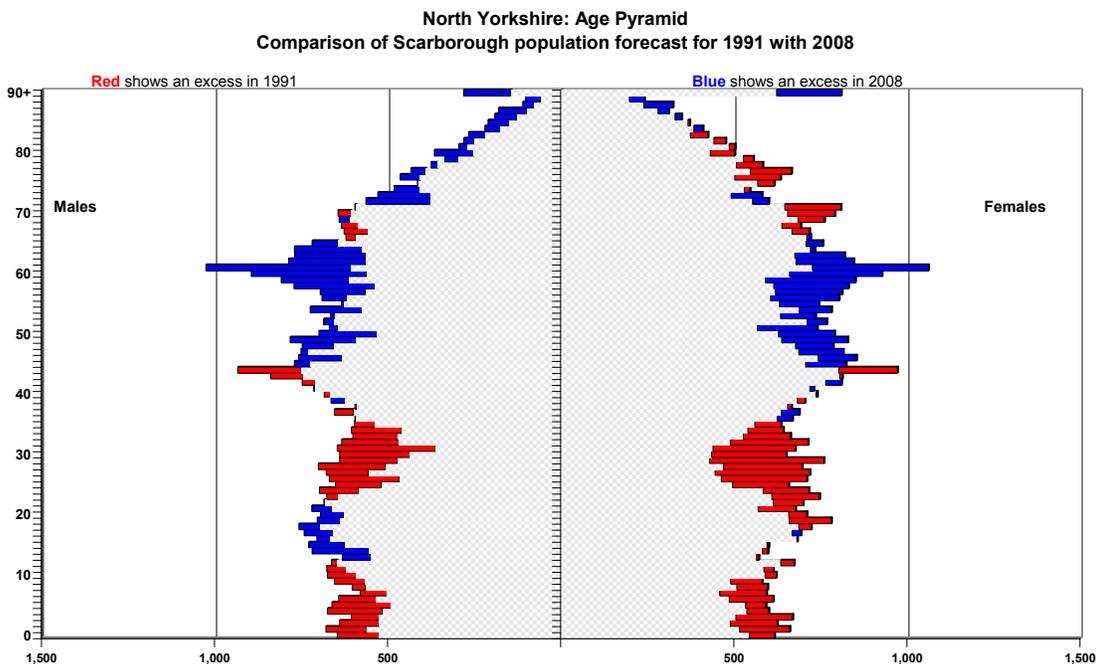


Source: Patient Registration Statistics, ONS, 2010

A Changing Age Profile

- Population gains across North Yorkshire are noted across most age groups, although there are noted to have been significant reductions in those aged under 10 years and between 20 and 35 years, across both the male and female populations.
- Scarborough has experienced a more pronounced decrease in population aged between 0 and 10 years and between 20 and 40 years when compared with the sub-region. Scarborough has experienced an increase in males aged 70+ but a decrease of females in the same age cohort.

Figure 3. 6: Population Age Pyramid, Scarborough, 1991 – 2008

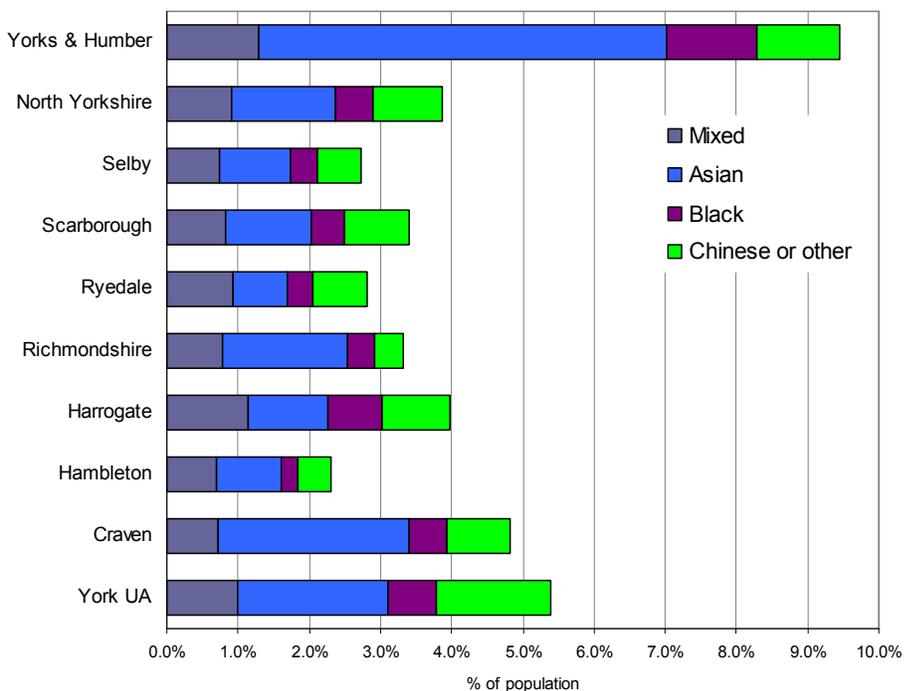


Source: ONS, 2010

Population and Ethnicity

- Whilst Yorkshire is noted to be an ethnically diverse region a large proportion of its ethnic population is concentrated in the urban areas of West and South Yorkshire. Just under 4% of the North Yorkshire population was identified to be 'non-white' in the ONS 2007 population estimates compared to 10% across the region.
- Scarborough has one of the least ethnically diverse populations, with ethnic minorities representing 3.4% of the population.

Figure 3. 7: Population and Ethnicity, Scarborough, 2007



Source: ONS, 2010

Households

3.3 Household numbers are directly related to housing stock and the supply of housing. Examining the change in household numbers is therefore a critical element of assessing the dynamics of the housing market.

Current Households

- At the time of the Census in 2001 there were approximately 315,000 households across North Yorkshire. There were 46,734 households within Scarborough at the same time, representing 14.8% of the sub-regional total.
- The number of households is distributed relatively evenly throughout the sub areas with the exception of the Scarborough sub area which contains the majority of the local authority population at 24,039.

Figure 3. 8: Number of Households by Sub Area, 2001

Sub Area	Number of Households
Filey / Hunmanby	4,577
Northern Parishes	5,340
Scarborough Area	24,039
Southern Parishes	3,351
Western Parishes	2,074
Whitby Area	6,843

Source: Census, 2001

- More recent estimates³ suggest that there were just under 340,000 households across North Yorkshire in 2009, a growth of circa 25,000 (8%) from 2001. The estimated growth in households within Scarborough contributed 2,237 households to the sub-regional total over the period, representing 9.5% of the total sub-regional growth, and 5% growth within Scarborough specifically.

Figure 3. 9: Change in Households, 2001 – 2008

Authority	Number of Households - Mid-year Estimates, ONS / Sub-National Household Projections				
	2001	2009	Change 2001 – 2009	% Change 2001 – 2009	Annual Average Change 2001 - 2009 (8 years)
Scarborough	46,734	48,971	2,237	5%	280
North Yorkshire	314,878	339,424	24,546	8%	3,068

Source: DCLG Sub-National Household Projections, 2010

- The change in headship rate applied within the estimation of household numbers over the period 2001 to 2009 in Scarborough demonstrates the DCLG projection that household size has continued to fall over the time period considered.

³ Population estimates are converted to household estimates with the application of 'headship rates', which model the propensity of a person (by age and sex) to be 'head' of a household. Household populations exclude those individuals living in institutional accommodation.

Figure 3. 10: Change in Headship Rates, 2001 – 2008

Authority	Household Size - Mid-year Estimates, ONS / Sub-national Household Projections									Change 2001 - 2009
	2001	2002	2003	2004	2005	2006	2007	2008	2009	
Scarborough	2.21	2.21	2.20	2.20	2.19	2.18	2.18	2.17	2.16	-0.05
North Yorkshire	2.31	2.31	2.31	2.30	2.30	2.29	2.28	2.28	2.27	-0.04

Source: DCLG Sub-National Household Projections, 2010

- An important factor behind the estimated fall in household sizes is the forecast structure of change around different household types. Across North Yorkshire growth has been particularly concentrated in house types commonly associated with one person households and interestingly a shift away from young families. In line with sub-regional trends one person households have grown significantly in Scarborough and, simultaneously the number of young families has been falling.

Figure 3. 11: Household Change by DCLG Household Types, 2001 – 2008

Household Type	Description	Household Change 2001 – 2009 Mid-Year Estimates	
		Scarborough	North Yorkshire
OPMAL	One person households: Male	1,548	8,560
OPFEM	One person households: Female	535	6,157
FAM C0	One family and no others: Couple: No dependent children	1,763	15,597
FAM C1	One family and no others: Couple: 1 dependent child	-160	503
FAM C2	One family and no others: Couple: 2 dependent children	-540	-1,849
FAM C3	One family and no others: Couple: 3+ dependent children	40	-198
FAM L1	One family and no others: Lone parent: 1 dependent child	322	2,176
FAM L2	One family and no others: Lone parent: 2 dependent children	72	1,040
FAM L3	One family and no others: Lone parent: 3+ dependent children	73	281
MIX C0	A couple and one or more other adults: No dependent children	-688	-4,396
MIX C1	A couple and one or more other adults: 1 dependent child	-267	-1,823
MIX C2	A couple and one or more other adults: 2 dependent children	-107	-445
MIX C3	A couple and one or more other adults: 3+ dependent children	-13	-172
MIX L1	A lone parent and one or more other adults: 1 dependent child	-52	-174
MIX L2	A lone parent and one or more other adults: 2 dependent children	-4	-7
MIX L3	A lone parent and one or more other adults: 3+ dependent children	5	4
OTHHH	Other households	-289	-709
Total	Total	2,237	24,546

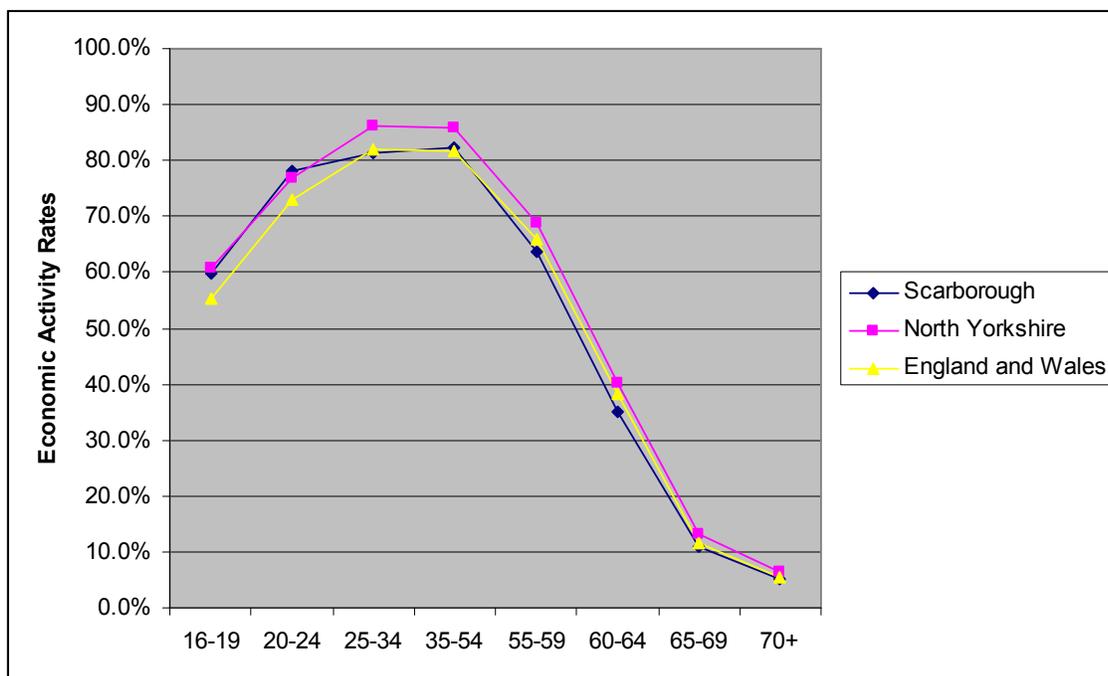
Source: DCLG Sub-National Household Projections, 2010

Employment Levels and Structure

Current Economic Activity

- Economic activity rates in 2001 across North Yorkshire were consistently above the wider England and Wales averages across all working-age cohorts. In Scarborough economic activity rates are broadly similar with national trends but below sub-regional trends. However the economic activity rate amongst the 16-19 age group in Scarborough is similar to the North Yorkshire average, at 59.9% compared to the sub-regional average of 60.8%.

Figure 3. 12: Economic Activity Rates, Scarborough, 2001



Source: ONS, Census, 2001

- Over the period 2004 to 2009, unemployment within North Yorkshire was on average 1.9% lower than the national (England) rate, suggesting these levels of economic activity were sustained post-2001 and a strong employment base across the sub-region. Utilising the latest 2010 unemployment rate (claimant

count) data - Scarborough has an unemployment rate of 4.3% which is substantially in excess of the North Yorkshire average of 2.4%.

- The North Yorkshire economy performs well when benchmarked against regional and national economic indicators. The claimant count in 2010 stands at 2.4% which is below both regional (4.1%) and national (3.5%) averages. The sub region has a high proportion of Managers and Senior Officials (16.2%), Professional Occupations (22.0%) and Associate Professional and Technical Occupations (13.7%).
- Scarborough's economy performs weakly when compared to sub-regional averages. The economic activity rate (73.2%) and the claimant count rate (4.3%) do not perform well when compared to the North Yorkshire averages of 79.3% and 2.4% respectively. Scarborough does not have a high proportion of Managers and Senior Officials (7.5%) and Professional Occupations (9.4%) but has a similar level of Associate Professional and Technical Occupations (13.8%).

Figure 3. 13: Key Economic Indicators, Scarborough

Key Economic Indicators							
	Total Working Age Population (mid-2009)	Economic Activity Rate, Aged 16-64 (April 09-March 2010)	Unemployment Rate (Claimant Count, November 2010)	Proportion of Total Employment (July 2009- June 2010)			Commuting Ratio(2001)
				Managers and Senior Officials	Professional Occupations	Associate Professional and Technical Occupations	
Scarborough	61,800	73.2%	4.3%	7.5%	9.4%	13.8%	1.06
North Yorkshire	481,800*	79.3%	2.4%	16.2%	14.4%	13.7%	-
Yorkshire and Humber	3,273,400	75.4%	4.1%	16.0%	14.0%	14.6%	-
England and Wales	33,882,200	76.6%	3.5%	14.6%	12.2%	13.5%	-

Source: Nomis, 2010

* North Yorkshire Total Working Age population includes all the authorities within North Yorkshire. This figure differs from the North Yorkshire figure in the original ONS data set as it is inclusive of York Unitary Authority. The original data set does not include data for York District Authority which may differ from York UA.

Changing Economic Circumstances: Impact of the Recession

- 3.4 The 2011 Household Survey, undertaken as part of this SHMA, included a number of questions directly targeted at tracking the changing economic circumstances of households over the last couple of years, i.e. post the onset of the recession. This provides a unique insight into the impact of the wider national economic crisis upon individual household circumstances in Scarborough.
- 3.5 The purpose of the responses to these questions is to highlight, beyond the standard indicators of the levels of economic activity and inactivity, the changing structure of the economy which will have impacted on the expectations of households in terms of their current and future housing requirements.
- 3.6 The following analysis tracks the changing employment status of Scarborough's households, using response data provided for the head of the household, from 2008 to 2010.
- It is evident that across all tenures there has been a fall in full-time employment levels over this period, with a total fall of 5.7%. The falls in the full-time employment rate have been heavily concentrated in the Private Rented (-11.6%) tenure.
 - In part reflecting the demographic findings which showed an ageing population Scarborough has seen a 3.5% rise in households classified as retired with this including a relatively high number of social renters and owner-occupiers without mortgages.

Figure 3. 14: Change in Household Employment Circumstances, 2008 – 2010, by Tenure, Scarborough

Employment Circumstances Status (% Change 2008-10) by Current Tenure - Scarborough										
Tenure	Full-time employment	Part-time employment	Self Employed (Full or Part-time)	Retired	Unemployed	Long term sick or disabled	Student or trainee 16-17	Student or trainee 18+	Homemaker	Full-time Carer
Owner-occupied (no mortgage)	-6.4%	-0.5%	0.6%	5.8%	0.3%	-0.1%	0.0%	0.2%	-0.1%	0.3%
Owner-occupied (with mortgage)	-1.6%	1.9%	0.1%	0.4%	0.3%	0.0%	0.0%	-1.5%	-0.4%	0.7%
Social Rented	-6.0%	2.2%	-0.4%	6.2%	0.0%	-4.2%	0.0%	4.1%	-2.4%	0.5%
Private Rented	-11.6%	3.6%	3.5%	2.3%	1.6%	-1.7%	0.0%	0.7%	1.5%	0.0%
Total	-5.7%	1.4%	0.8%	3.5%	0.5%	-0.8%	0.0%	0.2%	-0.2%	0.4%

Source: 2011 Household Survey

Changing Economic Circumstances: Future Employment Projections

- The latest employment forecasts for North Yorkshire drawn from the Regional Econometric Model (REM) suggest a strong post-recession recovery from 2011 onwards, including additional job creation of 31,300 to 2026.
- Scarborough will contribute an additional 3,600 jobs sub-regional job growth over the same period, which equates to 11.5% of all jobs forecast in the sub region.

3.7 These projections are used within the analysis in Section 6 in the development of an employment-constrained household projection.

Figure 3. 15: Forecast New Job Creation, Scarborough, 2011 – 2026

Local Authority	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Scarborough	200	400	0	100	200	200	400	200	200	200	300	200	300	300	400
North Yorkshire	2900	2500	800	1200	1200	1800	2700	2000	2000	2000	2300	2500	2100	2500	2800

Source: Regional Economic Monitoring, 2010

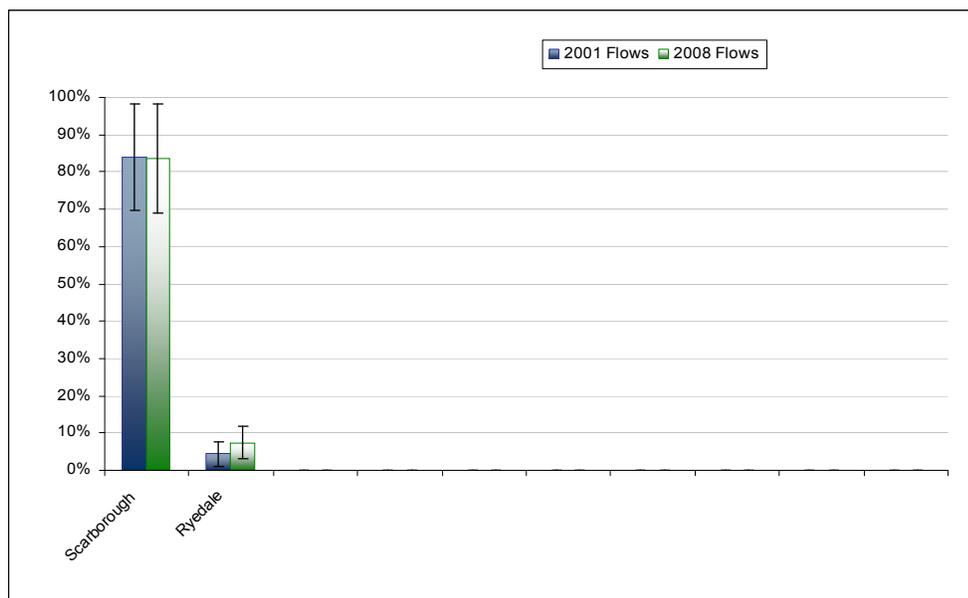
Linking Employment and Housing – Commuting Trends and Relationships

3.8 The relationship between work and home is played out on a daily basis and is able to be measured through commuting patterns. The encouragement of sustainable lifestyles and a reduction in the use of energy requires a shortening of commuting journeys and by default an increase in the level of containment of the labour force. This is an important consideration therefore in planning to match economic growth aspirations with the housing offer, with the latter playing an important defining role in achieving the wider sustainability objective.

Commuting Trends

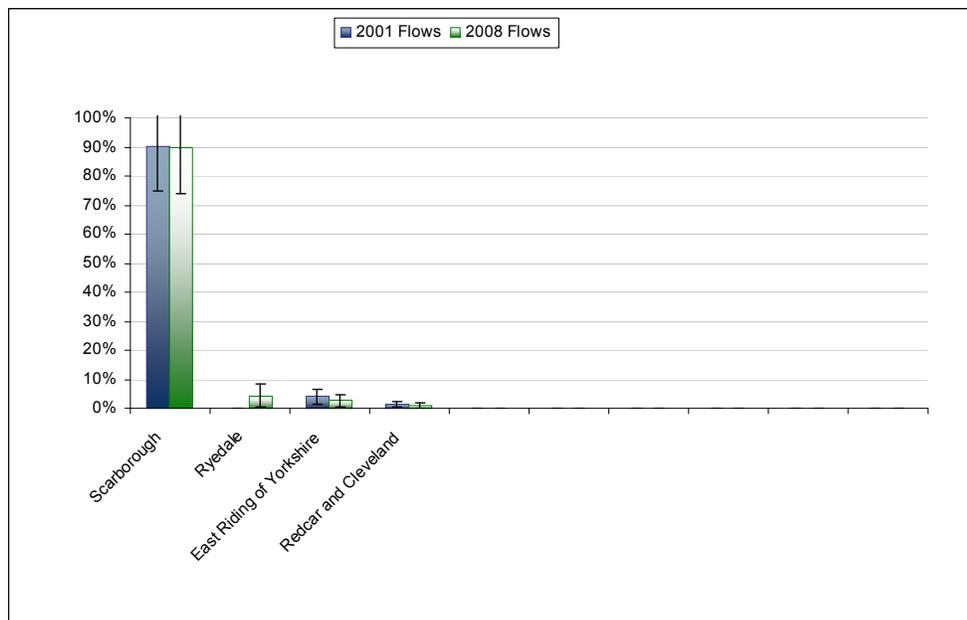
- Scarborough's commuting ratio is 1.06. A commuter ratio can be defined as the difference between households travelling into and out of an area for work. A commuter ratio above 1.00 indicates a net outward flow of residents for employment. Scarborough retains a substantial amount of its resident workers. Over 83.6% of residents in Scarborough work within the local authority, with only Ryedale representing a significant outflow for Scarborough's residents for employment. Almost 90% of workers live in Scarborough, with other flows from Ryedale, East Riding of Yorkshire and Redcar and Cleveland.

Figure 3. 16: 2001 / 2008 Local Authority of Work for Scarborough, 10 Biggest Flows



Source: Census 2001 / ONS 2010

Figure 3. 17: 2001 / 2008 Local Authority of Residence for Scarborough Workers, 10 Biggest Flows



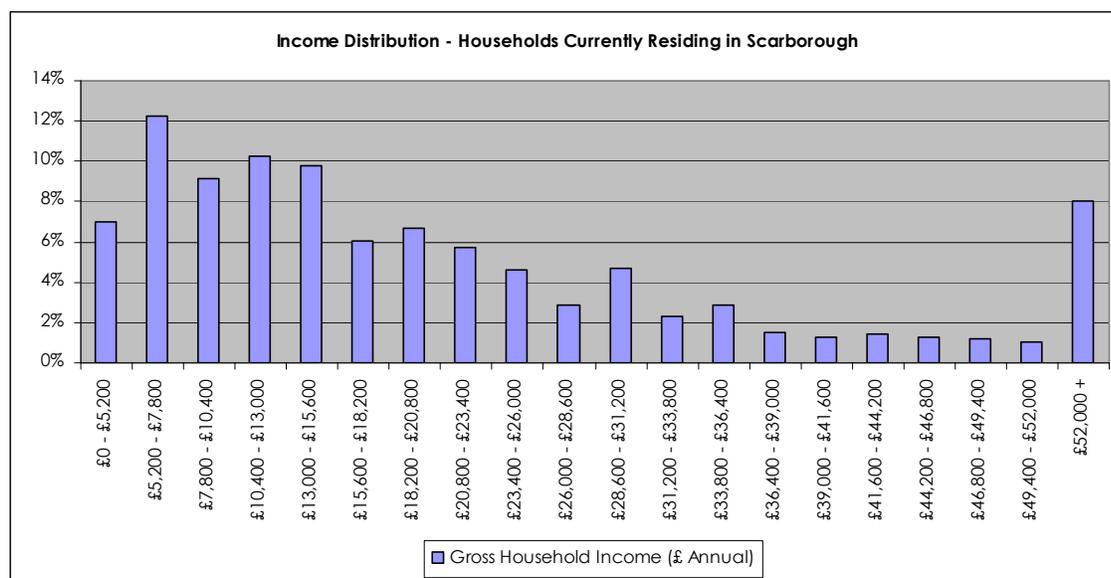
Source: Census 2001 / ONS 2010

Incomes and Earnings

Local Incomes Levels

- 3.9 Income levels are directly related to employment opportunities and particularly the quality of employment and have an important relationship with the ability of households to exercise choice in the housing market and indeed the level of need for affordable housing products.
- 3.10 The 2011 Household Survey asks a number of questions with regard to household's financial situation including annual gross (pre-tax) income, savings and debts. The following tables and charts present an overview of the gross household income profile and financial capacity of households across North Yorkshire.
 - Scarborough shows a fairly uneven distribution, with a cluster of household incomes in the lower income brackets and significantly fewer households in the higher income brackets. 66.8% of Scarborough's population earn between £0 and £23,400, compared to just 7.7% earning between £36,400 and £52,000.

Figure 3. 18: Income Distribution, Households Currently Residing in Scarborough



Source: 2011 Household Survey

- The Household Survey demonstrates that the financial capacity of households in Scarborough varies significantly between tenures. Households in the owner occupied tenures have significantly higher median incomes, savings and equity levels than those in intermediate, social rented and private rented tenures.
- Households in the social rented tenure have the most limited financial capacity with median annual household incomes at £9,100 compared to the Scarborough average of £16,900. In addition households in the social rented tenure have no savings, equity or other financial resources.

Figure 3. 19: Financial Capacity of Households in Scarborough, by Tenure

Current Tenure	Household Financial Position by Tenure (£) – Scarborough			
	Median annual gross household income	Median household savings	Other Financial Resources (e.g. parents)	Median Equity
Own outright	£16,900	£2,500	£0	£137,500
Own with mortgage or loan	£27,300	£2,500	£0	£87,500
Intermediate	£9,100	£2,500	£0	£0
Social Rented	£9,100	£0	£0	
Private Rented	£14,300	£0	£0	
Average (Median)	£16,900	£0	£0	£112,500

Source: 2011 Household Survey

3.11 Financial capacity varies between the sub areas, which is illustrated in the table below. This shows the Scarborough main urban sub-area to have a very low median household income, particularly in the North Yorkshire context. In addition households in this sub-area are shown to have on average no savings. The more rural parts of Scarborough show an elevated level of median household income compared to the urban sub-areas.

Figure 3. 20: Financial Capacity of Households in the Sub Areas

Location	Household Financial Position by Sub-area (£)			
	Median annual gross household income	Median household savings	Other Financial Resources (e.g. parents)	Median Equity
Scarborough: Filey / Hunmanby	£16,900	£2,500	£0	£112,500
Scarborough: Northern Parishes	£19,500	£2,500	£0	£175,000
Scarborough: Scarborough Area	£14,300	£0	£0	£112,500
Scarborough: Southern Parishes	£19,500	£2,500	£0	£112,500
Scarborough: Western Parishes	£19,500	£2,500	£0	£137,500
Scarborough: Whitby Area	£16,900	£2,500	£0	£137,500
Scarborough: Total	£16,900	£0	£0	£112,500

Source: 2011 Household Survey

Bringing the Evidence Together

3.12 The purpose of this section has been to undertake analysis to provide an up-to-date assessment of the demographic and economic characteristics of Scarborough, set in the context of the wider North Yorkshire position presented in the main report.

3.13 The key issues and findings emerging from the analysis are summarised below:

- Demographic change: Scarborough's population has grown by 2.5% since 2001 which has been predominately driven by internal migration. Significant net migration outflows have occurred in the 15 to 29 age group, which when coupled with the significant losses of those aged 0 to 10 and 20 to 40 and gains of those in older age cohorts (1991-2008) illustrates that Scarborough is experiencing a demographic shift towards an ageing population. As Scarborough has a reputation as retirement destination this trend is not surprising, although it will affect housing delivery.

-
- Ethnic composition: Scarborough's population is not as ethnically diverse as other Local Authorities with 3% of its population classified as 'non white' in the 2007 ONS population estimates, compared to 4% of the total North Yorkshire sub region.
 - Household composition: The 2001 Census recorded 46,734 households across Scarborough which makes Scarborough one of the most populous authorities within North Yorkshire. The majority of households located in the Scarborough Area sub area which is to be expected as it represents the most significant urban area within Scarborough Local Authority. By 2009 DCLG household estimates identified a total of 48,971 households in Scarborough. Headship rates in Scarborough have decreased by 0.05 from 2001- 2009 which is one of the severest declines in headship rates in North Yorkshire. Household change by household type has shown that increases have occurred in 'one person households' (+2,083 households), One family and no others: Couple: No dependent children households (+1,763) and One family and no others: Lone parent: 1/2 dependent child (+404) The current total number of households represents a growth of 2,327 over the period 2001 and 2008, equating to 9% of the total North Yorkshire growth.
 - Economic activity: Scarborough's economic profile is very different to that of the other Local Authority areas in North Yorkshire with the lowest average economic activity rate of 73.2% in North Yorkshire. Claimant count data from 2010 continues to indicate that the Scarborough economy is not performing as strongly as North Yorkshire as a whole. Increased unemployment since the onset of recession has been focused amongst those in full-time employment. The latest economic projections suggest a relatively strong post-recession recovery within Scarborough with 3,600 job growth forecast between 2011 and 2026.
 - Commuting trends: Scarborough is has a net outflow in commuting terms (1.06) but does retain a significant proportion of its resident workers with only Ryedale representing a significant outflow for Scarborough's workers.
 - Income and Earnings: Scarborough's weaker economy is reflected in its income levels which are heavily concentrated in the lower income brackets, with 66.8% of Scarborough's population earning less than £23,400. Household incomes tend to be higher for those living in owner occupied dwellings with lower incomes concentrated amongst social renters. The level of households' savings varies

across tenures, with those in owner occupation having larger savings than those in the private and social rented sectors.

4. The Housing Stock

Current Dwelling Position

In order to identify areas where change is required it is important to understand the position from which you are starting. An understanding of the current 'Housing Offer' is fundamental to arriving at conclusions and recommendations regarding future requirements.

This section uses the latest information available to create a portrait of the current housing stock across Scarborough. This includes an estimation of the total number of dwellings. The mix of housing in terms of tenure and type is then considered, benchmarked against a range of comparators. Quality of the housing stock as well as quantity is assessed.

In addition to the existing housing stock the section concludes with a review of the potential future capacity of residential land to provide a steer on where new development could be delivered to evolve the current housing stock picture.

Research findings relate directly to:

Core Output 1: Estimates of Current Dwellings in Terms of Size, Type, Condition, Tenure

Assessing the Changing Housing Offer – Recent Housing Supply

- 4.1 As at 2010, Scarborough contained a total of 55,593⁴ dwellings, of which 1,400 are vacant, of which 699 are long term vacant⁵, equating to a long term vacancy rate of approximately 1.3%. This is compared to a long term vacancy rate across North Yorkshire of 1.2%. The total number of dwellings within Scarborough represents 15.6% of the total North Yorkshire housing stock.

⁴ Note: This count of properties even factoring in vacant stock suggests that the number of households in Scarborough is higher than the ONS mid-year estimate presented in Section 3. This should be considered further in any future work looking at developing local based household and population projections.

⁵ Vacancy data has been obtained from the 2010 Housing Strategy Statistical Appendix (HSSA) to ensure a consistent approach across the sub-region.

Figure 4. 1: Gross Housing Completions, 2003/4 – 2008/9, Scarborough

	Gross Housing Completions						
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Scarborough	-	477	424	656	312	219	241
North Yorkshire	2007	3244	3370	3525	2879	2014	1918

Source: Scarborough Borough Council, 2011

- Gross housing completions within Scarborough saw a marked decrease from peak levels of dwelling delivery in 2006/07 with a low point noted in 2008/9 of just over 200 units. This increased slightly in 2009/10, but is still below the high points of delivery recorded in 2006/7 where gross completions were above 600 units.
- In 2009/10 the gross completions in Scarborough represented 12.6% of the total gross completions across the sub-region.

Figure 4. 2: Net Housing Completions, 2003/4 – 2009/10, Scarborough

	Net Housing Completions						
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Scarborough	57	440	410	603	284	196	209
North Yorkshire	989	2714	2824	2974	2260	1504	1414

Source: HSSA, 2010

- The trend in net level of completions within Scarborough generally reflects that of the gross completions presented previously. The high points of net delivery are noted in 2004/5 and 2006/7, followed by a low point of delivery in 2008/9 and recovery noted in 2009/10.
- In 2009/10 the net completions in Scarborough represented 14.8% of the total net completions across the sub-region.

Vacancy

- Vacancy within the dwelling stock continues to represent an important component of Scarborough's housing offer and supply position. Data obtained from HSSA (2010) suggests a vacancy rate of 2.5% across the total stock in Scarborough generally in line with the 2.6% across North Yorkshire. The rate of long term vacant (6 months or more) private properties in North Yorkshire is 1.2% compared to 1.3% across Scarborough highlighting the scale of churn within the private market within the area.

Figure 4. 3: Vacant Properties, 2010, Scarborough

	Dwellings	Vacant Properties (Total)		Private Sector Properties Vacant for more than 6 months	
		Absolute Number	Vacancy Rate	Absolute Number	Vacancy Rate
Scarborough	55,593	1,400	2.5%	699	1.3%
North Yorkshire	356,239	9,200	2.6%	4,138	1.2%

Source: HSSA, 2010

Property Size and Type

4.2 In understanding the relationship between the supply of housing and demand for housing it is important to factor in the mix of the housing offer by both size and type.

- At the time of the Census in 2001, the North Yorkshire sub-region was characterised by a high proportion of semi detached properties (33%), followed by detached properties (30.9%) and terraced properties (23.0%). Conversely at sub-regional scale the 2001 data suggests that there is a low representation of flatted dwellings, accounting for 12% of total stock.
- The 2001 stock profile in Scarborough differed from that noted across the sub-region, with a lower proportion of detached properties (23.0%) and above average proportion flatted properties (21.9%).
- The 2001 stock profile has been disaggregated by sub area in figure 4.5 and illustrates the variations in the stock profile across the sub areas. The Scarborough sub area and the Whitby sub area are the main urban areas within the Local Authority and have a more typical urban stock profiles with higher levels of terraced and flatted dwellings. In comparison the sub areas which comprise rural areas interspersed by villages tend to have higher proportions of detached dwellings. Of particular note is the Western Parishes sub area with detached dwellings comprising 45.2% of overall stock.

Figure 4. 4: Property Type, Scarborough, 2001

		Dwelling Type- 2001 Census					
		House or Bungalow			Flat, Maisonette or Apartment	Other	Total
		Detached	Semi-Detached	Terraced			
Scarborough	Number	11892	16260	12074	11309	109	51644
	%	23.0%	31.5%	23.4%	21.9%	0.2%	100.0%
North Yorkshire	Number	103129	109990	76768	41021	2345	333253
	%	30.9%	33.0%	23.0%	12.3%	0.7%	100.0%
Yorkshire and Humber	Number	436152	809594	627890	274297	12679	2160612
	%	20.2%	37.5%	29.1%	12.7%	0.6%	100.0%
England and Wales	Number	5131821	7117662	5869878	4246029	173251	22538641
	%	22.8%	31.6%	26.0%	18.8%	0.8%	100.0%

Source: Census, 2001

Figure 4. 5: Property Type, Sub Areas, 2001

	Detached	Semi Detached	Terraced	Flats	Other
Filey / Hunmanby	28.4%	34.4%	17.4%	19.7%	0.1%
Northern Parishes	42.9%	28.5%	24.6%	3.8%	0.2%
Scarborough Area	14.5%	28.3%	26.3%	30.9%	0.1%
Southern Parishes	33.3%	51.8%	12.3%	2.3%	0.3%
Western Parishes	45.2%	36.5%	14.2%	3.7%	0.4%
Whitby Area	21.6%	33.8%	23.5%	20.9%	0.1%

Source: Census, 2001

⁶ Drawn from Accommodation Type- Households Spaces, Census 2001, ONS

- The 2011 Household Survey has provided an update to the 2001 Census data⁷. The stock profile in 2011 is very similar to that recorded in 2001 with a high proportion of semi-detached (32.1%) and terraced (24.0%) properties followed by detached (23.2%) and flatted dwellings (20.6%). Consequently any development that has taken place in the interim years has reflected the local stock profile, although in more recent years there has been a marked reduction in the delivery of residential development in Scarborough reflecting national trends which may account for the lack of change in the stock profile in the period 2001 to 2011.
- The 2011 Household Survey provides a measure of dwelling size utilising the number of bedrooms in each home. This analysis indicates that Scarborough's stock profile comprises predominantly larger dwellings with 3 or more bedrooms, with 36.4% of properties with 3 bedrooms and 22.1% with 4+ bedrooms. 29.4% of properties have 2 bedrooms, with bedsits (0.3%) and 1 bedroom properties (11.8%) being less prevalent within the profile.

Dwelling Profile by Council Tax Band

Figure 4. 6: Absolute Change in Dwellings by Council Tax Band, 2003/4 – 2008/9, Scarborough

Absolute Change in Stock 2003- 2008				
	Scarborough	North Yorkshire	Yorkshire and the Humber	England and Wales
Total Stock	1930	14344	83171	946519
Band A	531	2071	3819	13478
Band B	665	3077	24519	181108
Band C	461	3038	21801	262036
Band D	143	2851	18289	213054
Band E	133	1753	8794	120535
Band F	3	937	4144	99337
Band G	-5	559	1837	39569
Band H	0	78	119	15054

Source: ONS, 2011

⁷ Note that the results of the 2011 Census will provide a definitive update of the stock profile in Scarborough.

Figure 4. 7: Percentage Change in Dwellings by Council Tax Band, 2003/4 – 2008/9, Scarborough

Absolute Change in Stock 2003- 2008				
	Scarborough	North Yorkshire	Yorkshire and the Humber	England and Wales
Total Stock	3.7%	4.2%	3.8%	4.1%
Band A	3.6%	3.9%	0.4%	0.2%
Band B	4.9%	3.8%	5.8%	4.0%
Band C	3.9%	3.7%	6.2%	5.3%
Band D	2.1%	5.8%	9.5%	6.2%
Band E	3.6%	4.7%	7.2%	5.5%
Band F	0.2%	4.4%	7.1%	8.8%
Band G	-0.7%	4.2%	5.3%	4.9%
Band H	0.0%	6.7%	4.0%	12.3%

Source: ONS, 2011

- North Yorkshire saw increases in the total number of properties across all Council Tax Bands between 2003 and 2008, above both regional and national change (4.2% compared to 3.8% and 4.1% respectively). There were specific increases in the number of family houses and higher values properties.
- The change in stock within Scarborough was more significant than across North Yorkshire within a number of Bands including Band B and Band C; conversely the change was less significant in Bands A, D, E, F, G and H.

Dwelling Profile by Tenure

- The tenure profile of dwellings across North Yorkshire highlights the importance of owner occupation, with 74% of dwellings falling into this category, followed by the social rented sector (13%) and private rented sector (11%).
- The dwelling tenure profile of Scarborough demonstrates a lower level of owner occupation than North Yorkshire as a whole - at 70%. Scarborough's private rented sector is proportionately larger than the North Yorkshire average (14%), and has a larger proportion of households in social rented tenure (13%).
- Owner occupation is prevalent across the sub areas, with the rural sub areas having the higher proportions of this tenure. Rental properties, both social and private, tend to be focused in the urban sub areas such as the Scarborough and Whitby sub areas.

Figure 4. 8: Dwelling Tenure Profile, 2001, Scarborough

		Dwelling Tenure - 2001 Census						
		Owner occupied		Intermediate (shared ownership)	Social rented (Council & RSL)	Rented (Private & other)	Other	Total
		Owns outright	Owns with mortgage or loan					
Scarborough	Number	17146	15637	270	6231	6342	1100	46726
	%	36.7%	33.5%	0.6%	13.3%	13.6%	2.4%	100.0%
North Yorkshire	Number	108663	120683	1611	39485	33245	6543	310230
	%	35.0%	38.9%	0.5%	12.7%	10.7%	2.1%	100.0%
Yorkshire and Humber	Number	589026	797360	9509	434176	187810	46867	2064748
	%	28.5%	38.6%	0.5%	21.0%	9.1%	2.3%	100.0%
England and Wales	Number	6380682	8396178	139605	4157251	2141322	445437	21660475
	%	29.5%	38.8%	0.6%	19.2%	9.9%	2.1%	100.0%

Figure 4. 9: Dwelling Tenure Profile, Sub Areas

	Owner Occupied (no mortgage)	Owner Occupied (with mortgage)	Owner Occupied (Shared Ownership)	Social Rented	Private Rented	Other
Filey / Hunmanby	49.1%	28.6%	0.8%	10.9%	7.3%	3.3%
Northern Parishes	43.3%	30.8%	0.6%	7.7%	12.2%	5.4%
Scarborough Area	31.9%	34.1%	0.7%	15.3%	14.6%	3.5%
Southern Parishes	40.5%	45.3%	0.4%	7.1%	3.5%	3.3%
Western Parishes	42.8%	36.1%	0.4%	7.0%	8.9%	4.7%
Whitby Area	36.6%	30.7%	0.6%	17.5%	10.8%	3.8%

Source: Census: 2001

Property Condition and Quality

4.3 The quality of the housing stock represents an additional layer of information in understanding its capacity to match demand. The 2011 Households survey provides an estimate of the number of households that considered their dwelling to be in serious disrepair. In Scarborough 2,242 households stated their home as being in serious disrepair which is one of the highest levels of households classifying their house as in disrepair in North Yorkshire. This equates to 4.1% of properties, compared to a sub regional average of 4.0%. When this is disaggregated by sub area it is possible to see that in absolute terms the number of households considering their property to be in a serious state of disrepair fluctuates across the local authority area.

Figure 4. 10: Unsuitability – Households Stating home in Serious Disrepair, 2010

Location	Households Where Home is in Disrepair	
	Count	%
Scarborough: Filey / Hunmanby	156	7%
Scarborough: Northern Parishes	370	16%
Scarborough: Scarborough Area	1,141	51%
Scarborough: Southern Parishes	74	3%
Scarborough: Western Parishes	68	3%
Scarborough: Whitby Area	434	19%
Scarborough: Total	2,242	100%

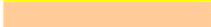
Source: 2011 Household Survey

Overcrowding and Under-Occupation

- Scarborough has 1,343 households classified as over-crowded which represent 2.6% of total households. Overcrowding is concentrated in households with 1 and 3 bedrooms.
- Scarborough has a total of 18,202 under-occupied households which represents 34.9% of total households. Under-occupied households are requiring 1 or 2 bedroom properties but are currently occupying much larger properties with 3 bedrooms or more.

Figure 4. 11: Overcrowding and Under-Occupation, 2010, Scarborough

Overcrowding & Under-occupation - Scarborough						
Number of Bedrooms Required	Number of Bedrooms in Home					
	Studio / Bedsit	1	2	3	4+	Total
1	235	5,245	11,074	10,152	4,620	31,326
2	23	345	3,713	5,469	3,430	12,980
3	0	0	274	3,324	2,992	6,590
4+	0	13	0	453	769	1,234
Total	259	5,603	15,061	19,397	11,810	52,130

 Under-occupied households
 Overcrowded households

Source: 2011 Household Survey

- Overcrowding and under-occupation affect some of the Scarborough sub areas more than others. Figure 4.12 illustrates this in more detail. In absolute terms the Scarborough sub-area has very high levels of overcrowding compared to other parts of the authority. The more rural areas, given the number of households in each, show higher levels of under-occupancy.

Figure 4. 12: Overcrowding and Under-Occupation, 2010, Scarborough Sub areas

Location	Households			
	Under-occupied		Overcrowded	
	Total	%	Total	%
Scarborough: Filey / Hunmanby	1,480	8%	0	0%
Scarborough: Northern Parishes	2,851	16%	180	13%
Scarborough: Scarborough Area	8,750	48%	843	63%
Scarborough: Southern Parishes	1,209	7%	90	7%
Scarborough: Western Parishes	917	5%	22	2%
Scarborough: Whitby Area	2,995	16%	207	15%
Scarborough: Total	18,201	100%	1,343	100%

Source: 2011 Household Survey

Future Supply Capacity

Five-Year Supply of Land

- 4.4 Scarborough Borough Council has stated their five year land supply in the Strategic Housing Land Availability Assessment 2010 which states that Scarborough has a five year land supply, from 2010 to 2015, of 4,940 dwellings, compared to the RSS requirement of 2,900.

Bringing the Evidence Together

- 4.5 The purpose of this section has been to undertake analysis to provide an up-to-date assessment of the housing stock characteristics of Scarborough, set in the context of the wider North Yorkshire position presented in the main report.
- 4.6 The key issues and findings emerging from the analysis are summarised below:
- **Total Stock:** There are a total of 55,593 properties in Scarborough as recorded in the 2009/2010 HSSA dataset. Approximately 1,400 of these are classified as vacant suggesting that there are 54,193 occupied properties across the local authority area.
 - **Recent housing supply:** Between 2004 and 2010 approximately 2,329 residential properties have been built (gross) in Scarborough. Gross completions have fallen from 2006/07 peak levels of over 650 per annum across Scarborough to 241 completions in 2009/10.
 - **Vacancy:** 2.5% of properties are classified as vacant across Scarborough according to 2009/10 HSSA data which is broadly the same as the sub regional average of 2.6%. The low levels of long term vacant properties across Scarborough reinforces the high demand for property and the limited amounts of surplus stock available to meet current and future housing need
 - **Over/Under crowding:** 2.6% of dwellings are overcrowded in Scarborough which although low is higher than many of the other North Yorkshire Local Authority areas. 34.9% of households are classified as under-occupying their property according to the bedroom standard which suggests that shrinking household size is not translating to people relocating to more appropriately sized houses.

-
- **Property size and type profile:** In 2011 Scarborough's housing stock is dominated by semi detached properties (32%), followed by terraced houses (24%) and detached properties (23%). Scarborough has relatively high levels of flatted dwellings (21%). This is a different stock profile to the other Local Authority areas which tend to be dominated by detached properties. However when property type is disaggregated by sub area it is apparent that many of the sub areas do follow the sub regional trends with the Western Parishes having a high proportion of detached dwellings (45%). However Scarborough and Whitby are very different to the sub regional average with a preponderance of flats and semi detached properties. The higher proportion of flats can be attributed to the amount of HMO properties in the area which were identified by agents as forming an important part of the Scarborough market.
 - **Dwelling profile by Council Tax band:** There has been an increase in higher value properties (Bands D, E, F, G, H) across Scarborough between 2003 and 2008, including a total growth within these bands of 5.2%. However this is minimal compared to the same as the growth noted across North Yorkshire (21%). This is attributable to the high proportion of flats and terraced properties in Scarborough.
 - **Dwelling profile by tenure:** The tenure profile of Scarborough shows some differences to the wider North Yorkshire sub region, with a lower level of owner-occupation and a higher level of private renting and social renting. Again Whitby and Scarborough display a different housing stock profile to the rest of the local authority area with much higher rates of social and private rented properties.
 - **Five year land supply:** Scarborough has identified a five year supply of land in their 2010 SHLAA of 4,940 dwellings, compared to the RSS requirement of 2,900.

5. The Active Market

The CLG SHMA Guidance states that understanding house price change is key to understanding the housing market. It represents a direct indicator in relation to the supply and demand balance. For example at a basic level, where demand is lower than supply, the price will fall; where demand is higher than supply, the price will rise. Whilst this formula appears simple the recent 'credit crunch' has illustrated the vulnerability of the dynamics of the market to external factors including the availability of mortgage finance and the attitudes of lenders.

This section therefore concludes the assessment of the current housing market and examines a range of secondary data alongside the outputs of the primary needs survey to paint an up-to-date and detailed picture of the operation of the housing market across Scarborough.

- 5.1 An overview of the active housing market across Scarborough is presented within this section. Market performance of different tenures represents a key indicator of the balance between housing demand and housing need.
- 5.2 Evaluating the active housing market requires an understanding of the actual cost of buying or renting a property and the level of housing need which relates to the ability to access housing. This review of the active market therefore includes a review of the key indicators of market performance for each of the tenures:
 - The Owner Occupier Sector – detailed house price analysis, examination of the relative change in house prices and the current housing market across Scarborough ;
 - Private Rented Sector – examination of rental levels of different components of the private rented sector which continues to form an increasingly important component of the overall housing offer; and
 - Social Rented Sector – review of the changes in demand as recorded through the waiting list for social rented properties and an assessment of current average rental levels.
- 5.3 The section concludes by drawing together the analysis of the different tenures to assess the functionality of the market in terms of the ability of households to access housing. This assessment includes analysis of households' expectations and aspirations

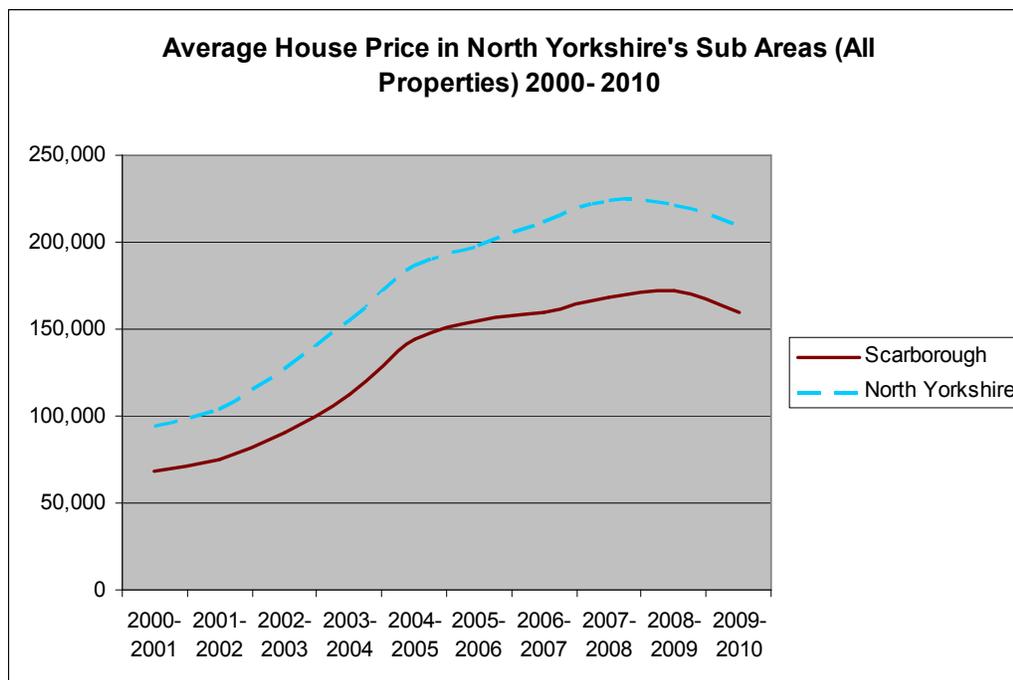
around tenure mobility as well as a contrasting of income and housing costs. Reference should be made to the national and regional housing market trends and outlook presented within the main report as context for the remainder of the section.

Owner Occupier Sector

5.4 The following sub-sections analyse the private sector value and sales context within the Scarborough property market by initially tracking the change historically over time before bringing the assessment up to date through consideration of the current housing market.

House Price Trends

Figure 5. 1: Trend in Average House Prices, Total, 2000 to 2010, Scarborough, North Yorkshire



Source: CLG, 2010

- The North Yorkshire sub region has experienced strong price increases since 2001 at 122.8%. In line with national trends average house prices within North Yorkshire have fallen 6.2% since the 2007/08 peak to £209,903.
- Since 2001 Scarborough has experienced average house price uplift of 133.4%, which is above the North Yorkshire average of 122.8%. This is due to Scarborough's

low base position in 2000/01. In 2009/10 Scarborough's average house price was £159,203, 7.5% below its peak of £172,112 in 2008/09.

- When median house prices are disaggregated by sub area it becomes apparent that the Northern Parishes is the most expensive median house price values at £242,364 which is linked to the premium people are willing to pay for a property located in a National Park. In comparison the Scarborough Area sub area has a median house price of £138,700.

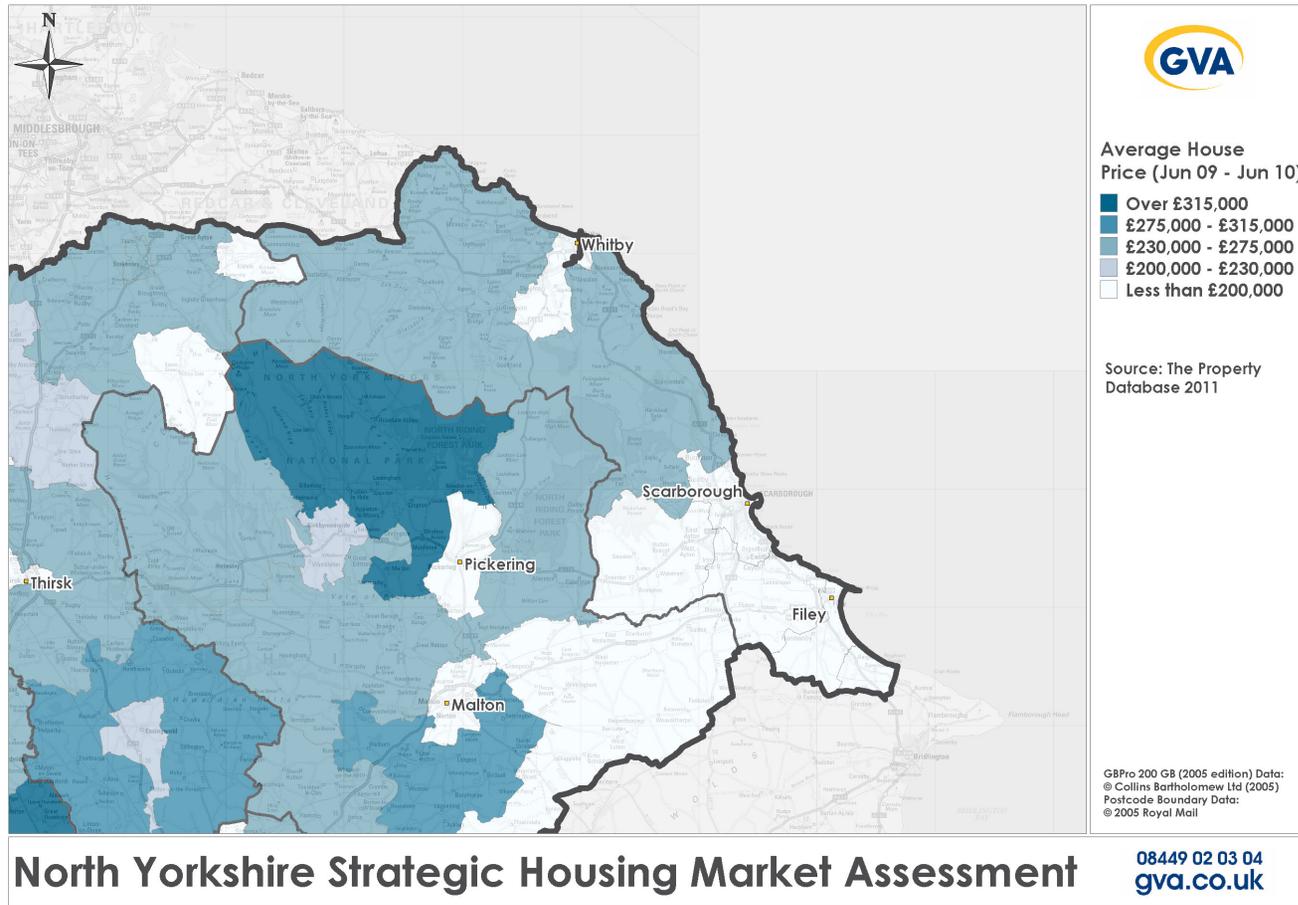
Figure 5. 2: Median House Prices, Sub Areas

Sub Areas	Median House Price
Filey / Hunmanby	£151,220
Northern Parishes	£242,364
Scarborough Area	£138,700
Southern Parishes	£165,141
Western Parishes	£194,678
Whitby Area	£182,061

Source: *The Property Database, 2011*

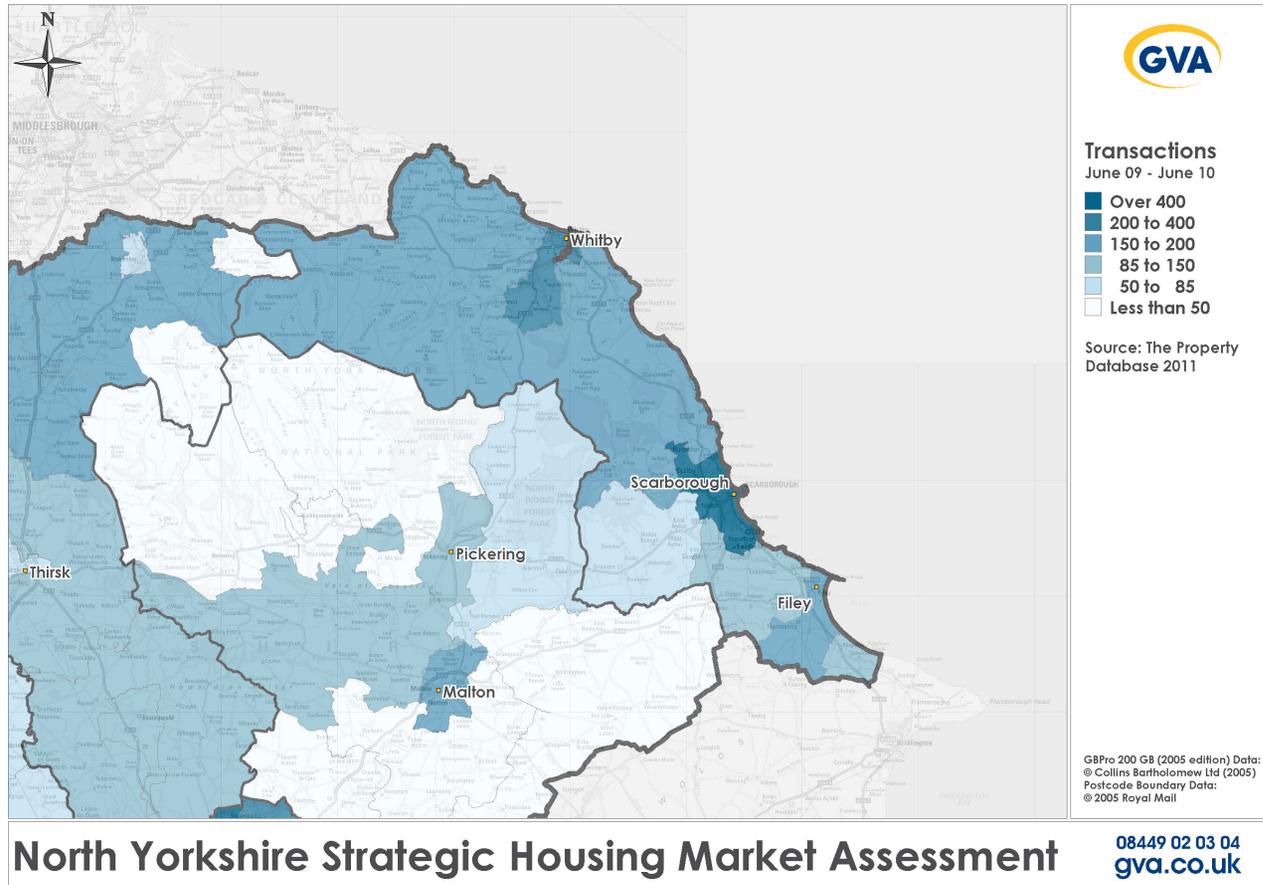
- There are clear concentrations of higher values outside of the urban areas of Scarborough, Whitby and Filey.
- Scarborough has experienced a high number of residential property transactions in comparison to the rest of the sub-region. The areas surrounding Scarborough and Whitby have experienced particularly high levels of transactions.

Figure 5. 3: Average House Prices, Total, 2009 to 2010, Scarborough, Postcode Sector



Source: The Property Database, 2011

Figure 5. 4: Volume of Residential Property Transactions, 2009 to 2010, Scarborough

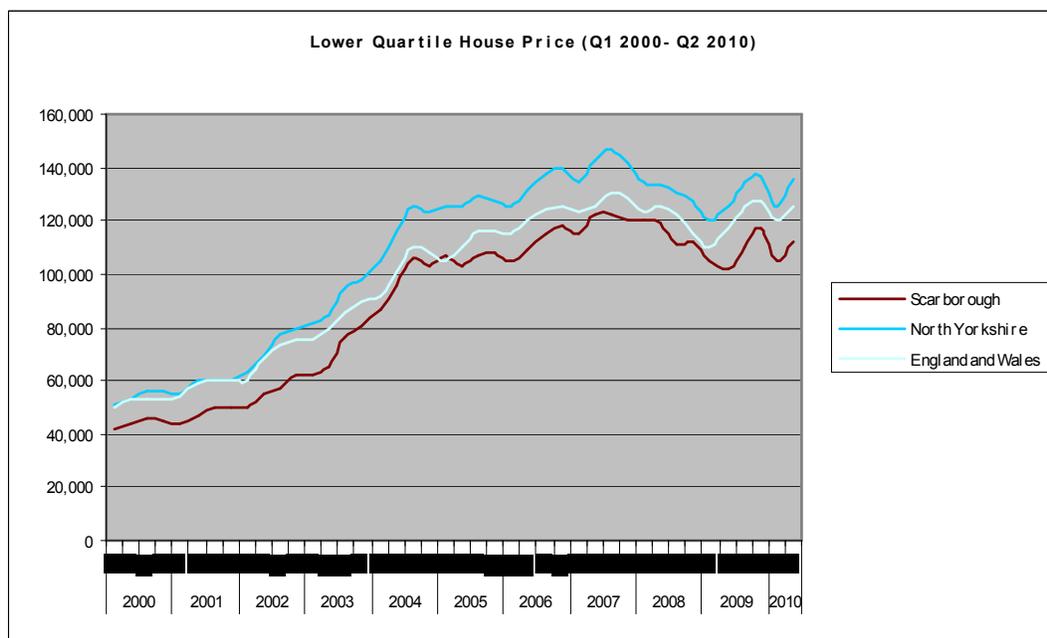


Source: The Property Database, 2011

Lower Quartile House Prices

5.5 The Department for Communities and Local Government (CLG) records the lower quartile house prices for each authority across the UK. The CLG SHMA Guidance (August 2007) recommends that the lower quartile price of properties represents the lower levels of the housing market, and such properties should be considered to be those most likely to be able to be purchased by households on lower incomes or households entering the market for the first time. This, and the use of lower quartile household income data, is explained in more detail later within this section when considering the benchmarking of household access to different housing tenures.

Figure 5. 5: Lower Quartile House Prices, 2000 to 2010, Scarborough



Source: CLG, 2010

- It is clear that for the majority of the timeframe considered (apart from Q4 2009 compared to North Yorkshire specifically), Scarborough has maintained lower quartile house prices below both North Yorkshire and England and Wales.
- There was a clear reduction in lower quartile house prices across all three geographies during the period Q3 2007 to Q1 2009, although in all cases recovery (and resulting increase in lower quartile prices) is noted in the period since Q1 2009.

- Lower Quartile house prices are remarkably high across the sub areas with the exception of the Scarborough Area sub area with a lower quartile house price of £92,500. The prevailing trends reflect the pattern of median house price distribution with the highest lower quartile house prices in the rural sub areas and the lowest lower quartile house prices in the urban sub areas.

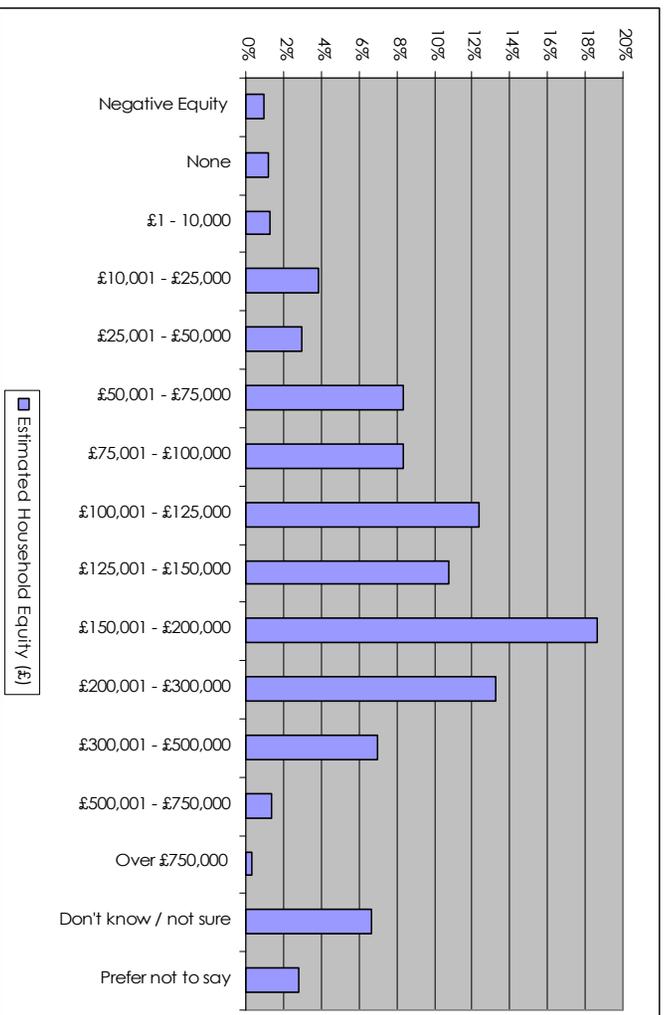
Figure 5. 6: Lower Quartile House Prices, Sub Areas

Sub Areas	Lower Quartile House Price
Filey / Hunmanby	£120,000
Northern Parishes	£157,500
Scarborough Area	£ 92,500
Southern Parishes	£128,000
Western Parishes	£136,750
Whitby Area	£133,000

Source: *The Property Database, 2011*

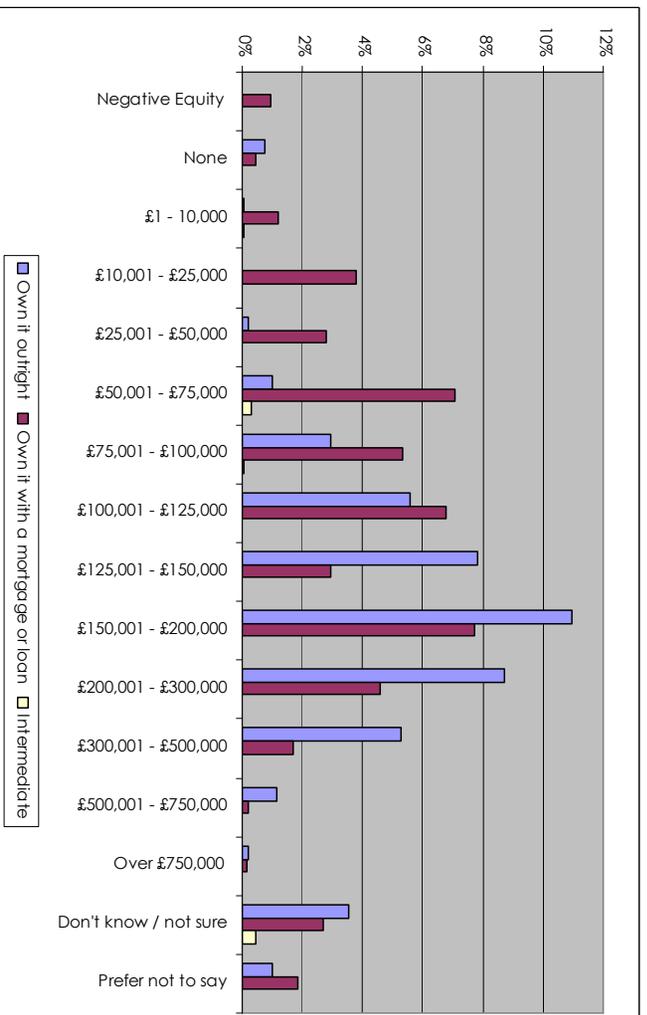
- 5.6 Property equity is the difference between the open market value of a property and the outstanding balance of all debts on the property (e.g. mortgage). The acquisition of equity occurs as homeowners (in owner-occupation or intermediate tenures) pay down their mortgage or loan on their property or if the open market value of their property appreciates. Homeowners often use equity as a key driving factor in their financial capacity to place a deposit on a mortgage for a new home when moving. A lack of equity or presence of negative equity (where the property is worth less on the open market than the debt placed against it) makes it increasingly expensive to move home.
- The profile illustrates the relatively high value of property across the area with a clustering of households estimating their equity in property to be between £100,001 and £300,000.

Figure 5. 7: Estimated Property Equity, Scarborough



Source: 2011 Household Survey

Figure 5. 8: Tenure Balance of Estimated Property Equity, Scarborough



Source: 2011 Household Survey

- The data for households who own their property outright is a direct proxy for values across the area. This shows again the high value of property in the area with the majority of households with no mortgage valuing their property at between £125,001 and £300,000.
- Significantly though over 50% of households have more than £50,000 of equity in their property suggesting they would be able to use this equity to put down a deposit on a new property. Very low proportions of households across the area assess themselves as being in negative equity.

Private Rented Sector

5.7 Nationally this tenure has undergone levels of unprecedented growth and now continues to play an important role in the operation of the wider market offering an alternative to owner-occupation and the social rented sector.

Figure 5. 9: Private Sector Rent, Scarborough

Authority	Size (Beds)	Average Monthly Rent	Average Weekly Rent
Scarborough	1	£381.07	£87.94
	2	£483.33	£111.54
	3	£587.67	£135.62
	4+	£847.50	£195.58

Source: Rightmove, 2011

- The 2011 Household Survey enables analysis of the rent paid by households residing in Scarborough's private rental sector. The following figure presents this information. In Scarborough a significant amount of households are paying between £347 and £650 per calendar month, which are predominantly households renting from private landlords, estate or letting agents. The high proportion of those paying rents of between £260 and £347 per month is likely to reflect the prevalence of Houses in Multiple Occupation with the seasonal tourist market an important driving factor in Scarborough.
- Anecdotally agent consultation⁸ has revealed that the rental stock tends to be poor quality which tends to let at £300 pcm. The poor quality stock tends to be let

⁸ Ashtons; Scarborough and Hartely and Jones; Scarborough

by economically vulnerable people such as immigrant workers and the unemployed. However buy to let investors tend to be very active in this section of the market due to the high demand for these products.

Figure 5. 10: Household Expenditure (in Rent on Monthly Basis) on Private Rented Accommodation, Scarborough

Rental Per Week / Month (£)	Household Expenditure on Housing Rent Per Month in Private Rented Sector - Scarborough		
	Rent from a Private Landlord, Estate or Letting Agent	Rent it from a Relative / Friend of a Household Member	Total
Under £20 per week / under £86 Per calendar month	6.8%	0.1%	6.9%
£20 to under £40 per week / £86 to under £173 per calendar month	2.0%	0.0%	2.0%
£40 to under £60 per week / £173 to under £260 per calendar month	3.3%	0.4%	3.7%
£60 to under £80 per week / £260 to under £347 per calendar month	15.3%	4.1%	19.4%
£80 to under £100 per week / £347 to under £433 per calendar month	26.5%	0.4%	26.9%
£100 to under £150 per week / £433 to under £650 per calendar month	37.5%	0.1%	37.7%
£150 to under £200 per week / £650 to under £867 per calendar month	3.3%	0.0%	3.3%
£200 to under £250 per week / £867 to under £1,083 per calendar month	0.1%	0.0%	0.1%
£250 to under £300 per week / £1,083 to under £1,300 per calendar month	0.0%	0.0%	0.0%
£300 or more per week / £1,300 or more per calendar month	0.0%	0.0%	0.0%
Total	94.8%	5.2%	100.0%

Source: 2011 Household Survey

Social Rented Sector

- 5.8 The social rented sector by its nature operates differently from both of the market tenures examined in this section. The tenure is intended to act as a safety net for households ensuring access to housing where household financial circumstances prevent access to other tenures. At the time of the publication of this research the Government is in the process of transforming the way in which the tenure operates in terms of rental levels and the allocation process for households. The delivery of new policy directives will fundamentally impact on the role of the tenure in relation to in particular the private rented sector and this will need to be considered as the research is monitored and updated in the future.
- Average weekly rents across the North Yorkshire social rented sector in North Yorkshire stand at around £63 per week for Local Authority tenants, compared to £72 for RSL tenants.
 - Average weekly rents in Scarborough in comparison show lower RSL rents at £70 per week.

Social Housing Waiting Lists

- 5.9 The North Yorkshire sub-region has 14,115 households registered as awaiting housing on local authority waiting lists as at 2010 which represents 3.8% of all North Yorkshire households. Scarborough has 2,569 households on its waiting lists which represents 3.0% of all households.

Figure 5. 11: RSL and Local Authority Average Weekly Rents, Scarborough

Average Weekly Rents												
		2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Scarborough	Local Authority Rent	43.84	45.92	48.30	MYT	LSVT						
	RSL Rent	56.32	57.29	59.14	60.03	54.63	57.05	57.37	59.66	62.59	65.98	70.02
North Yorkshire	Local Authority Rent	44.10	46.06	47.97	48.82	50.43	52.28	54.61	57.16	60.51	62.16	63.18
	RSL Rent	47.88	49.24	50.94	52.95	53.16	57.49	60.70	62.50	65.05	68.26	72.41
Yorkshire and the Humber	Local Authority Rent	36.95	39.44	41.70	42.48	44.18	46.03	48.28	51.74	53.87	55.63	56.89
	RSL Rent	48.15	47.49	49.23	49.04	50.41	51.07	53.90	54.81	58.02	62.00	65.28
England	Local Authority Rent	45.62	47.87	49.93	51.02	52.90	55.27	57.93	61.62	64.21	66.05	67.36
	RSL Rent	53.11	53.90	55.81	56.52	58.23	61.49	64.32	66.67	69.96	73.51	77.91

Source: CLG Live Tables, 2010

Considering Household Expectations and Aspirations

- 5.10 The 2011 Household Survey provides an insight into the expectation and aspirations of households regarding the areas that they choose to live. In the last 2 years Scarborough has demonstrated a relatively high level of containment with the majority of household moves occurring within the Local Authority area. However households have also moved to the area from other local authorities within North Yorkshire including York. 9.6% of moves are households moving in from elsewhere in the UK.

Figure 5. 12: Household Movements, Households in Last 2 Years, Scarborough

Previous Location	Households Moving in Past 2 Years - Current and Previous Location: Scarborough						
	Existing Location						
	Scarborough: Filey / Hunmanby	Scarborough: Northern Parishes	Scarborough: Scarborough Area	Scarborough: Southern Parishes	Scarborough: Western Parishes	Scarborough: Whitby Area	Total
Scarborough: Scarborough	4.6%	2.0%	59.7%	31.7%	42.6%	.0%	30.1%
Scarborough: Whitby	.0%	16.0%	.0%	4.4%	.0%	50.3%	12.5%
Scarborough: Filey	30.9%	.0%	1.5%	6.8%	.0%	.0%	5.2%
Scarborough: Hunmanby	3.2%	.0%	.0%	.0%	.0%	.0%	.4%
Scarborough: Flixton	.0%	.0%	1.4%	4.7%	.0%	.0%	.9%
Scarborough: Gristhorpe	.0%	.0%	2.8%	.0%	.0%	.0%	1.2%
Scarborough: Cayton	.0%	.0%	.0%	2.2%	.0%	.0%	.1%
Scarborough: Eastfield	.0%	.5%	5.6%	2.6%	5.2%	.0%	2.8%
Scarborough: Crossgates	.0%	.9%	.0%	.0%	4.6%	.0%	.3%
Scarborough: Seamer	.0%	.0%	.0%	1.9%	.0%	.0%	.1%
Scarborough: East Ayton	.0%	.0%	.0%	.0%	4.6%	.0%	.2%
Scarborough: West Ayton	.0%	.0%	.0%	.0%	4.7%	.0%	.2%
Scarborough: Wykeham	.0%	.0%	.0%	.0%	2.2%	.0%	.1%
Scarborough: Snainton	.0%	.0%	.0%	.0%	2.2%	.0%	.1%
Scarborough: Hackness	.0%	1.5%	.0%	.0%	.0%	.0%	.2%
Scarborough: Harwood Dale	.0%	.0%	.0%	.0%	5.4%	.0%	.2%
Scarborough: Scalby	.0%	2.4%	.0%	.0%	.0%	2.3%	.8%
Scarborough: Newby	.0%	.0%	.0%	4.5%	.0%	.0%	.3%
Scarborough: Burniston	.0%	2.0%	2.0%	.0%	.0%	.0%	1.1%
Scarborough: Ravenscar	.0%	.9%	.0%	.0%	.0%	.0%	.1%
Scarborough: Robin Hoods Bay	.0%	2.8%	.0%	.0%	.0%	.0%	.4%
Scarborough: Fylingthorpe	.0%	1.7%	.0%	.0%	.0%	.0%	.2%

Scarborough: Hawsker	.0%	2.2%	.0%	.0%	.0%	.0%	.3%
Scarborough: Sleights	.0%	3.5%	.0%	.0%	.0%	10.1%	2.5%
Scarborough: Grosmont	.0%	1.3%	.0%	.0%	.0%	.0%	.2%
Scarborough: Egton	.0%	.5%	.0%	.0%	.0%	.0%	.1%
Scarborough: Glaisdale	.0%	2.4%	.0%	.0%	.0%	.0%	.3%
Scarborough: Lealholm	.0%	1.8%	.0%	.0%	.0%	.0%	.2%
Scarborough: Danby	.0%	2.7%	.0%	.0%	.0%	.0%	.4%
Scarborough: Castleton	.0%	2.1%	.0%	.0%	.0%	.0%	.3%
Scarborough: Aislaby	.0%	.0%	.0%	4.0%	.0%	.0%	.3%
Scarborough: Ruswarp	.0%	3.0%	.0%	.0%	.0%	3.4%	1.1%
Scarborough: Hinderwell	.0%	1.2%	.0%	.0%	.0%	.0%	.2%
Scarborough: Runswick Bay	.0%	.5%	.0%	.0%	.0%	.0%	.1%
Scarborough: Staithe	.0%	2.8%	.0%	.0%	.0%	.0%	.4%
Scarborough: Other	15.6%	1.5%	2.9%	.0%	3.5%	6.0%	4.9%
Hambleton	.0%	.9%	.0%	.0%	.0%	.0%	.1%
Harrogate	.0%	1.9%	.0%	.0%	.0%	.0%	.3%
Ryedale	.0%	.0%	.0%	.0%	5.3%	.0%	.2%
York	15.1%	3.0%	2.0%	3.0%	.0%	.0%	3.5%
Leeds	.0%	1.6%	.0%	.0%	1.7%	.0%	.3%
Hull / East Riding of Yorkshire	.0%	.0%	.0%	.0%	4.0%	1.1%	.4%
Bradford	9.5%	5.0%	.0%	.0%	2.0%	.0%	2.0%
Elsewhere in Yorkshire and Humber	4.7%	3.8%	1.2%	19.9%	.0%	3.3%	3.7%
North East	.0%	8.8%	.0%	1.9%	.0%	10.2%	3.4%
North West	.0%	3.3%	7.0%	4.0%	.0%	.0%	3.7%
East Midlands	11.1%	.0%	.0%	2.6%	3.5%	2.1%	2.2%
Elsewhere in the UK	5.3%	11.8%	11.5%	1.5%	8.4%	9.7%	9.6%
Outside of the UK	.0%	3.6%	2.4%	4.3%	.0%	1.4%	2.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: 2011 Household Survey

Figure 5. 13: Where Households would Realistically Expect to Move, Scarborough

Expected Location	Where Households Planning to Move in Next 2 Years Realistically Expect to Move to - Scarborough						
	Existing Location						
	Scarborough: Filey / Hunmanby	Scarborough: Northern Parishes	Scarborough: Scarborough Area	Scarborough: Southern Parishes	Scarborough: Western Parishes	Scarborough: Whitby Area	Total
Scarborough: Scarborough	12.7%	2.3%	23.4%	10.8%	8.7%	15.8%	17.5%
Scarborough: Whitby	.0%	2.1%	3.2%	.0%	.0%	60.5%	10.8%
Scarborough: Filey	54.2%	2.0%	.0%	12.0%	.0%	.0%	8.2%
Scarborough: Hunmanby	10.6%	.0%	.0%	.0%	.0%	.0%	1.4%
Scarborough: Reighton	.0%	2.5%	.0%	3.9%	.0%	.0%	.5%
Scarborough: Flixton	.0%	.0%	.0%	1.7%	.0%	.0%	.1%
Scarborough: Cayton	.0%	.0%	3.4%	5.8%	.0%	.0%	2.2%
Scarborough: Eastfield	.0%	.0%	2.7%	.0%	4.0%	.0%	1.5%
Scarborough: Crossgates	.0%	.0%	.0%	12.1%	.0%	.0%	.8%
Scarborough: Osgodby	.0%	.0%	.9%	.0%	.0%	.0%	.5%
Scarborough: Seamer	.0%	.0%	9.8%	16.4%	.0%	.0%	6.3%
Scarborough: Irton	.0%	.0%	.0%	.0%	5.8%	.0%	.2%
Scarborough: East Ayton	.0%	.8%	.0%	.0%	22.3%	.0%	.9%
Scarborough: West Ayton	.0%	.0%	.0%	3.8%	24.6%	.0%	1.1%
Scarborough: Wykeham	.0%	.0%	.0%	.0%	3.5%	.0%	.1%
Scarborough: Brompton	.0%	.9%	.0%	.0%	.0%	.0%	.1%
Scarborough: Snainton	.0%	.0%	.0%	.0%	10.7%	.0%	.4%
Scarborough: Scalby	.0%	3.4%	.7%	.0%	2.9%	.0%	.8%
Scarborough: Newby	.0%	2.8%	2.6%	2.9%	.0%	.0%	1.8%
Scarborough: Burniston	.0%	18.3%	.0%	.0%	.0%	.0%	1.7%
Scarborough: Cloughton	.0%	1.9%	.0%	.0%	.0%	.0%	.2%
Scarborough: Robin Hoods Bay	7.4%	.0%	.0%	.0%	.0%	.0%	1.0%
Scarborough: Fylingthorpe	.0%	.0%	.0%	.0%	.0%	5.4%	.8%
Scarborough: Hawsker	.0%	3.1%	.0%	.0%	.0%	.0%	.3%
Scarborough: Stainsacre	.0%	2.7%	.0%	.0%	.0%	.0%	.3%

Scarborough: Sneaton	.0%	.7%	.0%	.0%	.0%	2.5%	.4%
Scarborough: Sleights	.0%	.0%	.0%	.0%	1.8%	.0%	.1%
Scarborough: Grosmont	.0%	1.1%	.0%	.0%	.0%	.0%	.1%
Scarborough: Egton	.0%	3.5%	.0%	.0%	.0%	.0%	.3%
Scarborough: Egton Bridge	.0%	1.5%	.0%	.0%	.0%	.0%	.1%
Scarborough: Glasidale	.0%	6.7%	.0%	.0%	.0%	.0%	.6%
Scarborough: Lealholm	.0%	.0%	.0%	2.4%	.0%	.0%	.2%
Scarborough: Castleton	.0%	2.3%	.0%	.0%	.0%	.0%	.2%
Scarborough: Commondale	.0%	2.0%	.0%	.0%	.0%	.0%	.2%
Scarborough: Aislaby	.0%	3.7%	.0%	.0%	.0%	.0%	.3%
Scarborough: Runswick Bay	.0%	7.8%	.0%	.0%	.0%	.0%	.7%
Scarborough: Staithes	.0%	5.5%	.0%	.0%	.0%	.0%	.5%
Scarborough: Other	.0%	8.5%	.0%	2.9%	.0%	2.6%	1.4%
Scarborough: Scarborough Area	.0%	.0%	36.4%	.0%	.0%	.0%	19.1%
Scarborough: Whitby Area	.0%	.0%	.0%	.0%	.0%	1.9%	.3%
Hambleton	.0%	1.1%	.0%	.0%	.0%	.0%	.1%
Ryedale	9.4%	3.1%	.0%	7.8%	13.9%	.0%	2.5%
York	2.3%	.8%	3.4%	6.0%	.0%	5.1%	3.3%
Hull / East Riding of Yorkshire	.0%	1.2%	.0%	.0%	.0%	.0%	.1%
Elsewhere in Yorkshire and Humber	.0%	.0%	.0%	2.9%	.0%	2.7%	.6%
North East	.0%	6.9%	.0%	.0%	.0%	1.5%	.9%
North West	.0%	.0%	6.7%	.0%	.0%	.0%	3.5%
East Midlands	.0%	.7%	.0%	2.0%	.0%	.0%	.2%
Elsewhere in the UK	3.4%	.0%	3.9%	4.2%	1.9%	2.0%	3.1%
Outside of the UK	.0%	.0%	3.0%	2.7%	.0%	.0%	1.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: 2011 Household Survey

5.11 The 2011 household survey can also be utilised to understand household moves and expectations by tenure.

- Predominately the households in Scarborough who are planning to move in the next 2 years expect to remain in the Scarborough Local Authority area, with the town of Scarborough proving to be the most popular destination, especially amongst those already living in Scarborough and Whitby. York is the most popular destination within North Yorkshire with 3.3% of households planning to move here in the next two years. 3.1% of households plan to move elsewhere in the UK.
- In Scarborough 49.2% of households planning to move in the next 2 years are expecting to move to social rented accommodation, compared to 36.7% across North Yorkshire. Private renting and owning with a mortgage or loan are also popular choices with 32.1% and 25.2% respectively expecting to live in these tenures. In comparison to the other North Yorkshire Local Authorities, Scarborough has much smaller proportions of households expecting to own their property outright or with a mortgage or loan.
- In the last two years households who have moved have predominately remained within their own tenure. Private renting has proven a popular tenure choice accounting for 11.8% of moves from the owner occupied tenure, 9.0% of moves from living with family friends and 5.3% from the social rented tenure.

.Figure 5. 14: Housing Tenure Expectations, Scarborough

Authority	Households Planning to Move in the 2 Years - Tenure Expectation: Local Authorities & North Yorkshire									
	Expected Tenure									
	Own Outright	Own with Mortgage or Loan	Intermediate	Social Rent	Private Rent	Tied Accommodation	Living with Family or Friends	Managed Student Accommodation	Other	Total
Scarborough	21.0%	25.2%	12.8%	49.2%	32.1%	0.6%	0.4%	0.4%	0.6%	100.0%
North Yorkshire	22.8%	36.8%	8.2%	36.7%	26.6%	0.4%	1.2%	0.5%	0.6%	22.8%

Source: 2011 Household Survey

Figure 5. 15: Previous Tenure by Current Tenure (households moving in last 2 years), Scarborough

Previous Tenure	Households Moving in Last 2 Years - Previous Tenure and Current Tenure: Scarborough									
	Current Tenure									
	Own Outright	Own with Mortgage or Loan	Intermediate	Social Rent	Private Rent	Tied Accommodation	Living with Family or Friends	Managed Student Accommodation	Other	Total
Own Outright	7.0%	4.2%	0.0%	3.7%	0.2%	0.0%	0.0%	0.0%	0.0%	15.1%
Own with Mortgage or Loan	1.7%	11.8%	0.0%	1.3%	11.6%	0.1%	0.0%	0.0%	0.0%	26.4%
Intermediate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Social Rent	0.0%	0.0%	0.0%	6.0%	5.3%	0.0%	0.0%	0.0%	0.0%	11.3%
Private Rent	2.4%	1.0%	0.0%	2.8%	29.2%	0.0%	0.0%	0.0%	0.0%	35.4%
Tied Accommodation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Living with Family or Friends	0.0%	0.4%	0.2%	0.2%	9.0%	1.3%	0.0%	0.0%	0.0%	11.0%
Managed Student Accommodation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	0.2%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.7%
Total	11.2%	17.4%	0.2%	14.0%	55.8%	1.3%	0.0%	0.0%	0.0%	100.0%

Source: 2011 Household Survey

Mortgage Finance

- 5.12 One of the underlying drivers behind the lack of mobility in the housing market, in particular the owner-occupier market, remains the tightening of mortgage finance by financial lending institutions (banks and building societies) since the 'credit crunch' in 2008, with the subsequent removal of all 100%, 95% and the majority of 90% mortgage products from the market. The result has been that prospective purchasers have had to raise increased capital deposits to access mortgage products, which has had a limiting effect on the ability of those households with low incomes and savings (for example first time buyers) to access the owner occupied sector.
- 5.13 Full analysis of the availability of mortgages across the UK and the Yorkshire and Humber region is provided within the main report. There are noted short term constraints to accessing mortgage finance across both geographies.

Figure 5. 16: Mortgage Repayments on Lower Quartile Homes, Scarborough

Authority	Mortgage Repayments for Lower Quartile Property (November 2010)					
	Lower Quartile House Price (Q2 2010)	Mortgage (25 year term)	Repayment mortgage		Interest only mortgage	
			Monthly payments	Weekly payments	Monthly payments	Weekly payments
Scarborough	£105,000.00	£94,500.00	£651.67	£162.92	£480.37	£120.09
North Yorkshire	£136,000.00	£122,400.00	£844.06	£211.01	£622.2	£155.55

Source: FSA 'Money Made Clear' Mortgage Calculator, 2011

- Assuming lenders require a 10% deposit, interest rates of 5.49%, and a 25-year repayment period, a repayment mortgage for the lower quartile average house price within Scarborough stands at £652 per month, with an interest only mortgage lower at £480 per month.
- In comparison to North Yorkshire, Scarborough is the cheapest Local Authority area to become an owner occupier with mortgage payments for both a repayment mortgage and an interest only mortgage below other North Yorkshire local authority areas.

Benchmarking Access to Different Housing Tenures

- 5.14 The analysis of the active market has clearly highlighted the current issues facing the housing market across Scarborough, including a reduction in activity. The data assembled above has been drawn together in this final sub-section to present an indication of the relative affordability of different tenures of housing in relation to the financial capacity of households in Scarborough. The CLG SHMA guidance (August

2007) suggests a number of critical levels to test against income in order to evaluate the extent of the issue of affordability. The two core elements are:

- Assessing whether a household can afford to buy a home; and
- Assessing whether a household can afford to rent a home.

5.15 It is important to note that this analysis is presented for illustrative purposes, with a full analysis undertaken (utilising income multipliers for both single-occupant/income and multi-occupant/income) households within the affordable housing needs assessment conducted in Section 7 in line with the CLG Guidance.

5.16 A series of key assumptions used in the benchmarking assessment of these elements are set out below.

Key Affordability Benchmarking Assumptions

5.17 Within its guiding methodology for assessing affordability, the CLG SHMA Guidance (August 2007) recommends the following standardised assumptions when assessing affordability:

- Lower Quartile house prices are utilised to represent lower market entry properties.
- An household with a single income is considered able to buy a home if it costs 3.5 times the gross household income; however in the current market banks are looking more closely at affordability and credit worthiness and so this report also considers an alternative benchmark for whether residents can afford to buy a home relating to the proportion of income that mortgage repayments represent. This alternative measure of ability to buy a home assumes that a bank will advance mortgage funding if the mortgage repayments represent no more than 20% of a households gross income. This is lower than the 25% of gross income assumed that would allow individuals to access market rented property, based on the assumption that owner occupation has additional costs such as maintenance, buildings and other insurances etc.
- A household is considered able to afford open market (private) rental housing in cases where the rent payable would constitute no more than 25% of their gross household income;
- 'Rent payable' is defined as the entire rent due, even if it is partially or entirely met by housing benefit; and

- Annual social housing rents are calculated from an average taken of RSL rental levels.

5.18 The benchmark values to access different housing tenures in Scarborough are shown in the following table.

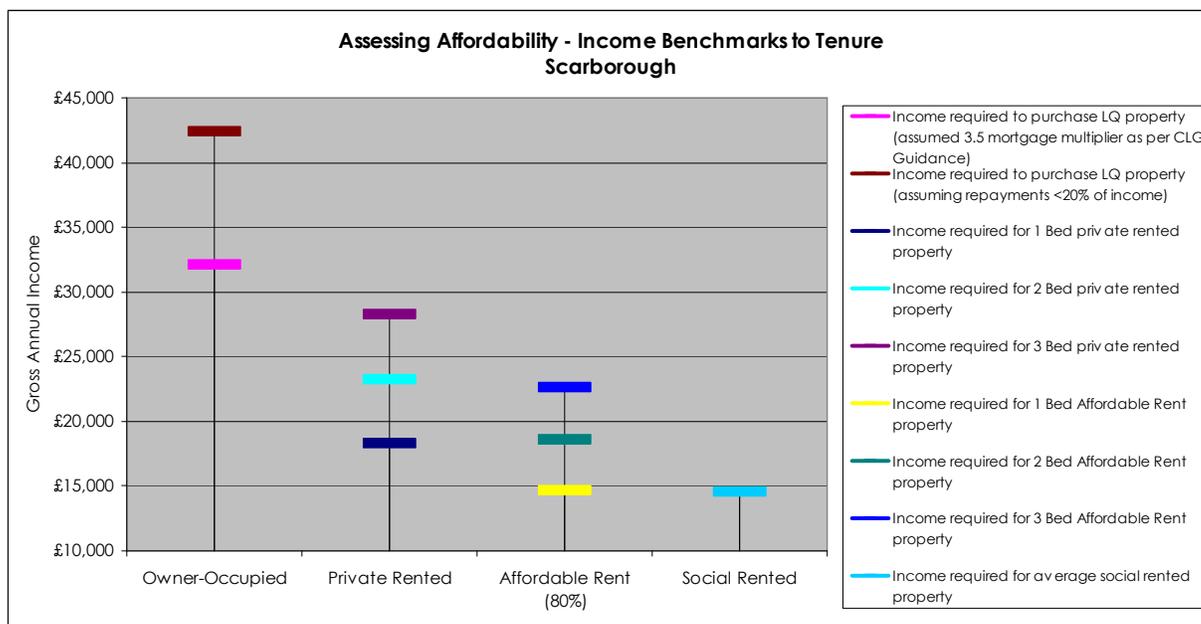
Figure 5. 17: Benchmark Property Values, Scarborough

Location	Benchmark Property Values		
	House Price	Average weekly rent	Annual Rent
Scarborough			
Market Entry			
Lower Quartile Price (April 2009 - March 2010)	£112,375	n/a	n/a
Market Rented			
1 Bed rental properties	n/a	£88	£4,573
2 Bed rental properties	n/a	£112	£5,800
3 Bed rental properties	n/a	£136	£7,052
Affordable Rent			
1 Bed rental properties	n/a	£70	£3,658
2 Bed rental properties	n/a	£89	£4,640
3 Bed rental properties	n/a	£108	£5,642
Social Rented			
Average rents in social rented properties	n/a	£70	£3,641

Source: GVA, 2011

5.19 Under these assumptions the following figure indicates the income required to access these different elements of the housing market in Scarborough.

Figure 5. 18: Income Benchmarks to Tenure, Scarborough



Source: GVA, 2011

- In Scarborough the income required to purchase a lower quartile house, based on a 3.5 time a single income household's earnings £32,107. However in the current market banks tend to lend only if mortgage repayments are less than 20% of gross household income. In this context the income required would be in the region of £42,359 in Scarborough.
- Income levels required to access the private rented sector are below the income required to purchase with the income required for a 1 bed property at £18,291, a 2 bed property at £23,200 and a 3 bed property at £28,208.
- For affordable rent property, the income level required to access a 1 bed property is £14,633, a 2 bed property is £18,560 and a 3 bed property is £22,566.
- The income required for an average social rented property stands at £14,565.

5.20 Drawing on the response to the 2011 Household Survey, the median household income in Scarborough in 2011 is estimated at £16,900. When this is compared to the average income level required to access the private owner-occupied housing market, which is £42,359 when a ceiling mortgage spend of 20% of a household's annual income is applied, it is apparent that the private housing market is inaccessible for many households.

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- 5.21 The affordability problem is eased by many households ability to access the private rental market and affordable rental market.

Bringing the Evidence Together

- 5.22 The purpose of this section has been to undertake analysis to provide an up-to-date assessment of the housing market in Scarborough, set in the context of the wider North Yorkshire position presented in the main report.
- 5.23 The key issues and findings emerging from the analysis are summarised below:
- **Owner occupier house price trends:** The analysis has demonstrated that Scarborough has very different demographic, economic and housing stock profiles to the rest of North Yorkshire and this will impact on the owner occupier market within the Local Authority area. Scarborough has experienced a rise in average house prices since 2000, peaking at a high of £172,112 in 2008/09. Current average house prices in Scarborough (2009/10) stand at £ 159,203 which is the lowest average house price in North Yorkshire. Values are relatively low across a large part of the Local Authority, compared with North Yorkshire averages. However, the more rural parts show prices which are more comparable to the neighbouring authorities. The Northern Parishes sub area records the highest median house price of £242,400 which is linked to the premium that people are willing to pay to live in a National Park. The Western Parishes sub-area also records an average price of around £195,000. Scarborough's lower quartile house prices have consistently been below the North Yorkshire and the national averages. Within Scarborough the lowest lower quartile house price is in the Scarborough sub area at £92,500.
 - **Private Rented Sector:** Scarborough's private rental sector is buoyant which, is a result of the challenging economic circumstances which has prevented many potential purchasers from accessing the owner occupied market. Much of the rental stock is poor quality and consequently rents are concentrated in the £260-£650 per calendar month price range which is generally cheaper than the other Local Authority areas.
 - **Social rented sector:** In Scarborough the average weekly rent for RSL tenants (£70 per week) is below the sub-regional average. Proportionally social housing

waiting lists in Scarborough are low at 3.0% compared with 3.8% of all households in North Yorkshire.

- Household Movements: Scarborough demonstrates a high rate of household retention with the majority of those planning to move in the next two years planning to remain in Scarborough. In Scarborough 49.2% of households planning to move in the next 2 years are expecting to move to social rented accommodation which differs from the majority of the other Local Authority areas where owner occupation remains the tenure of choice. However recent trends have demonstrated that people tend to remain within their current tenure, although in Scarborough those who do move tenures tend to move to private rented properties illustrating the mismatch between people's expectations and actual choices which has more than likely been driven by the lack of affordable housing.
- Access to the housing market: Benchmarking of incomes to tenure suggests potentially significant mismatch between average income required to access the market £42,359 in Scarborough (assuming a ceiling mortgage spend of 20%) compared to average household income levels across Scarborough of £16,900.

Part 2: Future Housing Market and Need

6. Future Housing Market

The preceding sections whilst assessing the state of the current housing market have also examined the demographic, economic and active market drivers likely to influence the future housing market.

The North Yorkshire SHMA Report includes a detailed analysis of a series of household projections in order to assemble different scenarios of household change. This is used to provide an indication of the potential quantum of households requiring housing in the future based upon an assessment of demographic and economic drivers. These projections need to be considered alongside the findings of the following section in order to assess the split in the demand this result in by tenure, at least over the short-term. In turn through analysis of detailed demographic projections and the 2011 Household Survey projections are arrived regarding the future demand for different property sizes across all tenures. These clearly have important implications for the setting of future policy and strategy.

The purpose of this section within the Appendix is not to replicate this analysis. The data examined does not allow for a sub-area disaggregation of data, with the proceeding section providing a sub-area short-term projection of housing need. This section therefore presents the headline findings of the North Yorkshire Report Section 7 alongside a series of local authority tables and charts to provide additional information and complementary analysis to the North Yorkshire SHMA.

Research findings relate directly to:

Core Output 3: Estimate of total future number of households, broken down by age and type where possible;

Core Output 6: Estimate of future households requiring market housing (by size).

- 6.1 This section presents the key individual authority tables and charts presented within the main North Yorkshire report. The North Yorkshire Report provides a full account of the methodologies applied and the strengths and limitations of various datasets. The information presented here is therefore intended to aid the reader to understand the individual authority's characteristics and trends in greater detail.
- 6.2 The North Yorkshire report presents three Core Scenarios. Whilst the North Yorkshire report presents a series of sensitivities highlighting the impact of changing specific

variables underpinning these Core Scenarios these are not replicated within this Authority Appendix document. Following the presentation of the Core Scenarios analysis of the projected changes to age and household composition within the authority based on the assumptions underpinning the sub-national population and household projections is set out. The section concludes with analysis translating these long-term demographic trends and the findings of the Household Survey to arrive at estimations of the sizes of properties required to meet requirements.

North Yorkshire Findings

- 6.3 Nationally population projections indicate that the population is rising, with this growth in the overall number of people being compounded further in demand for housing by falling average household sizes. The result nationally is a well documented apparent mismatch between current and future supply and demand for housing. Under the previous Labour Government regionally set housing targets were an important component of the planning process in enabling levels of development which addressed this imbalance both locally and cumulatively at a national level. These statutory targets are in the process of being revoked and a new policy approach is starting to emerge. Until these policies are finalised the retention of housing targets remains a key element of the Core Strategy informing the authority's position in terms of its five year land supply. However, there exists considerably greater flexibility for these to be shaped to directly reflect local understanding of demand for housing.
- 6.4 Given the uncertain policy climate at the time in which this research is being written the analysis within the SHMA is intended to provide the Partnership Board and the respective local authorities across the sub-region with robust analysis of the drivers of housing demand in order to assist in the process of developing and validating future housing targets. The evidence base here is not intended to be directly transferable for authorities to translate evidence based household growth rates into housing targets within policy. It is recognised that as part of this process further consultation work will be required by individual authorities alongside further detailed analysis of individual circumstances and factors influencing potential supply and demand.
- 6.5 Section 7 of the North Yorkshire SHMA report considers the structural drivers of change – economic and demographic trends – and the implications of these for maintaining a balanced housing market. It first develops quantitative scenarios to consider the level of housing demand (i.e. household growth). Three Core Scenarios are presented drawing on national and regional datasets:
- [Core Scenario 1 - 2008 based Sub-national Population / Household Projections \(ONS / DCLG\);](#)

-
- Core Scenario 2 – Natural Change based projection
 - Core Scenario 3 – Impact of Economic Change
- 6.6 A series of Sensitivities are then presented and explored to illustrate the implications of altering assumptions within the 'official statistics' published by the ONS and DCLG.
- 6.7 The analysis in the North Yorkshire SHMA of these scenarios is undertaken at a local authority level. A number of headline conclusions are reached with their implications and the underpinning analysis for Scarborough considered in more detail within the rest of this section.
- 6.8 The sub-national population projections produced by the ONS form the base of all of the scenarios and show a projected increase in the population across North Yorkshire of 114,000 between 2008 and 2026. Migration represents a key driver behind this projected growth with historical trends analysed in Section 3 of this appendix being projected forward for each authority as a trend.
- 6.9 Under the Natural Change Scenario (Scenario 2), the two components of migration are removed from the projections (international and internal migration) to illustrate the impact on population assuming only the impact of natural change. Across North Yorkshire this would result in a projected growth of only approximately 13,300 people over the same time period. A number of authorities including, Craven, Hambleton, Ryedale and Scarborough would all experience a loss in their population under this scenario.
- 6.10 The final scenario, Scenario 3 – Impact of Economic Change, examines the application of a constraint to align the population, in particular the working age population, with the forecast numbers of jobs to be available in the area based upon the economic forecasts summarised in Section 3. The result of this constraint is to suggest a further level of population growth across all of the authorities except Selby compared with Scenario 1, noting that York is excluded from this Scenario⁹.
- 6.11 In translating the population projections analysed above into household projections the projected levels of population are divided by projected household size statistics as provided by the DCLG within their published sub-national household projections. These projections assume a steady fall in household sizes from an average of 2.28 across North Yorkshire to 2.12 by 2026. The application of these household sizes (or headship rates) results in average annual household growth levels of 1,900 under Core Scenario 2 (Natural Change) and 4,300 under Core Scenario 1 (SNPP). Under Core
-

Scenario 3 the level of household growth is slightly higher than Core Scenario 1 for all authorities except Selby, with York excluded from the analysis. Whilst Core Scenario 2 represents a hypothetical scenario which could never be realised it serves to demonstrate that even with no migration from outside of the North Yorkshire authorities there will be a healthy level of household growth which will require a response in terms of housing development. The other two scenarios both show levels of projected household growth which exceed the RSS housing targets, this is particularly pronounced in a number of authorities.

- 6.12 The SHMA analysis presented within the North Yorkshire SHMA draws on information from the Household Survey and the latest demographic analysis being undertaken by Edge Analytics to highlight the importance of understanding the sensitivity of the Core Scenarios to a number of factors. These serve to highlight that whilst trend based projections represent a robust approach to calculating potential future demand the last few years have shown the impact of external factors. The sensitivities highlight the potential weakness in projecting estimations of international migration forward at a flat rate, particularly with this rate being particularly high in the region and indeed in York and Richmondshire within the sub-region. In addition other factors such as the impact of affordability and commuting are considered in relation to the ongoing levels of internal migration into the area likely to be seen over the longer-term. Finally the important assumption around falling household sizes is examined in light of the information presented through the Household Survey, which shows that over recent years rates of newly forming households have fallen, primarily linked to market mobility issues and the supply of new properties; These sensitivities are not re-presented within this Authority Appendix as they are intended to provide a strategic evidence base for consideration by all partners across North Yorkshire.

Scarborough Analysis

Core Scenarios – Projecting Population Growth

Core Scenario 1 – Sub-National Population Projections

- 6.13 The mid-year ONS estimates of population, analysed in Section 3, provide the base historical data for the **sub-national population projections** (SNPP), which are produced every two years. These datasets provide projections for a 25-year time-horizon, for each district and unitary authority. The projections represent an important

⁹ Note: As referenced in the City of York Appendix Document the authority has commissioned independent local employment projections, which have in turn been used to inform a proposed level of household growth to inform the Core Strategy.

part of any assessment of future household change and are specifically referenced within the DCLG SHMA Guidance.

- 6.14 Assumptions used by the sub-national population projections are based on recent evidence on births, deaths and migration, plus they incorporate evidence from an expert panel which has provided guidance on likely future trends in fertility, mortality and migration. SNPP are constrained to the total population estimated in the **national population projection** (NPP).
- 6.15 The latest 2008-based SNPP suggest that the population of North Yorkshire will increase by just over 114,000 people from a 2008 base to 2026. 2008 is used as a base date with this representing the point from which levels are projected rather than based within the ONS mid-year population estimates.
- 6.16 The following table quantifies the levels of population change estimated through the SNPP in Scarborough. This illustrates that Scarborough contributes just over 10,000 people to this growth, representing 9% of total growth across the sub-region.

Figure 6.1 : Population Projected Growth – 2008 – 2026 – Core Scenario 1

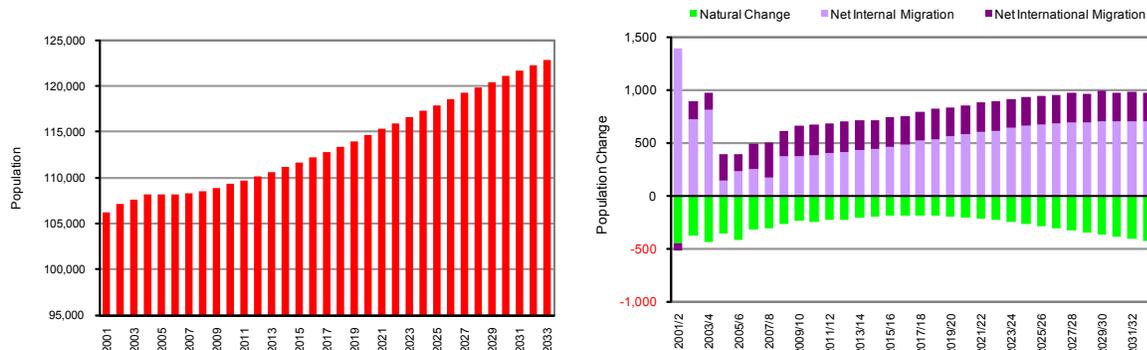
Authority	Total Population - 2008 base SNPP							
	Population Estimates				Projected change in Population		Annual Projected Change	
	2008	2011	2016	2026	2008 - 2016	2008 - 2026	2008 - 2016 (eight years)	2008 - 2026 (18 years)
Scarborough	108,513	109,693	112,180	118,548	3,667	10,035	458	558

Source: Edge Analytics, 2010, ONS, 2010

- 6.17 Under the SNPP Scarborough is projected to increase its population annually on average by almost 560 people per annum between 2008 and 2026. The projections suggest that the population will grow more slowly over the initial forecast period (2008 – 2016) with an annual uplift of almost 460 people.
- 6.18 The annualised projected change in population as well as the individual components of change are illustrated through the following charts.

Figure 6.2: Population Forecast and Components of Change

Scarborough



Source: Edge Analytics, 2010, ONS, 2010

- 6.19 From the chart it is clear that the relative importance of the components of change across Scarborough during the projection period is likely to be sustained from the trends evident between 2001 – 2009. In Scarborough internal migration is projected to have a significantly positive impact on positive growth with the authority attracting in net terms just over 9,300 people over the projection period to 2026. International migration is also projected to have a net positive effect year-on year, projected to contribute in total almost 5,300 people over the same time period, or approximately 275 per annum. In contrast natural change is projected to continue to act as a drag on population growth with the number of deaths outweighing births. Under the projections this becomes increasingly true throughout the projection period.
- 6.20 The migration trends identified above are in part based upon historical migration trends as well as the application of assumptions around the distribution of international migrants around the UK (further detail provided as part of the sensitivity analysis within the North Yorkshire SHMA report). Future migration trends will clearly be influenced by a number of factors, including but not limited to the availability of new supply in the area, the accessibility of supply (i.e. the ability of households to afford property) and the economic rationale for locating in the area, in particular this relates to the propensity of households to commute (the impacts of rising fuel costs being one potential factor on this). These considerations are explored in greater detail in the sensitivities analysis in Section 7 of the North Yorkshire SHMA report.

Core Scenario 2 – Considering a Natural Change based Projection

- 6.21 Using the POPGROUP suite of software Edge Analytics have developed a scenario of population change which removes the impact of migration from 2008 onwards. This therefore assumes that the existing population is not expanded or changed by

migratory factors and that population change is constrained only to natural change from the population as of 2008 (i.e. births and deaths).

- 6.22 The breakdown of the projections by the three core components above, shows that within Scarborough natural change has a significant negative net impact on population change over the projection period. This is illustrated within the table below which illustrates the level of population growth projected under a scenario of nil migration. In order to benchmark the impact of this constraint the SNPP projections are also included for reference.

Figure 6.3: Contrasting Projections constrained by Nil Migration with the SNPP – 2008 – 2026

Authority	Total Projected Change in Population		Annual Projected Growth	
	2008 - 2026		2008 - 2026 (18 years)	
	SNPP	Natural Change	SNPP	Natural Change
Scarborough	10,035	-2,189	558	-122

Source: Edge Analytics, 2010

- 6.23 This clearly illustrates the impact of natural change in Scarborough. Under a scenario of zero migration the population of the authority would be projected to decrease significantly by approximately 120 people per year between 2008 and 2026.
- 6.24 The considerable difference between the two scenarios further serves to illustrate the impact of assumptions around sustained high net internal and international migration levels into the area. It is important to recognise that this scenario is a hypothetical scenario with the reality of the market meaning that migration could never be artificially constrained to zero.

Core Scenario 3 – Considering the Impact of Economic Change on Population Growth

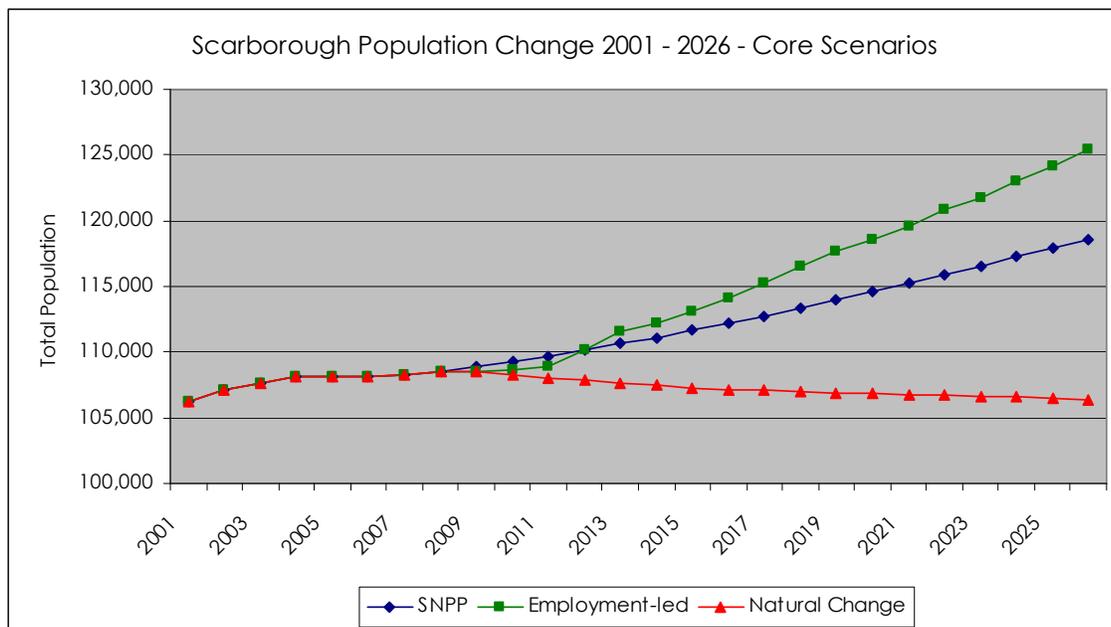
- 6.25 A third scenario has been run as part of the research by Edge Analytics. This uses the POPGROUP software to align population profiles with a projected economic future. This scenario therefore takes the SNPP scenario as its base and constrains the population to the latest Regional Economic Model job forecasts (as presented in Section 3). The projections are applied back to 2009 within the population datasets.
- 6.26 Scarborough is forecast to increase its employment base at a relatively steady rate between 2010 and 2026 under the REM model. Following an initial marked uplift a short flattening out of employment levels is projected before a steady and sustained increase year-on-year.

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- 6.27 The construction of this scenario is achieved by applying parameters which measure the relationship between the population and the labour force (economic activity rate) and between the labour force and the number of jobs in an area (labour force: jobs conversion factor). This takes into account the level of unemployment but also the degree to which residents live and work within the area in question. In an employment constrained scenario, net in-migration will occur if the size of the labour force is insufficient to match the number of jobs forecast to be created. This assumes that commuting patterns remain constant alongside economic activity / unemployment levels. Net out-migration will occur if there are too few jobs for the labour force.
- 6.28 Under this scenario economic activity rates, unemployment rates and the commuting ratio for each of the individual authorities continue to reflect recent performance (average 2003 – 2009) and trends as presented in Section 3 and are not altered.
- 6.29 Under this scenario in Scarborough the population is projected to grow at a considerably faster rate than that projected under the SNPP (Core Scenario 1). This reflects a sustained forecast of increased employment opportunities contrasting with a projected reduction in the working age population in the authority under the SNPP scenario. In order to balance the two factors the scenario assumes a further migration of working-age people into the authority to take advantage of new job opportunities. When coupled with the underlying ageing of the population this produces a high level of projected population growth.

Contrasting the Population Projections under the 3 Core Scenarios

- 6.30 The following chart shows the contrasting levels of population growth projected under the three core scenarios for Scarborough.

Figure 6. 4: Contrasting Population Growth under all three Scenarios



Source: Edge Analytics, 2010, GVA, 2010

- 6.31 This illustrates the trends discussed above. The natural change scenario shows a sustained and marked decrease in population. The SNPP scenario shows a steady increase in population over the projection period, however this is exceeded by the employment-constraint scenario for the reasons outlined above.
- 6.32 The next section translates these projections into household estimates over the research period.

Translating Population Growth into Households

- 6.33 The analysis of current household profiles across the County within Section 4 of the North Yorkshire SHMA report explains the link between population estimates and projections and household estimates. Primarily this process involves the application of headship rates to the population forecast to produce an indication of the levels of households that would result.
- 6.34 Importantly as the analysis in the North Yorkshire SHMA identified the DCLG has assumed a falling level of household size between 2001 and 2009 with this trend continuing to be projected forward within the Sub-National Household projections produced by the DCLG

6.35 The following table illustrates the varying projected changes in private household population (institutional populations are removed from the household projections), headship rates or household size and the households under the SNPP scenario of population change (Core Scenario 1).

Figure 6.5: Population, Household Size and Household Change 2008 – 2026 – Core Scenario 1, SNPP / SNHP

Authority	Sub-National Projections (ONS / DCLG) - 2008 Base								
	Private Household Population			Household Size			Households		
	2008	2026	Change 2008 - 2026	2008	2026	Change 2008 - 2026	2008	2026	Change 2008-2026
Scarborough	105,666	115,186	9,520	2.17	2.03	-0.14	48,669	56,774	8,105

Source: Edge Analytics, 2010, GVA, 2010

6.36 This shows that household sizes within Scarborough under the DCLG projections are assumed to fall from 2.17 persons to 2.20 persons, or a decrease of 0.14. Whilst this represents a steep decrease it less than the North Yorkshire average level which shows a decrease of 0.16. Importantly however, Scarborough is projected to have the lowest household size across North Yorkshire by 2026 reflecting its standing in 2008.

6.37 The impact of these Headship rates assumptions are shown in the overall levels of projected household growth. Within Scarborough the combination of a sharp rise in population and falling household sizes means an increase in households over the projection period. Between 2008 and 2026 Scarborough is forecast to see an increase of just over 8,100 households under these assumptions, or an annual average increase of 450 households per annum. This is slightly lower than the RSS target in terms of net dwellings.

6.38 A similar exercise has been undertaken for the other two Core Population Projections. The following table presents the results in terms of the overall and annual average levels of households projected under the three scenarios.

Figure 6.6: Projected Household Change 2006 – 2026 – All Three Core Scenarios

Authority	Total Household Change 2008 - 2026			Annual Average Household Change 2008 - 2026 (18 years)		
	Natural Change	SNPP	Employment-led	Natural Change	SNPP	Employment-led
Scarborough	1,228	8,105	10,500	68	450	583

Source: Edge Analytics, 2010, GVA, 2010

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- 6.39 As would be expected under the Natural Change Scenario, the projected decrease in population results in a lower level of household growth, only approximately 70 per annum.
- 6.40 The SNPP scenario shows a relatively healthy level of household growth at 450 per annum, however, this is exceeded considerably by the employment-constrained scenario which shows an annual average increase of approximately 580 households per annum. This is slightly higher than the RSS target noting that this policy target relates to dwellings and the projections above represent household growth.
- 6.41 The North Yorkshire SHMA presents hypothetical dwelling requirements based around the levels of growth projected under Core Scenario 1. These are not replicated here and need to be considered in the context of the analysis of sensitivities presented within the North Yorkshire SHMA report and work being undertaken separately by each of the authorities.
- 6.42 It is important to recognise that the household projections displayed above do not take account of any housing land availability constraints. This is an issue which will need to be considered in the development of policy based upon site allocations work and the conclusions of the SHLAA.

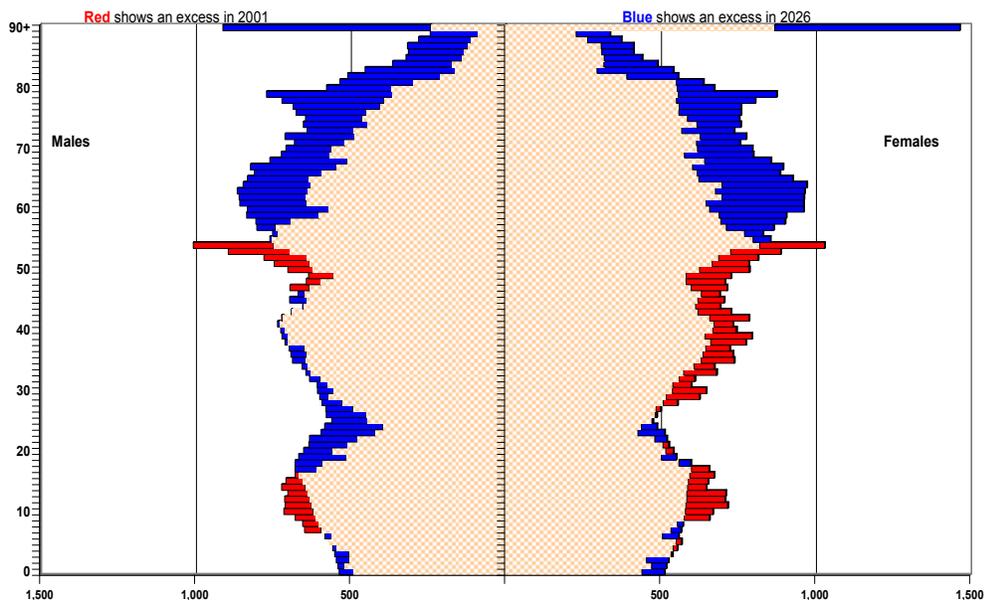
A Projected Changing Population and Household Profile

- 6.43 The analysis presented to date within this Section has clearly illustrated that the population is going to change and grow in different ways in Scarborough under all of the scenarios. The relative contribution of migration and natural change will have a striking impact on the demographic profile of the area alongside some nationally consistent demographic trends such as the general ageing population of the UK.
- 6.44 The changing demographic profile of the area will in turn affect the housing requirements of households going forward. This will have a bearing on important factors for policy to consider such as geographical location, connectivity to services (education, health etc...) as well as the response required through the development and adaptation of property. This section complements the detailed analysis presented through the North Yorkshire SHMA report highlighting the structural changes to the demographic and household profile across Scarborough. The section concludes with a long-term assessment of the implications this will have on the sizes of property required within the authority which forms one of the core outputs set through the CLG Guidance in order to inform policy.

A Changing Population Structure

- 6.45 The analysis within the North Yorkshire SHMA report clearly highlighted that North Yorkshire as a whole is projected in the future to contain an increasingly ageing population. Whilst the area is projected to continue to attract in new migrants, a proportion of which will be of working age and below, this is not going to offset the sustained process of significant increases, from the current population as well as new migrants, in people and households classified as 'older person'.
- 6.46 This trend is demonstrated in Scarborough, as illustrated in the following age pyramid. The pyramid represents the change over time (2001 – 2026) in population that is evident from the 2008-based sub-national projections for the authority. Males are on the left of the pyramid, females to the right. The red bars on the pyramid represent an excess of population in 2001 (i.e. a greater number of people in that age group in 2001 than 2026). The blue bars represent an excess of population in 2026 (i.e. a greater number of people in that age group in 2026 than 2001).

Figure 6.7: Age Pyramid – Core Scenario 1 – Scarborough



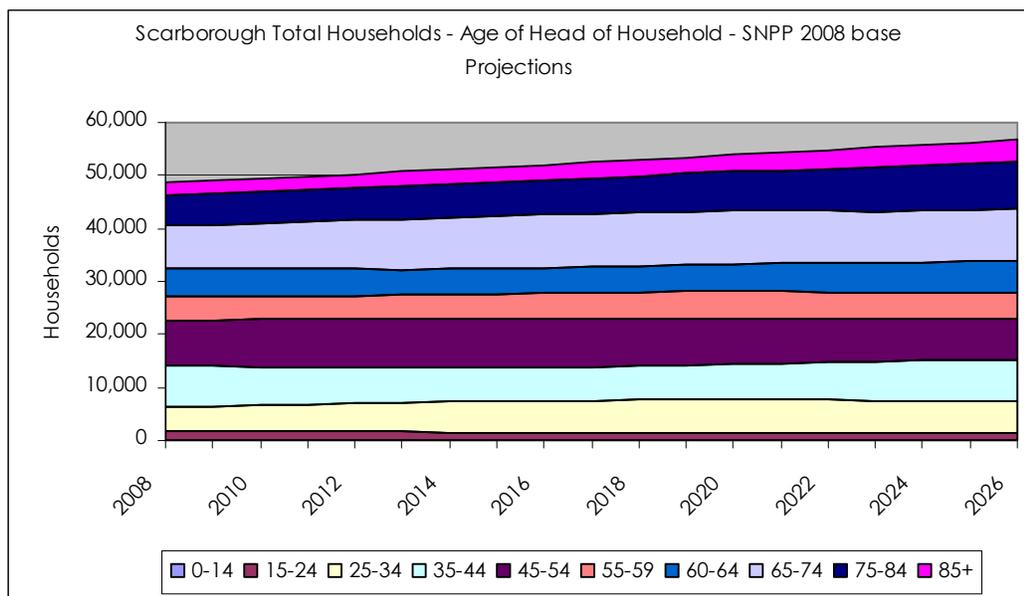
Source: Edge Analytics, 2010, ONS, 2010

- 6.47 Across North Yorkshire, ageing is accentuated with a larger existing elderly population and a net outflow of migrants in the young labour force ages. This trend is reflected in Scarborough with substantial projected increases in all of the older (over 60) age

bands and a reduction in many of the younger age bands, particularly in terms of the female population.

- 6.48 Migration has an important role to play in these trends alongside natural change. The analysis in Section 3 of recent historic migration trends by age showed a sustained net out migration of people aged between 15 and 34 but an increase in people of older age groups. The impact of this trend in the future would be significant.
- 6.49 Modelling these population changes through to households highlights the impact of demographic change on the ages of households which are projected to be in place in 2026. The following chart displays the projected trajectory for Scarborough.

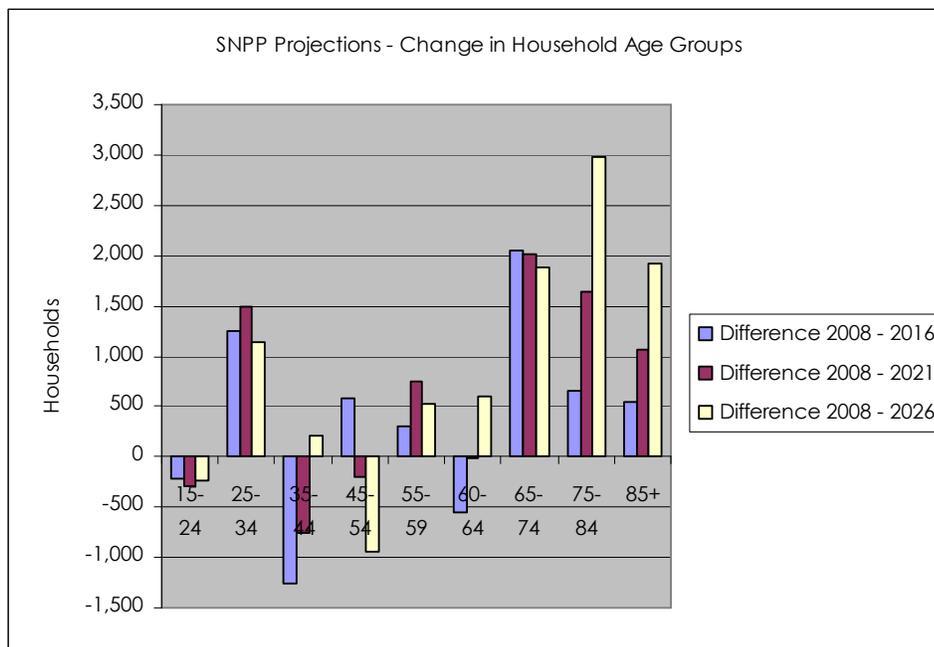
Figure 6.8: Projected Household Change by age of Head of Household 2008 – 2026 – SNPP Core Scenario 1



Source: ONS / DCLG, 2010, Edge Analytics, 2010, GVA, 2010

- 6.50 The different levels of change over the short, medium and long-term are displayed in the chart below for Scarborough.

Figure 6. 9: Projected households by age of head of household – Individual Age Bands – SNPP (Core Scenario 1)



Source: ONS/DCLG, 2010, Edge Analytics, 2010, GVA, 2010

- 6.51 The age group 25 – 34 is projected to grow significantly under all of the time periods. This is particularly dynamic age band in terms of the housing market. Households with a head of household of this age are particularly likely to be active within the market as their household circumstances change. They are also most likely, certainly within the current market, to be active in a range of tenures including the private rental market and potentially experience challenges in being able to access the owner-occupier market as a first time buyer.
- 6.52 Significantly though the age band 45-54 is projected to decrease significantly between 2008 and 2026 despite a modest increase until 2016.
- 6.53 The growth in older person households, as with other authorities across North Yorkshire, also represents a significant contribution to the changing profile.
- 6.54 The absolute numbers, in terms of the changes by age of household (head of household) over the various periods are shown in the following table.

Figure 6.10: Projected Change in the Age Profile of Households 2008 – 2026 (Core Scenario 1 SNPP)

Household Age Band	Scarborough - SNPP 2008 Base Core Scenario							
	Number of Households 2008	Number of Households 2016	Number of Households 2021	Number of Households 2026	Difference 2008 - 2016	Difference 2008 - 2021	Difference 2008 - 2026	% Change 2008 - 2026
0-14	0	0	0	0	0	0	0	n/a
15-24	1,704	1,484	1,405	1,474	-220	-299	-230	-14%
25-34	4,723	5,978	6,222	5,867	1,255	1,499	1,144	24%
35-44	7,661	6,405	6,900	7,876	-1,256	-761	215	3%
45-54	8,585	9,175	8,385	7,634	590	-200	-951	-11%
55-59	4,451	4,752	5,208	4,982	301	757	531	12%
60-64	5,306	4,755	5,298	5,915	-551	-8	609	11%
65-74	7,991	10,040	10,012	9,873	2,049	2,021	1,882	24%
75-84	5,906	6,553	7,543	8,893	647	1,637	2,987	51%
85+	2,342	2,877	3,404	4,260	535	1,062	1,918	82%
Total	48,669	52,019	54,376	56,773	3,350	5,707	8,105	17%

Source: Edge Analytics, 2010, GVA, 2010, ONS/DCLG, 2010

6.55 The changing demographic profile and the age structure have an impact on the types of households which are projected to form. The CLG uses 17 classifications as presented for the current profile in Section 3, however, these have been brought together under four groupings. The following table shows the projected change in household types between 2008 and 2026 for all of the authorities under both the SNPP Core Scenario 1 and the Natural Change Scenario (Core Scenario 2). This is preceded by a more detailed table showing the change by the full 17 classification under Core Scenario only.

Figure 6.11: Projected changes in household types 2008 – 2026, SNPP (Core Scenario 1)

Broad Household Type	Scenario	Household Change 2008 - 2026								
		Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	Selby	York	North Yorkshire
One Person Household	SNPP	2,910	3,636	8,789	1,938	2,938	5,996	3,733	12,154	42,093
	Natural Change	1,534	2,770	6,074	1,595	2,021	3,398	2,603	10,434	30,429
Couple Household or Mixed Adult Household	SNPP	3,116	2,459	6,601	1,476	1,783	2,276	4,322	6,440	28,472
	Natural Change	910	888	4,248	755	-7	-763	2,471	3,920	12,421
Family Household (Adults and Children)	SNPP	-194	-60	389	559	59	12	1,232	3,906	5,903
	Natural Change	-1,561	-1,363	-3,181	560	-1,033	-1,090	-1,672	3,298	-6,043
Other Households	SNPP	-186	-165	-255	303	-159	-179	56	1,037	453
	Natural Change	-267	-148	-376	253	-214	-317	13	-1,247	-2,304

Source: Edge Analytics, 2010, GVA, 2010, ONS / DCLG, 2010

Figure 6.12: Projected Change in Household Types 2008 – 2026, SNPP Core Scenario 1

Household Type	Description	Scarborough Household Change - SNPP Projections					
		2008	2011	2016	2026	Change 2008 – 2016	Change 2008 - 2026
OPMAL	One person households: Male	7,309	7,930	8,939	11,167	1,630	3,858
OPFEM	One person households: Female	10,109	10,387	10,910	12,246	801	2,137
FAM C0	One family and no others: Couple: No dependent children	15,781	16,544	17,710	19,208	1,929	3,427
FAM C1	One family and no others: Couple: 1 dependent child	2,343	2,307	2,294	2,184	-49	-159
FAM C2	One family and no others: Couple: 2 dependent children	2,815	2,629	2,418	2,114	-397	-701
FAM C3	One family and no others: Couple: 3+ dependent children	1,492	1,470	1,465	1,698	-27	206
FAM L1	One family and no others: Lone parent: 1 dependent child	1,584	1,682	1,869	2,229	285	645
FAM L2	One family and no others: Lone parent: 2 dependent children	942	966	1,027	1,174	85	232
FAM L3	One family and no others: Lone parent: 3+ dependent children	418	451	521	656	103	238
MIX C0	A couple and one or more other adults: No dependent children	2,487	2,262	1,913	1,336	-574	-1,151
MIX C1	A couple and one or more other adults: 1 dependent child	614	535	440	332	-174	-282
MIX C2	A couple and one or more other adults: 2 dependent children	257	228	194	134	-63	-123
MIX C3	A couple and one or more other adults: 3+ dependent children	139	132	127	118	-12	-21
MIX L1	A lone parent and one or more other adults: 1 dependent child	229	207	185	175	-44	-54
MIX L2	A lone parent and one or more other adults: 2 dependent children	89	90	92	94	3	5
MIX L3	A lone parent and one or more other adults: 3+ dependent children	57	60	65	83	8	26
OTHHH	Other households	2,004	1,933	1,848	1,825	-156	-179
Total	Total	48,669	49,814	52,019	56,774	3,350	8,105

Source: Edge Analytics, 2010, GVA, 2010, ONS/DCLG, 2010

- 6.56 Scarborough is projected to have a substantial increase in single person households under both the Natural Change and SNPP scenarios. Even under the Natural Change scenario the authority is projected to see an uplift of almost 3,400 single person households which represents a significant demographic and household type shift. Within Scarborough under the SNPP scenario the authority is projected to see a substantial increase in couple households, with this reversed under the Natural Change scenario. Levels of family households under both scenarios are projected to be very low, with the Natural Change scenario actually showing a significant projected decrease in the number of family households. Looking at the breakdown in more detail under the SNPP scenario there is a projected growth in lone parent households, further showing the scale of decline of couple/family households projected.
- 6.57 The following sub-section uses the 2011 Household Survey data to understand in more detail the sizes of property likely to be required over the short-term with the above trends influencing requirements over the longer term.

Housing Requirements by Property Type / Size

- 6.58 This section presents a long-term projection of the sizes of housing likely to be required to create a more sustainable balance within the housing market in Scarborough. Section 7 examines in detail the specific sizes of affordable housing required for those households in need, as per the DCLG Guidance (Output 7). The analysis within this section goes beyond the scope of the DCLG Guidance but provides headline analysis of the sizes of housing required across all tenures over the longer-term. This takes into account, for example, the changing household type profile for each authority presented earlier in the section and the current expectations of different components of the housing market set in the context of the existing stock, as analysed in Section 4.
- 6.59 In considering the projected long-term changes to the profile of households, the following key conclusions represent an important context to the likely size of housing which will be required in the future:
- A growth in absolute terms and proportional terms of older person households - the vast majority of which make-up single person or couple households;
 - A significant decline in households aged 45 – 54 between 2008 and 2026. This household age group represents the age-band most likely to represent established families, with the projections showing a marked decline in family households across the authority. This has an impact both in terms of the size of the property required and also the importance of functional links between home and employment as highlighted through the employment-constrained scenario;

- Significant in the number of households with a head of household aged between 25-34 with this group likely to include a significant proportion of potential first time buyers and renters looking for smaller properties; and
 - The current stock profile and recent trends in development. The analysis in Section 4 presented data showing that Scarborough's stock profile differs from other parts of North Yorkshire with a greater representation of flatted and terraced properties, reflected in the fact that the stock is predominantly smaller compared to North Yorkshire and national averages.
- 6.60 The growth in single person and couple households in particular would point, in the longer-term, to a high level of demand for smaller properties located in close proximity to key services and transport networks. This represents an important challenge for spatial planning policy and the future distribution of housing.
- 6.61 Significantly though it is important to take account of the aspirations and expectations of households regarding residential property. The following table draws from the 2011 Household Survey. This highlights the expectations of households within Scarborough, by broad household type, planning to move over the next two years regarding the types of property they would be looking to move into.

Figure 6.13: House size expectations of households looking to move in the next two years

	Households wanting to move in the next 2 years - Expectations by property size				
	Studio / 1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	Total
Authority: Scarborough					
Single person households	18.6%	72.6%	8.0%	.8%	100.0%
Single Parent Families	.0%	23.8%	36.1%	40.1%	100.0%
Couple only households	6.8%	65.9%	23.9%	3.3%	100.0%
Couple households with no dependent children but other occupants	.0%	11.9%	77.3%	10.8%	100.0%
Families (Couples with dependent children)	.0%	4.8%	61.0%	34.2%	100.0%
Other households	2.2%	61.3%	20.5%	16.0%	100.0%
Total	8.0%	51.3%	26.8%	13.9%	100.0%

Source: Household survey 2011

- 6.62 Interestingly this shows a substantial preference for two bedroom properties, particularly amongst single person households, couple only households and other households. There is a relatively healthy level of demand for 3 bedroom properties but a relatively low level of

demand for larger 4+ bedroom properties, with these sought in particular by family households and lone parent households. These trends are likely to reflect, at least in part, the supply profile of the area as noted above and analysed in Section 4.

- 6.63 The table over the page aligns¹⁰ these preferences of households with the types of household forecast to be forming under Core Scenario 1 within Scarborough. This provides an indication of the sizes of properties required in order to match the changing household profile of the authority.

¹⁰ The following table illustrates that ONS household classifications have been aligned with the 2011 Household Survey dataset. Note: the assumption has been made based on the way in which the survey household types are disaggregated that lone parent households with other adults in the household are classified as 'other households' (these households make up a very low proportion of projected new households).

Figure 6.14: Household Types change 2008 – 2026 under Core Scenario 1 aligned with the 2011 Household Survey Household Expectations (Cumulative count of individual authority figures)

Authority: Scarborough		Household Type (link to 2011 Survey classifications of households)	Core Scenario 1 - Sub-National Population Projections (Figures below are households - change 2008 - 2026)				
Household Type	Description		Studio / Bedsit	One Bedroom	Two bedrooms	Three bedrooms	Four + bedrooms
OPMAL	One person households: Male	Single person households	0	718	2,800	310	30
OPFEM	One person households: Female	Single person households	0	398	1,551	172	17
FAMC0	One family and no others: Couple: No dependent children	Couple only households	0	234	2,260	818	114
FAMC1	One family and no others: Couple: 1 dependent child	Families (Couples with dependent children)	0	0	-8	-97	-54
FAMC2	One family and no others: Couple: 2 dependent children	Families (Couples with dependent children)	0	0	-34	-428	-239
FAMC3	One family and no others: Couple: 3+ dependent children	Families (Couples with dependent children)	0	0	10	126	70
FAML1	One family and no others: Lone parent: 1 dependent child	Single Parent Families	0	0	153	233	259
FAML2	One family and no others: Lone parent: 2 dependent children	Single Parent Families	0	0	55	84	93
FAML3	One family and no others: Lone parent: 3+ dependent children	Single Parent Families	0	0	57	86	96
MIX C0	A couple and one or more other adults: No dependent children	Couple households with no dependent children but other occupants	0	0	-137	-889	-125
MIX C1	A couple and one or more other adults: 1 dependent child	Families (Couples with dependent children)	0	0	-14	-172	-96
MIX C2	A couple and one or more other adults: 2 dependent children	Families (Couples with dependent children)	0	0	-6	-75	-42

MIX C3	A couple and one or more other adults: 3+ dependent children	Families (Couples with dependent children)	0	0	-1	-13	-7
MIX L1	A lone parent and one or more other adults: 1 dependent child	Other households	0	-1	-33	-11	-9
MIX L2	A lone parent and one or more other adults: 2 dependent children	Other households	0	0	3	1	1
MIX L3	A lone parent and one or more other adults: 3+ dependent children	Other households	0	1	16	5	4
OTHHH	Other households	Other households	0	-4	-110	-37	-29
Total			0	1,346	6,563	113	83
Proportion (%)			0%	17%	81%	1%	1%

Source: Household Survey, GVA, Edge Analytics, 2011

- 6.64 Scarborough stands out when compared to the other authorities across North Yorkshire as showing a very high % of demand for properties with two bedrooms or less. When considering the analysis this is slightly misleading.
- 6.65 In Scarborough whilst there was a slightly higher preference for households to expect to live in a smaller property type in the majority of household types it is the projected change in household types going forward which drives this result. There is a registered absolute gross positive demand of over 1,400 households expecting to live in larger 3 and 4 bedroom properties forward to 2026. However, this is offset by the significant projected falls in family and adult multi-occupancy households who are projected to also choose to live in this property size therefore resulting in a very small overall net figure. The assumption being that the reduction of these household types, who are likely based on expectations to live in 3 and 4 bedroom properties will free these types of properties up for the newly forming couple and single person households expecting to live in larger properties
- 6.66 This also links back to a number of the outputs of the demographic projections with growth largely limited to older person households and households aged between 25 and 34, both of which are more likely to require smaller properties. In addition the projected decrease in family households and the increase in lone-parent households also have had an impact on the overall size requirements calculated above. Careful consideration is required in terms of balancing up these long-term trends with the stock available currently across the authority.

Bringing the Evidence Together

- 6.67 The beginning of this section summarised the key conclusions arrived at in terms of future household change within the North Yorkshire SHMA report. The analysis presented within this section has provided a greater level of detail regarding the impact of projections of household change within Scarborough in terms of overall demand for housing as well as the sizes of housing which are likely to face greatest pressure. In drawing this section together the following conclusions stand out in relation to Scarborough:
- The authority is projected to grow significantly in terms of its population and the number of households under the SNPP scenario, with International and internal migration the key drivers of growth. Under the hypothetical Natural Change scenario the population is projected to decrease sharply. The North Yorkshire SHMA highlights the potential issues associated with this trend based projection of growth of international migrants as part of the sensitivity analysis. Under the employment-constrained scenario the authority is projected to grow at a

considerably greater than the SNPP as a result of a projected long-term decline in the working age population and a forecast increase in employment opportunities.

- In terms of household growth the population projections translate into an annual average level of household growth of 450 per annum under the SNPP, with this growing to just over 580 per annum under the employment constrained scenario.
- The detailed analysis of the changing demographic and household type profile of the population coupled with the expectations of households looking to move in the near future from the 2011 Household Survey, identified a very skewed future demand towards smaller property sizes. The results of this analysis are largely influenced by key demographic trends within the authority with households expressing similar expectations for different property sizes as other authorities. Based on the analysis a careful balance between existing stock and future demand is required if current demographic trends are sustained.

7. Housing Need

The preceding sections have identified that, in terms of both the operation of the current market and the future direction of travel projected, affordability issues are a key factor for Scarborough. A detailed examination of the short-term level of households in affordable housing need is therefore of importance for this research.

As set out in PPS3, housing need is defined as 'the quantity of housing required for households who are unable to access suitable housing without financial assistance'.

In line with the CLG Guidance this section assesses need under a series of stages, to arrive at a short-term (five years) assessment of the level of need for affordable housing within the authority. These stages include; current need, future need and the supply of affordable housing available.

The role of both intermediate and social rented tenures (both classified as affordable), as well as the new emerging Affordable Rent product, is explored in relation to the financial capacity of those households identified as in need currently.

As with preceding Sections the information presented here should be read alongside the North Yorkshire SHMA report. The sensitivity analysis included within Section 8 is not replicated in this section; however, further analysis is included of the levels of housing need at a sub-local authority area.

Research findings relate directly to:

- *Core Output 4: Estimate of households in housing need*
- *Core Output 5: Estimate of future households requiring affordable housing*
- *Core Output 7: Estimate of the size of affordable housing required*

- 7.1 Housing affordability has, over the last decade, become a well recognised challenge to the operation of the housing market. The ability of households to access housing in which they aspire to live, and are indeed able to afford, is fundamental in ensuring that the borough's stated housing objectives are achieved.

- 7.2 The Coalition Government is starting to release new components of its reform to the planning system. The draft National Planning Policy Framework (NPPF) (July 2011)¹¹ continues to highlight the importance of Local Planning Authorities setting realistic and deliverable affordable housing targets through planning policy, with the expectation that these targets will be met in full through an enabling planning system.
- 7.3 Emphasis is very much being placed on Local Planning Authorities delivering the number of affordable homes that are evidenced as being needed within their Strategic Housing Market Assessments. This is both reflective of the changing political and market context, where meeting 'local' housing requirements is becoming increasingly important and is equally challenging due to the current economic and housing market conditions.
- 7.4 It is therefore vital that Local Planning Authorities undertake a robust and evidenced approach in assessing affordable housing need within their authorities – in line with the CLG SHMA Guidance (August 2007). The analysis within this section follows this general principle and recognises the increasing pressures on establishing both realistic assessments of need and the wider challenges of delivery of non-market housing in the current property and economic climate.
- 7.5 Whilst this is an important starting point nationally looking at demand by tenure, whilst housing supply has been falling, the need for affordable housing has clearly increased. There are three core elements of future need for affordable housing:
- Backlog – There is a range or spectrum of 'need', from those in urgent need of housing, to those who are living in overcrowded or substandard homes, and those who would like social housing but are not in urgent need of re-housing.
 - Short-term need – Social housing need is likely to see a peak over the next few years, as the recession impacts on the ability of households to access either private rented accommodation or to service mortgages.
 - Long-term need – Demographics, housing market trends and employment forecasts examined in the preceding section have set out suggested overall levels of demand for housing. Considering how affordable housing will feature in this demand is important.
- 7.6 It is important to recognise that these delivery challenges are likely to represent a challenge over a number of years based upon the current financial and property
-

¹¹ Draft National Planning Policy Framework (July 2011) CLG

climate. Whilst the analysis in this section presents an assessment of the levels of affordable housing required to address future needs, in reality a proportion of these needs could be met through alternative approaches depending on the availability of public funding. This is an issue touched upon within this section and considered through other sections of the report. Further detail is also provided within the North Yorkshire SHMA report.

Defining Affordable Housing Needs

- 7.7 'Housing need' refers to households who lack their own housing or live in unsuitable housing and who cannot afford to meet their needs in the market. It is for those in housing need (i.e. those who cannot meet their housing requirements in the private sector) that the state needs to intervene in the market to ensure that all households have access to suitable housing.
- 7.8 The calculation of housing need over the next five years presented within this Section **should be considered separately to the long-term projection of population and household change presented in Section 6**. The long-term demand trends have not been used to directly inform the calculation of need, with the 2011 Housing Survey forming the key source of information given the greater detail it provides of the immediate and short-term dynamics of the housing market.
- 7.9 Establishing an estimation of the level of current and future housing need ensures that policy aimed at providing new affordable housing is responsive to the needs of households within the authority.
- 7.10 PPS3 defines affordable housing as follows:
- Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:
 - Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and house prices.
 - Include provision for the home to remain at an affordable price for future eligible households, or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.
- 7.11 Nationally looking at indicators of demand by tenure, whilst housing supply has been falling, the need for affordable housing has clearly increased. There are two core

elements of establishing the current and short-term future levels of need for affordable housing:

- Backlog – At the current point in time as a result of sustained affordability issues over a number of years the majority of areas have an existing 'backlog' of households classified as in need. This backlog can be considered to be made up a range of types of household in 'need', from those in urgent need of housing i.e. without a current permanent home, to those who are living in overcrowded or substandard homes, and those who have an aspiration to live in non-market housing but are not in urgent need of re-housing.
- Future need – The sustained need for affordable housing is driven by a range of factors. As with market housing there is an underlying level of demand as new households form and require a property. In the context of the current economy and the housing market a significant proportion of these newly forming households face significant challenges in gaining entry to market housing therefore driving demand for affordable housing. In addition to new households existing households also represent a driver of housing need. As a result of any number of factors households circumstances can change resulting in their current housing situation no longer being appropriate. It is more than likely that need for social housing is likely to continue to be high or indeed grow further over the next few years, as the recession impacts on the financial circumstances of households and therefore their ability to access either private rented accommodation or to service existing mortgages.

7.12 As the analysis in the preceding section illustrates over the long-term demographic and economic factors will continue to place increasing pressures on the existing supply of housing, with new stock required in order to maintain the long-term balance between demand and supply. Based on the short-term factors considered above and the nature of this growth in households, with this included younger households as well as a large proportion of older households, it is likely that a proportion of these households will require affordable housing. Whilst the analysis within this section focuses on the short-term this long-term sustained demand represents an important challenge and context for the interpretation of the findings and conclusions of this Section.

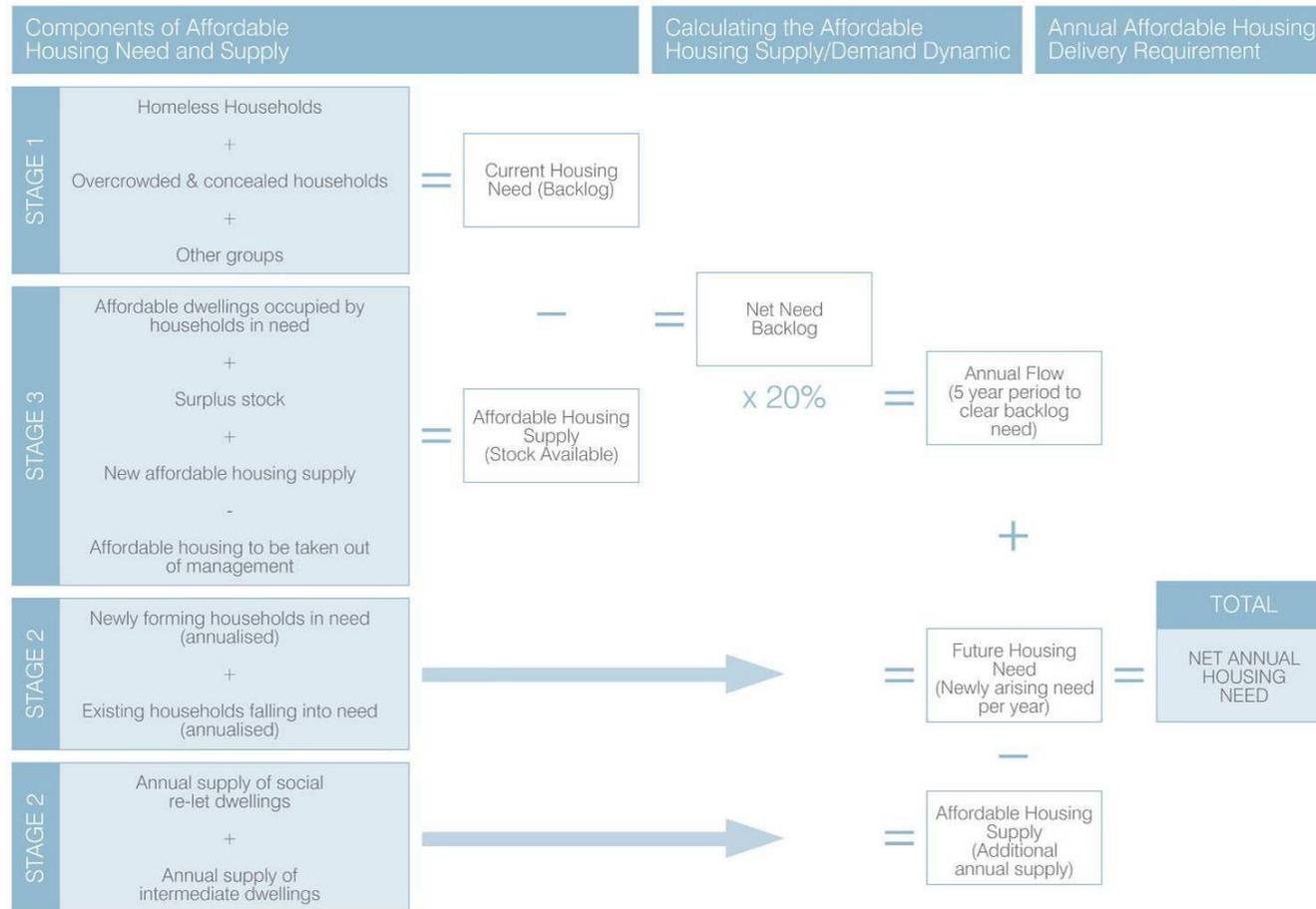
The Housing Need Calculation – CLG Stepped Model

7.13 The model adopted is structured around four key stages which are consistent with the CLG SHMA Guidance and are used to assess the overall surplus or shortfall of affordable housing. These are:

- Existing Need
- Newly-arising Need
- Supply of Affordable Units
- Total Housing Need (Net Annual)

7.14 To summarise the process, the estimated net annual level of housing need is calculated through the assessment of the difference between the annual supply of affordable housing units and 'need' for them (arising from the backlog which has built up and that which is expected to arise). A key feature of the model is that both need and supply are considered in terms of annual flows. The final element of the analysis is the identification of the Total Housing Need (Net Annual). The process is illustrated in a flow diagram, presented overleaf.

Figure 7.1 Housing Needs Calculation – Flow Diagram



Source: GVA, 2011

- 7.15 The calculation of affordable housing need is therefore intended to provide a short-term assessment to estimate the volume of affordable housing required on an annual basis to meet of need across a 5-year period. This conforms to the CLG SHMA Guidance¹², which states:

'Partnerships should avoid using a period of less than five years in which to meet unmet current need. If a five-year period is used, this means that 20 per cent of current unmet need should be addressed each year. The output of this should be an annual quota of households who should have their needs addressed'.

Previous Assessment of Need

- 7.16 Scarborough Borough Council previously identified housing need in 2007 in the Sub-Regional Housing Market Assessment for Scarborough Borough. The Scarborough HMA pre-dates the latest CLG SHMA Guidance (August 2007), instead following the previous ODPM Guidance.
- 7.17 The 2007 HMA identifies the shortfall of affordable housing between 2007 and 2012 to be 640 units per annum. This is broken down as follows:
- 3186 of existing households in Scarborough are in housing need, with 2,463 households unable to afford open market solutions to their housing need;
 - 477 households were anticipated to form per annum. Of these 447 households, 405 cannot afford to rent privately or buy on the open market.
 - Each year 122 existing households are expected to fall in housing need and 58 in migrant households are anticipated to be in housing need. Consequently total newly arising housing need is 585 units per annum, when newly forming households (447) are also taken into consideration.
 - Supply- 326 units of social rented dwellings and 8 units of intermediate tenure dwellings per annum are calculated as coming available to re-let to a household in housing need each year.

¹² SHMA Practice Guidance Version 2 (August 2007) CLG p.52

Current Housing Need

Stage 1: Existing Need (Gross Backlog)

- 7.18 Stage 1 considers the suitability of housing as well as households' ability to afford market housing, and also accounts for homeless households in arriving at a total current need for affordable housing. This represents the 'backlog' of households in need at present, and is termed 'gross' due to the capability of housing supply to meet need being tested subsequently in Stage 3.

Step 1.1: Homeless Households and Households in Temporary Accommodation

- 7.19 The CLG SHMA guidance requires that information on homeless households in priority need and households who are currently housed in temporary accommodation should be included within an assessment of backlog need. The scale of need from these types of household can be calculated utilising the local authority's P1 (E) returns to Government. Both the CLG and ONS publish annual figures recorded for homeless households accepted by the local authority as being in priority need, and for those households who are currently housed in temporary accommodation. In this case, each of the North Yorkshire Council's was able to provide the latest figures for the 31st March 2011, in advance of their publishing by CLG and ONS. This places the number of homeless households and those households in temporary accommodation in Scarborough at 67.

Step 1.2: Overcrowded and Concealed Households

- 7.20 The number of, and degree to which, households are overcrowded is calculated by utilising the 'bedroom standard', which is applied to all households sampled within the primary household survey. This process allocates a standard number of bedrooms to each household, in accordance with its size, composition and relationships between members.
- 7.21 Through applying this standard indicator of household occupation density, a separate bedroom is allocated to each married or cohabiting couple, any other person aged 21 or over, each pair of adolescents aged 10 - 20 of the same sex, and each pair of children under 10. Any unpaired person aged 10 - 20 is paired, if possible with a child under 10 of the same sex, or, if that is not possible, he or she is given a separate bedroom, as is any unpaired child under 10.
- 7.22 This standard is then compared with the actual number of bedrooms (including bed-sitters) available for the sole use of the household, and differences (i.e. shortfall or

surplus) are calculated. Analysis indicates that there are currently 2,150 overcrowded households¹³.

7.23 The number of concealed households is calculated through analysis of the number of households that, within the primary household survey, declared that they share a kitchen, bathroom or WC with another household (i.e. couples, people with children and single adults over 25). The number of concealed households is therefore estimated in Step 1.3 as a measure of unsuitability and is therefore excluded from Step 1.2 to avoid duplication.

Step 1.3: Other Groups

7.24 Within 'other groups' the analysis has included households sampled within the primary household survey considered to be in unsuitable accommodation based on meeting at least one of the unsuitability factors, and where an in-situ solution is not identifiable, in line with the CLG Guidance. The figures calculated during Step 1.1 to 1.3 are summarised in the following figure:

Figure 7.2: 'Other Groups' in Unsuitable Housing

Category	Factor	No. Households
Homeless households or insecure tenure	Homeless households	see Step 1.1
	Accommodation too expensive / rent or mortgage payments are too high	10,138
	Under real threat of notice / notice of eviction/re-possession or lease ending	556
Mismatch of housing need and dwellings	Overcrowded according to the 'bedroom standard' model	see Step 1.2
	Too difficult to maintain	3,874
	Sharing a kitchen, bathroom or WC with another household	547
	Households containing people with specific needs living in unsuitable dwelling, which cannot be made suitable in-situ	701
Dwelling amenities and condition	Lacking basic facilities - bathroom/toilet/kitchen	180
	Subject to major disrepair or unfitness	2,242
Social needs	Harassment from others living in the vicinity which cannot be resolved except through a move	907

Source: Primary Household Survey

7.25 It is important to note that households can display multiple unsuitability factors and that the totalling of each of the categories does not therefore equate to the total households within unsuitable housing.

¹³ Note: The overcrowding figure utilised in the affordable housing need assessment is not directly comparable to that presented in Section 4 due to rounding occurring during the survey weighting process.

- 7.26 Care has therefore been taken to avoid the double-counting of households with those identified in previous steps, and in progressing to Step 1.4.
- 7.27 Section 9 of the North Yorkshire SHMA report looks in greater detail at the specific support needs of elderly households, which form an important part of this backlog of need. It is important that meeting their specific needs continues to be prioritised alongside the provision of new affordable housing as a means of addressing current housing need challenges.

Step 1.4: Total Current Housing Need (Gross) and Affordability

- 7.28 In calculating the total current housing need (gross) through Steps 1.1-1.3, it is necessary to estimate the financial capacity of households to afford open market (private sector) housing either to buy or rent. This calculation is taken on households in need, as identified through the primary household survey.
- 7.29 Household's financial capacity is calculated by generating an 'affordability threshold', which takes into account a household's income, equity and savings. Household income is based on 3.5x gross annual income for single-occupant (adults) households and 2.9x gross annual income for multi-occupant (dual income) households (this is the approach recommended within the CLG Guidance). The analysis underpinning this approach is presented in Section 5. **Further detail is also provided in the section considering affordability benchmarking within the North Yorkshire SHMA report (Section 6).**
- 7.30 Household's financial capacity is then tested against lower quartile house prices¹⁴ and calculation of property size requirements. Households are required to have sufficient savings or equity to afford a deposit equivalent to 10% of the lower quartile house price¹⁵. This is demonstrated through the following equation:
- $$\text{Lower quartile house price} - (\text{gross household income} * 3.5 \text{ or } * 2.9) + (\text{savings} + \text{equity})$$
- 7.31 Households were subsequently tested on their financial capacity to afford private rental property, based on lower quartile rental prices as at April 2011 across the borough's sub-market areas. Spending on housing (mortgage / rent) is assumed to equate to a maximum of 25% of household income per annum. This is demonstrated through the following equation:

¹⁴ Calculated through property transactions within the borough, and its sub-market areas, over the period June 2009 – June 2010. Refer to Section 6 for expanded analysis.

¹⁵ Note: A 10% deposit is seen as the appropriate level for testing affordability given the increasing availability over the past 12 months of 10% mortgage offers by lenders to first-time buyers. It is anticipated that this trend will increase over the lifetime of this assessment (i.e. the next 5 years).

Lower quartile rental cost – (gross household income*25%) + (savings + equity)

- 7.32 This process represents an objective test. It does not take account of the availability of stock classified as 'affordable' (lower quartile market or rental housing). As outlined in the analysis of the stock profile of the authorities in Section 5 of the North Yorkshire SHMA report, the amount of private rented properties varies across each of the authorities and at a sub-local authority level. In housing markets and/or authorities where the balance between supply and demand is significantly out of balance the result is likely to be an even greater level of backlog need as households are not, despite their earnings and savings able to move into 'affordable' market properties in their area as a result of a lack of supply. This is an important consideration in interpreting the level of housing need identified both within Stage 1 of the calculation and Stage 4.
- 7.33 In summary, of the households identified during Stage 1, a total of 2,292 could not afford to move in the open market to meet their housing needs.
- 7.34 It is important to note that this analysis of the 'backlog' of households in affordable housing need represents a 'moderate' assessment, which takes into account whether households identified within Steps 1.2 – 1.4 stated within the household survey that they have a requirement to move home.
- 7.35 It is felt that the 'moderate' methodology is most appropriate for use for the purposes of this assessment given that this takes into account those households with a recognised need to move home (and therefore generate a need for a dwelling). However, it is important to note that in reality the backlog of need is likely to be even greater than that presented within this assessment if a broader definition is adopted.

Meeting Current Household Needs in Situ

- 7.36 Whilst households are identified as being in need within Stage 1 on the basis of the unsuitable housing criteria presented above, as well as the affordability test, a proportion of these households potentially could be 'brought out of' need through investment and improvements to their existing property to bring about 'in-situ solutions' or through public sector grants to provide financial or other forms of support. This action has the potential to reduce the number of households in current housing need (backlog) at Stage 1.4, by meeting a household's needs in their current home and therefore removing a requirement for a move to an affordable home.
- 7.37 In line with the current CLG SHMA Guidance (August 2007) **estimation of this proportion sits outside of the formal assessment of need**. Moreover, calculation within the formal assessment would be inappropriate as potential funding resources are currently limited as a result of national spending cuts. However, to assist the local

authority in understanding the potential application of support services, an estimation of the level of households at Stage 1.4 who could be assisted by such services is presented in the following figure.

Figure 7. 1: Households in Current Need (Step 1.4 – backlog) by Unsuitability Criteria

Category	Factor	No. Households
Homeless households or insecure tenure	Accommodation too expensive	704
	Rent or mortgage payments are too high	675
	Under real threat of notice / notice of eviction/re-possession or lease ending	360
Mismatch of housing need and dwellings	Too difficult to maintain	621
	Sharing a kitchen, bathroom or WC with another household	0
	Households containing people with specific needs living in unsuitable dwelling, which cannot be made suitable in-situ	301
Dwelling amenities and condition	Lacking basic facilities - bathroom/toilet/kitchen	63
	Subject to major disrepair or unfitness	296
Social needs	Harassment from others living in the vicinity which cannot be resolved except through a move	292

Source: Primary Household Survey

- 7.38 Of the 2,292 households identified during Stage 1 whom could not afford to move in the open market to meet their housing needs, it is clear from the analysis presented above that many households demonstrate multiple unsuitability criteria.
- 7.39 The number of households citing that their current accommodation is unaffordable and/or that their rent or mortgage payments are too high clearly represents a major challenge within the current backlog of households in affordable housing need. The ability of households to maintain their current home also presents a considerable issue, as does the prevalence of households who require a move to a home to meet their specific support needs, and those whose homes are subject to major disrepair or unfitness.
- 7.40 Also, older person (elderly) households represented 18% of the 2,292 households identified during Stage 1 whom could not afford to move in the open market to meet their housing needs. Section 9 of the North Yorkshire SHMA report looks in greater detail at the specific support needs of elderly households.

Future Need

Stage 2: Future Housing Need (Net Annual)

- 7.41 Assessing the level of newly-arising need is a critical element of ensuring that the future development and restructuring of affordable housing meets the needs of the population. Two principal categories of arising need are tested; the number of newly-forming households unable to access open market housing, and the number of existing households falling into housing need.

Step 2.1: New Household Formation (Gross per Year)

- 7.42 The estimate of new household formation is calculated based on household formation trends from the previous two years – drawing on the results of the primary household survey. This equates to 381 households. The use of previous trends in household formation to project future formation is the preferred approach cited within the CLG Guidance.
- 7.43 It is important to recognise that this does not draw on the long-term trend based household projections explored in Section 6. Using a short-term trend based approach is considered to better represent the current and immediate (five year) future market conditions. The formation of new households is particularly sensitive to market dynamics and the current context represents a significant step change from market conditions over the preceding market cycles. It is recognised that this is likely to represent a conservative estimate, with evidence suggesting a reduced rate of household formation over the last couple of years. Greater levels of household formation of new households would be likely to further elevate levels of housing need given the propensity of these types of households to require non-market housing compared to other elements of the market.
- 7.44 It is important to highlight that several previous housing needs assessments undertaken for North Yorkshire authorities have taken an approach to considering new household formation that departs from GVA's interpretation of the latest CLG Guidance. This approach calculates new household formation based on the number of persons stating within (previous) household survey's that they expect to move home (e.g. out of their parents/friends/other relatives homes) to create a new household. This approach is therefore not based on actual moves (trend) and is based upon individual's expectations and aspirations, which may or may not result in an actual future move. As a result, this approach potentially has the result of inflating the figure for the number of new households forming, and is not seen as an appropriate approach at this juncture given the prevailing market conditions within which the research is being undertaken. There is very little evidence currently to suggest that

demand trends are going to fundamentally change from the last couple of years over the short-term, with pressures on affordability and accessibility into different tenures likely to be sustained rather than substantially alleviated.

Step 2.2: New Households Unable to Buy or Rent in the Market

- 7.45 The affordability test (as set out in Step 1.4) is applied to households who stated within the household survey that they expect to move to form a new household within the next 5 years (annualised). This measures the capacity of households that expect to move to form a new household to access open market housing and is therefore based on the financial capacity of households that expect to move home in the future. This provides a good steer regarding the levels of finance available to this component of the market in the authority rather than a test of the incomes of households that have moved in the past.
- 7.46 This proportion of households is then applied to the number of new households forming, as established at Step 2.1.
- 7.47 The survey estimates that 49% of newly forming households are unable to access open market housing when subjected to the affordability test in line with the CLG Guidance. This equates to an annual estimate of future housing need arising from newly forming households of 188 dwellings.
- 7.48 Further sensitivities around this element of the analysis are considered within Section 8 of the main North Yorkshire SHMA Report.

Step 2.3: Existing Households Falling into Need

- 7.49 This step provides an estimate of the number of existing households who will fall into housing need. As with steps 2.1 and 2.2, this step of the calculation uses primary data obtained from the primary household survey. As per the CLG Guidance, this data is calculated from past household trends – utilising households who have moved home within the last three years (annualised). Households forming in their last move are excluded from the analysis at this step to avoid duplication of Step 2.1. In addition, households moving between affordable housing tenures are excluded from the analysis at this step as their move would form a transfer and result in no change in the net supply / demand of affordable stock.
- 7.50 The calculation undertaken at Stage 2 results in a gross annual future affordable housing need of 470 dwellings.

Affordable Housing Supply

Stage 3: Affordable Housing Supply

- 7.51 This stage 'balances' the demand analysis undertaken during Stages 1-2, against the available supply of existing stock, and new affordable housing stock committed for development, to meet housing needs.
- 7.52 The existing supply includes:
- Affordable dwellings currently occupied by households in need
 - Surplus affordable housing stock (e.g. vacant dwellings)
- 7.53 The future supply includes:
- Committed supply of new (additional) affordable dwellings
 - Social-rented properties coming available for re-let to new households (annualised)
 - Intermediate properties coming available for re-let / buy to new households (annualised)
- 7.54 Affordable units to be taken out of management (i.e. removed from use) are subtracted from the existing supply position.

Step 3.1: Affordable Dwellings Occupied by Households in Need

- 7.55 This step discounts the number of households already living in affordable housing from the calculation of need, as the movement of such households from one affordable home to another (to meet their needs) will have a nil net effect on the total affordable homes needed (i.e. the affordable home vacated will be released to accommodate another household).
- 7.56 The number of dwellings currently occupied by households in need is established during Stage 1 and equates to 806 households.

Step 3.2: Surplus Stock

- 7.57 It is deemed that the level of vacant affordable housing stock that are classed as long-term vacant, and have the potential to be brought back into use, is zero. Vacant dwellings are only void for a short time where there is a turnover in tenancy. Units to be taken out of management are accounted for separately in Step 3.4.

Step 3.3: Committed Supply of New Affordable Units

- 7.58 The committed future supply of new affordable dwellings that are to be available for letting is drawn from the local authority's HSSA (Housing Strategy Statistical Appendix) return to Government. The figure utilised is the proposed development of both local authority and RSL/HA affordable housing (for social rent) in 2011/12 and equates to 86 dwellings.

Step 3.4: Units to be Taken Out of Management

- 7.59 The number of affordable dwellings that are to be removed the total stock available for letting is taken to be zero.

Step 3.5: Total Affordable Housing Stock Available

- 7.60 This step forms the addition of Steps 3.1 to 3.4 to ascertain the total supply of available social rented units, which can therefore be used to accommodate the current accumulated housing need as identified in Stage 1. This demonstrates that there are an estimated 892 properties to offset the current backlog of gross housing need.

Step 3.6: Future Annual Supply of Social Re-Lets (net)

- 7.61 This step calculates the annual number of social re-lets (net), which therefore only includes lettings to new tenants (to avoid double counting with the transfers counted above) and represents the annual supply of affordable housing available to meet annual future need and in addition to assist in relieving any established backlog. This is calculated from General Needs re-lets for the last available year (2009-10) drawing on the local authority's submission to CORE (the Continuous Online REcording System) and equates to 277 dwellings.

Step 3.7: Future Annual Supply of Intermediate Affordable Housing

- 7.62 Due to the limited level of available stock, the annual supply of intermediate affordable housing available for re-let or resale at sub market levels is taken from the local authority's HSSA (Housing Strategy Statistical Appendix) return. The figure utilised is the planned development of intermediate affordable housing ((shared ownership / shared equity) in 2011/12 and equates to 16 dwellings.

Step 3.8: Future Annual Supply of Affordable Housing Units

- 7.63 This step is the sum of Step 3.6 and 3.7. This therefore represents an estimate of the future annual levels of affordable stock available to meet annually generated housing need. The total future annual supply is estimated to be 293 dwellings.

Stage 4: Total Housing Need – A Shortfall or Surplus of Affordable Housing?

- 7.64 To calculate total housing need the estimated stock of available affordable housing is subtracted from the gross current need for affordable housing (Step 1.4 – Step 3.5). This results in a net current need or backlog of 1,400 dwellings.
- 7.65 Following this, the total current need figure requires conversion to an annual flow. In line with the CLG Guidance, a period of five years is assumed to address backlog need. This necessitates the backlog (Stage 1) figure being divided by five, which provides an annual flow of households requiring their housing needs to be addressed of 280 over this time period.
- 7.66 The final element of the assessment is to add the total newly arising need (per annum) to the annual flow of backlog households requiring their needs addressing (i.e. annual need) and subtract from this the future annual supply of affordable housing. This results in a total net annual housing need of 457 dwellings over a 5 year time frame.

Figure 7. 4: Housing Need Assessment Model

Stage 1 – Current Housing Need (Gross Backlog)		
Step	Methodology / Source	Scarborough
1.1 Number of Homeless households and those in temporary accommodation	Accepted as Homeless and or in temporary accommodation (31st March 2011) - Councils Provided	67
1.2 Number of Overcrowding and concealed households	Tested using 'Bedroom Standard'	2225
1.3 Other Groups	Households living in unsuitable housing subjected to affordability test.	
1.4 Total current housing need (gross) = 1.1 + 1.2 (+1.3)	1.1 + 1.2 (+1.3)	2,292

Stage 2 - Future Housing Need (Annual)		
Step	Methodology / Source	Scarborough
2.1 New Household formation	Household Survey (annualised trend)	381
2.2 Newly forming households in need (annualised)	Household Survey - Newly forming households unable to afford access to private sector housing	49%
2.3 Existing households falling into need	Household Survey - Existing households moving into social rented sector (last 3 years average)	282
2.4 Total newly arising need (gross per year) = (2.1 x 2.2) + 2.3	(2.1 x 2.2) + 2.3	470

Stage 3 - Affordable Housing Supply (Annual)		
Step	Methodology / Source	Scarborough
3.1 Affordable dwellings occupied by households in need	Figure relates to number of households identified in 1.3 which are transfers	806
3.2 Surplus Stock	Taken to be Zero - Linked to Backlog	0
3.3 Committed supply of new affordable housing	LA & RSL Social Rented HSSA (proposed 2011/12) or Councils provided	86
3.4 Units to be taken out of management	Taken to be Zero - unless Council Confirmed Programme of Sales or Demolition	0
3.5 Total affordable housing stock available = 3.1 + 3.2 + 3.3 - 3.4	3.1 + 3.2 + 3.3 - 3.4	892
3.6 Annual supply of social re-lets (last year net)	CORE Lettings Data (General Needs lettings 2009/10)(Excludes transfers) (York - Council Provided)	277
3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub market levels	HSSA (new RSL shared ownership/equity dwellings proposed 2011/12)	16
3.8 Annual supply of affordable housing = 3.6 + 3.7	3.6 + 3.7	293

Stage 4 - Total Housing Need (Net Annual)		
Total net need = 1.4 - 3.5	1.4 - 3.5	1,400
Annual flow (20% of total net need)	20% of total net need (Assume five year period to relieve backlog of need)	280
Net annual housing need = (2.4 + Annual flow) - 3.8	(2.4 + Annual flow) - 3.8	457

National Parks

7.67 The Scarborough net annual affordable housing need calculation includes a proportion of housing need derived from with the North York Moors National Park. Details of this are provided within Appendix 11.

Establishing Housing Need at the Sub-area Scale

7.68 Analysis of affordable housing needs at the local authority scale can disguise the spatial differences in the levels of housing needs manifest below. This section therefore considers the disaggregation of affordable housing needs across the local authorities' sub-areas.

- 7.69 The analysis replicates the stepped methodology as set out above for the local authority, in line with the DCLG SHMA Guidance and is summarised in the following figure. This presents a gross calculation of affordable housing need at the sub-area scale, as the supply of new affordable (social rented and intermediate) dwellings are not disaggregated below the local authority scale and are therefore excluded from the supply-side of analysis. As a result – simple multiplication of the sub-area calculations will not automatically equate to the District-wide net annual housing need figure.
- 7.70 In addition, a ward-level breakdown of affordable housing need is presented in Appendix 12.

Figure 7.5: Sub-area Housing Need Assessment Model

Stage 1 – Current Housing Need (Gross Backlog)							
Step	Methodology / Source	Scarborough Area	Whitby Area	Filey / Hunmanby Area	Western Parishes	Southern Parishes	Northern Parishes
1.1 Number of Homeless households and those in temporary accommodation	<i>Accepted as Homeless and or in temporary accommodation (prior to allocation for housing). CLG Live Tables / ONS (2009/10)</i>	11	11	11	11	11	11
1.2 Number of Overcrowding and concealed households	<i>Tested using 'Bedroom Standard'</i>						
1.3 Other Groups	<i>Households living in unsuitable housing subjected to affordability test. Note: households in social housing (transfers) excluded</i>	680	211	218	147	64	98
1.4 Total current housing need (gross) = 1.1 + 1.2 (+1.3)	1.1 + 1.2 (+1.3)	691	222	229	159	75	109

Stage 2 - Future Housing Need (Annual)							
Step	Methodology / Source	Scarborough Area	Whitby Area	Filey / Hunmanby Area	Western Parishes	Southern Parishes	Northern Parishes
2.1 New Household formation	Household Survey - last 2 years (annualised)	126	151	51	3	24	26
2.2 Newly forming households in need (annualised)	Household Survey - Newly forming households unable to afford access to private sector housing	43%	45%	57%	75%	59%	57%
2.3 Existing households falling into need	3 Years Survey	209	18	0	6	9	39
2.4 Total newly arising need (gross per year) = (2.1 x 2.2) + 2.3	(2.1 x 2.2) + 2.3	262	86	29	9	24	54

Stage 3 - Affordable Housing Supply (Annual)								
Step	Methodology / Source	Scarborough Area	Whitby Area	Filey / Hunmanby Area	Western Parishes	Southern Parishes	Northern Parishes	
3.1 Affordable dwellings occupied by households in need	Figure relates to number of households identified in 1.3 which are transfers - where these have already been discounted	N/A						
3.2 Surplus Stock	Taken to be Zero - Linked to Backlog							
3.3 Committed supply of new affordable housing	LA & RSL Social Rented HSSA (proposed 2011/12)							
3.4 Units to be taken out of management	Taken to be Zero - Linked to Backlog							
3.5 Total affordable housing stock available = 3.1 + 3.2 + 3.3 - 3.4	3.1 + 3.2 + 3.3 - 3.4							
3.6 Annual supply of social re-lets (last year net)	CORE Lettings Data (General Needs Housing - lettings 2009-10)(Excludes transfers)	179	46	26	2	3	28	
3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub market levels	HSSA (new RSL shared ownership/equity dwellings proposed 2011/12)	N/A						
3.8 Annual supply of affordable housing = 3.6 + 3.7	3.6 + 3.7	179	46	26	2	3	28	

Stage 4 - Total Housing Need (Gross Annual)		Scarborough Area	Whitby Area	Filey / Hunmanby Area	Western Parishes	Southern Parishes	Northern Parishes
Total gross need = 1.4 - 3.5	1.4 - 3.5	691	222	229	159	75	109
Annual flow (20% of total need)	20% of total need (Assume five year period to relieve backlog of need)	138	44	46	32	15	22
Gross annual housing need = (2.4 + Annual flow) - 3.8	(2.4 + Annual flow) - 3.8	222	84	49	39	36	48

Intermediate Housing

- 7.71 Intermediate housing products can provide an important role in bridging the gap between social renting and owner-occupation, some of which allow households to 'staircase' towards owner-occupation by renting alongside acquiring equity in their property.
- 7.72 The CLG SHMA Guidance cites that the number of households whose needs could be met by intermediate affordable housing is likely to fluctuate, reflecting the changing relationship between market rents, social rents and incomes alongside the variance in intermediate products available. The latest iteration of PPS 3 (June 2011) provides an updated definition of affordable housing which suggests that intermediate affordable housing includes:
- Shared equity products (e.g. HomeBuy); and
 - Other low cost homes for sale and intermediate rent
- 7.73 Importantly intermediate affordable housing products do not include Affordable Rent housing which is defined as a separate sub-section of Affordable Housing and explored later in this Section. In addition the definition for intermediate affordable housing does not include homes provided by private sector bodies or provided without grant funding that does not meet the definition above, for example, 'low cost market' housing.

Affordability of Intermediate Dwellings

- 7.74 This section considers the potential role of intermediate housing in meeting affordable housing need through analysis of demand for intermediate products and the relative affordability of intermediate products utilising data from the primary household survey.
- 7.75 The primary household survey provides an understanding of the income profile of households currently in housing need. These households have been subjected to the standard affordability test, which has verified that they do not have the financial capacity to access open market housing to meet their requirements.
- 7.76 The following figure reviews what level of equity share (in an intermediate property) could be afforded by existing households in need, with the upper limit of analysis constrained by the lower quartile house price.

Figure 7. 6: Proportions of Households Currently in Housing Need able to Afford Equity Shares in Intermediate Tenure Housing

Scarborough	
% affording equity share of:	Existing Households in Need (%)
£40,000	54%
£50,000	39%
£60,000	15%
£70,000	9%
£80,000	6%
£90,000	2%
£100,000	0%
£110,000	0%
Lower Quartile Price	£112,375

Source: 2011 Household Survey, CLG, 2011

- 7.77 This estimates that approximately 40% of households currently in affordable need could afford a 50% equity stake in an intermediate home at the lower quartile price. This supports the future delivery of affordable housing to meet current need within Scarborough as 60% social rented and 40% intermediate dwellings.
- 7.78 When considering a suitable proportion of intermediate tenure dwellings to be sought as an affordable housing contribution within policy, it is recommended that the economic viability of delivery is also considered in line with the requirements of PPS3. Consideration should therefore be made to the recommendations of the EVA.

The Affordable Rent Model

- 7.79 The Government's Decentralisation and Localism Bill, published in November 2010, included proposals for a new form of affordable housing model – the 'Affordable Rent' model – the objective of which is to enable Registered Providers (RPs) and Housing Associations (HA) to deliver flexible tenancies to social renting households and deliver a greater number of affordable homes.
- 7.80 In June 2011 PPS 3 was reissued to include technical definitions changes in Annex B. As noted in Section 3 this included a new separate entry under 'affordable housing' for 'affordable rented housing'. This defines this affordable housing product as:

“Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80 per cent of the local market rent” (PPS 3, Annex B: Definitions, June 2011)

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- 7.81 In February the Homes and Communities Agency (HCA) published a Framework setting out the details of the new Affordable Homes Programme of investment, inviting Registered Providers to put forward proposals for £2.2bn of funding (out of the overall £4.5bn funding pot) for affordable housing during the 2011-15 Spending Review period. The Framework outlines the changes in affordable housing provision being introduced for 2011-15, and how this new approach will meet the Government's ambition to deliver up to 150,000 new homes over the next four years.
- 7.82 The Affordable Rent model is key to this programme – aiming to provide a more flexible form of social housing that will allow providers to charge up to 80% of market rent on properties, with the potential to increase RP/HA revenues and reduce the level of Government investment in affordable homes. As part of the new funding offer, providers will also have the flexibility to convert a proportion of their social rented homes to Affordable Rent as part of a package agreed by the HCA.
- 7.83 It will therefore be important for the Council to work with local RPs and HA's to agree the appropriate level of Affordable Rent for the local area to meet the optimum level of affordable housing need (as well as the provider's revenue priorities). The following section considers what level Affordable Rent could be capped at within the authority.

Affordability of Affordable Rent Dwellings

- 7.84 This section considers the potential role of Affordable Rent housing in meeting affordable housing need through analysis of the relative affordability of Affordable Rent products utilising data from the primary household survey and secondary sourced private rental data (as presented in section 6), and the Regulatory and Statistical Returns (RSR) survey 2010¹⁶.
- 7.85 The 2010 household survey provides an illustration of the income profile of households currently in housing need¹⁷. The following figure demonstrates the cost differentials between open market rent, Affordable Rent (80%, 70% and 60% of open market) and social rents¹⁸.
- 7.86 The analysis demonstrates that there is a negative differential in cost between the social rent and Affordable Rent tenure, charged at 60% of market rent for 1 bedroom and 2 bedroom properties in Scarborough. There is also a negative differential in

¹⁶ <https://rsr.tenantservicesauthority.org/?AspxAutoDetectCookieSupport=1>

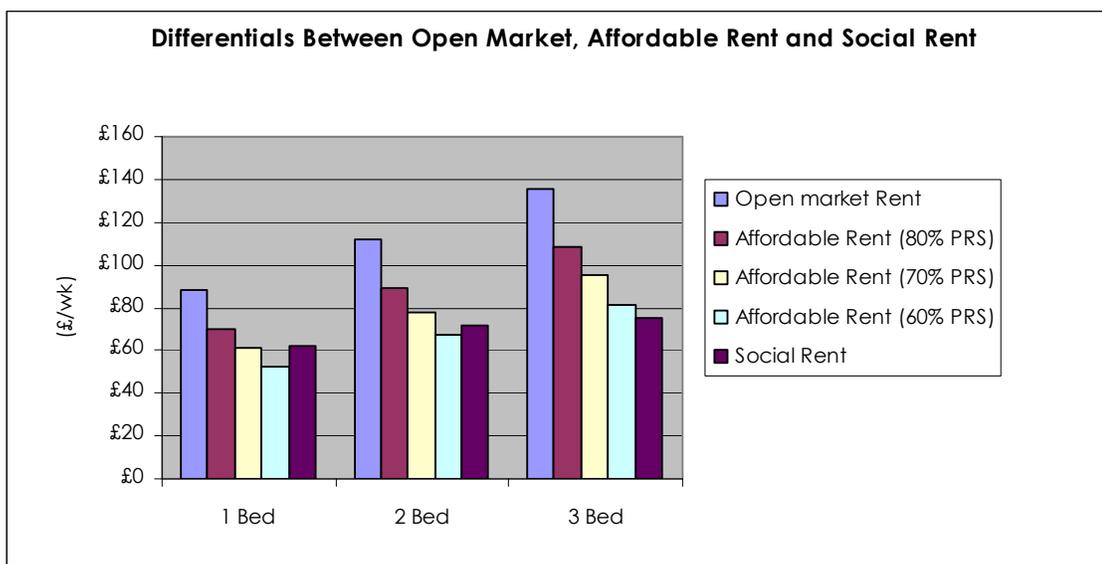
¹⁷ As calculated at Step 1.4 of the housing needs assessment model. Note also that this analysis does not take into account the property size requirement of the household in need (i.e. Bedroom Standard), and is purely testing affordability.

¹⁸ The social rental prices are drawn from the RSR 'Gross Rents' for each property size (by bedrooms) at the local authority average (of all RP's) from the survey.

charging at 70% of market rent for 1 bedroom properties. This indicates that charging at these levels would not result in a viable proposition (as it would be unlikely to appeal to tenants and would not increase returns for registered providers).

7.87 Greater differentials are clearly evident within the 2 bedroom and 3 bedroom stock – as dwelling size increases. Notably, Affordable Rent charged at 80% of market rent demonstrates a positive differential between the cost of a social rented home and the cost of renting privately on the open market. This suggests that there is potential for products of this cost to ‘plug’ a gap in the rental market between those who require traditional social affordable housing and those who could afford to rent on the open market.

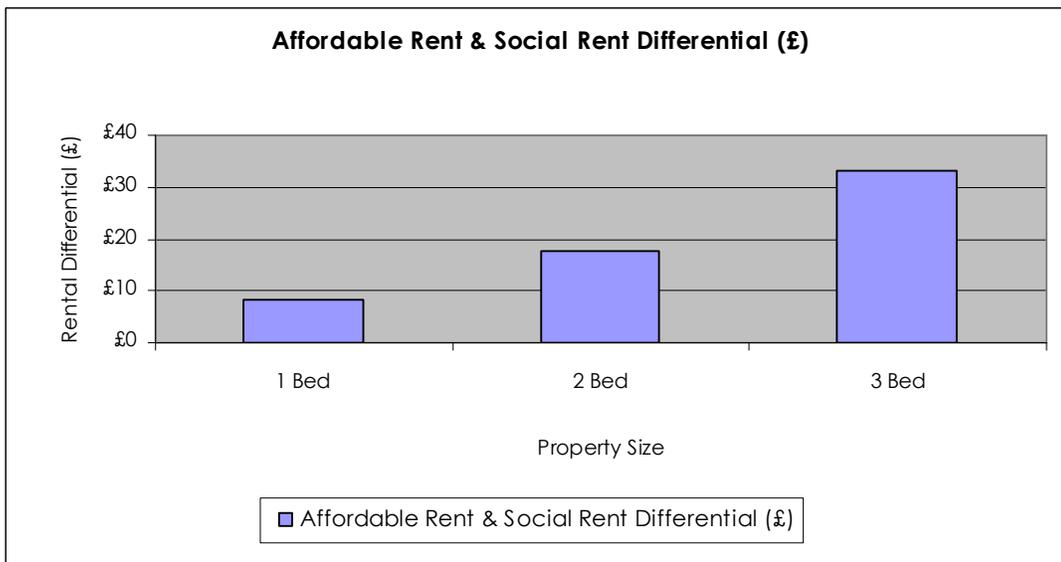
Figure 7. 7: Differentials between Open Market, Affordable Rent and Social Rent



Source: Rightmove.co.uk (April 2011), RSR (2010), GVA Analysis, 2011

7.88 To display this more evidently, the differential between Affordable Rent charged at 80% of the open market rent, and social rents, are presented in the following figure.

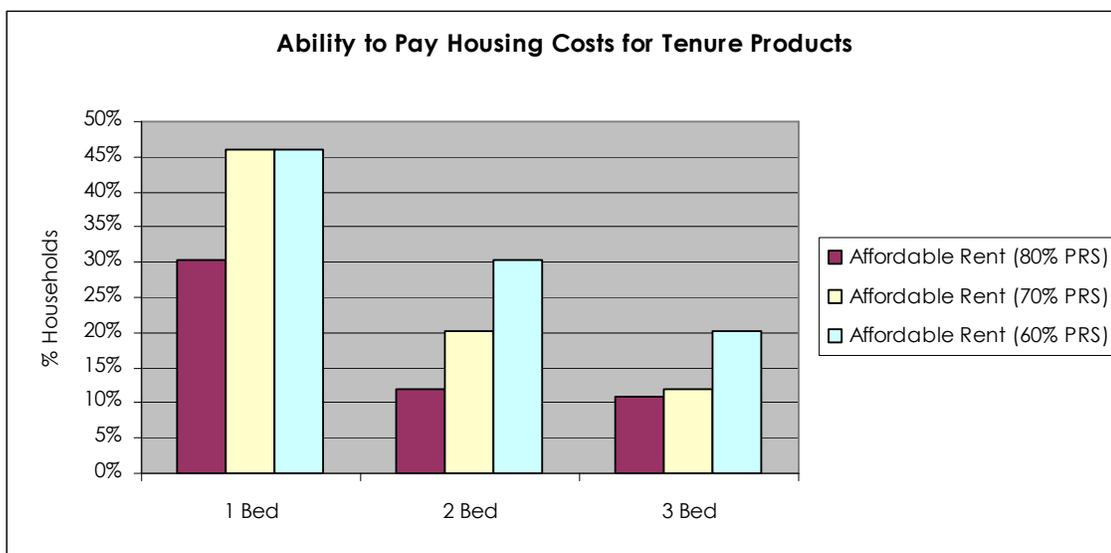
Figure 7. 8: Cost Differential - Affordable Rent and Social Rent



Source: Rightmove.co.uk (April 2011), RSR (2010), GVA Analysis, 2011

- 7.89 Figure 7.8 demonstrates that there is a £8 differential between Affordable Rent and traditional social rent for 1 bedroom accommodation. This extends to £18 and £33 for 2 bedroom and 3 bedroom accommodation respectively.
- 7.90 To further test how Affordable Rent may be able to be priced within the local authority, analysis turns to considering the ability of households currently in need to afford Affordable Rent at 80% of market rent, and at 60% of market rent. This allows testing of both the impact of charging the 'expected' and lower Affordable Rents. The analysis is based on household expenditure on rent not exceeding 25% of total income.
- 7.91 The following figure illustrates the proportion of households in current need that could afford each rent level.

Figure 7. 9: Proportions of Households Currently in Housing Need able to Afford Affordable Rent Housing



Source: Rightmove.co.uk (April 2011), RSR (2010), Primary Household Survey, GVA Analysis, 2011

7.92 The analysis at both 60%, 70% and 80% of market rents suggests that the affordable rent tenure, when introduced across Scarborough, could be a useful tenure in delivering further affordable housing and meeting some affordable housing needs:

- Over 30% of households in need could afford a 1 bedroom Affordable Rent home when priced at 80% of the open market rent. This is increased to almost 50% of households when both 70% and 60% of open market rents are charged.
- However, fewer than 15% of households in need could afford a 2 bedroom Affordable Rent home when priced at 80% of the open market rent. This increases to over 30% of households when charging 80% of open market rents, but starts to suggest some affordability issues for households requiring larger dwellings.
- Few households in need can afford a 3 bedroom Affordable Rent home – with approximately 10% able to afford 80% of open market rents. There is little improvement in affordability when charging 70% of open market rents, yet the situation improves when charging 60% of open market rents. However, this suggests that the tenure will have a limited impact on meeting the needs of households requiring larger properties.

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- 7.93 Delivery of Affordable Rent properties with these rental prices is also subject to further financial considerations.
- 7.94 Moreover, the analysis has been undertaken at a time when the impact of amendments to Housing Benefit payments (introduced by the Government) to household incomes have not become fully clear – and the incomes reflected in the analysis will include households receiving benefits under the system pre April 2011. From April 2011 the introduction of a reduced Local Housing Allowance (LHA), benefits cap and other welfare policy amendments are likely to further decrease household incomes. This may concurrently reduce the proportion of households able to afford housing through this model.
- 7.95 It will be for the Council to produce a tenure strategy to address these issues. The tenure split between affordable rent, social rent and intermediate products will be addressed in future planning policies.

Need for Affordable Housing by Different Sizes of Property

- 7.96 Core Output 7 of the DCLG Guidance requires an estimate of the breakdown of the sizes of property required by households identified in need of affordable housing. The intention is to estimate the relative pressure on different property sizes. In particular this analysis will help to further understand how policy should be structured to assist in alleviating the current backlog of housing need and provide a profile of affordable housing which responds to the future need over the short-term.
- 7.97 In order to arrive at this estimate the outputs of two key datasets have been compared to produce an assessment of the proportional mis-match for each property size in terms of demand (generated by households in need) and supply (lettings of available property currently):
- Lettings data by size of property sourced from CORE lettings for 2009/10. This excludes transfers and therefore represents lettings to new households.
 - Primary Household Survey data – The size requirements of households classified as in need of affordable housing, based upon the three elements identified below, have been drawn out of the responses to the primary needs survey following a similar process to assess the suitability of current housing (utilising the bedroom standard to test household bedroom requirements based on current household composition):
 - Households in current need (Stage 1 of the CLG calculation of need);

- Newly forming households who will be in need (Stage 2); and
- Existing households falling into need (Stage 2).

7.98 The following figure presents the number of lettings by property size across the local authority.

Figure 7.10: Absolute and Proportional Distribution of Lettings by Property Size

Re-lets to new applicant households (i.e. excluding transfers (2009/10))	Lettings by Property Size (Bedrooms)			
	1	2	3	4+
Scarborough Area	93	37	47	2
Whitby Area	15	22	3	0
Filey / Hunmanby Area	13	6	7	0
Western Parishes	2	1	0	0
Southern Parishes	0	0	3	0
Northern Parishes	7	7	10	0
Scarborough (Total)	130	73	70	2
Proportion of Lettings				
Scarborough Area	52%	21%	26%	1%
Whitby Area	38%	55%	8%	0%
Filey / Hunmanby Area	50%	23%	27%	0%
Western Parishes	67%	33%	0%	0%
Southern Parishes	0%	0%	100%	0%
Northern Parishes	29%	29%	42%	0%
Scarborough (Total)	47%	27%	25%	1%

Source: CORE Lettings (2009/10)

7.99 In terms of demand the proportional split in the property size requirements of those households classified in need (as defined above) is shown below. This includes all households in current need and therefore proportions are presented rather than absolutes, in order to avoid any assumptions around annual rate at which their needs could be accommodated.

Figure 7.11: Proportional Split in Size of Property Required by Households in Need

Households in Need	Number of Bedrooms Required (Bedroom Standard Calculation)			
	1	2	3	4+
Scarborough Area	82%	16%	2%	0%
Whitby Area	71%	16%	13%	0%
Filey / Hunmanby Area	75%	25%	0%	0%
Western Parishes	25%	34%	41%	0%
Southern Parishes	45%	25%	20%	10%
Northern Parishes	51%	49%	0%	0%
Scarborough (Total)	70%	22%	7%	1%

Source: Primary Household Survey

7.100 Figure 7.11 shows demand across all property sizes, with the level of demand / need for smaller 1 and 2 bedroom properties recording the highest levels across the authority at 70% and 22% respectively. At a sub-area level there are some obvious spatial distinctions which in part reflect the existing profile of stock and households. In some areas the levels of demand recorded appear to reflect shortfalls in the current supply. For example, the demand for 3 bedroom accommodation in Western Parishes is high, at 41%, as is the demand for 2 bedroom property in Northern Parishes (49%).

7.101 The following figure balances the proportions of supply and demand against one another to identify areas of potential mis-match. A negative percentage implies a shortfall in provision. It is important to note that whilst the proportions identify shortfalls, a positive % does not necessarily mean a surplus of stock of a particular type.

Figure 7.12: Size of Affordable Properties – Balancing the Proportion of Demand against the Proportion of Supply

The balance between households in need and lettings (proportions)	Number of Bedrooms Required (Bedroom Standard calculation)			
	1	2	3	4+
Scarborough Area	-30%	5%	24%	1%
Whitby Area	-34%	39%	-5%	0%
Filey / Hunmanby Area	-25%	-2%	27%	0%
Western Parishes	42%	-1%	-41%	0%
Southern Parishes	-45%	-25%	80%	-10%
Northern Parishes	-22%	-19%	42%	0%
Scarborough (Total)	-23%	4%	19%	0%

Source: CORE Lettings (2009/10), Primary Household Survey

7.102 Contrasting supply and demand clearly illustrates that the greatest level of need by property size at the local authority scale is for smaller dwellings and provides a 'check'

on the demand/need figures presented in Figure 7.11. Analysis of Figure 7.12 **supports the delivery of affordable housing by size in line with the proportions set out in Figure 7.11 in order to meet housing needs going forward in the District.**

- 7.103 This is with the caveat that it would be preferable for the need/demand for 1 and 2 bedroom properties to be met by delivery of 2 bedroom properties to most effectively meet housing needs. This would allow for future stock flexibility to changing household circumstances (e.g. start family; carer to stay – the latter being particularly important given the ageing population within North Yorkshire and the presence of elderly people with care/support needs). The shortage of these property types is having a disproportionate effect on the borough's ability to address its backlog of housing need and to meet the needs of new households in the future.

Bringing the Evidence Together

- 7.104 This section has focussed on assessing the level of need for affordable housing over the next five years. Analysis has been undertaken using a range of data sources following the CLG Guidance process for calculating need.
- 7.105 The findings of this section directly relate to a number of the core outputs set out in the CLG Guidance. A number of key findings are however, presented below in bringing the evidence and analysis together from this section:
- The housing needs assessment indicates that Scarborough will be required to provide for a net annual affordable housing need of approximately 457 dwellings per annum over the next five years in order to both clear the existing waiting list backlog and meet future arising household need.
 - The analysis suggests that intermediate products could play an important role in improving housing choice and addressing an element of housing need. The potential is identified for this affordable tenure type to accommodate approximately 40% of households currently in housing need (based on their financial capacity to afford a 50% equity stake). Significantly though this tenure does not, at the moment, represent a tenure of choice as evidenced by the limited numbers of households either currently living in, or considering a move into, this tenure based on the results of the 2011 household survey. This is likely to be a function of the relative 'youth' of this product in the housing market and therefore its relatively small levels of stock across Scarborough and North Yorkshire more generally.

- The introduction of the Affordable Rent model, as an alternative (and addition) to traditional social housing in Scarborough also holds potential to accommodate households who would otherwise struggle to enter the open market. The differentials between Affordable Rent, open market rents and social rent suggest the model could form a valid 'stepping stone' between tenures, although the financial capacity of households in housing need suggests that the incomes of households in Scarborough may well be overstretched if required to reach Affordable Rent charged at 80% of the market rate for larger dwellings.
- Considering demand by property size the analysis shows the highest level of demand / need for smaller properties across Scarborough – although there are other imbalances in supply evident at the sub-area scale. The shortage of these property sizes is having a disproportionate effect on Scarborough's capability to address its backlog of housing need, and to meet the needs of new households in the future.

8. Drawing the Evidence Together – Conclusion

- 8.1 This section provides the headline findings of this individual Authority Appendix. The North Yorkshire SHMA Report provides a full concluding narrative and should be read in conjunction with the findings presented here.
- 8.2 The summary conclusions presented below are intentionally brief in order to allow easy interpretation. Findings are structured to be broadly in line with the suggested outputs in the CLG SHMA Guidance of 2007.

The Current Housing Market

Demographic and Economic Context

- 8.3 Key Findings:
- Between 2001 and 2009 Scarborough's population has grown by 2.5%. This growth has been predominantly driven by sustained levels of in-migration from other parts of the UK as well as a small net increase resulting from international migration. The attractiveness of Scarborough as a place to live is reinforced through the findings of the 2011 Household Survey. This identified that over 10% of households moving over recent years originated from other parts of the North and East Midlands, excluding Yorkshire, and that almost 10% originated from outside of these areas in the UK. Within North Yorkshire the strongest flows into Scarborough are from York.
 - In contrast to net gains from migration trends the authority has lost population as a result of natural change with more deaths than births year on year. This has resulted in a continued 'ageing' of the population compounded by migration trends which show that net gains are predominantly focussed around older age groups with net outflows of people aged 15 – 34. This has an important bearing on the housing markets of the settlements of Scarborough as well as wider issues relating to services and economic activity in the authority.
 - The DCLG estimates that there were approximately 48,970 households within Scarborough, an uplift of almost 2,200 from 2001. The population and households are not distributed evenly across the authority, as the analysis at the sub-authority scale shows. A large proportion of households are contained within the Scarborough sub-area, which is approximately 4 times the size of the next largest sub-area, Whitby. The rural sub-areas contain far fewer numbers of households which are more sparsely distributed across smaller villages and Hamlets.

- The ONS mid-year estimates and DCLG household projections suggest that household sizes have fallen between 2001 and 2009. This reflects national wider trends and in Scarborough's case is exacerbated by the projected uplift in older person households which are largely made up of one and two persons.
- Scarborough's economic profile is very different to that of the other Local Authority areas in North Yorkshire with the lowest average economic rate of 73% in North Yorkshire. Claimant count data from 2010 continues to indicate that the Scarborough economy is not performing as strongly as North Yorkshire as a whole. Increased unemployment since the onset of recession has been focussed amongst those in full-time employment impacting on levels of disposable income.
- This is reflected in the income profile which shows Scarborough as having a notably lower average household income, £16,900, compared with the North Yorkshire average of over £22,000. This is reflected by the fact that over two thirds of households have incomes below £23,400.
- The Regional Economic Model forecasts that an additional 3,600 jobs will be created within the authority by 2026. This represents a strong potential growth, which given the current economic profile outlined above will be important in order to raise incomes and housing choices within the existing population.

The Housing Stock

8.4 Key Findings:

- There are 55,593 properties in Scarborough as recorded in the 2009/10 HSSA dataset, 54,193 of which are occupied. When compared with the DCLG household projections this figure is notably higher suggesting that growth may have been under-counted over recent years. Approximately 2.5% of properties are classed as vacant which suggests limited capacity within the existing stock to absorb future demand.
- Over 2,300 new properties have been delivered in Scarborough between 2004 and 2010. Reflecting national market trends development levels have fallen since 2006/2007, where a peak of over 650 was recorded. In 2009/10 only 241 properties were recorded as completed.
- In Scarborough 35% of households are classified as under-occupying their property suggesting a significant latent capacity within the stock. This proportion is however, notably lower than many of the other authorities across North Yorkshire reflecting the size profile of properties.

- Unlike lots of North Yorkshire Scarborough stock profile includes a smaller proportion of detached properties and a higher proportion of semi-detached and flatted properties. The latter in particular is notably high compared to the rest of the County, with 21% of stock falling into this category. However, when the stock profile is considered at a sub-area level it is apparent that the more rural sub-areas of Scarborough more closely resemble the North Yorkshire average with Scarborough and Whitby having distinct profiles with a higher proportion of flats and semi-detached properties. The higher proportion of flats can be attributed to the amount of HMO properties in the area which were identified by agents as representing an important part of the Scarborough market.

The Active Market

8.5 Key Findings:

- Scarborough has experienced a rise in average house prices since 2000, peaking at a high of £172,100 in 2008/09. Current average house prices stand at just over £159,000. This is the lowest average price across North Yorkshire and reflects the different socio-economic and stock profile of the urban sub-areas of Scarborough and to a lesser extent Whitby. Values are relatively low across a large part of the Local Authority, compared with North Yorkshire averages. However, the more rural parts show prices which are more comparable to the neighbouring authorities. The Northern Parishes sub area records the highest median house price of £242,400 which is linked to the premium that people are willing to pay to live in a National Park. The Western Parishes sub-area also records an average price of around £195,000..
- The issues facing first time buyers and other parts of the market looking to buy has meant that Scarborough's private rental sector has been buoyant. However, much of the stock in this tenure is comparatively low quality, a legacy of an important quantity of stock being linked to previous seaside accommodation and/or catering for seasonal workers. This is reflected in rental levels with almost 20% of households in this tenure paying cheaper rents of between £260 and £350 per month, which is generally cheaper than the other Local Authority areas in North Yorkshire. There are very few households renting properties for more than £650 per month.
- Benchmarking of incomes against housing costs reinforces the affordability issues facing households in the authority with a high proportion of households unable to access owner-occupation. The analysis suggest that an income of £42,360 is required to purchase a property (assuming a ceiling mortgage spend of 20% of income) compared to average household income levels across Ryedale of £16,900.

- In terms of household movements Scarborough shows a relatively high rate of household retention, with the majority of recent moves and planned moves of existing residents being within the authority. The Household Survey 2011 revealed that a relatively high proportion of households expecting to move in the next two years expect to move into private rented or social rented accommodation, reflecting the dynamic parts of the market in the authority and the income profile.

The Future Housing Market and Housing Need

Projecting Future Demand

8.6 Key Findings:

- The authority is projected to grow significantly in terms of its population and the number of households.
- The Sub National Household Projections suggest an annual level of household growth of approximately 450 per annum. The analysis of an employment-led scenario suggests that demand may be higher if economic growth forecasts are realised. This reflects the current economic profile of the authority and the projected continued ageing of its labour-force. Whilst the authority is projected to increase its employment base, new jobs will need to be accompanied by an increase in working-age people moving into the area (and requiring new housing) or result in an increase in commuting flows.
- Under all of the modelled population projection scenarios Scarborough's population will age representing a challenge for the types and tenures of housing required.
- Utilising projection data and the Household Survey the analysis suggests a high demand for smaller properties. This demand is driven by demographic trends which show a significant projected increase in single person and couple older person households. Based on the analysis a careful balance between existing stock and future demand is required if current demographic trends are sustained.

Affordable Housing Need

8.7 Key Findings:

- The housing needs assessment indicates that Scarborough will be required to provide for a net annual affordable housing need of approximately 457 dwellings per annum over the next five years in order to both clear the existing waiting list backlog and meet future arising household need.

- The analysis suggests that intermediate products could play an important role in improving housing choice and addressing an element of housing need. The potential is identified for this affordable tenure type to accommodate approximately 40% of households currently in housing need (based on their financial capacity to afford a 50% equity stake).
- The introduction of the Affordable Rent model, as an alternative (and addition) to traditional social housing in Scarborough also holds potential to accommodate households who would otherwise struggle to enter the open market. The differentials between Affordable Rent, open market rents and social rent suggest the model could form a valid 'stepping stone' between tenures, although the financial capacity of households in housing need suggests that the incomes of households in Scarborough may well be overstretched if required to reach Affordable Rent charged at 80% of the market rate for larger dwellings.
- Considering demand by property size the analysis shows the highest level of demand / need for smaller properties across Scarborough – although there are other imbalances in supply evident at the sub-area scale. The shortage of these property sizes is having a disproportionate effect on Scarborough's capability to address its backlog of housing need, and to meet the needs of new households in the future.