

Chapter 6 Housing

The Importance of Housing to the Economy

- 6.1 This chapter presents key statistics about the local housing market and the implications for the local economy. The chapter was written before the creation of the Coalition Government in May 2010 and therefore refers to structures and documents that were in place at the time of writing the chapter.
- 6.2 In the hierarchy of human needs, shelter comes very close to food and drink in importance. Before they go out to work, use local shops and services, or interact in the economy at all, people need a home. Local areas need a mix of housing for the local economy to function well. The key to understanding how housing, the economy and other factors fit together and influence each other is to consider them as systems, - or rather as a series of interlocking and nested systems.
- 6.3 People also move between different 'lifestages' over time at key transition points – from pupil to student to couple to young poor family to mature well-off family to empty nesters to single older person, then finally to release a dwelling back into the 'market'. Although not everyone follows this pattern, lifestage and lifestyle are key concepts in terms of understanding the housing market.
- 6.4 Housing is a complex topic and many factors have an influence on it. It is important to look at a variety of datasets, interpret this information, and link different pieces of information to determine underlying patterns and reasons why they occur.
- 6.5 This section of the economic assessment is based mainly on the *Strategic Housing Market Assessment for Leicester and Leicestershire* (SHMA) carried out in 2007/8 by B.Line Housing Information *et al.*¹ This gathered together a wealth of housing-related data, information, evidence, interpretation and recommendations. Key parts of this major study are included in this chapter with emphasis on how they may impact upon the local economy.
- 6.6 The housing market bubble burst as the SHMA was in development. Whilst this is reflected to some extent in the report, the market changed so fast that it could not all be taken into account. The UK housing market is now so dysfunctional and volatile that it is impossible to capture it in any snapshot study. The need for ongoing dynamic monitoring and adjustment of policy, one of the key recommendations of the SHMA, continues to be required.

¹ http://www.blinehousing.info/Leicester_SHMA.htm or <http://tinyurl.com/yzprr33>

Dysfunctional Housing Market

- 6.7 Many economists have concluded that housing does not operate like other markets, but is almost inevitably dysfunctional in various ways². Economic theory holds that, normally, markets will reach an equilibrium, but the housing market is complicated by the characteristics of the 'product'. Housing is also now very much an asset and a capital investment and increasingly interacts with the economy in more complex financial ways.
- 6.8 In the UK over recent decades, a combination of many factors has led to a housing market which is fundamentally dysfunctional and volatile³. Awareness of this situation has also aggravated it. Landowners now expect market peaks and troughs, and wait to sell in boom times when prices are high. Symptoms of the dysfunctional market include:
- cyclical house price booms and busts
 - concentrations of housing wealth and exclusion of some groups
 - sharp tenure differentiation
 - polarisation of neighbourhoods
 - concentrations of deprivation
- 6.9 Housing becomes a means for speculation, leading to more empty homes, failure to maintain and improve properties, and decline of some areas.
- 6.10 A more stable and functional housing market would have:
- gentle, steady house price inflation broadly in line with overall national inflation, and maintaining *average* house prices at a broadly similar multiplier of average incomes – about 3 to 4 times over the longer period.
 - easier house searching and finding, easier sale processes and lower transition costs.
 - more mixed types and sizes of housing locally in neighbourhoods to provide 'housing ladders', by which households could move to larger homes or downsize to smaller ones according to their needs, choices and finances.
 - easier transitions between tenures, with better housing affordability in the middle or intermediate range, (i.e. not all long-term social rented) for households on about average income to buy or rent.
 - more mixed neighbourhoods by income, ethnicity, socio-economic classification and age so that polarisation is reduced.
 - a responsible, high-quality private rented sector, with strong safeguards for tenants but which allows small landlords to let their

² e.g. Maclennan, 1986. & Housing Economics & Public Policy, ed. O'Sullivan & Gibb, Blackwell 2003

³ See NHPAU *More homes for more people* . 2009

<http://www.communities.gov.uk/documents/507390/pdf/1276301.pdf>

properties with a reasonable rate of return and certainty of being able to re-acquire the property within a defined time if required. Support for small landlords to meet their responsibilities, and options to use bigger corporate letting and managing agents.

- sources of loan, and in some circumstances, grant finance to bring empty homes back into use, improve properties, and bring them up to decent standards.

6.11 The requirements are easy to list, but difficult to achieve, especially locally where powers and influences are limited. There are also many who benefit in the short-term from unstable and volatile markets. Any possible unintended consequences of local changes and differences need to be carefully considered.

Overview of Housing in Leicester and Leicestershire

6.12 Key statistics at local authority level provide an initial indication of the overall position and differences in housing provision. Accommodation type, tenure, size, and Council Tax band - a proxy for value - are key variables.

6.13 The 2001 Census is still the most robust and detailed source of data, although it is now well out of date. There are no more recent surveys available covering the whole area. Some variables and factors, and in some places, will have altered more than others. For example, private renting has increased in the sub-region by about 22% since 2001, but not consistently in all areas. On the other hand, accommodation types have not altered much, except where there has been extensive development such as of flats in the City centre.

6.14 Other data is updated where possible from administrative and survey sources. For example, mid-year population estimates are produced each year with age profiles, and Land Registry house price data is produced every quarter.

6.15 Key statistics are presented in tables 6.1 to 6.6

Table 6.1 Accommodation Type – Counts (total numbers)

Local authority	All Household Spaces	House or Bungalow: Detached	House or Bungalow: Semi-detached	House Bungalow: Terraced (inc end-terrace)	Flat, Maisonette or Apartments	Flat, in a Purpose-Built Block of Flats	Flat, etc Part of a Converted or Shared House	Flat, in a Commercial Building	In a Shared Dwelling
Blaby	36600	13500	17700	3500	1800	1400	200	200	0
Charnwood	62200	19200	25000	11700	5800	4400	800	600	200
Harborough	32200	15900	9600	4800	1700	1200	300	300	0
Hinckley & Bosworth	42100	16100	16500	6500	2700	2100	200	400	0
Leicester	115800	11800	42900	41000	19600	14500	3700	1400	400
Melton	20200	8300	7500	3000	1300	900	300	100	0
NW Leics	36800	14600	13200	6600	2200	1600	300	300	0
Oadby & Wigston	22400	6500	10900	3400	1600	1200	200	200	0

Table 6.2 Accommodation Type – Percentages

Local authority	All Household Spaces	House or Bungalow: Detached	House or Bungalow: Semi-detached	House Bungalow: Terraced (inc end-terrace)	Flat, Maisonette or Apartments	Flat, in a Purpose-Built Block of Flats	Flat, etc Part of a Converted or Shared House	Flat, in a Commercial Building	In a Shared Dwelling
Blaby	36600	37%	48%	10%	5%	4%	0.4%	0.6%	0.0%
Charnwood	62200	31%	40%	19%	9%	7%	1.3%	0.9%	0.3%
Harborough	32200	49%	30%	15%	5%	4%	0.8%	0.8%	0.1%
Hinckley & Bosworth	42100	38%	39%	15%	6%	5%	0.6%	0.9%	0.1%
Leicester	115800	10%	37%	35%	17%	13%	3.2%	1.2%	0.3%
Melton	20200	41%	37%	15%	7%	4%	1.4%	0.7%	0.2%
NW Leics	36800	40%	36%	18%	6%	4%	0.9%	0.7%	0.1%
Oadby & Wigston	22400	29%	49%	15%	7%	5%	0.8%	0.9%	0.0%

Source: ONS Census 2001

Table 6.3 2001 Tenures – Percentages of Total

	All house holds	Owner-occupied: Owns outright	Owner-occupied: Owns with a mortgage or loan	Owner-occupied: Shared ownership	Rented from: Council (local authority)	Rented from: Housing Association	Rented from: Private landlord	Rented Other (e.g. Employment etc)
Blaby	36000	34.1%	52.4%	0.5%	6.6%	1.6%	3.4%	1.4%
Charnwood	60000	32.3%	45.0%	0.5%	9.5%	2.5%	7.5%	2.6%
Harborough	31000	34.7%	48.6%	0.7%	6.7%	1.7%	4.9%	2.6%
Hinckley & Bosworth	41000	34.3%	48.0%	0.3%	8.1%	2.5%	4.6%	2.2%
Leicester	111000	23.6%	33.7%	0.6%	21.1%	6.9%	11.7%	2.4%
Melton	20000	32.5%	43.6%	0.4%	10.0%	2.0%	8.0%	3.5%
North West Leics	35000	32.8%	43.3%	0.5%	12.8%	3.3%	4.7%	2.5%
Oadby & Wigston	22000	37.8%	47.1%	0.6%	6.1%	1.8%	4.7%	1.9%

Source: ONS Census 2001

Table 6.4 Council Tax Band 2007

local authority	% stock Council Tax Band Total	% stock Council Tax Band A	% stock Council Tax Band B	% stock Council Tax Band C	% stock Council Tax Band D	% stock Council Tax Band E	% stock Council Tax Band F	% stock Council Tax Band G	% stock Council Tax Band H
Blaby	38205	11.32	36.04	23.42	15.47	9.32	3.11	1.23	0.08
Charnwood	65376	17.54	27.91	25.51	13.52	8.55	4.06	2.63	0.29
Harborough	34057	11.61	20.74	20.68	15.48	15.49	8.94	6.4	0.65
Hinckley & Bosworth	45027	17.08	31.62	22.59	14.31	8	4.19	2.07	0.14
Leicester	122632	60.63	19	11.7	4.84	2.29	1.02	0.47	0.05
Melton	21123	15.88	30.1	17.4	15.49	10.51	6.04	4.17	0.42
NW Leics	39231	24.49	30.98	16.9	13.57	8.44	3.31	2.18	0.12
Oadby & Wigston	22325	16.46	25.46	32.03	13.48	8.13	2.1	2.02	0.33

Source: ONS

Table 6.5 Number of Rooms in Dwellings - Counts

Local authority	All dwellings	1 room	2 rooms	3 rooms	4 rooms	5 rooms	6 rooms	7 rooms	8 or more rooms
Blaby	36000	100	300	1400	5200	11100	9000	4200	4500
Charnwood	60000	300	1000	4300	9500	18200	13500	6100	7500
Harborough	31000	100	300	1200	4900	7100	6200	4100	7000
Hinckley & Bosworth	41000	100	400	1900	7600	12400	9100	4200	5300
Leicester	111000	1100	4000	12700	17900	36000	26400	7100	5800
Melton	20000	100	300	900	2600	5000	4700	2400	3600
NW Leics	35000	100	400	1600	5200	10800	8400	4000	5100
Oadby & Wigston	22000	100	300	1000	3900	6900	5100	2300	2300

Table 6.6 Number of Rooms in Dwellings - Percentages

Local authority	All dwellings	1 room	2 rooms	3 rooms	4 rooms	5 rooms	6 rooms	7 rooms	8 or more rooms
Blaby	36000	0.2%	0.8%	4.0%	14.5%	30.9%	25.1%	11.8%	12.6%
Charnwood	60000	0.6%	1.6%	7.1%	15.8%	30.0%	22.4%	10.1%	12.4%
Harborough	31000	0.3%	0.9%	4.0%	15.7%	23.0%	20.0%	13.3%	22.6%
Hinckley & Bosworth	41000	0.3%	0.9%	4.7%	18.4%	30.3%	22.2%	10.3%	12.9%
Leicester	111000	1.0%	3.6%	11.4%	16.1%	32.4%	23.8%	6.4%	5.2%
Melton	20000	0.3%	1.3%	4.8%	13.4%	25.7%	24.0%	12.1%	18.4%
NW Leics	35000	0.2%	1.0%	4.5%	14.6%	30.5%	23.6%	11.3%	14.3%
Oadby & Wigston	22000	0.3%	1.2%	4.5%	17.9%	31.4%	23.4%	10.7%	10.7%

Source: ONS Census

Note: Number of rooms excludes bathrooms, halls and landings

- 6.16 How these statistics are distributed on the ground is more complicated. The following map from the SHMA shows the variation of accommodation types as pie charts within each Output Area⁴.
- 6.17 These patterns also directly affect, and are reflected in, patterns of household and population characteristics. For example, the map shows the most common household types by Output Area in the Leicester conurbation.
- 6.18 How these complex patterns affect the local economy needs a considerable amount of investigation, and requires a more comprehensive conceptual framework and a better geography for understanding how housing markets operate which goes beyond the data pictures of individual variables.

⁴ Output Areas (OAs) are the smallest 'building blocks' of Census data, each comprised of about 120 addresses.

Figure 6.1 Accommodation types by Output Area

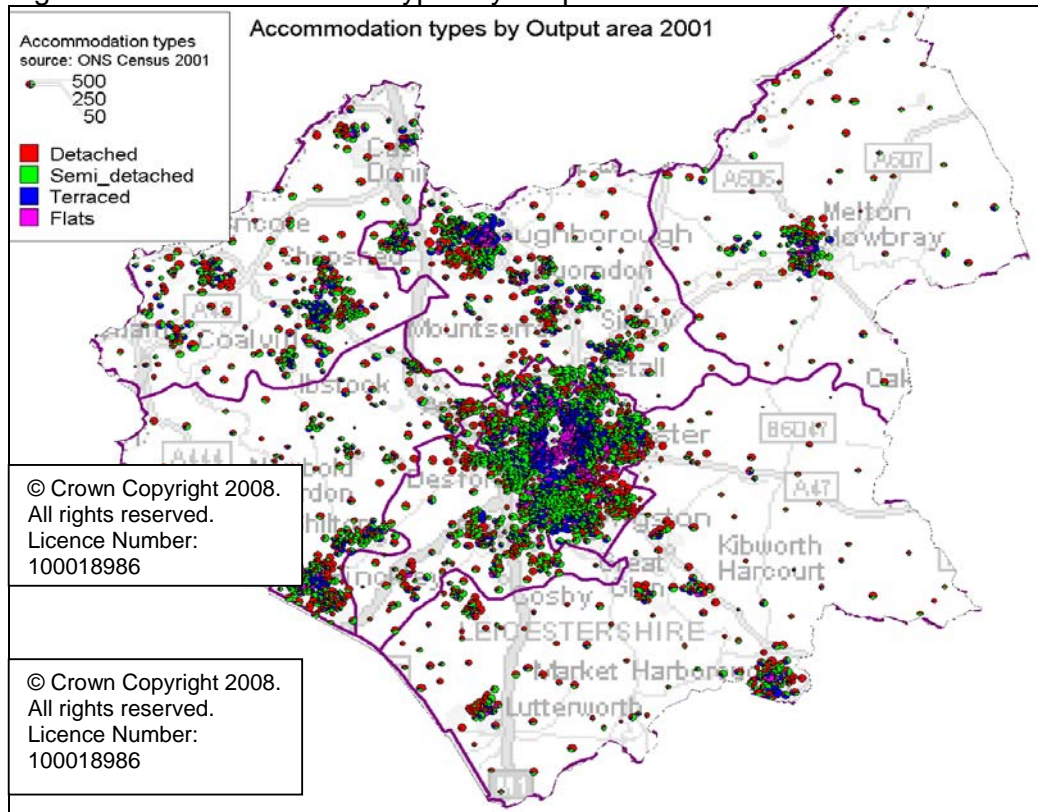
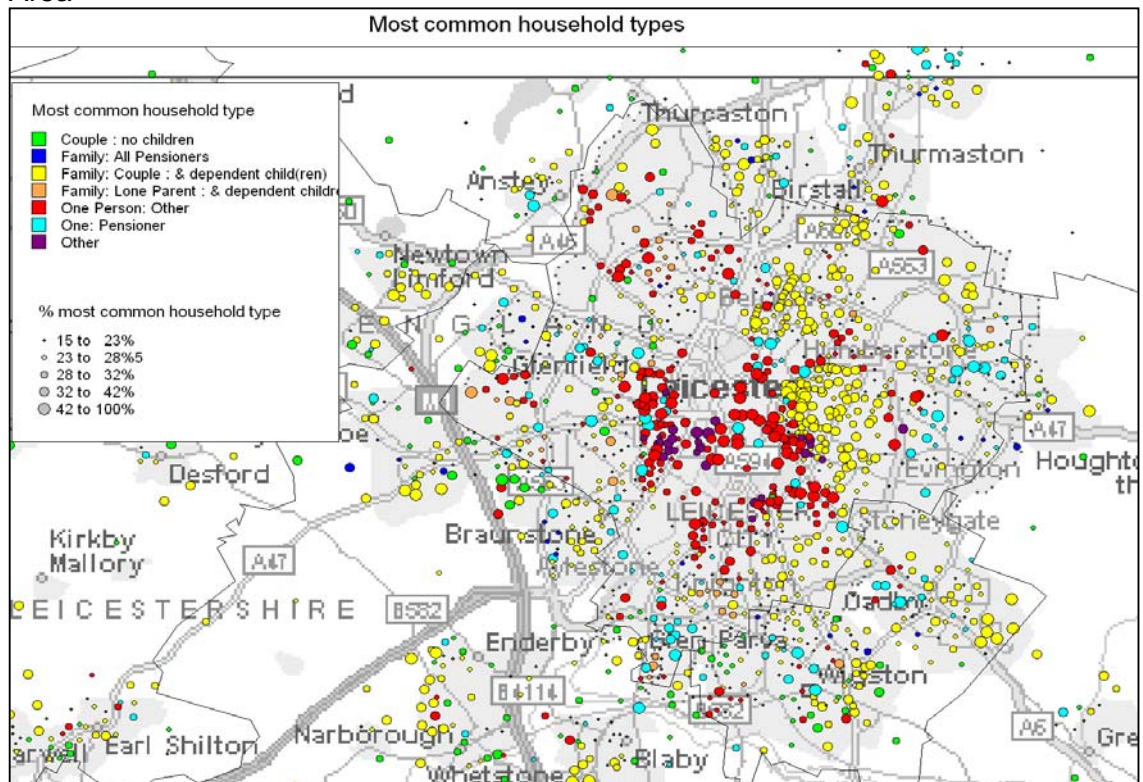


Figure 6.2 Most common household types by Output Area



Interactions of Housing and the Economy

House Prices and Housing Costs

- 6.19 Within a modern city region economy, housing can attract and retain workers and others with the right skills, attributes and characteristics. Housing can also sustain and support the cultural, family and social life of the area.
- 6.20 Housing costs are a major factor in determining how a local economy functions. If they are too high compared to incomes, or poor value, it will be difficult to attract people to the area and people may choose not to stay. Within the context of the overall UK housing market, prices in Leicester are relatively moderate. However, they vary considerably within the urban area and throughout the surrounding local authority areas.
- 6.21 In a sustainable, balanced local economy, there will be an expectation by a majority of households that they will be able to buy their own home at some stage in their lives. If they cannot, then this will create an incentive to move to where they can.
- 6.22 The most recent headline local authority level comparisons based on Hometrack data as at October 2009⁵ were:-

Table 6.7 – Average and Lower Quartile House Prices by Local Authority (October 2009)

Local Authority	Average house price	Lower quartile price
Blaby	£ 173,100	£ 127,400
Charnwood	£ 181,000	£ 116,500
Harborough	£ 242,400	£ 150,800
Hinckley & Bosworth	£ 170,200	£ 114,700
Leicester City	£ 136,600	£ 93,500
Melton	£ 214,700	£ 128,000
North West Leicestershire	£ 153,300	£ 106,800
Oadby & Wigston	£ 169,600	£ 120,200

- 6.23 This compares to a regional average of **£165,300**, and a national average of £156,000.
- 6.24 The lower quartile house price in **Leicester City** is currently **£93,500**, compared to a regional average of **£103,300**. Lower quartile prices are often used to estimate the number of households unable to afford to buy, and so may need some form of affordable housing.

⁵ Based on sales and valuations in the last three months

6.25 The number of bedrooms is a key determinant of price. Current average prices in **Leicester** by bedrooms count and property type are:

- 1 bedroom flat - £76,300
- 2 bedroom flat - £111,700
- 2 bedroom house - £105,700
- 3 bedroom house - £123,900
- 4 bedroom house - £214,900

6.26 The average price of a new build flat in **Leicester** is currently **£85,500**, compared to a regional average of **£108,000**. The average price of a new build house in **Leicester** is currently **£179,200**, compared to a regional average of **£176,800**.

6.27 For housing costs, household incomes rather than individual salaries or wages are the most relevant measure. Tables 6.8 and 6.9 show mean and median incomes by local authority district. The ratio between the lower quartile price and median household income provides a crude general indicator of the relative affordability of buying a home.

Table 6.8 Mean and Median Incomes by Local Authority District

Local Authority District	Mean Income £s	Median Income £s
Blaby	35,489	31,441
Charnwood	33,987	30,135
Harborough	38,848	34,404
Hinckley & Bosworth	34,803	30,829
Leicester	26,337	23,530
Melton	34,750	30,780
North West Leicestershire	34,264	30,374
Oadby & Wigston	32,016	28,407

Source: CACI Paycheck, 2009

Table 6.9 Lower Quartile Price and Median Income Ratios 2009

Local authority	Lower Quartile Price	Median_Income	Ratio LQ price: median household income
Blaby	£ 127,400	£ 31,441	4.1
Charnwood	£ 116,500	£ 30,135	3.9
Harborough	£ 150,800	£ 34,404	4.4
Hinckley & Bosworth	£ 114,700	£ 30,829	3.7
Leicester City	£ 93,500	£ 23,530	4.0
Melton	£ 128,000	£ 30,780	4.2
North West Leics	£ 106,800	£ 30,374	3.5
Oadby & Wigston	£ 120,200	£ 28,407	4.2

Source: Hometrack, Land Registry and CACI Paycheck

6.28 The price pattern confirms that the sub-region has housing at a range of prices. It is not an area of low prices that can indicate a lack of economic buoyancy. However, there are variations within this general pattern of averages. The overall UK housing market has problems.

These do not affect Leicester and Leicestershire's economy particularly more than anywhere else, and rather less than areas such as London.

Housing Affordability and Affordable Housing

- 6.29 These terms do not mean the same thing, and confusion can occur. **'Housing affordability'** is used, for example, by the National Housing and Planning Advice Unit⁶ (NHPAU), to mean the cost of housing in general, in terms mainly of house prices to buy for owner occupation, but also with implications for the private rented sector.
- 6.30 **'Affordable housing'** has a specific definition in PPS3⁷ (2006) - *'Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market.'*
- 6.31 The general problem of housing affordability was the subject of the Barker review in 2004, leading to the conclusion, generally accepted by government, that the underlying problem was supply failing to meet demand, resulting in market forces pushing up house prices. This led to ambitious targets for building new homes through the Regional Spatial Strategy process.
- 6.32 The provision of housing in the future is therefore critical if the sub-region is to continue to attract the inward investment needed to deliver economic growth. Significant housing growth is expected in the Housing Market Area (HMA) over the next twenty years; current Regional Plan policy for housing provision in districts across the HMA is for 80,400 additional dwellings between 2006 and 2026 (table 6.10).
- 6.33 The problem now is that the housing market has moved from boom to bust, and is considered unlikely to be able to deliver these numbers in present market and financial conditions, even if land and planning permission is forthcoming.

⁶ See for example

<http://www.communities.gov.uk/nhpau/keypublications/reports/affordabilitymatters/>

⁷<http://www.communities.gov.uk/documents/planningandbuilding/pdf/planningpolicystatement3.pdf>

Table 6.10 Summary of Proposed Additional Housing Provision in Leicester and Leicestershire 2006 to 2026

Local Authority	Annual Additional Apportionment from 2006	Total Additional Housing Provision 2006 to 2026	Additional Homes (as % of 2001 housing)
Leicester	1,280	25,600	+22%
Blaby	380	7,600	+21%
Charnwood	790	15,800	+26%
Harborough	350	7,000	+23%
Hinckley&Bosworth	450	9,000	+22%
Melton	170	3,400	+17%
North West Leics	510	10,200	+29%
Oadby&Wigston	90	1,800	+8%
Leicester & Leicestershire HMA	4,020	80,400	+22%

Source: East Midlands Regional Spatial Strategy

- 6.34 There is apparently little dispute that more supply is required to help meet demand, but often much controversy about what, where and how this should be achieved. The Regional Spatial Strategy has a policy of urban concentration. Much of the additional housing is likely to be delivered through extension of existing urban areas including Leicester, Melton, Loughborough, Market Harborough, Hinckley and Coalville. The amount of general location of additional provision for housing up to 2031 may be covered in a partial review of the Regional Plan. Consultation on certain revised policies is due to begin in March 2010.
- 6.35 It is clear that to stand a chance of meeting this scale of housing growth will require a combination of public and private intervention, particularly funding. This intervention is not limited to the development sector. Following the outfall of bank lending policies, and the likely continuation of the current recession, the availability of development finance is a problem. This will constrain the ability of the construction sector to deliver. A redress of financial policies in the private sector will be needed to kick-start construction.
- 6.36 Public intervention will remain key, even when the market fully recovers, but must be prioritised. This was highlighted within the Leicester and Leicestershire Growth Infrastructure Assessment (GIA) undertaken by Roger Tym and Partners. The GIA estimates total cost of infrastructure needed to support the anticipated housing growth in the HMA to 2026 to be £2 billion (subject to clarification of some assumptions made, such as the need for a tram system).

- 6.37 Taking into account likely public and private sector funding, the study highlights a deficit in funding of some £1.3 billion. Whilst this figure is not set in stone, it does indicate the scale of the problem. Given the likely reduction in private sector contributions in the form of Section 106 contributions, the effective use of public funding and entrepreneurial solutions will become very important to deliver the infrastructure needed. Public funding will need to be prioritised and focused on fewer, larger interventions that deliver maximum economic benefit, especially in a climate of reduced public expenditure.
- 6.38 In July 2009, CLG announced a 43% reduction⁸ in New Growth Point⁸ funding for 2010/11 and the realignment of funding streams into the Single Conversation⁹ from 2011. Every opportunity must be taken to secure public funding, and ad-hoc programmes such as Kick-start¹⁰ are becoming increasingly important to secure additional funding.
- 6.39 Even if the market booms again, there are dangers that developers will go for quick, short-term gain, expecting further ‘bust’ in a volatile market. They might opt for safe, standard products, and not consider the mix of housing required in local areas based on the evidence. Planning powers to control the market mix are limited. Developers also recognise that there is much for them to gain through a more stable market, which could perhaps be assisted by a better mix, balance and stock utilisation at local levels.
- 6.40 ‘Affordable housing’ is more specifically social rented or intermediate housing. This is allocated through a ‘housing need-based’ allocation mechanism, although for intermediate housing, especially for sale, this is tempered by screening for ability to afford the products. The SHMA estimated high levels of need, based mainly on emerging household’s ability to afford market housing and backlog need from housing registers, compared with flows of affordable supply.
- 6.41 Table 6.11 updates the affordable housing needs estimates with the new Regional Plan housing targets to give numerical estimates of the shortfalls and the proportions that could, in theory, be justified as affordable housing.

⁸ Through a Partnership for Growth with government, local authorities coming forward with their own sustainable growth proposals for how they could deliver new housing in a sustainable way, above previous growth targets, are provided with additional funding to support their proposals to deliver large-scale and sustainable growth.

⁹ This is the mechanism through which the HCA and local authorities will agree funding and secure delivery of housing, infrastructure, regeneration and community activities, drawing on local area priorities in support of national objectives.

¹⁰ The Kick-start housing delivery programme is provision of funding targeted at stalled sites, to support construction of high quality mixed tenure housing developments. It is one of 6 programmes released by government in 2009 as part of their overall Housing Stimulus Programme.

Table 6.11 Affordable Housing Needs Estimates- 2009 Regional Plan Targets

<i>Results</i>	<i>shortfall/year - need for affordable</i>	<i>2009 Regional Plan target</i>	<i>% affordable required</i>	<i>% Intermediate</i>
Blaby	289	380	76%	22%
Charnwood	309	790	39%	21%
Harborough	264	350	75%	18%
Hinckley/ Bosworth	290	450	64%	21%
Leicester	790	1280	62%	25%
Melton	143	170	84%	22%
NW Leicestershire	355	510	70%	21%
Oadby/ Wigston	214	90	238%	20%
HMA overall	2653	4020	66%	22%

6.42 Affordable housing need is also likely to have increased in recent times for a number of reasons. These include greater difficulty in obtaining mortgages and an increased number of new households in the 2006-based projections.

6.43 Affordable housing can be provided through Section 106 agreements. However, requirements must be moderated in view of the economic viability of sites. The Leicester City Council Affordable Housing Provision and Developer Contributions undertaken by Three Dragons and Roger Tym and Partners consider viability in detail. The strength of a sub-market and other key factors, i.e. location, density, former land use, etc, all affect potential viability of a site to deliver affordable housing. As a result of the technical constraints usually prevalent on these sites and the resultant cost implications on economic viability, the delivery of affordable housing is most likely to be constrained on brownfield land close to the City centre. Furthermore, prioritising delivery of affordable housing is likely to have a significant negative impact on other key infrastructure (Schools, community facilities etc). The National Housing and Planning Advice Unit (NHPAU) also comments:

6.44 *“Solving the affordability problem is not about building more social and low cost homes at the expense of market housing. We have modelled the effect on affordability of doubling the number of social homes a year from the planned 45,000 by 2011 to 90,000 with an equivalent reduction in the number of market homes delivered. All things being equal, increasing the share of social build worsens the ratio of lower quartile house prices to earnings from 8.7 to 9.6.”¹¹*

6.45 *“It is not surprising that delivering more social homes at the expense of market housing does not help improve affordability prospects. While social*

¹¹ Impact of worsening affordability on demand for social and affordable housing: NHPUA, July 2008

homes would provide housing for those in need, it does not meet demand for market housing, it provides for those who are priced out.”

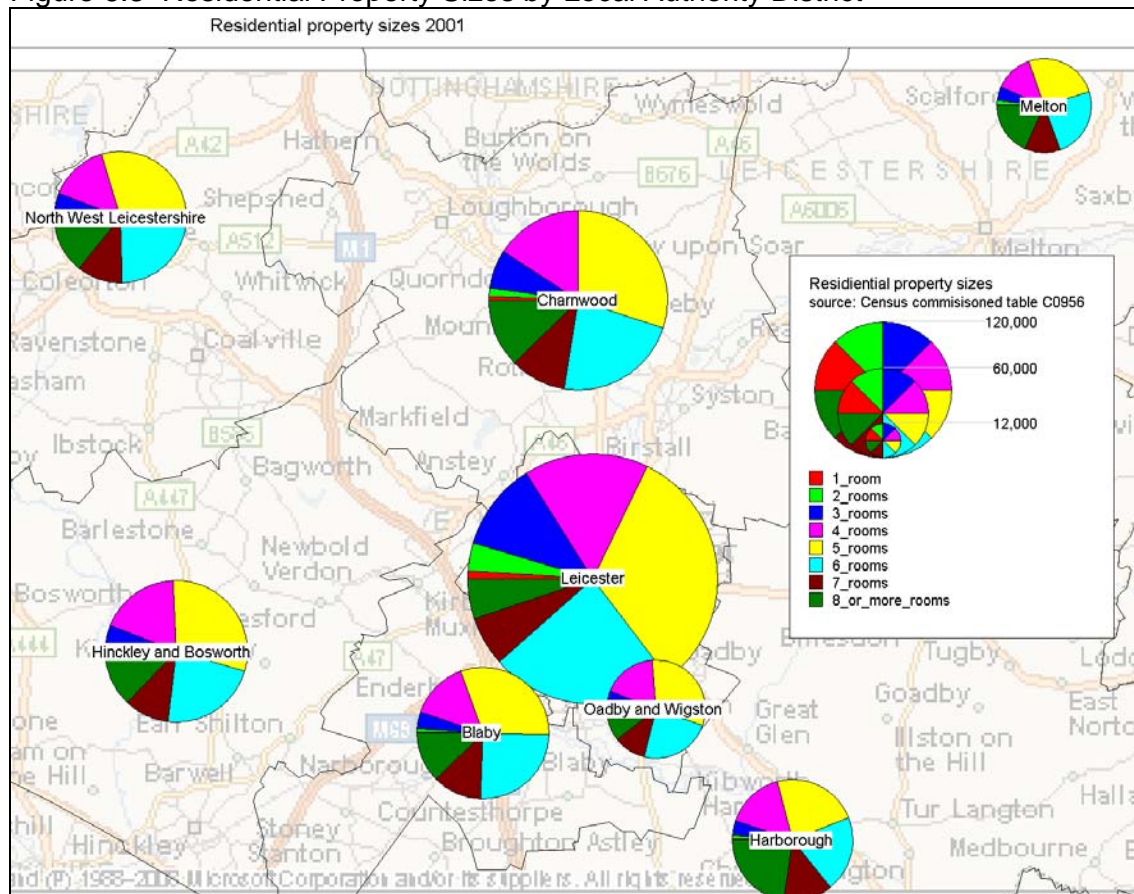
- 6.46 The dilemma is that, if more affordable housing is required through S106, there will be less new market provision. This will not help improve housing affordability by increasing supply to help meet demand. As a result, there will be more need for affordable housing from households who cannot afford market housing.
- 6.47 Similar dilemmas also occur in relation to the local economy. The provision of better quality, higher-value housing for sale may appeal to more economically active households. However, this may be at the expense of affordable housing to meet the needs of the less economically robust households. This also applies in reverse – more social and affordable housing may mean poorer general housing affordability, and so deter the “better-off” households from moving to or staying in the area.
- 6.48 Ultimately, it is clear that these levels of need cannot be provided through the Planning process alone. A balance must be found between meeting the need for affordable housing and policies to help improve general supply and affordability, and how to make best use of existing housing.
- 6.49 In respect of the strategic intervention areas in Leicester City, there is the additional issue of mismatch between demand for affordable homes and the planning approvals for apartments. This has an impact on land values and expectations by landowners which can stifle land coming forward. There is concern that given the current market and existing planning approvals for apartments, a number of sites in the intervention areas may not be bought forward and thus need not be addressed. In reality, there is already beginning to be a re-shaping of schemes and approvals to bring forward sites. However, this has largely been made possible through the recent Homes and Communities Agency kick start funding programme. This makes it clear that continued support for brownfield / infill development to deliver homes is a necessity to ensure that need is met.

House Types and Sizes, Housing Ladders

- 6.50 In addition to price, it is also important to have a mix of housing in the local economy that meets the needs of the local labour market, with its wide range of skills and earnings.
- 6.51 Also, households should be able to move between circumstances and lifestages, while remaining in the local area, if they so wish. This means having local ‘housing ladders’ so that people can move up to larger homes and down to smaller homes.

- 6.52 The totals for each local authority district by number of rooms¹² only are shown in the pie charts (figure 6.3). Leicester City has the greatest number of smaller properties, whilst Harborough has a higher proportion of larger houses.
- 6.53 However, there are huge variations within local authority districts. For example, the 'Principal Urban Area' (PUA) of Leicester includes all of Oadby & Wigston and parts of Blaby, Charnwood, and Harborough. Administrative boundaries do not coincide with the housing market or functional economic areas.
- 6.54 Market Harborough, Hinckley, Coalville, Loughborough, Melton Mowbray and other towns have their own identities, catchment areas, and local economies. Their links with the central Leicester conurbation can be quite weak. Within each of these towns, there are distinct neighbourhoods and "sub-areas" which are the real drivers of where households choose to or can afford to live.

Figure 6.3 Residential Property Sizes by Local Authority District



Source: Census 2001 Commissioned table C0956.

¹² not including bathrooms, halls and landings.

- 6.55 It is now possible to obtain and handle much data at these spatial scales. Techniques of mapping, visualisation and modelling are needed to explore and interpret the detailed data, along with local knowledge¹³.

Neighbourhoods and Housing Sub-markets

- 6.56 The SHMA attempted to identify *housing sub-market areas*¹⁴ within Leicester and Leicestershire. This was based on the concept of *substitutability* – households will consider houses within certain sub-areas as reasonable substitutes for each other, but will not consider, or will not be able to afford, houses in other sub-market areas within the same settlement.
- 6.57 This affects and is reflected in search patterns by home-seeking households. It means that the price for a particular type and size of dwelling will vary according to the sub-market it is in – a very similar terraced house may cost more in Evington than in South Highfields, even though they are adjacent areas. The concept also entails overlapping sub-markets by type of housing and client group – for example students, families, elderly people, etc.
- 6.58 Overall, 155 housing sub-market areas were identified within the general ‘Housing Market Area’ of Leicester and Leicestershire. The map of the initial sub-markets derived for Leicester is shown in figure 6.4, with the average price patterns in the SHMA in 2007 in figure 6.5. Loughborough sub-markets are also shown, as the second largest settlement within the sub-region.

Consequences of a Dysfunctional Housing Market

Private Sector Empty Homes

- 6.59 Empty homes are an important issue in the drive to develop better affordability of housing in Leicester and Leicestershire and to ensure the development and maintenance of sustainable communities. Empty homes are a particular concern at a time of an economic downturn. The impact of falling house prices and lower standards of living is likely to result in an increase in the number of empty homes as owners struggle to sell them, let them and or/bring them up to an acceptable standard for occupation.
- 6.60 The SHMA, using the 2001 Census and 2007 council tax records, showed that there had been an increase in empty properties in the City between 2001 and 2007, although it was accepted that some of this increase could be accounted for by the different data sources.

¹³ See <http://www.blinehousing.info/files/MacEachren.doc>

¹⁴ See http://www.gwilympryce.co.uk/housing/39217_Housing_Market_Fibre.pdf

- 6.61 According to recent council tax figures, the number of empty properties in the City appears to have been fairly constant over the period between 30th April 2007 (4,927) and December 31st 2008 (5,061). However, there is a delay with some of the empty homes being recorded within council tax figures, as unfurnished homes are not registered as empty for six months. There may have been a recent increase in empty properties, which has not yet been reflected in the figures.
- 6.62 76% of all City empty properties identified as empty by council tax records (Feb, 2009) have been vacant for less than eighteen months, i.e. they are re-occupied as part of normal market processes; a process known as 'churning'. Churning is particularly high within the private rented sector, where 40% of tenants have moved within the previous twelve months compared with just 10% of social renting tenants and 5% of owner-occupiers over the same period (Survey of English Housing, 2005/06, CLG). The substantial increase in the private rented sector over the last eighteen years (particularly through the boom in buy-to-let) will have had an impact on the number of properties empty while new tenants are found.

Figure 6.4 Leicester Area Housing Sub-markets Identified in SHMA

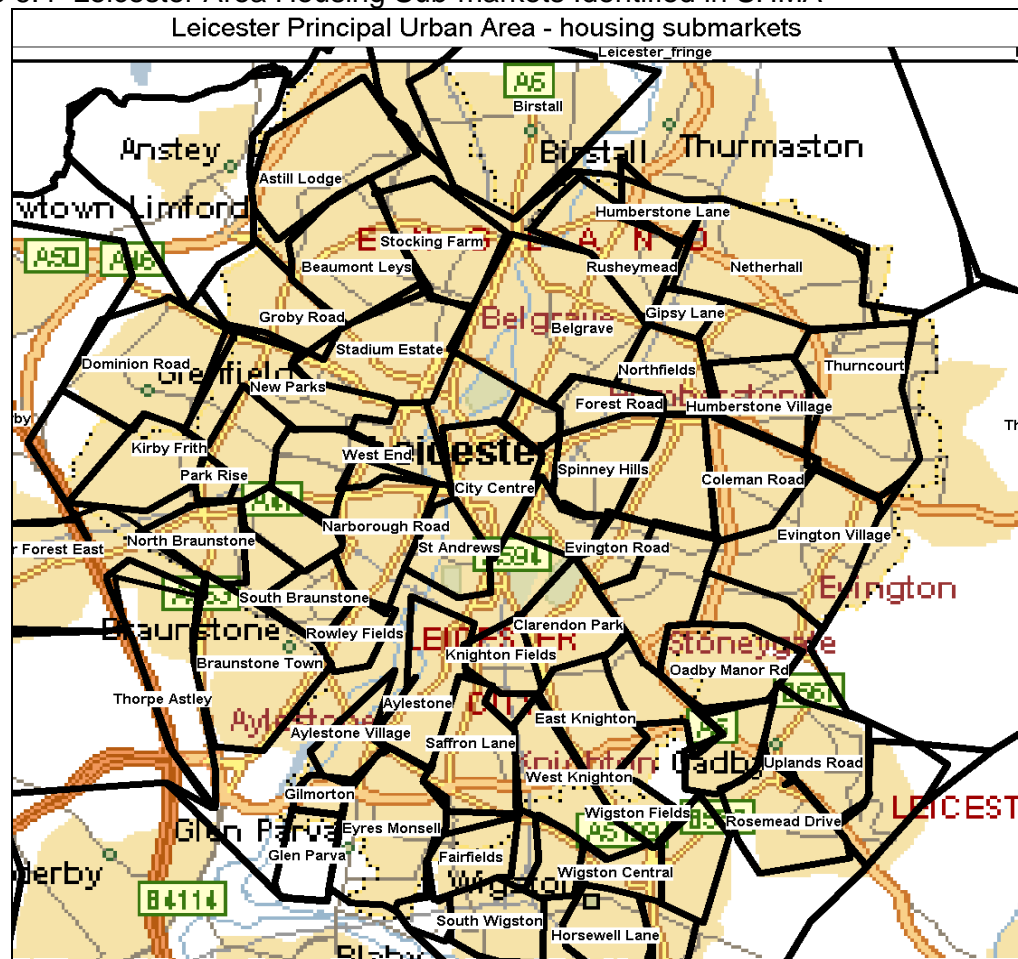


Figure 6.5 Loughborough Area Housing Sub-markets Identified in SHMA



- 6.63 The SHMA found that some areas of the City had relatively high concentrations of empty properties (particularly the City centre and 'A6 corridor'). This was partly due to their existing profile (private rented/flats – single person households under 60 and students) and partly due to new developments awaiting sale/letting.
- 6.64 Information on private sector empty properties supplied by the Housing Strategy Statistical Appendix (HSSA) confirms this observation. At 30th April 2008, 5.3% of Leicester's private sector properties were empty. The next highest proportion in the County was in Blaby (3.6%). In addition, the HSSA showed that 2.9% of Leicester's private sector properties had been empty for more than six months, compared with the next highest proportion in the County, Harborough with 1.4% empty for more than 6 months.

Table 6.12 Empty homes by Local Authority, 2008

HSSA 31st March 2008 DISTRICT	Total private sector properties	Empty private sector	% empty	Empty private sector > 6 mths	% Empty > 6 mths
Blaby	35,442	1,273	3.60%	217	0.60%
Charnwood	58,614	738	1.30%	620	1.10%
Harborough	32,178	596	1.90%	444	1.40%
Hinckley_and_Bosworth	40,956	1,008	2.50%	495	1.20%
Leicester	90,474	4,828	5.30%	2,655	2.90%
Melton	18,861	412	2.20%	116	0.60%
North_West_Leicestershire	33,654	667	2.00%	54	0.20%
Oadby_and_Wigston	20,655	316	1.50%	220	1.10%

Source: HSSA

- 6.65 Leicester City Council's Empty Homes Team found that half of all properties empty for between 18 months and ten years are located in just 7 wards: Castle, Knighton, Abbey, Spinney Hills, Westcotes, Stoneygate, and Fosse¹⁵
- 6.66 In 2008/09, the City brought 145 empty private sector homes back into use. At 31st March 2008, there were 988 properties that had been empty for longer than 18 months, but less than ten years, and 32 empty for over 10 years.
- 6.67 Tables 6.12 and 6.13 show that the percentage of empty homes is less significant in Leicestershire districts than in the City. However, they can be a concern in particular neighbourhoods. Activity in relation to empty homes is contained within district-level housing strategies. In some localities, this issue is more significant and therefore attracts a higher priority for activity than in others. District Councils are taking actions that can have indirect influence on this area, for example private sector grant activity, private sector leasing schemes, tenant finder services to landlords and accreditation schemes that all assist in reducing empty homes.

Table 6.13 Private Sector Homes Empty for more than 6 Months

DISTRICT	April 2006	April 2007	April 2008	April 2009
Blaby	122	272	217	401
Charnwood	603	1,096	620	836
Harborough	536	344	444	416
Hinckley & Bosworth	365	407	495	486
Leicester	2,293	2,724	2,655	2,683
Melton	248	324	116	126
North West Leicestershire	494	905	54	742
Oadby_ & Wigston	282	213	220	276

Source: HSSA (2009 data for Blaby has been adjusted as per Blaby DC)

Private Sector Decent Homes

- 6.68 Decent homes are essential to sustainable communities. A home and its surrounding environment impact on the physical and mental health and well-being of those who live there. Poor housing and poor environment can contribute to an area having a bad reputation. This in turn can lead to low demand, making communities unsustainable. Non-decent homes can have a negative impact on the functioning of the labour market.
- 6.69 The probable impact of an economic downturn on decent homes in the community is that households are likely to be less able to afford to maintain their properties to an acceptable standard.

¹⁵ Leicester City Council - Council Tax records, Feb, 2009

- 6.70 There are just over 90,000 private sector properties in Leicester. 44% of Leicester's private sector housing was built before 1918¹⁶. 40% of private sector housing is semi-detached (bungalow/house), 36% is terraced (bungalow/house) and 9% is flats, maisonettes or apartments.
- 6.71 According to the Buildings Research Establishment (BRE - 2007), approximately 44% of Leicester's private sector stock is classified as non-decent. This compares with 35% of private sector properties in England classified as non-decent.¹⁷ In the County, only Melton has a comparable level of non-decency. The BRE data suggests that around 24% of private sector properties in Leicester have a category one hazard, while around 25% are lacking thermal comfort and approximately 7% are in disrepair.
- 6.72 In spite of the work that has been undertaken as a result of Leicester City Council's Renewal programme, Leicester's level of non-decent private sector properties is among the highest in the East Midlands. This is principally a result of the City having one of the largest proportions of pre-World War 1 housing in the country.
- 6.73 A key target for decent homes work is the number of vulnerable households in non-decent accommodation – those who are unlikely to be able to bring their homes up to the expected minimum standard (primarily due to a lack of resources). In Leicester and Leicestershire this problem is greatest in Melton and Leicester (table 18).
- 6.74 The City operates a private sector renewal programme which provides advice and assistance to (qualifying) homeowners to maintain their homes and to bring them up to the decent homes standard. Over a period of 34 years, Leicester has been involved in improving the condition of more than 20,000 homes. However, properties will continue to become 'non-decent' as roofs, wiring, kitchens and bathrooms exceed the age criteria used to determine decency. This means that there is still significant work to be undertaken to ensure private sector stock is maintained to an acceptable standard.

¹⁶ Leicester City Council Housing Strategy 2005 to 2010

¹⁷ English Stock Condition Survey 2007

Figure 6.6 BRE Private Sector Stock Condition Model Outputs

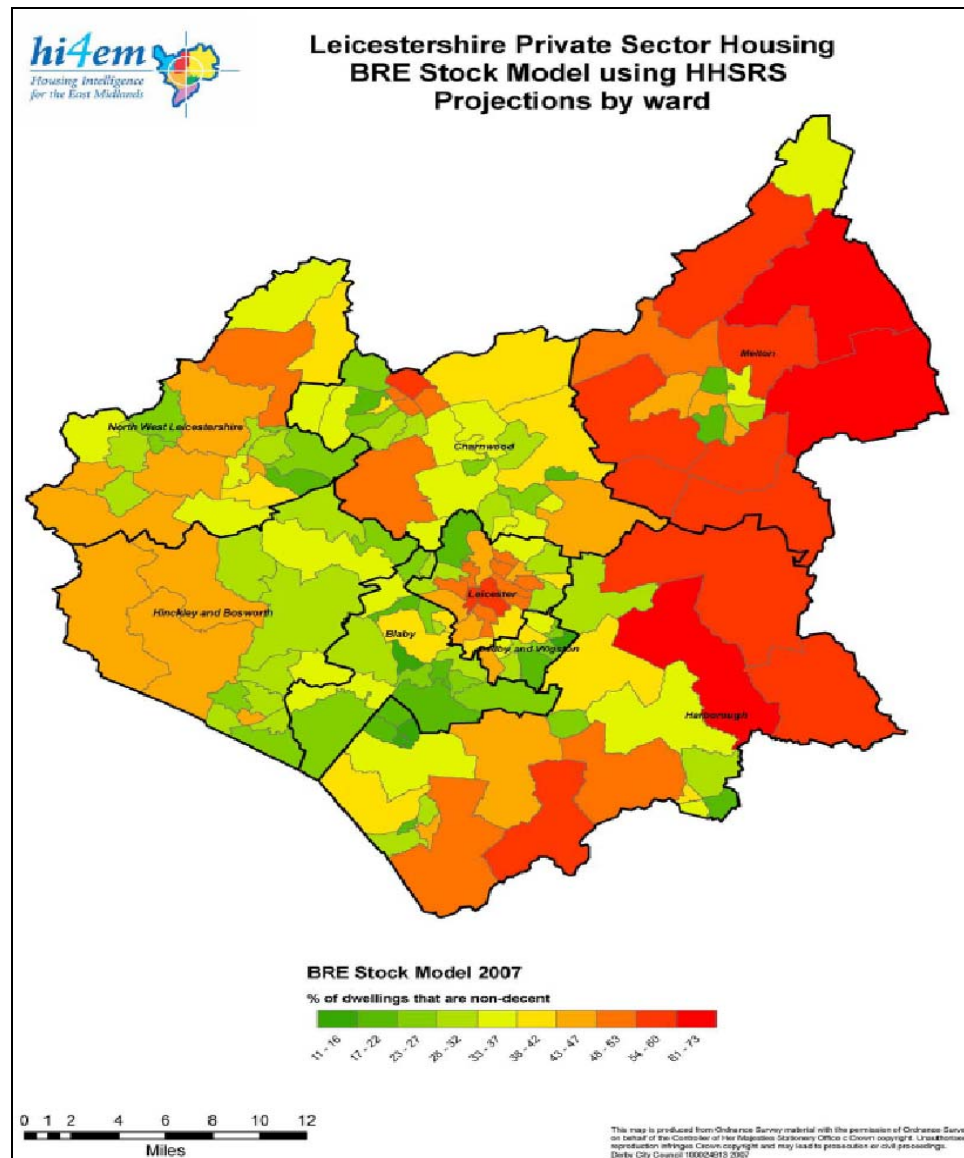


Table 6.14 Vulnerable Households Living in Decent Homes (%)

Area	Proportion
Blaby	58 – 60%
Charnwood	56 – 57%
Harborough	58 – 60%
Hinckley and Bosworth	58 – 60%
Leicester	54 – 55%
Melton	48 – 50%
North West Leicestershire	58 – 60%
Oadby and Wigston	56 – 57%

Source: BRE Stock Modeller Data (2007)

- 6.75 Partly as a result of reductions in capital receipts through the decline in the sale of council houses since the economic down-turn, local authorities now have limited funds for grant-based assistance.
- 6.76 Table 6.15 shows the number of private sector homes made decent in the period 2005/06 – 2008/09 and, in brackets, the number that were occupied by vulnerable households. In both Leicester and Leicestershire, the focus of assistance has been on vulnerable households (in 2008/09 93% of homes made decent in the City and 73% in Leicestershire).

Table 6.15 Number of Private Sector Homes Made Decent

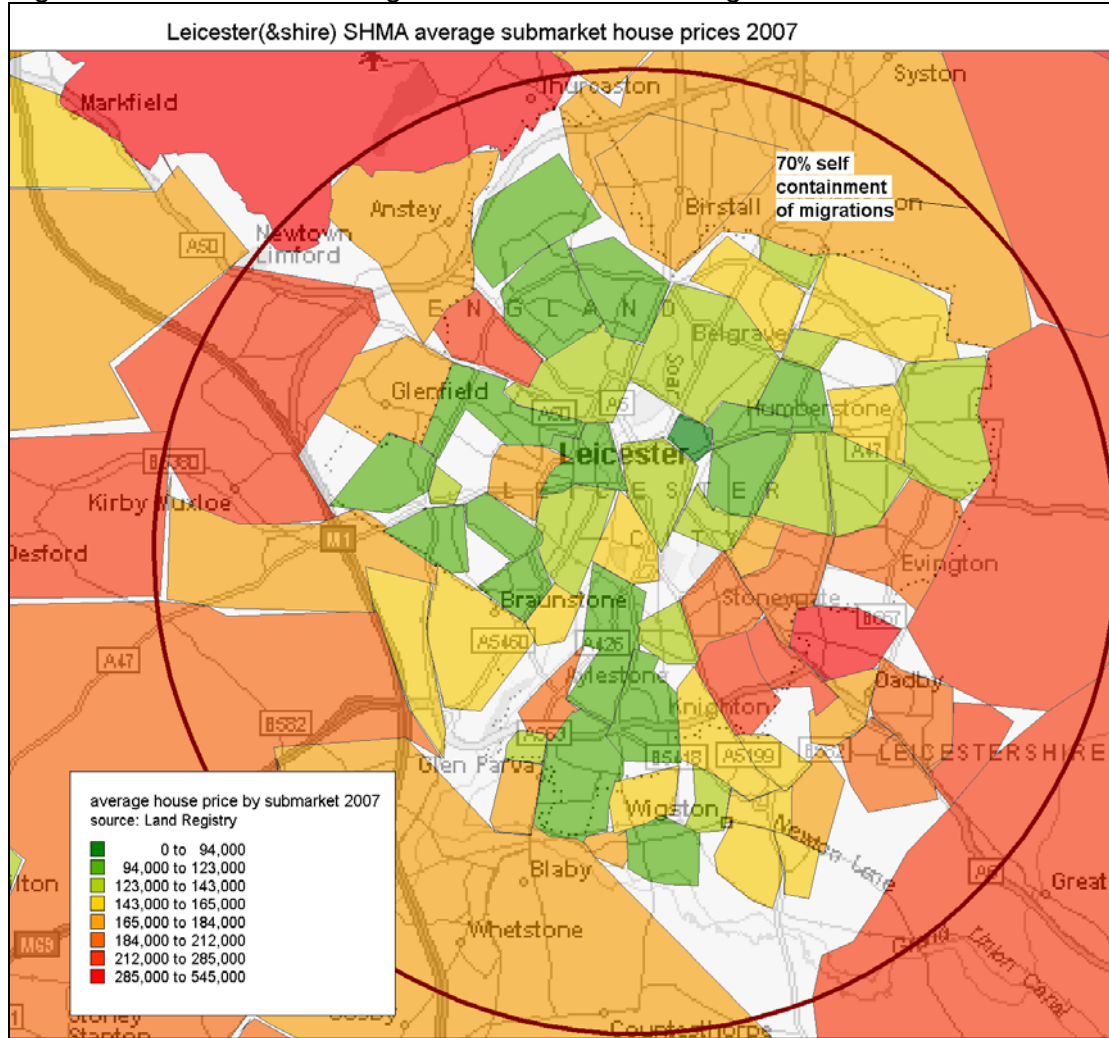
	2005/06	2006/07	2007/08	2008/09
Blaby	19 (18)	37 (37)	54 (54)	61 (61)
Charnwood	93 (93)	125 (124)	227 (226)	101 (101)
Harborough	104 (79)	77 (38)	60 (52)	112 (96)
Hinckley & Bosworth	26 (21)	27 (24)	52 (39)	71 (65)
Leicester	272 (205)	276 (244)	425 (398)	329 (305)
Melton	12 (6)	16 (16)	39 (37)	140 (70)
North West Leics	#	108 (93)	79 (79)	242 (126)
Oadby & Wigston	45 (36)	38 (38)	#	58 (58)

Housing Strategy Statistical Appendix (HSSA)

Note numbers in brackets indicate of those the number occupied by vulnerable households

- 6.77 There has been an overall increase in the number of homes made decent, primarily due to improved funding opportunities and more effective working practices.

Figure 6.7 Leicester Housing Sub-market Area Average House Prices 2007/8



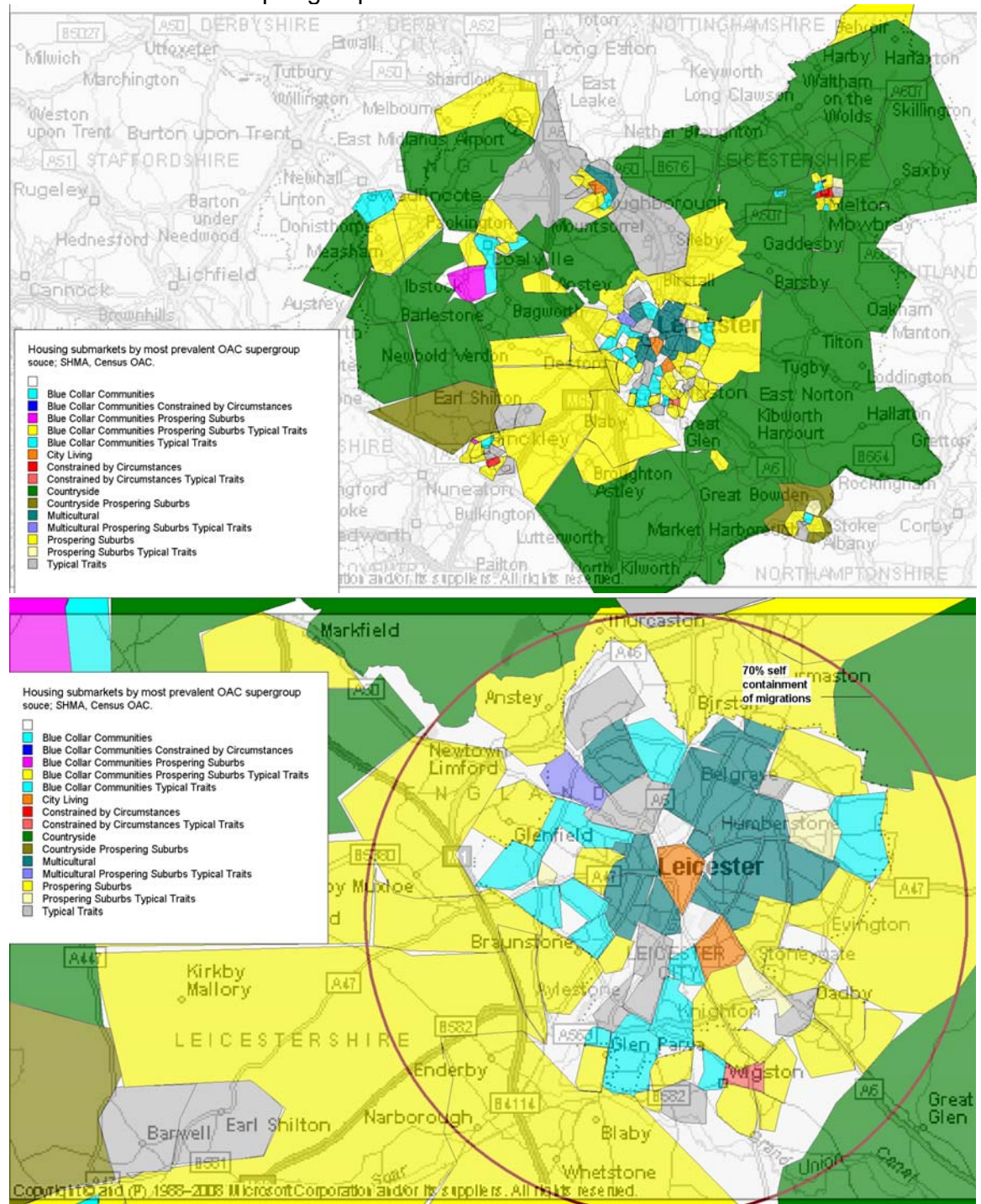
6.78 In the wider Leicester urban area, for example, substitutable sub-markets for better-off, middle class households would be such as Evington, Stoneysgate, Knighton, Oadby, Wigston, Aylestone, Blaby, Western Park, Glenfield, Birstall, Thurmaston, etc. as can be confirmed by the price patterns, as well as by local knowledge. Many of these, but not all, are in the suburban local authorities surrounding Leicester City.

Housing sub-markets and the local economy

6.79 Housing sub-markets are a useful policy tool for assessing the viability and sustainability of different areas and the mix of housing required to provide more balanced markets and local 'housing ladders'. For the economic assessment, this concept is important, because, in current circumstances, a mix of sub-markets is required to provide for a range of lifestyles, lifestyles, incomes and household types.

- 6.80 Mixed communities are a key aim of current government housing and planning policy. If a settlement were to spring up, carefully planned from a fresh start, it might be possible to have a more 'finely grained', evenly mixed, homogeneous pattern of large and small, affordable and expensive housing. However, existing patterns are set by many years of historical development, market processes, tenure differences and polarisation along several dimensions.
- 6.81 Starting from the current reality, the mix, balance and location of these sub-markets are important factors in the local economy. Too much or too few of one type of housing provision may lead to a situation where some contributors to the economy – whether they be senior managers, professionals, key public services workers, students, young graduates or unskilled manual workers – cannot reside within an area to provide that particular 'cog' in the machinery of the economy.
- 6.82 The current mix of sub-markets can be considered by average price; but this is simplistic because prices also vary due to the type, size, age and origins of housing, as well as location. A more sophisticated method is to categorise existing sub-markets according to a mix of representative key variables, interpreted and applied through local knowledge.
- 6.83 A way of doing this is by using Census Output Area Classifications (OAC), which are a composite indicator of the nature of small areas derived from 41 Census variables. Based on this data, Output Areas were classified into seven 'super-groups' and 21 'sub-groups'. By then recombining these using the SHMA housing sub-market areas, and selecting the most numerous OAC super-groups in each, a composite indicator of the overall nature of each sub-market area can be developed.
- 6.84 The maps show how 'prospering suburbs' surround the more mixed and less well-off central areas of the bigger settlements, especially in the Leicester urban area. This is similar to most cities. Sub-markets with suburban attributes can and do exist closer to central areas. Conversely, the suburban areas also appear to contain less variation, although in reality are mixed at a more detailed level.
- 6.85 On average, about two-thirds of Output Areas in sub-markets are of its most prevalent OAC super-group classification, and the proportion varies from 25% to 100%.
- 6.86 One well-known implication is that more better-off households who live in the suburbs have to travel greater distances to work in the city centre. They are also more likely to use cars and not public transport; which in turn increases congestion and carbon dioxide output. More attractive suburban type housing sub-markets closer to the centre could help mitigate this to some extent.

Figure 6.8 Housing Sub-market Areas by Predominant Census Output Area Classification 'Super-group' .



Source: SHMA, 2007/8

6.87 A key issue faced by many cities is that younger, newer and less well-off households have to move away from suburban and rural areas to be able to afford housing, whereas, better-off, mature families move out to the suburbs. These “escalator” migration patterns are so well

established as to appear normal and expected, but can also be seen as causing polarised and divided communities.

- 6.88 A completely homogeneous mix of house types and sizes may be impossible, starting from the current position. It may, in any case, be undesirable and fraught with possible unintended consequences. Excessive polarisation and separate communities living parallel lives has also been shown to be damaging in many ways.

Household Characteristics and Housing Provision

- 6.89 The three tables below show the numbers and proportions of households living in sub-markets of different types for the overall City and County, the Leicester 70% self-containment area (essentially the real City Region Housing Market), and the Leicester City administrative area only. This shows how looking at different spatial areas dramatically changes the balance and composition of types of household. This emphasises the importance of getting the right geography through which to consider the evidence to properly understand how the housing market works.

Table 6.16 Numbers and Proportion of Households in Different Types of Housing Sub-market Area by most Prevalent OAC 'Supergroup'

Whole HMA - City and County		
Most prevalent housing submarket OAC super-group	Total households	% of total
Prospering Suburbs	147,743	42%
Typical Traits	51,861	15%
Multicultural	51,290	14%
Blue Collar Communities	39,377	11%
Countryside	38,100	11%
City Living	7,360	2.1%
Blue Collar Communities Typical Traits	4,822	1.4%
Countryside Prospering Suburbs	3,672	1.0%
Prospering Suburbs Typical Traits	3,468	1.0%
Blue Collar Communities Prospering Suburbs	2,652	0.7%
Constrained by Circumstances	1,964	0.6%
Blue Collar Communities Prospering Suburbs Typical Traits	1,216	0.3%
Constrained by Circumstances Typical Traits	1,028	0.3%
Multicultural Prospering Suburbs Typical Traits	,451	0.1%
Blue Collar Communities Constrained by Circumstances	126	0.04%
Total	355,130	100%

Table 6.16 Continued

Leicester City Region 70 % self-containment area only	Total households	% of total
Prospering Suburbs	77,027	43%
Multicultural	47,308	27%
Blue Collar Communities	30,187	17%
Typical Traits	13,499	8%
City Living	5,094	3%
Prospering Suburbs Typical Traits	2,985	2%
Constrained by Circumstances Typical Traits	1,028	1%
Multicultural Prospering Suburbs Typical Traits	451	0.3%
Total	177,579	100%

Leicester City only	Total households	% of total
Multicultural	47,308	44%
Blue Collar Communities	29,293	27%
Prospering Suburbs	12,724	12%
Typical Traits	10,213	9%
City Living	5,094	5%
Prospering Suburbs Typical Traits	2,985	3%
Multicultural Prospering Suburbs Typical Traits	451	0.4%
Total	108,068	100%

- 6.90 This shows that the Leicestershire sub-region and the Leicester City Region wider 'Housing Market Areas' are quite similar in their proportions of households in different housing sub-market types. However, the Leicester City only profile is quite different, with only 12% in the "Prospering suburbs" category. This is strongly affected by the 44% "Multicultural" category
- 6.91 Areas which have been popular for 'secondary migration' by better-off Asian families, such as Oadby and Thurmaston, still show as 'prospering suburbs'. It may be that more moves to these areas have taken place since 2001 which could change their most prevalent OAC super-group in the next Census; but also that the established Asian communities are now joining the 'affluence flight' which has always occurred, further confirming the 'escalator model' of migration.
- 6.92 The indication from this evidence is that the housing market is reasonably balanced overall, both in the County and the core City region. However, it is somewhat imbalanced in the City urban area with more older, cheaper housing in the centre and little that will appeal to more affluent households and workers. There is a smaller amount of affordable housing in the suburbs that would enable more households with lower incomes to live and work there.

6.93 Where types of housing in a sub-market are skewed, this can lead to a locally imbalanced situation, and perhaps either unwilling out-migration or, more likely for some such as older people, continued occupation of unsuitable housing. Ideally, in an effective and properly functioning housing market, households should be able to make the transitions to meet their needs at different lifestages within the housing sub-market that they know and prefer.

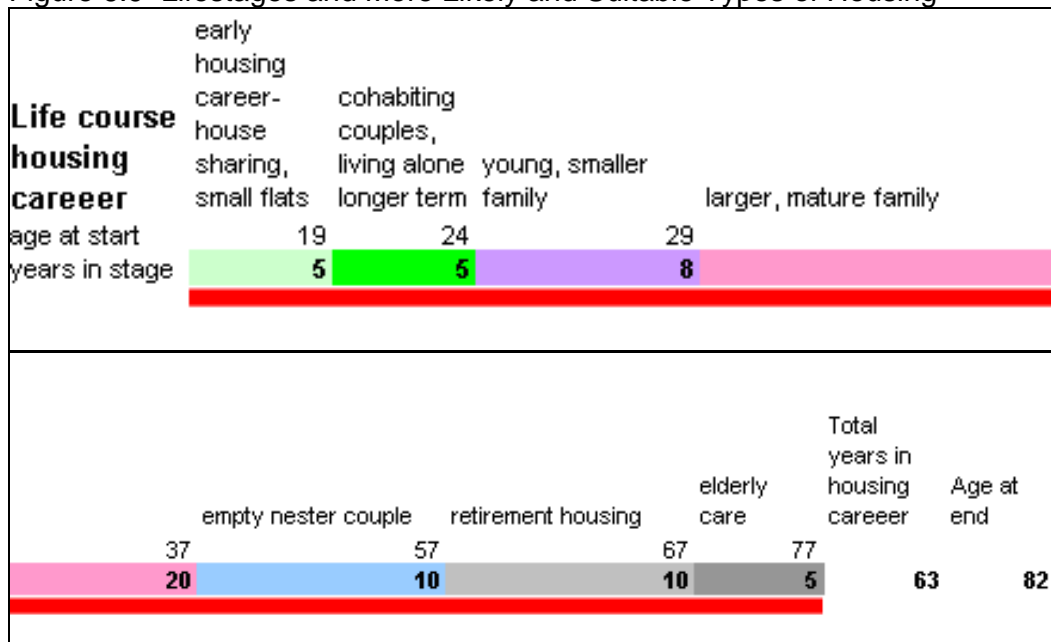
Lifestyles, Lifestages and Transitions

6.94 The housing market, like the economy, is a system, through which people in households pass over the course of their lives. This usually entails moving between 'lifestages', which have different housing demands, needs and expectations. Part of planning and managing effective housing provision to support the local economy is to be aware of and steer the housing market towards meeting these needs and demands, matching the demographic trends and changes as far as possible.

6.95 As government planning guidance recognises, this now requires more than 'predict and provide'. To make the best use of resources and build the right homes in the right places at the right time in complex modern housing markets now requires a 'plan, monitor, manage' approach.

6.96 'Lifestages' are recognised in sociological literature and can be represented in various ways. One is by the approximate age and length of time in each stage and the typically associated accommodation implied.

Figure 6.9 Lifestages and More Likely and Suitable Types of Housing



- 6.97 Lifestages can be further translated into types and sizes of housing that could in theory provide the ‘best fit’ for each ‘lifestage’. This is based on what people will want and need, but also what they can afford and will accept (based on their probable current housing market and economic position).
- 6.98 Household types alone cannot be neatly translated into lifestages and lifestyles, but they can be used to give a simplistic indication of the general overall theoretical mix of housing required.
- 6.99 Table 6.17 shows the proportions of household types by each local authority. It can be seen that, at this scale, each local authority is very mixed, but with some differences. For example, there is a smaller proportion of “*Married couples with dependent children*” but a higher proportion of “*All student*” households in Leicester. At a more localised level, these differences are much greater.

Table 6.17 Proportions of Main Household Types by Local Authority

Household type % of total	Leicester	Blaby	Charn-wood	Har-borough	Hinckley & Bosworth	Melton	NW Leics	Oadby & Wigston
One pensioner	14%	12%	13%	13%	13%	13%	14%	15%
One person: other	19%	11%	14%	11%	12%	12%	12%	11%
All pensioners	7%	11%	10%	11%	10%	10%	10%	12%
Married couple: no children	9%	16%	15%	18%	16%	17%	16%	14%
Married couple: with dependent children	17%	22%	20%	22%	20%	20%	20%	20%
Married couple: all children non-dependent	5%	8%	7%	7%	8%	7%	8%	7%
Cohabiting couple: no children	4%	6%	5%	6%	5%	5%	5%	4%
Cohabiting couple: with dependent children	3%	4%	3%	3%	4%	3%	4%	3%
Lone parent: with dependent children	9%	4%	5%	4%	4%	4%	5%	6%
Lone parent: non-dependent children	3%	3%	3%	2%	3%	3%	3%	3%
Other: with dependent children	4%	2%	2%	1%	2%	2%	1%	3%
Other: all student	2%	0%	1%	0%	0%	0%	0%	0%
Other: other	4%	2%	3%	2%	2%	2%	2%	2%

Table 6.18 Simplified Allocation - Size of Home Needed by Type of Household

All	Size	100.0%
One person: Pensioner	1 bed	13.2%
One person: Other	1 bed	14.2%
One family : All pensioners	2 bed	9.2%
One family : Married couple : No children	2 bed	13.8%
One family : Married couple : With dependent children	3 bed	19.3%
One family : Married couple : All children non-dependent	3 bed	6.5%
One family : Cohabiting couple : No children	2 bed	4.9%
One family : Cohabiting couple : With dependent children	3 bed	3.4%
One family : Cohabiting couple : All children non-dependent	3 bed	0.3%
One family : Lone parent : With dependent children	3 bed	5.9%
One family : Lone parent : All children non-dependent	2 bed	2.9%
Other : With dependent children	2 bed	2.4%
Other : All student	3 bed	0.7%
Other : All pensioner	2 bed	0.4%
Other : Other	3 bed	2.9%

6.100 Each of these households can then be allocated, albeit with great over-simplification, to a size of house that they are most likely to 'need'. Only one person households are allocated one bedroom. All others, including couples, are classified as needing at least two bedrooms. The total for all local authorities combined is shown for simplicity. The theoretical proportions needed to provide for these household types are shown below.

Table 6.19 Crude Summarised Proportion of Housing Sizes Needed (based on household type alone)

Size	proportion 'needed'
1 bed	27%
2 bed	33%
3 bed and larger	39%

- 6.101 On this basis, the proportion of smaller properties would be far higher than it actually is, and this kind of analysis has sometimes led to a simplistic belief that more smaller properties are required.
- 6.102 By using household projections disaggregated by type and age, a more sophisticated analysis can be undertaken which also looks at the likely current housing circumstances and market position of households. The combined City and County 2004-based projections for 2011 and 2016 are shown in the following table.

Table 6.20 2004-based Chelmer Household Projections
Leicester City and Leicestershire County combined 2011

For year 2011	Married couple	Cohabiting couple	Lone parent	Other multi person	One person	Totals
age 15-19	10	306	570	209	837	1,932
20-24	543	4,426	2,584	4,444	4,161	16,158
25-29	3,789	9,074	3,432	1,855	7,533	25,683
30-34	8,438	7,775	4,641	817	7,829	29,500
35-39	13,585	6,562	5,469	677	7,716	34,009
40-44	19,371	5,833	5,596	1,224	8,399	40,423
45-49	21,151	4,209	3,636	1,916	9,217	40,129
50-54	20,546	3,147	1,360	2,489	8,689	36,231
55-59	19,324	1,982	428	2,221	8,841	32,796
60-64	20,737	1,365	184	2,163	10,391	34,840
65-69	16,571	712	55	1,661	9,388	28,387
70-74	12,783	354	60	1,478	9,274	23,949
75-79	9,440	165	42	1,164	9,913	20,724
80-84	5,719	71	61	1,219	9,334	16,404
85+	2,986	32	61	1,183	10,010	14,272
Total	174,993	46,013	28,180	24,723	121,531	395,440

Table 6.21 20040-based Chelmer Household Projections
Leicester City and Leicestershire County Combined 2016

For year 2016	Married couple	Cohabiting couple	Lone parent	Other multi person	One person	Totals
age 15-19	9	288	570	184	841	1,892
20-24	490	4,262	2,535	4,442	4,057	15,786
25-29	3,613	9,527	3,806	2,065	8,210	27,221
30-34	8,520	8,904	5,383	943	9,627	33,377
35-39	11,797	7,001	5,563	669	8,558	33,588
40-44	15,055	5,817	5,069	1,062	8,298	35,301
45-49	19,734	5,376	3,880	1,816	10,237	41,043
50-54	21,053	4,198	1,593	2,824	10,547	40,215
55-59	20,123	2,709	507	2,527	10,502	36,368
60-64	18,240	1,657	192	2,050	10,472	32,611
65-69	19,205	1,123	64	1,952	11,780	34,124
70-74	14,670	480	68	1,796	10,776	27,790
75-79	10,481	189	41	1,139	10,542	22,392
80-84	6,507	91	67	1,279	9,518	17,462
85+	3,786	53	69	1,263	11,214	16,385
Total	173,285	51,676	29,406	26,012	135,176	415,555

6.103 Considering these two variables separately shows that the largest increase in household type will be of one person households, and the largest increase in age groups in the over 65s. However, the combined cells show that these are largely the same households of older people, many of whom will be widowed, divorced, etc. There will be more older

married couples (although the overall number of married couples goes down due to more younger cohabiting couples).

6.104 It is important to consider these dimensions together as representing real households, and not to separate them into different variables. Most single people are older, many of them pensioners, and already live in larger family houses, where they brought up their children. They do not want and will not accept smaller one bedroom homes, and are in a strong market position to be able to stick to this choice.

6.105 These older households are overwhelmingly already well housed, the majority in owner-occupied family houses in which they brought up their families. This results in extensive 'under-occupation' of housing, with many older empty-nester households having more bedrooms than they technically 'need'. Although, many still want and use the space that they have in their homes. The SHMA estimates the extent of this :-

Table 6.22 Under-occupation by Local Authority District (Counts)

LA	Total number of households	1 person, 5 to 6 rooms	1 person, 7 or more rooms	2 people, 7 or more rooms	Total under-occupation
Leicester	111,211	15,292	1,822	3,193	20,307
Blaby	35,970	4,200	723	2,867	7,790
Charnwood	60,429	6,783	1,276	4,562	12,621
Harborough	30,809	3,053	937	4,103	8,093
Hinckley & Bosworth	40,909	4,458	748	3,089	8,295
Melton	19,566	2,230	591	2,232	5,053
NW Leicestershire	35,432	4,431	894	3,110	8,435
Oadby & Wigston	21,942	2,738	432	1,410	4,580

Table 6.23 Under-occupation by Local Authority District (Percentages)

LA	Total number of households	1 person, 5 to 6 rooms	1 person, 7 or more rooms	2 people, 7 or more rooms	Total under-occupation
Leicester	111,211	13.8%	1.6%	2.9%	18.3%
Blaby	35,970	11.7%	2.0%	8.0%	21.7%
Charnwood	60,429	11.2%	2.1%	7.5%	20.9%
Harborough	30,809	9.9%	3.0%	13.3%	26.3%
Hinckley & Bosworth	40,909	10.9%	1.8%	7.6%	20.3%
Melton	19,566	11.4%	3.0%	11.4%	25.8%
NW Leicestershire	35,432	12.5%	2.5%	8.8%	23.8%
Oadby & Wigston	21,942	12.5%	2.0%	6.4%	20.9%

Source: Census tables CAS51

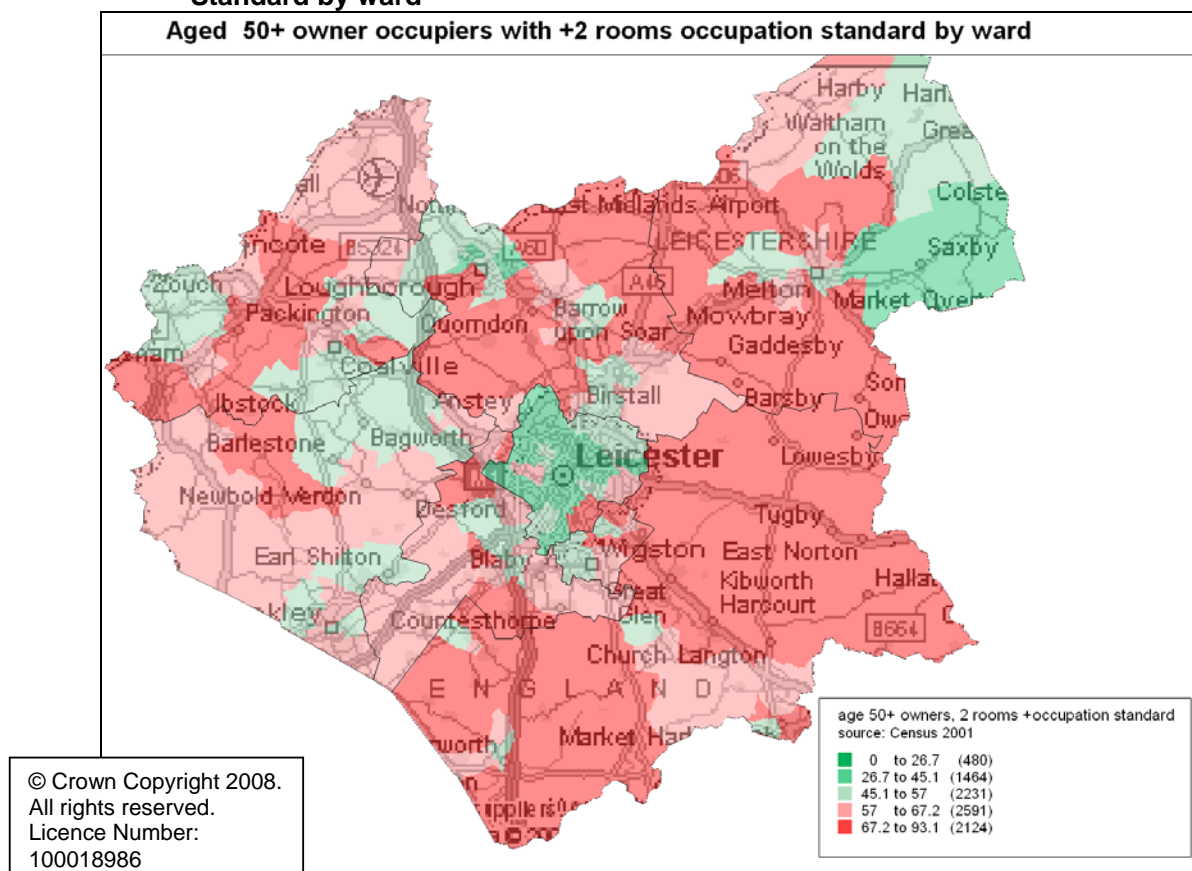
6.106 Some headline figures for potential levels of under-occupation amongst over 50s are shown in Table 6.24.

Table 6.24 Proportion of Over 50s with Possible Under-Occupation

LA	All people aged 50+ in households	All people aged 50+ with 2+ rooms	% aged 50+ with 2+ rooms
Blaby	30,209	20,825	69%
Charnwood	48,945	32,021	65%
Harborough	26,344	19,009	72%
Hinckley & Bosworth	35,551	22,837	64%
Leicester	73,733	39,529	54%
Melton	16,714	12,114	72%
NW Leicestershire	29,786	20,185	68%
Oadby & Wigston	19,186	12,675	66%
Grand Total	280,468	179,195	64%

6.107 The spatial pattern of the possible under-occupation figures in table 6.24, for owner occupier households aged over 50, correlates strongly with greater affluence in the suburbs and rural areas.

Figure 6.10 Aged 50+ Owner Occupiers with 2+ Rooms Occupation Standard by ward



* The occupancy rating provides a measure of under-occupancy and overcrowding. For example a value of -1 implies that there is one room too few and that there is overcrowding in the household. It assumes that every household; including one person households; requires a minimum of two common rooms (excluding bathrooms).

6.108 The tables below show the more complex detailed position of households in different lifestyles and household types. They allocate households to accommodation types based on judgements about the *theoretical* optimum type and size of home that each household's age group and type will need *and* are more likely to accept.

Table 6.25 Accommodation Types that Households at Different Lifestyles Need, will Accept and Could Afford

General Type of Accommodation	Suitable and Affordable for, and Acceptable to	Housing Stage
1bed flats	mainly younger single or couple households at the start of housing pathway. Some long term singles	1
2 bed upsizing flats	childless couples or older singles	2
2 bed houses	couples, smaller families, single parents, singles with child access and frequent visitors	2 and/or 3
3 bed houses & larger	typical families with children	2, 3, 4
3 bed flats/cluster	young people/students sharing at start of housing career, students, extended older families, non-traditional household groups	1, 5, etc
2 bed downsizing houses, flats, bungalows	'younger' old, close to retirement empty-nesters, downsizers	5
½ bed elderly/care	older frail elderly singles	6

6.109 The data in table 6.25 can then be applied to the household projections¹⁸ to give an optimum profile of the housing market to best fit the household types and ages. Table 6.26 covers the City and County combined.

Table 6.26 Optimum Housing Stock Profile
(if all households lived in the type and size of housing most suitable for that lifestyle)

Accommodation type	Number	%
1bed flats	19,474	5%
2 bed upsizing flats	30,008	7%
2 bed houses	72,769	18%
3 bed houses & larger	158,328	38%
3 bed flats/cluster	8,303	2%
2 bed downsizing houses/flats/bungalows	91,646	22%
1 /2 bed elderly/care	35,027	8%
Total	415,555	100%

¹⁸ The 'Household Projections and Current Market Position Model' developed out of SHMAs is set out further in a TCPA article at:-
<http://www.blinehousing.info/files/Lookingatfuturehousingdemandusinghouseholdprojections-BLine-10-1-09.pdf>

6.110 This shows that in theory a much greater number and proportion of “downsizing” homes are required. This would release larger family homes for younger, growing and emerging families. However, many older empty-nesters may choose to stay put, or only a few move when their circumstances change. This changes the proportions of different types and sizes required, as shown in the table below.

Table 6.27 Impact on Type and Size of Housing Required
(if different proportions of empty-nester households downsize)

<i>proportion of empty-nesters who move somewhere smaller ></i>	1bed flats	2 bed upsizing flats	2 bed houses	3 bed houses & larger	3 bed flats/ cluster	2 bed down sizing flats/ bung allows	1 /2 bed elderly /care	2 bed & larger family homes
Totals	19,474	30,008	72,769	158,328	8,303	91,646	35,027	261,105
5% moving	5%	7%	18%	59%	2%	1%	8%	84%
10%	5%	7%	18%	58%	2%	2%	8%	83%
20%	5%	7%	18%	56%	2%	4%	8%	80%
25%	5%	7%	18%	55%	2%	6%	8%	79%
30%	5%	7%	18%	54%	2%	7%	8%	78%
40%	5%	7%	18%	51%	2%	9%	8%	76%
50%	5%	7%	18%	49%	2%	10%	8%	74%
60%	5%	7%	18%	47%	2%	13%	8%	72%
70%	5%	7%	18%	45%	2%	15%	8%	69%
75%	5%	7%	18%	44%	2%	17%	8%	68%
80%	5%	7%	18%	41%	2%	18%	8%	66%
90%	5%	7%	18%	40%	2%	21%	8%	65%
100%	5%	7%	18%	38%	2%	22%	8%	63%

6.111 Depending on how many empty-nesters move, the proportion of downsizing homes varies. So, in table 6.27, if only 5% of empty nesters move to a smaller home, then only 1% of downsizing homes are required; but if 90% move, then the stock profile overall should consist of 21% downsizing homes.

6.112 In turn, this affects the proportion of family homes required in the housing stock, because downsizers make a family home available for sale or to let when they move. If 90% of empty-nesters were to downsize, then the proportion of larger 3bed+ family homes required falls to 40%, compared to 59% required if only 5% downsize.

6.113 This analysis does not take into account younger households who choose to under-occupy because they can afford to and want the space. This can be significant in a free market with affluent double-income households. The free market cannot be controlled, which would lead to an outcry and many unintended consequences. It can perhaps be steered and directed by going with market trends to some extent, and creating incentives and appeals for more widely beneficial market choices at particular lifestages.

- 6.114 By taking into account their likely current housing circumstances and market position, it is possible to consider the type of housing that different households can afford. Older empty-nester households are often equity rich, but cash poor, and have lower or fixed incomes but lower living costs. This demographic group could become increasingly important in the local economy. This is due to their housing market impacts, consumption patterns, and perhaps by continuing to work longer.
- 6.115 The 'safest' type of housing to provide in the current market is traditional reasonably-sized family housing at moderate densities in popular areas. This is also the most land-hungry and contentious, and resisted by exactly those households who are under-occupying existing family housing in such areas. A more egalitarian utilisation of stock, which also goes along with market trends and incentives, could help to reduce the need for additional housing.

Student Housing

- 6.116 In the middle lifestages, other factors have greater importance. It is already widely recognised that parents with children regard schools as a key factor in making decisions about where to live.
- 6.117 The earlier stages of 'housing careers' can set the path for many years to come. It is therefore important in terms of the local economy that housing helps to attract and retain young workers with the right skills.
- 6.118 Student housing¹⁹ is a key part of this. The SHMA concluded that :-

"The development of blocks of student housing, plus the growth in numbers of city flats, linked with the increase in "Buy to Let" has all led to a situation where there is greater supply of housing for students and those at a similar lifestage."

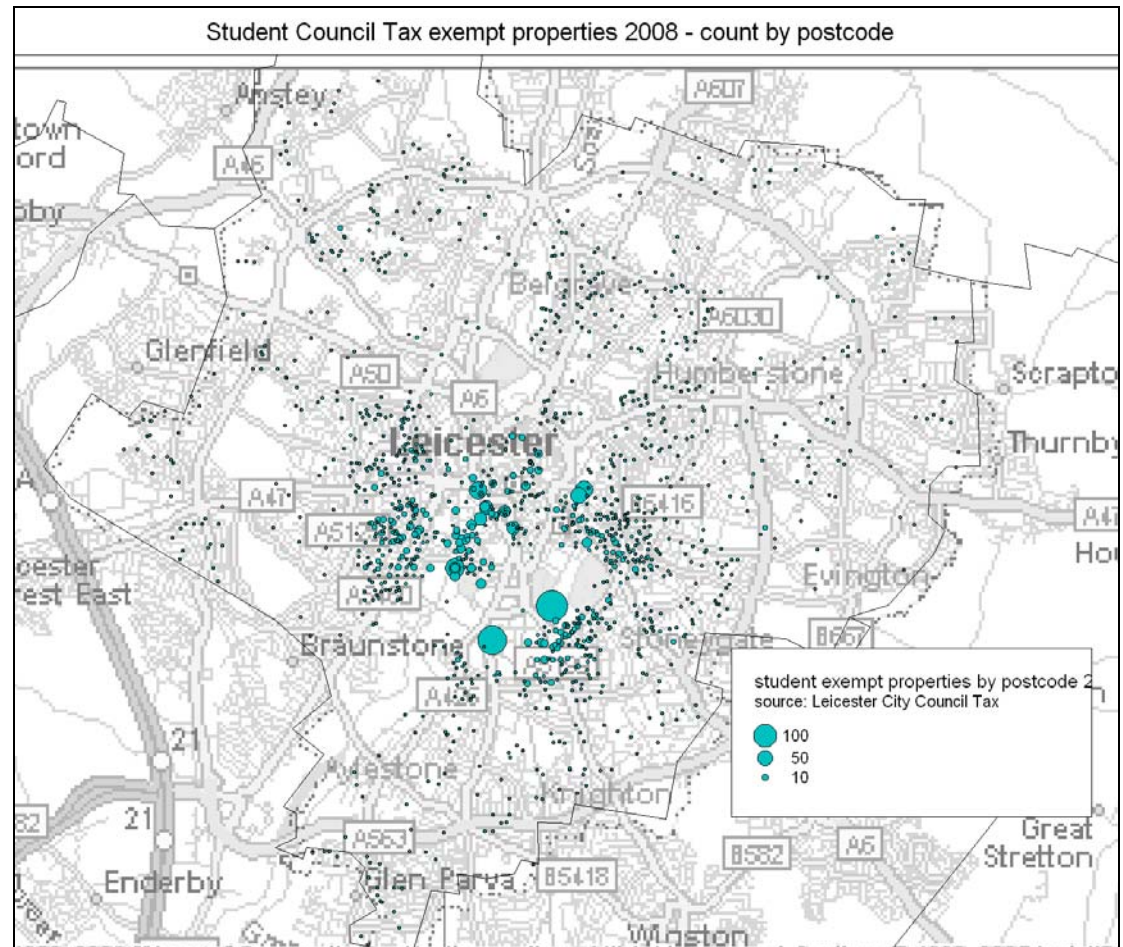
"Student numbers have grown but not in any simple or predictable way, and with falls in some years. A situation of a surplus of supply over demand is now very likely in the short-term in the Leicester market."

- 6.119 The numbers of students in the three universities is known well and is set out in the demography chapter in sections 2.75 to 2.77; but what is not known in enough detail is their living arrangements and housing demand.
- 6.120 The SHMA used various sources to try to determine how many student households there were. An extract from council tax data in early 2008 showed that in Leicester City 4,325 households were exempt as all student households, with over 505 of this total found in the two wards

¹⁹ The SHMA includes a detailed section on student housing
http://www.blinehousing.info/LeicSHMA/report_sections/6-Student_housing_market.pdf

of Castle and Westcotes. This does not cover student households in the adjacent districts, nor does it cover non-exempt student households – for example because one member is not a student.

Figure 6.11 Council Tax Student Exemption



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Source: Leicester City Council Tax

- 6.121 Nevertheless, out of a total of some 35,000 students, the exempt household figure is less than might be expected, given that claiming student exemption from council tax saves the household money.
- 6.122 Council tax data was not available for Loughborough, but Charnwood Borough Council have a pro-active student housing policy to encourage on-campus provision, and in 2008 there were over 4,800 bedspaces on campus, with planning consents for a further 2,500 – some of which would be replacements for older units – and an ongoing partnership project to deliver 1300 more.
- 6.123 The recession has caused an increase in student numbers. There have been well publicised ‘crises’ in providing accommodation for this bulge, but this has not necessarily changed the underlying position.

- 6.124 A recent Planning appeal on student housing in Leicester is also relevant, and may override any attempts at trying to match supply with demand. In the Fiveways House²⁰ appeal the Inspector's decision letter allowing the scheme to proceed states:

"Firstly, it contended that there was not a demand for these student units. To support this position it produced an e-mail from the Estates Manager of De Montfort University. In this it was said that saturation point had now been reached regarding student accommodation and further over-provision could well affect existing private student accommodation providers."

"However, any such over-supply was not a reason for refusal, and, indeed, in the Officers' report it was stated that the matter fell outside the scope of a planning application. I am also aware of the thrust of guidance to focus students in such accommodation rather than in smaller housing units, and I see no reason why one sector of private student accommodation providers should be protected at the expense of another. To my mind this point does not therefore count against the scheme."

- 6.125 Economic theory suggests that competition should improve quality, or push down prices, or both. The student housing market is closer to a properly functioning market than housing in general, because it has a faster turnover rate, and if supply exceeds demand, students will, over a relatively shorter time, take up the housing that offers them best value in their own terms – which may be different to other lifestages.
- 6.126 What may therefore be required, in policy terms, is to understand and address the implications and consequences in the wider housing market of this shift in the nature of student housing supply and take-up. If students do move to purpose-built blocks, they will presumably take up less private rented street housing, which could then become available for other client groups if it is acceptable and attractive to them, through sale or rent. This may require policies to help bring houses back into family use, or to change perceptions of areas as predominantly occupied by students.
- 6.127 The progression to young working graduates is also an important lifestage step. Specialist blocks of student housing may not allow the same flexibility for graduates to continue living in a shared house, and so some may decide to move home, or to another part of the country.
- 6.128 Conversely, if more students live in specialist blocks, then the more traditional street housing may become available for renting by graduates and sharers. This could be an easier alternative client group to attract than families. While there is no simple 'one-size-fits-all'

²⁰ Planning Appeal reference APP/W2465/A/09/2101467

answer, consideration of the issue and planning for the lifestage transition could make some contribution to graduate retention in the local economy.

Travel to Work and Housing Market Areas

6.129 The East Midlands Regional Assembly (EMRA) adopted Leicester and Leicestershire as one of eleven 'Housing Market Areas' in 2005. This was based on DTZ research in 2004 on inter-local authority level migrations and travel-to-work patterns, but was also a policy decision based on CLG guidance:-

6.130 Leicester and Leicestershire is certainly a better starting point for analysis and policy development around housing than local authority boundaries, and may be a useful level of aggregation for some planning policy purposes if used carefully. One of the stronger findings of the SHMA²¹ is that Leicester and Leicestershire is not all a single Housing Market Area (based on analysis of more detailed data on migration patterns, substitutability and local knowledge).

6.131 On the other hand, the Leicester City Region, or Principal Urban Area and its immediate surrounds is quite clearly a housing market area. Each of the larger county towns should also be treated as a housing market area for most purposes. Rural areas have their own dynamic and issues, and need a different understanding and approach for housing.

6.132 It should be emphasised that the Leicester and Leicestershire sub-region is still a good basis for assessing, monitoring and understanding the functional economic area. Travel to work and trading patterns are not the same as those for households moving. In general, people will travel greater distances to work and to trade than they will to move home.

6.133 The SHMA set out better working arrangements for housing market monitoring and development of planning and housing policies as follows:

- The Leicester core city urban area of Leicester City, Oadby & Wigston, and adjacent suburban areas of Blaby, Charnwood and Harborough.
- Each of the major county towns of Loughborough/Shepshed and area, Coalville, Melton, Hinckley/Barwell, and Harborough and its catchment areas and hinterlands.
- Rural areas. Leicestershire County can probably form the basis for this as well as any other boundary, and is already the remit of a Rural Housing Enabler.

²¹ [http://www.blinesehousing.info/LeicSHMA/report_sections/2-Leicester\(&shire\)Housing_Market_Area_review.pdf](http://www.blinesehousing.info/LeicSHMA/report_sections/2-Leicester(&shire)Housing_Market_Area_review.pdf)

Land for Housing Development

6.134 In order to provide housing of the right types in the right locations, there must be a sufficient supply of land. In order to assess the availability of land to meet the housing targets set out in the RSS, a number of Strategic Housing Land Availability Assessments (SHLAAs) have been undertaken; one covering the PUA and one for each of the districts. The results of those studies suggest there is sufficient land available across the sub-region through the plan period to deliver the RSS housing target. Table 6.28 shows housing numbers for which there is land available. In interpreting the tables, the following should be noted:

- Beyond the first 5 years sites are described as ‘developable’ in PPS3²² not ‘deliverable’
- PPS 3 states- to be considered ‘deliverable’, sites should, at the point of adoption of the relevant Local Development Document be:
 - ‘available’ - the site is available now
 - ‘suitable’ - the site offers a suitable location for development now and would contribute to the creation of sustainable, mixed communities
 - ‘achievable’ - there is a reasonable prospect that housing will be delivered on the site within five years
- To be considered ‘developable’ - sites should be in a suitable location for housing development and there should be a reasonable prospect that the site is available for, and could be developed, at the point envisaged
- The total column represents total completions and land available (i.e. completions plus deliverable and developable sites)

Table 6.28 Housing Numbers for which there is Land Available by Local Authority District

Table 6.28 (a) – Blaby²³

	RSS Housing Target 2006 to 2026	RSS target Build Rate/yr	Completions in plan period 2006/07 to 31/308	Deliverable 2008-13	Developable 2013-2023	Developable 2023+	total
Blaby	7600	380	547	946	3,776	3892	9161

²²

<http://www.communities.gov.uk/documents/planningandbuilding/pdf/planningpolicystatement3.pdf>

²³ It is important to note that the numbers in the table 6.28 (a) have been taken directly from the numbers provided in the SHLAA, however this could cause some confusion. Sites included in this SHLAA were sites where there is developer interest, not necessarily the most suitable sites. Their inclusion in the SHLAA does not equate in any way to the grant of planning permission. Every site was assessed, and assigned potential development timeframes accordingly (dependant on site constraints and availability etc), and these are the timeframes that have been reflected in the tables. It is important to stress that not every site was considered suitable for development and the numbers in the table do not accurately reflect the amount of suitable land for residential development available in the District

Table 6.29 (b) – Charnwood

	RSS Housing Target 2006 to 2026	RSS target Build Rate/yr	Completions in plan period to date (April 2006 – March 08)	Deliverable (0-5 years) 2008-13	Developable (6-15 years) 2013-2023	2023+	Total (Completions + Deliverable + Developable)
Charnwood	15,800	790	1,891	4,638	14,587		21,116

- 2023 + is equivalent to 16 + years, which is not covered by their SHLAA so Charnwood do not have a figure for this. Charnwood have also provided the breakdown (See table 6.28 (c)) of the three periods outlined in PPS3 i.e. 0-5 years, 6-10 years and 11-15 years.

Table 6.28 (c) - Charnwood

	RSS Housing Target 2006-2026	RSS target Build Rate/yr	Completions in plan period to date (April 2006 – March 08)	Deliverable (0-5 years) 2008-13	Developable (6-10 years) 2013-2018	Developable (11-15 years) 2018 - 2023	Total
Charnwood	15,800	790	1,891	4,638	13,244	1,343	21,116

Table 6.28 (d) - Harborough

	RSS Housing Target 2006 to 2026	RSS Target Build Rate/yr	Completions 2006/07 to 31 March 2009	Deliverable 2008-13	Developable 2013-2018	Developable 2018 – 2023	Total
Harborough	7,000	350	1,299	5,288	6,501	2186	15274

Table 6.28 (e) – Hinckley and Bosworth

	RSS Housing Target 2006 to 2026	RSS Target Build Rate/yr	Completions 2006/07 to 2009/10	Deliverable 2009-14	Developable 2014-2019	Total
Hinckley & Bosworth	9,000	450	1,663	464	20,190	22317

Table 6.28 (f) – Leicester City

	RSS Housing Target 2006 to 2026	RSS Target Build Rate/yr	Completions in plan period from 2006/07 to 31/03/09	Deliverable 5 year period 2009/10-2014/15	Developable 2014/15-2024/25	2025+	total
Leicester City	25,600	1,280	3,319	7,496	14,795	724	26334

Table 6.28 (g) - Melton²⁴

	RSS Housing Target 2006 to 2026	RSS target Build Rate/yr	Completions in plan period 2006/07 to 2009/10	Deliverable 2009-14	Developable 2014-2024	total
Melton	3,400	170	720	626	15,213	1346

Table 6.28 (h) – Oadby and Wigston

	RSS Housing Target 2006 to 2026	RSS Target Build Rate/yr	Completions 2006/07 to 2009/10	Deliverable 2009-14	Developable 2014-2024	2024+	Total
Oadby&Wigston	1,800	90	285	476	865	174	1800

Table 6.28 (i) – North West Leicestershire

	RSS Housing Target to 2026	RSS Build Rate/yr	Completions in plan period 2005/06 – 2008/09 ^{25 26}	Deliverable ²⁷			total
				2009/10 – 2013/14	2014/15 – 2023/24	2024+	
North West Leicestershire	10,200	510	925	1,216	10,283	5,464	17,888

6.135 The situation is a little more complex. Deliverability of housing land is a finite balance between sites coming forward and the rate of build. They must be carefully monitored and managed together to prevent constraints on the delivery of housing numbers as a result of insufficient land in the right locations at the right time. This relationship is fraught with difficulties such as:

- In some cases, such as in Blaby, the figures representative of deliverable sites in the first five years provide insufficient land to meet the RSS target average build rate. In the case of the City,

²⁴ Completions of 237 for 2009/10 (237) are included in the above completions column, but these have not yet been subtracted from the deliverable figures which are currently under review through the SHLAA process.

²⁵ The SHLAA was published in March 2009 and therefore the completion figures are until that point in time only, and future assessed delivery figures are also determined on that basis. These are taken from the 2009 SHLAA.

²⁶ Housing completions from 2005/06 to 2009/10 total 1,156.

²⁷ There is no published up-to-date SHLAA as of May 2010, though NWLDC's NI 159 return is the best indicator of future housing delivery at this point. The 2010 SHLAA developer panel has been held and the deliverable housing figures are unlikely to be radically different to 2009. It is envisaged that an updated SHLAA will be available in June, and it is advised that this be relied upon when it is published.

while land for 12,000 dwellings has been identified within the strategic regeneration areas, these sites are technically complex and development costs are higher and thus time-consuming to deliver. Therefore, early housing delivery will need to take place on Greenfield land which has been identified at Hamilton and Ashton Green. The same is true for Blaby, where early delivery of the SUE will be necessary to ensure sufficient land availability in the short-term.

- Harborough, for example, have indicated these figures may change as a result of an improved approach to undertaking the SHLAA in subsequent years.
- Identified sites may not actually be delivered for any number of reasons, such as they might not be suitable in Planning terms
- The meeting of the RSS annual build rate target. Missing the target positively or negatively may affect the timing of sites that need to come forward. In the current climate, the RSS target has not been met.
- Historic patterns of land purchase and trading also affect the deliverability of sites, previously purchased at enhanced values that now cannot be realised effectively sterilising some sites.

6.136 It should be noted that Melton's figures are artificially inflated owing to the land that has come forward for any of the three options for the SUE, but once a location is selected, the figures will reduce accordingly.

6.137 As well as land, Enabling Strategies (Local Development Frameworks-LDFs etc.) will continue to be key to delivering the right housing in the right locations at the right time. LDFs are particularly critical to the delivery of the SUEs. The SUEs are to accommodate a significant amount of the planned housing growth and early adoption of the LDF documents is important if the sub-region is to achieve the housing growth targets in the timescales set out in the RSS.

Summary

6.138 The key issues from this chapter are summarised below and in the SWOT analysis at the end of the chapter.

- There is a considerable variation in property types and tenures across Leicester and Leicestershire as a whole, but these tend not to correlate to demography or actual need. As with most cities in England, Leicester has 'prospering suburbs' which surround the more mixed and less well-off central areas of the bigger settlements. Overall, the HMA has housing at a range of prices that are sufficiently high to contribute to economic buoyancy, and relatively affordable compared to household income. However, variations within this generalised pattern reveal significant shortage of affordable dwellings across the HMA both rurally and in urban areas to meet need. This shortage is, at least in the short-to-medium-term, set to increase as a result of the current economic climate and the associated resulting difficulties such as inability to get mortgages, or the loss of homes.
- Affordability is impacted by variations in supply and demand. Therefore provision of sufficient housing of the right type, in the right locations and at the right price is critical to economic buoyancy and the retention of key work force participants. The Regional Spatial Strategy (RSS) suggests that the HMA is to have at least 80,400 new dwellings in the period to 2026, of which 26,500 are to be affordable. The RSS has a policy of urban concentration to deliver these numbers through extension of existing urban areas.
- Funding from both the public and private sectors is essential to the provision of necessary infrastructure to support and deliver these numbers. Current estimates identify a deficit in funding of some £1.3bn. that is set to worsen as public sector funding becomes greatly reduced. Correct prioritisation of interventions will be key to ensure maximum economic benefit and to prevent restriction of deliverability and adverse impact on affordability. Some 12,500 dwellings are to be provided in the City Strategic Regeneration Areas, within which delivery difficulties are compounded by the technical complexities and constraints of such brown field sites. The significant costs involved are a key threat to the delivery of affordable housing in these areas of significant need, whilst prioritisation of affordable homes here will impact upon delivery of other essential infrastructure.
- Minimisation of empty properties and decent homes is also essential to an efficient economy. Leicester and Melton have a high proportion of non-decent stock, compared to the national average. Leicester's level of non-decent private sector properties is among the highest in the East Midlands. This is principally a result of the City having one of the

largest proportions of pre-World War 1 housing in the country. Decency is likely to be exacerbated through the current economic downturn.

- Careful consideration and planning of the mix of additional housing to the existing communities, Sustainable Urban Extensions (SUEs) and Strategic Regeneration Areas (SRAs) will be needed to ensure a balanced supply to meet the needs of the anticipated household growth, and prevent constraint to economic growth. At the same time, it will be important to avoid the exacerbation of existing problems – city flight, over crowding, under occupation, oversupply of student housing. The market on its own will not deliver a better mix and balance which will meet the needs and demands of the communities and the economy. There will need to be some steer in certain directions, based on evidence and local knowledge.
- Recently commissioned studies have confirmed there is sufficient land to provide the planned additional dwellings in Leicester and Leicestershire in an urban concentration approach. However, actual deliverability of land supply to prevent constraints to deliverability is a finite balance between sites coming forward and the rate of build, a relationship that is fraught with difficulties.
- The role of well-timed enabling strategies, such as the Local Development Frameworks (LDFs), must not be forgotten in the delivery of housing and the necessary infrastructure.

Policy Options and Implications

6.139 The situation in Leicester is no different to many large cities and stems from the growth of the Leicester conurbation over many years. It clearly cannot be changed quickly or easily, but it is important to be aware of the situation. Policy intervention might be necessary to guard against further polarisation and to gradually improve balance and create more mixed communities.

6.140 Policies could include:

- Provision of more affordable housing in the suburbs, rural and outer areas, covering the range of needs from social renting to intermediate housing of various types.
- Provision of housing (and, crucially, environment, schools, and facilities) which would be attractive to higher-earning mature families in more central areas. This could particularly be targeted to attempt to retain economically active and better-off households from the Asian communities close to their preferred housing sub-markets, and link this with regeneration areas such as Wolsey Island and Riverside. This could encourage a return to the city.

- The SHMA found that more affordable housing is required in the city and central areas, but, in certain areas of the city, great care should be taken with its location and type to avoid increasing concentrations of deprivation or building in places which may be unpopular or become difficult to let. The recently proposed developments by Leicester City Council under new rules to allow council building appear to have taken these concerns into account, and are in locations which should be popular.
- Sensitively increasing supply of the right kind of market housing to help build local housing ladders in sub-market areas where there is strong demand, to also help stabilise house prices and reduce submarket price differentials.
- Increasing the proportions of affordable and good value, lower-cost market housing especially in the suburbs and rural areas.
- Guarding against over-supply of small, specialist student accommodation but using market dynamics to increase the quality and value for money of student housing.
- Planning housing to assist lifestage transitions, for example to enable graduate students to move into better-quality and better-value housing suitable for their changed circumstances
- Providing products and incentives so that older empty-nester owner occupiers can move into downsizing if they choose, releasing larger houses for families.
- Encouraging a better mix to match local demographic profiles and creating local 'housing ladders' to allow growing families to trade up within a neighbourhood or housing sub-market area, and under-occupying empty-nesters to downsize, releasing a family home and equity at an appropriate stage in their lives.

6 Housing SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Relatively moderately priced housing within the overall UK housing market context • A good mix of types and sizes of housing across the wider conurbation and county • Many attractive areas and environments. • Sufficient housing land availability to meet the RSS housing required up to 2026 • Additional housing growth can be provided in the urban concentration approach stated within the RSS through extension of existing urban areas 	<ul style="list-style-type: none"> • Overall housing affordability, but less than in much of UK • Shortfall of affordable housing compared to need, especially in suburban and rural areas • Imbalances between housing sub-markets leading to: <ul style="list-style-type: none"> ○ Poor viability of sites, especially in parts of the city, due to sub-market areas being seen as unattractive and less popular ○ High priced sites in suburban and rural areas leading to development of expensive up market housing. ○ City flight (people leaving the city as they become more affluent) • Imbalances of occupancy levels, overcrowding in some areas and under-occupation in others • Some polarised tenure and ethnic concentrations. Concentrations of deprivation in central and city areas • Mismatch between housing need and demand versus availability • Higher levels of non-decent stock in the City than national average, as high proportion of pre-World War 1 housing
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • “Single Conversation” provides a joined up approach to public investment • Ongoing regeneration areas and activities that could be used to steer housing market dynamics towards more mixed communities, less polarisation, a sub-market structure less divided between city and suburbs, and a better balance between supply and demand • Managing student housing growth and provision to both aid graduate retention and release traditional houses as family homes • Planned housing growth could have a positive impact on jobs in the construction sector 	<ul style="list-style-type: none"> • A further round of boom and bust in the generally dysfunctional and volatile UK housing market • Ageing population and increased under-occupation of housing • Polarisation between housing sub-markets. • Over-supply of particular types of housing, such as city centre flats in 2009 • Over-provision of property types as developers seek safety in sameness and do not link provision to evidence of demand • High or increasing numbers of empty properties, and more non-decent homes in sub-market areas which are unpopular • Possible re-emergence of low-demand patches. • Loss of more economically active, wealth-generating households, either out of the city to the suburbs & rural areas, or out of the county. • Competing cities and other growth areas attracting graduates and skilled workers away with a better housing and environmental offer. • Reductions in public and private sector funding available to deliver infrastructure • Current economic climate may impact upon levels of affordable homes needed and cause increasing levels of non decent properties

