

Annex 2: Cambridge Sub-Region Strategic Housing Market Assessment (2008)

The Cambridge Sub-Region Strategic Housing Market Assessment (SHMA) was published in June 2008. It is to be reviewed and updated annually and this SPD Annex will be amended if necessary in tandem with it to reflect the changing housing market over time. It can be seen in full on the web at: http://www.cambridgeshirehorizons.co.uk/programme_det.asp?id=3678

Note: There is an underscore between the words programme and det.

PPS3 'Housing' states at paragraph 22 that:

“Based upon the findings of the SHMA and other local evidence, Local Planning Authorities should set out in Local development Documents:

- *The likely overall proportions of households that require market or affordable housing, for example, x% market housing and y% affordable housing.*
- *The likely profile of household types requiring market housing e.g. multi-person, including families and children (X%), single persons (y%), couples (z%).*
- *The size and type of affordable housing required”.*

Proportions of Households that Require Market or Affordable Housing

Table A: Identifying Annual Affordable Housing Need For Cambridge

	Number	Total	Key
Current housing need			
Priority homeless households and in temporary accommodation	117		
Overcrowded and concealed households	690		
Other groups total	5,078		
Total current housing need		5,885	
Annual Need to Reduce Backlog over 5 years		1,117	A
Future housing need per year			
New household formation	339		
Existing households falling into need	670		
Total newly arising need		1,009	B
Total housing need per year		2,186	A+B
Existing supply			
Total affordable dwellings occupied by households in need	44		
Surplus affordable stock	0		
Units to be taken out of management	-4		
Annual supply of social re-lets	635		
Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	2		
Total existing supply		677	C
Shortfall / surplus			
New supply needed to stop backlog growing		332	B-C
Need for new affordable homes per year		1,509	A+B-C
Projected supply from commitments		177	D
Predicted shortfall		1,332	A+B-C-D

Source: Chapter 27 of the SHMA

Table B: Comparing Affordable Housing Need to Regional Spatial Strategy Housing Target for Cambridge

	Data	Step
First 5 years: need for new affordable homes	1,509	
1,509 x 5 years	7,545	E
Year 6 onwards: Newly arising need per year	1,009	B
Total existing supply	677	C
Need for new affordable homes from Year 6 onwards	332 per year	B-C
332 x 10 years	3,320	F
Total: 15 years affordable housing need	10,865	E+F
RSS programme for all homes, 2006 to 2021	16,700	
% Affordable represents of RSS programme	65%	

Source: Chapter 27 of the SHMA

Table A indicates an annual shortfall in affordable housing provision in Cambridge. Table B indicates that to fully meet this need 65% of all future housing provision would need to be affordable and by implication only 35% market. However, the RSS at policy H2 sets a regional target of 35% affordable housing subject to the caveat that a higher target may be justified in more pressurized areas. Provision is also subject to the guidance in PPS3 about the creation of sustainable mixed communities and ensuring the economic viability of development. Additionally given the existing split of housing tenure in Cambridge in 2001 with 76% of households in market housing (53% owner occupied, 23% private tenants), and 24% social tenants a figure of 35% market is unlikely to satisfy the demand for market housing. Current Local Plan policy is to seek 40% or more affordable housing in qualifying developments.

The predicted need for market housing and affordable housing is such that a balance has to be struck between provision for each tenure taking into account the creation of sustainable mixed communities and the viability of development. The Local Plan target of 40% affordable housing is considered to provide an appropriate balance on the basis of the evidence in the SHMA.

Likely Profile of Household Types Requiring Market Housing **The Size and Type of Affordable Housing Required**

The SHMA provides demographic forecasts to 2021, which are relevant to the profile of housing which needs to be provided in Cambridge over the coming years. This evidence is considered first and then separate attention is given to the size and type of affordable housing required. The derivation of the demographic data is explained in Chapter 10 of the SHMA.

Table C: Change in Population by Age Group, Cambridge 2001-2021

Age Group	0-15	16-19	20-29	30-59	60-74	75+	Total
Cambridge	8,200	1,800	3,750	17,390	6,700	1,200	39,040
East Cambridgeshire	0	300	500	0	5,900	3,900	9,650
Fenland	-700	600	2,800	1,800	7,250	3,750	15,550
Huntingdonshire	-6,800	-900	700	-4,200	11,900	7,750	8,450
South Cambridgeshire	4,900	1,100	1,500	7,400	1,540	9,600	39,900
Forest Heath	1,800	-850	1,000	5,400	1,450	1,350	10,150
St Edmundsbury	-1,150	150	-550	1,100	5,450	5,450	10,400
Total	6,250	2,200	8,700	28,850	54,050	32,850	133,140
% increase	4.5%	6.4%	9.1%	9.6%	60.7%	65.4%	18.8%

Source: CCRG projections

Tables C and D show that Cambridge City will see the largest population increase in the 20-29 and 30-59 peak working age group and of children 0-15, and the smallest increase in the most vulnerable households i.e. the elderly.

Table D: Proportion of the Change Accounted for by Each District

Age Group	0-15	16-19	20-29	30-59	60-74	75+	Total
Cambridge	131%	82%	43%	60%	12%	4%	29%
East Cambridgeshire	0%	14%	-6%	0%	11%	12%	7%
Fenland	-11%	27%	32%	6%	13%	11%	12%
Huntingdonshire	-109%	-41%	8%	-15%	22%	24%	6%
South Cambridgeshire	78%	50%	17%	26%	3%	29%	30%
Forest Heath	29%	-39%	11%	19%	3%	4%	8%
St Edmundsbury	-18%	7%	-6%	4%	10%	16%	8%
Total	100%	100%	100%	100%	100%	100%	100%

Source: CCRG projections

Evidence from Cambourne is quoted in the SHMA at paragraph 29.3 to show that market households tend to have a marked preference for under occupation of dwellings where this is possible and affordable. In contrast rates of occupation for Housing Association properties are significantly higher. The implication of this finding is that if new properties are built to 2021 to provide a best fit to projected household types in 2021 this is unlikely to provide the type of housing that people would want to live in. In particular it reveals that one cannot provide for future housing need for single person households by building large numbers of one-bedroom properties.

Further research is required about new significant settlements, and as time progresses the County Council plans to roll out the Cambourne survey to other significant settlements across the County, to extend and further validate or add to the Cambourne analysis of household sizes and preference for numbers of bedrooms.

Table E provides information for Cambridge City projecting into the future, by population, households, and household types.

Table E: Population, Households, Dwellings, and Household Types Projected to 2021

	2001	2001/06	2006	2006/11	2011	2011/16	2016	2016/21	2021	2001/21
Population	109,900	3,800	113,700	18,100	131,800	15,700	147,500	1,500	149,000	39,100
Households	42,700	900	43,600	7,700	51,300	7,800	59,100	2,000	61,100	18,400
Household Type										
Couples (with/without children)	17,100	-400	16,700	2,200	18,900	2,400	21,300	0	21,300	4,200
Lone Parents	3,400	300	3,700	800	4,500	1,000	5,500	300	5,800	2,400
Singles	17,100	800	17,900	3,400	21,300	3,600	24,900	1,700	26,600	9,500
Other multi-adult households	5,200	200	5,400	1,200	6,600	900	7,500	-200	7,300	2,100

Source: CCRG projections

For Cambridge, this means that between 2001 and 2021 there is projected to be an overall increase of 18,400 households made up of:

- 4,200 couples, with or without children (23%)
- 2,400 lone parents (13%)
- 9,500 single people (52%)
- 2,100 “other” multi-adult households (total other 12%)
- 200 “other” (some accounted for by rounding of figures).

The Size and Type of Affordable Housing Required

The evidence presented in Chapter 29 of the SHMA consistently shows a great need for 1 and 2 bedroom dwellings and a reduced need for 3 and 4 bedroom properties, both in relation to social rented and intermediate affordable tenures.

Table 8 of Chapter 29 shows that the individual sizes of homes needed on the Housing Register in 2006 in Cambridge was:

- 72% 1 bedroom;
- 19% 2 bedroom;
- 7% 3 bedroom; and
- 1% 4 bedroom or larger.

Table 10 of Chapter 29 shows that the assumed need of applicants for intermediate housing in 2007 in Cambridge was a follows:

- 71% 1 bedroom;
- 16% 2 bedroom;
- 9% 3 bedroom;
- 2% 3 bedroom +; and
- 2% other.

However in relation to large developments, the implication of only providing small affordable units would be that as households grow they would usually have to transfer to larger properties elsewhere in the City as relets become

available. This would hamper the creation of sustainable communities and lead to a constant transfer of families to existing areas of social housing in Cambridge, which could have implications for the provision of services in those areas, for community safety and for their amenity and social cohesion.

Conclusions on Household Mix to 2021

The evidence available does not permit a high degree of precision in relation to what housing mix should be provided to best meet housing needs and demands over the period to 2021. The available evidence will be refined as the SHMA is updated. The evidence does show that more single person households will need to be accommodated but not necessarily in one bedroom dwellings, and that more family homes will be needed. This is because there is already a reasonable supply of one bedroom dwellings, because couples (particularly those intending to start a family) generally aspire to a two bedroom home which provides greater long-term flexibility, and because two bedroom homes are more acceptable to older households “trading down” from under occupied larger family homes who are generally unwilling to move into very small homes.

For new affordable housing provision, from the evidence set out above, and as a guide (allowing for variations from site to site as permitted by Local Plan policy 5/10), and subject to previous decisions and guidance on specified sites, the following mix should be provided in the urban extensions to Cambridge and on other sites as appropriate to their location and site area:

50% 1 and 2 bedroom dwellings, but with no more than 10% 1 bedroom dwellings

50% 3 bedroom or larger dwellings, but with no less than 20% 3 bedroom dwellings

The housing mix set out above will also be a material consideration in the determination of planning applications for the market housing element of new housing developments because it relates to the best available evidence of future need as set out in the SHMA.

