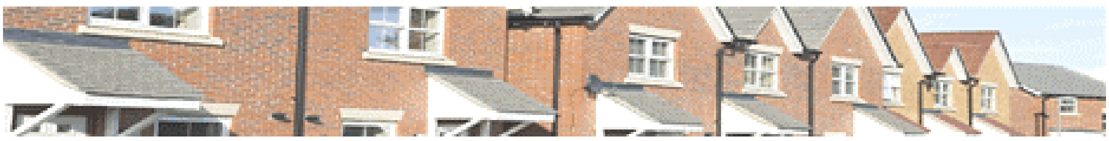
Greater Norwich
Housing Market Assessment
Methodology and
Data Source Annex



A Study of the Operation of Housing Markets in the Greater Norwich Sub-region

Table of Contents

1 Introduction

1.1 Overview

1.1.1 The department for Communities and Local Government (CLG) published the Strategic Housing Market Assessment Guidance (the Guidance) in March 2007. The guidance requires housing market assessments to…

1. Provide a full technical explanation of the methods employed, with any limitations noted.
2. Justify and present all assumptions, judgements and findings in an open and transparent manner.
3. Use and report upon effective quality control mechanisms.

1.1.2 The project steering group decided to create this Methodology and Data Source Annex to specifically meet these requirements of the Guidance. The aim is to keep technical data in the main project report to a minimum and so allow readers to concentrate on the main findings.

1.1.3 The main report provides summary information about the methodology and data sources. This report is therefore intended for readers who require more detailed information.

1.2 Contents of this Report

1.2.1 The remainder of this report is in three sections…

- Section 2 – The Organisation of the Project.
- Section 3 – Stakeholder Involvement.
- Section 4 – Methodology and Data Sources

1.2.2 Section 2 provides information about how we structured the project.

1.2.3 Section 3 explains how we involved stakeholders in the delivery of the project.

1.2.4 Section 4 provides detailed information about the methodology and data sources to deliver the results reported in the main report.

1.2.5 We subdivide section 4 to follow the chapter order of the main report.

2 Organisation of the Project

2.1 The Greater Norwich Housing Partnership

2.1.1 The Housing Market Assessment (HMA) is a project of the Greater Norwich Housing Partnership (GNHP).

2.1.2 The GNHP consists of the three local authority districts of Broadland, Norwich and South Norfolk working with housing associations operating in the area.

2.2 The Project Steering Group and Project Manager

2.2.1 A steering group of council officers from the three Greater Norwich districts plus a representative from Norfolk County Council were responsible for ensuring delivery of the project.

2.2.2 The steering group approved the project plan and amendments to the plan. The group also monitored progress of the project and offered technical support to the project manager.

2.2.3 At regular meetings, the steering group received interim reports on emerging research. As appropriate, the steering group approved these interim reports for publication on the project web site.

2.2.4 The project manager was employed full time on an 18-month contract to deliver the project. The project manager was responsible for the detailed research for the project and for preparing interim and final reports.

2.3 The Project Plan

2.3.1 The project manager prepared the original project plan in consultation with members of the steering group and with input from the project reference group and other stakeholders.

2.3.2 The original project plan was based on draft guidance for Housing Market Assessments issued by the then Office of the Deputy Prime Minister in December 2005.

2.3.3 The department for Communities and Local Government issued Strategic Housing Market Assessments Practice Guidance in March 2007. The project steering group reviewed the project plan in the light of the new guidance at its meeting in May 2007.

2.3.4 Both the draft guidance and final guidance stressed the importance of involving stakeholders. Section 3 of this report explains how the Greater Norwich Housing Market Assessment project involved stakeholders.

2.3.5 The project plan identified a series of discrete tasks. Typically, each task required research into an aspect of the housing market. Together these research tasks and their associated results provide the evidence used to prepare the final report of the assessment.

3 Stakeholder Involvement

3.1 Summary

3.1.1 Involving stakeholders was a central part of the housing market assessment in the original project plan. As part of the plan, the steering group identified a need for a project reference group.

3.1.2 We looked again at stakeholder involvement in January 2007 when the steering group reviewed our communication strategy. As a result of this review we identified a need for project newsletters and a website.

3.1.3 As part of the review of the communication strategy, we also identified the members of the contact group.

3.2 Reference Group

3.2.1 The project plan identified the need to establish a reference group. This was intended as a group of volunteers who would…

1. Help set the detailed objectives for the assessment.
2. Provide information to achieve the objectives.
3. Comment on and help with the analysis of the emerging results.

The Project Reference Group performed the role of the Housing Market Partnership as set out in the Strategic Housing Market Assessment Practice Guidance (CLG April 2007).

3.2.2 We invited attendees at the launch of the Housing Market Assessment on 19 July 2006 to become members of the reference group. Others joined the reference group during the course of the project. At the end of the project, the reference group numbered 91 people.

3.2.3 The reference group contains representatives from the public, private and voluntary sectors. The group includes estate and letting agents, house builders, people involved in local community groups, RSL Board members and officers, local councillors and council officers.

3.3 Contact Group

3.3.1 The contact group contains individuals, organizations and groups likely to have an interest in housing and planning issues. The contact group includes parish councils, local community groups, house builders and council officers from Districts in nearby sub-regions.

3.3.2 We provided information to the contact group about the project. Information took the form of newsletters and directions to the Housing Market Assessment Website.

3.3.3 Most of the contact group members were less actively involved in the project than members of the reference group.

3.4 Specific Research Tasks

3.4.1 As the project progressed, we sought help from individuals and organizations to achieve many of the detailed objectives.

3.4.2 Many of the contacts we made as part of the research agreed to join the project reference group.

3.4.3 Examples of research that involved external stakeholders include…

1. Discussions with staff in private sector organisations to establish the key issues in the private sector. This was an early project to help establish the detailed objectives for the assessment. We arranged meetings with several estate and letting agents and with a house builder, a mortgage lender and with the Eastern Landlords Association.
2. Research into how employers help employees with housing. We contacted 20 companies who between them employed 22,000 people.
3. Telephone interviews with estate and letting agents, house builders and developers to gather qualitative information about housing choice. We conducted 31 interviews.

4 Methodology and Data Sources

4.1 Summary

4.1.1 This section follows the order in which findings are presented in the main report.

4.1.2 To help with cross-referencing, we quote the page number of the research results in the main report.

4.1.3 We provide information about the source data. If the data has any known limitations, we explain our understanding of those limitations.

4.1.4 If we use data to calculate further results, we provide an explanation of how we use the data.

4.2 Chapter 1 – Current Housing Markets

Housing Market Areas within Greater Norwich (page 2 and 3)

4.2.1 ORS identified the housing market areas in their Study of Housing Need and Stock Condition (2006). Refer to chapter 2 of the ORS report (www.south-norfolk.gov.uk/housing/2744.asp).

Demographic Context (page 4 – 9)

4.2.2 Population figures from 1991 Census and 2001 Census. For information about the population projections to 2006, refer to 4.3.1 to 4.3.14.

4.2.3 We calculate populations for housing market areas by adding population figures for parishes. We take parish populations from Census data.

4.2.4 Household figures from 1991 Census and 2001 Census. For information about the household projections to 2006, refer to the entry for chapter 2.

4.2.5 We calculate households for housing market areas by adding household figures for parishes. We take parish populations from Census data.

4.2.6 Trends in household types are taken from 1991 Census and 2001 Census.

Economic Context (page 10 – 14)

4.2.7 Employment by industry from 2001 Census.

4.2.8 Changes in employment patterns compare the results of the 1991 Census and the 2001 census. The 1991 and 2001 censuses use different industrial classifications. We combined categories to allow comparison between 1991 and 2001. The combined groups for 1991 are not identical to the combined groups for 2001. Some minor industrial classifications included in one broad category in 1991 are included in another broad category in 2001. We do not believe this significantly affects the results.

4.2.9 The 2001 census provides travel to work distance data. We combine information for parishes to obtain housing market area results.

4.2.10 The Norfolk Data Observatory (www.norfolkdata.net) provides information about average household incomes. In turn, the Norfolk Data Observatory use PayCheck Data produced by CACI Ltd.

4.2.11 NOMIS (www.nomisweb.co.uk) provide information about economic activity and working age benefit claimants. The information is from a sample and is therefore subject to a margin of error.

The Housing Stock (pages 15 to 18)

4.2.12 The 1991 Census and 2001 Census and the 2006 Council Tax registers provide information about dwelling numbers.

4.2.13 ORS provide information about dwelling type, size and tenure. Some of the data is not published in the ORS report. Instead, we used counts taken from the ORS survey data. The data is a sample and is therefore subject to a margin of error. ORS provide information about the size of the margin for error in appendix A of their report.

The Active Market (pages 19 and 20)

4.2.14 Estimated annual sales and lettings are a best estimate of the number of sales and lettings. Sales data is from the Land Registry (www.landregistry.gov.uk). The information on property sales is a 100% sample but not all sales are for owner occupation. It is possible therefore that the number of moves into owner occupied property is over stated. Affordable lettings are taken from the annual Housing Strategy Statistical Appendix. These provide information about annul social lettings. The CLG (www.communities.gov.uk) has information for all districts on its website. There is no centrally collated information on lettings in the private sector. Instead, we calculated the number of lettings using data from the ORS survey as follows…

Annual number of private lets =

Number of private rented properties /Average length of tenancy.

Both elements of the calculation are subject to margins for error.

4.2.15 We measure affordability in the sales market by comparing changes in the ratio of median house prices to median income. The information is from CLG (www.communities.gov.uk) who in turn use data from the Land Registry (www.landregistry.gov.uk) and the Annual Survey of Hours and Earnings (ASHE) available via NOMIS (www.nomisweb.co.uk). The ASHE survey is a sample and subject to a margin for error. The property type mix differs between districts and to a lesser extent by time-period. This means direct comparisons between districts are not always meaningful.

4.2.16 Average and lower quartile rents are from two surveys – ORS in 2006 and for this Assessment in 2007. Our survey looked at 200+ properties advertised to let in March 2007. Our figures are higher than in the ORS survey. This runs counter to anecdotal evidence that rents are fairly stable.

4.3 Chapter 2 – Future Housing Markets

Dwellings, Households and Populations (pages 22 to 27)

4.3.1 The data for dwellings in 2006 is from the Council Tax registers. We project dwellings for 2011 using the housing trajectories for each district. In Broadland and South Norfolk Districts we allocate the additional housing to parishes. With the exception of windfall sites the housing trajectories provide information for each parish. In South Norfolk we apportion windfall sites by NPA and RPA and for Parishes within the NPA or RPA by existing dwelling numbers. There is no allowance for windfall sites in the Broadland projections. Norwich figures are for the city as a whole and are not broken down by ward.

4.3.2 We assume households will increase in proportion to the increase in dwellings.

4.3.3 We project parish populations in proportion to the growth in the number of households. The household growth is in turn in proportion to the projected increase in dwellings.

4.3.4 We give special treatment to the numbers of residents in communal establishments. We assume the numbers will remain constant and not rise in proportion with the number of dwellings.

4.3.5 Our initial intention was to control projected populations to the Office for National Statistics (ONS) (www.statistics.gov.uk)/County Council district population projections.

4.3.6 The controlling process involved increasing or decreasing the parish (wards/district in Norwich) populations by a common factor.

	2006	2011
Broadland District Adjustment	0.9875	0.9759
Norwich District Ajustment	1.0261	0.9788
South Norfolk District Adjustment	1.0035	0.9430

4.3.7 For example in 2006 we reduce our Broadland parish projections to 98.75% of their original values – a reduction of 1.25%. This ensures the total population for the district is the same as the ONS/County council projection.

4.3.8 We would expect the adjustments to be small reflecting changes in average household size. Our population projections at the parish and ward level assume constant average household sizes.

4.3.9 With the exception of the South Norfolk for 2011 the adjustments are all less than 3%. The South Norfolk adjustment in 2011 is 5.7%. There are two possible explanations…

1. The ONS/County council population projection of 120,300 is low and does not fully reflect the growth in the number of dwellings and therefore households expected in 2006 to 2011.
2. Average household sizes in the new dwellings will be less than the existing 2.32 persons (2006) and this will have a significant impact on the average household size in 2011.

4.3.10 Controlling to ONS/County Council population figures suggested population falls in a number of the South Norfolk housing market areas. This seemed unlikely. The problem is that the projections for increases in dwellings in South Norfolk are larger than the ONS projections for population increases. The two are simply not compatible.

4.3.11 Our second set of population projections did not use the ONS/County council district population projections as controls. Instead, we assumed a gradual decline in household sizes.

Change in Average Household Size with 2001		2006		2011	
Broadland District		0.9900		0.9800	
Norwich District		0.9900		0.9800	
South Norfolk District		0.9900		0.9800	

This approach gives population projections consistent with dwelling projections.

4.3.12 Our final report uses the results from the second projection method.

4.3.13 Our projections for dwellings, households and populations are at parish level (other than in Norwich City). In consequence we provide figures for housing market areas by adding the appropriate parish figures.

4.3.14 We use ONS/County Council figures when looking at projections of future population age distributions. By implication we assume that changing projected future population from the ONS projection will not affect the age distribution of that population.

Migration

4.3.15 We use information from the ONS (www.statistics.gov.uk) Migration Statistics Unit.

4.3.16 ONS use data from the NHS Central Register for internal migration. This uses de-registration and re-registration with GPs to measure migration. Some groups of migrants, in particular young men, are known to be slow in re-registering with a GP following a move.

Nearby Sub-regions and Migration

4.3.17 We compare rates of economic activity and employee jobs growth with districts in nearby sub-regions. This economic data is from NOMIS (www.nomisweb.co.uk). The data is from a sample and is subject to a margin for error. The results for Greater Norwich are significantly different to those of other sub-regions, more than is likely to occur as a result of statistical variation.

4.3.18 We use information from CLG (www.communities.gov.uk) for average house prices. These average house prices do not allow for differing mixes of property between districts. Ideally, we should use a comparison that discounts the effects of different dwelling mixes. However, differences in house prices are not central to the analysis of migration pattern.

The Future Economy

4.3.19 We use information from the Norfolk Employment Growth Study 2006.

4.4 Chapter 3 – The Future for the Housing Market Areas

4.4.1 We divide this section into three groups of housing market areas…

1. Housing market areas in Broadland District.
2. Housing market areas in South Norfolk District.
3. The Norwich Housing Market

The data sources for each are the same.

Dwellings, Households and Population (pages 39 to 52, 43 to 46, 49 to 50)

4.4.2 Refer to 4.3.1 to 4.3.14 of this report.

Household Types and Age Distributions (pages 41 to 42, 46 to 47 and 50 to 51)

4.4.3 The Census 2001 provides information about age distributions. We used the Norfolk Census Explorer (www.norfolkcensusexplorer.net) to access Census data. This site provides access to Census data and allowed us to establish the housing market areas as units for analysis.

4.4.4 The Norfolk Census Explorer has a facility to look at the combined results from groups of parishes. We identified the parishes making up each of the 10 housing market areas. For the Norwich Housing Market Area we used the Norwich City District plus the appropriate parishes in Broadland and South Norfolk Districts. Having defined the constituent parishes for each housing market area we were able save them for use for other analysis.

4.4.5 We used the ONS (www.statistics.gov.uk) 2004 trend based population projections to project age distributions at the district level.

4.4.6 We used the Norfolk Census Explorer (www.norfolkcensusexplorer.net) to access Census data for household types. We used the site to combine parish data into housing market area data.

Local Economies (pages 42 to 43,47 to 48 and 51 to 52)

4.4.7 ORS obtained information from the 2001 Census for location of home and location of work. ORS analysed this data for the 10 housing market areas. Refer to Chapter 2 of the ORS Study of Housing Need and Stock Condition (2006) (www.south-norfolk.gov.uk/housing/2744.asp).

4.4.8 The Census 2001 provides information about travel to work distances. We used the Norfolk Census Explorer (www.norfolkcensusexplorer.net) to access Census data. This site provides access to Census data and allowed us to use the housing market areas as units for analysis.

4.4.9 The Census 2001 provides information about Industry of Employment. We used the Norfolk Census Explorer (www.norfolkcensusexplorer.net) to access Census data. This site provides access to Census data and allowed us to establish the housing market areas as units for analysis.

4.5 Chapter 4 – Housing Requirement and Housing Supply

Overview

4.5.1 In this chapter of the report, we compare projected housing supply with projected housing requirement (need + demand). We look at the period 2006 to 2011.

4.5.2 In principle, the analysis is simple. However, it involved a number of steps and some assumptions.

4.5.3 Our approach was to identify projected supply and requirement for market, intermediate and social rented property. For each we subdivided supply and requirement by district and property size. In effect for each box with an 'X' we calculated one figure for supply and one for requirement.

	District	One Bedroom	Two Bedroom	Three Bedroom	Four+ Bedroom
Market	Broadland District	X	X	X	X
	Norwich	X	X	X	X
	South Norfolk	X	X	X	X
Intermediate	Broadland District	X	X	X	X
	Norwich	X	X	X	X
	South Norfolk	X	X	X	X
Social Rent	Broadland District	X	X	X	X
	Norwich	X	X	X	X
	South Norfolk	X	X	X	X

4.5.4 The difference between supply and requirement tells us if we have a shortage or excess of that particular property sector/location/size.

4.5.5 The rest of this section explains our methodology and data sources in detail.

Housing Requirement

4.5.6 We take figures for housing requirement – both need and demand – from the Opinion Research Services (ORS) Housing Need and Stock Condition Study.

4.5.7 The three ORS district reports provide information about housing need and demand by bedroom size at the district level. ORS provided an initial breakdown of need between 'Intermediate' and 'Social' need. This breakdown provides information on need by bedroom size. Subsequently ORS moved the lower

'Intermediate' need to 'Social' need. We use these revised figures as the requirements for intermediate and social rented housing.

4.5.8 ORS made the adjustment because many households in the 'intermediate' need sector could afford to pay only marginally more than the current social housing rents. Realistically most of these households would not be able to afford any of the available intermediate housing options. Refer to the ORS study for full details.

4.5.9 The ORS revised figures do not provide breakdowns by bedroom size. We assume that the requirement by bedroom size for the initial 'intermediate' group is uniform across the upper, mid and lower intermediate groups. So, If 70% of the initial 'intermediate' group moves to the 'social' group then so too does 70% of the need for two bedroom homes, etc.

Housing Supply

4.5.10 We use the housing trajectories reported in the Annual Monitoring Reports 2005/06 to project new housing supply by district.

4.5.11 The trajectories are best estimates of future new housing supply. However, the outturn figures are likely to vary from projections. Two members of the reference group who commented on an early draft of the HMA report questioned the projected level of future housing supply. The projections are far in excess of what has been achieved in recent history.

4.5.12 This is clearly an area for future updates to the HMA. We can monitor actual completion rates and if necessary review our findings if we find that completion rates vary from our current projections.

4.5.13 We divide the projected supply first by property size and then by tenure.

Housing Supply – Property Size

4.5.14 The next step was to divide projected future housing supply by property size. To do this we carried out a large-scale survey of historic completions and future (projected) completions.

4.5.15 For Norwich and South Norfolk we used a stratified sample. We selected sites to reflect the range of site sizes, housing market areas and the Norwich/Rural policy area division. The stratification was based on an analysis of sites with planning permission during the period 2001 to 2006. In Broadland information was not available to 'stratify' the sample. However the sample was random and large and so is likely to be representative of all sites in the district.

4.5.16 The 2006 and later division contains sites with planning permission where properties remain to be built. The large number in South Norfolk reflects a number of large sites that are about to start or have just begun to deliver new properties.

4.5.17 Our sample contained 6526 properties from a selection of 320 sites across the sub region.

District	April 2001 to March 2006		April 2006 and Later		Overall	
	Sites	Properties	Sites	Properties	Sites	Properties
Broadland	108	878	44	574	133	1452
Norwich	69	1506	37	969	94	2475
South Norfolk	78	590	20	2097	93	2687
Greater Norwich	255	2974	101	3552	320	6526

Some sites had completions pre 1 April 2006 and projected completions post 30 March 2006. These sites are included in both time periods. In consequence the site numbers do not add across the table.

4.5.18 Our sample of properties completed between April 2001 and March 2006 represents a large proportion of all properties completed.

District	Total Completions in April 2001 to March 2006	Sample Completions in April 2001 to March 2006	Sample as %age of total
Broadland	1,680	878	52.3%
Norwich	3,490	1,506	43.2%
South Norfolk	2,280	590	25.9%
Greater Norwich	7,450	2,974	39.9%

4.5.19 For each site in the sample we looked at site plans and other information from planning files to identify the type and size of each property…

- Type – House, flat or bungalow.
- Size – 1-bedroom, 2-bedroom, 3-bedroom or 4+ bedroom.

We were able to use information from the planning sections of the Web sites of the three districts to gather some of the information we needed.

4.5.20 For each district we start by looking at percentage breakdowns. This gives us a ‘typical 100’ properties completed between April 2001 and March 2006. We can compare these results with a ‘typical 100’ properties from the entire dataset. The differences reflect changes between actual completions for April 2001 to March 2006 and projected completions post March 2006.

Broadland Housing Supply – Property Size

2001/06

2001/06	1-bed	2-bed	3-bed	4+ bed	Total
Houses	1	15	31	31	78
Flats	10	2	0	0	12
Bungalows	1	3	4	2	10
Total	12	20	35	33	100

All Completions in the Sample

All	1-bed	2-bed	3-bed	4+ bed	Total
Houses	1	15	34	31	81
Flats	7	3	1	0	11
Bungalows	0	3	4	1	8
Total	8	21	39	32	100

4.5.21 For Broadland the differences between 2001 to 2006 completions and all completions are small. We use as a best estimate of the all completions 'typical 100'.

Norwich Housing Supply – Property Size

Completions April 2001 – March 2006

2001/06	1-bed	2-bed	3-bed	4+ bed	Total
Houses	1	17	25	18	61
Flats	12	18	1	0	31
Bungalows	2	6	0	0	8
Total	15	41	26	18	100

All Completions in Sample

All	1-bed	2-bed	3-bed	4+ bed	Total
Houses	1	14	22	12	49
Flats	16	28	2	0	46
Bungalows	2	3	0	0	5
Total	19	45	24	12	100

4.5.22 For Norwich there is considerable difference between the 2001 to 2006 completions and the all completions dataset. Smaller properties and flats are more common in the complete dataset and the implication is that these will be more common in the post 2006 period.

4.5.23 An analysis of projected post 2006 completions gave the following results.

Completions Post 2006

All	1-bed	2-bed	3-bed	4+ bed	Total
Houses	0	8	19	3	30
Flats	23	42	5	0	70
Bungalows	0	0	0	0	0
Total	23	50	24	3	100

There is a clear increase in the proportion of flats and a related increase in the proportion of smaller properties. So we conclude that flats will be more common for future completions and that a best predictor might be based on the post 2006 'typical 100' in which 70% are flats and 73% are one or two bedroom properties.

South Norfolk Supply – Property Size

Completions April 2001 – March 2006

2001/06	1-bed	2-bed	3-bed	4+ bed	Total
Houses	2	8	41	31	82
Flats	2	8	0	0	10
Bungalows	0	3	3	2	8
Total	4	19	44	33	100

All Completions in Sample

All	1-bed	2-bed	3-bed	4+ bed	Total
Houses	1	12	38	31	82
Flats	4	11	0	0	15
Bungalows	0	1	1	1	3
Total	5	24	39	32	100

4.5.24 There are relatively few differences between the April 2001 to March 2006 completions and the completions in the entire dataset. The projected post 2006 completions are based on 20 sites with 2097 projected completions. So large sites are overrepresented in the post 2006 period. The smallest sites tend to have the largest properties and be least likely to include flats.

4.5.25 So, our best projection for our 'typical 100' in South Norfolk might be the all completions with two or three of the small flats replaced by larger houses.

Housing Supply – Tenure

4.5.26 We use information from the Housing services for the three districts about projected supply of social rented (rent) and intermediate (LCHO) property. We find the market supply by subtraction…

Market Supply = Total Supply – Social Rent – Intermediate.

Broadland Housing Supply – Affordable Housing

4.5.27 Using information available in February 2007 we project the following completions within Broadland District.

Supply April 2006 to March 2008

Source of Housing	Rent	LCHO	Total
Section 106 agreements	32	31	63
Exceptions Policy	23	12	35
NAHP (and other grant funding)	49	13	62
Total	104	56	160

4.5.28 To project overall supply over the three years April 2008 to March 2011 we assume…

1. That the NAHP and other grants will provide 30 homes each year. This is the same as projected for 2006/7 and 2007/8.
2. That exception sites will provide 20 homes each year. This is in line with projections for 2006/7 and 2007/8.
3. That Section 106 agreements will deliver…

- 63 homes in 2006/07 (26.3% of the projected total new homes of 240).
- 0 homes in 2007/08 (0% of the projected total new homes of 305).
- 89 homes in 2008/09 (25% of the projected new homes of 355).
- 89 homes in 2009/10 (25% of the projected new homes of 355).
- 51 homes in 2010/11 (25% of the projected new homes of 205).

The 2006/07 figure is a likely outcome based on information available as at February 2007.

4.5.29 Broadland district do not expect any sites with Section 106 agreements to provide new housing in 2007/08. For future years the target for affordable housing is 40%. We assume Broadland will achieve 25%, this allows for small sites which are not subject to Section 106 agreements and for some large sites that may not achieve the 40% target. The 25% figure is in line with the level likely to be achieved in 2006/07.

4.5.30 Using these assumptions we project the following affordable housing completions…

Year	Projected Total Number of New Homes	Number of Affordable Homes				
		Section 106 agree-ments	%age delivered through s106 agreements	Exception sites	NAHP and other grant funding	Total Affordable Housing
2006/7	240	63	26.3%	8	36	107
2007/8	305	0	0%	27	26	53
2008/9	355	89	25%	20	30	139
2009/10	355	89	25%	20	30	139
2010/11	205	51	25%	20	30	101

4.5.31 We use information for 153 projected completions in 2006/7 and 2010/11. In the sample of projected completions the proportion of rented properties is 65% the proportion of LCHO properties is 35%.

To December 2006 and Development pipeline

Rent	1-bed	2-bed	3-bed	4-bed	Overall
House	11	25	33	5	74
Flat	3	4	0	0	7
bungalow	0	16	1	1	18
Overall	14	45	34	6	99

LCHO	1-bed	2-bed	3-bed	4-bed	Overall
House	2	22	27	0	51
Flat	3	0	0	0	3
bungalow	0	0	0	0	0
Overall	5	22	27	0	54

Overall	1-bed	2-bed	3-bed	4-bed	Overall
House	13	47	60	5	125
Flat	6	4	0	0	10
bungalow	0	16	1	1	18
Overall	19	67	61	6	153

4.5.32 By making three further assumptions we can project the number of affordable homes by property size and sub-tenure…

1. We use the actual rented and LCHO elements of the projected completions for 2006/7 and 2007/8
2. We use the sample proportions of rented (65%) and LCHO (35%) taken from the sample of 153 projected completions.
3. The property size profile in our sample of 153 projected completions will apply throughout the period April 2006 to March 2011.

Projected Affordable Rented Housing

Year	1-Bed	2-Bed	3-Bed	4+ Bed	Total
Profile	14.1%	45.5%	34.3%	6.1%	
2006/07	9	30	23	4	67
2007/08	5	17	13	2	37
2008/09	13	41	31	6	90
2009/10	13	41	31	6	90
2010/11	9	30	23	4	66

Projected LCHO Housing

Year	1-Bed	2-Bed	3-Bed	4+ Bed	Total
Profile	9.3%	40.7%	50.0%	0.0%	
2006/07	4	16	20	0	40
2007/08	1	7	8	0	16
2008/09	5	20	24	0	49
2009/10	5	20	24	0	49
2010/11	3	14	18	0	35

Norwich Housing Supply – Affordable Housing

4.5.33 Using information available in March 2007 we projected the following completions within Norwich City. For 2006/7 and 2007/8.

Source of Housing	Rent	LCHO	Total
Section 106 agreements	234	71	305
NAHP (and other grant funding)	358	29	387
Total	592	100	692

Source: Norwich City Council.

4.5.34 To project overall supply over the three years April 2008 to March 2011 we assume…

1. That the NAHP and other grants will provide 200 homes each year. This is the same as projected for 2006/7 and 2007/8.
2. That developers will provide 15% of all new housing for affordable housing. The Norwich target is 30% for sites in excess of 25 dwellings. We assume a smaller percentage to allow for small sites and for large sites that because of special factors deliver less than 25% affordable housing.

4.5.35 Using these assumptions we project the following affordable housing completions…

Year	Projected Total Number of New Homes	Number of Affordable Homes			
		Number delivered through Section 106 agreements	Proportion delivered through Section 106 Agreements	Number delivered by the NAHP and other grant funding	Total Affordable Housing
2006/7	922	169	(18%)	131	300
2007/8	1421	156	(11%)	235	391
2008/9	1484	225	15%	200	425
2009/10	1579	235	15%	200	435
2010/11	1633	245	15%	200	445

4.5.36 An analysis of the 692 actual and projected completions in 2006/7 to 2010/11 provides the following breakdown by size, type and sub-tenure.

To December 2006 and Development pipeline

Rent	1-bed	2-bed	3-bed	4-bed	Overall
House	8	118	143	15	284
Flat	118	157	0	0	275
bungalow	0	32	1	0	33
Overall	126	307	144	15	592

LCHO	1-bed	2-bed	3-bed	4-bed	Overall
House	0	32	8	5	45
Flat	7	46	2	0	55
bungalow	0	0	0	0	0
Overall	7	78	10	5	100

Overall	1-bed	2-bed	3-bed	4-bed	Overall
House	8	150	151	20	329
Flat	125	203	2	0	330
bungalow	0	32	1	0	33
Overall	133	385	154	20	692

4.5.37 The short term development pipeline to (2006/7 and 2007/8) contains mostly small properties. In the longer-term sites such as Three Score will provide larger affordable homes by 2010/11. Three Score is not due to start on site until 2010. The Three Score site will provide a large number of homes, mostly houses. So the profile by size and type in the period 2011 to 2016 may well change.

4.5.38 By making three further assumptions we can project the number of affordable homes by property size and sub-tenure…

1. The proportions of rented (85.5%) and LCHO (14.5%) for April 2006 to March 2008 will also apply to the period April 2008 to March 2011.
2. The property size profile in our sample of recent and projected completions (2006/7 and 2007/8) will apply throughout the period April 2006 to March 2011.
3. There will be 73 demolitions of affordable rented housing – 47 one-bedroom, 22 two-bedroom and 4 three-bedroom half in 2008/9 and half in 2009/10. These demolitions are part of a re-development programme.

Projected Affordable Rented Housing

Year	1-Bed	2-Bed	3-Bed	4+ Bed	Total
Profile	21.3%	51.9%	24.2%	2.5%	
2006/07	43	158	62	11	274
2007/08	83	149	82	4	318
2008/09	54	178	86	9	363
2009/10	55	182	88	9	372
2010/11	81	197	92	10	380

Projected LCHO Housing

Year	1-Bed	2-Bed	3-Bed	4+ Bed	Total
Profile	7.0%	78.0%	10.0%	5.0%	
2006/07	0	22	4	0	26
2007/08	7	56	6	5	74
2008/09	4	48	6	3	62
2009/10	4	49	6	3	63
2010/11	5	50	6	3	65

South Norfolk Housing Supply – Affordable Housing

4.5.39 Using information available in February 2007 we project the following completions within South Norfolk District. For 2006/7 and 2007/8.

Source of Housing	Rent	LCHO	Total
Section 106 agreements	118	34	152
Exceptions Policy	21	5	26
NAHP (and other grant funding)	154	0	154
Total	293	39	332

4.5.40 To project overall supply over the three years April 2008 to March 2011 we assume…

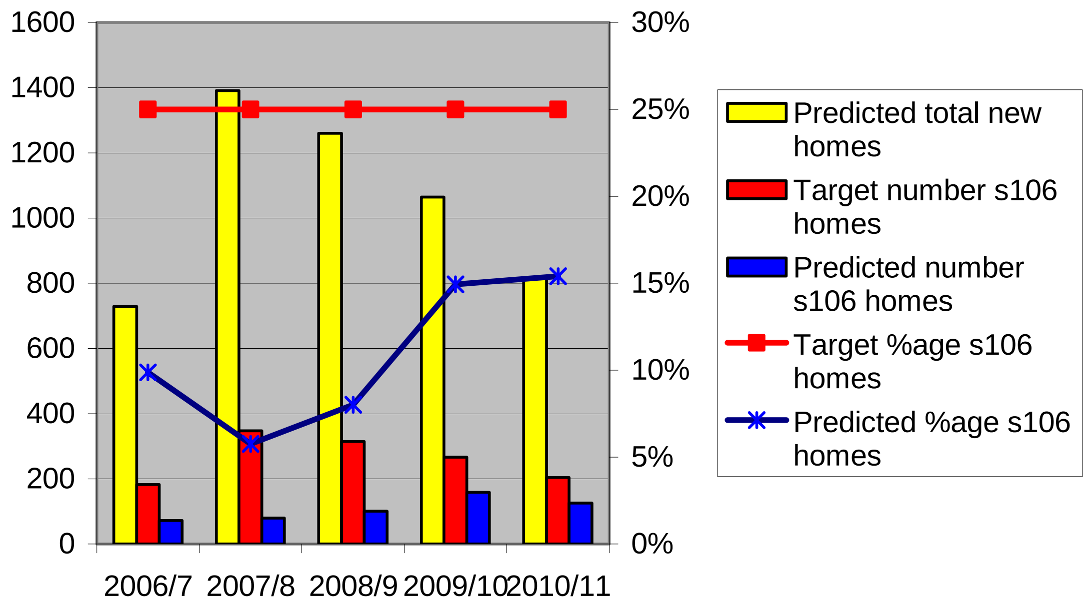
1. That the NAHP and other grants will provide 75 homes each year. This is the same as projected for 2006/7 and 2007/8.
2. That exception sites will provide 15 homes each year. This is in line with projections for 2006/7 and 2007/8.
3. That Section 106 agreements will deliver…

- 101 homes in 2008/9.
- 159 homes in 2009/10.
- 126 homes in 2010/11.

Using forecasts prepared by South Norfolk council in January 2007.

4.5.41 The projected numbers of new homes provided as a condition of planning permission (Section 106) are less than the target of 25%. In 2009/10 and 2010/11 about 15% of the predicted new homes are affordable homes delivered via Section 106 agreements. Fifteen percent might be a reasonable long-term assumption. This allows for small sites that are not required to provide affordable housing. It also allows for some of the larger sites that deliver less than 25% affordable homes because of site-specific issues.

Section 106 Target and Projected Delivery



4.5.42 Using these assumptions we project the following affordable housing completions…

Year	Projected Total Number of New Homes	Number of Affordable Homes				
		Section 106 agree-ments	%age delivered through Section 106 agree-ments	Exception sites	NAHP and other grant funding	Total Affordable Housing
2006/7	729	72	10%	0	45	107
2007/8	1391	80	6%	26	119	225
2008/9	1260	101	8%	15	75	191
2009/10	1065	159	15%	15	75	249
2010/11	818	126	15%	15	75	216

4.5.43 An analysis of 208 projected completions for properties due to complete between April 2006 and March 2011 provides the following breakdown by size, type and sub-tenure. In the sample of projected completions the proportion of rented properties is 76.9% the proportion of LCHO properties is 23.1%.

To December 2006 and Development pipeline

Rent	1-bed	2-bed	3-bed	4-bed	Overall
House	4	64	34	0	102
Flat	21	23	0	0	44
bungalow	8	6	0	0	14
Overall	33	93	34	0	160

LCHO	1-bed	2-bed	3-bed	4-bed	Overall
House	0	20	14	6	40
Flat	3	5	0	0	8
bungalow	0	0	0	0	0
Overall	3	25	14	6	48

Overall	1-bed	2-bed	3-bed	4-bed	Overall
House	4	84	48	6	142
Flat	24	28	0	0	52
bungalow	8	6	0	0	14
Overall	36	118	48	6	208

Source: South Norfolk District Council.

By making three further assumptions we can project the number of affordable homes by property size and sub-tenure…

1. We use the actual rented and LCHO elements of the projected completions for 2006/7 and 2007/8
2. We use the sample proportions of rented (76.9%) and LCHO (23.1%) taken from the sample of 208 projected completions.

3. The property size profile in our sample of 208 projected completions will apply throughout the period April 2006 to March 2011.

Projected Affordable Rented Housing

Year	1-Bed	2-Bed	3-Bed	4+ Bed	Total
Profile	20.6%	58.1%	21.3%	0.0%	
2006/07	18	51	19	0	88
2007/08	42	119	44	0	205
2008/09	30	85	31	0	147
2009/10	39	111	41	0	191
2010/11	34	96	35	0	166

Projected LCHO Housing

Year	1-Bed	2-Bed	3-Bed	4+ Bed	Total
Profile	6.3%	52.1%	29.2%	12.5%	
2006/07	1	10	6	2	19
2007/08	1	10	6	3	20
2008/09	3	23	13	6	44
2009/10	4	30	17	7	58
2010/11	3	26	15	6	50

4.6 Chapter 5 – Housing Requirement of Specific Household Groups

Housing Requirements of Black and Minority Ethnic Communities (page 66 to 69)

4.6.1 We used the ONS (www.statistics.gov.uk) 2004 mid year population estimates for the population breakdown for BME communities.

4.6.2 We use data from Fordham Research – The Housing and Support Needs of Black and Minority Ethnic Communities (Fordham) to compare the age profile of BME communities with the population as a whole (www.south-norfolk.gov.uk/housing/515.asp).

4.6.3 The department for Work and Pensions (www.dwp.gov.uk) provides information about National Insurance number allocations to foreign nationals.

4.6.4 Fordham provide information about tenure for BME households. We use information from ORS for comparison with households in the sub-region.

Households with Dependent Children (page 70 to 72)

4.6.5 We take information from the 1991 and 2001 Censuses to compare the proportion of households with dependent children.

4.6.6 We use the ONS (www.statistics.gov.uk) 2004 based population projections to look at changing age distributions within the population.

Older People (page 71)

4.6.7 ONS (www.statistics.gov.uk) 2004 based population projections provide information about changes in the proportion of older people in the population.

Hostels Refuges and their Residents (page 75)

4.6.8 Information on bed spaces in hostels comes from A Review of Hostels and Supported Housing in the Greater Norwich Housing Sub- region – Norfolk Supporting People and Norwich City Council (2006).

Other Specific Groups (page 76)

4.6.9 We take information from the East of England Review of Gypsy and Traveller Accommodation on the need for additional authorised caravan pitches.

4.6.10 Norfolk Supporting People provides information about the numbers of single homeless and homeless families with support needs.

4.7 Chapter 6 – The Role of Various Tenures

The Private Rented Sector (page 78 to 84)

4.7.1 We used information from the Survey of English Housing (2005) to look at the composition of the market rented sector by sub-tenures (www.communities.gov.uk).

4.7.2 The Survey of English Housing (2005) also provides information about mean and median rents.

4.7.3 The Survey of English Housing is based on a sample and is therefore subject to a margin of error.

4.7.4 The 2001 Census provides information about the proportion of private rented sector tenancies for districts within the Greater Norwich sub-region. The census also provides information about the types of tenancy. We used the Norfolk Census Explorer (www.norfolkcensusexplorer.net) to access Census data. This site provides access to Census data and allowed us to establish the housing market areas as units for analysis.

4.7.5 Information about student numbers at the UEA is from the university. Detailed information is available in our interim report – Student Housing.

4.7.6 We looked in detail at the levels of private renting at four sites in the sub region.

- Riverside in Norwich – Norwich City
- White Woman Lane in Sprowston – Broadland District
- Cranes Meadow in Harleston – South Norfolk District
- Store Street in Roydon – South Norfolk District

4.7.7 We selected sites outside Norwich to see if the evidence of private renting on new developments in the City also occurs outside of the city. White Woman Lane is a medium density suburban site. Cranes Meadow and Store Street are medium and small sized developments in market towns.

4.7.8 For each site we looked at the Land Registry entry to identify those properties owned by companies (institutional investors). As part of this investigation we identified a number of properties owned by housing associations. We compared the land registry details with the electoral register to identify properties occupied by people who are not the owners. By implication the owners rent these properties to the occupiers.

4.7.9 We took information about the number of private sector tenants claiming help with rent payments from the benefit services for each district. The benefit services also provided information about average rents.

4.7.10 ORS for their Housing Need and Stock Condition Study (2006) carried out a survey of market rents. We completed a similar survey in March 2007. We looked at 215 properties advertised for rent by estate and letting agents. We selected properties to give a cross section of bedroom sizes and locations. We are concerned that our survey gives higher average rents than the ORS survey. Anecdotal evidence from letting agents suggests that rents have not increased significantly between the time of the ORS survey and our survey.

Intermediate Affordable Housing (pages 85 and 86)

4.7.11 We use information from the Orbit First Step web site (www.orbithomebuyagents.co.uk) for new build HomeBuy properties available in August 2007. We calculate weekly costs by assuming borrowers have a 95% mortgage on their equity share with repayments over 25 years at 6% interest.

4.7.12 For open market HomeBuy, we assume a purchase price of £120,000 for a two-bedroom flat and £140,000 for a three-bedroom house.

Low Cost Market Housing

4.7.13 We carried out a survey of new build and resale property prices in August 2007. We looked at information from developers for current sites for new build property.