2018

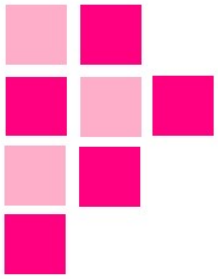
Diamond affordability analysis

A new way of looking at income, housing costs and housing supply

This report sets out a new approach to housing affordability, comparing income distribution, housing costs in different tenures and for different sizes of homes, and supply of housing: stock, turnover, and new supply The Diamond analysis aims to help show the disparities between household income, costs and uniquely, the quantum of homes coming onto the market in a year.

Stephen Hills, Sue Beecroft, Julie Fletcher, Helen Reed, Simon King

for the Greater Cambridge Partnership & Cambridge sub-region housing board



Diamond affordability analysis

A new way of looking at income, housing costs and housing supply

Project team

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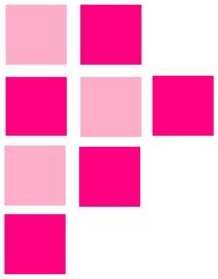
For the Greater Cambridge Partnership and Cambridge Sub-Region Housing Board

June 2018

Summary



- This diamond affordability analysis helps us look at income, housing costs and housing supply side-by-side.
- It sets out a new approach to housing affordability, comparing income distribution, the housing cost of different tenures and for different sizes of homes, and the supply of housing in terms of stock, turnover, and new supply
- The diamond affordability analysis aims to help show the disparities between household income and housing costs; and uniquely, the supply of housing in the local area; the size of the housing stock, an indication of turnover for each tenure, and the amount of new housing being built in a year.

Methodology

- Using publically accessible data wherever possible for housing stock, turnover and new build; and our Hometrack subscription data for housing costs and income bands, we have created a three-stage analysis. Studying the diagrams helps us see where there are gaps and overlaps between different parts of our housing market, in terms of costs and in terms of housing in the supply chain.
- Diamond diagrams were created for all eight districts in our study area, that is: Cambridge City, East Cambridgeshire, Fenland, Huntingdonshire, South Cambridgeshire, Forest Health, St Edmundsbury and Peterborough. Combined diamonds were also produced for Greater Cambridge (that is, Cambridge and South Cambs) and West Suffolk (that is, Forest heath and St Edmundsbury).
- Detailed comments were made on the Greater Cambridge diamond affordability analysis to develop the concept; and some more general remarks and themes drawn out form the other districts diamonds.

The diamonds: Greater Cambridge

- There are households who cannot afford even the lowest cost “affordable” housing. Some may live in rent-free accommodation. Some may be destitute. Some will be claiming welfare benefits to enable them to get by.
- Based on average private rents, private rented housing does not reach as far “down” the income spectrum as might be imagined. There are always outliers which an average will mask, particularly smaller, poorer quality accommodation which will not command higher levels of rent. However there is little overlap between affordable housing options and private rented across Greater Cambridge.
- New build provides a small amount of housing in proportion to existing homes and the turnover of existing homes. This is not to say it’s unimportant but it is useful to appreciate the quantum of the contribution new build will make in an area’s housing market. Therefore the way those new homes are designed, priced and delivered is vital if the homes are to make a difference to the lives of residents, and to the success of local businesses. This makes it all the more important to deliver our objectively assessed housing need, if new-build is to help make a real difference to the quantity of housing available to meet people’s needs. This new-build also needs to be focussed on the groups “less catered for” through the free working of the housing market if we are to achieve a more balanced, effective market.
- We understand that private rented housing is dominated by short term landlords, short term tenancies and (for residents) a lack of security and less of a feeling of “making home” in private rented housing. If we can widen the offer, the usefulness of rented accommodation could be increased significantly.

- People on incomes towards the centre of the income diamond - including keyworkers - are very important to the local economy and to building thriving communities. These people appear to suffer a lack of housing choice, when we use the diamonds to compare incomes, housing costs and supply.
- Housing turnover goes to provide both for new households forming, households moving into the area, but also (adding complexity to the picture); to up-sizers and down-sizers, and to people moving from one tenure to another. It is a complex series of relationships.
- In our local housing market we can see gaps and overlaps for different households, income groups, housing types and tenures. This includes an under-supply for the 40% of households on the lowest incomes as well as very limited options for the 30% of households on middle incomes, this group alone amounting to around 8,000 new homes by 2035.

Themes across the area

Across the area, we can observe:

- A lack of housing options and supply for people on the very lowest incomes (up to £15 to £20K).
- A middle market mostly provided for by private rented housing, which has a high turnover and low security but is often the only housing option available for those whose incomes are around the median income – often people in work though not the highest paid.
- The small amount of housing changing hands, or being added to the housing stock in a year, in relation to the existing housing stock; and marked gaps between the turnover of housing, the number of new homes built and the number of households in each income band.
- A gap between the number of households resident in a district on lower and middle incomes and the number of homes we can anticipate becoming available (though turnover or by adding new homes).
- The reliance in some districts on private rented to meet housing needs in the middle of the market.

Lowest and highest incomes

- South Cambridgeshire has the lowest proportion of households on the lowest income bands, and the highest proportion of households on the highest income bands. Overall this leads to the conclusion South Cambridgeshire is the wealthiest district in the study area.
- Cambridge, East Cambridgeshire and Huntingdonshire follow a similar pattern of incomes for those in the lowest and highest income bands.
- St Edmundsbury and Forest Heath differ slightly from each other, but form a group at the lower end of the income spectrum.
- Fenland and Peterborough have the highest proportion of households in the lowest income bands, and the lowest proportion of households in the highest income bands. They are therefore the least wealthy districts in the study area.

Middle incomes

- Each district has a similar proportion - between 25% and 27% of households - on incomes between £30 and £50K.
- South Cambridgeshire has fewer households on lower incomes and more households on higher incomes than the other districts.
- Cambridge, East Cambs, Huntingdonshire and St Edmundsbury form a group together.
- Forest Heath and Peterborough for a group with the lowest proportion of households in the higher income bands. Fenland finds itself again at the ‘least wealthy’ end of the spectrum.

Housing costs

Like incomes, we have drawn together some observations about housing costs in relation to household incomes, which help us look at districts in "like" groupings. Observations include:

- Cambridge and South Cambs have similar price profile for council rents in relation to income bands.
- In Cambridge and SCDC, Housing Association rents appear slightly higher than council rents. There is not much variation between the districts but the others appear to have slightly lower HA rents than City and SCDC, compared to incomes.
- "Affordable rents" vary more, which is unsurprising when considering the rent is set as a proportion of private market rents. Our districts fall into these groupings: City with South Cambridgeshire; Forest Heath, East Cambs with Huntingdonshire & St Edmundsbury; and Fenland with Peterborough.
- Median private rents similarly divide across our area. Unsurprisingly Cambridge sees the highest private rent levels, followed by South Cambridgeshire. Next come East Cambridgeshire with Huntingdonshire, Forest Heath and St Edmundsbury; and finally Fenland with Peterborough.
- Other tenures follow a different price profile for each size of home and each district, but the cost in relation to income bands following the same pattern throughout.

Combining all diamond analysis factors to categorize our housing market

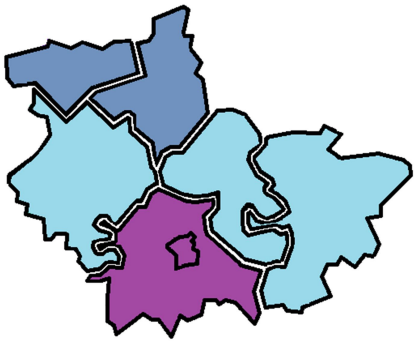
Within our study area, districts can be looked at as forming smaller groups according to the factors in this affordability analysis, converted to a score rather than a value. The factors are low income, high income, housing cost, housing turnover and new-build.

This leads us to identify three groups of districts:

- Cambridge and South Cambs
- East Cambs, West Suffolk and Huntingdonshire
- Peterborough and Fenland.

Note: If we treat West Suffolk as two districts (Forest Heath and St Edmundsbury), Forest Heath is similar to Fenland and Peterborough, while St Edmundsbury is most similar to East Cambridgeshire and Huntingdonshire.

Suggested market grouping map



What next? We need to investigate…

- Using the diamond affordability analysis to inform strategic options and encouraging delivery of the homes most needed; filling gaps, and re-focussing to help provide more good quality housing choice for all households, both resident and in-coming.
- Analysing the household income distribution in relation to housing costs and supply, identifying if there is an under- or over-supply of any housing type or tenure, in each district.
- New ways public subsidy can most effectively be used and how different approaches to public subsidy might benefit new sectors of the housing market, for example re-assessing public subsidy for all first time buyers; buyers of a specific age group; subsidies to buy affordable or social rented housing.
- Ways to support existing models of housing supply, to meet need and support a thriving economy.
- Models which links rent levels to local incomes, how would that work, what kinds of partnership and venture would enable implementation of this kind of approach, if it proved a fruitful idea.

Contents

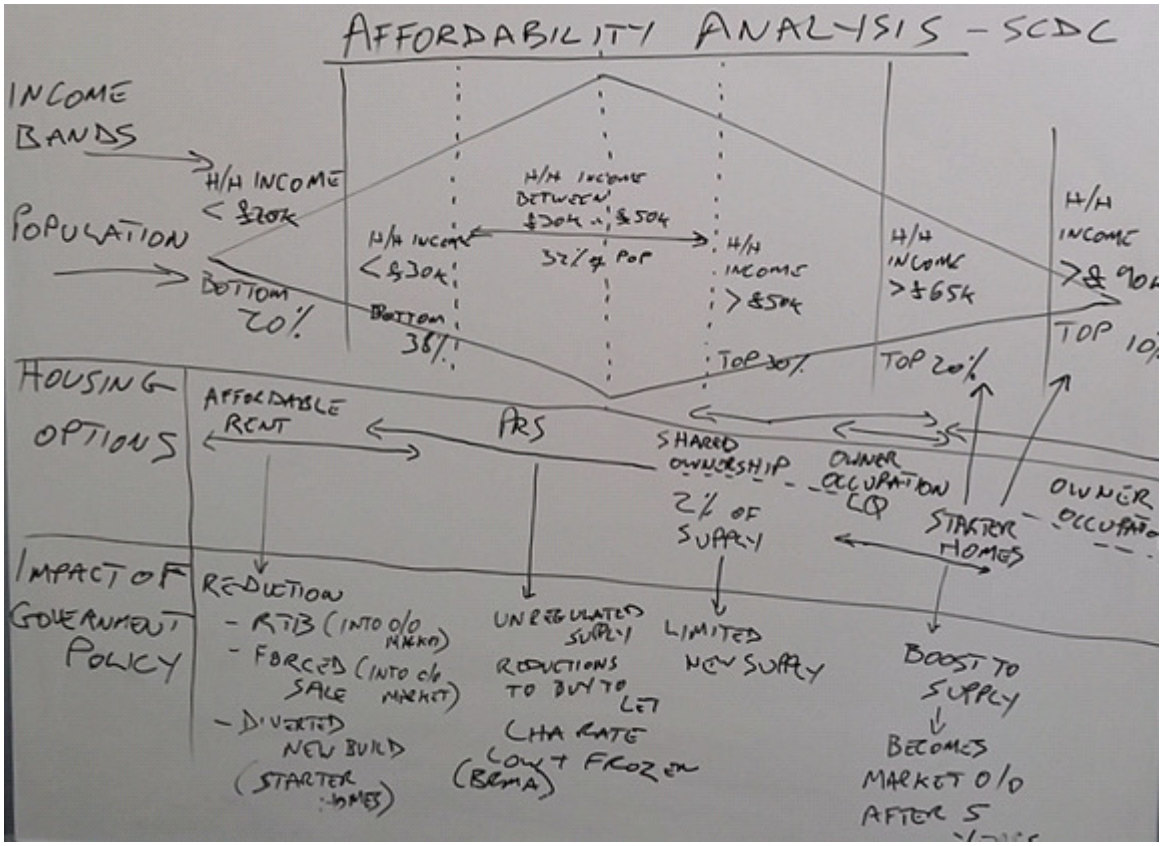
1 Introduction

In 2017 it became clear that no current affordability modelling or visualisations were helping pinpoint where housing investment was most needed. Some models work to show supply of housing and household incomes, but none seemed to align incomes, cost and supply across all tenures.

Local planning authorities have worked hard to identify the number of homes needed over the coming years, in their "objectively assessed need" calculations. These homes provide for natural growth (i.e. resident households increasing in number due to births, people leaving the parental homes, people divorcing) and in-migration often to take up employment opportunities (see page 14).

Despite this, and a rich source of data in our Strategic Housing Market Assessment across the Cambridge housing sub-region, there seemed to be a tool lacking which would help align household incomes, housing costs and the quantum of housing supply. For this reason, South Cambridgeshire District Council came up with the "diamond" model, whereby residents' incomes could be compared to housing costs and products, and possibly local and national investment priorities.

Figure 1 Generating the model via whiteboard



The concept was tested with others and the diamond model seemed to appeal to a range of audiences. Feedback led us to think that the model might have practical applications for the Greater Cambridge area; (that is Cambridge City Council and South Cambridgeshire District Council) and possibly more widely.

Then next step was to translate the model into "real data" and see how it worked based on the information available to us. To help with this, Savill's produced a report for Greater Cambridge "*Detailed Affordability Analysis* (June 2017)[1]. The Savills report combined with additional data were used to create the new diamond visualisations which form the bulk of this report.

Housing needs to be affordable for these household movers and formers, and the diamonds help point out the difference between the picture of current resident household incomes and current housing stock.

- The 'diamond' affordability analysis provides a new way of looking at the income distribution of all households in a district, and how the income distribution compares to the cost and supply of housing.
- Housing costs are based on data from Hometrack and looks at 1, 2 and 3 bed properties across a range of tenures.
- The idea is that the "diamonds" which represent income distribution can "read down" to the cost of each housing option.
- This gives us a view of how many households can access which product and size of home.
- Unlike other affordability analysis, the 'diamond' affordability analysis go on to give an idea of the supply of housing in the area, the approximate turnover of homes through re-lets and re-sales; and an indication of the supply coming from new build where it can be identified, for the same tenure groups.

Acknowledgements

Thanks to:

- Greater Cambridge Partnership for funding the Savills *Detailed Affordability Analysis* research.
- Cambridge Ahead for input and feedback on the model at its formative stage.
- Cambridge sub-Regional Housing Board for input, comments and suggestions in developing the analysis.
- Our project team: Stephen Hills, SCDC; Helen Reed, Cambridge City Council; Simon King, Cambridge University Hospitals (Addenbrooke's); Julie Fletcher, SCDC; and Sue Beecroft for Cambridge sub region housing board.

Structure

- Section 1: Introduction
- Section 2: Methodology - talks through the method used, data and sources in the diamonds
- Section 3: Diamonds for the two Greater Cambridge districts and a combined Greater Cambridge diamond, followed by some comments.
- Section 4: Diamonds for all the other districts covered in the study area.
- Section 5: Conclusions and thoughts arising from looking across all eight districts in the study area.

[1] https://cambridgeshireinsight.org.uk/wp-content/uploads/2018/05/savills-greater-cambridge-report-june-2017.pdf

Data

Our data principles were to

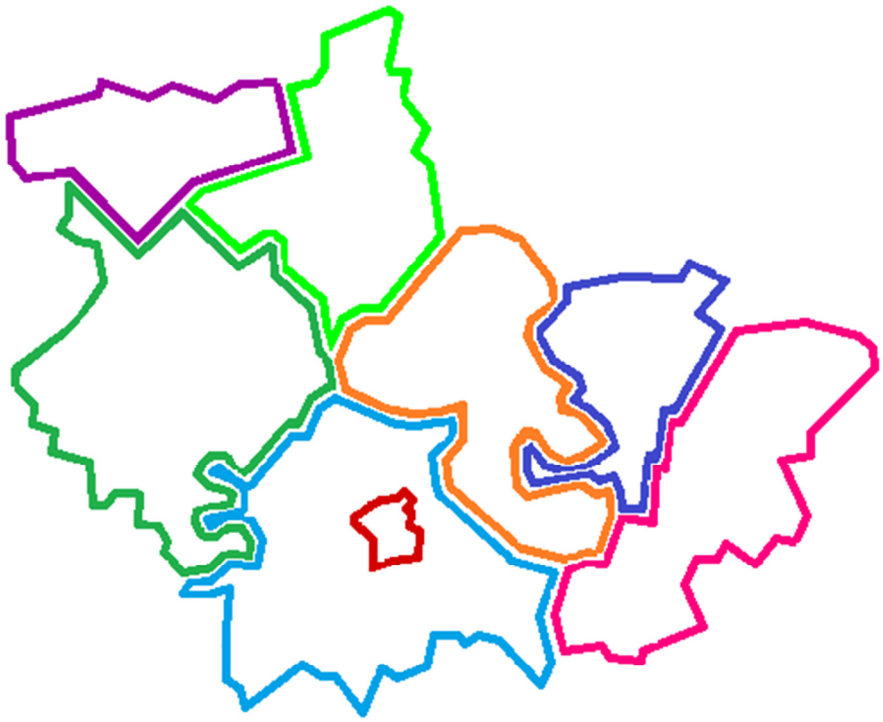
- Use open data wherever possible.
- Use data which enables comparison between the eight districts in the project area.
- Where precise data is not available, devise proxies or use the nearest equivalent from published sources, remembering this is not a specific statistical methodology but a visual representation of the housing market.

Geography

Table 1 sets out the geographical areas covered and their different "group" names and abbreviations.

Table 1. Different groupings of districts

	Cambridge CCC	East Cambridgeshire ECDC	Fenland FDC	Huntingdonshire HDC	South Cambridgeshire SCDC	Forest Heath FHDC	St Edmundsbury SEBC	Peterborough PCC
Housing sub-region	✓	✓	✓	✓	✓	✓	✓	
Study area	✓	✓	✓	✓	✓	✓	✓	✓
Combined authority area	✓	✓	✓	✓	✓			✓
Greater Cambridge	✓				✓			
West Suffolk						✓	✓	
Key to map								



2 Methodology: guide to building the diamonds

2.1 Income

The first ingredient in the diamonds is data about household incomes.

When looking at housing affordability, household incomes and housing costs are the two key issues to assess in relation to each other. Affordability ratios are often quoted and used which express housing income to housing cost as a ratio, often using median or lower quartile measures.

Using CACI data we can look into more detail at the distribution of households into income bands, so rather than looking at an average across a geographical area, we can see the number of households in each income band, which means more subtle patterns and comparisons can be identified.

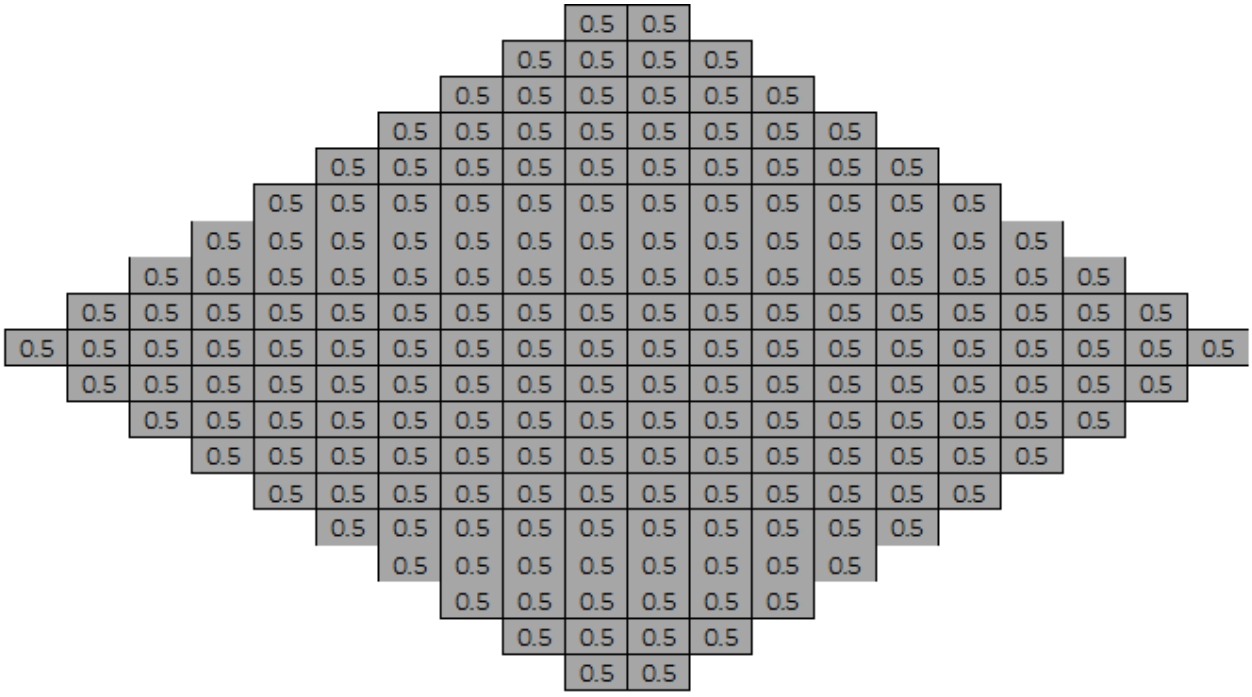
Data

- CACI (via Hometrack) provides the number of households on each £5K income band, by district, from £0K to £100K+. The latest data refers to January 2016 to December 2016 and was published in April 2017.
- CACI developed its 'Paycheck' product to provide consistent and reliable household income estimates at full postcode level across the UK. It uses information from CACI's lifestyle database, in conjunction with data from the ONS's Average Weekly Earnings and Living Costs & Food Survey to build a consistent and statistically reliable model.
- Income reflected by Paycheck is **gross** household income from **all** sources including earnings, benefits and investments. As well as providing the mean, median and mode income, it also breaks down into £5,000 bands.
- There are a number of households in the lowest income bands, who we would expect should be supported by the benefit system so no-one would be on an income of less than £5K per year. However there are typically students and adults of pensionable age and some disadvantaged families in this banding.
- It is also important to note that benefits are claimed by people higher up the income spectrum, it is not the sole preserve of the poorest households; these benefits help many households on modest and middling incomes make ends meet.
- More information is provided in Appendix 6.1.

Method

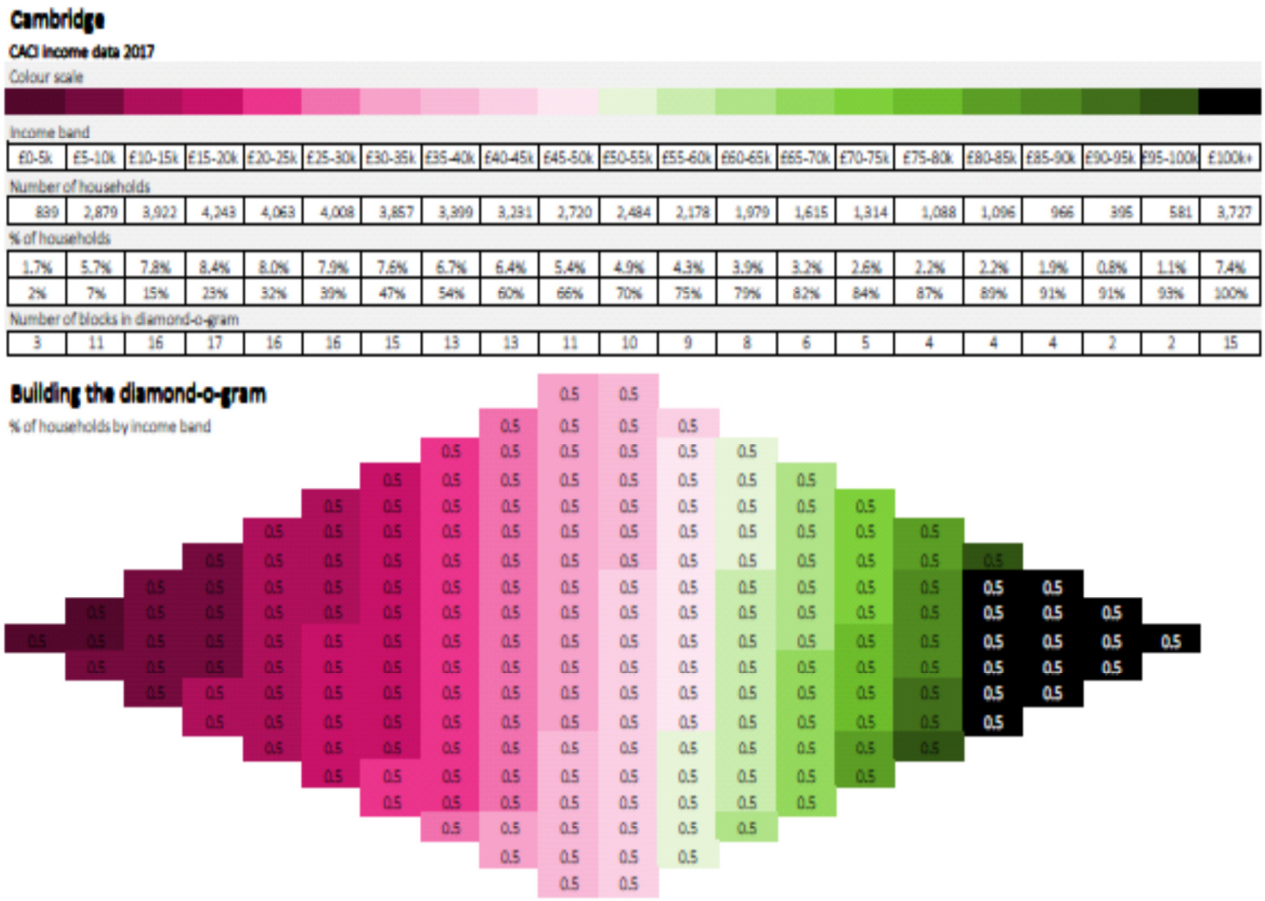
- Identify the CACI data via our Hometrack subscription for each district.
- Set out a diamond template in excel, each square represents 0.5% of households.

Figure 2 Basic diamond



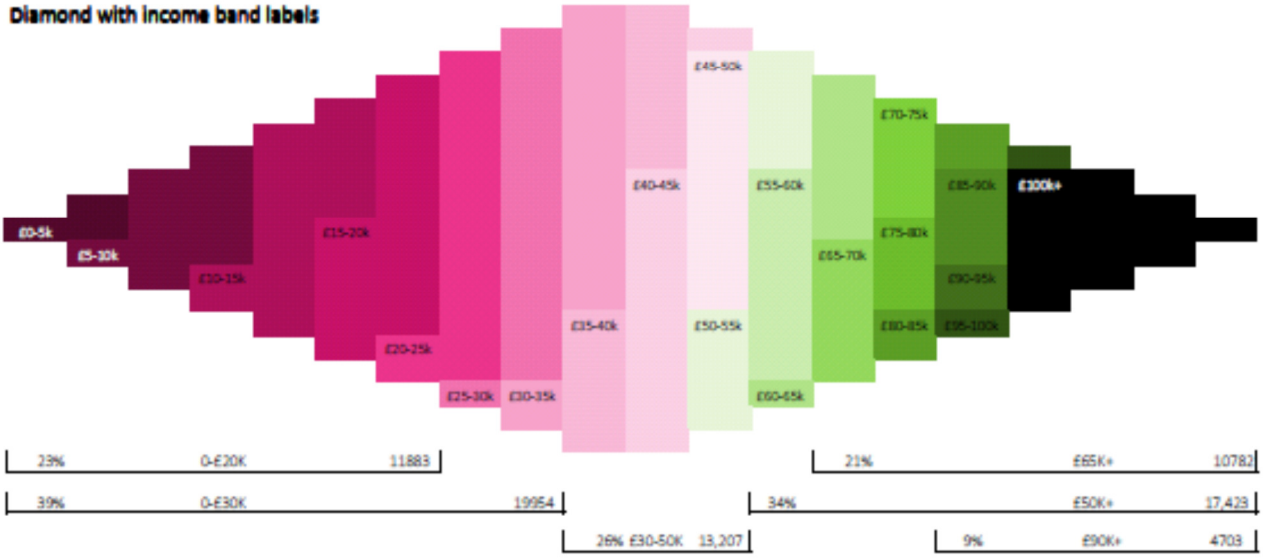
- Shade diamond according to % of households in each income band as set out in CACI data.

Figure 3 Converting CACI data onto diamond outline



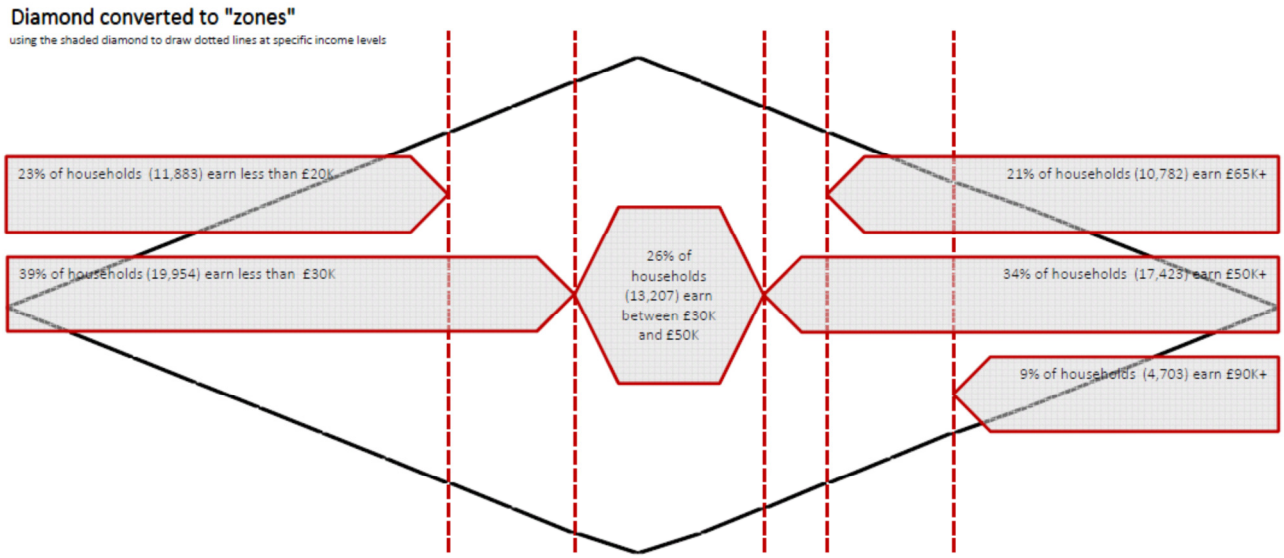
- Remove the 0.5 labels on each square
- Add the “start point” for each change in shading e.g. £0-5K, £5-10K.
- Use the shading to place vertical lines which denote where five “fixed” boundaries occur:
    - Incomes less than £20K (the household benefit maximum).
    - Incomes less than £30K (a bit above the income for a household on living wage).
    - Incomes between £30K and £50K.
    - Incomes more than £50K; more than £65K and more than £90K.

Figure 4 Adding income band labels



- Remove the shading, converting the “ziggurat” to a smooth diamond outline.
- Add vertical dotted lines at the fixed boundaries.
- Add labels and tailor them for each district, to show the % of households in each of the 5 zones.

Figure 5 Converting shading to income "zones"



These are NOT precise, as a “dotted line” is added where the shading may “creep” from one column to the next. But the tool aims to give a visualisation of the income distribution not a precise measure.

Example of income data: teaching

From the "get into teaching" website[2] we secured income bands for teachers in England, as at March 2018. The data would need more analysis to make directly comparable to the CACI data, but using the salary ranges against the diamond diagram and the housing costs gives an idea of how we might build this affordability analysis to help compare housing costs to specific employment areas and salary ranges.

Table 2. Example using teachers incomes

	Min	Max
Headteacher	£ 44,544	£ 109,366
Leading practitioner	£ 39,374	£ 59,857
Upper pay ranges	£ 35,927	£ 38,633
Main pay ranges	£ 22,917	£ 33,824
Unqualified teachers	£ 16,626	£ 26,295

Example of income data: health service

The following is a guide to "Agenda for Change" pay rates for the Health Service, applicable from April 2017[3].

The Agenda for Change pay system covers all staff except doctors, dentists and very senior managers. Each of the nine pay bands has a number of pay points. Staff will normally progress to the next pay point annually until they reach the top of the pay band. In addition to basic pay, there is also extra pay for staff who work in high cost areas such as around London.

	Possible roles at this band	From	To
Band 1	Domestic support worker, housekeeping assistant, driver and nursery assistant	£15,404	£15,671
Band 2	Domestic team leader, security officer, secretary/typist and healthcare assistant	£15,404	£18,157
Band 3	Emergency care assistant, clinical coding officer, support, time and recovery worker, estates officer and occupational therapy assistant	£16,968	£19,852
Band 4	Assistant practitioner, audio visual technician, pharmacy technician, dental nurse and theatre support worker	£19,409	£22,683
Band 5	Possible roles include newly qualified professionals - operating department practitioner, midwife, podiatrist, adult nurse, diagnostic radiographer, practice manager and ICT test analyst	£22,128	£28,746
Band 6	School nurse, health visitor, senior paramedic, health records officer, clinical psychology trainee and biomedical scientist	£26,565	£35,577
Band 7	Communications manager, estates manager, high intensity therapist, advanced speech and language therapist and theatre team leader	£31,696	£41,787
Band 8a	Consultant prosthetist / orthotist, dental laboratory manager, project and programme management, modern matron (nursing) and nurse consultant (children's nursing)	£40,428	£48,514
Band 8b	Strategic management, head of education and training, clinical physiology service manager and head orthoptist	£47,092	£58,217

[2] https://getintoteaching.education.gov.uk/funding-and-salary/teacher-salaries

[3] https://www.healthcareers.nhs.uk/working-health/working-nhs/nhs-pay-and-benefits/agenda-change-pay-rates

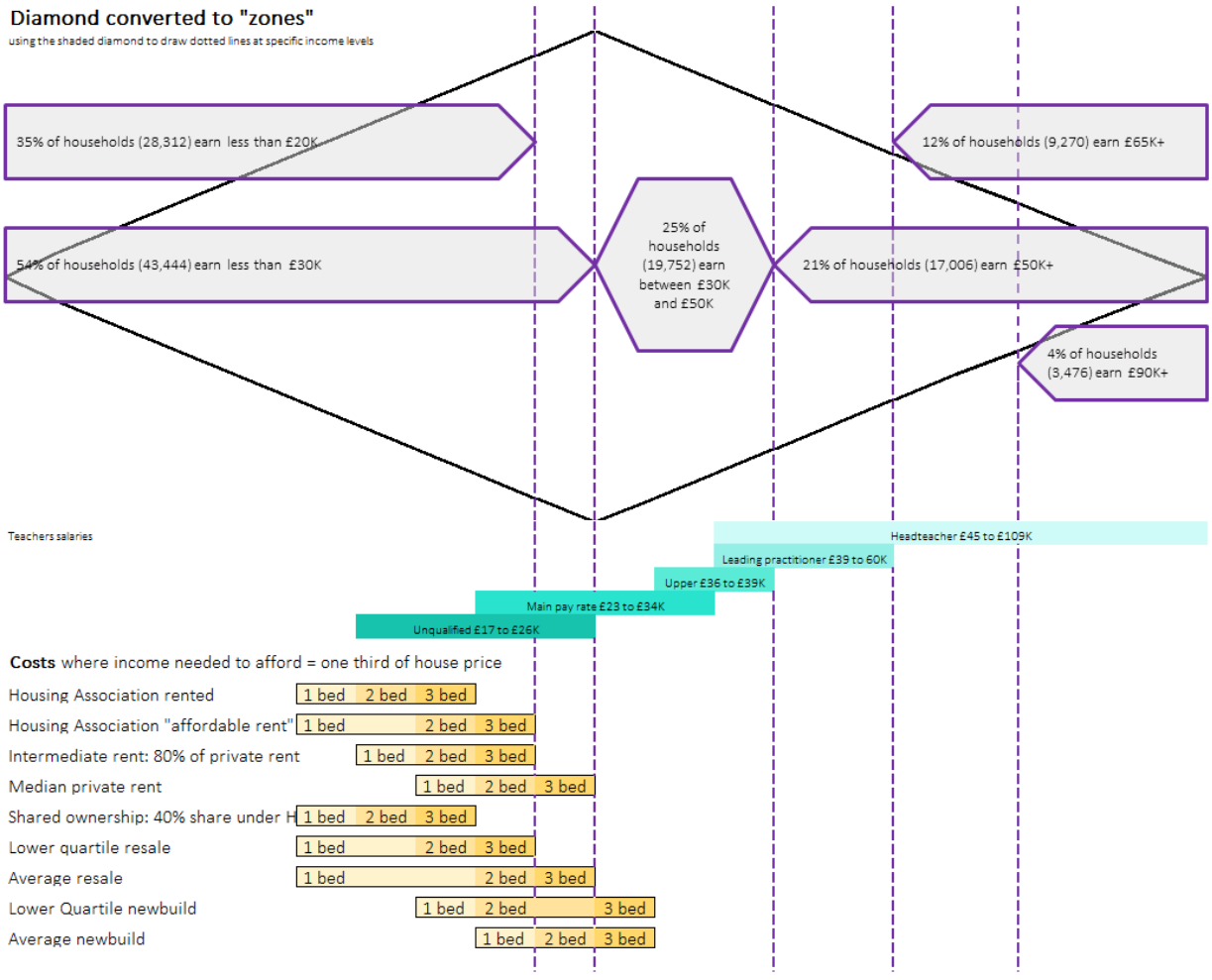
	Possible roles at this band	From	To
Band 8c	Head of human resources, consultant clinical scientist (molecular genetics / cytogenetics) and consultant paramedic	£56,665	£69,168
Band 8d	Consultant psychologist, estates manager, chief nurse and chief finance manager	£67,247	£83,258
Band 9	Podiatric consultant (surgery) head of service, chief finance manager and director of estates and facilities	£79,415	£100,431

High cost area supplements for the health service

Area Level (1 April 2017): Inner London 20% of basic salary, subject to a minimum payment of £4,200 and a maximum payment of £6,469, and Outer London 15% of basic salary, subject to a minimum payment of £3,553 and a maximum payment of £4,528

Fringe: 5% of basic salary, subject to a minimum payment of £971 and a maximum payment of £1,682

Figure 6 Notion of comparing salary levels to diamonds, in this case teachers salaries are compared to Peterboorugh diamonds



2.2 Weekly housing costs

The second ingredient needed is a guide to housing costs, which we can align to the "income" diamond.

The idea is to create a visual tool so we can read "up and down" between the income diamond showing resident's income distribution and the cost of a wide range of housing tenures.

The lines show the proportion of current households on incomes sufficient to afford each size and tenure of housing in that area. We have used a rule of thumb that housing costs should take no more than one third of income.

It is also possible to compare one tenure and one property size to another, in relation to how many resident households can afford that product; and indeed just to see the overall relative cost of different tenure products and size properties.

Data

- Weekly housing costs downloaded quarterly and published in our Housing Market Bulletin. All eight authorities across the study area purchase Hometrack data under an annual subscription. Hometrack is not open data as it is provided under a licence agreement and is not freely shareable. However you can find the local Housing Market Bulletins over time here http://cambridgeshireinsight.org.uk/housingmarketbulletin
- The costs used in the diamond analysis refer to a four quarters' data (June 2016, Sept 2016, Dec 2016, and March 2017). For Forest Heath, additional data from December 2017 was included to overcome issues due to small sample numbers for new build homes only.
- More detail is provided in Appendix 0 including prevailing national mortgage rates (used in the sales weekly cost calculations) and interest rates.

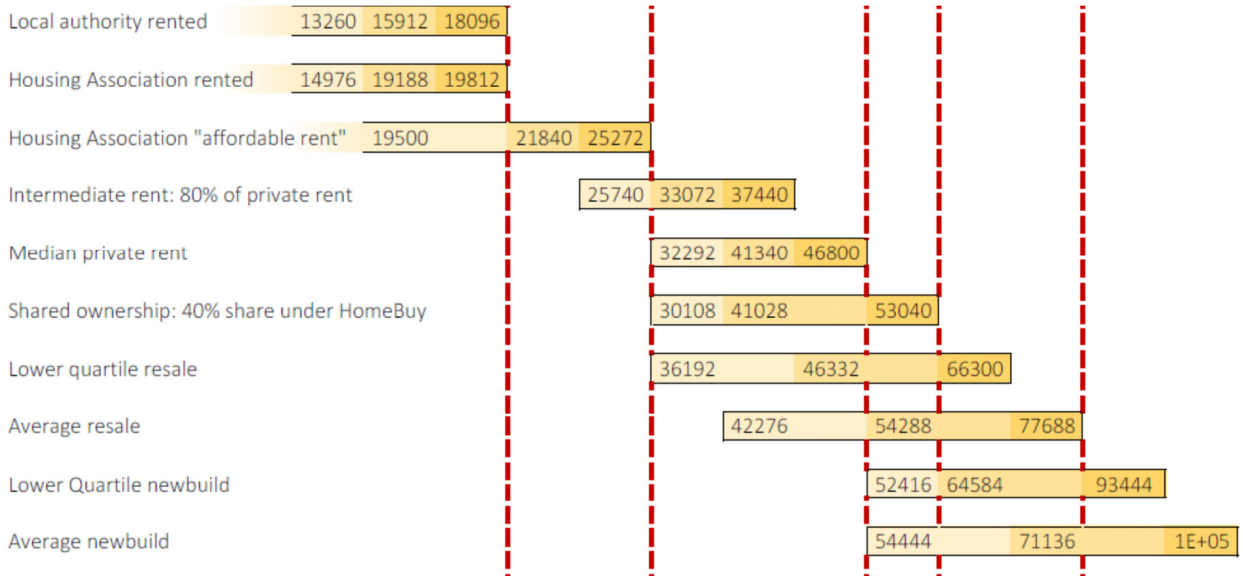
Method

- Use weekly housing costs from Housing Market Bulletin to create annual housing costs and then relating the housing cost to incomes in the diamond by multiplying the housing costs by 3.
- This enables us to draw "lines" vertically on the diamonds, linking income to housing costs. The major assumption here is that we are aiming for housing costs to represent no more than one third of income. This does not reflect the current reality - however without a multiplier we cannot relate the number of households in a certain income to the weekly cost of housing they might afford, so we need to make an informed assumption. The housing costs used exclude certain charges e.g. deposits and service charges; so we judged that using a reasonably low multiplier would help negate the effect of the weekly costs being likely to be an underestimate of the real cost of housing.
- Align the housing cost table to the shaded diamond, whereby we align the weekly cost of a 1, 2 and 3 bed of each tenure (if available) to the income needed (assuming costs are around 3x income). Again, highlighting here that this is a diagrammatic analysis so in some cases, a judgement was made as to which column to place a housing cost against.
- A line was also added indicating the median income, according to the diamond. This naturally falls at the "point" of the diamond, as the median income is the point where 50% of households are on incomes of less, and 50% are on income of more, than this amount. It is only approximate but gives a comparator between the districts. The approximate medians (something like a "mid range" to put it more accurately) across the area are:

Table 3. Mid-range income bands across the study area, based on CACI income bands

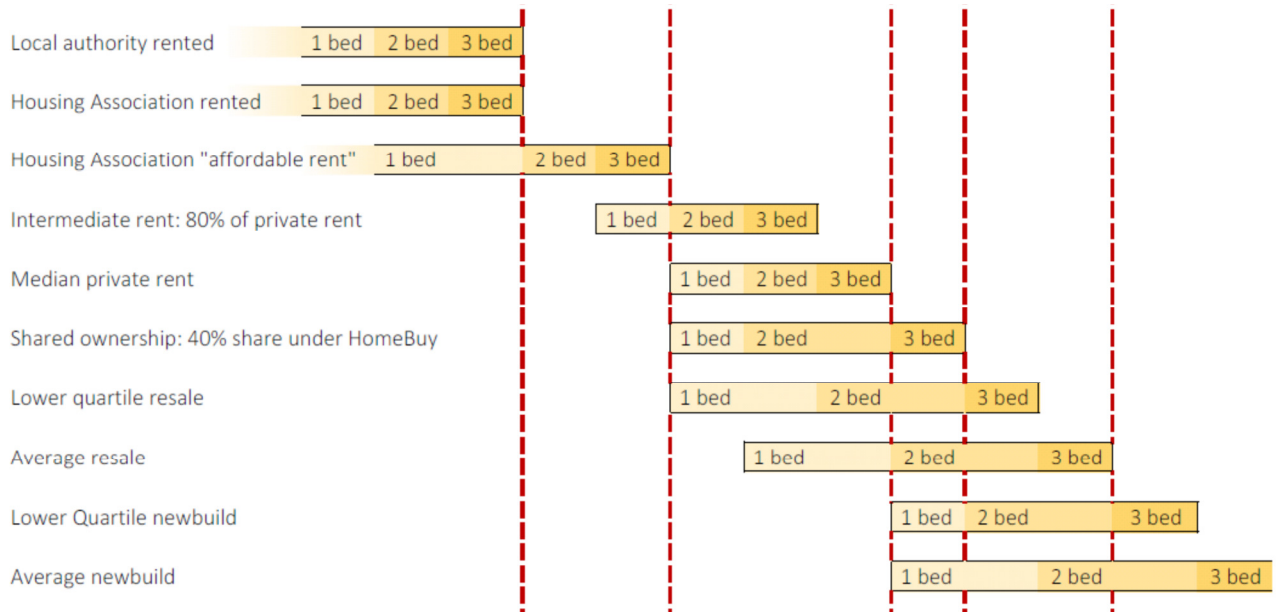
	Mid-range income band
Cambridge	£35-40K
East Cambridgeshire	£35-40K
Fenland	£25-30K
Huntingdonshire	£35-40K
South Cambridgeshire	£40-45K
Forest Heath	£25-30K
St Edmundsbury	£30-35K
Peterborough	£25-30K

Figure 7 Housing cost data aligned with income bands



- For clarity, instead of presenting the housing costs using average prices for each size of home, the price data was replaces with labels “1 bed”, “2 bed” and “3 bed”. The orange shading helps identify the size of home also, and by shading “between” the fixed points creates a spectrum of housing cost for each tenure group.
- The vertical dashed lines continue through the cost spectrum, to help compare the incomes diamond to the costs data; so the % of households in each income band can be “read down” to the type and size of housing those households could afford at the ‘3 times’ income level.

Figure 8 Re-labelling housing costs



2.3 Housing supply: stock, turnover and new build

One of the unique aspects of the diamond affordability analysis is that, having looked at detailed income distribution and compared it to a wide array of tenure products, the tool then goes on to look at the availability of housing the main tenure groups.

The data available somewhat restricts how much detail we can go into at this third stage; however in line with our data principles we have sought out as much information as we can from public and open sources.

There are three aspects to housing supply we are particularly interested in, namely the overall housing stock; housing turnover and the contribution made by new build. Some assumptions have been made, and in places we have been forced to use national data is there is nothing we could identify for each district.

Stock

Housing stock relates to the overall number of homes in a district, and which overall tenure category they fall into. The broad categories we have used proceed from the Census 2011. They are:

- Housing association and local authority rented
- Private rented
- Share ownership
- Sales: resale and new-build
- Other & living rent free.

It was not possible to separate out stock turnover and new build figures for affordable rented tenures; most probably because as a tenure it was only introduced since the 2011 Census.

There is a drawback to using Census data, in that it relates to households, not dwellings, so we needed to "convert" from households to dwellings if this section was to make sense (for sales, private rented and

"Other". Some tenures included updated stock figures and use dwellings, so where possible we used the updated dwelling numbers (for council and housing association rented, and for shared ownership).

- Data comes from a combination of data sources. These are set out in full at Appendix 6.3 and include:
- Households numbers: Census 2011
- Dwellings by tenure: CLG table 100, as at 1 April 2016.
- Council housing stock figures: DCLG Local Authority Housing Statistics (LAHS) return, as at 1 April 2016.
- Number of dwellings owned and managed by registered housing providers; rented and shared ownership: from Homes and Communities Agency (now Homes England) return known as HCA SDR, as at 1 April 2016.

Our method was to start with Census 2011 as this is a consistent evidence base and is split into fairly detailed tenure groups, to give a figure for number of households by district and tenure.

Where it was not possible to get an updated number of dwellings, use the CLG table 100 to find an updated number of dwellings in the district, then split the updated number of dwellings into tenure groups, by applying the percentage of households from the Census to the total dwellings from CLG table 100.

Use figures provided by HCA SDR and DCLG LAHS at 1 April 2016 to update stock where possible, this presents a more up to date number of dwellings.

We wanted to highlight the proportion of homes which are neither re-sold nor re-let in the course of a year; i.e. homes which are occupied and are not changing hands. The majority of homes overall fall into this category, and it is important in our understanding of the housing market to acknowledge that many homes remain occupied by the same households who are settled and are not seeking to move. We talk about housing as a resource, but it is one which may not "circulate" very much. Changes in tenant or owner may represent only a small proportion of the housing stock in each tenure group; and a different proportion depending which tenure you are looking at.

Turnover

- A variety of data sources were used. Some data returns completed by housing providers and local authorities provide an idea of turnover of stock i.e. relets and re-sales.
- Some tenures were less easy to identify, and a national turnover figure was applied to local stock numbers to give an idea of possible turnover, from the English Housing Survey (for private rented) or from CORE data returns (for social rented). "Other" and "living rent free" do not appear to have any national or local indication of turnover. Detailed data and web links are set out in Appendix 6.4, and cover:
- Social rent: Council relets: from Local Authority Housing Statistics dataset, England 2015-16: Section D - Lettings, Nominations and Mobility Schemes, "Dwellings let to new tenants on secure tenancies". Housing association relets 2015-16, from Social housing lettings in England, 2015/16: COntinuous REcording (CORE) data, Table 1c: "A comparison of new general needs lettings (both social and affordable rent) and social housing stock 2007/08 to 2015/16" published November 2016.
- Shared ownership sales: estimates from a report based on the 2015-16 HCA SDR. A map in the report gives an idea of scale of sales by registered housing providers, which includes the right to buy, protected right to buy and right to acquire sales along with social HomeBuy sales (i.e. shared

ownership and outright sale) which are what we were seeking. So the map provides a "maximum" guide to the number of RP sales at district level.

- Sales of existing homes: Hometrack re-sales via Hometrack subscription, January to December 2016.
- Private rented turnover: based on a national figure from the English Housing Survey private rented housing report 2015-16.

We sought out turnover figures, meaning the number of relets and re-sales in a year, for each district. Where this was not possible, we sought a national turnover figure to identify an idea of the turnover within a tenure group or sub-group and applied this percentage to the dwelling stock figure.

New build

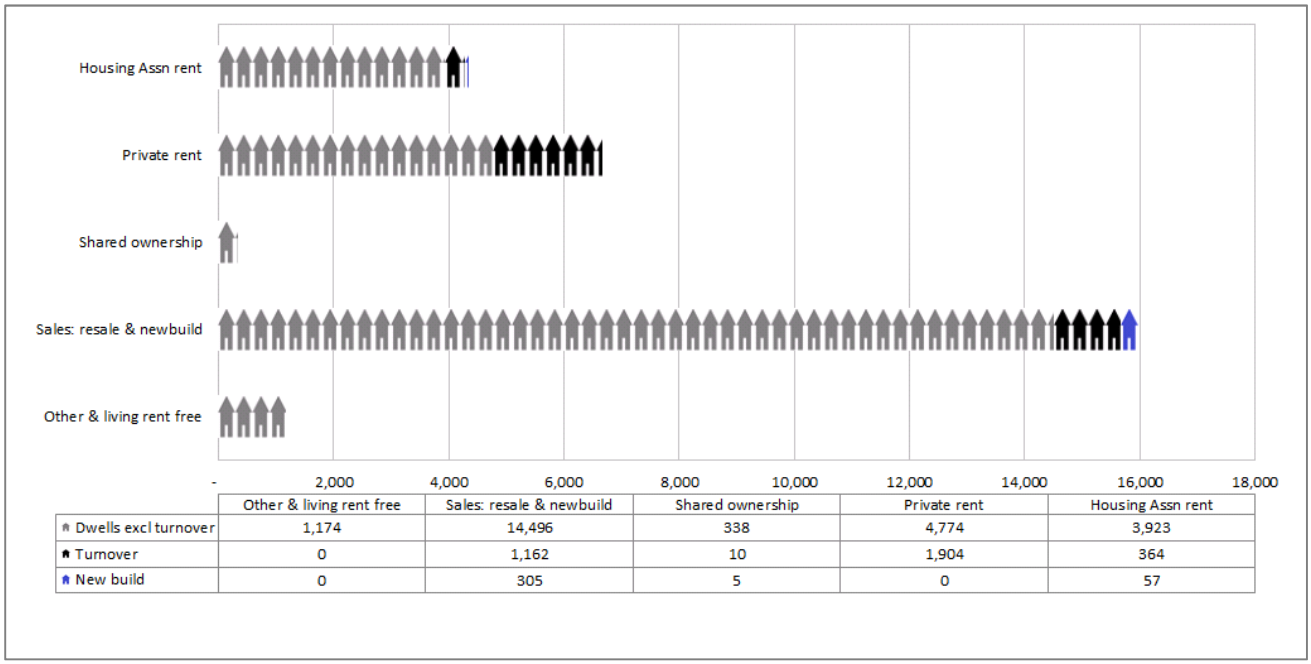
In our study area, we were particularly interested to identify the supply of housing coming from new build. New build has a very important role to play in the housing market and we continue to see reasonably good level of new build locally. However we are also keen to show how the supply from new build compares to the supply from relets and re-sales of existing homes.

- Identifying the number of new built homes is complex and there are a variety of data sources. In summary, the figures used in the diamond affordability analysis depend mainly on district planning annual monitoring returns (AMR) and housing enabler figures on newly built affordable housing by tenure.
- AMRs reporting on 2016-17 are included in Appendix 6.5, and cover Cambridgeshire, Peterborough and West Suffolk.
- Housing Enabler local figures on new build by detailed affordable housing tenure, provided via a local query in November 2016, providing new build by tenure for each district for 2014-15, 2015-16 and 2016-17. The new-build housing supply figures used in the report relate to 2016-17 (i.e. adds the number of homes built in the year after the stock and turnover numbers provided).
- We used this data to identify the new build supply by tenure where possible using 2016-17 data (so the number of homes built after the end of the last year of stock and turnover data, or "built since").
- We also compared to Hometrack new-build numbers (Jan to Dec 2016) to ensure we were not under-estimating the contribution of new-build homes in our local markets. These figures were consistently lower than the AMR figures.

Set the three figures out, identifying the total stock (grey) and within that, how many homes might have been re-let or resold in the year (black). Add to that the number of homes we believe have been newly built in the following year (blue). Where possible use the highest estimates of new build, so as not to underestimate the contribution but still highlighting the relatively small proportion of market moves, new build accounts for, in most areas.

Create a pictogram to express all these figures visually, example below:

Figure 9 Example of the stock, turnover and new-build pitogram (Forest Heath). One icon represents 300 homes.



	Other & living rent free	Sales: resale & newbuild	Shared ownership	Private rent	Housing Assn rent
Dwells excl turnover	1,174	14,496	338	4,774	3,923
Turnover	0	1,162	10	1,904	364
New build	0	305	5	0	57

Note

We have gathered some data about "likely moves" which is laid out in Appendix 6.6. As mentioned above, we are aware that not everyone in an area will want or need to move house, so this information is useful when trying to relate the quantities of people likely to move, to the stock and turnover and cost data. However in this report, we are more concerned about the "patterns" of income, cost and supply, and overlaps between different sectors of the market – to help identify product gaps – than we are in attempting to generate "number of movers" for each district, as this has been fully covered in the Objectively Assessed Need calculations which feed into the Local Plan process.

Table 4. Objectively assessed need (as at Jan 2018)

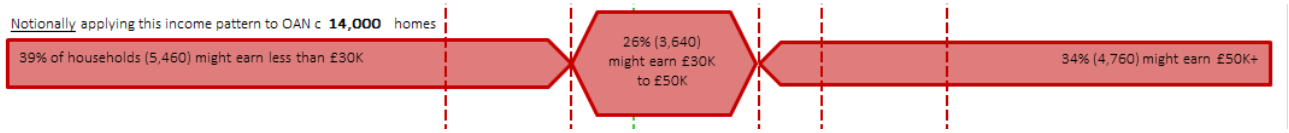
	OAN as at Jan 2018
Cambridge	14,000
East Cambridgeshire	12,900
Fenland	12,000
Huntingdonshire	20,100
South Cambridgeshire	19,500
Forest Heath	6,800
St Edmundsbury	11,000
Peterborough	24,813

Source: https://cambridgeshireinsight.org.uk/housing/local-housing-knowledge/our-housing-market/shma/

We have used the Objectively Assessed Need figures in the diamond diagrams, to set an idea of the proportion of households falling into three major income groups, assuming households represented in the OAN would have a similar income distribution to current residents as published by CACI. It is illustrative only

and simply applies the percentage of households on incomes up to £30K, from £30 to £50K and more than £50K to the total OAN presented in Table 4. Using Cambridge as an example:

Figure 10 Example of income distribution applied to OAN



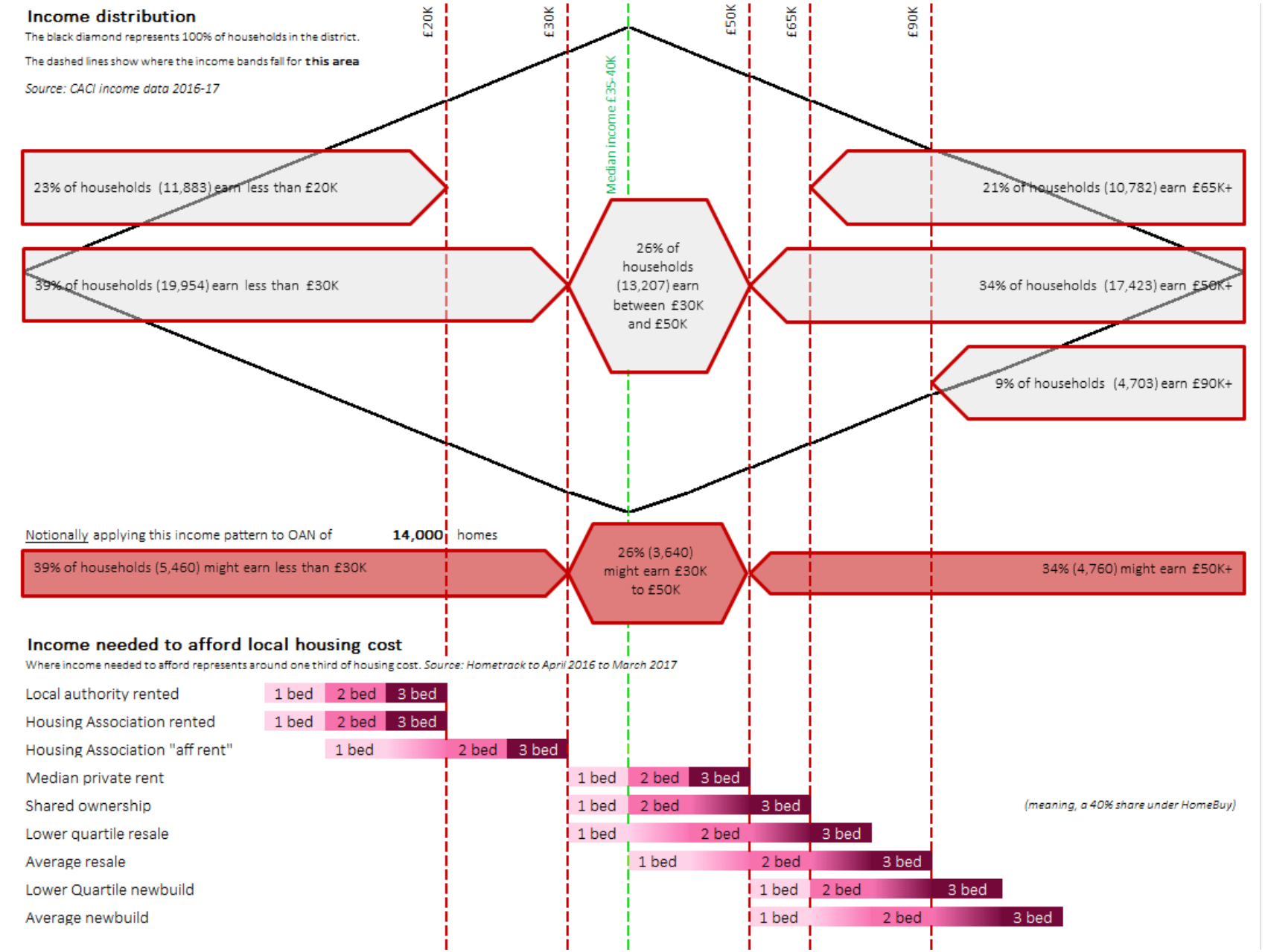
3 The diamonds

We begin with the two Greater Cambridge districts (Cambridge and South Cambridgeshire) and a combined Greater Cambridge diamond, followed by comments.

We then continue on with all the other districts covered in the study area.

Finally we add some conclusions and thoughts arising from looking across all eight districts in the study area.

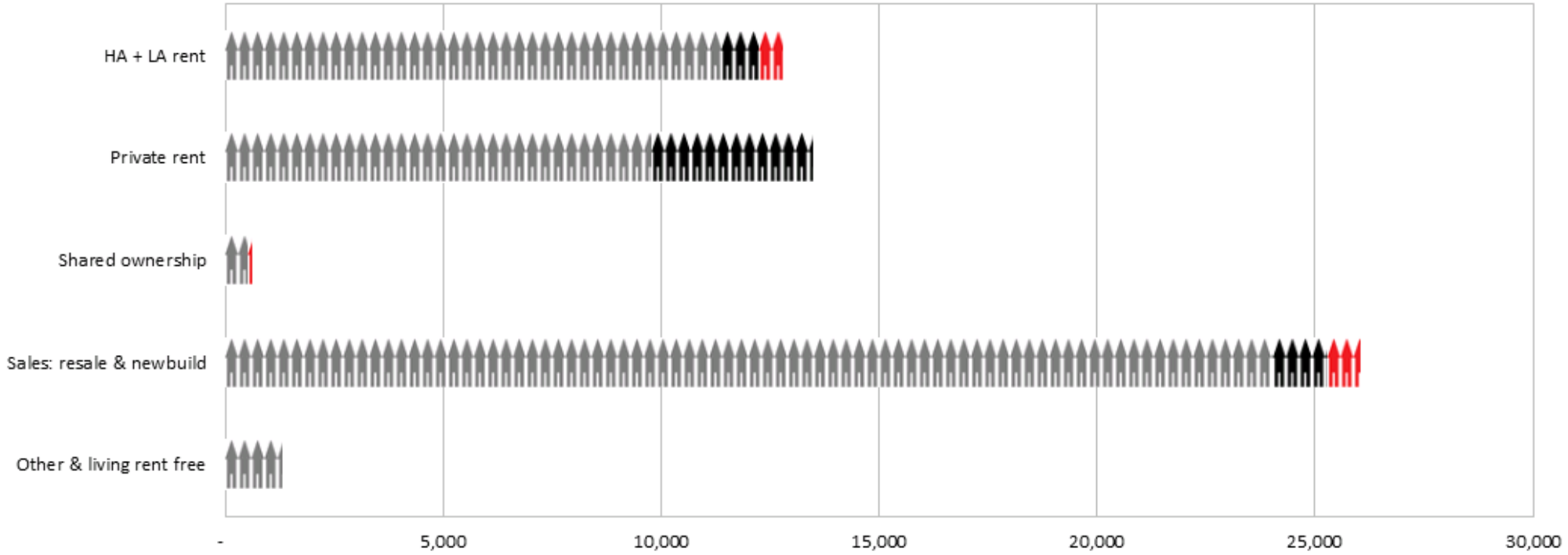
3.1 Cambridge



Housing supply: stock, turnover and new build

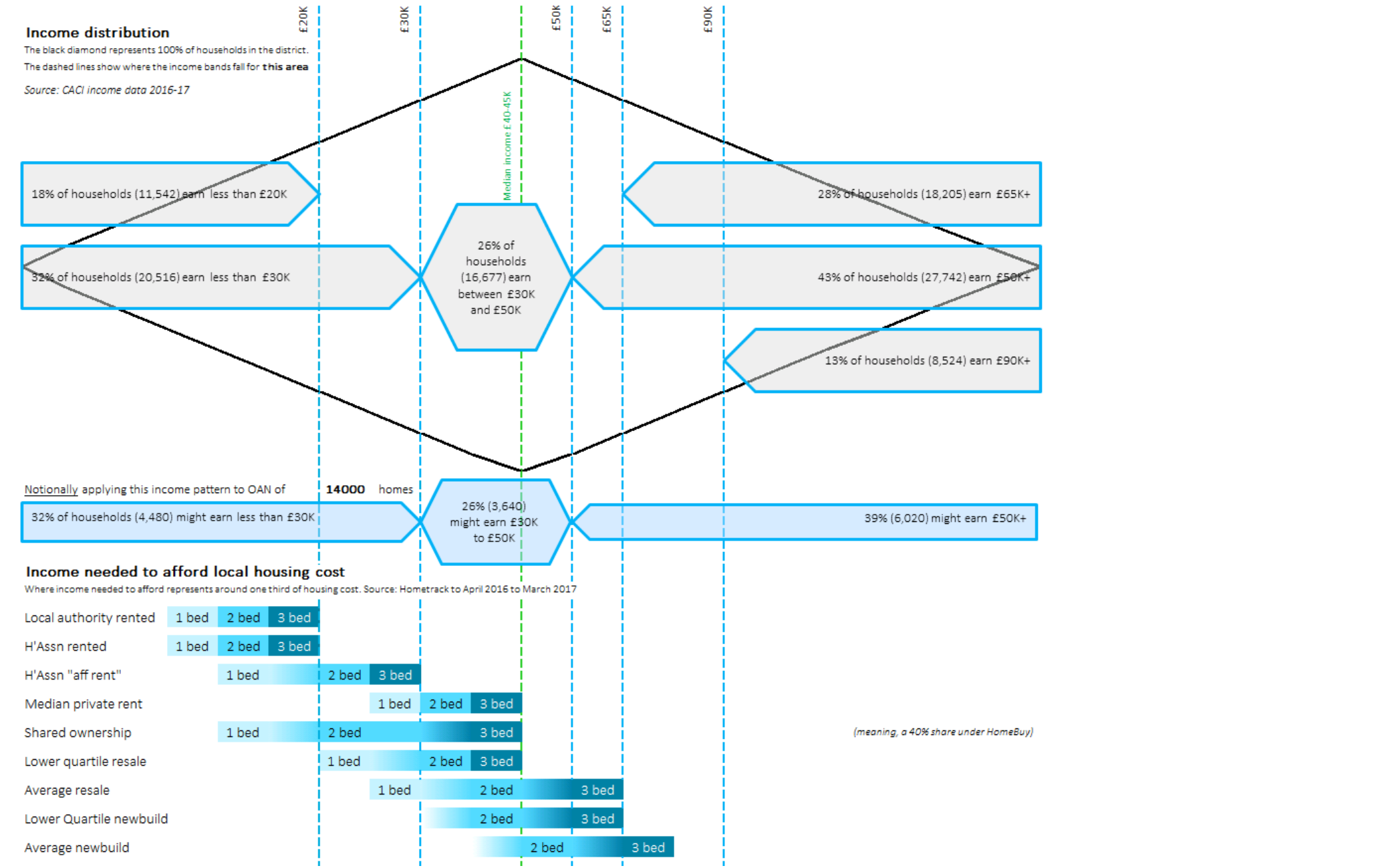
Number of homes in stock at 1 April 2016, turnover in 2015/16, new build in 2016 *(various sources including Census 2011, EHS 2016, LAHS 2016, housing enablers, HCA SDR 2016-17).*

One house icon represents 300 homes. This is NOT aligned with diamonds or costs.



	Other & living rent free	Sales: resale & newbuild	Shared ownership	Private rent	HA + LA rent
Dwells excl turnover	1,310	24,029	526	9,775	11,364
Turnover	-	1,247	10	3,729	889
New build	-	765	87	-	549

3.2 South Cambridgeshire



Housing supply: stock, turnover and new build

Number of homes in stock at 1 April 2016, turnover in 2015/16, new build in 2016 *(various sources including Census 2011, EHS 2016, LAHS 2016, housing enablers, HCA SDR 2016-17).*

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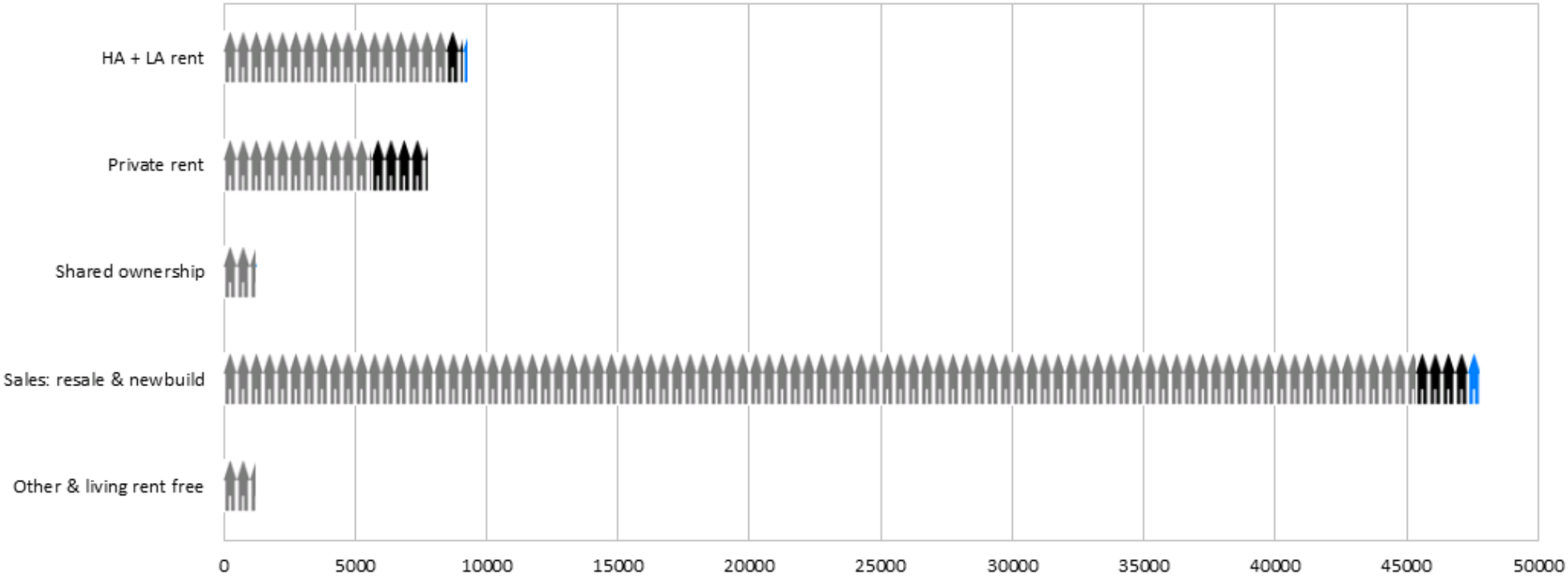
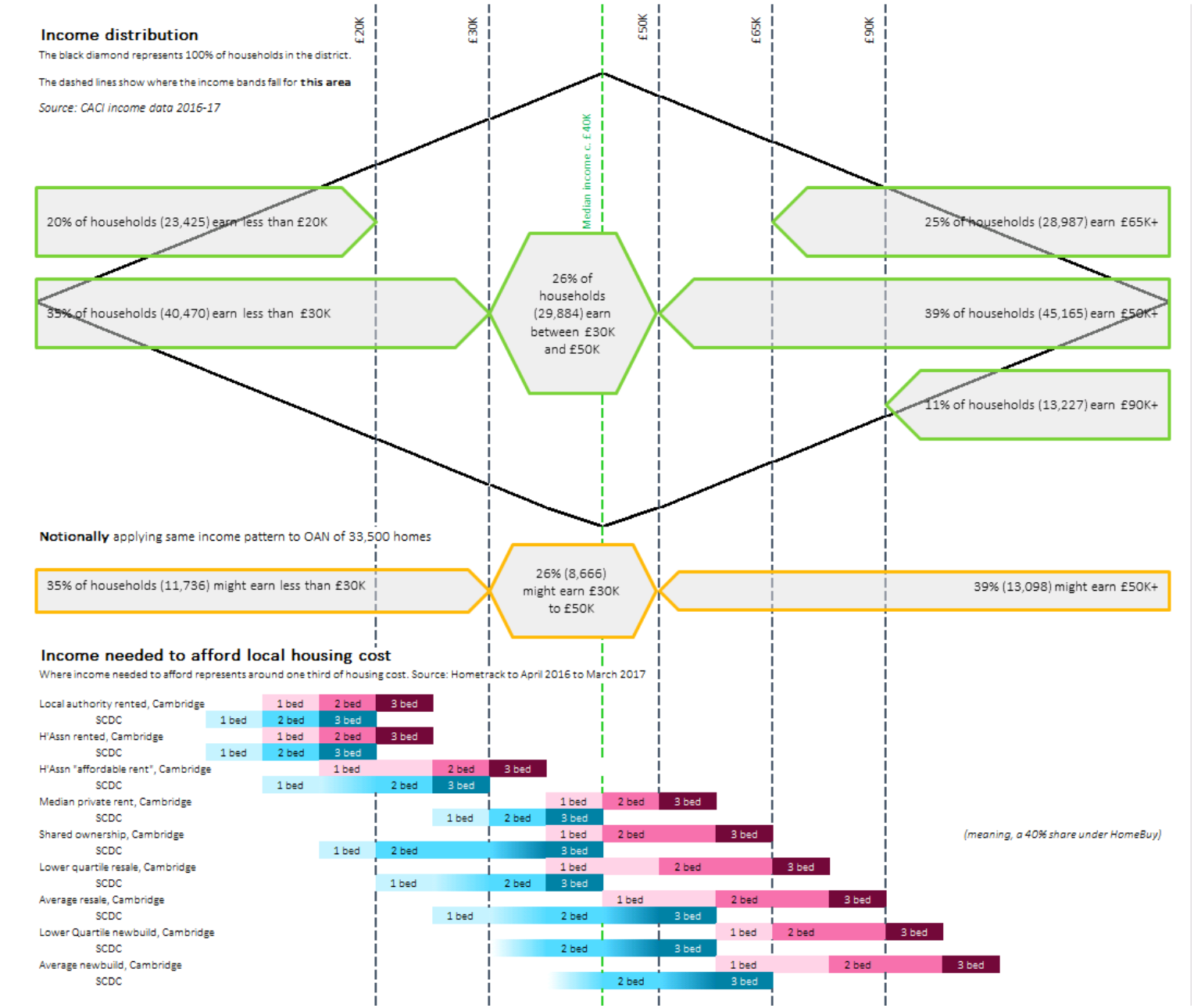


	Other & living rent free	Sales: resale & newbuild	Shared ownership	Private rent	HA + LA rent
Dwells excl turnover	1237	45362	1188	5594	8475
Turnover	0	1925	10	2182	651
New build	0	468	54	0	132

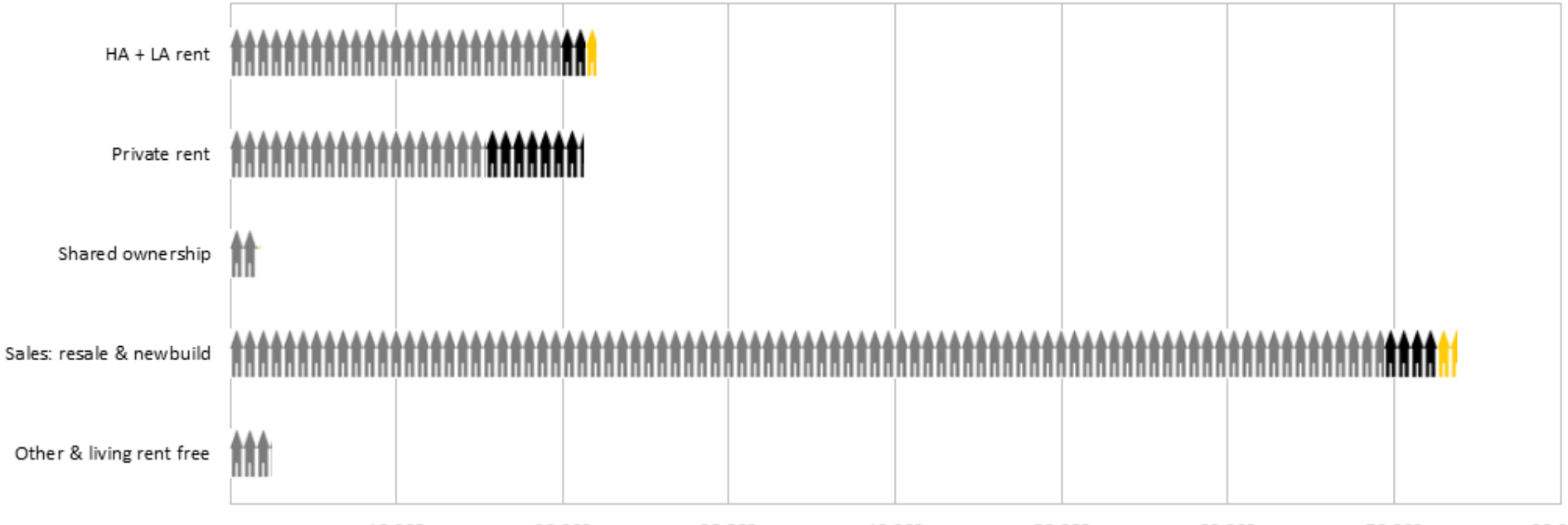
3.3 Greater Cambridge



Housing supply: stock, turnover and new build

Number of homes in stock at 1 April 2016, turnover in 2015/16, new build in 2016 *(various sources including Census 2011, EHS 2016, LAHS 2016, housing enablers, HCA SDR 2016-17).*

One house icon represents 300 homes. This is NOT aligned with diamonds or costs.



	Other & living rent free	Sales: resale & newbuild	Shared ownership	Private rent	HA + LA rent
Dwells excl turnover	2,547	69,391	1,714	15,368	19,839
Turnover	-	3,172	20	5,911	1,540
New build (max)	-	1,233	141	-	681

3.4 Comments on Greater Cambridge diamond affordability analysis

Taken as a whole there are some difference in costs of housing, of all tenures and sizes, between Cambridge and South Cambridgeshire, with Cambridge routinely showing higher costs for each type and size of property. However there are parts of South Cambridgeshire much closer to the Cambridge profile. This is interesting when comparing income distributions, as South Cambridgeshire sees a higher proportion of households on the higher income levels and a lower proportion on lower incomes than Cambridge. Both districts suffer housing affordability and supply issues, with Cambridge seeing the most intense pressure.

Incomes less than £20K

In Cambridge, nearly a quarter of households (23%) are on incomes of less than £20K. In South Cambridgeshire, 18% of households are on incomes less than £20K. Totalled, this means one fifth of Greater Cambridge households, or 20%, are found in this lowest income band.

There is a gap at the bottom of the housing market, with even "social" housing not affordable for those on incomes of less than £10,000; indicating why the housing benefit system as a safety net is essential. Many of these households may be living in homes with no mortgage, may be on extremely low or no incomes, possibly not claiming benefits, for example older people with equity but no income. They may not be likely to move home, but then again they could be destitute and seeking accommodation in the district but nothing is available at a very low cost.

Council and housing association rented accommodation starts to meet a need for those on incomes of between £10K and £20K. However the proportion of social stock turnover, and even more so the amount of new build, is dwarfed by the quantity of stock which is occupied and not part of the annual turnover.

This means that although social housing pays a vital role in the cost spectrum, there is not much of it changing hands each year, and only a small amount of new build supply. Homes which are re-let and new build social housing are under enormous demand pressure.

Incomes less than £30K

In Cambridge 39% of households are on incomes of less than £30K. In South Cambridgeshire 32% of households are on incomes less than £30K. Across Greater Cambridge this means 35% of households are on incomes less than £30K

In Cambridge we see a lack of supply of housing priced for people on incomes of between £20K and £30K, and £30K provides a kind of "watershed" between tenures. The cost zones occupied by affordable housing and by private rented housing show no overlap at all in our data for Cambridge. The only product which tries to fill this gap is "affordable rent" housing, but supply is so small it made no significant contribution to the market in the time period covered.

Similar to Cambridge, private rents in South Cambridgeshire are priced a good deal above council and housing associations rents, with "clear water" between the products. Shared ownership homes somewhat bridge the gap between these tenures, being affordable to people on incomes of between £20K and £40K, whereas private rents start to become affordable to people on incomes of around £25K or more.

Across Greater Cambridge there is a significant lack of supply of housing priced for people on incomes of between £20K and £30K, with only a small number of housing association rented and private rented homes in this price zone.

Regarding “affordable rent” it is clear that in both Cambridge and South Cambridgeshire, “affordable rent” occupies a different price position in the market to social rented housing from the council or housing associations, clearly occupying a higher cost “zone”. Around16% of households in Cambridge and 14% of households in South Cambridgeshire are found in the income zone between £20K and £30K who might be able to support an “affordable rent”. However, the amount of housing of this type in the years considered is too small to make an impact. Of course this could change in future if supply increases, but the subsidy put into “affordable rent” is provided at the expense of lower cost tenures, so there is a distinct rivalry between the products, which needs the most investment and which meet the most need.

Incomes £30K to £50K

Across Greater Cambridge some 26% of households are on incomes of £30K to £50K. For these households much of the housing supply comes from private rented – often the only viable and available options for people in the middle of the market.

In Cambridge, for households on incomes of between £30K and £50K, the main housing option is private rented. Private rented housing constitutes an unusually high proportion of the stock in Cambridge at 26%. As the only available and affordable option for households in the ‘middle’ of the market it is important to bear in mind other factors such as desirability, security of tenure, competition for access and housing standards.

In South Cambridgeshire, the price of private renting and home ownership overlaps - much more than in Cambridge. For households on incomes of £30K to £45K, the majority of housing supply comes from private rented and lower priced home ownership – and unlike Cambridge, private rented accounts for far less of the housing supply than in Cambridge – at 12% of the housing stock, compared to 26%.

Shared ownership, though in relatively short supply, also contributes to this zone in the housing market across Greater Cambridge.

Incomes more than £50K and £90K

In Cambridge, 34% of households are on incomes of more than £50K and 9% are on incomes of more than £90K. Here there are more homes being built and sold at higher prices than any other district in our study area. However the quantity of supply and competition for homes is still a restrictive factor.

In South Cambridgeshire, 43% of households are on incomes of more than £50K and 13% are on incomes of more than £90K. The district has a higher proportion of households on incomes of more than £50K than other districts in the study area.

This income is enough, in theory, to support the cost of 3 bed re-sales or new-build. Again, it’s worth balancing the income breakdown and the cost of tenures with the quantity of housing supply. Although home ownership is the overwhelming tenure in South Cambridgeshire (71% of the housing stock) the turnover only represented 1,925 homes or 4% of the stock in 2015-16, and new-build in the following year added a significant 600 new homes - equivalent to just 1% of the housing stock.

Across Greater Cambridge, 39% of households are on incomes of more than £50K and 11% are on incomes of more than £90K. Homes in South Cambridgeshire, being relatively less expensive than those in Cambridge, could provide for some households on these incomes. But that supposes location is not an issue for people who are earning enough to afford them.

Role of new-build

In Cambridge the minimum income needed for entry level new build prices is £50K, which 34% of resident households are on; meaning new-build is out of the reach of 66% of resident households. The supply of new-build homes was relatively small in 2016-17 (a maximum of 1,401 in total).

New build contributes a small though important amount to the housing stock - though the data in this report reflects only one year of build and can vary a good deal from year to year.

New build overall contributed about 4% to the Cambridge housing stock and 1% of the South Cambridgeshire stock. Existing homes turning over (i.e. were re-let or re-sold) represent around 11% of the existing homes in Cambridge in a year and 7% in South Cambridgeshire.

By tenure, the new-build numbers we identified were:

	Cambridge	South Cambridgeshire
Market housing	765	468
Housing association + local authority	549	54
Shared ownership	87	132
Total	1,401	654

Unfortunately during 2015-16 there were not enough new build 1 bed dwellings for Hometrack to provide an average weekly cost for South Cambridgeshire, so it is hard to provide an entry level income for new build. However to afford a 3 bed a household would need to be earning more than the median income level.

Cambridge provided around 75% of Greater Cambridge's total new-build market housing in 2016; 62% of the shared ownership new build and 78% of the housing association new build in 2016/17. Of course using only one year of new-build stats can only give an indication of this balance of provision.

New-build prices in Cambridge run significantly higher than those in South Cambridgeshire with a 1 bed average new-build in Cambridge falling into the same price zone as a 3 bed average new-build in South Cambridgeshire

Possible gaps in the "product" market

There is a gap at the lowest end of the price market, for people on incomes of less than £10K. Any of these households are most likely to need low cost housing supported either by welfare benefits to meet the weekly rent, and/or significantly subsidised at the construction stage to keep rents as low as possible for occupants; in Greater Cambridge this currently includes both council and housing association housing. Of course, low cost should not reduce quality and must incorporate measures to minimise other running costs such as heating and energy.

There is a gap for households on incomes of £20-30K though private rented housing contributes to the gap a little in South Cambs. If housing costs are to represent about a third of income, these households would be looking for housing costs of between £60K and £90K. These homes could be of any tenure (rented, ownership or shared ownership), but quality must not be compromised and running costs need to be affordable alongside the cost of housing itself.

Any increase in new-build needs to be priced to meet the needs of resident households, alongside the needs of incoming households, if new development is to prove acceptable to local households. The incomes of resident households are an important factor when deciding on the price to set for new homes, alongside the number of bedrooms, design and quality standards.

3.5 Conclusions for Greater Cambridge

- There are households in every district who cannot afford even the lowest cost "affordable" housing. Some may live in rent-free accommodation. Some may be destitute. Most will be claiming welfare benefits to enable them to get by.
- Based on average private rent levels, private rented housing does not reach as far "down" the income spectrum as might be imagined. There are always outliers which an average will mask, particularly smaller, poorer quality accommodation which will not command higher levels of rent. However there is a separation (i.e. little overlap) between affordable housing options and private rented.
- New-build, overall, provides a small amount of housing in proportion to existing homes and the turnover of existing homes. This is not to say it's unimportant but it is useful to appreciate the quantum of the contribution new build will make in an area's housing market. Therefore the way those new homes are designed, priced and delivered is vital if the homes are to make a difference to the lives of residents, and to the success of local businesses.
- This makes it all the more important to deliver our objectively assessed housing need, if new-build is to help make a real difference to the quantity of housing available to meet people's needs. This new-build also needs to be focussed on the groups "less catered for" through the working s of the market which we have summarised in the diamond affordability analysis, to achieve a more 'balanced' and effective housing market.
- New-build is a golden opportunity, it is vital it is focussed on households and economic (employment) needs, if it is to have maximum benefit to local families and communities. Public subsidy needs to be focussed on households and segments of the market who genuinely need it, preferably using it in a way which supports on-going benefit. This leads us to support to the notion of there being more "recyclable" public benefit from investment in bricks and mortar, than in paying for benefits which "evaporate" into the system; or one-off incentive schemes which enable one household to buy but there is no on-going benefit to further households.
- We understand that private rented housing is also dominated by short term landlords, short term tenancies and (for residents) a lack of security and less of a feeling of "making home" in private rented housing. If we can widen the offer, the usefulness of rented accommodation could be increased significantly – for example by
    - Affording more security to tenants
    - Enabling longer term tenancies for those who cannot afford alternatives but who are not "transitory" in the housing or labour market i.e. they want to settle
    - Improving standards
    - Enabling some private rented housing to somehow be offered at lower cost, so it meets the needs of households lower down the income spectrum.
- People on modest incomes (towards the centre of the income spectrum) including keyworkers are very important to the local economy and to building thriving communities. These people seem often

to suffer a lack of housing options and housing choice, according to the diamond affordability analysis i.e. by looking at incomes, housing costs, and supply of different kinds of housing.

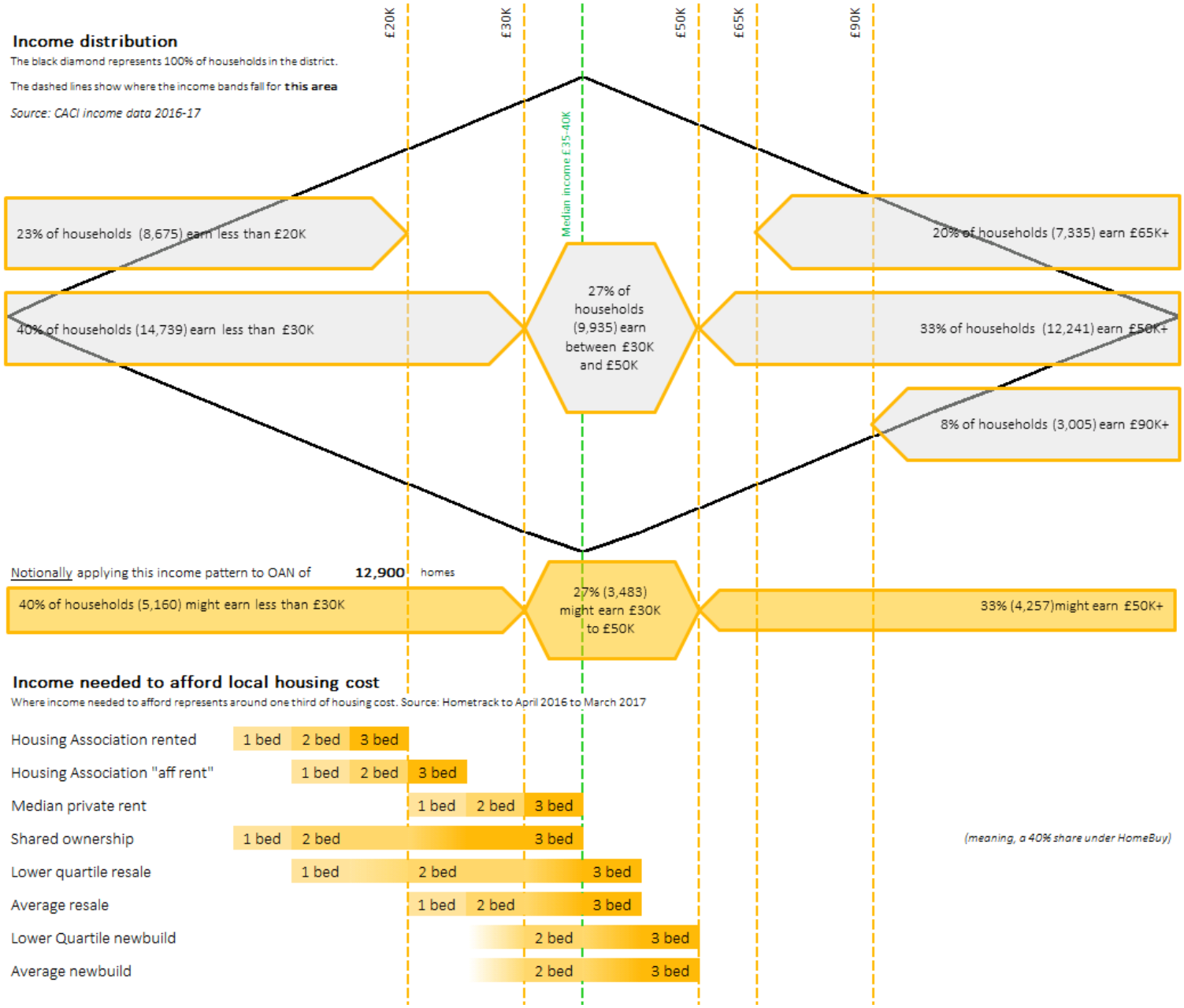
- Housing turnover goes to provide both for new households forming, households moving into the area, but also (adding complexity to the picture); to up-sizers and down-sizers, and to people moving from one tenure to another. It is a complex series of relationships (see the EHS diagram in Appendix 6.6).
- In our local housing market we can see gaps and overlaps for different households, income groups, housing types and tenures. New build makes a small but important contribution, and subsidy needs to be used carefully to provide the maximum possible, lasting benefit to residents now and in the future.

4 Diamonds for remaining six districts

Here you can find diamond diagrams for

- East Cambridgeshire
- Fenland
- Huntingdonshire
- Forest Heath
- St Edmundsbury
    - West Suffolk, combining Forest Heath and St Edmundsbury
- Peterborough

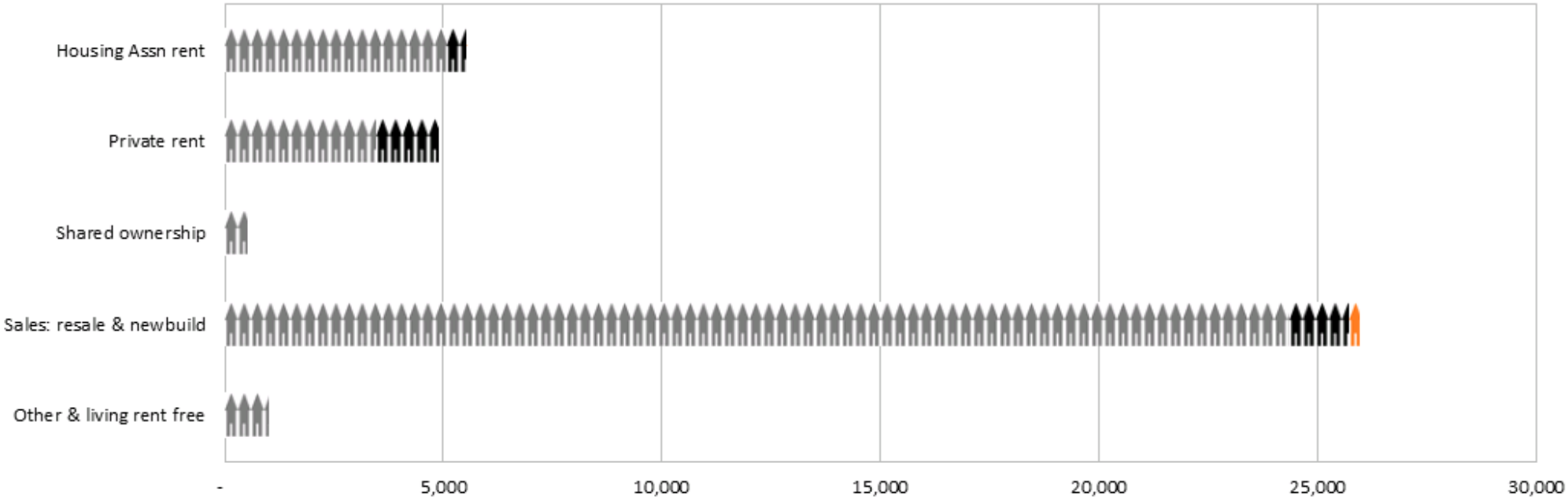
4.1 East Cambridgeshire



Housing supply: stock, turnover and new build

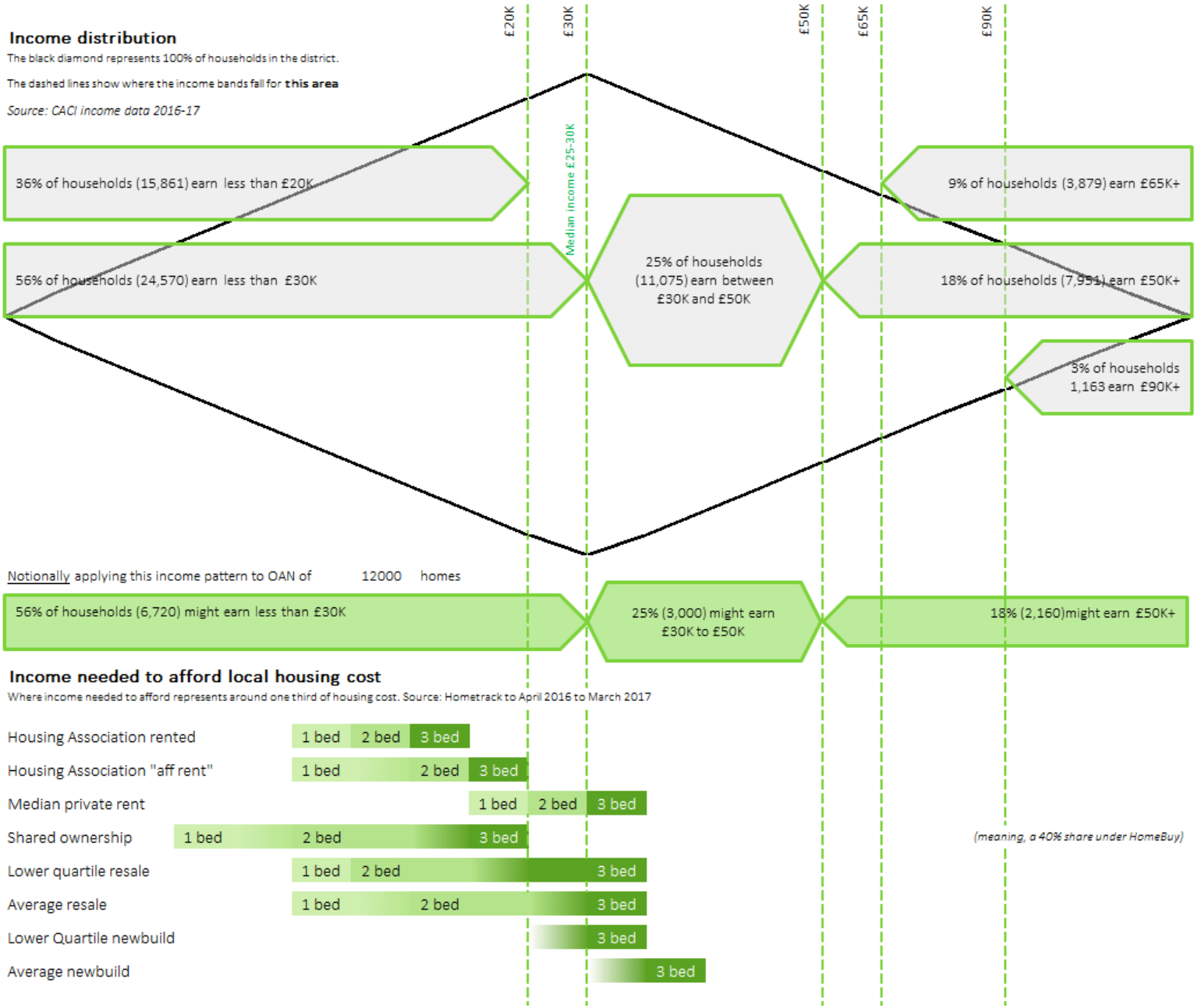
Number of homes in stock at 1 April 2016, turnover in 2015/16, new build in 2016 *(various sources including Census 2011, EHS 2016, LAHS 2016, housing enablers, HCA SDR 2016-17).*

One house icon represents 300 homes. This is NOT aligned with diamonds or costs.



	Other & living rent free	Sales: resale & newbuild	Shared ownership	Private rent	Housing Assn rent
Dwells excl turnover	1,006	24,348	526	3,475	5,076
Turnover	0	1,368	10	1,423	435
New build	0	235	5	0	14

4.2 Fenland


Income distribution
The black diamond represents 100% of households in the district.
The dashed lines show where the income bands fall for this area
Source: CACI income data 2016-17
£20K
£30K
£50K
£65K
£90K
Median income £25-30K
36% of households (15,861) earn less than £20K
56% of households (24,570) earn less than £30K
25% of households (11,075) earn between £30K and £50K
9% of households (3,879) earn £65K+
18% of households (7,951) earn £50K+
3% of households 1,163 earn £90K+
Notionally applying this income pattern to OAN of 12000 homes
56% of households (6,720) might earn less than £30K
25% (3,000) might earn £30K to £50K
18% (2,160)might earn £50K+
Income needed to afford local housing cost
Where income needed to afford represents around one third of housing cost. Source: Hometrack to April 2016 to March 2017
Housing Association rented
Housing Association "aff rent"
Median private rent
Shared ownership
Lower quartile resale
Average resale
Lower Quartile newbuild
Average newbuild
1 bed
2 bed
3 bed
(meaning, a 40% share under HomeBuy)

Housing supply: stock, turnover and new build

Number of homes in stock at 1 April 2016, turnover in 2015/16, new build in 2016 *(various sources including Census 2011, EHS 2016, LAHS 2016, housing enablers, HCA SDR 2016-17).*

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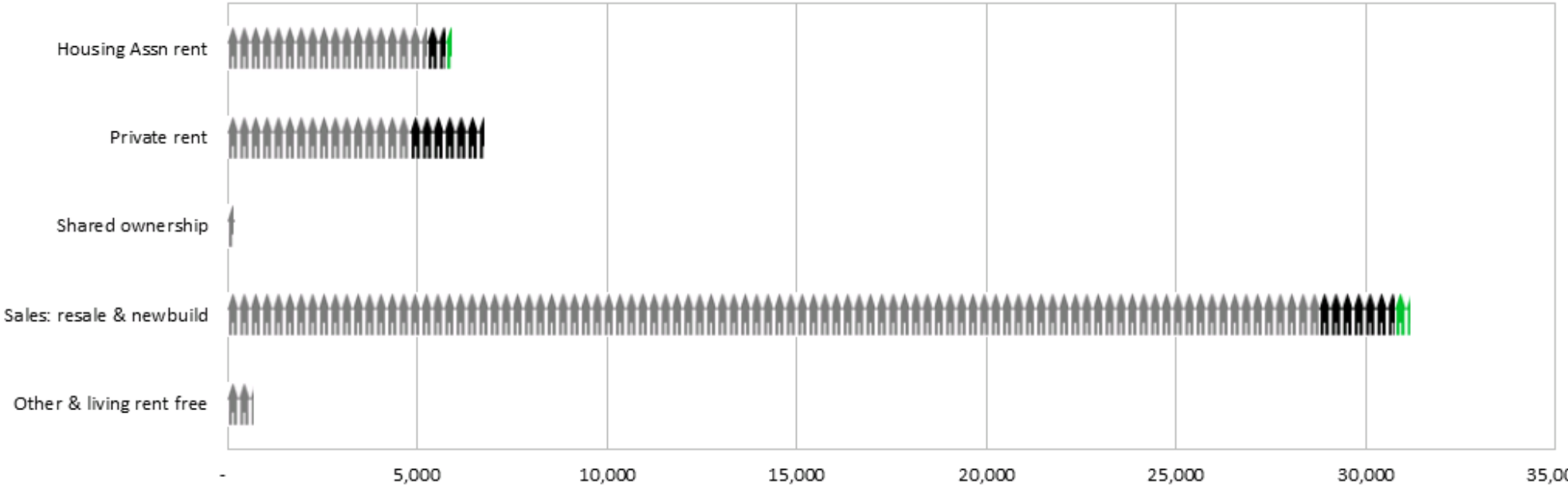
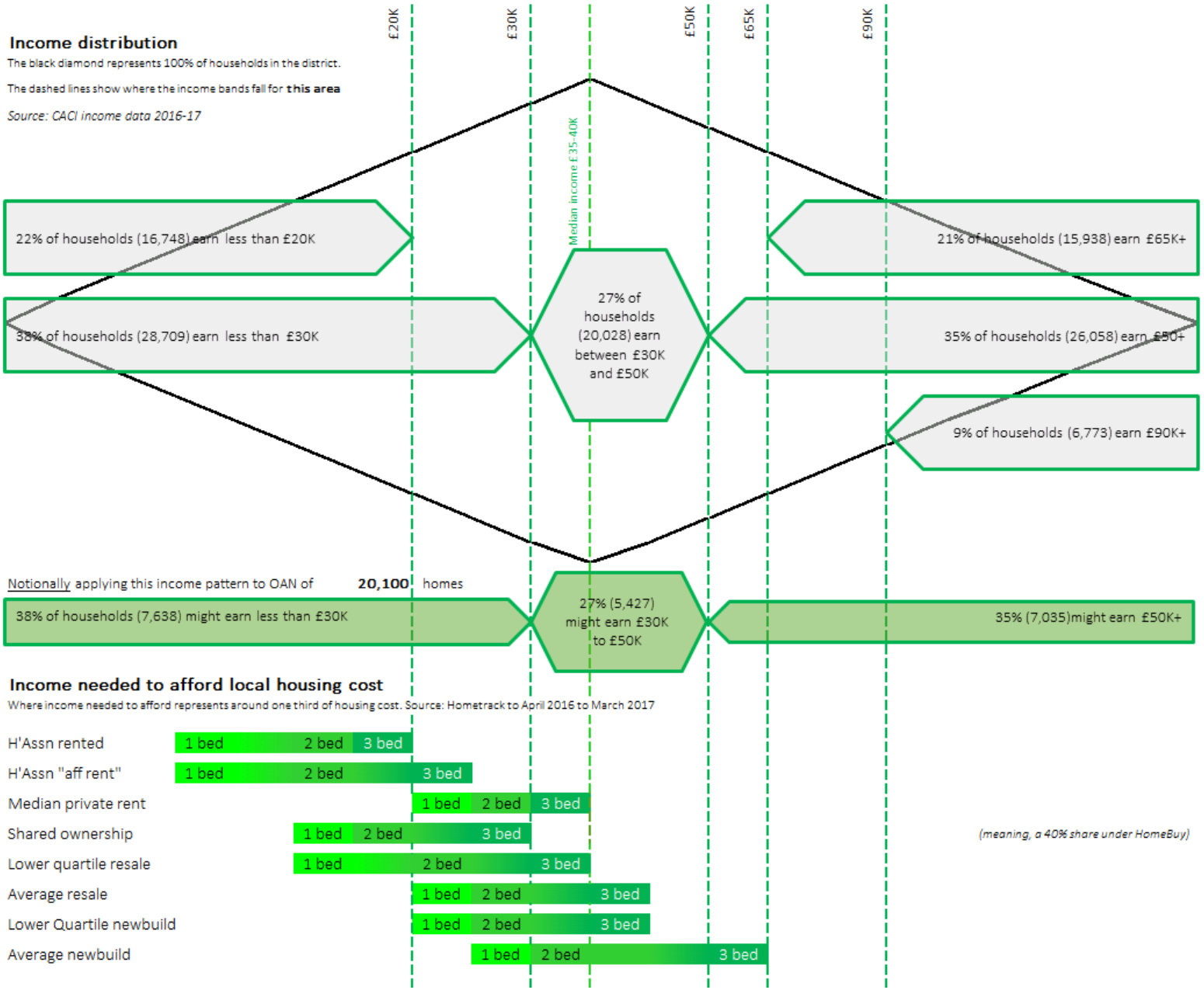


	Other & living rent free	Sales: resale & newbuild	Shared ownership	Private rent	Housing Assn rent
Dwells excl turnover	707	28,772	144	4,808	5,276
Turnover	0	1,987	20	1,975	490
New build	0	424	0	0	169

4.3 Huntingdonshire



Housing supply: stock, turnover and new build

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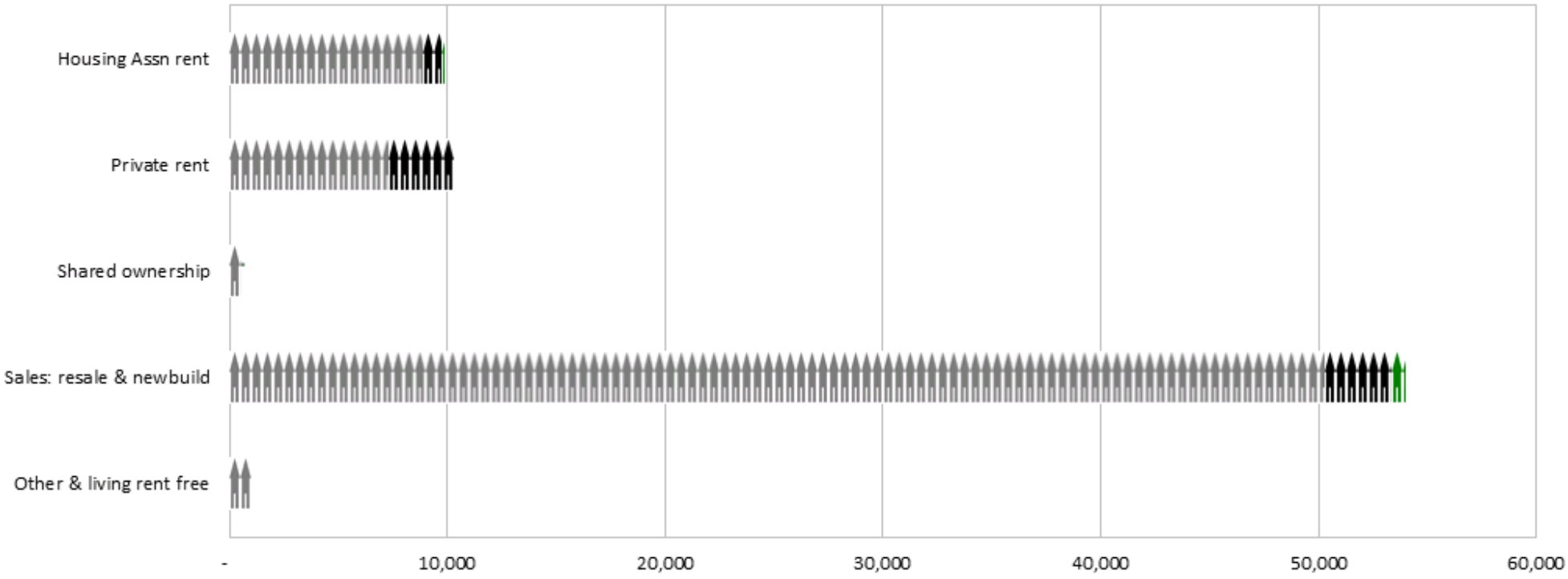
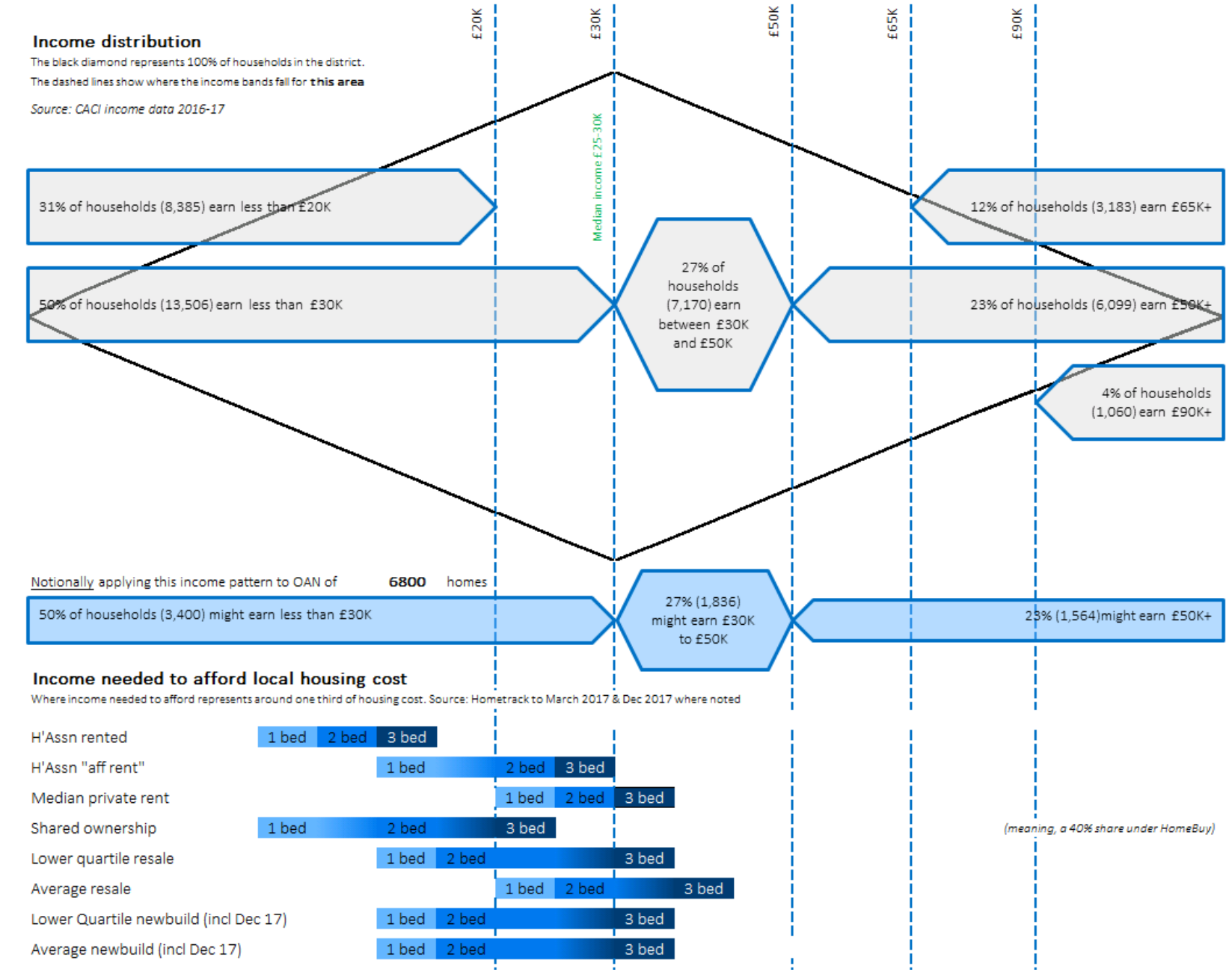


	Other & living rent free	Sales: resale & newbuild	Shared ownership	Private rent	Housing Assn rent
Dwells excl turnover	1,024	50,279	605	7,303	8,906
Turnover	0	3,089	50	3,005	827
New build	0	662	52	0	136

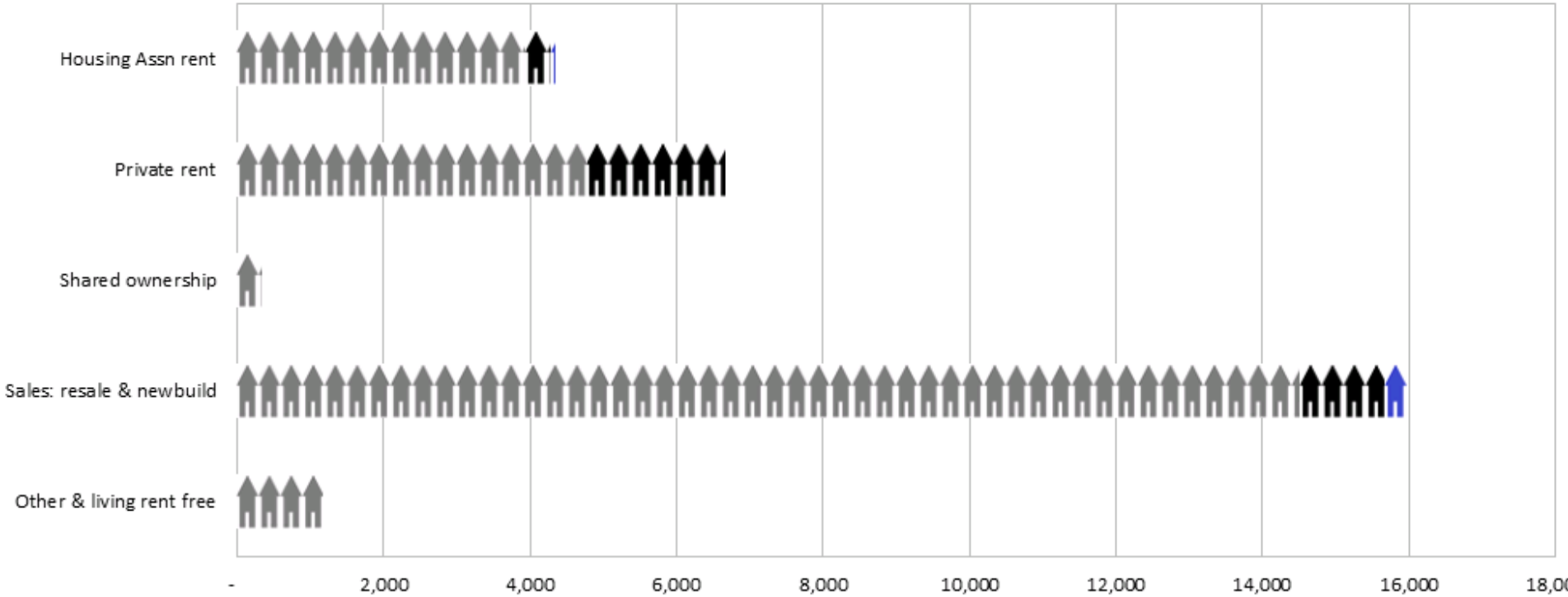
4.4 Forest Heath



Housing supply: stock, turnover and new build

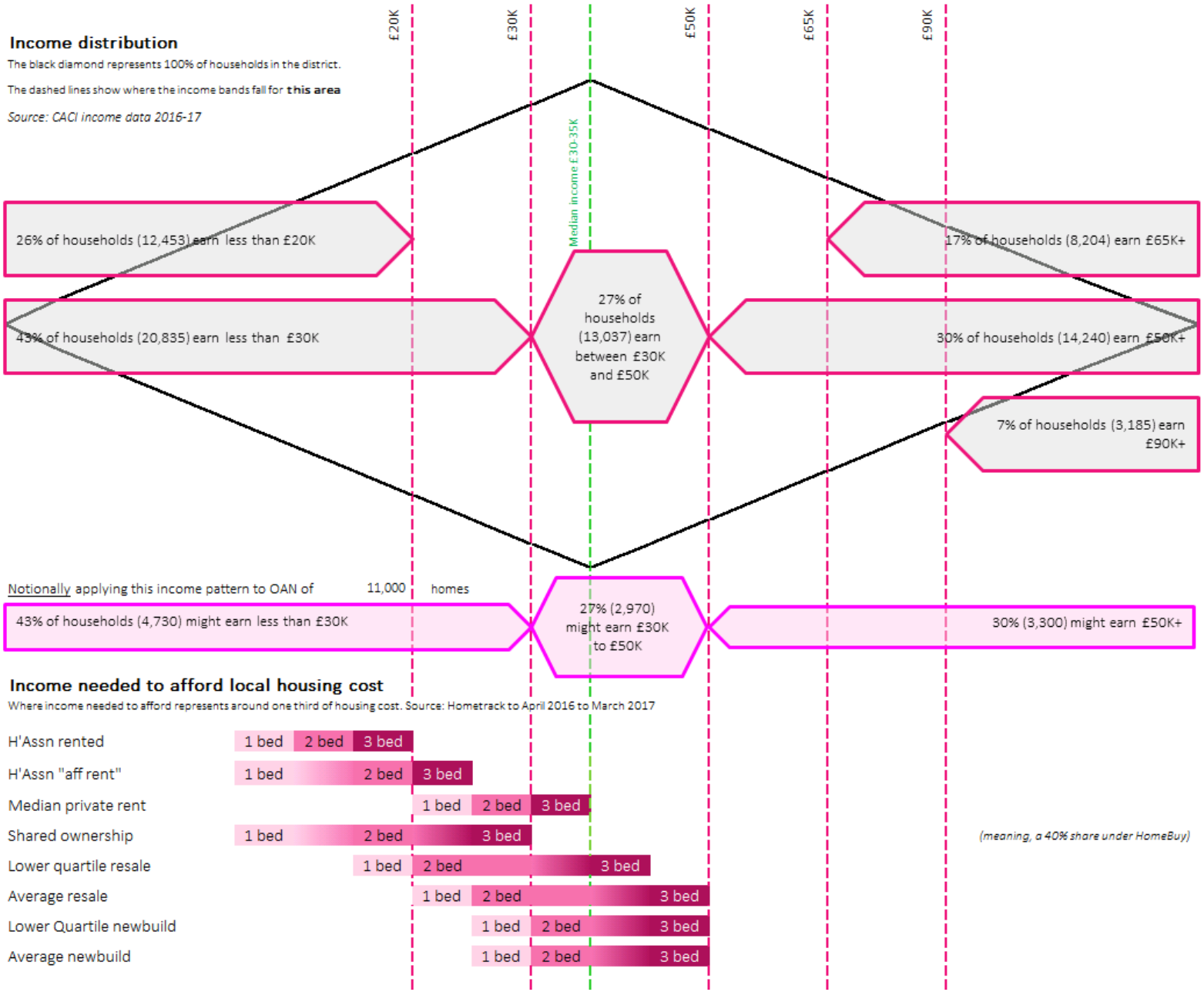
Number of homes in stock at 1 April 2016, turnover in 2015/16, new build in 2016 *(various sources including Census 2011, EHS 2016, LAHS 2016, housing enablers, HCA SDR 2016-17).*

One house icon represents 300 homes. This is NOT aligned with diamonds or costs



	Other & living rent free	Sales: resale & newbuild	Shared ownership	Private rent	Housing Assn rent
Dwells excl turnover	1,174	14,496	338	4,774	3,923
Turnover	0	1,162	10	1,904	364
New build	0	305	5	0	57

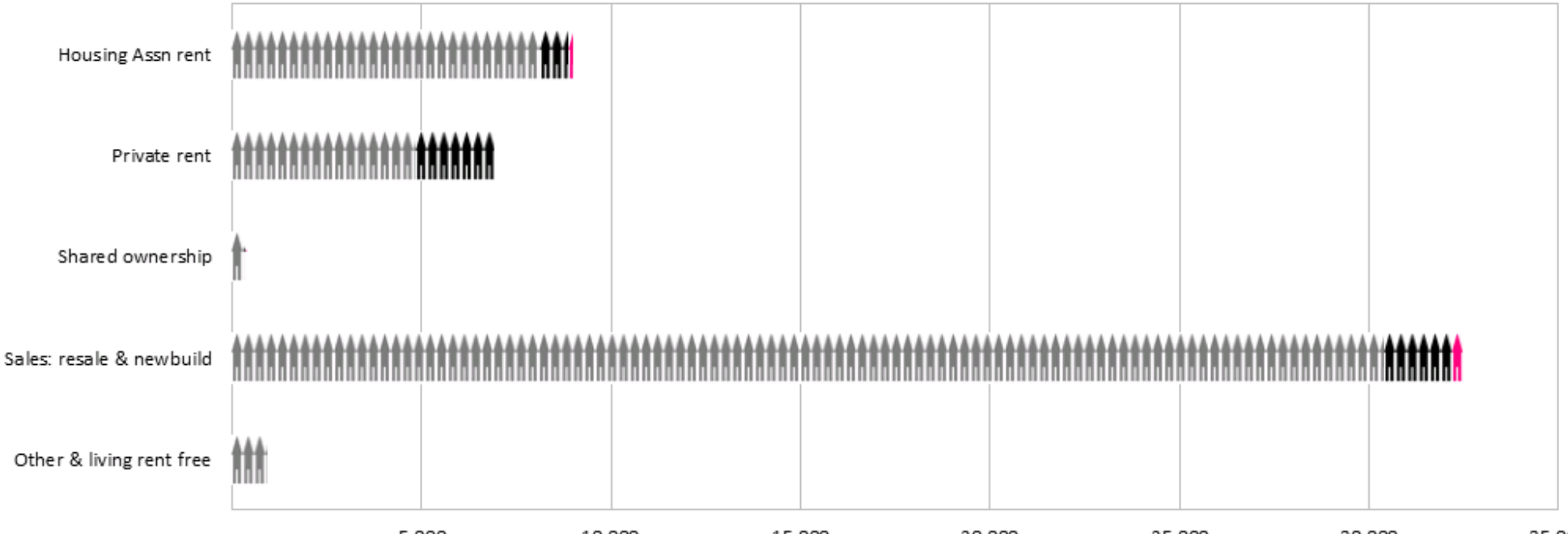
4.5 St Edmundsbury



Housing supply: stock, turnover and new build

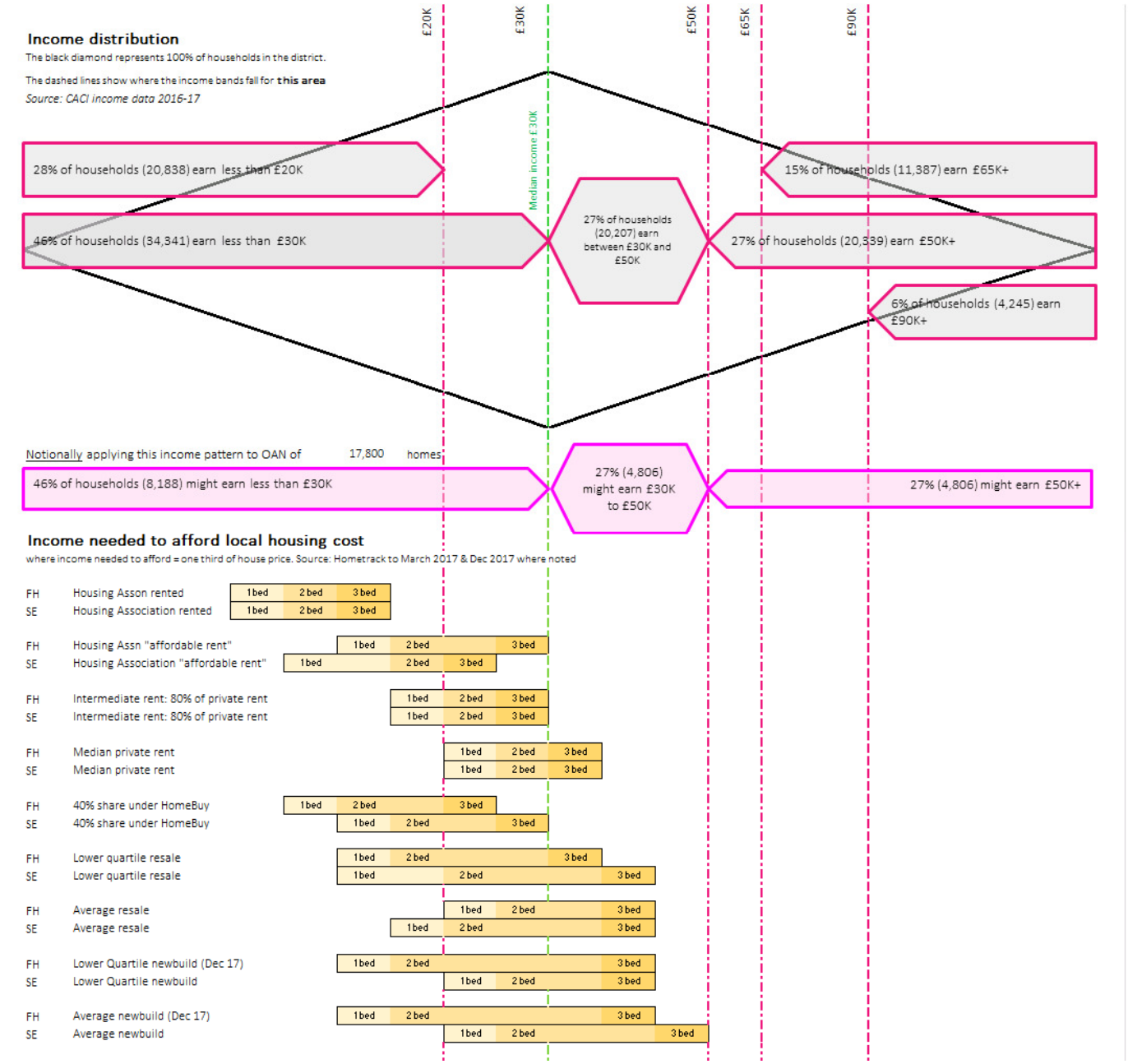
Number of homes in stock at 1 April 2016, turnover in 2015/16, new build in 2016 *(various sources including Census 2011, EHS 2016, LAHS 2016, housing enablers, HCA SDR 2016-17).*

One house icon represents 300 homes. This is NOT aligned with diamonds or costs.



	Other & living rent free	Sales: resale & newbuild	Shared ownership	Private rent	Housing Assn rent
Dwells excl turnover	942	30,401	311	4,840	8,133
Turnover	0	1,764	50	2,073	756
New build	0	301	18	0	116

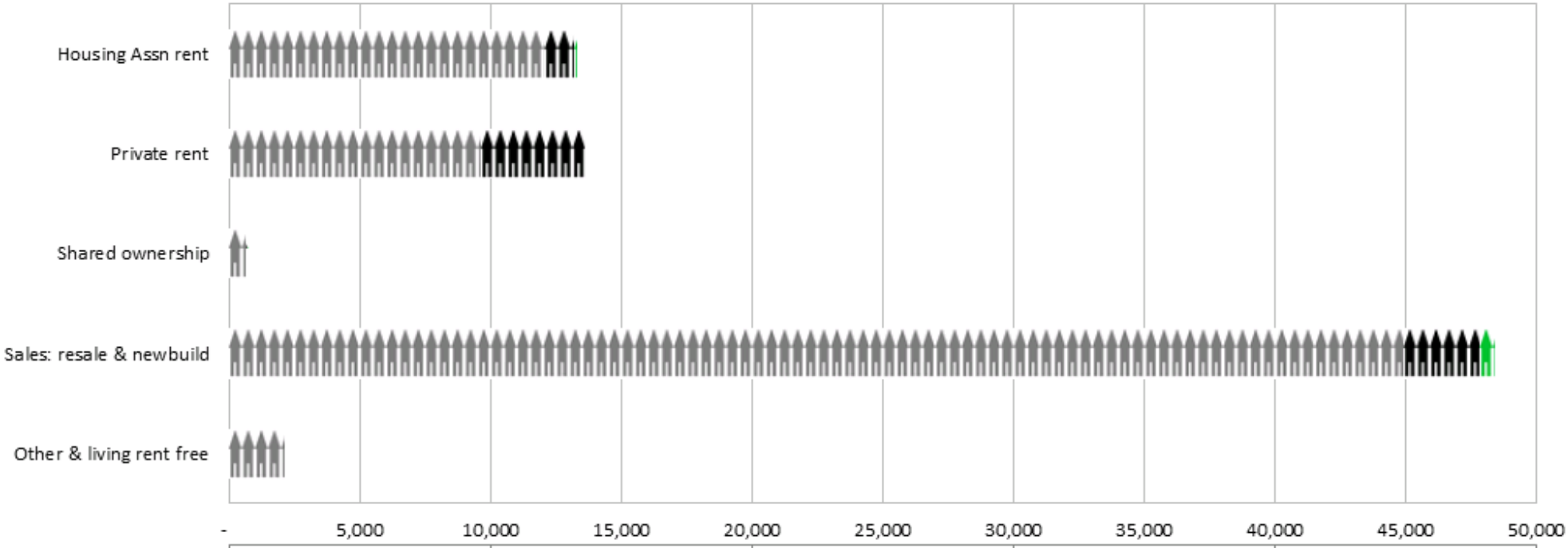
4.6 West Suffolk



Housing supply: stock, turnover and new build

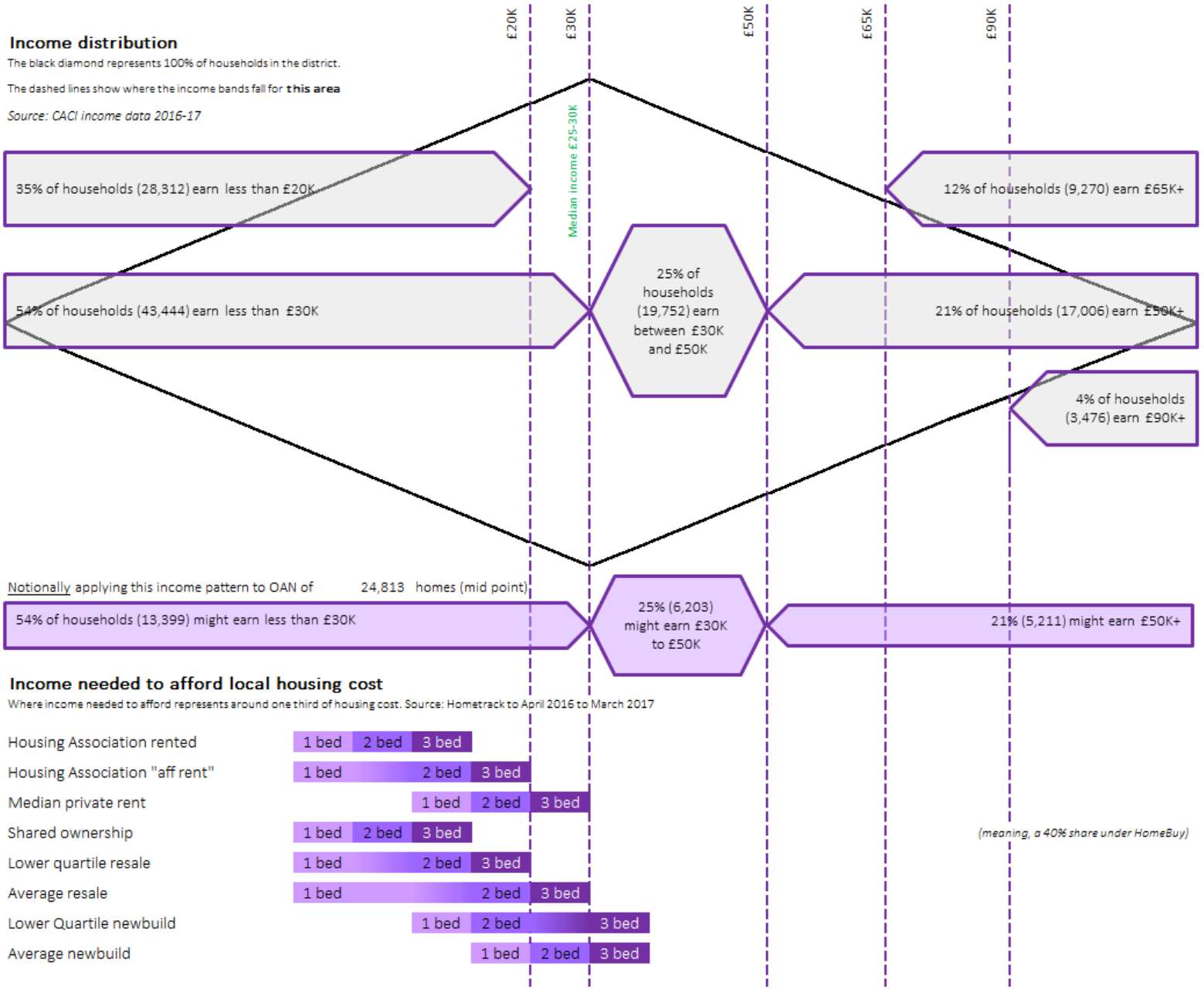
Number of homes in stock at 1 April 2016, turnover in 2015/16, new build in 2016 *(various sources including Census 2011, EHS 2016, LAHS 2016, housing enablers, HCA SDR 2016-17).*

One house icon represents 500 homes. This is NOT aligned with diamonds or costs.



	Other & living rent free	Sales: resale & newbuild	Shared ownership	Private rent	Housing Assn rent
Dwells excl turnover	2,116	44,897	649	9,614	12,056
Turnover	-	2,926	60	3,977	1,120
New build	-	606	23	-	173

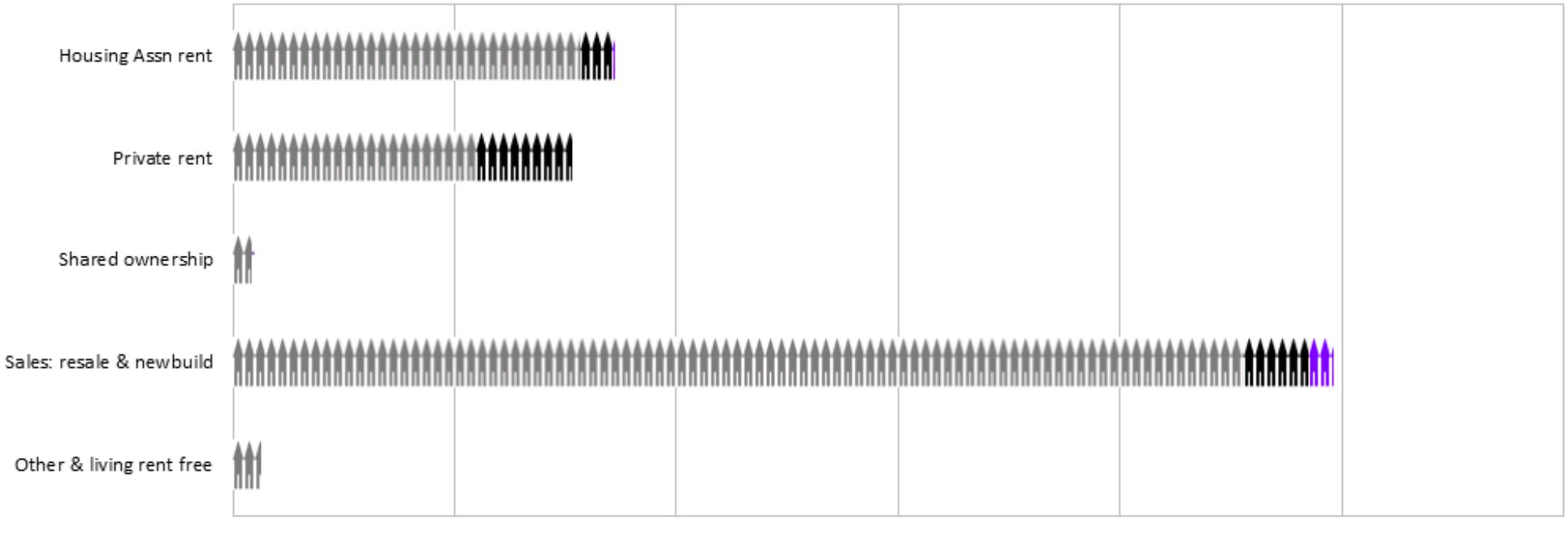
4.7 Peterborough



Housing supply: stock, turnover and new build

Number of homes in stock at 1 April 2016, turnover in 2015/16, new build in 2016 *(various sources including Census 2011, EHS 2016, LAHS 2016, housing enablers, HCA SDR 2016-17).*

One house icon represents 300 homes. This is NOT aligned with diamonds or costs.



	Other & living rent free	Sales: resale & newbuild	Shared ownership	Private rent	Housing Assn rent
Dwells excl turnover	1,306	45,555	851	10,949	15,661
Turnover	0	2,971	50	4,359	1,455
New build	0	1,082	48	0	129

5 Conclusions

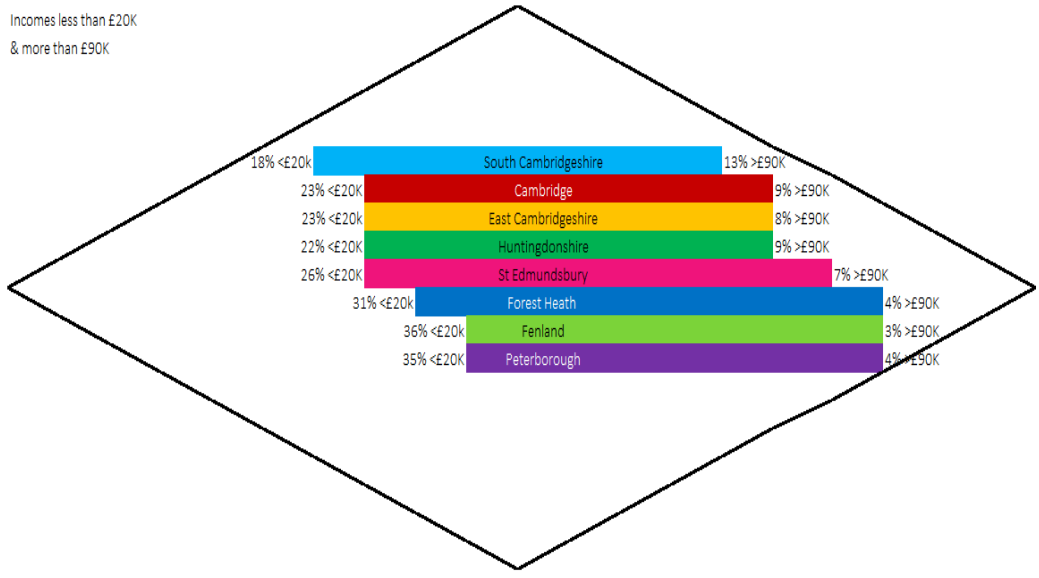
Across the area, the diamonds vary. However there are some shared lessons we can draw out:

- A lack of housing options and supply for people on the very lowest incomes (up to £15 to £20K)
- A middle market mostly provided for by private rented housing, which has a high turnover and low security but is often the only housing option available for those whose incomes are around the median income – often people in work though not the highest paid.
- The small amount of housing changing hands, or being added to the housing stock in a year, in relation to the existing housing stock
- Marked gaps between the turnover of housing, the number of new homes built and the number of households in each income band.
- A gap between the number of households resident in a district on lower and middle incomes and the number of homes we can anticipate becoming available (though turnover or by adding new homes).
- The reliance of some districts on private rented to meet housing needs in the middle of the market.

5.1 Lowest & highest incomes

- The diamonds which follow summarize some of the key similarities and differences for income bands:
- South Cambridgeshire has the lowest proportion of households on the lowest income bands, and the highest proportion of households on the highest income bands. Overall this leads to the conclusion South Cambridgeshire is the wealthiest district in the study area.
- Cambridge, East Cambridgeshire and Huntingdonshire follow a similar pattern of incomes for those in the lowest and highest income bands.
- St Edmundsbury and Forest Heath differ slightly from each other, but form a group at the lower end of the income spectrum.
- Fenland and Peterborough have the highest proportion of households in the lowest income bands, and the lowest proportion of households in the highest income bands. They are therefore the least wealthy districts in the study area.

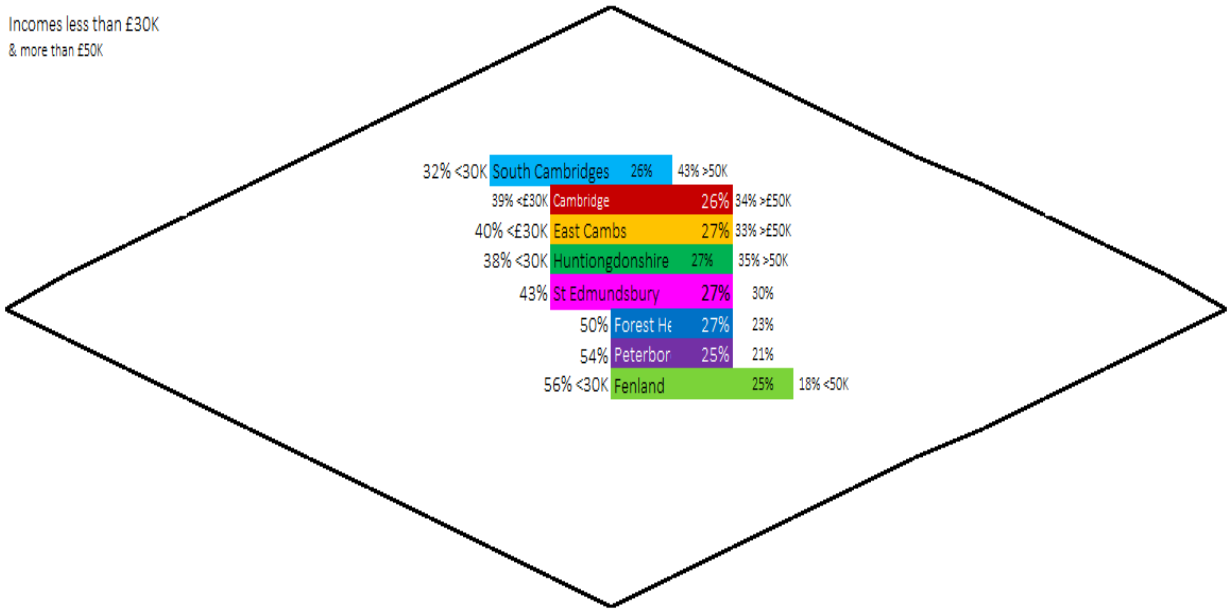
Figure 11 Incomes less than £20K and more than £90K



5.2 Middle incomes

- Each district has a similar proportion - between 25% and 27% of households - on incomes between £30 and £50K.
- South Cambridgeshire has fewer households on lower incomes and more households on higher incomes than the other districts.
- Cambridge, ECDC, HDC and SEBC form a group together.
- FHDC and PCC for a group with the lowest proportion of households in the higher income bands.
- FDC finds itself again at the least wealthy end of the spectrum.

Figure 12 Incomes less than £30K and more than £50K



5.3 Housing costs

Like incomes, we have drawn together tome observations about housing costs in relation to household incomes, which help us look at districts in "like" groupings. Observations include:

- Cambridge and SCDC have similar price profile for council rents in relation to income bands.
- In Cambridge and SCDC, Housing Association rents appear slightly higher than council rents. There is not much variation between the districts but the others appear to have slightly lower HA rents than City and SCDC, in relation to incomes.
- "Affordable rents" vary more, which is unsurprising when considering the rent is set as a proportion of private market rents. Our districts fall into these groupings here: City with SCDC; Forest Heath, East Cambs with Huntingdonshire & St Edmundsbury; and Fenland with Peterborough.
- Median private rents similarly divide across our area. Unsurprisingly Cambridge sees the highest private rent levels, followed by SCDC. Next come East Cambs with Huntingdonshire, Forest Heath and St Edmundsbury; and Fenland with Peterborough.
- Other tenures follow a different price profile for each size of home and each district, but the cost in relation to income bands following the same pattern throughout.

5.4 Combining incomes and housing costs

Table 5. Spectrum of housing costs and incomes

HOUSING COST GROUPING	Lower	Mid	Higher	Highest
Highest			CCC	
Higher				SCDC
Mid			ECDC & HDC	
Lower	PCC & FDC			
Lowest		FH & SE		

INCOME BAND GROUPING

5.5 Combining all diamond analysis factors to categorize our housing market

Within out housing market area, districts can be looked at as forming smaller groups according to the factors in this affordability analysis, converted to a score rather than a value. These are:

Table 6. Scoring all factors

Score of 1 = low	Low income score	High Income score	Housing cost score	Turnover score	New-build score
Cambridge	4	6	6	4	7
East Cambs	4	6	3	2	1
Fenland	8	2	1	3	5
HDC	4	6	4	2	4
South Cambs	2	8	5	1	3
Forest Heath	6	2	2	5	5
St Edmundsbury	4	4	3	2	2
Peterborough	8	2	1	4	6

Three reasonably distinct groups form using the spider-gram, though Huntingdonshire could fall into either group 2 or group 3 and is slightly debateable:

Figure 13 All districts

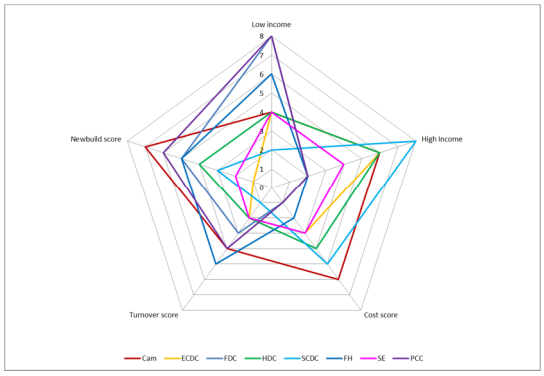


Figure 14 Group 1: Fenland, Forest Heath & Peterborough

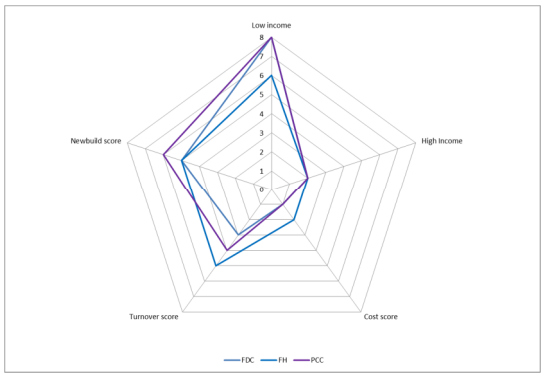


Figure 15 Group 2: ECDC, St Edmundsbury & Huntingdonshire

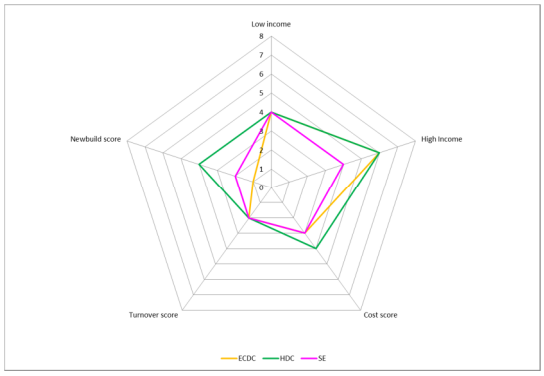
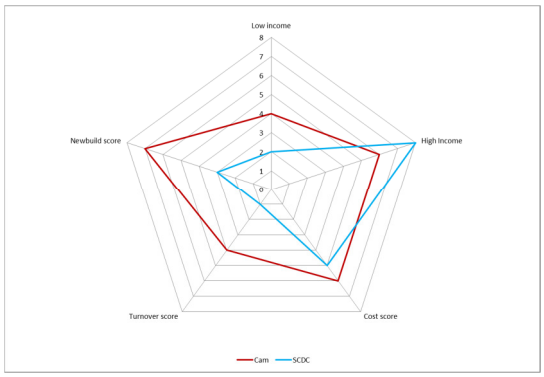
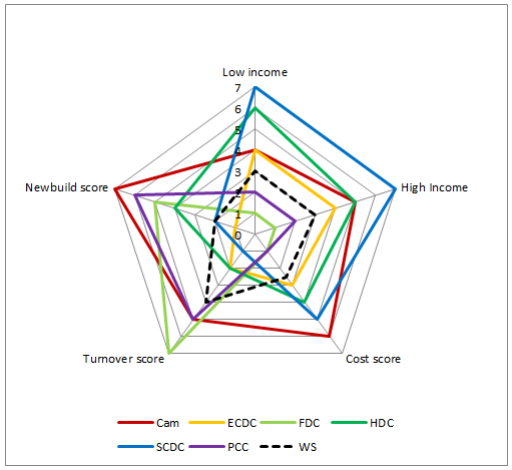
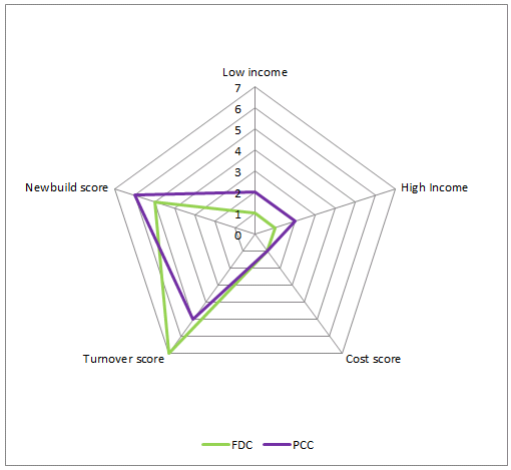


Figure 16 Group 3: Cambridge and SCDC



However, as Forest Heath and St Edmundsbury are working towards a joint approach as West Suffolk, a set of 'groupings' is added below, replacing the two separate districts with a West Suffolk graph. This creates a slightly different grouping across the study area, the scorings change slightly as there are 7 rather than eight districts involved; now West Suffolk falls into a group with Huntingdonshire and East Cambridgeshire; Fenland and Peterborough together; finally Cambridge with South Cambridgeshire.





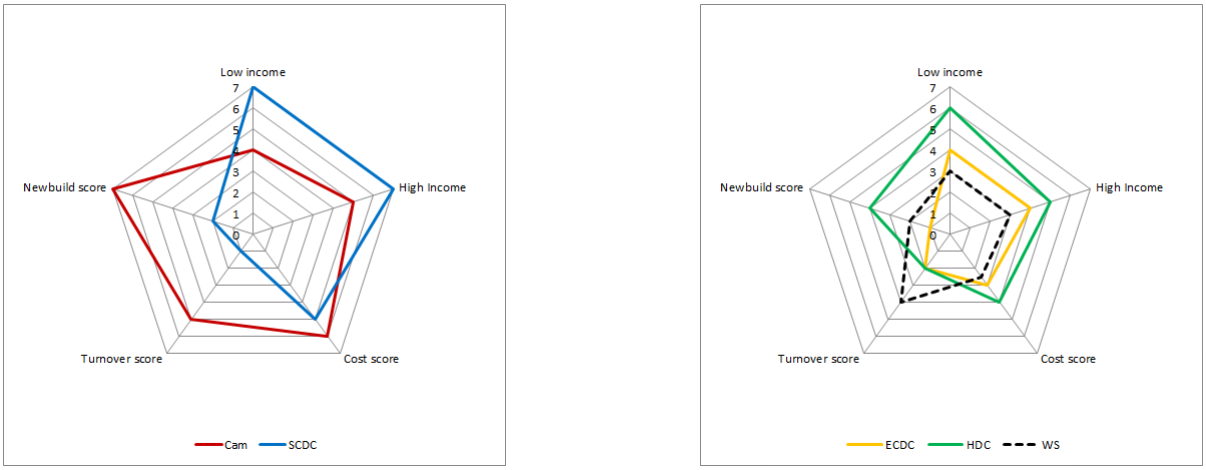
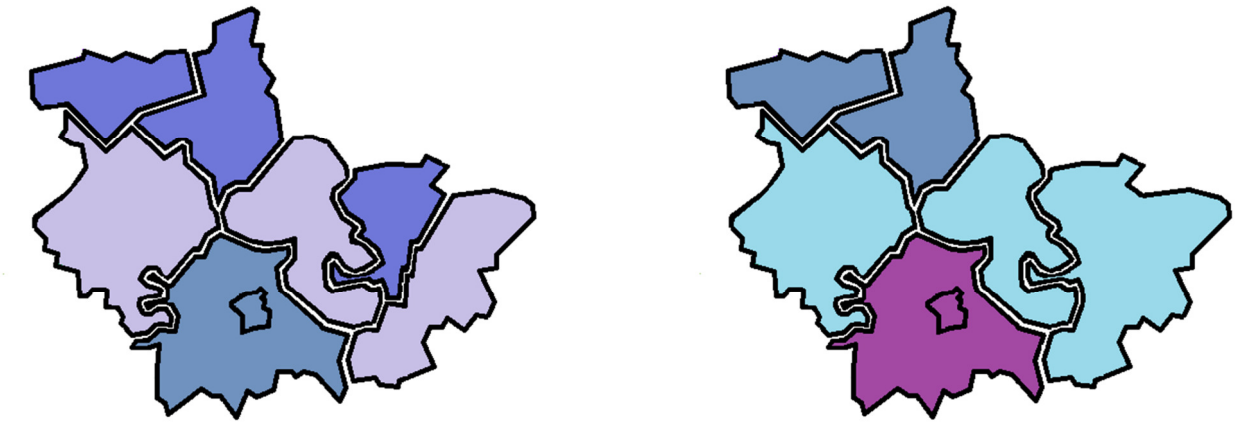


Figure 17 Map showing suggested market groupings: eight districts (left) and West Suffolk grouped (right)



5.6 What next and further research questions

Some ideas arising from the diamond affordability analysis include:

- Use the diamond affordability analysis to inform strategic options and encouraging delivery of the homes most needed; filling gaps, and re-focussing to help provide more good quality housing choice for all households, both resident and in-coming.
- For each district this means analysing the household income distribution in relation to housing costs and supply, identifying if there is an under- or over-supply of any housing type or tenure.
- Investigate new ways public subsidy can most effectively be used.
- Investigate how moving public subsidy from recent government priorities might benefit other sectors of the housing market, for example re-assessing public subsidy for all first time buyers; buyers of a specific age group; subsidies to buy affordable or social rented housing.
- Investigate ways to support existing models of housing supply, to meet need and support a thriving economy.
- Investigate models which links rent levels to local incomes, how would that work, what kinds of partnership and venture would enable implementation of this kind of approach, if it proved a fruitful idea.

Further research possibilities include:

- Continue to monitor changing housing costs through the housing market bulletin.
- Continue to monitor new build form the variety of data sources used, and work to bring this data together more effectively to provide a "whole market" picture, and more easily updateable via the Annual Monitoring Report process.
- Use our housing stock condition tool to help identify areas vulnerable to poorer housing conditions and particularly pooper housing conditions in private rented housing.
- Prepare suggestions for agencies publishing national data to help support this kind of local analysis (based on district wide data) to help improve its availability, usefulness and accessibility.

6 Appendices

6.1 Income data

Using CACI data

- Provides number of households on each £5K income band, by district, from £0K to £100K+, 2016-17 (latest update was published in April 2017).
- More detail from: https://www.caci.co.uk/products/product/paycheck
- "CACI has developed Paycheck to provide consistent and reliable gross household income estimates at full postcode level across the UK. It uses information from CACI's lifestyle database, in conjunction with data from the ONS's Average Weekly Earnings and Living Costs & Food Survey to build a consistent and statistically reliable model. Income reflected by Paycheck is gross household income from all sources including earnings, benefits and investments. As well as providing the mean, median and mode income, it also breaks down into £5,000 bands up to £200,000 plus. Public Sector organisations use Paycheck to complement their own local data supporting a wide range of needs including Strategic Housing Market Assessments, Local Plans and Joint Strategic Needs Assessments. Financial Services companies use the data to understand and manage the requirements of more affluent consumers for premium banking as well as providing input to insurance underwriting decisions. Residential Developers use Paycheck to understand the affordability of housing around new developments to underpin site acquisition, unit pricing and planning applications."
- There are a number of households in the lowest income bands, who we would expect should be supported by the benefit system so no-one would be on an income of less than £5K per year. However there are typically students and adults of pensionable age and some disadvantaged families in this banding.

Table 7. CACI 2016-17 data

	£0-5k	£5-10k	£10-15k	£15-20k	£20-25k	£25-30k	£30-35k	£35-40k	£40-45k	£45-50k	£50-55k	£55-60k	£60-65k	£65-70k	£70-75k	£75-80k	£80-85k	£85-90k	£90-95k	£95-100k	£100k+
Cambridge	839	2,879	3,922	4,243	4,063	4,008	3,857	3,399	3,231	2,720	2,484	2,178	1,979	1,615	1,314	1,088	1,096	966	395	581	3,727
ECDC	575	2,078	2,871	3,151	3,045	3,019	2,910	2,562	2,428	2,035	1,848	1,608	1,450	1,173	944	773	770	670	271	396	2,338
FDC	1,199	4,230	5,226	5,206	4,576	4,133	3,628	2,930	2,553	1,964	1,644	1,320	1,108	834	619	471	437	355	136	191	836
HDC	1,139	3,999	5,499	6,111	5,978	5,983	5,813	5,153	4,916	4,146	3,790	3,319	3,011	2,451	1,988	1,640	1,644	1,442	587	861	5,325
SCDC	735	2,627	3,810	4,370	4,410	4,564	4,603	4,230	4,183	3,661	3,465	3,139	2,933	2,459	2,059	1,748	1,798	1,617	670	998	6,856
FHDC	596	2,124	2,777	2,888	2,642	2,479	2,257	1,883	1,691	1,339	1,152	949	815	627	478	372	353	293	114	162	784
SEBC	843	3,039	4,114	4,457	4,245	4,137	3,914	3,384	3,149	2,590	2,309	1,974	1,753	1,396	1,105	891	875	752	301	436	2,448
PCC	2,338	7,751	9,195	9,028	7,931	7,201	6,375	5,201	4,590	3,586	3,060	2,514	2,162	1,674	1,289	1,017	982	832	330	476	2,670

Published April 2017, covers previous year (i.e. calendar year Jan 2016 to Dec 2016)

Table 8. Number and % of households in income bands (CACI 2016)

Colour scale																				
Income band	£0-5k	£5-10k	£10-15k	£15-20k	£20-25k	£25-30k	£30-35k	£35-40k	£40-45k	£45-50k	£50-55k	£55-60k	£60-65k	£65-70k	£70-75k	£75-80k	£80-85k	£85-90k	£90-95k	£95-100k	£100k +
CCC	839	2,879	3,922	4,243	4,063	4,008	3,857	3,399	3,231	2,720	2,484	2,178	1,979	1,615	1,314	1,088	1,096	966	395	581	3,727
ECDC	575	2,078	2,871	3,151	3,045	3,019	2,910	2,562	2,428	2,035	1,848	1,608	1,450	1,173	944	773	770	670	271	396	2,338
FDC	1,199	4,230	5,226	5,206	4,576	4,133	3,628	2,930	2,553	1,964	1,644	1,320	1,108	834	619	471	437	355	136	191	836
HDC	1,139	3,999	5,499	6,111	5,978	5,983	5,813	5,153	4,916	4,146	3,790	3,319	3,011	2,451	1,988	1,640	1,644	1,442	587	861	5,325
SCDC	735	2,627	3,810	4,370	4,410	4,564	4,603	4,230	4,183	3,661	3,465	3,139	2,933	2,459	2,059	1,748	1,798	1,617	670	998	6,856
FHDC	596	2,124	2,777	2,888	2,642	2,479	2,257	1,883	1,691	1,339	1,152	949	815	627	478	372	353	293	114	162	784
SEBC	843	3,039	4,114	4,457	4,245	4,137	3,914	3,384	3,149	2,590	2,309	1,974	1,753	1,396	1,105	891	875	752	301	436	2,448
PCC	2,338	7,751	9,195	9,028	7,931	7,201	6,375	5,201	4,590	3,586	3,060	2,514	2,162	1,674	1,289	1,017	982	832	330	476	2,670
CCC	2%	6%	8%	8%	8%	8%	8%	7%	6%	5%	5%	4%	4%	3%	3%	2%	2%	2%	1%	1%	7%
ECDC	2%	6%	8%	9%	8%	8%	8%	7%	7%	6%	5%	4%	4%	3%	3%	2%	2%	2%	1%	1%	6%
FDC	3%	10%	12%	12%	10%	9%	8%	7%	6%	5%	4%	3%	3%	2%	1%	1%	1%	1%	0%	0%	2%
HDC	2%	5%	7%	8%	8%	8%	8%	7%	7%	6%	5%	4%	4%	3%	3%	2%	2%	2%	1%	1%	7%
SCDC	1%	4%	6%	7%	7%	7%	7%	7%	6%	6%	5%	5%	5%	4%	3%	3%	3%	2%	1%	2%	11%
FHDC	2%	8%	10%	11%	10%	9%	8%	7%	6%	5%	4%	4%	3%	2%	2%	1%	1%	1%	0%	1%	3%
SEBC	2%	6%	9%	9%	9%	9%	8%	7%	7%	5%	5%	4%	4%	3%	2%	2%	2%	2%	1%	1%	5%
PCC	3%	10%	11%	11%	10%	9%	8%	6%	6%	4%	4%	3%	3%	2%	2%	1%	1%	1%	0%	1%	3%

6.2 Weekly housing cost data

Table 9. Hometrack weekly housing cost data and notes, 2015-16

Weekly cost		LA rent	HA 'low cost' rent	HA 'affordable' rent	Intermediate rent	Median private rent	Buying a lower quartile resale	Buying an avg resale	Buying 40% share through HomeBuy	Buying a lower quartile new build	Buying an avg new build
CCC	1bed	85	96	125	164	205	222	270	190	322	344
	2bed	102	123	140	213	266	298	354	258	419	477
	3bed	116	127	162	240	300	412	488	335	565	593
ECDC	1bed	-	89	98	128	161	111	124	84	n/a	n/a
	2bed	-	106	121	137	172	152	166	113	211	216
	3bed	-	119	140	161	201	239	282	191	284	312
FDC	1bed	-	79	86	96	121	74	82	56	n/a	n/a
	2bed	-	93	102	110	137	90	100	68	n/a	n/a
	3bed	-	106	120	127	159	161	189	128	177	194
HDC	1bed	-	85	95	107	133	108	135	94	159	172
	2bed	-	100	121	131	164	143	178	123	189	207
	3bed	-	112	139	157	196	221	257	177	274	326
SCDC	1bed	84	91	114	139	174	160	191	129	n/a	n/a
	2bed	97	109	137	164	205	199	235	160	249	301
	3bed	107	127	160	191	239	313	353	241	348	378
FHDC	1bed	-	82	102	119	149	108	134	90	98	105
	2bed	-	95	129	139	174	136	163	112	225	325
	3bed	-	106	177	175	219	191	228	154	176	228
SEBC	1bed	-	81	95	117	146	122	143	98	196	196
	2bed	-	95	119	134	167	155	173	118	185	187
	3bed	-	106	143	158	197	228	269	183	265	285
PCC	1bed	-	82	85	100	125	81	89	62	105	120
	2bed	-	94	103	116	146	107	127	88	141	156
	3bed	-	107	115	134	167	147	183	126	198	215

Table 10. Hometrack weekly housing cost data and notes, 2015-16, annualized

		LA rent	HA 'low cost' rent	HA 'affordable' rent	Intermediate rent	Median private rent	Buying a lower quartile resale	Buying an avg resale	Buying 40% share through HomeBuy	Buying a lower quartile new build	Buying an avg new build
CCC	1bed	4420	4992	6500	8528	10660	11557	14014	9854	16744	17888
	2bed	5304	6396	7280	11050	13819	15496	18421	13429	21762	24804
	3bed	6032	6604	8424	12454	15574	21424	25389	17407	29380	30823
ECDC	1bed	-	4628	5096	6656	8346	5785	6461	4381	n/a	n/a
	2bed	-	5512	6292	7124	8931	7904	8632	5850	10972	11232
	3bed	-	6188	7280	8385	10465	12402	14677	9919	14742	16198
FDC	1bed	-	4108	4472	5005	6266	3848	4277	2899	n/a	n/a
	2bed	-	4836	5304	5720	7124	4654	5174	3510	n/a	n/a
	3bed	-	5512	6240	6617	8268	8385	9802	6643	9217	10075
HDC	1bed	-	4420	4940	5538	6916	5603	7020	4888	8242	8918
	2bed	-	5200	6292	6825	8515	7449	9230	6409	9815	10777
	3bed	-	5824	7228	8164	10192	11466	13377	9178	14261	16952
SCDC	1bed	4368	4732	5928	7215	9022	8333	9932	6721	n/a	n/a
	2bed	5044	5668	7124	8541	10660	10335	12194	8294	12961	15626
	3bed	5564	6604	8320	9945	12441	16250	18343	12506	18109	19643
FHDC	1bed	-	4264	5304	6188	7735	5603	6942	4693	5096	5460
	2bed	-	4940	6708	7215	9048	7046	8489	5824	11700	16913
	3bed	-	5512	9204	9087	11375	9906	11856	8021	9152	11830
SEBC	1bed	-	4212	4940	6084	7605	6344	7423	5083	10192	10192
	2bed	-	4940	6188	6968	8684	8034	8983	6136	9633	9711
	3bed	-	5512	7436	8203	10244	11830	13988	9503	13793	14820
PCC	1bed	-	4264	4420	5213	6513	4199	4641	3224	5447	6240
	2bed	-	4888	5356	6045	7566	5551	6578	4550	7345	8112
	3bed	-	5564	5980	6942	8671	7644	9516	6539	10270	11167

Table 11. Hometrack weekly housing cost data and notes, 2015-16, annualized and multiplied by 3

		LA rent	HA 'low cost' rent	HA 'affordable' rent	Intermediate rent	Median private rent	Buying a lower quartile resale	Buying an avg resale	Buying 40% share through HomeBuy	Buying a lower quartile new build	Buying an avg new build
CCC	1bed	13260	14976	19500	25584	31980	34671	42042	29562	50232	53664
	2bed	15912	19188	21840	33150	41457	46488	55263	40287	65286	74412
	3bed	18096	19812	25272	37362	46722	64272	76167	52221	88140	92469
ECDC	1bed	-	13884	15288	19968	25038	17355	19383	13143	n/a	n/a
	2bed	-	16536	18876	21372	26793	23712	25896	17550	32916	33696
	3bed	-	18564	21840	25155	31395	37206	44031	29757	44226	48594
FDC	1bed	-	12324	13416	15015	18798	11544	12831	8697	n/a	n/a
	2bed	-	14508	15912	17160	21372	13962	15522	10530	n/a	n/a
	3bed	-	16536	18720	19851	24804	25155	29406	19929	27651	30225
HDC	1bed	-	13260	14820	16614	20748	16809	21060	14664	24726	26754
	2bed	-	15600	18876	20475	25545	22347	27690	19227	29445	32331
	3bed	-	17472	21684	24492	30576	34398	40131	27534	42783	50856
SCDC	1bed	13104	14196	17784	21645	27066	24999	29796	20163	n/a	n/a
	2bed	15132	17004	21372	25623	31980	31005	36582	24882	38883	46878
	3bed	16692	19812	24960	29835	37323	48750	55029	37518	54327	58929
FHDC	1bed	-	12792	15912	18564	23205	16809	20826	14079	15288	16380
	2bed	-	14820	20124	21645	27144	21138	25467	17472	35100	50739
	3bed	-	16536	27612	27261	34125	29718	35568	24063	27456	35490
SEBC	1bed	-	12636	14820	18252	22815	19032	22269	15249	30576	30576
	2bed	-	14820	18564	20904	26052	24102	26949	18408	28899	29133
	3bed	-	16536	22308	24609	30732	35490	41964	28509	41379	44460
PCC	1bed	-	12792	13260	15639	19539	12597	13923	9672	16341	18720
	2bed	-	14664	16068	18135	22698	16653	19734	13650	22035	24336
	3bed	-	16692	17940	20826	26013	22932	28548	19617	30810	33501

Table 12. Notes on weekly housing costs definitions and sources

Tenure group	Description	Source	Timespan	Last updated
Average rent (Local Authority)	Local authority rent only available in Cambridge and South Cambs. May include sheltered so please compare to HA rents cautiously, as HA rents exclude sheltered housing. Excludes ground rent and service charges.	Cambridge City from 'Orchard', excluding shared ownership rent	Apr-15 to Mar-16	May-16
		SCDC bespoke report on all 'let' properties	At Dec-15	Dec-15
Average Housing Association rent	Average rent reported via Homes and Communities Agency's statistical data return (SDR). We have used local rent figures for 'low cost rent' and 'affordable rent' based on the HCA return here https://www.gov.uk/government/statistics/statistical-data-return-2014-to-2015. General needs housing only, no service charges included.	HCA SDR	End of Mar '16	Sep-16
Median intermediate and private rents	The weekly cost of private renting is the median rent for advertised properties in local area. The weekly cost of Intermediate Rent represents 80% of the median rent for advertised private properties in the local area.	Hometrack	Apr 2016 to Mar 2017	May-17
Buying a lower quartile new build / resale	The cost of buying with a mortgage is based on the capital and interest cost of servicing a mortgage for 85% of the median value of a property, based on a 25 year mortgage term and the average prevailing mortgage rate. Values are based on Hometrack lower quartile and median values.	Hometrack	Apr 2016 to Mar 2017	May-17
Median cost of buying a 40% new build HomeBuy	The weekly cost is derived from Hometrack's median price data. The cost excludes ground rent and service charges. The rent element is assumed at 2.75% and mortgages payments derived from average building society rates. Loan-to-value is assumed at 85% i.e. it is assumed that the buyer has made a 15% deposit on the portion of the property they have bought.	Hometrack	Apr 2016 to Mar 2017	May-17
Median cost of buying a new build / resale	"New build" sales are counted when a property was sold in the same year it was built. Values are based on Hometrack data - only where the surveyor provides "year built" date to Land Registry. This may not always happen, and there are sometimes delays so new build values are reported late.	Hometrack	Apr 2016 to Mar 2017	May-17

Table 13. 2015-16 prevailing national mortgage rates: used in the sales weekly cost calculations.

	Banks Base Rate	Bank Rate Tracker (75% ltv)	Discounted Rate (2yr, 75% ltv)	Fixed Rate (2yr, 75% ltv)	Fixed Rate (3yr, 75% ltv)	Fixed Rate (5yr, 75% ltv)	Standard Variable Rate
Jun 2015	0.50%	2.59%	1.66%	1.83%	2.54%	2.82%	4.49%
Jul 2015	0.50%	2.58%	1.70%	1.87%	2.54%	2.83%	4.50%
Aug 2015	0.50%	2.62%	1.72%	1.95%	2.55%	2.92%	4.48%
Sep 2015	0.50%	2.56%	1.74%	1.91%	2.40%	2.84%	4.50%
Oct 2015	0.50%	2.55%	1.78%	1.87%	2.30%	2.78%	4.54%
Nov 2015	0.50%	2.59%	1.78%	1.92%	2.27%	2.77%	4.49%
Dec 2015	0.50%	2.60%	1.78%	1.90%	2.26%	2.75%	4.49%
Jan 2016	0.50%	2.43%	1.68%	1.93%	2.19%	2.68%	4.56%
Feb 2016	0.50%	2.44%	1.68%	1.95%	2.14%	2.73%	4.58%
Mar 2016	0.50%	2.30%	1.67%	1.90%	2.14%	2.70%	4.57%
Apr 2016	0.50%	2.34%	1.67%	1.84%	2.13%	2.71%	4.64%
My 2016	0.50%	2.43%	1.61%	1.91%	2.12%	2.64%	4.56%
Jun 2016	0.50%	2.43%	1.62%	1.75%	2.13%	2.54%	4.52%
Jul 2016	0.50%	2.43%	1.72%	1.72%	2.09%	2.51%	4.55%
Aug 2016	0.25%	2.18%	1.52%	1.69%	2.02%	2.39%	4.30%
Sep 2016	0.25%	2.20%	1.54%	1.59%	1.92%	2.34%	4.24%
Oct 2016	0.25%	2.20%	1.52%	1.51%	1.84%	2.27%	4.24%
Nov 2016	0.25%	2.29%	1.51%	1.42%	1.79%	2.26%	4.28%
Dec 2016	0.25%	2.29%	1.48%	1.45%	1.79%	2.26%	4.23%
Jan 2017	0.25%	2.30%	1.49%	1.44%	1.75%	2.22%	4.49%
Feb 2017	0.25%	2.31%	1.48%	1.42%	1.71%	2.20%	4.37%
Mar 2017	0.25%	2.31%	1.42%	1.37%	1.68%	2.15%	4.28%
Apr 2017	0.25%	2.33%	1.39%	1.35%	1.65%	2.09%	4.54%
My 2017	0.25%	2.34%	1.46%	1.49%	1.74%	2.03%	4.23%

Table 14. Housing cost detail

Series	Source	Timespan	Last updated	Data level	Measure	Time interval
Bank Rate Tracker (75% ltv), Banks Base Rate, Discounted Rate (2yr, 75% ltv), Fixed Rate (2yr, 75% ltv), Fixed Rate (3yr, 75% ltv), Fixed Rate (5yr, 75% ltv), Standard Variable Rate	Bank of England	Jun 2015 to May 2017	Nov 2017	National	Percent	data points repeat monthly

Table 15. Inflation

	RPI	RPI excluding mortgage payments
Oct 2015	0.7%	0.8%
Nov 2015	1.1%	1.1%
Dec 2015	1.2%	1.3%
Jan 2016	1.3%	1.4%
Feb 2016	1.3%	1.4%
Mar 2016	1.6%	1.6%
Apr 2016	1.3%	1.4%
May 2016	1.4%	1.5%
Jun 2016	1.6%	1.7%
Jul 2016	1.9%	1.9%
Aug 2016	1.8%	1.9%
Sep 2016	2.0%	2.2%
Oct 2016	2.0%	2.2%
Nov 2016	2.2%	2.5%
Dec 2016	2.5%	2.7%
Jan 2017	2.6%	2.9%
Feb 2017	3.2%	3.5%
Mar 2017	3.1%	3.4%
Apr 2017	3.5%	3.8%
May 2017	3.7%	3.9%
Jun 2017	3.5%	3.8%
Jul 2017	3.6%	3.9%
Aug 2017	3.9%	4.1%
Sep 2017	3.9%	4.1%

Table 16. Inflation detail

Series	Source	Timespan	Last updated	Data level	Measure	Time interval
RPI RPI excluding mortgage payments	Office of National Statistics	Oct 2015 to Sep 2017	Nov 2017	National	%	data points repeat monthly

6.3 Housing stock data

Table 17. Census 2011 breakdown of households by tenure

	Rented from Council (Local Authority)	Other social rented (HA)	Private rented - landlord or letting agency	Private rented - employer	Private rented - friend or relative	Shared ownership	Owns outright	Owns with mortgage or loan	Living rent free	Other	Total
Cambridge	7107	3913	11166	281	394	526	11635	10529	736	413	46700
East Cambs	457	4487	4144	100	273	506	11145	12574	869	59	34614
Fenland	895	4159	5802	55	414	205	14490	13947	584	70	40621
Huntingdonshire	1811	7128	8637	311	593	508	22172	27228	718	230	69336
South Cambs	5466	3084	6217	362	350	1258	20763	21374	853	249	59976
Forest Heath	1357	2382	5531	268	246	354	6907	7267	914	149	25375
St. Edmundsbury	2808	4513	5892	315	375	376	15436	15188	681	216	45800
Peterborough	4750	9682	12853	288	699	689	19133	24740	855	326	74015

Table 18. CLG table 100 Dwelling stock: Number of Dwellings by Tenure and district: England; 1 April 2016

	Local Authority	Private Registered Provider	Other public sector	Private sector (P)[1]	Total (P)[1]
Cambridge	6,920	4,890	100	40,090	52,000
East Cambridgeshire	10	5,200	120	31,620	36,940
Fenland	0	5,560	10	38,250	43,830
Huntingdonshire	0	9,600	120	64,700	74,420
South Cambridgeshire	5,250	3,480	150	56,300	65,180
Forest Heath	0	4,110	1,190	23,510	28,820
St Edmundsbury	10	8,030	470	40,020	48,540
Peterborough UA	10	15,740	520	65,140	81,400

- https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/609285/LT_100.xls

Notes and sources

- Local Authority includes owned by other LAs. Local Authority and other public sector stock were reported by local authorities in the Local Authority Housing Statistics return as at 1 April 2015 and include non-permanent dwellings. Some authorities have indicated that the data reported for other public sector stock may be based on partial information and so reductions in these data items may reflect lower data quality rather than real changes
- Private Registered Provider here refers to registered providers of social housing (previously known as Housing Associations or Registered Social Landlords). These figures include all self-contained units and bed spaces as at 31 March 2015, as collected in the Homes and Communities Agency's Statistical Data Return.
- Total stock figures use the census 2011 as a baseline, with information on subsequent changes to the dwelling stock collected annually as at 31 March through the Housing Flows Reconciliation form. Private stock is calculated by the residual.
- The Office for National Statistics has recommended that the most suitable method for producing estimates of total dwelling stock at the national and regional levels is to use the census count as a baseline and project this forward using information on annual net supply of housing. The ONS also recommends that, to maintain consistency, the same methodology should be used to produce estimates at the district level.

- Figures for the total dwelling stock and private sector are estimates and are therefore expressed to the nearest ten dwellings at district level and thousand dwellings at the England level because they should not be considered as accurate to the nearest dwelling. Figures for 2016 are provisional. Latest update 20 April 2017, next update April 2018

Table 19. Local authority stock figures, from Local Authority Housing Statistics dataset (including imputed data), England 2015-16: Section A - Dwelling Stock

Total number of dwellings located in your local authority area (using the Census definition)	Local Authority Owned (including those owned by other Local Authorities)
Cambridge	6,924
East Cambridgeshire	10
Fenland	2
Huntingdonshire	0
South Cambridgeshire	5,252
Forest Heath	3
St Edmundsbury	12
Peterborough	9

https://www.gov.uk/government/statistical-data-sets/local-authority-housing-statistics-data-returns-for-2015-to-2016

Table 20. Housing association stock: general needs and supported / housing for older people

	Total social rental units	Affordable Rent Units
Cambridge	4,886	443
East Cambridgeshire	5,199	312
Fenland	5,562	204
Huntingdonshire	9,604	129
South Cambridgeshire	3,479	395
Forest Heath	4,114	173
St Edmundsbury	8,034	855
Peterborough	15,737	1,379
CA area totals	44,467	2,862

Source: https://www.gov.uk/government/statistics/statistical-data-return-2015-to-2016

6.4 Housing turnover data

- Some returns completed by housing providers and local authorities provide an idea of turnover of stock i.e. relets and re-sales[1]
- Some tenures were less easy to identify, and a national turnover figure was applied to local stock numbers to give an idea of possible turnover, from the English Housing Survey (for private rented) or from CORE data returns (for social rented).
- "Other" and "living rent free" did not find any indication of turnover.

Table 21. Local authority rented housing from Local Authority Housing Statistics dataset, England 2015-16: Section D - Lettings, Nominations and Mobility Schemes

	Total LA dwellings let
Cambridge	468
South Cambridgeshire	322

https://www.gov.uk/government/statistical-data-sets/local-authority-housing-statistics-data-returns-for-2015-to-2016

Table 22. RP housing: CORE data Table 1c: A comparison of new general needs lettings (both social and affordable rent) and social housing stock 2007/08 to 2015/16

	PRP GN social stock[1]	PRP general needs lettings	PRP GN lettings as a proportion of PRP social GN stock[4]	LA total social stock[2]	LA general needs lettings	LA GN lettings as a proportion of LA stock[4]
2007/08	1,713,124	127,290	7.4%	1,870,366	124,709	6.7%
2008/09	1,776,095	143,086	8.1%	1,819,696	121,704	6.7%
2009/10	1,825,510	137,819	7.5%	1,785,845	122,416	6.9%
2010/11	1,896,253	151,289	8.0%	1,725,905	117,898	6.8%
2011/12[3]	1,949,565	152,923	7.8%	1,692,625	113,143	6.7%
2012/13[3]	1,979,874	153,479	7.8%	1,681,782	106,447	6.3%
2013/14[3]	1,996,846	170,026	8.5%	1,668,683	112,648	6.8%
2014/15[3R]	2,035,634	169,547	8.3%	1,643,256	103,980	6.3%
2015/16[3P]	2,076,014	163,988	7.9%	..	100,505	..

Notes:

1. PRP GN social stock is the number of general needs units or bed spaces (let at both social, affordable and intermediate rent levels), from the Homes and Communities Agency's Statistical Data Return. Data are as at 31st March at the end of the financial year. https://www.gov.uk/government/collections/statistical-data-return-statistical-releases

2. DCLG Live Table 116. Local authority dwelling stock (all stock, including general needs and supported housing let at both social and affordable rent levels) as at 31st March at the end of the financial year.

3. Estimates include reported Affordable Rent Lettings from 2011/12

4. The proportions for private registered providers and local authorities should not be directly compared, as the LA total stock figure has a wider definition than PRP social stock.

Source: Social housing lettings in England, 2015/16: COntinuous REcording (CORE) data, publication date: 10th November 2016

CORE website: https://core.communities.gov.uk

Source: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/575441/CORE_Summary_Tables_2015-16_revised_071216.xlsx

Private rented housing

No source could be located to provide district-based private rented housing turnover or new build

To enable some acknowledgement of the size and importance of this tenure, the English Housing Survey report 2015-16 was used, focussing on private rented housing.

English Housing Survey: Fig 3.2 provides housing moves by tenure, 2015-16, from which we can summarize:

- 6% of home owners moved
- 10% of social renters moved in the year
- 31% of private renters moved

We have therefore applied 31% to local private dwellings figures to estimate the turnover of private rented housing, based on the EHS national figure for 2015-16

Private rented: EHS report and map

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/627686/Private_rented_sector_report_2015-16.pdf

https://www.gov.uk/government/collections/english-housing-survey#2015-to-2016

Shared ownership turnover

Table 23. Re-sales of shared ownership housing, from report on the 2015-16 SDR (reading off the scale visually, the report details)

	Sales in 2015-16	Max
Cambridge	0-10	10
ECDC	0-10	10
FDC	11 to 20	20
HDC	21 to 50	50
SCDC	0-10	10
FHDC	0-10	10
SEBC	21 to 50	50
PCC	21 to 50	50

So there can be NO MORE than this number of SO sales in the year and we can treat upper end of scale as max shared ownership sales.

Written report details some numbers on sales, not much can be derived from the SDR locally of any use.

Map gives an idea of scale of RP sales, it includes RTB, PRTB and RTA sales along with social HomeBuy sales (i.e. shared ownership and outright sale)

Source: https://www.gov.uk/government/collections/social-housing-sales-including-right-to-buy-and-transfers

And https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/561398/SDR_Statistical_Release_2016_Full_v01.1.pdf

House sales

Table 24. Sales of privately owned housing, from Hometrack

Jan to Dec 2016	Re-sales Second hand flat + house	New build New build flat + house
Cambridge District (B)	1247	520
East Cambridgeshire District	1368	62
Fenland District	1987	110
Huntingdonshire District	3089	321
South Cambridgeshire District	1925	291
City of Peterborough (B)	2971	685

6.5 New build data

- Hometrack provides the number of homes on the market which are re-sales vs. new build (see above)
- CLG providers Table 253 which gives a number of completions in broad tenure categories: private enterprise, housing association, local authority and "other public sector".
- The Peterborough, West Suffolk and Cambridgeshire Annual Monitoring Returns also report on number of new dwellings completed in the financial year, and of these how many were thought to be "affordable" tenures. These figures were used where applicable, as they were larger than other data sources suggested and we did not want to underestimate the contribution made by new build. We were keen not to under-estimate the contribution made by new build to our housing market.
- Although the Homes and Communities Agency (HCA) provides a national return on the number of new affordable homes by tenure, these varied a great deal from most local authority monitoring numbers, with shared ownership showing particularly poorly on the HCA returns.
- Local housing enablers were able to provide much more tenure detail on this area so in this one case, local rather than nationally published data was used as we were very keen to highlight the contribution made by new housing development to overall market ""moves". These data cover new affordable housing delivery in 2016/17.

Table 25. Affordable housing – HCA data on completions only, April 2015 to March 2016

	Affordable rent	Social rent	Intermediate rent	AH ownership	Total affordable
Cambridge	114	0	0	23	137
ECDC	8	0	0	0	8
FDC	61	0	0	0	61
FHDC	5	0	0	0	5
HDC	4	6	0	0	10
SCDC	16	0	0	0	16
SEBC	95	0	0	2	97
PCC	27	55	0	23	105

Table 26. Housing enablers affordable housing of all tenures by detailed tenure, 2015-16 and 2016-17 *(not available via government or HCA returns)*

	Affordable rent	Social rent excl LA	LA aff rent	Intermediate rent	Shared ownership	Shared equity	Total
2015-16							
Cambridge	114	0	62	0	23	0	199
East Cambs	32	0	0	0	0	0	32
Fenland	76	0	0	0	0	0	76
Huntingdonshire	36	0	0	0	17	0	53
South Cambs	58	7	0	0	54	0	119
Forest Heath	15	0	0	0	0	0	15
St Ed's	168	0	0	0	17	0	185
Peterborough	62	40	0	26	39	0	167
2016-17							
Cambridge	201	45	75	0	87	0	408
East Cambs	14	0	0	0	5	0	19
Fenland	141	0	0	28	0	0	169
Huntingdonshire	136	0	0	0	52	0	188
South Cambs	87	14	0	0	54	0	155

	Affordable rent	Social rent excl LA	LA aff rent	Intermediate rent	Shared ownership	Shared equity	Total
Forest Heath	28	0	0	0	5	0	33
St Ed's	91	0	0	0	12	6	109
Peterborough	71	0	0	14	48	0	133

Table 27. CLG table 253 House building: permanent dwellings completed, by tenure and district, 2016-17[2]

	Private Enterprise	Housing Associations	Local Authority	All
Cambridge	570	290	0	860
East Cambridgeshire	140	0	0	140
Fenland	350	0	0	350
Huntingdonshire	470	50	0	520
South Cambridgeshire	430	100	0	520
Forest Heath	170	20	0	190
St Edmundsbury	160	40	0	190
Peterborough UA	660	110	0	770

Notes

1. For detailed definitions of all tenures, see definitions of housing terms on Housing Statistics

2. These figures are for new build dwellings only. The Department also publishes an annual release entitled 'Housing Supply: net additional dwellings' which is the primary and most comprehensive measure of housing supply.

3. Subject to further investigation and possible revision. National figures are published DCLG house building statistics P2 returns from local authorities National House-Building Council (NHBC)

Figures are rounded to the nearest 10, 0 represents the range 0 – 4. Latest update: 24/08/2017

Web address https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/639564/LiveTable253.xlsx

Table 28. Cambridgeshire County Council draft AMR 2017; Table 1.6 New Affordable Dwellings Completed (GROSS[4]) in Cambridgeshire 2016-2017

District		2016-2017
Cambridge	Total Completed	1,239
	Affordable	474
	% Affordable	38%
	Total minus affordable	765
East Cambs	Total Completed	246
	Affordable	11
	% Affordable	4%
	Total minus affordable	235
Fenland	Total Completed	439
	Affordable	15
	% Affordable	3%
	Total minus affordable	424
Huntingdonshire	Total Completed	791
	Affordable	129
	% Affordable	16%
	Total minus affordable	662
South Cambs	Total Completed	600
	Affordable	132
	% Affordable	22%
	Total minus affordable	468

[4] GROSS completions include only dwelling gains in monitoring year

Table 29. Peterborough AMR

District		2016-2017
Peterborough	Total Completed	1,211
	Affordable	129
	% Affordable	11%
	Total minus affordable	1,082

https://www.peterborough.gov.uk/upload/www.peterborough.gov.uk/council/planning-and-development/AuthoritiesMonitoringReport2017.pdf?inline=true

Table 30. Draft West Suffolk AMR

District		2016-2017
Forest Heath	Total Completed	362
	Affordable	57
	% Affordable	16%
	Total minus affordable	305
St Edmundsbury	Total Completed	417
	Affordable	116
	% Affordable	28%
	Total minus affordable	301

Source: Pre-publication agreed AMR figures, May 2018.

6.6 What proportion of residents are "likely to move"?

In the diamond diagrams we compare the incomes of all current resident households, with the supply and cost of housing stock, turnover and new supply. But we are not supposing everyone in the district wants to move. The following datasets shed some light on who might (and might not) tend to move.

Census movers[1]: From Census data via NOMIS, we can see that across our study area, in the year leading up to Census night 2011, some 12% of households moved home and 88% did not move.

Table 31. Moves in the year before Census 2011, total for the study area districts

Household moves: total for study area	non-movers	movers	all	non-movers	movers
Owned or shared ownership: Total	236,409	15,022	251,431	94%	6%
Owned outright	114,595	5,044	119,639	96%	4%
Owned with a mortgage or loan or shared ownership	121,814	9,978	131,792	92%	8%
Social rented: Total	54,938	7,195	62,133	88%	12%
Rented from council (Local Authority)	21,399	2,433	23,832	90%	10%
Other social rented	33,539	4,762	38,301	88%	12%
Private rented or living rent free: Total	44,627	22,966	67,593	66%	34%
Private landlord or letting agency	34,714	20,208	54,922	63%	37%
Other private rented or living rent free	9,913	2,758	12,671	78%	22%
All categories: Tenure	335,974	45,183	381,157	88%	12%

Source: Census 2011, UKMIG011 - Household migration by tenure Change dataset at http://www.nomisweb.co.uk/query/select/choosedataset_adv.asp

Assuming this 12 month period was reasonably typical, and looking at the breakdown of moves by tenure, we can see that:

- 6% of home owners moved in the year
  - 4% of those who won outright
  - 8% of those with a mortgage or who were shared owners
- 12% of social renters moved in the year
  - 10% of council tenants
  - 12% of "other social landlord" tenants (mostly housing associations)
- 34% of private renters moved in the year

- 37% of households renting form a private landlord or lettings agent
- 22% of other private rented or living rent free

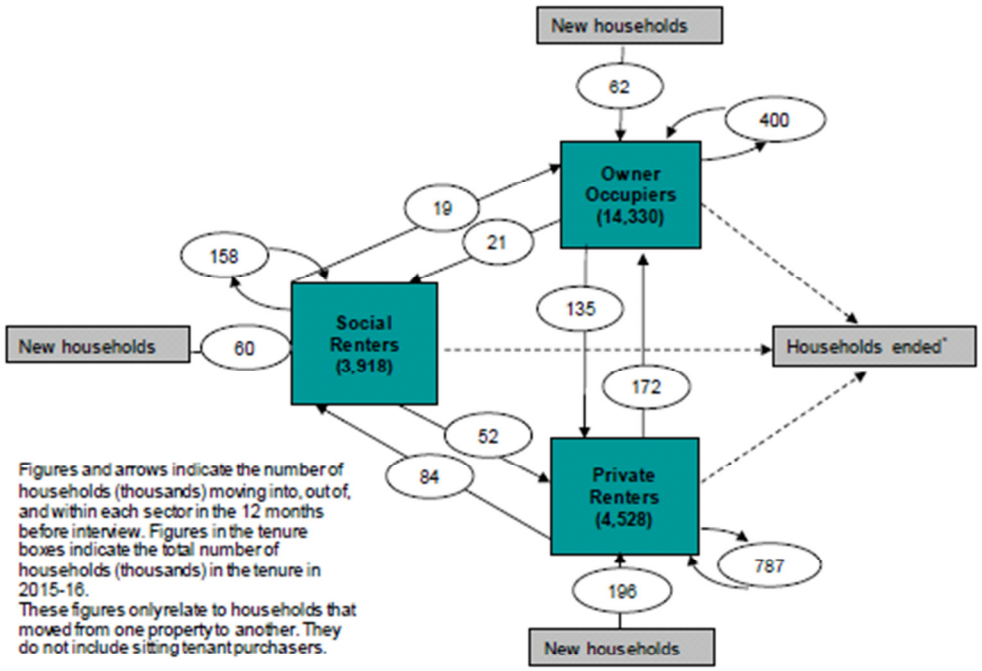
Please bear in mind this data refers to household moves, not to stock turnover which is a different measure. However you would expect there to be some correlation between stock turnover (i.e. the number of time properties change hands) and the number of households moving, but it's important not to muddle the two up as households can move more than once, and can move into and out of an area; properties can be resold or re-let more than once but always remain in the same location (though it's true they can change tenure e.g. if a private rented dwelling is sold on the open market, or if a shared owner staircases up to full ownership.).

Table 32. EHS movers: summary table (national)

	Owner Occupation: moves	Moves as % of tenure total	Social Rent: moves	Number of households in tenure	Private Rent: moves	Number of households in tenure
Number of households in tenure group	14,330,000		3,918,000		4,528,000	
Move IN to	253,000	2%	165,000	4%	383,000	8%
Moves OUT of	156,000	1%	71,000	2%	256,000	6%
Moves within	400,000	3%	158,000	4%	787,000	17%
ALL MOVES	809,000	6%	394,000	10%	1,426,000	31%

This data compares well with the Census 2011 data, in that it shows approximately the same proportion of households moving, as a proportion of the households in that tenure group:

Figure 18 English Housing Survey: original Fig 3.2. Housing moves by tenure, 2015-16[5]



Base: all households
Notes:
1) underlying data are presented in English Housing Survey Headline Report, 2015-16 Annex Table 1.19
2) a small number of cases with inconsistent responses have been omitted
3) * the survey cannot identify the number of households which have ended
Source: English Housing Survey, full household sample

Summary

6% of home owners moved (same as Census)

10% of social renters moved in the year (compare to 12% from Census)

31% of private renters moved (compared to 34% from Census)

Whatever the number of moves, it's a reasonable move to use the current income band "pattern" from CACI to project onto future household incomes, as there is no scientific way we can reliably vary the income distribution without making a huge range of untested assumptions. It MAY be that people on lower incomes move less, and people moving into the area for work may tend to be on higher incomes. We would need more detailed CACI data to work on these assumptions.

[5] *Source* https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/627686/Private_rented_sector_report_2015-16.pdf *and* https://www.gov.uk/government/collections/english-housing-survey#2015-to-2016

6.7 List of acronyms used in the report

Acronym	Set out in full	Notes
AMR	Annual Monitoring Return	A return provided by local planning authorities (city, borough, district and county councils) to the government, reporting on implementation of Local Plan policies during the previous financial year; including house building
CACI	CACI is the company name	CACI developed its 'Paycheck' product to provide consistent and reliable household income estimates at full postcode level across the UK. It uses information from CACI's lifestyle database, in conjunction with data from the ONS's Average Weekly Earnings and Living Costs & Food Survey to build a consistent and statistically reliable model. Income reflected by Paycheck is gross household income from all sources including earnings, benefits and investments.
CCC	Cambridge City Council	
CORE	COntinuous REcording	A system of monitoring social housing use and lettings, completed by many (but not all) housing associations and registered providers
DCLG / CLG	(Department of) Communities and Local Government	Now known as the Ministry of Housing, Communities and Local Government or MHCLG
ECDC	East Cambridgeshire District Council	
EHS	English Housing Survey	An annual survey of a sample of homes across England, investigating housing trends, usage and changes across a range of tenures
FDC	Fenland District Council	
FHDC	Forest Heath District Council	
GN	General Needs	Homes which are not specifically designed or used for older people or as supported housing, i.e. not specialist housing
HA	Housing Association	See also RP and PRP
HCA	Homes and Communities Agency	Now known as Homes England
HCA SDR	The HCA's statistical data return	An annual report completed by housing providers and associations registered with the HCA (known as Registered Providers) which provides data on the number of homes owned and managed, usage, lettings, evictions, rent levels and so on.
HDC	Huntingdonshire District Council	
HT	Hometrack	Hometrack is a residential property market specialist company providing evidence and insight to help make informed business and strategy decisions about the residential property market. Founded in the UK in 1999 Hometrack is "trusted by major mortgage lenders, housing authorities and property developers" in the UK and Australia. Our market-leading automated valuation model was launched in 2002. Data within this report is from Hometrack's Housing Intelligence System (HIS) which is an online market intelligence system designed to inform decision making and strategy. It is an on-line subscription service giving access to a wide range of data and analysis at both a regional and local area level. For the latest commentary and analysis please visit https://www.hometrack.com/uk/insight/uk-cities-house-price-index/
LA	Local Authority	
LAHS	Local Authority Housing Statistics return	A return completed by local housing authorities reporting on issues like housing stock, lettings, housing standards, rent levels and evictions.

Acronym	Set out in full	Notes
		The local authorities who have not transferred housing stock to a housing provider report on council housing stock and lettings using this return.
LQ	Lower quartile	What it the lower quartile? Let's say 200 homes were sold in a month and we make a list of all 200 homes, putting them in order from cheapest to most expensive. The first 50 homes on the list are called the lower quartile. The price of the 50th home on the list is the "lower quartile" price. So the lower quartile price indicates that the cheapest quarter of homes sold for less than this amount.
LTV	Loan To Value	The lending ratio used in mortgage calculations, measuring the amount of money loaned against the capital value of the property
OAN	Objectively Assessed Need	A calculation about future housing which leads to a figure for each planning authority about how many homes will be needed in future to meet the area's population and employment needs.
ONS	Office of National Statistics	A government agency which provides national data on a wide range of subjects
PCC	Peterborough City Council	
RP or PRP	Registered Provider or Private Registered Provider	See "HCA"
RPI	Retail Price Index	A measure which shows the change in retail prices over time
SCDC	South Cambridgeshire District Council	
SEBC	St Edmundsbury Borough Council	

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Diamond affordability analysis

A new way of looking at income, housing costs and housing supply

For the Greater Cambridge Partnership and Cambridge Sub-Region Housing Board

Published June 2018

Queries? Please contact sue.beecroft@cambridge.gov.uk

Downloadable from www.cambridgeshireinsight.org.uk/affordability-analysis

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