

# Cambridgeshire, Peterborough & West Suffolk

## Diamond affordability analysis update 2022

### Summary for Fenland

#### Background

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In 2022, a range of data was collated to help visualize how housing markets work across Cambridgeshire, Peterborough and West Suffolk, their household income distribution, weekly housing cost, pay scales for local workers, and supply of dwellings through turnover and new build.

The data has been converted to a series of tables and diagrams for each district. The centre-piece is a diamond-shaped diagram we have called a 'diamond-a-gram' which shows number and percentage of households in different income groups.

This is presented in a diamond shape which can be visually aligned with other data to show the sizes, types and tenures of housing those households may be able to access locally.

In this summary, thumbnails of various charts are presented to give the idea of the layouts and how they have been used. To see larger versions of the charts, please look at the slides or the compendium.

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#### Introduction

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This note outlines some highlights of the work for Fenland, and how Fenland compares to the rest of the study area.

To see

- The executive summary
- A report covering the whole study area and a slide deck for the whole study area
- Individual district summaries and a slide deck for each district
- A methodology note
- The compendium of data behind these documents (in excel format)

...please follow this link <https://cambridgeshireinsight.org.uk/housing/local-housing-knowledge/our-housing-market/affordability-analysis/>

## Context

### Using Census 2011 data

To help put this all into context, Census 2011 has been used. Although Census 2021 results have started being released, at time of publication there was not enough detailed data published to make use of in the diamond analysis.

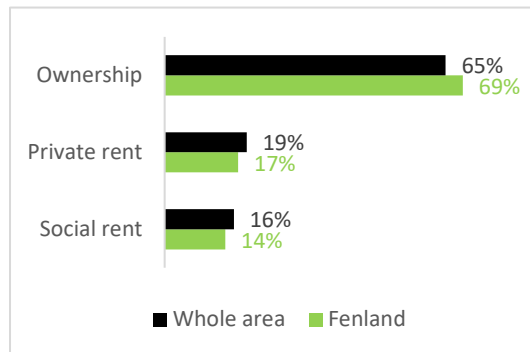
Census data is used mainly as background to provide some context for the rest of the diamonds report but can be updated as and when Census 2021 detail is released. This can be fed in as soon as it becomes available, we anticipate late in 2023.

### Tenure of dwellings

In 2007 Fenland council housing stock was transferred to Roddons, now Clarion, which is part of the Circle Group (classed as a Private Registered Provider housing in the pie chart)

Comparing Fenland to the whole study area, Fenland has a “not unusual” stock picture for a stock transfer area.

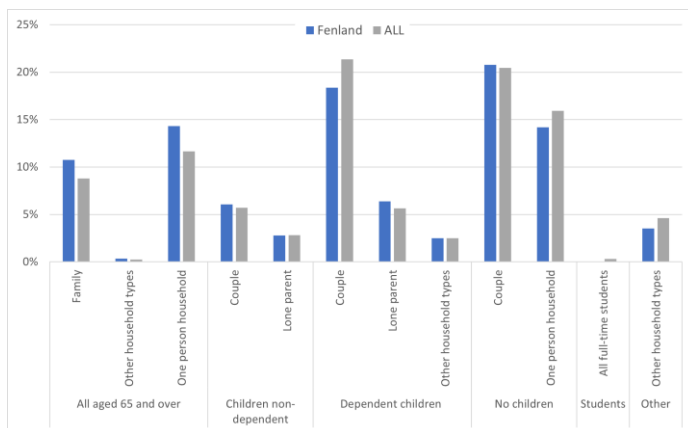
- Slightly fewer private renters
- More outright owners than seen across the study area



### Household and family types

Comparing Fenland to the whole study area, Fenland has:

- Fewer couples with dependent children
- Fewer 1 person, child free households.
- More households aged 65+ than seen across the whole study area

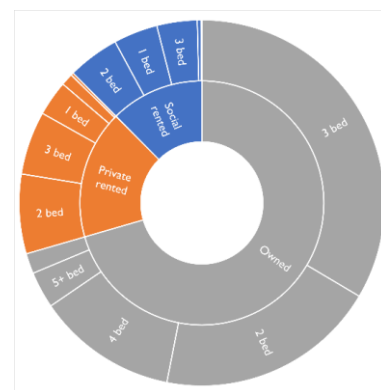


### Household tenure and number of bedrooms

- This pie highlights the broad tenure and size breakdown in Fenland, with more owned homes than rented. Owned homes see a good proportion of 2 and 3 beds but few 1 beds, while private and social rented tend to favour 1, 2 and 3 beds, with very few 4 and 5 bed rented homes

Comparing Fenland to the whole study area, Fenland has:

- More 2 & 3 bed owned homes
- Fewer both social rented homes of most sizes
- Fewer private rented homes of most sizes

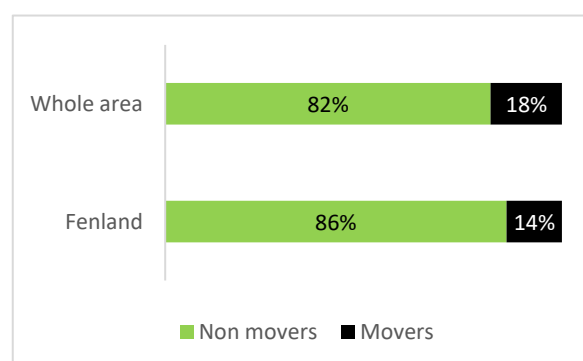


### How many households might move in a year?

In the year leading up to the 2011 Census, Fenland saw:

- 86% non-movers
- 14% movers

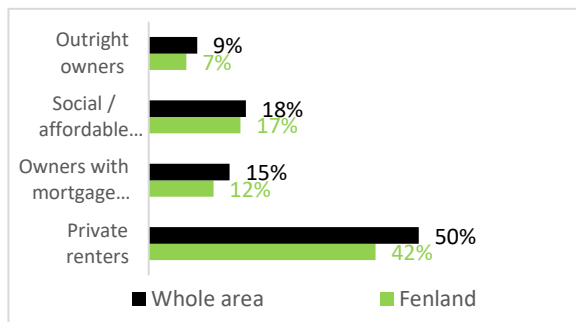
Comparing Fenland to the whole study area, Fenland had a lower % of households likely to move, with 14% movers compared to 18% movers across the study area.



A 'wholly moving household' is one where all members of the household have moved from the same address. A 'partly moving household' is where one or more members of the household have moved in the last year but not all members have moved from the same address.

For all those that moved in the year before Census day 2011 (including wholly moving and partly moving households) across Fenland:

- 42% of renters moved (study area total was 50%)
- 12% of owners with a mortgage or shared owners moved (study area total was 15%)
- 17% of social renters moved (study area total was 18%)
- 7% of outright owners moved (study area total was 9%)



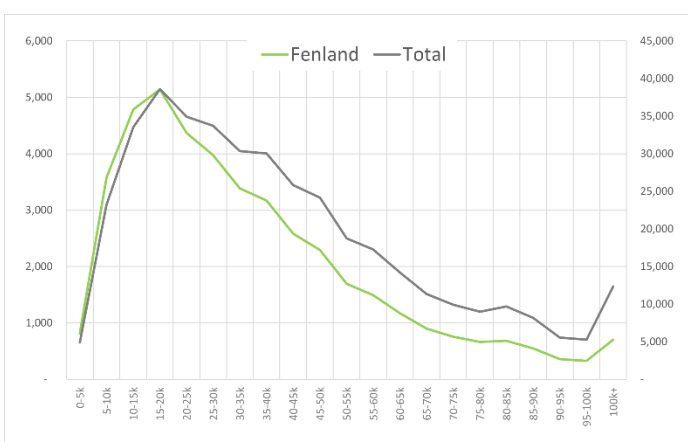
## Income

The diamond-o-gram uses income data to create a visual chart enabling us to look at the households on different broad income levels, and to compare the diamond graphic to other data. The primary aim is to compare annual income distribution to annualized housing costs.

### Income distribution

Comparing Fenland to the whole study area, Fenland has:

- Slightly more households on incomes up to £20K
- Markedly fewer on incomes higher than £20K.



Comparing 2016/17 and 2020/21, the number of households on incomes of less than £35K has fallen a little.

- The number on incomes above £35K to £60K has increased; other bands have held steady.
- The number of households on more than £100K has decreased a tiny bit (as it has in other areas, though the reasons for this are not entirely clear).

## Housing costs

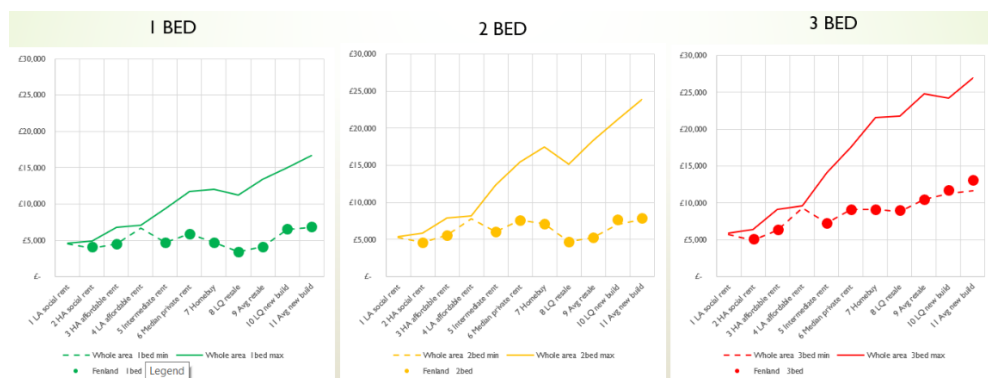
### Identify the range of housing costs

Fenland is fairly often the cheapest in terms of housing costs, shown by the Fenland "dots" following the dashed "minimum cost" line on all three graphs

Across the study area, fairly consistently:

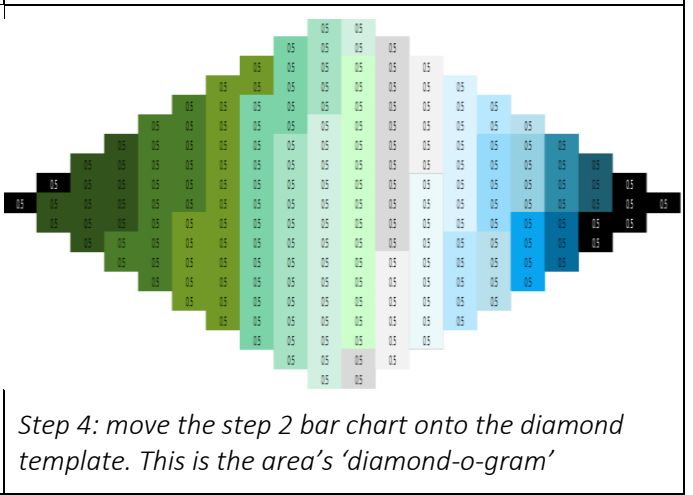
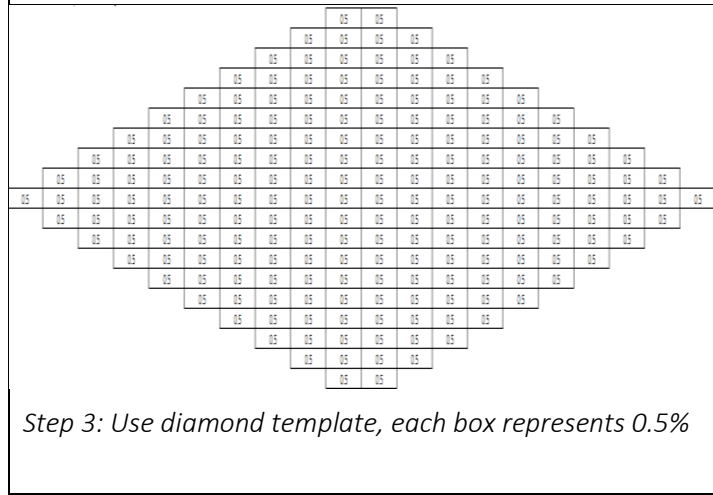
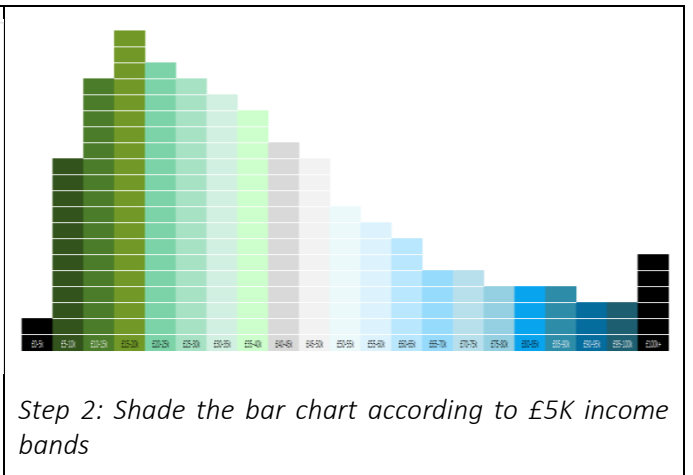
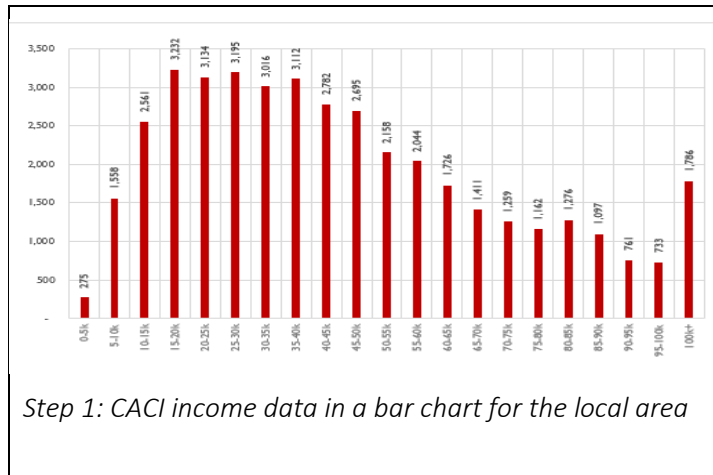
- Cambridge & South Cambridgeshire housing costs are the highest.
- East Cambridgeshire, Huntingdonshire and West Suffolk housing costs consistently form a group towards the middle of the study area values.
- Fenland & Peterborough see the lowest housing costs.

A more detailed comparison of costs is set out in the "whole area" report.



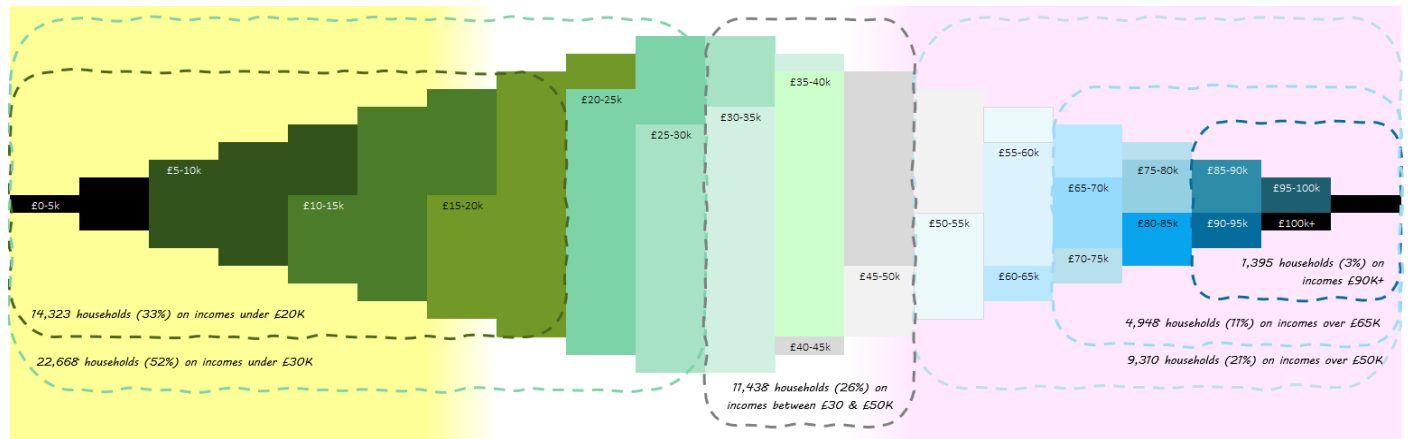
# The diamond-o-gram

## Creating the diamond-o-gram



## The diamond-o-gram for Fenland

Here we see the diamond-o-gram, with yellow shading around to denote households on the lowest 25% of incomes, and pink shading to denote households on the highest 25% of incomes. The white area in the middle denotes the "middle 50%" of households

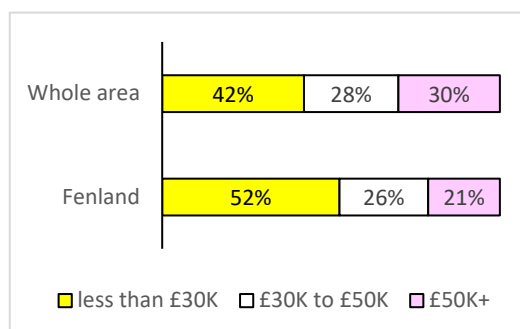


This table sets out the approximate income levels for the three shaded areas (the lowest 25%, middle 50% and upper 25% of households)

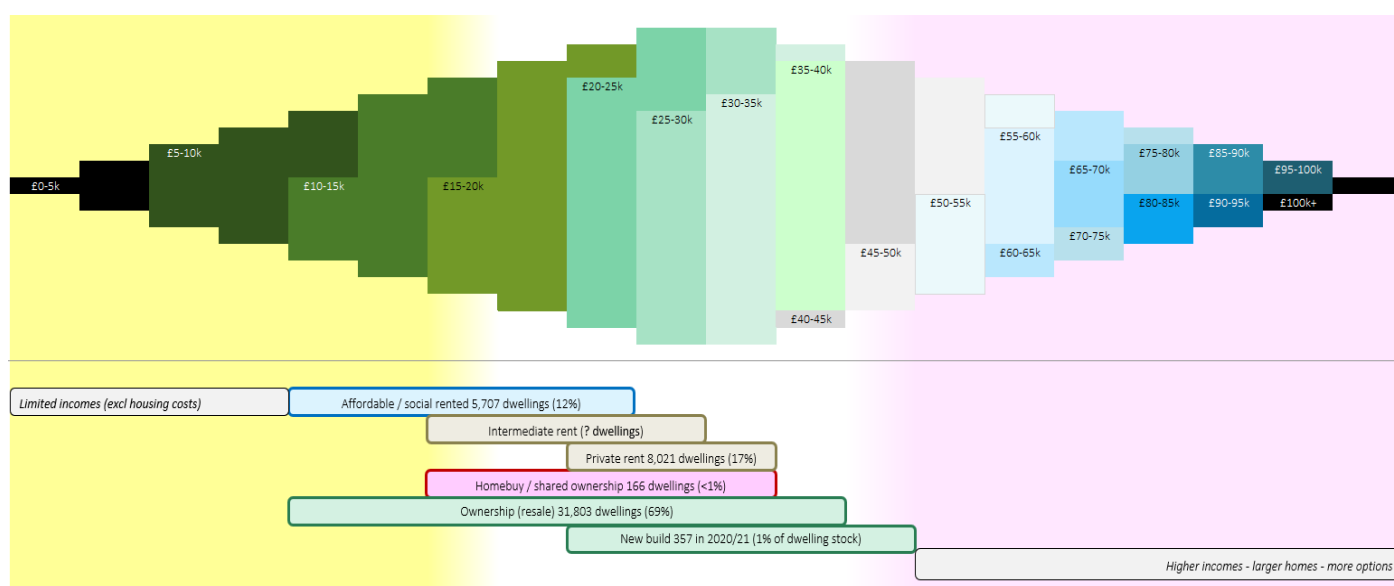
	In Fenland
Households on the lowest 25% of incomes	incomes up to c.£15K
Households on the middle 50% of incomes	incomes between £15K and £45K
Households on the highest 25% of incomes	incomes over c.£45K

Comparing Fenland to the whole study area, Fenland sees:

- More households on lower incomes (52% on less than £30K compared to 42%)
- Slightly fewer households (26%) in the £30K to £50K bracket, compared to the whole area at 28%
- Fewer households on higher incomes (21% on incomes more than £50K compared to 30%)



### Minimum income needed for broad tenures



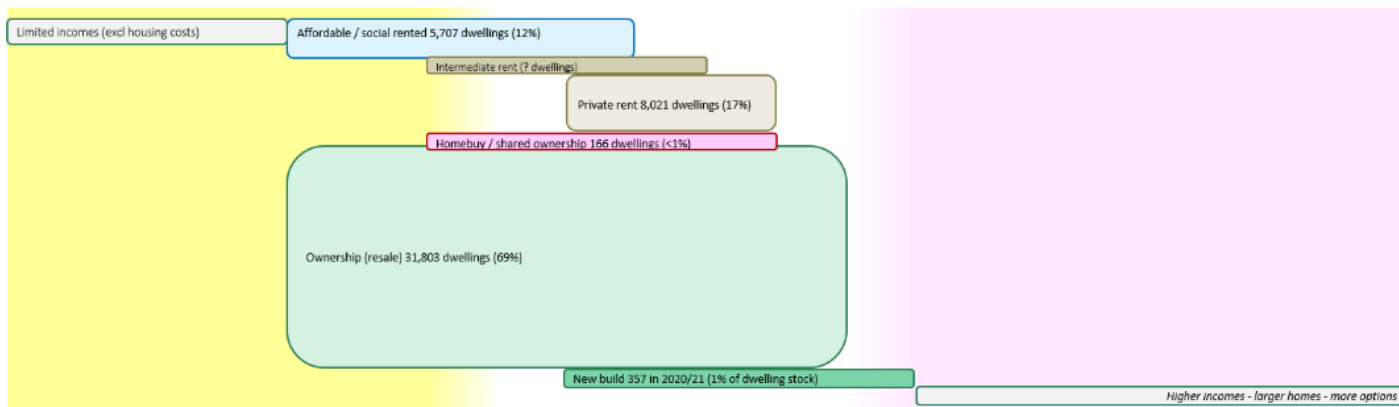
This gives a picture of how broad tenure groups compare to the local income distribution.

## Using the diamond-o-gram to look at other aspects of the housing market

In this section we use the diamond-o-gram and how it aligns with housing costs, to develop new insights into the local housing market.

First, we use the diamond-o-gram to visualize the income distribution in Fenland compared with local housing costs, and add a further dimension to indicate how many homes there are in each broad tenure group. This enables us to see how costs fit with incomes, as well as an idea of the supply of these homes and whether they are plentiful or scarce.

## The scale and cost of housing



In Fenland we see:

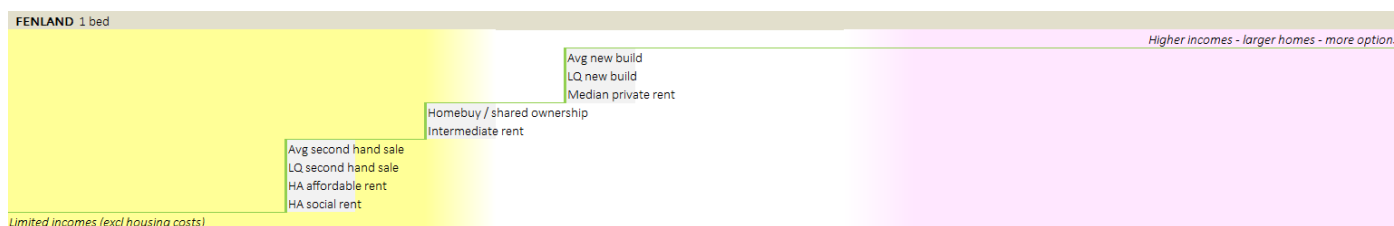
- Relatively small proportion of affordable / social rented at 12% of dwellings. Smaller affordable / social rent is a housing option for households on incomes starting from £10-15K. Unusually, this is comparable to the income needed for some smaller resales
- Private rented makes up 17% of dwellings in Fenland. Private rented starts at a higher income level than both ownership and Homebuy. Smaller private rents start at a similar level to new build needing an income of around £20K
- Intermediate rent could provide useful dwelling supply in Fenland, but as private rents are relatively high, an intermediate rent at 80% is not spectacularly affordable - so worth comparing other factors such as access (deposits), mobility (shorter term commitment than purchase) and availability
- There is a relatively small supply of Homebuy / shared ownership in Fenland. Income required for smaller Homebuy is lower than for private rented, slightly more than ownership. Lower deposits than traditional ownership may prove very useful, alongside flexibility to purchase a higher share in time.
- Ownership dominates the dwelling supply at c.69% with unusually low incomes needed for some smaller home purchase, can start around £10-15K.
- Larger new build can require higher incomes than other tenures. Income needed for a 1 bed can be similar to private rented at around £20K.

## Comparing income needed for different sizes and tenures of homes

The staircase is built using the boxes created when looking at the “minimum income needed for broad tenures”.

The boxes representing each tenure and size of home are arranged to form a staircase with the lowest income needed for 1 beds making the first step. The rows of boxes are arranged so next step ‘up’ is the tenure requiring a little more income. Some tenures need roughly the same incomes, so these steps are “taller”. In other places there is a gap in the incomes needed between tenures, which leads to a long “tread” on our staircase. A tall step demonstrates a number of products at the same income level, a long step indicates a gap between prices of tenures. This staircase is presented for all sizes and tenures of homes, and is then split out into 1 2 and 3+ beds. In Fenland:

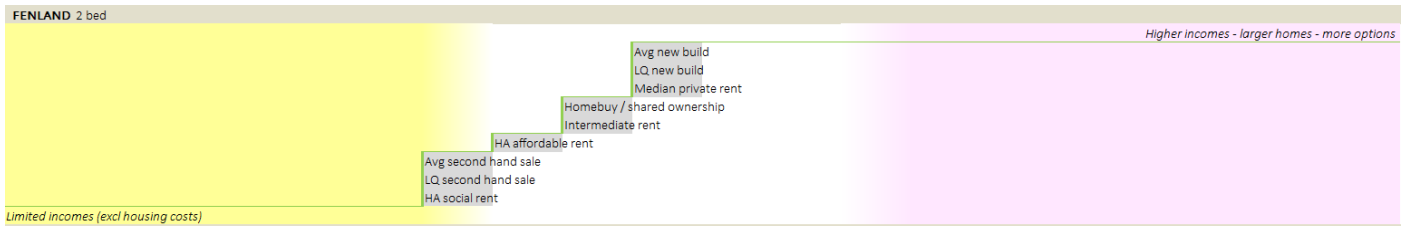
### 1 bed



- The income needed for a 1 bed in Fenland starts with HA affordable and social rent, and second hand sales. It is unusual for second hand sales to require a similar income to social and affordable rents.

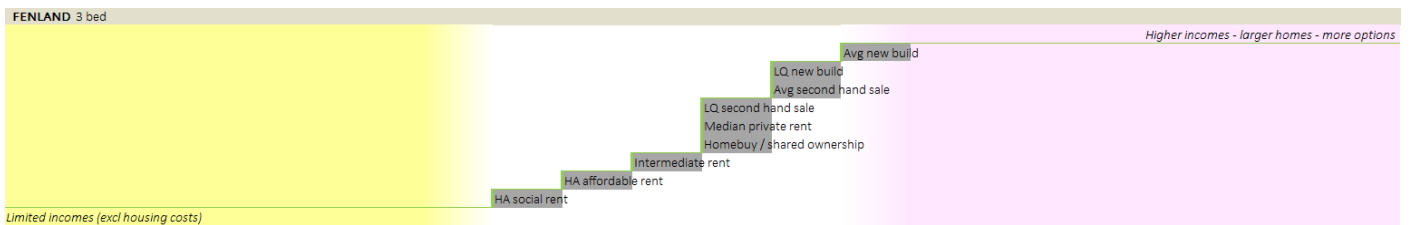
- Then comes Homebuy and intermediate rent, followed by private rent and new build which need the highest income for 1 beds

## 2 bed



- Incomes required are slightly more spread than for 1 beds, but incomes needed for 2 beds cover the lower part of the white zone and not much above the median income level
- Again, second hand sales require a similar income to HA social rent.
- HA affordable rents forms the next step, then Homebuy and intermediate rented,
- The highest incomes are needed for private rent and new build for 2 beds

## 3 bed



- Incomes needed for 3 beds spread a little wider than for 1 and 2 beds, covering the income range of around £15K to £45K
- Second hand sales for 3 beds are noticeable higher than for 1 and 2 beds.
- The only product touching on the pink zone is average new build.

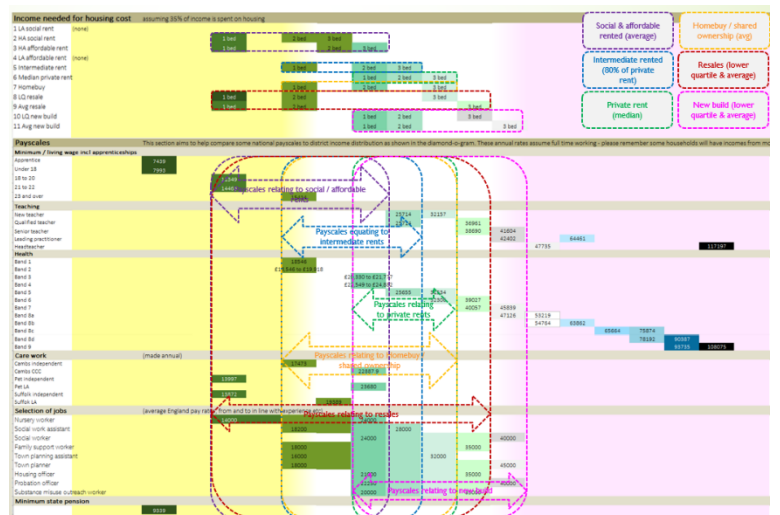
## Broad tenure and pay scales

Dwelling stock by tenure, size and income needed is compared to pay-scales for various jobs.

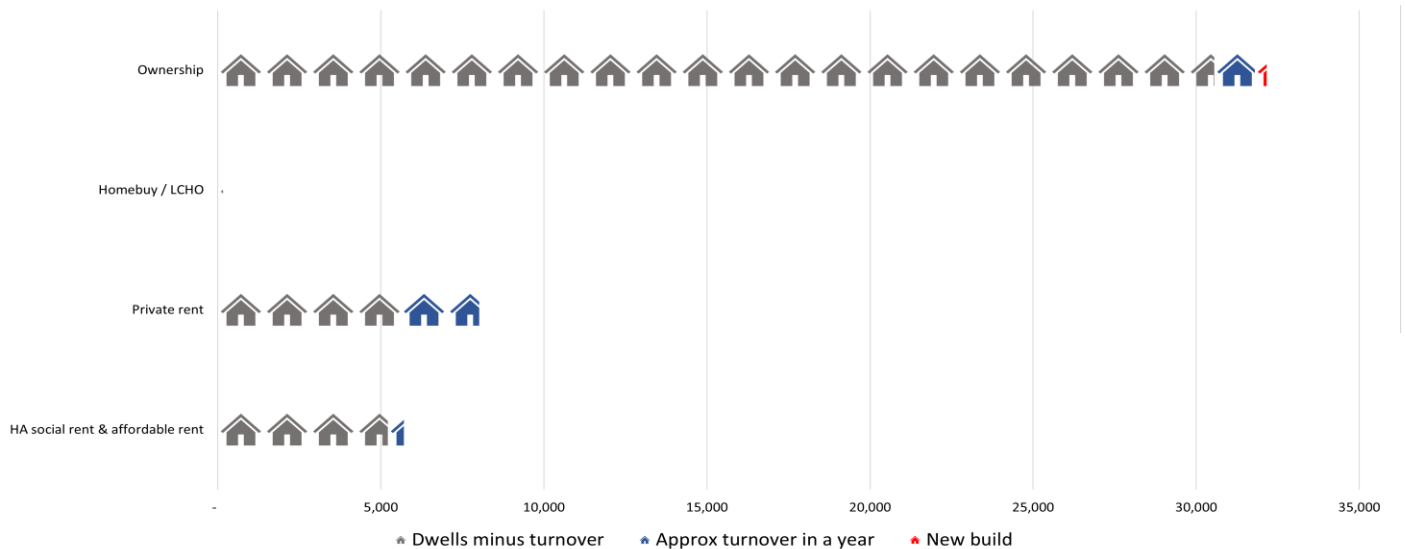
Please note the income needed for housing cost is based on CACI income data, so payscales (quoted salaries) and not strictly comparable. So this diagram can only give an indication of how national and local pay rates compare to housing costs; but we hope help to indicate pressures.

This is a complex diagram, which is made easier to “read” in the slide format, so we strongly recommend you view the slides to help make sense of all the various boxes.

In brief, at the top of the diagram is set out the tenures and sizes of homes, aligned to the diamond-o-gram; below are added the pay scales for various jobs, with “dotted lines” helping to highlight the tenure and sizes of homes which more closely align with each pay scale represented.



## Dwelling stock, turnover and new build

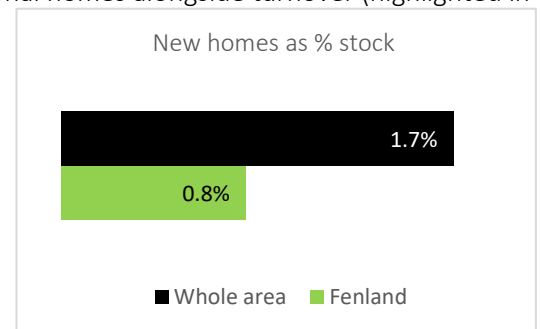


The pictogram sets out the dwellings in each of five broad tenure groups. This highlights the relatively small number of homes built compared to the overall housing stock in each broad tenure group, which may mean the new build homes (in red) are too small to clearly see in the pictogram. However the additional homes alongside turnover (highlighted in blue) do contribute significantly in numbers to housing availability, providing new supply at first let, and then when re-let or re-sold later down the line.

### New build in 2021/2022

Fenland delivered 369 new homes, representing 0.8% of Fenland's stock of around 45,700 dwellings.

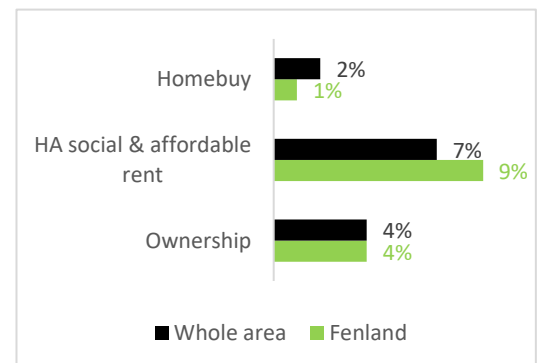
For comparison, across the whole study area, new homes represented around 1.7% of the total stock of 453,863 dwellings.



### Turnover in 2021/2022

In Fenland the turnover for

- HA social/affordable rent is slightly higher at 9% compared to the whole area's 7%.
- Homebuy turnover is 1% in Fenland compared to 2% across the whole area.
- Ownership turnover matches the whole area at 4%.



## Applying CACI income bands to Local Plan figures

In 2021 GLHearn (consultants) provided the Cambridgeshire and West Suffolk authorities with evidence to inform their local plans, around housing needs. This evidence is used to inform Local Plan making.

GLHearn set out an annual requirement for 517 new homes in Fenland. Delivering these homes would lead to a population increase of 18,270 between 2020 and 2040.

Based on the CACI income distribution for 2020-21 we could imagine that, in 2040:

- 52% of the new population (9,539) might have incomes of less than £30K
- 26% of the new population (4,813) might have incomes of £30-50K
- 21% of the new population (3,918) might have incomes of more than £50