

Cambridgeshire, Peterborough & West Suffolk

Diamond affordability analysis update 2022

Summary for Huntingdonshire

Background

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

This note outlines some highlights of the work for Huntingdonshire, and how Huntingdonshire 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.

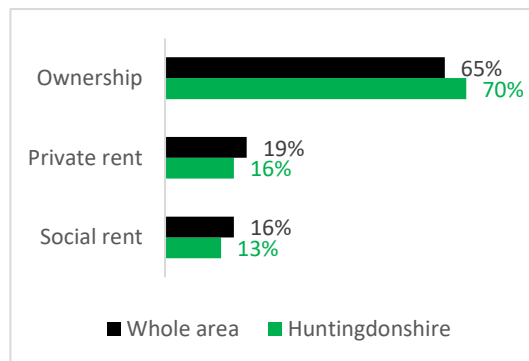
Census data is used mainly as background to provide some context for the rest of the diamonds report but can be updated as and when Census 2021 detail is released. This can be fed in as soon as it becomes available, we anticipate late in 2023.

Tenure of dwellings

In 2000 Huntingdonshire's council housing was transferred to Luminus which became Chorus Homes, and is now part of the Places for People group (classified as Private Registered Provider housing in the pie chart)

Comparing Huntingdonshire to the whole study area, Huntingdonshire has a "not unusual" stock picture for a stock transfer area.

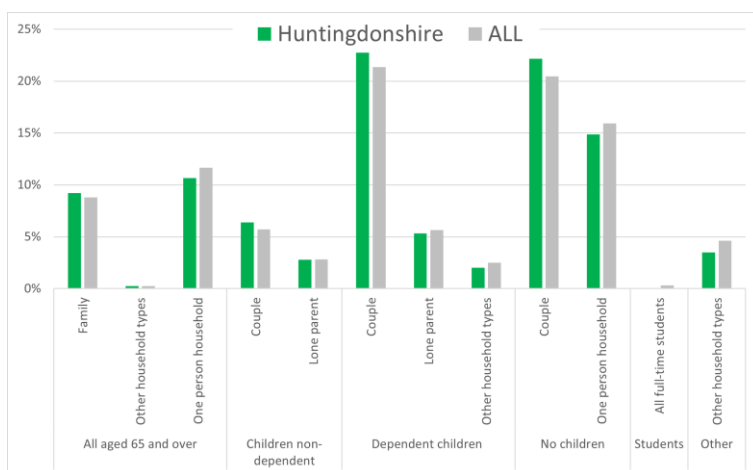
- Slightly fewer renters (16% compared to 19%)
- More owners (70% compared to 65%)



Household and family types

Comparing Huntingdonshire to the whole study area, Huntingdonshire has:

- No unusually large differences in % household & family type from the whole study area
- Slightly more couples with and without children.

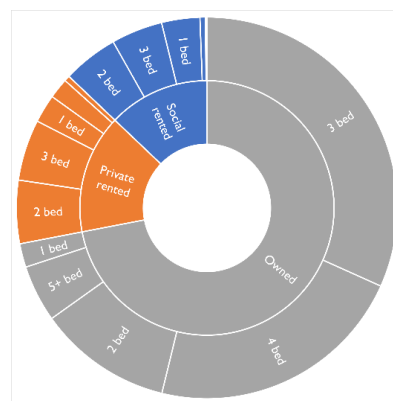


Household tenure and number of bedrooms

This pie highlights the broad tenure and size breakdown in Huntingdonshire, with good availability of owned 3 & 4 beds but few 1 beds, while private and social rented tend to be 1, 2 or 3 beds, with very few 4 or 5 beds

Comparing Huntingdonshire to the whole study area, Huntingdonshire has:

- A lot more 3 & 4 bed owned homes
- Fewer social rented homes of all sizes
- Fewer private rented homes of all sizes

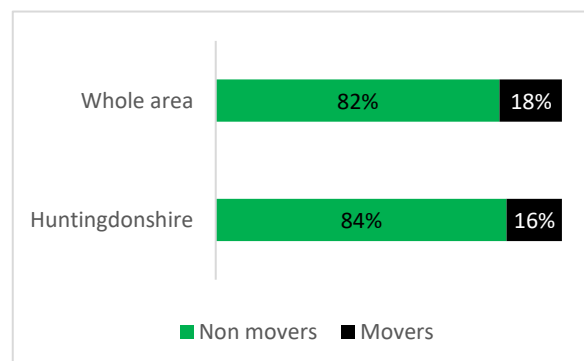


How many households might move in a year?

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

- 84% non-movers
- 16% movers

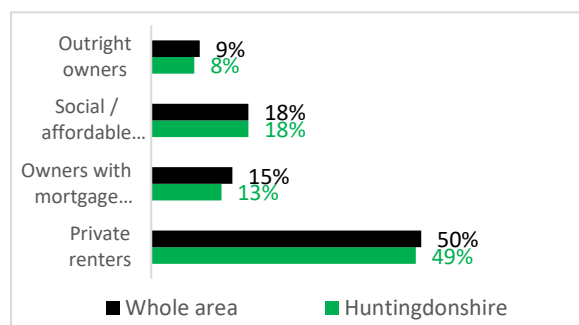
Comparing Huntingdonshire to the whole study area, Huntingdonshire had a lower % of households likely to move, with 16% movers compared to 18% movers across the study area.



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 Huntingdonshire:

- 49% of renters moved (study area total was 50%)
- 18% of social renters moved (study area total was 18%)
- 13% of owners with a mortgage or shared owners moved (study area total was 15%)
- 8% 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.

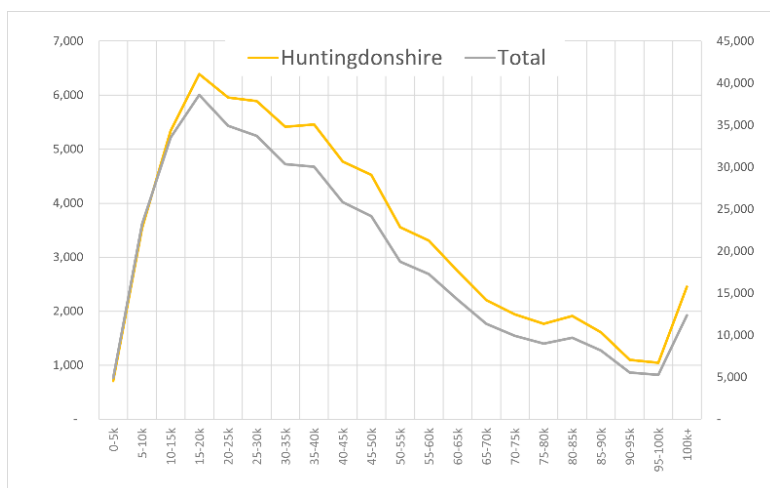
Income distribution

Comparing Huntingdonshire to the whole study area, Huntingdonshire has:

- a similar spread of households on incomes up to £20K
- More households on incomes higher than £20K.

Comparing 2016/17 and 2020/21:

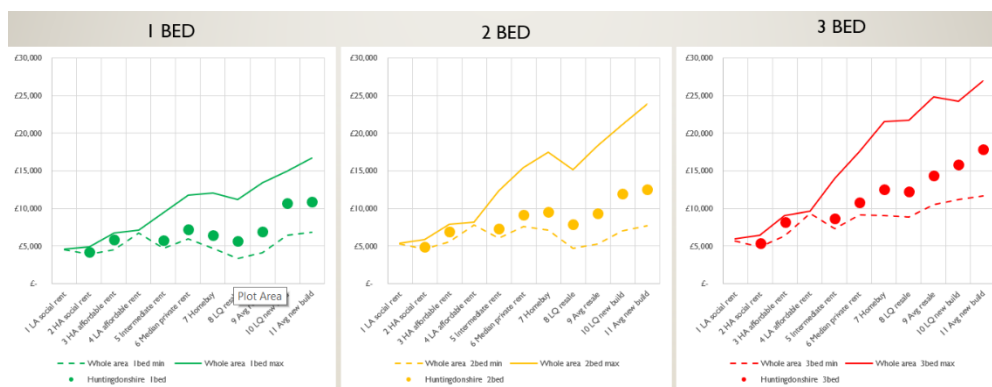
- The number of households on incomes of less than £15K has fallen a little.
- The number on incomes above £15K has increased or held steady.
- The number on more than £100K has decreased a good deal (as it has in other areas, though the reasons for this are not entirely clear)



Housing costs

Identify the range of housing costs

Huntingdonshire housing costs tend to fall towards the middle of the cost range for the study area, shown by the Huntingdonshire "dots" on these charts falling between the solid "maximum" line and the dashed "minimum" line.



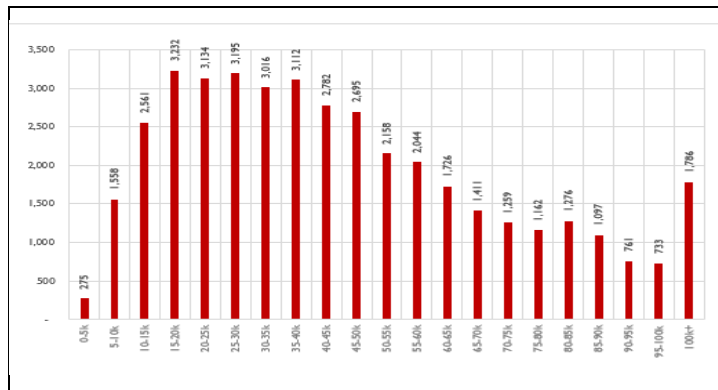
Across the study area, fairly consistently:

- 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.

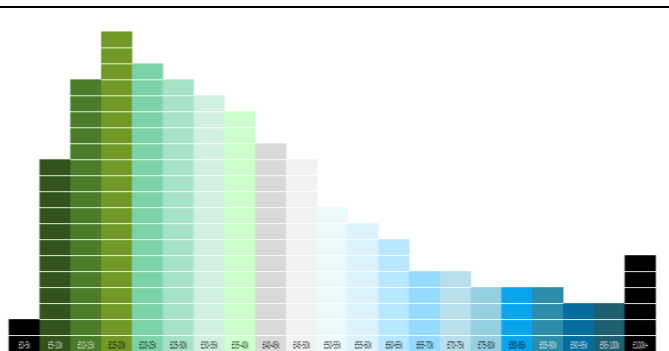
A more detailed comparison of costs is set out in the “whole area” report.

The diamond-o-gram

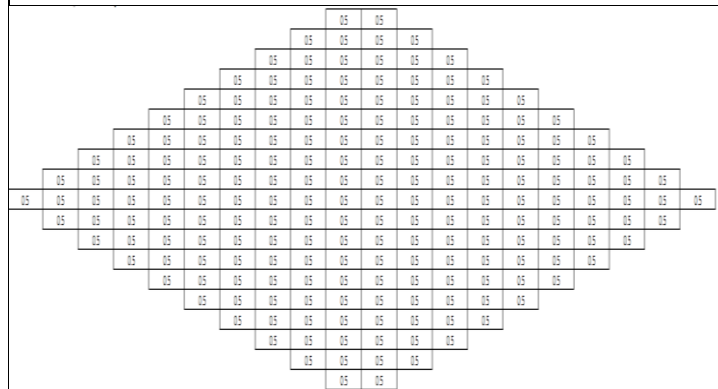
Creating the diamond-o-gram



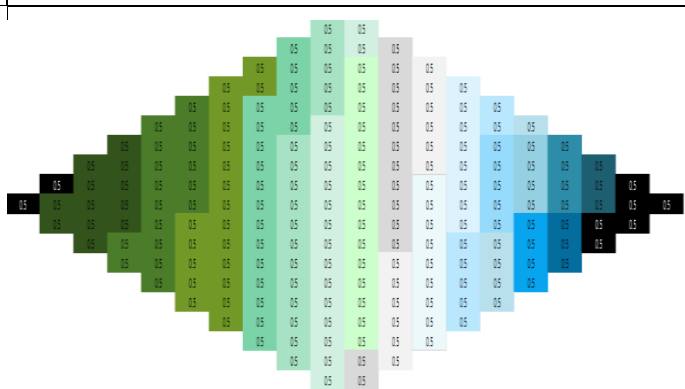
Step 1: CACI income data in a bar chart for the local area



Step 2: Shade the bar chart according to £5K income bands



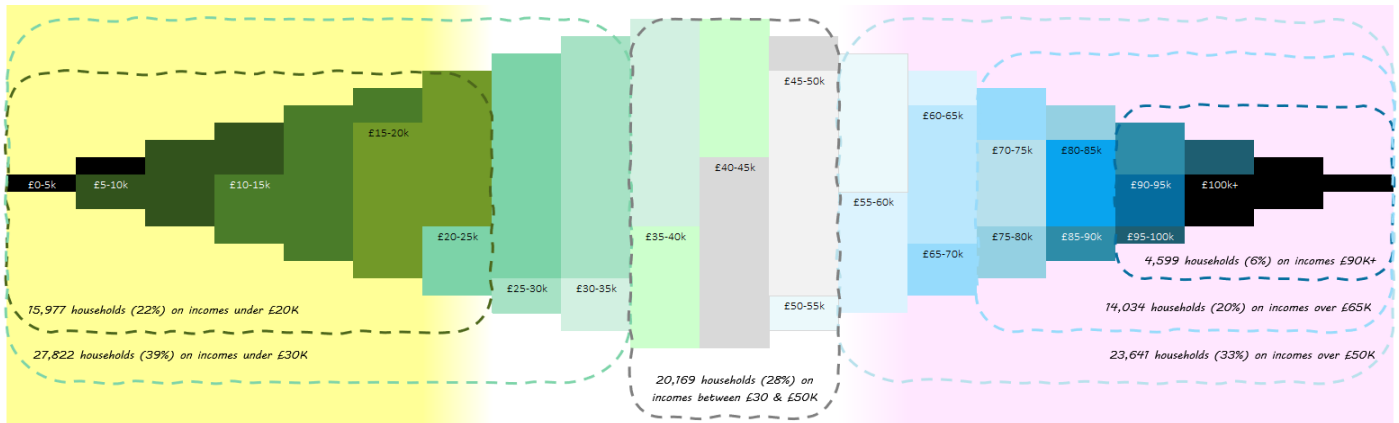
Step 3: Use diamond template, each box represents 0.5%



Step 4: move the step 2 bar chart onto the diamond template. This is the area's 'diamond-o-gram'

The diamond-o-gram for Huntingdonshire

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

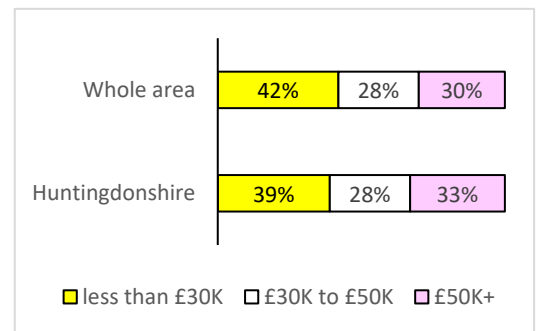


This table sets out the approximate income levels for the three shaded areas (the lowest 25%, middle 50% and upper 25% of households)

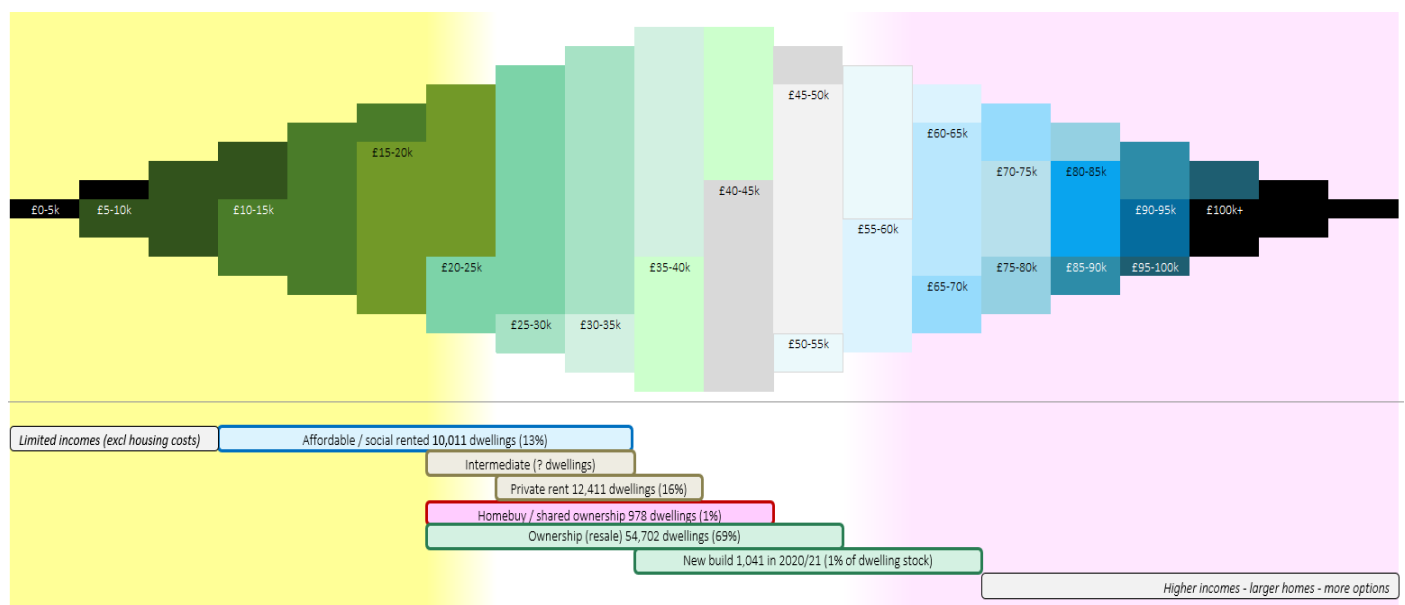
	In Huntingdonshire
Households on the lowest 25% of incomes	incomes up to c.£20K
Households on the middle 50% of incomes	incomes between £20K and £55K
Households on the highest 25% of incomes	incomes over c.£55K

Comparing Huntingdonshire to the whole study area, Huntingdonshire sees:

- a fairly similar income distribution as the whole area, with 39% on incomes less than £30K compared to 42%
- The same proportion of households (28%) in the £30K to £50K bracket
- 33% on incomes more than £50K compared to 30%



Minimum income needed for broad tenures



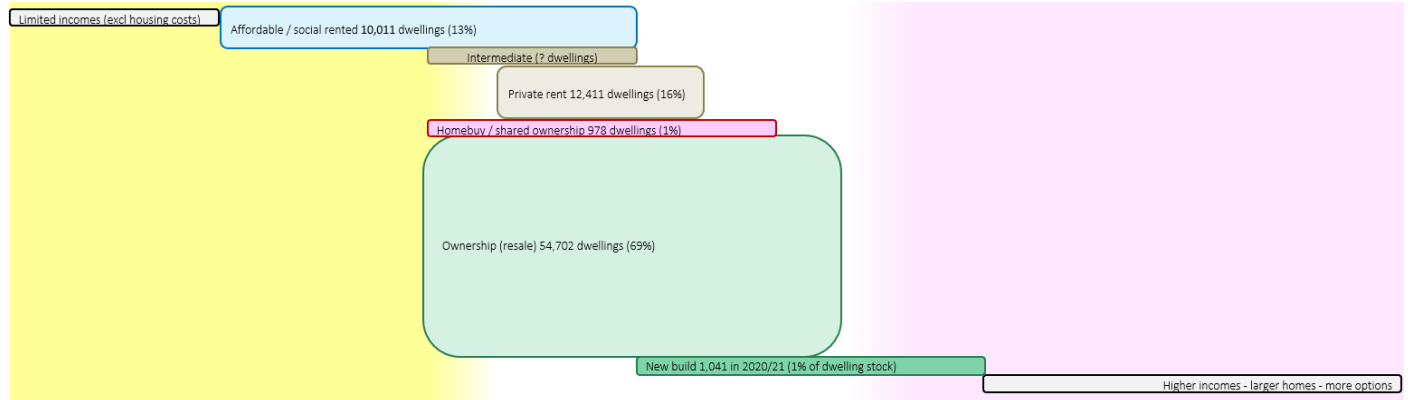
This gives a picture of how broad tenure groups compare to the local income distribution.

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 Huntingdonshire 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 Huntingdonshire we see:

- There is a fairly small amount of affordable / social rented dwellings at c.13%. Affordable / social rented is the main option for lower income households, starting around £10-15K
- Private rented makes up 16% of dwellings in Huntingdonshire. Private rented requires a slightly higher income than ownership and Homebuy, at £25-30K
- Intermediate rent could provide useful dwelling supply in Huntingdonshire, but for smaller homes, need a similar income to Homebuy or resales. 2 and 3 beds slightly more affordable - so worth considering factors such as access (deposits), mobility (shorter term commitment than purchase) and availability
- Income required for smaller Homebuy is lower than for private rented, and similar to 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 69%. Income needed for smaller home purchase and for Homebuy starts around £20-25K reaching up to £45-50K.
- 1 bed new build requires higher income levels than other tenures in Huntingdonshire, starting at £35-40K.

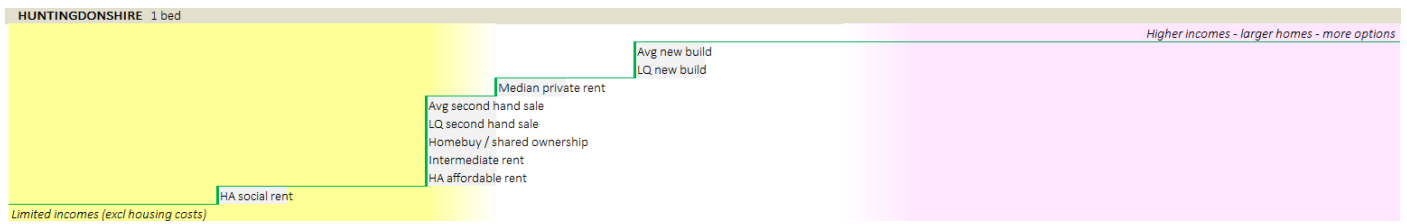
Comparing income needed for different sizes and tenures of homes

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.

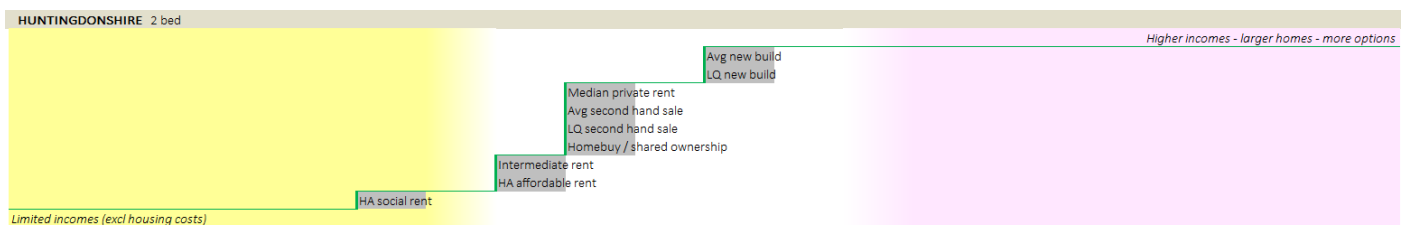
This staircase is presented for all sizes and tenures of homes, and is then split out into 1 2 and 3+ beds. In Huntingdonshire:

1 bed



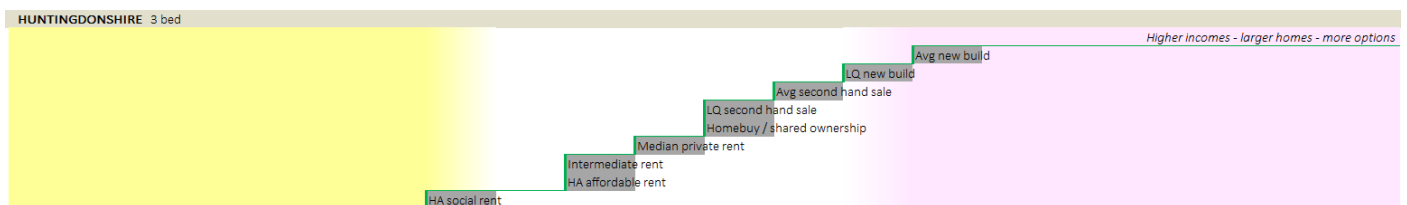
- The income needed for 1 bed HA social rents require a relatively low income.
- There is a big gap between the income needed for HA social rent at 35% affordability, and all other tenures.
- Private rent requires the next highest income, with new build requiring the highest incomes of all 1 beds

2 bed



- For 2 beds a number of tenures require a similar income level but there is more of a “spread” of incomes needed than for 1 beds.
- Income required for a 2 bed starts with HA social rents then a gap before the step for affordable rents and intermediate rents. Homebuy, resales and private rents come next.
- New build comes in needing the highest income for a 2 bed, somewhat higher than Homebuy, rented and resales.

3 bed



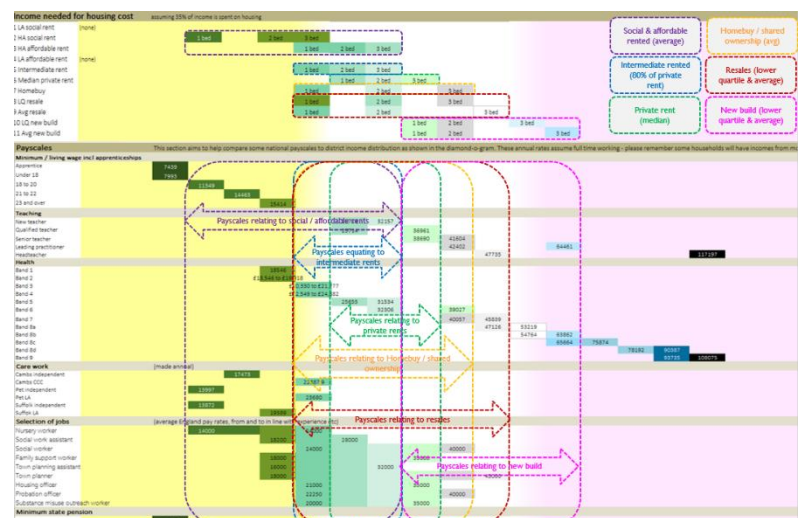
- For 3 beds, different tenures require different income levels making the 3 bed staircase “flatter” and broader.
- Again HA social rent forms the first step, then almost every tenure finds itself on a separate “step” meaning they each require a different income; there is a spread of housing costs.
- Not unusually, new build forms the two top steps

Broad tenure and pay scales

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

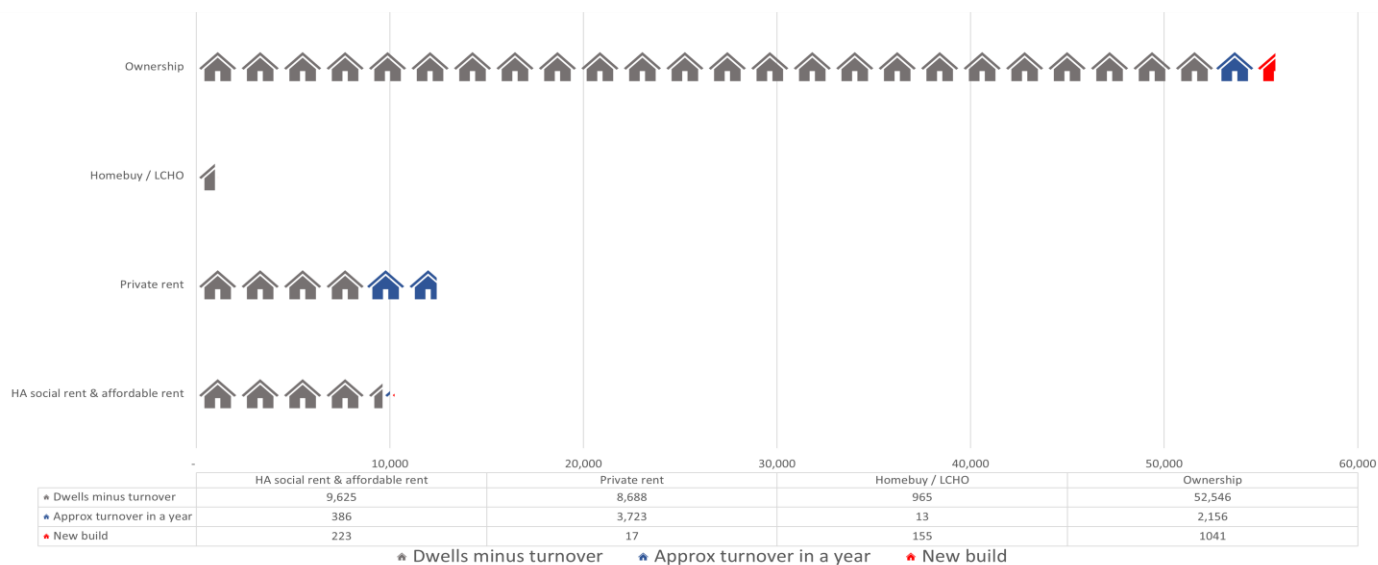
Please note the income needed for housing cost is based on CACI income data, so pay scales (quoted salaries) and not strictly comparable. So this diagram can only give an indication of how national and local pay rates compare to housing costs; but we hope help to indicate pressures.

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

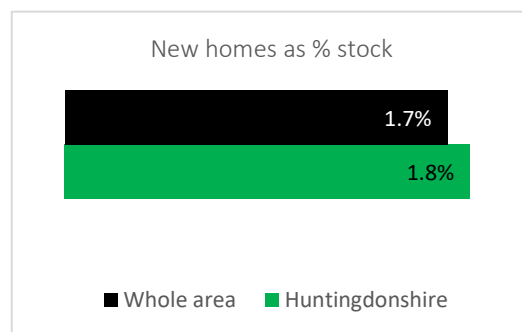


Sets out the dwellings in each of five broad tenure groups. This highlights the relatively small number of homes built compared to the overall housing stock in each broad tenure group, which may mean the new build homes (in red) are too small to clearly see in the pictogram.

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.

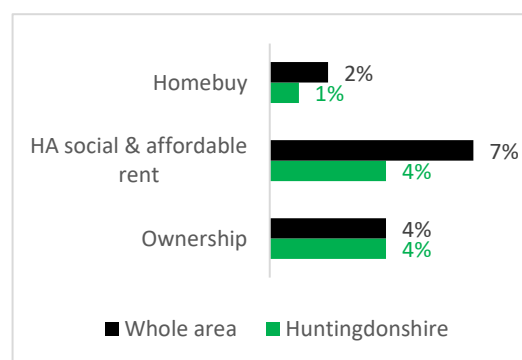
New build in 2021/2022

- Huntingdonshire delivered 1,436 new homes, representing 1.8% of HDC’s stock of around 78,000 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 Huntingdonshire the % turnover for HA social/affordable rent is lower at 4% compared to the whole area’s 7%
- Homebuy is similar at 1% compared to 2% for the whole area
- Ownership is the same, at 4% for both HDC and the whole area.



Applying CACI income bands to Local Plan figures

GLHearn set out an annual requirement for 951 new homes in Huntingdonshire.

Delivering these homes would lead to a population increase of 36,209 between 2020 and 2040.

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

- 39% of the new population (14,064) might have incomes of less than £30K
- 28% of the new population (10,195) might have incomes of £30-50K
- 33% of the new population (11,950) might have incomes of more than £50K