

# Cambridgeshire, Peterborough & West Suffolk

## Diamond affordability analysis update 2022

### Summary for Peterborough

#### 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 Peterborough, and how Peterborough 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 2004 Peterborough's council housing was transferred to Cross Keys Homes (classed as a Private Registered Provider housing in the pie chart)

Comparing Peterborough to the whole study area, Peterborough has a "not unusual" stock picture for a stock transfer area, however:

- slightly more social rented homes than other areas,
- fewer owned outright homes

### Household and family types

Comparing Peterborough to the whole study area, Peterborough has:

- Fewer households aged 65+
- More lone parent and one person child-free households
- More one person child-free households

### Household tenure and number of bedrooms

This pie highlights the broad tenure and size breakdown in Peterborough, with more owned homes than rented.

- Owned homes see a good number of 2, 3 and 4 beds but few 1 beds
- Private and social rented tend to favour 1, 2 and 3 beds
- There are very few 4 and 5 bed social rented homes.

Comparing Peterborough to the whole study area, Peterborough has:

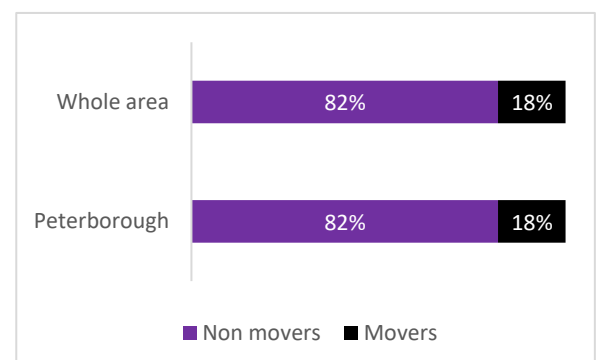
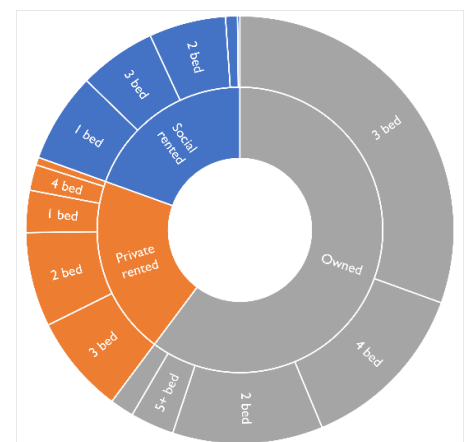
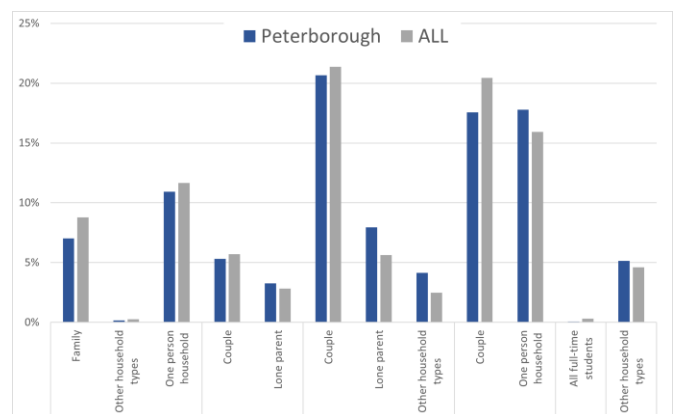
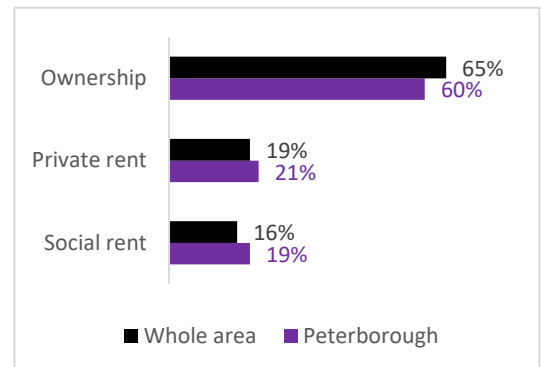
- Fewer 4 & 5 bed owned homes;
- More 3 beds of all tenures;
- More 1 bed social rented

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

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

- 82% non-movers
- 18% movers

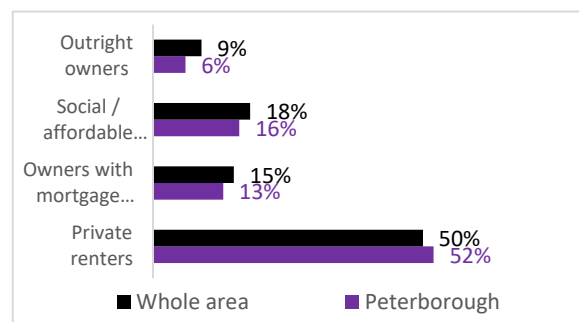
Comparing Peterborough to the whole study area, Peterborough had a very similar overall percentage of likely movers compared to the whole study area.



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 Peterborough:

- 52% of private renters moved (study area total was 50%)
- 13% of owners with a mortgage or shared owners moved (study area total was 15%)
- 16% of social renters moved (study area total was 18%)
- 6% 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.

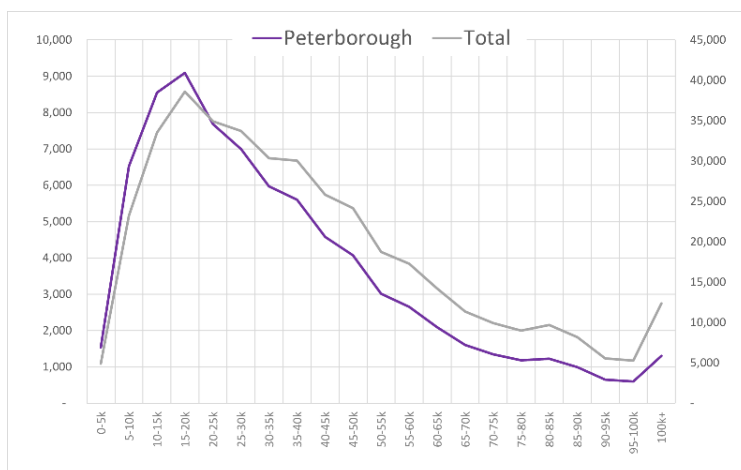
### Income distribution

Comparing Peterborough to the whole study area, Peterborough has:

- More households on incomes of less than £20K
- Markedly fewer on incomes higher than £20K.

Comparing 2016/17 and 2020/21:

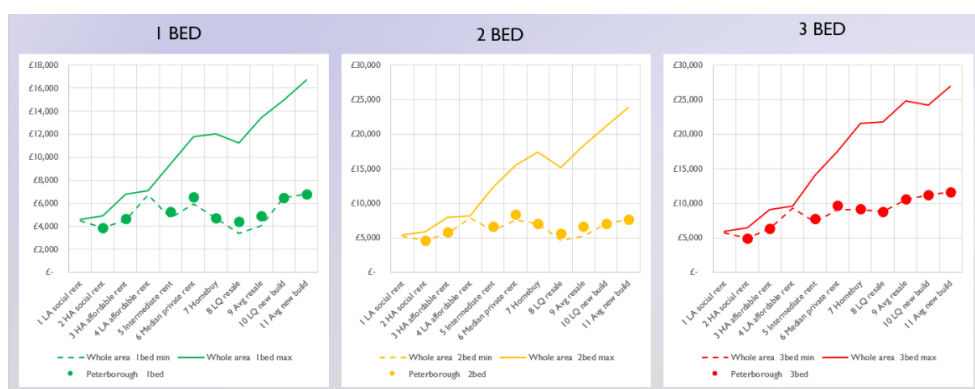
- The number of households on incomes of less than £35K has fallen
- The number on incomes above £35K has held steady or slightly increased.
- The number on more than £100K has decreased a good deal (as it has in other areas, though the reasons for this are not entirely clear)



## Housing costs

### Identify the range of housing costs

Peterborough housing costs are some of the lowest, shown by the Peterborough "dots" on the thumbnail charts lying on or very close to the dotted line, which denotes the lowest housing costs of the study area.



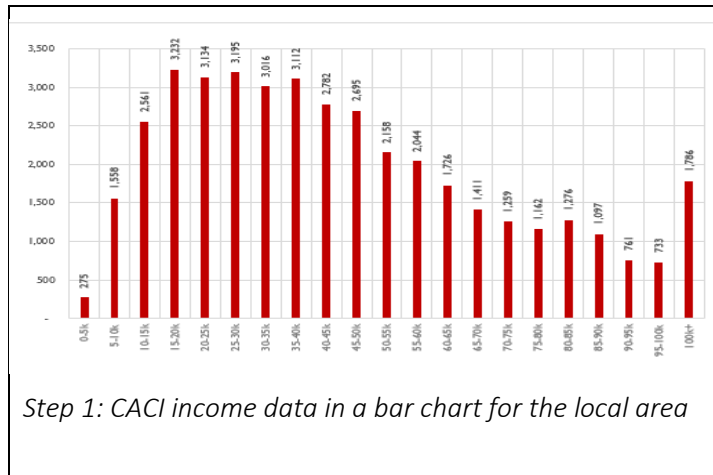
Across the study area, fairly consistently:

- 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.

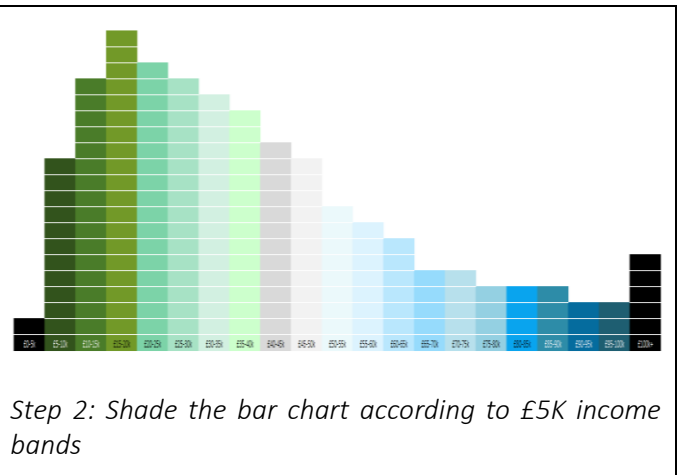
A more detailed comparison of costs is set out in the "whole area" report.

# The diamond-o-gram

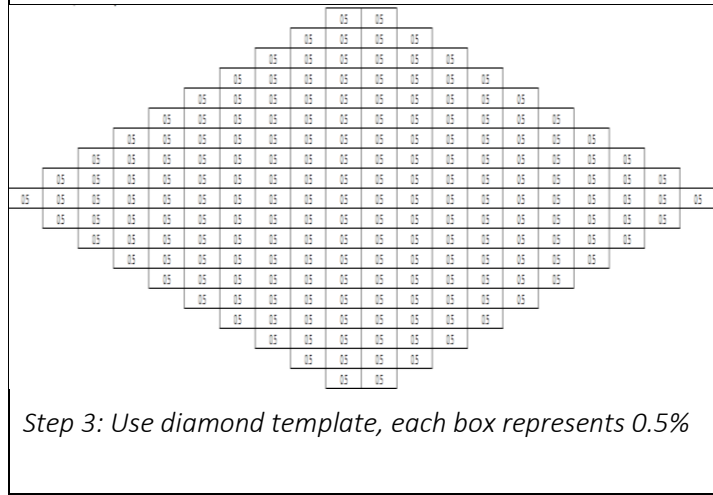
## Creating the diamond-o-gram



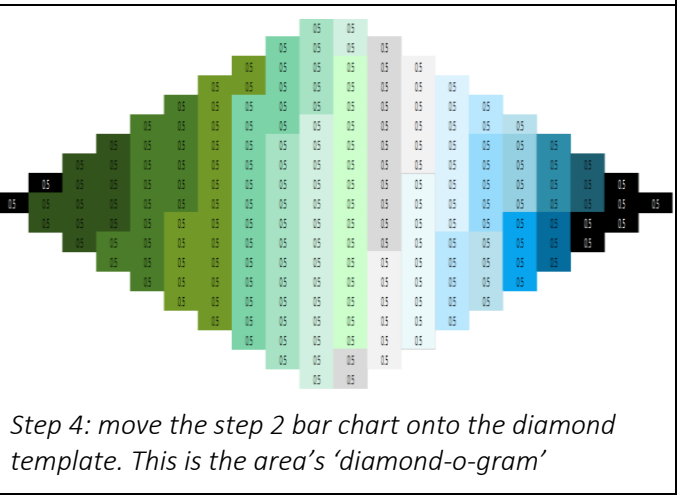
Step 1: CACI income data in a bar chart for the local area



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



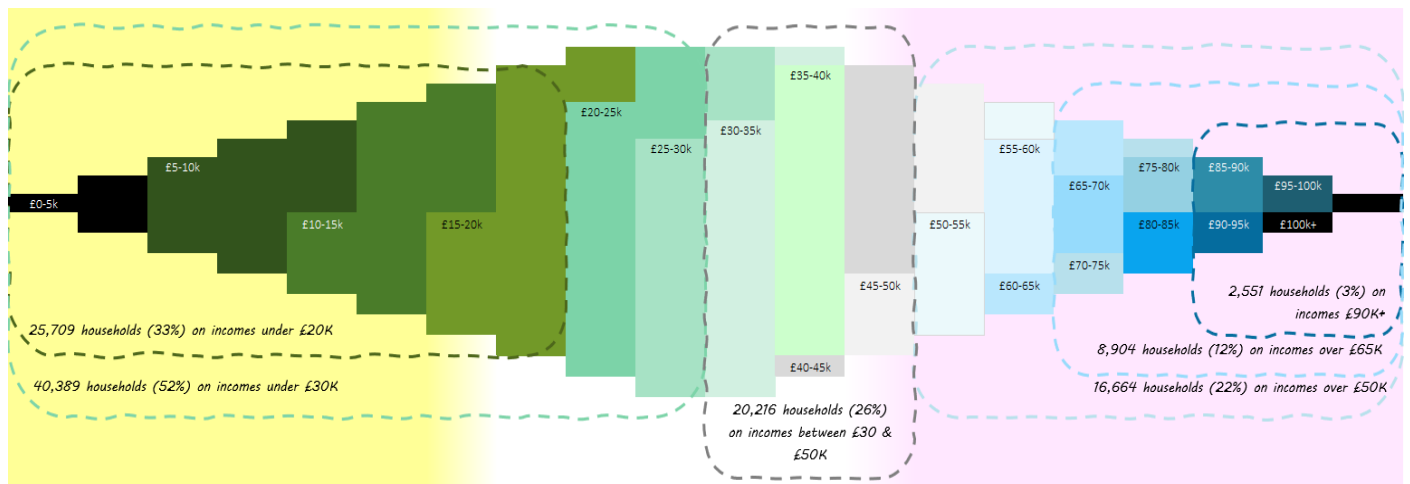
Step 3: Use diamond template, each box represents 0.5%



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 Peterborough

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

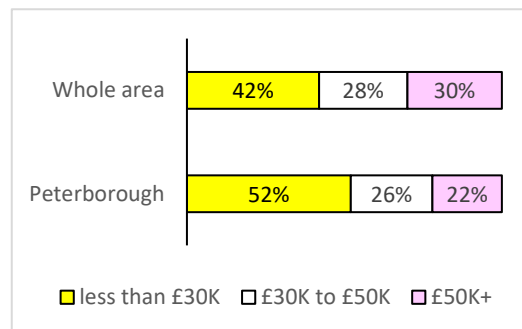


This table sets out the approximate income levels for the three shaded areas (the lowest 25%, middle 50% and upper 25% of households)

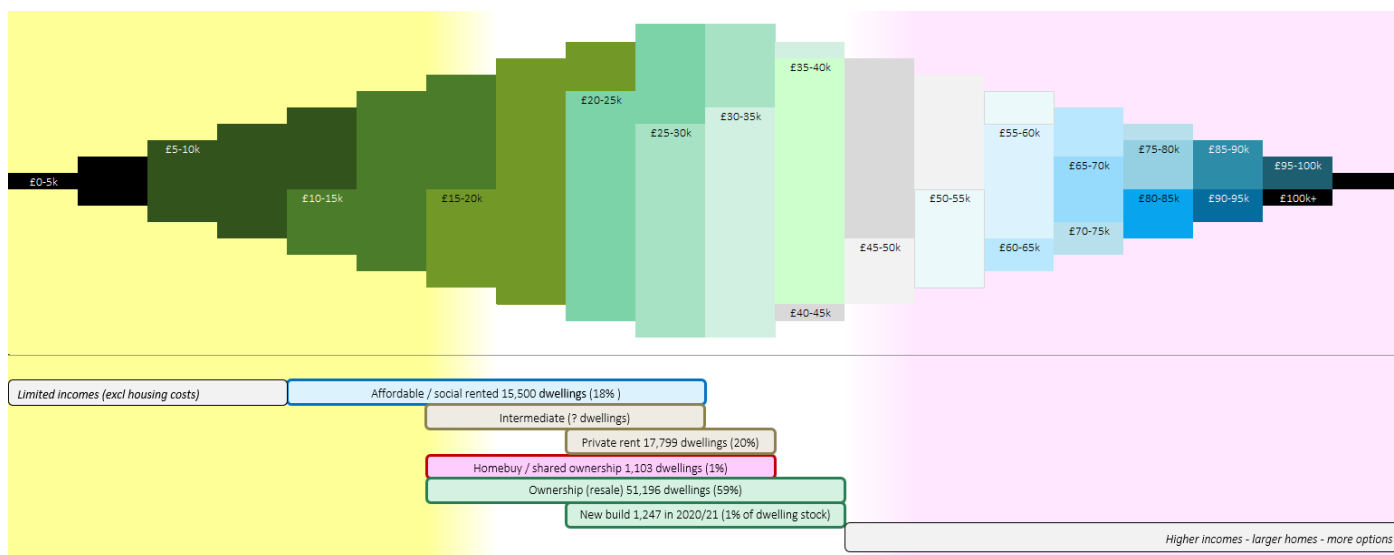
	In Peterborough
Households on the lowest 25% of incomes	incomes up to c.£15K
Households on the middle 50% of incomes	incomes between £15K and £45K
Households on the highest 25% of incomes	incomes over c.£45K

Comparing Peterborough to the whole study area, Peterborough sees:

- More households on incomes at the lower end of the diamond (52% on incomes less than £30K compared to 42%)
- A slightly lower proportion of households in the £30K to £50K bracket (26% in Peterborough compared to 28% across the study area)
- Fewer households on the higher income bands, (22% on £50K+ compared to 30%)



### Minimum income needed for broad tenures



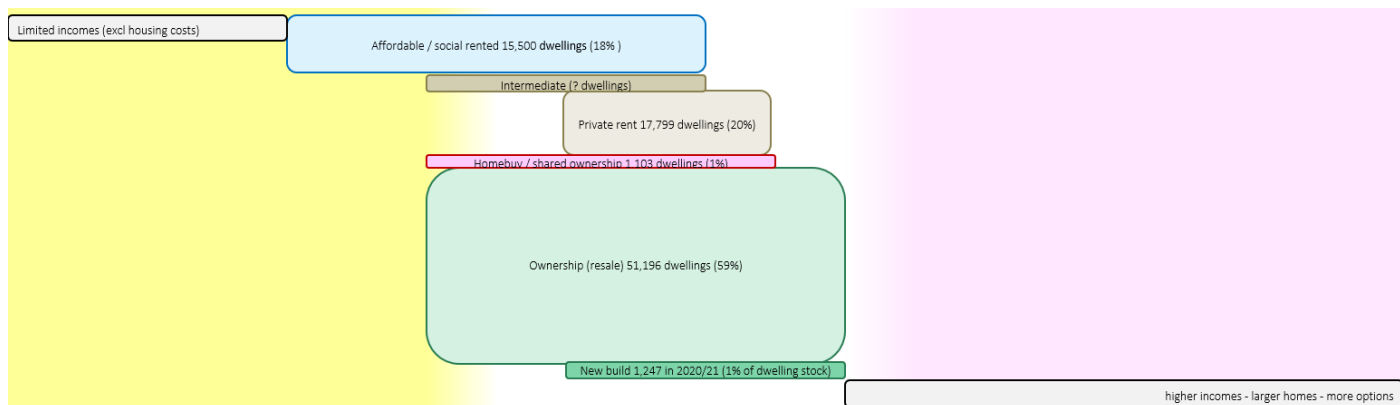
This gives a picture of how broad tenure groups compare to the local income distribution.

## 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 Peterborough 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 Peterborough we see:

- A higher proportion of affordable / social rent dwellings than other districts at 18%. Smaller affordable / social rent is the housing option for households on incomes starting from £10-15K
- Private rented makes up c20% of dwellings in Peterborough. Private rented needs a higher income than home ownership & Homebuy, for smaller homes income needed can be similar to new build, starting around £20K
- Intermediate rent could provide useful dwelling supply in Peterborough, however income needed is similar to Homebuy and ownership for smaller homes - so worth comparing other factors such as access (deposits), mobility (shorter term commitment than purchase) and availability
- Income required for Homebuy appears similar to ownership, though income needed for 3 beds is slightly lower. Lower deposits than traditional ownership may prove very useful, alongside flexibility to purchase a higher share in time
- Ownership dominates dwelling supply at 59%. Income needed for new build can be slightly higher than for resales with smaller home purchase requiring around £15-20K while new build 1 beds require a higher income than 1 bed resales at around £20K (comparable to 1 bed private rents)

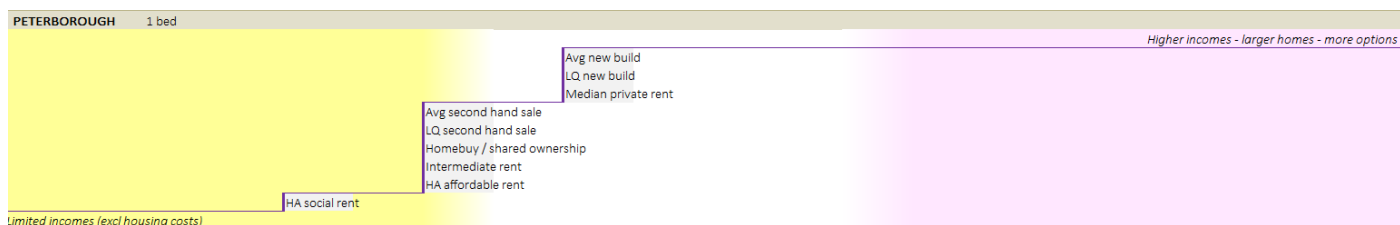
## Comparing income needed for different sizes and tenures of homes

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.

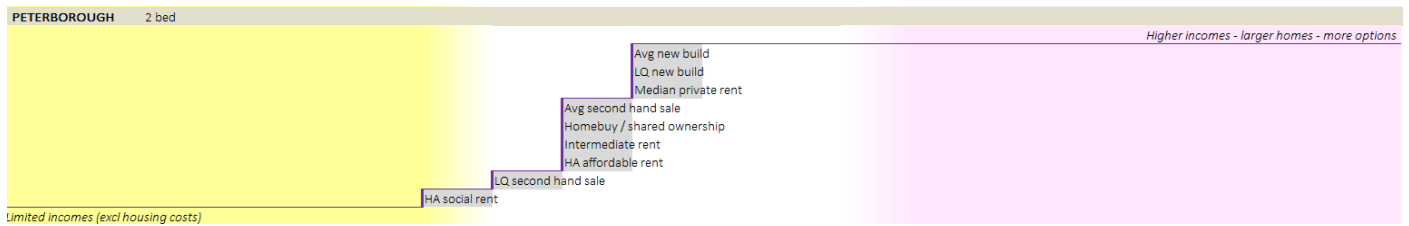
This staircase is presented for all sizes and tenures of homes, and is then split out into 1 2 and 3+ beds. In Peterborough:

### 1 bed



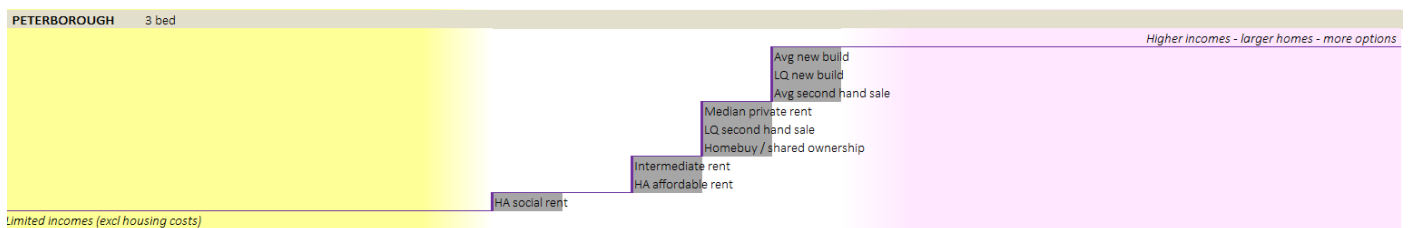
- The income needed for a 1 bed in Peterborough covers quite a narrow range (meaning many 1 beds cater for a similar income range)
- Income needed starts with HA social rent in the middle of the yellow zone, reaching into the start of the white zone.
- 1 bed private rented can require a similar income to new build homes

## 2 bed



- The range of incomes needed for 2 beds is not very “wide”, meaning 2 beds homes need only a slightly wider range of incomes than 1 beds.
- Income needed starts at the top of the yellow zone (so incomes of around £15K), spreading to about half way up the white zone (around the median income level)
- Again, private rented can require a similar income to new build

## 3 bed



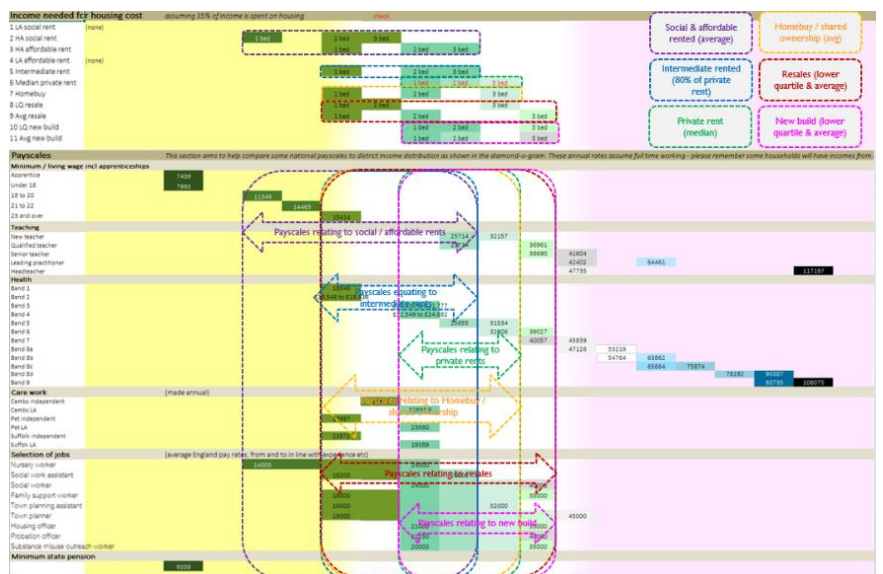
- A fairly narrow range of incomes is needed, spreading across the white zone which in Peterborough represents incomes of between c. £15K and c.£45K

## Broad tenure and pay scales

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

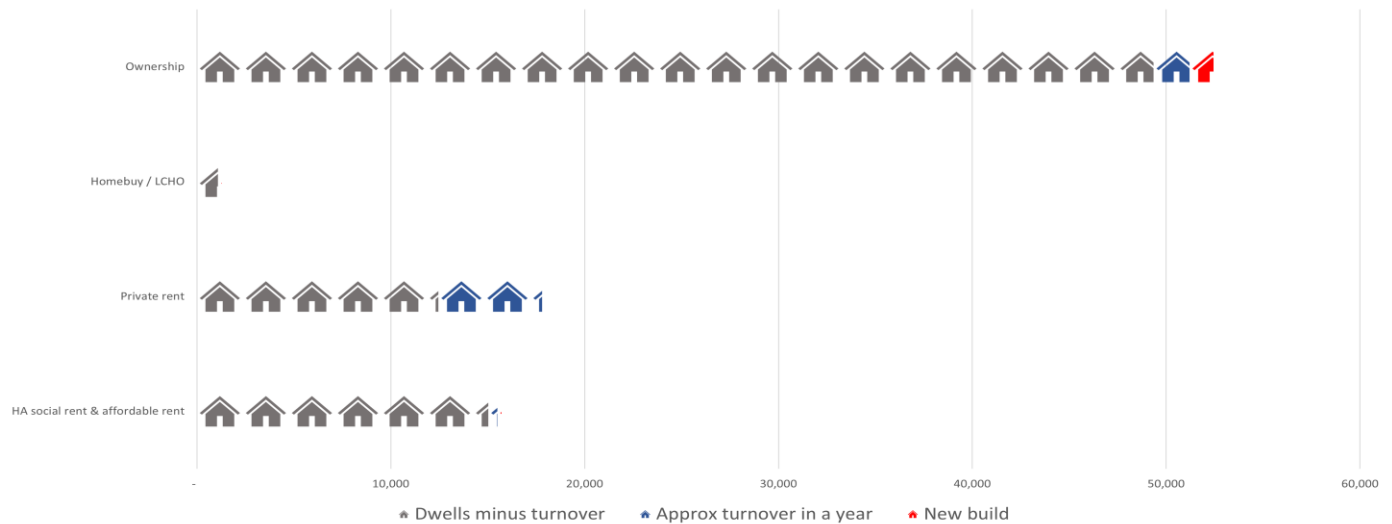
Please note the income needed for housing cost is based on CACI income data, so payscales (quoted salaries) and not strictly comparable. So this diagram can only give an indication of how national and local pay rates compare to housing costs; but we hope help to indicate pressures.

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



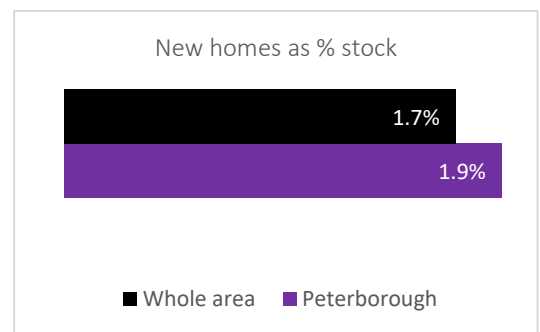
Sets out the dwellings in each of five broad tenure groups. This highlights the relatively small number of homes built compared to the overall housing stock in each broad tenure group, which may mean the new build homes (in red) are too small to clearly see in the pictogram.

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

Peterborough delivered 1,641 new homes, representing 1.9% of Peterborough's stock (around 85,600 dwellings).

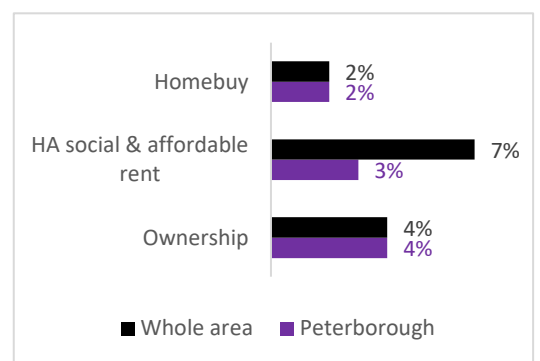
- For comparison, across the whole study area, new homes represented around 1.7% of the total stock of 453,863 dwellings.



### Turnover in 2021/2022

In Peterborough the % turnover for

- HA social/affordable rent at 3% is lower than the whole area's 7%
- Homebuy turnover is the same, at 2%
- Ownership turnover is the same, at 4%.



## Applying CACI income bands to Local Plan figures

The housing requirement for Peterborough between 2016-2036 which is the base date for the current Local Plan is 19,440 dwellings.

This is based on a calculation using the national standard method to calculate housing need which gave a figure of 18,840 dwellings for this period plus a further 600 dwellings to take into account an additional requirement arising from Peterborough's plans for a university.

Using the CACI income distribution for 2020-21 we could imagine that, of the 18,840 non-university dwellings:

- 52% of the new dwellings (9,848) might accommodate households on incomes of less than £30K
- 26% of the new dwellings (4,929) might accommodate households on incomes of £30-50K
- 22% of the new dwellings (4,063) might accommodate households on incomes of more than £50K