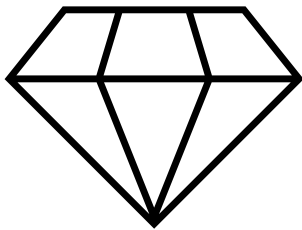


Cambridgeshire, Peterborough & West
Suffolk

Diamond affordability analysis update
2022

Summary for the whole study area



Published July 2023

Cambridgeshire, Peterborough & West Suffolk: Diamond affordability analysis update 2022 report for the whole study area

This report summarizes a mass of data from different sources, to present some visuals for the Cambridgeshire, Peterborough and West Suffolk housing market.

It has been created under the guidance of a project team, who we thank very much for their time and patience working together on some complex issues, inputting both local and strategic thoughts and experiences.

The team was made up of

- Anne Keogh and Jessica Wicks, Peterborough City Council
- Azma Ahmad-Pearce, Cambridgeshire and Peterborough Combined Authority
- Helen Reed, Cambridge City Council
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- Niamh Matthews, Greater Cambridge Partnership
- Pamela Scott, Huntingdonshire District Council
- Sue Beecroft, Cambridgeshire, Peterborough and West Suffolk Housing Board

Our hope is that this update on the 2018 diamond affordability analysis will help shed light on how the study area “works”; where there are gaps and overlaps, similarities and differences.

Dan Horn, Chair, Cambridgeshire, Peterborough and West Suffolk Housing Board, July 2023

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 centrepiece is a diamond-shaped diagram we have called a ‘diamond-o-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 report, 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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1 Introduction

This note outlines some highlights of the work across the whole study area of Cambridgeshire, Peterborough and West Suffolk, and some comparisons of the districts within that 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 including sources used
- 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/>

Each section of this area-wide report starts with some summary points, followed by graphs and charts setting out totals and comparisons across the study area. The summary points are used to form the executive summary.

2 Context

Summary

- Tenure breakdown varies with each district, with Cambridge standing out as having the highest proportion of social and private rented housing and the lowest proportion of home ownership. Other districts tended to confirm to a similar range.
- There are a variety of household types across the study area. The largest proportion of household types are
 - couples with and without children
 - one person households with no children
 - one person households aged 65+.
- Household and family type affect the homes needed and the make-up of communities, however there is not a wide variation, except for the noticeable student population found mainly in Cambridge. The 2021 Census will provide updated information on household and family type which we will use in an update to this work once available.
- In terms of size, overall, 3 bed homes are most common, followed by 2 beds then 4 beds. 5+ beds make up the smallest share of the market, followed by 1 beds. When combining size and tenure data we see a relatively small proportion of social and private rented housing with 4 or 5+ bedrooms. The majority of larger homes are owned; there are few 1 bedroom homes to own.
- Looking at households most likely to move, based on moves in the year coming up to Census night 2011, 82% of households across the study area did NOT move and 18% of household did. There was a variation within tenure groups:
 - 50% of private renters moved
 - 18% of social renters moved
 - 15% of owners with a mortgage or shared owners moved
 - 9% of outright owners moved

- Looking at each district:
 - Cambridge saw a higher proportion of movers in all tenures.
 - East Cambridgeshire saw slightly more moves by owners with a mortgage, and fewer moves by both social and private renters.
 - Huntingdonshire shows slightly fewer owners and private renters moving than the total for the whole study area.
 - Fenland and Peterborough both see a lower proportion of movers across all tenures than across the study area.
 - South Cambridgeshire saw more owners with a mortgage and more private renters moving but fewer social renters.
 - West Suffolk reflects the whole study area moves except for a lower percentage of moves by private renters.

2.1 Use of Census 2011 data

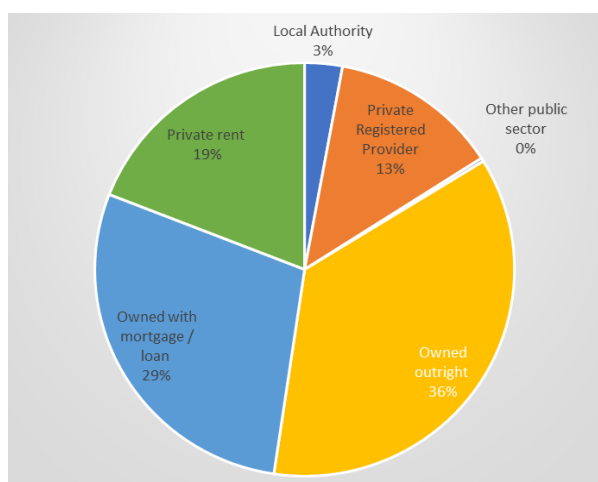
To help put this all into context, Census 2011 has been used. Although Census 2021 results have started being released, at time of publication there was not enough detailed data published to make use of in the diamond analysis.

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.

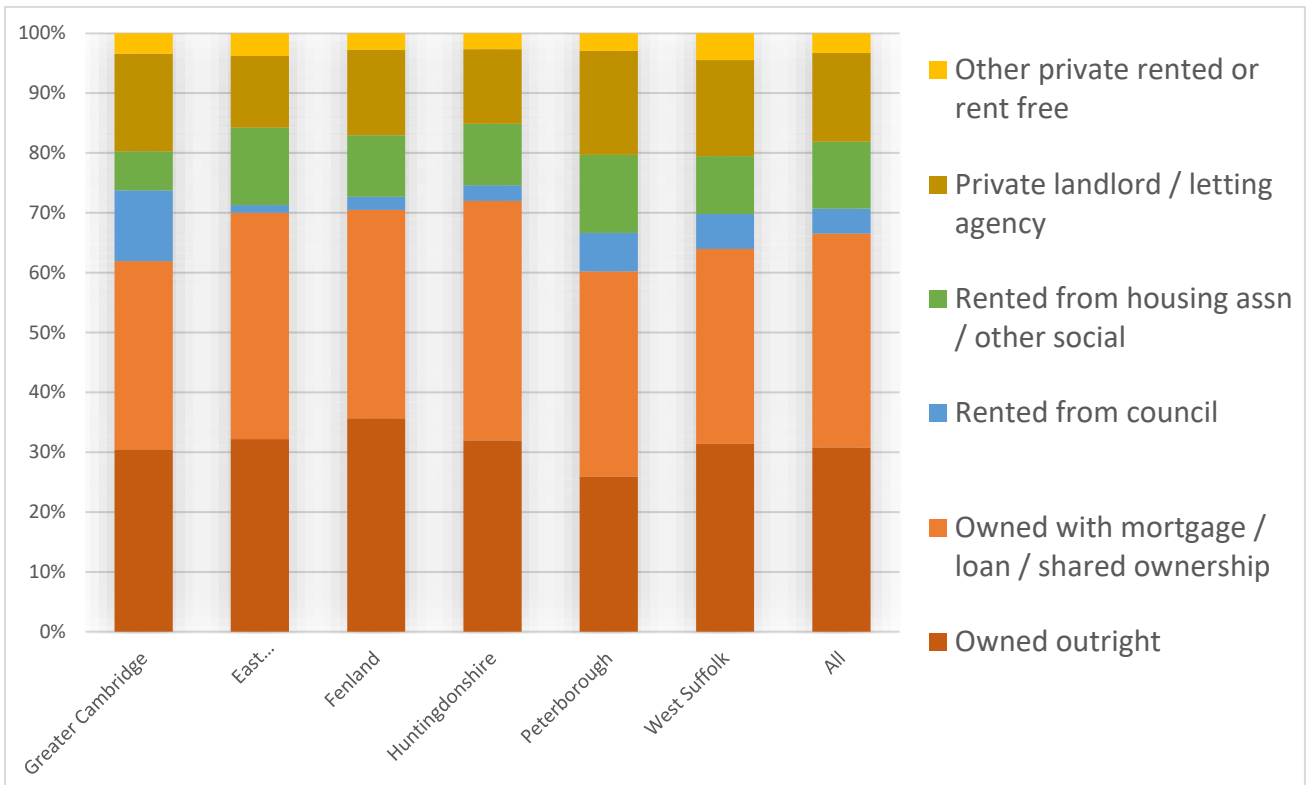
2.2 Tenure of dwellings

The tenure of dwellings comes from three sources: Census 2011 for the baseline position, which is updated annually by data from Office for National Statistics (ONS) and CLG (now known as Department for Levelling Up, Housing and Communities DLUHC) to provide more up to date estimates of the number and tenure of dwellings in each district. *Please see methodology for more detail.*

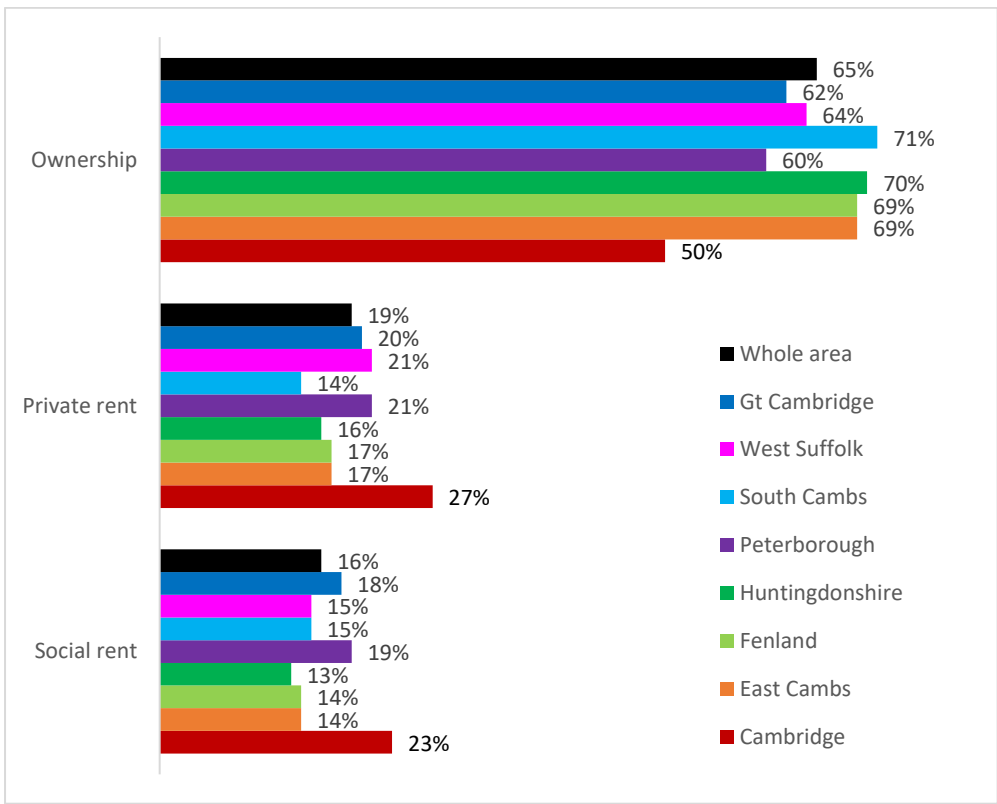
Graph 1. Tenure breakdown, whole study area



Graph 2. Tenure breakdown, districts within the study area



Graph 3. Percentage of dwellings by tenure for each district and "all" using CLG / ONS data



- Social housing commonly takes less than 20% of the dwelling stock across the study area, comprising mainly council and housing association rented homes. Overall, Cambridge sees the highest proportion at 22% compared with between 13% and 19% in other districts. Cambridge and South Cambs are the

only two districts in the study area to have retained ownership of council housing. Other districts still see a proportion of homes rented by housing associations / Private Registered Providers and a small number from others (such as alms houses and charitable trusts)

- Private renting commonly takes around 20% of the dwelling stock. Cambridge sees the highest proportion of private rented homes at 26%, followed by Peterborough and West Suffolk at 21%. Other districts see 14% to 18%.
- Ownership commonly takes between 60% and 70% of the dwelling stock, counting both outright ownership and ownership with a mortgage or loan. The proportion of ownership varies across the study area and can be grouped as follows:
 - Ownership dominates in Huntingdonshire and South Cambs at 71%
 - Fenland and East Cambridgeshire follow with 70% and 69% ownership respectively.
 - West Suffolk has 64% and Peterborough 60% home ownership.
 - Cambridge has the lowest proportion of ownership at 50%

2.3 Household and family types

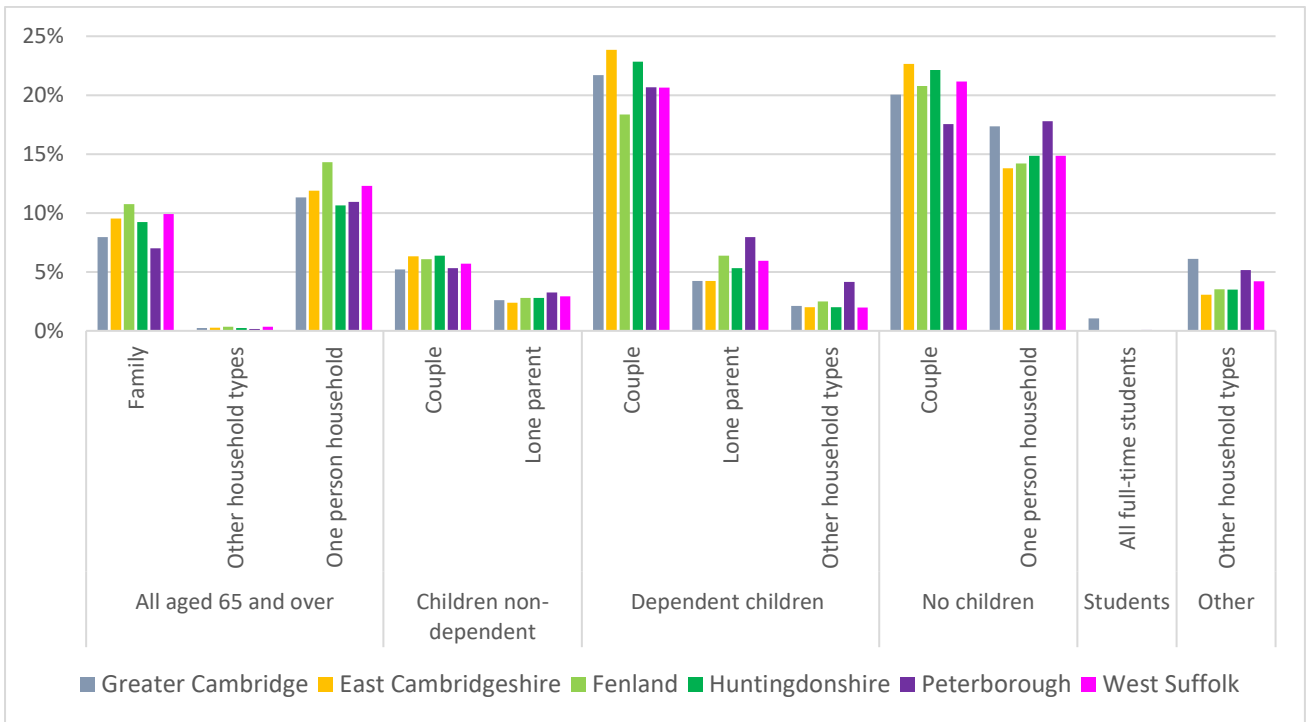
The largest proportion of household types in each of the areas covered, comparing with the whole study area are:

- Couples with dependent children
- Couples with no children
- One person households with no children
- One person households aged 65+

Looking at each area:

- Greater Cambridge has more “other”, more student and more one person households with no children
- East Cambs has more couples with and without dependent children, followed closely by Huntingdonshire
- Fenland has more one person and family households aged over 65
- Peterborough has more lone parents with dependent children, more “other” household types with dependent children and more one person households with no children
- West Suffolk has a high proportion of households aged 65+, and a number of couples with and without dependent children.

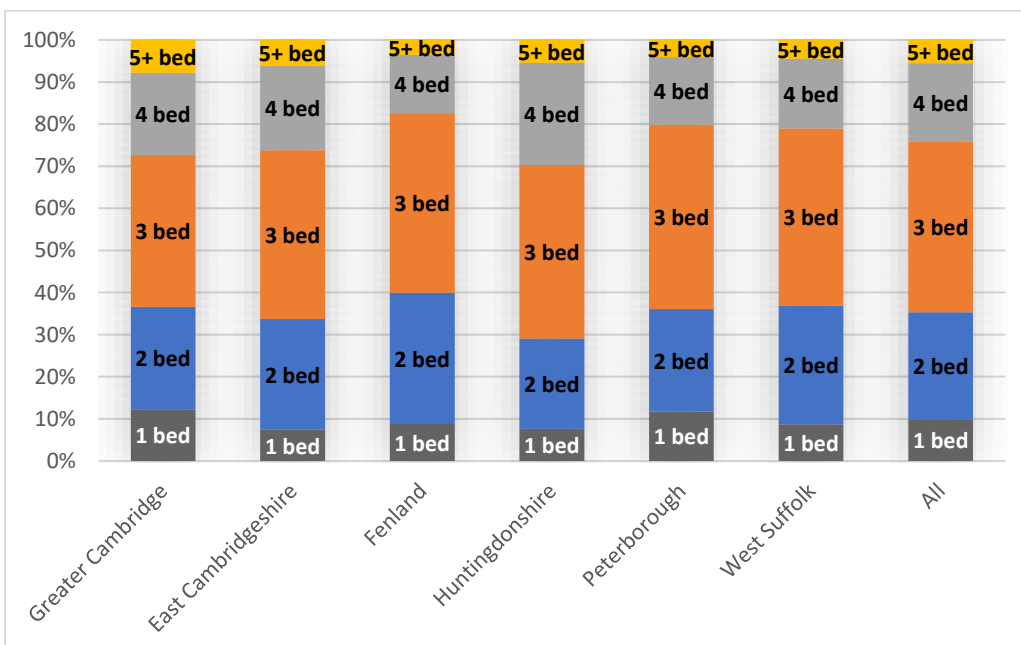
Graph 4. Comparing household and family type (arranged by household type) Census 2011



- Household and family types vary district by district, affecting the homes needed and the make-up of communities.
- However there is not a wide variation, except for the noticeable student population found mainly in Cambridge.
- The 2021 Census will provide updated information on household and family type which we will use in an update to this work once available.

2.4 Household tenure and number of bedrooms

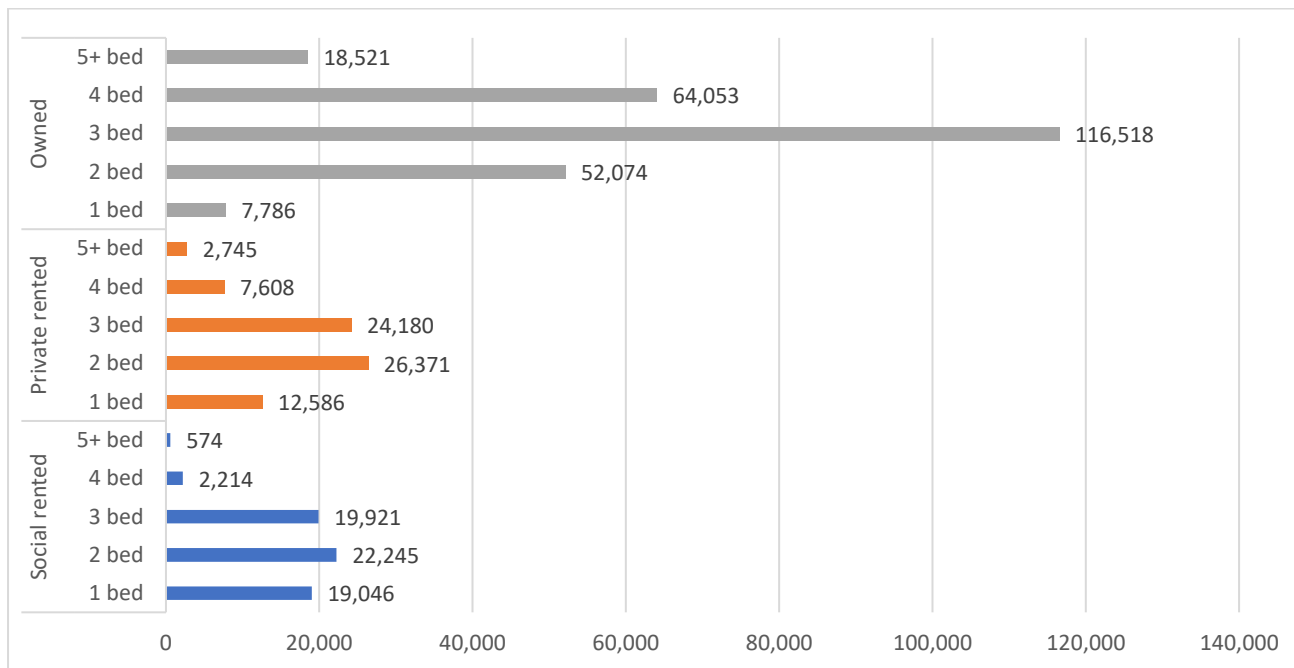
Graph 5. Percentage of dwellings by size (number of beds) for each district and “all”, CLG and ONS data



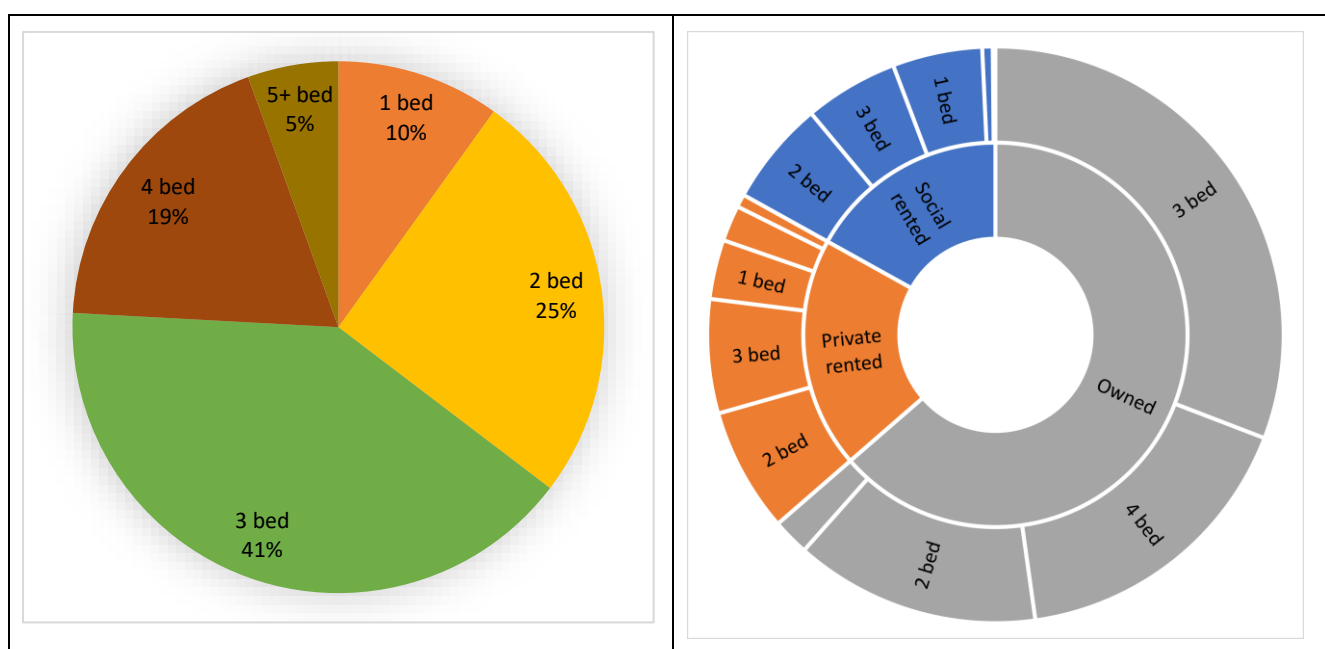
In terms of dwelling size using CLG and ONS data, we can see a reasonably similar “range” of proportions of dwellings by size, as follows:

- 1 beds between 7% and 12% of dwellings
- 2 beds between 21% and 31% of dwellings
- 3 beds between 36% and 44% of dwellings
- 4 beds between 14% and 24% of dwellings
- 5+ beds between 4% and 8% of dwellings.

Graph 6. Broad tenure and size, total across study area



Graph 7. Broad tenure and size, total across study area – two pies



The Census 2011 is about to be updated by Census 2021, so these charts are included as part of the context for the 2022 diamonds but will be replaced as soon as the 2021 data is published. However the charts do highlight, across the study area, the comparison of sizes and tenures locally. Please bear in mind this relates to household data, where the CLG/ONS data related to dwellings- these are not always the same thing (more than one household might occupy on dwelling for example).

By using percentages of all households or dwellings we hope to reduce some of those differences and make the data more comparable. The charts highlight

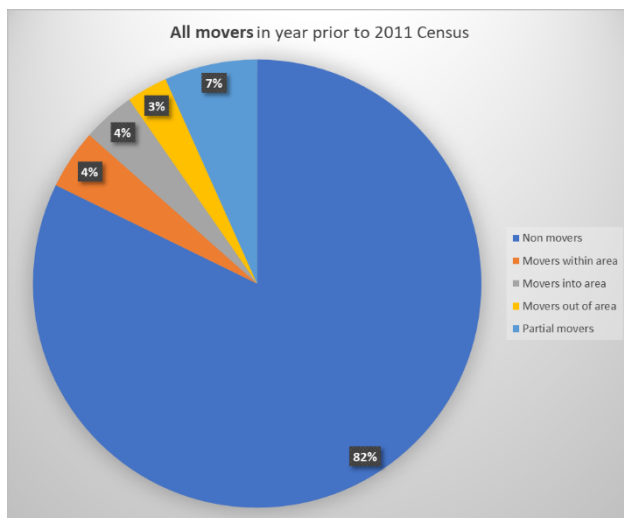
- the lack of rented housing with 4 or 5+ bedrooms
- the vast majority of larger homes are found in “owned” tenures.
- there are few 1 bedroom homes to own.

2.5 How many households might move in a year?

We can discover how many household moved wholly or in part, during the year leading up to the 2011 Census.

We expect the 2021 Census moves data to be quite different, for many reasons including the Covid pandemic. However it is useful to study the 2011 results to give us a baseline to compare to, when Census 2021 is available at this level of detail. Across the study area, in the year leading up to the 2021 Census:

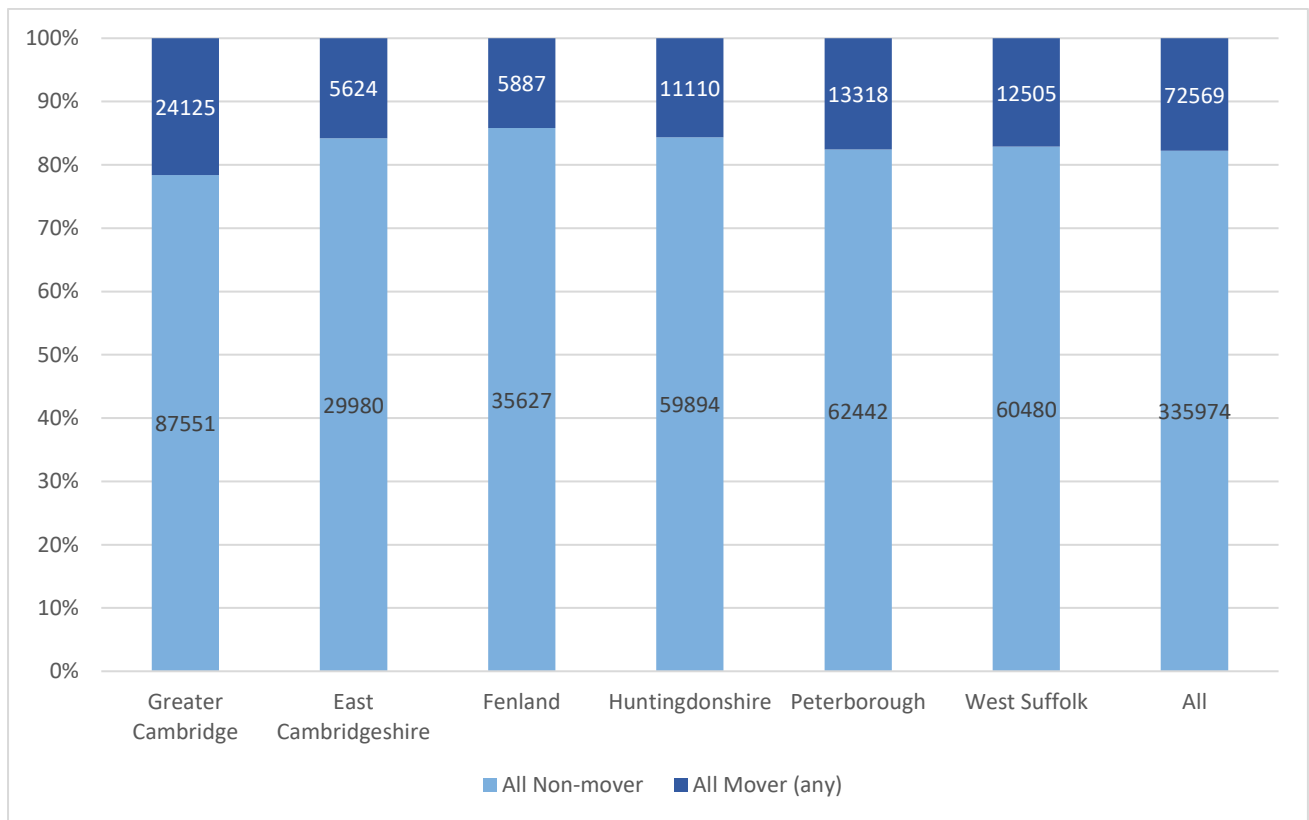
Graph 8. All movers in year prior to 2011 Census



For all those that moved in the year before Census day 2011 (including wholly moving and partly moving households) across the study area, 82% of households did NOT move and 18% of household did move, in total, during that year. Within those figures;

- 50% of private renters moved
- 18% of social renters moved
- 15% of owners with a mortgage or shared owners moved
- 9% of outright owners moved

Graph 9. Movers and non-movers



Graph 10. Movers and non-movers by tenure

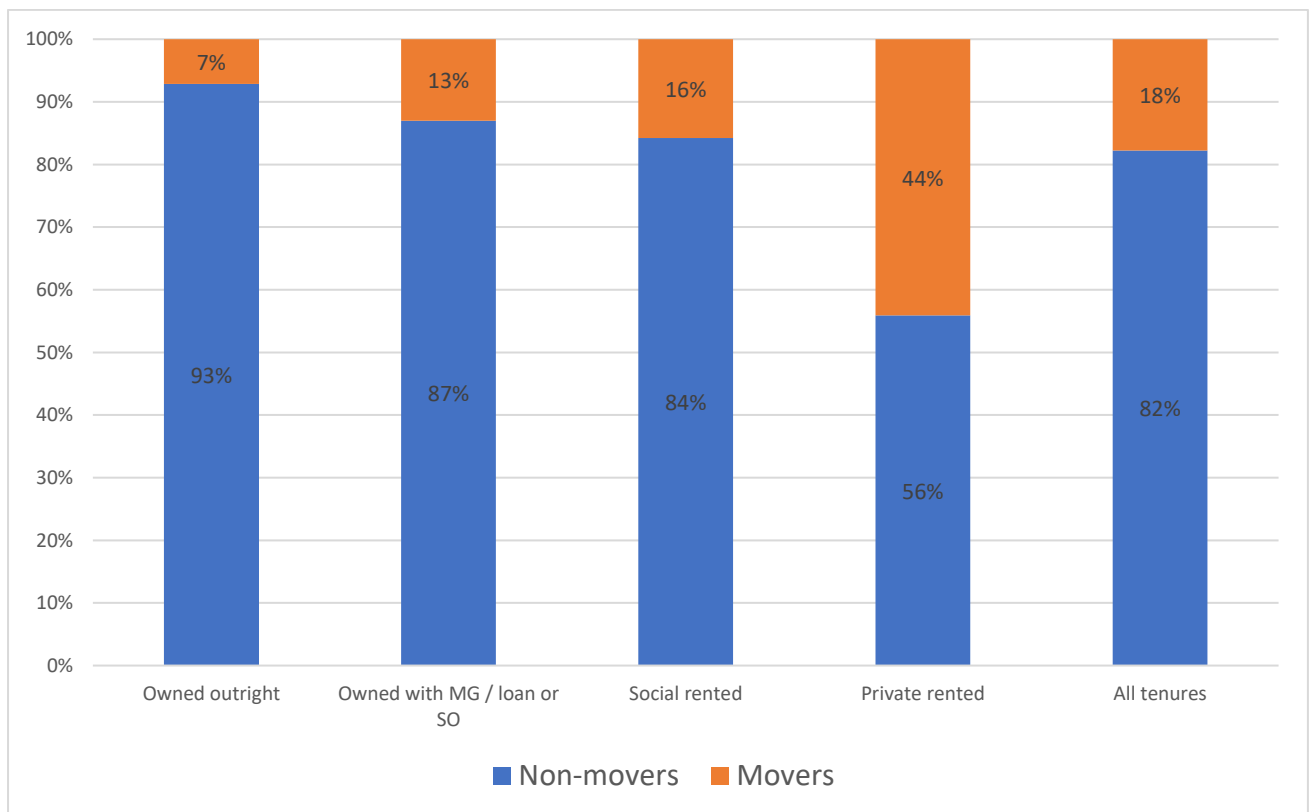


Table 1. Comparing the % of movers by tenure & district

Movers	Cambridge	East Cam	Fenland	HDC	Peterborough	S Cambs	W Suffolk	Gt Cam	All
Owned outright	13%	9%	7%	8%	6%	9%	9%	10%	9%
Owned with mortgage	22%	16%	12%	13%	13%	17%	15%	19%	15%
Social rent	21%	17%	17%	18%	17%	16%	18%	18%	18%
Private rent	62%	45%	42%	49%	47%	52%	46%	58%	50%

District notes:

- Cambridge is the only area to see a higher proportion of movers in all tenures, than the study area total.
- East Cambs sees slightly more moves by owners with a mortgage, and fewer moves by both social and private renters.
- Huntingdonshire shows only small differences to the whole study area totals with slightly fewer owners and private renters moving.
- Fenland and Peterborough both see a lower proportion of movers across all tenures than across the study area.
- South Cambs sees more owners with a mortgage and private renters moving and slightly fewer social renters moving.
- West Suffolk reflects the whole study area moves except for a lower % of moves by private renters.

3 Income

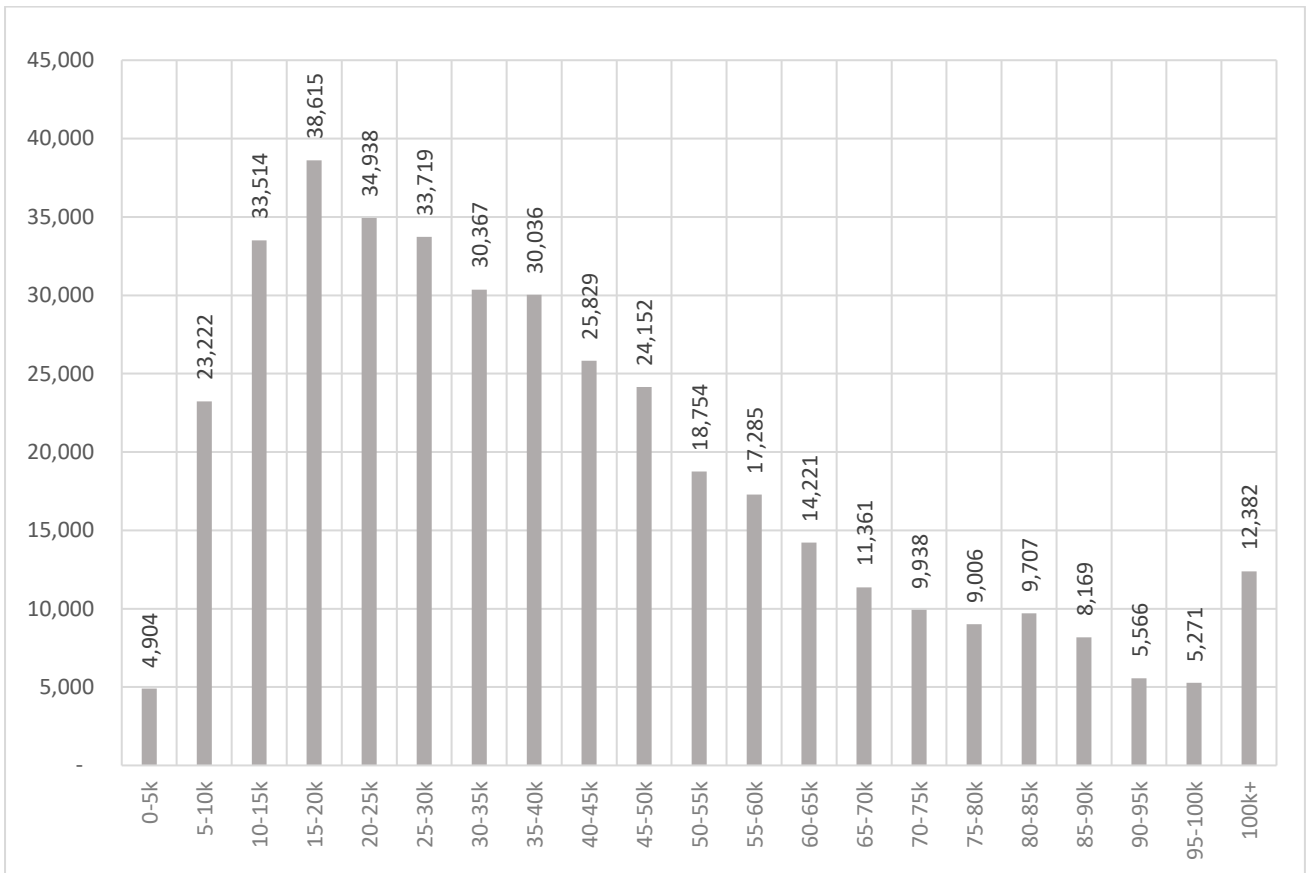
Summary

Districts across the study area can be broken into three broad income groups:

- Cambridge and South Cambridgeshire are similar, with a lower % of households on lower incomes and a higher % of households on higher incomes than the other districts.
- Fenland and Peterborough: have identical % breakdowns into the 5 bands, despite their number of households being very different. In summary, both areas have a higher % of households on lower incomes and a lower % of households on higher incomes.
- East Cambs and Huntingdonshire are very similar. Less similar is West Suffolk, which has a slightly different breakdown on income bands to the other areas covered. On balance West Suffolk most closely reflects HDC and ECDC, all three having a mid-range % of households on both lower and higher incomes.
- All districts had a similar % of households in the middle group (£30 to £50K) at either 26% or 28%.
- Across the whole study area, comparing 2016/17 and 2020/21 CACI data the number of households on incomes of less than £35K has fallen a good deal, the number on incomes above £35K has held fairly steady and the number on more than £100K has decreased (for reasons not entirely clear).

3.1 Income distribution

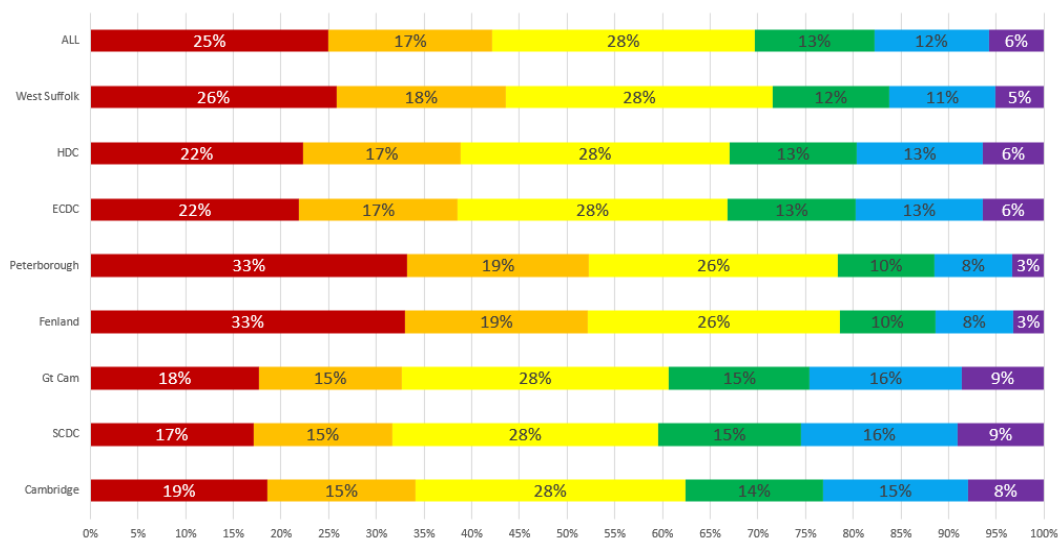
Graph 11. Income distribution for the whole study area



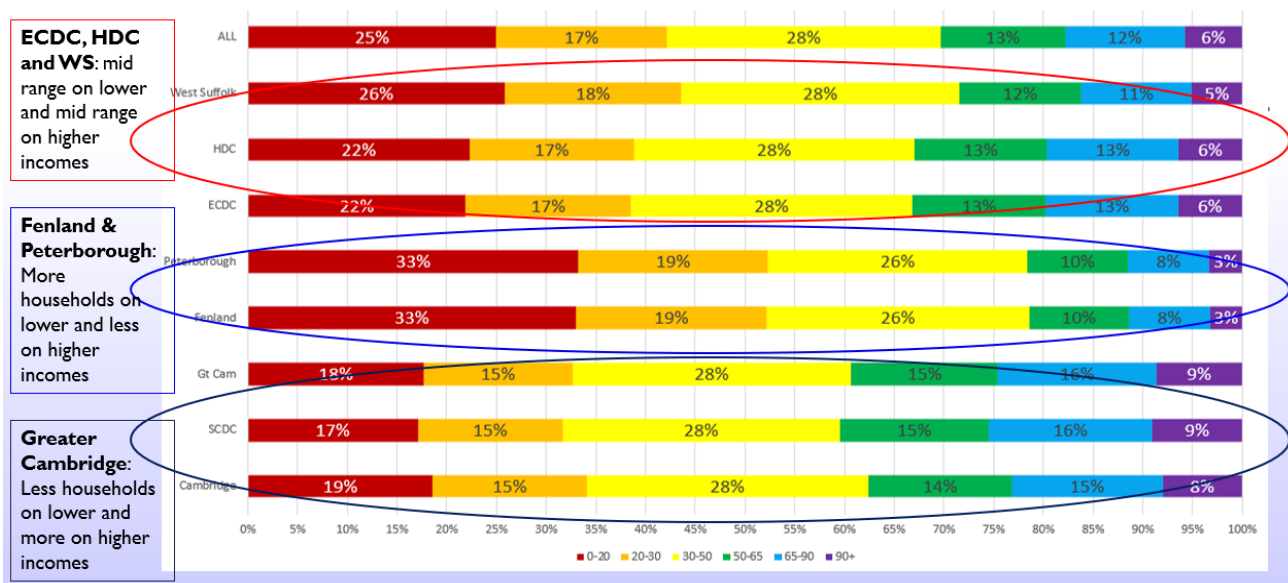
Using five income blocks, based on specific income values, we can highlight more detail of the similarities and differences between areas covered. In Graph 12 the districts are re-ordered to group “similar” income block areas. The blocks are

- Less than 20K
- £20 to 30K
- £30 to 50K
- £50 to 65K
- £65 to 90K
- £90K and above

Graph 12. Five detailed income blocks compared



Graph 13. Looking for similarities when using the five income “blocks”

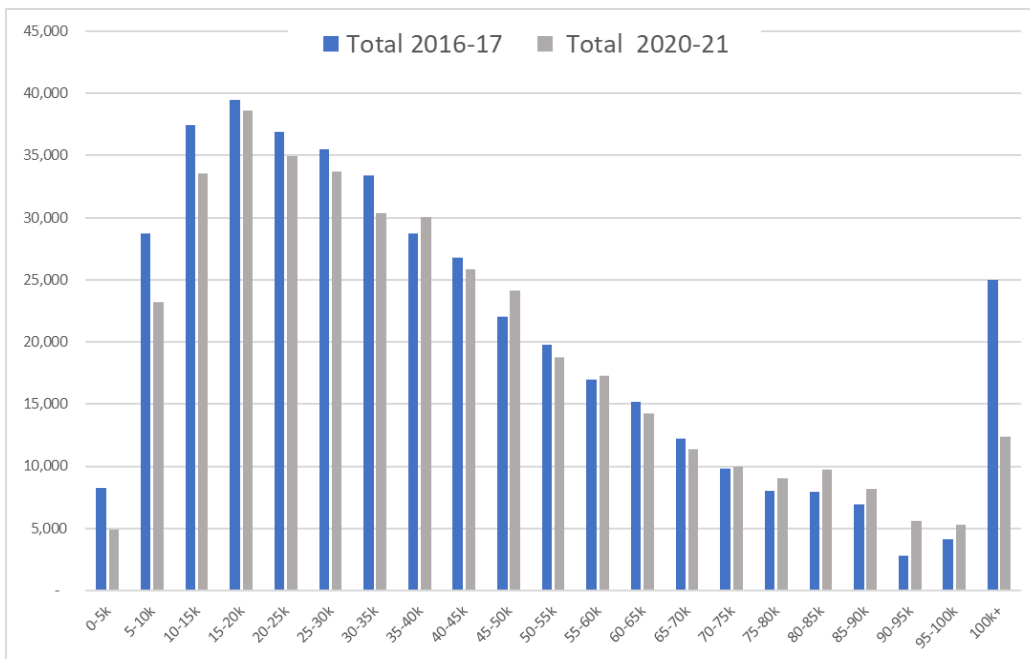


The “five income blocks” graph emphasises the following groupings:

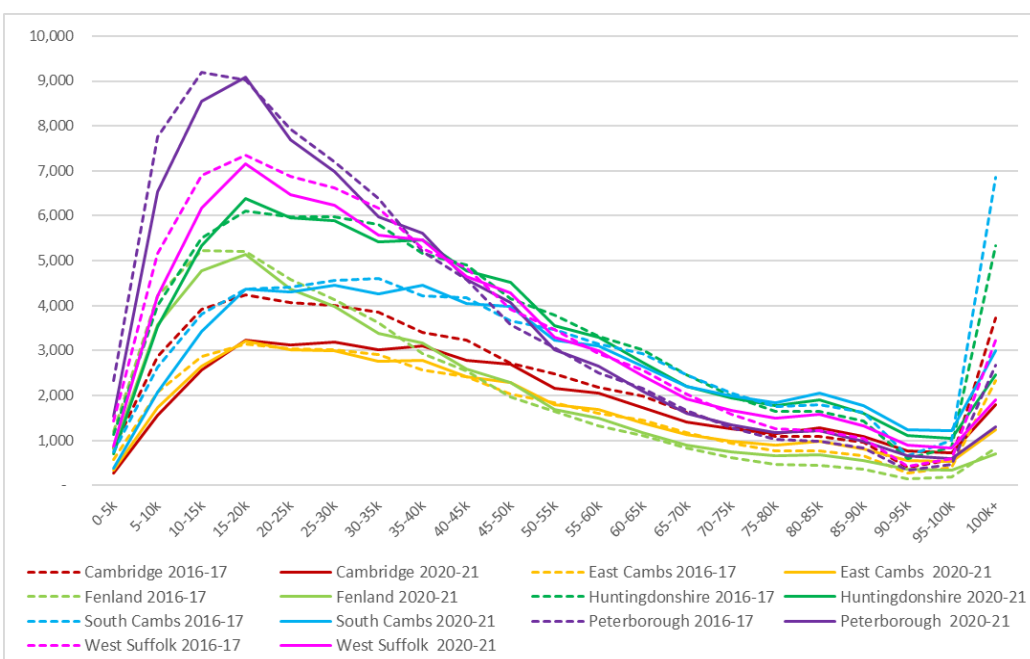
- Cambridge and South Cambridgeshire are similar and the Greater Cambridge total reflects this.
- Fenland and Peterborough: have identical % breakdowns into the 5 bands, despite their number of households being very different.
- East Cambs and Huntingdonshire are very similar and are both very similar to the “all” total %s. Less similar is West Suffolk, which has a slightly different breakdown on income bands to the other areas covered. On balance West Suffolk most closely reflects HDC and ECDC.

3.2 Change in income distribution

Graph 14. CACI income bands 2016-17 and 2020-21, whole study area



Graph 15. CACI income bands 2016-17 and 2020-21 by each district



Across the whole study area, comparing 2016/17 and 2020/21 CACI data:

- The number of households on incomes of less than £35K has fallen a good deal.
- The number on incomes above £35K has held fairly steady
- The number on more than £100K has decreased (for reasons not entirely clear).

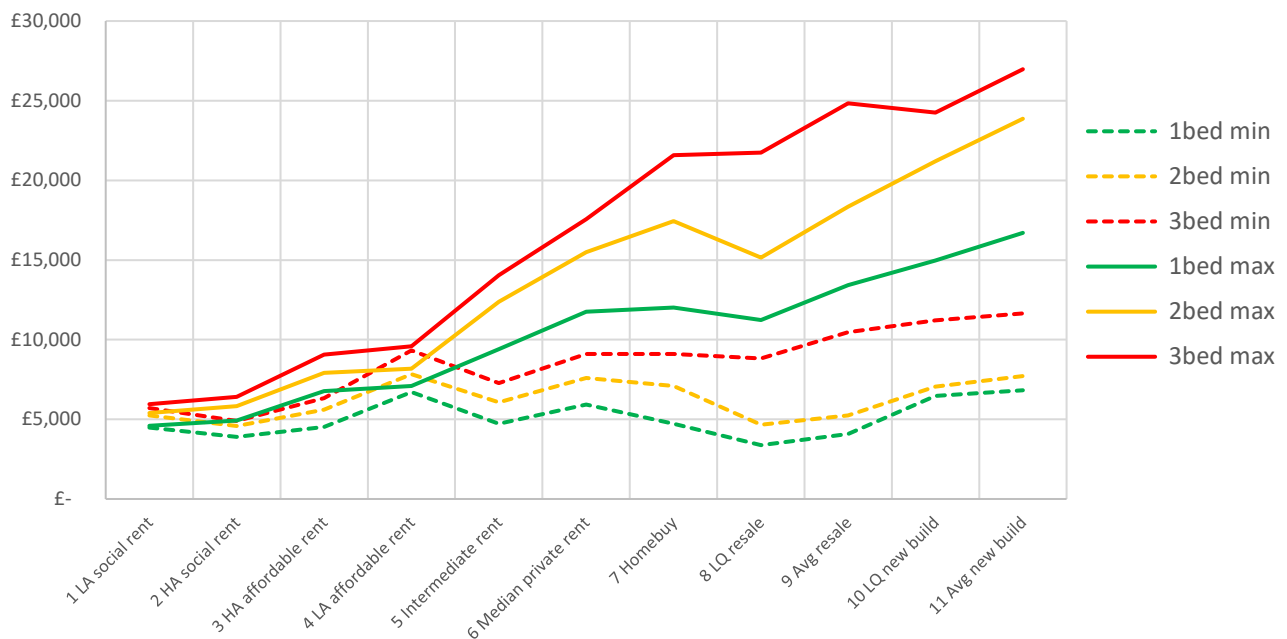
4 Housing costs

Summary

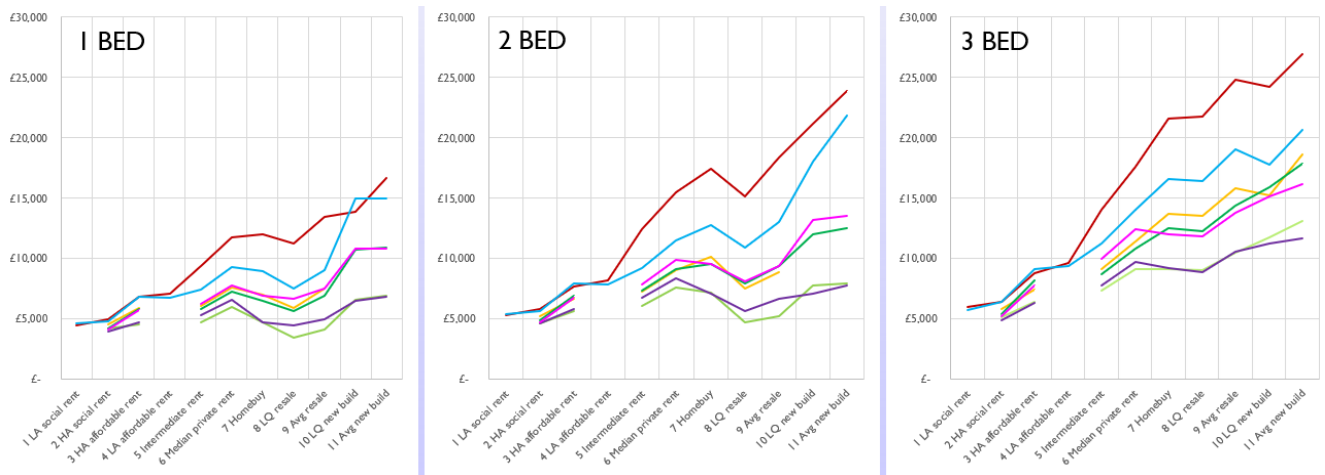
Across the study area, fairly consistently:

- 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.

Graph 16. Range of housing costs, max and min across area



Graph 17. Range of housing costs, split into 1 2 and 3 beds



Key

Cambridge

ECDC

FDC

HDC

Peterborough

SCDC

West Suffolk

5 The diamond-o-gram

Summary

Comparing incomes in the diamond-o-gram to housing cost: by district

- The income needed at 35% affordability covers a range of income bands, reaching the highest ‘high point’ in Cambridge. More than £10K annual income is needed as a minimum in all areas, for all tenures including social / affordable. However there are benefits to support housing costs which should help people on the lowest income groups, who may not currently be claiming.

Comparing incomes in the diamond-o-gram to housing cost: by tenure across the study area

- Smaller Housing Association and Local Authority social rent and affordable rent form an option for lower income households; but 3 beds need incomes around £35K, and supply is limited due to scarcity.
- Next comes intermediate rented housing (which is included using a mathematical formula based on median private rents, not reflecting local availability) however useful to indicate its role in the market should some more become available. Private rents generally come next on the price scale.
- A wide range of incomes are covered by home ownership and Homebuy / shared ownership, where the income needed for a 1 bed start a little lower than 1 bed median private rents, however 3 bed shared ownership homes can require more income than 3 bed private rents.
- Second hand sales come next up the scale, covering a huge range of prices across the study area, followed by new build usually at highest income levels, although the range of incomes needed is perhaps broader than might be expected.

Comparing incomes in the diamond-o-gram to housing cost: by size

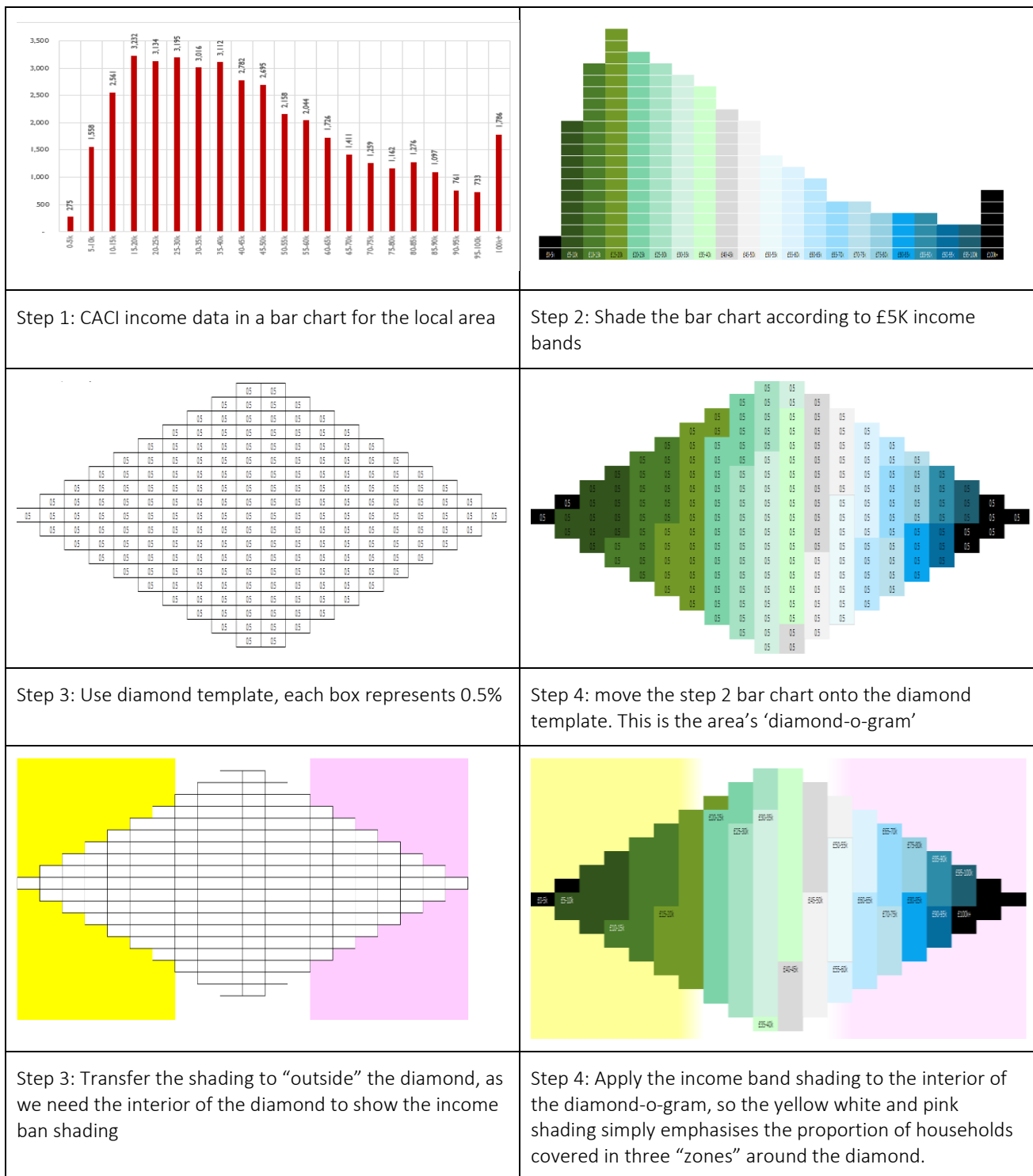
- Unsurprisingly larger homes tend to require higher incomes than smaller homes. However the overlaps when comparing one tenure and size to another may mean there are more housing options for people on different incomes if they can consider a move to a different district. However in reality, households may not be free to move ‘to anywhere’, so the fact a home exists at a lower price in a

different part of the study area may not help. The more mobile people are, the more choice they can take advantage of.

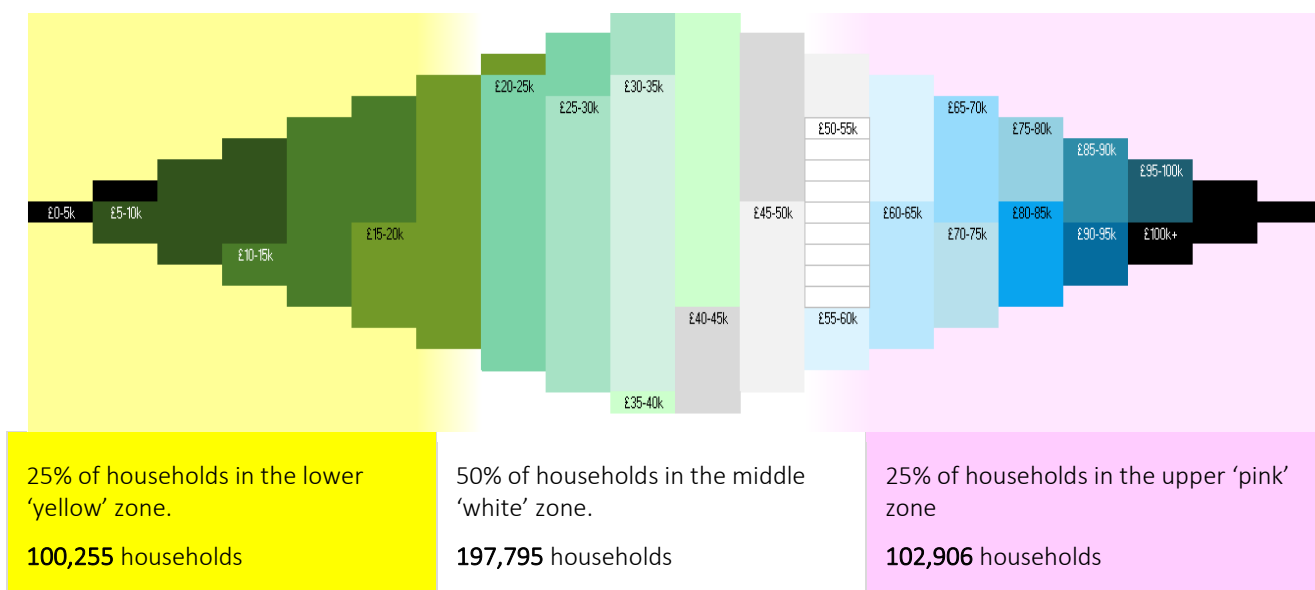
- Family, work and other ties remain significant and will of course influence the housing choices each household will make. Supply of homes, turnover and new build may also have an effect.

5.1 Creating the diamond-o-gram

Please see “methodology” for a full explanation of how to create the diamond-o-gram. In summary:



Graph 18. Diamond-o-gram for whole study area, 2022



To the diamond-o-gram is added yellow shading 'around' the diamond, to highlight 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

Table 2 sets out the approximate income levels for the three shaded areas (the lowest 25%, middle 50% and upper 25% of households)

Table 2. 25-50-25 incomes, whole study area

	Whole study area
Households on the lowest 25% of incomes	incomes up to c.£20K
Households on the middle 50% of incomes	incomes between £20K and £60K
Households on the highest 25% of incomes	incomes over c.£60K

5.2 Comparing incomes in the diamond-o-gram to weekly housing cost

The income needed to afford weekly housing costs has been used to compare this data with housing costs, and then with other factors such as pay scales.

The charts show the range of incomes needed to afford weekly housing costs with one "bar" showing for each area; one bar for each tenure group, and bars for each home size.

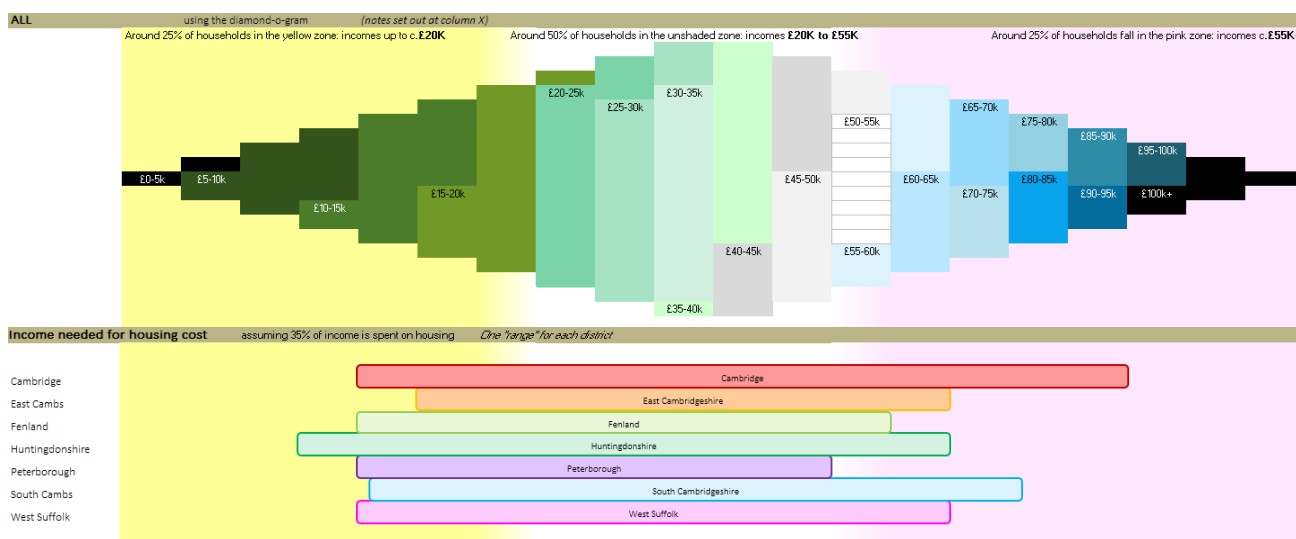
The bars are "placed" in relation to the diamond-o-gram for total incomes by £5K band (see Graph 19). The bars summarize the weekly cost data for each district, size and tenure of housing in the study area.

5.2.1 By district

The summary diagram shows that the income needed at 35% affordability covers a range of income bands, reaching highest in Cambridge. More than £10K annual income is needed as a minimum in all areas, for all tenures including social / affordable. However there are benefits to support housing cost which will support people on the lowest income groups, who may not currently be claiming.

This aspect of the market does not lead us to be able to generalize about income needed for housing costs when looking at all tenures, so the issue is broken down further below, by tenure and size; see the following paragraphs.

Graph 19. District and range of affordability for all sizes and tenures at 35%



Graph 20. Example of detail behind the district summary diagram in Graph 19, using West Suffolk



Comparing incomes in the diamond-o-gram to housing cost: by district

- The income needed at 35% affordability covers a range of income bands, reaching the highest 'high point' in Cambridge.
- More than £10K annual income is needed as a minimum in all areas, for all tenures including social / affordable.
- However there are benefits to support housing cost which will support people on the lowest income groups, who may not currently be claiming.

5.2.2 By tenure

Bearing in mind that these diagrams are a representation of the overall market, and it's not difficult to "slip" a column by comparing annual income needed to the diamond-o-gram, we can create for ourselves a general picture of how the tenures fit together across the study area.

- The lowest cost bands are occupied by Housing Association and Local Authority social rent and affordable rents. Please remember local authority rents are only available in Cambridge and South Cambridgeshire. It's worth noting that the guidance is for affordable rent levels are set at "up to" 80% of private market rents, which would be represented by the "intermediate rent" band in this diagram. So evidently, affordable rents in the study area are "less than" most of the time. This may be for a variety of reasons, worth looking at in each individual district.
- Next comes intermediate rent (which is purely a mathematical formula based on median private rents, however useful to indicate its role in the market should some more become available), then private rents.

- The highest cost group is for lower quartile and average new build homes. Again, the range of costs is broad but 3 bed homes achieve some of the highest costs across the area.

Comparing incomes in the diamond-o-gram to housing cost: by tenure

- Smaller Housing Association and Local Authority social rent and affordable rent is an option for lower income households; but 3 beds need incomes around £35K
- Next comes intermediate rent (which is purely a mathematical formula based on median private rents, however useful to indicate its role in the market should some more become available), then private rents.
- A wide range of incomes are covered by home ownership and Homebuy / shared ownership, where the income needed for a 1 bed start a little lower than 1 bed median private rents, however 3 bed shared ownership homes are more costly than 3 bed private rents.
- Second hand sales come next up the scale, covering a huge range of prices across the study area.
- New build at highest income levels, although the range of incomes covered is quite broad for new build.

5.2.3 By size

Please remember, intermediate rent is simply a mathematical formula using private median rent levels and does not indicate a supply of these homes.

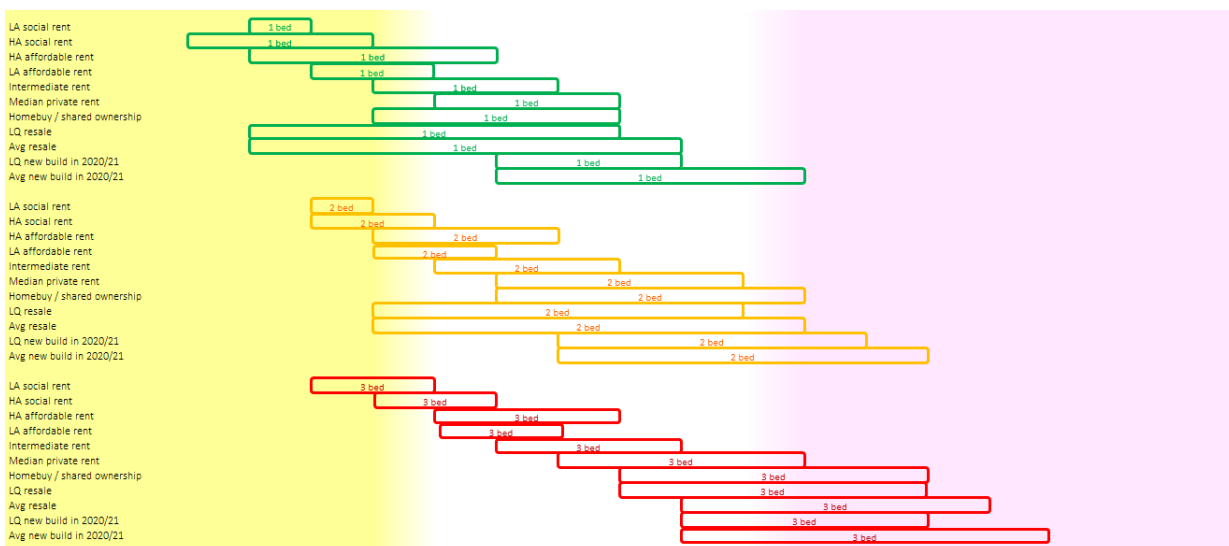
Unsurprisingly, larger homes tend to be more costly than smaller homes. However the overlaps when comparing one tenure to another is useful and may lead to considering alternative housing options for people on different incomes and in different districts.

This can also be summarized looking at one bed size at a time, across all the districts.

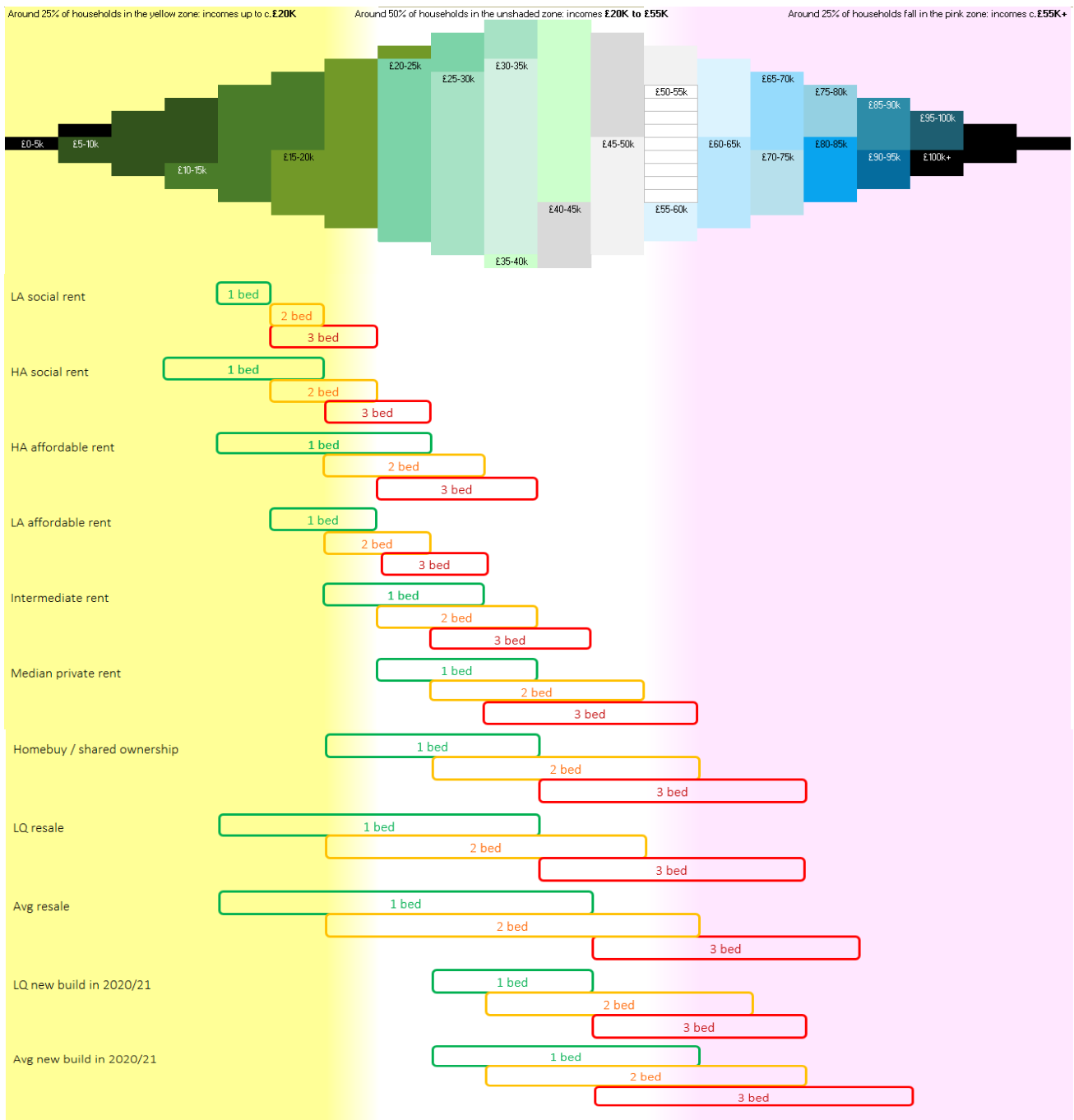
There is a significant range of prices across the area, for each tenure and size of home. Of course households may not be free to move to anywhere across the districts covered in this assessment, so the fact a home exists at a lower price in a different district may not help someone who needs to live somewhere specific.

The more mobile people are, the more choice they can take advantage of. However family, work and other ties are significant and will of course influence the housing choices each household will make. Supply of homes will also have an effect, as shown in the “cross area” dwelling supply diagrams (see 6.2)

Graph 22. Comparison of income needed for 1 bed, 2 bed and 3 bed (at 35%)



Graph 23. Dwelling size and affordability at 35%: arranged by tenure group



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

Summary

The scale and cost of housing: looking at each tenure group

- Affordable / social rented dwellings make up around 15% of the area's dwellings. Smaller affordable / social rented may be an affordable option for lower income households.
- Intermediate rent could provide useful dwelling supply. Work to compare factors such as access (deposits), mobility (shorter term commitment than purchase) and availability could prove valuable.
- Private rented makes up 19% of dwellings across the area. Smaller private rented homes can require higher incomes than as resales and Homebuy.
- Income required for smaller Homebuy is level with intermediate rent levels, and less than a private rent. Lower deposits than home ownership may prove very useful, alongside flexibility to purchase a higher share in time.
- Ownership is dominant across the area at 64%. A wide range of incomes are covered by home ownership and Homebuy, reaching well into the highest 25% of households by income particularly for larger homes. New build can start at below the median income level, but larger new build can take the highest incomes.

Three "zones" of income

- The lower 25% of incomes: Across the study area, affordable / social rented particularly smaller size homes are an affordable option. However ownership may also be affordable for some on the lowest 25% of incomes – mainly in Fenland.
- The middle 50% of incomes: There are housing options across the study area, including larger affordable/social rented, intermediate / private rented, many Homebuy dwellings, home ownership and some newbuild. As positive as this looks, it is important to bear in mind that choice of home location is affected by work, family and other issues.
- The top 25% of incomes: Options here include larger private rents, larger Homebuy, home ownership resales and new build. As might be expected, the upper end of incomes needed tend to be found in Cambridge and the lower end in Fenland, Huntingdonshire and Peterborough.

Visualization bubbles

- Higher incomes are needed for private rents and home ownership in Cambridge. There may be a good supply of affordable / social rented dwellings but there is a lack of options for people on lower incomes. Conversely, home ownership in Fenland looks more affordable at 35% affordability rate to households at the lower end of the income zone than the other districts.
- The price of new build varies; the pattern of income needed being higher for new build than for resales is not universal, which might have been expected.
- Across the study area many tenures look affordable at 35% of income to households in the "middle income" zone. However there are fewer housing options available and accessible to the lower 25% of households by income. Not only is there a limited supply of these homes but they tend to be let under a prioritized system, which is necessary to limit access to a scarce resource, but means that when comparing affordability and availability, we must remember it is not a "free market".

“Staircases”

- Social and affordable rents from the first step on our area’s housing staircase. Maybe surprisingly, in some districts 1 bed resales can be affordable (at 35%) to a similar income group. However, resales do need much higher incomes when looking at 2 and 3 beds.
- Intermediate rents and Homebuy start at similar income levels, though larger Homebuy requires more income than intermediate rented.
- Private rents form the next “step” on the staircase, followed by new build homes.
- The staircases highlight the range of incomes needed across the study area, for 1 2 and 3 beds. The range of incomes needed is narrower for 1 beds than for 2 beds, with the widest range of income needed is seen for 3 beds.

Broad tenure and payscales

A rather complex graphic enables us to summarize housing options across the study area in relation to some specific payscales. Bearing in mind some issues about the comparability of data, some brief summary points about the housing options for these workers are:

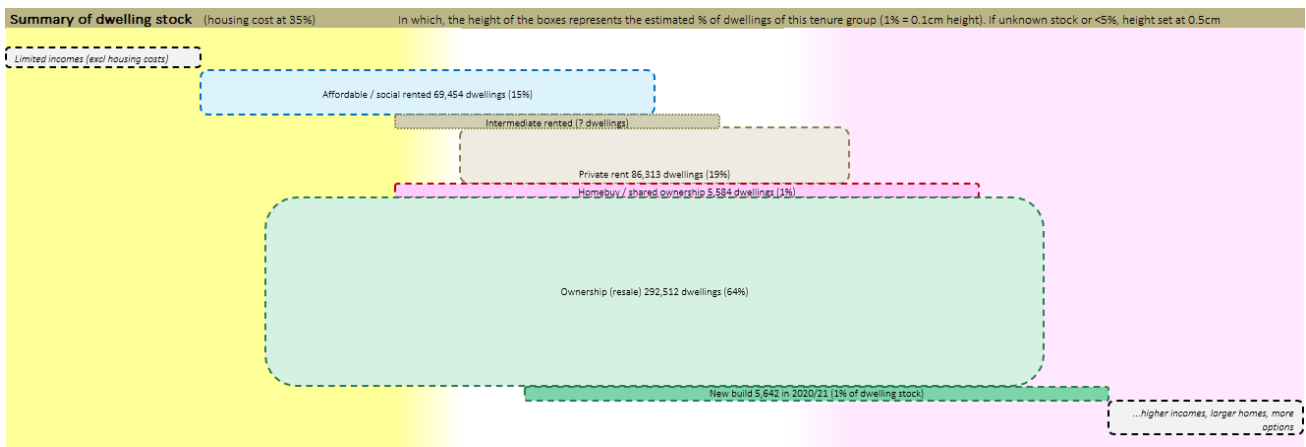
- Zone 1 Lowest incomes including minimum wage apprentices and under 18s, and the minimum state pension. A lack of housing options (see note about benefits below).
- Zone 2 Low incomes which include minimum wage all 18+, Health Band 1 and 2, independent care workers and lower scale nursery worker. Housing options include affordable tenures and smaller size rented, Homebuy & resales
- Zone 3 Middle incomes which include many teacher grades (excluding upper lead practitioner and headteacher), Health Bands 3 to 8a, Local Authority care workers, higher scale nursery worker, Social work assistant, social worker, family support worker, town planning assistant, town planner, housing officer, probation officer, substance misuse outreach worker. Housing options include larger affordable, bulk of private rented and Homebuy, middle size ownership, smaller new build
- Zone 4 Higher incomes which include upper lead practitioner grade teacher and Health Band 8b to start of 9. Housing options include larger Homebuy and private rent in Cambridge, larger resales in Cambridge, East Cambs & South Cambs, and larger new build
- Zone 5 Highest incomes which include Upper headteacher grade and Health upper end of Band 9. Housing options include more expensive choices including larger homes, homes with land and higher specification homes than covered by the housing cost data collated in this report.

6.1 The scale and cost of housing

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.

In this chart, we use the summary of tenures and income needed to afford (see the top of Graph 21) and change the “height” of the boxes to give an indication of the number dwellings in each of the broad tenure groups. This gives a “rough” graphic representation of the market in terms of cost/ income needed and supply. Note: the box height is adjusted to indicate the % of stock in this area, of each tenure. Where very small numbers or no consistent data source for stock, a standard height is used (e.g. intermediate rent).

Graph 24. Income needed at 35% affordability and indication of number of dwellings (whole study area)

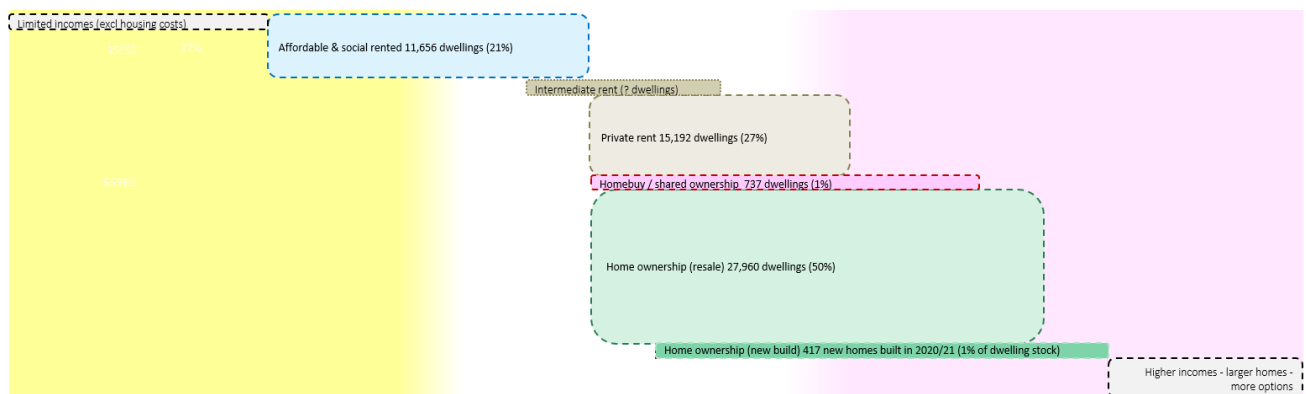


Across the study area, we can generalize that:

- Affordable / social rented dwellings make up around 15% of the area’s dwellings. Smaller affordable / social rented is an option for lower income households; but 3+ beds need higher incomes
- Intermediate rent could provide useful dwelling supply. Work to compare factors such as access (deposits), mobility (shorter term commitment than purchase) and availability could prove valuable
- Private rented makes up 19% of dwellings across the area. Smaller private rented homes can require higher incomes than as resales and Homebuy.
- Income required for smaller Homebuy is level with intermediate rent levels. And less than a private rent. Lower deposits than traditional ownership may prove very useful, alongside flexibility to purchase a higher share in time. A small but growing supply.
- Ownership is dominant across the area at 64%. A wide range of incomes are covered by home ownership & Homebuy, reaching well into the highest 25% of households by income (the pink zone) particularly for larger homes
- New build can start at below the median income level, but larger new build can need the highest incomes

6.2 Comparing stock visualization diagrams

6.2.1 Cambridge

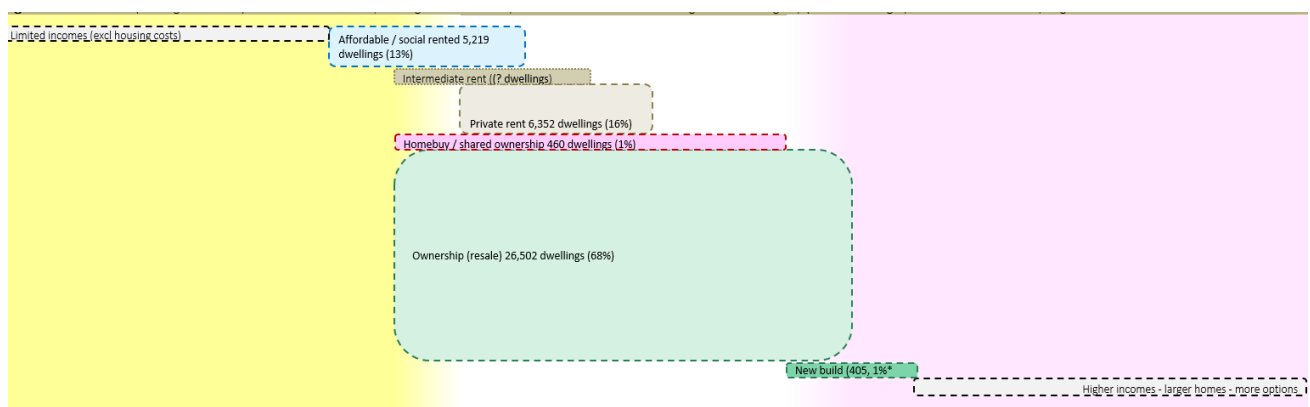


The lower 25% of incomes: For households on the lowest 25% of incomes, only affordable / social rented homes are affordable at 35% (these provide 21% of dwellings). No other tenures are affordable for households at the lowest 25% of income zone.

The middle 50% of incomes: For households on the middle 50% of incomes, the white zone covers some larger affordable / social rented homes. Intermediate rented (unknown number) is the only tenure falling wholly into the white zone. Private rent (27%), Homebuy (1%), and home ownership (50%) start to become affordable around the middle of the white zone.

The top 25% of incomes: The pink zone covers larger private rent, Homebuy, and both new build and resale home ownership which creep into the pink zone. This is a noticeably higher range of incomes needed than all the other areas covered.

6.2.2 East Cambs

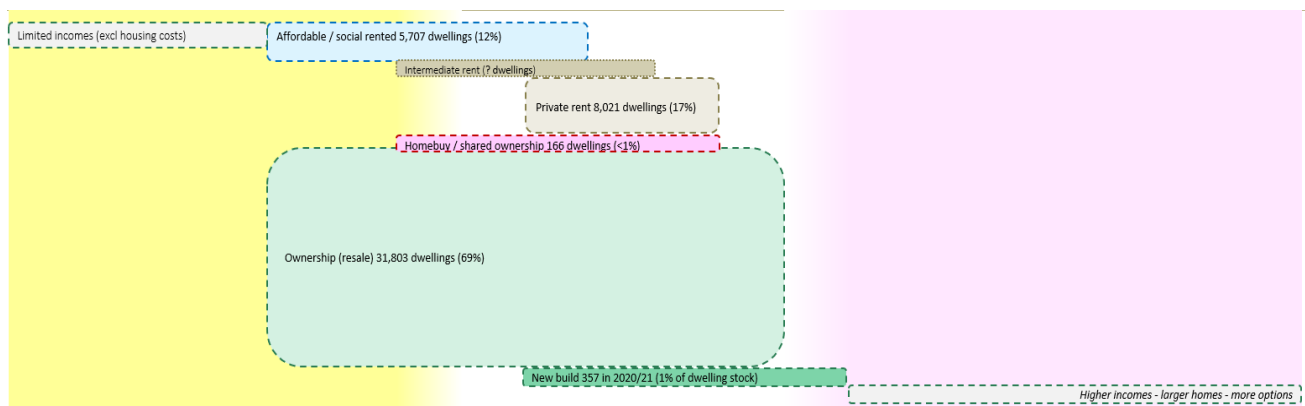


The lower 25% of incomes: For households on the lowest 25% of incomes (the yellow zone) there are very few housing options in East Cambs. Even affordable / social rented (13% of dwellings) lie at the upper end of the 25% zone.

The middle 50% of incomes: For households on the middle 50% of incomes, the white zone covers the majority of housing tenures and sizes including -private rent (16%). Homebuy (1%) and home ownership resales (68%) cover an unusually wide range of incomes needed.

The top 25% of incomes: For households on the highest 25% of incomes the pink zone is occupied by home ownership resales (68% of dwellings) and new build (1% of dwellings); however given that only 3 bed housing costs were available in East Cambs there may be some concern about lack of range of new build home sizes here.

6.2.3 Fenland

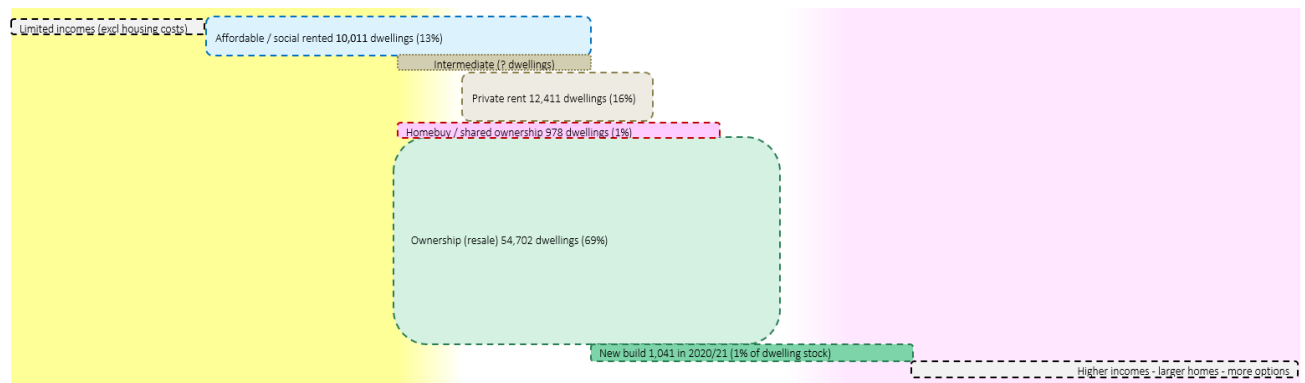


The lower 25% of incomes: For households on the lowest 25% of incomes (the yellow zone) some affordable / social rented is affordable (which provide 12% of dwellings) but unlike East Cambs and Cambridge, some home ownership resales (69%) are also affordable at the upper end of this income zone.

The middle 50% of incomes: For households on the middle 50% of incomes, the white zone covers most housing options. Private rent (17%) requires more income than shared ownership (<1%). Home ownership resales start at a low income requirement but cover a wide range.

The top 25% of incomes: For households on the highest 25% of incomes, new build homes (1%) - particularly larger ones - just start to creep into the pink zone but most are found in the white zone. Few housing options require household incomes in the top 25% zone.

6.2.4 Huntingdonshire

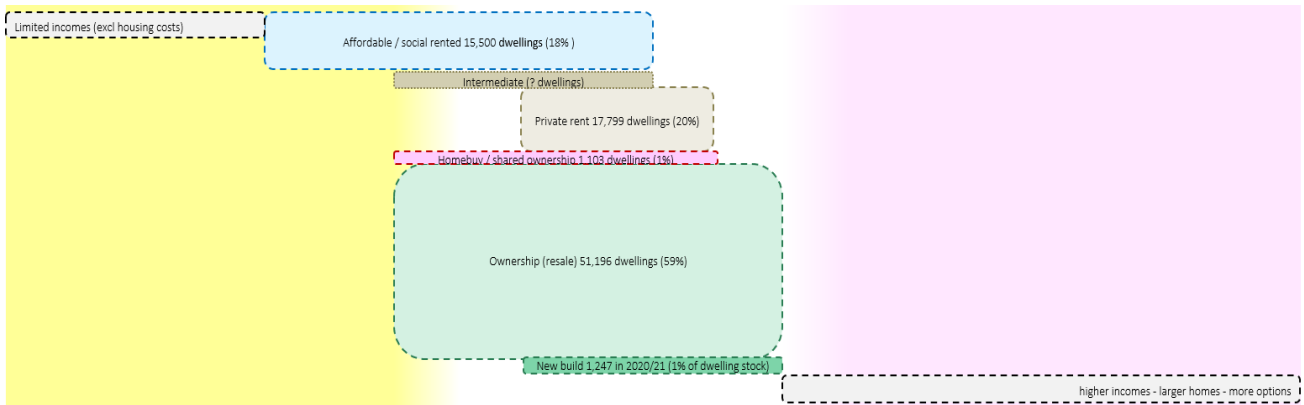


The lower 25% of incomes: For households on the lowest 25% of incomes (the yellow zone) the main affordable option is smaller affordable / social rented housing (providing 13% of dwellings) though incomes needed for larger sizes do seep higher.

The middle 50% of incomes: For households on the middle 50% of incomes, the white zone covers most housing options, with private rent (16%) needing slightly higher incomes than both shared ownership (1%) and home ownership resales (69%). None creep into the pink zone.

The top 25% of incomes: For households on the highest 25% of incomes the pink zone only covers larger new build homes (1% of dwellings).

6.2.5 Peterborough

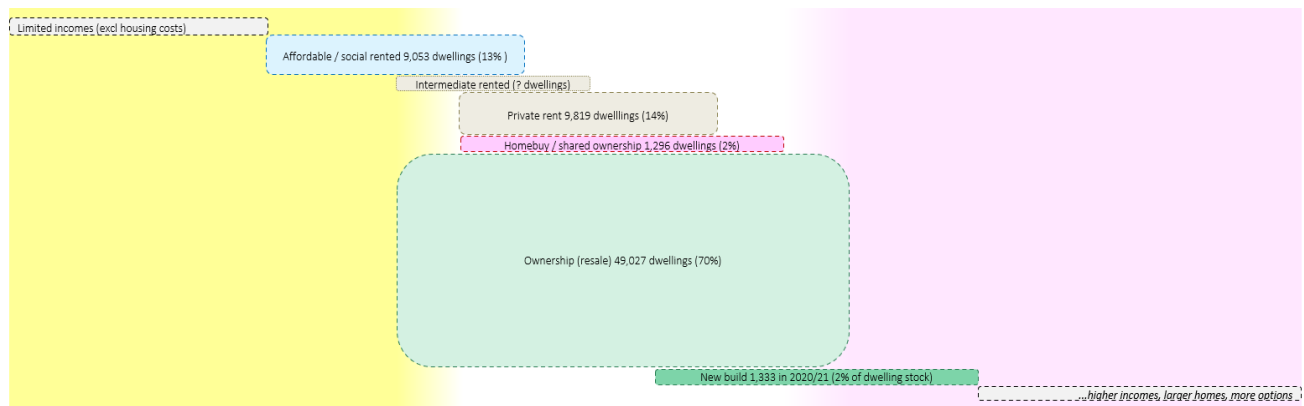


The lower 25% of incomes: For households on the lowest 25% of incomes (the yellow zone) smaller affordable / social rented (18% of dwellings) though larger homes do need a higher income. Intermediate rented (unknown stock), shared ownership (1%) and home ownership resales (59%) start right at the top end of the lower 25% of incomes zone.

The middle 50% of incomes: For households on the middle 50% of incomes, the white zone covers most housing options. Private rent (20%) requires more income than both shared ownership and home ownership resales. New build (1%) prices start higher than resale prices, but do not creep into the pink zone.

The top 25% of incomes: For households on the highest 25% of incomes, none of the tenures or sizes covered require incomes in the upper 25%.

6.2.6 South Cambs

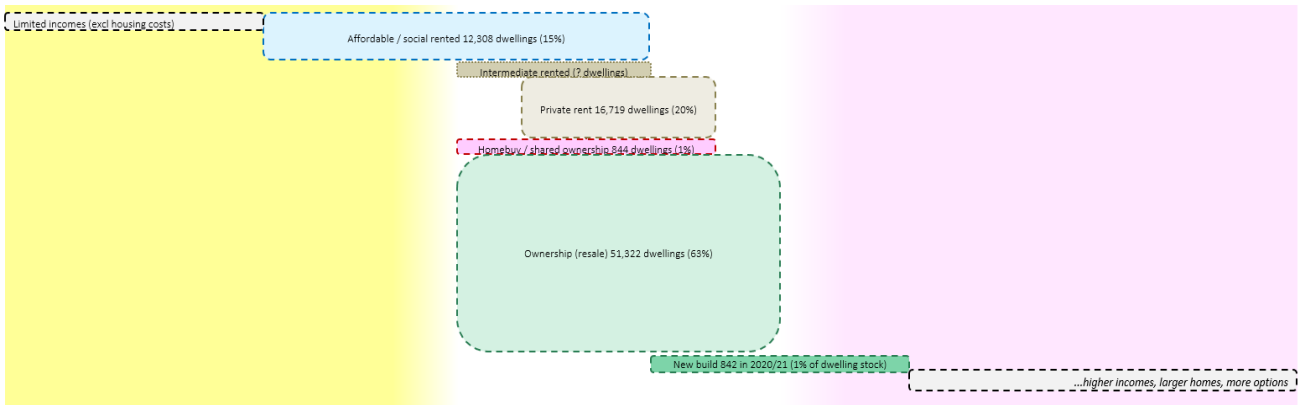


The lower 25% of incomes: For households on the lowest 25% of incomes (the yellow zone) affordable / social rented may be affordable (providing 13% of dwellings). Incomes needed for intermediate rent (unknown stock) and home ownership resales (70%) start at the very top of the lower 25% of income zone.

The middle 50% of incomes: For households on the middle 50% of incomes, the white zone covers most tenures in South Cambs. Private rent (14%), shared ownership (2%) and many ownership resales (70% of dwellings) fall into the white zone.

The top 25% of incomes: For households on the highest 25% of incomes, home ownership resales edge into the pink zone, and the incomes needed for new build (2% of dwellings) start in the white zone and end some way into the pink zone or top 25% of households by income.

6.2.7 West Suffolk



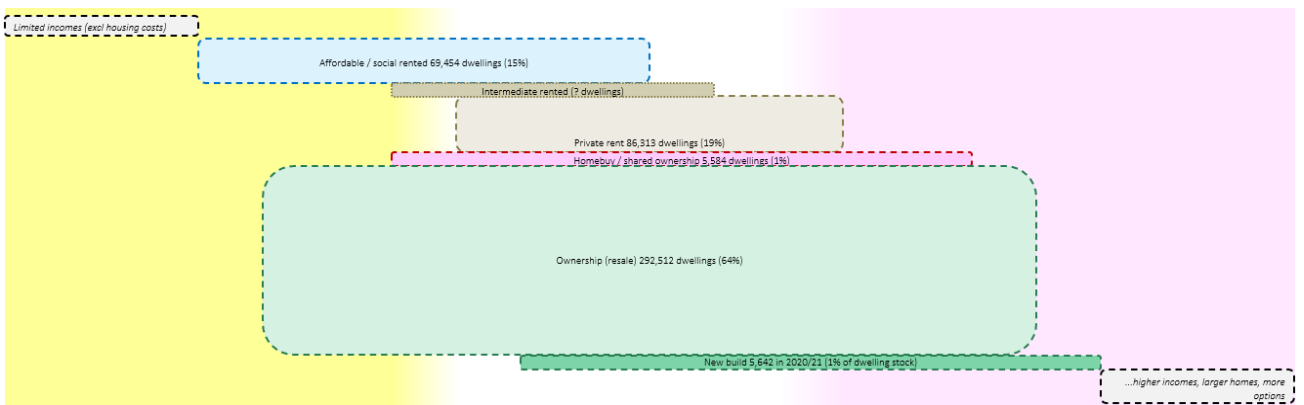
The lower 25% of incomes: For households on the lowest 25% of incomes (the yellow zone) smaller affordable/social rented only is affordable at 35% of income, which provides 15% of dwellings

The middle 50% of incomes: For households on the middle 50% of incomes, the white zone covers all other tenures, starting at the lower end of the white zone. Incomes required reach the upper edge of this zone for home ownership resales (63%), while private rent (20%) and shared ownership (1%) need a narrow range of incomes.

The top 25% of incomes: For households on the highest 25% of incomes the income needed for new build (1% of dwellings) starts in the 50% of incomes zone (the white zone) but creeps up into the top 25% of incomes zone.

6.2.8 Whole study area (total)

This diagram represents the “span” of income needed across all the districts scaled up to reflect the dwelling stock across the whole study area.



Looking at the three “zones” of income across the study area

- The lower 25% of incomes: For households on the lowest 25% of incomes (the yellow zone) across the study area, affordable / social rented particularly smaller size homes are an affordable option. However ownership may also be affordable for some on the lowest 25% of incomes – looking at the district charts these would only really be available in Fenland.
- The middle 50% of incomes: For households on the middle 50% of incomes, there are a number of housing options looking across the whole area. These include larger affordable/social, intermediate, private rented, many Homebuy dwellings, home ownership and much newbuild. As positive as this looks, it is important to bear in mind that housing markets don’t tend to “word” for individual

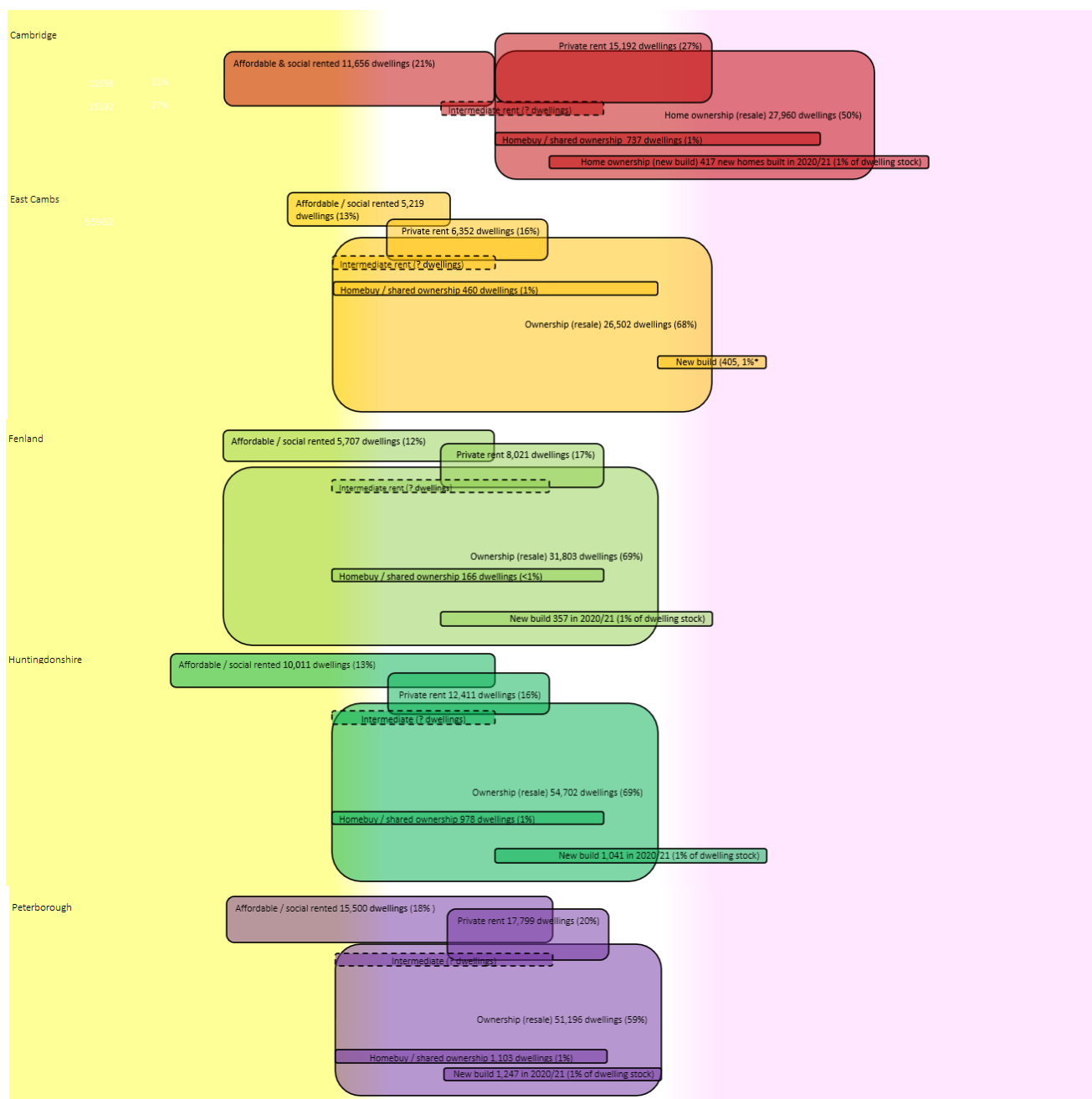
households as a completely free market, choice of home location are affected by work, family and other issue – meaning

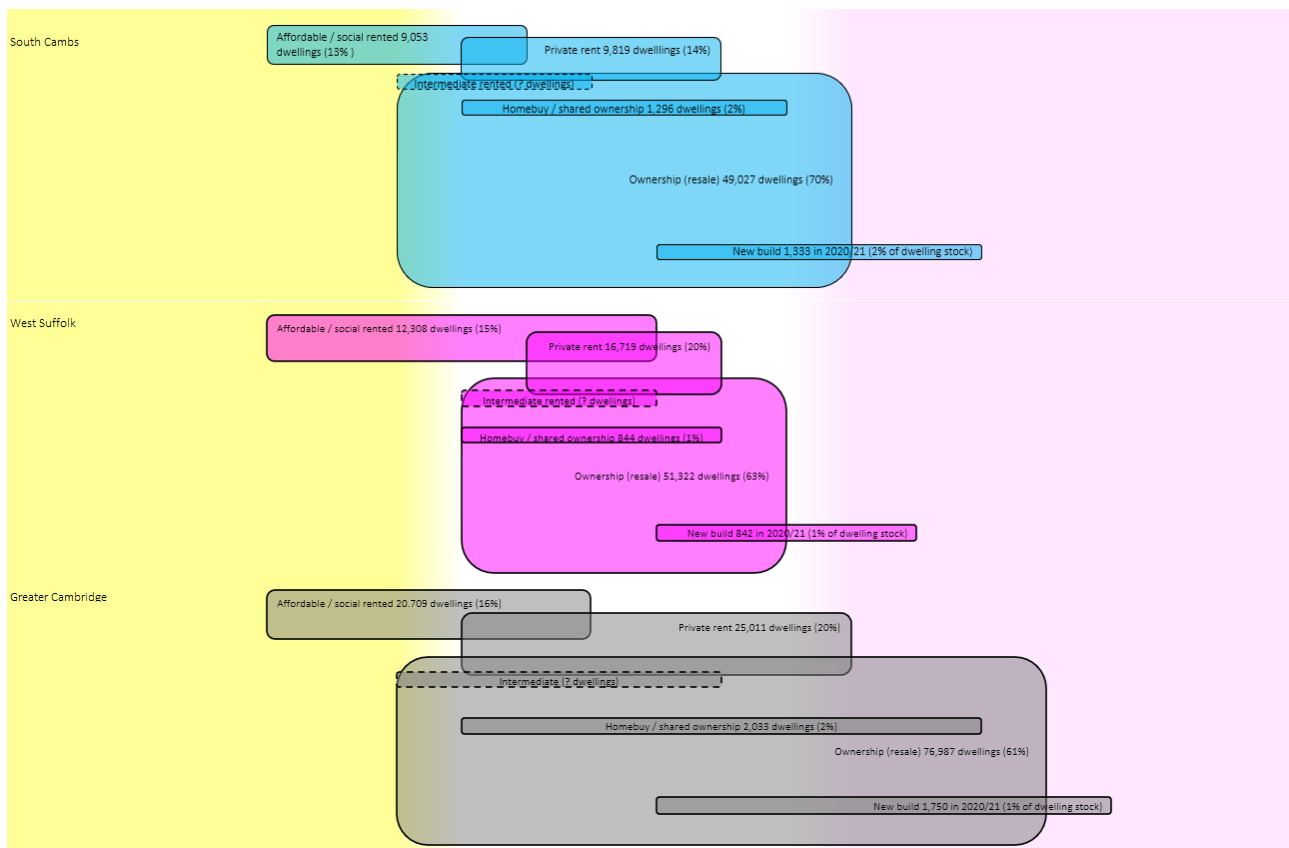
- The top 25% of incomes: For households on the highest 25% of incomes the options include larger private rents, larger Homebuy, home ownership resales and new build. As might be expected, the upper end of incomes needed tend to be found in Cambridge and the lower end in Fenland Huntingdonshire and Peterborough.

6.3 Visualizing stock size in relation to income for each area

We have used the diagrams in the section above, but instead of presenting in a “list” format down the page, we have piled the “bubbles” up giving a visualization of the market in each area – specifically where tenures overlap or not.

Graph 25. Visual representation of “overlapping” tenures by income needed





Graph 25 emphasizes:

- The higher incomes needed for homes in Cambridge, which has a greater supply of affordable / social rented homes but also a lack of other options for people at the lower income levels.
- Home ownership in Fenland looks more affordable at 35% to households at the lower end of the income zone than in other areas covered.
- A variety of prices for new homes, which will be affected by the number of new homes built in 2020/21; however the pattern of income needed being higher for new build than resales is not seen universally, which we might have expected.
- This shows a picture of many tenures being affordable to households in the “middle income” zone, but far fewer housing options being available and accessible to the lower 25% of households by income. Not only is there a limited supply of these homes but they are generally let under a prioritized system, which is necessary to limit access to a scarce resource, but means that when comparing affordability and housing availability, we must remember it is not a “free market”.

6.4 Comparing income needed for different sizes of homes: staircases

In this section, we have created a “staircase” of tenures for each district, placed according to the income needed to afford the weekly housing cost, and the number of bedrooms we have data for (1, 2 and 3).

This highlights the income needed to afford 1, 2 and 3 beds in each tenure group and district. It highlights how the housing ladder ‘works’ across the study area – but it does vary significantly from one district to another. Please see methodology for more on how the staircases are “built”.

- Remember, LA rents are only available in Cambridge and South Cambs so likely to reflect the narrowest range of incomes needed

2 beds

- Income needed for 2 beds varies quite widely
- Income needed starts with LA and HA social rented, moving right across to new build and some resales in the pink zone (top 25% of households by income).
- Again, the orange shading represents the range of incomes needed across the study area

3 beds

- The income needed for 3 beds varies even more than for 1 and 2 beds
- Income needed for LA and HA rents are the lowest for 3 beds, followed by rented, then Homebuy and resales. The highest incomes are needed for new build.

6.5 Broad tenure and pay scales

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

Graph 28 helps compare the pattern of sizes and tenure by district with income needed to afford at 35%, with the pay-scales in various services based on national and local pay rates.

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.

To summarize this rather complicated picture we have split the housing costs into 5 zones, listed the payscales falling into each zone, then providing a pictogram of the sizes and tenures of homes in each district which can be afforded at 35% of income, in that zone (remembering the proviso that the data is not strictly comparable).

6.5.1 Zone 1 Lowest incomes, lack of options

Payscales: apprentices and under 18's on minimum wage, minimum state pension

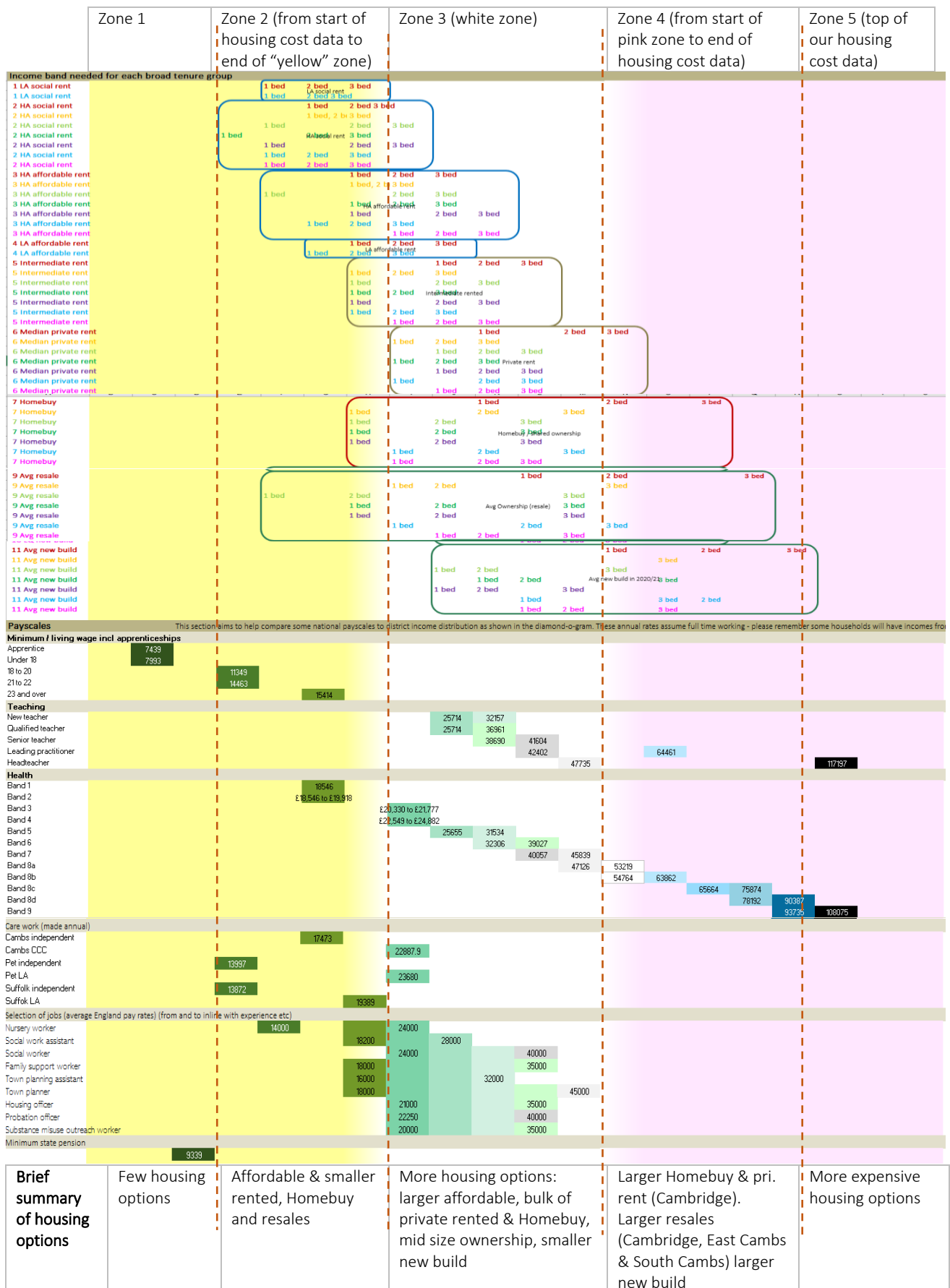
Housing options for zone 1: none without Housing Benefit.

People on low incomes, the minimum or living wage who need accommodation will generally be able to claim support for housing costs in the form of housing benefit, so although incomes are low, the subsidy will enable them to afford some kind of rented housing. The same is true for the minimum state pension, though it's true to say many would not be existing solely on this level of income... however again the benefit system would provide support for some housing cost. Some pensioners will be in the situation that they have paid their mortgage off, so will in a home they can afford even if their income is low. There will be implications should households need to move to another property for any reason.

Also, please remember! People on higher incomes can afford housing at lower prices than the 35% affordability ratio suggests – it's not fixed, so a person with equity in an existing home they need to sell, or with a larger income or with other sources of funding, can rent or buy whatever they choose. They might purchase a lower quartile priced home to renovate or be able to fund a longer commute or other lifestyle with people on lower incomes could not.

The emphasis in this report is to look at what people on the lower income levels can afford, while accepting that others may make very individual housing choices, provided they have the resources.

Graph 28. Tenure, size of home, district and pay bands including “5 zones”



6.5.2 Zone 2 Low incomes: housing options include affordable tenures and smaller size rented, Homebuy & resales

Payscales:

- Minimum wage all 18+
- Health Band 1 and 2
- Cambs, Peterborough and Suffolk independent care workers
- Lower scale nursery worker.

Housing options	Locations & sizes																				
	Cam			East			Fen			HDC			Pet			South			WestS		
LA social rented	1	2	3	X	X	X	X	X	X	X	X	X	X	X	X	1	2	3	X	X	X
LA affordable rented	1			X	X	X	X	X	X	X	X	X	X	X	X	1	2		X	X	X
HA social rented	1	2	3	1	2	3	1	2		1	2	3	1	2		1	2	3	1	2	3
HA affordable rented	1			1	2		1			1			1			1	2				
Intermediate rent				1			1			1			1			1					
Private rent																					
Homebuy				1			1			1			1								
Average second hand sales							1	2		1			1								
Average new build																					

6.5.3 Zone 3 Middle incomes: housing options include larger affordable, bulk of private rented and Homebuy, middle size ownership, smaller new build

Payscales:

- All teacher grades (excluding upper lead practitioner and headteacher grades)
- Health Bands 3 to 8a
- Cambs, Peterborough and Suffolk local authority care worker
- Higher scale nursery worker
- Social work assistant, social worker, family support worker, town planning assistant, town planner, housing officer, probation officer, substance misuse outreach worker

Housing options	Locations & sizes																				
	Cam			East			Fen			HDC			Pet			South			WestS		
LA social rented				X	X	X	X	X	X	X	X	X	X	X	X				X	X	X
LA affordable rented		2	3	X	X	X	X	X	X	X	X	X	X	X	X			3	X	X	X
HA social rented									3							3					
HA affordable rented		2				3		2	3		2	3		2	3			3	1	2	3
Intermediate rent	1	2	3		2	3		2	3		2	3		2	3		2	3	1	2	3
Private rent	1	2		1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3
Homebuy	1				2	3		2	3		2	3		2	3	1	2	3	1	2	3
Average second hand sales	1			1	2			2	3		2	3		2	3	1	2		1	2	3
Average new build							1	2		1	2		1	2	3	1			1	2	

6.5.4 Zone 4 Higher incomes: housing options include larger Homebuy and private rent in Cambridge, larger resales in Cambridge, East Cambs & South Cambs, and larger new build

Payscale:

- Teaching: upper lead practitioner grade
- Health Band 8b to start of 9.

Housing options	Locations & sizes																				
	Cam			East			Fen			HDC			Pet			South			WestS		
LA social rented				X	X	X	X	X	X	X	X	X	X	X	X				X	X	X
LA affordable rented				X	X	X	X	X	X	X	X	X	X	X	X				X	X	X
HA social rented																					
HA affordable rented																					
Intermediate rent																					
Private rent			3																		
Homebuy		2	3																		
Average second hand sales		2	3			3														3	
Average new build	1	2	3			3			3			3						2	3		3

6.5.5 Zone 5 Highest incomes: housing options include more expensive choices

Payscale:

- Upper headteacher grade
- Health upper end of Band 9

Housing options for zone 5: housing options not covered by our data collection, including larger and more 'luxury' homes. Additionally of course able to afford homes at lower prices, taking up less than 35% of income.

7 Dwelling stock, turnover and new build

Summary

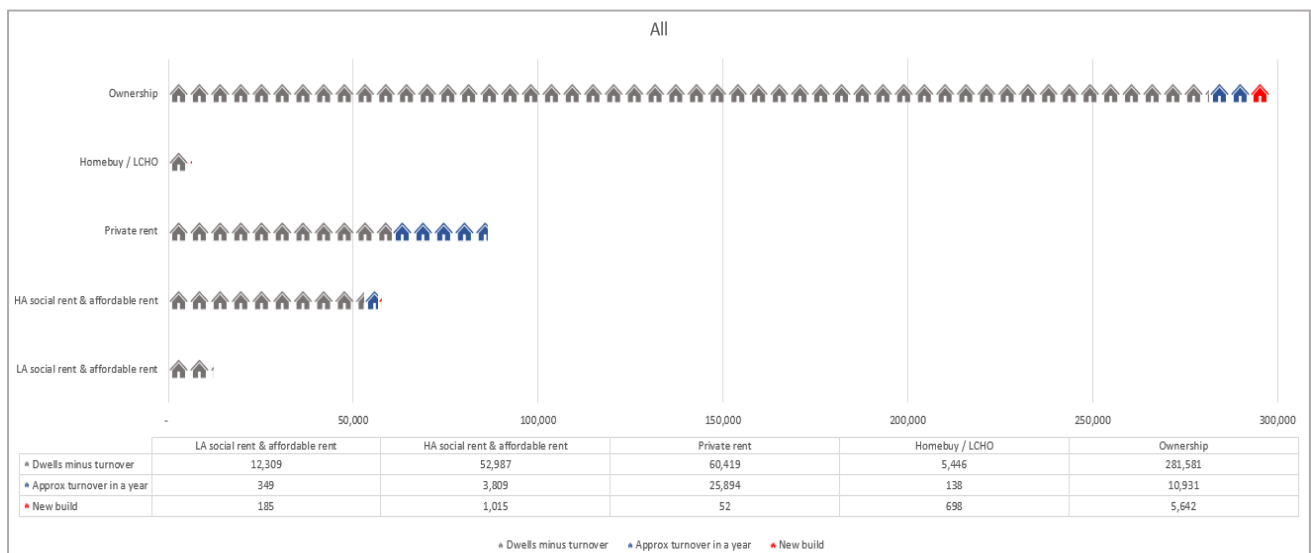
- Much of our housing stock does not change hands in the course of a year.
- Private rented housing shows the highest turnover though this is based on a national figure of 30% turnover, so needs to be used carefully when drawing local conclusions.
- New build forms a tiny proportion of the market using this graphic – that is, compared to the overall housing stock. However when you consider the new build as a proportion of each broad tenure group, some patterns show up: LA and HA social and affordable rent, along with home ownership, show a similar percentage of new build compared to stock (LA = 1.5%, HA = 1.8%, ownership = 1.9%) where Homebuy/shared ownership shows a much larger 12.5% of the stock as new build in 2020/21.
- Comparing turnover and new build figures, we can see the importance of both in terms of the supply of new lets / entry into the housing market each year. Total annual turnover would be around 40,000 homes or 9% of the housing stock; and new build would be around 7,500 homes in a year, or 1.7% of the dwelling stock.

In this section we set 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.

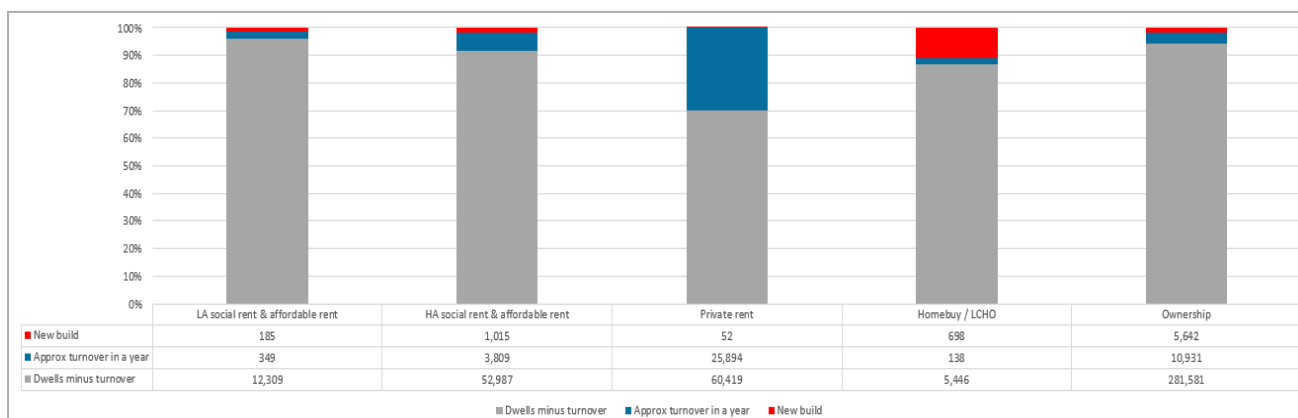
Graph 29 is a pictogram giving an idea of the availability of homes in terms of dwelling numbers. It also sets out data on turnover in a year (blue houses), and on new build supply (red houses). The dwelling stock NOT new built or changing hands is represented by the grey houses.

Graph 29. Turnover and new build in relation to existing stock



Because this chart sets everything in the context of the entire dwelling stock of the area being looked at, it's hard to get an idea of how each tenure group is growing, so we have added Graph 30 to show how new build contribute to the stock of dwellings in each broad tenure group, in percentage terms (where data is available).

Graph 30. Dwellings, turnover and new build as a percentage of each tenure group (all)



7.1 New build in 2021/2022

- New build shows as an extremely tiny proportion of the market using this graphic – that is, compared to the overall housing stock.
- However when you consider the new build as a proportion of each broad tenure group, some patterns show up: LA and HA social and affordable rent, along with home ownership, show a similar percentage of new build compared to stock (LA = 1.5%, HA = 1.8%, ownership = 1.9%)
- Homebuy/shared ownership shows a much larger 12.5% of the stock as new build in 2020/21.

7.2 Turnover in 2021/2022

- Comparing turnover and new build figures, we see the importance of both in terms of the supply of new lets / entry into the housing market each year.
- Total estimated turnover in a year would be around 40,000 homes or 9% of the housing stock; and supply from new build would be around 7,500 in a year, or 1.7% of the dwelling stock.
- Much of our housing stock does not turnover (change hands) in the course of a year.
- Private rented housing shows the highest turnover though this is based on a national figure of 30% turnover, so needs to be used carefully when drawing “local” conclusions.

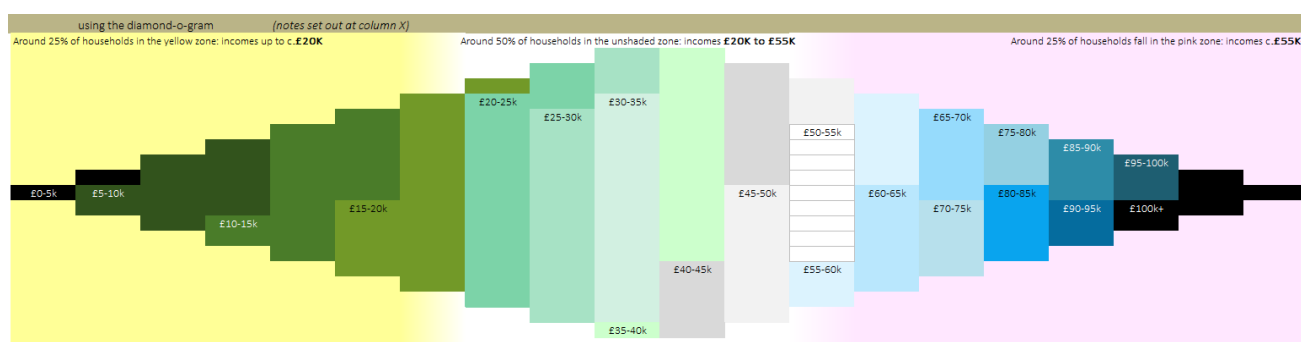
8 Applying CACI income bands to Local Plan housing figures

Summary

- This section gives an idea of the approximate population in each of three broad income bands, if the homes identified in needs studies were delivered, by 2036/2040. Based on CACI data for 2020-21, a total population of 102,779 might be on incomes of less than £30,000.
- By district, the percentage of households varies from 32% to 52%.
- Although £30K may be enough to afford some sizes and tenures of homes in some districts, it does not cover many of the market and larger size homes. Diagrams in this section highlight what may, and may not be affordable, based on 2020-21 incomes and housing costs.

In this section we look at the housing need figures produced to support Local Plans and see what the spread of incomes might be in the future, if the 2020-21 income distribution holds for the increase in households associated with the new build which would result from meeting that housing need.

Graph 31. CACI Income distribution for whole area, 2020-2021



Graph 32. CACI income distribution summarized into 5 broad income blocks



Table 3. Number and % of households in the five income blocks, whole study area

	0-£20K	0-£30K	£30-50K	£50K+	£65K+	£90K+
No households	100,255	168,912	110,384	121,660	71,400	23,219
% households	25%	42%	28%	30%	18%	6%

Graph 33. Income distribution simplified to 3 broad income blocks, in percentage terms to aid comparison

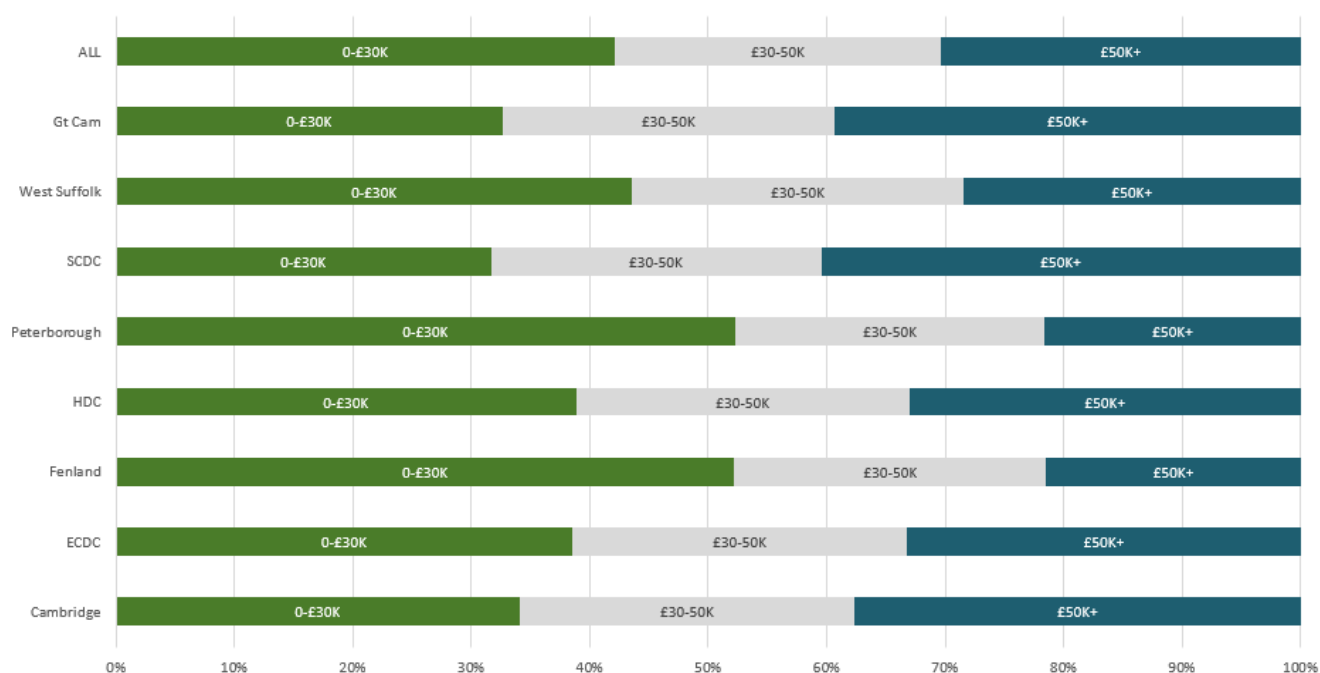


Table 4. GL Hearn population implication of 4,654 dwellings per annum delivered from 2020 to 2040

	Population by 2040
Cambridge	28,318
East Cambs	24,442
Fenland	18,270
Huntingdonshire	36,209
South Cambs	41,942
West Suffolk	32,279
Total (Housing Market Area)	181,460
Gt Cambridge	70,260

Source <https://cambridgeshireinsight.org.uk/wp-content/uploads/2021/10/CWS-Housing-Needs-of-Specific-Groups-Oct21.pdf>

Peterborough commissions a separate housing market assessment.

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.

Table 5. Table setting out notional figures for each district

	Housing annual requirement	Population increase 2020 to 2040	% in 3 income bands, projecting population in each band by 2040... (2036 for Peterborough)					
			<30K	30 to 50K		>50K		
Cambridge	662	28,318	34%	9,645	28%	8,021	38%	10,653
East Cambs	616	24,442	39%	9,413	28%	6,918	33%	8,110
Fenland	517	18,270	52%	9,539	26%	4,813	21%	3,918
HDC	951	36,209	39%	14,064	28%	10,195	33%	11,950
South Cambs	1,083	41,942	32%	13,274	28%	11,697	40%	16,971
West Suffolk	796	32,297	44%	14,073	28%	9,023	28%	9,184
Gt Cambridge	1,745	70,260	33%	22,923	28%	19,719	39%	27,619
Peterborough	<i>(Projection for 2016-2036)</i>	18,840 dwells ¹	52%	9,848	26%	4,929	22%	4,063
				102,779		75,315		92,468

This simple table gives a guide to the approximate population in each of three broad income bands, if the homes identified in needs studies were delivered, by 2036/2040.

Based on CACI data 2020-21, a total population of 102,779 might be on incomes of less than £30,000.

By district, this percentage varies from 32% to 52%.

Although £30K may be enough to afford some sizes and tenures of homes in some districts, it does not cover many of the market and larger size homes. The diagram below gives an indication (based on 2020-21 incomes and housing costs).

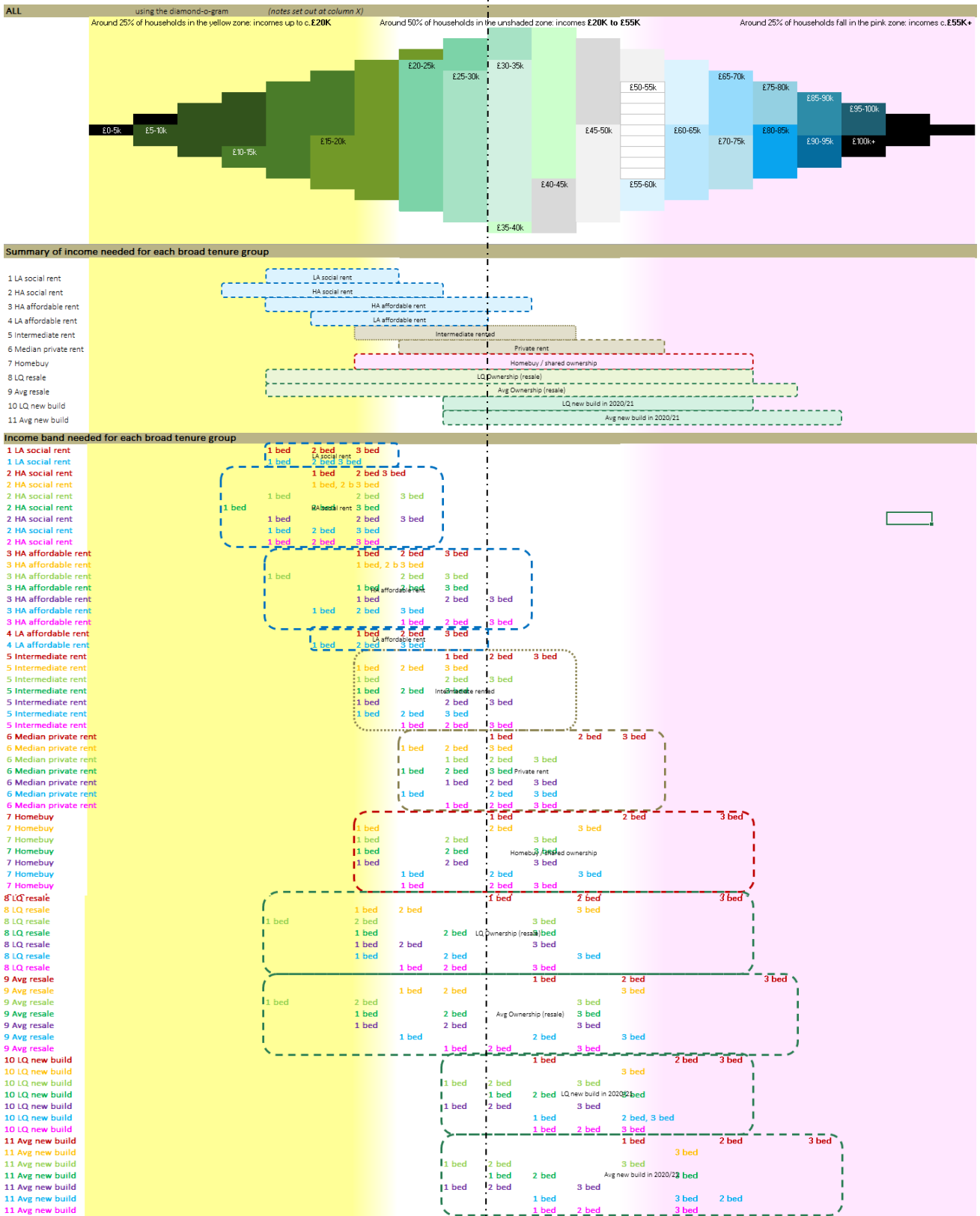
The two diamond-o-grams below set out the diamond-o-gram at the top, which enables us to see where the £30K income band lies, then sets out the tenures and sizes of homes by district, so we can see which tenures and sizes of homes are affordable at 35% of income, up to and over the £30K “watershed”.

The second chart simplifies by just looking at tenure and size, without the detail for each district .

These enable us to visualize the range of housing options affordable and unaffordable at under and over £30K income.

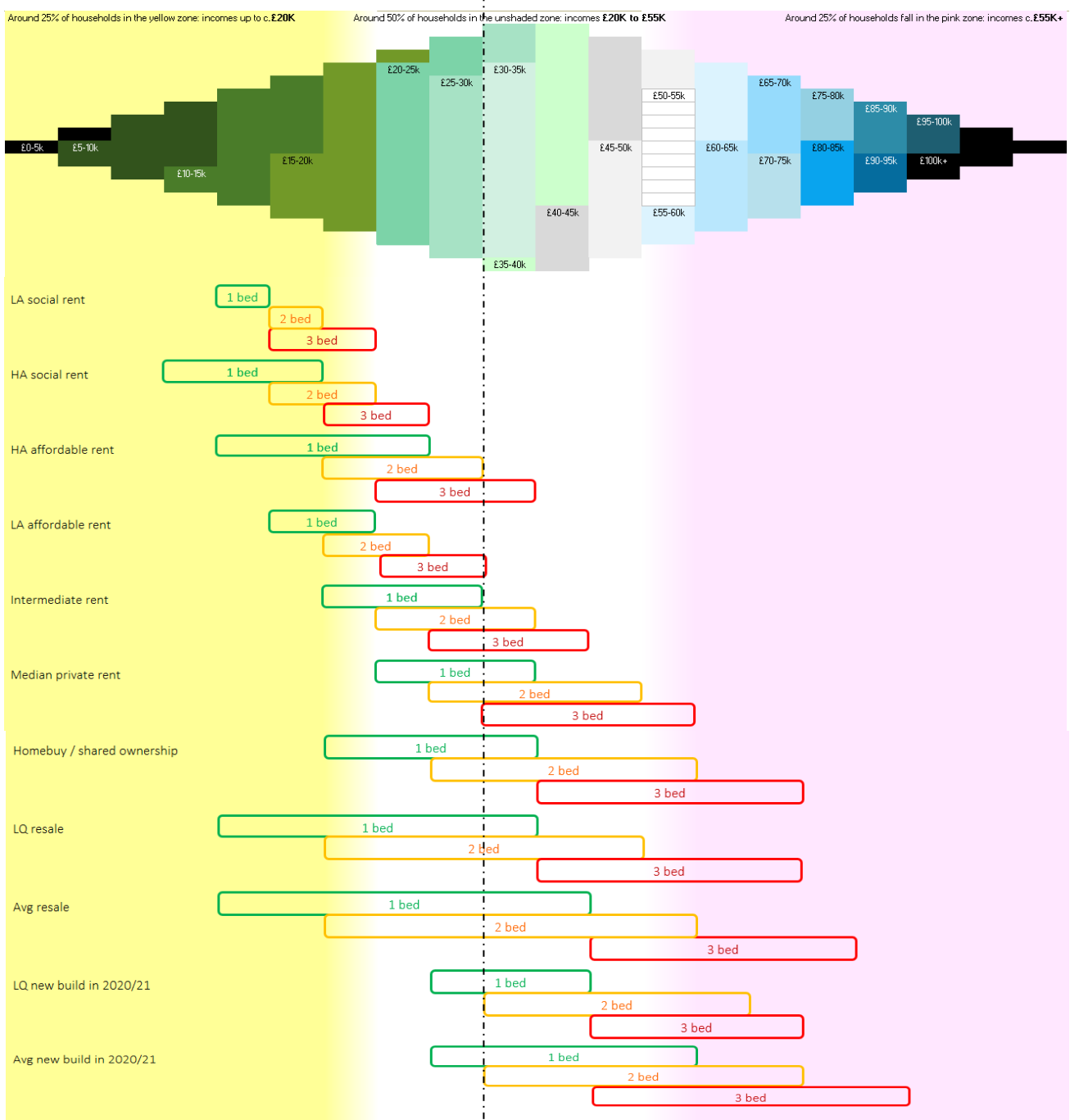
¹ Excludes additional dwellings arising from plans for a University

Copy of Graph 21



The dashed line represents an approx. income of £30K, below which households cannot afford housing costs assuming they take up 35% of income. If 52% of households (or about 102,000 population) are on incomes of less than £30K, they will not be able to afford homes to the right of the dashed line. There will be some households who have incomes less than £30K who cannot afford all the options to the left of the line.

Copy of Graph 22



The dashed line represents an approx. income of £30K, below which households cannot afford housing costs assuming they take up 35% of income.

If 52% of households (or about 102,000 population) are on incomes of less than £30K, they will not be able to afford homes to the right of the dashed line. There will be some households who have incomes less than £30K who cannot afford all the options to the left of the line.