

Cambridgeshire, Peterborough & West Suffolk

Diamond affordability analysis update 2022

Summary for West Suffolk

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.

Contents

Introduction	1
Context	2
Income	3
Housing costs	3
The diamond-o-gram	4
Using the diamond-o-gram to look at other aspects of the housing market	5
Dwelling stock, turnover and new build	8
Applying CACI income bands to Local Plan figures	8

Introduction

This note outlines some highlights of the work for West Suffolk, and how West Suffolk 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

West Suffolk council housing was transferred to Private Registered Providers (aka Housing Associations) before Forest Heath and St Edmundsbury became one council. Forest Heath transferred homes to Flagship in 2005 and St Edmundsbury transferred homes to Havebury in 2003.

Comparing West Suffolk to the whole study area, West Suffolk has a “not unusual” stock picture for a stock transfer area, however

- slightly fewer social rented (15% compared to 16%)
- slightly more private rented homes than “all” (21% compared to 19%)

Household and family types

Comparing West Suffolk to the whole study area, West Suffolk has:

- More households aged 65+
- Fairly similar couple and lone parent households
- Fewer one person households without children

Household tenure and number of bedrooms

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

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

Comparing West Suffolk to the whole study area, West Suffolk has:

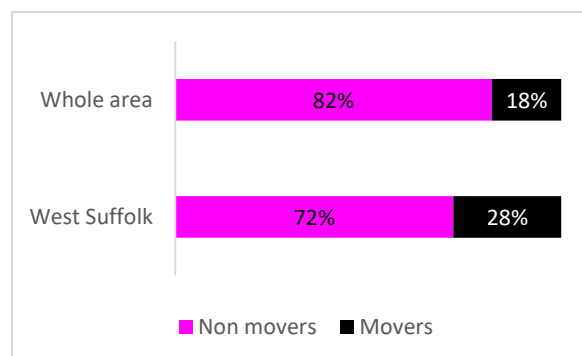
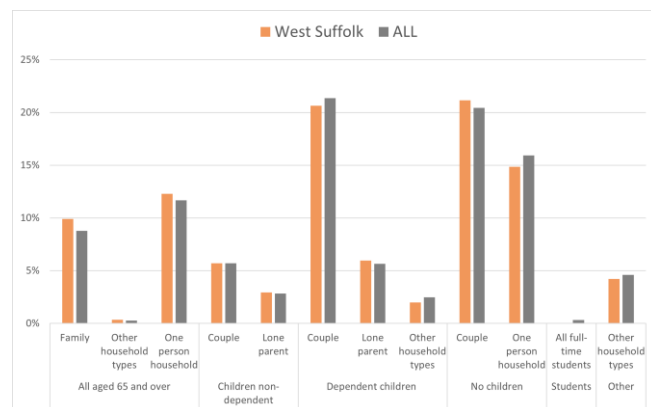
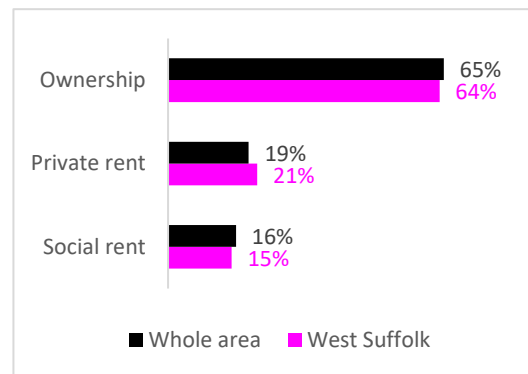
- Fewer 4 & 5 bed owned homes
- More 2 & 3 bed owned & private rented
- Fewer 1 bed social & private rented

How many households might move in a year?

In the year leading up to the 2011 Census, West Suffolk saw:

- 72% non-movers
- 28% movers

Comparing West Suffolk to the whole study area, West Suffolk had a higher % of households likely to move, with 28% movers

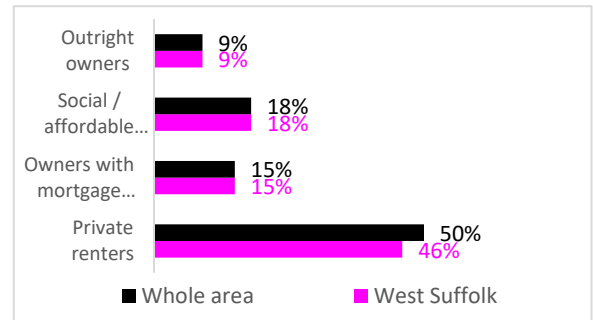


compared to 18% movers across the study area. Partly moving households were particularly high.

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 West Suffolk:

- 46% of renters moved (study area total was 50%)
- 15% of owners with a mortgage or shared owners moved (study area total was 15%)
- 18% of social renters moved (study area total was 18%)
- 9% 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.

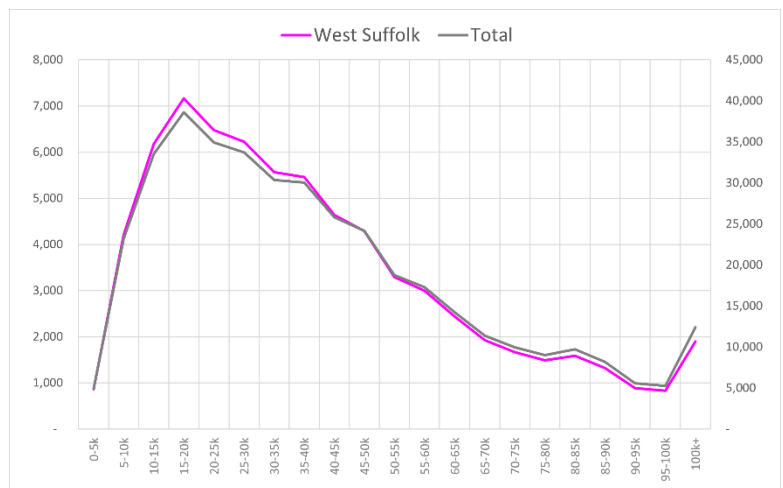
Income distribution

Comparing West Suffolk to the whole study area, West Suffolk has:

- a very similar Income distribution to the whole study area
- However slightly more on £10 to 35K
- Slightly fewer on £70K+.

Comparing 2016/17 and 2020/21:

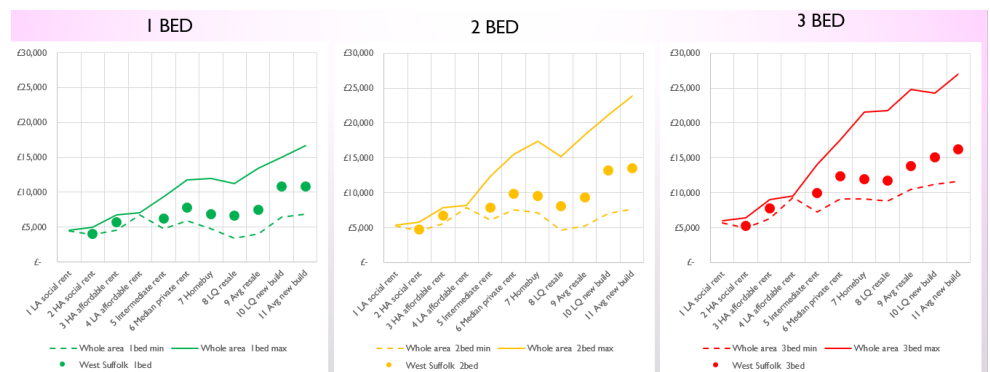
- The number of households on incomes of less than £35K has fallen a good deal
- The number on incomes above £35K has held steady or increased.
- The number on more than £100K has decreased a good deal (as it has in other areas, though the reasons for this are not entirely clear)



Housing costs

Identify the range of housing costs

West Suffolk housing costs fall towards the middle of the cost range for all sizes and tenures. Housing Association social rents are low for all sizes.



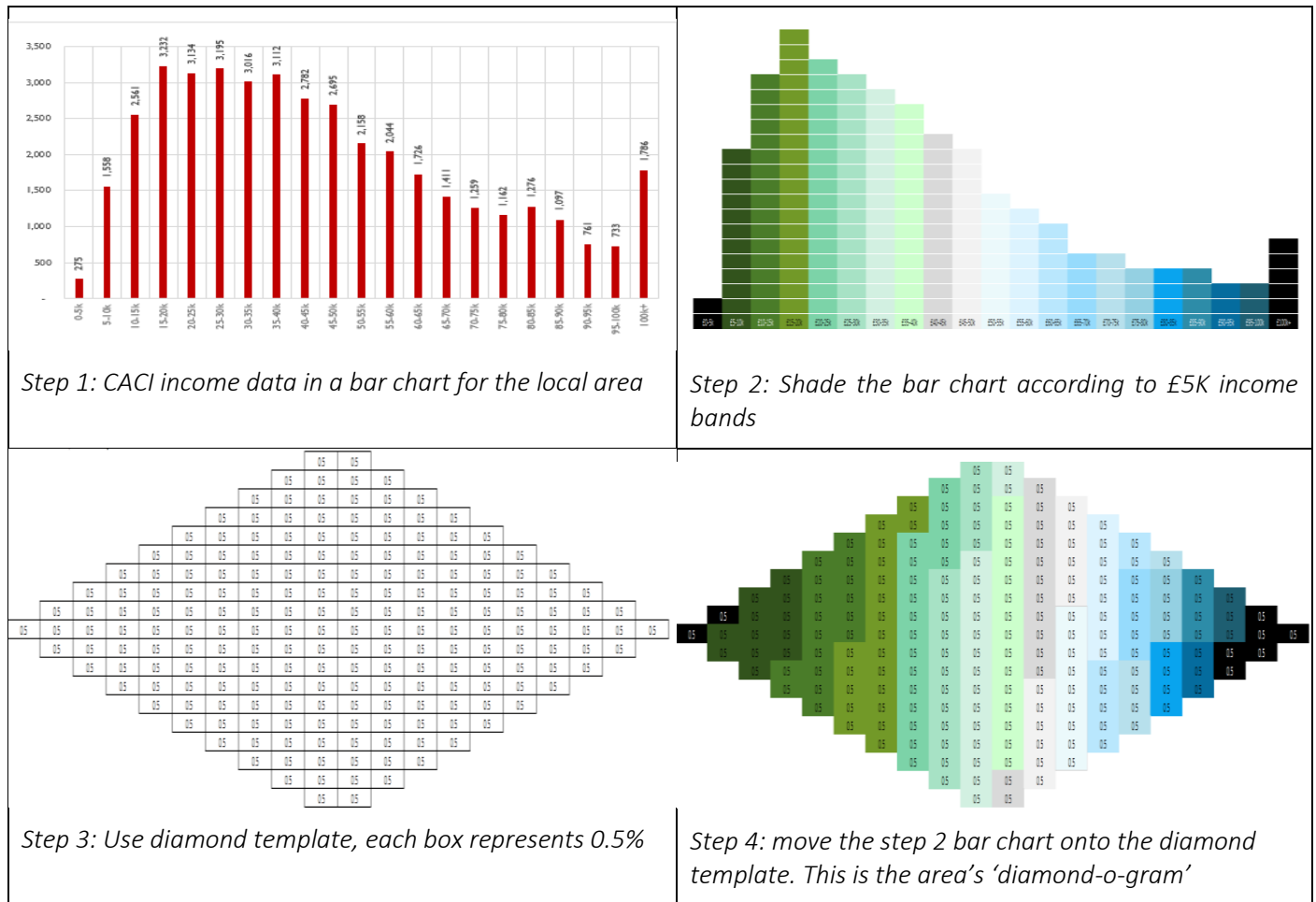
Across the study area, fairly consistently:

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

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

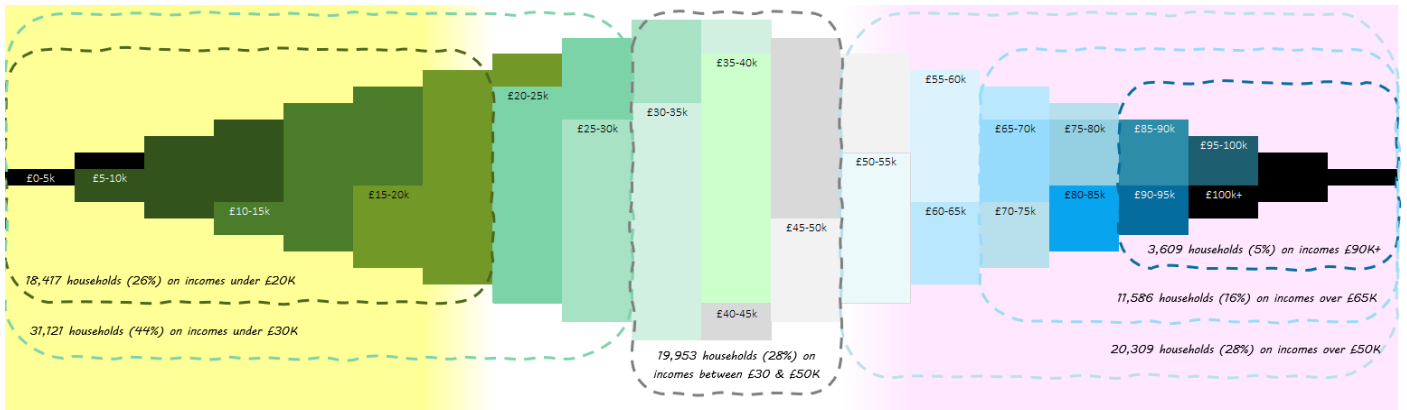
The diamond-o-gram

Creating the diamond-o-gram



The diamond-o-gram for West Suffolk

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

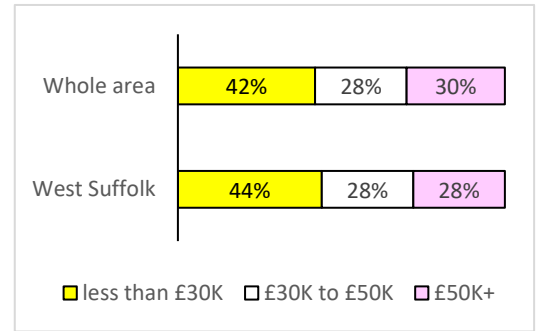


This table sets out the approximate income levels for the three shaded areas (the lowest 25%, middle 50% and upper 25% of households)

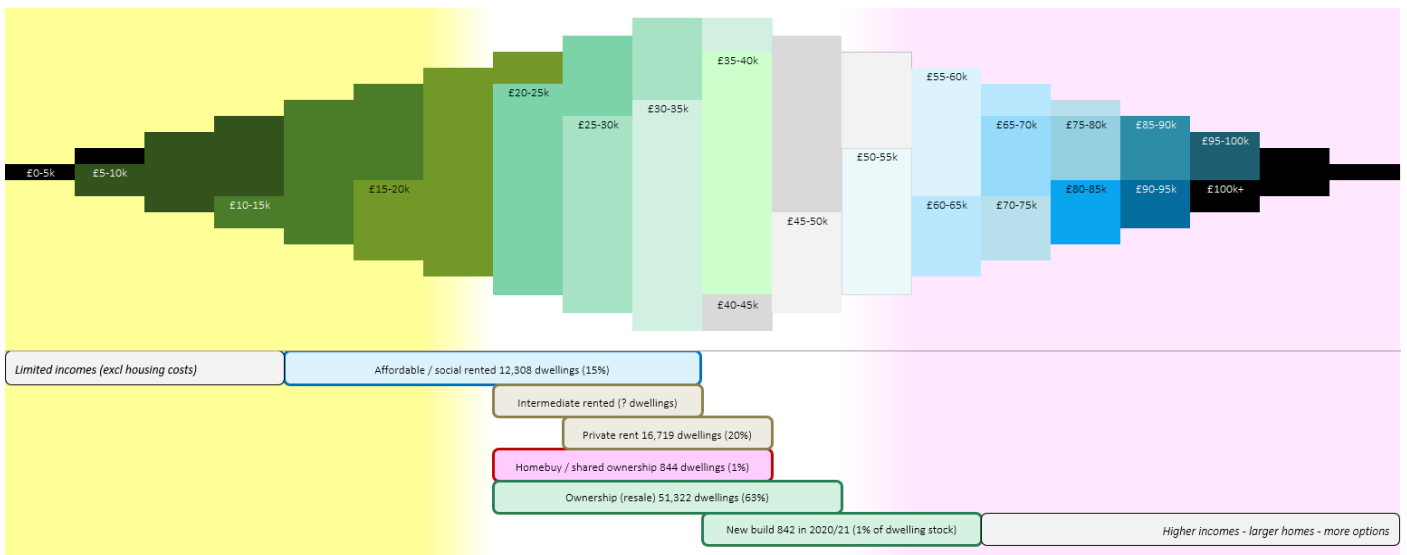
	In West Suffolk
Households on the lowest 25% of incomes	incomes up to £15K
Households on the middle 50% of incomes	incomes between £15K and £50K
Households on the highest 25% of incomes	incomes over c.£50K

Comparing West Suffolk to the whole study area, West Suffolk sees:

- a similar income distribution as the whole area with 44% on less than £30K compared to 42%
- The same proportion of households (28%) in the £30K to £50K bracket
- and 28% 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.

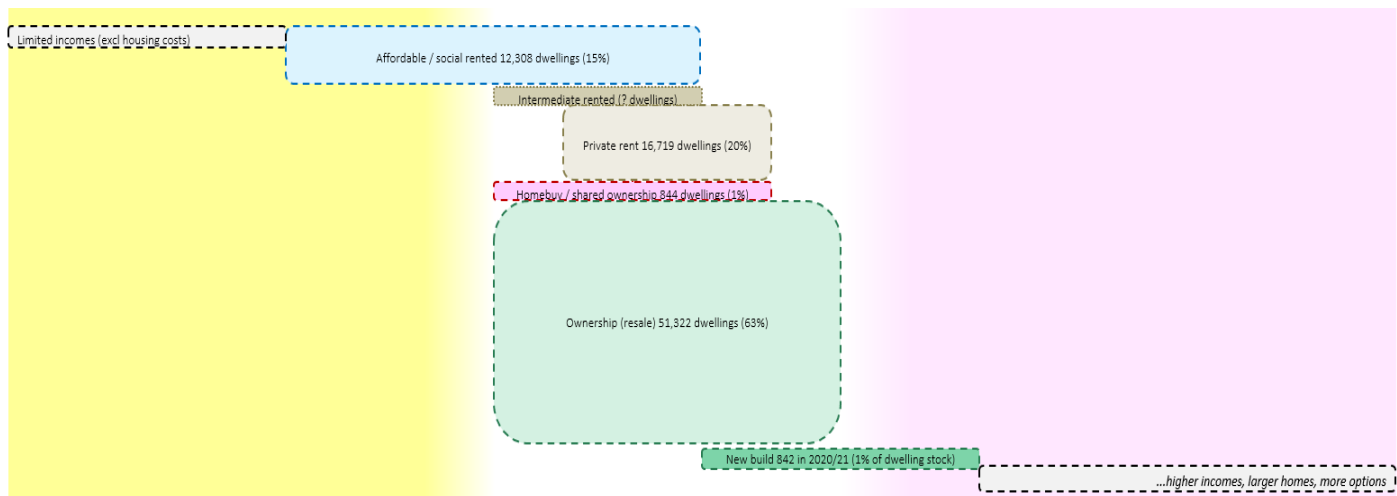
Using the diamond-o-gram to look at other aspects of the housing market

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 West Suffolk 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 West Suffolk we see:

- There is a reasonable amount of affordable / social rented at 15% of dwellings. Smaller social rent is the housing option for households on incomes starting from £10-15K
- Private rented makes up c.20% of dwellings in West Suffolk. It can require a higher income than home ownership & Homebuy. For smaller homes income needed can be around £25K
- Intermediate rent could provide useful dwelling supply in West Suffolk, but for smaller homes, need a similar income to Homebuy or resales. 2 and 3 beds may have slightly better affordability - so worth considering factors such as access (deposits), mobility (shorter term commitment than purchase) and availability
- Income required for smaller Homebuy is slightly 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 supply at 63% of dwellings. Home ownership and Homebuy need incomes of £20-25K+ but have a relatively narrow range of prices, not reaching beyond £45-50K
- New build for 1 beds require a higher income than all other tenures, at around £35-40K+.

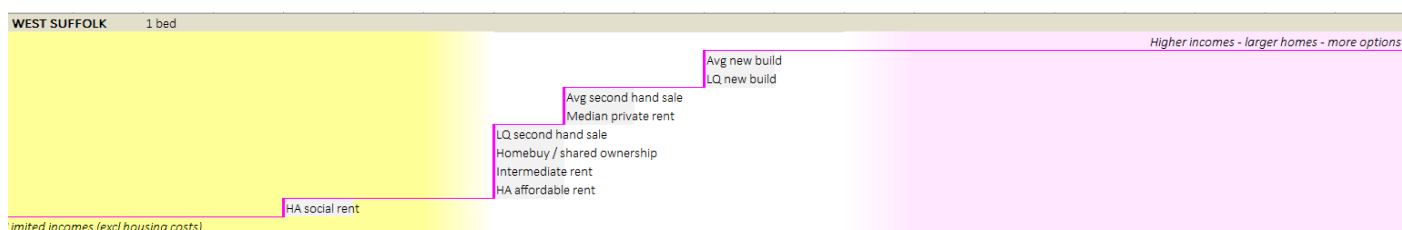
Comparing income needed for different sizes and tenures of homes

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.

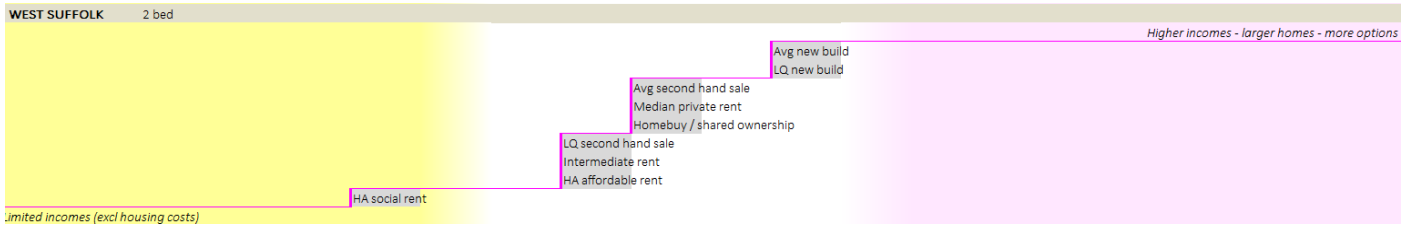
This staircase is presented for all sizes and tenures of homes, and is then split out into 1 2 and 3+ beds. In West Suffolk:

1 bed



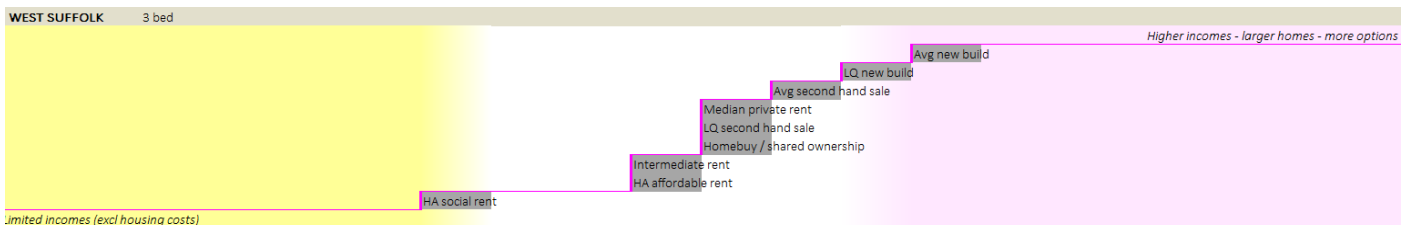
- The income needed for a 1 bed starts with HA social rented in the yellow zone, moving up to the pink zone for LQ and average new build.
- The gap between income needed for HA social rent and LQ sales, Homebuy, Intermediate rent and HA affordable rent indicates that HA social rent is by far the most affordable option for 1 beds in West Suffolk
- A number of other tenures require a similar income level to each other, meaning there is not a very broad spread of incomes needed

2 bed



- HA social rents require a lower income than other tenure 2 beds.
- A number of tenures needing a similar income band meaning incomes required remain mainly in the “white” zone i.e. affordable to households on incomes between £15K and £50K

3 bed



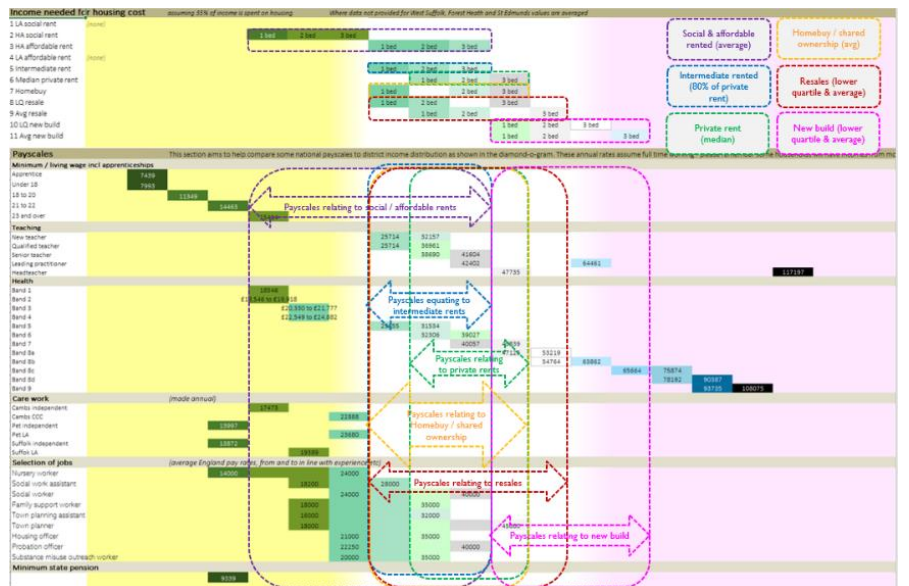
- Incomes required for 3 beds varies a little more than for 1 and 2 beds, reaching into the ink zone for average new build.
- Like 1 and 2 beds, HA social rent required markedly lower incomes than all other tenures, with a gap between this first step and the next one (HA affordable rent and intermediate rented).

Broad tenure and pay scales

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

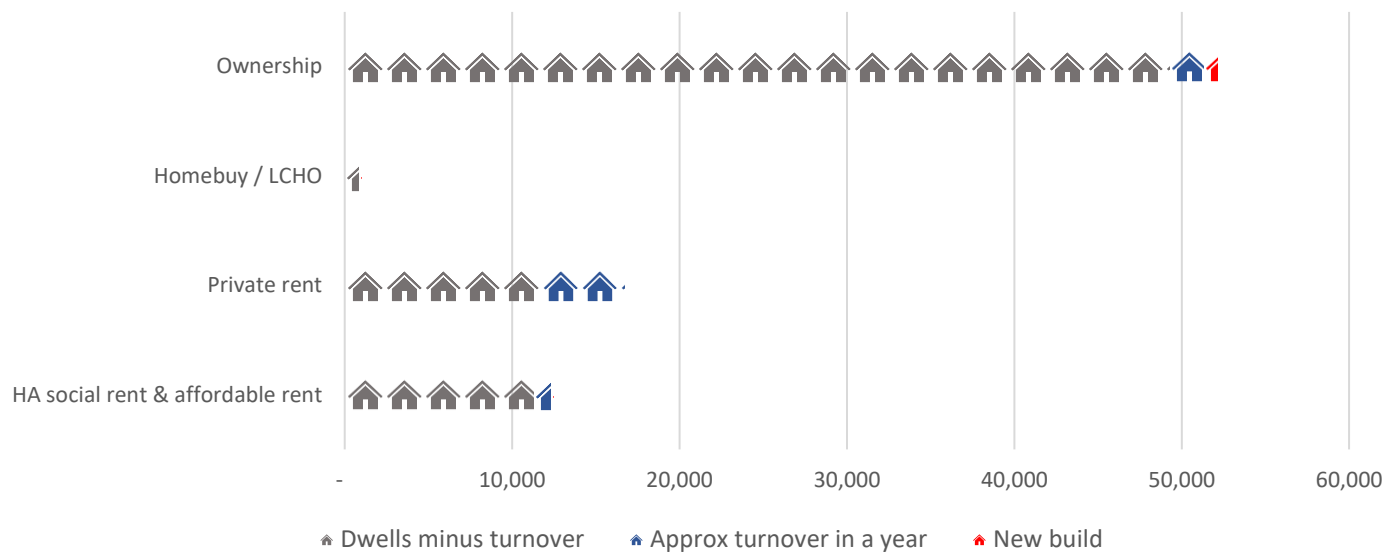
Please note the income needed for housing cost is based on CACI income data, so payscales (quoted salaries) and not strictly comparable. So this diagram can only give an indication of how national and local pay rates compare to housing costs; but we hope help to indicate pressures.

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

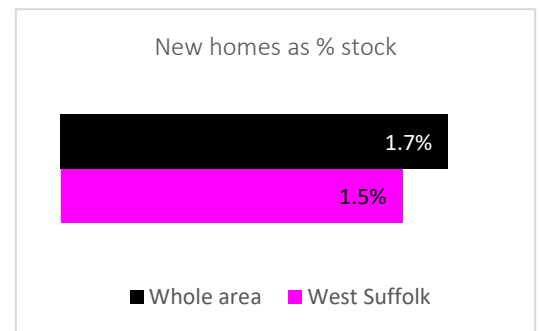


Sets out the dwellings in each of five broad tenure groups. This highlights the relatively small number of homes built compared to the overall housing stock in each broad tenure group, which may mean the new build homes (in red) are too small to clearly see in the pictogram.

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

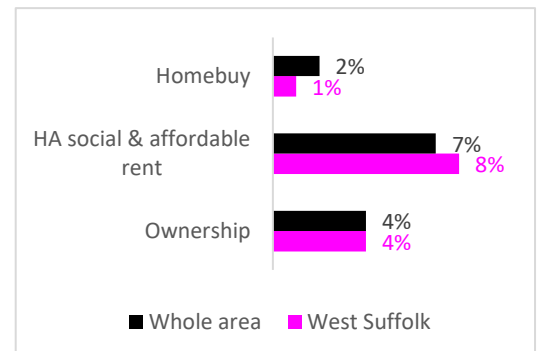
- West Suffolk delivered 1,241 new homes, representing 1.5% of West Suffolk's stock of around 81,200 dwellings.
- For comparison, across the whole study area, new homes represented around 1.7% of the total stock of 453,863 dwellings.



Turnover in 2021/2022

West Suffolk turnover looks similar to the whole area rates:

- Ownership matches the whole area rate at 4%
- HA rented turnover at 8% is similar to the whole area's 7%
- Homebuy turnover is 1% compared to 2% across the whole area.



Applying CACI income bands to Local Plan figures

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

GLHearn set out an annual requirement for 796 new homes in West Suffolk. Delivering these homes would lead to a population increase of 32,279 between 2020 and 2040.

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

- 44% of the new population (14,073) might have incomes of less than £30K
- 28% of the new population (9,023) might have incomes of £30-50K
- 28% of the new population (9,184) might have incomes of more than £50K