

Warrington Local Housing Needs Assessment Update

Warrington Borough Council

August 2021

Prepared by

GL Hearn

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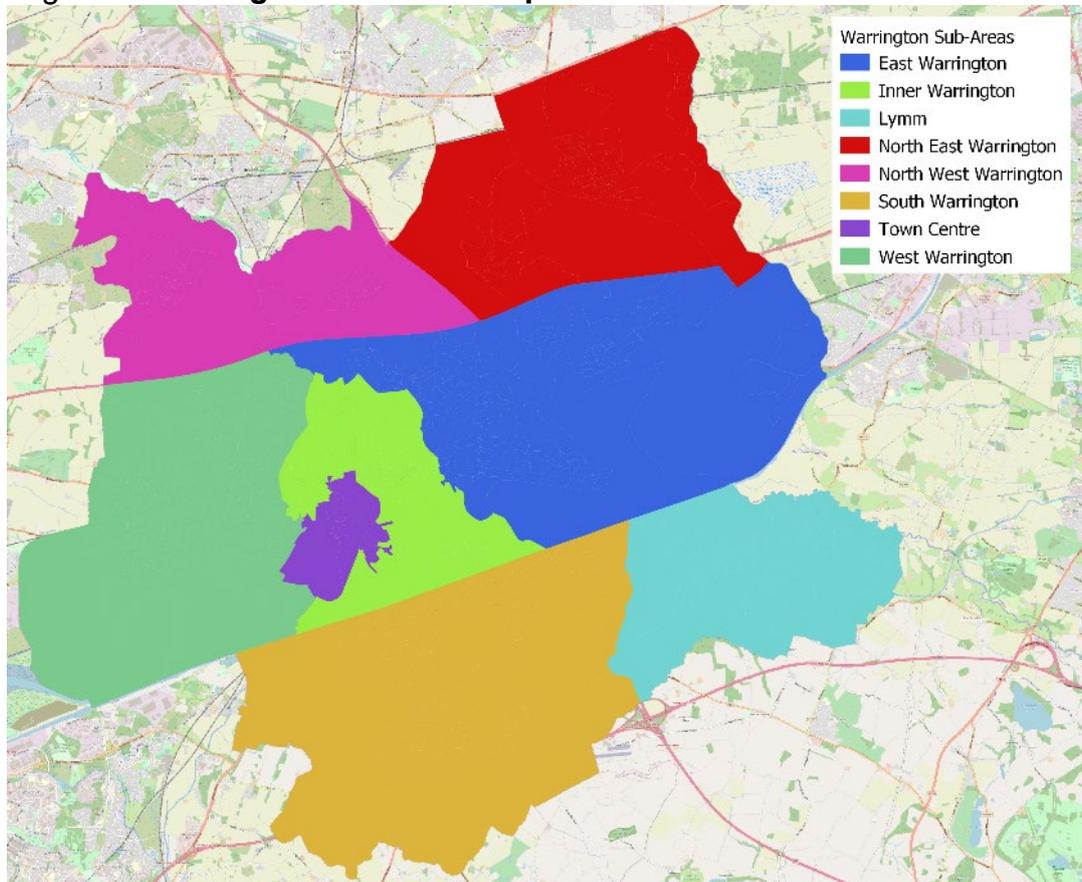
Limitations

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1 EXECUTIVE SUMMARY

- 1.1 GL Hearn, in conjunction with Justin Gardner Consulting (JGC), was commissioned to provide an updated Local Housing Needs Assessment (LHNA) for Warrington Borough Council.
- 1.2 In the preparation of this report, data for Warrington has been compared to wider comparator geographies of the Housing Market Area (HMA), (which includes St. Helens and Halton in addition to Warrington), the North West region and England.
- 1.3 Also, Borough-wide data have been disaggregated to a sub-area level to enable policy development at this more granular level. These have been detailed below:
- East Warrington: the area to the east of Inner Warrington, to the south of the M62;
 - Inner Warrington: the area surrounding the Town Centre and broadly bound by A50 to the east and north, Sankey Brook to the west, and the Manchester Ship Canal to the south;
 - Lymm: the settlement of Lymm and the surrounding rural area as bound by the M6 to the west and the canal to the north;
 - NE Warrington: the area to the north of the M62 and east of the M6;
 - NW Warrington: the area to the north of the M62 and west of the M6;
 - South Warrington: the area to the south of the Manchester Ship Canal and west of the M6;
 - Town Centre: Warrington Town Centre in line with Draft 2019 Local Plan submission and broadly bound by the A49 to the north and east, the A5060 to the south and the river Mersey and the West Coast Main Line rail sidings to the west; and
 - West Warrington: the area to the west of Inner Warrington, to the south of the M62.

Figure 1: Warrington Sub-Area Map



Source: GLH* (Mapped using output areas according to best-fit).

Housing Need and Population Growth

- 1.4 The Standard Method housing need for Warrington results in 816 dwellings per annum (dpa) based on the 2014-based household projections.
- 1.5 Given the current Local Plan was adopted in July 2014, and more than five years ago and the housing target was quashed by the High Court in 2015, the cap is applied at 40% above the demographic baseline set in Step 1 of 715. This comes to 1,000.

- 1.6 The capped figure is greater than minimum annual local housing need figure and therefore the minimum Objectively Assessed Need (OAN) figure for Warrington is 816 dpa.

Housing Profile

- 1.7 This section analyses the housing profile in Warrington as compared to the Mid-Mersey Housing Market Area (HMA) and wider geographies, and also on a sub-area level.
- 1.8 An analysis of type of homes shows that Warrington has a relatively high proportion of detached dwellings compared with the wider HMA and North West region and fewer terraced homes.
- 1.9 The Town Centre sub-area has a low percentage of detached dwellings (3.4%) compared to Flats (51.1%) and Terraced homes (32.2%). This is in contrast with most other sub-areas.
- 1.10 In terms of size of homes, Warrington is in line with wider geographic comparators. The Town Centre sub-area has a higher concentration of dwellings of 2 and 3 habitable rooms compared to the Warrington average.
- 1.11 In common with the wider comparator geographies in 2011, the dominant type of tenure in Warrington was owner occupation. That said, the Town Centre, East Suburban and Inner Warrington sub-areas have socially rented households representing 20% or more of their total stock, compared to an average of 15% across Warrington.
- 1.12 The Town Centre has 42.5% of all households privately renting, as compared to 11.3% across Warrington.
- 1.13 Overcrowding affects only a small number of households in the Borough.

- 1.14 Over the period since the 2010/11 Census, housing completions have averaged 562dpa. Over the five year period since 2016/17 the average has slowed to 487dpa.
- 1.15 Inner Warrington and West Suburban Warrington yielded the most housing completions since 2010/11.
- 1.16 In examining its housing pipeline, the Borough is short of its 5YHLS by 1.81 years of supply (or 1,477 dwellings). It will not be able to meet its OAN for housing over the Plan Period without Green Belt release.

Economic Growth and Housing Need

- 1.17 GL Hearn analysed the latest Oxford Economics (OE) and Cambridge Econometrics (CE) employment forecasts over the plan period to provide a starting point to understand the number of new homes housing that would be needed to support jobs growth.
- 1.18 This report has also considered the justification in the 2019 LHNA for going above the baseline job forecasts to arrive at an uplifted Housing Need Figure (HNF) of 945 dpa. The latest evidence clearly indicates the expectation of jobs growth is now substantially lower than in 2019.
- 1.19 In analysing the forecasts it was found that there were wide differences in outcomes between the OE and CE forecasts. Whereas OE (using a base year of 2021) put forward an annual increase of 490 additional jobs per annum, CE forecast 945.
- 1.20 With reference to the findings put forward in the Economic Development Needs Assessment (EDNA), this study concludes that the CE forecasts are too optimistic while the OE forecasts are unduly pessimistic.

- 1.21 Therefore this LHNA arrives at a “mid-point” forecast employment growth of 874 new jobs each year (14,855 over the plan period).
- 1.22 Taking account of changes to the economically active population, commuting patterns, double jobbing and unemployment, it has been estimated that between 696 and 765 new homes each year are required to support a jobs growth of 14,855.
- 1.23 Given current commuting patterns and estimates about double jobbing, it is estimated that just over 18,300 additional jobs could be supported by growth in the housing supply in line with the standard method-based HNF of 816dpa. This falls to 16,100 if commuting is assumed to be on a 1:1 ratio for new jobs.
- 1.24 Given that robust forecasts of employment growth are within the level of increase that would be supported by the delivery of 816dpa there is no justification to increase the housing requirement to support employment growth in Warrington over the Plan Period.

Demographic Trends and Projections

- 1.25 Analysis has been undertaken to consider demographic trends, in particular looking at past trends in population growth and future projections. The analysis draws on the 2018-based subnational population projections (SNPP) and the 2018-based household projections (SNHP). The analysis also looks at the most recent population estimates (again from ONS) which date to mid-2019.
- 1.26 19% of the Borough population is estimated to be aged 65 and over in 2019 (compared to a national average of 18%). The East and West Settlements sub-areas see a particularly old population, with over a quarter of people being aged 65 and over.

- 1.27 Past population growth in Warrington has been relatively weak, over the past 8-years (since 2011) the population of the Borough has grown by 4%. This compares with a 6% increase nationally over the same period. Population growth is driven by both net migration and natural change (i.e. more births than deaths).
- 1.28 The relatively low level of population growth can also be seen in ONS SNPP projections (which are trend based), with the 2018-based version showing lower projected changes in Warrington than other areas (including regionally and nationally)). Population growth is projected to be concentrated in older age groups (those aged 65 and over).
- 1.29 Population growth can be converted into estimates of household growth by using household representative rates (HRR). HRRs can be understood as heads of households. Data about HRRs is taken from ONS household projections.
- 1.30 Using the information from the 2018-based SNPP and SNHP a bespoke projection has been developed that links to dwelling provision of 816dpa. This considers the level of population growth and household formation that might be expected if this delivery is achieved (in the 2021-38 period).
- 1.31 Overall, in the 2021-38 period, delivery of 816 dpa is projected to see an increase in population of 11% (22,300 more people) compared with a 3% increase (6,500) in the 2018-based SNPP. Of the 15,800 difference in population increase, some 69% (10,900) is accounted for by a projected uplift in the number of people aged 16-64.

Affordable Housing Need

- 1.32 Analysis has been undertaken to estimate the need for affordable housing in the 2021-38 period (inclusive). The analysis is split between a need for social/affordable rented accommodation and the need for affordable home

ownership (AHO). The latter includes housing for those who can afford to rent privately but cannot afford to buy a home.

- 1.33 The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership).
- 1.34 When looking at rented needs, the analysis suggests a need for 423 affordable homes per annum and therefore the Council is justified in seeking to secure additional affordable housing. There is also a need shown in all parts of the Borough.
- 1.35 The analysis shows a higher affordable need in this assessment compared with that set out in the 2019 LHNA. The earlier study arrived at a need for 377 new affordable homes each year.
- 1.36 The difference is driven by a lower level of relet supply in this study (608 relets per annum compared with 809 in the 2019 LHNA). It is, however, notable that this study actually estimates a lower level of gross need¹ of 1,030dpa compared with 1,186dpa in the 2019 LHNA.
- 1.37 The variations between this study and the 2019 LHNA are set out in the table below.

¹ This is the need before account is taken of the supply.

Table 1: Comparing affordable housing need in this assessment with 2017 study

Group	This study	2019 LHNA	Variation	%
Current need	71	60	16	26.70%
Newly forming households	687	784	-93	-11.90%
Existing households falling into need	272	342	-69	-20.20%
Total Gross Need	1,030	1,186	-146	-12.30%
Relet Supply	608	809	-201	-24.80%
Net Need	423	377	56	14.90%

Source: This study and 2019 LHNA (Table 29)

- 1.38 PPG states that while the Council may consider an uplift in the total housing figure to respond to affordable housing need², it is not under an obligation to do so. It is for the Council to balance the delivery of new homes against other policy objectives, in particular safe-guarding environmental amenity.
- 1.39 Moreover, caution should be exercised in trying to make a direct link between affordable need and planned delivery. Many of those households picked up as having a need will already be living in housing; therefore, providing an affordable option does not lead to an overall net increase in the need for housing (as they would vacate a home to be used by someone else).
- 1.40 Also, it is also worth noting that affordable homes delivered under S106 agreements form only one part of new supply. PRS, for example, makes a substantial contribution towards meeting need for subsidised housing for rent. Also, the Council has the capacity to use its assets for this purpose through its own Local Housing Company.
- 1.41 That said, the Council is justified in seeking to secure additional affordable housing. There is also a need shown in all parts of the Borough.

² PPG (housing needs) Ref ID 2a-010

- 1.42 The analysis indicates that there will be a need for both social and affordable rented housing. The latter will be suitable particularly for households who are close to being able to afford to rent privately and also for some households who claim full Housing Benefit. On this basis, it is not recommended that the Council has a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes are likely to be required.
- 1.43 When looking at the need for AHO products, the analysis also suggests a need across the Borough, albeit (at 267 dwellings per annum) the need is lower than for rented housing. In interpreting this figure, it should however be noted that there could be additional supply from resales of market homes (below a lower quartile price) which arguably would mean there is a more limited need for AHO.
- 1.44 Analysis does suggest that there are many households in Warrington who are being excluded from the owner-occupied sector (as evidenced by reductions in owners with a mortgage and increases in the size of the private rented sector). This suggests that a key issue in the Borough is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.
- 1.45 The study also considers different types of AHO (notably First Homes and shared ownership) as each will have a role to play.
- Discounts applied to First Homes are likely to be greater in North East and in areas south of the Ship Canal in South Warrington and Lymm.
 - Shared ownership is likely to be suitable for households with more marginal affordability (those only just able to afford to privately rent) as it has the advantage of a lower deposit and subsidised rent.
- 1.46 In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Council will need to consider the

relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that there are more households with a need for rented housing and these are likely to have more acute needs and fewer housing options).

- 1.47 Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the Borough. That said, this does not in itself provide justification for an increase in the HNF to address affordable housing need.
- 1.48 It is important to note that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

Housing Mix

- 1.49 The proportion of households with dependent children is slightly above the regional and national average. Projecting forward, there is expected to be a modest increase in the number of households with dependent children – increasing by 7% (1,900 more households) over the 2021-38 period when linking to a housing need of 816 dwellings per annum.
- 1.50 There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability.
- 1.51 The analysis linked to long-term (18-year) demographic change concludes that an appropriate mix of affordable and market homes at a borough-wide level. This takes account of both household changes and the ageing of the population.

Table 2: Suggested Mix of Housing by Size and Tenure

Tenure	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	30%	50%	15%
Affordable home ownership	20%	40%	30%	10%
Affordable housing (rented)	40%	30%	25%	5%

- 1.52 The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bed properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing in the Borough (by tenure) and also the size requirements shown on the Housing Register.

Table 3: Suggested Mix of Housing by Size and Tenure

Tenure	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	30%	50%	15%
Affordable home ownership	20%	40%	30%	10%
Affordable housing (rented)	40%	30%	25%	5%

- 1.53 The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas Registered Providers find difficulties selling 1-bedroom affordable home ownership homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation.
- 1.54 In applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.
- 1.55 Based on the evidence, it is expected that the focus of new market housing provision will be on 2- and 3-bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2- and 3-beds) from older households downsizing and looking to release equity in existing homes, but still retaining flexibility for friends and family to come and stay.
- 1.56 In most sub-areas there is no evidence to support a move away from the recommendations for the Borough as a whole.
- 1.57 In North East Warrington, South Warrington and Lymm a greater proportion of 4-bedroom homes than the Borough average (14%) would be appropriate. The housing market model suggests around 20% would be appropriate for these sub-areas.

- 1.58 It is important to note that in North East Warrington, South Warrington and Lymm the market has delivered a high proportion of 4- bedroom homes since 2011 (49%, 54% and 27% respectively).
- 1.59 Also, there is some justification for the Borough average housing mix recommendations to be adjusted in the case of sites coming forward in the Town Centre to allow a higher proportion of 1-bedroom flats.

Needs of older and disabled Persons

- 1.60 The method used to identify the housing needs of older and disabled people responds to PPG published by Government in June 2019. It includes an assessment of the need for specialist accommodation and housing to be built to M4(2) and M4(3) housing technical standards (the former being housing that is accessible and adaptable to the needs of a disabled person; the latter suited to occupation by wheelchair user).
- 1.61 Warrington has a similar age structure and similar levels of disability compared with the national average and lower age-specific rates of disability in a regional context.
- 1.62 The older person population is projected to increase notably in the future and an ageing population means that the number of people with disabilities is likely to increase substantially.
- 1.63 The forecast changes in the demographic profile indicate a clear need to increase the supply of specialist accommodation and housing to be built to M4(2) and M4(3) housing technical standards.
- 1.64 Where the authority has nomination rights M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they

should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.

- 1.65 A different approach may be prudent for market housing and affordable homes, recognising that Registered Providers may already build to higher standards, and that households in the affordable sector are more likely to have some form of disability.
- 1.66 WBC's emerging policy position is that all homes should be meet M4(2) standards and 10% of new housing should meet Building Regulation requirement M4(3) Wheelchair user dwellings. This is based on the evidence of need presented in this report, taking viability constraints and the PPG into account..
- 1.67 In seeking M4(2) compliant homes, the Council should also be mindful that such homes could be considered as 'homes for life' and would be suitable for any occupant, regardless of whether or not they have a disability at the time of initial occupation.
- 1.68 In framing policies for the provision of specialist older persons accommodation the Council should consider the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for.

Self and Custom build

- 1.69 Based on the Council's Self and Custom build register, 34 plots should be provided each year to satisfy demand from self-builders in Warrington.
- 1.70 The evidence justifies a positive approach to the provision of self and custom build plots within major developments.
- 1.71 The local authorities should seek to adopt a general "encourage" policy for all sites but also implement a further policy on sites above a minimum size.

Student housing

- 1.72 This report has not uncovered any evidence that growth in students is likely to impact on the housing market in the Borough in a significant way over the plan period.
- 1.73 There is, therefore, no requirement to specifically plan for student accommodation or increase the overall housing need at the Borough level based on student growth.

People who rent their properties

- 1.74 Warrington has seen a substantial increase in the proportion of households living the private rented sector (PRS). The increase over the period 2001-11 is around 190%. This is substantially greater than the North West and England.
- 1.75 It is unlikely that the finite number of AHO units that are delivered over the plan period will address demand from households unable to afford to buy but who are able to rent in full.

- 1.76 Demand for PRS is likely to be driven by temporary workers, households unable to access mortgage finance and those with a poor credit rating.
- 1.77 With the exception of the Town Centre (where there is a high proportion of young professionals) there is no requirement for the Councils to allocate sites for the build-to-rent accommodation.
- 1.78 The PRS has been a significant source of Affordable Housing since 2015 with an increasing number of households in receipt of the housing component of Universal Credit living in the tenure (25% on February 2021).
- 1.79 Between August 2015 and February 2021, the numbers of households claiming the housing component of Universal Credit increased by an average of 55 each year over the period. This amounted to 3,650 dwellings over the period.
- 1.80 Where build to rent is being proposed on a site elsewhere in the Borough, the policy position should, however, be supportive, subject to the location and characteristics of the site in question and the proportion of units for affordable private rent being provided.

Service Families

- 1.81 Service families are not present in sufficient numbers to generate specific demand trends in Warrington.

Capping Affordable housing to rent at LHA rates

- 1.82 The comparison between lower quartile rents in the private and LHA rates suggest that only 2 and 4 bedroom dwellings in Inner Warrington and 1 bedroom dwellings in North East Warrington and the Town Centre are affordable to households in receipt of housing benefit/Universal Credit.

- 1.83 Where the rents of affordable rented homes are set at 20% lower than lower quartile rents in the private sector dwellings of 1-3 bedrooms in size are affordable to households in receipt of housing benefit/Universal Credit in all areas bar Lymm and South Warrington.
- 1.84 4 bedroom units will not be affordable to households on housing benefit in areas other than Inner Warrington and the Town Centre.
- 1.85 In Lymm and South Warrington and in all sub-areas in respect of 4 bedroom homes besides Inner Warrington and the Town Centre, it will be necessary to ensure that rents don't exceed LHA levels in order to achieve affordability for the target group.

2 INTRODUCTION

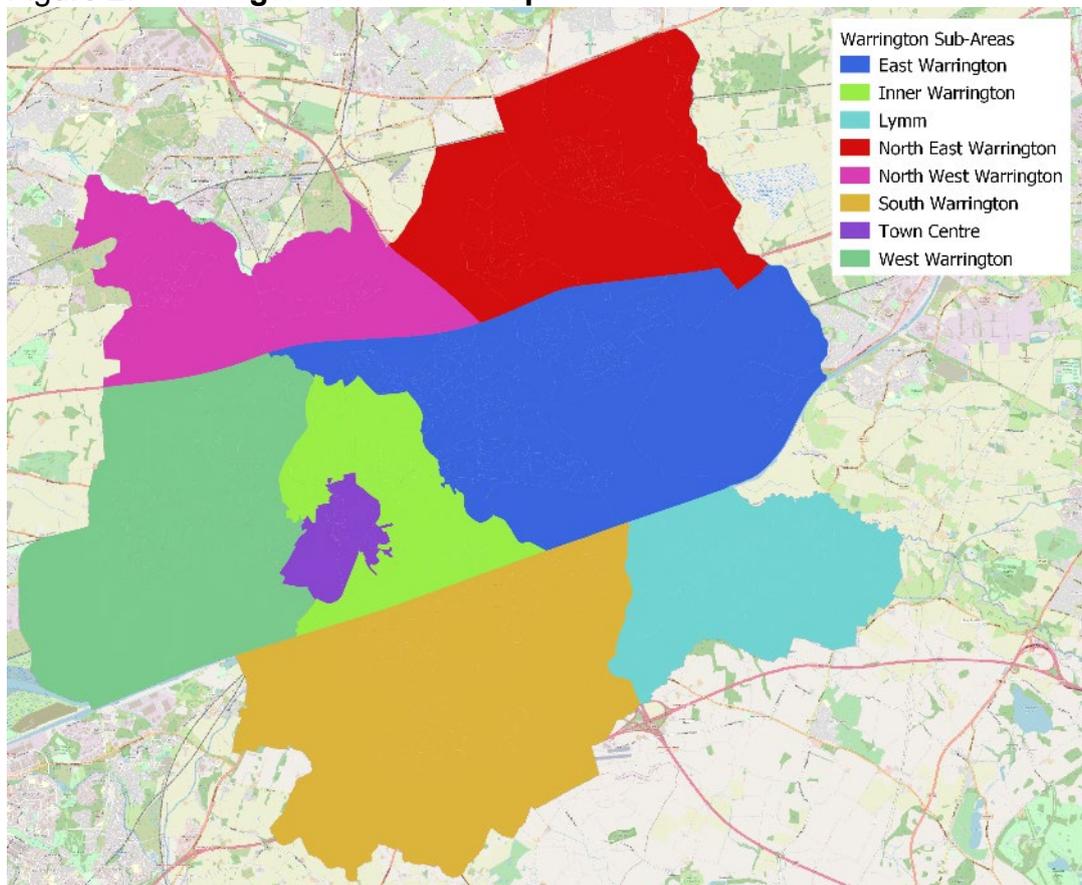
- 2.1 In line with national policy³, GL Hearn and Justin Gardner Consulting (JGC) has been commissioned by Warrington Borough Council (WBC) to carry out a Local Housing Needs Assessment (henceforward, LHNA 2021) to housing to inform the Council's emerging Local Plan (ELP). The ELP has a plan period of 2021-38.
- 2.2 Recent studies that examine housing need in Warrington include (in chronological order)
- Strategic Housing Market Assessment for the Mid Mersey authorities in January 2016 (Mid-Mersey SHMA);
 - 2017 2019 LHNA (2017 SHMAU);
 - the Liverpool City Region Strategic Housing and Employment Land Market Assessment (SHELMA) in March 2018; and
 - the 2019 Local Housing Needs Assessment (2019 LHNA).
- 2.3 The LHNA 2021 will update these earlier studies. To ensure consistency with them the same assumptions have been used where possible. This study does, however, look at the sub-area geography in more detail than these earlier reports.
- 2.4 The sub-area geography is set out below. In order to enable policy development at the sub-area level, where possible evidence has been gathered at this geographical scale. As shown in figure 2 there are ten distinct sub-areas. These have been detailed below:
- East Warrington: the area to the east of Inner Warrington, to the south of the M62;
 - Inner Warrington: the area surrounding the Town Centre and broadly bound by A50 to the east and north, Sankey Brook to the west, and the Manchester Ship Canal to the south;
 - Lymm: the settlement of Lymm and the surrounding rural area as bound by the M6 to the west and the canal to the north;
 - NE Warrington: the area to the north of the M62 and east of the M6;
 - NW Warrington: the area to the north of the M62 and west of the M6;
 - South Warrington: the area to the south of the Manchester Ship Canal and west of the M6;

³ National Planning Policy Framework, para 60

- Town Centre: Warrington Town Centre in line with Draft 2019 Local Plan submission and broadly bound by the A49 to the north and east, the A5060 to the south and the river Mersey and the West Coast Main Line rail sidings to the west; and
- West Warrington: the area to the west of Inner Warrington, to the south of the M62.

2.5 Due to the constraints of data collection, particularly with the Census, broad policy areas were matched according to best-fit on an output-area level.

Figure 2: **Warrington Sub-Area Map**



Source: GLH

2.6 These sub-areas will be considered in greater detail in the housing needs chapter.

2.7 The methodology used in this report has regard to national policy, in particular the NPPF and follows Planning Practice Guidance (PPG). In subsequent chapters, relevant national policy and PPG are referenced.

3 POLICY REVIEW

- 3.1 In the paragraphs the key elements of the National Planning Policy Framework (NPPF) and National Planning Policy Guidance (PPG) that have informed this study have been summarised together with any changes that have been introduced since 2019.
- 3.2 In order to determine the minimum number of homes required within their area over a Local Plan period, plan-makers are required by national policy to use the Standard Method described in the housing and economic needs chapter of PPG unless exceptional circumstances justify an alternative approach⁴.
- 3.3 It should be emphasised that this report does not set housing targets. It provides an assessment of housing need, based on relevant PPG. This is intended to provide inputs to plan-making alongside wider evidence including on land availability, environmental and other development constraints and infrastructure.
- 3.4 Also, national policy states that “within this context, the size, type and tenure of housing needed for different groups in the community should be assessed”⁵.
- 3.5 It adds these specific groups include but are not limited to:
- “those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes”.*
- 3.6 While the Standard Method may be used to identify the minimum number of homes required, PPG identifies appropriate circumstances in which a higher figure may be appropriate⁶. These include (but are not limited to):

⁴ NPPF, para 60

⁵ NPPF para 61

⁶ PPG (housing and economic needs assessment) Ref ID 010-2a

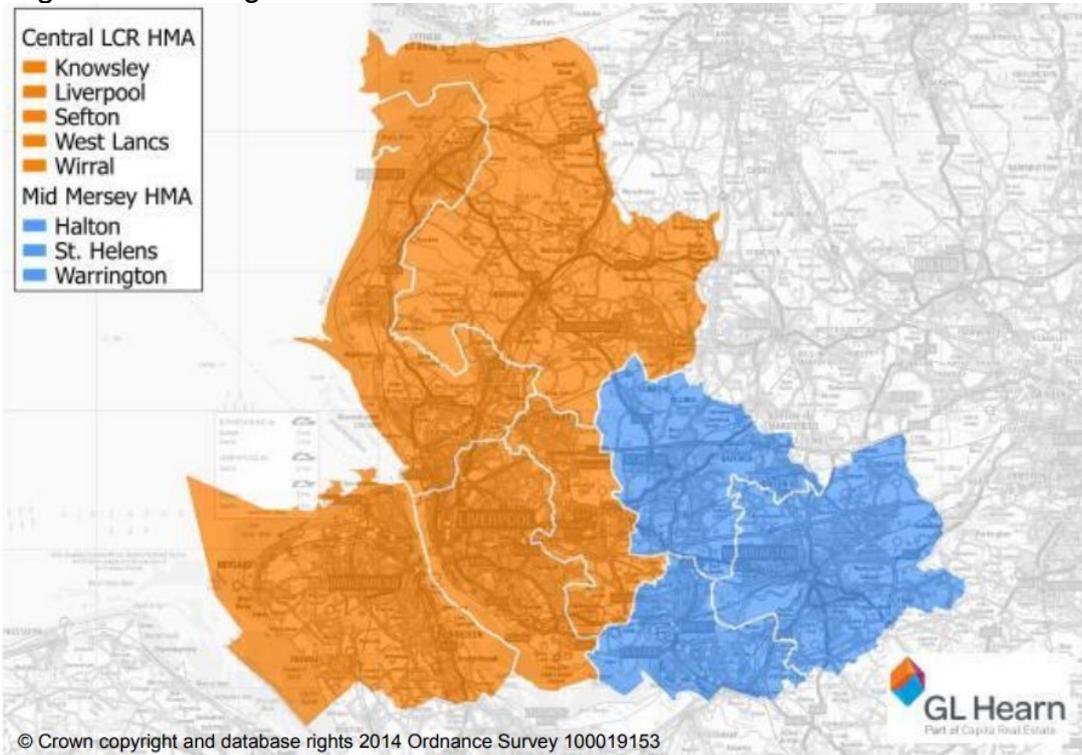
*“growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);
strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or
an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;*

There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the Standard Method. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.”

Geographies

- 3.7 Following on from previous work, this study uses the HMA as defined in the Liverpool SHELMA and previous versions of the Mid-Mersey SHMA. These are shown in the Figure below.

Figure 3: Housing Market Areas



Source: GL Hearn, 2018

- 3.8 As part of undertaking this LHNA, GL Hearn have reviewed a number of indicators and considered if the Housing Market Area reaffirmed in the 2019 LHNA remains relevant. This is discussed in further detail below.
- 3.9 The 2018 Liverpool City SHELMA noted that St. Helens, Halton and Warrington together have a self-containment of around 80% based on an analysis of 2011 Commuting patterns from the Census. As was set out in older iterations of the PPG, a self-containment threshold of 70% is typically used as an indicator that local authorities fall into one housing market area. Thus, the HMA has high levels of self-containment and strong linkages.
- 3.10 Whilst Housing Market Areas were required to be tested in the (now withdrawn) Strategic Housing Market Assessment Practice Guidance, mention of testing

HMA's is now more limited. Any mention of this was also removed in the later revisions of the NPPF (from the 2018 update).

- 3.11 Analysis of house price change across the HMA and on migration patterns will be considered in greater detail later in this report. For the purposes of this assessment it can be concluded that the HMA boundaries as covered in the 2018 SHELMA remain valid.

4 HOUSING NEED

4.1 PPG sets out a three-step methodology to arrive at a Housing Needs Figure (HNF). These steps are set out below.

Step 1: Setting the baseline

4.2 The current Standard Method uses the 2014-based household projections in England to set the demographic baseline from which the HNF is calculated. This is the annual average household growth over 10 years with the current year being the first year. As this document is being published in 2021 then the period examined is 2021 -2031.

4.3 As set out in the table below there is expected to be a 17,120 growth in households in Warrington over 2021 to 2031 (94,062 households increasing to 101,207) or 715 households per annum. This equates to a 7.6% increase in households over the same period.

Table 4: **Step 1 – Household Growth in Warrington**

Group	number
Households 2021	94,062
Households 2031	101,207
Change in households	7,145
Per annum change (Step 1)	715

Source: GL Hearn calculations

Step 2: Adjustment to take account of affordability

4.4 The purpose of Step 2 is to adjust the demographic baseline based on local affordability. The adjustment increases the housing need where house prices are high relative to workplace incomes.

4.5 The market signal used to test this is the median workplace-based affordability ratio published by ONS in the most recently published year. This is the median house price in a given area expressed as a multiple of median earnings in the same location.

4.6 Specifically, the adjustment increases the housing need derived from the household projections by 0.25% for every percentage point the affordability ratio is above four (4.0). This is justified on the basis that four is the typical multiple used as a lending practice by mortgage providers. The equation is as follows:

Adjustment factor = ((Local affordability ratio – 4)/4) x 0.25

4.7 In 2020, the median workplace affordability ratio was 6.27 in Warrington. This means that median house prices were 6.27 times the median earnings of those working in the local authority area.

4.8 As set out in the table below this means that the adjustment factor for these areas is 14.2%. This is calculated as follows: $((6.27 - 4) / 4) \times 0.25 = 14.2\%$.

Table 5: Step 2 - Affordability Uplift in Warrington

Group	Number
Per annum change (Step 1)	715
Affordability ratio (2020)	6.27
Uplift to household growth	14.2%
Total need (per annum)	816

Source: GL Hearn calculations

4.9 To this point, the housing need in Warrington would be 816 per annum. This is the uncapped need in the HMA.

Step 3: Capping the level of any increase

- 4.10 The final step in the Standard Method is to cap the market signals uplift if necessary “so as to limit the level of increase an individual local authority can face”.
- 4.11 How the cap is applied depends on the age of the adopted Local Plan and scale of housing growth. Where an authority has reviewed their plan (including developing an assessment of housing need) or adopted a plan (including spatial development strategies) within the last five years the need may be capped at 40% above the requirement figure set out in the plan.
- 4.12 Alternatively, where plans and evidence are more than five years old a cap may be applied at 40% of the higher of the projected household growth or the housing requirement in the most recent plan (where this exists).
- 4.13 In the case of Warrington, the current Local Plan was adopted in July 2014, more than five years ago. Furthermore the housing target in the plan was quashed by the High Court in February 2015. Therefore, the latter of the two scenarios described above applies.
- 4.14 The cap is therefore applied at 40% above the demographic baseline set in Step 1 of 715. This comes to 1,000.
- 4.15 **The capped figure is greater than minimum annual local housing need figure and therefore the minimum OAN figure for this Warrington is 816 dpa.**
- 4.16 PPG notes that “the method provides authorities with an annual number, based on a 10-year baseline, which can be applied to the whole plan period.”⁷

⁷ PPG (housing and economic needs assessment) Ref ID: 012-2a

Housing Need and Population Growth: Key Points

- The Standard Method housing need for Warrington results in 816 dpa based on the 2014-based household projections.
- Given the current Local Plan was adopted in July 2014, and more than five years ago and the housing target was quashed by the High Court in 2015, the cap is applied at 40% above the demographic baseline set in Step 1 of 715. This comes to 1,000.
- The capped figure is greater than minimum annual local housing need figure and therefore the minimum OAN figure for this Warrington is 816 dpa.

5 HOUSING PROFILE

Introduction

- 5.1 This section of the report profiles the current housing stock in Warrington. For comparison purposes, the analysis considers the wider geographies of the Mid-Mersey HMA (consisting of Warrington, Halton and St. Helens), the North West region and England.
- 5.2 Also, the Borough data is disaggregated to its constituent sub-areas to provide an understanding of the profile of the housing stock within these areas.
- 5.3 To contextualize housing need, the analysis looks at
- the current stock;
 - recent supply by tenure and size;
 - the development pipeline;
 - the capacity of development sites; and
 - over-crowding and under-occupancy.

Current stock

- 5.4 The table below presents the distribution of types of housing in 2011, the most recent available complete record of the stock of housing for local authorities in England. This shows that Warrington has a relatively high proportion of detached dwellings compared with the wider HMA and North West region and fewer terraced homes.
- 5.5 Both Warrington and the wider HMA have a relative preponderance of semi-detached homes compared with the North West Region and England. This is accounted for by the higher proportion of flats in the latter two geographies.

Table 6: Type of dwellings in Warrington, the HMA, the North West region and England (2011)

Dwelling Type	Detached	Semi-detached	Terraced	Flat	Caravan or other
Warrington	23.7%	41.0%	24.1%	11.2%	0.1%
HMA	19.7%	41.3%	29.1%	9.8%	0.1%
North West	18.0%	36.4%	29.9%	15.4%	0.2%
England	22.5%	31.3%	24.5%	21.2%	0.4%

Source: 2011 Census

- 5.6 Additionally, dwellings by type have been analysed according to sub-area in Warrington. Unsurprisingly, the Town Centre has a low percentage of detached dwellings (3%) compared to Flats (54%) and Terraced homes (32%). The reverse is true for more rural parts of Warrington.

Table 7: Type of dwellings in Warrington sub-areas (2011)

Dwelling Type	Detached	Semi-detached	Terraced	Flat	Caravan or other	All Types
East Warrington	22.1%	45.4%	24.1%	8.3%	0.1%	100.0%
Inner Warrington	3.9%	34.5%	41.1%	20.5%	0.0%	100.0%
Lymm	30.4%	39.7%	18.9%	11.0%	0.1%	100.0%
NE Warrington	44.1%	38.4%	12.1%	5.3%	0.1%	100.0%
NW Warrington	27.2%	48.4%	21.2%	3.0%	0.2%	100.0%
South Warrington	35.1%	43.1%	14.3%	7.3%	0.2%	100.0%
Town Centre	3.1%	11.5%	31.5%	53.8%	0.0%	100.0%
West Warrington	34.4%	44.0%	15.4%	6.2%	0.0%	100.0%
TOTAL	23.7%	41.0%	24.1%	11.2%	0.1%	100.0%

Source: 2011 Census

- 5.7 The table below presents the change in the types of dwellings in the study area between the 2001 and 2011 Census. Over the period 2001 to 2011, Warrington has recorded a substantial uplift in the number of flats. This rate of growth (6,233 to 9,158 units) has outstripped that of all other geographies.
- 5.8 It is also worth noting the growth in terraced dwellings increased at a faster pace over the period than for other geographies. This suggests that there has been a

relatively strong growth in smaller homes compared with the comparator geographies.

- 5.9 The proportion of households living in caravans and other forms of mobile home and temporary accommodation also fell sharply between 2001 and 2011, although the numbers are small (141 to 60 households).

Table 8: Change in the type of dwellings in Warrington, the HMA, the North West region and England between 2001 and 2011

Dwelling type	Detached	Semi-detached	Terraced	Flat	Caravan or other
Warrington	6.3%	4.7%	7.9%	46.9%	-57.4%
HMA	9.5%	4.5%	5.1%	31.7%	-31.9%
North West	6.9%	3.9%	1.9%	28.6%	0.9%
England	6.5%	5.0%	2.8%	21.5%	0.7%

Source: Census 2001 and 2011

Dwellings by size

- 5.10 The table below presents data relating to the size of dwellings in Warrington and the comparator geographies by habitable rooms. There is no single legal definition of "habitable rooms", as its use and meaning are subject to context⁸. However, for this exercise, we have assumed a definition that is consistent with Part M of the building regulations: a room used or intended to be used, for dwelling purposes including a kitchen but not a bathroom or utility room. Using this definition, we have assumed

- a dwelling with 2 habitable rooms comprises a bedroom and an open-plan kitchen/living space;
- a dwelling with 3 habitable rooms comprises two bedrooms and an open-plan kitchen/living space;
- a dwelling with 4 habitable rooms comprises two bedrooms, a kitchen and living room;
- a dwelling with 5 habitable rooms comprises three bedrooms, a kitchen and living room;

⁸ https://www.planningportal.co.uk/directory_record/275/habitable_rooms (visited 08/04/20)

- a dwelling with 6 habitable rooms comprises three bedrooms, a kitchen, a living room and an additional reception room;
- a dwelling with 7 habitable rooms comprises four bedrooms, a kitchen, a living room and an additional reception room; and
- a dwelling with 8 habitable rooms comprises five bedrooms, a kitchen, a living room and an additional reception room.

5.11 Colour coding has been applied to reveal those sizes of homes that have seen the greatest fall (red) and greatest increase (blue).

5.12 From this it is apparent all geographies share the same broad pattern; that of an increase in smaller homes of 2 and 3 bedrooms together with substantial increases in homes at the largest end of the scale, of 7 and 8+ rooms.

5.13 It is also worth noting that the smallest size of dwelling of one habitable room has seen a large fall. These do however start from a low numerical base (in Warrington there were 291 one room household spaces in 2001).

Table 9: % change in the number of dwellings by number of rooms in Warrington, the HMA, the North West region and England between 2001 and 2011

Rooms	1 room	2 rooms	3 rooms	4 rooms	5 rooms	6 rooms	7 rooms	8+ rooms
Warrington	-32.6%	13.5%	33.1%	-1.2%	-1.1%	2.5%	21.5%	37.6%
HMA	-37.7%	5.3%	26.2%	2.4%	-1.4%	1.7%	23.6%	42.4%
North West	-12.9%	22.1%	25.9%	2.6%	-1.1%	0.1%	16.7%	31.4%
England	-5.2%	24.2%	20.4%	3.5%	-1.8%	2.1%	17.9%	29.8%

Source: Census 2001 and 2011

5.14 Additionally, dwellings by size according to each table in Warrington have been analysed. The Town Centre sub-area has a higher concentration of 2 and 3 habitable rooms compared to the Warrington average. Conversely, sub areas that are less dense, such as rural area or Lymm, have a higher proportion of their housing stock with larger homes.

5.15 Colour coding has been applied to reveal those sizes of homes that have seen the smallest (red) and greatest (blue) increase in their respective areas.

Table 10: Dwellings by Size in Warrington sub-areas, 2011

Sub-area	1 room	2 rooms	3 rooms	4 rooms	5 rooms	6 rooms	7 rooms	8+ rooms
East Warrington	0.30%	1.30%	8.70%	16.20%	31.20%	22.40%	10.30%	9.50%
Inner Warrington	0.40%	2.90%	15.50%	21.40%	34.30%	18.00%	4.90%	2.60%
Lymm	0.10%	1.10%	5.40%	13.50%	19.00%	20.60%	15.40%	24.90%
NE Warrington	0.00%	0.40%	4.40%	11.20%	20.30%	22.30%	15.70%	25.60%
NW Warrington	0.10%	0.70%	3.00%	11.50%	30.40%	25.30%	11.00%	18.00%
South Warrington	0.10%	0.70%	4.40%	8.10%	16.30%	23.90%	16.80%	29.80%
Town Centre	1.50%	10.00%	32.20%	18.80%	17.70%	11.70%	4.20%	3.80%
West Warrington	0.10%	0.80%	5.30%	10.80%	24.60%	24.80%	14.80%	18.80%
TOTAL	0.20%	1.50%	8.80%	14.60%	26.90%	21.90%	11.40%	14.70%

Source: Census 2011

Households by tenure

- 5.16 The table below presents data relating to the tenure split of homes. In common with the wider comparator geographies in 2011 the dominant type of tenure in Warrington was owner occupation. The area recorded the highest proportion of the four geographies at 72.2%.
- 5.17 The area also displays a lower proportion of households in social rented homes (15.8%) than other geographies including the HMA (20.0%).
- 5.18 Regarding the private rented sector, Warrington has a similar proportion to the wider HMA (11.3% and 10.6%, respectively) but smaller proportion than England of the North West region (15.6% and 17.1%, respectively).

Table 11: **Distribution of tenures (2011)**

Area	Owned	Shared ownership	Social housing	Private rented
Warrington	72.2%	0.8%	15.8%	11.3%
HMA	68.7%	0.7%	20.0%	10.6%
North West	65.4%	0.5%	18.5%	15.6%
England	64.2%	0.8%	17.9%	17.1%

Source: Census 2011

- 5.19 Additionally, the distribution of tenures were analysed according to sub-area. Most notably the Town Centre, East Suburban and Inner Warrington sub-areas have socially rented households representing 20% or more of their total stock, compared to an average of 16% across Warrington. The lowest concentration of socially rented stock is observed in rural areas and South Warrington.
- 5.20 Regarding the private rented sector, the Town Centre has, by a large margin, the highest proportion of rented stock (41.6% as against a Borough average of 11.2%).

Table 12: **Distribution of tenures by sub-area (2011)**

Area	Owned	Shared Ownership	Social Rented	Private Rented	Living Rent Free
East Warrington	68.0%	0.5%	23.6%	7.1%	0.8%
Inner Warrington	53.9%	0.7%	25.5%	18.9%	1.0%
Lymm	78.8%	0.9%	7.5%	12.0%	0.8%
NE Warrington	82.1%	0.2%	9.2%	7.7%	0.8%
NW Warrington	83.1%	0.3%	8.2%	7.4%	1.1%
South Warrington	86.7%	0.5%	5.0%	6.9%	0.8%
Town Centre	35.0%	0.5%	20.8%	41.6%	2.1%
West Warrington	81.6%	1.4%	7.2%	9.2%	0.7%
TOTAL	71.5%	0.7%	15.6%	11.2%	0.8%

Source: Census 2011

- 5.21 The Table below shows how the distribution of tenures of homes changed over the period 2001-11 in Warrington and the comparator geographies.

- 5.22 All four areas saw a fall in the proportion of dwellings that are occupied as social housing, although the fall in Warrington at 3.0% is less than that of the HMA (6.4%).
- 5.23 The proportion of households that occupy homes in Shared Ownership increased modestly in the Borough compared with the rate for England. It is, however, worth noting this increase started from a low base.
- 5.24 The proportion of dwellings occupied by households privately renting increased sharply over the period in Warrington as with the other geographies. While the Borough recorded an uplift of around 190% (from 3,294 to 9,549 homes), this was out-paced by the wider HMA where an increase of 307.9% was recorded.

Table 13: % change by tenure 2001 – 2011

Tenure	Owned	Shared ownership	Social housing	Private rented
Warrington	3.8%	5.6%	-3.0%	189.9%
HMA	7.4%	0.6%	-6.4%	307.9%
North West	0.5%	-4.2%	-2.5%	114.8%
England	0.4%	30.0%	-0.9%	106.6%

Source: Census 2001 and 2011

Over-crowding and under-occupation

- 5.25 Over-crowding and under-occupation use the definition set out in 2011 Census based on the number of bedrooms required for a particular household. This is based on the bedroom standard for each household which assumes that a separate bedroom shall be allocated to the following persons:
- A) A person living together with another as spouses (whether that other person is of the same sex or the opposite sex)
 - B) A person aged 21 years or more
 - C) Two persons of the same sex aged 10 years to 20 years
 - D) Two persons (whether of the same sex or not) aged less than 10 years
 - E) Two persons of the same sex where one person is aged between 10 years and 20 years and the other is aged less than 10 years

- F) Any person aged under 21 years in any case where he or she cannot be paired with another occupier of the dwelling to fall within, C, D or E or above.

5.26 The table below shows data from the 2011 Census as to the occupancy ratings across in Warrington and how this compares with the wider HMA, regional and national scales.

5.27 This suggests overcrowding affects only a small number of households in the Borough. Compared with the other geographies, Warrington has the lowest levels of overcrowding at 2.4%. That said, it is also worth noting that the proportion of households experiencing some level of over-crowding increased by around 20% over the period in the Borough. While this compares unfavourably with the wider HMA that, overall, saw a fall in the proportion of households experiencing overcrowding, it out-performs the region and England. Within these geographies there was a substantial growth in households that were overcrowded (around 37% and 57% respectively).

5.28 Also, there is a substantial level of "under occupation" of homes in the Borough with around 40% of households having an occupancy rating of 2 or more. While this is in line with the wider HMA the proportion of households with this number of "spare" rooms is higher in the Borough than in comparator geographies.

Table 14: Occupancy rating 2011

Occupancy Rating	+2 or more	1	0	-1	-2 or less	Total
Warrington	39.9%	35.2%	22.5%	2.1%	0.3%	100.0%
HMA	37.7%	36.7%	23.0%	2.4%	0.3%	100.0%
North West	34.5%	37.1%	24.8%	3.1%	0.5%	100.0%
England	34.3%	34.4%	26.7%	3.9%	0.7%	100.0%

Source: Census 2011

5.29 This shows that, in line with the HMA, that the proportion of households that may be "under-occupying" their homes in Warrington increased by around 14% over

the period. This exceeds the rate for the North West region and England by around 5%.

Table 15: % change in occupancy ratings Warrington the HMA, the North West region and England between 2001 and 2011

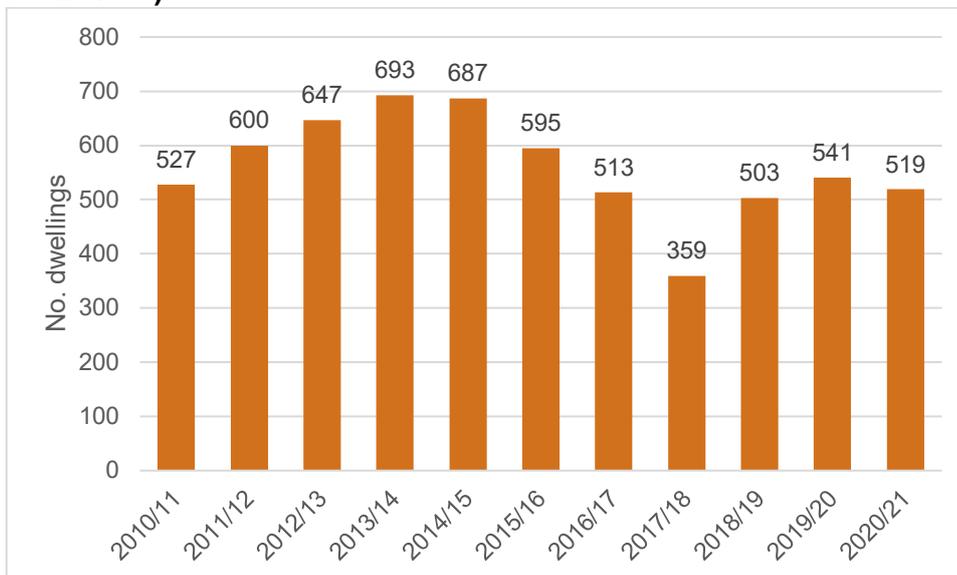
Occupancy Rating	+2 or more	1	0	-1	-2 or less
Warrington	14.4%	-5.6%	12.1%	18.8%	0.6%
HMA	14.3%	-2.8%	5.5%	6.6%	-12.7%
North West	9.3%	-1.5%	8.2%	28.4%	8.4%
England	9.2%	-3.2%	10.4%	37.7%	19.6%

Source: Census 2001 and 2011

Completions

5.30 The figure below sets out the number of completions each year as recorded in the annual monitoring report (AMR). This shows that over the period since the 2010/11 Census completions have averaged 562dpa. Over the five year period since 2016/17 the average has been 487dpa.

Table 16: Housing completion and annual housing target (2011/12-2020/21)



Source: AMR

5.31 The table below set out the results of the Housing Delivery Test measurement for Warrington in 2020. This shows that, according to the test, the Borough has substantially under-delivered on housing requirements, placing the Borough in "presumption" territory.

5.32 It is worth noting, however, that the number of homes required under the housing delivery test are based on a Standard Method-based housing needs figure given that the latest adopted housing requirement figure is more than five years old⁹.

⁹ MHCLG, Housing Delivery Test Rulebook (July 2018), page 6

Table 17: Warrington, Housing delivery test measurement 2020

Area Name	Total number of homes required (2016-2017)	Total number of homes required (2017-2018)	Total number of homes required (2018-2019)	Total number of homes required	Number of homes delivered (2016-2017)	Number of homes delivered (2017-2018)	Number of homes delivered (2018-2019)	Total number of homes delivered	Housing Delivery Test: 2019 measurement	Housing Delivery Test: 2019 consequence
Warrington	792	887	786	2,465	359	503	541	1,403	57%	Presumption

Source: MHCLG

5.33 The table below considers completions by sub-area over the period 2010/11 to 2019/20. This shows that housing completions have varied by year, with Inner Warrington and West Warrington having the most housing completions since 2010/11. This is presented in the table below.

Table 18: Completions by Sub-area, 2010-20

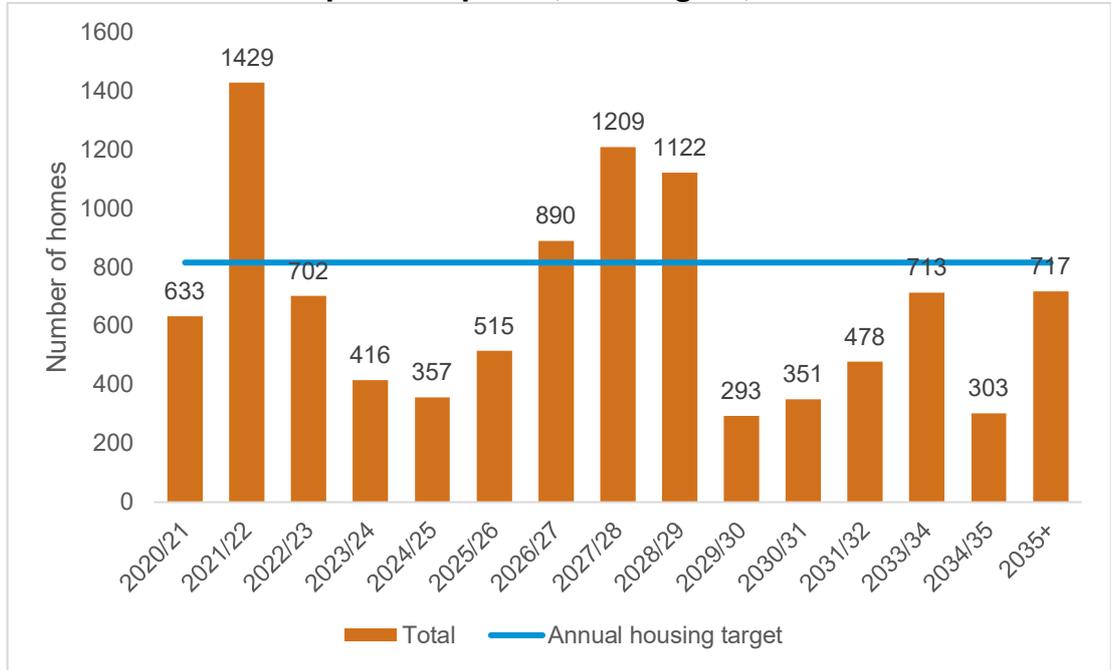
Sub-area	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Grand Total
East Warrington	1	20		77	50	83	3	37	66	7	344
Inner Warrington	285	251	371	398	372	246	247	132	117	34	2,453
Lymm	18	46	4	18	28	8	6	25	4	9	166
North East Warrington	28	11	8	7	27	50	6	10	7	34	188
North West Warrington	1	1		4	15	2	0	1	2	5	31
South Warrington	6	10	10	14	10	8	0	17	32	158	265
Town Centre	1	35	16	30	16	31	0	51	35	58	273
West Warrington	205	246	255	165	186	187	134	104	273	254	2,009
Warrington	545	620	664	713	704	615	396	377	536	559	5,729

Source: GLH Analysis of Council Data

Development pipeline

- 5.34 The figure below sets out the land supply pipeline for Warrington over the plan period.
- 5.35 The forecast delivery over the period 2021/22-2025/26 is 3,419 dwellings, a shortfall of 660 against an annual HNF of 816 per annum over the period (or a 5 year housing land supply (5YHLS) of 4.19 years).
- 5.36 On account of falling short of the required number of homes to meet the HDT, the 5YHLS is also subject to a 20% buffer (in affect needing to show an additional 1 years' worth of housing supply). The Council would therefore need to show an additional 1.81 years of supply (or 1,477 dwellings) to meet its housing land supply obligations under paragraph 74 of the NPPF.
- 5.37 Taking into account the current pipeline (as evidenced in the Strategic Housing Land Availability Assessment) means that the Council is not able to meet 816dpa target in the short, medium or longer term unless land is released from the Green Belt.

Table 19: Development Pipeline, Warrington, 2020-2029



Source: GLH Analysis of Council Data

Housing Profile: Summary Points

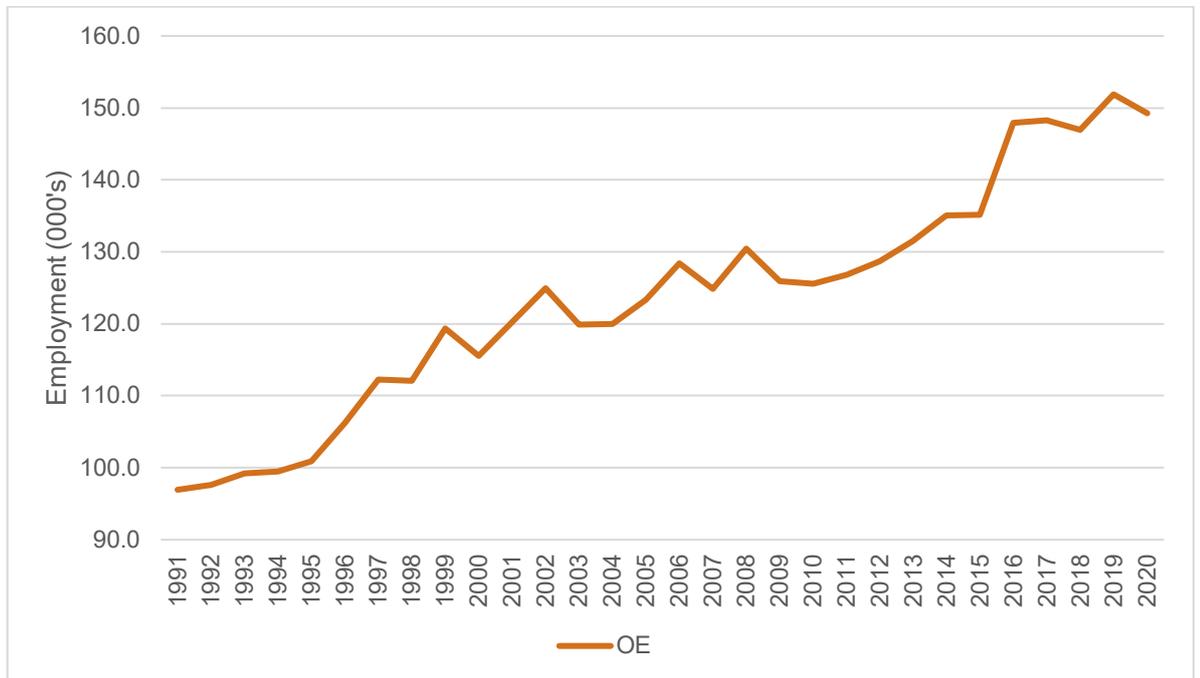
- This section analysed the housing profile in Warrington as compared to the HMA and wider geographies, and additionally on a sub-area level.
 - An analysis of type of homes shows that Warrington has a relatively high proportion of detached dwellings compared with the wider HMA and North West region and fewer terraced homes.
 - The Town Centre sub-area has a low percentage of detached dwellings (3.4%) compared to Flats (51.1%) and Terraced homes (32.2%). The reverse is true for Rural Warrington.
 - In terms of size of homes, Warrington is in line with wider geographic comparators. The Town Centre sub-area has a higher concentration of 2 and 3 habitable rooms compared to the Warrington average.
 - In common with the wider comparator geographies in 2011, the dominant type of tenure in Warrington was owner occupation. Within Warrington, the Town Centre, East Suburban and Inner Warrington sub-areas have socially rented households representing 20% or more of their total stock, compared to an average of 15% across Warrington.
 - The Town Centre has 42.5% of all households privately renting, as compared to 11.3% across Warrington.
 - Overcrowding affects only a small number of households in the Borough.
- Over the period since the 2010/11 Census completions have averaged 562dpa. Over the five year period since 2016/17 the average has slowed to 487dpa.
- Inner Warrington and West Suburban Warrington yielded the most housing completions since 2010/11.
- In examining its housing pipeline, the Borough is short of its 5YHLS by 1.81 years of supply (or 1,477 dwellings). It will not be able to meet its OAN for housing over the Plan Period without Green Belt release.

6 ECONOMIC GROWTH AND HOUSING NEED

- 6.1 In this section, consideration is given to economic growth and how this may influence the level of housing need.
- 6.2 While the Standard Method removes any consideration of economic growth within an objectively assessed need (OAN) for housing, there is still a requirement for local authorities to align their economic and housing strategies. If they fail to do so they would either struggle to meet their economic growth aspirations or draw on a greater level of workforce outside the Borough thus creating commuting patterns that may be unsustainable.
- 6.3 The PPG is also clear that the Standard Method is also a minimum and that where growth strategies are in place this might entail the actual housing need being higher than the figure identified by the Standard Method¹⁰. This section of the report seeks to understand the housing need required to meet the Borough's economic ambition.
- 6.4 Historic employment change has been analysed in Warrington in order to compare how the economy has fared historically compared to the growth in the future.

¹⁰ PPG (housing needs) Ref ID: 2a-010

Figure 4: Historic Employment Growth (1991-2020)- Warrington



Source: Oxford Economics, 2018

Previous SHMA and Updated Forecasts

- 6.5 The 2019 LHNA concluded that the Oxford Economics (OE) baseline growth was likely to be too low whereas the growth set out in the Strategic Economic Plan (SEP) was judged to be too high. The 2019 LHNA therefore concluded that the adjusted baseline with SEP scenario would result in a housing need of 945 dpa.
- 6.6 In light of the lower standard-method housing need figure, the impacts of Brexit, along with the ongoing COVID-19 pandemic (the Pandemic), GL Hearn is of the view that the previous SEP figure of 945 dpa is now too high and not reflective of an achievable level of housing delivery.
- 6.7 As shown in the previous chapter, the average number of homes completed each year since 2016/17 is 487dpa. This casts in to question whether the 945dpa figure is achievable or realistic.

6.8 WBC has recently commissioned new forecasts from both OE and, for comparison purposes, Cambridge Econometrics (CE). Working from revised employment forecasts (2020-based) OE forecast 490 new jobs per annum will be created in Warrington for 2017-37. This compares with 940 according to CE. A table below has been presented for comparison with previous economic forecasts.

Table 20: Comparison of OE Forecasts for Warrington, Previous Periods

	Total Empl. 2017	Total Empl. 2037	Change	Change per Annum	Compound Annual Growth Rate
OE 2016	137,600	156,100	18,400	920	0.63%
OE 2018	142,200	154,900	12,700	635	0.43%
OE 2021	148,253	158,047	9,794	490	0.32%

Source: Oxford Economics

Table 21: Comparison of CE Forecasts for Warrington, Previous Periods

	Total Empl. 2017	Total Empl. 2037	Change	Change per Annum	Compound Annual Growth Rate
CE 2015	145,300	162,800	17,500	876	0.57%
CE 2018	137,100	147,400	10,300	516	0.36%
CE 2021	146,808	165,701	18,893	945	0.61%

Source: Cambridge Econometrics

6.9 Over the 2017-37 period, the most recent OE forecasts anticipate employment growth of 490 jobs per annum. This is a 47% decrease in anticipated baseline jobs growth from the 2016 equivalent.

6.10 This is a substantial reduction on previous baseline assessments and may be accounted for by the sluggish growth in the national economy in line with other advanced economies, the uncertainties generated by Brexit and, more recently,

the impact of the COVID-19 Pandemic. These factors have resulted in a deterioration in the outlook for a range of industrial sectors.

- 6.11 The CE Forecasts, by contrast, anticipate an increase of 945 jobs each year over the same period as compared to 516 in 2016.

Updated Plan Period Employment Change

- 6.12 OE’s revised employment forecasts (2020-based) informed the Borough’s as yet unpublished update to their assessment of employment land needs. This will arrive at an estimate of needs over the period 2021 to 2038.
- 6.13 This study also examines the forecast growth produced by CE to benchmark the OE data. The forecasts have also been compared within the updated period of 2021 to 2038 as demonstrated in the table below.

Table 22: Comparison of OE and CE Forecasts for Warrington

	2021	2038	Change	Change Per Annum	Compound Annual Growth Rate
OE 2018	145,673	155,593	9,920	584	0.39%
OE 2021	145,898	158,217	12,319	725	0.48%
CE 2018	138,674	148,050	9,376	552	0.39%
CE 2021	149,228	166,619	17,391	1,023	0.65%

Source: OE

- 6.14 As evidenced by the table above, the Compound Annual Growth Rates between the previous OE and CE forecasts were comparable. However, they have diverged on account of differing assumptions on the anticipated pace of the recovery of the economy from the effects of COVID-19. OE assumes a recovery of employment in 2021 whilst CE projects a greater loss in 2021 compared to 2020.

- 6.15 Through analysis of the figures and further discussions with BE Group (consultants responsible for the Economic Development Needs Assessment (EDNA) for Warrington), GL Hearn and BE Group are in agreement that the CE forecasts are too optimistic while the OE forecasts are unduly pessimistic.
- 6.16 In light of this analysis, a “mid-point” scenario has been devised to arrive at a reasonable forecast of future employment growth. This is 874 jobs per year (14,855 over the plan period). This is set out in the table below and further evidenced in the chart detailing a mid-point line.

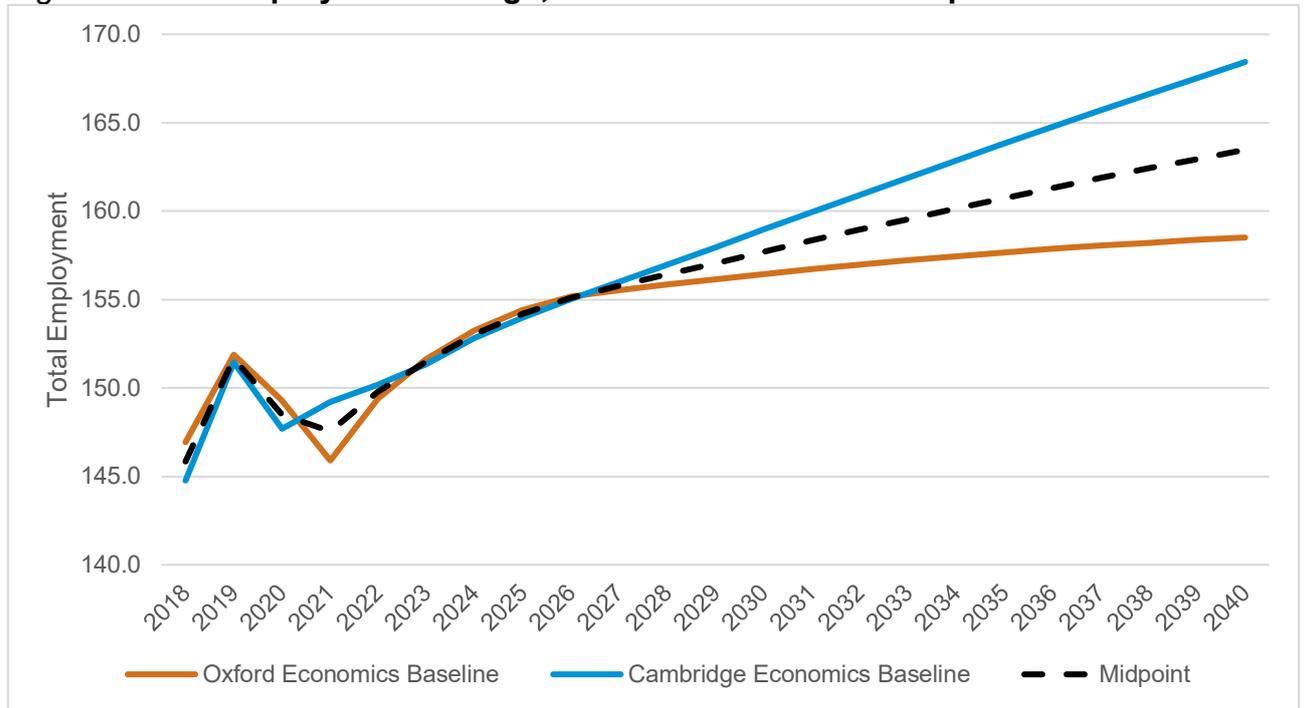
Table 23: Comparison of OE and CE Forecasts for Warrington

	2021	2038	Change	Change Per Annum	Compound Annual Growth Rate
OE	145,898	158,217	12,319	725	0.48%
Midpoint	147,563	162,418	14,855	874	0.57%
CE	149,228	166,619	17,391	1,023	0.65%

Source: OE

- 6.17 One noticeable change is the difference in the requirement of the forecasts between a start date of 2019 and 2021. The higher need associated with a starting point of 2021 is due to the anticipated drop in employment as a result of the Pandemic, and subsequently a greater employment increase. This has been demonstrated in the chart below, along with the indicative mid-point scenario plotted.

Figure 5: **Employment Change, OE and CE Forecast Comparison**



Source: GL Hearn analysis of OE and CE data

6.18 The table below shows the variation between the forecasts in the drop in employment over the period between 2019 and 2021. This ranges from 5,988 jobs according to OE and only 2,214 jobs according to CE. It however worth noting that both forecasts expect there to be a fall in jobs growth.

Table 24: **Employment Change, 2019-2021, Forecast Comparison**

	2019	2021	Change
Oxford Economics Baseline	151,886	145,898	5,988
Cambridge Economics Baseline	151,442	149,228	2,214
Midpoint	151,664	147,563	4,101

Source: GL Hearn analysis of OE and CE data

6.19 To conclude, it is reasonable, on the basis of the evidence gathered, that Warrington will see 874 new jobs each year. This reflects a mid-point between the CE and OE forecasts.

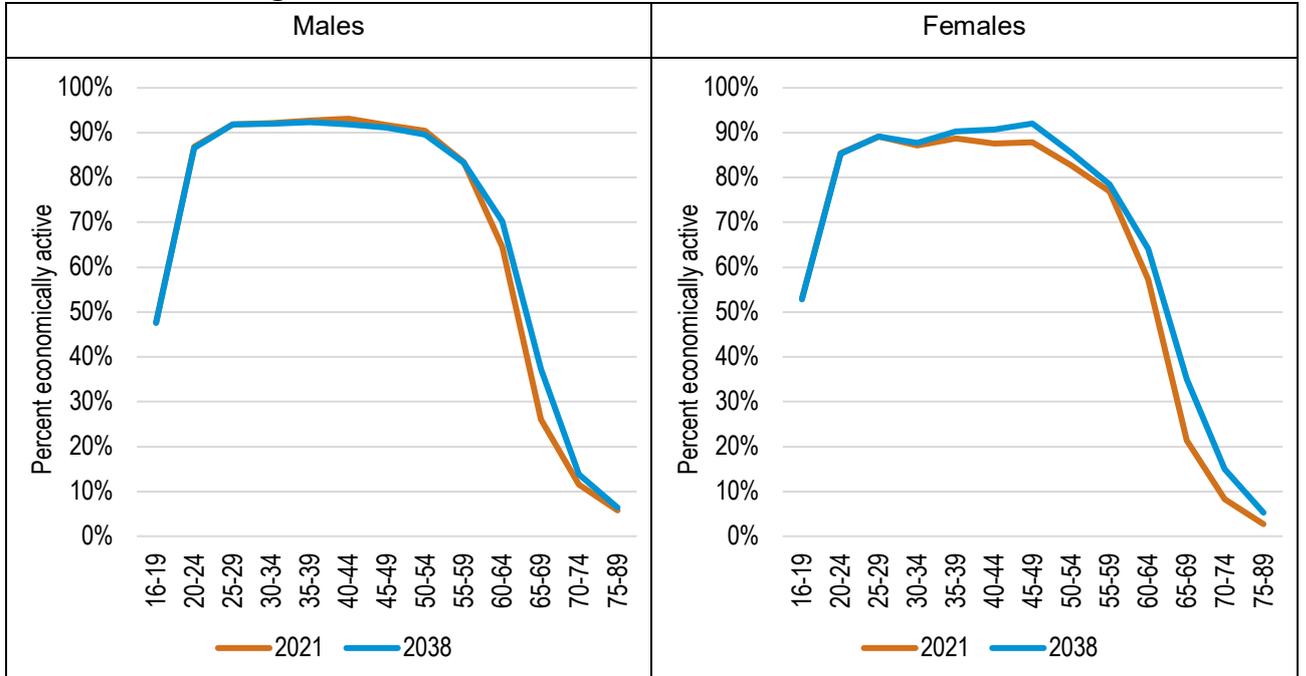
Number of Jobs Supported by the Standard Method

- 6.20 To check whether an employment-led housing needs figure that exceeds the 816 dpa Standard Method-based figure is justified, the next step is to calculate the level of jobs growth would be supported were this number of homes to be delivered.
- 6.21 In the event this falls short of 874 jobs per year then an uplift to this number would need to be considered.
- 6.22 To arrive at this calculation, the following steps are taken,
- Estimate changes to the economically active population (this provides an estimate of the change in labour-supply);
 - Overlay information about commuting patterns, double jobbing (i.e. the fact that some people have more than one job) and potential changes to unemployment; and
 - Bringing together this information will provide an estimate of the potential job growth supported by the population projections.

Growth in Resident Labour-Supply

- 6.23 The approach taken in this report is to derive a series of age and sex specific economic activity rates and use these to estimate how many people in the population will be economically active as projections develop. This is a fairly typical approach with data being drawn in this instance from the Office for Budget Responsibility (OBR) – July 2018 Fiscal Sustainability Report.
- 6.24 The figure and table below show the assumptions made (for Warrington). The analysis shows that the main changes to economic activity rates are projected to be in the 60-69 age groups – this will to a considerable degree link to changes to pensionable age, as well as general trends in the number of older people working for longer (which in itself is linked to general reductions in pension provision).

Figure 6: **Projected changes to economic activity rates (2021 and 2038) – Warrington**



Source: Based on OBR and Census (2011) data

Table 25: **Projected changes to economic activity rates (2021 and 2038) – Warrington**

Gender	Males	Males	Males	Females	Females	Females
Age group	2021	2038	Change	2021	2038	Change
16-19	47.70%	47.60%	-0.10%	53.00%	52.90%	-0.10%
20-24	86.80%	86.60%	-0.20%	85.50%	85.30%	-0.10%
25-29	91.80%	91.80%	0.00%	89.10%	89.20%	0.00%
30-34	92.20%	92.00%	-0.20%	87.10%	87.70%	0.50%
35-39	92.80%	92.30%	-0.40%	88.70%	90.20%	1.60%
40-44	93.10%	91.80%	-1.30%	87.50%	90.70%	3.10%
45-49	91.80%	91.10%	-0.70%	87.80%	92.00%	4.20%
50-54	90.40%	89.60%	-0.80%	82.70%	85.50%	2.80%
55-59	83.50%	83.40%	-0.10%	76.90%	78.40%	1.50%
60-64	64.50%	70.10%	5.60%	57.20%	64.10%	6.90%
65-69	26.10%	37.30%	11.20%	21.30%	35.10%	13.80%
70-74	11.60%	13.80%	2.20%	8.30%	15.00%	6.70%
75-89	5.80%	6.40%	0.60%	2.70%	5.30%	2.60%

Source: Based on OBR and Census (2011) data

6.25 Working through an analysis of age and sex specific economic activity rates it is possible to estimate the overall change in the number of economically active people in the Borough – this is set out in the table below. The analysis shows that there would be an estimated increase in the economically active population of around 11,600 people (a 10% increase over 17-years).

Table 26: **Estimated change to the economically active population (2021-38) – Warrington**

Demographic starting point	Economically active (20217)	Economically active (2038)	Total change in economically active
SM (816 dpa)	112,257	123,850	11,592

Source: Derived from demographic projections

Linking Changes to Resident Labour Supply and Job Growth

6.26 The analysis above has set out potential scenarios for the change in the number of people who are economically active. However, it is arguably more useful to convert this information into an estimate of the number of jobs this would support. The number of jobs and resident workers required to support these jobs will differ depending on three main factors:

- Commuting patterns – where an area sees more people out-commute for work than in-commute it may be the case that a higher level of increase in the economically active population would be required to provide a sufficient workforce for a given number of jobs (and vice versa where there is net in-commuting);
- Double jobbing – some people hold down more than one job and therefore the number of workers required will be slightly lower than the number of jobs; and
- Unemployment – if unemployment were to fall then the growth in the economically active population would not need to be as large as the growth in jobs (and vice versa).

Commuting Patterns

6.27 The table below shows summary data about commuting to and from Warrington from the 2011 Census. Overall, the data shows that the Borough sees a notable level of in-commuting for work with the number of people resident in the area who are working being about 12% lower than the total number who work in the area.

6.28 This number is shown as the commuting ratio in the final row of the table and is calculated as the number of people living in an area (and working) divided by the number of people working in the area (regardless of where they live).

Table 27: Commuting patterns in Warrington

Group	Number of people
Live and work in Local Authority (LA)	50,422
Home workers	9,452
No fixed workplace	6,368
In-commute	49,224
Out-commute	34,993
Total working in LA	115,466
Total living in LA (and working)	101,235
Commuting ratio	0.877

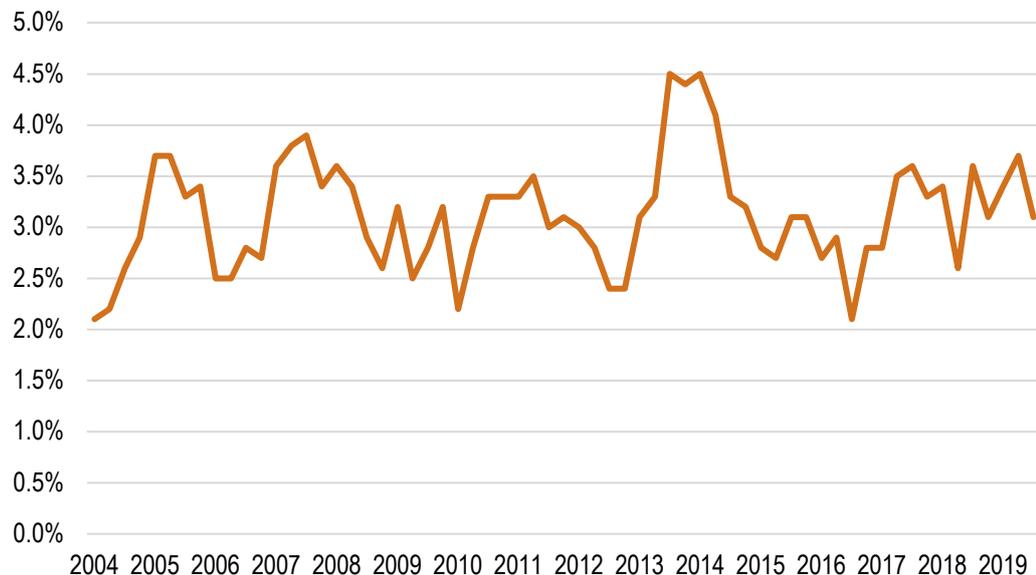
Source: 2011 Census

- 6.29 In translating the commuting pattern data into growth in the labour-force, a core assumption is that the commuting ratio remains at the same level as shown by the 2011 Census.
- 6.30 A sensitivity has also been developed where commuting for new jobs is assumed to be on a 1:1 ratio (i.e. the increase in the number of people working in the Borough is equal to the number of people living in the Borough who are working).
- 6.31 This sensitivity is useful to understand the implications for housing as to continue to assume net in-commuting would arguably mean that other authorities (outside of Warrington) would be making housing provision for people to move to the Borough.
- 6.32 The 1:1 ratio is also useful in the context of the Pandemic with the likelihood being that a greater proportion of people will work from home (or mainly from home) in the future.

Double Jobbing

6.33 The analysis also considers that a number of people may have more than one job (double jobbing). This can be calculated as the number of people working in the local authority divided by the number of jobs. Data from the Annual Population Survey (available on the NOMIS website) suggests across the Borough that typically about 3.1% of workers have a second job – levels of double jobbing have been variable over time (mainly due to the accuracy of data at a local level).

Figure 7: **Percentage of all people in employment who have a second job (2004-2020) – Warrington**



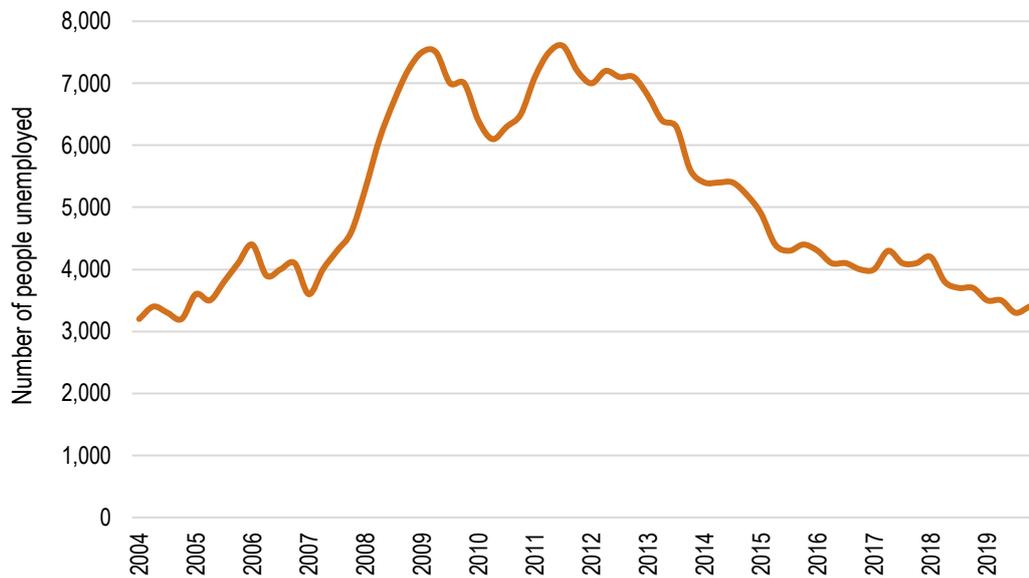
Source: Annual Population Survey (from NOMIS)

6.34 For the purposes of this assessment it has been assumed that around 3.1% of people will have more than one job moving forward. A double jobbing figure of 3.1% gives rise to a ratio of 0.969 (i.e. the number of jobs supported by the workforce will be around 3.1% higher than workforce growth). It has been assumed in the analysis that the level of double jobbing will remain constant over time.

Unemployment

- 6.35 When looking at the link between jobs and resident labour supply unemployment is a consideration. Essentially, the presence of any latent labour force that could move back into employment to take up new jobs should be taken into account. This is particularly important given the assessment takes a 2021 base, a time where there is likely to have been notable increases in unemployment due to the Pandemic, although it will be difficult to be precise about numbers, particularly as the impact of the ending of the furlough scheme are unknown.
- 6.36 The figure below shows the number of people who are unemployed and how this has changed back to 2004. The analysis shows a clear increase in unemployment until about 2011 and that since then, the number of people unemployed has dropped notably – by 2019/20, the number of unemployed people was back close to the level observed in 2004.
- 6.37 The data is noteworthy as it does not yet show any change or increase as a result of COVID-19. However, the final period for which data is available is for a 12-month period from October 2019 to September 2020 and may well have not picked up impacts yet.

Figure 8: Number of people unemployed (2004-2020) – Warrington

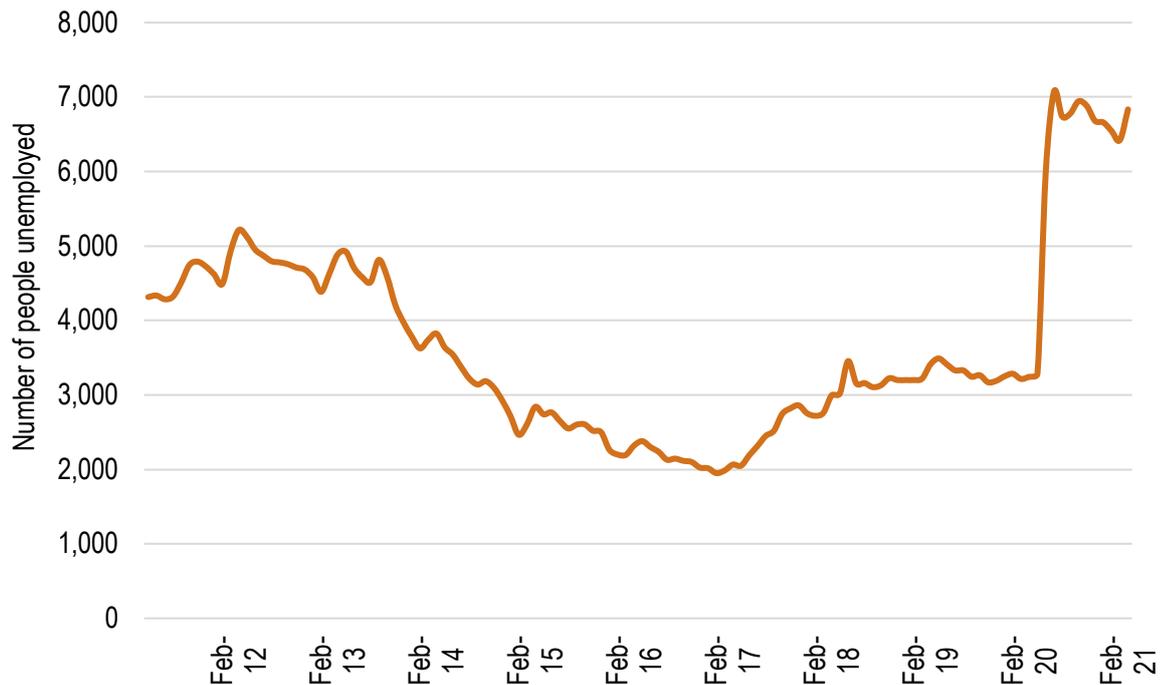


Source: Annual Population Survey (modelled unemployment data)

- 6.38 On the basis of the above data, it seems sensible to consider other data about unemployment changes, with the analysis below looking at Claimant Count data (described as the number of people claiming Jobseeker's Allowance plus those who claim Universal Credit who are out of work). This will not give a full picture of unemployment as not all those unemployed will be a claimant, but it will certainly help to provide an indication. Claimant count data is available up to February 2021 with the data below showing a trend for the previous decade.
- 6.39 The analysis shows a clear increase in the number of claimants (presumably as a result of COVID-19) – rising from a little over 3,000 to approaching 7,000 from early 2020 to early 2021.
- 6.40 For the purposes of modelling, it has been assumed that there have been around 4,100 jobs lost (this figure is based on economic forecasts described below but is consistent with the claimant count data); with levels of double jobbing, this would equate to just under 4,000 people being made unemployed.

6.41 For the purposes of modelling, it is assumed that this is the level of latent labour supply that can move back into work in the future (effectively over the period to 2038).

Figure 9: Number of out-of-work benefit claimants (2011-2021) – Warrington



Source: NOMIS

Jobs Supported by Growth in the Resident Labour Force

6.42 The table below shows how many additional jobs might be supported by population growth under the Standard Method (816 dwellings per annum on average from the 2021-38 period). Given current commuting patterns and estimates about double jobbing, it is estimated that just over 18,300 additional jobs could be supported by the changes to the resident labour supply, with a slightly lower figure of 16,100 if commuting is assumed to be on a 1:1 ratio for new jobs.

- 6.43 In table 23 above, a “mid-point” figure of 874 jobs per year or 14,855 dwellings over the plan period is put forward as a reasonable forecast for future employment growth. It is important to note that the figure of 18,300 additional jobs exceeds not only this forecast but also the CE forecast of 17,391 over the period 2021-2038, the upper end of the range set out in table 23.
- 6.44 It is therefore reasonable to assume the standard method-based HNF of 816dpa will provide enough homes to support employment growth even where an optimistic jobs growth scenario is envisaged.

Table 28: Jobs supported by demographic projections (2021-38) – Warrington

Group	Total change in economically active	Plus latent labour supply	Allowance for net commuting	Allowance for double jobbing (= jobs supported)
Census commuting	11,592	15,565	17,753	18,328
1:1 commuting	11,592	15,565	15,565	16,069

Source: Derived from a range of sources as described

Housing Need Linked to Job Growth Forecasts

- 6.45 As well as looking at the growth in the economically active population linked to a range of demographic projections, it is of use to consider what level of housing might be required for economic forecasts to be met.
- 6.46 The table below shows the forecast job growth in the 2021-38 period as provided by both OE and CE. Overall, it is suggested that the number of jobs might be expected to increase by just under 15,000 over the 2021-38 period.

Table 29: Forecast number of jobs in 2021 and 2038 – Warrington (OE, CE and midpoint data)

Group	Jobs (2021)	Jobs (2038)	Change in jobs
Oxford Economics	145,898	158,217	12,319
Cambridge Econometrics	149,228	166,619	17,391
Midpoint	147,563	162,418	14,855

Source: Derived from OE and CE data

- 6.47 Within the modelling, migration assumptions have been changed so that across the Borough the increase in the economically active population matches the increase in the resident workforce required.
- 6.48 The method is similar to that of developing a projection linked to the Standard Method, with changes to migration being applied on a proportionate basis. Once the level of economically active population matches the job growth forecast, the population (and its age structure) is modelled against the household reference rates (HRR) in the sub-national household projections (SNHP) to see what level of housing provision that might imply.
- 6.49 The first part of the analysis is to estimate what level of growth in the labour supply would be needed for the job growth forecast to be met. This is essentially the same as the analysis above but working in reverse order. This calculation is shown below and shows that to meet 14,855 jobs there would need to be an increase in the economically active population of about 8,500 (assuming a constant commuting ratio and levels of double jobbing) or 10,300 if commuting on new jobs is at a 1:1 ratio – these figures are fed through into the modelling which is again set against the economic activity rates discussed previously.

Table 30: Forecast job growth and change in resident workforce with double jobbing and commuting allowance (2021-38) – Warrington

Group	Census commuting	1:1 commuting
Number of additional jobs (2021-38)	14,855	14,855
Double jobbing allowance	0.969	0.969
Number of workers required	14,389	14,389
Commuting ratio	0.877	1
Change in resident workforce	12,616	14,389
Latent labour supply	4,101	4,101
Total change in economically active	8,514	10,288

Source: Derived from a range of sources as described

- 6.50 The table below shows estimates of housing need set against the job growth scenarios. The analysis shows that to support the economic forecast there would need to be provision of around 696-765 homes each year in Warrington.

Table 31: Projected housing need – job-led scenarios – Warrington

Group	Households 2021	Households 2038	Change in households	Per annum	Dwellings (per annum)
Census commuting	91,813	103,300	11,488	676	696
1:1 commuting	91,813	104,441	12,629	743	765

Source: Demographic projections

- 6.51 These figures are both below the 816 dwellings per annum derived from the Standard Method and suggests that delivering at the Standard Method OAN would provide a sufficient labour-supply for additional jobs to be filled.

Economic Growth and Housing Need: Summary Points

- GL Hearn analysed Oxford Economics (OE) and Cambridge Econometrics (CE) employment forecasts over the plan period to provide a starting point to understand the number of new homes housing that would be needed to support jobs growth.
- This report has reviewed the latest job forecasts produced by Oxford Economics (OE) and Cambridge Econometrics (CE) and the justification in the 2019 LHNA for going above the baseline job forecasts to arrive at an uplifted HNF of 945. The evidence now clearly indicates the expectation of jobs growth is now substantially lower than in 2019.
- In analysing the forecasts it was found that there were wide differences in outcomes between the OE and CE forecasts. Whereas OE (using a base year of 2021) put forward an annual increase of 490 additional jobs per annum, CE forecast 945.
- With reference to the findings put forward in the Economic Development Needs Assessment (EDNA), this study concludes that the CE forecasts are too optimistic while the OE forecasts are unduly pessimistic.
- Therefore this LHNA arrives at a “mid-point” forecast employment growth of 874 per annum new jobs each year (14,855 over the plan period).
- Taking account of changes to the economically active population, commuting patterns, double jobbing and unemployment, it has been estimated that between 696 and 765 new homes each year are required to support a jobs growth of 14,855.
- Given current commuting patterns and estimates about double jobbing, it is estimated that just over 18,300 additional jobs could be supported by growth in the housing supply in line with the standard method-based HNF of 816dpa. This falls to 16,100 if commuting is assumed to be on a 1:1 ratio for new jobs.
- Given that robust forecasts of employment growth are within the level of increase that would be supported by the delivery of 816dpa there is no justification to increase the housing requirement to support employment growth in Warrington over the Plan Period.



7 DEMOGRAPHIC BASELINE

Introduction

- 7.1 The section considers the implications of delivering housing in-line with the Standard Method (816 dwellings per annum across the Borough). This includes understanding potential population growth and changes to population/household structures. Projections have been developed for the 2021-38 period. The projections developed are then used for other analysis in this report (such as to consider changes to the older person population and their potential needs).
- 7.2 An analysis that draws on the 2018-based subnational population projections (SNPP) and the 2018-based household projections (SNHP) – both ONS data releases, can be found in Appendix A. The analysis also looks at the most recent population estimates (again from ONS) which date to mid-2019.

Demographic Trends

- 7.3 The analysis below looks at some key statistics about demographic trends in Warrington; particularly focussing on past population growth and the reasons for changes (components of change). This information is provided to help give some context for analysis to follow. The data presented is mainly for Warrington Borough as a whole, although key demographic data for sub-areas is also provided.

Population

- 7.4 As an initial background analysis, the table below shows the estimated population in each sub-area (as of 2019) and the proportion of the Warrington total this amounts to. This analysis shows that around a quarter of the population lives in each of Inner Warrington, West Warrington and East Warrington; only 1.4% of the population lives in the Town Centre.

Table 32: Estimated population by sub-area (2019)

Sub-area	Estimated population	% of population
East Warrington	47,871	22.8%
Inner Warrington	50,422	24.0%
Lymm	12,709	6.1%
NE Warrington	11,749	5.6%
NW Warrington	6,344	3.0%
South Warrington	28,983	13.8%
Town Centre	3,018	1.4%
West Warrington	48,918	23.3%
TOTAL	210,014	100.0%

Source: ONS

Age Structure

- 7.5 The table below shows the population profile of Warrington in five-year age bands compared with a range of other areas. In many age groups the population profile of Warrington is similar to other areas with the biggest differences being seen in the 15-24 age group (fewer people) and those aged 45-54 (more people).

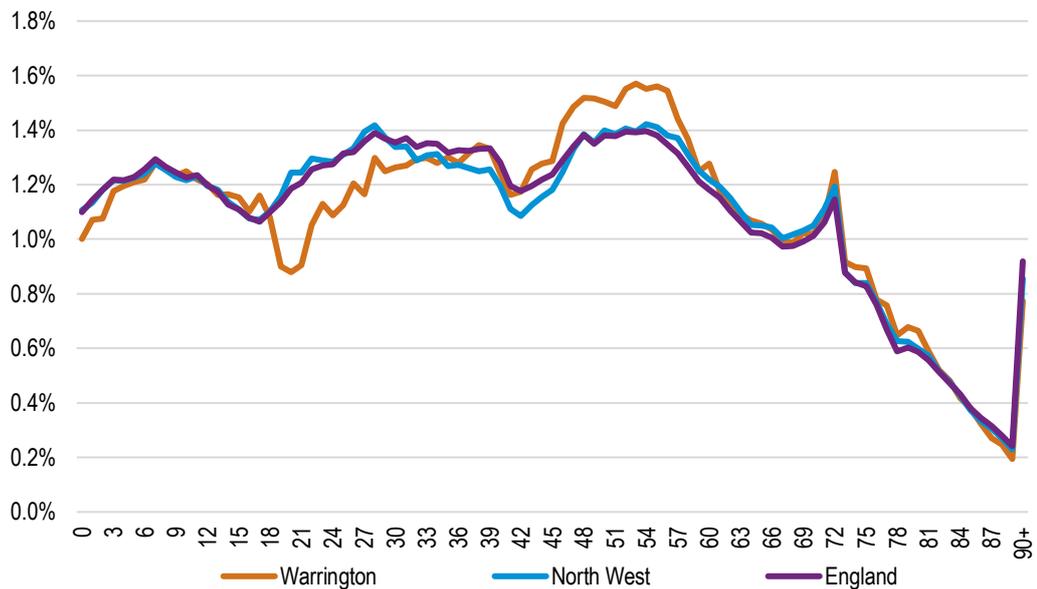
Table 33: Population profile (2019)

Area	Warrington	Warrington	North West	England
Age group	Population	% of population	% of population	% of population
0-4	11,596	5.50%	5.90%	5.90%
5-9	13,020	6.20%	6.20%	6.30%
10-14	12,601	6.00%	6.00%	6.00%
15-19	11,334	5.40%	5.50%	5.50%
20-24	10,619	5.10%	6.40%	6.20%
25-29	12,693	6.00%	6.80%	6.80%
30-34	13,457	6.40%	6.60%	6.80%
35-39	13,805	6.60%	6.30%	6.60%
40-44	12,843	6.10%	5.70%	6.10%
45-49	15,194	7.20%	6.50%	6.60%
50-54	16,101	7.70%	7.00%	6.90%
55-59	15,040	7.20%	6.70%	6.50%
60-64	12,066	5.70%	5.70%	5.50%
65-69	10,704	5.10%	5.10%	5.00%
70-74	10,839	5.20%	5.10%	4.90%
75-79	7,888	3.80%	3.50%	3.40%
80-84	5,615	2.70%	2.60%	2.60%
85+	4,599	2.20%	2.40%	2.50%
All Ages	210,014	100.00%	100.00%	100.00%

Source: ONS

- 7.6 The differences between Warrington and other areas can more clearly be seen in the figure below. Features include a low population aged 18-21 (linked to people leaving the area for further education) and the higher proportion of people aged from about 45 to their late 50s (as previously noted).

Figure 10: **Population Profile (2019)**



Source: ONS mid-year population estimates

7.7 The analysis below summarises the above information by assigning population to three broad age groups (which can generally be described as a) children, b) working-age and c) pensionable age). This analysis shows that, compared with the regional and national position, Warrington has a very similar population profile.

Table 34: **Population profile (2019) – summary age bands**

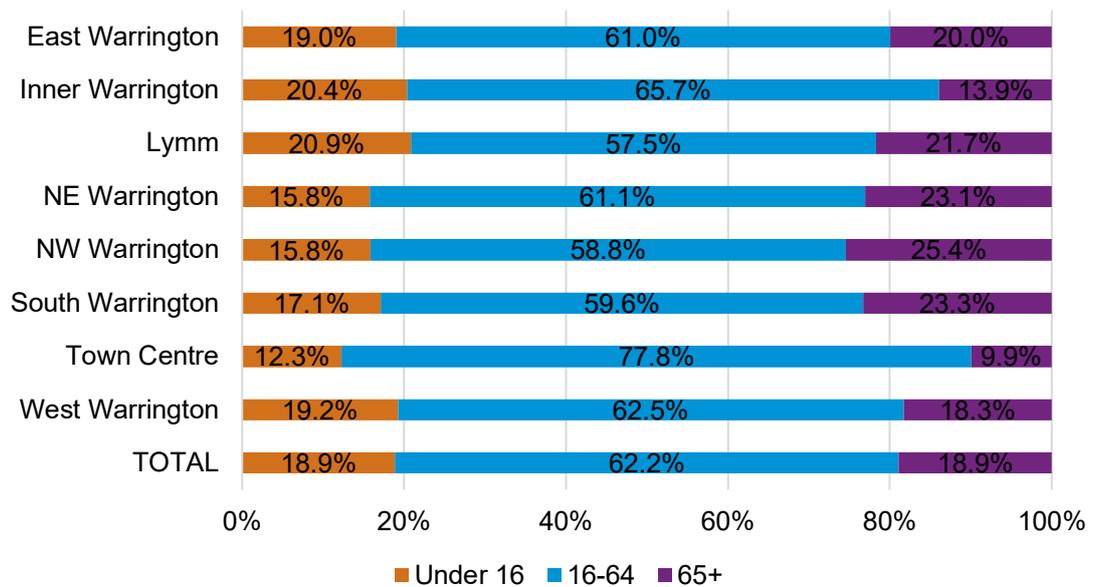
Area	Warrington	Warrington	North West	England
Age group	Population	% of population	% of population	% of population
Under 16	39,639	18.90%	19.10%	19.20%
16-64	130,730	62.20%	62.10%	62.40%
65+	39,645	18.90%	18.70%	18.40%
All Ages	210,014	100.00%	100.00%	100.00%

Source: ONS mid-year population estimates

7.8 The figure below takes this data forward to look at some differences by sub-area. The analysis shows a notably younger age structure in Lymm, and to a lesser

extent Inner Warrington, the NW and South Warrington have the highest proportion of people aged 65 and over.

Figure 11: **Population profile by sub-area (2019)**

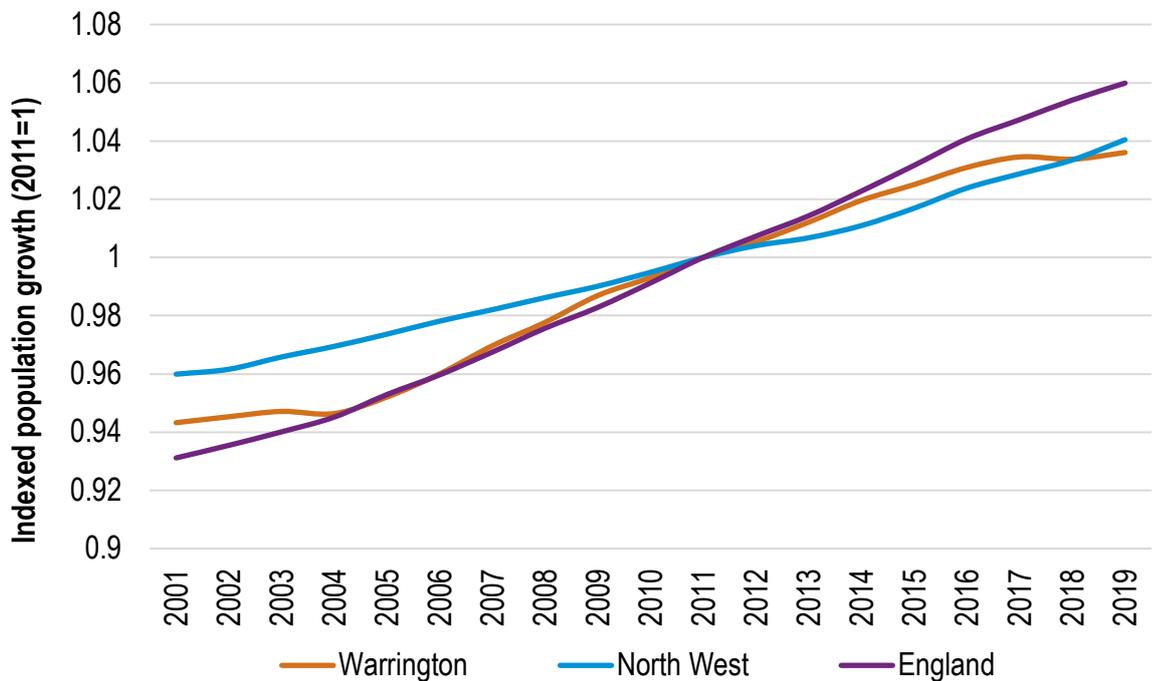


Source: ONS mid-year population estimates

Past population change

7.9 The figure below considers population growth in the period from 2001 to 2019 (indexed to 2011). The analysis shows over this period that the population of Warrington has risen at a slightly lower rate than observed nationally (particularly since 2011). In 2019, it is estimated that the population of the Borough had risen by 9% from 2001 levels, this is in contrast to an 8% rise across the region and 14% nationally.

Figure 12: **Indexed population growth (2001-2019)**



Source: ONS (mid-year population estimates)

7.10 The table below considers population change over the 8-year period to 2019 (the ONS mid-year population estimates is likely to be fairly accurate as it draws on information in the Census). The analysis shows over the period that the population of Warrington increased by 3.6%; this is a relatively low level of population change and compares with increases of 4.0% in the North West and 6.0% in England.

Table 35: **Population change (2011-19)**

Area	Population (2011)	Population (2019)	Change	% change
Warrington	202,709	210,014	7,305	3.6%
North West	7,055,961	7,341,196	285,235	4.0%
England	53,107,169	56,286,961	3,179,792	6.0%

Source: ONS mid-year population estimates

7.11 The table below shows population change by age (again for the 2011-19 period). This generally identifies the greatest increases to be in older age groups (aged 65 and over) along with some notable population increases in the 30-34 and 50-59 age groups. The Borough also saw some population declines, particularly those aged 40-44.

Table 36: Population change by age (2011-19) – 5-year age bands (Warrington)

Age group	Population (2011)	Population (2019)	Change	% change
0-4	12,386	11,596	-790	-6.4%
5-9	11,615	13,020	1,405	12.1%
10-14	12,200	12,601	401	3.3%
15-19	12,570	11,334	-1,236	-9.8%
20-24	12,042	10,619	-1,423	-11.8%
25-29	12,535	12,693	158	1.3%
30-34	12,312	13,457	1,145	9.3%
35-39	13,929	13,805	-124	-0.9%
40-44	16,008	12,843	-3,165	-19.8%
45-49	16,622	15,194	-1,428	-8.6%
50-54	13,796	16,101	2,305	16.7%
55-59	11,748	15,040	3,292	28.0%
60-64	12,438	12,066	-372	-3.0%
65-69	10,112	10,704	592	5.9%
70-74	8,248	10,839	2,591	31.4%
75-79	6,062	7,888	1,826	30.1%
80-84	4,319	5,615	1,296	30.0%
85+	3,767	4,599	832	22.1%
All Ages	202,709	210,014	7,305	3.6%

Source: ONS mid-year population estimates

7.12 This information has been summarised into three broad age bands to ease comparison. The table below shows a modest increase in the number of children

living in the Borough (increasing by about 2%) along with a small decline in the 'working-age' population (of less than 1%). The key driver of population growth has therefore been in the 65 and over age group, which between 2011 and 2019 saw a population increase of about 7,200 people; this age group increasing in size by 22% over the 8-year period.

- 7.13 This indicates that the “dependency ratio” – the ratio of working age people to non-working age people will fall in the coming years in Warrington. This is likely to place a strain on Council resources firstly through a larger proportion of its budget being devoted to care and, secondly, workers being able to charge more for their time, driving up costs of delivering services.

Table 37: Change in population by broad age group (2011-19) – Warrington

Age group	2011	2019	Change	% change
Under 16	38,778	39,639	861	2.2%
16-64	131,423	130,730	-693	-0.5%
65+	32,508	39,645	7,137	22.0%
TOTAL	202,709	210,014	7,305	3.6%

Source: ONS

- 7.14 Additional analysis is provided below to look at the sub-areas. The analysis shows an increasing population in most areas, with the highest increase being seen in Inner Warrington (an increase in population of 5,200 people).
- 7.15 The Town Centre area saw the highest proportional increase, population growing by 24% over 8 years. Three areas saw modest declines in population, the highest being a 3% decrease (800 people) in the South Warrington sub-area.

Table 38: **Change in population (2011-19) by sub-area**

Sub-area	2011	2019	Change	% change
East Warrington	48,269	47,871	-398	-0.8%
Inner Warrington	45,190	50,422	5,232	11.6%
Lymm	12,379	12,709	330	2.7%
NE Warrington	11,712	11,749	37	0.3%
NW Warrington	6,356	6,344	-12	-0.2%
South Warrington	29,798	28,983	-815	-2.7%
Town Centre	2,428	3,018	590	24.3%
West Warrington	46,577	48,918	2,341	5.0%
TOTAL	202,709	210,014	7,305	3.6%

Source: ONS

Components of Population Change

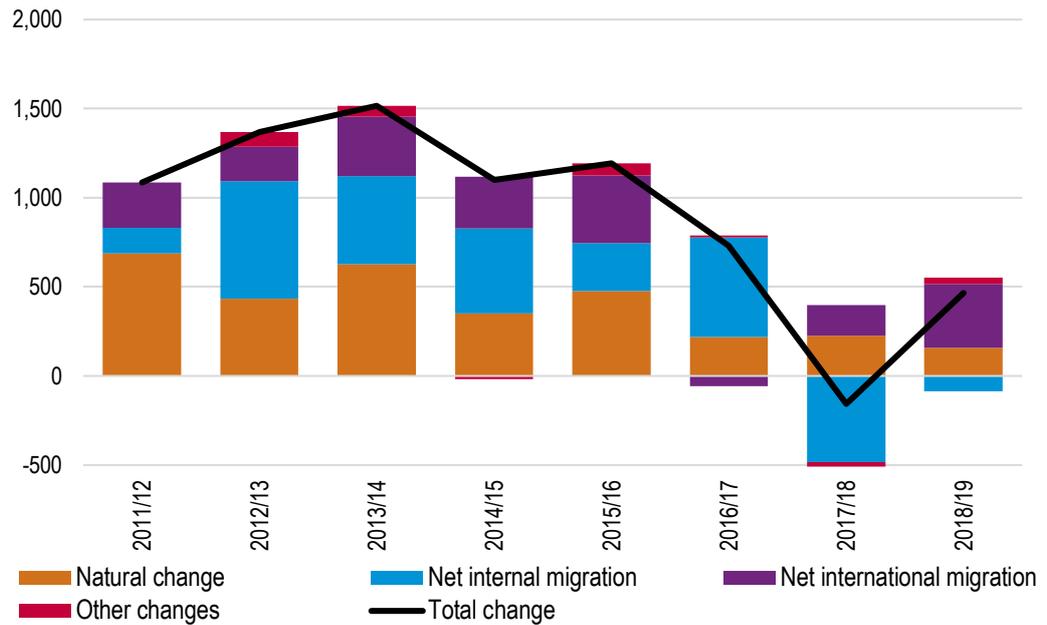
- 7.16 The table and figure below consider the drivers of population change from 2011 to 2019. The main components of change are natural change (births minus deaths) and net migration (internal/domestic and international).
- 7.17 The data shows a positive level of natural change throughout the period (i.e. more births than deaths). Internal migration has been quite variable – positive in all but the last two years; the last five years for which data is available shows an average of over 150 people (net) moving to the Borough from other parts of the United Kingdom.
- 7.18 International migration is also variable, although the data does suggest a positive net level for all bar one year back to 2011. Over the past five years international migration has averaged about 230 people per annum (net).

Table 39: Components of population change, mid-2011 to mid-2019 – Warrington

Year	Natural change	Net internal migration	Net international migration	Other changes	Total change
2011/12	687	144	255	0	1,086
2012/13	432	661	195	82	1,370
2013/14	626	496	332	62	1,516
2014/15	350	477	290	-17	1,100
2015/16	475	270	379	68	1,192
2016/17	217	559	-57	12	731
2017/18	227	-485	170	-69	-157
2018/19	157	-85	358	37	467

Source: ONS

Figure 13: Components of population change, mid-2011 to mid-2019 – Warrington



Source: ONS

Developing a Projection linking to 816 dwellings per annum

- 7.19 Earlier in this report it has been noted that based on the Standard Method, there is a requirement to provide 13,872 homes in the 2021-38 period at an average rate of 816 dwellings per annum.
- 7.20 It can be seen from the analysis above, that even with the fairly positive HRRs seen in Warrington there would not be the level of household growth required to fill this number of homes. Therefore, a final scenario has been developed which increases migration to the Borough such that there is sufficient population for 816 additional homes each year.
- 7.21 In summary, an approach has therefore been developed that increases migration to project how population and household structures might change with delivery of 13,872 homes (2021-38). This approach is consistent with that set out in the PPG (2a-006).
- 7.22 Within the modelling, migration assumptions have been changed so that across the Borough the increase in households matches the housing need (including the 3% vacancy allowance). The changes to migration have been applied on a proportionate basis; the methodology assumes that the age/sex profile of both in- and out-migrants is the same as underpins the 2018-based SNPP (alternative internal migration variant) with adjustments being consistently applied to both internal (domestic) and international migration. Adjustments are made to both in- and out-migration (e.g. if in-migration is increased by 1% then out-migration is reduced by 1%). In summary the method includes the following assumptions:
- Base population in 2019 from the latest mid-year population estimates;
 - Population in 2021 estimated on basis of housing completions (i.e. what population change is likely given the number of additional homes to fill). Delivery of 559 (2019/20) and 600 (2020/21) has been assumed;
 - Household representative rates from the 2018-based SNHP; and
 - The migration profile (by age and sex) in the same proportions as the 2018-based SNPP (alternative internal migration variant).

- 7.23 In developing this projection, a notably higher level of population growth is derived (22,300 additional people compared with 6,500 in the SNPP as published). The age structure of the two projections is also somewhat different, with the projection linked to 816 dpa showing much stronger growth in what might be considered as 'working-age' groups. This arises due to the fact that ONS data shows that migrants are heavily concentrated in those age groups (along with their associated children).
- 7.24 The different level of population growth in the 2018-based SNPP and when linking to 816 dpa is created by assuming there would be an increase (from a trend-based position) in the number of net in-migrants to the Borough. Were this migration to not materialise, then arguably this would mean some additional homes being vacant (alternatively there could be household formation rates well in excess of those seen historically).
- 7.25 The analysis of past trends in migration suggests that the Borough could potentially support higher levels of net migration than seen in the recent past, although the modelled level of net migration (of about 1,500 people per annum in the 2021-38 period) is somewhat higher than seen for any year back to 2011. Were the migration to not materialise, it is more likely that the development industry would stop or slow down the rate of building, rather than building homes to remain empty. Regardless, planning on the basis of an increase in net migration is something that should be monitored, particularly along with neighbouring authorities, who may in some cases also be developing housing targets that would assume an increase in migration levels.

Table 40: Population change 2021 to 2038 by five-year age bands – Warrington (linked to delivery of 816 dwellings per annum)

Age group	Population 2021	Population 2038	Change in population	% change from 2021
Under 5	11,072	12,349	1,277	11.5%
5-9	12,877	12,316	-562	-4.4%
10-14	13,051	12,225	-826	-6.3%
15-19	11,283	11,605	321	2.8%
20-24	10,269	11,712	1,442	14.0%
25-29	12,237	14,210	1,973	16.1%
30-34	13,721	14,461	741	5.4%
35-39	13,776	14,390	614	4.5%
40-44	13,192	15,156	1,963	14.9%
45-49	14,089	15,931	1,842	13.1%
50-54	15,837	15,137	-700	-4.4%
55-59	15,855	14,162	-1,693	-10.7%
60-64	12,795	12,562	-233	-1.8%
65-69	10,785	14,331	3,546	32.9%
70-74	10,905	13,990	3,085	28.3%
75-79	8,436	11,636	3,200	37.9%
80-84	5,892	8,141	2,248	38.2%
85+	4,922	8,985	4,063	82.5%
Total	210,997	233,299	22,302	10.6%

Source: Demographic projections

- 7.26 The table below summarises this information into three broad age bands. This confirms that increases in the older person population are projected to be the most significant. That said, it also shows that the increase in the population aged 16-64 is notably higher than is projected by the official projections. The 2018-based SNPP suggest a decrease of 4,700 people aged 16-64 (2021-38), whereas the projection linking to 816 dpa increases this notably – to a positive figure of around 6,300 people).

Table 41: Population change 2021 to 2038 by broad age bands – Warrington (linked to delivery of 816 dwellings per annum)

Age group	Population 2021	Population 2038	Change in population	% change from 2021
Under 16	39,463	39,340	-122	-0.3%
16-64	130,593	136,875	6,282	4.8%
65 and over	40,941	57,084	16,143	39.4%
Total	210,997	233,299	22,302	10.6%

Source: Demographic Projections

7.27 In the remainder of this report, some of the analysis makes reference to this projection – i.e. linking to 816 dwellings per annum.

Demographic Trends and Projections: Key Points

- Analysis has been undertaken to consider demographic trends, in particular looking at past trends in population growth and future projections. The analysis draws on the 2018-based subnational population projections (SNPP) and the 2018-based household projections (SNHP). The analysis also looks at the most recent population estimates (again from ONS) which date to mid-2019.
- 19% of the Borough population is estimated to be aged 65 and over in 2019 (compared to a national average of 18%). The East and West Settlements sub-areas see a particularly old population, with over a quarter of people being aged 65 and over.
- Past population growth in Warrington has been relatively weak, over the past 8-years (since 2011) the population of the Borough has grown by 4%. This compares with a 6% increase nationally over the same period. Population growth is driven by both net migration and natural change (i.e. more births than deaths).
- The relatively low level of population growth can also be seen in ONS SNPP projections (which are trend based), with the 2018-based version showing lower projected changes in Warrington than other areas (including regionally and nationally)). Population growth is projected to be concentrated in older age groups (those aged 65 and over).
- Population growth can be converted into estimates of household growth by using household representative rates (HRR). HRRs can be understood as heads of

households. Data about HRRs is taken from ONS household projections.

- Using the information from the 2018-based SNPP and SNHP a bespoke projection has been developed that links to dwelling provision of 816dpa. This considers the level of population growth and household formation that might be expected if this delivery is achieved (in the 2021-38 period).
- Overall, in the 2021-38 period, delivery of 816 dpa is projected to see an increase in population of 11% (22,300 more people) compared with a 3% increase (6,500) in the 2018-based SNPP. Of the 15,800 difference in population increase, some 69% (10,900) is accounted for by a projected uplift in the number of people aged 16-64.

8 AFFORDABLE HOUSING NEED

Introduction

- 8.1 This section provides an assessment of the need for affordable housing in Warrington and the eight sub-areas previously identified. The analysis specifically considers general needs housing, with further analysis of specialist housing (e.g. for older people) being discussed later in the report.
- 8.2 The analysis follows the PPG (Sections 2a-018 to 2a-024) and provides two main outputs, linked to Annex 2 of the NPPF – this is firstly an assessment of the need for social/affordable rented housing and secondly to consider the need for affordable home ownership products.
- 8.3 The analysis also considers First Homes. PPG relating to First Homes was published by Government in May 2021. It is therefore a requirement for plan-makers to take into account for First Homes when deciding on how affordable homes should be split into the different tenure types.

Methodology Overview

- 8.4 The method for studying the need for affordable housing has been enshrined in Government practice guidance for many years, with an established approach to look at the number of households who are unable to afford market housing (to either rent or buy) – it is considered that this group will mainly be a target for rented affordable homes (social/affordable rented) and therefore the analysis looks at need for ‘affordable housing for rent’ as set out in Annex 2 of the NPPF. The methodology for looking at the need for rented (social/affordable) housing considers the following:

- **Current affordable housing need:** an estimate of the number of households who have a need now, at the point of the assessment, based on a range of data modelled from local information – this figure is then annualised so as to meet the current need over a period of time;
- **Projected newly forming households in need:** using demographic projections to establish gross household formation, and then applying an affordability test to estimate numbers of such households unable to afford market housing;
- **Existing households falling into need:** based on studying past trends in the types of households who have accessed social/affordable rented housing; and
- **Supply of affordable housing:** an estimate of the likely number of lettings that will become available from the existing social/affordable housing stock.

8.5 The first three bullet points above are added together to identify a gross need, from which the supply of relets of existing properties is subtracted to identify a net annual need for additional affordable housing. For the purposes of this assessment, this analysis is used to identify the overall (net) need for social/affordable rented housing.

8.6 This approach has traditionally been used to consider the needs of households who have not been able to afford market housing (either to buy or to rent). As the income necessary to afford to rent homes without financial support is typically lower than that needed to buy, the ability of households to afford private rents has influenced whether or not they are in need of affordable housing.

8.7 The NPPF and associated guidance has expanded the definition of those in affordable housing need to include households who might be able to rent without financial support but who aspire to own a home and require support to do so. The PPG includes households that “cannot afford their own homes, either to rent, or to own, where that is their aspiration” as having an affordable housing need.

8.8 This widened definition has been introduced by national Government to support increased access to home ownership, given evidence of declining home ownership and growth in private renting over the last 10-15 years. PPG does not

however provide specific guidance on how the needs of such households should be assessed and so this study adopts a broadly consistent methodology to that identified in the PPG, considering a current need; a newly-arising need on an annual basis; existing households falling into need; and an annual estimate of supply.

- 8.9 For some of the analysis in this section it has been necessary to draw on other sources of data (applied to local information) to make estimates of the need. The approach is consistent with the PPG (Housing and economic needs assessment – see 2a-020 for example) and includes linking local Census data to national changes (as evidenced in national surveys such as the English Housing Survey).
- 8.10 Additionally, information drawn from local surveys previously undertaken by JGC across the country have been used to look at potential prevalence rates for some elements of need where comprehensive local data is lacking. This includes considering what proportion of households in the private rented sector might have a need due to potential loss of accommodation (e.g. tenancies ending) although again such rates are applied to local information about the size of the sector.
- 8.11 This approach is considered to provide a reasonable view about likely local needs and is an approach that has been accepted through a range of Local Plan Examinations over the past five or more years. Our analysis of affordable housing need is therefore structured to consider the need for rented affordable housing, and separately the need for affordable home ownership. The overall need is expressed as an annual figure, which can then be compared with likely future delivery (as required by 2a-024).
- 8.12 Whilst the need for social/affordable rented housing and affordable home ownership are analysed separately, there are a number of pieces of information

that are common to both assessments. In particular, this includes an understanding of local housing costs, incomes and affordability. The sections below therefore look at these factors.

Local Prices and Rents

- 8.13 An important part of the affordable needs model is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an 'affordable housing need'. For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes).
- 8.14 The analysis below considers the entry-level costs of housing to both buy and rent across the Council area. The approach has been to analyse Land Registry and ONS data to establish lower quartile prices and rents. Using a lower quartile figure is consistent with the PPG and reflects the entry-level point into the market recognising that the very cheapest properties may be of sub-standard quality.
- 8.15 Data from the Land Registry for the year to September 2020 (i.e. Q4 of 2019 and Q1-Q3 of 2020) shows estimated lower quartile property prices in the Borough by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £87,000 for a second-hand flat and rising to £250,000 for a detached home. Looking at the lower quartile price across all dwelling types the analysis shows a lower quartile 'average' price of £134,000 (existing dwellings).
- 8.16 The analysis is also split between newly-built and existing dwellings which shows higher prices for new homes. For the purposes of analysis in this section, the main focus is on the pricing of existing homes within the Borough.

Table 42: Lower quartile cost of housing to buy – year to September 2020 – Warrington

Type	Existing dwellings	Newly-built dwellings	All dwellings
Flat/maisonette	£87,000	£116,000	£90,000
Terraced	£108,000	£256,000	£109,000
Semi-detached	£150,000	£218,000	£150,000
Detached	£250,000	£291,000	£260,000
All dwellings	£134,000	£255,000	£137,000

Source: Land Registry

- 8.17 It is also useful to provide estimates of property prices by the number of bedrooms in a home. Analysis for this draws together Land Registry data with an internet search of prices of homes for sale (using sites such as Rightmove).
- 8.18 The analysis suggests a lower quartile price of about £65,000 for a 1-bedroom home, rising to just under £300,000 for homes with 4-bedrooms. To some extent the prices should be seen as indicative, in particular the supply of 1-bedroom homes to buy was quite small.

Table 43: Estimated lower quartile cost of housing to buy by size (existing dwellings) – year to September 2020 – Warrington

Size	Lower quartile price
1-bedroom	£65,000
2-bedrooms	£110,000
3-bedrooms	£195,000
4-bedrooms	£290,000
All Dwellings	£134,000

Source: Land Registry and Internet Price Search

- 8.19 A similar analysis has been carried out for private rents using ONS data – this covers a 12-month period to September 2020. For the rental data, information about dwelling sizes is provided (rather than types); the analysis shows an average lower quartile cost (across all dwelling sizes) of £525 per month.

Table 44: Lower Quartile Market Rents, year to September 2020 – Warrington

Size	Lower Quartile rent, pcm
Room only	£368
Studio	£303
1-bedroom	£438
2-bedrooms	£550
3-bedrooms	£650
4-bedrooms	£900
All properties	£525

Source: ONS

- 8.20 The rental figures above have been taken from ONS data; it is however of interest for this study to see how these vary by location. The table below shows an estimate of the overall lower quartile private rent in each of the sub-areas; this is based on analysis of Rightmove data on available lettings which has then been adjusted to be consistent with the data from ONS. In some areas there was no evidence of any significant supply from the Rightmove source and so the estimates have been supplemented by analysis of the relative cost of housing (looking at purchases prices) and also an understanding of the profile of stock in the private rented sector (drawn from Census data). The overall lower quartile purchase price has also been shown (drawn directly from the Land Registry source – but also taking account of data over the last five years to help provide an estimate in smaller areas).
- 8.21 The analysis shows some variation in prices and rents, although it should be confirmed that in smaller areas a best estimate has been provided. Prices are estimated to be lowest in Inner Warrington, with highest prices being seen in Lymm and the South Warrington area. To some extent the overall averages are influenced by the mix of housing in each area, and this should be borne in mind when interpreting the figures.

Table 45: Lower Quartile Prices and Market Rents, by sub-area

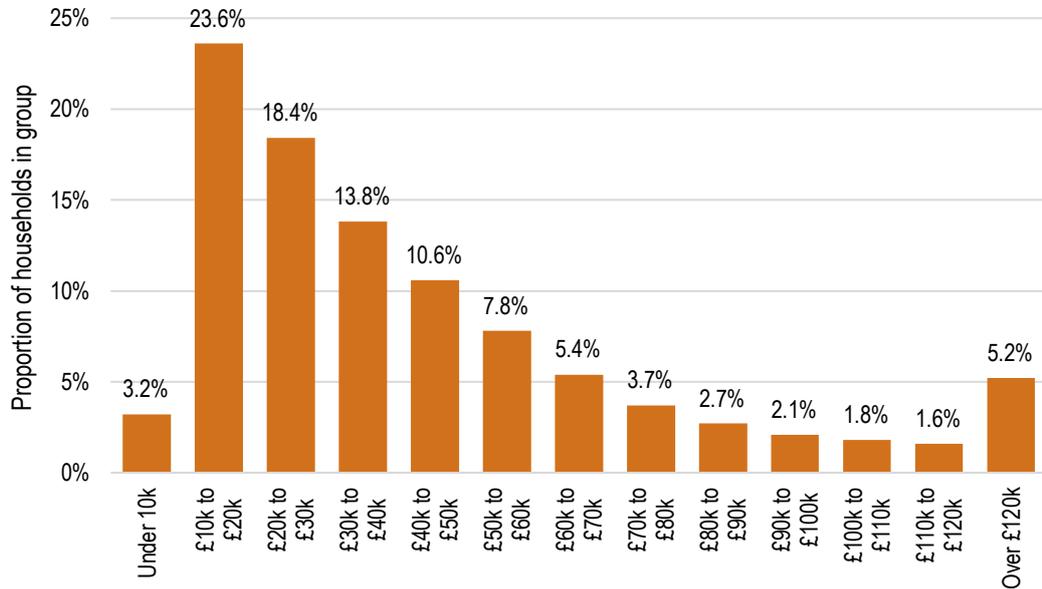
Sub area	Lower quartile price (existing dwellings)	Lower Quartile rent, pcm
East Warrington	£132,000	£565
Inner Warrington	£101,000	£475
Lymm	£238,000	£755
NE Warrington	£208,000	£750
NW Warrington	£139,000	£600
South Warrington	£244,000	£765
Town Centre	£105,000	£430
West Warrington	£154,000	£585
All properties	£134,000	£525

Source: Internet private rental cost search and Land Registry

Household Incomes

- 8.22 Following on from the assessment of local prices and rents it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability (i.e. the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy). Data about total household income has been based on ONS modelled income estimates, with additional data from the English Housing Survey (EHS) being used to provide information about the distribution of incomes.
- 8.23 Drawing all of this data together an income distribution for the whole Borough has been constructed for 2020. The figure below shows that around a quarter of households have incomes below £20,000 with a further third in the range of £20,000 to £40,000. Overall, the average (mean) income is estimated to be around £44,000, with a median income of £33,100; the lower quartile income of all households is estimated to be £19,200.

Figure 14: Distribution of household income (2020) – Warrington



Source: Derived from a range of data as discussed

8.24 Analysis has also been undertaken to estimate how incomes vary by sub-area, with the table below showing the estimated median household income in each area, the table also shows the variance in incomes from the Borough average. There is some variation in the estimated incomes by area, median figures ranging from £27,600 in Inner Warrington, up to £40,500 in the South Warrington area.

Table 46: Estimated average (median) household income by sub-area (mid-2020 estimate)

Sub area	Median income	As a % of the Borough average
East Warrington	£31,400	95%
Inner Warrington	£27,600	83%
Lymm	£40,100	121%
NE Warrington	£36,200	109%
NW Warrington	£32,600	98%
South Warrington	£40,500	122%
Town Centre	£29,200	88%
West Warrington	£35,800	108%
All households	£33,100	-

Source: Derived from a range of data as discussed

Affordability Thresholds

- 8.25 To assess affordability two different measures are used; firstly to consider what income levels are likely to be needed to access private rented housing (this establishes those households in need of social/affordable rented housing) and secondly to consider what income level is needed to access owner occupation (this, along with the first test helps to identify households in the ‘gap’ between renting and buying). This analysis therefore brings together the data on household incomes with the estimated incomes required to access private sector housing. Additionally, different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g. recognising that newly forming households are likely on average to have lower incomes than existing households).
- 8.26 A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income. The choice of an appropriate threshold is an important aspect of the analysis – the PPG does not provide any guidance on this issue. CLG SHMA guidance prepared in 2007 suggested that 25% of income is a reasonable start

point, it also noted that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40% of net income excluding service charges. Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics).

- 8.27 The threshold of income to be spent on housing should be set by asking the question ‘what level of income is expected to be required for a household to be able to access market housing without the need for a subsidy?’ The choice of an appropriate threshold is therefore judgement based. The key consideration to understand here is that local income levels are not setting the threshold but are simply being used to assess how many can or can’t afford market housing. It is important to consider what residual income is left, after households have paid for housing.
- 8.28 At £525 per calendar month, lower quartile rent levels in Warrington are fairly average in comparison to those seen nationally (a lower quartile rent of £550 for England in the year to September 2020). This would suggest that a proportion of income to be spent on housing could be higher than the bottom end of the range (the range starting from 25%). Across England the lowest lower quartile rents are around £400 per month (there were a total of 14 local authorities with lower quartile rents not exceeding £400 per month). If these areas are considered to be at the bottom end of the range (i.e. 25% of income to be spent on housing) then this would leave a residual income of £1,200 per month. With the same residual income applied to Warrington, the gross household income required to afford a £525 PCM lower quartile rent would be £1,725 and so the percentage spent on housing would be 30%.
- 8.29 However, it needs to be considered that the cost of living in different areas will vary, and it is likely that areas where rents are higher will also generally have

higher living costs. Therefore, a pragmatic approach to determining a reasonable proportion of income has been to take a midpoint between the bottom (25%) and the equivalent residual income figure (30% if looking at Warrington). In this example a threshold of around 28% would therefore be considered as reasonable (with some small variances depending on housing costs in different locations).

- 8.30 In reality, many households may well spend a higher proportion of their income on housing and therefore would have less money for other living costs – for the purposes of this assessment these households would essentially be assumed as ideally having some form of subsidised rent so as to ensure a sufficient level of residual income.
- 8.31 Generally, the income required to access owner-occupied housing is higher than that required to rent and so the analysis of the need for social/affordable rented housing is based on the ability to afford to access private rented housing. However, local house prices (and affordability) are important when looking at the need for affordable home ownership.
- 8.32 For the purposes of this assessment, the income thresholds for owner-occupation assume a household has a 10% deposit and can secure a mortgage for four times their salary. These assumptions are considered to be broadly in line with typical lending practices although it is recognised that there will be differences on a case by case basis.
- 8.33 The table below shows the estimated incomes required to both buy and rent (privately) in each sub-area. This shows a notable 'gap' in some areas of the Borough (Lymm and the South Warrington area), particularly locations with higher house prices. The information in the table below is taken forward into further analysis in this section to look at affordable needs in different locations.

Table 47: Estimated Household Income Required to Buy and Privately Rent by sub-area

Sub area	To buy	To rent (privately)	Income gap
East Warrington	£29,700	£23,800	£5,900
Inner Warrington	£22,700	£21,400	£1,400
Lymm	£53,600	£28,500	£25,100
NE Warrington	£46,800	£28,400	£18,400
NW Warrington	£31,300	£24,700	£6,600
South Warrington	£54,900	£28,700	£26,200
Town Centre	£23,600	£20,100	£3,500
West Warrington	£34,700	£24,300	£10,300
All households	£30,200	£22,700	£7,400

Source: Based on Housing Market Cost Analysis

Need for Social/Affordable Rented Housing

8.34 The sections below work through the various stages of analysis to estimate the need for social/affordable¹¹ housing in each sub-area. Final figures are provided as an annual need (including an allowance to deal with current need). As per 2a-024 of the PPG, this figure can then be compared with likely delivery of affordable housing.

Current Need

8.35 In line with PPG paragraph 2a-020, the current need for affordable housing has been based on considering the likely number of households with one or more housing problems. The table below sets out the categories in the PPG and the sources of data being used to establish numbers. The PPG also includes a category where households cannot afford to own despite it being their aspiration – this category is considered separately in this report (under the title of the need for affordable home ownership).

¹¹ Affordable rented housing will be linked to sub-area market rents whereas social rented housing will be based on Local Housing Allowance rates and not subject to local variations.

Table 48: Main sources for assessing the current unmet need for affordable housing

Group	Source	Notes
Homeless households (those in temporary accommodation)	MHCLG Statutory Homelessness data	Household in temporary accommodation at end of quarter.
Households in overcrowded housing	Census table LC4108EW	Analysis undertaken by tenure and updated by reference to national changes (from the English Housing Survey (EHS))
Concealed households	Census table LC1110EW	Number of concealed families
Existing affordable housing tenants in need	Modelled data linking to past survey analysis	Excludes overcrowded households – tenure estimates updated by reference to the EHS
Households from other tenures in need	Modelled data linking to past survey analysis	Excludes overcrowded households – tenure estimates updated by reference to the EHS

Source: PPG [2a-020]

- 8.36 It should be noted that there may be some overlap between categories (such as overcrowding and concealed households, whereby the overcrowding would be remedied if the concealed household moved). The data available does not enable analysis to be undertaken to study the impact of this and so it is possible that the figures presented include a small element of double counting (although this is likely to be small). Additionally, some of the concealed households may be older people who have moved back in with their families and might not be considered as in need.
- 8.37 The table below shows the initial estimate of the number of households within the study area with a current housing need. These figures are before any ‘affordability test’ has been applied to assess the ability of households to meet their own housing needs; and has been termed ‘the number of households in unsuitable housing’. Overall, the analysis estimates that there are currently some 5,200 households living in unsuitable housing (or without housing).

Table 49: Estimated Number of Households Living in Unsuitable Housing

Sub area	Homeless/ concealed household	Households in overcrowded housing	Existing affordable housing tenants in need	Households from other tenures in need	Total
East Warrington	183	670	110	325	1,289
Inner Warrington	174	1,084	119	517	1,894
Lymm	29	91	9	112	241
NE Warrington	41	50	9	80	180
NW Warrington	19	49	5	46	119
South Warrington	70	126	14	215	425
Town Centre	11	125	6	55	196
West Warrington	181	307	30	356	874
All households	707	2,503	302	1,707	5,218

Source: MHCLG Live Tables, Census 2011 and Data Modelling

- 8.38 In taking this estimate forward, the data modelling next estimates housing unsuitability by tenure. From the overall number in unsuitable housing, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The analysis also excludes 90% of owner-occupiers under the assumption (which is supported by analysis of survey data) that the vast majority will be able to afford housing once savings and equity are taken into account.
- 8.39 A final adjustment is to slightly reduce the unsuitability figures in the private rented sector to take account of student-only households – such households could technically be overcrowded/living in unsuitable housing but would be unlikely to be allocated affordable housing (student needs are essentially assumed to be transient). Once these households are removed from the analysis, the remainder are taken forward for affordability testing.

8.40 The table below shows it is estimated that there are around 2,500 households living in unsuitable housing (excluding current social tenants and the majority of owner-occupiers).

Table 50: Unsuitable Housing by Tenure and Number to Take Forward into Affordability Modelling (Warrington)

Tenure	In Unsuitable Housing	Number to Take Forward for Affordability Testing
Owner-occupied	1,558	156
Affordable housing	1,317	0
Private rented	1,637	1,628
No housing (homeless/concealed)	707	707
Total	5,218	2,490

Source: MHCLG Live Tables, Census 2011 and Data Modelling

8.41 Having established this figure, it needs to be considered that a number of these households might be able to afford market housing without the need for subsidy. To consider this, the income data has been used, with the distribution adjusted to reflect a lower average income amongst households living in unsuitable housing – for the purposes of the modelling an income distribution that reduces the average household income to 88% of the figure for all households has been used to identify the proportion of households whose needs could not be met within the market (for households currently living in housing). A lower figure of 42% has been used to apply an affordability test for the concealed/homeless households who do not currently occupy housing.

8.42 These two percentage figures have been based on a consideration of typical income levels of households who are in unsuitable housing (based mainly on estimates in the private rented sector) along with typical income levels of households accessing social rented housing (for those without accommodation).

- 8.43 The figures have been based on analysis of the English Housing Survey (mainly looking at relative incomes of households in each of the private and social rented sectors) as well as consideration of similar information collected through household surveys across the country by JGC. These modelling assumptions are considered reasonable and have not been challenged through the Local Plan process in other locations (where the same assumptions have been used).
- 8.44 Overall, over half of households with a current need are estimated to be likely to have insufficient income to afford market housing and so the estimate of the total current need is around 1,300 households in the Borough. The table below also shows how this is estimated to vary by sub-area.

Table 51: Estimated Current Affordable Housing Need (for social/affordable rented housing)

Sub area	In unsuitable housing (taken forward for affordability test)	% Unable to Afford Market Housing (without subsidy)	Revised Gross Need (including Affordability)
East Warrington	473	56.3%	267
Inner Warrington	941	50.4%	474
Lymm	128	47.8%	61
NE Warrington	88	60.8%	53
NW Warrington	54	55.3%	30
South Warrington	201	52.1%	105
Town Centre	149	41.0%	61
West Warrington	457	51.8%	237
All households	2,490	51.7%	1,287

Source: CLG Live Tables, Census 2011 and Data Modelling

- 8.45 The estimated figure shown above (1,287) represents the number of households with a need currently. For the purposes of analysis, it is assumed that the local authority would seek to meet this need over a period of time. Given that this report typically looks at needs in the period from 2021 to 2038, the need is

annualised by dividing by 18 (to give an annual need for 71 dwellings across all areas). This does not mean that some households would be expected to wait 18-years for housing as the need is likely to be dynamic, with households leaving the current need as they are housed but with other households developing a need over time.

Newly Forming Households

- 8.46 The number of newly forming households has been estimated through demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below, 5 years previously, to provide an estimate of gross household formation.
- 8.47 The number of newly-forming households is limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes after age 45 that headship (household formation) rates ‘plateau’. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.
- 8.48 The number of newly forming households has been estimated through demographic modelling (linked to 2018-based SNHP). This is considered to provide the best view about trend-based household formation.
- 8.49 In assessing the ability of newly forming households to afford market housing, data has been drawn from previous surveys undertaken nationally by JGC. This establishes that the average income of newly forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level).

8.50 The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this it is possible to calculate the proportion of households unable to afford market housing. For the purposes of the need for social/affordable rented housing this will relate to households unable to afford to buy OR rent in the market.

8.51 The assessment suggests overall that around two-fifths of newly forming households will be unable to afford market housing (to rent privately) and this equates a total of 687 newly forming households will have a need per annum on average – the table below provides a breakdown by sub-area.

Table 52: Estimated Need for Social/Affordable Rented Housing from Newly Forming Households (per annum)

Sub area	Number of new households	% unable to afford	Annual newly forming households unable to afford to rent
East Warrington	336	44.9%	151
Inner Warrington	406	46.1%	187
Lymm	102	41.9%	43
NE Warrington	77	46.6%	36
NW Warrington	42	45.0%	19
South Warrington	205	41.9%	86
Town Centre	31	40.6%	12
West Warrington	384	39.9%	153
All households	1,584	43.4%	687

Source: Projection Modelling/Affordability Analysis

Existing Households Falling into Affordable Housing Need

- 8.52 The second element of newly arising need is existing households falling into need. To assess this, information about past lettings in social/affordable rented has been used. The assessment looked at households who have been housed in general needs housing over the past three years – this group will represent the flow of households onto the Housing Register over this period. From this, newly forming households (e.g. those currently living with family) have been discounted as well as households who have transferred from another social/affordable rented property. An affordability test has also been applied.
- 8.53 This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that *‘Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)’*.
- 8.54 Following the analysis through suggests a need arising from 272 existing households each year. The table below breaks this down by sub-area.

Table 53: Estimated Need for Social/Affordable Rented Housing from Existing Households Falling into Need (per annum)

Sub area	Total Additional Need	% of Total
East Warrington	100	36.6%
Inner Warrington	109	40.2%
Lymm	8	2.8%
NE Warrington	9	3.1%
NW Warrington	4	1.6%
South Warrington	12	4.4%
Town Centre	5	1.8%
West Warrington	26	9.4%
All households	272	100.0%

Source: Derived from a range of sources as described in text

Supply of Social/Affordable Rented Housing Through Relets

- 8.55 The future supply of affordable housing through relets is the flow of affordable housing arising from the existing stock that is available to meet future need. This focusses on the annual supply of social/affordable rent relets.
- 8.56 Formerly, PPG suggested¹² that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. Information from CoRe has been used to establish past patterns of social housing turnover. The figures are for general needs lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.
- 8.57 On the basis of past trend data is has been estimated that 608 units of social/affordable rented housing are likely to become available each year moving forward for occupation by newly forming households and existing households falling into need from other tenures.

Table 54: Analysis of Past Social/Affordable Rented Housing Supply, 2017/18 – 2019/20 (per annum) – Warrington

Year	Total Lettings	% as Non-New Build	Lettings in Existing Stock	% Non-Transfers	Lettings to New Tenants
2017/18	912	95.8%	874	67.2%	587
2018/19	899	92.0%	827	75.0%	620
2019/20	848	97.1%	823	74.6%	614
Average	886	94.9%	841	72.2%	608

Source: CoRe/LAHS

- 8.58 It is worth noting the figure of 608 relets per annum is a decline from 809 reported in the 2019 LHNA. This suggests that the supply of affordable homes from this

¹² The guidance appeared in an earlier iteration of PPG but has now been deleted and not replaced. The approach however remains a robust means of estimating future relets.

source has fallen in the period 2017-20 compared with the period used in the 2019 document (2014-17).

- 8.59 The table below shows the estimated supply of affordable housing from relets in each sub-area. The sub-area figures have been based on the size of the stock in each sub-area as of 2011 (Census data).

Table 55: Estimated supply of affordable housing from relets of existing stock by sub-area (per annum)

Sub area	Annual supply	% of supply
East Warrington	222	36.5%
Inner Warrington	240	39.5%
Lymm	18	2.9%
NE Warrington	19	3.1%
NW Warrington	10	1.6%
South Warrington	28	4.6%
Town Centre	12	1.9%
West Warrington	61	10.0%
All lettings	608	100.0%

Source: CoRe/LAHS/Census (2011)

- 8.60 The PPG model also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation. These have however not been included within the modelling in this report. Firstly, there is no evidence of any substantial stock of vacant homes (over and above a level that might be expected to allow movement in the stock). Secondly, with the pipeline supply, it is not considered appropriate to include this as to net off new housing would be to fail to show the full extent of the need, although in monitoring it will be important to net off these dwellings as they are completed.

Net Need for Social/Affordable Rented Housing

- 8.61 The table below shows the overall calculation of affordable housing need. The analysis shows that there is a need for 423 dwellings per annum to be provided

with an affordable need being seen in all sub-areas within the Borough. The net need is calculated as follows:

$$\text{Net Need} = \text{Current Need (allowance for)} + \text{Need from Newly-Forming Households} + \text{Existing Households falling into Need} - \text{Supply of Affordable Housing}$$

Table 56: **Estimated Need for Social/Affordable Rented Housing by sub-area (per annum)**

Sub area	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
East Warrington	15	151	100	265	222	44
Inner Warrington	26	187	109	323	240	83
Lymm	3	43	8	54	18	36
NE Warrington	3	36	9	47	19	29
NW Warrington	2	19	4	25	10	15
South Warrington	6	86	12	104	28	76
Town Centre	3	12	5	21	12	9
West Warrington	13	153	26	192	61	131
All households	72	687	272	1,031	608	423

Source: Range of sources as discussed

- 8.62 Whilst the need above is provided down to sub-area level, it should be remembered that affordable need can be met across the Borough as and when opportunities arise, and so specific sub-area data should not be treated as a local target.

Comparison with previous Assessment of Affordable Need

- 8.63 It is worthwhile to briefly make a comparison between the findings in this report and the last assessment of affordable housing need. The last full assessment was undertaken in the 2019 LHNA with data being drawn from Table 29 of that report. Whilst this study and the previous 2019 LHNA both followed the same

broad methodology (linked to Planning Practice Guidance) there are some minor differences that need to be noted.

- 8.64 Firstly, the 2019 study looked at meeting the current need over a 21-year period rather than the 18-years assumed in this assessment and secondly, the 2019 study included a small allowance for resales of intermediate housing (e.g. shared ownership) – these are included as part of the assessment of the need for affordable home ownership for the purposes of this report. Overall, the small methodological differences will have only a limited impact on the comparison to follow.
- 8.65 The analysis shows a higher affordable need in this assessment compared with previous work – a need for 423 dwellings per annum, compared with 377¹³. As set out in the table below, this is an increase of around 12%.
- 8.66 The difference is driven by a lower level of relet supply in this study and it is notable that this study actually estimates a lower level of gross need (i.e. need before account is taken of the supply).
- 8.67 Regardless of any changes to the need estimate, both studies show a substantial need for additional affordable housing, and the Council should seek to provide such accommodation where opportunities arise.

¹³ Warrington Borough Council, Local Housing Need Assessment, March 2019, page 32

Table 57: Comparing affordable housing need in this assessment with 2017 study

Group	This study	2019 LHNA	Variation	%
Current need	71	60	16	26.7%
Newly forming households	687	784	-93	-11.9%
Existing households falling into need	272	342	-69	-20.2%
Total Gross Need	1,030	1,186	-146	-12.3%
Relet Supply	608	809	-201	-24.8%
Net Need	423	377	56	14.9%

Source: This study and 2017 2019 LHNA (Table 29)

The Relationship Between Affordable Need and Overall Housing Need

- 8.68 The PPG encourages local authorities to consider increasing planned housing numbers where this can help to meet the identified affordable need. Specifically, the wording of the PPG [2a-024] states:

“The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the strategic plan may need to be considered where it could help deliver the required number of affordable homes”

- 8.69 However, the relationship between affordable housing need and overall housing need is complex. This was recognised in the Planning Advisory Service (PAS) Technical Advice Note of July 2015. PAS conclude that there is no arithmetical way of combining the OAN (calculated through demographic projections) and the affordable need. There are a number of reasons why the two cannot be ‘arithmetically’ linked.

- 8.70 Firstly, the modelling contains a category in the projection of 'existing households falling into need'; these households already have accommodation and hence if they were to move to alternative accommodation, they would release a dwelling for use by another household – there is no net need to provide additional homes. The modelling also contains 'newly forming households'; these households are a direct output from the demographic modelling and are therefore already included in the overall housing need figures.
- 8.71 This just leaves the 'current need'. Much of this group will be similar to the existing households already described (in that they are already living in accommodation) although it is possible that a number will be households without housing (mainly concealed households). These households are not included in the demographic modelling and so are arguably an additional need, although uplifts for market signals/affordability (as included in the Government's Standard Method) would be expected to deal with such households.
- 8.72 The analysis for Warrington estimates an annual need for 423 rented affordable homes, which is notionally 52% of the minimum Local Housing Need of 816 dwellings per annum. However, as noted, caution should be exercised in trying to make a direct link between affordable need and planned delivery, with the key point being that many of those households picked up as having a need will already be living in housing and so providing an affordable option does not lead to an overall net increase in the need for housing (as they would vacate a home to be used by someone else).
- 8.73 It is possible to investigate this in some more detail by re-running the model and excluding those already living in accommodation. This is shown in the table below which identifies that meeting these needs would lead to an affordable need for 109 homes per annum. This figure is theoretical and should not be seen to be minimising the need (which is clearly acute). It does however serve to show

that there is a substantial difference in the figures when looking at overall housing shortages.

- 8.74 The analysis is arguably even more complex than this – it can be observed that the main group of households in need are newly forming households. These households are already included within demographic projections and so the demonstrating a need for this group again should not be seen as over and above any need derived through the normal process of looking at need. Indeed, only the 30 per annum shown below is in addition to demographic projections and this scale of uplift will already have been included in figures when moving from a demographic start point to an estimate of housing need using the Standard Method.

Table 58: Estimated Need for Affordable Housing (social/affordable rented) excluding households already in accommodation – Warrington

Group	Excluding existing households	Including existing households
Current need	30	71
Newly forming households	687	687
Existing households falling into need	0	272
Total Gross Need	717	1,030
Re-let Supply	608	608
Net Need	109	423

Source: Range of data sources as described

- 8.75 The discussion above has already noted that the need for affordable housing does not generally lead to a need to increase overall provision (with the exception of potentially providing housing for concealed households although this should be picked up as part of an affordability uplift). It is however worth briefly thinking about how affordable need works in practice and the housing available to those unable to access market housing without Housing Benefit. In

particular, the increasing role played by the Private Rented Sector (PRS) in providing housing for households who require financial support in meeting their housing needs should be recognised.

- 8.76 Whilst the Private Rented Sector (PRS) does not fall within the types of affordable housing set out in the NPPF (other than affordable private rent which is a specific tenure separate from the main 'full market' PRS), it has evidently been playing a role in meeting the needs of households who require financial support in meeting their housing need. Government recognises this, and indeed legislated through the 2011 Localism Act to allow Councils to discharge their "homelessness duty" through providing an offer of a suitable property in the PRS.
- 8.77 It is also worth reflecting on the NPPF (Annex 2) definition of affordable housing. This says: 'Affordable housing: housing for sale or rent, for those whose needs are not met by the market'. Clearly where a household is able to access suitable housing in the private rented sector (with or without Housing Benefit) it is the case that these needs are being met by the market (as within the NPPF definition). As such the role played by the private rented sector should be recognised – it is evidently part of the functioning housing market.
- 8.78 Data from the Department of Work and Pensions (DWP) has been used to look at the number of Housing Benefit supported private rented homes. As of November 2020, it is estimated that there were over 5,000 benefit claimants in the private rented sector in the Borough (Housing Benefit and Universal Credit with a housing entitlement). From this, it is clear that the PRS contributes to the wider delivery of 'affordable homes' with the support of benefit claims, and further complicates any attempts to find a relationship between affordable need and overall housing need.

- 8.79 The Local Plan is likely to support a significant increase in housing delivery in the Borough; and through the application of its policies this can be expected to result in a similar significant increase in the delivery of affordable housing. This can be expected to reduce pressure on housing those in need in the PRS.
- 8.80 Delivery of affordable housing through planning obligations is an important, but not the only means, of delivery affordable housing; and the Council also works with housing providers to secure funding to support enhanced affordable housing delivery on some sites and through use of its own land assets.
- 8.81 Overall, it is difficult to link the need for affordable housing to the overall housing need; indeed, there is no justification for trying to make the link. Put simply the two do not measure the same thing and interpreting the affordable need figure consideration needs to be given to the fact that many households already live in housing, and do not therefore generate an overall net need for an additional home. Further issues arise as the need for affordable housing is complex and additionally the extent of concealed and homeless households needs to be understood as well as the role played by the private rented sector.
- 8.82 Regardless of the discussion above, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the Borough. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. As noted previously, the evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

Split Between Social and Affordable Rented Housing

- 8.83 The analysis above has studied the overall need for social and affordable rented housing with a focus on households who cannot afford to rent in the market.

These households will therefore have a need for some form of rented housing at a cost below typical market rates. Typically, there are two main types of rented affordable accommodation (social and affordable rented) with the analysis below initially considering what a reasonable split might be between these two tenures.

8.84 An analysis has been undertaken to compare the income distribution of households with the cost of different products. Data about average social and affordable rents has been taken from the Regulator of Social Housing (RSH) and this is compared with lower quartile and median market rents (from ONS data). This analysis shows that social rents are lower than affordable rents; the analysis also shows that affordable rents are less than both lower quartile and median market rents.

Table 59: Comparison of rent levels for different products – Warrington (2019/20)

Size	Social rent	Affordable rent (AR)	Lower quartile (LQ) market rent	Median market rent	AR as % of LQ	AR as % of median
1-bedroom	£308	£363	£438	£495	83%	73%
2-bedrooms	£357	£438	£550	£595	80%	74%
3-bedrooms	£392	£508	£650	£725	78%	70%
4-bedrooms	£426	£566	£900	£1,100	63%	51%
All	£359	£450	£525	£600	86%	75%

Source: RSH and ONS

8.85 For the affordability test, the overall average rent for each product has been used and some caution should be noted as the different profile of tenures clearly has some impact on housing costs. The table below suggests that around 13% of households who cannot afford to rent privately could afford an affordable rent, with a further 19% being able to afford a social rent (but not an affordable one). A total of 68% of households would need some degree of benefit support to be able to afford their housing (regardless of the tenure).

Table 60: Estimated need for affordable rented housing

Tenure	% of households able to afford
Afford affordable rent	13%
Afford social rent	19%
Need benefit support	68%
All unable to afford market	100%

Source: Affordability analysis

- 8.86 The finding that only 13% of households can afford an affordable rent does not automatically lead to a policy conclusion on the split between the two types of housing. For example, many households who will need to access rented accommodation will be benefit dependent and as such could technically afford an affordable rent – hence a higher proportion of affordable rented housing might be appropriate – indeed the analysis does identify a substantial proportion of households as being likely to need benefit support. On the flip side, providing more social rents might enable households to return to work more easily, as a lower income would potentially be needed to afford the lower social (rather than affordable) rent.
- 8.87 There will be a series of other considerations both at a strategic level and for specific schemes. For example, there may be funding streams that are only available for a particular type of housing, and this may exist independently to any local assessment of need. Additionally, there will be the consideration of the balance between the cost of housing and the amount that can be viably provided, for example, it is likely that affordable rented housing is more viable, and therefore a greater number of units could be provided. Finally, in considering a split between social and affordable rented housing it needs to be considered that having different tenures on the same site (at least at initial occupation) may be difficult – e.g. if tenants are paying a different rent for essentially the same size/type of property and services.

- 8.88 On this basis, it is not recommended that the Council has a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes are likely to be required in all areas.

Establishing a Need for Affordable Home Ownership

- 8.89 The Planning Practice Guidance confirms a widening definition of those to be considered as in affordable need; now including 'households which can afford to rent in the private rental market but cannot afford to buy despite a preference for owning their own home'. However, at the time of writing, there is no guidance about how the number of such households should be measured.
- 8.90 The methodology used in this report therefore draws on the current methodology, and includes an assessment of current needs, and projected need (newly forming and existing households). The key difference is that in looking at affordability an estimate of the number of households in the 'gap' between buying and renting is used. There is also the issue of establishing an estimate of the supply of affordable home ownership homes – this is considered separately below.

Gross Need for Affordable Home Ownership

- 8.91 The first part of the analysis seeks to understand what the gap between renting and buying actually means in the study area – in particular establishing the typical incomes that might be required. The information about incomes required to both buy and rent in different locations has already been provided earlier in this section and so the discussion below is a broad example.
- 8.92 Using the income distributions developed (as set out earlier in this section) along with data about price and rents, it has been estimated that of all households living in the private rented sector, around 44% already have sufficient income to buy a lower quartile home, with 15% falling in the rent/buy 'gap'. The final 41%

are estimated to have an income below which they cannot afford to rent privately (i.e. would need to spend more than the calculated threshold of their income on housing costs) although in reality it should be noted that many households will spend a higher proportion of their income on housing. These figures have been based on an assumption that incomes in the private rented sector are around 88% of the equivalent figure for all households (a proportion derived from the English Housing Survey) and are used as it is clear that affordable home ownership products are likely to be targeted at households living in or who might be expected to access this sector (e.g. newly forming households).

8.93 The table below shows an estimate of the proportion of households living in the private rented sector who are able to afford different housing products by sub-area. This shows a higher proportion of households in the rent/buy gap in Lymm and the South Suburban sub-areas, with the lowest figure being seen in Inner Warrington.

Table 61: Estimated proportion of households living in Private Rented Sector able to buy and/or rent market housing

Sub area	Can afford to buy OR rent	Can afford to rent but not buy	Cannot afford to buy OR rent
East Warrington	46%	11%	43%
Inner Warrington	53%	3%	44%
Lymm	30%	30%	40%
NE Warrington	31%	24%	44%
NW Warrington	45%	12%	43%
South Warrington	29%	31%	40%
Town Centre	54%	7%	38%
West Warrington	45%	17%	38%
All households	44%	15%	41%

Source: Derived from Housing Market Cost Analysis and Affordability Testing

- 8.94 The finding that a significant proportion of households in the private rented sector are likely to have an income that would allow them to buy a home is also noteworthy and suggests that for many households, barriers to accessing owner-occupation are less about income/the cost of housing and more about other factors (which could for example include the lack of a deposit or difficulties obtaining a mortgage (for example due to a poor credit rating or insecure employment)). However, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g. if moving locations with employment).
- 8.95 To study current need, an estimate of the number of household living in the Private Rented Sector (PRS) has been established, with the same (rent/buy gap) affordability test (as described above) then applied. The start point is the number of households living in private rented accommodation; as of the 2011 Census there were some 9,500 households living in the sector across the Borough. Data from the English Housing Survey¹⁴ (EHS) suggests that since 2011, the number of households in the PRS has risen by about 19% - if the same proportion is relevant to the Borough then the number of households in the sector would now be around 11,400.
- 8.96 Additional data from the EHS¹⁵ suggests that 60% of all PRS households expect to become an owner at some point (6,800 households if applied to the study area) and of these some 40% (2,700 households) would expect this to happen in the next 2-years. The figure of 1,700 is therefore taken as the number of households potentially with a current need for affordable home ownership before any affordability testing.

¹⁴ EHS see Annex Table 1.1: Trends in tenure, 1980 to 2019-20

¹⁵ EHS, Future home owners, 2015-16, page 3

- 8.97 As noted above, on the basis of income it is estimated that around 15% of the private rented sector sit in the gap between renting and buying (depending on location). Applying this proportion to the 2,700 figure would suggest a current need for around 329 affordable home ownership units (18 per annum if annualised over an 18-year period).
- 8.98 In projecting forward, the analysis can consider newly forming households and also the remaining existing households who expect to become owners further into the future. Applying the same affordability test (albeit on a very slightly different income assumption for newly forming households) suggests an annual need from these two groups of around 265 dwellings (237 from newly forming households and 27 from existing households in the private rented sector).
- 8.99 Bringing together the above analysis suggests that there is a need for around 284 affordable home ownership homes (priced for households able to afford to rent but not buy) per annum. This is before any assessment of the potential supply of housing is considered.

Table 62: **Estimated Gross Need for Affordable Home Ownership by sub-area (per annum)**

Sub area	Current need	Newly forming households	Existing households falling into need	Total Gross Need
East Warrington	3	38	4	44
Inner Warrington	2	12	3	17
Lymm	3	31	4	39
NE Warrington	1	19	2	22
NW Warrington	0	5	1	6
South Warrington	4	64	6	75
Town Centre	1	2	1	4
West Warrington	5	67	7	79
All households	18	239	27	284

Source: Range of sources as discussed

Potential Supply of Housing to Meet the Affordable Home Ownership Need

8.100 As with the need for social/affordable rented housing, it is also necessary to consider if there is any supply of affordable home ownership products from the existing stock of housing. As with assessing the need for affordable home ownership, it is the case that at present the PPG does not include any suggestions about how the supply of housing to meet these needs should be calculated.

8.101 The main source is likely to be resales of products such as shared ownership and an analysis of CoRe data about resales of affordable housing shows an average of around 16 resales per annum (based on data for the 2016-19 period). These properties would also potentially be available for these households and can be included as the potential supply.

8.102 The table below therefore shows an estimate of the net need for affordable home ownership. This suggests a need for around 268 dwellings per annum, with a need being shown in all areas (albeit low in a number of locations). As with the need for rented affordable housing, it should be remembered that affordable need can be met across the Borough as and when opportunities arise, and so specific sub-area data should not be treated as a local target.

Table 63: Estimated Need for Affordable Home Ownership by sub-area (per annum)

Sub area	Total Gross Need	LCHO supply	Net need
East Warrington	44	3	41
Inner Warrington	17	4	13
Lymm	39	1	38
NE Warrington	22	0	22
NW Warrington	6	0	6
South Warrington	75	2	73
Town Centre	4	0	4
West Warrington	79	6	72
All households	284	16	268

Source: Range of sources as discussed

An Alternative view of the Supply of Affordable Home Ownership Properties

8.103 The analysis above has looked at the supply of resales of affordable housing. However, it should be noted that the analysis to consider need looks at households unable to afford a lower quartile property price. By definition, a quarter of all homes sold will be priced at or below a lower quartile level. According to the Land Registry, there were a total of 2,259 resales (i.e. excluding newly-built homes) in the last year (year to September 2020) and therefore around 565 would be priced below the lower quartile. This is 565 homes that would potentially be affordable to the target group for affordable home ownership

products and is a potential supply that is well in excess of the level of need calculated.

- 8.104 If a further supply of 565 dwellings per annum were taken from the estimated need (267 per annum) then it would be suggested that there is actually a surplus of affordable home ownership properties (of around 298 per annum). This figure should be treated as theoretical, not least because it is the case that market housing is not allocated in the same way as social/affordable rented homes (i.e. anyone is able to buy a home as long as they can afford it and it is possible that a number of lower quartile homes would be sold to households able to afford more, or potentially to investment buyers). However, it is clear that looking at a wider definition of supply does make it difficult to conclude what the need for affordable home ownership is (and indeed if there is one).

Implications of the Analysis

- 8.105 Given the analysis above, it would be reasonable to conclude that there is a need to provide housing under the definition of 'affordable home ownership' – although this conclusion is based on only considering supply from resales of affordable housing (notably shared ownership). If supply estimates are expanded to include market housing for sale below a lower quartile price then the need for AHO is less clear-cut.
- 8.106 Regardless, it does seem that there are many households in Warrington who are being excluded from the owner-occupied sector. This can be seen by analysis of tenure change, which saw the number of households living in private rented accommodation increasing by 53% from 2001 to 2011 (with the likelihood that there have been further increases since). Over the same period, the number of owners with a mortgage dropped by 5%. That said, some households will choose to privately rent, for example as it is a more flexible option that may be more

suitable for a particular household's life stage (e.g. if moving locations with employment).

- 8.107 On this basis, and as previously noted, it seems likely in Warrington that access to owner-occupation is being restricted by access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially some mortgage restrictions (e.g. where employment is temporary) rather than just being due to the cost of housing to buy.
- 8.108 The February 2019 NPPF gave a clear direction that 10% of all new housing (on larger sites) should be for affordable home ownership (in other words, if 20% of homes were to be affordable then half would be affordable home ownership).

Other tenures

- 8.109 Whilst there are clearly many households in the gap between renting and buying, they in some cases will be able to afford homes below lower quartile housing costs. That said, it is important to recognise that some households will have insufficient savings to be able to afford to buy a home on the open market (particularly in terms of the ability to afford a deposit) and low-cost home ownership homes – and shared ownership homes in particular – will therefore continue to play a role in supporting some households in this respect.
- 8.110 The evidence points to a clear and acute need for rented affordable housing for lower income households, and it is important that a supply of rented affordable housing is maintained to meet the needs of this group including those to which the authority has a statutory housing duty. Such housing is notably cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments).

- 8.111 There will also be a role for AHO on any 100% affordable housing schemes that may come forward (as well as through Section 106). Including a mix of both rented and intermediate homes to buy would make such schemes more viable, as well as enabling a range of tenures and therefore potential client groups to access housing.
- 8.112 In addition, it should also be noted that the finding of a 'need' for affordable home ownership does not have any impact on the overall need for housing. It seems clear that this group of households is simply a case of seeking to move households from one tenure to another (in this case from private renting to owner-occupation); there is therefore no net change in the total number of households, or the number of homes required.

How Much Should Affordable Home Ownership Homes Cost?

- 8.113 The analysis and discussion above suggest that there are a number of households likely to fall under the PPG definition of needing affordable home ownership (including First Homes) – i.e. in the gap between renting and buying – but that the potential supply of low-cost housing to buy makes it difficult to fully quantify this need. However, given the introduction of the First Homes policy, the Council will need to consider some additional homes on larger sites as some form of home ownership.
- 8.114 The analysis below focusses firstly on the cost of First Homes to make them genuinely affordable before moving on to consider shared ownership (in this case suggestions are made about the equity shares likely to be affordable and whether these shares are likely to be offered).
- 8.115 It is considered that First Homes and shared ownership are likely to be the main affordable home ownership tenures moving forward although it is accepted that

some delivery may be of other products. This section also provides some comments about Rent to Buy housing.

- 8.116 The reason for the analysis to follow is that it will be important for the Council to ensure that any affordable home ownership dwelling is sold at a price that is genuinely affordable for the intended target group – for example there is no point in discounting a new market home by 30% if the price still remains above that for which a reasonable home can already be bought in the open market.

Discounted Market Sales Housing (focussing on First Homes)

- 8.117 PPG on First Homes sets out that the minimum discount applied to dwellings that are being offered as First Homes should be 30% from market price with local authorities having discretion to increase the discount to 40% or 50%.
- 8.118 In some ways First Homes are similar to discounted market sale (a product currently within the NPPF), although for discounted market sales a discount of at least 20% (rather than 30%) from Open Market Value (OMV) is required.
- 8.119 As noted above, the problem with having a percentage discount is that it is possible in some locations or types of property that such a discount still means that the discounted housing is more expensive than that typically available in the open market. This is often the case as new build housing itself attracts a premium.
- 8.120 The preferred approach in this report is to set out the purchase cost for a dwelling priced around the median for all properties. This is likely to be a two - three bedroom family home. This suits the demand profile in Warrington in which family homes are in particularly high demand.
- 8.121 This purchase cost is based on current lower quartile rental price and also consideration of the income required to access the private rented sector. The

level of income this property price might support is then estimated assuming a 10% deposit and a 4 times mortgage multiple. Below is an example of a calculation based on a 3-bedroom home:

- Previous analysis has shown that the lower quartile rent for all properties in the Borough is £716 per month;
- On the basis of a household spending no more than 28% of their income on housing, a household would need an income of around £2,555 per month to afford ($716/0.28$) or £30,664 per annum (rounded);
- With an income of £30,664, it is estimated that a household could afford to buy a home for around £136,286. This is based on assuming a 10% deposit and a four times mortgage multiple – calculated as $30,664*4/0.9$.

8.122 Therefore, £136,286 is a suggested purchase price to make First Homes/discounted home ownership affordable for households in the rent/buy gap in this example.

8.123 This figure is essentially the equivalent price that is affordable to a household who can just afford to rent privately. In reality, there will be a range of incomes in the rent/buy gap and so some households could afford a higher price; however setting all homes at a higher price would mean that some households will still be unable to afford.

8.124 On this basis, it is considered reasonable to look at the cost of First Homes as a range, from the equivalent private rent figure up to a midpoint of the cost of open market purchase (the median house price in the Borough is £251,200) and the relevant private rented figure.

8.125 The use of a midpoint would mean that only around half of households in the rent/buy gap could afford, and therefore any housing provided at such a cost would need to also be supplemented by an equivalent number at a lower cost (which might include other tenures such as shared ownership).

8.126 The table below therefore sets out a suggested purchase price for affordable home ownership in the Borough. This does not tell us what the discount will need to be as this would depend on the OMV of the individual property. For example, if the OMV of a 2-bedroom home was £200,000, then the discount required to get to a purchase price of £136,286 would be 32% (i.e. 32% of £200,000 equals £136,286).

Table 64: **Affordable home ownership prices – data for year to September 2020**

Size	Affordable Price
1-bedroom	£65,000-£75,000
2-bedrooms	£106,000-£108,000
3-bedrooms	£125,000-£160,000
4+-bedrooms	£173,000-£232,000

Source: Derived from a range of sources as described

8.127 The table below sets out the recommended discounts to market dwellings priced around the median for all properties in each of the sub-areas in Warrington and how this compares with the Borough average.

8.128 Once the discount has been applied using the method described above the table shows that the purchase price of First Homes should fall into a range between £81,905 in the Town Centre to £232,679 in North East Warrington in order to cover a broad range of income levels (from those just able to afford PRS housing to others able to live in larger dwellings in sub-areas in relatively high demand).

8.129 The First Home discount range is therefore from the minimum of 30% to 50%.

8.130 The table also sets out recommended discount ranges within at the sub-area level. For example, in Inner Warrington discounts of 30% are suitable. In South Warrington, however, discounts of between 30% and 50% are appropriate.

8.131 In areas where property values are particularly higher, such as Lymm and North East Warrington, the range should be in line with the Borough average with a proviso that First Homes may only be affordable at the lower end of the size spectrum (1 or 2 bedrooms in size).

8.132 Also, it is worth noting that, on account of the relatively high median house prices in the Town Centre, only smaller dwellings are likely to be affordable to households in the rent/buy gap.

Table 65: Affordable home ownership prices at the sub-area level

Sub-area	LQ Rent	Income required	Income required pa	Equivalent purchase price	Median house price	Mid-point	Discount range (PRS)	Discount range (Mid-point)
East Warrington	£565	£2,018	£24,214	£107,619	£174,000	£140,810	-38%	-19%
Inner Warrington	£475	£1,696	£20,357	£90,476	£124,000	£107,238	-27%	-14%
Lymm	£755	£2,696	£32,357	£143,810	£322,500	£233,155	-55%	-28%
NE Warrington	£750	£2,679	£32,143	£142,857	£300,000	£221,429	-52%	-26%
NW Warrington	£600	£2,143	£25,714	£114,286	£177,500	£145,893	-36%	-18%
South Warrington	£765	£2,732	£32,786	£145,714	£313,000	£229,357	-53%	-27%
Town Centre	£430	£1,536	£18,429	£81,905	£195,000	£138,452	-58%	-29%
West Warrington	£585	£2,089	£25,071	£111,429	£195,000	£153,214	-43%	-21%
All properties	£525	£1,875	£22,500	£100,000	£195,000	£147,500	-49%	-24%

Source: Derived from a range of sources as described

8.133 In policy terms it is suggested the Council consider setting out expectations of costs for First Homes. The Council could then expect housing to be available for either the costs set out or with a 30% discount (whichever the lower).

8.134 Where the Council is seeking a discount that is greater than 30% the Council will need to consider if they want an additional discount, or whether this might prejudice the viability of providing other forms of affordable housing (such as

rented homes) – decisions about what to do in such circumstances may well need to be made on a case-by-case basis.

- 8.135 The emerging Local Plan sets a policy of discounted by a minimum of 30% against market value and increasing this to a 40% discount south of the Manchester Ship Canal, having regard to the nationally set cap of £250,000. This position is consistent with the evidence set out in this report.

Shared Ownership

- 8.136 Whilst the Government has a clear focus on First Homes, they also see a continued role for Shared Ownership. In November 2020, a separate consultation was launched (New Model for Shared Ownership¹⁶) – this includes four key proposals, with the main one for the purposes of this assessment being the suggestion of reducing the minimum initial share from 25% to 10%. A key advantage of shared ownership over other tenures is that a lower deposit is likely to be required than for full or discounted purchase. Additionally, the rental part of the cost will be subsidised by a Registered Provider and therefore keeps monthly outgoings down.
- 8.137 For the purposes of the analysis in this report it is considered that for shared ownership to be affordable, total outgoings should not exceed that needed to rent privately.
- 8.138 Because shared ownership is based on buying part of a property, it is the case that the sale will need to be at open market value. Where there is a large gap between the typical incomes required to buy or rent, it may be the case that lower equity shares are needed for homes to be affordable (at the level of renting privately). The analysis below therefore seeks to estimate the typical equity

¹⁶ <https://www.gov.uk/government/consultations/new-model-for-shared-ownership-technical-consultation>

share that might be affordable for different sizes of property with any share lower than 10% likely to be unavailable. The key assumptions used in the analysis are:

- OMV at LQ price plus 30% (reflecting likelihood that newbuild homes will have a premium attached and that they may well be priced above a LQ level) – it should be noted that this is an assumption for modelling purposes and consideration will need to be given to the OMV of any specific product;
- 10% deposit on the equity share;
- Rent at 2.75% pa on unsold equity;
- Repayment mortgage over 25-years at 4%;
- Service charge of £50 per month for flatted development (assumed to be 1- and 2-bedroom homes); and
- It is also assumed that shared ownership would be priced for households sitting towards the bottom end of the rent/buy gap and so the calculations assume that total outgoings should be no higher than the equivalent private rent (lower quartile) cost for that size of property.

8.139 The table below shows that to make shared ownership affordable, equity shares of around 50% could work for 2-bedroom homes but that lower shares are likely to be required for larger homes. The analysis does suggest that it may be quite difficult to make shared ownership ‘work’ for larger homes although lower equity shares may be possible given that (as noted) the government is currently consulting on new proposals for shared ownership.

8.140 It should also be noted that the analysis below is predicated on a particular set of assumptions (notably about likely OMV). In reality costs do vary across the Borough and will vary from site to site. Therefore, this analysis should be seen as indicative with specific schemes being tested individually to determine if the product being offered is genuinely (or reasonably) affordable.

Table 66: Estimated Affordable Equity Share by Size – Warrington

Group	1-Bedroom	2-Bedrooms	3-Bedrooms	4+-Bedrooms
OMV	£84,500	£143,000	£253,500	£377,000
Share	93%	49%	11%	4%
Equity Bought	£78,923	£70,070	£27,885	£14,703
Mortgage Needed	£71,031	£63,063	£25,097	£13,233
Monthly Cost of Mortgage	£375	£333	£133	£70
Retained Equity	£5,577	£72,930	£225,615	£362,297
Monthly Rent on Retained Equity	£13	£167	£517	£830
Service Charge per month	£50	£50	£0	£0
Total Cost per month	£438	£550	£650	£900

Source: Data based on Housing Market Cost Analysis

- 8.141 In policy terms, whilst the analysis has provided an indication of the equity shares possibly required by size, the key figure is actually the total cost per month (and how this compares with the costs to access private rented housing). For example, whilst the table suggests a 49% equity share for 2-bedroom homes, this is based on a specific set of assumptions. Were a scheme to come forward with a 49% share, but a total cost in excess of £550 per month, then it would be clear that a lower share is likely to be required to make the home genuinely affordable. Hence the actual share can only be calculated on a scheme-by-scheme basis.
- 8.142 In the interests of maintaining affordability for the target group, the general policy position should seek to ensure that outgoings are no more than can reasonably be achieved in the private rented sector, rather than seeking a specific equity share.
- 8.143 Again, the figures above are for the whole Borough and it is recognised that there will be variations across locations (and over time and for specific sites).

Rent to Buy

- 8.144 A further affordable option is Rent to Buy; this is a government scheme designed to ease the transition from renting to buying the same home. Initially (typically five years) the newly built home will be provided at the equivalent of an affordable rent (approximately 20% below the market rate). The expectation is that the discount provided in that first five years is saved in order to put towards a deposit on the purchase of the same (or another) property. Rent to Buy can be advantageous for some households as it allows for a smaller 'step' to be taken on to the home ownership ladder.
- 8.145 At the end of the five-year period, depending on the scheme, the property is either sold as a shared ownership product or to be purchased outright as a full market property. If the occupant is not able to do either of these then the property is vacated.
- 8.146 In order to access this tenure it effectively requires the same income threshold for the initial phase as a market rental property although the cost of accommodation will be that of affordable rent. The lower than market rent will allow the household to save for a deposit for the eventual shared ownership or market property. In considering the affordability of rent-to-buy schemes there is a direct read across to the income required to access affordable home ownership (including shared ownership), it should therefore be treated as part of the affordable home ownership products suggested by the NPPF.

Implications of COVID-19

- 8.147 Much of the data accessed and used in this report pre-dates the COVID-19 Pandemic. Whilst it is currently too early to know what the full impact of COVID-19 will be on the housing market, it will be important for outcomes to be monitored and consideration given to any short- or long-term consequences for

a range of groups. It does however seem likely that there will be a specific impact on the need for affordable housing particularly in the short-term and below is a short discussion of possible outcomes.

- 8.148 It seems almost inevitable that one impact of COVID-19 will be to see an increased need for affordable housing. Unemployment has been rising and can be expected to rise further as the furlough scheme is reduced/removed. This will make it difficult for many households to afford their housing and would lead them to need to seek a housing solution through the local authority or Registered Providers.
- 8.149 There is already some evidence of the impact of COVID-19 on housing need, with data from the Department of Work and Pensions showing the number of Housing Benefit (or Universal Credit with a housing element) claimants in the private rented sector in Warrington increased from 3,600 in November 2019, up to 5,100 in November 2020 – an increase of over 40%. This points to an impact of COVID-19 being to see increased pressure on affordable housing.

Affordable Housing Need: Key Points

- Analysis has been undertaken to estimate the need for affordable housing in the 2021-38 period (inclusive). The analysis is split between a need for social/affordable rented accommodation and the need for affordable home ownership (AHO). The latter includes housing for those who can afford to rent privately but cannot afford to buy a home.
- The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership).
- When looking at rented needs, the analysis suggests a need for 423 affordable homes per annum and therefore the Council is justified in seeking to secure additional affordable housing. There is also a need shown in all parts of the Borough.
- The analysis suggests that there will be a need for both social and affordable rented housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and also for some households who claim full Housing Benefit. On this basis, it is not recommended that the Council has a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes are likely to be required.
- When looking at the need for AHO products, the analysis also suggests a need across the Borough, albeit (at 267 dwellings per annum) the need is lower than for rented housing. In interpreting this figure, it should however be noted that there could be additional supply from resales of market homes (below a lower quartile price) which arguably would mean there is a more limited need for AHO.
- Analysis does suggest that there are many households in Warrington who are being excluded from the owner-occupied sector (as evidenced by reductions in owners with a mortgage and increases in the size of the private rented sector). This suggests that a key issue in the Borough is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.
- The study also considers different types of AHO (notably First Homes and shared ownership) as each will have a role to play.

- Discounts applied to First Homes are likely to be greater in North East Warrington and in areas south of the Ship Canal in South Warrington and Lymm.
- Shared ownership is likely to be suitable for households with more marginal affordability (those only just able to afford to privately rent) as it has the advantage of a lower deposit and subsidised rent.
- In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Council will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that there are more households with a need for rented housing and these are likely to have more acute needs and fewer housing options).
- Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the Borough. That said, this in itself is not justification for an increase in the HNF to address affordable housing need.
- It is important to note that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

9 HOUSING MIX

Introduction

- 9.1 This section considers the appropriate mix of housing across the study area, with a particular focus on the sizes of homes required in different tenure groups. This section looks at a range of statistics in relation to families (generally described as households with dependent children) before moving on to look at how the numbers are projected to change moving forward. The analysis considers the mix of housing across the whole of Warrington (covering all household groups and tenures); before providing some commentary about how this might vary across different sub-areas.

Background data

- 9.2 The number of families in the Borough (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 26,300 as of the 2011 Census, accounting for 31% of households. This proportion is slightly higher than seen across the region and nationally. The proportion of married couple households (with dependent children) is higher than seen in other locations.

Table 67: Households with dependent children (2011)

Sub area	Married couple	Cohabiting couple	Lone parent	Other households	All other households	Total	Total with dependent children
East Warrington	14.8%	4.8%	8.5%	1.7%	70.1%	100.0%	29.9%
Inner Warrington	10.9%	5.6%	10.1%	2.1%	71.3%	100.0%	28.7%
Lymm	22.6%	2.9%	5.9%	1.4%	67.2%	100.0%	32.8%
NE Warrington	19.6%	3.5%	5.3%	1.7%	69.9%	100.0%	30.1%
NW Warrington	19.1%	4.4%	5.3%	1.3%	70.0%	100.0%	30.0%
South Warrington	23.1%	3.0%	4.5%	1.2%	68.3%	100.0%	31.7%
Town Centre	7.6%	3.6%	3.3%	2.0%	83.5%	100.0%	16.5%
West Warrington	22.1%	4.4%	6.1%	1.9%	65.5%	100.0%	34.5%
TOTAL	17.4%	4.4%	7.3%	1.7%	69.1%	100.0%	30.9%

Source: Census (2011)

- 9.3 The table below shows the same information for sub-areas. The analysis shows relatively few family households in the Town Centre and over a third of households in the West Warrington and North West Warrington areas.

Table 68: Households with dependent children (2011)

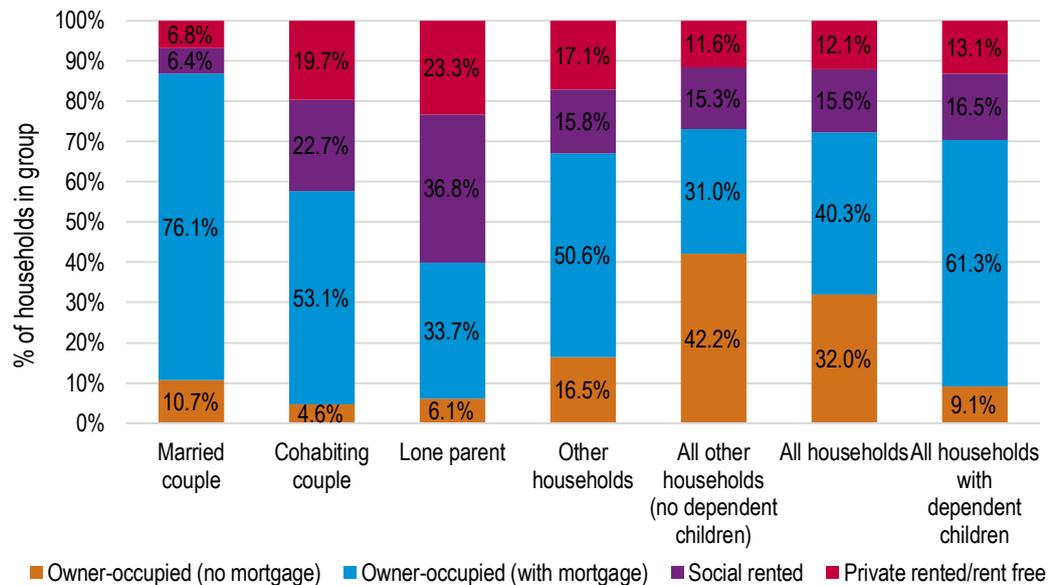
Sub area	Married couple	Cohabiting couple	Lone parent	Other households	All other households	Total	Total with dependent children
East Warrington	14.8%	4.8%	8.5%	1.7%	70.1%	100.0%	29.9%
Inner Warrington	10.9%	5.6%	10.1%	2.1%	71.3%	100.0%	28.7%
Lymm	22.6%	2.9%	5.9%	1.4%	67.2%	100.0%	32.8%
NE Warrington	19.6%	3.5%	5.3%	1.7%	69.9%	100.0%	30.1%
NW Warrington	19.1%	4.4%	5.3%	1.3%	70.0%	100.0%	30.0%
South Warrington	23.1%	3.0%	4.5%	1.2%	68.3%	100.0%	31.7%
Town Centre	7.6%	3.6%	3.3%	2.0%	83.5%	100.0%	16.5%
West Warrington	22.1%	4.4%	6.1%	1.9%	65.5%	100.0%	34.5%
TOTAL	17.4%	4.4%	7.3%	1.7%	69.1%	100.0%	30.9%

Source: Census (2011)

- 9.4 The figure below shows the current tenure of households with dependent children. There are some considerable differences by household type with lone

parents having a very high proportion living in the social rented sector and also in private rented accommodation. Only 40% of lone parent households are owner-occupiers compared with 87% of married couples with children.

Figure 15: Tenure of households with dependent children – Warrington



Source: Census (2011)

- 9.5 Household projections have been developed, linked to the Standard Method (816 dwellings per annum in the 2021-38 period) to estimate growth in family households over the period.
- 9.6 The profile of these is set out in the table below. This shows a small projected increase in the number of households with dependent children – increasing by 7% (about 1,900 households) over the projection period. This level of increase is lower than the projected change for other households (i.e. those without dependent children) – projected increase of 17% over the period studied.

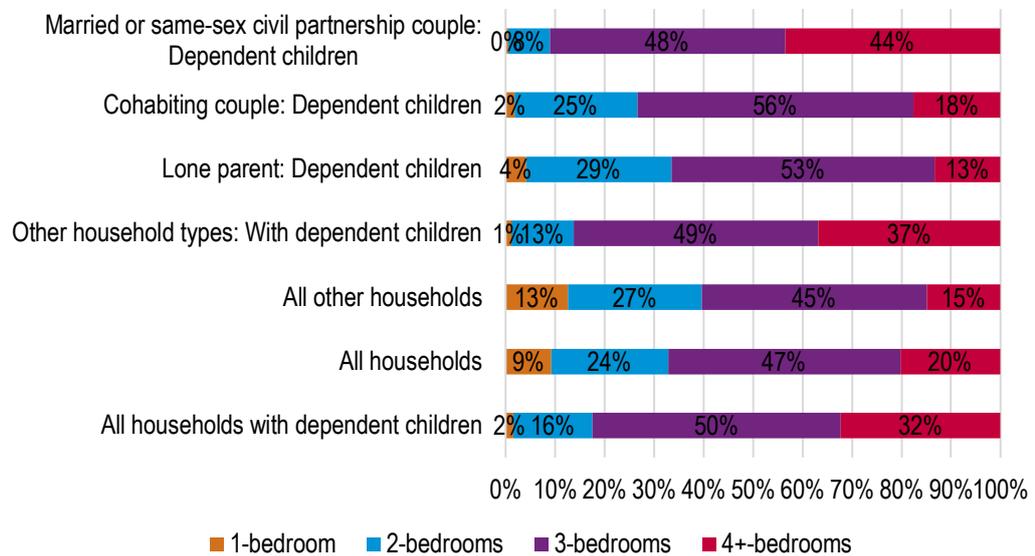
Table 69: Projected Change in Family Households in Warrington, 2021-38

Group	2021	2038	Change in households	% change
Households with one dependent child	13,076	13,954	878	6.7%
Households with two dependent children	9,516	10,281	766	8.0%
Households with three dependent children	3,064	3,312	248	8.1%
All other households	66,157	77,733	11,576	17.5%
Total Households	91,813	105,280	13,468	14.7%
Total households with dependent children	25,656	27,547	1,891	7.4%

Source: Demographic Projections

- 9.7 The level of growth in family households does not automatically translate into an equivalent need for family-sized accommodation, not least as many older households will continue to live in family-sized properties that offer space for friends and relatives to come and stay.
- 9.8 The figure below shows the number of bedrooms for family households at the point of the 2011 Census. The analysis shows the differences between married, cohabiting and lone parent families. Across the Borough, the tendency is for family households to occupy 3-bedroom housing with varying degrees of 2- and 4+-bedroom properties depending on the household composition.
- 9.9 The data also, unsurprisingly, highlights the small level of 1-bed stock occupied by families across the board. As a result, we could expect continued demand for 3+-bedroom homes; although, given the affordable housing need profile, a greater balance of homes of medium sized properties should also be factored into the recommendations.

Figure 16: Number of Bedrooms by Family Household Type, 2011 – Warrington



Source: 2011 Census

- 9.10 Delivery of family sized housing remains a requirement in both urban and rural locations of the Borough. This includes providing family housing in the widest possible choice and mix of housing locations including Town Centres, and through the sustainable expansion of rural and smaller settlements (particularly helping to support economic and social vitality).
- 9.11 It is important to deliver a range of housing sizes and to actively promote this through appropriate planning policies and consideration of the operation of the market. There may still be limitations as to the affordability of larger properties in the context of continued growth in sales prices evident across the Borough in recent years.
- 9.12 In more rural areas, the opportunity to broaden and secure a choice and mix of family sized accommodation alongside smaller accommodation should be explored in order to diversify the market and provide for local housing demand.

Whilst in towns, subject to the availability of land, the provision of family-sized accommodation should be supported.

The Mix of Housing

- 9.13 A model has been developed that starts with the current profile of housing in terms of size (bedrooms) and tenure. Within the data, information is available about the age of households and the typical sizes of homes they occupy. By using demographic projections linked to the local housing need calculated through the Standard Method, it is possible to see which age groups are expected to change in number, and by how much.
- 9.14 On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is therefore possible to assess the profile of housing needed is over the assessment period to 2038 (from 2021).
- 9.15 An important starting point is to understand the current balance of housing in the area. The table below profiles the sizes of homes in different tenure groups. In the owner-occupied sector the analysis shows a similar profile of dwellings when compared with other locations, with 26% of all homes having 4+-bedrooms. In the social rented sector, the analysis shows a relatively high proportion of 1-bedroom homes, and relatively few homes with 4+-bedrooms, whilst the private rented sector looks to be fairly balanced (although there is a slightly lower than average proportion of homes with 1-bedroom). Observations about the current mix feed into conclusions about future mix later in this section.

Table 70: Number of Bedroom, Owner-Occupied Dwellings, 2011

Size	Warrington	North West	England
1-bedroom	2%	2%	4%
2-bedrooms	20%	24%	23%
3-bedrooms	52%	52%	48%
4+-bedrooms	26%	22%	25%
Total	100%	100%	100%

Source: 2011 Census

Table 71: Number of Bedrooms, Social Rented Dwellings, 2011

Size	Warrington	North West	England
1-bedroom	37%	29%	31%
2-bedrooms	25%	32%	34%
3-bedrooms	35%	34%	31%
4+-bedrooms	4%	4%	4%
Total	100%	100%	100%

Source: 2011 Census

Table 72: Number of Bedrooms, Private Rented Dwellings, 2011

Size	Warrington	North West	England
1-bedroom	16%	18%	23%
2-bedrooms	43%	43%	39%
3-bedrooms	33%	30%	28%
4+-bedrooms	8%	9%	10%
Total	100%	100%	100%

Source: 2011 Census

Overview of Methodology

- 9.16 The method to consider future housing mix looks at the ages of the Household Reference Persons and how these are projected to change over time. The sub-sections to follow describe some of the key analysis.

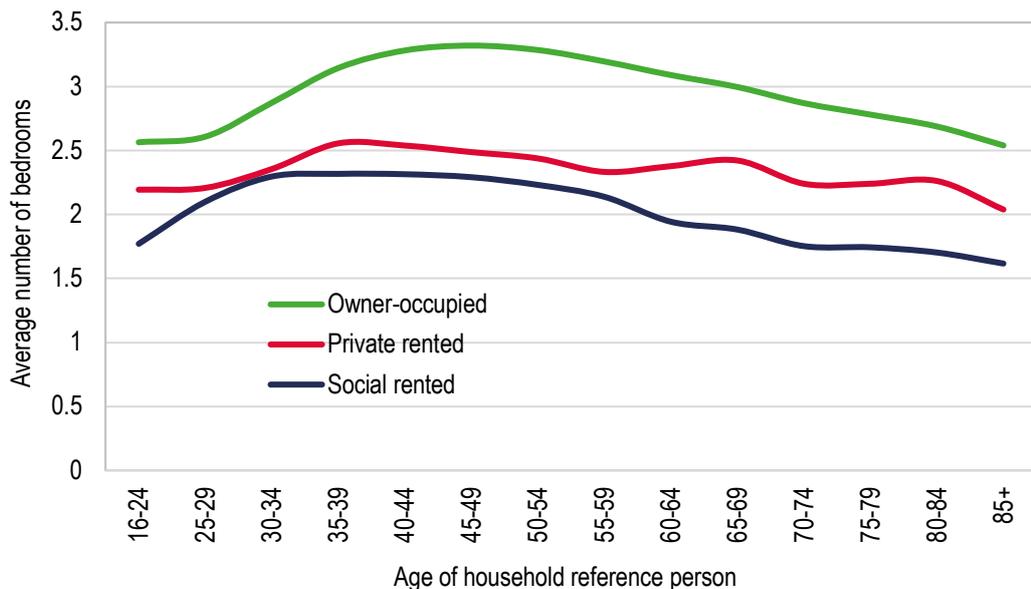
Understanding how Households Occupy Homes

- 9.17 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.
- 9.18 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it, and hence projecting an increase in single person households does not automatically translate into a need for smaller units.
- 9.19 That said, issues of supply can also impact occupancy patterns, for example it may be that a supply of additional smaller bungalows (say 2-bedrooms) would encourage older people to downsize but in the absence of such accommodation these households remain living in their larger accommodation.
- 9.20 The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) where households are allocated properties which reflect the size of the household, although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing (e.g. those who can afford to pay the spare room subsidy ('bedroom tax')).
- 9.21 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing within these groups. The data for this analysis has

been formed from a commissioned table by ONS (Table CT0621 which provides relevant data for all local authorities in England and Wales from the 2011 Census).

9.22 The Figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for Warrington. In the owner-occupied sector the average size of accommodation rises over time to typically reach a peak around the age of 45; a similar pattern (but with smaller dwelling sizes and an earlier peak) is seen in both the social and private rented sector. After peaking, the average dwelling size decreases – as typically some households downsize as they get older.

Figure 17: **Average Bedrooms by Age and Tenure in Warrington**



Source: Derived from ONS Commissioned Table CT0621

9.23 Replicating the existing occupancy patterns at a local level would however result in the conclusions being skewed by the existing housing profile – this is particularly the case in the social rented sector. On this basis a further model has been developed that applies regional occupancy assumptions for the North

West region. Assumptions are applied to the projected changes in Household Reference Person by age discussed below.

9.24 The analysis has been used to derive outputs for three broad categories. These are:

- **market housing** – which is taken to follow the occupancy profiles in the owner-occupied sector
- **affordable home ownership** – which is taken to follow the occupancy profile in the private rented sector (this is seen as reasonable as the Government's desired growth in home ownership looks to be largely driven by a wish to see households move out of private renting); and
- **rented affordable housing** – which is taken to follow the occupancy profile in the social rented sector. The affordable sector in the analysis to follow would include social and affordable rented housing.

Changes to Households by Age

9.25 The table below presents the projected change in households by age of household reference person, this clearly shows particularly strong growth as being expected in older age groups (and to some extent some younger age groups e.g. those aged up to 49). Households headed by someone aged 50-64 are projected to see a modest decrease in household numbers.

Table 73: Projected Change in Household by Age of HRP in Warrington

Age Group	2021	2038	Change in Households	% Change
16-24	2,644	2,982	338	12.8%
25-29	4,653	5,408	755	16.2%
30-34	6,688	7,060	372	5.6%
35-39	7,452	7,819	367	4.9%
40-44	7,527	8,769	1,242	16.5%
45-49	8,558	9,693	1,135	13.3%
50-54	9,950	9,493	-457	-4.6%
55-59	9,898	8,787	-1,112	-11.2%
60-64	7,607	7,429	-178	-2.3%
65-69	6,016	7,997	1,980	32.9%
70-74	6,903	8,901	1,998	29.0%
75-79	5,849	8,110	2,261	38.6%
80-84	4,473	6,227	1,754	39.2%
85 & over	3,594	6,607	3,013	83.8%
Total	91,813	105,280	13,468	14.7%

Source: Demographic Projections

Modelled Outputs

- 9.26 By following the methodology set out above and drawing on the sources shown, a series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures at a local authority level. Two tables are provided, considering both local (i.e., Borough) and regional (i.e., North West) occupancy patterns.
- 9.27 The data linking to local occupancy will to some extent reflect the role and function of the Borough, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context of the North West region as a whole.
- 9.28 The analysis for rented affordable housing can also draw on data from the local authority Housing Register with regards to the profile of need. The data has been

taken from the Local Authority Housing Statistics (“LAHS”) and shows a pattern of need which is focussed on 1- and 2-bedroom homes but also showing around 650 households as requiring 3+- bedroom homes.

Table 74: Size of Social/Affordable Rented Housing – Housing Register Information – Warrington

Size	Number of households	% of households
1-bedroom	2,816	55%
2-bedrooms	1,667	33%
3-bedrooms	512	10%
4+-bedrooms	132	3%
Total	5,127	100%

Source: Local Authority Housing Statistics, 2020

9.29 The tables below show that for most tenures the outputs of need are similar regardless of the choice of whether local or regional data is employed. The key difference looks to be for affordable housing (rented) where using local occupancy shows higher need for 1-bedroom homes (and lower needs for 2-bedroom homes).

9.30 A further table below combines the outputs from the two models. This data is used, along with additional analysis below, to draw conclusions about a suitable mix of housing for the Borough.

Table 75: Modelled Mix of Housing by Size and Tenure in Warrington (linked to local occupancy patterns)

Tenure	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	4%	29%	53%	14%
Affordable home ownership	17%	43%	32%	8%
Affordable housing (rented)	43%	24%	30%	3%

Sources: Housing Market Model

Table 76: Modelled Mix of Housing by Size and Tenure in Warrington (linked to regional occupancy patterns)

Tenure	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	3%	31%	51%	15%
Affordable home ownership	19%	43%	30%	8%
Affordable housing (rented)	36%	31%	30%	3%

Sources: Housing Market Model

Table 77: Modelled Mix of Housing by Size and Tenure in Warrington (combining methodologies)

Tenure	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	4%	30%	52%	14%
Affordable home ownership	18%	43%	31%	8%
Affordable housing (rented)	39%	27%	30%	3%

Sources: Housing Market Model

Indicative Targets for Different Sizes of Properties by Tenure across Warrington

Social/Affordable Rented Housing

- 9.31 Bringing together the above, a number of factors are recognised. This includes recognising that it is unlikely that all affordable housing needs will be met and that it is likely that households with a need for larger homes will have greater priority (as they are more likely to contain children). That said, there is also a possible need for 1-bedroom social housing arising due to homelessness (typically homeless households are more likely to be younger single people).
- 9.32 The conclusions also consider the Housing Register, but recognises that this will be based on a strict determination of need using the bedroom standard; there will be some households able to afford a slightly larger home or who can claim

benefits for a larger home than they strictly need (i.e. are not caught by the spare room subsidy ('bedroom tax') – this will include older person households).

9.33 In taking account of the modelled outputs, the Housing Register and the discussion above, it is suggested that the following mix of social/affordable rented housing would be appropriate:

- 1-bedroom: 40%
- 2-bedrooms: 30%
- 3-bedrooms: 25%
- 4+-bedrooms: 5%

Affordable Home Ownership

9.34 In the affordable home ownership and market sectors a profile of housing that more closely matches the outputs of the housing market model set out above is suggested. It is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households. Based on this analysis, it is suggested that the following mix of affordable home ownership would be appropriate:

- 1-bedroom: 20%
- 2-bedrooms: 40%
- 3-bedrooms: 30%
- 4+-bedrooms: 10%

Market Housing

9.35 Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile (as well as observations about the current mix when compared with other locations). This sees a slightly larger recommended profile compared with other tenure groups. The following mix of market housing is suggested:

- 1-bedroom: 5%
- 2-bedrooms: 30%
- 3-bedrooms: 50%
- 4+-bedrooms: 15%

- 9.36 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market, it does not necessarily follow that such prescriptive figures should be included in the plan making process (although it will be useful to include an indication of the broad mix to be sought across the Borough) – demand can change over time linked to macro-economic factors and local supply. Policy aspirations could also influence the mix sought.
- 9.37 Whilst this report does not suggest that highly prescriptive figures necessarily need to be included within Local Plans, it is the case that the figures can be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area.
- 9.38 The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and the Council should expect justification for a housing mix on such sites which significantly differs from that modelled herein. Site location and area character are also however relevant considerations as regards the appropriate mix of market housing on individual development sites.

Size-Mix at a sub-area level

- 9.39 So far, this chapter has considered an appropriate size-mix of homes at the Borough level. This section addresses whether it would be justified to develop policy that supports a size-mix at the sub-area level that departs from the Borough-level recommendations. This is considered by conducting a detailed assessment of the housing market dynamics within each of the sub-areas.

9.40 As noted in the introduction, the sub-areas in Warrington include,

- The Town Centre;
- East Warrington;
- North West Warrington;
- North East Warrington;
- South Warrington;
- West Warrington;
- Inner Warrington; and
- Lymm

9.41 A profile of the housing market dynamics within each of the sub-areas has been prepared looking at the following indicators:

- Demand:
 - Population size;
 - Population change 2011 - 19
 - Age structure;
 - Age structure 2019
 - Age structure change 2011-19
 - Older persons population, 2019
 - Household composition
 - Household composition 2011
 - Prevalence of disability within the population
 - Households and People with a Long-Term Health Problem or Disability, 2011 – sub-areas
- Supply:
 - The character of the current housing stock
 - Type of dwellings, 2011
 - Dwellings by size, 2011
 - Distribution of tenures, 2011
 - Completions 2010-20
 - Completions by size 2010-20
 - Distribution of allocated sites in the Town Centre and total capacity (mapped)
 - Balance of brownfield and greenfield sites

- Market signals:
 - Median, average and lower quartile house prices;
 - Median, average and lower quartile rents;
 - Median and LQ income;
 - Median and LQ affordability ratios
 - Over-crowding and under-occupation;
 - Vacancy; and
 - the position of the sub-area within the indices of multiple deprivation.

9.42 The report seeks to identify misalignments between the demand for dwellings and supply in any given sub-area, for example through concentration of any particular tenure or type of dwelling and whether this type is likely to be suited to the demand profile in the area.

9.43 This will provide grounds on which to support a housing mix within a particular sub-area that is different from that recommended at the Borough level. In such a way the sub-areas may be better able fulfil their role within the Borough housing market and improve its overall functionality.

9.44 The findings for each of the sub-areas is set out below. The evidence base for these findings is set out in the document “Warrington Local Housing Needs Assessment Update – Sub-Area Profiles”.

The Town Centre

- 9.45 The Housing Market Model concludes there is evidence for the housing mix in the Town Centre to vary from the Borough-level findings. This is particularly the case for Affordable Home Ownership units where the variation is in the order of 15%. For market homes the variation falls to 7% and for affordable rented tenures 9%.
- 9.46 Town Centre has seen its population growth in recent years. This indicates the area has a growing economy and well-functioning housing market.
- 9.47 Significant variations from the Borough average have been revealed in data relating to the demand and supply metrics. This points to a substantially different housing market in the Town Centre compared with the Borough as a whole.
- 9.48 Demand trends are driven by demographic profile that indicates clear contrasts with the Borough average. For example, over the period 2011-19, there has been a significant increase in the 16-24, 25-34 and 35-54 age cohorts in the Town Centre whereas in the Borough as a whole these cohorts have reduced in number.
- 9.49 The Town Centre has not seen the degree of ageing within the population as has been the case for the Borough as a whole.
- 9.50 The land supply pipeline in the Borough constitutes a large minority of total supply in the Borough. While it constitutes only 12% of sites, these are forecast to generate around 42% of all new homes over the Plan period.
- 9.51 The principle role of the Town Centre within the wider Borough housing market is a place where households on modest means are able to access low cost market homes either for rent or for purchase.

- 9.52 That said, higher average property values suggests it is place where higher earning people live to take advantage of this more urban environment and access higher paid employment. This is an important “vote of confidence” in the appeal of the Town Centre to a socio-economic group with a choice of where to live.
- 9.53 The evidence suggests that the market has been able to respond to the surge in demand for homes in the Town centre reasonably effectively. However, completions data over the period 2010-20 indicates a clear bias towards smaller dwellings and flats.
- 9.54 There is evidence of a misalignment between supply and demand in the Town Centre housing market. For example, the prevalence of higher over-crowding and vacancy rates compared with the Borough average.
- 9.55 While the need for smaller homes is beyond doubt (this is supported both by demographic evidence and economic modelling) the recent emphasis on the delivery of smaller homes may have created a shortage of larger dwellings.
- 9.56 It is important to note the internal linkages within housing markets. Increasing the supply of larger dwellings is likely to ease pressure on mid-sized homes, making them more affordable and helping to resolve overcrowding issues faced by households on modest incomes.
- 9.57 The strength of the rental market and the importance that the PRS performs in providing housing in the Borough suggests planning policy should make specific provision for build to rent (BTR).

East Warrington

- 9.58 The Housing Market Model concludes there is evidence to support a higher proportion of 3 bedroom market and affordable home ownership dwellings in

East Warrington compared with the Borough-level findings. Also, a greater proportion of 1 bedroom affordable rented units.

- 9.59 The principle role of East Warrington within the wider Borough housing market is to provide larger family homes to young families. Indeed, the lower average and median house prices compared to Warrington as a whole will encourage family households to move to the sub-area.
- 9.60 For this reason, there is a need for high-quality family-sized homes (3 bedroom) that are affordable so as to address demand from family households.
- 9.61 On the basis of the evidence gathered, there is no requirement for policy to depart from the size mix recommendations put forward by the Housing Market Model.

North West Warrington

- 9.62 The Housing Market Model concludes there is evidence to support a higher proportion of 3 and 4+ bedroom affordable home ownership and affordable rented dwellings in North East Warrington compared with the Borough-level findings.
- 9.63 The principle role of North West Warrington within the wider Borough housing market is to provide homes for older households and larger homes to growing families.
- 9.64 Given this profile, there is a need for high-quality affordable family-sized homes (3 and 4-bedroom). There is also an argument for increasing the number of smaller dwellings. These may be attractive to newly forming households given the relatively low house prices in the sub-area. Smaller homes may also facilitate "right-sizing" for older residents given the high relative proportion of homes that are "under-occupied".

- 9.65 There is also a significant number of vacant units; rather than suggesting an over-supply of homes this is likely to point to misalignments between supply and demand (i.e., an over-supply of homes of a certain size).
- 9.66 Despite this, the sub-area has seen relatively little development in recent years.
- 9.67 On the basis of the evidence gathered, there is no requirement for policy to depart from the size mix recommendations put forward by the Housing Market Model.

North East Warrington

- 9.68 The Housing Market Model concludes there is evidence to support a higher proportion of 4+ bedroom homes in North East Warrington compared with the Borough-level findings.
- 9.69 The sub-area has substantially higher average, median and lower quartile house prices as compared to Warrington. This is accompanied by higher median income.
- 9.70 The median affordability ratio is significantly higher at 8.29 compared with a Borough average of 5.89.
- 9.71 There is evidence of substantial under-occupation of homes. Around 54% of Households have 2 or more spare rooms. This is greater than the Borough average by around 14%.
- 9.72 On the basis of the evidence gathered, it is worth noting the misalignment between supply and demand in sizes of home. It would therefore be advisable for a higher number of smaller units to be provided to facilitate “right-sizing” on the part of older households.

- 9.73 This would be likely to release larger dwellings onto the market suited to family households. In so doing, this may stabilise house-prices and improve affordability.
- 9.74 It is notable that the market has delivered a high proportion of dwellings of 4+ bedrooms in recent years (around 50% of all new homes over the past 10 years). It will therefore require active policy to bring future delivery more in line with the mix put forward in the Housing Market Model (this recommends future supply should include 20% of dwellings of this size).
- 9.75 In North East Warrington a greater proportion of 4-bedroom homes than the Borough average (14%) would be appropriate in line with the recommendation put forward by the Housing Market Model.

South Warrington

- 9.76 The Housing Market Model concludes there is evidence to support a higher proportion of 4+ bedroom market and affordable home ownership dwellings in South Warrington compared with the Borough-level findings. Also, a greater proportion of 1 bedroom affordable rented units.
- 9.77 It is arguable that the main role of this sub-area within the wider Borough housing market is to provide larger family homes and premium properties to professional households and empty-nesters.
- 9.78 South Warrington is one of the most affluent parts of the Borough. Median incomes are around 22% higher than the Borough average.
- 9.79 House prices across all price points are also higher. This results in a Median Affordability Ratio that is 31% higher than that of the Borough (7.73 v 5.89). This means that households with an income around the median will not be able to afford a home in the sub-area.

- 9.80 As with other more affluent parts of the Borough, South Warrington experiences greater under-occupation of homes than Warrington as a whole.
- 9.81 On the basis of the evidence gathered, it is worth noting the misalignment between supply and demand in sizes of home. It would therefore be advisable for a higher number of smaller units to be provided to facilitate “right-sizing” on the part of older households.
- 9.82 This would be likely to release larger dwellings onto the market suited to family households. In so doing, this may stabilise house-prices and improve affordability.
- 9.83 It is notable that the market has delivered a high proportion of dwellings of 4+ bedrooms in recent years (around 54% of all homes). It will therefore require active policy to bring future delivery more in line with mix put forward in the Housing Market Model (this recommends future supply should include 19% of dwellings of this size).
- 9.84 In South Warrington a greater proportion of 4-bedroom homes than the Borough average (14%) would be appropriate in line with the recommendation put forward by the Housing Market Model.

West Warrington

- 9.85 The Housing Market Model concludes there is evidence to support a slightly higher proportion of 3 and 4+ bedroom market, affordable home ownership and affordable rented dwellings in West Warrington compared with the Borough-level findings.
- 9.86 In general, the demographic profile of West Warrington is close to that of the Borough average. That said, the sub-area has experienced the faster growth in population compared with the Borough as a whole.

- 9.87 Also, in 2011, West Warrington had a higher proportion of married couples and households with children than the Borough average. Since then the area has seen a greater increase in people of parental age (aged 35-54) than Warrington as a whole.
- 9.88 Given the relative affordability of median house prices, it is arguable that main role of West Warrington in the wider Borough housing market is to provide larger family homes to young families across all price-points.
- 9.89 On the basis of the evidence gathered, there is no requirement for policy to depart from the size mix recommendations put forward by the Housing Market Model.

Inner Warrington

- 9.90 The Housing Market Model concludes there is evidence to support a reduced proportion of 4+ bedroom market and a higher proportion of 1 and 2 bedroom affordable home ownership units in Inner Warrington compared with the Borough as a whole.
- 9.91 It is worth noting that Inner Warrington has experienced the faster growth in population compared with the Borough average and represents around a quarter of the Borough's total population.
- 9.92 Inner Warrington has seen an increase in the 25-34 age group over the period 2011-19 that exceeds growth in this age group within Warrington as a whole by around 80%.
- 9.93 Inner Warrington has house prices that are substantially lower than the Borough average across all price-points with dwellings in the median and lower quartile price range around 57% and 34% less expensive than the Borough average.

9.94 As a result, the median affordability ratio is less than the Borough figure by 31% (4.49 v 5.89).

9.95 On the basis of the evidence gathered, there is no requirement for policy to depart from the size mix recommendations put forward by the Housing Market Model.

Lymm

9.96 The Housing Market Model concludes there is evidence to support a higher proportion of 4+ bedroom market and affordable home ownership dwellings in Lymm compared with the Borough-level findings. Also, a greater proportion of 2 bedroom affordable rented units.

9.97 Lymm has experienced an influx of older people in the period since 2011.

9.98 That said, there are higher concentrations of married couples and a greater proportion of households with children compared to the Borough as a whole.

9.99 The housing stock is dominated by larger homes of 6 habitable rooms or more. Dwellings also tend to be in owner-occupation.

9.100 House prices are higher in Lymm than the Borough average across all price points. Despite the variation in median income, the Median Affordability Ratio is 8.04, around 37% higher than the Borough MAR of 5.89.

9.101 As with other more affluent parts of Warrington, under-occupation is wide-spread in Lymm and exceeds the Borough average by around 10%.

9.102 While there has been limited development in Lymm over the past ten years, this has struck a balance between 2 bedroom flats and houses of 3 and 4 bedrooms. This is not far off from the size mix recommended by the Housing Market Model.

9.103 In Lymm a greater proportion of 4-bedroom homes than the Borough average (14%) would be appropriate in line with the recommendation put forward by the Housing Market Model.

Built-form

9.104 A final issue is a discussion of the need/demand for different built-forms of homes. In particular this discussion focusses on bungalows and the need for flats vs. houses.

Bungalows

9.105 The sources used for analysis in this report make it difficult to quantify a need/demand for bungalows in the Borough as Census data (which is used to look at occupancy profiles) does not separately identify this type of accommodation. Data from the Valuation Office Agency (VOA) does however provide estimates of the number of bungalows (by bedrooms) although no tenure split is available.

9.106 The table below shows a notable proportion of homes in Warrington are bungalows (11% of all flats and houses) with approaching half of these having 2-bedrooms (and most of the rest 3-bedrooms); a lower proportion (9%) of homes across England are bungalows.

Table 78: Number of dwellings by property type and number of bedrooms (March 2020)

Type	1 bed	2 beds	3 beds	4+ beds	Not Known	All
Bungalow	1,600	4,310	3,460	690	-	10,060
Flat/Maisonette	6,130	5,160	280	50	10	11,630
Terraced house	210	8,480	14,140	1,220	-	24,050
Semi-detached house	200	3,580	23,400	2,120	10	29,300
Detached house	50	470	6,030	10,970	40	17,550
All flats/houses	8,190	22,000	47,310	15,050	60	92,590
Annexe	-	-	-	-	-	30
Other	-	-	-	-	-	90
Unknown	-	-	-	-	-	890
All properties	-	-	-	-	-	93,600

Source: Valuation Office Agency

- 9.107 In general, discussions with local estate agents (discussions nationally) find that there is a demand for bungalows and in addition, analysis of survey data (in other locations) points to a high demand for bungalows (from people aged 65 and over in particular).
- 9.108 Bungalows are often the first choice for older people seeking suitable accommodation in later life and there is generally a high demand for such accommodation when it becomes available (this is different from specialist accommodation for older people which would have some degree of care or support).
- 9.109 As a new build option, bungalows are often not supported by either house builders or planners (due to potential plot sizes and their generally low densities). There may, however, be instances where bungalows are the most suitable house type for a particular site; for example, to overcome objections about dwellings overlooking existing dwellings or preserving sight lines.

- 9.110 There is also the possibility of a wider need/demand for retirement accommodation. Retirement apartments can prove very popular if they are well located in terms of access to facilities and services, and environmentally attractive (e.g. have a good view). However, some potential purchasers may find high service charges unacceptable or unaffordable and new build units may not retain their value on re-sale.
- 9.111 Overall, the Council should consider the potential role of bungalows as part of the future mix of housing. Such housing may be particularly attractive to older owner-occupiers (many of whom are equity-rich) which may assist in encouraging households to downsize. However, the downside to providing bungalows is that they are relatively land intensive.
- 9.112 Bungalows are likely to see a particular need and demand in the market sector and also for rented affordable housing (for older people as discussed in the next section of the report). Bungalows are likely to particularly focus on 2-bedroom homes, including in the affordable sector where such housing may encourage households to move from larger 'family-sized' accommodation (with 3+-bedrooms).

Flats vs. Houses

- 9.113 Although there are some 1-bedroom houses and 3-bedroom flats, it is considered that the key discussion on built-form will be for 2-bedroom accommodation, where it might be expected that there would be a combination of both flats and houses. At a national level, 81% of all 1-bedroom homes are flats, 35% of 2-bedroom homes and just 4% of homes with 3-bedrooms.
- 9.114 The table below shows (for 2-bedroom accommodation) the proportion of homes by tenure that are classified as a flat, maisonette or apartment in both Warrington and England. This shows a relatively low proportion of flats in Warrington (just

18% of all 2-bedroom homes) and this would point to the majority of 2-bedroom homes in the future also being houses. The analysis does however show a higher proportion of flats in the social and private rented sectors (around a third of 2-bedroom homes are flats).

Table 79: Proportion of 2-bedroom homes that are a flat, maisonette or apartment (by tenure)

Tenure	Warrington	England
Owner-occupied	7%	21%
Social rented	30%	48%
Private rented	36%	50%
All (2-bedroom)	18%	35%

Source: 2011 Census

9.115 As noted, this analysis would suggest that most 2-bedroom homes should be built as houses (or bungalows) rather than flats. However, any decisions will still have to take account of site characteristics and context, which in some cases might point towards flatted development as being most appropriate. The analysis would suggest that the affordable sector might be expected to see a higher proportion of flats than for market housing, although it is still the case that houses are likely to make up the majority of the need in this sector.

Housing Mix: Key Points

- The proportion of households with dependent children is slightly above the regional and national average. Projecting forward, there is expected to be a modest increase in the number of households with dependent children – increasing by 7% (1,900 more households) over the 2021-38 period when linking to a housing need of 816 dwellings per annum.
- There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability.
- The analysis linked to long-term (17-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population:

Suggested Mix of Housing by Size and Tenure				
	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	30%	50%	15%
Affordable home ownership	20%	40%	30%	10%
Affordable housing (rented)	40%	30%	25%	5%

- The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bed properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing in the Borough (by tenure) and also the size requirements shown on the Housing Register.
- The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas Registered Providers find difficulties selling 1-bedroom affordable home ownership homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation.
- In applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.
- Based on the evidence, it is expected that the focus of new market housing provision will be on 2- and 3-bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2- and 3-beds) from older households downsizing and looking to release equity in existing homes, but still retaining flexibility for friends and family to come and stay.

- Apart from the Town Centre, there is no evidence to support a significant move away from the recommendations for the Borough as a whole in the case of most sub-areas.
- Indeed, the evidence suggests closer adherence to this housing mix in the case of North East Warrington, South Warrington and Lymm would be likely to address some of the misalignments between supply and demand that have been detected.
- There is some justification for the Borough average housing mix recommendations to be adjusted in the case of sites coming forward in the Town Centre to allow a higher proportion of 1-bedroom flats.

10 NEEDS OF OLDER PERSONS & SPECIFIC GROUPS

10.1 This section of the report examines the housing need for older persons and the associated housing need for those with a long term health problem or disability (LTHPD) including wheelchair users' needs. This is in part a response to paragraph 61 of the National Planning Policy Framework which states:

“The size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes”.

10.2 Planning Practice Guidance relating housing for older and disabled people is spread over two sections, “Housing for older and disabled people” and “Housing: optional technical standards”. These sections should be considered together to understand the range of topics plan-making authorities should address and the sources of evidence to support policy development.

10.3 The first establishes the principle that plan-making authorities should address the housing needs of older and disabled people¹⁷. It puts forward the standards that may be applied to dwellings such they are suitable for occupation by people falling into these groups¹⁸ (M4(2): Accessible and adaptable dwellings and M4(3): Wheelchair user dwellings); and identifies suitable sources of evidence to identify need¹⁹.

10.4 The second sets out the topics that should be addressed such that the Council responds to need in a meaningful way; these are:

¹⁷ PPG Paragraph: 006 Reference ID: 63-006-20190626

¹⁸ PPG Paragraph: 009 Reference ID: 63-009-20190626

¹⁹ PPG Paragraph: 005 Reference ID: 63-005-20190626

- the likely future need for housing for older and disabled people (including wheelchair user dwellings);
- size, location, type and quality of dwellings needed to meet specifically evidenced needs (for example retirement homes, sheltered homes or care homes);
- the accessibility and adaptability of existing housing stock;
- how needs vary across different housing tenures; and
- the overall impact on viability.²⁰

Older persons

- 10.5 Across the country as a result of the improvements to life expectancy the population of elderly people is increasing, and Warrington is no exception. For this reason, a priority for the LHNA will be to provide a robust forecast of the needs of older residents.
- 10.6 For the purposes of this study, we divide these into two age cohorts, those aged between 65 and 74 years of age, and those aged 75 and above. This is determined by likely prevalence of different degrees of severity of disability, and the existence of authoritative guidance on planning for the housing needs of those aged 75+.
- 10.7 It also allows plan-makers to identify need for specialist housing for older people that maps onto the four types of dwelling identified in PPG:
- age-restricted general market housing,
 - retirement living or sheltered housing,
 - extra care housing or housing-with-care,
 - residential care homes and nursing homes.²¹
- 10.8 In arriving at an understanding of older people's housing need, PPG provides two important points. Firstly, plan-makers should address the needs those approaching retirement through to the very frail elderly.²² This indicates that the

²⁰ PPG Paragraph: 007 Reference ID: 56-007-20150327

²¹ PPG Paragraph: 010 Reference ID: 63-010-20190626

²² NPPF, glossary, page 69

demographic spread is therefore very wide, and a correspondingly wide variety of homes of different types and sizes should be considered. However, it is reasonable to assume the needs of many older people will be met through mainstream housing, particularly where policy actively supports lifetime homes²³, bungalows and adaptations.

- 10.9 Secondly, they should help people live in their own, or mainstream housing, home for as long as possible²⁴ particularly given it may be adapted or designed specifically to meet their needs. Plan-makers will therefore need to identify the role that general housing may play as part of their assessment.²⁵ By so doing, they will be able reduce the assessed need in the area for all forms of specialist housing for the elderly and avoid over-provision.
- 10.10 The purpose of this section of the LHNA is therefore to arrive at an understanding of the number of older persons households that will arise by 2038; what proportion of this group's housing needs made be addressed through mainstream housing (allowing for both lifetime homes and the scope for adaptations); and what the residual need is likely to be for Specialist Housing for the Older People (SHOP).

Older Persons Population Growth

- 10.11 The table below provides baseline population data about older persons in Warrington and compares this with the North West region and England geographies. The data for has been taken from the published ONS mid-year population estimates and is provided for age groups from 65 and upwards. The data is for 2019 and reflects the latest published data for local authority areas and above.

²³ See glossary

²⁴ Planning Practice Guidance (Housing for older and disabled people) Paragraph: 012 Reference ID: 63-012-20190626

²⁵ Planning Practice Guidance (Housing for older and disabled people) Paragraph: 012 Reference ID: 63-012-20190626

10.12 The data shows that the age structure for Warrington is very close to that of the wider North West region and England.

Table 80: Older Persons Population (2019)

Area	Warrington	Warrington	North West	North West	England	England
Age group	Population	%	Population	%	Population	%
Under 65	170,300	81.10%	5,965,900	81.30%	45,933,300	81.60%
65-74	21,500	10.20%	750,300	10.20%	5,576,000	9.90%
75-84	13,500	6.40%	450,800	6.10%	3,380,600	6.00%
Aged 85+	4,600	2.20%	174,000	2.40%	1,397,100	2.50%
Aged 65+	39,600	18.90%	1,375,100	18.70%	10,353,700	18.40%
Total	209,900	100.00%	7,341,000	100.00%	56,287,000	100.00%

Source: ONS 2018 population estimates

10.13 The table below shows the same information for sub-areas, this shows some notable variations in the proportion of people aged 65 and over, ranging from 10% in the Town Centre, up to in excess of a quarter of the population in NW and NE Warrington.

Table 81: Older Persons Population, 2019 – sub-areas

Sub-area	Under 65	65-74	75-84	85+	Total	Total 65+	Total 75+
East Warrington	80.0%	11.9%	6.2%	1.8%	100.0%	20.0%	8.0%
Inner Warrington	86.1%	7.4%	4.8%	1.7%	100.0%	13.9%	6.5%
Lymm	78.3%	11.4%	7.8%	2.5%	100.0%	21.7%	10.3%
NE Warrington	76.9%	11.2%	8.5%	3.4%	100.0%	23.1%	11.9%
NW Warrington	74.6%	11.8%	10.6%	3.0%	100.0%	25.4%	13.6%
South Warrington	76.7%	11.9%	7.9%	3.5%	100.0%	23.3%	11.4%
Town Centre	90.1%	5.6%	3.2%	1.2%	100.0%	9.9%	4.3%
West Warrington	81.7%	10.2%	6.3%	1.8%	100.0%	18.3%	8.1%
TOTAL	81.1%	10.3%	6.4%	2.2%	100.0%	18.9%	8.6%

Source: ONS Mid-Year Population Estimates

10.14 Population projections can next be used to provide an indication of how the numbers of older persons might change in the future compared with other areas.

- 10.15 Warrington is projected to see a notable increase in the older person population, with the total number of people aged 65 and over projected to increase by 39% over the 17-years to 2038. This compares with overall population growth of 11% and an increase in the Under 65 population of 4%.
- 10.16 In total population terms, the projections show an increase in the population aged 65 and over of 16,100 people. This is against a backdrop of an overall increase of 22,300 – population growth of people aged 65 and over therefore accounts for 72% of the total projected population change.
- 10.17 As well as providing a baseline position for the proportion of older persons in the Warrington, population projections can be used to provide an indication of how the numbers might change in the future compared with other areas.

Table 82: Projected Change in Population of Older Persons, 2021 to 2038 – Warrington (based on delivery of 816 dwellings per annum)

Age group	2021	2038	Change in population	% change
Under 65	170,056	176,215	6,159	3.6%
65-74	21,691	28,322	6,631	30.6%
75-84	14,329	19,777	5,448	38.0%
85+	4,922	8,985	4,063	82.5%
Total	210,997	233,299	22,302	10.6%
Total 65+	40,941	57,084	16,143	39.4%
Total 75+	19,251	28,762	9,511	49.4%

Source: Demographic Projections

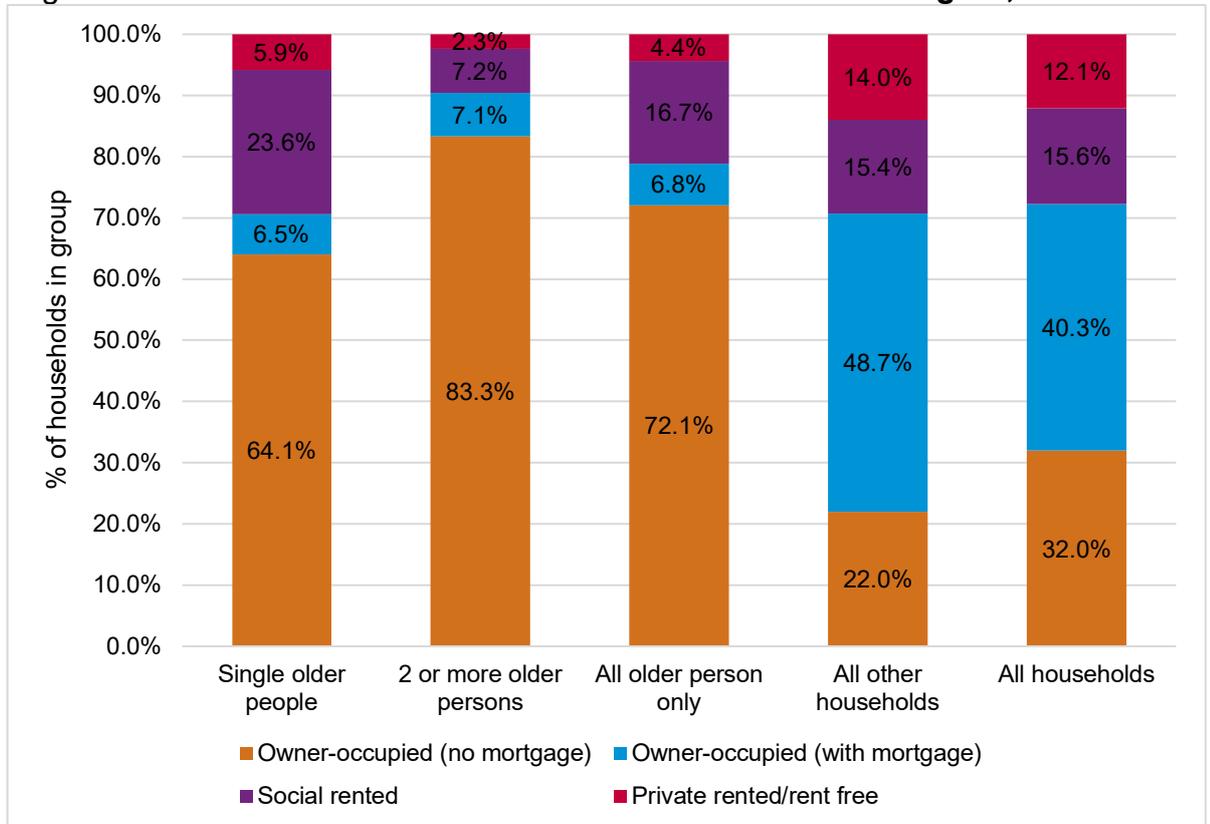
Characteristics of Older Person Households

- 10.18 The tenures in which older persons currently live provides a useful indication of the potential tenure profile of demand for new-build development.
- 10.19 The figure below shows the tenure of older person households. The data has been split between single older person households and those with two or more older people (which will largely be couples). The data shows that the majority of

older persons households (79%) are owner occupiers, and indeed 72% are owner occupiers with no mortgage and thus may have significant equity which can be put towards the purchase of a new home. Some 17% of older persons households across the study area live in the social rented sector. The proportion of older person households living in the private rented sector is relatively low (about 4%).

- 10.20 There are also notable differences for different types of older person households with single older people having a much lower level of owner-occupation than larger older person households – this group also has a much higher proportion living in the social rented sector.

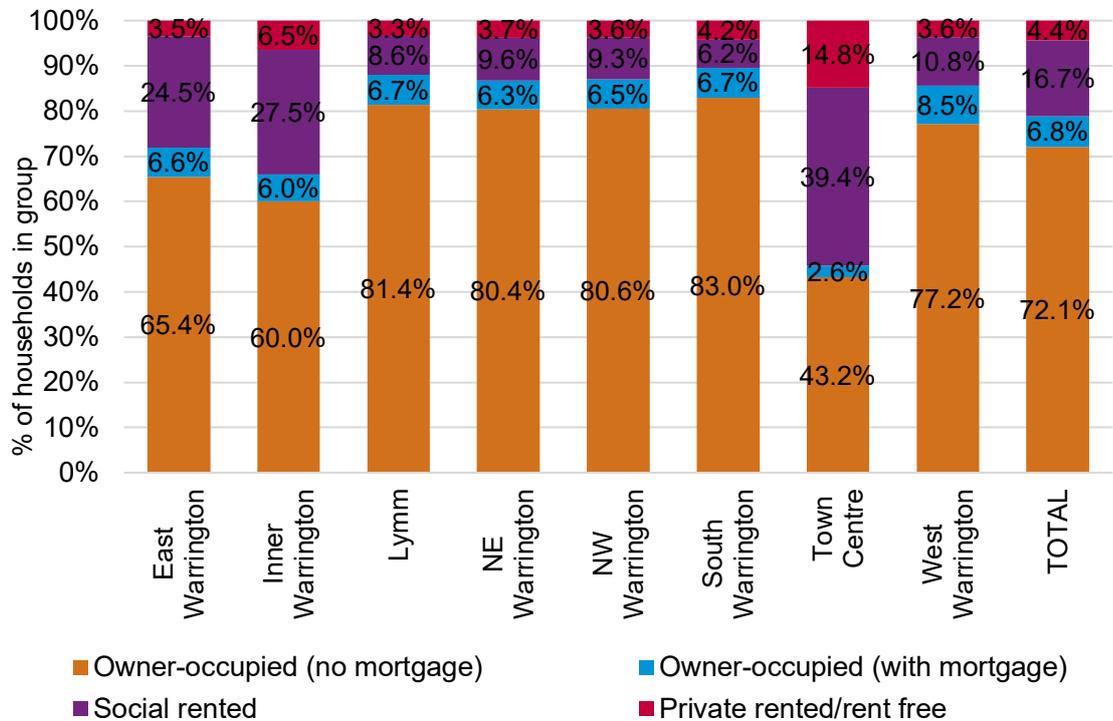
Figure 18: Tenure of Older Persons Households in Warrington, 2011



Source: 2011 Census

10.21 The figure below shows the same information for sub-areas – the data is provided for all older person households. The data shows that the tenure profile of older person households varies notably across the study area; the main notable difference is the low level of owner-occupation amongst older people in the Town Centre, and to a lesser extent Inner Warrington.

Figure 19: Tenure of Older Persons Households in Warrington, 2011



Source: 2011 Census

Prevalence of Disabilities

10.22 The table below shows the proportion of people with a long-term health problem or disability (LTHPD) drawn from 2011 Census data, and the proportion of households where at least one person has a LTHPD. The data suggests that some 32% of households contain someone with a LTHPD. This figure is lower than seen across the region and also slightly below the national average. The figures for the population with a LTHPD again show a similar pattern in comparison with other areas (an estimated 17% of the population of the Borough having a LTHPD).

Table 83: Households and People with a Long-Term Health Problem or Disability, 2011

Area	Households Containing Someone with a Health Problem (No.)	Households Containing Someone with a Health Problem (%)	Population with a Health Problem (No.)	Population with a Health Problem (%)
Warrington	26,940	31.60%	34,997	17.30%
North West	1,100,812	36.60%	1,426,805	20.20%
England	7,217,905	32.70%	9,352,586	17.60%

Source: 2011 Census

10.23 The analysis also shows some differences between different parts of the study area, with NW Warrington sub-area seeing a higher proportion of the population and households with a LTHPD, the lowest proportion is seen in Lymm.

Table 84: Households and People with a Long-Term Health Problem or Disability, 2011 – sub-areas

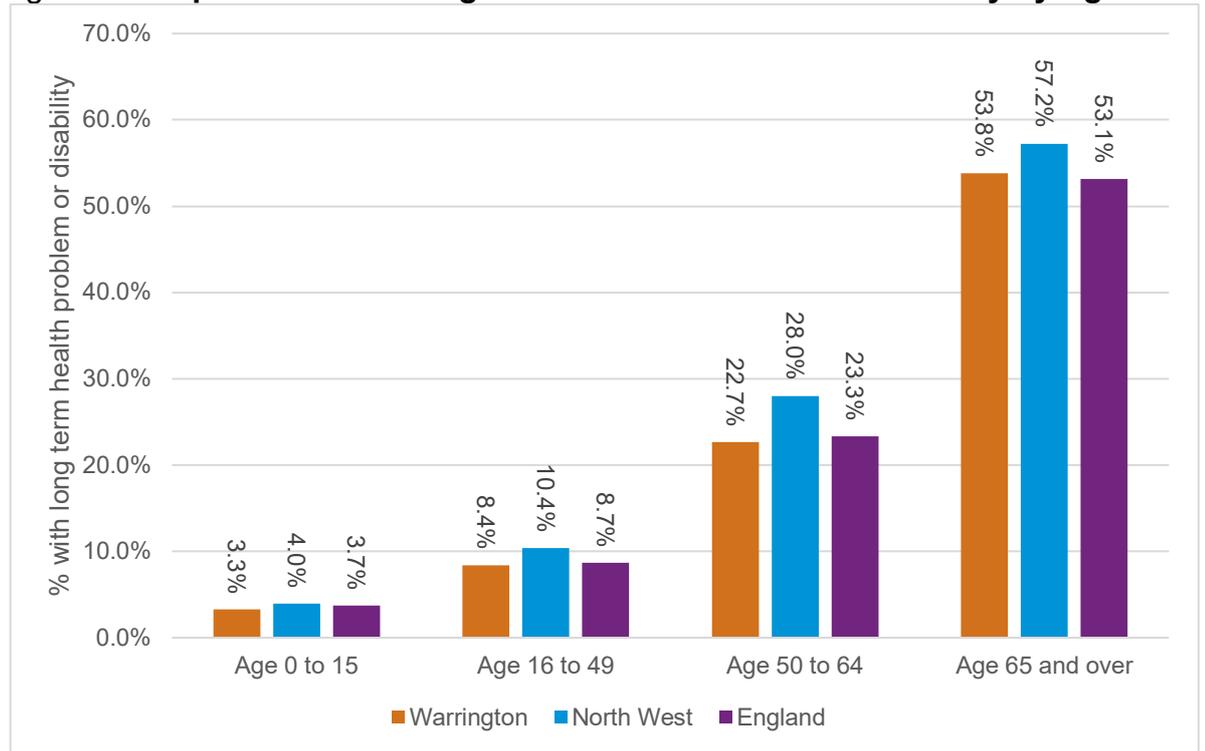
Sub-area	Households Containing Someone with a Health Problem (No.)	Households Containing Someone with a Health Problem (%)	Population with a Health Problem (No.)	Population with a Health Problem (%)
East Warrington	7,137	34.60%	8,961	18.60%
Inner Warrington	7,098	34.40%	9,020	20.10%
Lymm	1,333	25.80%	1,669	13.50%
NE Warrington	1,425	32.00%	2,092	17.90%
NW Warrington	908	35.50%	1,365	21.50%
South Warrington	3,327	27.60%	4,330	14.50%
Town Centre	362	29.50%	452	18.70%
West Warrington	5,350	29.00%	7,108	15.30%
TOTAL	26,940	31.60%	34,997	17.30%

Source: 2011 Census

10.24 It is likely that the age profile will impact upon the numbers of people with a LTHPD, as older people tend to be more likely to have a LTHPD. The figure

below shows the age bands of people with a LTHPD. It is clear from this analysis that those people in the oldest age bands are more likely to have a LTHPD. The analysis also lower levels of LTHPD in each age band within Warrington when compared with the regional position (and similar to the national average).

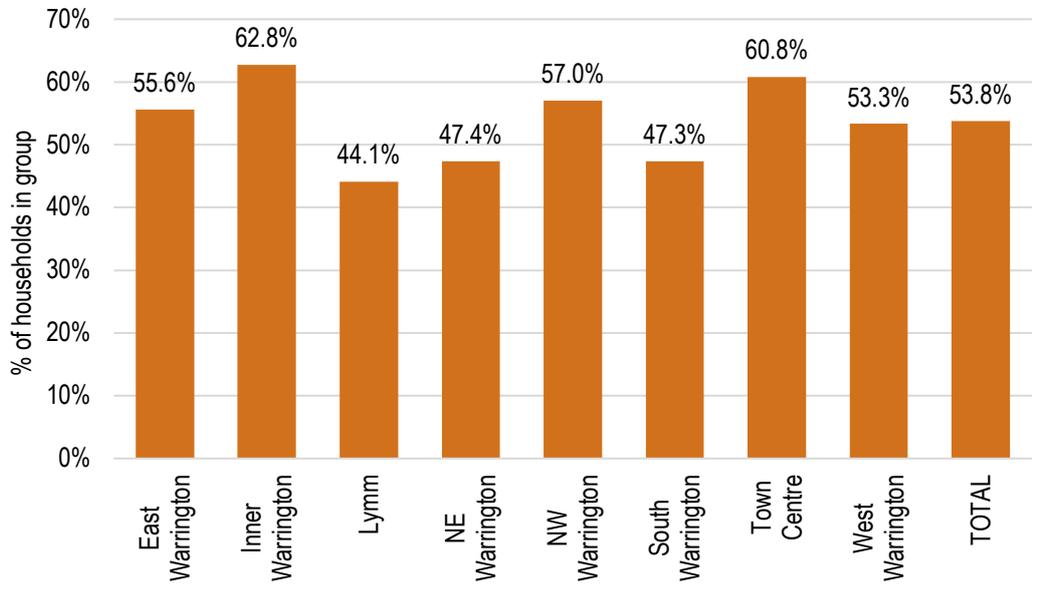
Figure 20: Population with Long-Term Health Problem or Disability by Age



Source: 2011 Census

10.25 The table below shows the proportion of the population aged 65 and over with a LTHPD by sub-area. This shows some notable differences, from 44% of the population in Lymm, up to 63% in Inner Warrington.

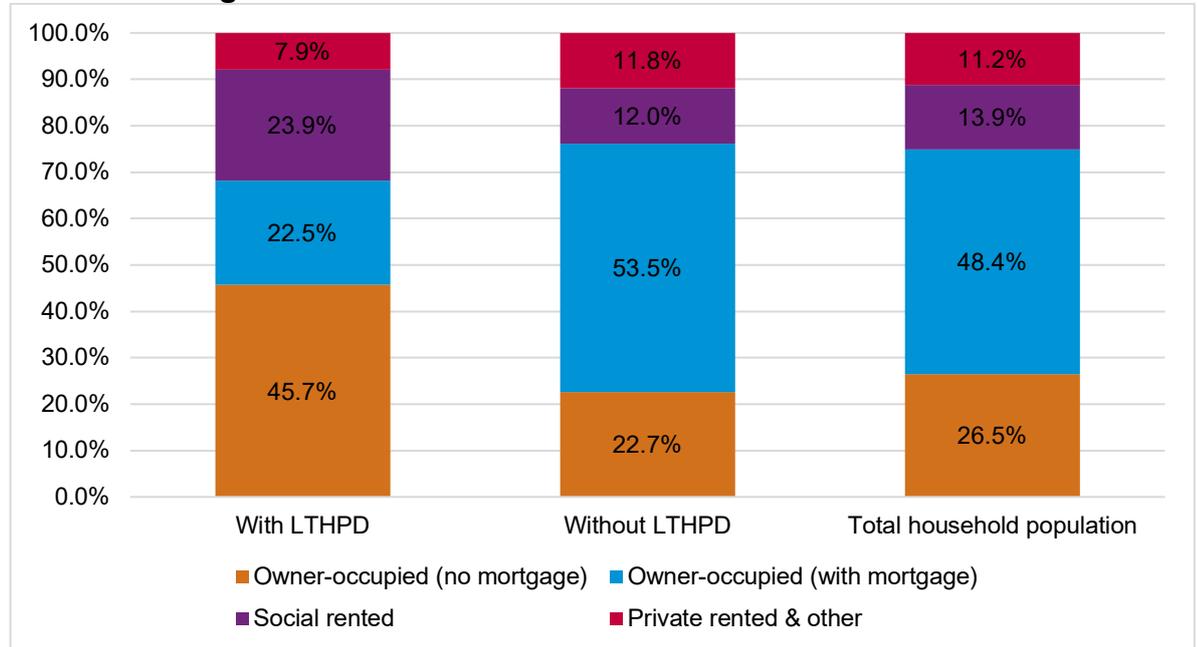
Figure 21: Proportion of population aged 65 and over with a Long-Term Health Problem or Disability



Source: 2011 Census

- 10.26 The figure below shows the tenures of people with a LTHPD – it should be noted that the data is for 'population living in households' rather than 'households'. The analysis clearly shows that people with a LTHPD are more likely to live in social rented housing or are also more likely to be outright owners (this will be linked to the age profile of the population with a disability).
- 10.27 Given that typically the lowest incomes are found in the social rented sector, and to a lesser extent for outright owners (many of whom are retired), the analysis would suggest that the population/households with a disability are likely to be relatively disadvantaged when compared to the rest of the population in terms of income levels and therefore the ability to afford goods and services (as well as to access the housing market in many instances).

Figure 22: Tenure of People with LTHPD vs those without a LTHPD, 2011 – Warrington



Source: 2011 Census

10.28 In addition, data taken from the same source as above suggests that 29% of all people living in the social rented sector have a LTHPD, compared with 15% of people in other tenures.

Health Related Population Projections

10.29 The incidence of a range of health conditions is an important component in understanding the potential need for care or support for a growing older population.

10.30 The analysis undertaken covers both younger and older age groups and draws on prevalence rates from the PANSI (Projecting Adult Needs and Service Information) and POPPI (Projecting Older People Population Information) websites. Adjustments have been made to take account of the age specific health/disabilities previously shown. In all cases the analysis links to estimates of population growth based on the Standard Method (2021-38).

10.31 Of particular note are the large increases in the number of older people with dementia (increasing by 55% from 2021 to 2038) and mobility problems (48% increase over the same period). Changes for younger age groups are smaller, reflecting the fact that projections are expecting older age groups to see the greatest proportional increases in population. When related back to the total projected change to the population, the increase of 3,600 people with a mobility problem represents 16% of the total projected population growth.

10.32 It should be noted that there will be an overlap between categories (i.e. some people will have both dementia and mobility problems). Hence the numbers for each of the illnesses/disabilities should not be added together to arrive at a total.

Table 85: Projected Changes to Warrington Population with a Range of Disabilities

Disability	Age Range	2021	2038	Change	% Change
Dementia	65+	2,794	4,329	1,535	54.90%
Mobility problems	65+	7,479	11,039	3,560	47.60%
Autistic Spectrum Disorders	18-64	1,221	1,283	61	5.00%
Autistic Spectrum Disorders	65+	388	547	160	41.20%
Learning Disabilities	15-64	3,135	3,289	154	4.90%
Learning Disabilities	65+	865	1,200	335	38.70%
Challenging behaviour	15-64	58	61	3	4.70%
Impaired mobility	16-64	7,058	7,020	-37	-0.50%

Source: POPPI/PANSI and Demographic Projections

10.33 Invariably, there will be a combination of those with disabilities and long-term health problems that continue to live at home with family, those who chose to live independently with the possibility of incorporating adaptations into their homes and those who choose to move into supported housing.

10.34 The projected change shown in the number of people with disabilities provides clear evidence justifying delivering 'accessible and adaptable' homes as defined

in Part M4(2) of Building Regulations, subject to viability and site suitability. The Council should ensure that the viability of doing so is also tested as part of drawing together its evidence base although the cost of meeting this standard is unlikely to have any significant impact on viability and would potentially provide a greater number of homes that will allow households to remain in the same property for longer.

- 10.35 The PPG for Housing for Older and Disabled People [63-006] refers only to specialist housing for older people; however, clearly the local authority should support specialist housing schemes for younger adults which come forward across the plan area.
- 10.36 The analysis suggests that there is likely to be some increase in the number of younger people (generally those aged 16/18 to 64) with a disability across the study area. There are a range of disabilities that are likely to require some degree of support, or potentially some form of specialised housing solution.
- 10.37 This report does not seek to be specific about the exact number of units that need to be provided for different groups, nor where such accommodation should be located; it is the case that some types of specialist accommodation might have a wide catchment, and would be suitable for clients from outside of the study area (it is also possible that some people in the area would be placed in accommodation elsewhere).
- 10.38 The brief discussion below therefore broadly considers the range of options that might be relevant on the basis of the data and draws on a number of studies, reports and websites, including:

- Mencap – Housing for people with a learning disability²⁶
- My life my care (information provided to residents of Bournemouth, Christchurch and Poole in Dorset)²⁷
- Housing Options for Younger Adults with a Disability (NHS website)²⁸

10.39 The Mencap report notes that the majority of people with a learning disability known to local authorities live in one of three types of accommodation: with family and friends (38%), in a registered care home (22%) or in supported accommodation (16%).

10.40 The majority of people with a learning disability who live with family and friends want greater independence, with around 70% wanting to change their current housing arrangements to achieve this (89% of parents whose son or daughter lives with them want to see greater independence for them). This clearly identifies for this group that there is a potential need for supported accommodation outside of the family home.

10.41 The report does however highlight that there are a number of barriers to achieving independent living, including local budgets, a lack of support, problems finding suitable accommodation for people with complex or multiple needs as well as a general lack of accommodation.

10.42 Whilst the Mencap report does not specifically set out the types of accommodation needed it does recommend developing a national strategy for people with learning difficulties and suggests that local authorities should include specific plans for improving the housing situation of people with a learning

²⁶ https://www.mencap.org.uk/sites/default/files/2016-08/2012.108-Housing-report_V7.pdf

²⁷ <https://www.mylifemycare.com/article/6313/Housing-options-for-people-with-a-learning-or-physical-disability>

²⁸ <https://www.nhs.uk/conditions/social-care-and-support-guide/care-services-equipment-and-care-homes/moving-to-a-new-home-housing-options/>

disability in local housing strategies – the report notes that need from this group of people is expected to increase in the future.

10.43 Turning to specific types of accommodation for younger people with a disability, we can consider the information provided by the NHS. The NHS website considers a wider range of needs and sets out 5 broad types of housing that might be made available. The following is taken from the NHS website:

10.44 “Teenagers and young adults with special needs or disabilities may want – or need – greater independence as they get older. But they're also likely to have care needs that mean they need alternative housing options. Those care needs may be related to, for example, physical or mental health problems, a learning disability, or drug or alcohol misuse. There are a variety of housing options they may want to consider:

- buying or renting an adapted property;
- sheltered housing schemes for younger people;
- supported housing in the community;
- supported living services; and
- shared lives schemes”

10.45 This is a wide range of housing options, and there are likely to be different products within each of these categories. Crucially, it is important for any schemes to encourage and enable people to be as independent as reasonably possible and in addition to accommodation, it is likely that some people will need assistance with ‘life skills’ such as with diet and budgeting as well as tailored care plans in some instances.

10.46 The range of disabilities and client groups under the general banner of ‘younger people with disabilities’ is quite wide and it is clear that there will not be a one-size fits all. The Council should note the assessment of need in this report and also the range of possible solutions to enable people to live as independently as

possible. The Council should also encourage the provision of accommodation where the opportunities arise, as well as keeping information about the options as up-to-date as possible.

- 10.47 As noted previously, this report does not seek to provide targets for different types of accommodation, although it is clear that additional housing will be required owing to increasing demand. Local authorities should work together to ensure that there is a reasonable supply of suitable accommodation for a wide range of different client groups by encouraging the development of homes which help to meet the growing demand, such as shared living and small group independent living schemes.

Need for Specialist Accommodation for Older Persons

- 10.48 Given the ageing population and higher levels of disability and health problems amongst older people, there is likely to be an increased requirement for specialist housing options moving forward. The box below shows the different types of older persons housing which are considered.

Definitions of Different Types of Older Persons' Accommodation

Age-restricted general market housing: This type of housing is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens, but does not include support or care services.

Retirement living or sheltered housing (housing with support): This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently. This can include 24-hour on-site assistance (alarm) and a warden or house manager.

Extra care housing or housing-with-care (housing with care): This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24-hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

Residential care homes and nursing homes (care bedspaces): These have individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

Source: Planning Practice Guidance [63-010]

- 10.49 The need for specialist housing for older persons is typically modelled by applying prevalence rates to current and projected population changes and considering the level of existing supply. There is no Standard Method for assessing the housing and care needs of older people. The current and future demand for elderly care is influenced by a host of factors including the balance between demand and supply in any given area and social, political, regulatory

and financial issues. Additionally, the extent to which new homes are built to accessible and adaptable standards may over time have an impact on specialist demand (given that older people often want to remain at home rather than move to care) – this will need to be monitored.

10.50 There are a number of ‘models’ for considering older persons’ needs, but they all essentially work in the same way. The model results are however particularly sensitive to the prevalence rates applied, which are typically calculated as a proportion of people aged over 75 who could be expected to live in different forms of specialist housing. Whilst the population aged 75 and over is used in the modelling, the estimates of need would include people of all ages.

10.51 Whilst there are no definitive rates, the PPG [63-004] notes that

“the future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector, for example SHOP@ for Older People Analysis Tool)”

10.52 PPG does not specifically mention any other tools and therefore seems to be indicating that SHOP@ would be a good starting point for analysis. Since PPG was published the Housing Learning and Information Network (Housing LIN) has removed the Shop@ online toolkit although the base rates used for analysis are known and can be used alongside demographic projections to provide an indication of the potential level of additional specialist housing that might be required for older people in the future.

10.53 This report therefore uses the SHOP@ rates as a start point, but it is of interest to briefly set out other sources for comparative purposes. As the table below shows, different sources use different rates, and in some cases do not provide estimates for particular types of housing. Overall, the SHOP@ figures tend to fit in the middle of the range shown.

Table 86: Range of suggested baseline prevalence rates from a number of tools and publications

Type/Rate	<u>SHOP @ (2008)[1]</u>	<u>Housing in Later Life (2012) [2]</u>	2016 Housing LIN Review	<u>HOPSR (2017)[3]</u>
Age-restricted general market housing	-	-	25	55
Retirement living or sheltered housing (housing with support)	125	180	100	153
Extra care housing or housing-with-care (housing with care)	45	65	30-40	20
Extra care housing or housing-with-care (housing with care)	45	65	('proactive range')	20
Residential care homes	65	(no figure apart from 6 for dementia)	40	111
Residential care homes	65	(no figure apart from 6 for dementia)	40	111
Nursing homes (care bedspaces), including dementia	45	(no figure apart from 6 for dementia)	45	111
Nursing homes (care bedspaces), including dementia	45	(no figure apart from 6 for dementia)	45	111

Source: Range of sources as identified

10.54 As noted, this report uses the SHOP@ figures as a starting point.

10.55 However, it is clear that, firstly, the prevalence rates used should be assessed taking account of an authority's strategy for delivering specialist housing for older people. The degree for instance which the Council want to require extra care housing as an alternative to residential care provision would influence the relative balance of need between these two housing types; and, secondly, the

Housing LIN model has been influenced by existing levels of provision and their view on what future level of provision might be reasonable taking account of how the market is developing, funding availability etc. There is a degree to which the model and assumptions within it may not fully capture the growing recent private sector interest and involvement in the sector.

10.56 The baseline rates applied in this assessment are discussed below – specific local adjustments are considered following the setting of baselines in the bullet points below:

- Age-restricted housing – Housing LIN does not provide rates for this type of housing and it is unclear if new provision is to be expected. For this study, the modelling takes forward overall national prevalence rates to provide some indication of what the need might be (essentially showing the position in Warrington compared with other parts of the county). The baseline rates applied are a need for 25 units per 1,000 population aged 75 and over in the affordable sector and 5 per 1,000 in market housing. No further adjustments have been made to these prevalence rates;
- Housing with Support (retirement/sheltered housing) – Housing LIN suggests a base level of 125 units per 1,000 population aged 75 and over and it is considered that this is a reasonable starting point. Adjustments are made to this figure to reflect local levels of health in the older person population. The suggested tenure split is for 50% of homes to be market housing in more deprived areas up to 67% in less deprived locations;
- Housing with Care (enhanced sheltered and extra-care housing) – Housing LIN suggests a base level of 45 units per 1,000 population aged 75 and over. It is considered that this level of provision is a reasonable longer-term aim but that this is quite a high figure in the context of current supply (estimated nationally to be around 18 units per 1,000 population aged 75 and over).

Therefore, the baseline modelling sets a need figure of 25 units per 1,000 initially, rising to 45 by the end of the projection period. Again, adjustments are made to this figure to reflect local levels of health in the older person population. The tenure split is taken to be the same as for housing with support (again adjusted depending on levels of deprivation); and

- Residential care bedspaces – Housing LIN suggests a base level of 65 units (bedspaces) per 1,000 population aged 75 and over. This figure is considered to be a reasonable start point. However, given that the analysis seeks to increase the need for extra-care housing it seems reasonable to expect that there might be some reduction in the need for residential care. Therefore, the analysis looks at reducing the need for this accommodation type down to 45 per 1,000 by the end of the projection period. Again, adjustments are made to this figure to reflect local levels of health in the older person population. Residential care bedspaces do not have an associated tenure; and
- Nursing care bedspaces – Housing LIN suggests a base level of 45 units (bedspaces) per 1,000 population aged 75 and over and this is considered reasonable as both a current need estimate and projecting forward. Again, adjustments are made to this figure to reflect local levels of health in the older person population and there is no associated tenure.

10.57 Following the Housing LIN methodology, an initial adjustment has then been made to these rates to reflect the relative health of the local older person population (applied to all groups apart from age-restricted housing). This has been based on Census data about the proportion of the household population aged 75 and over who have a long-term health problem or disability (day-to-day activities limited a lot) compared with the England average.

10.58 In Warrington, the data shows slightly worse health in the older person population and so the prevalence rates used have been increased slightly (by an average of about 5%) – this figure is based on comparing the proportion of people aged 75 and over with a more severe LTHPD in Warrington (36.8%) with the equivalent figure for England (35.1%).

10.59 A second local adjustment has been to estimate a tenure split for the housing with support and housing with care categories. This again draws on suggestions in the Shop@ toolkit which suggests that less deprived local authorities could expect a higher proportion of their specialist housing to be in the market sector.

- 10.60 Using 2019 Index of Multiple Deprivation (IMD) data, the analysis suggests Warrington is the 175th most deprived local authority in England (out of 317). This suggests a very slightly greater need for market homes for older people in Warrington than would be the case for an authority closer to the middle of the range suggested by the Shop@ toolkit. To be clear this is market housing within the categories described above (e.g. housing with support and housing with care).
- 10.61 The table below shows estimated needs for different types of housing linked to the population projections. The analysis is separated into the various different types and tenures although it should be recognised that there could be some overlap between categories (i.e. some households might be suited to more than one type of accommodation). Below is a brief summary of the findings:
- Age-restricted – the analysis suggests a potential shortfall of accommodation of around 692 dwellings both currently and by 2038 in both broad tenures.
 - Housing with support (sheltered/retirement housing) – the analysis suggests a shortfall in both the market and affordable sectors. By 2038 a total shortfall of 2,800 units is estimated – some 1,800 in the market sector (65% of the total).
 - Housing with care (e.g. Extra-care housing) – a total shortfall of 903 units is estimated by 2038, of which 80% is in the market sector.
 - Residential/nursing care bedspaces – the analysis estimates a total need for an additional 1,050 bedspaces by 2038 (including a current shortfall of 560).
- 10.62 Taking the categories of housing with support and housing with care together, the analysis suggests a need for 3,684 dwellings over the 2021-38 period (217 per annum) – this figure notionally represents around 27% of the total housing need shown by demographic projections linking to the Standard Method (816 dwellings per annum).
- 10.63 Where market housing is shown in the table below, it is considered that this could include an element of leasehold Shared Ownership – this would particularly help

older owner-occupiers who have lower levels of equity. The analysis in this report does not attempt to estimate the need for Shared Ownership and the exact proportions of the market housing delivered as Shared Ownership will depend on a number of factors (including viability). At a national level, less than 5% of all market housing with care is of a Shared Ownership tenure and it is considered that the Council might consider a higher figure than this (say 10%) where opportunities arise.

Table 87: Specialist Housing Need using adjusted SHOP@ Assumptions, 2021-38 – Warrington

Type		Housing demand per 1,000 75+ (start)	Housing demand per 1,000 75+ (finish)	Current supply	Current demand	Current shortfall/ surplus (-ve)	Additional demand to 2038	Shortfall/surplus by 2038
Age-exclusive	Market	5	5	41	96	55	48	103
Age-exclusive	Affordable	25	25	130	481	351	238	589
Total (age-exclusive)		30	30	171	578	407	285	692
Housing with support	Market	78	78	429	1,496	1,067	739	1,806
Housing with support	Affordable	53	53	555	1,024	469	506	975
Total (housing with support)		131	131	984	2,520	1,536	1,245	2,781
Housing with care	Market	16	28	79	299	220	505	726
Housing with care	Affordable	11	19	374	205	-169	346	177
Total (housing with care)		26	47	453	504	51	851	903
Residential care bedspaces		68	47	538	1,310	772	45	818
Nursing care bedspaces		47	47	1,120	907	-213	448	236
Total bedspaces		115	94	1,658	2,218	560	493	1,053

Source: Derived from Demographic Projections and Housing LIN/EAC

10.64 The provision of a choice of attractive housing options to older households is a component of achieving good housing mix. The availability of such housing options for the growing older population may enable some older households to downsize from homes which no longer meet their housing needs or are

expensive to run. The availability of housing options which are accessible to older people will also provide the opportunity for older households to “right-size” which can help improve their quality of life.

- 10.65 It should also be noted that within any category of need there may be a range of products. For example, many market extra-care schemes are towards the ‘top-end’ of the market and may have significant service charges (due to the level and quality of facilities and services). Such homes may therefore only be affordable to a small proportion of the potential market, and it will be important for the Council to seek a range of products that will be accessible to a wider number of households if needs are to be met.
- 10.66 The table above should be considered as providing an indicative view of need based on a single set of prevalence rates (which have drawn on a range of sources). The ultimate level of provision the Council seeks to support will be influenced by its broader strategy for older persons housing and care.
- 10.67 The analysis has not attempted to break these figures down into the sub-areas. However, the data previously provided in this section would help to indicate how needs might vary across locations. In particular, it is notable that the population of older persons does vary across the Borough, with those areas with higher proportions potentially expected to see a higher demand for older person accommodation. The proportion of older people who are owner-occupiers also varies across the Borough, which might point to a different tenure split in different locations.

Age group 65-74

- 10.68 As noted, Local authorities required to address the specialist housing needs of a range of older groups, in addition to those aged 75+. This includes those

reaching retirement age over the plan period. Such accommodation is likely to be age restricted housing for people aged 55 and over and the active elderly²⁹.

10.69 That said, the likelihood of anyone under retirement age accessing such products is rare. Indeed, the instances of those younger than 75 entering specialist accommodation of any form is unusual. For that reason, the analysis for specialist accommodation set out above uses prevalence rates linked to the over 75 age bracket.

10.70 However, an estimation of the need for specialist housing for households reaching retirement age may be understood firstly by capturing the level growth associated with this age group, secondly, by conducting an analysis of the distribution of tenure types within this age group (the prevalence, for example, of people within this group occupying market housing provides an indication of the degree to which they will be able to provide their own housing rather than rely on social housing) and, lastly, the prevalence of disability within this group (as this provides an indication of their need for specialist housing).

10.71 While it is important to note adaptations to households' current home (or moving to a new home designed for occupation by an older person) may be the most suitable solution to the housing needs of these people, it is nevertheless worth noting the potential level of need from this group.

10.72 As shown in the table below, the number of people aged 65 and 74 years is projected to increase by around 5,828 (26.8%) to 2038.

²⁹ PPG Paragraph: 010 Reference ID: 63-010-20190626

Table 88: Change in people in 65-74 age cohort in Warrington 2019-2038

Age group	Population 2021	Population 2038	Change	% Change
All	211,615	218,086	6,471	3.1%
65-69	10,804	13,881	3,077	28.5%
70-74	10,922	13,673	2,751	25.2%
Total Aged 65-74	21,726	27,554	5,828	26.8%

Source: 2011 Census and demographic projections

- 10.73 The table below sets out the tenure choices of different age groups in 2011. For those households aged over 65, the majority own their property outright.
- 10.74 For households aged under 65, the balance shifts to either owning their home with a mortgage or through Shared Ownership or renting their home privately.
- 10.75 Focussing on the age group 65 to 74, 82% own their home outright or with a mortgage. Of the remaining, a significant minority live in social housing and a small number live in private rented accommodation or live rent free. This would, therefore, suggest that the market is likely to address most demand for age-restricted dwellings for this age bracket should that demand exist. This would also be included within the wider housing need number.

Table 89: Tenure of households with HRR age 65-74

Tenure	Under 65 (No.)	Under 65 (%)	Age 65 to 74 (No.)	Age 65 to 75 (%)	Age 75 to 84 (No.)	Age 75 to 85 (%)	Age 85 and over (No.)	Age 85 and over (%)
Owned outright	11,995	19%	7,971	72%	5,508	74%	1,732	65%
Owned with a mortgage/ shared ownership	32,607	51%	1,141	10%	449	6%	149	6%
Social rented	9,955	16%	1,574	14%	1,163	16%	626	24%
Private rented	8,266	13%	234	2%	134	2%	49	2%
Living rent free	1,105	2%	182	2%	194	3%	106	4%
Total	63,928	100%	11,102	100%	7,448	100%	2,662	100%

Source: 2011 Census

10.76 The table below sets out the prevalence of disability among those aged 65 to 74 and, for comparison purposes, those aged 16 to 64 measured by the extent to which their reported day to day activities were limited a lot or a little by their disabilities in the 2011 Census.

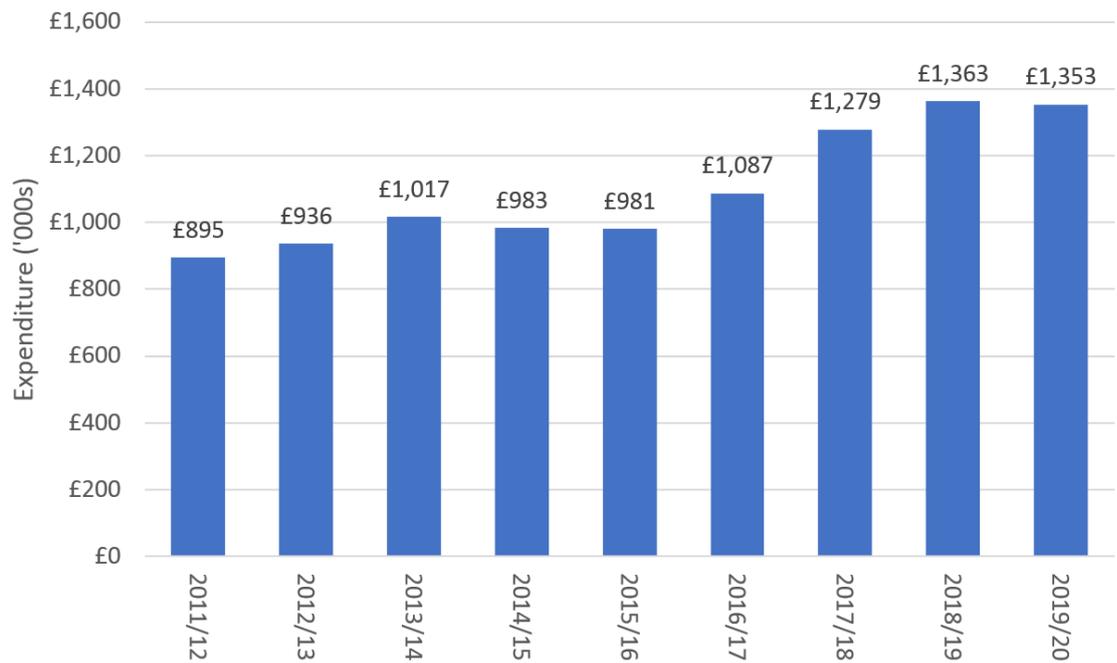
10.77 This shows that 18.6% of people aged 65 to 74 experienced a disability that limited their acuties a lot. Within the 16 to 64 age group this figure is 5.4%, illustrating the substantial increase in the prevalence of disability among households as they reach the 65 to 74 age cohort.

10.78 Overall, 41% of households within this age group experience some form of disability that affects their activities, compared with 12.3% in the younger population.

10.79 In order to reduce the need for specialist accommodation of this sort steps may be taken to enable older people to remain in their own homes. The figure below sets out the Council's expenditure on the Disabilities Facilities Grant (DFG)

between 2011/12 and 2019/20. DFGs are made available to disabled people to carry out adaptation that enable them to live in their own home. This provides not only evidence of need for housing suited to the need of disabled people but also a source of meeting this demand.

Figure 23: Total value of Disabilities Facilities Grants made in Warrington 2011/12- 2019/20



Source: WBC

- 10.80 This suggests that the level of demand for adaptations has increased substantially over the period (51%).
- 10.81 Bringing this evidence together, it is reasonable for the Council to consider the housing needs of those aged 65 to 75 as a discrete group on the basis of the increase in their numbers over the plan period and likely increase in the need for specialist forms of accommodation due to the prevalence of disability within this cohort.

10.82 That said, the evidence suggests the majority of need will be expressed as demand for market properties and will form part of general provision with a proviso that policies relating to the proportion of dwellings that meet M4(2) accessible and adaptable dwellings are applied appropriately.

10.83 The provision of this form of specialist housing may be off-set by policy that supports adaptations to the home that enable older people to continue living in their own home. The increase the value of DFGs in recent years suggests demand for such adaptations is growing. This is likely to continue over the plan period.

Older Persons' Housing, Planning Use Classes and Affordable Housing Policies

10.84 The issue of use classes and affordable housing generally arises in respect of extra care/ assisted living development schemes. PPG defines extra care housing or housing with care as follows:

“This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24 hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses”³⁰.

10.85 There is a degree to which different terms can be used for this type of development inter-changeably, with reference sometimes made to extra care, assisted living, continuing care retirement communities, or retirement villages. Accommodation units typically include sleeping and living accommodation,

³⁰ PPG (housing for older and disabled people) Ref ID: 010-63

bathrooms and kitchens; and have their own front door. Properties having their own front doors is not however determinative of use.

- 10.86 The distinguishing features of housing with care is the provision of personal care through an agency registered with the Care Quality Commission, and the inclusion of extensive facilities and communal space within these forms of development, which distinguish them from blocks of retirement flats.

Use Classes

- 10.87 Use classes are defined in the Town and Country Planning (Use Classes) Order 1987. Use Class C2: Residential Institutions is defined as

“use for the provision of residential accommodation and care to people in need of care (other than a use within class C3 (dwelling houses).”

- 10.88 C3 (dwelling houses) are defined as

“use as a dwelling house (whether or not as a sole or main residence) a) by a single person or by people living together as a family; or b) by no more than 6 residents living together as a single household (including a household where care is provided for residents).”

- 10.89 Care is defined in the Use Class Order as meaning

“personal care for people in need of such care by reason of old age, disablement, past or present dependence on alcohol or drugs or past or present mental disorder, and in Class C2 also includes the personal care or children and medical care and treatment.”

- 10.90 Personal care has been defined in Regulations³¹ as

“the provision of personal care for persons who, by reasons of old age, illness or disability are unable to provide it for themselves, and which is provided in a place where those persons are living at the time the care is provided.”

³¹ Schedule 1 of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010.

10.91 Government has released new PPG for Housing for Older and Disabled People in June 2019. In respect of Use Classes, Para 63-014 therein states that:

“It is for a local planning authority to consider into which use class a particular development may fall. When determining whether a development for specialist housing for older people falls within C2 (Residential Institutions) or C3 (Dwelling house) of the Use Classes Order, consideration could, for example, be given to the level of care and scale of communal facilities provided.”

10.92 The relevant factors identified herein are the level of care which is provided, and the scale of communal facilities. It is notable that no reference is made to whether units of accommodation have separate front doors. This is consistent with the Use Class Order, where it is the ongoing provision of care which is the distinguishing feature within the C2 definition. In a C2 use, the provision of care is an essential and ongoing characteristic of the development and would normally be secured as such through the S106 Agreement.

10.93 A range of appeal decisions have addressed issues relating to how to define the Use Class of a development. These are fact specific, and there is a need to consider the particular nature of the scheme. What arises from this is that schemes which have been accepted as a C2 use commonly demonstrate the following characteristics:

- Occupation restricted to people (at least one within a household) in need of personal care, with an obligation for such residents to subscribe to a minimum care package. Whilst there has been debate about the minimum level of care to which residents must sign-up to, it is considered that this should not be determinative given that a) residents’ care needs would typically change over time, and in most cases increase; and b) for those without a care need the relative costs associated with the care package would be off-putting.
- Provision of access to a range of communal areas and facilities, typically beyond that of simply a communal lounge, with the access to these facilities typically reflected in the service charge.

NPPF Policies on Affordable Housing

- 10.94 Use Class on its own need not be determinative on whether affordable housing provision could be applied. Both C2 and C3 Use Classes are residential accommodation. But nor is there a clear policy basis for seeking affordable housing provision or contributions from a C2 use in the absence of a development plan policy which seeks to do so.
- 10.95 The 2019 NPPF sets out in Para 34 that “Plans should set out the contributions expected from development”...including “levels and types of affordable housing” and that “such policies should not undermine the deliverability of the Plan”.
- 10.96 Para 62 states that “where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless off-site provision or a financial contribution can be robustly justified and the agreed approach contributes to the objective of creating mixed and balanced communities.”
- 10.97 Para 63 states that “affordable housing should not be sought from residential developments that are not major developments.”
- 10.98 Para 64 sets out that specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students) are exempt from the requirement for 10% of homes (as part of the affordable housing contribution) to be for affordable home ownership.
- 10.99 It is worth noting that the NPPF does not state that certain types of specialist accommodation for older persons are exempt from affordable housing contributions.

10.100 The implication for Warrington is that:

- The ability to seek affordable housing contributions from a C2 use at the current time is influenced by how its current development plan policies were constructed and evidenced; and
- If policies in a new development plan are appropriately crafted and supported by the necessary evidence on need and viability, affordable housing contributions could be sought from a C2 use through policies in a new Local Plan.

10.101 Within the local plan, it would be possible to craft a policy in such a way that affordable housing could be sought on extra care housing from both C2 and C3 use classes and it should be noted that in July 2020 the High Court rejected claims that 'extra care' housing should not contribute affordable homes because it falls outside C3 use (CO/4682/2019).

10.102 It is however important to recognise that the viability of extra care housing will differ from general mixed tenure development schemes, and there are practical issues associated with how mixed tenure schemes may operate.

Viability

10.103 There are a number of features of a typical extra care housing scheme which can result in substantively different viability characteristics relative to general housing. In particular:

- Schemes typically include a significant level of communal space and on-site facilities, such that the floorspace of individual units might equate to 65% of the total floorspace, compared to 100% for a scheme of houses and perhaps 85% for typical flatted development. There is a significant proportion of space from which value is not generated through sales (although individual units may be smaller);
- Higher construction and fit out-costs as schemes need to achieve higher accessibility requirements and often include lifts, specially adapted bathrooms, treatment rooms etc. In many instances, developers need to employ third party building contractors and are also not able to secure the same economies of scale as the larger volume housebuilders;
- Sales rates are also typically slower for extra care schemes, not least as older residents are less likely to buy 'off plan.' The combination of this and the limited ability to phase flatted schemes to sales rates can result in higher finance costs for a development.

10.104 There are a number of implications arising from this. Firstly, viability evidence may need to be taken into account to consider what level of affordable housing could be applied to different forms of older persons accommodation, potentially making a distinction between general market housing; retirement living/sheltered housing; and extra care/housing with care. It may well be that a lower affordable housing provision is justified for housing with care.

10.105 Secondly, developers of extra care schemes can struggle to secure land when competing against mainstream housebuilders or strategic land promoters. One way of dealing with this is to consider allocating sites specifically for specialist older persons housing, and this may be something that the Council may wish to do through the preparation of new Local Plans. There could be benefits of doing this through achieving relatively high-density development of land at accessible locations, and in doing so, releasing larger family housing elsewhere as residents move out.

Practical Issues

10.106 In considering policies for affordable housing provision on housing with care schemes, there is one further factor which warrants consideration relating to the practicalities of mixed-tenure schemes. The market for extra care development

schemes is currently focused particularly towards providers at the affordable and higher ends of the market, with limited providers currently delivering within the 'mid-market.' At the higher ends of the market, the level of facilities and services/support available can be significant, and the management model is often to recharge this through service charges.

10.107 Whilst recognising the benefits associated with mixed income/tenure development, in considering whether mixed tenure schemes can work it is important to consider the degree to which service charges will be affordable to those on lower incomes and whether Registered Providers will want or be able to support access to the range of services/facilities on site. In a range of instances, this has meant that authorities have accepted off-site contributions to affordable housing provision.

Housing for Wheelchair users

10.108 Information about the need for housing for wheelchair users is difficult to obtain, particularly at a local level. Estimates of need may, however, be produced by drawing on data from the English Housing Survey (EHS). This provides a range of relevant data, but often for different time periods.

10.109 The EHS data used includes the age structure of wheelchair users, information about work needed to homes to make them 'viable' for wheelchair users and data about wheelchair users by tenure.

10.110 The analysis below sets out estimates of the number of wheelchair users in the Borough; this has been based on estimating prevalence rates from the 2011-12 EHS (Annex Table 6.11) combined with Census data.

10.111 At the time, the EHS showed there were 184,000 households with a wheelchair user and the oldest person in the household was aged under 60; the 2011

Census showed around 41.2 million people aged under 60 and therefore a base prevalence rate of 0.004 has been calculated for this group – essentially for every 1,000 people aged under 60 there are around 4 wheelchair user households.

10.112 The table below shows data for a full range of age groups; it should be noted that whilst the prevalence rates mix households and population they will provide a reasonable estimate of the number of wheelchair user households.

Table 90: Baseline prevalence rates by age used to estimate wheelchair user households

Age group	Number of wheelchair user households	Population	Prevalence (per 1,000 population)
under 60 years	184,000	41,215,000	4
60 - 74 years	205,000	7,754,000	26
75 - 84 years	191,000	2,944,000	65
85 years or over	146,000	1,193,000	122

Source: Derived from EHS (2011-12) and 2011 Census

10.113 The analysis also considers the relative health of the population of Warrington. For this, data has been taken from the 2011 Census for the household population with ‘day to day activities limited a lot’ by their disability.

10.114 The table below shows this information by age in both Warrington and England. It also shows the adjustment made to reflect differences in health between the areas. Due to the age band used in the Census, there has been some degree of adjustment for the under 60 and 60-74 age groups. The data shows higher levels of disability for most age groups in Warrington, pointing to a slightly higher than average proportion of wheelchair user households.

Table 91: Proportion of people with day to day activities limited a lot (by age) – 2011

Age group	% of age group with day to day activities limited a lot (Warrington)	% of age group with day to day activities limited a lot (England)	Warrington as % of England	Prevalence rate (per 1,000 population)
under 60 years	4.00%	4.20%	96.10%	4
60 - 74 years	15.20%	13.90%	109.00%	29
75 - 84 years	31.70%	29.10%	108.80%	73
85 years+	53.60%	52.30%	102.30%	150

Source: 2011 Census

10.115 The local prevalence rate data can be brought together with information about the population age structure and how this is likely to change moving forward. The data estimates a total of 3,480 wheelchair user households in 2021, and that this will rise to 4,702 by 2038 (an increase of 1,200).

Table 92: Estimated number of wheelchair user households (2021-38) – Warrington

Age group	Prevalence rate (per 1,000 population)	Population 2021	Population 2038	Wheelchair user households (2021)	Wheelchair user households (2038)
under 60 years	4	157,261	163,653	685	713
60 - 74 years	29	34,486	40,884	1,004	1,191
75 - 84 years	73	14,329	19,777	1,053	1,454
85 years+	150	4,922	8,985	737	1,345
TOTAL		210,997	233,299	3,480	4,702

Source: Derived from a range of sources

10.116 The finding of an estimated current number of wheelchair user households does not indicate how many homes might be needed for this group – some

households will be living in a home that is suitable for wheelchair use, whilst others may need improvements to accommodation, or a move to an alternative home.

10.117 Data from the EHS (2014-15) shows that of the 814,000 wheelchair user households, some 200,000 live in a home that would either be problematic or not feasible to make fully 'visitable' – this is around 25% of wheelchair user households (200/814=25%).

10.118 Applying this to the current number of wheelchair user households and adding the additional number projected forward suggests a need for 2,078 additional wheelchair user homes in the 2021-38 period – this equates to 15% of all housing need (as set out in the table below).

Table 93: Estimated need for wheelchair user homes, 2021-2038

Area	Current need	Projected need (2021-38)	Total current and future need	Housing need (2021-38)	% of Housing Need
Warrington	855	1,223	2,078	13,872	15%

Source: Derived from a range of sources

10.119 Furthermore, information in the EHS (for 2017/18) also provides national data about wheelchair users by tenure. This showed that, at that time, around 7.1% of social tenants were wheelchair users, compared with 2.7% of market households (owner-occupiers and private renters). Given the aging population and the evidence of demand for wheelchair user housing these proportions could be expected to rise over time.

10.120 That said, the need for housing for particular groups (including wheelchair users) based on demographic data may be high in relation to the overall housing need figure as the former is derived from a baseline position for the whole population³².

As a result, it is reasonable to treat the 15% noted above as an aspirational target rather than one that should be achieved in practice.

10.121 In arriving at a target, given the funds made available through the Disabilities Facilities Grants reported earlier, it would be reasonable to set one that reflects projected future need, rather than both current and future need.

10.122 Projected need accounts for around 9% of total need as set out in the table above. Therefore a figure of 10% of new housing to be M4(3) compliant would be reasonable.

10.123 Also, it may not be possible for some schemes to be built to M4(3) standards due to built-form, topography, flooding etc. Furthermore, provision of this type of property may in some cases challenge the viability of delivery given the reasonably high build out costs (see table below).

10.124 It is worth noting that the Government is currently consulting on changes to the way the needs of people with disabilities and wheelchair users are planned for as a result of concerns that in the drive to achieve housing numbers, the delivery of housing that suits the needs of the households (in particular those with disabilities) is being compromised on viability grounds³³.

10.125 One of the policy options tabled in this document is to remove M4(1) altogether, so that all new homes will have to at least have the accessible and adaptable features of an M4(2) home. M4(3) would apply where there is a local planning policy in place in which a need has been identified and evidenced. This is consistent with the evidence presented in this report, although the trade-off identified in the consultation paper between viability and the need to deliver

³³ Raising accessibility standards for new homes, a consultation paper, page 10

sufficient numbers of market homes to meet general housing needs is unavoidable.

10.126 The viability challenge is particularly relevant for M4(3)(B) standards. These make properties accessible from the moment they are built and involve high additional costs that could in some cases challenge the feasibility of delivering all or any of a policy target.

Table 94: **Access Cost Summary**

Type	1-Bed Apartment	2-Bed Apartment	2-Bed Terrace	3-Bed Semi Detached	4-Bed Semi-Detached
M4(2)	£940	£907	£523	£521	£520
M4(3)(A) – Adaptable	£7,607	£7,891	£9,754	£10,307	£10,568
M4(3)(B) – Accessible	£7,764	£8,048	£22,238	£22,791	£23,052

Source: EC Harris, 2014

10.127 However, local authorities only have the right to request M4(3)(B) accessible compliance from homes for which they have nomination rights. They can, however, request M4(3)(A) adaptable compliance from the wider (market) housing stock.

10.128 A further option for the Council would be to consider seeking a higher contribution, where it is viable to do so, from those homes to which they have nomination rights. This would address any under-delivery from other schemes (including schemes due to their size e.g. less than 10 units or 1,000 square metres) but also recognise the fact that there is a higher prevalence for wheelchair use within social rent tenures. This should be considered when setting policy.

10.129 In conclusion, WBC’s emerging policy position is that 10% of new housing meets Building Regulation requirement M4(3) Wheelchair user dwellings. This is based

on the evidence of need presented in this section, taking viability constraints and the PPG into account. This is considered reasonable, but will need to be kept under review throughout the Plan Period.

Warrington Custom and Self-Build Registers

10.130 In line with the PPG, the starting point for understanding demand for custom and self-build plots is the registers managed by the WBC. In the table below the total number of applications in each base period have been recorded.

Table 95: Number of entries on the Warrington Self and Custom Build register in each base period

Registration Types	BP1	BP2	BP3	BP4	BP5	Total across all Periods
Individuals	28	28	33	45	32	166
Groups	1	0	0	0	0	1
Individuals within a Group	1	0	0	0	0	1
Total	30	28	33	45	32	168

Source: WBC

10.131 The table shows that 167 individuals and 1 group are currently on the register. Given that people can register in more than one authority there is potentially some element of double counting with this register and others in the housing market area. Notwithstanding, PPG does not refer to this and no guidance is provided as to how Councils should address this issue. This assessment therefore assumes that Councils should not seek to reduce provision to allow for it.

10.132 This gives an indication of the scale of future need. Moving forward, the Council should ensure that the actual number of entries on the register at the end of each base period is equivalent to number of plots of land that are permitted within 3 years.

10.133 The table below sets out that 34 self and custom build plots that should be planned for within each base period (year).

Table 96: Indicative demand for custom and self-build plots based on past trends

Area	Current Register	Average Per Base Period (5 periods)
Warrington	168	34

Source: Warrington Self Build Housing Register

Local Authority Response

10.134 Paragraph 25 of PPG provides guidance on how Councils can help support self and custom build by increasing the number of suitable planning permissions³⁴.

It encourages Councils to undertake several tasks including:

- developing policies in their Local Plan for self-build and custom housebuilding;
- using their own land if available and suitable for self-build and custom housebuilding and marketing it to those on the register;
- engaging with landowners who own sites that are suitable for housing and encouraging them to consider self-build and custom housebuilding and facilitating access to those on the register where the landowner is interested, and;
- working with custom build developers to maximise opportunities for self-build and custom housebuilding.

10.135 Several local authorities have implemented a Local Plan policy

- South Cambridgeshire Council – On all sites of 20 or more dwellings, and in each phase of strategic sites, developers will supply dwelling plots for sale to self and custom builders. Where plots have been made available and appropriately marketed for at least 12 months and have not been sold, the plot(s) may either remain on the market or be built out by the developer. Exceptionally, no provision will be expected in developments or phases of developments which comprise high density multi-storey flats and apartments.
- Teignbridge District Council - 5% of plots on development sites of more than 20 dwellings with plots marketed for a minimum of 12 months.
- Mid Devon District Council - 5% of plots on development sites of more than 20 dwellings.
- Torbay Council - 5% of plots on development sites of more than 30 dwellings.
- East Cambridgeshire District Council - 5% of plots on development sites of more than 100 dwellings.

³⁴ PPG (custom and self-build) Ref ID: 57-025

- Stroud District Council - 2% of plots on strategic housing sites.

10.136 Other local authorities have developed a policy of encouragement without defining exact percentages. For example, North Tyneside Council and Daventry District Council will 'encourage', rather than require, a proportion of plots to be set aside on sites of over 200 and 500 units respectively.

10.137 A possible route is to adopt a general "encourage" policy for all sites but also implement a further policy on strategic sites. The exact level should be determined in reference to the number and capacity of strategic sites and the overall local need as identified on the register. This should also take into account the committed supply, need for other types of housing (including affordable housing need) and viability.

Student Housing

10.138 National policy requires local authorities to plan for "sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus". To do this, they are advised "to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements in their area³⁵".

University of Chester Warrington Campus

10.139 The University of Chester is the only higher educational establishment (HEE) that has a formal presence in the Borough. This is in the form of a campus located in Chester and other campuses located in Shrewsbury and Warrington. The Warrington Campus is located off Crab Lane towards the North East of Warrington Town Centre. 70 students live and study on the Campus.

³⁵ PPG (Housing Need of Different Groups) Ref ID: 67-004

10.140 The Warrington Campus specialises in delivering innovative and employment-focused courses such as adult nursing, professional policing, and social work.

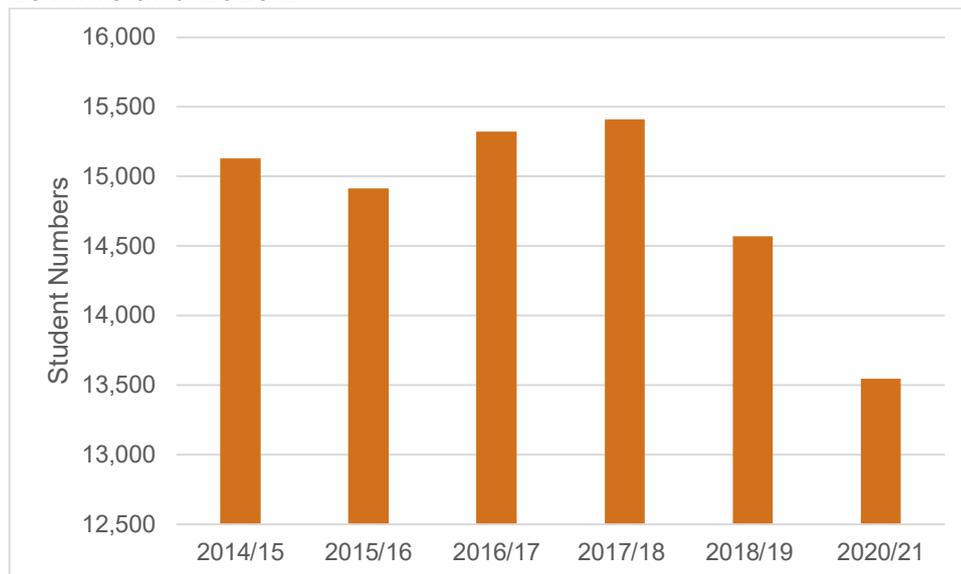
10.141 The University plans to close the site in 2022 and move their facility to the City Centre.

Student Headcounts

10.142 Data for the University of Chester is not available through the University's website. Relevant data has therefore been obtained from the Higher Education Statistics Agency (HESA). HESA is the official agency for the collection, analysis, and dissemination of quantitative information about higher education in the United Kingdom. It reports students' numbers from 2014/15 up to 2020/21.

10.143 The student numbers for the University of Chester (across all campuses) are shown in the figure below. Over the last 6 years, there has been a 10% decrease in student numbers at the university.

Figure 24: University of Chester Student Population Change between 2014/15 and 2020/21



Source: HESA, 2020

Current Student Accommodation Profile

10.144 Initially, Census data has been used to analyse student accommodation arrangements in Warrington. Although this data is somewhat dated, it can provide an indication of how students are likely to be housed.

10.145 The table below shows that, between 2001 and 2011, the number of students living in Warrington increased from 4,205 to 5,441, an increase of around 29%, or 3% each year. This increase was at a substantially faster pace than the population as a whole; this saw growth at around 0.6% each year.

Table 97: Students in Warrington, 2001 and 2011

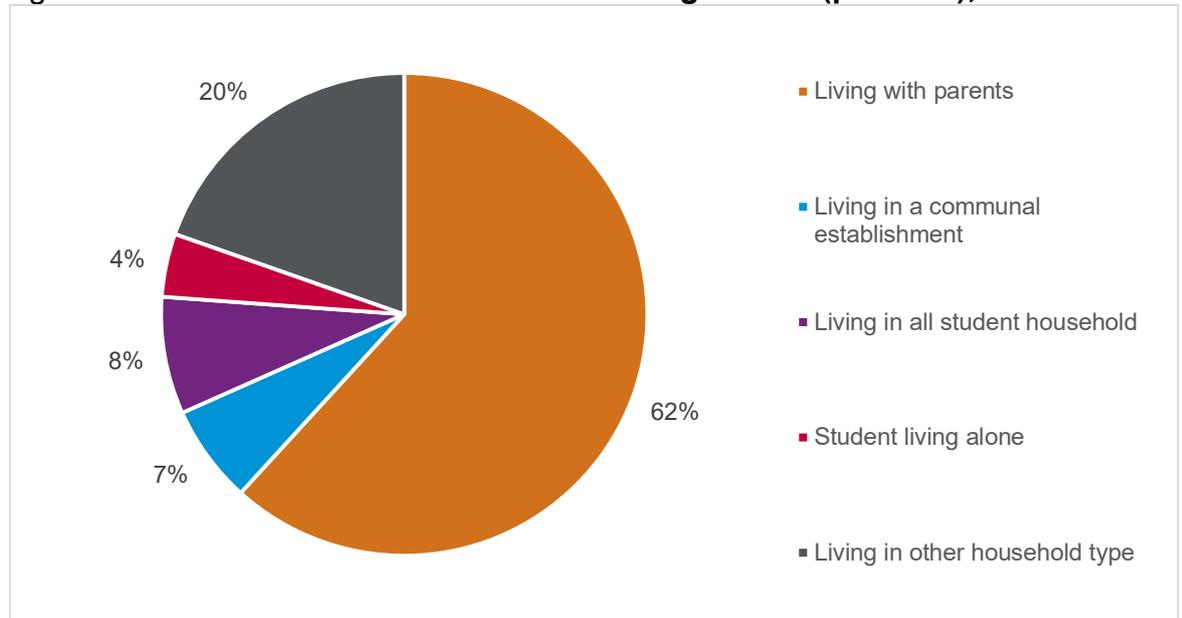
Group	2001	2011	% Change	per annum	% change per annum
Number of Students	4,205	5,441	29.39%	124	2.94%
Warrington population	191,080	202,709	6.09%	1,163	0.61%

Source: Census 2001 and 2011

10.146 The figure below sets out how students, aged 18 and over, occupy housing across the borough. The vast majority (62%) live with their parents with 20% in other household types. This includes living in one-family households with spouses, partners and/or children.

10.147 Less than 10% of the students in Warrington live in a purpose-built communal establishment (this includes purpose-build student accommodation and halls of residence). A similar proportion of students live in an all-student household. It is, however, worth noting that a significant minority live in “other” household types. This is likely to be older students living with their own family.

Figure 25: **Student accommodation arrangements (persons), 2011**

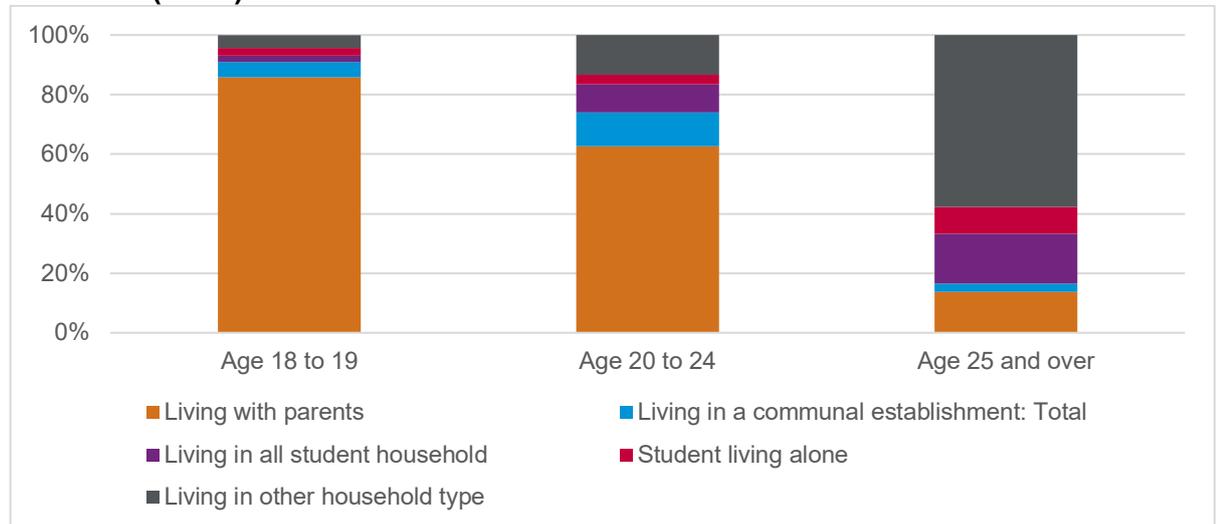


Source: Census 2011

10.148 The figure below illustrates how accommodation types for students change as they get older. 86% of students aged between 18 to 19 (likely to be at school, sixth form college, or in some form of vocational training) live with their parents.

10.149 As students transition into university, students leave the parental home and live in communal establishments, all student households (HMOs) or, (the majority aged over the age of 25) in “other household types”.

Figure 26: **Distribution of students among dwelling types by age (2011)**



Source: Census 2011

10.150 Given that “all student households” are those that actively compete with other households in the private rental market, it is worthwhile examining these households in more detail as a proxy for the impact on the wider housing market. In total there were 425 all student households in Warrington in the 2011 Census of which 201 are occupied by those ages 25 and over (47%).

Table 98: **All student households, Warrington, 2001-2011**

Age	2001	2011	Change
16-19	40	71	31
20-24	29	153	124
25+	85	201	116
Total	154	425	271

Source: Census 2001 and 2011

10.151 The table also sets out the change in the number of all student households in Warrington from 2001. Over this 10 year period, the number of these households increased by 175%. Nevertheless, these numbers are not enough to make a significant impact on the availability of PRS housing in the Borough.

10.152 While this number is modest in terms of the population of Warrington as a whole, it is worth investigating whether there is a concentration of student households within a particular sub-area. The figure below shows the distribution of all student households across the Borough.

Growth

10.153 The only means of forecasting growth in student numbers is to engage with identifiable HEEs in the area. While the Census records 5,441 students in 2011, the only HEE with a formal presence in the Borough is the University of Chester. The University has a long term, albeit modest, commitment to the Borough in the form of its campus in Crab Lane in Padgate. While its intention is to close the Campus in 2022, it does intend to open a new facility in the Town Centre.

10.154 This includes closing its student accommodation. Therefore, in future years all students attending the University will be expected to find their own accommodation in the PRS.

10.155 While the University does expect to attract a growing number of students in future years (the move to the Town Centre it is hoped will improve the appeal of the University) it does not have a formal strategy to do so. This growth is, therefore, likely to be organic and small scale. For the purposes of this assessment we therefore assume that student numbers in the Borough will not grow substantially.

Conclusions

- Students form a small part of the population of the district (around 2.7%), and it should be noted the currently adopted Local Plan does not make any specific provision for their accommodation needs.
- That said, the number of students has increased over the period 2001-2011 by around 29% between 2001 and 2011, or 2.94% each year. This rate of growth is significantly faster than the population as a whole.
- On the basis of accommodation trends, however, this growth is likely to have been concentrated in younger age groups (aged 18-19) who are likely to be living at home.
- The University of Chester is the only HEE with a formal presence in the Borough. The University plans to set up a new facility in Warrington Town Centre from 2022/3, closing its current campus in Padgate.
- This is a small facility with around 70 students. Currently all these student live at the Crab Lane Campus. On closure, students will be expected to find accommodation in the PRS.
- Setting aside the trend growth in student numbers over the period 2001-11, this report has not uncovered any evidence that growth in students is likely to impact on the housing market in the Borough in a significant way over the plan period.
- There is, therefore, no requirement to specifically plan for student accommodation or increase the overall housing need at the Borough level based on student growth.

People who rent their homes

10.156 PPG notes that LPAs should seek to understand the need for PRS housing in their areas. The LHNA should

“take into account the need for a range of housing types and tenures in their area including provisions for those who wish to rent...The assessment will enable an evidence-based planning judgement to be made about the need for a build to rent homes in the area, and how it can meet the housing needs of different demographic and social groups³⁶”.

10.157 In terms of the way this should be undertaken, PPG notes that

“tenure data from the Office for National Statistics can be used to understand the future need for private rented sector housing. However, this will be based on past trends. The level of changes in rents, (known as “market signals”), may reflect the demand in the area for private rented sector housing. Evidence can also be sourced from the English Housing Survey, Office for National Statistics Private Rental Index, the Valuation Office Agency, HomeLet Rental Index and other commercial sources³⁷.”

10.158 This section, therefore, looks at a range of statistics concerning the PRS in Warrington. Where reasonable, comparisons are made with other tenures (i.e. owner-occupied and Social Rented) as well as contrasting data with other areas. The aim is to bring together a range of information to inform demand for private rented housing in the study area.

10.159 Also, as noted above the LHNA needs to express "how it can meet the housing needs of different demographic and social groups." The section therefore examines demand for PRS from households on housing benefit to investigate its role in addressing need for affordable housing.

10.160 This study has not attempted to estimate whether additional private rented housing is required. It is likely that the decision of households to whether to buy

³⁶ PPG (Build to rent) ref ID 60-001

³⁷ PPG (Housing needs of different groups) ref ID: 67-002

or rent a home in the open market is dependent on several factors which mean that demand can fluctuate over time.

10.161 These factors include mortgage lending practices and the availability of Housing Benefit. Also, a general (national and local) shortage of housing. Some of the growth in the PRS can therefore be accounted for by increases in the number of younger people in the sector and increases in shared accommodation.

10.162 If the overall supply of housing increases, then this potentially means that more households would be able to buy, who would otherwise be renting. It is therefore difficult to base anything on past trends when a step change in delivery is expected.

10.163 Between the two Census periods, Warrington has seen a substantial increase in the proportion of households living the PRS. The increase over the period is around 190%. This is substantially greater than the North West and England that registered increases of around 115% and 107% respectively.

Table 99: Change in Privately Renting

Area	2001 No.	2001 %	2011 No.	2011 %	% Change
Warrington	3,294	4.2%	9,549	11.2%	189.9%
North West	215,464	7.7%	462,899	15.4%	114.8%
England	1,798,864	8.8%	3,715,924	16.8%	106.6%

Source: ONS Census 2001 KS018 and 2011 QS405EW

10.164 Another dataset provided by ONS is the sub-national dwelling stock by tenure estimates³⁸. The table below records the change in the count of dwellings that fall into owner occupied and privately rented homes using this source.

38

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/subnationaldwellingstockbytenureestimates>

10.165 This suggests significant contrasts between Warrington and regional and national data. The data indicates there has been a fall in the stock available for private rent in the Borough of around 15% over the period 2012 to 2018, whereas in the North West region and England the PRS has expanded by around 11% and 12% respectively.

10.166 It is however important to note these are not official statistics on dwelling stock by tenure. Confidence interval notation does, however, indicate that, in the statistician's view, the data is reasonably precise.

Table 100: **Change in Private Tenures (2012-2018)**

Area	2012 Owner Occupied	2012 Privately Rented	2018 Owner Occupied	2018 Privately Rented	% Change from 2012 to 2018 Owner Occupied	% Change from 2012 to 2018 Privately Rented
Warrington	63,110	11,190	68,001	9,519	7.7%	-14.9%
North East	742,870	169,411	770,359	187,799	3.7%	10.9%
England	14,754,226	4,285,661	15,276,733	4,807,635	3.5%	12.2%

Source: ONS, Sub-national dwelling stock by tenure estimates, 2018

Demand for Private Rented Sector

10.167 A general (national and local) shortage of housing is likely to have driven some of the growth in the private rented sector over the period 2001-11. This includes increases in the number of younger people in the sector, and increases in shared accommodation.

10.168 If the supply of housing at the right prices and in the right locations increases, then this potentially means that more households who would otherwise be renting would be able to buy. This is particularly the case if the supply of affordable home ownership products, which is essentially targeted at those currently renting, increases. This is a further consideration for the Councils in deciding the split of affordable housing tenures being sought.

- 10.169 Schemes such as Help to Buy have also helped support the number of people to buy instead of rent although, as this scheme concluded for new applications in March 2021, there may be a reversal of this flow.
- 10.170 Earlier in this report the need for those requiring an affordable home ownership product was identified. We also noted that given the finite supply of affordable homes of any tenure then the Council will need to decide what levels of affordable home ownership or Social and Affordable Rental products to request in policy. If the Councils prioritise the latter then it is possible that there would be an unmet demand from those requiring AHO products.
- 10.171 This unmet demand could be addressed through the delivery of further PRS homes either from institutional supply or from ad-hoc buy to let investors. Although it should be noted that the majority of these households will already be in PRS accommodation and it is only the newly forming households and those households who, because of a change in circumstance, are unable to afford for sale housing and therefore seek to address their housing requirements within the PRS.
- 10.172 There will also be additional newly forming households that are not in affordable housing need that may decide to rent privately. This may be for a number of reasons; for example households only staying in the area on a temporary basis such as contractors or academics or students; those who could afford a mortgage but cannot raise a deposit; those that cannot access mortgages due to poor credit; and those with a preference for renting.

Agents survey

- 10.173 As part of our research, two local letting agents completed an online survey. Together, they operate in all sub-areas of Warrington.
- 10.174 Both agents indicated that the lettings market in Warrington is strong, and significantly stronger than in Halton and St. Helens. There was also a consensus among the agents that the Pandemic had strengthened demand in the area. One agent suggested it has done so "considerably". Both agents agreed that rents would probably increase in the coming year, one suggested this increase would be in excess of 5%.
- 10.175 In terms of which market segments are showing the greatest demand, demand is concentrated among newly forming households, families and single households.
- 10.176 The figure below sets out the relative levels of demand among the different sub-areas. It is worth noting that the rural parts of the Borough attract no demand from renters. The agents were agreed that the suburban parts of the Borough (south, west and east), together with Winwick and Burtonwood, attract the greatest level of demand.
- 10.177 In terms of sizes of dwelling, the figure below shows that, while there is a modest amount of demand for larger dwellings (3+ bedroom homes), the bulk of demand is for dwellings of 1 and 2 bedrooms. The agents both agreed that supply of 1, 2 and 3 bedroom dwellings could not keep pace with demand.
- 10.178 The figure below reports on the types of property that are in most demand from renters in Warrington. This suggests that smaller dwellings, in particular terraced homes, are in greatest demand, with detached homes and specialist housing for the elderly showing very weak demand.

10.179 The figure below drills down to Warrington Town Centre itself to present the picture of demand for dwellings of different types in this area. This presents a similar picture to the Borough-wide findings that flats and terraces are the most popular with relatively little demand for detached and semi-detached homes. There was reported to be particularly weak demand for bungalows in the Town Centre.

10.180 The PRS in Warrington appears to offer reasonable security of tenure with most tenancies enduring for 1-3 years, and the average length of tenancy being 1-2 years. The majority of renters are reported to extend their tenancy.

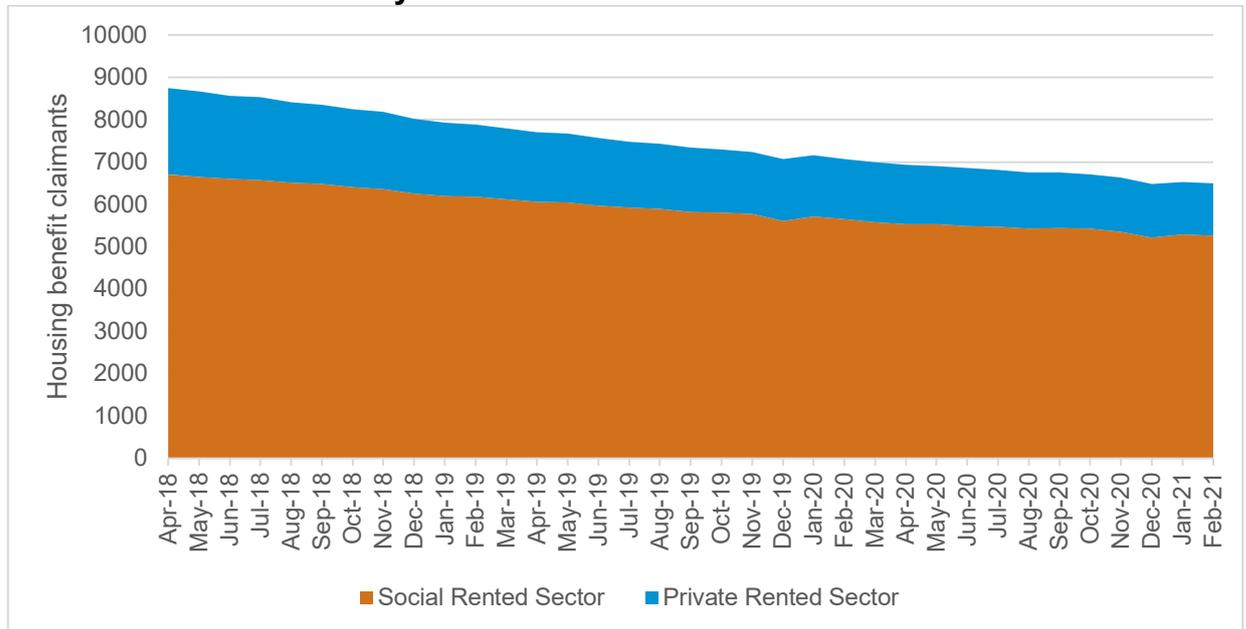
10.181 In terms of sources of supply, buy to let and relets of existing PRS dwellings forms the vast bulk of supply. Relatively little comes from spare rooms being rented out indicating limited demand for HMOs. Very little supply is identified from build to rent.

The role of PRS in meeting Affordable Housing need

10.182 The chart below sets out the number of households claiming Housing Benefit over the period April 2018 to February 2021.

10.183 This shows that the number of households has fallen by around 26% over the period. Of this figure the proportion living in PRS has also declined, although by a smaller percentage, decreasing from 23% of all households to 19% in February 2021. Despite this, the tenure still constitutes a substantial share of all households in receipt of Housing Benefit.

Figure 27: Housing benefit claimants by tenure in Warrington, April 2018-February 2021

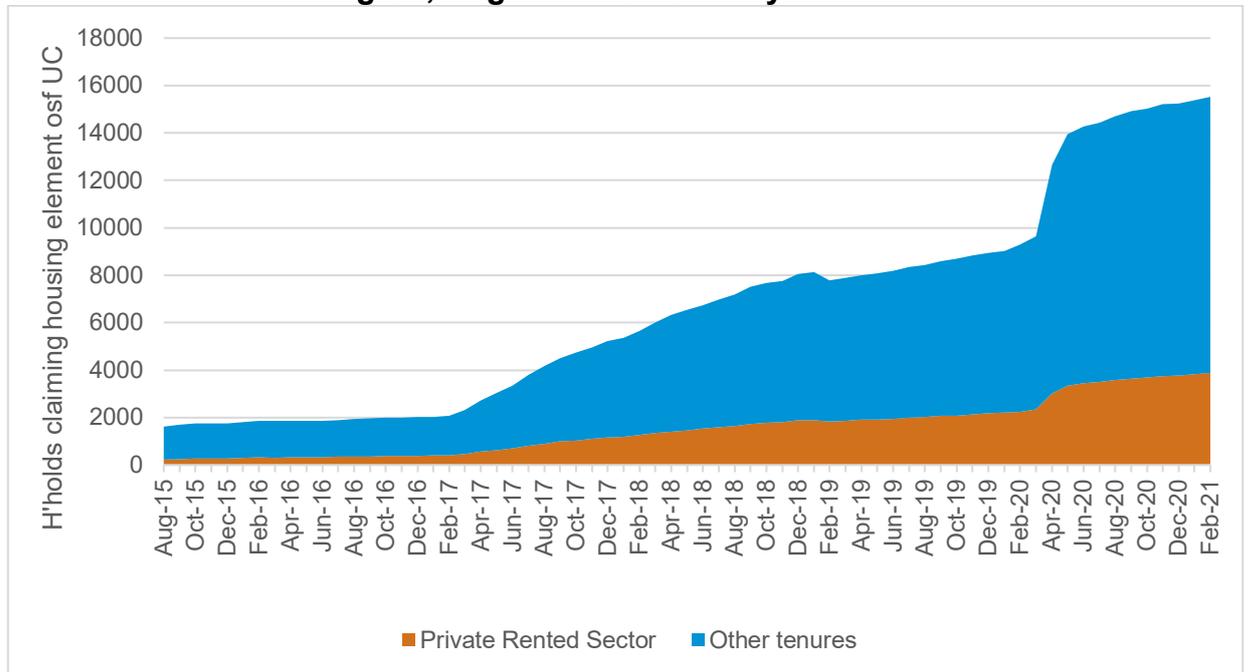


Source: Department of Work and Pensions

10.184 The figure below reveals that the fall in Housing Benefit claimants has been exceeded by a large margin by households entitled to the housing element of Universal Credit. It is worth noting that there was a very sharp increase in numbers in the first quarter of 2020 as a result of the COVID-19 Pandemic.

10.185 In contrast to the data for housing benefit, the proportion of claimants in the PRS has increased since the introduction of the benefit, rising from 14% of all households claiming the housing component of Universal Credit to 25%.

Figure 28: Households claiming housing element of Universal Credit in Warrington, August 2015-February 2021



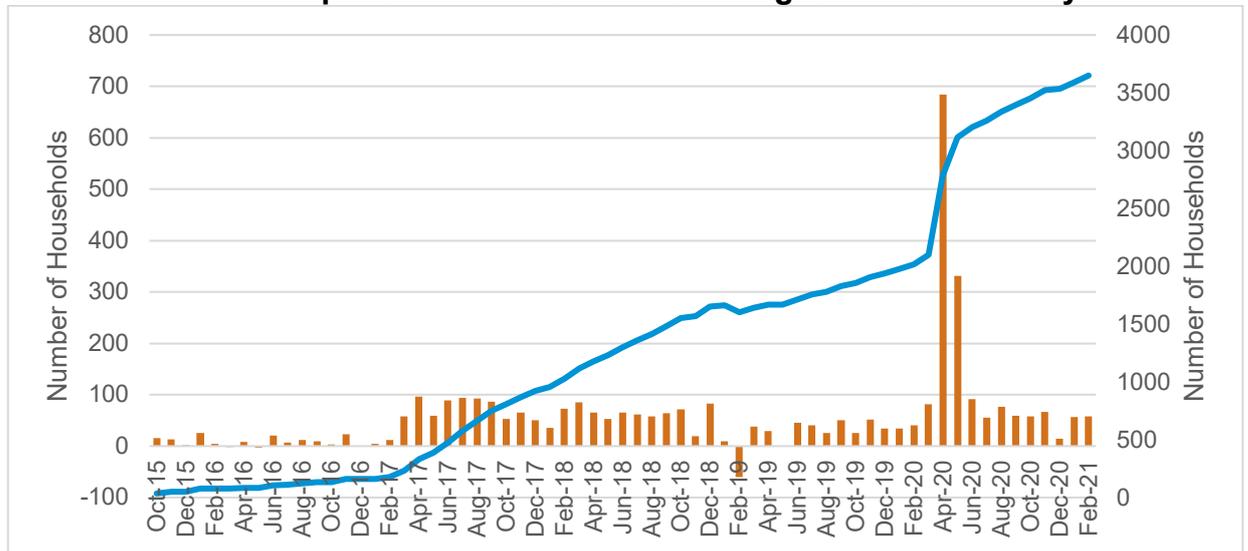
Source: Department of Work and Pensions

10.186 The data is clear that the PRS makes a substantial contribution to addressing the need for affordable housing in Warrington, housing 3,883 households in 2021.

10.187 The figure below shows the year on year contribution to affordable housing supply in Warrington as a result of households claiming Universal Credit living the PRS. Since August 2015 this has averaged around 55 households per year and an overall contribution of 3,650 dwellings over the period.

10.188 It is worth noting the tenure provided a significant source of affordable housing as household sought support with paying their rent between March and April 2020 as a result of the Pandemic.

Figure 29: Number of households in Warrington claiming the housing component of Universal Credit August 2015 -February 2021



Source: Department of Work and Pensions

Build to Rent sector

10.189 BTR is defined in the NPPF³⁹ and typically comprise developments of multiple units (often above 100 units), that is institutionally owned and managed and should be subject to longer tenancies designed to offer greater security and stability⁴⁰. Moreover, they can contribute to the delivery of affordable housing in the form of Affordable Private Rent. Because of this, and on account of the non-sale covenants BTR schemes usually carry, the stipulation for 10% of new build dwellings to be AHO does not apply to BTR development.⁴¹

10.190 Since September 2018, a section of PPG has been provided that sets out the Government's expectations of LPAs in planning for BTR. This notes that,

³⁹ NPPF, page 65

⁴⁰ PPG, (Build to rent) ref ID 60-010

⁴¹ NPPF, para 64

“if a need (for PRS) is identified, authorities should include a plan policy setting out their approach to promoting and accommodating build to rent. This should recognise the circumstances and locations where build to rent developments will be encouraged – for example as part of large sites and/or a town-centre regeneration area⁴².”

10.191 Build to rent schemes can be important in supporting housing delivery in times of economic and housing market uncertainty as investors base their investment decisions on the long-term prospects for housing demand.

10.192 Unlocking the Benefits and Potential of Build to Rent⁴³ (British Property Federation, 2017) identifies that the build to rent model offers an additional sales outlet from the build to sell model. It provides more certainty of an end-buyer for housing developments, by selling to a management company, which helps de-risk schemes. It is particularly helpful on larger developments, where there are multiple phases of development. Often build to rent sites on their own require substantial capital commitment and without substantial third-party investment, they do not progress. Build to rent can on these larger developments accelerate delivery because a developer or house builder can deliver stock for both open market sale and market rent concurrently. However, barriers to a build to rent scheme include:

- Access to suitable stock for conversion or land;
- Low risk-adjusted yields in the form of capital growth rather rental income;
- As an emerging sector there is a lack of investor experience in the sector; and
- The need for scale with around 200-unit scheme termed by as the “sweet spot” for management efficiency and investor purposes.

⁴² PPG (Build to rent) ref ID 60-001

⁴³ <https://www.lse.ac.uk/business-and-consultancy/consulting/assets/documents/unlocking-the-benefits-and-potential-of-build-to-rent.pdf>

- 10.193 The British Property Federation reports build to rent schemes across the UK every quarter. At the time of writing there were reported to be 152,071 build to rent units either completed or planned across the UK, including 40,181 completed, 35,415 under construction and a further 75,475 in the planning system. Of these units, 75,663 are located outside of London⁴⁴.
- 10.194 The Savills UK Build to Rent Market Update⁴⁵ for Q3 2020 states that the market had at that time, 50,800 completed units, 37,700 under construction and 84,000 in the development pipeline, a total of 172,500 units.
- 10.195 The report notes that around 88% of the operational stock was located in City Centre flats but there had been a slight shift towards “housing led, family targeted” Build to Rent schemes in suburban locations. This was on the belief that there is a wider PRS market for houses (63%) than for flats.
- 10.196 The Savills work also noted that the sector had bounced back from a Pandemic related slowdown. They also noted new entrants into the sector seeking longer term investment.
- 10.197 The build to rent sector may increase in the forthcoming years as the Government has been targeting financial backing for purpose-built Private Rented Sector (PRS) schemes since 2012. This has helped to expand this sector in a range of cities and towns across the country.
- 10.198 Funding is still being committed at scale; for example, in August 2017 it announced £65m investment into the largest Build to Rent site at the Wembley Park development in Brent, London, which will see 7,600 homes built, 6,800 of which will be for rent.

⁴⁴ <https://bpf.org.uk/about-real-estate/property-development/build-to-rent-map/>

⁴⁵ https://www.savills.co.uk/research_articles/229130/306754-0

10.199 The British Property Federation, London First and UK Apartment Association (UKAA) recently published (February 2021) a report⁴⁶ profiling those who live in built to rent accommodation in London. The report found that the capital makes up the bulk of the market, (47% currently, falling to 44% once the pipeline supply is included). This demonstrates a slight movement out of the capital.

10.200 Around 62% of residents of build to rent schemes were aged between 25 and 34 compared with 47% in the wider PRS market. The remaining residents included 17% aged between 16 and 24, 13% aged 35-44 both of which were below the corresponding values for the wider PRS market.

10.201 Within Warrington those aged between 15 and 44 are expected to fall by 1,241 between 2021 and 2038 based on the Standard Method (1.7%). This suggests the key target market for BTR will shrink slightly over the plan period.

⁴⁶ https://buildtorent.files.wordpress.com/2021/01/who-lives-in-build-to-rent-1.pdf?mc_cid=624df5d223&mc_eid=e05cc2220b

Table 101: **Projected Population Growth in those aged 15-44**

Age group	Population 2021	Population 2038	Change in population	% change from 2021
15 to 44	74,738	73,497	-1,241	-1.7%

Source: Demographic Analysis

- 10.202 Within this group there will be those who will be able to buy a home separately and those that will not be able to afford to rent a home. The survey data also identified that incomes of those in the BTR are similar to those in PRS accommodation. As set out elsewhere in the report the gap between renting and buying at the Borough level in Warrington is those earning between £22,700 to £30,200 (approximately 15% of the population).
- 10.203 The survey also identified that typically BTR residents spend between 29% and 35% of their income of accommodation. This compares to 29% to 32% in the wider PRS demonstrating a willingness to pay slightly more. The affordability analysis set out herein assumes expenditure of around 28% on housing costs in Warrington. This suggests households in the Borough may be reluctant to pay the premium rents commonly associated with BTR.
- 10.204 It also noted that while BTR did command slightly higher rents than the wider PRS, it was affordable for couples and sharers. This is reflected in the higher incidence of these household types within the BTR sector.
- 10.205 The report also identified similar levels of people working in the public and private sectors as the wider PRS market (around 85% in the private sector) across a similar cross section of industries to those in PRS. The most common industries included Finance and Insurance (25%), Other Services (20%) and IT and Communications (including marketing) (15%). Although this might be representative of London sectors and is not necessarily applicable to all areas.

10.206 Demand for this product is, however, still embryonic and it is therefore difficult to accurately predict its location and scale. Nevertheless, the Savills report is clear that developer interest has thus far concentrated in urban areas. Therefore we would expect any demand in the study area to focus on the Town Centre (with demand derived from young professionals).

10.207 That said, where build to rent is being proposed on a site in or outside these areas, the policy position should be supportive, subject to the location and characteristics of the site in question and the proportion of units for affordable private rent⁴⁷ being provided (in line with the benchmark put forward in PPG, this should be 20%⁴⁸). This would cater for the demand for affordable rental accommodation set out elsewhere in this report.

Service Families

10.208 MOD statistics report that a total of 50 military and civilian personnel were located in Warrington in April 2020. This represents a 17% decrease from April 2012 when there were 60 personnel in the HMA. The figure below shows the historic trend.

Figure 1: Military and Civilian Personnel 2012-19 – HMA

Area	2012	2013	2014	2015	2016	2017	2018	2019	2020
Warrington	60	60	40	50	50	40	50	50	50

⁴⁷ For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

⁴⁸ PPG (build to rent) Paragraph: 002 Reference ID: 60-002-20180913

Source: MOD Statistics - Table 3.2a: MOD Personnel by local authority area as at 1 April 2020⁴⁹

10.209 Also, evidence has been submitted by the Armed Forces Community Support (AFCS) that suggests that ex-service personnel are disproportionately affected by homelessness. The report claims that “up to 30% of homeless people in Britain, particularly longer-term rough sleepers, have served in our Armed Forces at some stage before becoming homeless.”⁵⁰

10.210 Since January 2016 AFCS has assisted 287 veterans with housing-related issues. These are split into two broad types. The majority of cases (174) related to homelessness; 113 helped veterans move from unsuitable accommodation.⁵¹

10.211 In conclusion, people currently serving in the Armed Forces are not present in sufficient numbers to generate specific demand trends in Warrington.

10.212 That said, the Council should be conscious of the specific barriers ex-service personnel have in accessing suitable accommodation. However, it is important to that this type of need will be addressed within the calculation of affordable housing set out earlier in this report. The need identified in the AFCS report should not, therefore, be seen as additional.

Needs of Older Persons & Specific Groups: Key Points

- The method used to identify the housing needs of older and disabled people responds to PPG published by Government in June 2019. It includes an assessment of the need for specialist accommodation and housing to be built to M4(2) and M4(3) housing technical standards.

⁴⁹ <https://www.gov.uk/government/statistics/quarterly-service-personnel-statistics-2020/quarterly-service-personnel-statistics-1-april-2020>

⁵⁰ AFCS, Identification of Need in Veterans, Warrington, page 4

⁵¹ Ibid, page 8

- Warrington has a similar age structure and similar levels of disability compared with the national average and lower age-specific rates of disability in a regional context.
- The older person population is projected to increase notably in the future and an ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2021-38 period include:
 - A 39% increase in the population aged 65+ (potentially accounting for around three-quarters of total population growth);
 - A 55% increase in the number of people aged 65+ with dementia and a 48% increase in those aged 65+ with mobility problems;
 - A need for around 2,800 housing units with support (sheltered/retirement housing) including 65% in the market sector;
 - A need for around 900 additional housing units with care (e.g. extra-care), around 20% in the affordable sector;
 - A need for 1,050 additional care bedspaces; and
 - a need for around 2,100 dwellings to be for wheelchair users (meeting technical standard M4(3)).
- The forecast changes in the demographic profile indicate a clear need to increase the supply of specialist accommodation and housing to be built to M4(2) and M4(3) housing technical standards.
- Where the authority has nomination rights M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.
- A different approach may be prudent for market housing and affordable homes, recognising that Registered Providers may already build to higher standards, and that households in the affordable sector are more likely to have some form of disability.
- WBC's emerging policy position is that all homes should be meet M4(2) standard and 10% of new housing should meet Building Regulation requirement M4(3)

Wheelchair user dwellings. This is based on the evidence of need presented in this section, taking viability constraints and the PPG into account.

- In seeking M4(2) compliant homes, the Council should also be mindful that such homes could be considered as ‘homes for life’ and would be suitable for any occupant, regardless of whether or not they have a disability at the time of initial occupation.
- In framing policies for the provision of specialist older persons accommodation the Council should consider the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for.

Self and Custom build

- Based on the Council’s Self and Custom build register, 34 plots should be provided each year to satisfy demand from self-builders in Warrington.
- The evidence justifies a positive approach to the provision of self and custom build plots within major developments.
- The local authorities should seek to adopt a general “encourage” policy for all sites but also implement a further policy on sites above a minimum size.

Student housing

- This report has not uncovered any evidence that growth in students is likely to impact on the housing market in the Borough in a significant way over the plan period.
- There is, therefore, no requirement to specifically plan for student accommodation or increase the overall housing need at the Borough level based on student growth.

People who rent their properties

- Warrington has seen a substantial increase in the proportion of households living in the private rented sector (PRS). The increase over the period 2001-11 is around 190%. This is substantially greater than the North West and England.
- It is unlikely that the finite number of AHO units that are delivered over the plan period will address demand from households unable to afford to buy but who are able to rent in full.
- Demand for PRS is likely to be driven by temporary workers, households unable to access mortgage finance and those with a poor credit rating.
- With the exception of the Town Centre (where there is a high proportion of young professionals) there is no requirement for the Councils to allocate sites for the build-to-rent accommodation.
- The PRS has been a significant source of Affordable Housing since 2015 with an increasing number of households in receipt of the housing component of Universal Credit living in the tenure (25% on February 2021).
- Between August 2015 and February 2021, the numbers of households claiming the housing component of Universal Credit increased by an average of 55 each year over the period. This amounted to 3,650 dwellings over the period.
- Where build to rent is being proposed on a site elsewhere in the Borough, the policy position should, however, be supportive, subject to the location and characteristics of the site in question and the proportion of units for affordable private rent being provided.

Service Families

- Service families are not present in sufficient numbers to generate specific demand trends in Warrington.

11 CAPPING AFFORDABLE HOUSING TO RENT AT LHA RATES

- 11.1 Local Housing Allowance (LHA) rates in Warrington are based on the rates set in the North Cheshire Broad Rental Market Area (BRMA). A BRMA can be understood as where a person could reasonably be expected to live taking into account access to facilities and services.
- 11.2 In order to indicate whether rents for affordable rented properties should be set in line with guidance (that they should be benchmarked to LHA) the table below provides a comparison between the rents charged in the private sector for lower quartile dwellings within each of the sub-areas and LHA rates.
- 11.3 This indicates whether households in receipt of housing benefit/Universal Credit will be able to afford rents in the private sector. Where lower quartile rents exceed LHA rates there may be an argument for capping the rent charged on affordable rented properties in certain locations in order to achieve affordability.
- 11.4 This suggests that across the Borough the LHA will not cover LQ rents in all places bar
- 2 and 4 bedroom dwellings in Inner Warrington; and
 - 1 bedroom dwellings in North East Warrington and the Town Centre.

Table 102: Local Housing Allowance rates (North Cheshire BRMA) and Lower Quartile rents in Warrington sub-areas

Area	1 Bed	2 Bed	3 Bed	4 Bed
North Cheshire BRMA	£419	£493	£587	£863
East Warrington	£480	£550	£700	£1,100
Inner Warrington	£390	£500	£650	£880
Lymm	£600	£700	£800	£1,200
North East Warrington	£400	£580	£720	£1,110
North West Warrington	£450	£580	£700	£1,190
South Warrington	£600	£750	£890	£1,100
Town Centre	£400	£550	£680	£960
West Warrington	£480	£550	£720	£1,190

Source: VOA and GL Hearn calculations

11.5 The table below shows the variation in percentage terms between the LHA rates and LQ rents. Where the colour of the box is tinted

- red this indicates where LQ rents are substantially higher than LHA rates;
- where they are light blue this indicates they are moderately higher than LHA rates; and
- where they are dark blue this indicates they are lower than LHA rates.

Table 103: Variation between Local Housing Allowance rates (North Cheshire BRMA) and Lower Quartile rents in Warrington sub-areas

BRMA	1 Bed	2 Bed	3 Bed	4 Bed
North Cheshire BRMA	0%	0%	0%	0%
East Warrington	-15%	-12%	-19%	-27%
Inner Warrington	7%	-1%	-11%	-2%
Lymm	-43%	-42%	-36%	-39%
North East Warrington	5%	-18%	-23%	-29%
North West Warrington	-7%	-18%	-19%	-38%
South Warrington	-43%	-52%	-52%	-27%
Town Centre	5%	-12%	-16%	-11%
West Warrington	-15%	-12%	-23%	-38%

Source: VOA and GL Hearn calculations

11.6 That said, in line with national policy, affordable rents should be 20% lower than rents in the private sector. The Tables below therefore set out the position where Lower Quartile rents in the PRS are discounted by this amount to arrive at estimated rents for affordable rented dwellings.

Table 104: **Variation between Local Housing Allowance rates (North Cheshire BRMA) and Lower Quartile rents in Warrington sub-areas discounted by 20%**

Area	1 Bed	2 Bed	3 Bed	4 Bed
North Cheshire BRMA	0%	0%	0%	0%
East Warrington	8%	11%	5%	-2%
Inner Warrington	26%	19%	11%	18%
Lymm	-15%	-14%	-9%	-11%
North East Warrington	24%	6%	2%	-3%
North West Warrington	14%	6%	5%	-10%
South Warrington	-15%	-22%	-21%	-2%
Town Centre	24%	11%	7%	11%
West Warrington	8%	11%	2%	-10%

Source: VOA and GL Hearn calculations

11.7 This indicates that in most parts of the Borough affordable rented dwellings of 1-3 bedrooms in size, bar Lymm and South Warrington, will be affordable to households in receipt of housing benefit.

11.8 In these areas a discount of 35-40% may be required to achieve affordability. It is however worth noting that this may mean fewer affordable units may be deliverable overall.

11.9 Also, 4 bedroom units will not be affordable to households on housing benefit in areas other than Inner Warrington and the Town Centre.

Capping Affordable housing to rent at LHA rates: Key Points

- The comparison between lower quartile rents in the private sector and LHA rates suggest that only 2- and 4-bedroom dwellings in Inner Warrington and 1-bedroom dwellings in North East Warrington and the Town Centre are affordable to households in receipt of housing benefit/Universal Credit.
- Where the rents of affordable rented homes are set at 20% lower than lower quartile rents in the private sector, dwellings of 1-3 bedrooms in size are affordable to households in receipt of housing benefit/Universal Credit in all areas bar Lymm and South Warrington.
- 4-bedroom units will not be affordable to households on housing benefit in areas other than Inner Warrington and the Town Centre.
- In Lymm and South Warrington and in all sub-areas in respect of 4-bedroom homes besides Inner Warrington and the Town Centre, it will be necessary to ensure that rents don't exceed LHA levels in order to achieve affordability for the target group.

APPENDIX A: 2018-based Population and Households Projection analysis

2018-based Subnational Population Projections (SNPP)

- 11.10 The latest (2018-based) set of subnational population projections (SNPP) were published by ONS in March 2020 (replacing a 2016-based release). The projections provide estimates of the future population of local authorities, assuming a continuation of recent local trends in fertility, mortality and migration which are constrained to the assumptions made for the 2018-based national population projections.
- 11.11 Appendix A sets out a number of scenarios for housing need over the plan period. These are provided to inform debate about housing growth in the Borough. In line with PPG, they should not be construed as providing the basis for seeking an alternative Housing Needs Figure through the application of household projections published since the 2014 SNHP⁵².
- 11.12 The 2018-based SNPP contain a number of assumptions that have been changed from the 2016-based version, these assumptions essentially filtering down from changes made at a national level. The key differences are:
- ONS' long-term international migration assumptions have been revised upwards to 190,000 per annum compared to 165,000 in the 2016-based projections. This is based on a 25-year average;
 - The latest projections assume that women will have fewer children, with the average number of children per woman expected to be 1.78 compared to 1.84 in the 2016-based projections; and
 - Life expectancy increases are less than in the 2016-based projections as a consequence of the continued limited growth in life expectancy over the last two years.
- 11.13 As well as providing a principal projection, ONS has developed a number of variants. In all cases the projections use the same fertility and mortality rates

⁵² PPG (Housing and economic needs assessment) Ref ID 2a-015

with differences being applied in relation to migration. The key variants in terms of this assessment can be described as:

- Principal projection
- an alternative internal migration variant
- a 10-year migration variant

11.14 In the principal projection, data about internal (domestic) migration uses data for the past 2-years and data about international migration from the past 5-years. The use of 2-years data for internal migration has been driven by ONS changing their methodology for recording internal moves, with this data being available from 2016 only.

11.15 The alternative internal migration variant uses data about migration from the last 5-years (2013-18), as well as also using 5-years of data for international migration. This variant is closest to replicating the methodology used in the 2016-based SNPP although it does mean for internal migration that data used is collected on a slightly different basis.

11.16 The 10-year migration variant (as the name implies) uses data about trends in migration over the past decade (2008-18). This time period is used for both internal and international migration.

11.17 The table below shows the outputs from each of these three variant scenarios. This shows the principal projection projecting population growth of 2%, with the alternative internal migration scenario being higher than this (3%) – the 10-year trend variant is higher again (5%).

Table 105: Projected population growth (2021-2038) – Warrington – 2018-based SNPP

Item	Population 2021	Population 2038	Change in population	% change
Principal projection	211,118	216,269	5,150	2.4%
Alternative internal mig.	211,615	218,086	6,472	3.1%
10-year trends	212,508	222,182	9,674	4.6%

Source: ONS

11.18 As noted, the 2018-based SNPP has three main scenarios and rather than provide data from all three, the analysis below looks at a preferred scenario. In this case it is considered that the alternative internal migration variant is likely to be the most robust in a local context. This has been chosen as it is considered that the principal SNPP has too short a data period when looking at internal migration whilst the 10-year alternative is not thought likely to reflect recent changes and may include some influence from the economic downturn/credit crunch of 2008 (given that the 10-year period will be 2008-18).

11.19 The table below shows projected population growth from 2021 to 2038 (using alternative internal migration assumptions) in Warrington and a range of comparator areas. The data shows that the population of the Borough is projected to increase at a slower rate than seen in other locations; this will reflect the lower levels of population growth seen in the Borough in the period to 2018.

Table 106: Projected population growth (2021-2038) – 2018-based SNPP (alternative internal migration assumptions)

Area	Population 2021	Population 2038	Change in population	% change
Warrington	211,615	218,086	6,472	3.1%
North West	7,380,488	7,701,235	320,747	4.3%
England	56,989,570	60,766,253	3,776,683	6.6%

Source: ONS

11.20 With the overall change in the population will also come changes to the age profile. The table below summarises findings for key (5 year) age groups. The largest growth will be in people aged 65 and over. In 2038 it is projected that there will be 55,800 people aged 65 and over. This is an increase of 14,900 from 2019, representing growth of 36%. The population aged 85 and over is projected to increase by an even greater proportion, 79%. Looking at the other end of the age spectrum the data shows that there is projected to be a decrease in the number of children (those aged Under 15), with increases (and many decreases) shown for adult age groups.

Table 107: Population change 2021 to 2038 by five-year age bands – Warrington (2018-based SNPP – alternative internal migration assumptions)

Age group	Population 2021	Population 2038	Change in population	% change from 2021
Under 5	11,186	10,929	-257	-2.3%
5-9	12,924	11,182	-1,742	-13.5%
10-14	13,103	11,481	-1,621	-12.4%
15-19	11,295	11,126	-169	-1.5%
20-24	10,186	10,690	504	4.9%
25-29	12,239	12,641	402	3.3%
30-34	13,854	12,623	-1,231	-8.9%
35-39	13,899	12,580	-1,319	-9.5%
40-44	13,265	13,837	572	4.3%
45-49	14,115	14,896	781	5.5%
50-54	15,859	14,452	-1,407	-8.9%
55-59	15,919	13,673	-2,246	-14.1%
60-64	12,817	12,169	-648	-5.1%
65-69	10,804	13,881	3,077	28.5%
70-74	10,922	13,673	2,751	25.2%
75-79	8,414	11,443	3,029	36.0%
80-84	5,887	7,994	2,107	35.8%
85+	4,927	8,816	3,889	78.9%
Total	211,615	218,086	6,472	3.1%

Source: ONS

11.21 The analysis below summarises the above information by assigning population to three broad age groups (which can generally be described as a) children, b) working-age and c) pensionable age). This analysis emphasises the projected increase on the population aged 65 and over, of the total projected population increase of 6,500 people, over 100% is projected to be in the 65+ age group.

Table 108: Population change 2021 to 2038 by broad age bands – Warrington (2018-based SNPP – alternative internal migration assumptions)

Age group	Population 2021	Population 2038	Change in population	% change from 2021
Under 16	39,670	35,940	-3,730	-9.4%
16-64	130,991	126,340	-4,651	-3.6%
65 and over	40,953	55,806	14,853	36.3%
Total	211,615	218,086	6,472	3.1%

Source: ONS

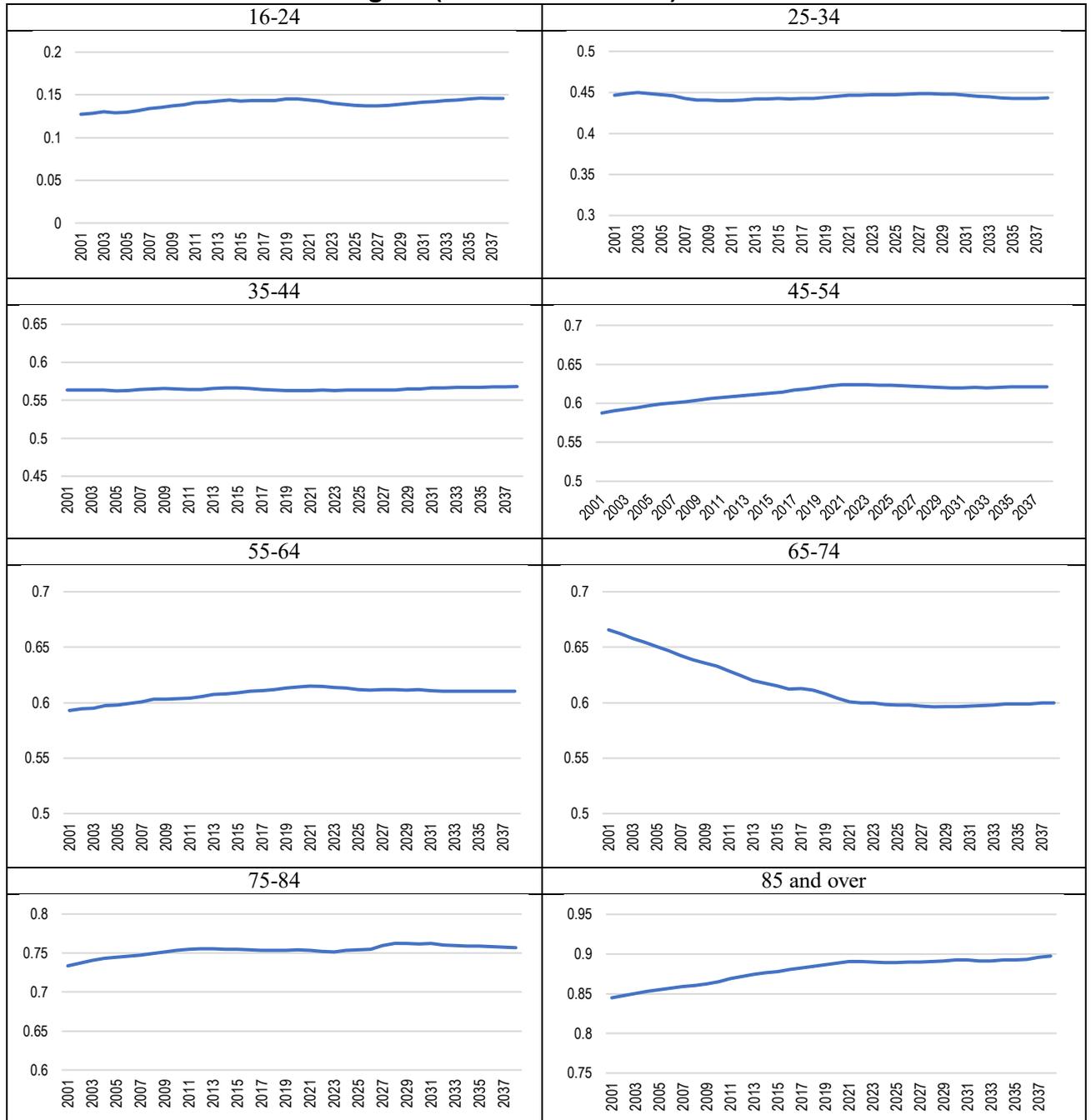
Household Representative Rates (Household Formation)

11.22 Having studied the population size and age structure changes, the next step in the process is to convert this information into estimates of the number of households in the area. To do this the concept of household representative rates (HRR) is used. HRRs can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)).

11.23 The latest HRRs are as contained in the ONS 2018-based subnational household projections (SNHP). It would be fair to say that recent SNHP (since the 2016-based release) have come under some criticism, this is largely because they are based only on data in the 2001-11 Census period which would suggest that it builds in the suppression of household formation experienced in that time.

- 11.24 However, for Warrington, the evidence of suppression is fairly limited (as seen in the figure below). Focussing on the 25-34 age group (which is the main one where suppression is observed nationally) it can be seen the there was only a very modest decline in HRRs in the period to 2011 and that this decline is not projected moving forward; indeed the projections see a slight upward formation rate in the age group moving froward from 2011.
- 11.25 Often in studies of this nature, the modelling would include an uplift to the HRRs for some younger age groups; however, in Warrington it is considered that this is not necessary as there is no substantial evidence of younger groups not forming households at the same sort of rates as they have historically.

Figure 2: Projected Household Representative Rates by age of head of household – Warrington (2018-based SNHP)



Household Growth

- 11.26 The table below shows estimates of household growth with the HRRs in the 2018-based SNHP and an estimate of the number of additional dwellings this might equate to. The figures link to population growth in the 2018-based SNPP (alternative internal migration variant).
- 11.27 To convert households into dwellings the analysis includes an uplift to take account of vacant homes. For the purposes of analysis, it has been assumed that the number of vacant homes in new stock would be 3% higher than the number of occupied homes (which is taken as a proxy for households) and hence household growth figures are uplifted by 3% to provide an estimate of housing need. This figure is a fairly standard assumption when looking at vacancy rates in new stock and will allow for movement within the housing stock.
- 11.28 The analysis shows an overall housing need for 434 dwellings per annum (dpa) across the Borough when using the 2018-based SNHP as the underlying household projection.

Table 109: Projected housing need – range of household representative rate assumptions – Warrington (linked to 2018-based SNPP)

Item	Households 2021	Households 2038	Change in households	Per annum	Dwellings (per annum)
2018-SNHP	92,038	99,208	7,169	422	434

Source: Demographic projections

APPENDIX B: Findings from the market survey

11.29 GL Hearn undertook a survey of property professionals in Warrington as part of the process of gathering evidence for the Local Housing Needs Assessment.

The groups that took part were:

House-builders, registered providers and their planning advisers;

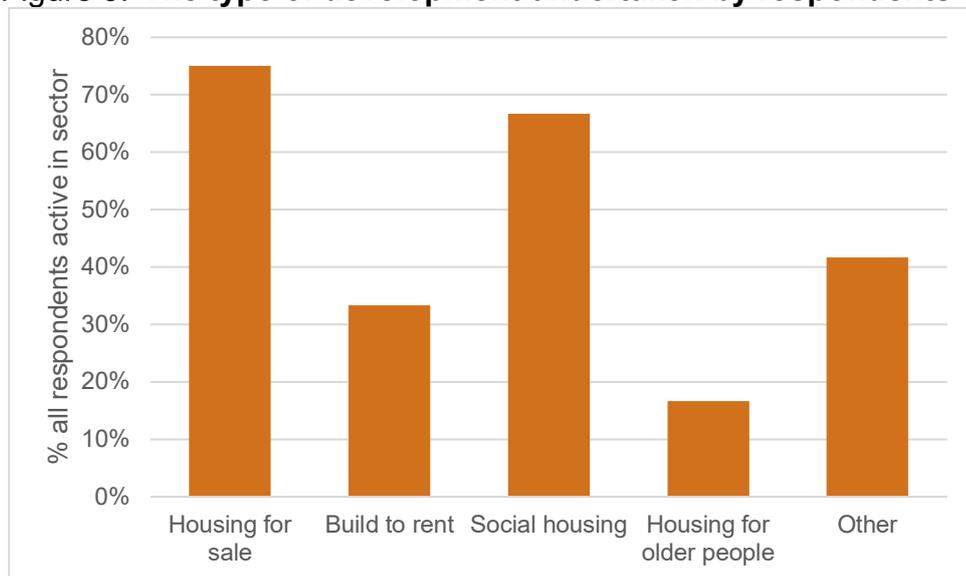
- estate agents; and
- letting agents.
- house-builders, registered providers and their planning advisers

11.30 The housebuilders, RPs and their planning advisers responded to the same questionnaire. Twelve responses were received; these have been merged to present a body of composite findings.

11.31 While it is comparable, the sub-area geography is different in the market survey to that used in the main report. Nevertheless its findings sharpen the appreciation of demand and supply for market homes at the sub-area level, and how this translates into the mix of homes policy should support.

11.32 The figure below shows the array of different tenures of housing being brought forward collectively by this group. Collectively, each sector of the market is well represented in the Survey.

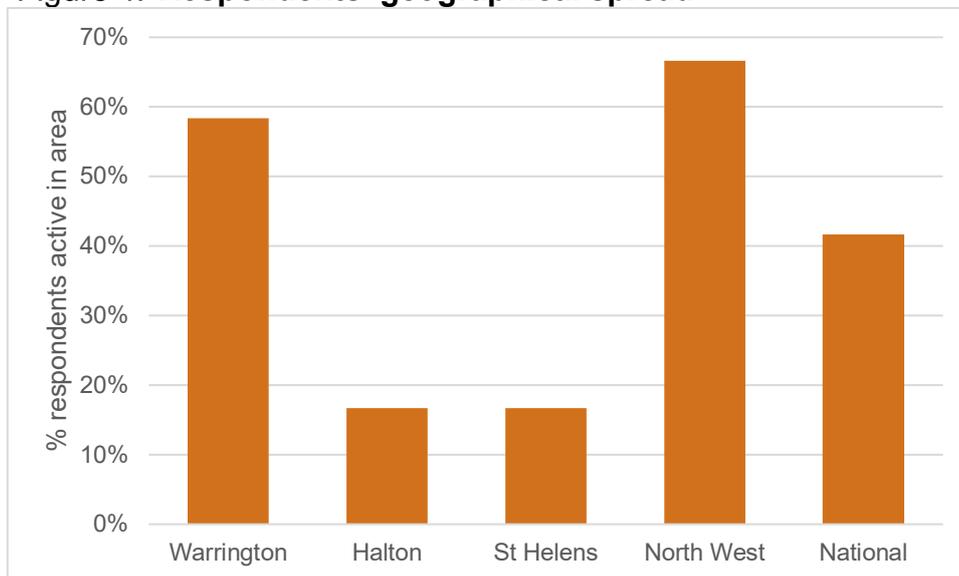
Figure 3: The type of development undertaken by respondents



Source: GL Hearn Market Survey

- 11.33 It is notable that respondents are also engaged in a range of "other" development types. This includes land promotion, commercial, retail and leisure and custom build products.
- 11.34 The figure below shows the geographical spread of the organisations that have responded to the survey. This shows activity across the geography of the housing market area and a presence at the regional and national scales also. The survey results therefore place the borough within a wider market context.

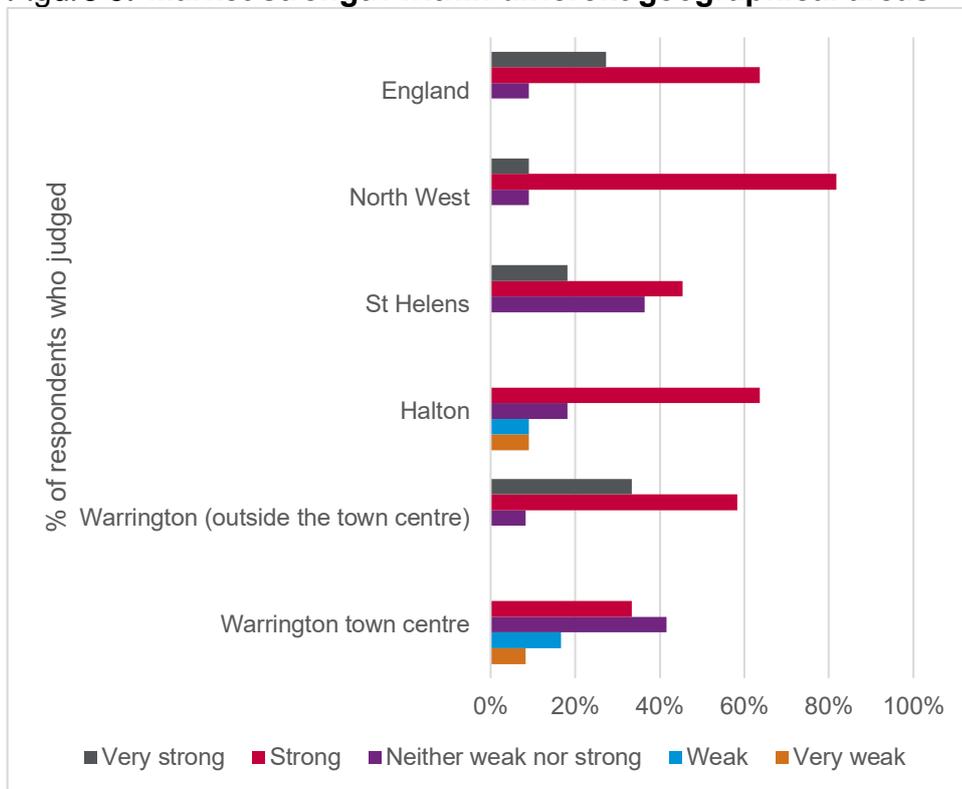
Figure 4: Respondents' geographical spread



Source: GL Hearn Market Survey

- 11.35 In terms of development activity within the borough, while all respondents are involved with development in Warrington, only 25% are engaged within the Town Centre.
- 11.36 Overall, the findings of the survey reflect broad range of views and cover the geography of the Borough. By gaining insights beyond the borough boundary, we are also able to place the Borough within its context.
- 11.37 The developers were asked to comment on the strength of the market for homes in a number of different geographical areas. The responses are set out in the figure below.

Figure 5: Market strength within different geographical areas

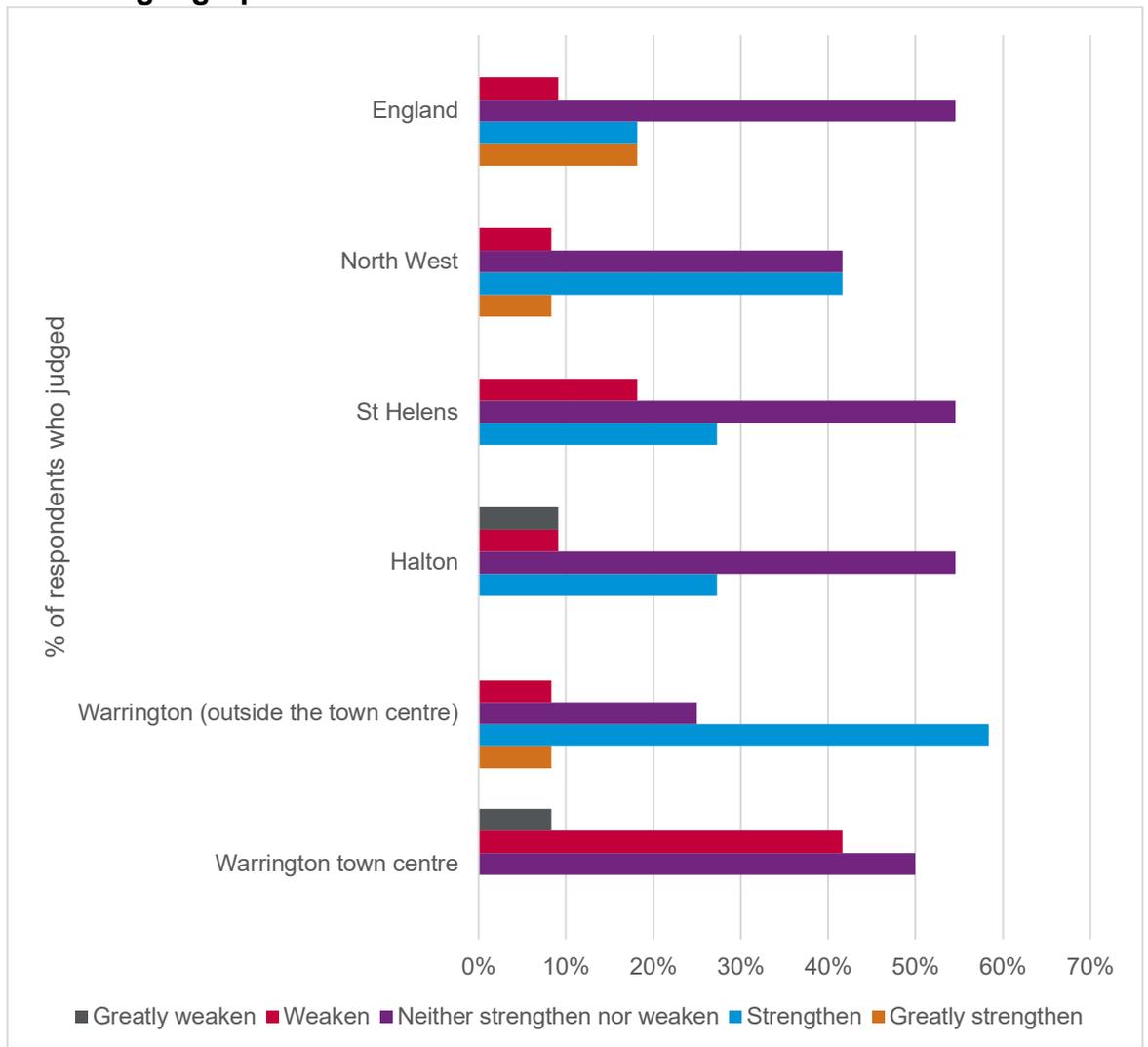


Source: GL Hearn Market Survey

- 11.38 Outside the Town Centre in Warrington, the market is judged to be strong, with a third of respondents indicating the market is very strong. This exceeds the view of the strength of the housing market across England as a whole.
- 11.39 Views about market strength are more mixed for the Warrington Town Centre with only around a third of respondents finding the market to be strong. Most respondents are of the view that it is neither strong nor weak and a significant minority see it as weak.
- 11.40 It is also worth noting that developers perceive the market for housing in the North West as a whole as strong and possibly exceeding that of that for England as a whole.

11.41 The figure below reflects the views of respondents as regards the impact of the Pandemic on the housing market. It is worth noting that in their view the North West region will experience a strengthening of the housing market that is greater than that for England as a whole.

Figure 6: The perceived impact of the COVID-19 Pandemic on different geographical areas



Source: GL Hearn Market Survey

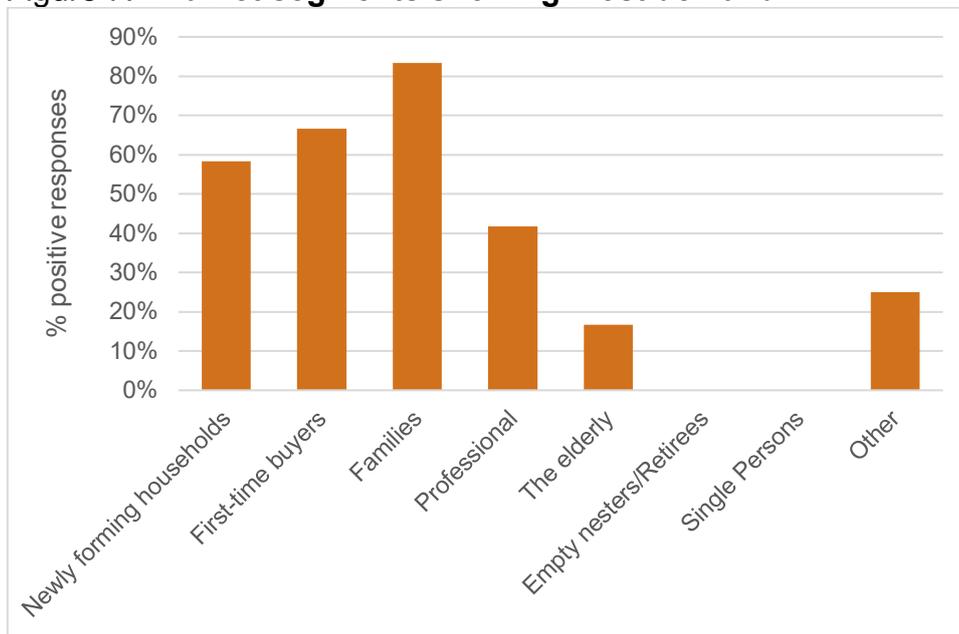
11.42 The impact on the HMA as a whole is more muted with the majority of respondents adopting a neutral stance.

11.43 The contrast between the Warrington Town Centre and the rest of the borough is stark. A large minority of respondents feel the Pandemic will weaken the Town Centre housing market while 50% feel it will not make a difference in either direction.

11.44 Developers do however comment that the strength of the market can in part be explained by the “shortage of consented land...that increases the price of land and sales values” in response to demand surges.

11.45 The figure below reflects the view of respondents as to which market segments are showing the greatest demand. Over 80% of respondents identify family households as the strongest source of demand for homes in Warrington.

Figure 7: Market segments showing most demand

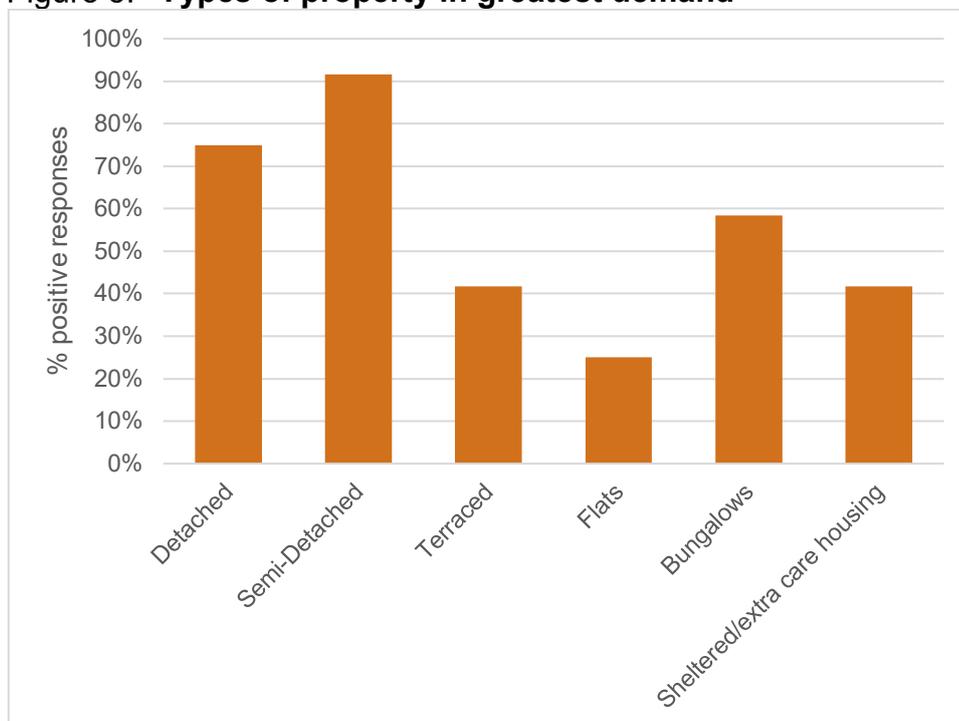


Source: GL Hearn Market Survey

11.46 This is closely followed by first-time buyers and newly forming households (67% and 58% respectively). It is however worth noting that these groups will over-lap very considerably. Despite this, it does emphasise the need for a broad range of types, sizes and tenures of home if households are to be able to access dwellings suited to their needs.

11.47 The figure below set out respondents' views regarding demand for different types of dwelling. Reflecting the high demand outside the Town Centre area, very high demand has been observed for semi-detached and detached dwellings.

Figure 8: Types of property in greatest demand



Source: GL Hearn Market Survey

11.48 There is also significant demand for bungalows and specialist housing for the elderly.

11.49 Demand for terraced homes and flats (that tend to be associated with urban living), while significant, attracts the smallest number of positive responses.

11.50 The figure to follow reflects respondents' views as regards the tenures of homes in greatest demand. In Warrington the preference of households is overwhelmingly for dwellings for sale. Failing that, a tenure, such as Shared Ownership, that offers a route to home ownership.

Figure 9: **Level of demand relating to different tenures of home**



Source: GL Hearn Market Survey

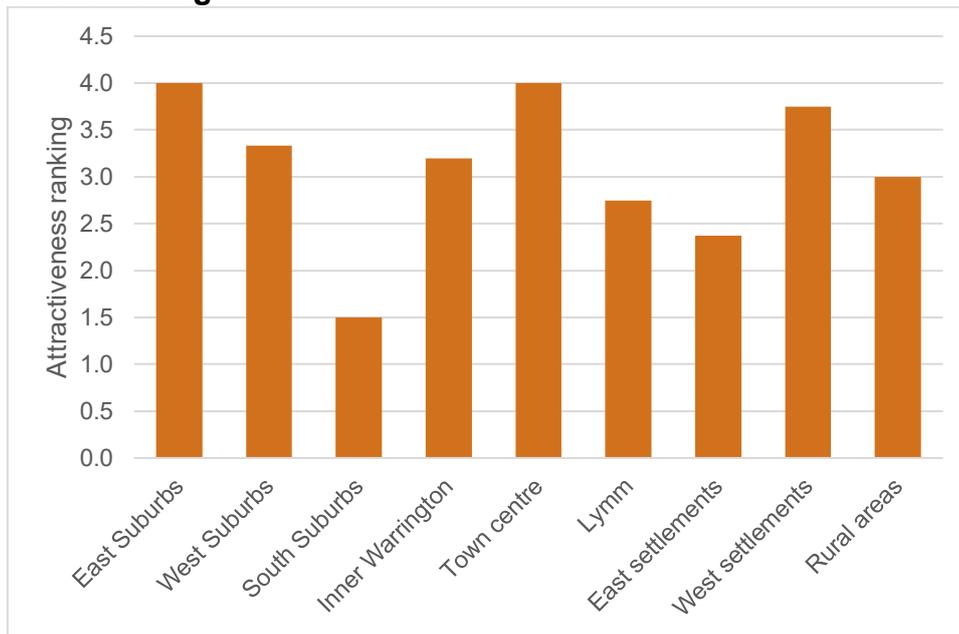
11.51 That said, PRS and Affordable Housing have an important role to play in giving households access to dwellings suited to their needs.

11.52 It is also worth considering where households moving homes are moving from. for the majority of respondents, the principle origins are either elsewhere in Warrington itself or from the wider North West region (but outside the North West).

11.53 It is worth noting that, according to respondents, the two authorities with which Warrington shares a HMA, Halton and St. Helens, are a relatively weak source of demand.

11.54 The survey also sought to capture views on the relative attractiveness of different parts of the Borough to development. The areas considered to be the most attractive places to build are the South Suburbs of Warrington followed by the East Settlements and Lymm.

Figure 10: **Relative attractiveness of sub-areas as places to deliver new housing**

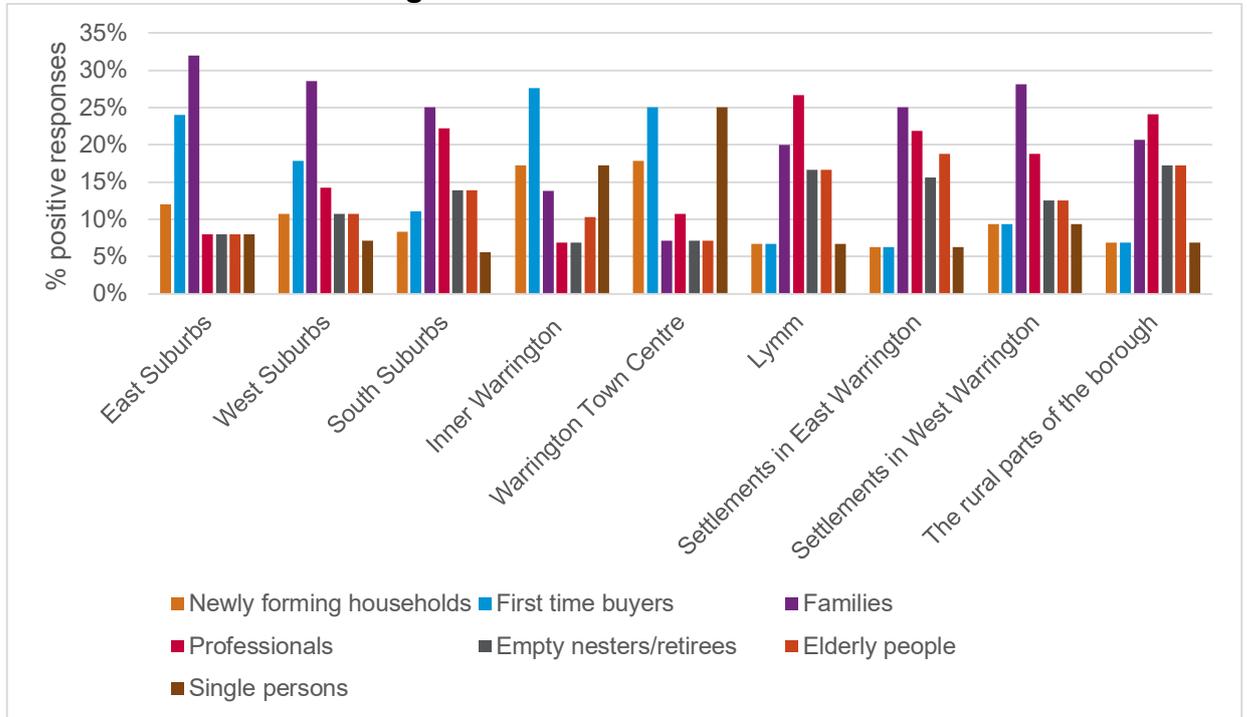


Source: GL Hearn Market Survey

11.55 The areas that are least attractive are the East Suburbs, the Town Centre and the West Settlements.

11.56 In terms of which sub-areas are attractive to different market segments, the survey suggests that most parts of the borough are attractive to families, although this is particularly true for suburban and rural areas and the East and West settlements.

Figure 11: The relative attractiveness of different sub-areas to different market segments

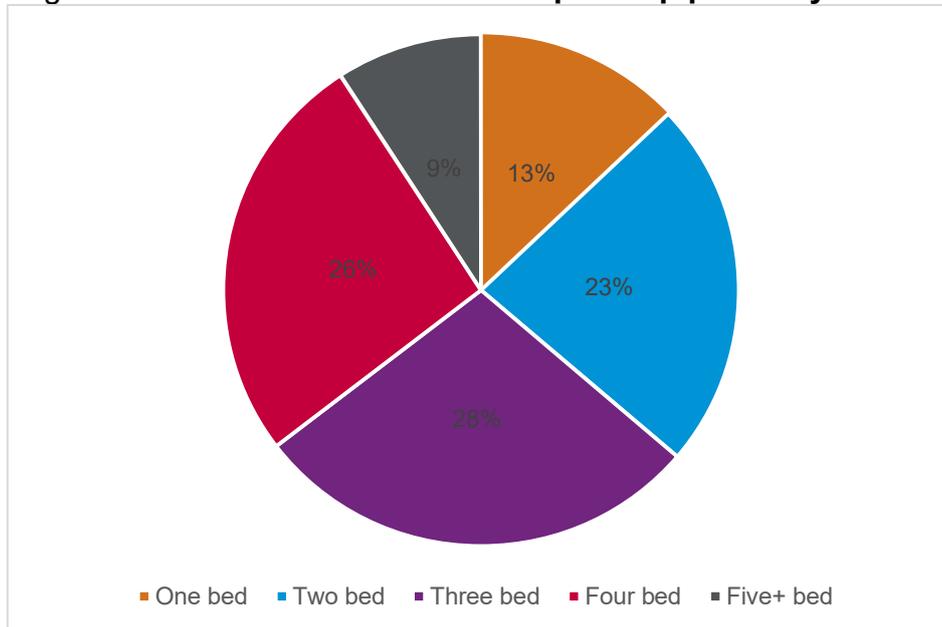


Source: GL Hearn Market Survey

11.57 Warrington Town Centre and Inner Warrington are the least attractive areas for families, according to respondents, but the area does appeal to newly forming households and first time buyers.

11.58 The figure below reflects respondents' responses as regards the sizes of homes within their development pipelines.

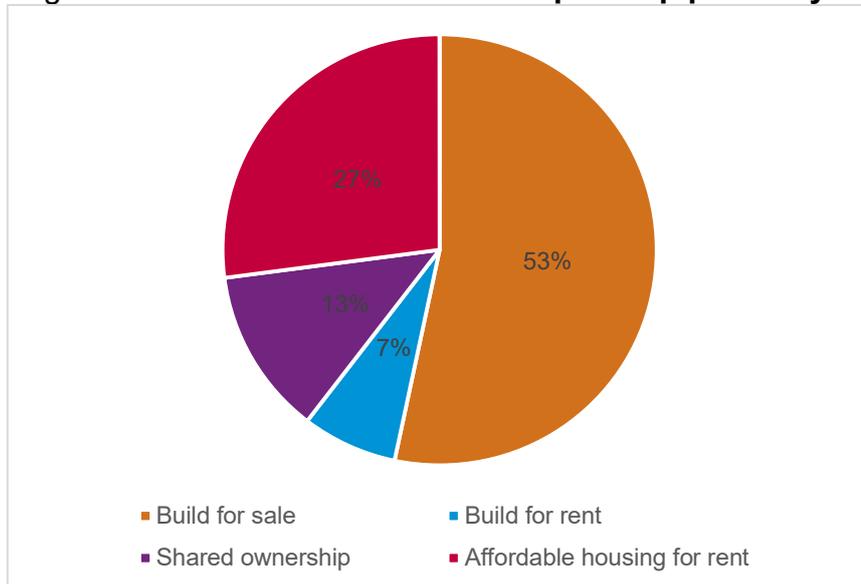
Figure 12: **Breakdown of development pipeline by size of home**



Source: GL Hearn Market Survey

- 11.59 This indicates the majority of dwellings (55%) within development pipelines are family homes of 3 and 4 bedrooms in size. This reflects the strength of demand from families in the Borough.
- 11.60 It is, however, worth noting that a significant proportion of delivery are planned to be 1 bed and 5 bedroom homes.
- 11.61 In terms of the breakdown of the pipeline in the broad types of houses of flats, the great majority are houses (78%) with flats at 22%.
- 11.62 Build for sale forms the dominant business model for developers. That said, other tenures form a substantial proportion of supply. Tenures that fall within the definition of affordable housing, either for rent or Shared Ownership, also constitute an important part of supply (around 34%) with the balance built to rent.

Figure 13: Breakdown of development pipeline by tenure of home



Source: GL Hearn Market Survey

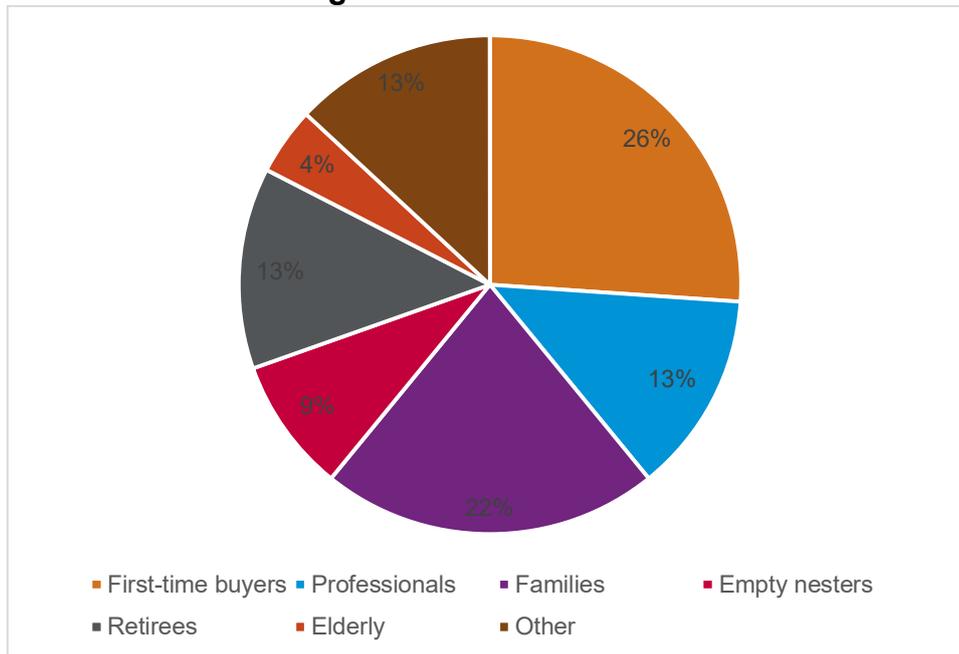
11.63 The Survey investigated the view of developers as to the attractiveness of brownfield sites in Warrington as a general class of development opportunity. While a significant minority (36%) regard them as attractive, the majority did not (64%).

11.64 This is explained by the added expense and complexity of assembling previously developed. Within Warrington, this may be exacerbated by viability issues linked to weak sales values that are susceptible to fluctuation. The main conclusion is that, while they can play a role in meeting demand, they should be seen as part of a wider solution. One respondent comments that:

"Brownfield sites can offer an appropriate land source for more Local Authorities, however, may not be of a size, location, capacity or availability to deliver the Boroughs full housing requirement. Whilst these sites can offer a development opportunity, this category of land does not necessarily fulfil the full housing requirement for Warrington."

11.65 The figure below reflects respondent views as to whether dwellings that appeal to specific market segments are more or less likely to come forward on brownfield land. This suggests that development is suited to first time buyers and families but less so older households such as empty nesters, retirees and the elderly.

Figure 14: **The appeal of development on brownfield sites to specific market segments**



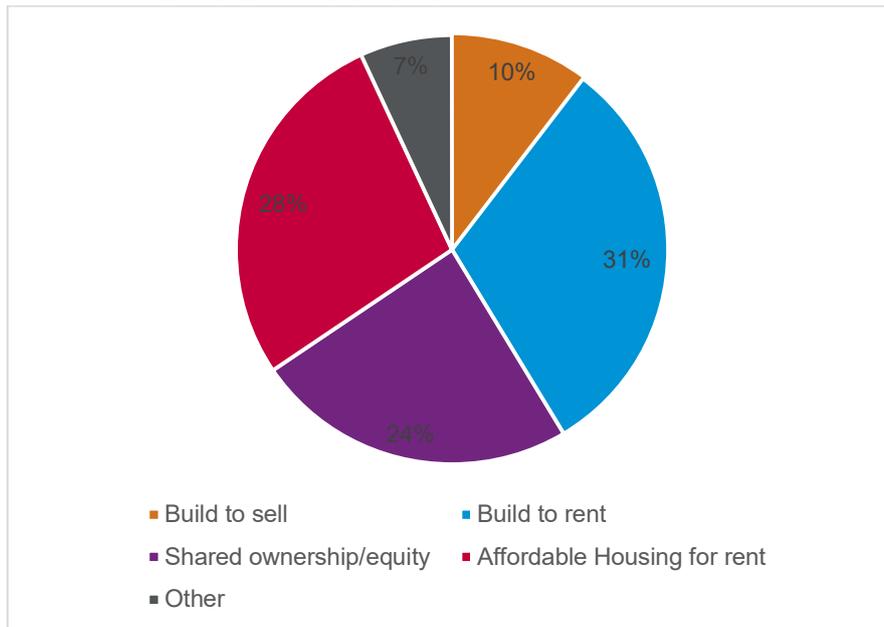
Source: GL Hearn Market Survey

11.66 As a proviso, one housebuilder comments that

"Not particularly, the scheme will be mainly be dependent upon the location. Given there tends to be greater pressure upon viability on brownfield sites this tends to produce schemes which are higher density and deliver less publicly accessible open space."

11.67 As regards the tenures of home that brownfield development is suited to, there is a clear bias in favour of build to rent and affordable housing for rent, but less for build for sale.

Figure 15: **Relative probability of different tenures of home coming forward on brownfield land**



Source: GL Hearn Market Survey

11.68 That said, one housebuilder commented that

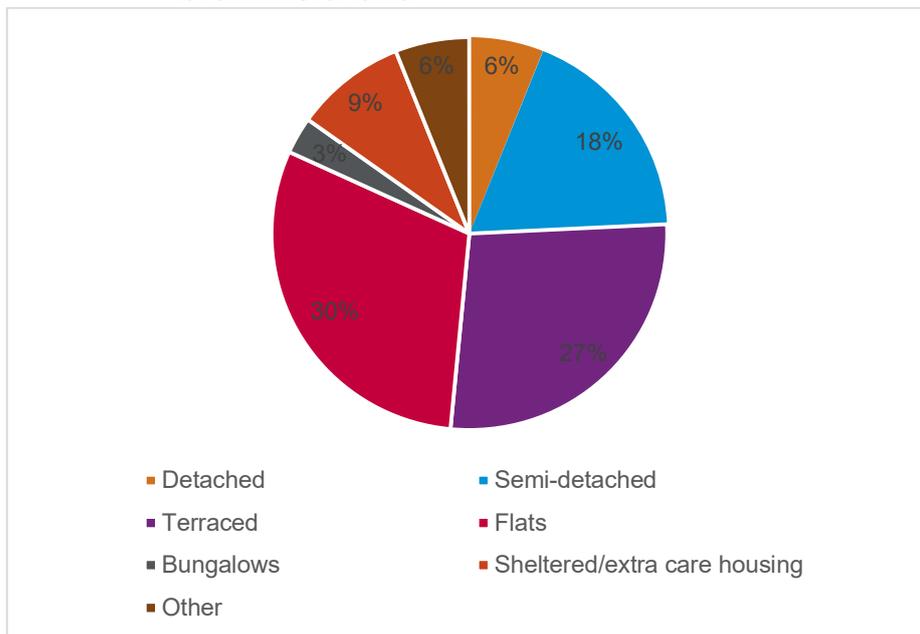
"As per previous answer this depends mainly upon the location, suitability and viability. Given viability pressure brownfield sites are less likely to deliver affordable homes across the spectrum of tenure without subsidy from S.106 monies from delivery of Greenfield sites as 'offsite' contributions."

11.69 This, in turn, results in a high proportion of smaller dwellings, as shown in the figure below. Flats and terraced and semi-detached dwellings tend to predominate. Those dwellings that imply a larger footprint (lower floor area ratio)

are better suited to more remote locations given they would be very expensive within inner city locations where land values tend to be higher.

11.70 Also, the higher cost profile of specialist housing for the elderly make development that is already marginally viable even less so on brownfield sites.

Figure 16: **Relative probability of different types of home coming forward on brownfield land**



Source: GL Hearn Market Survey

11.71 The survey also sought to gauge the level of interest among developers in acquiring sites in Town Centre. This attracted an overwhelmingly positive response with 75% of respondents responding positively.

11.72 The Bank Quay Gateway site is of particular interest, with 82% of respondents saying they would be interested in this development opportunity.

Conclusions

- Overall, the findings of the survey reflect broad range of views and cover the geography of the Borough. By gaining insights beyond the borough boundary, we are also able to place the Borough within its context.

- While the housing market in Warrington is overall seen as strong, the majority of respondents are much less sanguine about market strength in the Town Centre.
- In terms of the impact of the Pandemic, the contrast between the Town Centre and the rest of the Borough is stark. A large minority of respondents feel the Pandemic will weaken the Town Centre housing market while 50% feel it will not make a difference in either direction.
- Over 80% of respondents identify family households as the strongest source of demand for homes in Warrington. This is closely followed by first-time buyers and newly forming households (67% and 58% respectively).
- The wide spread of different market segments emphasises the need for a broad range of types, sizes and tenures of home if households are to be able to access dwellings suited to their needs.
- Reflecting the high demand outside the Town Centre area, very high demand has been observed for semi-detached and detached dwellings.
- The South Suburbs of Warrington followed by the East Settlements and Lymm are regarded as the most attractive places to build. The East Suburbs, the Town Centre and the West Settlements are relatively unattractive.
- Most parts of the Borough are attractive to families, although this is particularly true for suburban and rural areas and the East and West settlements.
- The Town Centre and Inner Warrington are the least attractive areas for families, according to respondents, but the area does appeal to newly forming households and first time buyers (it should be noted that many of these latter two groups are families, therefore a distinction may be drawn with larger families possibly with non-dependent children).
- The bulk of the development pipeline being brought forward by respondents are dwellings of 3 and 4 bedrooms, targeting the market for family homes.
- The appeal of brownfield sites as development opportunities attracts a mixed response. While they can play a role in meeting demand, they should be seen as part of a wider solution that includes greenfield sites.
- While the appeal of development is primarily about location, respondents view development on brownfield sites as generating homes suited to first time buyers and to some extent families, but less so older groups.
- The tenures associated with brownfield development are build to rent, affordable housing for rents and shared ownership. The delivery of

affordable homes on brownfield sites is likely, however, to require cross subsidy from greenfield sites through “offsite” contributions.

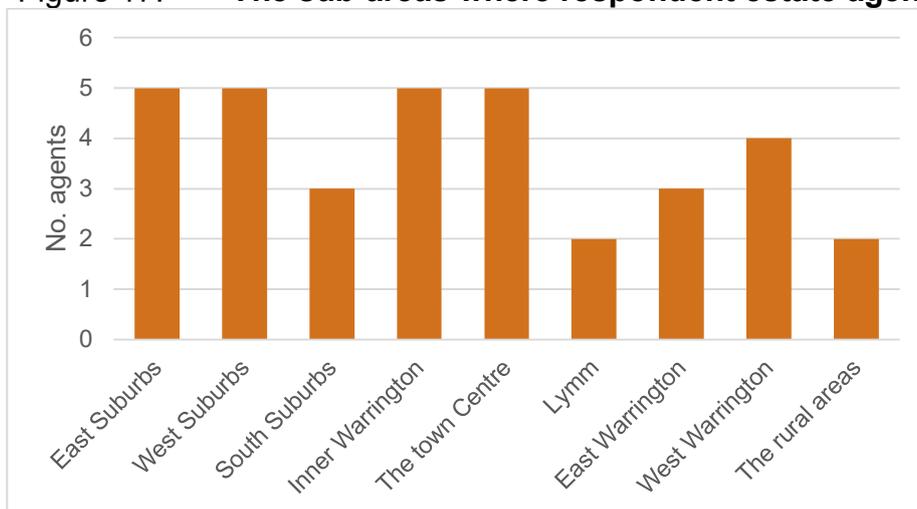
- This, in turn, results in a high proportion of smaller dwellings on brownfield sites. Flats and terraced and semi-detached dwellings tend to predominate.
- 75% of the developers that took part in the survey expressed an interest in sites in the Town Centre and 82% expressed an interest in Bank Quay Gateway.

Estate Agents

11.73 Five firms of estate agents took part in our survey. All of them operate in Warrington. Three of them also work in Halton; one also covers St. Helens and another the wider North West Region.

11.74 As regards coverage of each of the sub-areas within the Borough, the figure below notes that all of these areas are represented by at least two estate agents with four subareas represented by all five, including the Town Centre.

Figure 17: **The sub-areas where respondent estate agents operate**



Source: GL Hearn Market Survey

11.75 The findings from the survey can therefore be treated as a robust reflection of the views of estate agents as regards market for homes in the Warrington, its

constituent sub-areas, the Housing Market Area of which the Borough forms a part and the wider region.

11.76 The agents collectively cover the following types of property: Town Centre flats, terraced properties and family homes. It is however worth noting that none of the agents are regularly involved with selling new build homes. Their commentary relates to the housing market generally and their views relating to demand for new build should be treated with some caution.

11.77 The figure below records the responses from sales agents to the respective strength of demand for homes in Warrington and the comparator geographies of Halton, St. Helens and the North West region. Respondents were asked to indicate on a scale of 1-5 the strength of demand within each geography where a lower score indicates stronger demand.

Figure 18: Relative market strength of the Borough, HMA and region



Source: GL Hearn Market Survey

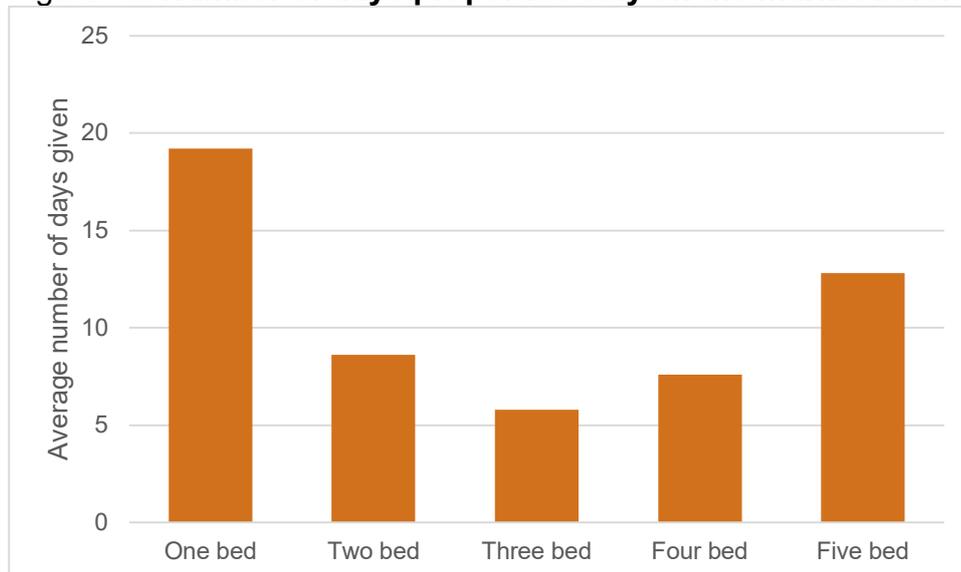
11.78 The findings suggest that, within the HMA, Warrington has the greatest market strength, followed by Halton and St. Helens. In the view of the agents, the

housing market in the Borough is stronger than that for the North West region as a whole.

11.79 When reflecting on the strength of demand for homes in the area where they operate, all the agents indicated that demand was "strong". There was also a consensus that the Pandemic had strengthened demand in these areas.

11.80 The figure below reports the average number of days properties of different sizes remain on the market before a sale if achieved. This provides an indication of demand of different sizes of home.

Figure 19: Number of days properties stay on the market before sale



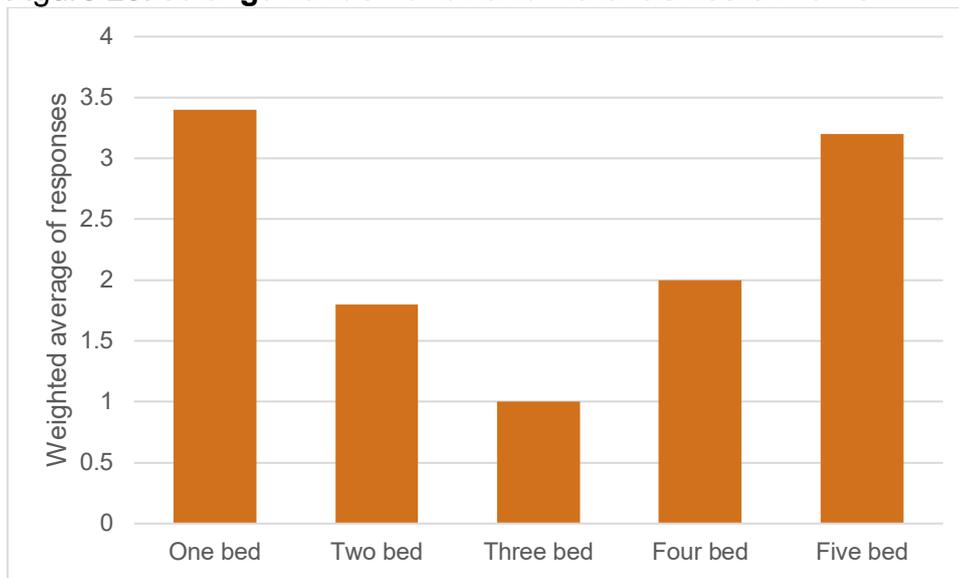
Source: GL Hearn Market Survey

11.81 The clear finding is that the strongest demand is for 3 bedroom dwellings; demand for homes of 1 bedroom homes is weakest. The difference in the average number of days for each of these sizes of property is 13.4 days.

11.82 It is also worth noting that the data suggests the largest size of home (5 bedrooms) is in greater demand than 1 bedroom. The variation in the number of days for these is 7 days.

11.83 The findings of the previous table are reflected in the responses from sales agents when asked to express their view as to the strength of demand for different sizes of home. Where a lower number indicates stronger demand, the figure below suggests that three bedroom homes are most in demand, followed by those of two bedrooms.

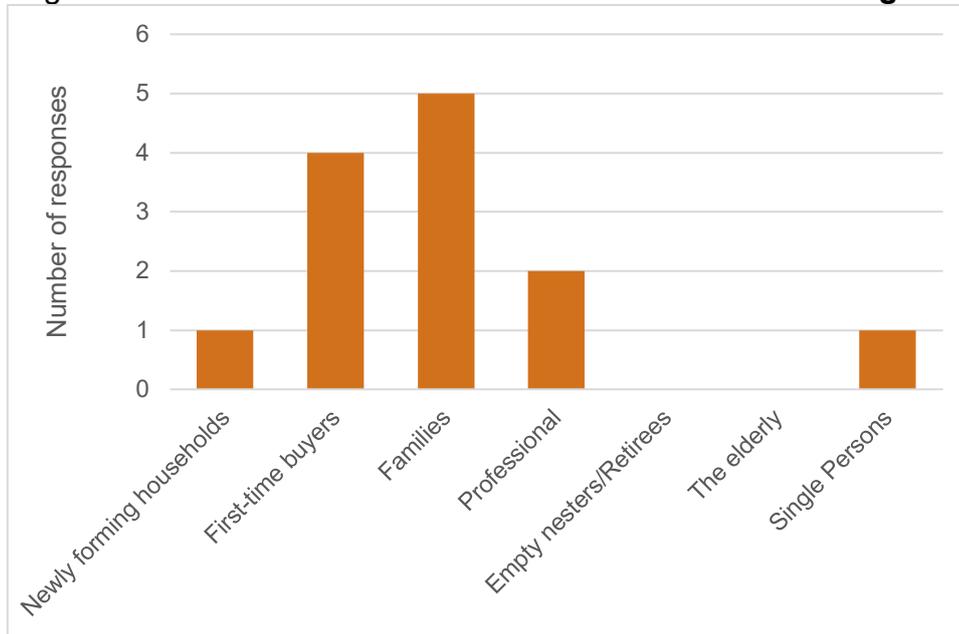
Figure 20: **Strength of demand for different sizes of home**



Source: GL Hearn Market Survey

11.84 The figure to follow examines which market segments are the primary source of demand. This indicates that families, professional households and first-time buyers make up the bulk of demand. This appears to be broadly consistent with the profile of dwellings noted in the previous two figures given that demand from these segments is likely to concentrate in homes of two to four bedrooms.

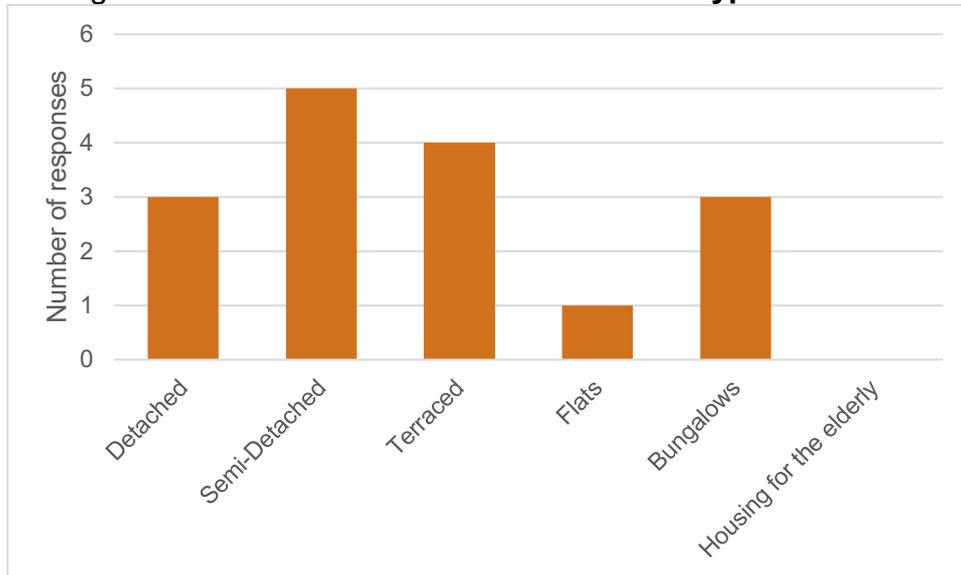
Figure 21: Levels of demand from different market segments



Source: GL Hearn Market Survey

11.85 In terms of the types of dwelling most in demand, the four principal types of house display robust demand (detached, semi-detached, terraced and bungalows) with smaller types (semi-detached and terraced homes) showing the greatest demand. Only one agent indicated that flats were in strong demand.

Figure 22: Levels of demand for different types of home



Source: GL Hearn Market Survey

11.86 The figure below presents the balance of demand across the different market tenures in the Borough. The responses received suggest there is equal interest in homes for sale as for rent. Also, Shared Ownership homes are gaining some traction in Warrington.

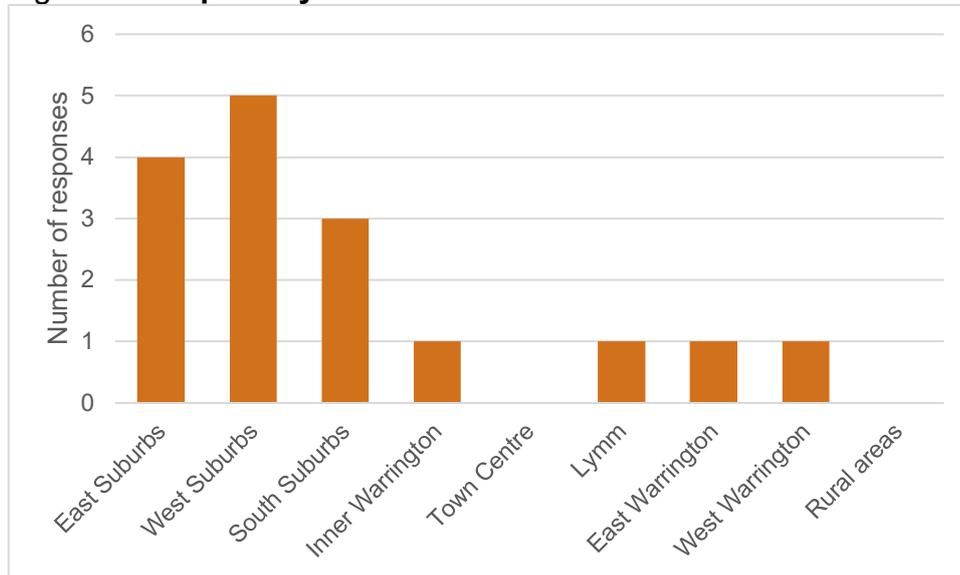
Figure 23: Balance of demand across different market tenures



Source: GL Hearn Market Survey

11.87 The figure below drills down to the sub-area level to examine varying levels of popularity among these areas. The views of agents are clear that the sub-urban parts of the Borough are the most popular, in particular the West and East Suburbs. Other parts of the Borough, on the other hand, appear to be less attractive, in particular the Town Centre and rural areas.

Figure 24: Popularity of sub-areas



Source: GL Hearn Market Survey

- 11.88 While the experience of agents in selling new build homes is limited, two agents expressed the view that, where units within a new development remain unsold, they tend to be flats rather than houses.
- 11.89 Also, in regard to new build homes, the two agents indicated that, while the majority of homes are sold to buyers intending to occupy them full-time, there is some investor activity in the market. In their view, these investors tended to come from abroad, although domestic investors are also active. Of those sold to investors the great majority are let, but a small proportion are left empty.
- 11.90 The figure to follow considers the relative appeal of different parts of the Borough to different market segments. The deeper the red shading, the greater the level of demand from this group.
- 11.91 The strength of demand from families is apparent from these findings with the East and West suburbs, Lymm and East and West Warrington being particularly popular with this group.

Table 110: The popularity of among different market segments for sub-areas

Sub-area	Newly forming households	First time buyers	Families	Professionals	Empty nesters/retirees	Elderly people	Single persons
East Suburbs	0	1	4	0	0	0	0
West Suburbs	0	0	4	1	0	0	0
South Suburbs	0	0	2	2	0	0	0
Inner Warrington	1	3	1	0	0	0	0
Town Centre	1	3	1	0	0	0	0
Lymm	0	0	4	0	0	0	0
East Warrington	0	0	4	0	0	0	0
West Warrington	0	0	4	0	1	0	0
Rural areas	0	0	3	0	1	0	0

Source: GL Hearn Market Survey

11.92 It is worth noting that agents regard Inner Warrington and the Town Centre as having some appeal for first time buyers and newly forming households. This points to the Town Centre as being a place where younger households can access the property market. Also, West Warrington and the rural areas have some appeal for older households.

11.93 In terms of the direction of the market, of the five agents who took part in the survey, three responded that generally vendors achieve more than the asking price for their home.

11.94 That said, looking into the future, agents were less sanguine with the majority suggesting prices will fall over the next twelve months. The reasons that are given for this are the end Stamp Duty holiday, people coming off furlough (and falling into unemployment) and continuing economic uncertainty.

Conclusions

- Within the HMA, Warrington has the greatest market strength. In the view of the agents, the housing market in the Borough is stronger than that for the North West region as a whole.
- A consensus exists among agents that the Pandemic has strengthened demand in the areas in which they operate.
- Based in the average number of days that properties remain on the market, demand is greatest for 3 bedroom homes and least for 1 bedroom homes.
- Families, professional households and first-time buyers make up the bulk of demand in Warrington.
- Houses of all types are in strong demand in the Borough with smaller types (semi-detached and terraced homes) showing particularly high demand. Only one agent indicated that flats were in strong demand.
- There is an equal interest in homes for sale as for rent. Also, Shared Ownership homes are gaining some traction in Warrington.
- The sub-urban parts of the Borough are the most popular areas to live, in particular the West and East Suburbs. The Town Centre and rural areas are less attractive to households.
- There is some investor activity in the market. The majority of these are international.
- Demand for homes from families is strongest in the East and West suburbs, Lymm and East and West Warrington.
- Inner Warrington and the Town Centre attract first time buyers and newly forming households.
- West Warrington and the rural areas have some appeal for older households.
- Despite expressing a confidence in the current market, most agents predicted the prices would fall over the coming months due to the continuing uncertainty regarding the strength of the economy.

Letting agents

11.95 Two letting agents took part on our survey. Together, they cover the whole HMA (including Warrington and its sub-areas) and the North West region.

11.96 The figure below sets out the response from letting agents as to the strength of the rental market where a lower score indicates higher demand. The findings suggest that demand throughout the HMA is strong. However, it is particularly strong in Warrington (as it is within the North West region as a whole).

Figure 25: **Strength of rental market in Warrington, the HMA and region**



Source: GL Hearn Market Survey

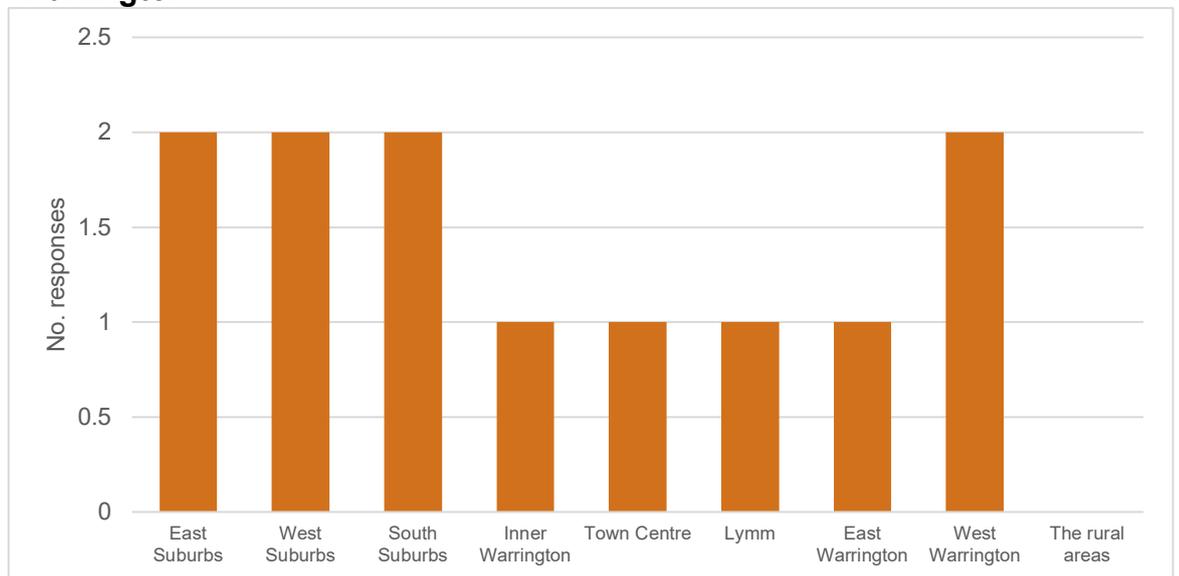
11.97 Both the letting agents indicate that the effect of the Pandemic has been to increase demand in all areas where they operate. They also expect rents to increase over the next twelve months.

11.98 In terms of which market segments are showing the most demand, the agents agree that newly forming households and families are a strong source of demand.

11.99 The figure below reports the response from agents as to which sub-areas are showing the greatest demand. A score of 2 indicates that both regard the sub-area in question as having strong demand.

11.100 Both agents agree that the suburban parts of the Borough together with West Warrington are popular; one agent saw the Town Centre and Inner Warrington as having strong demand; and they saw the rural parts as only weak demand.

Figure 26: Sub-areas showing the greatest demand for homes in Warrington

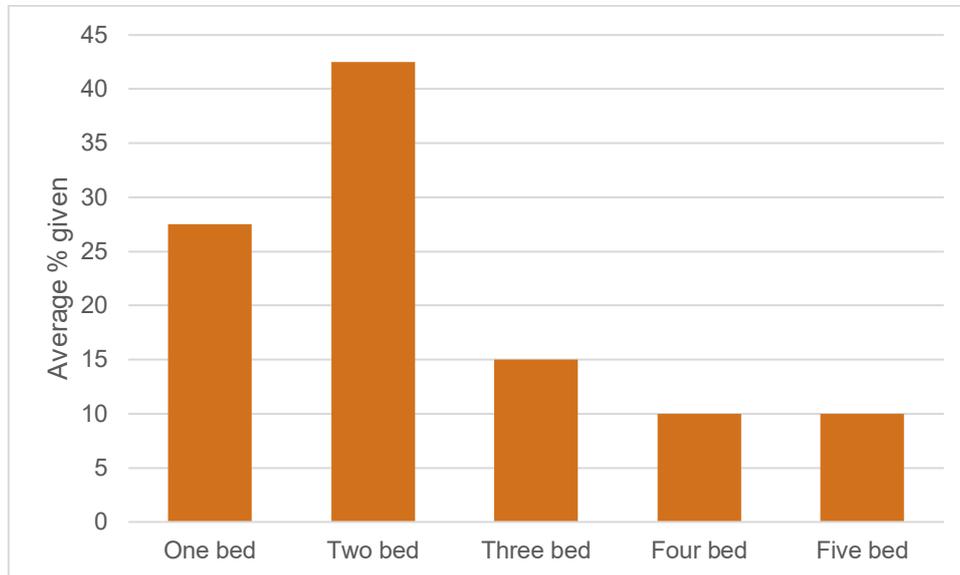


Source: GL Hearn Market Survey

11.101 Expressed as the percentage of total demand, the figure below identifies what sizes of home account for the most demand.

11.102 This indicates that two bedroom homes are the most attractive size of property in the rental market, followed by one bed dwellings. The clear message is that in the PRS smaller homes are more popular than larger ones.

Figure 27: Level of demand in the rental market for different sizes of home

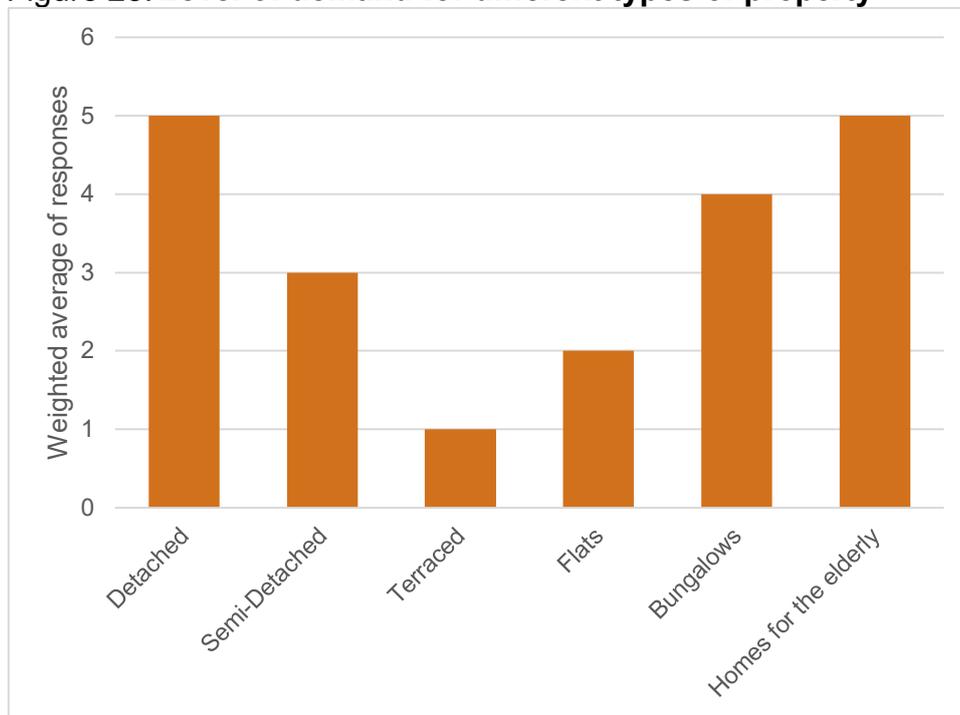


Source: GL Hearn Market Survey

11.103 The figure below indicates the response of letting agents as to which type of property is most popular in the rental market (where a lower score equals higher demand). Types of property that are smaller tend to be more popular.

11.104 That said, terraced dwellings are more popular than flats. Also, there is very weak demand for detached properties and specialist homes for older people.

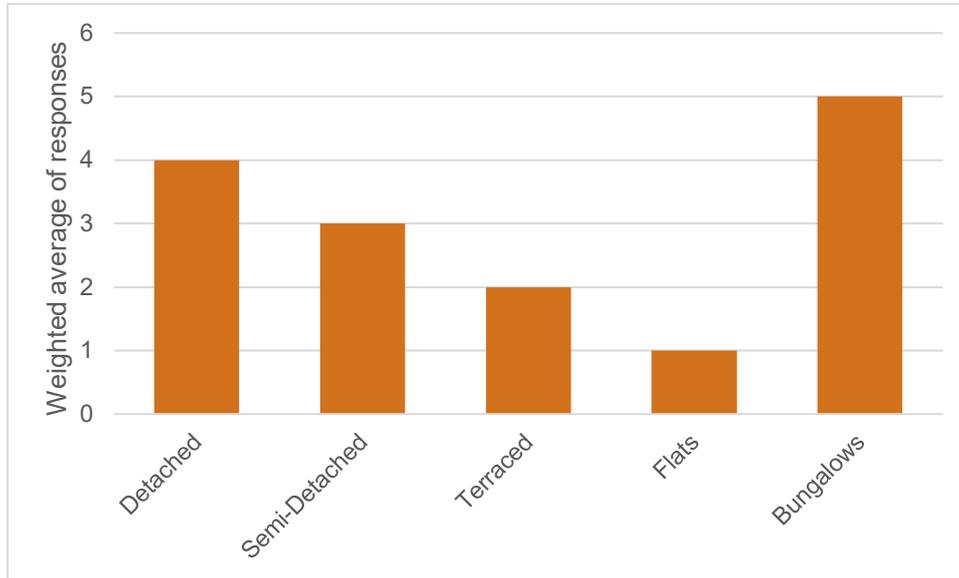
Figure 28: Level of demand for different types of property



Source: GL Hearn Market Survey

11.105 Considering the profile of demand in the Town Centre, flats are the most attractive type of home followed by terraced homes (as with the previous figure, the lower the score, the higher the demand).

Figure 29: Levels of demand for different types of property in the rental market in the Town Centre



Source: GL Hearn Market Survey

11.106 On the whole, the length of tenancies is between 1-3 years with few tenancies extending beyond three years. Nevertheless, the PRS in Warrington appears to offer reasonable security of tenure.

11.107 Both agents agree that there is a shortage of homes or 1, 2 and 3 bedrooms in size in the PRS in Warrington. There are, however, no sizes of home where supply exceeds demand.

Conclusions

- The rental market throughout the HMA is strong and particularly so in Warrington.
- The effect of the Pandemic has been to increase demand in all areas of the Borough. Agents also expect rents to increase over the next twelve months.
- Newly forming households and families are a strong source of demand in the rental market.

- The suburban parts of the Borough, together with West Warrington, are popular. The Town Centre less so and the rural parts of the Borough displays very weak demand for rental properties.
- Two bedroom homes are the most attractive size of property in the rental market, followed by one bed dwellings.
- Types of property that are smaller tend to be more popular. That said, terraced dwellings are more popular than flats.
- In the Town Centre, flats are the most attractive type of home followed by terraced homes.
- There is a shortage of homes of 1, 2 and 3 bedrooms in size in the PRS in Warrington. There are, however, no sizes of home where supply exceeds demand.

APPENDIX C: Town Centre Housing Market Analysis

The Housing Market Model

11.108 The Housing Market Model⁵³ concludes there is evidence for the housing mix in the Town Centre to vary from the Borough-level findings. This is particularly the case for Affordable Home Ownership (AHO) units where the variation is 15%.

11.109 For affordable rented tenures this variation falls to 9% and for market homes 7%.

11.110 The table below sets out the baseline size requirements for new homes in the Town Centre. Market dwellings are weighted towards the larger end of the size scale and affordable homes, both those for affordable home ownership (AHO) and affordable rented tenures, are smaller.

11.111 Policy in the emerging Local Plan seeks 20% of dwellings on Town Centre sites with a capacity of 10 dwellings or more to be affordable. Assuming this is fulfilled, the table below indicates that new homes in the Town Centre should be split evenly between smaller and larger homes (48% smaller dwellings of 1 or 2 beds and 52% of 3 or 4 bedrooms).

11.112 A comparison is provided with how new homes should be split into different sizes in the wider Borough, taking account of emerging Local Plan policy which seeks 30% affordable housing outside Inner Warrington (inclusive of the Town Centre).

11.113 It is notable that the overall split in terms of dwelling size varies only marginally by 3% in favour of 1 bedroom homes in the Town Centre and 3% in favour of 3 bedroom homes in the rest of the Borough once these policy differences are applied.

⁵³ The Housing Market Model is the analytical tool used in the WLHNA 2021 to arrive a recommended mix of dwellings in the Borough and sub-areas.

Table 111: New homes in the Town Centre Housing Market Model size split

Tenure	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	8%	33%	49%	10%
Affordable Home Ownership	28%	47%	18%	6%
Affordable rented	46%	30%	22%	2%
Overall (Town Centre)	14%	34%	43%	9%
Market	8%	33%	49%	10%
Affordable Home Ownership	28%	47%	18%	6%
Affordable rented	46%	30%	22%	2%
Overall (Borough)	17%	35%	40%	8%
Variation	-3%	-1%	3%	1%

Source: Housing Market Model

- 11.114 A legitimate question to ask is it is reasonable to expect the market to deliver this mix taking into account recent trends in the supply of new homes.
- 11.115 The table below shows how the dwellings delivered over the period 2010-19 in the Town Centre split in terms of size and the extent to which this varies from the split recommended by the Housing Market Model.
- 11.116 It is worth noting that Policy CS9 of Warrington’s current adopted Local Plan does not provide specific guidance to developers as to the size of homes to be delivered in the Town Centre. It is therefore reasonable to assume the supply of homes over this period reflects market delivery without guidance from the Council as to the size of homes that should be provided to meet need.
- 11.117 This suggests there has been an over-supply of one bedroom dwellings and a shortfall of all other sizes of home, particularly 3 bedroom dwellings.

Table 112: New homes in the Town Centre Housing Market Model size split

Tenure	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms	Total
Overall	14%	34%	43%	9%	100%
Delivery 2010-19	136	61	15	3	215
%	63%	28%	7%	1%	100%
Variation	49%	-6%	-36%	-8%	

Source: Housing Market Model

Wider evidence

- 11.118 The Housing Market Model provides a starting point for a consideration of a mix of homes that is suitable for the Town Centre. The evidence in the following sections allows conclusions to be drawn as to whether the Council should adopt a firmer policy stance as regards the size of homes in the Town Centre to support development that is more consistent with the recommendations in the Housing Market Model.
- 11.119 Alternatively, a more pragmatic stance may be more appropriate that allows some continuity with the profile of homes that have been built over the past ten years while seeking to bear down on the bias towards smaller dwellings.
- 11.120 Part of this judgement will be whether delivery since 2010 reflects “market failure” – that is to say that the profile of delivery fails to price-in the negative externalities associated with a preponderance of small units. These may include a weighing towards a particular demographic profile that undermines the viability of Town Centre businesses and creates pockets of relative deprivation.
- 11.121 As noted in Chapter 9, the Housing Market Model is not a perfect tool to understand demand for different types and sizes of home in that it “bakes-in” market imbalances in the 2011 Census data.

11.122 It is therefore necessary to consider data relating to demand and supply of homes together with market signals to identify whether the local housing market is in a state of economic equilibrium.

11.123 An absence of equilibrium points to misalignments between supply and demand that can justify intervention to ensure households are able to access dwellings suited to their needs.

j) Demand

11.124 Warrington Town Centre has seen its population grow in recent years. This indicates the area has a buoyant economy and well-functioning housing market.

11.125 Demand trends are driven by a demographic profile that presents clear contrasts with the Borough average. For example, over the period 2011-19, there has been a significant increase in the 16-24, 25-34 and 35-54 age cohorts in the Town Centre. In the Borough, on the other hand, these cohorts have reduced in number (as shown in the table below).

Table 113: Percentage change in age structure 2011-2019, Town Centre and Warrington average

Area	0-15	16-24	25-34	35-54	55-64	65-74	75-89	90+
Town Centre	14.9%	19.3%	28.1%	29.6%	25.0%	28.2%	15.5%	9.1%
Warrington	2.3%	-11.2%	5.9%	-3.9%	11.7%	18.4%	28.8%	32.7%
Variation	12.6%	30.6%	22.2%	33.5%	13.3%	9.9%	-13.3%	-23.6%

Source: Census 2011 and ONS

11.126 Also, the Town Centre has not seen the degree of ageing within the population as has been the case for the Borough as a whole.

11.127 While the demographic profile of the wider Borough has a greater proportion of families and older residents, changes in the age structure of the Town Centre over the period 2011-19 suggest the number of households with dependent children has increased.

11.128 It is also worth noting that the median income is substantially lower than that of the Borough average indicating the Town Centre is an area to which households on lower incomes gravitate.

Table 114: **Median income**

Area	Median income	As a % of the Borough average
Town Centre	£29,200	88.2%
Warrington	£33,100	

Source: ONS (2020)

ii) Supply

11.129 Flats and terraced dwellings constituted around 83% of homes in the Town Centre in 2011 with around 51% of these being flats. This is in contrast with the Borough average of around 35% falling into these types and around 11% being flats.

11.130 A large majority of dwellings in the Town Centre are homes of 2-4 habitable rooms (61%). Dwellings more suited to family use of 5 and 6 constitute around 29% of the total.

11.131 The Borough and the Town Centre present sharp contrasts in terms of the variation in owned and privately rented homes. In 2011 households in the Town Centre that own their homes represent around 36% of all households. The balance is made up of Social Rented (21.2%) and the private rented sector (PRS) (42.5%).

Table 115: **Distribution of tenures, 2011**

Area	Owned	Shared Ownership	Social Rented	Private Rented
Town Centre	35.7%	0.5%	21.2%	42.5%
Warrington	72.2%	0.8%	15.8%	11.3%
Variation	-36.5%	-0.3%	5.4%	31.2%

Source: Census 2011

11.132 Over the period 2010-2020 the Town Centre accounted for 4.8% all new homes. Given that, in 2019, the area accounted for 1.4% of the population, this indicates the area has taken on a disproportionate share of development activity.

Table 116: **Completions 2010-20**

Area	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	Total
Town Centre	1	35	16	30	16	31	0	51	35	58	273
Warrington	545	620	664	713	704	615	396	377	536	559	5,729
Proportion of total	0.2%	5.6%	2.4%	4.2%	2.3%	5.0%	0.0%	135%	6.5%	10.4%	4.8%

Source: Warrington Borough Council

11.133 Partly as a result of this development activity there has been an uplift of 24% in the population of the Town Centre over the period.

Table 117: **Change in population (2011-2019)**

Area	2011	2019	Change	% change
Town Centre	2,428	3,018	590	24.3%
Warrington	202,709	210,014	7,305	3.6%
Proportion	1.2%	1.4%		

Source: Warrington Borough Council

11.134 This suggests the level of development that has been achieved over this period is strong by historic standards and indicates a degree of confidence in the industry in bringing forward new homes in this area.

11.135 92% of new homes build in the Town Centre over this period have been 1 and 2 bedroom. 7% have been three bedroom homes and the balance 4 bedroom houses. Given the trends towards more families living in the Town Centre, this points to increasing levels of over-crowding.

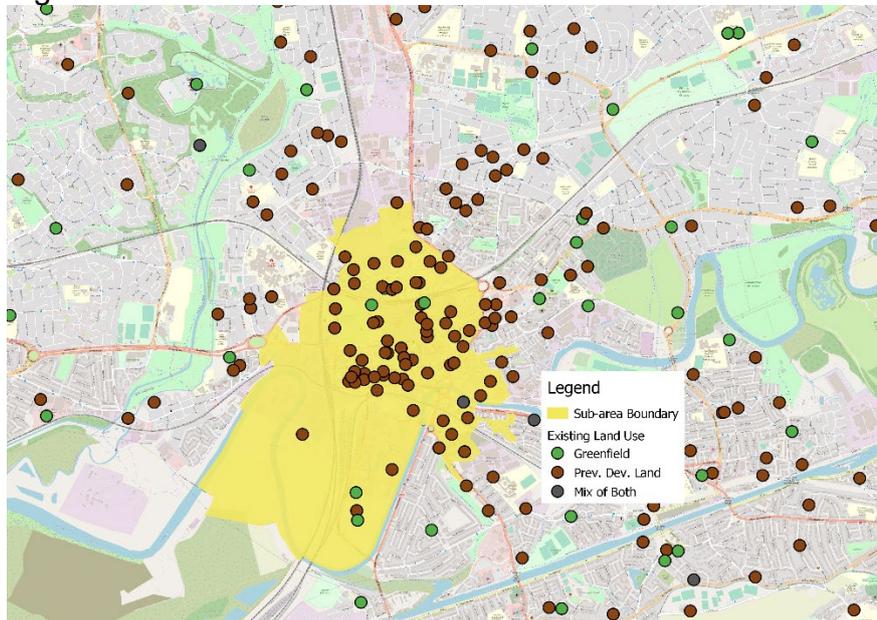
Table 118: Completions by size 2010-20

Year	1bed Apt	2 bed Apt	3 bed Apt	4 bed Apt	1 bed House	2 bed House	3 bed House	4 bed House	5 bed House	Total New Homes
2010/11							1			
2011/12	20	14	1							
2012/13	10	6								
2013/14	13	2				4	10	1		
2014/15	16									
2015/16	19	2			6	3		1		
2016/17										
2017/18	19	24	2			6				
2018/19	33						1	1		
2019/20										
Grand Total	130	48	3		6	13	12	3		215
Warrington	384	1,175	10	5	47	666	1,715	1,174		5,176
% of new homes	60%	22%	1%	0%	3%	6%	6%	1%		100%
% Warrington	34%	4%	30%	0%	13%	2%	1%	0%		4.2%

Source: Warrington Borough Council

11.136 The land supply pipeline in the Borough constitutes a large minority of total supply in the Borough. While it constitutes only 12% of sites, these are forecast to generate around 42% of all new homes over the Plan period.

Figure 30: Distribution of allocated sites - Town Centre



Source: GLH Analysis of WBC Data

11.137 While it is not surprising that the majority of allocated sites in the Town Centre are brownfield, it is worth noting that developers are hesitant about bringing forward development on previously developed land due to concerns about viability.

iii) Market signals

11.138 While average house prices are substantially higher by 39% than the Borough average, suggesting the presence of higher value dwellings in the Town Centre, the lower quartile value is less by 16%.

Table 119: **Median, average and lower quartile house prices (2020)**

Area	Median	Average	Lower Quartile
Town Centre	£195,000	£392,786	£111,250
Warrington	£195,000	£282,106	£131,850
Variation	£0	£110,680	-£20,600
		39%	-16%

Source: Land Registry Price Paid (2020)

11.139 The table below sets out the Median Affordability Ratio (MAR) in the Town Centre. On account of the median incomes being lower in the area that the Borough Average by around 13%, the MAR differs by around 0.8.

11.140 The Median Affordability Ratio noted in the table below indicates that that dwellings are unaffordable for households on median incomes. This provides a clear signal that the supply of homes should be increased and these should be of relatively low cost.

Table 120: Median affordability ratios

Area	Median House Price	Median Income	Median Affordability Ratio
Town Centre	£195,000	£29,200	6.68
Warrington	£195,000	£33,100	5.89
Variation	£0	-13.4%	0.79

Source: ONS (2020)

11.141 At the time of the 2011 Census, around 7.4% of all households in Warrington were judged to be overcrowded, compared with a Borough average of 3.4%.

11.142 The prevalence of vacant units supports the conclusion there is some evidence of a misalignment between supply and demand.

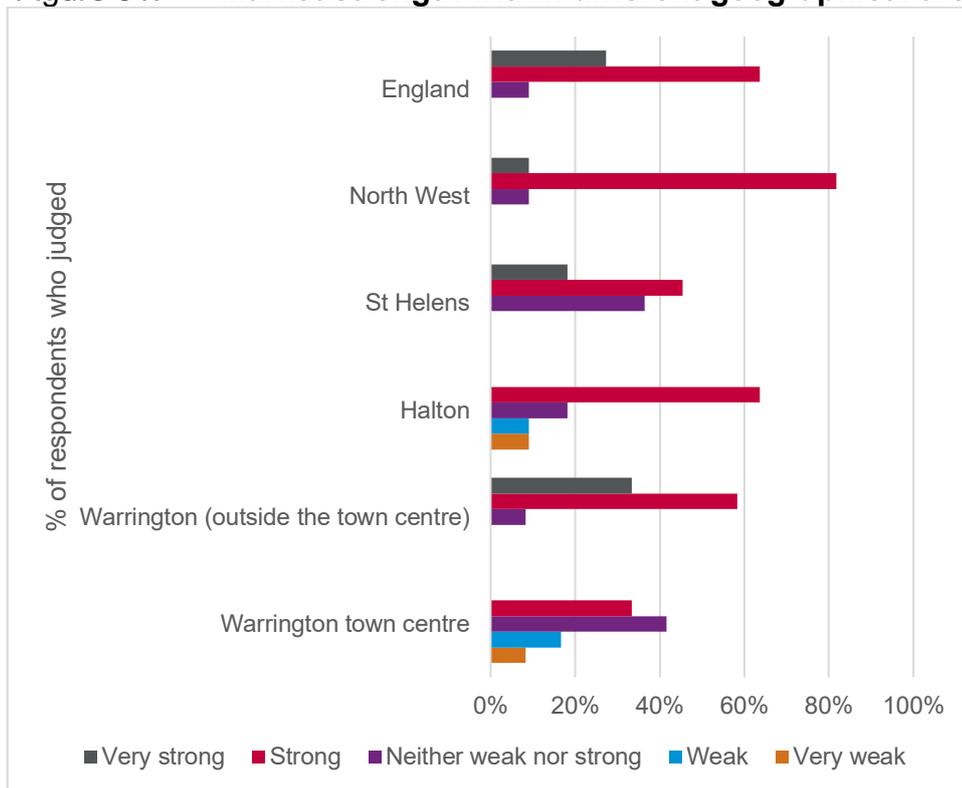
Housing market survey

11.143 As part of the LHNA, GL Hearn undertook a survey of housebuilders, Registered Providers and planning advisers.

11.144 Overall, the findings of the survey reflect a broad range of views and cover the geography of the Borough. By gaining insights beyond the Borough boundary, it has also been possible to place both the Borough and Town Centre into its context.

11.145 While the housing market in Warrington is overall seen as strong by respondents, the majority of respondents are much less sanguine about market strength in the Town Centre.

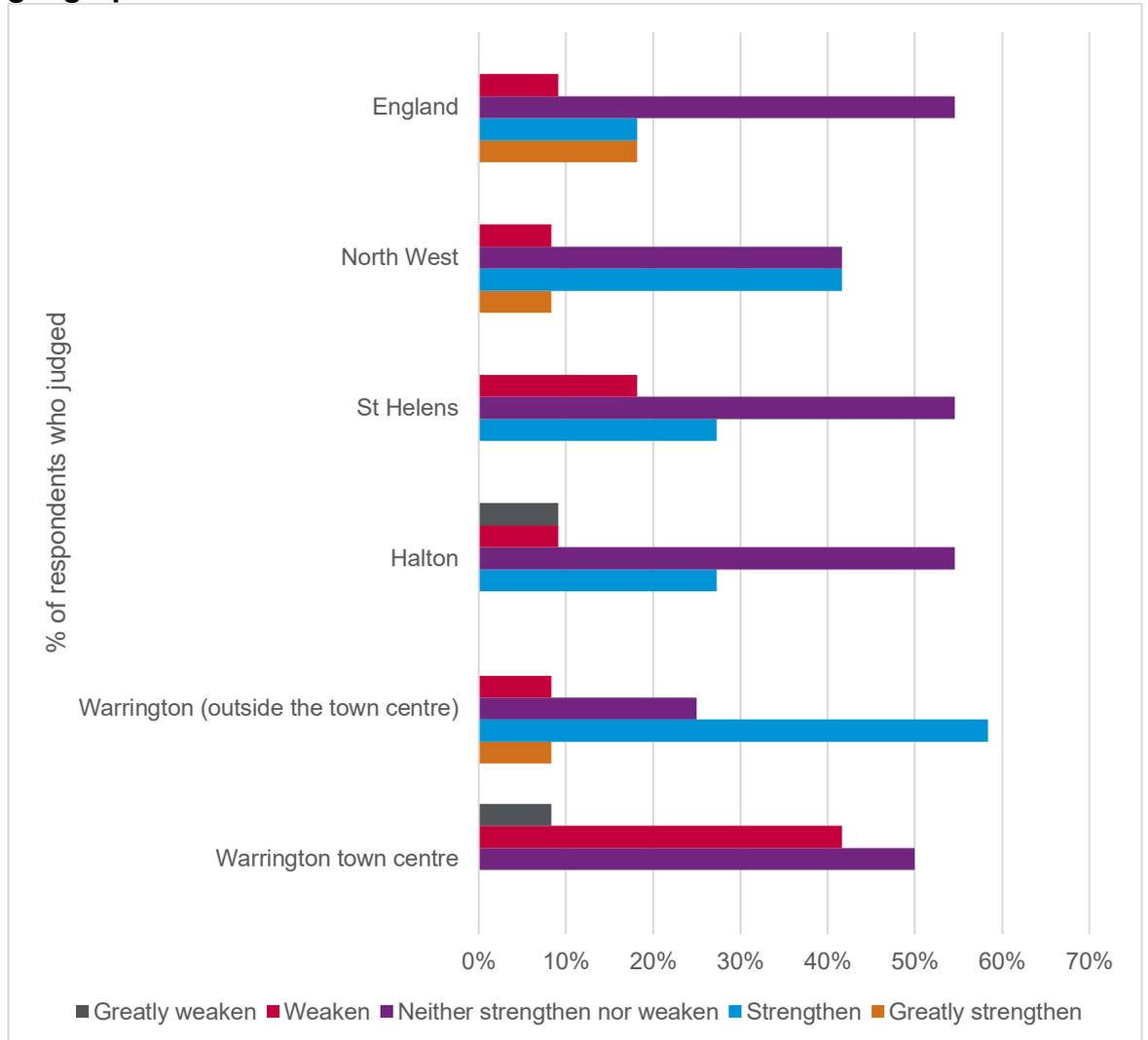
Figure 31: **Market strength within different geographical areas**



Source: GL Hearn Market Survey

11.146 In terms of the impact of the Pandemic, the contrast between the Town Centre and the rest of the Borough is stark. A large minority of respondents feel the Pandemic will weaken the Town Centre housing market while 50% feel it will not make a difference in either direction.

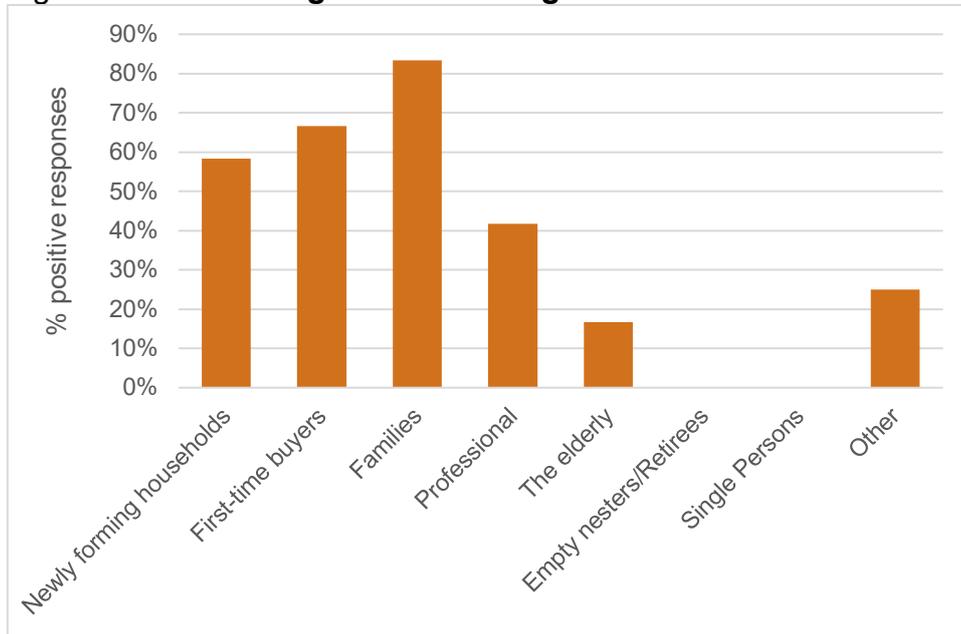
Figure 32: The perceived impact of the COVID-19 Pandemic on different geographical areas



Source: GL Hearn Market Survey

11.147 Over 80% of respondents identify family households as the strongest source of demand for homes in Warrington. This is closely followed by first-time buyers and newly forming households (67% and 58% respectively).

Figure 33: Market segments showing most demand

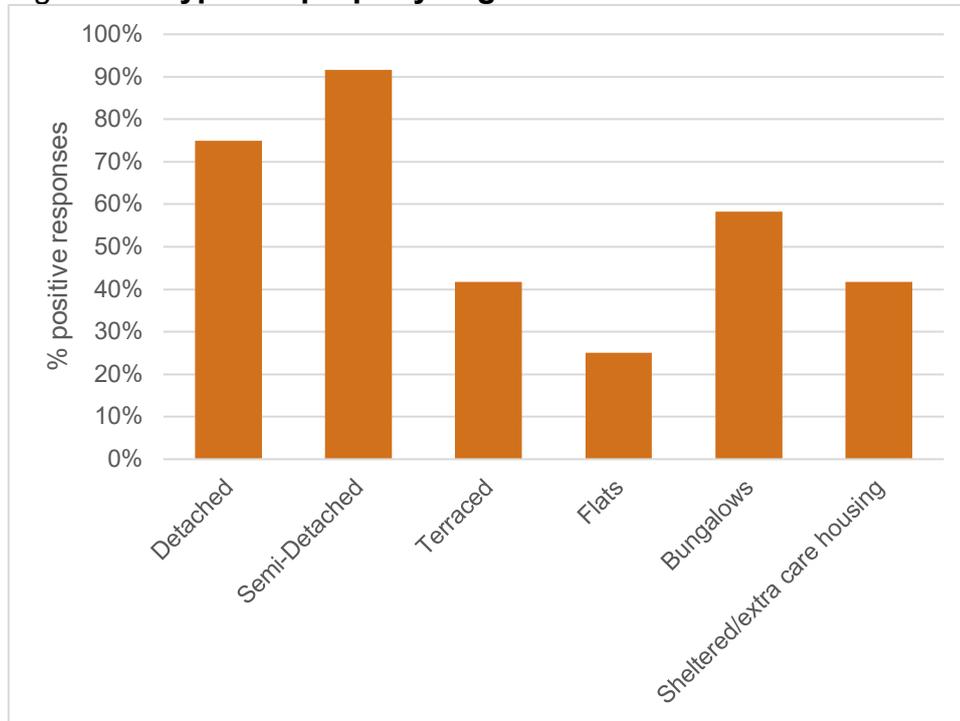


Source: GL Hearn Market Survey

11.148 The wide spread of market segments emphasises the need for a broad range of types, sizes and tenures of home if households are to be able to access dwellings suited to their needs.

11.149 Reflecting the high demand outside the Town Centre area, very high demand has been observed for semi-detached and detached dwellings. Demand for terraced homes and flats (that tend to be associated with urban living), while significant, attracts the smallest number of positive responses.

Figure 34: Types of property in greatest demand



Source: GL Hearn Market Survey

11.150 It is notable that while the preference of households is overwhelmingly for dwellings for sale, the stock in the Town Centre is dominated by PRS and affordable tenures. This suggests the market segments to which accommodation is suited in the Town Centre is substantially different to that of the wider Borough.

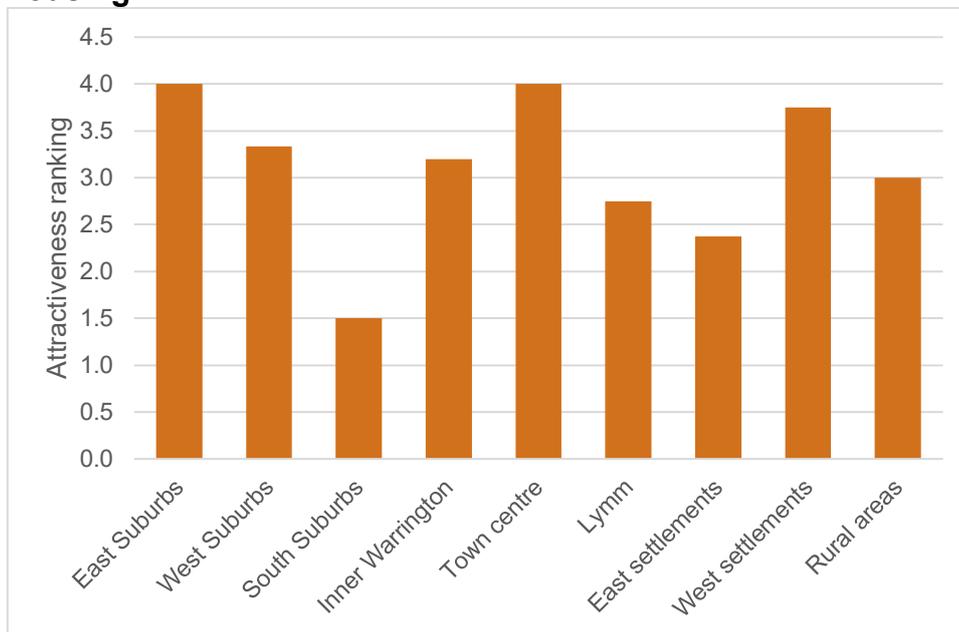
11.151 The figure below indicates reports on the relative appeal of different sub-areas as places to build new homes. The sub-area geography is as follows:

- The Town Centre;
- Inner Warrington;
- Suburban Warrington (corresponds to policy DC1, Suburban Warrington) and includes;
 - East Suburban;
 - West Suburban; and
 - South Suburban.
- East Settlements (settlements of Culcheth, Croft and Hollins Green);
- West Settlements (settlements of Burtonwood and Winwick);
- Lymm (the settlement of Lymm and the surrounding rural area as bound by the M6 to the East and the canal to the north).

- Rural Warrington: non-urbanised areas in the Borough.

11.152 Noting in the table below that a high score indicates an area is less attractive, the data shows that the South Suburbs of Warrington followed by the East Settlements and Lymm are regarded as the most attractive places to build. The East Suburbs, the Town Centre and the West Settlements are relatively unattractive.

Figure 35: Relative attractiveness of sub-areas as places to deliver new housing



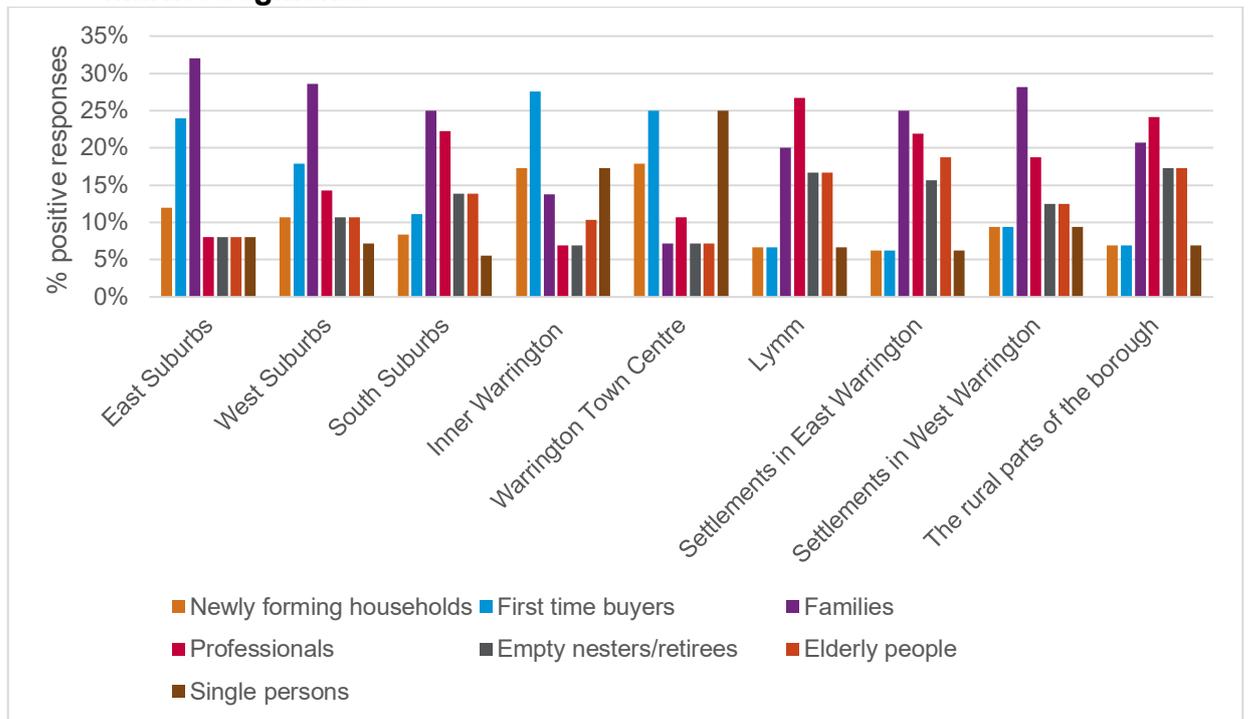
Source: GL Hearn Market Survey

11.153 The figure below indicates that most parts of the Borough are attractive to families, although this is particularly true for suburban and rural areas and the East and West settlements.

11.154 The Town Centre and Inner Warrington are the least attractive areas for families, according to respondents, but the area does appeal to newly forming households and first time buyers (it should be noted that many of these latter two groups are

families, therefore a distinction may be drawn with larger families possibly with non-dependent children).

Figure 36: The relative attractiveness of different sub-areas to different market segments



Source: GL Hearn Market Survey

11.155 The bulk of the development pipeline being brought forward by respondents are dwellings of 3 and 4 bedrooms, targeting the market for family homes. The size of homes that have dominated delivery in the Town Centre (1-2 bedroom dwellings) constitute 36% of respondents estimated future supply.

11.156 It is worth drawing a link here with the fact that Warrington’s future land supply is heavily focussed on the Town Centre suggesting a misalignment between where households want to live and where development is proposed.

11.157 It is also worth noting that, left to its own devices, the market is likely to prioritise development opportunities outside the Town Centre where demand is strongest.

- 11.158 The survey also sought views as to the appeal of brownfield sites as development opportunities. This is particularly relevant to the Town Centre given that all the site located in this area have been previously developed.
- 11.159 The response from housebuilders is mixed. While they can play a role in meeting demand, they should be seen as part of a wider solution that includes greenfield sites.
- 11.160 This is explained by the added expense and complexity of assembling previously developed sites and preparing them for development. Within Warrington, this may be exacerbated by viability issues linked to weak sales values.
- 11.161 The definition of weak sales values encompasses both relatively low values and susceptibility to fluctuation. Of the two, the latter is more dangerous to housebuilders as this can push a given scheme into a loss-making scenario. For this reason, build out rates are strongly influenced by economic sentiment and movements in house prices.
- 11.162 While the appeal of development is primarily about location, respondents view development on brownfield sites as generating homes suited to first time buyers and to some extent families, but less so older groups.
- 11.163 It is worth noting that the higher cost profile of specialist housing for the elderly make development that is already marginally viable even less so on brownfield sites.
- 11.164 The tenures associated with brownfield development are build to rent, affordable housing for rents and shared ownership. The delivery of affordable homes on brownfield sites is likely, however, to require cross subsidy from greenfield sites through “offsite” contributions.

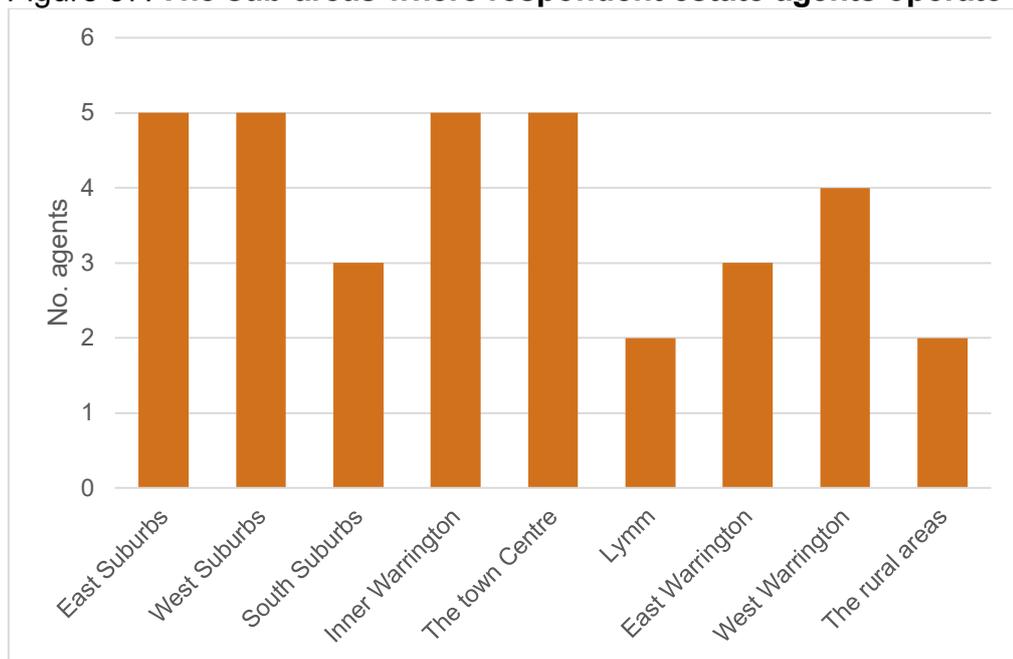
11.165 75% of the developers that took part in the survey expressed an interest in sites in the Town Centre and 82% expressed an interest in Bank Quay Gateway.

Estate agents

11.166 Five firms of estate agents took part in the Housing Market Survey. All of them operate in Warrington. Three of them also work in Halton; one also covers St. Helens and another the wider North West Region.

2.1 As regards coverage of each of the sub-areas within the Borough, the figure below notes that all of these areas are represented by at least two estate agents with four sub-areas represented by all five, including the Town Centre.

Figure 37: The sub-areas where respondent estate agents operate



Source: GL Hearn Market Survey

2.2 The findings from the survey can therefore be treated as a robust reflection of the views of estate agents as regards market for homes in the Warrington, its constituent sub-areas, the Housing Market Area of which the Borough forms a part and the wider region.

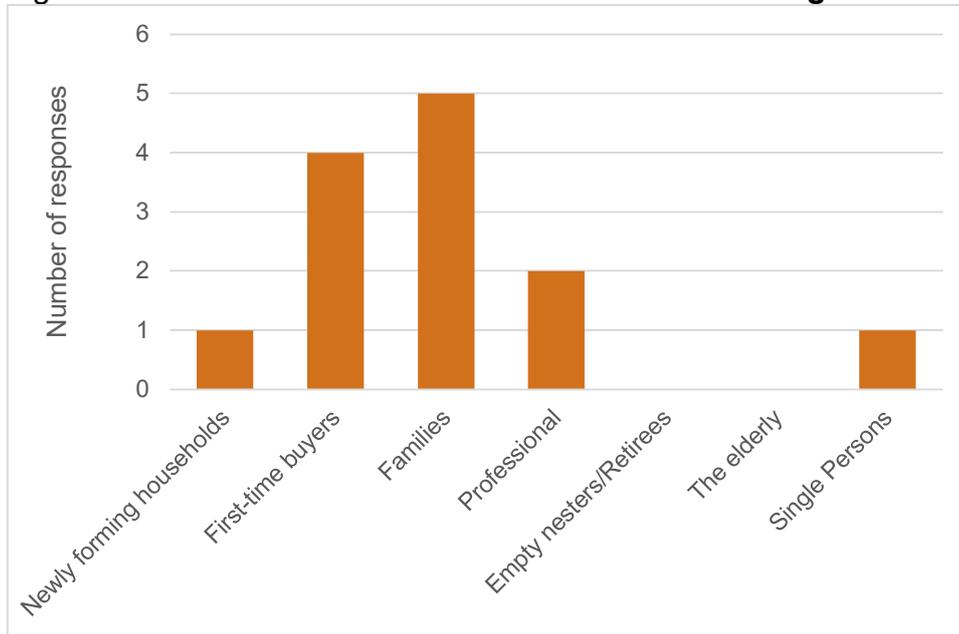
11.167 In the view of respondents Warrington has the greatest market strength within the HMA. In their view, the housing market in the Borough is stronger than that for the North West region as a whole.

11.168 A consensus exists among agents that the Pandemic has strengthened demand in the areas in which they operate.

11.169 Based in the average number of days that properties remain on the market, demand is greatest for 3 bedroom homes and least for 1 bedroom homes. This distinction has a spatial implication given that dwellings of 1 bedroom dominate the Town Centre market.

11.170 Families, professional households and first-time buyers make up the bulk of demand in Warrington. This is supportive of the Town Centre market given the appeal that the area has for first time buyers and the appeal higher value properties in the Town Centre may have for professional households.

Figure 38: Levels of demand from different market segments



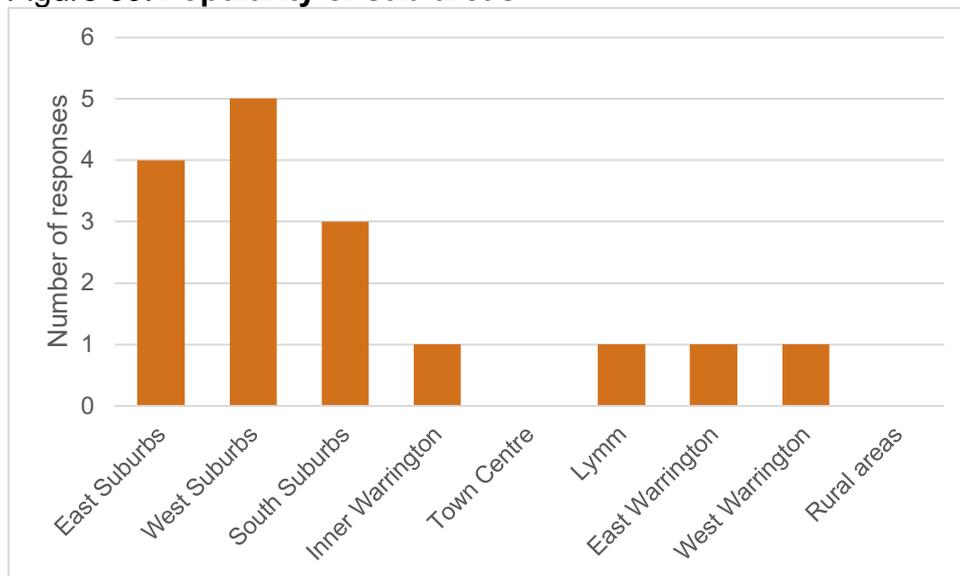
Source: GL Hearn Market Survey

11.171 Houses of all types are in strong demand in the Borough with smaller types (semi-detached and terraced homes) showing particularly high demand. However, only one agent indicated that flats were in strong demand.

11.172 There is an equal interest in homes for sale as for rent. Also, Shared Ownership homes are gaining some traction in Warrington. Given the Town Centre is the main area for the PRS, this suggests a demand for rented homes is likely to drive development activity in the Town Centre.

11.173 The sub-urban parts of the Borough are the most popular areas to live, in particular the West and East Suburbs. The Town Centre and rural areas are less attractive to households.

Figure 39: Popularity of sub-areas



Source: GL Hearn Market Survey

11.174 While the experience of agents in selling new build homes is limited, two agents expressed the view that, where units within a new development remain unsold, they tend to be flats rather than houses.

11.175 There is some investor activity in the market. The majority of these are international.

11.176 The figure to follow considers the relative appeal of different parts of the Borough to different market segments. The deeper the red shading, the greater the level of demand from this group.

Table 121: The popularity of among different market segments for sub-areas

Sub-area	Newly forming households	First time buyers	Families	Professionals	Empty nesters/retirees	Elderly people	Single persons
East Suburbs	0	1	4	0	0	0	0
West Suburbs	0	0	4	1	0	0	0
South Suburbs	0	0	2	2	0	0	0
Inner Warrington	1	3	1	0	0	0	0
Town Centre	1	3	1	0	0	0	0
Lymm	0	0	4	0	0	0	0
East Warrington	0	0	4	0	0	0	0
West Warrington	0	0	4	0	1	0	0
Rural areas	0	0	3	0	1	0	0

Source: GL Hearn Market Survey

11.177 Demand for homes from families is strongest in the East and West suburbs, Lymm and East and West Warrington.

11.178 Inner Warrington and the Town Centre attract first time buyers and newly forming households. This points to the Town Centre as being a place where younger households can access the property market.

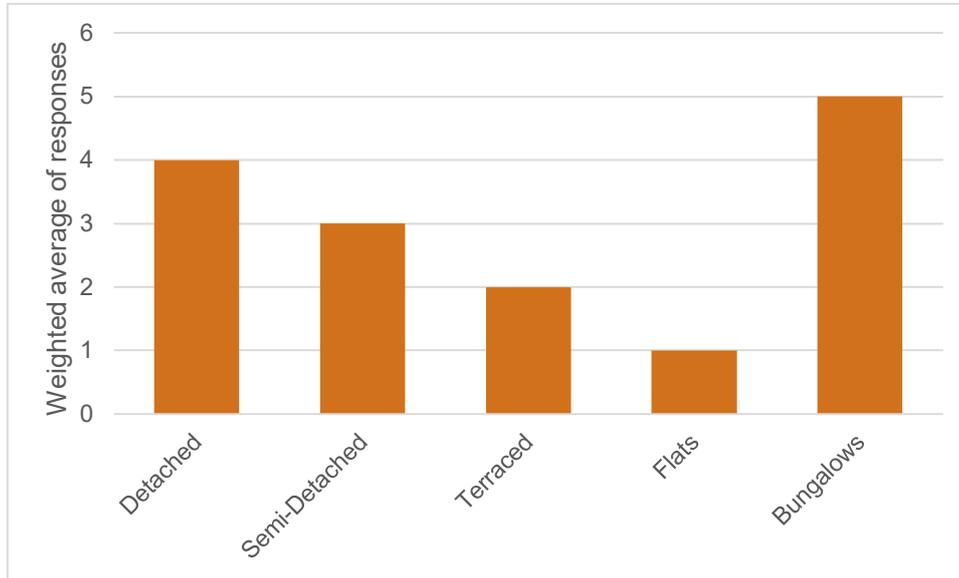
11.179 West Warrington and the rural areas have some appeal for older households.

11.180 Despite expressing a confidence in the current market, most agents predicted the prices would fall over the coming months due to the continuing uncertainty regarding the strength of the economy. This does have implications for the less attractive parts of the Borough as these areas will be more sensitive to fluctuations in demand and the threat to viability more acute.

Letting agents

- 11.181 Two letting agents took part on our survey. Together, they cover the whole HMA (including Warrington and its sub-areas) and the North West region.
- 11.182 The rental market throughout the HMA is strong and particularly so in Warrington.
- 11.183 The effect of the Pandemic has been to increase demand in all areas of the Borough. Agents also expect rents to increase over the next twelve months. It is worth noting that demand for rented accommodation is counter-cyclical to for-sale housing.
- 11.184 Newly forming households and families are a strong source of demand in the rental market.
- 11.185 In the rental market, terraced homes are the most popular type of property, followed by flats.
- 11.186 The suburban parts of the Borough, together with West Warrington, are popular. The Town Centre less so and the rural parts of the Borough displays very weak demand for rental properties.
- 11.187 Two bedroom homes are the most attractive size of property in the rental market, followed by one bed dwellings.
- 11.188 Types of property that are smaller tend to be more popular. That said, terraced dwellings are more popular than flats. The clear message is that in the PRS smaller homes are more popular than larger ones.
- 2.3 Considering the profile of demand in the Town Centre, flats are the most attractive type of home followed by terraced homes (in the figure below the lower the score, the higher the demand).

Figure 40: Levels of demand for different types of property in the rental market in the Town Centre



Source: GL Hearn Market Survey

11.189 There is a shortage of homes of 1, 2 and 3 bedrooms in size in the PRS in Warrington. There are, however, no sizes of home where supply exceeds demand.

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