NOTTINGHAM CORE HMA

HOUSING MARKET NEEDS ASSESSMENT

UPDATE 2009

Gedling

B.Line Housing Information Ltd

Table of Contents

1) Introduction

1.1.1.a. The UK housing market has undergone a turbulent and well publicised period of change since the Nottingham Core HMA 2006/7 was carried out. Although house prices have reduced to some extent across the board, in many areas they remain well above long term incomes multipliers and now combine with the additional barrier of increasingly stringent mortgage application criteria, as well as demands for larger deposits (many of the best mortgage deals require a deposit of 15 to 25%). The delay in a market adjustment may be exacerbated by a lingering determination among vendors to achieve peak values for their homes, as well as a need to reach a certain price to repay mortgages (particularly if a purchase was made during the 2004 – 2007 boom). The onset of economic recession has been accompanied by increased unemployment, though housing need as a result of this more recent development may not yet have filtered through to the data sources used for this analysis.

1.1.1.b. All evidence indicates that the need for affordable housing has not disappeared and imbalances continue to be evident across housing markets. Recent observations include continued growth in the number of repossessions; an increase in competition across the private rental sector; owner occupiers unable to sell turning increasingly to renting their homes (and moving into the sector themselves) to cover costs; and a slowdown in the rate of new developments.

1.1.1.c. The review of the East Midlands Regional Plan (RSS8) 2009 contains significant increases to the build targets across the Nottingham Core Housing Market Area. This may be a reflection both of the continued pressure on the public sector to provide new housing as well as a build up effect, because of the slowdown in the number of new developments. A continued recession is likely to reduce the possibility of meeting these increased targets, as developers and land owners wait for a market recovery.

Figure 1:1 Average annual build rate targets as set out in the East Midlands RSS8 2006 and 2009

Local Authority	Annual Build Rate Target 2006	Annual Build Rate Target 2009
Broxtowe	270	340
Erewash	290	360
Gedling	310	400
Nottingham	945	1000
Rushcliffe	555	750

1.1.1.d. Increased build rate targets are coupled with a requirement to ensure the economic viability of affordable housing provision on any new development sites (following the Blythe Valley case[1]), which is also delaying the provision of new housing as sites are examined.

1.1.1.e. The reliability of the outputs contained in this update can only be as good as the data itself. There are often discrepancies between the level of detail at which data is available, the timescale or categorisation by which it is gathered, as well as inevitable gaps in data relating to factors like migration or the private rental sector.

[1] See http://www.bailii.org/ew/cases/EWCA/Civ/2008/861.html

1.1.1.f. Several housing needs spreadsheet models were developed as part of the 2006/7 Nottingham core Strategic Housing Market Assessment, based on the 'Bramley' model. This captures the main components of housing need of:-

- New emerging households that cannot afford market housing, with the ability to afford estimated by comparing entry level house prices or private sector rents to incomes
- Backlog need based on local authority housing registers
- A factor for owner occupiers falling into need
- An element for need from migrations

1.1.1.g. This is then compared to the supply of affordable lets and sales from local authorities and housing associations.

1.1.1.h. The model can be summarised as:-

Figure 1:2 Bramley affordability model – summary

The basic model for estimating affordable housing need is as follows:-

Net Need (units per year) =
Gross Household Formation x % aged under 35 unable to buy (adjusted for wealth)
+ proportion (33%) x net migration (household equiv) x % <35 unable to buy
+ proportion (0.345 %) x owner occupier households (moving to social renting)
+ proportion over the 'policy period' (e.g. 20% over 5 years, 10% over 10 years) x waiting list 'backlog' above need threshold

Less net annual new and relets of social rented housing

1.1.1.i. It is a simplified, systematised model which does not capture all aspects of need, although many of them will be partially reflected in the main components. For example households living in unsuitable accommodation are not specifically included, but many of them will be in the backlog need on local authority housing registers. The model will therefore tend to under-estimate need, and other methods have been consistently shown to give higher needs estimates.

1.1.1.j. However while very high levels of need may be justifiable by the evidence, in current housing market circumstances they are unlikely to be delivered by the Planning system, and many alternative and inventive methods will be required to have any substantial impact on the level of need. The basic problem is a dysfunctional, volatile housing market, and seeking ever higher contributions to affordable housing provision through S106 agreements will not address that, and indeed may make it worse.

1.1.1.k. The 2006/7 SHMA included a development of a needs model at *housing submarket area*[2] level. This is a geographical structure which aims to capture 'real' sub areas within the Nottingham conurbation which influence household choices. It was derived by using:-

[2] http://www.rics.org/NR/rdonlyres/B98D6404-2FB7-45D3-93A8-6F8B18618251/0/39217_Housing_Market_Fibre4.pdf

- House price and house price change patterns
- Short distance moves
- Urban morphology which subdivides the built up area , such as major roads, railway lines, parks, commercial and industrial areas, open space, etc
- Local knowledge – this more subtle, implicit awareness of differences is often found to be the best indicator of the real urban structure [3]

1.1.1.l. For this update the submarket model has been developed further, also using 'larger' submarket areas which have proved to be useful in policy development for Nottingham City Council. The updated model also includes several more detailed and accurate data sources, such as using actual housing registers records and lettings data, rather than proxy estimates. But models at these more detailed spatial scales cannot yet, if ever, capture the flows and migrations between submarket areas, which are extremely complex and variable.

1.1.1.m. This means that even if some submarkets show little or no need in themselves, supply within them may meet needs arising from elsewhere, so there may be good reasons for providing additional affordable housing in them, such as available land or lower prices. However it does also mean that local authorities should be particularly cautious about creating a local over supply of affordable housing and concentrating deprivation, or increasing the level of 'churning' within an area resulting in increased unpopularity and poor reputation.

1.1.1.n. They remain simply data driven models which must rely on the quality and coverage of the data inputs to them, and which cannot capture the full complexity of needs in a dynamic, shifting and inefficient housing market. The data and models provide part of the evidence base and a decision support system, but policy judgments and interventions should also take into account and balance more up to date qualitative local knowledge, experience and perceptions.

1.1.1.o. The methods used in the 2009 model reiterate those followed in the 2006 HMA report.[4] However, there are some differences between the datasets which are likely to have an impact on the resulting outputs. These factors are listed below:

1. Emerging Households: In the 2006/7 submarket model emerging households were derived using Census data, rolled forward to estimate how many people would have reached the 18-35 age group and formed households. Though this method has been used again in this model for the smaller submarkets, where possible figures are derived from ONS population projections by lower super output area, 2007 which should include additional growth from migration and other factors.
2. The income element of the affordability calculations at submarket level in 2006/7 was derived using the ASHECASS model, which attributes earnings from the Annual Survey of Hours and Earnings (given at local authority level by occupation) to socio-economic groups based on the Census. Incomes in the 2009 model are based on CACI incomes data by ward (for LA level data, 2009), or by postcode (2006) for submarket level data.
3. For the 2009 model CACI income bands most sensitive to entry level price changes (i.e. £15K -£30K) were split into four to increase the responsiveness of the model.
4. The 2009 model includes a basic search of rental costs by submarket which adds an additional affordability factor which may be discounted to give 'urgent' need.
5. Backlog need in the 2009 model is derived from actual detailed waiting list data where available. Where this is not available, HSSA totals are allocated across submarkets according to the corresponding proportion of households in the private rented sector in each

[3] https://www.researchgate.net/publication/23772013_Forecasting_Housing_Prices_under_Different_Submarket_Assumptions
[4] See http://www.blinehousing.info/NottCore_HMA/SHMA_report_sections/Housing_need.PDF

submarket based on the 2001 Census. In 2006 backlog need was estimated by using the Private Rented Sector adjusted for affordability using ASHECASS. As a proxy this matched fairly well with HSSA totals in 2006, but significant growth in waiting lists more recently and the growing time difference makes the proxy less robust. feasible.

6. The owner occupier need factor has been increased from 0.234% or 1 in 427 to 0.345% or 1 in 290, based on an increase in the number of repossessions. The figure used is derived from statistics published by the Council of Mortgage Lenders in 2008.
7. An additional element has been added to allow for the increasingly important role of the private rented sector in serving those who are somewhere between purchase and social rent, by choice or otherwise. The model allows the effect of different rent levels on overall affordability to be examined, and provides an indication of the number of households likely to fall into each group (can't rent/can't buy).

2) Key Figures and Comparisons

2.1.1.a. The outputs produced by the model are based on the following:

- House Prices from March 2008 to March 2009
- CACI Incomes data, 2009 (LA level only, submarket analysis uses 2006 incomes data)
- Emerging households calculations are based on, depending on the level of detail:
  - Chelmer Model projections by household type/Local Authority
  - ONS population projections by Lower Super Output Area (for larger submarkets)
  - Census 2001 population by age group by Output Area, rolled forwards to 2008 (for some smaller submarkets)
- Private rental sector rents are based on a basic web search of prices as advertised on www.rightmove.co.uk, rent levels by local authority as published on www.dataspring.org.uk, and cross-tenure affordability data provided by the Hometrack Housing Intelligence System, www.hometrack.co.uk).
- Backlog need data is based on HSSA returns and waiting list data where available. Where housing waiting list data has not been available, the HSSA total is allocated across submarkets to match the proportions of private rent in each submarket as at the Census 2001, based on the assumption that need will arise mainly from this tenure. Problems with deriving backlog need in this way are discussed later.
- Supply is based on local authority lettings data where available, and CORE data. Totals are compared with HSSA returns to assess accuracy.

Key Variables are set as follows, unless stated otherwise:

Figure 2:1 Key Variable settings for LA and submarket model outputs

KEY VARIABLES	*Inputs in white cells*
House Price Fluctuation	0%
Mortgage Multiplier	3.5
Size of Deposit	10%
Policy Period (years)	7.5
Proportion unable to access mortgage	51%
Owner Occupier Need Factor	0.345%
Equity Share in Intermediate Housing Products	40%
% with resources from other sources	0%
Lower quartile private rent level (Rent Service = 1; Submarket Average = 2; Housing Intelligence = 3	1

Figure 2:2 Local Authority Level Needs Estimates

LA	Emerging Households (10 years)	Emerging Households (annual)	Lower Quartile Price	Income required	% can't afford purchase	Total Emerging Households can't afford	Private Rent LQP	% can't afford rent
Broxtowe	8,852	885	£120,000	£30,857	52%	460	£394	17%
Erewash	7,853	785	£95,000	£24,429	40%	314	£360	13%
Gedling	7,403	740	£100,000	£25,714	39%	289	£416	19%
Nottingham	29,956	2,996	£82,500	£21,214	39%	1,168	£373	18%
Rushcliffe	8,213	821	£139,995	£35,999	50%	411	£412	14%

	Owner Occupiers	Owner Occupier Need	Need from migration	Backlog Need (HSSA)	Annual backlog (Policy Period)	GROSS NEED
Broxtowe	21,250	73	80	2,344	313	92
Erewash	23,099	80	8	3,627	484	86
Gedling	23,570	81	19	3,275	437	26
Nottingham	37,498	129	124	17,083	2,278	3,699
Rushcliffe	20,789	72	46	1,452	194	723

	Annual Supply (Net of transfers)	NET NEED	Proportion able to afford but unable to access mortgage	Number unable to access mortgage	Total unable to afford + unable to access mortgage
Broxtowe	481	445	24%	212	672
Erewash	529	357	31%	243	557
Gedling	430	396	31%	229	518
Nottingham	3,410	289	31%	929	2,097
Rushcliffe	361	362	26%	213	624

2.2. Comparisons with results from 2006

2.2.1. Lower Quartile Prices

Figure 2:3 Change in lower quartile price 2006/2009 (LA Level)

LA	Lower Quartile Price 2005-06	Lower Quartile Price 2008-09
Broxtowe	£103,000	£120,000
Erewash	£93,125	£95,000
Gedling	£105,000	£100,000
Nottingham	£85,000	£82,500
Rushcliffe	£142,000	£139,995

2.2.1.b. Given the level of speculation in the media, on an aggregated basis across the housing market area there is surprisingly little change in lower quartile house prices across each local authority. Broxtowe alone shows a significant change, though house prices have gone up, not down. This corroborates the notion that many of those unable to purchase property in 2006 are now little closer to affording their own home.

2.2.2. Affordability

2.2.2.c. The following table compares the percentage of emerging households unable to afford market purchase, ***deducting 10% who may have access to financial resources from elsewhere*** (for example parental help), as applied in the 2006 study. The method of splitting

the most highly populated income bands (see figure 2.5 below) means the later model picks up more people below the lower quartile threshold.

Figure 2:4 Percentage of emerging households unable to afford market purchase

LA	2006 unable to afford (minus 10% resources from elsewhere)	2009 unable to afford (minus 10% resources from elsewhere)
Broxtowe	30%	47%
Erewash	32%	36%
Gedling	29%	35%
Nottingham	38%	35%
Rushcliffe	42%	45%

2.2.2.d. As the income range for lower quartile housing so often lies within the most common incomes, the bands containing the largest number of people have been split evenly into 4 as follows:

Figure 2:5 Split of main income bands

Income Band	Split 1	Split 2	Split 3	Split 4
£15,000 - £20,000	£16,250	£17,500	£18,750	£20,000
£20,000 - £25,000	£21,250	£22,500	£23,750	£25,000
£25,000 - £30,000	£26,250	£27,500	£28,750	£30,000

2.2.2.e. Although splitting in this way will not be an altogether accurate reflection of reality, it will help to give an improved indication of the volatility of this factor. In the most populated income bands, a relatively small change in house prices can move large numbers of households in or out of the need calculation.

2.2.3. Gross Need, Supply and Net Need

Figure 2:6 Need and Supply

LA	Waiting List 2006	Waiting List 2009	Gross Need 2006	Gross Need 2009	Supply 2006	Supply 2009	Net Need 2006	Net Need 2009
Broxtowe	2,508	2,344	733	882	465	481	168	401
Erewash	1,633	3,627	560	855	238	529	199	326
Gedling	2,700	3,275	675	796	450	430	153	366
Nottingham	14,270	17,083	3,484	3,580	3,190	3,410	192	170
Rushcliffe	1,442	1,452	701	681	298	361	236	320

2.2.3.f. The main area of change over the period has been the growth in size of the housing registers across Erewash, Gedling and Nottingham. Though the waiting list has decreased in Broxtowe, house prices have gone up bringing more emerging households into need. Overall, although supply does show growth, it is not enough to reverse the trend of growing need for more affordable housing.

3) House Prices

3.1.1.a. House prices have been under constant scrutiny, first because they seemed to be rising inextricably beyond the reach of almost all average incomes, then since the market has begun to correct at the expense of the economy.

3.1.1.b. The Hometrack Housing Intelligence System is used below to give an overview of prices across the 4 local authority areas.

3.1.1.c. The overall frequency of sales has fallen drastically across all areas since 2007, towards the end of the housing boom. Both linear and month to month comparisons show a steady decline in the number of purchases, although the seasonal nature of the market is still evident. This fall in the number of sales reflects, among other things, continued affordability problems, barriers to access for potential purchasers, consumers waiting for further price drops before they enter the market, and fewer properties remaining on the market while prices are falling. In addition, continued economic recession and widespread instability in the employment sector are likely to undermine the confidence of potential buyers.

Figure 3:1 Property Sales Count (June 2007 to March 2009)

Date	Rushcliffe	Nottingham	Broxtowe	Gedling	Erewash
Jun-07	698	1,516	627	626	624
Jul-07	729	1,582	672	679	692
Aug-07	790	1,732	712	802	759
Sep-07	676	1,727	667	742	728
Oct-07	638	1,696	604	709	681
Nov-07	545	1,517	623	614	595
Dec-07	512	1,334	568	600	543
Jan-08	427	1,158	504	532	472
Feb-08	361	1,019	365	458	432
Mar-08	316	942	327	375	408
Apr-08	345	961	318	354	433
May-08	357	917	320	352	433
Jun-08	355	863	336	360	445
Jul-08	348	804	329	358	393
Aug-08	338	723	319	319	339
Sep-08	324	673	276	315	279
Oct-08	304	605	281	288	289
Nov-08	263	565	243	249	271
Dec-08	236	524	252	240	256
Jan-09	192	440	191	175	192
Feb-09	147	320	148	137	127
Mar-09	84	168	63	46	60

Figure 3:2 Change in count of sales, June 2007 to March 2009

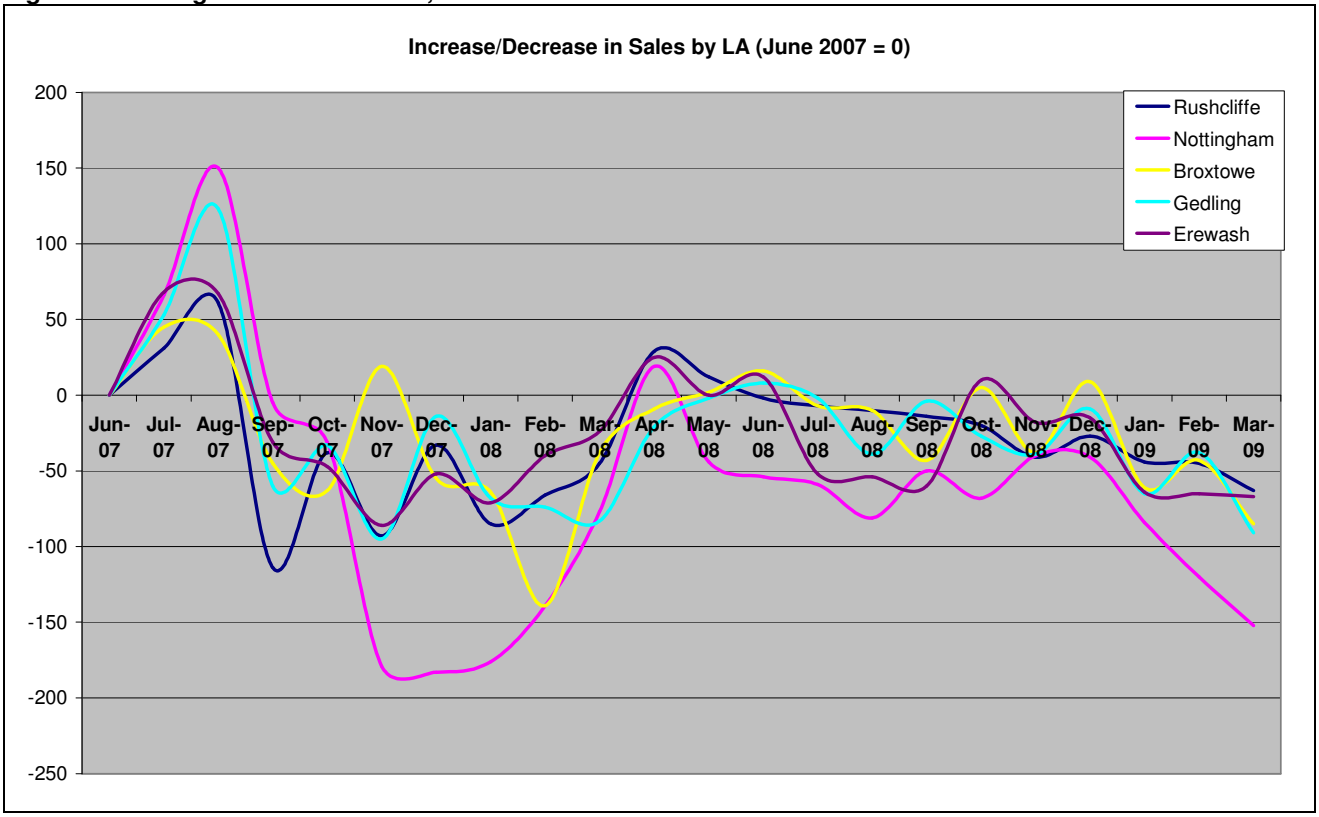
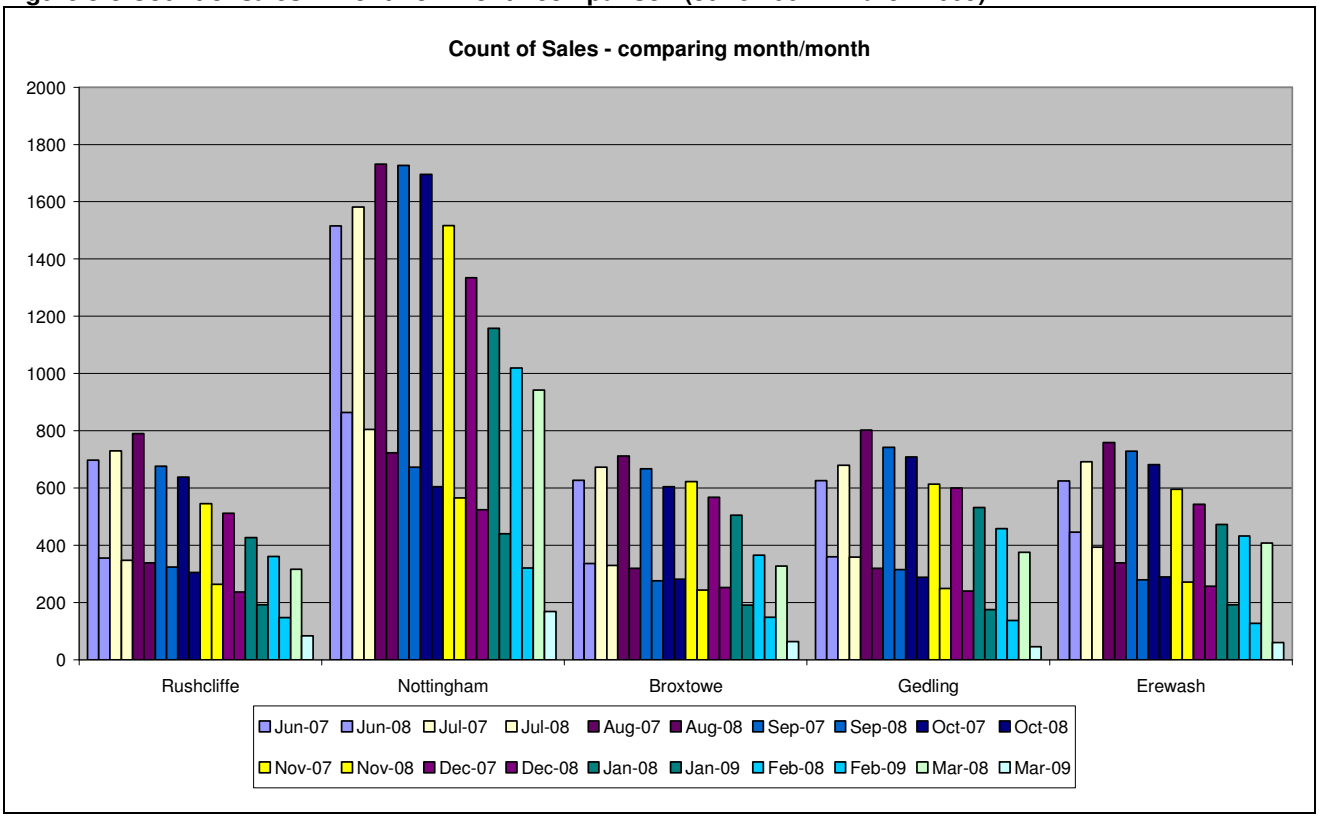


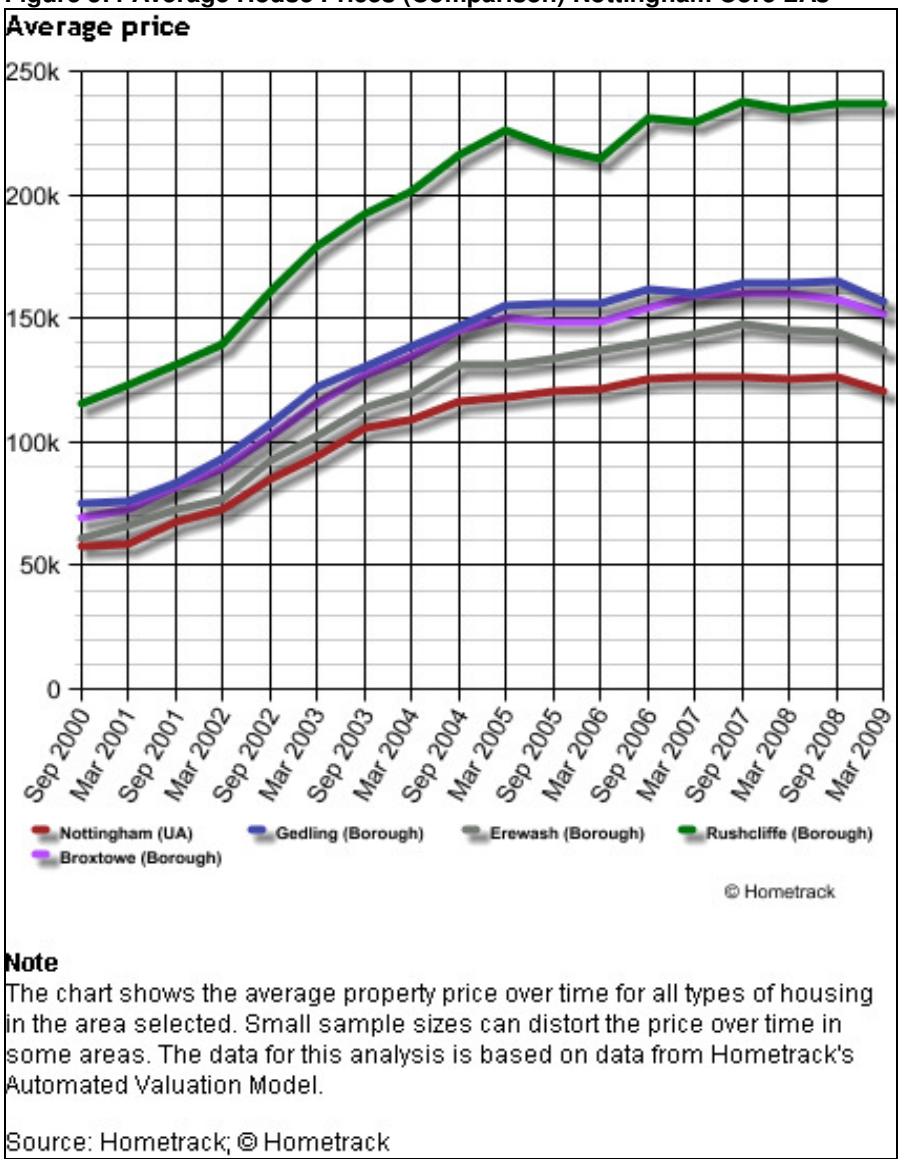
Figure 3:3 Count of sales – month on month comparison (June 2007 – March 2009)



Source: Housing Intelligence System. Hometrack (www.hometrack.co.uk)

3.1.1.d. The trend of average price over time for the whole study area shows decreasing prices have had little impact on the steep inflation shown across all five local authorities since 2002.

Figure 3:4 Average House Prices (Comparison) Nottingham Core LAs



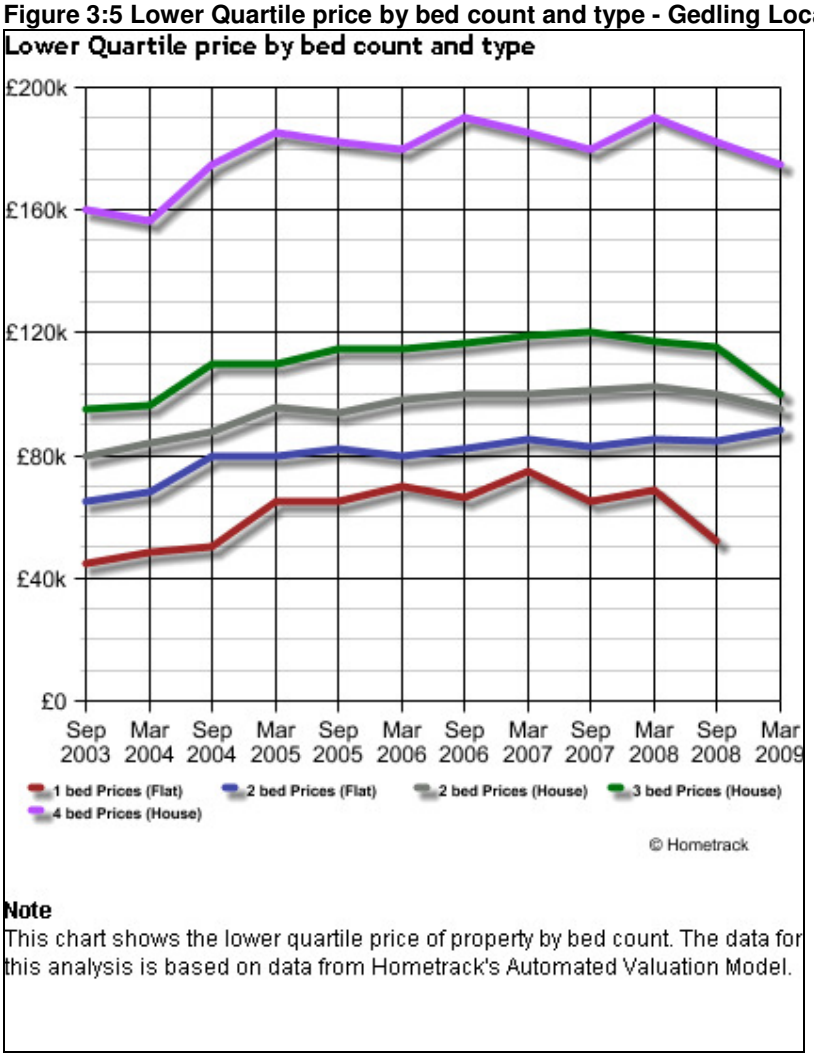
Note
The chart shows the average property price over time for all types of housing in the area selected. Small sample sizes can distort the price over time in some areas. The data for this analysis is based on data from Hometrack's Automated Valuation Model.

Source: Hometrack; © Hometrack

3.1.2. Lower Quartile Price Fluctuations by Bed Count and Property Type

3.1.2.e. Prices in Gedling are fairly smooth across all property types in the lower quartile until around March 2008. After this it looks as though prices for 2 bed flats and 2 and 3 bed houses are converging, and there is a fairly substantial drop in price for 1 bed flats (returning to just above 2003 levels). There is no data for 1 bed flats in March 2009, suggesting there were no sales of that property type during that month. Four bedroom houses increased in price significantly from March 2004 to March 2005, and since then look to have been following a repetitive pattern of rising and correcting, to stay at around £180 – £190,000. Generally the larger properties tend to demonstrate different patterns to those which are more accessible to the wider market.

Figure 3:5 Lower Quartile price by bed count and type - Gedling Local Authority



Note
This chart shows the lower quartile price of property by bed count. The data for this analysis is based on data from Hometrack's Automated Valuation Model.

Figure 3:6 Comparison of lower quartile prices by property type and size – all Local Authorities

Compare Lower Quartile Prices by Property Type & Size					
March 2009	Broxtowe	Erewash	Gedling	Nottingham	Rushcliffe
1 bed flat	£55,000*	£68,000*	£52,200*	£50,000	£101,000
2 bed flat	£68,500	£73,000	£88,500	£75,000	£80,000
2 bed house	£90,000	£83,500	£95,000	£71,000	£106,000
3 bed house	£109,300	£105,000	£100,000	£80,000	£140,000
4 bed house	£163,000	£152,000	£175,000	£105,000	£235,000
*Sep-08 price has been used where Mar-09 price is unavailable					

Source: Hometrack Housing Intelligence System

3.1.2.f. There continues to be a clear hierarchy between prices in the city and prices in the more suburban authorities. Rushcliffe clearly carries a premium which is probably attributable to its more rural character. The hierarchy is least evident in relation to 2 bed flats, for which prices are very similar and Gedling shows as the most expensive. In terms of frequency there are far fewer sales of flats than houses, which is a clear reflection of market demand (particularly since we know there is currently an abundant supply of flats available). Three bed houses remain the most commonly purchased property in all local authorities.

Figure 3:7 Local authority level number of sales by property type and size

Property Count by property type and size					
Sept 2008	Nottingham	Broxtowe	Gedling	Erewash	Rushcliffe
1 bed flat	68	9	10	9	10
2 bed flat	175	44	39	8	40
2 bed house	537	284	204	386	156
3 bed house	1,161	683	510	716	433
4 bed house	265	172	154	143	270
Mar-09 count is unavailable					

4) Supply

4.1.1.a. Supply figures at LA level are based on CORE RSL lettings and HSSA data. The CORE entries for LA stock are included in the model for reference but are not used at this level (to avoid duplication with HSSA data). However, where LAs currently holding social housing stock do not participate in CORE this poses a problem with disaggregating the data to submarket level.

4.1.1.b. Across all local authorities the total yearly lettings recorded in the 2008 HSSA data were less than those recorded in 2007, indicating a downward trend. Erewash and Rushcliffe have transferred all their stock to RSLs, so their HSSA entry is zero. In this example, the trend has been used to estimate annual supply from local authorities, rather than the average (which is higher and does not reflect the apparent reduction in annual lets).

Figure 4:1 Local authority level annual supply

LA	Lettings Net of Transfers 2007	Lettings Net of Transfers 2008	Trend	Average	Result from CORE data	Average Annual HA Lettings	Total (select appropriate results to combine for annual supply)
	2007	2008	2009	2009			
Broxtowe	401	375	349	388	175	132	481
Erewash	0	0	0	0	0	529	529
Gedling	313	299	285	306	184	145	430
Nottingham	2,780	2,696	2,612	2,738	0	798	3,410
Rushcliffe	0	0	0	0	60	301	361

5) Households in need

5.1. Backlog Need

5.1.1.a. The numbers on the waiting list are taken from HSSA returns, and move differently for each local authority. The trend has been used rather than the average – this decision must be judgment based and which figure is appropriate may vary for each authority. Apart from Broxtowe and Gedling, all authorities show an increase in numbers on their waiting lists, though the numbers in Rushcliffe have remained fairly stable. The figure used in the needs calculation will need to take account of internal knowledge of waiting list changes. In all cases, the number of applicants for housing far outstrips supply.

Figure 5:1 HSSA data (2005 – 2008)

Section C: Housing waiting list and choice-based lettings

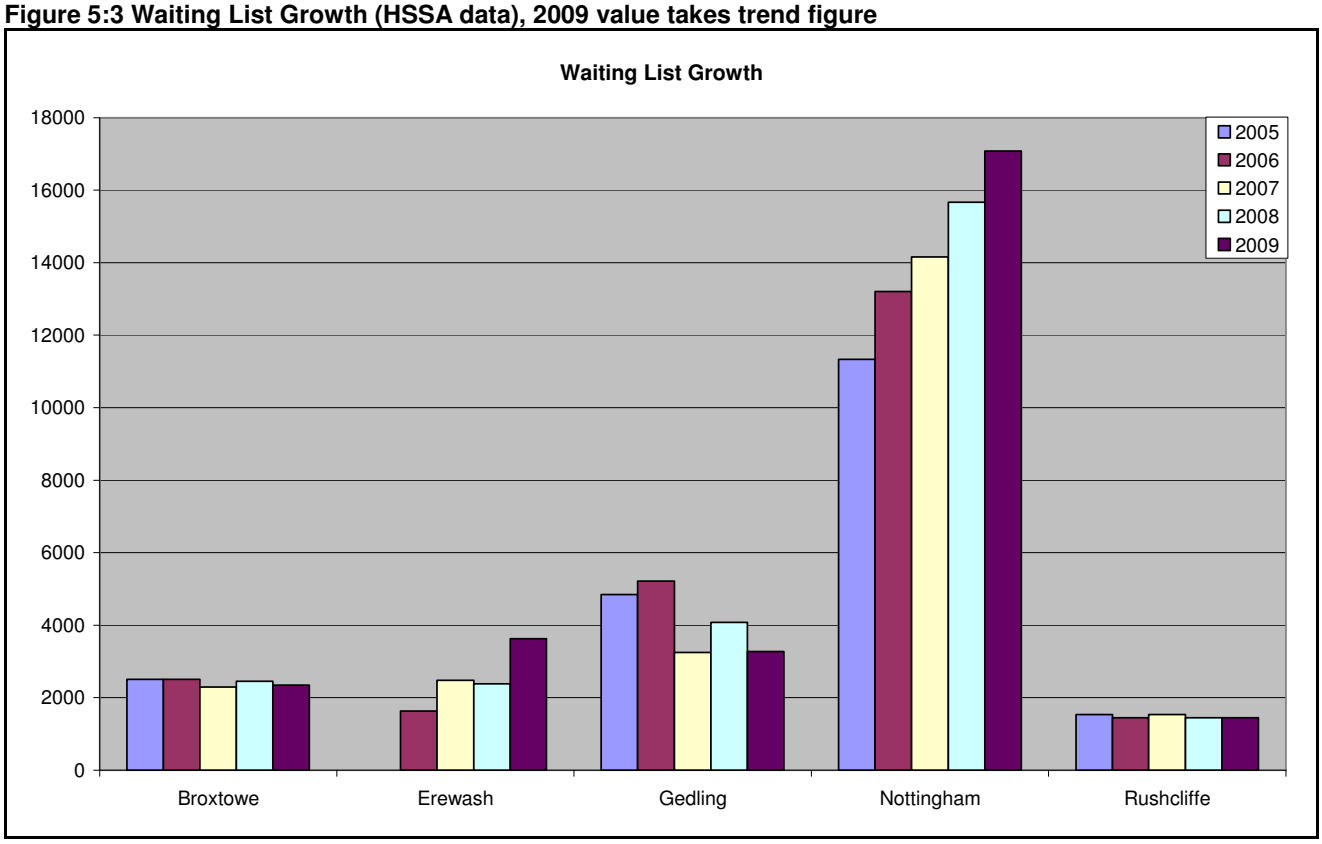
Households on the housing waiting list at 1st April

1a. Total households on the housing waiting list at 1st April					Trend
LA	2005	2006	2007	2008	2009
Broxtowe	2,502	2,508	2,293	2,448	2,344
Erewash	0	1,633	2,482	2,386	3,627
Gedling	4,849	5,218	3,251	4,074	3,275
Nottingham	11,329	13,201	14,159	15,668	17,083
Rushcliffe	1,534	1,442	1,535	1,451	1,452

Figure 5:2 Comparison of average and trend figures from HSSA data (2009 projection)

LA	Average annual waiting list	Trend
Broxtowe	2,438	2,344
Erewash	1,625	3,627
Gedling	4,348	3,275
Nottingham	13,589	17,083
Rushcliffe	1,491	1,452

Figure 5:3 Waiting List Growth (HSSA data), 2009 value takes trend figure



5.2. Emerging Households

5.2.1.b. A proportion of emerging households will be unable to afford accommodation at open market cost. Data for emerging households is taken from the DCLG/Chelmer Household Projections, 2004. These projections are particularly useful in needs analysis as they give a breakdown by age and household type, as well as providing an estimate of average household size. This allows the emerging households (given to be between 18 and 35) to be isolated fairly effectively (in theory). Results are shown below. The period considered is 10 years, based on the projections for 2011 and 2021. The model calculates how many households over that time will move through the emerging households age group, and apportions them annually. Numbers are similar for all authorities except Nottingham, which obviously has a greater number of new households as a large city.

Figure 5:4 Emerging Households by local authority

LA	Emerging households over 10 years	Annual emerging households
Broxtowe	8,852	885
Erewash	7,853	785
Gedling	7,403	740
Nottingham	29,956	2,996
Rushcliffe	8,213	821

5.3. Owner Occupier Need

5.3.1.c. The model derives owner occupation levels by taking the number of owner occupiers (who live in their home, with a mortgage, including shared ownership) at the 2001 Census as a baseline, then increasing this by 1% per year (x 1.08), based on the addition of new stock, to give an estimate of the number of owner occupiers in the housing market today. This level of growth could be argued up or down, because:

- During the beginning of the boom, more people were entering the property market than before with easier access to capital and a huge number of incentives.
- Towards the end of the boom, fewer people could afford to enter the property market because of unprecedented house price inflation.

5.3.1.d. A report by Savills Research (February 2009)5, based on the Survey of English Housing suggests a fairly steep decline in owner occupation, which is being replaced by private renting. Would-be buyers are kept in the private rental sector while they are priced out of the purchase market. This situation is upheld by the continued (though lately more limited) availability of buy-to-let mortgages. However, many transactions during the boom were remortgages or purchases by existing owner occupiers using capital from their own home, which could contribute significantly to need if these households are unable to service their debt.

Figure 5:5 Estimated levels of owner occupation by local authority

LA	All Households	Owner Occupied with mortgage	Proportion of households	Increase to 2009 (+1% per year)
Ashfield	46,601	18,870	40%	20,380
Broxtowe	45,422	19,676	43%	21,250
Erewash	46,219	21,388	46%	23,099
Gedling	47,546	21,824	46%	23,570
Nottingham	116,070	34,720	30%	37,498
Rushcliffe	43,648	19,249	44%	20,789

5.3.1.e. According to the Council of Mortgage Lenders, 1 in 290 mortgages were repossessed during 2008. They have predicted a rise in this proportion during 2009, though because of technical issues with data compatibility the final number of repossessions predicted will be revised downwards6. The 1 in 290 (or 0.345%) figure has been used to assess owner occupier need in the latest model, though this figure can be revised up or down if new figures emerge. This is an increase from the figure originally used in the previous adaptation of the Bramley model (0.234%, or 1 in 427), and reflects the increased risk to owner occupiers in today's market.

[5] *"The decline of owner-occupation"*, Savills Research (February 2009) last accessed 29 May 2009, http://www.grantmanagement.co.uk/media/resources/Savills%20Feb%2009.pdf

[6] See CML Press Release, 15 May 2009 (last accessed 29 May 2009), http://www.cml.org.uk/cml/media/press/2262

5.4. Migrations

5.4.1.f. Migration statistics are difficult to incorporate, as they tend to be slightly behind other population data given the transient nature of the group, but may be already accounted for to some extent in emerging households and population growth projections. As the model uses 2004 projections in deriving emerging households, more recent net migration may add to the total number of households potentially in need.

5.4.1.g. The migration figures used in the model are therefore based on 'ONS population projections: Natural change and migration summaries for local authorities and higher administrative areas (2006)', and take the 'all migration net' figure for each local authority. This is then divided by the average household size (using the 2011 projection figure) to give an estimate of the number of migrant households. Based on the Bramley model, it is assumed that around a third of migrant households who are in need will apply for affordable housing.

5.4.1.h. The accuracy of these figures is questionable in relation to housing need, as it is very difficult to know how many migrants remain in the area long term, how many actually apply for housing, or whether there is a significant difference in household size. The assumption that their socio-economic status, incomes and affordability criteria will be the same as other residents is also debatable.

Figure 5:6 Migration statistics by local authority

LA	ONS Net Migration (2008)	ONS Net Migration (2009)	ONS Net Migration (2010)
Broxtowe	1,100	1,000	1,000
Erewash	100	100	200
Gedling	300	300	400
Nottingham	2,400	2,000	1,700
Rushcliffe	600	600	700

LA	Migrations over 3 years (people)	Ave. hsehld size (from 2011 projections)	Number of migrant households over 3 years	Annual migrant households	% unable to afford market housing	% likely to apply for AH	Need from in-migrants
Broxtowe	3,100	2.221	1396	465	52%	33%	80
Erewash	400	2.22	180	60	40%	33%	8
Gedling	1,000	2.21	452	151	39%	33%	19
Nottingham	6,100	2.107	2895	965	39%	33%	124
Rushcliffe	1,900	2.291	829	276	50%	33%	46

6) Key Variables

6.1.1.a. The model allows key variables to be altered to assess the potential impact on need. The significance of each variable can be considerable. Fluctuations in house price, the policy period over which backlog need is addressed, and the number of households with resources from other sources have the largest impact on the resulting need figure. A figure for the proportion of households able to afford but unable to access mortgage capital7 is given in the table below, and has a significant impact on the overall number of households who cannot owner occupy, but is not applied to the needs figure as it is unlikely that those households would apply for or want social housing. Four scenarios are given below.

Figure 6:1 Scenarios changing 3 key variables and results

KEY VARIABLES	Base scenario	Scenario 1	Scenario 2	Scenario 3
House Price Fluctuation	0%	-15%	0%	0%
Mortgage Multiplier	3.5	3.5	3.5	3.5
Size of Deposit	10%	10%	10%	10%
Policy Period	7.5	7.5	5	7.5
Proportion unable to access mortgage	51%	51%	51%	51%
Owner Occupier Need Factor	0.345%	0.345%	0.345%	0.345%
Equity Share in Intermediate Housing Products	40%	40%	40%	40%
% with resources from other sources	10%	10%	10%	0%

	Broxtowe	Erewash	Gedling	Nottingham	Rushcliffe
Net Need (Base Scenario)	561	342	405	419	411
Net Need (Scenario 1)	408	273	333	172	321
Net Need (Scenario 2)	717	583	623	1,558	507
Net Need (Scenario 3)	605	373	435	538	453

6.1.2. Rent and Purchase Price Differentials

6.1.2.b. The needs figures given throughout this report are based on affordability of lower quartile house prices. However, there is a clear and relatively wide gap between social renting and owner occupation which is filled frequently, and often effectively, by private renting. Although private renting in Britain has historically been seen as a 'stopgap', temporary tenure, it has been argued that the continued imbalance in housing markets and increasing separation of the link between earnings and ownership have led to a shift in its role8.

[7] Based on Council of Mortgage Lenders statistic, 51% decline in the number of loans since January 2008

[8] See "*The Private Rented Sector: its contribution and potential*", Julie Rugg and David Rhodes, Centre for Housing Policy, The University of York (2008), at

6.1.2.c. As a result, the use of lower quartile house prices as a measure of affordability may give an unrealistically high indication of the demand for social housing. In actuality, people may be happy to remain in private renting for the longer term, rather than apply for social housing after a period if unable to buy.

6.1.2.d. To attempt to account for this argument within the model, a secondary need figure has been generated which deducts those households who can afford lower quartile private rent9 from the total figure unable to afford lower quartile purchase. The remaining households left in need are those that are more likely to more urgently require social housing, being unable to afford anything else. A judgment is then required as to which figure most accurately reflects the true picture, as not all people in private renting will be happy or suitably housed (though this is true of all tenures). This also prompts an argument for further focus on the private rented sector to ensure that those who do remain in the tenure long term are well treated and protected.

6.1.2.e. Establishing a realistic lower quartile rental cost figure (for which the supply and quality is an adequate substitute for the alternative of social housing) is difficult. Reported rent levels vary, and variation can potentially make a large difference to the residual need figures. In the example below, the monthly rent levels for each local authority have been derived using data from Dataspring, which refers to the Rent Service. Because these rents are used to calculate local housing allowance, they are more likely to be at the lower end of the market. Using the Rent Service figure gives a much lower (and in some cases negative) result.

6.1.2.f. The model includes two other figures for private rental costs which may be applied to assess the different impacts on residual need (those who cannot afford to rent or buy will be the most urgent candidates for social housing). The two alternative figures are taken from an average of submarket private rent levels (based on a search of www.rightmove.co.uk), and cross-tenure affordability data provided by the Hometrack Housing Intelligence System (www.hometrack.co.uk). The impact of changing private rental costs on the model is shown below.

Figure 6:2 Impact of Private Rental Sector monthly cost variations on affordability percentages by LA

	% unable to afford based on		
LA	Rent Service	Submarket Average	Housing Intelligence System
Broxtowe	17%	23%	28%
Erewash	13%	24%	24%
Gedling	19%	16%	24%
Nottingham	18%	28%	36%
Rushcliffe	14%	17%	24%
	Residual need figure (can't rent, can't buy) based on:		
LA	Rent Service	Submarket Average	Housing Intelligence System
Broxtowe	135	189	233
Erewash	145	231	231
Gedling	248	225	285
Nottingham	-340	-40	200
Rushcliffe	66	91	148

http://www.york.ac.uk/inst/chp/publications/PDF/prsreviewweb.pdf and http://www.homesandcommunities.co.uk/private_rented_sector_initiative

[9] Based on private rent levels by LA provided by dataspring (www.dataspring.org.uk). Submarket lower quartile rents are based on a search of Rightmove for properties within the area, top of the first 25% of entries is selected. Although not the most exact method, it gives a reasonably good indication of supply in the sector.

Figure 6:3 Comparison of need figures - lower quartile purchase and rent (Key Variables set as above)

LA	Lower Quartile Price	Income required	% can't afford	Private Rent LQP (monthly)	% can't afford	Total can't afford PRS	NET NEED (Purchase)	NET NEED (PRS)
Broxtowe	£120,000	£30,857	52%	£394	17%	150	605	135
Erewash	£95,000	£24,429	40%	£360	13%	63	373	145
Gedling	£100,000	£25,714	39%	£416	19%	141	435	248
Nottingham	£82,500	£21,214	39%	£373	18%	330	538	-340
Rushcliffe	£139,995	£35,999	50%	£412	14%	115	453	66

6.1.2.g. In addition to the problem of establishing accurate lower quartile rental prices to use in the model is the issue of supply within the private rental sector. Despite the appearance of affordability in the private sector, the general upward trend of growth in local authority waiting lists suggests the stock on offer is not adequate to meet demand. This may be due to a combination of factors such as:

- Short supply of the property types and sizes that people want or need
- Difficulty raising deposits or acquiring references to access private rent
- Bad experiences or similar prompting people to apply for social housing where they may otherwise have remained in private renting
- Low security of tenure (fear of unfair treatment, rent increases or eviction) creating an impetus to apply for social housing (particularly in times of economic instability)
- Low supply for emerging households (much of the activity and movement within the private rented sector occurs among those households already established in it).

6.2. Intermediate Housing

The model provides two calculations relating to intermediate housing based on the latest available lower quartile prices. The two outputs are based on a variable equity stake (so should be specific to individual sites) and detail:

1. The proportion of **emerging households only** able to afford intermediate housing at the given equity stake
2. The proportion of **all households unable to afford market housing** able to afford intermediate housing at the given equity stake

n.b. The second option makes the assumption that households on the housing register cannot afford any form of tenure other than social housing. This is a broad assumption and is likely to considerably underestimate the potential scope for intermediate housing products in terms of affordability.

Below is an example of each output for intermediate housing scope.

Figure 6:4 Intermediate Housing Scope – Emerging Households Only

Tenure/Product	Proportion unable to afford	No. households unable to afford			Proportion able to afford but unable to access mortgage	Number unable to access mortgage	Total unable to afford + unable to access mortgage
Purchase	**52%**	**460**	***Emerging Hshlds Only**: Number unable to afford market housing but able to afford IH*	***Emerging Hshlds Only***: IH scope (as % of affordable housing provided)	24%	212	672
Intermediate at 70%	34%	301	159	34.6%	34%	301	602
Intermediate at 50%	20%	177	283	61.5%	41%	363	540
Variable proportion for Intermediate Housing							
40%	12%	106	354	76.9%			
Private Rent	**29%**	**257**					

Figure 6:5 Intermediate Housing Scope – All households including backlog need

Proportion of Social Housing	**54%**
Proportion of Intermediate Housing	**46%**
At Equity Share of	40%
This social/intermediate split incorporates backlog need into the affordability calculation for intermediate housing. It involves a policy decision to prioritise backlog need over future need.	

The logic behind the calculation for the potential scope of intermediate housing is that the lower the equity stake, the more households will be able to afford it. However, this does not incorporate factors such as lower interest in lower equity stakes from potential buyers.

Secondly, the intermediate housing calculation within the model assumes that new build intermediate housing property values will not behave in the same way as resale properties, and will retain a higher market value for longer (as with other new build properties). Consequently, intermediate sale prices in the model do not respond to a drop in overall market prices. The result of this is that as house prices fall in the general market, the potential scope for intermediate housing products diminishes (which should more accurately reflect reality).

7) Results and Submarket Outputs

7.1.1.a. Key Variables are set as follows:

Figure 7:1 Key variable settings for results and submarket outputs

KEY VARIABLES	
House Price Fluctuation	0%
Mortgage Multiplier	3.5
Size of Deposit	10%
Policy Period	7.5
Proportion unable to access mortgage	51%
Owner Occupier Need Factor	0.345%
Equity Share in Intermediate Housing Products	40%
% with resources from other sources	0%

7.2. Deriving submarket level needs figures

7.2.1.b. Finding data which is detailed and recent enough to allow submarket modeling is very difficult and involves many assumptions, proxy calculations and substitutions where the ideal data is unavailable. The following table details the output requirements we want, the data needed to provide them, and the substitutes or proxies used in the final model with accompanying methods and potential inaccuracies. Whenever the model is updated this 'shopping list' should be referred to and the closest available dataset supplied wherever possible to achieve a more accurate picture. Where submarkets cross administrative local authority boundaries these are included within the model twice, under each local authority for reference, and highlighted so users will be aware need for those submarkets will be duplicated.

Figure 7:2 Discussion of sources and methodology for model outputs

Output	Data Required	Data obtained	Data used
Emerging households	Number of new households requiring housing annually by submarket	Chelmer Model (LA Level) Household Projections; ONS 2007 population projections by LSOA, Census data where submarkets do not fit LSOA data.	Household size from Chelmer Model (2011 figure); Population projections aggregated to submarket. Census counts rolled forward to today to estimate emerging households in smaller submarkets.
Method Applied	Age groups in 2007 population projections are 16-29 and 30-44. The numbers in each age group are disaggregated apportioning an equal number of people to each year of the age group and reaggregated to include only the ages in question (i.e. 18-29 and 30-35). This figure is then divided by the average household size as taken from the Chelmer projections. The household figure is then divided by 10, assuming new households will emerge from this age group over 10 years. Census age groups who will have reached the emerging households group since 2001 are selected and the total divided by the average household size for those submarkets which do not contain an LSOA total.		

Potential Inaccuracies	Using a uniform average household size across all submarkets probably creates an 'ecological fallacy', assuming most households are the average size when in fact, most are either larger or smaller, and there is almost certainly variation between submarkets. Separating the age groups in the projections equally ignores the probability that there are more people in one age group than another. The average household size in 2011 is subject to change, in fact some sources indicate that households are now growing due to affordability problems.		
Affordability	Number of households unable to afford to buy/rent by submarket	Land Registry House Price data, postcode level, (Jan08-Feb09); CACI Incomes data by output area (2006); Private rental lower quartile price derived using Rightmove search (by submarket where possible, or using sample postcode + 1/4 mile), selecting top of lowest 25% of returns.	House prices selected by submarket and lower quartile derived (top of first 25%), Affordability (owner-occupation) = count of households unable to afford LQP borrowing 3.5 x income; Affordability (PRS) = count of households unable to afford LQRentalP paying 30% of income.
Method Applied	Rank sales by submarket/price then derive lower quartile for each submarket. Assume 10% deposit and 3.5 times borrowing for purchase. Assume access to deposit for rent and affordability at 30% of income. Total number of households in each income band by submarket. Split most common income bands to allow for greater sensitivity in affordability calculations (i.e. split households with income of £15,000 - £30,000). Total number in each submarket unable to rent/buy at lower quartile price. Affordability proportion is this number as a percentage of the total households in the submarket. (A factor has been added to account for the number of households with resources from elsewhere, though this figure is also unknown locally).		
Potential Inaccuracies	The lower quartile price can be distorted by some very low end sales which may not reflect market reality for most households and can provide an underestimation of prices. Land registry data does not include bedroom counts, so lower quartiles can only be derived by property type, not size. Ideally a lower quartile by property size could tell us what kind of affordability levels there are by household type (i.e. singles, couples, families, large families etc), however it is also difficult to access data on household types and sizes more recent than the Census. We might assume that emerging households (to which this factor will be applied) are naturally smaller and will begin by purchasing or renting smaller (therefore cheaper) properties.		
In migrant households and affordability	Number of migrants unable to afford market accommodation who are eligible and would apply for affordable housing	Migrations are not included in the submarket calculations as ONS population estimates by LSOA (2007) have been used to estimate emerging households, and should include a migration element in their totals	n/a
Method Applied	n/a		

Potential Inaccuracies	Migration figures can vary greatly especially in periods of economic volatility. The current economic downturn has reportedly seen many migrant workers leaving the country, unable to find work or unsatisfied with the cost of living. A large exodus of migrants can have a significant impact on the private rental sector in particular, for which migrants have been a key market in certain areas. This could both increase supply in the private sector, and raise issues with stock condition (as conditions of overcrowding and poor quality stock have been argued to be more acceptable to transient communities). There may have been a change in the level of migration since the 2007 projections came out, although the overall impact of migration on needs figures is small. However, if certain submarkets are more affected than others by migrant movements, this may not be reflected.		
Owner occupier group size	Number of owner occupiers (with a mortgage) by submarket	Tenure by output area, Census 2001 (Table KS18)	Tenure aggregated to submarket level and inflated based on additional stock growth since 2001
Method Applied	The number of owner occupiers in each submarket at the 2001 Census is taken as a baseline. The number with mortgages (including shared ownership) is extracted and inflated by 1.08 (1% per year) to give an estimate of owner occupation levels today. The 1% represents the average additional stock growth.		
Potential Inaccuracies	Since the Census 2001 households have been getting older in most areas. This suggests that many of the households with a mortgage in 2001 may now wholly own their properties. In addition to this, there has been a steep drop in the number of first time buyers entering the market. It is not possible to know the true levels of owner occupation today. Some submarkets may have become hotspots for private renting (particularly in student areas), leading to a decline in owner occupation, while others may have had a boom in owner occupation because of a new scheme or development. These variations at local level cannot be picked up by the model without local input.		
Owner occupier need	Number of owner occupiers falling into housing need as a result of arrears, eviction or repossession by submarket	National figure from CML (1 in 290, 2008)	The 1 in 290 figure (0.345%) is applied to the projected number of owner occupiers in each submarket.
Potential Inaccuracies	The number of owner occupiers falling into housing need is quite a large unknown. Due to growth in unemployment and a high number of households bearing high debt levels it has been projected that there will be a rise in repossessions before the economy starts to recover. However, moves by the Bank of England to keep rates low and pressure on financial institutions to support financially troubled households may have a downward impact on the number in this category. Deriving a figure for each submarket is almost impossible without detailed information on repossessions at a local level. It may be that repossessions are more common in certain areas, or for certain property types or sizes.		
Backlog need	Number of households on the waiting list by submarket (ideally giving which submarket they want to live in, rather than where they live now), excluding transfers	For Nottingham City Council, waiting list data by submarket (where households live now); For Rushcliffe Borough Council, waiting list data by postcode (where households live now); for Broxtowe Borough Council, waiting list data by sub-area (where households wish to live); Gedling Borough Council/Erewash Borough Council, no data available	For Nottingham CC, Rushcliffe BC and Broxtowe BC, waiting list by submarket; for other councils proxy based on the Private Rented Sector as at the 2001 Census, which apportions the HSSA waiting list by submarket according to the distribution of private renting as at the Census 2001.

Method Applied	Where detailed waiting list data is provided, a count of backlog households by submarket is derived and spread over the policy period. Where no data has been provided a proxy has been used which allocates the total number of households on the HSSA waiting list (based on 2009 trend projections) across each submarket proportionately, based on the proportions in the private rented sector in each submarket in 2001(based on the Census). The private rented sector is used as a proxy, as it is assumed that this is a temporary tenure from which households will want to either buy or move into social housing.		
Potential Inaccuracies	Without genuine waiting list data we cannot be sure where need is emerging from, or for. The private rented sector (PRS) is increasing less a temporary form of tenure for many households, who do want to buy but do not want or need the option of social housing. Government initiatives have encouraged the development of the PRS as a more secure tenure, and some initial steps are being taken to improve the tenure and make it more secure for households through greater support and regulation. There has been very significant growth in the PRS over recent years, particularly through buy to let mortgages and increased interest in property investment. The situation of Nottingham as a university location also affects the distribution of the private rented sector in a manner which may not accurately reflect the need for social housing based on the proxy used in the model. However, because of the lack of available data as discussed, the 2001 PRS distribution is the best proxy we have available to estimate need at submarket level. Where waiting list data is used there are also discrepancies, where totals do not match those given in the HSSA returns. There is also no way of telling where people want to live as opposed to where they are living when they apply, and the data collected in waiting lists varies.		
Supply	RSL and LA annual lettings by submarket	CORE lettings data; Nottingham UA lettings by postcode; Broxtowe BC lets by sub-area	For NCC and Broxtowe BC, lettings by submarket; for Erewash and Gedling BC CORE lettings by submarket increased proportionately to match HSSA totals where there is a significant discrepancy.
Method Applied	Since not all local authorities participate fully in CORE there are some discrepancies between the lettings count in the HSSA and in CORE (see tab CompareHSSA_CORE). In the case of Erewash and Rushcliffe, all stock has been transferred to RSLs so should all be accounted for in CORE. Nottingham UA has provided lettings data by postcode which has been aggregated to submarket. No lettings data has been made available for Gedling, so the proportionate difference between HSSA and CORE totals has been applied to the CORE totals to inflate them for each submarket.		
Potential Inaccuracies	Without full supply data for all local authorities applying the HSSA increase equally across all submarkets is likely to result in a greater or lesser view of actual supply in some areas. In reality, the difference in the stock count will be distributed unevenly across the different sub-areas.		

Figure 7:3 Model outputs at Local Authority level - Gedling

Net Need (Lower Quartile Purchase)	**396**
Number of emerging households per year	**740**
Entry Level Price	**£100,000**

Tenure/Product	Proportion unable to afford	No. households unable to afford			Proportion able to afford but unable to access mortgage	No. unable to access mortgage	Total unable to afford + unable to access mortgage
Purchase	**39%**	**289**	***Emerging Hshlds Only**: No. unable to afford market housing but able to afford IH*	***Emerging Hshlds Only**: IH scope (as % of affordable housing provided)*	31%	229	518
Intermediate at 70%	24%	178	111	38.5%	39%	289	467
Intermediate at 50%	11%	81	208	71.8%	45%	333	414
Variable proportion for Intermediate Housing							
40%	7%	52	237	82.1%			
Private Rent	**24%**	**178**					
Number of in migrant households	151						
Number likely to apply for housing	19						
Number of owner occupiers	23,570						
Proportion falling into need	0.345%	81	Source: CML (2008) *"1 in 290 mortgages repossessed in the year"*				
Backlog need	3,275	Uses waiting list trend figure					
Policy Period	7.5	years					
Waiting list annual backlog	437						
Gross Need	**826**						
Net Need	**396**						

Proportion of Social Housing	**67%**
Proportion of Intermediate Housing	**33%**
At Equity Share of	40%

change in Key Variables

This social/intermediate split incorporates backlog need into the

affordability calculation for intermediate housing. It involves a policy decision to prioritise backlog need over future need.		
Lets of existing supply	430	
Annual apportionment - Total Provision (Regional Plan)	400	Source: East Midlands Regional Plan (March 2009)
Proportion affordable	99%	
Actual provision proposed (HSSA)	69	

7.2.2. Submarket Outputs - Gedling

Figure 7:4 Gedling submarkets

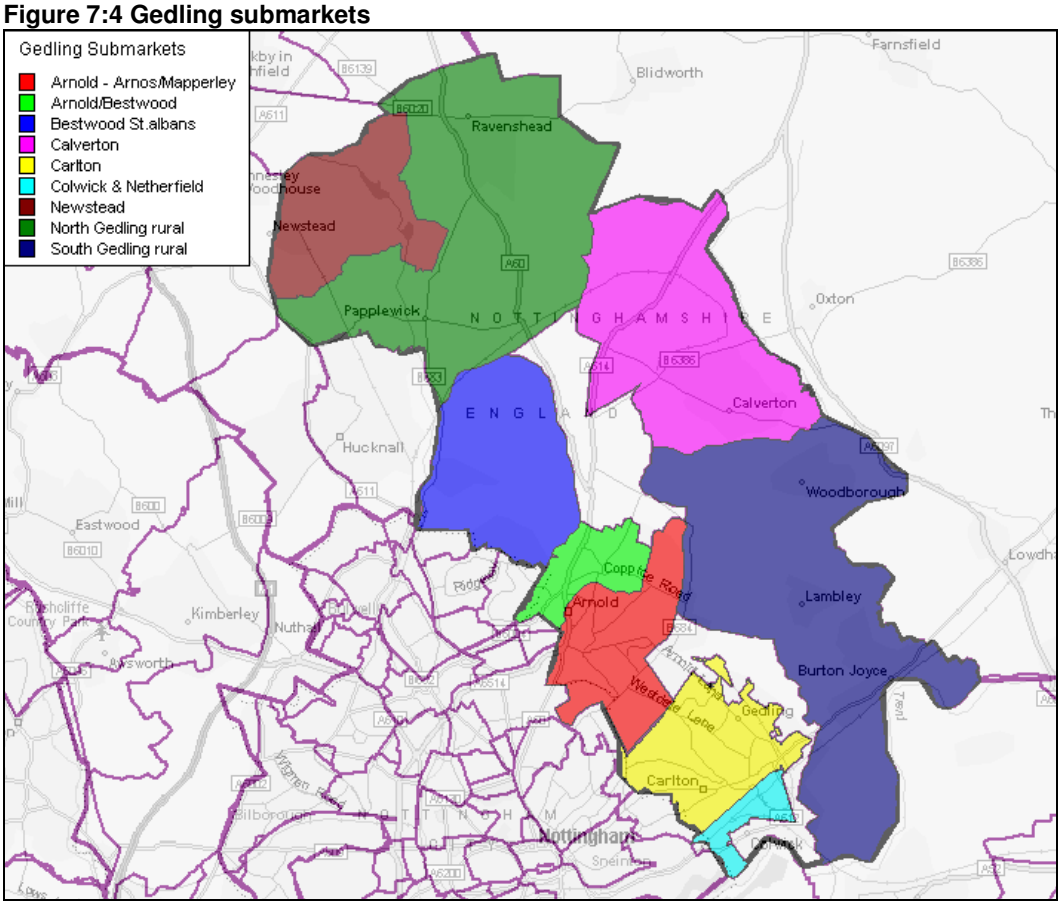


Figure 7:5 Key Outputs by submarket (Gedling)

Submarket Name	Lower Quartile Price	Income required	% can't afford mortgage	Private Rent LQP	% can't afford rent	NET NEED (Mortgage)	NET NEED (Rent)
Arnold - Arnos/Mapperley	£113,500	£29,186	50%	325	14%	212	129
Arnold/Bestwood	£91,000	£23,400	47%	300	13%	64	15
Bestwood St.Albans	£84,000	£21,600	35%	325	15%	9	-3
Calverton	£112,000	£28,800	56%	460	29%	49	32
Carlton	£95,000	£24,429	45%	450	29%	297	244
Colwick & Netherfield	£83,500	£21,471	36%	450	27%	72	67
Newstead	£73,000	£18,771	34%	375	18%	8	6
North Gedling rural	£165,000	£42,429	59%	390	12%	47	20
South Gedling rural	£155,000	£39,857	64%	350	12%	79	50

House prices in Gedling are lower generally than Erewash or Broxtowe, but being the other side of Nottingham may be unlikely to cater for people living in those markets. The HSSA waiting list totals have reduced over time in Gedling, indicating that some headway has been made in meeting demand. The private rented sector proxy has been used to determine backlog need in the borough, and continues to show a positive net need across all submarkets.

7.3. Submarket Output Comparisons by Local Authority, 2006 and 2009 outputs

Figure 7:6 Submarket Level Output comparisons, Gedling

LA	Submarket List 2006	Submarket List 2009	LQHouse Price 2006	LQHouse Price 2009	% unable to afford 2006	% unable to afford 2009
Gedling	Arnold - Arnos/Mapperley	Arnold - Arnos/Mapperley	£158,896	£113,500	78%	50%
Gedling	Arnold/Bestwood	Arnold/Bestwood	£121,978	£91,000	48%	47%
Gedling	Bestwood St.albans	Bestwood St.albans	£123,751	£84,000	41%	35%
Gedling	BURTON JOYCE	No longer used	£181,250	No longer used	83%	No longer used
Gedling	Calverton	Calverton	£149,924	£112,000	59%	56%
Gedling	Carlton	Carlton	£134,764	£95,000	44%	45%
Gedling	Colwick & Netherfield	Colwick & Netherfield	£107,345	£83,500	43%	36%
Gedling	Newstead	Newstead	£136,602	£73,000	58%	34%
Gedling	North Gedling rural	North Gedling rural	£313,309	£165,000	100%	59%
Gedling	RAVENSHEAD	No longer used	£190,000	No longer used	81%	No longer used
Gedling	South Gedling rural	South Gedling rural	£272,318	£155,000	100%	64%
Gedling	WOODBOROUGH	No longer used	£206,837	No longer used	84%	No longer used

Submarket List 2006	Submarket List 2009	Gross Need 2006	Gross Need 2009	Net Need 2006	Net Need 2009
Arnold - Arnos/Mapperley	Arnold - Arnos/Mapperley	244	161	235	129
Arnold/Bestwood	Arnold/Bestwood	115	85	67	15
Bestwood St.albans	Bestwood St.albans	30	27	-6	-3
BURTON JOYCE	No longer used	10	No longer used	11	No longer used
Calverton	Calverton	51	38	44	32
Carlton	Carlton	217	270	191	244
Colwick & Netherfield	Colwick & Netherfield	63	86	53	67
Newstead	Newstead	9	8	5	6
North Gedling rural	North Gedling rural	20	20	20	20
RAVENSHEAD	No longer used	22	No longer used	22	No longer used
South Gedling rural	South Gedling rural	33	52	33	50
WOODBOROUGH	No longer used	3	No longer used	3	No longer used

8) Key Conclusions and Recommendations

8.1.1. Gedling

Gedling shows some substantial price drops, particularly in Newstead and North Gedling rural, where affordability based on income alone has improved. Need figures remain similar to 2006/7 outputs, with the highest need showing in Arnold – Arnos/Mapperley and Carlton. Bestwood St. Albans shows the lowest need. Although affordability in North Gedling rural has improved, the house price : income ratio is still high, and the model shows 59% of people living there would be unable to purchase at current market prices. There is also (based on CORE data only) very limited supply in the submarket, indicating it may benefit from a small scale affordable scheme.

8.1.2. Area Summary – Nottingham Core Housing Market Area

8.1.2.a. The Nottingham Core Housing Market Area contains much variation within its boundaries, and should not be treated as a homogenous market. There is much movement both within and between local authorities, and in and out of the whole area. House prices are most volatile in the city, but all parts of the HMA show significant fluctuations over the past few years.

8.1.2.b. Though falling prices are not eliminating issues of affordability, not all areas show positive net need, as some submarkets already have adequate supply to meet the demand generated from within them. The private rental sector is playing an increasingly significant role in filling the gap between social rent and purchase, but growing waiting lists show that the sector is not capable of fully catering to the needs of all households.

8.1.2.c. There is some evidence that a notable number of applicants to the outer authorities are from outside their administrative boundaries, indicating that some people in need of housing may be making multiple applications, which may result in some duplication.

8.1.2.d. Generally the overall number of people on local authority waiting lists is going up, while the number of lets coming available each year is going down. The pressure to increase the supply of social housing to cater for this demand is still evident, though not evenly spread across submarkets. The model shows prominently that demand for additional supply is generally less in areas which already contain higher levels of stock of affordable housing.