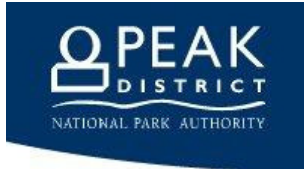




High Peak Borough Council
working for our community



Derbyshire Dales Council &
High Peak Borough Council

PEAK SUB REGION HOUSING MARKET ASSESSMENT

Final Report

December 2008



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A
Final Report
by



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Also at , Bristol, Cardiff, Edinburgh,
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1 INTRODUCTION AND CONTEXT

- 1.01 An enhanced awareness of how the housing market functions is essential to the effective integration of wider housing, planning, economic development and regeneration strategies. There is an increasing recognition of the need to better understand the complexities of the housing market and the relationship between housing supply and demand in order to inform the spatial planning process and housing strategies. As a consequence, local authorities have been tasked with developing a more strategic, long-term view of housing demand and need.
- 1.02 The Strategic Housing Market Assessment (SHMA) provides a tool to help achieve these strategic aspirations and equips local authorities and their partners with a framework to understand how housing markets operate. The SHMA process can also help local authorities and partners to understand the effect of planning decisions on housing markets. Put more generally, it is a key tool for aligning future policy to ensure the objective of ensuring balanced housing markets is achieved.
- 1.03 The Peak Sub Region SHMA has been commissioned against this backdrop to help partners in the sub-region to understand the dynamics and drivers of their housing market. The SHMA also provides an important part of the evidence base, with regard to the future balance of supply and demand in terms of tenure, type and location, to inform emerging Local Development Frameworks across the sub-region. The identification of policies and actions is the responsibility of the housing and planning authorities. Ultimately the SHMA's role is to assist those authorities to identify the policies and actions that will help deliver better housing, social, economic, and environmental outcomes for those living in the Peak Sub Region in the future.
- 1.04 This Strategic Housing Market Area is characterised by the rural nature of the sub-region and consequently the particular features of the rural housing markets are an integral part of the analysis. The draft guidance 'Building a Rural Dimension into Strategic Housing Market Assessments (East Midlands Rural Affairs Forum)' highlights six aspects of the study that can be incorporated to take account of the rural dimension. These are;
- The scale and detail for which data should be collected and analysed;
 - Assessing affordability in rural areas;
 - Where should housing be addressed;
 - How should the SHMA present the rural dimension;
 - The role of District and Local Housing Needs Surveys.

Context

- 1.05 This study has been commissioned for the area that comprises the whole of the Derbyshire Dales District Council and High Peak Borough Council's jurisdiction. Whilst it includes a significant area of the Peak District National Park this report does not cover the areas outside of Derbyshire. The Peak Sub Region as defined in the draft Regional Spatial Strategy includes all of the Peak District National Park. Although a large proportion of the Peak District National Park falls within the study area, there are parts of the National Park that lie outside of it. For the purpose of this study we have termed the study area as the High Peak Derbyshire Dales Sub Area (HPDD Sub Area). Derbyshire Dales and High Peak authorities are neighbouring authorities in the north of Derbyshire. They are located in an

area that is popular for tourism due to the beautiful scenery. The landscape of attractive countryside also makes the area a popular destination for visitors from nearby Manchester, Sheffield, Nottingham, Derby and further afield. The popularity of the area also attracts commuters who choose to live within the sub-region and commute outside for work. The area is also popular as a destination for those retiring.

- 1.06 As such, issues common throughout the area include a lack of an adequate supply of affordable homes, high levels of second home ownership, limited supply of private rented stock, and limited supply of social housing. These issues mean that the area has been designated as a separate sub-region in terms of its housing market. It should also be recognised that there are distinct difference between the two districts.

Derbyshire Dales

- 1.07 This area (800 sq km) is characterised by its rural nature with a low population density. Some 57% of the area (and around 36% of residents) is in the National Park. With the exception of Bakewell and Tideswell, all towns within the area are outside of the National Park. The District has a population of 70,200 (2007 ONS estimate) and the main settlements are the four small market towns of Ashbourne, Bakewell, Matlock and Wirksworth. The area attracts substantial numbers of visitors from the surrounding areas including Greater Manchester, Sheffield, South Yorkshire and the Midlands.
- 1.08 The economy is reliant on the service sector to a large extent with 70% of the population working in private and public service such as tourism, retailing, hotel and catering education and administration. Unemployment rates are low and levels of deprivation are low. However, wages are also relatively low compared to the national average making affordable housing for local people an important issue.
- 1.09 There are significant challenges in the provision of affordable housing within the area compounded by the aging population, net out-migration of young people, increasing second home ownership, and increasing house prices (at least until the recent national downturn in the housing market, precipitated by the recent major contraction in the financial lending market, aka "*The Credit Crunch*").

High Peak

- 1.10 High Peak Borough Council is situated in the north west of Derbyshire. To the immediate south lies Derbyshire Dales and Staffordshire and, farther on, the West Midlands conurbation. Cheshire and Greater Manchester lie to the immediate North West, whilst to the east are West and South Yorkshire. The Borough has a population of 92,800 (2007 ONS estimate).
- 1.11 High Peak is an area of 539 sq kms of which more than two-thirds lies within the National Park. However, only 7% of the population lives within the Park, with the majority (93%) of the population living outside, mainly within a small number of urban settlements including Glossop and Buxton. A large proportion of the population commute out of the sub-region to work in centres such as Manchester and Sheffield (Census 2001).
- 1.12 Tourism is a major contributor to the area economy each year. Buxton, Castleton and the Upper Derwent Valley are key tourism destinations. The authority does not lie on the national motorway network and accessibility by road is difficult in some areas, particularly in winter. Unemployment levels within the Borough are low at 2.2% (Office of National Statistics) but one ward, Gamesley, has high levels of deprivation and is within the top 10% of wards where deprivation and wages levels are below the national average.

The Peak District National Park

- 1.13 The Peak District National Park covers 1,438 sq km (555 sq miles), 74% of the Peak Sub Region as defined in the RSS. It is home to around 37,900 people (around 23% of the Peak Sub Region's residents), and around 14,000 "main jobs" in 2001.
- 1.14 The Peak District National Park is closely linked with the surrounding conurbations. The area is relatively sparsely populated. Some 63% of the HPDD sub-area is included in the National Park and around 20% of the population live there.
- 1.15 National Parks have been designated by the Government for the purpose of:
- Conserving and enhancing the national beauty, wildlife and cultural heritage of the area, and
 - Promoting opportunities for the understanding and enjoyment of the special qualities of the area by the public.
- 1.16 The Environment Act 1995 also defines a duty on the National Park Authority and other organisations to foster the economic and social well being of local communities within the National Park. A key consideration is that development within the Peak District National Park has to take account of these statutory purposes of designation.

Objectives of SHMA

- 1.17 The overall purpose of the SHMA is to assist the local authorities within the housing market area, and other partners (the National Park) to decide on issues such as:
- What tenure and cost profiles are needed for future house building and what size and type of housing is required to deliver sustainable communities across the sub-region;
 - How partners can ensure the delivery of planned levels of new housing choice given that this will represent an increase in development;
 - What needs to be included in Local Development Frameworks and Housing Strategies to maximise affordability, improve delivery and shape the future housing market in the HPDD sub-area, and;
 - How the analysis can be updated in the future.
- 1.18 The analysis is conducted in accordance with the DCLG guidance on preparing Housing Market Assessments (Practice Guidance Version 2). The guidance highlights the use of secondary data as being acceptable when conducting a SHMA. In the case of the two council areas, a local HNS was completed during the period of the SHMA commission and this HNS data has been used to provide up to date data and forecasts. Other secondary data has been used where necessary to supplement HNS and to provide additional robustness to the study process.

The Strategic Context

- 1.19 This section looks at the national, regional, sub-regional and local policy context within which the analysis of the housing market will be completed. It will be essential to refer back to this assessment at a later stage to inform policy recommendations.

National Policy Context

Overall Supply

- 1.20 The Barker Review of Housing Supply presented choices for the Government depending on its objectives for the housing market. The key conclusion of the Review is that the UK has experienced a long-term upward trend in real house prices of around 2.4 per cent per annum over the last 30 years. This has created problems of affordability. In addition, the volatility of the housing market has exacerbated problems of macroeconomic instability and has had an adverse effect on economic growth. To improve macroeconomic stability and deliver greater affordability for individuals, a lower trend in house price inflation is desirable.
- 1.21 To address this issue the Review recommended increasing the supply of new housing.
- In order to reduce the trend growth in real house prices to 1.8% per annum, the Barker Review concluded that an additional 70,000 houses each year in England would need to be built. To bring the real price trend in line with the EU average of 1.1% an extra 120,000 houses each year might be required.
- 1.22 The Barker Review's final report set out a range of policy recommendations for improving the functioning of the housing market:
- The Government should set out a goal for improved market affordability;
 - Additional investment building-up to between £1.2 and £1.6 billion per annum is required to deliver additional social housing to meet projected future needs;
 - Introduction of a Planning Gain Supplement¹ to capture some of the development gains that landowners benefit from to ensure that local communities share in the value of development;
 - Establishment of a Regional Planning Executive to provide public advice to the Regional Planning Bodies on the scale and distribution of housing required to meet the market affordability target;
 - Introduction of flexibility at the local level through the allocation of additional land in Local Development Frameworks, with the release of additional land triggered by market signals;
 - Establishment of a Community Infrastructure Fund to help to unlock some of the barriers to development;
 - Local authorities should be allowed to "keep" the council tax receipts from new housing developments for a period of time to provide incentives for growth and to meet transitional costs associated with development.
- 1.23 The Government objectives in relation to housing are wide ranging and include overall supply, quality and the delivery of sustainable communities. The Government's Response to the Barker Review in December 2005 set out its ambition to increase house building to 200,000 units per annum by 2016, representing an increase of around a third on current completions nationally.

¹ A PGS is a tax on the difference in land value before and after planning permission was granted.

- 1.24 This ambition is guided by the objective of improving affordability as well as an explicit objective to increase the level of home ownership. This follows on from the aim set out in the Sustainable Communities Plan (2002) of increasing housing supply in areas of high demand and balancing it with jobs, strategic and local infrastructure.
- 1.25 Planning Policy Statement 3, Housing (PPS3) published in November 2006, also forms part of the response to the Barker Review. It aims to ensure that plans are more responsive to changing demand and that more land is prepared and released to meet future housing requirements. PPS3 also requires local authorities and regions to develop a strong evidence base to inform plans and policies. There is significant emphasis on understanding housing markets and identifying land that is developable as part of this process.
- 1.26 Local planning authorities need to work on the basis of a partnership approach with relevant private and public partners to bring forward brownfield or 'previously developed' sites for development to contribute to the national target of achieving at least 60% of additional housing on brownfield land. The guidance makes it clear that 'previously developed' land can occur in a rural setting as well as a built up setting, and includes defence buildings, land used for mineral extraction and waste disposal.
- 1.27 The Government indicated in its response to the Barker Review of Housing Supply that policies to provide resources for infrastructure to support housing growth would be reviewed in the run up to the Comprehensive Spending Review 2007. This would include consideration of local planning and housing incentives in addition to the proposed Planning Gain Supplement and the existing Planning Delivery Grant. In July 2006 a consultation paper was launched on the criteria to allocate £120 million of Planning Delivery Grant for 2007/08.
- 1.28 In July 2008, CLG published details regarding the allocation of the new Housing and Planning Delivery Grant, the first tranche of which will be distributed in October 2008. The Government had previously made it clear that any funding would be in addition to local infrastructure investment, giving local authorities the flexibility to invest in their area and allow them to keep additional council tax receipts for new homes. The measure is expected to encourage local authorities to become very actively involved in the delivery of new housing and incentivise efficient and effective planning procedures. National Park Authorities have been assured that they will not be penalised under the new grant system because of the low rate of housing provision within National Parks.
- 1.29 A notable feature of the HPDG made in the July 2008 announcement was the primacy of delivery over time taken to process planning applications in the funding criteria.
- 1.30 PPS3 indicates that specific consideration must be given to the differing needs of households. Section 225 of the Housing Act 2004 means every local housing authority must assess the accommodation needs of Gypsies and Travellers residing in or resorting to their district. An assessment for the whole of Derbyshire has now been completed.
- 1.31 The CLG has recognised that housing has an important contribution to make to the environmental sustainability agenda and it is expected that new homes will be built to significantly higher environmental standards within the next ten years.
- 1.32 The Housing Green Paper, published in 2007, proposed a range of measures to provide more affordable and sustainable housing, increasing the annual target to 240,000. The Government's objective stated in the Green Paper is to increase the supply of housing by ensuring land is brought forward for development and to do this the Government indicated it would identify areas for growth across the country. The Green Paper focused on the need

to address affordability and announced increased funding to develop more social housing alongside a package of measures to promote the delivery of other forms of affordable housing to meet need where it arises. It also emphasised the need for sustainable development that makes best use of existing homes, disused land and buildings (particularly publicly owned assets) and promotes higher design and construction standards.

- 1.33 The Planning for a Sustainable Future White Paper was published in May 2007, and set out the Government's desire to see the planning system evolve so that it better serves individuals, communities and businesses; provides for better public consultation and engagement in the planning process; better supports local authorities' role; and better enables the nation to meet the challenge of climate change and deliver sustainable development including economic growth.
- 1.34 Enabling the delivery of the Government's ambitious housing targets, in a sustainable manner is a key driver of the Planning White Paper. The Paper noted the trend towards smaller households further increasing housing demand; and increased prosperity leading to more people seeking to own their own home. The housing and service needs of the elderly were also recognised. All three factors were noted as factors that are pushing up prices and reducing affordability.
- 1.35 The Planning White Paper also sets out the Government's desire to see more joint working between local planning authorities – for example on local housing market assessments, and economic development strategies. The intent to use the proposed new Housing and Planning Delivery Grant to incentivise progress in delivering local development frameworks is confirmed; so too is the aim to make progress in achieving outcomes from policies set out in local development frameworks; and joint working between groups of local planning authorities
- 1.36 The Planning Bill was introduced on Tuesday 27 November 2007. The legislation builds on the proposals set out in the Planning White Paper and introduces a new system for nationally significant infrastructure planning, alongside further reforms to the town and country planning system.
- 1.37 The Bill includes proposals for a new Community Infrastructure Levy, in order to “*establish a better way to increase investment in the vital infrastructure that growing communities need*”. The Bill will empower local councils to apply a Community Infrastructure Levy on new developments in their areas to support infrastructure delivery, if they so wish. The Government sees CIL as a preferred “replacement” for the PGS proposals initially raised in the Barker Report.
- 1.38 The potential CIL will focus on the need for LPAs to set and recover appropriate financial contributions from landowners and developers towards specific (identified in Development Plan Documents) local infrastructure requirements and in this way is different from PGS.

Change in the Private Rented Sector

- 1.39 With regard to the private rented sector, the availability of buy to let mortgages has increased supply in many areas. The foundations for the growth of Buy to Let were laid in the reform of tenancy law contained in the 1988 Housing Act, but only took off from 1998 due to changes in lending practices and associated financial innovation.
- 1.40 The Housing Act 2004 introduced several reforms to protect tenants, improve housing conditions in the private rented sector and bring empty homes back into use. Most of the

changes discussed took effect from 6 April 2006. Some of these changes may deter private landlords and reduce or change the nature of existing supply, for example;

- The [Housing Health and Safety Rating System](#) (HHSRS) – replaces the existing Housing Fitness Standard. The emphasis has shifted from the condition of the property to the risk on health and safety imposed by its condition. The system should provide greater protection for tenants and other visitors against the harm caused by hazards in properties;
- Changes to the definition of a House in Multiple Occupation (HMO) to cover properties over three storeys with five or more occupants making up two or more households, and;
- Mandatory licences for HMO'S and penalties if properties are rented out that are not registered.

Affordable Housing

- 1.41 The Government aims to increase the provision of affordable housing (both social rented and intermediate housing) to meet the needs of those who cannot access housing in the open market. The 2004 Budget announced funding for an additional 10,000 homes per annum for social rent and, since then, a succession of initiatives and further funding packages have been introduced, with particular emphasis on intermediate housing products, such as Homebuy, considered below. Indeed policy development has been such that as part of the 2007 Comprehensive Spending Review, the Government set a target of 70,000 more affordable homes a year by 2010-11, including direct assistance to homebuyers through its shared equity and shared ownership programmes. This programme would be underpinned by a Housing Corporation investment of £8.4 billion over the three years following the 2008 Budget.
- 1.42 There are clear ambitions to improve affordability and home ownership through increased housing supply and new funding for shared ownership initiatives. Other policies to deliver these objectives are yet to be formalised. New support for low cost homeownership was implemented in October 2006 with the introduction of Open Market Home Buy where housing associations can help people buy a property outright on the open market. This provides for key workers, existing social housing tenants and those in priority housing need. The household would need to be able to raise a mortgage for between 15-50% of the cost of the property, with the housing association providing an interest-free equity loan to cover the balance.
- 1.43 The other two Home Buy products are Social Home Buy, which enables social tenants to buy a share in their homes, and New Build Home Buy. Under these, homes are sold as leasehold properties on shared ownership terms. The minimum share is 25%, and 75% is the usual maximum. The household will need to be able raise a mortgage for the share it wants to purchase and pays rent on the share it doesn't own. Rents are calculated to be affordable. As and when the household can afford to, it can buy additional shares until it has 100% ownership (or 80% on rural exception sites). This is known as 'staircasing'.

DEFRA Rural Strategy 2004

- 1.44 DEFRA produced its Rural Strategy in 2004 which highlighted key rural issues in one document. The strategy identifies the particular problems of affordable housing in rural areas and makes recommendations about increasing numbers of rural housing to tackle rural homelessness and deprivation.

Affordable Rural Housing Commission

- 1.45 The Affordable Rural Housing Commission produced its final report in 2006, setting out the Commission's recommendations with regard to affordable housing. The Commission identified an acute shortage of rural affordable housing in all regions of England. The restriction of supply together with pressure from people moving into the countryside from urban areas has contributed to house prices increasing faster than those in urban areas. Those on local wages have been priced out of the market. The report makes recommendations for increasing the supply of affordable housing through changes to planning policy, good design to reduce environmental impact, use of cross subsidy from open market development, increased investment from the Housing Corporation for rural areas, re-classification of agricultural buildings and better use of publicly owned land.

Regional and Sub Regional Policy Context

- 1.46 The HPDD Sub Area is situated within the East Midlands Region and therefore Housing and Planning policy must accord with the East Midlands Regional Spatial Strategy and be informed and directed through the Sub Regional Housing Strategy priorities. The Regional Housing Strategy aims to set housing priorities and compliments other strategic policies in the delivery of regional housing plans.
- 1.47 The East Midlands Regional Plan (Regional Spatial Strategy for the East Midlands) was published in 2005. The emerging RSS takes forward policies over a longer horizon stretching through to 2026, and appropriate extracts from the draft RSS are presented below. It takes full account of the national policy context outlined above. Following the Examination in Public in 2007, on 22 July 2008, the Secretary of State for Communities and Local Government published Proposed Changes to the East Midlands Regional Plan (Regional Spatial Strategy) for public consultation. The consultation closed on 17 October 2008. It is expected that the approved East Midlands Regional Plan will be issued by the Secretary of State early in 2009.
- 1.48 The paragraphs below profile the policies and proposed amendments that are considered relevant to this SHMA, from the Draft through to the Secretary of State's Proposed Changes.

With regard to economic development

- 1.49 Para 2.5.22 states "*planning policies will continue to be applied to protect the National Park whilst addressing the social and economic needs of the Park's communities and supporting the regeneration of the surrounding urban areas.*"
- 1.50 Policy 9 addresses development within and outside of the National Park and states that social and economic needs can be met through, for example, the development of appropriate businesses and affordable housing.
- 1.51 Policy 10 addresses development in the towns outside of the National Park, and states that the growth of indigenous firms and a level of inward investment capable of supporting the existing population will be acceptable. A policy of restraint regarding new housing is advocated, except where a local need for modest growth has been identified.

With regard to housing

- 1.52 With regard to new housing development, the Draft RSS states that housing development in Peak Sub-Area/Peak, Dales & Park HMA should:

- comply with the statutory purposes of the Peak District National Park;
 - consolidating the roles of the market towns of Buxton, Matlock and Glossop;
 - meet affordable housing needs in a way that promotes a more sustainable pattern of development
- 1.53 Policy 14, Regional Housing Provision, states the following annual targets for housing within the Peak HMA sub-region for the period 2001-2026
- Peak, Dales & Park HMA:
 - Derbyshire Dales 150
 - High Peak 270
 - PDNPA 0
- 1.54 Paragraph 3.1.11 of the Draft RSS states that local authorities and housing providers are encouraged to use all available mechanisms to secure affordable housing in rural areas, including:
- supporting Rural Housing Enablers;
 - reducing the threshold site size on which developer contributions apply;
 - changing the quota to be provided on qualifying sites;
 - rural exception site policies;
 - allocating sites solely for affordable housing; use of Section 106 planning obligations and agreements to ensure delivery and/or retention of affordability in perpetuity;
 - considering shared ownership without grant rather than social renting;
 - considering housing associations borrowing potential;
 - purchasing within the existing stock, particularly former council housing;
 - the potential to re-use redundant farm buildings for affordable housing;
 - creating Community Land Trusts to retain affordable housing in perpetuity;
 - setting separate targets for rural affordable housing within Local Development Frameworks; and
 - co-ordinating across boundaries to ensure that where land supply is constrained in a particular authority area, nearby provision to meet need can be considered in neighbouring areas.
- 1.55 Policy 15 advocates the following tenure breakdown - Peak, Dales & Park HMA: 35% of all housing social renting; 19% of all housing intermediate housing, to apply to the targets set out in Policy 14, above.
- Examination in Public, and Government's Proposed Changes***
- 1.56 The new regional spatial strategy (RSS8) was submitted in draft form to the Secretary of State and the Examination in Public began in May 2007.
- 1.57 The Panel Report was generally supportive of the policies for the Peak Sub Area.

- 1.58 Comment was made regarding the “zero” provision of housing within the National Park as part of the total provision of 420 dwellings a year in the “Peak, Dales and Park” housing market area. It was noted that the actual provision within the Park during the period 2001-2006 had been 438 dwellings or 87 a year. In light of this progress, it was considered that the 50 dwelling target² served no useful purpose and might even prove counter intuitive as it could, on the one hand, weaken the ability of the National Park Authority to resist proposals for open market housing and, on the other, raise expectations of hope values and delay the bringing forward of rural exemption sites.
- 1.59 The “below CLG” trend provision within the parts of the HPDD sub-area outside of the National Park was also supported on the basis of their special position in proximity to the Park, and their relationship with the adjoining regions of the North West and Yorkshire. However, in recognition of the affordability problems faced in the Derbyshire Dales and High Peak local authority areas and the “zero” provision in the National Park, it was considered appropriate to increase the provision (from 420 per annum to 500, 200 for Derbyshire Dales and 300 for High Peak). This was done on the basis that the increase would be entirely within the affordable categories.
- 1.60 It was suggested that Paragraph 3.1.11 of the RSS, regarding delivery of affordable housing, be adopted as Policy (with some wording changes), with the material policy change being the equal placing of social rented and shared ownership
- 1.61 On 22 July 2008, the Secretary of State for Communities and Local Government published Proposed Changes to the East Midlands Regional Plan (Regional Spatial Strategy) for public consultation. The consultation closed on 17 October 2008. It is expected that the approved East Midlands Regional Plan will be issued by the Secretary of State early in 2009
- 1.62 The Government’s Proposed Changes document included the following amendments:
- Adopted, in a renumbered Policy 13, the EIP Panel reports proposed changes regarding not setting a housing allocation for the National Park
 - A revised Policy 15 (renumbered as Policy 14) that set indicative affordable housing targets for the purpose of monitoring; a target of 7,300 over the period 2001-2026
 - A new paragraph 3.1.12 that states: *“This strategy seeks to address the particular issues that the region’s rural areas are experiencing, ranging from deprivation and social exclusion, for example in the Meden Valley area or acute affordability pressures in remote areas such as, amongst others, the Derbyshire Dales. Providing appropriate levels of new housing in suitable locations is key to achieving the overall aim of creating sustainable rural communities. Whilst the focus is on providing new housing to meet local needs, particularly affordable housing, rural areas will also require market housing if they are to prosper. New homes must be of a high quality which enhances the character and biodiversity of rural areas whilst respecting the regions particular rural features”.*
 - A slightly amended Paragraph 3.1.11, renumbered as 3.1.13, with the deletion of wording relating to the support of rural housing enablers, and that of wording regarding changing the quota to be provided on qualifying sites; and the amending of

² The nominal provision of 50 dwellings per annum in Policy 17 of the approved RSS8. The inclusion of such a nominal figure was originally advocated by the Government Office, but which proposes now to accept the Panel’s recommendation that RSS should not contain a target for the National Park.,

the wording regarding the setting of thresholds above which affordable housing may be sought from “reducing the threshold site size” to “setting an appropriate threshold site size”

- A new Policy 15: Regional Priorities for Affordable Rural Housing:
 - New housing in rural areas should contribute to : creating sustainable rural communities through a choice of well designed homes; addressing affordability issues by providing appropriate levels of housing in suitable locations; maintaining the distinctive character of rural areas and respecting the quality of tranquillity; strengthening rural enterprise and supporting economic growth, particularly linkages between settlements and their hinterlands; and compact, sustainable patterns of development which facilitate access to jobs and services.

East Midlands Rural Action Plan

- 1.63 The East Midland Rural Action Plan sets out objectives for the delivery of affordable housing to meet needs in rural areas and market towns to support sustainable communities.

Local Policy Context

Joint Local Strategic Partnership

- 1.64 Derbyshire Dales District Council and High Peak Borough Council have joined together to form the Joint Local Strategic Partnership, which also involves the National Park Authority. This partnership is responsible for preparing the Community Strategy for the sub-region in partnership with key stakeholders. The two authorities have produced a joint Community Strategy, which includes key national, regional and sub-regional priorities and targets for improvement. The housing priorities highlighted included:

- work with landlords and housing associations to increase the supply and standards of housing;
- bring empty properties back into use;
- understand and make links between local labour market needs and local housing needs;
- improve communications between partner agencies and local communities to help overcome objections to new affordable housing development.

- 1.65 Within the National Park, the Community Strategies will be considered within the context of the National Park Management Plan

The Planning Policy Context

- 1.66 Work is underway on the Local Development Frameworks within the sub-region and these now take on board the strategic objectives of a range of documents including:

- East Midlands Regional Spatial Strategy (RSS);
- Derbyshire Dales Local Plan;
- High Peak Local Plan Saved Documents;
- Derby and Derbyshire Joint Structure Plan;

- The Peak District National Park Structure Plan 1994;
- The Peak District National Park Local Plan 2001.

1.67 The Local Plans of both Districts set out the Councils' land use planning policies for the areas outside the National Park. These plans identify land for development and are used as a material basis for planning decisions. The National Park Local Plan covers the whole of the National Park, including the parts of High Peak Borough and Derbyshire Dales District that lie within it.

Housing Strategies

1.68 Derbyshire Dales District Council and High Peak Borough Council have joined together to produce a joint housing strategy that covers each local authority area. This has been carried out to tackle common housing issues, share good practice and use one strategic housing team to ensure efficiency. The strategy has three main priorities:

- improving the supply and access to affordable housing;
- creating new supported housing services for vulnerable people;
- remedying poor housing conditions.

Linked Strategies

1.69 The authorities have worked together on strategies linked to the housing strategy to produce joint strategies for

- Empty Homes;
- Homelessness (under development).

Peak District National Park

1.70 The National Park produces a number of policy documents relevant to the supply of housing within the sub-region including:

- Corporate Outcomes, Actions and Priorities 2007/08;
- National Park Management Plan;
- Structure and Local Plan.

1.71 The Supplementary Planning Guidance "Meeting Housing Need for Affordable Housing" is of particular note. The SPG highlights the fact that the National Park is not a housing authority and relies on the local housing authorities, social housing providers and private interests to implement the development of affordable housing. The document also acknowledges the potential conflict between the aims and objectives of the NPA to preserve the integrity of the Park and to encourage appropriate affordable housing. It confirms that where there is a conflict then the priority is to conserve and enhance the National Park.

2 IDENTIFYING THE SPATIAL EXTENT OF THE SUB-REGIONAL HOUSING MARKETS

2.01 In order to undertake meaningful analysis of the housing market in the HPDD Sub-Area, it is first necessary to establish the boundary of the sub-regional housing markets and the spatial extent of any smaller housing markets which operate within and across it. It is also important to establish the functional linkages the area has with adjacent housing and labour markets.

2.02 Determining the spatial extent of the housing market area is the first step in the HMA process, as set out in the current draft Housing Market Assessment Guidance. It is important, therefore, to ensure that there is a common understanding of what is meant by the term 'the housing market'. Once this is understood it is possible to explain what is meant by the sub-regional component of the phrase 'sub-regional housing market'.

Definition of Sub-Regional Housing Markets

2.03 In economic terminology a market is where buyers and sellers come together to exchange goods or services at an agreed price. The price mechanism is the means by which demand and supply are brought into balance. Excess demand will result in prices being bid up. Excess supply will mean that prices fall until buyers are found for the goods or services.

2.04 The housing market is a particularly complex market for a variety of reasons:

- First, housing is a high value commodity. Purchases by individuals are typically financed over a long period of time. The decision to purchase is therefore of great importance to individuals and subject to the influence of the cost of capital – interest rates;
- Second, housing is both a consumer good and an investment good. A consumer good is one that people buy to derive immediate benefits from – a pleasant place to live, a roof over their head. An investment good is bought to provide a financial return;
- Third, because housing is built to last, at any point in time only a fraction of the total stock of housing nationally is 'on the market' – that is, available for sale. Typically in any year around 10% of the stock of housing may change hands, and new supply (newly built homes) comprises at most only 10% of total sales in any year (that is 1% of the total stock) (Communities and Local Government, 2007);
- Fourth, the housing market is highly regulated. The location and volume of new development is controlled through the town planning system. Minimum quality standards are set for new building and existing housing;
- Finally, because shelter is a basic human requirement, considerable resources are provided to ensure that those who cannot afford market housing are adequately housed either through direct provision of housing (council or housing association homes) or subsidy (Housing Benefit).

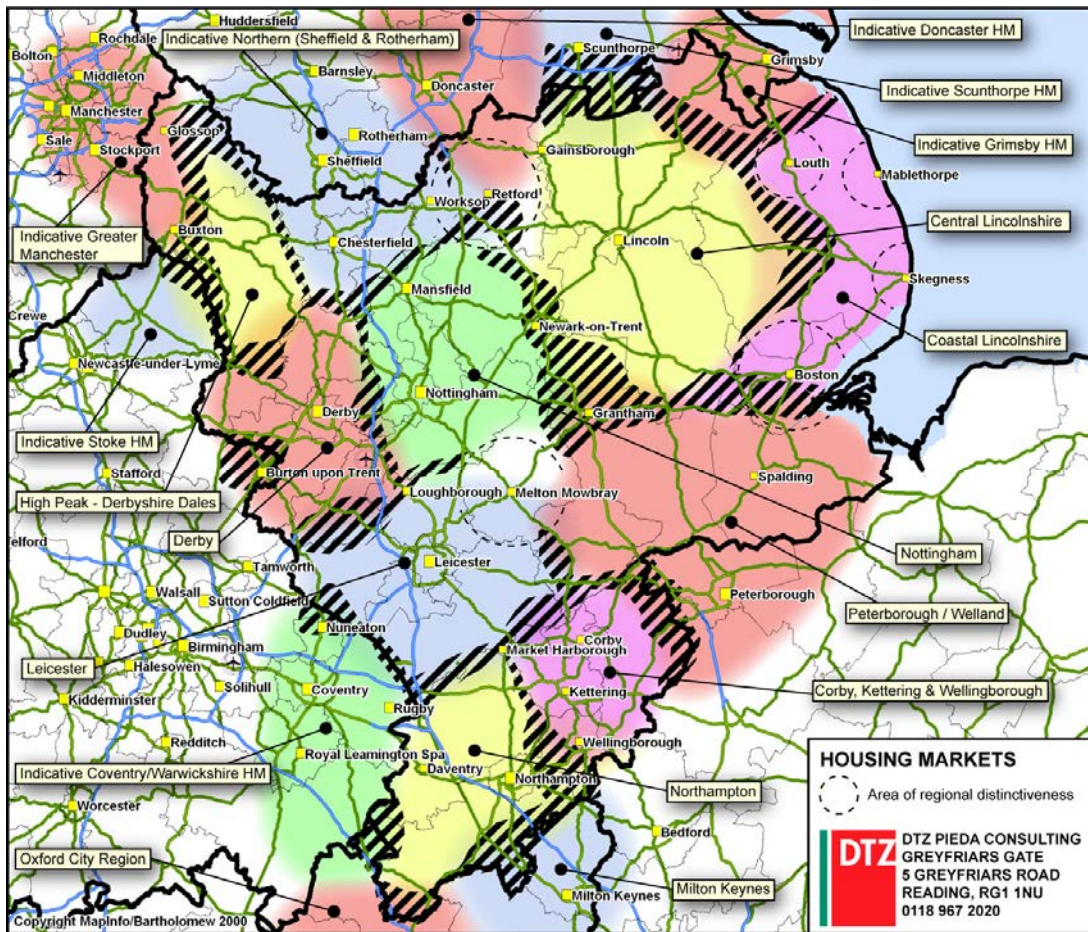
2.05 The final dimension that distinguishes the housing market from many product markets is that it has a strong spatial dimension. Location matters. Thus, while it is possible to talk of a national housing market and regional housing markets, in practice most buyers seek to move within the same sub-region because they wish to continue to live in that general area because of their sense of belonging, their family or broader social relationships, their jobs or access to particular services – most notably particular schools.

- 2.06 Typically, one expects a sub-regional housing market to comprise an area in which some 70% of all household moves are contained, excluding long distance moves which are associated with a major lifestyle change – for example a change in the place of work, retirement to a different part of the country, or a decision to share accommodation with a partner who is located in a different part of the country. This sub-regional market is likely to cover an area that falls, at least partly, in the administrative area of a number of local authorities.
- 2.07 There are a number of other ways to think about the likely extent of sub-regional housing markets. The area of the sub-regional housing market will map onto the area of search considered by the majority of households when looking to move home – not ignoring the fact that many people will confine their search to a much more localised area or have limited choice to move further afield. However, the fact that certain socio-economic groups may have more limited choices is a characteristic of the housing market and not something that determines the boundaries of the sub-regional housing market.
- 2.08 One would also expect a close relationship between the boundaries of sub-regional housing markets and sub-regional labour markets – generally referred to as Travel to Work Areas (TTWA). TTWAs delineate the areas within which at least 70% of the workforce in employment live and work. Across the East Midlands around 67% of all households contain people who are in work, and unless these people are taking up a job in another location outside an acceptable journey time, they are likely to look for somewhere to live within the same travel to work area if they move home. With regard to the HPDD Sub-Area, 59% of jobs in the whole Output Areas, and 70% in the Output Areas which were, wholly or partly, in the National Park, were filled by residents according to the 2001 Census of Population.
- 2.09 Below the sub-regional level there are local housing markets. For example, smaller towns have their own housing market characteristics, as will particular parts of larger towns and cities. Such areas can achieve a high level of self-containment because many household moves are of relatively short distance. Rural areas also have their own market characteristics, although rural areas in the Peak Sub-Region are almost certainly functionally part of sub-regional housing markets based on large centres of employment – cities or towns.

The Peak Sub-Region Housing Market

- 2.10 DTZ identified the spatial extent of sub-regional housing markets within the East Midlands in March 2005. (See Figure 2.1) This exercise identified ten housing markets within the region. We concluded that the majority of the area of the Borough of High Peak and District of Derbyshire Dales comprised a single housing market, (see Figure 2.1) and that it made sense for a single HMA to be undertaken for both the Districts, while acknowledging that parts of the Districts might fall into adjacent housing markets. The delineation of the housing market was informed by analysis of a range of data across the whole of the East Midlands, focussing on district level analysis.
- 2.11 This analysis has informed the review of the boundaries of the *sub-regions* identified in the draft Regional Spatial Strategy (RSS). However the RSS definition of the Peak Sub Region designates the Peak Sub-Region as one which comprises the district of Derbyshire Dales, the Borough of High Peak, *and those parts of* Peak District National Park outside Derbyshire Dales and High Peak Districts. The Peak -Area, as defined in the draft RSS, is approximately 1,939 square kilometres in area and had a population of 165,700 people in 2001.

Figure 2.1: Spatial Delineation of the Sub-Regional Housing Markets in the East Midlands. (Source: DTZ)



2.12 The conclusions of this previous region-wide analysis are worth revisiting. This HMA can analyse the evidence base more thoroughly than we were able to do in the 2005 study. It looks at data at a more detailed spatial level to establish the degree to which Derbyshire Dales and High Peak operate as a single sub-regional housing market and the extent of the housing and economic relationship with adjacent markets (such as neighbouring districts, the rest of Derbyshire and the East Midlands).

Detailed Analysis of the HPDD Sub-Area Housing Markets

- 2.13 Detailed analysis of household and travel to work movements between and within the two districts in the HPDD Sub-Area and the surrounding area is presented in this section. We also consider the movements into and out of the wards that comprise the best fit of the Peak District National Park.
- 2.14 Data from the 2001 Census at ward level has been used for the initial analysis of household¹ movement and travel to work patterns. Given the relatively small size of the urban settlements within the HPDD sub-area, it has not been possible to combine wards – therefore all of the analysis has been undertaken at ward level.
- 2.15 We have mapped the pattern of household and travel to work movements between each of the wards in the HPDD Sub-Area and those between the urban centres using the ward level definitions shown in Figure 2.2. All of the analysis is derived from the 2001 ONS special migration statistics.
- 2.16 The Peak District National Park is shown in relation to the HPDD sub-area in Figure 2.2, and is clearly an important feature of the Sub-Area covering two thirds of the land area (and is the place of residence for 19.6% of those living in the sub-area). The map also shows that there are significant areas of the National Park outside of the HPDD Sub-Area with just over 60% of the National Park (87,100 hectares) falling within either Derbyshire Dales District and High Peak Borough.
- 2.17 The data on migration and commuting is now seven years old. Consequently, although the general trends are still relevant and reveal relationships between the various urban and rural areas, it should be noted that recent and proposed growth in areas surrounding the HPDD sub-area should be looked at in terms of the implications for the housing markets and travel to work patterns in the future.

¹ Census 2001 Migration Statistics are based on people movements not households though we use this as a proxy for household migration

Key Points

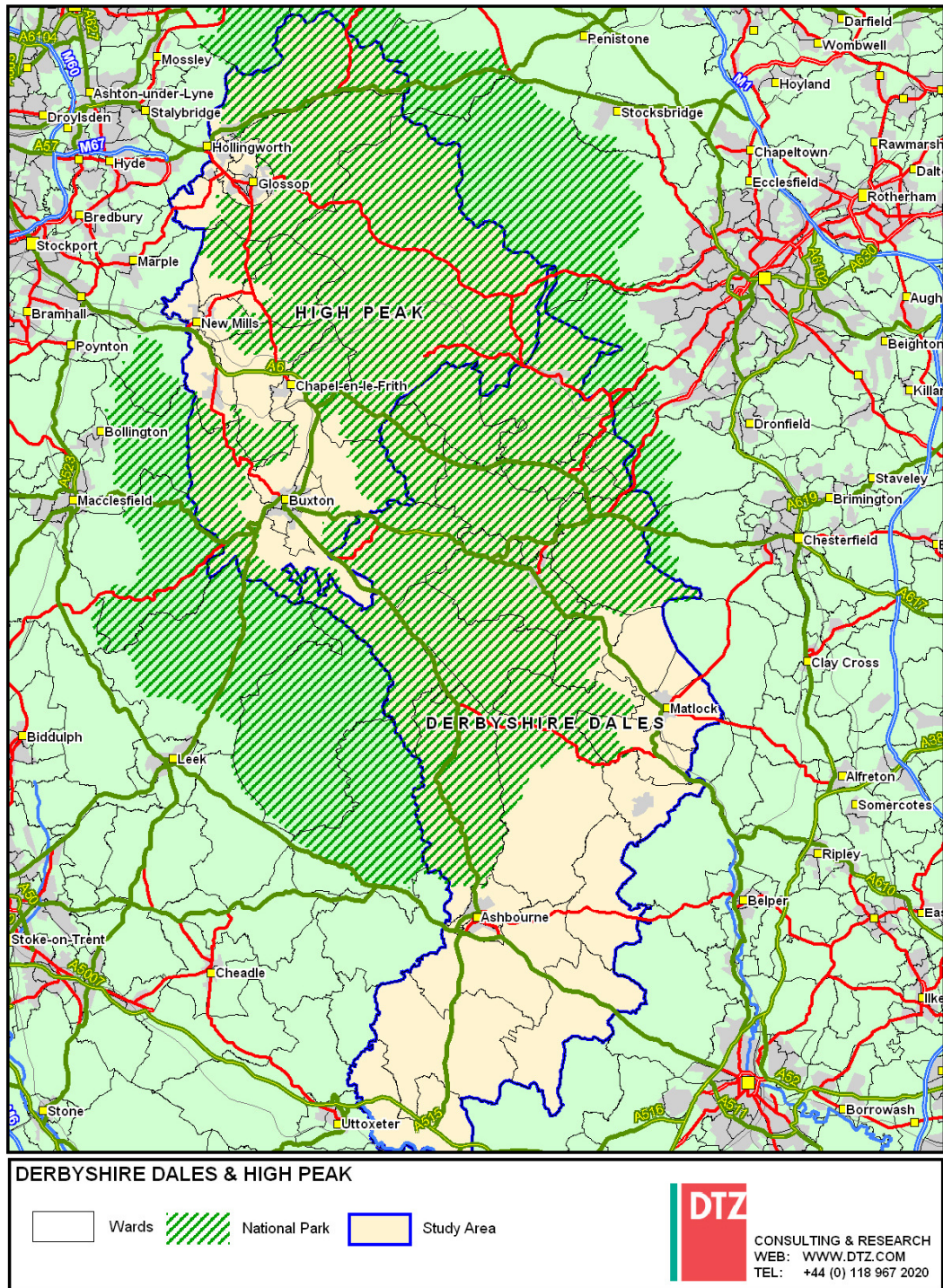
- There is little migration between the two component districts of the HPDD sub-area; migration between High Peak and Derbyshire Dales accounted for 300 of 8,500 overall household moves according to the 2001 Census
- Levels of in migration and out migration are virtually the same
- Some 21% of in migrants are from three neighbouring metropolitan local authority areas: Tameside, Stockport and Sheffield (the former two especially, less from Sheffield)
- The same three local authority areas stand out as important destinations for out-migrants, with neighbouring Amber Valley also being a reasonably important destination
- Migration is “localised” - virtually all Greater Manchester movements are to/ from neighbouring High Peak (most of which are movements between Glossop and Tameside, and New Mills and Stockport), and most internal migration along short distances
- Travel to work patterns correlate with migration patterns – that is to say:
 - There is little cohesion between the two Local Authority areas
 - There is significant net out commuting, mostly from High Peak to the Greater Manchester area, suggesting that as people move out to the HPDD sub-area, they retain their jobs and commute
 - Not surprisingly, there is very little travel to work movement from Derbyshire Dales to Greater Manchester, with this area relating more to hinterlands to the south and east
 - Greater Manchester and Sheffield are key out-commuting destinations for people in the Peak National Park

The analysis confirms the 2005 regional level mapping which indicated that a significant part of the High Peak District is functionally part of the Manchester housing market, and that other parts on the edge of the HPDD are similarly strongly influenced by the surrounding urban centres. These influences have probably increased since 2001.

However this does not undermine the validity of undertaking the HMA for the HPDD because of its special character, linked to the National Park. Recently published maps of Travel to Work Areas, based on detailed analysis of the 2001 Census, also show that in 2001 there was still a self-contained Buxton TTWA and a self-contained Matlock TTWA.

The analysis does indicate however, that the east and the west of the HPDD have very similar issues, and it makes sense to formulate a common policy. In strict terms the area does not have a unified housing market, with stronger ties to proximate urban settlements to east and west than within the area. The existence of two travel to work areas covering the majority of the area confirms this.

Figure 2.2: High Peak – Derbyshire Dales Sub/Study Area: Spatial Definitions of Urban Centres



Household Movements

- 2.18 The pattern of household (people) movement is the primary factor that needs to be considered in determining the spatial extent of sub-regional housing markets.
- 2.19 Approximately 8,500 households moved from one location to another within the HPDD sub-area in 2001. However, there is relatively limited migration between the two districts that comprise the HPDD sub-area. An estimated 200 households moved from High Peak to Derbyshire Dales, with around 100 moving in the other direction over the period.
- 2.20 The flows between the two districts in the HPDD Sub-Area and other districts present a very broad-brush picture of movement. Tables 2.1 and 2.2 present the in and out-flows from the HPDD sub-area in the year preceding the 2001 Census of Population. In-migration into the HPDD sub-area was almost identically matched by out-migration, with a flow of 6,100 households (to the nearest hundred) in either direction.
- 2.21 In terms of the largest outflows, the four districts of Tameside, Sheffield, Stockport and Amber Valley each attracted 300 migrants from the HPDD Sub-Area and together represent 20% of all out-migration from the HPDD sub-area. However, relative to the overall population of the HPDD sub-area (159,000 persons), the level of migration to any one district is relatively small.
- 2.22 Similar to out-migration, 21% of in-migrants come from Tameside, Stockport or Sheffield with Amber Valley being a smaller source of in-migrants. Tameside and Stockport are clearly the largest source of in-migrants.
- 2.23 An interesting feature of almost all the migration trends is that districts outside the HPDD sub-area interact almost exclusively with only one of the districts within the HPDD sub-area, reflecting the relatively localised migration from the HPDD Sub-Area. For example, 300 persons migrated out of the sub-region to Tameside, with over 95% of those coming from High Peak. Similar trends are experienced for Stockport, Macclesfield and Manchester. The districts that have attracted similar levels of migrants from both districts are Sheffield and to a lesser extent, Staffordshire Moorlands.

Table 2.1: Absolute Household Migration Movements Between Districts (Out-Migration from HPDD Sub-Area) (Source: ONS 2001)

	All Migration out of districts	Tameside	Sheffield	Stockport	Amber Valley	Derby	Manchester	Chesterfield	North East Derbyshire	Derbyshire Dales	Macclesfield	East Staffordshire	High Peak	Leeds	Staffordshire Moorland
HPDD Sub-Area	6,100	300	300	300	300	200	200	200	200	200	200	200	100	100	100
		6%	5%	5%	4%	4%	4%	4%	3%	3%	3%	3%	2%	2%	2%
Derbyshire Dales	3,100	*	200	*	300	200	100	200	200		*	200	100	100	*
		*	6%	*	9%	7%	2%	6%	5%		*	5%	5%	3%	*
High Peak	3,000	300	100	300	*	*	200	*	*	200	100	*		*	100
		11%	4%	9%	*	*	6%	*	*	6%	5%	*		*	3%

* = less than 50 persons

Table 2.2: Absolute Household Migration Movements Between Districts (In-Migration to HPDD Sub-Area) (Source: ONS 2001)

	All Migration into districts	Tameside	Stockport	Sheffield	Macclesfield	Amber Valley	Manchester	Derby	High Peak	North East Derbyshire	East Staffordshire	Derbyshire Dales	Chesterfield
HPDD Sub-Area	6,100	500	400	300	200	200	200	200	200	200	200	100	100
		8%	7%	6%	4%	3%	3%	3%	3%	3%	3%	2%	2%
Derbyshire Dales	3,100	*	*	200	*	200	*	200	200	100	200		100
		*	*	8%	*	6%	*	6%	6%	5%	5%		4%
High Peak	3,000	500	400	100	200	*	200	*		*	*	100	*
		16%	14%	4%	7%	*	6%	*		*	*	5%	*

* = less than 50 persons

- 2.24 Figure 2.3 presents the household migration of 25 or more people between wards. The Figure illustrates the limited scale of migration within the HPDD Sub-Area compared with the neighbouring districts. Within the HPDD Sub-Area, household migration is very localised and there is very little migration of any scale to or from wards that are outside of the HPDD Sub-Area or outside of individual settlement areas. The main exceptions to this being relatively localised migrations between towns that lie on the boundary of the HPDD sub-area, namely between Glossop and wards on the fringe of Tameside, New Mills and Wards in Stockport and Ashbourne and a ward in Staffordshire.
- 2.25 The key localised movements are within the main settlements in the HPDD Sub-Area, with significant movements within Glossop, Buxton, New Mills, Chapel-en-le-Frith, Matlock and Ashbourne. However, given the distance between these towns there is no clear movement within this threshold between the settlements.
- 2.26 Figure 2.4 shows the migration levels, limited to flows between wards either into or out of the HPDD sub-area at a lower threshold of people (15 persons). This presents a more revealing picture of migrations across the HPDD sub-area. The finer grain analysis reveals some movements within the HPDD sub-area that are not captured when analysing larger flows.
- 2.27 Migration flows to and from wards outside the HPDD sub-area are limited even when looking at these smaller flows. However, there is some migration apparent between the HPDD Sub-Area and other parts of Derbyshire, such as to Ripley and the Belper area. There also appears to be a significant flow into the area of the HPDD sub-area on the outskirts of Uttoxeter from farther afield. When considering a lower number of household movements, Bakewell also joins the towns identified in paragraph 2.25 as a focal point for localised movements. There also appears to be localised movements within the area of the National Park that includes Hathersage, Hope Valley and Tideswell.
- 2.28 Migration flows of between 15-25 persons highlight flows between settlements, such as between wards in Buxton, Chapel-en-le-Frith and New Mills.

Figure 2.3: Household Movements between Wards, All Movements ≥ 25 People (Source: ONS 2001)

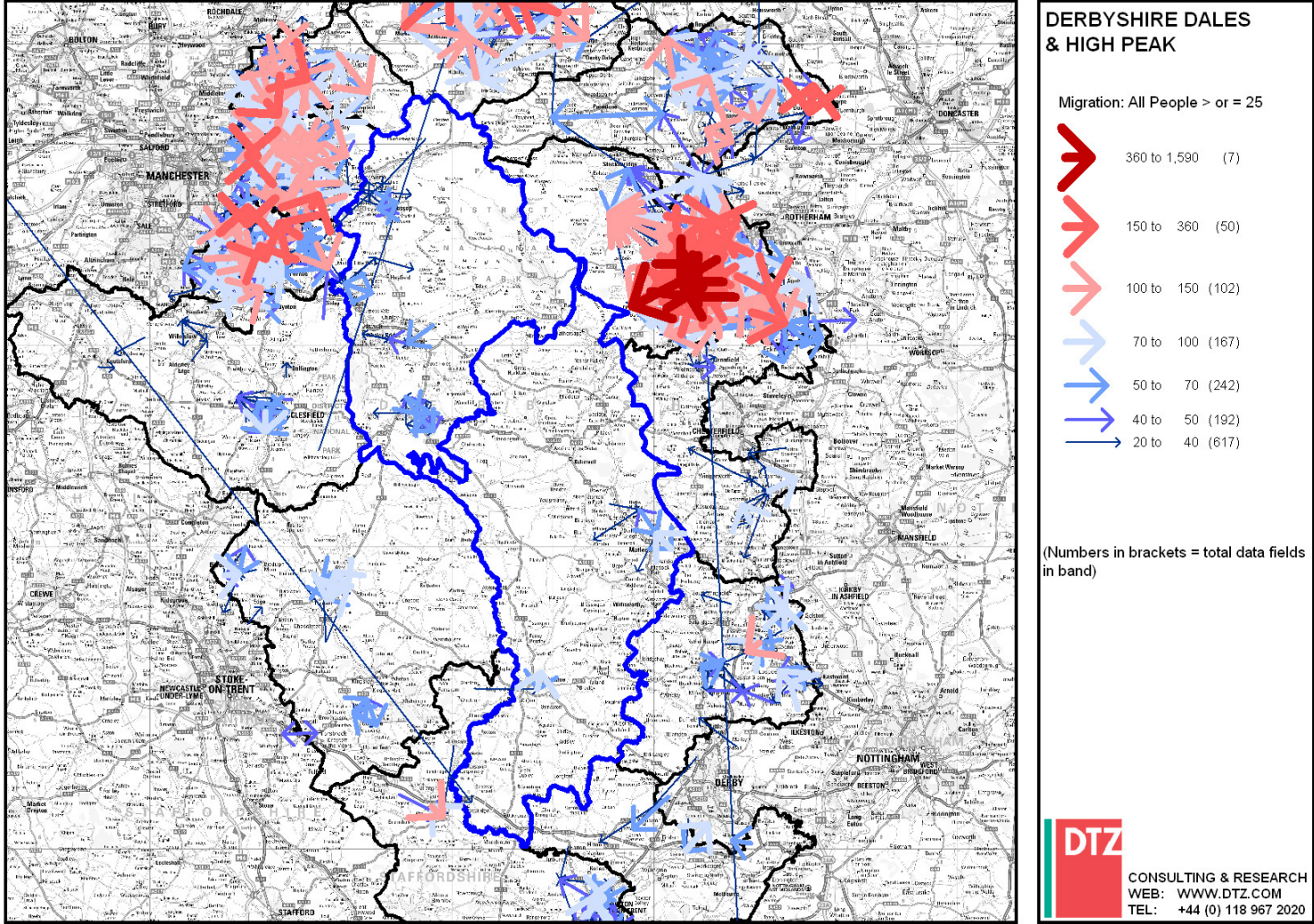
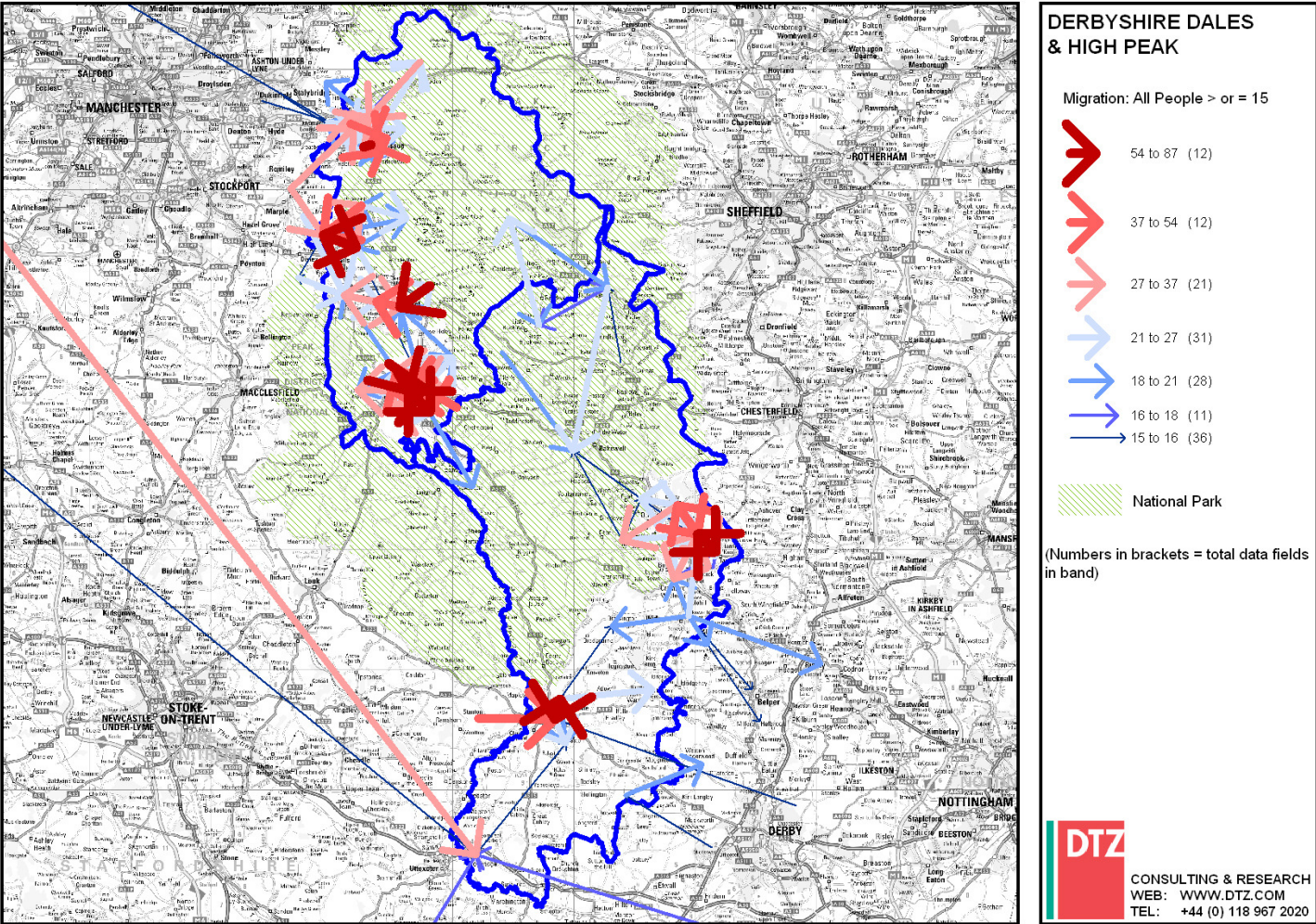


Figure 2.4: Household Movements between Wards, Movements to or from wards in HPDD Sub-Area ≥ 15 People
 (Source: ONS 2001)



Travel to Work Movements (Census 2001)

- 2.29 The commuting patterns of residents in the area and those commuting to the area provide further evidence of the spatial extent of the housing market. This analysis helps to corroborate what is observed in terms of the household movements and also reveals some slightly different relationships in certain areas.
- 2.30 There are 50,100 persons who work and live in the HPDD Sub-Area. However, notably, there is a “internal churn” of just 2,100 commuters between the two constituent local authority areas (1,300 from High Peak to Derbyshire Dales and 800 from Derbyshire Dales to High Peak). An estimated 11,600 people live and work in the wards that comprise the National Park.
- 2.31 Tables 2.3 and 2.4 present the district level commuting data for the HPDD Sub-Area. The tables illustrate that on the day of the 2001 Census of Population, 26,700 people commuted out of the HPDD Sub-Area to work, while 14,300 people commuted into the HPDD Sub-Area. This highlights that there is significant net out-commuting from the HPDD Sub-Area, which is particularly significant for High Peak (-11,200), but much lower in Derbyshire Dales (-1,200). High Peak has higher levels of out-commuting than Derbyshire Dales, but a lower level of in-commuting, reflecting High Peak’s strong relationship with Greater Manchester (the destination of over two-thirds of commuters).
- 2.32 In terms of out-commuting from the HPDD Sub-Area, the strongest flows are to major conurbations Manchester (3,800), Stockport (3,800), Tameside (3,100), Sheffield (2,300) and Derby (2,000). However, there are also some significant flows to neighbouring more rural districts such as Amber Valley and East Staffordshire. Similar to the migration flows, the out-commuting from within the HPDD Sub-Area to each of these is highly concentrated from only one of the constituent districts. For example, almost 100% of commuting to districts in Greater Manchester travel from the High Peak area. Likewise, commuting to other parts of Derbyshire is primarily from Derbyshire Dales.
- 2.33 In terms of in-commuting within the HPDD Sub-Area, the inflows are much smaller, with the main source of commuters being Amber Valley (1,800), Chesterfield (1,500), Tameside (1,400), Stockport (1,100) and Derby (1,000). Similar to out-commuting, where there are significant inflows from a district, these are predominantly to only one of the districts in the HPDD sub-area.
- 2.34 In terms of net flows, there are net inflows to the HPDD Sub-Area from districts within the rest of Derbyshire (with the exception of Derby), while there are significant outflows to the major conurbations that neighbour the HPDD sub-area. These outflows, particularly from High Peak to Greater Manchester, have contributed to the district being included within the Manchester City Region. This relationship was picked up in DTZ’s mapping of sub-regional housing markets undertaken for the Regional Assembly in 2005.
- 2.35 Although the National Park has net out-commuting of an estimated 4,300 persons, the net commuting between the National Park and other parts of the HPDD sub-area is relatively balanced (3,000 persons in either direction). Greater Manchester and Sheffield, along with other parts of the HPDD Sub-Area, are the main destinations for out-commuters

Table 2.3: Absolute Commuting Movements between Districts (Out-Commuting from HPDD Sub-Area) (Source: ONS 2001)

	All Commuting out of districts	Manchester	Stockport	Tameside	Sheffield	Derby	Macclesfield	Amber Valley	Chesterfield	High Peak	Derbyshire Dales	Trafford	East Staffordshire	Salford	North East Derbyshire
HPDD Sub-Area	26,700²	3,800	3,800	3,100	2,300	2,000	1,600	1,300	1,300	1,300	800	700	700	500	500
		14%	14%	12%	9%	7%	6%	5%	5%	5%	3%	3%	3%	2%	2%
Derbyshire Dales	11,400	100	100	*	1,600	1,900	100	1,300	1,100	1,300		*	700	*	400
		1%	1%	*	14%	17%	1%	11%	10%	11%		*	6%	*	4%
High Peak	17,400	3,700	3,700	3,100	700	100	1,600	100	200		800	700	*	500	100
		21%	21%	18%	4%	1%	9%	1%	1%		5%	4%	*	3%	1%

* = less than 50 persons

Table 2.4: Absolute Commuting Movements Between Districts (In-Commuting to HPDD Sub-Area) (Source: ONS 2001)

	All Commuting into districts	Amber Valley	Chesterfield	North East Derbyshire	Tameside	Derbyshire Dales	Stockport	Derby	High Peak	Sheffield	East Staffordshire	Staffordshire Moorland	Macclesfield
HPDD Sub-Area	14,300³	1,800	1,500	1,500	1,400	1,300	1,100	1,000	800	800	800	600	600
		13%	10%	10%	10%	9%	8%	7%	6%	6%	6%	4%	4%
Derbyshire Dales	10,200	1,800	1,300	1,400	*		*	1,000	800	600	800	400	*
		18%	13%	14%	*		*	10%	8%	6%	8%	4%	*
High Peak	6,200	*	100	100	1,400	1,300	1,100	*		200	*	200	600
		*	2%	2%	23%	21%	18%	*		3%	*	3%	10%

* = less than 50 persons

^{2 3} The total for the HPDD sub area does not match the sum of the two constituent authorities, as it excludes the “internal churn” within the HPDD sub area of commuting between the two authorities

- 2.36 Economic and labour market linkages across the HPDD Sub-Area are reflected in the pattern of travel to work movements. Figure 2.5 shows the origin and destination of travel to work patterns between all wards and urban areas that involve more than 100 movements. This threshold has been introduced in order to strip out minor movements and to help establish a clearer picture of the main movements.
- 2.37 As with the migration flows, this map illustrates that the number of commuter movements within the HPDD sub-area is relatively small when compared with the level of commuting that is taking place within the surrounding districts. However, unlike the migration flows, there are some significant localised movements, described in the paragraphs below, both between areas within the HPDD Sub-Area and also to areas outside the HPDD Sub-Area.
- 2.38 In terms of flows out of the HPDD sub-area, wards in Glossop and Whaley Bridge exhibit strong commuting patterns to Greater Manchester and there are some commuting patterns apparent from Castleton and Hathersage to Sheffield and a flow into Ashbourne from North Staffordshire.
- 2.39 Within the HPDD Sub-Area, there are significant flows into the main towns – Glossop, New Mills, Chapel-en-le-Frith, Buxton, Matlock and Ashbourne. There is also some commuting between these settlements, most notably between:
- Chapel-en-le Frith and Buxton;
 - Whaley Bridge and Chapel-en-le Frith;
 - Whaley Bridge and New Mills;
 - Wirksworth and Matlock;
 - Bakewell and Matlock.
- 2.40 Figure 2.6 presents a more detailed picture of commuting patterns with the threshold of movements reduced to 40 persons. At this level, the linkages with areas outside of the HPDD Sub-Area become more apparent. In addition to the trends illustrated in Figure 2.5, this figure illustrates:
- The draw of Matlock from a range of locations within Derbyshire;
 - The draw of Derby from Matlock and Asbourne in particular.

Figure 2.5: TTW Movements, in the area surrounding and including the HPDD Sub-Area ≥ 100 People (Source: ONS 2001)

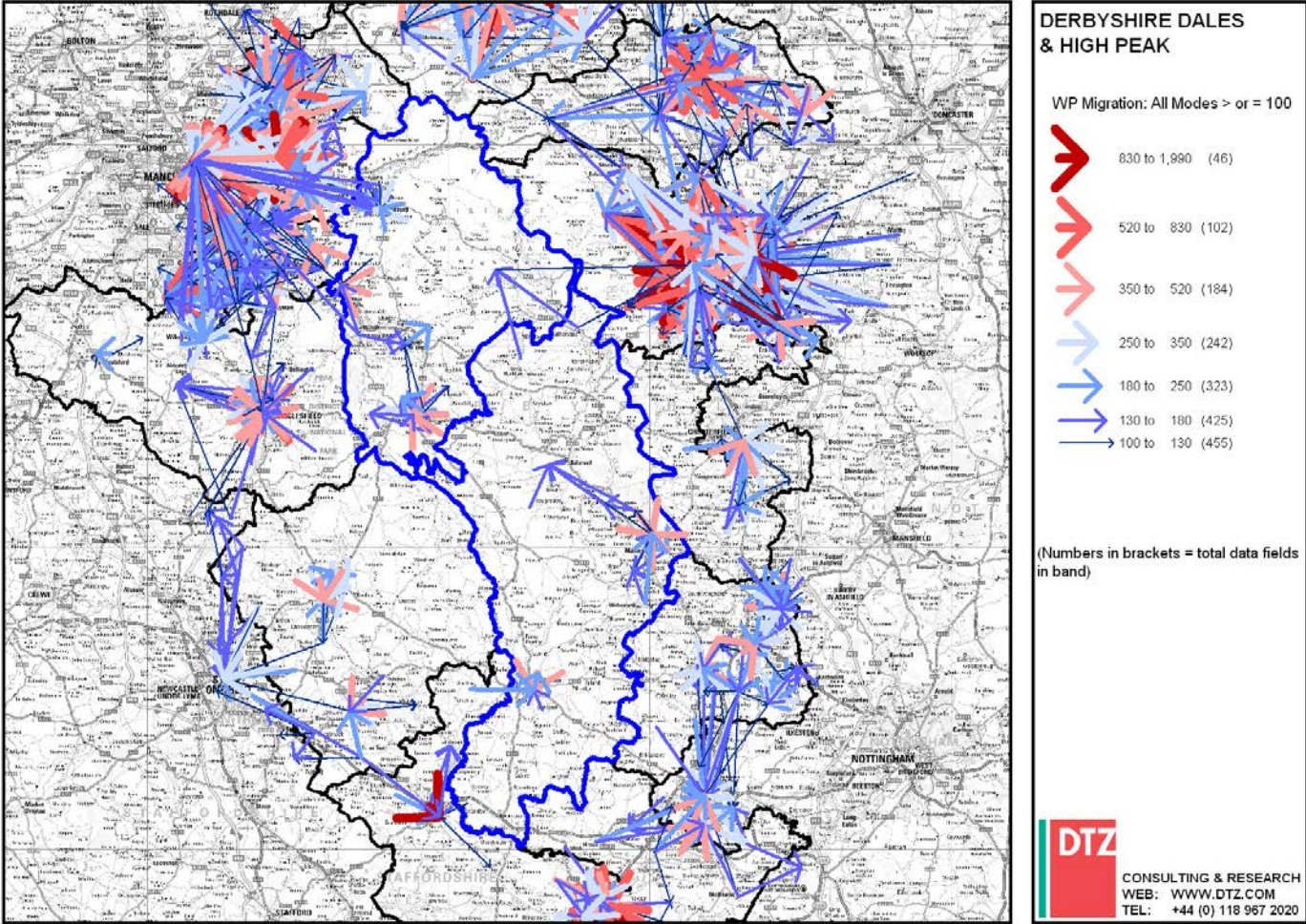


Figure 2.6: TTW Movements across the HPDD Sub-Area, ≥ 40 People (Source: ONS 2001)

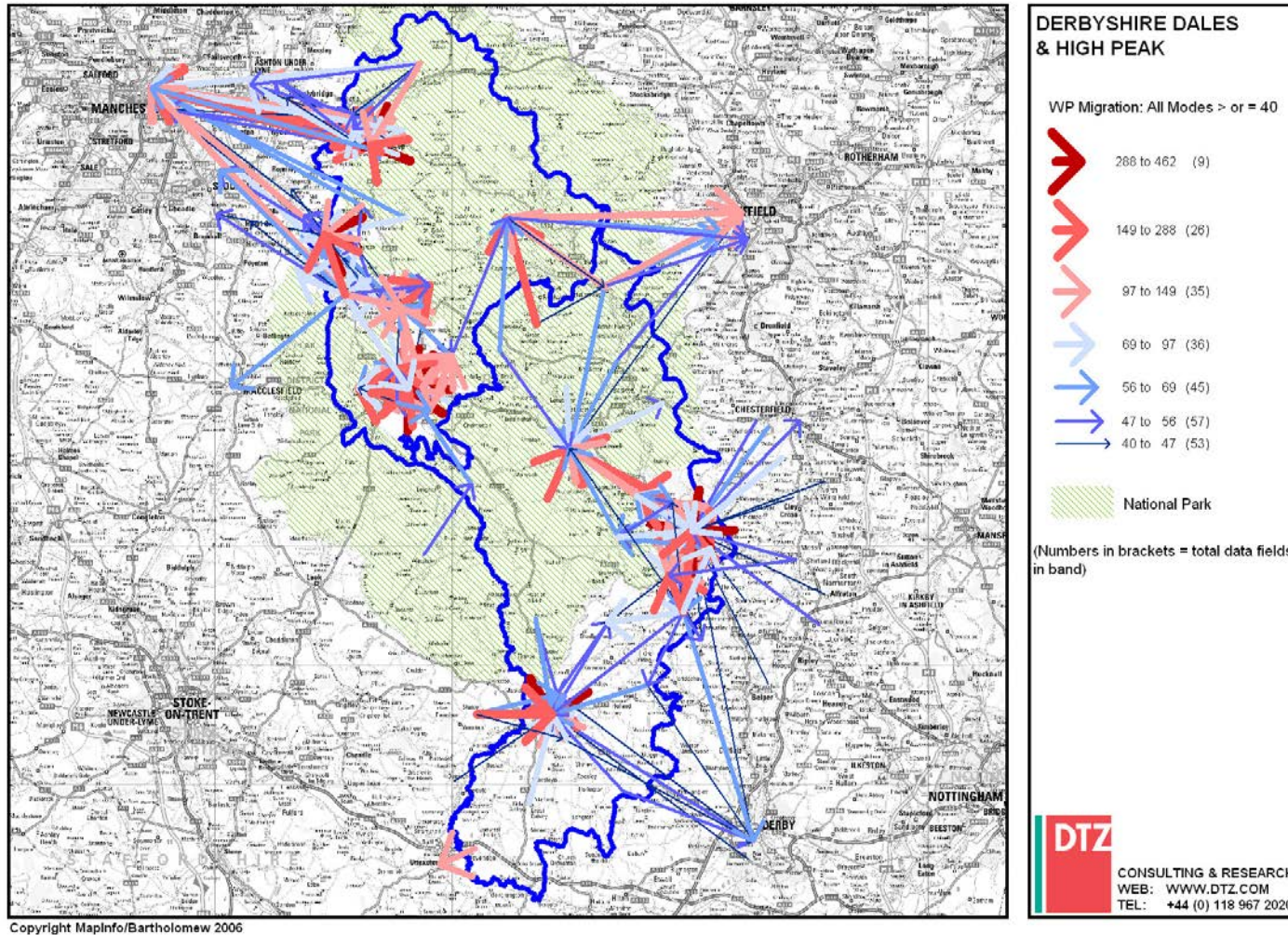
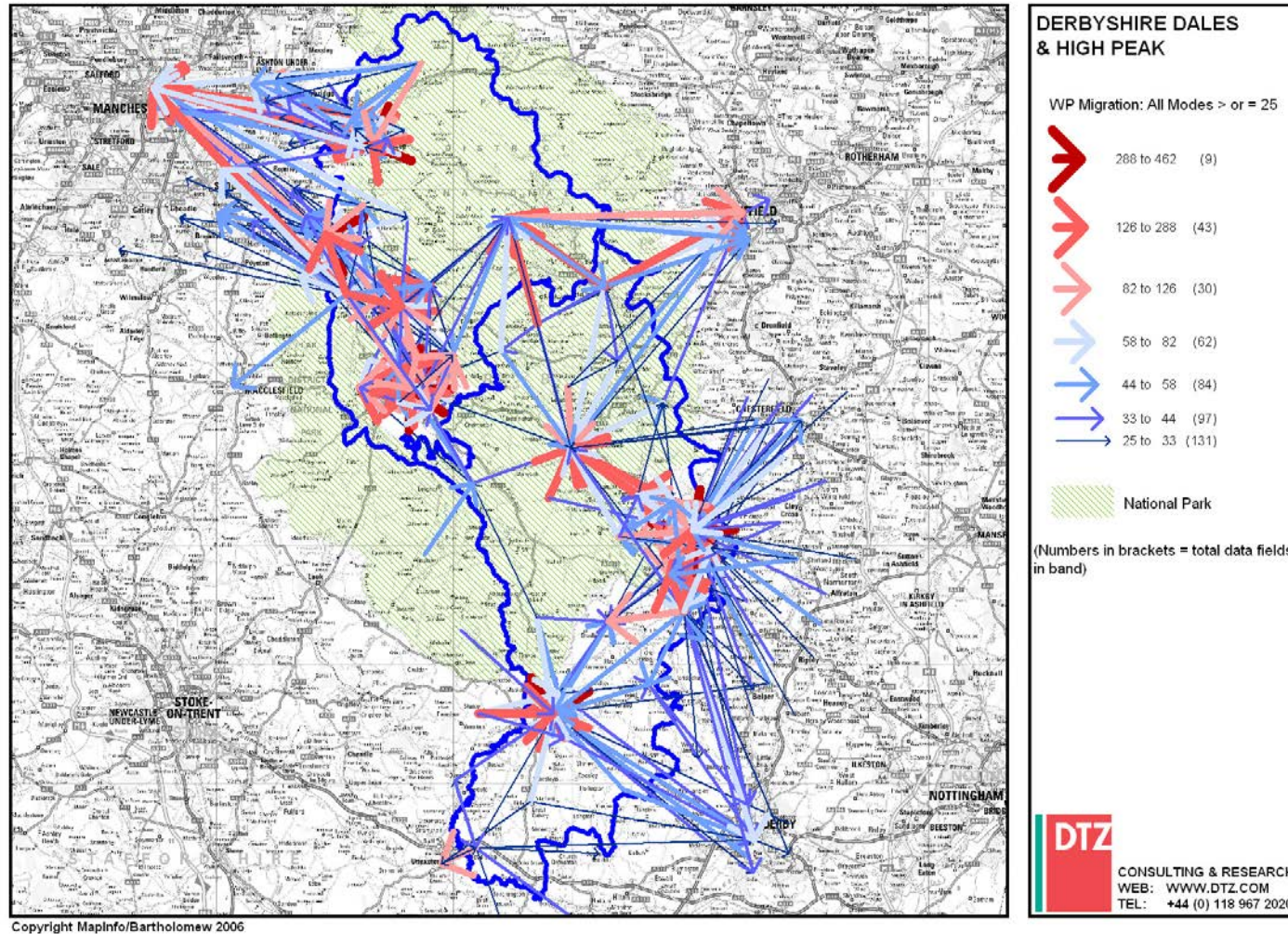


Figure 2.7: TTW Movements across the HPDD Sub-Area, ≥ 25 People (Source: ONS 2001)

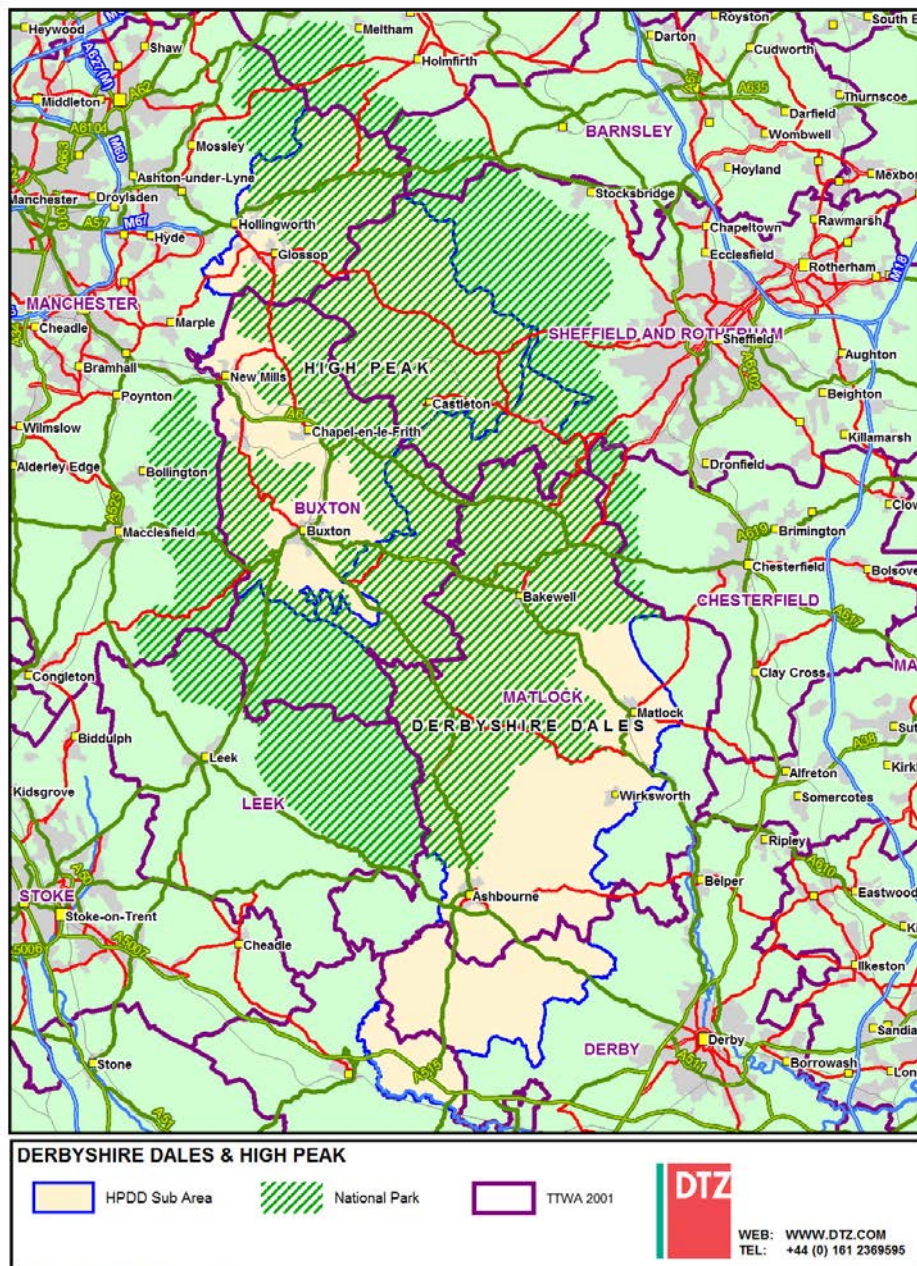


Implications of the analysis for this SHMA

- 2.41 The analysis presented in this section confirms that it is sensible to undertake an HMA for the HPDD Sub-Area, despite the fact that the larger settlements which are located around the fringe of the HPDD Sub-Area often have quite strong housing labour market relationships with adjacent areas. These relationships were identified in DTZ's 2005 study for the Regional Assembly and is reflected in the mapping prepared for that study. The reason why it is sensible to undertake an HMA for the HPDD Sub-Region is because of the commonality of the housing context and the policy environment associated with the designation of a large area of the two Districts as a National Park and the influence this exerts on settlements not in the Peak Park.
- 2.42 Household migration is dominated by local moves relating to the main settlements of the HPDD sub-area, primarily Glossop, New Mills, Chapel-en-le-Frith, Buxton, Matlock and Ashbourne. Bakewell also has localised movements, though to a lesser extent than the other towns. There is very little long distance internal household migration within the HPDD sub-area.
- 2.43 Whilst external migration accounts for a relatively small proportion of household moves, the movements are concentrated in source/destination and distance:
- tending to be short moves to/from the fringes of neighbouring conurbations to the fringes of the HPDD sub-area, with 21% of all in-migration being from just three local authority areas – Tameside and Stockport, from the Greater Manchester side, and Sheffield;
 - most movements from Greater Manchester (mostly Tameside and Stockport) to the HPDD area relate to the fringe areas of High Peak, with moves from the western fringes of Sheffield mostly relating to the eastern fringe of the HPDD sub-area;
- These three metropolitan districts also account (along with Amber Valley) for 20% of migration from the HPDD sub-area.
- 2.44 The pattern of work place migration demonstrates a fit with the pattern of household migration. That is to say-
- High Peak demonstrates very strong net outward commuting, especially to neighbouring Greater Manchester;
 - Key centres of net out-commuting being Manchester, Stockport, Tameside and Sheffield, and Derby;
 - Dominated by local movements.
- 2.45 Notably, the National Park has a balanced workplace migration relationship with the rest of the HPDD sub-area and like the rest of the HPDD sub-area has notable net outward migration to Manchester and Sheffield.
- 2.46 The point to note here is that the strong workplace migration relationship the HPDD sub-area has with the surrounding conurbations is reflected in the strong household migration relationships that occur on the border fringes of the HPDD sub-area and these conurbations. Whilst such household movements are not large in the context of the overall number of HPDD household movements, they are locally significant and this is a relevant factor in the dynamic of the wider HPDD housing market. Along these lines, Figure 2.8, below, which

maps travel to work areas, shows the influence of the Manchester and Sheffield Travel to Work Areas in the north of the HPDD Sub-Area, and the Derby Travel to Work Area in the southernmost part of the HPDD Sub-Area; with the County administrative centre of Matlock being dominant in the majority of the area in between. This suggests, alongside other evidence contained in this SHMA, that that one can not consider the HPDD Sub Area as a single Housing Market Area, rather High Peak, Derbyshire Dales and the Peak District National Park are united by common issues apparent throughout the area, including a lack of an adequate supply of affordable homes, high levels of second home ownership, limited supply of private rented stock, and limited supply of social housing.

Figure 2.8: Travel to Work Areas



3 DRIVERS OF THE HOUSING MARKET

- 3.01 The housing market of any area is driven by a range of demand and supply factors (see Figure 3.1). The same factors exist across the country but the way in which these factors operate differs considerably between different housing markets. It is this which gives rise to significant differences in housing markets across the country. This section outlines the generic factors which, to varying degrees, impact on all housing markets before subsequent sections address the specific trends and dynamics of the HPDD housing market.
- 3.02 Notable points emerging from this section, to be considered in the following sections of this SHMA are made in the box below.

Key Points

- The increase in the number of households per thousand of population is associated with declining average household size, rather than population growth – so a relatively slow growing and ageing population can have a considerably higher household formation rate
- The availability and affordability of housing can influence the rate of household formation, through delaying young people leaving the parental home, or increasing the number of households comprised of unrelated individuals sharing accommodation in order to share accommodation and housing costs
- The influence of the surrounding conurbations on different parts of the HPDD sub area, especially in-migrants with significantly greater financial resources (due to higher salaries and / or housing equity) is significant. For example, in Derbyshire Dales 35% of all transactions in 2005 were “cash sales”, compared to the regional and national benchmark of 21%.
- Recommendations made in this SHMA, concerning the supply of stock required to met housing need, may differ from those made in the earlier Housing Needs Study (HNS), as the HNS relates to the housing need of those unable to access market housing, whilst the SHMA focuses on the size and type of dwelling required across all sectors to achieve social and economic balance.

Market Demand and Housing Need

- 3.03 In thinking about the housing market it is helpful to recognise the distinction between housing demand, housing need and housing requirement.
- **Housing Demand** is the quantity of housing of the type and quality that households both want and can afford to buy or rent in the open market without subsidy. Housing demand thus takes into account both preference and the ability to pay.
 - **Housing Need** is the quantity of housing of the type and quality necessary to house those households currently lacking their own housing, or living in housing which is unsuitable or inadequate and who cannot afford to buy or rent suitable housing in the open market. So housing need takes account of those without adequate housing who are unable to resolve their situation without assistance.
 - **Housing requirement** encompasses both housing demand and housing need and is therefore the quantity of housing necessary for all households to have access to suitable housing, irrespective of the ability to pay. Put simply, it is the amount of

housing needed to accommodate the population at appropriate minimum standards as defined by the Government or in local policies.

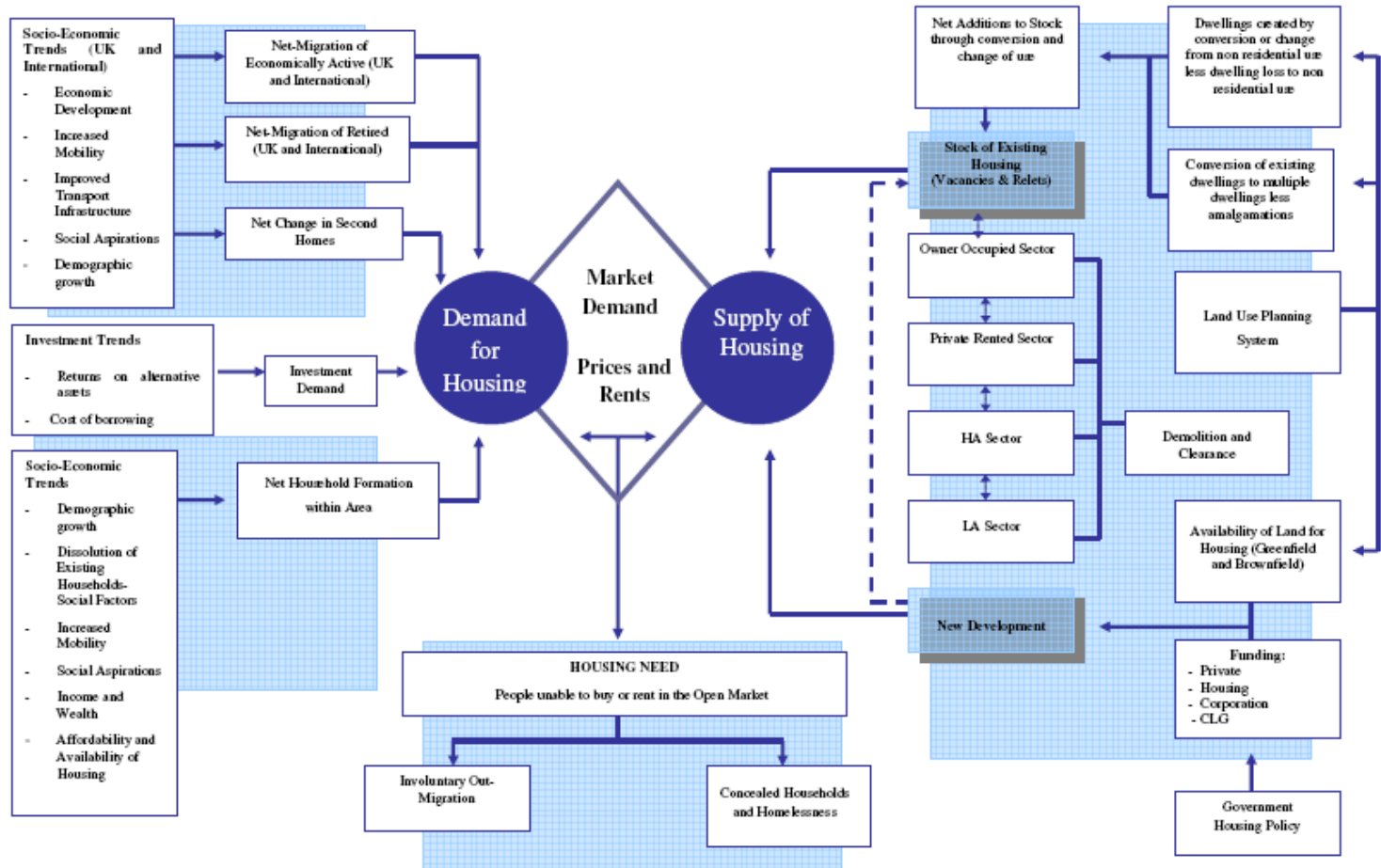
- 3.04 Historically, some confusion arises in housing policy around the use of the term ‘affordable housing’ since the term has, in the past, been used to embrace entry-level market housing as well as shared ownership and social rented housing. However, PPS 3 makes it clear that affordable housing should be defined as “*non-market housing, provided to those whose needs are not met by the market for example homeless persons and key workers. It can include social-rented housing and intermediate housing.*”
- 3.05 PPS3 therefore provides a clear definition of affordable housing (social rented plus intermediate products) that excludes low cost market housing. PPS3 states that ‘*intermediate housing differs from low cost market housing (which the Government does not consider to be affordable housing)*’.¹ However, it should be appreciated that PPS3 does not set out what thresholds for rent/costs should be set for housing to be classified as intermediate affordable housing. Instead it explains that as part of the definition of affordable housing it should ‘meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices’ Clearly as local incomes and house prices will vary from area to area and of course over time, whether or not housing meets these criteria (alongside other criteria listed in PPS3) is a matter for interpretation by each local authority on a case by case basis.
- 3.06 Thus it is sensible to categorise housing provision into the following market segments:
- **Market Housing** where the purchaser, owner or tenant pays the full market cost or rent without subsidy. Since the abolition of Mortgage Interest Relief in 2001 there is no longer any subsidy for owner occupiers. It is relevant to note, however, that the Barker Review estimates that private tenants incur costs around 18% higher than an owner occupier occupying an identical property. Standard entry level housing that is delivered without any subsidy and without any protection that ensures that the housing remains ‘affordable’ would fall within our definition of market housing.
 - **Social Rented Housing** where housing is allocated on the basis of need rather than ability to pay and rents are set below market levels. The development of new social rented housing is critically dependent on subsidy of development costs either from public funds or cross subsidy based on the capture of enhancements in land value associated with the award of planning permission. The social rented housing sector comprises both local authority and housing association housing for rent.
 - **Intermediate Housing** is a relatively new phrase designed to describe the growing number of interventions that seek to assist those who are ineligible for social rented housing but cannot afford market housing. This is what is referred to in the Barker Review as sub-market housing. Such interventions include the provision of shared ownership, discounted equity, fixed equity and cost rent schemes. Such schemes typically require an element of public subsidy or cross-subsidy from commercial development secured through capturing part of the enhancement in land value associated with the granting of planning permission. CLG defines intermediate housing as “*housing at prices or rents above those of social rent but below market prices or rents, including sub-market renting, low cost home ownership and shared ownership.*” In terms of identifying the need for intermediate affordable housing, PPS3 confirms that as part of determining those unable to buy or rent in the market, partnerships should identify the ‘minimum household income required to access entry level (lower quartile) market housing.’ It will however be for partnerships to

¹ Para 23 in Annex A: Definitions, Consultation on Planning Policy Statement 3: Housing

make judgements as to what appropriate rents and house prices to use in providing their assumptions in a robust and transparent way.

- 3.07 It is relevant to note in this discussion that key worker housing could in theory fall into any of the above categories, though in practice most schemes fall into the intermediate housing category. Key worker housing is targeted at a particular group of occupiers and is not a particular form of tenure.

Figure 3.1: A Conceptual Framework for the Operation of Housing Markets



The Demand for Housing

3.08 The overall demand for housing is a function of the number of households living in an area. Changes in the total number of households are brought about either by:

- Net changes in the number of households living in the area attributable to change within the population already living in the area and average household size
- Net changes in the population, and hence households, brought about by migration into or out of the area.

3.09 The key drivers of these two components of demand are examined in brief below.

Internal Drivers of Demand

3.10 Internal drivers of demand can be thought of as those factors that influence the rate of household formation or dissolution among the resident population of an area. The key influences are as follows:

- **The natural rate of population growth.** This refers to the growth or decline of the population of an area excluding the effect of migration into or out of the area. Broadly speaking the faster the growth of population in an area, the more rapidly one would expect the number of households to increase and the greater the demand for housing. The converse is true if the population of the area is declining. In the UK the natural rate of population growth is low since birth rates have fallen dramatically over the past century. This has been partly offset by people living longer and the associated fall in death rates.
- **The rate of household formation.** A major driver of housing demand in recent years has been the increase in the number of households per thousand of population associated with declining average household size. This has been brought about by a number of influences – the growing proportion of adults in the population as birth rates have fallen; the increasing number of adults who choose to live alone as people form stable relationships at a later age; and the increasing number of older people couples or singles who live alone since children have grown up and left the family home. Detailed analysis of population growth and household formation is presented in section 4 of this report.

3.11 Social change underpins the changes in the rate of household formation and natural population growth described above. These include changing attitudes to marriage, to the role of women in the workplace, and changes in the number of children couples choose to have. Social change is brought about in part by economic and technological change. The decline in the average number of children per family has been associated worldwide with rising incomes and the availability of birth control. Generally, however, such changes occur relatively slowly and their impact on the housing market is fairly predictable.

3.12 Of more direct relevance to this study is the impact that a variety of other changes can have on the composition of demand. Rising incomes and wealth have been, and will continue to be, associated with demand for higher standards of housing. At the same time the availability and affordability of housing can itself influence the rate of household formation or average household size. Where housing becomes less affordable young people may delay leaving the parental home, or there may be an increase in households comprised of unrelated individuals who share accommodation and housing costs.

External Drivers of Demand

- 3.13 A feature of the East Midlands region is the relationship with the surrounding conurbations – Birmingham, Manchester and Sheffield, which exert a considerable influence over different parts of the region. We have not analysed the pattern of migration as part of this study, but there is a well documented² process that the cities experience in-migration of young people such as students, young single people and childless couples from around the country. As these people get older and start to purchase property or consider starting families, they often move to more suburban areas such as those found in the East Midlands. Therefore, the cities act as a form of conduit through which migrants from around the country enter the East Midlands.
- 3.14 These in-migrants may continue to work in the cities – so the pattern of in-migration is linked to the observed pattern of commuting into the cities, though there will also be those who move into the East Midlands from cities who also change their place of work. Those moving into rural areas of the region from the cities will often have greater financial resources due to higher salaries and possibly greater housing equity than local residents. This has an impact on sub-regional markets in the East Midlands, particularly rural areas.
- 3.15 For example, in Derbyshire Dales, 35% of all house purchases in 2005 were cash sales (i.e. the houses were bought without a mortgage). This is significantly above the average rate in High Peak, East Midlands and nationally, which is around 21%. The research undertaken by the Commission for Rural Communities (CRC) found that in villages, hamlets and isolated dwellings in sparse areas, an average of 43% of purchases were made with cash.
- 3.16 CRC also found that high rates of cash purchases are associated with districts where there are high levels of second homes, households on low incomes, high rates of net internal migration and high rates of population growth. The CRC report concludes that although there is not enough evidence about households that are buying with cash, a proportion are being made by more affluent households from outside rural communities, creating greater demand in the local market and putting lower income and first time buyers at a disadvantage.³
- 3.17 In the United Kingdom, more generally, internal migration patterns are influenced by the relative performance of regional economies and employment opportunities and then by regional and sub-regional house price differentials.

The Supply of Housing

- 3.18 There are two key dimensions of housing supply that it is important to understand. First the overall stock of housing changes only slowly, though it is important to assess the extent to which housing supply responds to price signals that indicate rising demand. Second, it is important to understand the inter-relationship between the stock of housing in different tenures and how tenure shifts occur in response to demand and other factors.

Changes to the Overall Stock of Housing

- 3.19 In general, the overall stock of housing changes slowly. The lack of responsiveness of housing supply to increases in house prices is examined in the Barker Review. The Final Report noted that over the last 30 years, real house prices in the UK have increased by

² See for example, the JRF study on “*The Impact of Migration on Housing Requirements*” (2000) (<http://www.jrf.org.uk/knowledge/findings/housing/820.asp>)

³ See State of the Countryside Update 3: “Cash purchases of housing stock” May 2007

around 2.4% per annum, while in Europe as a whole they have increased by only 1.1%. The Review concluded that a key factor in the inflation of house prices is persistent inadequate supply of new housing.

3.20 The Review⁴ identified the constraints on housing supply in the UK and indicated that the underlying constraint on housing is the supply of land. The Review suggested that land supply is constrained by a number of factors:

- The housebuilding industry, its response to risk and the speculative nature of land leading to a reluctance to build large sites quickly
- The increasingly complex nature of sites (especially brownfield sites) where significant remediation may be required
- Land ownership and the incentives to bring land forward for development along with the difficulties of site assembly where ownership is fragmented
- The planning system and its influence over the amount of land which is made available and whether development is viable through the delivery of necessary infrastructure
- Land use is politically contentious.

3.21 Within the HPDD Sub Area context, the area has the added implication of the National Park. It is the role of EMRA and the Peak District National Park Authority to balance the demand for additional housing within the planning constraints of the National Park, whilst the local authorities along with EMRA must allocate within these constraints

Changes to the Tenure Balance of the Stock

3.22 Nationally, the stock of dwellings in different tenures has changed significantly over the past decade as a result of differential rates of development of housing of different tenure and shifts in tenure within the existing stock.

- **The overall stock of owner occupied property has increased nationally.** The majority of new housing development has been for sale, though the emergence of the Buy-to-Let phenomenon has meant that some new development has resulted in the expansion of the private rented sector. The stock of owner occupied dwellings has also expanded as a result of people exercising the Right to Buy on housing association or local authority owned dwellings.
- **Nationally, the stock of local authority owned dwellings has shrunk significantly in the last decade.** For all practical purposes there has been no development of new local authority dwellings. In 1994, for example, there were a total of five million social rented dwellings in England (rented from an RSL or local authority) compared with four million dwellings by 2004.⁵ Nationally, there has been a trend towards local authorities transferring stock to management by Housing Associations (RSLs), whilst the stock of local authority dwellings has also continued to dwindle as people exercise the Right to Buy (RTB). The RTB position is likely to slow in future years

⁴ The Government published its response to the Barker Review in December 2005. The key commitment made by the Government is to increase the rate of housebuilding from the current level of around 150,000 dwellings pa to 200,000 dwellings pa by 2016 (recently increased to 240,000 pa by the Prime Minister). The government also stated its intent to increase the output of affordable housing to a rate of 70,000 pa by 2010, of which around 50,000 would be social rented homes (Housing Green Paper)

⁵ Source: DCLG housing statistics.

as new tenancies are created which remove the old RTB regulations. In High Peak the Council has retained ownership of its stock and is subject to the ongoing RTB rules. As values have risen in line with national trends, overall stock losses through RTB have diminished.

- **The stock of housing association properties has increased as a consequence of new development and the stock transfer trend.** . The local trend has mirrored the national position, with Derbyshire Dales having transferred its stock to Dales Housing Association. Whilst having not transferred its stock to an RSL, High Peak has set up High Peak Community Housing, an Arms Length Management Organisation.
- **Nationally, the stock of private rented housing has expanded considerably over the last decade.** This growth has been achieved at the expense of the owner occupied sector. By implication, growth must have been achieved both through a significant proportion of new dwellings being bought under Buy-to-Let⁶ arrangements or more commercial investors and through some of the existing owner occupied stock moving into the private rented sector.

3.23 It is also important to understand the way in which demand for different tenures impacts upon other tenure sectors. The owner occupied sector is the dominant form of tenure and the tenure of preference of the vast majority of residents. The sector is so dominant in terms of the housing market (since social rented and intermediate housing can be thought of outside the market mechanism) that what happens in the owner occupied sector has major implications for all other forms of tenure. Put simply, if people cannot access owner occupied housing, this will increase demand in both the private rented sector and the social rented housing sector.

3.24 The converse is also true as is evident in areas of the country with systemic low demand. If the owner occupied sector is easily accessed, then typically one sees the impact in terms of low demand for social rented housing private rented housing and abandonment of the worst privately owned properties. Understanding the dynamics of the owner occupied sector is therefore critical to social and private sector landlords.

3.25 Where declining affordability in the owner occupied sector leads to increased demand in the private rented sector, this can be expected to have a number of effects. Increasing demand can generally be expected to lead to increased rents. Little is known about how the supply of rented properties responds to increasing rents but in the context of a general shortage of housing it seems unlikely that a significant new supply of private rented properties will be created by higher prices.

3.26 Increased private sector rents are likely to have two important implications. First it is probable that those on the margins of owner occupation can outbid those already in the sector in competition for the best properties. So, over time, one can expect to see a process by which those on slightly higher incomes displace those on lower incomes into less good properties and at all levels in the market people end up paying higher rents. This is likely to lead to higher Housing Benefit costs, with a consequent diversion of public sector resources from other priorities.

3.27 At the bottom end of the market, typically where the most vulnerable people live, tenants may find themselves unable to access rented properties. They are likely to look to social

⁶ The growth of the Buy-to-Let market has been a key characteristic of the housing market in the UK during the early 00s. According to Datamonitor, the number of buy-to-let mortgages rose by 50% in 2001 as people looked to profit from soaring house prices and growing demand for rented property.

rented housing providers to assist them, putting already stretched social rented housing resources under further pressure. In many cases these tenants may not be accorded priority by social housing landlords, so they may end up sharing or on the streets. It is apparent, therefore, that house price inflation has a direct knock on effect that ultimately can lead to increased homelessness and overcrowding

- 3.28 Rising costs in the owner occupied sector therefore impact on the social housing sector, largely by providing fewer opportunities for people to enter the owner occupied market place. It is increasingly possible to think of the local authority and housing association sectors as a single sector, albeit that it is comprised of two different types of landlord with different governance structures. Local authorities have nomination rights over a large proportion of new housing association tenancies and increasingly housing association development priorities are agreed in conjunction with local authority partners.
- 3.29 These processes in turn are likely to influence migration patterns. In an area such as the HPDD Sub-Area, newly forming households are likely to be displaced into adjacent urban areas where owner occupied housing is cheaper, because of a much greater supply of both old and new properties. Although less apparent, the same process can occur amongst low income households who move to adjacent urban areas because rents are generally lower, reflecting a greater supply of cheaper properties, and social housing is more plentiful. Such migration may not all be driven by housing costs, since sections of society may prefer to live for a time in larger urban settlements, but enforced migration associated with high costs of housing and limited availability of social rented housing is an undoubted factor in out-migration from rural areas.
- 3.30 Figure 3.1 shows the key underlying factors which contribute to the working of a housing market and it is this framework which underpins the subsequent analysis of the HPDD Sub Area housing market and the identified sub-regions operating within it.

Distinction Between Housing Market Assessment (SHMA) and Housing Needs Survey (SHNS)

- 3.31 Housing Needs Surveys are primarily undertaken to justify and support affordable housing policies in Local Plans and now in the emerging Local Development Frameworks. In contrast, Housing Market Assessments take a different approach. SHMAs are more strategic in focus and ask deeper questions about housing, economic and social strategy than HNSs.⁷
- 3.32 The recommendations made in the HNS and SHMA on size and type of dwelling therefore relate to different sectors of the housing market. The SHMA focuses on the size and type of dwelling required in the market sector and across tenures to achieve economic and social balance, whereas the HNS relates to housing need for those unable to access market housing and who require subsidy, in terms of either social rented or intermediate housing. Therefore, findings of the two studies should be complimentary, but the conclusions may vary due to the differing focus.

Gypsies and Traveller Sites

- 3.33 The Housing Act 2004 introduced requirements for local housing authorities to take the needs of Gypsies and Travellers into account when producing local housing assessments and to include the accommodation needs of Gypsies and Travellers as part of their wider

⁷ http://www.communities.gov.uk/pub/538/HousingMarketAssessmentManualPDF1495Kb_id1140538.pdf

housing strategies. The draft guidance⁸ says that consideration should be given to the need for private and public site provision, including transit sites and emergency stopping places where Gypsies and Travellers may legally stop in the course of travelling. A Gypsy and Traveller Study, commissioned by Derbyshire County Council, for the whole of Derbyshire has been completed.

⁸ Gypsy and Traveller Accommodation Assessments: Draft Practice Guidance, February 2006

4 DEMOGRAPHIC DRIVERS OF DEMAND

4.01 This section analyses the underlying components of housing demand by examining demographic change over the last two decades, alongside historic and current structures and trends of those who occupy housing within each of the defined benchmark areas. The benchmarks used within the analysis, which stem from the earlier analysis of the spatial extent of the local housing markets in the Peak Sub-Region, primarily comprise the HPDD Sub-Area:

- High Peak;
- Derbyshire Dales.

4.02 In addition, **where possible**, analysis has been undertaken for the area covered by the **Peak District National Park (PDNP)**. The majority of the information presented in this section is provided for the entirety of the National Park, including that which lies outside of the HPDD Sub-Area. However, in some instances information is presented for the area of the National Park that falls within the HPDD Sub-Area. The data for the National Park area is predominantly sourced from the 2001 Census and trend data is limited given the lack of coverage within national surveys. The data for these areas is benchmarked against Derbyshire, the East Midlands and England.

Key Points

The population of the HPDD Sub-Area is 160,900, of which slightly more is in High Peak (where most of the main population centres are) than Derbyshire Dales.

- A 7% increase in population since 1981 is similar to the rate for Derbyshire and England, though less than that of the wider East Midlands region, and most of the increase has been in High Peak (10%, compared to a 3% increase in Derbyshire Dales)
- The HPDD sub-area has an older population than average, with a significant over representation of people aged 45 and over, and under representation of people aged under 45; the most pronounced differences are in Derbyshire Dales and the Peak National Park
- The population growth has been driven by higher than average growth in the 45-64, 65-74 and 74+ age groups, which all exceeded national and regional benchmarks
- Corresponding with the pattern of overall population growth, most of the growth of the older age groups has been in High Peak, which also corresponds with the migration patterns highlighted in Section 3 of this SHMA
- However, the age profile of Derbyshire Dales is aging at a quicker pace than High Peak due to falls in the 15-24 and 25-44 age groups, with High Peak recording significant growth and a smaller fall, respectively.
- In High Peak District the pattern of above average decline in the 0-14 age group is counterpart to the aging population, with there being fewer families with young children, mirrored in the 25-44 age groups. The growth in the 15-24 age group, coupled with the similar strong growth in the 45-64 age group, suggests an influx of older families with equity to spend, from the Greater Manchester sub-region and

elsewhere. By implication younger families are leaving the area. Housing costs are probably a significant factor in this pattern of selective migration.

- Some of the trends in the High Peak are replicated in the Derbyshire Dales but in Derbyshire Dales there is a significant decline in the 15-24 age group and a much more significant growth of the 45-64 age group. This suggests that selective patterns of migration are bringing into the Derbyshire Dales a significant number of 'empty nesters', perhaps having taken early retirement. Derbyshire Dales has a higher proportion of pensioners than average, as does the National Park
- This movement of older families to High Peak might relate to the larger than average size of households in the Borough's area; higher than all the comparators at 2.3 per household space. In contrast, the notably lower number of people per household space in Derbyshire Dales (below all the other comparators) reflects the number of pensioner households, and the growth in the number of empty nester households
- Household growth in High Peak (at 12%) is similar to the East Midlands, and higher than the England and Derbyshire average, whilst growth in Derbyshire Dales (9%) and the Peak District National Park area (5%) are lower than the benchmarks
- Whilst the household formation rate of Derbyshire Dales is, at 9%, relatively low, it is still notable by the fact that it is high relative to the growth of the population – at 3.1 times the growth of the population. This compares with a multiplier of 2.5 for High Peak, and reflects the significant growth in smaller households in Derbyshire Dales
- The increasingly older population profile (and hence smaller households) of Derbyshire Dales is reflected in the projected (EMRA - policy based) 5% fall in the population over 2001-26, pushing the overall HPDD projection down to -1%, despite projected growth in High Peak of 2%. To put this in context, the wider county of Derbyshire has a projected growth of 10%. This contrasts with the projected 18% growth in households across the HPDD sub-area.
- The policy on which the EMRA projections are based on is one of restraint, compared to unrestrained ONS projections of 9% growth over the period (12% and 5% for High Peak and Derbyshire Dales respectively) and 11% for Derbyshire.
- The University of Manchester CSSR research noted that dwelling completions of approximately 90 per year (which exceeds the most recent completion rate) would be required to sustain the current population of the National Park – so a fall in population is likely within the National Park
- Owner-occupation has continued to increase in tenure share in the HPDD sub-area, driven by absolute growth – mostly in High Peak, and at a slightly higher rate than the East Midlands and England, and from a higher base. There has also been an increase in renting, though not in Derbyshire Dales
- The fall in Social Rented accommodation has been similar to the benchmark areas, though from a lower base

Population

- 4.03 The 2005 population of the HPDD Sub-Area was 160,900, with the Peak Sub-Region being slightly larger at 167,500. Of the two districts that comprise the HPDD Sub-Area, a slightly higher proportion of the population live within the High Peak district (91,100), although there is a sizeable population across Derbyshire Dales (69,800). The National Park covers a significant proportion of the HPDD Sub-Area and according to figures produced by the PDNPA derived from the 2001 Census, 31,200 of the residents live within the National Park¹. As noted, not all of the National Park lies within the HPDD Sub-Area and a further 6,600 people live within the National Park, predominantly within Staffordshire Moorlands.

Table 4.1: Population Estimates for the HPDD Sub-Area and the wider Peak Sub-Region

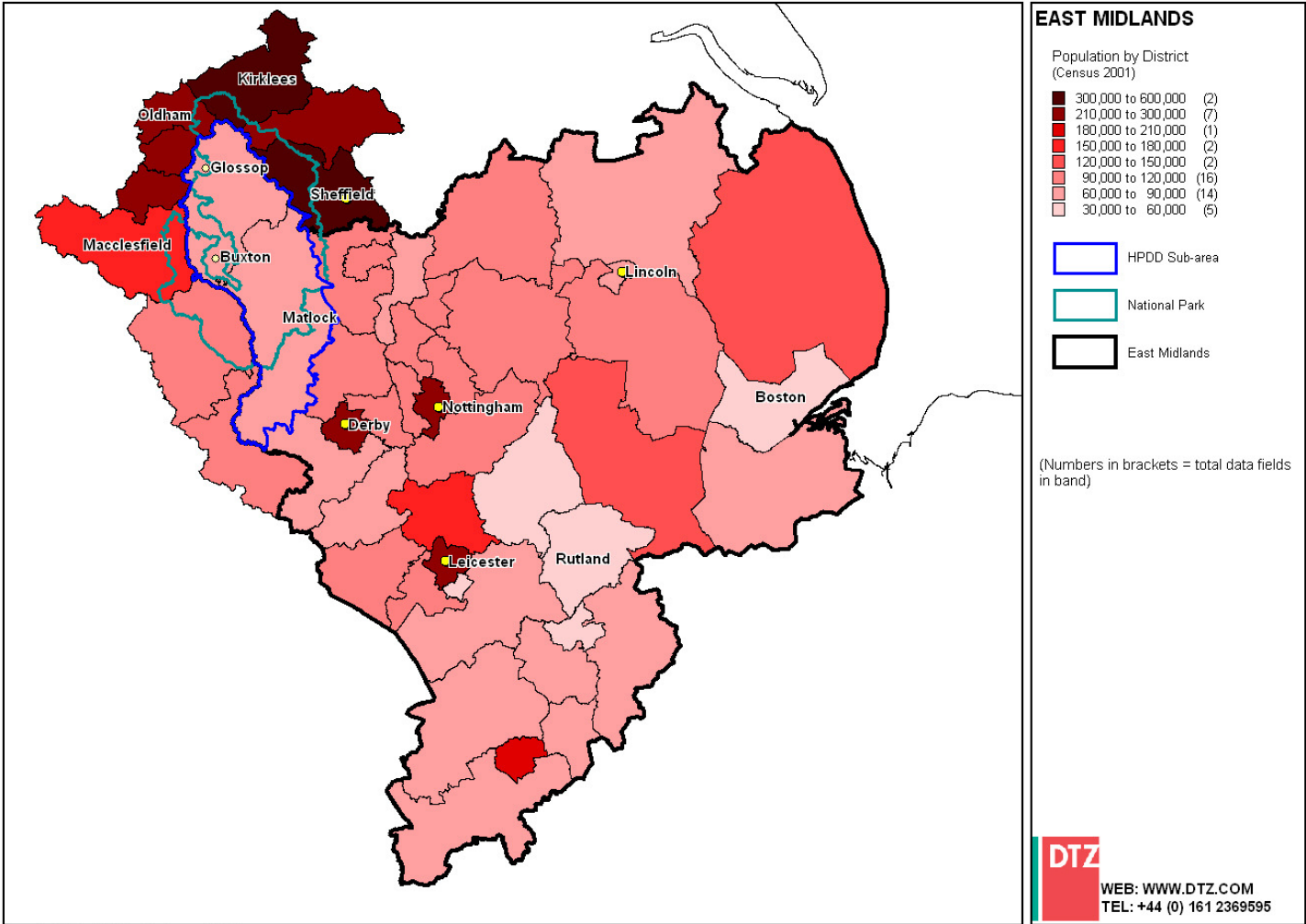
	Total Population (2005)	Population resident in National Park (2001)	% Resident in National Park
Derbyshire Dales	69,800	24,700	36%
High Peak	91,100	6,500	7%
HPDD Sub-Area	160,900	31,200	20%
Peak Sub-Region	167,500	37,900	23%

Source: ONS Population Estimates, Census of Population

- 4.04 Figure 4.1 illustrates the level of population within the HPDD Sub-Area compared with other districts in the East Midlands. When compared with districts within Derbyshire, the HPDD Sub-Area has a relatively low population, although elsewhere within the East Midlands there are districts with significantly lower populations, such as Rutland and Boston. However, when compared with neighbouring districts outside of the East Midlands it is apparent that the HPDD Sub-Area is surrounded by a number of significant population centres, particularly Manchester and Sheffield.
- 4.05 Another useful measure in determining the concentration of the population across the study area is the number of people per hectare. Figure 4.2 (which examines the 2001 population level) presents the population distribution within the HPDD Sub-Area and highlights the concentrations of population within a small number of settlements (at Super Output Area (SOA)) across the sub-region.

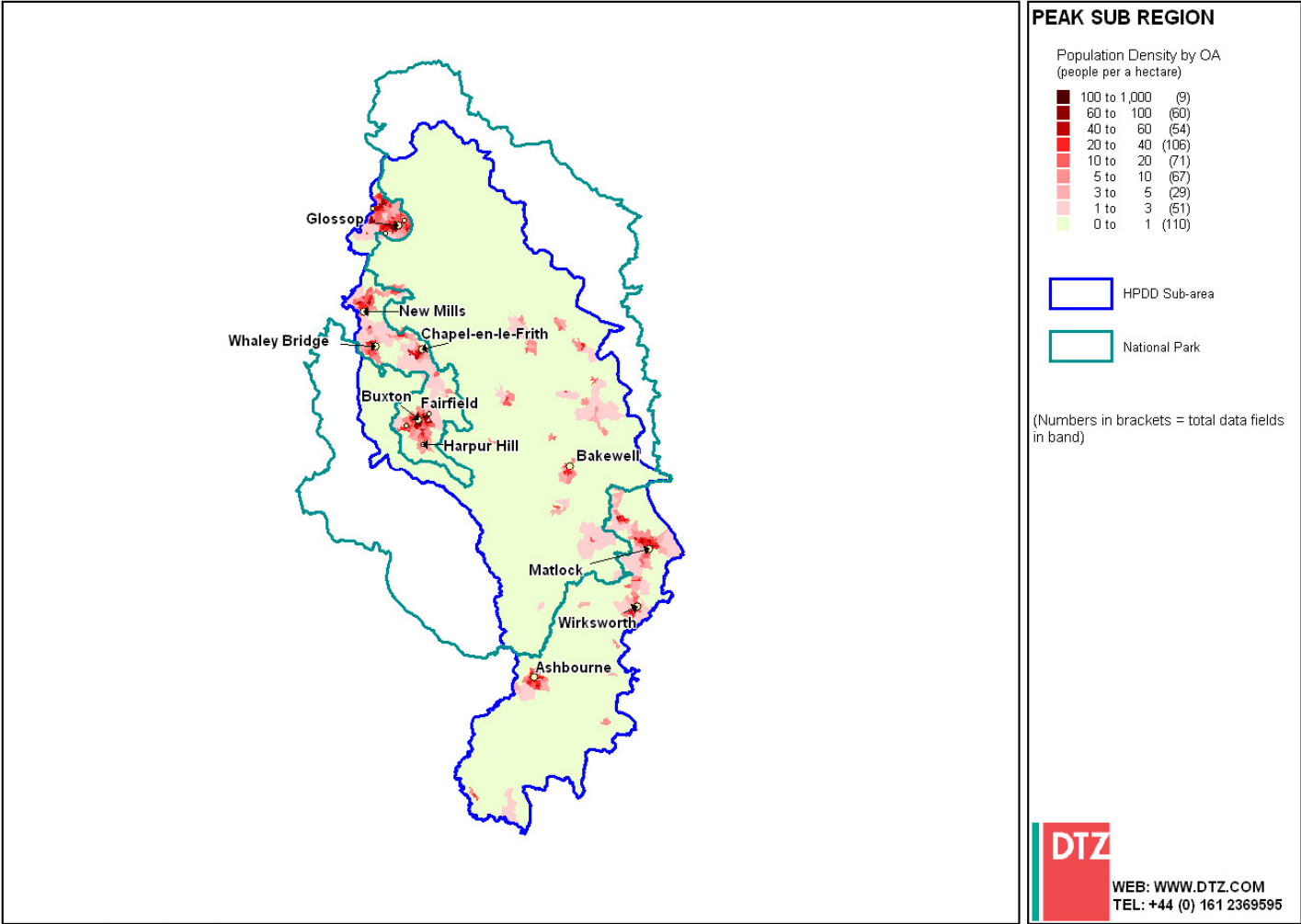
¹ Estimating the level of population within the National Park is complicated by the boundaries of the park not corresponding directly to any of the boundaries used for collecting statistical information through national surveys, such as the census of population. As a result, the National Park Authority has estimated population levels from the proportion of addresses that fall within each Super Output Area (SOA) – the smallest unit of data collection.

Figure 4.1: Population by District in the East Midlands



Source: 2001 Census

Figure 4.2 – People per Hectare (2001 Census)



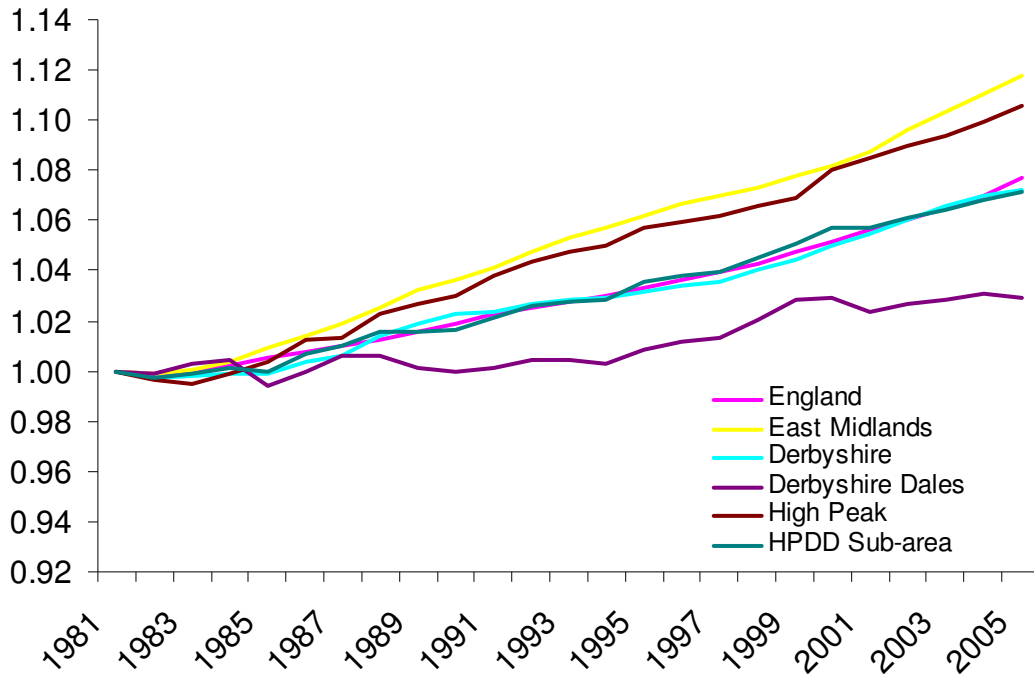
Copyright MapInfo/Bartholomew 2000

Source: ONS

- 4.06 Figure 4.2 shows population densities for the HPDD Sub-Area. The main concentrations of population are within the High Peak Borough area; the population within the Derbyshire Dales is generally more dispersed although Matlock is an important service centre. Population densities are highest in the urban centres of Glossop (32,200 persons), Buxton (20,800), Matlock (11,300) and New Mills (8,900). Other smaller urban centres include Chapel-en-le-Frith (6,600), Ashbourne (5,000), Wirksworth (5,000), Whaley Bridge (4,700), Bakewell (3,700) and Darley Dale (3,300)². With the key exception of Bakewell, most of the main centres of population lie outside of the National Park.
- 4.07 Figure 4.3 and Table 4.2 show population growth over the period 1981-2004. Overall the population of the HPDD Sub-Area has increased at a fairly steady rate, growing by approximately 10,000 people in the last two decades. This represents a 7% increase since 1981. The growth rate experienced by the HPDD Sub-Area since 1981 is very similar to the rate of population growth across Derbyshire and England as a whole (NOTE: There is no information available about population change in the National Park area).
- 4.08 The majority of the population increase has been concentrated in the High Peak Borough, which has seen an increase in its population of some 8,700 people. The population of the High Peak Borough has been steadily increasing over the last two decades, experiencing an increase in population size of 10%. This increase is just below the increase experienced by the East Midlands.
- 4.09 In contrast, Derbyshire Dales has experienced a relatively small increase in comparison to other areas. The population has only increased by approximately 3% in the last 23 years, and the population, therefore, has remained fairly constant. Derbyshire Dales does not seem to have a clear trend in its population growth, the general pattern shows the population to be stable between 1981 and 1995, and then from 1995 to 2005 the area has seen a very small increase in its population.
- 4.10 As discussed previously, providing an estimate of overall population within the National Park requires a degree of estimation. The added complication of boundary changes between each Census means that caution must be used when comparing population estimates from one Census to the next. However, figures produced for the overall National Park (which includes areas outside of the HPDD Sub-Area) from the 1981 Census and 1991 Census suggest that total population has not changed significantly since 1981. This therefore contrasts significantly with the growth in population in the area outside the Park.

² Urban area population estimates are sourced from Key Statistics for Urban Areas (2001 Census) <http://www.statistics.gov.uk/StatBase/ssdataset.asp?vlnk=8271&Pos=2&ColRank=1&Rank=224>

Figure 4.3 Indexed Population Change, 1981-2005



Source: ONS Mid Year Population Estimates

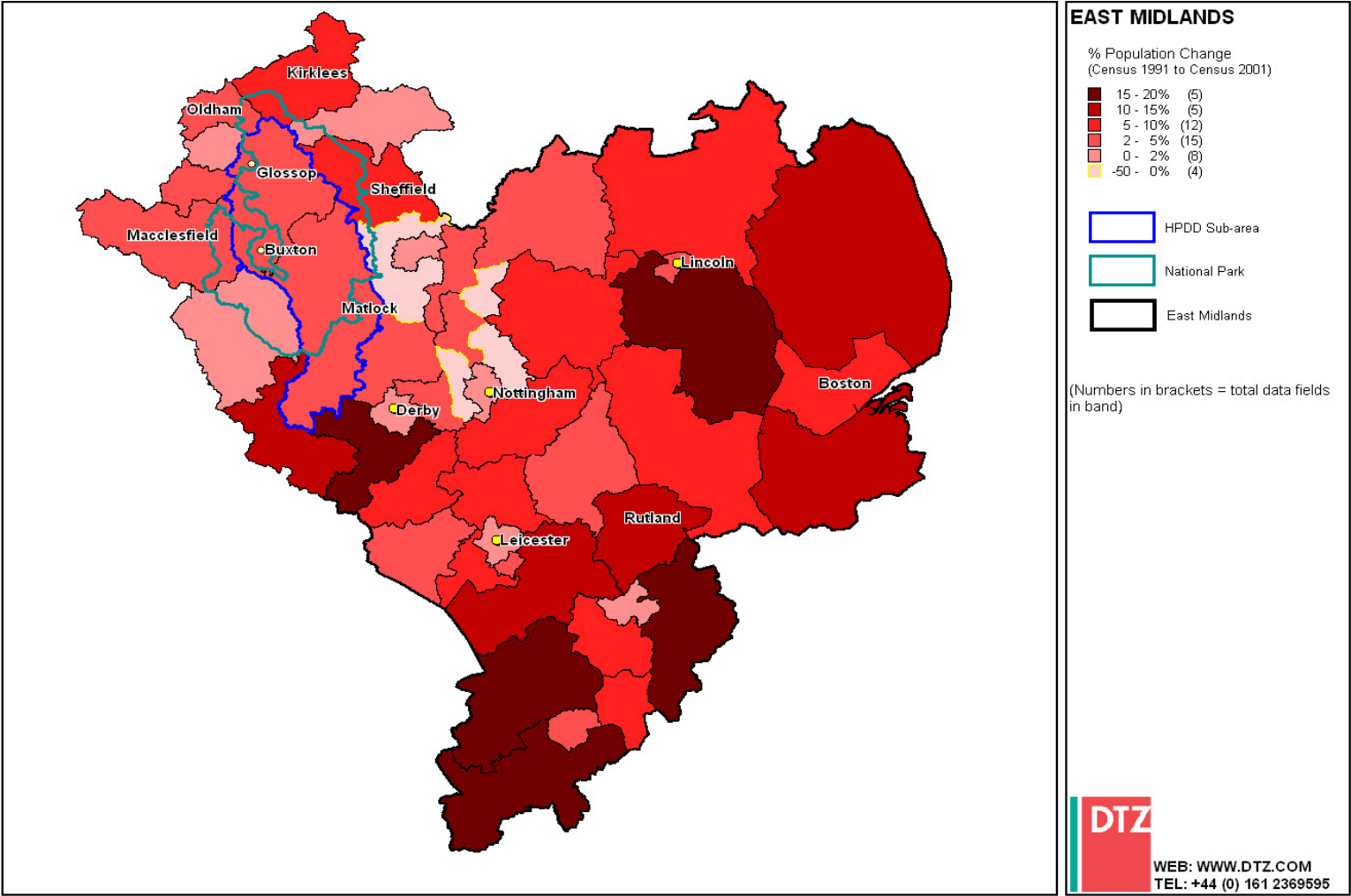
Table 4.2: Population Change, 1981-2005

Date	Derbyshire Dales	High Peak	HPDD Sub Area	Derbyshire	East Midlands	England
1981	67,800	82,400	150,200	697,000	3,852,700	46,820,800
1991	67,900	85,500	153,400	713,500	4,011,400	47,875,000
1995	68,400	87,100	155,500	718,900	4,091,700	48,383,500
2005	69,800	91,100	160,900	747,500	4,306,300	50,431,700
Change 1981 - 2005	2,000	8,700	10,700	50,500	453,600	3,610,900
% Change 1981 - 2005	2.9%	10.6%	7.1%	7.2%	11.8%	7.7%

Source: Mid Year Population Estimates

4.11 Figure 4.4 presents the spatial distribution of population growth across the districts of the study area and the wider region between the 1991 and 2001. This shows that the level of growth experienced in the HPDD Sub-Area falls in the mid-range of districts across the East Midlands. A number of districts in Derbyshire and Nottinghamshire have experienced declining populations, including the neighbouring district of North East Derbyshire. In contrast, South Derbyshire has experienced extremely strong population growth at 16% between 1995-2005.

Figure 4.4: % Population Change 1991 to 2001



Copyright MapInfo/Bartholomew 2000

Source: Census 1991 and 2001

- 4.12 The age structure of the population influences the level, type and tenure of housing that is required. For example, a population that is younger and more mobile tends to have a higher demand for privately rented accommodation and faces greater difficulties accessing owner occupier property than older populations.
- 4.13 Figure 4.5 and Table 4.3 show the overall age profile of the HPDD Sub-Area relative to the East Midlands and England. With the exception of young people (aged under 14), the HPDD Sub-Area has a significantly lower population under the age of 44 compared with the benchmark areas. The area also has a higher proportion of persons over 65 than the benchmark areas.

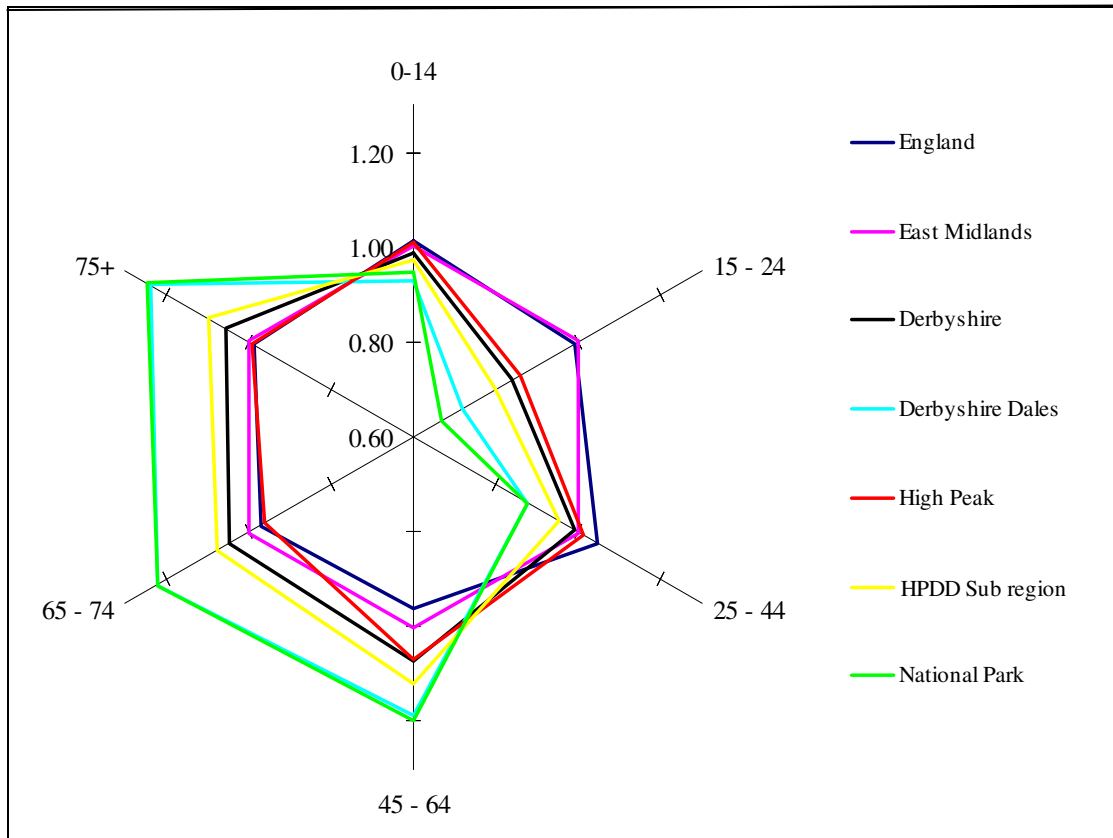
Table 4.3: Population by Age 2005

	Total	0-14	15 - 24	25 - 44	45 - 64	65 - 74	75+
Derbyshire Dales	69,800	16.5%	9.5%	24.1%	30.1%	10.5%	9.6%
High Peak	91,100	17.9%	11.3%	27.8%	27.1%	8.2%	7.7%
HPDD Sub-Area	160,900	17.3%	10.5%	26.2%	28.4%	9.2%	8.5%
Derbyshire	747,500	17.6%	11.0%	27.1%	27.1%	8.9%	8.2%
East Midlands	4,306,300	17.8%	13.2%	27.4%	25.4%	8.6%	7.8%
England	50,431,700	18.0%	13.0%	28.7%	24.3%	8.3%	7.7%
PDNPA (2001)	37,900	16.7%	8.7%	24.1%	31.2%	10.2%	9.2%

Source: Mid Year Population Estimates

- 4.14 In terms of the age profile of the population, the main difference between the HPDD Sub-Area and the regional average is that of those between 15 and 65, a significantly higher percentage of people living within the HPDD Sub-Area are over the age of 45. Compared to the East Midlands, the HPDD Sub-Area has a slightly lower proportion of young people (aged 0-14), and a slightly higher proportion of people aged over 65.
- 4.15 Derbyshire Dales shows a more pronounced difference compared with the regional average, with a lower proportion of people aged 15-24 and 25-44 compared with the East Midlands. It also shows that there is a higher proportion of people aged 45 and over in the Derbyshire Dales when compared with the East Midlands and a higher proportion of elderly people, when compared with England, Derbyshire and the East Midlands, with 50% of those living in the Derbyshire Dales being 45 or over whilst only 42% of those from the East Midlands are above this age.
- 4.16 Although the High Peak area shows a lower proportion of 15-24 year olds, the rest of the breakdown of age in the area is very similar to the East Midlands.
- 4.17 The most distinguishing feature of the age profile of the National Park is the relatively low proportion of people aged 15-24 and high proportion aged 45-64 compared with all the other benchmark areas. This is similar to the Derbyshire Dales picture.

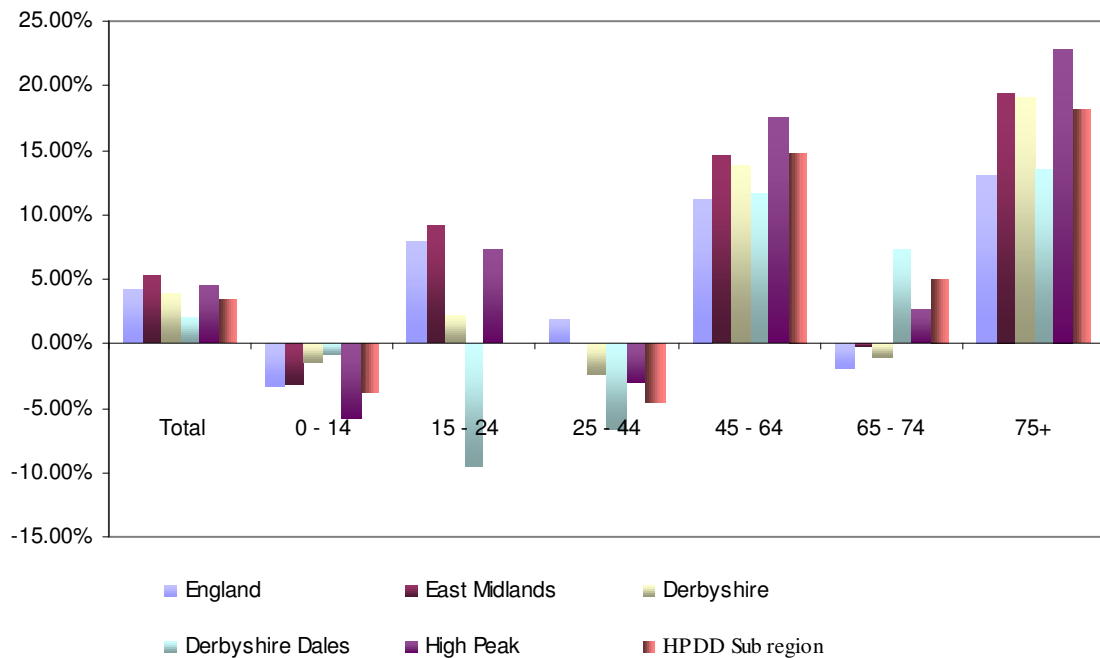
Figure 4.5 Age Structure Breakdown, 2005 (East Midlands Average = 1.00)



Source: ONS Mid Year Population Estimates, 2005

- 4.18 It is important to establish whether population growth is being driven by expansion in one or more specific age brackets as this may indicate demand for a particular type of tenure of housing. Figure 4.6 and Table 4.4 show the percentage population change in each age bracket.
- 4.19 The HPDD Sub-Area has seen an increase of 14.8% in those aged between 45 and 64, 5% in those aged 65 – 74 and an 18% increase in those aged above 74 between 1995 and 2005. The increases in these age groups have been greater than the increases experienced by England, the East Midlands and Derbyshire. Both the Derbyshire Dales and the High Peak areas have seen an increase in individuals aged above 45, however the increase is more prevalent in High Peak.
- 4.20 All the study areas (HPDD Sub-Area, national, regional and local) have seen a fall in individuals aged 0 – 14. However, all but one of the areas has seen an increase in individuals aged between 15 and 24. The only exception is the Derbyshire Dales, which has seen a fall in this age group by 9.6%. The Derbyshire Dales, High Peak and Derbyshire have all seen a fall in the number of individuals aged 25 – 44. This is in contrast to England, which has seen an increase of 2% and the East Midlands, which has seen no change in this age category.

Figure 4.6 Percentage Population Growth by Age Group – 1995-2005



Source: ONS Mid Year Population Estimates

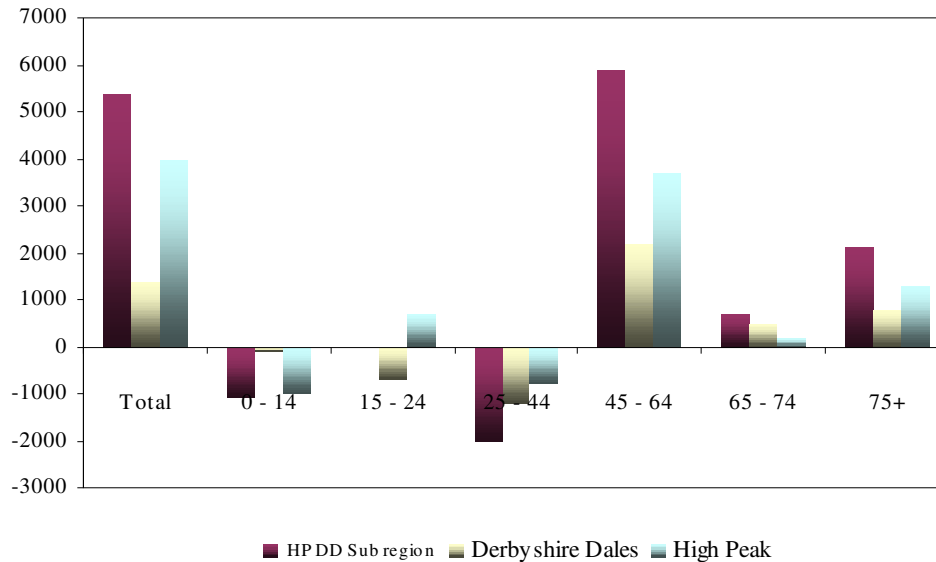
Table 4.4: Percentage Population Growth by Age Group – 1995-2005

Date	Total	0 - 14	15 - 24	25 - 44	45 - 64	65 - 74	75+
Derbyshire Dales	2.0%	-0.9%	-9.6%	-6.7%	11.7%	7.4%	13.6%
High Peak	4.6%	-5.8%	7.3%	-3.1%	17.6%	2.7%	22.8%
HPDD Sub-Area	3.5%	-3.8%	0.0%	-4.5%	14.8%	5.0%	18.1%
Derbyshire	4.0%	-1.5%	2.2%	-2.5%	13.8%	-1.0%	19.1%
East Midlands	5.2%	-3.2%	9.2%	0.0%	14.6%	-0.3%	19.5%
England	4.2%	-3.3%	8.0%	2.0%	11.2%	-2.0%	13.1%

Source: Mid Year Population Estimates

- 4.21 Figure 4.7 presents the same data as outlined above but in absolute terms. From the diagram it can be seen that the major change in the HPDD Sub-Area has been due to increases in the High Peak area rather than the Derbyshire Dales. The overall population of the High Peak area has increased by 4,000 people, which is far greater than the 1,400 increase for the Derbyshire Dales. The HPDD Sub-Area has seen a decline in its population aged under 45 at 3,100 people. The major increases have been for the age group 45-64 which have increased by 2,200 people in Derbyshire Dales and 3,700 in High Peak. .
- 4.22 Although all areas have experienced a high percentage increase in the number of persons aged 75 and over, the actual number of persons this represents is significantly lower than the growth experienced within the 45-64 year old age range.

Figure 4.7 Absolute Change in Population by Age, 1995-2005



Source: ONS Mid Year Population Estimates

Table 4.5: Absolute Changes in Population by Age, 1995-2005

	Total	0 - 14	15 - 24	25 - 44	45 - 64	65 - 74	75+
Derbyshire Dales	1,400	-100	-700	-1,200	2,200	500	800
High Peak	4,000	-1,000	700	-800	3,700	200	1,300
HPDD Sub-Area	5,400	-1,100	0	-2,000	5,900	700	2,100
Derbyshire	28,600	-2,000	1,800	-5,100	24,600	-700	9,800
East Midlands	214,600	-25,600	47,700	-100	139,300	-1,000	54,500
England	2,048,200	-313,100	485,000	277,800	1,236,900	-86,700	448,100

Source: ONS Mid Year Population Estimates

Ethnicity

4.23

Table 4.6 shows the ethnic composition of the study and benchmark areas. It shows the ethnic make-up of the Derbyshire Dales, High Peak, HPDD Sub-Area and the National Park is predominately white (99.1%, 98.7%, 98.9% and 99.1% respectively). These proportions show a low level of ethnic diversity when compared with England and the East Midlands, which only have 90.9% and 93.5% of the population registered as (ethnically) white respectively. The proportions for the HPDD Sub-Area, High Peak, the Derbyshire Dales and the National Park are however indicative of Derbyshire as a whole.

Table 4.6 Housing Ethnicity Composition

	All People	White	Mixed	Asian	Black	Chinese or Other Ethnic Group
Derbyshire Dales	69,468	99.1%	0.4%	0.2%	0.1%	0.2%
High Peak	89,433	98.7%	0.6%	0.2%	0.2%	0.3%
HPDD Sub-Area	158,901	98.9%	0.5%	0.2%	0.2%	0.2%
Derbyshire	734,585	98.5%	0.5%	0.5%	0.2%	0.2%
East Midlands	4,172,174	93.5%	1.0%	4.0%	0.9%	0.5%
England	49,138,831	90.9%	1.3%	4.6%	2.3%	0.9%
PDNPA	37,900	99.3%	0.3%	0.2%	0.1%	0.1%

Source: 2001 Census

Household Composition and Tenure

- 4.24 Figure 4.8 shows the household composition for the HPDD Sub-Area. The major household types for this region are couples with no children accounting for 18,250 households (27%); couple with dependents accounting for 15,170 households (23%); pensioners accounting for 16,730 households (25%); and single adults accounting for 8,275 households (13%).
- 4.25 In 2001, the date of the last Census, very few students and lone parents lived in the HPDD Sub-Area. This is likely to have changed in recent years with the establishment of the University of Derby's new campus at the former Devonshire Royal Hospital in Buxton. This accommodates up to 5,000 students³. The University provides only 290⁴ bed spaces, all at the purpose built High Peak Halls. This places pressure on the rental market in a town, which traditionally has had a very limited stock of rental accommodation, and which is now the second most expensive rental location in the HPDD⁵ Sub-Area⁶. Developers are beginning to respond to this situation, with purpose built 4 and 5 bedroom HMOs emerging to serve the student market⁷.

³ <http://www.highpeak.gov.uk/business/econdev/Profile/>

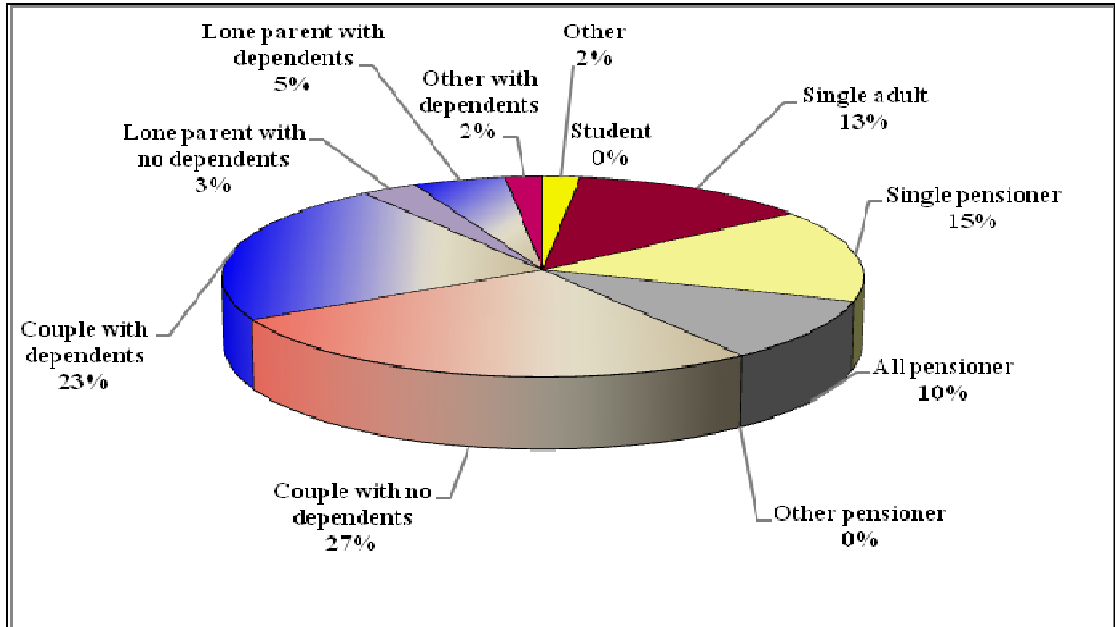
⁴ <http://www.derby.ac.uk/buxton-halls-of-residence/high-peak-halls>

⁵ The John Hetherington Housing Needs Survey rather confusingly classifies the area covered by Derbyshire Dales District and High Peak Borough (and otherwise known in this SHMA as the HPDD sub-area), as the Peak Sub Region. The widely accepted geographical term of reference for the Peak Sub-Region is taken to be that contained in the RSS, which extends to include the entire area of the Peak District National Park

⁶ Derbyshire Dales & High Peak Joint Housing Needs Survey, Covering the Peak Sub-Region, Final Report, March 2007, John Herington Associates

⁷ <http://investors.assetz.co.uk/property-detail.htm?propID=2853>

Figure 4.8 Household Composition – HPDD Sub-Area



Source: Census 2001

4.26 Table 4.7 outlines household composition in the study areas in more detail. The High Peak area has a very similar composition to England in general, except it has a slightly lower proportion of single adults and a higher proportion of couples (with and without children). The Derbyshire Dales is also similar to England, although it has a higher proportion of pensioners when compared with England and the East Midlands. Like High Peak, it also has a higher proportion of couples (with and without children), when compared with England. The National Park closely resembles the pattern displayed in the Derbyshire Dales.

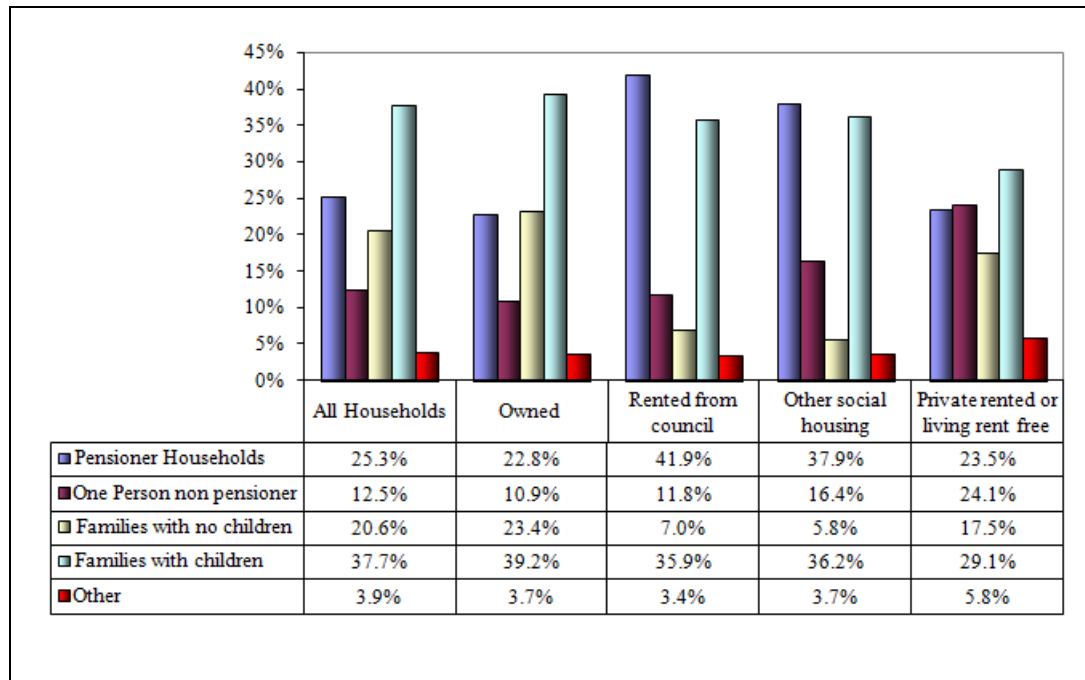
Table 4.7: Household Composition

	High Peak	Derbyshire Dales	HPDD Sub Area	England	East Midlands	Derbyshire	PDNPA
Couple with no dependents	27.1%	28.3%	27.6%	24.0%	26.2%	28.0%	29.7%
Couple with Dependents	23.9%	21.8%	22.9%	20.8%	21.7%	22.6%	21.3%
Single Pensioner	14.1%	16.0%	15.0%	14.4%	13.9%	14.6%	16.2%
Single Adult	13.0%	11.8%	12.5%	15.7%	14.3%	13.0%	11.2%
All pensioner	8.8%	11.4%	9.9%	8.9%	9.7%	9.8%	11.4%
Lone Parent with dependents	5.6%	3.7%	4.8%	6.4%	6.1%	5.3%	2.9%
Lone parent with no dependents	3.3%	2.7%	3.0%	3.0%	2.7%	2.9%	2.9%
Other	2.3%	2.3%	2.3%	3.7%	2.7%	2.1%	2.2%
Other with dependents	1.6%	1.4%	1.5%	2.2%	1.8%	1.4%	1.6%
Other pensioner	0.4%	0.5%	0.4%	0.4%	0.3%	0.3%	0.6%
Student	0.0%	0.0%	0.0%	0.4%	0.5%	0.0%	0.0%

Source: Census 2001

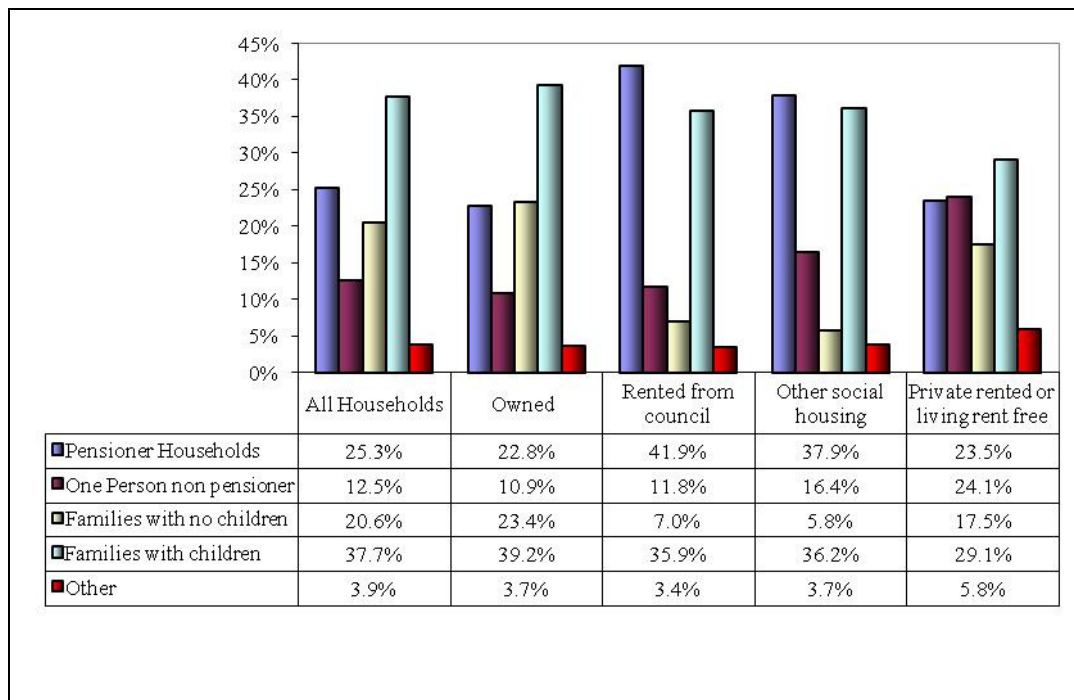
- 4.27 Figure 4.9 shows the analysis of household composition by tenure for the HPDD Sub-Area. In the broad household categories, the most prominent household in the HPDD Sub-Area is the family with children (37.7%). The second most prominent household is a pensioner household (25.3%). Pensioners, however, rely upon social housing more than any other group, and this makes consideration of how the large 45-64 (Baby Boomer) cohort might be housed particularly important (See Chapter 10). Of all the properties rented from the Council, 41.9% are rented by pensioners and 35.9% are rented by families with children. Of all social housing, 37.9% is rented by pensioner households whilst 36.2% is rented by families with children.
- 4.28 It should be noted that the majority of owner-occupiers are families with children (39.2%), followed by families with no children (23.4%) and pensioners (22.8%). The private rented sector looks to be fairly evenly distributed between the different household types. The major group (See Figure 4.9) renting social housing (council or other social housing) is pensioner households. This is followed closely by families with children (35.9% and 36.2% respectively). This data is available from the 2001 Census at district level, and it has not been possible to reproduce the analysis for the National Park

Figure 4.9 HPDD Sub-Area – Household Composition by Tenure



Source: Census 2001

Figure 4.10 East Midlands – Household Composition by Tenure



Source: Census 2001

- 4.29 Figure 4.10 shows the analysis of household composition by tenure for the East Midlands region. The figure demonstrates that tenure distribution by household type in the HPDD Sub-Area is similar to that in the wider East Midlands region. For example:
- An over representation of pensioner households in social rented (rented from the Council and “other social housing”) accommodation;
 - An over representation of one person (non pensioner) households in “other social housing” and private rented / rent free accommodation;
 - An under representation of families with no children households in social rented accommodation;
 - An under representation of families with children in private rented / rent free accommodation.

4.30 However, there are differences in some instances with regard to the magnitude of over or under representation, as below:

- Pensioner Households in Social Rented – greater over representation in the HPDD Sub-Area than in the East Midlands;
- One Person (Non-Pensioner) Households in “Other Social Housing” and Private Rented/ Rent Free Accommodation – lesser over representation in the HPDD sub-area than in the East Midlands;
- Families with Children in Private Rented / Rent Free Accommodation – greater under representation in the HPDD Sub-Area than in the East Midlands.

Tenure Patterns

- 4.31 The pattern of tenure change between 1991 and 2001 is shown in Table 4.8. The 2% increase in owner occupation in the HPDD Sub-Area reflects regional and national trends. Private renting has also increased in the HPDD Sub-Area, though the increase is concentrated in the High Peak Borough area where it is in line with regional and national trends; the proportion of households renting in Derbyshire Dales has remained static, and in the National Park it has fallen. The level of private renting is quite likely to have increased since 2001 in line with national trends and in response to the development of Buxton Campus of the University of Derby.
- 4.32 There has been a reduction of between 3-5% in the proportion of households renting from the Council for the HPDD Sub-Area. This has been in part counter balanced by an increase (of approximately 1%) in the proportion of households renting other social housing. However, it should be noted the combined council and RSL social rented housing stock accounts for only 13% of the total housing stock in the sub-area compared to 18% in the East Midlands and 19% nationally.

Table 4.8: Tenure Change 1991-2001 (Source: Census)

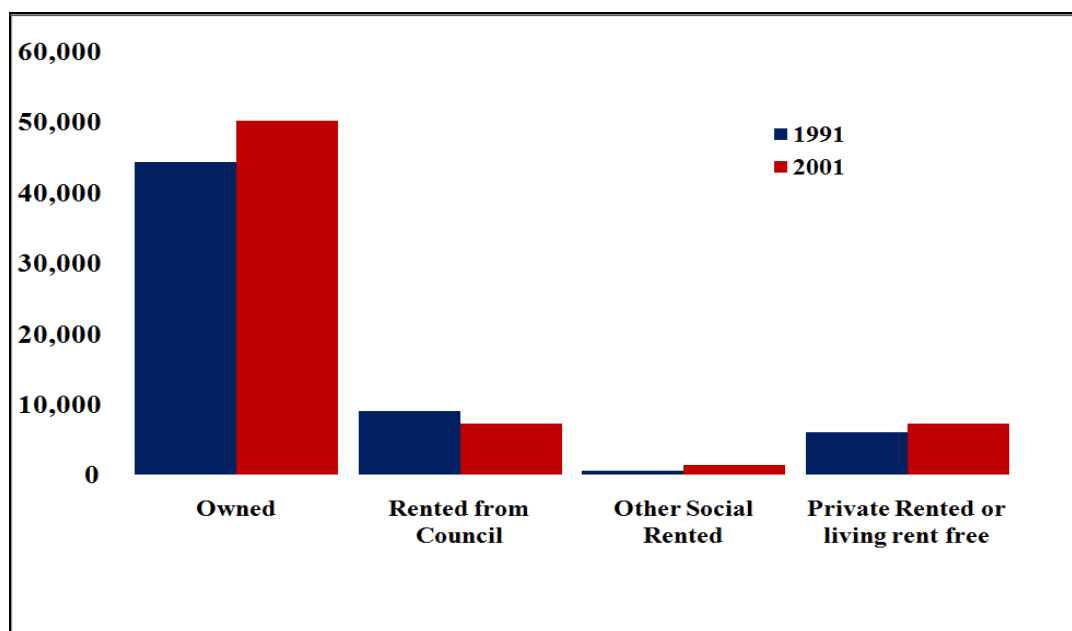
		Total Dwellings	Owned	Rented from Council	Other Social Rented	Private Rented or living rent free
Derbyshire Dales	1991	26,736	73%	14%	1%	12%
	2001	29,052	75%	11%	2%	12%
High Peak	1991	33,123	75%	16%	1%	8%
	2001	37,056	77%	11%	2%	10%
HPDD Sub-Area	1991	59,859	74%	15%	1%	10%
	2001	66,108	76%	11%	2%	11%
Derbyshire	1991	280,585	72%	19%	1%	7%
	2001	308,876	74%	15%	2%	8%
East Midlands	1991	1,547,985	71%	19%	2%	8%
	2001	1,732,483	72%	14%	4%	10%
England	1991	18,545,529	68%	20%	3%	9%
	2001	20,451,427	69%	13%	6%	12%
PDNPA	1991	15,132	73%	11%		15%
	2001	15,949	76%	8%	2%	14%

Source: Census 1991 and Census 2001

4.33

Figure 4.11 outlines the absolute change in property numbers between 1991 and 2001. The number of properties in the HPDD Sub Area increased by over 6,000, with approximately 63% of this increase coming from the High Peak area. The highest increase in terms of property numbers has been in terms of owner occupation, accounting for all of the net increase in properties, with the High Peak area again constituting the majority of this increase.

Figure 4.11 HPDD Sub-Area Tenure Change 1991-2001 (Source: Census)

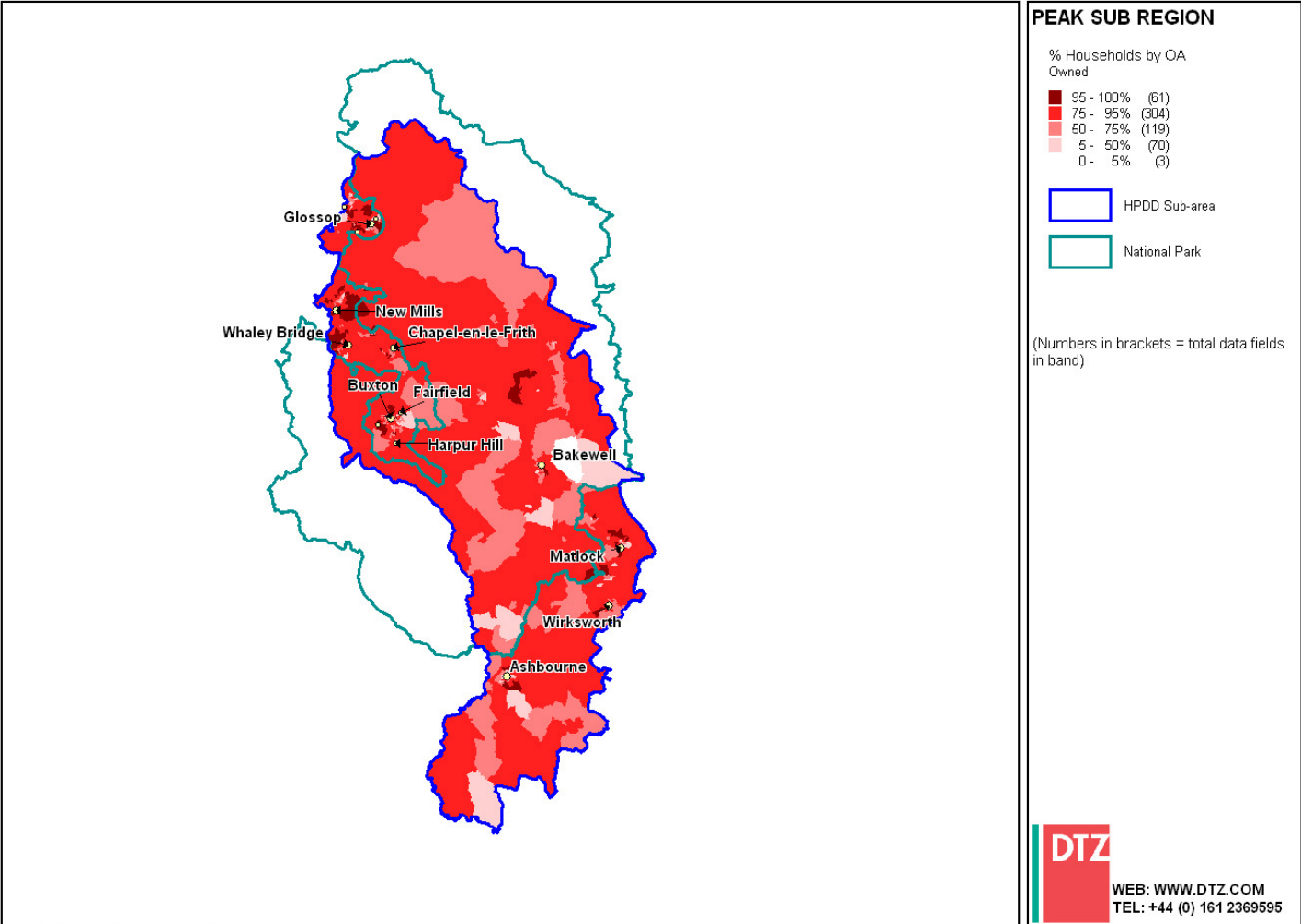


Source: Census 2001, Census 1991

Spatial Distribution of Households by Tenure

- 4.34 Figures 4.12, 4.13 and 4.14 illustrate the spatial distribution of households by tenure across the study area. There are three separate maps for the proportion of households in owner occupation, private rented and social rented housing.
- 4.35 Figure 4.12 illustrates that across the study area, the parts of the sub-area bordering Greater Manchester exhibit the highest levels of owner occupation. There are other pockets of high levels of owner occupation, including parts of the sub-region close to Sheffield.
- 4.36 Figure 4.13 indicates that there are a number of areas across the HPDD Sub-Area where there is a significant proportion of private rented accommodation. These areas tend to be in more rural locations. The areas and settlements which have a high proportion of private rented accommodation are Cressbrook, Little Longstone, Bakewell, Alport, Bradford, Tissington, and Osmaston. This pattern may have changed since 2001, with the growth of private renting associated with the Buy-to-Let phenomenon.
- 4.37 Figure 4.14 illustrates the extremely limited number of areas that have a high level of social renting across most of the sub-area compared with the rest of Derbyshire. There are a number of dispersed areas across the sub-area that have over 40% of households in social rented accommodation and, as expected, these tend to be in the urban settlements, such as Glossop, Buxton and Matlock.

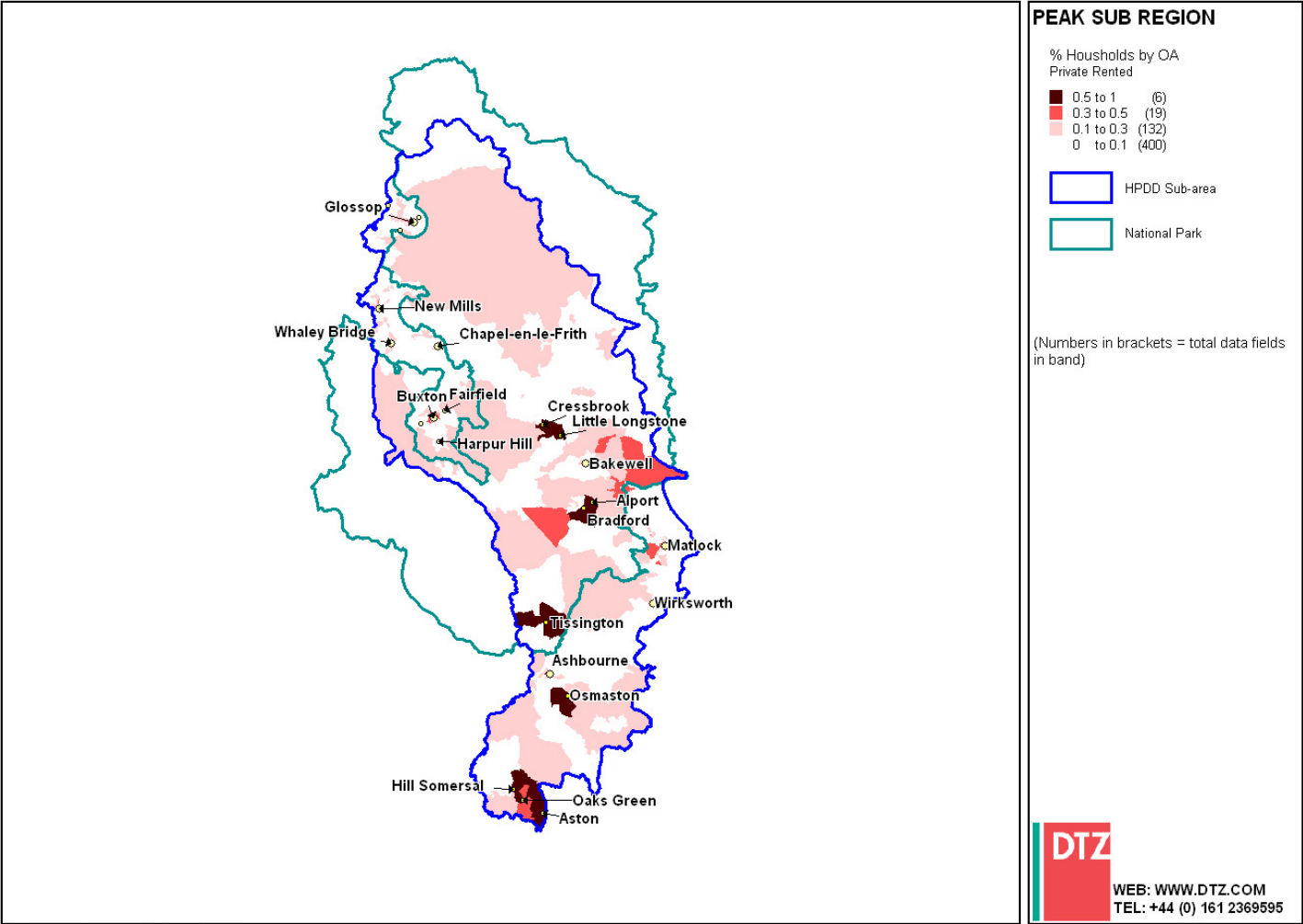
Figure 4.12: Proportion of Households in Owner Occupation



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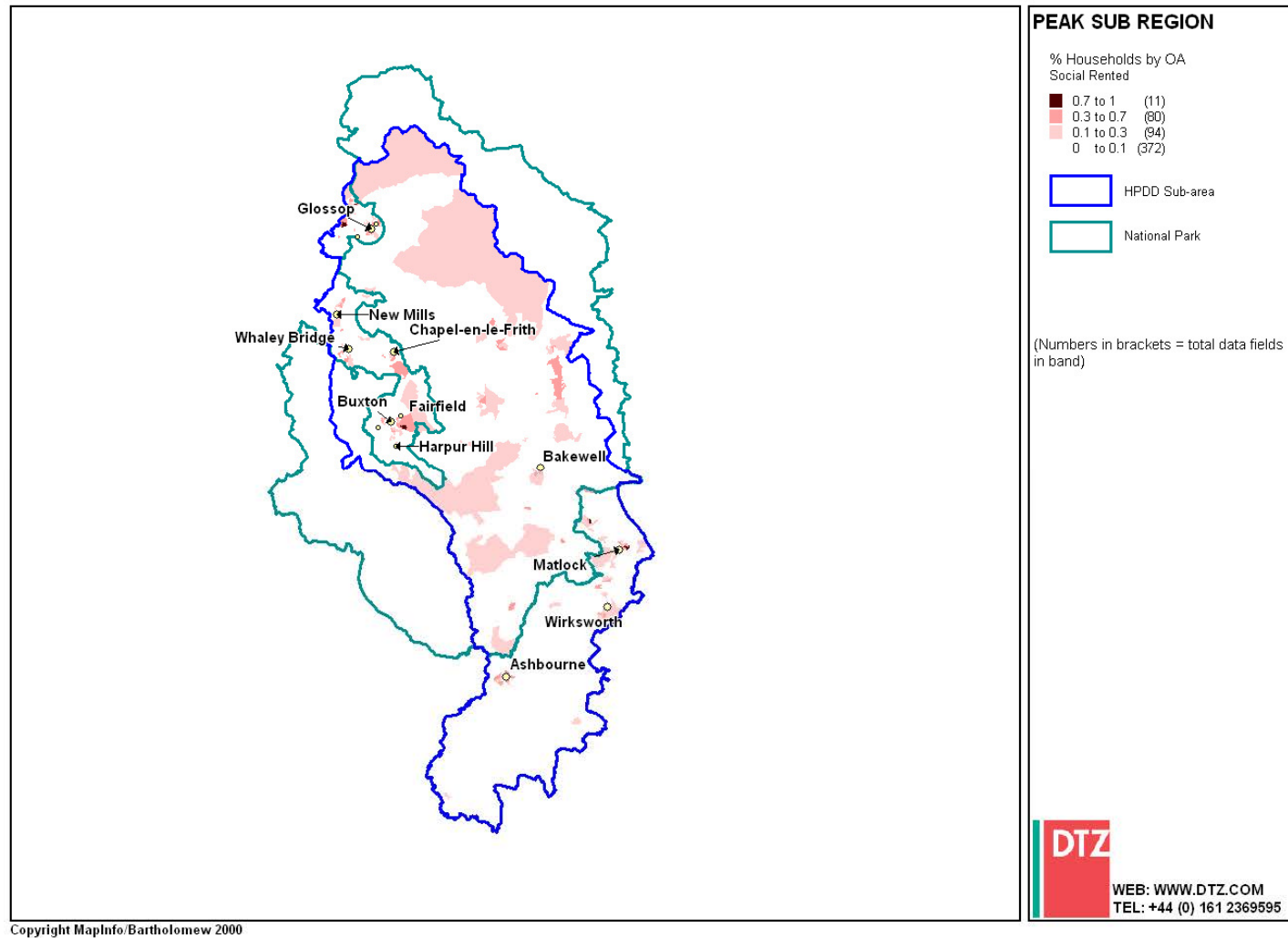
Source: Census 2001

Figure 4.13: Proportion of Households in Private Rented Sector



Source: Census 2001

Figure 4.14: Proportion of Households in Social Rented Sector

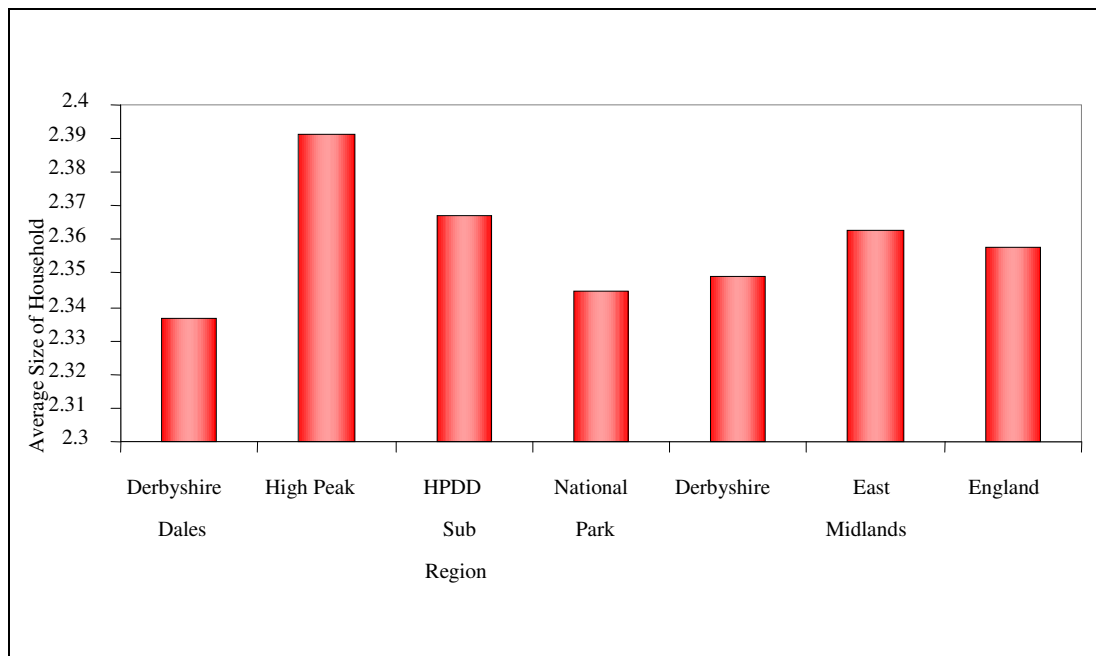


Source: Census 2001

Household Size

- 4.38 Understanding trends in household size and the number of households are crucial in determining the demand for future housing. Future changes in the number of households will be determined by increases in population and the extent to which an area follows national trends in reducing average household size. This also has implications for the size of property that will be required to house the population of an area in the future.
- 4.39 Figure 4.15 shows the average number of people per household in the study areas. The Derbyshire Dales and the National Park show a low number of people per household compared with England, the East Midlands and Derbyshire. The number of people per household is higher for the High Peak area. This area is higher than all the comparator areas and pushes the number of people per household for the HPDD Sub-Area above the national and regional averages.

Figure 4.15: Average Number of People per Household Space

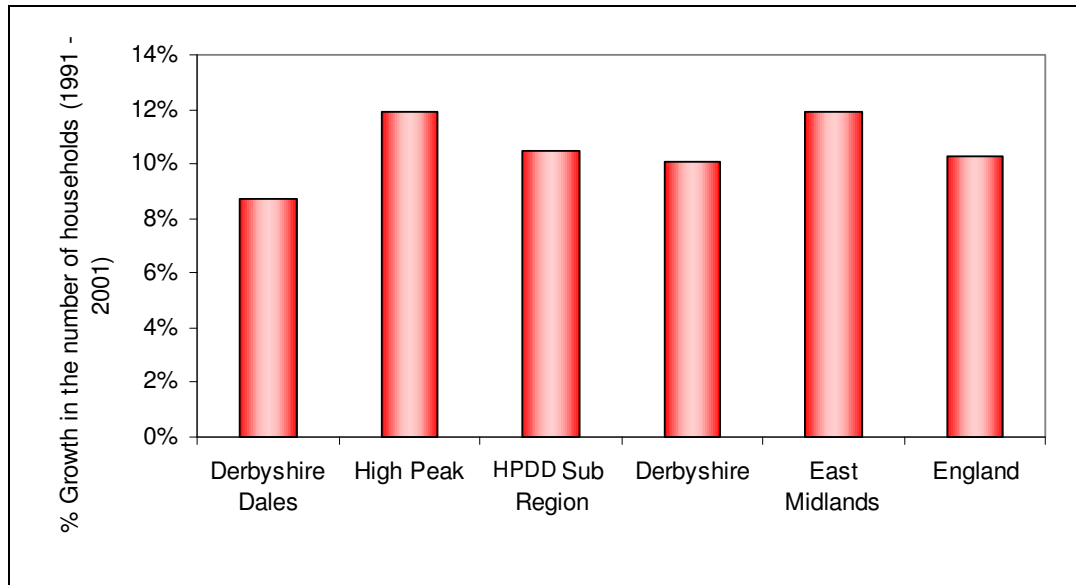


Source: Census 2001

Household Growth

- 4.40 Figure 4.16 shows the change in the number of households between 1991 and 2001 for the study areas. The High Peak area shows a high increase in the number of households and is comparable to the regional average. However, Derbyshire Dales has seen a smaller increase in the number of households, a figure of just over 8%, being lower than the comparator areas.

Figure 4.16: Percentage Change in Number of Households 1991-2001



Source: 1991 and 2001 Census

- 4.41 Table 4.9 outlines the household growth between 1991 and 2001 in absolute terms. It shows that the number of households in the HPDD Sub-Area has increased by 6,270, with a large proportion of this increase attributable to the High Peak area (3,941). The overall conclusion is that the growth rate of the High Peak area is greater than Derbyshire Dales and the National Park.

Table 4.9: Household Growth 1991-2001

	1991	2001	Household Growth	% Change
Derbyshire Dales	26,736	29,065	2,329	8.7%
High Peak	33,123	37,064	3,941	11.9%
HPDD Sub-Area	59,859	66,129	6,270	10.5%
Derbyshire	280,585	308,867	28,282	10.1%
East Midlands	1,547,985	1,732,482	184,497	11.9%
England	18,545,529	20,451,427	1,905,898	10.3%
PDNPA	15,132 ⁸	15,949	817	5.4%

Source: 1991 and 2001 Census

- 4.42 A full analysis of the economic drivers of housing demand is undertaken in the next section of this report.

⁸ 1991 Census household numbers in PDNPA is an estimate

Population Projections

- 4.43 The ‘policy based’ population projections produced by EMRA presented in Table 4.10 suggest a significant slowing of population growth within High Peak and a steady decline in population within Derbyshire Dales. These projections take into account future housing allocations presented in the draft RSS. Guidance produced by EMRA in November 2006 indicates that the ‘policy base’ should be used in the preparation of the SHMA, whilst the CLG suggests that ONS figures should be used. Both are presented in this report.

Table 4.10: EMRA Population Growth Projections 2001 to 2026

	Population Projections						%
	2001	2006	2011	2016	2021	2026	Change 2001 to 2026
High Peak	89,000	89,100	89,300	89,300	89,800	90,800	2%
Derbyshire Dales	69,400	69,100	68,700	67,700	66,600	65,800	-5%
HPDD Sub-Area	158,400	158,200	158,000	157,000	156,400	156,600	-1%
Derbyshire	734,700	748,600	762,800	774,100	787,500	806,200	10%
East Midlands 000's	4,190	4,321	4,440	4,555	4,687	4,845	16%
England (ONS) 000's	49,139	50,976	52,223	53,544	54,861	56,044	14%

Source: EMRA, 2006

- 4.44 The Policy Based projections suggest that overall population living in the HPDD Sub-Area is projected to decline by around 1,800 persons over the next 25 years. This change is within the context of population growth of 10% across Derbyshire and 16% across the East Midlands. This decline across the HPDD Sub-Area masks the difference between the two districts, with High Peak expected to experience an increase in population of 1,800 persons, while Derbyshire Dales is expected to decline by some 3,600 people.
- 4.45 The ONS Population Projections based on 2004 population estimates represent unadjusted projections based on population change in previous years. These projections presented in Table 4.11 illustrate that without constraints, population in the Sub-Area would probably grow at a rate significantly above that suggested by the policy based projections. The implication of a policy of constraint, with the underlying pattern of demand and captured by the ONS projections, is that the HPDD Sub-Area can expect to experience excess demand for housing that will manifest itself in rising prices, and therefore exacerbated affordability problems.

Table 4.11: ONS Population Growth Projections 2001 to 2026

	Population Projections						%
	2001	2006	2011	2016	2021	2026	Change
High Peak	89,000	91,400	93,300	95,300	97,400	99,400	12%
Derbyshire Dales	69,400	70,000	70,500	71,200	72,200	73,200	5%
HPDD Sub-Area	158,400	161,400	163,800	166,500	169,600	172,600	9%
Derbyshire	734,700	752,400	768,300	785,300	803,000	818,500	11%
East Midlands 000's	4,190	4,335	4,458	4,580	4,703	4,817	15%

Source: ONS

4.46 The Office for National Statistics has not produced population projections for the Peak District National Park. As a result, the National Park Authority, with the support of the East Midlands Regional Assembly, commissioned the University of Manchester to produce a range of population projections. These projections were published in November 2006 using similar data and approaches to those used by government agencies. The projections present a range of scenarios, including a number of scenarios based on different levels of dwelling completions per annum. The following table illustrates the range of scenarios presented.

Table 4.11: Peak District National Park Population Projections 2001 to 2026

		Population Projections					%	
		2001	2006	2011	2016	2021	2026	Change 2001 to 2026
Census based Projection	35,157		34,988	34,283	33,067	31,501	29,776	-15.3
Natural Change			34,496	33,800	33,239	32,772	32,197	-8.4
Zero Net Migration			34,425	33,324	32,024	30,591	28,981	-17.6
0 dwellings p.a.			34,335	33,386	32,322	31,205	30,296	-13.8
48 dwellings p.a.			34,937	34,570	34,044	33,411	32,948	-6.3
95 dwellings p.a.			35,527	35,731	35,737	35,582	35,559	1.1
150 dwellings p.a.			36,219	37,095	37,730	38,141	38,634	9.9

Source: Population, household and labour force projections for the Peak District National Park Authority and East Midlands Regional Assembly, CCSR, University of Manchester 2006

Note: Only includes projections relating to population in High Peak and Derbyshire Dales Districts

4.47 The projections present several messages for the National Park:

- Firstly, due to the age of the current population living in the National Park and the trend towards smaller households, two of the scenarios suggest population decline over the long term and a third (95 dwellings pa) in a steady state. A moratorium on new house building could result in population decline of 13.8% over 25 years to 2026.
- Only scenarios that reflect average annual dwelling completions in excess of around 95 dwellings result in significant population growth from 2001 to 2026.
- The scenario where migration rates are balanced reveals the strong future reliance on in-migration to the National Park required to sustain the level of population. The forecasts suggest that if in-migration into the Park is not sustained then population levels could fall by some 20%.

Household Projections

4.48 Household projections prepared on behalf of EMRA are based on recent demographic trends and the housing allocations set out in the draft RSS. Overall, within the HPDD Sub-Area, the projections suggest that the number of households is expected to increase by an average of 460-480 per annum. This growth within the context of declining population can be explained through changing assumptions about the number of persons per household, with the average household size anticipated to decline (from around 2.4 persons per household in 2001 to around 2.0 persons per household in 2026).

4.49 Table 4.13 outlines the projected household growth pattern in absolute terms for the study areas. The total number of households in the HPDD Sub-Area is predicted to increase by

14,000 by 2026, of which 8,000 of these households will be within the High Peak area and 6,000 within the Derbyshire Dales. The increase in households for the HPDD Sub-Area accounts for 18% of the projected increase within Derbyshire and 3% of the projected total increase within the East Midlands.

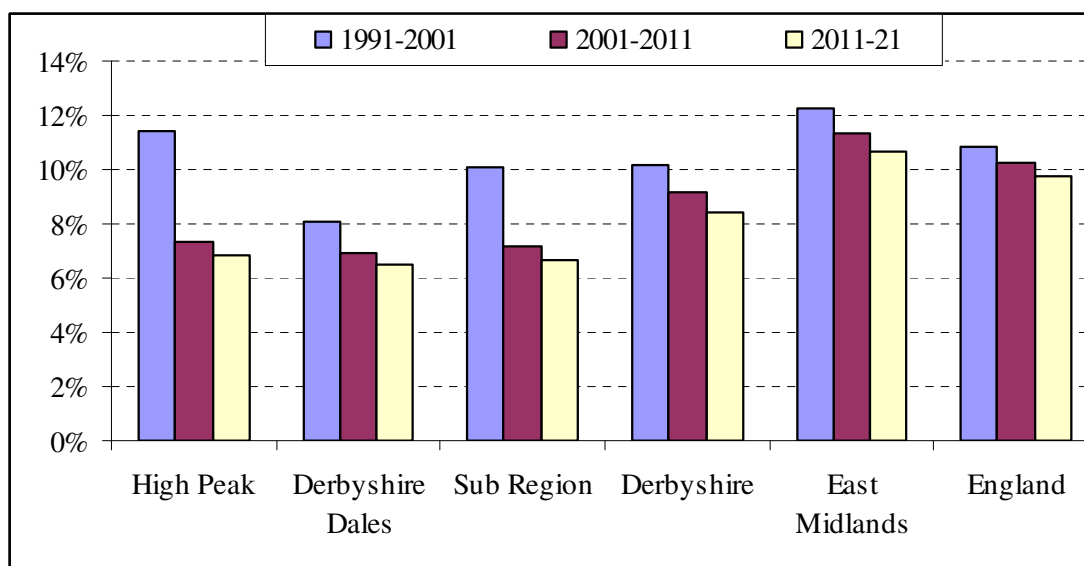
Table 4.13: Absolute Household Growth Projections 2001 to 2026

	Household Projections						%
	2001	2006	2011	2016	2021	2026	Change 2001 to 2026
High Peak	36,900	38,300	39,600	41,000	42,300	43,700	18%
Derbyshire Dales	28,900	29,900	30,900	31,900	32,900	33,900	17%
HPDD Sub-Area	65,900	68,200	70,600	72,900	75,300	77,600	18%
Derbyshire	309,000	323,100	337,300	351,500	365,800	380,000	23%
East Midlands 000's	1,737	1,834	1,934	2,038	2,141	2,244	29%
England (ONS) 000's	20,500	21,500	22,600	23,700	24,800	25,700	26%

Source: 2001 Census / EMRA Population Projections

- 4.50 A comparison between historical household growth and forecast growth is shown in figure 4.17. Overall, all areas are expected to experience a slower rate of household growth in the future compared with the period 1991-2001. The HPDD Sub-Area is expected to experience a more significant slowdown in household growth than is expected in the benchmark areas. This is primarily driven by the significant slowdown expected within High Peak, with growth predicted to fall from the 11% experienced between 1991-2001 to 7% between 2001-2011 and 2011-2021. Derbyshire Dales is predicted to have a relatively low rate of growth from 2001 onwards, but this is expected given the low growth rate between 1991 and 2001.
- 4.51 As expected, household growth in Derbyshire, the East Midlands and England is estimated to increase at a faster rate than the Derbyshire Dales and High Peak.

Figure 4.17: % Household Growth – Past and Future



Source: 1991 and 2001 Census / EMRA Population Projections

4.52 As with population projections, neither EMRA nor DCLG produce household projections for the National Park. The results of the work commissioned by the National Park Authority suggest that additional dwellings built within the National Park will be occupied by additional households, as a result of the high demand for dwellings in the National Park. Therefore, the increase in households in the Park is directly related to the level of house building. A key issue is that the relationship between increasing household numbers and population is not linear. Although household numbers are expected to increase under most scenarios (with the exception of zero migration and no new dwellings), population levels are expected to decline unless the rate of new building of around 95 dwellings p.a. is achieved over the 25 years to 2026

Table 4.13: Peak District National Park Household Projections 2001 to 2026

	Household Projections						% Change 2001 to 2026
	2001	2006	2011	2016	2021	2026	
Census based Projection	14,835	15,085	15,183	14,979	14,979	14,669	-1.1
Natural Change		14,751	14,822	15,229	15,229	15,193	2.4
Zero Net Migration		14,876	14,817	14,639	14,639	14,400	-2.9
0 dwellings p.a.		14,835	14,835	14,835	14,835	14,835	
48 dwellings p.a.		15,058	15,281	15,727	15,727	15,950	7.5
95 dwellings p.a.		15,276	15,718	16,601	16,601	17,043	14.9
150 dwellings p.a.		15,532	16,229	17,624	17,624	18,322	23.5

Source: Population, household and labour force projections for the Peak District National Park Authority and East Midlands Regional Assembly, CCSR, University of Manchester 2006

5 ECONOMIC DRIVERS OF DEMAND

5.01 Demographic changes within an area create the need for different levels and types of housing provision. However, the economic development of an area can be of equal importance in driving change in housing markets, especially due to the effect on migration. This section analyses the recent economic performance of High Peak and Derbyshire Dales against the county, regional and national benchmarks and examines the way in which the HPDD Sub-Area economy has influenced the demographic and socio-economic profile of the area.

5.02 It is important to highlight the reciprocal relationship between economic development and the provision of housing. While there is an obvious and established link between economic development and the requirement for housing, the type of housing provided within an area can also often play an equally central role in addressing and facilitating economic development and regeneration objectives.

Key Points

- The 62,000 jobs in the HPDD Sub-Area are shared evenly between the two local authority districts (with some 13,700 of these jobs based in the National Park), with the two districts supporting a similar number of jobs to the majority of districts in the East Midlands
- The growth in the number of jobs between 1995 and 2004 was 4% (7% in Derbyshire Dales and 5% in High Peak), much lower than that recorded in Derbyshire, East Midlands and England, and growth in Growth Value Added was also much lower
- Four sectors – public administration/education/health, distribution/hotels/restaurants, manufacturing, and banking, account for 85% of employment
- Of the four key sectors, manufacturing has seen a reduction in employment of a quarter since 1995 (it is still a large employer compared to the national average, and employment reductions have had an acute impact in areas local to plant closures); in contrast the public administration, and distribution/hotels/catering sectors have all grown, with the business services sub sector showing especially rapid growth (in contrast to other rural economies)
- The geographical distribution of growth in the growth sectors has not been equal across the HPDD Sub-Area.
 - There has been higher absolute growth in distribution/hotels/restaurants in High Peak, though Derbyshire Dales has seen a high % growth from a lower base
 - Employment in public administration/education/health, has declined in High Peak, but grown in Derbyshire Dales
 - The growth in financial and business services has been similar in both local authority areas
- The economic activity rate in Derbyshire Dales (85%) is particularly high, pushing the overall rate for the HPDD Sub-Area over the Derbyshire (81%) and East Midlands (79%) average; however the rate for the National Park, at 69%, is notably lower than these benchmarks
- The high economic activity rate is reflected in a low unemployment rate for Derbyshire Dales, whilst the High Peak unemployment rate is around the county and regional average
- There have been similar proportionate decreases in unemployment in High Peak and Derbyshire, with the decline being less pronounced in Derbyshire Dales, given the

already low rate of unemployment. Unemployment is likely to rise over the next two years.

- There is a high concentration of managers and senior officials, and jobs of professional occupations in Derbyshire Dales, whilst High Peak has a higher concentration in skilled trade occupiers.
- Notably, High Peak also has a particularly high concentration of process, plant and machinery operatives (less than Derbyshire, but similar to East Midlands), and elementary occupations are over represented. Derbyshire Dales is also over represented with process, plant and machinery operatives compared to England. Read alongside the high figures for senior and professional occupations, this suggests some occupational dichotomy.
- Indeed, the high number of people in low skilled occupations is reflected in the high proportion of people whose journey to work is 2km or less (29%), compared with the England average of 23%
- Not surprising given the rural nature of the HPDD Sub-Area and its proximity to major conurbations, out commuting from the constituent areas is high (34% for Derbyshire Dales and 40% for High Peak), with the Greater Manchester sub region being a particular draw for High Peak residents (concurring with migration patterns and travel to work patterns highlighted in Section 3)
- This is reflected in above average commuting distances - 42% travel more than 10km to work, compared with 32% for England, and the difference is even more pronounced for those travelling over 20km. Notably, almost 50% of commuting distances from residences within the National Park are greater than 10km.
- There is a significant discrepancy between the earnings of those that live in the HPDD Sub-Area and those that work in the HPDD Sub-Area. This data, read alongside the data for commuting distances, suggests an occupational dichotomy within the HPDD Sub-Area, most pronounced in Derbyshire Dales, with the Sub-Area accommodating large numbers of both:
 - high earning residents (above the regional average) who commute above average distances to jobs outside of the HPDD Sub-Area,
 - low paid (below the regional average) residents travelling very short distances to their place of work, a significant proportion of whom are in elementary and plant operative occupations.
- Homeworking is relatively high in the HPDD Sub-Area, especially the more isolated Derbyshire Dales (14%) and National Park (19%), compared to 9% for England, Derbyshire and East Midlands. Homeworking is very likely to have increased since 2001 with the spread of broad band connectivity.
- A notably high level of economically inactive persons are owner occupiers compared to the county and regional averages, with the highest proportion being in the Peak District National Park, suggesting that the area attracts early retirers or those who do not need to work.

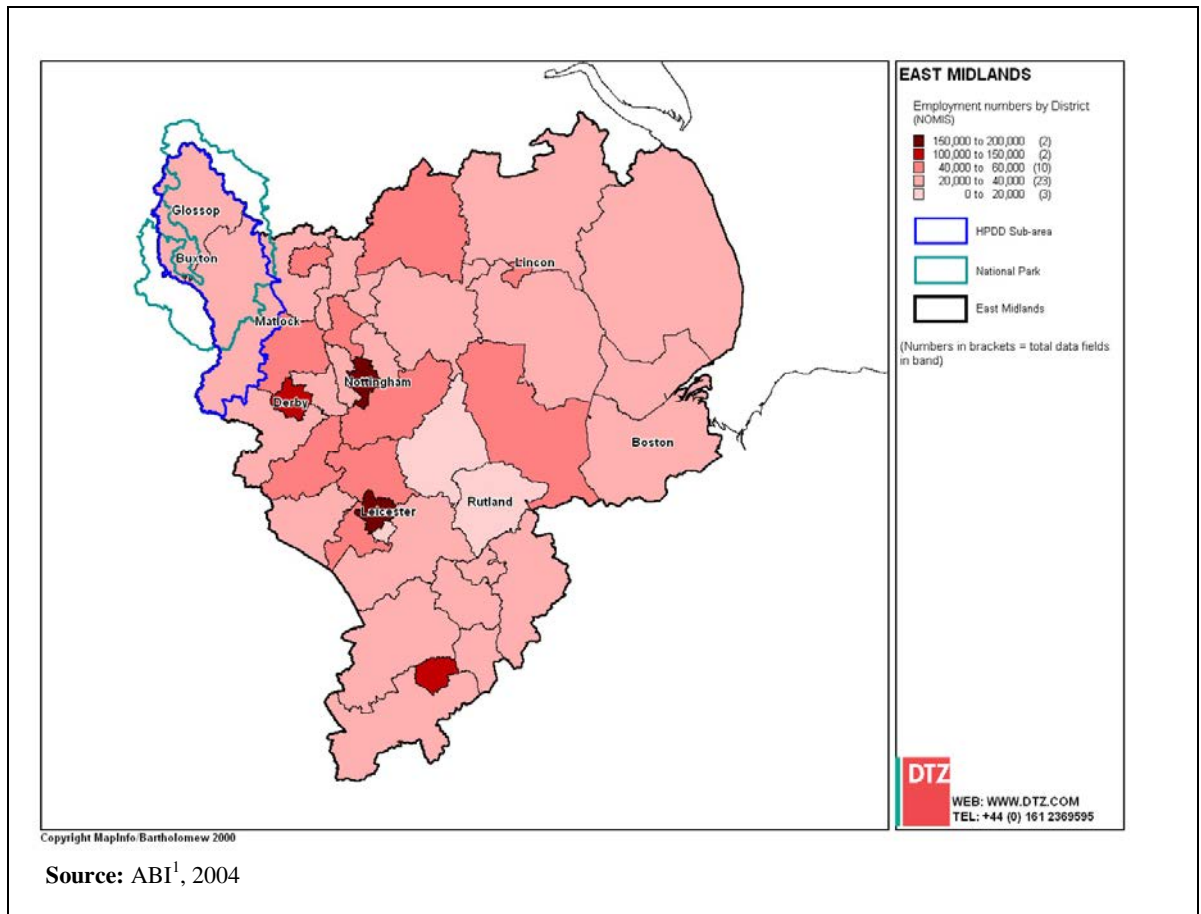
Employment

5.03

According to the Annual Business Inquiry (2004) there were an estimated 62,000 jobs in the HPDD Sub-Area split evenly between the two districts. The 2004 National Park Business Survey estimated a total of 13,700 jobs in the entire National Park (including areas outside of the HPDD Sub-Area)

- 5.04 Figure 5.1 shows the number of jobs in each of the districts in the East Midlands. Employment is clearly concentrated within the cities of the region (Derby, Nottingham and Leicester) and Northampton. The map also illustrates that the majority of districts across the region have a similar level of employment to High Peak and Derbyshire Dales, although there are three districts with employment levels below 20,000 persons.
- 5.05 Although not illustrated on the map, the districts adjoining the HPDD Sub-Area that lie outside the East Midlands have high levels of employment.

Figure 5.1: Spatial Distribution of Jobs

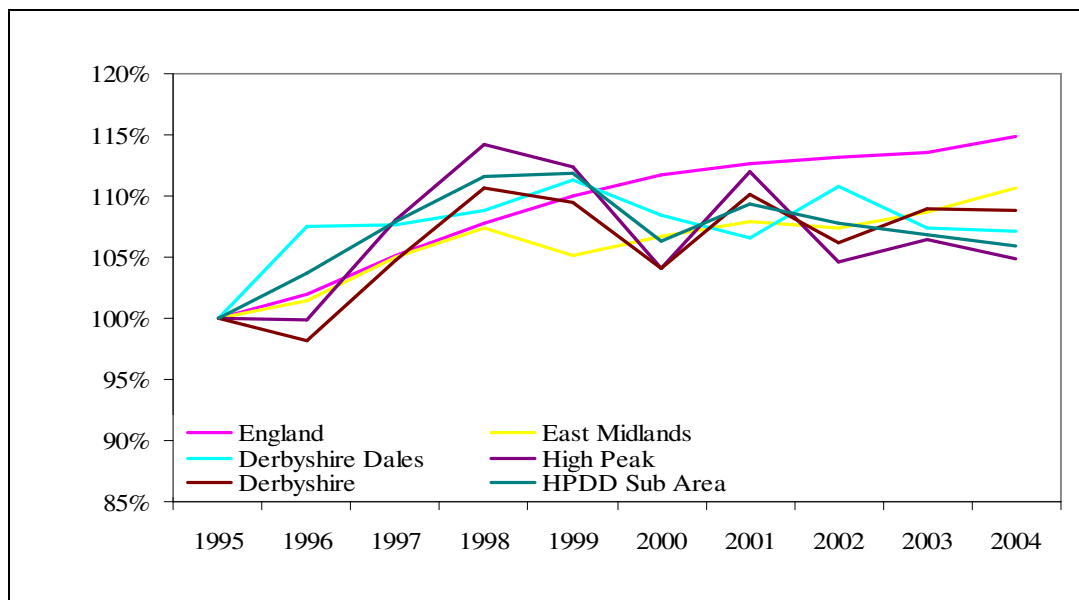


- 5.06 Figure 5.2 illustrates that the HPDD Sub-Area has experienced uneven employment growth between 1995 and 2004, mirroring the experience of Derbyshire as a whole. This erratic annual employment change is common when considering district level data and it is more appropriate to consider trends observed over a number of years. There appear to be two notably different periods of employment change within the HPDD Sub-Area – 1995-99 and 1999-2004.
- 5.07 The HPDD Sub-Area experienced steady increases amounting to a net growth in employment of 10% between 1995 and 1999 (5,900 jobs). However, following 1999 employment in the HPDD Sub-Area has declined and in 2004 was only 5% higher than it was in 1995 (approximately 2,700 people). Employment declines within the HPDD Sub-Area between 1999-2004 amounts to a decline of some 3,200 jobs, virtually all of which can be attributed to declines within the manufacturing sector.

¹ The ABI (Annual Business Inquiry) measure of employment measures the number of employment positions within a given location.

5.08 Table 5.1 shows that change over the period 1995-2004 was similar in both High Peak and Derbyshire Dales. Whilst Derbyshire Dales performed slightly better than High Peak, both areas performed poorly in comparison to the Derbyshire and East Midland benchmarks, which in turn were poor in comparison to the growth in jobs in England as a whole.

Figure 5.2: Indexed Employment Growth, 1995-2004 (1995 = 100)



Source: ABI

Table 5.1: Employment Change, 1995-2004

	1995	2004	Absolute Change	% Change
High Peak*	29,300	30,300	1,000	3%
Derbyshire Dales*	29,200	30,800	1,600	6%
HPDD Sub-Area *	58,500	61,100	2,600	4%
Derbyshire	341,800	384,700	42,900	13%
East Midlands	1,631,800	1,804,800	173,000	11%
England	19,625,200	22,532,800	2,907,600	15%
PDNPA		13,700		

* These figures are aggregates from which agriculture class 0100 is not included in the 1995 employment estimates. Therefore, total change excludes employment in agricultural class 0100

Source: ABI and National Park Business Survey

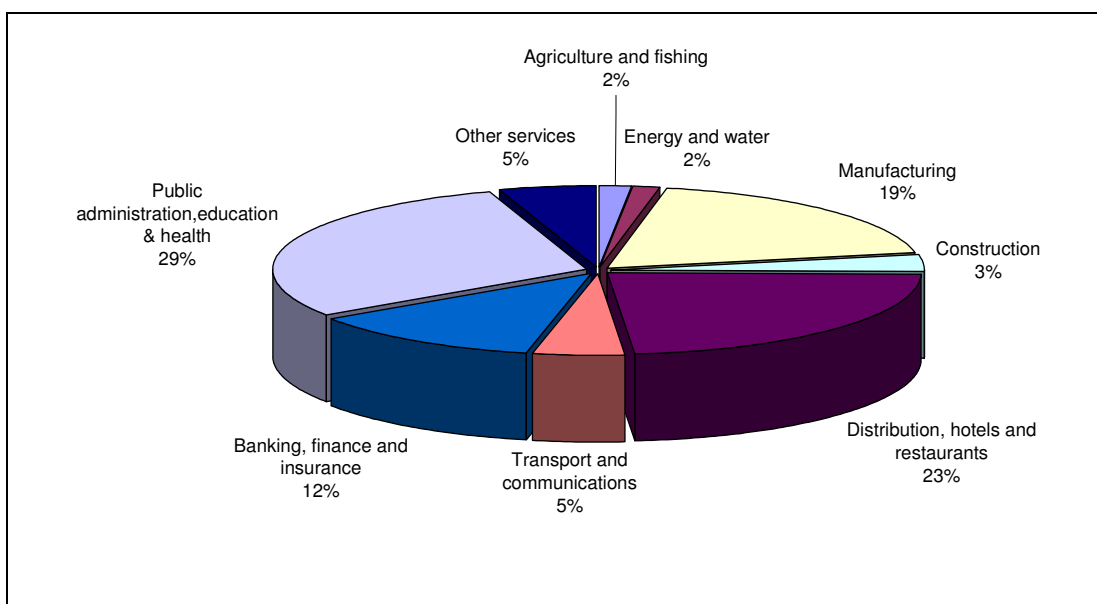
5.09 Figure 5.3 presents the sectoral breakdown of employment within the HPDD Sub-Area. The four major industries in the HPDD Sub-Area are public administration, education and health (29%), distribution, hotels and restaurants (23%), manufacturing (19%) and banking, finance and insurance (12%). These four industries account for approximately 85% of the employment within the HPDD Sub-Area in 2004.

5.10 Table 5.2 illustrates the employment changes experienced by each of the broad sectors of the economy in the HPDD Sub-Area. A key issue for assessing the changes in employment for the HPDD Sub-Area, as with other areas that have large rural areas, is the

limitations of the information available for employment within the agricultural sector. The 1995 local authority employment estimates for the sector exclude a significant proportion of agricultural employment, which in 2004, according to the ABI account for only 800 jobs. This is partly accounted for by the fact that the ABI is a measure of employees in employment and excludes the self-employed. Many people in the agricultural sector are self-employed. Across the East Midlands as a whole, ABI data indicates that employment in the agricultural sector has declined by around 12% since 1995 and in the absence of lower level data, it is reasonable to assume that the sector in the HPDD area has suffered a similar decline. It should, however, be noted that in relative terms agriculture is a small employer, representing only 2% of total employment in the HPDD Sub-Area (although this is double the national average).

- 5.11 Although the manufacturing sector has seen a reduction in employment of 24% since 1995, it is still one of the largest employers in the HPDD Sub-Area, accounting for almost a fifth of all jobs. The declines in manufacturing in rural areas generally have significant localised impacts, as they usually come about as a result of closures of relatively large local employers. As elsewhere, the jobs lost within these sectors are often relatively well paid and the growth in jobs in other parts of the economy does not necessarily directly replace those lost.
- 5.12 The business services sector has experienced a significant increase in employment of 33%. This is in marked contrast with other rural economies that have not witnessed the same extent of growth within the sector. Many of these firms within the financial and business services sector tend to locate within cities and large towns. However, rural areas close to major cities also experience growth in these sectors. Well qualified people decide to work close to where they live and service clients in nearby cities or further afield, a pattern made possible by the expansion of broadband internet connections. Growth in this sector also includes more localised activities such as estate agents.
- 5.13 The two other large employment sectors – public administration and distribution, hotels and catering have also experienced significant growth of 11% and 16% respectively.

Figure 5.3: HPDD Sub-Area - Employment by Broad Sector, 2004



Source: ABI

Table 5.2 Employment by Industrial Sector (2004 Workplace based)

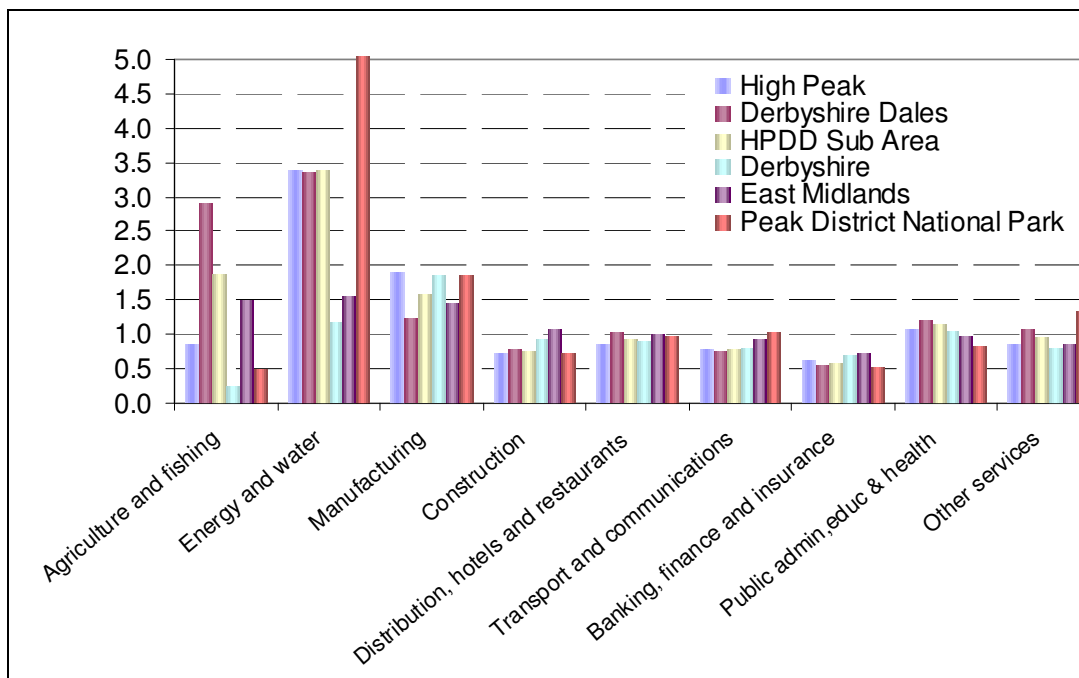
	1995	2004	Absolute Change	% Change
Agriculture and fishing	100*	200	100	47%
<i>Agricultural Class 0100)</i>	-	800	*	*
Energy and water	1,600	1,000	-500	-34%
Manufacturing	15,400	11,600	-3,700	-24%
Construction	1,900	2,100	100	7%
Distribution, hotels and restaurants	12,500	14,500	2,000	16%
Transport and communications	2,400	2,900	500	23%
Banking, finance and insurance, etc	5,700	7,500	1,800	33%
Public administration, education & health	16,500	18,300	1,900	11%
Other services	2,600	3,100	500	20%
Total	58,500*	62,000	2,700	5%

*These figures are aggregates from which agriculture class 0100 are not included in the 1995 employment estimates. Therefore total change excludes employment in agricultural class 0100
Source: ABI

- 5.14 Whilst Figure 5.4 (below) shows that manufacturing employment in the HPDD Sub-Area is below the Derbyshire average, it remains above the East Midlands average. Indeed Figure 5.3 and Table 5.2 demonstrate its importance within the HPDD Sub-Area.
- 5.15 Derbyshire Dales is dominated by the sectors of distribution, hotels and restaurants and public administration and health, accounting for approximately 57% of the employees in 2004. Since 1994, distribution, hotels and restaurants have gained a considerable number of employees, experiencing 28% growth, whilst public administration and health has seen a fall in employees by 3%. Banking, finance and insurance and manufacturing are also quite strong accounting for 26% of all employees. Since 1995, banking finance and insurance has increased its employee numbers by 30%, whilst manufacturing has seen a fall in employee numbers by 19%.
- 5.16 High Peak has a high proportion of employment within the manufacturing sector (almost double the England average) though at 23% it is similar to the Derbyshire average. The level of employment in the manufacturing sector remains high despite a 27% decline between 1995-2004. Employment is also significant in distribution, hotels and restaurants and public administration and health, accounting for approximately half of all employment. Both of these sectors have seen higher growth rates than in Derbyshire Dales.
- 5.17 The employment sectors represented in the National Park area are remarkably similar to benchmark areas (although at 5% of total employment, energy and water provide a significantly higher proportion of employment than elsewhere). Manufacturing, distribution, hotels and restaurants and public administration and health are all large employment sectors accounting for 68% of all employment.
- 5.18 Employment data by broad sector is presented as a location quotient in Figure 5.4, which allows a comparison to be made of the relative concentrations in the employment base between the benchmark areas. Location quotients identify the relative concentration of each occupation type compared with the average for England as a whole for each area. A score greater than one indicates a relative concentration of employment, and a score less than one represents a relative scarcity of employment for the occupation type.
- 5.19 Figure 5.4 reveals the similarities and differences between the employment bases of the different benchmark areas. Compared with England, the HPDD Sub-Area has a high

proportion of employees in agriculture and fishing, energy and water and manufacturing. The Derbyshire Dales has a stronger agriculture sector whilst manufacturing is slightly stronger in the High Peak area. Although banking, insurance and finance are strong in both the High Peak and the Derbyshire Dales, compared to England there are a lower number of employees in these industries.

Figure 5.4: Location Quotient Employment by Broad Sector compared to England, 2004²



Source: ABI

5.20

Table 5.3 shows the HPDD Sub-Area has had substantial reductions in the number of employees in the energy and water and manufacturing industries between 1995 and 2004. However, this is the general pattern throughout England. The HPDD Sub-Area has had a relatively low rate of employment growth of 6%, less than half the growth achieved by Derbyshire and England. Table 5.4 shows the growth rate of 6% in the HPDD Sub-Area has yielded an increase in the 2,700 jobs. The increase is fairly similar for both the Derbyshire Dales and High Peak.

² Note: National Park ABI Data is based on wards that are located within the National Park and the HPDD Sub-Area

Table 5.3 Employment Change by Industrial Sector (1995-2004)

	High Peak	Derbyshire Dales	HPDD Sub-Area	Derbyshire	East Midlands	England
Agriculture and fishing	*	*	*	*	-13%	-18%
Energy and water	-28%	-38%	-34%	-45%	-28%	-38%
Manufacturing	-27%	-19%	-24%	-15%	-24%	-23%
Construction	18%	-2%	7%	19%	41%	37%
Distribution, hotels and restaurants	4%	28%	16%	15%	19%	20%
Transport and communications	35%	13%	23%	-7%	25%	15%
Banking, finance and insurance, etc	35%	30%	33%	45%	37%	29%
Public administration, education & health	33%	-3%	11%	34%	18%	24%
Other services	8%	30%	20%	26%	27%	26%
Total	5%	7%	6%	13%	11%	15%

Source: ABI

Table 5.4 Employment Change by Industrial Sector 1995-2004 (Actual Change)

	High Peak	Derbyshire Dales	HPDD Sub-Area	Derbyshire	East Midlands	England
Agriculture and fishing	*	*	*	*	-3,200	-40,500
Energy and water	-300	-200	-500	-1,813	-5,300	-68,300
Manufacturing	-1,100	-2,700	-3,700	-15,243	-97,000	-785,800
Construction	*	200	100	2,534	25,000	268,700
Distribution, hotels and restaurants	1,700	300	2,000	11,555	73,100	947,700
Transport and communications	200	400	500	-1,470	20,800	179,500
Banking, finance and insurance, etc	800	1,000	1,800	17,271	73,500	1,036,800
Public admin, education & health	-300	2,200	1,900	26,330	69,400	1,133,200
Other services	400	100	500	3,302	16,700	236,400
Total	+1,500	+1,200	+2,700	+42,787	+173,000	+2,907,600

Source: ABI

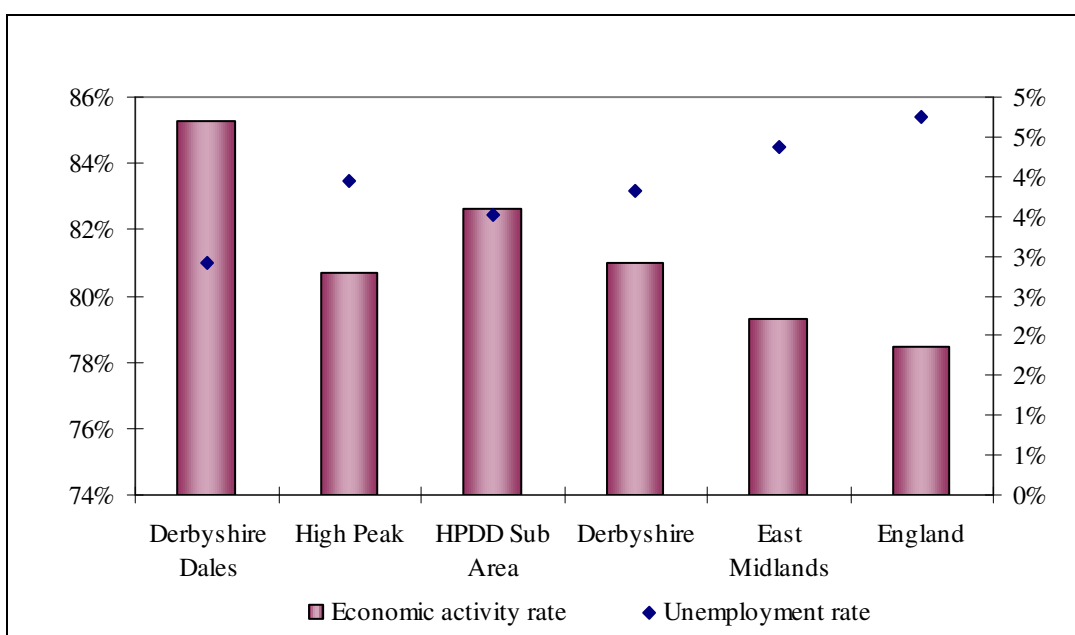
Economic Activity and Unemployment

- 5.21 The analysis above provides an insight into the number of jobs and the employment structure within each of the benchmark areas. However, it is also important to understand how well the local workforce is engaged with the labour market in terms of the economic activity associated with those people who live in each of the sub-regions. Data from the Annual Population Survey provides information on economic activity rates, defined as the proportion of the working age population who are employed, self-employed, unemployed but available for work, or full time students. The Annual Population Survey also provides an insight into the unemployment level within an area.
- 5.22 Economic activity is a measure of the number of persons who are either working or actively seeking to work. Figure 5.5 shows that the 2005 economic activity rate in the East Midlands at (79.3%) which is slightly higher than the England average of 78.5%. However, the HPDD Sub-Area is significantly higher than these areas (82.6%). Derbyshire Dales in particular has a high economic activity rate (85.3%), with High Peak

being more aligned with the Derbyshire and East Midlands figure. A high level of economic activity suggests good accessibility to employment opportunities. Although calculated on a different basis (i.e. as a proportion of a larger section of the population), the economic activity rate in the National Park is estimated at 69% based on data from the 2001 Census.

5.23 At 4%, the unemployment rate in the HPDD Sub-Area is significantly lower than the benchmark areas, though it should be noted that this is driven by a very low level of unemployment in Derbyshire Dales (under 3.5%). Unemployment data for the National Park can be derived from the 2001 Census and, although, not directly comparable with the figures provided by NOMIS, a rate of 1.7% indicates that it is low by comparison to the other areas.

Figure 5.5: Economic Activity Rate and Unemployment Rate, Working Age Population, 2005



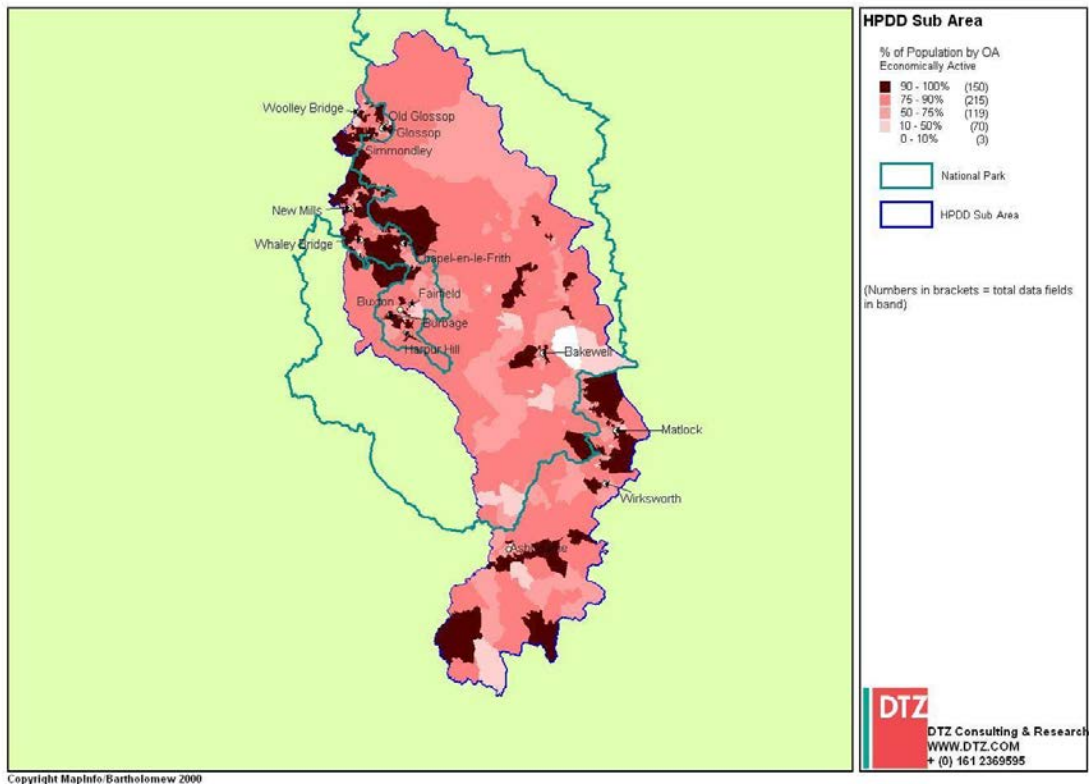
Source: NOMIS

5.24 Figure 5.6 illustrates the proportion of the working age population who are economically active at an output area level. The map clearly illustrates large areas across the HPDD Sub-Area that has high levels of economic activity. In contrast, the rest of Derbyshire has a much more uneven geographical distribution of economic activity. The northern and western parts of the HPDD Sub-Area has higher levels of economic activity, with only a limited number of areas that have activity rates below 70%, notably around the towns within the HPDD Sub-Area. Within the eastern and southern parts, unlike elsewhere, there are very few areas across the HPDD Sub-Area where economic activity levels fall below 50%.

5.25 The Travel to Work analysis undertaken in Chapter 2 demonstrates that the conurbations to the east and west of the HPDD Sub-Area provide significant employment opportunities for those living on the fringes of the HPDD Sub-Area. This results in higher levels of commuting around the areas that fringe the cities.

5.26 The distinct contrast with the remainder of Derbyshire highlights both the legacy of high levels of inactivity related to the former coal mining areas of North Derbyshire and also the higher levels of inactivity that are associated with cities and more urbanised areas.

Figure 5.6 – Proportion of Working Age Population who are Economically Active in the Derbyshire Dales and High Peak

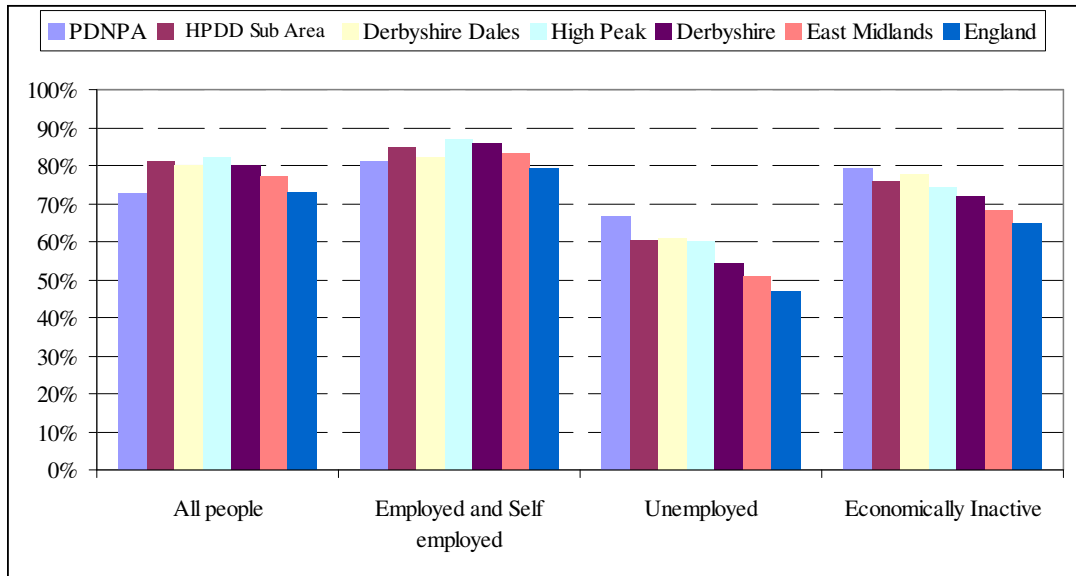


Source: NOMIS

- 5.27 Figures 5.7 and 5.8 present economic activity³ levels by tenure. Figure 5.7 presents the level of owner occupation by economic activity. The figure illustrates that owner occupation is higher in the HPDD Sub-Area than in the benchmark areas overall, and also across each of the broad economic activity categories. As expected, the level of owner occupation is highest for those who are in employment, with a much lower proportion of the unemployed living in owner occupied dwellings.
- 5.28 Interestingly, the level of owner occupation for those in employment does not vary significantly across the benchmark areas. However, for both those who are either unemployed or economically inactive, the level of owner occupation is significantly higher in the HPDD Sub-Area than in the benchmark areas. The level of owner occupation is higher across all areas of economic inactivity, with the difference particularly marked for students and those inactive because they are looking after family.

³ Full time students are shown as Economically Inactive within this context.

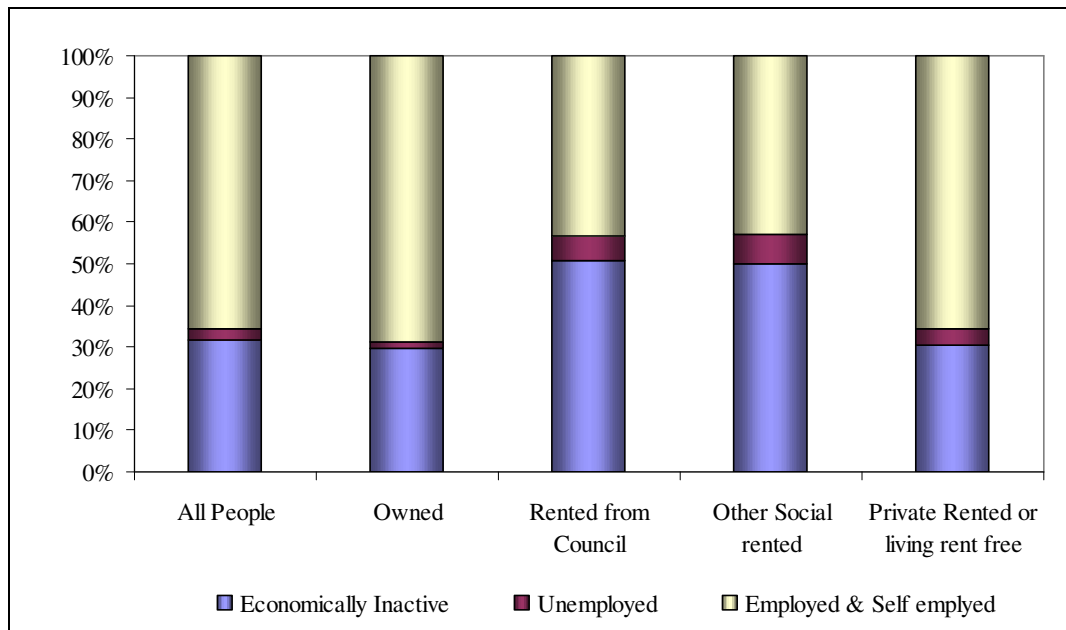
Figure 5.7: Comparison of Owner Occupation Levels by Economic Activity



Source: NOMIS

5.29 When considered by tenure, Figure 5.8 illustrates that unemployed people account for a relatively small proportion of occupiers across each of the tenure types. However, economically inactive persons represent around 30% of those living in owner occupied accommodation and over 50% of people living in social rented accommodation. Figure 5.8 clearly shows an individual is more likely to be economically inactive if they are in social accommodation, which is as expected.

Figure 5.8: Economic Activity in the HPDD Sub-Area by Tenure



Source: Census 2001

Table 5.5: HPDD Sub-Area Economic Activity by Tenure

Peak Sub Region	All People	Owned	Rented from Council	Other Social rented	Private Rented or living rent free
All People	113757	92497	9585	1626	10038
Employee	54%	56%	40%	38%	52%
Self employed	11%	12%	3%	5%	14%
Unemployed	2%	2%	6%	7%	4%
Full-time student	2%	2%	1%	2%	2%
Retired	15%	15%	20%	14%	10%
Student	3%	3%	3%	4%	3%
Looking after home/family	5%	5%	10%	12%	7%
Permanently sick or disabled	4%	3%	11%	13%	6%
Other	2%	2%	4%	5%	3%

Source: Census 2001

5.30 Table 5.6 shows how unemployment numbers have changed between 1991 and 2001. The HPDD Sub-Area has experienced a reduction in unemployment by approximately 35%, a similar pattern to Derbyshire and the East Midlands. The High Peak area has seen a higher proportionate decrease than the Derbyshire Dales, although the HPDD Sub-Area has not achieved the same reduction as England, reflecting the relatively low level of unemployment in the HPDD Sub-Area.

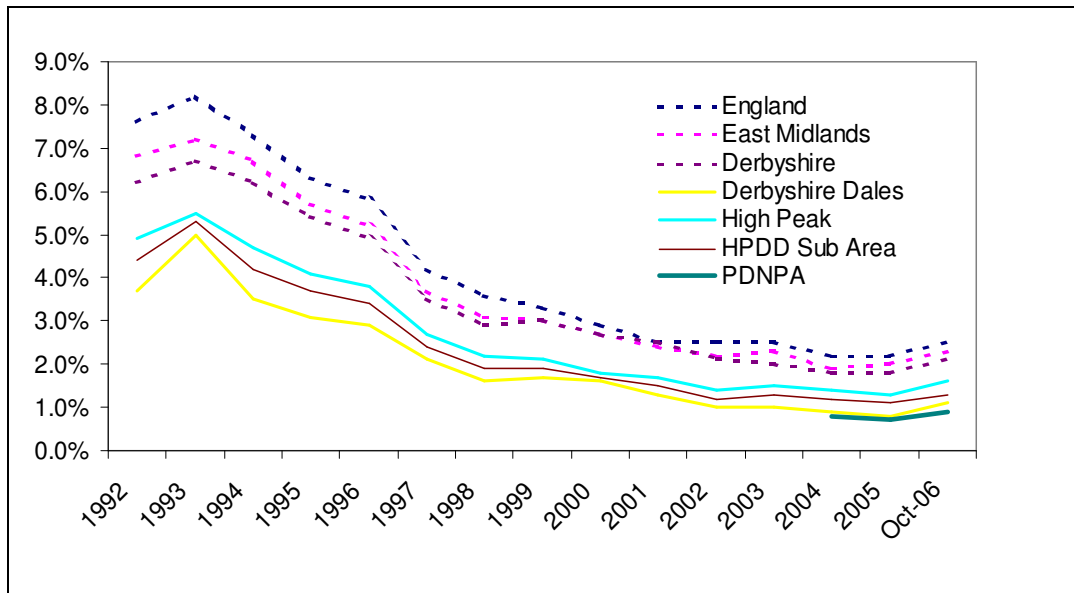
Table 5.6: Unemployment Change between 1991 and 2001 (Source: Census)

	High Peak	Derbyshire Dales	HPDD Sub-Area	Derbyshire	East Midlands	England	PDNPA
1991	2,700	1,600	4,300	26,900	160,900	2,108,100	800
2001	1,700	1,100	2,800	17,000	98,700	1,188,900	500
Absolute Change	1,000	500	1,500	9,900	62,200	919,300	300
% Change	-37%	-32%	-35%	-37%	-39%	-44%	-38%

5.31 An alternative measure of unemployment is the number of people claiming unemployment benefit (claimant count unemployment). However, due to restrictions in the length of time a person can remain on unemployment benefit, this figure is likely to understate the true level of unemployment, by omitting those who are long term unemployed. Figure 5.9 shows that the number of claimants as a proportion of the working-age population has declined significantly in all areas since 1992. The Derbyshire Dales, the High Peak and the National Park all have very low claimant count rates⁴. The rates are far below those for England, Derbyshire and the East Midlands. Given past performance, even if unemployment rises, it can be expected to remain below the levels recorded at county, regional and national level.

⁴ The rate for the National Park is based upon a summation of smaller areas (wards), and is therefore not as significant as an analysis of local authorities. It should however be noted that the rate deviates by a very small amount (0.1%) and the trend showing low claimant count is therefore justified.

Figure 5.9: Claimant Rate, 1992-2006



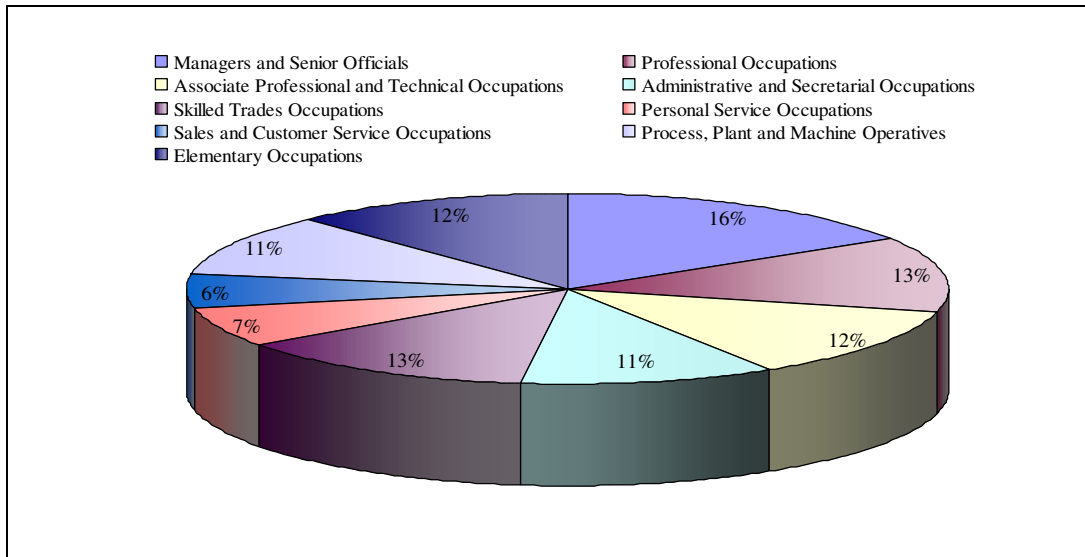
Source: NOMIS

Occupational Structure

5.32

Figures 5.10 and 5.11 present the occupational structure for the HPDD Sub-Area. There is a fairly even spread of occupations within the HPDD Sub-Area, with a slightly higher proportion of managers and senior officials. Generally, there is a low proportion of individuals working in personal service occupations and sales and customer service occupations.

Figure 5.10: Occupational Structure of HPDD Sub-Area, 2001

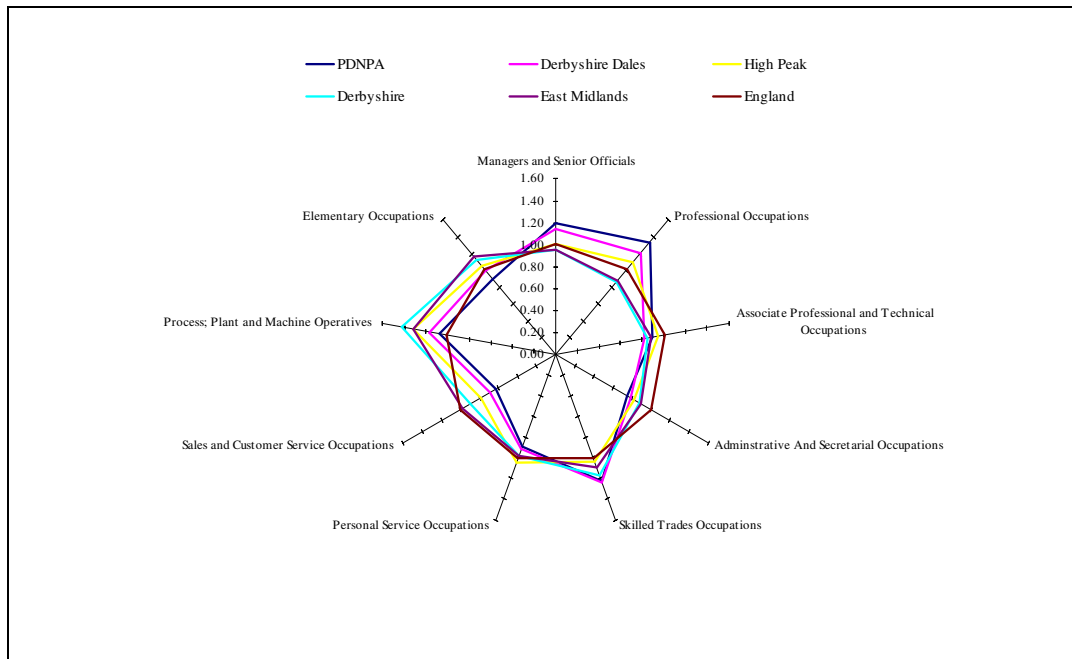


5.33

Occupational structure data can be usefully presented as a location quotient (Figure 5.11). Location quotients identify the relative concentration of each occupation type compared with the average for England as a whole for each area. A score greater than one indicates a relative concentration of employment, and a score less than one represents a relative scarcity of employment for the occupation type. The Derbyshire Dales has a slightly higher proportion of individuals working as managers and senior officials and professional

occupations, whilst the High Peak has a higher proportion of individuals employed in skilled trade occupations.

Figure 5.11: Occupational Structure Location Quotients 2001



Source: Census 2001

Productivity and Output

5.34 Gross Value Added⁵ is a key measure of the output generated within an area. Assessing GVA per head of a resident population is a useful benchmark for measuring the economic health and wealth of an area. Table 5.7, below compares the GVA per resident in south and west Derbyshire, with regional and national benchmarks.

Table 5.7 –GVA per Worker and per Resident, 2003

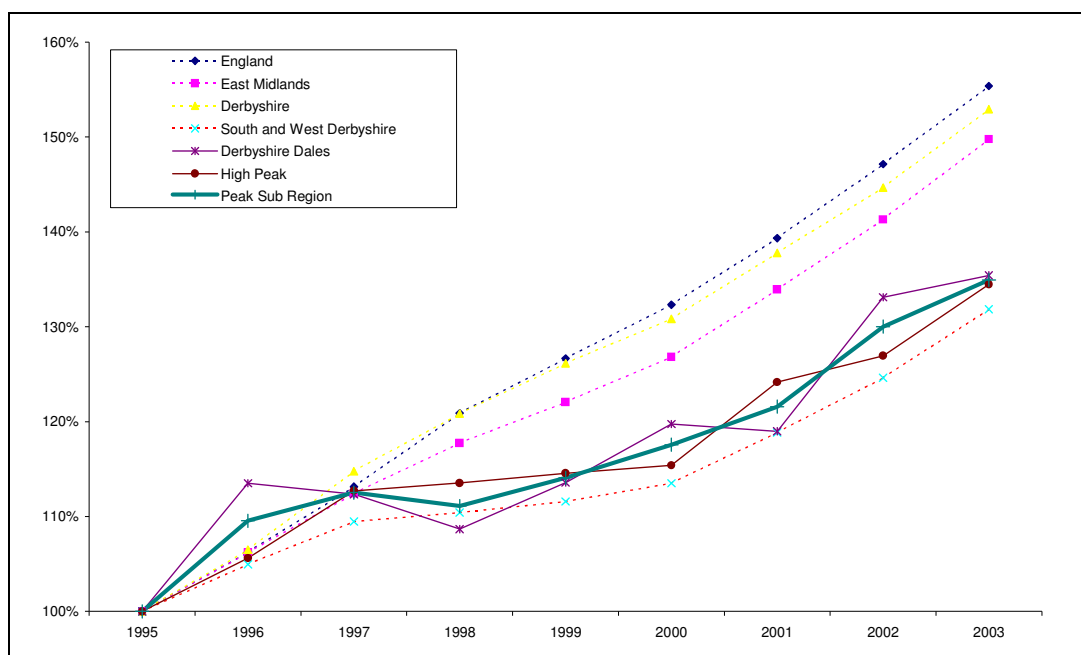
2003	GVA per Resident
South and West Derbyshire	13,065
Derbyshire	14,394
East Midlands	14,682
England	16,521

Source: ABI

5.35 Figure 5.12 shows that the total GVA in the HPDD Sub-Area areas increased by an estimated 35% between 1995-2003. This rate of growth falls below that experienced at a county (53%), regional (50%) and national (55%) level. GVA figures are workplace based (i.e. based on the Output produced at the workplace) output figures expressed as a value for each member of the resident population. The poor positioning and growth of the GVA of the HPDD Sub-Area reflects the high degree of out commuting in the Sub Area, the above average proportion of the population that is of retirement age, and the fast pace of growth of the retirement age section of the population relative to other areas.

⁵ Gross value added is the difference between output and intermediate consumption for any given sector/industry. That is the difference between the value of goods and services produced and the cost of raw materials and other inputs, which are used up in production.

Figure 5.12: Indexed Growth in GVA, 1995 – 2003



Source: ABI

Commuting

- 5.36 Commuting patterns confirm that there is a significant net outflow of workers from the HPDD Sub-Area (12,400 workers). According to the 2001 Census of Population, some 14,300 persons commute to work in the HPDD Sub-Area and 26,700 commute to work outside the HPDD Sub-Area.
- 5.37 Of those that live within the HPDD Sub-Area, a third (35%) of persons travel to work outside the area. The majority of the people commuting out of the HPDD Sub-Area travel to work outside of Derbyshire, particularly to the surrounding urban centres of:
- Manchester ;
 - Stockport;
 - Tameside;
 - Sheffield.
- 5.38 The relationship between High Peak and Greater Manchester is particularly strong, with over 25% of the High Peak’s workforce travelling to work within the Greater Manchester area. In contrast, travelling within the HPDD Sub-Area is limited, with only 2% of the High Peak workforce travel to work within Derbyshire Dales, reflecting the difficulty in commuting within the area.
- 5.39 The Derbyshire Dales workforce is more dispersed, with 6% of the workforce working in Derby, 5% in Sheffield and 4% travelling to work in High Peak. However, overall out-commuting from Derbyshire Dales is not dissimilar to High Peak (34% compared with 40%).
- 5.40 Taking the two districts together, of those that work within the HPDD Sub-Area, around three quarters (78%) also live within the area. This underlines the importance of the surrounding areas as a source of employment for residents of the HPDD Sub-Area. The areas of significant in-commuting which account for 12% of people working within the districts include:

- Amber Valley;
 - Chesterfield;
 - North East Derbyshire;
 - Tameside;
 - Stockport;
 - Derby.
- 5.41 In terms of in-commuting, Derbyshire Dales has a much stronger pull of workers from outside the HPDD Sub-Area compared with High Peak, with 32% of employees within the district commuting in. This may reflect Matlock’s status as administrative centre for both the District of Derbyshire Dales, and Derbyshire. The main sources of in-commuters are from neighbouring districts such as Amber Valley, North East Derbyshire and Chesterfield.
- 5.42 Of those that work within High Peak, over 80% are residents, with the most significant number of in-commuters travelling in from Tameside, Derbyshire Dales and Stockport; however, commuting from these areas account for only 11% of those working within the district.
- 5.43 In general, it is likely that levels of out-commuting from the HPDD Sub-Area will have increased since 2001, reflecting more rapid job growth in surrounding urban areas, particularly Manchester and Sheffield. In-commuting may have fallen as manufacturing jobs have fallen – but this depends on whether other relatively low paid jobs in the hotels and catering trades and the public sector are being filled by those working outside the area.
- 5.44 The proportion of persons working from home is higher in the HPDD Sub-Area than in the benchmark areas, particularly within Derbyshire Dales, and the figure is likely to have increased significantly since 2001 with the spread of broadband internet connectivity.

Table 5.8: In and Out Commuting from the HPDD Sub-Area

	In Commuting	Out Commuting
Total	14,300	26,700
To/From Derbyshire	6,900	5,800
Greater Manchester	3,100	12,400
Sheffield	800	2,300
Elsewhere	3,500	6,200

Source: Census 2001

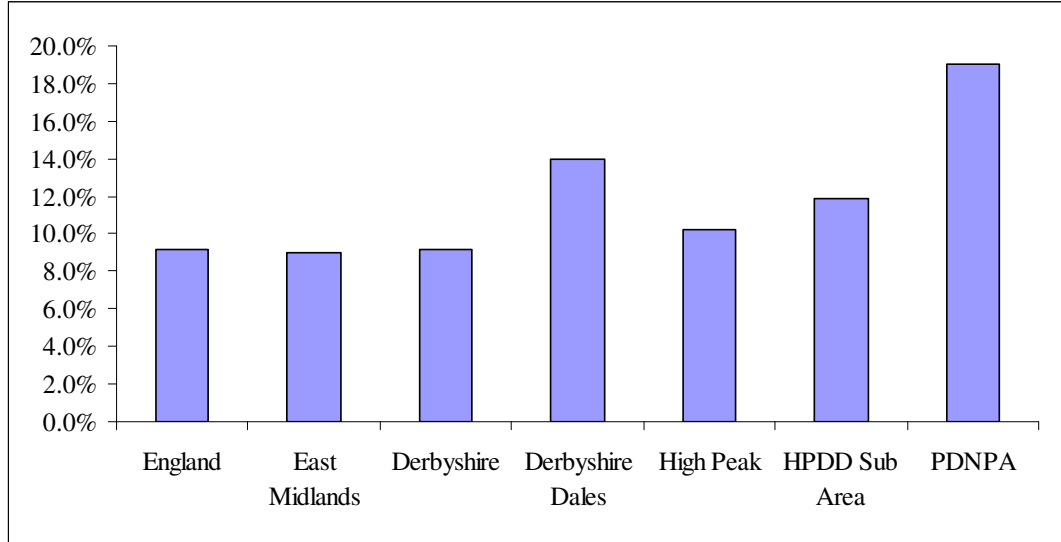
- 5.45 According the 2001 Census, 6,800 persons commuted into the National Park to work, while 11,100 persons commuted out of the Park to work. A total of 11,600 persons both lived and worked in the Park. These figures suggest that some 37% of employees within the National Park are in-commuters, while a total of 49% of residents commute out of the Park to work elsewhere. The main destinations of out-commuters are:
- Sheffield;
 - Rest of Derbyshire Dales;
 - Rest of High Peak;
 - Rest of Macclesfield.

Commuter Distances

- 5.46 The HPDD Sub-Area exhibits differences with the benchmark areas in terms of commuting. In particular, the proportion of persons working from home within the HPDD Sub-Area (12%) is significantly higher than in the benchmark areas. This is particularly notable for Derbyshire Dales, where 14% of people in employment are working from

home, and the Peak District National Park (including the parts that lie outside of the HPDD Sub-Area) where nearly 20% are working from home (See Figure 5.13). This contrasts with a level of 9% across the county, region and England.

Figure 5.13. Proportion of Persons who Work from Home

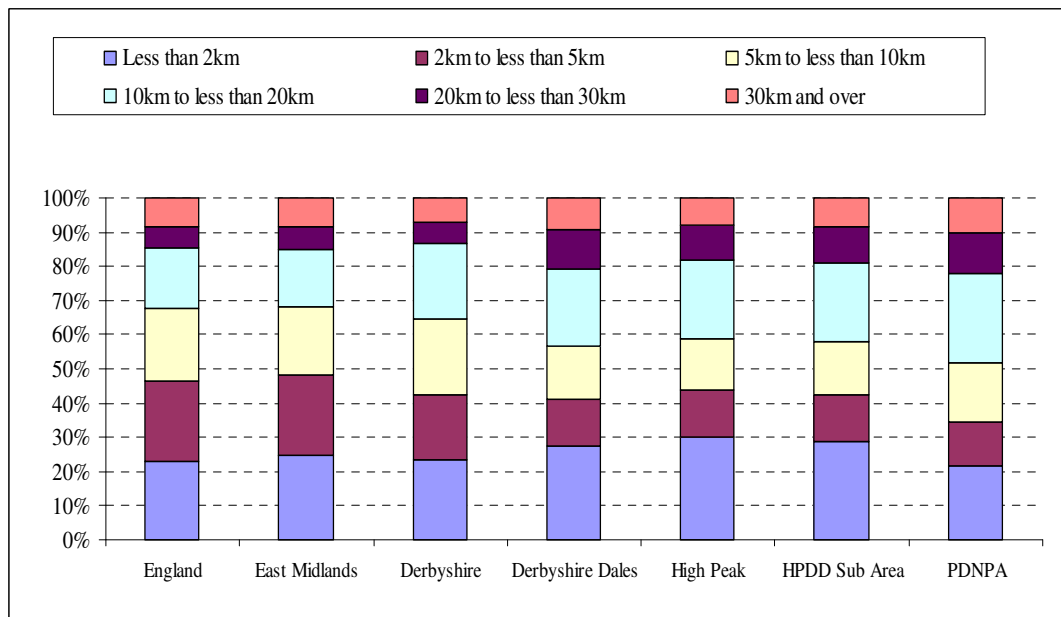


Source: Census 2001

5.47

For those who travel to work, commuter patterns within the HPDD Sub-Area exhibit several features see (Figure 5.14). Firstly, a relatively high proportion of people travelling to work are based less than 2 km from their place of residence (29%, compared with the England average of 23%). The Derbyshire average is much closer to the regional and national rates than the HPDD Sub-Area. The HPDD Sub-Area also has a relatively high proportion of residents who commute for more than 10km to work (42%) compared with the England average (32%). This is particularly the case for travelling over 20km. Residents within the National Park tend to travel further to work than average, with almost 50% of residents travelling more than 10km.

Figure 5.14: Commuter Distances of Residents within the Benchmark Areas 2001

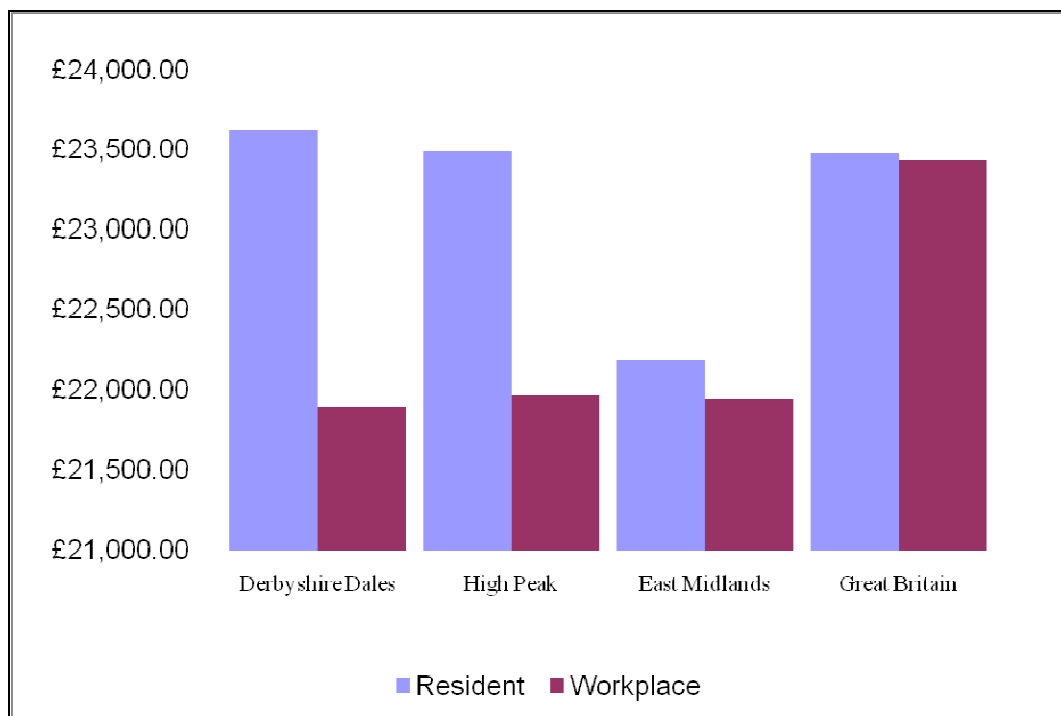


Source: Census 2001

Income

- 5.48 Figures 5.15 and Table 5.9 present two different measures of income: gross weekly pay by workplace and gross weekly pay by residence.⁶ Workplace pay shows the average pay within an area's workforce, whilst resident's pay shows the average pay of people who actually live in the area. These measures can vary because all people who work in an area do not necessarily live there, and vice-versa. Earnings, and household incomes, are fundamental determinants of the ability of households to access home ownership or the private rented sector.
- 5.49 Figure 5.15 indicates that average residence-based wages are higher than average workplace based wages in the HPDD Sub-Area, whilst in the wider East Midlands and Great Britain there is no significant difference. This highlights that people living within the HPDD Sub-Area (£23,622 and £23,493 for Derbyshire Dales and High Peak respectively) are higher earners than people working within the HPDD Sub-Area (£21,896 and £21,967 for Derbyshire Dales and High Peak respectively). The fact that there is net out-commuting suggests that this is because there is a significant number of people who commute out of the area to well paid jobs and that on average the jobs that those who commute out are more highly paid than those available in the HPDD Sub-Area.
- 5.50 The difference between workplace and resident pay in the HPDD Sub-Area is substantial and shows important differentials when compared to the regional average. The average wages of residents within the HPDD Sub-Area is above the regional average, whilst the pay of those working within the district is below the regional average. The biggest differential exists when looking at pay within the Derbyshire Dales district, where the average residents based pay is 10% more than the average workplace-based pay.

Figure 5.15: Gross Annual Pay by Workplace and Residence, £s, 2006



Source: ONS Annual Survey of Hours and Earnings (ASHE) 2006

Table 5.9: Gross Annual Pay, 2006

	Resident	Workplace
Derbyshire Dales	£23,622	£21,896
High Peak	£23,493	£21,967
East Midlands	£22,187	£21,946
Great Britain	£23,482	£23,444

Source: ONS ASHE 2006

5.51 Table 5.10 shows the shows residential and workplace earnings for the same areas in 2002, and Table 5.11 assesses the change over the period 2002-2006. Table 5.11 shows how the gap between workplace earnings and resident earnings in the Derbyshire Dales and High Peak local authority areas has closed slightly over the period, though Table 5.9b shows how a notable discrepancy still remains.

Table 5.10: Gross Annual Pay, 2002

	Resident	Workplace
Derbyshire Dales	£24,000	£18,675
High Peak	£21,926	£19,379
East Midlands	£19,513	£19,125
GB	£20,456	£20,435

Source: ONS ASHE 2002

Table 5.11: % Change Gross Annual Pay, 2002 - 2005

	Resident	Workplace
Derbyshire Dales	-1.6%	17.2%
High Peak	7.1%	13.4%
East Midlands	13.7%	14.8%
GB	14.8%	14.7%

Source: DTZ

Index of Multiple Deprivation

5.52 The socio-economic characteristics of the sub-region manifest themselves in the levels of deprivation experienced across the area. Table 5.12 below presents 2004 IMD Rankings across the study area at a Local Authority area, whereas Figure 5.16 presents 2004 IMD Rankings at an Output Area level - the lowest area level for spatial analysis. Both districts that comprise the HPDD Sub-Area are among the less deprived areas within England according to an average of scores for each of the areas assessed in the IMD.

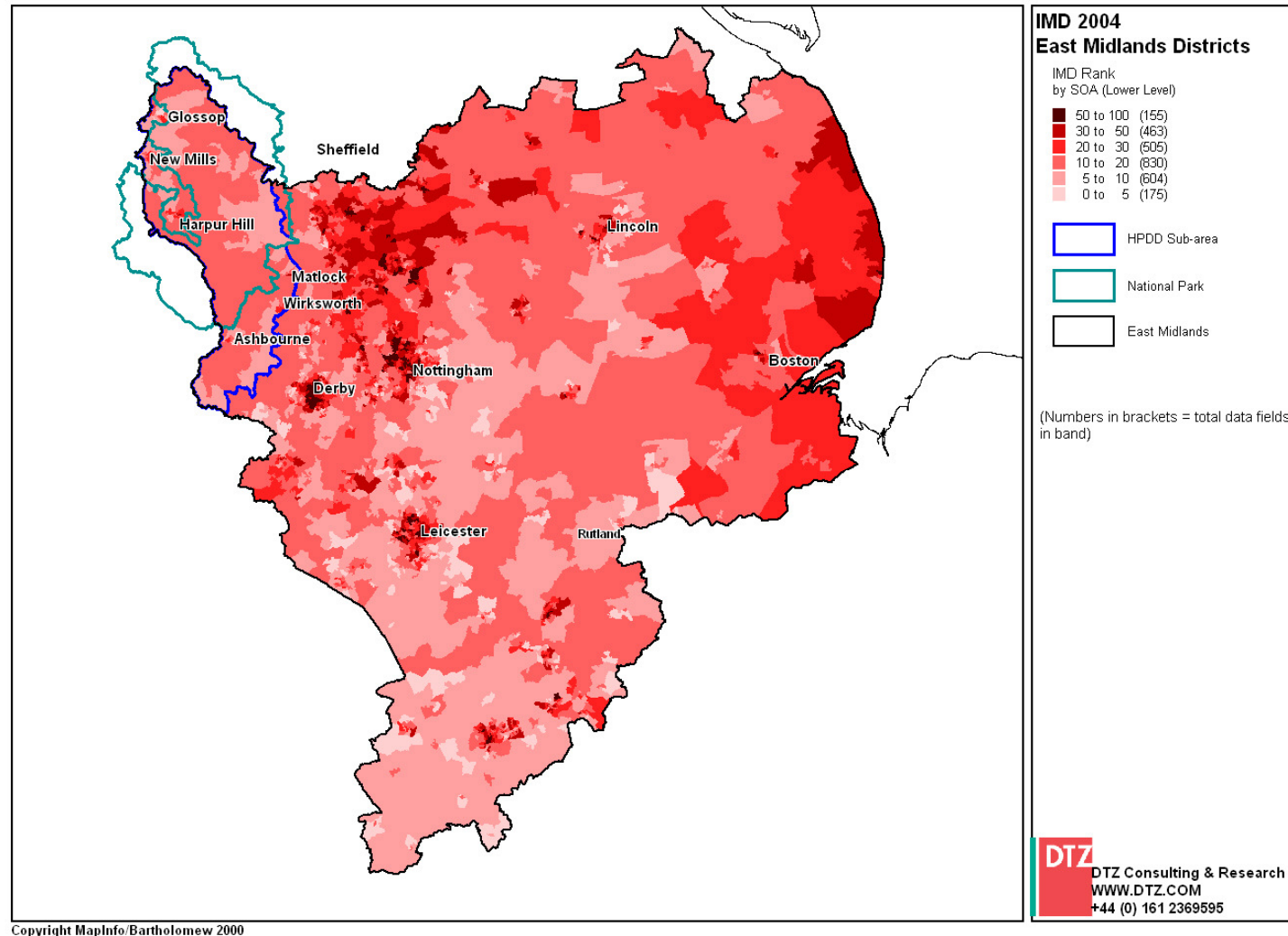
Table 5.12: Index of Multiple Deprivation Rankings 2004

Local Authority (LA) Area	IMD Rank of Average Score (1 being most deprived, 354 being least deprived)
Derbyshire Dales	252 (71% percentile – below average deprivation)
High Peak	211 (59% percentile – below average deprivation)

Source: IMD 2004, ODPM

- 5.53 Caution must be taken when observing the IMD in rural areas. The IMD is measured across seven different themes including income and employment. However, the IMD is partly ranked by access to services - meaning that some rural areas, despite being affluent, can rank as being more deprived than they actually area.
- 5.54 Figure 5.16 reflects the very low level of deprivation within the sub-region. Significant areas of deprivation within the East Midlands can be found within the former coalfields area of Derbyshire and Nottinghamshire, the coastal area and the cities.

Figure 5.16: Index of Multiple Deprivation Rankings 2004



Source: IMD 2004

6 CHARACTERISTICS AND STRUCTURE OF HOUSING SUPPLY

6.01 This section examines the characteristics and structure of housing supply in the HPDD Sub-Area giving an assessment of the range, quality and spatial distribution of housing that is currently available within the existing stock. As in previous sections, data is presented for each of the local authorities within the study area and is compared (where possible) to the benchmark areas, Derbyshire, the East Midlands and England.

Key Points

- The 69,000 dwellings in the HPDD Sub-Area are relatively evenly split between detached (32%), semi-detached (30%) and terraced stock (28%), though with more of an emphasis on detached housing (42%) in Derbyshire Dales, and terraced housing (36%) in High Peak, where in these two areas such figures, for detached and terraced housing respectively, are significantly above the regional and national benchmarks
- However, growth of semi detached houses and flats (from a low base), alongside detached dwellings, has in recent years (1991-2001) matched regional and national growth trends
- Growth in overall housing stock since 2001 has matched the national rate, though has been significantly behind that for Derbyshire and the East Midlands
- Within the HPDD Sub-Area, the growth in stock has not been even, with growth in High Peak, alongside that for Derbyshire and the East Midlands, comfortably exceeding the rate for England, whilst the rate for Derbyshire Dales has more closely matched the rate for England
- Using the number of rooms as a proxy for the number of bedrooms suggests significant over-representation of four bedroom (and larger) properties in Derbyshire Dales and the Peak National Park, compared to High Peak and the regional and national benchmarks, and, likewise, an under-representation of smaller properties
- The over-representation of four bedroom (and larger) dwellings in Derbyshire Dales is confined to owner occupied dwellings, with an under-representation of such larger dwellings in the social and private rented sectors
- There is a notable level of under-occupancy (where households occupy more space (by numbers of rooms) than their size suggests they need) in Derbyshire Dales and the Peak National Park. Conversely, dwellings in High Peak, as with the East Midlands region, have notably lower levels of under-occupation, and relatively higher levels of over-occupation. This pattern may be being perpetuated – a survey of new build schemes undertaken as part of the Housing Needs Study suggests a higher emphasis on larger housing (three and four bedrooms) in Derbyshire Dales than in High Peak and the regional benchmarks
- Overall, across the HPDD Sub-Area, the social rented stock of dwellings has a disproportionate representation in the incidence of over-occupation, making up 38% of all incidences of over-occupation compared to its accommodating 13% of all households

- The housing stock in the HPDD Sub-Area is efficiently used, with vacancy rates lower than regional and national benchmarks. However, reflecting the natural beauty and accessibility of the HPDD Sub-Area, there is a high proportion of second home ownership in the Derbyshire Dales and Peak National Park parts of the HPDD Sub-Area, though it is notable that second home ownership (according to the 2001 Census figures) is much less in the Peak National Park than in the Lake District National Park (though figures from 2005 Council Tax records suggest significant growth since 2001)
- Using Council Tax bands as a proxy for the quality and price for housing, suggests the Sub-Area has a significantly higher proportion of higher priced stock (reflecting a greater proportion of larger detached houses) than in the East Midlands and England, and much lower proportions of the relatively “more affordable” Band “A-D” stock, with the difference being especially marked in Derbyshire Dales
- Representation of owner occupied stock is significantly greater, and social rented stock, significantly less, than regional and national benchmarks, with the deviation even greater in the Peak National Park area
- Assuming trend based completion rates for the High Peak and Derbyshire Dales planning authorities, and applying the PDNP’s estimated dwelling completion rate (adjusted for the area of the National Park within the HPDD Sub-Area), would suggest that the dwelling target featured in the emerging RSS for the period 2002-26 will be exceeded.
- However this is unlikely to be the case in reality as maintaining the momentum of new development is likely to prove challenging as housing land supply reduces and the need to increase the proportion of affordable housing developed makes profit on remaining sites more marginal.
- Indeed, planned development and further identified capacity in the three component planning authority areas (which includes an area of the Peak District National Park outwith the HPDD Sub-Area) amounts to 8,780 over the period 2006 – 2026, or 439 completions a year (according to the East Midlands Regional Assembly), which is 61 per year less than the EIP Panel target.
- Turnover of market housing varies across the HPDD Sub-Area, being reasonably close to the regional and national averages in High Peak Borough, but notably lower in Derbyshire Dales District.
- Across the HPDD Sub-Area, the supply of “entry level” one bedroom and four bedroom market housing is low, and in parts of Derbyshire Dales the availability of some two and three bed house types is also limited.
- The limited availability of “entry level” one bedroom and four bedroom market housing for owner occupation is compounded by the low level of rental opportunities for dwellings of this size, and the low turnover of one bedroom and four bedroom social housing
- The tendency towards larger units for new build market housing in Derbyshire Dales suggests that the shortage of entry level one bedroom housing in that area (and a shortage of two bedroom housing in parts) may continue if new build continues to follow the trend identified by the JHA research.

Current Housing Stock

6.02 According to the 2001 Census, the total number of properties in the HPDD Sub-Area is approximately 68,900 (nearly 22% of the total stock of Derbyshire), and some 17,200 of these properties are in the National Park. The total numbers of dwellings in each area is shown in Table 6.1 below. The High Peak area has approximately 7,500 more properties than the Derbyshire Dales (38,200 over 30,700).

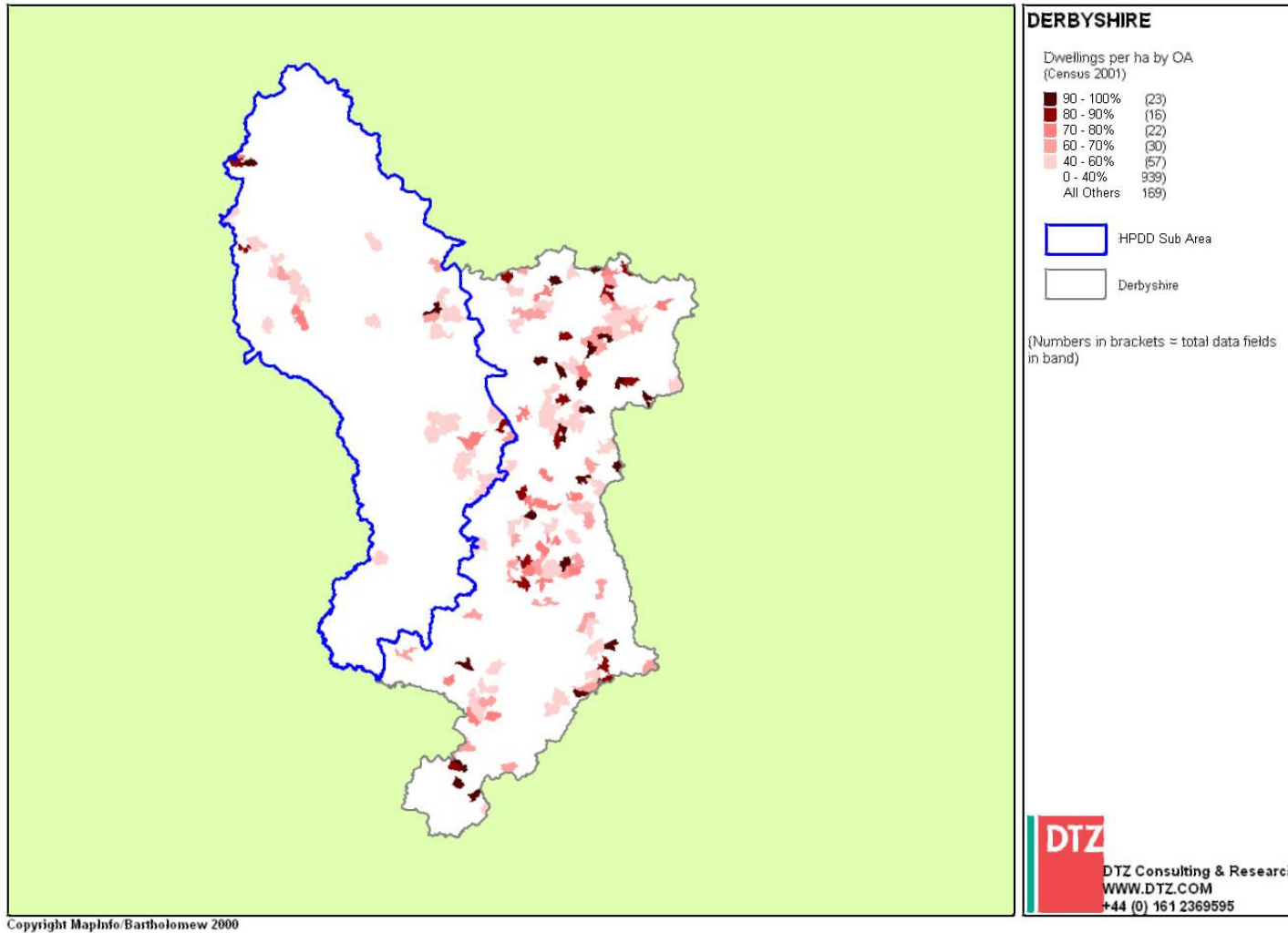
Table 6.1: Dwelling Numbers

Area	Total Dwelling
High Peak	38,200
Derbyshire Dales	30,700
HPDD Sub-Area	68,900
Derbyshire	319,700
East Midlands	1,796,700
England	21,262,800
<i>PDNP</i>	<i>17,200</i>

Source: 2001 Census

6.03 Looking at the spatial distribution of the dwellings in the HPDD Sub-Area is important in considering transport services and road infrastructure. As Figure 6.1 illustrates, dwellings in the HPDD Sub-Area are widely distributed, significantly more so when compared with the rest of Derbyshire. These low density levels result from the rural nature of the area. There is a situation of clustering throughout the HPDD Sub-Area, although generally density remains below one dwelling per hectare. These areas of clustering include the Matlock/Darley Dale area and between Buxton and New Mills.

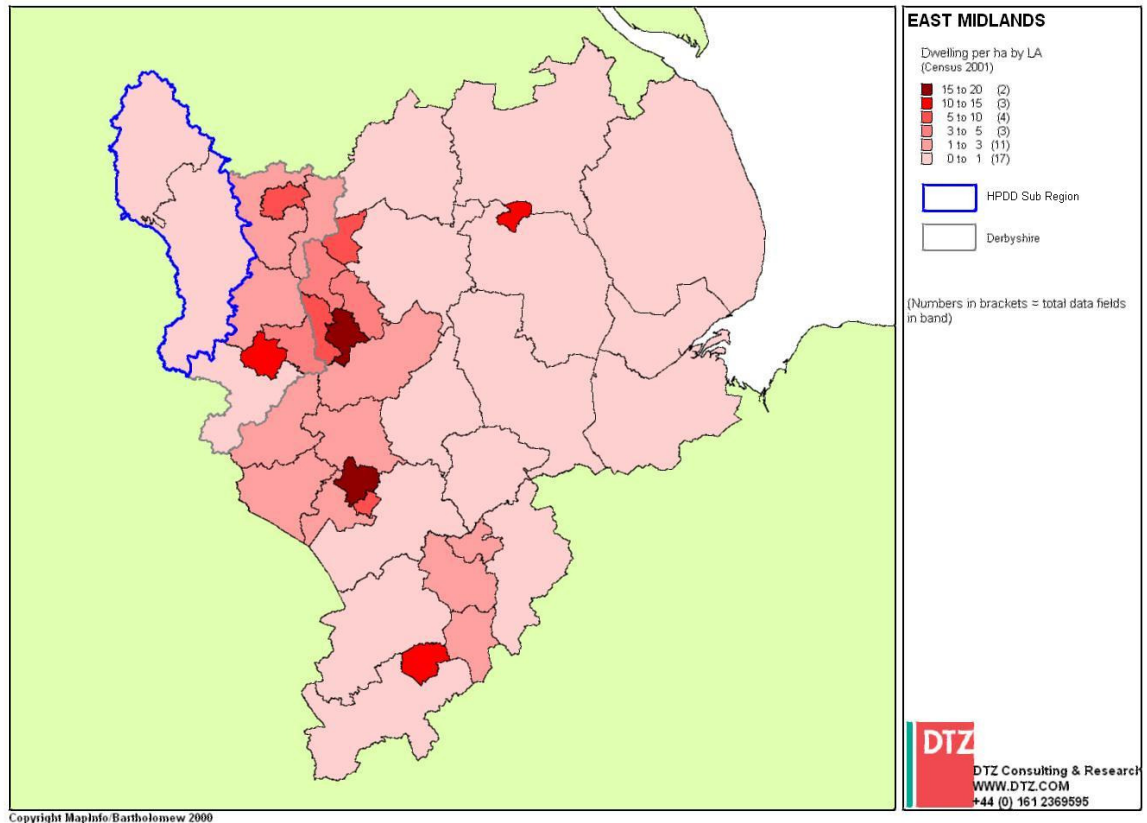
Figure 6.1: Spatial Distribution of Dwellings: Number of Dwellings per Hectare by Output Area



Source: 2001 Census

6.04 Figure 6.2 shows the spatial distribution of dwellings per hectare (dwelling density) by the local authority in the East Midlands. The higher dwelling density reflects the higher levels of urban development. In particular, the high concentration of dwellings in the centre of the map is associated with Nottingham, Leicester, Northampton and Lincoln. The map clearly highlights the lower density of the HPDD Sub-Area compared with Derbyshire and the East Midlands, in particular, Nottingham and Leicester.

Figure 6.2: Spatial Distribution of Dwellings: Number of Dwellings per Hectare by Local Authority, East Midlands

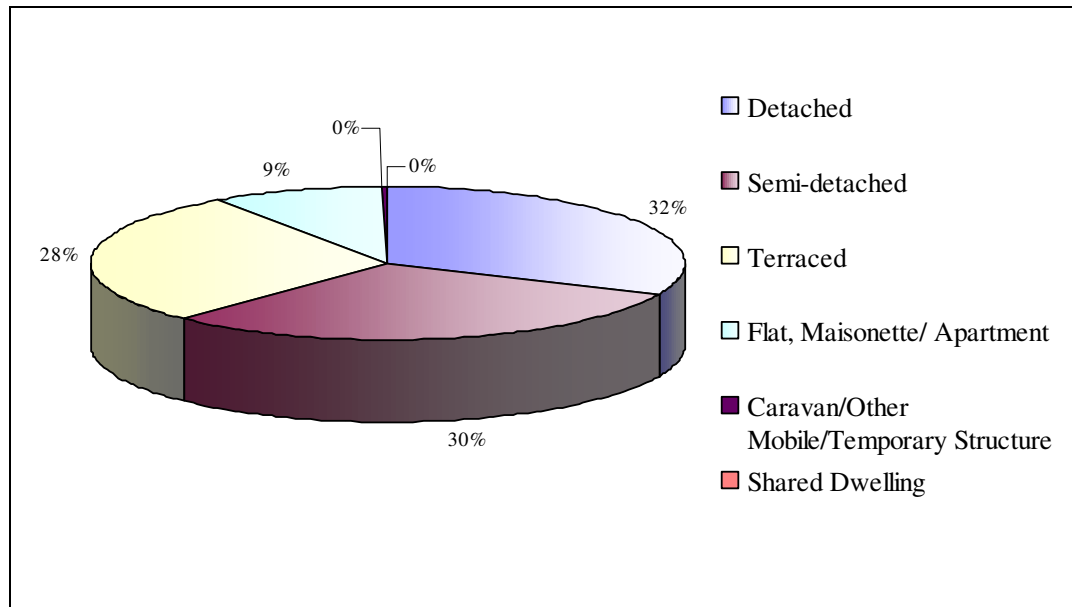


Source: 2001 Census

- 6.05 The type of housing stock in the study and benchmark areas is shown in Figures 6.3 and Table 6.2. The proportion of housing types for the HPDD Sub-Area is predominately detached (32%), semi-detached (30%) and terraced (28%). Compared with High Peak, the Derbyshire Dales has a significantly higher proportion of detached properties (42% rather than 24%), and significantly lower proportion of terraced properties (19% rather than 36%).
- 6.06 The National Park closely resembles the characteristics of the Derbyshire Dales in having a high proportion of detached and semi-detached properties (45% and 27% respectively). A distinguishing feature of the National Park, although not hugely significant is the low proportion of terraced properties (7%), the lowest of all comparator areas in the study.
- 6.07 Derbyshire and the East Midlands have the same proportion of detached properties as the HPDD Sub-Area (32%). Both the County and the Region have a higher proportion of semi-detached properties and a lower proportion of terraced properties when compared with the HPDD Sub-Area. The national figure shows a higher proportion of semi-detached properties and flats/maisonettes.

6.08 Overall, the HPDD Sub-Area is slightly skewed towards detached properties when compared with the national figure. However locally and regionally the HPDD Sub-Area has a lower proportion of detached and semi-detached properties and is skewed towards having more terraced properties.

Figure 6.3: Housing Stock by Type 2001 – HPDD Sub-Area



Source: 2001 Census

Table 6.2 Housing Stock by Type 2001

	Detached	Semi-detached	Terraced	Flat, Maisonette/ Apartment and all others
High Peak	24%	30%	36%	10%
Derbyshire Dales	42%	30%	19%	8%
HPDD Sub-Area	32%	30%	28%	9%
Derbyshire	32%	40%	21%	7%
East Midlands	32%	36%	21%	10%
England	23%	32%	26%	19%
PDNPA	45%	27%	20%	7%

Source: 2001 Census

6.09 Table 6.3 shows the tenure composition of the housing stock in the study and benchmark areas. The tenure of the HPDD Sub-Area is predominately owner occupied (76%) with 13% being either council or social rented and 11% being privately rented, with slightly more owner occupation in High Peak (and slightly more private rented / rent free in Derbyshire Dales District. Within the National Park there is a notably smaller social rented sector (11%) and a larger incidence of private renting/rent free (13%).

Table 6.3: Housing Stock by Tenure 2001

	Owner Occupied	Council Rented	Other Social Rented	Private Rented/ Living Rent Free
High Peak	77%	11%	2%	10%
Derbyshire Dales	75%	11%	2%	12%
HPDD Sub-Area	76%	11%	2%	11%
<i>National Park</i>	76%	9%	2%	13%
Derbyshire	74%	15%	2%	8%
East Midlands	72%	14%	4%	10%
England	69%	13%	6%	12%

Source: Census 2001

- 6.10 The HPDD Sub-Area has a higher proportion of owner occupied properties (77%) compared with the regional and national benchmarks (72% and 69% respectively). Derbyshire, the East Midlands and England also have a higher proportion of socially rented stock when compared with the HPDD Sub-Area. The proportion of properties accounted for by the private rented sector in the HPDD Sub-Area is similar to the East Midlands and England. The proportion of stock that is privately rented is likely to have increased since 2001 as a consequence of the take off of Buy to Let.
- 6.11 The paper *'The use of existing housing stock in rural England'¹* comments that the supply of affordable rural housing (which was historically low) has decreased significantly in rural areas through the Right to Buy, the cap on local authority building, planning constraints and the difficulties faced by rural housing associations in securing suitable sites. It is reported that the effect of the Right to Buy on the supply of affordable housing has been damaging, with some villages now lacking any social housing as a result of sales.
- 6.12 The loss of Local Authority Social Housing Grant (LASHG) has also had an adverse impact on the supply of new-build homes and the scope for the acquisition of existing properties for social housing. It should be noted however, that there has still been grant available to Housing Associations to support new build programmes.
- 6.13 However, Table 6.3 confirms the relative shortage of affordable housing in the HPDD Sub-Area. The Table shows that council and other socially rented properties account for 13.0% of dwellings in High Peak, Derbyshire Dales and the HPDD Sub-Area and 11.0% in the National Park compared to a much higher proportion of 18.0% and 19.0% in the East Midlands and England respectively.

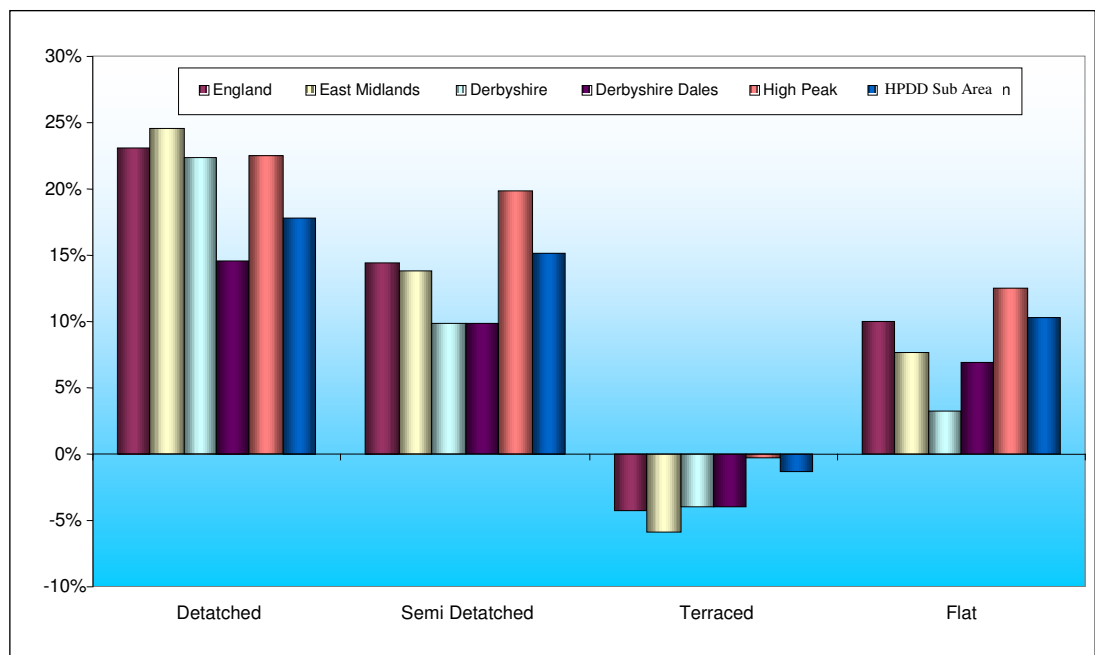
Growth in Stock

- 6.14 Analysis of the differences between the 1991 and 2001 Census shows the change in dwelling type over the ten-year period. This is highlighted in Figure 6.4.
- Detached housing has experienced the highest proportionate rise across all benchmark areas, with the increase in High Peak similar to the national average. In absolute terms, this growth represents an increase of 3,200 dwellings in the HPDD Sub-Area.

¹ Commission for Rural Communities, Housing Corporation: *The use of existing housing stock in rural England*.

- Semi-detached housing has also increased significantly, with the rate of increase in the housing stock in High Peak exceeding the national and regional average. In absolute terms this growth represents an increase of 2,700 dwellings in the HPDD Sub-Area.
- Terraced housing across all areas has decreased. However, the level of decline in High Peak is very limited. There has been a decline of only 300 terraced dwellings.
- The rate of increase in the number of flats in the HPDD Sub-Area matches the national average and exceeds the rate of growth nationally (although they still represent a smaller proportion of the stock. Overall, there has been an increase of 600 flats between 1991-2001).

Figure 6.4: Change in Dwellings by Type (1991-2001)



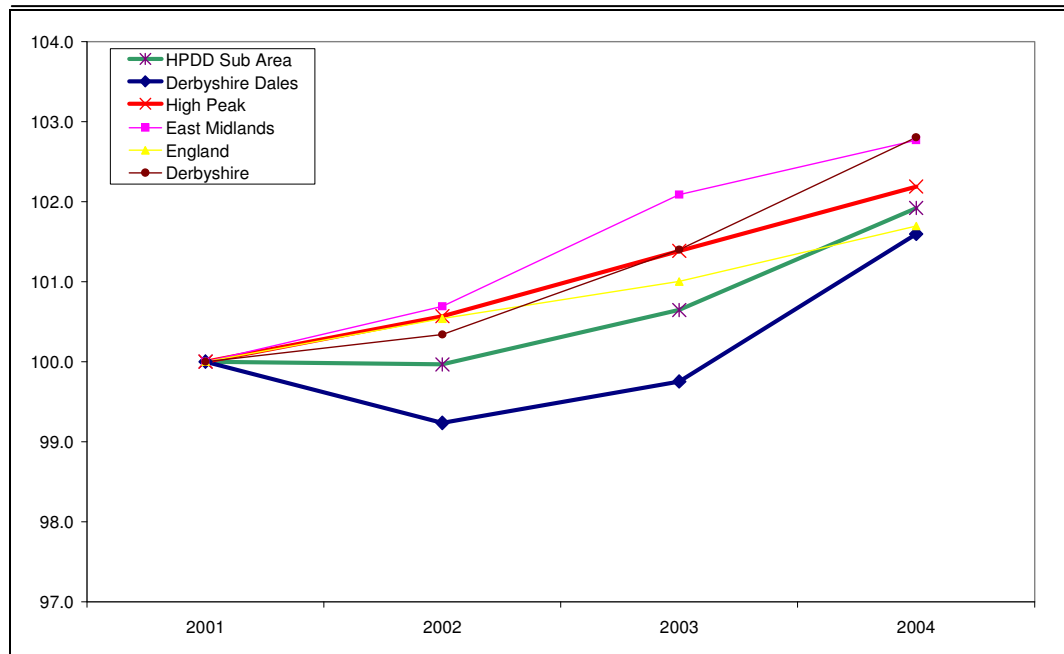
Source: Census 1991/2001

- 6.15 Figure 6.5 and Table 6.4 show the pattern of growth in housing stock between 1999 and 2004 in the study and benchmark areas. This comparison has been achieved by indexing the 2001 figures at 100. Strong growth in housing stock has been evident in the East Midlands and above that seen in England. The High Peak saw strong growth in housing stock over the four years 2001-04, overtaken by Derbyshire in 2003. Growth in housing stock has been consistently low for Derbyshire Dales compared to the other observed areas. Table 6.4 shows that the overall growth in stock has remained slow but steady for the HPDD Sub-Area increasing the number of properties by approximately 1,300 (1.9%) between 2001 and 2004. A larger proportion of this growth is attributable to the High Peak (2.2%), rather than the Derbyshire Dales (1.6%). The growth rate for the HPDD Sub-Area is still however 0.9% below that for Derbyshire between the period 1999 and 2004.
- 6.16 There are a number of factors which have contributed to this growth profile, such as land availability within a topographically challenging area and National Park planning restrictions. National Park completions data² for the period April 1991 – March 2007, shows that 1,514 dwellings were built within the National Park during this period. Of

² Peak District National Park Authority – The Annual Housing Report 2007

these 1,514 dwellings, a large proportion (81%) was built within Derbyshire Dales District and High Peak Borough. Indeed, 18% of completions within the HPDD Sub-Area over the period 2001-2006 were within the National Park³.

Figure 6.5: Change in Housing Stock (2001 = 100)



Source: CLG

Table 6.4: Change in Housing Stock 2001-2004

	2001	2004	Absolute Change	Change (%)
High Peak	37,737	38,563	+826	2.2%
Derbyshire Dales	31,183	31,681	+498	1.6%
HPDD Sub-Area	68,920	70,244	+1,324	1.9%
Derbyshire	318,614	327,554	+8,940	2.8%
East Midlands	1,794,806	1,844,523	49,717	2.8%
England	21,360,647	21,723,001	362,354	1.7%

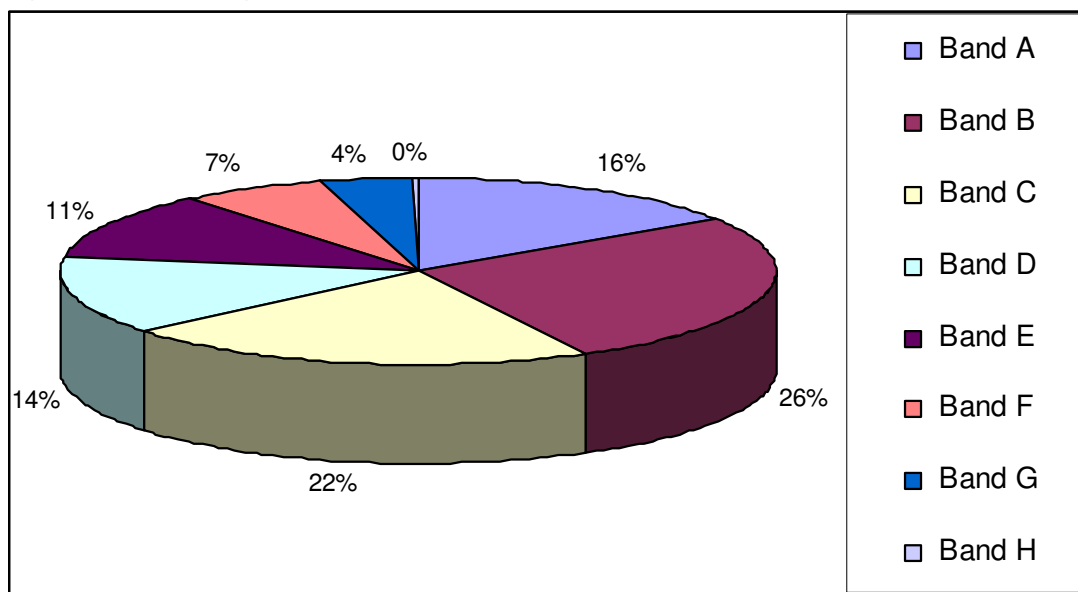
Source: CLG

- 6.17 A good indication of the quality and price of the housing stock in a given area is the proportion of housing stock in each council tax band. Figure 6.6 shows the breakdown by Council Tax Band and Table 6.5 compares it with national and regional averages. Table 6.5 shows that the HPDD Sub-Area has a higher proportion of high priced stock and much lower proportions of stock in bands A and B compared to regional and national averages. This has clear implications for affordability in the area.
- 6.18 Although this is the overall picture, there are differences between High Peak and the Derbyshire Dales. For example, looking at the proportion of properties in the “lower price” bands (Bands A – D) shows a significantly lower proportion of properties in Derbyshire

³ Updated Appendix 2 with HMA Housing Trajectories, Core Doc HOU43, EMRA

Dales falling into Band A-D (70%) than for High Peak (84.1%). High Peak more closely reassembles the regional and national profile.

Figure 6.6: Dwellings by Council Tax Band 2004 – HPDD Sub-Area



Source: Valuation Office Agency

Table 6.5: Dwellings by Council Tax Band 2004

	Total	Bands A-B	Bands C-D	Bands E-F	Bands G-H
High Peak	38,500	51.1%	33.0%	13.6%	2.4%
Derbyshire Dales	31,400	31.3%	38.4%	23.4%	7.0%
HPDD Sub-Area	69,900	42.2%	35.4%	18.0%	4.4%
Derbyshire	328,100	61.1%	27.1%	9.6%	2.2%
East Midlands	1,848,100	60.8%	28.1%	9.1%	1.9%
England	21,743,000	44.9%	36.6%	14.4%	4.1%

Source: Valuation Office Agency

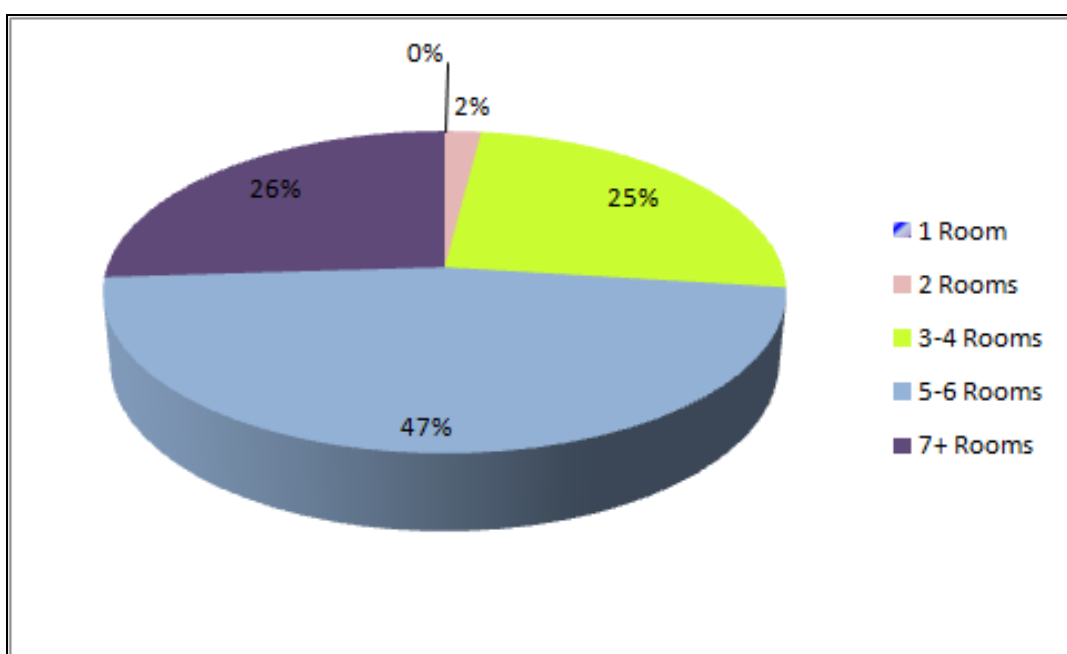
6.19 Figure 6.7 and Table 6.6 show the size of stock by number of rooms according to the 2001 Census. The count of the number of rooms in a household's accommodation does not include bathrooms, toilets, halls or landings, or rooms that can only be used for storage. All other rooms, for example, kitchens, living rooms, bedrooms, utility rooms and studies are counted. If two rooms have been converted into one they are counted as one room. Rooms shared between a number of households, for example a shared kitchen, are not counted.

6.20 For the purposes of this discussion we have assumed the following relationship between the number of rooms and the number of bedrooms:

- 1-4 room dwellings equate to a 1-2 bed property if we assume this includes a kitchen, and could include 1 or 2 reception rooms.
- 5-6 room dwellings equate to a 2-3 bed property if we assume a kitchen and one or two reception rooms.
- 7-8 room dwellings equate to 4 bed plus properties.

- 6.21 The majority of stock in the HPDD Sub-Area consists of either five – six rooms (47%) and seven+ rooms (26%) and therefore the area has larger sized properties. Compared to the Derbyshire Dales, the High Peak area clearly has a lower proportion of seven+ room properties (23% compared with 30%). The National Park once again has very similar characteristics to the Derbyshire Dales and is skewed towards the larger room sized properties.
- 6.22 In comparison to Derbyshire, the East Midlands and England, the HPDD Sub-Area has a lower proportion of properties with five – six rooms but has a higher proportion of properties with over seven rooms, indicating a tendency for larger properties in the HPDD Sub-Area. This conforms with the earlier evidence presented in this section and elsewhere in the report that HPDD Sub-Area is less densely developed than Derbyshire, the East Midlands and England and has a greater proportion of detached dwellings.

Figure 6.7: Size of Stock –HPDD Sub-Area



Source: Census 2001

Table 6.6: Size of Stock

	1 room	2 rooms	3 - 4 rooms	5 - 6 Rooms	7+ Rooms
High Peak	0%	2%	28%	47%	23%
Derbyshire Dales	0%	1%	22%	46%	30%
HPDD Sub-Area	0%	2%	25%	47%	26%
National Park	0%	1%	24%	44%	31%
Derbyshire	0%	1%	26%	53%	19%
East Midlands	0%	2%	25%	52%	21%
England	1%	3%	29%	48%	20%

Source: Census 2001

- 6.23 Table 6.7 and Figure 6.8 show the size of stock by tenure for the HPDD Sub Area. Table 6.7 compares the distribution of different sized units by tenure with the overall tenure distribution. The table shows that there is an under representation of the very largest

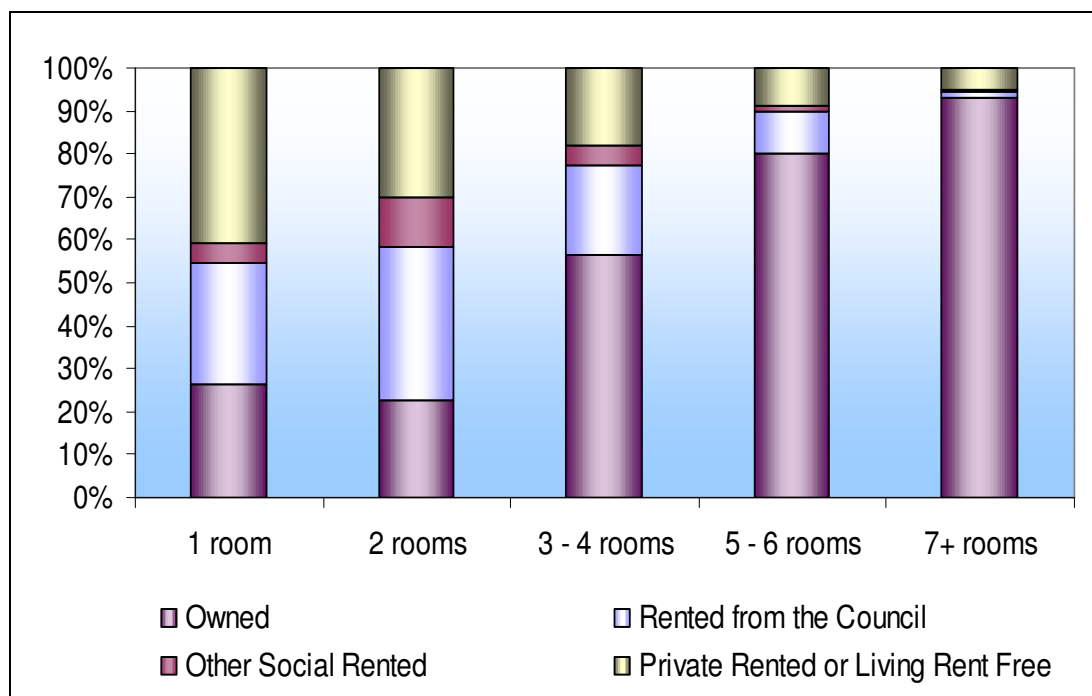
(seven+ rooms) stock, and an over representation of the smaller (one-four rooms) stock in the social (Rented from Council and “Other Social Rented) and private rented tenures.

Table 6.7: Size of Stock by Tenure, HPDD Sub-Area

HPDD Sub-Area	1 room	2 rooms	3 - 4 rooms	5 - 6 rooms	7+ rooms	Tenure Profile
Owned	26%	23%	57%	80%	93%	76%
Rented from the Council	28%	35%	21%	10%	1%	11%
Other Social Rented	5%	12%	5%	1%	0%	2%
Private Rented or Living Rent Free	41%	30%	18%	9%	5%	11%

Source: Census 2001

Figure 6.8: Size of Stock by Tenure – HPDD Sub Area

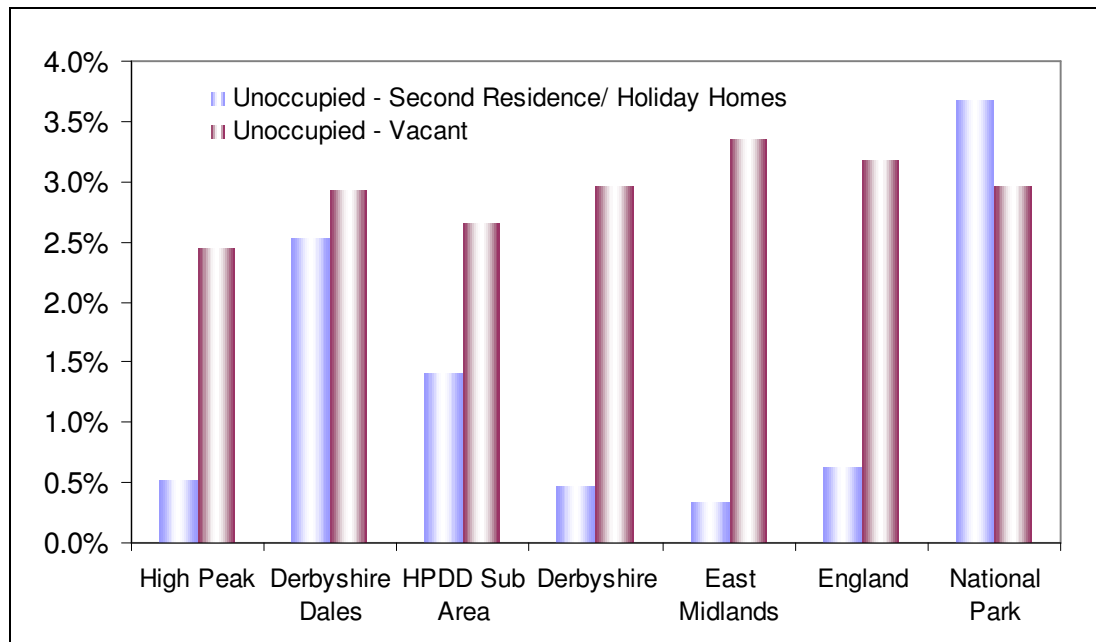


Source: Census 2001

Vacancy, Occupancy and Overcrowding

6.24 External demand for dwellings generated by commuting, retirement and second-home ownership is high in many rural areas leading to competitive housing markets in which local people often struggle to compete. Figure 6.9 illustrates the 2001 Census of Population information on unoccupied dwellings identifying whether they are vacant or whether they are second homes/holiday homes.

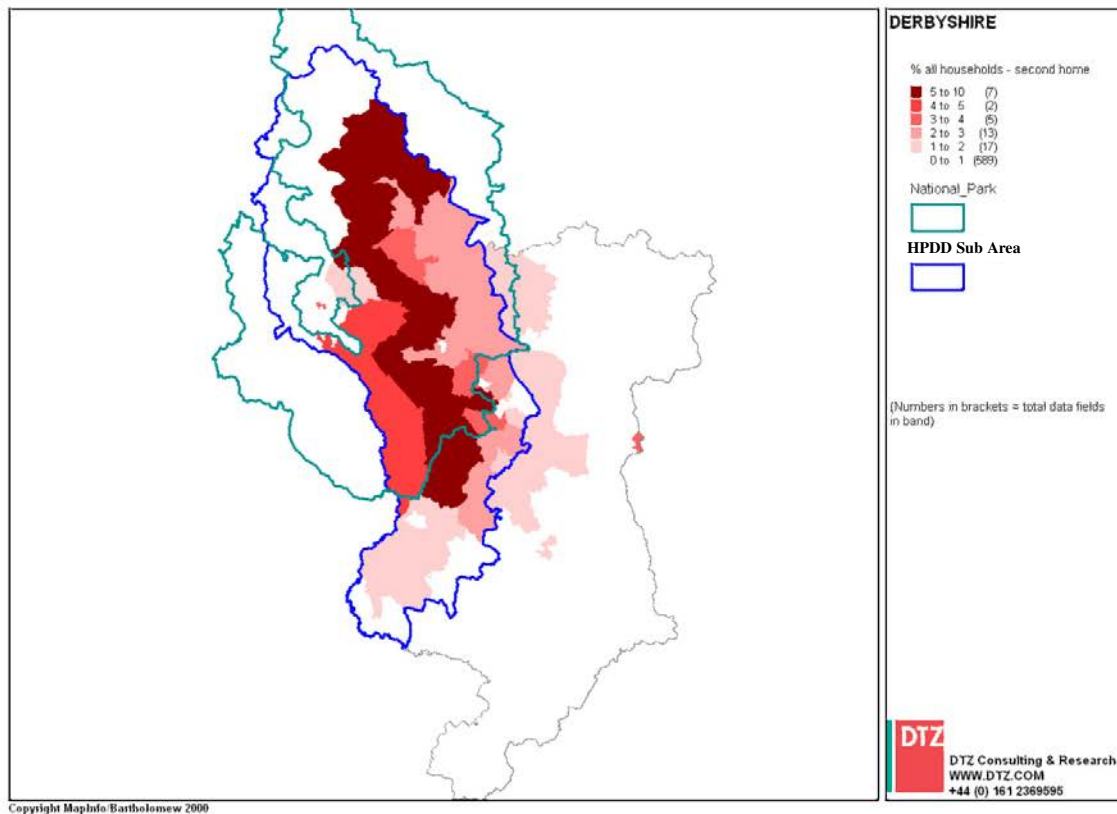
Figure 6.9: Vacancy Rates and Second Home Ownership 2001



Source: Census 2001

- 6.25 The proportion of dwellings that are unoccupied because they are vacant is slightly lower in the HPDD Sub-Area than in the benchmark areas (2.7% compared with 3.3% across the region as a whole), indicating that the existing housing stock is being used relatively efficiently. Within the HPDD Sub-Area, the level of vacancy in Derbyshire Dales and the National Park area is slightly higher than the level in High Peak.
- 6.26 However, the proportion of dwellings that are identified as second homes/holiday homes within the HPDD Sub-Area is high (1.4%) compared to the regional average (0.75%). The rate is particularly high within the Derbyshire Dales (3%) and within the National Park area (3.4%). The rate within High Peak (0.5%) is the same as the county average (0.5%).
- 6.27 Figure 6.10 illustrates there is a band of high levels of second home ownership within the area in the centre of HPDD Sub-Area. These areas all lie within the National Park area. The figure also illustrates that the prevalence of second home ownership in Derbyshire is contained within the HPDD Sub-Area.
- 6.28 However, notably no area has a level of second home ownership that is over 10% - in comparison some 18% of household spaces within the Lake District National Park are classified as second or holiday homes (Census 2001).

Figure 6.10: Second Home Ownership 2001



Source: 2001 Census

- 6.29 Recent data available from Council Tax returns (2006) illustrates further the level of second home ownership. This data suggests that there are 293 second homes within High Peak, and 973 within Derbyshire Dales, compared to figures of 196 (High Peak) and 776 (Derbyshire Dales) recorded in the 2001 Census. Whilst there must be caution exercised when comparing data collected using different methodologies, the more recent data suggests that the incidence of second home ownership continues to grow strongly (by 25% over the period) in the traditionally popular Derbyshire Dales, whilst the significant 50% growth in the traditionally less popular second home ownership in High Peak is notable.
- 6.30 The increase in second homes is as expected since nationally there has been significant increases in second (or multiple) home ownership among English households. However, it is increasingly hard to differentiate between what is a primary residence and what is a secondary residence of families that own more than one property, due to changing patterns of life and work. Changing regulations regarding Council Tax can also affect whether people register homes as second homes.
- 6.31 Conversion of dwellings to holiday lettings may also put further pressure on the housing stock, effectively removing dwellings used for permanent occupation from the residential stock. There are some compensating benefits in terms of sustaining and fostering growth of the tourism sector, and in many cases being a means of diversifying farm incomes. However, this is nevertheless another factor which may contribute to affordability problems.
- 6.32 Table 6.8 presents unit vacancy rates for social rented and all units for 2002 and 2006, using HSSA returns data for Derbyshire Dales District and High Peak Borough. Overall stock vacancy rates are stable and low for both areas, though slightly higher at around 4%

in Derbyshire Dales compared to 3% in High Peak. The vacancy in the social housing stock in High Peak is very low and stable (at around 1%). However, the increase in the vacancy rate within the social housing stock of Derbyshire Dales, from 0.6% to nearly 4%, is notable.

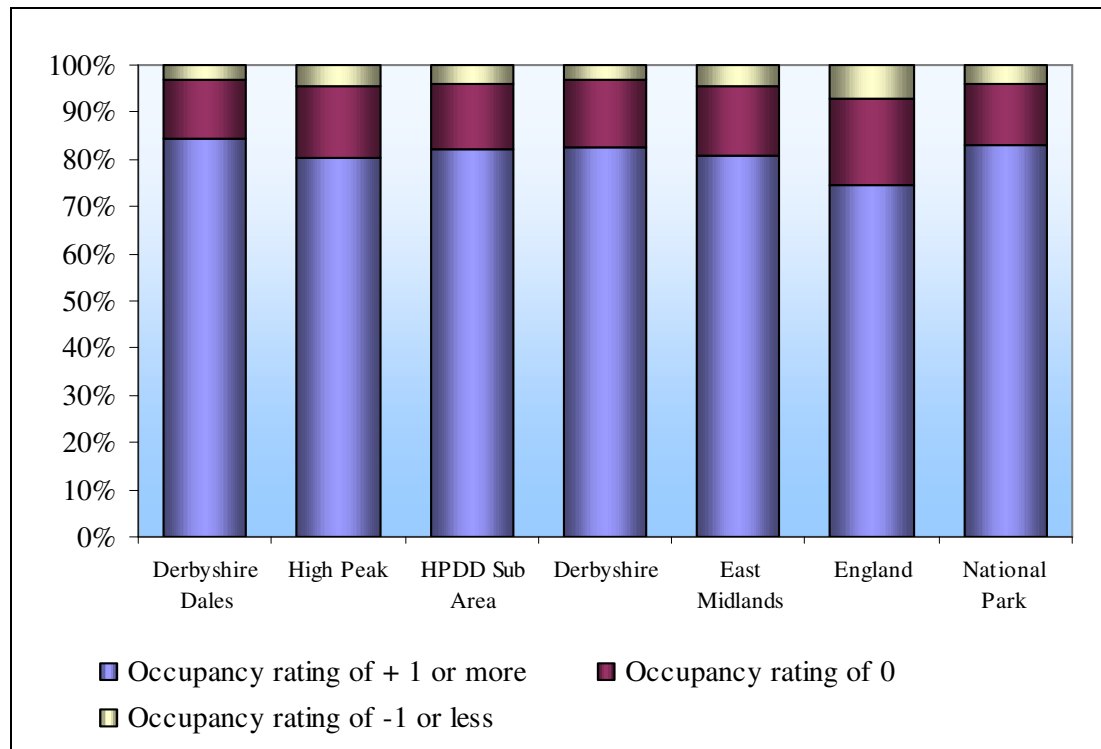
Table 6.8. Vacancy Rates for Social Rented and All Units for 2002 and 2006

% Vacant	Derbyshire Dales		High Peak	
	Social	All Stock	Social	All Stock
2001/2	0.64%	4.45%	1.18%	2.66%
2005/6	3.99%	4.11%	0.81%	3.06%

Source: HSSA Returns 2001/2 and 2005/6

6.33 Figure 6.11 shows the Occupancy Ratings for each housing market area. This provides an indication of under-occupancy and over-crowding. A value of -1 implies that there is one room too few and that there is overcrowding in the household.

Figure 6.11: Occupancy and Overcrowding



Source: Census 2001

6.34 The data shows that over 80% of dwellings in the HPDD Sub-Area housing market area are ‘under occupied’ – that is, households are occupying more space than they are judged to need. However, it is important to note that this measure does not take into account the complex ways that people live and use their homes. For example, households may occupy houses with extra rooms in order to allow them to work from home or to have friends and family to stay in frequently or even for relatively long periods of time. What this does demonstrate however, is that a high proportion of households, particularly in the HPDD Sub-Area are able to buy or occupy larger dwellings than their household size alone would suggest they need.

6.35 Compared with the High Peak area, under occupancy is particularly prevalent in the Derbyshire Dales and the National Park. In contrast to High Peak, the East Midlands and England have lower levels of under occupancy and a relatively high level of over occupancy.

Table 6.9: Occupancy by tenure – HPDD Sub-Area

	2 or more rooms than required by bedroom standard	1 more room than required by bedroom standard	Number of rooms equals bedroom standard	1 or less rooms than required by bedroom standard
Owned	33196	12024	4342	940
	66%	24%	9%	2%
Social Rented	1855	2365	3458	963
	21%	27%	40%	11%
Private Rented	2652	2166	1521	622
	38%	31%	22%	9%

Source: Census 2001

6.36 Table 6.9, above, presents the occupancy profile for each tenure. The table shows that 88% of owner occupied dwellings in the HPDD Sub-Area are under occupied. Under occupancy for social rented and private rented tenures is much less, though still reasonably high.

6.37 Table 6.10, below, presents the tenure profile for the three broad classes of occupancy (Under-Occupied, Compliant and Over-Occupied). The table demonstrates how over-occupancy is disproportionately represented in Social Rented Stock, with this tenure accommodating only 13% of households yet accounting for 38% of all incidences of overcrowding.

Table 6.10: Tenure Profile by Occupancy Class

	Under	Compliant	Over	All
All Tenures	54,258	9,321	2,525	66,104
	82%	14%	4%	
of which social	4,220	3,458	963	8,641
%	8%	37%	38%	13%
of which private rented	4,818	1,521	622	6,961
%	9%	16%	25%	11%
of which owner occp.	45,220	4,342	940	50,502
%	83%	47%	37%	76%
Total	54,258	9,321	2,525	66,104
	100%	100%	100%	100%

Source: Census 2001

6.38 With regard to geographical distribution of overcrowding, the source table in the 2001 Census presents broadly similar figures for the two local authority areas with the exception of the number of incidences of two or more surplus rooms. There is a notably greater

incidence of under-occupation of this magnitude in Derbyshire Dales over High Peak in the Owner Occupied and Private Rented sectors.

Historic Flows

- 6.39 The Derbyshire Structure Plan remains the current planning context at the sub-regional level, along with the Peak District National Park Structure Plan, although the draft RSS signals the direction of emerging policy for the HPDD Sub-Area. The allocations in the Derbyshire Structure Plan are set out in Table 6.11.

Table 6.11: Derby and Derbyshire Structure Plan Housing Requirements 1991-2011

	Structure Plan Annual Average
Derbyshire Dales	155
High Peak	275
HPDD Sub-Area	430
PDNP	-

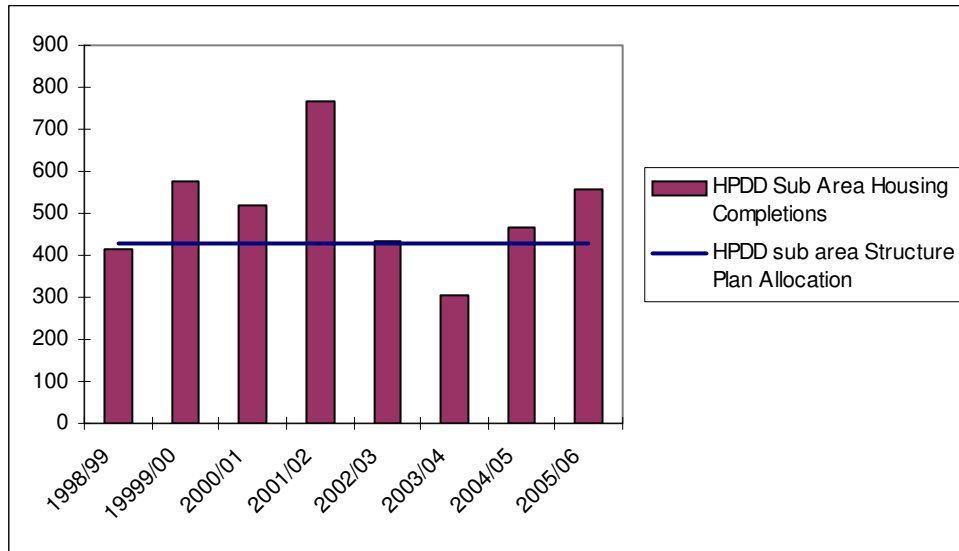
Source Derbyshire Structure Plan (January 2001)

- 6.40 The plan makes provision for the development of 3,345 dwellings per annum (dpa) across the whole structure plan area, with 430 dpa located within the HPDD Sub-Area. The Peak District National Park Structure Plan states that there is a need for 1,000 dwellings within the Park between 1991 and 2006 but does not set targets or make allocations.
- 6.41 Provision is made for housing development in Derbyshire Dales District between 1991 and 2011 for 3,100 dwellings (155 a year), located generally in the following areas:
- Ashbourne area: 1,300 (65 a year);
 - Matlock/Darley Dale/Wirksworth area: 1,500 (75 a year);
 - The south-east of the district, in the Derby Sub-Area: 300 (15 a year).
- 6.42 Provision is made for housing development in High Peak Borough between 1991 and 2011 for 5,500 dwellings (275 a year), located generally in the following areas:
- Buxton area: 2,100 (105 a year);
 - New Mills/Whaley Bridge/Chapel-en-le-Frith area: 1,400 (70 a year);
 - Glossopdale area: 2,000 (100 a year).

Historic Completions

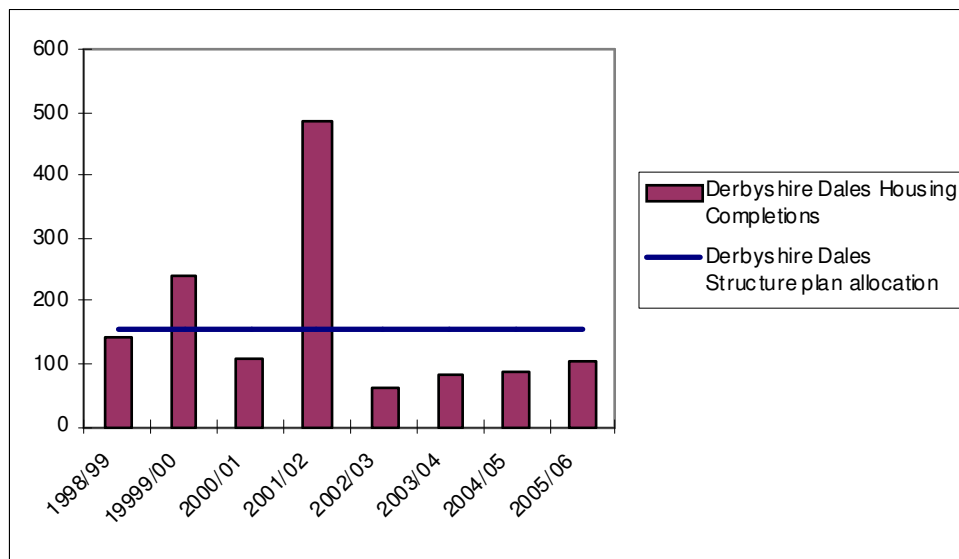
- 6.43 Recent performance in the level of completions provides useful context to assess the challenge entailed in delivering the level of new housing provision planned for future years in the area.
- 6.44 Figure 6.12 shows recent levels of housing completion (net) in the HPDD Sub-Area as a whole. A comparison is made with the allocations given in the 1991-2011 Structure Plan. There have been some peaks and troughs, in the level of completions but overall housing provision has exceeded Structure Plan targets, with an average annual build rate for the period shown of 505 dpa compared to a Structure Plan rate of 430 dpa. Figures 6.12 and 6.13 below show the same data divided between High Peak and Derbyshire Dales.

Figure 6.12 HPDD Sub-Area Completions



Source: Derbyshire Structure Plan (January 2001) /CLG

Figure 6.13 Derbyshire Dales District Completions

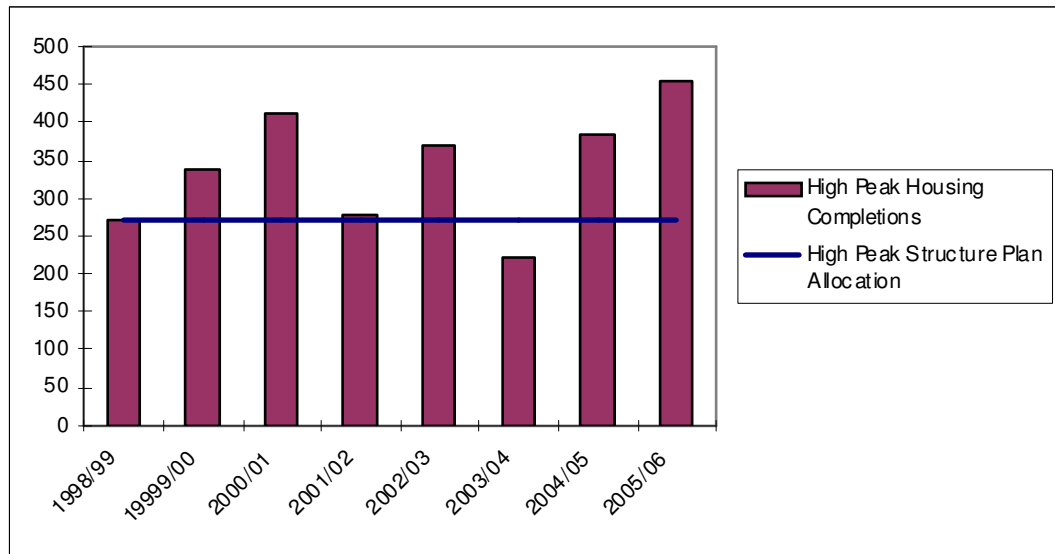


Source: Derbyshire Structure Plan (January 2001) /CLG

6.45 It can be seen that within Derbyshire Dales District whilst there have been peaks in housing provision in the period shown, annual completions have generally been below the Derby and Derbyshire Joint Structure Plan annual requirements. However, overall average annual build rates of 163 dpa against Structure Plan allocations of 155 dpa (and 200 dpa in the Secretary of State's Proposed Changes to the RSS) have been achieved. Overall completions have exceeded structure plan allocations by just 67 dwellings for the period shown.

6.46 In contrast, average annual build rates within the High Peak Borough have shown an average annual build rate of 341 for the period, compared with Structure Plan allocations of 275 per annum (and 300 dpa in the Secretary of State's Proposed Changes to the RSS). Figure 6.14 shows that completions have exceeded Structure Plan allocations substantially within the period shown.

Figure 6.14 High Peak Borough Completions



Source:Derbyshire Structure Plan (January 2001) /CLG

- 6.47 National Park completions data⁴ for the period April 1991 – March 2007, shows that 1,514 dwellings were built within the National Park during this period. Of those a large proportion (81%) were built within Derbyshire Dales and High Peak districts. Indeed, 18% of completions within the HPDD Sub-Area over the period 2001-2006 were within the National Park⁵.

Proposed Housing Allocations (Draft RSS8)

- 6.48 Following the issue of proposed changes by the Secretary of State, summer 2008, and subsequent public consultation, the Government Office for the East Midlands expects the RSS to be published in its final form by the end of 2008. The proposed allocations are set out in Policy 13 (in the Secretary of State’s proposed changes), and total 4,800 for Derbyshire Dales and 7,700 for High Peak. There is no target for the Peak District National Park.

⁴ Peak District National Park Authority – The Annual Housing Report 2007

⁵ Updated Appendix 2 with HMA Housing Trajectories, Core Doc HOU43, EMRA

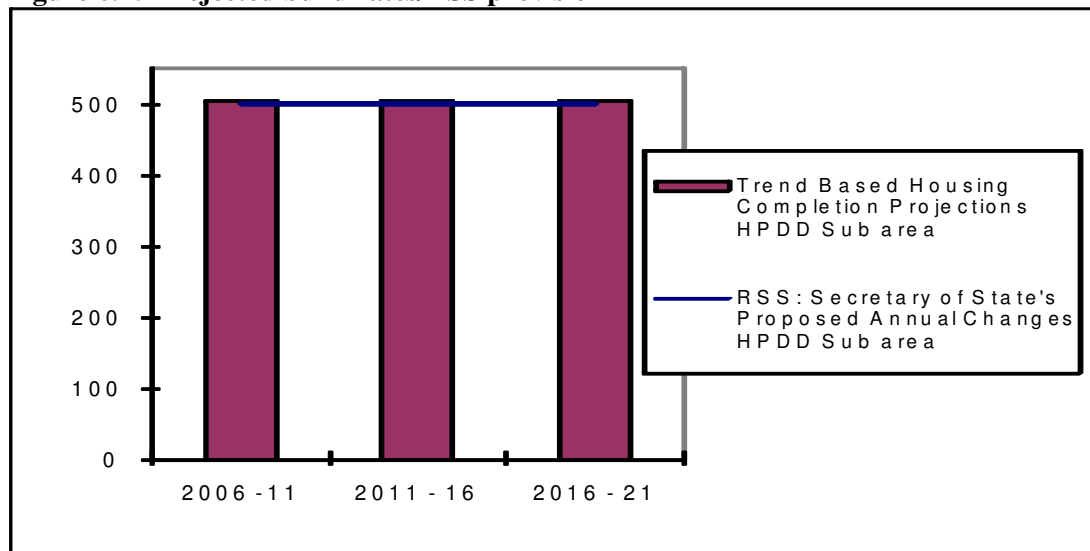
Draft RSS

- 6.49 The draft RSS provision of 420 dpa was significantly below the current build rates and was also below CLG trend and long term migration rates.
- 6.50 Particular considerations relating to the Peak District National Park meant that the Park’s dwelling provision was not included as part of the overall provision total of 420. In reality, however, some provision is made within the limited categories of National Park housing policy, and so a nominal figure of 48 dpa was seen as representing expected provision, although this is not a target or control figure.
- 6.51 The Draft RSS total of 420 dpa was therefore divided between the two other Districts in proportion to the relative growth of local household numbers. This resulted in 64% of planned growth being proposed in the High Peak Borough and 36% to the Derbyshire Dales District. These figures resulted in a total proposed provision of 10,500 dwellings to 2026.

EIP Panel Recommendations and Secretary of State’s Proposed Changes

- 6.52 The EIP Panel saw little merit in a separate figure for the National Park, believing that such a target might prove counter intuitive (see Section 1 for discussion) and instead adjusted the figures for the other two HPDD Sub-Area planning authorities, and recommended a figure of 500 dwellings per annum (200dpa for Derbyshire Dales District, 300dpa for High Peak Borough, with no target for the National Park) over the period 2006-2026. The Secretary of State has proposed targets for the period 2001 – 2026 (See Figure 6.15, below) which are consistent with the EIP Recommended average for the period 2006-2026 of 500 (200dpa for Derbyshire Dales District, and 300dpa for High Peak Borough), but which vary by Planning Authority over the period, as per Figure 6.16, overleaf.

Figure 6.15 Projected build rates/RSS provision

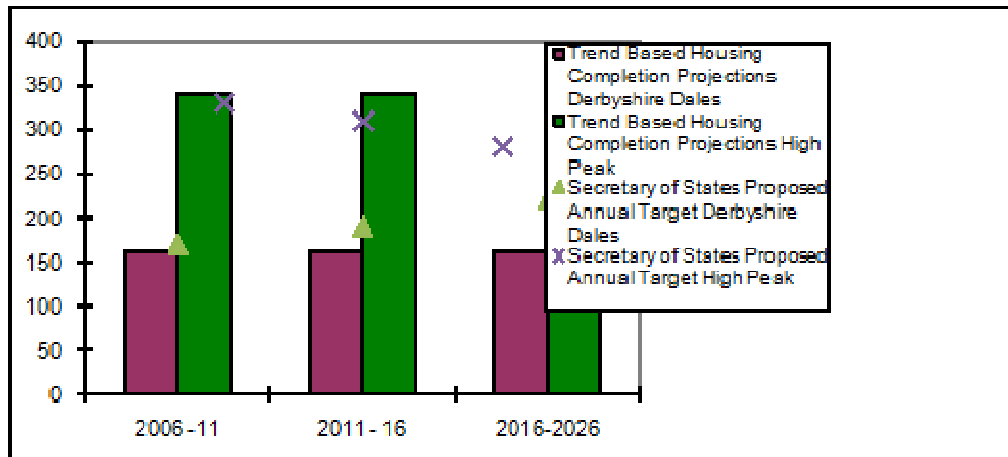


Source: Secretary of State’s Proposed Changes / CLG

- 6.53 Figure 6.15, above, illustrates the Secretary of State's proposed annual provision and compares it with recent average annual build rates projected forwards at the same level to 2026. As can be seen, the completion rates are broadly in line with the recommended annual provision.

6.54 Figure 6.16, below, presents the Secretary of State’s proposed annual provision by local planning authority, and compares these figures with recent average annual build rates projected forwards at the same rate to 2026. On this basis it is projected that there will be a shortfall of about 732 units in Derbyshire Dales over the twenty year period 2006-2026, and an exceeding of the target by 820 in High Peak. In other words, outside the National Park, completions can broadly be expected to at least match the Secretary of State’s proposed rate based on past trends.

Figure 6.16 Projected build rates/RSS provision



Source: Secretary of State’s Proposed Changes / CLG

6.55 With regard to the National Park, the Peak District National Park Authority has estimated that the underlying dwelling completion rate is likely to be approximately 48 dwellings per year.⁶

6.56 As noted, National Park completions data⁷ for the period April 1991 – March 2007, shows that 1,514 dwellings were built within the PDNP during this period, an average of 95 dpa over this 16 year period, over twice the estimated future rate of provision. Of those, 1,514 dwellings a large proportion (81%) were built within Derbyshire Dales and High Peak districts. Based on the anticipated provision of 48 dpa to be provided in future, and splitting this between the HPDD Sub-Area and the parts of the Park outside the HPPD Sub-Area, this would indicate provision of 39 completions a year in the HPDD Sub-Area over the period 2006-26, and is a rate that would be consistent with achieving the RSS target proposed by the Secretary of State.

6.57 Whilst this is encouraging, there is a considerable challenge to be faced, however, in maintaining the momentum longer term as housing land supply reduces and the need to increase the proportion of affordable housing developed making a profit on remaining sites more marginal. Indeed, current planned development and further identified capacity for the three component planning authorities of the HPDD Sub-Area amounts to 8,780 units over the period 2006 – 2026, or 439 completions a year⁸, which are 61 less than RSS target proposed by the Secretary of State. Indeed, this figure is likely to be an over estimation as to the figure that might be provided, as the figures for the Peak District National Park

⁶ Annual Housing report 2007, Peak District National Park Authority

⁸ Updated Appendix 2 with HMA Housing Trajectories, Core Doc HOU43, East Midlands Regional Assembly

Authority include for the area of the Peak District National Park outwith the HPDD Sub-Area.

- 6.58 In this context, it is important that planning policies governing housing development are suitably precise and prescriptive so as to minimise the incidence of landowners holding rural exemption sites back on the basis of “hope value”.

Size Distribution of Recent New Build

- 6.59 As part of the Housing Needs Survey, John Herington Associates⁹ investigated the dwelling sizes of new home building for the urban sub-areas (there were too few new homes for sale in the rural areas to provide any meaningful data). It was noted that:

- 65% of new homes were three or four bedroom homes. The East Midlands Regional average over the years 2000/01 to 2005/06 was 76%
- A significant number of new homes in Buxton (High Peak Borough) and Ashbourne (Derbyshire Dales District) were five bedroom homes
- The split between one-2 bed homes and three-four bed homes (the five bedroom homes noted above where excluded from the JHA analysis) was 40/60 in High Peak Borough and 20/80 in Derbyshire Dales District.

Existing Stock - Turnover of Existing Stock by Tenure

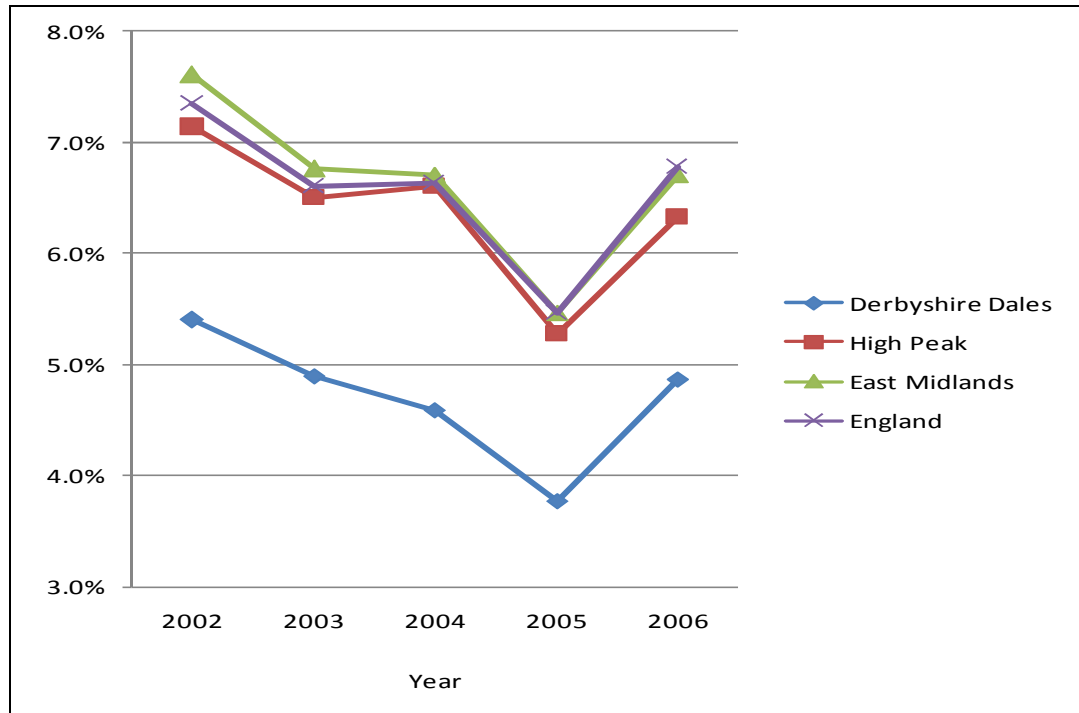
- 6.60 Access to housing in a particular housing market area is governed by a range of factors, of which affordability (discussed in the next chapter) is a key factor, alongside overall supply in relation to demand. With regard to supply, the previous sections in this chapter have considered likely new build supply in the period up to 2026. The remainder of this chapter considers the dynamics of supply within the existing housing stock.

Market Housing

- 6.61 Figure 6.17 shows that Stock Turnover (measured by the number of annual sales as a proportion of the total market housing) is similar, if a little lower, in the High Peak part of the HPDD Sub Areas to that in the wider East Midlands region and in England. However, the turnover in stock in Derbyshire Dales is significantly lower than the regional and national averages.

⁹ Derbyshire Dales & High Peak Joint Housing Needs Survey Covering the Peak Sub Region, Final Report, March 2007, John Herington Associates

Figure 6.17: Market Housing Turnover



Source: Communities and Local Government (2008)

6.62 With regard to market activity of different sized dwellings, research by John Herington Associates¹⁰ for the Housing Needs Study revealed the following with regard to “entry level” homes:

- that there was a very limited supply of one bedroom accommodation on the market in the urban areas
- two and three bedroom properties provided the greatest supply available, with two bedroom flats and terraces being quite plentiful in all the urban areas, though there were few two bed semis in the Matlock area (Derbyshire Dales), and limited amounts of three bed terraces and semis in the Ashbourne (Derbyshire Dales) area
- The supply of entry level four bed accommodation was generally more limited than either two or three bed accommodation

6.63 With regard to private rented accommodation, the research suggested:

- That there were very few four bedroom properties available
- One bedroom flats were confined mainly to the Buxton and Glossop Urban Sub-Areas
- Two bed semi detached properties were in short supply across the HPDD Sub-Area, and two bedroom flats were in short supply in Buxton, Central and Ashbourne Sub-Areas

¹⁰ Derbyshire Dales & High Peak Joint Housing Needs Survey Covering the Peak Sub Region, Final Report, March 2007, John Herington Associates

Social Housing

6.64 The supply of existing social housing stock is mostly governed by the number of re-lets. Research by John Herington Associates¹¹ revealed the following:

- An overall downwards trend in the rate of re-lets; from 754 in 2001/ to an estimated 589 per annum in 2005/6, and presumed to remain at this level for the time being. Right to Buy Sales are estimated to reduce letting capacity by only seven per annum.
- The great majority of lettings in the most recent years (2003/4 to 2005/6) were for 1 bedroom dwellings, either bedsits, one bed bungalows or one bed flats, and were found not to meet general needs; out of a total of 1,636 re-lets between 2003/4 and 2005/6, 725 re-lets (44%) fell into this category, of which 38% were in Derbyshire Dales and 62% in High Peak
- About 25% of general needs re-lets were of three bed housing (in both areas)
- 1% of general needs re-lets were of one bed housing (in both areas)
- The majority (56%) of re-lets occurred in High Peak.

Summary of Supplyside Dynamics of Existing Stock

6.65 Turnover of market housing varies across the HPDD Sub-Area, being reasonably close to the regional and national averages in High Peak Borough, but notably lower in Derbyshire Dales District.

6.66 Across the HPDD Sub-Area, the supply of “entry level” one bedroom and four bedroom market housing is low, and in parts of Derbyshire Dales the availability of some two and three bed house types is also limited.

6.67 The limited availability of “entry level” one bedroom and four bedroom market housing for owner occupation is compounded by the low level of rental opportunities for dwellings of this size, and the low turnover of one bedroom and four bedroom social housing

6.68 The tendency towards larger units for new build market housing in Derbyshire Dales suggests that the shortage of entry level one bedroom housing in that area (and a shortage of two bedroom housing in parts) may continue if new build continues to follow the trend identified by the JHA research.

¹¹ Derbyshire Dales & High Peak Joint Housing Needs Survey Covering the Peak Sub Region, Final Report, March 2007, John Herington Associates

7 HOUSING NEED AND AFFORDABILITY

7.01 This section covers the issues of affordability and housing need within the sub-region. The data available for this analysis is based on information from the Housing Needs Study completed in 2007 by John Herington Associates (JHA) and secondary data analysed by DTZ.

Housing Needs Survey

7.02 The Housing Needs Survey (HNS) was completed in March 2007 by John Herington Associates (JHA) and covers the same study area as the Strategic Housing Market Assessment.

7.03 The HNS provides information about the housing needs at the HPDD Sub-Area and local authority level, and splits the urban and rural housing needs.

7.04 The HNS refers to the study area as the Peak Sub-Region. For accuracy and consistency, all factual references drawn from the HNS in this Strategic Housing Market Assessment shall refer to the area as the High Peak Derbyshire Dales (HPDD) Sub-Area.

Key Points

- House prices in the HPDD Sub-Area have risen notably faster than the national and regional averages since 2001, with those in Derbyshire Dales rising at a particularly high rate
- Communities and Local Government's PSA5 target, Ratio of Lower Quartile House Prices to Lower Quartile (Individual) Earnings, suggests a significant worsening of affordability generally over the past decade, with the worsening affordability in High Peak resembling the regional and national trends, and affordability ratio in Derbyshire Dales worsening significantly over the period 2003-200, from 1:6 to 1:10
- Affordability issues are compounded by a shortage of small entry level properties, with a lack of one and two bed accommodation in the area (See Section 6)
- Owner occupation is beyond the means of the majority of households, with only 33% of HPDD Sub-Area households being able to afford the cheapest two bed house in Glossop - Hadfield - Gamesley, the most affordable sub area. In Whaley Bridge, Chapel-en-le-Frith and New Mills, the figure falls to 24%, and then to 18% in the following three sub-areas, which cover Derbyshire Dales and the National Park: – Matlock - Darley Dale – Tansley – Wirksworth – Middleton - Cromford - Matlock Bath, Ashbourne, and National Park – Hope Valley and Bakewell
- In addition to progression onto owner occupation becoming increasingly hard (as suggested by the affordability ratios), progression “up the property ladder” from a three bed house to a four bed house is steep (a 54% uplift on average), and so will be prohibitive for many. The preponderance of larger housing in Derbyshire Dales suggests that progression from a three bed house to a four bed house might be particularly challenging in Derbyshire Dales, and this might account for the low stock turnover rate here compared to High Peak and the regional and national benchmarks

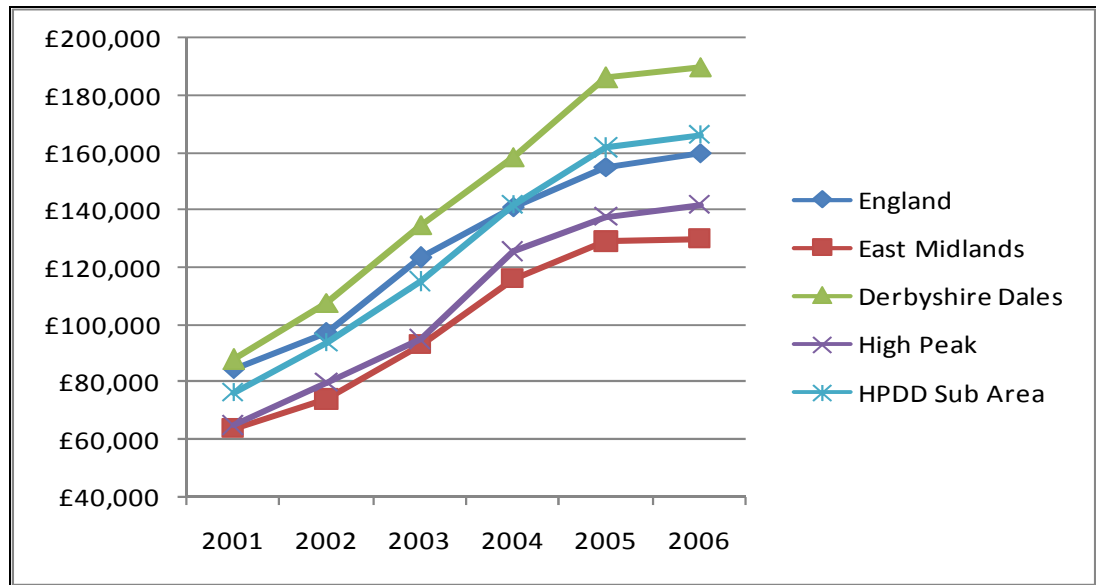
- The Housing Needs Study (HNS) identifies key areas of housing need as being amongst the 18-25 and 26-45 age groups, and particularly single person households; though the shortfall in housing would, in the future, be concentrated on two and three bed family homes, which would account for two-thirds of likely need in the HPDD over the five years from 2007. Some of this need (20%) could be met through intermediate housing products
- Taking into account the calculated annual need to reduce the backlog, and projected affordable supply (based on turnover/ re-lets), the HNS projected a geographical share of 54% to High Peak Borough, 33% to Derbyshire Dales, and 13% to the National Park, of a suggested additional annual target of 248 new affordable homes over the next five years
- At the sub-area level, Glossop and North (Matlock) are identified as the primary areas of overall need, followed by the area of Derbyshire Dales District within the National Park, then Ashbourne and Buxton. However, the HNS also cautions that the projected headline supply of housing used in the needs calculation does not provide a true indication of the type of affordable housing required at the sub-area level to address need, because it is the types of re-lets available in different places and the turnover within different property types that affects the nature of the shortfall.
- The HNS advised that just over three-quarters (77%) of affordable housing needed over the following five years provision be one and two bed dwellings, 20% three bed dwellings, and just 3% for four and five bed dwellings; some 80% (200) of the suggested annual provision of 248 affordable housing should be in urban areas, and 20% (48) in the rural areas, with 32 of the 48 rural units being in the National Park. It was advised that 65 of the 248 dwellings be for “key workers”; the highest quantum of demand for key worker housing being in the north and central parts of the HPDD Sub-Area, both actually relatively affordable areas, with two (Matlock and Ashbourne) of the three towns (the other being Buxton) with the most acute affordability problems being found further south.
- The HNS identifies problem housing as a significant contributor to housing need; nearly half of those households that need to move were unable to raise a mortgage for homes of the size appropriate to their need; 37% of households identified with special needs / mobility impairments were likely to be living in unsuitable, and therefore “problem” housing, and 25% of people aged 75 and over were estimated to be living in problem housing
- Research, including that of the HNS, confirms that the majority of older people wish to remain in their own houses for as long as possible. This has implications for local planning and housing authorities
 - Increased demand on support services and / or adaptations
 - Increasing incidence of under-occupancy as the HPDD population ages, a process accentuated by the following local factors
 - Most older people who do decide to move (and this is a small group, just 4% of all movers), do so in early old age as prompted by a lifestyle change. Indeed, the growth of the 45-64 age group (See Section 4) suggests that the HPDD Sub-Area is a receptor of many such lifestyle moves, so it may be presumed that relatively few of this cohort will move again as they approach old/older age

- The recent growth in the 45-64 age group has been particularly large in the HPDD Sub-Area; they have been moving in as owner occupiers with their families, into spacious housing, and the above reasoning suggests they are unlikely to move
- The 45-64 age group aligns with the Baby Boomers generation, which some research predicts will demand more spacious homes and shun sheltered housing in favour of mainstream properties
- The HNS revealed that disabled people / people with mobility difficulties are also a significant group within the population, and some may have specific housing requirements that differ to the population as a whole.
- It should also be noted that research by the Disabled Persons Accommodation Agency highlights that comparatively low incomes restrict the access of this group to market housing, and also their ability to ensure that their additional needs are met. Furthermore, the need may be understated as the research revealed that people seeking special accommodation preferred to do so themselves, and did not register their housing need with a local authority. If they did actually register their need, it was revealed that some two-thirds might not be accepted on to the special needs list due to their not being permanent wheelchair users

Affordability: Market Context

7.05 Figure 7.1 below illustrates house price change in the HPDD Sub-Area, in comparison with the East Midlands and England. House prices in the HPDD Sub-Area have risen notably faster than the national and regional averages since 2001, with prices in Derbyshire Dales District increasing at a particularly high rate.

Figure 7.1: Comparative House Price Change



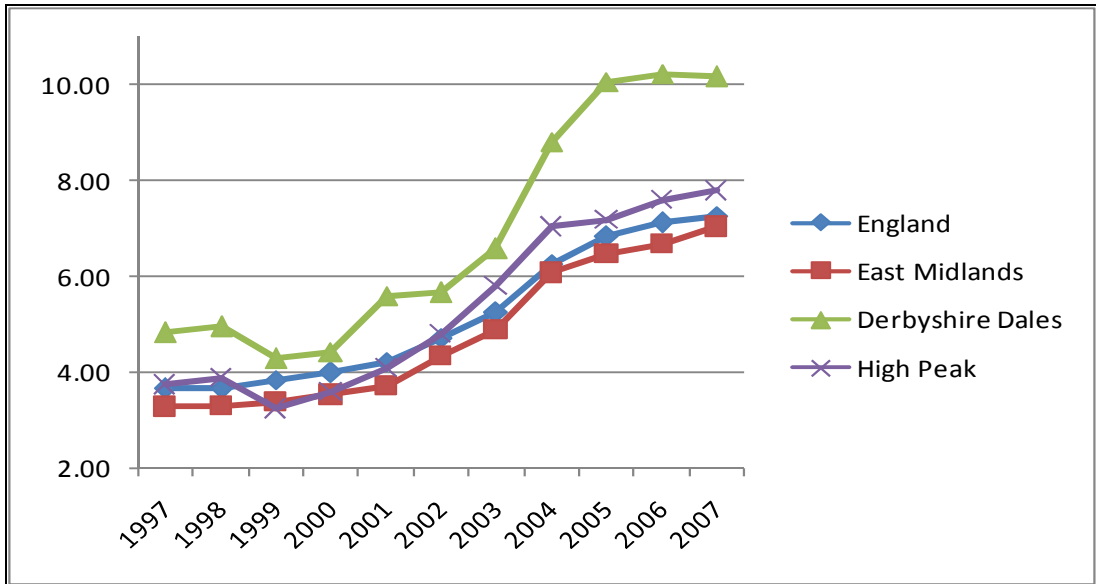
(Source: Communities and Local Government, 2007)

- 7.06 For the purposes of the Strategic HMA, DTZ have identified the percentage of the population of the HPDD Sub-Area who can afford to buy the lower quartile two bed property in key settlements within and outside the National Park (based on the sub-areas defined by JHA in the HNS). The workings are based on a comparison of average price data, for each sub-area of a lower quartile two bed house, and the annual gross household income profile of the HPDD Sub-Area.
- 7.07 Both data sets are taken from the Housing Needs Study. Households with an annual gross income which, when multiplied 3.5 times, falls short of the house price are presumed not to be able to afford to buy the house.
- 7.08 The analysis gives a flavour of the degree to which owner occupation is beyond the means of the majority of households, with only 33% of HPDD Sub-Area households being able to afford the cheapest two bed house in Glossop - Hadfield - Gamesley, the most affordable sub area. In Whaley Bridge, Chapel-en-le-Frith and New Mills, the figure falls to 24%, and then to 18% in the following three sub-areas: Matlock, Darley Dale, Tansley, Wirksworth, Middleton, Cromford, Matlock Bath (Derbyshire Dales), Ashbourne (Derbyshire Dales) and National Park.
- 7.09 Based on this analysis a household would need an income of £40,000 to afford a two bed property in the latter three sub-areas, which cover Derbyshire Dales and the National Park. The data suggests disparities in the levels of affordability across the HPDD Sub-Area. There are particular problems in areas popular as tourist destinations such as Matlock.
- 7.10 This has a number of implications for the HPDD Sub Area in terms of availability of accommodation for key workers, existing families and newly forming households. The out-migration of young economically active residents is further compounded by the relative lack of one and two bed social and private rented accommodation, as considered in the previous section.
- 7.11 The housing affordability indicator used by CLG under its PSA5 Target (SR 2004) "Housing Demand and Supply" is the long term trend in the ratio of lower quartile house prices to lower quartile (individual) earnings which reflects entry level affordability ratios.

The Government has indicated, in its response to the recommendations of the Barker Review of Housing Supply in the UK, that this continues to be its headline measure of housing market affordability.

7.12 Figure 7.2, below, shows how affordability ratios for the HPDD Sub-Area local authorities, regional and national comparators have changed over time. As indicated by the index, there has been a significant worsening of affordability generally, and an exceptional worsening in affordability for Derbyshire Dales.

Figure 7.2: Comparative Affordability Ratios



(Source: Communities and Local Government, 2007)

7.13 It is possible to analyse the price gaps between different “rungs” of the housing ladder using data on house prices by dwelling size. It is assumed that the next step up the housing ladder for most households is a dwelling with an extra bedroom. As part of the HNS, JHA surveyed estate agents regarding “entry level” house prices of different house sizes in the HPDD Sub-Area. We have analysed the price gaps between the different size “rungs” and the table below shows median prices for one – four bed dwellings:

Table 7.1: Price Uplift by Dwelling Size in HPDD Sub-Area (Source of Data: John Hetherington Associates)

Dwelling Size	Median House Price for an “Entry Level” Property	% Price Uplift by Size
1 bedroom	£95,487	
2 bedroom	£138,667	45%
3 bedroom	£152,350	10%
4 bedroom	£235,000	54%

7.14 Table 7.1 shows that the average price for a two bed dwelling in the HPDD Sub-Area is 45% higher than a one bed dwelling, with a three bed house being only 10% higher than a two bed dwelling in price. This is typical and suggests that households face initial difficulty entering the bottom of the housing ladder but may be better able to move up it at a later date. However, the gap between the price of a one bed dwelling and a three bed

house is quite significant, which limits the choice of some households to the type of home they occupy.

- 7.15 The data also illustrates that households towards the top end of the housing ladder, many of which may be families who need to occupy larger dwellings, also face a big jump in prices to trade up. Those looking to move from a three-bed house to a four bed house face a 54% price increase in the HPDD Sub-Area. This price gap is likely to reflect a variety of factors and, not just the limited supply of larger four bed homes. For example, it may reflect differences in the quality of three and four bed homes, the location or relative attractiveness of the neighbourhood in which they are found. All the same, the price progression from a three bed house to a four bed house is steep and prohibitive for many.

Housing Need

- 7.16 Trends in homelessness and numbers on the Housing Register provide an important proxy for the need for social rented housing and, more generally, the extent to which housing has become unaffordable and difficult to access for the poorest households.
- 7.17 At 1st April 2006, the HNS confirms the number of households on the Housing Register was 5,853. From the Joint HNS, the number of households registered needing to move was 2,121 of whom 1,133 were living in problem housing. Of these, 938 were not able to afford to buy or rent. The HNS estimates that this represents only 41.2% of the true extent of housing need in the sub-region taking account of the results of the survey.
- 7.18 The HNS indicates that the number of accepted homeless cases has increased from 235 in 2001/2 to 274 in 2005/6. Levels of homeless in priority need have also increased from 176 in 2001/2 to 354 in 2004/5.
- 7.19 The HNS identified key areas of housing need by age profile within the sub-region. Of those in housing need, the HNS stated that 28.3% were between the 26-45 year age group, 24.4% between the 18-25 year age group and 12.3% between the 46-64 year age group.
- 7.20 Data from the Housing Needs Survey indicates that the key groups in greater need of affordable accommodation are single person households (54.4%), single person with children households (17.2%) and couples with children (15.8%).
- 7.21 The need to accommodate newly emerging households in the sub-region has been analysed and indicates that the shortfall in housing in the future will be concentrated on the need for two and three bed family homes which will account for two-thirds of the likely need within the sub-region within the next five years. Some of this need could be met through the intermediate housing market utilising shared ownership and intermediate renting or sub-market renting.
- 7.22 The HNS states that 62.1% of the existing backlog of concealed households could not afford owner occupation. The provision of intermediate housing market products will, therefore, play a role in housing a proportion of these households, although it is acknowledged that a large proportion may require social rented housing. PPS 3 defines intermediate housing as:

“housing at prices and rents above those of social rent, but below market price or rents. These can include shared equity products (e.g. Homebuy), other low cost homes for sale and intermediate rent”.

- 7.23 The Joseph Rowntree Foundation report 'Affordability and the Intermediate Housing Market' relates to the intermediate housing market. Two definitions of the intermediate housing market are used, namely:
- The broad definition, being the proportion of working households unable to purchase at lower quartile house prices, for two and three bed dwellings.
 - The narrow definition, being the proportion of working households that can afford to pay social rent without recourse to Housing Benefit, but cannot purchase at lowest decile house prices for two and three bed dwellings.
 - The proportion of households within the intermediate housing market using the broad definition is 33% in the East Midlands indicating that these households are unable to buy a dwelling at the average lower quartile price, but are in work.
- 7.24 The extent to which the intermediate market can accommodate the needs of the sub-region was analysed through the HNS and this identified that if shared ownership were to be delivered at 50% equity, then 80.5% of households would still require social rented housing. If sub-market renting were provided, 88.4% of households would require social rented housing. If neither shared ownership or sub-market rental properties were provided then 96.7% would require social rented housing.
- 7.25 The HNS indicates that the local planning authorities should plan for a shortfall in affordable housing provision of between 443 and 591 annually over the next 5 years taking account of supply of new affordable housing and housing need.
- 7.26 Put alongside provision for commitments already made, the HNS estimated that a minimum of 604 and a maximum of 752 affordable homes would be required annually.
- 7.27 The HNS estimated that the size distribution of affordable property needed by households over the next 5 years was as follows:
- 34 % need affordable one bed accommodation;
 - 43% need affordable two bed accommodation;
 - 20% need affordable three bed accommodation;
 - 3% need affordable four, five or more bed accommodation.
- 7.28 The potential shortfall of affordable and market housing was analysed and confirmed that the largest shortfall would be for two bed accommodation at 35.9%, in addition to 30.1% for one bed accommodation and 17.9% for three bed accommodation.

Geography of Housing Need

- 7.29 The HNS identified newly arising levels of need (2006/7 – 2010/11) based on past trends over a three year period. These needs are projected on the basis of favourable and unfavourable circumstances.
- 7.30 **The highest levels of need are projected to be within the High Peak Borough at 61% compared with 29% within the Derbyshire Dales District. A further 10% is expected to arise in the areas of both authorities covered by the Peak District National Park.**

- 7.31 The highest level of newly arising need has been identified **within Glossop (High Peak Borough) 37% (of newly arising need), Buxton (High Peak Borough) 14.1%, and Matlock (Derbyshire Dales District) area 12%** The four lowest ranking positions were occupied by the four rural sub-areas.
- 7.32 Overall, the HNS calculated that 63% of newly arising need would be (by local planning authority) in High Peak Borough, 28% in Derbyshire Dales District, and 9% in the National Park. The overall urban / rural split was 83% / 17%.
- 7.33 Taking into account the calculated annual need to reduce the backlog, and projected affordable supply (based on turnover / re-lets), the HNS projected a slightly different distribution of overall housing need, with the National Park share rising to 13% (compared to 9% based on newly arising need), and the High Peak Borough share falling to 54%. The overall urban / rural split was 80% / 20%.
- 7.34 At the sub-area level, Glossop and North (Matlock), are the primary areas of overall need (as they were with newly arising need), followed by the area of Derbyshire Dales District within the National Park, then Ashbourne and Buxton; a notably different arrangement than for newly arising need alone, reflecting the effects of lower levels of stock and hence the potential for re-lets in rural areas.
- 7.35 The HNS also cautions that the projected headline supply of housing used in the Needs calculations does not provide a true indication of the type of affordable housing required at the sub-area level to address need, because it is the types of re-lets available in different places and the turnover within different property types that affects the nature of the shortfall.

Specific Groups in Need

- 7.36 The HNS identified 12,381 households (17.8% of all households in the HPDD sub-area) as living in problem housing.
- 7.37 The HNS defined problem housing as housing that was unsuitable for the resident household. Circumstances of such unsuitability might include, among others, households living in overcrowded conditions, houses that are too large, houses that need adapting for someone who has a mobility impairment or other special need, houses that are subject to structural problems or households that need to be closer to friends or relatives for support.
- 7.38 The HNS revealed that Matlock and Glossop have the highest number and proportion of households living in problem housing. Overall, by local planning authority area, the highest number and proportion were living in Derbyshire Dales District and the Peak National Park area of High Peak.
- 7.39 Overall, within the urban areas, 13.7% of existing households were in problem housing Within the rural areas 26.1% of households were living in problem housing.
- 7.40 According to the HNS, the two most common causes of unsuitability behind problem housing are:
- Difficulties of being in the property for someone who is frail or elderly or who has impairments (17.8% of all reasons, and affecting 7.4% (5,125) of all households in the HPDD sub-area).
 - Too small for needs (14.8% of all reasons, and affecting 6.1% (4,259) of all households in the HPDD sub-area).

- 7.41 Of the households within the HPDD sub-area, 21% (14,652) were identified as having special needs or mobility impairments and a disproportionate proportion of these households (37% or 5,431) were found to be living in problem housing. The particular concentration (25% of the age group) of people aged 76+ living in problem housing was noted.
- 7.42 This has implications for the provision of accommodation and services for the elderly which has been identified as a key priority for future housing needs. The need for a combination of policies that address the future housing needs of this group providing both housing choices and support has been clearly highlighted. This could mean a range of options including in situ support, adaptations and provision of a number of alternative types of accommodation suitable for this group.
- 7.43 The HNS estimated that of the 5,067 households in problem / unsuitable housing that needed to move, that nearly half (of the “filtered sample”) would be unable to raise a mortgage in the current market for a dwelling of the size which is appropriate for their needs.
- 7.44 The HNS estimated that 43% of households in problem housing that need to move would be unable to access appropriate accommodation through the private rental market.
- 7.45 With regard to shared ownership possibilities for this group, the HNS estimated that only 1.3% of those currently living in problem housing could afford the current costs of shared ownership if such a scheme was provided at 25% and 50% equity levels, and that the “great majority” of those unable to buy or rent privately (estimated at 1,917 households) would also not be able to afford shared ownership.
- 7.46 The highest proportion of all households in problem housing were found living in Housing Association properties, followed by private rented, then council rented properties.
- 7.47 The HNS noted that around three quarters of households living in problem housing could have their needs resolved through appropriate improvements or adaptations, with around one quarter needing to move to a more suitable house.
- 7.48 The HNS identified older people and people with mobility disabilities as groups in the HPDD that might include people that have specific housing requirements that differ from households as a whole, and these need to be examined and taken into consideration in policy.
- 7.49 We have considered first those groups that have a relatively high incidence within the population as a whole, within the HPDD Sub-Area and / or the other benchmark areas. These are:
- Older people - a significant group, and one that will grow;
 - Disabled people.
- 7.50 The requirements of households within specific groups can be broadly divided into two categories:
- Households who require specially adapted housing e.g. elderly people, disabled people and, to some extent, students;

- Households who are limited by their ability to access the housing market or require accommodation that is beyond their means, e.g. BME households on low incomes, and migrant workers.

Older people

- 7.51 Research has shown that by 2051, people over 65 are likely to represent over 25% of the population in England. The ageing population is a national phenomenon.
- 7.52 Although this analysis focuses on people in the population over the age of 65, it is important to note that there can be no formal definition of when people are deemed old. In terms of individual circumstances and public policy, significant changes arise when people retire from work or become incapacitated in some way and linked to this lose the ability to live independently. Entitlement to benefits 'kicks in' at particular ages, but in reality there are different stages of old age. Consider the difference in personal circumstances of those who may be of the same age but:
- Remain in good health and have a high level of independence;
 - Are able to draw on their savings to fund later life;
 - Experience acute health problems and whose health may suddenly decline;
 - Have chronic health problems and poor quality of life.
- 7.53 In terms of their impact on the housing market, much depends on whether older people decide to move and if so, where they move to and what type of accommodation they move to. Many people will wish to retain their independence in their existing home by arranging adaptations as the HNS has suggested. Those who decide to move home tend to do so in earlier old age. Indeed, the growth of the 45-65 age group in the HPDD Sub-Area, as shown in Chapter 4, suggests that the HPDD Sub-Area is the receptor of many such lifestyle moves, and so it can be presumed that relatively few of this cohort will leave as they approach old age.
- 7.54 Indeed, the Survey of English Housing (2005/06) demonstrates that those in the 65-74 age group and those aged 75 or older are the least likely of all age groups to move home. In England as a whole, these age groups accounted for 2% of all household moves each. 51% of moves were 16-24 year olds, 23% were 25-34 year olds, 9% were 35-44 year olds and 4% were 45-64 year olds. Older households are less likely to move house than younger ones.
- 7.55 So, the HPDD Sub-Area faces a growing 65+ age group, particularly as the 45-65 cohort ages become increasingly static in terms of household movement.
- 7.56 Whilst on the one hand older people are over-represented in social housing, and so an increasingly elderly population throws up many issues with regard to the nature of bespoke social housing / services provision for the elderly, the driver of population growth in the HPDD Sub-Area is a wealthy 45-65 age group that has moved to the area as a lifestyle choice – into owner occupied family housing.
- 7.57 There are a number of implications arising from the ageing population in the benchmark areas and relevant to the HPDD Sub-Area in considering the reasons why the area appeals to certain age groups. The implications are diverse.

- The housing requirements of older people are often wider than their basic need for accommodation. Demand or need for housing amongst older people is often strongly influenced by health issues (and disability is strongly linked to age). There is likely to be a growing need for wider care, integrated with housing provision, which has implications for the cost to those households and the public sector. There are questions around who will provide care alongside housing - the public sector or private developers? There are also issues for mixed communities related to the location and nature of specialised provision for older people.
- The majority of older households will be owner occupiers which raises implications about how far they will wish to (or be forced to) draw upon their housing equity as an asset to fund their wider care needs. Disposable incomes are also lower amongst older households, even those in owner occupation, with implications for care and repair needs. Previous research and surveys suggest that by far the highest average basic repair costs are found in dwellings occupied by lone older households (often in excess of £1,000).
- Older people are often unaware of the full range and potential housing and support options available to them. Owner occupiers may be particularly disadvantaged, as they are less aware of the availability of services i.e. those provided by the public sector, including the availability of social housing and support services. Some research has suggested that older people often receive the 'wrong advice' from non-independent or emotionally attached people (e.g. family members and others). Older people can also be reluctant to complain about issues, which may prevent them from improving their circumstances.
- Increased numbers of older households will also impact upon the rest of the housing market. Older households are less likely to move house, even though they may appear to have far more space than they 'need', especially the significant numbers that have moved in recent times to family housing in the HPDD Sub-Area as a lifestyle choice. A comparison of resident and workplace incomes in the HPDD Sub-Area (Chapter 5) revealed significant disparities driven by these wealthy incomers, who are able to buy or occupy larger dwellings than their household size alone would suggest they need – pushing down occupancy rates. (Chapter 6 revealed that under occupancy is notably higher than in the wider East Midlands and England). The implication is that, in the future, an increasing number of the larger homes in the housing stock in each authority area may be occupied by older people who choose not to downsize. This may create further pressure on (and rising demand for) larger homes amongst more mobile households, including younger families.

7.58 PPS3 recognises the need to provide accommodation for older people as part of achieving a good mix of housing. But there is limited advice on what this accommodation should look like which makes the effective development of planning and housing policies more difficult. The Housing and Older People Development Group (HOPDEV) Conference (2006) identified three key criteria, choice, community and quality, that are the essential ingredients for successful housing options for older people:

- Older people need choice and a framework for 'active ageing' to maximise independence and well-being
- Independence at home should be maintained as long as possible with supporting services so that the community (including older people) can enjoy greater stability

- As needs change and vulnerability increases, elderly people need to live in a safe, warm and quality home that is right for them – either private accommodation or a community home.
- 7.59 The housing options for older people within the HPDD Sub-Area now and in the future can be divided into those within the mainstream housing stock and those within specialist accommodation. It is also useful to distinguish between owner-occupiers and those in social rented accommodation since the options available to them, and the impact of their choices on other households, will be different.
- 7.60 Moving home is a major ‘life’ decision, entailing important financial and personal decisions. On the financial side, key issues include consideration as to whether to use the value in the property to support an existing lifestyle, provide for care costs, or to assist the next generation to study or to enter the housing market. On the personal side, moving home raises issues about proximity to family and friends, formal and informal caring networks etc. Attitudes to these issues are in part culturally determined so people from differing backgrounds may be inclined to place different priorities on different aspects of their decisions.
- 7.61 Most older people currently live in mainstream housing. Some will remain in the home they have lived in for some time. Some will choose to move house when they retire which may mean long distance migration, not necessarily with the purpose of downsizing. We have already established that many people will have moved to the HPDD Sub-Area because it is an attractive destination for retirement. Others will move locally and perhaps downsize in order to release equity from their property and/or to move into a more manageable property.
- 7.62 Research (including the HNS) confirms that the majority of older people wish to remain in their homes as long as possible. There are a number of issues raised by this preference:
- Growing maintenance and adaptations required by older people living in their own homes in both the owner occupied and social rented sectors.
 - Wider support and service requirements of older people which have implications for how older people will access to such services or whether there will be a growing expectation that their wider needs will be delivered to them (for example, home care at the one extreme or demand for improved local services at the other).
 - There are likely to be growing impacts on the wider housing market if older households are reluctant to move – the housing market overall may become less fluid, particularly in locations with the highest proportions of older households. This is likely to push up demand (and prices) for certain types and location of dwellings which will impact on the accessibility of the housing market for those less able to compete. It is likely to have more serious implications for the social rented sector where older households occupy large social rented dwellings, which need to be freed for other priority households on local housing registers.
 - However, there are also significant positive implications associated with older households remaining in their own homes. Research suggests that this can help to develop and maintain community stability and cohesion.¹ It is also positive in terms

¹ Joseph Rowntree Foundation & Chartered Institute of Housing (2006) More than Tenure Mix: Developer and Purchaser Attitudes to New Housing Estates

of mixed communities to have a range of households of different ages living within a neighbourhood²

7.63 Some older households may choose to downsize, moving either locally or to a different location, though this is not a significant trend at present nationally, and is even less likely in the HPDD Sub-Area given its status as an attractive retirement location. There are a wide range of issues raised by this choice:

- Downsizing households in the owner occupied sector may be able to release equity from their homes either to fund their wider needs and activities or even to provide financial support for other younger family members, including helping them onto the housing ladder – with issues around the division of housing wealth and opportunities between younger households, some of whom have considerable family support and others who have none.
- Downsizing also releases a larger home onto the market or into the letting pool in the social rented sector – providing the opportunity for other households to trade up or access the space that they might need.
- The implication of increased downsizing amongst older households in an ageing society is that there ought to be increased demand for smaller homes that are more manageable and/or cheaper to downsize into. There is little evidence that this is happening on any scale yet. Anecdotal evidence suggests that those that do move will still demand (including the social rented sector) additional space. There is little desire or incentive for older households to move into small flats.
- Furthermore, some research predicts that the ‘baby boom’ generation (currently the 45-64 age group) will demand more spacious homes and shun sheltered housing in favour of ‘mainstream’ properties. For many older people, their activities and social patterns require as much space as earlier in their lives. This is a key point for the HPDD Sub-Area, for it is the 45-64 age group which is driving population growth in the HPDD Sub-Area and demand for larger housing, which they tend to under-occupy.
- Given that the majority of older households that do downsize will wish to remain in their local community, there is an issue around whether there are suitable alternative options locally so that people can move within their local neighbourhood as their life stage and needs change without the need to move away.

7.64 At present, the majority of elderly people do not live in specialised housing and do not wish to (as evidenced by the HNS), with most wanting to remain in their current homes or within the mainstream housing market, if possible. However, the HNS also revealed a notable demand for specialist housing provision for older people, although perhaps not at the scale and rate that might be expected given the size and rate of growth of the ageing population.

7.65 More recently, nationally, there has been downward pressure on the provision of institutional care with emphasis on keeping older people in their own homes. However, from a housing market flexibility perspective, it may be more desirable for older people to move, thereby freeing up accommodation for other households.

7.66 Success in encouraging elderly tenants in the social rented sector who currently under-occupy properties to downsize, depends on gaining a in-depth understanding on the

² Joseph Rowntree Foundation, English Partnerships & Housing Corporation (2006) *In the Mix: A Review of Mixed Income, Mixed Tenure and Mixed Communities*

particular circumstances of particular individuals, and planning bespoke solutions. Thus local authority housing managers need to engage with particular individuals and sensitively explore options.

- What does the tenant like about their existing home?
- What does he or she dislike?
- What location and type of property might better meet their needs?
- If they were to be offered such a property would they consider moving and what help would they need?

7.67 Once this information is available for a number of tenants, the authorities can explore if there are properties available that match these requirements, or could they be developed, and put in place a package of support for moving, which may provide some financial incentives (e.g. financial assistance with removal costs, and fixtures and fittings for the new property). The whole approach has to be very sensitive to the circumstances of older people and provide real alternatives that are attractive compared to living in what will often be a good sized house with a garden, even if the new property provides more space than the person's assessed need e.g. a new two bed apartment in a central location, for a couple or single elderly person.

7.68 Nationally, there was significant emphasis on the provision of sheltered housing in the 1970s and 1980s which was regarded as providing safe and secure care for elderly people so that they would not have to move to retirement homes for wider care, which was seen as an expensive option.

- The advantages cited for sheltered accommodation for older households are the benefits in terms of security, maintenance and the ability of older people to maintain their independence whilst being able to access a level of support (for example, a warden or other neighbours) if required.
- However, sheltered accommodation can be costly, particularly in terms of the service charges and is beyond the means of some older households, even though they may be owner-occupiers.
- Sheltered housing is not necessarily a long-term solution for all older households. Most sheltered housing schemes provide only limited support for elderly people – the intention being to support independence but not to provide extra care, which would invariably require a move to a residential or nursing home
- Sheltered housing schemes are also often accused of taking older households out of the wider community and preventing them from remaining active within their neighbourhood – though this is likely to vary hugely since much depends on location and access to local facilities.

7.69 Residential care homes provide extra care for older people who require it. It is health, rather than age, that determines whether older people need extra care. Research suggests that, other than retirement moves which are taken earlier, most people wait until their care needs are such that they are forced to move, often in advanced old age. The demand for homes that provide extra care (up to nursing care) for older people is likely to increase over time in all of the authorities.

- 7.70 This raises a number of challenges. Specifically, who will meet the cost of rising care needs? There is an expectation that owner-occupiers will fund their own care through the sale of their homes although increasing numbers are likely to take financial decisions earlier in their lives e.g. equity release which may impact on their ability to do this. The public purse will need to support those without the financial means, at a growing cost.
- 7.71 Retirement communities are a relatively new option for accommodation in the UK. As a result, little is known about what it is actually like to live in such communities and whether they adequately cater for the needs of the older age groups. The conclusion of recent research into retirement villages is that the viability of providing accommodation and care for a mix of 'fit' and 'frail' residents in retirement villages needs to be examined further before the model becomes more widely used. The research also highlighted that people want to live differently in their old age. This needs to be recognised in policy and by developers of retirement accommodation.³

Disabled People

- 7.72 The HNS revealed that 7.4% of households in the HPDD Sub-Area considered their housing unsuitable for their needs due to living conditions being "difficult for someone who is frail elderly or who has impairments", and 3.3% of households considered their housing unsuitable due to living conditions being "difficult for someone with serious ill health". These two categories cover both elderly persons with impairments, and other people with impairments or debilitating illness, and so it is not possible to quantify the incidence of problem housing for non elderly disabled persons in the HPDD Sub-Area, or assess whether the incidence is to a greater or lesser extent than it is nationally. Nevertheless, the housing need of disabled persons is worth specific consideration in this SHMA, as some may have specific housing requirements that differ to the population as a whole. This includes the need for specific adaptations to dwellings in some cases.
- 7.73 The definition of disability included in the Disability Discrimination Act is 'a physical or mental impairment which has a substantial and long-term adverse effect on his/her ability to carry out normal day-to-day activities.' There are various indicators of the level of disability within the population, though none specifically state the extent to which this affects people's housing requirements.
- 7.74 Research by the Disabled Persons Accommodation Agency (DPAA) claims that there is currently a lack of information on the specific housing requirements of disabled people. However, the research highlights a number of common housing 'barriers' that disabled people may face:
- **Market barriers:** the private housing market does not adequately provide for disabled people, significantly reducing the options available. Comparatively lower incomes also restrict disabled people from accessing the market to the same extent as the population as a whole and are also likely to restrict their ability to ensure that their additional needs in relation to their homes are met.
 - **Financial barriers:** disabled people are less likely than the population as a whole to be in full-time employment where they can access higher incomes.
 - **Practical and attitudinal barriers:** research shows that people seeking special accommodation preferred to do so themselves and did not register their housing

³ 'Housing and care for older people: life in an English purpose-built retirement village' Bernard M., Bernadette B., Sim J., Biggs S.

need with a local authority. They were not always aware of the options available to them. Two-thirds of survey respondents were unlikely to be accepted onto special needs waiting lists despite having a physical disability because they were not permanent wheelchair users. Furthermore, 36% of wheelchair users live in houses (not bungalows) and the majority do not want to move but would rather have adaptations carried out to the property.

7.75 In addition, the Survey of English Housing (2004/05 and 2005/06) estimates that nationally there are around 500,000 disabled people using wheelchairs who require specially adapted accommodation (around 1% of the population of England or 2% of households). The figures are higher in the social rented sector where 230,000 disabled people are using wheelchairs and require specially adapted properties – equivalent to around 6% of social rented households. However, around 25% of these households are living in properties that are unsuitable for their needs. This suggests that there is a case for securing a proportion of specifically adapted social rented properties through new development in order to boost the availability of these properties and meet the needs of the social rented population going forward.

7.76 Recently, the Government introduced Part M to the Building Regulations, requiring new buildings to be accessible and usable by disabled people, although this by no means facilitates full independent living for all people with disabilities. There are additional plans to incorporate the Lifetime Homes standards for accessibility into Building Regulations in the future. The Disabled Facilities Grant is also available for carrying out adaptations to the home of a disabled person and is allocated to those who can least afford the cost of adapting their property.

Key Workers

7.77 The HNS indicates that key worker households would require an income of £25,000 - £30,000 to afford even the cheapest house type on the market (£95,487 – median price for a one bed property). As noted the greatest problems with affordability, according to the HNS, are found in Matlock, Ashbourne and Buxton.

7.78 The HNS has identified the need for an additional 65 key worker dwellings per annum based on the number of key workers in problem housing who are unable to purchase at current market levels. Emphasis is placed on the intermediate market in providing a mix of accommodation choices and affordability levels for key workers. Options include shared ownership accommodation at low equity levels and low rental cost for those key workers on the lowest incomes. The HNS suggests specific targets for the provision of key worker accommodation at 38.5% social rent and 61.5% intermediate housing, which should include a mix of shared ownership and sub-market renting.

Affordable Housing Targets

7.79 The HNS highlights targets for the provision of affordable housing in the sub-region. These figures are based on the availability of sites without planning permission across the sub-region and the shortfall of housing needs in different sub-areas. Its recommendations are set out below:

- An area wide target of 248 affordable housing units in the next five years across the sub-region. This number represents 70% of the anticipated capacity of sites without planning permission and above the 15 threshold over the period 2006/7- 2010/11. (The HNS's study of need amongst backlog and emerging households implies that 80% of the provision should be social rented, and 20% should be shared ownership

- assuming provision at 50% of open market value with no more than a 2% residual rent being levied; notably, the Housing Corporation advise 2.75%.)

- Of the 248 units, 200 per annum should be on allocated as windfall sites in the urban area. This figure is based on survey evidence that suggests that the urban areas account for approximately 80% of the forecast shortfall.
- The remaining 48 units per annum (out of the 248 units) should be on allocated sites and exception sites in the rural areas with 32 of these within the National Park. This figure is based on survey evidence that suggests that the rural areas account for approximately 20% of the forecast shortfall.
- There is some scope for sub market renting and sub market sale; 12% of households could afford the former on the assumption of rents at 75% of market values for 1 – 3 bedroom homes, and 4% who were unable to afford owner occupation or private renting could afford sale housing at a discount of 34% on market prices.

8 FUTURE HOUSING PROVISION IN DERBYSHIRE DALES DISTRICT AND HIGH PEAK BOROUGH

8.1 This section draws together a range of evidence to inform the mix of dwellings in the future. The evidence considered in this section is as follows:

- The profile of current and future households (drawing on Section 4 and further evidence on future households) and what this implies for the mix of dwellings;
- The nature of the existing stock of dwellings, and the type and size of completions and whether there are any particular imbalances in different areas (drawing on Section 6);
- The drivers in the development industry and how these affect the mix of dwellings that developers deliver;
- Occupancy and overcrowding (drawing on Section 6) and whether the current stock of dwellings is meeting the needs and demands of residents;
- The profile of households in need and the pattern of re-lets within the social rented stock (drawing on sections 6 and 7).

8.2 One of the key policies in PPS3 is concerned with achieving a mix of housing to support mixed communities. PPS3 describes the characteristics of a mixed community as a '*variety of housing, particularly in terms of tenure and price and a mix of different households such as families with children, single person households and older people.*' PPS3 requires local planning authorities to plan for a mix of households on the basis of different types of households that are likely to require housing over the plan period, having regard to demographic profiles and the requirements of specific groups.

8.3 Specifically, local planning authorities should set out in their local development documents the proportion of households requiring market and affordable housing, the profile of different household types to inform the provision of market housing and the size and type of affordable housing required. Developers are expected to bring forward proposals for market housing which reflects demand and the profile of households requiring market housing, in order to support mixed communities. This section provides evidence to support development documents in these policy areas.

8.4 However, PPS3 policy also raises a number of questions. For example, how can local planning authorities plan for a mix of households without seeking to control the type and size of market housing? Should a local planning authority turn down an application on the basis of the dwelling mix? These questions are in many respects no different to those that planners have faced in the past as planning falls into the difficult territory between influence and control where planners are expected to influence outcomes without seeking to control the market.

8.5 For the avoidance of doubt, we do not necessarily recommend that authorities seek to control the size and type of dwellings provided by the private sector (though in the Peak District National Park the control of size and type is key to attaining relative affordability "in perpetuity"). However, there is a role in influencing the mix of dwellings where there are gaps in the choice of dwellings available to local residents within the market area, or where there are problems with particular towns and villages, which might be tackled through changes to the types of dwellings available. We recommend that the principles of an approach to this issue are as follows:

- Recognise that planning for a mix of housing is not a precise science and therefore setting targets for particular types and sizes of market dwellings is likely to present difficulties in practice;
- The objective should be to identify and address bias and broad imbalances in the housing market and the existing stock of dwellings through new development, subject to other constraints such as concern for affordable housing;
- Mindful of the above, a range of evidence needs to be considered by the planning authorities in addition to projections of future household types, and appropriate weight needs to be given to these factors depending on the circumstances of the site and the characteristics of the existing neighbourhood.

The Profile of Current and Future Households

- 8.6 Section 4 of this report provided detailed evidence and analysis of demographics within the HPDD Sub-Area.
- 8.7 Planning Policy Statement 3 states that local authorities are expected to plan for the range of household types that will be accommodated in the sub-region when preparing their Local Development Documents, specifically mentioning the need to identify the overall balance of change in terms of families, single person and multi-person households. How this requirement should be translated into policy is discussed in more detail in the policy recommendations section of this report.
- 8.8 To fulfil this element of the SHMA process, in the absence of any adopted sub-regional level forecasts by household type, we have constructed indicative forecasts for the HPDD Sub-Area. In order to do this, we have combined forecasts from both local authorities on the absolute number of households, with regional forecasts for changes in the composition of household types in the period to 2021. Table 8.1 presents the forecasts for total household numbers. The household projections follow the policy based assumptions of EMRA that are attached to the planned number of dwellings, rather than the higher migration trend based projections of the Office of National Statistics.

Table 8.1: Forecast for Total Households

	Household Projections						%
	2001	2006	2011	2016	2021	2026	Change 2001 to 2026
High Peak	36,900	38,300	39,600	41,000	42,300	43,700	18%
Derbyshire Dales	28,900	29,900	30,900	31,900	32,900	33,900	17%
HPDD Sub-Area ¹	65,900	68,200	70,600	72,900	75,300	77,600	18%
Derbyshire	309,000	323,100	337,300	351,500	365,800	380,000	23%
East Midlands	1,737,200	1,833,800	1,934,400	2,037,600	2,141,100	2,244,400	29%
England (ONS) 000's	20,500	21,500	22,600	23,700	24,800	25,700	26%

Source: 2001 Census / EMRA Population Projections

¹ NB: The total figure for the HPDD Sub Area, and the figures for the two component local authority areas, have been rounded to the nearest hundred, and so the HPDD projections are not the exact sum of those for the two component areas

- 8.9 As shown, the total number of households in the HPDD Sub-Area is forecast to grow from approximately 68,000 to 78,000 over the period 2006 to 2026 (an increase of 13%). This represents growth of around 500 households per annum. In proportional terms, the growth in household numbers in the sub-region is similar to Derbyshire as a whole (15% growth over the same period).
- 8.10 The CLG produce forecasts of changes in household composition at regional level. The East Midlands figures are presented in Table 8.2. The figures show that the proportion of one-person households is forecast to increase from 30% in 2006 to 35% in 2021. The proportion of lone parent and 'other multi-person' households is forecast to remain relatively constant, whilst the proportion of households consisting of couples, families and pensioners is forecast to decline, though this may be altered if additional family dwellings are either developed or released in the future (Refer, for example, to emerging government policy expressed through the *Homes for the Future* Housing Green Paper, which advocates increasing the provision of family housing) – and bought by families rather than couples or singles.

Table 8.2: Household Composition forecasts for the East Midlands

Household Type	2006	2011	2016	2021
Couple/Family/Pensioner households	57.4%	55.6%	53.9%	52.4%
Lone parent	7.1%	7.1%	7.0%	6.8%
Other multi-person	5.7%	5.8%	5.9%	5.9%
One person	29.8%	31.5%	33.2%	34.8%

Source: CLG

- 8.11 In order to project growth, by household type, in the HPDD Sub-Area, we have:
- First, established a base position Household Type profile for the HPDD Sub-Area for 2006. In doing so we have presumed the profile is the same as recorded for the Sub-Area in the 2001 Census, the most recently available information source;
 - Second, projected changes (see Table 8.3, below) to the household type profile of the HPDD Sub-Area to 2021 by applying the East Midlands (the lowest geographical area for which data is available) projected household composition profile for the period (Table 8.2) to the HPDD Sub-Area Household Projections in Table 8.1. However, it should be borne in mind that this approach may underestimate the growth in smaller, older, households in the HPDD Sub-Area, as the population of the Sub-Area is forecast to age at a faster rate than the East Midlands (See Section 4).

Table 8.3: Projection of Household by type for the HPDD Sub-Area

	2006	2011	2016	2021	2026	Change 2006- 2026	% Change 2006- 2026
Couple/Family Pensioner	39,157	39,287	39,355	39,514	39,610	453	1%
Lone parent	4,853	5,001	5,065	5,122	5,206	353	7%
Other multi-person	3,927	4,132	4,322	4,495	4,654	727	19%
One Person	20,301	22,180	24,194	26,203	28,096	7,795	38%
Total	68,237	70,600	72,935	75,335	77,566	9,328	14%

Source: DTZ

- 8.12 As shown, since the total number of households is not forecast to grow significantly over the period, gains are forecast mainly for one and multi person households. The fastest growing groups in proportional terms are one-person and 'other multi-person' households, since these groups are increasing in share of all households in the sub-region.
- 8.13 The analysis presented in Tables 8.2 and 8.3 enables an estimate to be made of the broad magnitude of change in household type (and thus size) between 2006 and 2026. The data suggests that across the HPDD Sub-Area the highest growth will be in one person households, with around 8,000 additional single person households in this period. Many of these will comprise older people (pre-pension age). Single person households are a key driver of household growth in the future, though this may be altered if additional family dwellings are either developed or released in the future (Refer, for example, to emerging government policy expressed through the *Homes for the Future* Housing Green Paper, which advocates increasing the provision of family housing) – and bought by families rather than couples or singles.
- 8.14 An extension of this analysis is to establish the mix of housing that will be required in the sub-region given the levels of household growth shown above. The relationship between household size and type and dwelling size and type is not straightforward. The conventional logic that household size and dwelling size have a direct correlation is misleading.
- 8.15 The following figures present CLG data on the size of dwellings by the size and type of household. This data was produced at regional level, using results from the Survey of English Housing. Figures 8.1 and Table 8.4 show that generally smaller dwellings accommodate small households – 18% of one-person households live in one bed dwellings and 3% of two-person households live in one-bed dwellings.
- 8.16 However, the link between household size and dwelling size is complex. Almost half of the one-person households in the East Midlands live in dwellings with three or four bedrooms. Two-thirds of two person households live in dwellings with three+ bedrooms.

**Figure 8.1: Household Size (number of people) by Dwelling size (number of Bedrooms)
East Midlands Region**

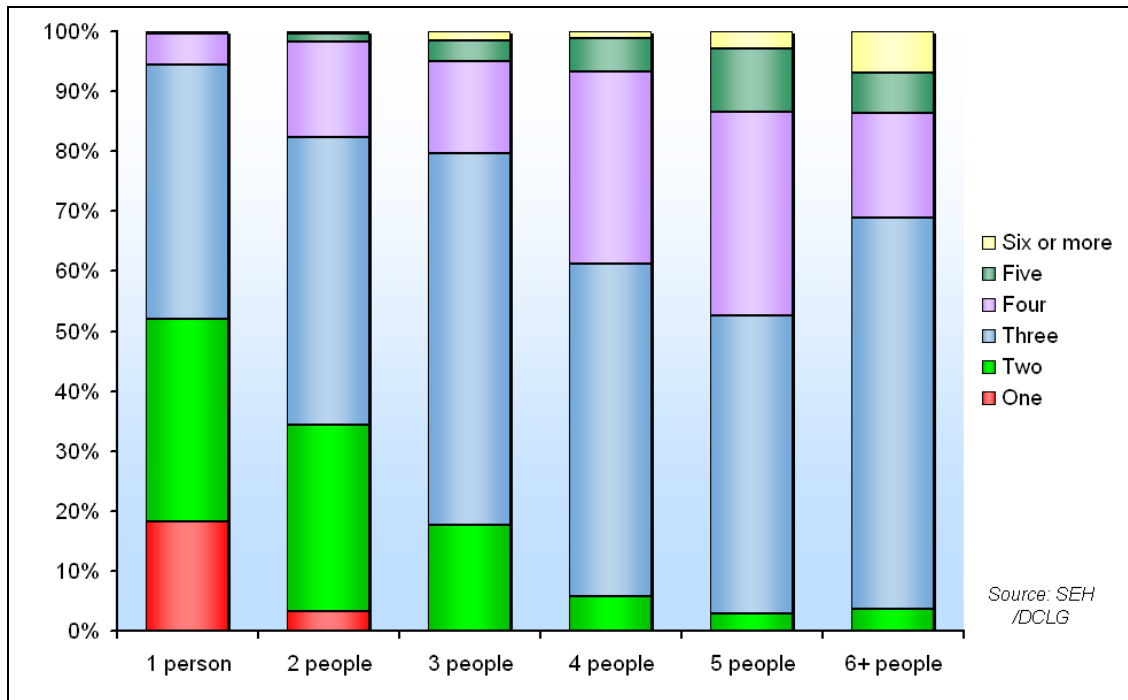
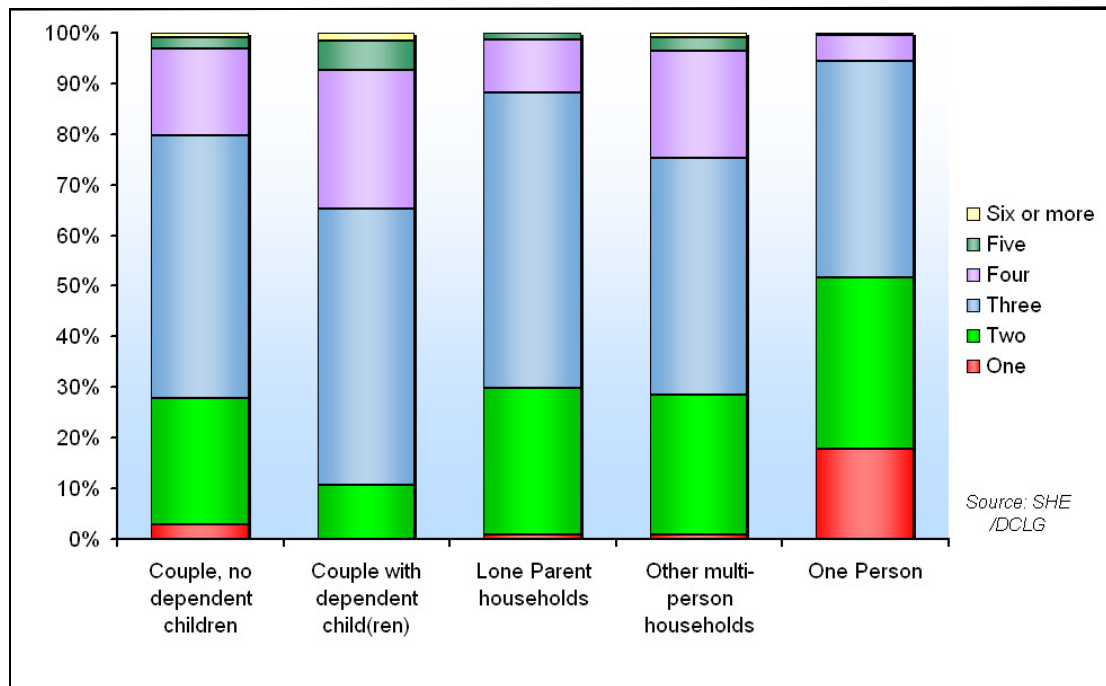


Table 8.4: Household Size by Dwelling Size East Midlands Region.

	One Bed	Two Bed	Three Bed	Four Bed	Five Bed	Six or more beds	All
One Person	18%	34%	42%	5%	0%	0%	100%
Two People	3%	31%	48%	16%	1%	0%	100%
Three People	0%	18%	62%	15%	3%	2%	100%
Four People	0%	6%	56%	32%	6%	1%	100%
Five People	0%	3%	50%	34%	10%	3%	100%
Six+ People	0%	4%	65%	17%	7%	7%	100%
All	6%	25%	50%	16%	2%	1%	100%

8.17 Figures 8.2 and Table 8.5 present data on dwelling size by household type. There are a significant number of couples without children living in four/five/six bed dwellings. Table 8.5 shows that while slightly over half of all single person households live in one or two bed dwellings, slightly under half live in properties with three bedrooms or more. The implications are that it is very hard to translate projections of particular household types into forecasts of what the market demand will be for particular types of property, not least because the figures presented include both market housing and social housing.

Figure 8.2: Dwelling Size by Household Type (East Midlands region)



Source: SEH / CLG

Table 8.5: Dwelling Size by Household Type (East Midlands region)

	One Bed	Two Bed	Three Bed	Four Bed	Five Bed	Six or more beds	All
Couple, no dependent children	3%	25%	52%	17%	2%	1%	100%
Couple with dependent child(ren)	0%	11%	55%	28%	6%	1%	100%
Lone Parent households	1%	29%	58%	10%	1%	0%	100%
Other multi-person households	1%	28%	47%	21%	3%	1%	100%
One Person	18%	34%	43%	5%	0%	0%	100%
Total	6%	25%	50%	16%	2%	1%	0%

Size of Dwelling Stock in the Study Area

8.18 In this section we have presented forecasts for growth in the number of households in the HPDD Sub-Area by type, and size requirements of different types of households in terms of the number of bedrooms. In order to derive an estimate as to the number of dwellings of each size required in the period to 2021 (see Table 8.6), we have combined the datasets shown above. The calculation works as follows:

- Confirm the regional level dwelling size profile by a household type. For example, 43% of one person households occupy a three bed dwelling (Table 8.5) (However, it should be borne in mind that this approach may underestimate the average occupancy requirements of smaller households in the HPDD Sub-Area, as there is a greater

incidence of under-occupancy in the Sub-Area than in the wider East Midlands. (See Section 6).

- Apply the appropriate % representation (e.g. 43%) to the projected number of households of the selected type in 2026 (e.g. 28,096 for one person households – See Table 8.3)
- The new provision figure is the figure derived by the calculation above for 2026, less the provision of the house size for the household type in 2006.

8.19 Table 8.6, below, is based on our household forecasts by type; it shows the estimated requirement for dwellings of each size that would need to be delivered in order for the mix of dwelling sizes in each household type group to remain constant. The analysis shows that in order to meet dwelling size requirements, almost 50% of the new dwellings delivered in the period will need to have three bedrooms (or 4,000 in absolute terms). Only 15% (or 1,400) of the new dwellings required will need to have one bedroom with only 8% to be of four or more bedrooms (750 total).

Table 8.6: Dwelling Requirements by size

Household Type	Growth in Households 2006-26	Number of Bedrooms					
		One	Two	Three	Four	Five	Six+
Couple/Family	453	9	89	240	95	16	5
Lone parent	353	3	102	206	37	5	0
Other multi-person	727	7	201	340	153	19	6
Single Person	7,795	1,388	2,643	3,328	404	18	13
Total	9,328	1,407	3,036	4,114	689	58	24
% of Total	14%	15%	33%	44%	7%	1%	0%

8.20 These results are indicative and should be interpreted with caution, for two reasons. First, the household type projections (Table 8.2), and the data profiling dwelling size against household size, are for the East Midlands region (Table 8.5); as we have highlighted, applying this data (which is the lowest level available) to HPDD Sub-Area level datasets raises the likelihood of, respectively, underestimating the growth of smaller households in the HPDD Sub-Area, and underestimating the degree of under-occupancy amongst these households, and it is not possible to judge the degree to which these trends offset each other. Secondly, we have not accounted for the fact that demand for different sizes of dwelling from each household type may change. The course of research for the SMHA has revealed a number of trends and characteristics of the HPDD Sub-Area that suggest that the house size profile for different household types may change over time, and how households are composed may change in response to increasingly acute affordability issues.

8.21 Whilst the growth in single person households will be significant, *we suspect that these projections may overstate the level of growth of single person households and hence the need for one bed dwellings.* If affordability problems remain as severe as they have over the last few years in the HPDD Sub-Area, one might expect to see more households comprising unrelated individuals (other multi person households) rather than single person households.

8.22 We have noted a strong desire (Section 7) amongst older age groups to remain in their current housing. The propensity to remain in existing housing into and through retirement / old age and the “empty nesting” stage may be especially high amongst the current 45-64 cohort, which has significantly expanded through in-migration. Many members of this group have had the wealth to buy excess household space and are likely to have the wealth to maintain it. As a

partner dies, it is quite possible that the remaining partner will remain in the family home – pushing up the representation of single people in the largest sizes of housing.

- 8.23 Whilst the number of such households may not be large, it would have a notable relative effect on the current proposed numbers of the largest housing (five bed plus), which is in overall short supply across all tenures (Section 6). *We suggest that this method of projection underestimates the future need for larger dwellings in the HPDD housing market area generally; though we must also consider that it is the natural inclination of the market to build larger family homes anyway, especially in Derbyshire Dales District (See Section 6), and these are likely to particularly appeal to in-migrants. Hence developers in Derbyshire Dales District should be encouraged to develop smaller, 2 and 3 bedroom, housing over 4 bedroom homes, with the emphasis on 4 bedroom housing being built mainly for social rent.*
- 8.24 The representation of families in three bed housing may be artificially high, and is likely to contain a significant amount of households in over-occupied social housing, and owner occupiers in three bed housing who aspire to larger housing but cannot afford the significant cost of stepping up the housing ladder (See Section 6). *We suggest that this method of projection underestimates the future need, and, in the case of existing owner occupiers, demand, for four bed dwellings in the HPDD Sub-Area housing market generally. Though, as suggested above, the development of houses of four bedrooms and more in Derbyshire Dales District should be skewed towards social rented housing.*
- 8.25 The over representation of families in three bed housing also relates to findings in Section 6, which revealed that the stock turnover of market housing was lower than the regional and England averages in the Housing Market Area, and especially so in Derbyshire Dales District. The limited availability was particularly acute for entry level one bed and four bed market housing for owner occupation. This is compounded by the low level of rental opportunities for dwellings of this size, and the low turnover of one bed and four bed social housing. *This may mean that the latent demand (if not an actual housing need) for four bed housing from families in owner occupation or rental accommodation further down the house size ladder, or for example key workers² from within or outwith the HPDD Sub-Area may be proportionately substantially greater in the HPDD Sub-Area than it is regionally and nationally. A shared ownership four bedroom housing product might assist some of the higher income households, though the logic of using scarce public resources to provide what will be an expensive affordable housing product to provide for households that are not necessarily in housing need is, of course, questionable. However, as prices continue to rise in the long term (See Section 9), there may be an emerging, if very small, economic driven, need for such housing in order to assist in the recruitment and retaining of workers in high level occupations who wish for four bedroom housing, who can afford it elsewhere, and whose ultimate purchasing decision may pivot on this factor; the Housing Needs Survey featured anecdotal evidence of an employer who “reported that he is moving out of the Peak District in order to buy a four bedroom house which he could not afford in the Peak”³. This might be an isolated case, but the fact the fact that it has been mentioned is significant in itself.*
- 8.26 The table below compares the DTZ estimated distribution of overall requirement, as in Table 8.6, with the distribution of the affordable housing requirement, as suggested by the 2007 Housing Needs Study by John Herington Associates (JHA).

² The broader definition, as set out in the Housing Needs Survey, which includes care assistants, social workers and other healthcare workers, and also workers perceived to be in short supply locally, by employers, as well as those in the Government defined “Key Worker” occupations

³ Page 152, Paragraph 11.25; Derbyshire Dales & High Peak Joint Housing Needs Survey, Final Report March 2007

Table 8.7: Comparison of projected dwelling size requirements: All tenures versus affordable

% distribution of forecast additional requirement	Size of Dwelling (bedrooms)					
	1	2	3	4	5	6
All dwellings (DTZ)	15%	33%	44%	7%	1%	0
Affordable (JHA)	34%	43%	20%	3%		

- 8.27 It is important to bear in mind that the size of the home occupied or demanded is dependent on household income and wealth. Table 8.6, which displays the projected dwelling size requirements by household type, assumes that households in the future will have access to broadly the same amount of space as households (which may not hold true if affordability continues to decline or, conversely, if affordability is restored by a marked housing correction).
- 8.28 Section 6 revealed that the stock turnover of social rented housing was generally very low across all sizes of general needs social rented housing. In such an instance, it might seem logical to prioritise the dwelling sizes with the highest expressed and future arising need, which is 1 and 2 bed accommodation. However, the following issues should be considered, *which point towards favouring two bed units over one bed units, and more three and four bed units over one and two bed units:*
- Where possible, it makes sense to secure the type and size of new affordable homes that best fit into a wider lettings strategy. For example, some authorities have been able to create a chain of lettings and house a number of households through the targeted provision of certain types of dwellings (e.g. by delivering one large home, authorities may be able to house a number of smaller households or by providing attractive alternatives for older people authorities may be able to re-let a number of larger properties to families in priority need).
 - Housing lists, which contribute to Housing Needs Assessments (such as the JHA Housing Needs Survey), will tend to be skewed to housing on the smaller side of acceptability due to allocations policies and are based on numbers applying, not those who are likely to be housed. The apparent bias towards smaller dwellings reflects allocation policies – the rationing of affordable housing resources means couples are only entitled to one bedroom and families are entitled to much less space than they would have available in the owner occupied sector (with young children often required to share bedrooms and significant numbers of families living in flats).^{4 5}
 - Consideration of those *in need* (rather than all applicants on the housing lists) suggests a proportion require larger properties, often because they are young families with children and/or are not considered suitable for flats because of the lack of a garden or play space for children.
 - There is also a case for avoiding over delivery of one bed properties (even though the numbers on the housing list suggest there is a large need for these). These are the least flexible dwellings (Such inflexibility is usually reflected in a high lettings turnover, and the fact that this is not the case in the HPDD Sub-Area might be due to the shortage in

⁴ As evidenced by the applicants on the waiting list

⁵ It is also worth considering that if allocation policies entitled households to similar amounts of space as owner occupiers, the main requirement would be for 2 and 3 bedroom properties

lettings, and hence transfer, opportunities across the stock of social housing overall. In many cases, the additional cost of an extra bedroom is marginal so, for example, delivering two bed rather than one bed flats need not necessarily impact on the numbers of affordable homes delivered. Furthermore, our contact with national housebuilders has revealed a shying away from providing flats for owner occupation. Therefore, the extensive development of one bed units, which can only really be provided in the form of flats, could detract from the aim⁶ of “tenure blindness” in new housing developments. Building in extra space in the social rented stock (a two bed house instead or a one bed apartment) would have benefits in terms of limiting further polarisation between sectors.⁷ If this can be achieved at limited additional cost it could have additional benefits in terms of the flexibility of the stock and stability of communities.

- The size and type of affordable housing delivered also needs to take account of neighbourhood character e.g. in terms of design and density considerations. One bed flats might not be appropriate in many cases.
- Finally, and not least, emerging government policy expressed through the *Homes for the Future* Housing Green Paper, advocates increasing the provision of family housing within a wider push to increase the provision of affordable homes to rent and to buy.

8.29 There is, therefore, a case for securing a mix of different sizes of affordable homes but also attaching a level of priority to the delivery of different sizes at different points in time. This might, for example, involve a short term emphasis on providing three, four and even some five bed properties (to help create chains of lettings (See 8.27, above), within a provision profile that delivers smaller (one and two bed properties) over the long term.

8.30 There is also a case for delivering a greater proportion four bed affordable properties, essentially for social rented housing, but also as intermediate housing in some cases (See paragraph 8.24).

8.31 Historic household growth in HPDD Sub-Area has been accommodated by growth in the owner occupied and the private rented sectors. The stock of social rented housing in the HPDD Sub-Area declined between 1991 and 2001, in contrast to the East Midlands region where the stock increased marginally over this decade. Whilst it is acknowledged that only a proportion of existing households may be able to access intermediate housing products at present, the development of this market in the area, which seeks to bridge the gap between social renting and open market home ownership, has the potential to make a significant contribution to meeting housing need in the area in the future. Estimates of the scale of potential demand for intermediate housing products in the HPDD Sub-Area have been derived from the JRF (2005) report ‘Affordability and the Intermediate Housing Market’.

8.32 The report sets out two measures of the intermediate housing market:

- **The broad definition:** the proportion of working households in each local authority area unable to purchase at lower quartile house prices for two and three bed dwellings.

⁶ Integration of tenure (sometimes referred to as “tenure blindness”) is advocated by the Housing Corporation (Design and Quality Strategy 2007), and English Partnerships (English Partnerships’ Quality Standards Delivering Quality Places). These two organisations are the “component” elements of the proposed Homes and Communities Agency, and hence their policy stance in this area might be interpreted as de-facto Government Policy.

⁷ See DTZ’s research for the South East Regional Assembly and SEEDA (2007) on Housing Type and Size in the South East

- **The narrow definition:** the proportion of working households in each local authority area that can afford to pay a social rent without recourse to housing benefit but cannot purchase at lowest decile house prices for two and three bed dwellings.

8.33 PPS 3 defines intermediate housing as:

“housing at prices and rents above those of social rent, but below market price or rents. These can include shared equity products (e.g. Homebuy), other low cost homes for sale and intermediate rent”.

8.34 Estimates of the scale of the intermediate housing market in the study area in terms of both the broad and narrow definition are presented in Table 8.8. The data suggests that within Derbyshire Dales there are around 1,100 households that could afford to pay a social rent without recourse to Housing Benefit but who could not afford to purchase at lowest decile house prices for two and three bed dwellings. The same figure for High Peak is 1,600. We believe that the narrow definition of the intermediate housing market to be a more robust indication of the scale of potential intermediate housing demand. The equivalent figures for the East Midlands equate to 17.6% of the working population compared to around 20% in the study area. We have also included data for the neighbouring regions, in which employees in the study area often live for comparison.

8.35 It should, however, be appreciated that the publication of PPS3 enables local councils to apply their own interpretation and criteria concerning the qualification for intermediate housing products. It may therefore be appropriate to re-visit this issue to see if applying different criteria to the narrow definitions used within the HNS could improve the overall position.

8.36 The data indicates that there is significant scope to introduce further intermediate housing products in to the study area. The Peak National Park Authority already has a “more affordable” category tied to a restricted occupancy condition that satisfies the intermediate housing definition in PPS3, and has the potential to serve as a useful element as part of a wider intermediate housing provision “tool kit”.

8.37 The Park Authority has adopted Supplementary Planning Guidance that gives additional information to people wishing to provide affordable housing in the National Park. Implementation is through a more robust Section 106 agreement to ensure affordability ‘in perpetuity, for smaller homes’. Derbyshire Dales District Council and High Peak Borough Council have both also published Supplementary Planning Documents on affordable housing, which set out the detailed operation of Local Plan policy.

8.38 Reiterating the principle advocated in paragraph 8.26 for the whole of the HPDD Sub-Area, above, we believe that there may, in the National Park, be a limited role for additional larger (four bed plus) homes available through shared ownership to complement the initiatives mentioned above, so providing access to four bed housing to families that might not otherwise be able to access it and thereby releasing smaller, lower priced stock.

Table 8.8: Estimates of Scale of Intermediate Housing Market

	% Working Households in Broad Definition	% Working Households in Narrow Definition	No. Working Households in Broad Definition	No. Working Households in Narrow Definition
Derbyshire Dales	36.1	23.4	1,765	1,142
High Peak	43.8	19.0	3,807	1,657
East Midlands	33.4	17.6	138,965	73,069
North West	28.0	9.5	184,53	62,157
Yorkshire and Humber	30.1	10.8	152,529	54,577

Source: JRF

- 8.38 The rest of this section examines intermediate housing products, exploring how partners in the HPDD Sub-Area could use intermediate housing products to help address housing need.

Intermediate Housing Market Schemes

- 8.39 Over the last 15 years, intermediate housing schemes have been launched, then discontinued when priorities have changed or resources have been used up. Eligibility criteria have varied – sometimes with anyone on the Housing Register being able to apply, at other times, eligibility being limited to key workers. Equally, at various points in the housing market cycle, shared ownership and other forms of intermediate housing have not appeared to provide value for money to purchasers.
- 8.40 The current suite of mainstream products subsidised through the Housing Corporation and English Partnerships are set out below as identified within Section 6 of this report. These schemes were only launched at the beginning of 2006, though they build on the experience of the Key Worker Living scheme, and prior to that a variety of low cost home ownership schemes, mainly shared ownership. Generally, schemes have operated on a very modest scale and have had mixed success.
- 8.41 The stop-start approach to intermediate housing initiatives and constant rebranding has had a number of consequences.
- There is very little consumer understanding of what shared ownership involves, still less the concept of shared equity (where the part-owner will secure their return through taking a share of the increased value of the property upon sale), and a degree of suspicion given people’s overwhelming desire to become owners (though shared equity can be a stepping stone to achieving this).
 - There are few organisations dedicated to developing intermediate housing products. Some housing associations have a track record, and some developers have dabbled in the market, but there is not the same expertise or market knowledge as in the development of housing for sale or social renting. The current system of Zone Agents is of fairly recent origin but should, if maintained, build up marketing expertise
 - The limited volume of past activity means that there is, in practice, a very limited market in the sense that people cannot readily sell a shared ownership dwelling in one location and buy another elsewhere. There is no volume provision, such as might drive cost reductions and provide the funds for marketing further developments in the market. The new emphasis on these products in government thinking may address this issue – but will

policy survive the housing market downturn, when the demand for such products might fall?

- There is the problem of product leakage, in the sense that with shared ownership schemes, owners can, depending on the nature of the Section 106 agreement, staircase to 100% ownership and then sell on the open market. In some senses, of course, this can be deemed a success, in that someone has been helped into full ownership. The receipts can also be reinvested, but there is no guarantee that receipts will be reinvested locally or even into more intermediate housing provision. Even if staircasing is appropriately addressed in the Section 106 agreement, there remains, however, a financial problem if the increased value of a property means that a social provider cannot afford to buy back the private share and no other purchaser is available from within the locality.

- 8.42 However, there are positives with regard to the development of a market in intermediate housing products. The need for intermediate housing products is becoming more apparent. According to JRF, outside London, the South East and the South West have the highest proportion of younger working households falling into an intermediate housing market. This position is backed up by recent analysis by Professor Glen Bramley that suggests that there is a potential national market of around 33,000 units a year for LCHO among new households in England. However, this need is found to be overwhelmingly concentrated in the southern regions, particularly in London, the South East and the South West.
- 8.43 The HPDD Sub-Area has in some respects more in common with the South East than the rest of the East Midlands, having higher prices on average than the East Midlands. But, compared to London and the majority of the South East and South West, house prices are lower. Earnings are also lower.
- 8.44 However, it makes sense for the authorities in HPDD to plan to secure intermediate housing where there is the demand for such products.
- 8.45 Often funds are allocated for low cost home ownership through separate processes to those allocated for social rented housing. A policy that acknowledges the scope for intermediate housing keeps open the possibility of drawing in additional resources for affordable housing that would not be otherwise available.
- 8.46 A policy that allows for an element of the affordable housing component to be met by provision of intermediate housing, and not necessarily fixed at a 20% of affordable provision⁸, provides a degree of flexibility in negotiation with developers over affordable housing provision. If the development economics on a particular site look like they may preclude provision of a certain quota of social housing, it may still be possible to deliver the level of affordable housing if there is a mix of social rented and intermediate housing. This flexibility may be important to achieving the aspiration to ensure significant volume of development on brownfield sites.
- 8.47 There are also indications that some developers would prefer to see shared ownership schemes, rather than social rented housing, developed as part of their schemes. If the presence of social rented housing is believed to depress values then it should be possible to extract more land value (and hence enhance deliverability) through a scheme involving shared ownership than social rented housing. Put simply, it should be possible by negotiation to secure a larger number of affordable housing by including shared ownership properties in the development

⁸ On the basis that the Housing Needs Survey calculated that 20% of backlog and emerging households could afford shared ownership.

mix than it would be if the provision was only through social rented properties. However, the merits of this approach should be considered on a case by case basis.

- 8.48 In our view, the most attractive product on offer is Open Market Home Buy and this is likely to generate the most interest. Whilst Home Buy initiatives nationally have so far had limited success, by developing local targets local authorities can maximise levels of Open Market Home buy in their area. Research we have undertaken in London indicates that this product is vastly more attractive than other forms of intermediate housing product. We do recognise, however, that locally within the HPDD Sub-Area, Open Market Home Buy may only make a very limited contribution to the affordable housing needs of local people but, none the less, feel that the opportunity to provide this product should, where appropriate, be encouraged to improve overall housing options and choice.
- 8.49 Open Market Home Buy allows eligible first time buyers (key public sector workers, social tenants or those seeking affordable housing and other priority first time buyers) the opportunity to arrange a mortgage through one of the participating lenders for between 15% and 50% of the value of the house they wish to buy. They will then be eligible for an interest free loan, provided by a combination of the lender and the Government, to cover the remaining value of the house. It may, however, be a deterrent that those taking up the scheme have to arrange their main mortgage through the private sector partner taking the equity share. This may make the scheme less attractive than the previous version of open Market HomeBuy.
- 8.50 Currently, a family on a combined income of £35,000 could typically obtain a mortgage of £122,500. But, if eligible for Open Market HomeBuy and assuming a 50% value mortgage, they could potentially buy a home for twice that value. The scheme is run as a joint venture between the Government and the Nationwide Building Society, Yorkshire Building Society, Advantage, and Bank of Scotland. The financial institutions make their return when the property is sold, through capturing part of the increase in the value of the dwelling.
- 8.51 It is important to realise that shared equity schemes are only now being launched into the housing market. They depend for their success on rising house prices – otherwise the lenders do not secure a return. It is quite possible therefore that if expectations of future house prices growth changed, that these products could be withdrawn, or become much more reliant on government funding. The key issue as to whether this happens is over what length of time the financial institutions have assumed that that their investment will be tied up.
- 8.52 To summarise, intermediate housing potentially has a role to play in meeting housing need and delivering mixed communities. In principle an increased use of intermediate housing products should be a more cost effective way of assisting those who are unable to afford market prices or rents than delivery of social rented housing. Yet it is not the tenure of choice of most households and will not generally house those in priority housing need. Moreover there are uncertainties about the scale of demand for such products, therefore, for the time being, it needs to be regarded as an add-on to the core element of affordable housing provision that should continue to be social rented housing.
- 8.53 It will be important for the take up of such products to be monitored so that if there is shown to be limited demand, the dwellings can be switched back to social rented dwellings; but also to indicate which types of product in which locations are most attractive. This is an area in which much improved market intelligence is needed, and the development of specialist providers. Nationally, there is a widespread need to establish consumer confidence in the

products now available, which may involve local housing authorities and zone agents working together more closely.

9 FUTURE SCENARIOS

Introduction

9.01 This section considers the key social and economic factors that will influence the HPDD Sub-Area market in the future and identifies alternative scenarios that could produce different housing market outcomes for the HPDD Sub-Area. Policy makers and delivery agents can use this assessment to provide them with an early warning about the trends or developments that might impact upon the housing market in the HPDD Sub-Area. To achieve this, the section considers:

- **Drivers of change:** These are the key features of the HPDD Sub-Area, presented in Sections 2-7, that have a major influence on the housing market and the key challenges and issues that this presents for the HPDD Sub-Area.
- **Emerging trends:** These are the potential trends and changes identified by DTZ and the steering group and through discussions with stakeholders at two stakeholder conferences that could impact upon housing market outcomes in the future.
- **Future scenarios:** DTZ has developed a number of broad scenarios that consider different ways in which these drivers and trends might play out in the HPDD Sub-Area and the implications of these for the housing market.

Drivers of Change in the Housing Market

9.02 From the evidence presented in Sections 2-7 report it is possible to highlight three key characteristics of the HPDD Sub-Area that are critical in shaping patterns of change in the housing market:

Economic Structure

- Chapter 5 revealed that the economic structure of the HPDD Sub-Area is dichotomous. There is a net workplace outflow of 12,400, and the substantial population of out-commuters tend to earn significantly more than those who work within the HPDD Sub-Area and are willing to endure a longer than average commute. Conversely, those whose workplace is within the HPDD Sub-Area tend to be in low paid jobs located near home – the economy of the HPDD Sub-Area is akin to much of the East Midlands – high economic activity masking lower than average earnings (around £22,000 per annum, compared to £23,444 for Great Britain¹). There is no evidence to suggest that this pattern might change to any significant degree.

Demographic Change

- There has been an increase in the numbers of elderly households, particularly those over 75. The HPDD Sub-Area has an older than average population and has seen a large increase in single person households, mainly elderly. There has been a significant net out-migration of 16-30 year olds and in-migration of 30-50 year olds, which has served to reduce the working age population.
- This suggests that young people in the area may move out in search of employment, education, broader horizons and higher wages and some are dissuaded from returning because of the lack of affordable homes and appropriate employment opportunities.

¹ Annual Survey of Hours and Earnings 2006

The increased number of larger households within the 30-50 age group may indicate families are moving from outside the sub region, relocating to enjoy the rural quality of life but continuing employment outside the region.

Supply of Housing

- The supply of new housing has been restricted within the HPDD Sub-Area for a number of reasons, principally due to the lack of suitable development sites and restrictive planning policies, including those that allow very restricted development within the National Park. House prices exceed the regional average and are slightly below the national average. House price inflation is in line with national increases. These facts, combined with the relatively low average household incomes, mean there is a significant issue of affordability in terms of housing for local people.
- The limited number of suitable development opportunities also restricts the range of tenure and type of housing. There is also a second homes market, which has an impact on the supply and price of housing in certain villages.

9.03 These drivers give rise to a number of outcomes, as highlighted in previous sections of this SHMA.

- Housing is not affordable to the majority of residents, with owner occupation in the most affordable location in the HPDD Sub-Area, Glossop, Hadfield and Gamesley, only being accessible to 33% of households, and as low as 18% in Bakewell, Matlock, Middleton and Darley Dale.
- The range of tenure and type of housing is restricted since there are high levels of owner occupation and a small social rented sector. The private sector rental sector is small and does not provide a wide range of renting options.
- There is likely to be a significant reduction in the working age population
- There is significant out-commuting to employment opportunities outside the sub-region.
- There is an increasing demand on the infrastructure such as the transport networks. Road transport results in heavy congestion in some areas such as Glossop as commuters travel significant distances to work outside the area
- Those employed within the region tend to be in less well paid jobs and consequently a large majority are not able to find affordable housing.
- There is an increasingly elderly population within HPDD Sub-Area.
- Recruiting key workers and other staff is made more difficult since affordable housing is not available and house prices mean that potential new staff cannot afford to buy. This directly impacts on the ability of employers to take full advantage of economic up-turns in the sub-region and the desirability of the region as a place to set up or continue business activity.

9.04 Development will need to reflect the requirements of a variety of households in terms of size of housing and the overall tenure mix. The decisions facing the HPDD Sub-Area planning authorities are challenging.

- The Housing Needs Survey suggests a quantum of over 604 units of affordable housing is required each year (under the most favourable of circumstances). However, it is recommended that 248 units per annum would be a more realistic target. It calculated that to achieve this target would require 70% of the anticipated capacity of sites without planning permission and above the 15 threshold over the period 2006/7 to 2010/11.
- There is a considerable challenge to be faced, however, in maintaining the momentum longer term as housing land supply reduces and the need to increase the proportion of affordable housing developed makes profit on remaining sites more marginal. Indeed, planned development and further identified capacity across the jurisdiction of the three HPDD Sub-Area planning authorities (part of which lies outwith the HPDD Sub Area) amounts to 8,780 over the period 2006 to 2026², or 439 completions a year, which is 61 less per year than the Secretary of State's Proposed RSS target.
- We have suggested that a higher proportion than suggested in the HNS of new affordable housing be of three and four bedrooms, in order to create letting chains and hence increase letting opportunities for smaller housing. Such a mix would necessarily be more costly per unit to deliver than one with a higher proportion of smaller units.

Emerging Trends

- 9.05 We have worked with the SHMA Steering Group to identify and consider future scenarios for the sub-region. The factors identified, which may influence the future, are set out in Figure 9.1. This is by no means an exhaustive list but it begins to highlight key issues and concerns that might affect the housing market in the future.
- 9.06 Within the planning policy framework, overall, it is important to note that the pace of housing development and hence of population and household growth will depend in the main on macro-economic factors. The pace of economic growth, the level of employment and interest rates are the key determinants of the pace of development and affordability. The main influences of these economic factors are actually external to the UK economy, reflecting international trade volumes, market confidence, political issues, and energy prices.
- 9.07 UK interest rates have traditionally had a major bearing on the housing market. However, despite major interest rate cuts, it is fair to say that recent changes in the supply of mortgage products have placed more demanding requirements on first time buyers. For example, the United Kingdom's largest building society, Nationwide, increased the minimum deposit for new customers in October, to 15%, and also cut the amount it will lend – introducing a lending ceiling of 4.1 times a single or joint income; so whilst the constraints on overall supply of credit worldwide may be easing, the terms of access would seem to be tightening.
- 9.08 The other key dimension that will influence the pace of housing growth and potentially the type of housing in demand, including the scale of need, is the pattern of migration. Migration at the regional and sub-regional level is particularly influenced primarily by changing patterns of employment, house price differentials between areas, and the lifestyle offer of different areas, particularly those within the same broad regional labour catchment

² Updated Appendix 2 with HMA Housing Trajectories, Core Doc HOU43, East Midlands Regional Assembly

area. But migration is inherently difficult to predict. Patterns of movement can change quite significantly at different stages of the economic and housing market cycles.

9.09 Moreover, international migration can be particularly hard to predict. Since the expansion of the European Union in 2004, the number of EU citizens migrating to the UK has increased five-fold. In 2003 the inflow of EU citizens was around 14,000. In 2004, this rose to around 74,000 – 80% of this increase is attributed to migrants from the ten accession states.^{3 4} The latest Government figures state that around 447,000 migrants from these states registered for work in the UK between May 2004 and the end of June 2006, of which 265,000 were Polish migrants⁵. A recent survey by the Centre for Research on Nationalism, Ethnicity and Multiculturalism indicates that these figures may understate the true level of migration.⁶

9.10 The issue for policy is that the macro economy and the pattern of job growth will affect the pace of development. It could also affect development economics, and ultimately affect the tenure, type and mix of housing it is appropriate to provide. The rest of this section considers this in further detail by examining the economic, social, environmental, technological and political influences that could affect the HPDD Sub-Area in the future.

Figure 9.1: Emerging Trends

	Short Term	Medium Term	Long Term
Social	<ul style="list-style-type: none"> • ‘Buying a lifestyle’ – home becomes a place of work, place for friends and family to visit or even lodge • Divorce Rates and family breakdown – both parents may have access to children at different times and need family space • Impact of higher education - accommodation, ability to retain graduates 	<ul style="list-style-type: none"> • Care for elderly – home based care may be preferred • Inheritance tax and equity release may reduce inter-generational help onto the housing ladder for next generation 	<ul style="list-style-type: none"> • How far will the projected growth in single households arise? • EU migration could have long term implications for the housing market and employment base
Economic	<ul style="list-style-type: none"> • Migrant labour from the EU been increasing over recent years • Interest rate rises, and consequent implications for affordability (recent rise in rate of repossessions) • Skills and capacity constraints in the construction sector • Potential for economic shocks e.g. closure of a major employer • Expansion or sudden dislocation of the Buy-to- 	<ul style="list-style-type: none"> • Home working, part time working and self employment – placing demands on living space and travel to work needs • Globalisation of the property market, with growing numbers of people owning property assets abroad • Impact of global competition on established local businesses 	<ul style="list-style-type: none"> • Pensions gap (housing as asset and for equity release and a significant factor in the expansion of the BTL market) • Ageing workforce and longer years of working life

³ ONS 2004

⁴ The 2004 accession states were Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

⁵ Home Office (2006) Accession Monitoring Report – Note that this records the **cumulative** number of people who have register to work. It does not represent net migration.

⁶ The survey of 500 Poles in the UK found that 64% had signed the workers register

	Short Term	Medium Term	Long Term
	Let market, implications for town centres	• Infrastructure forthcoming	
Environmental	<ul style="list-style-type: none"> • Trade off between housing development and environmental goals becoming acute, particularly in the National Park • Opposition to growth, with potential to slow down the development process 	<ul style="list-style-type: none"> • National road pricing – impact on commuting and household movements • Increased energy efficiency standards in homes (Code for Sustainable Homes) • CO2 emissions targets – what effect on design and cost of housing? 	<ul style="list-style-type: none"> • Climate change – flood risk and household insurance costs • Increased congestion and high fuel prices • Impact on migration patterns
Technological	<ul style="list-style-type: none"> • IT/ telecommunications enable flexible working • Continued scope for flexible working – e.g. effective video-conferencing from home 	<ul style="list-style-type: none"> • Modern methods of construction • Environmental innovation for housing design 	
Political	<ul style="list-style-type: none"> • Impact of PPS3 Housing and forthcoming Code for Sustainable Homes 	<ul style="list-style-type: none"> • How far will commitment to growth remain? 	<ul style="list-style-type: none"> • Change of administration likely between 2006 and 2026, though should not be material to continued National Park designation

Social and Demographic Influences

- 9.11 There are two key influences that stakeholders highlighted (see Figure 9.1) and that we consider could have significant implications for housing in the future. These same issues have been raised during the course of our SHMA work in other areas.
- 9.12 The first is the anticipated growth in single person households, particularly elderly people living alone. The decisions taken by these households in the future will have implications for the housing market. However, the location, type and size of housing chosen by these households will not necessarily be a product of their need for housing. It may relate more closely to other socio-economic needs. For example, in the future, single elderly people may choose home-based care rather than sheltered housing, residential or nursing homes as they get older or as their health deteriorates. This may mean that they continue to live in the family home rather than down sizing and this will limit the flow of larger properties onto the market for those wanting to trade up.
- 9.13 However, the availability of home-based care will depend on policy decisions made in other areas as well as whether carers are available – which may well be a function of whether carers can afford to live in the sub-region. Another factor that these households may consider in their decision about whether to remain in their home or to down-size and move will be how the home, as an asset, is viewed. Increasing numbers of older people may use equity release schemes to top up a pension or to help finance their children or grandchildren to buy a home or to fund care costs. This may become a more significant driver in the future.

- 9.14 It is also quite probable that one may see a market driven and public sector policy driven response to such issues. Private developers and private health care providers may well start to develop a wider range of privately funded integrated housing and care provision that has little in common with current provision. This reflects the fact that it will be expensive to provide more than low level care to people in their own homes, (and the difficulty in recruiting staff will push up costs). Given that households are increasingly going to have to fund care from their own resources, moving to new types of integrated and care facilities may be an increasingly attractive option for some older people.
- 9.15 The behaviour of other single households in relation to their housing choices will also be dependent on factors outside the housing market. Many in-migrants to the HPDD Sub-Area are likely to be either single or two person / couple households, A high proportion of the membership of both these groups is likely to be of an age where they are likely to aspire to start a family. The housing stock needs to be capable of meeting their aspirations, which is more likely to be for a house or larger flat in neighbourhoods with schools and a range of facilities for families.
- 9.16 On the other hand, those committed to single life are often highly flexible with their living arrangements – moving in and out of shared dwellings, perhaps then buying a property and living alone for a while but ensuring they have extra space for taking in a friend or lodger as and when they desire. Those able to access housing in the open market are able to choose housing solutions that meet their wider needs for space for visitors or entertaining or even home-working.
- 9.17 The need for extra space is not limited to households active in the housing market. Households in need of affordable housing may also have requirements for more space than their household size would suggest. For example, parents that have separated may have access to their children on a regular basis and need extra space to accommodate them.
- 9.18 There are also other significant socio-economic trends that would impact on the housing market of the HPDD Sub-Area. A notable example is the ‘pensions gap’, which is affecting the decisions, and actions, of those in the owner occupied sector. Property is increasingly seen as an asset that offers some security against the possibility of a declining income in later life, as well as a place to live. Furthermore, this has been a prime motivation amongst landlords entering the Buy-to-Let market. The second dimension to this is that people will have to work for longer to secure their pension with the result that they may delay decisions to relocate or downsize when they may have done so in the past and freed up housing for those wanting to trade up.
- 9.19 There is the added implication that older workers may take up new jobs created in the economy of the sub-region. Half of all new jobs created in the UK economy in 2005 were taken by those above the retirement age. This may mean that the contribution of in-migrants to the growth of the economy is less than anticipated which may also limit the opportunity to diversify or improve the skills base of the HPDD Sub-Area. These consequences serve to illustrate how the impact of policy decisions elsewhere could have significant impacts upon housing choices.

Economic Influences

- 9.20 As outlined earlier in this section, the underlying performance of the economy of the HPDD Sub-Area has been one of the key factors that has shaped the housing market and had an impact on patterns of migration and on the socio-economic structure of the area. In thinking about the future, it is, therefore, relevant to consider the prospects for economic

development for the HPDD Sub-Area and with relevance to this, the adjacent housing market areas which also have significant plans for economic and housing growth.

- 9.21 We assess the future economic prospects of the HPDD Sub-Area's economy by considering the positioning of the area in relation to the three drivers of local economic performance:
- **Availability of skilled labour**
 - **Infrastructure**
 - **Quality of Life.**
- 9.22 The three drivers must be considered within the context of the Nathaniel Lichfield and Partners Employment Land Review (ELR) for the Peak Sub-Region (including the HPDD Sub-Area⁷) of August 2008, which predicts there will be a period of continued decline in the key manufacturing sector. Given the area's (especially High Peak's) reliance on manufacturing, the ELR advises the management of such decline, and the promotion of diversification to minimise impact.
- 9.23 The ELR recognises the need to diversify the economic base and create a range of employment opportunities for local residents in different sectors and skill levels, and suggests a strategy based on the *following themes* that would support sectoral shift and aid the enhancement of the general productivity of firms:
- Support development of the indigenous business base
 - Encourage growth of embryonic industries, including creative industries, food & drink, and tourism
 - Actively pursue appropriate relocations
 - Secure public sector funding to improve existing employment areas, or unlock sites with potential for provision for incubation units and premises for knowledge based industries.
- 9.24 Each element of the strategy would be unlikely on its own to be sufficient.
- 9.25 **Availability of Labour:** The importance of ensuring an appropriate supply of affordable housing in order for the HPDD Sub-Area economy to grow at a pace that continues to meet the needs of the population, is highlighted by the findings of the Nathaniel Lichfield and Partners Employment Land Review (ELR) for the Peak Sub-Region (including the HPDD Sub-Area⁸) of August 2008, and the JHA Housing Needs Study of 2007.
- 9.26 The ELR also considered recruitment difficulties to be a significant threat to the sub-regional economy. To this end, we would suggest that the path of the housing market has an important role in the diversification of the HPDD Sub-Area economy, and the management of the decline of the manufacturing sector:

^{7 8}Whilst this SHMA has previously noted (See Section 1) that the borders of the HPDD Sub-Area and the Peak Sub-Region are not conterminous, the dominance of the HPPD Sub –Area within the Sub-Region in terms of population and area is such that it is reasonable for general conclusions regarding employment land the Peak Sub-Region to be taken as applying to the HPPD Sub-Area.

- *Through ensuring a supply of affordable housing sufficient to accommodate an enhanced graduate labour pool.* The drive to broaden the economic base will be underpinned by an enhancement of the representation of knowledge based industries, which will require a good pool of graduate labour (the Employment Land Review highlighted the good supply of people in the Peak Sub-Region qualified to the equivalent of NVQ Level 4 or above – though the net loss of young people from the HPDD Sub-Area suggests that membership here is likely to be disproportionately skewed to older age groups). *Anecdotal evidence collected by the ELR suggests that many graduates are precluded from returning due to their inability to afford housing in the Peak Sub-Region.*
- *Through ensuring a supply of affordable housing sufficient to allow the area's strongest manufacturing firms to thrive.* Whilst the manufacturing sector in the HPDD Sub-Area is contracting, there are a number of specialist sub-sectors that are thriving, according to the ELR, and whose future path is based on growth through enhanced productivity. The results of primary and secondary research undertaken as part of the ELR and the Housing Needs Study suggest that such productivity led growth may be compromised by an inability to recruit and retain both specialist skilled workers (HNS), and the destabilising effect of not being able to fill lower paid posts that become vacant through natural labour (HNS) churn (which might, according to the Ashbourne Economic Assessment cited in the ELR, force companies to relocate elsewhere); both recruitment problems having the inaccessibility of the housing market as a key factor.

9.27 **Infrastructure:** Whilst certain aspects of what might be termed, the “soft civil infrastructure” of the HPDD Sub-Area, such as schools, are strong drivers for economic development, the economy of the HPDD Sub-Area is at risk of being debilitated by the quality of the employment land supply. The Nathaniel Lichfield and Partners Employment Land Review (ELR) for the Peak Sub Region (including the HPDD Sub-Area⁹) revealed a number of issues, which will only be resolvable in the medium to long term.

- That many allocated employment sites are constrained by physical site limitations (topography, flooding, limited site infrastructure and, in some cases, the need for improved site access), which may prevent their coming forward for development due to development viability issues. The study considered that public funding from EMDA for the appropriate remediation would probably not be forthcoming due to the non-strategic nature of the sites, and suggested that residential development could have an enabling role at some sites
- A high number of developed sites that were in use by a single firm, and which had been developed to meet the specific needs of the firm. The site survey undertaken as part of the study revealed a number of issues and quality, access and proximity to other uses that might serve to debilitate their future use as an employment site once that firm had departed, and de-allocation might be considered in some cases.
- Notwithstanding development constraints, the Employment Land review also considered that there was a shortage of sites that met the needs of high technology businesses and the growth sectors of other knowledge based and creative industries

⁹ Whilst this SHMA has previously noted (See Section 1) that the borders of the HPDD Sub-Area and the Peak Sub-Region are not conterminous, the dominance of the HPPD Sub –Area within the Sub-Region in terms of population and area is such that it is reasonable for general conclusions regarding employment land the Peak Sub-Region to be taken as applying to the HPPD Sub-Area.

- 9.28 Overall, the ELR suggests that the appropriate sites and premises must be available and proposes the rationalisation of the employment land supply on the basis that a moderate number of good sites meeting needs was more effective than a large number of sites of varying quality, and which would be difficult to bring forward given site constraints, low rent levels and limited public funding opportunities. The ELR considers the lack of appropriate sites to be a threat to the long term health of the sub-regional economy.
- 9.29 **Quality of Life:** Our assessment is that the HPDD Sub-Area provides a good quality of life. The rural nature of the area with attractive countryside and good schools provides an environment that many people aspire to live in. This quality of life contributes to the growth of leisure pursuits within the HPDD Sub-Area. This is seen in the increase in the number of jobs in industries such as catering, hotels and restaurants. The quality of life in the HPDD Sub-Area also contributes to the second home ownership market as individuals seek quiet rural settings as a break from urban life.
- 9.30 It is important to consider what the impact on the housing market might be with a different economic outlook. The notable level of net out-commuting means that the HPDD housing market is much influenced by the economic performance of other sub-regions - witness how workplace incomes (Chapter 5) in the HPDD Sub-Area are so out of step with the residential based incomes that have driven house price growth.
- 9.31 The economic development path set out by the Regional Spatial Strategy suggests a level of economic development in the sub-area that is consistent with the needs of the population (i.e. not one that seeks to attract additional labour to service such growth, and hence fuels economic driven in-migration). Such a path might be one that provides the appropriate number of new jobs to meet the employment needs of the local population, and of those better paid jobs in superior [Gross Value Added] sectors. The path would stem from a local economic development led, supply-side, restructuring of the HPDD Sub-Area economy as advocated in the Employment Land Review.
- 9.32 This economic development path could reduce the gap between residential and workplace income in the HPDD Sub-Area, especially in a period when the wider regional and national economies are slowing down due to demand side contractions (as is happening at present). However, as discussed above, there are structural impediments to this path, which suggest that the required sectoral shift can only occur over the long term. Indeed, the nature of the current economic downturn (see the paragraphs on Impact of Housing Market Cycle and Possible Downturn, at the end of this section) means that overall affordability prospects for first time buyers might actually get worse, despite falling house prices. It has been reported by the Council of Mortgage Lenders that recent interest rate rises have already led to an increased rate of repossessions.

Environmental Influences

- 9.33 Environmental issues have, generally, become a greater consideration in development decisions at the national and local level, over the last 20 years. The perceived trade-off between housing development and environmental protection is becoming a bigger issue, even though the net environmental impacts of housing are not straightforward. It is important to bear in mind that there are likely to be adverse environmental impacts associated with not building enough new homes, for example, worsening affordability and longer car based journeys to work¹⁰.

¹⁰ ODPM (2005) A sustainability impact study of additional housing scenarios in England

- 9.34 Nevertheless, the opposition to growth is likely to remain in many areas, with consequences for the delivery of housing objectives. Successful outcomes for the housing market will depend on how far the commitment to delivery remains within Government and amongst local partners in the HPDD sub area, as well as how far growth can be achieved in a sustainable manner, and in a way that does not compromise the fundamental environmental protection tenets of the Peak District National Park. A key dimension of Government commitment will be its willingness to fund new infrastructure.
- 9.35 There are a number of possible technological innovations that have the potential to improve the environmental performance of housing. How far increased energy efficiency standards are taken up will depend on how far Government is prepared to enforce rather than merely encourage them. The Code for Sustainable Homes has now been published, but it is a voluntary scheme, and is unlikely to be taken up on schemes that do not require any direct public financial assistance to make the development of the scheme / delivery of social housing viable.
- 9.36 The key technological influence worth highlighting is the change to working patterns made possible by developments in Internet, broadband and telecommunications. These are fundamentally changing the options available in how work is organised. Evidence suggests that increasing numbers of people in the South East of England are working from home one or more days a week and part time working arrangements are also increasing¹¹. This has implications for how people choose and use living space. For many the home is becoming at least a part-time work place.
- 9.37 A second, likely, development is the near certainty that, while road congestion is viewed as a serious issue now, it is likely to become much more significant over the next decade across the HPDD Sub-Area. There are few schemes planned that will have any significant impact on this in the next decade. The technology exists for a national road-pricing scheme to be introduced, but the political will to introduce such a system is unlikely to exist in the next decade.
- 9.38 The introduction of a national road pricing system will have profound but uncertain effects on patterns of mobility and migration, and much may depend on how in practice, the scheme is implemented (e.g. differential pricing for the most congested roads and the least congested, variable charging at different times of day etc). There is also much uncertainty about whether the system would be revenue neutral, or generate revenue and, if so, whether that would be hypothecated to support public transport.

Political Influences

- 9.39 There are obvious risks to policy continuity of a change in administration or leadership at the local or national level. A strong evidence base around housing issues can go some way to mitigating the impact of any such changes. Moreover, recent articles reporting on the Conservative Party's proposed housing and planning policies suggest that there is some degree of a consensus around the need for more housing. The impact of this is likely to be less so in the National Park compared to areas outside it, and, in any event, the political imperative given to National Park designation and purposes seems unlikely to change significantly.
- 9.40 There are also local economic factors, which could influence the housing market. We consider these in the Scenarios section, below.

¹¹ DTZ study for SEEDA on Changing Working Practices in the South East.

Scenarios

9.41 We have considered the following, broad scenarios, which could have implications for the housing market of the HPDD Sub-Area:

The Continued Growth of the Second Homes Market

- The second homes market is currently relatively small in the HPDD HMA compared with other similar regions such as Cornwall and the Lake District. However, the high house price rises in these other regions and the fact that the growth of the second homes market has been relatively small to date may indicate that the potential for growth is larger here than elsewhere nationally.
- If the second homes market was to grow in the medium to long term, the implications for the housing market in the HPDD Sub-Area would be considerable. Reviewing the current impact on the second home hot spots such as Devon and Cornwall, it is clear that increases in the second home market may mean further and more significant increases in house prices as demand outstrips supply. This has knock on effects on the affordability for local people and subsequently the retention of the economically active population. The impact could also mean an increase in dormitory villages where homes are only occupied at weekends. This may cause increased conflict between second home owners and full-time residents.
- Where the number of second home owners in a particular village is significant, the impact on the infrastructure could mean reduced school rolls forcing reviews of the viability of village schools. The impact could also be felt on local shops and businesses as the numbers of residents spending locally may be reduced.
- However, an increase in second home-owners may also provide additional income for the local economy in terms of spending on tourism and leisure pastimes such as restaurants, hotels, and leisure pursuits and local shops and businesses.

Continued Land Restrictions Outside and Within the National Park

9.42 The RSS policy approach to the Peak Sub-Region, and one supported by the Secretary of State, is driven by the principles of protecting the unique environmental quality of the sub-region, coupled with supporting the regeneration of the adjacent urban sub-regions of Greater Manchester and Sheffield / Rotherham. These are important objectives. However, the expression of these objectives by way of the influence on housing allocations, does not sit comfortably with the affordable housing requirements suggested by the Housing Needs Study; if land availability continues to be restrained in line with the policy, the impact on the housing supply and consequently prices is likely to be significant, with a particularly acute effect on the ability of the two local housing authorities to meet the identified housing need, according to the Housing Needs Study.

- This could compromise the efforts of locally based firms to recruit and retain workers, which could erode the local economic base, and reduce employment opportunities.
- The current out-flow of economically active individuals is likely to continue, the increase in the age of the population will continue and the HPDD Sub-Area might become less economically active. This could exacerbate the problem of attracting skilled workers to an area where affordable housing is limited
- Restrictions on the supply of land puts greater pressure on existing potential development sites. The market value of these sites is likely to increase as the demand

exceeds supply. The sites available for development are likely to remain as small infill and refurbishment sites in urban centres or exception sites in rural areas.

- The tighter restrictions within the Park increase pressure on areas outside the Park. However, it needs to be considered that the absence of a regional allocation for the National Park should not be read as zero development. For whilst it indicates that the National Park is not expected to contribute to regional and sub-regional totals, the National Park Authority can still, through the rural exemption route, address locally arising needs in a manner that is compatible with conservation and enhancement. The unambiguous nature of the policy strengthens the rural exemption policy route, acting as a device to deter rural exception site land owners from holding on for higher land values (hope value) in the hope of securing market housing on the site.
- Over the 16 years leading to 2006/7, the average completion rate in the Peak District National Park was “inflated” by a succession of large schemes on sites suitable for, or in need of development, and schemes involving the conservation led conversion of a number of historic buildings; these opportunities have been recognised as finite¹². This trend will put more burden on the role of small to medium exception sites in delivering affordable housing. Whilst much good work has been done in bringing forward a supply of affordable housing in the National Park through rural exception sites, additional thought needs to be given as to the means of meeting both the backlog and newly arising needs.

Relationship with other Areas (Particularly with Manchester and the North of the District)

9.43 The popularity of the HPDD Sub-Area as a place to live for commuters to the surrounding conurbations has been well documented in this SHMA; families with relatively high incomes are moving into the area to occupy larger family houses, attracted by the perceived lifestyle package (low levels of crime, quality of schools and general quality of life).

- What also needs to be considered is the long term effects of existing and potential households that are being “priced out” of the market.
- Different markets exist within the HPDD Sub-Area for different types of household and levels of affordability.
- The quality and availability of a range of housing to suit different markets, and the flexibility of this market to meet changing demands as households change over time, is important in order to provide a sufficient labour supply for the economy of the HPDD to grow at a level that is consistent with serving the needs of its population. The extent to which this quality and range of housing is developed in the medium to long term will impact on the economic prospects of the HPDD Sub-Area.
- The HPDD Sub-Area currently competes with other areas particularly to the North, for example, in Manchester and Sheffield. Individuals will compare housing and employment opportunities within the region against those outside in terms of availability of well-paid employment and housing opportunities. Value for money and the life style available in alternative locations will be major considerations in the decision making process.
- The composition and development of housing markets outside the region are important to the sub-regional market since increasingly people also look further afield for a place to live whilst still being within commuting distance to work. It is

¹² Peak District National Park Annual Housing Report 2007

clear that people who cannot afford housing in the HPDD Sub-Area will look at alternatives outside the area and these economically active individuals may never return. The HPDD Sub-Area will have to compete on a number of grounds, not only on the housing factors such as affordability, quality, type, tenure and the range of housing options, but also on the availability of a range of employment opportunities and leisure attractions such as bars, health clubs, cafes and restaurants. The availability of land for development to enable an increase in the numbers of affordable housing units supplied is limited. The scope of stakeholders to target sites has been limited since there has been no HPDD Sub-Area wide mapping of land availability. The SHLAA is currently underway and should address this situation. Likewise, the Plan review that this SHMA contributes to are intended to update land availability.

Impact of the Housing Market Cycle and Possible Downturn

9.44 Precipitated by the recent major contraction in the financial lending market, aka “*the Credit Crunch*”, the current market downturn marks the end the unprecedented period of house price growth that began in the late 1990s. This could have several effects on the HHPD Housing Market Area:

- Despite falling sales values, home ownership is becoming less affordable for many. This is because, due to the “credit crunch”, demand for homes, especially first time buyer homes, has become uncoupled from sales price movement. The withdrawal by lenders of previously favourable mortgage products, requirements for deposits increasing and mortgage lending rates increasing despite Bank of England Base Rate cuts, are all factors that are raising the cost of home ownership in the face of falling sales prices.
- Values might not fall in the HPDD HMA to the same degree as they are elsewhere, on the basis that a significant driver of the housing market here is in migration of existing home owners, many of whom might be “equity rich”, and so less reliant on mortgage financing.
- The credit crunch has particularly affected the financing of apartment building, and many housebuilders have intimated that they are moving away from apartment building in non-metropolitan locations in favour of small two bed houses. Whilst apartment developments have not traditionally been an important supplier of housing in the HPDD Sub-Area, it is still the case that if such a view is realised then apartment development is one less tool that can be used to assist making the development economics of marginally viable development schemes “stack up”, through raising development densities. This SHMA has already highlighted (see Section 6) that the build rate in the HPDD Sub-Area might slow as the supply of sites reduces, and the need to increase the proportion of affordable housing developed makes profit on remaining sites more marginal.
- The house building industry is in a state of flux, with many suspending or running down their land acquisition and development programmes. Given the long run in times of housing developments, this hiatus could have long term effects on the rate of house building in the HPDD Sub-Area, and hence the delivery of affordable housing.

9.45 The latter two points suggest an increasingly important role of public finance in bringing forward the development of sites for affordable housing.

- 9.46 There are signs that the credit market, following the recent unprecedented intervention by national governments worldwide in their respective financial markets, is beginning to stabilise; a good proxy for the health of the credit market is the London Interbank Offered Rate (LIBOR), and is essentially the rate of interest at which banks can borrow marketable funds from each other, in the London interbank market.
- 9.47 The value of LIBOR index as a proxy for the state of the credit market is by virtue of it reflecting the confidence banks have in each other for lending purposes. In recent months, as the exposure of the financial markets to the credit crunch became gradually more apparent, the LIBOR rates increased significantly – a tangible sign of the diminishing confidence banks had in each other. Now, following the recapitalising of financial systems by governments across the world, interbank confidence is rising, and the LIBOR rate has been falling. There has also been a global co-ordinated easing in monetary policy, and further Bank of England Base Rate cuts are widely perceived as being likely over the coming twelve months. Credit may become less scarce, and indeed, reflecting the October Base Rate cut, Halifax, Lloyds TSB, RBS, Barclays and Britannia all cut their standard variable rates by 0.5% in early October.
- 9.48 However, whilst the “credit crunch” may well be easing, it leaves a vastly changed mortgage lending market in its wake and has possibly precipitated a worldwide recession. Both of these factors will have a significant bearing on the housing market over possibly the next four years or more.
- 9.49 First, with regard to the lending markets, the United Kingdom’s largest building society, Nationwide, increased the minimum deposit for new customers in October, to 15%, and has also cut the amount it will lend – introducing a lending ceiling of 4.1 times a single or joint income; so whilst the constraints on overall supply of credit worldwide may be easing, the terms of access would seem to be tightening.
- 9.50 Second, with regard to a possible recession, the Bank of England Monetary Policy Committee in October 2008 perceived a risk of a sharp slowdown in the economy, associated with weak real income growth and the tightening supply of credit, and this was material in its decision to cut the Bank Rate to 4.5% in October and to 3% in November. Indeed, DTZ Research forecast year on year growth of only 1.1% in 2008, and 0.5% in 2009. DTZ now anticipates a period of negative growth and recession over early 2009, with a low growth environment expected to follow throughout the remainder of next year and into 2010.
- 9.51 DTZ then expect the economy to rebound by mid 2010 as falls in interest rates start to work through the economy. There are concerns that the impact of rising energy and food prices will contribute to continued inflationary pressures, but these are likely to be offset into 2009 by the economic slowdown and falling oil and commodity prices, which should help curb wage inflation and enhance price competition in the market place, leading to lower consumer price increases than would otherwise have been the case.
- 9.52 With regard to the possible implications of a UK wide recession, and generally more demanding terms of mortgage credit, on the housing market of the HPDD Sub-Area, this may only be speculated on at a very high level; there are many imponderable factors that will have a material impact and which cannot be considered in this SHMA.
- 9.53 We have already pointed out (See 9.44, above), how values, in a national housing market downturn, might not fall in the HPDD Sub-Area to the same degree as they are elsewhere, on the basis that a significant driver of the housing market here is in migration of existing

home owners, many of whom might be “equity rich”, and so less reliant on mortgage financing.

- 9.54 A cross sector recession may have slightly more complex effects on the housing market of the HPDD Sub-Area. A recession might reduce (in the course of its duration) the migration of commuter households to the HPDD Sub Area, particularly to High Peak Borough from Greater Manchester, where a strong travel to work relationship underpins a high level of household migration (See Section 2).
- 9.55 In Derbyshire Dales District we have previously noted the significance of the migration of empty nester and / or retired households, many of whom are making cash purchases, and so who might be considered relatively “more recession proof”; over the course of a recession this sector of the population may be notable by their higher “rate of activity” relative to other purchaser groups. However, as to how the recent steep fall in pension fund values affects the behaviour of “empty nesters” of pre-pensionable age is another factor to take into consideration; this is a significant “imponderable factor” making analysis of future behaviour amongst “empty nesters” particularly hard to judge; the effect might be that purchaser activity amongst this group in Derbyshire Dales District actually falls spectacularly.
- 9.56 In a housing market downturn, one might expect housing to become more affordable, as house prices fall in relation to households ability to purchase. However, a housing market downturn driven by a recession and a tightening in the conditions of credit will put a downward pressure on households ability to buy; there are two key factors at work here:
- The recession will lead to an increasingly competitive labour market¹³, curbing wage inflation
 - Changes in the nature of supply of mortgages is pointing towards higher deposits and reduced lending ratios
- 9.57 How house prices in different areas react to these important demand side factors will depend on the proportion of existing and potential households exposed to these factors, and their degree of exposure.
- 9.58 This SHMA understands that a significant proportion of migration to High Peak Borough is comprised of professional, family, households; whilst these households might be considered to be wealthy, their exposure to recessionary factors may have a bearing on the timing of major life events such as a housemove, and many who might have been planning a move to a property in High Peak Borough may make alternative plans.
- 9.59 We have already highlighted how the response of the housing market in Derbyshire Dales to a recession is particularly hard to call. Activity in a “less affected” (in relation to the overall population) empty nester market may mitigate house price falls at a time when the size of mortgage many households are able to access is falling in absolute terms; it is quite possible that housing may become less, rather than more, affordable for many in Derbyshire Dales District during the course of the impending recession. The opposite may be true in a scenario were fears over future retirement income make empty nesters more cautious, significantly reducing purchaser activity.

¹³ It is not possible within this SHMA to gauge the specific likely impact of a recession on the vitality of businesses, and hence labour market demand, within the HPDD Sub-Area

10 CONCLUSIONS AND POLICY IMPLICATIONS

10.01 The key reason for undertaking this SHMA is to provide an evidence base for the development of policy. The Department of Communities and Local Government (CLG) has identified key reasons why local authorities should work together to investigate the characteristics of sub-regional housing market. These are;

- The ability to better understand how housing markets work;
- The ability to develop a more strategic approach to housing;
- To facilitate better integration of planning and housing policy;
- To enhance ability to pool resources and developing best practice;

10.02 The requirements of the SHMA and how they have been met are summarised in Figure 10.1, below.

Figure 10.1: Core Outputs of the SHMA

Requirement of SHMA Guidance	How these are met in this document
Estimates of current dwellings in terms of size, type, condition, tenure	Provided in Section 6
Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market	Provided in Sections 3 (Drivers), Section 4 (demographic drivers), Section 5 (economic drivers), Section 6 (supply)
Estimate of total future number of households, broken down by age and type where possible	Provided in Sections 4 and 8.
Estimate of current number of households in housing need	HNA not required for this study. HNS (2007) reported in Section 7.
Estimate of future households that will require affordable housing	HNA not required for this study. HNS (2007) reported in Section 7. Section 7 provides estimate of the scale of the intermediate market.
Estimate of future households requiring market housing	Section 8 provides evidence on future household types and the implications for dwelling requirements. Overall housing requirements are considered in the Draft RSS and these are also reviewed in Section 6.
Estimate of the size of affordable housing required	HNS not required for this study. HNS (2007) reported in Section 7 provides analysis of waiting list and re-let data in order to understand the need for different dwelling sizes.
Estimate of household groups who have particular housing requirements eg families, older people, key workers, black and minority ethnic groups, disabled people, young people, etc.	Provided in Section 7

10.03 The preceding chapters have indicated that the planning and housing authorities for the HPDD Sub Area face significant challenges to ensure a future balanced housing market. The key conclusions of this SHMA can be broken down into four key areas:

- A need for housing to be affordable if a robust local economy is to be maintained
- An ageing population – the result of both national trends and selective patterns of migration
- A very substantial requirement for Affordable Housing for low income groups – well in excess of the ability to deliver

- Modest housing supply targets that constrain the scope for addressing affordability issues through new supply

10.04 The following paragraphs run through each of these conclusions in turn.

Housing Supply and Affordability as an Economic Development Issue

- 10.05 The first of the four key issues facing the HPDD Sub Area is that housing affordability and the related issue of the supply of affordable housing has a material bearing on the economy of the Sub Area and its business base. The area has a reasonably substantial business base, and, at least in 2001, reasonably high levels of self containment; that is a fairly high proportion live and work locally (Section 5 revealed how a relatively high (29%, compared with the England average of 23%) proportion of people travelling to work are based less than 2 km from their place of residence).
- 10.06 This is evident in that the Sub Area is covered by two Travel to Work areas, the Buxton TTWA and the Matlock TTWA. A TTWA is an area within which at least 70% of people resident in the area also work within the area; and within which at least 70% of people who work in the area also live within the area. Self containment may have fallen since 2001, with more longer distance commuting to surrounding urban centres, though this may have been offset by more people working from home making use of the internet.
- 10.07 The achievement of reasonably high (recognising that self containment tends to diminish with settlement size) levels of self containment are desirable in terms of sustainability since it is associated with shorter journeys to work than would otherwise be the case. It is also desirable in terms of maintaining mixed and balanced communities; that is, communities that are not just dormitory towns or villages, but in which people live and work. Maintaining the business and employment base of the locality is therefore highly desirable for the health of the community as a whole.
- 10.08 Yet trends in the housing market threaten the economic base of the area and the maintenance of more sustainable journey to work patterns. The key issue is that the HPDD Sub Area is generally a fairly low wage economy. Yet it is also simultaneously quite a high price area; so there is a risk that those who are employed in local industries are increasingly squeezed out of the local housing market, and move to surrounding urban areas in search of cheaper housing.
- 10.09 This process is likely to be combined with in-migration of wealthier households who are retired or economically inactive and have no need to work. This reinforces the existing bias within the population of the HPDD Sub Area to the older age groups, and exacerbates the national pattern of an aging population. There are additional pressures from those who wish to move into the area, particularly higher income groups, but who work outside the area in the major urban centres surrounding the HPDD Sub Area, or have flexible work patterns.
- 10.10 The outcome of these processes may be either that local businesses find it increasingly difficult to recruit staff; or that they have to pay more to attract staff. The latter is desirable if it does not undermine the competitiveness of business. It is part of the process by which a local economy grows and develops and local incomes are enhanced. The risk is that a significant element of the local business base is disadvantaged compared to their urban competitors in that they have to pay more to attract staff because of higher local housing costs.

- 10.11 An alternative scenario is that local businesses continue to be able to recruit but only because they recruit staff who live in areas of cheaper accommodation in the surrounding urban areas. The normal pattern of commuting between rural areas and urban areas is that people travel from rural areas into adjacent urban areas to work. A number of rural areas are starting to see significant reverse commuting from urban areas into rural areas because younger families and those in low income employment cannot afford to live in the rural area where they work.
- 10.12 In all likelihood elements of each of the above scenario are likely to be apparent in the HPDD Sub Area. Some businesses struggle to recruit and either move or go out of business. Some pay more to attract labour and hold their own in the market. Some find that they are recruiting larger numbers of people who live in the surrounding urban areas, and some arrange for their employees to be brought in by bus. But generally staff availability becomes more difficult because of in-migration of those who work outside the area, and of economically inactive households.
- 10.13 The net result of these processes is very probably a weaker local employment base; greater difficulty for all employers in recruiting – especially in low pay activities. Many key public services employ relatively large numbers of low paid workers – eg those in the care sector. It is likely that it will become more difficult (though perhaps not during the current economic downturn) for key community services to recruit. This is all associated with less sustainable patterns of journey to work; and less balanced communities.
- 10.14 Action is therefore needed for **economic development and sustainability** reasons to ensure the affordability of housing at the bottom end of market provision, and an expanded supply of subsidised affordable housing (both social rented and intermediate housing). This is needed to sustain the area's local business base, the provision of essential services, to help foster balanced communities in which people at different life stages mingle, and to allow people to work close to where they live.
- 10.15 This is not to suggest that there should be any endeavour to 'preserve' the structure of the local economy exactly as it is now. A healthy economy exhibits a process by which lower value activities are replaced by higher value activities, and in the process wage levels rise. The area will attract new businesses; and part of its strength is the offer of a high quality lifestyle, including suitable housing, for business owners and managers. But growth and sustainability will be constrained if housing at an affordable price is not available for working people on modest incomes.
- 10.16 This points to a need to develop policies to ensure provision of entry level housing, and the provision of market housing at the more affordable end of the spectrum. The natural inclination of the market will tend to be to provide larger housing, through new build and conversion, that will be attractive to equity rich in-migrants. There is therefore little risk of under-provision of housing for more senior personnel, since the latter can be assumed to have the resource to compete for housing in the open market and are willing and can afford to travel further to work which widens their choices

The Effects of an Ageing Population and Selective Migration

- 10.17 The HPDD Sub Area is characterised by having a somewhat more elderly population than regional and county benchmarks, though this entirely attributable to the much higher representation of older age groups in Derbyshire Dales, while the High Peak has a lower proportion of older households than county and regional benchmarks; However across both the High Peak and Derbyshire Dales the number of older households can be expected to increase in the future.
- 10.18 These patterns are the product of a number of effects. First, the anticipated growth in older age groups reflects a national trend of growing numbers of older people as the baby boom generation age, and as people live longer. This will affect both Derbyshire Dales and High Peak Districts. It is also associated with growth of single person households comprising increases in single pensioner households and single person households below pensionable age.
- 10.19 In Derbyshire Dales it is also clear that there is a pattern of selective migration going on that reinforces the bias of the older population, with in-migration of families with older children, probably associated with those who have advanced in their career, and are making a lifestyle move to a rural location; and in-migration of those who have significant resources and no longer need to work, or are formally retired. The counterpart of this is that the younger economically active population is being squeezed out.
- 10.20 The economic implications of these trends have been highlighted above. The implications in terms of sustainable and balanced communities have also been highlighted, and these apply to Derbyshire Dales in particular where the pattern of selective migration is most apparent. But there are housing and social care implications for both authorities in dealing with an aging population living in relatively dispersed locations.
- 10.21 The authorities will need to start to consider the extent to which they seek to ensure that there is a mix of housing and care options that meet the needs of the growing numbers of frail elderly in the existing population. Derbyshire Dales may additionally seek to address the particular biases in its existing housing stock and patterns of new development that reflect and reinforce selective patterns of migration. The housing needs of those of who will provide care for growing numbers of elderly people also merit consideration.

The Need for Affordable Housing

- 10.22 In many parts of the HPDD Sub Area, a majority of households cannot afford to buy suitable accommodation and may therefore be forced to move out of the area in order to find affordable alternative. This situation means that the Housing Needs Survey identifies an annual requirement for between 600 and 750 new affordable homes each year over the next five years. This compares to an average rate of new build completions (market and affordable) of around 505 dwellings over the period for the period 1998-06, and a planned target in the EIP Panel Report in the Draft RSS of 500 dwellings pa for the HPDD Sub Area.
- 10.23 Put simply, the assessed annual need for affordable homes exceeds the totality of new homes built each year at a time when the development market was very active, and exceeds the totality of all new housing development as envisaged in the Draft RSS or the Panel Recommendations. The conclusion to be drawn from this is simple. The HPDD Sub Area needs as much additional affordable housing, social rented and intermediate, as it can secure. Housing need vastly outweighs the capacity to deliver. Through whatever

mechanisms are available the housing and planning authorities need to maximise the provision of affordable housing.

Modest Housing Supply Targets Constrain Action through New Development

- 10.24 The Draft Regional Spatial Strategy proposed a target of an average annual provision of 420 new dwellings within the HPDD Sub Area. This is below the average annual provision of around 500 dwellings pa achieved in HPDD Sub Area in recent years, though new provision in the Peak District National Park has contributed to the achievement of this target, and there can be no presumption that the level of provision in the Peak Park will be maintained in future. The Secretary of State has proposed that the annual provision figures be increased to 500 dwellings pa, all of which would have to be provided outside of the Peak National Park, since there is no target for housing provision in the National Park. All provision of new housing in the Peak District National Park is on an exception basis.
- 10.25 Provision of an average of 500 dwellings pa in future years would only represent an annual addition of 0.7% to the annual stock of dwellings (assumed to be around 71,900 at the end of 2007). If this target were to be achieved by 2026 around 12% of the stock in existence at that time would have been built in the previous 20 years. The capacity to influence the overall profile of the stock of dwellings in terms of size, type and tenure is quite modest, but not unimportant.
- 10.26 It is important to the achievement of not just national and regional policy, but to achievement of local policy objectives that every effort is made to deliver this quantum of new housing development. Without it, affordability problems will be worse, though acknowledgement needs to be made that the strength of demand arising from the desire to live in a high quality rural environment, is such that affordability would not be significantly better even if double or treble the number of dwellings were built.
- 10.27 However, increased provision of affordable housing depends on new development unless there are funds for purchase of existing properties, be they existing properties in good condition or properties in need of renovation. In the recent past an increasing proportion of affordable housing has been secured in conjunction with the development of new market housing through Section 106 agreements. It is important therefore to secure new market housing development as a means to secure additional affordable housing provision, and to encourage market provision at the more affordable end of the spectrum of market housing.
- 10.28 The challenge for the planning and housing authorities in the HPDD Sub Area is that the supply of land for residential development is significantly constrained (see Section 6). This is in part due to the large extent of the Peak District National Park. There is a presumption against new open market housing in the National Park except in a few cases where it may be essential to an agreed need for enhancement. But even outside of the National Park, land suitable for housing development is in short supply given the rural nature of the area; and the sites that are available are often small and both costly and time consuming to develop. Even within the urban areas the scope for development is generally limited to a number of small sites or conversions of existing buildings. The authorities will have to work hard to identify sites that are viable for housing development.

IMPLICATIONS OF CURRENT TRENDS

The economy of the HPDD Sub Area is likely to have to adapt to a reduction in the number of working age people.

- 10.29 The number of residents in employment in the HPDD Sub Area has been increasing in recent years, to the point where in 2007 most people seeking employment are now in work. Population projections based on the housing allocations outlined in the RSS suggest that the number of resident working age people in the HPDD Sub Area will decline by almost 10,000 over the next 20 years. If the resident workforce does indeed decline by some 10,000 people this could have a major impact on the local economy. The Housing Needs Survey identifies that a number of employers were already facing difficulties in recruiting.
- 10.30 There are some trends which may ameliorate the recruitment problems implied by population projections and restraint on housing growth. The peak of the economic cycle occurred in 2007 and from 2008 it is anticipated that unemployment nationally is likely to grow, and there is likely to be some impact of the national downturn in the economy on the local economy. Some businesses are likely to cease trading in a severe economic downturn and unemployment will increase. However, recovery is expected in due course, and the trends would suggest that labour shortages could re-appear. Increased participation in the workforce by those over the current retirement age may provide a partial solution to recruitment difficulties. It has also been suggested that since the local economy has a high proportion of small business and self employed people, they may retire with no creation of a corresponding vacancy. However if the economy remains buoyant the most likely impact is increased in-commuting from urban areas with lower housing costs. This has implications in terms of sustainability.
- 10.31 Policy makers therefore face a considerable challenge over the next 20 years in securing a good balance between the need of the HPDD Sub Area in terms of having a good variety of employment opportunities; the need for staff to provide quality services to support local communities; the staffing requirements of local businesses; and the availability of people within the local labour market to meet these requirements. The provision of housing is important, and the role of affordable housing in ensuring that those in lower paid employment can work locally is a vital part of achieving a good balance of jobs, homes, workforce and population in a sustainable manner.

Affordability Issues in the HPDD Sub Area are Here to Stay

- 10.32 As shown earlier in this study average house prices in the HPDD Sub Area are now similar to the national average but average earnings remain around 10% below the national average. The relatively high prices compared to incomes is a result principally of the in-migration of higher earning households from neighbouring conurbations, further exacerbated by the popularity of the area for holiday and second homes. There is a deep seated desire among a large proportion of the English population to live in attractive rural areas. Thus there is no evidence that the pressure of demand for housing in the HPDD Sub Area will diminish and alleviate affordability problems.
- 10.33 The draft RSS constrains housing supply in the HPDD Sub Area relative to anticipated household growth as set out in CLG Household projections. There may be some improvement in affordability as a consequence of the downturn in the housing market, but attractive properties and areas are likely to retain their value better than other areas, so any improvement in affordability may be modest, and it is possible that the relative position of the area deteriorates. In the long run, demand is likely to exceed supply, given that the area

is accessible to surrounding urban centres with their opportunities for employment and the pressure from in-migrants simply wanting to live in an attractive area. Therefore prices will be bid up and the area is likely to experience above average house price inflation over the long term.

- 10.34 This does however imply that the development market is likely to be more robust than other areas in both the short and longer term; and that there is more scope for securing affordable housing provision through Section 106 agreements than in lower value areas experiencing weaker demand.

Housing, Planning and Social Care Policy needs to Anticipate the Consequences of the Aging Population of the Area

- 10.35 The aging population of the HPDD Sub Area will be the major source of the predicted increase of one-person households within the HPDD Sub Area, as the in-migration of the 45-64 , or “Baby Boomer”, cohort grows older. An increase in the under-occupancy of dwellings can be anticipated, especially in the owner occupied sector, with increasing numbers of older couples and singles living in 3-bed or larger properties.
- 10.36 While many high income in-migrants should have the means to maintain, modernise and adapt their homes, it is quite possible that with difficult times for investment products and savings, and inadequate provision for pensions, not all will have the means to look after and adapt their home. There are also many “indigenous” people in 45-64 age cohort who have worked locally and have limited savings. There is likely to be an increase in the number of people living in ‘problem housing’ as defined in the Housing Needs Survey because it is less suited to the needs of the occupant and possibly too large for them to maintain.
- 10.37 Policy makers need to respond to this emerging challenge. The desire of the majority of older people is to stay in their existing home as long as they can; and if they do have to move, to stay within the community in which they have lived. Policy makers are likely to respond by providing assistance to help people stay in their existing home. However, declining health, mobility of financial need may mean that people have to move. It is important that a range of suitable accommodation is available within local communities, so that people do not have to move away from established support networks in their later years, when those networks are of increasing importance. Ensuring the provision of a suitable range of accommodation is something the planning and housing policies can contribute to.

RECOMMENDATIONS

Recommendation 1: Work to Identify and Maintain Flow of Residential Land Supply

- 10.38 The discussion above highlights the importance of securing the ongoing delivery of new market housing provision to the delivery of new affordable housing, notwithstanding that there may be enhanced opportunities for housing associations to acquire land for direct development in the current housing market downturn. These opportunities are only likely to last for a few years, and may not be on a significant scale in the HPDD Sub Area, given that the underlying drivers of demand and supply will provide a floor to the downturn.

- 10.39 Authorities are required by PPS3: Housing¹ to identify in Local Development Documents broad locations and specific sites that will enable continuous delivery of housing for at least 15 years, and separately identify sufficient deliverable sites to deliver housing in the first five years of the plan. Authorities are to maintain the five year supply of sites year by year throughout the implementation period of the housing trajectory.
- 10.40 The HPDD partners are working towards the achievement of these objectives and have commissioned a Strategic Housing Land Availability Assessment (SHLAA) to identify suitable land for housing development. Information from the SHLAA has not been available within the time period before completion of this study. Given the nature of the land market in the HPDD Sub Area, and the downturn in the development market, it may be challenging both to identify a 15 year supply and a supply of land suitable for delivery in the current market. However the SHLAA is a key stepping stone to ensure delivery of both new market and affordable homes.
- 10.41 Policy constraints within the National Park will necessarily continue to modify the approach needed towards open market housing, the concept of a 5 year supply and the use of SHLAA findings.
- 10.42 Some indications of possible new sources of land for housing development have been identified in the Employment Land Review undertaken for the three local planning authorities. The Employment Land Review suggests housing could have an enabling role in bringing forward for development some of the allocated employment sites on the margins of viability; that is, there may be a win-win solution to ensuring the development of some employment sites that have not attracted development interest, by permitting the development of a mixed residential and business development, the higher returns from residential use in effect cross subsidising the development for employment uses.
- 10.43 The Employment Land Review also identifies a significant number of existing sites in industrial use, that in the event of the relocation or closure of the occupier, would be unlikely to attract interest for redevelopment for employment use given their location. Such sites, the ELR suggests, would have little role in a future employment land portfolio, and hence could be brought forward for housing. Some of these sites are well located in central locations and it could be argued would be better in residential use than industrial use.
- 10.44 The HPDD partners should consider the recommendations of the ELR on a site by site basis, particularly with regard to sites that may be released from employment use. The findings should be considered together with the pending findings of the Strategic Housing Land Availability Assessment. The three authorities will then be able to develop and identify land supply strategies over the medium to longer term to meet housing demands.
- 10.45 If there are difficulties in identifying land suitable for housing development, there may be a case for the HPDD partners adopting a proactive approach to encourage change of use on employment sites. This might entail helping existing employers to identify alternative sites, and providing enabling development to enable businesses to relocate, and thereby release sites for residential or mixed use development. It may be possible to structure partnership arrangements on significant sites so that development proceeds are shared by the existing occupier, a developer and the community. It may not always be possible, however, to find alternative employment sites.

¹ Planning Policy Statement 3 (PPS 3) November 2006

10.46 DTZ cannot emphasise enough the importance of ensuring an adequate supply of land for residential development and property suitable for redevelopment or conversion, for both meeting housing provision targets and helping to address the very substantial and urgent requirement for more affordable housing. The SHLAA should therefore be updated on a regular basis to ensure that the information is current and useful to stakeholders, housing organisations and developers. PPS3 requires local authority planning departments to review the supply of deliverable sites each year and to monitor housing delivery.

10.47 Some might think that the pressure to identify housing sites has reduced as a consequence of the downturn in the housing market. In practice the need for good information and a supply of a wide range of sites is important to maintaining delivery through the housing downturn. Many developers may not proceed with development until values have recovered sufficiently to cover the costs incurred in acquiring land. Others may not develop because they lack finance. This does not mean that development is not viable in the current climate, but many sites may be sterilised for a while. Increasing the number, and variety of housing sites available for development increases the chance of maintaining the momentum of development in the downturn.

Recommendation 2: Increase the Contribution made to the Provision of Affordable Housing through Section 106 Policies

10.48 The scale of housing need in the HPDD Sub Area is such that it justifies policies that seek to maximise the provision of affordable housing through Section 106 policies to the degree this is consistent with viability. It has been no part of this study to consider development viability, so DTZ cannot formally recommend the adoption of a particular thresholds at which affordable housing policies should apply or the appropriate level of quota. However on the basis of the insight we have gained to the local market as a result of this study and our experience elsewhere we would make a number of observations that will help inform policy development.

10.49 First, we note that it is a particular difficult time in which to develop policies for affordable housing, because development viability in most locations has been significantly undermined by the downturn in the housing market. However, authorities are seeking to develop policies for affordable housing that will apply in normal market conditions. Affordable housing policies should therefore be developed on the presumption that the market for new housing development will recover, even if the conditions of 2006-07 do not return. It is also possible that sites may be viable, but not at the inflated land prices at which they were acquired. Some restructuring of land values and possibility with this, land ownership, may be required to revitalise the development market.

10.50 Analysis needs to be undertaken of the pattern of past housing provision by site size, and the size of sites likely to be brought forward for housing development in future. If, as we understand to be the case, smaller sites account for a reasonably significant proportion of future housing output, consideration should be given to reducing the threshold at which affordable housing policies apply as part of endeavours to maximise affordable housing provision. Housing associations would have greater scope to develop affordable housing units if the threshold was reduced.

10.51 In the context of the HPDD Sub Area DTZ would recommend that the planning authorities consider reducing the threshold at which affordable housing policies apply outside of the National Park. PPS3 states that in general the minimum level at which the threshold should be set is 15 and outside the National Park this is the threshold generally applied in the HPDD Sub Area currently. However PPS3 confirms that thresholds can be set at a lower level than 15 where an area has high levels of need which cannot be met on larger

- sites alone and/or where the majority of housing supply comes from small sites. This would in many ways complement the 100% requirement for affordable housing on sites (other than enhancement sites) within the National Park. Here, the authority should consider applying thresholds and viability criteria to conversions and sites (albeit few) where open market housing is justified in order to enable an enhancement project. Particularly in the National Park context, it will be important to continue using section 106 agreements to make sure that new, locally needed, affordable housing continues to fulfil that role in perpetuity.
- 10.52 The Secretary of State's proposed changes to the RSS indicate a target of 7,300 affordable homes over the period 2001 – 2026 for the Peak, Dales and Park HMA, which suggests that 58% of all new housing (assuming the proposed RSS target of 12,500) should be affordable (or 53%, if presuming 1,200 homes are build in the National Park during the period). This does not necessarily imply that the affordable housing quota set by local authorities in their Local Development Documents can realistically seek to achieve a 58% quota of affordable housing. In practice very fewer authorities were achieving a quota of even 50% affordable housing at the peak of the housing market. Currently High Peak District seeks a 30% affordable housing quota and Derbyshire Dales a 45% quota where applicable. Both authorities should investigate the scope to increase the quota of affordable housing they could achieve, but undertaking a strategic viability study. It is important that such a study examines viability not only in the current market but assesses viability in a more normal context.
- 10.53 Of course establishing a quota in policy does not necessarily mean that this level of quota will in fact be achieved. This reflects the fact the economics of development on each site are different and it may be genuinely difficult because of exceptional costs to deliver the level of affordable housing on a particular site. But the HPDD partners need to be in a position of strength in negotiating affordable housing contributions. To do this, the three authorities need to be able to undertake their own development appraisals if they are to be able to test and challenge the viability assessments prepared by developers. This is an area in which the authorities have some expertise but it could be further developed.
- 10.54 The HPDD partners will also want to ensure that they maximise the investment drawn into affordable housing provision from the Housing Corporation, and from December 2008 from the Homes and Communities Agency. In the current environment the authorities should work with housing associations to identify opportunities for associations to acquire sites, and potentially, part completed developments, for development of schemes comprised wholly of affordable housing. There is a particular opportunity in the current market environment for associations to acquire land, and provided there is flexibility from the Housing Corporation about grant rates, to build for social rent and more Low Cost Home Ownership and Intermediate Housing products, and thereby increase the stock of affordable housing. This will compensate for the likely reduction of affordable housing provision through Section 106 agreements.
- 10.55 Success in drawing in Housing Corporation/HCA investment depends on good relationships with well capitalised housing association and non-RSL (e.g. private developers and Arms Length Management Organisations (ALMOs) investment partners. The HPDD partners should continue to develop constructive partnership arrangements with key associations that are willing to commit themselves to the area. The local authority partners should seek to ensure that their housing association partners are committed to reinvesting in the locality the proceeds of any sales through shared ownership sales or subsequent staircasing receipts, where this is permitted.

Recommendation 3: Policies for the Mix of Market Housing

- 10.56 PPS3 consolidates government thinking on planning for mixed communities and what that should mean in terms of planning for a mix of tenures and housing types in new development. The government wishes to foster the creation of mixed communities. What a mixed community is not defined but for an area such as the HPDD Sub Area which comprises a number of self contained towns and villages it must mean that settlements have a mix of people at different life stages and of different incomes.
- 10.57 Policy as set out in PPS3 is that authorities should be aware of the ‘overall balance of different household types to be provided for across the plan area, to ensure housing provision is made for example for family, single person, and multi-person households..... for smaller sites, the mix of housing should contribute to the creation of mixed communities’. PPS3 does not indicate a requirement for authorities to set specific targets for different types or sizes of dwellings, though if this is needed to achieve mixed communities they may be appropriate.
- 10.58 The authorities in the HPDD Sub Area therefore have a responsibility to think about the implications of planning for mixed communities and planning for the types of household that will be living in the HPDD Sub Area in the future. This thinking should inform how the local authorities seek to influence the type and size of dwellings both in new private sector development and in terms of affordable housing provision, the latter through their partnership with Registered Social Landlords.
- 10.59 In addition to planning for mixed communities and for the types of household that will be living in the HPDD Housing Market Area in the future DTZ maintain that three additional considerations need to be taken into account by the authorities in seeking to influence the type and size of dwelling provision:
- Long-term policy objectives.
 - The nature and location of the site;
 - Evidence of market demand;
- 10.60 We consider each of these factors in turn.
- 10.61 **Long Term Policy Objectives:** A key consideration for the HPDD Sub Area arises from the need to achieve sustainability in terms of the balance of jobs, workforce and housing. In particular the area faces a considerable challenge that local employers are likely to find it increasingly difficult to recruit lower paid employees because of the shortage of affordable market housing and subsidised housing. In the longer term this is likely to damage the local economy, work against sustainable patterns of travel to work with labour being sucked in from areas with lower housing cost areas adjacent to the HPDD Sub Area, work against mixed and balanced local communities within the Sub Area.
- 10.62 The overall quantum of new housing that can be developed within the HPDD Sub Area is to be determined through the RSS process taking into account economic and demographic issues and environmental constraints on new housing provision, within an overall strategy for ensuring the sustainable development of the region. Given that (with the exception of the relatively small number of new houses anticipated within the National Park) the quantum of new development is determined externally, the principal lever through which the HPDD partners can seek to influence the social structure of the Sub Area is by

influencing the type of new market housing, as well as maximising the provision of affordable housing.

- 10.63 **The Nature and Location of the Site:** Different sites and locations will lend themselves to provision of different dwelling types, densities, and hence size of dwellings. Normal planning considerations need to be applied taking into account the characteristics of particular sites and the surrounding area. Given that the HPDD Sub Area has a number of distinctive towns, it will be important to consider what is appropriate in terms of the size and type of dwellings needed in those towns as well as what is appropriate to the particular site under consideration.
- 10.64 **Market Demand:** In general it is accepted throughout the majority of the economy that markets provide an effective way of matching demand and supply, and that the relative profitability of different products provide a powerful signal to enable the allocation of those resources to where they produce the greatest benefits to society. The market for new housing is a highly regulated market, because the private market cannot fully take into account all the societal costs and benefits arising from a certain pattern of land use. But market signals can still play a very important role in indicating what type and size of dwelling is most in demand.
- 10.65 The problem about simply letting the market determine what type of new housing should be built in the HPDD Sub Area is that housing supply is significantly constrained relative to demand; and the area is subject to very significant demand for housing arising from outside the area. The market will naturally respond to the dominant demand, and will therefore tend to encourage in-migration, and reinforce the patterns that are undermining the sustainability of the local economy and of local communities.
- 10.66 In the case of the HPDD Sub Area DTZ maintain that there are strong justifications for the authorities seeking to exert strong influence over the size and type of market housing that is developed; since the market is not able to take into account the societal disbenefits of the resultant patterns of economic and social change that catering for the dominant market demand will give rise to. DTZ's view is that the market is sufficiently robust that the development industry will not be deterred from development if tight guidelines over what is built for market sale are imposed.

Recommendations for Policies on Mix of Market Housing:

- 10.67 In Derbyshire Dales District there is a bias in the existing stock of dwellings to larger and detached dwellings. The problem of housing affordability in the District is partly due to this bias in the housing stock of the District. Overall affordability could be improved by encouraging development of smaller units (2 and 3 bed properties) when in many locations the natural inclination of the market will be to build larger family houses, which are likely to particularly appeal to in-migrants. Caution should be exercised in encouraging the development of very small units (eg 1 bed properties) since they are inherently less flexible than larger units and hence less suitable for a wide range of different households.
- 10.68 High Peak Borough has a large stock of small properties (many old terraced houses in mill towns) than Derbyshire Dales and this is a factor explaining why High Peak District is more affordable than Derbyshire Dales District. The development market is also somewhat weaker than in Derbyshire Dales District. There is therefore less need to seek to correct a bias in the existing stock of properties through influencing the pattern of new supply, and more risk of discouraging development.

- 10.69 Within the Peak District National Park all new housing is built on an exception basis, or to enable enhancement projects including conversions. Considerations of what is environmentally acceptable in a particular location are likely to be dominant, but within the constraints imposed by these considerations there are likely to be benefits in terms of improving the overall affordability of housing of building small units. There is however, more scope to take into account specific local needs in deciding the appropriate mix of housing.
- 10.70 As a more general principle within particular towns within the HPDD Sub Area local authorities should seek to ensure the provision of a mix of accommodation to suit the different life stages and financial circumstances of residents. The provision of a range of housing types and tenures will reduce the requirement of individuals and families to move elsewhere because suitable accommodation is not available. It may therefore be sensible to deliberately seek to encourage greater variety of provision (in terms of dwelling type and size) at the level of individual settlements.
- 10.71 This principle would indicate that authorities may wish to consider the development of settlement specific policies regarding the mix of tenure and types of new housing in different parts of the HPDD Sub Area to recognise the different characteristics, needs and opportunities for development in the towns within the Sub Area.
- 10.72 It is worth noting that local authorities have no real powers to control or even influence the tenure mix of new market housing or the division in the existing housing stock between home ownership and private renting. It is important to acknowledge however that the private rented sector performs a useful role in local housing markets and is now the primary source of accommodation for those unable to buy, but who cannot access social housing.

Recommendation 4: The Tenure and Size Mix of Affordable Housing

- 10.73 With respect to affordable housing, PPS3 indicates that there is a need to establish an overall target for affordable housing provision. Recommendation 2 sets out the key considerations in determining the overall target for affordable housing in terms of a quota of affordable housing to be secured in connection with new housing developments. Outside of the National Park targets and thresholds should be set out in relevant LDF documents as they will form the development plan for use in the determination of planning applications. Within the National Park, the Housing Strategy, which is updated annually, may be the appropriate document in which to publish targets for social rented and intermediate housing in light of need for the National Park planning authority to liaise with several housing authorities.
- 10.74 The Housing Needs Survey recommends that the local authorities seeks to secure 80% of all affordable housing as social rented housing and 20% as intermediate housing. DTZ would endorse this recommendation but would encourage the authorities to be very flexible as to where, when and how much intermediate housing to seek on any particular scheme. The predominant requirement is for social rented homes, but there are a variety of reasons why provision of intermediate housing is useful tool and can make a contribution to achieving policy objectives.
- The inclusion of an element of intermediate housing can, in the right market conditions, improve scheme economics, helping schemes that would struggle to provide a full quota of affordable housing to do so.

- Intermediate housing provides a broader range of housing choices to those unable to buy in the open market; and is targeted on a different group to social rented housing and hence helps to create more mixed communities.
 - There are often separate funding allocations for intermediate housing, so seeking an element of intermediate housing increases the chances of maximising the overall investment that can be secured for the area from the Housing Corporation/HCA investment.
- 10.75 However, DTZ would recommend that the authorities do not seek to apply the 80:20 social rent to intermediate housing rigidly, consideration must be had for both site specific circumstances and pervading market sentiment; at certain times in the market there may be little demand for shared ownership or shared equity schemes. In most areas this is the case at the present time, when the entire sales market is affected by lack of mortgage availability and confidence. Care always need to be taken to ensure that any proposed provision of intermediate housing is attractive to potential purchasers and competitive compared to buying entry level housing elsewhere in the region.
- 10.76 Consideration should also be given to what form of affordable housing is appropriate in any particular neighbourhood. In the HPDD Sub Area, there are relatively few large concentrations of existing social housing. But where there are such concentrations it may be desirable to promote a higher proportion of intermediate housing in order to introduce more social mix into the community.
- 10.77 It is also useful for the authority to be able to have flexibility in determining the proportion of intermediate housing when negotiating the level of affordable housing provision on particular sites. It can be that in the right market conditions, increasing the proportion of intermediate housing will make it possible to achieve a full quota of affordable housing, when it would not be viable to do if the authority stuck rigidly to the 80:20 ratio. Flexibility on the proportions of social rented housing and intermediate housing is useful in seeking to achieve the overall quota for affordable housing on a consistent basis.
- 10.78 In terms of the size and type (houses or flats) of affordable housing provision there is no need for local authorities to specify the requirements in Local Development Documents. Local authorities can influence the pattern of provision in the light of current needs, as identified by analysis of Local Housing Registers, through their relationship with housing associations.

Recommendation 5: Maximise the Provision of Affordable Housing through Exception Sites

- 10.79 There is a very successful programme of provision of affordable housing on exception sites throughout the HPDD Sub Area, achieved with the support of rural housing enablers. This success needs to be maintained since it has not only delivered affordable housing in particular localities where it is needed, but the programme has delivered a significant volume of new affordable housing. The Peak District National Park has been particularly successful and the other authorities should seek to explore if the same approaches adopted by the National Park Authority can be adopted into policy in the other rural parts of the authorities outside of the National Park.
- 10.80 The Peak District National Park Authority's approach to affordable and its 'More Affordable' Housing scheme relates to RSL and privately developed housing for occupation, which is delivered through the rural exceptions route at less than the market price. At the heart of the programme is the imposition of legal conditions that imply a

restrictive condition on occupancy 'in-perpetuity'. This condition typically restricts sales to people with strong local connections – such as 10 years residence in the past 20 years. This ensures that new affordable housing continues to meet the need in the locality that justified, exceptionally, a new building within a protected landscape.

- 10.81 The application of restrictive sales covenants, along with policies limiting the size of dwelling to be built to accommodate no more than five persons and, has had the effect of keeping prices of the 'more affordable' housing around 37% below open market levels; hence the description of the dwellings provided through this programme as 'more affordable' is apt. In addition schemes of three or more dwellings have to involve an RSL.
- 10.82 All this has resulted in building up a portfolio of new rented, part owned and fully owned sub-market homes where relative affordability has been secured in perpetuity. They form part of more than 1500 new homes permitted between 1991 and 2007, (approximately 95 per annum) within the National Park. Some of these were conversions, and with a few unusually large new-build schemes contributed to the relatively high and significant average rate of completions. For example in 2006/07, 105 residential units were completed, including three schemes providing affordable housing.
- 10.83 The supply of large sites or buildings suitable for or in need of redevelopment is likely to be finite, so in the future, the Peak District National Park Authority considers it likely that the supply of new housing will be closer to the trend completion rate of smaller schemes and conversions (around 48 dwellings per annum of which 43 would be in Derbyshire). This will make it all the more imperative that an adequate supply of land is found in the HPDD Sub Area outside of the National Park to deliver the RRS target for housing completions.
- 10.84 The HPDD Sub Area authorities need to clarify with the Regional Assembly whether housing completions completed in the National Park will contribute to the delivery of housing targets set out in the RSS as they have in the past; and whether the authorities can make any assumptions about the possibility of what are essentially windfall completions that may come forward in the National Park in preparing their housing trajectories, and ensuring a 5 year land supply. The National Park Authority have emphasised that there is and can be no target for provision of housing in the National Park.

Recommendation 6: Planning for an Aging Population

- 10.85 The evidence indicates that the population in the HPDD Sub Area is aging. There is an increasing number of elderly single person households and this is associated with increasing levels of under-occupation of private housing. These homes, if released back onto the market, could provide accommodation for families within the HPDD Sub Area or for those migrating from outside.
- 10.86 It must be acknowledged that most older people wish to stay in their existing home. However there is scope for planning, housing and social care policies to work together to ensure that older people have a good range of housing choices, and can if they wish move to accommodation within their established community that is better suited to their needs in terms of cost, location or access to support services.
- 10.87 The recommendation that the HPDD authorities seek to ensure provision of a significant proportion of new housing provision is made up of smaller units would contribute to this choice by providing older people with more options if they wish to downsize, whether that be for financial reasons or because they are struggle to maintain or look after large homes.

- 10.88 The HPDD authorities are also likely to receive applications for development of specialist housing provision for older people ranging from schemes for the active elderly to schemes providing high levels of care.
- 10.89 Careful consideration needs to be given to issue of whether such schemes will contribute to addressing the needs of the existing residents of the area, or will merely stimulate in-migration of older people with no prior connection to the area. If the latter is the case these schemes merely reinforce patterns of selective migration, and may, if they occur in significant numbers reinforce the bias in the age profile of the local population to older age groups, which may be undesirable given the need to provide housing to maintain the working population of the area to support the local economy. Similar consideration needs to be given to the possible in-migration of people into the houses that are released by any such down sizing, many of whom will themselves need to downsize within 15 to 20 years.
- 10.90 The HPDD authorities should therefore seek to encourage and plan for housing developments for older people that clearly meet locally arising need (though not necessarily exclude non local people), even if this is achieved through market developments. In an area of high house prices it is also important that authorities consider the ability of schemes that entail high levels of care, to recruit local staff, who will generally be low paid, and the interaction that this creates with housing policy. In view of this it may well be appropriate to seek to ensure that schemes targeted at the elderly make a contribution to affordable housing provision.
- 10.91 The local authorities need to consider a range of methods to increase the options available to the elderly population including, lifetime home requirements on new developments, increased numbers of small and accessible housing units, and the provision of help for individuals wanting to stay in their own homes. The use of improvement agencies could be important here since they are able to help individuals stay in their homes by carrying out small jobs but also help to retain the integrity of the housing stock.
- 10.92 In future years older people are also likely to make greater use of equity release schemes, though it is not a suitable option for all households. It does represent one option however to enable older households to raise finance to cover the costs of maintenance and repairs to homes.
- 10.93 All of the above points to a growing need for authorities to provide advice on housing issues to elderly households as the population of older people in the HPDD Sub Area increases. Strong working relationships therefore between the professional stakeholders is essential and methods of working should be reviewed regularly.
- 10.94 Provision of suitable accommodation, comprising both targeted schemes and market provision of smaller self contained homes, when combined with a range of support services for moving home such as quality information, help and advice on a range of issues will enable additional choices to be made available to the older people.
- 10.95 There is more scope for the HPDD authorities to actively plan for meeting the housing needs of older people in the social rented sector. Partnership working should continue to include the health authorities and voluntary sector. There is a need to review existing social housing schemes for the elderly to ascertain whether these are suitable for current and future demand requirements. One particular issue to be addressed is the fact that some of the existing provision for older people, particular bedsit provision, is outdated. The local authorities within the HPDD Sub Area are currently looking at options for this form of accommodation.

- 10.96 The authorities should also consider whether there is scope for freeing up larger family homes in the social rented sector by encouraging older people who are under-occupying existing houses to move to smaller units. There is a significant level of overcrowding in the social rented sector. Encouraging existing tenants who under-occupy to move would help address this issue.
- 10.97 However, to encourage older people to move into smaller accommodation authorities are likely to need to offer an attractive alternative – probably a two bed property in a good location. While technically an older couple might be deemed to be under occupying this property, this may be a good investment if it frees up a three or four bed property suitable for a family. In turn the ability to re-house a family may free up a smaller property suited to meeting the high level of need for smaller dwellings. Creating these letting chains can lead to more efficient use of the stock of social rented housing as a whole.
- 10.98 Development of an overarching strategy for meeting the housing and care needs of older people should help inform local authority priorities for Housing Corporation/HCA allocations and inform the type of housing sought in connection with Section 106.

Other Recommendations

- 10.99 Other recommendations arising out of this study are as follows:
- The housing markets of High Peak District and Derbyshire Dales are subject to significant influences from the neighbouring urban areas. The HPDD partners should seek to maintain good liaison with the authorities of adjacent urban authorities, and explore areas of common interest. However the character of the HPDD Sub Area is quite distinctive and the policy solutions appropriate to the housing challenges of the Sub Area are quite different to those in the adjacent urban authorities. So the main areas of joint working are between the authorities in the Sub Area. These are already well developed.
 - The authorities should consider, in consultation with the development industry, if there is sufficient clarity and consistency in the application of Section 106 agreements in the HPDD Sub Area. A significant proportion of output in the area is likely to be delivered by smaller builders and if threshold levels are reduced as recommended, more small builders will need to become familiar with Section 106 agreements. It will help the process of housing delivery if the HPDD authorities seek to simplify and or standardise the Section 106 agreement as much as possible, so landowners and housebuilders are clear about the obligations they are likely to have to meet. It would be important for any such work to build on lessons learned in the past and make sure that these are not lost in any simplified text.
 - While there should be a general presumption in favour of on-site provision of affordable homes as part of any Section 106 agreements, there may be situations where off-site provision is a sensible approach or even a payment in lieu of affordable housing provision is appropriate. The HPDD authorities should make it clear the circumstance under which off-site provision or a contribution in lieu of affordable housing provision will be considered.
 - The HPDD Sub Area is subject to significant additional housing pressures arising from demand for second homes, and this may increase as the area is cheaper than locations such as the Lake District and Cornwall. Derbyshire Dales in particular is likely to experience such pressures. The authorities have limited powers to deter purchase of properties for use as second homes and are using such powers as are

available to them. The HPDD partners should however lobby for effective national policies to prevent second home ownership in areas of high housing pressure.

- Consideration should be given to whether there would be merit in establishing a special purpose unit that would be focused on housing delivery and work across the whole HPDD Sub Area. The purpose of this unit would be to ensure best use of public sector land ownership to achieve housing objectives, to work with the HCA to maximise public sector investment in housing provision, especially affordable housing and to ensure a co-ordinated and consistent approach to developer negotiations. Effective use of public sector land – much of it not owned by local authorities – is increasingly important in housing delivery, yet achieving alignment of the objectives of different public sector bodies is far from straight forward.
- Community Land Trusts have been attracting increased attention, have now been given statutory recognition, and may represent an opportunity to draw in additional funding. However it is not clear within the HPDD Sub Area if the CLT model would deliver added value on top of the well developed policies for exception site development. DTZ recommend that the HPDD partners examine whether the CLT approach offers any added value or opportunities to existing practice.