

Developing a housing target model

This paper sets out to explain the methodology Cornwall Council is proposing to use to set out short and long term housing targets.



The role of projections

Traditionally population projections have driven household projections. These have been taken as largely indicative of likely future housing demand, which have then been used as the foundation of new build housing targets.

It is important to understand that these are largely 'policy off', trend based, and as such do not typically build in backlog, or consider issues such as capacity, infrastructure or other policy aims such as economic regeneration.

Projections can usefully test different scenarios, which cover fertility and mortality (natural change) and different rates of migration to and from an area. These different assumptions can be factored in to provide scenarios which explore different levels of likely growth.

Nature of projections

Projections vary depending on the observed trend behaviour that is then modelled. However both early local work, and recently published national work has confirmed that it is far from reasonable to make a direct 1=1 equation, where new household formation = demand for a new house.

This paper explores the methodology of the production of population and household projections and their use to influence the setting of housing targets in the core strategy process. This includes an evaluation of their previous use and consideration of the future possibilities of how trend based projections of population and household change can underpin robust new housing targets for Cornwall, in the policy vacuum caused by the abolishment of regional housing targets. This paper summarises and sets out a new approach, which is to be underpinned by regular updates and reviews.

Review of projections

In recent years, official government population projections and household projections have been produced. Household projections have been published over a five year period from 2006, with base years of 2003, 2004, 2006 and 2008.

Projection	Cornwall 20 year total
2003 based	70,817
2004 based	73,000
2006 based	79,000
2008 based	57,000

The key issue here is the volatility of the trends that can drive quite significant differences in household projections.

The work underpinning housing targets for Cornwall is based on three scenarios of projected population change between 2010 and 2030.

2010 – 2030 change	High scenario	Medium scenario	Low scenario
Population change	131,700	115,550	85,600
Household change	65,690	59,050	46,700

These projections do not take account of future policies – they are an indication of the likely increase in households given the continuation of recent demographic trends. Given the change in household projections over a short period of time, and the clear advice that the household projections are not an assessment of housing need, it is clear that a simpler clearer approach should be taken. This paper sets out that approach.

Key issues for consideration

- **Single elderly households**

A significant percentage of the projected household increase for Cornwall, and indeed the SW and UK, was a large increase in single and particularly single elderly households. This is significant element that the Cornwall model of housing target setting has addressed.

Put simply, the expected creation of more single elderly households is due to the death of a partner. New single households created in this way are unlikely to require a house move, however they may in time downsize or choose to move for care reasons, or to be closer to family. There is some evidence that these moves are often some time after the creation of the single household (death of a partner).

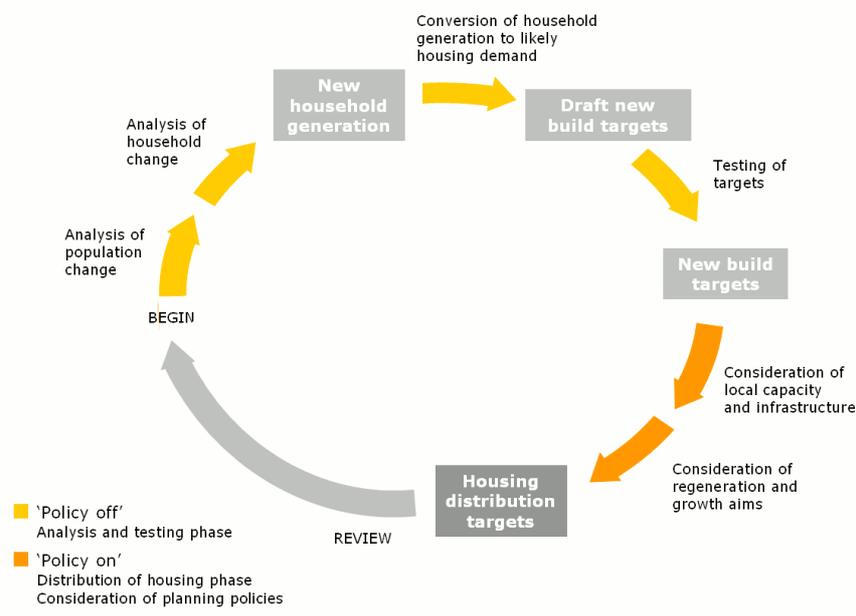
- **The nature of the housing market**

The other issue that needs a brief explanation is that new household formation is typically served by existing housing stock. People or households that need to move usually move from one part of the existing stock to another. New builds are generally a small part of the overall market move of house sales and tenure shifts.

This is an area that requires further investigation and the results of the 2011 Census will prove a significant milestone in better understanding the movements of people and households through the local and wider housing markets. The planned investigation of council tax records will also provide further information.

The model in detail

The housing target model that has been used to produce draft housing targets is shown below.



The proposed approach

The key data components and assumptions used in this model are as follows. Each of the stages allow for updates at regular intervals with the best available local data.

▪ Phase 1: Analysis of population change

The latest official sub-national population projections are used as a baseline population projection.

Using the POPGROUP model, three migration levels were used to model variations of future population change. These were based on high, medium and low levels of experienced recent net migration growth.

The results of this stage should be subject to revision if there are significant changes to the latest data releases. They should be regularly reviewed and rolled forward, in order to be responsive to changes in both population, economic and housing trends.

▪ Phase 2: Analysis of household change

The projected population changes generated from the three migration scenarios are then converted to projected household changes. The latest available local, regional and national data guides the modelling of population into household types and formation.

▪ Phase 3: Conversion of household generation to likely housing demand

This stage sees a discounting ratio being applied to elderly single households to better reflect their housing need. Age specific household generation rates are used to convert household formation totals to housing demand. This is based on proposed rates which take into account the increasingly likelihood that new single elderly household formation will already be suitably housed.

There may be evidence prior to the 2011 Census that can help to evidence this approach.

It is suggested that this approach as well as the overall report and model is validated externally.

▪ Phase 4: Adoption, testing and consultation of proposed housing targets

Further stages are concerned with distribution and are subject to 'policy on' adjustment, to meet either growth opportunities or constraints at more local levels.

Robin Miller
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Appendices

Relevant case studies

- **Migration in later life: evidence from the British Household Panel Study** Evandrou, M., Falkingham, J. and Green, M. (ESRC Centre for Population Change & Centre for Research on Ageing, University of Southampton)

Data from the British Household Panel Study over the period 1991 – 2007 was examined to understand the factors associated with residential mobility among people aged 50 and over. In line with earlier research, the likelihood of migrating, that is, changing address, is found to vary according to the demographic and socio-economic characteristics of the older person. Those in late middle age (50-59) and the oldest-old (90 and over) were most likely to move. Migration was also strongly associated with changes in partnership, health and economic status during the last 12 months, highlighting the importance of seeing migration within a life course context with certain life course events such as divorce, widowhood or retirement being important triggers for prompting a move. As divorce and remarriage become more common in later life, 'relationship driven migration' is likely to become more important, adding a new category to the classical typology of later life migration.

Key findings:

- Around 3.5 per cent of all people aged 50 and over living in private households move addresses each year and this figure has been relatively constant across time.
 - The likelihood of migrating decreases with age until the late 70s/early 80s when the likelihood rises.
 - Those older people living in rented housing are more likely to move than those living in owner occupied housing, with those living in the private rented sector experiencing higher migration than those living in the social rented sector.
 - The likelihood of migrating in later life is strongly linked to other life course events: Forming a new partnership or experiencing a breakdown in an existing partnership, either through divorce or widowhood, can be an important trigger for a move; Exit from the labour market through retirement or unemployment is also associated with migration.
 - Existing typologies of migration in later life may need to be adapted to reflect changes in social norms as re-partnering at older ages becomes more common.
 - Poor health may also trigger a move. However, the relationship between migration and health is not straightforward with higher migration at ages 70-79 among those whose health has improved during the year in which the move has taken place.
- **Change in living arrangements following death of a partner in England and Wales, 1971 to 2001** Hirst, M. and Corden, A. (University of York)

Understanding trends and changes in the circumstances of couples separated by death is important for policy initiatives to reduce vulnerabilities associated with end of life care and for those who live on. This article uses widow(er)hood statistics and census data from the Office for National Statistics Longitudinal Study. It examines changes in couples' living arrangements and households at four successive censuses from 1971 to 2001 and shows how these differ by age and gender on the death of a spouse or partner. Findings draw attention to the effects of ageing and mortality improvements as well as wider social and economic trends in family and household formation, residential independence in older age, and policy developments on long-term care provision for older people.

Changes in living arrangements and household composition following the death of a spouse may result from people moving to join another household or being joined by new household members. Moving house may be linked to changes in people's accommodation

and support needs: to downsize, release equity, or to be nearer friends and family, for example. Findings indicate that such moves were not widespread and may have decreased over time. However, it was not possible to count recent moves into institutional care which can be identified in the LS only by comparing residential location at successive censuses.

People whose spouse died in the early years of the 21st century were generally older than their counterparts three decades earlier. Over the same period, the number of married couples separated by death in England and Wales has progressively fallen¹⁴. Longer life expectancy has been a key driver of these trends although the closing gender gap in mortality improvements has had little impact so far on reducing the predominance of widows among bereaved spouses. For men and women alike however, death of a spouse is mostly experienced in the context of a long life course and increasingly shaped by the circumstances and transitions associated with older age.

The ageing of spousal bereavement has, in turn, influenced couples' family and household circumstances before separation by death. Fewer couples were living with adult children, younger children or elderly parents. Across the study period, couples were increasingly living on their own before separation by death, accompanied by a small but rising number of older people living alone or in communal establishments before their spouse died. Among other factors, wider trends in family and household formation, residential independence in older age, and policy developments on long-term care provision for older people have shaped changes in couples' circumstances. Moreover, stage in the family life cycle was an important determinant of couples' living arrangements before one spouse died although examination of partnership histories was beyond the scope of the data used here.

Following bereavement, most people lived alone, especially in older age groups, signifying for many the adjustment to loss and changes to status or role that follow the death of a spouse. For some, entry to institutional care or living with adult children may be triggered by the death of a spouse. Although residential mobility appears to be associated with widow(er)hood, moving house may not take place until several years after the death, prompted by less direct or immediate consequences of bereavement including changes in health and mobility, income or accommodation needs