Housing Mix, Types & Tenures
Housing Evidence Base Briefing Note 13:

National Policy Context
The NPPF\(^1\) (paragraph 50) states that ‘to deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should: plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand’.

Draft National Planning Practice Guidance has been made available to guide the ‘Assessment of Housing and Economic Development Needs\(^\text{ii}\)’ and this guidance includes an element on how the needs for all types of housing should be addressed.

Local Policy Context
Cornwall Council’s Housing Investment Plan\(^\text{iii}\) has set a number of priorities which include two that directly relate to housing mix, types and tenures:

- Priority 2: Supporting older and disabled people - the needs of older people are changing. In line with national trends Cornwall's population is getting older as average life expectancy continues to rise. By 2031 over one in four people will be over 65. Typically, people’s preference is to remain in their own homes and often this requires homes to be adapted. But in other cases, new forms of supported housing and specialist provision are needed. Cornwall needs to ensure that our housing offer is able to respond to these demographic challenges in a way which reflects people’s wishes and dignity as they grow older.
- Priority 3: Safe and secure homes - Cornwall has a burgeoning number of people living in temporary and insecure housing and in many cases this involves the most vulnerable people in chronic housing need. Homeless presentations and acceptances are rising; the use of temporary accommodation (including bed and breakfast) is rising; incidences of rough sleeping have increased from 12 in 2010 to 76 in 2011; and there is an under provision of Gypsies and Travellers sites which leads to illegal and unauthorised sites. The cost of doing nothing for these vulnerable groups is high, critically in terms of health and well being but also for the economy and Cornwall’s reputation.

Definition
Dwelling - a dwelling is a unit of accommodation which may comprise one or more household spaces (a household space is the accommodation used or available for use by an individual household). A dwelling may be classified as shared or unshared.

Housing Mix - the NPPF requires local authorities to plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes).

Housing Tenure - Tenure provides information about whether a household rents or owns the accommodation that it occupies.
Housing Type - the main types of houses in England are detached, semi-detached, terraced and flats (apartments). Houses come in all shapes and sizes and vary from one part of the country to the next. Dwellings are classified, on the basis of the surveyor’s inspection, into the following categories:

- Small terraced house: a house with a total floor area of less than 70m² forming part of a block where at least one house is attached to two or more other houses.
- Medium/large terraced house: a house with a total floor area of 70m² or more forming part of a block where at least one house is attached to two or more other houses.
- End terraced house: a house attached to one other house only in a block where at least one house is attached to two or more other houses.
- Mid-terraced house: a house attached to two other houses in a block.
- Semi-detached house: a house that is attached to just one other in a block of two.
- Detached house: a house where none of the habitable structure is joined to another building (other than garages, outhouses etc.).
- Bungalow: a house with all of the habitable accommodation on one floor. This excludes chalet bungalows and bungalows with habitable loft conversions, which are treated as houses.
- Converted flat: a flat resulting from the conversion of a house or former non-residential building. Includes buildings converted into a flat plus commercial premises (such as corner shops).
- Purpose built flat, low rise: a flat in a purpose built block less than six storeys high. Includes cases where there is only one flat with independent access in a building which is also used for non-domestic purposes.

People wishing to build their own homes – the Government want to enable more people to build their own homes, and this is supported by industry evidence of significant demand for such housing.

**Overview**

The type of house that a household wants may not be the same as what they need. For example a single person householder will ‘need’ a one bedroom property but they ‘want’ a three bedroom property and they can access a three bedroom property if they have the necessary income. The graph below shows that generally the majority of households tend to under-occupy homes, i.e. they have more rooms than they officially ‘need’.
Past Trends in Housing Types and Tenures
Analysis of the Census over time has produced the following changes in tenure for Cornwall compared to the South West and England. Cornwall has tended to have slightly more owner occupied properties than the average for the South West and significantly more than the average for England. The converse applies in terms of social rented properties.

Tenure 1981-2011
There have generally been a higher proportion of detached dwellings in Cornwall when compared to the South West - and this reflects the historical nature of the area i.e. large numbers of detached farmhouses to meet agricultural need and the predominance of dispersed rural settlements. There have generally been a lower proportion of semi-detached and flats/bedsits in Cornwall when compared to the average for the South West.

**Housing Type 1991-2011**

The SHMNA<sup>BN2</sup> provides information on understanding the market for different types of housing. Developers suggested that market demand is driven from a range of market types including households currently residing within and from outside Cornwall and these different market types will vary across Cornwall in terms of demand for housing. People aged 55 and over have a strong presence in the buyers’ market and as a result bungalows are often in high demand. Family housing of between 3 and 4 bedrooms is also in high demand with many areas perceived as having good quality services and infrastructure to bring up families. There are a number of issues surrounding the development of affordable housing in Cornwall, mainly related to a lack of funding and uncertainty about the types of property that should be delivered and the issue of under-occupation and changes to the Housing Benefit system.

The following graph provides information on the number of bedrooms there are in each household space in Cornwall compared to the average for the South West and England in 2011. There was a slightly lower proportion of one bedroom properties in Cornwall and a slightly higher proportion of two and three bedrooms properties on average. This is likely to be as a result of the rural nature of Cornwall in comparison to the South West and England and a consequence of there being fewer high density urban areas.
Number of Bedrooms Per Household in 2011

Future Requirements for Housing Mix, Type and Tenure

In terms of determining what size housing stock we need in the future there is little information available to assist. A crude analysis of current stock and future household types would suggest that there is a need to build more small properties. Currently one and two bedroom properties comprise 38% of stock and these types of properties are suitable for smaller households. In 2011\textsuperscript{vi} 50% of households were single person and couple households and by 2030\textsuperscript{vii} they will comprise 59% of all households. In order to accommodate the increasing number of smaller households, ‘free up’ under utilised larger household spaces for family households and reduce under-occupancy rates it could be considered appropriate to start to re-balance general stock sizes by emphasising and increasing the development of smaller properties.

**Note of Caution 1:** The size of property that people need as opposed to what they want is not a straight forward comparison as people tend to want more space than they require, and this is reflected in the fact that about 80% of properties are currently under-occupied.

**Note of Caution 2:** In terms of achieving balanced, mixed and sustainable new housing development it is inappropriate to just build small properties and there will still be a need to develop larger properties.

The SHMNA\textsuperscript{BN2} has clearly highlighted that the demographic\textsuperscript{BN3 BN4} and economic\textsuperscript{BN5} profile of Cornwall is likely to change during the next twenty years, and different parts of the housing market will be affected by these changes in different ways. The final section of analysis focused on the housing requirements of groups within the community that have specific housing requirements that need to be carefully considered and includes groups that may be dynamically changing the overall community profile. The analysis particularly looked at:

- **Older Persons** – it is necessary to provide housing for older people\textsuperscript{BN3} to enable them to live independently at home for as long as possible, as well as providing a choice of more specialist older persons’ accommodation. This particular group (aged 65+ years) is projected to grow strongly locally and will increase by some 43% over the twenty year period. POPPI\textsuperscript{viii} anticipate a large increase in the number of people aged 65+ who will live alone by 2020 as well as an increase of
around 28% in the number of people aged 65+ who will live in a care home. It is clear that future demographic changes will have a profound impact upon housing need, with an increasing demand for accommodation for older people across the area. Older person households exhibit particular requirements and needs that require consideration by Cornwall Council, such as adaptations and support in the home to remain living independently.

- Households with support needs – the POPPI dataset suggests that between 2012 and 2020 the number of individuals aged 65+ in Cornwall with learning difficulties is anticipated to rise considerably (21%). The PANSI system suggests that the number of individuals aged 18+ with a learning disability, and persons with moderate, and serious, physical disabilities will increase also between 2012 and 2020. On this basis it is likely that the overall capacity of suitable stock will need to continue to grow in Cornwall in order to meet needs and this will require careful consideration at a strategic level. Changes to the Benefits system were cited as likely to represent a considerable challenge for people with physical and/or learning disabilities, particularly the occupancy tests, which was expected to have a punitive impact on people with physical and/or learning disabilities with a spare bedroom, who would be required to downsize or make up the shortfall in housing benefit to continue to pay their rent.

- Younger Persons – the affordability issues facing younger person households (i.e. first-time buyers and low income households) have been well documented. Both the SHMNA focus group research and engagement with local agents and landlords has highlighted that the obstacles facing younger households to purchase property has led to many either not forming a household (living with family/friends) or moving into private rented or social stock, with this placing increasing pressure on this tenure. In the short-term, all focus group participants aspired to living in 1 or 2 bedroom self-contained accommodation. When asked about their future plans, the majority of participants expressed a willingness to move into their own accommodation, with the majority of participants expressing an ambition to own their own home as this was seen as an achievement of independence, and a symbol of success. The stability brought about by owning their home was also an important factor. They did, however, cite the costs of obtaining and paying a mortgage as a significant barrier.

- Gypsy and Travellers – in order to effectively understand demand for sites to accommodate the housing needs of these groups, a Gypsy and Traveller Accommodation Needs Assessment (GTANA) was undertaken alongside the SHMNA.

- Self Build - it was felt that a healthy proportion of demand for self build will come from people starting to plan for retirement and wanting to design a house which will meet their needs and be affordable. Equally it was felt that there was a strong demand for executive homes and larger family housing in the sector. Availability of land was cited as a major fundamental problem in realising the potential contribution of self build. Large house builders were felt to dominate the market for land within settlement boundaries, limiting the opportunities for those interested in self-build to access sites. Exception site planning policies also tended to prohibit self build development. One representative also suggested that if the market was better understood that there would be a high demand from first time buyers / younger people who would be enthused at the opportunity to build the property they would then live in.

The SHMNA provides information on understanding the market for different types of housing.

- Affordable housing - going forward market sentiment anticipated that there may be an increase in the number of 1-2 bedroom affordable housing being developed.
Core output 7 of the current DCLG SHMA Guidance requires an estimate of the breakdown of the sizes of property required by households identified in need of affordable housing. The dwelling size requirements of newly-forming households in need of affordable housing has been estimated by matching household typologies and this demonstrates that there is a predominant requirement for smaller properties to be sized at least 1 bedroom or 2 bedrooms over the next 5 years in order to meet the majority of affordable housing needs. There is also some requirement for new affordable housing to be sized 3 or 4+ bedrooms to meet the needs of larger, family households.

- Within the October 2010 Spending Review the Government confirmed that the age at which the Shared Accommodation Rate (SAR) applies would be extended from single persons up to 25 years to cover single persons under the age of 35 from April 2012. Implementation was brought forward, with the changes applying from January 1st 2012. The SAR limits the amount of housing benefit a claimant can receive to the average Local Reference Rent (LRR) or the Local Housing Allowance (LHA).

- In addition, the changes to housing benefit (i.e. welfare reform) will also impact on current tenants within affordable housing as the Government has proposed measures from April 2013 to reduce housing benefit to households in affordable housing under-occupying their home. It is anticipated that, as a result of these reforms, substantial greater pressure will be applied on the availability of studio/bedsit and other smaller 1 bedroom and 2 bedroom affordable dwellings than is presented in the SHMNA. It will therefore be necessary for Cornwall and its social housing partners to continue to monitor this situation as data comes available and both effectively prepare for and record the impacts of reform.

- The SHMNA recognised that there will still be a continued demand for larger housing.

- Some developers felt there has been a decrease in the number of people looking for holiday homes - however other developers are still constructing holiday lets and finding reasonably high occupation rates throughout the year.

- The projected trends in households in Cornwall concerning the changing demographic profile of the authority are likely to influence the types and sizes of houses which will be required in the future as shown in the graph below. The analysis suggests that there may be a high demand for smaller properties suitable for meeting the needs of older person households within the authority. In the employment-led scenario, the growth in family households is relatively significant suggesting a sustained demand under this scenario for traditional family housing (3 and 4 bedroom), recognising that moderate and larger properties represent the aspirations for many households of different ages.

**Note of Caution 3:** This assessment does not fully take into account the impact of the Government’s programme of Welfare Reforms due to the timescale over which the study has been conducted overlapping with, and utilising some data that pre-dates, the introduction of the reform process.

**Note of Caution 4:** Caution should be applied in a literal application of household type assumptions included within the SHMNA as the sole basis for determining the type of properties required. Other factors such as development viability and deliverability as well as household preferences will need to be taken into account in determining appropriate dwelling mix for the purposes of informing planning policy.
Risk Assessment
This analysis of the requirement for different housing types and tenures does not fully take into account the impact of the Government’s programme of Welfare Reforms due to the timescale over which the SHMNA study was conducted using data that pre-dates the introduction of the reform process. In terms of those claiming benefits for housing, welfare reform changes that came into effect in April now penalise those that have more bedrooms than they require and a cap has been set on the level of employment related benefits that can be received which may have a knock on effect on the ability to access housing. It is likely to be some time before we know what the overall impact will be of welfare reform but one likely outcome is an increased demand for smaller bedroom properties.

Examination Findings
No examination findings specifically relating to housing mix have been identified to date.

Use in Cornwall Local Plan
Housing mix is part of the context for housing and as such is included in general housing papers including:

Accompanying Briefing Notes
BN2 – The Housing Market & Strategic Housing Market Needs Assessments
BN3 – Population & Population Growth Projections
BN4 – Households & Household Growth Projections
BN5 – Jobs, Housing & Economic Growth Projections
BN10 – Affordable Housing Need
**Further Information**

1. A Strategic Housing Market Needs Assessment (SHMNA) is used to assess an area’s full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The SHMNA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period.

2. Projecting Older People Population Information (POPPI) is a programme designed to help explore the possible impact that demography and certain conditions may have on populations aged 65 and over. [http://www.poppi.org.uk/](http://www.poppi.org.uk/)

3. Projecting Adult Needs and Service Information (PANSI) is a programme designed to help explore the possible impact that demography and certain conditions may have on populations aged 18 to 64. [http://www.pansi.org.uk/](http://www.pansi.org.uk/)

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iv The Occupancy Rating provides a measure of under-occupancy and over-crowding. For example a value of - 1 implies that there is one room too few and that there is overcrowding in the household. It relates the actual number of rooms to the number of rooms ‘required’ by the members of the household (based on an assessment of the relationship between household members, their ages and gender). The room requirement is calculated as follows: where there are two or more residents it is assumed that they require a minimum of two common rooms plus one bedroom for: i. each couple (as determined by the relationship question); ii. each lone parent; iii. any other person aged 16 or over; iv. each pair aged 10 to 15 of the same sex; v. each pair formed from a remaining person aged 10 to 15 with a child aged under 10 of the same sex; vi. each pair of children aged under 10 remaining; and vii. each remaining person (either aged 10 to 15 or under 10).


