

Housing Requirements Report:

Market Housing Mix

In respect of:

Penistone, Barnsley

On Behalf of:

Persimmon Homes

(West Yorkshire)

24th July 2013

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EXECUTIVE SUMMARY

- i. Pioneer has been requested to undertake a review of the likely market housing requirements in terms of dwelling mix in the Penistone area on behalf of Persimmon Homes [West Yorkshire]. This is to assist with informing an appropriate market dwelling size mix for provision within the proposed residential development of land (“the application site”) off Chapel Lane at the Western edge of Penistone. It is understood that the Council have suggested that Persimmon Homes should enter into an enforceable commitment to build low density “executive” housing.
- ii. The NPPF does not establish a requirement that local authorities should set policies to specify market dwelling size requirements, particularly where this is unsupported by an objective assessment of local housing demand. The size, type, tenure and range of housing sought at particular locations should reflect local demand, be negotiated having regard to developer preferences based on marketing experience, and assist with delivering a ‘wide choice of high quality homes’.
- iii. Sites which provide a mix of housing for which there is no demand on the basis of Council preferences will be rendered undeliverable and therefore unavailable as housing land supply.
- iv. Settled local policy within the Core Strategy does not specify a market housing mix requirement in respect of housing development at particular locations such as Penistone, or refer to Penistone as a location in need of regeneration.
- v. Whilst setting out aspirations for encouraging the retention of higher income households within the Borough, emerging policy within the Development Sites and Places Consultation Draft does not propose that a fixed mix of market dwelling sizes should be imposed upon the application site. Emerging policy remains of limited weight at this stage.
- vi. The evidence base supporting the Council's conclusions in respect of the need to provide an element of “executive” housing and to move away from Core Strategy minimum density requirements is not clearly identified.
- vii. The Penistone sub-area is not suggested on the basis of the available evidence to require local authority intervention (to ensure a strong housing market and good economic prospects) by way of specifying the mix of market housing to be provided – the area already enjoys these characteristics within the existing mix. The 2008 Strategic Housing Market Assessment (SHMA) Update confirms the housing market in the area is balanced,

and that across the Borough as a whole a review of job growth does not suggest an alteration in the mix of housing currently provided to be necessary.

- viii. SHMA Update findings suggest that three bedroom homes are likely to be subject to the most significant demand pressures within the Borough, with this dwelling size being targeted by mover households who are upsizing, downsizing or already living within three bedroom homes. Market housing demand / supply analysis within the SHMA Update suggests that the strongest pressures will be upon smaller one, two and three bedroom homes in the Penistone sub-area.
- ix. The 2005 Housing Need, Housing Market and Affordability Assessment (“HNA”) and the 2008 SHMA Update do not recommend a specific proportionate requirement in respect of market housing mix, but it is apparent that the application site market housing mix proposals for a mix of two, three and four bedroom homes in Penistone aligns with the market housing demand / supply pressures concluded within both the 2005 HNA and the SHMA Update, whilst having regard to up to date information in respect of the existing dwelling profile in the Penistone area.
- x. In view of the available evidence within the 2008 SHMA Update it would be entirely appropriate for market housing proposals in respect of housing developments within the Penistone sub-area to comprise of a mix of two, three and four bedroom homes – this would assist with addressing the key market housing demand supply pressures identified within the Council’s evidence base and with ensuring the continuing role of Penistone as an affluent well balanced housing market attractive to worker in-migrant and wealthy commuter households, thus inputting economic growth to the wider Borough and Housing Market Area.
- xi. The Council’s evidence base does not provide an objective basis for prescribing the provision of larger executive market homes, particularly in the Penistone area. Bespoke analysis undertaken and summarised within this report suggests that in the period from 2013 to 2018 (which might broadly equate to the build-out period for the application site) around 25% of new market housing should have two-bedrooms, 50% three bedrooms, 20% four bedrooms and 5% five bedrooms.
- xii. The mix of market housing proposed in respect of the application site (i.e. 10% 2 beds, 49% 3 beds, 41% 4 beds) acknowledges the Council’s preference for larger market dwellings, whilst, in view of the evidence review and subsequent bespoke market mix analysis, seeking to focus on the provision of two, three and four bedroom family homes.

- xiii. The application proposals strike a reasonable balance between the dwelling profile suggested within the Council's evidence base, the bespoke market housing mix analysis and the Council's preferences.

1. INTRODUCTION

- 1.1 Pioneer has been requested to undertake a review of the likely market housing requirements in terms of dwelling mix in the Penistone area on behalf of Persimmon Homes [West Yorkshire]. This is to assist with informing an appropriate market housing dwelling size mix for provision within the proposed residential development of land (“the application site”) off Chapel Lane at the Western edge of Penistone. It is understood that the Council have suggested that Persimmon Homes should enter into an enforceable commitment to build low density “executive” housing.
- 1.2 The application site lies within the Parish of Penistone, and in the Ward of Penistone West. Penistone is situated within the Barnsley Borough Council (“the Council”) administrative area, and within the wider South Yorkshire sub-region / Yorkshire and the Humber region.
- 1.3 The following section of this report provides an overview of national guidance and local policy in the context of which housing proposals should be prepared, and then in section three, provides a review of the Council’s housing requirements evidence alongside consideration of 2011 Census data and an objective analysis of likely market housing mix requirements.
- 1.4 Section four concludes that the application site market mix proposals (i.e. to provide 10% two bedroom homes, 49% three bedroom homes and 41% four bedroom homes) are entirely appropriate and will assist with addressing the key market housing demand supply pressures identified within the Council’s evidence base and with ensuring the continuing role of Penistone as an affluent well balanced housing market attractive to worker in-migrant and wealthy commuter households, thus inputting economic growth to the wider Borough and Housing Market Area.

2. POLICY CONTEXT

2.1 NATIONAL GUIDANCE

2.1.1 The National Planning Policy Framework (“NPPF”), published on the 27th of March 2012, places ‘significant weight’ on ‘the need to support economic growth through the planning system’.¹ The NPPF seeks to ‘boost significantly’ housing supply² during the Plan period in the Housing Market Area.

2.1.2 Each Local Authority is expected to produce a Local Plan for the area, to be reviewed in whole or in part to enable flexibility in the face of changing circumstances. Supplementary Planning Documents (SPD) should not be used ‘to add unnecessarily to the financial burdens on development’.³

2.1.3 For a period of 12 months Local Authorities with a Local Plan adopted post 2004⁴ were able to continue to apply policies which do not exhibit more than a limited degree of conflict with the NPPF.⁵ This 12 month period has now expired and the weight to be attached to policies will depend upon the ‘degree of consistency’ with the NPPF.⁶ The weight to be placed upon emerging Plan policies depends upon the stage of preparation, the extent of ‘unresolved objections’, and the ‘degree of consistency’ with the NPPF.⁷

2.1.4 Paragraph 47 of the NPPF sets out that local authorities should:

“...use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing in the housing market area...”
(emphasis added).

Therefore, policy approaches should plan for a sufficient housing land supply to enable the full requirement to be met – the wording does not, however, empower the prescription of market housing mix.

2.1.5 Paragraph 50 of the NPPF, bullet point one, states that local authorities should:

“...plan for a mix of housing...”
(emphasis added)

¹ Paragraph 19, page 6, NPPF

² Paragraph 47, page 12, NPPF

³ Paragraph 153, page 37, NPPF

⁴ And in accordance with the provisions of the Planning and Compulsory Purchase Act 2004

⁵ Annex 1, Paragraph 214, page 48, NPPF

⁶ Annex 1, Paragraph 215, page 48, NPPF

⁷ Paragraph 216, page 48, NPPF

This confirms that policy approaches should be included in Local Plan's that enable a mix of housing broad enough to address requirements. The wording is very similar to Planning Policy Statement 3 ("PPS3" – now cancelled) paragraph 21 (which similarly did not empower the prescription of market dwelling sizes within Plan policy). Paragraph 21 of PPS3 was set in the context of the profile of household types requiring housing as informed by demographic and market trends, and differing community needs - not in the context of specific matters such as prescribing dwelling size, type or tenure.

- 2.1.6 The third bullet point of paragraph 50 confirms that where affordable housing is identified as being needed, Plan 'policies' should be 'set' to meet the need. The wording provides a clear requirement that affordable housing policies should be included in Plans to facilitate the provision of affordable housing to address 'need'. This interpretation is substantiated by the affordable housing definition within Annex 2 which requires such housing to be provided only to 'eligible' households whose 'needs' are not met by the market. By necessity this will require that affordable dwellings are provided in sizes that reflect the objectively assessed 'need' (as opposed to 'demand') for such housing. Market housing is not defined, but, as with any product to be offered for sale on the open market, it should reflect demand if it is to be marketed successfully.
- 2.1.7 The second bullet point of paragraph 50 refers to the need to 'identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand...' (emphasis added) and differs substantially from bullet points one and three for the following reasons:

- a) Firstly, the reference to 'identify' (as opposed to 'plan for' or 'set policies' as included in the other paragraph 50 bullet points) refers to the broad identification of such matters within the evidence base, as opposed to prescription within policy wording.

This interpretation is supported by paragraph 159 of the NPPF (within the Plan making section) which considers what constitutes a 'proportionate evidence base'. This states that it is the SHMA which '...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...' (emphasis added).

As such, it is in the context of the evidence base (as opposed to being prescribed in policy wording) that 'likely' size, range of tenures, and type requirements will be identified based on objective assessment. Such assessments will not be capable of

robustly specifying fixed, inflexible, dwelling size requirements. Hence, prescription to this end within policy wording would be inappropriate.

- b) Secondly, the NPPF wording makes it clear that the identification of the size, type, tenure and range of housing is intended to be specific to ‘particular locations’ and ‘local demand’. This suggests that, such matters are to be set out in policy wording in respect of specific locations on the basis of up to date, objective, SHMA evidence.⁸

The Council’s evidence base does not provide an up to date objective assessment of market dwelling size requirements at ‘particular locations’ or for specific sites (the evidence base is considered in more detail at section 3 of this report below).

Furthermore, the application site is relatively large and will be relevant to households not only within Penistone, but also within a wider geographical housing market sub-area. The prescriptive application of Barnsley Borough Council’s preferences for dwelling size proportions upon the application site will conflict with the NPPF, particularly where this is not evidentially demonstrated to be appropriate.

2.1.8 The NPPF presumption in favour of sustainable development means that Local Plans should be sufficiently flexible to adapt to rapid change.⁹ Development Plan Documents (“DPD”) will need to be interpreted in accordance with this national guidance and this will require flexibility in terms of approaches to market housing mix.

2.1.9 In this regard it is also pertinent to note that the presumption in favour of sustainable development central to the NPPF means that Local Plans ‘should meet objectively assessed needs’.¹⁰ The NPPF requires local authorities to base Local Plan’s on ‘adequate, up to date and relevant evidence’ and ‘assessment of and strategies for housing, employment and other uses, are integrated and take full account of relevant market and economic signals’.¹¹

2.1.10 It remains a requirement of national guidance that a SHMA is prepared to identify the ‘full housing needs’ including in respect of the ‘scale and mix’ and range of housing tenures.¹² Strategic Housing Land Availability Assessments (SHLAA) are also required, and should

⁸ blanket prescription across the Plan area is not empowered

⁹ paragraph 14, NPPF

¹⁰ Paragraph 14, the NPPF

¹¹ Paragraph 158, the NPPF

¹² Paragraph 159, the NPPF

assess the ‘...economic viability of land to meet the identified need for housing over the plan period’.¹³

2.1.11 The NPPF makes it absolutely clear that policy burdens and obligations should not be so great as to threaten the viability of sites / the scale of development identified within the Local Plan,¹⁴ and the cumulative impact of ‘existing and proposed’ standards and policies supporting the Plan are to be assessed and should ‘facilitate development throughout the economic cycle’.¹⁵

2.1.12 Crucially, the NPPF makes it clear that where there is no longer a demand for the types of dwelling proposed upon sites with Planning Permission then this would represent ‘clear evidence that schemes will not be implemented within five years’.¹⁶ As such, where permissions are only obtainable on the basis of a market housing mix inflexibly prescribed by the Council and this mix fails to reflect current / short term demand (i.e. within the consequent 5 years) sites with such permissions will be rendered implementable and will jeopardise the 5 year housing land supply.

2.1.13 This issue will arise most specifically in respect of market housing where purchasers, restricted only by dwelling availability and their own financial capacity, will exercise the power of choice (as opposed to affordable housing which should be allocated to eligible households on the basis of need). Where there is no perceived market for local authority prescribed dwelling types developers will be unable to effectively market the dwellings, which will, therefore, also prevent the delivery of any associated affordable housing requiring private subsidy. This will be in direct conflict with the objectives of the NPPF.

2.1.14 It is not in developers’ interests to deliver housing that it cannot sell, and it is essential that an element of flexibility is retained within policy in terms of market housing mix, allowing developers to react quickly to the ebb and flow in demand for different open market housing types and sizes. Any attempt to stifle this reactive approach will simply act to further frustrate overall housing delivery objectives.

2.1.15 This view was supported in the Callcutt Review of Housebuilding Delivery (November 2007) which says on page 20 that:

“...local planning authorities should be very cautious about assuming that they are better able than developers to judge what the local housing market demands. It is

¹³ Paragraph 160, the NPPF

¹⁴ Paragraph 173, the NPPF

¹⁵ Paragraph 174, the NPPF

¹⁶ Footnote 11 to paragraph 47, the NPPF

true that the developer is concerned with making a return, not with serving the public interest; but the developer's judgement on what will best satisfy market demand is very likely to be better than the planning authority's"

This emphasises the dangers of seeking to control market housing mix through policy, rather than in response to market demand.

2.2 LOCAL POLICY

2.2.1 The Council's settled local policy approach to providing housing within the Borough is set out within the Barnsley Core Strategy (adopted in September 2011 prior to the implementation of the NPPF).

2.2.2 In Policy CSP 9 the Core Strategy sets out that the Council will seek to deliver 'at least 21,500 net additional homes during the period 2008 to 2026'.¹⁷ Policy CSP 15 sets out that depending upon economic viability the Council will seek 25% affordable housing on housing developments of 15 or more dwellings in Penistone.¹⁸

2.2.3 The Core Strategy defines Penistone (in which the application site lies) as a 'Principal Town' – focussing growth on the principal towns such as Penistone is described as necessary not only to maintain the viability of the settlements concerned, but also to enable the level of growth anticipated within the Borough to be accommodated.¹⁹

2.2.4 Penistone is prioritised as a location for growth within Core Strategy Policy CSP8, with an emphasis upon the development that assists with economic growth.²⁰ The distribution of growth is referred to as having been determined having regard to the Barnsley Settlement Assessment of 2003 (and updated in 2007).²¹ There is no reference to specific dwelling mix housing requirements at Penistone.

2.2.5 Policy CSP 10 sets out that during the period 2008 to 2026 the delivery of 1,100 new homes will be sought in Penistone, and this is described as representing 5% of the homes to be delivered across the Borough as a whole (compared to Urban Barnsley where 46% of the overall planned level of housing is proposed).²²

2.2.6 The Core Strategy describes Penistone as an important local centre 'serving a large rural hinterland in the west of the borough', and the settlements of Cubley and Springvale are

¹⁷ page 70, Core Strategy

¹⁸ page 80, Core Strategy

¹⁹ paragraphs 6.6., 6.7 and 7.4, Core Strategy

²⁰ page 69, Core Strategy

²¹ paragraph 9.47, Core Strategy

²² page 71, Core Strategy

included within the Principal Town Boundary.²³ Penistone is described as containing large numbers of commuter households, albeit with a number of residents continuing to be employed within the town.²⁴ The Core Strategy confirms that through the Plan the Council will seek to support growth whilst not encouraging ‘excessive out commuting’ to Cities such as Sheffield, Manchester and Leeds,²⁵ and it is possible that the provision of higher value five bedroom or larger dwellings would be more likely to attract households working in cities outside the Borough, and may in fact exacerbate out commuting as opposed to providing housing for local families.

2.2.7 In the Core Strategy Policy CSP 14 ‘Housing Mix and Efficient Use of Land’ the Council sets out that:

“Housing proposals will be expected to include a broad mix of house size, type and tenure to help create mixed and balanced communities. Homes must be suitable for different types of households and be capable of being adapted to meet the changing needs of the population.

Proposals to change the size and type of existing housing stock must maintain an appropriate mix of homes to meet local needs.

Priority will be given to the development of previously developed land and we will seek to achieve between 55% and 60% of homes to be built on previously developed land.

A minimum density of 40 dwellings per hectare will be expected, rising to 45 dwellings per hectare within good public transport corridors, and to 55 dwellings per hectare in Barnsley Town Centre.

Lower densities will only be supported where it can be demonstrated that they are necessary for need, viability or sustainable design reasons.”

(page 79, Barnsley Core Strategy, emphasis added)

Supporting text goes on to state that densities lower than 40 dwellings per hectare will only be acceptable where ‘robust supporting evidence’ is presented which outweighs the need to ensure the efficient use of land. The text also states that:

²³ paragraph 7.74, Core Strategy

²⁴ paragraph 7.75, Core Strategy

²⁵ paragraph 7.83, Core Strategy

“The mix of housing on a site should also be appropriate to the scale and context of the development and the character of the area.”

(paragraph 9.78, page 80)

- 2.2.8 In Policy CSP 17 the Council set out the approach to housing delivery within Housing Regeneration Areas – in these areas regeneration programmes will be supported by the Council and may include ‘addressing the density and mix of housing types and tenure’. Supporting text explains that some areas of the Borough contain weak and failing housing markets which are suggested to have resulted from a number of causative factors, including dwelling type. However, Penistone is not included within Policy CSP 17 as a location in need of regeneration and the Core Strategy does not support intervention by the Council such as seeking the provision of large (i.e. 5 bedroom or more) market dwellings in areas such as Penistone.
- 2.2.9 Emerging policy in respect of housing land allocations is proposed within the Development Sites and Places Consultation Draft 2012 Development Plan Document (consulted upon between July and September 2012).
- 2.2.10 Penistone is described as having the ‘potential to deliver some low density high value housing’.²⁶ The Development Sites and Places Consultation Draft 2012 proposes the application site as a ‘phase 2’ allocation (“PEN10”).²⁷
- 2.2.11 The Development Sites and Places Consultation Draft 2012 sets out that housing sites are to be developed in line with draft Policy H1 (which places an emphasis on the use of the sites for residential development²⁸) and site specific policies proposed within the Development Sites and Places Consultation Draft 2012. Draft Policy Site PEN10 (which relates to the application site) describes the site as ‘currently identified as being capable of delivering an element of low density housing.’²⁹ The wording does not propose specific housing type or size requirements in respect of either market or affordable housing but it is understood that the applicant is proposing a low density development (35dph) in accord with Draft Policy H1.
- 2.2.12 Supporting text within the Development Sites and Places Consultation Draft 2012 provides further information in respect of larger and low density, high value housing. A ‘large’ house

²⁶ paragraph 5.25, Development Sites and Places Consultation Draft 2012

²⁷ page 50, Development Sites and Places Consultation Draft 2012

²⁸ page 80, Development Sites and Places Consultation Draft 2012

²⁹ page 71, Development Sites and Places Consultation Draft 2012

is defined as having five or more bedrooms, and the draft proposals maps are described as indicating the mix of dwellings sought.³⁰

2.2.13 The interactive draft proposals maps accompanying the Development Sites and Places Consultation Draft 2012 indicate the application site 'PEN10' as a 'mixed density' site. The draft supporting text within the Development Sites and Places Consultation Draft 2012 sets out that 10% of the housing on each of such sites is 'assumed' to have a density of 20 dwellings per hectare. However, the supporting text does not state that this will be inflexibly imposed and confirms that additional work needs to be undertaken by the Council to confirm whether 20 dwellings per hectare will be 'suitable'.³¹ Furthermore, it is unclear how, in the absence of any robust supporting evidence, this new approach accords with higher level Core Strategy policy (which sets a minimum 40 dwelling per hectare density).

2.2.14 The Development Sites and Places Consultation Draft 2012 sets out that the Council wish to seek 'a more economically balanced community' and a 'greater social mix in the borough'. The Development Sites and Places Consultation Draft 2012 suggests that higher income households are leaving the Borough in greater numbers than are entering it, and suggests that this is as a result of a lack of 'suitable housing options'.³² However, the evidential basis for this conclusion is not identified.

2.2.15 The Development Sites and Places Consultation Draft 2012 proposes that the Council:

"...aim to secure housing suitable for households across a wide range of incomes to provide local residents with the opportunity to settle and progress up the home ownership ladder."

(paragraph 8.40, Development Sites and Places Consultation Draft 2012)

2.2.16 The Development Sites and Places Consultation Draft 2012 suggests that the provision of higher value housing will attract higher income households to 'diversify the demographic make-up of Barnsley'.³³ However, the evidential basis for this conclusion is unclear, and the Council does not refer to any evidence of market testing having been undertaken to support this claim. In particular, Penistone is not referred to within the Core Strategy as a location in need of regeneration or as having a weak and failing housing market, and it is unclear that the provision of large high value housing in Penistone will assist with resolving economic and housing market related issues arising elsewhere in the Borough.

³⁰ paragraph 8.41, Development Sites and Places Consultation Draft 2012

³¹ paragraph 8.42, Development Sites and Places Consultation Draft 2012

³² paragraph 8.40, Development Sites and Places Consultation Draft 2012

³³ paragraph 8.40, Development Sites and Places Consultation Draft 2012

2.3 SUMMARY

- 2.2.17 The NPPF does not establish a requirement that local authorities should set policies to specify market dwelling size requirements, particularly where this is not supported by an objective assessment of local housing demand. The NPPF refers to the identification of the size, type, tenure and range of housing required at particular locations reflecting local demand to assist with delivering a 'wide choice of high quality homes'.
- 2.2.18 It is in the context of the objective evidence base (as opposed to being inflexibly prescribed in policy wording) that the 'likely' size, type, tenure, and range of housing requirements at particular locations should be identified. Such assessments will be unlikely to be sufficiently precise to enable a fixed market dwelling size requirement to be imposed. To ensure that local demand is met market mix proposals will need to be the subject of negotiation, having regard to developer preferences based on marketing experience.
- 2.2.19 The NPPF affordable housing definition maintains the distinction between market housing demand and affordable housing need, and cautions that proposals within the 5 year land supply which present a mix of housing for which there is no demand will be rendered undeliverable and therefore unavailable as housing land supply.
- 2.2.20 Settled local policy within the Core Strategy does not specify a market housing mix requirement in respect of housing development at particular locations such as Penistone, or refer to Penistone as a location in need of regeneration. The Core Strategy specifies a minimum 40 dwelling per hectare density on new developments unless robust evidence justifies a departure from this.
- 2.2.21 Whilst setting out aspirations for encouraging the retention of higher income households within the Borough, emerging policy within the Development Sites and Places Consultation Draft does not propose that a fixed mix of market dwelling sizes should be imposed upon the application site. Furthermore, the evidence base supporting the Council's conclusions in respect of the need to provide an element of larger 5 bedroom plus dwellings and to move away from Core Strategy minimum density requirements is not clearly identified.

3. HOUSING MIX REQUIREMENTS

3.1 STRATEGIC HOUSING MARKET ASSESSMENT

Introduction

- 3.1.1 The Council's Local Development Framework evidence base refers to the Barnsley 2005 Study of Housing Need, Housing Markets and Affordability³⁴ ("2005 HNA"). However, a more recent assessment, the Barnsley Housing Needs, Markets and Affordability Update 2008 ("SHMA Update"), has also been undertaken on behalf of the Council. It is also understood that the Council are in the process of preparing a 2013 Strategic Housing Market Assessment which is expected to be made available publicly during August 2013; in that regard it has not been possible to refer to the 2013 SHMA when preparing this report.
- 3.1.2 At a regional level, a draft Phase 1 'Yorkshire and Humber Strategic Housing Market Assessment' was prepared and published in 2007. However, this reviews existing Housing Market Assessments across the region, and refers to the 2005 HNA, as opposed to providing additional housing requirements analysis. Whilst the 2007 Yorkshire and Humber Strategic Housing Market Assessment Phase 1 report identifies as an issue the need for local authorities in South Yorkshire to provide housing that supports and promotes sustainable communities³⁵ it does not review what such housing should be, or present conclusions as to appropriate market dwelling sizes.

2005 Barnsley Study of Housing Need, Housing Markets and Affordability

- 3.1.3 The 2005 HNA is now outdated, but it is useful to briefly consider the conclusions reached for comparison purposes and to assist with understanding the SHMA Update. In the 2005 HNA the settlement of Penistone is included within a wider Penistone Housing Market Sub-area covering much of the West of the Barnsley local authority area.³⁶
- 3.1.4 Based on an 'Acorn Neighbourhood Classification 2004' the majority of the Penistone sub-area is suggested in the 2005 HNA to comprise of 'Wealthy Achievers' and 'Comfortably Off' households.³⁷ The 2005 HNA suggests that the housing market sub-areas within the Borough are 'relatively self-contained' albeit that there is some in-migration (mostly from Sheffield) into 'desirable western parts of the Borough' and in areas close to the M1

³⁴ Council's web site: <https://www.barnsley.gov.uk/services/environment-and-planning/planning/local-development-framework/local-development-framework-evidence-base> as at 3rd July 2013

³⁵ paragraph 7.2, 2007 Yorkshire and Humber Strategic Housing Market Assessment Phase 1

³⁶ Map ES1, Executive Summary 2005 HNA

³⁷ Map ES2, Executive Summary 2005 HNA

motorway.³⁸ The Penistone sub-area is suggested to be an affluent part of the Borough, with house prices during the period 2000 to 2004 being suggested to have increased by between 16% to 52%.³⁹

3.1.5 The 2005 HNA estimates general market housing requirements and compares these to an assumed supply to provide conclusions in respect of market housing pressures within the Borough housing market sub-areas. The key market housing pressures in the Penistone area is suggested to occur in respect of one, two and three bedroom homes, with some pressure on four bedroom or larger housing.⁴⁰ Prior to taking supply into consideration the 2005 HNA suggests that the strongest preference (almost 48%) for 'general market' housing is for three bedroom housing, and that households seeking open market housing had a range of incomes, including some households with incomes that would make them eligible for Intermediate tenures.⁴¹

3.1.6 The 2005 HNA does not recommend a specific proportionate requirement in respect of market housing mix, but it is apparent that the application site market housing mix proposals for a mix of two, three and four bedroom homes in Penistone aligns with the market housing demand / supply pressures concluded within the 2005 HNA.

Barnsley Housing Needs, Markets and Affordability Update 2008

3.1.7 The Barnsley Housing Needs, Markets and Affordability Update 2008 ("SHMA Update") provides an updated position to that presented within the 2005 HNA. The SHMA Update has been undertaken by 'arc⁴ Ltd' on behalf of the Council and describes itself as complying with the 2007 Strategic Housing Market Assessment Practice Guidance Version 2 ("SHMAPG2").⁴²

3.1.8 Whilst the SHMA Update is now itself outdated given that it refers to house prices as at 2007, until the 2013 SHMA is available for public consideration it remains the most recent assessment available in respect of housing requirements in the Borough. Where possible more recent secondary data is considered alongside SHMA Update conclusions. The SHMA Update applies the same housing market sub-areas as referred to within the 2005 HNA, with Penistone settlement being included in a wider Penistone sub-market to the west of Central Barnsley.⁴³

³⁸ paragraph 3.2, , Executive Summary 2005 HNA

³⁹ Map ES3, Executive Summary 2005 HNA

⁴⁰ Figure ES4, Executive Summary 2005 HNA

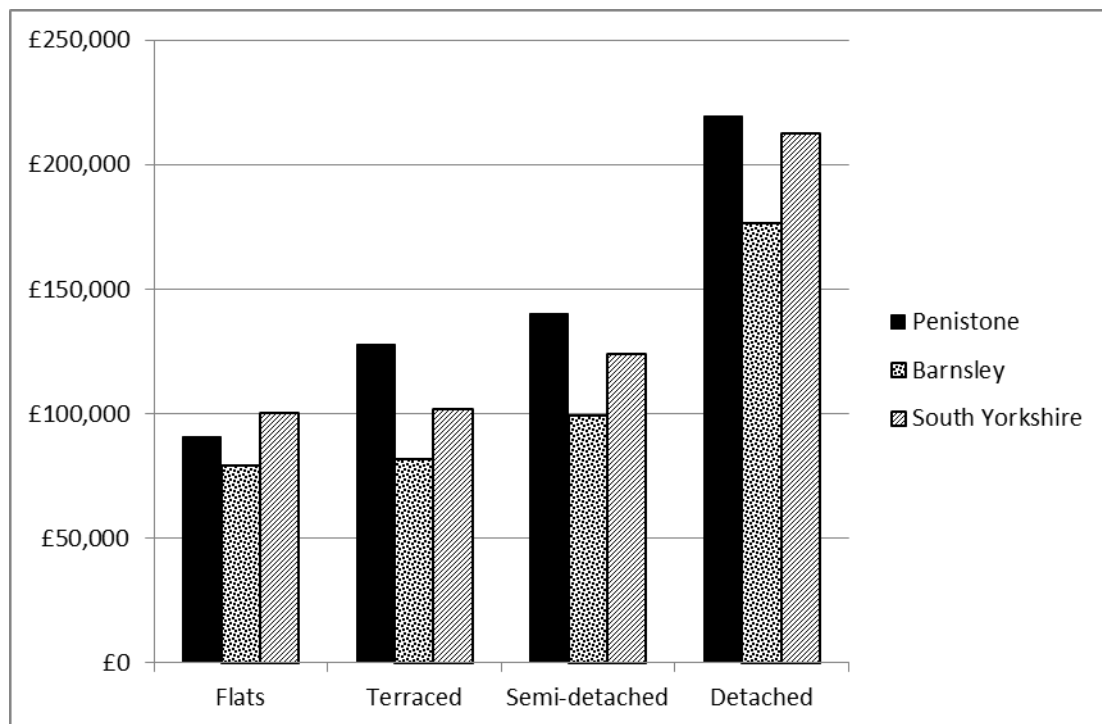
⁴¹ paragraph 4.8, Executive Summary 2005 HNA

⁴² page 7, SHMA Update

⁴³ page 9, SHMA Update

3.1.9 The SHMA Update concludes there to be variations in house prices across the Borough with sub-markets such as Penistone having strong, higher value housing markets. Based on the SHMA Update data the Borough appears to be split in two with the western area in which Penistone lies having the highest values in the Borough.⁴⁴ Whilst house prices are suggested to have decreased since the 2008 SHMA Update was undertaken, this has been less marked in the village of Penistone (where house prices have dropped in line with the wider South Yorkshire average) than in the town of Barnsley. Land Registry house price data suggests that average house prices in Penistone remain in excess of those within nearby Barnsley and in excess of all but apartment sales prices across South Yorkshire as a whole.⁴⁵ This data is summarised in the chart below:

Figure 1
Sold House Prices – Average Over Last 12 Months as at July 2013



Source – Land Registry – see footnote 45 below

3.1.10 Household immigration (from within England and Wales) into the borough is reviewed in the SHMA Update and this suggests that the majority of net inward migration comes from

⁴⁴ paragraph 3.6 and Map 3.1, SHMA Update – see also Tables 3.1 to 3.3

⁴⁵ Zoopla Website Area Guide for Penistone, Barnsley and South Yorkshire as at 4th July 2013: Penistone average price paid last 12 months: Detached = £219,677, Semi-detached = £140,026, Terraced = £128,070, Flats = £90,580 compared to Barnsley average price paid last 12 months: Detached = £176,282, Semi-detached = £99,180, Terraced = £81,592, Flats = £79,108, house prices in Penistone are suggested to have decreased by 7.43% over 5 years, and in Barnsley by 10.64% - compared to a 7.71% decline in house prices across South Yorkshire as a whole. <http://www.zoopla.co.uk/market/south-yorkshire/> <http://www.zoopla.co.uk/market/south-yorkshire/barnsley/> <http://www.zoopla.co.uk/market/penistone/> as at 4th July 2013

Sheffield.⁴⁶ Of the working household net in-migrants almost 89% are suggested to move into owner occupation and the majority (almost 47%) have moved into 3 bedroom homes. Whilst 30.5% are suggested to have moved into 4 bedroom or larger dwellings, the proportion of these that have moved into 5 bedroom or larger dwellings is not clarified. Furthermore, it is unclear, given that almost 50% of such households have a weekly gross household income of between £500 and £700, that a large number of in-migrant households would be in a position to purchase large executive homes.⁴⁷ The data suggests that the majority do not do so.

3.1.11 It is relevant to note that the SHMA Update suggests there to be a strong outflow from the Borough of commuters traveling to work in Sheffield and Wakefield, and to a lesser degree in Leeds and Rotherham.⁴⁸ Unfortunately, additional detail identifying travel to work patterns at a sub-area level are not presented, although in terms of migration Penistone is identified as a key area into which worker in-migrant households move. This pattern of in-migration into Penistone appears to have occurred despite that the majority (64%) of provision of new homes in Penistone over the three years 2004/05 to 2006/07 comprised of one to three bedroom homes, with a further 33% provided with 4 bedrooms.⁴⁹ This suggests that imposing an enforceable commitment for “executive” housing and larger open market dwellings may be an unnecessarily restrictive requirement for the Penistone area.

3.1.12 Data in respect of residential mobility within the Borough in terms of movements by households between dwelling sizes suggests that:

“...households moving from a one-bedroom property tend to move into properties with up to three properties. Households moving from a two- or three-bedroom property tend to choose a similar sized property.”

(paragraph 3.28, page 37, SHMA Update)

The SHMA Update further concludes that 100% of households who move out of a 5 bedroom home move into smaller dwellings.⁵⁰ In view of the above findings it is reasonable to suggest that the most significant pressures on housing stock are likely to occur in dwellings with less than 5 bedrooms. In particular, given that there are likely to be requirements by upsizing, current 3 bedroom occupiers, and downsizing households for three bedroom homes, these are likely to be subject to the greatest demand pressures.

⁴⁶ Figure 3.2, SHMA Update

⁴⁷ paragraph 3.24, SHMA Update

⁴⁸ Figure 3.3, SHMA Update

⁴⁹ Table 4.14, SHMA Update

⁵⁰ paragraph 3.28, SHMA Update

- 3.1.13 Drawing on 2005 HNA survey data the SHMA Update provides an overview of the demographic context relevant to the Borough and concludes Barnsley Borough to have a higher proportion of childless couples (35%) than across either the Yorkshire and Humber sub-region or across England.⁵¹ Within the Penistone sub-area the percentage of such households is suggested to be greater at 36.3%.⁵² Across the Borough childless couples are suggested by the survey data to account for 51% of outright owner occupiers.⁵³
- 3.1.14 Household composition Census data is not directly comparable to the housing survey data collected in 2005, but suggests that the proportion of childless couple households of a non-pensionable age has increased in the Lower Super Output Areas in which the settlement of Penistone lies from 19% in 2001 to 23% in 2011. The data also suggests that Penistone has a greater proportion of such households than England (19%), the Yorkshire and the Humber region (19%) or the Borough (20%) as at 2011.
- 3.1.15 Whilst it is not clarified whether or not the childless couple households recorded in the 2005 HNA survey data include elderly couples or not, the lower levels recorded in the 2001 and 2011 Census data for non-pensionable age childless households suggests this to be likely. Elderly couples, if they occupy larger dwellings, are likely to seek to downsize should they move (in line with the residential mobility data conclusions in respect of 5 bedroom and larger dwellings) adding to the demand pressure for smaller (and most likely three bedroom) open market dwellings. This appears to be something that is likely to affect both Penistone and the Borough as a whole.
- 3.1.16 Income data (drawing on 2005 HNA survey data) suggests that incomes within the Borough are significantly lower than across the region and England as a whole - just over 66% of households in the Borough having an income of less than £350 per week (i.e. £18,200 per annum).⁵⁴ Recent income data for individuals in full time employment in the Borough provided within the Annual Survey of Hours and Earnings 2012 (provisional results) suggests that 25% of people in full time employment and resident in the Borough earn less than just over £18,000 per annum, and that 55% of people earn between broadly £18,000 and £36,000 per annum.
- 3.1.17 This data is not available at a sub-area level, and whilst this is not directly comparable to the household income data presented in the SHMA Update, it suggests that a significant proportion of working local households may struggle to purchase higher value large

⁵¹ paragraph 4.6, SHMA Update

⁵² paragraph 4.7, SHMA Update

⁵³ paragraph 4.8, SHMA Update

⁵⁴ paragraph 4.20 and Table 4.9, SHMA Update

executive homes in the Borough. Drawing on SHMA Update conclusions, whilst the Penistone area is characterised as containing higher income households it is suggested that a significant proportion of in-migrant worker households would be unable to afford large executive housing.

3.1.18 It is apparent that any market housing provision will have to take into account the market place in which it will be provided. Developers will seek to provide dwelling sizes which have prices that are acceptable to a range of households, and, on the basis of the available SHMA evidence, restricting the provision on the application site to a large proportion of larger executive homes may not prove to be a realistic or viable marketing option for developers.

3.1.19 The dwelling profile across the borough is considered within the SHMA Update, and whilst areas such as Central Barnsley are described as having 'higher proportions' of terraced and 2 bedroom housing, Penistone is described as having a 'very balanced' housing stock 'across a number of property types including detached, semi-detached, terraced and bungalow housing...'.⁵⁵ It is also suggested by the SHMA Update data that Penistone contains more four bedroom and larger and detached dwellings than any other sub-area within the Borough.⁵⁶

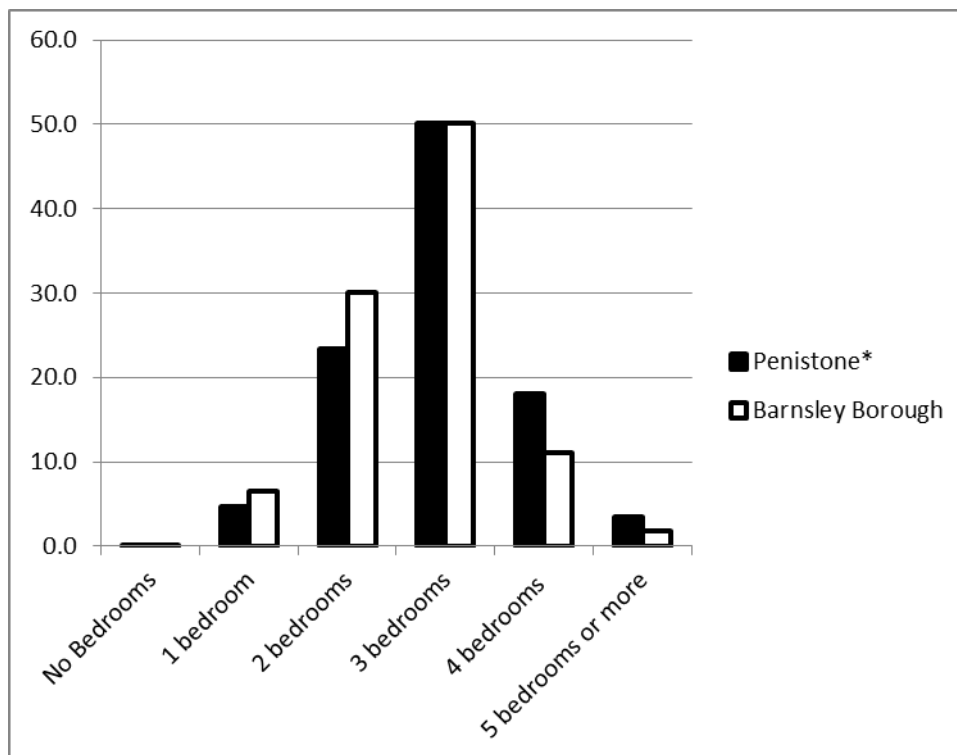
3.1.20 Data collected within the 2011 Census suggests that this remains the position, as set out in the Table and Chart below. This data suggests that almost 22% of the households in existing housing in the settlement of Penistone live within four bedroom or larger homes compared to 13% across the Borough as a whole. Penistone is also suggested to have a lower proportion of households living in two bedroom homes than across the wider Borough. Data for 2001 and 2011 suggests that the dwelling type profile has not altered significantly, and that Penistone contains significantly more households living in unshared detached housing than across the Borough as a whole.

⁵⁵ paragraph 4.25, SHMA Update

⁵⁶ Figure 4.4, SHMA Update

Figure 2 – Proportion (%) of Households by Dwelling Size – 2011 Census

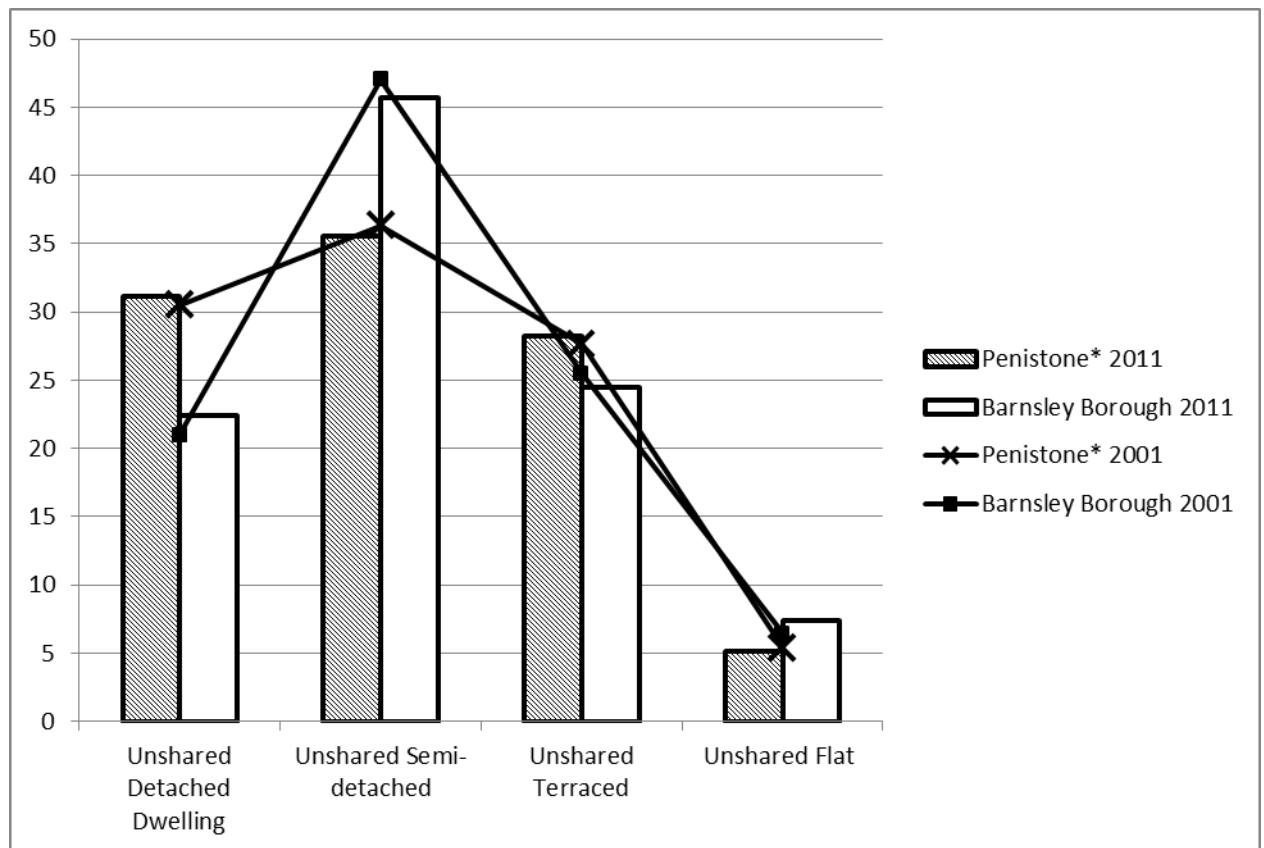
	No Bedrooms	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5 bedrooms or more
Penistone*	0.1	4.7	23.4	50.2	18.1	3.5
Barnsley Borough	0.2	6.6	30.1	50.2	11.1	1.9



*Based on Super Output Area Lower Layer Barnsley 024F, 024E, 024C, 024B, 024A, 024D
Source: 2011 Census Table QS411EW

Figure 3 – Proportion (%) of Households by Dwelling Type – 2001/2011 Census

	Unshared Detached Dwelling	Unshared Semi-detached	Unshared Terraced	Unshared Flat
Penistone* 2001	30	36	28	5
Barnsley Borough 2001	21	47	25	6
Penistone* 2011	31	36	28	5
Barnsley Borough 2011	22	46	24	7



*Based on Super Output Area Lower Layer Barnsley 024F, 024E, 024C, 024B, 024A, 024D

Source: 2011 Census Tables UV56 and QS402EW

3.1.21 Table 4.22 of the SHMA Update provides a summary of sub-area 'attributes' in terms of tenure, dwelling type, size, household incomes etcetera. These are expressed as a proportion of the 'Barnsley mean'. This table suggests that the number of 5 bedroom or larger dwellings in Penistone (the table is non-tenure specific) varies by 387.5% compared to the 'Barnsley mean'. Table 4.23 of the SHMA Update confirms that there are significantly more 5 bedroom and larger dwellings in the Penistone sub-area than in other sub-areas across the Borough. Penistone is also referred to as being characterised by having a large proportion of 'Wealthy Achievers', households with the highest incomes compared to other sub-areas, and with a high percentage of households working outside the Borough.

3.1.22 The SHMA Update states that it seeks to review the balance between overall housing demand and supply.⁵⁷ Housing demand pressure is suggested to exceed demand in most of the sub-areas across the Borough, being particularly pressurised in the Penistone sub-area.⁵⁸

3.1.23 Supply demand pressures for market housing are considered in more detail by the SHMA Update in Table 6.7. This is suggested to indicate that there are no 'serious' market housing imbalances in the Borough overall, although Penistone is described as experiencing 'high market demand'.⁵⁹ Table 6.7 suggests that demand exceeds supply for market housing of all sizes in Penistone, with the most significant pressures applying to 3 bedroom homes and smaller 1 and 2 bedroom homes. The Table does not present conclusions as to an appropriate market housing split to be imposed where new housing development takes place in Penistone. The SHMA Update remarks that 'there is a noticeable demand for smaller dwellings' particularly in the Penistone and Barnsley West sub-areas.⁶⁰

3.1.24 The SHMA Update considers how economic growth will drive the Borough housing market and concludes that:

"Our brief review of likely job growth suggests that the mix of accommodation needed to house new employees will not be very different from current provision."

(paragraph 9.5, page 117)

⁵⁷ paragraph 4.76, SHMA Update

⁵⁸ paragraph 4.77, SHMA Update

⁵⁹ paragraph 6.14, SHMA Update

⁶⁰ paragraph 6.16, SHMA Update

It is also noted within the SHMA Update that single person households are likely to 'increase by 50% with implications for the new build mix', with many single person households aspiring to a three bedroom house.⁶¹

3.1.25 The SHMA Update includes a section in respect of 'longer term projections for property type and size' but does not appear to undertake additional statistical modelling to inform conclusions in this regard. Thus, the recommendation within the SHMA Update that the Borough 'future-proofs' itself by encouraging developers to 'provide a mix with a substantial proportion of larger homes' is not derived through objective housing requirements analysis, and is not borne out by the conclusions within the SHMA Update in respect of either the type of housing needed to support job growth in the Borough, or regarding the existing characteristics of sub-areas such as Penistone (which already contains significantly more larger).

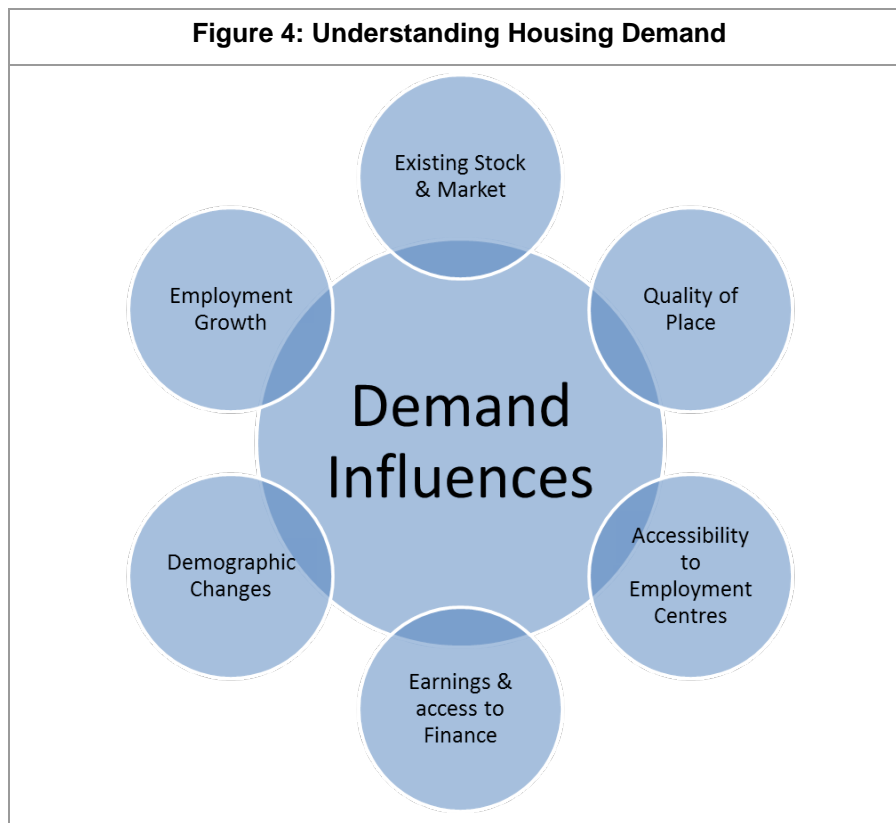
3.1.26 As with the 2005 HNA, the SHMA Update does not recommend a specific proportionate requirement in respect of market housing mix, but it is apparent that the application site market housing mix proposals for a mix of two, three and four bedroom homes in Penistone aligns with the market housing demand / supply pressures concluded within the SHMA Update, and having regard to the existing dwelling profile in the Penistone area.

⁶¹ paragraph 9.12, page 118

3.2 MARKET HOUSING MIX ANALYSIS

3.2.1 This section of this report provides an evaluation of the size requirements for market housing in Barnsley and specifically the Penistone area with regard to providing some indication of an appropriate mix of market housing on the application site. The analysis is based on an understanding of local occupancy patterns and future demographic change.

3.2.2 There are a range of factors which influence housing demand. These are summarised in the figure below. These factors play out at different spatial scales and influence both the level of housing demand (in terms of aggregate household growth) and the nature of demand for different types, tenures and sizes of homes.



3.2.3 In this section the implications of demographic drivers on demand for different housing products is considered. The assessment is intended to provide an understanding of the implications of demographic dynamics on need and demand for different sizes of homes. The analysis focusses solely on the owner-occupied sector, working under the assumption that the housing being developed will be owner-occupied and not bought as an investment and then privately rented. In respect of the mix of affordable dwellings it is understood that this has been agreed with the local planning authority. The proposed mix is 16, 2 bed, 2 storey houses and 16, 2 bed 1 storey bungalows.

3.2.4 The analysis in this section seeks to use information available about the size and structure of the population and household structures; and consider what impact this may have on the sizes of housing required in the future. For the purposes of this analysis the 2011-based CLG household projections for the period from 2013 to 2018 have been utilised. This time period is used to reflect a five year time period in which the development might reasonably be expected to be delivered (although in reality choosing a different period would not have a big impact on the outputs).

CLG 2011-Based Household Projections

3.2.5 The table below shows the CLG 2008-based household projections for Barnsley (whole local authority area) in 2013 and 2018. The figure shows the number of household reference persons (“HRP”) by sex in each five year age group. The HRP can best be described as the ‘head of household’ – the CLG projections take males as the default HRP in cases where there is an opposite sex couple. The data shows that over the 5-year period studied the number of households is expected to rise by about 3,990 (about 800 per annum). The data also shows some ageing of the population with a greater number of HRPs being aged 70 and over in particular in 2018 when compared with 2013.

Figure 5: Household estimates in Barnsley 2013 and 2018 (by age and sex)

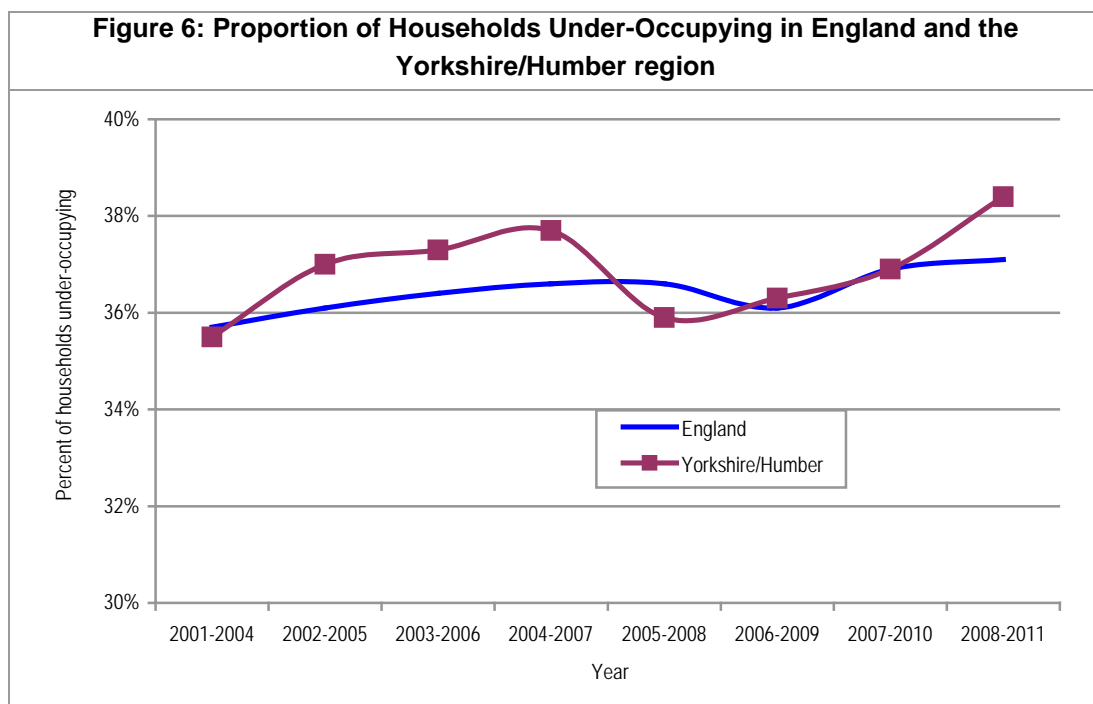
Age group	2013		2018	
	Male	Female	Male	Female
24 and under	2,224	1,673	2,136	1,672
25-29	4,146	2,103	4,361	2,291
30-34	5,424	2,000	5,694	2,319
35-39	5,563	1,600	6,332	1,882
40-44	7,999	2,035	6,193	1,559
45-49	8,751	1,937	8,244	1,833
50-54	8,048	1,930	8,686	2,198
55-59	7,211	1,624	8,086	1,918
60-64	6,875	1,700	6,994	1,874
65-69	6,681	2,125	6,460	1,985
70-74	4,784	2,064	6,022	2,490
75-79	3,488	2,228	3,978	2,173
80-84	2,248	2,250	2,579	2,255
85+	1,434	2,366	1,757	2,530
Total	74,875	27,637	77,523	28,979
Total (M & F)	102,512		106,502	

Source: CLG 2011-based household projections

Understanding How Households Occupy Homes

3.2.6 Whilst the data for projected household change has been presented above, it is not a simple task to convert the net increase in the number of households in to a suggested profile for additional housing to be provided. The main reason for this is that in the market sector households are able to buy (or rent) any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided. The size of housing which households occupy relates more to their wealth and age than the number of people which they contain.

3.2.7 The figure below demonstrates this, using data from the Survey of English Housing/English Housing Survey about the proportion of households who under-occupy their dwellings. It can be seen that nationally between 36% and 37% of households under-occupy with broadly similar figures in the Yorkshire/Humber Region. It is also notable that this has not changed to any significant degree over the past few years.



Source: Survey of English Housing/English Housing Survey 2002-2010

3.2.8 The data therefore suggests that it would be reasonable for the projection to assume that households of specific ages will broadly continue to occupy dwellings in the same way in the future as they do currently. The projections for house sizes are developed on this basis. They take account of how households of different ages occupy homes separately in the market and affordable sectors but assume that how households in specific age and tenure groups occupy homes will remain consistent.

3.2.9 The general methodology is therefore to use the information derived in the projections (in this case CLG 2011-based household projections) about the number of household reference persons (HRPs) in each age and sex group and apply this to the profile of housing within these groups. The data for this analysis has been formed from a commissioned table by ONS (Table C1236 which provides relevant data for all local authorities in England). An extract of this is shown in the figure below. The available data is from the 2001 Census and, therefore, more recent 2011 Census data is applied to rebase the figures; this uses data about the profile of the dwelling sizes in each tenure.

3.2.10 The extract shows the number of male owner occupiers in selected age groups along with the size of accommodation that they occupy. By estimating how the number of HRPs in each age group changes over time it is possible to estimate the profile of housing that they would be likely to occupy.

3.2.11 The figure below shows, for example, that 30% of male HRPs aged 25 to 29 live in a home with six or more rooms, for the 45 to 49 age group this figure rises to 50%. The age profile of HRPs will therefore have an impact on the sizes of homes expected to be occupied. From the Commissioned Table information is available for all HRP age bands up to 85+ and for both sexes.

Figure 7: Extract from ONS Commissioned Table C1236 – Male HRPs in Owner-Occupied Housing by Size of Dwelling (Barnsley)

Dwelling size	Age of Household Reference Person									
	25-29		30-34		35-39		40-44		45-49	
	No.	%	No.	%	No.	%	No.	%	No.	%
1-3 rooms	34	1.5%	74	1.6%	45	0.9%	45	1.0%	62	1.4%
4 rooms	643	28.7%	901	20.0%	783	16.1%	577	12.7%	537	12.1%
5 rooms	891	39.8%	1,705	37.8%	1,706	35.0%	1,599	35.1%	1,588	35.7%
6 rooms	454	20.3%	1,065	23.6%	1,247	25.6%	1,201	26.4%	1,215	27.3%
7 rooms	146	6.5%	454	10.1%	575	11.8%	641	14.1%	501	11.3%
8+ rooms	72	3.2%	313	6.9%	513	10.5%	492	10.8%	540	12.2%
Total	2,240	100.0%	4,512	100.0%	4,869	100.0%	4,555	100.0%	4,443	100.0%

Source: ONS Commissioned Table C1236

3.2.12 When using the data from the Census some adjustments have been made to provide the best possible outputs. The key problem is that the 2001 Census only collected information about the number of rooms in a home rather than the number of bedrooms (which is more useful in considering dwelling sizes).

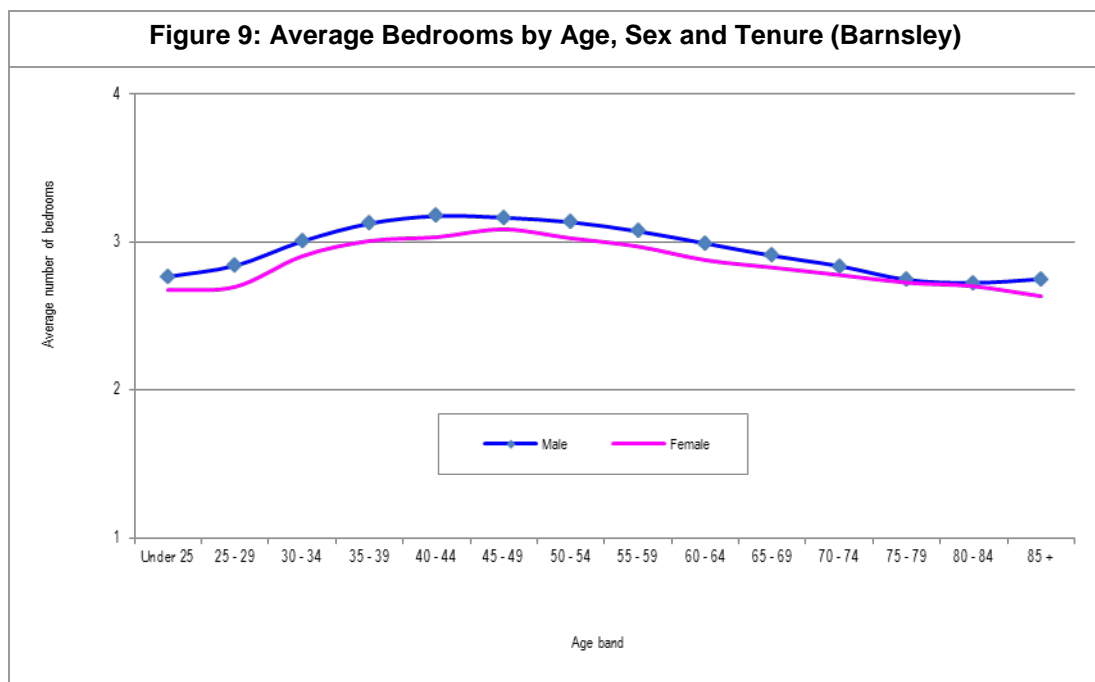
3.2.13 Data about the number of rooms in a dwelling has therefore been adjusted to provide an estimate of the number of bedrooms. The table below shows the assumptions used to

make this conversion. Information in the tables has been based on a range of surveys where information about both bedrooms and rooms was collected. A further small adjustment has been made to the data to ensure that dwelling sizes are in-line with the number of bedrooms shown in 2011 Census results.

Figure 8: Relationship between the Number of Rooms and Number of Bedrooms – market housing

Number of rooms	Number of bedrooms				Total
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
1 room	100%	0%	0%	0%	100%
2 rooms	100%	0%	0%	0%	100%
3 rooms	75%	25%	0%	0%	100%
4 rooms	0%	80%	20%	0%	100%
5 rooms	0%	15%	85%	0%	100%
6 rooms	0%	0%	80%	20%	100%
7 rooms	0%	0%	25%	75%	100%
8+ rooms	0%	0%	0%	100%	100%

3.2.14 The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and different sexes for the whole of Barnsley in the owner-occupied sector. The figure shows that the average size of accommodation rises over time to typically reach a peak around the 40-49 age group. After dwelling sizes peak the average dwelling size decreases – possibly due to a number of people down-sizing as they get older. It is also notable that male HRPs live in larger accommodation for all age groups.



Source: Derived from ONS Commissioned Table C1236

Establishing a Baseline Position

3.2.15 As of 2013 the CLG projections suggest that there will be 102,512 households living in Barnsley. Analysis of these households based on headship rates and the size and tenure of homes provides us with an estimate of the profile of the housing stock in 2013, as shown in the figure below (for owner-occupiers only). The table shows that an estimated 67,030 households live in the owner-occupied sector with over half of these being in three bedroom accommodation and 18% in homes with four or more bedrooms.

Figure 10: Estimated profile of owner-occupied dwellings in 2013		
Size of accommodation	Number	%
1 bedroom	668	1.0%
2 bedrooms	16,701	24.9%
3 bedrooms	37,579	56.1%
4 bedrooms	10,406	15.5%
5+ bedrooms	1,676	2.5%
Total	67,030	100.0%

Source: Derived from Census (2011)

Tenure Assumptions & Projections

3.2.16 The housing market model has been used to estimate future requirements for different sizes of property over the five-year period from 2013 to 2018 in the owner-occupied sector. The model works by looking at the types and sizes of accommodation occupied by different ages of residents, and attaching projected changes in the population to this to project need and demand for different sizes of homes. Given that the analysis is only looking at owner-occupied housing it is necessary to consider how much household growth might be in this sector.

3.2.17 The key assumption here is a view on what proportion of new housing might be delivered as affordable housing or into the private rented sector. For the purposes of analysis it has been assumed that 85% of housing will be owner-occupied. This broadly aligns with the likely output on the application site where around 25% will be affordable housing and the remaining 75% in the market sector (assumed to be owner-occupied).

3.2.18 It is noted that the Barnsley 2009/10 Annual Monitoring Report published in 2010 suggests an annual average of 881 dwellings have been completed overall between 2005/06 and 2009/10 and an annual average of 116 affordable dwellings have been completed in the same period, suggesting that on average over the past 5 years 13% of all completions have comprised of affordable housing.

3.2.19 Whilst the level of affordable housing assumed exceeds that suggested to have been achieved across the Borough on average over the last 5 years, the assumption reflects the Borough wide aspiration to achieve 25% affordable housing in Penistone and 15% elsewhere within the Core Strategy (suggesting a mid-point of 20%) whilst also acknowledging the economic reality suggested by proposals such as the application site that 18% is likely to represent the maximum viable proportion.

Findings

3.2.20 As previously identified there are a range of factors which can be expected to influence demand for housing. Key drivers will be demographic and economic trends. This section uses a demographic-driven approach to quantify demand for different sizes of properties over the five-year period from 2013 to 2018 (as shown in the figure below). The data suggests a requirement for 3,392 additional market (owner-occupied) units with the majority of these being three bedroom homes.

Figure 11: Estimated Size of Dwellings Required 2013 to 2018 – owner-occupied housing (Barnsley)

Type/size	2013	2018	Additional homes 2013-2018	% of additional homes
1 bedroom	668	714	46	1.4%
2 bedrooms	16,701	17,752	1,051	31.0%
3 bedrooms	37,579	39,483	1,905	56.1%
4 bedrooms	10,406	10,742	336	9.9%
5+ bedrooms	1,676	1,731	54	1.6%
Total	67,030	70,422	3,392	100.0%

Source: Housing Market Modelling

3.2.21 The data in the figure above has been modelled for the whole of Barnsley and it is also important to understand what the likely demand will be at the more local level (in this case for Penistone). Whilst a development of this size will be expected to attract households from a much wider area (including beyond the Barnsley local authority area) there will also be a link in terms of the housing offer in the area and it would be expected that any housing delivered will reinforce the role played by Penistone within the local housing market.

3.2.22 To consider the housing offer analysis has been carried out to look at the size of dwellings in Penistone (taken to be the wards of Penistone East and Penistone West) as compared with the whole of the Barnsley local authority area. This analysis is shown in the table below and suggest generally larger dwelling sizes in Penistone.

Type/size	Barnsley		Penistone	
	Households	% of households	Households	% of households
1 bedroom	6,795	6.7%	346	3.5%
2 bedrooms	30,297	30.1%	2,330	23.7%
3 bedrooms	50,575	50.2%	4,372	44.5%
4 bedrooms	11,182	11.1%	2,286	23.3%
5+ bedrooms	1,885	1.9%	497	5.1%
Total	100,734	100.0%	9,831	100.0%

Source: Census (2011)

3.2.23 At the time of writing it is not possible to split the dwelling size data down into different tenure categories and so in using the above data it does need to be borne in mind that Penistone has a lower proportion of rented housing than is seen across the whole local authority area. This would suggest that the difference in the size profile of dwellings in different tenures is not quite as marked as shown in the table above although differences (particularly with regard to higher proportions of 4+ bedroom homes) are to be expected within different tenure groups (and most probably the owner-occupied sector in particular).

3.2.24 To look at requirements at a more local level the analysis has therefore taken the Barnsley-wide analysis and adjusted figures pro-rata on the basis of the above information to give an indication of a likely profile of housing required in the owner-occupied sector. This is shown in the figure below (with data contrasted with the whole of Barnsley for comparison). The data suggests a continued large requirement for 3-bedroom homes along with a larger requirement for homes with four or more bedrooms (and particularly four bedroom homes).

Size of accommodation	Barnsley	Penistone
1 bedroom	1.4%	0.7%
2 bedrooms	31.0%	24.3%
3 bedrooms	56.1%	49.7%
4 bedrooms	9.9%	20.8%
5+ bedrooms	1.6%	4.5%
Total	100.0%	100.0%

Source: Housing Market Modelling

3.2.25 The statistics are modelled on the basis of demographic trends. As has been identified, it should be recognised that a range of factors including affordability pressures and market signals (such as the level of demand encountered by developers on the ground) will continue to be important in understanding market housing requirements.

3.2.26 In the short-term it might be expected that there will be stronger demand in relative terms for larger family homes (3 or more bedrooms) as the market for smaller properties is restricted by mortgage finance constraints. As the last four years have shown, there are a range of inter-dependencies which affect housing demand, with effective demand for entry-level market housing currently curtailed by the availability of mortgage finance for first-time buyers and those on lower earnings. This is likely to affect market demand for smaller properties typically purchased by first-time buyers in the short-term. This may also impact upon the housing demand for larger dwellings, as a lack of movement at the bottom of housing chains prevents transactions enabling households to upsize.

Conclusions

3.2.27 This analysis suggests in the period from 2013 to 2018 (which might broadly equate to the build-out period for the application site) that around 25% of new market housing should have two-bedrooms, 50% three bedrooms, 20% four bedrooms and 5% five bedrooms.

3.3 SUMMARY

3.3.1 The 2005 HNA concluded the Penistone sub-area to be an affluent area comprised mainly of higher income households where one, two and three bedroom homes are subject to key market housing demand pressures, with more limited demand pressures existing in respect of 4 bedroom or larger homes. The strongest household preferences are for three bedroom market homes.

3.3.2 More recent 2008 evidence within the SHMA Update refers to the Penistone sub-area as having a strong housing market which already attracts in-migrant worker households. Trends suggest that broadly half of in-migrant households coming to the Borough will seek to owner-occupy and half will seek three bedroom homes. It is notable that 50% of such households are unlikely to have incomes that would enable them to purchase 5 bedroom or larger executive housing.

3.3.3 Furthermore, it is suggested by SHMA Update data that Penistone has remained an affluent area containing more high income households than other areas in the Borough despite that a range of new build housing (as opposed to delivery focussed on low density housing) having been delivered in previous years. In addition, Census data for the Penistone settlement suggests that the dwelling type profile has not altered significantly over the last 10 years, with Penistone containing a higher proportion of detached and four bedroom and larger dwellings in 2011 than across the Borough as a whole.

- 3.3.4 As such, the Penistone sub-area is not suggested to require local authority intervention by way of specifying the mix of market housing to be provided to ensure a strong housing market and good economic prospects – the area apparently already enjoys these characteristics within the context of the existing mix. The SHMA Update confirms the housing market in the area is balanced, and that across the Borough as a whole a review of job growth does not suggest an alteration in the mix of housing currently provided to be necessary.
- 3.3.5 The findings presented in the SHMA Update suggest that three bedroom homes are likely to be subject to the most significant demand pressures, with this dwelling size being targeted by mover households who are upsizing, downsizing or already living within three bedroom homes. Market housing demand / supply analysis within the SHMA Update suggests that the strongest pressures will be upon smaller one and two and three bedroom homes in the Penistone sub-area.
- 3.3.6 The Council's evidence base does not provide an objective basis for prescribing the provision of larger executive market homes, particularly in the Penistone area. Such an approach will fail to provide sustainable development which delivers a wide choice of homes to address a range of local housing requirements.
- 3.3.7 The 2005 HNA and SHMA Update do not recommend a specific proportionate requirement in respect of market housing mix, but it is apparent that the application site market housing mix proposals for a mix of two, three and four bedroom homes in Penistone aligns with the market housing demand / supply pressures concluded within both the 2005 HNA and the SHMA Update, whilst having regard to up to date information in respect of the existing dwelling profile in the Penistone area.
- 3.3.8 In view of the available evidence within the SHMA Update it would be entirely appropriate for market housing proposals in respect of housing developments within the Penistone sub-area to comprise of a mix of two, three and four bedroom homes – this would assist with addressing the key market housing demand supply pressures identified within the Council's evidence base and with ensuring the continuing role of Penistone as an affluent well balanced housing market attractive to worker in-migrant and wealthy commuter households, thus inputting economic growth to the wider Borough and Housing Market Area.
- 3.3.9 Bespoke analysis undertaken and summarised within this report considers the likely mix of owner-occupied housing required in Barnsley and the Penistone area based on projected

demographic change and household occupancy patterns (i.e. recognising in the market sector that the link between household sizes/types and the size of home occupied is relatively complex).

- 3.3.10 This analysis suggests in the period from 2013 to 2018 (which might broadly equate to the build-out period for the application site) that around 25% of new market housing should have two-bedrooms, 50% three bedrooms, 20% four bedrooms and 5% five bedrooms.
- 3.3.11 In the short-term, given current market conditions whilst the proportion of larger homes could be increased slightly, it is clear that this will need to reflect the demand experienced by developers for their product on the ground – the provision of dwellings which they are unable to market successfully will act to further impede the economic viability of schemes.
- 3.3.12 Whilst this analysis has been carried out on the basis of the best data available it remains the position that the market is likely to be best placed to judge what mix of homes will sell and therefore greater weight should be given to a developer's judgement on what will best satisfy market demand than to rely inflexibly upon statistical estimates alone.
- 3.3.13 The mix of market housing proposed in respect of the application site (i.e. 10% 2 beds, 49% 3 beds, 41% 4 beds) acknowledges the Council's preference for larger market dwellings, whilst, in view of the evidence review and subsequent bespoke market mix analysis, seeking to focus on the provision of two, three and four bedroom family homes.
- 3.3.14 The proposals strike a reasonable balance between the dwelling profile suggested within the Council's evidence base, the bespoke market housing mix analysis and the Council's preferences.

4. CONCLUSION

- 4.1 The NPPF does not establish a requirement that local authorities should set policies to specify market dwelling size requirements, particularly where this is not supported by an objective assessment of local housing demand. The NPPF refers to the identification of the size, type, tenure and range of housing required at particular locations reflecting local demand to assist with delivering a 'wide choice of high quality homes'.
- 4.2 It is in the context of the objective evidence base (as opposed to being inflexibly prescribed in policy wording) that the 'likely' size, type, tenure, and range of housing requirements at particular locations should be identified.
- 4.3 Such assessments are unlikely to be sufficiently precise to enable a fixed market dwelling size requirement to be imposed. To ensure that local demand is met market mix proposals will need to be the subject of negotiation, having regard to developer preferences based on marketing experience.
- 4.4 The NPPF affordable housing definition maintains the distinction between market housing demand and affordable housing need, and cautions that proposals within the 5 year land supply which present a mix of housing for which there is no demand will be rendered undeliverable and therefore unavailable as housing land supply.
- 4.5 Settled local policy within the Core Strategy does not specify a market housing mix requirement in respect of housing development at particular locations such as Penistone, or refer to Penistone as a location in need of regeneration. The Core Strategy specifies a minimum 40 dwelling per hectare density on new developments unless robust evidence justifies a departure from this.
- 4.6 Whilst setting out aspirations for encouraging the retention of higher income households within the Borough, emerging policy within the Development Sites and Places Consultation Draft does not propose that a fixed mix of market dwelling sizes should be imposed upon the application site. Furthermore, the evidence base supporting the Council's conclusions in respect of the need to provide an element of larger 5 bedroom plus dwellings and to move away from Core Strategy minimum density requirements is not clearly identified.
- 4.7 The 2005 HNA concluded the Penistone sub-area to be an affluent area comprised mainly of higher income households where one, two and three bedroom homes are subject to key market housing demand pressures, with more limited demand pressures existing in respect

of 4 bedroom or larger homes. The strongest household preferences are for three bedroom market homes.

- 4.8 More recent 2008 evidence within the SHMA Update refers to the Penistone sub-area as having a strong housing market which already attracts in-migrant worker households. Trends suggest that broadly half of in-migrant households coming to the Borough will seek to owner-occupy and half will seek three bedroom homes. It is notable that 50% of such households are unlikely to have incomes that would enable them to purchase 5 bedroom or larger executive housing.
- 4.9 Furthermore, it is suggested by SHMA Update data that Penistone has remained an affluent area containing more high income households than other areas in the Borough despite that a range of new build housing (as opposed to delivery focussed on low density housing) having been delivered in previous years. In addition, Census data for the Penistone settlement suggests that the dwelling type profile has not altered significantly over the last 10 years, with Penistone containing a higher proportion of detached and four bedroom and larger dwellings in 2011 than across the Borough as a whole.
- 4.10 As such, the Penistone sub-area is not suggested to require local authority intervention by way of specifying the mix of market housing to be provided to ensure a strong housing market and good economic prospects – the area apparently already enjoys these characteristics within the context of the existing mix. The SHMA Update confirms the housing market in the area is balanced, and that across the Borough as a whole a review of job growth does not suggest an alteration in the mix of housing currently provided to be necessary.
- 4.11 The findings presented in the SHMA Update suggest that three bedroom homes are likely to be subject to the most significant demand pressures, with this dwelling size being targeted by mover households who are upsizing, downsizing or already living within three bedroom homes. Market housing demand / supply analysis within the SHMA Update suggests that the strongest pressures will be upon smaller one and two and three bedroom homes in the Penistone sub-area.
- 4.12 The Council's evidence base does not provide an objective basis for prescribing the provision of larger executive market homes, particularly in the Penistone area. Such an approach will fail to provide sustainable development which delivers a wide choice of homes to address a range of local housing requirements.

- 4.13 The 2005 HNA and SHMA Update do not recommend a specific proportionate requirement in respect of market housing mix, but it is apparent that the application site market housing mix proposals for a mix of two, three and four bedroom homes in Penistone aligns with the market housing demand / supply pressures concluded within both the 2005 HNA and the SHMA Update, whilst having regard to up to date information in respect of the existing dwelling profile in the Penistone area.
- 4.14 In view of the available evidence within the SHMA Update it would be entirely appropriate for market housing proposals in respect of housing developments within the Penistone sub-area to comprise of a mix of two, three and four bedroom homes – this would assist with addressing the key market housing demand supply pressures identified within the Council’s evidence base and with ensuring the continuing role of Penistone as an affluent well balanced housing market attractive to worker in-migrant and wealthy commuter households, thus inputting economic growth to the wider Borough and Housing Market Area.
- 4.15 Bespoke analysis undertaken and summarised within this report considers the likely mix of owner-occupied housing required in Barnsley and the Penistone area based on projected demographic change and household occupancy patterns (i.e. recognising in the market sector that the link between household sizes/types and the size of home occupied is relatively complex).
- 4.16 This analysis suggests in the period from 2013 to 2018 (which might broadly equate to the build-out period for the application site) that around 25% of new market housing should have two-bedrooms, 50% three bedrooms, 20% four bedrooms and 5% five bedrooms.
- 4.17 In the short-term, given current market conditions whilst the proportion of larger homes could be increased slightly, it is clear that this will need to reflect the demand experienced by developers for their product on the ground – the provision of dwellings which they are unable to market successfully will act to further impede the economic viability of schemes.
- 4.18 Whilst the bespoke analysis within this report has been carried out on the basis of the best data available it remains the position that the market is likely to be best placed to judge what mix of homes will sell and therefore greater weight should be given to a developer’s judgement on what will best satisfy market demand than to rely inflexibly upon statistical estimates alone.

- 4.19 The mix of market housing proposed in respect of the application site (i.e. 10% 2 beds, 49% 3 beds, 41% 4 beds) acknowledges the Council's preference for larger market dwellings, whilst, in view of the evidence review and subsequent bespoke market mix analysis, seeking to focus on the provision of two, three and four bedroom family homes. Bearing in mind more than 40% of the proposed dwellings will have 4 bedrooms and that the overwhelming majority are family houses it is reasonable to conclude that "executive" housing will have been provided within the context of the Penistone housing market.
- 4.20 The proposals strike a reasonable balance between the dwelling profile suggested within the Council's evidence base, the bespoke market housing mix analysis and the Council's preferences.