Sheffield Strategic Housing Market Assessment

November 2013

Main Report

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Glossary

ALMO	Arm's Length Management Organisation: a type of organisation set up to oversee the management of council housing. See Sheffield Homes.
BME	Black and Minority Ethnic
CORE	Continuous Recording of Lettings and Sales in Social Housing: an administrative data set on the use of social housing collected from RPs (q.v.) by the HCA (q.v.)
Core Cities	Member cities of the Core Cities group of the largest English cities outside London
DCLG	Department for Communities and Local Government
HB	Housing Benefit
HCA	Homes and Communities Agency: an executive agency of the DCLG (q.v.) responsible for funding and regulating social housing as well as undertaking land acquisition and development for regeneration.
HMA	Housing Market Area: a local housing submarket.
HMR	Housing Market Renewal: a major cross-tenure housing regeneration programme from 2002 to 2011, active in the North East, East and Manor/Arbourthorne/Gleadless HMAs (q.v.) in the city
Housing Association	A type of RP (q.v.), usually set up on a charitable or not-for-profit basis
JSA	Job Seekers' Allowance
LCHO	Low Cost Home Ownership
LDF	Local Development Framework: see Local Plan (q.v.)
LEP	Local Economic Partnership
LHA	Local Housing Allowance: like Housing Benefit, is means tested and tapered, however, the eligible rent is fixed for a household of a given size or a given area.
Local Plan	The statutory land use development plan, formerly the LDF

LSOA	Lower Super Output Area: a type of area commonly used to report official statistics such as those from the Census
LTV	Loan-to-Value: a ratio commonly used in the financial services industry to determine eligibility for mortgages and to set their prices. It compares the overall loan amount with the value of the property being purchased.
NP / NPA	National Park / National Park Authority
NPPF	National Planning Policy Framework: a statement of national planning policies to which Local Plans (q.v.) should have regard
ONS	Office for National Statistics
PBSA	Purpose-Built Student Accommodation
PRS	Private Rented Sector
Right to Buy	The right, introduced in the 1980 Housing Act and subject to modifications since, of social tenants to buy their home at a discounted market value. Housing Association (q.v.) tenants may be able to exercise similar rights called the Preserved Right to Buy or the Right to Acquire
RP	Registered Provider (of Social Housing)
RPI	Retail Price Index
RTB	See Right to Buy
S106	Section 106: a type of legal agreement between a developer and the local planning authority, in which the developer agrees to make some form of contribution in exchange for receiving planning permission. These contributions are often used to fund or directly provide new affordable housing
SCC	Sheffield City Council
SCCRAG	Sheffield City Centre Residents Action Group
SCR	Sheffield City Region
Sheffield Homes	An ALMO (q.v.) set up by Sheffield City Council to manage the local authority-owned housing stock. In April 2013 the responsibility for the management of this housing stock passed back to SCC's Council Housing Service. References to Sheffield Homes' stock in this report and elsewhere should be taken to mean council housing owned by SCC.

Sheffield Housing Company	A partnership between Sheffield City Council, Keepmoat and Great Places, aiming to deliver 2,300 new homes on 60 hectares of council owned land in the north and south of the city by 2032. The company will deliver a mix of properties predominantly for private sale, with some affordable, which will be of a high design quality and environmentally sustainable.
SHLAA	Strategic Housing Land Availability Assessment: an assessment of the quantity of potential housing sites and their viability for development within the period of the Local Plan (q.v.)
SHMA	Strategic Housing Market Assessment
SNPP	Sub-National Population Projections: a set of official population projections produced by ONS (q.v.).
SRS	Social Rented Sector

Acknowledgements

Executive Summary

THE APPROACH TO THE STRATEGIC HOUSING MARKET ASSESSMENT

- Strategic Housing Market Assessments are a development of the 'housing needs assessment' approach, expanded to integrate considerations of market processes and demand.
- They are generally required to support housing planning, in particular by assessing the requirement for market and affordable housing in the city, but also inform a range of other policies.
- Six key elements form Sheffield's approach to the SHMA. These are: (i) a baseline market analysis; (ii) consideration of housing submarkets; (iii) a major survey of 3,363 households; (iv) construction of a housing needs and demand model; (v) the in-depth views of 37 residents and around 40 other stakeholders; and (vi) considering the policy development implications through a series of policy user workshops with 44 delegates and other forms of engagement.
- The key findings from the SHMA are summarised by chapter:

CHAPTER 2: POLICY CONTEXT

National policy context

- The housing landscape nationally and regionally remains challenging.
- There is an overriding concern with dealing with the volatility of the housing market and its impact on national and local economies.
- Ensuring that historically low levels of new housing construction are tackled is a key challenge, as is growing the private rented sector (PRS).
- Despite the recession and downturn, house prices remain high in relative terms and in relation to real incomes. That said, there have been some localised and time-specific falls in prices, further emphasising social and economic divides in the housing market.
- Access to mortgage finance remains tight, underscoring the lack of developer activity. However, recent government schemes such as Funding for Lending and Help to Buy may begin to help financing become more accessible.
- Reforms to the planning system and to social housing rules and accounting policies provide some opportunities for local discretion and flexibility, especially where local resources (e.g. land) can be brought to bear.
- But reforms in other areas – notably Housing Benefit – will have distorting effects and may lead to tenure switching and greater pressure on private rented housing.
- The cumulative impact of these policy changes is difficult to predict, but may in part reflect local policy priorities.

Local policy context

- The City Council's housing strategy has three key aims: (i) to increase supply; (ii) to make best use of the existing stock; and (iii) to help vulnerable households to live independently.
- House-building has slowed to about 900 units p.a., less than half of the Local Plan target. Market conditions have made the Council's 40% affordable housing target difficult to achieve. The city's stock increases by less than 1% p.a.
- Land identified in the SHLAA is concentrated in certain areas and is often unviable to develop. The City Council has stated its intention to undertake an early Local Plan review which will seek to identify wider options for land release.
- Around a quarter of the identified land supply is in the City Centre, but the market for city centre apartments has slowed. The City Centre Masterplan envisages greater housing diversity in the city centre.
- The Sheffield Housing Company will deliver 2,300 mixed-tenure homes on council land by 2032.
- The Affordable Homes Programme will lead to around 500 new homes at 80% of market rents by 2015.
- A range of local policies is aimed at making better use of the housing stock. These include the Houses into Homes loan scheme and the new Allocation Policy, which streamlines need categories and introduces a new under-occupation priority.
- A quarter of PRS properties have at least one Category 1 hazard.
- The new Tenancy Strategy emphasizes the importance of tenure security in the social stock, and its contribution to community stability.
- Sheffield's population is increasingly diverse and is living longer.
- Some groups face challenges accessing appropriate housing and services, including students, who represent a significant proportion of the population in particular areas.
- Welfare reforms will have significant impacts on the city and on its vulnerable population groups. The city will lose £170 million in benefit income. Around 7,000 working age social rented tenants will be affected by the so-called 'bedroom tax' and it is anticipated that priority homeless cases will rise.
- A more coordinated approach to housing and health should arise from the Council's new public health responsibilities.
- A Supported Housing Pathway together with new facilities will help support more people to live independently.
- Growth in the PRS reflects the difficulties faced by younger people in particular in accessing home ownership.

CHAPTER 3: DEFINING THE MARKET AREA

The Sheffield Housing Market Area

- Sheffield is one of the largest cities in England and lies at the heart of the Sheffield City Region. But it is a collection of separate settlements, some

annexed to the city, and this means that the local authority is 'over bounded' – the local authority boundary is larger than the city itself.

- One-third of the local authority area lies within the Peak District National Park, which imposes significant limitations on housing development and density across much of the west of the city.

- Consequently, Sheffield is a self-contained housing market area. 73% of moves take place within the city boundary, but there are important links with neighbouring authorities for certain household types such as those seeking family housing.

Migration links with neighbouring districts

- The Sheffield housing market has important links to neighbouring districts, especially Rotherham.

- Sheffield loses population to surrounding districts, but gains population from those undertaking long-distance moves and international migrants.

- Although numbers fluctuate each year, Sheffield receives around 6-7,000 net international migrants per year. This number includes students, although the numbers of international students leaving the city at the end of their studies will more or less balance out students arriving.

- Travel to work links between Sheffield and neighbouring areas show that Sheffield's employment areas are the most significant economic drivers in the city region. This is significant in attracting people to the city's housing market and we need to ensure that the housing offer continues to support economic growth.

Sub-markets and housing market sectors

- The number of sub-markets, termed Housing Market Areas (HMAs), in the city has increased from the 12 identified in 2007 to 13 today, identified in Figure 1.

- Sheffield remains a divided city in terms of its income distribution, with distinct characteristics across different parts of the city. These are reflected in the distinctive nature of each HMA.

- Internal migration patterns are quite localised. There is a high degree of 'place attachment' in Sheffield's housing market, which means movers often seek to remain within the same neighbourhood.

- Housing search data reveals distinct search patterns in submarkets and the difference in activity levels of the private market between HMAs.

- The city centre remains a complex market, with concern from residents about its night-time vibrancy with an over-supply of apartments.

- The student market remains strong with large numbers of students supporting the private rented sector in the City Centre West and City Centre HMAs in particular.

- Private sector rents have fluctuated over the last five years and vary by location with growth in the rent of properties in the South West by 31%, which may be causing access problems for lower income households.

- The South West of the city is widely acknowledged as an area of very high market pressure, although some types of housing have fallen in price over recent years, the area remains the most popular part of the market.

Figure 1. Map of the new Housing Market Areas in Sheffield
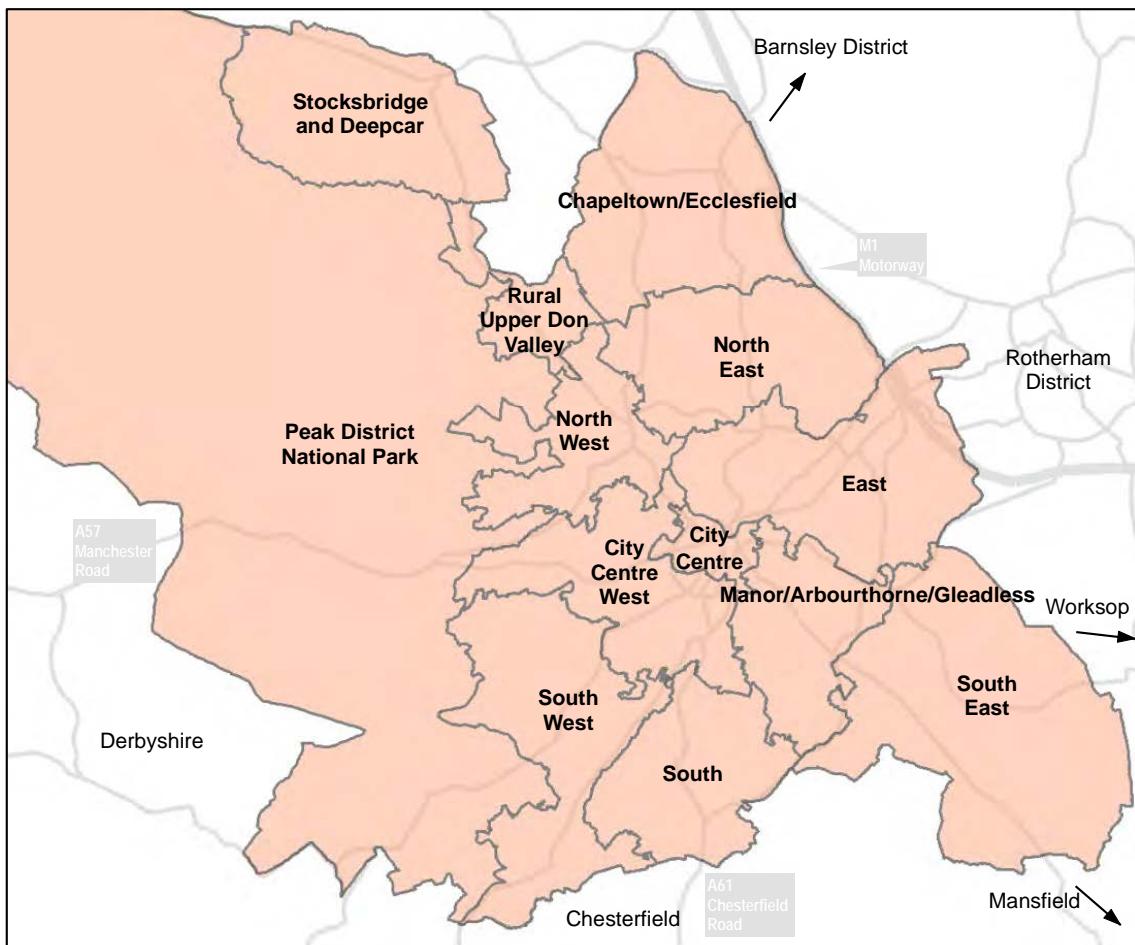
CHAPTER 4: THE CURRENT HOUSING MARKET

Demographic and economic context

- Sheffield population has been growing and is increasingly diverse.
- Nearly one-third of households are single person households.
- Skills levels and rates of economic activity have been improving, although there is evidence that this experience is not shared by all, notably younger people.

Demand processes

- House prices in Sheffield are among the highest in the sub-region, although they have fallen by 17% since the market peaked in 2007.
- There is great variation in house price levels across the city.
- Gross household incomes have failed to keep pace with the rises in housing costs.
- Although price-to-income ratios have fallen in theory (from 6.6 in 2007 to 4.9 in 2012), there remain problems with the accessibility of finance for home purchase.

- Access prices have fallen by on average 27%, but there is huge variation between HMAs and access to finance is difficult.
- The average deposit required for owner occupation is just over £13,000. It is estimated that 15% of current households not in owner occupation have access to the required deposit.
- Private rents have increased on average by 14% since 2007. 45% of households can afford the average monthly rent.
- Despite falling prices, the consequent overall impact on affordability is only marginal.
- Households continue to seek to 'trade up' to larger housing, frequently citing problems with the size of their housing. There is a large demand for family housing in the city.
- Neighbourhood satisfaction and preferences drive search and market activity, and the perceptions of neighbourhood quality vary considerably across the city.

Housing stock and supply

- Sheffield's housing stock has grown at a relatively slow rate - just over 1,000 dwellings per annum, mainly flats and apartments.
- The housing stock is relatively old.
- There are specific problems with poor conditions in the private sector.
- 3% of dwellings may be overcrowded. Overcrowding is worst in the social rented sector.
- The majority - 71% - of properties are technically under-occupied, although this is predominantly the case in the owner-occupied sector. 40% of properties in the social rented sector are under occupied which will affect working age tenants claiming Housing Benefit.

CHAPTER 5: THE FUTURE HOUSING MARKET

Demographic change

- Sheffield's population continues to increase as a result of demographic (natural) change and net international migration. The city loses a small proportion of its population each year through net internal (domestic) migration.
- The largest net contribution to Sheffield's population growth was from international migration, which is in contrast to the surrounding areas.
- The rate of new household formation over the next five years is projected to be between 1,500 and 3,000 households per annum, depending on the assumptions made in the household projections. Therefore throughout the report we refer to a conservative estimate of 2,270 households per annum.
- The student population represents an important group. Graduate retention contributes to a relatively significant population in their late 20s and 30s, which is projected to age in situ. This presents a challenge to ensure that there is an adequate supply of affordable family housing in popular neighbourhoods for this growing group.

- The population profile by HMA shows marked difference between absolute numbers of people in different groups across the HMAs. There is greater harmony proportionally between HMAs when the city centre is set aside.

Household preferences and choice

- 28% of existing households think they need to move to a different home within the next five years, whilst 50% think they will not need to move over the same period. 23% of households do not know if they will need to move.
- More than 40% of couples with dependent and non-dependent children expect to move within five years, suggesting potentially very high levels of demand for family housing.
- 67% of households who expect to move within the next five years would like to be owner occupiers. Only 55% of movers expect to own their home.
- 11% of households would like to be in the private rented sector and 21% of households expect to be renting privately.
- 16% of households would like to be renting from the council or housing associate and 19% expect to do so.
- The most popular neighbourhoods are those in the City Centre West and South West HMAs and the least popular are those in the Manor, the East and the North West. There are notable differences between where households would like to live and where they expect to live.

Newly forming and suppressed households

- 21,000 households contain concealed households looking to form in the next three years.
- The two most frequent types of households most likely to form are single adult and couple households, both without children.
- 65% of newly forming households were estimated to have an income of less than £15,000. 90% have access to less than £10,000 in savings.

Impact of migration flows

- Out-migrant household types are dominated by families. These households dominate the flow into Rotherham, Chesterfield and Worksop.
- Potential migrants to neighbouring areas aspire to move to large homes. 70% of households expect to move to three or more bedroomed homes.

Effective and new demand levels

- The largest contribution to latent (potential) demand comes from existing households with 63,278 potential movers. A further 21,000 comes from concealed households.
- Only 62% of existing households who expect to move have the income to afford to purchase a home at the lower quartile price.
- Additional market demand from existing households, newly forming households and migration would suggest that we would need 1,748 new homes per annum, over and above those required to meet housing need.

- This leaves a total five-year net (new) effective demand figure of 8,740 or approximately 1,748 per annum. These households will potentially add to the new housing requirement, and should be viewed as being additional to those in housing need.
- These figures should be considered an upper limit. We would recommend planning for a market housing requirement in the range 1,250-1,700 per annum.

CHAPTER 6: HOUSING NEED

- Our approach to estimating housing needs follows DCLG's practice guidance in that it estimates the net balance of a backlog of needs, newly arising needs, and new affordable housing supply using a blend of national sources and local survey evidence.
- Housing need is defined as those households who for a variety of reasons are (or will probably be) unable to secure adequate market housing.

Backlog of housing need

- The backlog of housing need is comprised of households in unsuitable housing for a range of reasons, including a technical assessment of overcrowding according to the bedroom standard used in Sheffield's revised Allocations Policy. An adjustment is made for households whose needs can be met by changes to their household circumstances or through a move out of Sheffield.
- We also adjust for those households likely to be able to afford their own housing in the market. We estimate that the proportion of those in unsuitable housing requiring affordable housing is approximately 67%.
- In sum, we estimate a total requirement to clear the backlog of needs of 1,578 units per annum.

Newly arising need

- Newly arising need results from the formation of new households, again adjusted for those unlikely to be able to afford in the market, and existing households falling into priority housing need. We estimate annual newly arising need of 3,028 units.

Supply of affordable housing

- The supply of affordable housing through the re-lets that can be expected to arise in the city's council and housing association stock, shared ownership resales, and the completion of programmed new construction, is netted from anticipated demolitions and other reductions to the stock (e.g. through RTB). We estimate annual supply of affordable housing of 3,881 units.

Overall annual shortfall

- In sum, we consider that there is an overall annual shortfall of affordable housing of 725 units.

- It should be noted that this estimate is sensitive to changes in assumptions about future housing market and economic conditions and the influence of policy interventions.
- Based on the likely levels of demand revealed by the survey, the overall annual shortfall of need should be met through an affordable/intermediate housing ratio of 70/30.

CHAPTER 7: HOUSING REQUIREMENTS BY GROUP

Households and residents with disabilities or long term limiting illnesses

- The survey suggests that 57,468 households contain at least one household member suffering from disability or LLTI.
- The distribution of these households is spatially uneven as is the inadequacy of housing for these residents. Approaching 32% of households with members who are disabled or have long term limiting illnesses in the Manor/Arbourthorne/Gleadless HMA believe their housing is not adequate given their circumstances.
- The incidence of households living in inadequate housing is part of the rationale for 25% of these households considering moving home.
- These households have serious concerns about the likely impacts of welfare reform which will need to be monitored carefully and might have pronounced consequences for housing need.

Students

- There are 62,000 students at the City's two Universities. Their housing requirements are met by approximately 16,500 PBSA bed spaces and the private rented sector.
- Student households express high levels of dissatisfaction with the PRS. They highlight: sub-standard conditions; overcrowding; poor levels of repair and maintenance; and security and safety concerns.
- There is some suggestion that demand for 'traditional' PRS student accommodation is weakening.

High Net Worth Households

- The preferences of high net-worth households are significantly shaped by the quality of school provision. Demand is highly concentrated in particular school catchment areas in the South West of the City.
- Despite high demand, there is no clear evidence that the very 'top' end of the market is constrained.

BME households

- BME households are found throughout the city but are most highly concentrated in particular neighbourhoods. These neighbourhoods are viewed positively as sources of social support, and due to the clustering of religious and cultural amenities.

- Strong preferences for these areas has begun to drive property values. 'New communities' are thought to be emerging in Page Hall and Fir Vale.

Older households

- Sheffield's population is ageing. The city also acts as a net attractor to older households who need support.
- There is a significant group of active older households for whom the market does not cater.

CHAPTER 8: CONCLUSION

- The final chapter synthesises the evidence from the range of qualitative and quantitative sources. This evidence and the policy workshops conducted (see Appendix 2) help highlight key questions and policy issues for the housing market in Sheffield from 2013.
- The policy challenges for family housing are:
  Place-making. How might the features of high demand submarkets be replicated in other parts of the city?
  Viability. How might the market be stimulated to deliver family homes throughout the city, particularly where developers have concerns about demand levels and viability?
- For the City Centre market key questions include:
  Demand diversification. Can a more balanced demographic profile be achieved in the City Centre?
  Supply diversification. Can the market be stimulated to develop new family homes and, if so, can the infrastructure support the different demands (e.g. for schools, doctor surgeries, etc.) that this might bring?
  Older households. Can the market design and deliver new products for active, older households? Can the amenities support increased demand from this household type?
- Challenges emerging for the private rented sector are:
  Standards. How can the need to raise the standards of properties and management be balanced with the impact on landlord investments?
  Impact on supply. Will this impact on the supply and further increase rents?
  New institutional landlords. What is the potential for social rented landlords and institutions to enter the market to improve standards?
- Issues surrounding the student market include:
  Consolidation. How can the relationship between PBSA and 'traditional' student areas be managed? How can traditional housing meet needs?
  Resilience. What models are there to ensure the resilience of major PBSA developments and neighbourhoods in the face of any future changes to student numbers? How can PBSA and its owning institutions diversify the uses to which it is put?
- Finally, policy issues for shared housing markets are:
  Capacity. What capacity is there for neighbouring authorities to meet the extra housing requirements arising in Sheffield that might be associated with levels of economic growth above that implied by the current household projections?

Infrastructure. How will future infrastructure, such as improving transport links with Rotherham, shape demand and open up the possibility of a larger cross-boundary flow? Might Sheffield's current status as a self-contained housing market area hold true in the future?

1 Introduction

The Sheffield Strategic Housing Market Assessment (SHMA) is a major study of the structure and operation of the local housing system. The study is intended to inform a wide range of public policies and to provide a significant evidence-base for future housing and planning policies. The requirement for a SHMA is set out in the National Planning Policy Framework (NPPF) and the way it is conducted has been shaped by best practice guidance issued by the Department for Communities and Local Government (DCLG, 2010). This research updates the evidence reported in both the 2007 SHMA and the 'refresh' undertaken in 2009 (see DCA, 2007; CRESR, 2009 respectively). The study produces key evidence for use in Local Plans and Housing Strategies and provides a rich, new primary data set that can be interrogated on an on-going basis.

1.1   ABOUT THE STUDY

The study was undertaken by Sheffield City Council; the Department of Town and Regional Planning and Research Exchange for the Social Sciences (RESS) at the University of Sheffield; and the Centre for Regional Economic and Social Research (CRESR) at Sheffield Hallam University working in partnership. The study involved:

- defining the housing market area and internal housing submarket boundaries;
- a baseline market analysis based on secondary data covering population and household growth; house prices, turnover and rental levels; and migration, labour market and economic indicators;
- a survey of 3,363 households;
- extensive qualitative analysis, including in-depth interviews with 37 residents; 15 interviews with local professionals from the development, estate agency and private landlord communities; and three focus groups, each involving 5 to 7 participants, drawn from the City Centre, Student and Higher Earner market segments (detailed evidence can be found in Annex Report 1: *Home Truths II*);
- a housing needs model and housing demand analysis; and
- two policy workshops, one on housing need and the other on market demand, involving 25 and 19 participants respectively (see Appendix 2 for details).

The research was undertaken in the wider context of the initial stages of recovery from a major economic recession; significant welfare reforms and changes to the benefits regime; considerable fluidity between tenures, including notable growth in the private rented sector and decline in other tenure types; low rates of housing delivery; an ageing population; and increasing but volatile international migration (see Chapter 2 for details). This context presents significant short to medium-term challenges for housing and planning policy-makers and practitioners and provides an important backdrop to the analysis contained in the report.

1.2 STRUCTURE OF THIS REPORT

This report is organised in seven further chapters. Chapter 2 explains the local and national policy context, and also provides further detail of the approach taken to the SHMA study. Chapter 3 then considers the Sheffield housing market area, the key links with neighbouring local authority areas, and the internal structure of the Sheffield housing market. In this chapter, a definition is provided of 13 sub-market areas in the city – termed Housing Market Areas (HMAs) – which are used to structure the majority of the statistical analysis in the remainder of the report. Chapter 4 describes the current housing market in Sheffield by examining its demographic and economic context, the demand processes evident in the market, and the structure of the city's housing stock and supply. Chapter 5 then extends this analysis by considering the future housing market. Specifically, this chapter describes the key population and household trends that might impact on the city's housing market in the future and how these trends might manifest themselves as demand for housing. An assessment is made of likely effective and new demand levels, which provide a guideline figure for the housing requirement. Chapter 6 presents the results of a housing needs model, which provides a calculation of the likely level of affordable housing need in the city, constituted of a backlog of existing unmet need and the additional need that might arise in the future. This chapter provides a guideline estimate of the level of required housing to meet this need, and the split between affordable rental housing and intermediate market housing. Chapter 7 considers housing issues relating to a set of specific demand groups within the city: household with illness or disability; students; high-income households; Black and Minority Ethnic (BME) households; and older households. Finally, chapter 8 offers conclusions and sets out a series of key policy challenges.

1.2.1 Appendices and annexes

The main report has two appendices:

- Appendix 1 provides a copy of the questionnaire used in the 2013 Sheffield Housing Survey;
- Appendix 2 provides details of, and a summary of the discussions from, a set of policy workshops at which key market stakeholders were invited to discuss the interim findings of the SHMA project.

In addition, there are two annex reports:

- Annex Report 1, entitled *Home Truths II*, provides a comprehensive account of the programmes of qualitative work (in-depth interviews and focus groups) with residents and other stakeholders;
- Annex Report 2, a *Technical Annex*, provides further technical details of the survey methodology and the housing needs model.

2   Policy Context

Policy Context: Key Points

National policy context
- Housing delivery remains slow and increasing this is a national priority through reforms to the planning system, funding for stalled sites and the New Homes Bonus.
- House prices remain high in relative terms and in relation to incomes.
- Mortgage finance is limited and deposits remain high. Funding for Lending scheme and Help to Buy is trying to ease this.
- Demand for private renting is growing and stimulating institutional renting is a national priority.
- Welfare reform, especially to Housing Benefit, may have distorting effects on the housing market in terms of increased rent arrears, increased homelessness and tenure switching.
- Reforms to social housing such as HRA self-financing, Affordable Rents and fixed tenancies provide more flexibility to Local Authorities in terms of letting social properties and managing rental income.

Local policy context
- Sheffield City Council's Housing Strategy 2013-23 has three aims: (i) increase supply; (ii) make the best use of existing stock; and (iii) help vulnerable households to live independently.
- House building has slowed in Sheffield to around 900 units in 2012/13.
- The land is concentrated in certain areas and there are limits on what the market can deliver in any one year
- Around a quarter of the identified land supply is in the City Centre but the market for City Centre apartments has slowed.
- Affordable Homes Programme will lead to around 500 new homes for Affordable Rent by 2015.
- Sheffield Housing Company will build 2,300 new homes by 2032.
- The Allocation Policy has stream-lined the priority categories and includes a new under-occupation priority.
- The condition and quality of the private rented sector is a key concern for the city.
- Around 7,000 working age social rented tenants are currently under-occupying their property.
- Sheffield will lose around £170 million from the welfare reforms in the economy.

2.1 INTRODUCTION

This chapter sets out the strategic context for the Sheffield Strategic Housing Market Assessment (SHMA). It considers key elements of the national policy and market environment, which help to shape the city's response to housing needs and demand. It also sets out the local policy context which frames the way that Sheffield City Council (SCC) can meet housing needs and demands within the city. Finally, key principles of housing market assessment, which are used to guide the SHMA's methodology, are reviewed and provide an introduction to the key elements of the approach adopted in undertaking the SHMA.

2.2 NATIONAL POLICY CONTEXT

It is widely accepted within policy and academic discourse that the current economic recession was initiated and heightened by a dysfunctional housing system that has been characterised by over-valued properties and poorly regulated investment and lending practices.[1] The national policy context within which this study is set reflects longer-term concerns about the negative economic consequences of a volatile housing market and the response to the recent crisis. These concerns were explicitly the rational for the 2004 Barker Review of Housing Supply and the post-Barker supply-side framework that continues to exist. Consequently, the government's housing strategy,[2] published in November 2011, majors on plans to boost supply and recognises a growing role for the private rented sector (PRS). To some extent, this is indicative of the durable consensus on the key high-level national priorities.

This section of the report seeks to:

- Offer a brief overview of the central planks of the national policy landscape;
- Emphasise the challenges presented by housing affordability problems and the lack of available mortgage finance, low levels of housing supply, the under-development of and lack of finance available to expand the PRS; and
- Summarise the constraints on social housing finance and the implications of welfare reform.

2.2.1 Housing affordability

The credit crunch that started in 2007 has had considerable implications for housing affordability. The impact on the owner-occupied sector has been complex. Aggregate house prices have dropped at times and in some places and there is evidence that changing price levels have had an impact on access to or the affordability of home ownership. The Council of Mortgage Lenders (CML)/DCLG house price series shows that prices have continued to rise every year since the credit crunch other than 2009. This national picture is obviously skewed by the performance of London and the South East but even in Yorkshire and Humber

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[1] See for example: André C (2010) and Stephens (2011).
[2] HM Government (2011) Laying the Foundations: A Housing Strategy for England.

prices recovered in 2009/2010, although they faltered again in 2011 and 2012 (see Table 2.1).

At the time of writing (summer 2013) both Rightmove and Halifax indicators show year on year rises in prices in all regions of the UK and sentiment indicators[3] predict at least a further 5% increase by 2014. The cost to income ratio has, however, improved marginally from 22.9 in England in 2007 (20.2 in Yorkshire and Humber) to 15.9 by 2011 (13.8 in Yorkshire and Humber).[4]

Table 2.1. Average house price in England and Yorkshire & Humber, 2006-2012.

Date	Average price (£)	
	Yorkshire & The Humber	**England and Wales**
Dec-06	137,516	170,739
Dec-07	144,759	181,522
Dec-08	122,054	155,552
Dec-09	124,266	160,062
Dec-10	122,040	161,474
Dec-11	117,478	159,032
Dec-12	115,555	160,514

Source: HM Land Registry data, provided by Sheffield City Council

The impact of the downturn on the level of transactions has been more marked. The sharp decline in numbers of transactions has been driven by the lack of availability of mortgage finance. The UK Housing Review 2013 shows the number of housing transactions within England dropped below 150,000 in Q1 of 2009 from around 300,000 per quarter between 2004 and 2007. Whilst the downturn has had an unequal impact upon nations within the UK, the overall impact on housing can be seen in the decrease across the country in Figure 2.1. The seasonally adjusted transactions peak in December 2006 and steadily fall for 24 months before stabilising and rising slowly again until August 2013.

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[3] Sentiment indicators, used extensively within the financial services, are derived from opinion panels of households. See for example Knight Frank (2013).

[4] Wilcox (2013), based on first time-buyer house prices and average incomes for all working households.

Figure 2.1. Seasonally adjusted and not seasonally adjusted total UK residential property transactions, 2005-13.
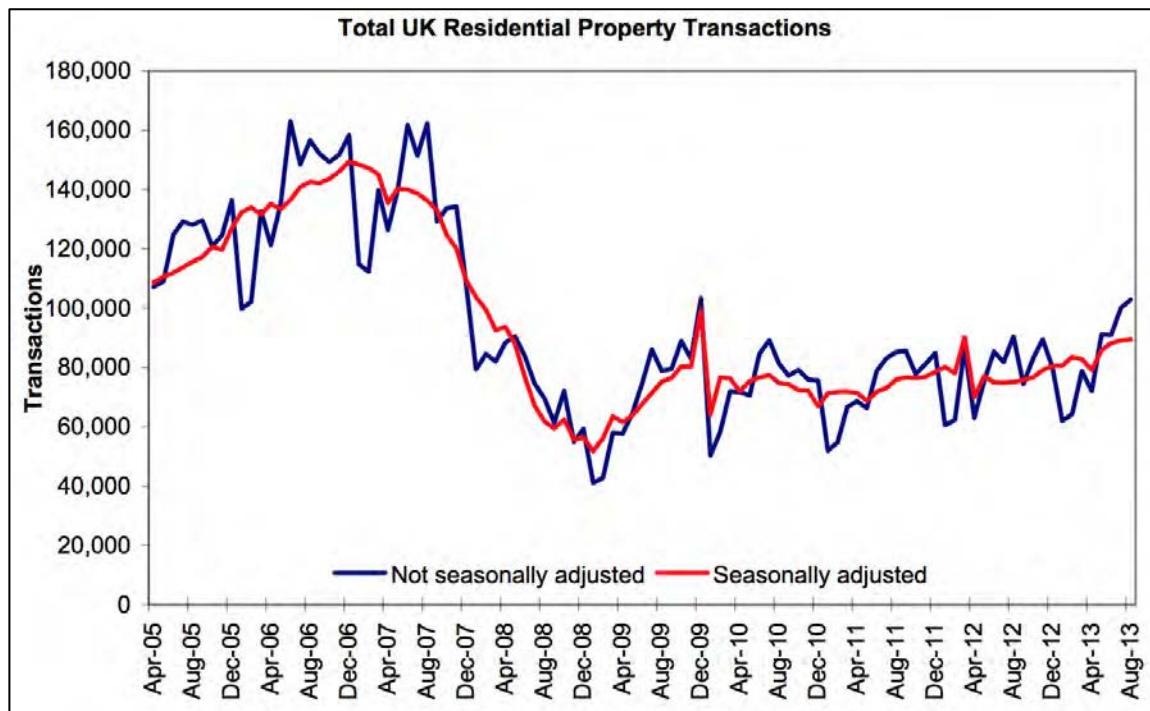
Source: HMRC (2013)

Mortgage advances fell from over 1 million to 550-600,000 at the same time (Table 2.2) with advances to first time buyers dropping by more than 50% by 2010. Interestingly, the prices paid by these first time buyers have continued to rise year on year, even though the average size of the mortgage advance has fallen. There has also been a shortage of low deposit mortgages for first time buyers, who have typically required a 20% deposit.

Table 2.2. Key statistics on new mortgage provision, England, 2007-2012

Year	Number of loans	Value of loans (£)	Median age of borrower	Median Advance (£)	Median Income (£)	% advance (£)	Median income multiple	Median interest payments as % of income	Median capital & interest payments as % of income
2007	1,013,700	154,700	35	126,992	41,108	80	3.16	17.9	23.4
2008	513,000	75,600	35	121,040	41,009	76	3.06	17.9	23.5
2009	511,700	69,300	35	112,495	40,000	74	2.91	12.6	20.3
2010	538,400	78,800	36	120,000	41,425	73	3.02	10.9	19.5
2011	508,500	75,300	36	120,000	41,251	75	3.02	10.8	19.2
2012	543,700	81,400	35	122,601	41,760	75	3.05	11.4	19.5

Source: Council of Mortgage Lenders, provided by Sheffield City Council

The government response to this problem includes the introduction of two schemes regarding house purchase finance. The Funding for Lending Scheme

provides lenders with cheap loans in return for lending to businesses and households as well as the public guarantee of £130 billion for mortgage lending as part of the Help to Buy scheme announced in July 2013 (see section 2.3 for a further discussion). This is a more extensive approach than other smaller scale initiatives such as the New Build Indemnity Scheme that was intended to encourage builders to make deposits that would effectively make 95% mortgages available to first time buyers purchasing new homes.

2.2.2   Housing Supply

The long term concerns about low levels of housing starts nationally, which rose slightly from around 140-150,000 per annum in the mid-1990s to 170-180,000 between 2004 and 2007, have been compounded since the credit crunch. Starts from all providers (public and private) only returned to just over 100,000 in 2010, even though private sector production remained at around half of its 2007 level.

This has provided the context to the latest raft of reforms to the planning system, brought forward in the Localism Act 2011 and the National Planning Policy Framework (NPPF). The NPPF represented an attempt to simplify the suite of planning guidance that local planning authorities must have regard to when making plans and determining planning applications. It left in place much of the emphasis of the post-Barker changes such as the increased emphasis on understanding market demand, price signals and economic viability. Significantly the changes allowed for planning obligations (including Section 106 agreements) to be renegotiated and led to reforms to the Community Infrastructure Levy (CIL) that were intended to improve the potential viability of development schemes.

In addition to the financial demand side initiatives the government is also trying to encourage planning approvals to speed up and make planning policies easier to follow. Local authorities and public land owning departments are being encouraged by central government to release the land for the development of new homes, including the Community Right to Reclaim, in which the local community has the ability to ask for under-used or vacant land to be used for development, and the Local Community Right to Build legislation which effectively allows small scale development by bypassing the existing planning application process when 50% of local people agree to the build.

The government is also providing financial incentives to developers and local authorities to start developing stalled sites (£570 million released as part of the Get Britain Building programme to deliver up to 16,000 new homes nationally) and the Local Infrastructure Fund to support large scale sites for development.

2.2.3   Private Rented Sector

There has been a long-standing consensus that a healthy and expanded PRS would help facilitate greater labour market flexibility and enhanced economic performance. Since its deregulation in 1989, the PRS has grown by around 120% in

England and by more than 130% in Yorkshire and Humber.[5] Much of this growth has been driven by the rise in availability of Buy to Let mortgages, launched by the financial services industry in 1996. This has reinforced the traditional supply side structure of the sector, where individual landlords (with single properties or small portfolios) dominate and financial institutions have only limited involvement.

On the demand-side the PRS serves several discrete niche markets: those for younger professionals, students, and households on benefits. The representation of older households and single childless couples has been falling. In relative terms, tenure and rental levels are very lightly regulated in the UK PRS.

Policy makers have become increasingly concerned with stimulating institutional investment in the sector. This concern led to Sir Adrian Montague's review of the barriers to institutional investment.[6] Institutional investors continue to express concerns about lease structures and tenancy agreements, management costs and tax and depreciation conventions. Despite institutional interest in PRS, these issues may be difficult to resolve without radical thinking about the nature and type of organisations that supply rented homes and deliver housing related services. Montague's main recommendation is that Local Authorities should more proactively make land available – using public land and planning powers – for build to let projects and should use public funds, in combination with private finance, to de-risk projects.

The Build to Rent fund has been established following the recommendations of the Montague Review. Successful bidders to round 1 of the fund were announced, although the Homes and Communities Agency (HCA) expects that up to a quarter of the anticipated 8-10,000 new rental homes will be provided in London.[7]

Increasingly homelessness is an issue for the private rented sector as there is a greater emphasis on the sector meeting housing need, and is supported under the rubric 'providing housing support for older and vulnerable people'. £400m was provided by central government as an incentive until 2015 for local authorities and the voluntary sector to help fund mediation between families to prevent homelessness and provide deposits to help people rent in the private sector. Alongside this in April 2013 additional funding of £1.7m was announced to help local authorities to deliver a 'Gold Standard Homelessness Prevention Service'.

2.2.4   Social Housing

The Localism Act 2011 gave shape to the reform of the social housing system. This includes provision for more flexible tenancy types; introduces a national swap scheme, known as Home Swap Direct, to make it easier for tenants to move; and offered local authorities the opportunity to change the way they manage waiting lists and allocations. This was accompanied in June 2012 by new guidance on allocating social housing and that, amongst other things, underscores a desire to assist households who want to move to smaller homes. Government also enacted

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[5] Pawson (2012).

[6] Montague (2012).

[7] HCA (2013) *Built to Rent Round 1*, available at
   http://www.homesandcommunities.co.uk/ourwork/private-rented-sector.

some changes in April 2012 to the regulations governing the Right to Buy (RTB), including raising the maximum discount available to tenants to £75,000. In principle capital receipts can be used by local authorities to provide 'one-for-one' Affordable Rent replacements (i.e., at 80% of local market rents).

Council housing finance has also been reformed with the end of the Housing Revenue Account subsidy in April 2012. This involved payments to and from Councils from central government based on the valuation of their council stock. The process was intended to remove historic accounting constraints from the system to allow social landlords to align the levels of rent they collect and the services they deliver. This also provides local authorities with increased flexibility in how they make use of their rents, e.g. for building new council homes. This, of course, has significant implication for rent setting at local levels (see below).

2.2.5 Welfare Reform

In November 2010, the Coalition government set out plans to introduce Universal Credit (UC) by 2013. The changes to the system are set out in the Welfare Reform Act 2012. The Act includes the introduction of a cap on the total level of benefits working age people can receive, reforms to disability benefits, a new system for child benefits and changes to housing benefit (HB) arrangements which include the 'bedroom tax'. The national rollout is scheduled to begin in October 2013, although the change in the shared room rate from age 25 to 35, the introduction of the benefit cap and the removal of the spare room subsidy ('bedroom tax') have been in place since April 2013. As we discuss later in the report, these changes have started and will continue to have major implications for both landlords and tenants. There will also be distortions that cross tenures. For instance, while much of the focus to date has been on the impact of HB changes on renters, the overall context of UC will considerably disadvantage low-income homeowners and may lead to them facing repossession only to be rehoused in the rented sector where they will get help with rent that was not available to support mortgage payments.

2.2.6 Summary

In summary, national policy is at present largely concerned with the challenges associated with the volatility of housing market; concerns about affordability for large sub-groups of the population; lack of available finance; low levels of new construction; questions about the efficiency and effectiveness of welfare interventions; and the inter-play between the housing system and inequalities across households in different parts of the city. With the exception of the help to buy interventions, these are long-standing challenges. It is merely the ordering and balancing of priorities and the way in which different policy initiatives interact that have changed. The broader policy shift towards 'localism' is also important in that arguably the Coalition Government's response allows for more local differentiation in the design and implementation in policy solutions interventions. These concerns and this landscape frame the local response set out below.

2.3   LOCAL POLICY CONTEXT

Sheffield City Council's Corporate Plan *Standing up for Sheffield*[8] describes the Council's strategic priorities and focuses on eight strategic outcomes. The 'A Great Place to Live' outcome describes the council's ambition for everyone in Sheffield to have a high quality of life, and that people feel proud of where they live. This means providing the right number of desirable homes in the right places which reflect the needs and aspirations of the local community and future residents, and creating sustainable communities supported with the right facilities.

The Council's 10 year housing strategy, *Sheffield's Housing Strategy 2013-23*[9] sets out Sheffield City Council's vision for housing in the city. The strategy will be supported by a series of three year action plans which contain the priority housing programmes and initiatives that will be delivered by the Council and partners. The Housing Strategy has three main aims:

- Increase the supply of new homes in the city
- Make best use of the city's existing stock
- Help young, older and vulnerable people to live independently

2.3.1   Increase the supply of new homes in the city

Sheffield's population is growing and it is the intention of the Council to take steps to increase the levels of house building in the city. However, over recent years, due to the economic downturn, housing delivery has slowed in Sheffield to around 900 properties completed in 2012/13 compared to 2,882 in 2007/08. The *Sheffield Local Plan*[10] provides the overall vision, objectives and spatial policies for development in Sheffield until 2026. Around 19,225 new homes (a gross average of about 1,475 per year) are needed over the period 2013-2026 in order to meet the housing target in the Local Plan.

In theory, there is enough land in Sheffield to meet the Local Plan target, but the 2013 *Strategic Housing Land Availability Assessment*[11] has suggested that much of the identified sites would not be capable of being developed by 2026. The land is also concentrated in certain areas and there are limits on what the market can deliver in any one year. To respond to this, the City Council has stated its intention to undertake an early Local Plan review which will seek to identify wider options for land release. These options will take account of new research into changes in nationally produced projections, assessment of local housing markets in the City Region, appraisals of the sustainability of additional site options and negotiations with neighbouring authorities.

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[8] https://www.sheffield.gov.uk/your-city-council/policy--performance/what-we-want-to-achieve/corporate-plan.html

[9] https://www.sheffield.gov.uk/in-your-area/housing-services/housing-strategies

[10] https://www.sheffield.gov.uk/planning-and-city-development/planning-documents/local-plan.html

[11] https://www.sheffield.gov.uk/planning-and-city-development/planning-documents/background-reports/strategic-housing-land-availability-assessmen.html

While there is a need to build more homes in the city there is also a need to ensure that the right mix of housing is being developed to create balanced and sustainable housing markets across Sheffield. Over recent years the focus has been on city centre and student developments, but the market for apartments has slowed and it is unlikely that the pace of city centre developments will continue at the same scale as before. *The Sheffield City Centre Masterplan 2013*[12] therefore plans to broaden the housing on offer in the city centre and encourage a mix of property types and tenures to suit the needs of different households. Additionally, while the student market remains active there is a need to adopt a strategic approach in the development of student accommodation, to assess the future demand for purpose built accommodation and to identify the best locations for new developments in and around the city centre.

Creating more homes with enhanced standards across Sheffield's neighbourhoods is also a priority for the city. The Sheffield Housing Company, a partnership between the Council, Keepmoat and Great Places, will deliver 2,300 new homes on 60 hectares of council owned land in the north and south of the city by 2032. The company will deliver a mix of properties predominantly for private sale, with some affordable, which will be of a high design quality and environmentally sustainable.
The delivery of affordable homes to buy and rent is still a key requirement for Sheffield. Through the Affordable Homes Programme, Registered Providers developing in the city will deliver 479 new affordable rent homes (up to 80% of market rent) by 2015. Currently the Council's Affordable Housing Policy requires developers to contribute up to 30-40% affordable housing on sites of more than 15 units where this is economically viable. The current housing market conditions have, however, meant it has frequently been necessary to relax this policy and negotiate a lower percentage of affordable homes (or waive the requirement altogether) in order to avoid barriers to housing delivery.

2.3.2   Make best use of city's existing stock

At current rates of delivery of new homes, the city's existing housing stock is increasing by less than 1% each year. A priority for Sheffield City Council is therefore to make sure that the city's existing homes are contributing effectively to meet the needs of Sheffield's communities. This includes acquiring homes and providing loans to owners to improve long term empty properties which are then let as council housing.

The Council's new *Allocations Policy*[13] was approved in March 2013 this aims to ensure that council housing is allocated fairly and transparently. The policy will implement a number of key changes, including a review of the waiting list which will see households having to reapply for council housing and renewing their place on the waiting list every year, rather than staying on the list indefinitely regardless of if they need council housing or not. The number of priority cases will also be streamlined from 23 to 7 categories covering:

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[12] https://www.sheffield.gov.uk/planning-and-city-development/planning-documents/background-reports/city-centre-masterplans-and-reports/city-centre-masterplan-2013.html
[13] https://www.sheffield.gov.uk/in-your-area/initiatives/allocationspolicyreview.html

- Health
- Welfare/hardship/support needs
- Statutory homelessness
- Demolition
- Armed Forces
- Under occupation and/or release of an adapted property
- Foster carers and adoptive parents

The Allocations Policy will be fully implemented by April 2014, but the under-occupation priority was introduced in April 2013 to support tenants who have been affected by the Housing Benefit changes and wish to move to a smaller property. The Allocations Policy will also ensure that adapted council properties are allocated to those most in need.

In line with the requirements of the Localism Act, a *Tenancy Strategy*[14] was developed in January 2013. This strategy outlines the Council's commitment to providing secure lifetime tenancies to all council tenants and the belief that fixed term tenancies are not an appropriate way to manage social housing due to the impact they may have on people's well-being and community stability. Despite this, Registered Providers are only obliged to have regard to the Tenancy Strategy when developing their own tenancy polices and this could result in fixed term tenancies being introduced on property conversions or new affordable rent properties in the city.

Improving the condition of the existing stock so it can better meet the needs of households living in Sheffield is important for the city. The introduction of the self-financing Housing Revenue Account (HRA), which gives local authorities control over their housing rental income, will enable the Council to make more cost-effective investment decisions. The priority for council housing over the next five years is reducing the maintenance backlog and exploring the potential to use HRA resources to help increase the number of council owned social homes.

The quality of private rented properties is a concern for the city. The 2009 Private Sector Stock Condition Survey found that a quarter of privately rented properties had a category one hazard which represents a health and safety risk to the household. To help tackle this, the Housing Strategy outlines plans to develop a register of privately rented homes and landlords where there are high concentrations of poor quality properties in order to target education and enforcement measures.

2.3.3 Help young, older and vulnerable people to live independently

Sheffield's population is becoming increasingly diverse and residents are living for longer. It is therefore important that the city's housing market and the housing and support services are able to meet the different needs of households living in the city. The three-year Housing Equalities and Inclusion Plan sets out how the Council

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[14] https://www.sheffield.gov.uk/in-your-area/housing-services/housing-strategies/tenancy-strategy.html

and partners aim to address and tackle the particular barriers and challenges that some people face when accessing appropriate housing and services.

The Welfare Reform Act presents a considerable challenge for the city and the impacts are likely to be significant. It has been estimated that each working age adult in Sheffield will lose £470 annually, with an overall loss of around £170 million to the city.[15] The Housing Benefit changes will have an impact on the affordability of housing in Sheffield for the most vulnerable people. For instance, around 600 single private rented tenants under the age of 35 have seen their Housing Benefits reduce by £55 a week, and the under-occupancy rules have reduced benefits for around 7,000 working age social rented tenants with a spare bedroom. These changes are likely to create budget issues for residents and a risk of rent arrears, which could result in more people failing their tenancy and becoming homeless. This is a particular issue amongst young people who already represent half of homeless cases accepted by the Council. There are plans to review the Homelessness Strategy in response to the Welfare Act and the Localism Act, which has given local authorities the right to discharge their duty into the private rented sector.

The condition and suitability of housing can have a considerable impact on the health and well-being of residents, especially older and vulnerable people. The Government has recently given local authorities public health responsibilities which will allow a more coordinated approach to tackling health issues in housing, such as the condition of the private rented sector. The *Health and Wellbeing Strategy*[16] sets out how the Council and partners will respond to this. It aims to transform the way healthcare is delivered and greater integrate housing, social care and health provision services.

The Supported Housing Strategy outlines how the Council and partners will deliver supported housing services in the city and includes plans for new supported accommodation, including a mental health scheme and an older people's scheme in Arbourthorne. It also describes how support services for vulnerable people will be remodelled to help better meet needs and support more people to become independent. This includes the development of a Supported Accommodation Pathway which will help people of all ages to access and leave supported housing services in a planned way. Sheffield's ageing population is also resulting in an increased demand for adaptations and home improvements to enable people to remain living in their existing home for longer. The Housing Strategy proposes plans to review the funding of Disabled Facilities Grants for property adaptations by pooling health, social care and housing budgets.

The current housing market conditions and changes in policy are making it harder for young people to secure their own accommodation. The large deposit is a considerable barrier for young people and first time buyers in accessing home ownership. These difficulties have led to a considerable growth in the private rented sector in Sheffield and this is a popular tenure amongst young people. The Council and partners considered ways to develop more institutional private rented

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[15] Beatty & Fothergill (2013) *Hitting the Poorest Places Hardest.*
[16] https://www.sheffield.gov.uk/caresupport/health/health-wellbeing-board/joint-health-and-wellbeing-strategy.html

accommodation in the city to utilise the Government's Build to Rent fund, but they were financially unviable. As well as the difficulties some young people have accessing housing, others need support to sustain independent living. Tenancy failure is more common amongst young social rented tenants in Sheffield than others and work is underway to provide support to tenants who are at risk of failing their tenancies, such as providing advice on budgeting and managing a home.

2.4   THE APPROACH TO THE SHMA

SHMAs have provided the evidence base for planning and housing policies for almost a decade. SHMAs replaced Housing Needs Studies, which had been used in different forms since the 1970s, and were intended to be better attuned to understanding the complex housing preferences, tenure choice and mobility decisions that underpin a highly market-driven housing system. It is widely held that SHMAs have advanced understanding of the market system. Yet, the methods and practices associated with SHMAs have also been the subject of considerable criticism.[17] The main limitations highlighted include:

- failure to synthesise qualitative and quantitative evidence;
- a tendency for the SHMA analysis to remain unconnected to policy development.

The approach used in this study seeks to build on best practice and to address these weaknesses. The key elements of the approach are set out below:

1. **Baseline analysis**: the market context and general trends will be examined using secondary datasets on housing stock, population, households and local social and economic conditions. This can be compared directly with the last SHMA and has been used to inform the design of the household survey used here (Chapter 3). The sub-regional market has been considered throughout the report to analyse links between Sheffield and neighbouring markets, including Barnsley, Doncaster and Rotherham. The migration section in Chapter 3 deals in detail with the relationship between the neighbouring authorities and finds that Sheffield is indeed an individual market area through a self-containment figure of 73% internal migration.

2. **Housing submarkets**: a set of 12 submarkets referred to as Housing Market Areas (HMAs) have been used by SCC and its partners in the recent past. This study has tested and refined these boundaries based on a combination of insights from 5 in-depth interviews with market agents and the analysis of bespoke data on housing search patterns (see Chapter 3). The existing submarket framework has been shown to be broadly robust and fit for purpose, although some minor changes to the definition of HMAs were adopted to better reflect market dynamics in the south of the city and to achieve greater consistency with the new geographical units introduced by the Office for National Statistics (ONS) for the 2011 Census. The 13 new HMAs

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[17] For a review, see Ferrari *et al.* (2011).

are described in Chapter 3. The identification of robust submarkets is a necessary prior stage in the analysis of spatial market structures and the internal dynamics of the SHMA. The submarkets are used to help enhance the extent to which local differences within the SHMA are understood and monitored.

3. **Household survey**: the SHMA draws on a significant social survey, the 2013 Sheffield Housing Survey. The survey was designed to capture information from a statistically representative sample of households residing within the city. The questionnaire[18] was sent to an initial sample of 17,994 households selected from the electoral register using a spatially stratified sampling technique. There were also three booster samples. The first of those was targeted at students and involved using message boards and emails to contact all students at the University of Sheffield and Sheffield Hallam University. This was designed to support a detailed analysis of the student housing market and to compensate for the tendency for student communities to respond at below average levels. The second and third were aimed at under-represented groups and areas. These were administered as (i) an additional 1,500 randomly selected households from the City Centre, City Centre West, Chapeltown and Ecclesfield, East, North East, Rural Upper Don Valley and Stocksbridge and Deepcar HMAs and (ii) 3,000 additional contacts administered by email and blog links through the Central, East, North East, South, South East and South West community assemblies; via postal survey to residents in Kelham Island and the Sheffield City Centre Residents Action Group (SCCRAG); and through Voluntary Action Sheffield. The total number of respondents was 3,363, representing a response rate of approximately 12%.[19]

When compared with the census of population, the profile of survey respondents accords well with the spatial distribution, tenure, demographic and household profile of the wider population. Prior to our analysis, the data collected through the survey were weighted by household type to ensure they are as representative as possible, thus compensating for non-response bias.

There has been considerable debate in the SHMA literature about how large a sample is required to produce robust estimates of housing need and about how best to weight survey data of this type to achieve the most robust results The DCLG best practice guidance[20] suggests a response of around 1,500 should allow a reasonable level of reliability at the LA level. Leventhal (2010)[21] suggests that there is little benefit, in terms of improved error margins, from weighting the sample by demographic factors or by tenure. The household type/composition weights used here tend to produce superior results because they compensate better for the categories where systematic response bias is evident. Thus, the sample size and weighting household procedure employed here are both consistent with best practice.

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[18] See appendix 1.
[19] For further details on response rates see Annex Report 2, *Technical Annex.*
[20] DCLG (2007a) *Strategic Housing Market Assessment: Practice Guidance* (version 2), August 2007.
[21] Leventhal, B. (2010) *Calculation of Error Margins for CLG Needs Model in a Study of Sefton MBC's Housing Market.* Evidence submitted to Greater London Authority.

4. **Quantitative analysis and model building**: Quantitative research methods are used to assess housing demand and supply; to explore the differences between spatial housing markets (submarkets); and to model and estimate future housing needs. The supply and demand analysis includes traditional household growth, migration and expectations-based estimates of demand levels. It also draws on an assessment of search data. The approach applies a (model-based) filter to expectations data on based on prior research findings.[22] The analysis of spatial housing markets includes the assessment of key needs, supply and demand information for the city's submarket areas. These outcomes are compared with city-wide characteristics. The needs model follows existing best practice guidance and its outputs can be compared directly with those from the 2007 study. The differences between inputs and methods are highlighted (see Chapter 6 for discussion and results; and Annex Report 2 *Technical Annex* for further details of the methodology).

5. **Qualitative analysis**: This study includes a significant qualitative research exercise that updates a study, known as Home Truths, that was undertaken for SCC by CRESR at Sheffield Hallam University in 2009. In the light of the general weaknesses in SHMA methods, this was designed to build on the baseline analysis and to feed into the quantitative analysis. There were three key elements to the qualitative analysis. First, a total of 37 (mainly face to face) semi-structured interviews were undertaken with residents who completed the household survey and agreed to participate further. The participants were selected on a purposive basis to ensure that we were able to examine issues that related to locality/submarket; household type/composition; tenure; household age; ethnicity; and relative housing need. Second, residents were also invited to take part in a series of three focus groups. Each group involved 5-7 participants and covered different issues: city centre housing; student housing; and high earner housing. Third, 15 interviews were conducted with key stakeholders drawn from the community of housing specialists and professionals within the city. These covered developers (3), estate agents (4), Private Rented Sector (PRS) landlords (4) and registered providers (4) (see Annex Report 1).

6. **Policy development**: In an attempt to ensure that this SHMA is better integrated into policy development/thinking than has tended to be the case nationally, two workshops were held with public and private sector stakeholders (including council officers, landlords, developers, strategic housing partners, etc.). These events went beyond dissemination and served to test the findings, provide answers to specific questions, and identify future priorities and challenges (see Appendix 2 for a summary). The qualitative insights were fed back into this final report and, in particular, influence the policy issues discussed in the conclusion (Chapter 8).

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[22] Watkins, *et al.* (2012).

3 Defining the Housing Market Area

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Key points

The Sheffield Housing Market Area
- Sheffield is one of the largest cities in England and lies at the heart of the Sheffield City Region. But it is a collection of separate settlements, some annexed to the city, and this means that it is 'over bounded' – its boundary is larger than the city itself.
- One-third of the city lies within the Peak District National Park, which imposes significant limitations on housing development and density across much of the west of the city.
- Consequently, Sheffield is a self-contained housing market area. 73% of moves take place within the city boundary.

Migration links with neighbouring districts
- The Sheffield housing market has important links to neighbouring districts, especially Rotherham.
- Sheffield loses population to surrounding districts, but gains population from those undertaking long-distance moves and international migrants.
- Although numbers fluctuate each year, Sheffield receives around 6-7,000 net international migrants per year. This number includes students, although the numbers of international students leaving the city at the end of their studies will more or less balance out those arriving.
- Travel to work links between Sheffield and neighbouring areas show that Sheffield's employment areas are the most significant economic drivers in the city region. This is significant in attracting people to the city's housing and we need to ensure that the housing offer continues to support economic growth.

Sub-markets
- The number of sub-markets, termed Housing Market Areas (HMAs), in the city has increased from the 12 identified in 2007 to 13 today.
- Sheffield remains a divided city, with distinct characteristics across different parts of the city. These are reflected in the distinctive nature of each HMA.
- Local migration patterns are quite localised. There is a high degree of 'place attachment' in Sheffield's housing market.
- Housing search data reveals distinct search patterns in submarkets and the difference in activity levels in the private market between HMAs.

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3.1 INTRODUCTION

This chapter considers Sheffield within the context of its surrounding area and answers the following questions:

- What is the boundary of the Sheffield Housing Market Area (HMA), what are the market's characteristics, and to what extent does it represent a self-contained market?
- What are the main migration and travel-to-work links between Sheffield and other parts of the UK and overseas?
- What are the main geographic sub-market areas and housing market sectors within Sheffield?

3.2 THE SHEFFIELD HOUSING MARKET AREA

3.2.1 General situation

Sheffield is England's third largest local authority district and a member of the Core Cities group of the eight largest English cities outside London. It has a population of 557,400 (2012 mid-year estimate). More detail on the population of the city is given in Chapter 4.

3.2.2 Location

As can be seen in Figure 3.1., Sheffield is at the heart of the Sheffield City Region (SCR), nine neighbouring local authorities with a population of over 1.8 million people.[23] The SCR is the area's Local Economic Partnership (LEP). Sheffield is also part of the South Yorkshire sub-region. The major conurbations of the Leeds City Region and Greater Manchester adjoin Sheffield to the north and west respectively.

The size of the local authority area is just less than 142 square miles and encompasses a range of different settlements including the city of Sheffield, the adjoining parish council areas of Bradfield, Ecclesfield and Stocksbridge, and several suburbs including the major Mosborough townships development to the south east of the city that were annexed from Derbyshire as part of local government reorganisation in the 1960s. The Peak District National Park lies to the west of the city. Consequently, the Sheffield local authority area is by and large 'over bounded' meaning that the local authority boundary generally encompasses the majority of the functional economic and housing market area, although there are nevertheless important economic links with neighbouring authorities.

3.2.3 Self-containment

Sheffield has a relatively high level of self-containment in housing market terms partly as a consequence of its 'over-bounded' administrative geography (see above).

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[23] The Sheffield City Region comprises the nine local authorities of Sheffield, Barnsley, Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales, Doncaster, North East Derbyshire and Rotherham. More information at http://www.sheffieldcityregion.org.uk.

This means that its boundary is larger than the physical city itself and encompasses most of its principal functional economic and housing market connections.

According to the 2001 Census 46,309 people moved within Sheffield in the year to 2001.[24] A total of 63,576 people living in Sheffield moved within the UK within the same time period. This gives a self-containment level in 2001 of 72.8%.

Although the intra-district migration data from the 2011 Census was not available at time of writing, an analysis of the SHMA household survey from 2013 provides further evidence of self-containment, consistent with the 2001 Census. According to analysis of the survey 72.3% of moves originated from within the city.

DCLG guidance suggests that a housing market area is self-contained if more than 70% of moves from an area are to a destination within the same area. Migration patterns within Sheffield are described in more detail in Chapter 7 (The Active Market).

For this reason we consider the Sheffield local authority area to be a self-contained housing market.

Figure 3.1. Sheffield City Region and surrounding area.

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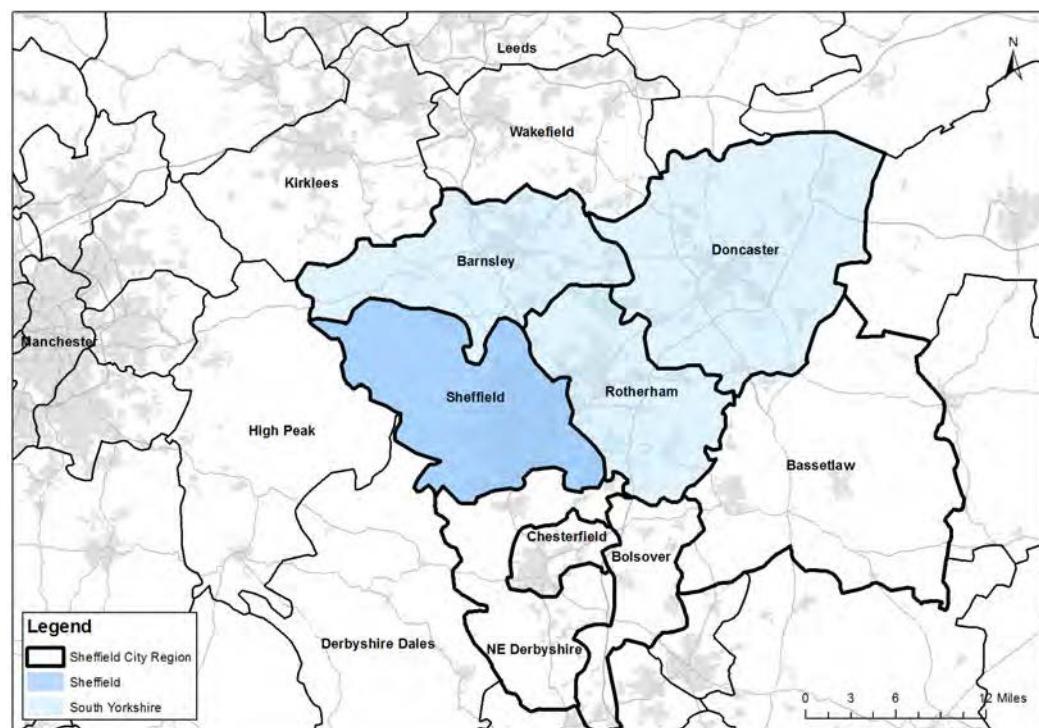
[24] At the time of writing, the Special Migration Statistics release from the 2011 Census was not available.

3.3   MIGRATION LINKS WITH NEIGHBOURING DISTRICTS

Sheffield's growing population is a result partly of patterns of population mobility, both within the UK and internationally. Broadly speaking, net domestic migration to Sheffield is negligible, meaning that outflows more or less balance inflows. Estimates from the ONS suggest that the city loses perhaps 100 persons per annum through domestic migration to other parts of England and Wales.[25] International migration, on the other hand, probably leads to an additional population of 6-7,000 persons annually (see page 24).

3.3.1   Domestic migration

The relationship between Sheffield and other districts within its zone of influence forms an important context to the functioning of its housing market.

Sheffield lies at the heart of a city-regional system of migration flows through which Sheffield broadly loses population to key surrounding districts.

These outflows are more or less matched by longer distance inflows from further afield. Students are an important source of domestic migration to Sheffield, attracted mainly by the city's two universities. This is reflected in the age profile of net internal migrations flows to the city, which is dominated by the 16-24 age group (Table 3.1). The key family-starting age group of 25-44 dominates moves out of the city.

Table 3.1. Summary of internal migration to and from Sheffield (year to June 2012), by age group.

Age group	Persons (thousands)			Males (thousands)			Females (thousands)		
	In	Out	Net	In	Out	Net	In	Out	Net
All ages	23.9	24.1	-0.2	11.9	11.8	0.1	12	12.4	-0.4
0-15	1.9	2.3	-0.4	1.0	1.2	-0.2	0.9	1.1	-0.2
16-24	14.4	11.5	2.9	7.0	5.1	1.9	7.4	6.4	1.0
25-44	5.7	7.7	-2.0	2.9	4.1	-1.2	2.7	3.6	-0.9
45-64	1.4	1.9	-0.5	0.7	1.1	-0.4	0.6	0.9	-0.3
65+	0.6	0.7	-0.1	0.2	0.3	-0.1	0.3	0.4	-0.1

Data source: ONS Migration Statistics Unit, Internal Migration by Local Authorities in England and Wales, Year ending June 2012.

Sheffield loses population to all neighbouring districts. The key net losses are to Rotherham (520 persons in year to June 2012), Barnsley (370 persons) and North East Derbyshire (330 persons). Sheffield is also a net exporter of population to Leeds and Manchester. Figure 3.2 provides a diagrammatic representation of the principle net flows within the City Region and beyond. Other important net losses of migrants are to other Core Cities in England and a range of London Boroughs (see Table 3.2).

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[25] ONS Migration Statistics Unit, Internal Migration by Local Authorities in England and Wales, Year ending June 2012

Sheffield is broadly in balance with other districts within South Yorkshire. The gross (i.e., bidirectional) flows between Sheffield and Doncaster are just over 500 persons per year in each direction (Table 3.3). In absolute terms, the biggest sources of internal migrants to Sheffield are Rotherham (1,500 migrants), Leeds (780), and North East Derbyshire (710), followed by key districts in Yorkshire. Links with other cities within 100 miles, notably Birmingham, Nottingham, Manchester and Bradford are also prominent, as is a migration link with Scotland.

Figure 3.2. Principal net inter-district migration flows (year to June 2012), Sheffield City Region and selected other districts.
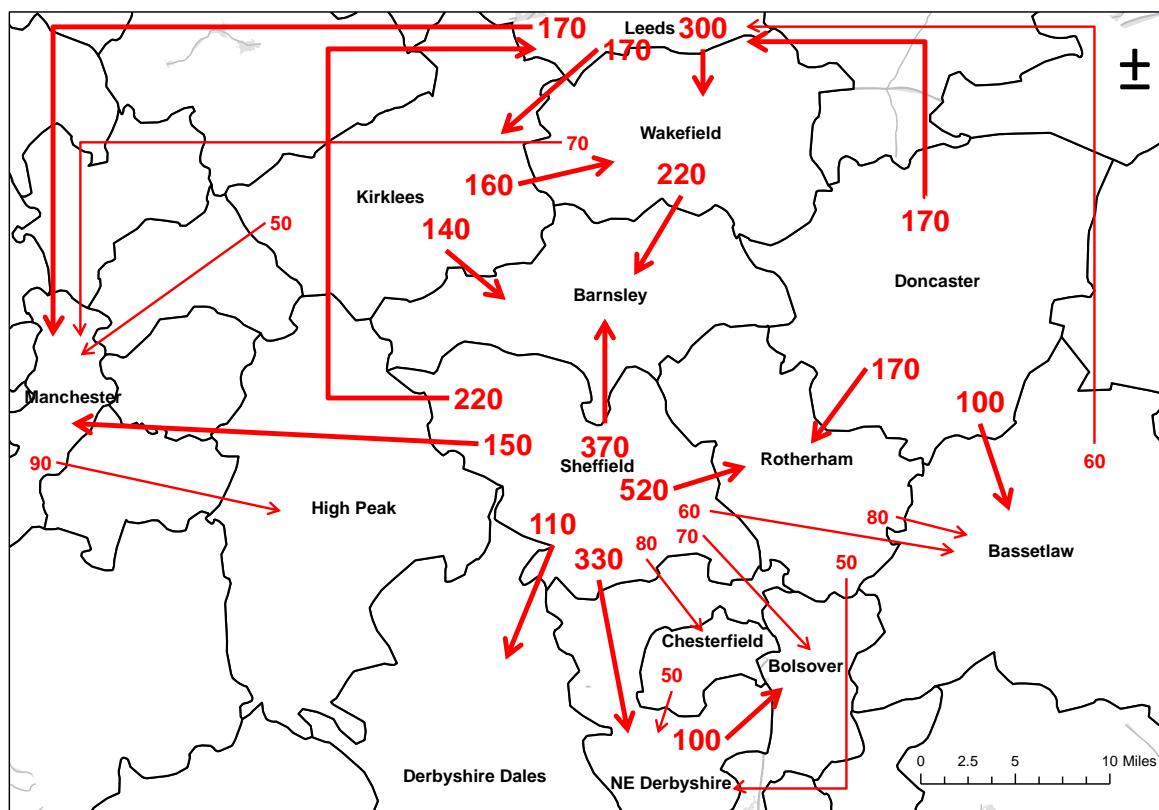
Note: Only net flows of 50 persons or greater are shown. Data source: ONS Migration Statistics Unit, Internal Migration by Local Authorities in England and Wales, Year ending June 2012.

Table 3.2. Highest net flows to and from Sheffield, year to June 2012.

Highest net flows out of Sheffield			Highest net flows to Sheffield		
Rank	District	Net flow	Rank	District	Net flow
1	Rotherham	-520	1	Wirral	90
2	Barnsley	-370	2	Macclesfield	80
3	North East Derbyshire	-330	3	Bradford	70
4	Leeds	-220	4=	Leicester	60
5	Manchester	-150	4=	Peterborough	60
6=	Derbyshire Dales	-100	4=	Tameside	60
6=	Lambeth	-100	7=	North East Lincs.	50
8=	Chesterfield	-80	7=	North Kesteven	50
8=	Tower Hamlets	-80	7=	Trafford	50
10=	Birmingham	-70	10=	Bedford	40
10=	Bolsover	-70	10=	Broxtowe	40
10=	Islington	-70	10=	Chiltern	40
13=	Bassetlaw	-60	10=	Herefordshire	40
13=	Bristol, City of	-60	10=	Selby	40
13=	Camden	-60	10=	Solihull	40
13=	Westminster	-60	10=	South Kesteven	40
17=	Salford	-50	10=	Wigan	40
17=	Scotland (country)	-50			
17=	Wandsworth	-50	*18=*	*Doncaster*	*30*
18=	Cardiff	-40			
18=	Milton Keynes	-40			
18=	Newcastle upon Tyne	-40			
18=	Northern Ireland	-40			

Notes: Area names refer to local authority districts or unitary authorities, unless stated.
Source: ONS Migration Statistics Unit, Internal Migration by Local Authorities in England and Wales, Year ending June 2012.

Table 3.3. Top 20 origins and destinations for internal migrants to and from Sheffield, year to June 2012.

Rank	Destinations		Origins	
	Name	Number of migrants	Name	Number of migrants
1	Rotherham	2020	Rotherham	1500
2	North East Derbyshire	1040	Leeds	780
3	Barnsley	1020	North East Derbyshire	710
4	Leeds	1000	Barnsley	650
5	Manchester	610	Doncaster	550
6	Doncaster	520	Manchester	460
7	Birmingham	470	Birmingham	400
8	Scotland (country)	380	Scotland (country)	330
9	Chesterfield	360	Nottingham	320
10	Nottingham	330	Bradford	320
11	Kirklees	290	East Riding of Yorkshire	300
12	Bassetlaw	280	Kirklees	280
13	Newcastle upon Tyne	280	Chesterfield	280
14	East Riding of Yorkshire	270	Leicester	260
15	Stockport	260	Stockport	250
16	York	250	York	240
17	Derby	250	Newcastle upon Tyne	240
18	Bradford	250	Trafford	230
19	Derbyshire Dales	240	Wirral	220
20	Bolsover	230	Derby	220

Notes: Area names refer to local authority districts or unitary authorities, unless stated.
Source: ONS Migration Statistics Unit, Internal Migration by Local Authorities in England and Wales, Year ending June 2012.

3.3.2   International migration

Sheffield is a significant origin and destination city for international migrants to and from the UK. The number of migrants fluctuates annually but the most recent data available suggests that there are around 6-7,000 net migrants per year. This data refers to all migrants, including students although it should be noted that the terms of student visas require students to leave the UK upon completion of their studies.[26]

Table 3.4 shows the inward and outward flows, and net flow, for the period mid-2006 to mid-2010, for Sheffield and selected districts.

Table 3.4. Gross and net international migration flows, Sheffield and selected districts, 2006-2010.

	Migrants (thousands)											
	Mid 2006- Mid 2007			Mid 2007- Mid 2008			Mid 2008 - Mid 2009			Mid 2009 - Mid 2010		
	Net	In	Out	Net	In	Out	Net	In	Out	Net	In	Out
England	181.5	533.3	351.8	173.9	496.1	322.2	151.7	490.8	339.1	207.6	501.7	294.1
Yorks & Humber	24.8	49.0	24.2	23.5	41.2	17.7	28.9	50.5	21.6	32.5	47.6	15.1
South Yorks	6.4	12.1	5.7	5.7	9.7	4.0	8.3	12.9	4.6	9.5	12.6	3.1
Barnsley	-0.1	0.4	0.5	0.2	0.5	0.3	0.4	0.7	0.3	0.5	0.8	0.3
Bassetlaw	-0.1	0.2	0.3	0.0	0.2	0.2	0.1	0.2	0.1	0.1	0.2	0.1
Bolsover	0.0	0.1	0.1	0.0	0.1	0.1	-0.1	0.0	0.1	0.0	0.1	0.1
Chesterfield	0.0	0.2	0.2	-0.1	0.1	0.2	0.0	0.1	0.1	0.1	0.2	0.1
Derbys Dales	0.1	0.4	0.3	0.1	0.3	0.2	-0.1	0.1	0.2	0.0	0.2	0.2
High Peak	0.0	0.3	0.3	0.0	0.2	0.2	-0.1	0.1	0.2	0.0	0.2	0.2
Leeds	7.1	13.5	6.4	4.1	9.2	5.1	4.7	10.4	5.7	7.9	11.1	3.2
NE Derbyshire	0.0	0.2	0.2	0.0	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.0
Rotherham	0.1	0.7	0.6	0.4	0.8	0.4	0.6	1.1	0.5	0.7	1.0	0.3
Sheffield	6.2	10.0	3.8	4.8	7.6	2.8	6.8	9.9	3.1	7.5	9.6	2.1
Doncaster	0.2	1.0	0.8	0.3	0.8	0.5	0.5	1.1	0.6	0.8	1.3	0.5

Source: ONS Migration Statistics Unit.

A large proportion of the projected increase in household numbers in Sheffield is comprised of international migrants. Such households may have distinctive housing requirements that manifest as demand or need for specific housing types or neighbourhoods. It is very difficult to obtain accurate information about such demand (see Chapter 5). The household survey indicates that international migrants and those without British citizenship in the city come from a wide variety of origins. Around 47% come from elsewhere in the EU/EEC, 21% from Asia, 10% from Africa, 6% from India, and 5% from Pakistan.

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[26] Since April 2013 students obtaining an award of PhD are granted an additional one year leave to remain. PhD students comprise approximately 15% of international students at the University of Sheffield.

Economic activity of migrants

The 2011 Census provides information on the economic activity of Sheffield residents by country of birth. It should be noted that these are not exactly the same as migrants, and country of birth does not imply any particular citizenship.

Figure 3.3. Economic activity by country of birth, Sheffield residents aged 16 or over, 2011.
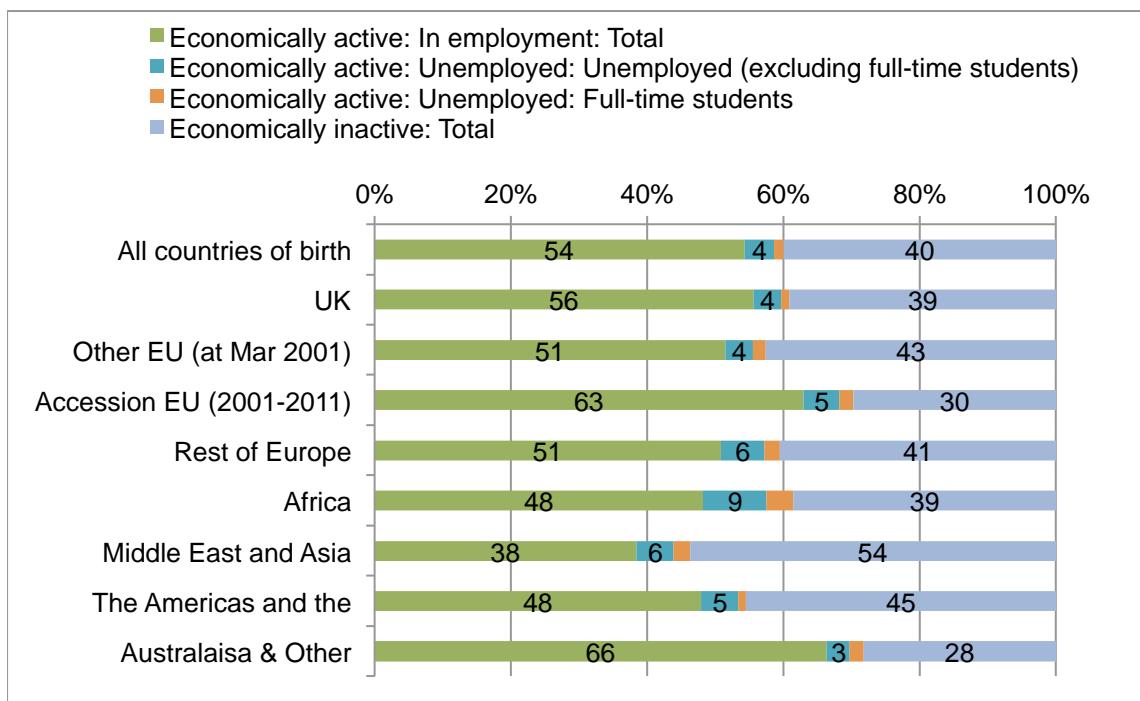
Source: Census 2011 via NOMIS.

As can be seen from Figure 3.3 on average 54% of Sheffield residents aged 16 or over are in work. A much lower proportion of those born in the Middle East and Asia (38%), and Africa (48%) are in employment. The highest unemployment rate is among those born in Africa (9%) followed by Europe outside the EU (6%). Residents born in Middle East and Asia are most likely to be economically inactive (e.g. retired or ill).

Residents from the EU 'Accession countries' (those that joined the EU after March 2001) are far more likely than any other category except Australasia (which is numerically less significant) to be in work (63%).

On balance this suggests that recent migrants from the EU are likely to be less likely to need help securing housing than those from other backgrounds, including the UK-born population.

3.3.3 Moves within Sheffield

Although the Sheffield housing market exhibits a high level of self-containment (see section 3.2.3) the pattern of internal migration within Sheffield reveals a housing

market that is internally highly functionally divided. Consistent with residents' and stakeholders' views (see Annex Report 1), the general picture is that of a housing market which consists of at least two, possibly three, relatively independent super-areas with very low levels of internal migration between them.

Although data from the 2011 Census on internal migration at the neighbourhood level is not yet available, an examination of migration patterns from the 2001 Census, shown in Figure 3.4, demonstrates the interconnectedness of the broader southwest and west of the city. Levels of connection between the east and the west of the city are very low: the inner-city Burngreave neighbourhood, for instance, appears far more connected to the north east of the city than it is to the centre. Hillsborough, in the north west of the city, plays an interesting role in that it appears to act as a link between the northern and western market areas, by and large receiving net migration from both of these areas.

Figure 3.4. Map of principal internal migration flows, South Yorkshire, 2001.
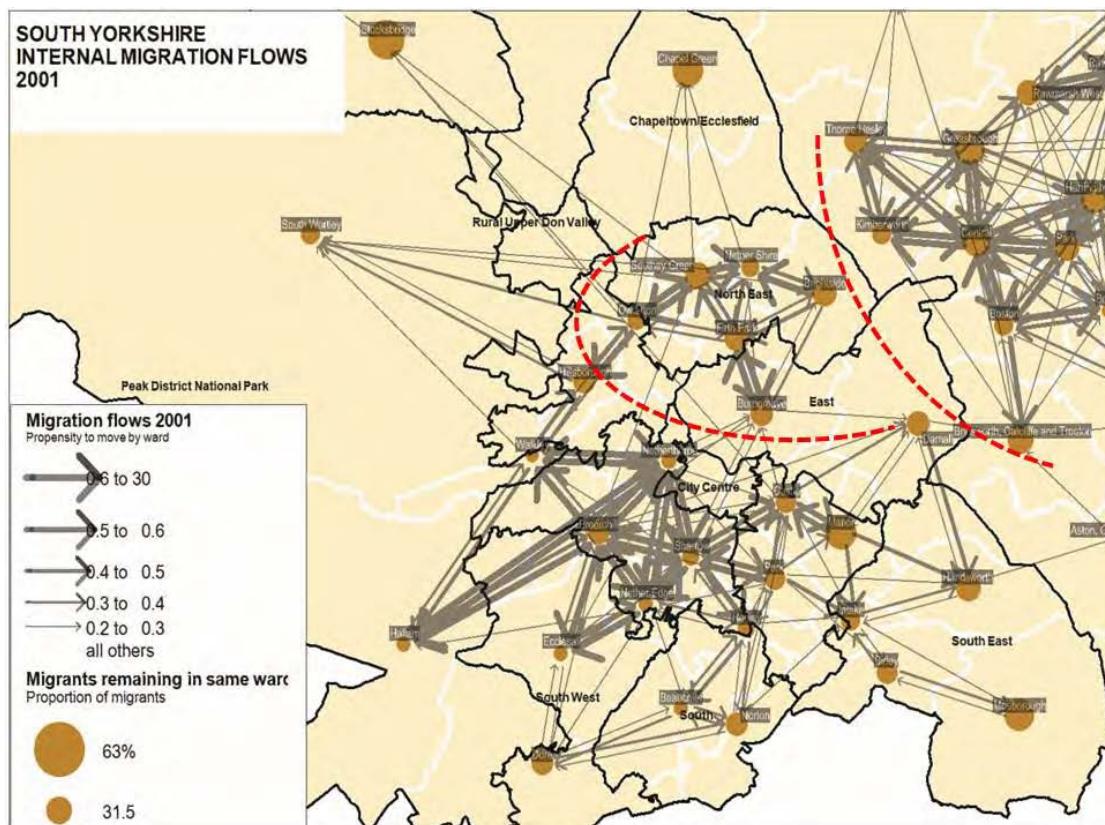
Source: Based on analysis undertaken by Transform South Yorkshire (Housing Market Renewal Pathfinder 2002-2010). Data source: 2001 Census.
Notes: comparable data from 2011 Census not available at time of writing. Analysis refers to wards as were constituted at the time of the 2001 Census and are different to those at present.

The analysis of migration patterns presented in Figure 3.4 also reveals the lack of a specific connection with particular areas of Rotherham. This is despite the fact that Rotherham is the largest beneficiary of net migration from Sheffield (see page 23),

which suggests that migration from Sheffield to Rotherham is more generalised than specific to a small number of wards.

Migration patterns between Sheffield and Rotherham will be subject to some change in future years as a result of the major housing allocation at Waverley in Rotherham. The Waverley site, which will accommodate 3,900 dwellings, is closer to Sheffield city centre than it is to Rotherham town centre, and benefits from fast road links to Sheffield (being just off the A630 Sheffield Parkway). This is likely to have the effect of drawing housing demand away from Sheffield, particularly for those seeking family housing.

3.3.4   Travel to work patterns

Sheffield is the most significant employer in the city region. There are 274,000 jobs in Sheffield, a density of 0.75 per person aged 16-64 (2011 data from NOMIS). Although the local labour market is weak in comparison with other core cities (Sheffield First 2013), the economy has been growing modestly in recent years. 84.5% of Sheffield jobs are in the service sector, and 10.9% are in manufacturing (2008 data from NOMIS). Further details about Sheffield's local economy are provided in Chapter 4.

Patterns of travel to work reveal a very centralised commuting structure, focused on the major employment centres of Sheffield City Centre, the lower Don Valley, and the other South Yorkshire towns (Figure 3.5). There are also significant commuting flows between Sheffield and North East Derbyshire and Chesterfield.

Figure 3.5. Map showing general density of commuting flows to workplaces in South Yorkshire, 2001.
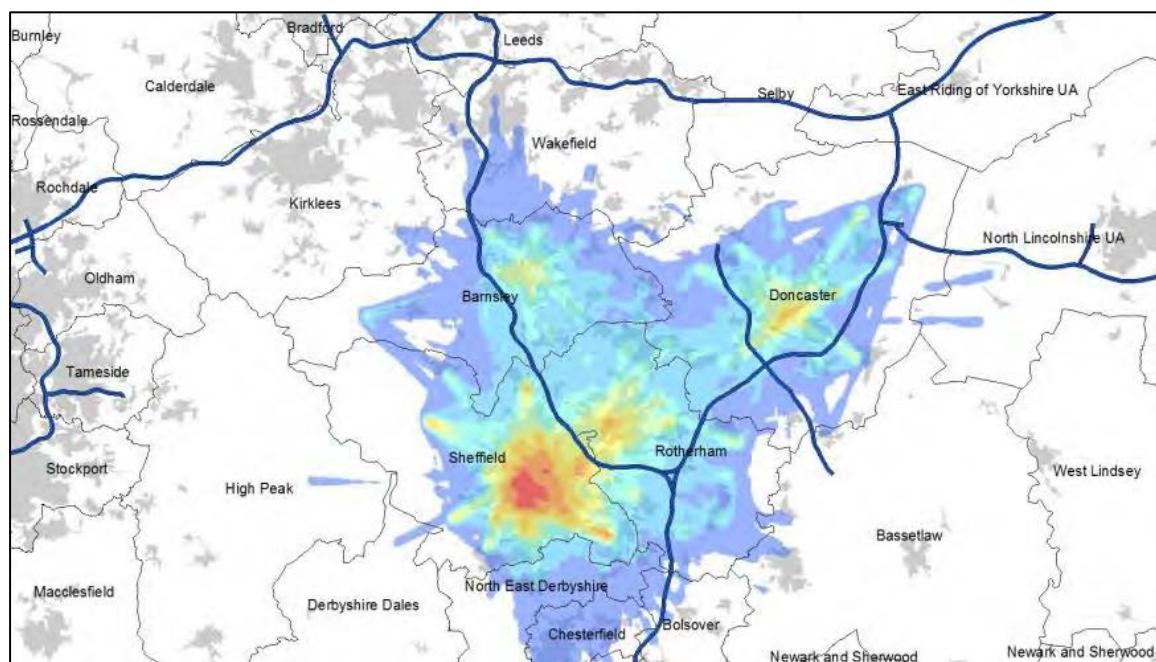
Source: Transform South Yorkshire (Housing Market Renewal Pathfinder 2002-2010).
Data source: 2001 Census. Note: comparable data from 2011 Census not available at time of writing.

These travel-to-work links confirm that Sheffield is at the heart of a wider zone of influence. Although its housing market is relatively self-contained there are nevertheless important functional connections throughout the Sheffield City Region, particularly in South Yorkshire and north Derbyshire. Although we know that the majority of moves are relatively short distance, the geography of travel to work patterns is a useful additional indicator of the potential extent of the Sheffield housing market. Analysis of travel to work patterns is one of three approaches to defining market areas suggested by DCLG advice.[27] It must be recognised that travel-to-work areas (TTWAs) normally lead to larger HMAs because people are on general prepared to commute further than they would move; most HMAs are *embedded within* TTWAs.[28] The pattern shown in Figure 3.5 confirms our view that Sheffield is a self-contained housing market (with a series of distinctive sub-markets: see section 3.4) but has a zone of influence which, for a smaller number of movers, extends beyond the city boundary.

3.4 SUB-MARKETS AND HOUSING MARKET SECTORS

This section considers the internal structure of the Sheffield housing market. It defines and tests a series of 13 sub-markets (termed Housing Market Areas, or HMAs, throughout this report).

3.4.1 Housing Market Areas (HMAs)

One of the principal challenges in assessing housing conditions in Sheffield is dealing with the distinctive geography of the city's housing market. It is well known that Sheffield is one of the most -economically divided cities in England, with areas of deep social deprivation overlooked by suburbs that are among the most affluent and sought-after in the country. Consequently, there are important processes affecting both the lower and upper ends of the private housing market in the city, which in turn contextualise affordable and social housing provision.

The city's natural topography serves to divide it into several distinctive areas which function to an extent as separate submarkets. Anecdotally, place attachment within these areas is very strong. Market actors such as estate agents and developers are quick to point to what are perceived to be very low levels of cross-city mobility within the housing market (see Annex Report 1).

The Peak District National Park also provides a high quality protected landscape to the city's western outskirts and both provides amenity enjoyed by residents of the city and has a significant influence on the operation of the housing market in several of the city's northern, western and southern suburbs. Until the designation in 2011 of the South Downs National Park, which partly covers the administrative area of Brighton and Hove, Sheffield was the only city in the UK to fall within a national park. The park provides a significant additional context to housing

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[27] DCLG (2007b) *Advice Note: Identifying Sub-Regional Housing Market Areas*
[28] Jones (2002) The definition of housing market areas and strategic planning, *Urban Studies*, 39 (3), 549-564.

planning in the city, especially in terms of imposing limits on land release for housing development.

Approach to defining the HMAs

A range of data and information sources were used to assess and refine the definition of the city's 13 Housing Market Areas (HMAs.) These included:

- The existing 12 HMAs defined in the 2007 SHMA
- The views of estate agents, developers, affordable housing providers, council officers
- The views of residents
- An analysis of house sale price differentials across the city (for more detail see Chapter 4)
- A unique dataset supplied courtesy of Rightmove plc showing the geography of internet housing search

The existing 12 HMAs were used as a starting point for this work and were tested with stakeholders and against the data sources listed above to arrive at a revised definition of 13 HMAs (see Figure 3.6). The 13 HMAs are:

- Chapeltown/Ecclesfield
- City Centre
- City Centre West
- Manor/Arbourthorne/Gleadless
- North East
- North West
- Peak District National Park
- Rural Upper Don Valley
- South East
- South West
- Stocksbridge and Deepcar

The HMA boundaries were constrained so that they align with Lower Super Output Areas (LSOAs), which are used by the Office for National Statistics (ONS), Sheffield City Council and other government bodies for the analysis of statistical data.

The 13 revised HMAs include the Peak District National Park HMA. For housing planning purposes the Peak District National Park is considered to be outside the city (land use planning in the park is the responsibility of the Peak District National Park Authority). However, it should be noted that the Peak District National Park HMA as defined in this report does not accord precisely with the park's legal boundary. In order to preserve the integrity of the alignment of LSOAs, there are a small number of neighbourhoods within Sheffield that are included within statistics for the Peak District National Park HMA. These include Lodge Moor and parts of Dore. While reference to this HMA is made throughout the SHMA, our analysis, including survey results, only relates to that part of the HMA that does not fall within the Park's legal boundary.

Figure 3.6. Housing Market Areas.
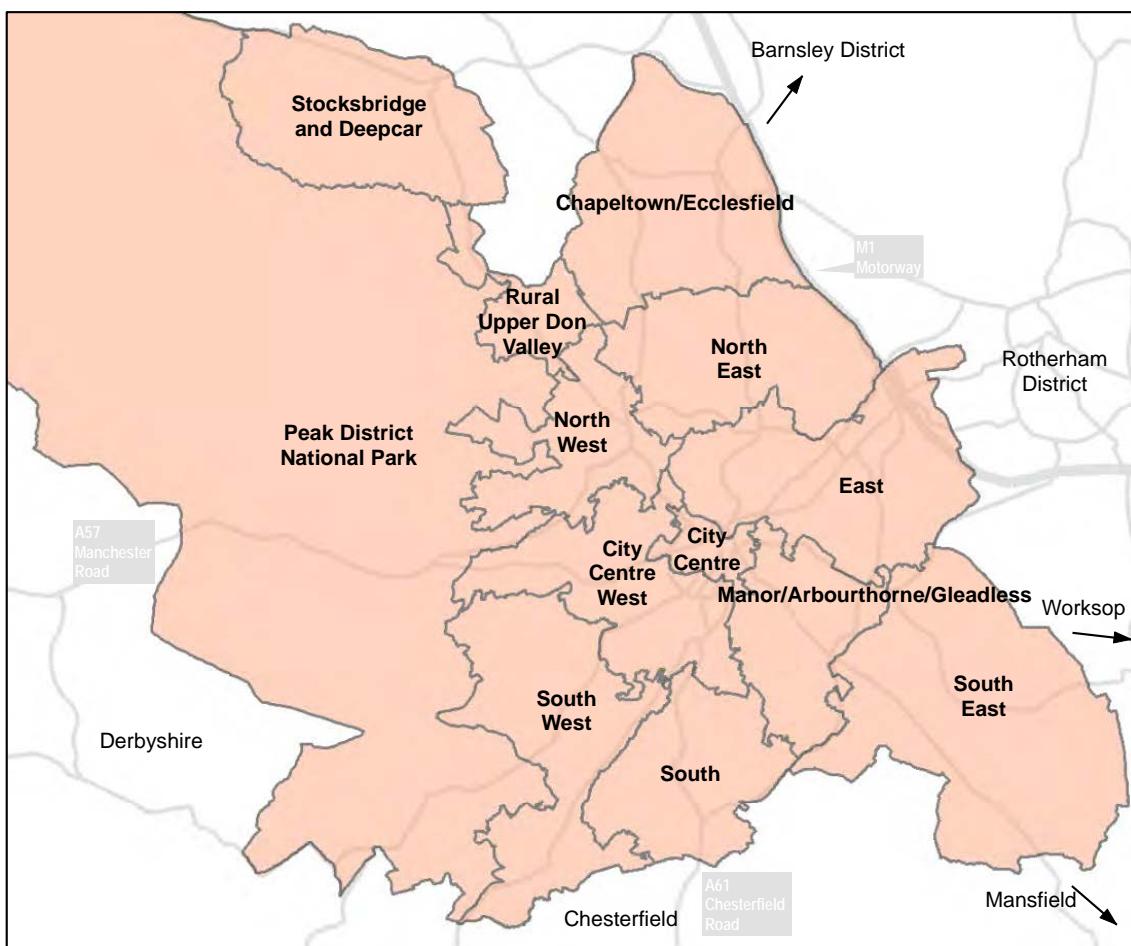
A pen portrait of the key market characteristics of each of the 13 HMAs is provided in Table 3.5. These pen portraits are informed by stakeholder views (such as those reported in the *Home Truths II* work in Annex Report 1), local knowledge, and summary statistics from elsewhere in this report.

As is described later in the report (Chapter 4) there is significant variation in the size and tenure composition of the 13 HMAs. The Rural Upper Don Valley HMA is by far the smallest but is quite distinct in character from other neighbouring HMAs. The largest HMA in terms of number of households is the City Centre West. The South West HMA has the city's the highest average house prices, whilst the lowest can be found in the North East HMA. This reflects the significant geographic polarisation of the Sheffield housing market.

Table 3.5. Key characteristics of the Housing Market Areas.

HMA	Key housing market characteristics	Area (sq. miles)
City Centre	Significant new build over last decade, dominated by apartments, both converted and purpose-built, including significant regeneration in areas like Park Hill and Kelham Island. Significant new student market. Very few families, although some low-rise Housing Association estates on western fringe.	1.0
City Centre West	Dominated by Victorian and inter-war terraced and semi-detached housing. Popular neighbourhoods benefitting from proximity to major universities and hospitals. Significant PRS for students and young professionals.	6.1
Stocksbridge and Deepcar	Separate self-contained settlement on rural fringe. Enjoys good access to trunk road network, but commuting links with Sheffield are congested and public transport slow, usually requiring a change from bus to tram.	7.3
Chapeltown/ Ecclesfield	Popular separate self-contained settlement close to motorways and north Sheffield employment zones.	8.2
North East	Area dominated by very large inter-war council housing estates. Formerly part of the South Yorkshire HMR area.	6.7
North West	Mix of housing types, broadly suburban in character. More affordable than the other parts of west Sheffield, especially popular with families.	4.4
Rural Upper Don Valley	Small HMA comprising relatively sought-after villages with a semi-rural character.	2.1
Peak District National Park	Very little of the city's housing is found in the Peak District. What housing there is exists in small villages and hamlets, within which development is very tightly restricted. Prices reflect the popularity of the rural lifestyle and the constraints on supply. Housing planning largely the responsibility of the Park Authority, although the HMA also includes parts of the neighbourhoods of Lodge Moor and Dore.	67.5*
East	Formerly the location of much of Sheffield's heavy industries, the East HMA is dominated by cheaper, often terraced housing and a more demographically and ethnically mixed population than many other parts of the city. Formerly part of the South Yorkshire HMR area.	8.3
South East	Several large and important suburbs from a variety of eras, home especially to families moving from more central parts of south and east Sheffield. Very significant expansion since the 1970s of private suburban estates in the Mosborough Townships, centred on the Crystal Peaks district shopping centre. Although quite distant from the city centre, the HMA benefits from good transport links to the city centre and good access to motorways.	12.7
South West	Universally acknowledged as Sheffield's premier housing market area, especially among those with above-average incomes and who may be relatively new to the city. Large areas of very low density detached housing from a range of eras, almost all in owner occupation. The South West HMA has excellent access to the Peak District and a reputation as having the best schools in the city, both of which are considered to influence the market considerably. There are very few socially rented properties in this HMA.	7.9
South	Slightly more affordable range of housing than the South West HMA but sharing some of its characteristics. Also includes major peripheral systems-built council housing estates on boundary with North East Derbyshire.	5.2
Manor/ Arbourthorne / Gleadless	Large area dominated by several distinctive social housing estates, including the large inter-war estates on the Manor and Arbourthorne, and systems-built developments in Norfolk Park and Gleadless commanding impressive views over the city. These areas have been subject to significant market restructuring and tenure mixing in recent years although the social rented sector is still dominant. Formerly part of the South Yorkshire HMR area.	4.4

*Note: Approximately 47 square miles of this HMA are within the boundary of the Peak District National Park authority; the remaining 20 square miles are within the boundary of the Sheffield Local Planning Authority.

Housing search patterns

An important dimension of local housing market geography can be derived from the patterns evident in household search behaviour. Housing search has been long considered a useful indicator of market structure and demand.[29] Analysis of a data set of geographic housing search queries submitted to the market-leading online estate agency Rightmove.com reveals considerable variation in the intensity of search activity between different HMAs in Sheffield.

Housing search patterns reveal that housing demand in Sheffield is very localised and that submarkets are tightly defined. Over 80% of searches are for housing in search areas of 100 square miles or less (Table 3.6). For comparison, the local authority area of Sheffield covers an area of about 140 square miles. This is consistent with our findings that Sheffield is a self-contained housing market area (see section 3.2.3). Furthermore, over one quarter (26.75%) of all searches are for properties within a very tightly defined area of one square mile or less.

Table 3.6. Housing search in Sheffield by size of search area, 2012.

Search area in square miles	Total number of searches	% of all searches	Cumulative %
0-1.00	186,778	26.75	26.75
1.01-2.00	62,105	8.90	35.65
2.01-3.00	36,096	5.17	40.82
3.01-4.00	24,493	3.51	44.33
4.01-5.00	18,284	2.62	46.94
5.01-6.00	14,721	2.11	49.05
6.01-7.00	12,246	1.75	50.81
7.01-8.00	10,383	1.49	52.29
8.01-9.00	8,987	1.29	53.58
9.01-10.00	8,047	1.15	54.73
10.01-15.00	30,133	4.32	59.05
15.01-20.00	21,319	3.05	62.10
20.01-25.00	16,937	2.43	64.53
25.01-50.00	54,372	7.79	72.32
50.01-100.00	54,791	7.85	80.17
100.01-200.00	48,763	6.98	87.15
200.01-300.00	22,552	3.23	90.38
300.01-400.00	13,422	1.92	92.30
400.01+	53,744	1.28	93.58
Total	**698,173**	**100.00**	**100.00**

Notes: based on a representative sample of 698,173 property searches submitted to Rightmove.com in 2012. Data source: Rightmove.com, used by permission.

Figure 3.7 shows the distribution of housing search by the size of the search area. It can be inferred from this distribution that there are perhaps three groups of searcher when split by search area. By far the most important is the localised search activity within areas of one or two square miles, corresponding to very precise neighbourhoods or groups of streets. There is another modal point in the data at 10-15 square miles, which is just larger than the average size of the city's 13 HMAs.

[29] See Maclennan and O'Sullivan (2012); Ferrari *et al.* (2011).

Figure 3.7. Distribution of housing search by size of search area, 2012.
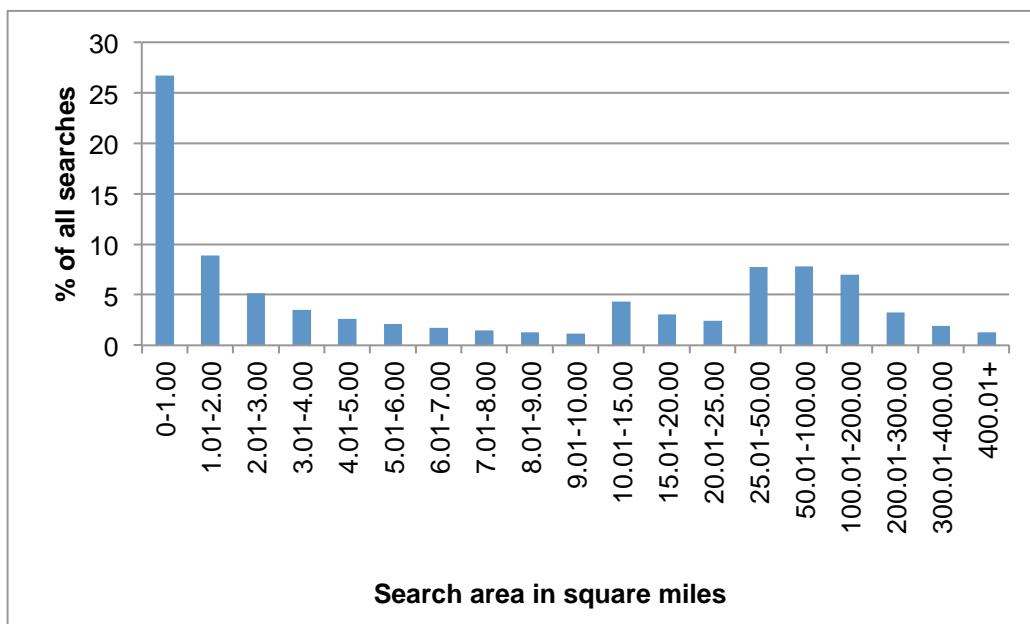
Notes: based on a representative sample of 698,173 property searches submitted to Rightmove.com in 2012. Data source: Rightmove.com, used by permission.

The map at Figure 3.8 overlays individual search queries made on the Rightmove dataset and the patterns evident in this map were used to test the validity of the 13 proposed HMAs in Sheffield. The orange/red colours represent 'hotspots' where the concentration of search queries is highest. This reveals limited search activity in the North West and East HMAs and high concentrations of activity in the Centre and West.

The intensity for search within the central areas (City Centre HMA and City Centre West HMA) can be clearly observed, as can distinct popular search loci in Hillsborough (North West HMA), Fulwood and other neighbourhoods in the S10 postcode district (South West HMA), Beauchief, Woodseats and other neighbourhoods in the S8 district (South HMA), a constellation of distinct settlements in the south eastern townships (South East HMA), and the free-standing towns of Chapeltown and Stocksbridge. The localised nature of search is broadly consistent with the 13 HMAs and very few search hotspots cross the HMA boundaries. It is also consistent with what estate agents told us about the localised search horizons of prospective buyers in the city (see Annex Report 1 *Home Truths II*) and the internal migration patterns discussed in section 3.3.1).

Figure 3.8. Search areas and HMAs.
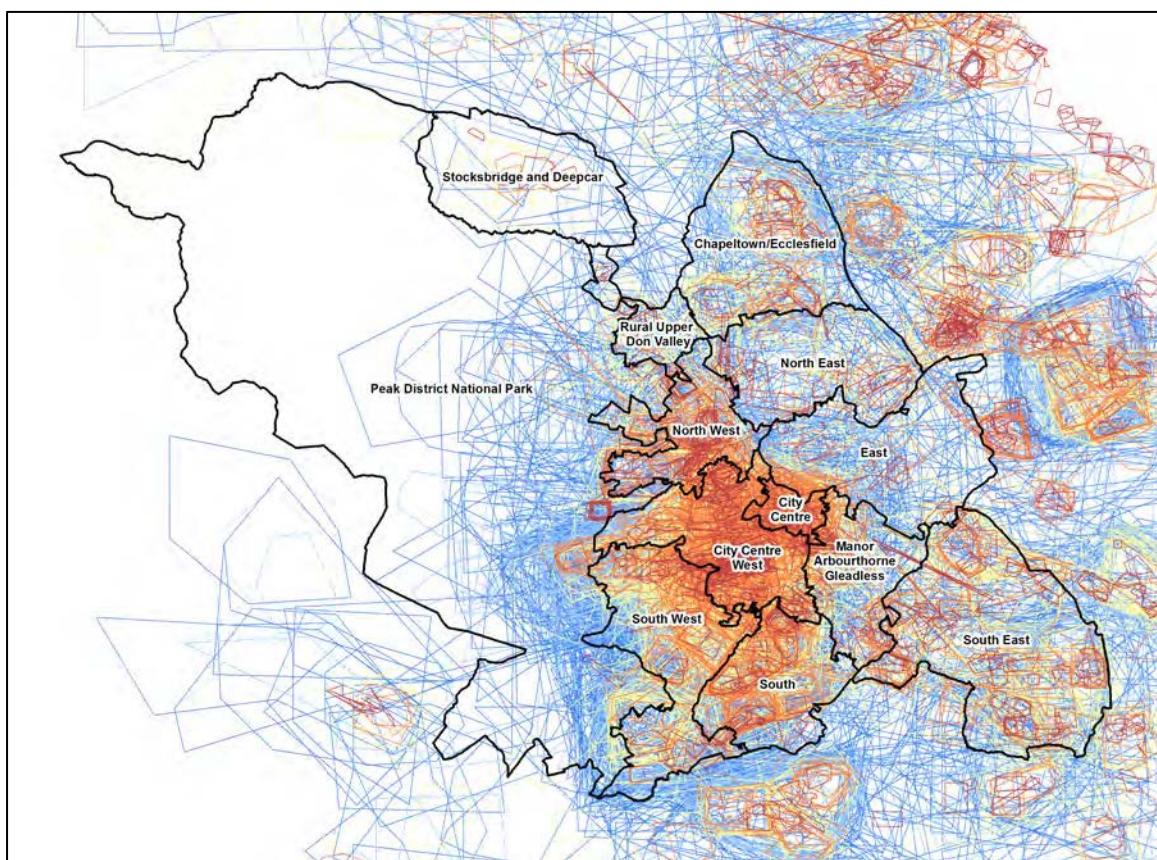
Source: Analysis of Rightmove.com data (by exclusive agreement).

3.5   CONCLUSION

Although Sheffield is one of England's largest cities and lies at the heart of a major city region, it also operates as a self-contained housing market. The city's boundaries incorporate a number of distinct settlements, some annexed to the city through local government reorganisation. One third of the city lies within the Peak District National Park, which restricts the amount of housing development that can take place in the west of the city.

Despite this self-contained market, the city has important functional connections with neighbouring areas, primarily with the eight other districts of the Sheffield City Region but also with the major cities of Manchester and Leeds. There are also important population flows with other cities and areas of the UK. The main population flows, however, are with the district of Rotherham with which Sheffield shares its most urban boundary.

In general, Sheffield loses population to Rotherham, (although not to any one area in Rotherham) and the other surrounding districts, but replaces this lost population with those undertaking longer distance moves from other parts of the UK and abroad.

The city's housing market is internally differentiated to a high degree. There are important distinct sub-market areas and market sectors. There are 13 distinct Housing Market Areas (HMAs) within the city. In addition, as discussed in the next chapter, there are a number of important market sectors, including a city centre housing market, and a fast-growing private rented sector.

4 The Current Housing Market

The Current Housing Market: key points

Demographic and economic context
- Sheffield population has been growing and is increasingly diverse.
- Nearly one-third of households are single person households.
- Skills levels and rates of economic activity have been improving, although there is evidence that this experience is not shared by all, notably younger people.

Demand processes
- House prices in Sheffield are among the highest in the sub-region, although they have fallen by 17% since the market peaked in 2007.
- There is great variation in house price levels across the city.
- Gross household incomes have failed to keep pace with the rises in housing costs.
- Although price-to-income ratios have fallen in theory (from 6.6 in 2007 to 4.9 in 2012), there remain problems with the accessibility of finance for home purchase.
- Access prices have fallen by on average 27%, but there is huge variation between HMAs and access to finance is difficult.
- The average deposit required for owner occupation is just over £13,000. It is estimated that 15% of current households not in owner occupation have access to the required deposit, but 85% do not.
- Private rents have increased markedly - on average by 14% since 2007. It is estimated that 45% of households have the income required to afford the average monthly private rent in Sheffield.
- Households continue to seek to 'trade up' to larger housing, frequently citing problems with the size of their housing. There is a large demand for family housing in the city.
- Neighbourhood satisfaction and preferences drive search and market activity, and the perceptions of neighbourhood quality vary considerably across the city.

Housing stock and supply
- Sheffield's housing stock has grown at a relatively slow rate - just over 1,000 dwellings per annum, mainly flats and apartments.
- The housing stock is relatively old.
- There are specific problems with poor conditions in the private sector.
- 3% of dwellings may be overcrowded. Overcrowding is worst in the social rented sector.
- The majority - 71% - of properties are technically under-occupied, although this is predominantly the case in the owner-occupied sector.

4.1 INTRODUCTION

This chapter provides an assessment of the current housing market from both the perspective of supply and demand. The structure of the chapter closely follows that suggested in the SHMA guidance[30] in that it:

- Reviews the demographic and economic context for the market (section 4.2)
- Analyses the current demand for housing, by looking largely at house price and rents, income levels, the relationship between property values and incomes, housing search, and the aspirations and motivations of movers (section 4.3)
- Describes the city's current housing stock and the supply of housing (section 4.4)
- Considers a number of important market sectors within the city (section 4.5)

This should be read in conjunction with the following chapter, Chapter 5, which explores future prospects for the housing market. These chapters provide key elements of the evidence base to explore the overall requirement for housing in the city from market demand.

4.2 DEMOGRAPHIC AND ECONOMIC CONTEXT

4.2.1 Demographic change

Sheffield's population is changing, both in size and structure. Following a long run period of decline, the population of the city began to grow again from around the turn of the century (Figure 4.1). This growth continued until around 2009 and has since stabilised at around 550,000. Partly explaining the growth of the population over the past two decades has been significant increases in the number of students at the city's two universities.

The gender split of the city's population is nominally in balance, although this has been as a result of a more rapid increase in the male population than the female population since around 2003.

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[30] DCLG (2007a)

Figure 4.1. Population change since 1981.
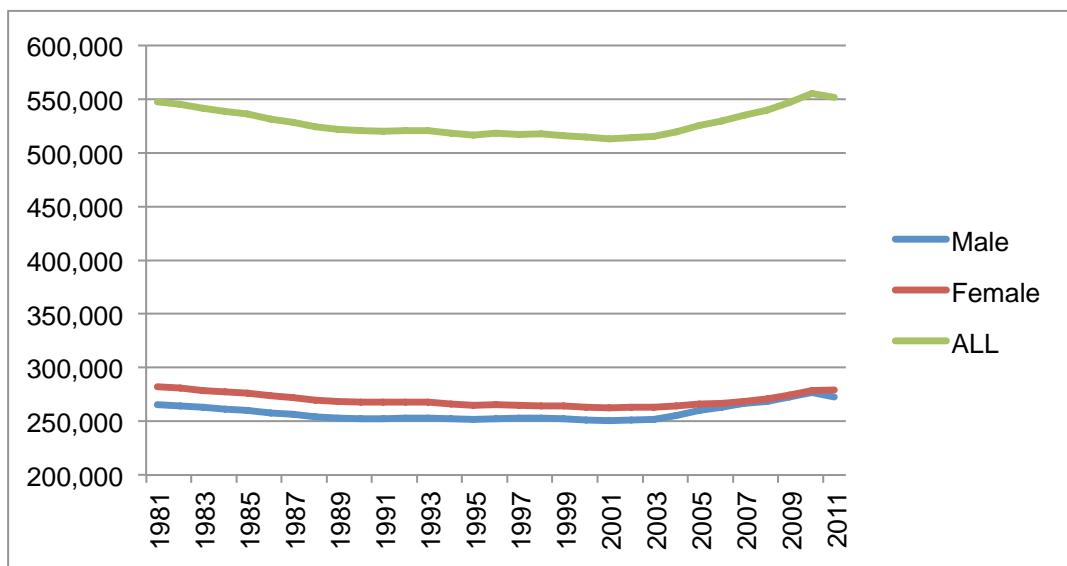
Source: ONS Mid-Year Estimates

Household composition/size

Nearly 32% of Sheffield's households are single person households (Table 4.1). This reflects a national trend for the increase of single person households, particularly in urban areas, although the increase in Sheffield is accounted for mainly by an increase in single younger households. The majority of the city's households (59%) are single family households. The number of such households has increased by just fewer than 3,000 since 2001, but the share of the overall number of households has fallen from 61%. The city's students, while living in a range of different household types, constitute around 5,700 households (Table 4.1).

Table 4.1. Household composition, 2001 and 2011.

Household Composition	2001		2011		% change in share
	No.	%	No.	%	
One person household	68,761	31.6	73,315	31.9	0.9
- *Aged 65 and over*	*33,654*	*15.5*	*28,964*	*12.6*	-18.7
- *Other*	*35,107*	*16.1*	*44,351*	*19.3*	19.9
One family household	132,811	61.0	135,651	59.0	-3.3
- *Aged 65 and over*	*19,238*	*8.8*	*17,995*	*7.8*	-11.4
- *Other*	*113,573*	*52.2*	*117,656*	*51.0*	-2.3
- *: Couples without children*	*38,215*	*17.6*	*39,349*	*17.1*	-2.8
- *: Couples with children*	*54,893*	*25.2*	*54,330*	*23.6*	-6.3
- *: Lone parent with children*	*20,465*	*9.4*	*23,977*	*10.4*	10.6
Other household types	16,050	7.4	20,962	9.1	23.0
- *With dependent children*	*4,260*	*2.0*	*5,327*	*2.3*	15.0
- *All full-time students*	*3,990*	*1.8*	*5,666*	*2.5*	38.9
- *All aged 65 and over*	*682*	*0.3*	*499*	*0.2*	-33.3
- *Other*	*7,118*	*3.3*	*9,470*	*4.1*	24.2
Total	217,622	100.0	229,928	100.0	0.0

Source: Census 2001 and 2011. Notes: percentages may not sum exactly due to rounding. Changes in values in the 'aged 65 and over' category partly arise from definitional differences between censuses: in 2001, the category 'pensioners' was used.

Ethnicity

The ethnic profile of the Sheffield population has changed significantly since 1991. The census in 1991 revealed that only 3.4% of the population classified itself as non-White (non-White British, White Irish or Other White). By 2001 this percentage had grown to 10.7% and by 2011 it was 12.3%. This ethnic profile differs significantly between HMAs (Table 4.2).

The East HMA is Sheffield's most ethnically diverse, followed by the City Centre HMA. Non-white ethnic minorities are significantly under-represented in the outlying and rural areas (e.g. Chapeltown/Ecclesfield HMA, Stocksbridge & Deepcar HMA, Rural Upper Don Valley HMA) and, to a lesser extent, the South East and North West HMAs.

Table 4.2. Ethnic profile of population by HMA, 2011.

HMA	White		Mixed		Asian		Black		Other	
	No.	%	No.	%	No.	%	No.	%	No.	%
Chapeltown/Ec'field	31095	97.0	325	1.0	352	1.1	204	0.6	97	0.3
City Centre	10353	55.1	509	2.7	5038	26.8	1394	7.4	1497	8.0
City Centre West	74677	77.4	2829	2.9	11800	12.2	4313	4.5	2838	2.9
East	18626	42.3	1683	3.8	15236	34.6	4859	11.0	3676	8.3
Manor/A'thorne/G'less	36387	82.4	1681	3.8	2319	5.2	2785	6.3	1000	2.3
North East	58348	84.8	2157	3.1	3453	5.0	3092	4.5	1765	2.6
North West	35900	94.6	638	1.7	572	1.5	520	1.4	325	0.9
Peak District NP	9474	94.8	116	1.2	268	2.7	92	0.9	45	0.5
Rural U. Don Valley	6185	97.4	47	0.7	48	0.8	36	0.6	34	0.5
South	39079	92.7	909	2.2	928	2.2	924	2.2	300	0.7
South East	85799	95.0	1320	1.5	1545	1.7	1262	1.4	418	0.5
South West	44813	90.5	1006	2.0	2765	5.6	523	1.1	390	0.8
S'bridge and Deepcar	11808	98.2	69	0.6	61	0.5	78	0.6	13	0.1
Sheffield	**462544**	**83.7**	**13289**	**2.4**	**44385**	**8.0**	**20082**	**3.6**	**12398**	**2.2**

Source: Census 2011.

Table 4.3. Employment by occupation.

Soc 2010 major group	Sheffield		Yorkshire and The Humber	Great Britain
	(numbers)	(%)	(%)	(%)
Group 1-3: managerial and professional	109,300	40.9	39.3	44.0
Group 4-5: administrative and skilled trades	58,600	21.9	22.1	21.5
Group 6-7: service occupations	48,100	18.0	18.3	17.2
Group 8-9: operatives and elementary occupations	51,200	19.2	20.3	17.3

: Groups 1-3 are (1) managers, directors and senior officials; (2) professional occupations, and (3) associate professional and technical occupations. Groups 4-5 are (4) administrative and secretarial, and (5) skilled trades occupations. Groups 6-7 are (6) caring, leisure and other service occupations, and (7) sales and customer service occupations. Groups 8-9 are (8) process plant and machine operatives; and (9) elementary occupations. Source: ONS Annual Population Survey April 2012-March 2013 via NOMIS.

4.2.2 Economic activity

65.9% of Sheffield's population is of working age (16-64), slightly higher than the Yorkshire and Humber average of 64.0%.

299,500 persons, or 77.0% of Sheffield's population, are economically active. 29,300 of these people, or 9.8% of the economically active population, are unemployed.[31] This is slightly higher than the comparable Yorkshire and Humber figure of 9.3%.

One of the factors underpinning likely population and household growth is change in the local economy. Sheffield's economy has continued to diversify in recent years although it remains heavily dependent on the public sector and on several key private sector employers. However, it has increasingly developed a reputation in several growing, high added-value sectors such as advanced manufacturing, healthcare technology, and creative and digital industries.[32]

Underpinning this improved economic performance in the face of national economic challenges have been increases in the skills of the Sheffield workforce and the educational attainment of schoolchildren. Yet significant challenges are acknowledged to remain, and the city's economic strategy is one that seeks to drive growth though a continued focus on the distinctive strengths outlined above, continued diversification, skills and infrastructure, and improved 'image' and cultural offer (Creative Sheffield 2012). It goes without saying that having an attractive and accessible housing market encompassing a range of price points, tenures and product types is key to accommodating these aspirations.

Key among the challenges to the city's economy are: the pattern of persistent social and economic polarisation in the city; poor environmental quality (especially in the East HMA); and an increase in the numbers of young people seeking Job Seekers' Allowance (JSA) (Table 4.4). This is masked by a general favourable pattern of decline in the numbers of claimants since its peak in 2012 (Table 4.5).

As is evident from Table 4.6 there has been a decrease in the number of JSA claimants between 2012 and 2013 across all neighbouring Local Authorities, including Sheffield. The decrease in Sheffield comes from a decrease in the number of male claimants, with a small increase in the number of female claimants (Table 4.6). This decrease over the last year bucks a longer-term trend where JSA claimants have been increasing year on year from 2008. Although Sheffield has a higher number of JSA claimants than neighbouring local authorities, this reflects a lower proportion of the population than the South Yorkshire average and most neighbouring LA's (with the exception of North East Derbyshire). On the whole, it would appear that while significant challenges remain, Sheffield's local economy appears marginally more resilient than that in the broader city region. The key challenge for Sheffield in housing market terms is the rise in the number of unemployed young people, who in any case have been disproportionately affected by affordability and housing accessibility issues in the wake of the financial crisis.

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[31] Source: ONS Annual Population Survey, April 2012-March 2013.
[32] Sheffield First (2013) *State of the Sheffield 2013*.

Table 4.4. JSA claimants by age group (June 2013).

	16-24	25-49	50+	Total JSA claimants	Total change on year
South Yorks	12,310	23,245	6,425	41,980	-2,455
Barnsley	2,195	4,020	1,105	7,320	-230
Doncaster	2,895	5,370	1,540	9,805	-1,010
Rotherham	2,485	4,395	1,305	8,185	-295
Sheffield	**4,735**	**9,460**	**2,475**	**16,670**	**-920**
NE Derbyshire	500	845	315	1,660	-250

Source: NOMIS.

Table 4.5. JSA claimants by local authority area, June 2007-2013.

	2007	2008	2009	2010	2011	2012	2013
Barnsley	3,495	3,750	7,495	6,665	6,800	7,550	7,315
Doncaster	5,160	5,160	10,205	9,435	9,785	10,815	9,805
Rotherham	3,770	3,955	8,540	7,475	7,910	8,480	8,185
Sheffield	**8,555**	**8,450**	**15,300**	**15,160**	**16,160**	**17,590**	**16,665**
NE Derbyshire	1,055	955	2,125	1,835	1,870	1,910	1,670

Source: NOMIS.

Table 4.6. JSA claimants by sex, 13 June 2013.

	Claimant count at 13 June 2013						*Change on year*		
	Number of claimants			% of Population[2]			*Levels*		
	Men	Women	All	Men	Women	All	*Men*	*Women*	*All*
South Yorks	28,022	14,004	42,026	6.4	3.2	4.8	-2,688	206	-2,482
Barnsley	4,781	2,541	7,322	6.5	3.4	4.9	-442	207	-235
Doncaster	6,318	3,506	9,824	6.5	3.6	5.1	-1,043	16	-1,027
Rotherham	5,479	2,708	8,187	6.7	3.3	5.0	-262	-36	-298
Sheffield	**11,444**	**5,249**	**16,693**	**6.3**	**2.9**	**4.6**	**-941**	**19**	**-922**
NE Derbyshire	1,105	564	1,669	3.6	1.8	2.7	-192	-57	-249

Source: Source: Jobcentre Plus administrative system / NOMIS

4.3 DEMAND PROCESSES

4.3.1 House Price Patterns

Sheffield has the highest average house sale prices in South Yorkshire. According to HM Land Registry's House Price Index (HPI), the mix adjusted average house sale price in Sheffield in May 2013 was just under £113,000, a fall of around 17% in the six years since 2007 (Table 4.7).

Table 4.7. HMLR House Price Index (HPI) for Sheffield and selected districts and counties, May 2007 and May 2013.

	May 2007		May 2013		Change in average price (%)
	Average price (£)	Annual change (%)	Average price (£)	Annual change (%)	
Sheffield	136,015	9.3	112,946	-2.6	-17.0
Rotherham	121,533	5.3	97,745	-0.6	-19.6
Doncaster	118,758	4.3	93,686	-1.2	-21.1
Barnsley	112,424	5.0	86,912	1.5	-22.7
Derbyshire*	140,740	5.3	118,398	-1.6	-15.9
Nottinghamshire*	138,159	3.3	118,332	0.6	-14.4
Kirklees	134,746	6.7	105,377	-1.7	-21.8
Wakefield	134,427	7.4	101,376	-3.8	-24.6
Leeds	150,885	7.4	121,839	-2.9	-19.3
Manchester	112,030	8.9	93,617	0.6	-16.4
Yorkshire & Humber	143,089	8.1	115,324	0.0	-19.4
England & Wales	177,359	8.6	161,969	0.0	-8.7

*Note: HMLR do not publish details of their mix adjusted House Price Index for two-tier districts.

Prices in Sheffield have not fallen quite as fast as in many of its neighbouring districts (see Table 4.7). This probably reflects the very polarised internal price structure of the Sheffield market, which is comprised of an extremely high value west end – possibly of regional significance in housing market terms, and a significantly lower priced east end (Figure 4.2, Figure 4.3 and Table 4.8).

Between 2007 and 2012 mix-adjusted prices have fallen throughout the market. Prices have held up best in the City Centre West and have fallen by the greatest margins in the North East, East and Manor submarkets (Table 4.8). There is a significant decrease in the number of sales between 2007 and 2012 for every HMA, leading to an overall fall in sales across Sheffield of more than 6,000.

Figure 4.2. Map of average property sale prices, 2007
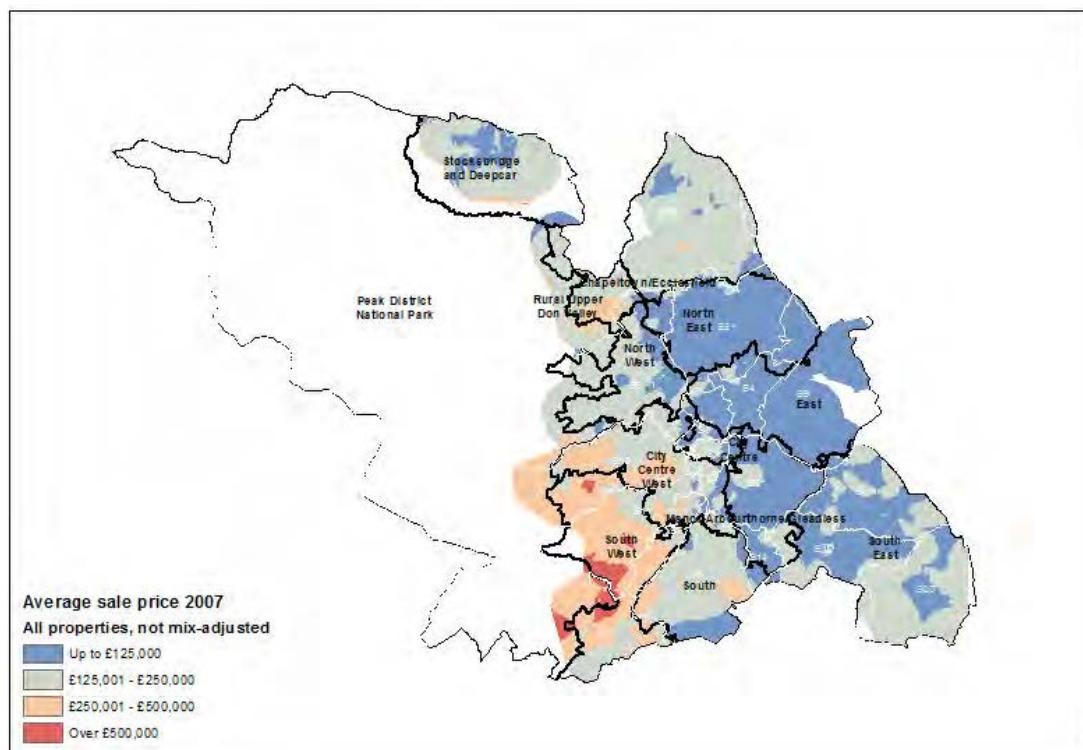
Source: spatial analysis of HM Land Registry 'price paid' data.

Figure 4.3. Map of average property sale prices, 2012.
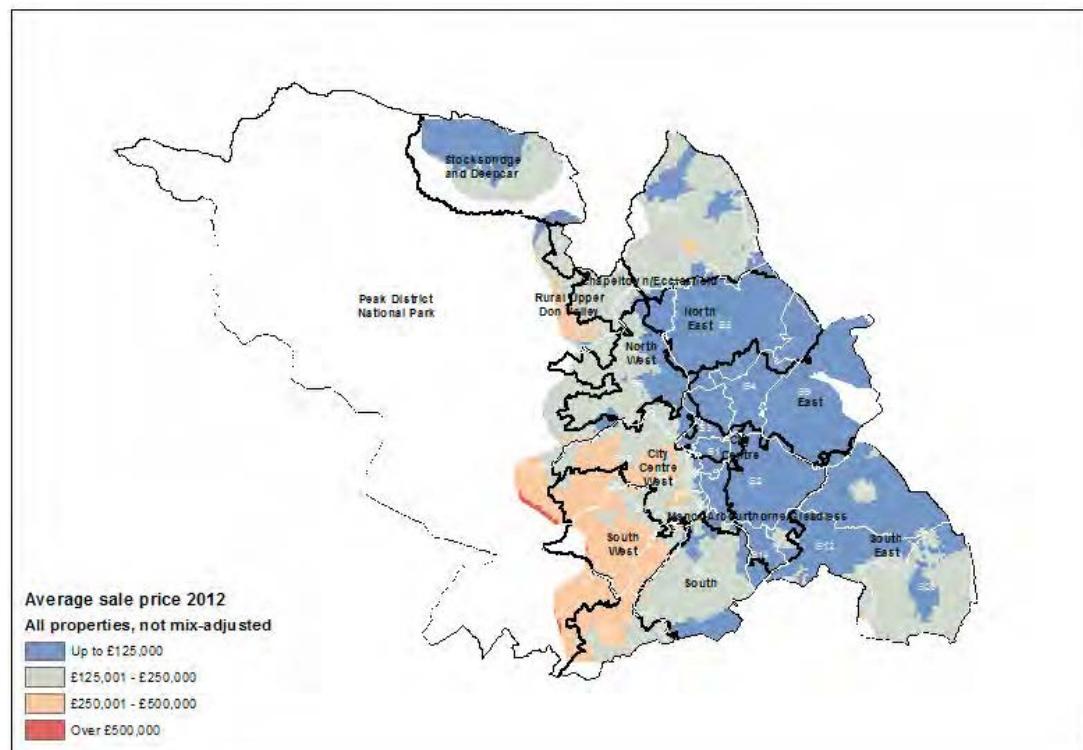
Source: spatial analysis of HM Land Registry 'price paid' data.

Table 4.8. Average house sale prices, by HMA, 2007 and 2012.

HMA	Number of sales 2007	Average sale price 2007 (£)	Number of sales 2012	Average sale price 2012 (£)	Change in number of sales (%)	Change in average sale price (%)
Chapeltown/Ecclesfield	686	£135,081	276	£105,255	-59.8	-22
City Centre	505	£113,274	92	£89,095	-81.8	-21
City Centre West	2,273	£150,942	773	£129,449	-66.0	-14
East	725	£92,215	223	£61,087	-69.2	-34
Manor/Arbour./Gleadless	753	£102,291	170	£66,699	-77.4	-35
North East	931	£86,824	296	£60,467	-68.2	-30
North West	824	£130,277	378	£104,422	-54.1	-20
Peak District NP	169	£260,984	68	£198,061	-59.8	-24
Rural Upper Don Valley	149	£179,170	49	£135,596	-67.1	-24
South	886	£137,301	337	£105,982	-62.0	-23
South East	1,610	£118,486	681	£91,822	-57.7	-23
South West	997	£243,160	581	£195,183	-41.7	-20
Stocksbridge & Deepcar	268	£111,104	106	£80,023	-60.4	-28
Sheffield	10,776	£137,717	4,030	£113,796	-62.6	-17

Note: Average sale prices are mix adjusted. Data source: HM Land Registry 'Price Paid' dataset.

4.3.2 Income and affordability

The gross pay of full time workers in Sheffield has increased over the period 2002-2012 by more than £100 per week (Table 4.9). The increase has not been steady, with two years in particular (2005 and 2011) recording decreases in the average gross weekly pay. Although gross weekly pay does not account for inflation, using the Retail Price Index (RPI) from 2002 to 2012, in real terms the gross weekly income has fallen over this period (although this takes a national inflation rate and applies it to a local authority level pay scale and therefore does not consider variations in local living cost such as housing).

Table 4.9. Gross Weekly Pay: All Full Time Workers, 2002-2012.

Year	Sheffield	Yorkshire & Humber	Great Britain
2002	£353.50	£360.00	£392.70
2003	£380.20	£375.50	£406.20
2004	£397.10	£391.50	£421.30
2005	£391.20	£400.00	£432.80
2006	£412.70	£412.50	£445.90
2007	£427.20	£425.60	£460.00
2008	£450.70	£444.30	£480.00
2009	£457.50	£452.60	£490.50
2010	£476.00	£462.50	£501.70
2011	£470.50	£461.70	£500.20
2012	£471.40	£465.20	£508.00

Source: NOMIS.

Household income disparities in Sheffield are wide, with over 10% of households earning less than £10,000 per annum and over 10% earning over £50,000 (Table 4.10). This variation in income increased from 2010 to 2011, with growth in the number of households earning less than £15,000 and over £30,000 and decreasing numbers of households earning between these two thresholds. The range in incomes is a spatial phenomenon in Sheffield, with large variation between wards (Table 4.11). For example the ward with the highest mean income, Ecclesall (£52,331, median income is £46,242) neighbouring Broomhill, which has a mean income of less than 50% of Ecclesall's (£23,925, median income is £18,453).

Table 4.10. Household incomes in Sheffield, 2010 and 2011.

Gross household income band	% of households		Number of households		
	2010	**2011**	**2010**	**2011**	**Change 2010-2011**
<£10,000	11.3	12.0	26,899	29,016	2,117
£10,000-£14,999	13.0	12.9	30,992	31,064	72
£15,000-£19,999	12.8	12.3	30,544	29,616	-928
£20,000-£24,999	15.3	15.0	36,450	36,126	-324
£25,000-£29,999	12.2	11.6	29,096	28,079	-1,017
£30,000-£39,999	16.1	16.0	38,348	38,637	289
£40,000-£49,999	9.0	9.2	21,393	22,312	919
£50,000-£59,999	4.7	4.9	11,297	11,882	585
£60,000-£74,999	3.4	3.6	8,172	8,627	455
£75,000+	2.2	2.5	5,209	6,123	914

Source: MOSAIC Public Sector via Sheffield City Council.

Table 4.11. Median and mean household income by Ward, 2012.

Ward	Median Income	Mean Income
Ecclesall	£46,242	£52,331
Dore & Totley	£43,901	£50,742
Fulwood	£41,832	£47,260
Stannington	£30,467	£34,752
Crookes	£30,424	£35,947
Graves Park	£30,128	£34,219
Nether Edge	£29,944	£35,706
Beighton	£29,822	£32,902
West Ecclesfield	£29,280	£33,197
Mosborough	£28,829	£32,701
Stocksbridge & Upper Don	£28,481	£32,030
East Ecclesfield	£27,920	£30,620
Hillsborough	£26,389	£29,261
Woodhouse	£23,848	£26,884
Richmond	£23,357	£25,360
Birley	£23,292	£25,489
Beauchief & Greenhill	£23,032	£27,881
Gleadless Valley	£22,773	£24,990
Walkley	£22,150	£24,428
Darnall	£21,737	£23,262
Shiregreen & Brightside	£21,724	£23,405
Arbourthorne	£21,003	£23,163
Southey	£20,443	£22,334
Burngreave	£20,050	£21,464
Firth Park	£19,482	£21,320
Manor Castle	£19,048	£20,627
Broomhill	£18,453	£23,925
Central	£16,286	£18,434
Sheffield	**£24,297**	**£28,910**

Note: Table is sorted by descending rank of median income.
Source: MOSAIC Public Sector via Sheffield City Council.

As a consequence of these differences at ward level, the income profile of Sheffield's HMAs differ markedly (Table 4.12). One in ten households in the South West HMA, and nearly one in six in the Peak District HMA have a gross household income of over £90,000. Only a negligible number of respondents in the East HMA, City Centre HMA, South East HMA and Manor/Arbourthorne/Gleadless HMAs had incomes in this range.

Table 4.12. Income distribution by Housing Market Area

HMA	Proportion of households by income band (%)					
	Up to £10,000	£10,000 to £29,999	£30,000 to £49,999	£50,000 to £69,999	£70,000 to £89,999	£90,000+
Chapeltown/Ecclesfield	12	42	29	9	6	2
City Centre	37	49	10	1	1	1
City Centre West	21	37	20	12	4	6
East	33	39	23	4	1	0
Manor/Arbour./Gleadless	33	46	15	4	0	1
North East	29	47	12	8	2	2
North West	10	48	24	13	3	2
Peak District NP	16	28	22	11	8	16
Rural Upper Don Valley	4	54	19	10	6	6
South	16	39	19	13	10	2
South East	20	45	24	9	1	1
South West	4	34	28	13	10	10
Stocksbridge & Deepcar	21	38	19	13	7	2

Source: Household survey. Note rows may not sum exactly to 100% because of rounding.

4.3.3 Affordability

Although house prices have fallen in recent years this has had only a relatively marginal impact on affordability in the city. The average price to income ratio in Sheffield remains high at 4.88, although this represents an improvement since 2007 when the average ratio was 6.62 (Table 4.13).

Table 4.13. Lower quartile house price to lower quartile income by local authority, 2007-2012.

Local authority area	2007	2008	2009	2010	2011	2012(P)
Barnsley	5.15	5.19	4.15	4.32	4.11	4.24
Doncaster	5.56	5.18	4.76	4.69	4.71	4.51
Rotherham	5.83	5.95	4.90	4.78	4.93	4.90
Sheffield	6.62	6.03	5.27	5.30	4.91	4.88
South Yorkshire	5.83	5.63	4.72	4.82	4.67	4.60
North East Derbyshire	6.64	6.19	6.34	5.53	5.67	6.02

Note: (P) denotes a provisional estimate at the time the table was calculated.
Source: Computed from Annual Survey of Hours and Earnings (ASHE) and HM Land Registry data.

Demand for property across the city has had an impact upon the overall and relative prices of dwellings in both the owner-occupied and private rental sector. The income required to access these properties has therefore likewise altered and acts as a proxy indicator of overall demand. This section provides an overview of lower quartile house prices across the city by HMA in 2007 and 2012 and the income needed to afford those properties, seen in Table 4.14. It then proceeds to consider the income needed to afford the average private rent by HMA in 2007 and

2012, seen in Table 4.17. The precise type and character of properties of each dwelling included in the lower quartile house price and average private rent data within each HMA will vary between 2007 and 2012, but does provide a broad indication of the pressures on price in those areas.

Table 4.14. Lower quartile house price and income needed to afford by HMA.

HMA	2007 lower quartile house prices	Income needed to afford	2012 lower quartile house prices	Income needed to afford *	% of households with income needed to afford in 2012	% change in income needed to afford
Chapeltown/Ecclesfield	£62,653	£15,663	£71,939	£17,985	69	15
City Centre	£91,061	£22,765	£73,034	£18,258	46	-20
City Centre West	£107,757	£26,939	£83,989	£20,997	55	-22
East	£67,403	£16,851	£43,820	£10,955	63	-35
Manor/Arbourthorne/Gleadless	£79,775	£19,944	£47,472	£11,868	67	-40
North East	£69,731	£17,433	£47,472	£11,868	68	-32
North West	£103,766	£25,941	£76,686	£19,171	68	-26
Peak District National Park	£135,139	£33,785	£114,481	£28,620	56	-15
Rural Upper Don Valley	£119,696	£29,924	£89,512	£22,378	54	-25
South	£102,214	£25,553	£75,590	£18,898	58	-26
South East	£90,906	£22,726	£62,079	£15,520	59	-32
South West	£141,902	£35,475	£135,113	£33,778	51	-5
Stocksbridge & Deepcar	£79,820	£19,955	£52,310	£13,078	75	-34
Sheffield	**£93,079**	**£23,270**	**£67,556**	**£16,889**	**62**	**-27**

*

Sheffield, collectively, has seen a decrease in the level of income needed within a household to purchase a property priced in the lower quartile of house prices in 2012 compared to 2007. A 27% decrease in the income needed has lowered the level from £23,270 to £16,889 over the period.

This overall decrease, seen frequently elsewhere in the UK too, includes a range of income requirement changes across HMAs. Chapeltown/Ecclesfield HMA is the only HMA in the authority to experience an increase in lower quartile house prices and therefore the income needed, highlighting a high level of demand in the HMA. The HMAs to experience smaller decreases in price and income needed to afford lower quartile priced properties include the City Centre, City Centre West, North West, Peak District National Park, Rural Upper Don Valley, South and South West. This evidence suggests that these HMAs have experienced higher levels of demand than the rest of Sheffield over the period 2007-12.

The Manor/Arbourthorne/Gleadless HMA has seen required income fall by 40%, from £79,775 to £47,472 suggesting a significant decline in the level of demand for owner occupied housing in the HMA. The remaining HMAs likewise experienced above average decreases in the level of income required to purchase a lower quartile property and signifies weak demand for owner occupation.

Deposits

The income to house price ratio is only part of the equation for households wishing to purchase a property. The increase in the level of deposit needed as a proportion of the house price has increased since 2007 and this initial equity gap stands as a barrier for many households to owner occupation. The average loan-to-value (LTV) ratio for first time buyers in the UK is currently 81%,[33] leading to an average required deposit of approximately £33,000 (based on an average purchase price of approximately £173,000). Using an 80% LTV ratio as an assumption, Table 4.15 sets out the average deposit requirement for households wishing to enter owner occupation by HMA and for the city as a whole, set alongside estimates of the average deposit held by survey respondents. In order to afford the lower quartile price in Sheffield at an 80% LTV ratio a household must have access to a deposit of just over £13,000. The lowest deposits are required in the East, North East, and Manor/Arbourthorne/Gleadless HMAs, while the highest are required in the South West, Peak District National Park, and Rural Upper Don Valley HMAs.

Table 4.15. Average deposit needed to afford by HMA.

HMA	2012 lower quartile house prices	Deposit requirement (assuming 80% LTV)	Average deposit held		
			All households	Current households not in Owner Occupation	Concealed households
Chapeltown/Ecclesfield	£71,939	£14,388	£90,536	£4,902	£4,673
City Centre	£73,034	£14,607	£10,230	£7,961	£2,500
City Centre West	£83,989	£16,798	£99,120	£8,106	£5,909
East	£43,820	£8,764	£38,473	£2,081	£3,170
Manor/Arbourthorne/Gleadless	£47,472	£9,494	£34,221	£4,125	£3,076
North East	£47,472	£9,494	£39,620	£5,065	£3,437
North West	£76,686	£15,337	£82,594	£8,921	£5,513
Peak District National Park	£114,481	£22,896	£198,137	£21,977	£20,380
Rural Upper Don Valley	£89,512	£17,902	£136,915	£8,296	£2,500
South	£75,590	£15,118	£102,203	£9,998	£4,784
South East	£62,079	£12,416	£63,768	£4,020	£4,463
South West	£135,113	£27,023	£213,547	£8,809	£8,622
Stocksbridge & Deepcar	£52,310	£10,462	£87,180	£8,518	£5,283
Sheffield	**£67,556**	**£13,511**	£83,818	£6,248	£5,229

Source: Analysis of household survey; HMLR house price data.

A lower deposit requirement in a given HMA does not necessarily translate into more accessible housing for that HMA's households. As Table 4.16 demonstrates, despite lower deposit requirements in cash terms in the East HMA, the average deposit held by resident households not currently in owner occupation is only 24% of the deposit requirement. Our estimate from the survey data is that only around 5% of households in the East HMA would be able to raise the funds required to access owner occupation. Even fewer concealed households – those that might form in the next three years – can afford the deposit. Across the city as a whole, households not in owner occupation have access to on average 46% of the required

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[33] Council for Mortgage Lenders (2013) *Statistical Press Release, 11 October 2013.*

deposit; concealed households have access to on average 39% of the required deposit. In all, we estimate that around 15% of households not currently in owner occupation could afford the necessary deposit. Only approximately 10% of currently concealed households could do so.

Table 4.16. Average deposit held as % of requirement by HMA.

HMA	Average deposit as % of deposit requirement		Approx. % able to afford deposit	
	Current households not in owner occupation	Concealed households	Current households not in Owner Occupation	Concealed households
Chapeltown/Ecclesfield	34%	32%	~15%	<10%
City Centre	55%	17%	~10%	0%
City Centre West	48%	35%	~15%	~5%
East	24%	36%	~5%	~5%
Manor/Arbourthorne/ Gleadless	43%	32%	<10%	~5%
North East	53%	36%	~10%	~10%
North West	58%	36%	~15%	10-15%
Peak District National Park	96%	89%	~20%	~30%
Rural Upper Don Valley	46%	14%	~15%	0%
South	66%	32%	~15%	<10%
South East	32%	36%	~10%	<10%
South West	33%	32%	~10%	~10%
Stocksbridge & Deepcar	81%	50%	~20%	~25%
Sheffield	46%	39%	~15%	~10%

Source: Analysis of household survey; authors' calculations.

Notes: Estimates of % able to afford based on approximate distribution of respondents. Assumptions include using the mid-point between categories. 'Concealed' households are those where the survey respondent has indicated that there is an existing household member likely to move out within three years (question E1).

Table 4.17. Income needed to afford average private rent property by HMA.

HMA	2007		2012			% change in income needed to afford 2007-12
	2007 average private rent (pcm)	Income needed to afford (30% of income)	2012 average private rent (pcm)	Income needed to afford (30% of income)	% of households with income needed to afford in 2012	
Chapeltown/Ecclesfield	£550	£22,000	£587	£23,480	56	7
City Centre	£576	£23,040	£590	£23,600	19	2
City Centre West	£550	£22,000	£606	£24,240	51	10
East	£532	£21,280	£508	£20,320	41	-5
Manor/Arbourthorne/Gleadless	£533	£21,320	£520	£20,800	44	-2
North East	£524	£20,960	£474	£18,960	47	-10
North West	£543	£21,720	£548	£21,920	60	1
Peak District National Park	£634	£25,360	£969	£38,760	41	53
Rural Upper Don Valley	£525	£21,000	£593	£23,720	58	13
South	£516	£20,640	£585	£23,400	48	13
South East	£528	£21,120	£539	£21,560	43	2
South West	£557	£22,280	£857	£34,280	55	54
Stocksbridge and Deepcar	£566	£22,640	£478	£19,120	56	-16
Sheffield	**£547**	£21,880	**£623**	£24,920	**45**	**14**

Sources: Analysis of household survey; SCC data on private rents; authors' calculations.
Notes: 'pcm' = per calendar month. 30% of gross household income is used as the upper limit of housing expenditure on rent (note that this does not include service charges).

As shown in Table 4.17, average rents across the city (and hence the change in income required to afford) have increased by 14% since 2007 and reveal a growth pressure in the level of demand for private renting during this period. The South West and Peak District National Park have seen the highest levels of pressure and therefore the income required to afford the average rent, with an increase of 54% and 53% respectively. The high levels of demand in these areas plays a significant role in the overall pressure on prices across the city, as required income in no other HMA rose at a greater extent than the city average.

The City Centre West (10%), Rural Upper Don Valley (13%) and South (13%) HMAs all fall broadly in line with the average increase in prices and required incomes across the city.

Four HMAs had falling incomes required to afford the average private rent within each respective area as the average private rent in these areas fell, they are the East, Manor/Arbourthorne/Gleadless, North East and Stocksbridge & Deepcar HMAs. This trend, falling by as much as 16%, suggests vastly different levels of demand for the tenure than in the South West and Peak District National Park HMAs.

4.3.4   The aspirations and preferences of recent movers

Analysis of the household survey help to reveal the way that aspirations and preferences of recent movers underpin changes in house prices and rents. It reveals the important of house type, size and neighbourhood quality factors.

Household mobility

Most moves involve a move to a larger property (at least in terms of the number of rooms) (Table 4.18). 36% of respondents now had more bedrooms than in their previous home, although 30% had fewer. 23% had more bathrooms, and a very small proportion gained a utility room through their move.

Table 4.18. Percentage change in number of rooms compared to previous accommodation.

Change in number	% Bedrooms	% Bathrooms / WC	% Living, dining or reception rooms	% Kitchen and utility rooms	% Other rooms
less than -2	4	1	0	0	0
-2	7	2	2	0	1
-1	19	9	16	6	11
0	34	64	63	84	69
1	27	17	17	9	16
2	7	5	2	0	2
more than 2	2	1	0	0	1
TOTAL	**100**	**100**	**100**	**100**	**100**

Source: household survey.

Changes in the size of property were among the most important reasons for needing to move home. The pressure on increasing the number of bedrooms for families was an important factor in moving was supported by the *Home Truths II* report, with comments such as:

> *"I'm living in a family house, we've got two young children now so we moved there for increased numbers of bedrooms, for the garden… so for a growing family basically"*
> *(High Earners focus group)*

Similarly, households involved in Home Truths were projecting their future housing need as children moved out and were contemplating downsizing the number of rooms accordingly:

> *"The plan is we stay where we are until the kids have left home and then probably look at downsizing again, we'd want to be where we are for the next 10, 15 years"*
> *(Chapeltown/Ecclesfield, owner-occupier, White British, 40)*

The housing move process may involve a change in tenure as well as a change in the size of property inhabited. The survey reveals there was a large decrease in the percentage of homes with a mortgage and in rented accommodation, whilst there was a major increase in the number of households owner-occupying without a mortgage. This change is not just through moving home, it is also a result of the passage of time within a home and, for some households in owner occupation paying off their mortgage.

Table 4.19. Motivations for desiring to move (top five in bold)

Motivation	Responses		% of Cases
	N	%	
To move to cheaper accommodation	9329	5.20	12.70
Because of changes to my welfare benefits	1806	1.00	2.50
To move to a smaller home	**14953**	**8.30**	**20.30**
To move to a larger home	**20464**	**11.30**	**27.80**
Want a newer home	6714	3.70	9.10
Want a bigger garden	**13704**	**7.60**	**18.60**
Condition of current property	**10202**	**5.60**	**13.90**
To free up capital	4906	2.70	6.70
Wanting to buy own home	8021	4.40	10.90
Wanting to rent a home	2741	1.50	3.70
Relationship or family breakdown	2408	1.30	3.30
To live with a partner	5582	3.10	7.60
To move closer to friends/family	7871	4.30	10.70
To be closer to work or a new job	6668	3.70	9.10
Got accommodation tied to job	538	0.30	0.70
Retiring	4439	2.50	6.00
Being evicted	151	0.10	0.20
Tenancy ending	4487	2.50	6.10
Home being repossessed	104	0.10	0.10
Access problems e.g. stairs	6585	3.60	8.90
The property is affecting my/our health	4381	2.40	6.00
To make it easier to receive care/support	2417	1.30	3.30
To provide care to family/friends	1753	1.00	2.40
To move to a better neighbourhood	**13558**	**7.50**	**18.40**
To move closer to transport links	3299	1.80	4.50
To move closer to shops and services	4035	2.20	5.50
To move to a school catchment area	4525	2.50	6.10
For a better school	4142	2.30	5.60
For higher education/university	2900	1.60	3.90
To move to a safer area	8452	4.70	11.50
Total	**181134**	**100.00**	**246.00**

Source: Household survey.

The same table reveals the change that has taken place for households who moved in the last two years, with much less variation. The most significant change was households who were not previously in housing provided by the Council/Sheffield Homes, but now are. The percentages should not be compared between the overall and recent movers. Whilst frequent movers (often in rented and least likely to be homeowners) are captured in both 'All household' and 'Last two years' categories they are likely to form a larger proportion of 'Last two years' and therefore the percentages cannot be compared directly.

The difference between tenure types and how recently the household has moved is shown in Table 4.21 below. This reveals that households in the private rented sector are much more likely to have moved home in the recent past than households in the owner occupied or SRS sector, and explains some of the variation between the all household and 'Last two years' data above.

Table 4.20. Current and previous tenure all household and those moving in the last two years.

Tenure	% All HH		% Last two years	
	Previous	Current	Previous	Current
Owner-occupied (with a mortgage)	40	31	22	21
Owner-occupied (no mortgage)	10	32	9	7
Shared Ownership (part rented, part owned)	0	0	1	0
Rented from the Council/Sheffield Homes	18	16	11	16
Rented from a Housing Association	4	6	6	6
Rented from a private landlord or letting agency (including student accommodation)	24	13	47	48
Rented from a relative / friend of a household member	2	1	3	2
Tied or linked to a job	1	0	1	n.a.

Source: Household survey.

Table 4.21. The percentage of households who moved in each period by tenure type

Tenure type	% of households in each tenure				
	Within the last year	Between 1 and 2 years ago	Between 2 and 5 years ago	Over 5 years ago	Always lived here
Owner-occupied (with a mortgage)	6	6	14	69	5
Owner-occupied (no mortgage)	2	2	5	73	19
Shared Ownership (part rented, part owned)	4	13	19	43	20
Rented from the Council/Sheffield Homes	9	9	19	55	8
Rented from a Housing Association	5	14	27	49	6
Rented from a private landlord or letting agency (incl. student accom.)	48	19	22	10	1
Rented from a relative / friend of a household member	20	18	14	36	11
Tied or linked to a job	0	0	33	67	0

Source: Household Survey.

Movement between tenures may be motivated by a range of factors, for example the movement from owner occupation to social or private rented may be fuelled by financial considerations. Yet within financial considerations there may be multiple pressures, such as pressure from a lender on mortgage repayments or other finance leveraged against the home. Affordability may be influenced by many factors and changes in financial circumstances. For example the Housing Aid service manages the mortgage rescue scheme, which assists households who are facing repossession of their properties to transfer ownership to a housing association. The service has found that households may have affordable mortgage repayments (especially when compared to private rents in an area), but due to other debts and financial

commitments are at risk of losing their homes. It may not, for example, be the mortgage company's pressure to repossess the home, but another agency. The failure to maintain debt repayments may in turn be caused by loss of employment or reduction in employed hours, relationship breakdown, ill health and therefore the housing cost may not be the primary driver to move from the owner occupied sector to private or social rented.

Neighbourhood satisfaction and quality of life

As was evident from Table 4.19, 12% of the responses given by surveyed households indicated they moved to their current dwelling with the motivation of moving to a safer (5%) or better (7%) neighbourhood. Of the households who think they need or are likely to move in the future, 30% are in part motivated by a desire to move to a better or safer neighbourhood. This sets the context for the importance of neighbourhood satisfaction across the city.

The majority of households (69%) in Sheffield are satisfied with their neighbourhood and think that it is adequate for their needs. Indeed, respondents to Home Truths (see annex report) generally had a favourable impression overall of Sheffield in comparison to other places they had lived in:

> *"That's one of the main things that attracts me to Sheffield, I just generally like the 'villagey' feel, people talk to each other which I've not noticed in other big cities, I've lived in Manchester as well as London and was quite keen to get out of both of them" (North west, White British, owner-occupier, 44)*

> *"There's a perception of Sheffield as being a bit down at heel and Leeds has got a very vibrant city centre, Manchester the same, but in terms of places to live I think Sheffield's as good as anywhere" (city centre resident).*

> *"I love it, a lot of people say why on earth have you come back, because I lived in the south of France and I say because Sheffield's a brilliant place, it's vibrant, it's full of students, there's good places to go out, it's so green, there's loads of parks to go to, it's beautiful countryside around it, I love Sheffield" (South east outer, White and Asian, owner-occupier, 40)*

These overall impressions may mask individual areas of complaint and it is clear from the household survey that a significant minority have concerns about the adequacy of their housing or neighbourhood.

Neighbourhood satisfaction does vary across the city as can be seen in Figure 4.4. Three HMAs stand out in the data as having notably higher levels of dissatisfaction: the East, Manor/Arbourthorne/Gleadless and North East HMAs. The three HMAs with the greatest proportion of their households indicating highest levels of satisfaction (4 and 5) are the Rural Upper Don Valley, the Peak District National Park and the South West.

Figure 4.4. Satisfaction with the neighbourhood as a place to live, by HMA.
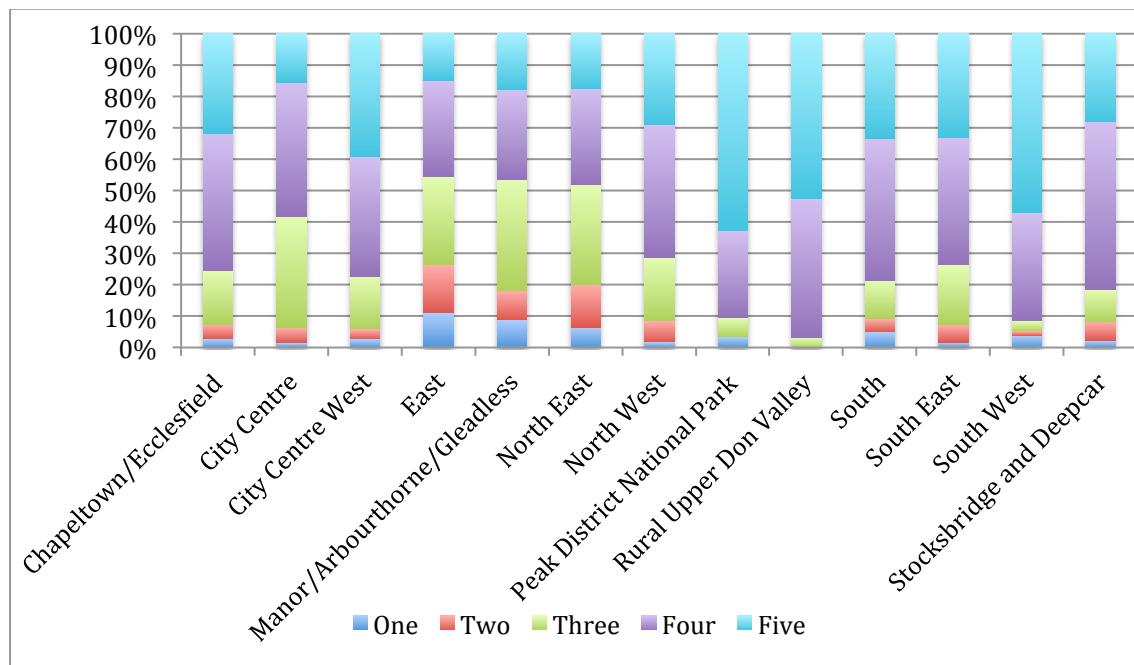
Source: household survey. Note: 1='very dissatisfied'; 5='very satisfied'.

Table 4.22. Neighbourhood satisfaction by property tenure and type.

	% for each level of satisfaction				
	1 (Very dis-satisfied)	2	3	4	5 (Very satisfied)
Tenure					
Owner-occupied (with a mortgage)	2	7	17	43	31
Owner-occupied (no mortgage)	4	4	18	38	36
Shared Ownership (part rented, part owned)	0	0	34	56	10
Rented from the Council/Sheffield Homes	8	11	26	28	27
Rented from a Housing Association	7	7	32	28	27
Rented from a private landlord or letting agency (including student accommodation)	4	5	22	38	31
Rented from a relative / friend of a household member	0	13	8	41	37
Tied or linked to a job	0	24	11	31	33
Property type					
Detached house	4	4	11	38	44
Semi-detached house	3	6	17	40	33
Terraced (including end-terraced)	6	10	26	35	23
Flat/apartment	4	4	25	38	29
Bedsit/studio	0	6	30	36	28
Bungalow	4	4	17	34	41
Maisonette	20	9	24	27	21
Other	10	8	23	21	39

Source: household survey.

As evident from Table 4.22 households are more likely to be dissatisfied with their neighbourhood if they are in rented accommodation than owner-occupiers. Of greater significance in absolute terms is the 19% of households renting from the council who are dissatisfied with their neighbourhood. This reflects the lower levels of satisfaction in the Manor/Arbourthorne/Gleadless and North East HMAs as these areas have a high proportion of social housing.

Of the major property types, dissatisfaction with the neighbourhood is most common in terraced housing, and satisfaction most common in detached housing, indicating either some conflation of housing and neighbourhood satisfaction, or a general tendency for larger detached homes to be in neighbourhoods of higher environmental quality and amenity.

Local amenities

Table 4.23 sets out the qualities that respondents to the household survey cited as being important in a 'good neighbourhood', together with those that respondents think could be improved in their own neighbourhood.

This indicates that whilst 45% of households consider public transport to be in the top five important qualities of a good neighbourhood, 20% of households think public transport could be better in their neighbourhood. In contrast 37% of households consider the condition of roads and pavements as important qualities, 75% of households think they could be better in their neighbourhood - interestingly this was by far the most frequently cited improvement and may reflect the timing of the survey and the Streets Ahead project of highway improvements. In terms of the direct attributes of housing in a neighbourhood (range, quality and affordability) only the quality of housing was in the top ten most frequently cited as important qualities, (34% of households). 13% of households considered the quality of homes could be improved in their neighbourhood. Given the importance of affordability in the SHMA, 18% of households considered that affordability in their neighbourhood could be improved and one fifth that it would be in their most important qualities of a good neighbourhood.

The spatial difference is highlighted across HMAs in Table 4.24, in which the top six most common aspects which could be improved in respondents' neighbourhoods are shown across HMA. The City Centre West, Peak District and Rural Upper Don Valley do not feature in the top five HMAs for most frequently cited improvements across the top six city wide improvement aspects. The City Centre and South West each only feature once in the top five, with below average response rates for each aspect other than the single issue (Anti-social behaviour in the City Centre and roads and pavements in the South West). These HMAs represent single issue improvements would contribute to residents perceptions of their neighbourhood as a place to live. In contrast to this, Chapeltown & Ecclesfield HMA features in the top five five times, but is not the HMA with the highest frequency of improvements across any of these categories, indicating a general level of improvement is perceived as important by residents rather than any individual issue standing out.

Table 4.23. Neighbourhood qualities and improvements sought.

Quality	Respondents considering this to be one of the most important qualities of a good neighbourhood			Respondents considering that this quality could be better in their neighbourhood		
	No.	%	% of Cases	No.	%	% of cases
Range of homes	28516	2	13	16632	1	8
Quality homes	72300	5	34	26757	2	13
Affordability of homes	47914	3	23	36988	3	18
Visual appearance of properties	69595	5	33	43806	4	21
Cleaner streets	80803	6	38	96572	8	46
Condition of roads and pavements	83222	6	39	151676	13	72
Access to parks and open spaces	79004	6	37	20274	2	10
Access to nature/countryside	45700	3	22	10677	1	5
Community facilities	43176	3	20	46597	4	22
Cultural facilities (e.g. libraries)	38210	3	18	33400	3	16
Health services	62937	4	30	19791	2	9
Education provision	59711	4	28	13890	1	7
Activities for teenagers	31343	2	15	75085	6	36
Facilities for young children	30711	2	15	47802	4	23
Shopping facilities	80852	6	38	39327	3	19
Sports and leisure facilities	23626	2	11	29657	3	14
Job prospects	21062	2	10	40519	4	19
Public transport	95559	7	45	42280	4	20
Parking facilities	32576	2	15	54172	5	26
Traffic congestion	14799	1	7	41761	4	20
Levels of pollution	22664	2	11	25113	2	12
Levels of noise	40040	3	19	33432	3	16
Crime levels	80055	6	38	55293	5	26
Anti-social behaviour levels	69319	5	33	59298	5	28
Neighbours	78232	6	37	27114	2	13
A sense of community	57885	4	27	45881	4	22
Cost of living	26336	2	12	33315	3	16%

Source: household survey. Note: The top ten responses in each column are shaded.

The variation in perception of aspects across HMAs is greatest when considering crime levels, with only 5% in the Peak District considering it an issue and 37% of households in the Manor/Arbourthorne/Gleadless HMA considering it an issue that could be better in their neighbourhood.

Table 4.24. Improvements sought by HMA.

HMA	% of households					
	Condition of roads / pavements	Cleaner streets	Activities for teenagers	Anti-social behaviour levels	Parking facilities	Crime levels
Chapeltown/Ecclesfield	73	34	42	29	24	22
City Centre	26	34	17	41	22	17
City Centre West	57	38	19	15	23	14
East	62	67	39	36	22	35
Manor/Arbour'/Gleadless	56	44	37	41	16	37
North East	66	50	37	39	23	36
North West	73	45	35	22	34	22
Peak District Nat'l Park	60	26	20	13	17	7
Rural Upper Don Valley	71	29	34	9	15	5
South	74	41	30	21	29	21
South East	70	45	38	28	26	31
South West	76	23	23	5	16	8
Stocksbridge & Deepcar	82	38	61	24	26	10
Sheffield	66	42	33	26	24	24

Source: Household survey. Note: the top 5 HMAs are shaded for each improvement type.

The perception of residents in Sheffield of other neighbourhoods was not picked up directly by the survey (although aspirational areas for migration may reflect this), but Home Truths II found residents had strong perceptions of other areas of the city, most notably negative views:

> *"Firth Park, Parson's Cross, Southey, this [Shire Green] can be it's got a reputation but I haven't seen it, I work at taxi place, there's a lot of trouble at Parson's Cross with stabbings and Firth Park, that worries me, I think town's pretty dangerous, Wicker, that has a lot of problems, Manor and all that" (North east, social rented, White British, 50)*

> *"I even told council I'd downgrade, get a one bedroom flat…they wouldn't offer me a flat except on Manor, I don't want to live on bloody Manor!" (South east outer, social rented, White British, 48)*

The survey aids an analysis of the individual aspects of a neighbourhood that could be improved and that are valued highly. However, this division may reflect an artificial distinction between some of the factors that shape overall perceptions. The

interplay between many of these attributes and the combined effect will influence whether a resident views the neighbourhood as an exceptional place to live or not:

> *"We've used local schools, it's convenient, I would say that's a big aspect of living round here because you've got shops, library, schools, transport system, tram all on your doorstep and the other big thing for us is the countryside is literally five minutes away on foot" (North west, owner-occupier, White British)*

4.4 SHEFFIELD'S HOUSING STOCK

Sheffield's housing stock varies widely by HMA, with differences in overall number of properties, the type of property and the tenure profile of the stock. Likewise there are significant differences in the condition of housing stock in various locations.

This section provides:

- an overview of the city's housing stock, including detail of its size, tenure and type profile
- a discussion of the utilisation of the stock in terms of occupancy and vacancy
- a consideration of the stock's condition and its facilities
- an analysis of the supply of new housing in the city.

4.4.1 Overview of housing stock

As of the 2011 there were 230,595 dwellings in Sheffield, comprising 231,171 household spaces (Table 4.25). On average across the city, 3.2% of household spaces were empty. This varied substantially by HMA, with the highest level of vacancy recorded in the City Centre HMA (8.4%) and the lowest in the South East and North East HMAs. The higher level of vacancies in the City Centre and City Centre West HMAs is partly a reflection of the larger number of rented properties and the younger household profile in those areas -- both of which imply a more rapid turnover of properties.

**Table 4.25. Dwellings and household spaces by HMA, 2011.**

HMA	Dwellings	Household spaces			
		Total	Occupied	Empty	
				Number	%
Chapeltown/Ecclesfield	14,266	14,266	13,876	390	2.8
City Centre	7,587	7,709	7,114	595	8.4
City Centre West	37,174	37,548	35,995	1,553	4.3
East	16,614	16,630	15,910	720	4.5
Manor/Arbourthorne/Gleadless	19,812	19,832	19,346	486	2.5
North East	29,423	29,426	28,776	650	2.3
North West	17,488	17,509	17,068	441	2.6
Peak District National Park	3,900	3,900	3,760	140	3.7
Rural Upper Don Valley	2,757	2,757	2,679	78	2.9
South	19,940	19,943	19,294	649	3.4
South East	40,377	40,384	39,485	899	2.3
South West	21,257	21,267	20,603	664	3.2
Sheffield	**230,595**	**231,171**	**223,906**	**7,265**	**3.2**

Source: 2011 Census.

Tenure

The 2011 census reveals the overall number of households by tenure in Sheffield by HMA, and selected neighbouring local authority areas (Figure 4.5 and Table 4.26). Sheffield has lower owner occupation levels in percentage terms (58%) than Barnsley, Doncaster and Rotherham (all around 65%). The level of owner occupation in North East Derbyshire is significantly higher at 71%. Sheffield has a higher proportion of social renting (25% of households) than other local authorities, and also a higher level of private renting (16%).

Figure 4.5. Tenure profile by HMA and local authority, 2011.
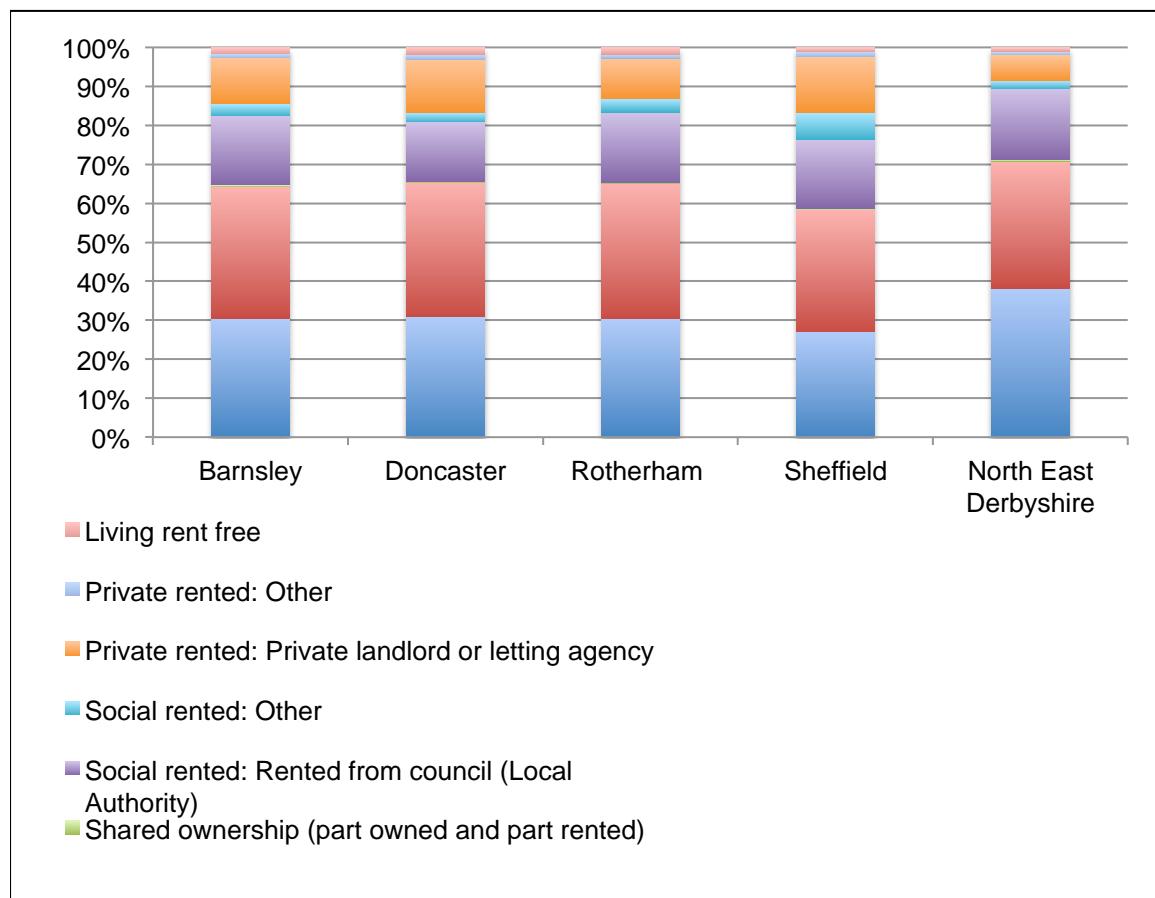
Source: 2011 Census.

Table 4.26. Tenure profile by HMA and local authority, 2011.

HMA	All	Owned		Social rented		Private rented		Living rent free	
		No.	%	No.	%	No.	%	No.	%
Chapeltown/Ecclesfield	13876	10731	77	2001	14	1002	7	110	1
City Centre	6991	892	13	1904	27	4069	58	97	1
City Centre West	36106	16377	45	6249	17	12901	36	390	1
East	15900	7299	46	5085	32	3087	19	277	2
Manor/Arbourt'/Gleadless	19346	7484	39	9255	48	2189	11	337	2
North East	28909	13722	47	12687	44	2229	8	200	1
North West	17068	11706	69	3074	18	2124	12	126	1
Peak District Nat'l Park	4266	3352	79	467	11	387	9	54	1
Rural Upper Don Valley	2679	2092	78	366	14	194	7	21	1
South	19294	12508	65	4602	24	1992	10	147	1
South East	39485	26620	67	9372	24	3035	8	279	1
South West	20730	17418	84	1039	5	2076	10	152	1
Stocksbridge & Deepcar	5278	3926	74	816	15	475	9	53	1
Sheffield	**229928**	**134127**	**58**	**56917**	**25**	**35760**	**16**	**2243**	**1**
Barnsley	100734	64807	64	21032	21	12856	13	1594	2
Doncaster	126487	82760	65	22403	18	18774	15	2132	2
Rotherham	108293	70610	65	23289	22	12262	11	1823	2

Source: Census, 2011

There is a large variation in the tenure profile across HMAs in Sheffield. Owner occupation varies between 84% in South West HMA to 13% in City Centre HMA. , The smallest social rented sector is in the South West HMA, and the largest, at 48% of households, is in the Manor/Arbourthorne/Gleadless HMA). The city's largest private rental markets are to be found in the City Centre and City Centre West HMAs where 58% and 36% of households rent privately.

Much of the new City Centre rented housing is associated with the apartment construction boom in the 2000s, a nationwide phenomenon that partly reflected a planning policy which favoured the reused of brownfield sites. Historically Sheffield has delivered around 1,000 new dwellings per annum in periods when large numbers of high rise apartments have been built but this has served to skew new supply towards smaller, flatted accommodation at the expense of other types and sizes.

The single biggest component of the Sheffield housing stock is three bedroom owner-occupied houses, home to just fewer than 40% of households By contrast, the majority of dwellings in the social rented sector have two bedrooms. Privately rented accommodation is distributed evenly by size, although this is likely to be skewed by larger properties occupied by students, e.g. as HMOs.

Table 4.27. Dwelling tenure by bedroom size.

Tenure	Number of bedrooms (% of all housing stock)					% Total
	0 (Studio/Bedsit)	1	2	3	4+	
Owner-occupied (with a mortgage)	0.0	0.6	5.5	16.7	8.5	31.4
Owner-occupied (no mortgage)	-	0.7	7.0	17.8	6.6	32.1
Rented from the Council/Sheffield Homes	0.0	5.3	6.6	3.9	0.2	16.1
Rented from a Housing Association	-	1.7	2.5	1.4	0.3	5.9
Rented from a private landlord or letting agency (including student accommodation)	0.1	3.3	3.5	3.4	3.0	13.2
Other	-	0.1	0.5	0.6	0.2	1.3
All	**0.2**	**11.6**	**25.6**	**43.7**	**18.8**	**100.0**

Source: Sheffield household survey, 2013

Dwelling type

Table 4.28 provides a breakdown of the dwelling types in Sheffield's housing stock. Semi-detached housing is the predominant housing type in Sheffield, with just under 37% of dwellings. This followed by terraced housing, which comprises 27% of the stock. Detached housing in the private sector accounts for 14% of the total but only 1% of the public sector stock. Flats, maisonettes, apartments and other types of accommodation account for approximately 22% of the total in both the private and public sectors.

**Table 4.28. Dwelling type, public and private sector stock, 2011.**

Dwelling type	Private Sector		Public rented		Total	
	No.	%	No.	%	No.	%
Whole house or bungalow: Detached	31,341	14	1,888	1	33,229	14.5
Whole house or bungalow: Semi-detached	68,766	30	15,816	7	84,582	36.8
Whole house or bungalow: Terraced (including end-terrace)	48,289	21	14,501	6	62,790	27.3
Other: Flat, maisonette or apartment in a purpose-built block of flats or tenement	18,913	8	23,865	10	42,778	18.6
Other: Flat, maisonette or apartment that is part of a converted or shared house (including bed-sits)	3,758	2	749	0	4,507	2.0
Other: Flat, maisonette or apartment in a commercial building, or mobile/temporary accommodation	1,944	1	98	0	2,042	0.9
TOTAL	**173,011**	**75**	**56,917**	**25**	**229,928**	**100.0**

Source: Census 2011. Note: totals do not accord precisely with other Census tables owing to slight differences in aggregation methods and rounding.

As with tenure, Sheffield's house type profile is distinctive in comparison with that of the surrounding local authorities (Figure 4.6). 14% of Sheffield's dwellings are detached houses, compared to 21% in Rotherham (the second lowest percentage) and 36% in North East Derbyshire (the highest percentage). Similarly semi-detached housing is lower in Sheffield (37%) than any other LA in the city region (North East Derbyshire is next smallest with 44%), but comprises the biggest single type of housing in each of the Local Authorities including Sheffield. Terraced housing is more prevalent in Sheffield (27%) than other LAs (the next largest is Barnsley at 24%), but the biggest difference between authorities is in flats, which in Sheffield comprise around 21% of the total housing stock. This has increased very significantly in recent years as a result of new city centre developments, other apartments associated with public and private sector led regeneration schemes, and the growth of Purpose Built Student Accommodation.

The stock of property types varies by HMA. As with most large settlements the provision of detached and semi-detached housing is limited in central HMAs, with greater numbers of flats and apartments in these areas giving way to less dense housing forms in the suburbs. Fully 89.5% of the City Centre HMA housing stock is flats. In Sheffield terraced and semi-detached housing account for 64% of the housing in total, yet this stock is unevenly distributed: Terraced housing is most prevalent in the denser suburbs to the west and north west of the city centre, whilst semi-detached stock is most prevalent in the North East and South East HMAs. Detached housing is predominates in the Peak District and Rural Upper Don Valley HMAs, albeit comprising relatively small proportion of the overall housing stock in the city. Conversely, the East, North East and Manor/Arbourthorne/Gleadless HMAs provide very low levels of detached housing in proportional terms.

Figure 4.6. Property type profile by local authority, 2011.
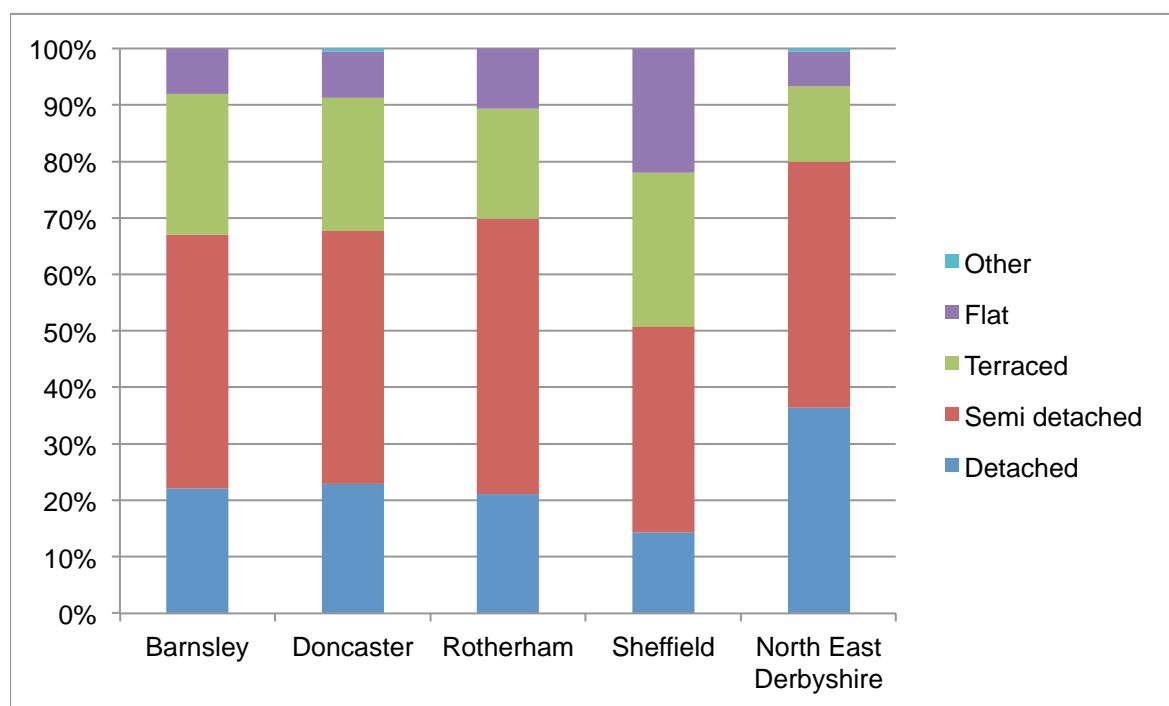
Source: 2011 Census.

Table 4.29. Property type profile by HMA, 2011.

HMA	Detached house	Flat	Semi-detached house	Terraced house	Other	Shared Dwelling
Chapeltown/Ecclesfield	26.5	9.5	45.6	18.4	0.0	0.0
City Centre	1.0	89.5	4.0	3.5	0.1	2.0
City Centre West	8.7	32.7	19.8	37.6	0.0	1.2
East	7.0	23.1	36.0	33.7	0.1	0.1
Manor/Arbour'/Gleadless	5.3	24.1	37.1	33.3	0.0	0.1
North East	5.2	13.1	47.2	34.5	0.0	0.0
North West	14.2	17.0	32.4	36.3	0.0	0.1
Peak District	46.2	13.5	24.0	16.3	0.1	0.0
Rural upper Don Valley	34.2	10.3	37.6	18.0	0.0	0.0
South	12.0	23.2	33.9	30.9	0.0	0.0
South East	19.0	13.3	49.9	17.8	0.0	0.0
South West	30.0	14.8	40.7	14.4	0.0	0.1
Stocksbridge & Deepcar	28.3	10.9	36.9	23.9	0.1	0.0
Sheffield	**14.4**	**21.2**	**36.8**	**27.3**	**0.0**	**0.3**

Source: Census 2011. Note: values are row percentages.

Size of housing

According to the household survey the average number of bedrooms in Sheffield is 2.8 per household. This closely corresponds to the 2011 Census average for Sheffield, which is 2.7 bedrooms per household. The average household size in the city is 2.38 persons (household survey).

Table 4.30. Number of bedrooms.

Bedrooms	Grossed weighted households	%
Bed-sit	387	0.2
One	27,177	11.9
Two	58,418	25.6
Three	99,518	43.5
Four	29,296	12.8
Five or more	13,781	6.0
All	228,577	100.0

Source: Household survey, response to question: "How many bedrooms does your home have?"

43.5% of households live in properties with three bedrooms, and a further 18.8% live in properties with four or more bedrooms (Table 4.30). Over a third of households live in a one or two bedroom property.

There is some variation within the city, although the average number of bedrooms varies only from 2.11 in the South HMA to 2.88 in the City Centre West. The higher average number of bedrooms in City Centre West will in part reflect the conversion of larger properties into student houses and HMOs.

Whilst the survey reveals only 19% of dwellings across the city are four or more bedrooms the Census provides an opportunity to break this stock down spatially (Table 4.31). The perception that there is a limited supply of larger (family) housing in Sheffield emerged from the *Home Truths II* report and was intertwined with perceptions of affordability and price in the larger stock.

> *"I don't think we've got enough family accommodation, so three bed properties, I think there's a big issue there" (South east outer, owner-occupier, White and Black African)*

> *"I think there's a lack of…family houses, smaller family houses, I think that's true in Dore and wider Sheffield…I think there's a gap in affordable housing" (South west, owner-occupier, White British, 67)*

Home Truths also found that the variation in size of property (and variation in price) emerged as one of the motivations for households choosing an area to live in:

> *"I think it's reasonable, for myself and my husband, we can afford to live here quite nicely, we've got a four bedroomed house, three bedrooms and a box room and I'm sure in nearby areas we wouldn't have that size house for the cost of what we paid" (Chapeltown/Ecclesfield, owner-occupied, White British, 40)*

> *"Overall we are spoilt for the room space and the price of these houses matches but when you go further up [from Darnall], Handsworth, it is pricier and you're getting a smaller house" (East, owner-occupier, Pakistani, 51)*

Table 4.31. Property size profile by HMA, 2011.

HMA	% of households				
	One	Two	Three	Four	Five or more
Stocksbridge and Deepcar	6	21	57	12	3
South West	11	25	47	10	8
South East	10	27	46	12	4
South	8	23	44	18	8
Rural Upper Don Valley	2	14	40	29	15
Peak District National Park	12	18	52	14	4
North West	12	23	54	9	2
North East	12	25	52	8	2
Manor/Arbourthorne/Gleadless	10	28	42	13	6
East	16	27	44	8	5
City Centre West	12	30	43	11	4
City Centre	12	27	54	6	2
Chapeltown/Ecclesfield	29	35	22	7	6

Source: Census 2011/Sheffield City Council. Note: rows may not sum to 100% because of rounding.

4.4.2 Occupation levels

There are several different measures of occupancy and bedroom standards. The most notable distinction is between the occupancy level statistics produced using Census data, which uses a standard formula based on the number of people, their ages and relationships to each other and the number of dedicated bedrooms in a dwelling, and the DCLG's bedroom standard, which creates a figure for household need based on the relationship and age of household members as well the overall number of people in the dwelling but which also counts the number of rooms which could be used as a bedroom (which may include living rooms, dining rooms etc. and in some case is contingent upon the size of the room). A simplified version of this latter definition, which attempts to match rooms to couples and children based on their age and gender but which does not assume that other rooms can be converted is used by many housing providers, and is also partly the basis of the assessment of housing need in this report (Chapter 6).

Whilst the bedroom standard is a useful test where there is detailed information at the individual dwelling and household level, direct, accurate and comparable information is rarely available in comparing at the local authority level. The occupancy level data however gives a rough approximation of under and over occupation using common standards and definitions.

Figure 4.7. Housing occupancy rating by local authority, 2011.
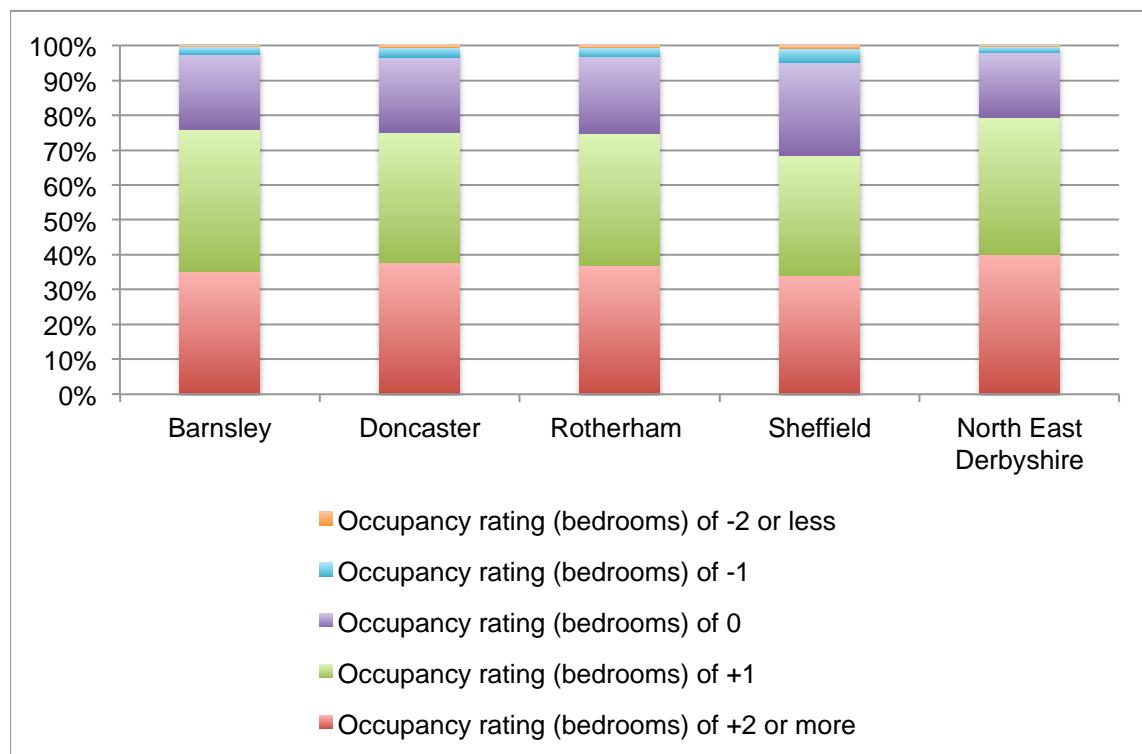
Source: Census 2011. The occupancy rating refers to the 'extra' number of bedrooms when matched against the need implied by household members, their ages and relationships to one another.

Sheffield has a lower percentage of households under-occupying according to the occupancy rating, with 68% of households receiving a rating of +1 or more, compared to 75% in Rotherham and Doncaster, 76% in Barnsley and 80% in North East Derbyshire. Sheffield has the highest percentage of households with a zero rating (indicating balance between rooms and requirement) (27%) and receiving an over occupation rating of -1 or less (5%). These ratings suggest that 1,779 households in Sheffield had an occupancy rating of -2 or less in 2011, and 9,402 households were one bedroom short.

By way of comparison, Table 4.32 provides a summary of a calculation of the bedroom standard used in the city's draft Allocations Policy applied to respondents from the household survey. By this measure, 3% of households in the city are overcrowded.

The most severe overcrowding problems appear to be in the social rented sector (6% of households), and in the City Centre (13%), East (7%), Stocksbridge/Deepcar (7%) and North East (7%) HMAs. Overcrowding is particularly severe in social rented housing in the South West and City Centre HMAs, where stock levels are generally low.

Table 4.32. Calculation of occupancy by bedroom standard by HMA and tenure.

HMA	Bedroom Standard Ratio to Bedrooms	% Owner Occupied	% Private Rented Sector	% Social Rented Sector	% All
Chapeltown/Ecclesfield	Overcrowded	2	0	0	2
	Balanced	10	29	33	14
	Under-occupied	88	71	67	85
City Centre	Overcrowded	9	6	26	13
	Balanced	55	74	31	56
	Under-occupied	36	20	43	31
City Centre West	Overcrowded	1	6	3	2
	Balanced	12	52	76	30
	Under-occupied	88	42	21	68
East	Overcrowded	6	8	8	7
	Balanced	24	61	40	33
	Under-occupied	70	32	52	60
Manor/Arbourthorne/Gleadless	Overcrowded	4	6	5	5
	Balanced	14	44	47	33
	Under-occupied	82	51	47	62
North East	Overcrowded	7	0	7	7
	Balanced	19	51	56	37
	Under-occupied	75	49	36	56
North West	Overcrowded	2	0	4	2
	Balanced	8	34	53	18
	Under-occupied	90	66	43	81
Peak District National Park	Overcrowded	0	0	0	0
	Balanced	3	0	83	10
	Under-occupied	97	100	17	90
Rural Upper Don Valley	Overcrowded	0	-	0	0
	Balanced	5	-	37	10
	Under-occupied	95	-	63	90
South	Overcrowded	0	0	0	0
	Balanced	9	27	49	19
	Under-occupied	91	73	51	81
South East	Overcrowded	2	0	5	3
	Balanced	18	23	63	28
	Under-occupied	80	77	32	69
South West	Overcrowded	1	0	17	2
	Balanced	7	65	24	12
	Under-occupied	92	35	59	86
Stocksbridge and Deepcar	Overcrowded	8	0	0	7
	Balanced	13	26	73	19
	Under-occupied	80	74	27	75
All	Overcrowded	3	3	6	3
	Balanced	13	46	54	26
	Under-occupied	84	50	40	71

Source: authors' calculations based on household survey

4.4.3 Stock condition and facilities

Although the Decent Homes programme led to major improvements in the quality and condition of the socially rented stock in the city, major concerns remain about the condition of stock in the PRS and among low-income homeowners.

Around 31,000 (14%) of households said that their housing was inadequate for their needs for a variety of reasons shown in Table 4.33. The main reasons given are related to the house being too small for their needs (38% of respondents); having too few bedrooms (25%); needing improvements or repairs (49%); or being costly home.

Table 4.33. Reasons given for inadequacy of housing.

Reasons for inadequacy	Responses		% of respondents
	N (grossed weighted)	% of responses	
It is too large	2582	3.1	7.9
It is too small	12505	15.0	38.0
There aren't enough bedrooms	8330	10.0	25.3
It is difficult to access	2453	2.9	7.5
The garden is difficult to maintain	4564	5.5	13.9
It needs improvements/repairs	16190	19.4	49.2
The property facilities are inadequate	4869	5.8	14.8
It is affecting the health of me or my household	4335	5.2	13.2
The rent or mortgage is too expensive	4698	5.6	14.3
It is too costly to heat	10763	12.9	32.7
There's no heating	759	.9	2.3
The tenancy is insecure	1657	2.0	5.0
I'm suffering harassment from my landlord	723	.9	2.2
I'm suffering harassment from my neighbours	2332	2.8	7.1
Neighbourhood services are inadequate	1777	2.1	5.4
Location of home is undesirable	4990	6.0	15.2
Total	83527	100.0	254.0

Source: Household survey respondents to question: 'Why do you think your present home is not adequate for your household's needs? (Please tick all that apply)'.

Table 4.34 summarises the main facilities and amenities in survey respondents' homes. Over 93% of dwellings have central heating. (For comparison the 2011 census reports a 97% average across Sheffield). According to the survey, 30% of households live in properties that have no loft insulation, and 50% in properties without cavity insulation. The majority of households have either full (80%) or partial (13%) double glazing.

Table 4.34. Facilities in the home.

Facility/amenity	No. of responses (gross weighted)	% of responses	% of cases
A driveway, off-street or allocated parking	132,611	12	58
A garage	77,702	7	34
A garden	185,198	17	82
Central heating	211,961	19	93
Full double glazing	182,510	17	80
Partial double glazing	28,624	3	13
Loft insulation	158,743	15	70
Cavity insulation	114,061	11	50
Total responses	1,091,409	100	480

Source: Household survey.
Note: responses to question A6 ("Does you home have any of the following? Tick all that apply").

An extensive upgrade program in Sheffield has improved the social rented stock across the city, through the Decent Homes programme, and was reflected in comments made during Home Truths II interviews:

> *"My house was one of the first ones in the improvement programme six or seven years ago so we had double glazing, central heating, kitchens and bathrooms done" (North east, social rented, White British, 64)*

Private sector stock condition

The city's housing stock is relatively old. According to the *Private Sector Stock Condition Survey*[34] nearly 68% of Sheffield's private stock (i.e., excluding social housing) was built before 1965, compared to a national average of 58%. As many as 70,700 private dwellings are considered to be non-decent, mainly because of Category 1 hazards[35] and thermal comfort failure. Non-decency is associated principally with the city's smaller terraced housing stock, which often dates back to before 1919 and which is particularly over-represented in the PRS.

The stock condition survey also found approximately 36,600 dwellings which contained a household in fuel poverty, higher than the national average. These households were particularly prevalent among older occupants, benefits recipients, disabled occupants, and in the PRS.

4.4.4 New housing supply

There has been a rise in the overall stock in Sheffield over the period 2009-12 (Table 4.35). On average, there have been 1,136 net additions to the dwelling stock per annum over this period, much of it in the form of City Centre flats and apartments.

Table 4.35. Dwelling stock estimates for Sheffield and surrounding districts, 2009-2012.

Local authority area	Stock estimate (dwellings)						Average annual change	% change from 2007-2012
	2007	2008	2009	2010	2011	2012		
Sheffield	231,562	233,123	234,450	236,130	236,810	237,240	1,136	2
Rotherham	109,800	110,400	111,080	111,480	112,020	112,620	564	3
Barnsley	101,350	102,520	103,400	103,960	104,980	105,800	890	4
North East Derbyshire	43,170	43,470	43,700	43,910	44,050	44,170	200	2
Doncaster	126,370	127,790	129,500	130,000	130,820	131,280	982	4
Chesterfield	47,820	48,270	48,360	48,400	48,490	48,540	144	1

Source: DCLG. Note: these estimates are provided to allow comparison with neighbouring areas but there may be small differences from other estimates for Sheffield.

[34] SCC (2009) *Private Sector Stock Condition Survey 2009.*
[35] The least serious hazards identified using the Housing Health and Safety Rating System (HHSRS).

The change in housing stock in all tenures from 2007 to 2012 closely mirrors the situation in neighbouring authorities, with variations of only 1-4% across the authorities. In general, levels of new additions to the dwelling stock remain low, and whilst Sheffield is creating more housing than any of its neighbours in absolute terms, the total as a percentage of existing stock is lower than Barnsley, Doncaster and Rotherham. Whilst supply issues are dealt with in the following chapter the interconnections of housing stock, with causes in supply and demand, between Sheffield and neighbouring local authorities was an issue that arose in interviews with developers (see Annex Report 1):

> *"We've just managed to secure adjacent land in Rotherham which is feeding off the Sheffield market, but that land is under Rotherham council and the section 106 benefits are going to Rotherham" (Developer)*

New housing construction in Sheffield has been largely due to an increase in private sector completions, whilst the number of Local Authority dwellings has fallen slightly, and Housing Association stock although increasing has not been sufficient to replace other losses from the SRS (Table 4.36).

Table 4.36. Changes in housing stock in Sheffield by tenure, 2009-2012.

Tenure	Stock estimate (dwellings)						Average annual change	% change from 2007-2012
	2007	2008	2009	2010	2011	2012		
Private sector	171,635	174,634	175,215	177,293	178,025	178,840	1441	4
Local authority	44,830	42,470	42,153	41,802	41,652	41,370	-692	-8
Housing association	14,992	15,916	16,927	16,880	16,978	16,870	376	13
Other public sector	105	103	155	155	155	160	11	34
Total	231,562	233,123	234,450	236,130	236,810	237,240	1,136	2

Source: Sheffield City Council, from DCLG

Whilst the stock level does not correspond directly to the number of properties re-let each year, there is a relationship between the two; therefore the decrease in the number of social properties in the city is likely to have had an impact upon the annual supply of affordable housing in Sheffield.

With an annual average change of 1,136 dwellings, the total stock has increased by just 0.5% per annum. This assessment of the housing stock may historically coincide with a prolonged downturn in the wider economy influencing the recent development of housing stock within the city, and in particular the level of low cost home ownership being provided through S106 agreements. Certainly the current annual growth in the housing stock is lower than in the first few years of the 2000s, a period of widespread economic growth.

4.5 MARKET SECTORS

This section of the report considers some of the principal housing market sectors within the city. These do not in all cases map precisely to the HMAs, with the exception of the City Centre housing market (the City Centre HMA). This section contains a description of four specific market sectors:

- The City Centre housing market
- The private rented sector
- The social rented sector and its relationship to other tenures
- Areas of market weakness

4.5.1 The City Centre housing market

Sheffield city centre has experienced dramatic physical change since the late 1990's, with the redevelopment of the Railway Station, Sheffield Hallam University's City Campus and the Peace Gardens together with other improvements as part of the 'Heart of the City' project. In the past 10 years a large number of residential flats have been built around the city centre and family homes around Springfield School and Gell Street. Kelham Island is a mix of residential flats, industrial and retail and has undergone a very recent major change due to the extension of the inner relief road. New complexes of residential flats have recently been developed around the Edward Street and Solly Street area. However, the City Council has expressed a need to widen the city centre housing offer particularly around the new community hubs in the Devonshire Quarter, St Vincent's, Kelham Island and Riverside.

The market for housing in the city centre of Sheffield has expanded considerably in the past decade. The *City Centre Masterplan*[36] explicitly recognises six principal city centre neighbourhoods (depicted in Figure 4.8):

- Central
- Park Hill
- Devonshire
- St. Vincents
- Kelham
- Wicker Riverside

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[36] Sheffield City Council (2013) Sheffield City Centre Masterplan (consultation draft), https://www.sheffield.gov.uk/planning-and-city-development/planning-documents/background-reports/city-centre-masterplans-and-reports/city-centre-masterplan-2013.html

Figure 4.8. City centre neighbourhoods.
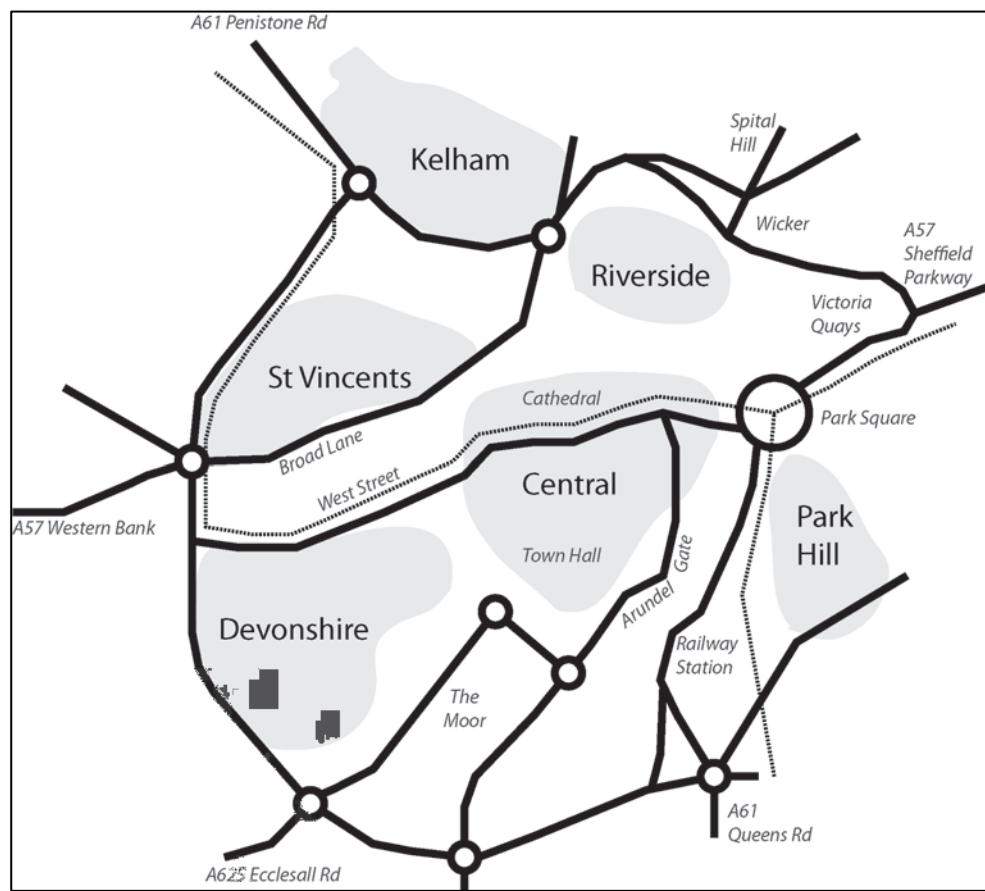
Source: Household survey.

We sought information on the functioning of the city centre housing market from several sources. A series of questions in the household survey addressed general issues of neighbourhood attractors and also specific questions related to the desirability and feasibility of the city centre as a place to live. Researchers participated in a meeting of the Sheffield City Centre Residents Action Group (SCCRAG) and used this forum to recruit a booster sample of responses from city centre residents. SCCRAG members and others were also separately participants to a focus group canvassing views on the city centre housing market.

One of the key and obvious positives discussed by city centre residents was the central location and the ease of access to services, public transport and cultural facilities with suburban areas often unfavourably contrasted against that (see Annex Report 1 section 7 for a more detailed account of resident views on the city centre market). The sense of having "everything on your doorstep" and within walking distance was a major pull factor for all city centre respondents and there was a clear perception that the city centre 'offer' in Sheffield was an attractive one.

There is some demand for city centre living amongst families and active older people. 10% of existing households over 50 said they would like to move to the city centre. Downsizing and easy access to facilities were the main drivers. However, there were concerns over the lack of housing mix within the city centre, which was seen as contributing to a lack of diversity of residents. Respondents cited a lack of

good quality family housing which served to maintain the perception that the city centre housing market was geared towards young people, and especially students.

There was a consensus that the quality and size of apartments within city centre developments showed much room for improvement, and a diversification in this regard could go some way to addressing the imbalance in the mix of residents. City centre residents accepted that they would have to put up with a noisier environment but there were some issues which they felt the Council could do more to intervene in.

Finally, residents spoke of a lack of community feel within some city centre locations. Again, this came back to the lack of an appropriate mix which could contribute to a more sustainable approach towards city centre living within Sheffield.

In the main, despite the acknowledged benefits of city centre living, stakeholder respondents were fairly downbeat about the prospects of the city centre market. Most agreed that there had been an over-supply of apartments within the city centre and that the demand for these was simply not apparent. Both developers and PRS landlords were said to be cautious of that market and many had avoided it for some time (see Annex Report 1 section 10 for a more detailed account of stakeholder views on the city centre market).

4.5.2   The private rented housing market

Private renting has continued to grow in importance in the city. According to the 2011 Census, some 35,760 households in the city rent privately (16% of all households), the majority of these (91%) from a private landlord or letting agency.

The PRS is concentrated particularly in several HMAs: the City Centre (where nearly 60% of households rent privately) and the City Centre West, which contains many of the neighbourhoods favoured by students and graduates and where over one third of households rent privately. There are also locally significant areas of private renting elsewhere in the city, including parts of the North West HMA (e.g., Hillsborough), the South HMA (e.g., Woodseats and Meersbrook), much of the East HMA (such as Darnall and Tinsley), and around City Road in the Sheffield Park/Arbourthorne area (see Figure 4.9).

Figure 4.9. Map of the Private Rented Sector, 2011.
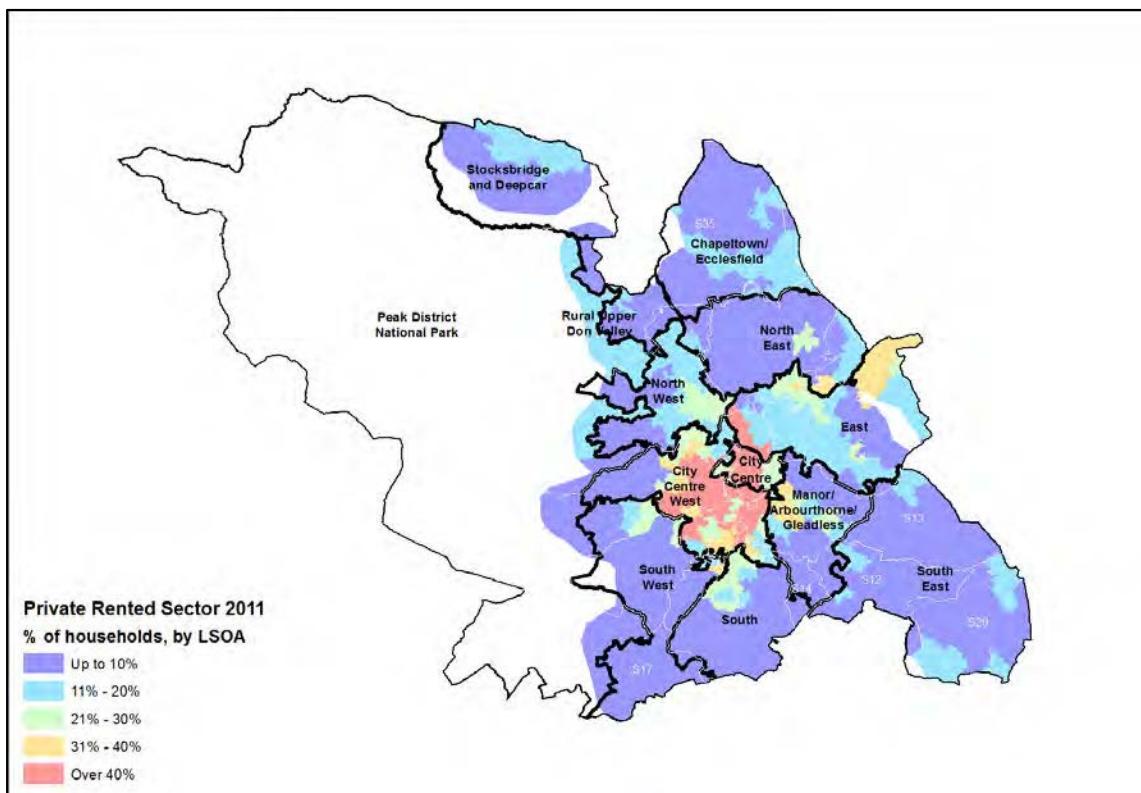
Data source: 2011 Census.

Private sector rents

Rents in the private rental market have fluctuated in Sheffield in recent years, with growth in rents each year other than 2009 when rents fell by approximately £10 per month across the city. Rents are now 12% higher than five years ago, standing at a city average of £623 in 2012. Rents vary considerably, depending upon size, type and location, with large detached properties in the South West of the city commanding the highest average rents.

Rents for the largest properties reflect not only the property size but the general lack of family housing across the city at a time when restrictions on mortgage accessibility have hit younger households. This is reflected in increases in average rents in 'traditional' housing types (terraced, semi-detached and detached) outstripping those in flats and bedsits. Although rents for the largest family houses did for a period exceed £1,000 per month these have since declined and it is accepted by landlords that the level of demand at rents of over £1,000 in Sheffield is very small (see Annex Report 1, section 10.3).

Average rental levels vary considerably across the city. The cheapest areas are generally to be found in the north of the city. There is some evidence that the expansion of the rented sector into family housing and areas of predominantly owner-occupation and social housing has been as a result of repossessions, including of former council housing that had been acquired through the right-to-buy, lease-back schemes, and as a result of 'deflected demand' from an inadequate supply of social housing (see Annex Report 1, sections 5.2 and 10.3).

Table 4.37. Average private sector rents by bedrooms, type and area, 2007-2012.

	Average rent (£ p.c.m.)						Change (%)	
	2007	2008	2009	2010	2011	2012	2007-12	2010-12
Bed Size								
Bed-sit	£405	£382	£366	£374	£375	£359	-13	-4
One	£515	£464	£452	£459	£483	£451	-14	-2
Two	£556	£558	£545	£538	£581	£563	1	4
Three	£560	£590	£583	£582	£623	£645	13	10
Four	£552	£839	£787	£886	£823	£841	34	-5
Five or more	£529	£1,169	£1,243	£1,325	£824	£845	37	-57
Property Type								
Bedsit/Studio	£472	£368	£366	£374	£377	£351	-35	-7
Bungalow	£585	£715	£746	£710	£765	£813	28	13
Detached house	£561	£840	£891	£946	£1,006	£1,159	52	18
Flat/apartment	£556	£538	£525	£524	£575	£566	2	7
Semi-det. house	£553	£628	£595	£615	£641	£698	21	12
Shared house	£289	n/a	n/a	n/a	£321	£305	5	n/a
Terraced house	£536	£544	£534	£546	£568	£603	11	9
HMAs								
Chapelt./Ecc'field	£550	£528	£521	£543	£564	£587	7	8
City Centre	£576	£540	£538	£538	£574	£590	2	10
City Centre W.	£550	£593	£576	£576	£613	£606	10	5
East	£532	£436	£431	£405	£478	£508	-5	26
Manor/Arb./Gl's	£533	£495	£485	£472	£486	£520	-2	10
North East	£524	£453	£464	£452	£494	£474	-10	5
North West	£543	£545	£545	£550	£555	£548	1	0
Peak District	£634	n/a	£686	£568	£874	£969	53	71
Rural U. Don V.	£525	£552	£576	£611	£642	£593	13	-3
South	£516	£531	£515	£512	£606	£585	13	14
South East	£528	£525	£524	£504	£539	£539	2	7
South West	£557	£685	£641	£726	£779	£857	54	18
Stocksbr. & D'car	£566	£447	£489	£490	£486	£478	-15	-3
Sheffield	£547	£569	£559	£568	£603	£623	14	10

Source: Sheffield City Council analysis of multiple sources.
Note: This data is collected by Sheffield City Council based upon properties that are advertised in the *Sheffield Telegraph*, Rightmove.com and on the Sheffield Forum. Therefore this analysis is based upon projections of actual rental costs, rather than revealed transaction prices.

Stakeholder views of the PRS

In general, the Private Rented Sector (PRS) in Sheffield was said by stakeholders to be segmented along much the same lines as the owner-occupied market: that is, better quality, more desirable housing in the south and west of the city and lower standard properties to the east. Across the city, however, the PRS was experiencing a relative boom consistent with trends across the country as residents face difficulties in accessing home ownership ("suppressed homebuyers") and as a result of a shrinking social rented sector (see Annex Report 1 section 5 for a more detailed account of resident views on the PRS).

There was therefore a perception of increased pressure on the PRS. Unsurprisingly, given these trends, rents were said to have increased in recent years making access to the PRS difficult for some residents. Generally, residents felt that the PRS was a "poor third" (i.e., after owner occupation and social renting) in terms of housing quality and there were fears that PRS standards could be further compromised by welfare reforms as the rental yields of landlords were squeezed.

Changes to the Local Housing Allowance (LHA) regime were the primary concern of stakeholders and especially PRS landlords (see Annex Report 1 section 10 for a more detailed account of stakeholder views on the PRS) who were faced with pressures to reduce rents, increasing incidences of rental arrears and uncertainty over future income streams - all at a time when costs were rising. This had caused landlords to be more selective about the type of tenants they let to, further compounding issues of access to the PRS for residents on low incomes or with bad credit histories. There was also evidence of increase in landlords serving section 21 notices (possession orders) as a result of these dynamics. Landlords also expressed grave concerns over on-going and future welfare reforms, such as council tax localisation and Universal Credit, in terms of the ability of tenants to manage their finances and keep up with rental payments.

4.5.3   Social housing turnover and cross tenure moves

Approximately 80% of new lets (i.e., excluding transfers) to social housing in Sheffield are to households who were in other tenures prior to their move. This includes a wide range of temporary and concealed circumstances. Around 16% of new lets were to households previously living with friends or family. Only around 1.4% of new general needs lettings are made to applicants who were owner-occupiers immediately prior to their move to social housing. Around 6.2% of new lettings were to households coming from the PRS. (Table 4.38).

Table 4.38. Previous tenure of new social lets, 2007/08-2011/12.

Previous tenure/circumstances	% of lets					
	07-08	08-09	09-10	10-11	11-12	5 year average
Temporary accommodation	5.1	2.0	4.5	4.4	4.0	3.6
General needs LA tenant	12.8	3.6	16.6	14.9	16.6	12.3
General needs RP tenant	18.0	5.1	13.7	8.5	7.6	8.4
Living with family/friends	34.5	7.7	30.0	15.4	15.8	16.1
Private rented sector	9.3	2.3	8.8	7.4	7.4	6.2
Owner occupation	0.0	0.9	2.9	1.7	1.2	1.4
Supported housing	5.4	1.1	2.8	3.2	2.2	2.4
Other	14.9	77.3	20.7	44.5	45.2	49.6
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: CORE

Rates of transfer out of social rented housing and into the private sector may be somewhat higher. CORE data suggests that perhaps one-third of households moving out of the social rented sector (and hence triggering a re-let) have moved into the private sector (Table 4.39). Beyond this, the tenure (e.g., whether owner occupied or PRS) is unknown.

Together, this data suggest that the interaction between the social rented sector and other tenures is relatively low. This is likely to be because many households in housing need find themselves in a range of unsuitable or 'concealed' interim situations before being accepted for social housing. Equally they may move on to a range of other situations. The data does, however, suggest that the social rented sector is used by-and-large as a stepping-stone to other tenures by at least some groups. It is known from other studies that the age and household composition of the social rented sector is polarised, however, with younger groups tending to use the sector for shorter time periods than older groups. This is evidenced in the Sheffield context by Table 4.40 which reveals that younger households are much more likely to quit in the first two years of their tenancy than older households. The reasons for quitting (Table 4.41) however are complex and do not translate to purely 'stepping-stone' reasons. Around 6.8% of quits result from evictions, the majority of these occasioned by arrears. Around a quarter of quits are because the tenants moved to another socially rented property.

Table 4.39. Reasons for re-let of social rented properties, 2007/08-2011/12.

Reason for re-let	07-08	08-09	09-10	10-11	11-12	Total
Relet because tenant moved (where tenure known)	590	4252	1382	3489	3864	17523
Relet because tenant moved to private sector or other accommodation	327	395	614	392	2320	6414
% moved to private sector or other accommodation	55.4	9.3	44.4	11.2	60.0	36.6
Other reasons for relet	431	485	454	386	1501	5024

Source: CORE

Table 4.40. Quits from local authority housing within first two years of tenancy by age group, 2012.

Age group	Number	% of all quits
19-29	614	55
30-49	486	31
50-69	221	24
70+	126	10
Total	**1447**	**29**

Source: Sheffield City Council.

Table 4.41. Quits from local authority housing, 2012.

	Age group					
Reason for quit	18-29	30-49	50-69	70+	Total	% of quits
Death of Tenant	2	37	131	582	752	15.3
Eviction Arrears	145	137	30	3	315	6.4
Eviction Tenancy Enforcement	3	12	3	2	20	0.4
Notice Given By Tenant	609	801	332	173	1915	38.9
New Secure Tenancy Granted	51	115	60	19	245	5.0
Property Abandoned	45	33	6	1	85	1.7
Residential Home	1	5	17	276	299	6.1
Succession or Assignment	3	4	6	30	43	0.9
Transfer to Council Property	245	416	323	210	1194	24.3
Transfer to Housing Association	4	18	11	5	38	0.8
Other	5	5	0	2	12	0.2
Total	1113	1583	919	1303	4918	100.0
Quits as proportion of all tenants	20%	10%	7%	12%	11%	

Source: Sheffield City Council

4.5.4 Areas of market weakness

Although the market for certain property types and neighbourhoods remains relatively buoyant it is clear that there are also significant parts of the city where market weakness pervades. These areas are coincident with high levels of social and economic deprivation and may have a less well developed 'primary' sales markets, relying instead on 'secondary' sales of ex-rental housing, perhaps acquired through the Right to Buy.

Much of the north east of Sheffield was designated as a Housing Market Renewal (HMR) pathfinder area in 2002, and was the beneficiary of a significant coordinated investment and renewal programme. Given the weaknesses in the private housing market that were evident in these areas in the 1990s and first half of the 2000s, it is possible to conclude that HMR investment may have staved off a more precipitous decline in values post-2007.

Across the sub-region (South Yorkshire), the HMR programme attracted around £100m of grant funding, levering in resources from partners to improve around 2,000 properties, rented and owned. It also led to the demolition of several hundred properties that were considered to be unpopular or in poor condition, and facilitated new housing development on cleared sites. This, along with the mainstream Decent Homes programme, has likely ensured that the local authority owned stock in the city is more suited to needs and is in better condition. At the same time, housing associations and other registered providers of social housing have continued to build on a range of regeneration sites, often mixed tenure in nature and associated with major improved facilities such as new supermarkets, schools, and health facilities.

The evidence is clear that there are substantial areas of the city where the housing market remains weak, despite strong fundamentals of household and population growth. Low levels of turnover, limited new housing supply, and below-average rents and prices point to general lack of demand. Perceived mismatches between

the type and size of houses in more affordable segments and the needs of households in the city can take several forms (see Annex Report 1 section 4.2.5):

> *"Wherever [in Sheffield] you go [affordable housing] is all right for a couple, not for a family"* (East HMA resident)

> *"I think there's a lack of…family houses, smaller family houses, I think that's true in Dore and wider Sheffield…I think there's a gap in affordable housing"* (South West HMA resident)

The key point here is that despite pent-up demand for family housing, the market remains weak in several parts of the city because of problems with the stock mix, especially in affordable housing, and because of concerns about local environmental quality and services. Consequently, the ending of major regeneration schemes (like HMR) arguably restricts the extent to which Sheffield can meet housing demand within its own boundary (for more on this, see section 4.2.1 on migration flows). A concerted programme of place-making and improvements in public services, including schools, in the North and East HMAs would appear to be required to unlock the market potential in these areas.

4.6   CONCLUSIONS

Sheffield population is increasing, and the city is increasingly diverse. The ethnic profile of the city has changed significantly in the last two decades, and both this and the rise in the city's population have coincided with a period of expansion in higher education. An increasing proportion – now nearly one-third – of households comprises a single person. Housing demand in the city has increased accordingly.

There has been progress in the levels of skills and economic activity of Sheffield's population. Although the recession heralded rises in the number of benefit claimants, there has been a recent decline. It must be noted, however, that this experience has not been shared by the city's younger population and there is evidence of a widening generational disparities in age-groups' ability to afford housing.

House prices in Sheffield are among the highest in the sub-region. They have fallen, however, since the peak of the market in 2007, albeit not as fast as in neighbouring districts. The internal variation in house prices – particularly between the east and west of the city – is very significant and highly characteristic of the polarised nature of the housing market.

While gross incomes in the city have risen, they have failed to keep pace with inflation and affordability challenges remain. There is some evidence to suggest that income inequalities in the city are widening. Falling house prices have had only a marginal impact on affordability, and although there has been an improvement in the price-to-income ratios problems with accessing finance and the low levels of market transactions mean that challenges surrounding access to private housing remain. Again, there is a distinct spatiality to this phenomenon in the city. While the

income required to afford has fallen on average by 27% in the city, there are several HMAs where this is much less.

Problems with the access to mortgage finance have underpinned growth in the PRS and of rents. By and large, the income required to access market rented housing in the city has risen, by an average of 14% since 2007. Rents in several HMAs (e.g., the South West and the Peak District) have become highly unaffordable. Housing search data confirms market hot spots in these and other areas. The fall in sales over the period 2007-12 is mirrored by a smaller availability of housing as households decided not to put their homes on the market as they see prices fall. Whilst prices have fallen, and the income required to access them has lowered (including the lower quartile price to income ratio), the PRS sector has seen rent rise in the medium and larger properties as pressure has increased.

These demand patterns are also supported by evidence about the aspirations and preferences of moving households. Most moves involve households seeking to 'trade up' to a larger property, and the need for more space is the most common reason cited by movers.

While the majority of households are satisfied with their housing and their neighbourhood, there is significant variation in levels of satisfaction between neighbourhoods, tenures, and property types. Residents of the South West, Peak District and Rural Upper Don Valley HMAs are the most satisfied with their neighbourhood. Levels of satisfaction are much lower in the East HMA, Manor/Arbourthorne/Gleadless HMA and the North East HMA. Satisfaction is greatest among owner occupiers, and also the occupants of detached and semi-detached housing.

Sheffield's housing stock is varied, but is older than average and there are some concerns about conditions, especially in the private sector. Levels of emptiness are low -- at or around the levels that might be expected in a normally functioning market -- with the exception of the City Centre where approaching one in ten properties may be vacant. There is significant variation in the type, tenure and size profile of the stock between the HMAs.

Around 3% of households in the city may be overcrowded. The most severe overcrowding problems are in the social rented sector. Perhaps 71% of properties are technically under-occupied, predominantly in the owner-occupied sector.

Despite patterns of tenure change in recent years, levels of interaction between the social rented sector and other tenures remains quite low. Most lettings involve a move within the social rented sector.

5   The Future Housing Market

Key points

Demographic change

- Sheffield's population continues to increase as a result of demographic (natural) change and net international migration. The city loses a small proportion of its population each year through net internal (domestic) migration.
- The largest net contribution to Sheffield's population growth was from international migration, which is in contrast to the surrounding areas.
- The rate of new household formation over the next five years in projected to be between 1,500 and 3,000 households per annum, depending on the assumptions made. Therefore throughout the report we refer to a conservative estimate of 2,270 households per annum.
- The student population represents an important group. Graduate retention contributes to a relatively significant population in their late 20s and 30s, which is projected to age in situ. This presents a challenge to ensure that there is an adequate supply of affordable family housing in popular neighbourhoods for this growing group.
- The population profile by HMA shows marked difference between absolute numbers of people in different groups across the HMAs.   There is greater relationship proportionally between HMAs when the city centre is set aside.

Household preferences and choice

- 28% of existing households think they need to move to a different home within the next five years, whilst 50% think they will not need to move over the same period. 23% of household do not know if they will need to move.
- More than 40% of couples with dependent and non-dependent children expect to move within five years, suggesting potentially very high levels of demand for family housing. As might be expected,.
- 67% of households who expect to move within the next five years would like to be owner occupiers. Only 55% of movers expect to own their home.
- 11% of households would like to be in the private rented sector and 21% of households expect to be renting privately.
- 16% of households would like to be renting from the council or housing associate and 19% expect to do so.
- The most popular neighbourhoods are those in the City Centre West and South West HMAs and the least popular are those in the Manor, the East and the North West. There are notable differences between where households would like to live and where they expect to live.

Newly forming and suppressed households

- 21,000 households contain concealed households looking to form in the next three years.
- The two most frequent types of households most likely to form are single adult and couple households, both without children.
- 65% of newly forming households were estimated to have an income of less than £15,000. 90% have access to less than £10,000.

Impact of migration flows

- Out-migrant household types are dominated by families. These households dominate the flow into Rotherham, Chesterfield and Worksop.
- Potential migrants to neighbouring areas aspire to move to large homes. 70% of households expect to move to three or more bedroomed homes.

Effective and new demand levels
- The largest contribution to latent (potential) demand comes from existing households with 63,278 potential movers. A further 21,000 comes from concealed households.
- There is a similarity between households' expectations and the current state of housing tenure and property type in the city. Currently, 75% of households are in the private sector and 77% of households who expect to move indicate they will move into it.
- Only 62% of existing households who expect to move have the income to afford to purchase a home at the lower quartile price.
- Additional market demand from existing households, newly forming households and migration would suggest that we would need 1,748 new homes, over and above those required to meet housing need.
- This leaves a total five-year net (new) effective demand figure of 8,740 or approximately 1,748 per annum. These households will potentially add to the new housing requirement, and should be viewed as being additional to those in housing need.
- These figures should be considered an upper limit. We would recommend planning for a market housing requirement in the range 1,250-1,700 per annum.

5.1 INTRODUCTION

This chapter focuses on the future housing market. It begins by analysing data on household projections and explores the extent to which the numbers of new households might vary under different employment and migration scenarios. The analysis also draws on data derived from the household survey on the future expectations and aspirations of local households and their preferences. This also provides a forward-looking perspective and helps develop a rounded view of future demand-side pressures. The survey analysis explores three possible sources of demand: (i) demand from existing households, (ii) demand that might be generated by newly forming households (including suppressed/concealed households), and (iii) the impact of migration flows.

Taken together, the analysis helps highlight the overall scale of demand, its spatial distribution, the levels of demand for different house sizes, dwelling types and different market options. It also reflects on the extent to which financial constraints may play a part on shaping effective demand, drawing in part on the analysis of deposits provided in Chapter 4.

The key questions addressed in this chapter are:

- how might the number of household change in the future?
- how might the profile and type of households change?

- what do the key drivers of change look like?
- how will this translate into demand for different tenures, house sizes, house types, housing options and neighbourhoods?

Throughout this chapter reference is made to the two differing concepts of latent and effective demand. Latent demand is essentially that demand in the market that would be expressed if conditions allowed otherwise hidden, or concealed, households to obtain their own housing in the market. Expressed demand is that demand actually revealed in the market, as evidenced by actual transactions and household mobility. In other words, if there were no significant supply constraints and there were no affordability problems, we would expect all latent demand to be expressed demand. In a supply-constrained market with affordability problems the differences between latent and expressed demand can be significant.

5.2 DEMOGRAPHIC CHANGE

This section considers the potential changes to several key factors underpinning housing market demand in the city. Population and household projections, forecast changes to the economy, changes to higher education, and the impact of regeneration are covered.

5.2.1 Demographic change/projections

The ONS mid-year population estimates reveal that Sheffield's population continues to increase as a result of demographic (natural) change and net international migration (Table 5.1). The city loses a small proportion of its population each year through net internal (domestic) migration. There have also been increases in the population of Yorkshire and Humber, as well as Sheffield's surrounding urban areas, Barnsley, Doncaster and Rotherham.

For Sheffield the largest net contribution to the population growth was international migration, which is in contrast to the surrounding areas. For example Barnsley's population grew through net internal migration and Doncaster and Rotherham primarily grew through higher birth than death rates. This is consistent with the flows of net internal migration summarised later in the previous chapter, which characterise Sheffield as a national/international attractor of population which then spreads out to surrounding districts through classic counter-urbanisation migration processes. Given the variation in reasons for population growth there will be different housing requirements to house different types of household, which result from population changes.

Table 5.1. Components of estimated population change, 2011-2012.

Area names	Mid-2011 pop'n estimate	Natural change	Net internal migration	Net internat'l migration	Other changes	Mid-2012 pop'n estimate
Barnsley	231,865	739	846	225	-4	233,671
Doncaster	302,468	791	-1,003	140	343	302,739
Rotherham	257,716	614	-134	178	-22	258,352
Sheffield	551,756	2,229	-202	3,632	-33	557,382
Yorkshire & Humber	5,288,212	18,330	-2,209	11,040	1,318	5,316,691

Source: ONS.

Figure 5.1 shows the population age structure in Sheffield as well as how it is projected to change by 2018. The demographic importance of the student age group (approximately ages 18-22) to the city can be seen. This group does not shift forward in the projection in quite the same proportions as other demographic bubbles because it is more transient group compared to bubbles caused by natural change or the in-migration of families.

That said, graduate retention in the city does contribute to a relatively significant population in their late 20s and 30s in the city, which is projected to age in-situ. The policy challenge here is to ensure that the city has an adequate supply of affordable family accommodation in popular neighbourhoods for this growing group. Findings from the household survey and interviews with residents and stakeholders (see Annex Report 1) suggest that the quality of schools and local environmental factors will be critical to stemming outmigration of the family forming group.

A demographic bubble associated with a high birth rate currently can also be expected to lead to heightened pressure for family houses and associated services in coming years.

5.2.2 Household change/projections

A range of household projections have been produced for the Sheffield City Region and its constituent districts by SCC based on 2008 mid-year population estimates (Table 5.2). The annual impact of these over the 5 year period 2013-18 ranges from 1,242 additional households per annum in the dwelling-led projection (i.e., constrained by current dwellings build rates), to over 3,500 additional households in the migration-led model (i.e., assuming heightened levels of in-migration to the city can be housed). The extent to which these assumptions might alter the household formation out-turn is shown in Figure 5.2.

Figure 5.1. Population projections pyramid, 2013-2018.
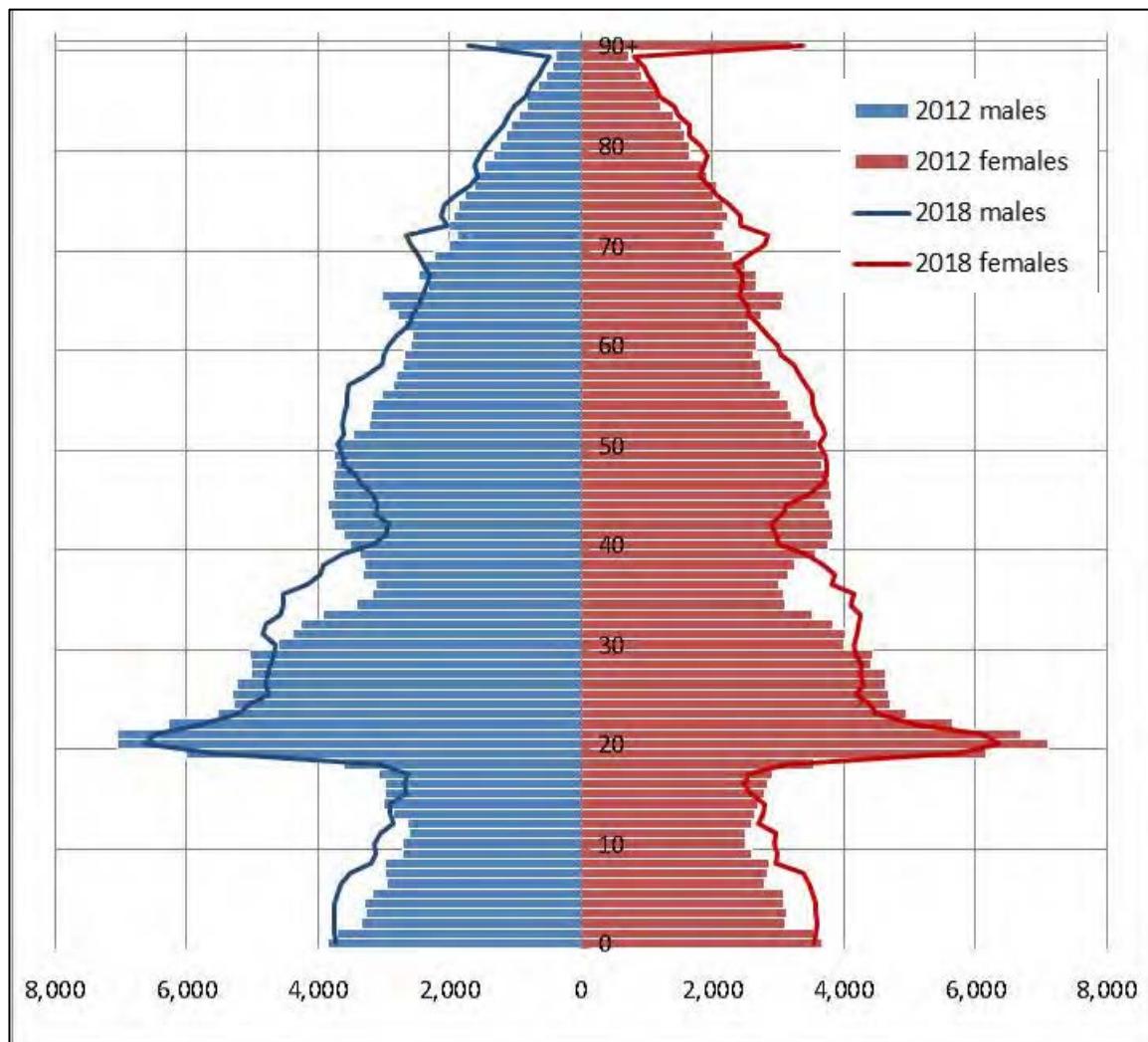
Data source: Sheffield City Council/Popgroup 'Employment led' model.

Table 5.2. Household projections.

Year	Model					
	Dwelling-led	Planned provision	Employ.-led	Mig.-led	Natural change	SNPP 2010
2010	237,809	237,809	237,809	237,809	237,809	237,809
2011	239,053	239,106	239,491	241,007	239,709	240,470
2012	240,297	240,404	241,523	244,324	241,784	243,109
2013	241,540	241,700	243,387	247,606	244,125	245,526
2014	242,783	242,996	245,123	251,093	245,835	247,950
2015	244,025	244,292	246,756	254,608	247,496	250,296
2016	245,268	245,588	248,456	258,204	248,761	252,679
2017	246,510	246,884	250,174	261,910	250,929	255,170
2018	247,752	248,179	251,814	265,506	252,567	257,517
2026	257,686	258,541	263,309	293,298	264,698	274,778
2031	263,900	265,022	269,550	310,842	272,840	286,084
Change 2010-2026	19,877	20,732	25,501	55,489	26,890	36,969
Change/year 2013-18	1,242	1,296	1,685	3,580	1,688	2,398

Source: Sheffield City Council.

Figure 5.2. Population projections
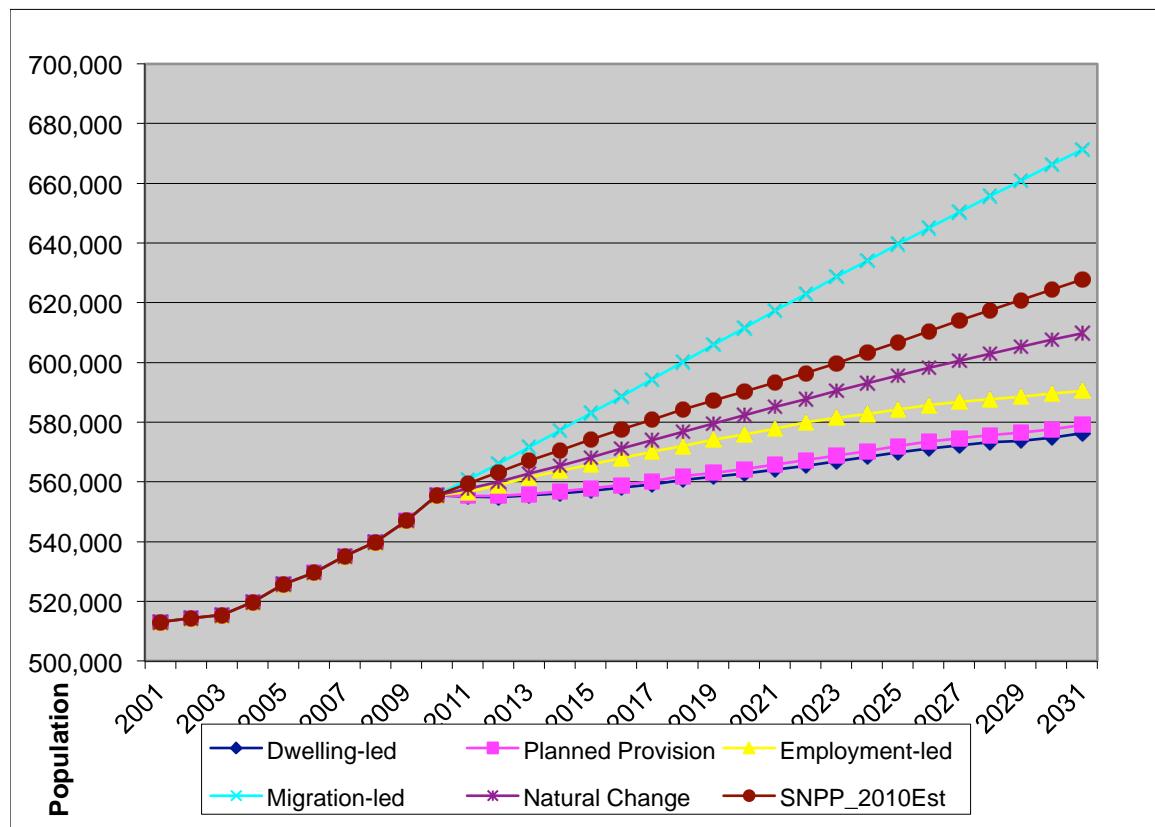
Source: Sheffield City Council.

In the housing need model (Chapter 6) the figure used (2,269) represents an intermediate scenario, based on the subnational population projections (SNPP) model. In arriving at this figure we have also had regard to the other models[37] and the household survey.

The 2011 Census shows that Sheffield's average household size has fallen over the last 10 years and is now around 2.33 people compared to 2.36 in 2001. The SNPP projections assume that this trend in falling average household sizes will continue. However, if the economic constraints on mortgage lending remained and the welfare reforms impact on the ability of new households to form the average household size may not fall as quickly as projected. This highlights the sensitivity of household projections to assumptions that underpin household formation rates.

Indeed, it should be noted that the 2008-based population projections are higher than the interim 2011-based projections. This is in part due to changes in economic conditions since the production of the 2008 projections, which reflect a period of economic growth and high levels of international migration. The 2008-based SNPP household projections also show that projected growth in households is higher in the next 5 years than the period that follows. Therefore, the analysis that follows should be viewed in this light. Specifically, the estimates of need and demand we calculate should be seen as upper limits and that the estimates for the next five years will be higher than the longer term average. Clearly, the extent to which these projections bear out between now and the next SHMA needs to be monitored.

Table 5.3 shows the population profile by HMA and highlights the marked difference between absolute numbers of people in different groups across the HMAs. The largest population group in a HMA is in the 19-29 age group in City Centre West with 44,147 people, compared to just 137 people aged 80+ in City Centre. Relative differences also occur across the HMAs. The City Centre has only 6% in the 0-14 age group, whilst in the East HMA 26% of the population is 0-14. There is greater relationship proportionally between HMAs when the City Centre is set aside.

5.3   HOUSEHOLD PREFERENCES AND ASPIRATIONS

This section explores potential demand as revealed by the survey data. It considers in turn demand from existing households (6.3.1), demand from newly forming households (6.3.2) and the likely impact of migration flows on demand (6.3.2).

5.3.1   Moving intentions of existing households

28% of existing households think they need to move to a different home within the next five years, whilst 50% think they will not need to move over the same time period, and 23% of households don't know if they will need to move (Table 5.4).

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[37] In preparing the SHMA we have had sight of a range of documents submitted to the Council, which include the outputs from alternative household projection methodologies. The figures produced by these are consistent with our own estimates.

Table 5.3. Population profile by HMA

HMA	Age group						Total
	0-14	**19-29**	**30-49**	**50-69**	**70-79**	**80+**	
Chapeltown/Ecclesfield	4958	4949	8742	8908	2797	1719	32073
City Centre	1175	13463	2947	847	222	137	18791
City Centre West	11163	44147	21588	12680	3947	2932	96457
East	11573	10313	12066	6415	2343	1370	44080
Manor/Arbourt'ne/Gleadless	8557	10219	12132	8530	2957	1777	44172
North East	14832	13775	18666	14149	4697	2696	68815
North West	6158	6687	11423	8796	3162	1729	37955
Peak District National Park	1452	1084	2300	2411	810	512	8569
Rural Upper Don Valley	1069	901	1855	1733	525	267	6350
South	7158	7133	12307	9666	3312	2564	42140
South East	15161	15543	25544	21814	7388	4894	90344
South West	8981	6976	13458	13032	4159	2891	49497
Stocksbridge and Deepcar	2270	2058	3736	3614	1055	722	13455

Source: Sheffield City Council, Census 2011.

Table 5.4. Responses to question on future moving intention.

Response	Frequency (Gross weighted)	%
Yes, as soon as possible (e.g. 1 month)	8753	3.8
Yes, within a year	18427	8.0
Yes, in 1 to 2 years	14003	6.1
Yes, in 3 to 5 years	22095	9.6
No, don't want to	90723	39.4
No, but would like to	23073	10.0
Don't know	53299	23.1
Total	**230372**	**100**

Source: Household survey. Question D1 'Do you think you will need to move to a different home in the future?'

This city-wide trend masks significant variations between HMAs, for example 66% of households living in the City Centre HMA think they will move to a different home within the next five years, whereas only 11% of households in Stocksbridge and Deepcar HMA do (Table 5.5).

There is also some variation in expectation between household types (Table 5.6). 8% of lone parents with dependents expect to move as soon as possible, with a further 5% wishing to move but cannot. The proportion expecting to move rises to 20% when we project 5 years ahead. This contrasts with only 4% of single person households who expect to move soon, with a further 7% wishing to move, and those expecting to move rising to 23% over 5 years. More than 40% of couples with dependent and non-dependent children expect to move within 5 years, suggesting potentially very high levels of demand for family housing. As might be expected most student households expect to move within the five-year timeframe.

Table 5.5. Do you think you will need to move to a different home in the future?

HMA	%			
	Yes	**No, don't want to**	**No, but would like to**	**Don't know**
Chapeltown/Ecclesfield	19.7	52.1	7.3	20.9
City Centre	66.1	17.5	8.2	8.2
City Centre West	42.0	24.7	8.9	24.5
East	28.6	42.5	10.7	18.2
Manor/Arbourthorne/Gleadless	31.7	36.5	16.4	15.4
North East	22.8	42.6	11.7	22.9
North West	28.8	35.7	10.9	24.7
Peak District National Park	24.4	39.2	2.7	33.7
Rural Upper Don Valley	21.7	48.3	0.0	30.0
South	22.7	44.6	7.3	25.4
South East	20.1	47.0	8.6	24.3
South West	20.3	41.6	11.7	26.5
Stocksbridge and Deepcar	11.4	40.2	13.1	35.2

Source: Household survey.

Table 5.6. Intention to move by Household Type (proportions).

Household type	% of responses					
	Yes, as soon as possible	**Yes, in next 5 years**	**No, don't want to**	**No, but would like to**	**Don't know**	**Total**
Single person	4	23	38	11	24	100
Lone parent with dependents	8	20	42	13	17	100
Couple only no dependents	2	21	42	9	26	100
Household with all children non-dependent	3	19	42	8	27	100
Couple with dependents	3	24	41	10	23	100
Other household types	6	30	32	15	16	100
Student household	15	75	5	2	2	100

Source: Household survey.

Numerically, single person households comprise the largest cohort of households that expect to move, with potential demand of around 17,000 over 5 years (Table 5.7). This compares with just over 10,000 households with dependents and around 4,100 lone parents who expect to move in the same period.

Table 5.7. Do you think you will need to move to a different home in the future?

Household type	Response						
	Yes, as soon as possible (e.g. 1 month)	Yes, within a year	Yes, in 1 to 2 years	Yes, in 3 to 5 years	No, don't want to	No, but would like to	Don't know
Single person	2,586	5,214	4,142	7,323	27,572	7,660	17,608
Lone parent with dependents	1,274	1,150	1,002	1,137	6,947	2,066	2,772
Couple only No dependents	1,220	2,624	3,647	5,937	24,971	5,217	15,174
Household with all children non-dependent	634	1,226	1,272	1,602	8,962	1,631	5,770
Couple with dependents	1,353	2,509	2,472	4,856	17,122	4,033	9,460
Other household types	937	2,498	1,016	1,075	4,872	2,347	2,417
Student household	749	3,208	451	163	277	119	97

Source: Household survey.

5.3.2   Drivers of demand

The motivations for household moves are varied. Housing demand can be influenced by a number of drivers and, as discussed elsewhere, demographic and economic factors tend to dominate at the aggregate level. The survey offers a bottom-up perspective on the drivers of demand. Demographic influences, reflected in the need to move to a home of different size, are cited by 47% of households who expect to move in the next five years, while changing family size (due to family breakdown or living with partners) influences 11% (Table 5.8). Economic factors, including benefit changes, the desire to free up capital and high costs, impact on 27% of expected movers, including those expecting to retire from employment. Others are motivated by a desire to change tenure (15%), to change housing conditions (including owning a new home) (20%) or type (including access to a garden, neighbourhood quality (including safety (9%) and school quality (10%) and location (including proximity to work, transport links and proximity to family). Issues related to health and caring are also important factors (15%). Many households cite a combination of many of these factors. Many of these issues are explored in more detail in the qualitative analysis reported in Annex Report 1.

Table 5.8. Main reasons for wanting or needing to move to a different home.

Reasons	% of all households	% of households expecting to move in next five years
To move to cheaper accommodation	**4.0**	**12**
Because of changes to my welfare benefits	0.8	2
To move to a smaller home	**6.5**	**20**
To move to a larger home	**8.9**	**27**
Want a newer home	2.9	8
Want a bigger garden	5.9	8
Condition of current property	**4.4**	**12**
To free up capital	2.1	7
Wanting to buy own home	3.5	11
Wanting to rent a home	1.2	4
Relationship or family breakdown	1.0	3
To live with a partner	2.4	8
To move closer to friends/family	3.4	9
To be closer to work or a new job	2.9	9
Got accommodation tied to job	0.2	1
Retiring	1.9	6
Being evicted	0.1	0
Tenancy ending	1.9	7
Home being repossessed	0.0	0
Access problems e.g. stairs	2.9	6
The property is affecting my/our health	1.9	4
To make it easier to receive care/support	1.0	3
To provide care to family/friends	0.8	2
To move to a better neighbourhood	**5.9**	**16**
To move closer to transport links	1.4	3
To move to a school catchment area	2.0	5
For a better school	1.8	5
For higher education/university	1.3	4
To move to a safer area	3.7	9

Source: household survey.
Note: Top five answers in bold.

5.3.3   Potential moves by tenure

The extent to which expected moves might impact on different tenures is varied. 67% of households who expect to be moving within the next five years would like to be owner occupiers (35% own outright, 32% with a mortgage), yet only 55% of movers expect to own their home (Table 5.9). This difference is mirrored by the private rented sector, whereby 11% of households would like to be in the tenure and 21% of households expect to be renting privately. 16% of households would like to be renting from the council or housing association and 19% expect to. Whilst there are differences amongst other tenure types, the differences are smaller in absolute numbers. This highlights the aspirational qualities of owner occupation and the fall-back option of private renting for many households.

Table 5.9. Preferred tenure of prospective movers.

Tenure	%
Own outright	35.4
Own with a mortgage	31.3
Part own, part rent (e.g. Shared Ownership)	0.8
Rent from the Council / Sheffield Homes	16.5
Rent from a Housing Association	3.3
Rent from a private landlord / letting agency	9.4
Rent from a relative / friend of household	0.8
Tied or linked to a job	0.2
Share a flat/house in private rented sector	1.4
Other	1.0
Total	100

Source: Household survey. Question D9: 'If you will be moving, would you like to own or rent the property you move to?'

The aspirations of households relate to their household income, and whilst it is beyond the scope of this research to prove a determining factor, there is a clear relationship between income levels and the projected demand in different tenures (Table 5.10).

The percentage of households who expect to move in the next five years and would like to move to owner occupied accommodation (whether owned outright or with a mortgage) steadily increases as household income increases. The inverse relationship occurs with social rented accommodation and income and the private rented sector (the decrease as household income rises above £10k is extensive).

Table 5.10. Income and aspiration to tenure.

Preferred tenure	% of households by gross annual household income				
	Below £10k	£10-20k	£20-30k	£30-40k	£40k+
Own outright	14	38	42	42	46
Own with a mortgage	8	24	38	51	51
Part own, part rent (e.g. Shared Ownership)	2	1	0	0	0
Rent from the Council / Sheffield Homes	32	20	11	3	0
Rent from a Housing Association	4	6	0	0	0
Rent from a private landlord / letting agency	33	7	4	3	2
Rent from a relative / friend of household	2	1	2	0	0
Tied or linked to a job	0	0	0	1	1
Share a flat/house in private rented sector	3	1	1	0	0
Other	1	1	2	0	0
Total	**100**	**100**	**100**	**100**	**100**

Source: Household survey. Question D9 If you will be moving, would you like to own or rent the property you move to?

The survey also allows us to explore the extent to which demand might be met by different housing options. Of existing households who think they will need to move to a different home in the future or are likely to move to a different home in the future, the majority (88%) expect to move to ordinary, unsupported accommodation. 3% of households expect to move to independent accommodation with external support and 5% of households expect to move to council or housing association sheltered housing scheme (Table 5.11).

Table 5.11. Type of supported housing: desired and expected.

What type of housing would you like/expect to move to?	Like (%)	Expect (%)
Ordinary, unsupported accommodation	87	88
Independent accommodation with external support	4	3
Independent accommodation with live-in support	1	1
Residential/nursing home	0	0
Extra care housing (self-contained, facilities & 24hr support)	1	1
Private sheltered housing scheme	0	0
Council/housing association sheltered housing scheme	4	5
Other purpose-built supported housing scheme	2	1

Source: Household survey

5.3.4 Property type and dwelling size

The survey reveals a clear preference for detached and semi-detached housing in Sheffield. There is also a divergence between the type of property that household might prefer and the type of property expected to live in (Table 5.12). Two examples illustrate this point: 38% of households would like to live in detached housing, but only 16% expect to achieve this. The inverse occurs in terraced, flats and semi-detached houses with respectively 10%, 7% and 6% more households expecting to live in each property type than would like to given an ideal world.

Table 5.12. Property type expectations and desires.

Property type	Like (%)	Expect (%)
Detached house	37.6	16.2
Semi-detached house	23.6	30.0
Terraced (including end-terraced)	7.7	17.1
Flat/apartment	13.3	21.1
Bedsit/studio	0.6	1.4
Bungalow	14.9	11.2
Maisonette	0.3	0.4
Other	2.1	2.5

Source: Household survey.

This is reflected in high levels of households who would prefer to live in 2 or 3 bedroom properties (Table 5.13). There is a reasonable alignment between preferences and expectations for dwellings of this size. This is not the case for larger homes: 21% of households who expect to move would like a 4 bedroom home but only 13% expect this to happen, most of who expect to occupy a smaller home.

Table 5.13. Demand by dwelling size (like and expect).

	Number of bedrooms				
	1	2	3	4	5+
Ideally, how many bedrooms would you like?	4893	19842	18678	12654	3451
How many bedrooms would you expect to have?	9203	20120	18638	7363	2678
	1	2	3	4	5+
Ideally, how many bedrooms would you like?	8%	33%	31%	21%	6%
How many bedrooms would you expect to have?	16%	35%	32%	13%	5%

Source: Household survey.

Table 5.14. Size of dwelling households would like and expect to move to: existing households and concealed households.

Bedrooms	Current household		Concealed household person 1		Concealed household person 2	
	Like (%)	Expect (%)	Like (%)	Expect (%)	Like (%)	Expect (%)
1	9	17	32	34	41	42
2	35	36	49	49	50	44
3	31	31	18	14	8	13
4	20	12	2	2	1	0
5 and over	5	4	0	0	0	0

Source: Household survey.

The preference of over 56% of current households is for 3 or larger bedroom properties in the city (Table 5.14). This demand is consistent with existing evidence that large family housing is required. In contrast to this figure, over 80% of concealed households would prefer to, and expect to, move into smaller properties (2 bedrooms or less). This issue opens up the possibility of providing for these groups in one of two ways: first, developing the size of property identified, or second, supporting greater 'filtering' across the city. The latter would suggest a focus on supplying larger properties for current households to move into and, through the vacancies they create, freeing up smaller properties for concealed households.

5.3.5   Neighbourhood preferences

The survey also sheds light on neighbourhood preferences. The results appear to confirm the patterns of demand revealed by the analysis of house prices and search patterns (discussed in Chapter 4). The most popular neighbourhoods are those in the City Centre West and South West HMAs and the least popular are those in the Manor, the East and North West. There are some notable differences between where households would like to live and where they expect to live. Only 20% of the households who would like to live in Millhouses expect to do so, whereas more than 50% of those who would like to live in Hillsborough expect this to be attainable. The mismatch is partly indicative of the difference between latent demand and effective demand.

Table 5.15. Would like to move to & expect to move to

Rank	Neighbourhood	Number of households	
		Would like…	Expect to…
1	Crookes	12363	5315
2	Fulwood	10796	3380
3	Ranmoor	9768	2292
4	Broomhill	9160	3032
5	Endcliffe	9007	2561
6	Crosspool	8937	2816
7	Millhouses	8855	1787
8	Ecclesall	8803	2780
9	Walkley	8577	3555
10	Greystones	7537	1728
11	Dore	7472	2043
12	Nether Edge	7330	3111
13	Crookesmoor	6858	3287
14	Hillsborough	6391	3442
15	Whirlow	5982	1080
16	Totley	5777	1571
17	City Centre	5717	2684
18	Bents Green	5667	1117
19	Abbeydale	5482	1021
20	Loxley	5041	1776

Source: Household survey.

5.3.6 Newly forming and suppressed households

Newly forming households have different expectations and resources when compared to existing households. For instance, newly forming households are less likely to have access to capital (e.g. from the sale of an existing property).

The household survey shows that, of the 21,000 households with concealed households looking to form in the next three years, 83% of first person and 75% of second person households will be formed from current children of the household reference person (Table 5.16). The only other person type accounting for over 5% or responses is 'Friend' which accounts for 17% of the second person type. This suggests housing to support concealed households is most likely to be suitable housing for younger households.

Table 5.16. Who is looking/likely to look for accommodation in the next three years?

	Concealed household 1 (%)	Concealed household 2 (%)
Parent/Grandparent	1	2
Child who will be aged 16 or over	83	75
Partner/spouse	4	3
Lodger	3	1
Friend	4	17
Other relative	5	2
Total	**100**	**100**

Source: Household survey.

The two types of household most frequently cited as likely to form in the next three years are single adult households and couple households, both without children (Table 5.17). This supports the evidence about the incidence of concealed households discussed above.

Table 5.17. Type of concealed household.

	Concealed household 1 (%)	Concealed household 2 (%)
Single adult without children	69	61
Single adult expecting or with children	3	2
Couple without children	23	31
Couple expecting or with children	2	3
Other	3	4

Source: Household survey. Question: 'Q: When they move out, will they be a….?'

Very few newly forming households are likely to move immediately (within a month of the survey date), with more expected to move in the next year and then more within the next three years (Table 5.18).

Table 5.18. Likely timing of concealed household moves.

When are these people likely to move?	Concealed household 1 (%)	Concealed household 2 (%)
Now (or within the next month or so)	7	2
Within a year	32	26
In 2 or 3 years	61	73

Source: Household survey.

Newly forming households (currently concealed within existing households) will have a differential impact on the three main tenures. The majority expect to enter the social rented sector – renting from the council or housing association (32% for the first potential concealed household / 36% for the second) – with the others

evenly split between owning with a mortgage (22% / 22%) and renting from a private landlord (22% / 23%).

The financial resources of newly forming households will influence their ability to rent in the private sector or own a property, and will therefore also influence the likelihood of falling into housing need. Question E12 in the household survey asked households about the estimated income of newly forming households (for the first person likely to form a new household) (Table 5.19). 65% of households were estimated to have an income of less than £15,000. This high percentage is likely to prevent the majority of newly forming households from purchasing a property in Sheffield. Of the newly forming households 90% have access to less than £10,000 as a financial resource to pay for a rent bond or mortgage deposit (question E13), further limiting the possibilities of owner occupation. As was discussed in Chapter 4, we estimate that only 10% of concealed households are likely to have access to the financial resources to afford a deposit on a mortgage (see Table 4.16).

Table 5.19. Likely annual income of forming households.

Please state the gross annual income	%
Up to £4,999	26
£5,000 - £9,999	16
£10,000 - £14,999	23
£15,000 - £19,999	17
£20,000 - £24,999	14
£25,000 - £29,999	2
£30,000 - £34,999	2
£35,000 - £39,999	0

Source: Household survey.

Of the newly forming households, 12% of respondents indicated that they would be in receipt of Housing Benefit or Local Housing Allowance (question E11 of the survey). There is the possibility for this number to increase substantially as 25% of respondents indicated they did not know if the household would qualify from either benefit. Access, or lack of, to these benefits may itself influence the possibility of new household formation.

As shown in Table 5.20 newly forming households most frequently cite flat/apartment accommodation as the type of property they are most likely to occupy (46%). This may in part relate to the most affordable housing in Sheffield for younger households without children. Terraced and semi-detached housing are the second and third most frequently cited properties but combined these represent only 38% of the total. Detached, bedsit/studios, bungalows and other types are likely to see very low levels of expected demand for newly forming households.

Table 5.20. What type of property is the newly forming household likely to move to?

Type	Person 1 (%)	Person 2 (%)
Detached house	4.2	5.2
Semi-detached house	16.8	12.5
Terraced (including end-terraced)	21.1	25.5
Flat/apartment	45.6	46.9
Bedsit/Studio	3.0	1.7
Bungalow	2.5	1.1
Other	6.8	7.0
Total	**100**	**100**

Source: Household survey.

5.3.7 The impact of migration flows

The likely impact of migration flows is more difficult to evidence than the potential demand flowing from existing and newly forming households. As we discussed in Chapter 4, secondary data helps shed some light on this and provides an indication of the likely flows and the net effects of these. Sheffield is likely to continue to have a net outflow into neighbouring areas. In this section, we explore the data supplied by households who say that they expect to leave Sheffield in the next 5 years.

The survey reveals slightly different destination expectations to those captured in the historic migration data, although differences between commonly accepted and precise definitions of area boundaries make direct comparison difficult. Chesterfield, for example, was cited as a more popular expected destination for households than Barnsley in the survey data (Table 5.21), despite receiving fewer migrants from Sheffield in 2011/12. Nearly 550 households expect to move from Sheffield per annum to Derbyshire, Rotherham or the Peak District (e.g. Derbyshire Dales), highlighting the connections between these housing markets in migration terms.

Table 5.21. Number of households expecting to move to surrounding areas.

Where do you expect to move to?	Within next 5 years	Per annum over the next 5 years
Derbyshire	1205	241
Rotherham District	755	151
Peak District	725	145
Chesterfield	425	85
Worksop	379	76
Barnsley District	225	45

Source: Household survey questions D2 and D19.

Table 5.22. Top ten reasons for wanting to move to a different home in Derbyshire, Rotherham, Peak District, Chesterfield, Worksop or Barnsley.

Main reasons for wanting or needing to move to a different home	% of households
To move to a larger home	32
To move to a better neighbourhood	25
Want a bigger garden	20
To move to a smaller home	18
Wanting to buy own home	17
To move to a safer area	15
Want a newer home	11
Condition of current property	11
Retiring	11
For a better school	8

Source: Household survey questions D6 and D19.

The motivation for these moves helps reveal the underlying drivers of migration flows. Of the top ten main reasons for wanting to move to a different home (within the region) (Table 5.22), five of the reasons relate directly to the dwelling itself, three relate to neighbourhood or service reasons, one relates to tenure and one relates to household circumstances. Some of the common motivations for moving home, such as relocation of work or moving to be closer to work were absent entirely from the reasons provided for wanting to move, suggesting that there is very limited employment led migration from Sheffield to neighbouring areas.

It is possible to conclude that the main driver for out-migration is to access affordable larger (family) homes. 32% of households expecting to move to neighbouring housing market areas are motivated by the desire to move to a larger home. This is consistent with the evidence in the Home Truths report (see Annex Report 1). A lower, but still numerically important volume, of households are motivated by moving to a smaller home.

Table 5.23. Expected migration destination by household wanting to move to a neighbouring area.

Expected destination	Number of households (gross weighted)		% of households	
	With dependents	Without dependents	With dependents	Without dependents
Derbyshire	252	953	21	79
Rotherham District	312	442	41	59
Peak District	254	472	35	65
Chesterfield	170	254	40	60
Worksop	184	196	48	52
Barnsley District	84	142	37	63
Total	**1256**	**2459**	**34**	**66**

Source: Household survey.

There are nearly twice as many out-migrant households without dependent children as households with dependent children. But a higher proportion of households moving to Rotherham (41%), Worksop (48%) and Chesterfield (40%) are those

with children. Derbyshire, however, is a more dominant market for households without dependents.

This is also reflected in the types of properties in demand (Table 5.24). Potential migrants aspire to move to relatively large family homes. 70% of households expecting to move to 3 or more bedroomed homes, and only 9% expect to move to only one bedroom home.

Table 5.24. Type of housing households expect to move to in neighbouring areas (D13 and D19).

Property type	%
Detached house	45
Semi-detached house	23
Terraced (including end-terraced)	10
Flat/apartment	7
Bungalow	13
Other	2

Source: Household survey.

Table 5.24 reveals the property type expectations of households moving to neighbouring areas: 68% of households expect to move to detached or semi-detached housing and only 7% expect to move to a flat or apartment. Cross-border migrants expect to move to unsupported accommodation (88%). 71% of households expect to move to the owner occupied tenure (with or without a mortgage, 49% and 22% respectively). The social rented sector accounts for 14% of household expectations and 13% for the private rented sector.

5.4   EFFECTIVE AND NEW DEMAND LEVELS

As we note above, the overall demand for housing comes from the existing households within the market, newly forming households from within the locality and from the net effects of migration. This section of the report seeks to consider the extent to which this latent demand might lead to effective demand that cannot be accommodated within the existing stock.

The 2007 SHMA does not provide a direct estimate of new effective demand. It does provide enough information to allow some conclusions to be drawn. The report identified 17,328 existing households and 8,493 concealed households that planned to move within a three-year period. A further 12,317 potential in-migrants were identified. This might be interpreted to imply a latent demand figure of 12,713 per annum. Of these 15,685 (5,228 per annum) were unable to move for a range of reasons. Around half of these were already in market housing (mainly as owner occupiers) but were unable to move due to house prices, incomes, savings or equity issues. The vast majority of the demand was resolved 'in situ' with existing owners and renters creating vacancies filled by others able to move within the market. Many of the others (around 8,000) were unable to afford market housing. Although not stated explicitly this suggested that the total housing requirement should be

approximately 2,500, made up of 729 households in housing need with the remaining approximately 1,800 additional required to be new market homes. This contrasts with the household projections at the time that suggested that household growth would be around 2,000 per annum and might reasonably reflect the additional requirement that comes from the need to replace stock in poor conditions as well as the need to accommodate net new demand and the level of housing need likely to arise annually. The 2007 survey-based figure is likely to have been an overestimate as no attempt was made to account for the often-significant mismatch between expected moves and actual moves.

Table 5.25 provides an update on this analysis. There are some key differences between our approach and that summarised above. For instance, this study asks households if they think they will need to move in a five-year (rather than a three year) period. This leads to higher initial figures, although the inherent logic is similar and both approaches can be used to develop annual estimates.

Table 5.25. Estimating effective market demand from existing households.

Intended tenure	Number of households (gross weighted)
Own outright	4,926
Own with a mortgage	6,962
Part own, part rent (e.g. Shared Ownership)	578
Rent from the Council / Sheffield Homes	1,083
Rent from a Housing Association	210
Rent from a private landlord / letting agency	2,223
Rent from a relative / friend of household	0
Tied or linked to a job	62
Share a flat/house in private rented sector	133
Total	**16,177**

Source: Household survey.

The largest contribution to overall demand comes from existing households. The survey suggests there are 63,278 potential movers. A further 21,000 comes from concealed households. All households that expect to move into non-market housing are eliminated from the analysis (54% of concealed households; and 18% of existing households) as these will not impact on market demand, although their needs are considered in the separate housing needs model (see Chapter 6).

Of those remaining, many will be unable to move as a result of financial constraints (e.g. limited savings, lack of mortgage availability, high costs, etc.). The financial capacity of the possible demand pool is tested by identifying those that have income levels and savings that indicate that they are unable to afford entry level market housing in their desired tenure. These are eliminated from the calculation. This leaves only 62% of existing households who expect to move that have the income to afford to purchase a home at the lower quartile price. These are broken down by origin below.

This potential demand will not all be translated into a requirement for new market housing. Households already within the owner occupied and private rented sectors will become part of a vacancy chain. Each move will create additional supply. These

households, although part of the demand profile, are discounted from any estimate of new/additional demand (see Table 5.25). This means that the new demand from existing households will be 1,293 over five years or 259 per annum.

Table 5.26. Estimating effective market demand from newly forming households that would like to own/rent and can afford lower quartile prices.

Intended market tenure	Number of households
Own outright	482
Own with a mortgage	1,698
Shared Ownership (part rented, part owned)	0
Rented from a private landlord or letting agency (including student accommodation)	1,216
Rented from a relative / friend of a household member	0
Tied or linked to a job	127
House/flat share in private rented	163
Total	**3,686**

Source: Household survey.

Total demand in the owner occupied and private rental sector must also take account of newly forming households' projected incomes. The precise income of future households is extremely complex to predict as wider economic and employment changes will have an impact on the earning potential of these households. Once we eliminate those not considering market housing (more than half), the new demand from newly forming households who can afford market housing over the next three years is 3,686 (Table 5.26), or 1,229 per annum. Some of this demand is for shared housing. The total number of units required will be less than the number of households expressing demand.

The third source of new demand comes from in-migration. The largest source of new migrants is international migration. This is difficult to translate into household formation and, in the absence of survey data, it is also difficult to assess financial capacity. These newly forming households are, however, captured in the various household projections where they are combined with internal migrants, suppressed and concealed households and give us a total of 2,269 new households. Were we to strip out the domestic newly forming households, this might imply 1,040 new households from this source. It is not possible to accurately explore financial constraints but we can test different assumptions. First, were we to assume that 25% of these could afford market housing, this would add 260 to the total figure (this calculation is summarised in Table 5.27). Alternatively, were we to assume 40% could afford market housing, this would rise to 416. The data on economic activity of in-migrants (discussed in Chapter 3) could be interpreted to suggest that the lower figure is most appropriate, and that that the proportion should be lower than that for other sources of new demand.

Table 5.27. Summary of international in-migration calculation steps.

Source	Number of households
All newly forming households implied by household projections	2,269
minus domestic newly forming households	-1,229
equals implied newly forming households from international migration	1,040
Assume 25% afford market housing	**260**
Assume 40% afford market housing	**416**

Taken together, additional market demand from existing households, newly forming households and migration would suggest that we would need 1,768 new homes (see Table 5.28). These are over and above those required to meet housing need (discussed in Chapter 6).

Table 5.28.Annual new market demand requirement.

Source	Number of households
Existing households	259
Newly forming households	1,229
Long distance and international migrants	260
Total	**1,748**
Over five years	**8,740**

This leaves a total five-year net (new) effective demand figure of 8,740. These households will potentially add to the new housing requirement. This new market demand will be additional to the level of housing need, identified using the Housing Needs model derived in accordance with DCLG guidance (discussed in Chapter 6). Once again we would highlight that this estimate may prove to be higher than the actual out-turn. The interim 2011-based household projections suggest that the new demand from newly forming households and from international migration may have become overestimated in the 2008-based figures we have used. It is also clear that the next five years are likely to see demand levels above the longer term average.

In this light and given that this estimates the number of households who will demand housing (including those who will live in shared housing such as HMOs) the housing requirement to meet effective demand could be lower. We would recommend planning for a range between 1,250-1,700 new households per annum. For the reasons noted above accepting the interim 2011-based household projections would lead to a requirement at the lower end of this range.

5.5   CONCLUSION

Sheffield is likely to see new household formation occur at a rate of 2,269 households per annum over the next few years.

There is considerable latent housing demand within the city from existing households, newly forming households and in-migrants. As a result of financial constraints and other barriers to mobility, this latent demand is likely to translate into actual market demand, over and above that which can be resolved through internal vacancy chains, for around 8,740 market homes over the next five years.

There are some uncertainties associated with household projections and this estimate reflects an upper limit. Once households that are likely to share are factored in, we would recommend planning for a range between 1,250-1,700 new households per annum.

Household preferences indicate that demand for owner occupation will be greater than demand for private rented accommodation. The most sought after dwelling types are houses (semi-detached (27%), terraced (13%) and detached (13%)) with flats making up 14% of preferences.

More than 64% of potential movers would like a 2 or 3 bedroom house. A further 21% express a preference for 4 bedroom properties.

6   Housing Need

Housing Needs Model: Key Points

- Our approach to estimating housing needs follows DCLG's practice guidance in that it estimates the net balance of a backlog of needs, newly arising needs, and new affordable housing supply using a blend of national sources and local survey evidence.
- Housing need is defined as those households who for a variety of reasons are (or will probably be) unable to secure adequate market housing.
- The backlog of housing need is comprised of households in unsuitable housing for a range of reasons, including a technical assessment of overcrowding according to the bedroom standard used in Sheffield's revised Allocations Policy. An adjustment is made for households whose needs can be met by changes to their household circumstances or through a move out of Sheffield.
- We also adjust for those households likely to be able to afford their own housing in the market. We estimate that the proportion of those in unsuitable housing requiring affordable housing is approximately 67%.
- In sum, we estimate a total requirement to clear the backlog of needs of 1,578 units per annum.
- Newly arising need results from the formation of new households, again adjusted for those unlikely to be able to afford in the market, and existing households falling into priority housing need. We estimate annual newly arising need of 3,028 units.
- The supply of affordable housing through the re-lets that can be expected to arise in the city's council and housing association stock, shared ownership resales, and the completion of programmed new construction, is netted from anticipated demolitions and other reductions to the stock (e.g. through RTB). We estimate annual supply of affordable housing of 3,881 units.
- In sum, we consider that there is an overall annual shortfall of affordable housing of 725 units.
- It should be noted that this estimate is sensitive to changes in assumptions about future market and economic conditions and the influence of policy interventions.
- Based on demand, the overall annual shortfall of need should be met through an affordable/intermediate housing ratio of 70/30

6.1   INTRODUCTION

DCLG's practice guidance[38] on the production of housing needs models provides some flexibility of approach. In particular, it is recognised that most calculations of local housing needs will involve a blend of primary and secondary data, drawn from

[38] DCLG (2007a)

local surveys and from national statistics and administrative data sources. It is also recognised that some degree of sensitivity in policy interpretation and locally sense-checking the model is required. There is no one-size-fits-all approach to needs modelling.

Our approach is to draw on key national sources wherever possible and to strengthen this with local insights drawn from the household survey. We adopt the basic framework recommended by the DCLG practice guidance, in that the key components of the model involve an estimation of:

- **Backlog of needs** (section 6.2): the backlog of housing needs that may have accrued in the city as a result of recent changes in key market dynamics, and changes to local demographic and social and economic patterns.
- **Newly arising needs** (section 6.3): the additional housing needs that might be reasonably expected to arise in the future, focusing particularly on the planning horizon assumed by the SHMA.
- **Affordable housing supply** (section 6.4): the likely supply of affordable housing in the city, as arising chiefly from re-lets of existing properties and the net addition of new construction less any demolitions.

The affordable housing requirement for the city is arrived at by netting the affordable housing supply off the sum of the backlog need and newly arising need, i.e.:

$$Requirement_{t+5} = (Need_{Backlog,t} + Need_{Arising,t:t+5}) - Supply_{t:t+5}.$$

where t is the current time period (2013) and $t+5$ is the horizon period of the SHMA in years.

Housing need is defined as those households who for a variety of reasons are (or will probably be) unable to secure adequate market housing.

The remainder of this chapter is structured according to the derivation of each of the three steps outlined above. Emphasis is given to clarity and a concise presentation; full details are available separately in a technical annex. A summary of the model and the principle steps in the calculation is provided in Table 6.1 on page 117.

6.2   BACKLOG OF HOUSING NEED

The backlog of housing need provides an estimate of the number of dwellings required to meet existing housing need within Sheffield over the next five years. This figure is comprised of three key elements: the number of households currently in unsuitable housing, the percentage of households unable to afford to buy or rent appropriate market housing and the number of households in priority housing need.

6.2.1   Households in unsuitable housing

The first step in identifying the backlog of housing need is to identify the pool of households that might be in inadequate housing, where in this context housing might be inadequate for a variety of reasons including overcrowding, poor condition, costs and so on. In this calculation, which is summarised in line 1 of Table 6.1, these households are identified in three ways. First, we include all households who indicate in the survey that their dwelling is inadequate for reasons other than just being too small or having too few bedrooms (these are labelled category 1 in Table 6.1). Second, we consider all households that indicate that they view their dwelling as inadequate because it is too small or has too few bedrooms but for no other reasons. These households are subject to a further technical test where we match the household composition to the bedroom standards operationalised in the revised Sheffield Allocations Policy. We include households that do not have adequate bedroom provision and are thus technically overcrowded (these are labelled category 2) and eliminate those who do not meet the technical standard. Third, we test all other households that responded to the survey against the bedroom standard, even though they may perceive their dwelling to be adequate. This allows us to identify a third group (category 3) that are technically overcrowded. Together, these three groups make up the total number of households that may contribute to the backlog of housing need.

6.2.2   Household needs met 'in place' or through migration

These households are filtered through a series of additional steps designed to account for those households whose needs might be met in other ways (line 2 in Table 6.1). Households where the movement out of the dwelling of a concealed household would remove the pressure on space to below the bedroom standard threshold are removed. This is primarily to avoid double counting those currently overcrowded dwellings in the *backlog of need* with the new household formation number in the *newly arising need* total (see section 6.3).

Households in unsuitable housing in the social rented stock are also removed. Any household who moves from the social stock will release a property for another household in need. One limitation with this is the assumption that housing stock can be matched internally with needs within the social sector. It is difficult to make assumptions about the efficacy of this matching process, which is subject to policy choices. We make an assumption that satisfying a households needs will release a property elsewhere in the system on a near one-for-one basis (94%). This assumption is based on a calculation matching the number of homes needed at different sizes to the SRS housing stock, and results in a 6% mismatch of larger properties. Clearly this assumption can be flexed in either direction, partly as a result of policies and processes.

The final group to remove from the overall numbers of households in unsuitable housing are those households whose need is likely to be met through out-migration, and hence do not contribute to housing need in Sheffield. This is calculated using survey responses on perceptions of future move locations.

6.2.3   Households unable to rent or buy at market rates

The remaining total represents households who are in unsuitable housing and whose need is unlikely to be met through the current social rented stock. Of these households some will be able to afford a solution to their need through the private rented sector or through owner occupation. These numbers are removed by deflating the total according to the proportion of households unable to afford to buy or rent within the city (line 3 in Table 6.1). We used information drawn from the household survey on household incomes and resources and set these against prevailing house prices and rents to arrive at an estimate that **67.1% of households** in unsuitable housing and that need to move to resolve their difficulty will be unable to afford market housing.

6.2.4   Backlog of homeless households

To this total, the number of existing homeless households is added (line 4 in Table 6.1). This includes the number of households accepted by Sheffield City Council as 'Eligible, unintentionally homeless and in priority need', and the number of homeless households currently in temporary accommodation.

6.2.5   Annual requirement to reduce backlog

Finally, the total backlog need calculated through the preceding steps is annualised so that the backlog is met progressively over five years (i.e., a 20% quota per year) (line 5 in Table 6.1). A policy decision to meet needs more quickly or slowly than this would necessitate adjustment of this quota.

6.2.6   Summary

In sum, and before consideration of newly arising need (section 6.3) or changes to the supply of affordable housing (section 6.4), we estimate the requirement to reduce the backlog to be **1,578 dwellings per annum** for 5 years.

6.3   NEWLY ARISING NEED

Our calculation of newly arising need projects the number of dwellings likely to arise per annum over the course of the SHMA period, over and above the existing backlog of need derived in section 6.2.

Three elements combine to provide this figure: (i) the number of households likely to form each year; (ii) the percentage of those newly forming households who are unlikely to be able to afford to buy or rent at market levels; and (iii) the number of existing households who are likely to fall into housing need during the model period.

6.3.1 New household formation

The number of households likely to form each year for the foreseeable future can be calculated in one of two basic ways. It is first possible to use population and household projections to predict levels of new household formation (the net change between periods). This technique, however, is prone to the 'circularity' problem in that projections are essentially based on historical trends that are themselves a result of past market conditions and constraints. They reflect effective rather than notional demand.

For this reason, a second method is often employed: the use of survey data on moving needs and expectations. In the household survey we asked respondents about the expected movement of their household and any concealed households. One major problem with using survey data in this way is that it has been shown in various studies that households tend to systematically over-predict their likelihood to move or to form (Watkins et al., 2012). Studies in a range of countries including the UK, the US and the Netherlands all support the need to adopt a deflator to household survey predictions of mobility.

Once we have adjusted for over-prediction, we estimate that new household formation will lead to 2,269 new households in the city per year over the next 5 years (line 6 in Table 6.1). Once adjusted in this way, the figure is broadly compatible with that suggested by the ONS subnational population projections for households over the period 2013-2018.

6.3.2 Newly forming households unable to rent or buy at market rates

As in the backlog of need, the total number of newly forming households includes households who are likely to be able to afford to meet their housing requirements in the private sector at market prices. These households are removed from the total by deflating the figure by the proportion of newly forming households who we estimate will be unable to buy or rent at market levels.

We have estimated this using household survey data on the projected incomes of households likely to form compared against prevailing prices and rents to conclude that perhaps three-quarters (75%) of newly forming households would be unable to rent (line 7 in Table 6.1). This estimate is clearly sensitive to future changes in the market, specifically any easing of mortgage finance rationing and any significant changes to the supply in the PRS. In the short to medium term, however, and on the basis of the evidence presented in Chapter 5, it is prudent to assume that this relatively large proportion of households will need some form of housing assistance if their formation is to be unconstrained.

6.3.3 Households falling into priority need

To the running total on newly arising need, the number of existing households that are likely to fall into priority housing need are added. It would be unreliable to use survey data to estimate this as households are not generally able to predict the wide range of circumstances that would lead to them to falling into a priority need category. For this reason, we have based our estimate on the average of annual

priority need acceptances recorded in the city over recent years (see line 8 in Table 6.1).

6.3.4 Summary

In summary, we estimate that perhaps an additional **3,028 households** will have housing needs arising and needing to be met each year.

6.4 SUPPLY OF AFFORDABLE HOUSING

Our estimation of the likely supply of affordable housing in the city comprises four components: (i) the number of social rented properties that are vacated and become available for re-let; (ii) the number of shared ownership properties that are resold; (iii) the number of properties removed from future supply through demolitions, Right to Buy, and the like; and (iv) the committed number of new units to be added to supply.

6.4.1 Social rented housing re-lets

Continuous Recording of Lettings and Sales in Social Housing in England (CORE) data provides an overview of the number of properties re-let each year in both Sheffield Homes stock and Housing Association stock. The average annual number of re-lets for the last five years was used to predict the number of properties likely to be re-let over the next five years. This is consistent with DCLG practice guidance, except that we have used 5 years instead of 3 to mitigate the effect of large fluctuations in re-lets in 2009 and 2011. This calculation is summarised in line 9 of Table 6.1.

6.4.2 Shared Ownership resales

The number of Shared Ownership properties resold per annum is calculated using a regional average of resale for Yorkshire and Humber (2%) applied to the overall number of Shared Ownership properties in the city (line 9 of Table 6.1). The effect on the model is negligible on account of the small size of the Shared Ownership sector in the city.

6.4.3 Affordable units taken out of supply

Affordable housing stock is removed from supply for several reasons. The two most frequent reasons include the demolitions of properties (for example unsuitable properties as part of a regeneration project) and by social tenants exercising their Right to Buy (RTB). Demolitions are forecast at an annual rate from figures supplied by Sheffield City Council on the number of properties expected to be removed from circulation in 2013-18.The annual number of properties removed under the Right to Buy (and other similar schemes) is projected from the average number of properties sold through Right to Buy over the period 2010-13. The

changes to the Right to Buy scheme in April 2012 (including increasing the maximum available discount), may have an impact upon the number of new RTB sales and therefore the historic average rate may slightly underestimate the actual number. Offsetting this, however, is the general propensity for RTB sales to fall through time as the most attractive stock is sold and the remaining stock is 'residualised', where the housing not sold is the least desirable of the stock and often becomes home to socially disadvantaged households.[39] Consequently, we assume a flat profile over time.

In sum, we estimate that perhaps 65 units per annum will be taken out of the effective supply (line 10 in Table 6.1).

6.4.4   New affordable supply

The projected number of new units to be added to the available affordable supply is added to the total annual supply. This figure is likely to fluctuate depending upon the wider economic circumstances, market conditions and wider development processes (for example the outcome of renegotiations of S106 agreements). Prediction of the precise number of properties is therefore complex at any stage in the economic cycle. Given the current economic uncertainty and with only limited signs of economic growth at the national level the average annual number of affordable housing added to supply for the period 2007-2012 has been calculated (line 11 in Table 6.1).

6.4.5   Summary

In sum, we estimate that there may be a total supply of affordable housing of **3,881 units per annum** in Sheffield.

6.5   OVERALL ANNUAL SHORTFALL

Taking the backlog of needs (section 6.2), newly arising needs (section 6.3) and likely affordable housing supply (section 6.4) into account an overall annual shortfall in the city has been estimated as **725 units** (line 12 in Table 6.1).

6.5.1   Sensitivities to the estimate

As discussed above, various steps in the calculation are sensitive to future policy decisions and market conditions. These are clearly difficult to predict although it is possible to foresee the key upside and downside risks to the estimate.

There are a range of circumstances under which it is plausible to expect the annual shortfall to rise above our estimate:

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[39] See Jones & Murie (2006).

- The impact of welfare reforms causing tenure switching (e.g., from low income ownership to subsidised renting)
- Rises in the price-to-income ratios in the owner occupied market, e.g. as a result of housing market recovery and continued buoyancy in the PRS market
- Disproportionate rises in the net migration balance, e.g. as a result of wider EU accession and integration
- Rules governing the RTB continue to make it more attractive

Equally, certain circumstances will ease housing needs and lead to a reduction in the annual shortfall:

- A more benign funding environment for affordable housing
- Key initiatives such as the Sheffield Housing Company lead to a step change in supply in the intermediate 'affordable rent' category
- Policy options to encourage downsizing within the social rented stock have the desired effect

On balance, however, we consider the estimate we have provided to be a prudent basis for future planning.

6.6   NEEDS MODEL BY SUB-MARKET AREA.

Sheffield's housing need is divided across the city, however the need is unevenly distributed. The annual shortfall varies by over 400 homes per annum across HMAs depending upon both the need and supply of affordable housing (see Table 6.2 on page 118). The North East HMA has an oversupply of affordable housing based on the model outlined in the appendix. This oversupply may play a role in absorbing some of the housing need from other HMAs across Sheffield with greater levels of housing need, for example homeless housing need has been distributed evenly across HMAs (by overall stock), yet weighting the ability to meet this need more heavily in the North East and Manor/Arbourthorne/Gleadless would alleviate some of the pressure on affordable housing need in other HMAs.

The South East has a net oversupply, but this is contingent upon delivery of a significant number of affordable units per annum. For example, the need in the South East is higher than the South West, but with eight times the projected supply the South East has an overall oversupply compared to an annual shortfall of 235 houses in the South West. The City Centre West has the highest shortfall (415), based on above average supply (433 per annum), but the greatest annual newly arising need in Sheffield (614) and a large backlog (234).

Table 6.1.Summary of housing needs model.

Sheffield City Housing Needs Model			VALUE	SECTION TOTAL
(B) Backlog of Need	1	Households in unsuitable housing		
		cat 1: hhlds says unsuitable (any reason other than too small only*)	23789	
		cat 2: hhlds says unsuitable (too small only*) and is technically overcrowded	1324	
		cat 3: hhlds says adequate, but technically overcrowded	2744	
		SUB TOTAL all households in unsuitable housing		**27857**
	2	MINUS 1. of which overcrowded is 'resolved in situ' (concealed hhld		
		cat 2: (as above)	-658	
		cat 3: (as above)	-1254	
		MINUS - unsuitable housing resolved within SRS stock	-(15033)	
		Adjustment to account for bed size mismatch in SRS turnover	6%	
		Subtotal MINUS - unsuitable housing resolved within SRS stock	-14131.02	
		MINUS - unsuitable housing resolved by out migration	-484	
		SUB TOTAL Households in unsuitable housing and need to move		**11330**
	3	TIMES - Percentage unable to afford to buy or rent	67.10%	
		SUB TOTAL Households in unsuitable, need to move and can't afford		**7602**
	4	PLUS - Backlog - homeless households	290	
		TOTAL BACKLOG NEED		**7892**
	5	TIMES - annual quota to progressiely reduce backlog (20%)	20%	
		TOTAL ANNUAL NEED TO REDUCE BACKLOG		**1578**
(N) Newly Arising Need	6	New household formation	2269	
	7	TIMES - Percentage unable to buy or rent in market	75%	
		SUB TOTAL Annual newly forming households unable to buy or rent		**1702**
	8	Existing households falling into priority need	1326	
		TOTAL NEWLY ARISING NEED		**3028**
(S) Supply of Affordable Housing	9	Supply of social re-lets	3728	
		and Shared Ownership re-sales	18	
		SUB TOTAL Annual supply of affordable housing		**3746**
	10	MINUS Increased vacancies (if applicable) and units taken out of management including Right to buy	-65	
		SUB TOTAL Net social re-lets		**3681**
	11	PLUS - Committed units of new affordable supply + LCHO	200	
		TOTAL AFFORDABLE SUPPLY		**3881**
OVERALL ANNUAL SHORTFALL	12	Annual need to reduce backlog (B)	1578	
		Newly arising need (N)	3028	
		TOTAL AFFORDABLE NEED (B+N)		**4606**
		Affordable Supply (S)	3881	
		OVERALL ANNUAL SHORTFALL (B+N)-S		**725**

Notes: * 'too small' also includes those respondents who said their home did not have enough bedrooms.

Table 6.2. Disaggregated model of housing need annual shortfall by HMA.

HMA	Total Annual Need to reduce Backlog (B)	Annual Newly Arising Need (N)	Backlog and Newly Arising Need (B+N)	Annual Affordable Supply (S)	Annual shortfall ((B+N)-S)
Chapeltown/Ecclesfield	55	159	214	140	74
City Centre	76	152	227	129	98
City Centre West	234	614	848	433	415
East	173	212	385	344	41
Manor/Arbourthorne/Gleadless	194	292	486	619	-133
North East	243	342	585	850	-266
North West	154	232	385	213	173
Peak District National Park	19	43	62	33	29
Rural Upper Don Valley	1	27	28	26	2
South	118	244	362	314	48
South East	220	414	634	640	-6
South West	75	242	317	82	235
Stocksbridge and Deepcar	18	55	73	57	16
Total	**1578**	**3028**	**4607**	**3881**	**726**

Note: the total 726 is one more than the aggregated model due to rounding for each HMA rather than a simple distribution of the 725 properties.

6.7 THE ROLE OF INTERMEDIATE HOUSING

The household survey allowed us to explore the level of demand for intermediate and other low cost housing options.

Households are largely aware of the housing schemes available across the city (Table 6.3). Over 50% of households know of each of the schemes identified with Sheffield City Council as important, with over 85% demonstrating an awareness of Right to Buy and Shared Ownership. This widespread understanding is not met by expectations, as fewer households would consider these schemes in the future. There are many reasons why households may not expect to consider the housing scheme in the future (e.g. ineligibility in the case of Right to Buy). The housing scheme with the highest percentage of households open to consideration is Self Build at 43%. The number of households willing to consider shared ownership is much lower at 32%. This is slightly lower than the level of interest in sub-market (affordable) rented accommodation.

Table 6.3.Willingness to consider housing schemes.

Housing scheme	% of respondents	% of responses
Shared Ownership	31.7	18.0
Right to Buy	32.2	18.3
Self Build	43.1	24.5
Affordable Rent	35.2	20.0
Rent to Buy	33.7	19.2
Total*	175.8	100.0

Source: Household survey. *note respondents could make multiple responses.

Notably the level of interest in shared ownership is lower than the historic policy target. It is also higher than recent levels of delivery. This finding was confirmed in Home Truths II and is evidenced in the following quotes:

> *"I've not heard of anybody that's gone for [the shared ownership option]. I think it's because people see themselves as they may as well either rent a house or buy a house, what's the point of it? You've still got the costs of maintaining and repairs whereas if you're renting it's the landlord's responsibility" (South east outer, owner-occupier, White and Black African)*

> *"Shared ownership, no that didn't interest me at all, I don't want anyone owning my house, I want to be the sole owner of my house" (South east urban, owner-occupier, Indian, 31)*

> *"It's [shared ownership] probably a good idea if it helps people buy their first house if that's what they're wanting to do. The amount of deposit they've got to find now, because of the cost of everything I don't know how anyone ever saves it up, because I'm finding it very difficult to save, shopping is so expensive now" (South east outer, owner-occupier, White British, 62)*

There is a strong case for setting a demand-led target (at around 30%) rather than set policy in line with viability considerations. This approach was strongly supported by a variety of stakeholders in the policy workshops (see Appendix 2) held as part of the research process.

6.8   CONCLUSIONS

This chapter estimates current and future households in housing need. Housing need is the quantity of housing required for households who are unable to access suitable housing without financial assistance. Housing need is met by affordable housing which can be either social/affordable rented or intermediate housing made available to eligible households unable to access market housing. Intermediate housing includes homes that are available at prices and rents above those of social rents but below those of market prices and rents.

The annual level of housing need is forecast to be 725 units per annum. There is considerable variation between the levels of need experienced in different parts of the market.

It is suggested that need should be met through an affordable/intermediate housing ratio of 70/30. This assessment is based purely on the demand for intermediate housing rather than the financial viability it is suggested that 30% of the affordable supply should be in the form of intermediate housing (Low Cost Home Ownership, LCHO). However, the challenges of delivering LCHO and the limited awareness of this among households suggests a need for careful analysis of the marketability of, and practical barriers to, LCHO. The historic mismatch between the target for and

the actual delivery of the supply of new intermediate housing therefore suggests the need for a review of the city's Affordable Housing Policy.

7   Housing requirements for specific groups

Key points

- This chapter considers the housing requirements of four specific groups: households and residents with disabilities or long term limiting illnesses; Students; High net-worth households; BME households; and older households.

Households and residents with disabilities or long term limiting illnesses
- The survey suggests that 57,468 households contain at least one household member suffering from disability or LLTI.
- The distribution of these households is spatially uneven as is the inadequacy of housing for these residents. Approaching 50% of households with members who are disabled or have long term limiting illnesses in the Manor/Arbourthorne/Gleadless HMA believe their housing is not adequate given their circumstances.
- The incidence of households living in inadequate housing is part of the rationale for 25% of these households considering moving home.
- These households have serious concerns about the likely impacts of welfare reform which will need to be monitored carefully and might have pronounced consequences for housing need.

Students
- There are 62,000 students at the City's two Universities. Their housing requirements are met by 16,500 PBSA bed spaces and the private rented sector.
- Student households express high levels of dissatisfaction with the PRS. They highlight: sub-standard conditions; overcrowding; poor levels of repair and maintenance; and security and safety concerns.
- There is some suggestion that demand for 'traditional' PRS student accommodation is weakening.

High Net-Worth Households
- The preferences of high net-worth households are significantly shaped by the quality of school provision. Demand is highly concentrated in particular school catchment areas in the South West of the City.
- Despite high demand, there is no clear evidence that the very 'top' end of the market is constrained.

BME households
- BME Households are found throughout the city but are most highly concentrated in particular neighbourhoods. These neighbourhoods are viewed positively as sources of social support, and due to the clustering of religious and cultural amenities.
- Strong preferences for these areas has begun to drive property values. 'New communities" are thought to be emerging in Page Hall and Fir Vale.

Older households

- Sheffield's population is ageing. The city also acts as a net attractor to older households who need support.
- There is a significant group of active older households for whom the market does not cater.
- This is a highly heterogeneous sector. In addition to pressures on social care and informal support networks, there are challenges emerging as a result of the uncertainties associated with welfare reform and from the likely impact of 'downsizing'. In the latter context, older households highlight the potential of city-centre living but also note low levels of appeal for the standard house types on offer.

7.1 INTRODUCTION

This chapter considers the housing requirements of five specific groups: households and residents with disabilities or limiting long term illnesses (LLTIs); Students; High net-worth households; BME households; and older households.

7.2 HOUSEHOLDS WITH DISABILITIES

Evidence from the household survey suggests that a quarter of households have a member with a disability or limiting long term illness (LLTI). The incidence of disability/LLTI is spatially uneven (Table 7.1).

Table 7.1. Households with a disability or long term limiting illness by HMA.

HMA	No. of households (gross weighted)	% of households
Chapeltown/Ecclesfield	3701	27
City Centre	846	12
City Centre West	7267	20
East	4276	27
Manor/Arbourthorne/Gleadless	6311	32
North East	9046	31
North West	3613	21
Peak District National Park	487	12
Rural Upper Don Valley	571	23
South	4930	25
South East	11627	29
South West	3399	16
Stocksbridge and Deepcar	1394	25
TOTAL	57468	25

Source: household survey (Question A10 'Do you or anyone else have a disability or long term limiting illness?').

Disability and LLTIs have an impact on the housing demands and needs of households. The needs of households with a member with a disability or long term limiting illness vary according to the nature of the condition. An LLTI represented

the most frequently cited condition (32.6% of households), and 23.5% of households contain at least one member suffering from a physical disability (Table 7.2).

Table 7.2. Type of disability or limiting long term illness.

	No. of responses	% of households	% of responses
Long Term Limiting Illness	23246	32.60	40.50
A physical disability	16810	23.50	29.30
A sensory disability	3561	5.00	6.20
Learning or developmental disability	4496	6.30	7.80
Mental health problem	9103	12.80	15.80
Cognitive impairment (brain injury)	240	0.30	0.40
Autism	2753	3.90	4.80
Dementia	1226	1.70	2.10
Other	9952	13.90	17.30
All disabilities/LLTIs	**71388**	**100.00**	**124.20**

Source: household survey (question A10).

Disabled households may require facilities fitting to adapt the property, or may live in households with bespoke or appropriate existing facilities incorporated into the dwelling. Question G4 in the survey reveals that approximately 10% of dwellings have had an adaptation or has been built to meet the needs of the disabled.

Table 7.3 reveals the most common facilities and adaptations that have been provided. The most frequent facility provided was handrails or grab rails, which are fitted in 56% of dwellings which feature adaptations or are made for access to meet the needs of a disabled resident. Bathroom adaptations are the second most frequent facility, with four other facilities in at least 20% of adapted or purpose built homes.

Table 7.3. Facilities and adaptations provided.

Facility/adaptation	No. (gross weighted)	% of households	% of responses
Wheelchair adaptations	4267	7	19
Access to property/ramp	6432	10	29
Vertical lift/stair lift	6407	10	28
Bathroom adaptations	11982	19	53
Ground floor toilet	5457	9	24
Handrails/grab rails	12594	20	56
Kitchen adaptations	1115	2	5
Safe access to garden/external area	3720	6	17
Assistance maintaining home/garden	2236	4	10
Extension/extra room	1040	2	5
Citywide alarm system	5286	9	23
Downstairs bedroom	1300	2	6
TOTAL	61837	100	274

Source: household survey (question G4).

Despite current housing stock containing adaptations and some households receiving support, for example personal care, many households believe that members of their dwelling need further support. 10% of households containing a member who is identified as disabled or suffering from a LLTI required help looking after the garden, whilst 9% required further help looking after the home (Table 7.4). These physical requirements to the premises are cited more frequently than the other issues such as personal care and preparing meals (both 4%) which relate more to the individual resident(s) than the dwelling.

Table 7.4. Households with support needs.

Support need	Number of households (gross weighted)	% of households with a disabled resident	% of all households
Claiming benefits or managing finances	3631	6	2
Having someone to act on your/their behalf	2214	4	1
To participate in social activities	2794	5	1
Personal care	2436	4	1
Establishing personal safety or security	2893	5	1
Looking after the home	5074	9	2
Looking after the garden	5765	10	3
Preparing meals	2485	4	1

Source: Household Survey

The survey also asked residents about their perceptions of whether their property was suitable for the needs of existing disabled or longer term limited residents. 64% of households had homes that were suitable for their needs, whilst 36% of properties were not. There was no major difference across the tenures, although slightly higher averages of suitable accommodation were recorded by owner occupiers without a mortgage rather than with a mortgage (which may reflect greater cash resources to fund adaptations). There is some variation in the survey across the HMAs (the Rural Upper Don Valley and Peak District National Park HMAs have limited overall returns and may therefore be unrepresentative). Manor/Arbourthorne/Gleadless HMA is most frequently (proportionally) cited as having housing that is not adequate for the needs of a disabled or LLTI resident at 48%.

Table 7.5. Adequacy of home for disabled resident needs.

HMA	Adequate		Inadequate	
	Number	**%**	**Number**	**%**
Chapeltown/Ecclesfield	2057	75	699	25
City Centre	518	58	372	42
City Centre West	3969	61	2549	39
East	3572	68	1649	32
Manor/Arbourthorne/Gleadless	3000	52	2802	48
North East	5528	66	2876	34
North West	2722	66	1420	34
Peak District National Park	287	74	100	26
Rural Upper Don Valley	516	100	0	0
South	2845	65	1543	35
South East	6216	61	3994	39
South West	2863	69	1271	31
Stocksbridge and Deepcar	1074	77	319	23
Sheffield	**35167**	**64**	**19594**	**36**

Source: Household survey question G6 ('If anyone in your household is
disabled or has a long term limiting illness, is your home adequate for
their needs?').

The unsuitability of existing housing for households with disabled or long term
limited residents causes 25% of households to consider moving home to resolve
their difficulties (Table 7.6). Of the households who are considering moving home
the most frequent reason is not actually provided in the survey (i.e. other). This
represents some of the complexity of viewing the needs of individual disabled
residents from a macro perspective.

**Table 7.6. Disabled households requiring to move to resolve
difficulty with inadequate housing.**

Reason for need to move	No of responses	%
Cannot afford adaptation	1322	4
Home cannot be adapted	2229	7
Need to be closer to healthcare facilities	215	1
Need to be closer to family or friends	1373	4
Another reason	2780	9
Total	**7919**	**25**
Do not need to move	*23156*	*75*

Source: Household survey. Question G7 ('If your present home is
not adequate for you or another household member do you need to
move to resolve this difficulty?')

Two main points relating to housing requirement emerge:

• Housing adaptations should respond to the needs of residents
• The impact of welfare reform changes on disabled residents needs continuous
  monitoring to ensure they can access appropriate housing

In summary, the frequency of households with disabilities or long term limiting
illnesses is spatially uneven, as is the inadequacy of housing for these residents.
Approaching 50% of households with members who are disabled or have long term

limiting illnesses in the Manor/Arbourthorne/Gleadless HMA believe their housing is not adequate given their circumstances. Whilst some of the reasons for the current housing's inadequacy can be met through further adaptations to the home, this is not the case for all households. The incidence of households living in inadequate housing is part of the rationale for 25% of these households considering moving home.

Interviews with residents for Home Truths II found concerns over changes to Disability Living Allowance and the ability of residents to choose appropriate housing. The impact of this and wider welfare reforms on the ability of disabled residents to find appropriate housing should be monitored. According to the household survey, 57,468 households contain at least one household member suffering from a disability or LLTI. This represents a quarter of households in the city. The geographic distribution of households with a member who has a disability or LLTI is not even across HMAs, with some areas having over ten times the number of households with a disability or LLTIs as others. In part this is due to the range in the number of households in each HMA, but even when standards by household numbers the range varies from 12% of households in the Peak District National Park HMA and 16% in the South West HMA up to 32% in the Manor/Arbourthorne/Gleadless HMA and 31% in the North East HMA (Table 7.1).

7.3 STUDENTS

Sheffield, with two universities, has a large student population. Sheffield Hallam University has 37,000 students[40] – the third largest University in the country[41] – and the University of Sheffield has 25,000[42]. Whilst not all of these students require accommodation within the city, the vast majority of students (around 48,000) are full time students and reside within Sheffield during term time. According to the household survey 83% of students live in the private rented sector: either in university-owned or private Purpose-Built Student Accommodation (PBSA), or in rented houses or flats. It is estimated that there are 16,500 PBSA bed-spaces in Sheffield.[43] Although there is some ambiguity in the understanding of terms among survey respondents, the household survey suggests that around 20% of students live in PBSA, equivalent to approximately 12,295 students. This suggests that PBSA provision in the city is probably in approximate balance with demand, or possibly slightly in over-supply. This is consistent with what student landlords told us in that the PBSA sector is drawing students away from rented student houses in 'traditional' student neighbourhoods.

A significant proportion of students remain in the city after their graduation from undergraduate studies, whether to pursue further qualifications or to work. There is

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[40] 37,066 students, of which 28,409 are undergraduate and 8,657 are postgraduate (www.shu.ac.uk/mediacentre/fast-facts)

[41] Sheffield Hallam University (2012) *Operating and Financial Review for the Year Ended 31 July 2012.*

[42] 24,767 students (2011-12), of which 17,720 are undergraduate and 7,051 are postgraduate (http://www.sheffield.ac.uk/about/facts/instprofile)

[43] Sheffield City Council (2013) *Draft Student Housing Strategy.*

a widespread perception that levels of student retention are relatively high, with recognition of the associated benefits for a skilled workforce. 26.5% of leavers from the University of Sheffield in 2011/12 were in local employment or further education after six months of leaving[44]. The retention rate after 6 months is not available, therefore, given the first years of employment after university represent a transition period it is likely that fewer than 26.5% are resident within the city at a later date.

The retention rate varies slightly across different degree classifications. Many medicine students for example take foundation placements at hospitals within the city (but may move later in their training). Similar retention rates existed in 2012 for first degree and taught postgraduate degrees, but higher retention rates for research postgraduates (31%) although this accounts for a much smaller number of students overall.

The City Centre and City Centre West HMAs are particularly notable for being home to many of the city's two university's students during term time. Many students in the first year of their programme will reside in PBSA, allocated by the universities, their private sector partners, or independently by private sector providers. Typically, students then move in subsequent years into the PRS in surrounding neighbourhoods.

Figure 7.1 provides a map showing the principal student neighbourhoods, which are focused on the central area and western suburbs of the city.

Beyond University and course-specific considerations, Sheffield students were also attracted to the city due to its reputation as a vibrant and safe place for students to live (see Annex Report 1 section 8 for a more detailed account of resident views on the student market). Many non-student respondents also spoke positively of the vibrancy and economic benefits that a large student population brought to the city.

The majority of student respondents followed the conventional housing trajectory of residing in PBSA in their first year of study before moving into the private rented sector (PRS) in their second year. The latter was often contrasted unfavourably with the former. The quality of student accommodation, particularly in the PRS, emerged as the key issue among respondents by some distance. The most common concerns were:

• sub-standard housing conditions
• overcrowding from landlords converting smaller properties (in terms of bedroom size and communal areas)
• difficulties in getting repairs and maintenance carried out
• security and safety.

[44] The Destination of Leavers from Higher Education (DLHE) survey for 2011/12. The definition of 'local' includes residents in postcodes S1-S14 (inc), S17, S20, S35, S36.

Figure 7.1. Term time addresses, all University students, 2012-13.
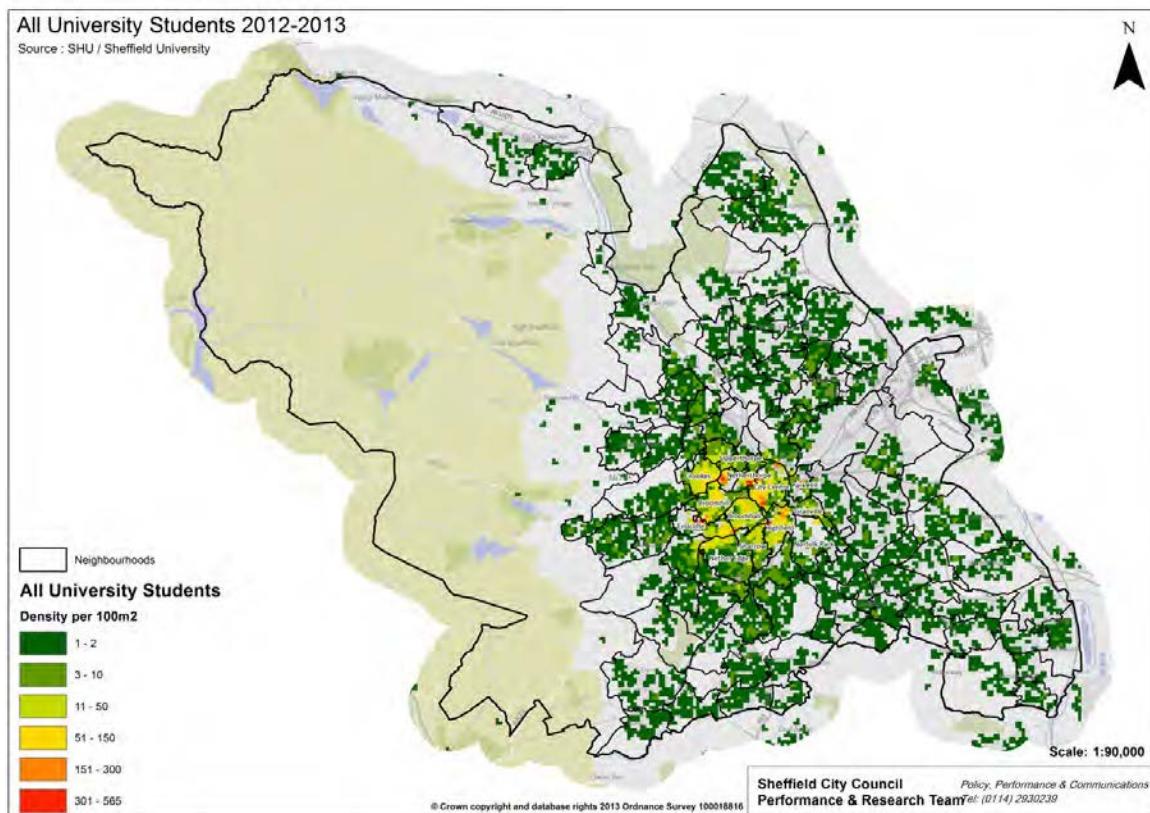
Source: Sheffield City Council (2013) *Student Accommodation Strategy.*

Students expressed a general view that PRS accommodation was over-priced considering the standards of some properties. Experiences of burglary and robbery within private rented accommodation shaped the perception of insecurity and made students feel unsafe. This was a particular concern for women who sometimes found themselves home alone. Several non-student respondents stated that they felt that areas where students were concentrated often had less of a "community feel" about them. This was put down to the fact that students were very transient and therefore less likely to engage with neighbours or the wider community. Such a lack of neighbourhood interaction was also seen as a negative by many student respondents and made them feel less safe than they would if they knew their neighbours and could call on a favour, for instance.

PRS landlords were of the opinion that the demand for PRS accommodation from Sheffield's student population was decreasing due to a decline in the student population; increased fees causing many students to remain at home; and recent PBSA developments in the city centre (see Annex Report 1 section 10 for a more detailed account of stakeholder views on the student market).

Recent changes in the student housing market

The city's two universities are an important part not only of the economy but of the overall pattern of demographic and housing market change. As has already been seen, several parts of the city -- particularly the City Centre and City Centre West HMAs -- are the principal focus for the city's student housing market. This market

has expanded in recent years. In particular there has been a significant increase in Purpose Built Student Accommodation (PBSA) in areas like Netherthorpe, St. Vincents and the Devonshire Quarter (see Chapter 3).

That said, there is some indication from landlords of student housing and other stakeholders that the student housing market -- particularly for shared houses -- may be weakening. Allied to this are concerns about the potential impact to major changes to the system of Higher Education funding and to the visa system as it affects international students. The main unknown variable is how the impact of the introduction of higher rate student fees and caps on subsidised students will impact on universities in coming years.

Yet, aside from the decline in applications from, and admissions of, home undergraduate students in 2012, the application picture remains generally positive. The dip in home undergraduate applications in 2012 was generally reflected nationally and was the combined impact of the change to the introduction of higher fees (of up to £9,000 per annum), the result of fewer deferred/gap year applicants, slightly poorer results at A level and the impact of a demographic decline in the number of 18 year olds in the UK. It is worth noting that home undergraduate applications have recovered from this dip in 2013.

Universities, including those in Sheffield, have sought to expand other markets in recent years, notably those for postgraduate students and international students. At the time of writing, there is a national trend of fewer choosing to apply for postgraduate study reflecting in part the costs of doing so at a time of pressure on incomes. However, there continues to be an increase in applications from overseas which, as of yet, does not appear to have been affected greatly by changes to immigration rules.

7.4   HIGH NET-WORTH HOUSEHOLDS

Sheffield has the highest value housing submarkets in the city region and many parts of the city are generally seen to be under pressure in housing market terms.

As discussed previously stakeholders and residents often refer to Sheffield as a 'divided city' in housing market and social and economic terms. The housing market in the South West HMA is considered a much more desirable and 'upmarket' location than the east and some northern parts of the city. There is some evidence from patterns of internal migration (Figure 3.4 on page 26), house sale prices (Figure 4.3 on page 45), and housing search activity (e.g. Figure 3.8 on page 34) that backs up this view.

It is also the view of some stakeholders and residents that the housing market in certain neighbourhoods of west Sheffield have become 'overheated' as a result of a mismatch between supply and demand. It is also clear, however, that this view depends on origin and lifecycle factors: migrants to Sheffield from higher price areas in the UK seem to generally refer to the 'value for money' of Sheffield's suburban housing market compared to attractive locales in other cities.

The role of schools in defining the boundaries of the neighbourhoods considered by those with means was consistently raised in interviews and focus groups, and has some basis in the survey evidence (Table 7.7). Approximately 26% of weighted survey respondents considered that 'education provision' was one of the five most important qualities of a 'good' neighbourhood. This varied from 12% of respondents in the East HMA to 40% in the South West HMA and 51% in the Rural Upper Don Valley HMA.

Table 7.7. Importance of 'education provision' to a good neighbourhood by HMA.

HMA	% of respondents
Chapeltown/Ecclesfield	33.0
City Centre	16.3
City Centre West	19.6
East	12.4
Manor/Arbourthorne/Gleadless	19.0
North East	18.5
North West	30.0
Peak District National Park	33.5
Rural Upper Don Valley	50.6
South	38.6
South East	28.7
South West	39.6
Stocksbridge and Deepcar	19.4
Total	**25.96**

N=230,373 (gross weighted) respondents to question: "Generally what do you think are the most important qualities of a good neighbourhood? (select up to five)".

While good schools were generally seen as an important neighbourhood quality, somewhat fewer respondents said explicitly that schools or school catchment areas influenced their decision to move to their present home. As can be seen in Table 7.8, 3.8% of respondents said that a catchment area was important, while 2.8% of respondents said that a better school was an important consideration. That said, among respondents with at least one child under 18, this rises to 10.3% (catchment areas) and 7.5% (better school). Again, there is clear variation among HMAs: respondents in the South West and Rural Upper Don Valley HMAs were more likely to say that schools and/or catchment areas were important factors, with those in the East HMA least likely.

There is some concern that there is a relative lack of 'good family homes' in desirable neighbourhoods (one stakeholder suggested these were homes in the £250-400,000 bracket) which was being caused by a decline in current occupants seeking to take the next step to the very expensive (£500,000+) housing.

The South West HMA has not been immune to price declines since the recession, especially around the critical £500,000 stamp duty threshold. As was evident from the maps in Figure 4.2 and Figure 4.3, some of the extreme 'heat' has been taken out of this market although prices remain high in absolute terms.

Table 7.8. Importance of schools in influencing decision to move by HMA.

HMA	Base: All respondents (N=230,373 gross weighted)		Base: Households with at least one son or daughter aged less than 18 (N=55,468 gross weighted)	
	Category: "To move to a school catchment area" (%)	Category: "For a better school" (%)	Category: "To move to a school catchment area" (%)	Category: "For a better school" (%)
Chapeltown/Ecclesfield	2.2	2.1	8.9	8.4
City Centre	.9	.9	-	
City Centre West	3.6	1.6	12.1	8.3
East	-	.9	-	3.1
Manor/Arbourthorne/Gleadless	.6	-	2.2	
North East	2.4	1.9	6.6	4.9
North West	3.6	2.8	12.3	8.8
Peak District National Park	8.1	8.1	17.7	8.1
Rural Upper Don Valley	11.8	8.5	33.4	33.4
South	5.9	3.8	17.0	10.2
South East	3.3	3.7	6.6	7.9
South West	12.3	7.5	27.4	16.0
Stocksbridge and Deepcar	1.9	-	7.6	-
All	3.8	2.8	10.3	7.5

Base: respondents to question: "What factors influenced your decision to move to your present home? (tick any that apply)".

There is no particular evidence that the top end of the market is constrained. While it is the case that there is shortage of affordable good-quality family housing across the city, the market for very expensive homes (of £500,000 or over) has retracted since 2007 (see Chapter 4). In many respects, it is more likely that the price premium paid by those able to access the South West HMA comes about because of a shortage of good quality family housing in other parts of the city coupled with concern about uneven school standards.

7.5 BME HOUSEHOLDS

As discussed in Chapter 4, 12.3% of Sheffield's population, around 76,900 people, considers themselves to be of a non-white ethnicity (see Table 4.2). This represents a significant increase over the past two decades. The ethnic profile of the city is uneven. The majority of the city's Black and Minority Ethnic (BME) population lives in the East and City Centre West HMAs. The East HMA is the city's most ethnically mixed. Several areas of the city, such as the Chapeltown/Ecclesfield, Rural Upper Don Valley, and Stocksbridge and Deepcar HMAs have very small BME populations.

Four specific issues dominated the qualitative interviews with BME households:

- ethnic minority settlement patterns within the city;
- cultural and religious needs of the home and the neighbourhood;

- overcrowding; and
- racism and harassment.

7.5.1   Settlement patterns

As with most British cities, Sheffield contains certain neighbourhoods in which specific BME populations are concentrated, sometimes referred to as "ethnic enclaves". These enclaves are normally referred to in a positive sense, with respondents noting the feelings of familiarity, social networks of support and the clustering of religious and cultural amenities that exist within them.

A small number of respondents reported that ethnic minority settlements were undergoing change. The desire to be in particular locations was said to have driven up prices in those established areas and consequently some BME households were settling elsewhere. "New communities" were said to be emerging in the East of the city as well as the Page Hall and Fir Vale areas.

7.5.2   Needs of the home and neighbourhood

New build properties were generally cited by some Muslim respondents as being problematic due to their incompatibility with religious and cultural practices. For instance, open plan design was not conducive to the rules around gender segregation at certain times for particular communities. Such considerations raise particular issues for new developments, especially in ethnically diverse areas. New build properties were also seen to be much smaller than older dwellings and the tendency for larger and intergenerational households among some BME populations meant that overcrowding was sometimes an issue with little space within the home for privacy or for children to study.

The most prevalent issue raised by BME respondents was racism and harassment. This was the main reason that BME respondents in our qualitative sample wanted to move home. These experiences were particularly common for households living in areas with only small proportions of other BME households; reinforcing the positive notions surrounding ethnic enclaves. Three out of nine BME respondents were desperate to leave their current accommodation and area but found themselves "trapped" due to affordability issues and/or having bought their property at the "wrong time" (just before the housing market downturn in 2008). These experiences provide only a snapshot and are in no way representative of Sheffield as a whole. However, they do provide some cause for concern and point to the need for a greater understanding of the prevalence of racism and harassment and ethnic conflict within Sheffield at the neighbourhood level.

7.6   OLDER HOUSEHOLDS

Issues relating to older people can be broadly broken down into three categories: (i) households who currently live in Sheffield and are elderly or will become 'older

households' within the next 5 years; (ii) 'older households' who will move to Sheffield; and (iii) households considering 'downsizing'.

7.6.1 Current households

27% of households responding to the survey contained one or more residents over the age of 65, and thus represent a significant group within the overall housing requirement. According to the 2011 Census there are approximately 29,000 single person elderly households (i.e., one person aged 65+) and a further 18,500 households where all members are aged 65 or over.

7.6.2 Older households moving to Sheffield

7,517 current households in Sheffield expect elderly residents to move to Sheffield in the next three years to receive support (question G8). The extent to which these elderly future residents will require independent housing depends upon both the individual's support needs and the ability/willingness of the household to support those needs appropriately. 20% of households expect their elderly residents to move into accommodation provided by friends (with or without adaptations), whilst 32% expect their relatives to live independently. Although not a focus of the SHMA, 16% of residents expect their elderly relatives to move to either residential or nursing care, representing a significant in-migration demand for the sector. To caveat these findings, the 2007 SHMA argues that households over-emphasise the need for elderly relatives to need supported accommodation, whilst elderly households predict that they will remain in their existing accommodation.

Table 7.9. Type of accommodation elderly relatives who move to Sheffield in the next three years might need.

Type of housing	%
Live independently (with adaptations)	20
Live independently (with care in own home)	12
Live with relatives (existing home adequate)	5
Live with relatives (need extension/adaptation)	15
Private sheltered housing	8
Council/Housing Association sheltered housing	6
Private housing	3
Council/Housing Association property	3
Residential care	11
Nursing care	5
Extra Care housing (purpose built for independent living)	8
Other purpose built supported housing scheme	5

Source: Household survey, question G9.

7.6.3 Downsizing

In addition to the *Home Truths II* work, we undertook a small number of additional interviews with residents over 65 to consider, among other things, their views on

downsizing. The residents were selected from the survey and whilst not representative of all views in Sheffield do provide evidence of some of the issues facing older households in the city. Evidence in this section combines the survey, Home Truths II and the older residents interviews.

Older residents frequently have lived in their accommodation for longer than the average Sheffield resident, with 70% living in their existing home for more than 5 years, and 18% having lived in the same house for their entire adult life. This longevity represents challenges to policies aimed at supporting mobility amongst elderly residents, for example to encourage downsizing to release larger properties for families.

Home Truths II found evidence of willingness to downsize amongst households both over and under 65:

> *"Downsizing, we released some funds as well…it was old and cold and too big and we had a massive garden which was getting too much" (South west, owner-occupier, White British, 67)*

> *"The plan is we stay where we are until the kids have left home and then probably look at downsizing again, we'd want to be where we are for the next 10, 15 years" (Chapeltown/Ecclesfield, owner-occupier, White British, 40)*

Whilst residents were willing to self-select downsizing, there was a resentment from residents who felt they were being pushed towards it and therefore were wary of policies to support downsizing. The resentment was reflected in arguments citing moral rights to remain in the home that they have grown up in, and in some cases have owned outright for significant periods of time. Whilst there was empathy with younger households and families who may not be able to find appropriate accommodation, older residents supported their independence in deciding if, when and where to move:

> *"I want to go where I want to be, not where they tell me I've got to go."*
> *(Manor/Arbourthorne/Gleadless HMA, White British)*

This independence in decision-making resonates with findings in Home Truths that residents want to select their housing futures rather than be funnelled into particular house types or areas.

8   Conclusion

8.1   INTRODUCTION

The research was undertaken in the wider context of the initial stages of recovery from a major economic recession; significant welfare reforms and changes to the benefits regime; considerable fluidity between tenures, including notable growth in the private rented sector and decline in other tenure types; low rates of housing delivery; an ageing population; and increasing but volatile international migration (see Chapter 2 for details). This context presents significant short to medium-term challenges for housing and planning policy-makers and practitioners and provides an important backdrop to the analysis contained in the report.

This chapter synthesises the findings from the different elements of the study. It summarises the key findings and highlights several important policy challenges.

8.2   THE SHEFFIELD MARKET

8.2.1   Defining the Market

Analysis of migration data reveals that Sheffield is a self-contained housing market: 73% of new households originate from within the local authority boundaries. Estate agents and policy-makers identify important spatial sub-divisions within the Sheffield market. There is consensus that Sheffield ought to be viewed as comprising a set of 13 inter-related local (sub) housing market areas (HMAs) (see Chapter 3). There are also important functional market segments that serve the needs of students, higher earners and a range of other sub-groups. Consequently, our analysis sought to explore both spatial differences and segment-specific issues.

8.2.2   Shared Markets

Despite the high level of self-containment, there are shared markets for some types of housing with neighbouring authorities (Chapter 3). The most significant migration outflows are to Rotherham that, in functional terms, helps to meet some demand for family housing. There are more limited net flows into North East Derbyshire, Chesterfield and Barnsley. This suggests that the city will continue to rely to a modest degree on nearby authorities to help meet need.

Conversely, Sheffield plays an important role in meeting housing demand from longer-distant migrants moving into and working throughout South Yorkshire, and in meeting demand for flats from predominantly younger households from across the city-region.

International migration represents the most significant long distance inflow. The annual level of international migration, both EU migrants and student migration, is highly volatile and its impact is felt disproportionately in some parts of the housing system (including the multiple occupancy rental accommodation).

8.2.3   Home Ownership Market Dynamics

Owner occupation remains the dominant tenure, although it has fallen from 63.1% of households in 2007 to 58.3% at the date of the 2011 Census. This level of ownership is lower than that in surrounding districts, while house prices are higher. The mix-adjusted average sales price in Sheffield was £112,946 in 2013. This has fallen from a peak of £136,015 in 2007. Prices in Sheffield have proved more resilient in the face of weak economic fundamentals than elsewhere in the city-region and in Yorkshire and Humber more generally (see Chapter 4).

There are significant variations between the price levels in local market areas. They range from an (non-mix adjusted) average of £83,033 in the North East HMA to £267,770 in the South West HMA and £287,746 in the Peak District National Park HMA. This distribution of prices reflects the highly uneven patterns of demand revealed by housing search data (which tends to be both very localised and most intense in the South West) and the aspirations expressed by survey respondents. The survey showed that the South West HMA dominates location preferences (see Chapter 5).

The spatial dynamics that the market revealed are interesting (see Chapters 4 and 5). The strong preference for homes in the South West is often tempered by realism about affordability and availability. For example, only one in six of the households who aspire to live in Millhouses in the South West HMA expect that to happen. This is very different for other parts of the City. For example, more than half of the households who would like to live in Hillsborough expect their aspiration to be realised. Households with greater levels of local knowledge appear to adjust their preferences and often refocus on seeking to move up the housing ladder within their existing neighbourhood or market area. This creates pressure for family housing in all local market areas and highlights shortages in particular types of homes. The pressure on the South West HMA, however, is maintained by local interest and the tendency for long distance migrants to gravitate towards that submarket.

The total housing stock is dominated by three bedroom, semi-detached dwellings (see Chapter 4), although terraced housing, at 27% of the stock, is far more prevalent than in any of the surrounding local authority areas. Detached homes and bungalows are far less prevalent. Detached dwellings comprise 14% of the dwelling stock, significantly lower than neighbouring authorities (which range from 21-36%).

8.2.4   Changes in the Private Rented Sector

The Private Rented Sector (PRS) has grown since 2007 and now represents 16% of the stock, housing more than 35,000 households. The PRS serves a number of different household groups: students, lower income households, families, high

earners (the 'executive' market), and younger and older households. The pattern of rental changes has been complex (see Chapter 4).

Rental levels for bedsit and one-bed units declined between 2007 and 2012, with the rate of decline slowing in the last few years. In contrast, rental levels for two, three and four bedroom properties have gone up. Detached and semi-detached homes have exhibited the largest levels of rental increase. Rents have risen in all geographic areas in the last three years with the largest rises in the South HMA (12%) and South West HMA (14%). These patterns suggest similar underlying patterns of demand for family homes to those in the owner occupied sector; and a degree of oversupply in the market for smaller (e.g. one bedroom) flats, likely to have been driven by the 'buy to let' boom in the city centre.

Rental levels for larger (five bedrooms or more) homes have declined significantly. As we discuss in section 8.4, this is likely to be a reflection of the contraction in home student numbers at the city's Universities.

8.2.5 The Role of the Social Rented Sector

The Social Rented Sector (SRS) is now smaller than in 2007 and makes up the remaining 24.8% of the city's dwellings. The majority – just over 30,000 units – are semi-detached or terraced houses. A further 23,865 units are purpose built flats (see Chapter 4).

The stock is concentrated particularly in certain parts of the city, notably the North East HMA (22% of the city's SRS stock), Manor/Arbourthorne/ Gleadless HMA (16%) and East HMA (9%). This concentration means that there is a relationship between socially rented housing and neighbourhood satisfaction: council and housing association tenants are less likely to be satisfied with their neighbourhood as a place to live than other residents, including those from the PRS.

While levels of turnover in the social rented sector have fallen slightly, there is now greater efficiency in the matching of needs to properties, in part due to the adoption of Choice Based Lettings. The average re-let time for a council property is around 29 days. However, changing allocations priorities have meant that while the waiting time for households in priority need has decreased to only two months, the average waiting time for other households has risen to 86 months.

17% of households needing to move would like to live in socially rented accommodation, although this is skewed by income. 32% of households with an annual income of less than £10,000 would like to live in a council home. Only a further 1% of all households needing to move expressed a desire to live in shared ownership housing.

We estimate that around 6% of the SRS stock is overcrowded and 40% is under-occupied, although quantitatively under-occupation is much greater in the owner-occupied and private rented sectors.

The lack of larger four bedroom properties in SRS stock cannot currently meet over-crowded demand and the limited capacity overall within the SRS stock is limiting the opportunities of residents hoping to downsize. The government welfare

changes may increase demand and turnover, but Sheffield will currently not be able to re-house all those who need to move due to existing pressures within the system. Despite these stock based limitations, further policy work, in line with the opportunities for mutual exchange outlined in Home Truths, may enable some of the larger properties to be freed up for larger families. More work needs to be done to assess the capacity to meet this need across the whole of the SRS.

8.3   HOUSING REQUIREMENTS

A key element of the SHMA is the assessment of housing requirements. This involves estimating both the levels of demand that might be met by the market and the level of households who will need housing but will not be able to access it without assistance.

8.3.1   Market Demand

Household projections suggest that Sheffield's population will continue to grow over the next five years. Household formation rates have been variable over time. Although underpinned by demographic change, these rates fluctuate with changes in the economy (particularly employment opportunities) and can be constrained by the availability of housing. Official projections are produced that reflect different scenarios. The subnational population projections (SNPP) model suggests that, by 2018, new household formation might be 1,242 (dwelling constrained) or over 3,500 (migration-led). The most likely scenario, based on economic forecasts and drawing together evidence from our survey and different projections models, is that around 2,300 new households will form each year.

The majority of these newly forming households will be able to access market housing. We estimate that, to avoid acting as a brake on economic growth, the market will be required to meet demand for new housing in the region of 1,700 units per annum (see Chapter 5 for details). There are some uncertainties associated with household projections and this estimate reflects an upper limit. Once households that are likely to share are factored in, we would recommend planning for a range between 1,250-1,700 new households per annum. It is also difficult to determine the precise relationship between the level of housing requirement and future economic growth in the city. More work is required to determine the detailed housing implications of forecast economic scenarios and how these might relate to the available housing supply. To some extent, this is a city-regional issue as it is unlikely that the housing requirements associated with a very high economic growth scenario in the city will be met solely within Sheffield.

8.3.2   Housing Need, Affordable Supply and Intermediate Housing

Housing need is the quantity of housing required for households who are unable to access suitable housing without financial assistance. Housing need is met by affordable housing which can be either social/affordable rented or intermediate housing made available to eligible households unable to access market housing.

Intermediate housing includes homes that are available at prices and rents above those of social rents but below those of market prices and rents.

The level of housing need has been identified by combining existing need (i.e. the backlog that has accumulated but not been met in the recent past) with that arising from newly forming households and comparing this with supply of affordable housing. The exact level of housing need may increase or decrease as market conditions and national policy changes influence behaviour, but in the current conditions the expected annual shortfall is estimated to be around 725 affordable dwellings per annum (see Chapter 6). This incidence of need is spatially uneven. The submarket level analysis shows that the highest level of need will be found in the City Centre West, South West and North West HMAs.

Based purely on the demand for intermediate housing (rather than the financial viability) it is suggested that 30% of the affordable supply should be in the form of intermediate housing (Low Cost Home Ownership). However, the challenges of delivering LCHO and the limited awareness of this among households suggests a need for careful analysis of the marketability of, and practical barriers to, low cost home ownership. The historic mismatch between the target for and the actual delivery of the supply of new intermediate housing therefore suggests the need for a review of the city's Affordable Housing Policy.

8.4 POLICY CHALLENGES

Drawing the evidence together, there are several segments of the housing market that pose problems for policy-makers.

8.4.1 Family Housing

Two and three-bed family homes are the most sought after dwellings in the market with 64% of existing households looking to move into this size property (see Chapter 5). Evidence from in-depth interviews and the household survey suggests that family housing appears to be in relatively short supply in all HMAs. This suggests that there is some merit in a focus on supplying larger properties for existing households to move to, which would in turn free up smaller properties for new and concealed households. However the level of pent-up demand was not necessarily recognised by developers who offered the view that available sites tended to be in the wrong locations. It is our view that this shortage of existing family housing and of developer appetite to build new family housing leads to households moving to surrounding areas, such as Rotherham and North East Derbyshire, where such housing is relatively cheaper. This is inconsistent with the city's strategy for economic growth, which would be supported by retaining families within the Sheffield tax base.

Estate agents and higher earning residents both reported perceived shortages in both the £250-350,000 (described by agents as 'mid to high' price) and £350-500,000 bands. This is borne out both by evidence from search data and by price trends. More qualitatively, these segments of the market have been characterised by

very quick sales and highly competitive bidding processes, even in a relatively weak economic climate. This evidence chimed with the views of developers.

Homes in these price bands are highly concentrated in the South-West HMA. Stakeholders believe strongly that the key driver of demand in this area is the perceived quality of state school provision and, to a slightly lesser extent, neighbourhood quality rather than the size, type or quality of the available dwellings. Perceptions of school quality are complex and perceptions may lag the actual performance of a school. There was relatively little evidence of a shortage of housing opportunities at the very top of the market (i.e. where prices are greater than £500,000).

This analysis and the workshop discussions considered expanding the residential offer of reasonably well-performing mid-price neighbourhoods (e.g. Hillsborough) and the role of land subsidies in securing viability and paying for place-making enterprises. These discussions highlight two challenges for policy-makers:

- **Place-making**. How might the features of high demand submarkets be replicated in other parts of the city?
- **Viability**. How might the market be stimulated to deliver family homes throughout the city, particularly where developers have concerns about demand levels and viability?

8.4.2 The City Centre

The City Centre market is characterised by high turnover and low levels of 'community' identity or cohesion. Younger households dominate with few families and only relatively small numbers of older households. Evidence from the survey shows high levels of demand from younger (often suppressed) households (see Chapter 4).

Resident interviews highlighted rising popularity amongst older households. The city centre was perceived to offer many benefits for active, older households. Conversely, however, older households expressed concerns about the rather limited leisure offer. They also raised issues about the quality and nature of housing provision, including lack of variety in build types and low noise abatement standards.

There is evidence that the City Centre market is becoming more differentiated, with Kelham Island increasingly perceived to be slightly more upmarket than Devonshire Green and West Street.

Market trends (including flat and declining house price and rental levels) appear to support developer perceptions that the traditional market for new build flats has reached near saturation points. Private landlords have also expressed concerns about the decline in returns and have begun to compare holding City Centre properties unfavourably with suburban family homes. The potential for family homes and for new products targeted at older households appears to be under-exploited.

The policy workshops highlighted several challenging questions about the future of the City Centre market. These include:

- **Demand diversification**. Can a more balanced demographic profile be achieved in the City Centre?
- **Supply diversification**. Can the market be stimulated to develop new family homes and, if so, can the infrastructure support the different demands (e.g. for schools, doctor surgeries, etc.) that this might bring?
- **Older households**. Can the market design and deliver new products for active, older households? Can the amenities support increased demand from this household type?

8.4.3   The Private Rented Sector

The Private Rented Sector has grown significantly (see Chapter 4). It is highly differentiated and serves a diverse set of households. New demand has been diverted from the owner-occupied sector, where the lack of available mortgage finance has locked out would-be buyers, and from the social rented sector. Supply has been driven by buy-to-let and low prices in the sluggish owner-occupied market that has encouraged 'windfall' owners (e.g. those who have inherited homes from deceased family members) to rent rather than sell. Rental levels have risen for most types and size of dwellings (with the exception of some elements of the student market, see below).

There may be supply-side limits to further growth. Private landlords express concerns about the increasingly regulated nature of the market. They have concerns about future returns, particularly given the potential impacts of changes to Higher Education funding on the student markets and the extent to which changes to the benefit system might add to the risk associated with letting to lower income households.

On the demand-side, there are significant concerns about housing quality and service provision. Most occupiers hold negative perceptions: students believe that they are 'not taken seriously' by landlords; would-be buyers believe they are 'pouring money down the drain'; and low income households (particularly those on benefits) have concerns about conditions, repair and maintenance standards.

The future of the PRS is unclear. The sector fulfils a wide range of roles and meets the needs of a number of very different household types. There is a clear need to develop a joined up view of the housing system that recognises the important role played by private renting. The need to raise standards needs to be balanced against the possible impact on investment returns and the effect that this might have on supply. If small landlords' business cases cannot accommodate a raise in standards, there may be room for larger Registered Provider landlords to come into the private rented market if they have capacity to bring about a model that would work.

The emerging policy challenges include:

- **Standards**. How can the need to raise the standards of properties and management be balanced with the impact on landlord investments?
- **Impact on supply**. Will this impact on the supply and further increase rents?

- **New institutional landlords**. What is the potential for social rented landlords and institutions to enter the market to improve standards?

8.4.4 The Student Market

The student population is an integral part of the city and its housing market. Students represent some 18% of the city's working age population (see Chapter 7). Approximately 60,000 students study at one of the city's two universities, with the vast majority of these residing within the city boundaries.

The student housing market has two distinct parts: Purpose Built Student Accommodation (PBSA), university-managed or bespoke residences designed specifically for the market, which could accommodate approximately 28% of students; and the more traditional 'private landlord' offer comprised mainly of dwellings that can fulfil other housing roles. The former tends to be most popular with international students and first-year undergraduates and the latter is occupied mainly by 'home' postgraduates and returning undergraduates. The balance between student groups has been changing. There are a number of reasons for this, including those related to the immediate impact of new government policies surrounding tuition fees and entrance requirements. This has changed the dynamics of the market, although both of the city's universities anticipate future increases in student numbers. That said, there is current evidence that rents for larger homes (many of which have been occupied by returning home students) have been in decline. There are early signs from private landlords that traditional student accommodation, such as that in the City Centre West HMA, is being converted for sale or to be let as family housing.

The significant growth of PBSA adds a new dimension to the challenge of estimating housing requirements. On the one hand, students are in the city for only a short period of time (typically on degree programmes of three or four years) and PBSA cannot be used easily to meet needs arising in other population groups. On the other, students are dynamic participants in the city's wider housing market and many (perhaps up to 26%, based on existing migration data and student projections) remain in the city beyond their studies, settling into employment in Sheffield. A policy decision needs to address the role of students in future population projections and housing requirements to formalise their contribution to on-going housing demand.

On balance we would conclude that the student market is very closely integrated with the wider housing market. Demands for student housing have impacts on other parts of the market, whether it is direct competition for traditional houses in neighbourhoods like Crookesmoor, or in the form of competition for land that might otherwise be developed as general-needs housing. This contributes to overall market pressure in other areas close to the universities, such as the South West HMA. We note, too, the involvement of housing associations to at least a limited extent in the market for PBSA, and the post-Montague Review momentum to engender institutional involvement in purpose-built PRS supply, and so there is some reason to believe that there is potential to convert existing PBSA or flexibly design new PBSA that could be retrofitted into main stream housing to meet other types of housing need if demand for PBSA should fall in the future.

The foregoing raises some specific challenges:

- **Consolidation.** How can the relationship between PBSA and 'traditional' student areas be managed? How can traditional housing meet needs?
- **Resilience.** What models are there to ensure the resilience of major PBSA developments and neighbourhoods in the face of any future changes to student numbers? How can PBSA and its owning institutions diversify the uses to which it is put?

8.4.5 Shared Housing Markets

Although we find high levels of self-containment within the city, it is clear that there are significant annual population flows to and from neighbouring districts. These relate to particular demand groups, such as households looking for family housing but priced out of the city, or younger households attracted to the cultural offer and city living lifestyle available in Sheffield. Viable land supply is particularly constrained within Sheffield. A strategy for economic growth in the city will have housing implications and its success will, to an extent, be dependent on housing supply. Given problems with site viability in many parts of Sheffield, one option to give consideration is to work with neighbouring authorities to explore how they might meet part of Sheffield's requirement.

Several related policy challenges arise:

- **Capacity**. What capacity is there for neighbouring authorities to meet the extra housing requirements arising in Sheffield that might be associated with levels of economic growth above that implied by the current household projections?
- **Infrastructure**. How will future infrastructure, such as improving transport links with Rotherham, shape demand and open up the possibility of a larger cross-boundary flow? Might Sheffield's current status as a self-contained housing market area hold true in the future?

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Appendix 1: Household survey questionnaire

Sheffield
Housing Survey

Sheffield
City Council

The
University
Of
Sheffield.

Sheffield
Hallam
University

4th March 2013

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Tell us what you think about housing in Sheffield!

We are writing to ask for your help with an important housing survey which Sheffield City Council has to undertake every five years. The Council wants to understand what the housing market looks like in Sheffield and the housing circumstances of Sheffield's residents. This information is very important as it will help Sheffield City Council develop its housing and planning policies, so that we can meet the needs of Sheffield's residents in the coming years.

The Council is working in partnership with the University of Sheffield and Sheffield Hallam University on this study and this survey has been sent to randomly selected addresses across the city. We would be grateful if you could spare the time to complete this survey. All entries received by the closing date will be entered into a draw for a prize of **£100 in vouchers**, funded by The University of Sheffield as a gesture of goodwill.

You can either complete this questionnaire and return it in the enclosed **FREEPOST** envelope, or you can complete the survey **ONLINE** at www.sheffieldhousingsurvey.org.uk. **Please return the questionnaire or complete it online by Wednesday 27th March 2013.**

If you have any queries or need help or advice in completing the form, please contact:
Email: help@sheffieldhousingsurvey.org.uk   **Telephone:** 0114 222 7125
Web: www.sheffieldhousingsurvey.org.uk/about
Alternatively, you can call Rachael McGown, Policy Officer, Sheffield City Council on 0114 273 6396.

Your response to the survey is totally confidential. The data will be used to write a generalised statistical report for the Council, which will not identify individuals or their responses.

Thank you very much for your time.

Yours faithfully,

Derek Martin
Director of Housing
Enterprise & Regeneration
Sheffield City Council

Ed Ferrari
Project leader
The University
of Sheffield

Copies of the wording of this survey can be made available on request in Braille, large print and on audio tape and also in Arabic, Bengali, Chinese, Somali and Urdu. Please telephone 0114 273 6396.

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Page 1

Section A Your Household and Your Home

Please answer the questions in this section thinking about your household (you and the people you live with on a daily basis) and the home that you normally occupy.

You should only complete this questionnaire if you are the occupier of the property that this questionnaire is addressed to.

A1 Do you own or rent your current home? *Please tick one only*

Owner-occupied (with a mortgage) □1
Owner-occupied (no mortgage) □2
Shared Ownership (part rented, part owned) □3
Rented from the Council / Sheffield Homes □4
Rented from a Housing Association □5
Rented from a private landlord or letting agency, (including student accommodation) □6
Rented from a relative/friend of a household member □7
Tied or linked to a job □8

A2 What type of property is this? *Please tick one only*

Detached house □1
Semi-detached house □2
Terraced (including end-terraced) □3
Flat/apartment □4
Bedsit/Studio □5
Bungalow □6
Maisonette □7
Other □8

A3 If you own your home, who do you own it with? *Please tick all that apply*

Alone □1
With a partner □2
With family (e.g. siblings, parents) □3
With friends □4
With somebody else □5

A4 How many rooms of the following type does your home have? *Please write a number for each*

Bedrooms
Bathrooms/WC
Living, dining or reception rooms
Kitchens and utility rooms
Other rooms

A5 What facilities, if any, do you share with people **not** in your household? *Please tick all that apply*

Toilet □1
Bath/shower □2
Kitchen □3
Living, dining or reception room □4

A6 Does your home have any of the following? *Please tick all that apply*

A driveway, off-street or allocated parking □1
A garage □2
A garden □3
Central heating □4
Full double glazing □5
Partial double glazing □6
Loft insulation □7
Cavity insulation □8

A7 In your opinion, is your present home adequate for your household's needs? *Please tick one only*

Yes □1 ► **Please jump to question A9**
No □2 ► **Please continue to question A8**

A8 Why do you think your present home is not adequate for your household's needs? *Please tick all that apply*

It is too large □1
It is too small □2
There aren't enough bedrooms □3
It is difficult to access □4
The garden is difficult to maintain □5
It needs improvements/repairs □6
The property facilities are inadequate □7
It is affecting the health of me or my household □8
The rent or mortgage is too expensive □9
It is too costly to heat □10
There's no heating □11
The tenancy is insecure □12
I'm suffering harassment from my landlord □13
I'm suffering harassment from my neighbours □14
Neighbourhood services are inadequate □15
Location of home is undesirable □16
Other ► Please write the reasons below: □17

A9 How many people live here, including yourself? *Please write in a number*

People

► **Please continue to question A10, opposite.**

A10 Please complete one column in the table below for each person living in your home at the moment. *Tick any boxes that apply. If there are more than six household members, please give details of the six oldest members*

Person		You	2	3	4	5	6
Relationship to you	Partner	You: ↓	☐	☐	☐	☐	☐
	Son or daughter		☐	☐	☐	☐	☐
	Other relative		☐	☐	☐	☐	☐
	Friend		☐	☐	☐	☐	☐
	Lodger		☐	☐	☐	☐	☐
	Sharing property with me		☐	☐	☐	☐	☐
	Other unrelated		☐	☐	☐	☐	☐
Age	*Please write in:*	☐	☐	☐	☐	☐	☐
Gender	*Please mark M / F / Other:*	☐	☐	☐	☐	☐	☐
Working Status *If none apply, leave blank*	Full-time employment	☐	☐	☐	☐	☐	☐
	Part-time employment	☐	☐	☐	☐	☐	☐
	Self-employed	☐	☐	☐	☐	☐	☐
	Unemployed	☐	☐	☐	☐	☐	☐
	Retired	☐	☐	☐	☐	☐	☐
	Full-time student (16+ years)	☐	☐	☐	☐	☐	☐
	Looking after family/friend	☐	☐	☐	☐	☐	☐
	Permanently sick/disabled	☐	☐	☐	☐	☐	☐
	Other (including children under 16 years)	☐	☐	☐	☐	☐	☐
Employment Group *If none apply, leave blank*	Manufacturing	☐	☐	☐	☐	☐	☐
	Construction	☐	☐	☐	☐	☐	☐
	Distribution, hotels & restaurants	☐	☐	☐	☐	☐	☐
	Transport & communications	☐	☐	☐	☐	☐	☐
	IT, banking, finance & insurance	☐	☐	☐	☐	☐	☐
	Retail & wholesale trade	☐	☐	☐	☐	☐	☐
	Public administration	☐	☐	☐	☐	☐	☐
	Education	☐	☐	☐	☐	☐	☐
	Health & social work	☐	☐	☐	☐	☐	☐
	Other services	☐	☐	☐	☐	☐	☐
	Agriculture/fishing	☐	☐	☐	☐	☐	☐
	Armed forces	☐	☐	☐	☐	☐	☐
	Other	☐	☐	☐	☐	☐	☐
Do you or anyone else have a disability or long term limiting illness? If yes, what is the nature of this condition? *If none apply, leave blank*	Long Term Limiting Illness	☐	☐	☐	☐	☐	☐
	A physical disability	☐	☐	☐	☐	☐	☐
	A sensory disability	☐	☐	☐	☐	☐	☐
	Learning or developmental disability	☐	☐	☐	☐	☐	☐
	Mental Health Problem	☐	☐	☐	☐	☐	☐
	Cognitive impairment (brain injury)	☐	☐	☐	☐	☐	☐
	Autism	☐	☐	☐	☐	☐	☐
	Dementia	☐	☐	☐	☐	☐	☐
	Other	☐	☐	☐	☐	☐	☐
Do they receive care or support? If yes, who provides this? *If none apply, leave blank*	Social Services	☐	☐	☐	☐	☐	☐
	NHS	☐	☐	☐	☐	☐	☐
	Private Provider	☐	☐	☐	☐	☐	☐
	Family/friend/neighbour	☐	☐	☐	☐	☐	☐
	Voluntary body	☐	☐	☐	☐	☐	☐
	Other	☐	☐	☐	☐	☐	☐
If yes, do they receive sufficient support? *Tick if Yes*		☐	☐	☐	☐	☐	☐
Are they a carer for a household member? *Tick if Yes*		☐	☐	☐	☐	☐	☐

Section B Your neighbourhood

We are interested in what you think makes a good neighbourhood. Please answer the questions in this section thinking about where you live.

B1 On a scale of 1-5, how satisfied are you with your neighbourhood as a place to live?
Please tick one only

Very dissatisfied ☐1 ☐2 ☐3 ☐4 ☐5 Very satisfied

B2 Generally what do you think are the most important qualities of a good neighbourhood?
Please tick up to five boxes in column B2

B3 Please tick the things that you think could be better in your neighbourhood. *Please tick all that apply in column B3*

B2	B3	
☐1	☐1	Range of homes
☐2	☐2	Quality of homes
☐3	☐3	Affordability of homes
☐4	☐4	Visual appearance of properties
☐5	☐5	Cleaner streets
☐6	☐6	Condition of roads and pavements
☐7	☐7	Access to parks and open spaces
☐8	☐8	Access to nature/countryside
☐9	☐9	Community facilities
☐10	☐10	Cultural facilities e.g. libraries
☐11	☐11	Health services
☐12	☐12	Education provision, e.g. schools
☐13	☐13	Activities for teenagers
☐14	☐14	Facilities for young children
☐15	☐15	Shopping facilities
☐16	☐16	Sports and leisure facilities
☐17	☐17	Job prospects
☐18	☐18	Public transport
☐19	☐19	Parking facilities
☐20	☐20	Traffic congestion
☐21	☐21	Levels of pollution
☐22	☐22	Levels of noise
☐23	☐23	Crime levels
☐24	☐24	Anti-social behaviour levels
☐25	☐25	Neighbours
☐26	☐26	A sense of community
☐27	☐27	Cost of living
☐28	☐28	Other ► Please write below:

Section C Your previous housing

Please answer the questions in this section thinking about the last home that you lived in.

C1 How long ago did your household move to your current home? *Please tick one only*

Within the last year	☐1 ► Go to question C2
Between 1 and 2 years ago	☐2 ► Go to question C2
Between 2 and 5 years ago	☐3 ► Go to question C2
Over 5 years ago	☐4 ► Go to question C2
Always lived here	☐5 ► Jump to section D

C2 Which of the following best describes your previous home? *Please tick one only*

Detached house	☐1
Semi-detached house	☐2
Terraced (including end-terraced)	☐3
Flat/apartment	☐4
Bedsit/Studio	☐5
Bungalow	☐6
Maisonette	☐7
Other	☐8

C3 Did you own or rent your last home?
Please tick one only

Owner-occupied (with a mortgage)	☐1
Owner-occupied (no mortgage)	☐2
Shared Ownership (part rented, part owned)	☐3
Rented from the Council / Sheffield Homes	☐4
Rented from a Housing Association	☐5
Rented from a private landlord or letting agency, (including student accommodation)	☐6
Rented from a relative / friend of a household member	☐7
Tied or linked to a job	☐8
Lived with my parents	☐9

C4 How many rooms of the following type did your previous home have? *Please write in a number for each*

- Bedrooms
- Bathrooms/WC
- Living, dining or reception rooms
- Kitchens and utility rooms
- Other rooms

C5 Did your previous home have any of the following? *Please tick all that apply*

A driveway, off-street or allocated parking	☐1
A garage	☐2
A garden	☐3
Central heating	☐4
Full double glazing	☐5
Partial double glazing	☐6
Loft insulation	☐7
Cavity insulation	☐8

C6 Where was your last home? *Complete as much as you know*

Street name	
City/Town/Village	
Post Code	
Country	

C7 What factors influenced your decision to move to your present home?
Please tick any that apply in column C7

C8 What was the most important factor?
Please tick one only in column C8

C7	C8	
1	1	To move to cheaper accommodation
2	2	To move to smaller home
3	3	To move to a larger home
4	4	Wanted a new home
5	5	A bigger garden
6	6	Property condition
7	7	Free up capital investment
8	8	Wanted to buy own home
9	9	Wanted to rent a home
10	10	Relationship or family breakdown
11	11	To live with a partner
12	12	To move closer to friends/family
13	13	To be closer to work or a new job
14	14	Got accommodation tied to job
15	15	Retirement
16	16	Evicted
17	17	End of tenancy
18	18	Home was repossessed
19	19	Access problems e.g. stairs
20	20	The property was affecting my/our health
21	21	To make it easier to receive care/support
22	22	To provide care to family/friends
23	23	To move to a better neighbourhood
24	24	To move closer to transport links
25	25	To move closer to shops and services
26	26	To move to a school catchment area
27	27	For a better school
28	28	For higher education/university
29	29	To move to a safer area
30	30	Other ► **Please write in below:**

C9 How many people lived in your last home, including yourself? *Please write a number for each*

People in total, including:

Pensioners   Children

Students in Further or Higher Education

Section D   Your future housing intentions

Please answer the questions in this section thinking about whether your whole household (excluding any lodgers or people staying with you temporarily) might want or need to move in the next five years.

D1 Do you think you will __need__ to move to a different home in the future?
Please tick one only from column D1

D2 Do you think you are __likely__ to move to a different home in the future? *Please tick one only from column D2*

D1	D2	
1	1	Yes, as soon as possible (e.g. 1 month)
2	2	Yes, within a year
3	3	Yes, in 1 to 2 years
4	4	Yes, in 3 to 5 years
5	5	No, don't want to
6	6	No, but would like to
7	7	Don't know

► If you ticked 'No' or 'Don't know' in both columns D1 and D2, please jump to section E on page 8.
► If you ticked 'Yes' to any of the above, please answer the rest of this section.

D3 Have you been wanting to move but not been able to do so? *Please tick one only*

No	1	►**Please jump to D6**
Yes, for less than a year	2	►**Please continue to D4**
Yes, for 1-2 years	3	►**Please continue to D4**
Yes, for 2-3 years	4	►**Please continue to D4**
Yes, for 3-5 years	5	►**Please continue to D4**
Yes, for over 5 years	6	►**Please continue to D4**

D4 If you wish to move but cannot, which of the following reasons are preventing you?
Please tick all that apply

Cannot afford the monthly cost of a mortgage	1
Cannot afford the deposit on a house	2
Cannot afford moving costs	3
Local education choices	4
Family reasons	5
Location of employment	6
Lack of affordable rented housing	7
Rent/mortgage arrears	8
Unable to sell	9
Negative equity	10
Need advice/support to move	11
Other ► **Please write reasons below:**	12

D5 Would you consider any of the following options to help you move? *Please tick all that apply*

Moving to a cheaper area in Sheffield ☐1
Moving to a cheaper area outside of Sheffield ☐2
Buying a share in a property with an organisation e.g. Housing Association owning the other share ☐3
Buying with a friend/relative ☐4
Renting with a friend/relative ☐5
Using more of your disposable income to pay mortgage/rent ☐6
Moving to a smaller house ☐7
Moving into family/friends home ☐8
Other ▶ Please write in below: ☐9

D6 What are the main reasons for wanting or needing to move to a different home?
Please tick any that apply

To move to cheaper accommodation ☐1
Because of changes to my welfare benefits ☐2
To move to a smaller home ☐3
To move to a larger home ☐4
Want a newer home ☐5
Want a bigger garden ☐6
Condition of current property ☐7
To free up capital ☐8
Wanting to buy own home ☐9
Wanting to rent a home ☐10
Relationship or family breakdown ☐11
To live with a partner ☐12
To move closer to friends/family ☐13
To be closer to work or a new job ☐14
Got accommodation tied to job ☐15
Retiring ☐16
Being evicted ☐17
Tenancy ending ☐18
Home being repossessed ☐19
Access problems e.g. stairs ☐20
The property is affecting my/our health ☐21
To make it easier to receive care/support ☐22
To provide care to family/friends ☐23
To move to a better neighbourhood ☐24
To move closer to transport links ☐25
To move closer to shops and services ☐26
To move to a school catchment area ☐27
For a better school ☐28
For higher education/university ☐29
To move to a safer area ☐30
Other ▶ Please write reasons below: ☐31

D7 Ideally, how many bedrooms would you like, and how many do you expect to have when you move?
Please write in a number for each

Would like… ☐ bedrooms
Expect to have… ☐ bedrooms

D8 Are you registered on any of the following Housing Waiting Lists? *Please tick all that apply*

Yes, Sheffield City Council / Sheffield Homes ☐1
Yes, A housing association ☐2
Yes, Another council ☐3
No ☐4

D9 If you will be moving, would you like to own or rent the property you move to?
Please tick one from column D9

D10 If you will be moving, do you expect to own or rent the property you move to? *Please tick one from column D10*

D9	D10	
☐1	☐1	Own outright
☐2	☐2	Own with a mortgage
☐3	☐3	Part own, part rent (e.g. Shared Ownership)
☐4	☐4	Rent from the Council / Sheffield Homes
☐5	☐5	Rent from a Housing Association
☐6	☐6	Rent from a private landlord/letting agency
☐7	☐7	Rent from a relative/friend of household
☐8	☐8	Tied or linked to a job
☐9	☐9	Share a flat/house in private rented sector
☐10	☐10	Other

D11 If your expectation in D10 is different to the property you would like to move to in D9, why is this? *Please write in the reason(s)*

D12 What type of property would you like to move to? *Please tick one from column D12*

D13 What type of property do you expect to move to? *Please tick one from column D13*

D12	D13	
☐1	☐1	Detached house
☐2	☐2	Semi-detached house
☐3	☐3	Terraced (including end-terraced)
☐4	☐4	Flat/apartment
☐5	☐5	Bedsit/Studio
☐6	☐6	Bungalow
☐7	☐7	Maisonette
☐8	☐8	Other

D14 If your expectation in D13 is different to the property you would like to move to in D12, why is this? *Please write in the reason(s)*

D15 What type of housing would you like to move to? *Please tick one from column D15*

D16 What type of housing do you expect to move to? *Please tick one from column D16*

D15	D16	
☐₁	☐₁	Ordinary, unsupported accommodation
☐₂	☐₂	Independent accommodation with external support
☐₃	☐₃	Independent accommodation with live-in support
☐₄	☐₄	Residential/nursing home
☐₅	☐₅	Extra care housing (self-contained dwellings with facilities and 24hr support)
☐₆	☐₆	Private sheltered housing scheme
☐₇	☐₇	Council/housing association sheltered housing scheme
☐₈	☐₈	Other purpose built supported housing scheme

D17 If your expectation in D16 is different to the property you would like to move to in D15, why is this? *Please write in the reason(s)*

D18 Ideally, where would you like to move to? *Please circle the areas on the map at the bottom of the page, or if outside Sheffield write in the names of other areas below:*

D19 Where do you expect to move to? Please write in a neighbourhood name from the map, or any other place if not in Sheffield:

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D20 Would you or a household member ever consider living in the City Centre?
Please tick one only

Yes ☐₁ ► **Please continue to question D21**
No ☐₂ ► **Please jump to question D23**

D21 Which City Centre neighbourhoods would be of interest?
Please circle the neighbourhoods on the map below
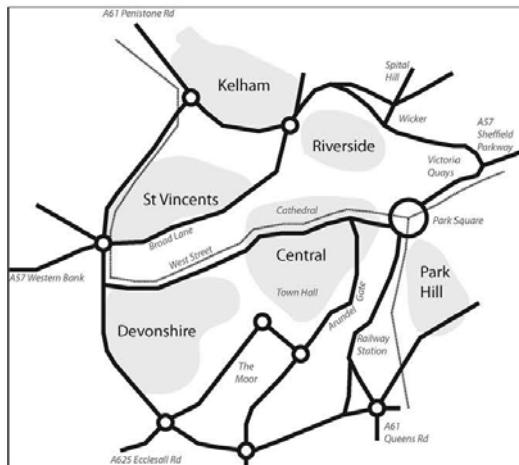
D22 If you circled any of the neighbourhoods above, why you would consider living in these City Centre neighbourhoods?
Please write in the reason(s)

► **Please go to section E in the next column**

D23 If you would NOT like to live in the City Centre, what are the main reasons?
Please write in the reason(s)

► **Please go to section E in the next column**

Section E   Changes to your household in the future

If a member, or members, of your household intend to set up a home of their own within Sheffield in the next three years, please provide details for up to two 'new households' likely to form.

E1 Are any existing members of your household looking to move into their own accommodation in the next 3 years? (For example, a son or daughter leaving home) *Please tick one only*

Yes ☐₁ ► **Please continue to question E2**
No ☐₂ ► **Please jump to section F on page 10**

Please answer the following questions thinking of up to 2 people who might leave your household in the next 3 years. If there are more than 2 people who might leave, think of the 2 that are most likely to leave.

E2 Who is looking/likely to look for accommodation in the next 3 years? *For each of up to 2 people, please tick one in each column*

	Person	1	2
Parent/Grandparent		☐₁	☐₁
Child who will be aged 16 or over		☐₂	☐₂
Partner/spouse		☐₃	☐₃
Lodger		☐₄	☐₄
Friend		☐₅	☐₅
Other relative		☐₆	☐₆

E3 When they move out, will they be a...? *For each of up to 2 people, please tick one in each column*

	Person	1	2
Single adult without children		☐₁	☐₁
Single adult expecting or with children		☐₂	☐₂
Couple without children		☐₃	☐₃
Couple expecting or with children		☐₄	☐₄
Other		☐₅	☐₅

E4 What type of housing is the person likely to move to? *For each of up to 2 people, please tick one in each column*

	Person	1	2
Ordinary accommodation		☐₁	☐₁
Independent accommodation with external support		☐₂	☐₂
Independent accommodation with live in support		☐₃	☐₃
Residential/nursing home		☐₄	☐₄
Extra care housing (self contained units with facilities and 24hr support)		☐₅	☐₅
Private sheltered housing		☐₆	☐₆
Council/Housing Association sheltered housing		☐₇	☐₇

E5 When are these people likely to move? *Please tick one in each column*

	Person	1	2
Now (or within the next month or so)		☐1	☐1
Within a year		☐2	☐2
In 2 or 3 years		☐3	☐3

E6 Is the person likely to own or rent the property they move to? *For each of up to 2 people, please tick one in each column*

	Person	1	2
Own outright		☐1	☐1
Own with a mortgage		☐2	☐2
Part own, part rent (e.g. Shared Ownership)		☐3	☐3
Rent from the Council / Sheffield Homes		☐4	☐4
Rent from a Housing Association		☐5	☐5
Rent from a private landlord/letting agency		☐6	☐6
Rent from a relative/friend of household		☐7	☐7
Rent a tied property/linked to a job		☐8	☐8
Share a flat/house in private rented sector		☐9	☐9
Other		☐10	☐10

E7 What type of property is the person likely to move to? *For each of up to 2 people, please tick one in each column*

	Person	1	2
Detached house		☐1	☐1
Semi-detached house		☐2	☐2
Terraced (including end-terraced)		☐3	☐3
Flat/apartment		☐4	☐4
Bedsit/Studio		☐5	☐5
Bungalow		☐6	☐6
Maisonette		☐7	☐7
Other		☐8	☐8

E8 Ideally, how many bedrooms would they like, and how many would they expect to have when they move? *Please write in a number for each of up to 2 people*

	Would like...	Expect....
Person 1…….		
Person 2 …….		

E9 If any of the people moving will be university students in Sheffield, where do they expect to be living? *Please tick one response each of up to 2 people*

	Person	1	2
Live at home with parent(s)		☐1	☐1
Private rented		☐2	☐2
Purpose built accommodation		☐3	☐3
Student halls		☐4	☐4
Not applicable (not a student in Sheffield)		☐5	☐5

E10 Are any of the people moving out registered on a housing waiting list? *For each of up to 2 people, tick any that apply in each column*

	Person	1	2
Yes, with Sheffield City Council /Sheffield Homes		☐1	☐1
Yes, with a Housing Association		☐2	☐2
Yes, with another Council		☐3	☐3
No		☐4	☐4

E11 Is the person moving out likely to be claiming Housing Benefit or Local Housing Allowance? *For each of up to 2 people, please tick one in each column*

	Person	1	2
Yes		☐1	☐1
No		☐2	☐2
Not sure		☐3	☐3

E12 Please state the estimated gross annual income (before tax) of the first person moving out. *Please tick one only*

Up to £4,999	☐1	£55,000 – £59,999	☐12
£5,000 – £9,999	☐2	£60,000 – £69,999	☐13
£10,000 - £14,999	☐3	£70,000 – £79,999	☐14
£15,000 - £19,999	☐4	£80,000 – £89,999	☐15
£20,000 - £24,999	☐5	£90,000 – £99,999	☐16
£25,000 - £29,999	☐6	£100,000 - £109,999	☐17
£30,000 - £34,999	☐7	£110,000 - £119,999	☐18
£35,000 - £39,999	☐8	£120,000 - £129,999	☐19
£40,000 - £44,999	☐9	£130,000 - £149,999	☐20
£45,000 - £49,999	☐10	£150,000 or more	☐22
£50,000 - £54,999	☐11		

E13 What financial resources will the first person who is moving have access to for a deposit or rent bond? *Please tick one only*

Up to £4,999	☐1	£25,000 - £29,999	☐6
£5,000 – £9,999	☐2	£30,000 - £39,999	☐7
£10,000 - £14,999	☐3	£40,000 - £49,999	☐8
£15,000 - £19,999	☐4	£50,000 - £74,999	☐9
£20,000 - £24,999	☐5	£75,000 or more	☐10

E14 Where will the deposit/rent bond come from? *Please tick all that apply, if applicable*

Their own savings	☐1
Help from family/friends	☐2
Other	☐3

► **Please go to section F overleaf**

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Section F Housing options

Please answer the questions in this section thinking about your own circumstances and those of your household.

F1 How much of your <u>net</u> household monthly income (i.e., after tax and benefits) do you spend on your rent or mortgage?
Please tick one only

Below 15%	☐₁	35% - 45%	☐₄
15% - 25%	☐₂	45% or above	☐₅
25% - 35%	☐₃	Don't know	☐₆

F2 Do you experience difficulty meeting any of the following housing costs? *Tick all that apply*

Rent/mortgage	☐₁
Fuel bills	☐₂
Council Tax	☐₃
Other bills	☐₄
No	☐₅

F3 Do you receive any financial support to run your home? *Please tick all that apply*

No	☐₁
Yes, Housing Benefit / Local Housing Allowance	☐₂
Yes, Council Tax Benefit	☐₃
Yes, another type of benefit	☐₄

F4 Is the amount of Housing Benefit enough to cover your rent? *Please tick one only*

Yes	☐₁
No	☐₂
Don't receive Housing Benefit	☐₃

F5 If you are struggling to afford your housing costs what do you intend to do to resolve this? *Please tick all that apply*

Spend less on household essentials	☐₁
Borrow money from friends or family	☐₂
Spend less on non-essentials	☐₃
Use income from other benefits	☐₄
Look for a job	☐₅
Use savings	☐₆
Increase hours of work at current job	☐₇
Look for a better paid job	☐₈
Borrow money via a loan or credit card	☐₉
Look for an additional job	☐₁₀
Move to a cheaper home	☐₁₁
Other	☐₁₂

F6 If you plan to move, what type of home would you intend to purchase?
Please tick one only

A newly-built property	☐₁	► **Continue to F7**
An older existing property	☐₂	► **Please jump to F8**

F7 Why do you intend to move to a newly-built property? *Please tick all that apply*

Ability to part-exchange	☐₁
Preferred location	☐₂
Preferred dwelling type	☐₃
Lower maintenance costs	☐₄
Range of mortgage schemes	☐₆
Better build quality	☐₇
Special offers / discounts / incentives	☐₈
Better energy efficiency	☐₉
Other ► **Please write reasons below:**	☐₁₀

F8 Have you heard of the following housing schemes? Would you consider any of these in the future? *Please tick all that apply*

Shared Ownership: Owning a share of a property with the remaining share being owned by another organisation (e.g. a Housing Association)
Heard of ☐₁
Would consider ☐₂

Right to Buy: A government scheme which enables many council tenants to purchase their homes at a discounted price
Heard of ☐₃
Would consider ☐₄

Self Build: Building your own home with assistance from the government
Heard of ☐₅
Would consider ☐₆

Affordable Rent: Housing Associations provide homes at a rent level of up to 80% of gross market rents
Heard of ☐₇
Would consider ☐₈

Rent to Buy: Rent at a discounted rate (usually up to 20% lower than average local market rents) for between three and five years, with the option to purchase shares of your home or buy it all
Heard of ☐₉
Would consider ☐₁₀

F9 If you would not consider any of these schemes, why not? *Please write in the reason(s)*

Section G Care and Support Needs

Please answer the questions in this section thinking about you and the other members of your household (the people you live with on a daily basis).

G1 Do you live in any of the following?
Please tick any that apply

Sheltered housing scheme	☐₁
Extra care housing (purpose built housing scheme for independent living)	☐₂
Residential care home	☐₃
Nursing care home	☐₄
Other purpose built supported housing	☐₅
No	☐₆

G2 If you or another member of your household is not receiving sufficient support for their care needs, which of the following do you/they need help with? *Tick any that apply*

Claiming benefits or managing finances	☐ 1
Having someone to act on your/their behalf	☐ 2
To participate in social activities	☐ 3
Personal care	☐ 4
Establishing personal safety or security	☐ 5
Looking after the home	☐ 6
Looking after the garden	☐ 7
Preparing meals	☐ 8

G3 Has your home, or the access to it, been built or adapted to meet the needs of a disabled resident? *Please tick one.*

Yes	☐ 1	► Continue to G4
Yes, but no longer needed	☐ 2	► Continue to G4
No	☐ 3	► Jump to G5

G4 If yes, what facilities have been provided? *Please tick all that apply in column G4*

G5 What facilities, if any, need to be provided to ensure current members of your household can remain in your property now or in the next three years? *Please tick all that apply in column G5*

G4	G5	
☐ 1	☐ 1	Wheelchair adaptations
☐ 2	☐ 2	Access to property/ramp
☐ 3	☐ 3	Vertical lift/stair lift
☐ 4	☐ 4	Bathroom adaptations
☐ 5	☐ 5	Ground floor toilet
☐ 6	☐ 6	Handrails/grabrails
☐ 7	☐ 7	Kitchen adaptations
☐ 8	☐ 8	Safe access to garden/external area
☐ 9	☐ 9	Assistance maintaining home/garden
☐ 10	☐ 10	Extension/extra room
☐ 11	☐ 11	Citywide alarm system
☐ 12	☐ 12	Downstairs bedroom
☐ 13	☐ 13	Other

G6 If anyone in your household is disabled or has a long term limiting illness, is your home adequate for their needs? *Please tick one only*

Yes	☐ 1	► Please jump to question G8
No	☐ 2	► Please continue to question G7
Not applicable	☐ 3	► Please jump to question G8

G7 If your present home is not adequate for you/or another household member do you need to move to resolve this difficulty? If yes, why? *Please tick all that apply*

Yes, because I cannot afford adaptations	☐ 1
Yes, because my/our home cannot be adapted	☐ 2
Yes, I/we need to be closer to healthcare facilities	☐ 3
Yes, I/we need to be closer to family or friends	☐ 4
Yes, for another reason	☐ 5
No, I/we do not need to move	☐ 6

G8 Do you have elderly relatives who may need to move to Sheffield within the next three years to receive support? *Please tick one only*

Yes	☐ 1	► Please continue to question G9
No	☐ 2	► Please jump to section H below
Don't know	☐ 2	► Please jump to section H below

G9 If yes, what kind of accommodation might they need? *Please tick all that apply*

Live independently (with adaptations)	☐ 1
Live independently (with care in own home)	☐ 2
Live with relatives (existing home adequate)	☐ 3
Live with relatives (need extension/adaptation)	☐ 4
Private sheltered housing	☐ 5
Council/Housing Association sheltered housing	☐ 6
Private housing	☐ 7
Council/Housing Association property	☐ 8
Residential care	☐ 9
Nursing care	☐ 10
Extra Care housing (purpose built housing scheme for independent living)	☐ 11
Other purpose built supported housing scheme	☐ 12

Section H About your household

In order to find out how much affordable housing is needed in Sheffield, where, and at what cost, we need to know a bit more about your household. Please be assured that the information you provide is confidential and cannot be linked to individual households.

H1 Please write in the names of the schools that children in your household attend. *Please leave blank if you do not have children at school*

1 _____
2 _____
3 _____
4 _____

H2 If you or your partner (if applicable) work, where do you work? *Please write in the work location by completing as much as you know in the table below for you and your partner (if applicable). We are only interested in where you/they work, not the name of your/their employer*

	You	Your partner (if applicable)
Street, area or industrial estate		
City, town or village		
Post Code		

H3 Please estimate your household's total savings.
Please tick one only

Up to £4,999	☐1	£25,000 - £29,999	☐6
£5,000 - £9,999	☐2	£30,000 - £39,999	☐7
£10,000 - £14,999	☐3	£40,000 - £49,999	☐8
£15,000 - £19,999	☐4	£50,000 - £74,999	☐9
£20,000 - £24,999	☐5	£75,000 or more	☐10

H4 If you own your home, please estimate its current value.
Please tick one only in column H4

H5 How much money (equity) would you get if you sold your home, after paying off your mortgage? *Please estimate and tick one only in column H5*

H4	H5	
	☐1	Less than £0 (negative equity)
☐1	☐2	Up to £9,999
☐2	☐3	£10,000 - £24,999
☐3	☐4	£25,000 - £49,999
☐4	☐5	£50,000 - £74,999
☐5	☐6	£75,000 - £99,000
☐6	☐7	£100,000 - £124,999
☐7	☐8	£125,000 - £149,999
☐8	☐9	£150,000 - £199,999
☐9	☐10	£200,000 - £249,999
☐10	☐11	£250,000 - £299,999
☐11	☐12	£300,000 - £349,999
☐12	☐13	£350,000 - £499,999
☐13	☐14	£500,000 or more
☐99	☐99	I don't own my home

H6 Please estimate your household's total annual gross (before tax) income, including any income from investments and benefits. *Please combine incomes of the whole household and tick one only. Information will be treated in confidence.*

Up to £4,999	☐1	£50,000 - £59,999	☐11
£5,000 - £9,999	☐2	£60,000 - £69,999	☐12
£10,000 - £14,999	☐3	£70,000 - £79,999	☐13
£15,000 - £19,999	☐4	£80,000 - £89,999	☐14
£20,000 - £24,999	☐5	£90,000 - £99,999	☐15
£25,000 - £29,999	☐6	£100,000 - £109,999	☐16
£30,000 - £34,999	☐7	£110,000 - £119,999	☐17
£35,000 - £39,999	☐8	£120,000 - £129,999	☐18
£40,000 - £44,999	☐9	£130,000 - £149,999	☐19
£45,000 - £49,999	☐10	£150,000 or more	☐20

H7 Please indicate any financial resources (other than income/savings already stated above) you have access to for a mortgage deposit/rent bond (e.g. savings/help from parents). *Please tick one only*

Up to £4,999	☐1	£50,000 - £74,999	☐9
£5,000 - £9,999	☐2	£75,000 - £99,999	☐10
£10,000 - £14,999	☐3	£100,000 - £149,999	☐11
£15,000 - £19,999	☐4	£150,000 - £199,999	☐12
£20,000 - £24,999	☐5	£200,000 - £249,999	☐13
£25,000 - £29,999	☐6	£250,000 - £299,999	☐14
£30,000 - £39,999	☐7	£300,000 - £349,999	☐15
£40,000 - £49,999	☐8	£350,000 or more	☐16

H8 How would you describe you and your partner's (if applicable) ethnic origin?
Please tick any that apply

	You	Partner
White British	☐1	☐1
White Irish	☐2	☐2
Any other White background	☐3	☐3
White & Black Caribbean	☐4	☐4
White & Black African	☐5	☐5
White & Asian	☐6	☐6
Any other Mixed background	☐7	☐7
Caribbean	☐8	☐8
African	☐9	☐9
Any other Black background	☐10	☐10
Indian	☐11	☐11
Pakistani	☐12	☐12
Bangladeshi	☐13	☐13
Any other Asian background	☐14	☐14
Chinese	☐15	☐15
Gypsy or Traveller	☐16	☐16
Somali	☐17	☐17
Yemeni	☐18	☐18
Any other ethnicity not listed above	☐19	☐19

H9 If you are not a UK citizen, which country do you come from? *Please write in*

[ ]

Thank you very much for your time. Please rest assured that your response is totally confidential and will not be shared.

We may wish to speak to a number of residents in more depth about their experiences and perspectives on the Sheffield housing market. Those taking part will receive a £10 gift voucher as a gesture of goodwill for giving up their time to speak to us. Would you be willing to take part in an interview with a member of the research team? If so, please provide your contact details below and we may be in touch with you in the near future.

Name..

Tel..

Email...

☐ Tick here if you would like to take part in an interview
☐ Please tick here and provide contact details if you wish to be entered into the draw for £100 in High Street vouchers.
Responses must be received by 27 March 2013. No cash alternative. Winner will be notified by email or phone by 8 May 2013.

Thank you very much for your time. Please return in the FREEPOST envelope. No stamp is needed.

Appendix 2: Summary of policy workshops

Workshop 1: Affordable Housing Need in Sheffield (10 September 2013)

Attendees: Dan Green (SCC – Housing Strategy & Policy)); Dave Mason (SCC – Regeneration Team); David Campbell-Malloy (Creative Sheffield); Ed Sexton (SCC – Joint Learning Disabilities); Emma Wells (SCC – Froward Planning); Guy Cresswell (Great Places); James Crouch (Chesterfield BC); Laura Stephens (SCC – Forward & Area Planning); Laurie Brennan (SCC – Policy, Performance & Communication); Linda Eshelby (SCC – Care & Support); Lloyd Downer (Barnsley MBC); Lucy Bond (SCC – Development Services); Mark Whitworth (SCC – Head of Sustainable City); Pamela Davies (Yorkshire Housing); Rachael McGown (SCC – Housing Policy & Strategy); Richard Palmer (SCC - Head of Housing Commissioning); Rob Ward (SCC – HRA Business Plan); Ron Frost (Sheffield & District Landlord Association); Vincent Sievwright-Smith (Kier Asset Partnership Services Limited), Ann Pittard (Research Exchange, University of Sheffield); Sarah Watts (Rotherham MBC); Dan Le (School of Architecture, Uni of Sheffield); Danielle Leahy-Laughlin (University of Sheffield), Ryan Powell (Sheffield Hallam Uni), Craig Watkins (Uni of Sheffield)

Affordable housing supply

- There is a view that affordability is not a major problem in Sheffield compared to other cities and localities.
- But neighbourhoods where there are low average house prices also do not have a lot of stock for owner occupation.
- Affordable housing providers find it challenging to develop viable schemes in Sheffield, often preferring neighbouring districts such as Barnsley and Rotherham.
- There are major concerns about changes to funding programmes and the capacity of the market to deliver the required affordable housing.
- Despite a promising model in the form of the Sheffield Housing Company, capital receipts from land and changes to the Housing Revenue Account will make public land subsidies more difficult.
- The Core Cities are lobbying to use Housing Benefit to deliver new homes: this proposal has potential but needs further modelling and testing.

Assessing housing needs

- There needs to be recognition of the changing role of the PRS and the tension between the safety net it provides and the problems that this causes for landlords (many of whom see 'benefit-dependent' tenants as high risk)
- The extent to which the 'bedroom tax' might improve over and under-occupancy may be limited by the difficulty in persuading tenants to move neighbourhoods; the view that tenants had positive views of their own neighbourhoods and disproportionately negative views of other neighbourhoods

(where 2 and 3 bedroom housing opportunities were available) was widely supported

- The current stock (e.g. few bungalows) does not seem able to accommodate 'active ageing' on the scale that the demographic trends predict
- The intermediate housing target in 2007 SHMA was much higher than historic and subsequent levels of provision. It was suggested that Registered Providers might provide intelligence (e.g. waiting lists) that could make this estimate more robust. Careful thought needs to be given to the likely profile of tenants and the barriers to demand.

Supported housing needs

- Sheffield has particularly strong attachments to place among residents, especially elderly and disabled residents. This leads to a strong preference to stay in their own home.
- Adaptations to the home remain an important way of meeting needs, although they are costly and have implications for the re-use of the stock/adaptation.
- Other than adaptations, there is a general lack of support options for the elderly.
- The supply of new build supported housing for older people was seen to be inadequate. Meeting this need could release larger properties for families. This is seen to be favourable to residential care homes.
- Some participants considered the potential of the City Centre for meeting elderly residents' needs - with good transport and amenities already in place. But negative perceptions about the city centre would need to be overcome.
- The range in quality among private rented housing was acknowledged, but there was a view that negative perceptions dominate unfairly. More could be done to communicate the positive benefits of housing in the private rented sector.
- Good 'professional' landlords and housing stock do exist, but there are also many 'accidental' landlords where there are concerns about regulation, health and safety, and maintenance standards.
- There was a sense that there was a lack of resources in the city council private sector team and that more resources and help to landlords were needed if the sector was to meet more of the city's housing needs.

Workshop 2: The Sheffield Housing Market (13 September 2013)

Attendees: Alister Sykes (Bloor Homes); Andy Van Vliet (SCC - HMA DS Team); Bob Askham (Ackroyd and Abbott); Chris Bryan (National Landlords Association); George Lee (Sheffield and District Landlords Association); Danielle Leahy-Laughlin (University of Sheffield), Ryan Powell (Sheffield Hallam Uni), Craig Watkins (Uni of Sheffield); Ed Ferrari (Uni of Sheffield); Simon Green (SCC – Executive Director, Place); Ron Frost (Sheffield & District Landlord Association); Dan Le (School of Architecture, Uni of Sheffield); Rachael McGown (SCC – Housing Policy & Strategy); Janet Collins (SCC – Inclusion and Learning); Margaret Walker (Jonnie Johnson); Sarah Clow (Bolsover DC); Sharon Dyett (South Yorkshire HA); Simon Vincent (SCC – Forward and Area Planning); Ellie Boden (SCC- Forward and Area Planning).

Links with neighbouring areas ('shared housing markets')

- There are strong historical migration links between Sheffield and Rotherham.
- Joint working on SHMAs is likely to be important in the future, not least because of the Localism Act's 'Duty to Cooperate'. In the first instance, this probably means shared working with Rotherham.
- Land supply constraints in Sheffield mean it is inevitable that neighbouring districts will meet some of the housing needs arising in Sheffield.
- Sheffield is a highly self-contained market
- The key links in export terms are with Rotherham, with family housing sought outside of the city; whilst Sheffield attracts long distant migrants to the city-region; and acts as the main supplier of flats to newly forming and younger households
- But the net effect is that Sheffield loses population to neighbouring areas.

Developing new residential areas

- Land supply was seen as the key constraint in Sheffield by developers.
- There is a view that land supply and perceived difficulties around securing planning permission made Sheffield a particularly challenging place for developers to operate in.
- Brownfield land and sites in less desirable areas were not seen to be viable prospects for developers.
- Investment in placemaking is critical to overcome this.
- Perceptions about school quality are a huge driver of development and house buyer behaviour.
- A focus on expanding the residential offer of reasonably well-performing mid-price neighbourhoods (e.g. Hillsborough) was seen as having potential.
- The city could get more value from S. 106 and CIL by being more flexible around the issue of commuted sums payments and off-site affordable housing provision.
- The Sheffield Housing Company model is promising, and there is a view that land subsidies are key to securing viability and paying for placemaking.
- The City Centre has some way to go before it is attractive to a more diverse set of demand groups than is currently the case.

The Private Rented Sector (PRS)

- The changing nature of the PRS in Sheffield was discussed. It was acknowledged that this change was notable in three different sectors in particular: the 'Housing Benefit' market; that for suppressed homebuyers; and a contracting market for students partly explained by students staying at home more.
- Landlords are generally switching from student to family homes but some are being disposed of. Respondents were not clear how, but it was speculated that they were being sold to other landlords. The changing student market was evidenced by the fact that 10 years ago Meersbrook was considered to be a student area

- The impact of Purpose Built Student Accommodation (PBSA) has had a major effect ("almost overnight"), causing student landlords to rethink their strategy and respond in terms of their accommodation offer
- It was also noted that some international postgraduate students wish to bring families over once settled and this often results in overcrowded conditions. Overcrowding was seen as a result of constrained choices and affordability issues within the PRS more generally
- Landlord's profit margins are reportedly getting tighter as costs rise alongside rising arrears and falls in levels of Local Housing Allowance (LHA): "the economics don't add up" in many cases
- The image and stereotyping of landlords was a concern and serves to exclude them from consultation and debate. Yet councils increasing rely on private landlords to house vulnerable tenants. There was some concern that this relationship appeared to be one sided and that the Council needs to consult PRS stakeholders far more than they do.
- In housing vulnerable tenants, there were associated risks of "bad tenants" which led to sizeable arrears and sometimes the instigation of eviction processes.
- Immigrant populations and LHA tenants were increasingly seen by landlords as riskier options, but the most precarious group was seen to be LHA recipients in part time work: constant changes in income led to difficulties in administering LHA ("a nightmare for landlords"). The issue of in-work poverty was cited as an issue requiring more attention
- In general terms, the risks for landlords were always rising in the current climate of LHA reform and changes to Universal Credit
- It was felt the Council could do more to tackle bad landlords. The Council was deemed by landlords to rarely exercise its regulatory powers; problems with under-resourcing were cited. In general it was felt that the Council engaged with good landlords but not bad ones
- It was felt that the Council needs to focus on the big issues: ensuring PRS accommodation is warm, clean and dry and meets H&S. There was acknowledgement of the important role that the bottom end of the PRS plays, which suggests the appropriateness of a basic minimum standard
- Landlords felt that they needed more information on tenants
- The PRS was seen in general as a poor third to the owner-occupied and socially rented sectors.