Contents

1 Introduction ..................................................................................................................... 1

1.1 Strategic Housing Market Assessment Summary ................................................... 1

1.2 Update March 2013 ................................................................................................. 2

2 Strategic Housing Market Assessment Summary ........................................................... 2

2.1 The Demographic and Economic Context ............................................................... 2

2.2 The housing stock ................................................................................................... 3

2.3 The active market .................................................................................................... 4

2.4 The Future Housing Market ..................................................................................... 7

2.5 Housing Need (affordable housing) ......................................................................... 8

2.6 Specific Household Groups ................................................................................... 12

2.7 Future Housing Requirements ............................................................................... 13

2.8 Monitoring and updating the assessment ................................................................ 14

2.9 Report Conclusions – bringing the evidence together .......................................... 15

3 Update 2013 .................................................................................................................. 17

3.1 Economic and Housing Market Update .................................................................... 17

3.1.1 National Economic Outlook ............................................................................. 17

3.1.2 Employment ...................................................................................................... 18

3.1.3 Housing Market ............................................................................................... 20

3.1.4 Access to Mortgages ....................................................................................... 23

3.2 Revised Population Projections (2012) .................................................................... 25

3.3 Cumbria Extra Care Housing Strategy 2011-2029 ................................................... 27

3.4 Open market housing evidence ............................................................................. 27

3.5 Government Policy and the Welfare Reform Act .................................................... 28

3.5.1 Benefit Cap ...................................................................................................... 28

3.5.2 Under occupancy rule (the “Bedroom tax”) ..................................................... 29

3.6 Key Conclusions .................................................................................................... 29

3.7 Future .................................................................................................................... 30
Figures

Figure 1: House price / Household income 2010 ................................................................. 5
Figure 2: Affordability Map (Lower Quartile) .................................................................... 6
Figure 3: Household forecast scenarios .............................................................................. 8
Figure 4: Approach to calculation of Housing Need .......................................................... 10
Figure 5: Annual housing need 2011 ................................................................................ 11
Figure 6: Need by type (2011) ........................................................................................ 12
Figure 7: Requirements based on projections of population, housing and migration using annualised dwelling requirements .......................................................... 14
Figure 8: GDP Growth (February 2011 to February 2013) ................................................. 17
Figure 9: Forecasts for the UK economy - a comparison of independent forecasts ............ 18
Figure 10: All people claiming JSA .................................................................................... 19
Figure 11: All people - Economically active - Unemployed (Model Based) ......................... 20
Figure 12: Median House Price by County ........................................................................ 20
Figure 13: Median House Price by District ....................................................................... 21
Figure 14 Ratio of median house price to median earnings (2007 to 2012) ..................... 22
Figure 15 Ratio of LQ house price to LQ earnings (2007 to 2012) .................................... 22
Figure 16: National house sales and rate of change ......................................................... 23
Figure 17: Size of Deposits .............................................................................................. 24
Figure 18: Number of sales by mortgage to income ratio ................................................. 25
Figure 19: Projected Household Type ................................................................................ 26
Figure 20: Net Dwelling Requirements ........................................................................... 26
Figure 21: Open market need by type (2011) .................................................................. 28
1 Introduction

1. The purpose of this document is to summarise the Allerdale Strategic Housing Assessments (2011) and draw out the important implications for planning policy. Furthermore it provides a brief update of the housing market and demographic context to support the Allerdale Local Plan.

1.1 Strategic Housing Market Assessment Summary

2. The Strategic Housing Market Assessment (SHMA) was undertaken by Allerdale Borough Council in consultation with local and regional stakeholders and has been compiled using the Governments’ Strategic Housing Market Assessments Practice Guidance (2007). This summary draws together assessments from the three main Housing Market Areas in the Allerdale Local Plan Area;

   1. Cockermouth
   2. Maryport & Workington
   3. Wigton

3. The SHMA is intended to provide an evidence base which will allow the Council and partners to develop planning and housing policies by considering the characteristics of the housing market, how key factors work together and the probable scale of change in future housing needs and demand. The main purpose of this SHMA is to inform the Allerdale Local Plan and Local Housing Strategy prepared by the Council.

4. The assessment is not intended to provide definitive estimates of housing need, demand and market conditions. However, they aim to provide insights into how housing markets operate both now and in the future (SHMA Guidance, 2007, pp7-9).

1 The North Lakes HMA also covers an area of Allerdale, however, all but a small section is contained within the Lake District National Park, and as such is not within the Allerdale Plan Area. Given the scale, it is not appropriate to report such small numbers.
6. The format of the executive summary follows that of the full SHMA and draws together information from across all housing market areas by covering the following chapters;

1. The Demographic and Economic Context
2. The Housing Stock
3. The Active Housing market
4. The Future Housing Market
5. Housing Need
6. Specific Household Groups
7. Housing Requirements
8. Monitoring and updating the assessment
9. Report Conclusions

1.2 Update March 2013

7. The second section of this document provides an update to the housing market context and provides a bridge to the Council’s latest locally specific population forecasts as set out in the Projections Paper: Projecting Employment and Housing Change (2012) produced as a key element of the Local Plan evidence base. In presenting the updated position this paper will clarify and update the conclusions from the Allerdale SHMA (2011).

2 Strategic Housing Market Assessment Summary

2.1 The Demographic and Economic Context

8. This section of the executive summary details the demographic and economic context within which the SHMA has been developed and the background information used to inform the estimate of housing need.
9. Evidence presented in the SHMA suggests:
   • A slowly increasing population in all Housing Market Areas (HMAs);
   • A large increase in the older population
   • An increase in the overall number of households due in part to high levels of immigration experienced over the past decade;
   • Despite record low interest rates credit conditions remain extremely tight;
   • After swift economic growth from 2001 to 2004 the scale and depth of the current economic downturn has led to economic difficulties. The reliance on several key industries together with the localised economy has in part insulated Cumbria and Allerdale.
   • Gross Value Added and productivity is lagging behind neighbouring areas.
   • Rising welfare claimant levels.
   • Median and lower quartile income levels are greater than the Cumbria average in all HMA except Workington and Maryport. Income across all HMAs is below the North West and National average.
   • There are pockets of deprivation across Allerdale especially with the Maryport and Workington HMA.

10. The analysis presented in this chapter poses strategic questions regarding the mix of housing that would support the future demand for housing across Allerdale. This demand is primarily driven by a downward trend in household size and an overall growth in households. The future growth of both the number and proportion of older people reflects national trends and is likely to become an important influence in the housing market. This suggests there will remain a requirement to provide an increasing number of houses across all HMA and develop innovative and cost-effective services that can assist growing numbers of older households.

2.2 The housing stock

11. This section illustrates the current housing market through an examination of the general housing stock within each of the HMAs. Points of particular note include;
• There are approximately 41,000 dwellings in Allerdale;
• Wigton HMA has higher levels of owner occupation when compared to Allerdale, County and National averages, while the Maryport and Workington HMA has lower than average levels.
• The level of socially rented dwellings is particularly high in the Maryport and Workington HMA.
• The Wigton HMA is characterised by a high level of detached or semi-detached dwellings, while a low level of flatted or terraced buildings.
• The majority of housing in the Maryport and Workington HMA is terraced, while across the rest of Allerdale this category of dwelling is less important.
• The size of dwellings in the Wigton HMA tend to be larger compared to national, regional and local averages.

2.3 The active market

12. This section looks at the current situation in the housing market regarding the affordability of buying or renting as one of the indicators of current demand. Affordability across all HMA is a key issue for the private rental and retail market. The main points to note in this section are;

• There is a variation across the HMAs in both house price and income. House prices tend to be higher in the Wigton and Cockermouth HMA (see table below). A key indicator of affordability is ‘Price to Income Ratio’, and while evidence suggests this is on average similar to the regional level, there is a significant difference in the lower quartile in both the Wigton and Cockermouth HMA suggesting that affordability for this section of the population is severe.
<table>
<thead>
<tr>
<th></th>
<th>Workington &amp; Maryport HMA</th>
<th>Wigton HMA</th>
<th>Cockermouth HMA</th>
<th>Allerdale</th>
<th>Cumbria</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Price (£)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>129,883</td>
<td>184,227</td>
<td>190,900</td>
<td>160,995</td>
<td>172,547</td>
</tr>
<tr>
<td>Median</td>
<td>108,470</td>
<td>173,972</td>
<td>178,205</td>
<td>137,061</td>
<td>148,581</td>
</tr>
<tr>
<td>Lower Quartile</td>
<td>81,024</td>
<td>117,422</td>
<td>145,569</td>
<td>90,907</td>
<td>95,568</td>
</tr>
<tr>
<td><strong>Income (£)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>29,911</td>
<td>33,441</td>
<td>34,134</td>
<td>30,818</td>
<td>34,140</td>
</tr>
<tr>
<td>Median</td>
<td>24,038</td>
<td>27,823</td>
<td>27,831</td>
<td>24,923</td>
<td>25,525</td>
</tr>
<tr>
<td>Lower Quartile</td>
<td>14,056</td>
<td>16,525</td>
<td>16,266</td>
<td>14,633</td>
<td>14,977</td>
</tr>
<tr>
<td><strong>Price : Income Ratio</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>4.3:1</td>
<td>5.5:1</td>
<td>5.6:1</td>
<td>5.2:1</td>
<td>5.5:1</td>
</tr>
<tr>
<td>Median</td>
<td>4.5:1</td>
<td>6.3:1</td>
<td>6.4:1</td>
<td>5.5:1</td>
<td>5.8:1</td>
</tr>
<tr>
<td>Lower Quartile</td>
<td>5.8:1</td>
<td>7.1:1</td>
<td>8.9:1</td>
<td>6.2:1</td>
<td>6.4:1</td>
</tr>
</tbody>
</table>

Source: CACI, Streetvalue, 2010

- Even at entry level there are no parishes where house prices are considered affordable\(^2\) to lower quartile income households (see figure below). This has been calculated using a simplistic measure of affordability and does not take into account the full picture such as access to credit and deposits that are required in the current economic climate.

\(^2\) A price/income ratio of 3.5 and under is considered to be affordable
The economic downturn has resulted in fall in house prices, but this has had little impact on affordability due credit conditions and the relative magnitude of the drop.

Overall the SHMAs have demonstrated that the during the last five years house prices in all HMAs have increased, with lower quartile prices increasing in Cockermouth (18%), Maryport and Workington (23%) and Wigton (4%) between 2005 and 2010.

There is a lack of affordability in the private rental market across all HMA.

The stock of social housing has been reduced due to the ‘Right to Buy’ policy approach and other housing renewal policies.

Waiting lists for social housing have risen significantly over the last few years and continue to do so. Current lists do not allow direct comparisons due to the likelihood of double counting households in need; however, current waiting lists across the HMA are in excess of 4,000.
- Waiting lists reveal a severe need for 2 and 3 bed houses and bungalows in the Cockermouth and Maryport and Workington. While the lists show a need for properties of all types in the Wigton HMA. Very low turnover of key property types exasperate the problem leading to projected waiting times that suggest the current need will not be met without an extensive building programme.

2.4 The Future Housing Market

13. This section of the SHMA analyses recent economic, population and household trends and forecasts before considering what assumptions can be made with regard to the future housing market. Interpretation of this information gives an insight to possible housing requirements in the future. The main issues related to this section are;

- While world growth is set to strengthen in the medium term, Cumbria is expected to see weak growth over the next few years. The prospects for growth over 2010-12 are expected to be constrained by the sharp cuts in public spending.

- The economic prospects of West Cumbria and Allerdale are to a large degree reliant on the long-term strategy for nuclear operation at Sellafield and any subsequent additional nuclear developments.

- Population projections suggest that the population of Allerdale will change little up to 2029. These projections range from an increase of approximately 500 to a decline of over 3,000.

- The Household projections suggest that even with a declining/stable population the number of households is expected to increase considerably up to 2029. Depending on the scenario the number of households in Allerdale is expected to increase by 1,700-4,300 (see the figure below).
Credit conditions are currently extremely tight with mortgages requiring large deposits. Over time this is expected to ease, however we are unlikely to see a return to the relaxed lending conditions pre-recession. Furthermore, the historic low level of the Bank of England interest rate is expect to rise over the next year making mortgages repayments more expensive to those who can enter the housing market.

The dip in house prices experienced over the last few years has not improved affordability, especially for first time buyers. Analysis shows that without a dramatic change in the housing market such as an increase in supply affordability is unlikely to improve across all HMAs. For this to change would require a large drop (50%) in house prices and a continued increase in annual income.

### 2.5 Housing Need (affordable housing)

This section presents an estimate of the net annual housing need, the type and proportion including those in need likely to be in a financial position to pursue

Source: POPGROUP modelling, supplied by Cumbria County Council
some form of intermediate tenure. When considering these figures it is important to bare in mind that the SHMA is not intended to provide definitive estimates of housing need, demand and market conditions. They aim to provide insights into how housing markets operate both now and in the future in order to inform future policy decisions and as such they must be treated as evidence and interpreted carefully.

15. The table below gives a summary of the method used to come to the estimate of Net Annual Housing Need. The method used is based on the Government’s recommendation approach in the 2007 Guidance.
### Figure 4: Approach to calculation of Housing Need

<table>
<thead>
<tr>
<th>Step</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DEMAND</strong></td>
<td></td>
</tr>
<tr>
<td>1. Current Housing need</td>
<td>The number of existing and concealed households assessed to be in need and require a move to some form of affordable housing provision at a specific point in time.</td>
</tr>
<tr>
<td>2. Stock available to meet need</td>
<td>This is the total stock available to meet the current housing need. This is calculated by the addition of surplus stock and committed new supply of housing and subtracting those units due to be taken out of management (e.g. planned demolitions).</td>
</tr>
<tr>
<td>3. Total unmet housing need</td>
<td>The addition of steps 1 and 2 give the total unmet need at a point in time.</td>
</tr>
<tr>
<td>4. Times annual quota for the reduction of current need</td>
<td>The estimate of current need divided by the number of years over which this backlog is assumed to be eliminated. This is a policy decision and for the Allerdale SHMAs this has been set at 5 years.</td>
</tr>
<tr>
<td><strong>SUPPLY</strong></td>
<td></td>
</tr>
<tr>
<td>5. Total future need (annual)</td>
<td>This is an annual measure of the number of new households likely to be in housing need. This is calculated by the addition of those new households that will form each year and have insufficient income to access open market housing without assistance, and the annual number of existing households that own or rent a private dwelling that may experience a change of circumstances and can therefore no longer remain in the open market sector.</td>
</tr>
<tr>
<td>6. Annual supply of relets</td>
<td>The numbers of affordable housing that become available for occupation each year. This is the projected numbers of non-transfer relets by Registered Providers plus the number of social rented units that have already secured funding and are should be completed and let for the first time during 2011 or the next couple of years.</td>
</tr>
</tbody>
</table>

| NET ANNUAL AFFORDABLE HOUSING NEED (4 + 5 – 6) | The last stage is to calculate the total annual need and subtract the annual supply. |

16. The table below summarises the housing need with the Allerdale Local Plan Area.
The assessments of need revealed a total annual requirement for and additional 181 affordable homes in order to meet needs across the Plan Area. It is important when considering these ‘headline’ figures to investigate both the spatial variation of need and the requirement identified for each property type in order to get a more informed understanding.

The level of need varies considerably between parishes reflecting the local situation and housing markets.

The assessment revealed an imbalance between existing provision of social housing type and the requirement in the Workington and Maryport HMA and a high turnover of flats in the larger towns that distorts the assessment of need.

The tenure of need varies across the HMAs, however in all areas there is a greater need for affordable rented accommodation ranging from 81% in Maryport and Workington HMA, 70% in Cockermouth and 60% in Wigton HMA.
Figure 6: Need by type (2011)

<table>
<thead>
<tr>
<th>Housing Market Area</th>
<th>Total Affordable Need (over 5 yrs)</th>
<th>1 - 2 Bedroom (General Need)</th>
<th>3 – 4 Bedroom (General Need)</th>
<th>5 + Bedroom (General Need)</th>
<th>1 – 2 Bedroom (Elderly Need)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workington and Maryport</td>
<td>529</td>
<td>55%</td>
<td>39%</td>
<td>0%</td>
<td>6%</td>
</tr>
<tr>
<td>Cockermouth</td>
<td>195</td>
<td>65%</td>
<td>27%</td>
<td>2%</td>
<td>6%</td>
</tr>
<tr>
<td>Wigton</td>
<td>182</td>
<td>55%</td>
<td>39%</td>
<td>1%</td>
<td>5%</td>
</tr>
<tr>
<td>Allerdale Local Plan Area</td>
<td>906</td>
<td>57%</td>
<td>37%</td>
<td>1%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source: Allerdale Housing Needs Survey

- Across Allerdale the majority of affordable need is for smaller 1 or 2 bedroom dwellings, while within the Cockermouth HMA there is a more pronounced requirement of these types of dwellings.

2.6 Specific Household Groups

17. Guidance emphasises the requirement to consider the needs of certain population sub-groups and how their needs might differ from those of the general population. The sub-groups of the population considered in this section include vulnerable households with potential housing, support, care and health needs. The main points include;

- Homelessness remains a problem across Allerdale, however the levels of presentations during 2009/10 varied by HMA. Maryport and Workington HMA experienced a more than doubling of homelessness on the previous year. Within Wigton HMA the number of households accepted stayed broadly the same while in the Cockermouth HMA the level of households accepted as homeless fell, however those presenting increased significantly.

- Plans in place to bring make all social housing decent by 2019. In addition, in the Maryport and Workington HMA major redevelopment of social housing is
continuing in Maryport, Workington and Dearham, and further improvement works are taking place in Cockermouth.

- Population Projections suggest that there will be a substantial increase (62%) in the number of people aged over 60 throughout Allerdale up to 2032. The increase of older people over 75 is predicted to be most acute. This growth of population group will have considerable implications for future policy formation.

- At the time of writing this report research is being undertaken by the County Research and Information Group to develop a range of housing and services that will meet the needs of the aging population.

- Demand for disabled facilities grants continues to grow, although this specific housing need is an area where in-situ and non ‘bricks and mortar’ approach may be more appropriate, allowing people to remain in their own home and make better use of existing housing stock.

- The Council together with Cumbria County Council and the other Districts carried out a Gypsy and Traveller Accommodation Assessment in 2008 which looked at specific needs in terms of both static and transient sites. This identified the need for both extra residential and transit pitches across the County. The Council needs to continue to work with partners to ensure that this specific need is met in appropriate locations.

2.7 Future Housing Requirements

18. Table 4 summarises the housing requirement forecast to 2029. These figures are derived by Cumbria County Council using POPGROUP forecasting software and represent a range of population and dwelling lead estimates.
Figure 7: Requirements based on projections of population, housing and migration using annualised dwelling requirements

<table>
<thead>
<tr>
<th>Allerdale</th>
<th>Scenario 1: Zero net migration</th>
<th>Scenario 2: 5 year migration</th>
<th>Scenario 3: 10 year migration</th>
<th>Scenario 4: 10 year dwelling led</th>
<th>Scenario 5: RSS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Annualised Dwelling Requirement 2009-2029</td>
<td>90</td>
<td>220</td>
<td>197</td>
<td>233</td>
<td>276</td>
</tr>
</tbody>
</table>

Source: POPGROUP modelling, supplied by Cumbria County Council

19. Allerdale Borough Council is currently working on producing a Local Plan that will guide the level and pattern of growth over the next 15 years. An important element of this is developing a preferred growth scenario together with a spatial strategy which seeks to deliver the level of affordable and market housing required. The spatial option and growth scenario was published as part of the wider Allerdale Core Strategy Preferred Option Document in Summer 2012.

20. Key implications from the analysis suggested that:
   - It is likely that there will be an increasing number of households within Allerdale combined with a declining trend in household size. Over the period 2009-29 the average household size will decrease from 2.23 to 2.02, continuing to drive the need for more, residential development.
   - The number of single person households is expected to rise 38% between 2009-2029.

2.8 Monitoring and updating the assessment

21. The SHMAs describe the housing need and demand in Allerdale, drawing on key evidence in assessing the current market and considering the likely future trajectory of change. The key drivers of the housing market are dynamic and can change very quickly, in turn affecting the performance of the market. Allerdale Borough Council and the Cumbria Strategic Housing Market Partnership therefore need to monitor trends and activity in the housing market in a co-ordinated and timely manner. The assessment also needs to be updated on a regular basis.
22. The assessment is intended to be continually and proactively monitored, responding to a range of indicators used to assess the housing market as a whole. As a considerable amount of monitoring is already carried out within the council and the partnership, it is important that a coordinated approach is taken to ensure the most efficient use of resources and expertise. To achieve this aim and to provide a county wide framework for updating SHMAs, a set of indicators have been developed and are listed in Appendix 2 of the main document.

2.9 Report Conclusions – bringing the evidence together

23. The findings from the SHMA show:

- There is a need to increase the housing supply in Allerdale to provide both market and affordable housing.
- There are demographic issues particularly in relation to increases in the elderly population that need to be addressed.
- There are major housing affordability issues, across Allerdale and especially within the Cockermouth HMA.
- Evidence suggests that potential house buyers especially those first-time buyers are unable to enter the market due to severely constrained credit conditions.
- There is an imbalance in the demand and requirements for the type of affordable dwellings in the Maryport and Workington HMA caused by the prevalence and frequent turnover of small flats.
- Registered Providers report that across Allerdale both flats and one-bed properties are often unable to meet housing needs. Furthermore, they are unpopular and tend to result in high turnover. In Workington the registered providers are starting to convert these types of dwellings to larger properties to meet the towns housing need.
- Waiting lists for social housing have risen significantly over the last few years and continue to do so. Very low turnover of key property types exacerbate the problem leading to projected waiting times that suggest the current need will not be met without an extensive building programme.
- There is a need through the Allerdale Local Plan and the Housing Strategy to develop a housing land allocation policy to meet general and affordable housing need.
3 Update 2013

3.1 Economic and Housing Market Update

25. The Allerdale SHMA was produced using up-to-date economic and housing evidence as the context for the housing market assessment. This section aims to provide a concise up date and describes the latest trends and forecasts for the future.

3.1.1 National Economic Outlook

26. The UK economy continues to be sluggish with return to negative growth and recession as demonstrated in the figure below. Despite recent more encouraging signs, the economy remains relatively fragile and it is suggested that recovery will be gradual and unstable.

Figure 8: GDP Growth (February 2011 to February 2013)

Source: HM Treasury (2013)

27. HM treasury estimates positive growth for 2013, with growth picking up and continuing over the medium term (see figure 9).
3.1.2 Employment

28. Despite the economic downturn, the number of people claiming Job Seekers Allowance has remained relatively stable throughout Great Britain, within Allerdale the rate has remained below both the national and regional figures at between 3-3.5%.
29. The modelled level of employment based on those economically active and classed as unemployed has steadily risen across last five years, and although the level in Allerdale has remained below national levels, recent figures suggest that the gap is narrowing, and for the first time in over a decade the level of 'unemployed' has risen above the national average.

Source: ONS claimant count with rates and proportions
3.1.3 Housing Market

30. After an initial decline in house prices median prices have been relatively stable since 2010. On average prices for Cumbria remain below national levels.

Figure 11: All people - Economically active - Unemployed (Model Based)

Source: ONS annual population survey

Figure 12: Median House Price by County

Source: CACI, Streetvalue, 2012
31. Within Cumbria prices continue this trend with stable prices since the economic crisis emerged in 2007/08. As with many district wide statistics this outlook hides the nuances and differences between local areas, which as the Allerdale SHMA demonstrated can be extreme.

**Figure 13: Median House Price by District**

![Figure 13: Median House Price by District](image)

Source: CACI, Streetvalue, 2012

32. Despite a dampened housing market the ‘crude’ measure affordability has only marginally improved (Figure 14), and a ratio of over 3.5 is considered ‘unaffordable’. This simplistic measure does not consider the issue of access to credit therefore even if households are considered to be able to ‘afford’ a mortgage, a lack of a suitable deposit continues to exclude them from the market. Furthermore, as with previous statistics the issue is more pronounced when lower quartile households are considered.
33. In addition to prices the number of sales have also stagnated with the average number of sales in Allerdale at just over one thousand, approximately half of the pre-crisis level. This pattern can also be observed across Cumbria as well as nationally.
3.1.4 Access to Mortgages

34. Nationally the numbers of house sales are approximately a third of the level before the economic crisis; however, there are signs of an upturn, especially in the more buoyant markets areas.

Figure 16: National house sales and rate of change

Source: Financial Services Authority Mortgage Product Sales Data

35. One of the key constraints on the housing market is access to credit with continued tight lending conditions and the necessity for a large deposit. Once common place, there are now few products available with a 10% deposit, and even 15%, blocking many households from the market. Access is compounded as the interest rates on mortgages with high loan to property value are considerably higher than comparative mortgages.
Lastly as expected, the number of mortgages taken out with high income to mortgage ratio has fallen considerably during the last five years. Indeed, the market for a ratio of over 4.5 is virtually non-existent. This has clear implications for many households in Allerdale where the ratio is well above available mortgage ratios. This, therefore, moves the emphasis to saving a higher deposit, which is clearly a challenge for many households given the proportions required.

Source: Financial Services Authority Mortgage Product Sales Data
3.2 Revised Population Projections (2012)

37. GVA were appointed to undertake a programme of research to a joint West Cumbria update of evidence base and produce a new Economic Blueprint and Spatial Plan to establish the future of the area, taking account of the potential for Nuclear New Build and other related investment. As with previous population projections POPGROUP demographic software tool was used to present a series of population and household projections, based on different economic scenarios.

38. The revised projections suggest that the number of households is expected to increase considerably over the next few decades. This growth is driven by changing demographics (life expectancy, family size) as well as a projected increase in population to support economic growth. Depending on the scenario the number of households in Allerdale is expected to increase by 1,100-7,200 (see the figure below). The majority of this growth is expected to be in smaller
one and two adult households, while the employment based forecast is the only version to suggest an increase across all household types.

**Figure 19: Projected Household Type**

<table>
<thead>
<tr>
<th>Household Type</th>
<th>CS 2 Zero net Migration</th>
<th>CS 3 10 yr Migration-trend (equal)</th>
<th>CS 4 5 yr Migration-trend (weighted)</th>
<th>CS 5 Employment-constrained baseline forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>One person</td>
<td>1,697</td>
<td>2,232</td>
<td>1,877</td>
<td>3,600</td>
</tr>
<tr>
<td>Couple/Mixed Adult</td>
<td>840</td>
<td>1,803</td>
<td>1,350</td>
<td>3,205</td>
</tr>
<tr>
<td>Family</td>
<td>-1,357</td>
<td>-1,301</td>
<td>-1,561</td>
<td>355</td>
</tr>
<tr>
<td>Others</td>
<td>-93</td>
<td>-26</td>
<td>-57</td>
<td>75</td>
</tr>
<tr>
<td>Total</td>
<td>1,087</td>
<td>2,708</td>
<td>1,610</td>
<td>7,236</td>
</tr>
</tbody>
</table>

*Source: GVA, Cumbria County Council, 2011*

39. When these figures are translated into dwelling requirements over the plan period this equates to a range up to 500 per annum.

**Figure 20: Net Dwelling Requirements**

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Projected Household Change 2011 - 2026</th>
<th>Dwellings Required</th>
<th>Annual dwelling requirement (15yrs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS 2 Zero net Migration</td>
<td>1,087</td>
<td>1,120</td>
<td>75</td>
</tr>
<tr>
<td>CS 3 10 yr Migration-trend (equal)</td>
<td>2,708</td>
<td>2,789</td>
<td>186</td>
</tr>
<tr>
<td>CS 4 5 yr Migration-trend (weighted)</td>
<td>1,610</td>
<td>1,658</td>
<td>111</td>
</tr>
<tr>
<td>CS 5 Employment-constrained baseline forecast</td>
<td>7,236</td>
<td>7,453</td>
<td>497</td>
</tr>
</tbody>
</table>

*Source: GVA, Cumbria County Council, 2011*

40. The Allerdale Local Plan has used these latest forecasts to develop a housing requirement of 304 dwellings per annum for the Plan Period. This takes into account past deliver, available land, constraints and falls between the latter of
the two scenarios. The rationale is fully explained within the Allerdale Housing Topic Paper.

3.3 Cumbria Extra Care Housing Strategy 2011-2029

41. This Strategy set out an ambition for future development of extra care housing in Cumbria. It aims to enable people in Cumbria to plan for their future and realise their aspirations to live independently. The study provides the demographic background to identify current and future planned provision in the county and outline action areas for future development. This is a key source of housing evidence that has helped to shape planning policy and will assist the Council to identify land in suitable locations to accommodate extra care housing units within the Site Allocations DPD.

3.4 Open market housing evidence

42. As part of the parish surveys carried out to support the production of the Allerdale SHMA and support the implementation of affordable housing policy, detailed information was also collected on the requirement for open market housing. This was not reported in the production of SHMA, but remains an indication of the mix of open market housing required, and is a good source of primary data to triangulate the household projections set out above.

43. Furthermore, given national policy requiring ‘Local Plans to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing’ (NPPF paragraph 47) this provides a useful source of evidence.

44. The table below sets out evidence that was collected during the surveys. This suggests that there is a need for all types of open market housing, and in particular, there is a need for larger ‘family’ homes especially within the Maryport and Workington, and Cockermouth HMAs. Evidence also suggests that there is a considerable need for smaller homes to fulfil the needs of older people, with a particular focus on the Wigton HMA.
**Figure 21**: Open market need by type (2011)

<table>
<thead>
<tr>
<th>Housing Market Area</th>
<th>Total Open Market Need (over 5 yrs)</th>
<th>1 - 2 Bedroom (General Need)</th>
<th>3 – 4 Bedroom (General Need)</th>
<th>5 + Bedroom (General Need)</th>
<th>1 – 2 Bedroom (Elderly Need)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workington and Maryport</td>
<td>1,301</td>
<td>35%</td>
<td>52%</td>
<td>0%</td>
<td>13%</td>
</tr>
<tr>
<td>Cockermouth</td>
<td>85</td>
<td>29%</td>
<td>56%</td>
<td>5%</td>
<td>9%</td>
</tr>
<tr>
<td>Wigton</td>
<td>88</td>
<td>32%</td>
<td>42%</td>
<td>0%</td>
<td>26%</td>
</tr>
<tr>
<td>Allerdale Local Plan Area</td>
<td>1,474</td>
<td>34%</td>
<td>51%</td>
<td>1%</td>
<td>14%</td>
</tr>
</tbody>
</table>

*Source: Allerdale Housing Needs Survey*

### 3.5 Government Policy and the Welfare Reform Act

45. The Government has put in place a range of reforms across the welfare system aiming to simplify the current system, provide access to support, and get people back into work. Some of the new measures have the potential to have serious implications for the provision of affordable housing.

#### 3.5.1 Benefit Cap

46. From April 2013 a cap will be introduced on the total amount of benefit that working age people can receive. In the first instance the cap will be administered jointly by the Department of Work and Pension and local authorities through deductions from Housing Benefit payments. In the longer term it will form part of the new Universal Credit system. This will be a phased across the months until the end of September 2013.
3.5.2 Under occupancy rule (the “Bedroom tax”)

47. The Act introduces new powers for the restriction of Housing Benefit entitlement for those working age social housing claimants whose accommodation is considered to be larger than they need (Under occupancy of Social Housing).

48. The so-called "spare bedroom tax" is due to be introduced in April 2013. The stated aim of this change is to encourage greater mobility within the social rented sector, make better use of available social housing stock and improve work-incentives for working age claimants. On 1 April 2013 social housing tenants who have unoccupied bedrooms will see their Housing Benefit reduce by:
   - 14% where there is under occupying of one bedroom
   - 25% where there is under occupying by two or more bedrooms

49. It is estimated that the under occupancy rule could affect 1,741 households in Allerdale. This could lead to an increase in demand for smaller suitable alternative social rented accommodation for those willing to downsize to a smaller property. This has clear implications for both current and future supply and could result in an increase the need for additional affordable homes, especially of smaller dwellings, and conversely a drop in demand for larger properties. The extent of the issue will not be clear until the reform has been implemented for a period of time.

3.6 Key Conclusions

50. Evidence presented in this update suggest that the context for the assessment of housing need within the SHMA has not changed substantially since the original study in 2011. Both, the house market and economic growth have stagnated since the initial declines at the onset of the economic downturn in 2007.
51. In terms of access to affordable housing the core backlog remains in addition to the continuing newly forming need. The key message continues that despite a decline in the housing market, affordability remains a central concern, and out of the reach of main household in Allerdale. Access to credit remains very tight which compounds affordability issues and excludes many households who may be able to afford repayments, but struggle to achieve the high deposits required by lenders. Until access to mortgages eases, recovery in the housing market remains difficult.

52. The implications of recent developments in government policy and the suite of welfare reforms are so far unclear. Many of the measures will be introduced over the coming months and the effects of these changes may not be clear until they bed in, therefore, it is important that close monitoring of both housing waiting lists, Registered Providers, and turnover is maintained.

3.7 Future

53. The key drivers of the housing market are dynamic and can change very quickly, in turn affecting the performance of the housing market. Allerdale Borough Council and the Cumbria Strategic Housing Market Partnership will continue to monitor trends and activity in the housing market in a co-ordinated and timely manner. To achieve this aim and to provide a county wide framework for updating SHMAs, a set of indicators has been developed and is listed in Appendix 3 of the main assessments.

54. The assessment also needs to be updated on a regular basis. Government guidance identifies this as a five-yearly review cycle to coincide with the monitoring and update of development frameworks and local housing strategies.

55. Allerdale Borough Council is part way through a programme of parish surveys that provide a rich source of primary data to both implement planning policy and provide the basis of an update of the housing need elements of the SHMA.
Additionally, given the release of the 2011 Census results, and uncertainties outlined in preceding sections the Council are committed to updating the 2011 SHMA in a timely manner.

56. Furthermore, in order to inform both the Allerdale Site Allocation and Housing Strategy the Council, in partnership with other Districts, has commissioned a new Cumbria Gypsy and Traveller Accommodation Assessment following the Governments Planning Policy for Traveller Sites, (March 2012). This is due to report in summer 2013.