

# Briefing

## Welwyn Hatfield Strategic Housing Market Assessment

April 2016

### Size and Type of Housing Required

1. This briefing note has been prepared for Welwyn Hatfield Borough Council to analyse available evidence on the size and type of housing required in Welwyn Hatfield over the plan period.
2. The 2012-based sub-national population projections (SNPP) represent an official dataset which is translated into household projections (SNHP) by DCLG. The latter dataset forms the 'starting point' for assessing housing need, and makes assumptions on how the population form households over the projection period.
3. The 2014 Strategic Housing Market Assessment<sup>1</sup> (SHMA) estimated the level of housing need associated with the 2012 SNPP, but was prepared prior to the publication of the 2012-based SNHP. Instead, headship rates from the preceding 2008-based and interim 2011-based datasets published by DCLG were applied to all scenarios developed by Edge Analytics, with a midpoint also presented given uncertainties associated with both sets of assumptions.
4. These datasets were broken down by household type, enabling an understanding of the types of households likely to form in Welwyn Hatfield and the size of housing required. Figure 9.9 of the 2014 SHMA is replicated in a slightly altered format below, showing the size and type of housing needed under three scenarios, including the official 2012 SNPP. It was highlighted within the SHMA that there is a broad similarity between scenarios.

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<sup>1</sup> Turley (2014) Welwyn Hatfield Strategic Housing Market Assessment

**Table 1: Estimated Size of Housing Required – 2014 SHMA (Figure 9.9)**

	Less than 50sqm	50 to 69sqm	70 to 89sqm	90 to 109sqm	Over 110sqm
	Studio/small 1 bed apartment	2 bed flat or small mews	2 or 3 bed family house, semi-detached or mews	3 or 4 bed family semi-detached house or small 4 bedroom detached house	Larger 4+ bed family detached house
<b>Migration-led 10 year scenario</b>					
2008-based	18%	29%	27%	12%	14%
2011-based	13%	28%	30%	13%	16%
<b>Average</b>	<b>16%</b>	<b>28%</b>	<b>29%</b>	<b>12%</b>	<b>15%</b>
<b>SNPP 2012 scenario</b>					
2008-based	17%	28%	28%	12%	15%
2011-based	13%	27%	30%	13%	17%
<b>Average</b>	<b>15%</b>	<b>28%</b>	<b>29%</b>	<b>13%</b>	<b>16%</b>
<b>Economy Study (Baseline) scenario</b>					
2008-based	16%	28%	28%	12%	16%
2011-based	13%	27%	30%	13%	17%
<b>Average</b>	<b>15%</b>	<b>27%</b>	<b>29%</b>	<b>13%</b>	<b>16%</b>

Source: Turley, 2014

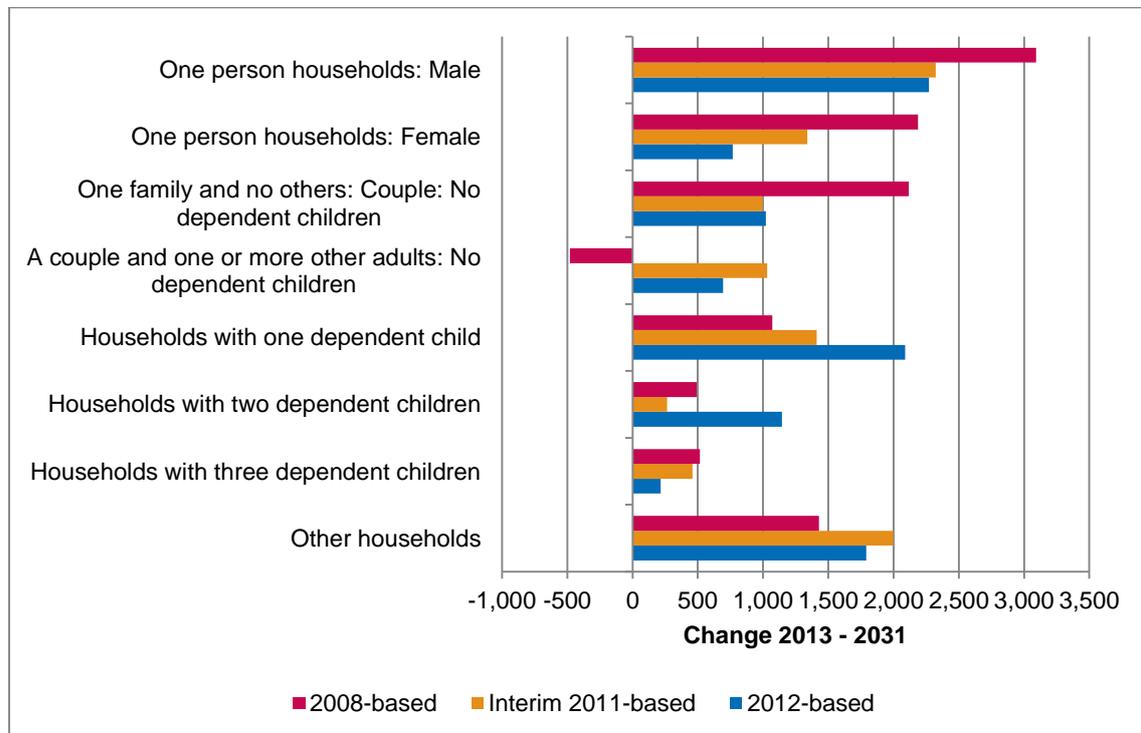
5. The publication of the 2012 SNHP in February 2015 provided new household formation rates, which were subsequently applied to scenarios presented in the 2015 SHMA partial update<sup>2</sup> and the 2016 Economy Study Addendum<sup>3</sup>. While this provided new detail on the likelihood of residents of different ages becoming households over the plan period, the publication of a 'Stage One' release by DCLG did not include detail on the types of households projected to form. This restricted the extent to which the analysis of the need for different sizes and types of housing could be updated within these studies.
6. 'Stage Two' outputs from the 2012 SNHP were released by DCLG in December 2015, which breaks down the household projection by age and eight household typologies:
  - One person households – male;
  - One person households – female;
  - Couple households with no dependent children;

<sup>2</sup> Turley (2015) Welwyn Hatfield Strategic Housing Market Assessment Partial Update 2015

<sup>3</sup> Turley (2016) SHMA Partial Update Addendum: Responding to the Economy Study Update

- Couple and one or more other adults, with no dependent children;
  - Households with one dependent child;
  - Households with two dependent children;
  - Households with three or more dependent children; and
  - Other households with two or more adults.
7. While this 2012-based release provides less detail than projected in earlier 2008-based and interim 2011-based projections, the accompanying report issued by DCLG shows how the 17 previous household typologies – presented in the 2014 Welwyn Hatfield SHMA – aggregate to the new classifications<sup>4</sup>.
8. The following chart shows how the official 2012-based sub-national population projection for Welwyn Hatfield translates into different types of households, depending upon the three different headship rates applied (2008, Interim 2011 and 2012 based rates). It is important to note that this is based on the period from 2013 to 2031, which is a slightly different period to that assessed (2013 – 2032) within the 2015 SHMA partial update and 2016 Addendum. This reflects the period for which comparable modelling outputs<sup>5</sup> from the 2014 SHMA are available, given the study's initial focus on the period to 2031.

**Figure 1: Variable Change in Household Type 2013 – 2031 (SNPP 2012)**



Source: DCLG; Edge Analytics; Turley

<sup>4</sup> DCLG (2015) 2012-based household projections in England: stage 2 (household types) and national variants

<sup>5</sup> SNPP 2012 scenario with 2008-based and interim 2011-based headship rates modelled by Edge Analytics in 2014 SHMA

9. The 2012-based headship rates suggest a broader alignment with the interim 2011-based dataset, albeit with a number of important differences. The number of households with one or two dependent children is projected to grow by a notably higher level, with this offset in particular by a lower projected number of single person female households and to a lesser extent couple households with another adult.
10. When compared against the projection using the 2008-based headship rates, the 2012-based rates suggest a slower growth of single households and notably a growth of couple households with another adult. This contrasts with the earliest 2008-based dataset, but is similar to the 2011-based dataset as noted above. This could be reflective of the worsening market context, and represent – at least to a degree – a number of concealed younger households who are unable to form.
11. While Figure 1 considered change between 2013 and 2031 to align with the modelling prepared to inform the 2014 SHMA, an understanding of the change implied under the 2012-based household projections over the plan period (2013 – 2032) can also be established. This is presented in the following table.

**Table 2: Change in Household Type 2013 – 2032 (SNPP 2012, 2012-based headship rates)**

	Total change 2013 – 2032	% change 2013 – 2032
One person households	3,320	26%
One family and no others: couple: no dependent children	1,104	10%
A couple and one or more other adults: no dependent children	736	22%
Households with one dependent child	2,138	35%
Households with two dependent children	1,151	21%
Households with three dependent children	206	10%
Other households	1,927	48%

Source: DCLG

12. Using the newly published 'Stage Two' outputs from the 2012 SNHP, it is possible to update the analysis within the 2014 SHMA to consider the size and type of housing needed under this projection. This continues to be based on consistent English Housing Survey data<sup>6</sup> showing the amount of space required by households of different types, and can therefore be directly compared.

<sup>6</sup> ONS (2013) English Housing Survey – households report 2011/12

**Table 3: Estimated Size of Housing Required – SNPP 2012**

	Less than 50sqm	50 to 69sqm	70 to 89sqm	90 to 109sqm	Over 110sqm
	Studio/small 1 bed apartment	2 bed flat or small mews	2 or 3 bed family house, semi-detached or mews	3 or 4 bed family semi-detached house or small 4 bedroom detached house	Larger 4+ bed family detached house
<b>SNPP 2012 scenario</b>					
2008-based	17%	28%	28%	12%	15%
2011-based	13%	27%	30%	13%	17%
<b>Average</b>	<b>15%</b>	<b>28%</b>	<b>29%</b>	<b>13%</b>	<b>16%</b>
<b>2012-based</b>	<b>11%</b>	<b>26%</b>	<b>30%</b>	<b>14%</b>	<b>20%</b>

Source: Turley, 2016

13. The application of updated 2012-based headship rates continues to suggest that a range of housing types are required over the plan period in Welwyn Hatfield, although the latest evidence suggests that there is a more limited need for smaller flats and a greater need for larger, family housing.
14. It is, however, important to note that this exercise applies unmodified household formation rates from the 2012 SNHP. The 2015 SHMA partial update presented scenarios within which the household formation rates for younger households were adjusted in response to a recognition the household formation rates suggested an increase in the number of younger persons unable to form independent households (as referenced at paragraph 10 of this note). The Edge Analytics modelling prepared to date for the Council has not used the 'Stage Two' headship rates and therefore the data to assess the impact of this adjustment on the type of housing required is not available. It is likely, however, that this adjustment would serve to elevate the need for smaller housing which is more likely to meet the needs of these household groups.
15. Similarly, this note does not consider the types of households likely to form under any of the other scenarios presented in the 2015 SHMA partial update and the 2016 Addendum, due to an absence of modelling outputs. However, with the earlier Table 1 showing a limited variation between population growth scenarios, it is expected that a comparable analysis would be unlikely to significantly deviate from the findings presented above.

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