



Strategic Housing Market Assessments for Yorkshire & the Humber

Final report:
North & North East
Lincolnshire
Housing Market Area

June 2008

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1. Introduction

- 1.1 This document provides a Strategic Housing Market Assessment (SHMA) for the North and North East Lincolnshire housing market area (HMA). It has been produced in accordance with Government guidance for the production of SHMAs.¹
- 1.2 This SHMA forms part of a suite of SHMAs for the Yorkshire and the Humber Region. Yorkshire and the Humber are seeking to develop a framework of SHMAs across the region which can provide comprehensive and consistent regional coverage.
- 1.3 Phase One of this study identified a need across some parts of the region for additional work to provide fit for purpose SHMAs corresponding to strategic housing markets. This work is recognised as building on the existing local studies.
- 1.4 This is not a local level SHMA but one of a suite of comparative regional reports which support a strategic overview for the region. This report does not replace the need for a local SHMA. An integral element of this strategic approach is the consideration of connections with a wider reference area and an analysis that looks beyond the boundaries of each district.
- 1.5 Key to this suite of reports is the need for comparability and consistency across the region to support a strategic overview. This report does not include primary data similar to that which might be collected as part of a more local assessment. In order to provide the comparators required across the region consistency has been the primary driver of the data assembled to inform this profile. It is recognised that more detailed local studies may have additional information which is either more recent, or finer grained, and can be used to further inform the

¹ Communities and Local Government (2007) Strategic Housing Market Assessments: Practice Guidance. April 2007.

understanding of the current and future operation of housing markets within this HMA.

- 1.6 For the purposes of this assessment, the North and North East Lincolnshire HMA is taken to be coterminous with the district boundaries of North Lincolnshire and North East Lincolnshire. A justification for this is provided In Chapter 3. The research has also identified a wider reference area encompassing West Lindsey in the East Midlands as well as North and North East Lincolnshire. Where possible comparator data for this reference area is included as well as for the HMA.

2. Summary of findings

- North and North East Lincolnshire sit alongside the river Humber with the major ports providing a key trading point for the region and the wider north of England. The HMA includes urban areas including the major towns of Grimsby and Scunthorpe as well as smaller towns, villages and rural areas.
- There has been population and household growth – with migration the key driver of population change over the past two decades. Since 2000 this has been steady in migration following an earlier period of movement out of the HMA. The highest levels of recent in migration have been of those in occupations associated with relatively low wages.
- The population has an older profile with a growing proportion of people aged over 65.
- There is a growing proportion of one person households but this is still lower than across the region. There is a higher proportion of couples and of lone parent households.
- There are relatively high levels of economic activity, particularly for males, but a relatively low wage base with low representation of employees in management and professional occupations.
- The housing stock provides a good range of stock with a higher proportion of detached homes and a lower proportion of terraced homes compared to the region.
- Owner occupation levels are higher than for the region, with lower levels of renting in the social or private sectors.
- Vacancy levels are low and have fallen although there are some concentrations of higher vacancies in parts of Scunthorpe, Grimsby and Cleethorpes.
- New home completions have averaged 960pa over the past decade. Affordable homes (including acquisitions of existing properties) have averaged 82pa over the same period with most provided by RSLs but some significant private sector provision of affordable homes prior to 2001 and again in 2006/07.
- Average sales values are some £30,000 lower than for the region. However the trend in increasing sales values has followed the regional trend, albeit at a lower level. Lower quartile affordability ratios have increased significantly over the past decade.

- Further economic restructuring is forecast with levels of GVA falling in the HMA and the Strategic Economic Assessment suggesting that the relatively good economic performance of the sub-region may not be experienced in the future.
- There is a forecast population increase of over 29,000 people between 2007 and 2029.
- Most of this population growth will be older people over 65. There is a projected fall in all age groups below 45 years and over 34,000 additional older people projected by 2029. By 2029 26% of the population is projected to be over 65.
- There are an additional 24,200 households projected to 2026 with the greatest household growth forecast to 2016 and reducing after this. This compares to a provision within RSS for an additional 22,680 homes.
- Levels of international migration are projected to remain steady to 2029. However the HMA has experienced increased levels of international migration in particular from EU accession countries. In 2006/07 there were over 1,900 of National Insurance registrations in the HMA and over 70% were from EU accession countries. The longer term housing intentions of these migrants will have a potentially significant impact on future population and housing requirements.
- There is a projected increase in one person households with a 55% increase in the number of one person households by 2029. Average household size is relatively low in the HMA but is projected to fall from 2.3 to 2.0 by 2029.
- The backlog of housing need in the North and North East Lincolnshire HMA, as calculated in 2006/07 by Outside UK was 6,476. Newly arising housing need was calculated as 2,314 additional households per annum. However taking into account current and projected supply calculated as 3,388 units per annum the total annual shortfall is calculated as being 711 homes.
- The total NAHP allocation for the HMA for 2006/08 is 232 units. While this level of grant funded units represents an increase on previous years the balance of affordable units will need to be delivered from alternative sources, primarily as a result of S.106 planning obligations.
- First time buyers would need to be in the £15k to £20k income bracket to purchase the averaged terraced house at market prices.

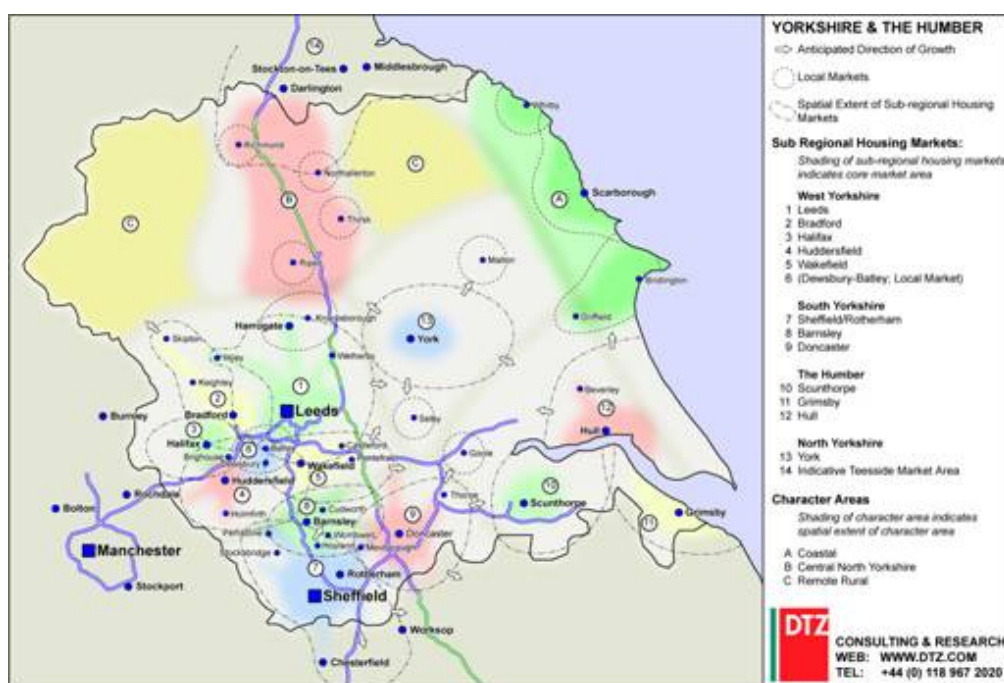
- The proportion of families with children is slightly above that for the region and family housing will need to remain a significant component of the future housing offer.
- There is a significant and growing older population. The future housing needs of older people will be an essential element of housing policy and strategy for the HMA in terms of specific housing requirements and service delivery.
- While the HMA has a lower proportion of BME residents than the region there have been recent high levels of in migration, in particular from Eastern European countries. The future needs and long term aspirations of these migrants will be important to monitor and respond to.
- The significant rate of increase in people eligible for Disability Living Allowance, particularly within North Lincolnshire, may indicate a future demand for specialist accommodation to meet the requirements of a population with increasing support needs.

3. Context

Rationale for the boundary

3.1 Research undertaken by DTZ Consulting² suggests that the North and North East Lincolnshire includes two housing market areas focussed on Scunthorpe and Grimsby respectively. These indicative boundaries are shown in Figure 3.1 below. The boundaries are broadly coterminous with the district boundaries for North and North East Lincolnshire.

Figure 3.1. Indicative Housing Market Areas and Character Areas



Source: DTZ

3.2 This work did not provide a practical basis for housing market assessments because it did not set precise boundaries for the assessments. Further work was therefore carried out by ECOTEC and Sheffield University using travel to work and migration data to refine the DTZ analysis.³

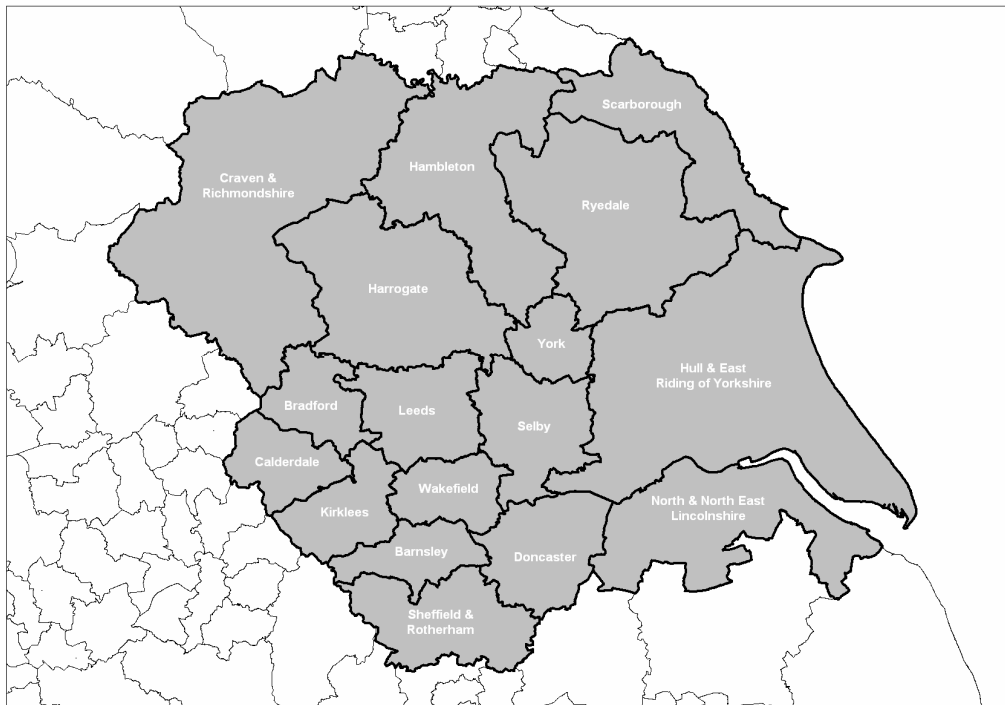
² DTZ 2007 *Mapping Housing Markets in the Yorkshire and the Humber Region..*

³ See our Stage 1 report to Yorkshire and Humber Assembly.

- 3.3 The Phase one report suggested that the two market areas identified could helpfully be considered as one HMA (North and North East Lincolnshire) demonstrating similar market issues. The two local authorities commissioned a separate HMA for each district, reporting in 2007, but ensured these were both commissioned to the same time scale and methodology to provide consistency across the two districts.
- 3.4 There are some overlaps with adjacent areas but these are minimal compared with some other HMAs in the region. The further validation and testing of HMA boundaries⁴ that we have conducted confirms the relevance and practical applicability of the chosen boundary.
- 3.5 Following official guidance, and taking into account travel to work and migration patterns, the research defined HMAs by aligning them with whole local authorities or groups of local authorities (Figure 3.2). In Humber this led to the definition of two HMAs, made up as follows:
- Hull and East Riding
 - North and North East Lincolnshire

⁴ ECOTEC et al stage one report to YHRA

Figure 3.2. Yorkshire and the Humber: housing market area boundaries

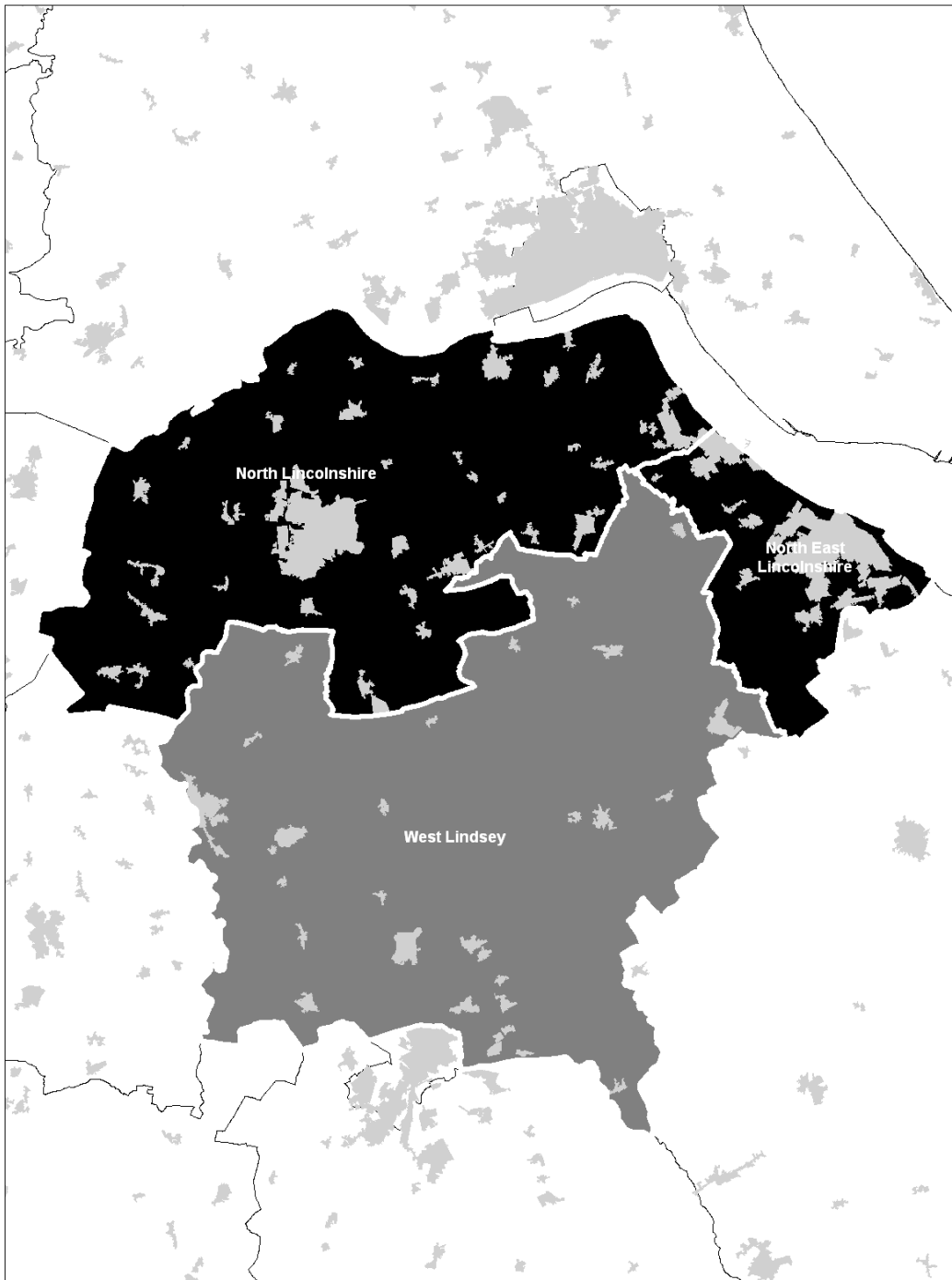


Connections with other areas

3.6 Although the boundaries of the North and North East Lincolnshire HMA coincide with the district boundaries, it is recognised that there are important links with adjacent areas. These are examined in this assessment and must be taken into account in the subsequent development of LDF and housing policies.

3.7 Phase One of this research identified a 'reference area' for each of the HMAs based on the strongest connections with adjacent areas. This reference area for North Lincolnshire and North East Lincolnshire includes West Lindsey. This reference area is shown in Figure 3.3.

Figure 3.3. North and North East Lincolnshire HMA and associated districts



Data source: Ordnance Survey.

3.8 The analysis of travel to work data confirms the separate employment centres of Grimsby and Scunthorpe each drawing

from a relatively small surrounding area. These are shown in Figures 3.4 and 3.5 below.

Figure 3.4 Travel to work in Grimsby

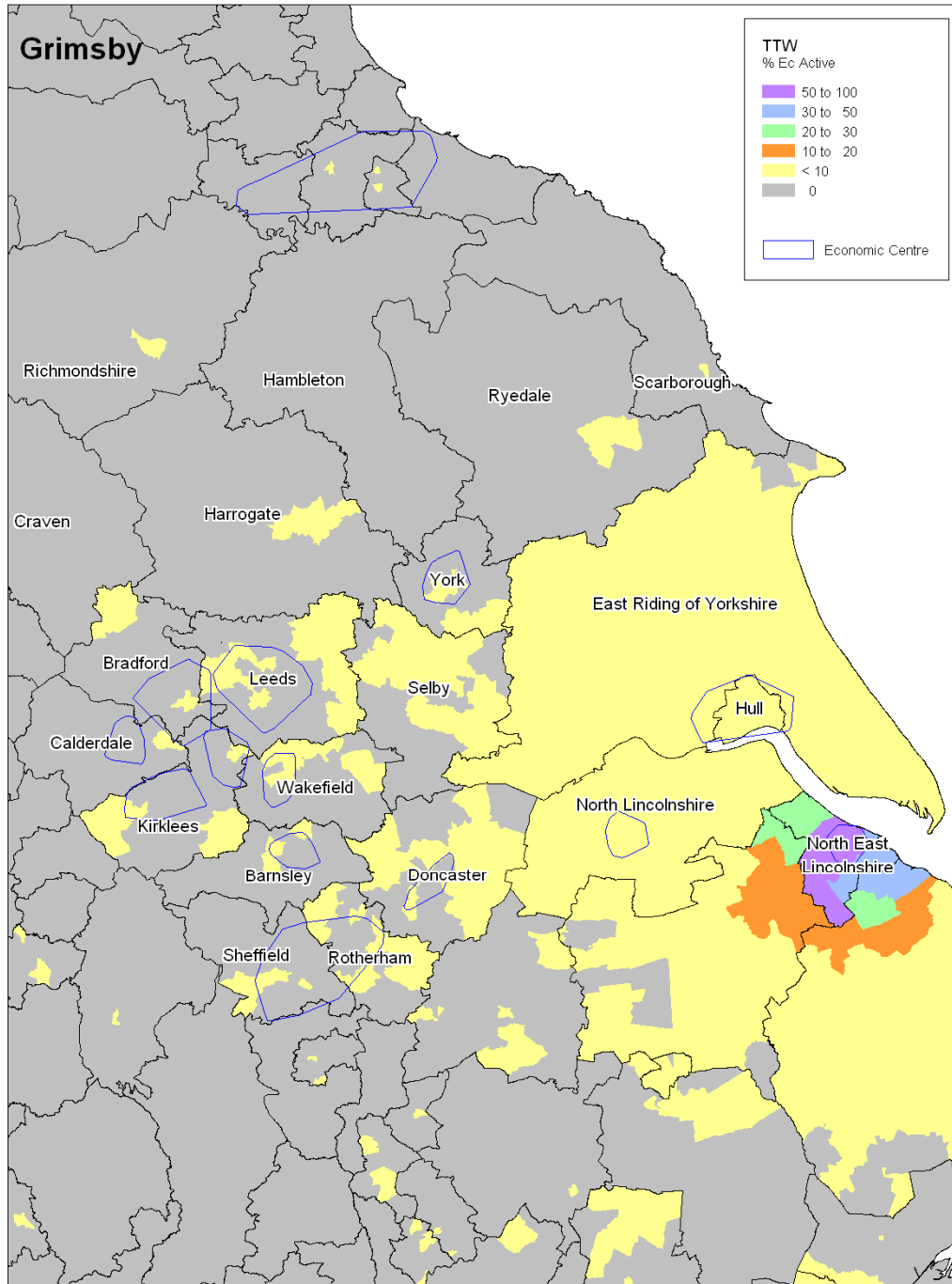
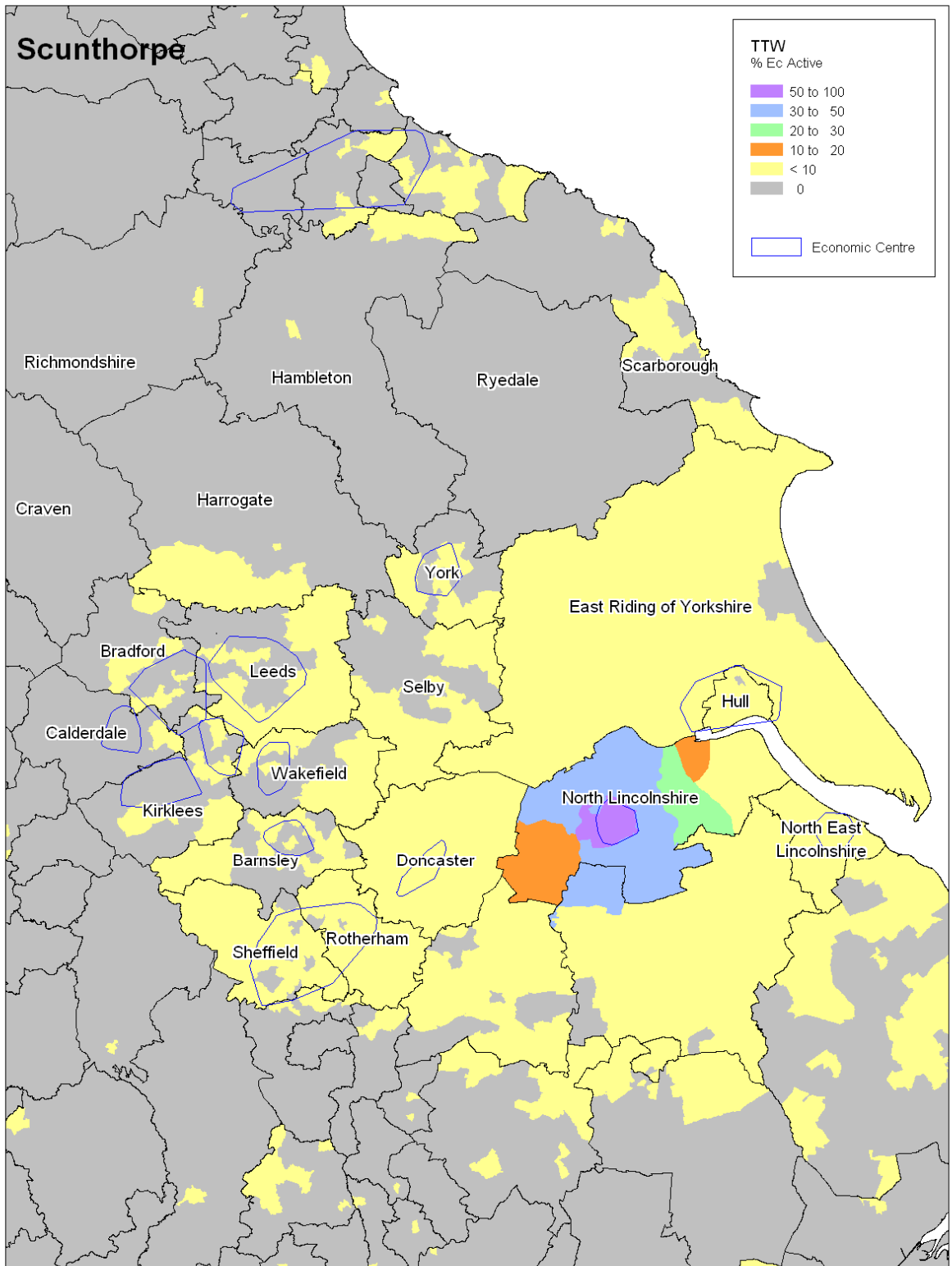


Figure 3.5 Travel to work in Scunthorpe



4. The current market

Background

- 4.1 North East Lincolnshire sits on the east coast of the region, located at the end of the Humber estuary, covering an area of 74 square miles (192 sq km). There are a number of challenges but also lots of opportunity – there are the port towns of Grimsby and Immingham, the coastal resort of Cleethorpes and a range of villages. Highway links in North East Lincolnshire are good and there are links to the national rail network.
- 4.2 North Lincolnshire is adjacent to the Humber which forms the northern and eastern boundary of the district with ports offering major shipping routes to Europe. The district covers 328 square miles (850 sq km). It has good transport connections through the centre of the district via the M180 to the major settlements of Scunthorpe, Brigg and Humberside airport. Half the Districts current population lives in Scunthorpe and Bottesford.
- 4.3 Both Grimsby (in North East Lincolnshire) and Scunthorpe (in North Lincolnshire) are recognised within draft RSS as sub-regional centres.
- 4.4 The population of the borough of North East Lincolnshire is 158,000 and of the just under 70,000 households – less than 6% live in areas which could be described as rural. North Lincolnshire does have a large rural population (72,000). A Rural Strategy for North Lincolnshire has brought together the main priorities of all the agencies involved in economic, social and environmental regeneration and renewal activity across rural North Lincolnshire.
- 4.5 Within North East Lincolnshire Grimsby operates as a sub-regional centre with Cleethorpes forming the main urban area. Immingham serves as a principal town for the rural community that surrounds. The town centre is in need of regeneration. The Grimsby travel to work area extends

across the borough into North Lincolnshire, East Lindsey and West Lindsey – reflecting that this wider area serves as part of the Housing Market Area.

- 4.6 Recent years have seen significant investment in Scunthorpe town centre with the opening of the multi-million pound Parishes retail complex, which has improved the range and type of shops and facilities. However, the town continues to face competition from nearby centres (Doncaster, Grimsby, Hull, Lincoln, Meadowhall and Sheffield).
- 4.7 Within North East Lincolnshire deprivation is generally low although there are some pockets in the Borough. The twin ports in the borough are internationally significant and major employers. Unemployment is higher than the regional and national averages and gross earnings are the lowest in the region.
- 4.8 The economy of North Lincolnshire is heavily dependent on the distribution, hotels and restaurant sectors. Less than 20% of jobs are in manufacturing which is similar to the regional average. The Humber estuary is in the district and is one of the busiest and fastest growing ports in the UK. Agriculture remains an important element of the economy. Unemployment in the district is consistently below the regional average but exceeds the national rate.

Population

- 4.9 Table 4.1 shows past trends in the overall population and number of households in the North and North East Lincolnshire HMA, drawing on ONS and DCLG estimates. The population of North and North East Lincolnshire has increased overall since 1981. However this has not been a consistent increase with the HMA losing population between 1981 and 1987 and again between 1993 and 1998. Year on year growth since 2000 means the

population is now higher than at any time in the past 25 years.

- 4.10 Household growth has been at a faster rate than population growth and average household size has fallen from 2.76 in 1981 to 2.38 by 2004.
- 4.11 The most recent projections indicate a likely rise in population of some 29,200 persons between 2007 and 2029. The implications of such population growth for the future housing market are discussed in Chapter 5.

Table 4.1 Population and households in North and North East Lincolnshire HMA, 1981-2007

Year	Mid-year population	% increase on previous year	Mid-year households	% increase on previous year	Average household size
1981	312,300	-	113,000	-	2.76
1982	311,900	-0.13	114,000	0.88	2.74
1983	311,900	0.00	115,000	0.88	2.71
1984	311,300	-0.19	116,000	0.87	2.68
1985	311,000	-0.10	117,000	0.86	2.66
1986	311,100	0.03	118,000	0.85	2.64
1987	310,500	-0.19	119,000	0.85	2.61
1988	311,400	0.29	121,000	1.68	2.57
1989	313,200	0.58	123,000	1.65	2.55
1990	312,900	-0.10	124,000	0.81	2.52
1991	313,900	0.32	125,000	0.81	2.51
1992	314,100	0.06	125,000	0.00	2.51
1993	314,000	-0.03	126,000	0.80	2.49
1994	314,300	0.10	127,000	0.79	2.47
1995	312,200	-0.67	127,000	0.00	2.46
1996	311,400	-0.26	127,000	0.00	2.45
1997	310,800	-0.19	128,000	0.79	2.43
1998	310,000	-0.26	128,000	0.00	2.42
1999	310,000	0.00	128,000	0.00	2.42
2000	310,100	0.03	129,000	0.78	2.40
2001	311,000	0.29	130,000	0.78	2.39
2002	312,200	0.39	131,000	0.77	2.38
2003	314,500	0.74	133,000	1.53	2.36
2004	316,400	0.60	133,000	0.00	2.38
2005	317,300	0.28	NA	NA	NA
2006	317,900	0.19	NA	NA	NA

Sources: ONS mid-year population estimates, DCLG household estimates. NA Data not yet available

4.12 Table 4.2 shows the breakdown of population change in the HMA, showing the respective contribution of natural change (births and deaths) and migration over the period from 1991 to 2006. Migration has been the major driver of population change, with steady out migration each year between 1991 and 1998 peaking at 2,600 in 1994.

4.13 Migration has also been the main driver of an increasing population from 1999 to 2004 but following this period of in

migration natural change is now starting to have a positive impact on population change.

Table 4.2 Components of population change

Year	Natural change	Migration	Total change
1991	800	-700	200
1992	600	-800	-100
1993	500	-200	300
1994	500	-2,600	-2,000
1995	300	-1,200	-800
1996	400	-1,000	-600
1997	0	-800	-700
1998	0	-100	-100
1999	0	100	100
2000	0	800	800
2001	0	1,200	1,300
2002	0	2,500	2,300
2003	100	1,700	1,700
2004	400	600	900
2005	700	0	600

Source: ONS

4.14 Table 4.3 shows migration by occupational type. This shows that there are relatively high net outflows of students compared to other occupational but small net inflows of all other groups.

4.15 Managerial and professional groups generally tend to be over represented among migrants and indeed a higher proportion of this group moved into and out of the HMA. The net impact of this however was a small increase in those in Higher Managerial and Professional occupations.

4.16 In terms of absolute numbers, and the proportion of the occupational type moving into the HMA it is those in semi routine occupations that have seen the greatest in migration. Relatively low wages associated with these occupation types mean a proportional increase in these

groups will have an impact on demand for homes that are affordable at the lower end of the market.

Table 4.3 Migration by occupational type

	Did not move or moved within LA	Moved in from within UK	Moved out to within UK	Net moves in from UK	Net moves as % of non-movers/movers within LA
Higher managerial and professional	6555	296	265	31	0.5
Lower managerial and professional	16600	524	433	91	0.5
Intermediate	5173	141	120	21	0.4
Small employers and own account workers	7976	129	85	44	0.6
Lower supervisory and technical	13973	204	134	70	0.5
Semi-routine	12782	250	146	104	0.8
Routine	15276	206	150	56	0.4
Never worked or long-term unemployed	3242	91	70	21	0.6
Full-time students	499	23	100	-77	-15.4
Total	82076	1864	1503	361	-11.1

Source: 2001 Census. Note: the table excludes moves to and from areas outside the UK

4.17 Table 4.4 shows the age breakdown of the population of North and North East Lincolnshire in 2001 and the projected composition in 2007. This shows, in line with the regional picture, a fall in the proportion of children under 15, a rise in the 15 to 29 age band a fall in the proportion of 30 to 44 year olds and an increase in the 45 to 64 age bands. The over 65 age group shows a greater increase than the rise for the region. Overall the population of North and North East Lincolnshire has a lower proportion of younger adults than the region and a higher proportion of people in the older age bands of 45 to 64 and in particular over 65s.

Table 4.4 Age structure of the population 2001 and 2007

Age Group	North & North East Lincolnshire		Yorkshire and the Humber	
	2001	2007	2001	2007
0 - 14	19.8	17.9	19.1	17.6
15 - 29	16.7	17.8	18.8	20.2
30 - 44	21.9	20.1	22.0	20.7
45 - 64	24.9	26.7	23.9	25.2
65 +	16.7	17.5	16.1	16.2
Total	100.0	100.0	100.0	100.0

Source: 2001 Census, ONS sub-national population projections

Households

4.18 There are approximately 136,400 households in North and North East Lincolnshire (2006 figures), and an increase of around 6,500, or 5.0%, since 2001.

4.19 Table 4.5 shows the changing composition of households in 2001 together with the projected composition in 2006. During this period, the number of couple households has increased slightly (with a fall in the number of married couples compensated by increases in cohabiting couples). Lone parent, multi-person and one person households have all increased both in absolute terms and as a proportion of the overall population with the increase in lone parent households particularly marked. The composition of households in 2006 differed to the region as a whole with a higher proportion of couples and lone parent households and a lower proportion of one person households.

Table 4.5. Household composition 2001 and 2006

Household type	Number of households		Proportion of households in HMA (%)		% Change 2001-2006	Proportion of households in Yorkshire & the Humber 2006 (%)
	2001	2006	2001	2006		
Married Couple	65100	63800	50.1	46.8	-2.0	44.7
Cohabiting Couple	11800	13900	9.1	10.2	17.8	10.5
Lone Parent	10600	11800	8.2	8.7	11.3	7.8
Other Multi-Person	6500	7000	5.0	5.1	7.7	6.1
One Person	35900	39900	27.6	29.3	11.1	30.8
All Households	129900	136400	100.0	100.0	5.0	100.0

Source, 2001 Census, ONS sub-national population projections. Columns may not add to 100% due to rounding.

Economic Profile

4.20 The SEA for the Humber sub-region sets out that there are key differences within the economy of the sub-region. In particular urban areas perform poorly on key economic indicators compared to rural areas. The rural areas however, face issues of connectivity and service access, and have localized deprivation with market towns, coastal towns and remote areas all facing localised problems. The SEA also sets out that without intervention, the weak housing market in the sub-region may restrict economic investment and development.

4.21 However, GVA in North and North East Lincolnshire has historically been higher than the other areas of the sub-region although it has not risen at the same rate as the wider sub-region. Service activities and industry have been increasing, while agriculture has contributed a decreasing share of GVA in the HMA.

Table 4.6. Number of employees working in North & North East Lincolnshire by district of residence, 2001

District of residence	Number of employees working in North Lincolnshire	District of residence	Number of employees working in North East Lincolnshire
North Lincolnshire	56237	North East Lincolnshire	55624
North East Lincolnshire	4385	East Lindsey	3836
West Lindsey	2769	North Lincolnshire	2955
Doncaster	2284	West Lindsey	1704
East Riding of Yorkshire	1087	East Riding of Yorkshire	528
Hull	720	Hull	456
East Lindsey	516	Doncaster	144
Bassetlaw	381	Lincoln	105
Rotherham	225	Leeds	60
Lincoln	208	North Kesteven	57
All employees in North Lincolnshire	70768	All employees in North East Lincolnshire	66160

Note: only the first ten districts shown. Data source: Census 2001.

4.22 While most employees work within the respective districts there are commuting links between the two districts. However, these are stronger for the North Lincolnshire employment market than for North East Lincolnshire, which has higher levels of in commuting from East Lindsay than from North Lincolnshire. North Lincolnshire has stronger links to West Lindsay and to Doncaster. Both parts of the HMA connect to some degree across the Humber with in commuting from East Riding of Yorkshire and Hull.

4.23 Some 80% of the working age population was economically active (Table 4.7), a higher proportion than in the region as a whole. The male activity rate (86%) is significantly higher than the female rate (74%) but both are above that for the region and Great Britain. The proportion of people in employment who were self employed was

higher than for the region. Overall unemployment was also higher than for the region.

Table 4.7 Economically active population 2006

People of working age population (2006)	North & North East Lincolnshire (persons)	Proportion of working age population (%)		
		North & North East Lincolnshire	Yorkshire & The Humber	Great Britain
<i>All People</i>				
Economically Active	144,300	80.3	77.8	78.4
In Employment	135,000	75.1	73.4	74.1
Employees	120,700	89.4	64.9	64.3
Self Employed	13,200	9.8	8.2	9.4
Unemployed	9,200	6.4	4.4	4.3
<i>Males</i>				
Economically Active	79,800	86.0	82.9	83.2
In Employment	74,600	80.4	77.7	78.4
Employees	63,400	85.0	65.2	64.5
Self Employed	10,600	14.2	12.1	13.5
Unemployed			5.2	4.8
<i>Females</i>				
Economically Active	64,400	74.0	72.4	73.3
In Employment	60,300	69.3	68.9	69.6
Employees	57,300	95.0	64.5	64.1
Self Employed	2,600	4.3	4.0	5.0
Unemployed			3.5	3.7

Source: NOMIS, derived from ONS annual population survey. *numbers are for those of working age, % are for those of working age (16-59/64);

4.24 Table 4.8 shows employment by occupation in 2006. The North and North East Lincolnshire HMA has a significantly lower representation than the region of employees in professional and managerial jobs (30.0% of employees compared to 37.5% in the region). The HMA has a significantly higher proportion of employees compared to the region in elementary and routine occupations indicating a low wage base.

Table 4.8 Employment by occupation 2006

Standard Occupational Classification (SOC)	N & NE Lincolnshire (No.)	N & NE Lincolnshire (%)	Yorkshire and The Humber (%)	Great Britain (%)
SOC groups 1 - 3	41,700	30.0	37.5	42.3
1 Managers and senior	14,700	10.6	13.2	15.0
2 Professional occupations	11,600	8.3	11.4	13.0
3 Associate professional & technical	15,400	11.1	12.8	14.3
SOC groups 4-5	34,600	24.9	23.3	23.0
4 Administrative & Secretarial	16,200	11.6	11.4	12.1
5 Skilled trades occupations	18,400	13.2	11.9	10.9
SOC groups 6-7	22,400	16.1	16.6	15.7
6 Personal service	11,600	8.3	8.4	8.0
7 Sales and customer service	10,800	7.8	8.2	7.7
SOC groups 8-9	40,300	29.0	22.4	18.7
8 Process plant & machine operatives	19,600	14.1	9.3	7.3
9 Elementary occupations	20,700	14.9	13.2	11.4

Source: NOMIS, derived from ONS annual population survey. Notes: Numbers and % are for those of age 16+. Percentages are of all persons in employment

4.25 The occupational profile is consistent with a skills base that shows a relatively low proportion of the population with highest level qualifications. As Table 4.9 indicates, just 17% of the working age population are educated to degree level or higher. There are 13% of the working age population with no qualifications, a lower proportion than for the region or Great Britain. Qualification levels show a different profile to the region with a lower proportion of residents with higher level qualifications but also a lower proportion with no qualifications.

Table 4.9 Qualifications 2007

Qualification level	N & NE Lincolnshire (No.)	N & NE Lincolnshire (%)	Yorkshire and The Humber (%)	Great Britain (%)
NVQ4 and above	30,700	17.0	22.7	27.4
NVQ3 and above	63,500	35.3	41.4	45.3
NVQ2 and above	103,100	57.2	60.7	63.8
NVQ1 and above	139,300	77.3	76.3	77.7
Other qualifications	17,800	9.9	8.3	8.5
No qualifications	22,900	12.7	15.3	13.8

Source: NOMIS, derived from ONS annual population survey. Notes: NVQ1 is equivalent to fewer than 5 GCSEs at grades A-C; NVQ2 is equivalent to 5 or more GCSEs at grades A-C; NVQ3 is equivalent to 2 or more A Levels; NVQ4 is equivalent to HND or Degree level. Numbers and % are for those of working age. Percentages are of the total working age population.

Earnings and incomes

- 4.26 The previous section highlighted some of the characteristics of the North and North East Lincolnshire labour force. From a housing market perspective this is important because of the effect it has on earnings and incomes, and consequently on the nature of demand for housing (especially the affordable housing requirement).
- 4.27 Table 4.10 shows earnings for full time-employees in the HMA in 2007, drawn from the Annual Survey of Hours and Earnings. The median gross weekly pay for full-time employees in North Lincolnshire was £427 per week and in North East Lincolnshire £391 per week. While both these levels are lower than for Great Britain levels in North Lincolnshire are slightly above and levels in North East Lincolnshire significantly below the regional average. This picture is repeated across the tow districts for male workers. For female workers wages in both districts are significantly below the regional average – although levels for female workers remain higher in North Lincolnshire than North East Lincolnshire.

Table 4.10 Earnings – residence based (2007)

	Median gross earnings, £			
	North Lincolnshire	North East Lincolnshire	Yorkshire and The Humber	Great Britain
<i>Gross weekly pay</i>				
Full-time workers	427.3	390.8	425.0	459.0
Male full-time workers	491.6	460.2	470.0	500.7
Female full-time workers	331	290.9	355.5	394.8
<i>Hourly pay</i>				
Full-time workers	10.1	9.8	10.53	11.50
Male full-time workers	11.3	10.4	11.15	12.17
Female full-time workers	8.2	7.7	9.49	10.48

Source: ONS Annual Survey of Hours and Earnings. Note - median earnings in pounds for full-time employees living in the area

The current housing stock

4.28 The housing stock in North and North East Lincolnshire comprises a good range of homes with a higher proportion of detached properties than for the region (Table 4.11). Semi-detached properties – of which there are around 51,000 – form the numerical majority with the proportion (37.7%) similar to that of the region. There is a proportionally lower stock of terraced housing (around 34,000). In 2001, 11.1% of the stock was flatted accommodation, a slightly lower proportion than for the region (12.7%).

Table 4.11 Property type profile

Property Type	N & NE Lincs (No.)	N & NE Lincs (%)	Yorkshire & Humber (%)
All Occupied Household Spaces	135,799	100	100.0
In an Unshared Dwelling	135,673	99.9	99.7
House or Bungalow: Detached	35,030	25.8	20.2
House or Bungalow: Semi-detached	51,155	37.7	37.5
House or Bungalow: Terraced	33,805	24.9	29.1
Flat, Maisonette or Apartment	15,034	11.1	12.7
Caravan or Other Mobile or Temporary Structure	649	0.5	0.2
In a Shared Dwelling	126	0.1	0.3

Source: 2001 Census

- 4.29 SAP ratings provide an indication of the energy efficiency of homes. They take the form of an index of the annual cost of heating a dwelling to achieve a standard heating regime where 1 is the most inefficient and 100 is highly efficient. It is dependent on both heat loss from the dwelling and the performance of the heating system. For some districts no data is available.
- 4.30 Where the SAP rating of a property is below 30, around 30% of households are in fuel poverty, whilst fuel poverty is almost eliminated in houses which are energy efficient. Generally socially rented housing tends to be energy efficient and this has improved in recent years due to the government's decent homes policy targeting these houses as part of their fuel poverty strategy. The private rented sector tends to include some of the worst housing conditions.
- 4.31 In terms of average local authority SAP ratings the owner occupied and privately rented average SAP rating is high for Hull, but relatively low in North Lincolnshire and North East Lincolnshire. Average local authority SAP ratings are above the England average for all four districts in the Humber. This could possibly be linked to the high number of new homes being built in these areas, which will meet

required energy efficiency standards. The more urban districts of North East Lincolnshire are identified in the report as being more likely to be without central heating.

Tenure

4.32 Owner occupation is the dominant tenure in the HMA and with around 73% of households owning or buying their own home. This represents a greater share than the regional average (just under 68%) (Table 4.12). Just over 21,000 households rented from a social landlord in 2001, representing 16% of households – lower than the regional average of 21%.

4.33 Levels of private renting in North and North East Lincolnshire (8.8%) are just below the regional average of 9.1%.

Table 4.12 Tenure profile

Tenure of household	N & NE Lincs (No.)	N & NE Lincs (%)	Yorkshire & Humber %
Owned	94,636	72.8	67.6
Social Rented	21,309	16.4	21.0
Private rented	11,381	8.8	9.1
Living rent free	2,742	2.1	2.3
Total	130,068	100	100

Source: 2001 Census.

Vacant dwellings

4.34 Levels of vacant dwellings are a key indicator of the strength of the housing market. Vacancy data is always difficult to interpret, as there are frequent variations which are difficult to account for except by changes in the way that data is collected. Table 4.13 shows the number of vacant dwellings in the North and North East Lincolnshire stock by broad tenure group.

Table 4.13 Vacant dwellings 2003-2006

Year ending April	Proportion of properties vacant (%)				Proportion of Private Sector properties vacant for more than 6 months (%)
	Social Rented	Other Public Sector	Private Sector	All housing	
2003	3.33	13.60	4.46	4.30	3.11
2004	3.23	28.84	3.97	3.89	2.61
2005	2.83	19.71	3.49	3.41	2.31
2006	3.35	11.06	2.93	3.01	1.76

Source: HSSA

- 4.35 Vacancy levels have fallen since 2003, particularly in the private sector where levels were over 4% in 2003 but by 2006 just over 3%.
- 4.36 The vacancy rate is lower in North Lincolnshire than in North East Lincolnshire but both are at levels that (accounting for frictional vacancies) would indicate a functioning market.
- 4.37 There are variations within the HMA however as the ward level data shows, with vacancies over 5% in the Town ward of North Lincolnshire and in the Sidney Sussex, East Marsh and West Marsh wards in North East Lincolnshire. Indeed in West Marsh vacancies were nearly 8% - and the highest in the HMA.

Table 4.14 Vacancy rates by Census ward 2005

Ward	Vacant dwellings		Long term vacant dwellings	
	Number	% of all dwellings	Number	% of all dwellings
Ashby	114	2.7	52	1.2
Axholme Central	96	3.2	44	1.5
Axholme North	106	3.2	48	1.4
Axholme South	77	2.6	34	1.1
Barton	132	2.9	63	1.4
Bottesford	90	1.8	26	0.5
Brigg and Wolds	126	2.6	53	1.1
Broughton and Appleby	61	2.2	25	0.9
Brumby	116	3.4	60	1.8
Burringham and Gunness	44	2.3	19	1
Burton upon Stather and Winterton	115	2.4	61	1.3
Crosby and Park	187	4.1	97	2.1
Ferry	148	3.2	67	1.4
Frodingham	92	2.3	29	0.7
Kingsway with Lincoln Gardens	117	1.8	46	0.7
Ridge	145	2.7	77	1.4
Town	177	5.3	105	3.1
North Lincolnshire	1943	2.8	906	1.3

Ward	Vacant dwellings		Long term vacant dwellings	
	Number	% of all dwellings	Number	% of all dwellings
Croft Baker	215	4	104	1.9
East Marsh	370	6.4	169	2.9
Freshney	88	2.1	42	1
Haverstoe	105	2.2	37	0.8
Heneage	229	4.6	122	2.4
Humberston and New Waltham	72	1.5	26	0.5
Immingham	146	2.9	67	1.3
Park	218	4.2	107	2
Scarho	65	1.5	17	0.4
Sidney Sussex	269	5	129	2.4
South	173	3.4	103	2
Waltham	65	2.2	25	0.8
West Marsh	297	7.7	159	4.1
Wolds	74	2.6	32	1.1
Yarborough	228	4.1	134	2.4
North East Lincolnshire	2614	3.7	1273	1.8

Source: ONS. Note: 'long term' refers to vacancies of 6 months or longer.

New dwelling supply

4.38 Table 4.15 shows levels of new dwelling provision in North and North East Lincolnshire since 1998. The period shows an average of 969 completions a year with 960 of these private sector completions. Housing association completions contributed to overall numbers in four of the years during the period and have averaged 9 new completions per year.

4.39 The table also shows an average annual provision of new affordable housing of around 64 units, while the majority of these have been provided by social landlords there has been a significant contribution from the private sector to additional affordable homes, although this was primarily between 1998 and 2001. In 2006/07 there was a significant increase in the number of affordable homes provided with over 180 completions / acquisitions by RSLs and an additional 19 provided by the private sector.

Table 4.15 Dwelling completions

Year	Completions				Affordable Units	
	Private Sector	Registered Social Landlords	Local Authority	All	LA/RSL	Private
1998/99	571	0	0	571	72	32
1999/00	1015	13	0	1028	24	47
2000/01	959	28	0	987	90	59
2001/02	997	0	0	997	65	0
2002/03	744	0	0	744	19	6
2003/04	1020	10	0	1030	55	0
2004/05	928	0	0	928	20	0
2005/06	1312	0	0	1312	47	0
2006/07	1093	33	0	1126	184	19
Average	960	9	0	969	64	18

Source: DCLG, HSSA returns

Property sales and market prices

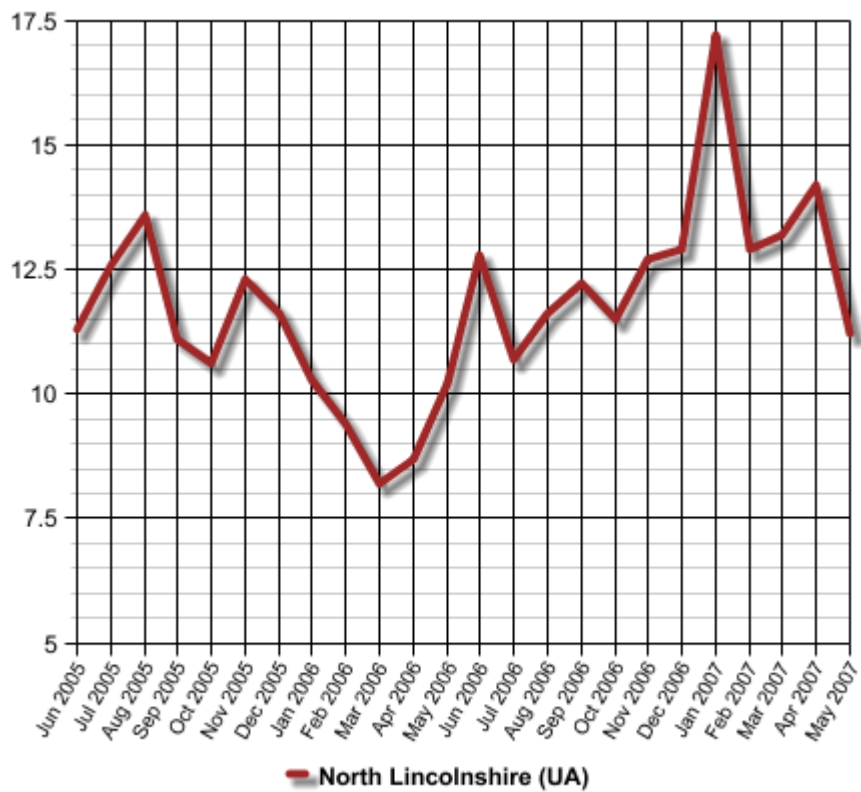
4.40 Residential property takes on average eleven weeks to sell in North Lincolnshire but just three weeks in North East

Lincolnshire (as at May 2007).⁵ The trend shown in Figure 4.1 shows a fluctuation in market to completion times in both districts but a significant reduction in the number of weeks in North East Lincolnshire while for North Lincolnshire the number of weeks is similar at the start and the end of the period.

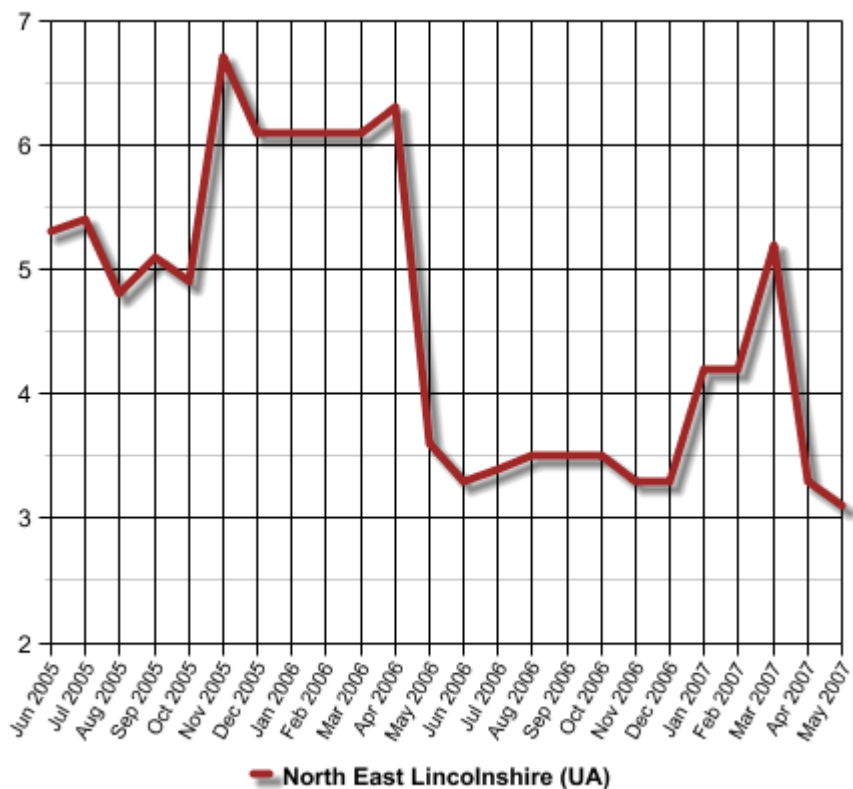
- 4.41 Both districts saw an increase in the length of time from market to sale in early 2007, in North Lincolnshire this was up to nearly 17.5 weeks in January 2007.

⁵ Source: Hometrack.

Figure 4.1 Average Time to Sell (weeks)



© Hometrack

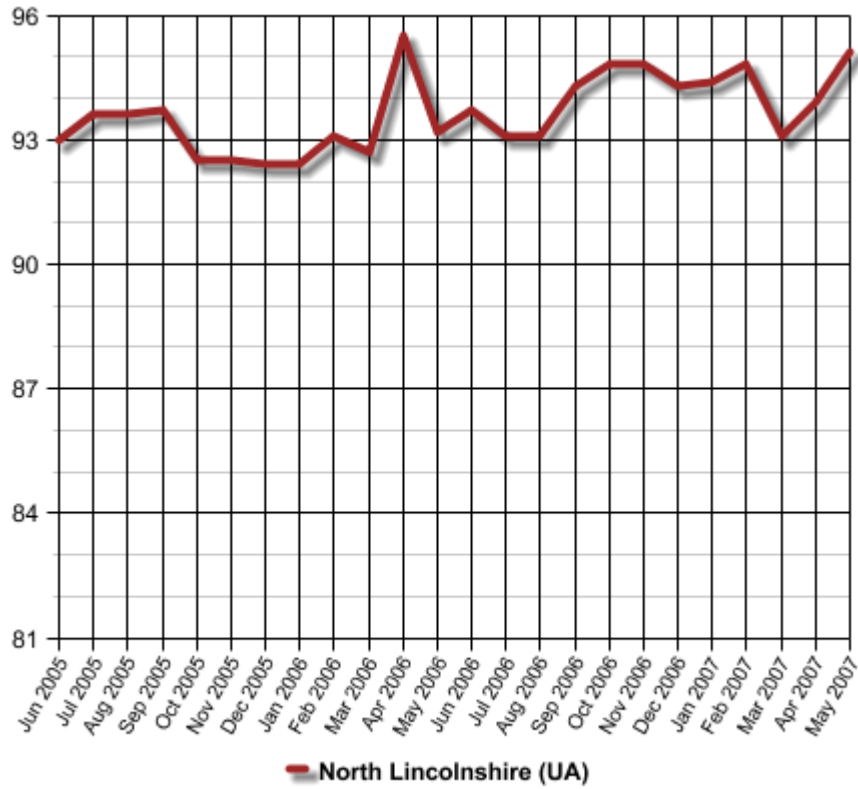


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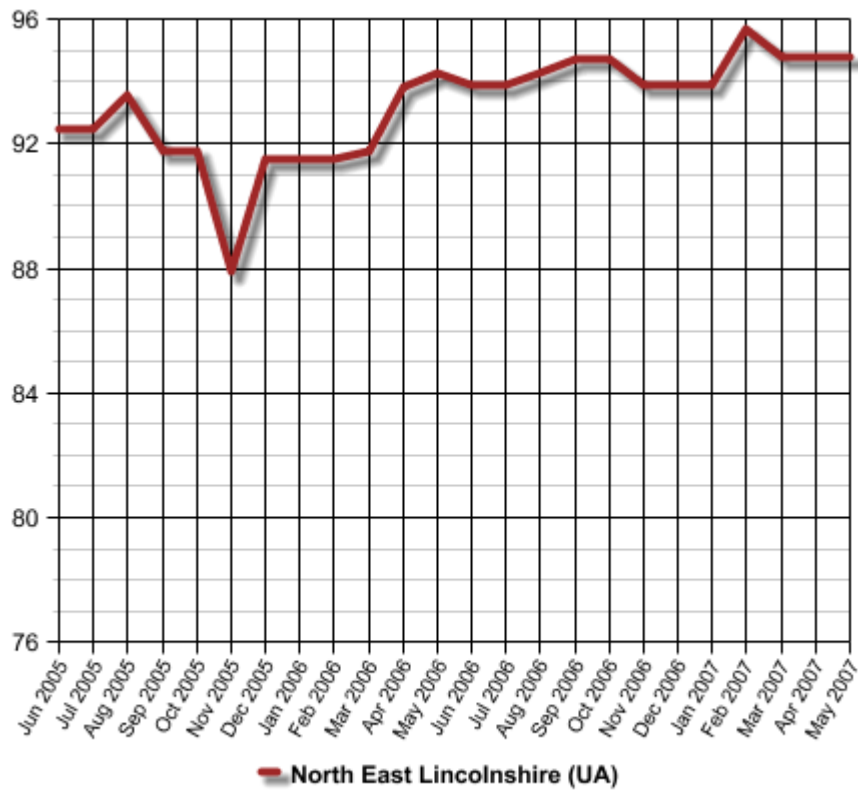
Source: Hometrack

4.42 An alternative measure of the strength of the local housing market is the average sale price to asking price ratio. At May 2007, this was stood at around 95% for the HMA. While seasonal fluctuations can be discerned the overall trend has been for a strengthening in this ratio across the North and North East Lincolnshire HMA.

Figure 4.2. Sale to Asking Price Ratio



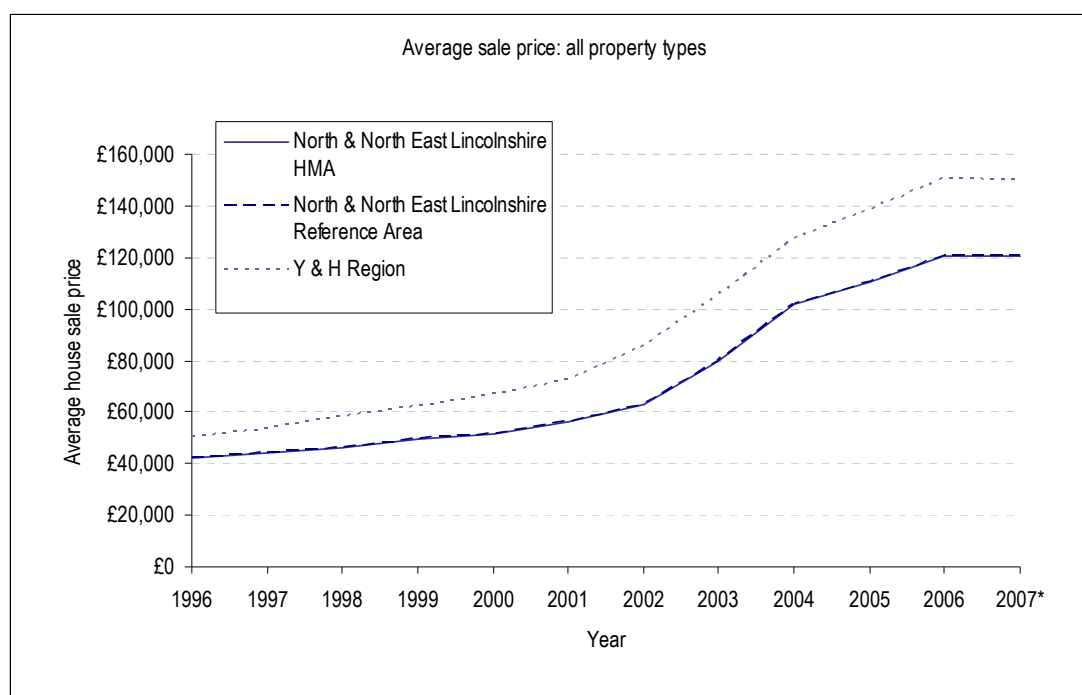
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Source: Hometrack

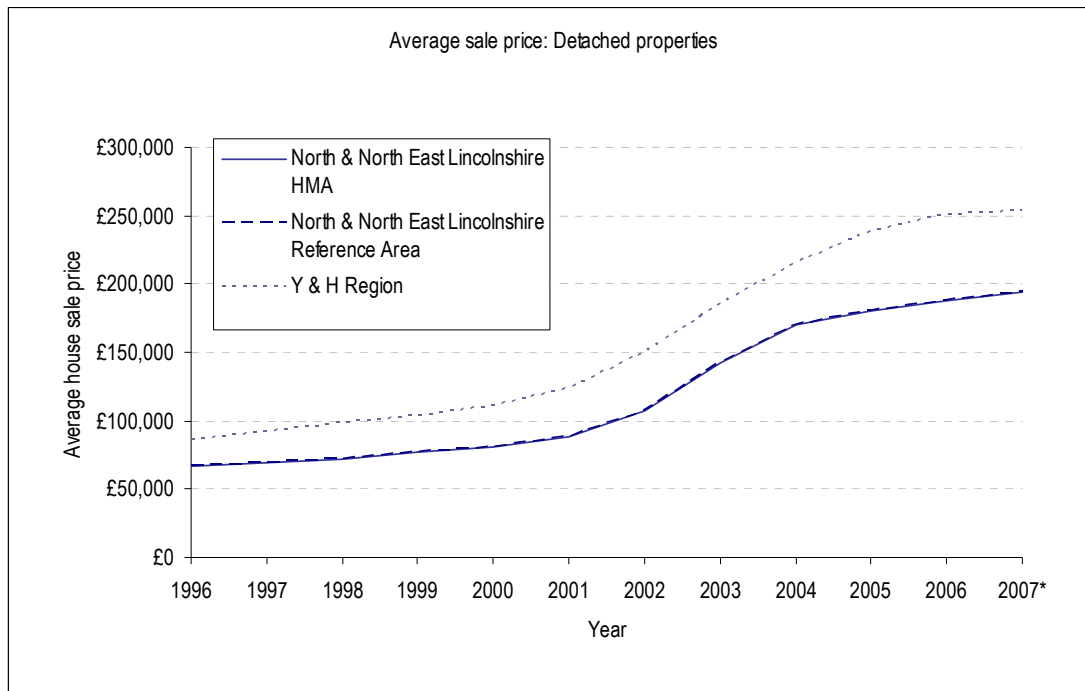
Figure 4.3. Average sale price for all residential property sales 1996-2007*



Note: *2007 data are for Quarter 1 only and are provisional. Source: HMLR.

- 4.43 The average sale price for properties in North and North East Lincolnshire continues to follow that for the region with a strong trend of increase since 2001 levelling out from 2006 (Figure 4.3).
- 4.44 The average sale price of a residential property in the North and North East Lincolnshire HMA stands at just over £120,000 (Figure 4.3). This is some £30,000 lower than for the region. As the wider reference area does not extend into other districts in Yorkshire and Humber additional reference area data for sales prices is not available.
- 4.45 Figure 4.4 shows how prices for detached dwellings in North and North East Lincolnshire follow a similar trend to that for all properties in relation to the region. Increases have continued but have been less marked than for other property types.

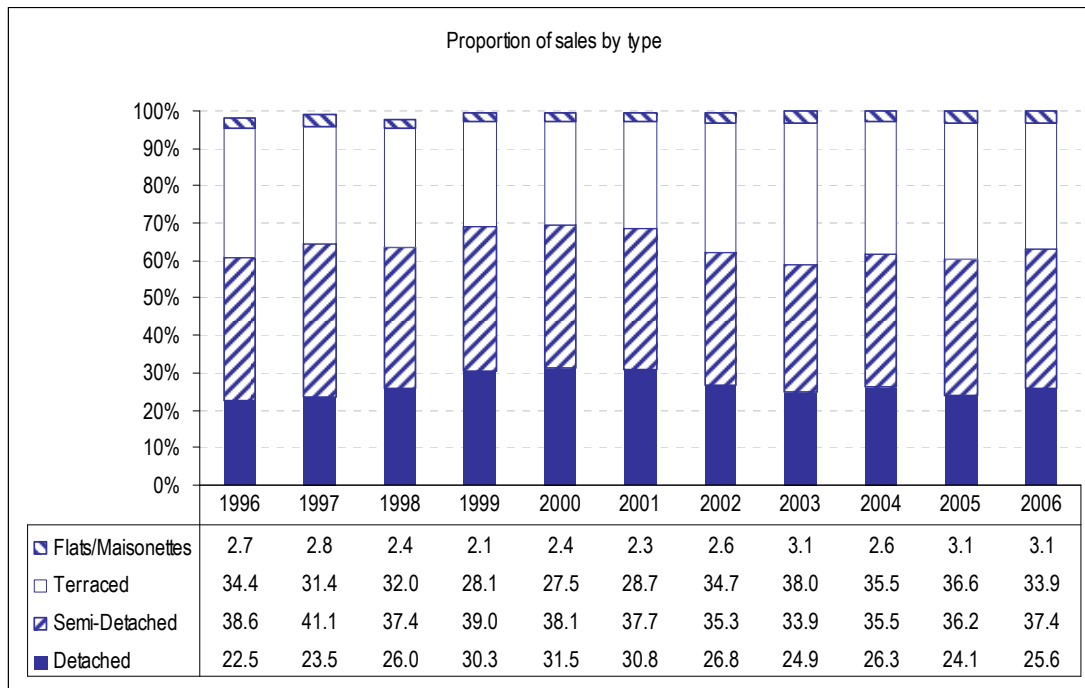
Figure 4.4. Average sale price for detached houses 1996-2007*



Note: *2007 data are for Quarter 1 only and are provisional. Source: HMLR.

4.46 Over recent years, the breakdown of sales by property type has remained fairly steady (Figure 4.5). There was a higher proportion of detached sales between 1999 and 2001 but reducing after this. A relatively low proportion of sales comprise flats with semi detached and terraced properties consistently providing around 70% of sales between them.

Figure 4.5. Proportion of sales by type



Note: Columns do not always add to 100% because of sales of unknown type. Source data: HMLR.

Affordability

4.47 In line with the national housing market, prices have risen and affordability worsened throughout the HMA as it has in much of the region. The lower quartile affordability ratios have increased significantly in both districts although this process has been more marked in North Lincolnshire.

Table 4.16 Ratio of lower quartile house price to lower quartile income 1997 to 2006

North Lincolnshire

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Lower Quartile House Price	33,500	34,000	35,000	35,563	37,950	40,000	55,000	73,000	85,000	90,000
Lower Quartile Income	11,713	13,600	12,590	13,892	13,316	14,388	18,212	16,441	16,732	16,014
Ratio	2.86	2.50	2.78	2.56	2.85	2.78	3.02	4.44	5.08	5.62

North East Lincolnshire

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Lower Quartile House Price	29,500	29,000	30,425	29,950	31,500	33,000	39,000	54,000	60,000	70,000
Lower Quartile Income	10,387	11,741	11,657	11,302	12,023	11,744	15,058	14,286	14,354	14,737
Ratio	2.84	2.47	2.61	2.65	2.62	2.81	2.59	3.78	4.18	4.75

Source: DCLG

Summary of key points – current housing market

- North and North East Lincolnshire sit alongside the river Humber with the major ports providing a key trading point for the region and the wider north of England. The HMA includes urban areas including the major towns of Grimsby and Scunthorpe as well as smaller towns, villages and rural areas.
- There has been population and household growth – with migration the key driver of population change over the past two decades. Since 2000 this has been steady in migration following an earlier period of movement out of the HMA. The highest levels of recent in migration have been of those in occupations associated with relatively low wages.
- The population has an older profile with a growing proportion of people aged over 65.
- There is a growing proportion of one person households but this is still lower than across the region. There is a higher proportion of couples and of lone parent households.
- There are relatively high levels of economic activity, particularly for males, but a relatively low wage base with low representation of employees in management and professional occupations.
- The housing stock provides a good range of stock with a higher proportion of detached homes and a lower proportion of terraced homes compared to the region.
- Owner occupation levels are higher than for the region, with lower levels of renting in the social or private sectors.
- Vacancy levels are low and have fallen although there are some concentrations of higher vacancies in parts of Scunthorpe, Grimsby and Cleethorpes.
- New home completions have averaged 960pa over the past decade. Affordable homes (including acquisitions of existing properties) have averaged 82pa over the same period with

most provided by RSLs but some significant private sector provision of affordable homes prior to 2001 and again in 2006/07.

- Average sales values are some £30,000 lower than for the region. However the trend in increasing sales values has followed the regional trend, albeit at a lower level. Lower quartile affordability ratios have increased significantly over the past decade.

5. Future housing market

- 5.1 This section of the SHMA considers likely future trends in the housing market. Of course, the impact that national policy or future macroeconomic conditions might have on the housing market cannot be predicted. However, an assessment can be made of the likely direction of change of local market drivers, especially economic and demographic.

Economic drivers

- 5.2 The Strategic Economic Assessment (SEA) highlights that the Humber sub-region has lower per capita output than regionally or nationally and that the gap has increased over the past 10 years. Employment rates in the sub-region have been rising although more slowly than regionally or nationally meaning an increasing employment gap. Between 1998 and 2004 20% of manufacturing jobs in the sub-region were lost.
- 5.3 Humber is a key trading point for the region and the North of England. Businesses in the Humber are more likely than others in the region to sell the majority of their output overseas.
- 5.4 The SEA sets out that North and North East Lincolnshire is expected to experience an overall decline in the number of jobs. In North East Lincolnshire this is attributed to a strong decline in the food, drink and tobacco industry while in North Lincolnshire anticipated job losses are associated with a large decline in the metal industry.
- 5.5 Health and education are forecast to be the sectors showing most employment growth in the HMA.
- 5.6 Anticipating Change⁶ builds on the SEA and other work in the sub-region to review what has been happening in the Humber sub-region and what is projected to happen in

⁶ Anticipating Change. How the Economy of the Humber has Changed and What may be Expected to Come. Humber Economic Partnership. July 2006.

the short to medium term. This indicates that while GVA has increased in the Humber (by 22.3% between 1997 and 2003) within North and North East Lincolnshire the increase was only 14.1%. In 1997 GVA in North and North East Lincolnshire was on a par with Leeds and York but by 2003 levels were lower than for Hull and near to that for the region as a whole.

The report includes a warning about potential future restructuring of the economy suggesting that relatively good economic performance for the sub-region in the current economic cycle may not be repeatable in the next one. It states, "this appears to suggest that economic change is not leading towards a beneficial restructuring into full employment, high skill, high wage, and high knowledge content economy. If correct, the sub-region may be in for a rather more unpalatable form of restructuring."⁷

Demographic drivers

- 5.7 The population of the HMA is expected to grow. The number of inhabitants in the borough is expected to rise by 29,200 persons between 2007 and 2029.⁸
- 5.8 This growth however is almost entirely accounted for by the rise in the over-65 age group. Nearly 34,000 additional persons in this age bracket are projected by 2029. There is a projected fall in all other age bands apart from a small forecast increase in 45 to 64 year olds.
- 5.9 ONS data on migration is reliant on NHS registration data and may not fully capture groups who tend not to register with a doctor, especially younger people. ONS are constrained to ensure that local migration estimates are consistent with national totals, but these may not in themselves be accurate.

⁷ Anticipating Change. How the Economy of the Humber has Changed and What may be Expected to Come. Humber Economic Partnership. July 2006

⁸ ONS: 2004 based sub national population projections.

5.10 There has been a high level of in migration from abroad to the UK in recent years as a result of asylum seekers and refugees, and more recently economic migration from the new EU accession countries such as Poland and Slovakia. While the ONS data reported above does seek to capture migration changes the figures reported above may not fully reflect recent change associated with migration of those groups least likely to register with a doctor. There were over 1,900 national insurance registrations in the SHMA in 2006-07, for example.

Figure 5.1 Projected population growth by age group

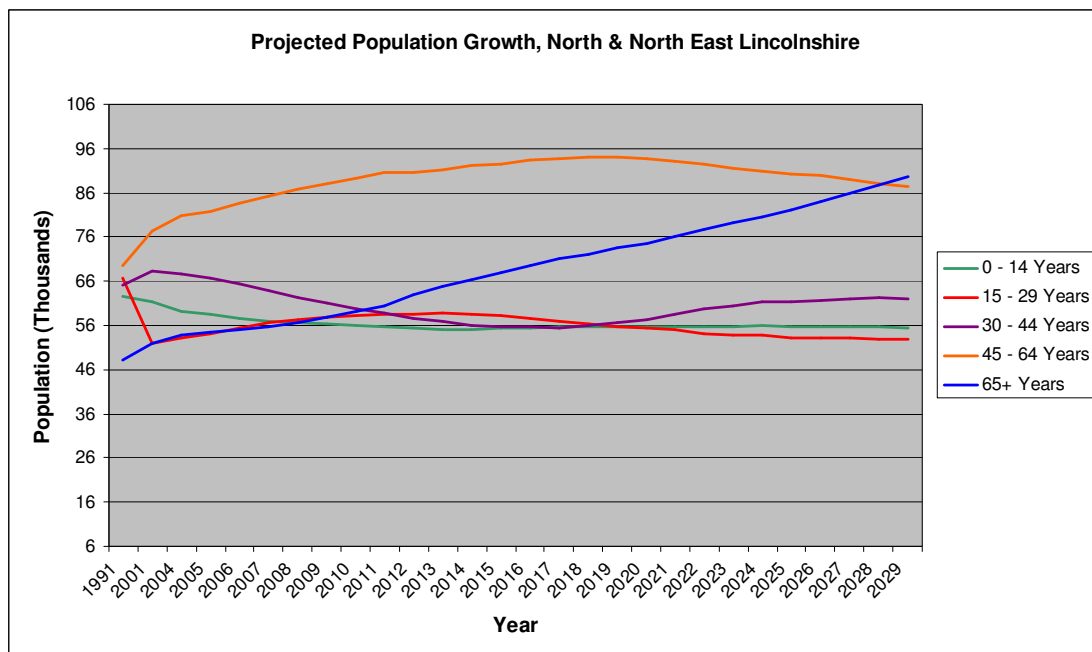
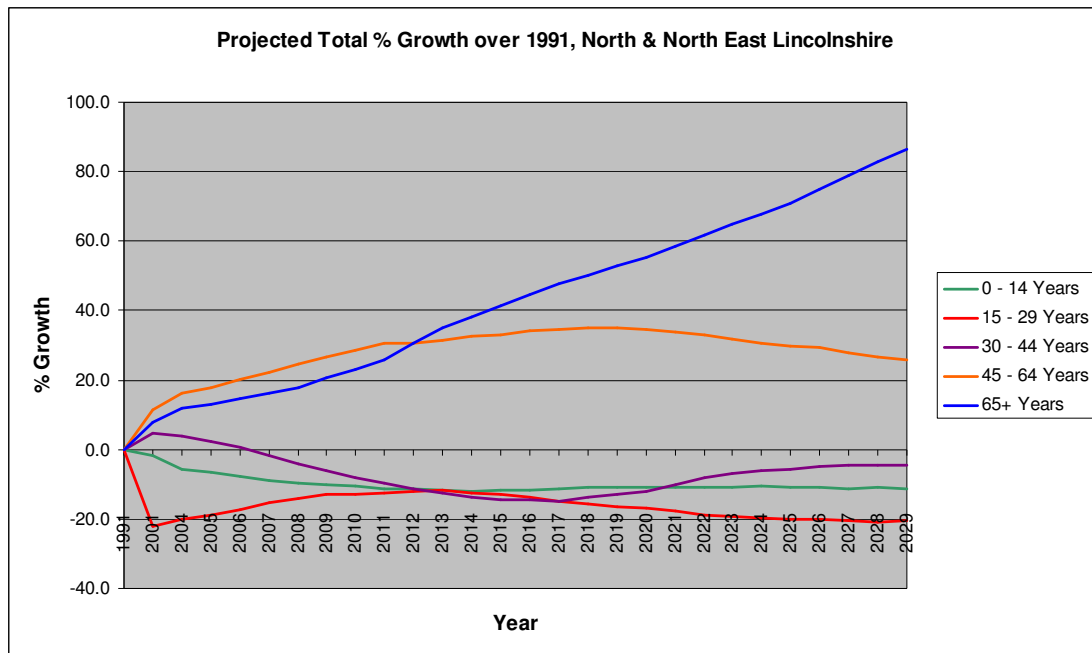


Figure 5.2 Projected population growth by age group expressed as percentage change since 1991



5.11 Population projections are based on demographic and migratory trends that are apparent at the time that the projection is made. In this sense, although they are 'policy off', they reflect the operation of current policy and market conditions. If there were to substantially change then the future robustness of projections becomes open to question.

5.12 Furthermore, the way that the population organises itself into households and thus expresses demand in the housing market is also subject to variability. For this reason, household projections are even more sensitive to future policy and market change than population projections. Demand can be influenced by the market and, in particular, perceptions of supply, and this should be borne in mind when interpreting household projections.

5.13 Such projections form the principle basis for the assessment of likely future housing requirements in the region. To these projections are added further information on anticipated economic change.

Table 5.1. Household projections and RSS net housebuilding targets, 2008–2026.

Area	2004 based household projections (revised Feb 08)					RSS Targets	
	Annual rate				Total 2008 - 26	Annual rate	Total 2006- 26
	2008- 2011	2011- 2016	2016- 2021	2021- 2026		2008- 2026	
North & NE Lincs HMA	1,400	1,600	1,200	1,200	24,200	1,260	22,680
Yorkshire & Humber Region	24,000	25,400	22,800	20,800	417,000	22,260	400,680

Data not available for West Lindsay to provide wider reference area comparison

Sources: CLG; GOYH.

5.14 According to the most recent sub-national household projections⁹ the North and North East Lincolnshire HMA can expect an additional 24,200 households in the period 2008–2026. The recommended net housebuilding target for the area, as published in RSS is slightly below this projection with 22,680 additional homes.

5.15 However this difference is not consistent throughout the period, with greater household growth forecast to 2016 but reducing after this up to 2026 while RSS recommends retaining the level of house building from 2008 throughout the period to 2026.

Migration

5.16 Table 5.2 shows the components of projected population change for North and North East Lincolnshire over the period to 2029. Consequently, as with the population forecasts more generally, the forecasts in Table 6.3 shows a continuation of past trends rather than the impact of policy. Population projections are based on demographic and migratory trends that are apparent at the time that the projection is made. In this sense, although they are ‘policy off’, they reflect the operation of current policy and

⁹ 2004-based Household Projections, Revised Feb 2008 by CLG

market conditions. If there were to substantially change then the future robustness of projections becomes open to question.

Table 5.2. Components of projected population change (Thousands)

Year	Population	Natural Change	Net internal migration	Net international migration	All Migration net
2005	317.7	0.2	0.9	0.5	1.3
2006	319.1	0.2	0.9	0.3	1.1
2007	320.4	0.1	0.8	0.3	1.1
2008	321.7	0.1	0.8	0.3	1.1
2009	322.9	0.1	1.0	0.3	1.2
2014	329.7	0.1	1.1	0.3	1.3
2019	336.9	-0.1	1.2	0.3	1.5
2024	343.8	-0.3	1.2	0.3	1.6
2029	349.4	-0.6	1.4	0.3	1.7

Source: ONS

Table 5.3 Projected composition of the population

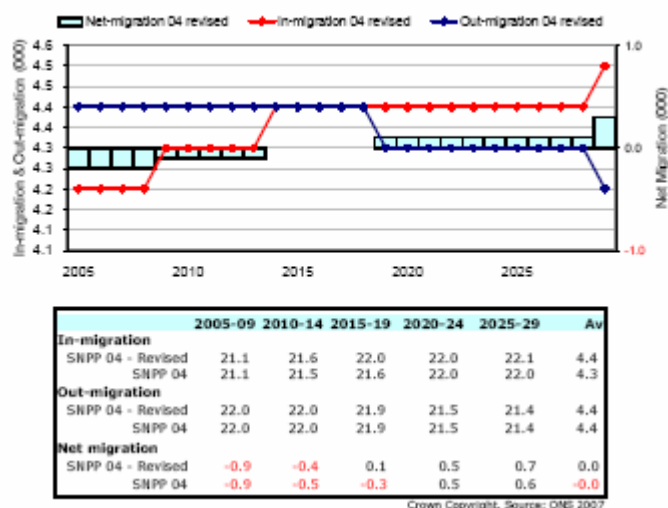
Year	ALL AGES	0 - 14 Years	15 - 29 Years	30 - 44 Years	45 - 64 Years	65+ Years
1991	311,949	20.1	21.4	20.9	22.3	15.4
2001	310,828	19.8	16.7	21.9	24.9	16.7
2004	314,200	18.8	16.9	21.5	25.7	17.1
2005	315,700	18.5	17.2	21.1	25.9	17.2
2006	317,200	18.2	17.4	20.6	26.4	17.4
2007	318,500	17.9	17.8	20.1	26.7	17.5
2008	319,800	17.7	17.9	19.5	27.1	17.7
2009	321,200	17.5	18.1	19.0	27.4	18.0
2010	322,500	17.4	18.0	18.5	27.7	18.4
2011	323,900	17.2	18.0	18.1	28.0	18.7
2012	325,200	17.0	18.0	17.7	27.9	19.3
2013	326,600	16.9	18.0	17.4	28.0	19.9
2014	328,000	16.8	17.8	17.1	28.1	20.2
2015	329,500	16.8	17.6	16.9	28.0	20.6
2016	331,000	16.7	17.4	16.8	28.2	21.0
2017	332,400	16.7	17.1	16.7	28.2	21.4
2018	333,900	16.7	16.8	16.8	28.1	21.6
2019	335,300	16.6	16.6	16.9	28.0	21.9
2020	336,800	16.6	16.4	17.0	27.8	22.2
2021	338,200	16.5	16.2	17.3	27.5	22.5
2022	339,600	16.4	16.0	17.6	27.2	22.9
2023	340,900	16.3	15.8	17.7	26.9	23.3
2024	342,200	16.3	15.7	17.9	26.5	23.6
2025	343,300	16.2	15.5	17.9	26.3	23.9
2026	344,500	16.2	15.4	17.9	26.1	24.4
2027	345,700	16.1	15.4	18.0	25.7	24.8
2028	346,700	16.1	15.3	17.9	25.4	25.3
2029	347,700	16.0	15.2	17.9	25.2	25.8

Source: ONS

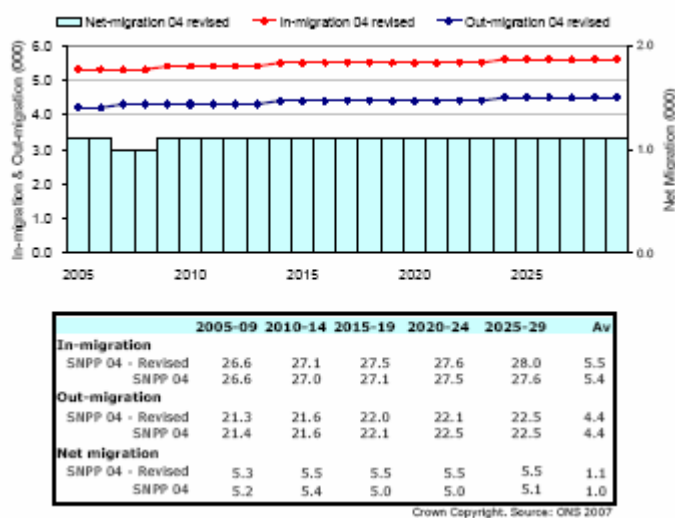
- 5.17 There is a significant ageing of the population forecast with 26% of people over 65 by 2029 (compared to 15% in 1991)
- 5.18 There are lower levels of international migration forecast than for other parts of the region and sub-region with the level falling slightly from 2006 and then remaining static to 2029. The key driver of population change is internal migration which is projected to have a positive impact, increasingly from 2009 onwards. Natural population change shows a small net increase each year at the start of the projection period – but falling to become negative by 2019 with this trend then becoming more significant to 2029.

5.19 Internal and international migration trends are set out in the Migration Report¹⁰ and illustrated in Figures 5.3 and 5.4.

Figure 5.3 ONS Internal migration assumptions



North East Lincolnshire



North Lincolnshire

Source: Analysis of Migration Trends and Drivers. Edge Analytics. Nov 2007

5.20 The HMA has experienced significant levels of international migration in recent years primarily driven by migration from EU accession countries. There were 5,990 NINo registrations in the sub-region for 2006 / 07 and, while Hull received

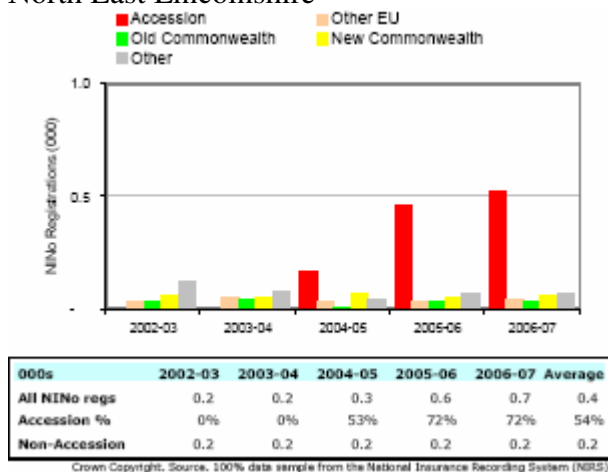
¹⁰ Analysis of Migration Trends and Drivers. Edge Analytics. Nov 2007

nearly 50% of these there were 1,930 registrations in this HMA . North East Lincolnshire had 720 registrations and North Lincolnshire 1,210. In North East Lincolnshire 72% of these registrations in 2006/07 were from EU accession countries while for North Lincolnshire the proportion was 79% (the highest proportion in the sub-region and amongst the highest in the region. Just over 60% of registrations were from Polish migrants for both districts.

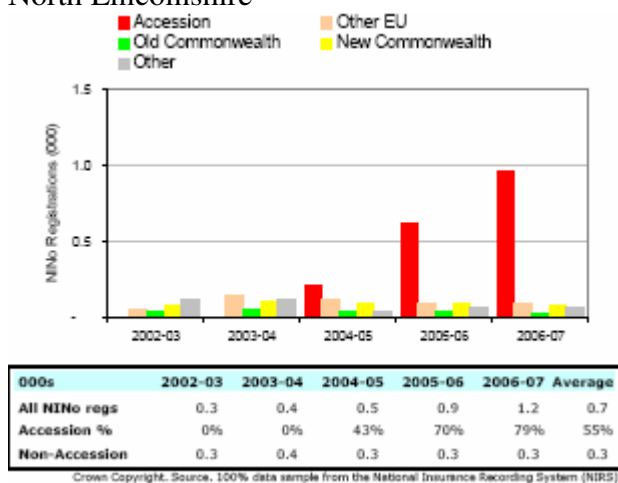
5.21 This breakdown of immigration, based on NINo data for North and North East Lincolnshire is shown in Figure 6.6.

Figure 5.4 Immigration based on National Insurance registrations (NINo)

North East Lincolnshire



North Lincolnshire



Source: Analysis of Migration Trends and Drivers. Edge Analytics. Nov 2007

Households

- 5.22 Table 5.4 shows projections of future household numbers for the HMA. This shows a 25.4% increase in the number of households over the period to 2029. The most significant change in the composition of households is in the projected increase in the proportion of one person households, with a 55.0% increase forecast to 2029 and a shift from representing 28.6% of all households to 35.4% by 2029. There is a projected fall in the proportion of couples (married and cohabiting) from 57.8% of all households in 2004 to 49.5% in 2029. The number of lone parent households is projected to increase by 20.0%. The number of multi-person households is projected to undergo a significant increase of 71.6%.
- 5.23 Average household size is projected to decrease from 2.3 in 2004 to 2.0 by 2029.

**Table 5.4 DCLG 2004-based household projections 2004-2029
(Thousands)**

Household types:	2004	2006	2011	2016	2021	2026	2029	Change 2004- 2029	Annual average	% Change
married couple	64.3	63.8	63.1	62.8	62.7	62.3	61.8	-2.5	-0.1	-3.9
cohabiting couple	12.8	13.9	16.3	18.1	19.3	20.4	21.1	8.3	0.3	64.8
lone parent	11.5	11.9	12.5	12.9	13.3	13.6	13.8	2.3	0.1	20.0
other multi-person	6.7	6.9	7.6	8.5	9.6	10.7	11.5	4.8	0.2	71.6
one person	38.2	39.9	44.5	49.3	53.6	57.4	59.2	21.0	0.8	55.0
All households	133.5	136.4	143.9	151.6	158.6	164.4	167.4	33.9	1.4	25.4
Private household population	310.3	313.2	319.7	326.6	333.5	339.3	342.2	31.9	1.3	10.3
Average household size	2.3	2.3	2.2	2.2	2.1	2.1	2.0			

Source: DCLG

Local investment impacting on future housing markets

- 5.24 Both Grimsby and Scunthorpe are the focus of investment to regenerate the town centres to rejuvenate the economy and to improve their competitiveness as sub-regional economic drivers.

Summary of key points – Future housing market

- Further economic restructuring is forecast with levels of GVA falling in the HMA and the Strategic Economic Assessment suggesting that the relatively good economic performance of the sub-region may not be experienced in the future.
- There is a forecast population increase of over 29,000 people between 2007 and 2029.
- Most of this population growth will be older people over 65. There is a projected fall in all age groups below 45 years and over 34,000 additional older people projected by 2029. By 2029 26% of the population is projected to be over 65.
- There are an additional 24,200 households projected to 2026 with the greatest household growth forecast to 2016 and reducing after this. This compares to a provision within RSS for an additional 22,680 homes.
- Levels of international migration are projected to remain steady to 2029. However the HMA has experienced increased levels of international migration in particular from EU accession countries. In 2006/07 there were over 1,900 of National Insurance registrations in the HMA and over 70% were from EU accession countries. The longer term housing intentions of these migrants will have a potentially significant impact on future population and housing requirements.
- There is a projected increase in one person households with a 55% increase in the number of one person households by 2029. Average household size is relatively low in the HMA but is projected to fall from 2.3 to 2.0 by 2029.

6. Housing need

6.1 Housing Need and Market Assessments have recently been produced by Outside UK for North Lincolnshire and for North East Lincolnshire. While these have been produced as separately commissioned reports they follow a similar methodology and format.

Current and newly arising need

6.2 Current housing need is estimated at a backlog of 3,267 households in North Lincolnshire and 3,209 households in North East Lincolnshire. Taking into account the available stock to offset this need (2,052 homes in North Lincolnshire and 1,336 in North East Lincolnshire) there is an annual need for 618 homes within the HMA (375 in North East Lincolnshire and 243 in North Lincolnshire) to reduce the level of current need.

6.3 Newly arising need has been estimated by the Housing Market Assessments as 2,314 additional households in housing need. (1,172 for North East Lincolnshire and 1,142 for North Lincolnshire). Following CLG Guidance this was calculated based on an estimation of future affordable needs from newly forming households, the proportion of new households unable to buy or rent in the market and existing households falling into housing need. The method also took into account in migrants and potential out migrants who would be unable to afford market housing.

Supply to meet needs

6.4 The above estimates of current and newly-arising housing need require adjustment to account for the annual flow of housing supply that can be used to meet housing need.

6.5 After assessing the existing stock that is available to offset current need the Housing Needs and Market Assessments examined the likely future level of supply. This future supply of affordable units comes from anticipated re-lets within the social rented stock plus intermediate housing which will be available for sale or to rent.

- 6.6 Using this calculation the estimated total supply of affordable homes available is 2,221 homes (1,138 for North East Lincolnshire and 1,083 for North Lincolnshire).
- 6.7 A summary of the figures and calculations used for housing need in the two districts is shown in Figures 6.1 and 6.2 below.

Figure 6.1 Summary of housing needs for North East Lincolnshire

Table 99 Summary of the housing needs model for North East Lincolnshire

C: CURRENT NEED	
1. Existing households in need of alternative accommodation	6,068
2. <i>plus</i> Current non-households in need of affordable housing	193
3. <i>minus</i> cases that can afford to meet their needs in the market	3,052
4. <i>equals</i> Total current housing need	3,209
A: AVAILABLE STOCK TO OFFSET NEED	
5. Current occupiers of affordable housing in need	1,222
6. <i>plus</i> surplus stock	101
7. <i>plus</i> committed supply of new affordable units	61
8. <i>minus</i> planned units to be taken out of management	48
9. <i>equals</i> Total available stock to meet current need	1,336
10. <i>equals</i> Total Current need	1,873
11. <i>times</i> quota progressively to reduce level of current need	20.0%
12. <i>equals</i> annual need to reduce level of current need	375
N: NEWLY ARISING NEED	
13. New household formation (gross p.a.)	708
14. <i>times</i> proportion of newly arising households unable to buy or rent in the market	70.2%
15. <i>plus</i> existing households falling into need and unable to afford market housing	437
16. <i>plus</i> in-migrants unable to afford market housing	238
17. <i>minus</i> potential out-migrants unable to afford market housing	0
18. <i>equals</i> newly arising need	1,172
S: SUPPLY OF AFFORDABLE UNITS p.a.	
19. Net supply of social re-lets	1,138
20. <i>plus</i> supply of intermediate housing available for re-let/resale at sub-market levels	0
21. <i>equals</i> affordable supply	1,138
NET SHORTFALL	
22. Overall shortfall	409

Source: North East Lincolnshire Housing Needs and Market Assessment 2006

Figure 6.2 Summary of housing needs for North Lincolnshire

Table 84 Summary of the housing needs model for North Lincolnshire

C: CURRENT NEED	
1. Existing households in need of alternative accommodation	6,225
2. <i>plus</i> Current non-households in need of affordable housing	435
3. <i>minus</i> cases that can afford to meet their needs in the market	3,393
4. <i>equals</i> Total current housing need	3,267
A: AVAILABLE STOCK TO OFFSET NEED	
5. Current occupiers of affordable housing in need	1,998
6. <i>plus</i> surplus stock	0
7. <i>plus</i> committed supply of new affordable units	64
8. <i>minus</i> planned units to be taken out of management	10
9. <i>equals</i> Total available stock to meet current need	2,052
10. <i>equals</i> Total Current need	1,215
11. <i>times</i> quota progressively to reduce level of current need	20.0%
12. <i>equals</i> annual need to reduce level of current need	243
N: NEWLY ARISING NEED	
13. New household formation (gross p.a.)	1,170
14. <i>times</i> proportion of newly arising households unable to buy or rent in the market	67.6%
15. <i>plus</i> existing households falling into need and unable to afford market housing	316
16. <i>plus</i> in-migrants unable to afford market housing	35
17. <i>minus</i> potential out-migrants unable to afford market housing	0
18. <i>equals</i> newly arising need	1,142
S: SUPPLY OF AFFORDABLE UNITS p.a.	
19. Net supply of social re-lets	1,083
20. <i>plus</i> supply of intermediate housing available for re-let/resale at sub-market levels	0
21. <i>equals</i> affordable supply	1,083
NET SHORTFALL	
22. Overall shortfall	302

Source: North Lincolnshire Housing Needs and Market Assessment 2006

- 6.8 The total annual shortfall identified in the HMA (comparing the annual available stock and future supply to the annual current and newly arising need) is therefore 711 units per annum (based on 302 in North Lincolnshire and 409 in North East Lincolnshire).
- 6.9 The 2006/07 allocation for the HMA districts under the Housing Corporations National Affordable Housing Programme (NAHP) is 95 units for rent and 65 units for sale. The 2007/08 allocation is 44 units for rent and 28 for sale.

Table 6.1 Housing Corporation National Affordable Housing Programme (NAHP) outturn and allocations 2004/5–2007/8

	Completed		On site	Allocation	
	2004/05	2005/06	2005/06	2006/07	2007/08
Total units for rent	13	46	54	95	44
Total units for sale	8	4	4	65	28

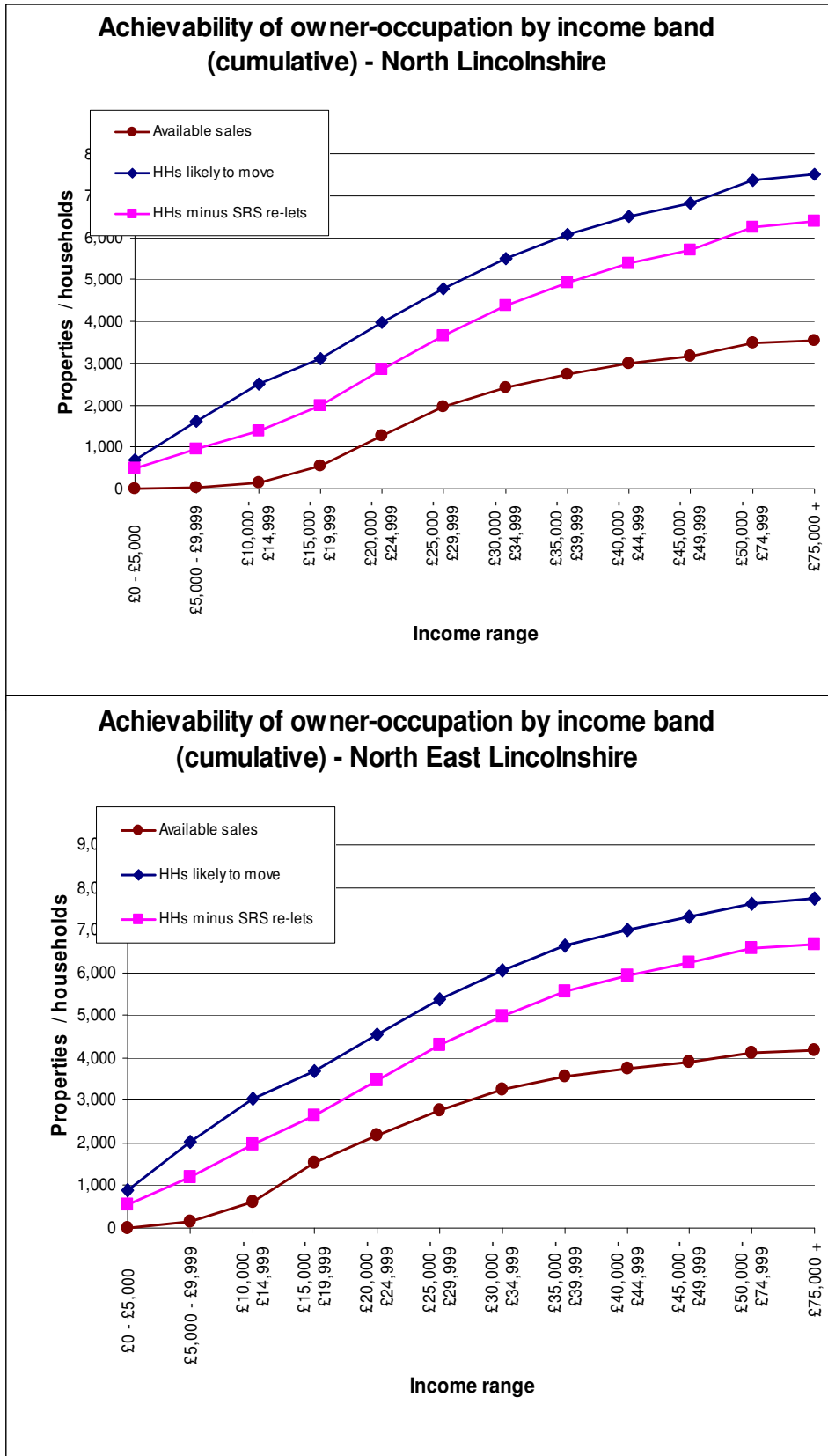
Source: Housing Corporation Regional Investment Statement.

6.10 There has been an increase in affordable homes for sale funded by the NAHP the 2006 to 2008 programme compared to previous years.

Market housing and affordability

6.11 In order to provide a degree of comparability across the region, we have also prepared a set of estimates of the gap between local house prices and their 'achievability' on the basis of local incomes. This analysis is not intended to replace local estimates and calculations of affordable housing need. It does, however, provide a method of consistent comparison of the potential scale of the affordability gap compared to other HMAs in the region. Figure 6.3 shows that there is a clear gap between the potential demands of households in the HMA and the profile of properties available to them. Cumulatively, this equates to a gap of around 2,839 properties in 2006 for North Lincolnshire, and around 2500 properties in 2006 for North East Lincolnshire – or more if the capacity of social housing relets to absorb some of this gap is not taken into account.

Figure 6.3 Estimates of achievability of owner occupation



6.12 Hometrack's model, based on an affordability threshold of 4.0x income, suggests that First Time Buyer households need to be in the £15-20k (gross) income bracket or above in both North Lincolnshire and North East Lincolnshire to afford the average terraced house. To access a detached property a first time buyer would need to be in the £35-40k bracket in both districts to afford the average detached property (see Figure 6.4).

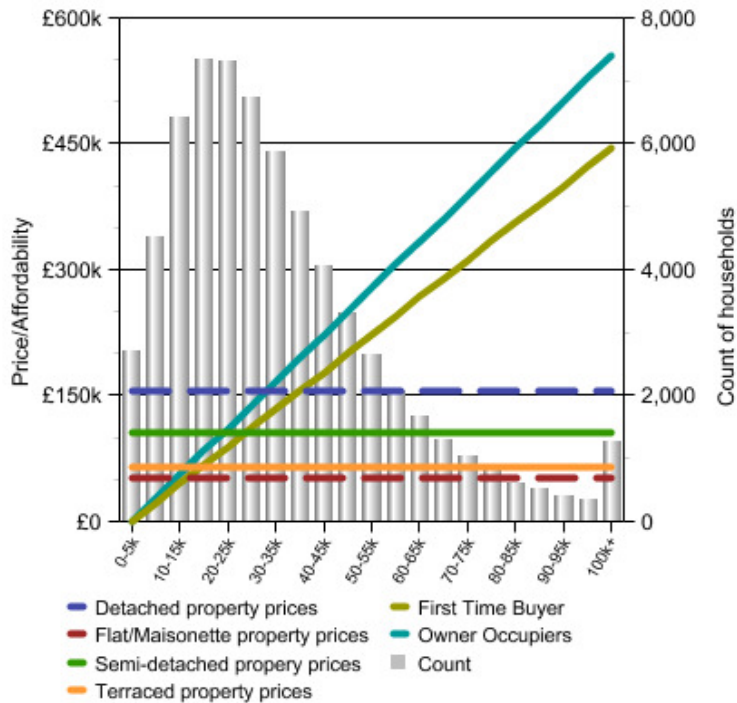
Figure 6.4 Affordability by income bands

North Lincolnshire



© Hometrack

North East Lincolnshire



© Hometrack

Source: Hometrack

Summary of key points – Housing Need

- The backlog of housing need in the North and North East Lincolnshire HMA, as calculated in 2006/07 by Outside UK was 6,476. Newly arising housing need was calculated as 2,314 additional households per annum. However taking into account current and projected supply calculated as 3,388 units per annum the total annual shortfall is calculated as being 711 homes.
- The total NAHP allocation for the HMA for 2006/08 is 232 units. While this level of grant funded units represents an increase on previous years the balance of affordable units will need to be delivered from alternative sources, primarily as a result of S.106 planning obligations.
- First time buyers would need to be in the £15k to £20k income bracket to purchase the averaged terraced house at market prices.

7. Housing Requirements of Specific Household Groups

7.1 The Practice Guidance sets out a number of reasons as to why it may be appropriate for each Strategic Housing Market Assessment to consider information about the housing requirements of specific household groups, namely:

- The Race and Equality Act requires Government and local authorities to assess the impact of their policies on different ethnic and minority groups, and the 2005 Disabilities legislation requires Government and local authorities to assess the impact of their policies on people with disabilities. Partnerships should ensure that no one group is systematically excluded from the assessment;
- Particular groups and gender types may exert considerable influences within the housing market area that need to be better understood and planned for (e.g. families, older people, key workers, first time buyers);
- Particular groups and gender types may be ill-suited to their dwelling type over the longer term (e.g. families with children and older people living in the private rented sector with insecurity of tenure); and
- Partnerships may wish to obtain evidence about the number of households eligible for intermediate affordable housing.

7.2 The Practice Guidance suggests that these are most relevant for those areas where there may be concerns about the housing requirements of specific groups or good reason to believe that there are needs that significantly differ to the general population.

7.3 The guidance does not set out a step by step approach and suggests that each housing market partnership will need to select appropriate analyses. Given the status of this SHMA as part of a suite of comparative regional reports the approach taken here is to highlight differences in profile from the regional picture for each housing market area. More detailed research may be required to examine particular requirements on a housing market area by housing market area basis, as the issues will differ

regarding family housing or minority ethnic needs for example.

Families

7.4 The census can provide data on household type. As shown in Table 7.1 in North Lincolnshire there is a higher proportion of couple households with children and with non-dependent children than the region as a whole, but a lower proportion of lone parent households. In North East Lincolnshire however, the proportion of couple households with children was just slightly above that for the region while the proportion of lone parent households with children was significantly higher. The proportion of households with non-dependent children in both districts was similar to or below the regional level which may be an indication that young adults have less restricted access to the housing market than in other parts of Yorkshire and the Humber.

Table 7.1 proportion of households with dependent and non-dependent children

Area	couple or other with dependent child(ren) %	couple with non-dependent child(ren) %	lone parent with dependent children %	lone parent with non dependent child (ren) %
North Lincolnshire	24.16	6.57	6.38	2.67
North East Lincolnshire	23.44	5.99	8.72	2.78
Yorkshire and Humber	23.34	6.43	6.57	2.87

7.5 Applying the household projections of an additional 25,000 households in the HMA (2004 to 2021) to the Census 2001 figures for singles, couples and lone parents would indicate that 7,780 of these additional households would be families with children 15 and under.

Older People

7.6 The Census 2001 data indicates a slightly higher proportion of pensioner households in the HMA than for the region as a whole with just under 25% of households comprising

pensioners only compared to 24.4% for the region. Of the total households at the census 14.8% were single pensioner households in North East Lincolnshire and 14.3% in North Lincolnshire.

- 7.7 Population projections indicate that 33,800 additional people in the over-65 age group are projected by 2029. Applying the household projections to the Census 2001 figures for older people would indicate that of the additional households 6,204 would be pensioner households. However given the population projections showing a significant increase in older people (aged 65 and over) and falls in younger age groups it can be expected that the number of all pensioner households will be higher than this – and will continue to rise. Addressing the future housing needs of older people will need to be an essential element of future housing strategy and policy.

Minority and hard to reach households

- 7.8 The HMA has a significantly lower proportion of BME residents than the region as a whole. In North East Lincolnshire with 98.6% of the population was classed as white at the 2001 census and for North Lincolnshire 97.6% compared to 93.5% for the region.
- 7.9 In line with the region the largest minority ethnic group was those classed as Asian, although again the proportion of the population was relatively small at 1.6% in North Lincolnshire and just 0.5% in North East Lincolnshire. This compares to 4.4% for Yorkshire and Humberside.
- 7.10 The Practice Guidance sets out other groups that may be considered hard-to-reach including homeless households, private renters and households in shared accommodation or non-brick and mortar accommodation. The Guidance recommends additional qualitative work to examine in more detail the requirements of these groups, and this is something that could add to this housing market assessment in future.

7.11 The proportion of all student households in 2001 was very small representing less than 0.05% of households in both districts.

Households with specific needs

7.12 The Practice Guidance recognises that housing may need to be purpose built, or adapted, to meet the requirements of those with specific needs. The guidance also recognises that it is difficult to estimate the number of people who will need specific adaptations in the home.

7.13 In line with the Guidance for this Strategic Housing Market Assessment we have examined data on the number of people with long-term limiting illness (LLTI) and those eligible for Disability Living Allowance (for care and /or mobility). This helps to identify differences in profile between Housing Market Area, but it is important to remember that not all these households will require adaptations, and conversely there may be other people with disabilities requiring adaptations who are not captured via this data.

7.14 In common with other areas of the region there has been a steady increase in the number of those eligible for Disability Living Allowance in the HMA. At May 2007 there were 16,200 people eligible for Disability Living Allowance (this compares to 13,090 in 2002). The rate of increase in the number of eligible people between 2002 and 2007 is 23.8% which is significantly above the 15.8% increase across the region. This trend has been particularly marked in North Lincolnshire which was the district which has had the greatest increase in the region at 27.0%. There has also been a 39.6% increase in those eligible for DLA for over five years, compared to a 28.8% increase for the region.

7.15 This increase may indicate an increased demand for specialist accommodation.

7.16 Census data indicates a slightly lower proportion of people in the HMA with a long-term limiting illness (LLTI) than for the region as a whole with 19.1% of the household population

recording a LLTI compared to 19.5% for Yorkshire and Humber.

Low Cost Market and Intermediate Affordable Housing

7.17 The approach set out in this section gives an indication of households who are unable to access market housing. It is intended as a tool that can be used for comparison across the region. The information set out here is specifically not intended to be used to contradict local analysis which may be more detailed and hence, where available, should be given precedence to the figures presented here.

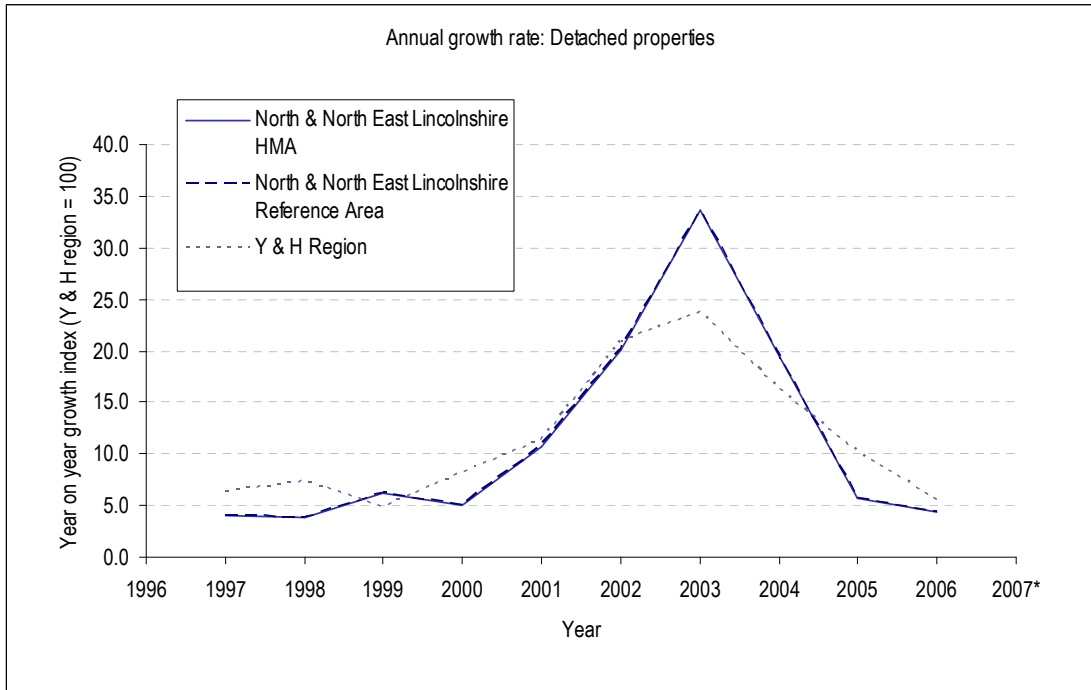
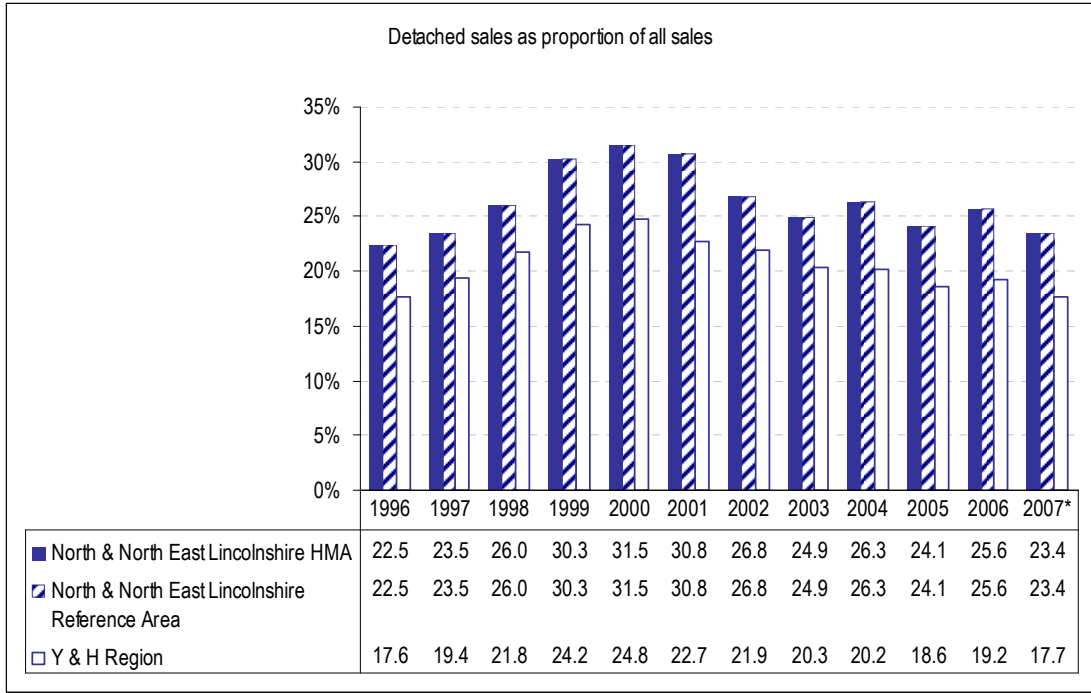
Summary of key points – different market segments and type and size of homes needed

- The proportion of families with children is slightly above that for the region and family housing will need to remain a significant component of the future housing offer.
- There is a significant and growing older population. The future housing needs of older people will be an essential element of housing policy and strategy for the HMA in terms of specific housing requirements and service delivery.
- While the HMA has a lower proportion of BME residents than the region there have been recent high levels of in migration, in particular from Eastern European countries. The future needs and long term aspirations of these migrants will be important to monitor and respond to.
- The significant rate of increase in people eligible for Disability Living Allowance, particularly within North Lincolnshire, may indicate a future demand for specialist accommodation to meet the requirements of a population with increasing support needs.

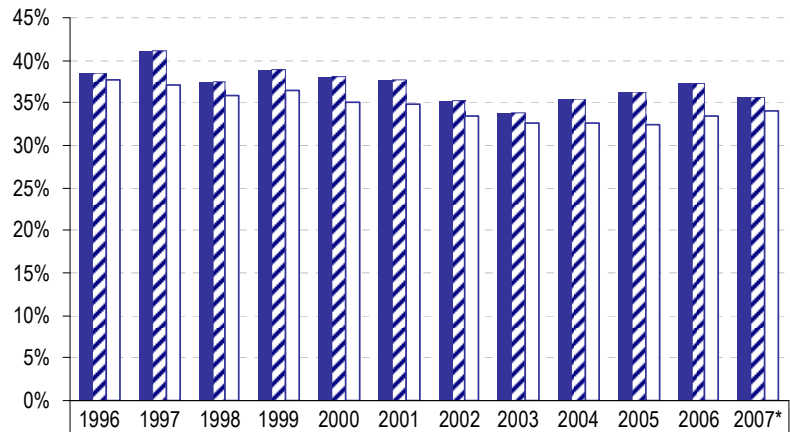
8. Conclusions

- The SHMA indicates a relatively balanced housing market across the HMA with low vacancy levels but with trends in increasing house prices and decreasing affordability mirroring the picture across the region.
- There has been a decline in the traditional industries associated with the HMA over recent years and while there are regional and sub-regional objectives to improve the economic position of the Humber sub-region there is a risk that it could be subject to further economic restructuring which would have a negative impact on productivity, employment and deprivation levels.
- In migration from EU accession countries has been significant and the long term intentions of these migrants needs to be better understood and monitored.
- The future ageing of the population will have a significant impact on the overall profile of the population as well as future housing and support needs. There is also a need to consider support services and housing requirements of those with disabilities.

Appendix 1 Additional data tables and charts

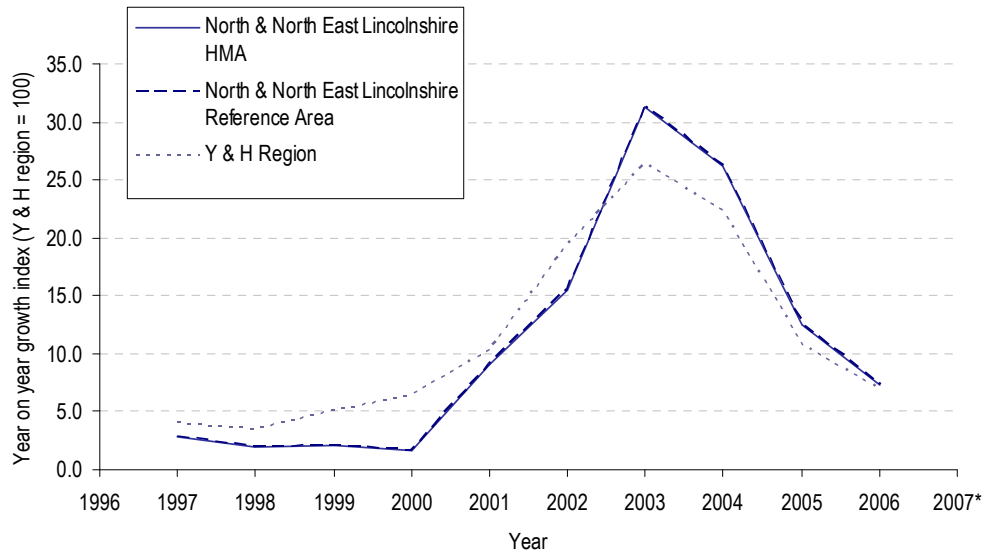


Semi-Detached sales as proportion of all sales

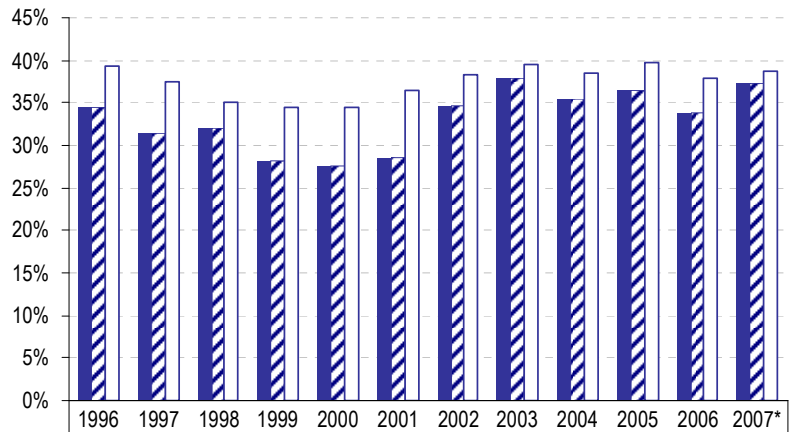


	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007*
■ North & North East Lincolnshire HMA	38.6	41.1	37.4	39.0	38.1	37.7	35.3	33.9	35.5	36.2	37.4	35.6
▨ North & North East Lincolnshire Reference Area	38.6	41.1	37.4	39.0	38.1	37.7	35.3	33.9	35.5	36.2	37.4	35.6
□ Y & H Region	37.7	37.1	35.9	36.4	35.1	35.0	33.5	32.6	32.7	32.3	33.5	34.1

Annual growth rate: Semi-Detached properties

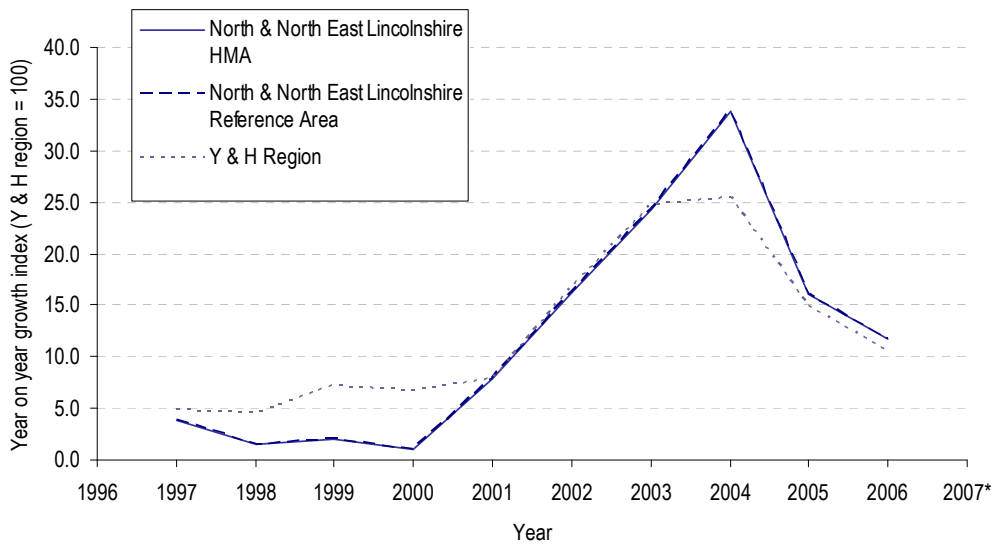


Terraced sales as proportion of all sales

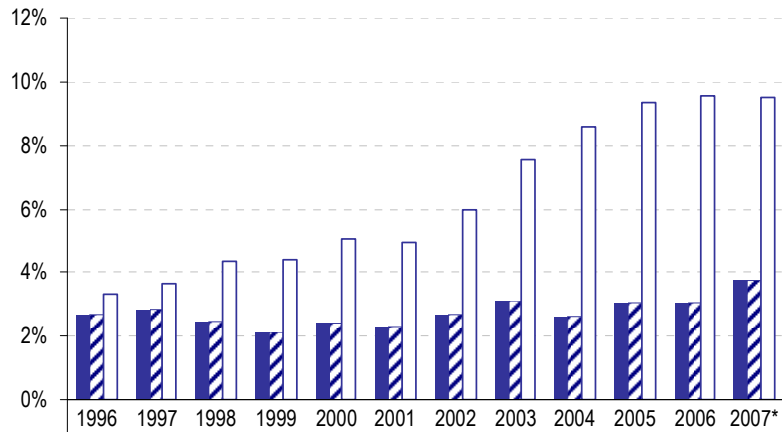


■ North & North East Lincolnshire HMA	34.4	31.4	32.0	28.1	27.5	28.7	34.7	38.0	35.5	36.6	33.9	37.2
▨ North & North East Lincolnshire Reference Area	34.4	31.4	32.0	28.1	27.5	28.7	34.7	38.0	35.5	36.6	33.9	37.2
□ Y & H Region	39.3	37.5	35.1	34.5	34.5	36.6	38.4	39.5	38.6	39.8	37.8	38.8

Annual growth rate: Terraced properties



Flat/Maisonette sales as proportion of all sales



■ North & North East Lincolnshire HMA	2.7	2.8	2.4	2.1	2.4	2.3	2.6	3.1	2.6	3.1	3.1	3.7
▨ North & North East Lincolnshire Reference Area	2.7	2.8	2.4	2.1	2.4	2.3	2.6	3.1	2.6	3.1	3.1	3.7
□ Y & H Region	3.3	3.7	4.3	4.4	5.1	4.9	6.0	7.6	8.6	9.3	9.5	9.5

Annual growth rate: Flats/Maisonettes

