

BRIEFING PAPER ON HOUSING MIX

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Briefing Paper Summary

This paper summarises the main findings of the Council's new Strategic Housing Market Assessment in respect of the mix of housing required in the Borough over the next twenty years. Planning policies to reflect these findings will need to be included within Plan:MK.

Strategic Housing Market Assessment Findings on Housing Mix

Consultants Opinion Research Services have been commissioned to prepare an up to date Strategic Housing Market Assessment (SHMA) for Milton Keynes. This is a key component of the evidence base needed for Plan:MK, the new local development plan for the Borough for the period until 2036.

The primary purpose of the SHMA is to consider the objectively assessed need for market and affordable housing in Milton Keynes for the plan period of Plan:MK. A draft SHMA report has been received from the consultants earlier this month, but it has not yet been finalised or published.

In respect of housing mix, the consultants used a 'housing mix model' to consider the need for market and affordable housing on a long-term basis that is consistent with the Government's household projections and its planning policy guidance on the 'Objectively Assessed Need' for housing. The model provides robust and credible evidence about the required mix of housing over the plan period, and recognises how key housing market trends and drivers will affect the appropriate housing mix.

The model uses a wide range of secondary data sources to build on existing household projections and profile how the housing stock in Milton Keynes will need to change in order to accommodate the projected future population.

The housing mix model considers the future number and type of households based on the Government's household projections alongside the existing dwelling stock. Whilst the model considers the current unmet need for affordable housing (including the needs of homeless households, those in temporary accommodation, overcrowded households, concealed households, and established households in unsuitable dwellings or those who cannot afford their own homes), it also provides a robust framework for projecting the future need for affordable housing.

When considering the future need for different types of housing, the model assumes that the housing mix needed by households of each household type and age will reflect current patterns. A growth in single person households aged 65-74, for example, will lead to an increase in the need for the type of housing currently occupied by single person households of this age. On this basis, where such households continue to live

in family housing despite no longer having a family living with them, this need for family housing will still be counted.

Figure 1 below identifies the need for market housing and affordable housing of different types (in terms of flats and houses) and sizes (in terms of number of bedrooms). Whilst there is projected to be an increase of 5,500 extra single person households, only 1,200 extra dwellings have one bedroom (200 market homes and 1,000 affordable homes). This reflects the fact that many single person households will continue to occupy family housing in which they already live.

Figure 1: Housing mix of Objectively Assessed Need for market and affordable housing

		Market Housing	Affordable Housing	TOTAL
Flats	1 bedroom	200	1,000	1,200
	2+ bedrooms	200	1,000	1,200
Houses	2 bedrooms	2,700	3,400	6,100
	3 bedrooms	13,900	3,800	17,700
	4 bedrooms	6,000	800	6,800
	5+ bedrooms	1,300	200	1,500
TOTAL		24,300	10,200	34,500

Source: ORS Housing Mix Model (figures may not sum exactly due to arithmetic rounding), November 2016

Overall, most of the market housing need is for housing (23,900 dwellings over the 20-year plan period) with a need for 400 flats also identified (around 2%). The need for affordable housing is also predominantly for housing (around 8,200 dwellings) with a need for around 2,000 flats (around 20%). Whilst the need for affordable housing with four or more bedrooms is around 10% of the overall affordable need, this represents a need for over 1000 large affordable homes that should be provided over the 20-year period 2016-2036. Much of this need will be from existing households living in overcrowded accommodation.

Housing for Older People

The SHMA population projections identify that the Borough's population is likely to increase from 265,500 persons to 325,000 persons over the 20-year period 2016-2036; an increase of 59,400 persons. The population in the older age groups is projected to increase substantially during this period, with around half of the overall population growth projected to be in the 65 or over group (29,600 over 65s out of a 59,400 person 20-year growth). Overall, this would indicate that the percentage of the total population of Milton Keynes who are over 65 will increase from 13% to 20%. Also of note is that the over 75 population is projected to more than double (increasing from 14,100 to 33,300 persons, representing a 136% increase) over the period 2016-2036. This is particularly important when establishing the types of housing required and the need for housing specifically for older people. Whilst most of these older people will already live in the area and many will not move from their current homes, those who do move home are likely to be looking for suitable housing.

Over the plan period 2016-2036, the SHMA identifies a need for around 4,800 additional homes for older people, yielding a potential for up to 5,800 specialist homes for older people to be provided over the plan period. This includes around 4,200 sheltered homes and 1,500 extra care homes. Most of these properties will already be counted as part of

the overall housing need. However, some extra care provision may offset some of the identified need for residential care, and would therefore be additional to the household projections.

Plan:MK will need to include planning policies in response to the findings of the SHMA.

Background Papers

- Milton Keynes Strategic Housing Market Assessment 2016: Draft Report of Findings, Opinion Research Services, November 2016 (unpublished)