

## Thorp Arch and Walton



## Housing Market Assessment

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# Executive Summary

## A. Context

**Thorp Arch** is a small affluent village and civil parish near Wetherby set on the River Wharfe between the villages of Walton and Boston Spa. Thorp Arch has a population of approximately 1,600 living in 324 dwellings mainly detached house and small terraced cottages. The vast majority (75%) of households are homeowners and levels of both social and private rented housing are relatively low compared to city and national levels. Private renting has increased in the past decade while levels of owner occupation and social renting have slightly reduced. Property values are significantly higher than the city average.

**Walton** is a village and civil parish 2 miles (3 km) east of Wetherby and adjacent to Thorp Arch village and Thorp Arch Trading Estate. It has a population of 225 people living in 96 dwellings. The population in Walton is 'older' than that of Thorp Arch, and the city as whole. The proportion of older people is substantially higher than for the city as a whole, as is the proportion of people who will grow old over the next 20 years. There are more families with children, but fewer single people under 65. It is predominantly white.

Thorp Arch and Walton are served by the primary school in Thorp Arch and by Boston Spa and Wetherby High Schools. The Wealstun Prison, and the British Library and the Thorp Arch Trading Estate are located nearby.

## B. Assessment of housing market conditions

### B1 Housing supply

Supply of new housing has dwindled and currently across the city new build rates are not keeping pace with housing needs as measured in the SHMA and reviewed in the current LDF Core Strategy. New housing for sale at prices that are affordable to first time buyers and existing owners seeking to 'downsize' would be attractive, and there may be a demand for additional housing for rent at a range of levels.

### B2 Availability and affordability of home ownership

A joint income of between £45,000 and £73,000 would be needed to afford entry level housing (one and two bedroom flats or 2 bedroom houses) in Thorp Arch, Walton and nearby villages and over 85% of households do not earn that level of income,

Additionally, a deposit of £26,000 for a one bed flat, and £42,000 for a two bedroom house or flat, would be required to secure an 80% mortgage at current Loan to Value Ratios (LVRs) which would take potential first time buyers on average incomes between 6 and 10 years to accumulate, while households on bottom quartile incomes would be unlikely to be able to afford to accumulate the deposit required without help from parents or grandparents (or both,) and may not be able to afford mortgage payments.

However, as 29% of households earn over £40,000 and almost 20% earn over £50,000, amounting to households in both villages are in professional or managerial occupations, a substantial proportion of households with equity from existing housing would be able to afford new housing in Thorp Arch and Walton, and other nearby villages.

### **B3 Availability and affordability of rented housing**

There are high-cost rental markets in Thorp Arch, Walton, nearby villages and the town of Wetherby, comprising a mix of social housing and market rented properties, in a range of terraced and semi-detached houses purpose built and converted flats

The housing available is accessible to households with a range of incomes and occupations. Given the increasing demand for rental housing across the city arising from young working households facing difficulties in accessing home ownership, especially in accumulating deposits, demand for rented housing is likely to increase, across the city and in the Thorp Arch, Walton and nearby settlements, especially should there be enhanced employment opportunities emerging in the Thorp Arch Trading estate

However, existing market rents require a joint income of between £16,500 and £26,200 to afford a 1 bed or 2 bed property, or a single income of £20,000 to £32,000 - out of reach of the majority households on low incomes in work, and would require two incomes per household to afford at all.

Affordable Rents (80% market rents), would take between 45% and 93% of income for those in very low paid jobs and between 25% and 51% of income for people in bottom quartile jobs . (Shelter has put the level of affordability at 35% of income) A joint income of between £13,500 and £21,000, and a single income of £16,000 to £21,000 is needed to afford rents for 1 or 2 bed properties, and this raises concerns that this could lead to difficulties for low paid households in maintaining tenancies.

Demand for social rented properties in the outer North East Leeds area, which includes Thorp Arch and Walton, is strong and the stock of social rented housing in the area is insufficient to enable all applicants with a high or a moderate priority need to be rehoused, and is able only to rehouse only a very small proportion of those who may not have a specific social or medical need, but are unable to afford market housing. Very little social housing is empty, annual turnover of stock is minimal, and between 43% and 67% of tenants have been resident for over 10 years. This low availability of stock coupled with a substantial number of long term residents, indicates continuing pressure on the social housing stock and other affordable housing.

### **B4 Potential Demand**

The proportion of people in Thorp Arch, Walton and nearby settlements who are in full time or self-employment, and in professional and managerial occupations indicates a strong potential demand from tenants seeking to move from social housing and private rented housing, and from existing owners seeking to trade up from their first home. There may also be demand for housing from households moving to Leeds with work.

Analysis of the 2011 Census and intelligence gathered from local estate agents indicate that there may be between 100 and 150 existing residents in the Wetherby area who may express a demand to buy a new home in Thorp Arch or Walton over the next 10 years. **32** would be private or social housing tenants wanting to buy a new home over the next 10 years. **3** may be social housing tenants want and be able to, buy a new home over the next 10 years. **101** may be homeowners wanting to take up the opportunity to buy a new home over the next 10 years; of these **17** may be previous first time buyers (2<sup>nd</sup> Stagers). **43** may want or need to 'trade up' to a larger home over the next 10 years. **41** may be older homeowners want to 'downsize' to a more manageable home over the next 10 years.

In addition it is estimated that there may be demand for new housing for sale and rent in the outer North East Leeds area from **1,000** households taking up the 20,000 estimated new jobs to be created over the next 10 years new jobs across Leeds, some of which may emerge locally on the Thorp Arch Trading Estate.

There is likely to be continuing demand for rented housing especially from young workers in lower paid work locally or in the city centre who are unable to access home ownership or social housing, or not wishing to buy. This demand is likely to be for housing at social, intermediate and market rents.

There may be a potential need for 41 new smaller homes to buy or rent aimed at older people who may seeking to, or needing to 'downsize' to smaller more manageable housing and release equity from their home, or who may need specific assistance with housing to meet their needs over the next 10 years.

## **C Potential Interventions**

### **C1 New housing development.**

There may be a demand for an additional 1,133 new homes to meet potential demand from residents in Thorp Arch and Walton or to meet demand potentially from incoming households.

In terms of meeting potential housing demand, there is currently little planned housebuilding due to take place in or around Thorp Arch and Walton. Analysis of the Leeds City Council Planning Portal shows there to be no current approved planning applications pertaining to the Thorp Arch area, and an outline planning application for residential development of around 2,000 homes at Thorp Arch Estate has recently been withdrawn by the potential developer, although there are indications that a smaller application may be brought forward. This could meet the demand for new housing identified. 6 sites in Thorp Arch and Walton identified in the Leeds SHLAA with a capacity for 847 new homes were 'sieved out' during the Site Allocations Plan process and will not be considered for housing in the future.

In addition, the University of Leeds has announced recently it no longer wishes to pursue plans to build 4,000 homes on its 600-acre plot near Headley Hall, between Bramham and Tadcaster, although there is some limited additional capacity to meet demand from within Thorp Arch and Walton and from incoming demand in nearby settlements where planning applications have been approved, or are under consideration, with the capacity for up to 159 new homes.

The development of the Thorp Arch estate, which has for a long time been considered a potential source of supply of new housing, remains as the main potential source of new housing supply in the immediate area surrounding Thorp Arch and Walton.

The site could also be used for employment and economic development, although it would be likely that the creation of new jobs on the trading estate may also bring a need for housing locally to accommodate a proportion of those taking up those jobs who will not want, or be able to afford, to travel to them.

Whatever, new development does come to fruition in the area, it is important that local needs are provided for, and that new development assists the future sustainability of the villages concerned. It should encompass a wide mix of housing types and sizes, and offer a range of prices and rents.

It is estimated that 58% of new homes aimed at meeting potential demand from residents of Thorp Arch and Walton (77 new homes) should have 1 or 2 bedrooms and 42% (56) should have 3 bedrooms or more. It is also estimated that 28% of new homes aimed at incoming households should be homes with 1 or 2 bedrooms (280 new homes), and 72% should be housing with 3 bedrooms or more (720 new homes). The methodology used in arriving at this assessment is contained in Appendix E.

New development in the area could contain homes aimed at first time buyers including some to which the Governments Help to Buy scheme could apply, or 'Starter Homes' could be offered. However, starter homes priced at the likely price in the area of £146,835, would require a household income of just over £50,000 to be able to afford mortgage payments – £12,500 higher than the average household income in the area, and only 18% of households would have the level of income required. In addition, a deposit of just over £22,000 would be required to secure an 85% mortgage, which could take an average earning household just over 5 years to accumulate. Accordingly, the scheme may be more suited to those already with a deposit saved or who have access to capital from parents or grandparents to fund the deposit required, or it may need to be used in conjunction with Help to Buy.

## **C2 Rented Housing**

It is likely that demand for rented housing will increase from young working households, especially young people in the first or second jobs, and those saving for the deposit needed to secure a mortgage for home ownership. These are likely to be the first time buyers and 'second stagers' who comprise the 'family builders' providing housing for whom could help preserve the sustainability of amenities in the area. However, the low availability of stock coupled with a substantial number of long term residents, indicates continuing pressure on the social housing stock. In order to clear the 'backlog' of need in the outer North East Leeds area, an additional supply of at least 320 new homes at social or affordable rents (32 per year) could be required over a 10 year period. Of these new homes for rent, it is likely that around 15% should be with 3 bedrooms or more and 85% should be one or two bed roomed properties.

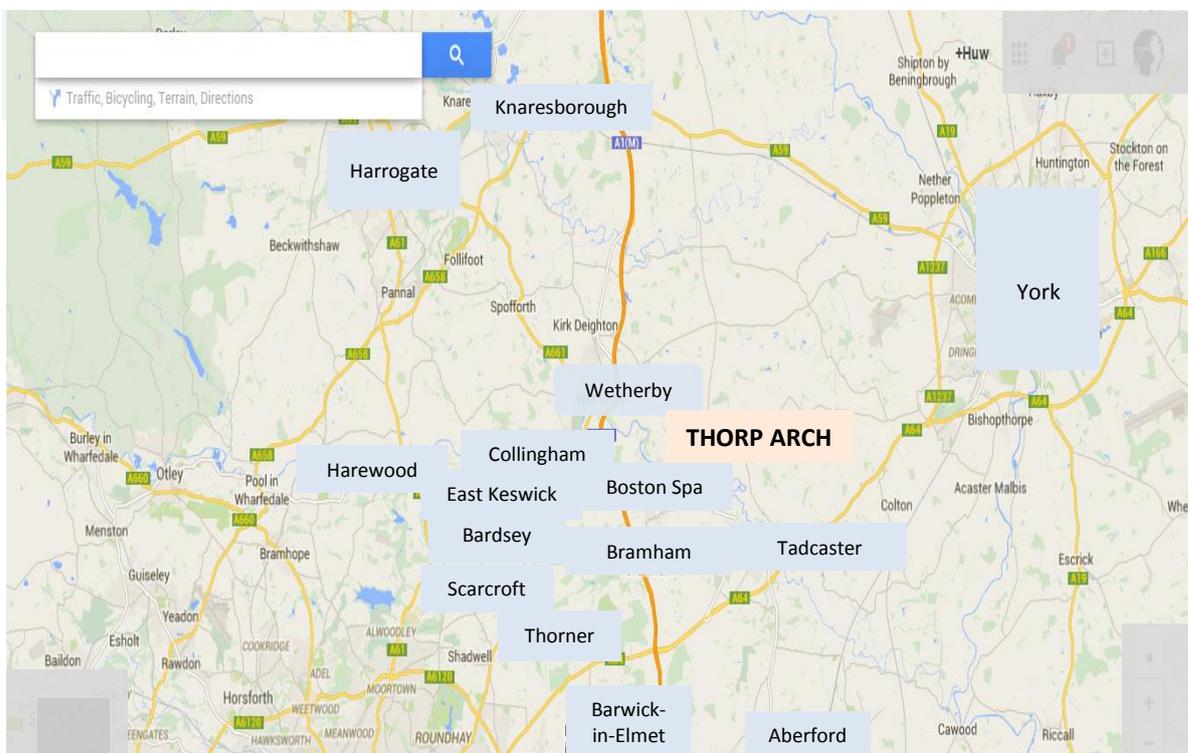
## **C3 Housing for older people**

A proportion of new housing developed in and around Thorp Arch and Walton should include smaller housing units for sale aimed at older households seeking to downsize; additional non-sheltered rented options for older single people or couples seeking to leave family housing in the social rented sector and maybe some extra care housing provision to cater for the needs of the relatively high proportion of over 85 year olds in the local population. Targeting new homes at older people downsizing could also free up family homes to meet demand from family households seeking larger homes.

# Introduction and Context

## 1.1 Introduction

**Thorp Arch** is a small affluent village and civil parish near Wetherby set on the River Wharfe between the villages of Walton and Boston Spa. Thorp Arch has a population of approximately 1,600 living in 324 dwellings mainly detached house and small terraced cottages. The vast majority (75%) of households are homeowners and levels of both social and private rented housing are relatively low compared to city and national levels. Private renting has increased in the past decade while levels of owner occupation and social renting have slightly reduced. Property values are significantly higher than the city average.



**Walton** is a village and civil parish 2 miles (3 km) east of Wetherby, It is adjacent to Thorp Arch village and Thorp Arch Trading Estate. It has a population of 225 people living in 96 homes. The population in Walton is ‘older’ than that of Thorp Arch, and the city as whole. The proportion of older people is substantially higher than for the city as a whole, as is the proportion of people who will grow old over the next 20 years. There are more families with children, but fewer single people under 65. It is predominantly white.

There is a primary school in the village and it is also served by Boston Spa and Wetherby High Schools. The Wealstun Prison, and the British Library and theThorp Arch Trading Estate are located nearby.

**Thorp Arch Trading Estate** occupies the major part of the site of a former Royal Ordnance Factory (ROF), built to supply British forces with munitions during the Second World War. The retail park is constructed in semi-underground bunkers, with grassy banks running up the sides of the buildings. The retail park is home to a playground, formerly home to an old tank, a Bren Gun Carrier and a fire engine, and is still home to a large mock pirate ship (about 40' in height)

Thorp Arch and Walton are surrounded to the North by Wetherby, Knaresborough and Harrogate; to the north- east by York; to the south by Boston Spa and Bramham, to the south east by the town of Tadcaster and to the west and south west by the villages of Collingham, Linton, Bardsey and Scarcroft running along the A58 towards Leeds city centre. The area is part of what has been termed 'The Golden Triangle' between North Leeds, Harrogate and York. All are 'up-market' settlements with high house prices and rents.

The aim of this Housing Market Assessment (HMA) is to establish an evidence base for the Neighbourhood Development Plan that can assess the prospects for the housing provision in the area being able to contribute positively to the vision and objectives for the area set out in the plan. It:

- outlines the characteristics of housing in the area,
- outlines the current housing market conditions in the area,
- outlines how the local housing market has been changing,
- outlines how affordable housing is in the area and what level of access there is to that housing; and
- Seeks to identify the extent and type of new housing that may be needed to meet the needs, demands and aspirations of existing residents in the area and accommodate new residents.

The tables within this HMA use a number of different data at different geographical levels depending on the availability and relevance of the data:

- Income banding data is presented for Council Electoral Wards;
- house price trend data is drawn from [www.home.co.uk](http://www.home.co.uk) and is presented at postcode district level;
- local house prices and market rent data is presented according to the neighbourhoods identified drawn from individual address records listed on [www.rightmove.co.uk](http://www.rightmove.co.uk);
- housing tenure, housing type, overcrowding and under-occupation, and socio-economic and demographic data is presented at Parish level using 2011 Census data drawn from the ONS Neighbourhood statistics site;
- information on Council and housing association housing is drawn from Leeds City Council stock, Leeds Housing Register and HCA data and uses the Neighbourhood Office and Local Lettings Areas used on the Leeds Housing Register; and
- Data on planning applications and land availability is drawn from the Leeds City Council Planning Portal and published SHLAA and Site Allocation Plan reports.

This report now considers the wider housing market context for the HMA and the policy context, nationally and locally, within which it is set.

## **1.2 Leeds housing market context**

- 1.2.1 the most recent data from CLG shows the number of households in Leeds increased by 6% in the last decade, compared to an increase of 3% in the previous decade. <sup>1</sup>While below national and sub-regional levels, this is likely to represent a significant increase in demand for housing. There are now approximately 320,000 households in Leeds, up from 302,000 a decade earlier<sup>2</sup>. The number of households is projected to increase by a further 13% in the next decade, outstripping wider West Yorkshire and national levels of growth. The number of households is projected to rise to 361,000 by 2021.<sup>3</sup>
- 1.2.2 The Leeds Strategic Housing Market Assessment (SHMA) used an employment-led household growth scenario to inform long term planning decisions. This shows an annual household growth rate of approximately 4,500 per annum, which, due to latent demand, was translated into a net dwelling requirement of approximately 4,680 per annum and a gross requirement, taking account of potential demolitions, of 4,930 per annum.
- 1.2.3 The Leeds SHMA also indicates that affordability of housing is a key issue to address. In line with national trends, house prices in Leeds have seen a significant increase over the past 20 years. The most recent average annual price in the city is now £175,000. This increase has seen house prices outstrip incomes in this period, making housing increasingly unaffordable, especially to first time buyers. The most recent SHMA undertaken for the city suggests that approximately 1,158 affordable dwellings per annum are needed, in order to both clear the existing waiting list backlog and meet future arising household need. It identified a “sustained demand for ‘affordable’ properties across the city.”
- 1.2.4 The waiting list for social housing in Leeds has been above 20,000 since the late 1990s. Positively, it has reduced since its peak of over 30,000 in 2005, but still represents a consistently large amount of unmet need. Levels of homelessness have reduced since the early part of the last decade, in line with national trends although there is evidence of a modest increase since 2009/10.
- 1.2.5 The Leeds SHMA also found that in line with national trends the city is projected to experience an increase in the number and proportion of households where the head of household is over 65. The projections indicate that over half of these households will be couple households and just under half will be single person households. Significantly, the projections continue to show an increase in households in the higher age brackets e.g. over 85 years old.
- 1.2.6 Recent research by Renew for the Leeds City Region,<sup>4</sup> showed the issues with affordability of housing across the city region and in each of its constituent local authority areas. The research found that
- Affordability is becoming increasingly problematic across the Leeds City Region for all forms of tenure. Housing costs, particularly in the northern part of the city region ( but also in some other areas) are high and increasing while income levels are at best remaining static and competing household costs are at best static.

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<sup>1</sup> Demographic Evidence – an update, Edge Analytics; September 2013

<sup>2</sup> 2001 and 2011 Census reported on ONS website 2015

<sup>3</sup> Demographic Evidence – an update, Edge Analytics; September 2013

<sup>4</sup> Research on the affordability of housing in the Leeds City Region: *Huw Jones, Associate Consultant – Renew, June 2014*

- With house prices rising again, the levels of deposit needed to secure a mortgage and the level of mortgage payment may well result in people in an increasing range of occupations being excluded from home ownership across the City region over time.
- Almost 40% of people across the Leeds City Region are on incomes that may not be sufficient to afford housing costs without benefit top-up. A further 35% are on average income levels, and may either be experiencing difficulties in accessing or being able to afford home ownership or market rented housing.
- The gap between actual market rents and the levels of benefit paid through the Local Housing Allowance suggests that many parts of the private rented market could be 'closed off' for households on benefit. With market rents more likely to rise than reduce as landlords pursue demand from professional households unable to buy under present circumstances, and with Affordable Rents tied to market rents, it is likely that
  - households on low pay will have continuing problems in being able to afford rented housing costs without recourse to benefit, and
  - The amount paid out in benefit to cover increasing market and affordable rents will also increase.
- With incomes raises being restrained for those earning below average levels, and with more jobs being created at very low levels of income, the ability to pay 'market set' housing costs is likely to remain problematic for many people
- Home ownership and market (or near market) housing in Leeds is increasingly becoming an option only for those on average incomes or above. Occupations such as police officers, experienced teachers, lecturers and landscape architects, nurses, midwives, junior hospital doctors, as well as more intermediate occupations could be unable to afford entry level house prices (1 or 2 bedroom houses or flats) or market rents

1.2.7 Recent analysis of the Leeds housing market for the Leeds Housing Forum <sup>5</sup> indicates that the affordability of home ownership continues to be problematic and that the income needed to afford mortgage payments (without jeopardising the ability to meet other financial commitments) has been increasing over the last 5 years. Currently;

- A joint income of £61,000 is currently needed to afford average prices, and a joint income of £37,000 is needed to afford entry level housing (1 or 2 bedroom flats or houses). Should prices continue to rise at their current rate (3% p.a.) then by 2020 a joint income of £73,000 will be needed to afford average prices, and a joint income of £46,000 will be needed to afford entry level housing
- Current average property prices in Leeds constitute 7.2 times the average income, and 13.4 times the bottom quartile income in Leeds. Should prices continue to increase at their current rate (3% p.a.) then by 2020 these will have risen to 8.6 and 15.8 respectively.

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<sup>5</sup> *State of the Leeds Housing Market:: Report for the Leeds Housing Forum by Huw Jones, Renew January 2015*

- Current entry level prices are 4.4 times the average income and 8.2 times the bottom quartile income in Leeds. Should prices continue to rise at their current rate (3% p.a.) then by 2020 these will have increased to 5.4 and 9.8 respectively.
- Under the current mortgage Loan to Value ratio being offered by lenders to first time buyers (80% of property value) A deposit of £21,600 would be needed to secure a mortgage on an entry level home, which would increase to £26,319 by 2020 should prices continue to rise at their current rate, and a deposit of £34,652 would be required to secure a mortgage on a property at average price levels which would increase to £42,480 by 2020 should prices rise at their current rate. While mortgages at higher Loan to Value ratios are available the interest rates and repayment levels are considerably higher.
- Research by Scottish Widows<sup>6</sup> has indicated that it will take private renters on average 15 years to save enough for a deposit on a house. For those planning to go through help to buy the research indicates it will take four-and-a-half years. The research has found that the average private renter saved £2,090 in 2013, and that if this rate of saving continues, and assuming average first-time buyer deposits stay at their current level or increase with inflation, it would take 15 years to accumulate the national average first-time buyer deposit of £30,943, Scottish Widows also states that: "Some may have given up on property ownership altogether, with only one in 10 private renters (13%) saving specifically to get on the housing ladder... A third of private renters [are] not currently putting any money aside and 29% [have] no savings whatsoever".
- Market rents take up over 50%, and Affordable Rents over 40%, of the income of households on very low pay (the bottom 10%)<sup>7</sup> and the forecast increase in market rent levels will exacerbate this. This could present a significant barrier to households seeking to move off of benefit and into work and present real problems for households in being able to afford rent payments alongside other financial commitments (food, energy, clothing, travel etc).
- Affordable (80% market) Rents are affordable to most people in occupations paying average income levels, but they would be unaffordable to some in intermediate occupations (newly qualified teachers, nurses and midwives, ambulance drivers, teaching assistants, shop supervisors, bank cashiers) and in lower paid occupations (e.g. kitchen porters, care assistants, shop assistants).
- The difference between market rents and the Local Housing Allowance varies across Leeds. Market rents for 2 bed properties in lower rent areas are between £2 and £13 per week lower than the Local Housing Allowance for Leeds, but in higher rent areas are between £36 and £51 per week higher than the Local Housing Allowance. In mid-market areas market rents tend to be between £9 and £15 per week higher than the Local Housing Allowance.

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<sup>6</sup> <http://www.scottishwidows.co.uk/knowledge-centre/savings/private-renters.html>

<sup>7</sup> *How Affordable is Affordable: Leeds Alliance 2013*

- Affordable Rents (80% market) for 2 bed properties are between £22 and £35 lower than the Local Housing Allowance in low rent areas but are up to £34 higher than the Local Housing Allowance in high rent areas.
- In most parts of Leeds, social rents are significantly lower than market rents. Market rents for 2 bed properties are between £29 and £47 per week higher than social rents in lower rent areas but are between £78 and £93 per week higher in high rent areas. Social rents are generally lower than Affordable Rent (80% market) levels. Even in low market rent areas, social rents for 2 bed properties are between £7 and £22 per week lower than Affordable Rents, but in higher market rent areas they are between £47 and 59 per week lower than Affordable Rents.
- The differences between social rents, Affordable Rents and market rents, and between market and Affordable Rents and the Local Housing Allowance have significant implications for the ability of households to afford housing costs, especially if they are seeking to move from benefit into paid work. It also has implications for the amount of housing benefit paid and concerns have been expressed that housing benefit is in reality subsidising high market rents and very low paid work.<sup>8</sup>
- Increasing numbers of households who would in the past have sought social rented housing are now being housed in the private rented sector. While the Local Housing Allowance will cover rent payments in lower market rent areas, it will not in most mid-market rent areas or in all high rental areas. In other areas, where the LHA is higher than the market rent, landlords are able to increase their rents to the LHA level. For households seeking to move from benefit into paid work, moving to a market rented property would, unless covered by the Local Housing Allowance involve a significant additional rent payment. For people on benefits needing to live in high rent areas, there are clear problems in affording the rent payment, and clear disincentives to find paid work. For households in low paid work, market rented properties are unlikely to be affordable without subsidy through partial housing benefit.

1.2.8 Changes in policies and practices relating to mortgage lending are currently having a major impact on the Leeds housing market. Following the credit crunch of 2007 onwards mortgage lending, has become more restrictive, in contrast to the relatively relaxed nature of mortgage lending policy from the late 1990s up to 2008, which was accompanied by a long increasing trend in property values and continuing governmental encouragement to home ownership. The volume of mortgage lending now appears to be increasing with more loans offered to first time buyers.

Analysis of statistics from the Council of Mortgage Lenders for the UK in June 2015, showed that while the number of first-time buyers and the amounts advanced had increased, there had been a year-on-year decline in lending compared to June 2014. There was also increased lending to home movers , home-owner re-mortgage activity, while Buy-to-Let continued to grow year-on-year and month-on-month, mainly driven by buy-to-let re-mortgage activity. Increases in lending generally and to first time buyers in particular have partly been driven by government schemes such as Help to Buy and the Funding for Lending scheme.

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<sup>8</sup> BBC News website Why is the UK's housing benefit bill so high? 21<sup>st</sup> September 2015

Concerns have been expressed that these could serve as much to drive up prices as to help first time buyers access home ownership, and that the danger exists of a renewed 'housing market bubble' similar to that which preceded the credit crunch in 2008.

From April 2014, new criteria were brought in by mortgage lenders following guidance from the Financial Services Authority (FSA). These moved away from a focus on 'multiples of income' as the basis for lending, and instead focused on the ability of applicants to repay the mortgage, especially within a context of potentially increasing interest rates. This new and restrictive approach could have impacts on the ability of first time buyers to secure mortgages to 'get on the housing ladder', and upon the ability of people seeking to trade up from their existing housing.

### **1.3 Policy Context**

#### **1.3.1 Leeds Local Development Framework (LDF) Core Strategy**

The Core Strategy is the main document setting out the strategic level policies and vision to guide the delivery of development and investment decisions and the overall future for the Leeds district. It plans for the longer term regeneration and growth of the district over a 15 year period.

The Core Strategy refers to planning for housing growth in a sustainable way in suitable locations, whilst meeting a range of housing needs, it aims to deliver housing growth in sustainable locations prioritising previously developed land in urban areas and through the phased release of greenfield sites to ensure sufficiency of supply and provision of supporting infrastructure. It also aims to plan for a sufficient mix, tenure and type of housing to meet a range of community needs including affordable and specialist housing. The LDF Core Strategy proposes 70,000 net new homes for the plan period 2012-28. This requirement is the full objectively assessed need and is towards the upper end of growth projected in the Leeds SHMA. It is spread across 11 housing market areas on the basis of need and capacity. This equate to 4,660 homes per year.

The Core Strategy sets targets for new development, proposing a mix of 75% houses and 25% flats, with the desired size of dwellings to be set at a mix of 10% 1 beds, 50% 2 beds, 30% 3 beds and 10% dwellings of 4 bedrooms or more. Density of new housing schemes in smaller settlements such as Wetherby is set at 30 dwellings per hectare.

The Core Strategy sets a threshold between 10 and 15 dwellings above which affordable housing will be sought, and variable targets for affordable housing from 5% to 50%.<sup>9</sup> The Core Strategy also seeks that 40% of affordable housing should be for households on lower quartile earnings and 60% be for households on lower decile earnings. The Core Strategy also proposes that affordable units should be a pro-rata mix in terms of sizes and types of the total housing provision.

Thorp Arch and Walton are both defined in the Core Strategy as villages. Which the Core Strategy expects to have limited development opportunities with development permitted only if it functionally requires a rural location<sup>10</sup> They are both located however, in proximity to Wetherby, a major settlement and the Core Strategy proposes that development in, and extensions of, these settlements should contribute to approximately a fifth of all housing development, and this could have impacts for Thorp Arch and Walton.

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<sup>9</sup> [http://www.leeds.gov.uk/council/Pages/Affordable-housing-planning-policy-\(LDF\).aspx](http://www.leeds.gov.uk/council/Pages/Affordable-housing-planning-policy-(LDF).aspx)

<sup>10</sup> *Leeds City Council: Core Strategy: Leeds Local Development Framework: page 26*

The Core Strategy is promoting local and city-wide employment through the development of a strong local economy through enterprise and innovation in order to sustain long term economic growth, and stimulate jobs. The economic priorities for the district will focus on facilitating existing strengths in financial and business services and manufacturing and to continue to grow opportunities in health and medical, low carbon manufacturing, digital and creative, retail, housing and construction, social enterprise, leisure and tourism and the voluntary sector. To ensure the potential for future job growth up to 2028, a requirement for 706,250 square metres of new office floor space and 493 hectares of industrial and warehousing land has been identified. The Core Strategy aims to promote retail development promoting

- Town Centres first and the regeneration of local centres,
- vitality and viability,
- major retail development in the city centre,
- policies to protect shopping frontages, and
- protection of shopping function.

The Core Strategy recognises the importance of the local environment to provide a sense of well-being and opportunities for leisure. It advocates the respect, conservation and enrichment of the distinctive landscape character of Leeds and the management of growth in a sustainable way that will deliver high quality design and environmental improvements. As part of the Core Strategy, an infrastructure delivery plan sets out the importance of the right infrastructure in the right place at the right time. The Core Strategy was adopted in November 2014. A Preferred Draft Site Allocations Plan looking at housing, retail, employment and greenspace was released for comment in 2015.

### 1.3.2 Neighbourhood Planning

Neighbourhood Planning gives communities the right to shape development in their areas through the production of Neighbourhood Development Plans. Neighbourhood Planning is not led by the local authority. Introduced as part of the Localism Act 2011, Neighbourhood Development Plans once made will be used when deciding planning applications. Four Neighbourhood Planning pilots areas were identified and are testing the process, while 27 neighbourhoods have been designated to date. There are also four designated neighbourhood forums. A further 9 neighbourhoods are actively working on neighbourhood plans without a designated area and/or forum. More area and forum designations are expected.

A local HMA is a valuable tool to help local communities preparing a neighbourhood plan to plan positively for local housing needs. A local HMA should not be used to seek to amend the levels of need which the Core Strategy expects individual Housing Market Characteristic Area to accommodate. Evidence gathered at a local level should align with the wider strategic objectives and policies of the recently adopted Core Strategy.

The City Council's strategic evidence base is the Strategic Housing Market Assessment (2011) and this provided a full objectively assessed housing requirement between 2012 and 2028 and evidence on levels and types of need across the authority. As well as this, the City Council's Strategic Housing Land Availability Study and the Settlement Hierarchy has guided the distribution of this housing requirement to sustainable locations with least impact on the Green Belt.

Housing needs change over time so the City Council's analysis is continually monitored to ensure, for example, that the balance between job growth and housing growth is correct and to take account of changes such as demographics, household size or commuting patterns. This strategic evidence base operates as a whole across Leeds and supports the Core Strategy objectives and policies. It is not appropriate, therefore, for local amendments to be made as this would necessitate amendments to the evidence base as a whole.

The role for local evidence – whether an HMA or other forms of evidence - is important and should seek to implement specific Core Strategy policies and to inform neighbourhood plans. Policy H4 (housing mix) seeks to provide for a range of types and sizes of houses to meet needs. In this respect, Town Councils and Neighbourhood forums may wish to explore in more detail the need for a specific housing mix in their area which may involve more homes for older people, first time buyers etc. This evidence could then help the process of identifying suitable housing sites and be a material consideration in the determination of planning applications. Policy H4 expects developers of schemes of over 250 homes (or 50 homes in smaller settlements) to provide a Housing Needs Assessment. There is an opportunity for parish councils and Neighbourhood Forums to influence these HMAs.

#### 1.3.3 Leeds Local Housing Investment Plan 2011-15

The Leeds Local Housing Investment Plan sets out the city's housing investment requirements and has been developed in conjunction with the Homes and Communities Agency (HCA). The plan is used by the HCA for scoring funding bids through the Affordable Homes Programme Framework and the Home Buy Programme. The plan recognises the local authority in its role as an enabler.

#### 1.3.4 The Leeds Housing Strategy 2015 - 2020

This outlines the city's priorities in relation to housing growth and improved housing quality. It recognises the need for housing growth across the city to meet the housing needs evident in all areas of the city in particular for affordable housing.

#### 1.3.5 Leeds Council Housing Growth Programme

An investment programme of almost £43 million has been established to deliver around 400 new affordable homes in a mixture of new council housing built to good space and energy efficiency standards, and with the benefit of local employment and training opportunities; this programme also addressed the repurchase of Right To Buy properties, and acquisition of empty properties.

## 2.0 Housing market, demographic and economic characteristics of Thorp Arch and Walton.

### 2.1 Housing Stock and Tenure

Table 1: Housing tenure in Thorp Arch

Tenure	Thorp Arch Parish		Walton Parish		Leeds	
<b>All Households</b>	<b>324</b>		<b>96</b>		<b>320,596</b>	
Owner Occupation	259	79.9%	81	84.4%	199,008	58.6%
Private Rented	41	12.7%	7	7.3%	57,456	17.9%
Social Rented	19	5.9%	4	4.2%	70,377	22.0%
<i>Rented from Council</i>	10	3.1%	4	4.2%	54,122	16.9%
<i>Rented from Housing Association</i>	9	2.8%	0	0.0%	16,255	5.1%
Living rent free	5	1.5%	4	4.2%	4,834	1.5%

(Source: 2011 Census from ONS Neighbourhood Statistics 2016)

Thorp Arch and Walton are both villages situated on the outskirts of Leeds. Thorp Arch comprises a population of 1591 people living in 324 dwellings and Walton has a population of 225 people living in 96 dwellings.

Table 1 shows that the vast majority of households in Thorp Arch (80%) and in Walton (84%) owner occupied, significantly higher than the city average (59%). The proportion of people renting privately in Thorp Arch (13%) and Walton (7%) is much lower than the city average. The proportion of people living in social rented housing in Thorp Arch (6%) is a quarter of the average for the city, and in Walton (4%) is a fifth.

Appendix A shows data for housing type, housing size and occupancy rates for housing in Thorp Arch and Walton and the comparison to Leeds as a whole. Table 2 shows the housing stock in Thorp Arch is split between detached homes (32%), semi-detached homes (37%) and terraced/cottage type houses (23%), while in Walton, 53% of homes are detached, 31% are semi-detached and 12.5% are terraced. Very few properties in either village are flats.

Table 2 Housing Type, Size and Occupancy

	Thorp Arch Parish		Walton Parish		Leeds
Detached/Semi-detached houses	224	69.1%	81	84.4%	52.2%
Terraced houses	75	23.1%	12	12.5%	26.5%
Flats	25	7.7%	3	3.1%	20.9%
1 or 2 Bed homes	81	25.0%	25	26.1%	42.6%
3 Bed homes	94	29.0%	30	31.3%	39.3%
4+ bed homes	149	46.0%	41	42.7%	17.8%
Under-occupying	296	91.4%	85	88.6%	68.9%
Overcrowded	1	0.3%	0	0.0%	24.5%

(Source: 2011 Census data at Parish Level taken from ONS Neighbourhood Statistics 2016)

75% of homes in Thorp Arch, and 74% of homes in Walton have more than 3 bedrooms, and 36% and 46% of homes respectively have more than 4 bedrooms. Only 2% of homes in both villages have one bedroom, and 23% and 24% respectively have 2 bedrooms.

91% of households in Thorp Arch, and 89% of households in Walton were assessed in the 2011 Census as having had one more bedroom than needed, and 35% of households in Thorp Arch and 36% of households in Walton were assessed as having 2 or more bedrooms more than are required, indicating a very high level of under-occupation in both villages.

## 2.2 House prices

Average prices in the area surrounding Thorp Arch and Walton are very high with the average being £364,216, now almost 183,000 higher than the city average, or 2.0 times higher. Average house prices have increased by just over 9% since 2009 (or 1.5% per annum) a slightly lower than that across the city (10.4% or 2% per annum)

The average price for entry level housing (1 or 2 bed houses or flats) is almost £184,000, almost £70,000 higher than the city average, or 1.6 times and has increased by 6.4% since 2009 (or by 1.3% per annum), compared to 4% for the city as a whole. This places the area as being right at the top of the Leeds housing market.

Table 3: Price movements 2009 - 2016

Year	Average Prices		'Entry Level ' Prices	
	Area including Thorp Arch and Walton (LS23)	Leeds MD	Area including Thorp Arch and Walton (LS23)	Leeds MD
Dec-09	£333,679	£164,310	£172,498	£109,244
Dec-15	£364,216	£181,497	£183,658	£113,656
% increase 2009 - 2015	9.2%	10.4%	6.4%	4.0%

(Source: [www.home.co.uk](http://www.home.co.uk); [www.rightmove.co.uk](http://www.rightmove.co.uk) 2016)

Tables presented in Appendix B show that since 2009, prices for detached, semi-detached and terraced properties, (5%, 15% and 6% respectively) suggesting an excess of demand over supply for such dwellings. However, the price of flats reduced by 31% suggesting an excess of supply in the area relative to demand. There was an increase in the prices of 3 bed increased by (19%) and 4 bed homes (11%) but the price of 1 bed and 2 bed homes fell by around 3%.

Table 4: Gap between prices in Thorp Arch and the city average

Date	Area including Thorp Arch and Walton (LS23)	Leeds (MD) Average	% of Leeds MD prices
Dec-09	£333,679	£164,310	203.08%
Dec-15	£364,216	£181,497	211.07%
% increase 2009 - 2015	9.2%	10.4%	

(Source: [www.home.co.uk](http://www.home.co.uk) 2016)

Table 4 shows that the difference in house prices between the postcode area including Thorp Arch and Walton and Leeds as a whole grew from 204% in 2009 to 211% in 2015.

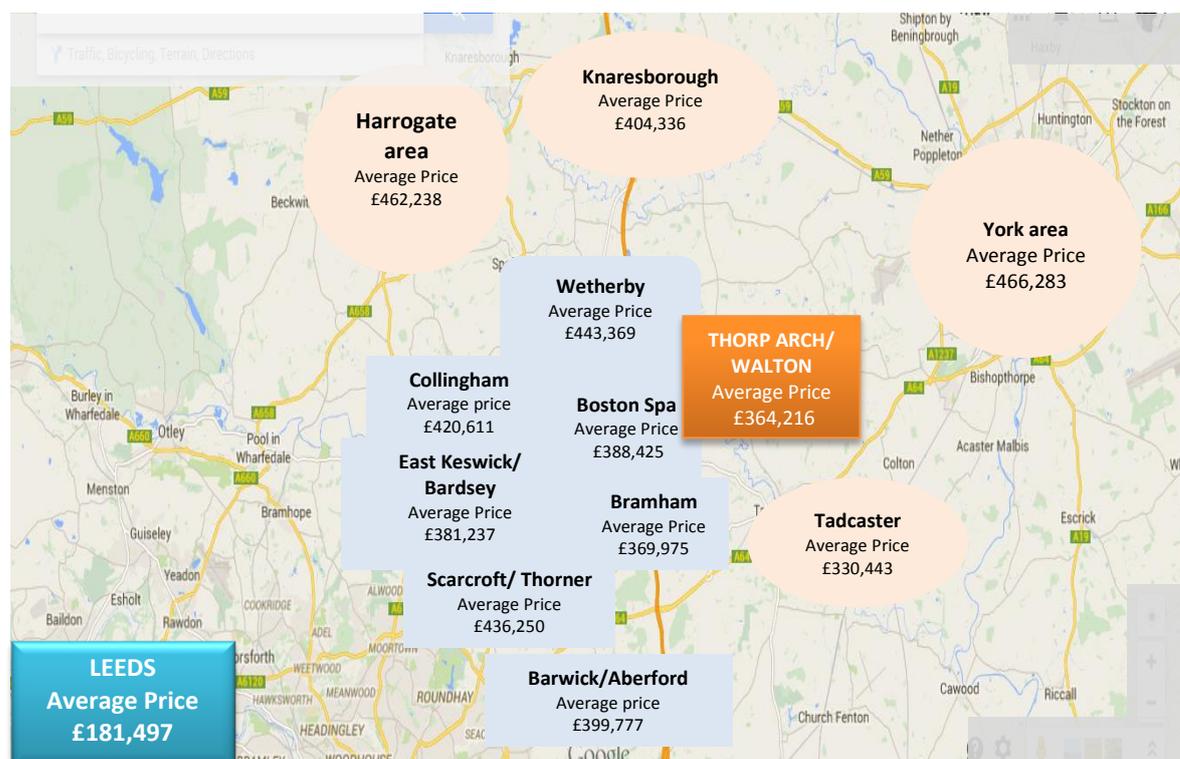
Table 5: Localised house prices – Comparison of Thorp Arch to other adjoining areas

Surrounding communities	1 bed flat	2 bed house or flat	3 bed house	4+ bed house	All
York	£167,550	£327,500	£439,975	£695,000	<b>£466,283</b>
Harrogate	£167,450	£302,499	£419,950	£639,975	<b>£462,238</b>
Wetherby	£139,749	£247,694	£332,283	£595,000	<b>£443,369</b>
Scarcroft, Thorer	£145,000	£239,975	£299,974	£767,500	<b>£436,250</b>
Collingham/Linton	£164,975	£292,475	£467,500	£676,247	<b>£420,611</b>
Knaresborough	£144,950	£214,975	£352,500	£592,500	<b>£404,336</b>
Boston Spa	£129,950	£188,975	£289,997	£552,500	<b>£391,225</b>
Clifford	£129,950	£212,475	£282,475	£650,000	<b>£389,975</b>
East Keswick, Bardsey	£139,975	£245,000	£312,500	£622,500	<b>£381,237</b>
Bramham	£129,950	£229,975	£420,000	£457,475	<b>£369,975</b>
<b>Thorp Arch/Walton</b>	<b>£129,950</b>	<b>£209,950</b>	<b>£287,475</b>	<b>£437,475</b>	<b>£364,216</b>
Tadcaster	£102,658	£176,215	£219,664	£463,436	<b>£330,443</b>
<b>LEEDS AVERAGE</b>	<b>£94,262</b>	<b>£131,767</b>	<b>£165,558</b>	<b>£369,304</b>	<b>£181,497</b>

(Sources: Rightmove.co.uk; local estate agents, 2014)

Table 5 shows that house prices in Thorp Arch are lower than for other nearby villages and for Wetherby, York and Harrogate.

Figure 2: Average house prices in Thorp Arch and surrounding areas



(Sources: [www.home.co.uk](http://www.home.co.uk); [www.rightmove.co.uk](http://www.rightmove.co.uk); local estate agents, 2015)

### 2.3 Affordability of home ownership

Table 6 shows the income distribution for households living in the Wetherby Leeds City Council ward which includes Thorp Arch and Walton. The data shows that the average household income is just over £37,500, while the income needed to afford entry level housing in the area is just over £58,600. (see Table 7 below)

Table 6: *Income distribution and income needed to afford entry level housing*

Thorp Arch Income range	No of households	% of households	Cumulative %
Up to £5,000	321	3.7%	
£ 5,000 to £9,999	597	6.9%	10.7%
£10,000 to £14,999	787	9.1%	19.8%
£15,000 to £19,999	503	5.8%	25.6%
£20,000 to £24,999	633	7.4%	33.0%
£25,000 to £29,999	864	10.0%	43.0%
£30,000 to £34,999	620	7.2%	50.2%
£35,000 to £39,999	268	3.1%	53.3%
£40,000 to £44,999	1487	17.3%	70.6%
£45,000 to £49,999	877	10.2%	80.8%
£50,000 to £74,999	1321	15.3%	96.1%
£75,000+	332	3.9%	100.0%
Average Household Income	£37,593		
Household income needed to afford entry level housing	£58,603		
% households unable to afford entry level prices	91%		

(Source: Acorn demographics segmentation data 2013)

Table 6 suggests that 85% of all households (around 7,400 households) living in Wetherby Ward, do not have a level of household income that would enable them to buy entry level homes at current prices in the area. A third of all households earn below average incomes (£24,000) and a fifth have a very low income (under £15,000), possibly reflecting both a relatively high proportion of pensioner households in the population and a proportion of households in low paid work.

The underlying level of house prices, however, may have implications for new housebuilding that may be taken up by incoming households, and the prices, or rental levels, at which they are sold, or let.

Table 7: *Income needed to afford various property types in Thorp Arch*

Average Price	1 bed flat	2 bed house	Entry Level	3 bed house	4+ bed house	All
Single income needed to afford	£37,129	£59,986	<b>£48,557</b>	£82,136	£124,993	<b>£104,062</b>
Joint income needed to afford	£44,810	£79,302	<b>£58,603</b>	£99,129	£150,853	<b>£125,592</b>

(Source: [www.rightmove.co.uk](http://www.rightmove.co.uk) 2015; CLG Guidance on SHMAs 2013))

Table 7 shows that overall, a single income of over £104,000 or a household income of almost £126,000 would be needed to afford average house prices in the area, although this level is reduced once available equity is taken into account.

- For entry level prices (1 or 2 bed houses or flats) a single income of almost £48,700 (about twice the average for the city) or a joint income of almost £59,000 (approximately 2.5 times an average income) would be needed.
- A single income of £82,000 or a joint income of £99,000 is needed for three-bed houses, and a single income of £125,000 or a joint income of £151,000 is needed for houses with four or more bedrooms. Although obviously, this reduces once available equity is taken into account.

*Table 8 Deposits needed to afford entry level housing in Thorp Arch*

	1 bed flat			2 bed house or flat		
	5%	15%	20%	5%	15%	20%
Thorp Arch area	£6,498	£19,493	£25,990	£10,498	£31,493	£41,990
LEEDS	<b>£4,713</b>	<b>£14,139</b>	<b>£18,852</b>	<b>£6,588</b>	<b>£19,765</b>	<b>£73,861</b>

(Source: [www.rightmove.com](http://www.rightmove.com) 2015)

The ability of first time buyers to enter the market is now becoming dependent on their ability to find a sizeable deposit following tightening of lending criteria. Table 8 shows the level of deposit needed by first time buyers to secure a mortgage for an entry level home (1 or 2 bedroom flat or terraced house) in the Thorp Arch area. Table 8 shows that:

- For a one-bed flat a deposit of between £6,500 ( for a 95% mortgage) and £26,000 (for a 80% mortgage) would be needed, depending on location;
- For a two-bed house or flat a deposit of between £10,500 (for a 95% mortgage) and £42,000 (for an 80% mortgage) would be needed, depending on location.

*Table 9 No. of years needed for first time buyers to accumulate deposits*

No of years to save a 20% deposit	1 bed flat			for a 2 bed house or flat		
	Bottom 10% income	Bottom 25% income	Average income	Bottom 10% income	Bottom 25% income	Average income
Thorp Arch area	28.2	13.1	6.4	45.5	<b>21.2</b>	<b>10.4</b>
LEEDS	<b>20.4</b>	<b>9.5</b>	<b>4.7</b>	<b>18.3</b>	<b>37.3</b>	<b>18.3</b>

Source: [www.rightmove.com](http://www.rightmove.com) 2014; Leeds Economy Handbook 2012 & CML 2013)

Table 9 shows the number of years it would take households on bottom 10%, bottom 25% and average incomes to accumulate a 20% deposit to secure a mortgage on entry level property types across Thorp Arch. It shows that accumulating the deposit needed could be out of reach for households on bottom quartile incomes and even for average earners, accumulating the necessary deposit would take between 6 and 10 years.

This suggests that some occupations with average incomes or above such as estate agents, university lecturers, experienced teachers, graphic designers, educational psychologists, landscape architects, loans underwriters, class teachers, police officers, nurses, midwives, paramedics and

junior hospital doctors may not be able to afford entry level house prices, along with lower paid intermediate occupations (such as advice workers, teaching assistants, waiting & bar staff, ambulance drivers, home and health care assistants, retail supervisors and administration officers), and routine or unskilled occupations.

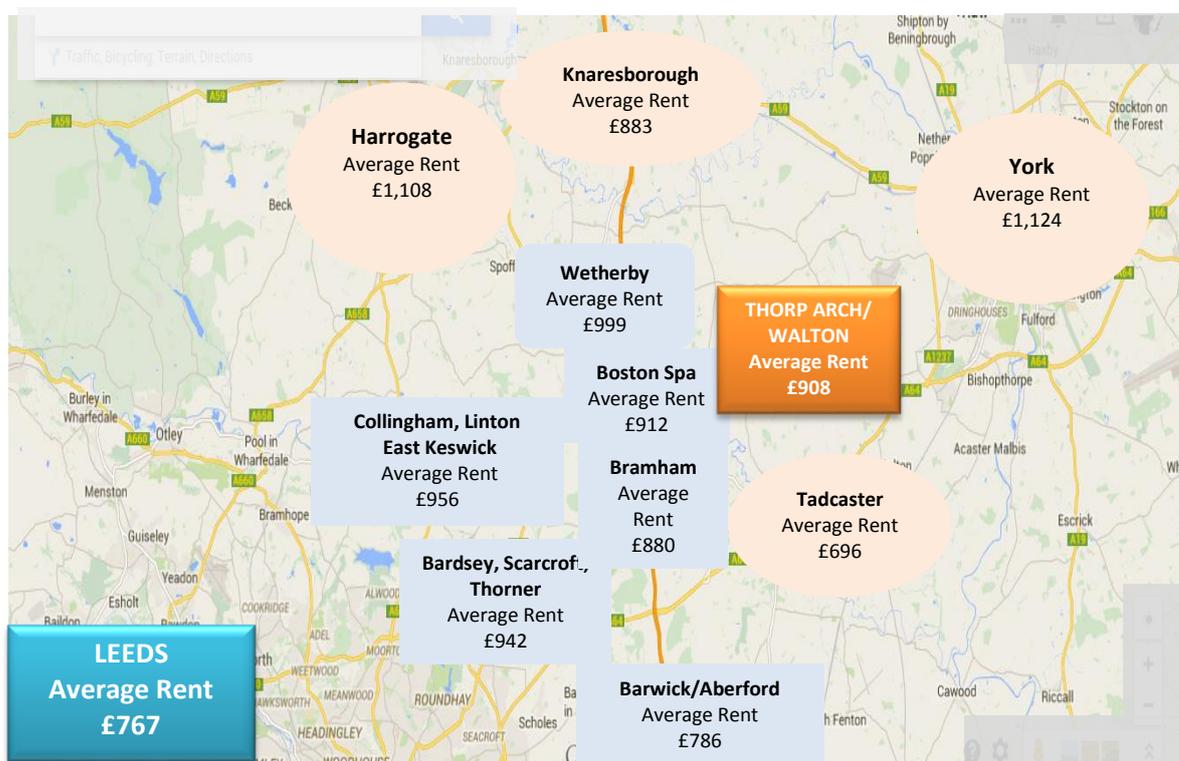
It is likely therefore, that there will be a growing demand for rented housing for those unable to quickly provide the required deposit to secure a mortgage to buy a home.

## 2.4 Private rented market and affordable rents

Research and analysis in Leeds has shown a growing demand for rented housing across the city brought about changing economic and housing market conditions and demographic changes. The lending restrictions and the requirement from lenders for larger deposits to secure mortgages have increased demand for rented housing while households accumulate the deposits needed, while there is a continuing growth in the number of single person and couple households seeking housing for rent.

Around 13% of properties in Thorp Arch and 7% in Walton are privately rented. The graphic below shows the average rent for Thorp Arch in comparison to surrounding areas.

Figure 3: Market rents in Thorp Arch and Walton and surrounding areas



(Source: [www.rightmove.com](http://www.rightmove.com) and [www.home.co.uk](http://www.home.co.uk) 2015)

Analysis of properties advertised for rent in the Thorp Arch and Walton and in surrounding areas is contained in Table 10a which shows that market rents are higher than the average for Leeds as a whole but lower than most of the villages surrounding and in the major settlements of Wetherby, York and Harrogate. This establishes the area including Thorp Arch and Walton as a high cost rental

market that may be largely inaccessible to households with below average incomes, and even to some with incomes around the average.

*Table 10a Monthly market rents in the Thorp Arch area compared to surrounding areas*

Surrounding communities	1 bed	2 bed	3 bed	4+ bed	All
York	£887	£1,063	£1,119	£1,425	<b>£1,124</b>
Harrogate	£602	£854	£1,084	£1,650	<b>£1,048</b>
Wetherby	£500	£795	£1,050	£1,650	<b>£999</b>
Collingham/Linton/East Keswick	£648	£763	£1,061	£1,350	<b>£956</b>
Bardsey, Scarcroft, Thorner	£500	£695	£1,050	£1,525	<b>£942</b>
Boston Spa	£475	£722	£1,000	£1,450	<b>£912</b>
Thorp Arch/Walton	£475	£752	£975	£1,600	<b>£908</b>
Knaresborough	£573	£641	£840	£1,478	<b>£883</b>
Bramham	£475	£695	£950	£1,400	<b>£880</b>
<b>LEEDS AVERAGE</b>	<b>£500</b>	<b>£661</b>	<b>£783</b>	<b>£1,124</b>	<b>£767</b>
Tadcaster	£412	£548	£750	£1,075	<b>£696</b>

(Source: [www.rightmove.com](http://www.rightmove.com) December 2015)

Table 10 b shows the level of Affordable Rents, set at 80% of market levels and shows that even rents at 80% of market levels are significantly higher than the Leeds average and are likely to be out of reach of many households (see below)

*Table 10b Monthly intermediate (80% market) rents compared to surrounding areas*

Surrounding communities	1 bed	2 bed	3 bed	4+ bed	All
York	£710	£850	£895	£1,140	<b>£899</b>
Harrogate	£482	£683	£867	£1,320	<b>£838</b>
Wetherby	£400	£636	£840	£1,320	<b>£799</b>
Collingham/Linton/East Keswick	£518	£610	£849	£1,080	<b>£765</b>
Bardsey, Scarcroft, Thorner	£400	£556	£840	£1,220	<b>£754</b>
Boston Spa	£380	£578	£800	£1,160	<b>£730</b>
<b>Thorp Arch/Walton</b>	<b>£380</b>	<b>£602</b>	<b>£780</b>	<b>£1,280</b>	<b>£726</b>
Knaresborough	£458	£513	£672	£1,182	<b>£706</b>
Bramham	£380	£556	£760	£1,120	<b>£704</b>
<b>LEEDS AVERAGE</b>	<b>£400</b>	<b>£529</b>	<b>£626</b>	<b>£899</b>	<b>£614</b>
Tadcaster	£330	£438	£600	£860	<b>£557</b>

(Source: [www.rightmove.com](http://www.rightmove.com) December 2015)

*Table 11 Income needed to afford market and affordable rents*

Area including Thorp Arch and Walton	1 Bed	2 Bed	3 Bed	4+ Bed	ALL
<b>Market Rents</b>					

Joint Income	£16,530	£26,170	£33,930	£55,680	<b>£31,598</b>
Single Income	£19,950	£31,584	£40,950	£67,200	<b>£38,136</b>
<b>Affordable Rents</b>					
Joint Income	£13,224	£20,936	£27,144	£44,544	<b>£25,279</b>
Single Income	£15,960	£25,267	£32,760	£53,760	<b>£30,509</b>

(Source: [www.rightmove.com](http://www.rightmove.com) December 2015; CLG Guidance on SHMAs 2013)

Table 11 shows that a household income of between the bottom quartile and average for Leeds, or more, would be needed to afford 1 or 2 bed properties in the area including Thorp Arch and Walton, but a household income of 1.5 times an average single income to afford 3 or 4 bed properties.

For single people, an average income or above may be needed to afford to rent a home in the area. Households on the lowest level of earned income (bottom decile) may be unable to afford market rents in the area without benefit support. Households with a bottom quartile income or more would be able to afford properties at Affordable Rents but for single earners, an average income or above would be needed to the majority of properties at Affordable Rents.

Table 12 shows the differences between market rents, affordable (80% market) rents and social rents. It shows that

- Local Housing Allowance rates for benefit purposes cover social rents and Affordable Rents for 1 properties but not Affordable Rents for properties with 2 bedrooms or more, or market rents. Benefit claimants needing to live in the area therefore would either have to negotiate the rent down or pay the difference to rent properties in the area.
- The difference between Social and Affordable (80% market) rents in the area is on average £89 per week. While this offers an opportunity to generate higher rental incomes from any new housing at affordable (80% market) rent levels, there would be significant affordability issues involved in terms of who that housing should be targeted at.

Table 12: Differences between weekly market, 'affordable' and social rents

Are including Thorp Arch and Walton	Market Rent per week	Affordable Rent per week	Social Rent per week	Difference per week: Affordable Rents and Social Rents	Local Housing Allowance (LHA) Rent levels	Difference per week: LHA and Market Rents	Diff. per week: LHA and Affordable Rents	Diff per week: LHA and Social Rents
1 bed	£110	£88	£70	£18	<b>£98</b>	<b>-£12</b>	£10	£28
2 Bed	£174	£139	£79	£60	<b>£126</b>	<b>-£48</b>	<b>-£13</b>	£47
3 Bed	£225	£180	£88	£92	<b>£150</b>	<b>-£75</b>	<b>-£30</b>	£62
4+ Bed	£369	£295	£94	£201	<b>£196</b>	<b>-£173</b>	<b>-£99</b>	£102
<b>ALL</b>	<b>£210</b>	<b>£168</b>	<b>£79</b>	<b>£89</b>				

(Source [www.rightmove.com](http://www.rightmove.com) December 2015; Leeds City Council 2014; RSR Data 2014)

Table 13: Proportion of incomes taken by market, affordable and social rents

Are including Thorp Arch and Walton	% of bottom net 10% income levels	% of bottom net 25% income levels	% of average net income levels
-------------------------------------	-----------------------------------	-----------------------------------	--------------------------------

	(£196 per week)	(£351 per week)	(£608 per week)
<b>Market rents (£210 per week)</b>			
1 Bed (£110 per week)	56.50%	31.23%	18.03%
2 Bed (£174 per week)	89.45%	49.44%	28.54%
3 bed (£225 per week)	115.98%	64.10%	37.01%
<b>Affordable rents (£180 per week)</b>			
1 Bed (£88 per week)	45.20%	24.98%	14.42%
2 Bed (£139 per week)	71.56%	39.55%	22.83%
3 Bed (£180 per week)	92.78%	51.28%	29.61%
<b>Social rents</b>			
1 Bed (£70 per week)	36.08%	20.7%	9.2%
2 Bed (£79 per week)	40.72%	23.4%	10.4%
3 Bed (£88 per week)	45.36%	26.0%	11.5%

(Source: [www.rightmove.com](http://www.rightmove.com) December 2012; TSA RSR Data 2011 Leeds Economy Handbook 2012)

Table 13 shows the proportion of net household income <sup>11</sup>at bottom decile (10%), bottom quartile (25%) and average (mean) levels taken by rent payments. It shows that

- **Social rents** take a relatively low proportion of bottom quartile income, but for those on the lowest levels of pay they are at the threshold of being unaffordable without creating stresses on other areas of expenditure, especially for properties with 3 beds or more.
- **Affordable Rents** (80% market rents), would be unaffordable to those on bottom decile earnings in very low paid jobs (including kitchen porters, sales assistants, fork lift drivers, warehouse operatives and sales/ catering assistants). Rents for properties with 2 bedrooms or more could be unaffordable to those on bottom quartile incomes (such as nurses, paramedics, junior hospital doctors, bar managers, bank cashiers, typists, teaching assistants, waiting & bar staff, ambulance drivers, home care assistants, retail supervisors, administration officers and health care assistants) leading to concerns that this could lead to difficulties in maintaining tenancies, especially when other financial commitments (fuel, food/clothing and transport) are taken into account.). Affordable Rents may also be unaffordable to some occupations on average incomes such as class teachers and Police Officers.
- **Market rents** are unaffordable to those on very low incomes and most people on bottom 25% incomes, but are just about affordable to those on average incomes. Market rents may not be affordable to a range of occupations with around average incomes including police sergeants, university lecturers, teachers, police officers, junior hospital doctors, legal secretaries, bar managers, nurses, midwives, pharmacists, advice workers, bank cashiers, teaching assistants, ambulance drivers, home and health care assistants, retail supervisors, as well as to very low paid routine and manual occupations.

## 2.5 Social housing supply and demand

### 2.5.1 Social housing stock

<sup>11</sup> Defined as 1.5 times average weekly earnings stated in *Annual Survey of Hours and Earnings, Office for National Statistics.2013* less tax and NICs

The tables in Appendix C show details of homes for rent managed by Leeds City Council or housing associations.

At October 2013 there were seven (7) two and three bed houses owned and managed by Leeds City Council in Thorp Arch and Walton, and 739 Council homes for rent in neighbouring areas (of which 297 were in Wetherby and 176 were in Boston Spa). None of the council properties in Thorp Arch and Walton were empty, and only 9 of the 739 in neighbouring areas were empty (1.2%) Only 1 property was re-let during the previous year. 1 council tenant had been resident for less than two years, 3 had been resident for over 10 years and 1 had been resident for over 20 years. Less than 11% of housing in neighbouring areas had become available over the previous year. This indicates a low availability of stock coupled with a substantial number of long term residents.

There are 141 homes owned and managed by housing associations in and around Thorp Arch and Walton, located in Wetherby and the villages along the A58 (Collingham, Bardsey, East Keswick, Scarcroft and Thorner), or in the adjacent villages along the A1 (Boston Spa, Thorp Arch, Bramham and Clifford). There are also 500 housing association properties in nearby Harrogate and 330 in York. All of these properties are in very high demand from people local to those areas, and living in adjacent areas.

### 2.5.1 Social housing demand

There were 713 households at the 31<sup>st</sup> March 2014 registered on the Leeds Housing Register who required housing in the outer North East Leeds area (which includes Thorp Arch and Walton) managed from Wetherby Neighbourhood Housing Office.

*Table 14 Applications for housing in the Wetherby Neighbourhood Housing Office area on the Leeds Housing Register at 31<sup>st</sup> March 2014*

<b>Applications</b>	<b>No</b>	<b>%</b>
Priority Need - Group A+/A	55	7.7%
Priority Need - Group B	34	4.8%
General Housing Need - Group C	624	87.5%
1 Bed	446	62.6%
2 Bed	180	25.2%
3 Bed	75	10.5%
4+ Bed	12	1.7%
<b>ALL</b>	<b>713</b>	<b>100.0%</b>

*(Source: Leeds Housing Register Annual Report 2013/14)*

Table 14 shows that of the 713 applications held, less than 10% had a priority need and only 12% had a moderate or priority need. The vast majority of applicants had no specific housing or social need but were unable to afford or access market housing options.

Table 15a shows the number and proportion of applications for housing held at April 2013 on the Leeds Housing register at the Wetherby Neighbourhood Housing Area, (which includes Thorp Arch and Walton) that were rehoused over the period from April 2013 to March 2014.

It shows that overall, only 12% of applicants at 31<sup>st</sup> March 2013 (1 in 8) were able to be rehoused over 2013/14. While all applicants with a high priority need registered at April 2013, and a proportion of newly arising cases, were rehoused over 2013/14, a third of applicants with a moderate priority need and 96% of General Need applicants (those without a pressing social or specific housing need, but unable to afford, or access, market housing) were unable to be rehoused.

*Table 15a: Rehousing of applications for Social housing to Wetherby Neighbourhood Housing Office area over 2013/14 by priority need of applicants*

Needs Group	Applications as at April 2013		Lettings 2013/14		Lettings as % of applications	Unhoused applicants
	No	%	No	%		
Priority Need - Group A+/A	31	4.5%	40	48.2%	129.0%	
Priority Need - Group B	24	3.5%	16	19.3%	66.7%	8
General Housing Need-Group C	636	92.0%	25	30.1%	3.9%	611
Direct Let			2	2.4%		
<b>ALL</b>	<b>691</b>	<b>100.0%</b>	<b>83</b>	<b>100.0%</b>	<b>12.0%</b>	<b>608</b>

*(Source: Leeds Housing Register Annual Report 2013/14)*

*Table 15b: Applications and Lettings of Social housing by beds required*

Beds Required	Applications held at April 2013		Lettings 2013/14		Lettings as % of Applications	Unhoused applicants
	No	%	No	%		
1 Bedroom	436	63.1%	57	68.7%	13.1%	379
2 Bedrooms	153	22.1%	15	18.1%	9.8%	138
3 Bedrooms	88	12.7%	11	13.3%	12.5%	77
4+ Bedrooms	14	2.0%	0	0.0%	0.0%	14
<b>ALL</b>	<b>691</b>	<b>100.0%</b>	<b>83</b>	<b>100.0%</b>	<b>12.01%</b>	<b>608</b>

*(Source: Leeds Housing Register Annual Report 2013/14)*

Table 15b shows that the majority of applications (63%) were registered as needing a 1 bed property, although this may include young couples who may want or need to move in the future to start a family. Only 15% required properties of 3 beds or more. It also shows that only 12.5% of applications for 3 bed homes, 10% of applications for 2 bed and 13% of applications for 1 bed housing were able to be rehoused. No applicants needing homes with 4 bedrooms or more could be rehoused.

It is likely that very few, if any, of these applications were from households living in Thorp Arch or Walton, nor is it likely that many specifically wanted social housing in Thorp Arch or Walton.

However, it would appear that the social housing stock in the outer North East Leeds area which includes Thorp Arch and Walton, is insufficient to accommodate all applicants with a high or a moderate priority need wanting or needing to live there, and able to rehouse only a very small proportion of those who may not have a specific social or medical need, but are unable to afford market housing.

It would also appear likely that should any additional social rented housing be provided in the outer North East Leeds area (including in or close to Thorp Arch and Walton) then there would be a high level of demand for it.

## 2.6 Local demographic and economic context

Tables 16a and 16b show demographic and socio-economic data for the Thorp Arch area in comparison to the Leeds average for each indicator.

*Table 16a: Socio-economic and demographic indicators*

2011 Census Indicator	Thorp Arch	Walton	Leeds Average
<b>Age</b>			
Under 16	10.6%	21.8%	17.1%
% aged 16 - 25	14.3%	5.8%	16.5%
% aged 25 - 44	46.7%	21.4%	29.5%
% aged 45 - 65	21.1%	31.1%	23.0%
% aged 65 - 85	6.6%	18.6%	12.6%
Over 85	0.6%	1.3%	2.0%
Average Age	NA	43	35
<b>Household Type</b>			
Families with children	34.3%	30.2%	18.7%
Lone Parents	7.1%	8.3%	11.9%
Couples under 65 without children	23.1%	25.0%	20.4%
Single people under 65	12.9%	10.5%	21.3%
Couples over 65 without children	10.7%	11.4%	10.7%
Single People over 65	11.9%	14.6%	12.0%
<b>Ethnicity</b>			
White British	85.6%	96.9%	81.1%
White Irish, European	2.4%	1.8%	4.5%
Black and Minority Ethnic	8.0%	0.0%	11.7%
<i>Indian, Pakistani, Bangladeshi, Arab</i>	6.1%	0.0%	6.2%
<i>African Caribbean</i>	1.5%	0.0%	3.5%
<i>Chinese, Other Asian</i>	0.4%	0.0%	2.0%
Mixed	4.0%	1.3%	2.7%

*(Source: 2011 Census data in ONS Neighbourhood Statistics 2016)*

The population in Thorp Arch, is not dominated by any one age group of household typology. There are more families and the proportion of people of 'family building age' (25 – 44) is significantly higher than

for the city as a whole. The proportion of people who will grow old over the next 20 years is about the same. Therefore, it is likely that there will be a growing need for services and housing designed to meet the changing needs of people as they get old. The population is predominantly white British of origin with a small BME population.

The population in Walton is 'older' than that of Thorp Arch, and the city as whole. The proportion of older people is substantially higher than for the city as a whole, as is the proportion of people who will grow old over the next 20 years. There are more families with children, but fewer single people under 65. It is predominantly white.

*Table 16b: Socio-economic indicators*

2011 Census Indicator	Thorp Arch	Walton	Leeds average
<b>Employment</b>			
Full time employed	18.9%	31.9%	38.8%
Part time employed	10.7%	19.9%	23.1%
Self Employed	5.9%	16.8%	7.5%
Unemployed	2.7%	0.0%	8.4%
Retired	6.6%	18.0%	12.4%
Prisoners	47.3%	0.0%	
<b>Occupation</b>			
Professional/Managerial occupations	45.3%	53.3%	41.1%
Intermediate occupations	39.9%	39.9%	40.7%
Process, Plant, machine, routine occupations	14.8%	6.8%	18.2%
<b>Education/Qualifications</b>			
No qualifications	24.0%	11.4%	23.2%

*(Source: ONS Neighbourhood Statistics 2013)*

Table 19b shows that In Thorp Arch, the economic activity of residents is distorted by the number of prisoners resident in the village (47%). The proportion of people in full time work and the proportion of retired people is half the city average. But the proportion of people unemployed is 3 times lower than the city average. The proportion of people in professional or managerial occupations is slightly higher than for the city as a whole, but the proportion of residents that are routine or manual occupations is lower than for the city as a whole. The proportion of people in intermediate occupations is similar. The proportion of people without any qualifications is similar to that for the city as a whole.

In Walton, the proportion of people in full time or part-time lower than for the city as a whole, but the proportion of people self-employed is more than double the city average. The proportion of retired people is higher than the city average, but there was no unemployed people recorded in the 2011 census. The proportion of people in professional or managerial occupations is substantially higher than for the city as a whole, but the proportion of residents that are routine or manual occupations is a third of the proportion for the city as a whole. The proportion of people in intermediate occupations is similar. The proportion of people without any qualifications is half of that for the city as a whole.

### 3.0 Assessment of housing market conditions

Drawing upon the data and information assembled above suggests the following assessment could be made of the prevailing housing market conditions in Thorp Arch and Walton and the wider market area surrounding the villages, and the potential demand for housing.

### **3.1 Housing supply**

Supply of new housing has dwindled and currently across the city new build rates are not keeping pace with housing needs as measured in the SHMA and reviewed in the current LDF Core Strategy. New housing for sale at prices that are affordable to first time buyers and existing owners seeking to 'downsize' would be attractive, and there may be a demand for additional housing for rent at a range of levels.

### **3.2 Availability and affordability of home ownership**

- 3.2.1 The first time buyer market is continuing to be affected by restrictive lending conditions and the requirement for a substantial deposit, nevertheless, demand for home ownership is still strong and is being strongly encouraged by Government policy. Accordingly, there could be a potential demand from first time buyers for affordable housing for sale in the wider market area including Thorp Arch and Walton, including mid-market properties for sale, use of the Help to Buy scheme, and shared equity properties
- 3.2.2 A joint income of between £45,000 and £73,000 would be needed to afford entry level housing (one and two bedroom flats or 2 bedroom houses) in Thorp Arch, Walton and nearby villages and over 85% of households do not earn that level of income,
- 3.2.3 Additionally, a deposit of £26,000 for a one bed flat, and £42,000 for a two bedroom house or flat, would be required to secure an 80% mortgage at current Loan to Value Ratios (LVRs) which would take potential first time buyers on average incomes between 6 and 10 years to accumulate, while households on bottom quartile incomes would be unlikely to be able to afford to accumulate the deposit required without help from parents or grandparents (or both,) and may not be able to afford mortgage payments.

### **3.3 Availability and affordability of rented housing**

- 3.3.1 There is a high-cost rental market in Thorp Arch, Walton, nearby villages and the town of Wetherby, comprising a mix of social housing and market rented properties, in a range of terraced and semi-detached houses purpose built and converted flats
- 3.3.2 The housing available is accessible to households with a range of incomes and occupations. Given the increasing demand for rental housing across the city arising from young working households facing difficulties in accessing home ownership, especially in accumulating deposits, demand for rented housing is likely to increase, across the city and in the Thorp Arch, Walton and nearby settlements, especially should there be enhanced employment opportunities emerging in the Thorp Arch Trading estate (see Chapter 4).

- 3.3.3 However, existing market rents require a joint income of between £16,500 and £26,200 to afford a 1 bed or 2 bed property, or a single income of £20,000 to £32,000 - out of reach of the majority households on low incomes in work, and would require two incomes per household to afford at all...
- 3.3.4 Affordable Rents (80% market rents), would take between 45% and 93% of income for those in very low paid jobs and between 25% and 51% of income for people in bottom quartile jobs . (Shelter has put the level of affordability at 35% of income) A joint income of between £13,500 and £21,000, and a single income of £16,000 to £21,000 is needed to afford rents for 1 or 2 bed properties, and this raises concerns that this could lead to difficulties for low paid households in maintaining tenancies, especially when other financial commitments (fuel, food/clothing and transport) are taken into account. For benefit claimants, it is likely that those moving off benefits and into low paid work would be unable to afford market and Affordable rents without 'top up' benefit.
- 3.3.5 Demand for social rented properties in the outer North East Leeds area, which includes Thorp Arch and Walton, is strong and the stock of social rented housing in the area is insufficient to enable all applicants with a high or a moderate priority need to be rehoused, and is able only to rehouse only a very small proportion of those who may not have a specific social or medical need, but are unable to afford market housing. Very little social housing is empty, annual turnover of stock is minimal, and between 43% and 67% of tenants have been resident for over 10 years. This low availability of stock coupled with a substantial number of long term residents, indicates continuing pressure on the social housing stock and other affordable housing.
- 3.3.6 In order to clear the 'backlog' of need in the outer North East Leeds area that includes Thorp Arch and Walton, an additional supply of at least 16 affordable rented homes per year could be required over a 10 year period.

### 3.4 Potential Demand

- 3.4.1 The proportion of people in Thorp Arch, Walton and nearby settlements who are in full time or self-employment, and in professional and managerial occupations indicates a strong potential demand from tenants seeking to move from social housing and private rented housing, and from existing owners seeking to trade up from their first home. There may also be demand for housing from households moving to Leeds with work.
- 3.4.2 *Demand from existing households resident in Thorp Arch and Walton*

Analysis of the 2011 Census and intelligence gathered from local estate agents indicate that there may be between 100 and 150 existing residents in the Wetherby area who may express a demand to buy a new home in Thorp Arch or Walton over the next 10 years:

1. 48 currently-resident households rent privately. Of these, it is estimated that 60% (**29**) may want and be able to, buy a new home over the next 10 years. The remaining 40% will either not want to buy or earn enough to afford to buy, or may buy an existing home in the area, or may move to another rented property in the area
2. 23 currently-resident households live in Council or housing association accommodation. Of these it is estimated 15% (**3**) may want and be able to, buy a new home over the next 10 years. The remaining 85% will either want to continue renting from their landlord; may want to buy but be

unable to afford to take up home purchase; may take up their Right to Buy, or may buy an existing property,

3. 340 households own their own home. While it is estimated that 70% (239) will not have a need or desire to move and will want to remain in their existing home, or will move to other existing homes in the area or out of the area , 30% (101) may want to take up the opportunity to buy a new home
  - a. 20% of existing homeowners (68) are estimated to be previous first time buyers (2<sup>nd</sup> Stagers). Of these, it is estimated that 25% (**17**) may want or need to move to a new larger home over the next 10 years. The remainder will either be content with their existing housing or may be unable to afford the costs of moving to a larger home, or may move to another existing property in the area.
  - b. 50% of homeowners (170) are estimated to be living in their second or subsequent home. Of these, it is estimated that 25% (**43**) may want or need to 'trade up' to a larger home over the next 10 years. The remainder will either be content with their existing housing or may be unable to afford the costs of moving to a larger home, or may move to another existing property in the area.
  - c. 30% of homeowners (102) are estimated to be older households. Of these it is estimated that 40% (**41**) may want to 'downsize' to a more manageable home. The remainder will either be content with their existing home, or may lack confidence in being able to find a suitable property in the area, or may move to another existing property in the area

#### 3.4.3 *Demand from incoming households*

In addition there is likely to be demand from households moving to Leeds, or to Wetherby from other parts of Leeds to take up new jobs created in Leeds over the next 10 years. For this analysis:

1. It is estimated for this analysis that on average one household is required to house the necessary number of people. On this basis the 40,000 new jobs that may arise in Leeds would convert into a housing need for 20,000 new homes.
2. It is assumed that, of the total housing need stimulated by new jobs, 5% will be in the outer North East Leeds area, based on the percentage of households that currently live there (5%).

Therefore, it is estimated that there may be demand in the outer North East Leeds area from 1,000 households (5% of 20,000) attracted by new jobs across Leeds, some of which may emerge locally on the Thorp Arch Trading Estate.

#### 3.4.4 *Demand for rented housing*

There is likely to be continuing demand for rented housing especially from young workers in lower paid work locally or in the city centre who are unable to access home ownership or social housing, or not wishing to buy. This demand is likely to be for housing at social, intermediate and market rents.

Analysis of demand presented on the Leeds Housing Register in Section 2 of this assessment indicates that demand for social rented properties in the area is strong and the stock of social rented housing in the area is insufficient to enable all applicants with a high or a moderate priority need to

be rehoused, and is able only to rehouse only a very small proportion of those who may not have a specific social or medical need, but have a need for 'affordable housing' as they are unable to afford market housing. Very little social housing is empty, annual turnover of stock is minimal, and between 43% and 67% of tenants have been resident for over 10 years. This low availability of stock coupled with a substantial number of long term residents, indicates continuing pressure on the social housing stock and other affordable housing, and a need for additional housing at rents affordable to those in very low paid work, or dependent on benefits to enable them to afford rents once in work.

#### 3.4.2 *Demand from older people wanting smaller but independent housing*

A proportion of older people living in the area may need assistance with housing to meet their needs over the next 10 years suggesting a potential demand for smaller homes to buy aimed at older people, or for rented housing options. Nearly 90% of households have more bedrooms than they need, and many such households will be old or aging, and may be seeking to, or needing to 'downsize' to smaller more manageable housing and release equity from their home. It is estimated that 40% of older homeowners may want to 'downsize' to a more manageable home resulting in a potential need for 41 new homes for older people.

## **4.0 Potential Interventions**

### **4.1 Introduction**

4.1.1 Thorp Arch and Walton are located in the outer North East Leeds housing market area as defined in the LDF Core Strategy, itself part of a ring of outer settlements extending from Otley in the north-

west, through the Wetherby area in the north-east and round to Morley and Rothwell in the south, and Farsley and Calverley in the west.

- 4.1.2 It is predominantly an area of home ownership with high relative house prices. In addition to potential demand from residents in Thorp Arch and Walton - first time buyers, 'second step' buyers seeking a move from their first home and older households seeking to 'downsize' to a more manageable home, the attractiveness of the Outer North East Leeds area means there may be demand from incoming households from elsewhere in Leeds, or coming to Leeds for work.
- 4.1.3 Its rental market mainly caters for those unable to access home ownership, or social housing and demand for a mix of rental housing may increase especially if there were to be enhanced employment opportunities at the Thorp Arch Trading Estate.

## **4.2 New housing development.**

### *4.2.1 Potential new supply of housing*

In terms of meeting potential housing demand, there is currently little planned housebuilding due to take place in or around Thorp Arch and Walton. Analysis of the Leeds City Council Planning Portal shows there to be no current approved planning applications pertaining to the Thorp Arch area, and an outline planning application for residential development of around 2,000 homes at Thorp Arch Estate has recently been withdrawn **[CHECK ON STATUS]**

While the Leeds Strategic Housing Land Availability Assessment (SHLAA) identified 6 other sites in Thorp Arch including the Thorp Arch Trading Estate, with the capacity for 2,167 new homes, all of these except the Thorp Arch Trading Estate site, were 'sieved out' during the Site Allocations Plan process and will not be considered for housing in the future.

In addition, the University of Leeds has announced recently it no longer wishes to pursue plans to build 4,000 homes on its 600-acre plot near Headley Hall, between Bramham and Tadcaster, There is some limited additional capacity to meet demand from within Thorp Arch and Walton and from incoming demand in nearby settlements (Wetherby, Boston Spa and Bramham) and there are 9 sites where planning applications have been approved, or are under consideration with the capacity for up to 159 new homes.

The development of the Thorp Arch estate therefore remains as the only significant potential source of new housing supply in the immediate area surrounding Thorp Arch, and the site owner, Rockspring, has suggested that a smaller proposal may be submitted in due course. However, the site could also be used instead for employment and economic development, although it would be likely that the creation of new jobs on the trading estate may also bring a need for housing locally to accommodate a proportion of those taking up those jobs who will not want, or be able to afford, to travel to them.

Whatever, new development does come to fruition in the area, it is important that development of this nature should ensure that local needs are provided for, and ensuring that new development assists the future sustainability of the villages concerned. It should encompass a wide mix of housing types and sizes, and offer a range of prices and rents, that can cater for the needs and aspirations of:

### *4.2.6 Assessment of housing mix required to meet likely demand*

The estimates of potential demand for housing outlined in section 3 above indicate that over the next 10 years, there may be a demand for an additional 1,133 new homes to meet potential demand from residents in Thorp Arch and Walton or to meet demand potentially from incoming households. The estimates suggest that 52% of these should be homes with 1 or 2 bedrooms and 48% should be homes with 3 bedrooms or more. Appendix 1 shows a breakdown of the housing mix required.

It is estimated that 133 new homes may be required to meet demand from existing residents in Thorp Arch and Walton, of which 58% (77 new homes) should be homes with 1 or 2 bedrooms and 42% (56 new homes) should be homes with 3 bedrooms or more. The methodology used to arrive at this assessment is contained in Appendix E.

In order to meet demand from potential incoming residents, it is estimated that 1,000 new homes may be required, of which 28% should be homes with 1 or 2 bedrooms (280 new homes), and 72% should be housing with 3 bedrooms or more (720 new homes). The methodology used in arriving at this assessment is contained in Appendix E.

4.2.7 Consideration is needed of what sort of housing for first time buyers should be sought. New development in the area could contain an element where the Government's Help to Buy scheme could apply, or 'Starter Homes' offered.

- The Help to Buy Equity Loan Scheme currently enables purchasers to buy a new build property up to the value of £600,000, with a maximum equity loan of £120,000 (20 per cent).
- The Help to Buy Mortgage Guarantee Scheme provides support for first time buyers to purchase their own home. Under the scheme the Government offers lenders the option to purchase a guarantee on mortgage loans, enabling lenders to offer home buyers more high-loan-to-value mortgages (80-95%). The Help to Buy scheme has proved to be very popular in Leeds and in all likelihood would be if applied in the Wetherby area.
- 'Starter Homes' – homes priced at 20% below the average market price aimed at people aged under 40 are being strongly promoted by the Government. However, the Starter Homes initiative is different from Help to Buy as it neither offers an equity loan, nor a mortgage guarantee to help first time buyers accumulate the deposit required to secure a mortgage. Appendix F shows that this may inhibit the scope for developing Starter Homes to meet local demand. As average prices in the area including Thorp Arch and Walton and nearby villages are 1.5 times the £250,000 ceiling for the scheme, and the discounted price for all properties would be £41,372 above the ceiling, starter homes would have to be one or two bedroomed homes which could be available at £146,835. However, this price would require a household income of just over £50,000 to be able to afford mortgage payments – £12,500 higher than the average household income in the area, and only 18% of households would have the level of income required. In addition, a deposit of just over £22,000 would be required to secure an 85% mortgage, which could take an average earning household just over 5 years to accumulate.

Accordingly, the scheme may be more suited to those already with a deposit saved or who have access to capital from parents or grandparents to fund the deposit required, or it may need to be used in conjunction with Help to Buy.

### **4.3 Rented Housing**

4.3.1 It is likely that demand for rented housing will increase from young working households, especially young people in the first or second jobs, and those saving for the deposit needed to secure a

mortgage for home ownership. These are likely to be the first time buyers and 'second stagers' who comprise the 'family builders' providing housing for whom could help preserve the sustainability of amenities in the area. However, the low availability of stock coupled with a substantial number of long term residents, indicates continuing pressure on the social housing stock.

- 4.3.2 Given the shortage of available affordable rented housing (and especially social rented housing) to meet the demand from existing and potential households, and the increased demand arising from difficulties in accessing home ownership,

In order to clear the 'backlog' of need in the outer North East Leeds area, an additional supply of at least 320 new homes at social or affordable rents (32 per year) could be required over a 10 year period. The new housing for rent should be aimed at

- households in low paid jobs who cannot afford rents at levels between social and market rents, as well as local vulnerable benefit claimants.
- households in general need on the Leeds Housing Register including young people or couples in their first jobs or seeking to accumulate the deposit needed for home purchase.

Of these new homes for rent, it is likely that around 15% should be with 3 bedrooms or more and 85% should be one or two bed roomed properties.

#### **4.4 Housing for older people**

- 4.4.1 A proportion of new housing developed in and around Thorp Arch and Walton should include smaller housing units for sale aimed at existing older households, or households as they get older over the next 20 years, including

- Smaller housing units for sale aimed at older households seeking to downsize,
- Additional non-sheltered rented options for older single people or couples seeking to leave family housing in the social rented sector
- Some extra care housing provision to cater for the needs of the relatively high proportion of over 85 year olds in the local population.

- 4.4.2 Targeting new homes at older people downsizing could also free up family homes to meet demand from family households seeking larger homes.

## **5.0 Conclusions**

- 5.1 Thorp Arch and Walton are villages in the outer North east Leeds area which is very popular, but very expensive and inaccessible to many of those wanting or needing to live there.

- 5.2 The area is predominantly owner occupied, but affordability is an acute issue for current residents, for younger households wanting or needing to live in the area, and potentially for incoming households moving to Leeds with work. Housing for sale in the area is very expensive and prices are

out of reach of most would-be first time buyers. This, along with the impact of restrained lending practices, is leading to many young households who would have become first time buyers, being unable to do so. Without young families, or young 'family builders', Thorp Arch, Walton and other villages in the area may become unsustainable over the long term with the risk of loss of local services and amenities.

- 5.3 There is a small, high cost rental market catering for households on average incomes or above, which is largely unaffordable to households on low, or very low incomes. The stock of social housing in the area is small, with few vacancies and low turnover and will not provide the capacity to meet current and likely future need from households with a specific priority need, or unable to afford market housing.
- 5.4 With enhanced employment opportunities likely on the Thorp Arch Trading Centre, there will be a potential demand for housing in the area from households taking up the new jobs, some of which may be low paid.
- 5.5 There would appear to be a potential demand from households in Thorp Arch and Walton living in homes with more bedrooms than they need. Many of these will be old or aging, and seeking to, or needing to 'downsize' to smaller more manageable housing, or access housing with specialist support or care.
- 5.6 Overall, the evidence outlined above suggests a potential need for around 1,100 to 1,200 new homes for sale and rent to meet demand from local households in Thorp Arch and Walton, other nearby villages and from incoming households potentially seeking work in the area.,
- 5.7 There is the potential to provide new housing of that scale on the Thorp Arch Trading Estate, which could offer housing options to current and future residents including:
- Smaller housing options for sale or rent, aimed at older homeowners living locally who may need to move from homes that are too large for their needs
  - Low cost home ownership provision or starter homes aimed at young households living locally who wish to become first time buyers and have the means to quickly accumulate the deposit required, along with assistance through the Help to Buy scheme or similar mechanisms for those with difficulty raising deposits required.
  - Mid-range housing for sale aimed at households living locally seeking, and/or needing to move from their first property
  - Rented housing at a range of rents aimed at young local people or couples living locally, or incoming households, seeking to take up new jobs on the Thorp Arch Trading Estate, or with other local businesses or services, who need to live in the area, or in other parts of Leeds.
  - Market price housing for sale aimed at incoming households from elsewhere in Leeds, or from outside Leeds, to take up jobs created on the Thorp Arch Trading Estate, with other local businesses or services, or in other parts of Leeds.

## Appendix A

## Housing Characteristics (2011 Census)

Property Type	Thorp Arch Parish		Walton Parish		Leeds	
Detached	103	31.8%	51	53.1%	47,237	14.7%
Semi-detached	121	37.3%	30	31.3%	120,091	37.5%
Terraced	75	23.1%	12	12.5%	85,063	26.5%
Flats	25	7.7%	3	3.1%	66,873	20.9%
<b>ALL</b>	<b>324</b>		<b>96</b>		<b>320,596</b>	

Property Size	Thorp Arch Parish		Walton Parish		Leeds	
1 Bedroom	6	1.9%	2	2.1%	39,752	12.4%
2 Bedrooms	75	23.1%	23	24.0%	97,037	30.3%
3 Bedrooms	94	29.0%	30	31.3%	125,874	39.3%
4 Bedrooms	108	33.3%	34	35.4%	42,990	13.4%
5 or More Bedrooms	41	12.7%	7	7.3%	14,207	4.4%
<b>ALL</b>	<b>324</b>		<b>96</b>		<b>320,596</b>	

Occupancy	Thorp Arch Parish		Walton Parish		Leeds	
Over 2 bedrooms	185	57.1%	55	57.3%	104,816	32.7%
1 - 2 bedrooms	111	34.3%	30	31.3%	116,044	36.2%
Neutral	27	8.3%	11	11.5%	87,902	27.4%
Overcrowded 1 bedroom	1	0.3%	0	0.0%	10,449	3.3%
Overcrowded 2 bedrooms	0	0.0%	0	0.0%	1,385	0.4%
<b>ALL</b>	<b>324</b>		<b>96</b>		<b>320,596</b>	

## Appendix B House Price Trends

Year	Average Prices		'Entry Level ' Prices	
	Area including Thorp Arch and Walton (LS23)	Leeds MD	Area including Thorp Arch and Walton (LS23)	Leeds MD
Dec-09	£333,679	£164,310	£172,498	£109,244
Dec-10	£343,017	£165,702	£168,975	£108,856
Dec-11	£340,591	£164,549	£169,950	£106,754
Dec-12	£330,409	£160,567	£179,950	£103,725
Dec-13	£382,809	£168,617	£178,268	£105,207
Dec-14	£385,626	£174,485	£175,167	£111,357
Dec-15	£364,216	£181,497	£183,958	£113,656

Date	Area including Thorp Arch and Walton (LS23)	Leeds (MD) Average	Thorp Arch area prices as a % of Leeds MD prices
Dec-09	£333,679	£164,310	203.08%
Dec-11	£340,591	£164,549	206.98%
Dec-13	£382,809	£168,617	227.03%
Dec-14	£385,626	£174,485	221.01%
Dec-15	£383,079	£181,497	211.07%

(Source: [www.home.co.uk](http://www.home.co.uk) 2015)

<i>Movement in prices for property types in the Thorp Arch area: 2007 - 2015</i>	Area including Thorp Arch and Walton (LS23)	Leeds (MD) Average
Detached	5%	9%
Semi Detached	15%	-7%
Terraced	6%	-16%
Flat	-31%	-18%
<b>ALL</b>	<b>9%</b>	<b>-9%</b>

(Source: [www.home.co.uk](http://www.home.co.uk) 2015)

<i>Movement in prices for property sizes in the Thorp Arch area: 2007 - 2015</i>	Area including Thorp Arch and Walton (LS23)	Leeds (MD) Average
1 Bed	NA	-21%
2 Bed	-3%	-25%
3 Bed	19%	-11%
4 Bed	11%	-2%
<b>ALL</b>	<b>9%</b>	<b>-11%</b>

(Source: [www.home.co.uk](http://www.home.co.uk) 2015)

## Appendix C Social Housing Stock and demand

### Council housing stock in Thorp Arch and surrounding areas

	Thorp Arch		Adjacent areas		Wetherby	Boston Spa, Clifford, Bramham	Collingham, Bardsey, Scarcroft
<b>General Needs</b>	<b>7</b>	<b>100%</b>	<b>736</b>	<b>66.3%</b>	<b>297</b>	<b>308</b>	<b>131</b>
1 bed Bungalow			31	2.8%	10		21
1 Bed Flat			15	1.4%			15
1 Bed House			53	4.8%	13	30	10
2 Bed Flat			17	1.5%	9	8	
2 Bed House	2	28.6%	219	19.7%	137	63	19
2 Bed Maisonette			16	1.4%	16		
2 Bungalow			46	4.1%	4	40	2
3 Bed House/Bungalow	5	71.4%	312	28.1%	91	160	61
3 Bed Maisonette or flat			9	0.8%	9		
4 + Bed House			18	1.6%	8	7	3
<b>Sheltered</b>	<b>0</b>	<b>0.0%</b>	<b>374</b>	<b>33.7%</b>	<b>207</b>	<b>167</b>	<b>0</b>
Cat 1 Bedsit/Flat			7	0.6%	7		
Cat 2 Bedsit			2	0.2%	2		
Cat 2 1 Bed Flat/House			170	15.3%	105	65	
Cat 2 1 Bed House/Bungalow			176	15.9%	87	89	
Cat 2 2 Bed House/Bungalow			11	1.0%	4	7	
Cat 2 2 Bed Flat			8	0.7%	2	6	
<b>ALL</b>	<b>7</b>	<b>100%</b>	<b>1110</b>	<b>100%</b>	<b>504</b>	<b>475</b>	<b>131</b>

(Source: LCC/Leeds Homes Orchard stock records 2013/14)

### Housing Association stock in Thorp Arch and surrounding areas

	Thorp Arch	Boston Spa, Bramham	Wetherby, Scarcroft, Collingham	Harrogate	York
Sanctuary			32	84	
Your Housing (Headrow )		25	12		
Anchor			19		
Yorkshire Housing			40	18	69
Together (Chevin)			13	80	1
Accent				39	12
Home Group				66	73
Leeds Federated				84	
Places for People				37	
Joseph Rowntree Housing Trust					152
Guinness Partnership				82	
Others (Broadacres, Habinteg, Railway, Tees Valley, Riverside)				14	23
	<b>0</b>	<b>25</b>	<b>116</b>	<b>504</b>	<b>330</b>

(Source: re'new 2014)

*Weeks to rehouse Leeds Housing Register Applicants*

	Area including Thorp Arch and Walton	Leeds Average
	(Weeks to rehouse)	
<b>Priority Group A</b>	<b>27</b>	<b>33</b>
1 Bed	49	38
2 Bed	25	32
3 Bed	29	27
4+ bed		40
Sheltered	16	21
<b>Priority Group B</b>	<b>34</b>	<b>40</b>
1 Bed	6	41
2 Bed		43
3 Bed	27	37
4+ bed		40
Sheltered	40	37
<b>Priority Group C</b>	<b>99</b>	<b>101</b>
1 Bed	23	136
2 Bed	141	95
3 Bed	148	96
4+ Bed		77
Sheltered	95	84
<b>OVERALL AVERAGE</b>	<b>51</b>	<b>55</b>

*(source: Leeds City Council Annual report 2012/13)*

## Appendix D Demand for New Housebuilding

### Housing sites in Thorp Arch (SHLAA 2014)

Thorp Arch	Short	Medium	Long	Total
1055 Thorpe Arch Estate		300	850	<b>1150</b>
2068 Thorp Arch Estate Waste Tip,		50	120	<b>170</b>
1289 Dowkell Lane (land north of),		100	217	<b>317</b>
1239 Dowkell Lane (land south of),		50	100	<b>150</b>
1240 Church Causeway (land north of),		50	78	<b>128</b>
1241 Walton Road (land at), Thorp Arch		50	183	<b>233</b>
2067 Walton Road/Thorp Arch Grange	19			<b>19</b>
	<b>19</b>	<b>600</b>	<b>1548</b>	<b>2167</b>

(Source: Leeds SHLAA 2014)

### Assessment of housing mix required to meet likely demand

The following assumptions have been used in estimating the types of new housing needed to meet potential demand from existing residents in Thorp Arch and Walton.

- 25% of 1st time buyers and 20% of older people downsizing would need, or want, one bedroomed housing
- 75% of first time buyers, 25% previous first time buyers seeking to move and 80% of older people downsizing would want or need 2 bedroomed housing
- 50% of previous first time buyers seeking to move (2nd Stagers) and 20% of existing homeowners in their second or subsequent homes wanting to 'trade- up', would want or need 3 bedroomed housing
- It is estimated that 25% of previous first time buyers seeking to move (2nd Stagers), and 80% of existing homeowners in their second or subsequent homes wanting to 'trade- up', would want or need housing with 4 bedrooms or more.

The following assumptions have been used in estimating the types of new housing needed to meet potential demand from potential incoming residents:

- It is estimated that 25% of 1st time buyers moving to Leeds would want or need 1 bedroomed homes
- It is estimated that 75% of first time buyers, and 20% of previous first time buyers seeking a larger home moving to Leeds would want or need 2 bedroomed homes
- It is estimated that 50% of previous first time buyers seeking a larger home and 30% of mature incoming families moving to Leeds would want or need 3 bedroomed homes
- It is estimated that 30% of previous first time buyers seeking a larger home and 70% of mature incoming families moving to Leeds would want or need homes with 4 bedrooms or more

### **Potential for Starter Homes**

Average prices for all properties in the area including Thorp Arch and Walton and nearby villages are 1.5 times the £250,000 ceiling for the scheme, and the discounted price for all properties would be £41,372 above the ceiling. Accordingly, starter homes promoted in the area would have to be one or two bedroomed homes which would cost £183,544 with the 20% discount applied bringing the price down to £146,835. However, this price would require a household income of just over £50,000 to be able to afford mortgage payments – £12,500 higher than the average household income in the area, and only 18% of households would have the level of income required.

<b>Area including Thorp Arch and Walton (LS23)</b>	<b>All properties</b>	<b>1 - 2 bedroom</b>
Average price	£364,216	£183,544
Price at 20% below average	£291,372	£146,835
Household Income required to afford	£100,473	£50,632
Average income in the area including Thorp Arch and Walton	£37,593	£37,593
% of households earning income required	3%	18%
Deposit required (@ 15%)	£43,706	£22,025
Years for average earners to save deposit	10.8	5.5

(Sources: [www.home.co.uk](http://www.home.co.uk) 2015; Acorn demographics segmentation data 2013; ONS 2014 & CML 2015)

In addition, a deposit of just over £22,000 would be required to secure an 85% mortgage, which could take an average earning household just over 5 years to accumulate. Accordingly, the scheme may be more suited to those already with a deposit saved or who have access to capital from parents or grandparents to fund the deposit required, or it may need to be used in conjunction with Help to Buy.