

# Canterbury City Council Housing Needs Assessment

## Outcomes & Methodology

September 2021

## Acknowledgements

Demographic statistics used in this report have been derived from data from the Office for National Statistics licensed under the Open Government Licence v.3.0.

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# Executive Summary

- E.1 Canterbury City Council commissioned Edge Analytics to produce an updated Housing Needs Assessment (HNA), to inform the development of strategic policies for the new Local Plan. Edge Analytics has combined local, regional and national datasets on demographics, housing, socio-economic and housing market indicators to produce this bespoke housing needs analysis for Canterbury, for a 2020–2040 plan period. Note that where reference is made to ‘Canterbury’, this refers to the whole district; the City of Canterbury is referred to as such.

## Demographics

- E.2 Canterbury has a population of 165,400 (as of 2019), a 22% increase since 2001. With three Higher Education institutions within the district, Canterbury’s ratio of students (aged 18+) to permanent residents (aged 16–74) is one of the highest in England at 16.4%, compared to a national average of 6%.
- E.3 Between 2001 and 2019, population growth was driven by net in-migration, underpinned by its large annual student inflow and outflow, and the exchange of migrants with other parts of Kent.
- E.4 The latest population projection from the Office for National Statistics (ONS), the 2018-based projection (ONS-18), estimates an 8% increase in Canterbury’s population to 2040. This is *lower* than the earlier 2014-based population projection (ONS-14), which projects a 15% increase. These differences are the result of altered fertility and mortality assumptions in the 2018-based projections, in combination with an alternative approach to the estimation of student migration from 2016 onwards.
- E.5 Despite these changes, both projections show significant growth in the older age (65+) population, as the relatively large cohorts born in the decades following the Second World War move into the older age groups. It is the growth in these older age groups that has important implications for the provision of housing over the plan period.

## Local Housing Need (LHN)

- E.6 The government’s Standard Method has been used to calculate a minimum Local Housing Need (LHN) figure for Canterbury, in line with the National Planning Policy Framework (NPPF). An affordability adjustment, based on a local house price to earnings ratio, is applied to a baseline household growth figure, derived from the 2014-based government household projections. This figure is then ‘capped’, to limit the level of increase.
- E.7 This approach results in an LHN of **1,120** per year for Canterbury over the 2020–2040 plan period.
- E.8 Whilst the LHN figure is higher than the current adopted Local Plan target of an average of 800 per year, a higher growth figure could help facilitate any infrastructure and employment growth

aspirations of the council. Furthermore, affordability is relatively poor in Canterbury; an LHN figure of 1,120 could help the Council to deliver a greater number of affordable homes in the district.

## Affordable Housing Need

- E.9 The analysis of affordable housing need has been split into two parts. The first assesses the need for social/affordable rental properties, following the step-by-step approach set out in the government planning practice guidance (PPG). The second part assesses the need for affordable home ownership in Canterbury, following a similar approach.
- E.10 The analysis considers the incomes needed to afford to both rent and purchase properties in Canterbury, based on local rental and property prices and affordability assumptions. For the calculation of social/affordable rental need, data has been drawn from Canterbury City Council's housing need register and combined with primary and secondary data sources on household growth, housing stock and supply. For the affordable home ownership needs assessment, data and assumptions have been drawn from household estimates and associated occupancy characteristics, re-sales evidence and national assumptions about private renters' home ownership expectations.
- E.11 The analysis identifies a need for 308 affordable homes to rent per year, and 156 affordable home ownership homes per year (a total of 464 per year).
- E.12 This equates to a 66%/34% split, broadly aligned with the current council target of 70% rented and 30% intermediate housing. While the council should seek a split of rented and intermediate housing, given local funding arrangements and past under-delivery of social housing, there may be some circumstances where the council may wish to prioritise an overall affordable housing target, rather than a rigid split between rent and ownership properties. With the introduction of First Homes in June 2021, there is now a requirement for 25% of affordable housing delivered by developers through planning obligations to be First Homes, which are sold with a minimum 30% discount on the market price.

## Housing Mix

- E.13 The housing mix section combines projected household growth with household occupancy characteristics from the 2011 Census, MHCLG data, and evidence from the CCC housing needs register, to evaluate what an appropriate mix of housing might be over the plan period.
- E.14 The level of household growth projected across the district (across all tenures) suggests that growth will be highest in 3-bedroom houses (51%), underpinned by the growth in the older age (65+) population. The provision of alternative accommodation for the older age-groups (1-2 bedroom homes, bungalows, apartments) could provide a solution that both meets a need for continued owner-occupation and/or rental, post-retirement, whilst freeing up larger properties for younger age cohorts over the plan period. This could also help to alleviate overcrowding, which is highest in Canterbury City.

- E.15 For Canterbury district, the overall bedroom mix is similar to that produced in the previous Lichfield's SHMA, but with a higher proportion of 3-bedroom properties, and a slightly lower proportion of 2-bedroom properties. In the social/affordable rental sector, the provision of 2- and 3-bed properties may help to alleviate overcrowding. For affordable home ownership, larger 2-bedroom houses are needed.
- E.16 When viewed at sub-district level, an appropriate mix for Whitstable and Herne Bay suggests a need for mainly 3-bedroom housing. In Canterbury City, with population decline in the younger age groups, most of the growth is in 4-bedroom properties (linked to growth in the older age groups), and in the rural areas, the evidence indicates a greater need for 2-bedroom houses relative to the more urban areas.
- E.17 When viewed against the LHN, the overall affordable housing need figure of 464 equates to 41% of the total housing target of 1,120 per year, above the council target of 30% affordable housing. Any increase above the current policy target would require viability testing. To maintain the current 30% target would equate to a housing requirement of almost 1,500 per year.

## Needs of Specific Groups

### Students

- E.18 Canterbury has one of the highest ratios of students to permanent residents in England, at 16.4%, compared to a national average of 6%. The number of students enrolled at the three HE institutions in Canterbury has increased substantially since 2001, with an estimated 30,000 students now enrolled at the three University Campuses in the district.
- E.19 There has also been an increase in the purpose-built student accommodation (PBSA) since 2001, with a current estimate of 8,850 bedspaces. There are now around 1.9 full-time students per PBSA bedspace in Canterbury, a reduction from the 2011 Census figure of 3.6. This increase in PBSA has coincided with a decrease in the number of houses of multiple occupation (HMOs) in Canterbury, although the private rented sector remains an attractive option, particularly for domestic students.
- E.20 In the short-term, it is unlikely that there will be a substantial increase in demand for student accommodation in Canterbury due to an increase in remote teaching resulting from the COVID-19 pandemic. It is considered likely that vacancy rates in the PBSA stock will increase in the short-term, particularly for international students.
- E.21 The number of young adults considering entry to Canterbury's universities is projected to increase, a result of higher birth rates in the early 2000s. This may help to offset any future challenges associated with the recruitment of international students. However, there remains considerable uncertainty around the longer-term impacts of the COVID-19 pandemic and Brexit on student numbers.
- E.22 It is recommended that the council continues to keep under review the need for PBSA alongside university growth plans. Regarding HMOs, it is recommended that the Council continues to control the conversion to and proportion of HMOs through its Local Plan policies.

## Older People

- E.23 Substantial growth in Canterbury's older-age (65+) population is inevitable, with the scale of growth to 2040 projected to be between 14,000 and 16,850. Utilising the approach developed for the Housing for Older People Supply Recommendations (HOPSR) toolkit, the following minimum levels of need over the plan period have been identified for older people accommodation:
- Age Exclusive Housing Stock: 576 units
  - Specialist Units: 1,732 units
  - Care home bedspaces +1,150, 26% with nursing.
- E.24 As well as the age exclusive, specialist and care home bedspace recommendations, it is recommended that the council considers the provision of bungalows within the overall housing mix, due to the high level of demand for this type of properties. Providing a greater variety of housing options for older people may also help to free properties for family housing in the younger age groups.

## People with Disabilities

- E.25 The long-term health problems or disabilities of households in the district are projected to grow by around 14% over the plan period in 'activities limited a lot'. These estimates are based on the population growth averaged over the latest ONS-14 and ONS-18 growth projections.
- E.26 By 2040, an additional 2,200 homes (across all ages and tenures) could require some form of adaptation in Canterbury (around 17% of total household growth), predominantly to meet individual needs resulting from the growth in the older age population.
- E.27 The current proportion of wheelchair users within the district is estimated to be around 2.4% (4,000 people) with the highest usage found in the 50–64 age range (4.9%), closely followed by those aged over 65 (4.5%). This evidence, alongside the projected population and household change driven by growth in the older age groups, means wheelchair usage could increase by 700–1,000 by 2040, with an additional 400 households with a wheelchair user by 2040.

## People who Rent

- E.28 Around 27% of Canterbury's dwelling stock is privately rented, an increase of approximately 7% since 2012. Canterbury has a greater proportion of private rented dwellings compared with the South East and national levels, a reflection of the size of the student population within the district.
- E.29 House price increases within the district, growth in student numbers, constricted mortgage lending and the lack of increase in household incomes have driven the growth of the rental market. However, open market private rent is still unaffordable for many households, with around 59% of households unable to afford the entry-level rental price of £725 per month in the district.
- E.30 Household growth analysis suggests an 87%/13% split between owned and privately rented housing within the market housing sector. However, this does not take into account changing occupancy or any increase in the proportion of older people in private rented housing. The future need for private

rental accommodation will be more skewed towards 3-4 bedroom properties, and smaller sized units in the older age groups.

### Families with Children

- E.31 Over the plan period (2020–2040) it is projected that there will be an additional 477 households with dependent children within the district, based on a mid-point between the ONS 2014 and ONS 2018 projections. A high proportion of this growth is estimated to be households with 1 child, with households with 3 or more children projected to decrease by 2040.
- E.32 Based on evidence from household growth and the council's housing register, the need is for 2- and 3-bedroom properties, with the emphasis on affordable family housing.

### Key Workers

- E.33 Canterbury has a slightly lower level of key workers (19%) than the national average of 25%. Across the South East, the main occupation of key workers is within the health and social care sector, followed by education and childcare. The main household type are key workers with no children and just under half of all key workers in the South East are owner occupiers (with a mortgage).
- E.34 The ability to purchase a home on the open market is an issue for key workers within Canterbury. Utilising household income data for the different key worker categories, only the cheapest entry-level (lower quartile) rents are affordable for key workers. For key workers with higher incomes, there is the chance of accessing shared ownership housing (25/75% buy/rent), or First Homes.
- E.35 The introduction of a Rent to Buy scheme for key workers in the district could assist them in affording a home local to their workplace, with the possibility of owning that home after an initial 5-year lease.

### Gypsy & Traveller

- E.36 The 2018 Canterbury Gypsy and Traveller Assessment (GTAA) sets out a five-year supply requirement (2017/18–2021/22) of 17 pitches, and a longer-term need of 29 pitches to 2037. Over the last three years, 14 pitches have been completed, and a further 9 pitches have been granted permission. On the assumption that the 14 pitches have already been completed and are now occupied, this leaves a residual requirement of 15 pitches to 2037.
- E.37 Rolled forward to 2040, this equates to a residual requirement of around 20 pitches between 2020 and 2040. With 9 pitches granted permission, a further 11 pitches are therefore required to 2040.

### Self-Build

- E.38 There are currently 25 individual applicants and 3 groups on the council's self-build register, with a requirement for 47 plots. With 8 plots currently available, assuming that these meet the needs of those on the register, an additional 19 plots are required.
- E.39 Demand for self-build housing is negligible when considered against the overall housing need figure; the type and size of housing requirement should be considered within the overall dwelling mix.

- E.40 It is recommended that the council continues to monitor the need for self-build plots within Canterbury, supporting the designation of land for such developments.

### Service Families

- E.41 The last army barracks in Canterbury, Howe Barracks, closed in 2015; the site is now being re-developed for housing. With no evidence of Ministry of Defence plans for future expansion, it is not considered likely that there will be future need for housing from this group.
- E.42 The households that currently live in the remaining armed forces accommodation at Howe Barracks will likely be integrated into the overall population and will therefore, if in affordable need, appear on the Canterbury housing register.

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# 1 INTRODUCTION

## Context

- 1.1 Canterbury City Council (CCC) is preparing a new Local Plan. To inform its strategic policies for housing, the Council has commissioned Edge Analytics to produce an updated Housing Needs Assessment (HNA), to provide insight into the housing needs of the district.
- 1.2 Edge Analytics has used its DOMUS Housing Needs Toolkit (see Appendix A), in combination with local datasets and insight to produce the HNA for Canterbury<sup>1</sup>. The DOMUS Toolkit combines datasets on demographics, housing, socio-economic and housing market indicators for all local authorities in England, providing key datasets and data visualisations to inform this bespoke HNA for Canterbury.

## Approach

- 1.3 This study has been prepared in line with the National Planning Policy Framework (NPPF)<sup>2</sup> and Planning Practice Guidance (PPG)<sup>3</sup>, using the 'standard method' as the starting point for determining the overall minimum Local Housing Need (LHN) figure for Canterbury. The NPPF states:

*60. To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.*

*61. Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes).*

- 1.4 The standard method, as set out in the PPG, is based on official household projections, an adjustment to account for affordability, a 'cap' to ensure deliverability, and, where applicable, a cities and urban centres uplift. The LHN is presented here with commentary on Canterbury's demographic and market signals, to determine whether an alternative approach is warranted.
- 1.5 Within the context of the LHN, the need for affordable housing in Canterbury is considered. Affordable housing is housing that is available for sale or rent to people whose needs are not met by the market.

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<sup>1</sup> Note that where reference is made to 'Canterbury', this refers to the entire district. Where applicable, the city of Canterbury is referred to as such.

<sup>2</sup> National Planning Policy Framework

<sup>3</sup> Planning Practice Guidance

In line with the NPPF, this includes social and affordable rent, and affordable home ownership products, including an assessment of the needs of essential local workers.

- 1.6 Also presented is an assessment of the overall housing mix, and the needs of specific groups, including students, older people, people with disabilities, travellers, families with children, self/custom-building, private renters, key workers, and service families. The figures and recommendations for each of these groups sit within the context of the overall LHN figure, to provide context for the council when determining its strategic policies.

## Area Profile

- 1.7 Canterbury is the third largest local authority district in Kent, with an estimated population of 165,400 as of mid-year 2019. Canterbury is considered as a self-contained housing market area, within which four sub-areas are recognised (based on the sub-areas identified in the previous Lichfields SHMA): the city of Canterbury, Whitstable and Herne Bay Coastal, and two Rural geographies: North and South (Figure 1).

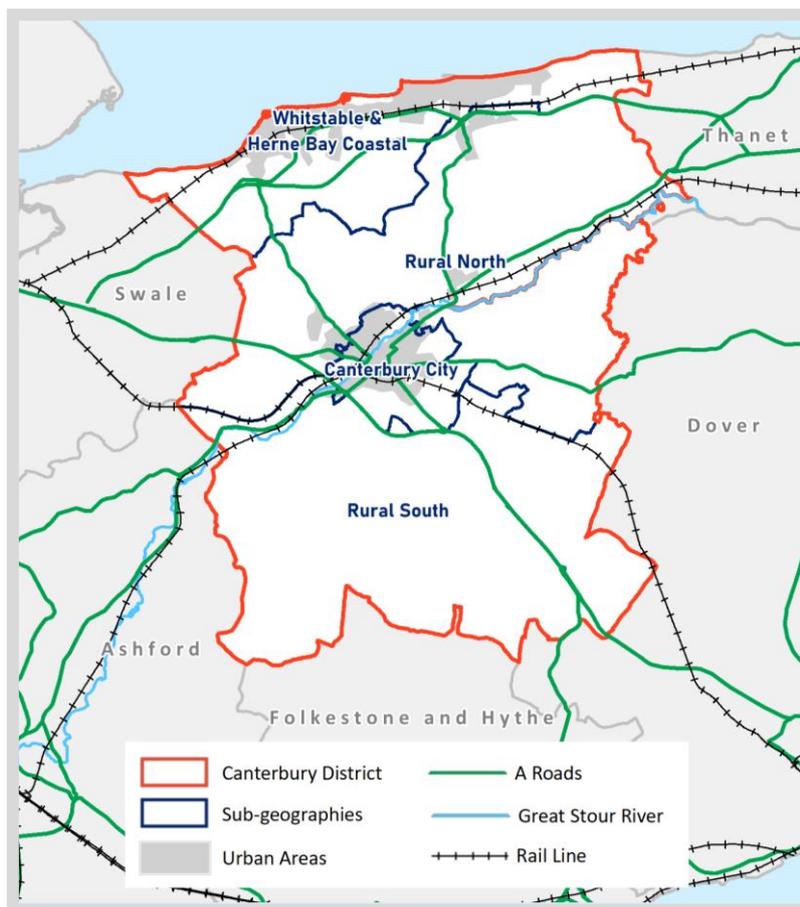


Figure 1: Canterbury – HNA area definition

- 1.8 The district has experienced positive population growth in all years since 2001 (+22% in total), although Canterbury’s population was adjusted downwards following the over-estimation revealed by the 2011 Census count. Since 2017, with the implementation of ONS’ new methodology for estimating student

migration, in combination with falling births and rising deaths, the district has recorded its lowest rates of population growth for ten years. Since 2001, population growth has been highest in the city of Canterbury sub-area and lowest in the coastal area of Whitstable and Herne Bay. The recent slowdown in estimated population growth since 2017 is noticeable in all sub-areas, except the Rural North (refer to Appendix B for a detailed demographic profile of Canterbury).

- 1.9 With its three Universities, Canterbury's ratio of students (aged 18+) to permanent residents (aged 16-74) is one of the highest in England at 16.4%, resulting in a distinctive age profile and a high annual churn of population to and from both domestic and international locations.
- 1.10 Council Tax statistics record a total of 68,846 dwellings in Canterbury, with a relatively high proportion of bungalows, flats and detached properties when benchmarked against the county, region and England totals. At the 2011 Census, 67% of households were resident in owner occupied accommodation, with private rented stock accounting for 20%, a reflection of the student concentration.
- 1.11 Canterbury has achieved an average annual housing completion rate of +572 per year since 2001/02, although completion rates (as percentage of dwelling stock) have fallen below the Kent and regional averages since 2015. As of September 2020, Canterbury's median house price was £312,750, and £350,000 for new builds. Affordability in Canterbury is low, with the district having a relatively high house price to earnings ratio, resulting in a large proportion (+90%) of households unable to afford to purchase a house. Rental costs are also relatively high compared to the England average, but lower than across the rest of Kent and the South East.
- 1.12 The ONS 2014-based population projection which underpins the LHN standard method projects population growth of +25,335 (+15%) to 2040. The more recent 2018-based projection, incorporating dampened assumptions on fertility and mortality, plus the ONS adjustments to student migration estimates, records lower growth, approximately +12,817 (+8%) by 2040. Under both scenarios, Canterbury will experience a substantial growth in the size of its resident population that is aged 65+.

## Previous Housing Needs Assessment

- 1.13 A Strategic Housing Market Assessment (SHMA) for Canterbury was completed by Lichfields in March 2018<sup>4</sup>. It provided an assessment of Canterbury's local housing need for a 2016–2031 plan period, identifying the different types of homes that were likely to be needed and the potential needs of specific sub-groups of the population. Underpinned by the ONS 2014-based population growth projection and an assessment of local market signals, the SHMA identified a need for 17,100 new homes over the 15-year period, equivalent to 1,140 new dwellings per annum (dpa).
- 1.14 Whilst overcrowding and homelessness were recorded as relatively low in Canterbury, high housing costs and poor affordability were identified as key features of the housing market. To address these issues, the SHMA estimated that Canterbury would need to provide up to 26% more homes than that identified in the ONS household projection. The resulting 1,140 dpa was deemed sufficient for the existing employment forecast of **520** jobs per year for Canterbury.

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<sup>4</sup> Canterbury District SHMA, March 2018, Lichfields

- 1.15 At the end of 2017, approximately 2,700 people were on Canterbury’s housing waiting list. It was estimated that up to 45% of households were unable to afford market housing, higher for newly forming cohorts. An annual target of 400–750 new affordable homes per year was identified, 32% intermediate housing, 12% affordable rent and 56% social rent.
- 1.16 The SHMA presented a range of housing mix options, weighted towards smaller dwellings to meet affordable housing need, with a recommendation for 70% social rented and 30% intermediate tenures.
- 1.17 Evidence on the future growth in student numbers was limited, with no specific recommendations for new housing but reference was made to the potential for incentivising students out of private rented accommodation, to free these properties for other households.
- 1.18 A growth of 10% in the number of households with children by 2031 was identified, but it was the 38% growth in the aged 65+ household group that was most significant. A requirement for an additional 180 care homes bedspaces with nursing support were estimated, and a further 530 without nursing. A need for 540 new sheltered and extra care homes was identified, 25% to accessible and adaptable standards.
- 1.19 To meet the disability needs of the ageing population, 265 bed spaces in communal care establishments were identified, plus a requirement for up to 15% of future affordable homes built to wheelchair accessible standards.
- 1.20 The 2018 SHMA reflected both the data available at the time and the prevailing government policy context. Since publication of the SHMA, the NPPF and PPG have been subject to revision, the UK Government has introduced the standard method for assessing the minimum LHN, plus a range of new demographic statistics (and estimation methodologies) have been made available.

## This Report

- 1.21 **Section 2** presents Canterbury’s current LHN, calculated using the Government’s standard method, with commentary on the relevant demographic and market signals, to determine whether an alternative approach is justified. **Section 3** presents Canterbury’s affordable housing needs assessment, considering the needs for social and affordable rent, and affordable home ownership.
- 1.22 **Section 4** covers Housing Mix, with projected household growth over the plan period broken down into housing type, mix, tenure and size. **Sections 5 to 13** present analysis of the housing needs for the following individual groups: students, older people, people with disabilities, people who rent, families with children, key workers, gypsy and traveller, self-build and custom building, and service families.
- 1.23 The Appendices to this document include detail on key context and datasets used to inform the HNA:

**Appendix A:** DOMUS framework  
**Appendix B:** Demographic profile  
**Appendix C:** Standard method  
**Appendix D:** Housing stock profile

**Appendix E:** Affordability and income profile  
**Appendix F:** Housing Mix  
**Appendix G:** Older age housing  
**Appendix H:** Abbreviations

## 2 LOCAL HOUSING NEED

### Standard Method

- 2.1 The starting point in assessing housing needs is the Government’s standard method, used to calculate a minimum annual Local Housing Need (LHN) figure for an area. The standard method combines an official household projection (for a 10-year baseline period) with an adjustment to account for affordability, a cap to the level of increase based on the status of the Local Plan, and a cities and urban centres adjustment (where applicable)<sup>5</sup>.
- 2.2 The standard method for Canterbury results in a minimum LHN **+1,120 homes per year**, applicable to its whole plan period to 2040 (Figure 2). Appendix C provides detail on the steps of the calculation.

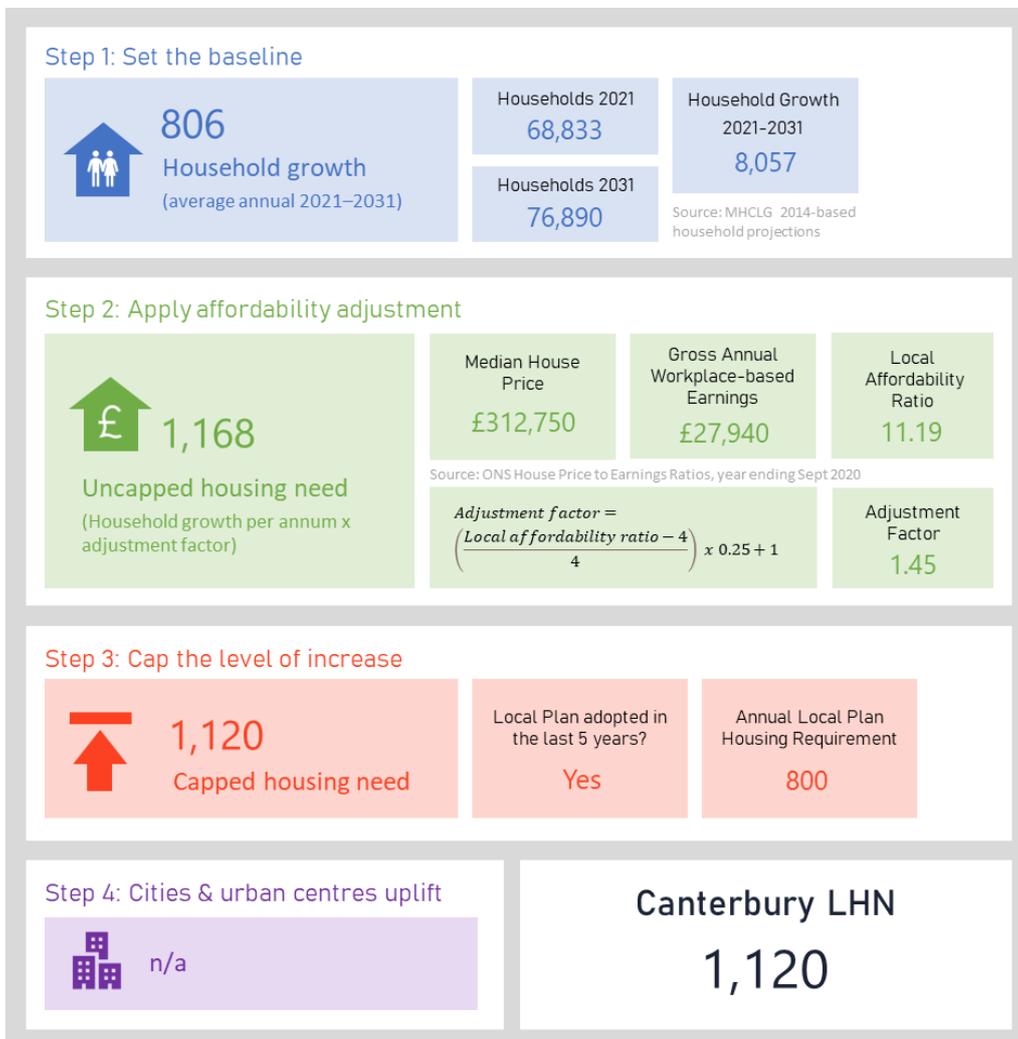


Figure 2: Canterbury – Standard Method LHN calculation

<sup>5</sup> The current Standard Method is summarised in PPG paragraph 004 Reference ID: 2a-004-20190220.

- 2.3 The NPPF states that the Government’s Standard Method should provide the basis for assessing the minimum number of homes needed, unless there are ‘exceptional circumstances’ (NPPF paragraph 60). There is, however, no guidance on what might constitute ‘exceptional circumstances’, with the NPPF stating that “current and future demographic trends and market signals” can warrant an alternative approach. If authorities choose to use an alternative method for calculating housing need, it must be based on robust evidence and will be tested at examination (particularly where a lower figure is considered appropriate).
- 2.4 Figure 3 presents a comparison of the LHN figure with the Council’s past rate of housing delivery (625 dpa since 2011), the current adopted Local Plan housing growth target (800 dpa), plus historical and future estimates of dwelling growth from the 2014-based and 2018-based population projections<sup>6</sup>.

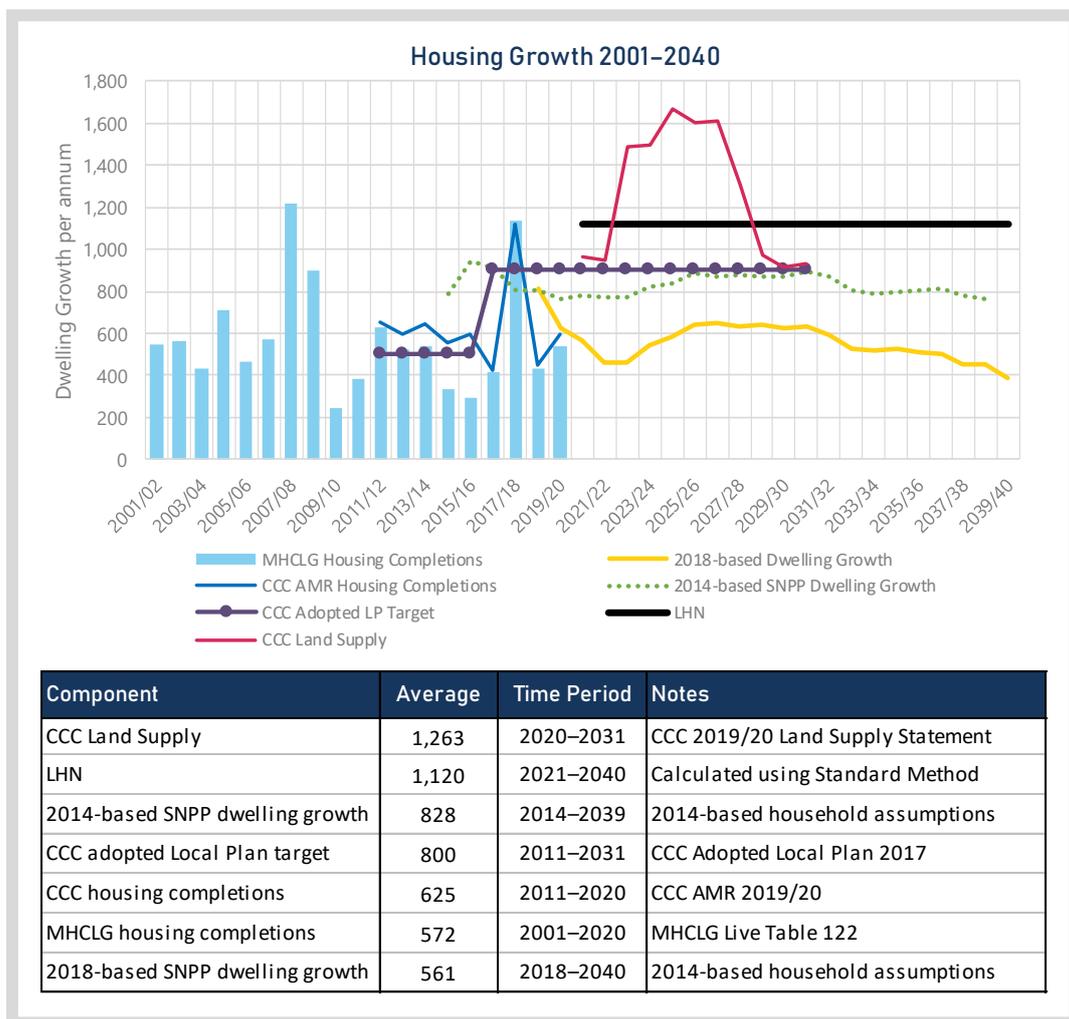


Figure 3: LHN in context

- 2.5 The LHN figure of 1,120 is relatively high compared to these other trajectories of growth, although the current available land supply (1,263 dpa to 2031) implies this level of growth could be accommodated in the short-term. CCC has a stepped local plan target of 500 dpa between 2011/12–2015/16, increasing to 900 dpa from 2016/17 to 2030/31. Between 2011/12 and 2019/20, this equated to a total

<sup>6</sup> Applying Household Representative Rates (HRR) from MHCLG’s 2014-based household projection model in each case.

housing target of 6,100, slightly higher than the number of completions over the same period (around 5,600).

- 2.6 The following section examines the components of the LHN calculation, alongside recent changes to population estimation methodologies, to consider whether there are ‘exceptional circumstances’ that warrant using an alternative method for calculating Canterbury’s overall housing need figure.

## LHN Review

### Benchmarking the LHN

- 2.7 In considering the appropriateness of the LHN figure derived using the standard method, Canterbury is compared to all other Local Planning Authorities (LPAs) using a percentile ranking approach, introduced by a team at the University of Liverpool in their assessment of housing need in Wirral<sup>7</sup>. This approach divides the key components of the LHN calculation for all LPAs into equally sized groups (deciles), ranked from highest to lowest. To remove the effect of the size of an LPA upon the ranking process, the rates of projected growth are calculated using the current housing stock estimate as a denominator. Using the percentile framework, Canterbury’s LHN components are set out below (Table 1).

Table 1: Canterbury – completions & LHN components

LPA Decile	Step 1: Set the Baseline	Step 2: Apply Affordability Adjustment				Step 3: Cap the Level of Increase	Step 4: Cities & Urban Centres Uplift	LHN Growth 10yr*
	Household Growth 10yr*	Median House Price	Annual Workplace-Based Earnings	Local Affordability Ratio	Uncapped Growth 10yr*			
High								
2	11.8%				17.1%	-48	No change	16.4%
3		£312,750		11.2				
4								
5								
6								
7								
8			£27,940					
9								
Low								

\*Growth rates calculated using a 2019 housing stock denominator

- 2.8 The baseline level of growth is determined by the MHCLG’s 2014-based household projections, resulting in a baseline of **806** households per year (calculated over a 10-year period from the current year, 2021), equivalent to a 11.8% growth in current housing stock. This rate of growth positions Canterbury towards the top of the 2<sup>nd</sup> Decile, with just 17% of LPAs allocated a higher growth rate in Step 1 of the LHN calculation.

<sup>7</sup> Exploring the computation of housing need in Wirral in 2020, University of Liverpool

- 2.9 To this baseline figure, an affordability adjustment is applied, calculated using a local house price to earnings ratio. Canterbury's median house price has increased steadily since 2011, with a sharp rise in September (see Appendix E). The current median property price of £312,750 (3<sup>rd</sup> Decile) is high relative to its gross annual workplace-based earnings of £27,940 (8<sup>th</sup> Decile), which results in a relatively high local affordability ratio of 11.2. The affordability adjustment increases the baseline to **1,168** dpa, a 17.1% rate of stock growth over 10 years, placing Canterbury in the 2<sup>nd</sup> Decile relative to other LPA growth rates.
- 2.10 The third step of the LHN calculation caps the level of increase that can be applied, which is dependent on the status of the Local Plan. In the case of Canterbury, the Local Plan was adopted in 2017<sup>8</sup>, setting an annual housing target of 800 dwellings per year (+16,000 homes over the plan period). As the date of adoption is less than 5 years ago, the LHN is capped at 40% above the adopted target.
- 2.11 With no adjustment to Canterbury in Step 4 of the calculation, the final LHN total is **1,120** dpa, equivalent to 16.4% of stock growth over 10 years. This places Canterbury in the 2<sup>nd</sup> Decile, with just 16% of LPAs allocated a higher LHN figure.

### Consideration of Exceptional Circumstances

- 2.12 In setting the baseline in the LHN calculation, the guidance states that the 2014-based household projections should be relied upon, to *"...ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government's objective of significantly boosting the supply of homes"* (PPG paragraph 005 Reference ID: 2a-005-20190220).
- 2.13 Canterbury has slightly underdelivered against its Local Plan target of 6,100 dwellings (2011/12–2019/20) and has achieved an 'average' completion rate relative to other LPAs<sup>9</sup>. At the same time, Canterbury's affordability position has worsened over time, and relative to other LPAs. Housing growth adjustments for past under-delivery and declining affordability would therefore appear to be appropriate when considering Canterbury's future housing need.
- 2.14 The key issue is therefore whether the baseline growth figure allocated by the 2014-based household projection in Step 1 of the process is appropriate for Canterbury. As identified in Table 1, Canterbury is placed in the 2<sup>nd</sup> Decile of LPAs based upon required rate of growth in stock, a level that is substantially above what has been achieved historically.
- 2.15 Any deviation from the standard method must be supported with a robust justification, as the PPG guidance indicates:

*"Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination."*

<sup>8</sup> Canterbury District Local Plan adopted July 2017

<sup>9</sup> The 10-year completion rate against current housing stock is 0.77%, placing it into the 5th Decile, indicating that more than 40% of LPAs have achieved higher than this figure.

*Any method which relies on using household projections more recently published than the 2014-based household projections will not be considered to be following the standard method as set out in paragraph 60 of the National Planning Policy Framework. As explained above, it is not considered that these projections provide an appropriate basis for use in the standard method.”<sup>10</sup>*

- 2.16 Since the 2014-based projections were formulated, there have been both demographic and methodological changes to population estimation, with the latest ONS 2018-based population projections showing a dampened growth outlook for Canterbury. This is a result of altered fertility and mortality assumptions, in combination with an alternative approach to the estimation of student migration from 2016 onwards (See Appendix B for further detail). This results in a *lower* projected level of household growth when compared to the 2014-based projections that underpin the LHN.
- 2.17 To illustrate the impact of these changes upon the LHN baseline figure, the population and household growth outcomes of the ONS 2014-based projection (ONS-14) are compared to the outcomes from the latest 2018-based (ONS-18) round of projections (Figure 4). The ONS-18 scenario includes the revised student migration assumptions (based on a 2-year history), with an alternative variant (ONS-18-5) scenario based on a more typical 5-year migration history (2013–2018).

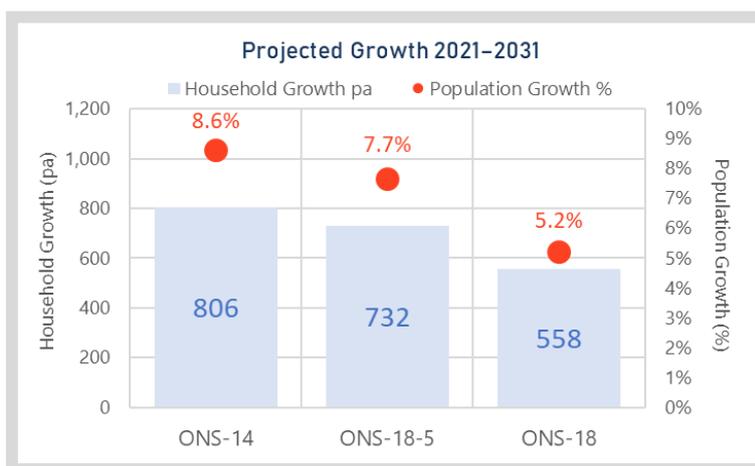


Figure 4: Population Growth Scenarios

Source: ONS, POPGROUP. Note that Each scenario uses Household Representative Rates (HRR) from MHCLG’s 2014-based household projection model.

- 2.18 Comparing the two 2018-based projections (ONS-18 and ONS-18-5) provides an indication of the isolated effect of the revised student migration estimates; the ONS-18-5 scenario maintains the fertility and mortality assumptions of the ONS-18 central scenario but incorporates migration assumptions from a mix of old and new estimation methodologies. Population growth under the ONS-18-5 variant is 13,000 (7.7%) over the 10-year period, with household growth of 732 pa. Compared to the ONS-18 central scenario, this is an uplift of 4,200 people, giving an indication of the importance of the student correction to Canterbury’s growth outlook.

<sup>10</sup> PPG Paragraph 015 Reference ID: 2a-015-20190220

## LHN Conclusions

- 2.19 The standard method states that the 2014-based household projections should provide the baseline inputs to the LHN calculation, unless there are exceptional circumstances that suggest otherwise. The latest ONS revisions to fertility, mortality and international migration estimates are important demographic changes, but they apply to all LPAs, making it difficult to identify exceptional circumstances for Canterbury alone.
- 2.20 With its history of over-estimation of population and high concentration of students, ONS' new student migration estimates provide an important correction to Canterbury's population, one that directly affects its growth outlook. However, the re-estimation of student migration is a new methodology with only a short time-series of data. The impact of the methodology since 2017 has been a *negative* domestic net migration balance for Canterbury, which is likely associated with the replacement of larger student cohorts with smaller cohorts in recent years. There is limited corroborative evidence to validate the new estimation method, so the 2021 Census will provide a timely update to the count of Canterbury's population.
- 2.21 Whilst the LHN minimum housing growth figure of 1,120 is higher than the current adopted Local Plan target of 800 per year, a higher growth figure could help facilitate any infrastructure and employment growth aspirations of the council. Furthermore, affordability is relatively poor in Canterbury; an LHN figure of 1,120 could help the Council to deliver a greater number of affordable homes in the district.
- 2.22 The needs for affordable housing in Canterbury are assessed in the next section, with recommendations on the affordable/market housing split provided in the Housing Mix section, within the context of the LHN figure.

## Population Growth Assumptions

- 2.23 The mix (size, type and tenure) and geographical distribution of housing needed will be heavily influenced by the size and age structure of Canterbury's population in the future. As outlined above, the latest 2018-based population projections show a *lower* growth outlook for Canterbury when compared to the earlier 2014-based projection, a result of both demographic and methodological changes. There are important differences in the projected age structure of Canterbury's population implied by these changes, with a higher level of growth projected in the older age groups under the earlier 2014-based projection.
- 2.24 Whilst the LHN provides the overall minimum housing growth figure for the district, the implications of both these projections for the housing needs of the specific groups are considered (where applicable), to provide a range of outcomes for the council to consider when formulating its strategic policies. For the housing mix estimates presented in Section 4, a mid-point growth outcome of these two projections is used.

### 3 AFFORDABLE HOUSING NEED

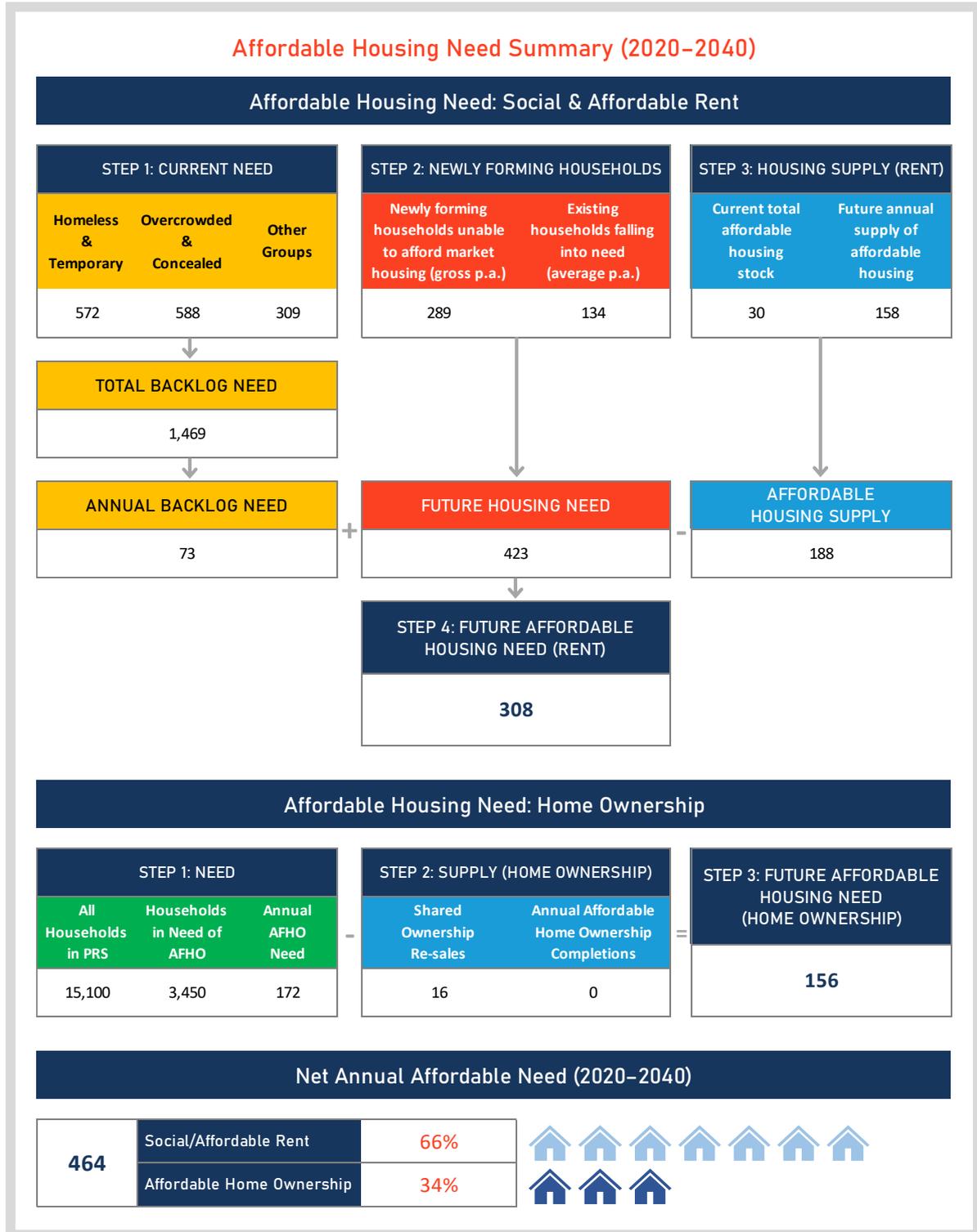


Figure 5: Canterbury – affordable need calculations

## Introduction

- 3.1 In this section, an assessment of affordable housing need is presented for Canterbury district, in line with the requirements of the NPPF and following the method outlined in the PPG.
- 3.2 Affordable housing is defined in the NPPF as: “...*housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)*”<sup>11</sup>. This includes affordable housing for rent (either social or affordable), including starter homes, discounted market sales housing, and other affordable routes to home ownership (including shared ownership, relevant equity loans, rent to buy).
- 3.3 The need for affordable housing has been assessed following the steps outlined in the PPG. This includes an assessment of current and future need, estimates of current affordable housing stock and potential future affordable housing supply. The total net need for affordable housing (calculated by subtracting total available stock from the gross need) is converted into an annual flow based on the plan period.
- 3.4 This section is split into two. The first part considers the need for social and affordable rent in Canterbury, with the second part considering the need for affordable home ownership. Commentary on the affordable housing needs of essential (key) workers is presented in Section 10.

## Affordable Need: Social & Affordable Rent

### Step 1: Current Need

- 3.5 In line with the PPG<sup>12</sup>, the assessment of current need should include only those households who cannot afford to access suitable housing in the market, including:
- the number of homeless households;
  - the number of those in priority need who are currently housed in temporary accommodation;
  - the number of households in over-crowded housing;
  - the number of concealed households;
  - the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings); and
  - the number of households from other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration.
- 3.6 The CCC Housing Needs Register has been used to identify the current need for social and affordable rental housing. Whilst this may potentially not include all households that fall into the categories listed above (as it relies on households self-reporting or being referred), the use of housing register data is considered preferable to relying on a combination of Census and other secondary data sources (e.g. the English Housing Survey, MHCLG homelessness data). This is due to the possibilities of double-

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<sup>11</sup> NPPF Annex 2: Glossary

<sup>12</sup> PPG paragraph 020 Reference ID: 2a-020-20190220

counting (e.g. a household that is concealed may also be overcrowded) and the time that has elapsed since the last Census.

- 3.7 As the housing needs register only includes households seeking social housing, the needs of households that wish to *own* their own home are considered separately (see page 19).
- 3.8 For a household to appear on Canterbury’s housing register, certain eligibility criteria must be met. Households must fall into one (or more) of the identified categories of need and must have insufficient household income or savings to buy or rent a home. The Council anticipates that households will spend around 25% of their gross income on housing<sup>13</sup>.
- 3.9 As of January 2021, there were **2,503** households on the CCC housing register, categorised into four bands based on the urgency of housing need (Table 2). 425 of these households currently live outside the district.

Table 2: Households on the Housing Needs Register (Jan 2021)

Band	Total households on the Register	Households currently living in Canterbury
A: Critically urgent housing needs	129	117
B: Serious housing needs	230	206
C: Higher preference housing needs	686	624
D: General housing needs	1,458	1,131
<b>Total</b>	<b>2,503</b>	<b>2,078</b>

Source: CCC

- 3.10 As well as being categorised into the four ‘urgency’ bands, each household is assigned a band ‘reason’. For the purposes of calculating the current need for affordable housing, households that require elderly/enhanced/sheltered accommodation are *excluded*, as are those in medical or welfare need, as their needs are unlikely to be met through general needs housing<sup>14</sup>. Those households that cannot afford private rent are also excluded, (as they are included at a later stage of the calculation).
- 3.11 In total, **1,469** households are considered to be in need (Table 3); 572 are currently homeless or in temporary accommodation and 588 are living in overcrowded and/or concealed properties. A further 309 households fall into the ‘other’ category, which includes insecure tenants, households moving on from supported housing, those that are underoccupying and those living in unsuitable properties (i.e. properties in major disrepair or that are hazardous).
- 3.12 Most households on the register require 1-bedroom properties. Of the households that are currently overcrowded or concealed, most require larger properties with 2 or more bedrooms. As households must satisfy an income eligibility test to appear on the housing needs register, it is not considered appropriate to apply an affordability test (i.e. it is assumed all the identified households cannot afford market housing).

<sup>13</sup> CCC Housing Allocation Scheme 2015

<sup>14</sup> The needs of older people and people with disabilities are considered separately in Sections 6 and 7 respectively.

Table 3: Estimate of current need

Category	Total Households in Need	Bedrooms Needed			
		1	2	3	4+
Homeless & temporary	572	355	159	53	5
Overcrowded & concealed	588	17	291	220	60
Other	309	243	54	11	1
<b>Total</b>	<b>1,469</b>	<b>615</b>	<b>504</b>	<b>284</b>	<b>66</b>

Source: CCC housing register, as of Jan 2021

- 3.13 The gross backlog (current) need is divided by 20 to give an annual quota of current need of **73** households per year (2020–2040).

## Step 2: Future Need

- 3.14 The second step of the affordable need calculation involves an assessment of the number of newly arising households likely to be in affordable housing need in the future which includes:
- New household formation, and the proportion of these unable to rent in the market area.
  - An estimate of the number of existing households falling into need.

### New Household Formation

- 3.15 The number of newly forming households has been estimated through demographic modelling and the application of an affordability test. By considering the changes in household numbers by 10-year age group and household type over 10-year periods to 2040, the annual change in the number of households aged 15–44 has been calculated. Household growth in the 45+ age groups has not been considered as new household formation is concentrated in the younger age groups.
- 3.16 Based on the latest 2018-based population projections from ONS, combined with the 2014-based household growth assumptions, **gross** household formation is calculated at **1,061** per year. This equates to a **net** figure of **636** households per year. The gross household formation figure does not account for household dissolution and could therefore include some double counting of need. For the purposes of calculating future affordable housing need, the net household formation figure is therefore used.
- 3.17 As set out in the PPG<sup>15</sup>, affordable housing need projections should include an assessment of the proportion of newly forming households that are unable to afford housing in the market area. This process involves identifying the minimum household income required to access entry-level (i.e. lower quartile) market housing, and then estimating the proportion of households that earn less than the calculated threshold. As this section of the affordable need calculation considers the need for social/affordable rent, only those households that are unable to afford lower quartile market rents are considered here.

<sup>15</sup> PPG paragraph 021 Reference ID: 2a-021-20190220

- 3.18 The latest lower quartile rental figure in Canterbury (£450 pcm<sup>16</sup>) is likely heavily influenced by the proliferation of student lets in the private sector. Therefore, an alternative figure of £725 has been used, based on research on the current private rental market in Canterbury (see Table 24, Appendix E). This equates to an annual housing cost of £8,700. On the assumption that around 32% of a household's gross income is spent on housing costs<sup>17</sup>, a minimum household income of around £27,273 is needed to afford lower quartile rents in Canterbury (see Table 28, Appendix E).
- 3.19 To estimate the proportion of households that earn less than this threshold, CAMEO income data for Canterbury has been adjusted to reflect the lower average income for newly forming households (see Appendix E). On average, younger households (aged 16-44) earn 98% of the 'all households' average (derived from the EHS 2019-20). With the CAMEO income bands adjusted accordingly, it is estimated that just over 45% of newly forming households earn less than the threshold required to afford lower quartile rents in Canterbury. Applying this proportion to the net household formation figure of 636 results in **289** newly forming households per year unable to afford market rents over the 2020–2040 plan period.

### Existing Households Falling into Need

- 3.20 The number of existing households that might be expected to fall into affordable need in the future is drawn from the CCC housing register. As of January 2021, a total **134** households are categorised as 'unable to afford private rents' and are therefore seeking social housing due to affordability issues.

### Total Future Need

- 3.21 Adding the number of newly forming households unable to afford lower quartile rents to the number of existing households falling into need gives an estimated **423** newly arising households per year likely to be in affordable housing need over the plan period.

### Step 3: Current Affordable Housing Supply

- 3.22 The third step of the affordable need calculation involves estimating the current supply of affordable housing, which includes an estimate of the number of affordable homes currently occupied by households in need (from the housing register), the level of surplus stock (i.e. vacant but available for letting), the committed supply of affordable housing and the number of units 'to be taken out of management' (i.e. demolitions).

### Affordable Homes Occupied by Households in Need

- 3.23 As of February 2021, there are a total of **594** households on the housing register who have the Council or a housing association listed as their landlord, and fall into one of the following categories:
- Underoccupying
  - In medical or welfare need
  - Overcrowded
  - Need sheltered/enhanced or designated elderly housing.

<sup>16</sup> ONS [Private rental market summary statistics](#), Oct 2019 to Sept 2020

<sup>17</sup> EHS 2019-20. 31.9% of gross household income (including benefits) for private renters is spent on rent.

- 3.24 It is assumed that these households, once re-housed, will free up affordable (general needs) housing and therefore have a net nil effect in terms of housing need. This figure is converted to a figure of **30 per year** up to 2040. These households are currently primarily occupying 2-bedroom properties (46%), with 29% in 1-bed, 22% in 3-bed and 3% in larger 4+ bed properties.

### Surplus Stock

- 3.25 The 2007 CLG SHMA guidance states that if the vacancy rate of the social and affordable housing stock exceeds 3%, it can be considered as surplus. The relevant data for this step of the analysis is drawn from MHCLG Local Authority Housing Statistics<sup>18</sup> and Statistical Data Returns<sup>19</sup>. For both local authority owned stock and that owned by private registered providers (PRPs), vacancy rates over the last three years have consistently been less than 0.1%. Therefore, the level of surplus stock is assumed to be **zero**.

### Committed Supply

- 3.26 For the purposes of the affordable need calculation, it is assumed that there is **no** committed supply, as to include this could fail to show the full extent of need. New affordable housing is a 'one-off' element of supply, rather than part of the continuous flow of properties through re-lets. It is important to note, however, that any new affordable dwellings should be 'netted off' during monitoring.
- 3.27 As of March 2021, there were 1,757 social/affordable rental units with permission in the pipeline in Canterbury (CCC 2021). Over the past 5 years, an average of 35 units per year have been completed, although there were no social rent completions between 2014/15 and 2018/19 (see Figure 46 and Table 21, Appendix D).

### Units Taken out of Supply

- 3.28 For the purposes of calculating the number of units taken out of supply/management, data on the number of demolitions of local authority and PRP have been analysed (based on the LAHS and SDR). There are no recorded demolitions of properties of either tenure over the last three years, and the figure for this step is therefore **zero**.

### Total Current Affordable Housing Supply

- 3.29 The total available affordable housing supply (for rent) in Canterbury is summarised below (Table 4).

Table 4: Current affordable housing supply (rental properties)

Component	Total
Affordable dwellings occupied by households in need	30
Surplus stock (vacant but available for letting)	0
Committed Supply	0
Units to be taken out of management	0
<b>Total affordable housing stock available</b>	<b>30</b>

<sup>18</sup> Local Authority Housing Statistics, MHCLG 2020

<sup>19</sup> Statistical Data Return 2018 to 2019, ONS 2020

## Step 4: Future Affordable Housing Supply

- 3.30 The future supply of affordable housing involves calculating the rate of re-lets, on the basis of past trends, excluding internal transfers and renewals of tenancies. This data is drawn from MHCLG CORE data for general needs affordable and social rent<sup>20</sup>. Over the 2016/17–2018/19 period, the rate of re-lets averages **158** per year (14 per year for affordable rent, 144 per year for social rent)<sup>21</sup>.

Table 5: Current affordable housing supply (rental properties, general needs only)

Year	Category	Total Lettings (General Needs)	New Lets	Re-Lets*
2016-17	Affordable Rent	23	7	16
	Social Rent	200	7	157
2017-18	Affordable Rent	51	32	17
	Social Rent	175	7	146
2018-19	Affordable Rent	27	15	9
	Social Rent	156	4	129
<b>Average per year</b>		<b>211</b>	<b>24</b>	<b>158</b>

Source: CORE, Social Housing Lettings in England. \*categories excluded are: Internal transfers, Relet to tenant who occupied same property as temp accommodation, and Renewal of fixed term tenancy.

## Finalising the Calculation

- 3.31 The current and future supply of affordable rental housing is subtracted from the need to give a net annual affordable housing need figure of **308** per year over the plan period (Table 6).

<sup>20</sup> Social Housing Lettings in England 2018-19, MHCLG

<sup>21</sup> Lettings data provided by CCC suggests that the total number of general needs lettings in 2019/20 was 244, slightly higher than the CORE three-year average of 211.

Table 6: Social and affordable rental housing need calculation

Affordable Housing Need (Social & Affordable Rent)		Net Household Formation
<b>Stage 1: Current Need</b>		
1.1	Homeless and in temporary accommodation	572
1.2	Overcrowded and concealed	588
1.3	Other groups	309
1.4	Total in current need (1.1 + 1.2 + 1.3)	1,469
<b>1.5</b>	<b>Annual Quota of Need</b> (1.4 / 20)	<b>73</b>
<b>Stage 2: Future Need</b>		
2.1	New household formation (p.a.)	636
2.2	% of households unable to afford open market rents	45.4%
2.3	Number of households unable to afford open market rents (2.1 x 2.2)	289
2.4	Existing households falling into need	134
<b>2.5</b>	<b>Total newly-arising housing need (gross p.a.)</b> (2.3 + 2.4)	<b>423</b>
<b>Stage 3: Affordable Housing Supply</b>		
<i>Current Supply</i>		
3.1	Affordable dwellings occupied by households in need (p.a.)	30
3.2	Surplus stock (vacant but available for letting)	0
3.3	Committed Supply	0
3.4	Units to be taken out of management (demolitions)	0
<b>3.5</b>	<b>Total affordable housing stock available</b> (3.1 + 3.2 + 3.3 – 3.4)	<b>30</b>
<i>Future Supply</i>		
3.6	Annual supply of social re-lets (net)	158
<b>3.7</b>	<b>Annual supply of affordable housing</b>	<b>0</b>
<b>Stage 4: Estimate of Annual Housing Need</b>		
4.1	Gross annual current & future affordable need (1.5 + 2.5)	496
4.2	Annual affordable current & future supply (3.5 + 3.7)	188
<b>NET Annual Need</b> (4.1 – 4.2)		<b>308</b>

## Social/Affordable Rent Split

- 3.33 The analysis above has considered the *overall* need for affordable rent, the two types of which are affordable and social rent. To provide an indication of the split between affordable and social rent, it is necessary to examine the cost of these housing options and the household incomes required to afford these.
- 3.34 As outlined above in paragraph 3.19, lower quartile (open market) rents average £725 pcm in Canterbury, requiring a household income of £27,273. CAMEO Income data indicates that around 45% of households are unable to afford this (Table 7). These households are therefore only likely able to afford affordable or social rents, which are typically around 80% and 60% of the lower quartile market figure respectively. However, an analysis of rents in Canterbury (see Table 23 on page 96) suggests that affordable rents are relatively expensive, averaging between 86–97% of the lower quartile rental cost, (and 81–86% of the median rental cost). For the purposes of this analysis, an affordable rent of £630 pcm is used, based on data from the 2019 SDR<sup>22</sup>. This requires an annual household income of £23,708, which is unaffordable for 34% of households in Canterbury (Table 7).

Table 7: Indicative affordable/social rental costs

Type	Monthly Rent	Minimum Household Income Needed	% Newly Forming Households Unable to Afford Upper Threshold
Lower Quartile Rent	£725	£27,273	45%
Affordable Rent	£630	£23,708	34%
Social Rent	£435	£16,176	15%

Note: Income needed calculated assuming that 31.9% of a household's income is spent on housing. Source: Edge Analytics, Atlas Consulting, CAMEO Income, Regulator of Social Housing, English Housing Survey.

- 3.35 Of the 45% of households that cannot afford lower quartile rents, just under a quarter *can* afford affordable rents (i.e. households earning between £23,708 and £27,273), with the remaining households only able to afford social rents (i.e. households earning less than £23,708). This suggests a 25%/75% split between affordable and social rents respectively, although in reality it is likely that some households that cannot afford affordable or social rents could do so with benefits. This assessment is therefore intended to be illustrative rather than providing a definitive policy recommendation.

## Affordable Need: Home Ownership

- 3.36 The analysis above has considered the need for social and affordable *rented* housing in Canterbury, based on the CCC housing register. This section considers the need for affordable home *ownership*, in line with the definition in the NPPF 2019.
- 3.37 The English Housing Survey (2019-20)<sup>23</sup> suggests that 59% of private renters expect to buy a property at some point in the future, with 26.7% reporting that they expect to buy in the next 2 years. However,

<sup>22</sup> Statistical Data Return, Regulator of Social Housing 2018-19

<sup>23</sup> English Housing Survey 2019-20 Headline Report (December 2020)

60% of households in the private rental sector report having no savings. With savings the main source of a deposit for first-time buyers, it is therefore likely that these households can only seek home ownership with some type of financial help, with most having to remain in the rented sector.

- 3.38 In Canterbury, a household income of just over £60,000 is required to purchase entry-level (lower quartile) properties (assuming a property price of £245,000, a 15% deposit and a loan to income ratio of 3.5). Based on CAMEO income data for Canterbury, it is estimated that only 6.9% of all households within the district can afford this (See Appendix E for detail on affordability in Canterbury). Average (median) property prices (£312,750) require an income of over £75,000; only 2% of all households are able to afford this in Canterbury.
- 3.39 Households that fall into the 'gap' between being able to afford lower quartile market *rents* and open market property prices are the ones targeted for affordable home ownership products, which can include:
- **First Homes**<sup>24</sup>: a new scheme, introduced in June 2021, to provide discounted homes to first-time buyers and key workers in England, with a minimum 30% discount on the market price. Properties under the scheme will be subject to a £250,000 price cap (after the discount) outside of London. First Homes are the government's preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations.
  - **Help to Buy: Equity Loan**<sup>25</sup>. First-time buyers can borrow between 5% and 20% (40% in London) of the full purchase price of a new-build home. In South East England, the cap price for this scheme is £437,600. For the first 5 years, the equity loan is interest free.
  - **Help to Buy: Shared Ownership**<sup>26</sup>. A share of the home is bought (between 25% and 75%, using either a mortgage or savings), with rent paid on the remaining share. This scheme is available to first-time buyers or households earning less than £80,000 a year (£90,000 in London). There are also shared ownership schemes for older people and people with disabilities.
  - **Rent to Buy**: a scheme that allows the householder to rent a home at 80% of the open market rental cost, aimed at easing the transition from renting to buying by providing subsidised rent for up to five years, with the balance (20%) being set aside for a deposit.
- 3.40 Based on average (median) property prices in Canterbury, the incomes needed to afford the various affordable home ownership products are summarised in Table 8, with an estimate of the proportion of households earning less than the defined threshold (based on CAMEO Income data). Detail on the affordability of affordable home ownership products can be found in Appendix E. An assessment of essential (key) worker incomes and housing affordability is presented in Section 10.

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<sup>24</sup> [First Homes](#)

<sup>25</sup> [Help to Buy Equity Loans](#)

<sup>26</sup> [Help to Buy Shared Ownership](#)

Table 8: Affordable Home Ownership Options

Scheme	Income Required	Households Unable to Afford (all households)	Households Unable to Afford (private renters)
Help to Buy: Equity Loan (20%)	£67,018	95%	98%
Help to Buy: Shared Ownership (50%)	£60,419	93%	97%
First Homes (30% discount)	£52,567	90%	94%
Help to Buy: Shared Ownership (25%)	£50,790	90%	93%
Rent to Buy (80% of median rent)	£23,323	32%	46%

Note: incomes required calculated based on the assumptions set out in Appendix E. The proportion of households that cannot afford the threshold incomes is based on CAMEO income data for Canterbury, with private renters assumed to have household incomes that are 83% of the 'all households' figure.

- 3.41 It is estimated that around 15,100 households in Canterbury are renting in the private sector (ONS, 2018), equivalent to 22.5% of all households. As outlined above, 59% of private renters aspire to become homeowners at some point; applying this percentage to the number of households in the private rented sector in Canterbury equates to **8,909** households (4,031 within the next 2 years).
- 3.42 Only 3% of privately renting households are able to afford entry-level (lower quartile) property prices<sup>27</sup>. This would suggest that **8,624** households are unable to access housing on the open market. With 60% of households in the private rental sector reporting having no savings (EHS 2019-2020), this further reduces the number of households that could be eligible for affordable home ownership (as each available option requires some level of deposit), to **3,450** (172 per year to 2040).
- 3.43 Affordable home re-sales data has been used to estimate the flow of stock that could be offset against the identified level of need. Affordable home ownership sales data from MHCLG suggests that, on average, **16** shared ownership properties per year have been re-sold in Canterbury<sup>28</sup>.
- 3.44 As with the calculation of affordable need (rent), no element of committed supply is included in the estimation of need. As of March 2021, there were 2,469 affordable housing units with permission in the pipeline in Canterbury (CCC 2021). Over the past 5 years, an average of 34 units per year have been completed (see Figure 46 and Table 21, Appendix D).
- 3.45 Combining the identified level of need (172) with the re-sales data (16) results in a net annual need of **156** affordable homes (for ownership) per year to 2040 (Table 9).

<sup>27</sup> Based on lower quartile house price of £250,000 and an assumption that household incomes for private renters are around 83% of the all household average – see Appendix D for further detail.

<sup>28</sup> MHCLG CORE

Table 9: Need for Affordable Home Ownership

Affordable Housing Need (Home Ownership)		
Stage 1: Need for Affordable Home Ownership		
1.1	Households privately renting	15,100
1.2	Number seeking to become a homeowner (1.1 x 59%)	8,909
1.3	Households who cannot afford entry-level property price (£245,000)	97%
1.4	Private renters who need affordable home ownership (1.2 x 1.3)	8,624
1.5	Private renters with no means of a deposit (1.4 x 60%)	5,175
1.6	Overall Need for Affordable Home Ownership (1.4 – 1.5)	3,450
<b>1.7</b>	<b>Balance per year</b> (1.6/20)	<b>172</b>
Stage 2: Supply		
2.1	Shared ownership re-sales per year	16
<b>2.2</b>	<b>Total supply</b>	<b>16</b>
Stage 3: Net Need for Affordable Home Ownership		
3.1	Gross need for Affordable Home Ownership	172
3.2	Total annual supply	16
<b>NET Annual Need</b> (3.1 – 3.2)		<b>156</b>

## Affordable Need Summary

3.46 The analysis presented in this section has identified a net annual need for **464** affordable homes:

- **308** rental properties (66%), with an approximate split of 75%/25% between social and affordable rent, based on local affordability.
- **156** affordable home ownership properties (34%).

Net Annual Affordable Need (2020–2040)			
<b>464</b>	Social Rent	<b>231</b>	<b>50%</b>
	Affordable Rent	<b>77</b>	<b>17%</b>
	Affordable Home Ownership	<b>156</b>	<b>34%</b>

Figure 6: Net annual affordable need  
 Note that percentages may not sum due to rounding

## 4 HOUSING MIX

### SUMMARY

- Evidence on household occupancy and housing mix from the 2011 Census has been combined with ONS household projections, MHCLG data, and evidence from the CCC housing needs register to illustrate how changes to Canterbury's age structure might influence the evolution of the mix profile throughout the 2020–2040 plan period.
- For Canterbury district, the overall bedroom mix is similar to that produced in the previous Lichfield's SHMA, but with a higher proportion of 3-bedroom properties, and a slightly lower proportion of 2-bedroom properties. In the social/affordable rental sector, the provision of 2- and 3-bed properties may help to alleviate overcrowding. For affordable home ownership, larger 2-bedroom houses are needed.
- When viewed at sub-district level, the housing mix analysis suggests that in Whitstable and Herne Bay there is a need for mainly 3-bedroom housing. Canterbury City shows the highest proportion of 4-bedroom housing and in the rural areas, the evidence indicates a greater need for 2-bedroom houses relative to the more urban areas.
- The provision of alternative accommodation for the older age-groups (1-2 bedroom homes, bungalows, apartments) could provide a solution that both meets a need for continued owner-occupation and/or rental, post-retirement, whilst freeing up larger properties for younger age cohorts over the plan period. This could also help to alleviate overcrowding, which is highest in Canterbury City.
- The identified affordable need figure of 464 units per year equates to around 41% of the overall LHN figure of 1,120, above the CDLP policy target of 30%. Whilst affordability in Canterbury is low, any increase above the current 30% target would require viability testing.
- At the current policy requirement of 30% affordable housing, to meet the identified level of affordable need (464 per year) would require the LHN to increase to around 1,500 per year. However, the identified affordable need figure does not take into consideration sites that have been granted permission (which can be netted off during monitoring, thereby reducing the overall level of need).

## Household Growth

- 4.1 In this section, the overall mix of housing required is examined, in terms of the size, type, and tenure, for market and affordable homes, based on the projected level of household growth to 2040. The analysis utilises data on the future size and structure of Canterbury’s population and associated household characteristics from the official ONS projections, in combination with Census data on household composition, bedrooms and property type. Assumptions are also drawn from the council’s housing need register, and MHCLG data on social housing and households in temporary accommodation. Housing mix summaries are also provided for the four sub-geography areas: Canterbury City, Rural North, Rural South, and Whitstable and Herne Bay Coastal.
- 4.2 Figure 7 illustrates the projected change in household numbers by age group, and by household type under the 2014-based and 2018-based ONS projections<sup>29</sup>. The number of households in Canterbury is projected to increase by between 15% and 23% by 2040, an average of 519 to 778 per year. When split by younger and older age groups, there is a decrease in the younger (under 64) age group and a substantial increase in the 65+ age groups, emphasising the importance of population ageing upon Canterbury’s future housing needs.
- 4.3 When viewed by household *type*, the level of growth is greatest in the ‘other’ multi-person group, which includes couples without children and couples with other adults. There is projected to be a small increase in households with 1 to 2 children, but a decrease in households with 3 or more children.

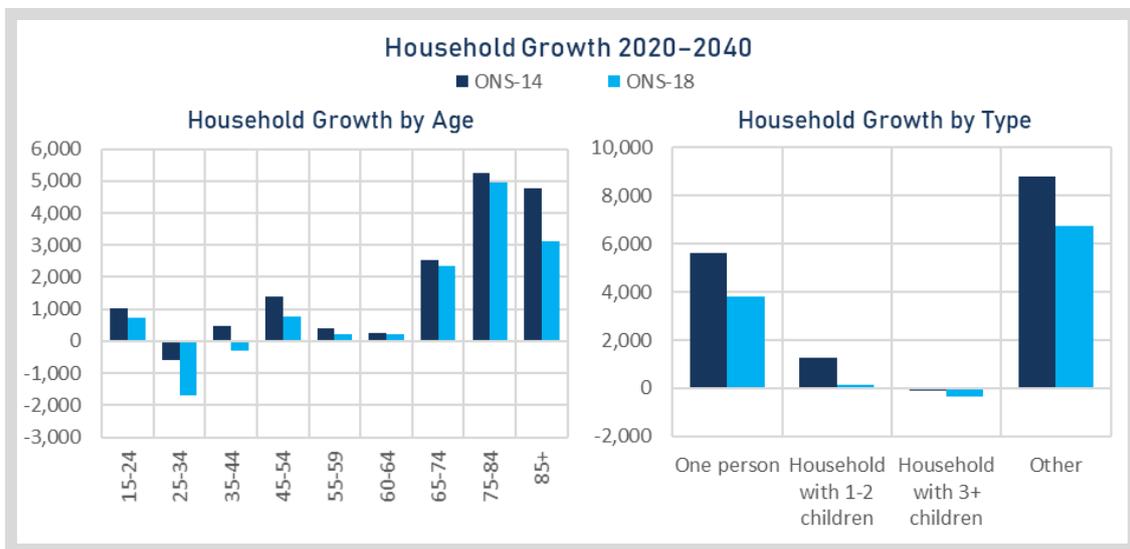


Figure 7: Household growth by age of HRP and type (ONS-14 and ONS-18)  
 Source: ONS population projections with 2014-based household growth assumptions

- 4.4 Data from the 2011 Census<sup>30</sup> has been used to model the potential impact of the projected household growth on the future profile of housing by type, size and tenure in Canterbury (Figure 8). Owing to uncertainties around future levels of population growth, and the differences in the population age structure under the ONS-14 and ONS-18 scenario alternatives, the housing mix estimates presented

<sup>29</sup> ONS population projections with Household Representative Rates (HRR) from the MHCLG’s 2014-based household projection model.  
<sup>30</sup> 2011 Census Table CT0345 - Tenure by number of bedrooms and accommodation type by age & sex of Household Reference Person (HRP)

here are based on a mid-point between the two official projections. When viewed at district-level (i.e. for the whole of Canterbury), across all tenures, the projected patterns of household growth suggests highest growth in 3-bedroom houses (51%), underpinned by the growth in the 65+ population (Figure 8). It is important to note that this split does not take into account future policy changes, nor socio-economic changes that might influence how households occupy housing.

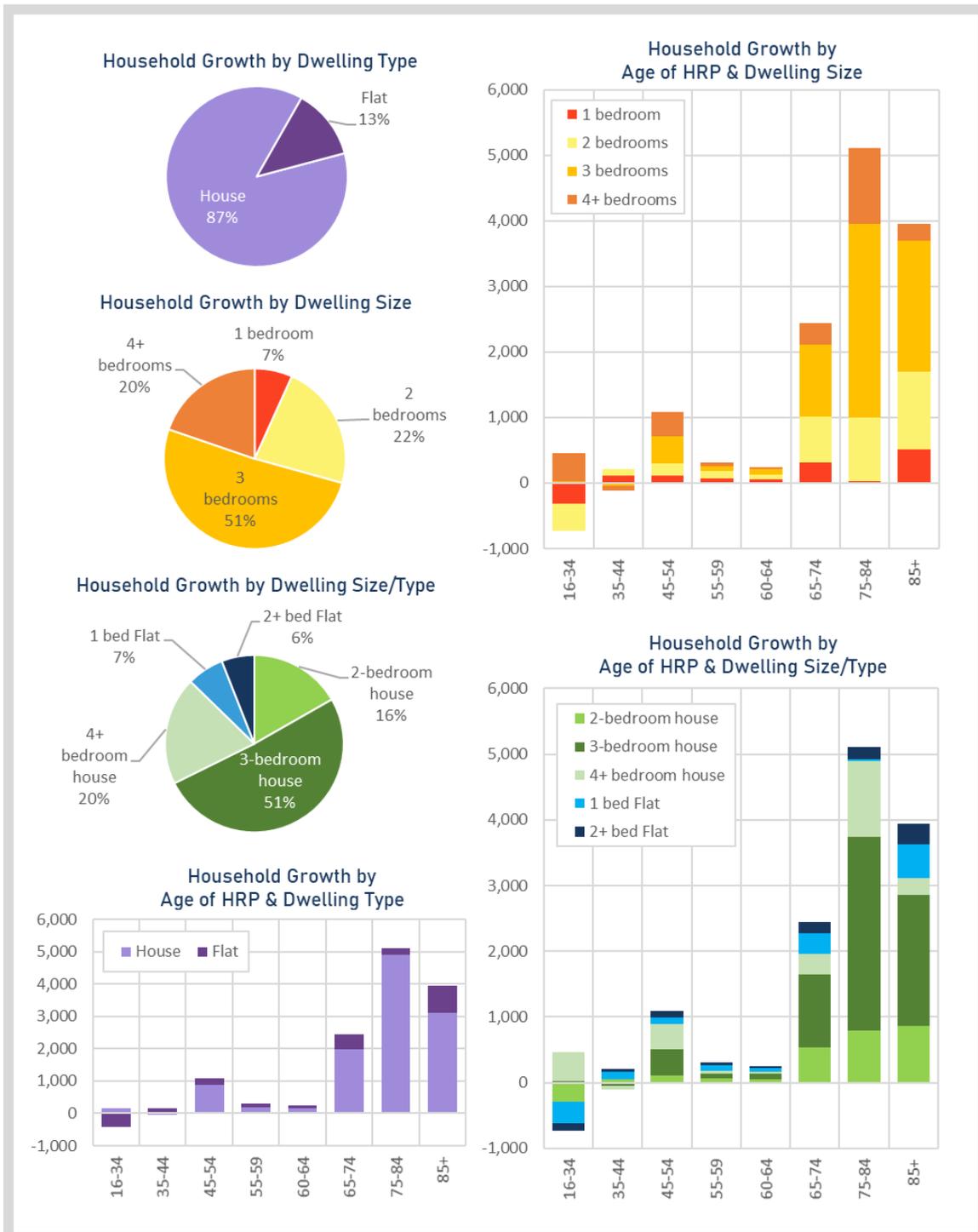


Figure 8: Household growth by age of HRP and dwelling type and size  
 Source: ONS population & household projections; 2011 Census. See Appendix F for data tables.

- 4.5 When viewed by tenure (owner occupied, private rent and social rent), the Census-led analysis suggests that most growth (78%) is within the owner-occupied sector, with the remaining growth split 12%/10% between private and social rent respectively.
- 4.6 For owner occupiers, the greatest level of growth is in 3-bedroom properties (Figure 9). Within the private rented sector, there is a mixture of 2- 3- and 4-bedroom properties, with around 26% of growth in flats. For the social rented sector, over half (55%) of household growth is in flats, with a greater level of growth in smaller 1- and 2-bedroomed properties.

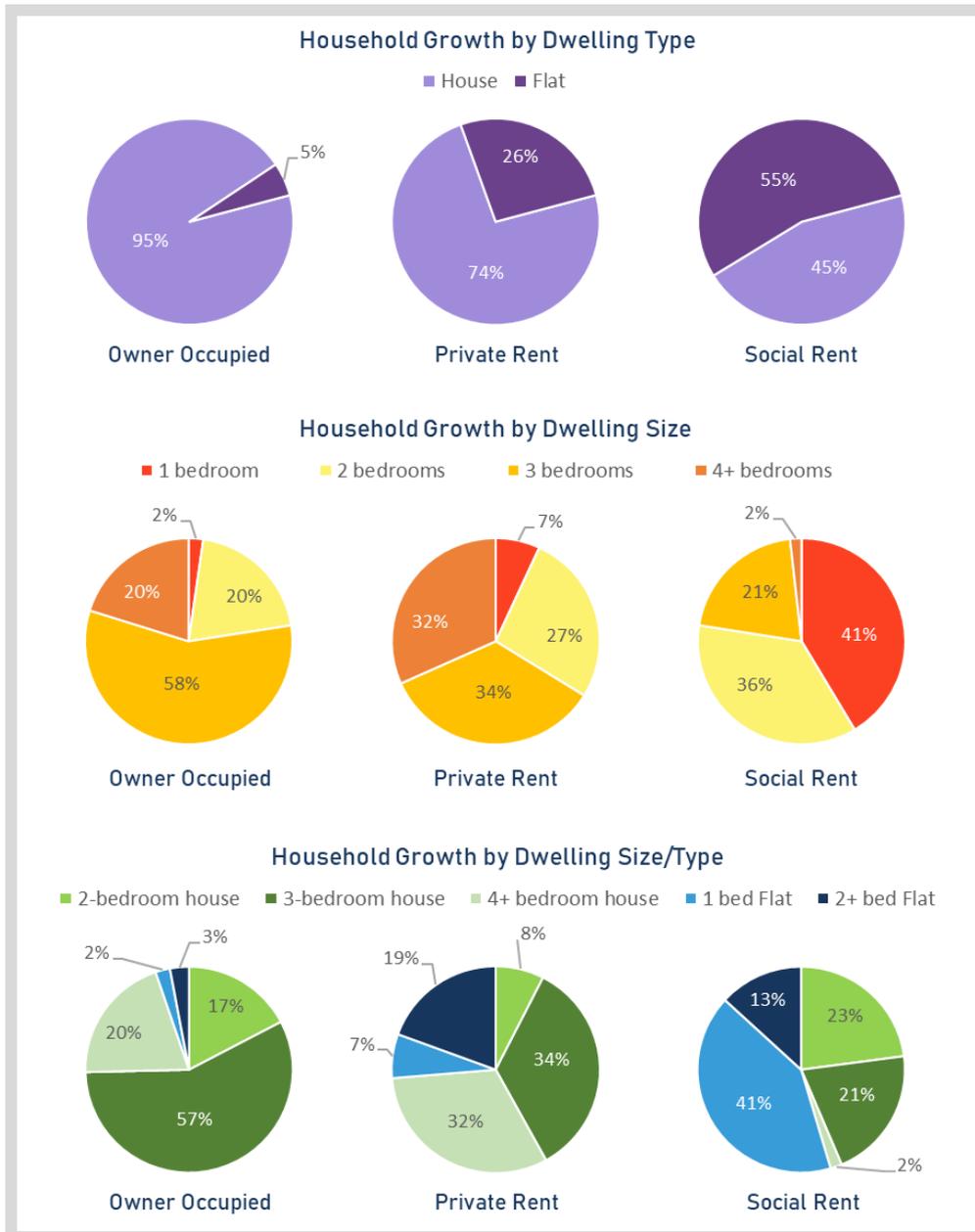


Figure 9: Household growth by tenure and type

Source: ONS population & household projections; 2011 Census. See Appendix F for data tables.

## Tenure Mix

- 4.7 Policy HD2 of the CDLP seeks provision of 30% affordable housing on qualifying sites (all housing developments of 11 units or more). However, as highlighted in the CDLP, and in the data presented here, there is an acute lack of affordability in Canterbury (see Figure 52, Appendix E). Earlier SHMAs recommended that the Council consider a higher target for affordable housing provision (35–40%). However, studies undertaken to inform the CDLP considered that, to ensure viability, the 30% target was appropriate.
- 4.8 When considered against the LHN figure of 1,120, the identified affordable need figure of 464 per year would equate to around 41% of the overall housing need, compared to the CDLP Policy HD2 target of 30%. As affordability in Canterbury is considerably worse than the rest of Kent and the South East, increasing the affordable housing provision target would not seem unreasonable. However, any increase above the current policy target would require viability testing. To maintain the 30% policy target, whilst meeting the identified level of affordable need (464 per year) would require the LHN to increase to around 1,500 per year. It is worth noting, however, that the identified affordable need figure does not take into consideration sites that have been granted permission (which can be netted off during monitoring, thereby reducing the overall level of need).
- 4.9 CCC has previously identified a desired tenure split for affordable housing of 70% rented (affordable/social) and 30% intermediate housing (i.e. affordable home ownership)<sup>31</sup>. The CDLP acknowledges that due to the expansion of affordable home ownership products, changes to funding arrangements and local needs and requirements, the Council may have to prioritise the delivery of the *overall* target of affordable units, rather than the 70/30 split.
- 4.10 However, with the introduction of the First Homes scheme in June 2021, there is now a requirement for 25% of all affordable housing units delivered by developers through planning obligations to be First Homes. For the remaining 75% of affordable housing, social rent should be delivered ‘in the same percentage as set out in the local plan’. The analysis presented in Section 3 suggests that around 50% of the identified affordable need is for social rented properties, based on local affordability and rental costs. PPG states the remainder of affordable housing tenures should be delivered in line with the proportion set out in local plan policy. Based on the analysis presented in Section 3, the remaining 25% would therefore be split between affordable rent (8%) and other affordable home ownership products (17%).
- 4.11 This assessment is intended to be illustrative rather than providing a definitive policy recommendation; the split between affordable housing tenures would require viability testing and will need to be considered in terms of deliverability. The proportion of social rent calculated here (50%) would be lower if affordable rents in Canterbury were more affordable. Recorded affordable rents are around 86–97% of the lower quartile market rent (see Table 23), higher than the recommended 80%. With affordable rents at 80%, after the 25% First Homes is accounted for, 43% of affordable need would be for social rent, 13% affordable rent, and 19% other affordable home ownership products.

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<sup>31</sup> CCC Housing, Homelessness and Rough Sleeping Strategy 2018 - 2023

## Housing Mix

- 4.12 To estimate what an appropriate housing mix might be across market, social/affordable rent, and affordable home ownership, the Census-led analysis has been combined with data from the Council's housing needs register, and with data from the MHCLG on social housing re-lets and households in temporary accommodation.
- 4.13 For market housing, the mix across property size and type (dwelling/flats) has been derived from the Census-led analysis on occupancy characteristics in the owner occupied and private rented sector. For affordable home ownership, a profile similar to that derived for all tenures has been assumed.
- 4.14 For social/affordable rent, an approach similar to that used by the Council in its 2018 Housing Mix Report and the Housing, Homelessness and Rough Sleeping Strategy has been adopted<sup>31</sup>. This approach combines the bedroom requirements from the Council's housing need register with re-lets data from the MHCLG CORE dataset<sup>32</sup>, lettings data from the council, and MHCLG data on households in temporary accommodation (see Table 36 in Appendix F for the calculation steps). This approach has been taken to adjust the Census-based profile that is heavily skewed towards one-bedroom properties (see Figure 9). As outlined above, the Census-based analysis does not take into consideration changes in policy or socio-economic factors that could have an impact on occupancy patterns. Although there is a high level of need for one-bed properties identified on the housing needs register (around 40% of the total), there is a high level of churn in these smaller properties, with the number of re-lets highest for 1-bed properties (see Table 36 in Appendix F). Furthermore, overcrowding in the social rented sector is high (see Appendix D); the provision of larger 2- and 3-bed properties could help to alleviate this.
- 4.15 Table 10 and Figure 10 summarise the dwelling type/size mix, both overall, and for market housing, social/affordable rent, and affordable home ownership. The overall bedroom mix from the previous Lichfields SHMA has been included for comparison. For social/affordable rent, similar proportions of 1-, 2- and 3-bed properties are required (28-30%), with over half of the need for flats. For affordable home ownership, the majority of need is for 2- and 3-bedroom properties, with a smaller proportion of flats.
- 4.16 Overall, the housing mix by bedroom size is similar to that presented by Lichfields in the previous SHMA, with the mix outcomes presented here falling within their suggested ranges. Whilst the 1-bedroom requirement is the same (11%), the analysis presented here suggests a greater need for 3-bedroom properties, and a slightly lower proportion of 2-bedroom properties.

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<sup>32</sup> Social Housing Lettings in England 2018-19, MHCLG

Table 10: Dwelling mix requirements by tenure, type and size

Dwelling type/size	Tenure			Total Housing Mix	Previous SHMA Mix
	Market Housing	Social/Affordable Rent	Affordable Home Ownership		
<b>Dwelling Type</b>					
House	84%	45%	87%	74%	-
Flat	16%	55%	13%	26%	-
Total	100%	100%	100%	100%	-
<b>Number of bedrooms</b>					
1 bedroom	4%	29%	7%	11%	11%
2 bedrooms	24%	30%	22%	25%	33%
3 bedrooms	46%	28%	51%	42%	35%
4+ bedrooms	26%	13%	20%	22%	21%
Total	100%	100%	100%	100%	100%
<b>Dwelling Size/Type</b>					
2-bedroom house	12%	15%	17%	14%	-
3-bedroom house	46%	28%	51%	42%	-
4+ bedroom house	26%	13%	20%	22%	-
1 bed Flat	4%	29%	7%	12%	-
2+ bed Flat	12%	15%	6%	11%	-
Total	100%	100%	100%	100%	-

Source: Edge Analytics; 2011 Census; CCC Housing Register, MHCLG CORE, MHCLG Homelessness Tables, CCC, Lichfields SHMA

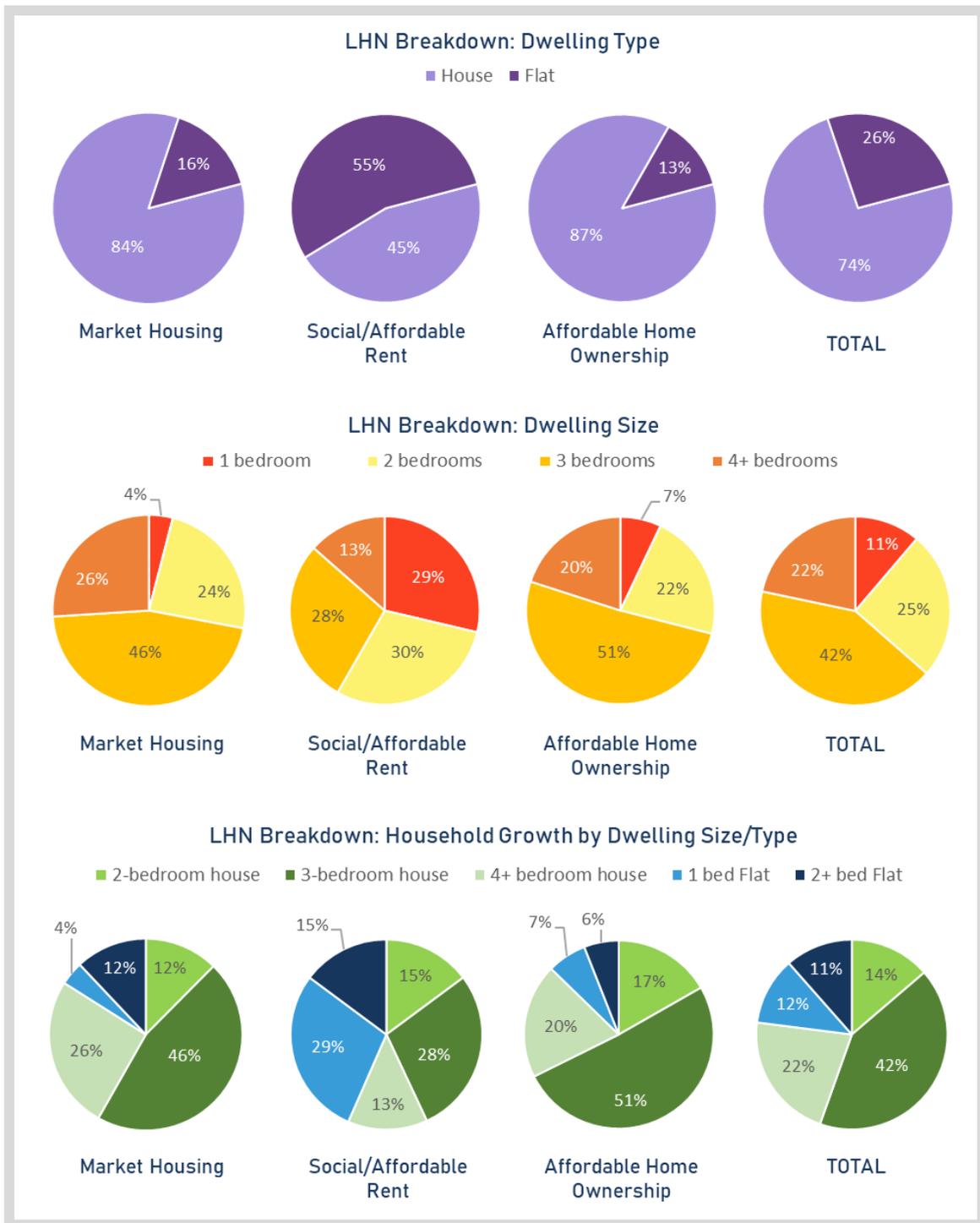


Figure 10: LHN dwelling breakdown by tenure, type and size

Source: Edge Analytics; 2011 Census; CCC Housing Register

4.17 With the difficulty of robustly estimating the likely scale of growth in its oldest-age population, the identification of an appropriate housing mix for the district is challenging. The Census analysis has illustrated how the housing mix might develop as the older population ages within existing accommodation. The provision of alternative accommodation for the older age-groups (1–2 bedroom homes, bungalows, apartments) could provide a creative solution, which both meets a need for

continued owner-occupation and/or rental, post-retirement, whilst freeing up larger properties for younger age cohorts over the plan period.

### Sub-Geography Profile

4.18 Canterbury is split into four sub-geographies: Canterbury City, Whitstable and Herne Bay Coastal, Rural North, and Rural South (see Figure 1, page 2). Each area has a distinct household growth profile, linked to the changing population size and structure over the 2020–2040 plan period (Figure 11).

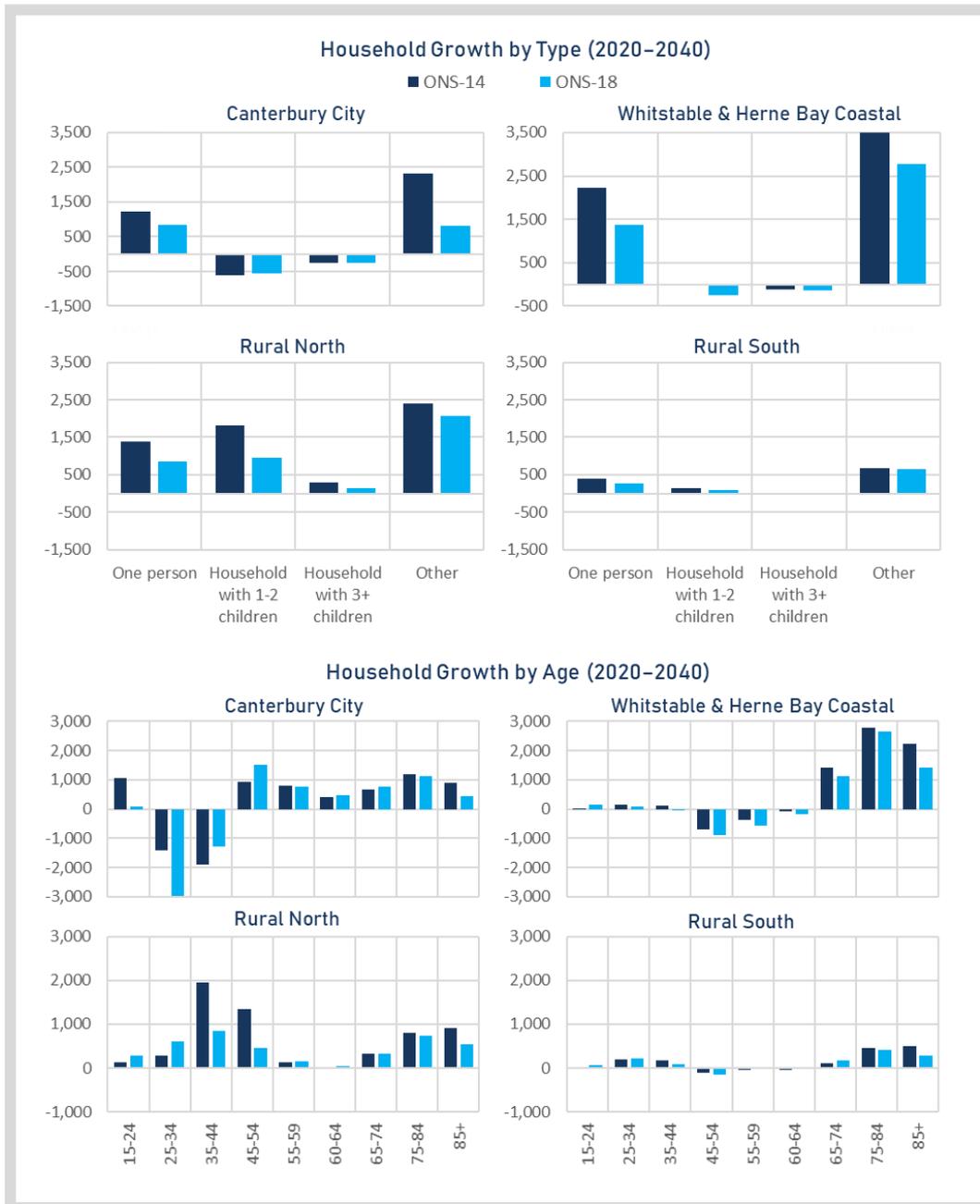


Figure 11: Household growth by age of HRP and type (ONS-14 and ONS-18) – Canterbury sub-geographies  
 Source: ONS population projections with 2014-based household growth assumptions

4.19 As with the district-level outputs presented above, the household growth outcomes for each sub-geography are have been combined with 2011 Census data on household occupation to produce an estimated dwelling mix profile for each area, by dwelling size and type (Figure 12).

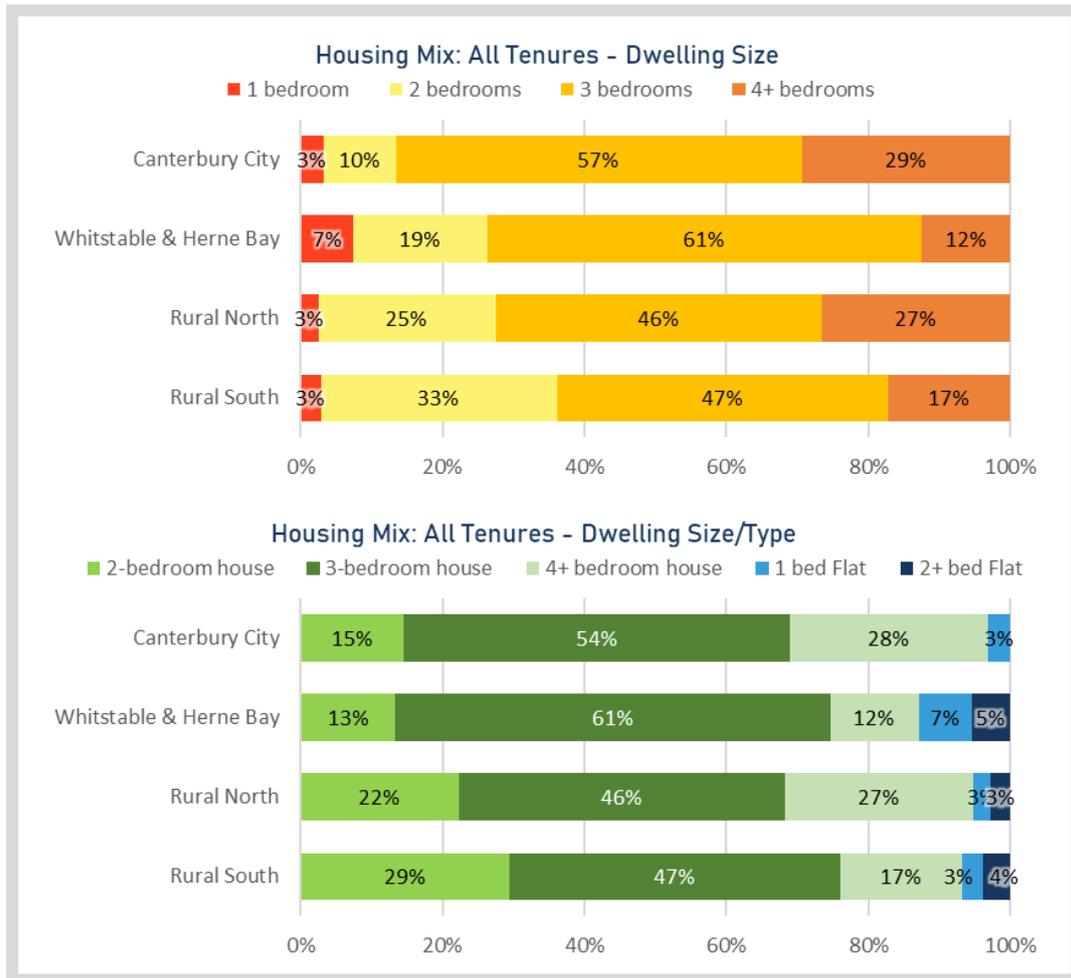


Figure 12: Sub-geography housing mix profile

Source: ONS, Edge Analytics; 2011 Census. Note that percentages may not sum due to rounding

4.20 For Canterbury City, with its more youthful, student population, it could be expected that a greater proportion of smaller flats/houses would be required. However, with the household projections indicating a *decline* in the younger age groups in the city to 2040 (see Figure 11), most of the household growth in this area is in 3 and 4-bedroom properties, linked to growth in the 45-54 age group. Overcrowding is high in Canterbury City (see Table 19 in Appendix D); the provision of a higher proportion of larger properties may help to alleviate this.

4.21 In Whitstable and Herne Bay, with household growth concentrated in the older age groups and one person households, a greater proportion of 1-bedroom flats are required. There is also growth in 3-bedroom properties here, a reflection of Census occupancy patterns, with older people tending to over-occupy larger properties. The provision of alternative housing options for older people may help to ‘free up’ these larger family properties for younger households. In the rural areas, household growth is comparably higher in 2-bedroom properties.

## 5 STUDENTS

### SUMMARY

- Canterbury has one of the highest ratios of students to permanent residents in England, at 16.4%, compared to a national average of 6%.
- The number of students enrolled at the three HE institutions in Canterbury has increased substantially since 2001, with an estimated 30,000 students now enrolled at the three University Campuses in the district. Around 24,300 of these are full-time students, an increase on the 2011 Census count of 18,354.
- The number of purpose-built student accommodation (PBSA) bedspaces is estimated at 8,850, meaning approximately 55% of all students who move to Canterbury to study can be accommodated, in excess of the Council's 2006 minimum target of 50%. Evidence also suggests that all first-year undergraduates living in the district could be accommodated in PBSA. The recent growth in PBSA now means that there are 1.9 full-time students for each PBSA bedspace, a substantial decrease on the 2011 Census value of 3.6.
- In the short-term, an increase in remote teaching resulting from the COVID-19 pandemic, and a possible decrease in international students due to the UK leaving the European Union, suggests it is unlikely that there will be a substantial increase in demand for student accommodation in Canterbury.
- However, following the high UK birth totals 2003–2012, the number of young adults considering entry to Canterbury's HE institutions is projected to increase. This may help to offset some of the future challenges associated with the recruitment of international students, which form a key component of the University of Kent's student total in particular.
- It is recommended that the council continues to keep under review the need for PBSA alongside University growth plans.
- The increase in PBSA has coincided with a decrease in the number of houses of multiple occupation (HMOs) in Canterbury. However, the private rented sector remains an attractive option, particularly for domestic students. It is recommended that current policies linked to HMO conversion and the proportion of HMO properties are therefore maintained.

## Student Profile

- 5.1 At the 2011 Census, there were 18,354 full-time students (aged 18+) living in Canterbury<sup>33</sup>, just under twice the number counted at the 2001 Census<sup>34</sup>. The ratio of students (aged 18+) to permanent residents (aged 16–74) is one of the highest in England at 16.4%, compared to a national average of 6%.
- 5.2 As of 2019, it is estimated that Canterbury had just over 18,400 people in the 19–22 student age-group<sup>35</sup>, an increase of 72% since 2001, and a reduction from a high point of 19,400 in 2016.
- 5.3 There have been recent important changes to the way in which higher education *leavers* are accounted for through migration estimates, with the introduction of the ONS Higher Education Leavers Methodology (HELM) from 2016/17 onwards. The impact of this on Canterbury’s population profile and official population projections is presented in Appendix B.

## HE Institutions in Canterbury

- 5.4 Canterbury’s large student population is concentrated in the city of Canterbury at the University of Kent, Canterbury Christ Church University and the University for the Creative Arts.<sup>36</sup> HESA enrolment statistics show that student numbers at the University of Kent and Christ Church University grew substantially after 2001, peaking in 2011/12 and levelling off following the tuition fee rises in 2012/13. The University for the Creative Arts has maintained a relatively consistent number on roll since its formation in 2005 following the merger of the former Kent and Surrey Art and Design institutes (Figure 13).

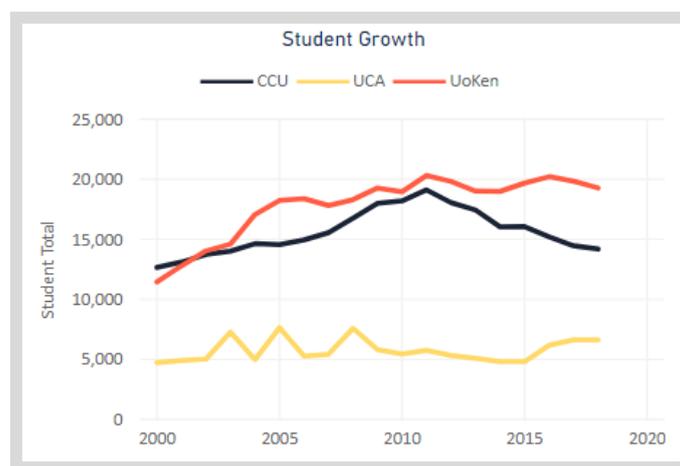


Figure 13: Canterbury University student numbers 2000–2019  
Source: HESA

<sup>33</sup> 2011 Census table KS501EW

<sup>34</sup> 2001 Census table TT002 recorded 10,129 full-time students aged 18+

<sup>35</sup> ONS Mid-Year Population Estimates

<sup>36</sup> In addition, Canterbury has a large further education (FE) institution, Canterbury College, and an international language school, Girne American University; the focus of the analysis presented here is the three HE universities, as the students at these institutions contribute most to the need for student accommodation in Canterbury.

- 5.5 For the past 5 years, the total number of students enrolled at all three universities (including full-time, part-time, undergraduate and postgraduate) has averaged 40,500, with the latest (2018/19) figure recorded at 40,055. HESA evidence on the domicile (i.e. location of permanent home) of all enrolled students records approximately 15% of students from overseas; this figure has remained relatively constant since 2011.
- 5.6 Of the 40,055 students enrolled at the Universities, it is estimated that just under 30,000 are enrolled at the Canterbury campuses<sup>37</sup>. Assuming the split in full-time/part-time students at the Canterbury campuses is similar to that seen across the three universities, there are an estimated 24,364 full-time (undergraduate and postgraduate) students studying in Canterbury, a slight reduction from the previous SHMA figure of 25,800 (Lichfields 2018).

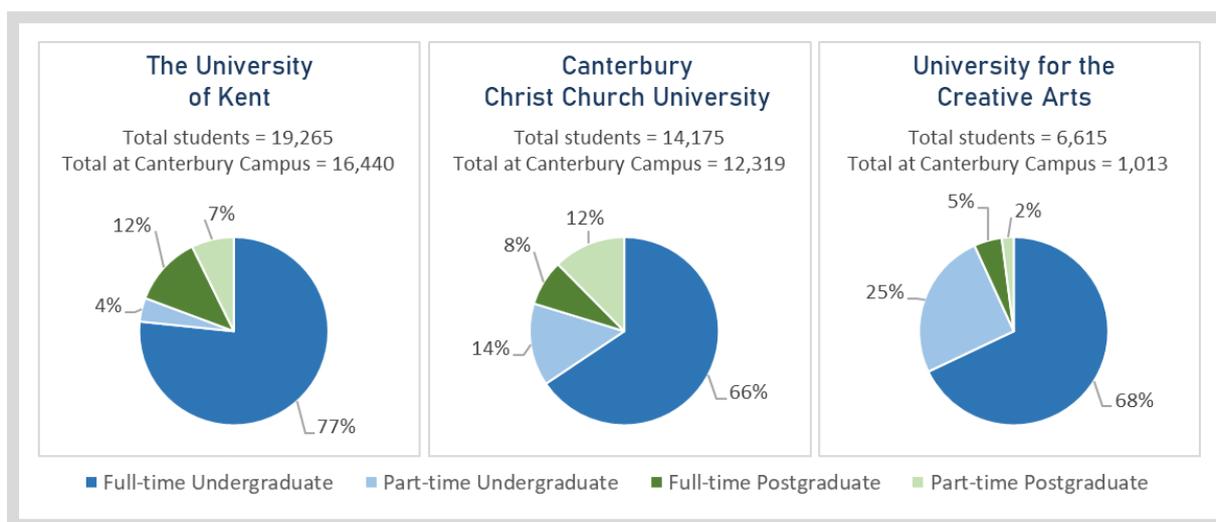


Figure 14: Students enrolled at HE institutions  
Source: HESA 2018/19, University of Kent 38, CCC<sup>39</sup>

Table 11: Students enrolled at Canterbury Universities

Institution	Total HE students	Total UG	Total PG	% FT	% Non-UK	At Canterbury Campuses	
						Total	Full-time
The University of Kent	19,265	15,550	3,715	89%	22%	16,440	14,632
Canterbury Christ Church University	14,175	11,300	2,870	73%	5%	12,319	8,993
University for the Creative Arts	6,615	6,165	455	73%	16%	1,013	739
<b>Total</b>	<b>40,055</b>	<b>33,015</b>	<b>7,040</b>	<b>81%</b>	<b>15%</b>	<b>29,772</b>	<b>24,364</b>

Source: HESA 2018/19, University of Kent, CCC HE Review 2017. Note that numbers may not sum due to rounding.

<sup>37</sup> The University of Kent has a campus in both Canterbury and Medway. Canterbury Christ Church University has campuses at Canterbury, Medway and Tunbridge Wells. The University for the Creative Arts has campuses at Canterbury, Epsom, Rochester and Farnham. The University of Kent records 16,440 students at its Canterbury Campus. Estimates of student numbers in Canterbury at the University for the Creative Arts and Canterbury Christ Church University are drawn from *Higher and Further Education Review in the Canterbury District*, published by CCC in January 2017. This estimate also aligns with that presented in the Lichfields 2018 SHMA for Canterbury.

<sup>38</sup> [Students at University of Kent Canterbury Campus](#)

<sup>39</sup> [Higher and Further Education in the Canterbury District](#), CCC 2017

## Student Accommodation

- 5.7 The two main types of student accommodation are Purpose Built Student Accommodation (PBSA) and properties in the private rented sector ('mainstream' premises). PBSA are developments that have received planning permission as a dedicated student scheme, which can only be let to student occupiers, either as self-contained or communal premises. PBSA can be both University flats or premises developed and managed by private providers. Mainstream premises can include shared houses or Houses in Multiple Occupations (HMO), plus flats and serviced apartments.
- 5.8 At the 2011 Census approximately half of the 18,354 full-time students living in Canterbury were in student households (i.e. mainstream accommodation), and just under a third were living in communal establishments (i.e. University halls of residence/PBSA) (Figure 15).

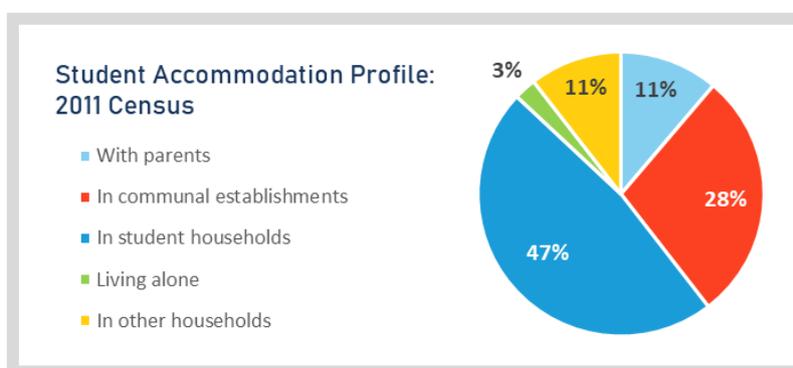


Figure 15: Student Accommodation profile  
Source: 2011 Census

## PBSA

- 5.9 At the 2011 Census, 5,208 students were recorded as living in communal establishments, the majority (95%) in university-owned halls of residence. Since then, 1,536 student accommodation units have been completed (Figure 16), equivalent to an additional 3,640 bedspaces<sup>40</sup>. On the assumption that the number of students living in communal establishments at the Census was broadly equivalent to the number of bedspaces available, it is estimated that there are currently 8,850 PBSA bedspaces in Canterbury.
- 5.10 The latest evidence from the three universities shows that the majority of university PBSA is owned by the University of Kent, which, as of January 2021 has 5,300 bedspaces at its Canterbury campus<sup>41</sup>.

<sup>40</sup> The CCC [Housing Land Supply Statement](#) 2019/20 states that the reported student accommodation completions figure of 1,536 is included within the land supply figures "with the appropriate ratio" as set out in the NPPF and in national guidance. For the purposes of this calculation, the Canterbury City Council multiplier of 3.5 bedspaces to one dwelling has been applied only to the reported communal student accommodation completions (totalling 842 2011–2020), and not to self-contained student units. Note that this ratio is different to that used in the [Housing Delivery Test Measurement Rulebook](#), where a nationally-set ratio of 2.5 is applied to convert communal student accommodation to net homes delivered, with calculations based upon the average number of students living in student only households (from the 2011 Census).

<sup>41</sup> 5,300 bedspaces at the [University of Kent Canterbury Campus](#), a minimum of 1,462 at Canterbury Christchurch University, and 161 at the University for the Creative Arts.

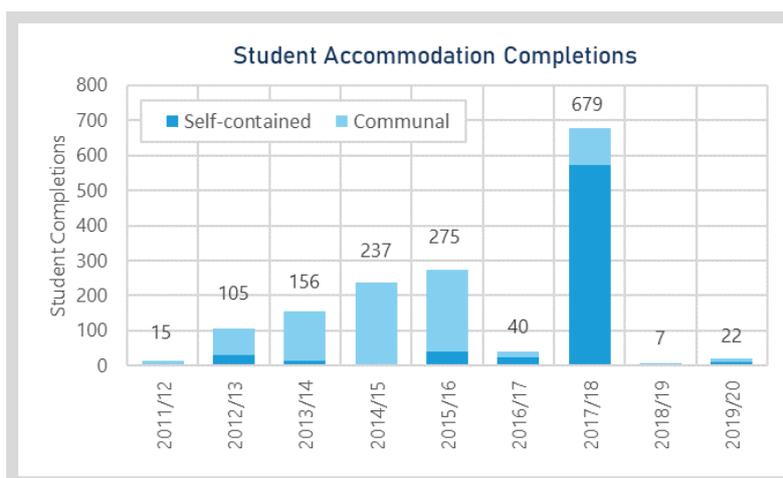


Figure 16: Student accommodation completions 2011/12–2019/20

Source: CCC

- 5.11 The 2006 CCC Student Impact Scrutiny Review states that *“As a minimum, the higher education institutions should aim to accommodate 50% of non-local full-time students who would otherwise be likely to seek rented accommodation in the city”*<sup>42</sup>. Of the 24,364 full-time students studying in Canterbury, it is estimated that approximately 17,000 live in in the district of Canterbury, of which 95% moved to the area to study (i.e. 16,150 students can be considered ‘non-local’)<sup>43</sup>. With 8,850 PBSA bedspaces available, 55% of these students can currently be accommodated in PBSA, in excess of the minimum target of 50%.
- 5.12 All three universities aim to offer all first-year undergraduates university accommodation. Over the last three years, an average of 10,000 students per year were accepted onto undergraduate courses at the three Universities (across all campuses)<sup>44</sup>. Assuming that around 75% of these are based at the Canterbury campuses (consistent with the figures presented in paragraph 5.6), this equates to around 7,500 students, lower than the number of PBSA bedspaces available. Some of these students will be studying part-time, and some will choose not to live in Canterbury. It is therefore considered likely that a large proportion of first-year undergraduates could be accommodated in PBSA, given the current bedspace estimate of 8,850.
- 5.13 In the 2018 Canterbury SHMA, Lichfields estimated that there were around 2.2 full-time students (of those living in Canterbury) per PBSA bedspace, compared to a 2011 Census value of 3.6. With the recent growth in PBSA, coupled with a slight reduction in the number of full-time students living in Canterbury, this ratio has decreased further to around 1.9 full-time students per PBSA bedspace.

### Mainstream Accommodation

- 5.14 Of the students not living in PBSA, the majority will most likely be living in the Private Rented Sector (e.g. in Houses in Multiple Occupation – HMOs) or with family. At the 2011 Census, 3.6% of all

<sup>42</sup> Higher and Further Education in the Canterbury District, CCC 2017

<sup>43</sup> The proportion of students considered to be ‘non-local’ has been derived using assumptions from Table 3.2 of the 2018 Lichfields SHMA, as total student numbers have remained relatively constant since 2016/17.

<sup>44</sup> UCAS end of cycle reports

households in Canterbury consisted solely of full-time students, compared to an average of 0.6% for England in total<sup>45</sup>.

- 5.15 Students in mainstream accommodation are exempt from paying Council Tax. The latest exemption statistics for Canterbury indicate a total of 3,367 such properties<sup>46</sup>, 4.8% of the district's dwelling stock total of 68,846 (0.85% England average). This is a reduction of 435 from the 2016 figure of 3,802. This may be a result of a slight reduction in student numbers since 2016, but is also likely connected to the substantial increase in PBSA.
- 5.16 HMOs that are occupied by five or more people, in one and two storey houses, are now subject to stricter mandatory licencing guidelines. These properties are a key component of the student mix, with 863 HMO licences in place in Canterbury at the beginning of 2021. Article 4 Directions provide the legal framework for controlling the conversion of dwelling stock to HMOs and the concentration of HMOs in specific localities. Policy HD6 of the CCC adopted Local Plan 2017 states that "*the proportion of HMOs within the areas subject to Article 4 Directions should not exceed 10% of the total number of dwellings within a 100m radius of any application property. The City Council will not permit changes of use to HMOs, or extensions to existing HMOs, where that proportion would be exceeded*". Canterbury Council has adopted tighter control over HMO development, which has helped to enable the appropriate growth of PBSA to meet the expanding need of the student population since 2001.

## Future Student Housing Needs

- 5.17 The future need for student accommodation in Canterbury will be influenced by university growth plans, and the number of students applying to and being accepted by the universities. Both the University of Kent<sup>47</sup> and Christ Church University<sup>48</sup> have published ambitious Masterplans for their campuses, designed to consolidate and expand their respective capacities for teaching and research. At this time, it is difficult to project quantitatively how student numbers will change in the future, however, based on the university's Masterplans and ambitions, it is predicted that numbers are likely to increase.
- 5.18 The UK is currently confronted with an unprecedented level of economic, political and social uncertainty due to the challenges posed by Covid-19 and Brexit. Over the past year, universities have been required to shift to a radically different way of operating, providing an almost exclusively 'online' service to students due to the ongoing pandemic and associated travel restrictions and social distancing. It is unclear how and when this situation might return to a 'business-as-usual' format, but it is likely that some aspects of teaching and research may have changed irrevocably. Furthermore, the UK's exit from the European Union will affect access to important European research funds and is likely to impair recruitment of students from overseas, particularly from the EU. Coupled with the lingering issue of student tuition fees, the outlook on student numbers is uncertain.

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<sup>45</sup> 2011 Census Table KS105EW – Household Composition

<sup>46</sup> CCC Council Tax database. This figure includes only those properties occupied by students, the foreign spouses of students, or school and college leavers (exemption class N). An additional 693 dwellings are classified as exemption class M: A hall of residence provided predominantly for the accommodation of students.

<sup>47</sup> [University of Kent Masterplan](#)

<sup>48</sup> [Canterbury Christ Church University Masterplan](#)

- 5.19 The history of live births in the UK has resulted in the smallest cohort of 18-year-olds for over 20 years in 2020. Despite this, and the current pandemic/Brexit situation, the latest, 2020-round of UK-based HE applications ('the COVID cohort') has seen record entry rates. Participation levels from more disadvantaged families have increased, resulting from the constraints on the normal A-level process in 2020, and there has been a sharp growth in applications for health and social care courses<sup>49</sup>.
- 5.20 The longer-term impact of both the COVID-19 pandemic and Brexit of student numbers remains uncertain. In the short-term, it is unlikely that there will be a substantial increase in demand for student accommodation in Canterbury, despite the record entry levels seen in 2020. With an increase in remote teaching due to the ongoing pandemic, it is considered likely that vacancy rates in the PBSA stock will increase in the short-term, particularly for international students. The Land Supply allocations also identify a further 686 dwellings by 2022/23<sup>50</sup>, equivalent to an additional 1,715 bedspaces.
- 5.21 In terms of student growth over the next 10–15 years, the domestic 'pool' of young adults that will be able to consider entry to Canterbury's higher education institutions is projected to increase (Figure 17), a reflection of the higher birth rates seen between 2003 and 2012. This may help to offset some of the future challenges associated with the recruitment of international students, which form a key component of the University of Kent's student total in particular.

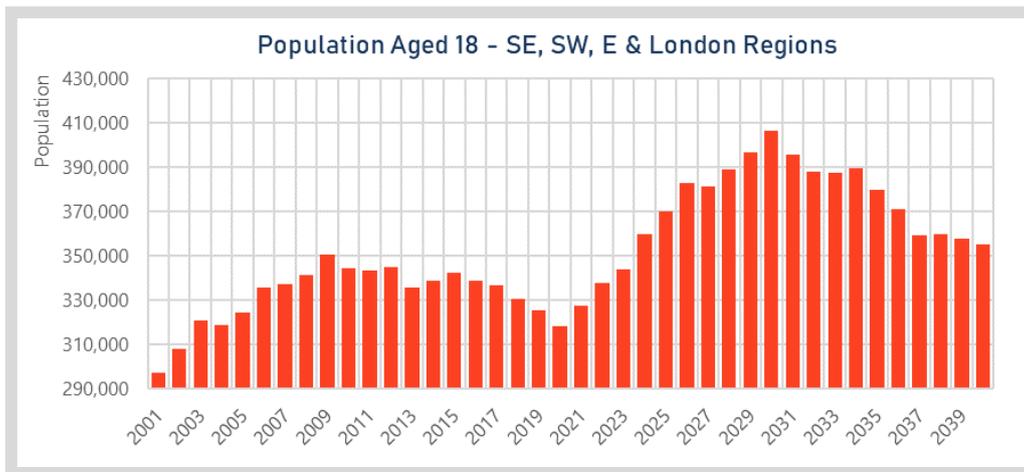


Figure 17: Population Growth Age 18  
Source: ONS 2018-based projections

- 5.22 Whilst growth in the UK-based student intake could be accommodated in PBSA through the potential vacancies resulting from a likely shortfall in international student numbers, it could also lead to pressure on mainstream dwelling stock; research suggests that domestic students tend to prefer to live in the private-rented sector due to lower rents<sup>51</sup>. There has, however, been a decrease in the student population in the private rented sector (as evidenced by Council tax records), suggesting that the increase in PBSA has helped to 'free up' housing in the private rented sector.

<sup>49</sup> What Happened to the COVID Cohort? UCAS, December 2020  
<sup>50</sup> Canterbury City Council Housing Land Supply Statement 2019/20  
<sup>51</sup> Student Population Projection Research, IPE 2021

## Recommendations

- 5.23 The universities have plans to grow and have produced ambitious masterplans. However, there is currently uncertainty over the quantitative impact of these plans on student numbers. Together with other factors influencing student numbers (i.e. the COVID-19 pandemic, Brexit), it is challenging to draw definitive conclusions on the future need for student housing.
- 5.24 Alongside a reduction in the student population in the private rented sector (as evidenced by Council tax records), there has also been an increase in PBSA. The growth in PBSA has enabled the CCC target of a minimum of 50% of non-local students being accommodated in PBSA to be reached, and evidence suggests that the universities' target of being able to offer all first-year undergraduates accommodation is also achievable.
- 5.25 It is unlikely that there will be an increased demand for student housing in Canterbury, at least in the short-term. It is therefore recommended that the council reviews the need for PBSA if and when any university expansion plans are revealed. Regarding HMOs, it is recommended that the Council continues to control the conversion to and proportion of HMOs through its Local Plan policies.

## 6 OLDER PEOPLE

### SUMMARY

- Substantial growth in Canterbury's older-age (65+) population is inevitable, with the scale of growth to 2040 determined by the realisation (or not) of continued improvements in male and female life expectancies (14,000–16,850 growth range).
- The future need for older age accommodation, has drawn upon the statistical modelling undertaken by the Centre for Regional Economic and Social Research at Sheffield Hallam University, Housing for Older People Supply Recommendations (HOPSR).
- The latest Elderly Accommodation Council (EAC) evidence for Canterbury records 1,505 care home bedspaces, 23% with nursing support, 1,883 specialist units for older people and 163 age exclusive housing units.
- By 2040, it is estimated that the Age Exclusive housing stock will need to increase by a minimum of 576 units. For Specialist Units, a minimum of 1,732 has been identified. A minimum of 1,150 additional care home bedspaces are required to 2040, 26% with nursing support. Targets for Age Exclusive and Specialist stock would be higher if a reconciliation to HOPSR baseline benchmarks is also to be achieved.
- HOPSR benchmarks suggest the provision of more rental properties is required, and, for Enhanced Sheltered Housing, an improved balance between rental and owner-occupied units is needed.
- There are 350 households on the CCC housing register seeking designated elderly housing, enhanced care housing or sheltered housing. Based on evidence provided by the Council, and data from the EAC, it is reasonable to assume that their needs could be met within the current stock, assuming sufficient vacancy levels/turnover.
- It is recommended that the Council considers the provision of smaller-sized bungalows within the overall mix of housing, as evidence suggests there is high demand for these properties in the 65+ age groups. To maintain current levels of occupancy, over the course of the plan period, the number of bungalows would need to increase by between 2,440 and 2,950.

## Introduction

- 6.1 Planning for the changing requirements of the older-age population is a key component of an HNA. The NPPF defines older people as, *“People over or approaching retirement age, including the active, newly-retired through to the very frail elderly; and whose housing needs can encompass accessible, adaptable general needs housing through to the full range of retirement and specialised housing for those with support or care needs”*<sup>52</sup>.

## Older Age Population

- 6.2 The large birth cohorts of the 1950s and 1960s are now reaching retirement age, with substantial ageing of populations a common feature of all local authority areas. As of mid-year 2019, 32% of Canterbury’s population is aged 55+, equivalent to approximately 53,000 people. Compared to Kent, the South East and England as a whole, Canterbury has a greater proportion of its population in the oldest 75+ age group (Figure 18).

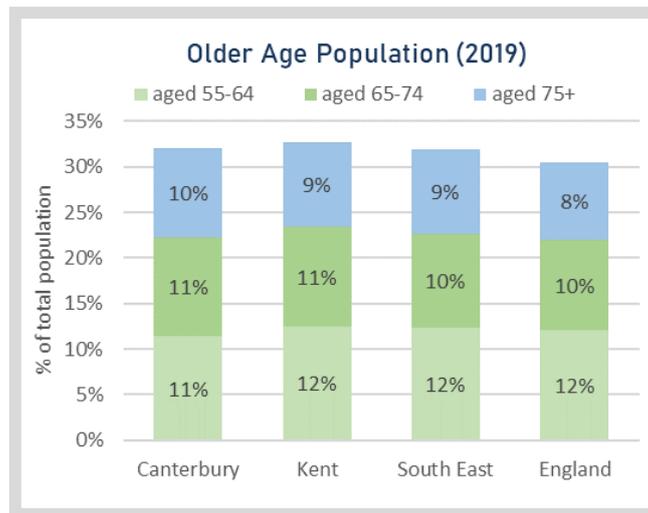


Figure 18: Canterbury – older age population  
Source: ONS MYEs

- 6.3 Population ageing is characterised by an increasing median age, driven by relatively low fertility rates and continued improvements in life expectancy. The 2014-based and 2018-based ONS population projections adopt a very different outlook on future improvements in life expectancy, with dampened assumptions in the latest 2018-based projections. As a result, the population growth outcomes for the older age groups are noticeably different between the two projections (referred to here as ONS-14 and ONS 18), with higher levels of growth in the older age groups under the 2014-based projection (Figure 19).
- 6.4 The key difference in the growth outlooks is in the 85+ age-group, where a reduced rate of improvement in life expectancies over the next 25 years results in a higher death rate in the ONS-18 scenario and therefore lower population growth. For the 60+ age group, the ONS-14 scenario

<sup>52</sup> NPPF Annex 2: Glossary

estimates population growth of approximately +16,850 by 2040, representing almost 70% of total projected growth. Under the ONS-18 scenario, growth of the 60+ group is lower, at +14,000, but in this case represents 100% of Canterbury's projected population change to 2040.

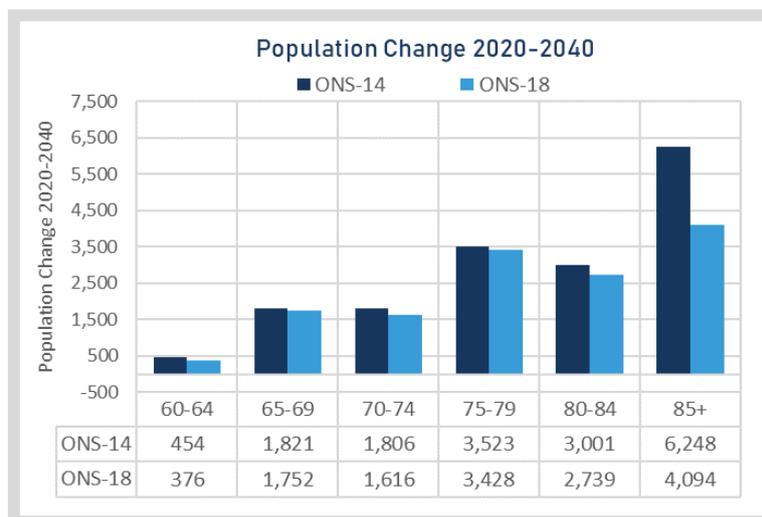


Figure 19: Canterbury – projected older age population growth  
Source: ONS, POPGROUP

6.5 In the following sections, a profile of the current older people accommodation stock is presented, followed by modelling of likely future need, based on these two alternative population growth projections.

## Accommodation for Older People

6.6 The accommodation needs of older people fall within two broad categories:

- i. **bed spaces** within care homes, both with and without nursing provision;
- ii. more **independent living** within housing units, where some degree of adaptation to meet specific needs may be required, or where a degree of care is provided (e.g. sheltered housing or extra care).

6.7 Canterbury's most recent 2018 SHMA<sup>53</sup> identified a need for 700 additional Care Beds and 542 units of Sheltered and Extra Care housing over a 2016–2031 plan period.

6.8 In developing an updated assessment of the housing need for Canterbury's older age population, the analysis presented in this section considers Canterbury's current and future provision within the Elderly Accommodation Council's (EAC)<sup>54</sup> five key categories of accommodation (see Appendix G):

- Age-exclusive Housing
- Retirement/sheltered Housing
- Enhanced Sheltered Housing
- Extra Care Housing
- Care Beds (i.e. in care homes).

<sup>53</sup> Canterbury District SHMA, March 2018, Lichfields

<sup>54</sup> [Housingcare.org](https://www.housingcare.org)

6.9 To assess Canterbury’s future needs for older age accommodation, this analysis draws upon the statistical modelling undertaken by the Centre for Regional Economic and Social Research at Sheffield Hallam University, *Housing for Older People Supply Recommendations (HOPSR)*<sup>55</sup>. The HOPSR approach incorporates evidence from those local authorities where existing levels of older age provision are already high relative to the size of the 75+ population. A ‘recommended’ benchmark mix of housing for each local authority is derived, based upon the balance of demand and supply for its current older age demographics.

### Current Profile

6.10 The EAC data repository<sup>56</sup> provides a profile of Canterbury’s current (2021) stock of older age accommodation and care home bedspaces, which are benchmarked against the HOPSR recommended figures in Figure 20. In total, there are 1,505 care home bedspaces, 23% with nursing support<sup>57</sup>, 1,883 specialist units (retirement/sheltered housing, enhanced and extra care), and 163 age exclusive housing units.

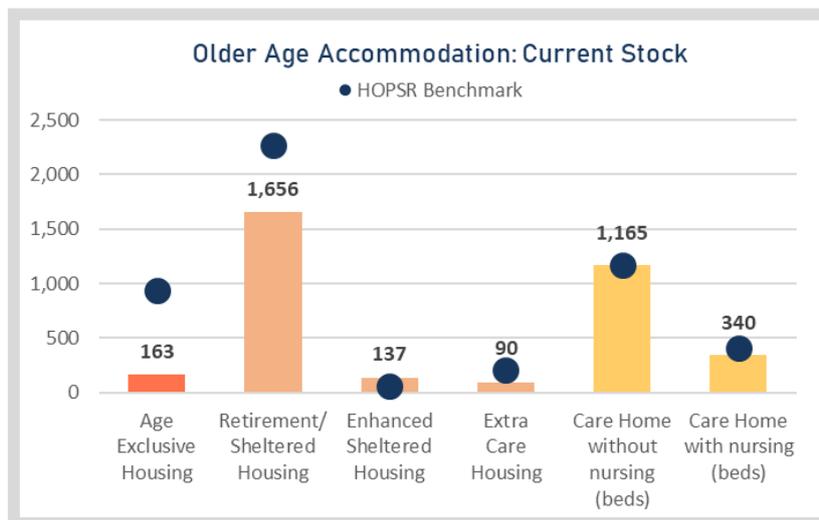


Figure 20: Canterbury - Older Age Accommodation Profile  
Source: EAC

6.11 The HOPSR benchmarks are recommendations only but they suggest that Canterbury has a relatively low provision of Age Exclusive accommodation (although the EAC indicates that statistics on this relatively ‘ill-defined’ category of housing are likely to be less comprehensive), plus an under-supply of Sheltered Housing. Enhanced Sheltered Housing, Extra Care Housing and Care Home bed-space provision are more consistent with the HOPSR recommendations.

<sup>55</sup> [Housing for Older People Supply Recommendations \(HOPSR\)](#)

<sup>56</sup> [Housingcare.org](#)

<sup>57</sup> At the 2011 Census there were an estimated 1,098 people aged 75+ living in care homes; approximately 26% were in care homes with nursing (2011 Census Table DC4210EWLA).

Future Need

6.12 Using estimates of projected growth in Canterbury’s older age population, in combination with the latest EAC housing mix statistics for the district (as presented in Figure 20), the HOPSR approach can be used to quantify the effects of demographic change upon the potential additional need for older age housing and care home bed spaces to 2040. Given the uncertainty that is associated with the projected levels of older age population change in Canterbury, two scenarios are presented here, one based on the lower-growth ONS-18 outcome, and one based on the higher ONS-14 outcome (Figure 21).



Figure 21: Canterbury - Older Age Accommodation in 2040  
 Source: EAC, HOPSR, Edge Analytics

6.13 These outcomes do not seek to address the current shortfalls in relation to the HOPSR baseline benchmarks (see Figure 20) but indicate a recommended mix of *additional* housing and care home bed spaces in line with growth in the older age population from the base year.

- 6.14 Under both the ONS-18 and ONS-14 Lower and Higher growth outcomes, the older age population of Canterbury will be subject to substantial growth to 2040. This growth will require a mix of new accommodation, for independent living with adaptation, for specialist retirement accommodation, including Extra Care options, and for bed spaces within care homes, both with and without nursing support.
- 6.15 It is estimated that by 2040, the Age Exclusive housing stock will need to increase by between 576 and 731 units. For Specialist Units, an additional 1,732–2,200 units are needed. Between 1,150 and 1,460 additional care home bedspaces are needed, with a recommended 26% with nursing. Targets for Age Exclusive and Specialist stock would be higher if a reconciliation to the HOPSR baseline benchmarks were to be achieved. On the balance of evidence presented here, it is recommended that the Council considers the ‘Lower Growth’ as a *minimum* need to 2040 (Table 12).
- 6.16 The Council’s latest Housing Land Supply Statement<sup>58</sup> suggests an additional +386 Care Home bedspaces are to be provided by 2028. This will accommodate 26–30% of the identified level of need based on the Lower and Higher growth scenario outcomes presented above.

Table 12: Canterbury Older People Housing Need (2020–2040)

Housing Type	Lower Growth	Higher Growth
<b>Age Exclusive Housing</b>	<b>576</b>	<b>731</b>
<b>Specialist (units)</b>	<b>1,732</b>	<b>2,200</b>
Retirement/Sheltered Housing	1,548	1,967
Enhanced Sheltered Housing	47	59
Extra Care Housing	137	174
<b>Care Homes (beds)</b>	<b>1,150</b>	<b>1,460</b>
Care Home without nursing (beds)	852	1,082
Care Home with nursing (beds)	298	378

### Age Exclusive & Specialist Housing Tenure

- 6.17 In terms of a required *tenure* mix for the Age Exclusive and Specialist stock, the HOPSR benchmarks suggest that Canterbury may wish to consider the provision of a higher number of rental properties, or, in the case of Enhanced Sheltered Housing, a balanced mix between rental and owner-occupied units (Figure 22).

<sup>58</sup> CCC Housing Land Supply Statement 2019/20

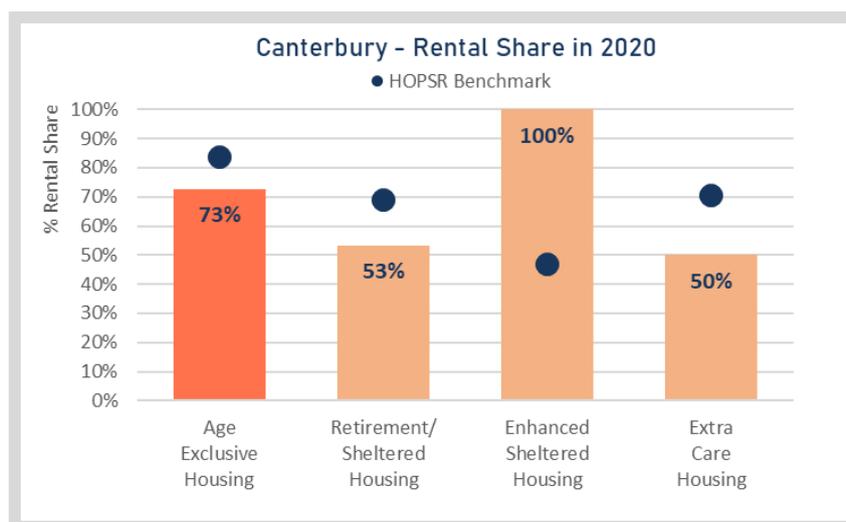


Figure 22: Canterbury – Rental Shares for Older Age Housing  
Source: EAC, HOPSR

### Older People Affordable Need

- 6.18 There are 350 households on the CCC housing needs register seeking designated elderly housing (97), enhanced care housing (18) or sheltered housing (235). The majority of need amongst the older households on the council’s waiting list is for 1-bedroom accommodation (95%), with the remaining 5% for 2-bedroom accommodation. These households have been *excluded* from the Affordable Needs analysis presented in Section 3. It is assumed that all of these households are unable to afford Lower Quartile market rents (due to the income eligibility criteria for appearing on the CCC housing register).
- 6.19 The EAC data repository<sup>54</sup> for Canterbury (see Figure 20) identifies 102 older people facilities in Canterbury, 38 of which have their tenure listed as ‘Rent (Social Landlord)’. Most of these facilities are retirement housing and age-exclusive housing. With an average of 32 flats per facility, and most offering 1 to 2-bed properties, it is estimated that there are approximately 1,800 bedspaces available at social rent levels for older people<sup>59</sup>. Social stock data provided by the council also suggests that there are a number of 1- and 2-bedroom units available, with the main dwelling type being flats. Of those seeking designated elderly housing on the housing register (350 people), it is therefore reasonable to assume that their needs could be met within the current stock (1,800 bedspaces), assuming sufficient vacancy levels/turnover.

### Bungalows

- 6.20 Canterbury has a relatively high proportion of bungalows compared to both the regional and national averages (see Figure 43, Appendix D); Council Tax data records 12,810 bungalows in Canterbury as of March 2020, equivalent to 19% of total stock. Nationally, the number of bungalows built has declined over time. In 1987, around 15% of all new builds were bungalows. By 2018, this had declined to just 2%.<sup>62</sup> Data from the Valuation Office Agency (VOA) shows the number of bungalows in Canterbury has remained relatively static over the last 5 years.

<sup>59</sup> Assuming that there are an equal number of 1-bed and 2-bed properties at each facility, each facility is assumed to have an average of 48 bedspaces.

- 6.21 The 2011 Census data does not separate out bungalows from houses, making it challenging to estimate occupancy levels and future levels of need comparable to the housing mix estimates presented elsewhere in this report. However, using a combination of data on projected household growth and occupancy characteristics from the English Housing Survey (EHS), it is possible to estimate the number of households aged 65+ living in bungalows both now, and in 2040.
- 6.22 As of 2020, there were an estimated 24,000 households aged 65+ in Canterbury<sup>60</sup>. The EHS report on Housing for Older People<sup>61</sup> suggests that around 18% of households aged 65-74 live in bungalows, rising to around 25% for ages 75+. Applying these proportions to the household population suggests that around 5,150 households aged 65+ currently live in bungalows in Canterbury, occupying around 40% of the total bungalow stock.
- 6.23 With the number of households aged 65+ projected to increase by between 44% and 52% by 2040 (2018-based and 2014-based ONS projections respectively), this would equate to an additional 2,440 to 2,950 households aged 65+ living in bungalows by 2040. However, this does not take into account any changes to occupancy patterns.
- 6.24 Research by McCarthy and Stone in conjunction with YouGov<sup>62</sup> suggest that bungalows remain in high demand amongst the older age groups; 60% of people aged over 65 would consider moving to a bungalow, due to improved accessibility, lower maintenance requirements, garden spaces and the opportunity to downsize whilst retaining independence.
- 6.25 As of 2020, 18,730 households aged 65+ do not live in bungalows in Canterbury. Assuming that 60% of these people would consider moving to a bungalow, this equates to around 11,240 households. Combined with the number of households aged 65+ already living in bungalows (5,200), this level of demand exceeds the current stock of bungalows in Canterbury by around 3,500.
- 6.26 With substantial population growth in the 65+ age groups expected by 2040, it is likely that there will continue to be high demand for bungalows. If 60% of households aged 65+ in the future would consider moving to a bungalow, the current stock of bungalows (12,810) would have to almost double to accommodate this need. Whilst it is unlikely that every household would move to a bungalow even if one were available, this highlights the considerable imbalance between demand for and supply of bungalows in Canterbury. Accommodating even half of this potential need would require the provision of an additional 5,000–6,000 bungalows over the plan period, around 25% of the identified LHN figure. To maintain current bungalow occupancy levels in the older age groups would require an additional 2,440–2,950 bungalows, around 12% of the LHN figure.
- 6.27 Whilst older people can downsize into apartments rather than bungalows, the aspiration for apartments amongst older people is low compared with bungalows. Increasing the supply and property options for the older age groups would have the advantage of freeing up more family sized homes for growing families. It may therefore be beneficial for the Council to consider incorporating small sized bungalows into the overall housing mix to meet the potential future requirements of these age groups.

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<sup>60</sup> 2018-based ONS population projection with 2014-based household representative rates

<sup>61</sup> [English Housing Survey Housing for Older People Report](#), DCLG 2014-15

<sup>62</sup> [7.2m over-65s in the market for bungalows](#), McCarthy & Stone (2019)

## Recommendations

- 6.28 The 2019 Planning Practice Guidance (PPG) for Housing for older and disabled people<sup>63</sup> states that it is critical to provide housing for older people. *“People are living longer lives and the proportion of older people in the population is increasing. In mid-2016 there were 1.6 million people aged 85 and over; by mid-2041 this is projected to double to 3.2 million. Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health system. Therefore, an understanding of how the ageing population affects housing needs is something to be considered from the early stages of plan-making through to decision-taking”.*
- 6.29 Providing an appropriate mix of housing for older people in Canterbury is critical, with substantial growth in the population aged 65+ projected over the plan period. The age exclusive, specialist and care home bed requirements are summarised in Table 13.

Table 13: Canterbury older people housing need and tenure summary (2020-2040)

Housing Type	Minimum Need 2020-2040	% available for rent
<b>Age Exclusive Housing</b>	<b>576</b>	<b>73%</b>
<b>Specialist (units)</b>	<b>1,732</b>	<b>54%</b>
Retirement/Sheltered Housing	1,548	53%
Enhanced Sheltered Housing	47	100%
Extra Care Housing	137	50%
<b>Care Homes (beds)</b>	<b>1,150</b>	-
Care Home without nursing (beds)	852	-
Care Home with nursing (beds)	298	-

- 6.30 It is considered likely that affordable need in the older age groups can be met within the current stock, although it is recommended that this is reviewed if the number of households on the housing needs register increases substantially.
- 6.31 There is a clear need for bungalows in Canterbury; to maintain current bungalow occupancy levels in the older age groups would require an additional 2,440–2,950 bungalows by 2040. It is recommended that the Council considers including smaller sized bungalows (1-2 bedrooms) into the overall housing mix to meet the potential future requirements of these age groups. This may also help to ‘free up’ family housing for the younger age groups.

<sup>63</sup> PPG 2019 Housing for older and disabled people, MHCLG 2019

# 7 PEOPLE WITH DISABILITIES

## SUMMARY

- Disability prevalence in Canterbury's household population, and the limitations on daily activities associated with it, is heavily skewed towards the older age groups.
- A disproportionate share of the population with long-term health and disability issues are resident in social housing.
- Population projections indicate substantial growth in the *at-risk* population over the next 20 years.
- Meeting the disability needs of Canterbury's ageing population will require both adaptations to existing housing stock, and the delivery of appropriately designed new dwellings.
- By 2040, it is estimated there will be 13,400 people in Canterbury whose activities are 'limited a lot' by their condition (+1,660 from 2020). For those also suffering from 'bad or very bad health', a total of 7,000 people is estimated for 2040 (+874 from 2020).
- By 2040, an additional 2,200 homes (across all ages and tenures) could require some form of adaptation in Canterbury (around 17% of total household growth), predominantly to meet individual needs resulting from the growth in the older age population.
- Policy DBE5 on inclusive design expects 20% of homes on major developments and strategic sites to meet the accessibility and adaptable dwellings regulations M4(2). Based on the projected growth in the number of homes requiring some form of adaptation, it is recommended this target is maintained by the council, with consideration given to an increase in the M4(2) proportion to provide greater choice of housing options for people with disabilities.
- Total wheelchair use could increase by 700–1,000 by 2040, with much of this growth likely to be in the older age groups, including those living in care homes. In terms of household growth, it is estimated that there will be an additional 400 households with a wheelchair user by 2040, around 3.5% of all households.

## Introduction

- 7.1 The NPPF (2019) definition states that, *“People have a disability if they have a physical or mental impairment, and that impairment has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities. These persons include, but are not limited to, people with ambulatory difficulties, blindness, learning difficulties, autism and mental health needs”*.
- 7.2 The changing housing needs of people with disabilities are closely connected to those of the growing older age population. Disability prevalence in Canterbury’s household population, and the *limitations* on daily activities associated with it, is heavily skewed towards the older age groups (Figure 23).

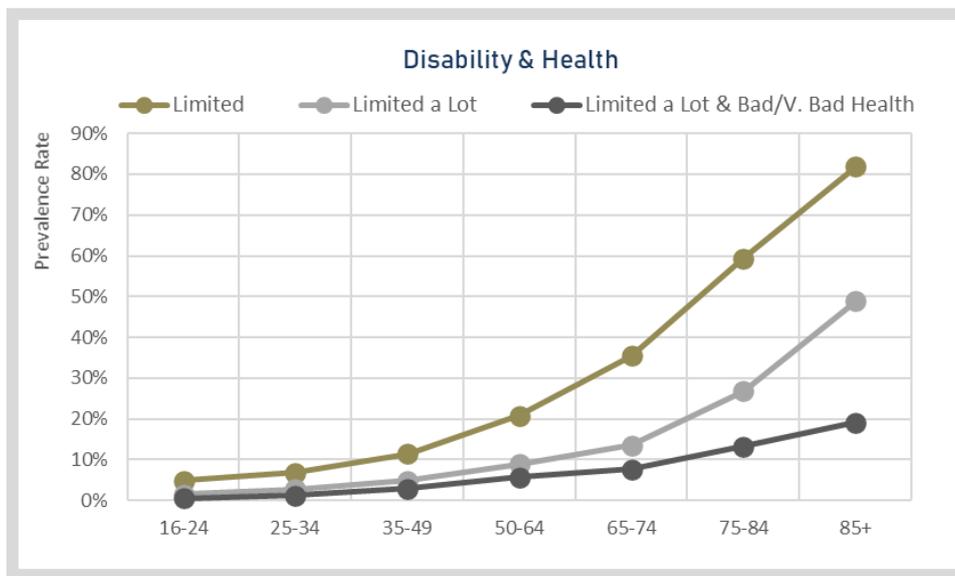


Figure 23: Canterbury – Disability & Health Profile  
Source: 2011 Census Table DC3302EW

- 7.3 At the 2011 Census, approximately 18% of Canterbury’s household population was identified with a long-term health or disability issue<sup>64</sup>. An estimated 8% had a long-term condition, plus had day-to-day activities that were ‘limited a lot’ by their condition. A smaller number (4%) were identified with the additional issue of ‘bad or very bad health’. In terms of a comparison with other geographies, Canterbury’s profile is similar to the Kent average, higher than the SE regional average but lower than the national profile.
- 7.4 A disproportionate share of the population with long-term health and disability issues are resident in social housing, compared to other tenures. A prevalence rate of 16.3% was recorded for the ‘limited a lot’ population living in social housing, compared to 7.4% in owner occupied properties, 4.2% in private rented.

<sup>64</sup> Note, a further 1,962 people with a limiting long-term illness or disability were resident in Canterbury communal establishments at the time of the 2011 Census.

## Disability Growth

7.5 Population projections indicate substantial growth in the 'at-risk' population (aged 16-85+) over the next 20 years. Combining these projections with prevalence data from the 2011 Census and uptake rates for DWP benefits provides an indication of how the substantial growth in the older-age population might impact on the number of people in Canterbury with health and disability issues, and their entitlement to disability benefits (Figure 24).

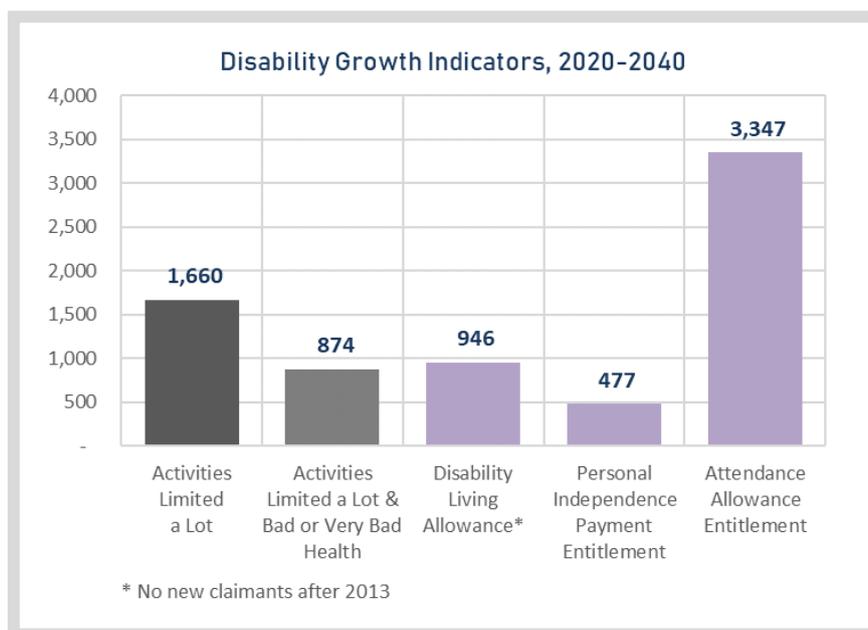


Figure 24: Canterbury – Disability Growth Indicators  
 Note: Population growth based on an average of ONS-14 and ONS-18 projections to 2040. Source: ONS, 2011 Census, DWP, Edge Analytics

Table 14: Canterbury – Disability Growth Indicators

	2020 est.	2040 est.	Growth	Growth pa	Growth %
<b>Long term health problem or disability</b>					
Activities Limited a Lot	11,762	13,422	1,660	83	14%
Activities Limited a Lot & Bad or Very Bad Health	6,190	7,064	874	44	14%
<b>DWP Benefits</b>					
Disability Living Allowance*	7,057	8,003	946	47	13%
Personal Independence Payment Entitlement	6,000	6,477	477	24	8%
Attendance Allowance Entitlement	4,402	7,749	3,347	167	76%

Note: Population growth based on an average of ONS-14 and ONS-18 projections to 2040. Source: 2011 Census, DWP, Edge Analytics

7.6 Disability Living Allowance (DLA) has been replaced by a combination of Personal Independence Payments (PIP) and Attendance Allowance (AA). However, based upon its 2013 prevalence rates, there would be an *additional* +946 population entitled to this benefit by 2040. PIP entitlement, targeted at

pre-retirement cohorts, is estimated with a growth of +477, whilst AA, claimed by those over pension age with a disability and a requirement for help with personal care, is estimated to increase by +3,347 by 2040.

- 7.7 Extrapolation of the Census prevalence rates for long-term health and disability issues for *household* residents, estimates a total population of 13,422 with activities 'limited a lot' by their condition in 2040, a +1,660 increase from 2020. The population estimated to also suffer from 'bad or very bad health', is estimated at over 7,000 in 2040, a rise of 874 over the 20-year horizon. Each of these estimates is based on population growth averaged over the ONS-14 and ONS-18 growth projections and takes account of an increasing number of the oldest age-groups being accommodated within non-household, communal establishments.

### Building Adaptations

- 7.8 A key principle of Health and Adult Social Care policy is a requirement to sustain people in their homes for as long as is possible. Meeting the disability needs of Canterbury's ageing population, will require both adaptations to existing housing stock and the delivery of appropriately designed new dwellings.
- 7.9 Canterbury's household change to 2040 will be driven by the growth in the older-age population, with almost 90% of the projected uplift in household numbers associated with the 65+ age-range. The English Housing Survey (EHS) estimates that approximately 19% of households aged 65+ have one or more people with a long-term limiting disability that require adaptations to their home. Across all tenures and ages, around 9% of households require adaptation. On this basis, it is estimated that by 2040, a further **2,200** homes will require some form of adaptation in Canterbury, to predominantly meet individual needs resulting from the growth in the older age population<sup>65</sup>. This accounts for around 17% of the total household growth expected by 2040.
- 7.10 In the adaptation, design and development of homes, Building Regulations include three key standards for the access and use of buildings and their facilities<sup>66</sup>:
- M4(1) Category 1: Visitable dwellings
  - M4(2) Category 2: Accessible and adaptable dwellings
  - M4(3) Category 3: Wheelchair user dwellings
- 7.11 In terms of new developments, only M4(1) is mandatory on all properties. The scale of M4(2) and M4(3) requirements are driven by the future need for housing for the older/disabled population<sup>67</sup>. Adaptations for accessibility purposes are the key requirement for wheelchair users. There are four accessibility criteria within the M4(3) policy: (i) A flush threshold of <15mm; (ii) a WC at entrance level; (iii) doorset and circulation standards; and (iv) level access to the main entrance.
- 7.12 The latest EHS output has profiled the accessibility of English homes, indicating that 3.5% of households have a wheelchair user, with a higher prevalence in social rented properties (Figure 25)<sup>68</sup>.

<sup>65</sup> Household growth projections are based on the average of ONS and ONS-18 population projections, applying 2014-based household representative rates to each.

<sup>66</sup> [Access to and Use of Buildings: Approved Document M](#) MHCLG, 2015

<sup>67</sup> Policy DBE5 of the Canterbury District Local Plan on inclusive design expects 20% of homes on major developments and strategic sites to meet the accessibility and adaptable dwellings Regulations M4(2).

<sup>68</sup> [English Housing Survey 2018-19, Accessibility of English Homes](#)

The survey estimates that of this 3.5%, 74% only require their wheelchair outside the home, 9% for indoor use only, and 17% at all times. Applied to Canterbury’s household growth figure, this would suggest around 2,400 households in 2020 had a wheelchair user, increasing to 2,800 by 2040.

7.13 For Canterbury, evidence from the DLA provides the most detailed profile of wheelchair use. Using the DLA’s ‘Higher Mobility Award’ as the best indicator of wheelchair use suggests that 2.4% of Canterbury’s total population are wheelchair users. Prevalence rates are highest in the older age-groups (Figure 25)<sup>69</sup>.

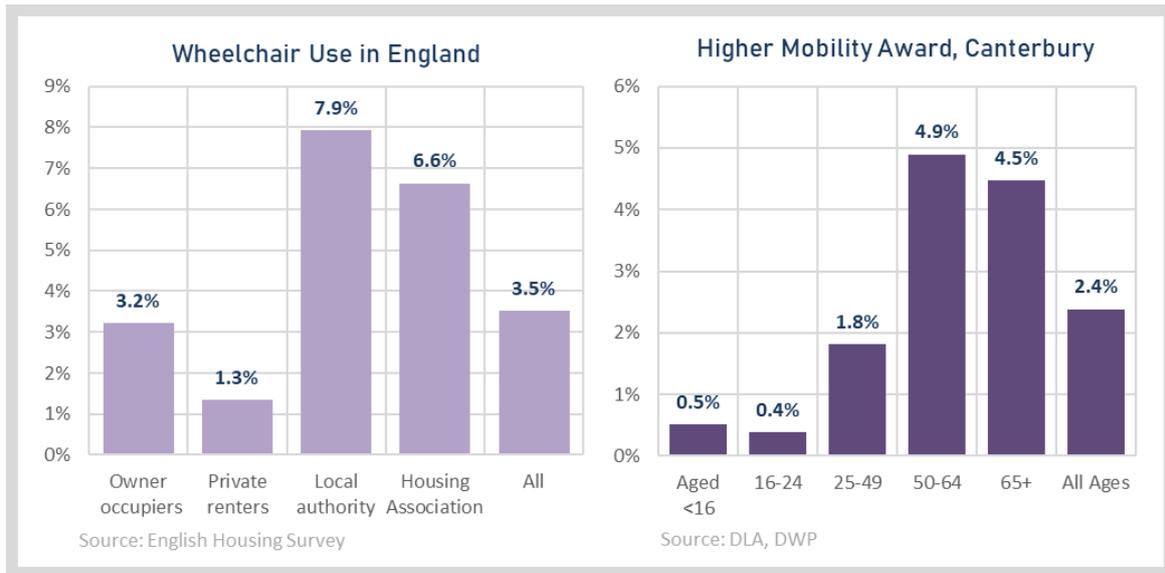


Figure 25: Wheelchair and Higher Mobility Award prevalence

7.14 On the basis of these assumptions, it is estimated that the current number of wheelchair users in Canterbury ranges between 4,000 (DLA) and 6,000 (EHS). With Canterbury’s projected population and household change driven by growth in the older age groups, it is estimated that total wheelchair use could increase by 700–1,000 by 2040 across all age groups.

7.15 Whilst the projected growth in wheelchair use is a key consideration in establishing an M4(3) target, it is important to recognise that most additional wheelchair users will be within the older age-groups, with a proportion of wheelchair users therefore in care homes or requiring specialist older person accommodation. It is estimated that the number of wheelchair users living in households will increase by around 400 to 2040 (see paragraph 7.12), around 3.5% of the total number of households.

### Medical/Welfare Affordable Need

7.16 There are 550 households on the Canterbury City Council housing register with their primary reason being medical or welfare needs. There are three bands within this category:

- Low medical or welfare needs (63%)
- Medium medical or welfare needs (29%)
- Urgent medical or welfare needs (8%).

<sup>69</sup> Disability Living Allowance, DWP

- 7.17 The highest proportion of people are in the low medical or welfare need, which includes (but is not limited to) a physical/learning disability, infirmity due to old age, young people at risk, ground floor accommodation, mental illness/behavioural difficulties, sheltered/adapted housing. Over half of this category need a 1-bedroom unit. People who fall into the medium category for medical or welfare needs are mainly applying for 1- and 2-bedroom units and those in the urgent category are applying largely for 1- and 3-bedroom units.
- 7.18 Wheelchair users are mentioned in the council's housing allocation policy under urgent medical or welfare needs, the lowest proportion of need within this category. However, the need for additional specialist accommodation units needed by wheelchair users will increase over the plan in line with the growth in the older population and the projected growth in wheelchair use.

## Recommendations

- 7.19 Overall, there is a need for an additional 2,200 homes (across all ages in tenures) with some form of adaptation in Canterbury over the plan period, mostly linked to the growth in the size of the elderly population.
- 7.20 Policy DBE5 of the Canterbury District Local Plan<sup>70</sup> on inclusive design expects 20% of homes on major developments and strategic sites to meet the accessibility and adaptable dwellings Regulations M4(2). Based on the analysis presented in this section on the projected growth in the number of homes requiring some form of adaptation, it is recommended that this target is maintained by the council, with possible consideration given to an increase in the target to provide a wider range of housing options for people with disabilities (subject to site suitability and viability testing).
- 7.21 The provision of wheelchair accessible housing (meeting M4(3) standards), particularly for older people, should also be given consideration. The number of wheelchair users is estimated to increase by between 700 and 1,000, with an additional 400 households having a wheelchair user by 2040 (around 3.5% of the total number of households).

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<sup>70</sup> Policy DBE5 Inclusive Design, pg.195, [Canterbury District Local Plan](#) (July 2017)

## 8 PEOPLE WHO RENT

### SUMMARY

- With its large student population, it is estimated that around 27% of Canterbury's dwelling stock is privately rented, an increase from 19.7% in 2012.
- Private rental costs have increased nationally since 2007, with the rate of increase higher in the South East since 2016. Open market private rental costs in Canterbury are £725 per month for a one-bedroom flat, rising to £1,750 per month for a 4-bedroom bungalow (in the 75th percentile). Rental affordability in Canterbury has worsened over time.
- Increasing house prices, tightened mortgage lending criteria, the growth in the student population, and the lack of increase in household incomes have driven the growth of the rental market, for both 'active choice' renters and 'frustrated would-be' homeowners.
- Whilst it is acknowledged that Canterbury's HE institutions have intentions to expand and have produced ambitious Masterplans, it is currently difficult to quantify the possible future change in student numbers. However, based on the information and recommendations in Chapter 5, it is assumed that the future need for private rental properties for young adults will remain relatively constant.
- People in their mid-30's to mid-40's are three times more likely to rent than 20 years ago. If this trend continues as people age, a greater proportion of older people will be more likely to be living in rented accommodation than today.
- Over the 2020–2040 plan period, it is estimated that the number of households that rent privately will increase by between 7% and 16%, based on the 2018-based and 2014-based projections respectively. This equates to approximately 12% of the total household growth 2020–2040, and around 13% of the 'market housing' category (the other 87% being owned).
- The future need for private rental accommodation will be more skewed towards 3-4 bedroom properties, and smaller sized units in the older age groups.

## Growth in the Private Rented Sector

8.1 The proportion of people living in the private rented sector (PRS) in the UK has more than doubled since the late 1990s<sup>71</sup>, with around 19% of households across England now renting privately (EHS 2019-20). Since 2000, the proportion of the population categorised as owner occupiers has decreased, from 71% to 65% in 2020 (Figure 26).

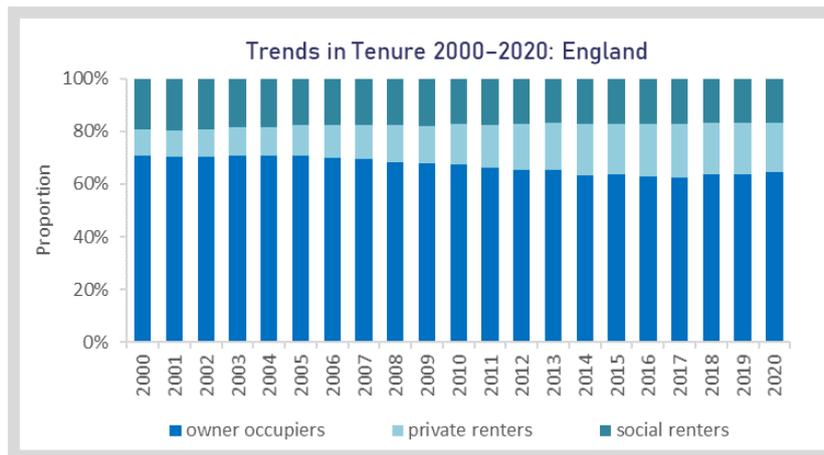


Figure 26: England – changes in tenure  
Source: EHS 2019-20

8.2 In Canterbury, with its large student population, it is estimated that around 27% of the dwelling stock is privately rented, an increase from the 2012 estimate of 19.7% (Figure 27)<sup>72</sup>. Compared to the South East and England overall, a greater proportion of the dwelling stock in Canterbury is privately rented, linked to the size of the student population.

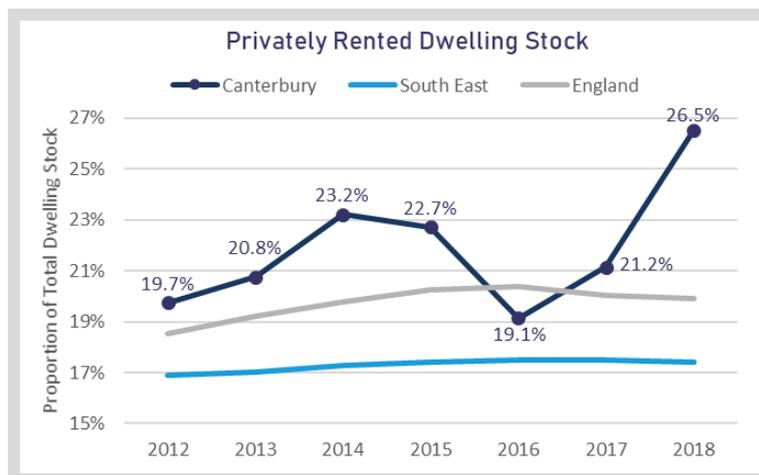


Figure 27: Variation in Private Rent 2012-2018  
Source: ONS Subnational dwelling stock by tenure estimates (Nov 2019)

8.3 At the 2011 Census, 21% of households were recorded as living in private rented housing in Canterbury, with the majority of households in the younger age groups (Figure 28). The wards with the highest

<sup>71</sup> People in households by housing tenure and combined economic activity status of household members, ONS (November 2020)

<sup>72</sup> ONS subnational dwelling stock by tenure estimates

proportion of private rented housing at the 2011 Census were Westgate, St Stephens, and Barton in the City of Canterbury (i.e. near the three HE Institutions), and Heron in Herne Bay.

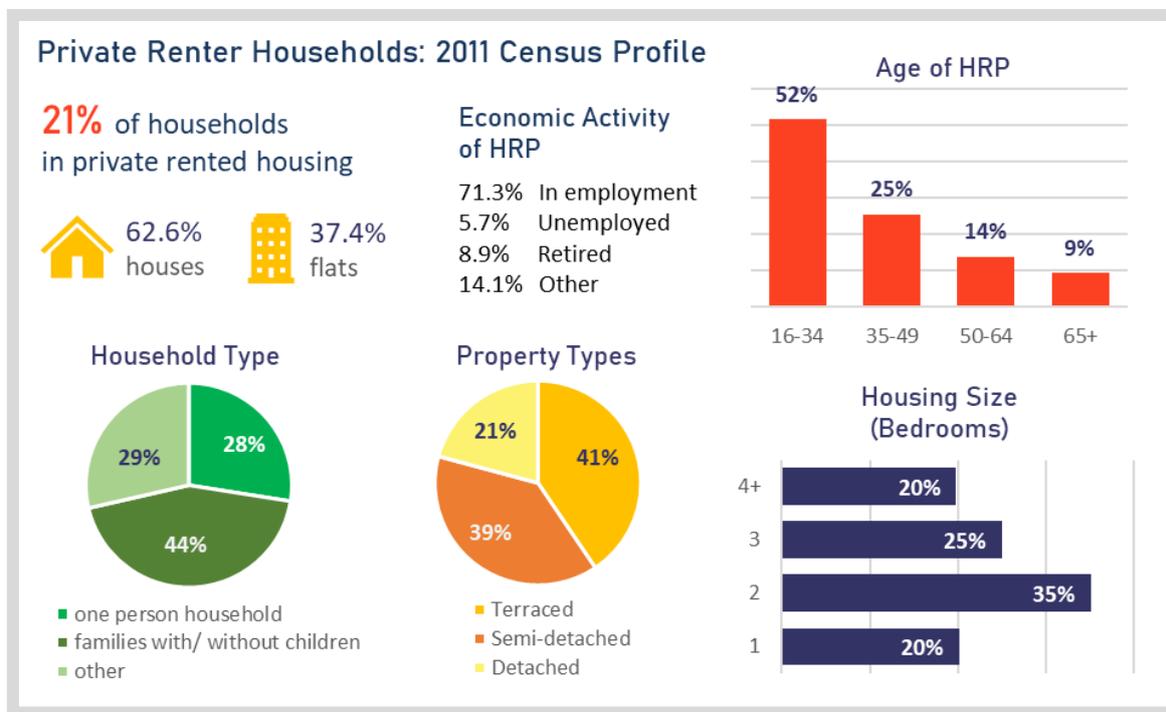


Figure 28: 2011 Census Private Renters profile

Source: 2011 Census

## Rental Costs

- 8.4 Private rental costs have increased nationally since 2007, with the rate of increase higher in the South East, when compared to the England rate, since 2016 (Figure 29).
- 8.5 Data on current, open market private rental costs in Canterbury shows a price of £725 per month for a one-bedroom flat, rising to £1,750 per month for a 4-bedroom bungalow in the 75<sup>th</sup> percentile (see Table 24 in Appendix E). Flats are the main rental property available in Canterbury, alongside terraced properties.
- 8.6 ONS data on private rents (year ending Sept 2020) reveals a different cost profile. For a one-bedroom property, the lower quartile rental cost is £595 per month, increasing to an upper quartile price of £2,069 for a 4-bedroom property. The lower quartile rental cost for all properties is low at £425, a reflection of the proliferation of student lets in Canterbury.

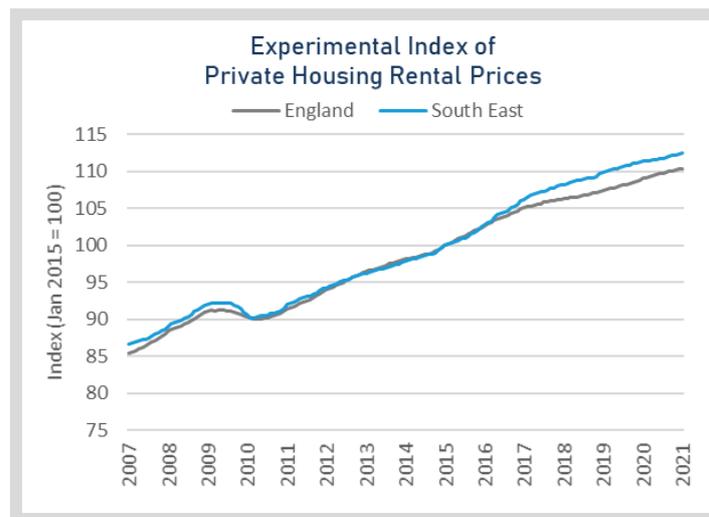


Figure 29: Index of Private Housing Rental Prices 2007–2021

Source: ONS IPHRP January 2021

## Affordability

- 8.7 Increasing house prices (see Figure 49 in Appendix E), growth in student numbers, the struggling sales market due to tightened mortgage lending criteria, and the lack of increase in household incomes have driven the growth of the rental market, for both ‘active choice’ renters and ‘frustrated would-be’ homeowners.
- 8.8 In 2007, the average house price in the South East was £290,000, compared to an average house price of £422,000 in 2020, an increase of around 31%. The cost of a home for a first-time buyer in the South East in 2007 was £193,000; by 2020, this had risen to £299,000 (ONS, 2020). In Canterbury, affordability has worsened in recent years, at a faster rate than that seen across the South East, with a growing imbalance between earnings and house prices (see Figure 52, Appendix E). This will have influenced the growth in the private rented sector, with fewer people able to access open market housing.
- 8.9 In terms of rental affordability, the entry level (lower quartile) rental price in Canterbury (£725 pcm) requires a minimum annual income of £27,723 (based on nearly 32% of income spent on rent). It is estimated that around 44% of all households in Canterbury earn less than this; this increases to 59% when the incomes of private renters are considered<sup>73</sup>.
- 8.10 Like house price affordability, rental affordability has also worsened over time. Comparing the ONS index of private rental prices (PRHP - see Figure 29) to the Gross Disposable Household Income (GDHI)<sup>74</sup> index for Canterbury illustrates the clear imbalance between the rate of increase in rental costs compared to incomes. The GDHI index for Canterbury increased by only 2 between 2007 and 2020 (92.9 to 94.9), whereas the PRHP index has increased by 25.8 over the same time period.
- 8.11 The imbalance between income and rental cost increases, coupled with the ongoing impact of the COVID-19 pandemic, is likely to continue to put pressure on the social/affordable rented sector.

<sup>73</sup> Based on CAMEO Income data and EHS 2019-20

<sup>74</sup> ONS GDHI

## Future Need

- 8.12 The private rented sector in Canterbury is dominated by the younger student-age groups. The universities have plans to grow and have produced ambitious masterplans. However, it is currently challenging to predict what impact these plans may have on future student numbers. Coupled with other factors (i.e. the COVID-19 pandemic, Brexit) means it is challenging to draw definitive conclusions on the future need for student housing. However, it is currently expected that the future need for private rental properties from this group will remain similar to current conditions (see Student profile for further commentary).
- 8.13 A key factor influencing the future need for private rental properties is the projected change to the age structure of the population. In Canterbury, population and household growth is projected to be highest in the older (65+) age groups. However, the 2011 Census data shows that 72% of people aged 65+ were owner occupiers, with only 6% privately renting (or living rent free).
- 8.14 Over the 2020–2040 plan period, it is estimated that the number of households that rent privately will increase by between 7% and 16%, based on the 2018-based and 2014-based projections respectively (equivalent to an additional 914 to 2,190 households). This equates to around 9–14% of total household growth 2020–2040, with growth in the owner occupied sector accounting for 75–82% of overall growth (and the remainder social rent).
- 8.15 When viewed by age, there are clear differences in the household growth profile, with the earlier 2014-based projection suggesting considerably higher growth in the younger 16–34 age group when compared to the 2018-based projection (Figure 30). With the student migration methodology adjustments introduced by ONS for the 2018-based projections, household growth in the younger age groups is reduced. Taking a mid-point in household growth from the two projections, the housing mix profile of private renters is provided below.
- 8.16 The housing mix analysis (as presented in Section 4 and summarised for private rent above in Figure 30) assumes a similar occupancy profile in 2040 as at the 2011 Census, with 19% of all households in Canterbury renting privately in 2040. However, it is likely that this profile will change over time, as people in their mid-30's to mid-40's are three times more likely to rent than 20 years ago<sup>75</sup>. Within this age group, a third of people currently rent from a private landlord, compared with fewer than 1 in 10 in 1997. If this trend continues as people age, a greater proportion of older people will be more likely to be living in rented accommodation than today.
- 8.17 For older people, the lack of maintenance responsibility that comes with renting privately can be of some benefit; decreasing incomes and health deterioration can result in a reduced ability to maintain a property as people age. However, private rent is one of the most unaffordable tenures. Research from ONS suggests that someone who owns a property outright could maintain their standard of living on a pension pot of £260,000, whereas someone who rents privately would need almost double this, at £445,000. With the above in mind, it is likely that the future need for private rental accommodation will be more skewed towards smaller sized units in the older age groups.

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<sup>75</sup> [Living longer: changes in housing tenure over time](#), ONS (February 2020)

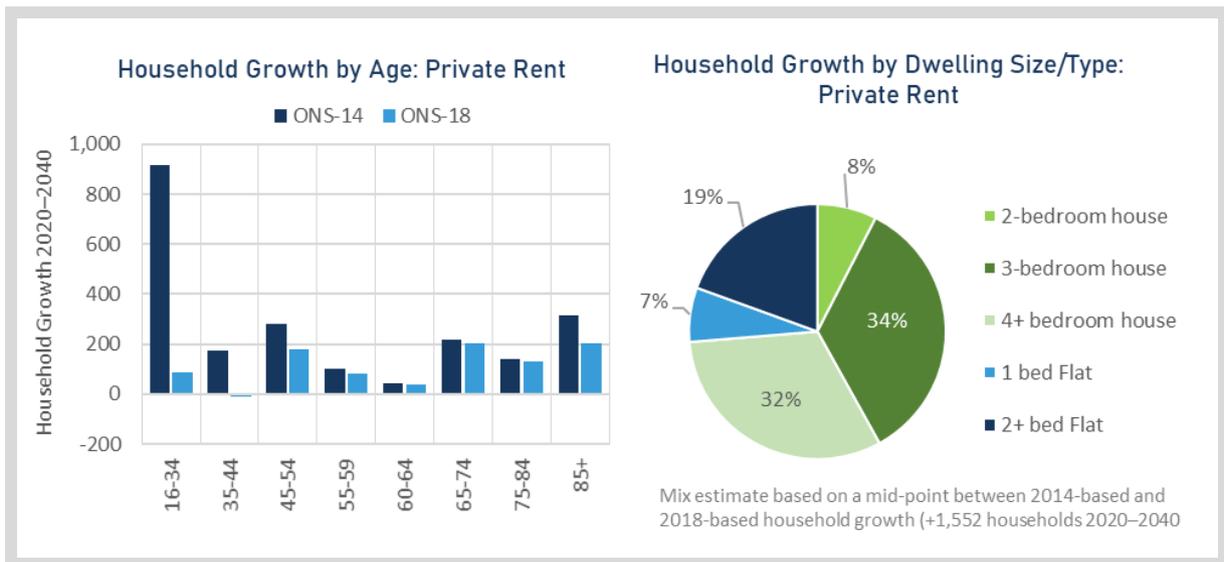


Figure 30: Private rent household growth profile 2020–2040  
 Source: ONS population & household projections; 2011 Census.

## Recommendations

- 8.18 With no changes to current occupancy patterns, it is estimated that around 19% of all households in Canterbury will be renting privately in 2040, with approximately 12% of total household growth occurring in this tenure.
- 8.19 Within the Housing Mix section of this report, the housing mix outcomes are split into market housing, social/affordable rent and affordable home ownership (see Figure 10 and Table 10, Section 4). The household growth analysis presented here suggests an 87%/13% split between owned and privately rented housing within the market housing sector. However, this does not take into account changing occupancy, nor the likely increase in the proportion of people in the older age groups in private rented housing.
- 8.20 Given the affordability issues linked to purchasing properties in Canterbury, and the expected increase in the proportion of older people that rent privately over the plan period, there is likely to be a need for 3-4 bedroom houses, and smaller units for older people in the private rented sector.

## 9 FAMILIES WITH CHILDREN

### SUMMARY

- At the 2011 Census, 26% of households in Canterbury had one or more dependent children, equivalent to nearly 16k households.
- In 2020, it is estimated that around 24% of households had one or more dependent children. By 2040, this is projected to decrease to 21%, as the population ages and the number of families with 3 or more children decreases.
- Households with dependent children are generally more overcrowded than other households in Canterbury (i.e. households do not have a sufficient number of bedrooms for the size of the family).
- Over the 2020–2040 plan period, the number of households with dependent children is projected to increase by 7% under the 2014-based ONS projection. Under the latest 2018-based scenario, a slight reduction is projected (-1%). Taking a mid-point of the two projections, this equates to an additional 477 households with dependent children over the plan period.
- The number of households with 3 or more children is projected to decrease to 2040, but the number of households with 1 child expected to increase.
- Combined with evidence of affordable need from the council's housing register, this evidence suggests a need for 2-3 bedroom properties, with an emphasis on the provision of affordable family housing.

## Census Profile

- 9.1 The NPPF (paragraph 61) mentions ‘families with children’ as one of the groups in the community that should be assessed in terms of the size, type and tenure of housing needed.
- 9.2 At the 2011 Census, 26% of households (15,829) in Canterbury had dependent children (defined as a person aged 0-15, or aged 16-18 in full time education). An additional 4,898 households had non-dependent children. The main housing type amongst families with dependent children in Canterbury was owner occupied (62%), with 3 bedrooms (49%). A greater proportion of households with dependent children were overcrowded (9%) when compared to the Canterbury total (3.5%), i.e. families with children are more likely to have an insufficient number of bedrooms for their household size than other household types.

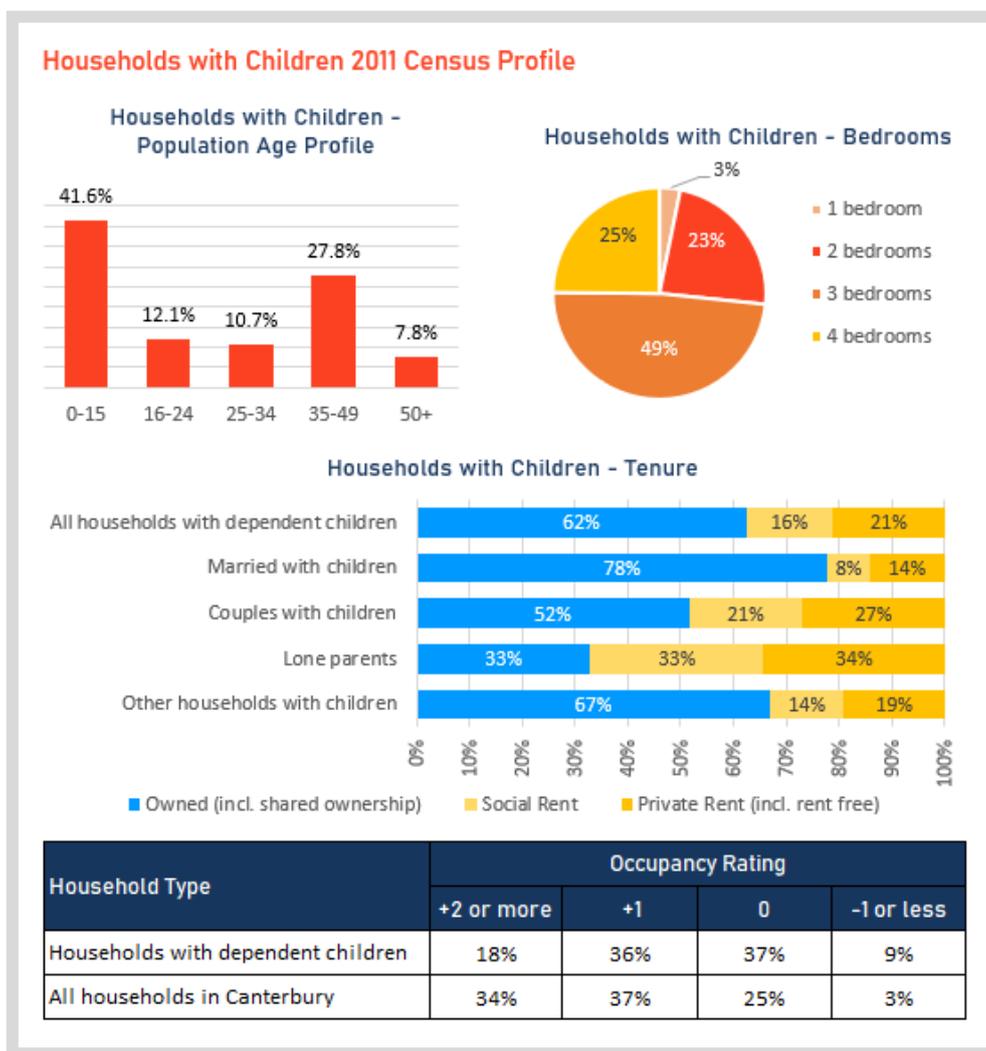


Figure 31: 2011 Census – Families with Children profile  
Source: 2011 Census

- 9.3 78% of married couples with dependent children were in a property that they owned, either with a mortgage or owned outright, compared with lone parents where only 33% were homeowners.

Cohabiting couples and lone parents featured more highly within the private rented and social rented sector (Figure 31).

## Growth in Households with Children

- 9.4 Over the 2020–2040 plan period, the number of households in Canterbury is projected to increase by between 10,376 and 15,562 (ONS 2018-based and 2014-based projections respectively – see Table 17 in Appendix B). 96% of this growth is concentrated in households *without* children (e.g. one person households, couples with no children, other households), with the remaining 4% of growth in families *with* children.
- 9.5 The number of households with children is projected to increase by 1,134 (7%) under the 2014-based ONS projections (ONS-14) and reduce slightly under the latest 2018-based projection (ONS-18), by -180 to 2040 (-2%); a mid-point between the two growth outcomes equates to an additional 477 family households over the plan period. Under both scenarios, the proportion of households with children is projected to be 21% in 2040, a reduction from 24% in 2020, and from 26% at the 2011 Census.
- 9.6 This absolute change masks the variation across household types; under both the ONS-14 and ONS-18 scenarios, households with 1-2 children are projected to increase, whereas the number of households with 3+ children are expected to decrease, by between 4% and 12% (Figure 33). When viewed by age, there is a reduction in the number of families with children occupying all dwelling size and types in the younger age groups, and an increase in the older 45–64 age group, particularly for 3 and 4-bedroom houses.

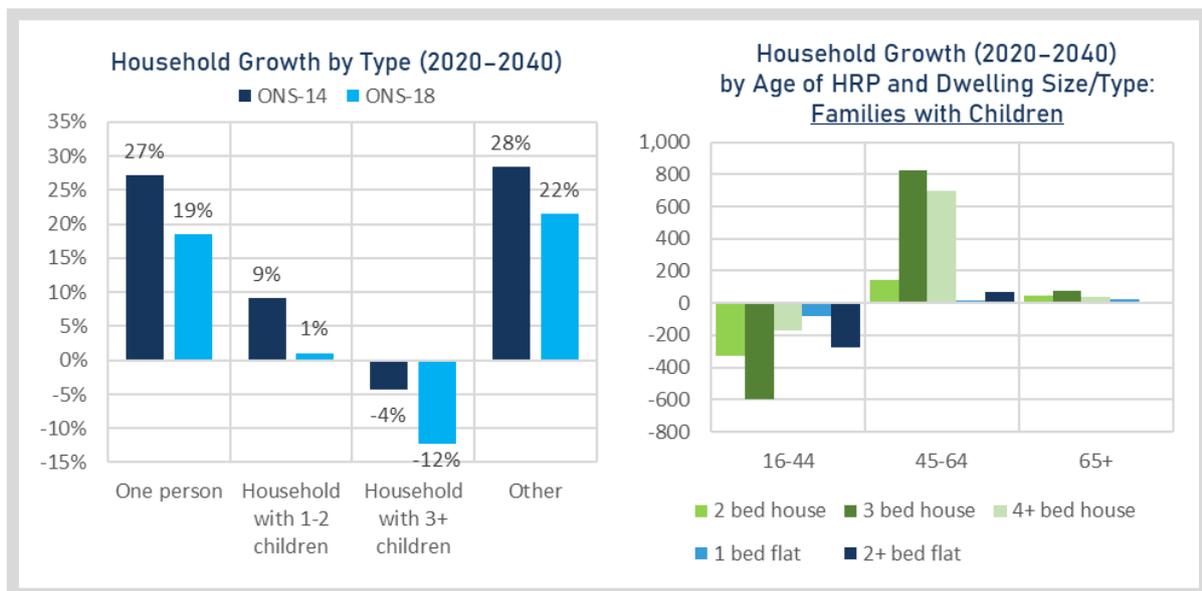


Figure 32: Household growth by type, 2020–2040 and household growth mix for families with children  
 Source: ONS, POPGROUP. Note: mix estimate based on a mid-point between 2014-based and 2018-based household growth (+477 households 2020–2040)

- 9.7 Data from the council’s housing register (as of January 2021) shows there are 150 family households living with other families that are lacking 1 or more bedrooms. Amongst these families, around 89% need 2-bedroom accommodation. Whilst this need is included within the overall affordable housing

need figure (presented in Section 3), it is worth noting the high proportion that require 2-bedroom properties. There are also additional 57 families with children on the housing register that are living with friends or relatives and, although are not overcrowded, they also predominantly need 2-bedroom properties.

## Recommendations

- 9.8 The growth in households with children is not expected to be substantial over the plan period (equating to around 4% of total household growth), and whilst the latest evidence suggests a level of over-crowding in households with children, this may be offset by a reduction in the number of families with 3+ children over the plan period.
- 9.9 It is therefore recommended that the council considers the provision of smaller-sized family housing across the district (e.g. 2-3 bedroom houses). With the number of family households on the housing register seeking affordable accommodation, the emphasis should be on the provision of affordable family housing in Canterbury.

## 10 KEY WORKERS

### SUMMARY

- Around 19% of the working-age population in Canterbury are key workers, compared to the South East average of 25%.
- Across the South East, the majority of key workers work in the Health & Social Care and Education & Childcare sectors.
- Key worker household incomes are similar to non-key workers, however there is variation across key worker occupations, with key workers within the 'food and necessary goods' sector having the lowest household incomes.
- For most key workers, renting is the most affordable housing option in Canterbury; only a small number of key worker occupations have median household incomes sufficient to afford the cheapest shared ownership housing.
- The Council could consider supporting key worker access to affordable housing through Rent to Buy schemes, which would enable a greater proportion of key workers to live near their places of work.

## Key Workers

- 10.1 The NPPF 2019 defines essential local workers as “public sector employees who provide frontline services in areas including health, education and community safety – such as NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers.”
- 10.2 It is estimated that these ‘key workers’ make up around 25% of the total working age (16–64) population of the South East; in Canterbury this proportion is slightly lower at 19%<sup>76</sup>. Across the South East, the majority of key workers work in the Health & Social Care and Education & Childcare sectors (Figure 33), mirroring the national (UK) trend.

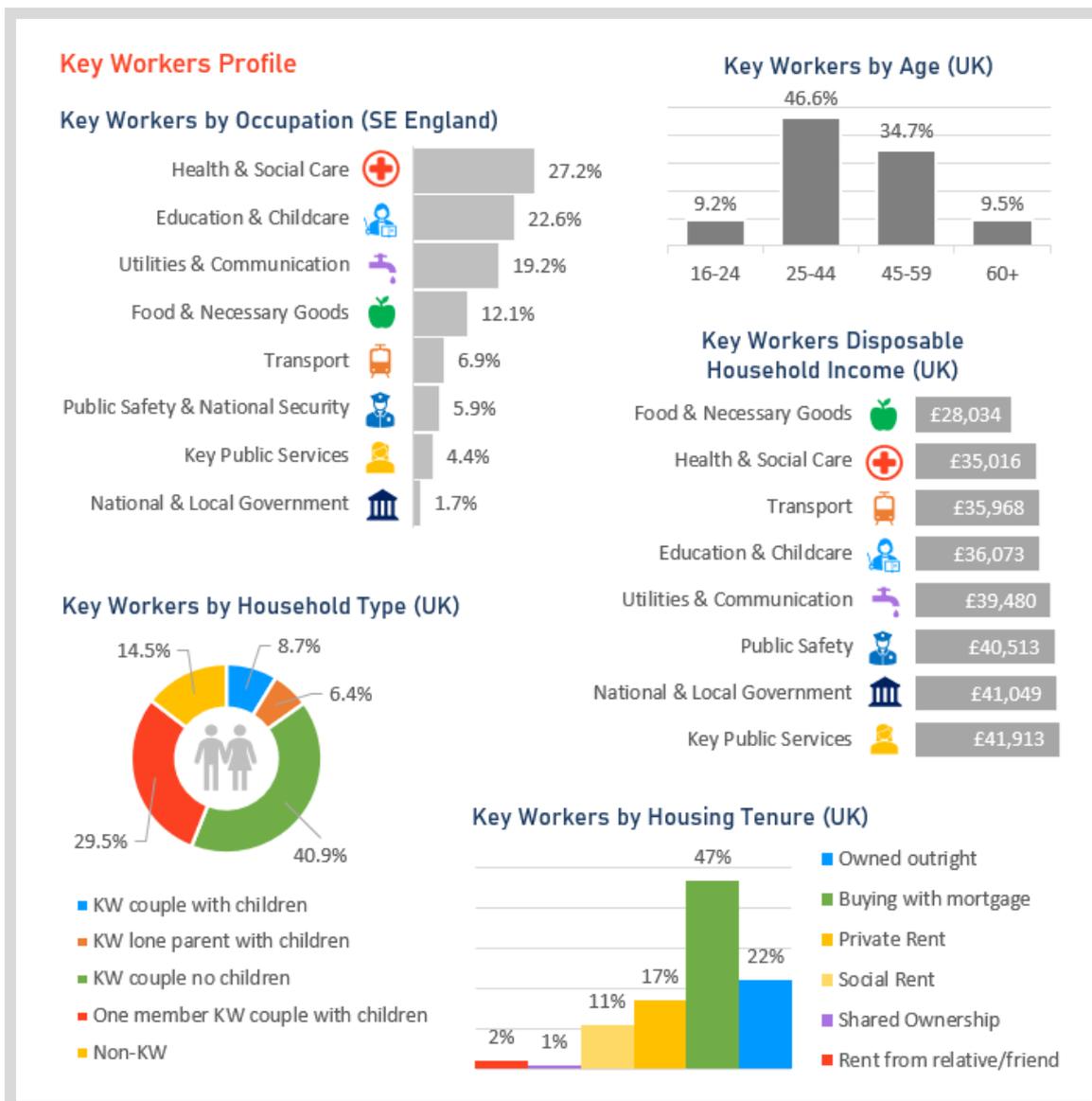


Figure 33: Key worker profile

Source: ONS<sup>76,77,78</sup>

<sup>76</sup> Key Worker Reference Tables, ONS May 2020; ONS MYE 2019

<sup>77</sup> Key workers by housing tenure (UK), ONS 2020

<sup>78</sup> Effects of taxes and benefits on UK household income, Financial Year ending 2019, ONS June 2020

## Affordable Housing for Key Workers

- 10.3 The NPPF (2019) defines affordable housing as “*housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)*”.
- 10.4 In previous years, government initiatives supported key workers access to affordable housing<sup>79</sup>. The Key Worker Housing programme was set up in response to problems with retaining staff for essential public work due to a lack of affordable housing, which led to many key workers being priced out of living near their workplace<sup>80</sup>. Although funding from central government for these programmes ceased in 2004, the government has recently consulted on its First Homes scheme, which would offer a 30% discount on properties to first-time buyers and key workers in England<sup>81</sup>.
- 10.5 There are also schemes offered to key workers from home builders, such as Bovis Homes, whose key worker scheme offers a low deposit and up to 2% off the list prices<sup>82</sup>. Clarion Housing offers affordable rental housing for key workers in the South East<sup>83</sup>.
- 10.6 In the April 2021 Budget<sup>84</sup>, the government announced a new mortgage guarantee scheme for homeowners who are able to raise a 5% deposit when purchasing a home. Although not exclusively for key workers, this scheme will likely help some key worker households without substantial savings to afford their own homes.

## Incomes & Affordability

- 10.7 Across the UK, key worker disposable household incomes are similar to non-key workers, at around £35,300 per year<sup>85</sup>. However, there is variation across occupations; key workers within the ‘food and necessary goods’ sector have the lowest average household income, at £28,034 (see Figure 33), followed by Health and Social Care (£35,016). Whilst there are no household income figures available for Canterbury and the South East, key worker *earnings* for the South East are similar to UK key worker earnings (ONS ASHE 2020<sup>86</sup>). Therefore, the UK household income figures are used here to assess affordability in Canterbury.
- 10.8 Disposable household income figures have been converted to a *gross* household income figure<sup>87</sup>, to enable comparison with the incomes needed to afford open market property prices (both to rent and purchase), and the various affordable home ownership options (as established in Section 3 and Appendix E). For all but four of the key worker occupation categories, the *median* key worker household incomes are insufficient to be able to afford to buy a house on the open market, and to

<sup>79</sup> [Revitalising Key Worker Housing](#), Policy Exchange (2019)

<sup>80</sup> [Office of the Deputy Prime Minister: Housing, Planning, Local Government and the Regions - Third Report](#), House of Commons (2003)

<sup>81</sup> [First Homes Consultation](#)

<sup>82</sup> [Bovis Homes Key Worker Scheme](#)

<sup>83</sup> [Clarion rental homes for key workers](#)

<sup>84</sup> [April 2021 Budget](#), HM Treasury

<sup>85</sup> [Effects of taxes and benefits on UK household income](#), Financial Year ending 2019, ONS June 2020

<sup>86</sup> [Annual Survey of Hours and Earnings \(ASHE\) 2019 and 2020](#), ONS December 2020

<sup>87</sup> The conversion between disposable and gross household incomes is based on data from the [Effects of taxes and benefits on UK household income](#) (ONS, June 2020). Across all regions in the UK, gross household income (which includes benefits) is around 1.3 times higher than disposable income (gross income minus direct taxes).

afford any of the affordable housing options. Shared Ownership (25%) products are affordable for four of the key worker sectors, and First Homes for three of the sectors (Table 15). All key worker categories are able to afford the cheapest entry-level rents, and also Rent to Buy properties.

Table 15: Key worker affordability in Canterbury

Housing Option & Household Income Required		Key Worker Occupation & Gross Household Income*							
		Health & Social Care	Food & Necessary Goods	Transport	Education & Childcare	Utilities & Comms	Public Safety	National & Local Govt	Key Public Services
		£45,521	£36,444	£46,758	£46,895	£51,324	£52,667	£53,364	£54,487
		Is Key Worker household income sufficient to afford housing option?							
LQ Rent (£725 pcm)	£27,273	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Rent to Buy	£23,323	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
LQ House Price (£245,000)	£59,500	No	No	No	No	No	No	No	No
Median House Price (£305,000)	£74,071	No	No	No	No	No	No	No	No
Shared Ownership 25%	£49,592	No	No	No	No	Yes	Yes	Yes	Yes
Shared Ownership 50%	£58,942	No	No	No	No	No	No	No	No
First Homes	£52,567	No	No	No	No	No	Yes	Yes	Yes
Help to Buy	£65,357	No	No	No	No	No	No	No	No

\*Gross household incomes calculated by multiplying disposable incomes in Figure 33 by 1.3<sup>87</sup>

## Recommendations

- 10.9 The above has highlighted that for most key worker households, renting is the most affordable housing option in Canterbury; only a small number of occupations have median household incomes sufficient to afford the cheapest shared ownership housing and First Homes. For individual key workers with a single income, home ownership is likely largely unattainable.
- 10.10 An affordable alternative for key workers is Rent to Buy. Supporting Rent to Buy schemes in Canterbury could enable a greater number of people to live closer to their workplaces, with a view to remaining in the district by eventually owning the property.

# 11 GYPSY & TRAVELLERS

## SUMMARY

- The latest MHCLG caravan count records a total of 76 private caravans with permanent planning permission in Canterbury District.
- Data from CCC shows the estimated number of caravans (mixed sites and tenures) as 95. The data records one local authority site in the district on Vauxhall Road containing 18 pitches, which can hold up to 23 caravans. There are also a number of other private sites, and a number of unauthorised developments within the district.
- The 2018 Canterbury GTAA identified a need for 1.5 additional pitches per year to 2037. Rolled forward to 2040, and taking into account completions to date and the number of sites granted permission, there is a need for an **additional 11 pitches to 2040**.

## Planning Policy

- 11.1 The Planning Policy for Traveller Sites (PPTS), first published in March 2012 and updated in August 2015<sup>88</sup>, was established to be a material consideration in planning decisions on traveller sites. The PPTS, alongside the NPPF, should be used to guide the assessment of the current and future needs of Gypsies and Travellers and Travelling Showpeople.
- 11.2 The PPTS recognises “gypsies and travellers” as:
- Persons of nomadic habit of life whatever their race or origin, including such persons who on grounds only of their own or their family’s or dependants’ educational or health needs or old age have ceased to travel temporarily, but excluding members of an organised group of travelling showpeople or circus people travelling together as such.*
- 11.3 The PPTS describes Travelling Showpeople as:
- Members of a group organised for the purposes of holding fairs, circuses or shows (whether or not travelling together as such). This includes such persons who on the grounds of their own or their family’s or dependants’ more localised pattern of trading, educational or health needs or old age have ceased to travel temporarily, but excludes Gypsies and Travellers as defined above.*
- 11.4 The 2018 Canterbury Gypsy and Traveller Assessment<sup>89</sup> stated that there was no Travelling Showperson households living in Canterbury and the latest MHCLG caravan count (January 2020)<sup>90</sup> confirms this is still the case. Therefore, this review will focus on Gypsy and Traveller households only.

## Current Profile

- 11.5 The latest MHCLG caravan count (January 2020)<sup>90</sup> records a total of 76 private caravans with permanent planning permission in Canterbury District. Data from CCC shows the estimated number of caravans (mixed sites and tenures) is 95. The CCC data records one local authority site in the district on Vauxhall Road containing 18 pitches, which can hold up to 23 caravans. There are also a number of other private sites and unauthorised developments within the district (Figure 34).
- 11.6 There are more private sites within Canterbury than Council-run sites. The CDLP (2017) highlights this difference and remarks on the need for single family sites compared to formal Council-run sites.
- 11.7 Between 2018 and 2020, there were no unauthorised gypsy and traveller sites recorded in the MHCLG Caravan Count, likely a result of a high court injunction that made it illegal for unauthorised travellers to pitch up on open spaces and car parks across the district. This injunction was lifted in November 2020<sup>91</sup> and the latest CCC data records a small number of caravans on unauthorised developments (Figure 34).

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<sup>88</sup> PPTS, MHCLG 2015

<sup>89</sup> Canterbury District Gypsy and Traveller and Travelling Showperson Accommodation Assessment, arc4 2018

<sup>90</sup> Traveller Caravan Count, MHCLG 2020

<sup>91</sup> CCC - High Court Order

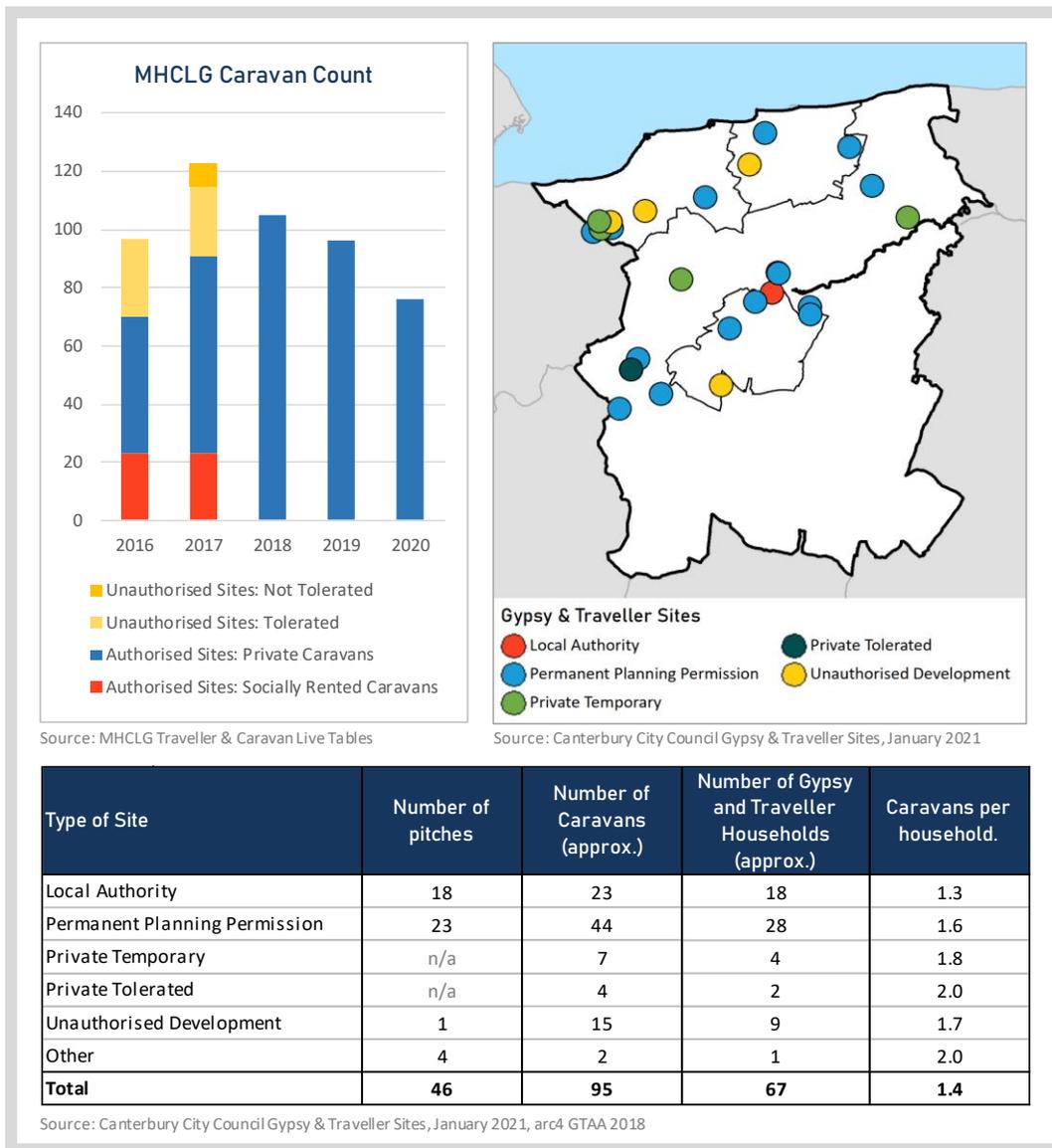


Figure 34: Gypsy & Traveller sites in Canterbury

## Future Need & Supply

- 11.8 The 2018 Canterbury GTAA sets out a five-year supply requirement (2017/18–2021/22) of 17 pitches, and a longer-term need (2017/18–2036/37) of 29 pitches (taking into account turnover on Council sites). Over the last three years, 14 pitches have been completed, and a further 9 pitches have been granted permission<sup>92</sup>. Assuming that the 14 pitches have already been completed and are now occupied, this leaves a residual requirement of 15 pitches to 2037.
- 11.9 Rolling forward the annual level of need identified in GTAA (around 1.5 pitches per year) would result in a residual requirement of around 20 pitches between 2020 and 2040. With 9 pitches granted permission, a further 11 pitches are therefore required to 2040.

<sup>92</sup> CCC AMR 2019/20

## 12 SELF-BUILD

### SUMMARY

- The Council's self-build register records 25 individual applicants as of January 2021, and 3 groups. In total, 47 plots are required, 27 for individuals/groups with a local connection.
- Most people on the register are seeking to build properties with between 3 and 5 bedrooms, and 15 individuals are interested in building eco homes (13 with a local connection).
- There are currently 8 available plots in Canterbury; 7 are single plots and 1 is a multi-plot. Assuming these sites meet the needs of those on the register, an additional 19 plots are required to meet the needs of those currently on the register with a local connection.
- 20 Applicants were granted CIL exemptions between 2020 and early 2021 for self-build properties.
- Demand for self-build housing is negligible when considered against the overall housing need figure; the type and size of housing requirement should be considered within the overall dwelling mix.
- It is recommended that the council continues to monitor the need for self-build plots within Canterbury, supporting the designation of land for such developments.

## Planning Policy

- 12.1 The NPPF (paragraphs 60–61) states that, as part of the assessment of housing need, the needs of those who wish to commission or build their own homes within the community should be considered.
- 12.2 As part of the Self Build and Custom Housebuilding Act 2015, local authorities are required to keep a record of those people looking to acquire serviced plots for their own self-build and custom house building. Local Authorities are also required to grant enough suitable development permissions to meet identified demand within their local area. The PPG states that in order to provide a robust assessment of the demand for self-build housing, the local authority self-build registers should be assessed, alongside relevant secondary data sources<sup>93</sup>.

## Self-Build Register

- 12.3 The CCC self-build register has two parts: Part 1 includes those individuals or groups with a local connection, and Part 2 includes those without.
- 12.4 According to the latest data from the Council’s self-build register there are 25 individual applicants who have applied for self-build plots, and 3 groups. Of the individuals, 20 applicants have a local connection to Canterbury. Most are seeking to build properties with between 3 and 5 bedrooms, and 15 individuals are interested in building eco homes (13 with a local connection). Most are seeking to build detached properties, with 6 expressing interest in building bungalows (Table 16).

Table 16: Characteristics of individual self-build applicants

Number of bedrooms	Number of Applicants on Register	Number of Applicants with Local Connection
2 to 3 bedrooms	9	7
3 to 5 bedrooms	15	12
5 or more bedrooms	1	1
Type of Property	Number of Applicants on Register	Number of Applicants with Local Connection
Bungalow	6	5
Detached/semi-detached	20	17
Eco Home	15	13

Source: CCC Self-Build Register

- 12.5 The group applicants require 19 plots in total, 7 of which are required by groups with a local connection. Two plots are required for single-story eco homes, 5 for individual houses, and 12 plots for a mixed development of low-cost flats and houses to create an intergenerational cohousing community. Combined, the groups and individuals require 44 plots (27 with a local connection).

<sup>93</sup> PPG paragraph 003 Reference ID: 67-003-20190722

- 12.6 A recent evaluation of plot-finding websites (PlotSearch<sup>94</sup> and PlotBrowser<sup>95</sup>) shows that there are 8 available plots for residential use in Canterbury district, with only one offering a multi-plot site for 2 dwellings, and several already with planning permission for housing. Assuming that these sites meet the needs of those individuals/groups on the register with a local connection, an additional 19 plots are required.
- 12.7 Data provided by Canterbury Council on CIL relief shows that 20 applicants were granted CIL exemption in 2020 and early 2021 for self-build properties. The majority of these are for single, two- and three-storey detached dwellings.

## Recommendations

- 12.8 Demand for self-build housing is negligible when considered against the overall housing need figure, and therefore, the type and size of housing requirement should be considered within the overall dwelling mix. It is recommended that the council continues to monitor the need for self-build plots within Canterbury, supporting the designation of land for such developments.

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<sup>94</sup> Buildstore PlotSearch

<sup>95</sup> PlotBrowser

## 13 SERVICE FAMILIES

### SUMMARY

- The last army barracks in Canterbury, Howe Barracks, closed in 2015; the site is now being re-developed for housing.
- With no evidence of Ministry of Defence plans for future expansion, it is not considered likely that there will be future need for housing from this group.
- The households that currently live in the remaining armed forces accommodation at Howe Barracks will likely be integrated into the overall population and will therefore, if in affordable need, be a part of the Canterbury housing register.

- 13.1 There are currently no Ministry of Defence (MOD) barracks in Canterbury.
- 13.2 Howe Barracks, to the east of the City of Canterbury, closed in 2015. Planning permission was granted for the development of 500 new homes, open space and community facilities on the site<sup>96</sup>. To date, 98 dwellings have been completed, with high build-out rates expected over the coming years.
- 13.3 According to CCC Council Tax records as of February 2021, there are 45 dwellings in Canterbury in exemption category O, which are classified as armed forces' accommodation. All of these properties fall within the 'Barracks' parish, at the former Howe Barracks site.
- 13.4 It is likely that the families living in these properties will be integrated into the overall population and will therefore, if in affordable need, be a part of the Canterbury housing register (and their need will therefore be included there).
- 13.5 Furthermore, with no barracks or plans for military expansion, there is unlikely to be future growth in the need from this group.

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<sup>96</sup> CCC AMR 2019/20

## APPENDIX A DOMUS Framework

- A.1 Edge Analytics has combined its expertise in the UK planning system, demographic analytics, forecasting, data management and visualisation within its DOMUS Housing Needs Toolkit.
- A.2 Within DOMUS, generic and client datasets feed into a Housing Needs Model, generating housing need estimates in line with NPPF requirements. Microsoft’s Power BI technology provides visualisation of Model data inputs, assumptions and outputs, together with contextual information on key demographic, socio-economic and housing market indicators.

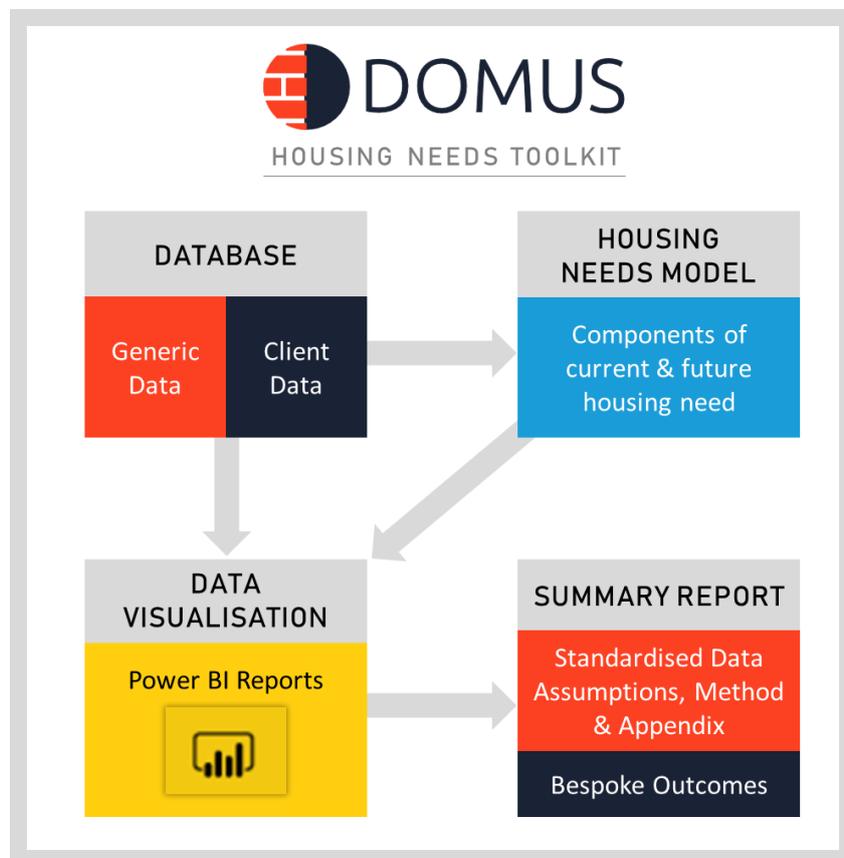


Figure 35: DOMUS framework

# APPENDIX B Demographic Profile

## Historical Population Growth

B.1 With a population of approximately 165,400 at mid-year 2019<sup>97</sup>, Canterbury has experienced positive growth in its population since 2001 (+22%). However, since 2017, the district has experienced its lowest rates of population growth for ten years (Figure 36), a result of falling births and rising deaths, in combination with the implementation of a new methodology for estimating student migration.

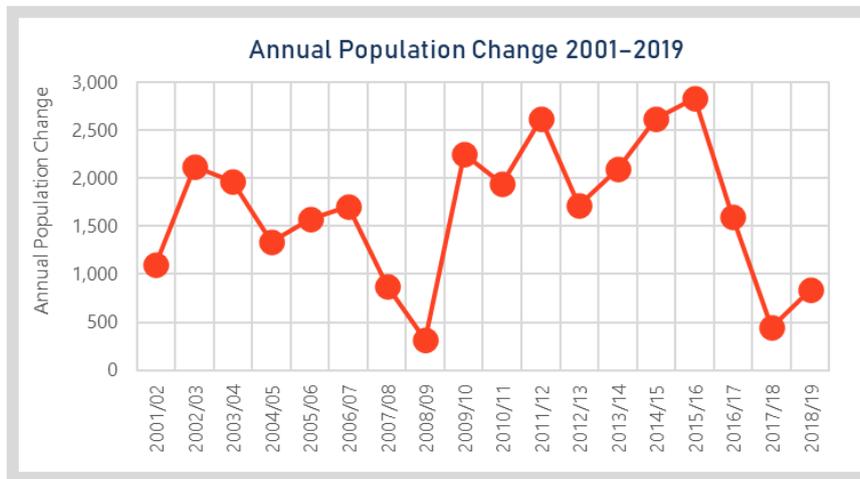


Figure 36: Canterbury – Population Growth Profile  
Source: ONS

B.2 Canterbury City Council recognises four sub-areas: Canterbury, Whitstable and Herne Bay, Rural North and Rural South (see Figure 1, page 2, based on the previous Lichfield’s SHMA). Population growth has been highest in the city of Canterbury sub-area and lowest in Whitstable and Herne Bay (Figure 37).

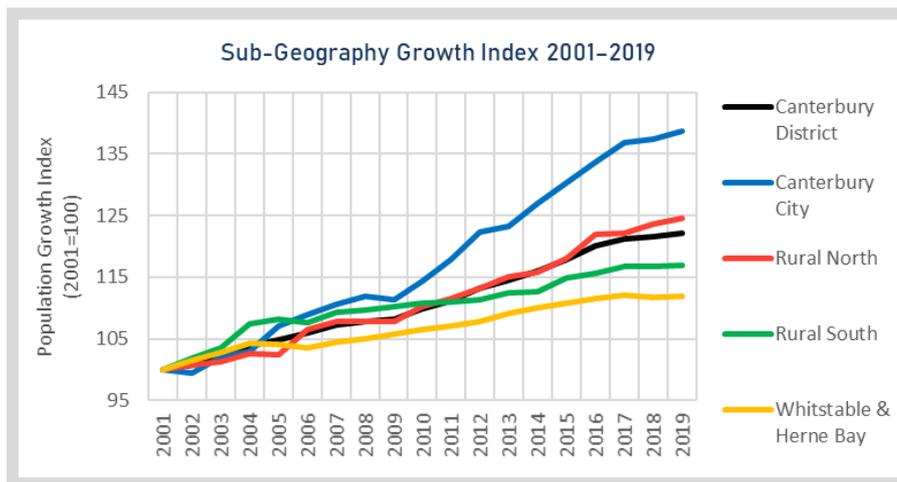


Figure 37: Canterbury – sub-Market Area population growth 2001-2019  
Source: ONS

<sup>97</sup> ONS Population Estimates

### Components of Change

B.3 Population growth is driven by three key ‘components-of-change’: births, deaths and migration, with an Unattributable Population Change (UPC) adjustment made after the 2011 Census to account for population over-estimation (Figure 38). In the following paragraphs, commentary is provided on each of these components of change.

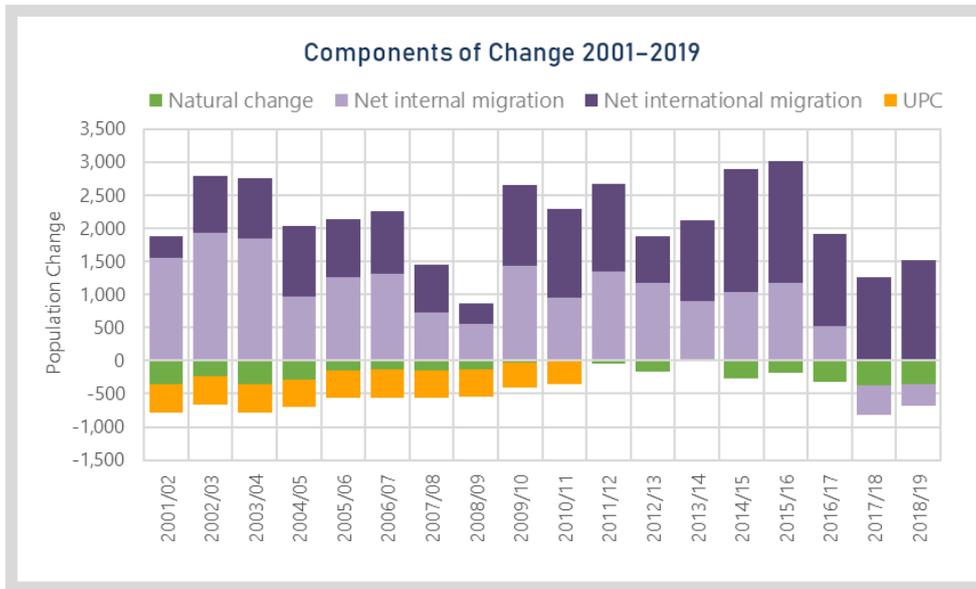


Figure 38: Canterbury – Components of Change  
Source: ONS. Note: UPC refers to Unattributable Population Change

### Natural Change

B.4 Birth numbers rose steadily from 2001 to 2012 but declined sharply thereafter, falling below their 2001 level by 2018/19. At the same time, the number of deaths fell between 2001 and 2015. In recent years, however, the number of deaths has risen, as the ageing of Canterbury’s population begins to take effect. The combined result of these trends is that natural change (the difference between the count of births and death) is having an increasingly *negative* impact upon Canterbury’s annual population change (i.e. deaths exceed births).

### Internal Migration

B.5 The internal migration balance (moves into and out of Canterbury from other parts of the UK) has been positive (and relatively stable) in most years since 2001, underpinned by its large annual student inflow and outflow and the exchange of migrants with other parts of Kent.

B.6 ONS has recently introduced the Higher Education Leavers Methodology (HELM), to, “*distribute those higher education leavers who have not updated their Patient Register address after leaving higher education, using the movement patterns of students who have previously left higher education*”. ONS has applied this methodological change from 2016/17 onwards.

B.7 The HELM methodology, whilst requiring a considerable degree of imputation, is designed to better reflect the speed and pattern of movement of students, following graduation. It seeks “*to increase the*

*outflow of graduates from local authorities with higher education institutions at ages 22 and 23 years and to increase the inflow of graduates to local authorities that are popular graduate destinations (such as London and other major urban centres) at the same age*<sup>98</sup>.

B.8 Due to the difficulties associated with the estimation of student migration, Canterbury’s mid-year population estimates have long been subject to a potential over-estimate in the 22–26 age-range, when compared to administrative data sources<sup>99</sup>, so the ONS HELM change would appear to be a positive step. The resulting impact, however, is that Canterbury’s net migration balance has changed to a *negative* contribution to population change since 2017 (see Figure 38), with a higher out-migration than in-migration resulting from the student correction.

### International Migration

B.9 International migration has been a consistently positive contributor to Canterbury’s annual population change, adding almost +1,400 pa since 2011. In 2018 and 2019, with a negative balance from both natural change and internal migration, it was estimated to be the sole driver of population growth in the district. A steady rise in total National Insurance Number (NINo) registrations since 2014 has been an important driver of this, due primarily to the high incidence of migrant workers from Bulgaria and Romania (Figure 39). However, it is unclear how many of these migrant workers have remained in Canterbury, moved elsewhere in the UK, or returned to their country of origin.

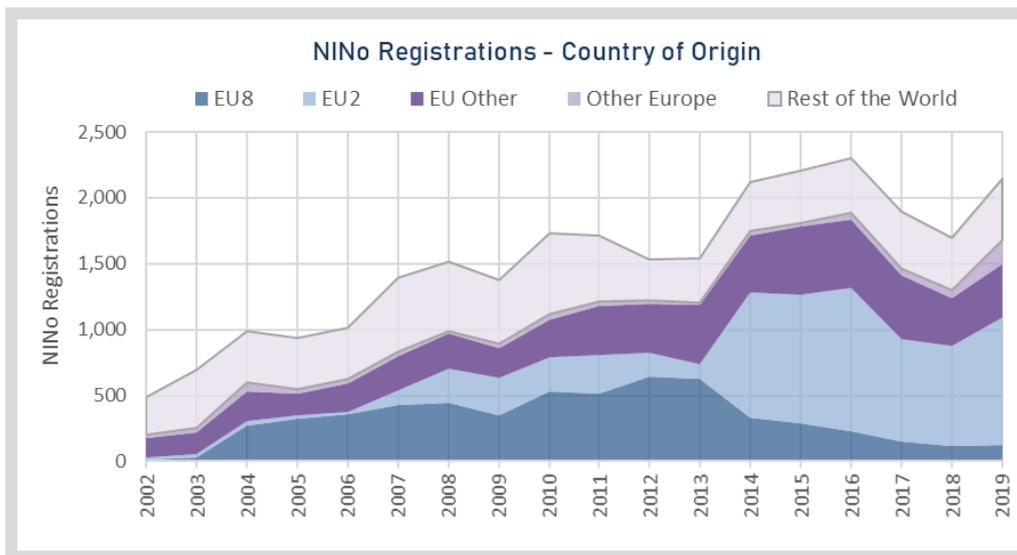


Figure 39: Canterbury – NINo Registration Profile<sup>100</sup>

### UPC & Population Over-Estimation

B.10 Canterbury’s mid-year population estimates have long been subject to potential over-estimation, both before and after the 2011 Census<sup>101</sup>, due to the difficulties associated with the estimation of student migration and the challenge of estimating the combined impact of immigration and emigration.

<sup>98</sup> Population estimates for the UK, mid-2019 methods guide, July 2020

<sup>99</sup> ONS Research Outputs Estimating the Size of the Population in England and Wales, 2016

<sup>100</sup> EU8: countries joining the EU in 2004 including, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia. EU2: Bulgaria and Romania. EU Other: All other EU member countries. Other Europe: European countries outside the EU.

<sup>101</sup> ONS Research Outputs Estimating the Size of the Population in England and Wales, 2016

- B.11 After the 2011 Census, an unattributable population change (UPC) adjustment of -4,155 was applied retrospectively to correct this over-estimation. Since 2011, it is very likely that Canterbury’s population has continued to be subject to over-estimation, firstly due to the challenges associated with the estimation of student migration following graduation, and secondly due to the more significant challenge of estimating the combined impact of immigration and emigration.
- B.12 The ONS HELM methodology has made some adjustments to Canterbury’s potential over-estimation of young adult populations, but this change has not been applied retrospectively (i.e. before 2016). Based on the pre-2011 UPC adjustment, it is estimated that an over-estimation of Canterbury’s usually resident population of up to 4,000 may be revealed when results from the forthcoming 2021 Census count are published.

### Population Age Structure

- B.13 The result of the annual change in Canterbury’s population since 2001 is an age profile that reveals some important characteristics (Figure 40). With three Higher Education institutions within the district, Canterbury’s ratio of students (aged 18+) to permanent residents (aged 16–74) is one of the highest in England at 16.4%, compared to a national average of 6%. This concentration of students in the district, and the increase in student numbers since 2001 produces the dominant spike at ages 19–22. ONS’ introduction of the HELM methodology (but only from 2016 onwards) has produced the uncharacteristic ‘dip’ in the age profile at ages 23–24.

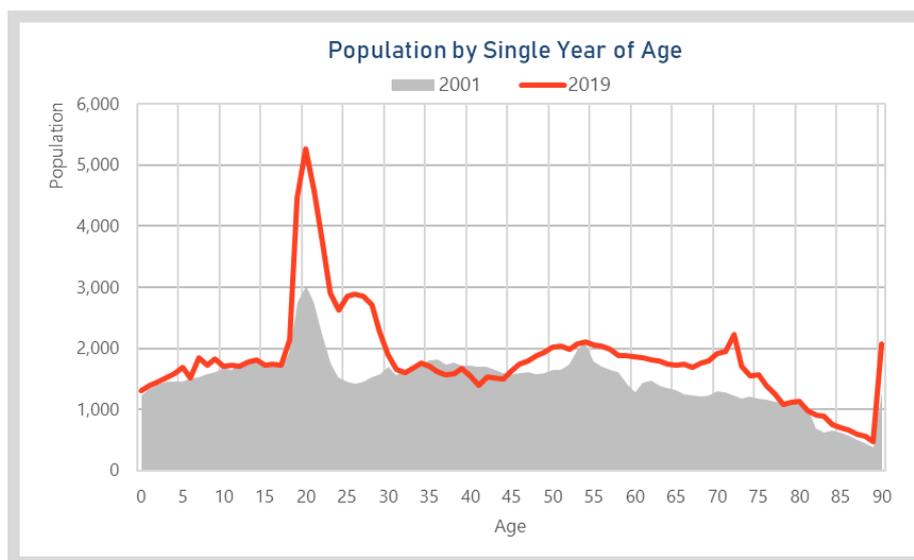


Figure 40: Canterbury – Population Age Profile  
Source: ONS MYEs

- B.14 The ageing of Canterbury’s population is reflected in the 55+ age profile, with the relatively large cohorts born following the Second World War (spike at age 72) and in the decades that followed, resulting in significant population growth in older age-groups. It is the continued ageing of these cohorts, and the life expectancies of its cohort members, that will have a critical influence on Canterbury’s housing need mix.

## Official Projections

- B.15 The ONS 2014-based population projection (ONS-14), which underpins the LHN Standard Method, estimates that the population of Canterbury will increase by +25,335 (+15%) by 2040. The latest 2018-based projection (ONS-18) has a *lower* growth outlook, a result of a dampened fertility and mortality outlook, which reduces birth numbers and slows the rate of improvement in life expectancies across the UK. Methodological adjustments to local area emigration and the HELM student migration methodology have also had an impact, with population growth projected to be +12,817 (+8%) to 2040 under the 2018-based projection.
- B.16 The lower growth of the 2018-based trajectory (ONS-18) results in alterations to the projected population change by age group (Figure 41). This is particularly noticeable in the youngest age-groups (due to dampened fertility), the 25–29 age-group (due to changes in migration estimation methodology), and in the oldest age-group (due to lower life expectancy assumptions).

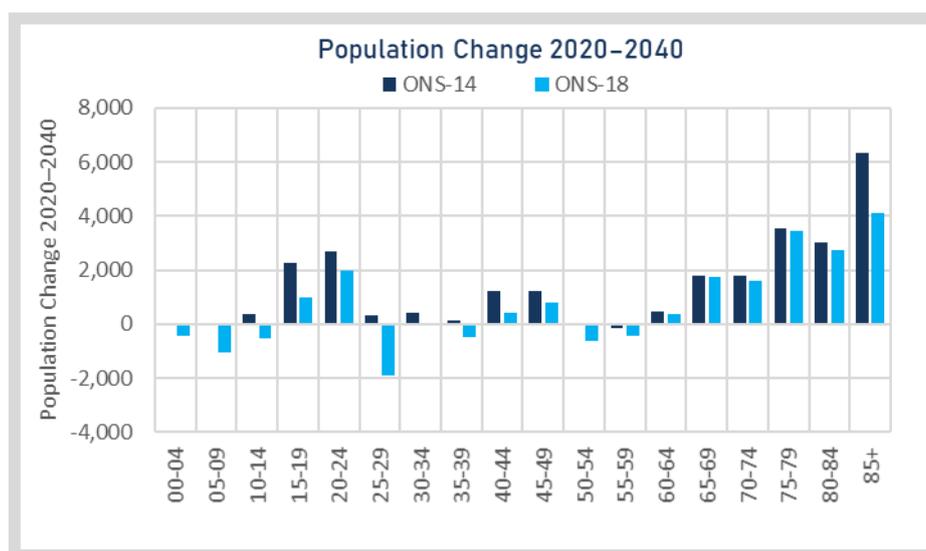


Figure 41: Canterbury – Projected Population Change 2020-2040  
 Source: ONS sub-national population projections

- B.17 The HELM student migration correction (see paragraphs B.6 to B.8) is of particular importance to Canterbury; the district has three HE institutions and one of the highest ratios of students to permanent residents in England (16.4% compared to a 6% national average). To be consistent with the application of its new student migration estimation methodology, the ONS 2018-based projection is underpinned by a two-year internal migration history (2016–2018). For comparison with this ‘central’ projection, a variant projection has been produced by ONS, with internal migration assumptions drawn from a more typical 5-year period (2013–2018). This variant includes migration assumptions calculated using a mix of the new and old estimation methodologies.
- B.18 The impact of these changes on the population and household growth outcomes of the ONS-14 and ONS-18 projections are summarised in Table 17. The ONS-18 projection, incorporating dampened assumptions on fertility and mortality, plus the adjustment to student migration, records the lowest level of population growth (+8%) and household growth of 519 per year over the 20-year period. With migration assumptions based on a mix of old and new estimation methodologies, the ONS-18-5

scenario results in a higher level of household growth, at 684 per year. The ONS-14 scenario, underpinning the Standard Method, projects the highest level of growth, at +778 households per year.

Table 17: ONS population and household growth outcomes 2020–2040

Scenario	Change 2020–2040			Average per year	
	Population Change	Population Change %	Households Change	Households Change %	Net Migration
ONS-14	25,355	15%	15,562	22.9%	1,518
ONS-18-5	20,796	12%	13,679	19.8%	1,581
ONS-18	12,817	8%	10,376	15.2%	1,303

Source: ONS, POPGROUP. Household growth estimated by applying Household Representative Rates (HRR) from MHCLG's 2014-based household projection model.

- B.19 Whilst the HELM methodological changes are an important update, in that they go some way to 'correcting' the over-estimation in the younger age groups, there is limited corroborative evidence to validate the new estimation method. The 2021 Census will therefore provide a timely update to the count of Canterbury's population.

### Sub-Geography Growth Profile

- B.20 Canterbury is split into 4 sub-geographies: Canterbury City, Rural North, Rural South, and Whitstable and Herne Bay Coastal. These areas are consistent with the previous Lichfields SHMA.
- B.21 Over the 2020–2040 plan period, the latest 2018-based population projection from ONS projects an 8% increase in Canterbury's population. When viewed by sub-geography, population growth is projected in all areas but Canterbury City, where the population is projected to decline by 12% by 2040 (Figure 42).
- B.22 A less pronounced reduction in Canterbury City's population is projected under the earlier 2014-based projection, and higher growth is projected in the Rural North area under this scenario.

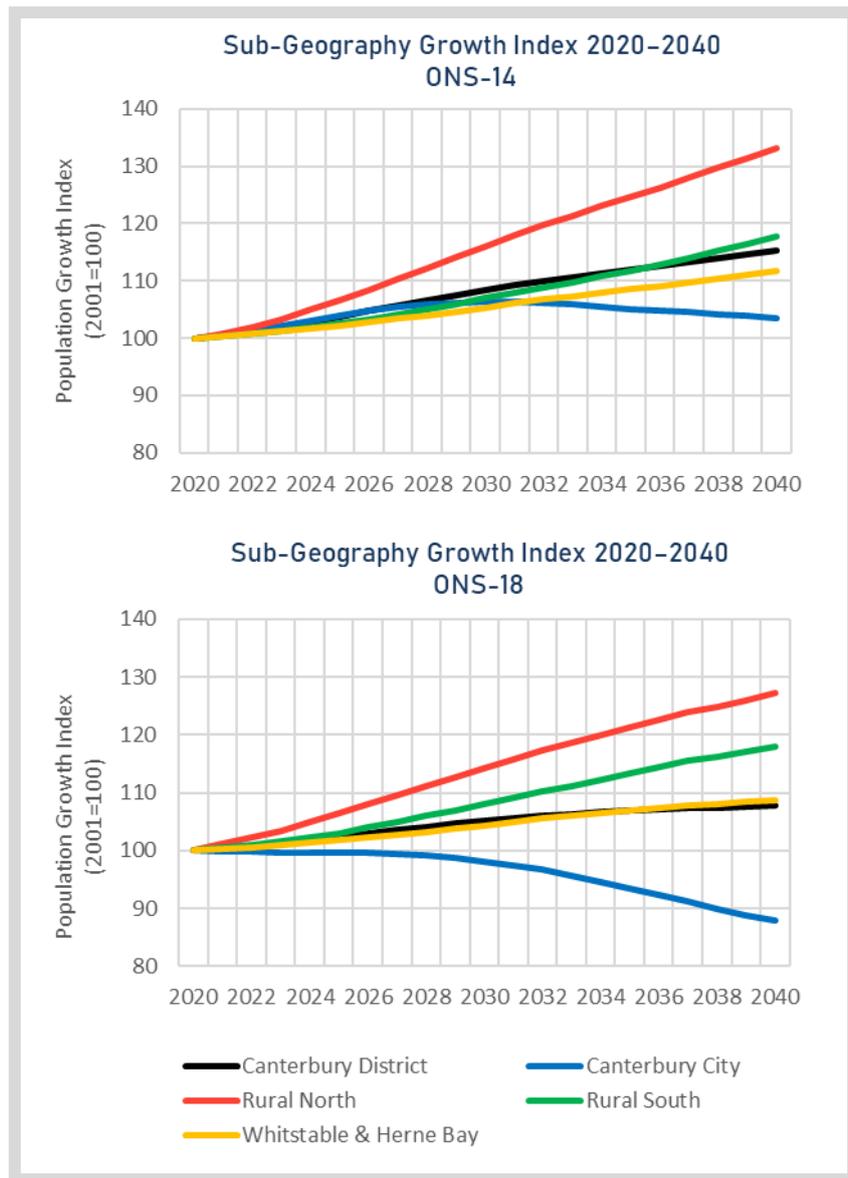


Figure 42: Canterbury Sub-Geographies- Projected Population Change 2020-2040  
 Source: ONS

## APPENDIX C Standard Method

C.1 The steps taken to calculate the LHN figure, **as set out in the PPG**<sup>102</sup>, are as follows:

### Step 1: Set the baseline

C.2 The baseline level of growth is calculated from the 2014-based sub-national household projections<sup>103</sup>, with the average level of household growth calculated over a 10-year period (from the current year). The 2014-based projections are used to align with the government's housing growth ambitions and to *"to provide stability for planning authorities and communities [and] ensure that historic under-delivery and declining affordability are reflected"* (PPG paragraph 005 Reference ID: 2a-005-20190220).

C.3 For Canterbury, this results in a baseline of **806** households per year (calculated over a 10-year period from the current year, 2021).

### Step 2: Apply affordability adjustment

C.4 The baseline figure is adjusted to account for affordability, utilising the latest available median house price to workplace-based earnings ratios<sup>104</sup>. No adjustment is applied where the affordability ratio is 4 or below. For each 1% the ratio is above 4, the average household growth baseline is increased by a quarter of a percent:

$$\text{Adjustment factor} = \left( \frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

C.5 For Canterbury, with a median house price of £312,750 and gross annual workplace-based earnings at £27,940, the local affordability ratio is 11.19. Using the equation above, this results in an adjustment factor of 1.45. This increases the figure above the baseline to **1,168** dwellings per year.

### Step 3: Cap the level of increase

C.6 A cap is then applied to limit the level of increase, depending upon the stage that the local authority is at with regards to its strategic policies for housing. Where the policies have been adopted within the last 5 years, the LHN is capped at 40% above the average annual housing requirement figure as set out in the existing policies (where this figure is higher than the figure calculated at Step 2, the LHN applies). Where the relevant policies were adopted more than 5 years ago, the LHN is capped at 40% above whichever is higher of:

- the average annual projected household growth identified in Step 1; or
- the average annual housing requirement figure as set out in the most recently adopted strategic policies.

<sup>102</sup> PPG paragraph 006 Reference ID: 2a-006-20190220

<sup>103</sup> 2014-based household projections in England, 2014 to 2039, MHCLG, Live Table 406

<sup>104</sup> House price to earnings ratios, ONS 2020

- C.7 The cap that limits the increase in the minimum annual housing need is based on the strategic policies of the authority at the time of the assessment. As with the affordability ratio and sub-national household projections, this may change over time and a cap may therefore not always be applicable.
- C.8 In the case of Canterbury, the Local Plan was adopted in 2017<sup>105</sup>, setting out an annual housing target of 800 dwellings per year (+16,000 homes over the plan period). As the date of adoption is less than 5 years ago, the LHN is capped at 40% above the adopted target, taking the final LHN to **1,120**.

#### Step 4: Apply cities and urban centres uplift

- C.9 For the top 20 urban local authorities with the greatest population (according to the ONS list of major towns and cities<sup>106</sup>, ranked by population size using the latest mid-year population estimate), a 35% uplift is applied. This final stage is not applicable to Canterbury.

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<sup>105</sup> [Canterbury District Local Plan](#) adopted July 2017

<sup>106</sup> [ONS Major Towns and Cities, December 2015](#)

# APPENDIX D Housing Stock Profile

## Housing Stock

D.1 The latest Council Taxbase statistics record a total of 68,846 dwellings on its valuation list for Canterbury, with 2.2% classified as vacant (compared to 1.9% nationally) and 6.3% subject to student exemption (compared to 1.1% nationally)<sup>107</sup>. Canterbury has a relatively high proportion of bungalows, flats and detached properties when benchmarked against its County, region and England in total<sup>108</sup>. Terraced and semi-detached properties make up a smaller proportion of the district’s stock profile relative to the country and regional figures (Figure 43).

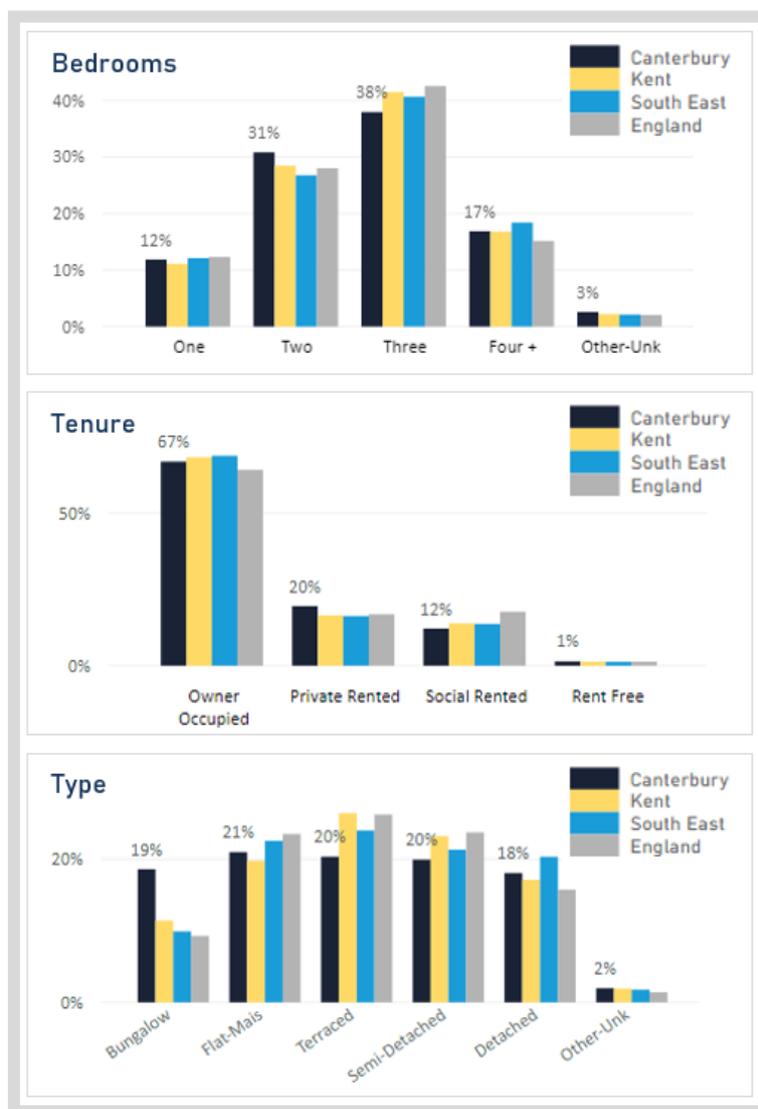


Figure 43: Canterbury - Housing Stock Profile  
Source: 2011 Census

<sup>107</sup> Council Taxbase 2020

<sup>108</sup> Council Tax Stock of Properties Table CTSOP3.0\_2020

- D.2 In terms of tenure, Canterbury recorded 67% owner occupation and 12% social rented at the 2011 Census, each value falling below the Kent and regional averages<sup>109</sup>. In contrast, given its high student population, private rented stock accounted for 20% of the total, considerably above its higher geography averages. Current (2018) ONS estimates suggest that the proportion of owner-occupied properties in Canterbury has decreased to 62%, with the proportion privately renting having increased to 27%<sup>110</sup>.

## Occupancy

- D.3 Using 2011 Census data, in combination with current dwelling<sup>111</sup> and 2019 household population estimates<sup>112</sup>, it has been possible to estimate average dwelling occupancy across Canterbury. On average, there are 2.37 people per dwelling across the district, with variations in across tenures and the four sub-geography areas (Table 18). Occupancy is highest in the 'owned' properties in all but Canterbury City, where occupancy is highest in the social and private rent categories.

Table 18: Dwelling occupancy rates

Area	Average Dwelling Occupancy			
	All Tenures	Owned	Private Rent	Social Rent
Canterbury City	2.57	2.51	2.57	2.69
Rural North	2.39	2.71	1.50	2.47
Rural South	2.47	2.65	1.80	2.47
Whitstable & Herne Bay	2.21	2.34	1.74	2.09
Canterbury (district)	2.37	2.48	2.06	2.46

Source: 2011 Census, MHCLG, ONS. Occupancy rates are calculated as household population / occupied dwellings

## Overcrowding & Concealment

- D.4 Recorded household overcrowding in Canterbury was 3.5% at the 2011 Census across all tenure types. Highest in social rented (9.4%), lower in private rented (6.2%) and lowest in owner occupied (1.5%)<sup>113</sup>. These averages were all *below* regional and national benchmarks with the exception of social rented accommodation, for which Canterbury's overcrowding rate was the highest. Since 2011, the national trend has been for a fall in overcrowding in owner occupied properties but a rise in social and private rentals, highest in the former<sup>114</sup>.
- D.5 When viewed by sub-geography, overcrowding is most acute in Canterbury City (5.6%), with a lower proportion of households overcrowded in the Rural South (1.7%), Rural North (2.7%), and Whitstable & Herne Bay (2.8%) (Table 19).

<sup>109</sup> Census Table KS402EW

<sup>110</sup> [ONS subnational dwelling stock by tenure estimates](#)

<sup>111</sup> MHCLG Live Table 100 (2019), in combination with ONS Subnational dwelling stock estimates by tenure

<sup>112</sup> ONS household projections, POPGROUP

<sup>113</sup> Census Table DC4105EW1a – Tenure by occupancy rating (bedroom) by household composition

<sup>114</sup> [English Housing Survey 2019 to 2020: headline report](#)

Table 19: 2011 Census overcrowding

Area	Households Under-occupying	Sufficient Number of Bedrooms	Households Overcrowded (over-occupying)
Canterbury City	59.9%	34.5%	5.6%
Whitstable & Herne Bay	73.1%	24.1%	2.8%
Rural North	78.1%	19.2%	2.7%
Rural South	81.2%	17.1%	1.7%
Canterbury (district)	71.1%	25.4%	3.5%

Source: 2011 Census Table QS412EW - Occupancy rating (bedrooms)

D.6 The prevalence of concealed families (households where there is an additional family living with a primary family, such as a young couple living with a parent or parents of one member of the couple) has been relatively low in Canterbury compared to higher geographies. The Census recorded a 1.5% prevalence rate in Canterbury, compared to 1.6% across the SE region and 1.9% nationally<sup>115</sup>.

### Housing Completions

D.7 Based on MHLCG data, Canterbury has achieved an average annual completion rate of +572 per year since 2001/02, although completion rates (as percentage of dwelling stock) have fallen below the Kent and South East (SE) regional averages since 2015 (Figure 44).

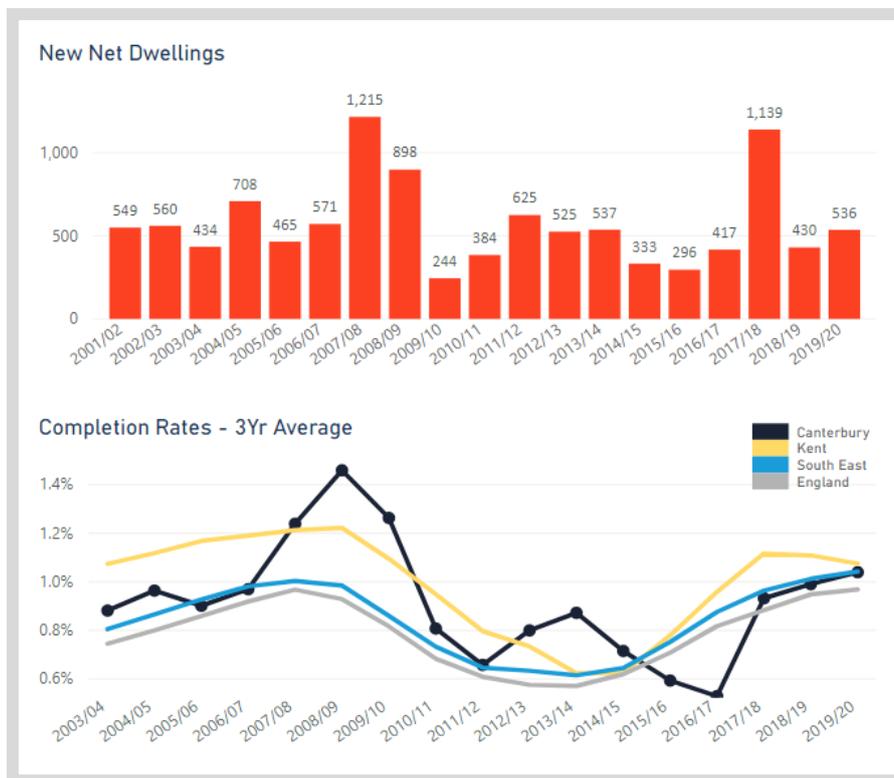


Figure 44: Canterbury – Completion Rate Profile

Source: MHLCG Tables 122 and 125

<sup>115</sup> Census Table DC1110EW1a – Concealed family by family type

- D.8 Completions were highest between 2007 and 2009, dropping sharply thereafter, with a peak in 2017/18 driven by the construction of new student accommodation (Figure 45, Table 20).
- D.9 Affordable housing completions peaked in 2011/12 and in 2019/20, with lower rates of delivery in the intervening years. Between 2014/15 and 2018/19, there were no social rent housing completions in Canterbury, although 44 units were completed in the latest year. Over the last 5 years, the completion rate for affordable home ownership has averaged 34 per year, and 35 per year for affordable/social rent combined.

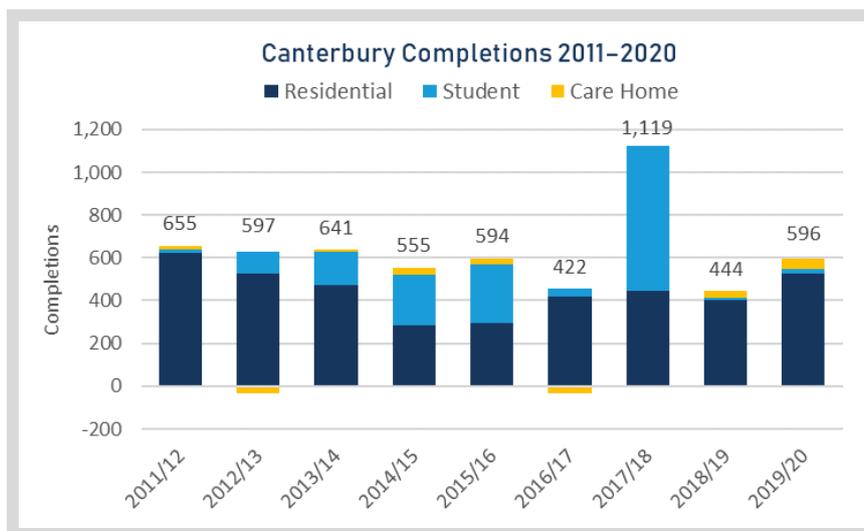


Figure 45: Canterbury completions  
Source: CCC

Table 20: Canterbury housing completions

Category	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total	Av.
Students S/C	0	31	15	0	41	24	573	0	10	694	77
Students communal	15	74	141	237	234	16	106	7	12	842	94
Care Homes S/C	0	0	0	0	0	0	7	21	0	28	3
Care Homes communal	16	-32	10	32	23	-35	-13	11	47	59	7
Residential	624	524	475	285	296	417	446	405	528	4,000	444
<b>Total</b>	<b>655</b>	<b>597</b>	<b>641</b>	<b>554</b>	<b>594</b>	<b>422</b>	<b>1,119</b>	<b>444</b>	<b>597</b>	<b>5,623</b>	<b>625</b>

Source: CCC AMR 2019/20, CCC HIA. Figures are slightly different to the published net new dwellings figures from MHCLG due to differences in the way completions figures are recorded.

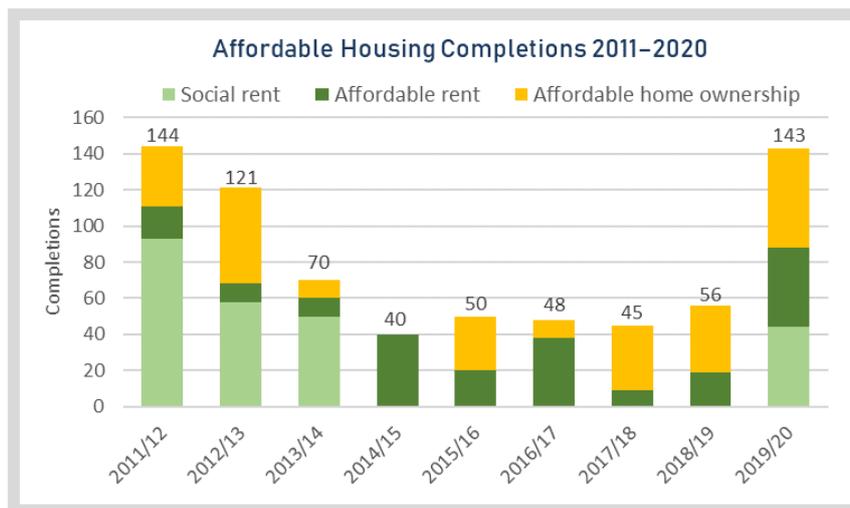


Figure 46: Canterbury affordable housing completions  
Source: CCC

Table 21: Canterbury affordable housing completions

Completions	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total	5yr Av.
Affordable rent	18	10	10	40	20	38	9	19	44	164	26
Affordable home ownership	33	53	10	0	30	10	36	37	55	209	34
Social rent	93	58	50	0	0	0	0	0	44	201	9
<b>Total</b>	<b>144</b>	<b>121</b>	<b>70</b>	<b>40</b>	<b>50</b>	<b>48</b>	<b>45</b>	<b>56</b>	<b>143</b>	<b>574</b>	<b>68</b>

Source: CCC

## APPENDIX E Affordability & Income Profile

### House Prices

- E.1 The median house price in Canterbury as of June 2020 was £305,000, with properties more expensive than across Kent, but cheaper than the South East average of £325,000. As of the year ending September 2020, the median house price in Canterbury had risen to **£312,750**, a 4.3% increase from September 2019. This is likely reflective of pent-up demand following the introduction of public health restrictions during the COVID-19 pandemic during Spring 2020, and the Stamp Duty holiday introduced by the government in summer 2020<sup>116</sup>.

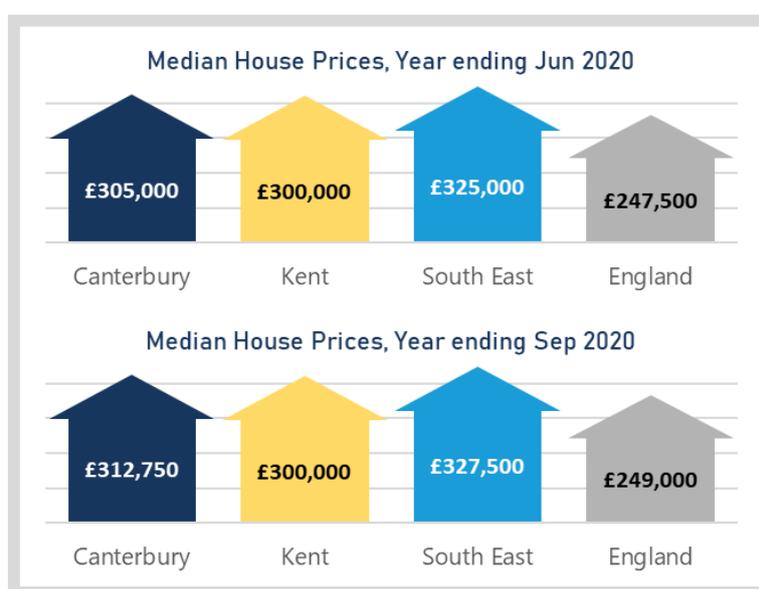


Figure 47: Median House Prices, June & September 2020

Source: ONS HPSSA dataset 9

- E.2 Lower quartile (entry-level) properties cost £245,000 in Canterbury in June 2020, the same as the South East as a whole, and slightly more expensive than Kent. As with median property prices, lower quartile prices increased in the year ending September 2020, to £250,000 (Figure 48).
- E.3 The median property price has increased 239% since 2001, dipping following the recession in 2008 and recovering thereafter, following a similar trend to that seen across Kent and the South East. Since 2013, property prices have increased at a faster rate than the national average (Figure 49). The median price for a new build property is nearly **£350,000** in Canterbury. Since 2017, new build property prices have increased at a faster rate than that seen across Kent, the South East, and England.

<sup>116</sup> Recent trends in the housing market, ONS (January 2021)

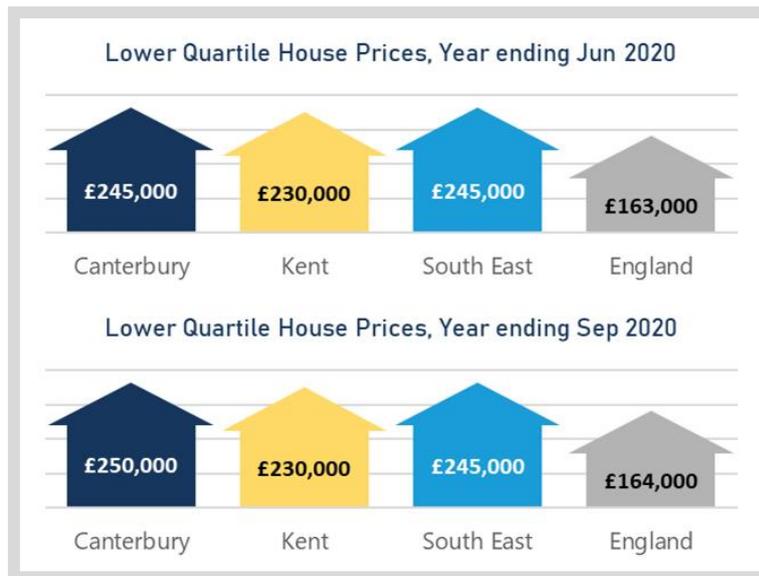


Figure 48: Median House Prices, June & September 2020

Source: ONS HPSSA dataset 9

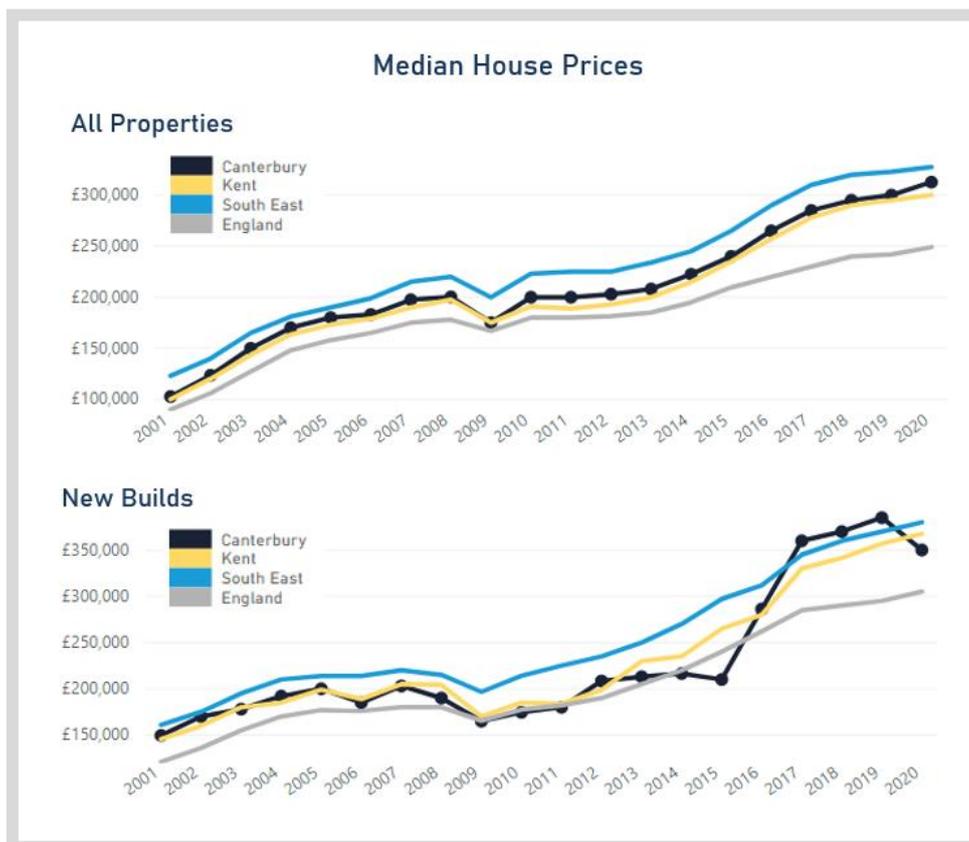


Figure 49: Median House Prices, 2001-2020

Source: ONS HPSSA datasets 9 and 10

E.4 Detached and semi-detached properties are cheaper in Canterbury than across Kent as a whole, whereas terraced properties and flats/maisonettes are more expensive (Figure 50).

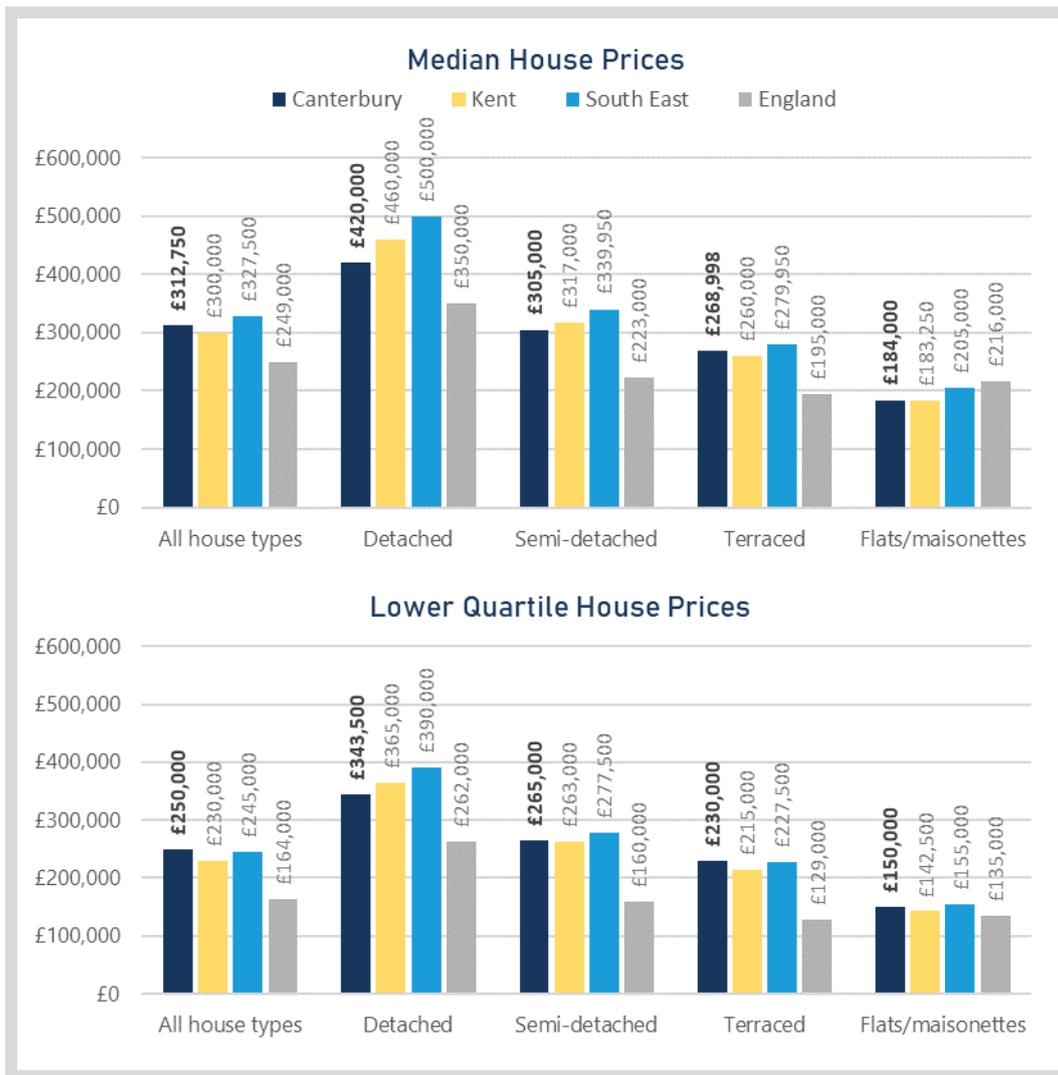


Figure 50: Lower Quartile and Median House Prices, March 2020

Source: ONS HPSSA datasets 9 and 15

## Rents

E.5 ONS data on private market rents<sup>117</sup> shows a median rental cost of **£775** per month in Canterbury, cheaper than prices across the South East and Kent, but more expensive than the England average. Canterbury’s lower quartile private rents are consistent or above the Kent average when viewed by property size, but the figure for ‘All’ property types is considerably lower, dipping below the England figure at £425 per month (Figure 51).

<sup>117</sup> ONS [Private rental market summary statistics](#), Oct 2019 to Sept 2020

Table 22: Monthly rental costs

Area	Monthly Rent (2020)	
	Median	Lower Quartile
England	£725	£550
South East	£895	£735
Kent	£800	£650
<b>Canterbury</b>	<b>£775</b>	<b>£425</b>

Source: ONS [Private rental market summary statistics](#), Oct 2019 to Sept 2020

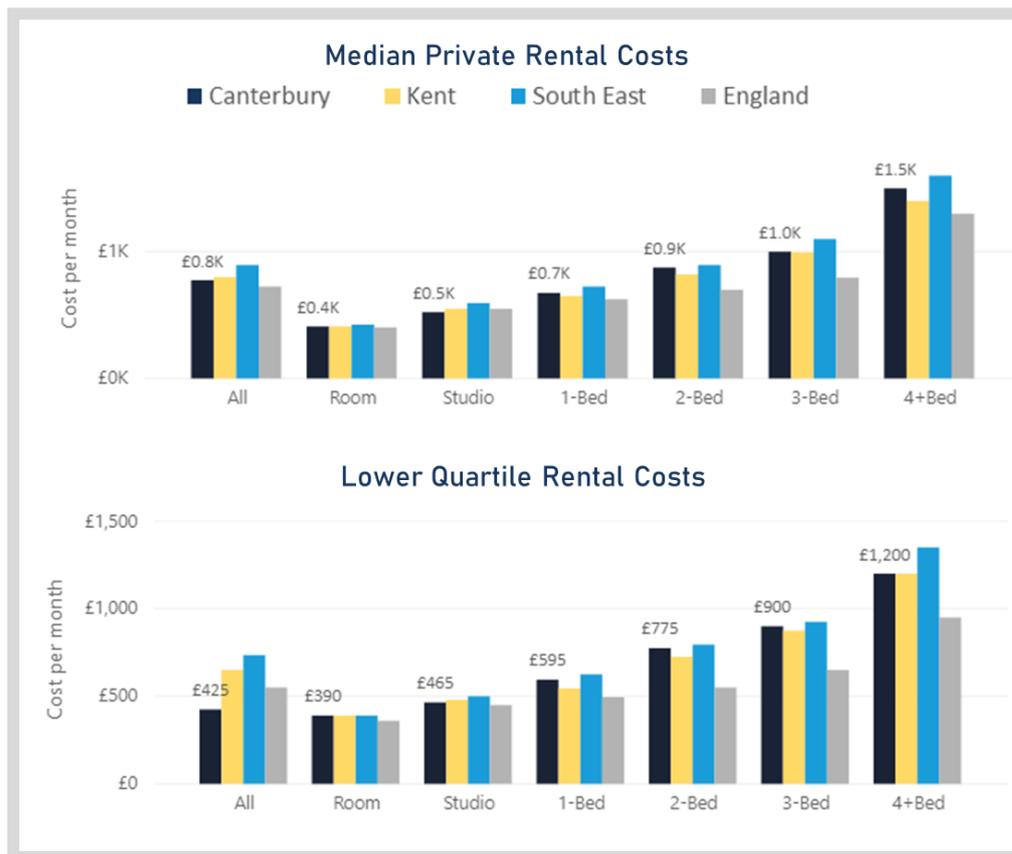


Figure 51: Canterbury – Private Rentals  
Source: ONS 2020

E.6 The lower quartile figure is likely being skewed by the proliferation of student lets in Canterbury. When compared to a range of data on social and affordable rents in Canterbury (which, by definition, should be around 60% to 80% of market rents respectively), this disparity is clear (Table 23). The lower quartile figure of £425 per month is similar to the social rent figures and is considerably lower than the affordable rent figures.

Table 23: Canterbury monthly rental cost comparison

Description	Monthly Rent
Median private rent (ONS Private rental statistics)	£775
<b>Lower quartile rent (ONS Private rental statistics)</b>	<b>£425</b>
30th percentile of private rents 2018-19, Local Housing Allowance Rate by BRMA <sup>118</sup>	£791
Affordable rent, private registered providers (CORE) <sup>119</sup>	£670
Affordable rent, LA Registered Providers & PRPs, Regulator of Social Housing (2019-20) <sup>120</sup>	£638
Affordable rent, private registered providers (SDR 2019) <sup>121</sup>	£630
<b>Social</b> rent, private registered providers (SDR 2019) <sup>121</sup>	£448
Local Authority <b>social</b> rent 2018-19 (Local Authority Housing Statistics) <sup>122</sup>	£375

- E.7 An analysis of private rental costs from Zoopla and Rightmove (excluding house shares, retirement homes and student accommodation) suggests that a lower quartile figure of £725 per month is more appropriate for Canterbury, removing the possible student influence from the published ONS private rental market figures.

Table 24: Profile of current rental properties in Canterbury by property type and size

Type and Size of Property	Lower Quartile Price	Average rental cost	Upper Quartile Price	Count
1 bed flat	£725	£750	£815	55
2 bed flat	£900	£995	£1,050	95
3 bed flat	£1,050	£1,150	£1,200	75
2 bed terraced	£950	£995	£1,100	42
3 bed terraced	£1,200	£1,260	£1,305	47
4 bed terraced	£1,430	£1,600	£1,680	30
2 bed semi-detached	£900	£1,075	£1,225	5
3 bed semi-detached	£1,183	£1,200	£1,350	22
4 bed semi-detached	£1,400	£1,440	£1,500	35
2 bed detached	£970	£1,395	£1,400	5
3 bed detached	£1,125	£1,575	£1,625	9
4 bed detached	£1,500	£1,543	£1,625	17
3 bed bungalows	£1,185	£1,200	£1,320	6
4 bed bungalows	£1,400	£1,646	£1,750	5

Source: Atlas Consulting online study, January 2021

<sup>118</sup> Local Housing Allowance (LHA) rates 2019-20

<sup>119</sup> Social Housing Lettings in England 2018-19, MHCLG

<sup>120</sup> Registered Provider Social Housing Stock & Rents 2019-20, Regulator of Social Housing

<sup>121</sup> Statistical Data Return, Regulator of Social Housing 2018-19

<sup>122</sup> Local Authority Housing Statistics 2019-20, MHCLG

## Incomes & Affordability

### Affordability Ratios

- E.8 A key input to the Standard Method LHN calculation (see Section 2) is an affordability adjustment, based on the ratio of median house prices to workplace-based earnings in an area. These ‘affordability ratios’ are presented here for Canterbury, alongside the residence-based earnings ratios for comparison, for both median and lower quartile (entry-level) house prices. The higher an affordability ratio is, the worse affordability is in an area.
- E.9 Canterbury’s residence-based affordability ratios (based on median house prices) have generally followed the Kent average, with affordability worsening over time. Using workplace-based earnings, the affordability ratios are *higher* than the Kent, South East, and national figures, and the deterioration in affordability over time has been more pronounced (Figure 52).

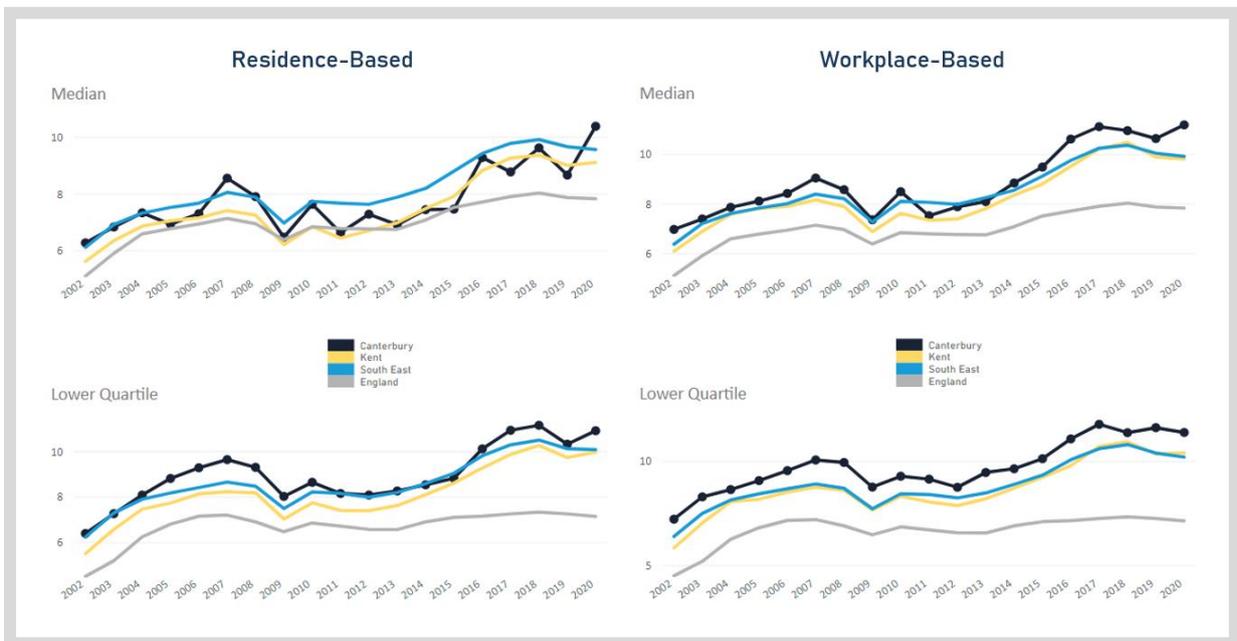


Figure 52: Ratio of house price to median gross annual earnings  
Source: ONS 2020

- E.10 The pattern is different for the affordability ratios based on lower quartile earnings, with Canterbury’s values consistently *higher* than the county, regional and national figures in both residence-based and workplace-based calculations. This implies that entry-level homes are less affordable in Canterbury relative to other areas. As with median house prices, affordability has worsened since 2002, with a similar pattern of affordability deterioration seen across Canterbury, Kent and the South East.

### Incomes

- E.11 Local income levels are a key determinant of affordability. Household incomes have been drawn from CAMEO Income data, which classifies each postcode into one of 8 income groups. Using Royal Mail’s

Postcode Address Finder (PAF), the household count for each listed postcode in Canterbury has been used to calculate the proportion of households that fall within each income bracket (Table 25).

Table 25: CAMEO income bands: Canterbury

Income Band	CAMEO Income Group Description	% Canterbury Households	% UK Households
1	Many households with an income of over £100K +	0.4%	0.7%
2	Many households with an income of between £75 - £100K	1.6%	2.4%
3	Many households with an income of between £50 - £75K	8.5%	10.1%
4	Many households with an income of between £40 - £50K	12.4%	13.3%
5	Many households with an income of between £30 - £40K	25.1%	19.5%
6	Many households with an income of between £20 - £30K	30.0%	23.2%
7	Many households with an income of between £10 - £20K	19.5%	26.5%
8	Many households with an income of less than £10K	2.4%	4.1%

Source: CAMEO Income, TransUnion; Royal Mail PAF 2020

E.12 Using the CAMEO Income data, the median household incomes for Canterbury as a whole, and for the four individual sub-areas have been derived (Figure 53). Median incomes are lowest in Canterbury City, and highest in the rural areas, reaching nearly £40,000 in the Rural South sub-area.

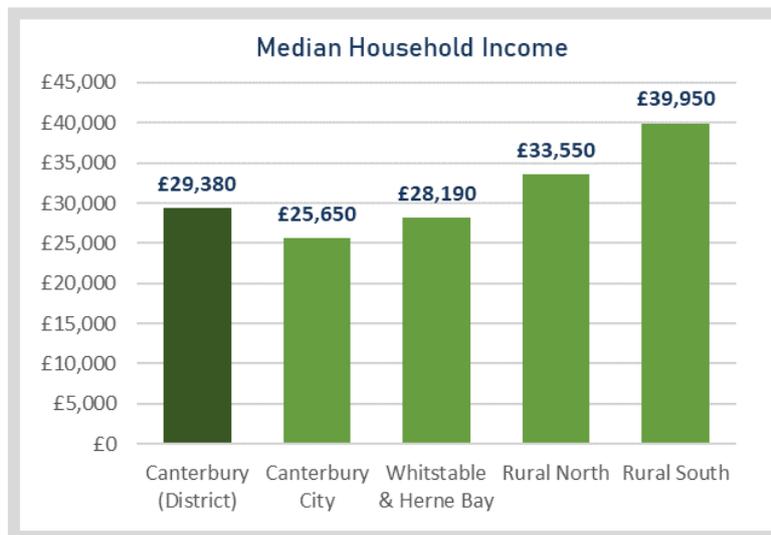


Figure 53: Canterbury household income distributions

Source: CAMEO Income, Royal Mail PAF, Edge Analytics

### Income Variation by Age & Tenure

E.13 Data from the English Housing Survey (2018-19) on average weekly household incomes suggests that newly-forming households (ages 16–44) have an income that is approximately 98% that of the ‘all households’ average (Table 26). Table 27 presents the EHS household income data by tenure, showing that social renters earn 55% of the ‘all households’ average in the South East, whilst private renters earn 83% of this.

Table 26: English Housing Survey: weekly household income by age

£ per week	Weekly Household Income by Age Group						All Household Average	Age 16-44 Average	%
	16-24	25-34	35-44	45-54	55-64	65+			
Mean	£540	£860	£989	£1,035	£918	£556	£816	£796	98%

Source: EHS 2018-19

Table 27: English Housing Survey: weekly household income by tenure

Tenure	England		South East	
	Mean Weekly Income	% of all Households Average	Mean Weekly Income	% of all Households Average
Owner occupiers	£945	114%	£1,052	113%
Social renters	£472	57%	£508	55%
Mortgagors	£1,199	145%	£1,301	140%
Private renters	£749	91%	£772	83%
Outright owners	£727	88%	£814	88%

Source: EHS 2018-19

E.14 The CAMEO Income data has been used in combination with the EHS tenure and age data described above to generate a range of income distributions for Canterbury (Figure 54) and its sub-district geographies (Figure 55). For the newly-forming household, the CAMEO Income brackets have been reduced to 98% of the ‘all household’ figures. For private renters, the CAMEO Income brackets have been reduced to 83%.

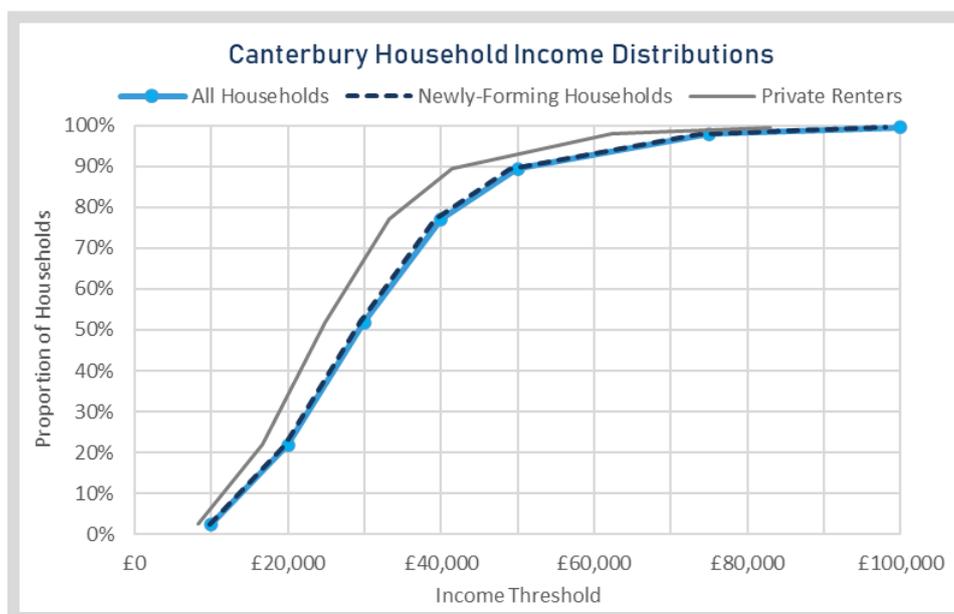


Figure 54: Canterbury household income distributions

Source: CAMEO Income, EHS, Edge Analytics

E.15 These income distributions have been used to calculate the proportion of households who earn less than the threshold amounts needed to afford open market housing in Canterbury (to rent or buy), and to access affordable home ownership products. When viewed at the sub-geography level, a greater proportion of households fall into the higher income brackets in the Rural North and Rural South (Figure 55).



Figure 55: Canterbury sub-geographies - household income distributions  
 Source: CAMEO Income, EHS, Edge Analytics

## Housing Costs & Affordability

E.16 In this section, the household incomes required to access housing on the open market and affordable home ownership products are presented, with estimates of the proportion of households that are unable to afford them.

### Rents

E.17 The lower quartile rent in Canterbury has been estimated at £725 pcm (see Table 23). In terms of the income needed to afford an annual rental cost of £8,700, the 2007 CLG SHMA guidance states: *“A household can be considered able to afford market house renting in cases where the rent payable was*

*up to 25 per cent of their gross household income*". This would equate to an annual household income requirement of £31,200.

- E.18 When viewed by tenure, however, the proportion of household income spent on housing costs varies considerably. The latest data from the English Housing (2019-20)<sup>123</sup> survey suggests that for private renters, around 31.9% of household income (including housing benefits) is spent on housing costs, compared to 17.8% for owner occupiers.
- E.19 Using CAMEO Income data, with appropriate adjustments to the income distributions to account for differences in household incomes (see Figure 54), the proportions of households unable to afford lower quartile private rents, affordable rent and social rental costs in Canterbury are summarised below (Table 28).
- E.20 Data from MHCLG and the Regulator of Social Housing (RSH) indicates that affordable rents in Canterbury range from around £630 to £670 per month (see Table 23), 86–97% of the lower quartile rental cost of £725 (and 81–86% of the *median* rental cost of £775). This suggests that affordable rented housing in Canterbury is relatively expensive. To afford a rental cost of £630 per month requires an annual household income of at least £23,670 (assuming 31.9% of a household's income is spent on rent<sup>124</sup>). Using CAMEO Income data for Canterbury, it is estimated that around 33% of all households are unable to afford this.
- E.21 For social rents, MHCLG and RSH data reports an average monthly cost of around £435, equivalent to £5,160 per month (and around 60% of lower quartile rents). With a required household income of £16,176 per year, just over 14% of all households are unable to afford social rents.

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<sup>123</sup> EHS 2019-20

<sup>124</sup> English Housing Survey 2019-20

Table 28: Lower Quartile rental costs and affordability

Lower Quartile Rent: Costs & Affordability	Proportion of Household Income Spent on Rent	
	25%	31.9%
<b>Lower Quartile Open Market Rent</b>		
Lower Quartile rent in Canterbury (pcm)	<b>£725</b>	
Lower Quartile rent (annual)	£8,700	
Income required	<b>£31,200</b>	<b>£27,273</b>
<i>Proportion of <u>all</u> households unable to afford</i>	55%	44%
<i>Proportion of newly-forming households unable to afford</i>	57%	45%
<i>Proportion of private renter households unable to afford</i>	71%	59%
<b>Affordable Rent</b>		
Affordable rent in Canterbury (pcm)	<b>£630</b>	
Affordable rent (annual)	£7,563	
Income required	<b>£30,252</b>	<b>£23,708</b>
<i>Proportion of <u>all</u> households unable to afford</i>	53%	33%
<i>Proportion of newly-forming households unable to afford</i>	54%	34%
<i>Proportion of private renter households unable to afford</i>	68%	48%
<b>Social Rent</b>		
Social rent in Canterbury (pcm)	<b>£435</b>	
Social rent (annual)	£5,160	
Income required	<b>£20,640</b>	<b>£16,176</b>
<i>Proportion of <u>all</u> households unable to afford</i>	24%	14%
<i>Proportion of newly-forming households unable to afford</i>	25%	15%
<i>Proportion of private renter households unable to afford</i>	36%	21%

Source: Edge Analytics, Atlas Consulting, CAMEO Income, Regulator of Social Housing. Note: It is assumed that private renters have household incomes that are 83% of the all household figure. For newly-forming households, the equivalent figure is 98% (Sources: Regulator of Social Housing, Edge Analytics, Atlas Consulting, CAMEO Income, EHS.)

## House Prices

- E.22 Lower Quartile and Median house prices in Canterbury are £250,000 and £312,750 respectively. Calculating the household income required to afford open market property prices involves making an assumption about the size of the deposit, and an estimate of the income relative to the size of the loan (mortgage). For the purposes of the calculations set out below, a deposit of 15% is assumed, with a loan to income multiple of 3.5 (based on UK Finance 2019)<sup>125</sup>.

<sup>125</sup> UK Finance Mortgage Trends 2019

Table 29: House prices and affordability

Open Market House Prices: Costs & Affordability	Lower Quartile	Median
Open market property price	£250,000	£312,750
Income needed (15% deposit and 3.5 loan to income multiplier)	£60,714	£75,954
<i>Proportion of <u>all</u> households unable to afford</i>	93%	98%
<i>Proportion of newly-forming households unable to afford</i>	93%	98%
<i>Proportion of private renter households unable to afford</i>	97%	99%

Note: It is assumed that private renters have household incomes that are 83% of the all household figure. For newly-forming households, the equivalent figure is 98% (Sources: Edge Analytics, Atlas Consulting, CAMEO Income, EHS.)

## Affordable Home Ownership

- E.23 The incomes needed to afford shared ownership, Help to Buy and Rent to Buy properties are summarised below (Table 30, Table 31, Table 32). For shared ownership, a loan to income multiplier of 3.5 has been applied, and it assumed 25% of a household's income is spent on rent/service charges.

Table 30: Shared Ownership costs and affordability

Shared Ownership: Costs & Affordability	25%	50%
Full Market Value	£312,750	£312,750
Share price	£78,188	£156,375
Deposit % on equity share	5%	10%
Deposit needed	£3,909	£15,638
Mortgage	£74,278	£140,738
Income needed	<b>£50,790</b>	<b>£60,419</b>
<i>Proportion of <u>all</u> households unable to afford</i>	90%	93%
<i>Proportion of private renter households unable to afford</i>	93%	97%

Table 31: Help to Buy costs and affordability

Help to Buy: Costs & Affordability	
Full Market Value	£312,750
Share price	£250,200
Equity loan (20%)	£62,550
Homebuyers deposit needed (%)	5%
Homebuyers deposit needed	£15,638
Mortgage needed	£234,563
Income needed	<b>£67,018</b>
<i>Proportion of <u>all</u> households unable to afford</i>	95%
<i>Proportion of private renter households unable to afford</i>	98%

Table 32: Rent to Buy costs and affordability

Help to Buy: Costs & Affordability	
Full Market Rental Cost pcm (median)	£775
80% market rent pcm	£620
Income needed	<b>£23,323</b>
<i>Proportion of <u>all</u> households unable to afford</i>	32%
<i>Proportion of private renter households unable to afford</i>	46%

Table 33: First Homes costs and affordability

First Homes: Costs & Affordability	
Full Market Value	£312,750
Value with 30% reduction	£218,925
Income needed (15% deposit and 3.5 loan to income multiplier)	£52,567
<i>Proportion of <u>all</u> households unable to afford</i>	90%
<i>Proportion of private renter households unable to afford</i>	94%

## APPENDIX F Housing Mix

Table 34: Household growth by age group & dwelling type/size (2020-2040) – All Tenures, ONS-14

Dwelling Size/Type	16-34	35-44	45-54	55-59	60-64	65-74	75-84	85+	total	(%)
2 bed house	-147	119	141	77	58	554	813	1,043	2,657	17%
3 bed house	238	122	552	114	97	1,144	3,029	2,416	7,713	50%
4+ bed house	527	15	465	75	34	342	1,185	307	2,950	19%
1 bed flat	-217	146	134	83	52	315	33	621	1,167	7%
2+ bed flat	42	82	109	59	27	169	189	398	1,075	7%
<b>Total</b>	442	485	1,402	408	267	2,524	5,250	4,784	15,562	100%
Bedrooms	16-34	35-44	45-54	55-59	60-64	65-74	75-84	85+	total	(%)
1 bedroom	-217	146	134	83	52	315	33	621	1,167	7%
2 bedrooms	-106	201	250	136	85	723	1,002	1,441	3,732	24%
3 bedrooms	238	122	552	114	97	1,144	3,029	2,416	7,713	50%
4+ bedrooms	527	15	465	75	34	342	1,185	307	2,950	19%
<b>Total</b>	442	485	1,402	408	267	2,524	5,250	4,784	15,562	100%
Dwelling Type	16-34	35-44	45-54	55-59	60-64	65-74	75-84	85+	total	(%)
House	618	257	1,159	266	188	2,039	5,027	3,766	13,320	86%
Flat	-176	228	243	142	78	485	222	1,019	2,241	14%
<b>Total</b>	442	485	1,402	408	267	2,524	5,250	4,784	15,562	100%

Table 35: Household growth by age group & dwelling type/size (2020-2040) – All Tenures, ONS-18

Dwelling Size/Type	16-34	35-44	45-54	55-59	60-64	65-74	75-84	85+	total	(%)
2 bed house	-442	-10	63	48	51	520	764	678	1,673	16%
3 bed house	-184	-211	271	31	76	1,063	2,874	1,580	5,500	53%
4+ bed house	341	-149	278	26	24	311	1,130	202	2,163	21%
1 bed flat	-417	72	88	67	48	301	23	392	574	6%
2+ bed flat	-270	6	68	46	24	160	176	255	466	4%
<b>Total</b>	-971	-292	768	218	224	2,355	4,966	3,108	10,376	100%
Bedrooms	16-34	35-44	45-54	55-59	60-64	65-74	75-84	85+	total	(%)
1 bedroom	-417	72	88	67	48	301	23	392	574	6%
2 bedrooms	-712	-4	131	94	75	681	940	934	2,139	21%
3 bedrooms	-184	-211	271	31	76	1,063	2,874	1,580	5,500	53%
4+ bedrooms	341	-149	278	26	24	311	1,130	202	2,163	21%
<b>Total</b>	-971	-292	768	218	224	2,355	4,966	3,108	10,376	100%
Dwelling Type	16-34	35-44	45-54	55-59	60-64	65-74	75-84	85+	total	(%)
House	-285	-369	612	105	151	1,894	4,767	2,460	9,336	90%
Flat	-687	78	156	113	73	461	199	648	1,040	10%
<b>Total</b>	-971	-292	768	218	224	2,355	4,966	3,108	10,376	100%

Table 36: Social/affordable rent housing mix calculation

Calculation Step		1 bed	2 bed	3 bed	4+ bed	TOTAL
a	Applicants on the housing needs register	615	504	284	66	1,469
b	Average annual re-lets	63	59	32	5	158
c	Potential existing social homes released	172	273	131	18	594
d	Homes needed in order to release social homes		172	273	149	594
e	Temporary accommodation needed	30	78	10	0	118
TOTAL (a-b-c+d+e)		410	422	404	192	1,428
<b>% split</b>		<b>29%</b>	<b>30%</b>	<b>28%</b>	<b>13%</b>	<b>100%</b>

Note: method adapted from the CCC CCC Housing, Homelessness and Rough Sleeping Strategy 2018–2023 and the 2018 CCC Housing Mix Report. Source: CCC housing needs register 2021, MHCLG CORE, MHCLG Statutory Homelessness Table 2020.

## APPENDIX G Older Age Housing

G.1 The older age housing definitions, provided by the EAC<sup>126</sup> and drawn directly from the HOPSR<sup>127</sup> model, have provided the basis for the estimation of older age housing need in this HNA.

- Age-exclusive Housing
- Retirement/sheltered Housing
- Enhanced Sheltered Housing
- Extra Care Housing
- Care Beds

G.2 These definitions are consistent with those summarised in Planning Practice Guidance:

**Age-restricted general market housing:** This type of housing is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens but does not include support or care services.

**Retirement living or sheltered housing:** This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services but provides some support to enable residents to live independently. This can include 24-hour on-site assistance (alarm) and a warden or house manager.

**Extra care housing or housing-with-care:** This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24-hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

**Residential care homes and nursing homes:** These have individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

*PPG Paragraph: 010 Reference ID: 63-010-20190626*

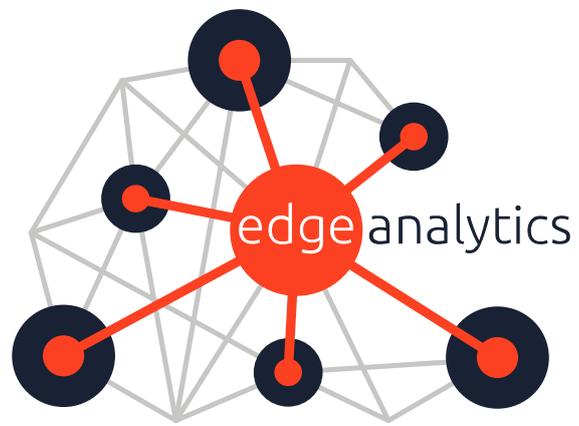
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<sup>126</sup> [Housingcare.org](https://www.housingcare.org)

<sup>127</sup> [Housing for Older People Supply Recommendations \(HOPSR\)](#)

## APPENDIX H Abbreviations

AA	Attendance Allowance
AFHO	Affordable home ownership
AMR	Annual Monitoring Report
ASHE	Annual Survey for Hours and Earnings
CCC	Canterbury City Council
CQC	Care Quality Commission
CORE	Continuous Recording of Lettings and Sales (in social housing)
DLA	Disability Living Allowance
dpa	Dwellings per annum
DWP	Department for Works and Pensions
EAC	Elderly Accommodation Counsel
EHS	English Housing Survey
FE	Further Education
FRS	Family Resources Survey
GTAA	Gypsy and Traveller Accommodation Assessment
HELM	Higher Education Leavers Methodology
HESA	Higher Education Statistics Authority
HMO	House in Multiple Occupation
HNA	Housing Needs Assessment
HOPSR	Housing for Older People Supply Recommendations
HPSSA	House Price Statistics for Small Areas
HRR	Household Representative Rate
IPHRP	Index of Private Housing Rental Prices
LAHS	Local Authority Housing Data
LHN	Local Housing Need
LPA	Local Planning Authority
LQ	Lower Quartile
MHCLG	Ministry for Housing Communities and Local Government
MOD	Ministry of Defence
NINo	National Insurance Number
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PBSA	Purpose Built Student Accommodation
PIP	Personal Independence Payment
PPG	Planning Practice Guidance
PPTS	Planning Policy for Traveller Sites
PRP	Private Registered Provider
SDR	Statistical Data Return
SE	South East
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency



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