
Report to: Inclusive Growth and Public Policy Panel

Date: 4 December 2020

Subject: **Housing Affordability & Needs Study**

Director: Alan Reiss, Director of Policy, Strategy and Communications

Author: Rebecca Greenwood, Policy Officer

1. Purpose of this report

- 1.1 To inform the Panel of the key findings from the Leeds City Region Housing Affordability and Need Study with a particular focus on the implications from an inclusive growth perspective.
- 1.2 To seek views from members particularly focussed on the questions posed for discussion in 2.8.

2. Information

Background

- 2.1 The Leeds City Region Housing Affordability & Needs Study was commissioned in February 2020 to provide an in depth understanding of housing affordability and its impact on access to good quality housing in the region. Nationally, using house price to income/earnings ratios (as used by ONS) many places across the City Region (particularly West Yorkshire) are deemed affordable places to live. However, this study recognises that these measures do not fully take into account wider factors that impact affordability such as transport and costs of living, including the costs of poor quality housing.
- 2.2 The study has been undertaken in consultation with Local Authority housing and planning colleagues, culminating in two workshops. The first addressed the interrelationship between housing markets, transport, spatial labour markets and the economy across the region. The second workshop explored these issues in the context of the March 2020 budget and what was then the beginning of the COVID-19 pandemic.

Headline Findings

- 2.3 The study has revealed the complex nature of housing affordability across the region and the factors that have shaped the housing market over the last 70 years, including the shifts in land use policies and infrastructure investment. Three reports have been produced that analyse and frame the evidence and demonstrate the path dependencies that have shaped the direction of spatial development in the City Region.
- 2.4 The study demonstrates that over the last 70 years there has been a significant shift across the region to 'decentralise' (move away from urban centres) both jobs and housing. This was initially encouraged through public sector intervention but more recently as a result of private investment. However, these have, in general, not shifted together, meaning as people have moved out to the suburbs of town centres, jobs have grown in more 'edge of the motorway' areas. This has led to intense affordability issues, particularly for low income households as people are facing a trade-off between housing costs and transport costs (e.g. to access employment and services). Where individuals are located close to work, particularly those on lower incomes, we find that housing is often of poorer quality, having a further detrimental impact.
- 2.5 It is also recognised that while housing growth has been strongest in the peripheries, population growth has been greatest in more central areas that correlate with higher levels of deprivation. In these areas there is a higher concentration of private rented housing, where rents are unregulated, and greater proportions of over-crowding.
- 2.6 From an inclusive growth perspective, the study highlights the issues relating to affordability that impact those particularly in the most deprived communities of the region. It demonstrates how individuals can find themselves in a 'poverty trap' whereby housing is only affordable in particular areas, however these places may be disconnected from jobs or access to jobs is unaffordable or where located close to jobs the housing is of poorer quality.

Discussion points

- 2.7 The points above summarise a technical study into some key issues. To help shape how the findings are taken forward, the following questions are posed for discussion by the Panel;
- Do panel members recognise the issues highlighted here as concerns in their local areas / within the communities they work with?
 - Disconnection between housing growth and job growth areas
 - People having to choose between housing affordability and accessing good quality jobs
 - Lowest income households being most adversely impacted by poor quality housing when located close to their place of work
 - What interventions may be suitable to address the issue of housing affordability and more inclusive growth at local and regional level? E.g.
 - Considering further subsidising transport to access employment

- Consideration of planning housing and employment more closely
- Interventions to address poor quality housing

Next Steps

- 2.8 The study forms a core part of the evidence base for the emerging Connectivity Strategy, and the reports will be published alongside the Strategy. It has provided a valuable evidence base for developing the key places to connect as part of the strategy. Full versions of the reports are available to Panel members on request ahead of publication.
- 2.9 The Combined Authority is continuing to engage with partners to seek views on the work and are exploring the opportunity to undertake further, more focussed analysis on some of the themes identified. Following discussion with Panel members, further work will be undertaken to develop policy recommendations based on the issues outlined.

3. Clean Growth Implications

- 3.1 The research shows that the trend of decentralisation of jobs and growth has had an impact upon where people can live and work. In some cases this is in areas where access to significant employment opportunities may only be via car (either because transport is not available or the cost of public transport in time or money offsets the benefits of accessing the labour market). This has important implications in terms of future investment decisions relating to infrastructure and land use being addressed within the Connectivity Strategy.

4. Inclusive Growth Implications

- 4.1 The research highlights the impact of housing affordability that is most starkly felt in the most deprived communities across the region. Locations that are deemed most affordable using typical house price to earnings ratios are often in areas of the highest levels of deprivation and where accessibility to jobs can be limited through a lack of available transport or high transport costs.

5. Financial Implications

- 5.1 There are no financial implications directly arising from this report.

6. Legal Implications

- 6.1 There are no legal implications directly arising from this report.

7 Staffing Implications

- 7.1 There are no staffing implications directly arising from this report.

8 External Consultees

- 8.1 Sheffield Hallam University and North Housing Consulting have been commissioned to undertake the research
- 8.2 Consultation with various Local Authority Officer groups has taken place throughout the study, including Directors of Development, Strategic Place Officers and Heads of Planning.
- 8.3 The Place Panel received a report on the findings of the study at their meeting on 14 October.

9. Recommendations

- 9.1 Panel members are asked to note the contents of the report and to provide any comments on the key findings and discussion points.

10. Appendices

- 10.1 None.