

## York Labour Party (YLP) Phase 2 MiQs Response

### Matter 2: Housing Need and Requirements

*At the previous examination hearings, the Council's position was that, taking account of the 2016 based projections published by the Office for National Statistics (ONS), the need for housing in York over the Plan period was 790 dwellings per annum (dpa) and that, to meet this need and to address a shortfall in delivery of 32 dpa between 2012 and 2016, the housing requirement should be 822 dpa. Since then, the ONS has published its 2018 based projections. In response, the Council has considered whether or not those projections lead to a meaningful change in these figures. The 'Housing Need Update' (2020) concludes that economic-led housing need is in the range of 777 to 778 dpa. The Council considers that this does not amount to a meaningful change in the housing situation, such that the need for housing should be regarded as 790 dpa and the Plan's housing requirement should remain set at 822 dpa (i.e. 13,152 dwellings overall).*

<b>Inspector's Question</b>	<b>Our response</b>	<b>References</b>
2.1 The introduction above sets out our understanding of the Council's position. Is it correct?	No. 778 in line 3 should read 788	GL Hearn Table 7 EX/CYC/43a
2.2 In the Housing Need Update (2020) what methodological approach has been used to establish the OAHN and does it follow the advice set out in the Planning Policy Guidance (under the heading 'Methodology: assessing housing need')? In particular:  a) Has the 2018-based household projection provided the starting	a) Yes as the starting point.	

<p>point estimate of overall housing need? In this specific regard, has the Council's approach to identifying the OAHN been consistent with national guidance? If not, what is the justification for that?</p> <p>b) What bearing, if any, does the 'standard method' have on this Plan's OAHN or on any other aspect of the Plan's approach to housing?</p>	<p>b) It generally supports the Council's final figure – cf. Hearn section 4 and conclusion: In York the affordability ratio is 8.21 having deteriorated from 6.48 in 2009. As a result, the affordability adjustment in the City is 170%. Applying this to the housing stock figure from Step 1 results in an overall need for 763 dpa. Noting that there is no cap applied. Note latest 2021 figure is up further at 8.41 .</p> <p>However, use of the median price to workplace based figures hides the unusual nature and scale of York's problems, and therefore underestimates the York housing requirement. If you look at the housing price to resident based earnings figure this has gone from 6.28 to 8.50 over the period to 2020 indicating the more severe issue for York residents, compared to York's workforce – and the fact that many can't afford to live here.</p> <p>Then if you look further at the lower quartile figures, which nationally and regionally are lower than the medians (91, 97% respectively in 2020), in York they are the reverse, and substantially higher (113% resident based), showing the real pinch is on lower end of the housing / earnings market where we are an enormous margin above the regional average, and a long way even above the national:</p> <p>Workplace based: 2009 England 6.48 Yorks &amp; Humber 5.25 York 7.33  2020 England 7.15 Yorks &amp; Humber 5.65 York 9.09</p>	<p><a href="#">House price (existing dwellings) to workplace-based earnings ratio - Office for National Statistics (ons.gov.uk)</a></p>
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	<p>Resident based: 2009 England 6.48 Yorks &amp; Humber 5.26 York 7.18  2020 England 7.15 Yorks &amp; Humber 5.65 York 9.21</p> <p>The picture regarding new housing is by comparison</p> <p>Resident based: 2009 England 6.62 Yorks &amp; Humber 5.92 York 7.25  2020 England 9.97 Yorks &amp; Humber 8.48 York 10.33</p> <p>This reinforces our case that the figure is a significant underestimate of what York needs to provide, but also the plan needs a more refined approach to new housing provision to ensure that the housing allocations include much much greater provision of lower cost housing. The real danger is that most of the market housing will be bought up as investment property and high end in-movers and do very little to accommodate local demand. We have previously referred to anecdotal evidence on what is going on, and the picture persists with Hudson Moody’s estate agent reporting the impact of buyers from London and the south east (See (York) press article ref). There won’t be much trickle down because the expensive new properties will not be bought by existing York residents, because of York’s nationally recognised attractiveness as a brilliant place to live (see press article).</p> <p>This also impacts the rent levels as Zoopla have recently commented “The data shows that annual rents have risen by 4.5 per cent since July 2019, one of the strongest rates of growth in the UK. The average rent for a property in York is currently £830 per calendar month.” This level of house prices and rents continues to force lower and middle income residents out of the city – “Fiona McCulloch of York Citizens Advice Bureau said spiralling rents meant it was becoming ‘virtually impossible’ to rent privately in York if you were on benefits.” (see recent press article).</p> <p>The plan therefore needs to take a much more robust approach to delivering York residents and business’ needs. Whilst York is not in as extreme a position as the Scilly islands, we’d suggest that we need some strong policies along the lines of the Scilly Isles Local Plan, and the section</p>	<p><a href="https://www.yorkpress.co.uk/news/19953505.cost-renting-forcing-york---says-mature-student/?ref=erec">First time buyers pay £24,000 more for a York home than a year ago   York Press</a></p> <p><a href="#">York is UK's second favourite place to live, according to study   York Press</a></p> <p><a href="#">Analysis of the York housing market as property prices and rents rise   Yorkshire Post</a></p> <p><a href="https://www.yorkpress.co.uk/news/19953505.cost-renting-forcing-york---says-mature-student/?ref=erec">https://www.yorkpress.co.uk/news/19953505.cost-renting-forcing-york---says-mature-student/?ref=erec</a></p>
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<p>c) Have market signals been taken into account and, if so, what effect have they had on calculating the OAHN?</p> <p>d) How have employment trends been taken into account in determining the OAHN? How robust are the assumptions that have been made regarding those trends and what impact have they had on the final OAHN?</p> <p>e) Does the economic-led OAHN assessment now still reflect an appropriate OAHN to be addressed and delivered through the Plan during the Plan period?</p> <p>f) Overall, has the OAHN figure been arrived at on the basis of a robust</p>	<p>headed “Building a Living Community” and policies LC1 - LC5 to ensure all housing sites produce a substantially element of affordable housing of all forms, with eligibility restrictions to York residents and workers.</p> <p>c) No, and we have objected to this in our previous submissions SID 364, PM SID 364, and PM2 SID 364, where we flagged the progressively worsening mismatch in house types and prices being provided versus local incomes, and inadequate affordable housing provision (reinforced by the more up to date figures in our answer to c) above.</p> <p>d) As stated in Hearn.</p> <p>e) not necessarily – it may be that the housing led figures should be now higher (see our responses in the following questions)</p> <p>f) No – as we have argued in our previous submissions and in our preceding responses on c) and d) above, the particular housing situation in York justifies a much higher figure.</p>	<p><a href="#">8. Strong Living Community with MODIFICATIONS 0.pdf (scilly.gov.uk)</a></p>
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<p>methodology and is it justified?</p>		
<p>2.3 Has there been a meaningful change in the housing situation in York since the Plan was submitted and, if so, how should this be addressed in the Plan?</p>	<p>Yes – the progressively worsening affordability gap, as in 2.1 c), impact of the dominance of the market by purpose built student housing, the additional housing loss to Airbnb and other holiday lets.</p> <p>Regarding student accommodation, examination of the completions and consents for purpose built off campus student accommodation, from 2016/7 on to 2020/1 shows that they have represented 22.8% of completions and 7.7% of permissions (with the latter weighted to the last of the five years when 234 units were agreed). Anecdotal evidence from local developers suggests that because such student accommodation is exempted from affordable housing requirements (whilst it is solely used for such purpose), developers seeking to build for the local residential market are simply outbid for available development sites in the parts of the city within reasonable distance of where the universities are located.</p> <p>This enormous growth in purpose built student accommodation (PBSA) also needs to be seen against the assumptions made in constructing the housing demand, as given in HL Hearn’s City of York Council Strategic Housing Market Assessment (SHMA) (June 2016) (SID 051). Looking at the national picture regarding the 2012 SNPP based forward projections 2012-32, Hearn noted that these showed that York would “be expected to grow by around 24,500 people. This is a 12.2% increase – above that expected across the region but slightly lower than projected nationally – this is a noteworthy finding given that past population growth has typically been stronger in the City than other locations. However, given that much of the past growth is linked to changes in the student population it is not unreasonable for York to see below trend future projections (this is at least in part due to overall population growth in ‘student’ age bands being projected to be quite modest at a national level).”</p>	<p><a href="http://york.gov.uk">General Report Template (york.gov.uk)</a></p>

	<p>Hearns then went on to look at the local student housing position in more detail (pages 179 – 191. At the time of their work the position on anticipated future student numbers was as follows:</p> <p>University of York: It appears that the university has tacitly tempered future growth prospects; therefore, no prospective growth in student numbers is enunciated.</p> <p>University of York St. John’s: states that its ambition is: “over the next five years we are aiming to grow our student numbers from 6,400 to 7,300. To do this we need to achieve our annual enrolment targets for UK and international students” (York St John University, Strategic Plan 2015- 2020, 2015: 13). This reflects an aim to achieve growth in student numbers of 900 (14.1%) by 2020. This appears to be a bold ambition given the constraints on higher education funding arising from government policy and regulatory reforms.</p> <p>York Teaching Hospital: Whilst the growth of student nursing numbers there was flagged to the consultants in discussions and recorded in the report, they did not research the student demand there (despite the previous loss of all the purpose built nursing accommodation from the Bootham Park Hospital site).</p> <p>Hearn also researched the impact of new and purpose built student accommodation, with some evidence at the time that it was not fully let due to rental levels, with the possibility of some restructuring of the market. Their final conclusion (para 10.91 was that “There is therefore no requirement to increase the overall housing need on the basis of Student growth.”</p> <p>Comparing what has actually happened to student enrolment numbers compared with HL Hearn’s 2016 assessment (para 10.34), the comparator HESA 2020/1 stats are:</p> <p>University of York: 22,695 (versus 16,680 quoted at the time of Hearn)  University of York St. John’s: 7,580 (versus 6.415 in Hearn).</p>	<p><a href="https://www.hesa.ac.uk/data-and-analysis">https://www.hesa.ac.uk/ data-and-analysis</a></p>
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	<p>Regarding Airbnb and other short-term lettings, their growth nationally has been attributed to lettings on a nightly basis command significantly higher income than longer-term lettings (following taxation changes). Further light on the issue can be seen in a second report is from Edge Hill. This specifically looks at London market but notes the rise in both overall number of full house lettings and also the rise in the number of lettings by landlords with multiple homes. They discuss the impact of this on displacing typical lettings and people from the areas.</p> <p>Turning to the local position, whilst there isn't a comprehensive source of data on the number of short-term lettings in York, there are some independent organisations who collect data from Airbnb and other websites to give a picture of the market in an area. One of those is the commercial website AirDNA that uses data from Airbnb and Vrbo, another short-term lettings platform. They have a free profile of the area around York available, which lists 1,781 active properties in the area of which 1,500 are entire-home lettings. This doesn't cover other holiday lets beyond the two quoted. That is the equivalent to over two years housing delivery.</p> <p>Discussions with local estate agents indicate that a large portion of new homes developed in the city centre are now being bought for the purpose of short lets accommodation like BnB. This can be seen for example by investigating the number of short let properties at the recent Ryedale House redevelopment where at least 10 of the 100 new homes are active AirBnB/Short Lets. Unless this issue is directly tackled then the housing supply figures will need revision to account for the number of homes that aren't accommodating genuine housing need under the current calculations.</p> <p>These two factors are completely inadequately addressed in the proposed plan. We would suggest that the appropriate response to the student accommodation issue, besides what we said in section 5 of our response to section 6.1 in our 2018 submission SID 364 and adjusting the overall</p>	<p><a href="#">CBP-8395.pdf (parliament.uk)</a></p> <p><a href="#">Full article: Home or hotel? A contemporary challenge in the use of housing stock (tandfonline.com)</a></p> <p><a href="#">AirDNA   Short-Term Rental Analytics   Vrbo &amp; Airbnb Data</a></p> <p><a href="https://www.airdna.co/vacation-rental-data/app/gb/yorkshire-and-the-humber/west-yorkshire/york/overview">https://www.airdna.co/vacation-rental-data/app/gb/yorkshire-and-the-humber/west-yorkshire/york/overview</a></p>
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	<p>housing numbers up that we argued earlier in this answer, is to additionally remove the exemption from the affordable housing requirements of purpose built and used student accommodation.</p> <p>In terms of Airbnb and other short-term lettings, we'd suggest a similar approach to London is adopted whereby homeowners who wish to use their property(ies) for short-term accommodation for more than 90 nights in a calendar year must seek planning permission from the Council. In the absence of legislation similar to London's, we'd suggest this is achieved by use of an article 4 direction for areas within roughly 2 miles of the various campuses, and/or approximated to properties in Council Tax bands A to D for simplicity. In terms of the development control policy for applications for permissions for use over 90 days pa, we'd suggest there should be a presumption against change of use for properties that could serve the below median sections of the properties – again approximated to properties in Council Tax bands A to D for simplicity.</p>	
<p><b>The housing requirement</b></p> <p>2.4 Is the shortfall figure (for 2012-2017) of 32 dpa which is incorporated into the 822 dpa housing requirement still a robust and justified figure?</p>		
<p>2.5 Does the 822 dpa housing requirement take into account any backlog</p>	<p>No and it should over a much longer period to reflect the major loss of local market housing over the last twenty years to student accommodation as the</p>	

<p>or under delivery of housing in previous years? If so, how?</p>	<p>Universities underwent major growth, and more recently the growth in Airbnb – see our response to question 2.3 above.</p>	
<p>2.6 Overall, is the housing requirement figure now proposed underpinned by robust evidence and adequately justified?</p>	<p>No. The evidence is only partial, because the Government’s methodologies don’t cater for the particular form of pressures in the York situation, and the Council has made no serious effort to look at what they need to do to reflect that fact.</p> <p>More particularly simply looking at the overall demand without taking into account the affordability issues and need to massively increase the supply of affordable housing, as we argued in our previous submissions. This is a further reason why the overall target should be substantially increased as we have previously argued.</p>	