

Herefordshire Council

**Update to Local Housing
Requirement Study**

March 2012

PREPARED BY

GL Hearn

Property Consultants

20 Soho Square
London
W1D 3QW

Tel: +44 (0)20 7851 4900
Fax: +44 (0)20 7851 4910
Email: info@glhearn.com
www.glhearn.com

Date: March 2012

Ref: J:\Planning\Job Files\J024755 - Herefordshire Housing Assessment\Reports

Contents

Section	Page No.
1 INTRODUCTION	3
2 DEMOGRAPHIC FORECASTING METHODOLOGY	7
3 DEMOGRAPHIC FORECASTS – HEREFORDSHIRE	19
4 HOUSING REQUIREMENTS BY SUB MARKET	23
5 EVOLVING ECONOMIC DYNAMICS	55
6 SUMMARY TABLES	63
Appendix 1: Projections for Housing Market Areas	67

Quality Standards Control

The signatories below verify that this document has been prepared in accordance with our quality control requirements. These procedures do not affect the content and views expressed by the originator.

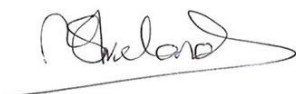
This document must only be treated as a draft unless it has been signed by the Originators and approved by a Business or Associate Director.

DATE

ORIGINATORS

APPROVED

Nick Ireland
Planning Associate Director



.....

.....

Limitations

This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of GL Hearn; we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.

1 INTRODUCTION

- 1.1 In 2011 GL Hearn prepared two studies for Herefordshire Council.
- 1.2 The Local Housing Market Assessment (June 2011) considered what mix of housing (both market and affordable) would be needed in each of the seven local housing markets in the County between 2006 and 2026. This was informed by the Council's Autumn 2010 proposals for housing provision and distribution.
- 1.3 Subsequent and as an addendum to this, the Council commissioned GL Hearn to prepare a Local Housing Requirements Study (July 2011) to inform the development of the LDF Core Strategy. This included demographic projections for population, households and dwellings, taking account of past demographic trends and forecast economic performance.
- 1.4 Since the preparation of these two studies, Herefordshire Council has reviewed the level and distribution of housing provision (in part informed by the Local Housing Requirements Study). The Council consulted on Revised Preferred Options for its Core Strategy between October and November 2011.
- 1.5 The revised Preferred Options (October 2011):
- Amended the plan period to 2011-31 (instead of the 2006-26 period used in the 2010 Core Strategy Preferred Options);
 - Reduced the level of housing proposed in the County from 900 homes per annum in the Autumn 2010 Core Strategy Preferred Options to an average of 825 homes per annum;
 - Amended the distribution of housing, proposing a reduction in housing provision at Hereford, some downward adjustments to the level of development at Leominster and Ross-on-Wye, and an increase in the level of housing provision in Rural Areas.
- 1.6 Against this context, Herefordshire Council has commissioned GL Hearn to provide the following updated analysis:
- Set out revised projections for population and household growth for the county and seven sub-markets, taking account of the level and distribution of housing proposed in the Revised Core Strategy Preferred Options (Oct 2011). This provides an update to the analysis within the Local Housing Requirements Study.

- Update the modelling within the Local Housing Market Assessment (June 2011) to estimate the size and type of housing required in each of the seven housing market areas over the 2011-31 period, taking account of the level and distribution of housing proposed in the Revised Core Strategy Preferred Options (Oct 2011).

1.7 The Revised Core Strategy Preferred Options (Oct 2011) sets out the following level and distribution of housing provision:

Figure 1.1: Proposed Housing Provision		
Area	Dwelling Provision 2011-31	Per Annum
Hereford	6,500	325
Leominster	2,300	115
Ross-on-Wye	900	45
Ledbury	800	40
Bromyard	500	25
Kington	200	10
Rural Areas	5,300	265
Total	16,500	825

Source: Revised Core Strategy Preferred Options (Oct 2011)

1.8 A comparison with the previous Core Strategy Preferred Options is outlined below.

Figure 1.2: Comparison of Housing Provision – Core Strategy Preferred Options Documents, Sept 2010 & Oct 2011		
Area	Initial Preferred Options (Sept 2010) Housing Provision Per Annum	Revised Preferred Options (Oct 2011) Housing Provision Per Annum
Hereford	425	325
Leominster	125	115
Ross-on-Wye	50	45
Ledbury	40	40
Bromyard	25	25
Kington	10	10
Rural Areas	225	265
Total	900	825

Source: Initial Core Strategy Preferred Options (Sept 2010) & Revised Core Strategy Preferred Options (Oct 2011)

1.9 The remainder of this report is structured to assess the implications of the above:

- Chapter 2: Demographic Forecasting Methodology;
- Chapter 3: Demographic Forecasts – Herefordshire;
- Chapter 4: Housing Requirements by Sub Area;
- Chapter 5: Review of Economic Dynamics;
- Chapter 6: Summary Tables.

1.10 The main report presents the findings of the modelling undertaken for Hereford, the Market Towns and Rural Areas. Summary results of the modelling for the seven Housing Market Areas are presented in Appendix 1.

2 DEMOGRAPHIC FORECASTING METHODOLOGY

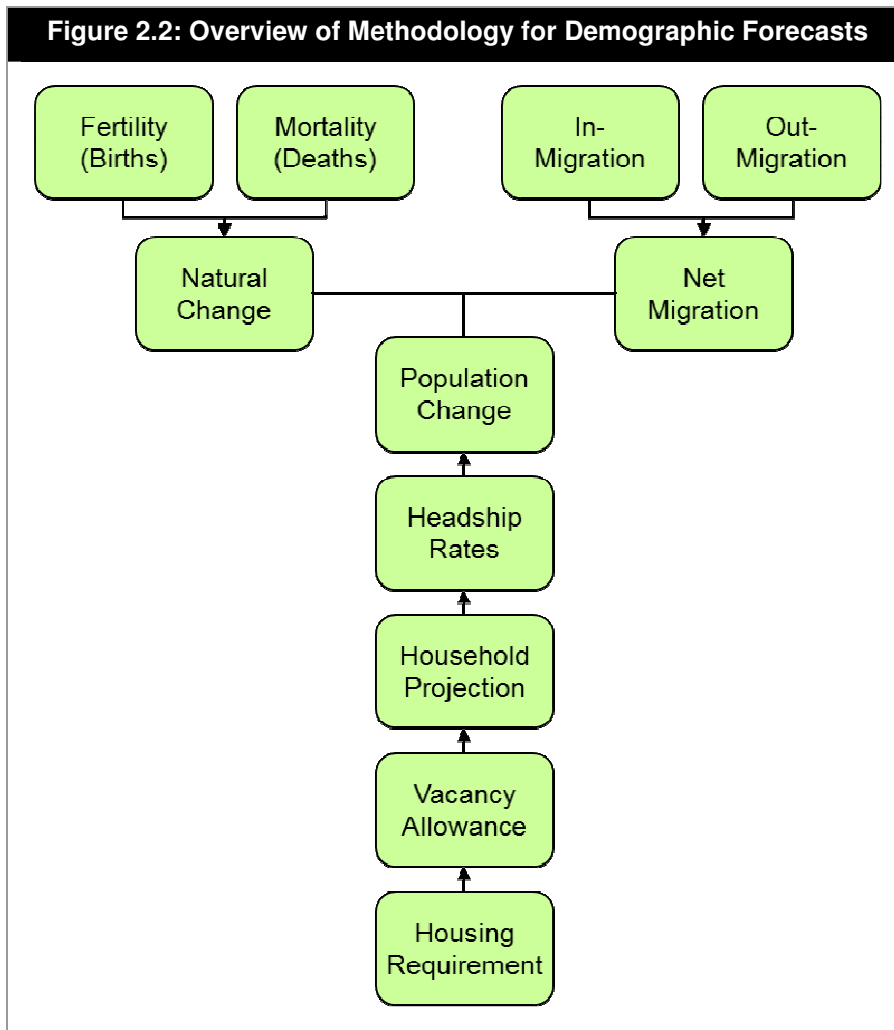
- 2.1 In this section we summarise the approach to demographic forecasting and key assumptions.
- 2.2 In updating the earlier work we have taken the opportunity to update some of the key figures used (notably around baseline population estimates and migration patterns) as well as providing outputs for a slightly different set of sub-areas. In the original report housing requirements were considered for seven housing market areas largely based on main towns and their rural hinterlands. For this update we have looked at projections for the towns separately with rural areas in the County being considered as a single sub-area.
- 2.3 The table below shows the sub-areas studied along with the wards in each area and the proposed dwelling provision levels (both for the total 20-year period and per annum).

Figure 2.1: Herefordshire Housing Market Areas and Housing Targets

Sub-area	Wards	Dwelling provision 2011-2031	Per annum
Hereford	Aylestone, Belmont, Central, St Martins & Hinton, St Nicholas, Three Elms, Tupsley	6,500	325
Leominster	Leominster North, Leominster South	2,300	115
Ross-on-Wye	Ross-on-Wye West, Ross-on-Wye East	900	45
Ledbury	Ledbury	800	40
Bromyard	Bromyard	500	25
Kington	Kington Town	200	10
Rural areas	All Other Wards (26 wards)	5,300	265
Total	-	16,500	825

METHODOLOGY OVERVIEW

- 2.4 The methodology employed follows a consistent approach to that used in the original Local Housing Requirements Study, but works back from the housing requirement. It considers the level of housing provision, and deducts an allowance for vacant housing to estimate growth in households.
- 2.5 To project changes in the level and structure of the population between 2011 and 2031, the model takes account of how likely it is that women will give birth (the fertility rate); how likely it is that people will die (the death rate) and how likely it is that people will move into or out of the County (and sub-areas where relevant). Headship rates are used to relate projections of households and population, considering how many households in different age groups are heads of household. Migration assumptions within the model are adjusted in response to the proposed levels of housing provision.



2.6 We describe below how key elements of the modelling have been derived.

Baseline Population

2.7 To estimate a baseline population for mid-2011 we have drawn on ONS mid-year population estimates. In the case of Herefordshire, the Office for National Statistics (ONS) in late 2011 published indicative mid-2010 population figures to take account of underestimating levels of international in-migration. The figures from the most recent release and the previous mid-year estimates are shown below. The table, Figure 2.3, shows that the population in most age groups (and particularly those aged 20 to 49) is now thought to be considerably higher than was the case in the original mid-year estimates. Overall, as of mid-2010 the population of Herefordshire is thought to be around 3,500 higher than previously estimated.

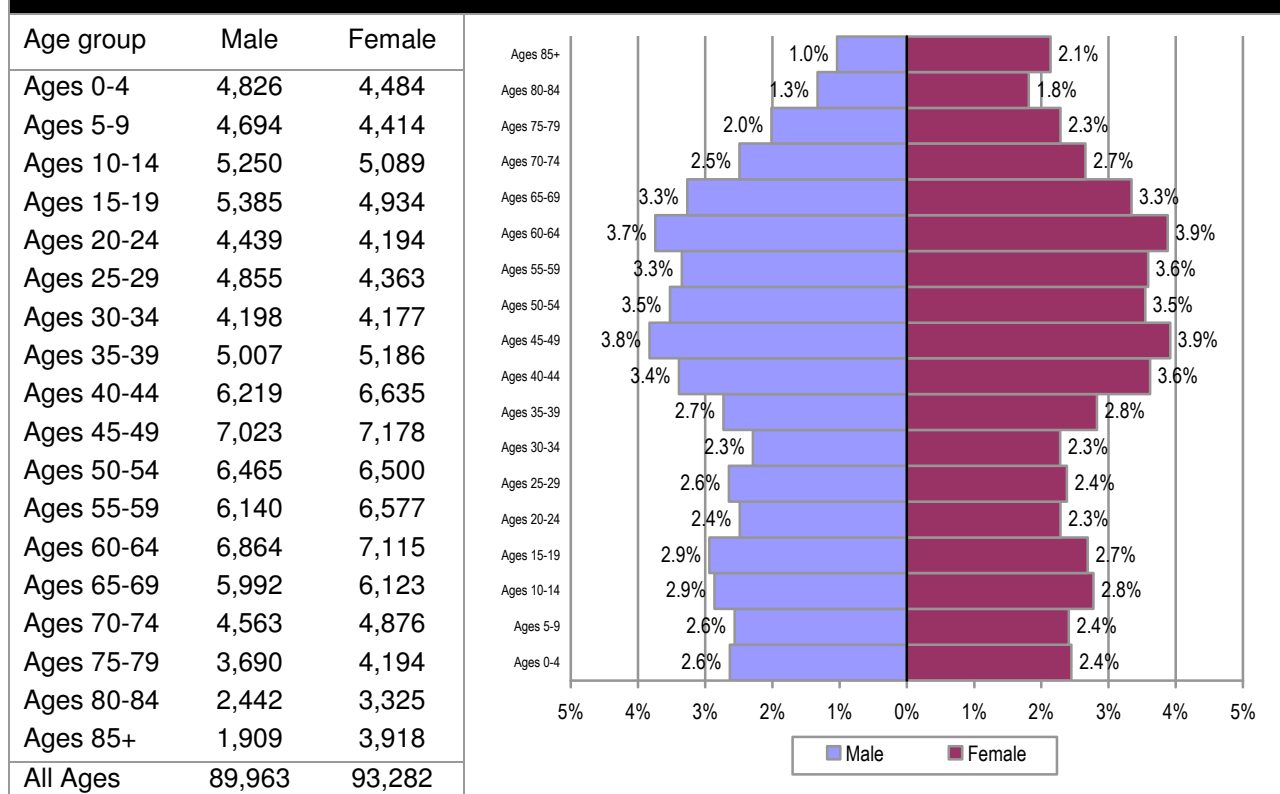
Figure 2.3: Comparing ONS 2010 Mid-Year Population Estimates			
Age group	Initial mid-year estimate	Revised indicative mid-year estimate	Difference
Ages 0-4	9,100	9,200	0
Ages 5-9	9,000	9,100	100
Ages 10-14	10,600	10,600	100
Ages 15-19	10,600	10,800	200
Ages 20-24	8,400	8,700	400
Ages 25-29	8,100	8,800	700
Ages 30-34	7,700	8,300	600
Ages 35-39	10,200	10,600	400
Ages 40-44	13,000	13,300	300
Ages 45-49	13,700	13,900	200
Ages 50-54	12,600	12,700	100
Ages 55-59	12,600	12,700	100
Ages 60-64	13,900	14,000	100
Ages 65-69	11,400	11,500	0
Ages 70-74	9,300	9,300	0
Ages 75-79	7,700	7,800	0
Ages 80-84	5,700	5,700	0
Ages 85+	5,600	5,600	0
All Ages	179,300	182,800	3,500

Source: ONS (figures rounded to nearest 100)

- 2.8 The above data is for mid-2010. However for our forecasts we want to start with a mid-2011 base. To achieve this we have run the data through the demographic model for one year taking account of expected fertility and mortality rates and by fixing the number of households based on the number of occupied dwellings shown on the Council's Housing Strategy Statistical Appendix (HSSA) return. This was 79,970, up from 79,249 in the 2010 HSSA. We have also deducted an estimate (from CLG) of the number of second/holiday homes in the area. This amounted to 848, reducing the estimated number of households to 79,122 in 2011.
- 2.9 To model the correct number of households in 2010 we have adjusted CLG 2008-based projection headship rates with migration being modelled for one year (2010-11) to achieve the estimated number of households in mid-2011. More about the assumptions around fertility, mortality, migration and headship rates can be found later in this section.

2.10 Below we have presented the baseline (mid-2011) population used in Herefordshire. For projection modelling we have used single year age groups up to age 90+ but have condensed these groups into five year bands for the purposes of presentation in this report. As of mid-2011 it is estimated that there were 183,245 people resident in the County with slightly more females than males.

Figure 2.4: Population of Herefordshire (5 year age bands) – 2011



Source: Derived from ONS data

2.11 To establish the baseline populations in each of the seven sub-areas studied we have drawn on ONS mid-2010 ward level population estimates and built these up into the sub-areas. In making these estimates for 2011 there are a number of potential issues. Firstly the ward-based figures are based on the earlier mid-year estimates (which are now considered by ONS to underestimate population), secondly the data available was only in five-year age bands and finally the data was for mid-2010 (with our baseline being mid-2011).

2.12 To adjust figures for mid-2011 we have simply looked at the proportion of each age band in each sub-area and apportioned figures on the basis of the overall County-wide population estimate. This is likely to broadly reflect likely population levels and profiles in each area and any more ‘scientific’ estimate is unlikely to be any more robust due to the previous under-estimation of international migration to the County. The data also takes account of an apparent error and over-estimation of males aged 20 to 24 in the Castle ward (part of the rural area and also the wider Kington HMA). Figure 2.5 below shows estimated population in each sub-area and the proportion of the total County population.

Figure 2.5: Sub-Area Population Estimates (Mid-2011)		
Sub-area	Population	% of population
Hereford	57,178	31.2%
Leominster	11,558	6.3%
Ross-on-Wye	10,525	5.7%
Ledbury	10,023	5.5%
Bromyard	6,102	3.3%
Kington	3,334	1.8%
Rural areas	84,525	46.1%
Total	183,245	100.0%

Source: Derived from ONS data

Fertility and Mortality Rate Assumptions

2.13 For modelling of fertility we have used the rates contained within the ONS 2010-based national population projections which have been adjusted on the basis of local information for Herefordshire (provided by the Council). The key measures used are the total fertility rate (TFR) which is the average number of children that would be born to a woman over her lifetime and age specific fertility rates (ASFRs) which is the average number of births in each age band.

2.14 Figure 2.6 below shows age-specific fertility rates for key periods of the projections. These have largely been grouped into five-year averages although the detailed modelling derived figures for each single year of the projection period. The data shows that fertility rates are expected to rise in the short-term before reducing over the remainder of the projection period. The main childbearing ages are 25-29 and 30-34.

Age group	2010-11	2011-16	2016-21	2021-26	2026-31
Under 20	19.2	17.7	16.4	15.3	14.9
20-24	86.8	87.4	82.6	78.8	76.1
25-29	119.7	121.2	116.6	112.8	110.1
30-34	115.8	118.8	114.7	112.3	111.5
35-39	56.6	58.6	56.4	55.4	54.9
Over 40	11.3	12.0	11.7	11.3	11.2
TFR	2.05	2.08	1.99	1.93	1.89

Source: Based on ONS data

- 2.15 To be consistent with national projections the fertility rates for the youngest age group are applied to the female population aged 15-19 whilst the figures for the oldest age group are applied to the population aged 40-44.
- 2.16 At a local level the ASFRs have been assumed to be the same as for the whole County although it should be noted that the number of births this generates will however vary given the different age profiles in each area.
- 2.17 We also interrogated the ONS 2008-based projections with regard to death rates which suggested that life expectancy is expected to increase for males from 79.9 in 2011/12 to 83.1 in 2030/31 and for females from 83.6 to 86.1. These figures seem realistic with small improvements having been seen in life expectancy over the past few years.
- 2.18 There is some ward level death rate (life expectancy) information available from ONS although generally the error margins associated with ward level life expectancy data are quite large and so for the purposes of our projections we have assumed the same life expectancy as for our County-wide projections. This assumption is consistent with our previous reports. As with births, the number of deaths this generates will again be dependent on the population profile in each location.

Household Growth and Headship Rates

- 2.19 In converting an estimated number of households into requirements for additional dwellings we have factored in a small vacancy allowance. For the analysis we have assumed that around 2.5% of additional stock will be vacant.
- 2.20 For the purpose of considering the relationship between households and population, we have used information contained in the 2008-based CLG household projections about the relationship between the total population in an age group and the number of household reference persons (HRPs) in that age group (headship rates).

- 2.21 Headship rates can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)).
- 2.22 In Herefordshire we have adjusted the headship rates to take account of the new population estimate (and profile) as a result of previous underestimating of international migration (described below). When compared with our 2010 and 2011 estimates of the number of households it has been calculated that headship rates in the CLG projections are around 3% too high (essentially the revised population profile suggests larger household sizes than are assumed in the CLG projections).
- 2.23 Figure 2.7 below shows headship rates derived from the 2008-based CLG projections for each of the key periods of 2011 and 2031. The data shows that whilst most headship rates remain at a fairly constant level over time there are a number of groups where notable changes are projected to occur (both in an upward and downward direction and particularly in relation to females). Generally, headship rates are projected to increase in the future. This is consistent with trends in the increasing number of single person households.

Figure 2.7: Estimated Headship Rates by Age and Sex (2011 and 2031)				
Age group	Male		Female	
	2011	2031	2011	2031
Ages 15-19	2.9%	3.0%	2.8%	3.4%
Ages 20-24	24.5%	25.2%	15.3%	17.3%
Ages 25-29	57.3%	57.8%	22.1%	25.2%
Ages 30-34	74.2%	75.2%	24.0%	29.4%
Ages 35-39	86.5%	87.7%	20.7%	24.4%
Ages 40-44	88.8%	89.7%	20.9%	21.9%
Ages 45-49	89.7%	89.4%	22.3%	22.0%
Ages 50-54	91.2%	90.4%	20.7%	22.6%
Ages 55-59	93.2%	93.6%	21.2%	25.2%
Ages 60-64	93.9%	93.9%	22.6%	23.5%
Ages 65-69	95.0%	94.8%	26.0%	29.8%
Ages 70-74	94.5%	94.4%	34.8%	35.4%
Ages 75-79	93.3%	92.8%	46.1%	41.5%
Ages 80-84	90.5%	90.8%	56.8%	49.0%
Ages 85+	80.8%	82.5%	57.8%	50.7%

Source: Derived from CLG 2008-based household projections

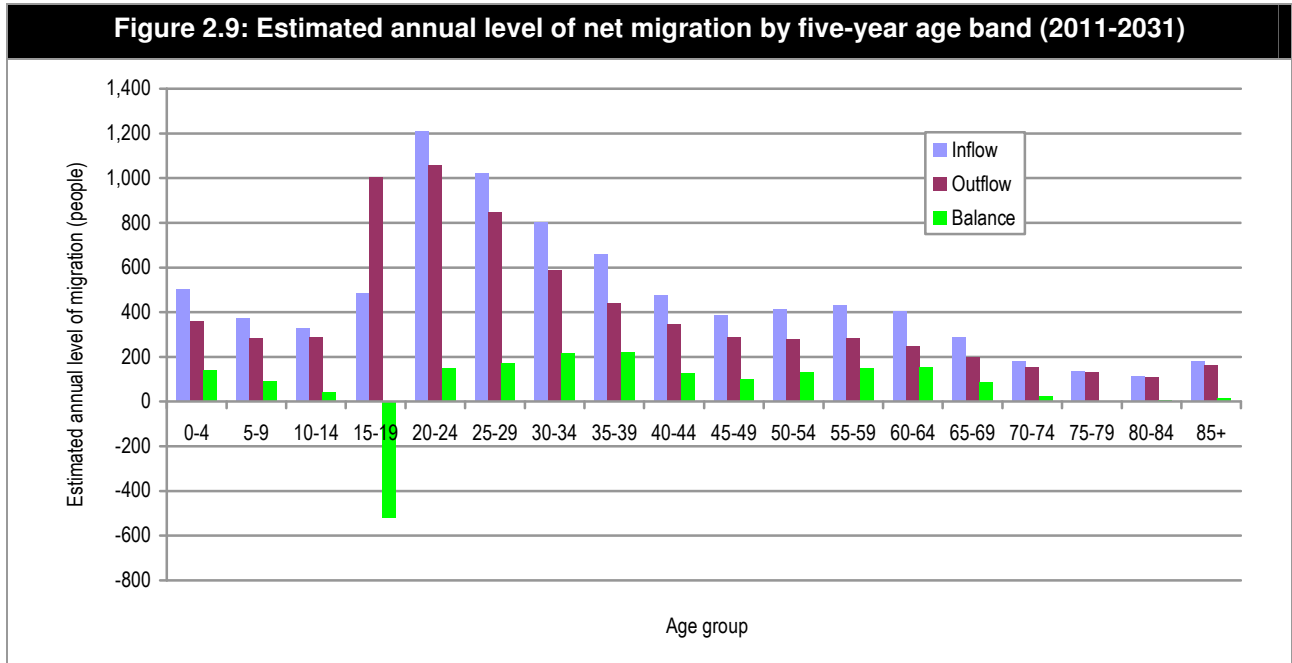
- 2.24 When applying these headship rates to our population we derive an estimated number of households in 2011 of 79,122. This figure is consistent with the number of occupied dwelling implied by the 2011 HSSA (once second/holiday homes have also been taken into account).

- 2.25 For sub-areas we have used headship rate information in the 2001 Census (built up from wards) and then adjusted this to be consistent with the overall figures for Herefordshire. Figure 2.8 below shows the estimated number of households in each sub-area in mid-2011.

Figure 2.8: Sub-Area household estimates (mid-2011)		
Sub-area	Households	% of households
Hereford	24,704	31.2%
Leominster	5,160	6.5%
Ross-on-Wye	4,729	6.0%
Ledbury	4,595	5.8%
Bromyard	2,721	3.4%
Kington	1,449	1.8%
Rural areas	35,764	45.2%
Total	79,122	100.0%

Migration Assumptions

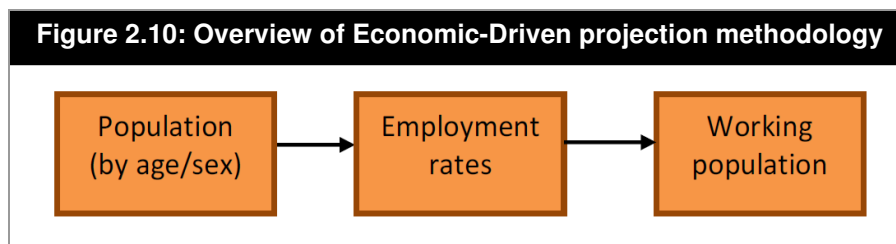
- 2.26 For the purposes of understanding the profile of migrants we have again drawn on the ONS 2008-based Subnational Population Projections. However, we also recognise the more recent information provided by ONS which suggests that levels of international in-migration are around 700 people per annum higher than had previously been estimated. An additional 700 in-migrants per annum have therefore been added to the ONS SNPP figures (based on the profile of international migrants shown in the SNPP).
- 2.27 The migration figures have then been adjusted so that migration levels correspond to the likely housing provision figures. In adjusting migration we have looked at in-migrants and treated all categories equally (i.e. it is assumed that all of international, internal and cross-border migration are equally likely to be affected by the ability to find housing in the area).
- 2.28 Over the full twenty-year projection period from 2011 to 2031 our estimates suggest an average annual level of net migration of 1,333 made up of in-migration of 8,414 and out-migration of 7,081. The data clearly shows that the most important age groups are from 20 to 34.
- 2.29 The expected profile of migration indicates net out-migration of those aged 15-19 (which will include students moving away to University) but net in-migration for most other age groups.
- 2.30 Whilst Figure 2.9 summarises migration data in five year age bands and for the full 20-year projection period it should be noted that within the modelling we have used single year age bands (and by sex) and also used figures for each individual year of the projection.



2.31 In developing sub-area projections we have used the general profile of migration shown in Figure 2.9 above but with adjustments made depending on the age profile in each area. This would mean for example that areas with an older population are generally expected to see less in and out migration. The local level migration estimates are further adjusted to take account of the different levels of housing provision which will in turn affect household numbers (and hence population). As a result of local level projections the actual profile of migration will not exactly match that shown above which has been derived for the whole of Herefordshire.

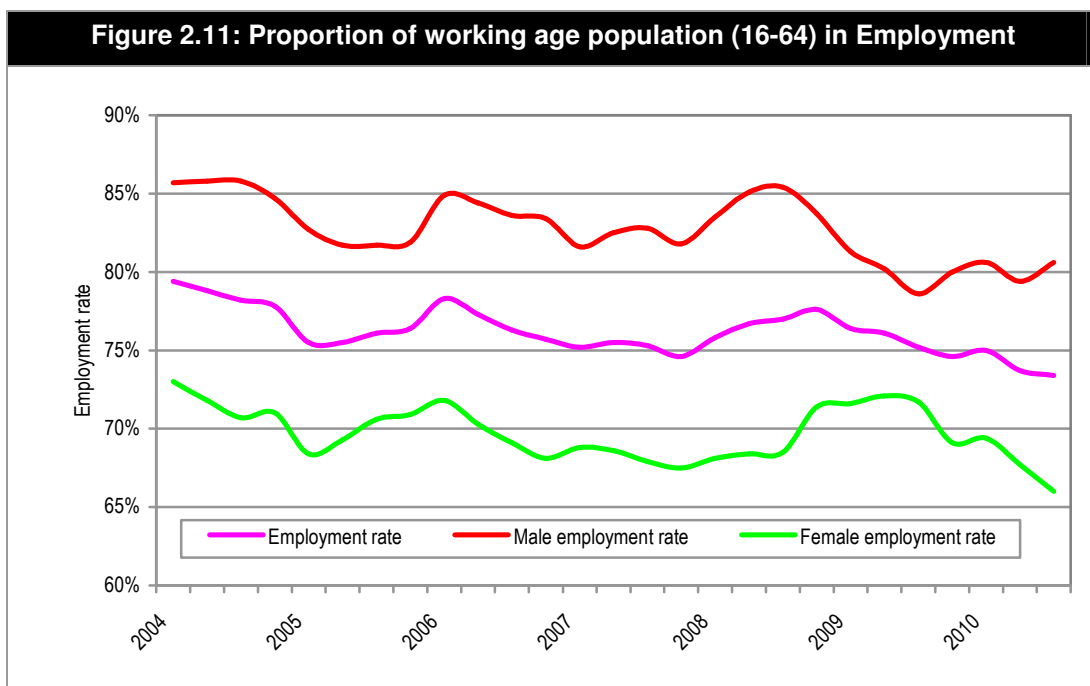
Economic (Employment) Assumptions

2.32 With the change in demographic structure will come changes in the number of people who are working (as the population of people of working age changes). The next stage of the forecasting process was therefore to make estimates about how employment levels would change in each area given the projected population profile changes. The process is set out in Figure 2.10 below.



2.33 The first stage of the process was to establish working patterns in the local authority. The figure below shows a time series of employment rates for males, females and overall. The employment rate is based on the proportion of the population aged 16-64 who are working.

2.34 The data shows that the overall employment rate in Herefordshire has been quite variable but with a clear downward trend. For the separate sexes the trend is again downwards although there are some interesting patterns such as the apparent increase in female employment rates immediately following the economic downturn (which may be caused by part-time jobs partly compensating for full-time job losses).



Source: NOMIS/Annual Population Survey

2.35 Using the above data to provide us with an overall picture of working patterns we have also drawn on 2001 Census data and information from the Annual Population Survey to inform the distribution of workers by age, sex and location. In projecting forward we have considered the scope for changes in the underlying employment rate as the projection develops. As shown above the employment rate in Herefordshire has dropped noticeably from around 78%-79% (in 2004) down to around 73%-74% in 2011 with a similar scale of overall decline for both males and females.

2.36 For the purposes of our modelling we have therefore assumed that employment rates start (in 2011) at around 80% for males and 67% for females and then improve to reach 85% and 72% respectively by 2021; levelling off thereafter. Changes to pensionable age have also been applied to employment rates as they become relevant during the projection period.

2.37 Figure 2.12 below shows the age specific employment rates used for modelling in 2011 and 2031. From the population modelling exercise it was estimated that in mid-2011 there were 85,655 people in employment.

Figure 2.12: Employment Rates by Age and Sex				
Age group	Male		Female	
	2011	2031	2011	2031
Aged 16 to 19	47.5%	50.5%	50.1%	53.9%
Aged 20 to 24	77.5%	82.4%	64.9%	69.8%
Aged 25 to 29	86.0%	91.4%	72.0%	77.4%
Aged 30 to 34	88.3%	93.8%	69.7%	74.9%
Aged 35 to 39	89.5%	95.0%	72.8%	78.3%
Aged 40 to 44	89.5%	95.1%	77.5%	83.3%
Aged 45 to 49	88.1%	93.7%	79.5%	85.4%
Aged 50 to 54	89.7%	95.3%	82.2%	88.3%
Aged 55 to 59	81.3%	86.4%	66.0%	70.9%
Aged 60 to 64	58.6%	62.2%	33.3%	35.8%
Aged 65 to 69	25.8%	27.4%	17.6%	18.9%
Aged 70 to 74	14.4%	15.3%	7.5%	8.1%

Source: NOMIS (from 2001 Census) adjusted using NOMIS data

2.38 For the sub-area employment rates we have built up ward level information from the 2001 Census and then adjusted this to match our overall Herefordshire wide assumptions. There does not appear to be particularly large differences in employment rates by location with the overall figure varying from 72.4% in rural areas up to 75.9% in Ledbury (in 2011).

3 DEMOGRAPHIC FORECASTS – HEREFORDSHIRE

- 3.1 This section presents demographic forecasts for the County as a whole considering household and population growth associated with the delivery of the planned level and distribution of housing provision in the Revised Preferred Options (Oct 2011).
- 3.2 Delivery of the 16,500 homes is assumed to be spread evenly across the plan period for modelling purposes. This results in household growth of 20.3% over the 20 year period to 2031.

Figure 3.1: Household Estimates 2011 to 2031

	2011	2016	2021	2026	2031
PROJ (16,500)	79,122	83,146	87,171	91,195	95,220
	0.0%	5.1%	10.2%	15.3%	20.3%

- 3.3 It is estimated that this would support 12.3% growth in the County's population over the 20 year period, with the population increasing by 22,450 persons to reach 205,695 in 2031.

Figure 3.2: Population Estimates 2011 to 2031

	2011	2016	2021	2026	2031
PROJ (16,500)	183,245	188,289	193,816	199,870	205,695
	0.0%	2.8%	5.8%	9.1%	12.3%

- 3.4 The age structure of the population would also change. Figure 3.3 indicates the changes in the population structure by 15 year age band. It is forecast that the strongest growth in the population would be in those aged over 75, particularly as a result of improvements in life expectancy.

Figure 3.3: Population change 2011 to 2031 by broad age bands

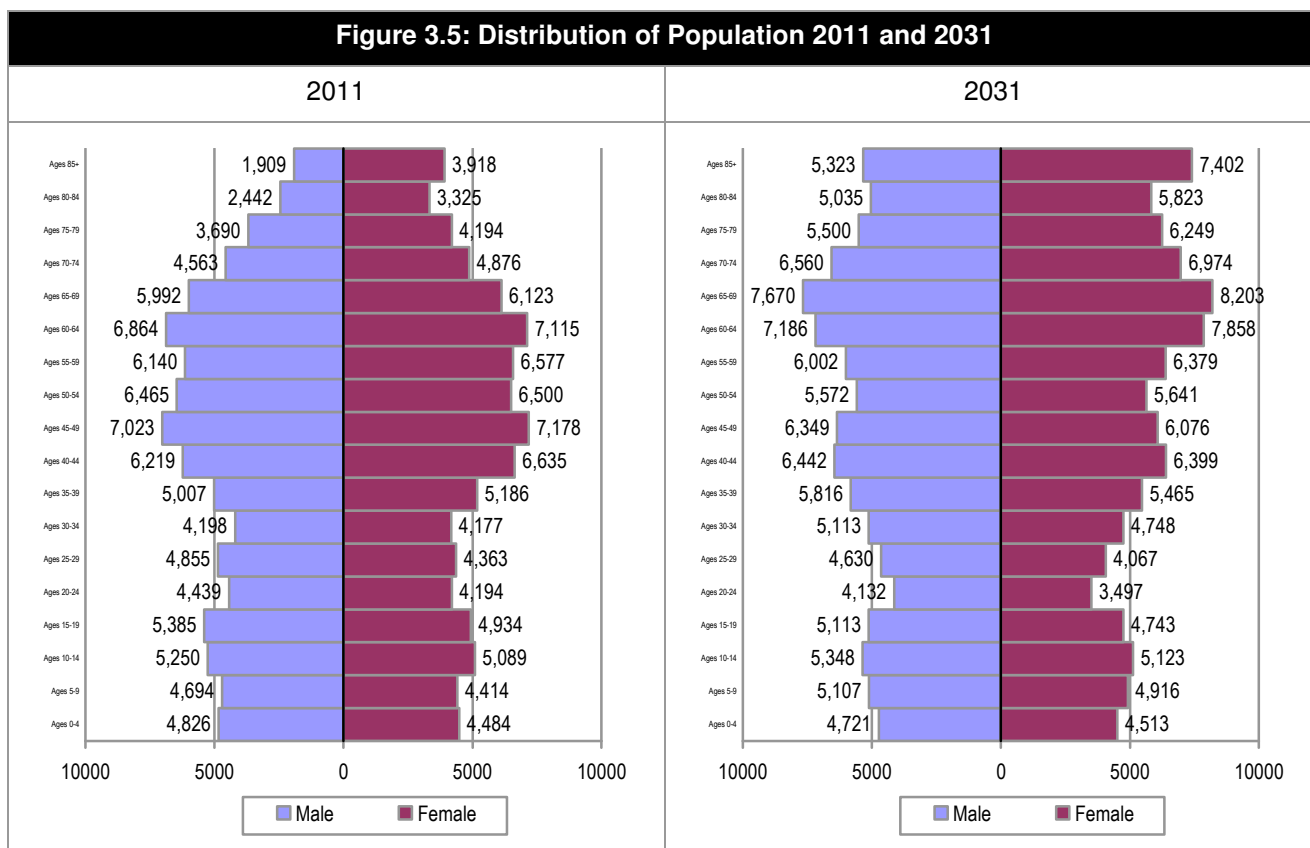
Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	28,757	29,729	972	3.4%
15-29	28,171	26,182	-1,988	-7.1%
30-44	31,423	33,983	2,560	8.1%
45-59	39,883	36,018	-3,865	-9.7%
60-74	35,533	44,450	8,917	25.1%
75+	19,478	35,332	15,854	81.4%
Total	183,245	205,695	22,449	12.3%

- 3.5 The population in other age groups is also however projected to increase, with growth in those aged 60-74 as well as those aged 30-44 and under 15 (linked to an increase in family households).

3.6 Overall however, the working-age population aged 16-64 is expected to fall marginally over the period to 2031, with a reduction of 1.9% forecast (-2,158 persons). However because of changes in retirement age and people working longer, the level of housing provision proposed will support growth in the number of people in employment of 7.7% (6,600 persons). For this analysis employment is taken to be anyone who is working and includes full- and part-time employment as well as self-employment. The figures are based on residents who are working regardless of the location in which they work.

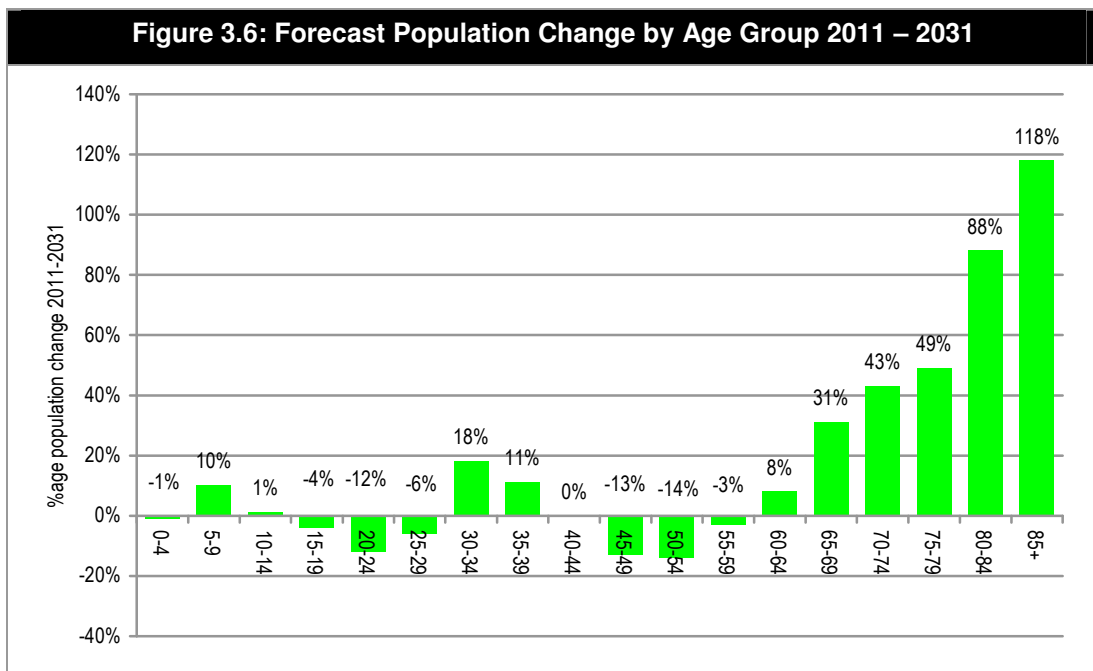
Figure 3.4: Number of People in Employment 2011 to 2031					
	2011	2016	2021	2026	2031
PROJ (16,500)	85,655	89,336	92,354	92,005	92,213
	0.0%	4.3%	7.8%	7.4%	7.7%

3.7 Figure 3.5 indicates the implications of the forecast demographic changes on the age structure of the population across the County by 5-year age band and sex. This should be considered alongside Figure 3.6 which analyses changes by age band over the 20 year period.



3.8 Growth is expected primarily in those aged over 65, with the strongest growth forecast in those aged over 80.

- 3.9 Figure 3.5 indicates that in 2011 the largest population groups (by 5-year age band) in the County are those aged between 40 and 69. Over the next 20 years these age groups will shift up the pyramid. This is an important driver of the growth in the population aged over 60 which is forecast, together with improvements in life expectancy which support strong growth in the population aged over 80.
- 3.10 Growth in the population aged in their 30s is forecast. This is likely to include family households, and some growth in the population aged 5-14 is forecast, associated with this.



4 HOUSING REQUIREMENTS BY SUB-AREA

4.1 In this section we present the findings of the demographic modelling relating to the market towns and rural areas within the County. The analysis presents:

- Estimates of households and population, as well as the population structure, updating analysis within the Local Housing Requirements Study (July 2011);
- Estimates of requirements for different sizes and types of market and affordable housing, updating analysis within the Local Housing Market Assessment (June 2011).

4.2 The methodology used to provide the analysis of population size and structure was described in Section 2. The approach to estimating requirements for different types and sizes of housing is described below.

4.3 This section presents analysis for the sub-areas identified in the Core Strategy. The outputs have also been modelled for the seven Local Housing Markets across Herefordshire – the outputs of this are set out in Appendix 1.

APPROACH TO CONSIDERING HOUSING MIX

4.4 The approach to considering the mix of housing required is based on the housing market model which was used within the Local Housing Market Assessment (LHMA) report completed in 2011. The full methodology can be found in Section 5 of the LHMA and so is not repeated here.

4.5 The model works under the basic assumption that households will continue to occupy their homes in the same way in the future. For example, whilst demographic projections typically show that the greatest rises are in the older population age groups, this does not translate into all (or the majority of) new housing needing to be specifically for older people. This is because the majority of older people live in ordinary residential accommodation and there is no reason to believe that this trend will not continue into the future.

4.6 The model therefore works by looking at the types and sizes of accommodation occupied by various different groups of households (typically by age of household reference person). When projected changes in the population are attached to the data it is possible to see how the profile of housing would need to change to maintain the same profile of occupancy for each age group.

- 4.7 In this update, the outputs of the housing market model have been provided for each of the seven sub-areas based on the projected population/household change (in turn based on the dwelling provision distribution). One additional assumption is around the proportion of additional housing provided as affordable which has been based on the likely viability of residential development and policies for affordable housing, as described in the earlier LHMA.
- 4.8 Figure 4.1 below shows the number of households in each area, the estimated number living in affordable housing and also the assumption used in the modelling about how much of the additional provision might be provided as affordable housing.

Figure 4.1: Baseline Assumptions used for Housing Market Model			
Sub-area	2011 Households	Households living in Affordable Housing	% of Future Housing as Affordable
Hereford	24,704	5,540	35%
Leominster	5,160	982	25%
Ross-on-Wye	4,729	809	40%
Ledbury	4,595	650	40%
Bromyard	2,721	516	25%
Kington	1,449	275	35%
Rural areas	35,764	3,278	35%
Total	79,122	12,050	-

- 4.9 The assumptions relating to the proportion of housing provided as affordable are consistent with the Local Housing Market Assessment, and informed by the Council's 2010 Viability Study.
- 4.10 In converting an estimated number of households into requirements for additional dwellings we have also factored in a small vacancy allowance. For the analysis we have assumed that around 2.5% of additional stock will be vacant.

HOUSING MIX FINDINGS – HEREFORDSHIRE

Market Housing

4.11 There is an estimated requirement for 10,920 market homes over the 2011-31 plan period.

Figure 4.2: Estimated Size and of Dwellings Required 2011 to 2031 – Market Housing			
Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	3,401	4,009	609
2 bedroom	11,481	13,977	2,496
3 bedroom	32,643	38,645	6,002
4+ bedroom	21,224	23,037	1,814
Total	68,749	79,669	10,920

4.12 The strongest requirement is for 3-bed market homes (55%). The analysis indicates that 23% of the requirement is for 2-bed homes, and 17% is for homes with 4 or more bedrooms. There is a very limited requirement in the market sector for 1-bed properties (6%).

4.13 We would expect demand for new-build 1-bed properties in the market sector to be limited as pricing would be similar to larger properties within the existing housing stock.

4.14 The demand profile identified takes account of the existing housing stock. Overall the analysis indicates a slight shift towards smaller properties over the plan period, linked to changes in the demographic structure. The analysis thus sees a greater requirement for 3-bed properties and a lower requirement for 4-bed properties relative to the profile of the existing housing stock.

Affordable Housing

4.15 Figure 4.3 presents a similar analysis for affordable housing. This indicates that 29% of the requirement for additional affordable housing, county-wide, is for 1-bed properties over the plan period to 2031. Some 35% of the requirement is for 2-bed properties, 33% for 3-bed properties and 4% for 4-bed properties.

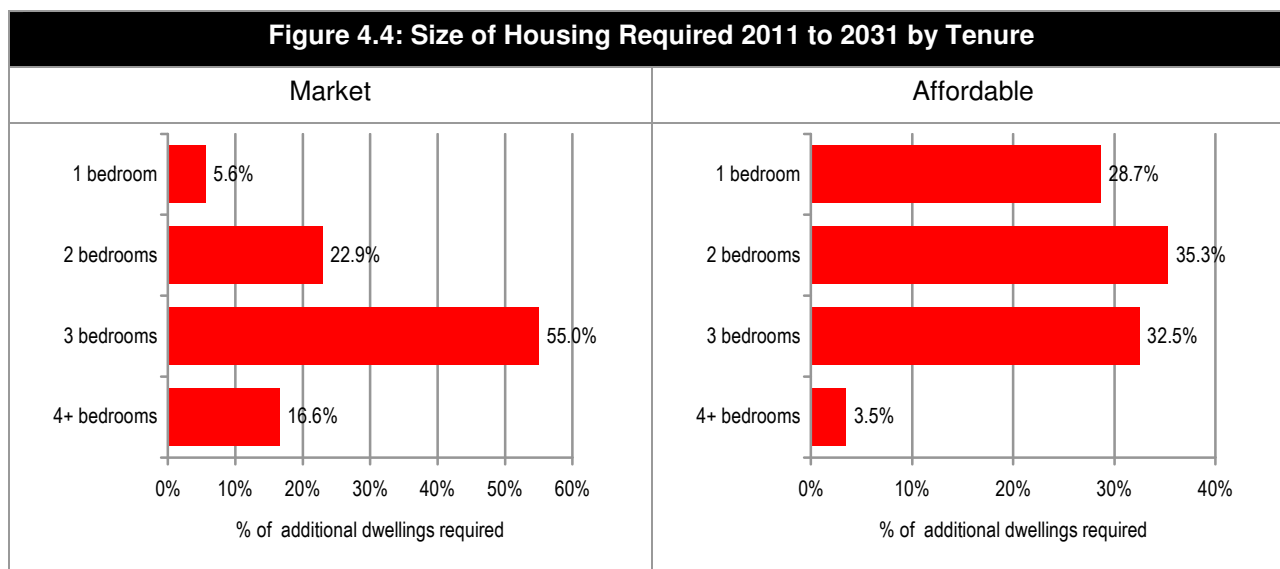
Figure 4.3: Estimated Size and of Dwellings Required 2011 to 2031 – Affordable Housing			
Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	2,835	4,438	1,603
2 bedroom	4,179	6,146	1,967
3 bedroom	4,728	6,543	1,815
4+ bedroom	610	805	195
Total	12,351	17,931	5,580

4.16 This analysis presents a long-term strategic assessment of affordable housing requirements by size. It should be brought together with the analysis of short-term housing needs, as set out in the LHMA in determining affordable housing policies.

4.17 At a local level other information is also relevant in considering the mix of affordable housing sought on individual development schemes, including the profile and turnover of the existing stock and evidence from the Home Point Housing Register.

Overall Housing Mix

4.18 Figure 4.4 concludes by setting out the mix of market and affordable housing required over the plan period to 2031.



4.19 In our view planning and housing policy should not be overly prescriptive in regard to the mix of market housing required, as in many senses the market is well placed to judge what will sell and this will change over time. However the above analysis provides a strategic analysis for monitoring purposes.

SUMMARY FINDINGS – HEREFORD

4.20 In this section we present the findings of the demographic forecasting for Hereford, together with our conclusions on the mix of housing required.

4.21 Delivery of 6,500 homes would support growth in Hereford's population by 15.2% over the plan period from 2011-31. The number of households would increase by 25.7%.

Figure 4.5: Population Estimates 2011 to 2031 – Hereford

	2011	2016	2021	2026	2031
PROJ (16,500)	57,178 0.0%	59,079 3.3%	61,483 7.5%	63,978 11.9%	65,874 15.2%

Figure 4.6: Household Estimates 2011 to 2031

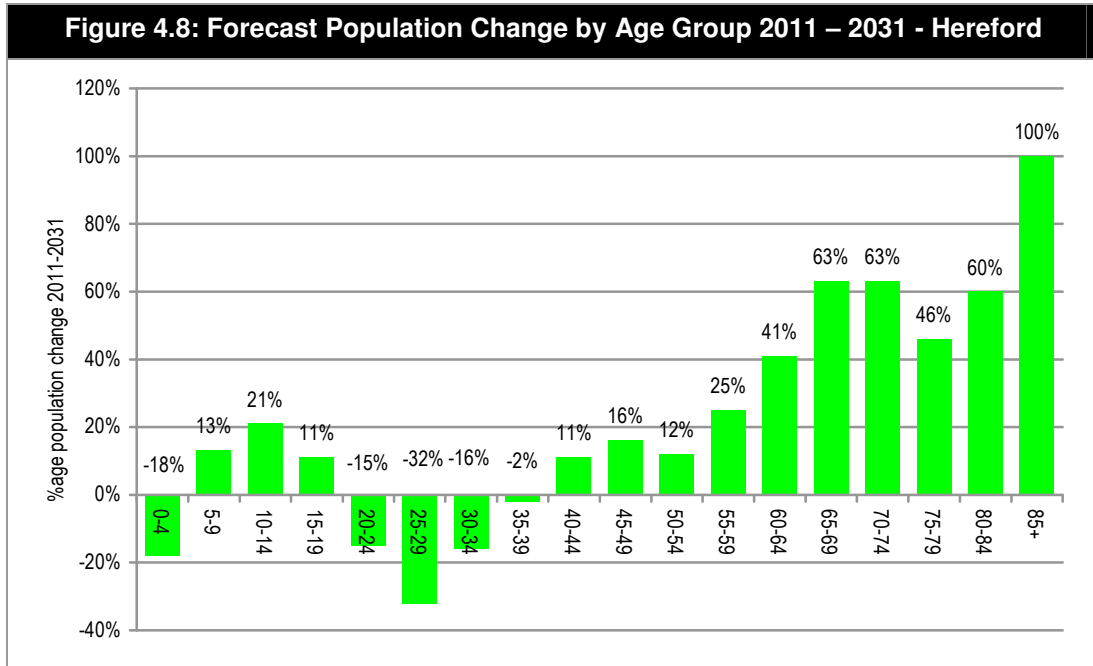
	2011	2016	2021	2026	2031
PROJ (16,500)	24,704 0.0%	26,290 6.4%	27,875 12.8%	29,460 19.3%	31,046 25.7%

4.22 The forecasts indicate that growth in the City's population is likely to be primarily through an increase in those aged over 45, with the strongest growth in those aged over 60. In contrast the population aged 15-29 is forecast to fall.

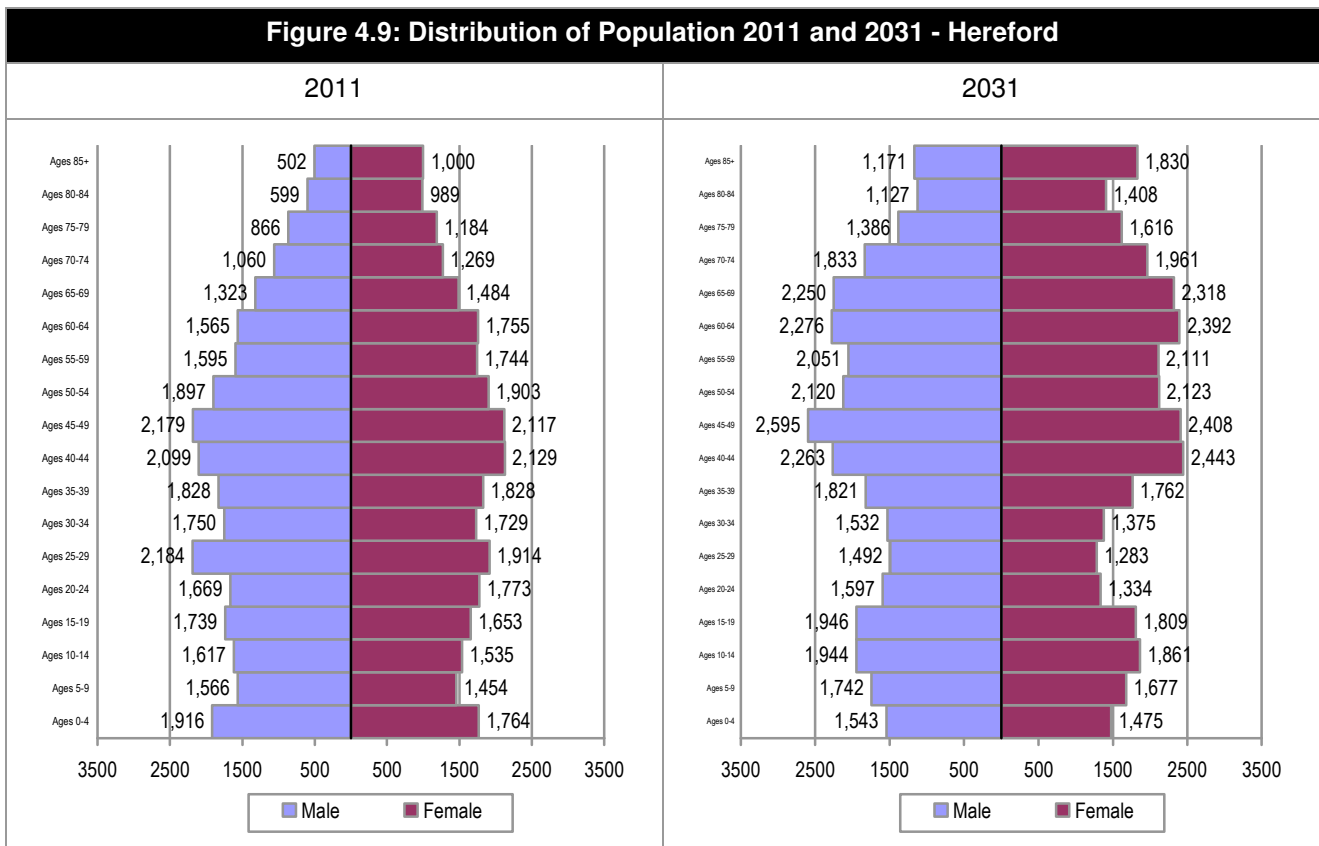
Figure 4.7: Population Change 2011 to 2031 by Broad Age Bands - Hereford

Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	9,852	10,241	389	4.0%
15-29	10,933	9,460	-1,472	-13.5%
30-44	11,363	11,196	-167	-1.5%
45-59	11,435	13,409	1,974	17.3%
60-74	8,455	13,030	4,574	54.1%
75+	5,140	8,538	3,398	66.1%
Total	57,178	65,874	8,696	15.2%

4.23 Looking at forecast changes in the age structure at a finer grain, growth is forecast in the population aged between 5 and 19 and over 40. Over 40% growth in all 5 year age cohorts over 60 is forecast to 2031.



4.24 Figure 4.9 outlines the resultant changes in the demographic structure. A reduction in the population aged in their 20s and early 30s is forecast, with an increase in the population in older age groups.



- 4.25 The size of the workforce is expected to grow over the 20 year plan period by 13.3% (3,677 persons).

Figure 4.10: Number of People in Employment 2011 to 2031 - Hereford

	2011	2016	2021	2026	2031
PROJ (16,500)	27,743	29,144	30,492	31,011	31,420
	0.0%	5.0%	9.9%	11.8%	13.3%

Requirements for Different Sizes of Homes

- 4.26 Based on delivery of 35% affordable housing, it is estimated that 4,225 market homes and 2,275 affordable homes would be delivered to 2031.
- 4.27 The strongest demand for market housing would be for 3-bed properties (55%) and properties with four or more bedrooms (23%). Some 22% of market housing required would be for 1 and 2 bed properties. This would see a slight shift of the mix of market housing towards larger properties, related particularly to the growth in population over 40 many of whom have built up equity in their existing homes.

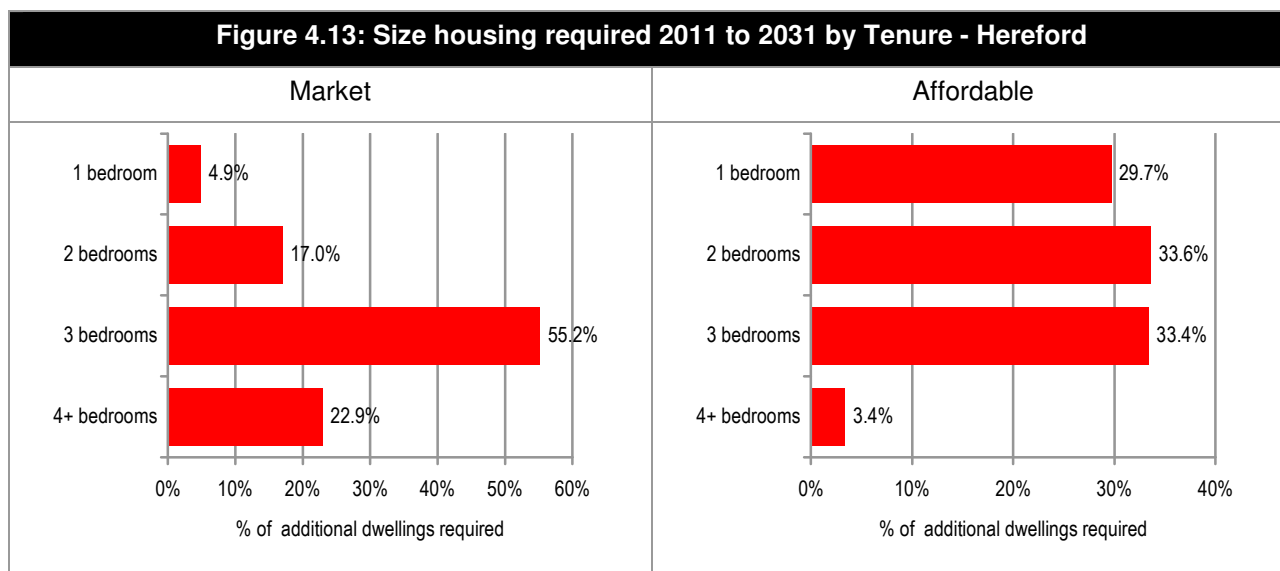
Figure 4.11: Estimated Size and of Dwellings Required 2011 to 2031 – Market Housing - Hereford

Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	1,539	1,746	207
2 bedroom	3,864	4,582	718
3 bedroom	10,033	12,365	2,332
4+ bedroom	4,208	5,176	967
Total	19,643	23,868	4,225

- 4.28 In the affordable sector, housing is allocated based on the size of the household rather than their 'buying power.' As a result the mix of housing required is focused more towards smaller properties. A mix of property sizes are required: 30% 1-bed, 34% 2-bed, 33% 3-bed and 3% with 4 or more bedrooms over the period to 2031.

Figure 4.12: Estimated Size and of Dwellings Required 2011 to 2031 – Affordable Housing - Hereford			
Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	1,325	2,001	675
2 bedroom	1,932	2,696	764
3 bedroom	2,188	2,947	759
4+ bedroom	233	310	77
Total	5,679	7,954	2,275

4.29 Figure 4.13 summarises the requirements for market and affordable housing over the 2011-31 period in percentage terms.



SUMMARY FINDINGS – LEOMINSTER

- 4.30 In this section we present the findings of the demographic forecasting for Leominster, together with our conclusions on the mix of housing required.
- 4.31 Delivery of 2,300 homes would support growth in Leominster's population by a substantial 42.8% over the plan period from 2011-31. The number of households would increase by 43.5%.
- 4.32 The outputs for Leominster are notably different to Herefordshire as a whole (and indeed any other area) with population and household growth in proportionate terms being very similar – in all other areas household growth is considerably higher than population change. This situation has arisen due to the large housing delivery as a proportion of the current housing stock in the area. For the additional homes to be occupied the projections assume a higher level of net in-migration to Leominster and as can be seen from the profile of in-migrants in Section 2 this will mean a greater proportion of people in what might be described as 'family' age groups (often including children).
- 4.33 As a result the ageing of the population in Leominster is expected to be less pronounced and overall household sizes are not expected to change significantly – hence the proportionate increases in population and households are broadly similar.

Figure 4.14: Population Estimates 2011 to 2031 - Leominster

	2011	2016	2021	2026	2031
PROJ (16,500)	11,558	12,786	14,027	15,288	16,503
	0.0%	10.6%	21.4%	32.3%	42.8%

Figure 4.15: Household Estimates 2011 to 2031 - Leominster

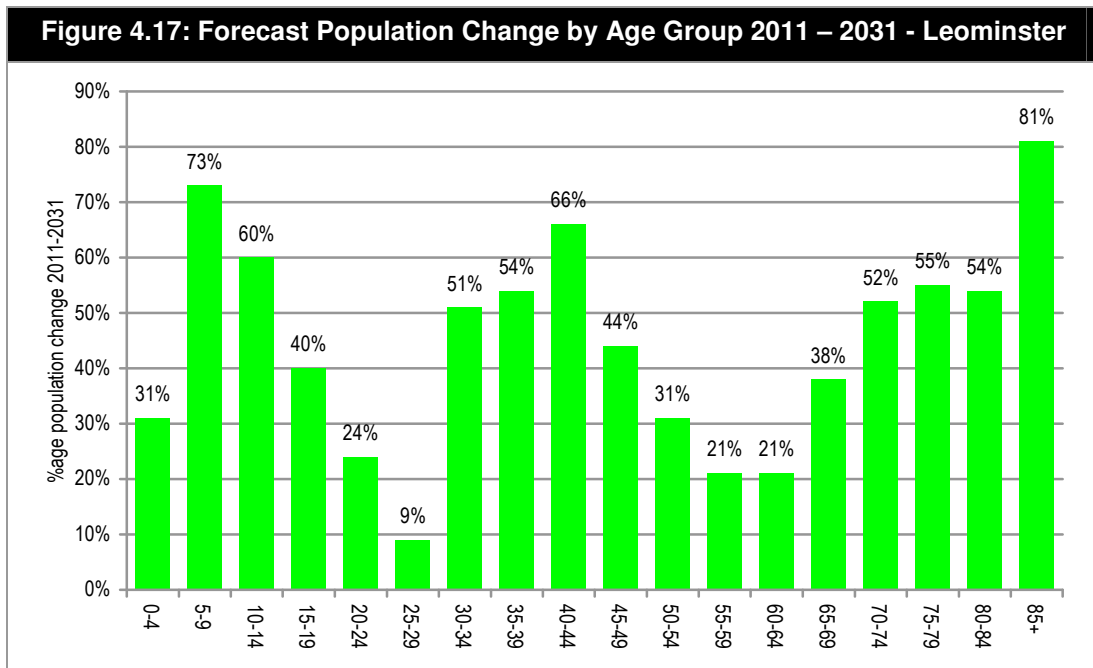
	2011	2016	2021	2026	2031
PROJ (16,500)	5,160	5,721	6,282	6,843	7,404
	0.0%	10.9%	21.7%	32.6%	43.5%

- 4.34 The forecasts indicate that the scale of growth proposed at Leominster would support growth in the population of all ages, but with the strongest growth in those aged 30-44 (overall) and over 75 (in proportional terms).

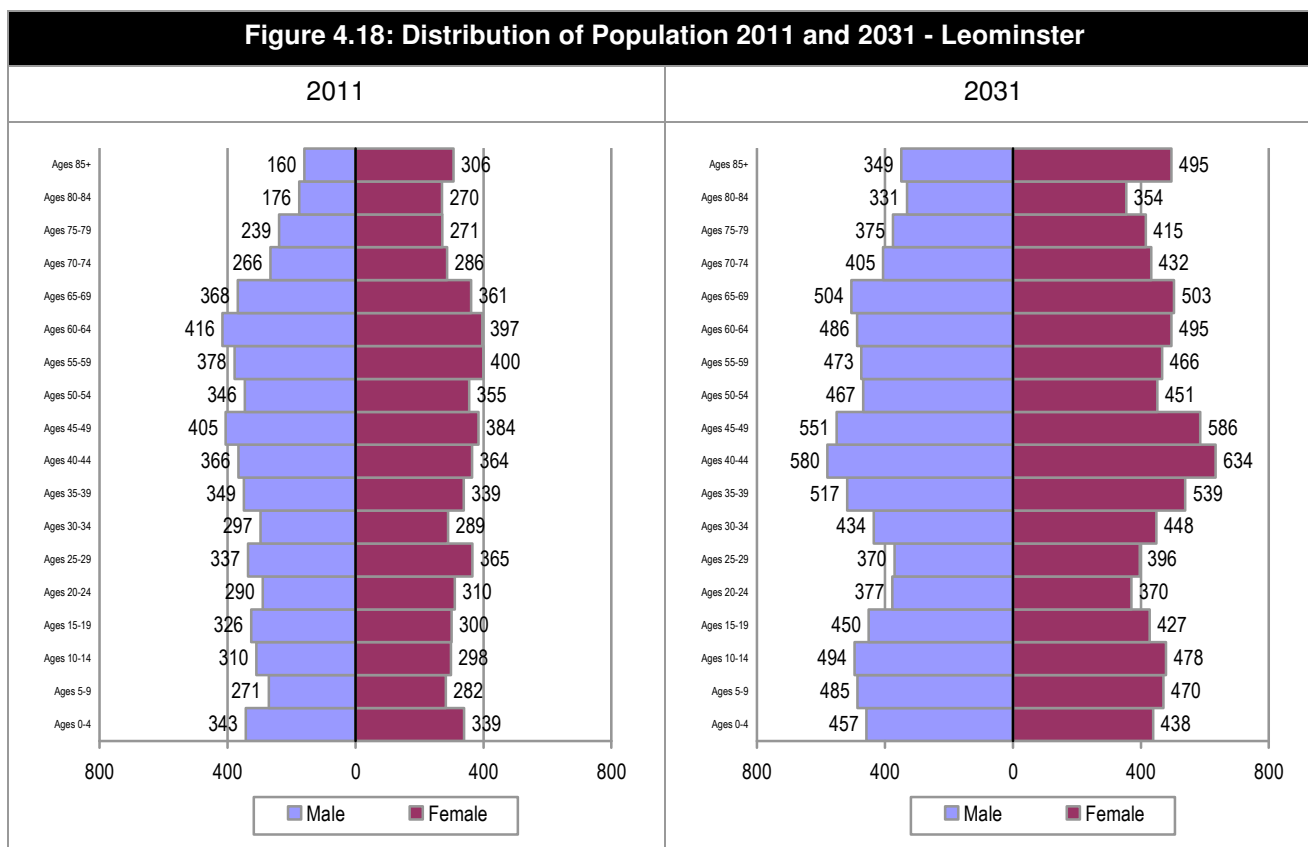
Figure 4.16: Population Change 2011 to 2031 by Broad Age Bands - Leominster

Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	1,843	2,822	979	53.1%
15-29	1,928	2,390	463	24.0%
30-44	2,004	3,151	1,147	57.3%
45-59	2,268	2,994	726	32.0%
60-74	2,094	2,826	732	34.9%
75+	1,421	2,320	898	63.2%
Total	11,558	16,503	4,946	42.8%

4.35 Looking at forecast changes in the age structure at a finer grain, the analysis suggests growth in both family households with children (with strong growth in those aged in their 30s and 40s and under 19) as well as in those of retirement age.



4.36 Figure 4.18 outlines the resultant changes in the demographic structure. Again this highlights growth in the population across a wide spread of age bands as well as at the top of the pyramid (linked to improvements in life expectancy).



4.37 The size of the workforce is expected to grow over the 20 year plan period by 47.9% (2,473 persons). This highlights the need to deliver employment growth alongside housing provision in Leominster.

Figure 4.19: Number of People in Employment 2011 to 2031 - Leominster

	2011	2016	2021	2026	2031
PROJ (16,500)	5,164	5,900	6,576	7,094	7,637
	0.0%	14.3%	27.4%	37.4%	47.9%

Requirements for Different Sizes of Homes

4.38 Based on delivery of 25% affordable housing, it is estimated that 1,725 market homes and 575 affordable homes would be delivered to 2031.

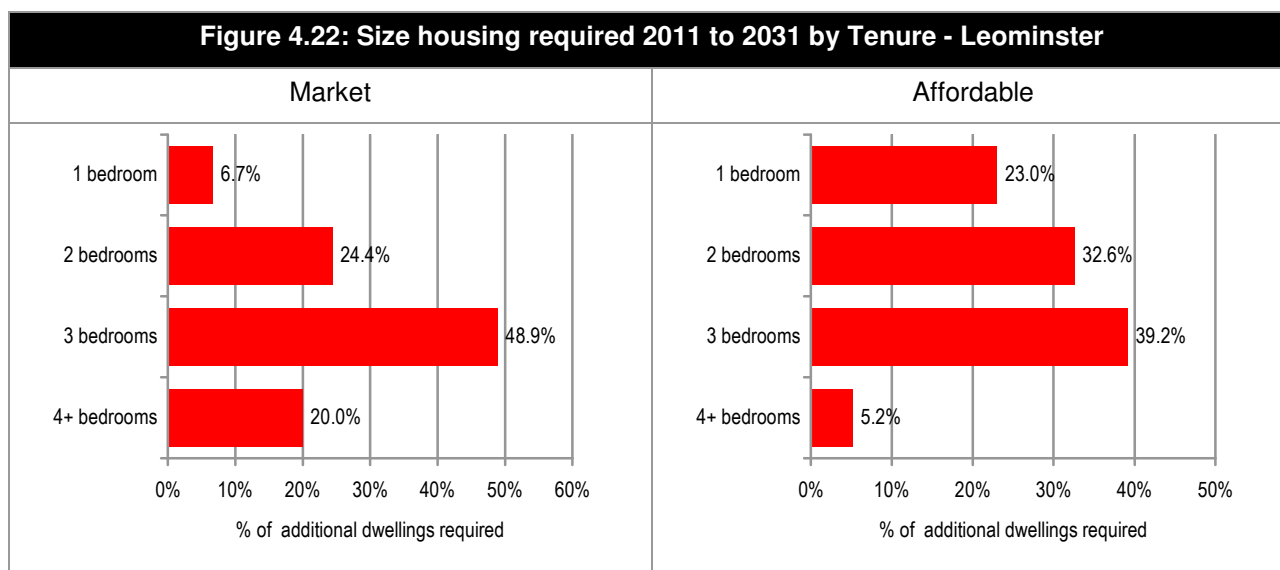
4.39 The strongest demand for market housing would be for 3-bed properties (49%). Some 24% of the requirement would be for 2-bed homes, and 20% with homes with 4 or more bedrooms. Demand for 1-bed properties is expected to be relatively limited (7%).

Figure 4.20: Estimated Size and of Dwellings Required 2011 to 2031 – Market Housing - Leominster			
Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	282	398	116
2 bedroom	1,031	1,452	421
3 bedroom	2,098	2,941	843
4+ bedroom	871	1,217	345
Total	4,283	6,008	1,725

4.40 In the affordable sector, housing is allocated based on the size of the household rather than their 'buying power.' A mix of property sizes are required: 23% 1-bed, 33% 2-bed, 39% 3-bed and 5% with 4 or more bedrooms over the period to 2031.

Figure 4.21: Estimated Size and of Dwellings Required 2011 to 2031 – Affordable Housing - Leominster			
Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	225	358	133
2 bedroom	334	521	187
3 bedroom	397	622	225
4+ bedroom	51	81	30
Total	1,007	1,582	575

4.41 Figure 4.22 summarises the requirements for market and affordable housing over the 2011-31 period in percentage terms.



SUMMARY FINDINGS – ROSS-ON-WYE

- 4.42 In this section we present the findings of the demographic forecasting for Ross-on-Wye, together with our conclusions on the mix of housing required.
- 4.43 Delivery of 900 homes would support growth in Ross-on-Wye's population by 13.8% over the plan period from 2011-31. The number of households would increase by 18.6%.

Figure 4.23: Population Estimates 2011 to 2031 – Ross-on-Wye

	2011	2016	2021	2026	2031
PROJ (16,500)	10,525 0.0%	10,861 3.2%	11,222 6.6%	11,606 10.3%	11,975 13.8%

Figure 4.24: Household Estimates 2011 to 2031 – Ross-on-Wye

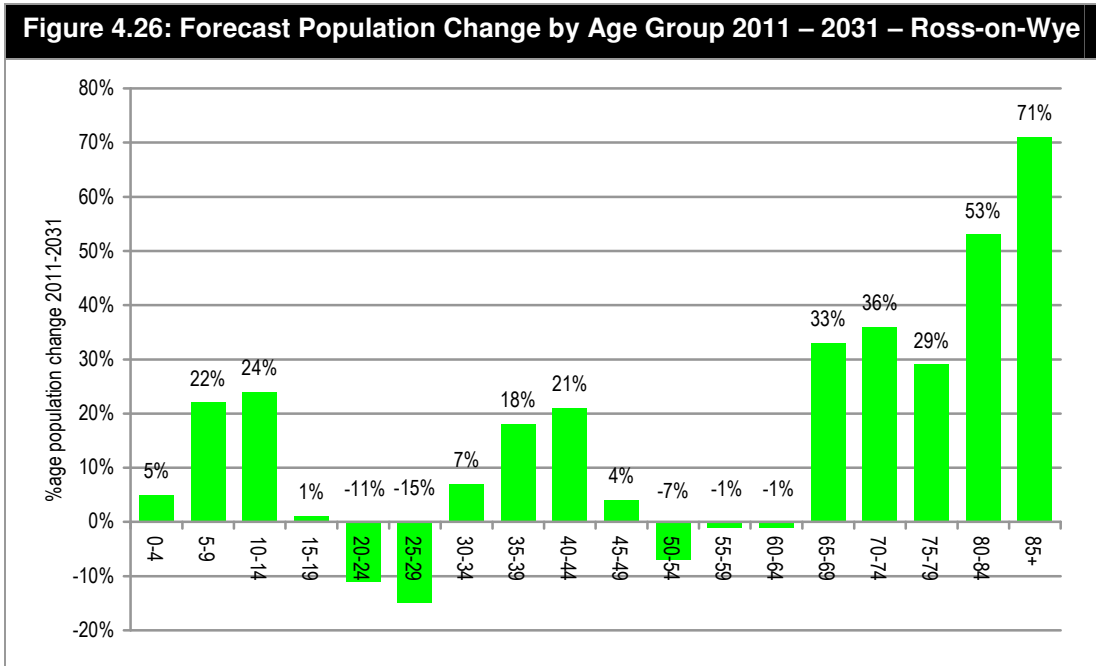
	2011	2016	2021	2026	2031
PROJ (16,500)	4,729 0.0%	4,949 4.6%	5,168 9.3%	5,388 13.9%	5,607 18.6%

- 4.44 The forecasts indicate that growth in Ross-on-Wye's is likely to be primarily through an increase in those aged over 60, with the strongest growth in those aged 75+. The population aged 30-44 is also forecast to increase, with growth also seen in those aged Under 15. In contrast the population aged 15-29 is forecast to fall.

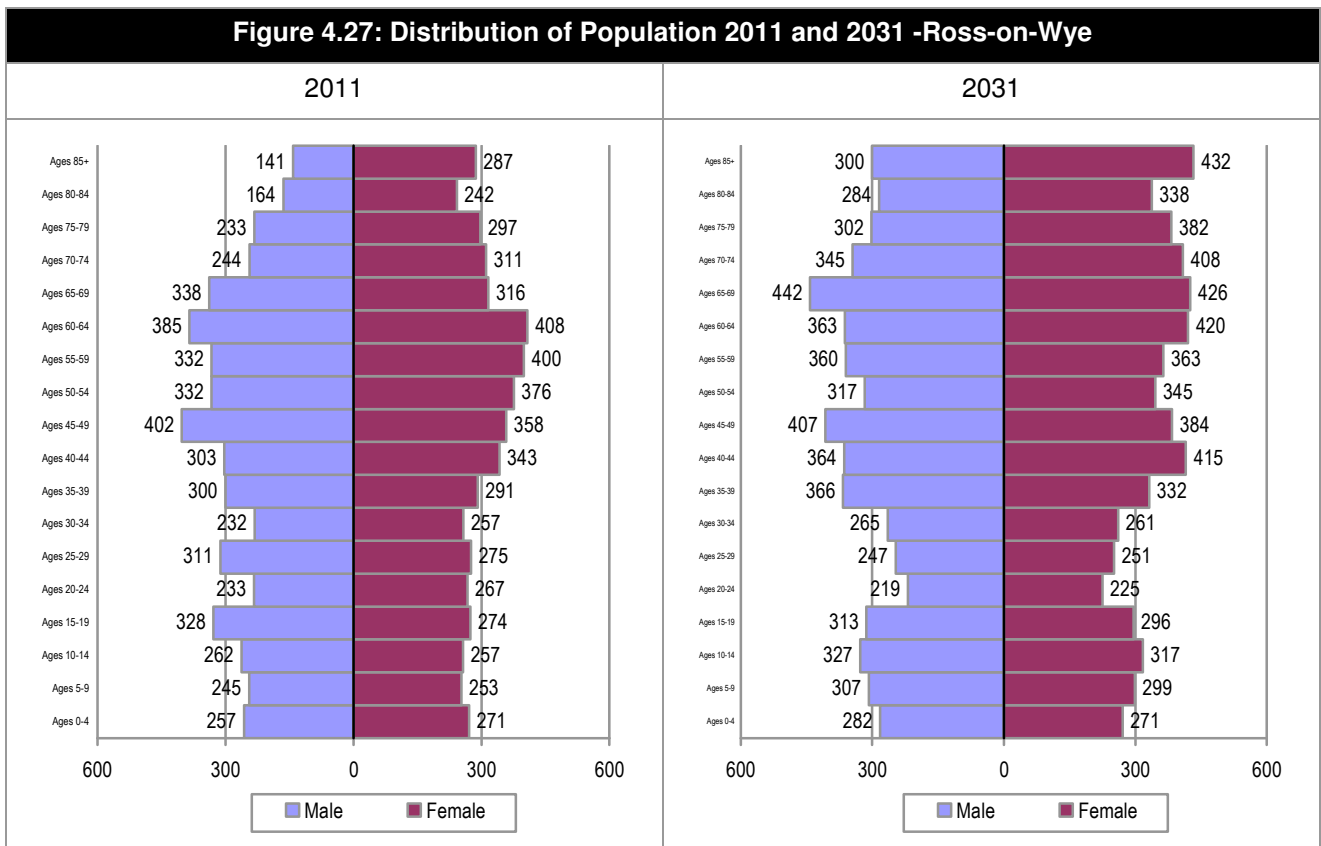
Figure 4.25: Population Change 2011 to 2031 by Broad Age Bands – Ross-on-Wye

Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	1,544	1,803	259	16.8%
15-29	1,689	1,551	-137	-8.1%
30-44	1,726	2,003	277	16.0%
45-59	2,201	2,177	-24	-1.1%
60-74	2,000	2,403	403	20.1%
75+	1,365	2,038	673	49.3%
Total	10,525	11,975	1,451	13.8%

- 4.45 Looking at forecast changes in the age structure at a finer grain, growth is forecast in the population aged between 5-14 and 30-44 linked to an increase in family households. Significant population growth is forecast in all age groups over 65.



4.46 Figure 4.27 outlines the resultant changes in the demographic structure. The particular evident trend is a growth in the population of older persons, aged over 65.



- 4.47 The size of the workforce is expected to grow over the 20 year plan period by 11.4% (a moderate 555 persons).

Figure 4.28: Number of people in employment 2011 to 2031 – Ross-on-Wye

	2011	2016	2021	2026	2031
PROJ (16,500)	4,866	5,101	5,277	5,324	5,421
	0.0%	4.8%	8.4%	9.4%	11.4%

Requirements for Different Sizes of Homes

- 4.48 Based on delivery of 40% affordable housing, it is estimated that 540 market homes and 360 affordable homes would be delivered to 2031.
- 4.49 The strongest demand for market housing would be for 3-bed properties (49%). Some 27% of market housing required would be for 2-bed properties, and 18% for properties with 4 or more bedrooms. There is a modest requirement (7%) for 1-bed properties.

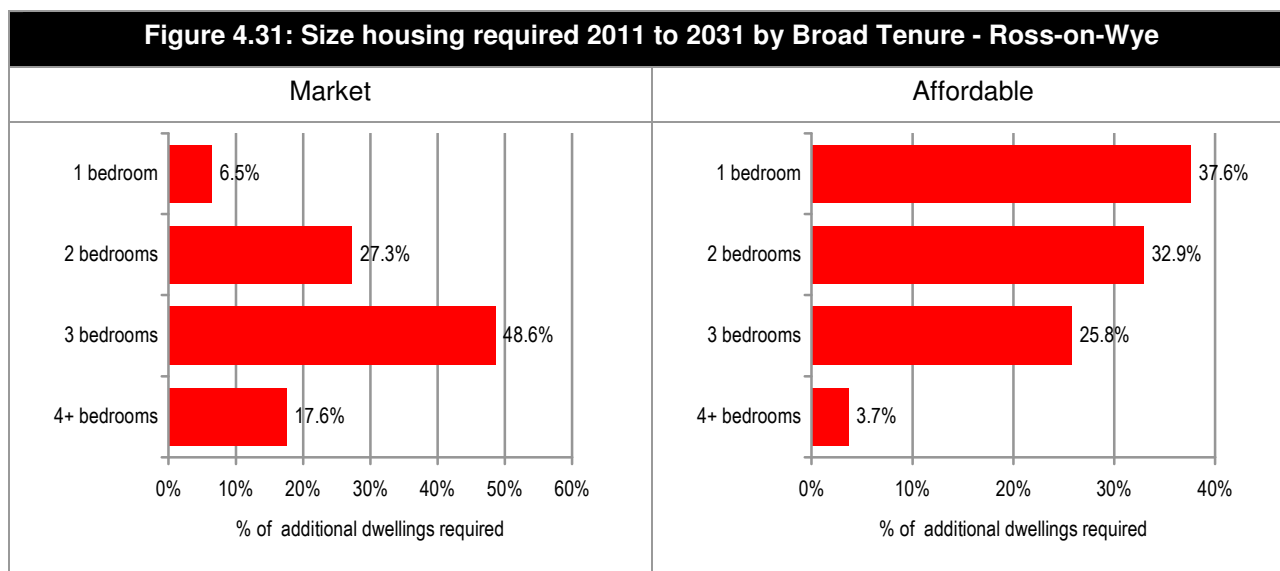
Figure 4.29: Estimated Size and of Dwellings Required 2011 to 2031 – Market Housing – Ross-on-Wye

Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	271	306	35
2 bedroom	908	1,056	147
3 bedroom	1,915	2,177	262
4+ bedroom	924	1,019	95
Total	4,018	4,558	540

- 4.50 In the affordable sector, housing is allocated based on the size of the household rather than their 'buying power.' As a result the mix of housing required is focused more towards smaller properties. A mix of property sizes are required: 38% 1-bed, 33% 2-bed, 26% 3-bed and 4% with 4 or more bedrooms over the period to 2031.

Figure 4.30: Estimated Size and of Dwellings Required 2011 to 2031 – Affordable Housing – Ross-on-Wye			
Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	276	412	135
2 bedroom	273	391	119
3 bedroom	246	339	93
4+ bedroom	34	47	13
Total	829	1,189	360

4.51 Figure 4.31 summarises the requirements for market and affordable housing over the 2011-31 period in percentage terms.



SUMMARY FINDINGS – LEDBURY

- 4.52 In this section we present the findings of the demographic forecasting for Ledbury, together with our conclusions on the mix of housing required.
- 4.53 Delivery of 800 homes would support growth in Ledbury's population by 11.8% over the plan period from 2011-31. The number of households would increase by 17.0%.

Figure 4.32: Population Estimates 2011 to 2031 - Ledbury

	2011	2016	2021	2026	2031
PROJ (16,500)	10,023 0.0%	10,385 3.6%	10,711 6.9%	10,999 9.7%	11,209 11.8%

Figure 4.33: Household Estimates 2011 to 2031 – Ledbury

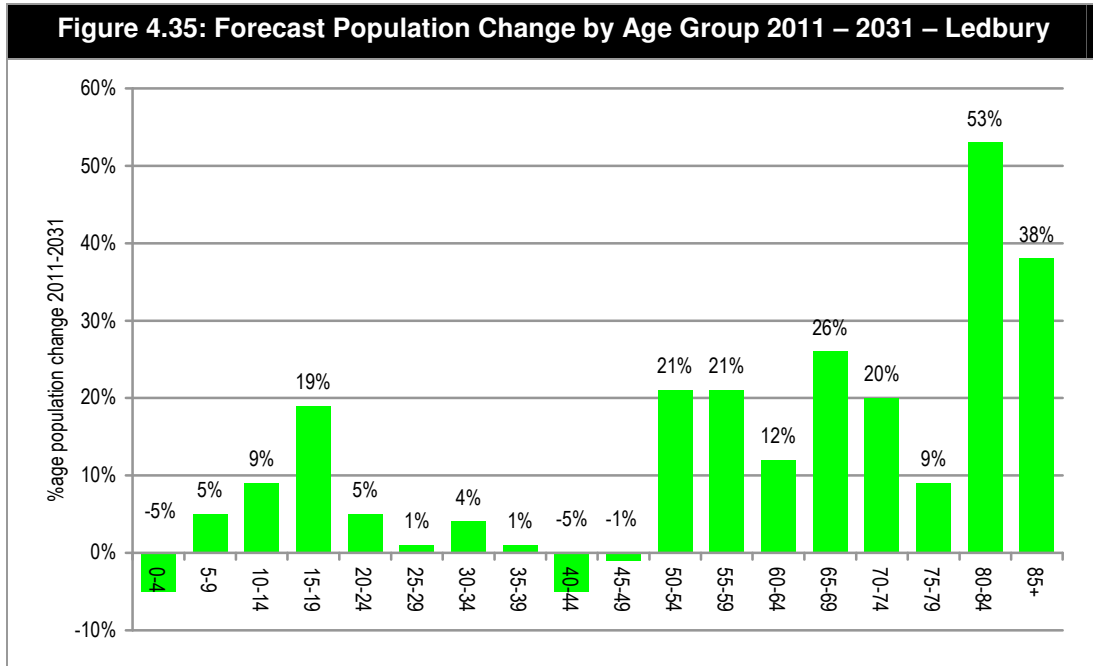
	2011	2016	2021	2026	2031
PROJ (16,500)	4,595 0.0%	4,790 4.2%	4,985 8.5%	5,180 12.7%	5,375 17.0%

- 4.54 Figure 4.35 analyses changes in the age structure by 5-year age bands. The forecasts indicate that growth in the town's population is likely to be primarily through an increase in those aged over 50, with the strongest growth in those aged over 75. The population aged 30-44 is expected to fall marginally, with moderate growth of those aged 29 and under.

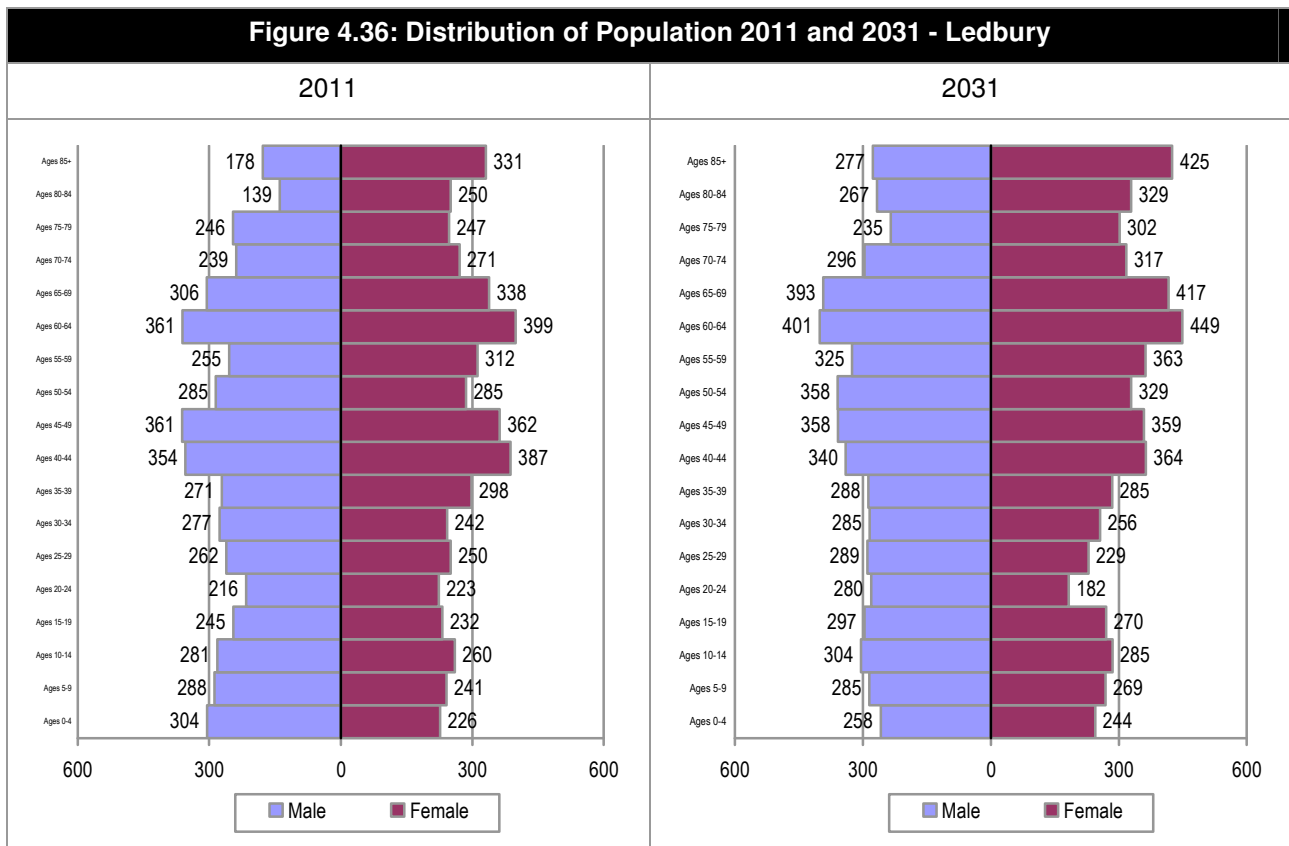
Figure 4.34: Population Change 2011 to 2031 by Broad Age Bands - Ledbury

Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	1,600	1,646	46	2.8%
15-29	1,428	1,547	119	8.3%
30-44	1,830	1,817	-14	-0.7%
45-59	1,861	2,092	231	12.4%
60-74	1,913	2,272	360	18.8%
75+	1,391	1,835	444	31.9%
Total	10,023	11,209	1,185	11.8%

- 4.55 Looking at forecast changes in the age structure at a finer grain, strong growth is forecast in the population in most 5-year age bands over 50. The population aged 5-34 is also expected to grow. Over the 20 years to 2031, the population in their 40s and under 5 is however expected to fall.



4.56 Figure 4.36 outlines the resultant changes in the demographic structure. Particular growth is forecast in those in their 50s and at the top of the pyramid over the 20 year plan period.



4.57 The size of the workforce is expected to grow over the 20 year plan period by 16.1% (728 persons).

Figure 4.37: Number of people in employment 2011 to 2031 – Ledbury

	2011	2016	2021	2026	2031
PROJ (16,500)	4,537	4,881	5,191	5,250	5,265
	0.0%	7.6%	14.4%	15.7%	16.1%

Requirements for Different Sizes of Homes

4.58 Based on delivery of 40% affordable housing, it is estimated that 480 market homes and 320 affordable homes would be delivered to 2031.

4.59 The strongest demand for market housing would be for 3-bed properties (47%) and two-bed properties (28%). Some 20% of demand is estimated to be for properties with 4 or more bedrooms, with a moderate 5% of demand for 1-bed properties. This would see a slight shift of the market towards smaller homes relative to the existing stock profile.

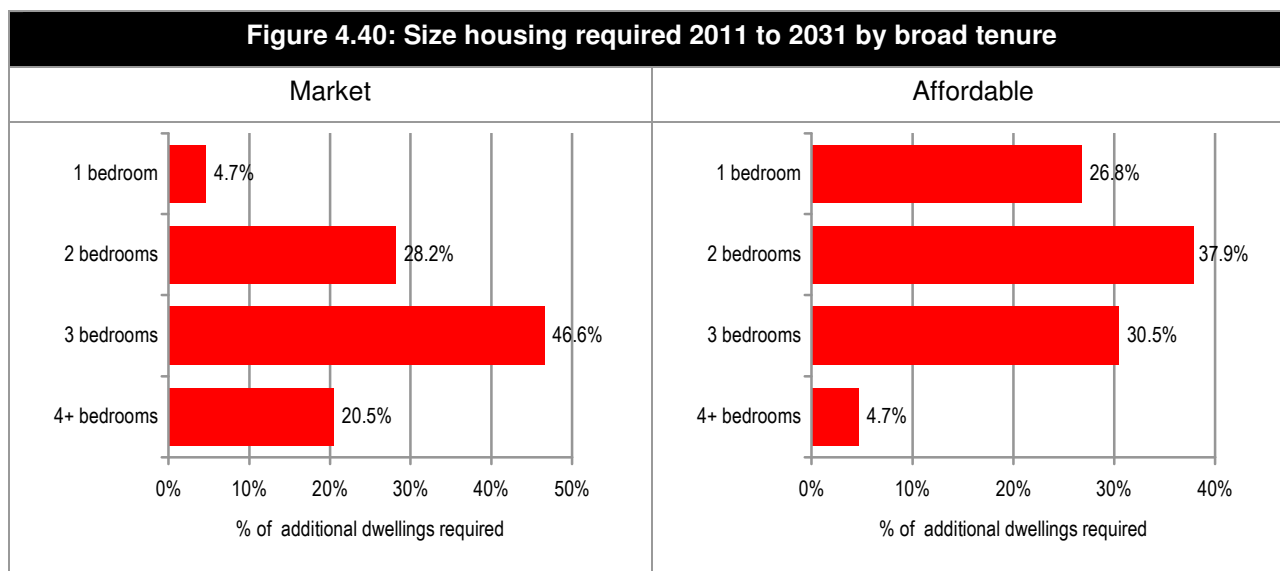
Figure 4.38: Estimated Size and of Dwellings Required 2011 to 2031 – Market Housing – Ledbury

Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	214	237	22
2 bedroom	985	1,121	136
3 bedroom	1,883	2,106	224
4+ bedroom	961	1,059	98
Total	4,043	4,523	480

4.60 In the affordable sector, housing is allocated based on the size of the household rather than their 'buying power.' As a result the mix of housing required is focused more towards smaller properties. A mix of property sizes are required: 27% 1-bed, 38% 2-bed, 31% 3-bed and 5% with 4 or more bedrooms over the period to 2031.

Figure 4.39: Estimated Size and of Dwellings Required 2011 to 2031 – Affordable Housing – Ledbury			
Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	162	248	86
2 bedroom	248	370	121
3 bedroom	221	318	98
4+ bedroom	36	51	15
Total	666	986	320

4.61 Figure 4.40 summarises the requirements for market and affordable housing over the 2011-31 period in percentage terms.



SUMMARY FINDINGS – BROMYARD

4.62 In this section we present the findings of the demographic forecasting for Bromyard, together with our conclusions on the mix of housing required.

4.63 Delivery of 500 homes would support growth in Bromyard's population by 13.1% over the plan period from 2011-31. The number of households would increase by 17.9%.

Figure 4.41: Population Estimates 2011 to 2031 - Bromyard

	2011	2016	2021	2026	2031
PROJ (16,500)	6,102 0.0%	6,283 3.0%	6,440 5.5%	6,708 9.9%	6,899 13.1%

Figure 4.42: Household Estimates 2011 to 2031 - Bromyard

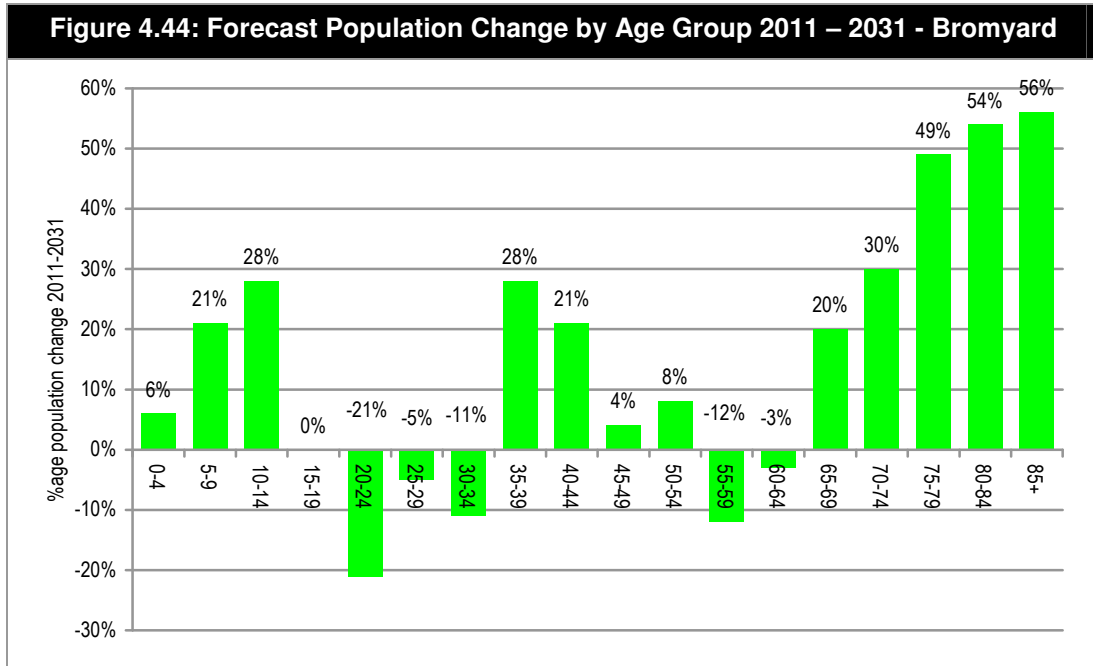
	2011	2016	2021	2026	2031
PROJ (16,500)	2,721 0.0%	2,843 4.5%	2,965 9.0%	3,087 13.4%	3,209 17.9%

4.64 The forecasts indicate that growth in the town's population is likely to be primarily through an increase in families (with growth in the population between 30 and 44 and under 15) and over 60.

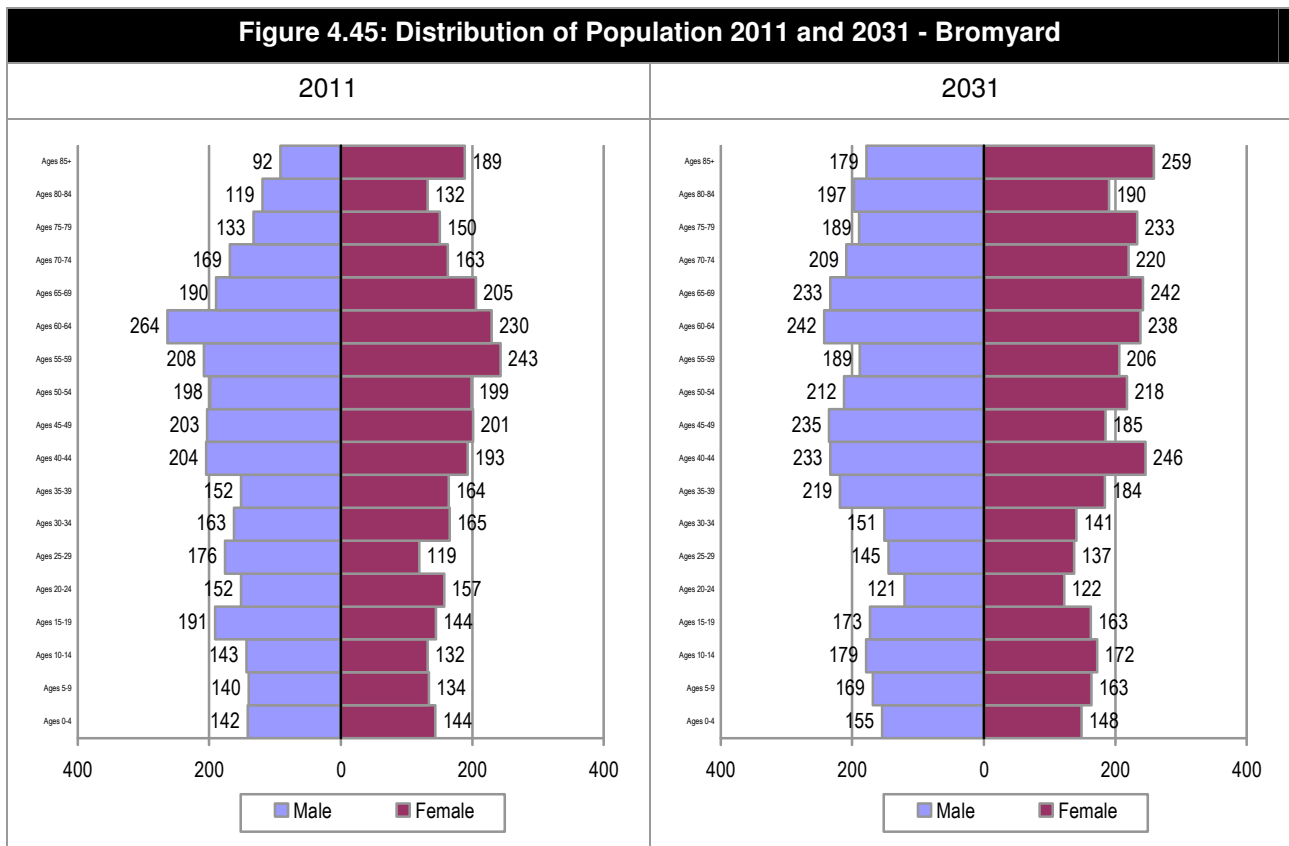
Figure 4.43: Population change 2011 to 2031 by broad age bands - Bromyard

Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	834	987	152	18.2%
15-29	940	861	-79	-8.4%
30-44	1,041	1,173	133	12.7%
45-59	1,252	1,245	-7	-0.6%
60-74	1,220	1,386	166	13.6%
75+	815	1,247	432	53.0%
Total	6,102	6,899	797	13.1%

4.65 Looking at forecast changes in the age structure at a finer grain, growth is forecast in the population aged between 0-14, 35-54 and over 65. The strongest proportional growth is expected in those aged over 70.



4.66 Figure 4.45 outlines the resultant changes in the demographic structure. The population structure is forecast to become more top heavy, with more people aged 40 and above in 5 year cohorts.



4.67 The size of the workforce is expected to grow over the 20 year plan period by 11.2% (314 persons).

Figure 4.46: Number of people in employment 2011 to 2031 - Bromyard

	2011	2016	2021	2026	2031
PROJ (16,500)	2,801	2,926	3,019	3,065	3,115
	0.0%	4.5%	7.8%	9.4%	11.2%

Requirements for Different Sizes of Homes

4.68 Based on delivery of 25% affordable housing, it is estimated that 375 market homes and 125 affordable homes would be delivered to 2031.

4.69 The strongest demand for market housing would be for 3-bed properties (47%) with a similar requirement (24% each) for properties with 2 and 4+ bedrooms.

Figure 4.47: Estimated Size and of Dwellings Required 2011 to 2031 – Market Housing - Bromyard

Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	108	127	19
2 bedroom	437	526	88
3 bedroom	1,078	1,254	176
4+ bedroom	636	728	92
Total	2,260	2,635	375

4.70 In the affordable sector, housing is allocated based on the size of the household rather than their 'buying power.' As a result the mix of housing required is focused more towards smaller properties. A mix of property sizes are required: 36% 1-bed, 37% 2-bed, 24% 3-bed and 3% with 4 or more bedrooms over the period to 2031.

Figure 4.48: Estimated Size and of Dwellings Required 2011 to 2031 – Affordable Housing - Bromyard

Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	143	188	45
2 bedroom	192	238	46
3 bedroom	165	196	30
4+ bedroom	29	32	4
Total	529	654	125

4.71 Figure 4.49 summarises the requirements for market and affordable housing over the 2011-31 period in percentage terms.



SUMMARY FINDINGS – KINGTON

- 4.72 In this section we present the findings of the demographic forecasting for Kington, together with our conclusions on the mix of housing required.
- 4.73 Delivery of 200 homes would support growth in Kington's population by 7.9% over the plan period from 2011-31. The number of households would increase by 13.5%.

Figure 4.50: Population Estimates 2011 to 2031 – Kington

	2011	2016	2021	2026	2031
PROJ (16,500)	3,334	3,349	3,449	3,507	3,597
	0.0%	0.4%	3.4%	5.2%	7.9%

Figure 4.51: Household Estimates 2011 to 2031 – Kington

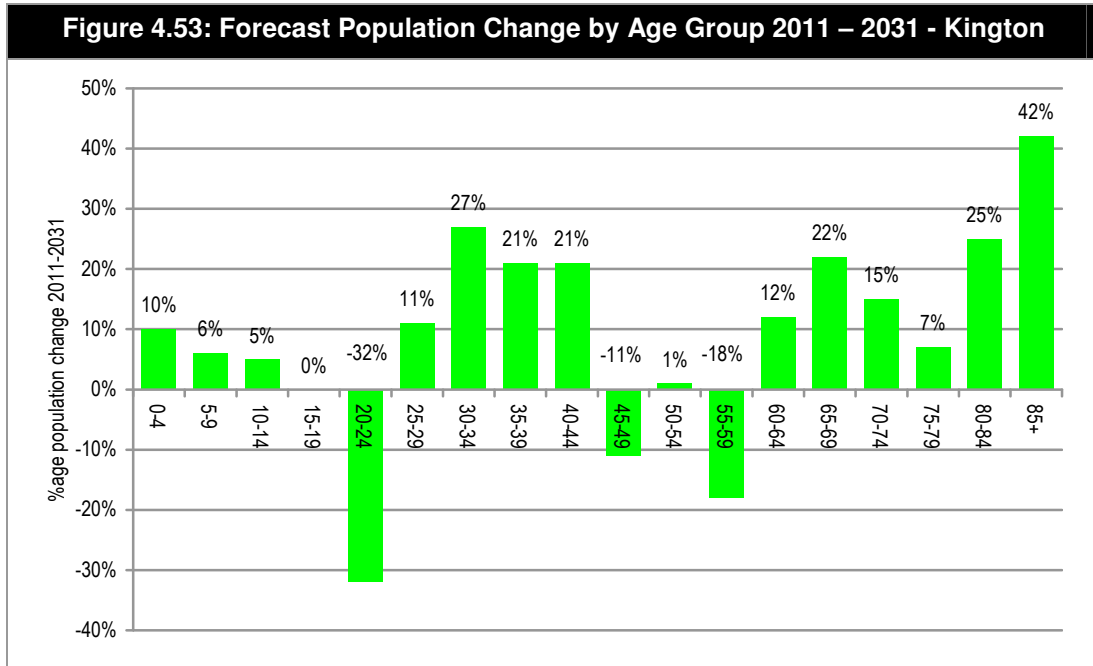
	2011	2016	2021	2026	2031
PROJ (16,500)	1,449	1,497	1,546	1,595	1,644
	0.0%	3.4%	6.7%	10.1%	13.5%

- 4.74 The forecasts indicate that population in a number of age groups will grow, with growth in those aged 30-44 and over 75 expected to be strongest. Growth in the population at the top of the pyramid, proportionally, is less than in other towns in Herefordshire – as the population structure is already relatively old.

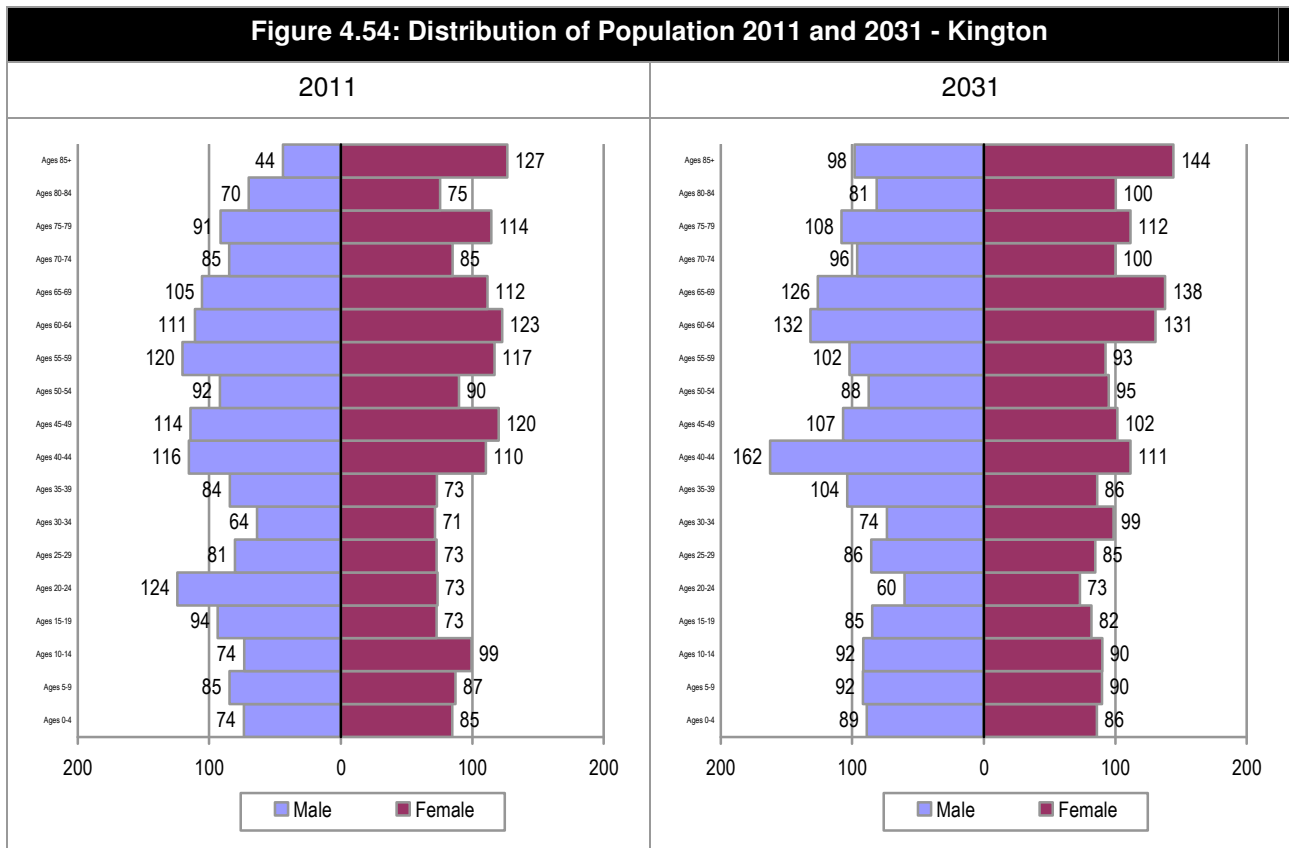
Figure 4.52: Population change 2011 to 2031 by Broad Age Bands - Kington

Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	503	539	35	7.1%
15-29	517	470	-47	-9.0%
30-44	518	636	118	22.7%
45-59	653	586	-67	-10.3%
60-74	621	722	102	16.4%
75+	522	644	122	23.3%
Total	3,334	3,597	262	7.9%

- 4.75 Looking at forecast changes in the age structure at a finer grain, growth is forecast in the population aged between 25 and 44 and over 60.



4.76 Figure 4.54 outlines the resultant changes in the demographic structure. The population structure remains relatively similar, with some growth at the top of the pyramid. The relatively large male population aged 40 to 44 in 2031 is related to the population aged 20 to 24 estimated in 2011. The 2011 population does look somewhat anomalous although it is consistent with ONS ward-based population estimates.



4.77 The size of the workforce is expected to grow over the 20 year plan period by 11.0% (161 persons).

Figure 4.55: Number of people in employment 2011 to 2031

	2011	2016	2021	2026	2031
PROJ (16,500)	1,465	1,531	1,621	1,630	1,626
	0.0%	4.5%	10.7%	11.2%	11.0%

Requirements for Different Sizes of Homes

4.78 Based on delivery of 35% affordable housing, it is estimated that 130 market homes and 70 affordable homes would be delivered to 2031.

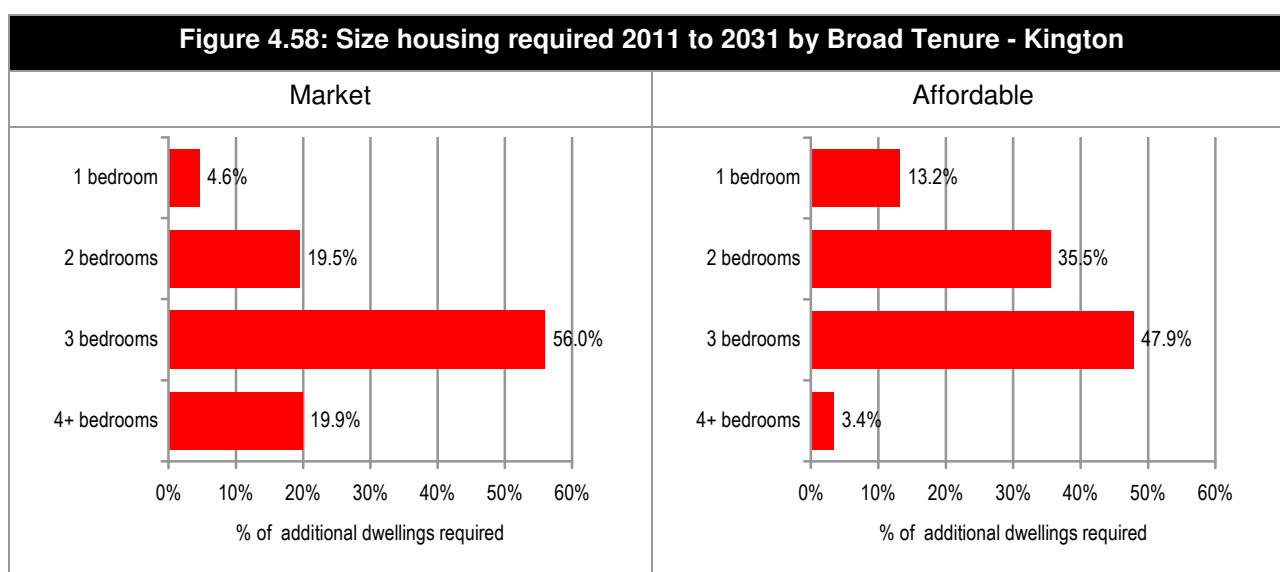
4.79 The strongest demand for market housing would be for 3-bed properties (56%) with a similar requirement (20% each) for properties with 2 bedrooms and 4 or more beds. This would see a slight shift of the mix of market housing towards 3-bed properties.

Figure 4.56: Estimated Size and of Dwellings Required 2011 to 2031 – Market Housing – Kington			
Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	79	85	6
2 bedroom	248	274	25
3 bedroom	565	638	73
4+ bedroom	311	337	26
Total	1,203	1,333	130

4.80 In the affordable sector, housing is allocated based on the size of the household rather than their ‘buying power.’ As a result the mix of housing required is focused more towards smaller properties. A mix of property sizes are required: 13% 1-bed, 36% 2-bed, 48% 3-bed and 3% with 4 or more bedrooms over the period to 2031. There is a relatively low requirement for 1-bed properties.

Figure 4.57: Estimated Size and of Dwellings Required 2011 to 2031 – Affordable Housing – Kington			
Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	42	51	9
2 bedroom	105	130	25
3 bedroom	123	157	34
4+ bedroom	12	14	2
Total	282	352	70

4.81 Figure 4.58 summarises the requirements for market and affordable housing over the 2011-31 period in percentage terms.



SUMMARY FINDINGS – RURAL AREAS

4.82 In this section we present the findings of the demographic forecasting for the Rural Areas across Herefordshire, together with our conclusions on the mix of housing required.

4.83 Delivery of 5,300 homes would support growth in the Rural Area's population by 6.0% over the plan period from 2011-31. The number of households would increase by 14.5%.

Figure 4.59: Population Estimates 2011 to 2031 – Rural Areas

	2011	2016	2021	2026	2031
PROJ (16,500)	84,525	85,546	86,485	87,784	89,638
	0.0%	1.2%	2.3%	3.9%	6.0%

Figure 4.60: Household Estimates 2011 to 2031 – Rural Areas

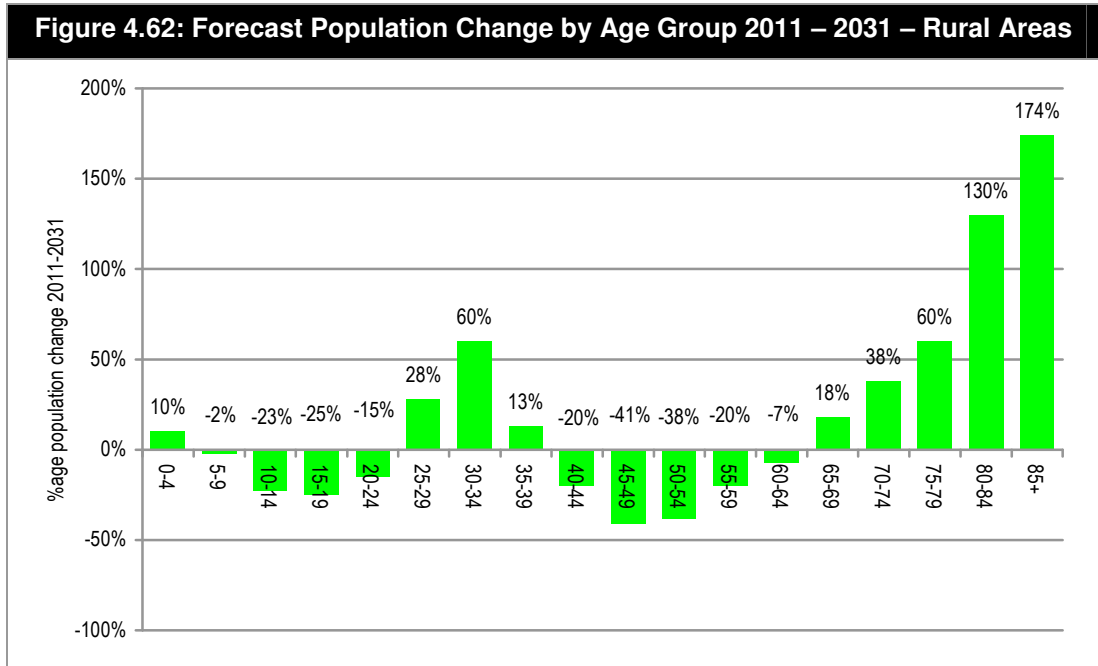
	2011	2016	2021	2026	2031
PROJ (16,500)	35,764	37,057	38,349	39,642	40,935
	0.0%	3.6%	7.2%	10.8%	14.5%

4.84 The forecasts indicate that growth in the population in the County's Rural Areas is likely to be primarily through an increase in those aged over 75. Moderate growth is also expected in the 60-74 and 30-44 age groups.

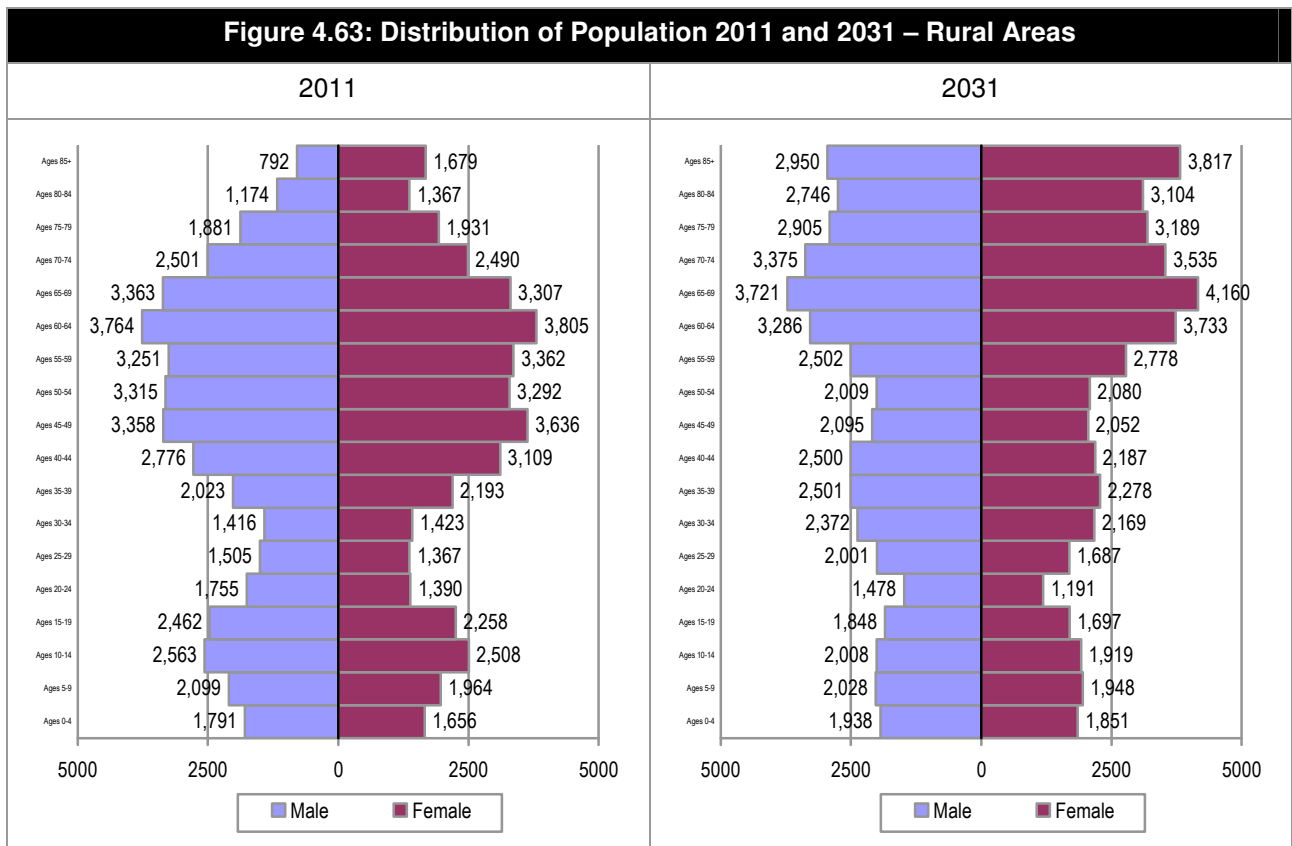
Figure 4.61: Population change 2011 to 2031 by Broad Age Bands – Rural Areas

Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	12,581	11,691	-889	-7.1%
15-29	10,736	9,902	-834	-7.8%
30-44	12,941	14,007	1,066	8.2%
45-59	20,214	13,516	-6,698	-33.1%
60-74	19,230	21,811	2,581	13.4%
75+	8,824	18,711	9,887	112.0%
Total	84,525	89,638	5,113	6.0%

4.85 Looking at forecast changes in the age structure at a finer grain, growth is forecast in the population aged between 25 and 39 and over 65. Significant growth is expected of those in their 80s (with implications for service provision) as a result of improvements to life expectancy.



4.86 Figure 4.63 outlines the resultant changes in the demographic structure. Over the next 20 years it is forecast that the strong existing population in their 40s and 50s will move into retirement age.



4.87 The size of the workforce is expected to decline marginally by 3.5% (-1,350 persons).

Figure 4.64: Number of people in employment 2011 to 2031 – Rural Areas					
	2011	2016	2021	2026	2031
PROJ (16,500)	39,079	39,853	40,177	38,631	37,729
	0.0%	2.0%	2.8%	-1.1%	-3.5%

Requirements for Different Sizes of Homes

4.88 Based on delivery of 35% affordable housing, it is estimated that 3,445 market homes and 1,855 affordable homes would be delivered to 2031.

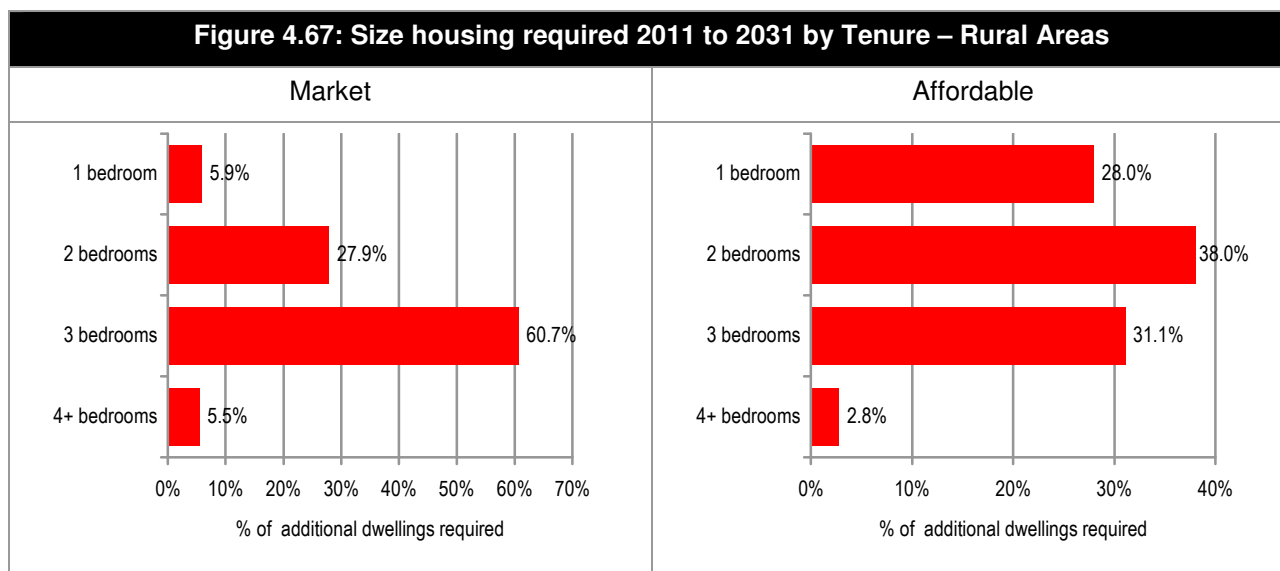
4.89 The strongest demand for market housing would be for 3-bed properties (61%). Some 28% of market housing required would be for 2 bed properties, with just 6% for properties with 4 or more bedrooms (influenced by the significant existing stock of 4+ bed homes). This would see a slight shift of the mix of market housing towards two and three-bed properties as the population ages.

Figure 4.65: Estimated Size and of Dwellings Required 2011 to 2031 – Market Housing – Rural Areas			
Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	908	1,111	203
2 bedroom	4,007	4,968	961
3 bedroom	15,071	17,163	2,091
4+ bedroom	13,312	13,502	190
Total	33,298	36,743	3,445

4.90 In the affordable sector, housing is allocated based on the size of the household rather than their 'buying power.' As a result the mix of housing required is focused more towards smaller properties. A mix of property sizes are required: 28% 1-bed, 38% 2-bed, 31% 3-bed and 3% with 4 or more bedrooms over the period to 2031.

Figure 4.66: Estimated Size and of Dwellings Required 2011 to 2031 – Affordable Housing – Rural Areas			
Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	661	1,181	520
2 bedroom	1,096	1,801	705
3 bedroom	1,387	1,964	577
4+ bedroom	216	268	53
Total	3,360	5,215	1,855

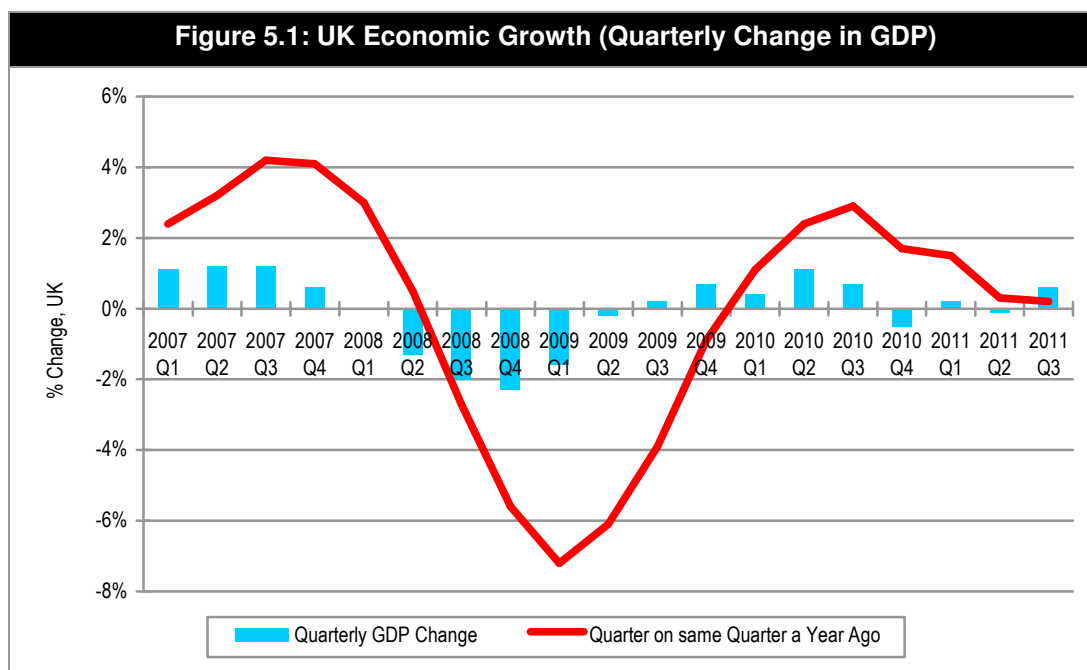
4.91 Figure 4.67 summarises the requirements for market and affordable housing over the 2011-31 period in percentage terms.



5 REVIEW OF ECONOMIC DYNAMICS

Recent Macro Economic Performance

5.1 The UK economy in recent quarters has continued to struggle to shrug off the recent economic recession. The economy has grown by just 0.5% over the past year (to Q3 2011) compared to 2.6% in the previous year (as the economy recovered from recession) and well below long-term trends (c. 2.7% growth in GDP per annum). The most recent estimate is that GDP fell by -0.2% in Q4 2011.



Source: ONS

5.2 This has been the deepest of the last four recessions in the UK, with effectively two phases of recovery. Over the last five quarters, from late 2010, the economy has been effectively flat-lining with negligible growth. In previous recessions, output has returned by now to the pre-recession peak. Over this period, economic growth has largely been driven by growth from exports and government spending. Trends in consumer spending and investment have been negative.

5.3 Experian summarise the situation: the export sector has suffered from faltering global demand; consumers have been squeezed by inflationary pressures and falling disposable incomes; and investment has weakened¹.

¹ Experian UK Regional Planning Service: Regional & Sectoral Trends Quarterly Monitor – Nov 2011

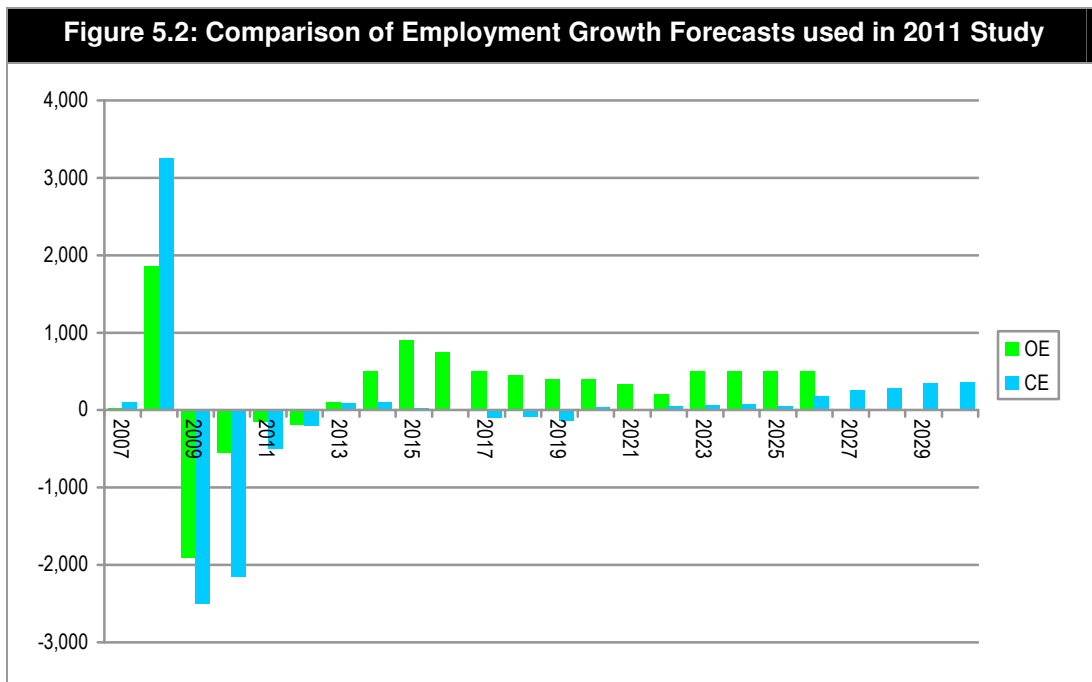
- 5.4 Moving forward, prospects for exports and public investment are more subdued still – linked to problems in the Eurozone (a key export market for UK businesses) and the wider macro-economic outlook. As a result a period of (continued) stagnation is expected for the next few quarters, and the risk of a further shallow recession has increased. There is a small glimmer of hope in the emerging markets of China, India and Russia with potential to grow UK exports to these areas over time.
- 5.5 In terms of employment and unemployment, while there was some recovery with an increase in employment through 2010 and early 2011 (albeit not recovery to pre-recession levels), economic indicators suggest that in the second half of 2011, employment has once again begun to fall and unemployment to rise. Nationally, employment dropped 197,000 (0.4%) in Q3 2011, with unemployment increasing by 172,000. UK unemployment reached 8.4% in December 2011 – a 17 year high.
- 5.6 Consumer and business confidence remains fragile, with major risks associated with economic weakness within the Eurozone, the vulnerability to further financial shocks affecting the global banking system and capital markets (which could result from a Eurozone default) resulting in further lending constraints, as well as potentially further Government borrowing. The Government has already announced (in late 2011) that the austerity programme would be extended from 2015 to 2017.

Recent Economic Performance in Herefordshire

- 5.7 We have sought to assess recent economic performance in Herefordshire to assess to what extent macro-trends are being played out within the County.
- 5.8 As we set out in our July 2011 Report, employment growth in Herefordshire in the pre-recession period was relatively strong. Employee jobs grew by 13.3% between 1998 and 2008 in the County compared to 9.5% nationally. Employment growth was indeed much stronger than across the West Midlands region, where employment grew by a much more moderate 2.8%. However, as we stated, the recession marks a structural break.
- 5.9 We have therefore sought to consider economic performance between 2006 and 2010 to consider on what 'trajectory' the economy appears to be moving.

5.10 We draw on the Council’s analysis of national statistics. Between 2006 and 2008, the Annual Business Inquiry (ABI) recorded an increase in employee jobs of 1,600 (+2.1%). The ABI has since been superseded by the Business Register and Employment Survey (BRES). This indicates that employee jobs decreased by 3,100 between 2008 and 2010. Total employee jobs are therefore down 1,500 over the 2006 to 2010 period as a whole. In addition data from the Annual Population Survey indicates that there has been a decline in self-employment in Herefordshire of 1,200 between 2006 and 2010.

5.11 In the July 2011 report we compared and contrasted 2010 econometric forecasts for employment growth from both Cambridge Econometrics and Oxford Economics. These are replicated below. GLH projected the forecasts forward from 2026 to 2031 based on a linear trend for the 2016 to 2026 period for the Oxford forecasts and from 2028 to 2031 for the Cambridge forecasts. Both forecasts are for total employment.



Source: Cambridge Econometrics (2010), Oxford Economics (2010), GL Hearn

5.12 It is widely accepted that the recession has been deeper and more prolonged than previous recessions, and this analysis is consistent with this. The recent evidence suggests that total employment in Herefordshire has declined by around 2,500 – 3,000 people. This compares with a decline of around 650 jobs forecast between 2006-10 by Oxford Economics and of around 1,400 jobs forecast by Cambridge Econometrics in 2010.

- 5.13 It is evident from the recent evidence that the net loss of employment between 2006 and 2010 has been more substantial than indicated in either of the forecasts. This is consistent with the picture nationally – where the recession has been both deeper and it is taking longer to return to the pre-recession output peak than in previous recessions and economic forecasts have been progressively revised downwards.
- 5.14 Looking at key labour market indicators, Unemployment in Herefordshire has remained relatively stable, with the latest data indicating that it stands at 4.9% compared to 8.7% across the West Midlands and 7.7% UK-wide (APS, Year to June 2011). The claimant count appears however to have increased slightly over the last 6 months.
- 5.15 There is however a more notable downward trend in the employment rate: this has fallen from 75% in 2010 to 73.4% in the latest data (APS, Year to June 2011) – a more substantial drop than has occurred regionally/ nationally.
- 5.16 The labour market evidence thus suggests that there have been an increasing number of people in the county moving out of the labour force with a reduction of 6,900 people in work in the County over the past two years.

Macro-Economic Outlook and Implications for Herefordshire

- 5.17 We have considered the macro-economic outlook with reference to Experian's latest forecasts for the UK economy, dated Jan 2012. For 2012 Experian forecast that the economy faces a number of further quarters of stagnation but that there is also a clear risk of a shallow recession – as the fiscal austerity programme, fragile financial system and prospect of recession in the Eurozone combine to undermine demand. Just 0.3% GDP growth is forecast for 2012, while UK employment is forecast to decline in both 2012 and 2013, before returning to growth thereafter.
- 5.18 Experian's view on the short-term outlook (as at January 2012) for individual sectors is summarised below:
- Manufacturing – has been performing well recently, but the level of output, new order and employment have all declined. Performance is expected to deteriorate as key UK export markets in the Eurozone go into recession.
 - Construction – the short-term outlook is downbeat as public housing construction is anticipated to fall back, as are other public sector building projects; while private sector housebuilding is expected to remain modest in the short term;

- Financial & Business Services – consolidation within financial services is expected to continue, albeit with some growth in 2012 in retail banking and insurance. Business services have posted some recent growth but the wider macro-outlook is affecting demand. More solid growth is expected from 2013 but not at the exceptional rates achieved in the decade to 2008;
- Consumer Services – demand is being squeezed by declining real incomes, although falling inflation is expected to result in some improvement in conditions from mid 2012 (albeit that there are risks associated with any spike in the oil price);
- Transport & Communications – this sector has been relatively resilient in recent quarters, but is impacted by changes to fuel prices.

5.19 Herefordshire has an above average concentration in manufacturing, retail leisure and tourism employment and health. The outlook for all of these sectors can be expected to be affected by weak domestic demand for consumer services (linked to inflationary pressures) and in the case of manufacturing, a deteriorating outlook for exports. Growth prospects in the health sector will be influenced by the growing older population, albeit that employment growth may be pegged back by Government spending in the short-to-medium term.

Macro-Economic Risks

There are further downside macro-economic risks to current baseline forecasts linked to:

- The ongoing possibility that there is a default in the Eurozone economy which could result in a collapse in exports, a crisis of confidence and a severe credit crunch (akin to conditions in 2007) with knock-on impacts on business investment;
- An extended fiscal austerity programme resulting in protracted constraints to public sector spending post 2017, with particular implications on public administration and a risk of increasing unemployment;
- The possibility that the current downward trend in inflation stalls, potentially linked to a spike in the oil price resulting from unrest in the Middle East, which the result that consumer spending continued to be constrained.

Local Upside Factors

5.20 There are however a set of local upside factors which also bear consideration. These include investment in broadband, regeneration of Hereford City Centre and the Hereford Enterprise Zone. We focus on the latter as the key factor which has changed since preparation of the July 2011 Housing Requirements Study.

- 5.21 In August 2011 the government designated an Enterprise Zone (EZ) at Hereford on the 64 ha Rotherwas Business Park. The EZ bid indicated that the site could potentially accommodate 270 new businesses and create 6500 new jobs should it be fully developed.
- 5.22 We understand that the Council is keen to attract overseas and UK based companies to Herefordshire and to build around the local economy's existing sectoral strengths. HM Government as well as Herefordshire Council is very keen to ensure that any business growth within, and relocation to, Enterprise Zones is not generated from the immediate local area, known as displacement, i.e. businesses looking to benefit from the financial incentives available.
- 5.23 To consider the realism of this, it is however instructive to consider the experience of previous UK enterprise zones as against the current proposals. Previous EZs in the 1980s and 1990s were set against a context of supply constraints in many traditional markets at a regional level; and the combination of these supply constraints and the incentives available including tax relief/ credits, capital expenditure subsidies and fast track planning, all supported investment.
- 5.24 However a recent study for the Work Foundation has highlighted a number of weaknesses of previous EZs². The Study indicated that most of the jobs created were displaced from other areas, with experience from previous UK EZs suggests up to 80% of jobs are taken from other places. The Council is therefore rightly seeking to focus on attracting inward investment and minimise displacement.
- 5.25 For the purpose of considering the employment trajectory we must however consider the realism of this. In the context of current subdued or even recessionary conditions, the supply constraints which contributed to the success of previous EZs is less apparent this time around. Furthermore the package of incentives is less enticing. Thus although the EZ is a useful marketing tool, we would continue to consider that the risks of displacement is significant. However this is not necessarily displacement within Herefordshire – it could well be from other parts of the West Midlands or Wales.
- 5.26 Herefordshire Council is however in a relatively strong position to seek to minimise displacement. The Council is the majority landowner and can thus exercise a higher degree of control over what firms locate to the Business Park, and where from. We understand that the Council's emerging policy will not seek to fully restrict relocation of firms from within Hereford, but will set in place controls (at least initially) whereby relocation will be allowed only where there is a significant growth benefit, such as an uplift of over 30% in the business' turnover and/or increase in employee numbers with the move. We understand that 50% of serious enquiries to date have been from new companies looking to invest in the area.

² The Work Foundation (2011) *Do Enterprise Zones Work?*

5.27 The investment proposition is supported by a marketing strategy targeted at key higher value sectors in which there is an existing specialism or clear opportunity. These are: defence/ security, food and drink manufacturing, advanced manufacturing and environmental technologies.

5.28 Overall, while there are risks of displacement we consider that the EZ proposals provide the potential to achieve a notable element of additionality benefits to the Herefordshire economy. In terms of the employment growth trajectory in Herefordshire, we conclude that the Rotherwas EZ could provide a notable upside balance to the downside macro-economic conditions examined above.

Conclusions

5.29 We have not had access to updated econometric forecasts from which we can draw quantitative conclusions regarding future employment prospects. Our conclusions are therefore primarily qualitative.

5.30 There is a clear basis for arguing that the two 2010 economic forecasts could now be regarded on the high-side, given:

- Weak economic performance over the 18 months, with evidence that employment losses between 2006-10 were more significant than those predicted in both forecasts;
- A short-term economic outlook which is now at best of economic stagnation, whereas in 2010 it would have been anticipated that the economy would be well on the road to recovery. The particular drivers of this are Eurozone economic performance which will impact on the County's manufacturing sector, an extended period of fiscal austerity and fragile financial system; and
- Notable downside risks to even this pessimistic outlook, given the threats of a Eurozone default/collapse, extended fiscal austerity, and continuing inflationary pressures.

5.31 However this needs to be balanced against the notable upside associated with the Enterprise Zone designation. Albeit that there are clear risks to displacement, the proposal could support notable job creation within the County and enhance Hereford's relative attractiveness and profile against a context of increasing competition between areas (with a weaker macro-outlook) for investment. The incentives on offer could support investment and speculative development in the short-term at a time when this is happening in few other places.

5.32 Should an up-to-date forecast of employment growth be required, we would recommend that up-to-date econometric forecasts are commissioned and a scenario developed to consider the economic impacts which the EZ could have over and above the baseline forecast.

6 SUMMARY TABLES

- 6.1 This section summarises the updated modelling undertaken at two levels: firstly for Hereford, the Market Towns and Rural Areas; and then for the Housing Market Areas which formed the basis of the Local Housing Market Assessment.
- 6.2 Across Herefordshire, delivery of 16,500 homes over the 2011-31 plan period is expected to support 12.1% growth in the population. This will support growth in the size of the labour force by 7.6% (6,500 persons).
- 6.3 Housing delivery will support population growth in all of the areas examined. The strongest growth in population in absolute terms will be in Hereford and Leominster, followed by the Rural Areas. In proportional terms, growth will be strongest in Leominster and Hereford, and least in the Rural Areas.
- 6.4 The older age structure in the Rural Areas means that labour supply is likely to fall. However in all of the market towns and Hereford, labour supply is forecast to increase – supporting economic growth. Forecast growth in labour supply is strongest (in absolute terms) in Hereford and Leominster. It is also forecast to be stronger in Ledbury than the other market towns (excluding Leominster).

Figure 6.1: Summary of Projections 2011 to 2031 – Total

Area	Forecast Population Change		Net Housing Provision		Forecast Change in Labour Supply	
	Total	% change	Total	% change	Total	% change
Hereford	8,696	15.2%	6,500	25.7%	3,677	13.3%
Leominster	4,946	42.8%	2,300	43.5%	2,474	47.9%
Ross-on-Wye	1,451	13.8%	900	18.6%	555	11.4%
Ledbury	1,185	11.8%	800	17.0%	728	16.1%
Bromyard	797	13.1%	500	17.9%	313	11.2%
Kington	262	7.9%	200	13.5%	161	11.0%
Rural areas	5,113	6.0%	5,300	14.5%	-1,350	-3.5%
TOTAL	22,449	12.3%	16,500	20.3%	6,558	7.7%

6.5 Figure 6.2 below expresses the figures in terms of annual growth and annual growth rates.

Figure 6.2: Summary of Projections 2011 to 2031 – Annual						
Area	Forecast Population Change		Net Housing Provision		Forecast Change in Labour Supply	
	Per annum	% change	Per annum	% change	Per annum	% change
Hereford	435	0.8%	325	1.3%	184	0.7%
Leominster	247	2.1%	115	2.2%	124	2.4%
Ross-on-Wye	73	0.7%	45	0.9%	28	0.6%
Ledbury	59	0.6%	40	0.8%	36	0.8%
Bromyard	40	0.7%	25	0.9%	16	0.6%
Kington	13	0.4%	10	0.7%	8	0.5%
Rural areas	256	0.3%	265	0.7%	-67	-0.2%
TOTAL	1,122	0.6%	825	1.0%	328	0.4%

6.6 Turning to consider the seven housing markets, population growth is expected to be strongest in the Leominster and Hereford HMAs. The Hereford HMA is expected to see growth in its population of over 10,000 over the 20 year plan period, while the Leominster HMA is forecast to see growth of over 5,000 in population. The lowest rates of population growth forecast are in the Kington HMA (5.7%) and Golden Valley HMA (3.9%).

6.7 Growth in labour supply is forecast to be strongest in the Hereford and Leominster HMAs. Reasonable growth is also forecast in the Ledbury HMA. It would make sense to target economic development activity at these areas.

6.8 Outside of the areas, in the other HMAs the older population structure is likely to mean that limited growth in the size of the workforce can be expected. However it is only in the Golden Valley HMA that a reduction in the size of the workforce is forecast.

Figure 6.3: Summary of Projections 2011 to 2031 – Total						
Area	Forecast Population Change		Net Housing Provision		Forecast Change in Labour Supply	
	Total	% change	Total	% change	Total	% change
Hereford HMA	10,864	13.3%	8,370	23.4%	3,852	9.8%
Leominster HMA	5,331	22.3%	3,030	28.1%	2,116	20.0%
Ross-on-Wye HMA	2,587	8.4%	2,050	15.2%	107	0.7%
Ledbury HMA	1,697	8.8%	1,365	15.5%	492	5.6%
Bromyard HMA	1,149	9.7%	864	16.3%	21	0.4%
Kington HMA	569	5.9%	517	12.1%	34	0.8%
Golden Valley	253	4.2%	304	11.3%	-66	-2.3%
TOTAL	22,449	12.3%	16,500	20.3%	6,558	7.7%

6.9 Figure 6.4 below expresses the figures for the HMAs in terms of annual growth and annual growth rates.

Figure 6.4: Summary of Projections 2011 to 2031 – Annual						
Area	Forecast Population Change		Net Housing Provision		Forecast Change in Labour Supply	
	Per annum	% change	Per annum	% change	Per annum	% change
Hereford HMA	543	0.7%	418	1.2%	193	0.5%
Leominster HMA	267	1.1%	152	1.4%	106	1.0%
Ross-on-Wye HMA	129	0.4%	102	0.8%	5	0.0%
Ledbury HMA	85	0.4%	68	0.8%	25	0.3%
Bromyard HMA	57	0.5%	43	0.8%	1	0.0%
Kington HMA	28	0.3%	26	0.6%	2	0.0%
Golden Valley	13	0.2%	15	0.6%	-3	-0.1%
TOTAL	1,122	0.6%	825	1.0%	328	0.4%

6.10 Figure 6.5 identifies the number of forecast households in each area in 2031.

Figure 6.5: Households by Sub-Area in 2011 and 2031		
Sub-area	2011 Households	2031 Households
Hereford	24,704	31,046
Leominster	5,160	7,404
Ross-on-Wye	4,729	5,607
Ledbury	4,595	5,375
Bromyard	2,721	3,209
Kington	1,449	1,644
Rural areas	35,764	40,935
Total	79,122	95,220

APPENDIX 1: PROJECTIONS FOR HOUSING MARKET AREAS

INTRODUCTION

- A1.1 In addition to providing projections for Hereford, each of the market towns and the Rural Areas we have also run projections for Housing Market Areas (HMAs). These are the same as were used in the 2011 Local Housing Market Assessment and consist of each of the main towns along with their defined rural hinterland. The only exception is Golden Valley which does not have an associated market town.
- A1.2 The table below shows the make up of each of the HMAs which are again based on groups of wards. We do not have specific housing targets for each associated rural area but have derived these on the basis of the demographic analysis – taking account of the current demographic profile and likely numbers of births, deaths and the migration profile. Each rural area has been treated consistently in the analysis although outputs do vary depending on the population, employment and household characteristics in each location.
- A1.3 The table below shows our estimate of the housing requirement in each HMA based on this analysis. The figures in brackets () are those for the associated market town where appropriate.

Figure A1.1: Herefordshire Housing Market Areas and Housing Targets

HMA	Housing target	Wards
Hereford	8,370 (6,500)	Aylestone, Belmont, Central, St Martins & Hinton, St Nicholas, Three Elms, Tupsley, Burghill, Holmer & Lyde, Credenhill, Hagley, Hollington, Sutton Walls, Stoney Street, Backbury, Wormsley Ridge
Leominster	3,030 (2,300)	Leominster North, Leominster South, Bircher, Upton, Golden Cross with Weobley, Mortimer
Ross-on-Wye	2,050 (900)	Ross-on-Wye West, Ross-on-Wye East, Penyard, Llangarron, Kerne Bridge, Old Gore, Pontrilas, Vallets
Ledbury	1,365 (800)	Ledbury, Hope End, Frome
Bromyard	864 (500)	Bromyard, Bringsty, Hampton Court
Kington	517 (200)	Kington Town, Castle, Pembridge & Lyonshall with Titley
Golden Valley	304	Golden Valley North, Golden Valley South
TOTAL	16,500	-

- A1.4 In the remainder of this appendix we have provided the same range of information as for the market towns and Rural Areas in the main body of the report.

SUMMARY FINDINGS – HEREFORD HMA

Figure A1.2: Population Estimates 2011 to 2031 – Hereford HMA					
	2011	2016	2021	2026	2031
PROJ (16,500)	81,761	84,124	86,959	89,997	92,625
	0.0%	2.9%	6.4%	10.1%	13.3%

Figure A1.3: Household Estimates 2011 to 2031 – Hereford HMA					
	2011	2016	2021	2026	2031
PROJ (16,500)	34,909	36,951	38,992	41,019	43,075
	0.0%	5.9%	11.7%	17.5%	23.4%

Figure A1.4: Population change 2011 to 2031 by Broad Age Bands – Hereford HMA				
Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	13,677	13,938	260	1.9%
15-29	14,336	12,642	-1,693	-11.8%
30-44	15,496	15,438	-58	-0.4%
45-59	17,074	17,788	714	4.2%
60-74	13,519	19,354	5,835	43.2%
75+	7,659	13,464	5,806	75.8%
Total	81,761	92,625	10,864	13.3%

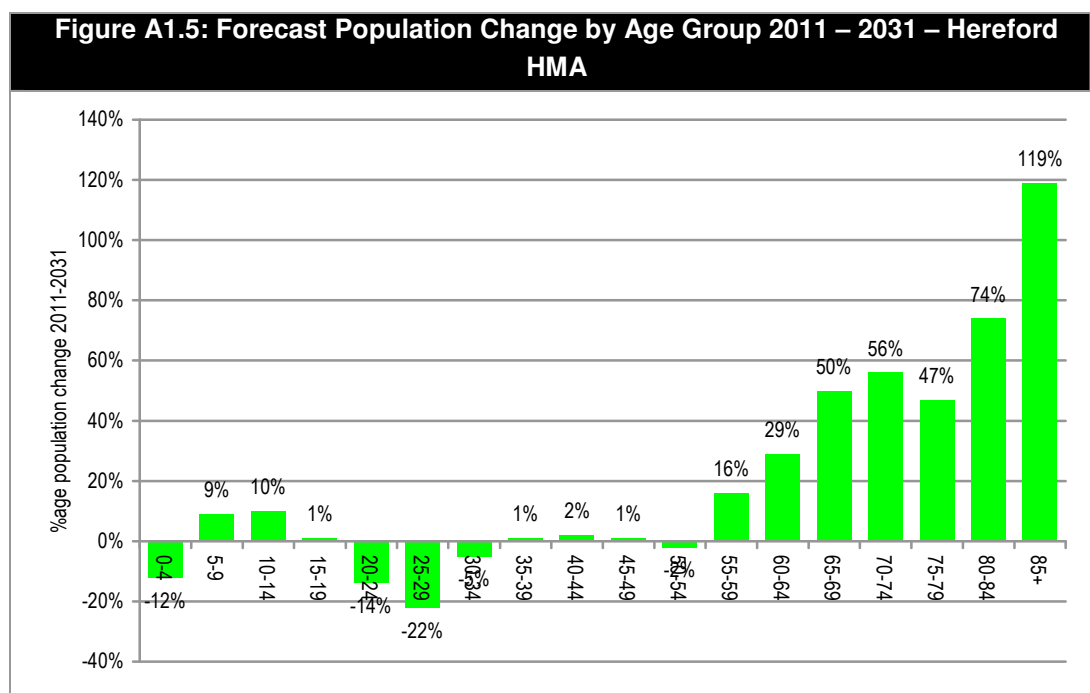


Figure A1.6: Distribution of Population 2011 and 2031 - Hereford HMA

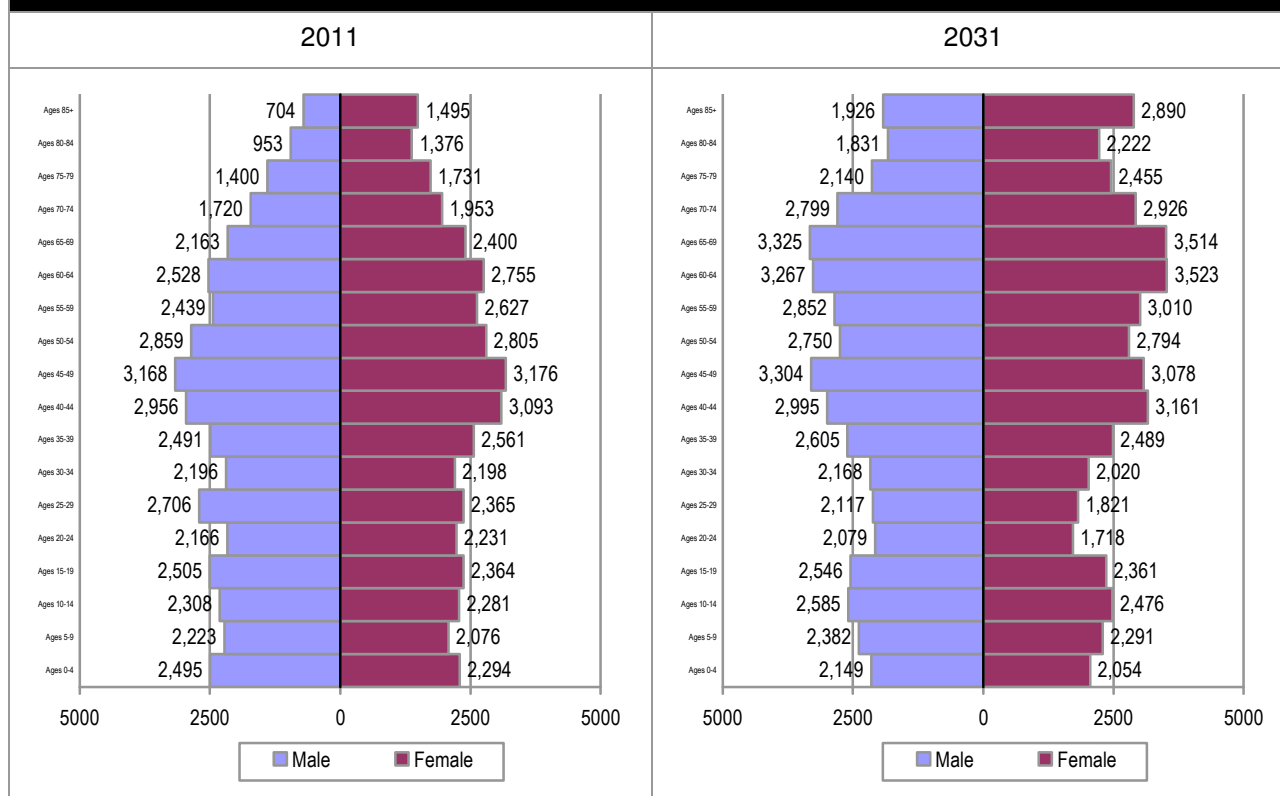


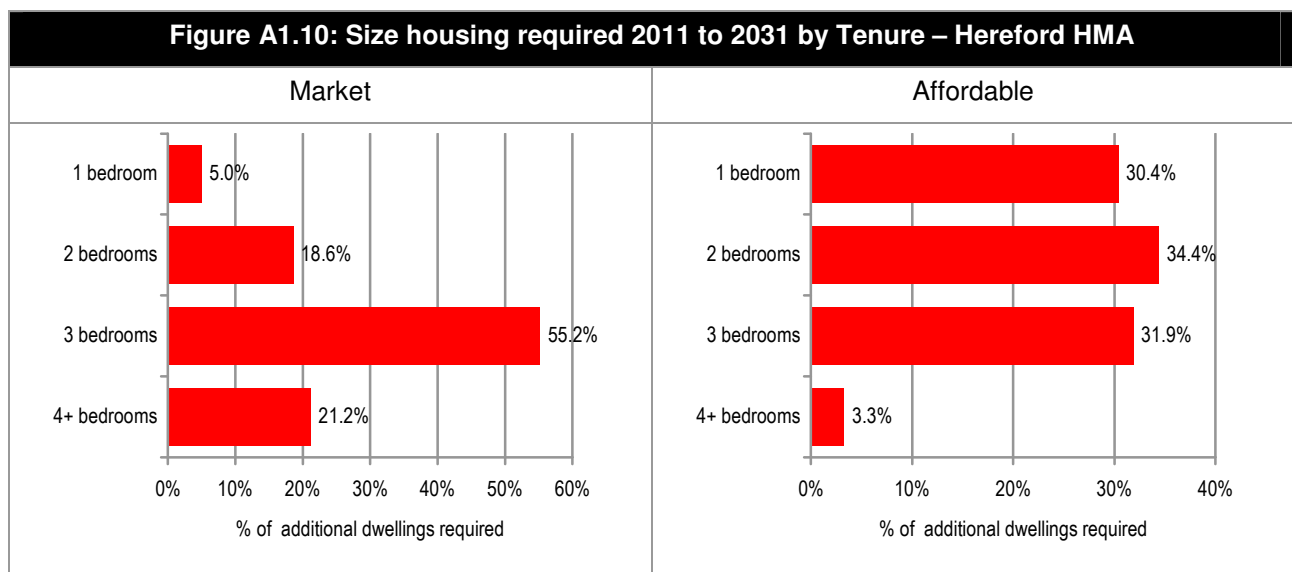
Figure A1.7: Number of people in employment 2011 to 2031 – Hereford HMA

	2011	2016	2021	2026	2031
PROJ (16,500)	39,178	40,979	42,574	42,791	43,030
	0.0%	4.6%	8.7%	9.2%	9.8%

Figure A1.8: Estimated Size and of Dwellings Required 2011 to 2031 – Market Housing – Hereford HMA

Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	1,743	2,016	273
2 bedroom	4,975	5,987	1,012
3 bedroom	14,363	17,368	3,005
4+ bedroom	7,912	9,063	1,151
Total	28,994	34,434	5,440

Figure A1.9: Estimated Size and of Dwellings Required 2011 to 2031 – Affordable Housing – Hereford HMA			
Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	1,574	2,465	891
2 bedroom	2,290	3,298	1,008
3 bedroom	2,622	3,555	933
4+ bedroom	302	399	97
Total	6,788	9,717	2,929



SUMMARY FINDINGS – LEOMINSTER HMA

Figure A1.11: Population Estimates 2011 to 2031 – Leominster HMA

	2011	2016	2021	2026	2031
PROJ (16,500)	23,854	25,121	26,405	27,775	29,185
	0.0%	5.3%	10.7%	16.4%	22.3%

Figure A1.12: Household Estimates 2011 to 2031 – Leominster HMA

	2011	2016	2021	2026	2031
PROJ (16,500)	10,506	11,256	12,010	12,750	13,462
	0.0%	7.1%	14.3%	21.4%	28.1%

Figure A1.13: Population change 2011 to 2031 by Broad Age Bands – Leominster HMA

Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	3,607	4,462	855	23.7%
15-29	3,489	3,672	183	5.2%
30-44	3,755	5,214	1,460	38.9%
45-59	5,168	4,796	-372	-7.2%
60-74	5,019	5,906	887	17.7%
75+	2,816	5,134	2,318	82.3%
Total	23,854	29,185	5,331	22.3%

Figure A1.14: Forecast Population Change by Age Group 2011 – 2031 – Leominster HMA

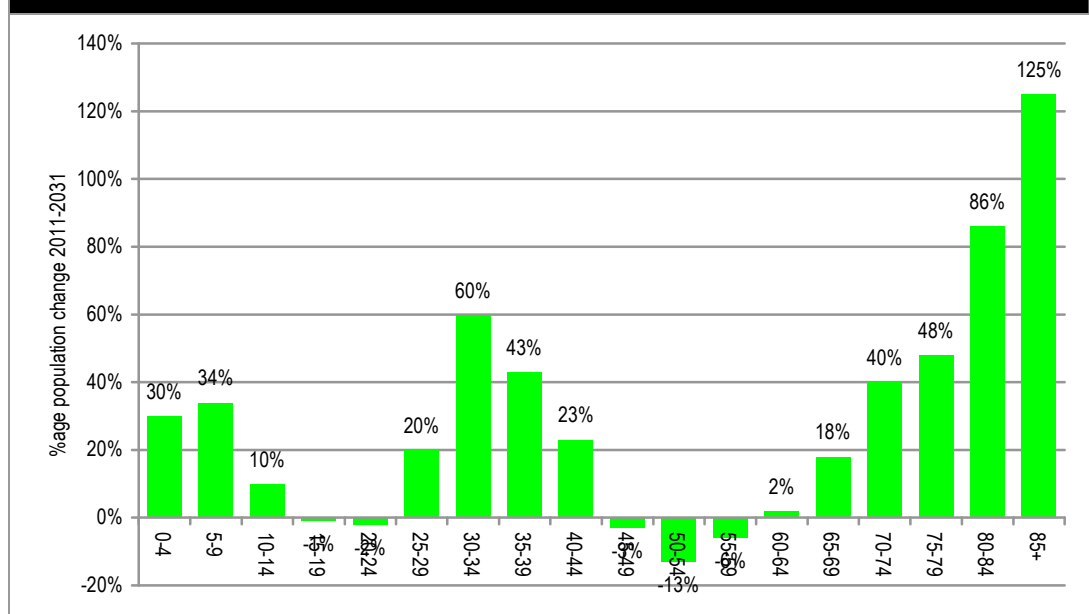


Figure A1.15: Distribution of Population 2011 and 2031 - Leominster HMA

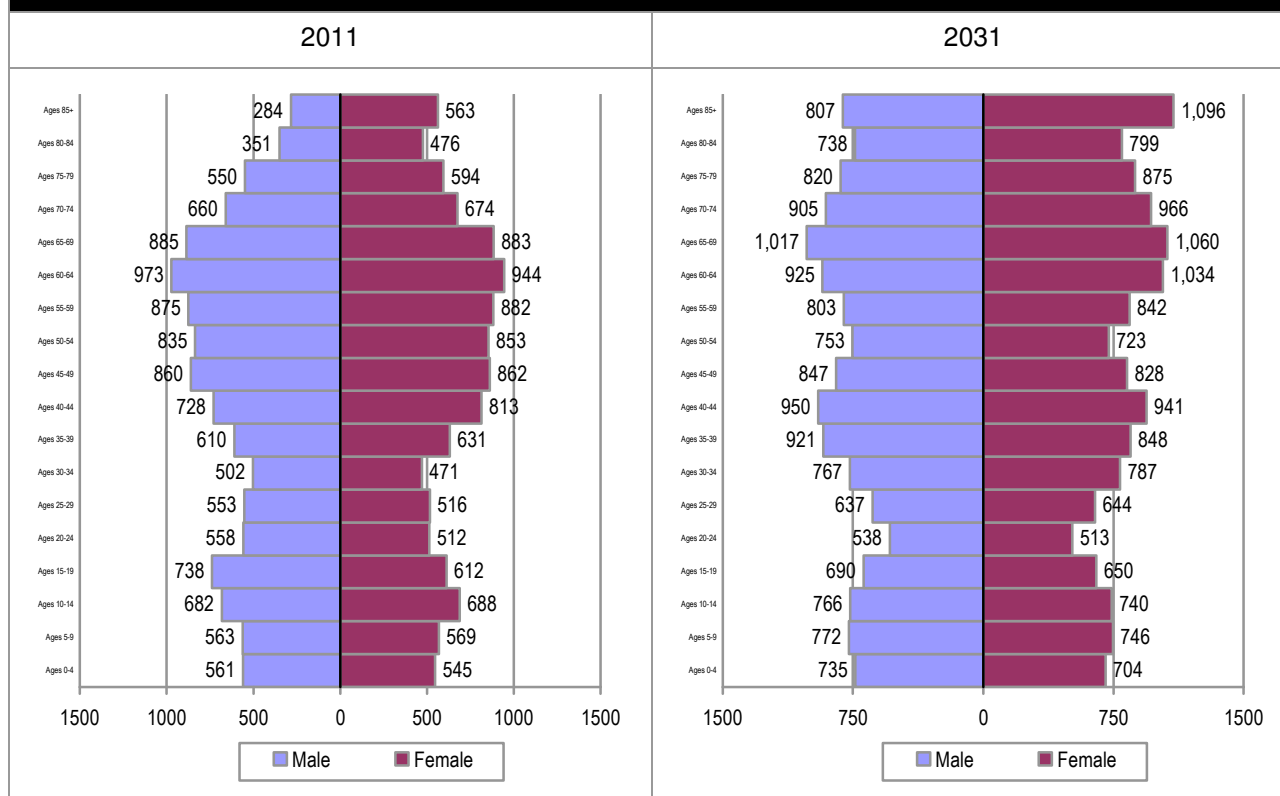


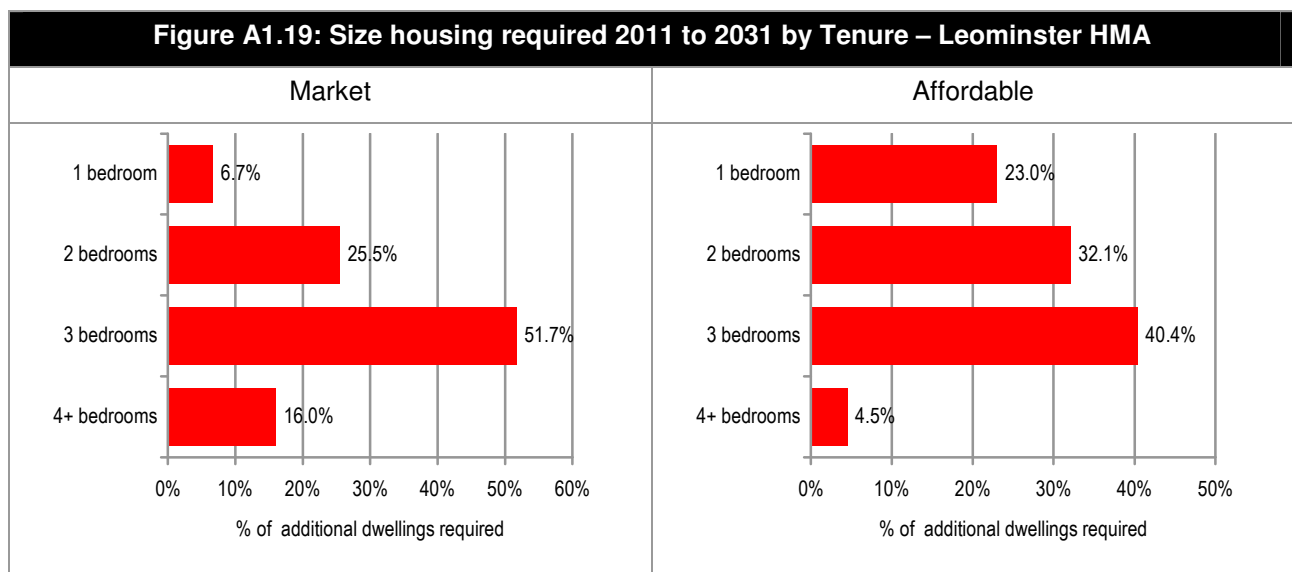
Figure A1.16: Number of people in employment 2011 to 2031 – Leominster HMA

	2011	2016	2021	2026	2031
PROJ (16,500)	10,595	11,423	12,103	12,346	12,711
	0.0%	7.8%	14.2%	16.5%	20.0%

Figure A1.17: Estimated Size and of Dwellings Required 2011 to 2031 – Market Housing – Leominster HMA

Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	459	607	148
2 bedroom	1,698	2,260	562
3 bedroom	4,438	5,576	1,137
4+ bedroom	2,749	3,102	352
Total	9,344	11,544	2,200

Figure A1.18: Estimated Size and of Dwellings Required 2011 to 2031 – Affordable Housing – Leominster HMA			
Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	302	494	191
2 bedroom	452	719	266
3 bedroom	584	920	336
4+ bedroom	85	122	37
Total	1,424	2,254	831



SUMMARY FINDINGS – ROSS-ON-WYE HMA

Figure A1.20: Population Estimates 2011 to 2031 – Ross-on-Wye HMA

	2011	2016	2021	2026	2031
PROJ (16,500)	30,782	31,329	31,907	32,592	33,369
	0.0%	1.8%	3.7%	5.9%	8.4%

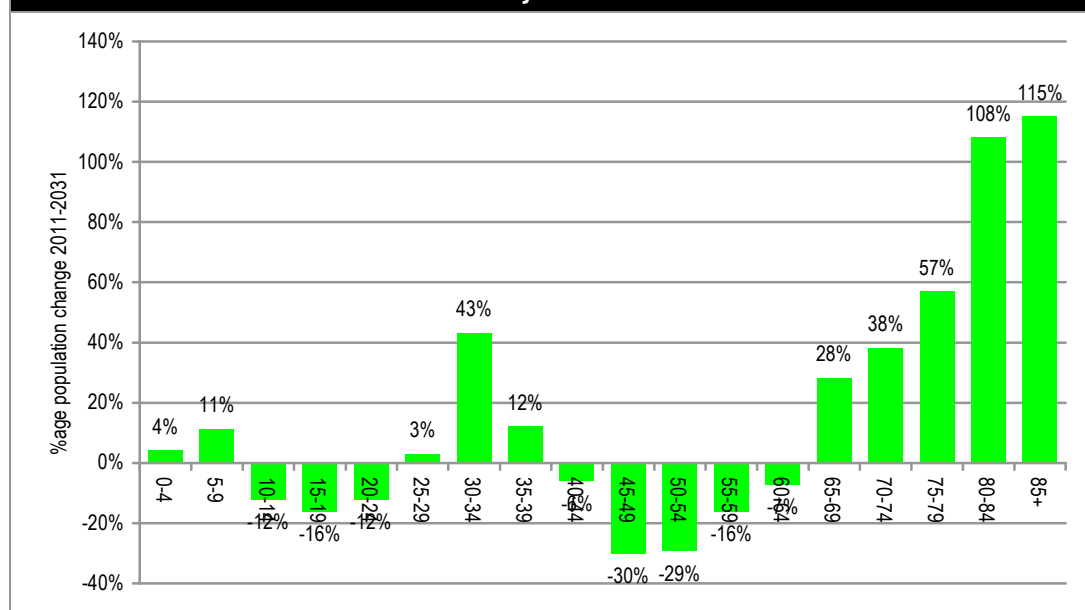
Figure A1.21: Household Estimates 2011 to 2031 – Ross-on-Wye HMA

	2011	2016	2021	2026	2031
PROJ (16,500)	13,194	13,687	14,193	14,699	15,193
	0.0%	3.7%	7.6%	11.4%	15.2%

Figure A1.22: Population change 2011 to 2031 by Broad Age Bands – Ross-on-Wye HMA

Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	4,539	4,537	-1	0.0%
15-29	4,220	3,830	-390	-9.2%
30-44	4,796	5,369	573	12.0%
45-59	7,198	5,408	-1,790	-24.9%
60-74	6,561	7,658	1,098	16.7%
75+	3,469	6,566	3,097	89.3%
Total	30,782	33,369	2,587	8.4%

Figure A1.23: Forecast Population Change by Age Group 2011 – 2031 – Ross-on-Wye HMA



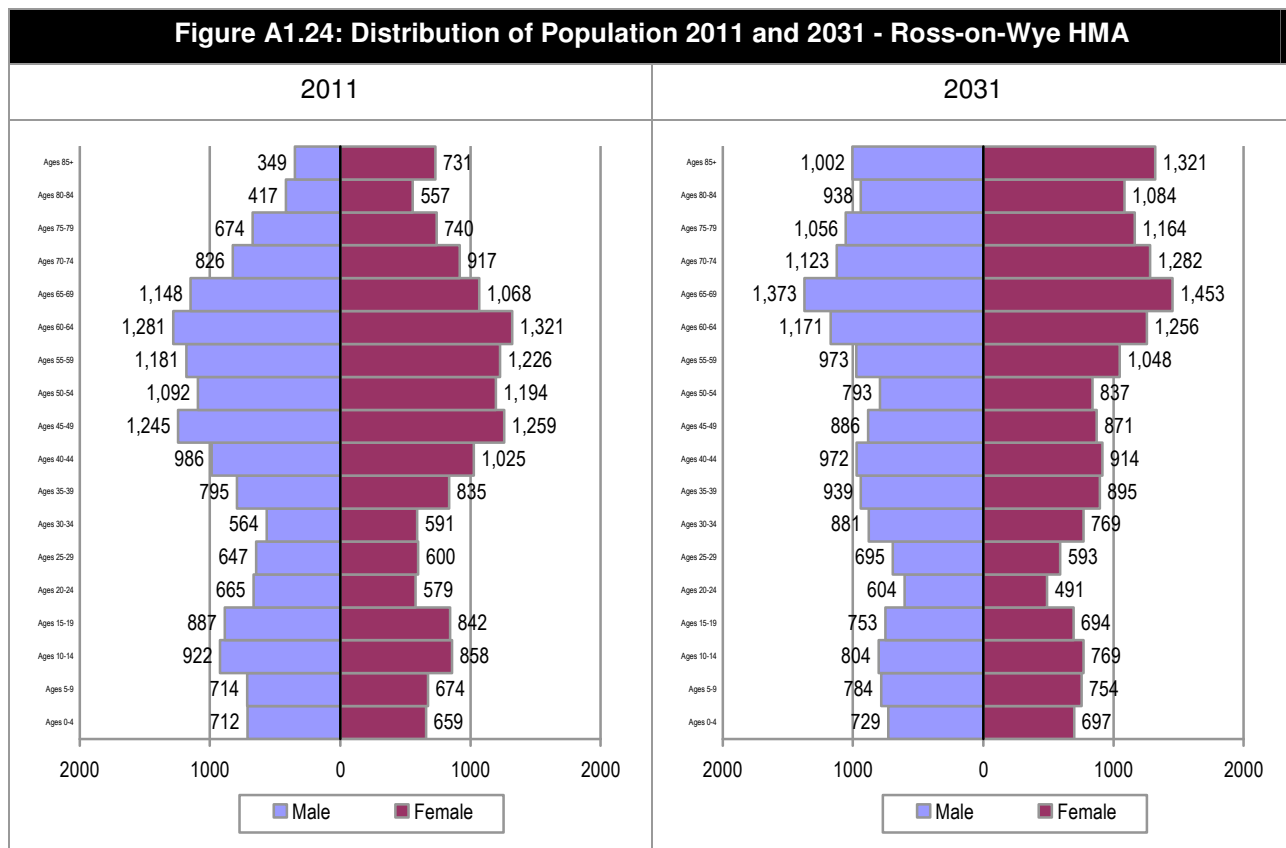


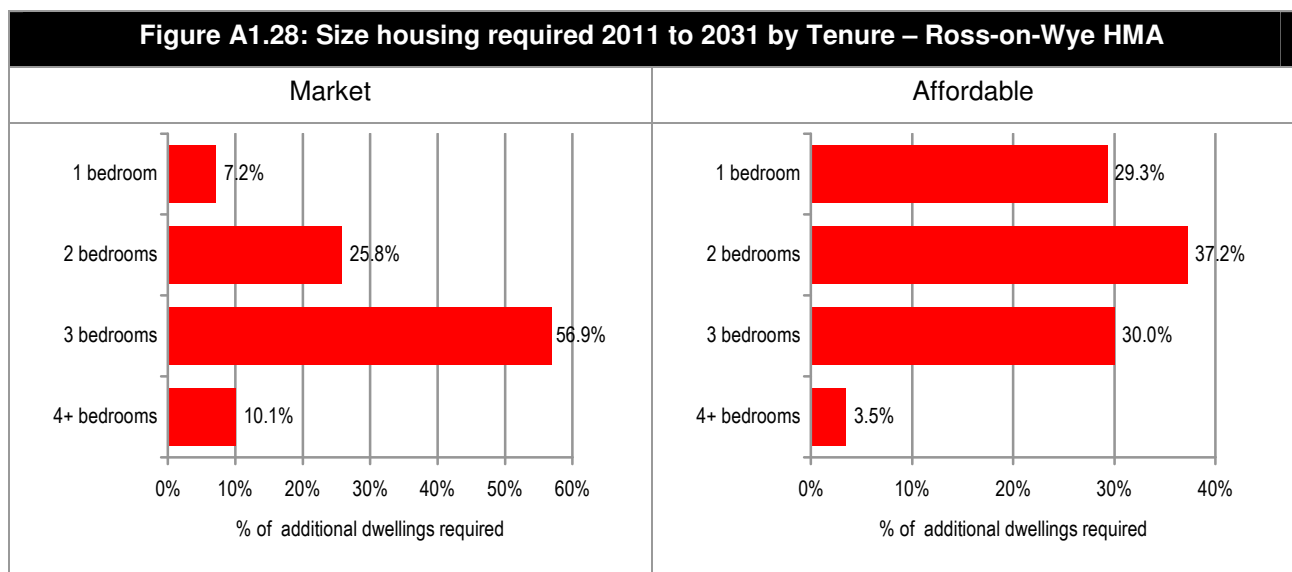
Figure A1.25: Number of people in employment 2011 to 2031 – Ross-on-Wye HMA

	2011	2016	2021	2026	2031
PROJ (16,500)	14,296	14,712	14,931	14,553	14,403
	0.0%	2.9%	4.4%	1.8%	0.7%

Figure A1.26: Estimated Size and of Dwellings Required 2011 to 2031 – Market Housing – Ross-on-Wye HMA

Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	518	611	93
2 bedroom	1,824	2,156	332
3 bedroom	5,328	6,060	732
4+ bedroom	4,317	4,447	130
Total	11,986	13,273	1,287

Figure A1.27: Estimated Size and of Dwellings Required 2011 to 2031 – Affordable Housing – Ross-on-Wye HMA			
Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	398	621	223
2 bedroom	517	800	283
3 bedroom	539	768	229
4+ bedroom	83	110	27
Total	1,538	2,300	762



SUMMARY FINDINGS – LEDBURY HMA

Figure A1.29: Population Estimates 2011 to 2031 – Ledbury HMA					
	2011	2016	2021	2026	2031
PROJ (16,500)	19,348	19,800	20,219	20,643	21,045
	0.0%	2.3%	4.5%	6.7%	8.8%

Figure A1.30: Household Estimates 2011 to 2031 – Ledbury HMA					
	2011	2016	2021	2026	2031
PROJ (16,500)	8,578	8,880	9,209	9,557	9,910
	0.0%	3.5%	7.4%	11.4%	15.5%

Figure A1.31: Population change 2011 to 2031 by Broad Age Bands – Ledbury HMA				
Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	3,031	2,904	-127	-4.2%
15-29	2,481	2,611	131	5.3%
30-44	3,201	3,313	112	3.5%
45-59	4,127	3,457	-670	-16.2%
60-74	4,181	4,736	555	13.3%
75+	2,326	4,022	1,696	72.9%
Total	19,348	21,045	1,697	8.8%

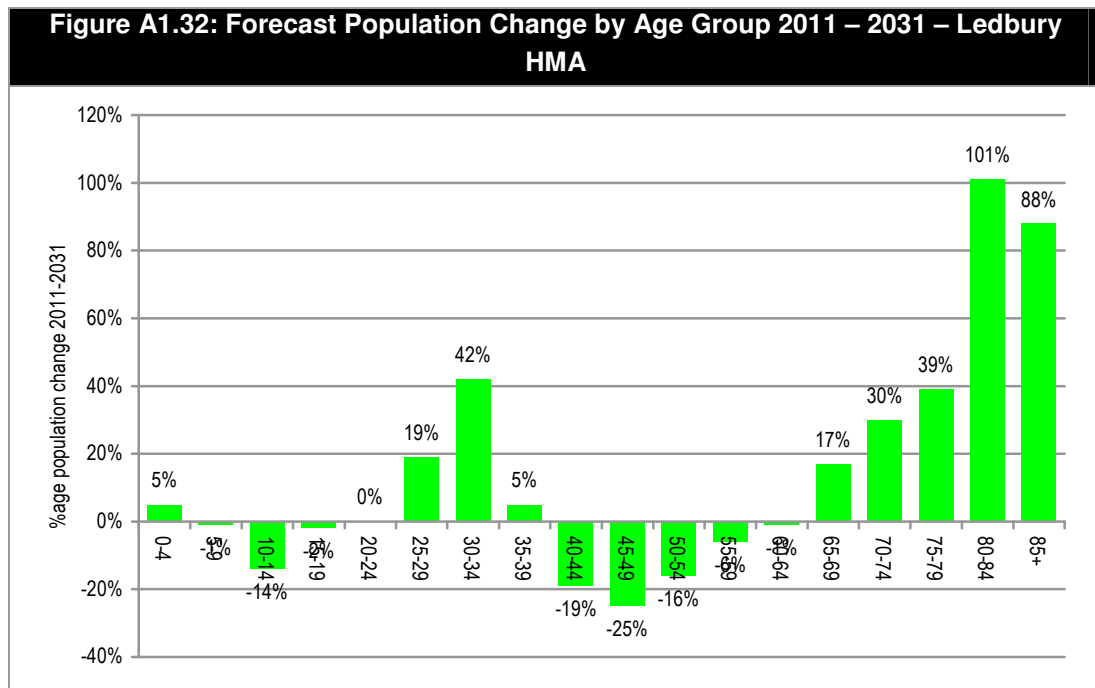


Figure A1.33: Distribution of Population 2011 and 2031 - Ledbury HMA

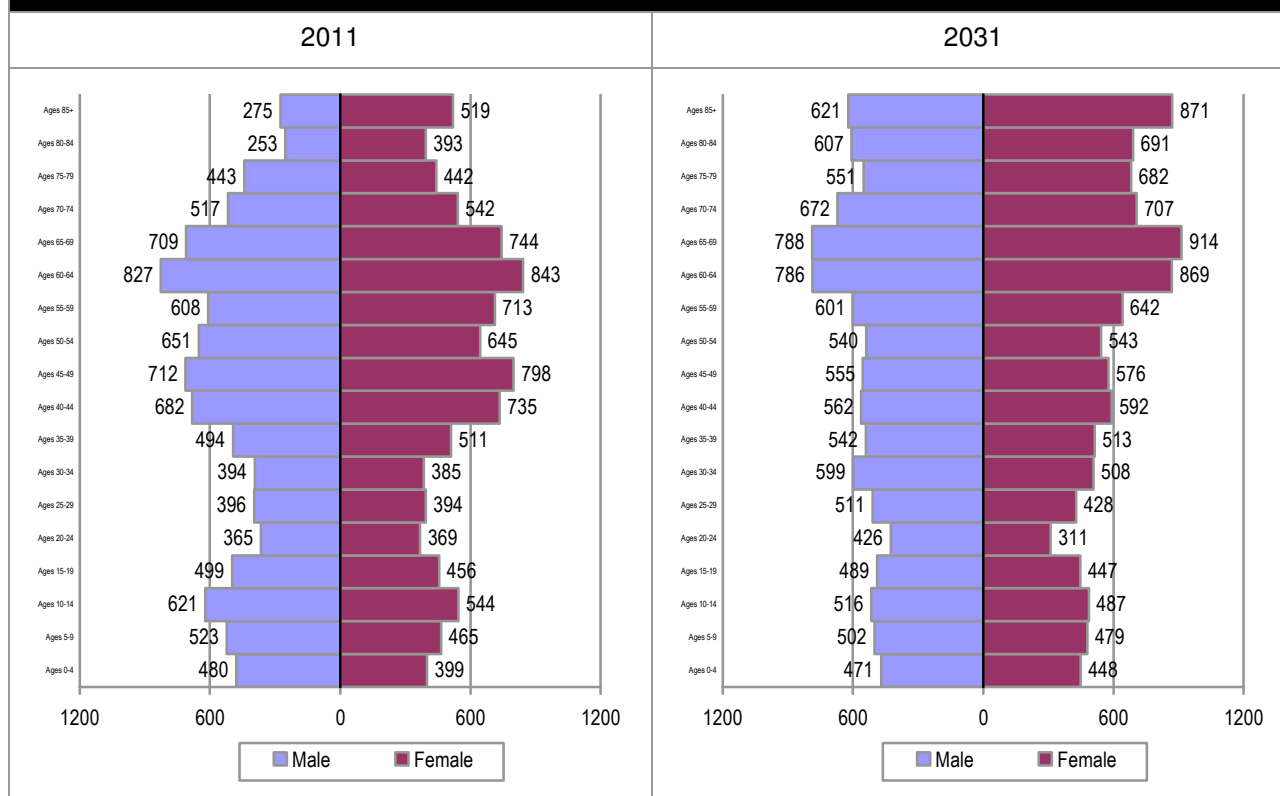


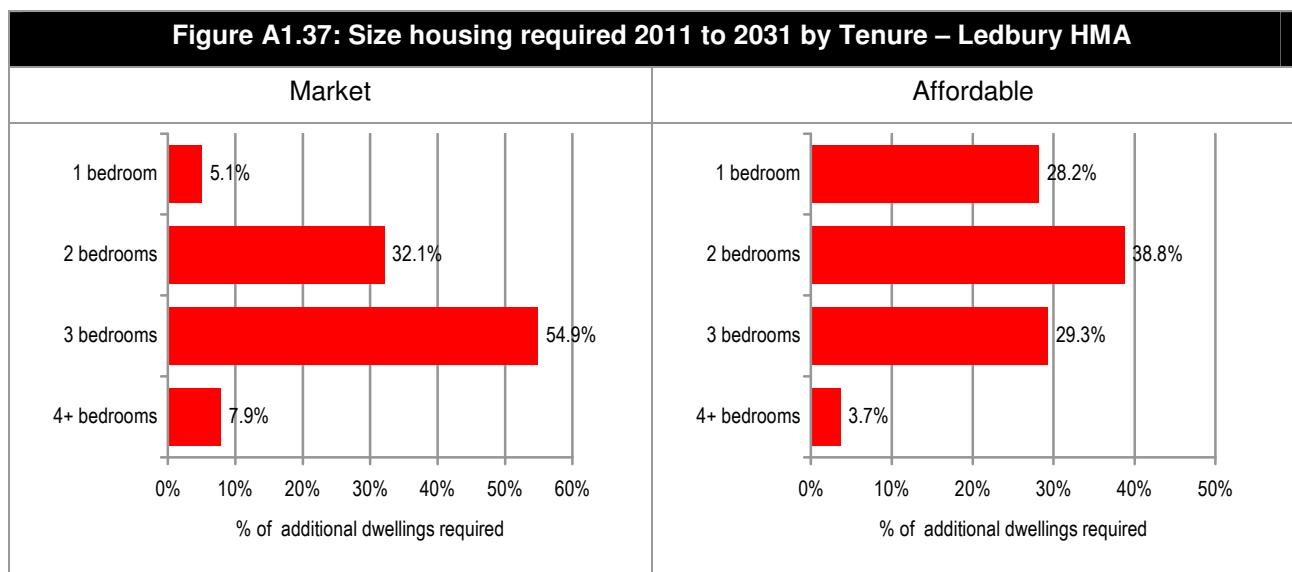
Figure A1.34: Number of people in employment 2011 to 2031 – Ledbury HMA

	2011	2016	2021	2026	2031
PROJ (16,500)	8,791	9,178	9,523	9,400	9,283
	0.0%	4.4%	8.3%	6.9%	5.6%

Figure A1.35: Estimated Size and of Dwellings Required 2011 to 2031 – Market Housing – Ledbury HMA

Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	299	342	43
2 bedroom	1,407	1,678	272
3 bedroom	3,503	3,969	465
4+ bedroom	2,479	2,546	67
Total	7,687	8,535	847

Figure A1.36: Estimated Size and of Dwellings Required 2011 to 2031 – Affordable Housing – Ledbury HMA			
Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	249	395	146
2 bedroom	400	601	201
3 bedroom	395	547	152
4+ bedroom	61	80	19
Total	1,105	1,623	518



SUMMARY FINDINGS – BROMYARD HMA

Figure A1.38: Population Estimates 2011 to 2031 – Bromyard HMA

	2011	2016	2021	2026	2031
PROJ (16,500)	11,869	12,145	12,375	12,725	13,018
	0.0%	2.3%	4.3%	7.2%	9.7%

Figure A1.39: Household Estimates 2011 to 2031 – Bromyard HMA

	2011	2016	2021	2026	2031
PROJ (16,500)	5,167	5,385	5,582	5,796	6,010
	0.0%	4.2%	8.0%	12.2%	16.3%

Figure A1.40: Population change 2011 to 2031 by Broad Age Bands – Bromyard HMA

Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	1,618	1,762	145	8.9%
15-29	1,663	1,494	-169	-10.2%
30-44	1,826	2,099	273	14.9%
45-59	2,718	2,086	-632	-23.3%
60-74	2,688	2,901	213	7.9%
75+	1,356	2,676	1,320	97.3%
Total	11,869	13,018	1,149	9.7%

Figure A1.41: Forecast Population Change by Age Group 2011 – 2031 – Bromyard HMA

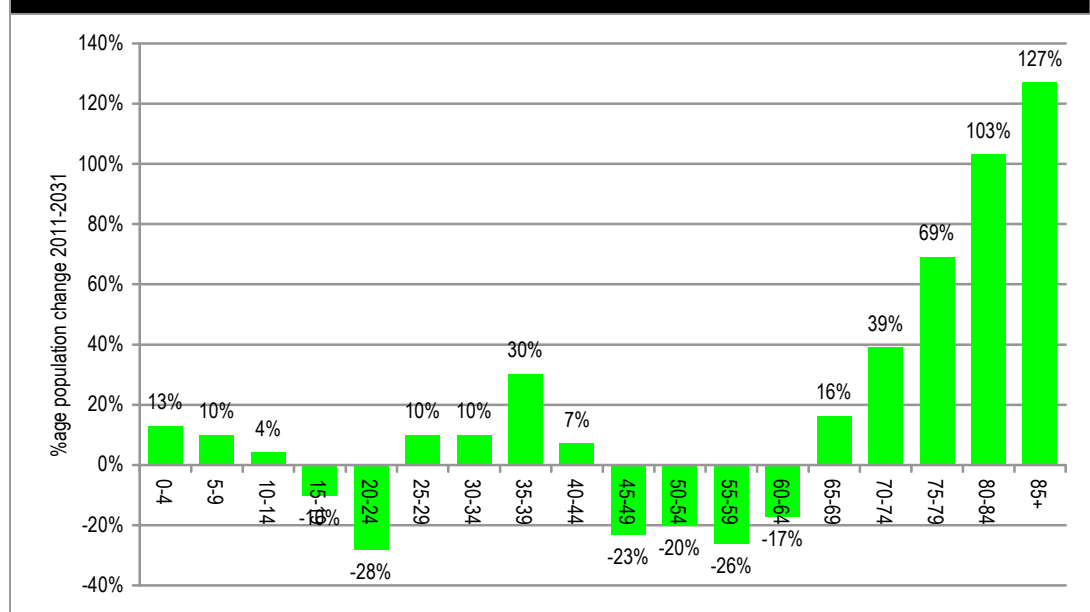


Figure A1.42: Distribution of Population 2011 and 2031 - Bromyard HMA

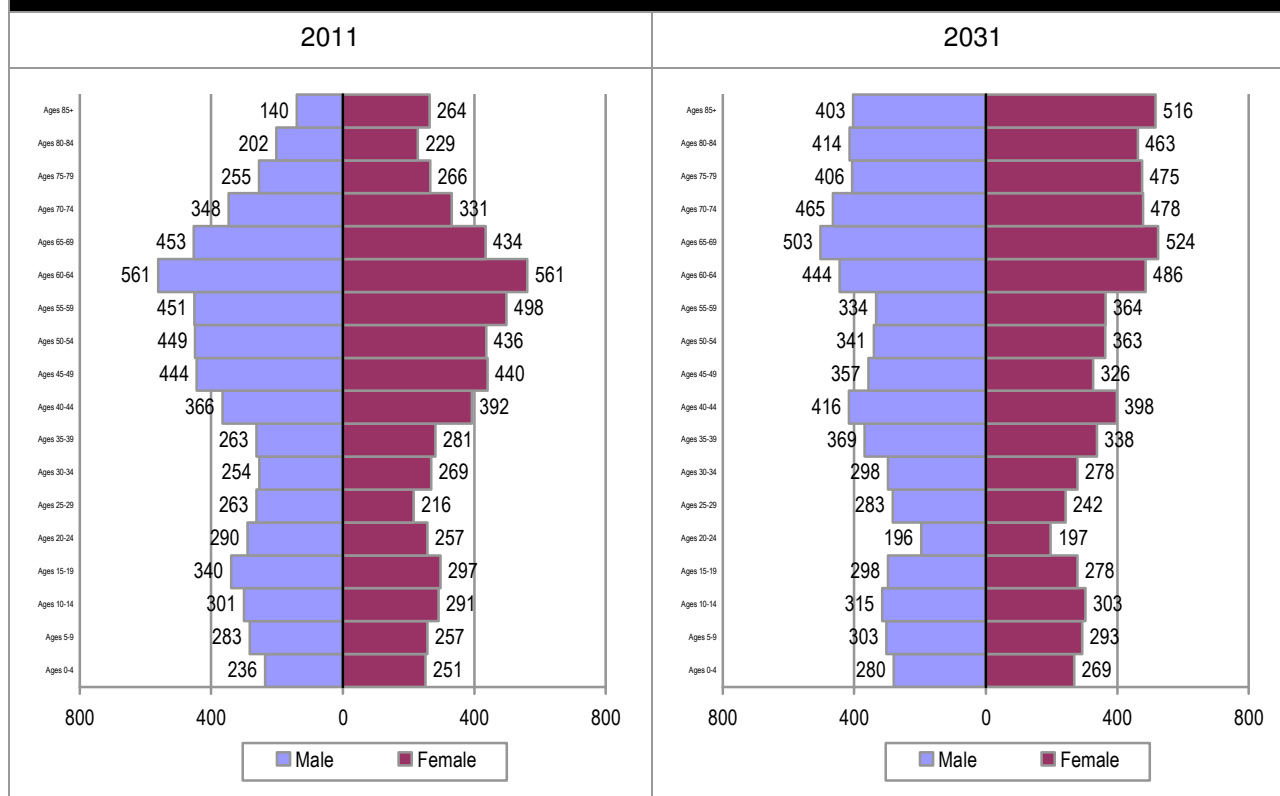


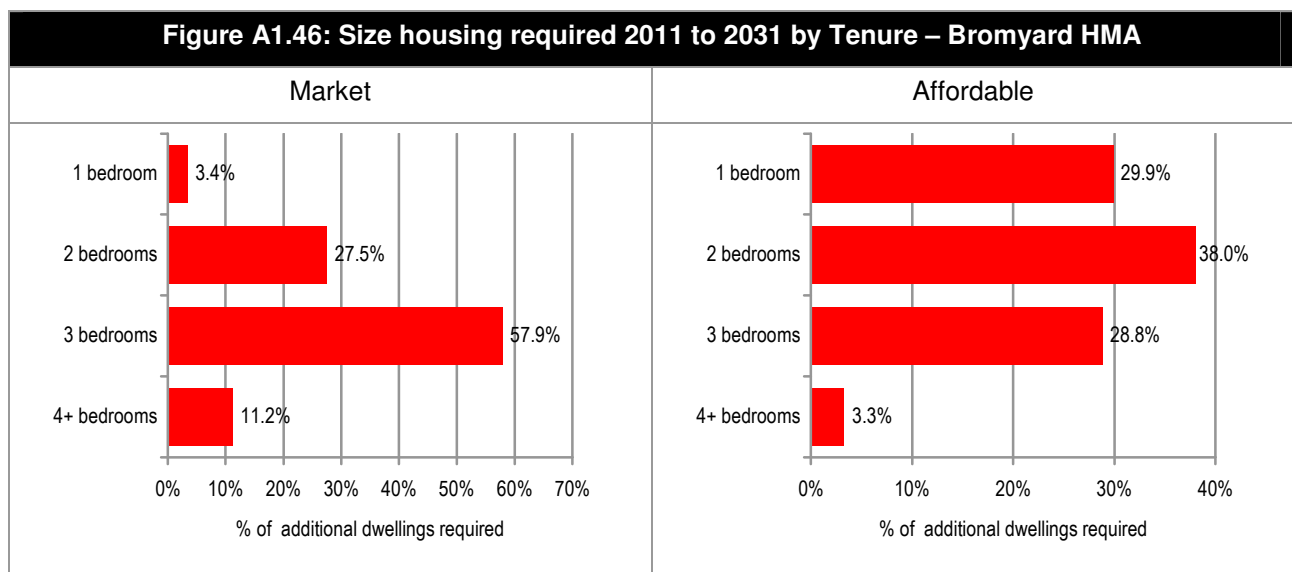
Figure A1.43: Number of people in employment 2011 to 2031 – Bromyard HMA

	2011	2016	2021	2026	2031
PROJ (16,500)	5,529	5,626	5,684	5,585	5,551
	0.0%	1.7%	2.8%	1.0%	0.4%

Figure A1.44: Estimated Size and of Dwellings Required 2011 to 2031 – Market Housing – Bromyard HMA

Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	172	192	21
2 bedroom	702	870	168
3 bedroom	2,138	2,493	355
4+ bedroom	1,553	1,622	68
Total	4,565	5,177	612

Figure A1.45: Estimated Size and of Dwellings Required 2011 to 2031 – Affordable Housing – Bromyard HMA			
Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	183	259	76
2 bedroom	249	345	96
3 bedroom	256	329	73
4+ bedroom	42	51	8
Total	731	983	253



SUMMARY FINDINGS – KINGTON HMA

Figure A1.47: Population Estimates 2011 to 2031 – Kington HMA					
	2011	2016	2021	2026	2031
PROJ (16,500)	9,576	9,671	9,822	9,946	10,145
	0.0%	1.0%	2.6%	3.9%	5.9%

Figure A1.48: Household Estimates 2011 to 2031 – Kington HMA					
	2011	2016	2021	2026	2031
PROJ (16,500)	4,154	4,293	4,419	4,538	4,658
	0.0%	3.3%	6.4%	9.3%	12.1%

Figure A1.49: Population change 2011 to 2031 by Broad Age Bands – Kington HMA				
Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	1,374	1,322	-52	-3.8%
15-29	1,281	1,207	-74	-5.8%
30-44	1,448	1,614	166	11.5%
45-59	2,142	1,573	-570	-26.6%
60-74	2,165	2,331	166	7.7%
75+	1,166	2,098	933	80.0%
Total	9,576	10,145	569	5.9%

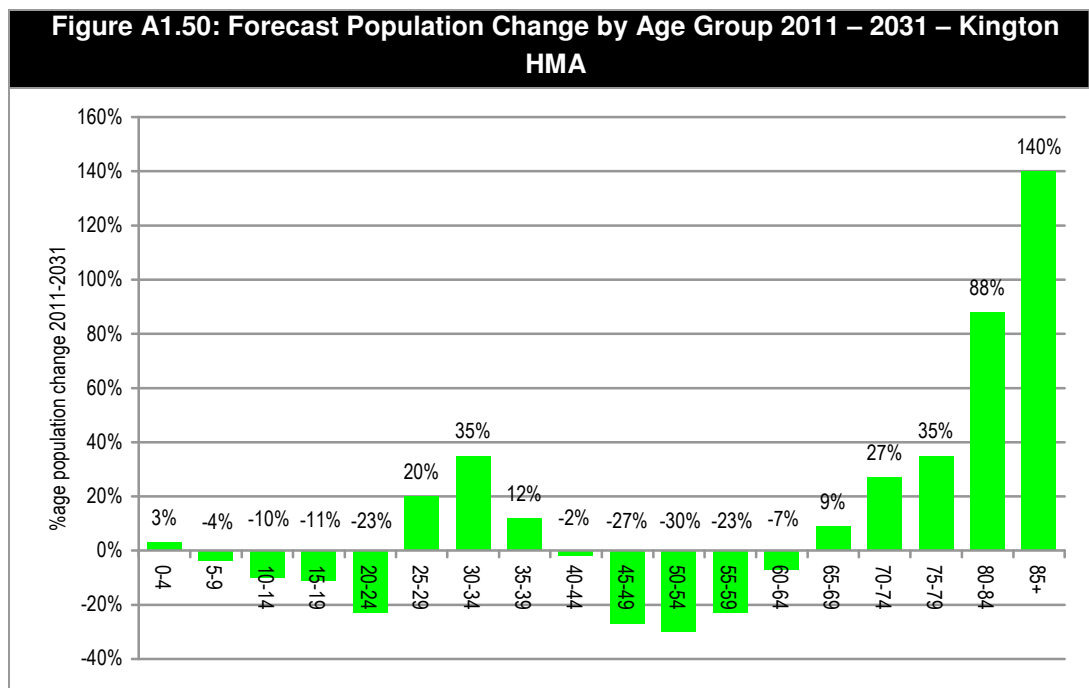


Figure A1.51: Distribution of Population 2011 and 2031 - Kington HMA

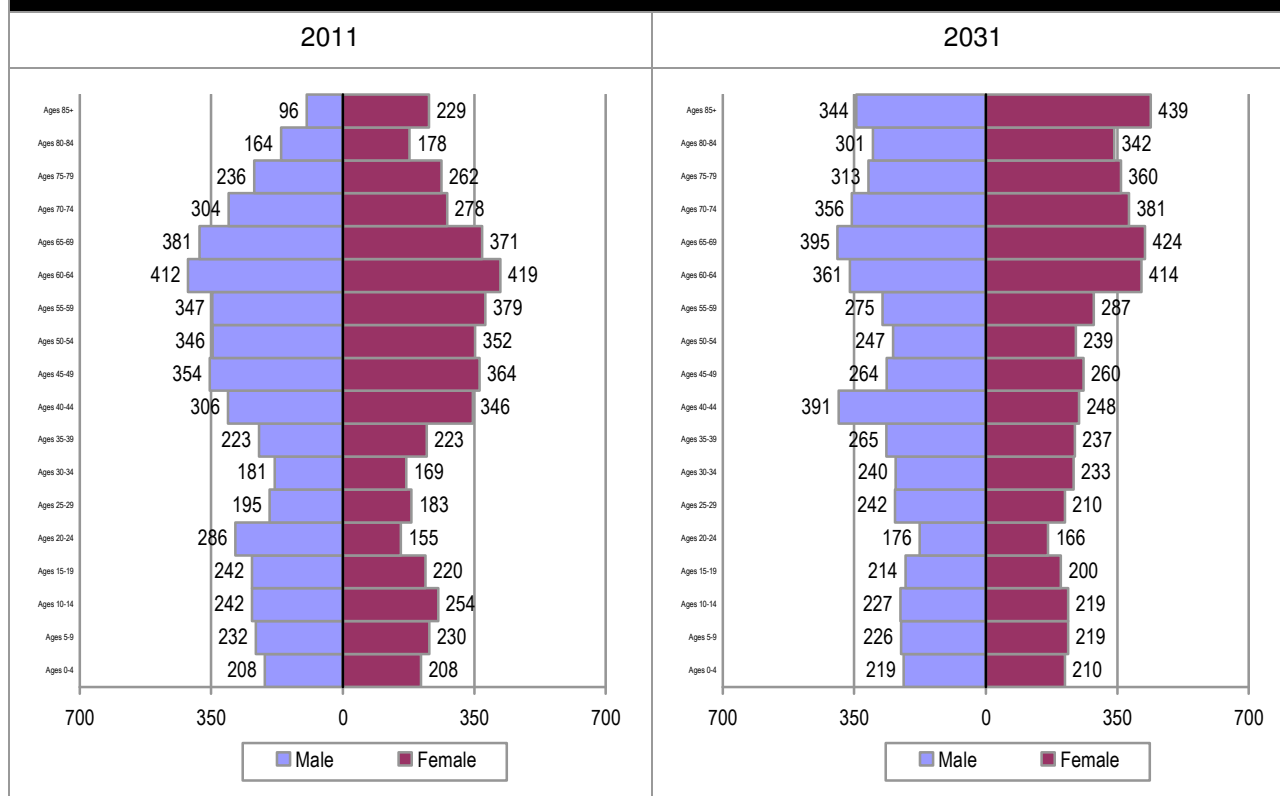


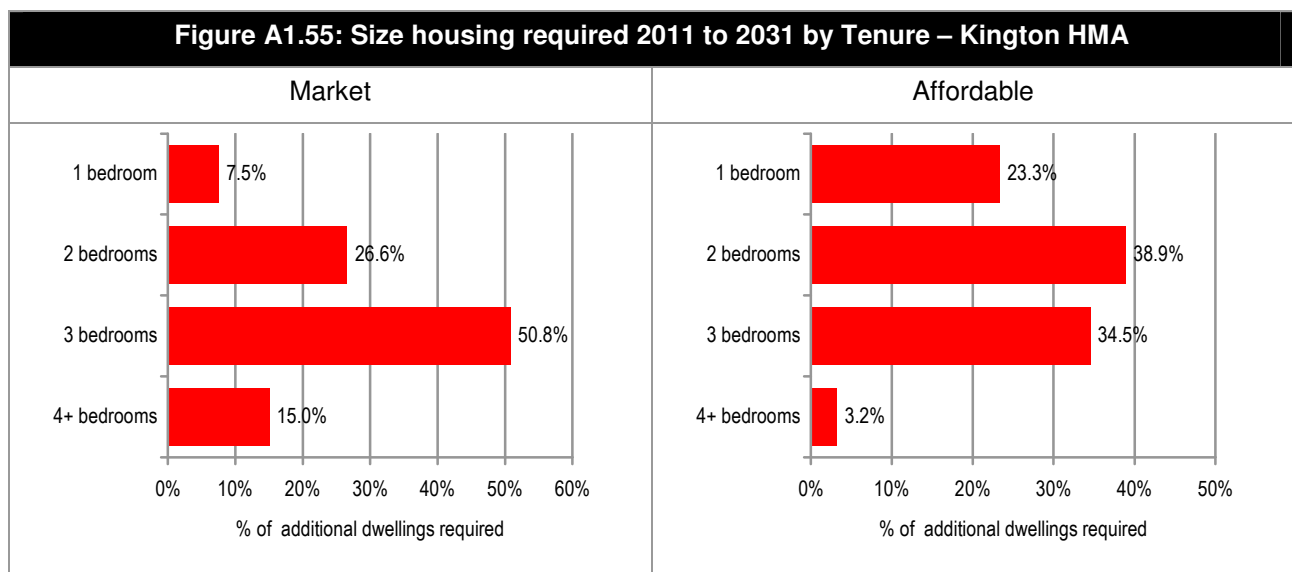
Figure A1.52: Number of people in employment 2011 to 2031 – Kington HMA

	2011	2016	2021	2026	2031
PROJ (16,500)	4,411	4,512	4,604	4,493	4,446
	0.0%	2.3%	4.4%	1.9%	0.8%

Figure A1.53: Estimated Size and of Dwellings Required 2011 to 2031 – Market Housing – Kington HMA

Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	149	174	25
2 bedroom	561	651	89
3 bedroom	1,723	1,894	171
4+ bedroom	1,250	1,301	50
Total	3,684	4,020	336

Figure A1.54: Estimated Size and of Dwellings Required 2011 to 2031 – Affordable Housing – Kington HMA			
Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	81	123	42
2 bedroom	197	267	70
3 bedroom	264	327	62
4+ bedroom	32	38	6
Total	574	755	181



SUMMARY FINDINGS – GOLDEN VALLEY HMA

Figure A1.56: Population Estimates 2011 to 2031 – Golden Valley HMA

	2011	2016	2021	2026	2031
PROJ (16,500)	6,056	6,098	6,128	6,191	6,309
	0.0%	0.7%	1.2%	2.2%	4.2%

Figure A1.57: Household Estimates 2011 to 2031 – Golden Valley HMA

	2011	2016	2021	2026	2031
PROJ (16,500)	2,616	2,694	2,766	2,836	2,912
	0.0%	3.0%	5.8%	8.4%	11.3%

Figure A1.58: Population change 2011 to 2031 by Broad Age Bands – Golden Valley HMA

Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	911	804	-107	-11.8%
15-29	700	725	25	3.6%
30-44	901	935	34	3.8%
45-59	1,456	911	-545	-37.5%
60-74	1,400	1,563	162	11.6%
75+	687	1,371	684	99.5%
Total	6,056	6,309	253	4.2%

Figure A1.59: Forecast Population Change by Age Group 2011 – 2031 – Golden Valley HMA

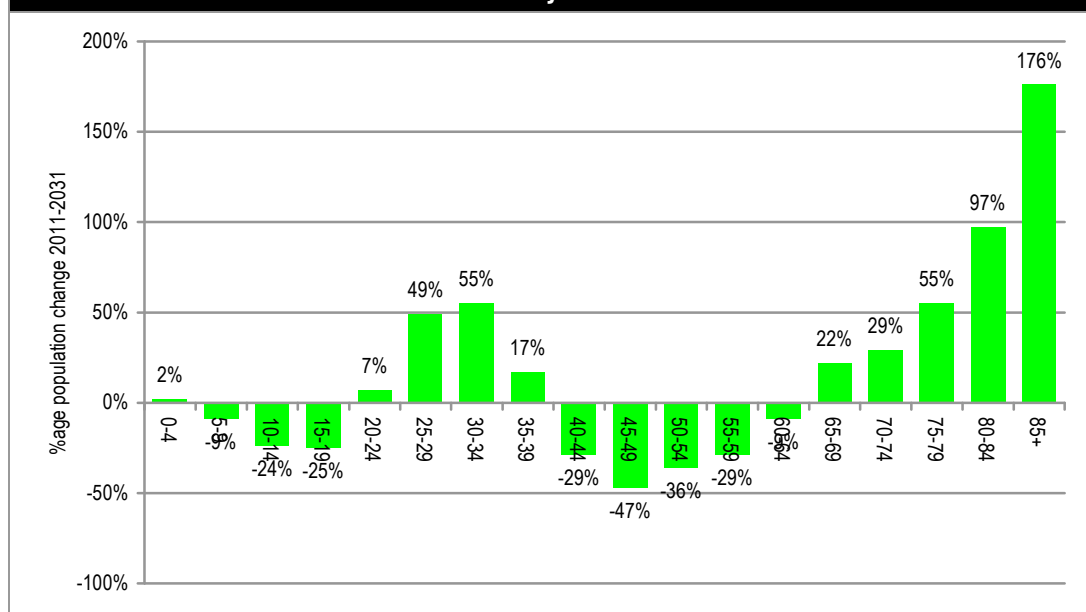


Figure A1.60: Distribution of Population 2011 and 2031 - Golden Valley HMA

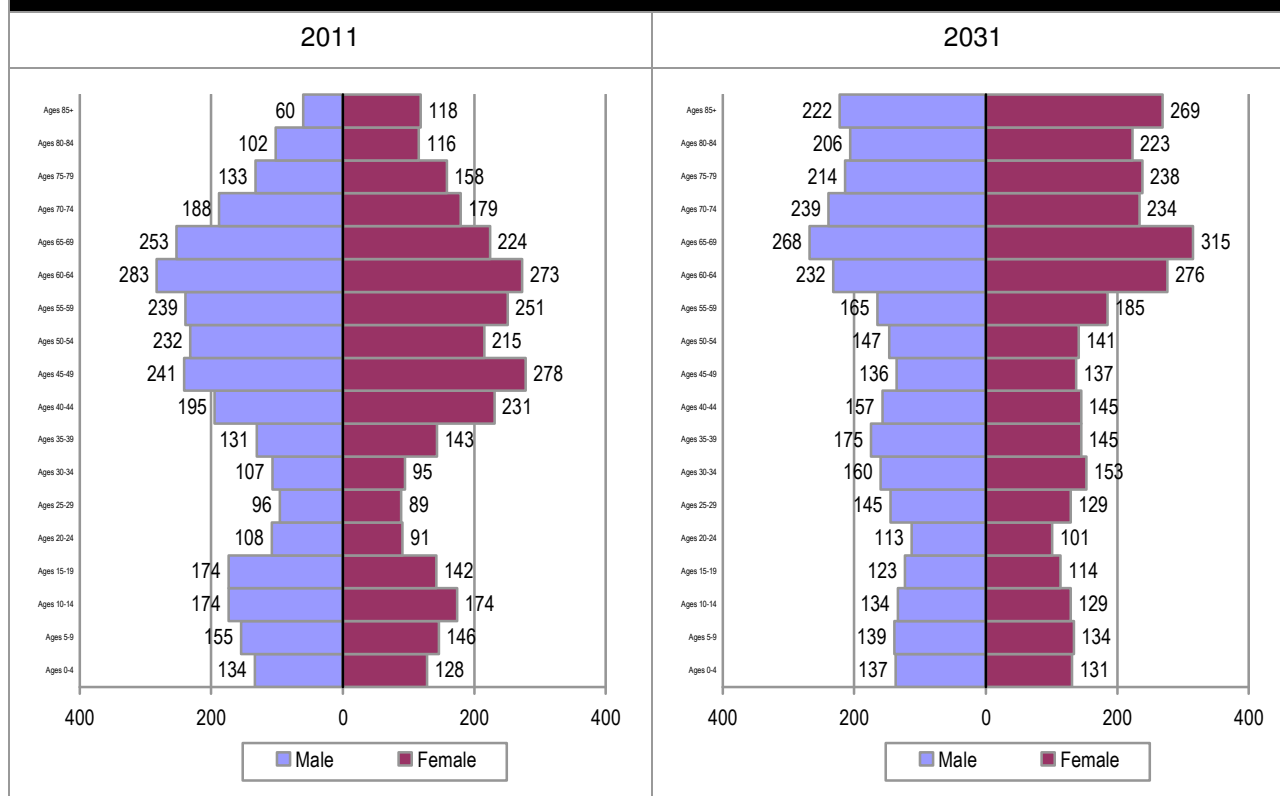


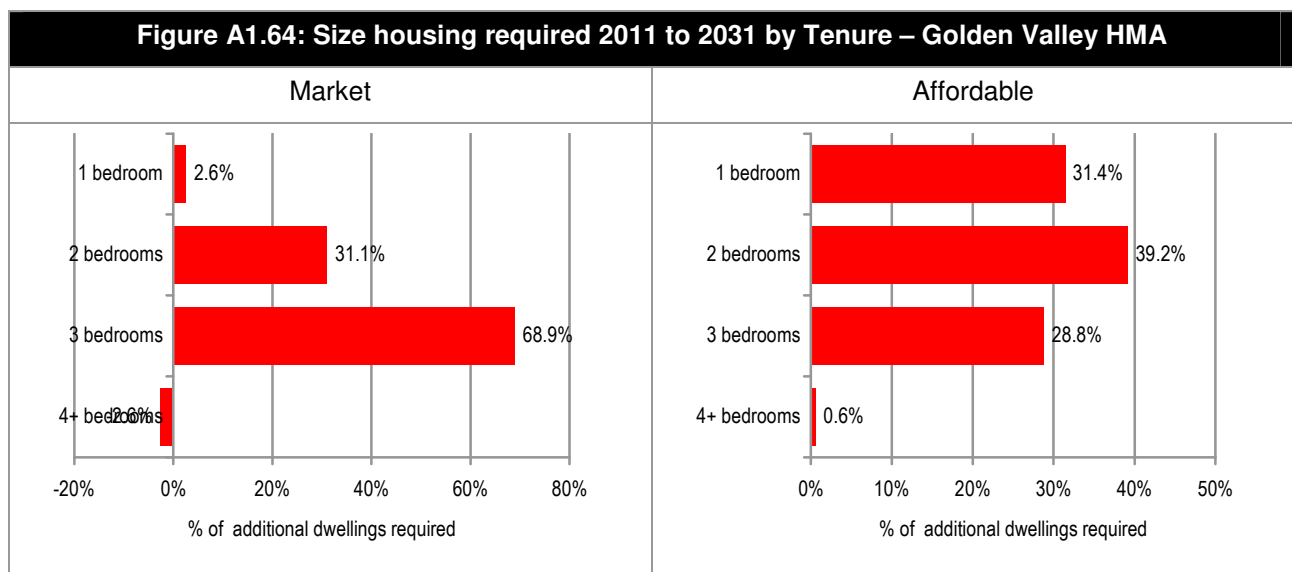
Figure A1.61: Number of people in employment 2011 to 2031 – Golden Valley HMA

	2011	2016	2021	2026	2031
PROJ (16,500)	2,856	2,907	2,935	2,836	2,790
	0.0%	1.8%	2.8%	-0.7%	-2.3%

Figure A1.62: Estimated Size and of Dwellings Required 2011 to 2031 – Market Housing – Golden Valley HMA

Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	62	67	5
2 bedroom	314	376	61
3 bedroom	1,149	1,285	136
4+ bedroom	963	958	-5
Total	2,488	2,686	198

Figure A1.63: Estimated Size and of Dwellings Required 2011 to 2031 – Affordable Housing – Golden Valley HMA			
Type/size	2011	2031	Additional homes 2011-2031
1 bedroom	47	81	33
2 bedroom	74	116	42
3 bedroom	67	97	31
4+ bedroom	5	5	1
Total	193	299	106



SUMMARY TABLES

Figure A1.65: Summary of Projections 2011 to 2031 – Annual

Area	Forecast Population Change		Net Housing Provision		Forecast Change in Labour Supply	
	Per annum	% change	Per annum	% change	Per annum	% change
	Hereford HMA	543	0.7%	418	1.2%	193
Leominster HMA	267	1.1%	152	1.4%	106	1.0%
Ross-on-Wye HMA	129	0.4%	102	0.8%	5	0.0%
Ledbury HMA	85	0.4%	68	0.8%	25	0.3%
Bromyard HMA	57	0.5%	43	0.8%	1	0.0%
Kington HMA	28	0.3%	26	0.6%	2	0.0%
Golden Valley	13	0.2%	15	0.6%	-3	-0.1%
TOTAL	1,122	0.6%	825	1.0%	328	0.4%

Figure A1.66: Summary of Projections 2011 to 2031 – Total

Area	Forecast Population Change		Net Housing Provision		Forecast Change in Labour Supply	
	Total	% change	Total	% change	Total	% change
	Hereford HMA	10,864	13.3%	8,370	23.4%	3,852
Leominster HMA	5,331	22.3%	3,030	28.1%	2,116	20.0%
Ross-on-Wye HMA	2,587	8.4%	2,050	15.2%	107	0.7%
Ledbury HMA	1,697	8.8%	1,365	15.5%	492	5.6%
Bromyard HMA	1,149	9.7%	864	16.3%	21	0.4%
Kington HMA	569	5.9%	517	12.1%	34	0.8%
Golden Valley	253	4.2%	304	11.3%	-66	-2.3%
TOTAL	22,449	12.3%	16,500	20.3%	6,558	7.7%