

Sandbach Housing Needs Report 2021

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FINAL SUBMISSION VERSION – March 2021



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1.0 EXECUTIVE SUMMARY

Sandbach neighbourhood area has performed well in terms of dwelling completions during the plan period from 2010 to March 2020 having delivered 2699 dwellings out of its 2750 dwelling target (for 2030) set in the Cheshire East Local Plan Strategy. In addition, there are a further 1089 dwellings remaining to be built on sites with planning permission.

However, the area fell short of achieving the 30% affordable housing target with 19% of new builds being affordable tenures since 2010. In terms of market dwelling completions, the majority (77%) were 3 and 4 bed properties, with 23% as 1 and 2 bed properties. When looking at sites with planning permission remaining to be built, it is estimated¹ that a further 254 affordable homes are in the pipeline.

There has also been an imbalance in the mix of tenures of new builds since 2015. The 2015 housing needs report identified a need for 29% social rent, i.e. below 80% of market rent – typically meeting the needs of households in the lowest 25% income bracket. However, only 3% of completions since 2015 were social rent, meaning that there is a strong case going forward to significantly increase the proportion of social rent tenures. The report also recognises the challenges for housing associations to fund social rent while achieving financial viability on new developments.

There were 551 households on the Cheshire East Housing Register that had selected Sandbach as a location, and the vast majority (85%) were under 55. These are households that cannot afford market priced accommodation. 43% of these households needed houses, 29% needed bungalows and 28% flats or maisonettes. Most (78%) needed 1 or 2 bed accommodation for affordable (80% market rent) or social rent.

81 out of the 551 households on the housing register were over 55. Over half of these households (54%) needed bungalows, 26% needed flats and all of them needed 1 or 2 bed accommodation. When looking at existing affordable housing stock, 96 properties became available and were relet during 2020. There was a very high demand for 1 bed flats, 1 bed bungalows, and 2 + 3 bed houses with an average of 58 bids per property that became available.

Sandbach has a similar age profile to Cheshire East and both have historically had an ageing population. In Sandbach, over 65's are projected to increase by 17% by 2030 and under 19's are projected to decrease by 4% by 2030, which could increase the demand for housing for older people e.g. bungalows and downsizing options.

In terms of affordability, Sandbach North is the least affordable area of the Town with average property priced at 8 times the average income (in line with Cheshire East). In this area average income households would struggle to afford an average or even lower quartile (lowest 25%) priced property other than terraced housing. The most affordable area was Sandbach Heath with average property priced at 5.7 times the average income. In this area, average income households would be able to afford most average or lower quartile priced properties apart from detached.

¹ To estimate the number of affordable homes on remaining sites with planning permission, 25% was used as a 'middle ground' assumption between the 30% target and 19% actual delivery.

2.0 INTRODUCTION

CCA was commissioned by Sandbach Neighbourhood Development Plan Group to carry out a housing needs assessment of the Sandbach neighbourhood area to provide up-to-date evidence to inform a review of the Sandbach Neighbourhood Development Plan.

The purpose of this report is to identify any broad gaps in housing provision with a particular focus on the mix and type of housing needed.

To do this the report analyses dwelling completions including what is in the pipeline to be built on sites with planning permission, and how this compares to the need identified in the 2015 housing report.

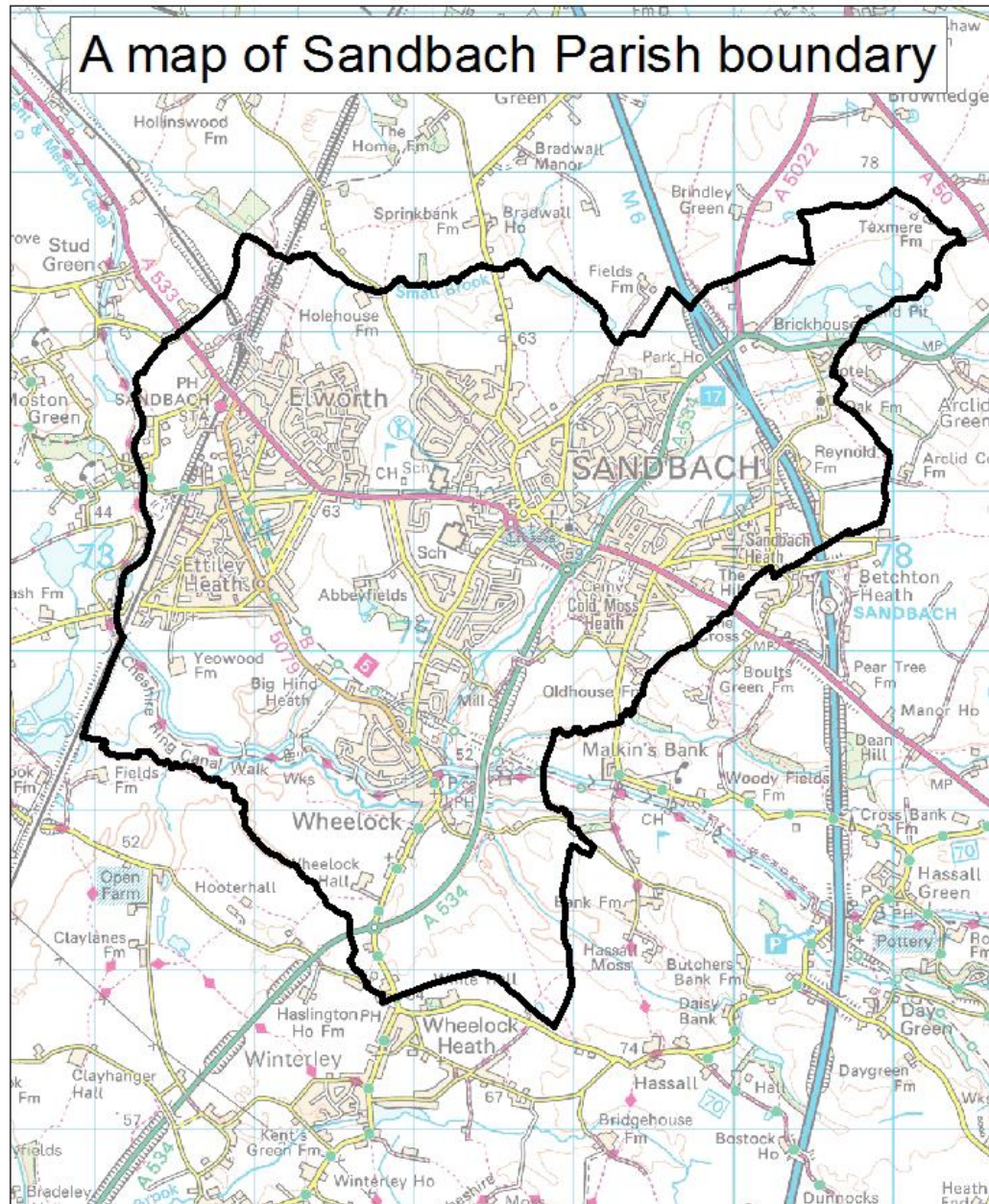
It includes an analysis of the housing register applications from the Local Authority Choice Based Lettings Scheme, and the turnover of existing affordable housing stock to give an overview of demand for affordable tenures to identify shortfalls in provision.

Sandbach also has a similar age profile to Cheshire East and is in effect a microcosm of the borough in terms of age structure. Therefore, using the population figures from 2001-2019 and population projections for 2030, we are able to track historical trends and forecast future age structure changes that could influence the type of housing needed in Sandbach.

To assess wider affordability issues, the report includes analysis of property prices and rents compared with average household incomes to determine the affordability of the local housing market.

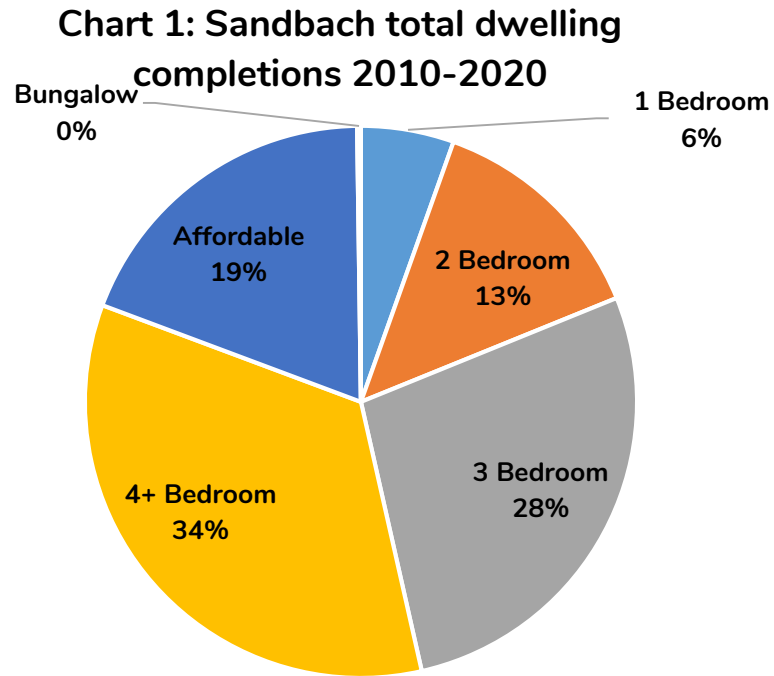
Cheshire Community Action is a local charity based in Cheshire that has conducted the study independently.

3.0 STUDY AREA (Sandbach Neighbourhood Area)



Source: [Parish Map – Sandbach Town Council](#)

4.0 DWELLING COMPLETIONS and REMAINING SITES with PLANNING PERMISSION



Sandbach dwelling completions and sites with planning permission as of March 2020 ²	
Cheshire East Local Plan Strategy – Sandbach dwelling target by 2030	2750
Net dwellings completed from 2010 – March 2020	2699
Net remaining dwellings to be built on sites with planning permission as of March 2020	1089
Cheshire East Local Plan Strategy affordable housing target for new developments	30%
Proportion of new dwellings built from 2010 - Mar 2020 that were affordable housing ³	19%
Estimate of remaining affordable dwellings to be built based on 25% of sites (with 15 dwellings or more) with planning permission as of March 2020	254

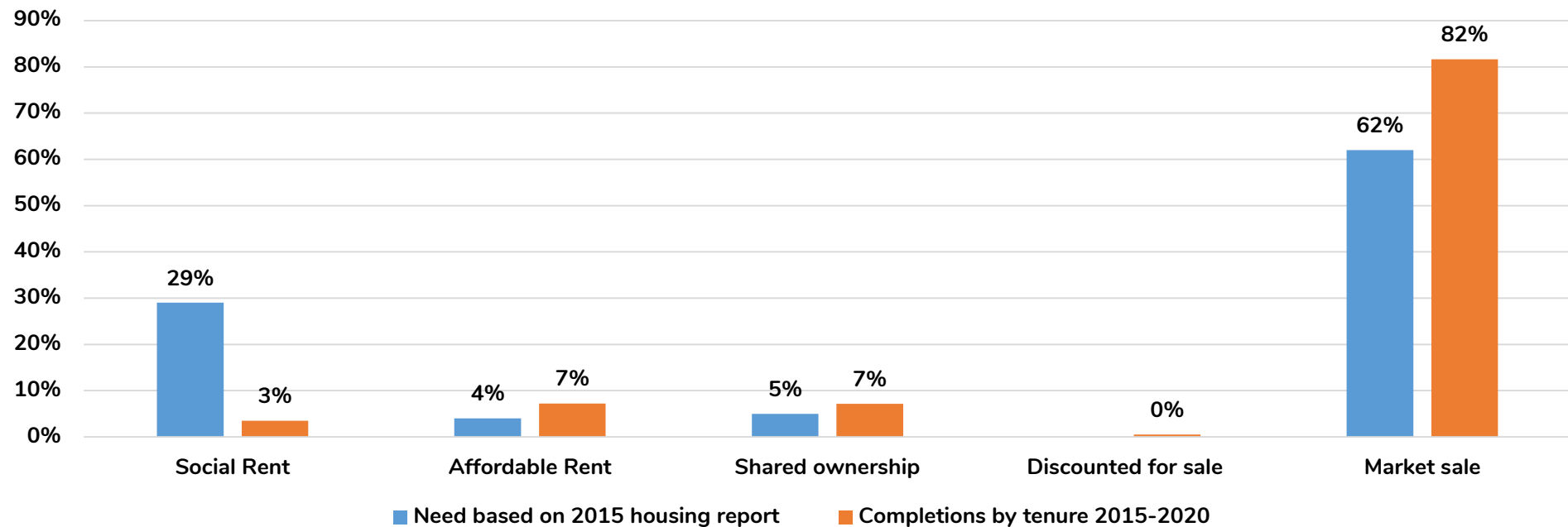
Observations:

- 2699 dwellings were completed in Sandbach out of its 2750 dwelling target by March 2020, with a further 1089 remaining to be built on sites with planning permission.
- 19% of new developments were affordable tenures, which fell short of the 30% target in the Cheshire East Local Plan Strategy.
- To estimate the number of affordable homes on remaining sites with planning permission, 25% was used as a 'middle ground' assumption between the 30% target and 19% actual delivery to give an estimate of 254 affordable homes in the pipeline.
- The majority (77%) of market dwelling completions were 3 and 4 bed properties, with 23% as 1 and 2 bed properties.
- Out of the 2699 completions since 2010 there were a total of 6 market bungalows and no new affordable bungalows built.

² Source: Cheshire East Planning Data March 2020

³ Affordable housing includes: Social rent (below 80% of market value), affordable rent (80% of market value), shared ownership (where the occupier buys a proportion of the property and pays rent on the remainder), discounted for sale (for sale to eligible purchasers at a discounted price of the full market value and when they want to sell the property, they must do so on the same terms).

Chart 2: Housing need by tenure from the 2015 housing report compared to completions from 2015-2020



Observations:

- **Chart 2** shows the proportion of tenures required to meet local housing needs that were identified in the 2015 housing needs report⁴ compared to the tenure mix of dwelling completions since 2015.
- **3% of new homes were social rent, which fell short of the 29% required**, as identified in the 2015 housing needs report based on local income levels.
- 7% of new homes were affordable rent, which was a higher proportion than was needed (4%) according to the 2015 report.
- 7% of new homes were shared ownership, which again was a higher proportion than was needed (5%) according to the 2015 report.
- Less than 1% of new homes were sold as discounted for sale, which was not identified as a requirement in the 2015 report. However, provides an intermediate cost home ownership tenure that serves a similar need to shared ownership.
- 82% of new homes were sold on the open market, which has so far exceeded the recommended need of 62% from the 2015 report.
- **There is a clear case going forward to increase the proportion of social rent accommodation to meet local affordable housing needs.**

⁴ Source: Cheshire East Planning Data March 2020 + [2015 03 18 HV Sandbach Final Report.doc \(sandbachneighbourhoodplan.org.uk\)](https://sandbachneighbourhoodplan.org.uk)

Chart 3: Sandbach affordable housing completions by housing type and number of bedrooms 2015-2020

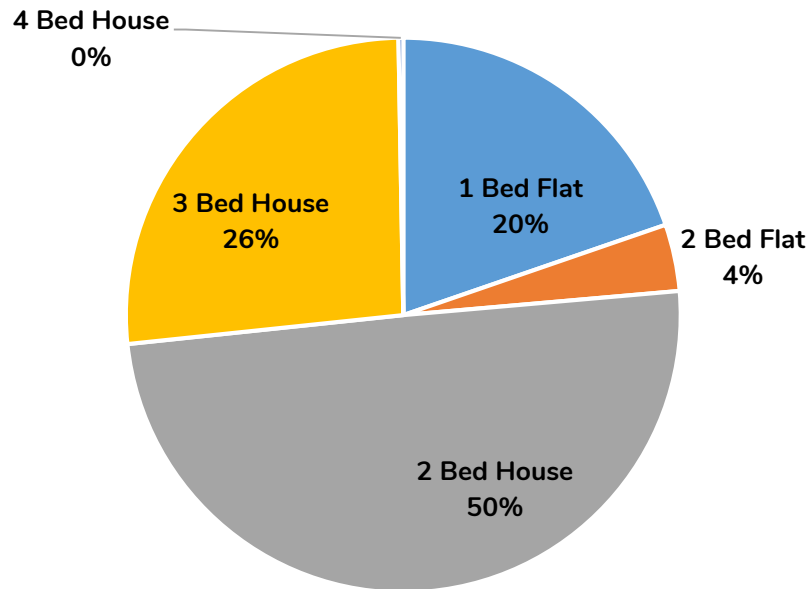
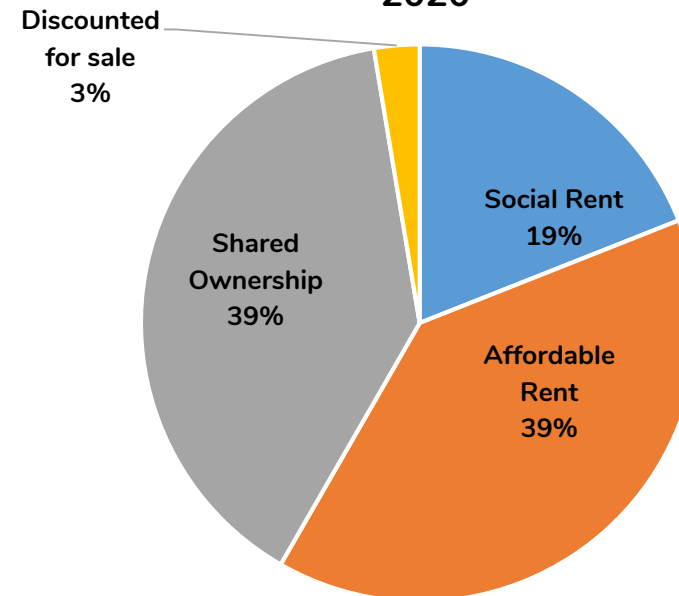


Chart 4: Sandbach affordable housing completions by tenure 2015-2020



Observations:

- **Chart 3**⁵ shows the proportion of affordable housing (only) built from 2015 – 2020 by type and number of bedrooms with the vast majority (76%) being 2 and 3 bed houses and 24% 1 and 2 bed flats.
- **Chart 4**⁶ shows the proportion of affordable housing (only) built from 2015-2020 by tenure with the 78% affordable rent or shared ownership compared to 19% social rent.
- Social rent levels are set below 80% of market rents based on a formula⁷. The lower rent levels mean housing associations require more government funding to achieve financial viability in order to deliver more social rent units on development sites. Therefore, although a significant amount of affordable housing need is met by affordable rent and shared ownership, **there is a shortfall in social rented accommodation that typically meets the needs of households with income in the lowest 25% (lower quartile).**

⁵ Source: Cheshire East Planning Data March 2020

⁶ Source: Cheshire East Planning Data March 2020

⁷ [Rent Standard - April 2020 - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

5.0 HOUSING REGISTER ANALYSIS

Chart 5: Age of housing register applicants for Sandbach

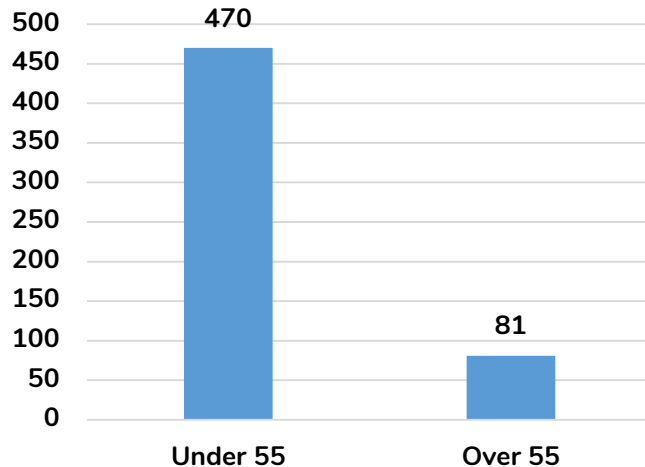


Chart 6: Type of housing needed (Total)

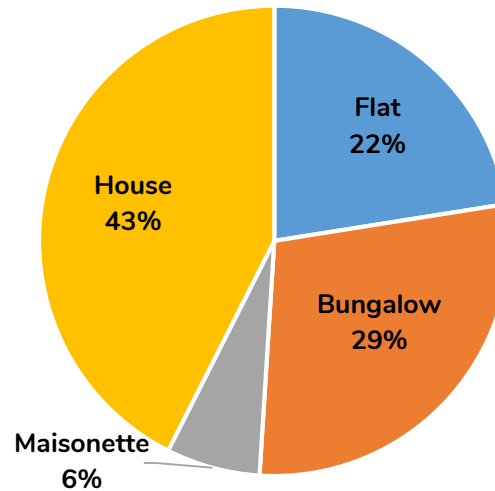
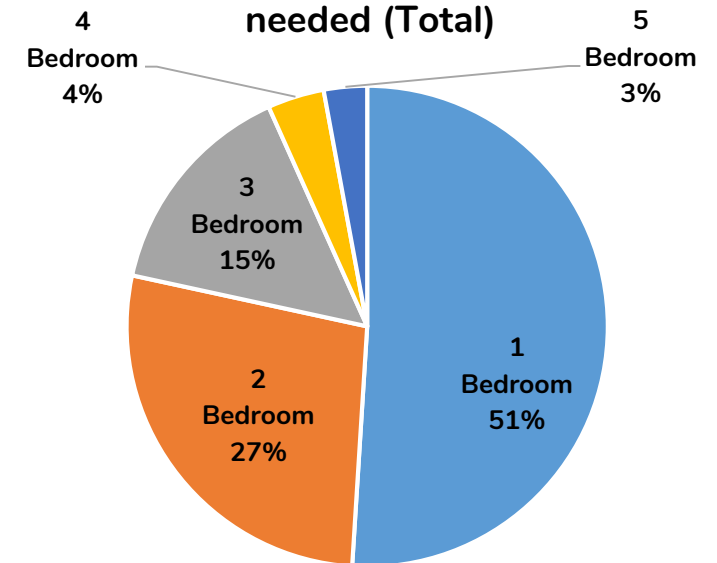


Chart 7: Number of bedrooms needed (Total)



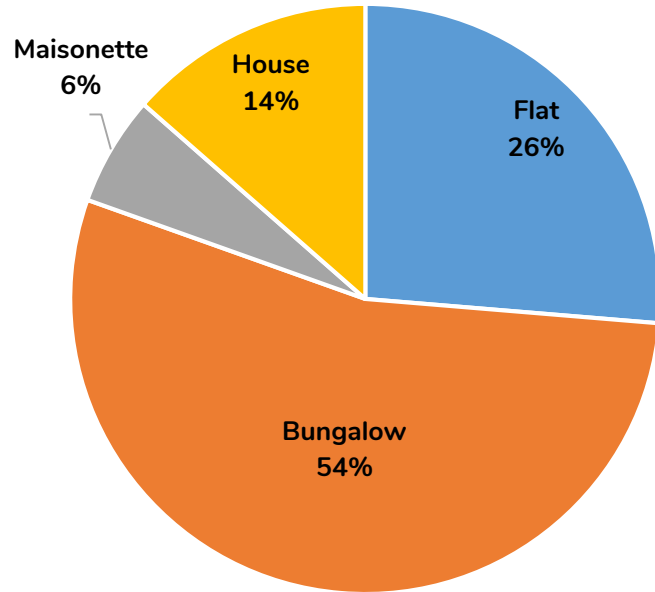
Observations:

- The charts above show information from the Cheshire East Choice Based Lettings Scheme⁸ (or Cheshire East Housing Register) including all affordable housing applicants on the register that have selected Sandbach as a location. Due to the planning status of Sandbach as a Principal Town, any affordable housing developed in the Town can accommodate eligible households⁹ in need from across the Borough.
- **Chart 5 shows that there are 551 households on the housing register for Sandbach. 470 (85%) are under 55 and 81 (15%) are over 55.** These are households in need of affordable housing i.e. cannot afford suitable open market accommodation.
- **Chart 6 shows that out of the total number of applicants (551), the vast majority need houses (43%) or bungalows (29%), and 28% need flats or maisonettes.**
- **Chart 7 shows that the need on the housing register is overwhelming (78%) for 1 and 2 bed accommodation, with 15% in need of 3 bedrooms and 7% needing 4-5 bedrooms.**

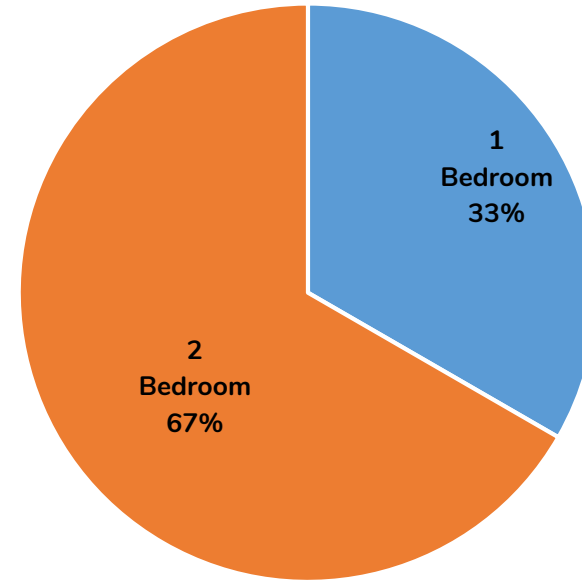
⁸ Source: Cheshire East Housing Authority January 2021

⁹ [Affordable Housing Information \(cheshireeast.gov.uk\)](http://cheshireeast.gov.uk/Affordable-Housing-Information)

**Chart 8: Type of housing needed
(Over 55's)**



**Chart 9: Number of bedrooms
needed (Over 55's)**



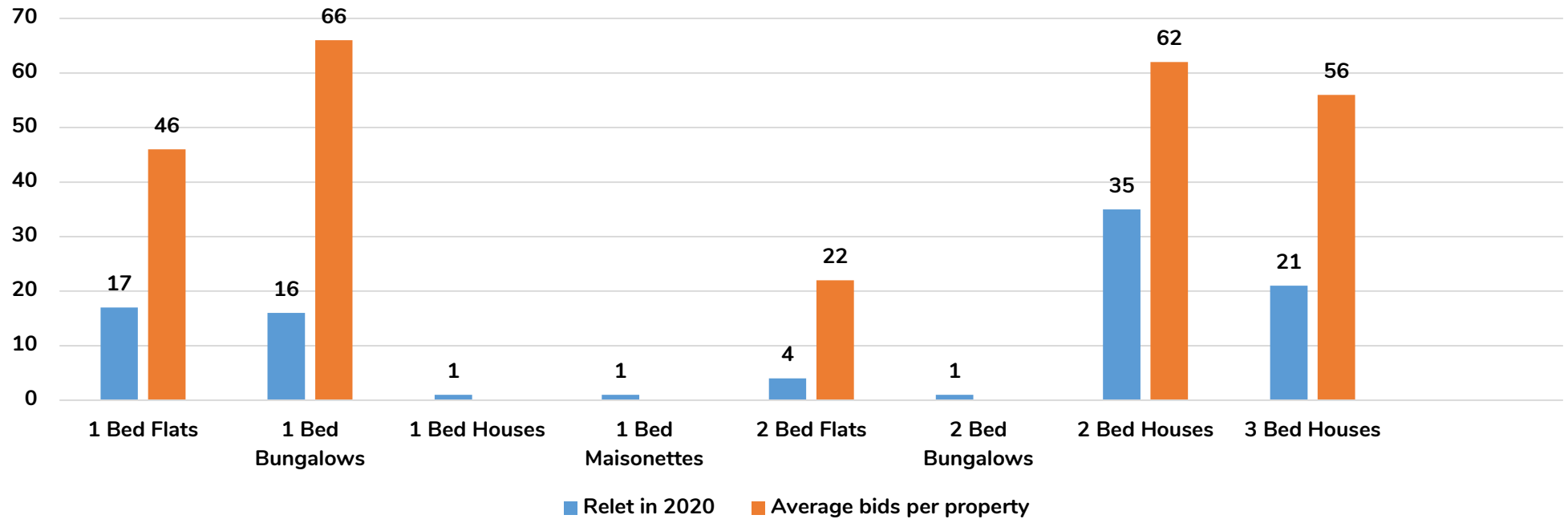
Observations:

- **Chart 7¹⁰** shows that **the majority (54%)** of the 81 housing register applicants over 55 require a bungalow, 26% require flats, 14% require houses and 4% require maisonettes.
- **Chart 8¹¹** shows that **all of the 81 applicants over 55 require 1 or 2 bed properties.**

¹⁰ Source: Cheshire East Housing Authority January 2021

¹¹ Source: Cheshire East Housing Authority January 2021

Chart 10: Sandbach existing affordable homes that were relet during 2020 + average number of bids per property



Observations:

- **Chart 10¹²** shows the number of existing affordable housing properties that became available and were relet in Sandbach during 2020 compared to the average number of bids per property to demonstrate the demand for different types of affordable housing.
- The chart shows that there was a **very high demand for 1 bed flats, 1 bed bungalows, and 2 + 3 bed houses**. There was also considerable demand for 2 bed flats that became available during 2020.

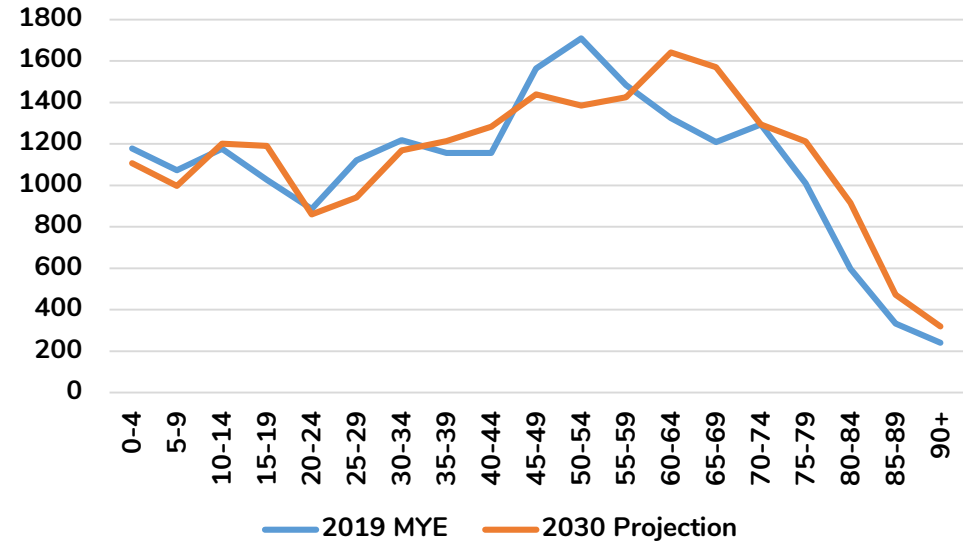
¹² Source: Cheshire East Housing Authority January 2021

6.0 AGE STRUCTURE CHANGE

Chart 11: Sandbach - Cheshire East age structure comparison based on 2019 mid-year population estimates



Chart 12: Sandbach projected change in age structure 2019-2030



Observations:

- The age structures of Sandbach neighbourhood area and Cheshire East are demonstrably similar based on the 2019 mid-year population estimates¹³ as shown in **chart 11**. Therefore, we are able to apply the percentage changes for the Cheshire East population projections to Sandbach with reasonable confidence.
- Using this technique, **chart 12** shows the projected change in age structure of Sandbach from 2019-2030, where we can see the **most notable increases are in the over 60's and over 70's**.

¹³ Source: Office of National Statistics 2019 mid-year population estimates

Chart 13: Sandbach change in age structure 2001-2030 (%)

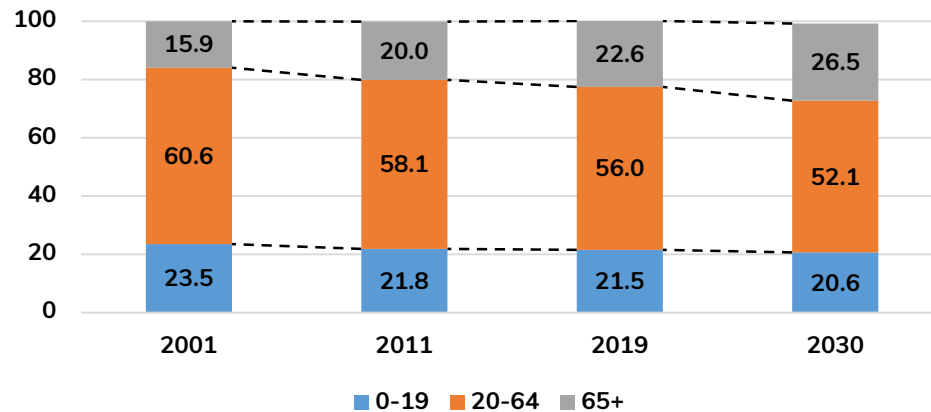
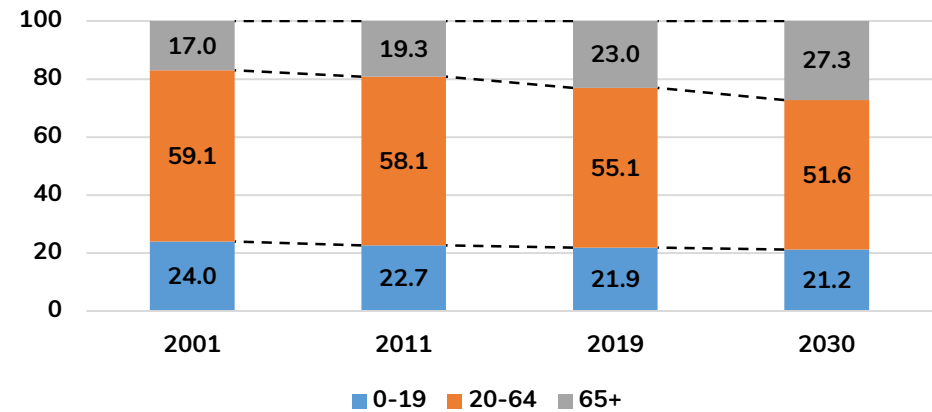


Chart 14: Cheshire East change in age structure 2001-2030 (%)



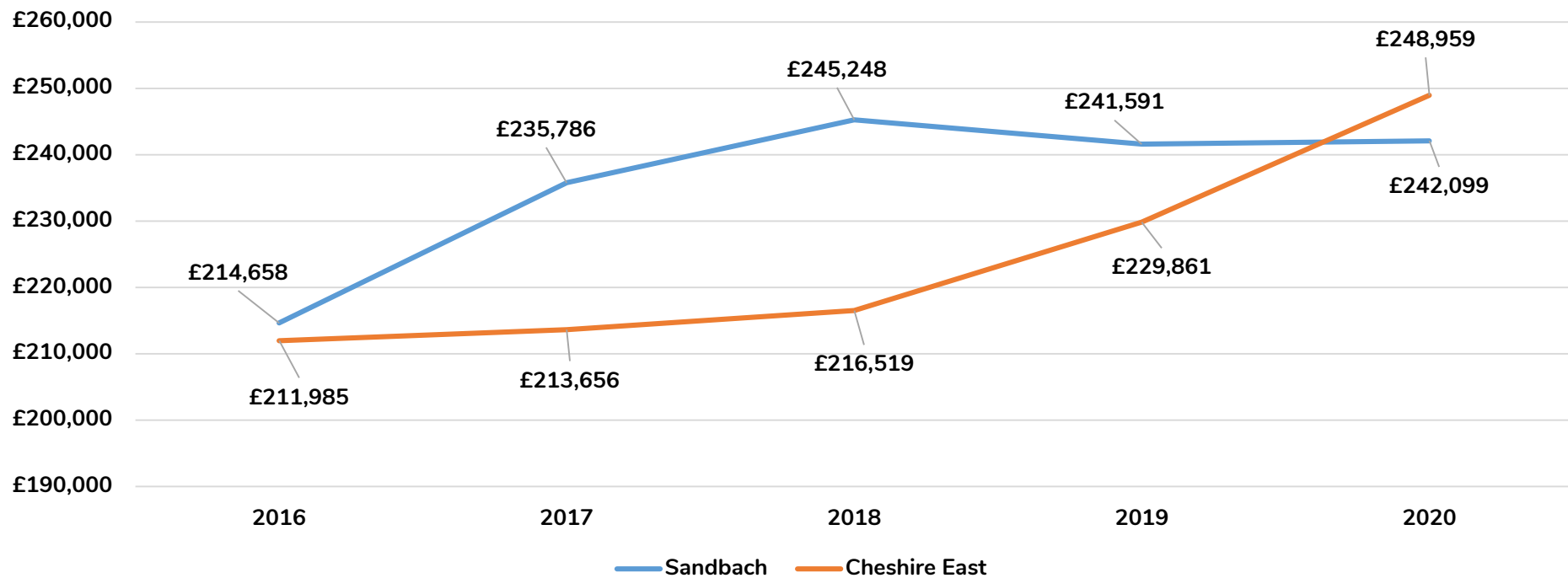
Observations:

- **Chart 13¹⁴** shows (using a different format to charts 11 and 12) how the age structure has changed in Sandbach from 2001 to 2019 with projected changes up to 2030.
- In Sandbach, the proportion of over 65's increased by 42% from 2001 to 2019, and are projected to increase by a further 17% from 2019 to 2030.
- The proportion of under 19's decreased by 9% from 2001 to 2019, and are projected to decrease by a further 4% from 2019 to 2030.
- **We can therefore conclude that Sandbach has historically had an ageing population changing in line with the Borough, which is projected to continue up to 2030 based on the figures from the Office of National Statistics (ONS).**

¹⁴ Source: Office of National Statistics 2019 mid-year population estimates

7.0 LOCAL HOUSING MARKET ANALYSIS

Chart 15: Sandbach + Cheshire East average property price comparison 2016-2020

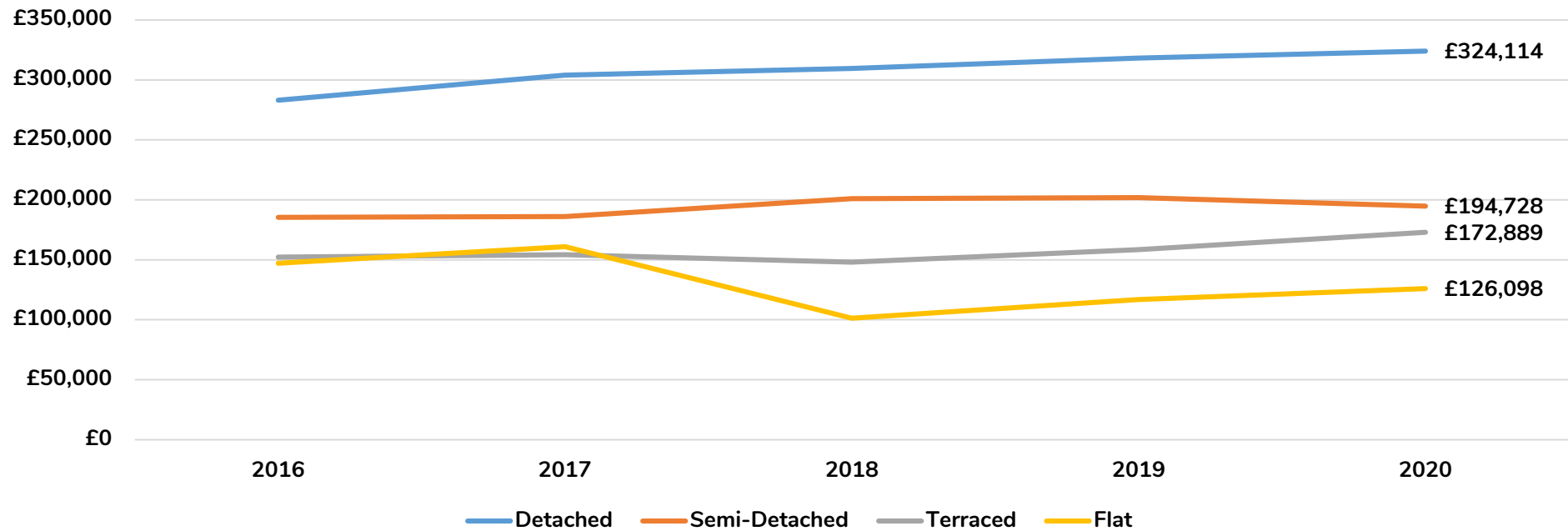


Observations:

- Chart 15¹⁵ shows the average property prices for Sandbach and Cheshire from 2016-2020 based on land registry sold prices.
- Cheshire East average property prices overall were £6,860 (or 2.8%) higher than Sandbach in 2020.
- Sandbach previously had higher average property prices than Cheshire East from 2016-2019.

¹⁵ Source: Land Registry sold prices

Chart 16: Sandbach average property prices 2016-2020 by type



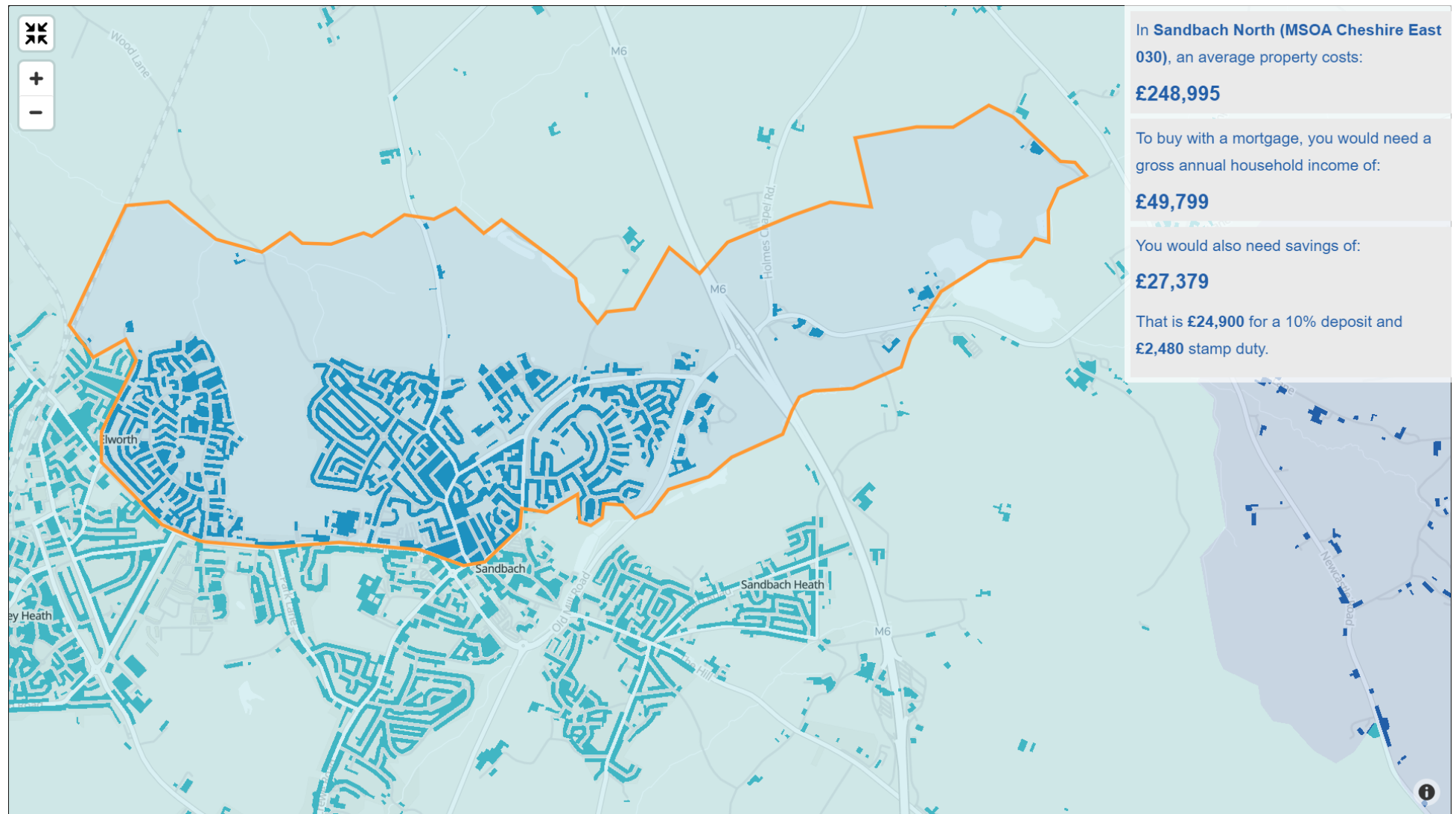
Observations:

- **Chart 16**¹⁶ shows a breakdown of the average prices of housing types from 2016-2020.
- The average prices of all housing types have stayed fairly steady. However, **flats show a slight drop from 2017**.

¹⁶ Source: Land Registry sold prices

8.0 AFFORDABILITY ANALYSIS

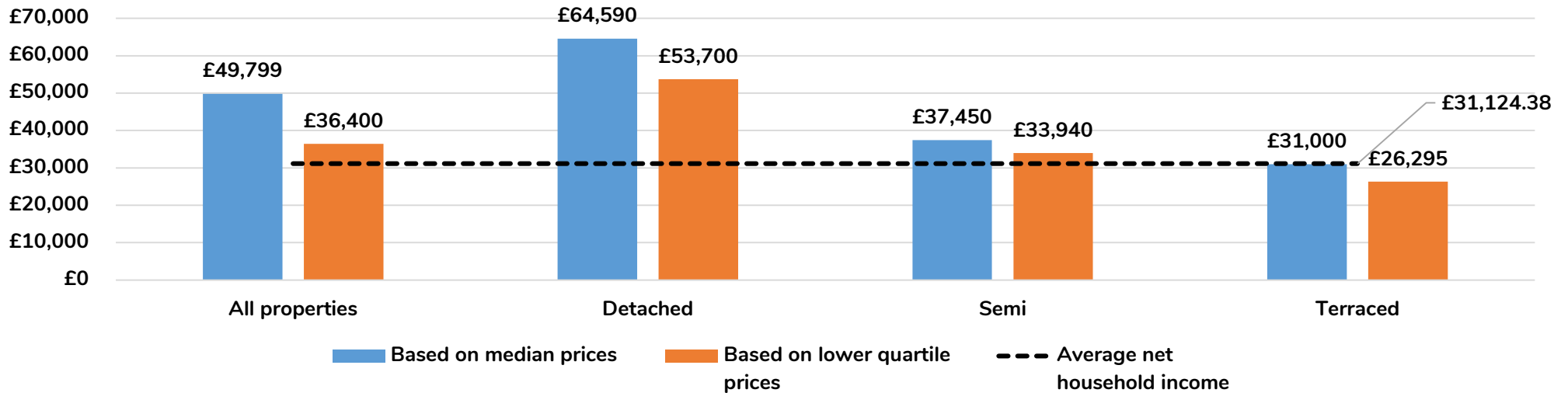
Sandbach North (MSOA¹⁷) – affordability of average property prices 2018 (property price to income ratio: 8.0)¹⁸



¹⁷ Middle Layer Super Output Area (MSOA) is a small geographic area defined by the Office of National Statistics with between 5,000 and 15,000 people living in it (the average is 7,200). MSOAs are of a similar size to a ward and often share the same name, but they are not identical.

¹⁸ Source: [Research Output: Alternative measures of housing affordability - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/research-output/alternative-measures-of-housing-affordability)

Chart 17: Sandbach North income required to buy property with a mortgage compared to average income 2018



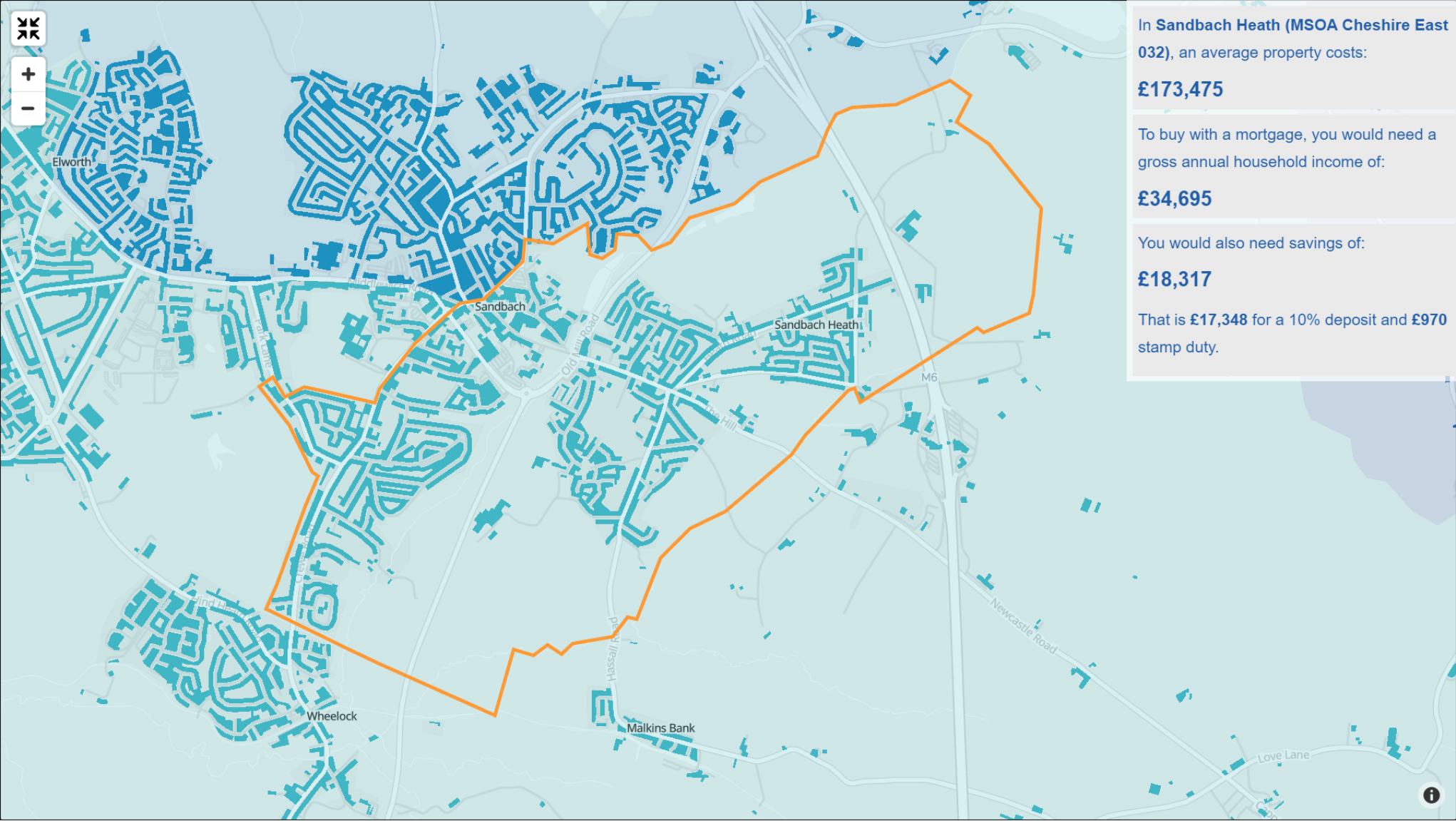
Observations:

- **Chart 17¹⁹** shows the income required to purchase average priced property with a mortgage in the Sandbach North MSOA based on a set of assumptions²⁰ to give an indication of the affordability of the area. This is measured against the average net household income for the area. All figures are from 2018 (the most recent available at the time writing).
- To buy an average priced property with a mortgage in the Sandbach North MSOA you would need an income of £49,799. To buy a lower quartile priced property you would need an income of £36,400. However, the average income is £31,124.38.
- In Sandbach North MSOA, **average income households would struggle to afford an average or lower quartile priced property other than terraced housing.**
- In Sandbach North **the average property price is 8 times the average income, which is in line with Cheshire East.**

¹⁹ Source: [Research Output: Alternative measures of housing affordability - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/research-output/alternative-measures-of-housing-affordability)

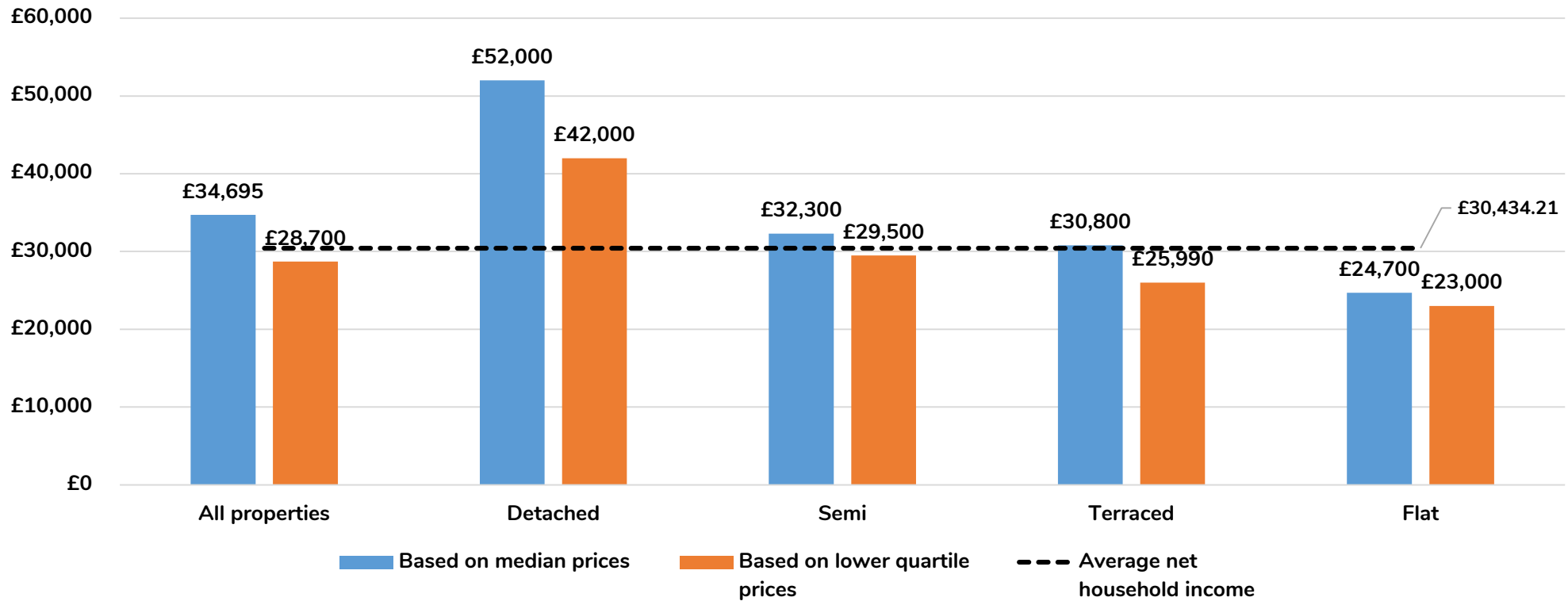
²⁰ Income required figures are based on borrowing 90% of the property price at 4.5 times income. Mortgage lenders will typically offer first time buyers around four and a half times their income as a total mortgage amount, although this can vary with your circumstances. Levels of debt, numbers of dependent children, the nature of your employment, whether you have purchased property before and economic conditions can all influence the amount lenders will offer. For average (median) priced properties it is assumed buyers will not be first-time buyers and therefore have to pay 5% stamp duty on the portion from £300,001 to £500,000. For lower quartile (lowest 25%) priced properties it is assumed buyers will be first-time buyers who do not have to pay stamp duty on properties up to £300,000. This is not in line with the stamp duty threshold at the time of writing, which the government set at £500,000 to help boost the property market during the COVID-19 pandemic, as the threshold is due to revert back to £300,000 on 31st March 2021.

Sandbach Heath (MSOA) – affordability of average property prices 2018 (property price to income ratio: 5.7)²¹



²¹ [Research Output: Alternative measures of housing affordability - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

Chart 18: Sandbach Heath income required to buy property with a mortgage compared to average income 2018

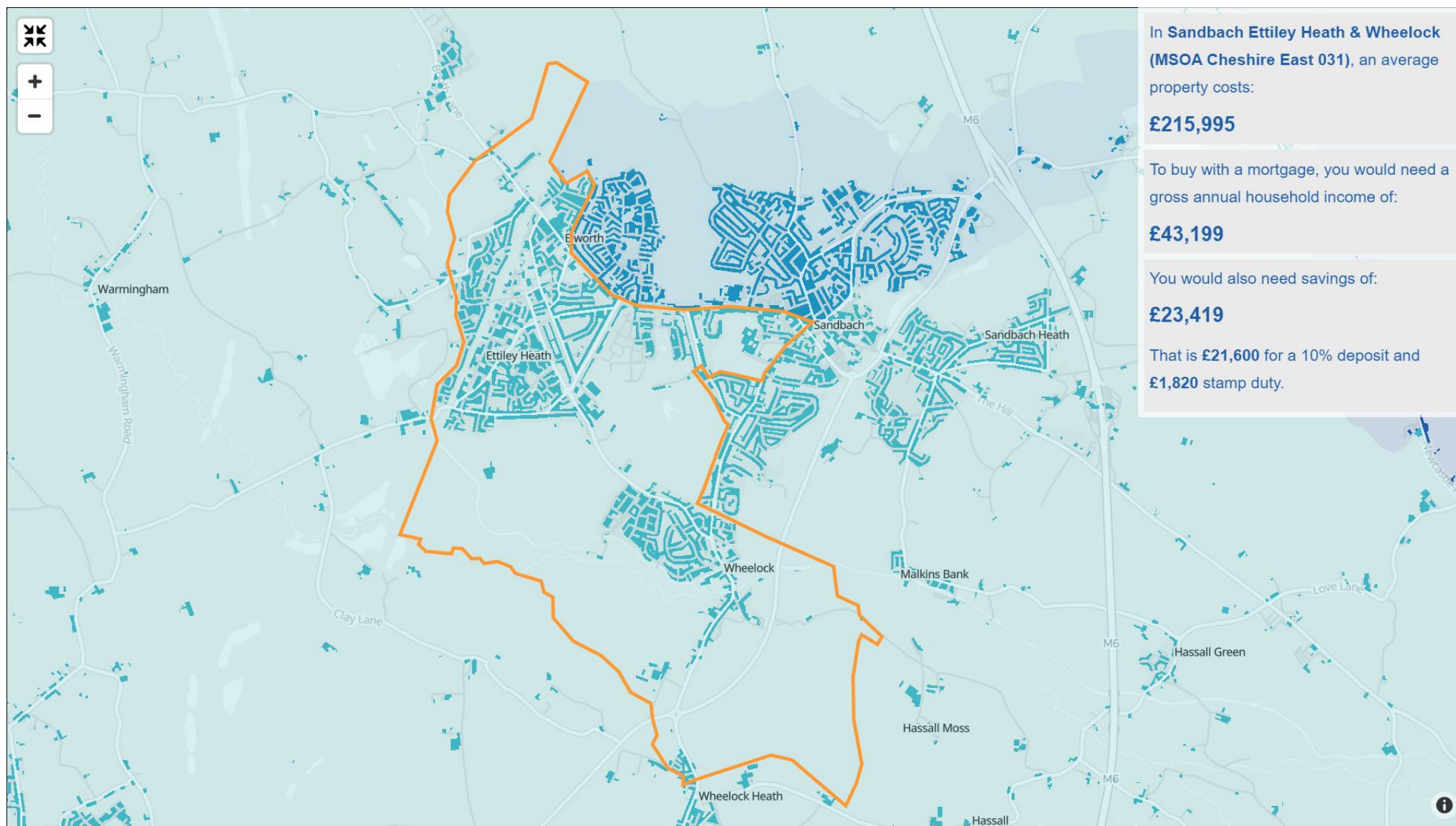


Observations:

- **Chart 18²²** shows that you would need an income of £34,695 to buy an average priced property with a mortgage in the Sandbach Heath MSOA.
- To buy a lower quartile priced property you would need an income of £28,700. The average income for the area is £30,434.21.
- In Sandbach Heath MSOA, **average income households would be able to afford most average or lower quartile priced properties apart from detached.**
- In Sandbach Heath the **average property price is 5.7 times the average income**, which indicates that it is more affordable than Sandbach North.

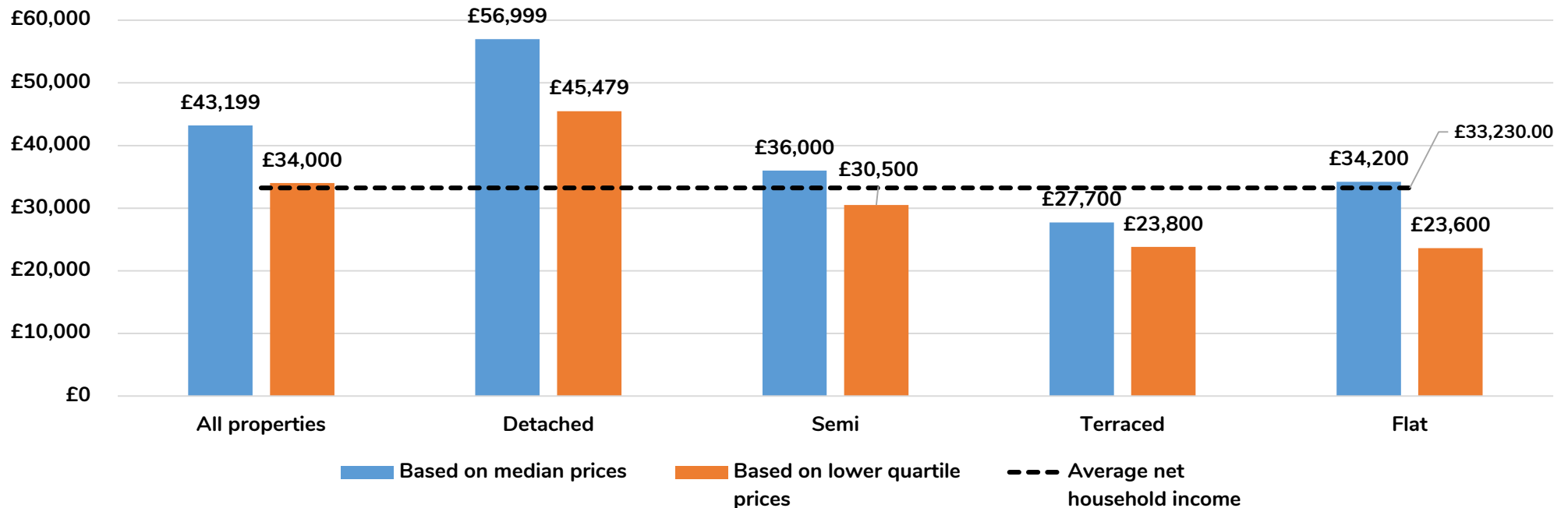
²² Source: [Research Output: Alternative measures of housing affordability - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/research-output/alternative-measures-of-housing-affordability)

Sandbach Ettiley Heath & Wheelock (MSOA) – affordability of average property prices 2018 (property price to income ratio: 6.5)²³



²³ [Research Output: Alternative measures of housing affordability - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

Chart 19: Sandbach Ettley Heath & Wheelock income required to buy property with a mortgage compared to average income 2018

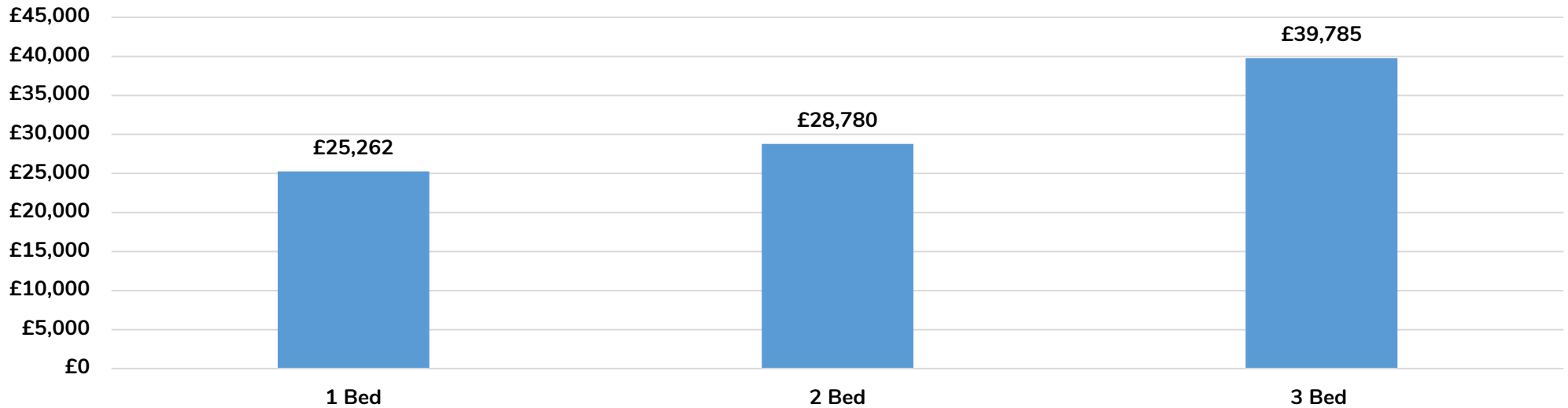


Observations:

- **Chart 19²⁴** shows that you would need an income of £43,199 to buy an average priced property with a mortgage in the Sandbach Ettley Heath & Wheelock MSOA.
- To buy a lower quartile priced property you would need an income of £34,000. The average income for the area is £33,230.
- **In Sandbach Ettley Heath & Wheelock MSOA, average income households would be able to afford most average or lower quartile priced properties apart from detached.**
- **In Sandbach Ettley Heath & Wheelock the average property price is 6.5 times the average income, which indicates that it is more affordable than Sandbach North but less affordable than Sandbach Heath.**

²⁴ Source: [Research Output: Alternative measures of housing affordability - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/research-output-alternative-measures-of-housing-affordability)

Chart 20: Income required to afford market rents 12.02.21



Observations:

- **Chart 20²⁵** shows how much income you would need to earn to afford an average priced 1, 2 or 3 bed property to rent in Sandbach based on 25% of income going towards rent.
- **To afford an average priced 1 bed property for rent you would need to earn £25,262.**
- **To afford an average priced 2 bed property for rent you would need to earn £28,780.**
- **To afford an average priced 3 bed property for rent you would need to earn £39,785.**
- There was not enough data to take an average price for 4 and 5 bed properties.

²⁵ Source: www.rightmove.co.uk 12th Feb 2021

9.0 THANKS

Cheshire Community Action would like to thank Sandbach Neighbourhood Development Plan Group for commissioning the work and Cheshire East Council for providing dwelling completions and housing register data for the assessment.



This report was produced by Cheshire Community Action, the leading rural support organisation in Cheshire.
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