Rotherham Metropolitan Borough Council

Strategic Housing Market Assessment

Executive Summary

October 2007

About this summary

S1. This summary sets out key features of the Rotherham MBC Strategic Housing Market Assessment (SHMA) report finalised in September 2007.

Background

S2. Fordham Research was commissioned in August 2006 to conduct a Strategic Housing Market Assessment (SHMA) for Rotherham Metropolitan Borough Council (RMBC). The evidence provided is required to inform appropriate policy responses to housing need and demand.

S3. The report follows the general structure of the CLG Strategic Housing Market Assessment Guidance of March/July 2007 (the Guide). In addition, the research carried out is mindful of the requirements of PPS3: Housing (November 2006) and also PPS12 in ensuring that all necessary outputs are provided and that such outputs pass the prescribed tests of soundness.

S4. A SHMA is more than just a written document, and CLG is clear that such research should be capable of being monitored and updated. We have therefore provided towards the end of this document a ‘pro-forma’ which lists a number of important pieces of information which can be readily updated to provide on-going evidence about the local housing market.

The Housing Market Partnership and stakeholder involvement

S5. In line with the Guide this project has been carried out under the supervision of a housing market partnership (steering group) made up of Council officers from a range of backgrounds including housing and planning.

S6. In addition a number of other organisations were involved in the project through participation at stakeholder events. These organisations included developers, RSLs, estate/letting agents and voluntary agencies, as well as Council members and officers.

The research process

S7. The research was designed to meet the requirements of both the Council’s brief and the CLG guide. In addition, as the project evolved and stakeholder involvement became more detailed, additional areas of interest were suggested and explored.

S8. At the beginning of this project, following discussions with the steering group, a broad set of requirements were set out. These were (as paraphrased from the Guide):

- To ascertain the balance between housing supply and demand/need
- To ascertain the scale of need and demand for affordable and market provision
- To ascertain to what extent affordability is an issue in the area
- To ascertain to what extent low demand is an issue within the area

S9. In addition, the original Council brief sets out the aims of the study. The brief for the work was detailed and comprehensive. Below we have highlighted three key themes from the study specification:

- Update the information [from the previous Housing Needs Survey] and increase the scope of the study to contribute to a better understanding of the picture of housing markets, housing need – demand and supply, affordable housing in Rotherham
- Develop a robust understanding of the need and delivery of 'Affordable Housing' to contribute to the Local Development Framework
- Improve the understanding of housing demand, supply, market dynamics and interventions, affordability and the needs of different sectors of the Borough's population

Information base

S10. A wide range of information was used in producing the analysis:

- Literature review of existing material related to the Rotherham housing market
- Secondary (existing) data: there is a wide range including Land Registry, 2001 Census, Annual Survey of Hours and Earnings, and HSSA
- Primary data: a local survey of personal interviews (some 2,714 responses was carried out, which is substantial relative to the typical scale of such surveys, based on the need to fill gaps in the secondary data)
- Estate agent information: face to face interviews were carried out with sales and letting agents to establish the nature of the housing markets across Rotherham. This was supplemented by an internet search, which is now the most efficient means of establishing what is for sale or let in an area
- Stakeholder/Steering group meetings: meetings were carried out with stakeholders throughout the process and information gathered from them was used in the analysis and report writing

Review of existing policy documents

S11. This covered a range, including:

- Rotherham Housing Strategy
- South Yorkshire Settlement Assessment
- Urban Potential Study
- East Sheffield/Rotherham West ADF Baseline Study
- Spatial Masterplan for Rotherham East Area Development Framework
- Rotherham West Area Development Framework
- Wath & Swinton Area Development Framework
- Local Development Framework Core Strategy
- Community Strategy 2002 - 2007
- Refreshed Community Strategy 2005 - 2011
- Transform South Yorkshire Prospectus

S12. There have been considerable challenges in integrating housing policy with transport and economic development policies and with the wide range of stakeholder groups and interests. These interests have coincided to agree a new housing development programme (through the Draft RSS: Regional Spatial Strategy) of 750 new dwellings for the period to 2016, rising to 950 for the period from 2016 to 2021.

A relatively self contained housing market

S13. Previous research by DTZ had suggested that Rotherham is part of a wider Sheffield/ Rotherham housing market. This is undoubtedly true to some extent. However a key measure of housing markets is the level of in-migration and out-migration to an area. In the case of Rotherham the data from the 2001 Census shows a relatively high level of self-containment:

Table S1 Rotherham: Self-containment

		Into Rotherham	Out of Rotherham
Moves to/from Rotherham	*Domestic*	5,364	5,227
	International	379	?
Moves within Rotherham		15,470	
Total moves		21,213	? (excl. int'l 20,697)
Self-containment: Proportion of moves taking place wholly within Rotherham			
% self-containment including int'l moves		72.9%	?
% self-containment not including int'l moves		74.3%	74.7%

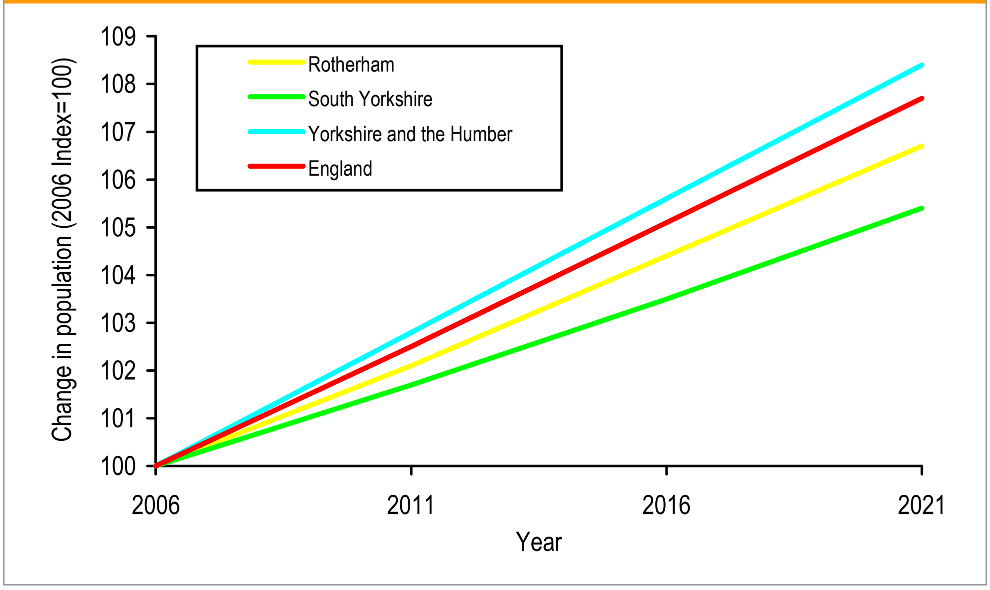
Source: NOMIS 2007 (from 2001 Census). This table appears as Table 3.2 of the 2007 SHMA

S14. The main interactions with Rotherham are Sheffield (31% of in-moves, and 20% of out-moves, Doncaster (12% of both in- and out-moves) and Barnsley (9% of in-moves and 8% or out-moves). Not only do the inward and outward flows nearly balance, but the interactions are mainly with the same three South Yorkshire neighbouring urban areas.

The current housing market

S15. Rotherham's population is forecast to grow at a higher rate (7%) in the period to 2021, than the average for South Yorkshire (5.4%) but lower than the rate forecast for the Yorkshire and Humberside region (8.4%) or England as a whole (7.7%).

Figure S1 Population projections for Rotherham, South Yorkshire, Yorkshire and the Humber and England



Source: Office for National Statistics – 2004 based data (Figure 4.1 of the 2007 SHMA)

S16. Household size is forecast to decline, as is the general pattern, but Rotherham's is forecast still to be relatively large in 2021 (2.41, compared with 2.35/6 for South Yorkshire, the region, and England).

S17. Employment growth, 40% in the past decade, has been faster in Rotherham than the national or regional average, though the workforce is less well qualified than the South Yorkshire average.

S18. Rotherham has 109,529 dwellings to house its 108,000 households (2006). The number of dwellings has grown by about 6% in the past decade, about the same as the South Yorkshire average, but below the regional (7%) and national (9%) averages. Given the post-industrial adjustment it is not surprising that South Yorkshire's stock has grown more slowly.

S19. The tenure breakdown is 65% owner-occupied (which is similar to South Yorkshire's, but below the regional (67%) and national (68% at the 2001 census point). About 26% of the stock was social rented (and 5% private rented): similar to the South Yorkshire average but well above the regional (21%) and national (19%) averages in 2001. Despite regeneration issues, the vacancy rate was similar to the regional and national averages.

S20. The 2006 survey data shows a noticeable tenure shift, to nearly 70% owner-occupation, 24% social rented and 6% private rented stock. The switch to owner-occupation has been faster than the national change, which has only gone to 71% during the period.

S21. The breakdown of tenure by Area Assembly is quite striking:

Table S2 Tenure and area assembly

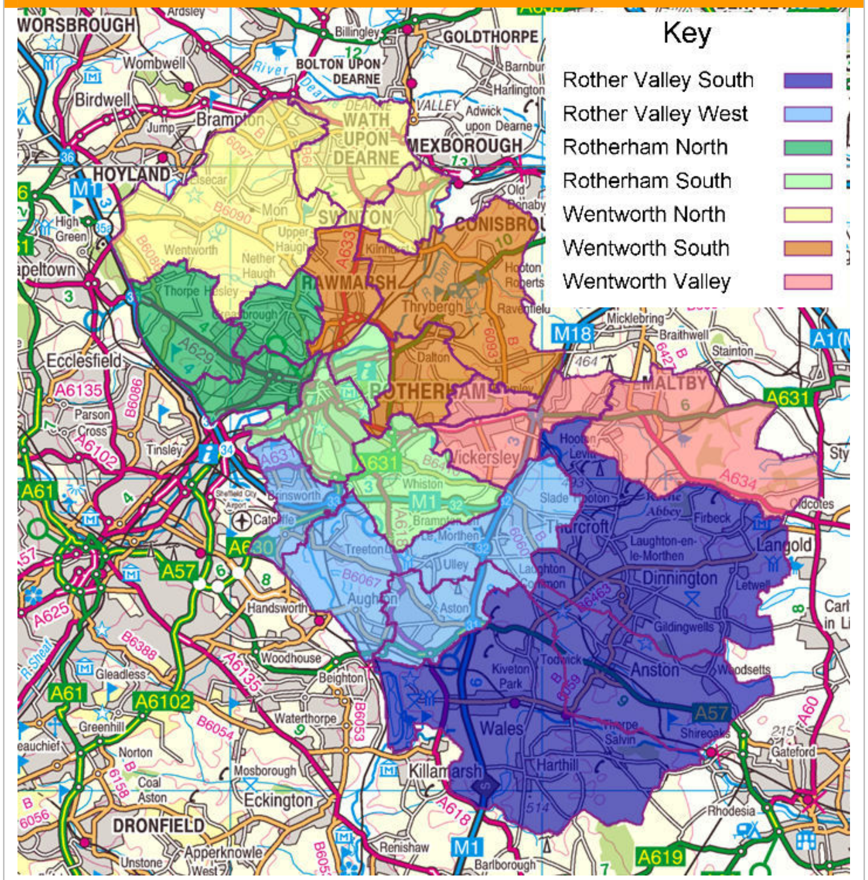
Area Assembly	Owned (no mortgage)	Owned (with mortgage)	Social rented	Private rented	Total dwellings
Rother Valley South	34.3%	49.9%	10.3%	5.6%	14,136
Rother Valley West	19.0%	66.2%	11.5%	3.4%	14,785
Rotherham North	25.7%	29.3%	39.1%	5.9%	15,961
Rotherham South	37.2%	25.7%	25.8%	11.3%	15,918
Wentworth North	31.2%	34.8%	29.0%	5.0%	15,158
Wentworth South	20.6%	44.3%	31.2%	4.0%	15,981
Wentworth Valley	38.4%	33.5%	16.1%	12.0%	15,060
Total	29.4%	40.2%	23.6%	6.8%	107,000

Source: Rotherham SHMA 2007 – household survey data (this appears as Table 8.2, edited)

S22. In terms of the housing market, several other markets overlap across the borders of the Borough; in the north the Dearne Valley (Doncaster mainly), in the middle of the Borough an overlap with Sheffield's housing market, and in the south east with the Bassetlaw and Doncaster housing market. At the broad level three housing markets can be perceived: going from north to south-east. House prices have remained static at the Rotherham level during the present century, but have risen by up to 20% in such areas as Wentworth North, and fallen by the same sort of proportion in Wentworth South.

S23. The map below puts the price changes into geographical context. The higher price increases seen in the two Rother Valley areas are at the southern end of the Borough. The mix of tenures shown above can be seen to agree quite well with the price increase information for Area Assemblies: higher proportions of owner occupation mean higher levels of price increase.

Figure S2 Location of Area Assemblies in Rotherham



Source: Rotherham SHMA 2007 – household survey data (this is Map 7.1 of the 2007 SHMA)

S24. The borough-wide average prices are about 64% of the England and Wales average. South Yorkshire shows a slightly higher average (67%) and the region a noticeably higher average (75% of the England and Wales average). Sheffield approximates the regional average price level, whereas its other urban neighbours (Doncaster and Barnsley) are a bit lower than Rotherham (60% of the England and Wales average).

S25. The lower value of housing in Rotherham is borne out by the Council Tax banding: 57% in the lowest (Band A) which though high by national standards (26% for England) is similar to South Yorkshire (61%) though higher than the region (46%).

S26. The age profile of household types shows a somewhat older profile than the average:

Table S3 Household type		
Household type	Number of households	% of households
Single pensioner	16,462	15.4%
2 or more pensioners	11,048	10.3%
Single non-pensioner	12,892	12.0%
2 or more adults, no children	36,327	34.0%
Lone parent	5,101	4.8%
2+ adults, 1 child	12,428	11.6%
2+ adults, 2+ children	12,743	11.9%
TOTAL	107,000	100.0%

Source: Rotherham SHMA 2007 – household survey data (Table 8.5). Note that the figures above show 108,000 households in Rotherham, due to a different source (it is common to find such differences between sources)

S27. Older persons represent some 23% of the national population, and about 26% of the Rotherham one.

Financial capacity of Rotherham's households

S28. In modern housing markets, where a majority of households have been owners for some time, it is no longer sensible to look at price/income ratios (which used to be the key to measuring housing markets), but at financial capacity (income+savings+equity). This represents the total amount a household could raise to buy a dwelling. The position in Rotherham can be seen in the table below:

Table S4 Financial capacity by tenure			
Tenure	Average annual gross household income	Average savings	Average equity
Owner-occupied (no mortgage)	£19,064	£18,484	£145,248
Owner-occupied (with mortgage)	£32,167	£6,196	£78,474
Council	£9,744	£1,787	-
RSL	£7,850	£5,877	-
Private rented	£15,292	£4,083	-
AVERAGE	£21,811	£8,753	£106,686

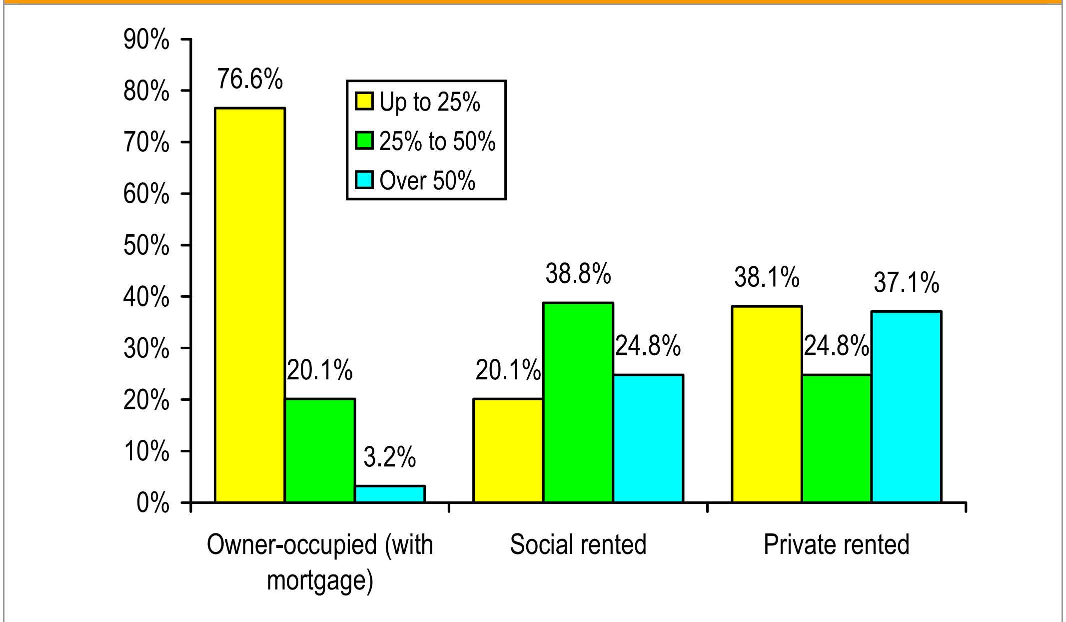
Source: Rotherham SHMA 2007 – household survey data (Table 9.1, edited)

S29. As can be seen above, if a three or four multiple of income were taken for mortgage purposes (lower income households would be unlikely to get more than X3.5), it is clear that existing equity as well as savings are very important. For owners without a mortgage, the average income represents around a third of overall financial capacity. Even for owners with a mortgage, the income element is only a bit more than half of the total financial capacity.

S30. The overall distribution of income in Rotherham is that almost 60% of households earn less than £20k, which is quite low: the average gross household income is £22k, as compared with £29k (Survey of English Housing 2005/6 data) nationally.

S31. Until recently, national guidance was that households should not spend more than 25% of their income on housing. This has now been relaxed in certain circumstances (PPS3 Practice Guidance, July 2007, page 42), but in the case of lower income households, such as many of those in Rotherham, it would leave the household very little to live on if they spent more than 25% on housing. Nevertheless, and in keeping with our findings generally, it is the renting households that most commonly spend more than 25% on housing:

Figure S3 Percentage of income spent on housing costs by tenure



Source: Rotherham SHMA 2007 – household survey data (Figure 9.5)

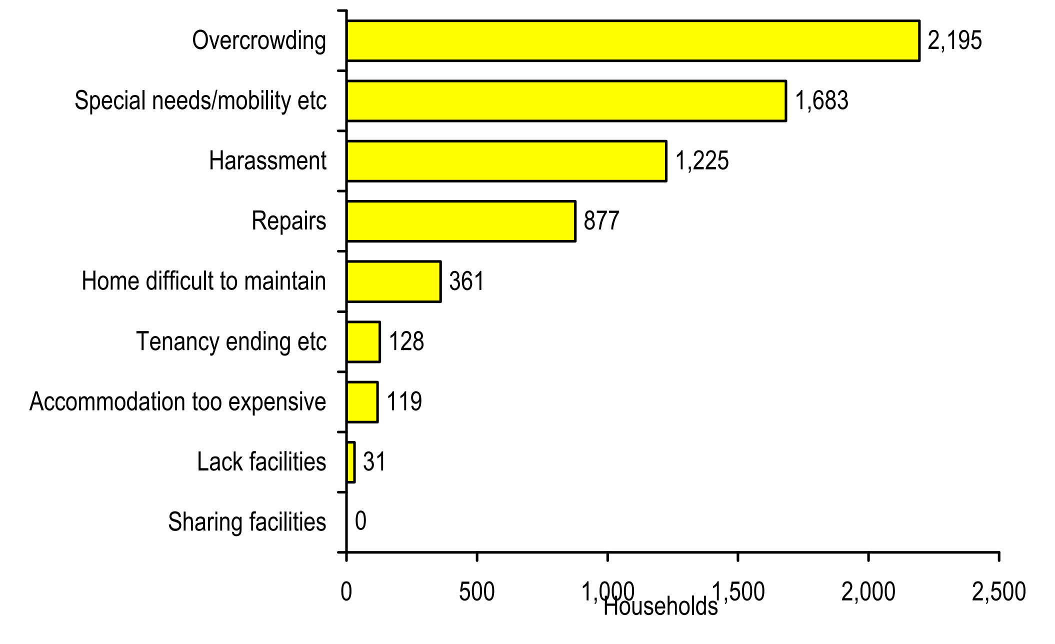
S32. As can be seen, about a quarter of owners spend more than 25%, but about 80% of social renters spend more than 25%, and 60% of private renters spend more than 25%. It should be noted that Housing Benefit, which many of the renters obtain, is not included in the gross household income, though other benefits (subsidies) are. About a quarter of social tenants and nearly 40% of private tenants spend more than 50% of their income on housing. This shows how difficult it is for many private tenants. Of households spending more than 50% of their income on housing costs, about three quarters are on Housing Benefit as well (as compared with only 105 of those paying 25% or less of their income on housing). These figures, however, highlight the degree of stress involved in paying for housing in even a relatively inexpensive area like Rotherham.

S33. The income of newly forming households is a matter of concern in relation to their ability to find suitable housing. The average income for newly forming households is about £9k (£9,299), as compared with the average for the Borough of £22k mentioned above. Clearly this sort of income is a transitional one, and such households would expect to earn more. However, it is clear that such newly forming households are a long way from being able to afford to buy, which is the common general aspiration.

Housing need

S34. All households surveyed through the SHMA were asked about their housing circumstances. Those who reported problems with their existing housing indicated the problems highlighted in the figure below. As can be seen, the main issue was overcrowding, followed by special needs and mobility.

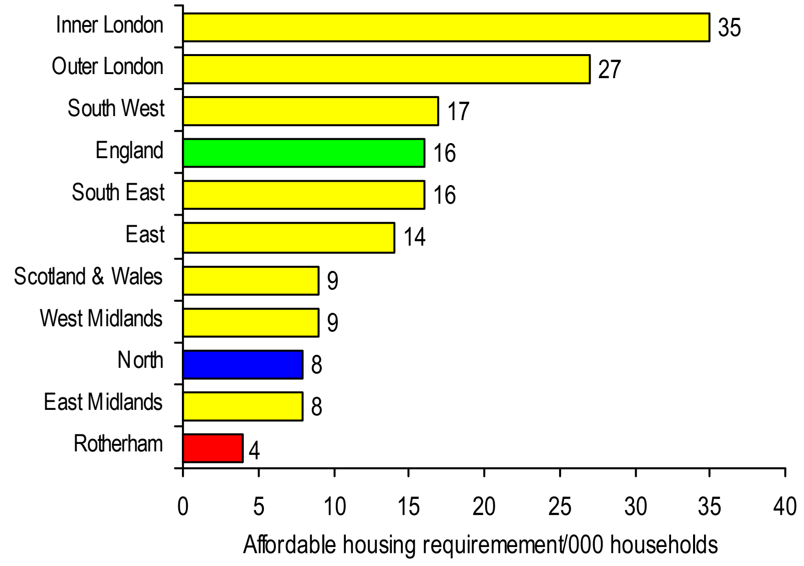
Figure S4 Summary of unsuitable housing categories



Source: Rotherham SHMA 2007 – household survey data (Figure 10.1)

S35. Those in unsuitable housing who cannot afford suitable housing are in housing need, by Government definition (PPS3). Using this approach, it was calculated that there is an annual need for 411 new affordable dwellings. Of the annual need of 411 households, about half (52%) could be met by intermediate housing (priced between a social rent and market entry (private rented)) and the other half (48%) could only afford social rented housing. The level of housing need is quite low, as shown in the diagram below, when related to the several hundred such surveys carried out by Fordham Research.

Figure S5 Typical levels of housing need



Source: Other Fordham Research Housing Need Surveys and SHMAs (Figure 11.1 of 2007 Rotherham SHMA)

Dynamics of the housing market

S36. About 12% of Rotherham's households expect to move in the next two years. The implied annual rate of about 6% is slightly below the national average of 6.8%. As is normal, the private rented sector shows the highest mobility (about 22% annually) and the owner occupied sector the lowest. About three quarters of movers expect to stay within Rotherham (77%). This is typical: most moves are short distance ones. The next most common intended destination was Sheffield (8% of planned moves).

S37. As can be seen from the table below, a distinction is made in the analysis between aspired and expected moves. It is normal for households to aspire at one end of the spectrum to own, and at the other to social rent. However the realistic outcome in many cases is private rental, which few households actually aspire to.

Table S5 Housing tenure aspirations and expectations

Tenure	Like	Expect
Buy own home	52.2%	48.1%
Social rented	43.6%	39.0%
Private rented	4.2%	12.9%
TOTAL	100.0%	100.0%

Source: Rotherham SHMA 2007 – household survey data (Table 12.4)

S38. The equivalent table for newly forming households, not surprisingly in the light of their lower incomes, shows a smaller fraction aspiring to own, and a much smaller fraction expecting to do so, while the private rented expectation has risen to about a third of the total.

Table S6 Housing tenure aspirations and expectations – newly forming households

Tenure	Like	Expect
Buy own home	45.2%	34.4%
Social rented	31.7%	33.5%
Private rented	23.1%	32.0%
TOTAL	100.0%	100.0%

Source: Rotherham SHMA 2007 – household survey data (Table 12.10)

S39. In the same way, but to a less marked extent, households would like a detached home, but fewer expect it. The opposite pattern is found with flats: where few aspire and many more expect that dwelling form.

Table S7 Housing type aspirations and expectations

Type of home	Like	Expect
Detached house/bungalow	27.3%	22.1%
Semi-detached house/bungalow	37.9%	38.2%
Terraced house/bungalow	25.5%	22.2%
Flat/maisonette	9.2%	17.5%
TOTAL	100.0%	100.0%

Source: Rotherham SHMA 2007 – household survey data (Table 12.7)

S40. It is of interest to study the character of household movements into and out of the Borough:

Table S8 Movements into & out of Rotherham

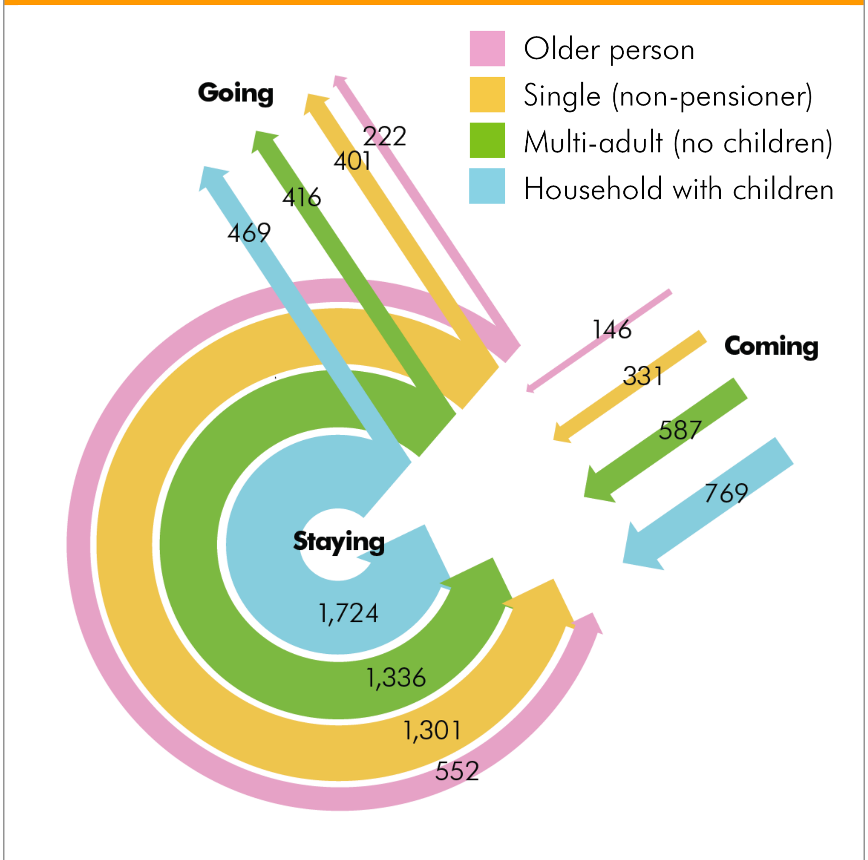
	Moving in	Moving out	Net movement
Older person households	146	222	-76
Single (non-pensioners)	331	401	-70
Multi-adult (no children)	587	416	171
Households with children	762	469	293
Total	1,826	1,508	317

Source: Rotherham SHMA 2007 (Table 13.1)

S41. As can be seen, there is a slight net outflow of the first two categories of households, but a larger net inflow of both 'multi adult, no children' and 'households with children'. The market survey suggested that younger households from Sheffield were moving to Rotherham to take advantage of the lower prices. This information seems to bear that hypothesis out. To the net inflow of 317 should be added the net increase in households (allowing for new formation and losses through deaths) of some 475, making a current net annual increase in Rotherham's households of 792 per annum

S42. The overall pattern of moves, shown in the diagram below, indicates about 5,000 internal moves per annum (4,912 to be exact), a much greater figure than the 1,500 or so who moved out in the most recent year. About 70% of the internal movers were either 'multi adult' or families with children: in other words family moves were over two thirds of the total.

Figure S6 Annual Flows in Rotherham



Source: Rotherham SHMA 2007 Figure 13.2

Balancing the housing market

S43. The data from the survey was used to model the housing market in order to assess what sizes and tenures of housing would be needed in future. The character of the analysis using the Balanced Housing Market model, described in the box below, is more pragmatic than the CLG Needs model used to establish the level of housing need. The CLG Needs calculation is a technical analysis, and does not represent what would happen in practice. The BHM results, on the other hand, indicate what would happen in practice if there were no constraints on the market.

Figure S7 Summary of the BHM process

The BHM process involves matching size, type and tenure of dwelling supply against both housing demand (i.e. housing that the household involved can afford) and housing need (in cases where the household cannot afford the size/location of housing that it requires). As far as possible, expectations of future moves are used. The main area where this is not possible is net in-migration, since clearly future in-migrants are not surveyed. Hence in-migration is estimated from recorded recent in-migrants.

The process of arriving at an allocation of sizes and tenures of housing, matching supply with demand, is complex. It typically involves upwards of 20 iterations. The combination of technical analysis and judgement involved is informed by the stakeholder comments gathered at the start of the SHMA, and by secondary data on the area. However the process cannot, if it is to be a reliable guide to that market, be based on a simple formula. The nature of the interactions between supply and demand across five subgroups of tenures and four sizes of dwelling cannot be made into a mechanical analysis without losing practical relevance to the market(s) in question.

The combination of quantitative and qualitative analysis in one calculation process is a novel one. It is prompted by the complexity of the task. As a result of its origin, the process cannot be made completely transparent (as can an arithmetic calculation) but enough cross checking can be done to reassure a detached observer. In most cases the obvious cross-check for the affordable part of the calculation is the CLG Needs Model discussed above. The market side of the calculation is more easily checked against stakeholder evidence.

Source: Fordham Research Rotherham SHMA 2007 Figure 13.1

S44. When all the expected moves are allowed to work through the existing housing stock, the resultant indications of requirement for extra housing, by size and tenure, are as follows:

Table S9 Balancing Housing Markets results for Rotherham MBC (per annum)

Tenure	Size requirement 1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	TOTAL
Owner-occupation	208	363	-209	151	512
Private rented	-111	-43	42	-60	-172
Intermediate	44	111	29	0	184
Social rented	31	347	-139	29	268
TOTAL	172	778	-278	119	792

Source: Rotherham SHMA 2007 (Table 13.12, combination of data sources)

S45. There is a prospective surplus of three-bed properties and private rented tenure. This is a common outcome, as most people do not want to private rent (as per the above figures for aspired moves) and three-bed is the most common size of dwelling. In practice this does not imply empty private rented or three-bed dwellings, as households have to sub-optimise even more than they expect, and more will have to accept private renting, and more households that require two-beds will have to stretch their budgets to three beds (or correspondingly accept some degree of overcrowding).

Specific household groups

S46. A range of specific groups were addressed both through the questionnaire data and in the analysis in the report. Although 89% of Rotherham's population is classified by DEFRA as urban, about 11% is seen as rural. This group shows much higher household incomes (£29k compared with £21k for the urban population), and associated features such as many more rural detached dwellings. The difficulties of the poorer households contained within the generally wealthier rural population is shown by the fact that 22% of the housing need is found in rural areas: twice the proportion of the population involved.

S47. The BME population of Rotherham is small (about 4%) as compared with 6% in South Yorkshire and 12% in England. The main origination is South Asian (about half the total). The BME South Asian population shows almost twice the household size of the White population, but a similar proportion of owner-occupiers, though much less social renting than the White population. The BME population is spread across all Area Assemblies, but particularly concentrated in Rotherham South. The BME community has substantially higher unsuitable housing and housing need than the White population, though the total numbers involved are fairly small.

Table S10 Ethnic group and housing need			
Ethnic group	Housing need		
	Annual need	Number of households	% of households in need
White British / Irish	1,943	102,399	1.9%
South Asian	239	2,174	11.0%
Other BME	325	2,427	13.4%
TOTAL	2,507	107,000	2.3%

Source: Rotherham SHMA 2007 – household survey data. This is Table 15.11 of the main report.

S48. A total of 22% of all households indicated a long term illness, which is higher than the notional average of such problems found in other surveys (18%); the industrial history of Rotherham is reflected in the higher than the national average.

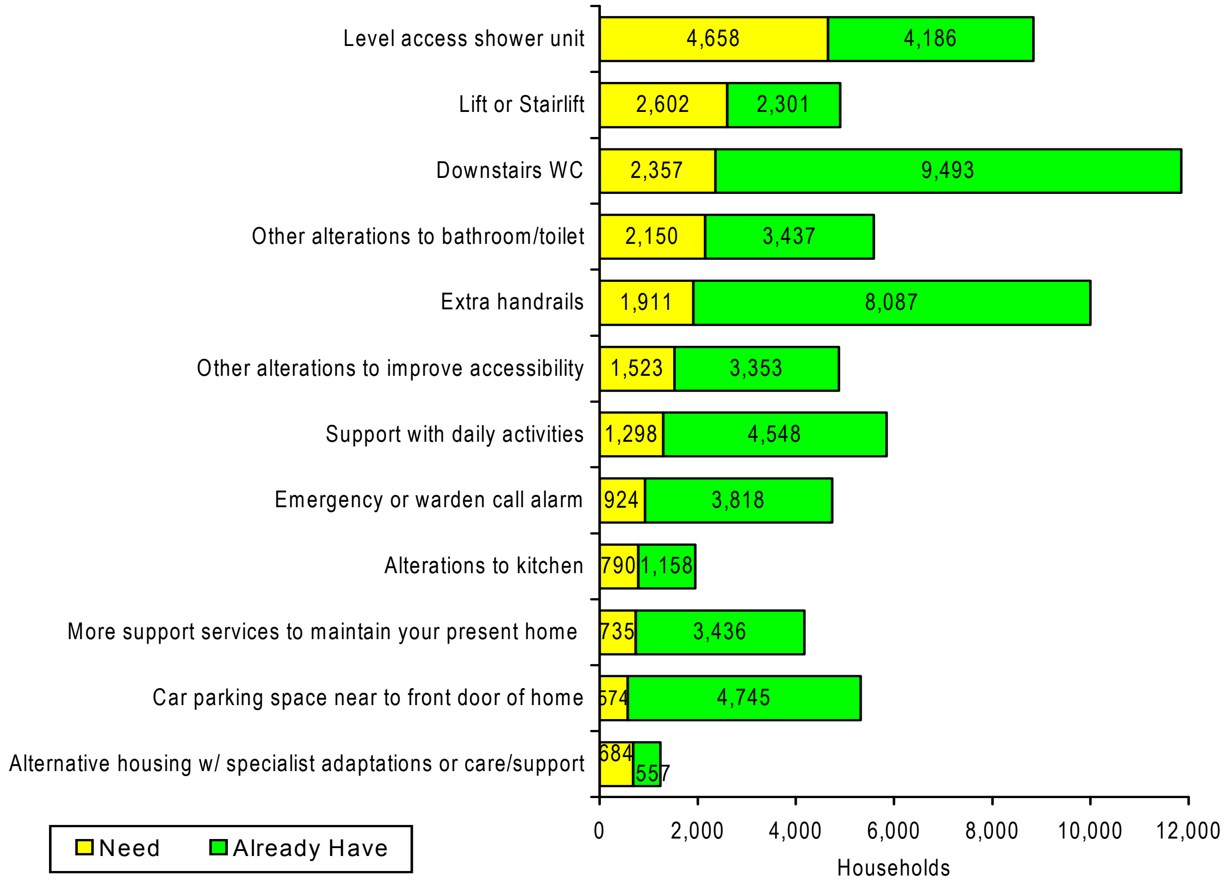
Table S11 Proportion of population in Rotherham with a Long Term Limiting Illness		
	Working Age Population	All People
Rotherham	10.5%	22.4%
South Yorkshire	10.5%	22.3%
Yorkshire and the Humber	8.9%	19.5%
England	8.2%	17.9%

Source: 2001 Census. This is Table 16.1 of the main report.

S49. As is quite commonly found with households with support needs, the group is concentrated in the social rented sector. Nearly 40% (37.6%) of all support needs are found in the social rented sector (which represents some 24% of all households). Most of the remainder are in the owner occupied sector. Households with support needs are spread quite fairly across the Area Assemblies.

S50. The level of housing need among support needs households is not much different from the overall average. The types of adaptations sought were as shown below. The main item sought is a level access shower unit.

Figure S8 Support needs households: improvements to accommodation & services



Source: Rotherham SHMA 2007 – household survey data (Figure 16.2)

S51. About 33.5% of Rotherham's households contain an older person (the national average being 23%). As is normal, older households tend to be smaller ones. Older persons are spread quite evenly across Rotherham. In terms of tenure they are mainly found in the owner-occupied sector, but a third of social tenants are older households. There is, not surprisingly, a strong focus on bungalows (29% of older households live in them).

Table S12 Older person only households size of accommodation and tenure

Tenure	Size of accommodation				
	1 bed	2 bed	3 bed	4+ bed	TOTAL
Owner-occupied (no mortgage)	177	5,060	9,525	834	15,596
Owner-occupied (with mortgage)	0	322	1,177	80	1,579
Social Rented	3,587	3,676	2,239	66	9,568
Private Rented	74	241	452	0	767
TOTAL	177	5,060	9,525	834	15,596

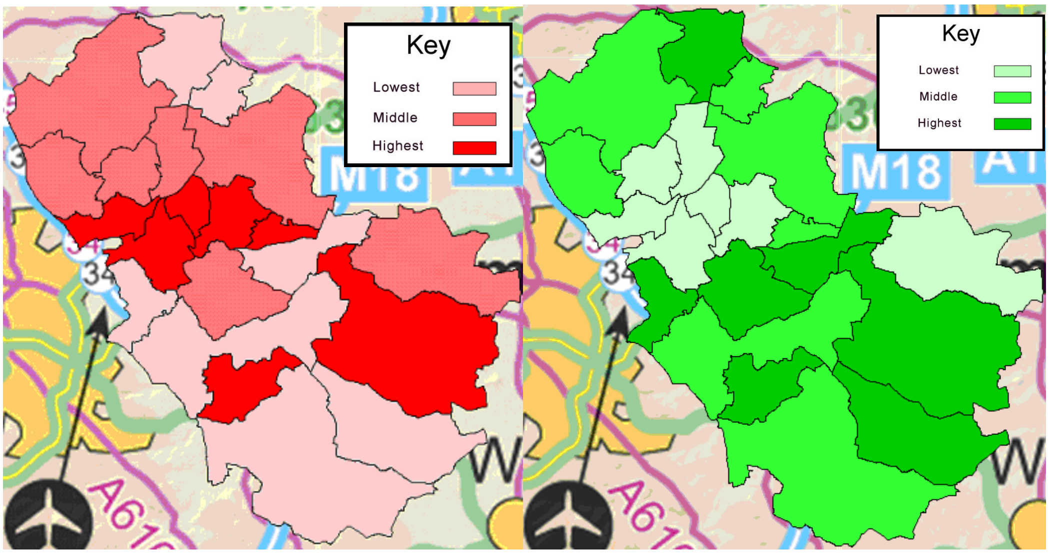
Source: Rotherham SHMA 2007 – household survey data. This appears as Table 17.8 of the main report.

S52. Homeless households have declined in Rotherham (694 were recorded in 2004/5 and 302 in 2006/7). This has been at least partly due to the wide range of proactive policy measures taken by the Council.

S53. Overcrowding in Rotherham is higher than the regional average, although below the national average. On the other extreme, about a third of households are under occupying, using the bedroom standard. The majority of the under-occupation is in the owner occupied rather than social rented sector, but there is scope for incentives to reduce it.

Figure S9 Overcrowding and under-occupation levels by ward

Overcrowding | Under-occupation

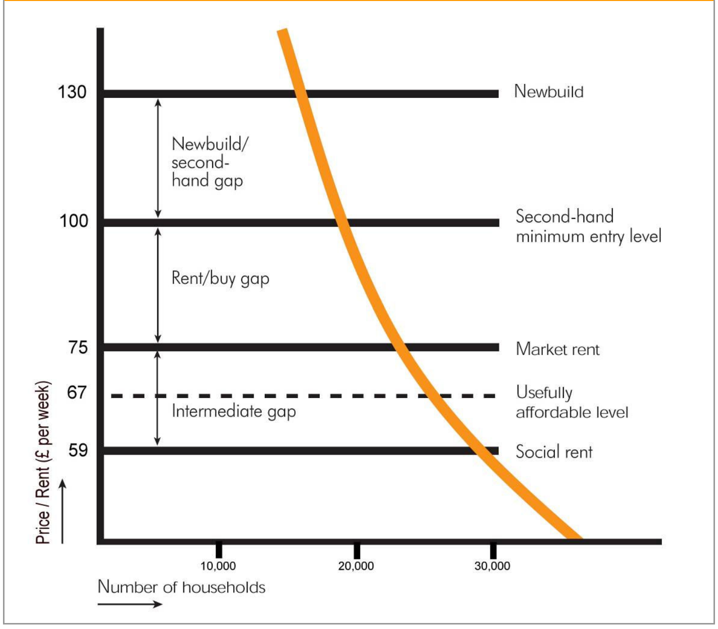


Source: Rotherham SHMA 2007 – household survey data. This appears as Figure 19.1 of the main report

Policy implications

S54. In spite of the relatively low house prices in Rotherham, there are still major gaps between the weekly costs of different tenures. The costs are shown for two-bed dwellings as an illustration of access costs.

Figure S10 Housing Market Gaps (two bedroom dwelling)



Source: Rotherham SHMA 2007 (combination of data sources) (Figure 21.1)

S55. The dotted line between social and private rent figures shows the weekly cost of intermediate housing, if it were to be of substantial assistance to the households in intermediate need. It will be recalled that more than half the housing need could, in principle, be met by intermediate housing. However in practice it has been found across England that few new housing schemes fall within the intermediate band. Shared ownership, the most common type of intended intermediate housing, is rarely cheap enough to fall within the band, and hardly ever cheap enough to help many of those in intermediate need by falling at around the 'usefully affordable' middle range of that band.

S56. The level of housing need would justify a 25% affordable housing target. If the intermediate housing can be provided at the indicated weekly costs, then 11% of it could be intermediate and 14% social rented, but much will depend on the actual cost of schemes: as mentioned, it will be very demanding to produce intermediate housing that actually falls in the appropriate band. Such a policy should apply to schemes of 15 dwellings and more.

S57. In rural areas there is enough evidence to justify a rural exceptions policy. In the same way the evidence of overcrowding among BME households and the high level of support needs, would each justify policy attention. The evidence of under occupying older households would justify attempts to address this problem, and thereby perhaps assist households who are currently overcrowded.

S58. The RSS target for Rotherham is 750 new dwellings per annum. This is broadly supported by the BHM analysis, which suggested that up to 800 new dwellings were justifiable. This is encouraging for an area which is still re-structuring. The main market demand is for two-beds, with a modest requirement for four-beds.

S59. Subject to deliverability, there is scope for a modest (e.g. 10%) target for low cost market housing (e.g. New Build HomeBuy) which would fit with the overall outcome of the SHMA, and raise the non-market proportion of the overall newbuild to around 35%, which is consistent with the market analysis.

S60. The overall analysis and process of this SHMA can be shown to conform to the specific requirements of both PPS3 (para 22 in particular) and the Practice Guidance of March and July 2007. The table of weekly costs below indicates the costs at which particular types of housing (such as intermediate and low cost market) would be affordable. Guidance is provided in the SHMA as to updating these figures, which should be regularly done in order to ensure that the figures remain applicable to the Rotherham market.

Table S13 Comparative outgoings by tenure (per month)

Dwelling size	Tenure		
	Social rent	Private rent	Owner-occupation
1 bedroom	£217	£350	-
2 bedrooms	£256	£370	£405
3 bedrooms	£290	£450	£540
4 bedrooms	£329	-	£855

Source: Rotherham SHMA 2007 (combination of data sources) (Table 21.1)