Aim: To provide evidence on the types of housing that are needed to meet current and future demand in North Hertfordshire and Stevenage.

North Hertfordshire and Stevenage are considered to be a single housing market because almost 70% of house moves in the last three years have been within or between the two authorities.

Economic activity rates and average pay in North Hertfordshire and Stevenage are above the national average. However, between 2002 and 2007, property prices rose by almost 50%. This means home ownership has become unaffordable for some households even though pay is relatively high and a large proportion of the population are in employment. Despite these facts, prices in both North Hertfordshire and Stevenage are below the county average.

Over the next 25 years, the population of both authorities is expected to rise. The largest rise is predicted in the 65+ age group which is expected to grow by more than 50%. The study identifies a need for almost 4,000 units of sheltered or extra care accommodation for the elderly over the next three years because of the increasing elderly population.

The existing housing stock in North Hertfordshire and Stevenage is more than 80,000 units. More than half of the housing stock in Stevenage is terraced housing. This is significantly higher than national and regional averages. The number of people who own their own home is lower than the national average.

The study recommends that future development should be used to change the balance of housing sizes and tenure to provide a more sustainable housing market. The existing market housing stock has a high number of units with three or more bedrooms. This means that more one and two bedroom flats and terraced houses are required. The study recommends that 20% of new houses should have 4 or more bedrooms, 20% should be 3 bedroom and 60% should be 1 or 2 bedroom.

There is an annual shortfall of 1,154 units of affordable housing in Stevenage. Of this, 548 units can be provided from re-letting existing properties. This leaves an annual requirement for 606 affordable properties. This is higher than Stevenage’s total annual housing target.

Taking into account other factors, such as the need to make sure that developments will be economically viable and create the right mix of housing types, the study recommends that 40% of new units should be affordable housing. Of these, 65% should be social rented and 35% should be intermediate housing.