

# Bungay Housing Needs Assessment (HNA)

JUNE 2019

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## Revision History

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**List of acronyms used in the text:**

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
BTC	Bungay Town Council
DSR	Data and Statistical Return
HLIN	Housing Learning and Improvement Network
HNA	Housing Needs Assessment
IT	Income Thresholds
HRP	Household Reference Person
LPA	Local Planning Authority
LQAR	Lower Quartile Affordability Ratio
MAR	Median Affordability Ratio
NDP	Neighbourhood Development Plan
NA	Neighbourhood Plan Area
NPPF	National Planning Policy Framework
PPG	Planning Practice Guidance
PRP	Private Registered Provider
PRS	Private Rented Sector
PT	Purchase Thresholds
RQ	Research Question
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
WDC	Waveney District Council

# 1. Executive Summary

## 1.1 Introduction

1. This report provides Bungay Town Council (BTC) with information about the amount and mix of housing they should plan for going forward. The information provided can be used to inform debate within the group and to provide a local understanding of the needs and the justification for any site allocation and site mix policies within the Neighbourhood Plan.
2. The approach taken here recognises that the Neighbourhood Plan will need to meet the statutory 'basic conditions', the fulfilment of which is tested through an independent examination. One of these, Basic Condition E, requires the Neighbourhood Plan to be in 'general conformity with the strategic policies' of the Local Plan.
3. The Government's Planning Practice Guidance indicates that the level of housing development is likely to count as a strategic policy.<sup>1</sup> As such, this formal Housing Needs Assessment (HNA) investigates specific local needs that are relevant to the neighbourhood while supporting the strategic development needs set out in the current Local Plan. This means a Neighbourhood Plan can propose more housing where there is demonstrable need, but not less than the Local Plan.
4. In terms of the types of housing needed, there is generally more flexibility on what a Neighbourhood Plan can cover. In order to understand the types of housing needed in Bungay, we have gathered a wide range of local evidence and distilled this into policy recommendations designed to inform decisions on housing characteristics.
5. The information is produced using reputable sources of the most recent data available and tested ways of analysing such data.
6. At a neighbourhood planning level, one important consideration is determining the extent to which the neighbourhood diverges from the local authority average, reflecting the fact that a single town, village, or neighbourhood almost never constitutes a housing market area on its own and must therefore be assessed in its wider context.
7. Our brief was to advise on data at this more local level to help Bungay understand the tenure, type, and size of housing needed to inform Neighbourhood Plan policies including allocations. The analysis also responds to important background information given to the researchers by the Bungay Town Council which resulted in a number of agreed Research Questions (RQs):
  - RQ1. What Affordable Housing (Social Rented, Affordable Rented, and affordable routes to home ownership) and market tenures should be included in the housing mix?
  - RQ2. What type (terrace, semi, bungalows, flats, and detached) and size (number of habitable rooms) of housing is appropriate?
  - RQ3. i) What provision should be made for specialist housing within the Neighbourhood Plan Area (NA) for elderly residents (aged 75 and above)?
  - RQ3. ii) Bearing in mind the data we have gathered relating to RQs 1 and 2, how should policy support access to suitable housing for newly forming and family households?

## 1.2 Headlines

- For households on lower incomes, the options as regards housing in Bungay are very limited. For example, in order to cover the average rent on the least expensive form of Affordable Housing, these households may need to **reduce spending on other basic goods and services**. This makes the provision of housing for Social Rent a priority in the neighbourhood.
- Those on middling incomes would be able to afford **social housing priced at this income group**, but also have the **option of Shared Ownership** if they are seeking to buy a home.
- Households with **above average incomes have more options** including affordable routes to home ownership (such as Starter Homes) and homes for sale at the entry-level price-point.

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<sup>1</sup> PPG Paragraph: 006 Reference ID: 2a-006-20140306

- We recommend a tenure split of: **10% offering 'routes to home ownership'** of which 50% should be Starter Homes and 50% Shared Ownership; and **90% Affordable Housing for rent**, of which 60% should be Social Rent and 40% Affordable Rent.
- Given the limited number of smaller dwellings (1-3 habitable rooms) in the NA, demographic trends point to **not enough supply of smaller dwellings**.
- In order to avoid misalignment between supply and demand and to re-equilibrate the stock over the plan period, we recommend that **19% of houses in new developments be one-bedroom homes, 42% two-bedroom, and 39% three-bedroom**.
- Most of the communities need will be for two and three-bedroom homes and there will be **no need to build further large properties** with four or five more bedrooms.
- Population increases justify building more homes of all types, particularly **smaller family housing and housing for the elderly**.
- A survey of Bungay inhabitants reveals **a significant demand** for houses – particularly **small houses and easy access housing**.
- Our analysis of the **specialist housing needs of older people** suggests a need of between 110 to 218 homes. These do not all need to be provided in the NA.
- Our analysis has identified that the **private rented sector** has provided a common route through which young people have been able to set up an independent household; for this reason, **build to rent development** should be supported, particularly as it offers a route to “affordable private rented dwellings”, a tenure of Affordable Housing introduced under the revised NPPF.

### 1.3 Recommendations for next steps

8. This Neighbourhood Plan housing needs advice has aimed to provide BTC with evidence on housing trends from a range of sources. We recommend that the Parish should, as a next step, discuss the contents and conclusions with Waveney District Council (WDC) with a view to agreeing and formulating draft housing policies. In particular this should include the appropriate approach to identifying the level of need for new housing in the NA, bearing the following in mind:
  - It has regard to the **neighbourhood planning basic conditions** that will be tested at examination.
  - The views of WDC – in particular in relation to **the housing need figure that should be adopted**.
  - The views of **local residents**.
  - The views of other **relevant local stakeholders**, including housing developers.
  - The **numerous supply-side considerations**, including local environmental constraints, the location and characteristics of suitable land, and any work carried out by the WDC to understand the capacity of the NA to absorb housing, including but not limited to the Strategic Housing Land Availability Assessment (SHLAA).
  - The **findings and recommendations** of this study.
9. The Government's ongoing changes to the planning system will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
10. This HNA has been provided in good faith by AECOM on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).
11. Bearing this in mind, we recommend that the steering group should carefully monitor strategies and documents with an impact on housing policy produced by the WDC or any other relevant body and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
12. At the same time, monitoring ongoing demographic or other trends over the period in which the Neighbourhood Plan is being developed; monitoring of this kind may trigger a review of the policy position adopted in the draft Neighbourhood Development Plan in light of changes in key indicators.

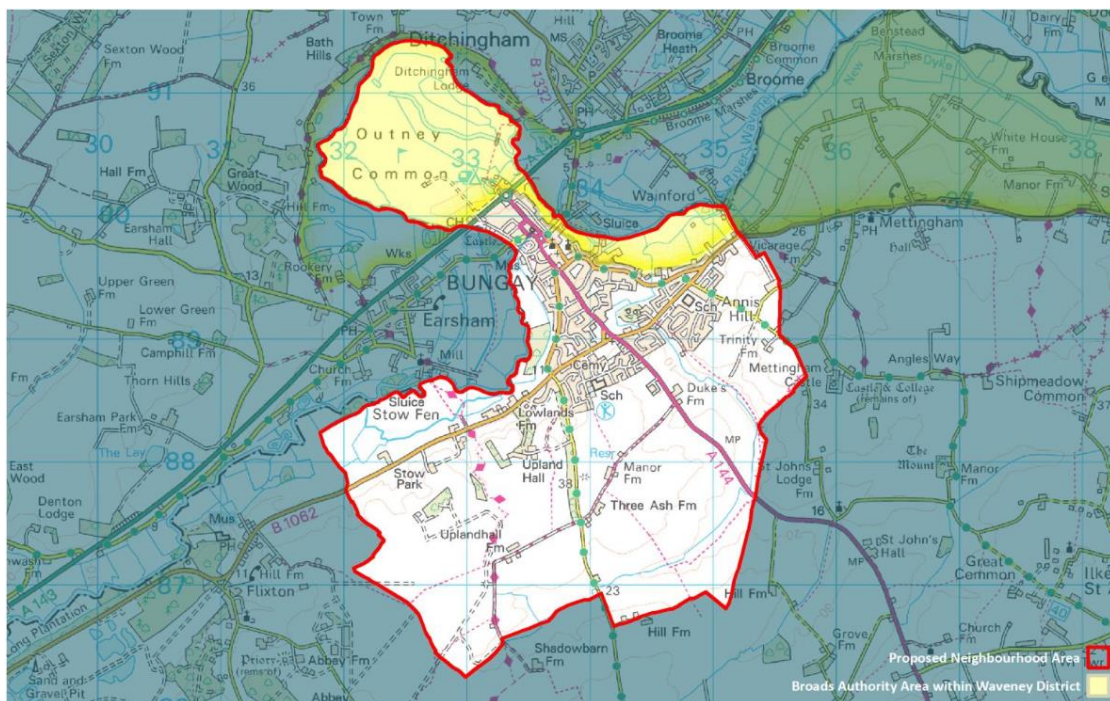


## 2. Context

### 2.1 Local context

13. Bungay is a market town and civil parish in the District of Waveney in Suffolk. The town is situated on the northern edge of the county border with Norfolk, approximately 15 miles inland from the North Sea coast of England.
14. Bungay is located in the Waveney valley on the south-eastern edge of the Norfolk Broads, approximately 15 miles to the south of the city of Norwich. The A143 road provides access to the coast at Great Yarmouth and Lowestoft to the east, and to Bury St Edmunds to the south-west.
15. Bungay's amenities are concentrated along St Mary's Street and Earsham Street and other roads radiating out from this central hub. In addition, the town acts as a service centre for a number of small villages including Earsham and Ditchingham in South Norfolk.
16. The town falls predominantly within a designated conservation area and contains a high proportion of Grade-II listed buildings as well as a 13<sup>th</sup> century castle. In addition, development to the north, east, and west of Bungay is limited by the flood zone of the River Waveney, meaning that its expansion has taken place to the south of the town centre.
17. Waveney District Council (WDC) designated Bungay as a Neighbourhood Plan Area (NA) in April 2016. The boundary of the NA is shown in Figure 2-1 below.

**Figure 2-1: Bungay Neighbourhood Plan Area**



Source: Bungay Neighbourhood Area Designation Notice

### 2.2 Planning policy context

18. In line with the basic conditions<sup>2</sup> of Neighbourhood Planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies. Consequently, there is a requirement for the relevant Local Plan documents to be reviewed as part of this HNA.
19. The emerging Waveney Local Plan was submitted for examination in June 2018 and examined in October 2018. It is expected to be adopted imminently and would therefore be considered to have material weight when considering planning applications. The Local Plan covers the period 2014 to 2036, and includes several policies relating to housing in addition to site-specific policies within Bungay.
20. The evidence base underpinning the emerging Local Plan housing policies includes the 2017 Strategic Housing Market Assessment (SHMA) for Ipswich and Waveney Housing Market Areas, as well as a 2018

<sup>2</sup> See Glossary



Whole Plan Viability Assessment, and a 2018 Strategic Housing and Employment Land Availability Assessment (SHLAA).

21. When adopted, the emerging Local Plan will replace the Core Strategy (adopted January 2009) and Development Management Policies (adopted January 2011). The Core Strategy contains a number of core policies, of which one (CS11 – Housing) sets out a target for provision and its distribution among key areas. The Development Management Policies goes into greater detail, putting forward seven policies relating to housing (DM16 – DM22).
22. Given the advanced stage of the emerging Local Plan, only its policies (and not those of the Core Strategy and Development Management Policies, none of which are to be 'saved' beyond the adoption of the Local Plan) will be considered for the purposes of this HNA.

#### **Policies in the emerging Waveney Local Plan 2014-2036**

23. **Policy WLP1.1: Scale and Location of Growth** – makes provision for the delivery of a minimum of 8,223 dwellings across the District during the plan period of 2014 to 2036, which equates to 374 per year.
24. The policy explanation in Paragraph 1.8 adds that 3,033 homes have been completed or have permission and are expected to be delivered within the plan period, meaning that a residual 5,190 dwellings need to be planned for.
25. Through site allocations and policies, the Local Plan makes provision for 12% more dwellings than this overall requirement (Paragraph 1.9). However, it is stated in the policy that Neighbourhood Plans can allocate additional growth to meet local needs at a scale which does not undermine the overall distribution strategy.
26. Paragraph 1.10 adds that the SHMA (which identified the objectively assessed need of 8,223 dwellings) also identified a need for 905 additional spaces in care homes and nursing homes over the plan period, which will primarily be delivered on large allocations and windfall sites.
27. The policy sets out the distribution of residential development across the District as follows:

**Table 2-1: Waveney planned distribution of development**

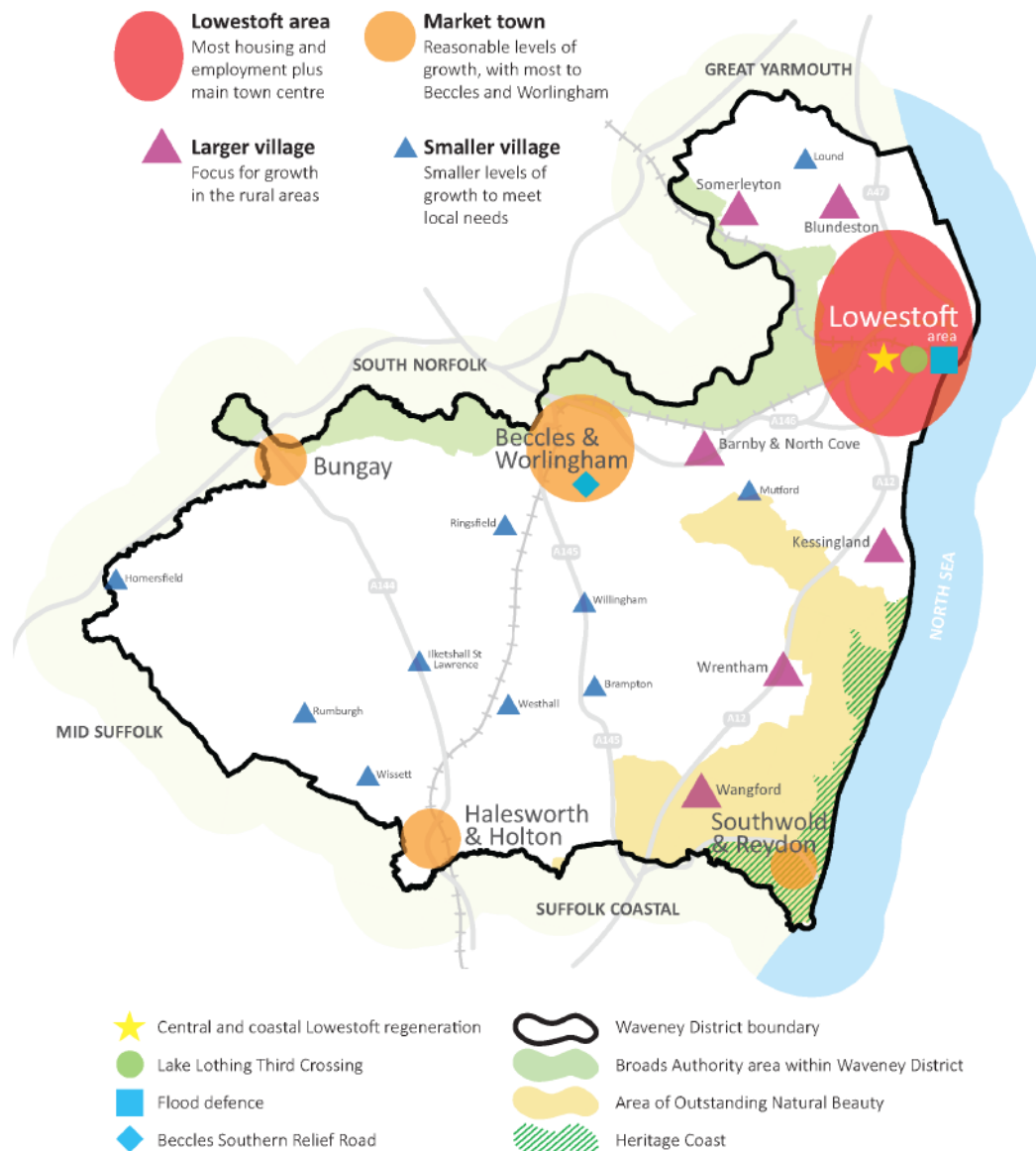
<b>Area</b>	<b>Total housing growth</b>	<b>% of housing growth</b>
Lowestoft Area	5,206	56%
Beccles and Worlingham	1,458	16%
Halesworth and Holton	557	6%
Bungay	762	8%
Southwold and Reydon	387	4%
Rural Areas	865	9%

Source: Emerging Waveney Local Plan 2014-2036

28. Paragraph 1.20 of the policy explanation states that reasonable levels of development are expected in market towns (of which Bungay is one), due to their good employment opportunities, range of services, and attractive town centres. However, among the market towns, Bungay is *"proposed to take more modest levels of growth, reflecting the environmental constraints to growth around [it]"*.
29. Figure 2-2 overleaf, which reproduces Figure 5 from the Local Plan, maps out the spatial strategy for the district.
30. **Policy WLP1.3: Settlement Boundaries** – permits Neighbourhood Plans to make minor adjustments to settlement boundaries and allocate additional land for development as long as they do not undermine the overall distribution strategy or Local Plan policies.
31. **Policy WLP8.1: Housing Mix** – requires that the mix of dwelling types and sizes to be delivered on a given site be based on evidence of local need and allows Neighbourhood Plans to put forward more detailed approaches to type and size that reflect local circumstances.
32. The policy also specifically encourages residential proposals in which more than 35% of new dwellings are one- or two-bedroom properties. The SHMA found that 35-40% of new housing across all tenures should be for one- and two-bedroom properties, and Paragraph 8.4 of the policy explanation notes that previous Local Plan policies have made similar requirements and have been successful in bringing forward the development of smaller dwellings.

Figure 2-2: Waveney spatial strategy

Figure 5 - Key Diagram



Source: *Emerging Waveney Local Plan 2014-2036*

33. **Policy WLP8.2: Affordable Housing** – requires sites of 11 dwellings or more in Bungay (and similarly categorised areas) to provide a minimum of 30% Affordable Housing (AH).
34. The SHMA calculated the need for AH in Waveney to be 208 dwellings per year, which equates to 55% of the total annual housing need. However, the Whole Plan Viability Assessment demonstrates that this level of AH delivery would not be financially viable, so a more realistic target has been sought.
35. Of the AH to be provided, 50% should be affordable rented accommodation and 50% intermediate tenures, including Shared Ownership and Starter Homes (the SHMA recommends they be allocated at 30% and 20% respectively). Sheltered and extra-care housing, for which the SHMA identified significant need, should be included in the overall AH total where necessary to local circumstances.
36. The policy calls for AH to be delivered on mixed-tenure schemes unless the Local Planning Authority agrees to accept a commuted sum in its place. The proportion of AH may be varied in exceptional circumstances where viability concerns exist.
37. AH is required to be indistinguishable from market housing in terms of the location, external appearance, design, standards, and build quality.

- 38. Neighbourhood Plans may set out higher requirements for AH provision where local evidence of need and viability support this.
- 39. **Policy WLP8.3: Self Build and Custom Build** – states that developments of 100 or more dwellings will be expected to provide a minimum of 5% serviced self- or custom-built plots, and that similar levels of provision on smaller sites will be supported provided they are in compliance with other Local Plan policies.
- 40. Where such plots remain unsold after a 12-month period of marketing, they may be built out by the developer.
- 41. **Policy WLP8.4: Conversion of Properties to Flats** – states that permission will be granted for conversion of existing buildings to self-contained flats where the saturation figure for the street does not exceed 20% and residential properties are above average size or no longer suited to their established use. Exceptional circumstances will need to be demonstrated for the conversion to houses in multiple occupation or bedsits to be permitted.

**Site allocation policies in the emerging Waveney Local Plan 2014-2036**

- 42. The emerging Local Plan allocates two sites in Bungay that, in addition to other dwellings already completed or with planning permission, are expected to meet its housing requirements over the Plan period.
- 43. The breakdown of housing growth in Bungay over the Plan period is set out in Table 2-2 below:

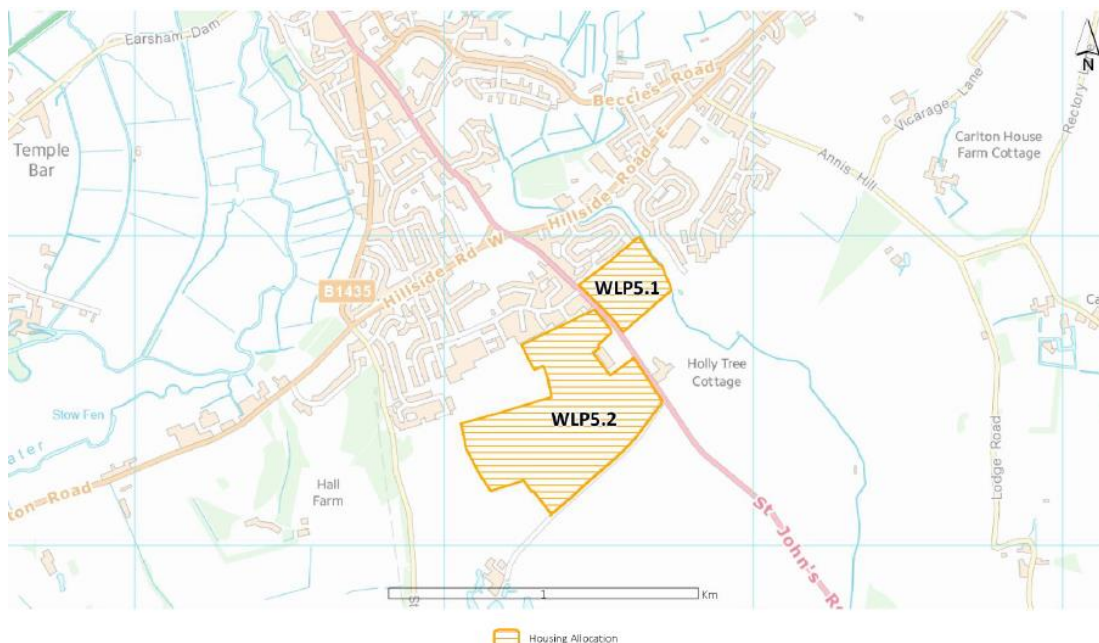
**Table 2-2: Bungay planned housing growth over the Plan period**

New homes in Bungay	Total
Homes built 2014-2017	30
Existing housing commitments	42
Homes allocated in Local Plan policies and expected to be delivered during the plan period	485
Total growth 2014-2036	557

Source Emerging Waveney Local Plan 2014-2036

- 44. The site-specific policies are as follows:
  - **Policy WLP5.1: Land East of St Johns Road, Bungay** – allocates a 4.65-hectare site for 85 new dwellings.
  - **Policy WLP5.2: Land West of St Johns Road, Bungay** – allocates a 21-hectare site for 400 dwellings, as well as employment land, a pre-school setting, open space, and infrastructure. Outline planning permission for 150 dwellings is already in place.
- 45. The sites are identified in Figure 2-3 below, which reproduces Figure 16 from the emerging Local Plan.

**Figure 2-3: Bungay site allocations**



Source: Emerging Waveney Local Plan 2014-2036

## 3. Approach

### 3.1 Research Questions

46. Below we set out the RQs relevant to this study, as discussed and agreed with BTC.
47. Research Questions, abbreviated to 'RQ;' are arrived at the start of the project through discussion with the town council. They serve to direct our research and provide the structure for the HNA.

#### Tenure

48. Working from the 'snapshot of the housing register' provided by the Local Authority and a survey conducted with the community, the BTC have evidence to show there is currently a housing demand (including need for social housing) in Bungay which cannot be met from the existing housing stock. The survey reveals:
- 80% of residents support affordable routes to home ownership such as Starter Homes.
  - 83% of residents consider that social housing was either of 'some importance', 'very important', or vital to be included in new developments.
49. Given that in putting forward any development scheme, a balance needs to be struck between meeting the greatest housing need and creating a balanced community, BTC are interested in understanding the appropriate split of AH into different tenures.

*RQ1. What Affordable Housing (Social Rented, Affordable Rented, and affordable routes to home ownership) and market tenures should be included in the housing mix?*

#### Type and size

50. Policy providing guidance as to the type and size of dwellings to be supported is a priority for BTC. Surveys conducted with the community suggest that 69% of residents consider small houses (1 or 2 bedrooms) are either important or vital to meeting the town's current and future housing needs. The HNA should therefore consider the range of sizes of home in terms of habitable rooms and type falling into the following categories: detached, semi-detached, terraced and flats.

*RQ2. What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate?*

#### Housing for specialist groups

51. The BTC has identified two groups who are in particular need: older residents; and newly forming households, typically comprising one person or a couple with or without children. The Town Council believes the needs of these two groups are important given the higher than average current population of older people and the need to retain and attract younger people to the town so as to support economic growth.
52. In respect of housing for older residents, the community survey indicates that:
- 92% of residents consider that Easy Access housing was either vital, important or of some benefit in the designs of new homes.
  - Warden controlled and sheltered housing was considered by 88% of respondents to be either of some benefit, important or vital in any new development.

*RQ3. i) What provision should be made for specialist housing within the NA for elderly residents (aged 75 and above)?*

*RQ3. ii) Bearing in mind the data we have gathered relating to RQs 1 and 2, how should policy support access to suitable housing for newly forming and family households?*

53. The remainder of this report is structured around the research questions set out above.

### 3.2 Relevant data

#### 3.2.1 The Local Authority Evidence Base

54. The Planning Practice Guidance (PPG) states that those bringing forward a Neighbourhood Plan can refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As Bungay Town Council is located within the Waveney Housing Market Area, we approached Waveney District

Council (DDC) to understand the evidence base they have assembled to support the housing policies that appear in their Local Plan.

55. This produced the following documents:

- Ipswich and Waveney Housing Market Areas Strategic Housing Market Assessment Part 1, May 2017 (SHMA1)
- Ipswich and Waveney Housing Market Areas Strategic Housing Market Assessment Volume 2, May 2017 (SHMA2)

56. These documents, henceforward collectively referred to as the 'SHMA studies', address the relevant housing market area and inform emerging housing policies at a local authority level, including affordable housing policy.

57. While these are credible sources, and their statistical robustness can be assumed, their usefulness also depends on whether the Housing Market Area (HMA) that the SHMA studies treat as their subject area can be used as a proxy for the NA. This requires an assessment of the extent to which the demographic characteristics and economic trends that it identifies are common to the NA. Shared characteristics emerge as a result of internal linkages fundamental to the notion of a 'housing market area' (HMA).

58. PPG defines an HMA as a geographical area 'defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work.'<sup>3</sup> It goes on to remark that 'establishing the assessment area may identify smaller sub-markets with specific features, and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is important also to recognise that there are 'market segments,' i.e. not all housing types or economic development have the same appeal to different occupants.'<sup>4</sup>

59. PPG therefore sets two principle tests for identifying a functional HMA: patterns of demand for housing and commuting relationships. The first can be denoted by the concept of 'self-containment', the degree to which household moves are 'contained' within a certain geographical area, and the second by 'travel to work areas'. It is generally assumed that a strong HMA will show at least 70% of household moves and commuting journeys taking place within its area.

60. In the case of BTC we have, broadly speaking, found the key trends driving need and demand for housing to be broadly comparable, for example given the similarity in Census data relating to economic activity and household composition between the NA and District two geographies.

61. The LPA evidence base draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios to derive the objectively-assessed housing need for the district. As such, it will contain a number of points of relevance in understanding housing need within the NA.

62. This provides a strong starting point for policy development that aims to build on and add local specificity to those of the Local Planning Authority by enabling a comparison to be made with parish-level data (gathered as part of the preparation of this study), given that such an exercise reveals contrasts as well as similarities.

### 3.2.2 Other relevant data

63. In addition to the LPA evidence base, we have gathered data from a range of other sources to ensure our study is robust for the purposes of developing policy at the neighbourhood plan level. These include findings from: Census data providing insights into demographic shifts; responses from an online survey of Bungay inhabitants; recommendations of the Housing Learning and Improvement Network (HLIN); household projections for England; the Data and Statistical Return (DSR) from the HCA; ONS' population projections; rental market data from [Home.co.uk](http://Home.co.uk); and Land Registry house price data.

<sup>3</sup> PPG Paragraph: 010 Reference ID: 2a-010-20140306 Revision date: 06 03 2014

<sup>4</sup> PPG Paragraph: 008 Reference ID: 2a-008-20140306 Revision date: 06 03 2014



## 4. RQ 1. Tenure

### RQ1. What Affordable Housing (Social Rented, Affordable Rented, and affordable routes to home ownership) and market tenures should be included in the housing mix?

64. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines their rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
65. We will address this section by examining the tenure of dwellings in the current stock and recent supply, and make an assessment, based on a reasonable interpretation of the evidence we have been able to gather, whether continuation of these trends would meet future needs; or, alternatively, whether there exist misalignments between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new development to prioritise certain tenures, so as to bring supply and demand into better alignment.<sup>5</sup>

#### 4.1 Definitional issues

66. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. We mean by this those forms of housing tenure that fall within the definition of Affordable Housing set out in the current National Planning Policy Framework (NPPF): Social Rent, Affordable Rent, Affordable Private Rent (brought forward by Build to Rent schemes), and forms of AH designed to offer affordable routes to home ownership<sup>6</sup>. To distinguish this from the colloquial definition, we refer to the latter as Affordable Market Housing (AMH).
67. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership but recognises the important role of Social, Affordable, and Private Rent tenures for those not currently seeking home ownership.
68. It is important to note however that the 2012 version of the NPPF refers to the 'national rent regime' not 'Government's rent policy'. It has been suggested that this change in wording may give central Government, and by extension local authorities, wider flexibility in arriving at rents. It may also lead to the abolition of Social Rent as it has been understood in recent years.<sup>7</sup>
69. The revisions seek to broaden the definition of AH to include a range of low-cost housing opportunities for those aspiring to own a home, including Starter Homes.
70. In Paragraph 64 of the new NPPF, the Government introduces a recommendation that "*where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership*". In line with PPG<sup>8</sup>, the assumption should be that 'major housing development' can be defined as sites of more than 10 units, and that affordable home ownership includes Starter Homes, Shared Ownership homes, and homes available for discount market sale.

#### 4.2 Current tenure profile

71. In order to set a baseline for our examination of tenure, it is necessary to present a picture in the NA based on the most recent reliable data. Table 4-1 below presents Census data from 2011; this shows a relative alignment with the District. The dominant tenure in Bungay is owner-occupation at over 66.0% of all dwellings, and this is only slightly lower than the proportion for the District (by 3.3%). The proportion of dwellings in Shared Ownership, Socially Rented, and the Private Rented Sector (PRS) are roughly the same as the District, with Bungay having a 0.2%, 1.8%, and 0.9% greater proportion respectively.

<sup>5</sup> PPG Paragraph: 021 Reference ID: 2a-021-20160401

<sup>6</sup> NPPF, July 2018

<sup>7</sup> McGready, B, Affordable Housing and Planning, MBL seminars, April 2018

<sup>8</sup> PPG 031 Reference ID: 23b-031-20161116

**Table 4-1: Tenure (households) in Bungay, 2011**

Tenure	Bungay	Waveney	England
Owned; total	66.0%	69.4%	63.3%
Shared ownership	0.7%	0.4%	0.8%
Social rented; total	15.9%	14.0%	17.7%
Private rented; total	15.8%	14.9%	16.8%

Source: Census 2011, AECOM Calculations

72. It is also worth considering how tenure has shifted over the 2001 – 2011 intercensal period; both the District (63.6%) and NA (66.8%) saw a sharp increase in the number of dwellings in the PRS. Sometimes however these dramatic proportional increases can mask smaller numerical ones if the indicator in question is starting from a low base. In this case, the numerical increase for the PRS in the NA is from 214 homes in 2001 to 357 in 2011, a significant uplift.
73. There were, however, differences between Bungay and Waveney during this period. In the NA there was a fall in the proportion of shared ownership (-11.8%) although the low base means that this only represented a change from 17 to 15 homes. However, this contrasts with a growth in shared ownership at a District level of +56.9% or 78 homes. There was also a fall in the number of social rented homes (-3.7%) in the NA which is a greater proportion than at the District (-0.9%) and National level (-0.9%).

**Table 4-2: Rates of tenure change in Bungay, 2001-2011**

Tenure	Bungay	Waveney	England
Owned; total	1.8%	1.1%	-0.6%
Shared ownership	-11.8%	56.9%	30.0%
Social rented; total	-3.7%	-0.9%	-0.9%
Private rented; total	66.8%	63.6%	82.4%

Source: Census 2001 - 2011, AECOM Calculations

### 4.3 Affordability

74. In order to understand whether the tenure profile of the current stock reflects the needs of the population currently and over the Plan period, an important starting point is to consider whether this profile provides different market segments access to dwellings of a suitable type and size given their household composition.
75. In line with PPG, we have considered evidence of affordability by looking specifically at the relationship between lower quartile house prices and incomes, as expressed in the Lower Quartile Affordability Ratio<sup>9</sup> (LQAR) and the Median Affordability Ratio<sup>10</sup> (MAR). While this is a relatively crude measure of affordability, as it does not take account of the cost of servicing mortgage debt, it is a useful basic measure for benchmarking affordability changes over time.
76. Average house prices for the NA in 2017 were drawn from Land Registry data and are set out in the table below.

**Table 4-3: Average house prices in Bungay 2017**

House prices	£ in 2017
Mean	£197,625
<b>Median</b>	<b>£182,500</b>
<b>Lower quartile</b>	<b>£157,250</b>
Max	£575,000
Min	£60,000

Source: Land Registry data

77. Below we reproduce Figure 2.9 from SHMA2, setting out the distribution of annual gross household income in Waveney in 2016 based on CACI Paycheck data. We propose to use this data to establish our understanding of affordability in the NA given the lack of availability of household income data at the parish

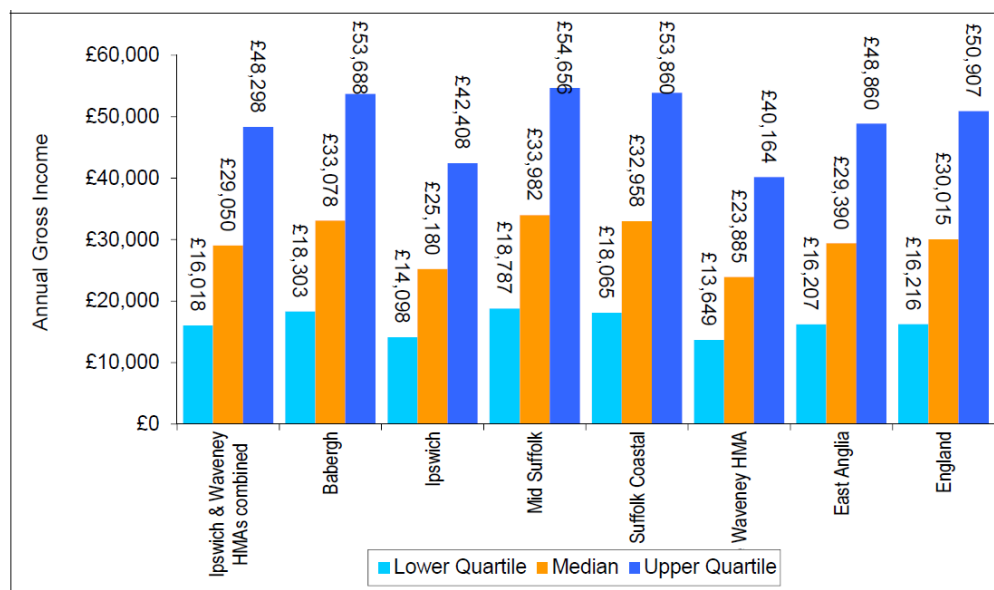
<sup>9</sup> See glossary

<sup>10</sup> See glossary



level. The underlying assumption, that the distribution of household income will be broadly comparable to the District is not unreasonable, given the similarity in Census data relating to economic activity between the two geographies (see Table 4-4).

**Figure 4-1: Distribution of annual gross household income**



Source: SHMA2, 2017

78. Below we set out data relating to economic activity in Waveney and the NA. This demonstrates the closeness of the profile of economic activity in the two geographies. One contrast that is worth pulling out however is the higher proportion of economically active people in the NA (+4.7%), which may point to a marginally higher household income in the NA. We do not however feel this is significant enough to prevent the use of these numbers for the purpose of understanding affordability in the NA.

**Table 4-4: Economic activity in Bungay, 2011**

Economic category		Bungay	Waveney	England
<b>Economically active</b>	<b>Total</b>	<b>70.0%</b>	<b>65.3%</b>	<b>69.9%</b>
	Employee: Full-time	35.5%	32.7%	13.7%
	Employee: Part-time	17.4%	16.4%	38.6%
	Self-employed	11.2%	9.1%	9.8%
	Unemployed	3.5%	4.5%	4.4%
	Full-time student	2.4%	2.5%	3.4%
<b>Economically inactive</b>	<b>Total</b>	<b>30.0%</b>	<b>34.7%</b>	<b>30.1%</b>
	Retired	17.5%	20.3%	13.7%
	Student	3.1%	3.1%	5.8%
	Looking after home or family	4.4%	4.6%	4.4%
	Long-term sick or disabled	3.5%	4.6%	4.1%
	Other	1.6%	2.2%	2.2%

Source: Census 2011

79. From the data presented above it is possible to deduce a LQAR of 11.5, assuming a lower quartile house price of £157,250 (see Table 4-3), and a lower quartile income of £13,649 (see Figure 4-1). While the MAR is estimated to be 7.6 based on a median house price of £182,500 (see Table 4-3), and a median income of £23,885 (see Figure 4-1).

#### **Affordability Thresholds**

80. To understand the affordability of different tenures in Bungay, we use the concepts of 'Affordability Thresholds.' These establish the minimum income needed to afford different tenures. The full analysis is set out in Appendix A; Table 4-5 and Figure 4-2 provide a summary.

- 81. For those whose income falls into the lower quartile, their choices are extremely limited. Indeed, according to the data we have gathered, in order to cover the rent on Social Rented dwellings, these households will need to devote a higher proportion of their household income to housing costs than the recommended ceiling of 25%, potentially leading to their having to reduce budgets for other goods and services. This could lead to 'exclusion,' or the inability to satisfy basic needs. While housing benefit will top up income levels to a degree, it is frequently not enough to cover the whole income gap.
- 82. The data we have gathered shows that for those on income around the median they would be able to afford the principal intermediate rented tenure, Affordable Rented housing; in addition, Shared Ownership at a 25% equity share would offer an affordable route to home ownership for these households.
- 83. For those whose income falls into the upper quartile, their options include the main forms of intermediate housing (Affordable Rent and Shared Ownership), as well as market homes at the entry-level price-point.

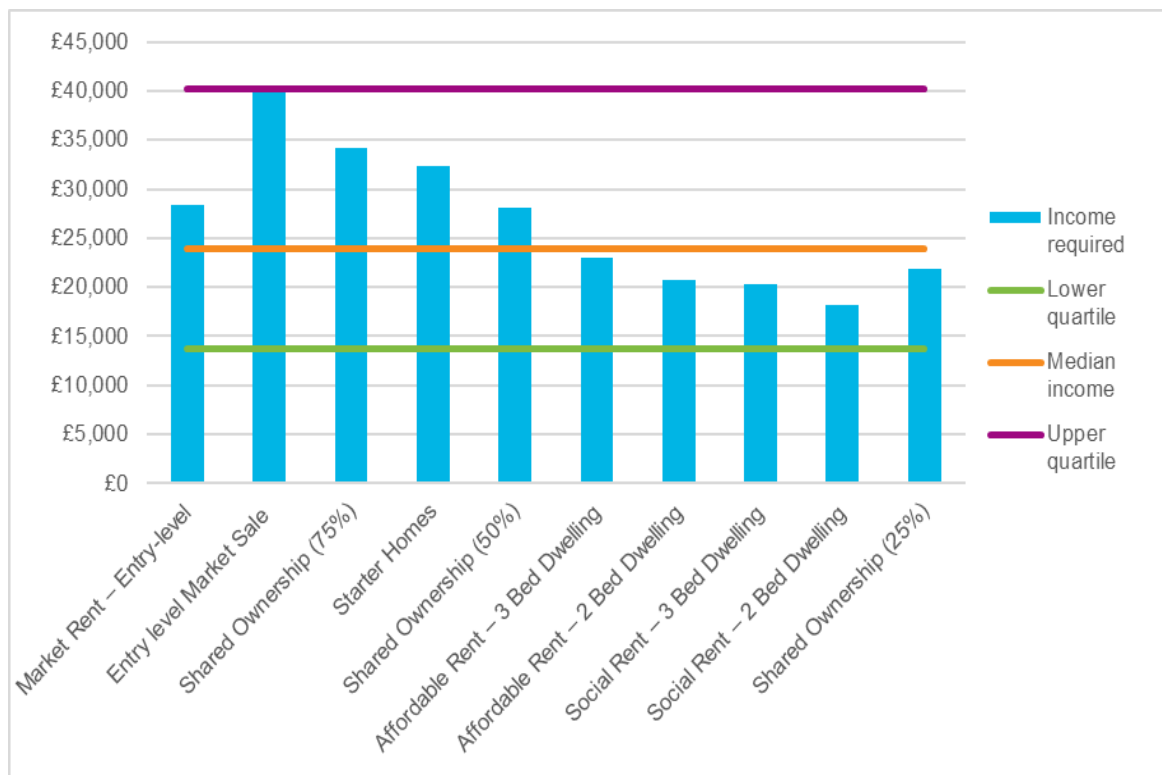
**Table 4-5: Affordability Thresholds (income required, £)**

Tenure	Cost of purchase	Annual rent	Income required
Market Rent – Entry-level	N/A	£7,092	£28,368
Entry level Market Sale	£157,250	N/A	£40,436
Shared Ownership (75%)	£117,938	£983	£34,258
Starter Homes	£125,800	N/A	£32,349
Shared Ownership (50%)	£78,625	£1,966	£28,080
Affordable Rent – 3 Bed Dwelling	N/A	£5,743	£22,974
Affordable Rent – 2 Bed Dwelling	N/A	£5,174	£20,696
Social Rent – 3 Bed Dwelling	N/A	£5,081	£20,326
Social Rent – 2 Bed Dwelling	N/A	£4,546	£18,183
Shared Ownership (25%)	£39,313	£2,948	£21,903

Source: AECOM Calculations

- 84. The relationship between Affordability Thresholds and prevailing income levels are set out in Figure 4-2 below.

**Figure 4-2: Affordability Thresholds and income distribution**



Source: AECOM Calculations

### Community Survey

85. As part of the Bungay Neighbourhood Development Plan, an online survey was completed by inhabitants of Bungay. Respondents were asked to indicate on a five-point scale (where 1 = no benefit and 5 = vital) how likely various new housing developments were likely to benefit the area. The results suggest that there is a demand for Affordable Housing within the NA; particularly Starter Homes, for which more than half of respondents saying they were vitally important.

## 4.4 Conclusions

86. The aim of this section was to identify what Affordable Housing (Social Rented, Affordable Rented, and affordable routes to home ownership) and market tenures should be included in the housing mix.
87. In terms of the tenure split of Affordable Housing, we would recommend Starter Homes are present in the NA, seeking to fulfil the Government's 10% policy expectation. A survey of the Bungay community suggests a demand for Affordable Housing, particularly Starter Homes.
88. However, it is important to note the affordability crisis that exists among people falling into the lower quartile; this is evidenced both through the high LQAR and the need for these households to economise in other basic areas of expenditure in order to cover their housing costs.
89. This indicates that AH provision should focus on dwellings for Social Rent. Having said this, such policies should in practice be flexibly applied given the need for viability. This question is particularly pertinent in rural locations where small in-fill schemes predominant. For these schemes, Private Registered Providers (PRPs) sometimes reject Social Rented stock due to relatively high maintenance costs, seeking to vary the tenure to Affordable Rent or Shared Ownership.
90. We have noted that Shared Ownership dwellings are decreasing in Bungay. Moreover, the analysis of Affordability Thresholds indicate that Shared Ownership allows households to access suitable accommodation even for those on incomes below the median. For this reason, we recommend this tenure forms a part of the mix of tenures in the NA.
91. On the basis of the evidence we have gathered and given the broad similarity between Bungay and the District, we recommend taking into account its guidance as regards the tenure split of AH housing. However, it needs to be borne in mind the SHMA does not reflect the current definition of AH as set out in the NPPF,<sup>11</sup> in particular the inclusion of Affordable routes to home ownership. On the strength of the evidence we have gathered as to affordability and taking into account these definitions, we arrive at the following tenure split in Table 4-6 below.

**Table 4-6: Tenure split (Affordable Housing)**

<b>Routes to home ownership, of which</b>	<b>10%</b>
<i>Starter Homes</i>	50%
<i>Shared Ownership</i>	50%
<b>Affordable Housing for rent, of which</b>	<b>90%</b>
<i>Social Rent</i>	60%
<i>Affordable Rent</i>	40%

Source: AECOM calculations

<sup>11</sup> NPPF, Annex 2, Glossary, Page 64

## 5. Type and size

### RQ2. What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate?

92. The PPG recommends a consideration of the existing housing provision and its suitability, having regard to demographic shifts in age and household composition, to address future, as well as current community need. For this reason, we start with a consideration of type and size within the existing housing stock in Bungay. Demographic shifts in age and household composition will then be considered. Finally, the future demand for housing by size and type will be determined by the way different household types currently occupy their dwellings in the District.

#### 5.1 Existing types and sizes

93. The 2011 Census shows that there were 2,360 households in Bungay, living in 797 detached houses, 783 semi-detached, 530 terraced houses, and 243 flats. Compared with the District, Bungay is similar although has a slightly greater proportion of semi-detached dwellings (5.8% higher than the District level), and a slightly smaller proportion of terraced dwellings (5.7% lower). There are also a limited number of flats compared to the National level (see Table 5-1 below).

**Table 5-1: Accommodation type (households), 2011**

Dwelling type		Bungay	Waveney	England
Whole house or bungalow	Detached	33.8%	33.8%	22.4%
	Semi-detached	33.2%	27.4%	31.2%
	Terraced	22.5%	28.2%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	6.8%	6.6%	16.4%
	Parts of a converted or shared house	1.7%	2.6%	3.8%
	In commercial building	1.8%	1.0%	1.0%

Source: ONS 2011, AECOM Calculations

94. Table 5-2 below sets out the distribution of the number of rooms by household space. The housing stock in Bungay is similar to the District and is characterised by large properties with the majority of dwellings having five or six rooms. Around 27.5% of the stock in Bungay consists of dwellings with one to four rooms, which could be considered entry-level homes,<sup>12</sup> with one to three bedrooms making up only 9.7% of the stock.

**Table 5-2: Number of rooms per household, 2011**

Number of Rooms	2011 Bungay	2011 Waveney
1 Room	0.2%	0.2%
2 Rooms	2.2%	1.6%
3 Rooms	7.2%	7.2%
4 Rooms	17.9%	15.9%
5 Rooms	26.3%	27.7%
6 Rooms	21.9%	23.4%
7 Rooms	12.1%	11.0%
8 Rooms or more	6.2%	6.6%
9 Rooms or more	6.0%	6.3%

Source: ONS 2011, AECOM Calculations

95. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 censuses. The main change from the 2001 Census findings is that the number of very large properties increased. For smaller family houses the changes were mixed, with the number of 4 room

<sup>12</sup> Homes that are suitable for first-time buyers, sometimes also defined as lower quartile property price.

houses decreasing and 5 room dwellings increasing. The results were also mixed for small houses, with 2 and 3 room houses increasing and 1 room houses decreasing significantly (although from a low base).

**Table 5-3: Rates of change in number of rooms per household, 2001-2011**

Number of Rooms	Bungay	Waveney	England
1 Room	-44.4%	-13.8%	-5.2%
2 Rooms	4.2%	-1.9%	24.2%
3 Rooms	15.5%	6.8%	20.4%
4 Rooms	-9.0%	-10.8%	3.5%
5 Rooms	4.0%	-0.8%	-1.8%
6 Rooms	-2.0%	6.3%	2.1%
7 Rooms	33.5%	22.0%	17.9%
8 Rooms or more	27.8%	33.1%	29.8%

Source: ONS 2001-2011, AECOM Calculations

96. At this point it is also useful to compare the data on numbers of rooms with Census estimates of the number of bedrooms for each household. Table 5-4 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. This data suggests a different pattern to the findings from Table 5-2 in that the share of houses of different sizes is similar in Bungay to that of Waveney and the national average.

**Table 5-4: Number of bedrooms in household spaces, 2011**

Bedrooms	Bungay		Waveney		England	
All categories: No of bedrooms	<b>2,265</b>	<b>100.0%</b>	<b>50,883</b>	<b>100.0%</b>	<b>22,063,368</b>	<b>100.0%</b>
No bedrooms	9	0.4%	71	0.1%	54,938	0.2%
1 bedroom	216	9.5%	4,586	9.0%	2,593,893	11.8%
2 bedrooms	663	29.3%	14,185	27.9%	6,145,083	27.9%
3 bedrooms	964	42.6%	23,460	46.1%	9,088,213	41.2%
4 bedrooms	322	14.2%	6,752	13.3%	3,166,531	14.4%
5 or more bedrooms	91	4.0%	1,829	3.6%	1,014,710	4.6%

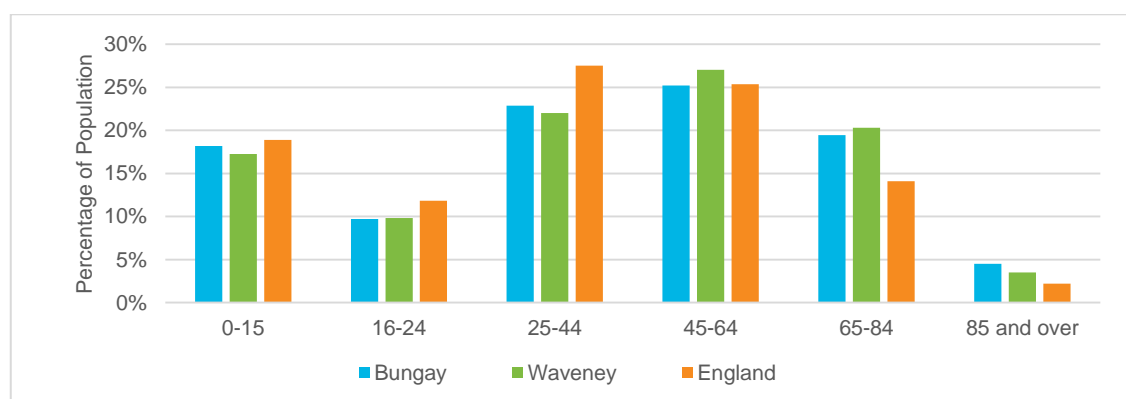
Source: ONS 2011, AECOM Calculations

## 5.2 Household composition and age structure

97. We have established the current stock profile of Bungay and identified recent changes in its composition. The evidence assembled below examines the composition and age structure of households both now and in future years. Through a consideration of the types of households forming and the mix of age groups, it is possible to consider the type and size of housing needed in the NA.

### 5.2.1 Age structure

98. The 2011 Census data reveals that the age band 45-64 is the largest single group, which is also the case in the District, but not nationally, where the largest single group is the age band 25-44. Both the NA and the District have a larger proportion of people in the age bands 65-84 and 85 and over, and a smaller proportion of people in 0-15 and 16-24 compared with England (see Figure 5-1 below).

**Figure 5-1: Age structure, 2011**

Source: ONS 2011, AECOM Calculations

99. The Census shows that since 2001 the proportion of the population aged over 85 has increased by 29.1% in Bungay which is similar to an increase of 27.3% at a District level, while the population aged 16-24 and 25-44 increased by 23.6% and 0.7% in the NA compared to 14.8% and -8.7% at the District level (see Table 5-5 below).

**Table 5-5: Rate of change in the age structure of the population, 2001-2011**

Age group	Bungay	Waveney	England
0-15	-2.6%	-8.7%	1.2%
16-24	23.6%	14.8%	17.2%
25-44	0.7%	-8.7%	1.4%
45-64	4.8%	8.7%	15.2%
65-84	4.5%	11.3%	9.1%
85 and over	29.1%	27.3%	23.7%

Source: ONS 2001-2011, AECOM Calculations

100. ONS population projections also reveal that by the end of the Plan Period in 2036, there will be significant increases in the proportion of the population in older age bands. With the numbers of people aged over 60 all increasing significantly, particularly amongst those aged 70-74. This compares to a decline in age groups 0-9, 24-34, and 50-59. This is likely to lead to a significant increase in the demand for housing related support services. The ageing of the current 45-64 age band also has major implications for Bungay over the neighbourhood plan period.

## 5.2.2 Household composition

101. Household composition in Bungay is similar to the District although differs in that there are around 3.1% more one person households and 2.5% fewer families. Single families with dependent children are the single largest household type in the NA (24.2%), accounting for the prevalence of large family dwellings identified earlier (Table 5-6).

**Table 5-6: Household composition (by household), 2011**

Household composition		Bungay	Waveney	England
<b>One person household</b>	<b>Total</b>	34.1%	30.9%	30.2%
	Aged 65 and over	18.4%	16.3%	12.4%
	Other	15.7%	14.6%	17.9%
<b>One family only</b>	<b>Total</b>	61.9%	64.3%	61.8%
	All aged 65 and over	10.9%	12.6%	8.1%
	With no children	19.5%	19.4%	17.6%
	With dependent children	24.2%	23.5%	26.5%
	All children Non-Dependent	7.2%	8.9%	9.6%
<b>Other household types</b>	<b>Total</b>	4.1%	4.7%	8.0%

Source: ONS 2011, AECOM Calculations

102. Since 2001, the main changes are an increase in single person households under 65 (19.9%), an increase in families with non-dependent children (13.9%), and an increase in families with no children (10.3%). All of these trends were also reflected at the District level (see Table 5-7).

**Table 5-7: Rates of change in household composition, 2001-2011**

Household type		Percentage change, 2001-2011		
		Bungay	Waveney	England
One person household	<b>Total</b>	8.4%	8.8%	8.4%
	Aged 65 and over	0.2%	-3.3%	-7.3%
	Other	19.9%	26.5%	22.7%
One family only	<b>Total</b>	4.1%	3.1%	5.4%
	All aged 65 and over	-7.8%	-0.5%	-2.0%
	With no children	10.3%	9.2%	7.1%
	With dependent children	2.8%	-1.9%	5.0%
	All children non-dependent	13.9%	10.5%	10.6%
<b>Other household types</b>	<b>Total</b>	9.5%	8.5%	28.9%

Source: ONS 2001-2011, AECOM Calculations

103. It is important to recognise that households of different ages are likely to have different housing needs. This relationship is examined in the following section.

### 5.3 Dwelling mix determined by life-stage modelling

104. In this section, we provide an estimate of the mix of size of homes needed by the end of the Plan Period by matching future household composition to current patterns of occupation by age. We are working from the assumption that the same household types are likely to wish to occupy the same size of homes in 2036 as they did in 2011.
105. First, we use household projections provided by MHCLG to achieve an understanding of the future distribution of households by the age of the Household Reference Person (HRP). This data is only available at the District level and for the years 2014 and 2039. Therefore, we have estimated what the distribution of households by the age of the HRP would be in 2036 (red in the table). The data is presented in Table 5-8 below.

**Table 5-8: Projected distribution of Households by age of HRP at the District level**

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	1,420	5,011	16,919	9,418	18,115
2014	1,385	5,249	16,214	8,452	20,088
2036	1,450	4,953	15,902	8,084	27,493
2039	1,459	4,913	15,859	8,034	28,503

Source(s): MHCLG 2014-based household projections, ONS 2011, AECOM Calculations

106. At this point, it is necessary to arrive at an estimate of the change to the age structure of the population in Bungay. To do so, the percentage of increase expected for each group in Waveney, derived from the data presented in Table 5-8 was applied onto the population of Bungay. The results of our calculation are detailed in Table 5-9 below:

**Table 5-9: Projected distribution of Households by age of HRP in the NA**

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	63	245	739	438	780
2014	61	257	708	393	865
2036	64	242	695	376	1184

Source: AECOM Calculations

107. In Table 5-10 below, we set out the distribution of dwellings of different sizes according to the age of the HRP.



**Table 5-10: Age of household reference person to size, grouped at the District level**

Size	Age of HRP 16 to 24	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
1 bedroom	23.4%	9.0%	6.8%	7.8%	11.0%
2 bedrooms	41.2%	31.1%	18.8%	24.1%	36.3%
3 bedrooms	31.5%	50.7%	50.6%	47.5%	41.1%
4 bedrooms	2.1%	7.4%	18.7%	16.0%	9.3%
5+ bedrooms	1.7%	1.8%	5.2%	4.5%	2.3%

Source(s): MHCLG 2014-based household projections, ONS 2011, AECOM Calculations

108. We established the preference shown by households at different life-stages towards dwellings of different sizes, and the approximate number of households in Waveney and Bungay falling into each of these stages at the end of the Plan period in 2036. It is now possible to put forward recommendations as to how the housing stock should evolve in terms of size over the Plan period to overcome any misalignments between supply of dwellings and demand (see Table 5-11 below).

**Table 5-11: Ideal size distribution in the NA at the end of Plan Period, according to household life-stages**

Size	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total Households requiring dwelling sizes
Pop	64	242	695	376	1184	-
1 bedroom	15	22	47	29	130	243
2 bedrooms	27	75	131	91	430	754
3 bedrooms	20	123	351	179	486	1159
4 bedrooms	1	18	130	60	110	319
5+ bedrooms	1	4	36	17	27	85

Source: Census 2011, AECOM Calculations

109. It is now possible to compare the housing mix in terms of size in 2011 with the projected requirement based on the estimates set out above in Table 5-11 as to the change in the age structure of the population in Bungay. Table 5-12 below indicates that, by 2036, the distribution of dwellings should be weighted more towards the smaller end of the size spectrum, with a particular focus on entry-level and family dwellings of two and three bedrooms.

**Table 5-12: Size distribution in 2011 compared to ideal distribution at the end of the Plan Period in the NA**

Number of bedrooms	2011		2036	
	Count	Percentage	Count	Percentage
1 bedroom	9	0.4%	243	9.5%
2 bedrooms	216	9.5%	754	29.4%
3 bedrooms	663	29.3%	1,159	45.3%
4 bedrooms	964	42.6%	319	12.5%
5 or more bedrooms	322	14.2%	85	3.3%
Total households	2,265	100.0%	2,561	100.0%

Source: Census 2011, AECOM Calculations

110. Table 5-13 below sets out in stark terms the dramatic misalignment between demand for housing, based on the preferences expressed by households at different life stages, and the current stock in the NA.

**Table 5-13: Misalignments of supply and demand for housing**

Number of bedrooms	2011	2036	Change to housing mix	Recommended split
1 bedroom	9	243	234	18.5%
2 bedrooms	216	754	538	42.4%
3 bedrooms	663	1,159	496	39.1%
4 bedrooms	964	319	-645	0.0%
5 or more bedrooms	322	85	-237	0.0%

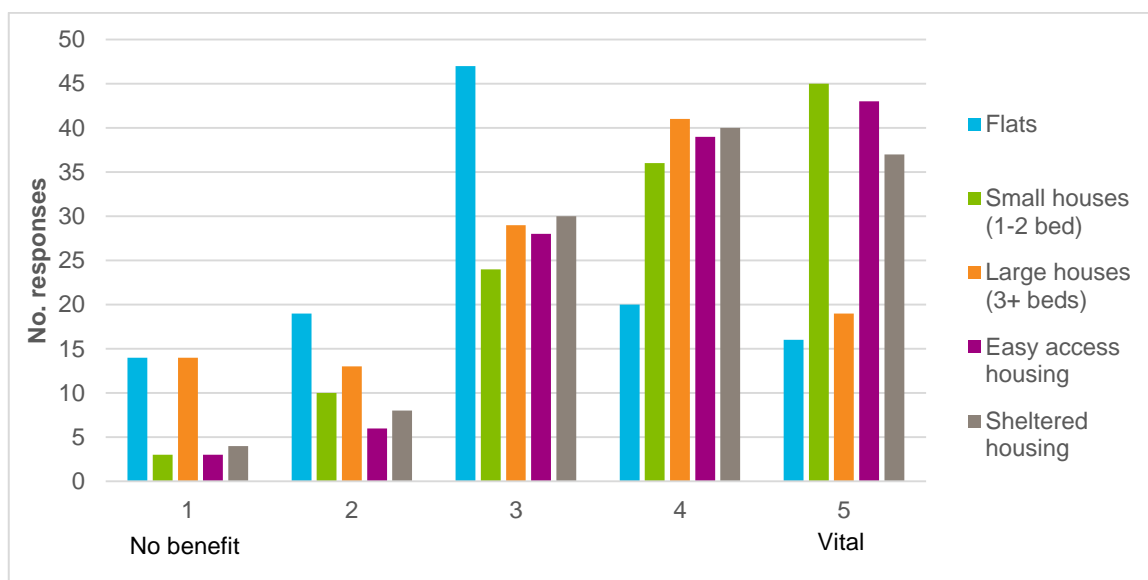
Source: AECOM Calculations

111. In order to avoid misalignment between supply and demand and to re-equilibrate the stock over the plan period, we recommend that 19% of houses in new developments be one-bedroom homes, 42% two-bedroom, and 39% three-bedroom. Most of the communities need will be for two and three-bedroom homes and there will be no need to build further large properties with four or five more bedrooms.

### 5.4 The housing market context

112. As part of the Bungay Neighbourhood Development Plan, an online survey was completed by inhabitants of Bungay. Respondents were asked to indicate on a five-point scale (where 1 = no benefit and 5 = vital) how likely various new housing developments were likely to benefit the area. A summary of the results is set out in Figure 5-2.

**Figure 5-2. Bungay inhabitants' views on the likely benefits of housing developments**



Source: Responses from online survey of Bungay inhabitants from 2SEP17 – 31JAN18

113. The results suggest that there is less demand for flats and large (3 or more bedroom houses) and greater demand for small houses as well as houses which cater to older age groups. The findings of this survey broadly echo those found in the preceding sections in that it appears there is a need within Bungay for smaller homes.

### 5.5 Conclusion

114. The aim of this section was to identify what type (terrace, semi, bungalows, flats, and detached) and size (number of habitable rooms) of housing is appropriate in Bungay.

115. The results of the analysis found that the accommodation profile in Bungay is similar to Waveney District with the majority of housing stock being made up of detached and semi-detached houses. By contrast the numbers of flats are much lower than the numbers of houses.

116. At the time of the last Census, small dwellings of 1-3 habitable rooms constituted 9.7% of total stock; medium sized homes of 4-6 rooms formed 66%; with the largest dwellings, those of 7+ habitable rooms (likely to have 4 or more bedrooms) representing 24.3%. The number of 1 room dwellings was particularly low at only 0.2% of the total stock.

117. The number of small dwellings rose slightly over the intercensal period although this included a decline of 1 room dwellings from 9 to 5 homes. Medium sized dwellings decreased, and larger homes increased over this period. This shift will in part be attributable to domestic development.
118. Considering the distribution of the size of properties according to the number of bedrooms, two- and three-bedroom homes make up the bulk of the stock (71.8%) while the number of one-bedroom dwellings, is lower at around 9.5%.
119. Household composition was found to be broadly similar in Bungay and Waveney District; with a slightly larger proportion of one-person households in the NA (in particular those aged 65 or over); and a slightly smaller proportion of one family households.
120. Over the course of the 2001 and 2011 intercensal period, there was a shift in the structure of household composition in Bungay. The number of one-person households increased, as did the number of one family households with no children and with non-dependent children. While at the same time there was a decrease in one family households aged 65 or older.
121. Trends at the district level relating to the change in household composition suggest the most significant growth is likely to be in one-person households, whereas households with children are forecast to show little growth.
122. In terms of changes to the age structure of the population of Bungay, the intercensal period saw a decrease in the population of residents aged 0-15 years old and a significant increase in the 16-24 age group. However, the greatest increase was recorded in older age groups, particularly those aged 85 and older.
123. Forecasts of future changes in age structure suggest the greatest growth will be in older age groups, again, particularly those aged 85 and over. A smaller increase in younger households between 25-34 is also predicted.
124. The findings from an online survey of Bungay residents suggest that there is less demand for flats and large (3 or more bedroom houses) and greater demand for small houses as well as houses which cater to older age groups.
125. In order to avoid misalignment between supply and demand and to re-equilibrate the stock over the plan period, we recommend that 19% of houses in new developments be one-bedroom homes, 42% two-bedroom, and 39% three-bedroom. Most of the communities need will be for two and three-bedroom homes and there will be no need to build further large properties with four or five more bedrooms.

## 6. RQ 3. Specialist Housing

**RQ3. i) What provision should be made for specialist housing within the NA for elderly residents (aged 75 and above)?**

**RQ3. ii) Bearing in mind the data we have gathered relating to RQs 1 and 2, how should policy support access to suitable housing for newly forming and family households?**

126. There are two parts to the research question addressed in this section of the report.

127. The first section sets out AECOM's estimate of the specialist housing needs of those aged 75+. We do this through two methods, one projection that uses as a starting point the tenure of dwellings typically occupied by people in this age group and, for the purposes of comparison, another based on the Housing Learning and Improvement Network's (HLIN) recommended levels of provision per 1,000 head of population.

128. The second section sets out recommendations on providing specialist housing for newly forming and family households.

### 6.1 Elderly residents

#### Tenure-led projections

129. Firstly, we review data on the tenure of households aged 55-75 across Waveney. We take this cohort approach because it is these households which, over the next 20 years, will be reaching the age of 75+. This is considered the typical threshold age for specialist housing provision, and thus forms the basis for calculations of future housing need and provision within this age group using the HLIN toolkit. We will then use the tenure split within this cohort to project forward the need for specialist housing according to different tenure, based on the premise that those currently occupying their own home will wish to do so in future, even where downsizing or moving into specialist accommodation, and that those who currently rent, either in the private or social sectors, will need affordable rented accommodation of some kind.

**Table 6-1: Tenure of households aged 55-75 in the District, 2011**

All owned	Owned outright	Owned with a mortgage or loan or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
79.1%	61.0%	18.2%	20.9%	11.7%	8.2%	1.0%

Source: Census 2011

130. Secondly we project how the overall number of older people in Bungay is likely to change in future based on the ONS' sub-national population projections for the year 2036.

**Table 6-2: Projections of elderly population in the NA to end of plan period**

Age group	2011		2036	
	Bungay (Census)	Waveney (Census)	Bungay Projection (AECOM Calculation)	Waveney Projection (ONS SNPP 2014)
All ages	5,127	115,254	5,610	126,112
75+	682	13,492	1,121	22,169
%	13.3%	11.7%	20.0%	17.6%

Source: ONS SNPP 2016, AECOM Calculations

131. The results of this exercise provide us with a projection of the number of people living in each tenure in the 55-75 cohort in 2011 as shown in the table below. A key assumption here is that, for the purposes of arriving at the proportion of households aged 75+ falling into different tenures in 2036, and the number of specialist units to be provided, the growth in the overall population of those aged 75 and over may be used. This is justified on the basis that many people over the age of 75 do live alone on account of, for example, the death of a partner, and encourages a conservative view of future provision. In the context of a rapidly aging population, this is not unreasonable.

**Table 6-3: Projected tenure of households aged 75+ in the NA to the end of the Plan Period**

Owned	Owned outright	Owned with a mortgage or loan or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
887	683	203	234	131	92	11

Source: Census 2011, ONS SNPP 2013, AECOM Calculations

132. Thirdly we have considered the incidence of mobility limitations, as defined by the census, within each tenure group for those aged 65+ in Bungay. This allows us to link the levels of need (as defined by the levels of mobility limitations within the population) to tenure (based on the premise that such needs can be deemed a proxy for the need for specialist housing in this age group). The tendency for people in rented housing to have higher dependency levels is well established, and partly arises because people with higher dependency levels tend to have lower incomes and so are less able to afford to buy, even at earlier stages in their lives.

**Table 6-4: Tenure and mobility limitations of those aged 65+ in Bungay, 2011**

Tenure	All categories: Long-term health problem or disability	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
<b>All categories: Tenure</b>	<b>1,097</b>	<b>215</b>	<b>19.6%</b>	<b>316</b>	<b>28.8%</b>	<b>566</b>	<b>51.6%</b>
<b>Owned or shared ownership: Total</b>	<b>858</b>	<b>133</b>	<b>15.5%</b>	<b>251</b>	<b>29.3%</b>	<b>474</b>	<b>55.2%</b>
Owned: Owned outright	782	119	15.2%	232	29.7%	431	55.1%
Owned: Owned with a mortgage or loan or shared ownership	76	14	18.4%	19	25.0%	43	56.6%
<b>Rented or living rent free: Total</b>	<b>239</b>	<b>82</b>	<b>34.3%</b>	<b>65</b>	<b>27.2%</b>	<b>92</b>	<b>38.5%</b>
Rented: Social rented	173	61	35.3%	48	27.7%	64	37.0%
Rented: Private rented or living rent free	66	21	31.8%	17	25.8%	28	42.4%

Source: DC3408EW Health status

133. If we focus on those whose activities are limited a lot, the calculations suggest that of the 234 renters and 887 owners in Bungay in this age group, there could be a need for 137 specialist homes for owner occupiers (15.5% x 887) and 80 for renters of all kinds (34.3% x 234), or 218 new specialist homes in total.
134. These outputs are shown in the table below, based on the assumption that those whose day-to-day activities are limited a lot will need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), whilst those with their day to day activities limited only a little may need adaptations to their existing homes, or sheltered or retirement living providing some degree of oversight or additional services for older people.

**Table 6-5: AECOM estimate of specialist housing need in the NA at the end of the Plan Period**

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Multiply the number of people across all rented (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) housing by the percent in that tenure who have day to day activity limitations limited a lot.	Multiply the number of people across all owned housing by the percent in that tenure who have day to day activity limitations limited a lot.	218
	80	137	
Adaptations, sheltered, or retirement living	Multiply the number of people across all rented housing by the percent who have day to day activity limitations limited a little.	Multiply the number of people across all owned housing by the percent in that tenure who have day to day activity limitations limited a little.	323
	64	259	
<b>Total</b>	<b>144</b>	<b>397</b>	<b>541</b>

Source: Census 2011, AECOM Calculations

#### HLIN recommended provision

135. It is worth comparing these findings with the recommendations of the HLIN, an authority on how to plan for the housing needs of the elderly. In Table 6-6 below we reproduce from their study 'Strategic Housing for Older People'. These serve as a guide as to the numbers of specialist dwellings for older people given the increase in their numbers over the Plan period, and how these should be split into the different tenures.

**Table 6-6: Apportionment of Specialist Housing for Older People**

FORM OF PROVISION	ESTIMATE OF DEMAND PER THOUSAND OF THE RELEVANT 75+ POPULATION
Conventional sheltered housing to rent	60
Leasehold sheltered housing	120
Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) <sup>36</sup>	20
Extra care housing for rent	15
Extra care housing for sale	30
Housing based provision for dementia	6

Source: HLIN

136. As we have seen in Table 6-2, the NA is forecast to have a population of the over 75s of 1,121 by the end of the Plan period, an estimated increase of 440 people. This should mean there should be an additional need (assuming those in need in 2011 are properly housed).

- Conventional sheltered housing to rent =  $60 \times .440 = 26$
- Leasehold sheltered housing =  $120 \times .440 = 53$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) =  $20 \times .440 = 9$
- Extra care housing for rent =  $15 \times .440 = 7$
- Extra care housing for sale =  $30 \times .440 = 13$
- Housing based provision for dementia =  $6 \times .440 = 3$

137. This produces a total of 110 specialist dwellings (rounded).

138. Below are the equivalent HLIN recommendations, which produce a significantly lower figure weighted more towards affordable provision (36.2% relative to 26.6%) and lower care needs (71.7% relative to 59.7%). This finding may relate to an unusually high incidence of disability in the older population in Bungay. It is also worth noting the tenure-led approach includes adapted dwellings which are typically mainstream housing.

**Table 6-7: HLIN estimate of specialist housing need in the NA at the end of the Plan Period**

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	31
	14	18	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	79
	26	53	
<b>Total</b>	<b>40</b>	<b>70</b>	<b>110</b>

Source: HLIN

### Conclusions

139. In comparing these outcomes, it is tempting to equate the type of housing deemed suitable for those who needs are relatively limited in Table 6-5 (323) with 'sheltered housing' in Table 6-7 (79) given that both these address the needs of those with relatively light disabilities; however, the HLIN identifies explicit forms of Specialist Housing.
140. A more accurate comparison is therefore comparing the 218 dwellings identified in the tenure-led approach who require housing with care with 110 specialist dwellings that emerge from the HLIN calculations. In contrast, the 323 figure in the tenure-led projections is based on those who experience a relatively light form of disability, and whose housing needs could be provided through adaptations to a conventional home.
141. For this reason, our recommendation would be to treat these targets as a range, with at least 110 dwellings coming into existence to service the needs of older and elderly people over the Plan period and the tenure-led projection of 218 dwellings functioning as an upper target.
142. It is important to note both the tenure-led and HLIN approach to calculating the need for housing for the elderly do not take account of current provision, and planners should seek to do this before arriving at a final figure.
143. In addition, given the higher build costs of specialist housing for the elderly we feel 20% of all specialist housing for the elderly falling into AH tenures is realistic, roughly midway between the tenure-led and HLIN projections. This should be assessed on the basis of viability, with the Parish Council seeking a higher proportion where appropriate.
144. There is no obligation for the whole need to be provided within the Parish itself. As such, these specialist dwellings do not need to be provided within the neighbourhood plan housing target - rather, there will be some overlap between these dwellings and the target, depending on the number that could reasonably be provided within the parish itself. In many cases, it will be more appropriate for a 'hub and spoke' model to be developed i.e. a development of specialist care dwellings in a nearby larger, more accessible town, serving the needs of a number of smaller, more rural settlements such as Bungay. This approach takes account of larger settlement's higher levels of accessibility to services and facilities. This is helpful in the recruitment and retention of specialist care staff and enable economies of scale (e.g. a centralised dementia care unit or enhanced sheltered development serving a widely dispersed rural population from a single location).
145. Partnership working with specialist developers is also recommended to introduce a greater degree of choice into the housing options for elderly people who wish to leave their family homes in their old age.

## 6.2 Newly forming and family households

### Newly forming households

146. The second part of this research question relates to the housing needs of newly forming households in Bungay. For the purpose of this study, we define newly forming households as those where the Household Reference Person<sup>13</sup> (HRP) is aged between 18 and 35 and is looking to form their own independent household.

<sup>13</sup> See glossary



147. We start by looking at the ONS 'Age by single year' dataset. This reveals that there were 891 individuals aged between 18 and 35 in Bungay in 2011. This represents 17.4% of the population. These individuals may or may not have formed their own households.
148. Table 6-8 below shows that there is a total of 308 households with a HRP aged below 35, or around 13.6% of all 2,265 households in Bungay. To estimate the number of potential newly forming households, we use the following approach:
- i. We multiply the number of households under 35 by the average household size in the Parish (2.26 individuals per household), which results in 696 individuals ( $308 * 2.26 = 696$ ).
  - ii. We then discount the number of individuals below 18. As 145 households live with at least one dependent child, we estimate there were about 145 children among these households. ( $696 - 145 = 551$ ).
  - iii. Therefore, among the 891 individuals who are between 18 and 35, 551 have formed their own household and 340 have not ( $891 - 551 = 340$ ).
  - iv. This represents 150 (rounded) households that could potentially be formed (340 is divided by 2.26).
149. We assume these households are still living with their parents. They will have not formed their own household for several reasons, including the absence of suitable affordable tenures.
150. Census data about household composition shows that 164 households have non-dependent children living in them. The figure of 150 above should therefore be seen as a reasonable estimate.
151. Therefore, around 150 households in Bungay have the potential to form their own household at the time of the last Census in 2011 (3.4% of the total number of households, rounded).

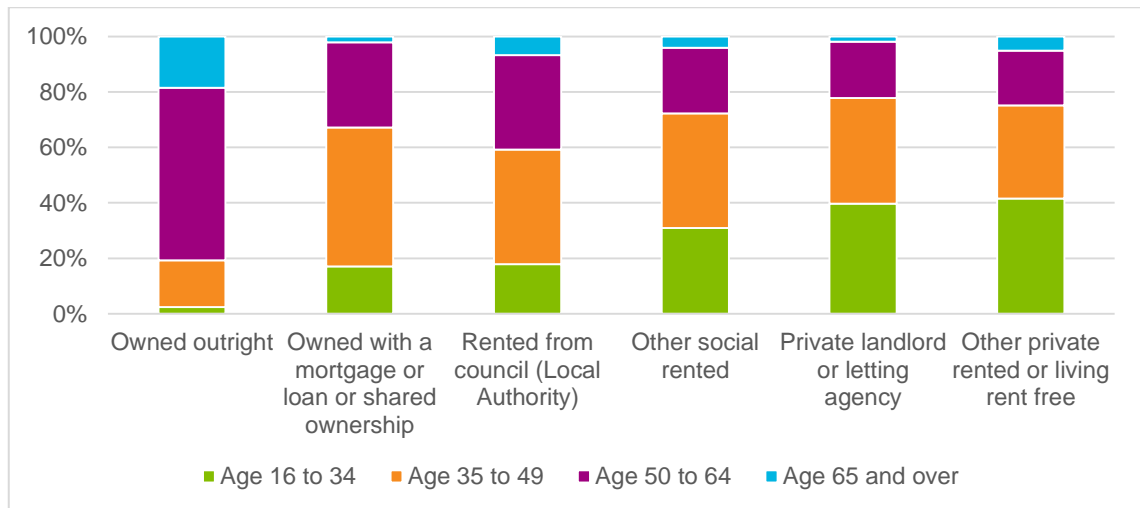
**Table 6-8: Households where age of HRP under 35 in Bungay**

Household Life stage	2011
All categories: Household life stage	2,265
Age of HRP under 35: Total	308
Age of HRP under 35: One-person household	61
Age of HRP under 35: Two or more-person household: No dependent children	102
Age of HRP under 35: Two or more-person household: With dependent children	145

Source: ONS, 2011

152. Now we have identified the number of newly forming households in need, we need to find out the type of tenures they are likely to occupy. We turned to data derived from Census 2011 at the district level showing the tenure of households falling into relevant age groups. From the data set out in
153. Figure 6-1 below, it is apparent that newly forming households (as above, we assume here these households are overwhelmingly aged between 16 and 34) are substantially more dependent on the PRS than other age groups.

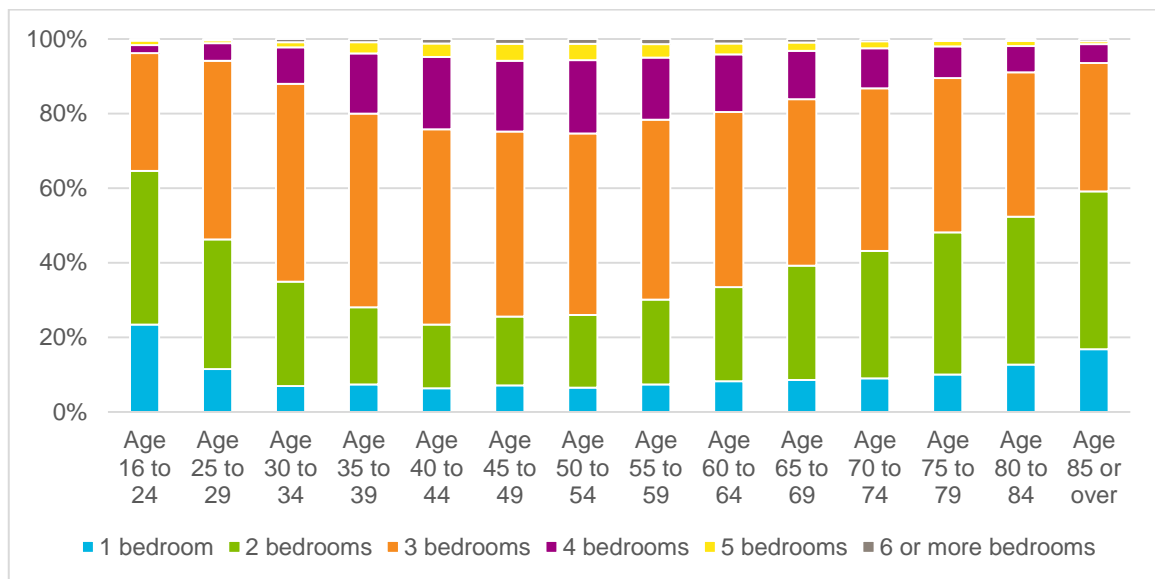
**Figure 6-1: Tenure by age of HRP, Waveney 2011**



Source: ONS, 2011

154. The size of a home typically has a marked correlation with the age of the HRP. In Figure 6-2 below we show the size of dwellings different age groups tend to occupy in Waveney. This shows a tendency among younger households to live in smaller accommodation of one and two bedrooms.

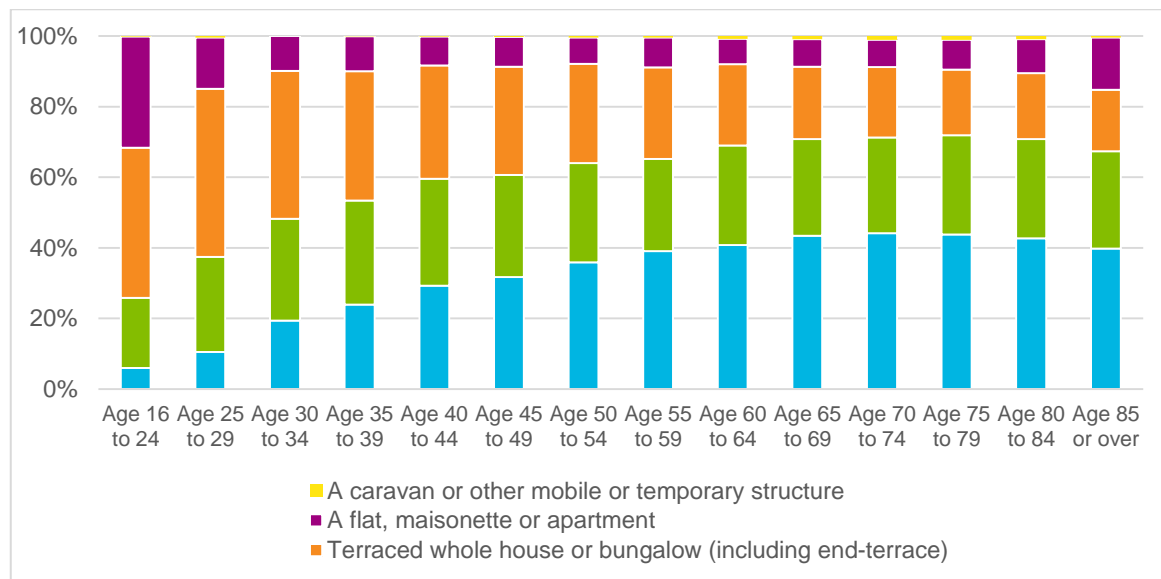
**Figure 6-2: Size of dwelling by age of Household Reference Person, Waveney**



Source: Census, 2011

155. In Figure 6-3 below, we examine the type of dwelling households tend to occupy at different ages. The tendency for younger age groups to live in the flats and terraced homes comes across strongly.

**Figure 6-3: Type of dwelling by age of Household Reference Person**



Source: Census, 2011

156. Based on ONS Census data 2011, we have estimated that around 340 individuals below 35 have not formed their own household by that year. This represents around 150 households with the potential to be formed.
157. Based on the evidence we have gathered, the private rented sector should continue to provide a means for newly forming households to form independent households. For this reason, build to rent development should be supported, particularly as it offers a route to affordable private rented dwellings, a tenure of AH introduced under the revised NPPF.
158. Given careful consideration we have made in this study to affordability, and the resulting division of AH set out in Table 4-6, we do not propose to make any further adjustments in the light of evidence relating to newly forming households.
159. Given our findings relating to type and size of dwellings include a prescription that a substantial share of new-build homes should be of either 1 or 2 bedroom, we do not feel any further adjustment is required in this regard.

#### **Family households**

160. As discussed in Section 5 of this report, there are broad similarities between household composition in Bungay and Waveney although there are some small differences including: a greater proportion of one-person households (in particular those aged 65 or over); and a smaller proportion of one family households.
161. At the time of the last Census, small dwellings of 1-3 habitable rooms constituted 9.7% of the total stock in Bungay; medium sized homes of 4-6 rooms formed 66.0%; with the largest dwellings, those of 7+ habitable rooms (likely to have 4 or more bedrooms), representing 24.3%. Larger homes of 7+ rooms have seen an increase in number over the intercensal period, increasing by 129 dwellings. Considering the distribution of size of properties according to number of bedrooms, two- and three-bedroom homes make up the bulk of the stock (71.8%).
162. There is, therefore, a substantial stock of family sized housing in the NA, and a growth in very large dwellings.
163. The results of our analysis suggest that, in order to avoid misalignment between supply and demand and to re-equilibrate the stock over the plan period, we recommend that 12% of houses in new developments be one-bedroom homes, 36% two-bedroom, and 51% three-bedroom. Most of the communities need will be for two and three-bedroom homes and there will be no need to build further large properties with four or five more bedrooms.

## 7. Conclusions

### 7.1 Findings and Recommendations

165. Below we summarise factors affecting the type of housing needed in Bungay, and our recommendations:

**Table 7-1: Summary of local factors specific to Bungay with a potential impact on neighbourhood plan housing characteristics**

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Conclusions
<b>Affordable Housing<sup>14</sup></b>	Land Registry data, SHMA	<p>The LQAR, based on house prices drawn from Land Registry data and district level household income data drawn from the SHMA, is 11.5, indicating for-sale housing is well beyond the means of those on low incomes.</p> <p>The MAR of 7.6 indicates people on higher incomes are in a stronger position to buy properties priced around the median, than those on lower incomes are able to afford entry-level dwellings.</p> <p>The findings from the survey of Bungay inhabitants reveal a demand for social housing for Affordable Housing within the NA; particularly Starter Homes, for which more than half of respondents saying they were vitally important.</p>	<p>The choice for those whose income falls into the lower quartile are extremely limited. Indeed, according to the data we have gathered, in order to cover the average rent on Social Rented dwellings charged by PRPs such as Housing Associations, these households will need to devote a higher proportion of their household income to housing costs than the recommended ceiling of 25%.</p> <p>For those on income around the median they would be able to afford the Affordable Rented housing. In addition, Shared Ownership at a 25% equity share would offer these households an affordable route to home ownership.</p> <p>For those whose income falls into the upper quartile, their options include the main forms of intermediate housing (Affordable Rent and Shared Ownership), as well as market homes at the entry-level price-point.</p> <p>In terms of the tenure split of Affordable Housing, we would recommend Starter Homes are present in the NA, seeking to fulfil the Government's 10% policy expectation. A need for such housing is reflected in the community survey.</p> <p>The affordability crisis at the lower end of the income spectrum AH provision should include dwellings for Social Rent.</p> <p>The analysis of affordability thresholds indicates that Shared Ownership allows households to access suitable accommodation; suggesting this tenure is suitable in Bungay.</p>

<sup>14</sup> The term 'Affordable Housing' denotes the planning definition set out on page 50 of the National Planning Policy Framework, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/6077/2116950.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf)

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Conclusions
			We recommend a tenure split of: 10% offering 'routes to home ownership' of which 50% should be Starter Homes and 50% Shared Ownership; and 90% Affordable Housing for rent, of which 60% should be Social Rent and 40% Affordable Rent.
<b>Demand/need for smaller dwellings</b>	SHMA, Census, survey of Bungay inhabitants	<p>Trends at the district level relating to the change in household composition suggest one-person households are set to grow substantially, whereas households with children are forecast to show little growth.</p> <p>This is likely to be a reasonable basis on which to plan in respect to small households given the similarity between Bungay and Waveney in terms of household composition.</p> <p>Findings from a survey of inhabitants of Bungay suggested there is significant demand for small houses.</p>	<p>It is very plausible, given evidence at the national and district level, that Bungay will see a growth of small households driven by factors such as an ageing population, the postponement of marriage, and incidence of divorce.</p> <p>In order to avoid misalignment between supply and demand and to re-equilibrate the stock over the plan period, we recommend that 19% of houses in new developments be one-bedroom homes, 42% two-bedroom, and 39% three-bedroom.</p>
<b>Demographic change</b>	Census 2001 and 2011	<p>Over the course of the 2001 and 2011 intercensal period, there has been a shift in the structure of household composition in Bungay.</p> <p>The number of one-person households has increased by 8.4% - note, this was not driven by an increase in the number of households aged 65 or older.</p> <p>There was a significant increase in one family households with no children (10.3%) and with non-dependent children (13.9%). While at the same time there was a decrease in one family households aged 65 or older of 7.8% (compared to a District level decrease of 0.5%).</p> <p>There was also a small increase in one family households with dependent children (2.8%)</p>	The growth in one-person households reinforces the need for small homes in Bungay. While the substantial increase in households where all children are non-dependant suggests a problem of young people being unable to form independent households, this reinforces the need for Affordable Housing.

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Conclusions
<b>Dwelling type</b>	Census 2001 and 2011, survey of Bungay inhabitants	<p>There is a broad spread of house types in Bungay, with a similar distribution of detached and semi-detached dwellings. The accommodation profile is similar to the District level although there are slightly fewer terraced properties (5.7%) in the NA and slightly more semi-detached properties (5.8%).</p> <p>The findings from the survey of Bungay inhabitants reveal a limited demand for flats and a significant demand for houses – particularly small houses and easy access housing.</p>	The findings reveal a significant demand for small houses and easy access housing. It is worth noting the gulf between this distribution and the housing mix in 2011. It is consistent with other evidence gathered in this study that smaller dwellings, as well as that suited to the needs of the elderly is appropriate moving forward.
<b>Family-sized housing</b>	Census 2001 and 2011	<p>At the time of the last Census, small dwellings of 1-3 habitable rooms constituted 9.7% of total stock; medium sized homes of 4-6 rooms formed 66.0%; with the largest dwellings, those of 7+ habitable rooms (likely to have 4 or more bedrooms) representing 24.3%.</p> <p>Larger homes of 7+ rooms have seen an increase in number over the intercensal period, increasing by 129 dwellings.</p> <p>Considering the distribution of size of properties according to number of bedrooms, two- and three-bedroom homes make up the bulk of the stock (71.8%).</p> <p>There are broad similarities between Bungay and Waveney although there are some small differences including a greater proportion of one-person households (in particular those aged 65 or over), and a smaller proportion of one family households.</p>	<p>There is a substantial stock of family sized housing in the NA, and a growth in very large dwellings.</p> <p>In order to avoid misalignment between supply and demand and to re-equilibrate the stock over the plan period, we recommend that 12% of houses in new developments be one-bedroom homes, 36% two-bedroom, and 51% three-bedroom.</p> <p>Most of the communities need will be for two and three-bedroom homes and there will be no need to build further large properties with four or five more bedrooms.</p>
<b>Housing for independent living for older people</b>		The demographic trends noted in this report as regards the age structure and household composition suggests a need to plan for a growth population	Our analysis of the housing needs of older people suggests a range from 110 to 218 dwellings. Given the higher build costs of specialist housing for the elderly 20% of all specialist housing for

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Conclusions
		of elderly people.	the elderly falling into Affordable Housing tenures is realistic. This should be assessed on a site by site basis subject to viability.
<b>Tenure of housing</b>	Census 2011	The dominant tenure is dwellings in owner-occupation. There has been a significant uplift in the PRS in Bungay. There was a fall in the proportion of shared ownership contrasting to a significant growth at the district level. There was also a fall in the number of Social Rented homes greater than at the district level.	The delivery of market homes provides the resources for infrastructure improvements as well as Affordable Housing. Given the need that has been identified for additional affordable market housing, it is appropriate for planning policy to support the delivery of for-sale homes, subject to a flexible policy that supports the delivery of homes of a range of types and sizes.  The growth of the PRS reflects the inability of households to access for-sale dwellings. New Build to Rent units may include a portion of Affordable Private Rent Housing, a new tenure of Affordable Housing introduced under the National Planning Policy Framework (2018).
<b>Newly forming households</b>	Census 2011	We have estimated that around 340 individuals below 35 have not formed their own households.  This represents around 150 households with the potential to be formed.	The Private Rented Sector has been shown to provide a route for young people to form independent households. For this reason build to rent development should be supported, particularly as it offers a route to “affordable private rented dwellings”, a tenure of Affordable Housing introduced under the revised NPPF.

## 7.2 Recommendations for next steps

166. This neighbourhood plan housing needs advice has aimed to provide Bungay with evidence on housing trends from a range of sources. We recommend that the parish should, as a next step, discuss the contents and conclusions with Waveney District with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the NP area, bearing the following in mind:

- Neighbourhood Planning Basic Condition A, that it has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the neighbourhood plan contributes to the achievement of sustainable development; and Condition E, which is the need for the neighbourhood plan to be in general conformity with the adopted strategic development plan.
- The views of Waveney District – in particular in relation to the housing need figure that should be adopted;
- The views of local residents.
- The views of other relevant local stakeholders, including housing developers.
- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the LPA, including but not limited to the SHLAA.



- The recommendations and findings of this study.
  - The impact of the new Government proposed standard methodology on calculating housing need on the district and its neighbourhoods.
167. Recent changes to the planning system, forthcoming changes to the NPPF, as well as the implementation of the Housing and Planning Act, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
168. This advice note has been provided in good faith by AECOM consultants on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).
169. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Waveney District or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.
170. At the same time, monitoring on-going demographic or other trends over the period in which the neighbourhood plan is being developed (factors summarised in Table 7-1) would help ensure relevance and credibility of its policies.

## Appendix A : Calculation of Affordability Thresholds

### A.1 Market housing

171. Given the limited quantity of Affordable Housing (AH) in the NA, the needs of the great majority of the people will be served by the market. People on higher incomes will be able to access a variety of market dwellings; their choices will be driven principally by how much they can afford to spend, the extent to which old age is driving their choice of home, as well as personal taste.
172. The operation of the market is the best means of addressing the demand for different types of housing for sale. It is important planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand; this is after all the principal way equilibrium is achieved in the housing market and house price growth kept in check. In this way the notion of viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.
173. To determine affordability in market housing, we consider two primary indicators, 'Income Thresholds' (IT), which denote the maximum share of a family's income that should be spent on accommodation costs, and secondly 'Purchase Thresholds' (PT), which denote the standard household income requirement to access mortgage products.

### A.2 Market sales

174. The starting point for calculating the affordability of a market dwelling for sale (Purchase Threshold) for a given household is the loan to value ratio to which most mortgage companies are prepared to agree. This is conservatively estimated to be 3.5. We note that to produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first-time buyer) should be taken into account. However, this data is not available for Bungay; an assumption is therefore made that a 10% purchase deposit is available to the prospective buyer. The calculation is therefore:
- Value of an 'entry level dwelling'<sup>15</sup> = £157,250
  - Purchase deposit = £15,725 @10% of value
  - Value of dwelling for mortgage purposes = £141,525
  - Loan to value ratio = 3.5 of value of mortgage
  - Purchase Threshold = **£40,436**

### A.3 Private rented sector (PRS)

175. Income thresholds are used to calculate the affordability of rented tenures of housing, private or social. Households are deemed to be able to afford private rent if the lower quartile private rent does not exceed 25% of gross household income for households with incomes of less than £40,000 per annum, or 30% for households with incomes of more than £40,000 per annum.
176. For the purposes of arriving at an understanding of lower quartile private rent, an assumption is made that this equates to the average rent paid in the NA for a two-bedroom dwelling (enough space for two or three individuals). In order to conform with the Government guidance on overcrowding<sup>16</sup>, such a home would require three habitable rooms (a flat or house with two bedrooms). We have turned to the property website [Home.co.uk](http://Home.co.uk) to establish the rental values for property in the NA. The best available data is derived from properties available for rent within the NR35 postcode area. This area includes Bungay and, while it is a larger area than the NA, it covers a geography that is similar to it and can therefore reasonably serve as a proxy. The comparator sets out rents from Suffolk.

<sup>15</sup> Entry level dwelling can be understood to mean the average value of dwellings falling into the lower quartile of house prices in the NA. For the purpose of this exercise, we have used the lowest valuation set out in Table 4-3 of £157,250.

<sup>16</sup> This is based in the notion of the 'room standard'. This indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room).  
[http://england.shelter.org.uk/housing\\_advice/repairs/overcrowding](http://england.shelter.org.uk/housing_advice/repairs/overcrowding)

**Table A-1: Rental sector statistics (two-bedroom homes) in NR35 postcode area versus county average**

	Bungay (NR35)	Suffolk	Difference
Average time on market (days)	354	244	31.1%
Average property rents (pcm)	£591	£771	-30.5%

Source: [Home.co.uk](https://www.home.co.uk)

177. It is possible to derive from this data the estimated income threshold for PRS dwellings in the NA; the calculation is therefore:

- Annual rent = £591 x 12 = £7,092
- Multiplied by 4 = £28,368
- Income Threshold (PRS) = **£28,368**

178. While the new NPPF acknowledges that Build to Rent dwellings have a role to play in providing affordable market homes, market rents for dwellings in Bungay are likely to impose a similar financial burden on households as for sale dwellings. Nevertheless, such developments may contribute to AH need where they include a component of Affordable Private Rent.

## A.4 Affordable housing

179. We identified the various different tenures that constitute the new definition of Affordable Housing (AH) within the NPPF (2018 version): Social Rent and Affordable Rent, Starter Homes, discounted market sales housing, and other affordable routes to home ownership.

180. This variety of AH tenures reflects an ambition by the Government to provide a pathway to home ownership to those who seek it, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide AH into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay.

181. A good example is, in 2012, the introduction of dwellings for Affordable Rent, rent for this tenure is set at up to 80% of market rent, with the intention that the additional income is used to help fund the development of new homes. Labelled an 'intermediate' product, this would be suitable for people with an income that precludes them from eligibility for the Social Rent dwellings (those dwellings where the rent is set in accordance with the Government's rent policy), but who cannot afford to access the private market.

182. The overall aim is to reduce the group who are eligible for Social Rent dwellings to those who have, relatively speaking, very low household incomes. However, within this segment, market principles also apply given the link between rents and size of dwelling, with a strong financial incentive for households to only occupy a dwelling deemed suited to their composition, based on an 'occupancy rating' formula set by the Government.

183. We consider each of the AH tenures in turn, before arriving at a recommendation for how the quota of AH yielded by development should be divided between these tenure types.

### A.4.1 Social Rent

184. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual property values and average earnings in each area, maintaining substantial discounts to market rents. As such, it is suitable for the needs of those on low incomes and is subject to strict eligibility criteria.

185. To determine social rent levels, we have used the Data and Statistical Return (DSR) from the HCA. This data is only available at the District level but operates as an acceptable proxy for Bungay given the shared demographic and employment characteristics identified in this study between the two geographies. DSR provides data about rents and the size and type of stock owned and managed by Private Registered Providers (PRPs) and is presented in the table below.

**Table A-2: Social Rent levels 2018 (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent £pw	£74	£87	£98	£106	£90
Annual average	£3,870	£4,546	£5,081	£5,531	£4,681
Income needed	£15,479	£18,183	£20,326	£22,123	£18,723

Source: HCA (SDR 2018), AECOM Calculations

186. Given the household income levels reported in the SHMA studies, it is appropriate that a substantial portion of the AH dwellings coming through the planning system are for Social Rent.

#### A.4.2 Affordable Rent

187. Commentators have repeatedly raised concerns about Affordable Rent not constituting a realistic form of AH given that in many areas this reduces rent to levels that are still beyond the means of the target group: those on incomes substantially below the mean.
188. Affordable Rent is controlled at no more than 80% of the local market rent; as we have seen the annual entry-level rent is £7,092. In the event of a 20% reduction in rent to £5,674, the IT would come down to an estimated £22,694.
189. It is however worth noting data drawn from the DSR; this shows the average weekly rents charged by PRPs in Waveney District during the 2018 reporting period. This shows that, in practice, Affordable Rent levels may be somewhat lower than the headline figure of 80% of market rents would suggest, with the IT for a two-bed dwelling at £20,696.

**Table A-3: Affordable Rent levels 2018 (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent PCM	£82	£100	£110	£117	£97
Annual average	£4,285	£5,174	£5,743	£6,087	£5,038
Income needed	£17,141	£20,696	£22,974	£24,346	£20,153

Source: HCA (SDR 2016-17), AECOM Calculations

#### A.4.3 Intermediate tenures

190. Intermediate housing includes homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. They can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing.

##### **Starter Homes**

191. The Housing and Planning Act 2016 includes provisions to introduce a general duty on planning authorities in England to promote the supply of 'Starter Homes' and a specific duty to require a minimum number or proportion of 'Starter Homes' on certain residential development sites. In Paragraph 64 of the NPPF, the Government introduces a recommendation that *"where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership"*.
192. This is a fulfilment of the direction of travel set in the Housing White Paper which states that, *"in keeping with our approach to deliver a range of affordable homes to buy, rather than a mandatory requirement for 'Starter Homes,' we intend to amend the NPPF to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units. It will be for local areas to work with developers to agree an appropriate level of delivery of 'Starter Homes,' alongside other affordable home ownership and rented tenures"*.
193. This is a substantial watering-down of the 'Starter Home' requirement as envisaged when the policy contained in the Housing and Planning Act was first conceived. In effect, it leaves it to local groups, including neighbourhood plans, to decide an appropriate level of affordable home ownership products, while taking note of the 10% policy expectation.
194. A Starter Home is a new build home with a value not exceeding £250,000 outside London and £450,000 inside the city; they are eligible for first time buyers aged under 40.

195. The decision whether to treat Starter Homes as AH should be determined by whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access Affordable Market Housing for purchase.
196. So as to provide an assessment of suitability of Starter Homes, we propose to use the value we have estimated for an entry-level dwelling of £157,250 set out in Table 4-3. It is important to note that dwellings priced at this level fall within the £250,000 threshold.
197. Applying a discount of 20% arrives at the approximate selling price of £125,800. Allowing for a 10% deposit further reduces the value of the property to £113,220. The IT at a multiple of 3.5 is **£32,349**. The income required is significantly higher than the median income for the NA (£23,885) for households in need of housing, and although building Starter Homes would reduce affordability pressures, home ownership would still remain out of reach for many people.
198. Notwithstanding, for those earning between £40,000 and £50,000 who wish to purchase their own home, Starter Homes offer a route to do so.

### Shared Ownership

199. As we have seen earlier, Shared Ownership dwellings form a small part of the stock in Bungay (there were only 15 such dwellings reported in the 2011 Census) and there has been a decrease over the 2001-11 intercensal period.
200. Shared Ownership involves the purchaser buying an initial share in a property typically of between 25% and 75%, then paying rent on the share retained by the provider. Shared Ownership is flexible in two respects, in the share which can be purchased, and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied by 'stair-casing'. Generally, stair-casing will be upward, thereby increasing the share owned. In exceptional circumstances (as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to both first-time buyers, people who have owned a home previously, and council and housing association tenants with a good credit rating whose household income does not exceed £60,000.
201. To determine the affordability of Shared Ownership, calculations are based on the lower quartile house price of £157,250 in 2017<sup>17</sup>. The amount of the deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to value ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 25% of their income on rent (as for the IT for PRS).
202. A 25% equity share of £157,250 is £39,313, from which a 10% deposit of £3,931 is netted off. The mortgage cost is therefore £35,381. To secure a mortgage of £35,381, an annual income of £10,109 (£35,381 / 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 75% Shared Ownership equity, the unsold value of £117,938. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £2,948 and requires an income of £11,794. Therefore, an income of around **£21,903** (£10,109 + £11,794) is required to afford a 25% shared equity purchase of an entry-level house with annual rent.
203. A 50% equity share of £157,250 is £78,625, from which we are netting off a 10% deposit of £7,863. The mortgage cost is therefore £70,763. To secure a mortgage of £70,763, an annual income of £20,218 (£70,763 / 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 50% Shared Ownership equity, the unsold value of £78,625. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £1,966, requiring an income of £7,863. Therefore, an annual income of around **£28,080** (£20,218 + £7,863) is required to afford a 50% shared equity purchase of an entry-level house with annual rent.
204. A 75% equity share of £157,250 is £117,938, from which we are netting off a 10% deposit of £11,794. The mortgage cost is therefore £106,144. To secure a mortgage of £106,144, an annual income of £30,327 (£106,144 / 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 25% Shared Ownership equity, the unsold value of £39,313. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £983, requiring an income of £3,931. Therefore, an annual income of around **£34,258** (£30,327 + £3,931) is required to afford a 75% shared equity purchase of an entry-level house with annual rent.

<sup>17</sup> It is important to note that this is based on new build sales only. The current Shared Ownership models are only available for new build homes, with the assumed cost therefore differing from the cost of open market housing, which also include resale properties.

205. Given these values, again noting where these values fall in relation to AH dwellings, PRS and for sale homes, Shared Ownership offers an alternative choice to people seeking to move over to a tenure that offers a route to home ownership. For this reason, it is reasonable to include this tenure within the housing mix at Bungay.

**Table A-4: Affordability Thresholds (Income required, £)**

Tenure	Cost of purchase	Annual rent	Income required
Market Rent – Entry-level	N/A	£7,092	£28,368
Entry level Market Sale	£157,250	N/A	£40,436
Shared Ownership (75%)	£117,938	£983	£34,258
Starter Homes	£125,800	N/A	£32,349
Shared Ownership (50%)	£78,625	£1,966	£28,080
Affordable Rent – 3 Bed Dwelling	N/A	£5,743	£22,974
Affordable Rent – 2 Bed Dwelling	N/A	£5,174	£20,696
Social Rent – 3 Bed Dwelling	N/A	£5,081	£20,326
Social Rent – 2 Bed Dwelling	N/A	£4,546	£18,183
Shared Ownership (25%)	£39,313	£2,948	£21,903

Source: AECOM Calculations

## Appendix B : Housing Needs Assessment Glossary

### Adoption

The final confirmation of a local plan by a local planning authority.

### Affordability<sup>18</sup>

The terms 'affordability' and 'affordable housing' have different meanings. 'Affordability' is a measure of whether housing may be afforded by certain groups of households. 'Affordable housing' refers to particular products outside the main housing market.

### Affordability Ratio

Assessing affordability involves comparing house costs against the ability to pay. The ratio between lower quartile house prices and the lower quartile income or earnings can be used to assess the relative affordability of housing. The Ministry for Housing, Community and Local Governments publishes quarterly the ratio of lower quartile house price to lower quartile earnings by local authority (LQAR) as well as median house price to median earnings by local authority (MAR) e.g. income = £25,000, house price = £200,000. House price: income ratio = £200,000/£25,000 = 8, (the house price is 8 times income).

### Affordable Housing (NPPF Definition)/Intermediate Housing<sup>19</sup>

Social rented, affordable rented, and intermediate housing provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision. Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England. Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing. Homes that do not meet the above definition of affordable housing, such as "low cost market" housing, may not be considered as affordable housing for planning purposes.

### Affordable Rented Housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime\*\* but is subject to other rent controls that require a rent of no more than 80% of the local market rent (Including service charges, where applicable)\*\*\* \*\* The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). \*\*\* Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods. The Tenant Services Authority has issued an explanatory note on these at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

### Annual Monitoring Report

A report submitted to the Government by local planning authorities assessing progress with and the effectiveness of a Local Development Framework.

### Basic Conditions

The basic conditions are the legal tests that are made at the examination stage of neighbourhood development plans. They need to be met before a plan can progress to referendum.

<sup>18</sup> <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

<sup>19</sup> <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>



### **Backlog Need**

The backlog need constitutes those households who are eligible for Affordable Housing, on account of homelessness, over-crowding, concealment or affordability, but who are yet to be offered a home suited to their needs.

### **Bedroom Standard<sup>20</sup>**

A measure of occupancy (whether a property is overcrowded or under-occupied, based on the number of bedrooms in a property and the type of household in residence. The Census overcrowding data is based on occupancy rating (overcrowding by number of rooms not including bathrooms and hallways). This tends to produce higher levels of overcrowding/ underoccupation. A detailed definition of the standard is given in the Glossary of the EHS Household Report.

### **Co-living**

Co-living denotes people who do not have family ties sharing either a self-contained dwelling (i.e. a 'house share') or new development akin to student housing in which people have a bedroom and bathroom to themselves, but share living and kitchen space with others. In co-living schemes each individual represents a separate 'household'.

### **Community Led Housing/Community Land Trusts**

Housing development, provision and management that is led by the community is very often driven by a need to secure affordable housing for local people in the belief that housing that comes through the planning system may be neither the right tenure or price-point to be attractive or affordable to local people. The principle forms of community-led models include cooperatives, co-housing communities, self-help housing, community self-build housing, collective custom-build housing, and community land trusts. By bringing forward development which is owned by the community, the community is able to set rents and/or mortgage payments at a rate that it feels is appropriate. The Government has a range of support programmes for people interested in bringing forward community led housing.

### **Community Right to Build Order<sup>21</sup>**

An Order made by the local planning authority (under the Town and Country Planning Act 1990) that grants planning permission for a site-specific development proposal or classes of development.

### **Concealed Families (Census Definition)<sup>22</sup>**

The 2011 Census defined a concealed family as one with young adults living with a partner and/or child/children in the same household as their parents, older couples living with an adult child and their family or unrelated families sharing a household. A single person cannot be a concealed family; therefore, one elderly parent living with their adult child and family or an adult child returning to the parental home is not a concealed family; the latter are reported in an ONS analysis on increasing numbers of young adults living with parents.

### **Equity Loans/Shared Equity**

An equity loan which acts as a second charge on a property. For example, a household buys a £200,000 property with a 10% equity loan (£20,000). They pay a small amount for the loan and when the property is sold e.g. for £250,000 the lender receives 10% of the sale cost (£25,000). Some equity loans were available for the purchase of existing stock. The current scheme is to assist people to buy new build.

### **Extra Care Housing<sup>23</sup>**

New forms of sheltered housing and retirement housing have been pioneered in recent years, to cater for older people who are becoming frailer and less able to do everything for themselves. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very or enhanced sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats, bungalow

<sup>20</sup> <https://www.gov.uk/government/publications/english-housing-survey-2011-to-2012-headline-report>

<sup>21</sup> <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>22</sup> [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)

<sup>23</sup> <http://www.housingcare.org/jargon-extra-care-housing.aspx>



estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents' lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff. Properties can be rented, owned or part owned/part rented. There is a limited (though increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet.

### **Fair Share**

'Fair share' is an approach to determining housing need within a given geographical area based on a proportional split according to the size of the area, the number of homes in it, or its population.

### **Habitable Rooms**

The number of habitable rooms in a home is the total number of rooms, less bathrooms, toilets and halls.

### **Household Reference Person (HRP)**

The concept of a Household Reference Person (HRP) was introduced in the 2001 Census (in common with other government surveys in 2001/2) to replace the traditional concept of the head of the household. HRPs provide an individual person within a household to act as a reference point for producing further derived statistics and for characterising a whole household according to characteristics of the chosen reference person.

### **Housing Market Area (PPG Definition)<sup>24</sup>**

A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap.

The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate.

### **Housing Needs**

There is no official definition of housing need in either the National Planning Policy Framework or the National Planning Practice Guidance. Clearly, individuals have their own housing needs. The process of understanding housing needs at a population scale is undertaken via the preparation of a Strategic Housing Market Assessment (see below).

### **Housing Needs Assessment**

A Housing Needs Assessment (HNA) is an assessment of housing needs at the Neighbourhood Area level.

### **Housing Products**

Housing products simply refer to different types of housing as they are produced by developers of various kinds (including councils and housing associations). Housing products usually refer to specific tenures and types of new build housing, such as Starter Homes, the Government's flagship 'housing product'.

### **Housing Size (Census Definition)**

Housing size can be referred to either in terms of the number of bedrooms in a home (a bedroom is defined as any room that was intended to be used as a bedroom when the property was built, any rooms permanently converted for use as bedrooms); or in terms of the number of rooms, excluding bathrooms, toilets halls or landings, or rooms that can only be used for storage. All other rooms, for example, kitchens, living rooms, bedrooms, utility rooms, studies and conservatories are counted. If two rooms have been converted into one, they are counted as one room. Rooms shared between a number of households, for example a shared kitchen, are not counted.

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<sup>24</sup> <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

**Housing Type (Census Definition)**

This refers to the type of accommodation used or available for use by an individual household, including detached, semi-detached, terraced including end of terraced, and flats. Flats are broken down into those in a purpose-built block of flats, in parts of a converted or shared house, or in a commercial building.

**Housing Tenure (Census Definition)**

Tenure provides information about whether a household rents or owns the accommodation that it occupies and, if rented, combines this with information about the type of landlord who owns or manages the accommodation.

**Income Threshold**

Income thresholds are derived as a result of the annualisation of the monthly rental cost and then asserting this cost should not exceed 35% of annual household income.

**Intercensal Period 2001-2011**

The period between the last two censuses, i.e. between years 2001 and 2011.

**Intermediate Housing**

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing. Homes that do not meet the above definition of affordable housing, such as 'low cost market' housing, may not be considered as affordable housing for planning purposes.

**Life Stage Modelling**

Life Stage modelling is forecasting need for dwellings of different sizes at the end of the Plan period on the basis of changes in the distribution of household types and key age brackets (life stages) within the NA. Given the shared behavioural patterns associated with these metrics, they provide a helpful way of understanding and predicting future community need. This data is not available at the parish level, so District level data is employed on the basis of the NA falling within a defined Housing Market Area.

**Life-time Homes**

Dwellings constructed to make them more flexible, convenient adaptable and accessible than most 'normal' houses, usually according to the Lifetime Homes Standard, 16 design criteria that can be applied to new homes at minimal cost: <http://www.lifetimehomes.org.uk/http://www.lifetimehomes.org.uk/>.

**Life-time Neighbourhoods**

Lifetime neighbourhoods extend the principles of Lifetime Homes into the wider neighbourhood to ensure the public realm is designed in such a way to be as inclusive as possible and designed to address the needs of older people, for example providing more greenery and more walkable, better connected places.

**Local Development Order**

An Order made by a local planning authority (under the Town and Country Planning Act 1990) that grants planning permission for a specific development proposal or classes of development.

**Local Enterprise Partnership**

A body, designated by the Secretary of State for Communities and Local Government, established for the purpose of creating or improving the conditions for economic growth in an area.

**Local Planning Authority**

The public authority whose duty it is to carry out specific planning functions for a particular area. All references to local planning authority apply to the District council, London borough council, county council, Broads Authority, National Park Authority and the Greater London Authority, to the extent appropriate to their responsibilities.

**Local Plan**

The plan for the future development of the local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. Current core strategies or other planning policies, which under the regulations would be considered to be development plan documents, form part of the Local Plan. The term includes old policies which have been saved under the 2004 Act.

**Lower Quartile**

The bottom 25% value, i.e. of all the properties sold, 25% were cheaper than this value and 75% were more expensive. The lower quartile price is used as an entry level price and is the recommended level used to evaluate affordability; for example, for first time buyers.

**Lower Quartile Affordability Ratio**

The Lower Quartile Affordability Ratio reflects the relationship between Lower Quartile Household Incomes and Lower Quartile House Prices, and is a key indicator of affordability of market housing for people on relatively low incomes.

**Market Housing (PPG Definition)**

Market housing is housing which is built by developers (which may be private companies or housing associations, or Private Registered Providers), for the purposes of sale (or rent) on the open market. It is the opposite of affordable housing.

**Mean (Average)**

The sum of all values divided by the number of values. The more commonly used "average" measure as it includes all values, unlike the median

**Median**

The middle value, i.e. of all the properties sold, half were cheaper, and half were more expensive. This is sometimes used instead of the mean average as it is not subject to skew by very large or very small statistical outliers.

**Median Affordability Ratio**

The Lower Quartile Affordability Ratio reflects the relationship between Median Household Incomes and Median House Prices, and is a key indicator of affordability of market housing for people on middle-range incomes.

**Mortgage Ratio**

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years<sup>25</sup>, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

**Neighbourhood Plan**

A plan prepared by a Parish or Town Council or Neighbourhood Forum for a particular neighbourhood area (made under the Planning and Compulsory Purchase Act 2004).

**Older People**

People over retirement age, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs.

**Output Area/Lower Super Output Area/Middle Super Output Area**

An output area is the lowest level of geography for publishing statistics and is the core geography from which statistics for other geographies are built. Output areas were created for England and Wales from the 2001 Census data, by grouping a number of households and populations together so that each output area's

<sup>25</sup> <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

population is roughly the same. 175,434 output areas were created from the 2001 Census data, each containing a minimum of 100 persons with an average of 300 persons. Lower Super Output Areas consist of higher geographies of between 1,000-1,500 persons (made up of a number of individual Output Areas) and Middle Super Output Areas are higher than this, containing between 5,000 and 7,200 people, and made up of individual Lower Layer Super Output Areas. Some statistics are only available down to Middle Layer Super Output Area level, meaning that they are not available for individual Output Areas or parishes.

### **Overcrowding**

There is no one agreed definition of overcrowding, however, utilising the Government's bedroom standard, overcrowding is deemed to be in households where there is more than one person in the household per room (excluding kitchens, bathrooms, halls and storage areas). As such, a home with one bedroom and one living room and one kitchen would be deemed overcrowded if three adults were living there.

### **Planning Condition**

A condition imposed on a grant of planning permission (in accordance with the Town and Country Planning Act 1990) or a condition included in a Local Development Order or Neighbourhood Development Order.

### **Planning Obligation**

A legally enforceable obligation entered into under section 106 of the Town and Country Planning Act 1990 to mitigate the impacts of a development proposal.

### **Purchase Threshold**

Purchase thresholds are calculated by netting 10% off the entry house price to reflect purchase deposit. The resulting cost is divided by 4 to reflect the standard household income requirement to access mortgage products.

### **Proportionate and Robust Evidence (PPG Definition)**

Proportionate and robust evidence is evidence which is deemed appropriate in scale, scope and depth for the purposes of neighbourhood planning, sufficient so as to meet the Basic Conditions, as well as robust enough to withstand legal challenge. It is referred to a number of times in the PPG and its definition and interpretation relies on the judgement of professionals such as Neighbourhood Plan Examiners.

### **Private Rented**

The Census tenure private rented includes a range of different living situations in practice, such as private rented / other including households living "rent free". Around 20% of the private rented sector are in this category, which will have included some benefit claimants whose housing benefit at the time was paid directly to their landlord. This could mean people whose rent is paid by their employer, including some people in the armed forces. Some housing association tenants may also have been counted as living in the private rented sector because of confusion about what a housing association is.

### **Rural Exception Sites**

Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. Small numbers of market homes may be allowed at the local authority's discretion, for example where essential to enable the delivery of affordable units without grant funding.

### **Shared Ownership**

Housing where a purchaser part buys and part rents from a housing association or local authority. Typical purchase share is between 25% and 75%, and buyers are encouraged to buy the largest share they can afford. Generally, applies to new build properties, but re-sales occasionally become available. There may be an opportunity to rent at intermediate rent level before purchasing a share in order to save/increase the deposit level

### **Sheltered Housing<sup>26</sup>**

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all

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<sup>26</sup> <http://www.housingcare.org/jargon-sheltered-housing.aspx>

developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bedroomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

### **Strategic Housing Land Availability Assessment (NPPF Definition)**

A Strategic Housing Land Availability Assessment (SHLAA) is a document prepared by one or more local planning authorities to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period. SHLAAs are sometimes also called LAA (Land Availability Assessments) or HELAAS (Housing and Economic Land Availability Assessments) so as to integrate the need to balance assessed housing and economic needs as described below.

### **Strategic Housing Market Assessment (NPPF Definition)**

A Strategic Housing Market Assessment (SHMA) is a document prepared by one or more local planning authorities to assess their housing needs, usually across administrative boundaries to encompass the whole housing market area. The NPPF makes clear that SMAs should identify the scale and mix of housing and the range of tenures the local population is likely to need over the plan period. Sometimes SMAs are combined with Economic Development Needs Assessments to create documents known as HEDNAs (Housing and Economic Development Needs Assessments).

### **Specialist Housing for the Elderly**

Specialist housing for the elderly, sometimes known as specialist accommodation for the elderly, encompasses a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups (usually 55+ or 65+). This could include residential institutions, sometimes known as care homes, sheltered housing, extra care housing, retirement housing and a range of other potential types of housing which has been designed and built to serve the needs of older people, including often providing care or other additional services. This housing can be provided in a range of tenures (often on a rented or leasehold basis).

### **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.) for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>27</sup>

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<sup>27</sup> <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

AECOM Comment Actions

Date:

<b>Comment No. or Summary</b>	<b>AECOM Action or Non-Action</b>	<b>Explanation</b>
Could there be a summary of key points included?	No change	The summary of key points is set out in the executive summary under 'headlines.'

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