



# Halesworth Housing Needs Assessment (HNA)

November 2019

## Quality information

### Prepared by

Lucy Wildsmith  
Graduate Consultant

### Checked by

Paul Avery  
Senior Consultant

### Approved by

Jesse Honey  
Associate Director

## Revision History

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**Prepared for:**

Halesworth Neighbourhood Plan Steering Group

**Prepared by:**

AECOM

Aldgate Tower  
2 Leman Street  
London  
E1 8FA  
aecom.com

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

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
ESC	East Suffolk Council
HNA	Housing Needs Assessment
HNF	Housing Need Figure
Housing LIN	Housing Learning and Improvement Network
HRP	Household Reference Person
HTC	Halesworth Town Council
LHN	Local Housing Need
LPA	Local Planning Authority
LQAR	Lower Quartile Affordability Ratio
LTHPD	Long-Term Health Problem or Disability
MAR	Median Affordability Ratio
MH	Market Housing
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
NA	Neighbourhood (Plan) Area
NDO	Neighbourhood Development Order
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

# 1. Executive Summary

## 1.1 RQ 1. Tenure and Affordability

### Conclusions

- The vast majority Halesworth's current tenure profile is made up of Home Owners. This is followed by Social and Private Renters.
- Data from the intercensal period shows that the number of households Renting Privately has expanded significantly. This is likely due to it being a more affordable and flexible option in comparison to Home Ownership. Shared Ownership has also increased notably, largely thanks to a government-backed scheme which was recently relaunched.
- House prices have increased at a relatively steady rate – an average of 34% over the inter-census period. Breaking this data down by type, tells us that the price of terraced houses has grown more rapidly than other categories indicating that this particular typology is more in demand.
- Based on data from the SHMA and ONS, the median and lower quartile annual household incomes for the Neighbourhood Plan area are £32,100 and £18,824 respectively. Using these affordability thresholds reveals that less than half of tenures currently available in Halesworth are viable for those within this income bracket. The most affordable forms of tenure therefore are Shared Ownership at 25%, Social Rent and Affordable Rent.
- The Ipswich and Waveney SHMA sets out the predicted tenure profile for Waveney HMA in 2036 and demonstrates a growing need for Shared Ownership. It results in a tenure split heavily weighted towards Owner-occupation yet does not meet the minimum percentage requirement for Affordable Housing Policy.
- There are significant development sites in Halesworth which may come forward during the neighbourhood plan period. Collectively these will deliver 575 homes potentially increase Halesworth's population by 20%. Clearly this represents a challenge in terms of planning and delivering these sites and managing community change however, there is also an opportunity to develop a housing mix which meets current and future needs.
- Housing completions data from 2011-2019 indicates that more affordable housing needs to be delivered within Halesworth, to meet the requirement set out in the Local Plan and more importantly meet the needs of those on lower incomes within the NA.
- Creating more affordable routes to Home Ownership such as Shared Ownership could help attract a younger demographic, a wish expressed by Halesworth's Steering Group.

### Recommendations

#### Recommended tenure split (Affordable Housing)

<b>Routes to home ownership, of which</b>	<b>50%</b>
Starter Homes	10%
Shared Ownership (at 25%)	40%
<b>Affordable Housing for rent, of which</b>	<b>50%</b>
Affordable Rent	25%
Social Rent	25%

Source: AECOM calculations

- In terms of an affordable dwelling tenure split, around 50% should offer routes to Home Ownership (split between 10% Starter Homes and 40% Shared Ownership) and 50% should offer Affordable Housing for Rent (split between 25% Affordable Rent and 25% Social Rent).

## 1.2 RQ 2. Type and Size

### Conclusions

- In terms of housing typology, Halesworth is mainly characterised by whole houses (as opposed to flats and apartments) such as detached, semi-detached and terraced homes, which make up 90% of the NA's stock. These dwellings tend to be medium-sized, i.e. 4-6 rooms.
- Data from the intercensal period 2001-2011 shows there has been an increase in the number of 6+ room dwellings, indicating a strong market demand for larger homes within the Halesworth.
- Waveney's Annual Monitoring Report shows a large number of housing completions of 2 bed homes over the period 2014/15 to 2017/18. This is despite the fact that Halesworth already has a significant proportion of this size of home, and trends indicate a demand for larger homes.
- Halesworth's demographic is skewed largely towards the middle aged and elderly age groups, with a noticeable lack of younger people compared to wider geographies. Intercensal data indicates this will continue to be the case, with the elderly population set to increase dramatically and the younger population set to contract.
- Household composition data tells us that there are significantly more family households than one person households in Halesworth (59% to 38%), the majority of which are couples without children. There is also a high percentage of single households composed of those aged 65+, more so than in Waveney or England. Intercensal data shows these two categories - one person households and couples without children - have grown in number between 2001 and 2011.

### Recommendations

#### Future potential misalignments of supply and demand for housing, Halesworth

Number bedrooms	of 2011	2036	Change to housing mix	Recommended split
1 bedroom	202	269	67	15.0%
2 bedrooms	850	844	-6	0.0%
3 bedrooms	966	1,214	248	55.3%
4 bedrooms	233	326	93	20.6%
5 or more bedrooms	46	86	40	9.0%

Source: AECOM Calculations

- Combining household distribution projections with current preferences between household age and dwelling size at district level, indicates how many properties of each size will be needed by the end of Halesworth's Plan period. This results in the following dwelling split size: 15% one bedroom, 55% three bedroom, 21% four bedroom and 9% five bedroom. Based on this model and the fact that Halesworth currently has an 'imbalance' of two and three bedroom homes according to its projected population, no more two beds have been recommended within the split of new dwellings.
- However it is worth recognizing the caveats associated with this split. The model is by definition a model – one which is based on current trends and can only speculate on Halesworth's future population: its size, age structure and occupancy preferences. Furthermore the model assumes a completely efficient market, whereby home owners are happy to move around to ensure that all residents are housed within their dwelling size preference. There may also be other issues to factor into the split of dwelling sizes such as affordability pressures, local preference and additional constraints.
- Findings from the Ipswich and Waveney Housing Market Area SHMA suggest a new dwelling size split of 13% one bedroom homes, 27% two bedroom homes, 34% three bedroom homes and 25% four bedroom homes. Despite caveats associated with the SHMA, the high proportion of two bedroom dwellings recommended may be used as further evidence to in fact increase the number of two beds within Halesworth.

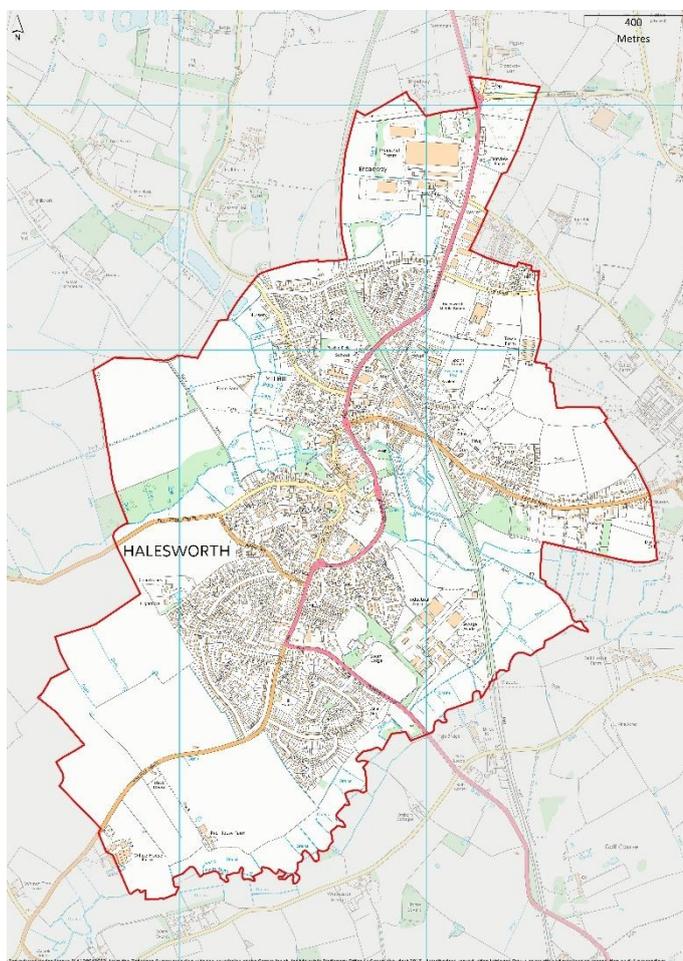
- Furthermore, given the expected growth in Halesworth's retirement population and the propensity for 'downsizing' amongst this age group, there may be more reason to prepare for a higher number of one and two-bedroom dwellings.
- The type of home (detached, semi-detached, terraced or flat) is more a matter of demand in the wider sense than need in the stricter sense, encompassing a number of factors including wealth, taste, vernacular etc. and is therefore of secondary importance in the context of a Housing Needs Assessment. Notwithstanding this, the housing types that are most likely to meet local needs, based on the current stock transaction data from the Land Registry, are detached homes. Additionally, bungalows appeal to the elderly population and this particular type should be promoted so as to meet the demand of a growing elderly population.
- In summary, it is important to recognize that the HNA is a report to be used by the neighbourhood planning group at their own discretion to evidence potential housing policies. The findings of the report do not need to be directly replicated as policy but more used more as a guideline to help frame policy.

## 2. Context

### 2.1 Local context

1. Halesworth is a small market town and civil parish located in the district of East Suffolk with a population of 4,726 according to the 2011 Census. It was designated as a Neighbourhood Plan area in May 2018 and is proposing a plan period spanning 18 years from 2018 to 2036.
2. The area has good road links to nearby cities such as Norwich and Ipswich, thanks to the A144 which runs directly through the town. A small train station, operated by Greater Anglia also provides a limited service on the East Suffolk line, running from Ipswich out to the coastal town of Lowestoft.
3. The NA's Local Authority is the newly established East Suffolk Council (formed 1 April 2019) which follows the merger of two districts: Suffolk Coastal and Waveney. Halesworth lies within the boundary formally governed by Waveney District Council.
4. A map of the Plan area appears below in Figure 2-1.

**Figure 2-1: Map of the Halesworth Neighbourhood Plan area<sup>1</sup>**



Source: Halesworth Neighbourhood Plan Steering Group

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<sup>1</sup> Available at [http://www.halesworthtowncouncil.org.uk/wp-content/uploads/bsk-pdf-manager/Halesworth\\_Boundary\\_378.pdf](http://www.halesworthtowncouncil.org.uk/wp-content/uploads/bsk-pdf-manager/Halesworth_Boundary_378.pdf)

## 2.2 Planning policy context

5. 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 policies.<sup>3</sup> Consequently, there is a need for the relevant elements of the Local Plan to be reviewed as part of this Housing Needs Assessment (HNA).
6. Given its infancy, East Suffolk Council's Planning Policy remains split between Suffolk Coastal and Waveney. Halesworth falls within the latter district. Therefore its relevant local planning document is the Waveney Local Plan which covers the period 2014-2036.
7. The Local Plan was formally adopted on 20<sup>th</sup> March 2019<sup>4</sup> after being subject to independent examination.
8. It supersedes a number of documents including:
  - Core Strategy (adopted 2009)
  - Development Management Policies (adopted 2011)
  - Site Specific Allocations (adopted 2011)
  - Lowestoft Lake Lothing and Outer Harbour Area Action Plan (adopted 2012)

### 2.2.1 Policies in the adopted local plan<sup>5</sup>

**Table 2-2: Summary of Waveney adopted policies having relevance to Halesworth Neighbourhood Plan Housing Needs Assessment**

Policy	Provisions
<b>WLP8.1: Housing Mix</b>	<p>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.</p> <p>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.</p>

<sup>2</sup> Available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

<sup>3</sup> However, this does not affect the potential for the evidence base underpinning the emerging local plan to inform or form part of the evidence base for the neighbourhood plan.

<sup>4</sup> Available at <https://www.eastsuffolk.gov.uk/planning/planning-policy-and-local-plans/waveney-local-plan/>

<sup>5</sup> Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

Policy	Provisions
<b>Policy WLP8.2: Affordable Housing</b>	<p>All new housing developments on sites with a capacity of 11 dwellings or more must make provision for a proportion of the total dwellings to be affordable housing as follows:</p> <p>Housing developments in the remainder of the District must provide 30% affordable housing. Proposals which provide a higher amount of affordable housing than set out above will also be permitted.</p> <p>Of these affordable dwellings, 50% should be for affordable rent.</p> <p>Affordable housing should be preferably delivered on the site as part of a mixed tenure scheme. Exceptionally, on smaller sites, it may be agreed between the local planning authority and the developer for a commuted sum to be paid towards the provision of affordable housing elsewhere.</p> <p>Affordable housing should be indistinguishable from market housing in terms of the location, external appearance, design, standards and build quality and should meet all requirements of the design policies.</p> <p>In exceptional circumstances the level and tenure of affordable housing may be varied where it can be satisfactorily demonstrated through the preparation of a viability assessment in line with the guidance in Appendix 5, that a different tenure mix or lower percentages of affordable housing are required to ensure the site remains financially viable. Affordable housing provision will only be reduced on sites which are necessary to the overall supply of housing in the District unless the scheme has wider sustainability benefits.</p> <p>Neighbourhood Plans can set out higher requirements for affordable housing provision where local evidence of need and viability support this.</p>

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Source: *Waveney Local Plan 2014-2036*

### 2.2.2 Quantity of housing to provide

9. The NPPF 2018 requires Local Authorities, through paragraphs 65 and 66, to provide neighbourhood groups with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
10. Waveney has fulfilled that requirement by providing Halesworth and the neighboring village of Holton with a definitive figure of 762 dwellings to be accommodated within the Neighbourhood Plan area by the end of the Plan period.<sup>6</sup>
11. It should be noted that of these 762 dwellings, 38 have been completed and 244 committed, as stated in the Local Plan, adopted in March 2019.
12. Given that the NPPF requirement has already been fulfilled, the question of how many houses to plan for has already been answered. It is therefore outside the scope of this Housing Needs Assessment; for this reason, the issue of quantity has been excluded from the Research Questions (see Chapter 3 below).

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<sup>6</sup> Available at <https://www.eastsuffolk.gov.uk/planning/planning-policy-and-local-plans/waveney-local-plan/>

## 3. Approach

### 3.1 Research Questions

13. Research Questions, abbreviated to 'RQ', are formulated at the start of the project through discussion with the neighbourhood group. They serve to direct our research and provide the structure for the HNA.
14. Below we set out the RQs relevant to this study, as discussed and agreed with Halesworth.

#### 3.1.1 Tenure and Affordability

15. The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
16. Comments from both Halesworth's Steering Group and wider Neighbourhood Survey also indicate the need for more affordable housing, particularly amongst the younger generation.
17. This evidence will allow Halesworth to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

***RQ 1: What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?***

#### 3.1.2 Type and Size

18. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. The Halesworth Neighbourhood Planning Group have already recognized a growth in the elderly population and need to know how best to accommodate this.
19. The aim of this research question is to provide neighbourhood planners with robust evidence on the types and sizes needed by the local community. This will ensure future development truly reflects what residents need.

***RQ 2: What type (terrace, semi-detached, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?***

## 3.2 Relevant Data

### 3.2.1 Local authority evidence base

20. It is reasonable and appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As Halesworth Neighbourhood Area is located within Waveney's planning area, we therefore turned to the relevant Strategic Housing Market Assessment (SHMA), which is known as the Ipswich and Waveney Housing Market Area SHMA published in September 2017
21. For the purpose of this HNA, data from Waveney's own evidence base to support their housing policies has been considered applicable and relevant unless it conflicts with more locally specific and/or more recently-produced evidence. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the Neighbourhood Plan area, and has been referenced as appropriate.

### 3.2.2 Other relevant data

22. In addition to the Waveney evidence base, we have assessed other evidence to ensure our study is robust for the purposes of developing policy at the NP level and is locally specific. This includes data from both Census 2001 and 2011, as well as from a wide range of other data sources, including:
  - Land Registry data on prices paid for housing within the local market;
  - Population and household projections produced by the Office of National Statistics (ONS);
  - Information on current property asking prices, for housing for sale or rent, from [home.co.uk](http://home.co.uk);
  - Neighbourhood-level survey and consultation work giving further detail. In the case of the NA, this comprises Halesworth Neighbourhood Plan Survey.

## 4. RQ 1: Tenure and Affordability

**RQ 1: What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?**

### 4.1 Introduction

23. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder 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.
24. This section will examine the tenure of dwellings in the current stock and recent supply. Then, looking at affordability, we will make an assessment on whether continuation of these trends would meet future needs. We will also investigate whether there are misalignments between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new developments to prioritise certain tenures, to bring supply and demand into better alignment.<sup>7</sup>

### 4.2 Definitions

25. 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'. AH comprises those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: affordable housing for rent (including social and affordable rent), starter homes, discounted market sales housing and other affordable routes to home ownership.<sup>8</sup>
26. 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.
27. The revisions seek to broaden the definition of AH (which had previously referred only to social and intermediate housing) to include a range of low-cost housing opportunities for those aspiring to own a home, including starter homes.
28. In paragraph 64 of the NPPF, the Government introduces a recommendation that "*Where major development involving the provision of housing 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>9</sup> the assumption should be that a 'major housing development' can be defined as a site of 10 dwellings or more, and that affordable home ownership includes starter homes, shared ownership homes, and homes available for discount market sale.

### 4.3 Current tenure profile

29. In order to set a baseline for our examination of tenure, it is necessary to present a picture of the Neighbourhood Plan area based on the most recent reliable data. Table 4-1 below presents Census data from 2011; this table shows the distribution of how households occupy their homes within Halesworth, compared to the rest of Waveney and England.
30. As with its wider geographies, home ownership is the most popular form of tenure in the Neighbourhood area, making up 71% of the total share. This is followed by intermediate forms of tenure such as Social and Private at around 14% and 13% respectively. Shared Ownership is the least popular type of tenure, making up just 0.3% of the share.
31. In comparison to rest of England, Halesworth has higher rates of home ownership but lower rates of rented tenures.

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<sup>7</sup> PPG Paragraph: 023 Reference ID: 2a-023-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

<sup>8</sup> NPPF 2019.

<sup>9</sup> PPG 031 Reference ID: 023 Reference ID: 23b-023-20190315, available at <https://www.gov.uk/guidance/planning-obligations>

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

Tenure	Halesworth	Waveney	England
Owned; total	71.2%	69.4%	63.3%
Shared ownership	0.3%	0.4%	0.8%
Social rented; total	13.8%	14.0%	17.7%
Private rented; total	13.0%	14.9%	16.8%

Sources: Census 2011, AECOM Calculations

32. In Table 4-2, we note the changes in the way households occupied their homes during the intercensal period. Over the past 10 years house prices and mortgages have increased disproportionately to income (see below), thereby rendering home ownership unaffordable to many households. Simultaneously, Private Rented forms of tenure in Halesworth have increased by a significant 73% between 2001 and 2011. It could be that, over that period, households unable to afford home ownership sought out the next most affordable widely available option, with more homes being put up for rent to satisfy growing demand, while households who would have at other times met their needs through social housing are increasingly obliged to rent privately while relying on housing benefit. Home Ownership has shown very little growth over the past 10 years, increasing by just 4%. However this is still greater growth than the district (1%) and the Country (decrease of 1%). Shared Ownership has also increased by a notable 33% (however it should be acknowledged that this figure derives from a low base). Although this form of tenure was originally introduced in the 1970s, it has only recently become popular thanks to the government-backed shared ownership scheme, re-launched in 2009 via HomeBuy Direct. Social Rented follows close behind with an increase of 2%, which is again greater than its wider geographies.

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

Tenure	Halesworth	Waveney	England
Owned; total	4.1%	1.1%	-0.6%
Shared ownership	33.3%	56.9%	30.0%
Social rented; total	1.6%	-0.9%	-0.9%
Private rented; total	72.8%	63.6%	82.4%

Sources: Censuses 2001 and 2011, AECOM Calculations

## 4.4 Affordability

33. Having now reviewed both the tenure of the existing housing stock in Halesworth, we now turn to assessing future provision over the Neighbourhood Plan period.
34. 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.

### 4.4.1 House prices

35. In line with PPG<sup>10</sup>, 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>11</sup> (LQAR) and the Median Affordability Ratio<sup>12</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. Further, PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.<sup>13</sup>

<sup>10</sup> See Paragraph: 021 Reference ID: 2a-021-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

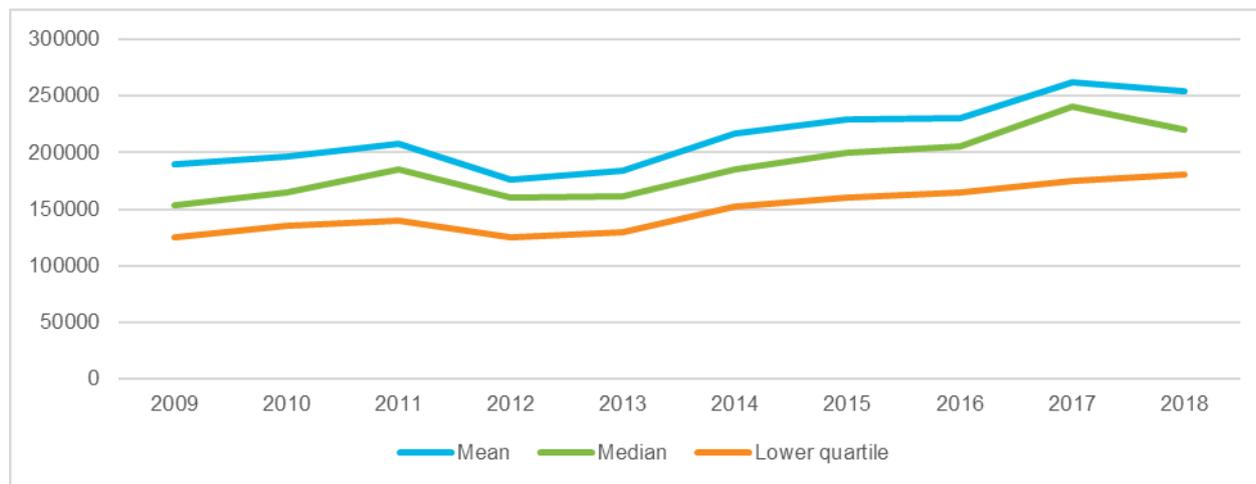
<sup>11</sup> See Glossary in Appendix.

<sup>12</sup> See Glossary in Appendix.

<sup>13</sup> See Paragraph: 021 Reference ID: 2a-021-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

- 36. An entry-level dwelling can also be understood as one suitable for a household comprising two or three individuals. In order to be in conformity with Government guidance on overcrowding, such a home would require three habitable rooms (i.e. comprise a flat or house with one or two bedrooms). Entry-level properties can therefore also be understood as one or two-bedroom flats/houses.
- 37. Figure 4-1 below looks at selected measures of house prices in Halesworth. Overall, house prices have increased at a steady rate, with the mean price rising by around 34%. This is at the lower end of house price growth for the surrounding area which, according to a report by Savills,<sup>14</sup> stands at between 30-50%. Yet it is still greater than the nationwide figure which stands at 18%. Despite a dip in 2012, prices have continued to climb, with notable growth periods between 2009 and 2011, and 2013 and 2017.

**Figure 4-1: House prices in Halesworth between 2009 and 2018**



Source: Land Registry PPD

- 38. Table 4-3 below breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). Over the inter-census period, all types of dwelling have increased in price. Terraced houses, in particular, have seen a significant increase in price, growing by around 84%, indicating that these types of properties are particularly sought after in the NA. Detached and semi-detached dwellings have also seen an increase on average of 34%. Comparatively, flats have only witnessed a 2% increase in growth which is not surprising given that they form a relatively low percentage of Halesworth’s housing stock and are generally a less popular form of dwelling in rural Neighborhood Areas.
- 39. In comparison, national trends depict a more even growth between housing types of around 40-50% during the same period.<sup>15</sup>

**Table 4-3: House prices by type in Halesworth, 2008-2017**

Type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Growth
Detached	£243,314	£264,428	£249,300	£225,746	£229,213	£267,626	£283,184	£294,363	£344,805	£319,073	31.1%
Semi-detached	£156,203	£170,820	£172,322	£149,489	£157,957	£180,261	£188,136	£205,783	£217,624	£213,745	36.8%
Terraced	£127,646	£134,848	£167,613	£162,518	£150,081	£147,208	£182,801	£190,690	£188,930	£235,338	84.4%
Flats	£128,950	£106,750	£106,230	£98,389	£105,499	£127,833	£117,750	£143,875	£143,600	£130,932	1.5%
<b>All Types</b>	<b>£189,878</b>	<b>£196,762</b>	<b>£207,810</b>	<b>£176,375</b>	<b>£184,218</b>	<b>£217,251</b>	<b>£229,671</b>	<b>£230,761</b>	<b>£262,490</b>	<b>£254,036</b>	<b>33.8%</b>

Source: Land Registry PPD

#### 4.4.2 Income

- 40. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. As such, we have used average household income estimates

<sup>14</sup>Available at [https://www.savills.co.uk/research\\_articles/229130/219126-0](https://www.savills.co.uk/research_articles/229130/219126-0)

<sup>15</sup> Available at <http://landregistry.data.gov.uk/app/ukhpi/browse?from=2009-01-01&location=http%3A%2F%2Flandregistry.data.gov.uk%2Fid%2Fregion%2FUnited-kingdom&to=2018-12-01>

published by ONS<sup>16</sup> at the level of the Middle-layer Super Output Area (MSOA)<sup>17</sup>. In the case of Halesworth the MSOA most suitable for use as a proxy for the Neighbourhood Plan area boundary is Waveney 015. Further details on the extent of this MSOA, including a map, and why it was selected as a proxy for the Neighbourhood Plan area, are set out in Appendix A.

41. The average net annual household income before housing costs (equalised) across Waveney 015 in 2015/16 was £32,100, while the average total annual income was £37,700.<sup>18</sup>
42. These figures are locally specific but limited to the average total household income and the median net annual household income. They therefore do not provide the Lower Quartile (LQ) average income that is helpful for understanding affordability challenges among those with lower than average incomes.
43. We therefore turn to a second data source which provides information on gross LQ incomes, but only at the District level. It is derived from ONS Annual Survey of Hours and Earnings (2015), referenced in the Ipswich and Waveney Housing Market SHMA. This gives a lower quartile annual household income of £18,824,<sup>19</sup> which is significantly higher than the figure for England, £14,923.

## 4.5 Affordability Thresholds

44. In order to gain a clearer understanding of local affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds'. Purchase Thresholds (PT) denote the standard household income needed to access mortgage products, and Income Thresholds (IT) denote the maximum share of a family's income that should be spent on accommodation costs. The PT is particularly helpful for understanding the affordability of market homes.
45. We have determined thresholds for: market purchase; Private Rented Sector (PRS); shared ownership at 25%, 50%, and 75%; affordable rent set at 80%, and estimated social rent levels across Halesworth. These calculations are detailed in Appendix A. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations.
46. Table 4-4 on the next page shows the annual cost of different tenures and the income required (excluding deposits saved) to support these costs within Halesworth.

**Table 4-4: Affordability thresholds in Halesworth (income required, £)**

Tenure	Cost of purchase	Annual rent	Income required
Entry-level Market Sale	£162,000	N/A	£46,286
Shared ownership (75%)	£121,500	£4,500	£39,214
Starter Homes	£129,600	N/A	£37,029
Shared ownership (50%)	£81,000	£9,000	£32,143
Shared ownership (25%)	£40,500	£13,500	£25,071
Entry-level Market Rent	N/A	£5,616	£22,464
Social Rent - 3 Bed Dwelling	N/A	£5,081	£20,326
Social Rent - 2 Bed Dwelling	N/A	£4,546	£18,183
Affordable Rent	N/A	£5,454	£21,817

Source: AECOM Calculations

<sup>16</sup>Available at

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/smallareamodelbasedincomeestimates/financialyearending2016>

<sup>17</sup> An MSOA is a statistical area defined for Census purposes. For further information on MSOAs, see <https://www.ons.gov.uk/methodology/geography/ukgeographies/censusgeography>

<sup>18</sup> Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

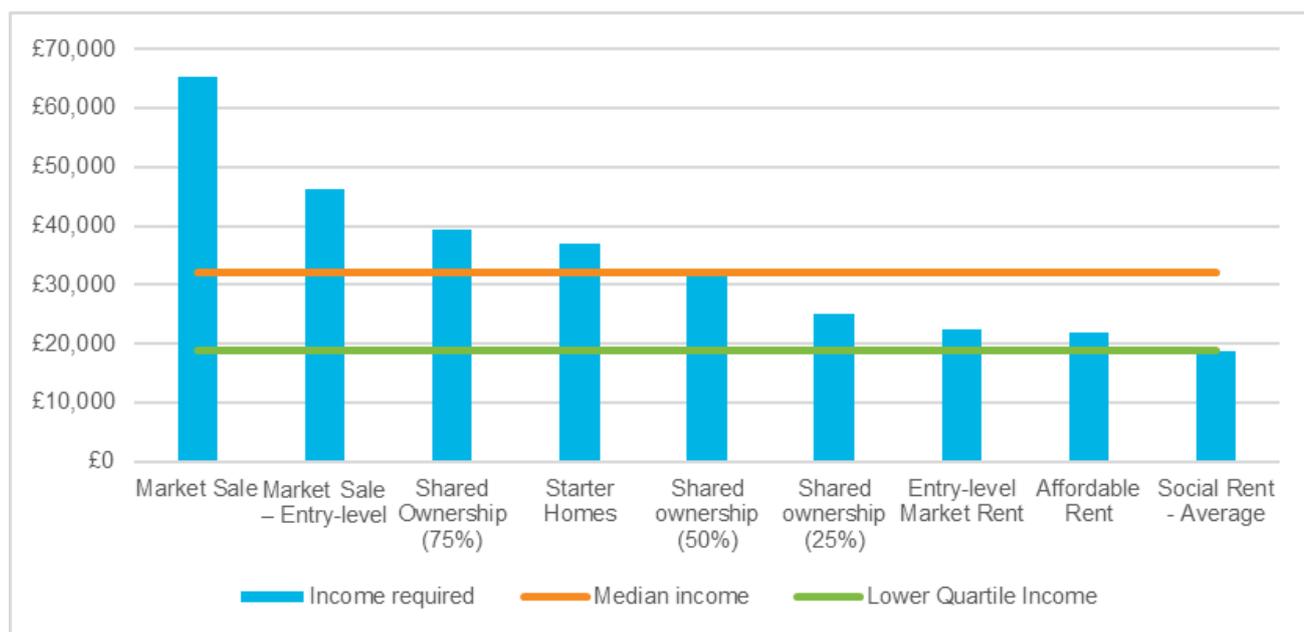
<sup>19</sup> Ipswich and Waveney Housing Market Areas SHMA Volume 2, 2017 v3

47. To determine the level of affordability, each form of tenure is taken in turn, in order of increasing affordability, and compared to the thresholds set out above.
48. Market Sale is the least affordable form of tenure in Halesworth, given that its respective required income is nearly 3 times the median household income. Entry-level Market Sale is also out of reach for those on lower level incomes.
49. Shared Ownership paints a mixed picture with regards to affordability. At the greater equity value of 75% it is unaffordable for households in the NA. However at 50% and 25% it becomes a viable type of tenure for those on a median income.
50. Continuing to rented forms of tenure, the income level required for Entry-level Market Rent falls just over the lower quartile income, therefore making it affordable.
51. Similarly affordable rent edges just over the threshold and therefore can be deemed appropriate for those on smaller incomes.
52. Social rent is the most affordable form of tenure in the NA, requiring an income of £19,255 (an average of two and three bed social rented dwellings).
53. Government policy aimed at tackling the housing crisis continues to focus on helping those on lower quartile incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership.<sup>20</sup> In the case of Halesworth, the table above suggests that the only appropriate form of tenure to help implement this policy goal locally is Shared Ownership at 25%, the lowest share price feasible for providers to offer. It is worth noting that the Government has recently made changes to the Shared Ownership scheme, making it easier for homeowners to staircase in smaller increments (1% as opposed to 10%).

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<sup>20</sup> See the White Paper 'Fixing Our Broken Housing Market', at [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/590464/Fixing\\_our\\_broken\\_housing\\_market\\_-\\_print\\_ready\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf)

**Figure 4-2: Affordability thresholds in Halesworth (income required, £)**



Source: AECOM Calculations

## 4.6 SHMA findings

54. Projections from the Ipswich and Waveney SHMA, set out the tenure profile for Waveney HMA up until the end of the plan period in 2036. The greatest change can be seen within the Shared Ownership category which predicts the need for 478 new homes, more than 3 times the current number, indicating the growing need for this comparatively affordable form of tenure. The remaining categories show a similar need of an additional 13-18%, based on change required as a percentage of the current tenure profile.
55. As shown in the last column (% of change required), this produces a new build tenure split heavily weighted towards Home Ownership (61%). More affordable forms of tenure such as Shared Ownership and Social/ Affordable Rented make up 23% of the tenure split, which is lower than the 30% set out in Waveney’s Affordable Housing Policy.

Tenure	Current tenure profile	Tenure profile 2036	Change required	% of change required
Owner-occupied	35,554	40,251	4,697	61.4%
Private rent	8,433	9,598	1,165	15.2%
Shared Ownership	155	633	478	6.2%
Social Rent/Affordable Rented	7,248	8,563	1,315	17.2%
<b>Total</b>	<b>51,390</b>	<b>59,045</b>	<b>7,655</b>	<b>100.0%</b>

Source: Ipswich and Waveney Housing Market Areas SHMA Volume 2, 2017 v3

## 4.7 Tenure Split

56. Of the 762 dwellings that Waveney District Council indicates should be provided in Halesworth over the Neighbourhood Plan period, adopted local policy indicates that 30% (approximately 229 dwellings) should be affordable.
57. In terms of the tenure split, it is important to reference Waveney's affordable housing policy, as set out in the Local Plan, which states that 50% of affordable dwellings be available for Affordable Rent. Given that Social and Affordable Rent are both equally affordable (from Figure 5-2), it makes sense to split this 50% equally between the two forms of tenure.
58. 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 predominate. For these schemes, providers sometimes reject Social Rented stock due to relatively high maintenance costs, seeking to vary the tenure to Affordable Rent or shared ownership. As we have seen, both of these tenures provide viable options for Halesworth households, and should be well-represented in the dwelling mix.
59. In line with Paragraph 64 of the NPPF, at least 10% of the homes provided in a development should be available for affordable home ownership. As our analysis suggests, there is reason to provide more than this within the NA. Intercensal data shows there is already a strong appetite for Shared Ownership in Halesworth, with this form of tenure having risen by a third. The same data also shows a dramatic increase in the proportion of households renting privately (73%). Offering more affordable routes to Home Ownership such as Shared Ownership could help relieve this pressure on Halesworth's Private Rental Market.
60. During the inception call, it was stated that Halesworth wished to attract more newly forming households and families to the area. Increasing affordable routes to Home Ownership could be the way to achieve this.
61. As Figure 5-2 shows, the only affordable level of Shared Ownership for those on lower quartile to median incomes is 25%, therefore only this proportion should be recommended.
62. Starter Homes should also be recommended as a form of home ownership, in line with the Government's 10% policy expectation. However the proportion should be no greater than this given that they are a surprisingly expensive form of tenure within the NA.
63. Table 5-6 below therefore suggests that of the 229 affordable dwellings, around 50% should offer routes to Home Ownership (split between 10% Starter Homes and 40% Shared Ownership) and 50% should offer Affordable Housing for Rent (split between 25% Affordable Rent and 25% Social Rent).
64. There are significant development sites in Halesworth which may come forward during the neighbourhood plan period. There are 3 sites: Halesworth/ Holton healthy neighbourhood (policy reference WLP4.1), land adjacent to Chediston Street (policy reference WLP4.2) and Hill Farm, Holton Road (which predates the Local Plan) with the potential to deliver 575 homes collectively. This could potentially represent an increase of approximately 20% on the existing population of Halesworth. Clearly this represents a challenge in terms of planning and delivering these sites and managing community change. However, there is also an opportunity to develop a housing mix which meets current and future needs, particularly in terms of the development of more affordable homes and homes that are accessible to younger households, as well as continuing to meet the needs of existing residents.

**Table 4-6: Recommended tenure split (Affordable Housing)**

<b>Routes to home ownership, of which</b>	<b>50%</b>
Starter Homes	10%
Shared Ownership (at 25%)	40%
<b>Affordable Housing for rent, of which</b>	<b>50%</b>
Affordable Rent	25%
Social Rent	25%

Source: AECOM calculations

65. The NPPF also specifies that exceptions to the 10% affordable home ownership requirement are permissible when such development will "significantly prejudice the ability to meet the identified affordable housing needs of specific groups"-

in other words, in cases where the development of affordable home ownership dwellings would reduce the provision of other types of affordable housing such as social and affordable rented homes. Based on the findings of this chapter, there is no evidence that going beyond the 10% threshold in Halesworth would prejudice the provision of much needed affordable rented homes.

66. Given that Shared Ownership is recommended as an affordable route to home ownership at a reasonable proportion (40% or 92 dwellings), it is worth looking at the scheme in more detail. Despite being introduced back in the 1970s, Shared Ownership has only recently become popular. This is largely due to the scheme being relaunched in 2009 and then a sudden increase in development. As a form of tenure, it is generally more affordable than buying and renting privately – both in Halesworth and the Country<sup>21</sup> as a whole. Shared Ownership is particularly known for being an affordable option for those seeking to get on the housing ladder such as newly forming households and families.
67. It is also popular due to the increased choice, control and security it offers in comparison to other tenures. However it should be noted that there are some caveats to Shared Ownership which bring its affordability into question. For example, buyers still have to pay service chargers which are not fixed and can increase unpredictably. Staircasing can also be costly. Given that the purchase of the additional share will rise as market values rise. Furthermore, the discount attained through renting the remaining share can in certain locations be similar to the difference in price between a new build and existing dwelling.
68. Table 4-7 sets out housing completions in Halesworth by each type of tenure over the period 2011-2019. Only 23 out of the 101 dwellings completed or 23% have been affordable which is less than the 30% set out in the Local Plan. This is likely due to the fact that smaller infill schemes have not been large enough to meet the threshold at which the AH policy applies. Overall these housing completions show that more affordable forms of tenure need to be delivered in Halesworth over the Plan Period.
69. The data also indicates that rented forms of tenures are viable and deliverable. Due to the affordability challenges of Halesworth residents, higher proportions of affordable rented tenures should be welcomed and not limited, but there is also scope for a higher proportion of routes to home ownership to be delivered going forward in order to meet demand as they have been supplied in lower proportions than this recommendation proposes.
70. It should be noted that the tenure split reflects the relative affordability of the tenures presented in Figure 4-2, it does not take into account the current supply of each tenure type, as presented in Table 4-1 and Table 4-7. It is not within the scope of an HNA to predict the exact quantities of each type of tenure needed within the NA. However the tenure split, along with recent evidence such as housing completions data may be used as a guide to help steer local planning policy.

**Table 4-7: Housing Completions 2011-2019**

Tenure	Number of Dwellings
Market	78
Social rent	15
Affordable rent	6
Shared equity	2
<b>Total dwellings</b>	<b>101</b>

Source: East Suffolk Council

<sup>21</sup> Available at <http://s3-eu-west-1.amazonaws.com/pub.housing.org.uk/SharedOwnership-MeetingAspiration.pdf>

## 4.7 Conclusions- Tenure and Affordability

71. The vast majority Halesworth's current tenure profile is made up of Home Owners. This is followed by Social and Private Renters.
72. Data from the intercensal period shows that the number of households Renting Privately has expanded significantly. This is likely due to it being a more affordable and flexible option in comparison to Home Ownership. Shared Ownership has also increased notably, largely thanks to a government-backed scheme which was recently relaunched.
73. House prices have increased at a relatively steady rate – an average of 34% over the inter-census period. Breaking this data down by type, tells us that the price of terraced houses has grown more rapidly than other categories indicating that this particular typology is more in demand.
74. Based on data from the SHMA and ONS, the median and lower quartile annual household incomes for the Neighbourhood Plan area are £32,100 and £18,824 respectively. Using these affordability thresholds reveals that less than half of tenures currently available in Halesworth are viable for those within this income bracket. The most affordable forms of tenure therefore are Shared Ownership at 25%, Social Rent and Affordable Rent.
75. The Ipswich and Waveney SHMA sets out the predicted tenure profile for Waveney HMA in 2036 and demonstrates a growing need for Shared Ownership. It results in a tenure split heavily weighted towards Owner-occupation yet does not meet the minimum percentage requirement for Affordable Housing Policy.
76. In terms of an affordable dwelling tenure split, around 50% should offer routes to Home Ownership (split between 10% Starter Homes and 40% Shared Ownership) and 50% should offer Affordable Housing for Rent (split between 25% Affordable Rent and 25% Social Rent).
77. There are significant development sites in Halesworth which may come forward during the neighbourhood plan period. Collectively these will deliver 575 homes potentially increase Halesworth's population by 20%. Clearly this represents a challenge in terms of planning and delivering these sites and managing community change however, there is also an opportunity to develop a housing mix which meets current and future needs.
78. Housing completions data from 2011-2019 indicates that more affordable housing needs to be delivered within Halesworth, to meet the requirement set out in the Local Plan and more importantly meet the needs of those on lower incomes within the NA.
79. Creating more affordable routes to Home Ownership such as Shared Ownership could help attract a younger demographic, a wish expressed by Halesworth's Steering Group.

## 5. RQ 2: Type and Size

**RQ 2: What type (terrace, semi-detached, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?**

### 5.1 Introduction

80. The Halesworth Neighbourhood Plan will need to include policies informed by robust data on what sizes and types of housing would be best suited to addressing the needs of the local community. This will help ensure that future developments give local people at all stages of life the options they require, while keeping the market operating efficiently.
81. 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 firstly consider the type and size of the existing housing stock in Halesworth. 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 LPA, and then applying to that baseline assessment demographic projections of how the Neighbourhood Plan area population is likely to change by the end of the Plan period.

### 5.2 Existing types and sizes

#### 5.2.1 Background and definitions

82. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase alongside wealth, income, and age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.
83. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require, and thus would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture than demographics, household type and size would suggest for future years.
84. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' should thus be translated as follows<sup>22</sup>:
- 1 room = bedsit
  - 2 rooms = flat/house with one bedroom and a reception room/kitchen
  - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
  - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
  - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
  - 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen
  - 7+ rooms = house with 4 or more bedrooms
85. It is also useful to clarify the Census terminology around dwellings and households spaces. These can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained.<sup>23</sup> As such, all dwellings are classified into either "shared" or "unshared" dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.

<sup>22</sup> At <https://www.nomisweb.co.uk/census/2011/qs407ew>

<sup>23</sup> At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

86. The key measure of whether a dwelling is shared or unshared relates to the Census’ definition of a household. A household is defined as “One person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area.”<sup>24</sup> On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

### 5.2.2 Dwelling Type

87. The 2011 Census shows that there were 2,436 households in Halesworth, living in 760 detached houses, 951 semi-detached houses, 510 terraced houses, and 141 flats. Halesworth is predominately characterized by whole houses or bungalows which make up 91% of the total stock. Semi-detached homes form the greater share of this (39%), followed by detached homes (31%) and terraced homes (21%). Waveney follows a similar pattern, albeit with a greater proportion of terraces and lower proportion of semi-detached homes. In contrast to these more local geographies, England is split more equally between whole houses and flats (78% to 22%).

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

Dwelling type		Halesworth	Waveney	England
Whole house or bungalow	Detached	31.2%	33.8%	22.4%
	Semi-detached	39.0%	27.4%	31.2%
	Terraced	20.9%	28.2%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	5.8%	6.6%	16.4%
	Parts of a converted or shared house	1.4%	2.6%	3.8%
	In commercial building	1.8%	1.0%	1.0%

Source: ONS 2011, AECOM Calculations

### 5.2.3 Dwelling size

88. Table 5-2 below sets out the distribution of the number of rooms by household space. Let us assume that 1-3 rooms is the equivalent of a small dwelling, 4-6 rooms a medium dwelling and 7+ rooms, a large dwelling. Given these categories, Halesworth is mainly made up of medium-sized homes (72%). This is followed by large homes (19%) and finally small homes (9%). Waveney shows a similar pattern to this albeit with a slightly greater proportion of larger homes (24%).

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

Number of Rooms	2011	2011
	Halesworth	Waveney
1 Room	0.2%	0.2%
2 Rooms	1.0%	1.6%
3 Rooms	7.3%	7.2%
4 Rooms	23.9%	15.9%
5 Rooms	27.5%	27.7%
6 Rooms	21.0%	23.4%
7 Rooms	9.5%	11.0%
8 Rooms or more	5.3%	6.6%
9 Rooms or more	4.2%	6.3%

<sup>24</sup> Ibid.

Source: ONS 2011, AECOM Calculations

89. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. One key change is the increased popularity in large dwellings, an average increase of 30% over the intercensal period. 7 room dwellings, alone, have risen by 43%, although such a high figure is due to starting from a low base point (153 dwellings). In comparison, medium-sized dwellings have increased by 5% (an average of 4,5 and 6 room percentage increases), and small dwellings by 1% (an average of 1, 2 and 3 room percentage increases).
90. Data from Waveney paints a very similar picture, although while small and medium dwellings have demonstrated a slight increase in popularity within the NA, they have shown a small decrease in the district (an average of 3%). Large homes however, like Halesworth, have increased in popularity by 28%.
91. In comparing these local geographies with the country as a whole, there are some significant differences. Smaller homes, for example, have increased by an average of 13%, and 2 room homes alone by 24% across England - a striking difference to the NA and District. Furthermore, large homes have increased at a rate of 24%, behind local geographies. These disparities could be put down to the fact that within England as a whole, a greater proportion of the population live in urban areas where smaller dwellings make up a greater proportion of the housing stock.

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

Number of Rooms	Halesworth	Waveney	England
1 Room	0.0%	-13.8%	-5.2%
2 Rooms	-4.0%	-1.9%	24.2%
3 Rooms	8.4%	6.8%	20.4%
4 Rooms	-5.2%	-10.8%	3.5%
5 Rooms	0.3%	-0.8%	-1.8%
6 Rooms	19.9%	6.3%	2.1%
7 Rooms	43.1%	22.0%	17.9%
8 Rooms or more	15.9%	33.1%	29.8%

Source: ONS 2001-2011, AECOM Calculations

92. LPA Annual Monitoring data<sup>25</sup> shows the types and sizes of dwellings developed in Waveney from 2014/15 to 2017/18. Two bedroom homes had the greatest number of completions over this period (106 dwellings) followed by three bed (75), one bed (60) and four + bed (44).
93. These figures directly contrast with trends seen over the intercensal period. Despite these trends indicating an increase in the popularity of larger dwellings, it seems there has been a greater focus in the development of medium sized dwellings in the district which Halesworth already has a large proportion of.
94. It should be said however that this Annual Monitoring data comes with a number of caveats. For example, it is only broken down by number of bedrooms and therefore is not directly comparable with number of rooms. Furthermore, given the relatively small time frame (2014/15-2017/18) and absence of a baseline figure for number of dwellings, it does not provide a complete picture of development within the NA.

Indicator	Description	2017/18	2016/17	2015/16	2014/15
Housing types and sizes (gross completions)	1 Bed	60	39	10	26
	2 Bed	106	126	26	38
	3 Bed	75	81	66	51
	4+ Bed	44	30	41	33

Source: Waveney District Council Authority Monitoring Report 2017/2018

<sup>25</sup> Available at <https://www.eastsuffolk.gov.uk/assets/Planning/Waveney-Local-Plan/Monitoring-Information/Authority-Monitoring-Report/080-Annual-Monitoring-Report-2018.pdf>

95. Returning to the most recent Census data, it is also useful to compare the figures for number of rooms with figures for 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 shows that Halesworth has a greater share of medium sized dwellings (42% 3 bed and 37% 2 bed) than large dwellings (12%) and small dwellings (9%). Waveney tells a similar story, albeit with a slightly greater focus on larger dwellings (17%). England has a greater focus still with a 19% share of 4 and 5 bedroom homes. It also has a higher proportion of 1 bedroom homes (12%).

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

Bedrooms	Halesworth		Waveney		England	
<b>All categories: no. of bedrooms</b>	2,298	100.0%	50,883	100.0%	22,063,368	100.0%
No bedrooms	1	0.0%	71	0.1%	54,938	0.2%
1 bedroom	202	8.8%	4,586	9.0%	2,593,893	11.8%
2 bedrooms	850	37.0%	14,185	27.9%	6,145,083	27.9%
3 bedrooms	966	42.0%	23,460	46.1%	9,088,213	41.2%
4 bedrooms	233	10.1%	6,752	13.3%	3,166,531	14.4%
5 or more bedrooms	46	2.0%	1,829	3.6%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

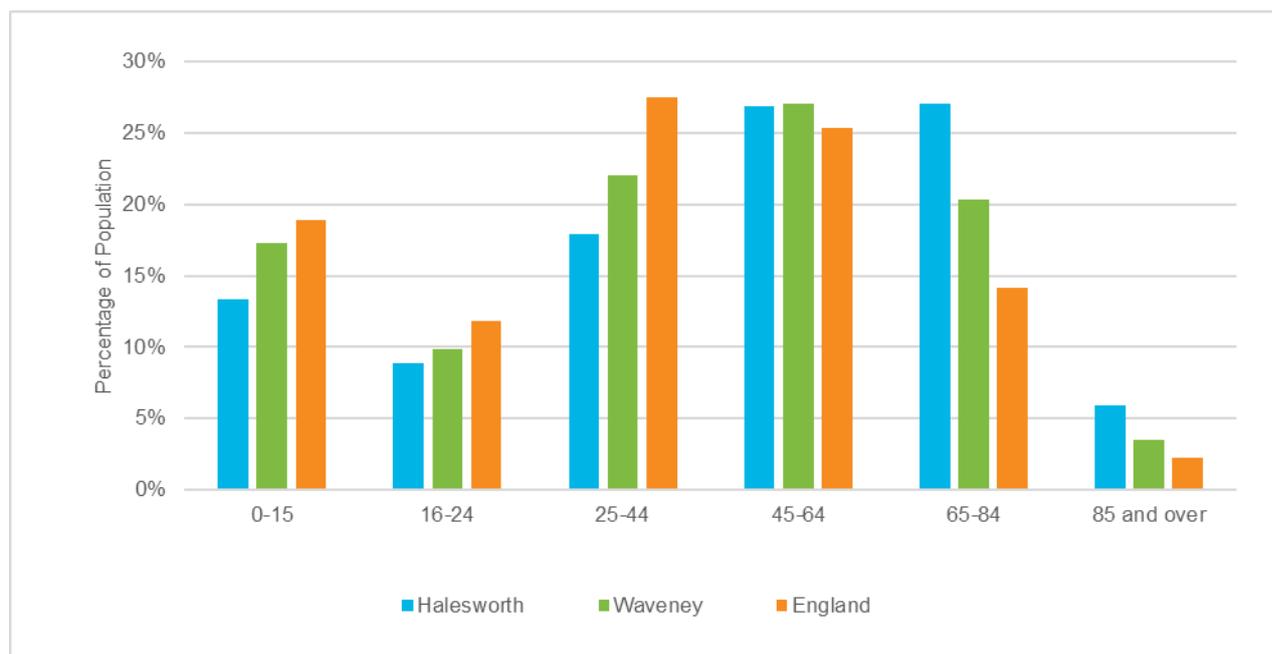
### 5.3 Household composition and age structure

96. We have now established the current stock profile of Halesworth and identified recent changes in its composition. The evidence assembled below examines the composition and age structure of households both in the 2011 Census and in future years. Through a consideration of the types of households projected to form over the Neighbourhood Plan period, and the mix of age groups suggested by demographic projections, it becomes possible to consider the type and size of housing needed in the Neighbourhood Plan area by the end of the planning period.

#### 5.3.1 Age structure

97. The 2011 Census data reveals that middle aged and older people, in the age brackets 45 to-64 and 65-84, make up a significant proportion of Halesworth's population (both 27%). This is followed by younger age brackets such as 25-44 year olds (18%) and children aged 0-15 (13%).
98. Halesworth's demographic profile differs considerably from that of the district and country. On one hand, there is a significantly higher proportion of older people aged 65+ in the NA compared to England (33% versus 18%) which confirms anecdotal evidence from the Group. On the other, there is a lower proportion of younger people aged 0-44 (40% versus 59%) - see Figure 5-1 below.

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



Source: ONS 2011, AECOM Calculations

99. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001 the elderly population (85+) has increased substantially by 67% - more than double the rate of the district and country. Although it is worth caveating this with the fact that this figure starts from a relatively small base (see Figure 5-2) Nevertheless, given this increase, it is worth thinking about smaller types of housing, suitable for downsizing. The percentage of those in younger age brackets (0-15 and 25-44) within Halesworth however has fallen which is at odds with the growth across England as a whole (see Table 5-5 below). Given that Halesworth wishes to attract this younger age group, it is specifically worth considering small to medium sized homes, to better provide for the needs of this demographic.

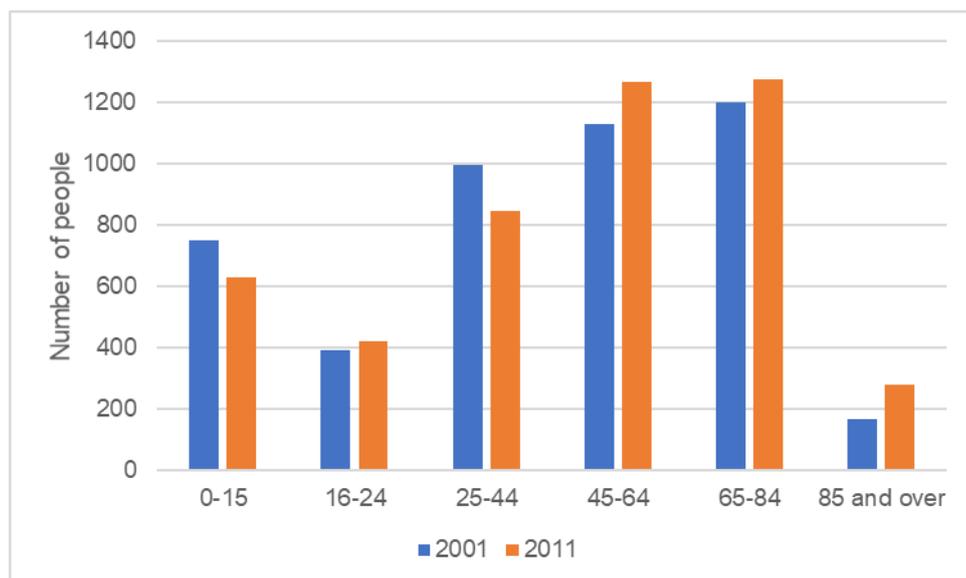
**Table 5-5: Rate of change in the age structure of Halesworth population, 2001-2011**

Age group	Halesworth	Waveney	England
0-15	-15.9%	-8.7%	1.2%
16-24	7.1%	14.8%	17.2%
25-44	-14.9%	-8.7%	1.4%
45-64	12.2%	8.7%	15.2%
65-84	6.5%	11.3%	9.1%
85 and over	66.7%	27.3%	23.7%

Source: ONS 2001-2011, AECOM Calculations

100. Table 5-2, below, shows how the age structure in Halesworth has changed over the intercensal period. In terms of absolute numbers, the greatest increase lies in the 45-64 age group which has grown by around 138 people, this is followed by those aged 85+ which has increased by 112 people. Conversely, the greatest decrease can be seen within the 25-44 age group (148 people) followed by the 0-15 age group (119 people).

Figure 5-2: Change in Age Structure, Halesworth 2001-2011



### 5.3.2 Household composition

101. Household composition is a critical factor in driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.
102. In assessing Census data on household composition, we see that Halesworth differs from the wider district and country in that it has a higher percentage of one person households yet a lower percentage of family households. A significant proportion of these one person households are made up of those aged 65+ (24%) which is unsurprising given the large elderly population in the NA. The data also shows that Halesworth has a lower percentage of dependent children within family households compared to the country (a difference of 10%) - see Table 5-6.

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

Household composition		Halesworth	Waveney	England
<b>One person household</b>	<b>Total</b>	38.2%	30.9%	30.2%
	Aged 65 and over	23.5%	16.3%	12.4%
	Other	14.7%	14.6%	17.9%
<b>One family only</b>	<b>Total</b>	58.7%	64.3%	61.8%
	All aged 65 and over	15.7%	12.6%	8.1%
	With no children	18.1%	19.4%	17.6%
	With dependent children	16.8%	23.5%	26.5%
	All children Non-Dependent	8.1%	8.9%	9.6%
<b>Other household types</b>	<b>Total</b>	3.1%	4.7%	8.0%

Source: ONS 2011, AECOM Calculations

103. Again, it is relevant to consider rates of change in this indicator during the period between Censuses. Between 2001 and 2011, Halesworth saw a 16% increase in the number of one person households, twice the rate of Waveney and England, with particular growth in those aged under 65 (45%). Although it is worth noting that this large increase one person households under the age of 65 starts from a relatively low base point (233 growing to 338). In comparison to its wider geographies, the NA has also seen a greater increase in the number of families with no children (23% compared to 7% in England) - see Table 5-7.

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

Household type		Percentage change, 2001-2011		
		Halesworth	Waveney	England
<b>One person household</b>	<b>Total</b>	16.6%	8.8%	8.4%
	Aged 65 and over	3.9%	-3.3%	-7.3%
	Other	45.1%	26.5%	22.7%
<b>One family only</b>	<b>Total</b>	3.1%	3.1%	5.4%
	All aged 65 and over	-3.0%	-0.5%	-2.0%
	With no children	23.0%	9.2%	7.1%
	With dependent children	-10.2%	-1.9%	5.0%
	All children non-dependent	10.1%	10.5%	10.6%
<b>Other household types</b>	<b>Total</b>	1.4%	8.5%	28.9%

Source: ONS 2001-2011, AECOM Calculations

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

104. Recognising the fact that households of different ages have different housing needs, to estimate the housing mix needed by the end of the Plan period we adopt an approach based on the reasonable assumption that current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in single person households aged over 65 will lead to an increase in the need for the type of housing currently occupied by single person households of that age.
105. However, no data on housing size occupation by age of the Household Reference Person (HRP- a more modern term for 'head of household') is available at neighbourhood level. For this reason, LPA-level data needs to be used as the closest proxy.
106. Figure 5-3 below sets out the relationship in the 2011 Census at LPA level between the age of the HRP and the size of dwelling occupied. This provides the starting point for determining the most appropriate dwelling size mix by the end of the Neighbourhood Plan period. The data shows that there is a clear correlation between life stage and dwelling size, depicted by a somewhat inverted bell curve. Initially, younger age groups tend to occupy small homes consisting of 1-2 bedrooms. However towards middle age, as people settle down and start families, the population becomes more likely to occupy larger homes of 3-4 bedrooms. The preference for larger homes tends to peak around the 40-44 age group. After this age, children begin to leave home and the original occupants reach retirement age, resulting in a downsizing of dwelling size, back to 1-2 bedrooms.

Figure 5-3: Age of household reference person by dwelling size in Waveney, 2011



Source: ONS 2011, AECOM Calculations

107. We then use household projections provided by MHCLG to achieve an understanding of the future distribution of households by the age of the HRP. Again, this data is only available at the LPA 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, i.e. the end of the Neighbourhood Plan period (red in the table). The data is presented in

108. Table 5-8 below.

Table 5-8: Projected distribution of households by age of HRP, Waveney

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

109. At this point, it is then necessary to extrapolate from this LPA-level data an estimate of the corresponding change in the age structure of the population in Halesworth. To do so, the percentage increase expected for each group across Waveney, derived from the data presented above, was mapped to the population of Halesworth. The results of this calculation are detailed in Table 5-9 below. It is imperative to note a significant change here: while nearly all other categories appear to either stagnate or contract, the 65+ HRP age group is forecast to expand by over 50%.

110. While lifestage modelling, such as this, is a useful way for policy makers to gauge future population size and distribution, as a tool it is limited in some respects. It is important to acknowledge the tool for what is - a model - one that only takes

into account existing trends. In reality there may be other unforeseeable factors influencing the population. The model is therefore unable to paint a realistic picture of the future with total accuracy and its results should be applied with this caveat in mind.

**Table 5-9: Projected distribution of households by age of HRP, Halesworth**

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	58	167	622	412	1,039
2014	57	175	596	370	1,152
2036	59	165	585	354	1,577

Source: AECOM Calculations

111. Then, to complement the two stages above, in Table 5-10 below we set out the distribution of dwellings of different sizes according to the age of the HRP as they appeared in Census 2011. This provides the basis for a modelled estimate of the proportion of dwelling sizes that will be occupied by each age band across Waveney by the end of the plan period.

**Table 5-10: Age of household reference person to size, grouped, Waveney, Census 2011**

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

112. Finally, having established the preference shown by households at different life-stages towards dwellings of different sizes, and the approximate number of households in Waveney and Halesworth falling into each of these stages by the end of the Plan period in 2036, it is now possible to recommend how the housing stock could evolve in terms of size over the Neighbourhood Plan period to overcome existing or future misalignments between the supply of dwellings and demand (see

113. Table 5-11 below).

**Table 5-11: Ideal dwelling size distribution in Halesworth by the end of the Plan period, based on modelled 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. 2036	59	165	585	354	1,577	-
1 bedroom	14	15	40	28	173	269
2 bedrooms	24	51	110	85	573	844
3 bedrooms	19	84	296	168	648	1,214
4 bedrooms	1	12	109	57	146	326
5+ bedrooms	1	3	30	16	36	86

Source: Census 2011, AECOM Calculations

114. It is now possible to compare the 2011 housing mix in terms of size with the projected requirement based on the estimates set out in
115. Table 5-11 above modelling the change in the age structure of the population in Halesworth.
116. Table 5-12 below indicates that, by 2036, medium sized dwellings should continue to make up the majority of Halesworth's housing stock with 75% 2 and 3 bedroom homes. This is down slightly on existing figures where medium sized dwellings make up 79% of the housing stock.

**Table 5-12: 2011 housing sizes compared to ideal distribution at end of Plan period, Halesworth**

Number of bedrooms	2011		2036	
	Count	Percentage	Count	Percentage
1 bedroom	202	8.8%	269	9.8%
2 bedrooms	850	37.0%	844	30.8%
3 bedrooms	966	42.0%	1,214	44.3%
4 bedrooms	233	10.1%	326	11.9%
5 or more bedrooms	46	2.0%	86	3.2%
Total households	2,298	100.0%	2,739	100.0%

Source: Census 2011, AECOM Calculations

117. Table 5-13 below sets out the estimated misalignment between future demand for housing, based on the modelled preferences of households at different life-stages, and the current stock available in the Neighbourhood Plan area.

**Table 5-13: Future potential misalignments of supply and demand for housing, Halesworth**

Number of bedrooms	2011	2036	Change to housing mix	Recommended split
1 bedroom	202	269	67	15.0%
2 bedrooms	850	844	-6	0.0%
3 bedrooms	966	1,214	248	55.3%
4 bedrooms	233	326	93	20.6%
5 or more bedrooms	46	86	40	9.0%

Source: AECOM Calculations

118. The interim result of the life-stage modelling exercise, therefore, is that to minimise misalignments between supply and demand, 15% of dwellings in new developments should have 1 bedroom, 55% should have three bedrooms, 21% should have four bedrooms and 9% should be of 5 or more bedrooms.
119. Note that the changes to the housing mix given above for 2-bedroom dwellings are negative numbers. Because in light of the national and local housing shortage, it is rarely advisable or practicable to remove dwellings from the available stock, as would otherwise be suggested here for dwellings with three or more bedrooms, we have instead set the recommended split at 0% rather than a negative number, and rebalanced the other sizes as percentages of the additional dwellings they represent in total. In other words, the interim results of the life-stage modelling suggest that there will be no need for further 2-bedroom dwellings over the Neighbourhood Plan period. It should also be noted that Halesworth's current equal split of 2 and 3 bedroom homes, is unusual in comparison to wider geographies (as shown in Table 5-4). Therefore rebalancing the split and increasing the number of 3 bedroom homes will help bring the NA in line with District level.
120. It is acknowledged that this particular recommendation of no more 2-bedroom dwellings seems to contradict earlier comments made in relation to smaller dwellings both for younger and older generations. It is first worth appreciating that while the recommended split is a useful guide, the model that it relies on is limited in some respects and assumes a market that is completely efficient. For example, the recommendation for 2-bedrooms (0%) is based on the fact that the current proportion of 2 beds is 37%, and this exceeds the proportion predicted at the end of the plan period based on the projected population distribution. Although the split recommends no more 2 beds on this basis, there will very likely be continued demand from an affordability perspective and from certain demographic groups looking for smaller dwellings such as newly forming and elderly households. It also isn't realistic to expect the existing supply of 2 beds to

be vacated or made available to these households which the model assumes. Therefore the continued provision of 2 bedroom homes at a reasonable quantity should be both permitted and encouraged.

121. It is again worth mentioning that the housing split calculated above is partially based upon lifestage modelling, which we've established to be limited in some respects. The Group may also wish to consider other factors when determining a dwelling size split for Halesworth's Neighbourhood Plan. These might include affordability pressures, local preferences, the existing stock of dwellings, new developments and the nature of the site itself.

It should be noted that while the HNA can present guidance as to what size split may be appropriate, it is up to the Neighbourhood Plan to determine the final split based on all available evidence.

## Downsizing

122. It is also worth noting that the propensity of households of different age bands to occupy different sizes of dwelling is not a pure expression of preference. It is also, of course, constrained by the actual housing stock on offer and affordability: households can only make choices based on the limited range of options available to them.
123. Although the housing market does to an extent ensure that supply reflects demand at the time of construction, the UK's housing stock has been built up over centuries. The total stock of housing that has been accumulated to the present day is therefore not necessarily well-aligned with today's demographic profile and consumer preferences.
124. The obstacle for many potential downsizers is an undersupply of suitable smaller dwellings to move into, and the competition for such dwellings from newly forming households. It may be that the number of one to two-bedroom dwellings recommended here should, for this reason, be higher, in order to facilitate downsizing, especially considering the expected growth in Halesworth's retirement population.
125. It is important to view the sizes of additional dwellings needed in Halesworth over the Plan period in the context of such issues, and may also be useful to gather additional sources of data, such as household surveys about the desire and ability of Halesworth residents to downsize to smaller properties, when planning for the future dwelling mix. One such survey looking into downsizing size preferences could help establish whether residents preferred two or three bedroom homes. Therefore if need be, the recommended dwelling mix could be adjusted to 55.3% two-three bedroom homes – allowing for more flexibility.

## 5.5 SHMA findings

126. The Ipswich and Waveney Housing Market SHMA makes predictions on the number of different sized dwellings going forward into the future. The method used to make these predictions differs from AECOM's, therefore it is useful to compare the two. The data is divided by forms of tenure including Owner-occupied, Private Rented, Shared Ownership and Social/ Affordable Rent) according to the Waveney HMA. These categories are grouped together in the table below.

**Table 5-14: Size of new owner-occupied accommodation required in Waveney HMA over the next 22 years**

No. of Bedrooms	Size profile (2014)	Size Profile (2036)	Change Required	% Change Required	Recommended split of new dwellings
One Bedroom	4,684	5,673	989	21%	13%
Two Bedroom	13,730	15,814	2,084	15%	27%
Three Bedroom	23,703	26,339	2,636	11%	34%
Four Bedrooms +	9,273	11,219	1,946	21%	25%

Source: Ipswich and Waveney Housing Market Areas SHMA Volume 2, 2017 v3

127. To account for the estimated size profile in 2036, the SHMA recommends building more of every size type, with a particular focus on one bedroom (21%) and four bedroom (21%) dwellings. This produced a recommended new dwelling split weighted towards three bedroom homes (34%), followed by two bedroom (27%), four + bedroom (25%) and lastly one bedroom (13%).

128. The size split produced by the SHMA is relatively different to the one produced by the HNA. Most notable is the difference in the number of 2 bed dwellings recommended (27% in the SHMA versus 0% in the HNA). The SHMA also recommends fewer 3 bed dwellings going forward (34% versus the HNA's 55%). These differences could be explained by the fact that the SHMA uses an alternative methodology to the HNA and also covers a much wider geographical area.
129. Given the SHMA recommends nearly a third of dwellings be 2 bed, this may be more reason to encourage the development of 2 bed dwellings, as described in paragraph 112.
130. It is worth noting some caveats with this data that should be considered when making a comparison with AECOM size recommendations. For example, not all forms of tenure are represented such as Starter Homes. The number of bedroom categories are also not directly comparable with the HNA due to the SHMA also grouping together 4 and 5+ bed dwellings. Furthermore the data covers slightly time different periods (2014-2036 versus 2011-2036).

## 5.6 Conclusions- Type and Size

131. In terms of housing typology, Halesworth is mainly characterised by whole houses (as opposed to flats and apartments) such as detached, semi-detached and terraced homes, which make up 90% of the NA's stock. These dwellings tend to be medium-sized, i.e. 4-6 rooms.
132. Data from the intercensal period 2001-2011 shows there has been an increase in the number of 6+ room dwellings, indicating a strong market demand for larger homes within the Halesworth.
133. Waveney's Annual Monitoring Report shows a large number of housing completions of 2 bed homes over the period 2014/15 to 2017/18. This is despite the fact that Halesworth already has a significant proportion of this size of home, and trends indicate a demand for larger homes.
134. Halesworth's demographic is skewed largely towards the middle aged and elderly age groups, with a noticeable lack of younger people compared to wider geographies. Intercensal data indicates this will continue to be the case, with the elderly population set to increase dramatically and the younger population set to contract.
135. Household composition data tells us that there are significantly more family households than one person households in Halesworth (59% to 38%), the majority of which are couples without children. There is also a high percentage of single households composed of those aged 65+, more so than in Waveney or England. Intercensal data shows these two categories - one person households and couples without children - have grown in number between 2001 and 2011.
136. Life-stage modelling allows us to make further predictions about Halesworth's population and housing needs. The data again shows a significant increase in the number of elderly households compared to younger households which are forecast to either stagnate or contract by the end of the plan period in 2036.
137. Combining household distribution projections with current preferences between household age and dwelling size at district level, indicates how many properties of each size will be needed by the end of Halesworth's Plan period. This results in the following dwelling split size: 15% one bedroom, 55% three bedroom, 21% four bedroom and 9% five bedroom. Based on this model and the fact that Halesworth currently has an 'imbalance' of two and three bedroom homes according to its projected population, no more two beds have been recommended within the split of new dwellings.
138. However it is worth recognizing the caveats associated with this split. The model is by definition a model – one which is based on current trends and can only speculate on Halesworth's future population: its size, age structure and occupancy preferences. Furthermore the model assumes a completely efficient market, whereby home owners are happy to move around to ensure that all residents are housed within their dwelling size preference. There may also be other issues to factor into the split of dwelling sizes such as affordability pressures, local preference and additional constraints.
139. Findings from the Ipswich and Waveney Housing Market Area SHMA suggest a new dwelling size split of 13% one bedroom homes, 27% two bedroom homes, 34% three bedroom homes and 25% four bedroom homes. Despite caveats associated with the SHMA, the high proportion of two bedroom dwellings recommended may be used as further evidence to in fact increase the number of two beds within Halesworth.
140. Furthermore, given the expected growth in Halesworth's retirement population and the propensity for 'downsizing' amongst this age group, there may be more reason to prepare for a higher number of one and two-bedroom dwellings.
141. The type of home (detached, semi-detached, terraced or flat) is more a matter of demand in the wider sense than need in the stricter sense, encompassing a number of factors including wealth, taste, vernacular etc. and is therefore of secondary importance in the context of a Housing Needs Assessment. Notwithstanding this, the housing types that are most likely to meet local needs, based on the current stock transaction data from the Land Registry, are detached homes. Additionally, bungalows appeal to the elderly population and this particular type should be promoted so as to meet the demand of a growing elderly population.
142. In summary, it is important to recognize that the HNA is a report to be used by the neighbourhood planning group at their own discretion to evidence potential housing policies. The findings of the report do not need to be directly replicated as policy but more used more as a guideline to help frame policy.

## 6. Conclusions

### 6.1 Overview

143. Table 6-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

**Table 6-1: Summary of study findings specific to Halesworth with a potential impact on Neighbourhood Plan housing policies**

Research Question	Conclusions	Recommendations												
<p>RQ 1. Housing tenure and affordability</p>	<p>Based on data from the SHMA and ONS, the median and lower quartile annual household incomes for the Neighbourhood Plan area are £32,100 and £18,824 respectively. Using these affordability thresholds reveals that less than half of tenures currently available in Halesworth are viable for those within this income bracket. The most affordable forms of tenure therefore are Shared Ownership at 25%, Social Rent and Affordable Rent.</p> <p>The Ipswich and Waveney SHMA sets out the predicted tenure profile for Waveney HMA in 2036 and demonstrates a growing need for Shared Ownership. It results in a tenure split heavily weighted towards Owner-occupation yet does not meet the minimum percentage requirement for Affordable Housing Policy.</p> <p>There are significant development sites in Halesworth which may come forward during the neighbourhood plan period. Collectively these will deliver 575 homes potentially increase Halesworth's population by 20%. Clearly this represents a challenge in terms of planning and delivering these sites and managing community change however, there is also an opportunity to develop a housing mix which meets current and future needs.</p> <p>Housing completions data from 2011-2019 indicates that more affordable housing needs to be delivered within Halesworth, to meet the requirement set out in the Local Plan and more importantly meet the needs of those on lower incomes within the NA.</p> <p>Creating more affordable routes to Home Ownership such as Shared Ownership could help attract a younger demographic, a wish expressed by Halesworth's Steering Group.</p>	<p><b>Recommended tenure split (Affordable Housing)</b></p> <table border="1" data-bbox="981 459 1412 694"> <tr> <td><b>Routes to home ownership, of which</b></td> <td><b>50%</b></td> </tr> <tr> <td>Starter Homes</td> <td>10%</td> </tr> <tr> <td>Shared Ownership (at 25%)</td> <td>40%</td> </tr> <tr> <td><b>Affordable Housing for rent, of which</b></td> <td><b>50%</b></td> </tr> <tr> <td>Affordable Rent</td> <td>25%</td> </tr> <tr> <td>Social Rent</td> <td>25%</td> </tr> </table> <p><i>Source: AECOM calculations</i></p> <p>In terms of an affordable dwelling tenure split, around 50% should offer routes to Home Ownership (split between 10% Starter Homes and 40% Shared Ownership) and 50% should offer Affordable Housing for Rent (split between 25% Affordable Rent and 25% Social Rent).</p>	<b>Routes to home ownership, of which</b>	<b>50%</b>	Starter Homes	10%	Shared Ownership (at 25%)	40%	<b>Affordable Housing for rent, of which</b>	<b>50%</b>	Affordable Rent	25%	Social Rent	25%
<b>Routes to home ownership, of which</b>	<b>50%</b>													
Starter Homes	10%													
Shared Ownership (at 25%)	40%													
<b>Affordable Housing for rent, of which</b>	<b>50%</b>													
Affordable Rent	25%													
Social Rent	25%													

<p>RQ 2. Housing type and size</p>	<p>Halesworth’s demographic is skewed largely towards the middle aged and elderly age groups, with a noticeable lack of younger people compared to wider geographies. Intercensal data indicates this will continue to be the case, with the elderly population set to increase dramatically and the younger population set to contract.</p> <p>Life-stage modelling allows us to make further predictions about Halesworth’s population and housing needs. The data again shows a significant increase in the number of elderly households compared to younger households which are forecast to either stagnate or contract by the end of the plan period in 2036.</p>	<p><b>Future recommended dwelling split</b></p> <table border="1" data-bbox="973 246 1412 526"> <thead> <tr> <th>Number bedrooms</th> <th>of Recommended split</th> </tr> </thead> <tbody> <tr> <td>1 bedroom</td> <td>15.0%</td> </tr> <tr> <td>2 bedrooms</td> <td>0.0%</td> </tr> <tr> <td>3 bedrooms</td> <td>55.3%</td> </tr> <tr> <td>4 bedrooms</td> <td>20.6%</td> </tr> <tr> <td>5 or more bedrooms</td> <td>9.0%</td> </tr> </tbody> </table> <p><i>Source: AECOM Calculations</i></p> <p>Combining household distribution projections with current preferences between household age and dwelling size at district level, indicates how many properties of each size will be needed by the end of Halesworth’s Plan period. This results in the following dwelling split size: 15% one bedroom, 55% three bedroom, 21% four bedroom and 9% five bedroom. Based on this model and the fact that Halesworth currently has an ‘imbalance’ of two and three bedroom homes according to its projected population, no more two beds have been recommended within the split of new dwellings.</p> <p>However it is worth recognizing the caveats associated with this split. The model is by definition a model – one which is based on current trends and can only speculate on Halesworth’s future population: its size, age structure and occupancy preferences. Furthermore the model assumes a completely efficient market, whereby home owners are happy to move around to ensure that all residents are housed within their dwelling size preference. There may also be other issues to factor into the split of dwelling sizes such as affordability pressures, local preference and additional constraints.</p> <p>Findings from the Ipswich and Waveney Housing Market Area SHMA suggest a new dwelling size split of 13% one bedroom homes, 27% two bedroom homes, 34% three bedroom homes and 25% four bedroom homes. Despite caveats associated with the SHMA, the high proportion of two bedroom dwellings recommended may be used as further evidence to in fact increase the number of two beds within Halesworth.</p> <p>Furthermore, given the expected growth in Halesworth’s retirement population and the propensity for ‘downsizing’ amongst this</p>	Number bedrooms	of Recommended split	1 bedroom	15.0%	2 bedrooms	0.0%	3 bedrooms	55.3%	4 bedrooms	20.6%	5 or more bedrooms	9.0%
	Number bedrooms	of Recommended split												
1 bedroom	15.0%													
2 bedrooms	0.0%													
3 bedrooms	55.3%													
4 bedrooms	20.6%													
5 or more bedrooms	9.0%													

Research Question	Conclusions	Recommendations
		age group, there may be more reason to prepare for a higher number of one and two-bedroom dwellings.

## 6.2 Recommendations for next steps

144. This Neighbourhood Plan Housing Needs Assessment aims to provide Halesworth with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with Waveney with a view to agreeing and formulating draft housing policies, bearing the following in mind:

- All Neighbourhood Planning Basic Conditions, but in particular the following: Condition A, namely that the Neighbourhood Plan 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 strategic policies of the adopted development plan;
- The views of Waveney – in particular in relation to the quantity of housing that should be planned for;
- 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 Waveney, including but not limited to the Strategic Housing Land Availability Assessment (SHLAA);
- The recommendations and findings of this study; and
- The impact of the Government’s Standard Methodology on calculating housing need for Waveney and the neighbourhood plan areas within it.

145. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.

146. Bearing this in mind, we recommend that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Waveney or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

147. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

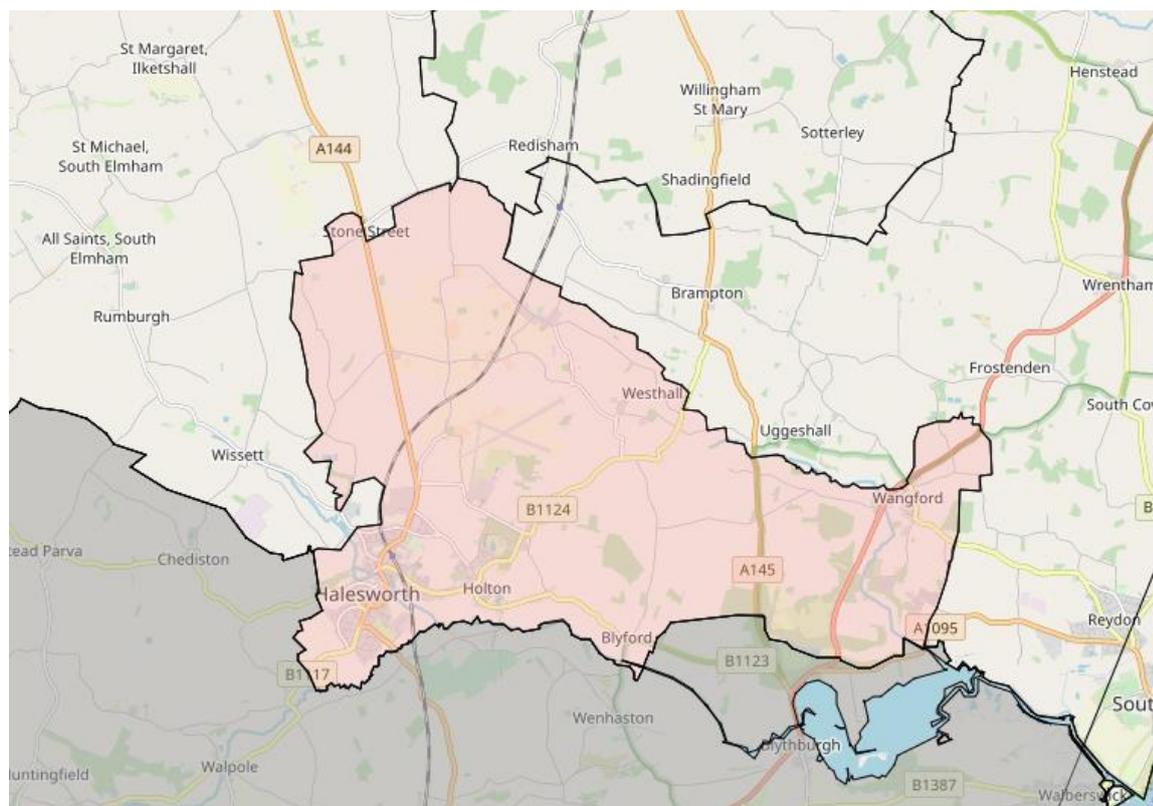
## Appendix A : Calculation of Affordability Thresholds

### A.1 Assessment geography

148. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.

149. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Halesworth, it is considered that MSOA Waveney 015 is the closest realistic proxy for the Neighbourhood Plan area boundary, given that it covers the three LSOAs that comprise the NA. As such, this is the assessment geography that has been selected. A map of Waveney 015 appears below in Figure 7-1.

**Figure 7-1: MSOA Waveney 015 used as a best-fit geographical proxy for the Neighbourhood Plan area**



Source: ONS

### A.2 Market housing

150. Market dwellings are accessible to people on higher incomes. Choices in the housing market are driven principally by spending power, life stage, and personal taste.

151. The operation of the housing market is, in most circumstances, the best means of addressing the demand for different types of housing for sale. For this reason, it is important that planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand, because this is the principal way equilibrium is achieved in the market and thus house price growth kept in check.

152. In this sense, the notion of development 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.

153. 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 purchase thresholds (PT), which denote the standard household income required to access mortgage products.

## i) Market sales

154. The starting point for calculating the affordability of a dwelling for sale (i.e. the PT) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.
155. 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 Halesworth. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.
156. The calculation is therefore:
- Value of an 'entry level dwelling'<sup>26</sup> = £180,000;
  - Purchase deposit = £18,000 @10% of value;
  - Value of dwelling for mortgage purposes = £162,000]
  - Loan to income ratio = 3.5 of value of mortgage;
  - **Purchase threshold = £46,286.**

## ii) Private Rented Sector (PRS)

157. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. Households are deemed able to afford a private rent property 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% of gross household income for households with incomes of more than £40,000 per annum.
158. It is assumed that lower quartile private rent equates to the average rent paid in the Neighbourhood Plan area for a two-bedroom dwelling (enough living space for two or three individuals). In order to be in conformity with the Government guidance on overcrowding,<sup>27</sup> such a home would require three habitable rooms (a flat or house with two bedrooms).
159. The property website [Home.co.uk](http://Home.co.uk) shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within the IP19 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.
160. According to [home.co.uk](http://home.co.uk), there are 3 two-bed properties currently listed for rent across IP19, with an average price of £468 per calendar month.
161. It is possible to derive from this data the estimated income threshold for private rental sector dwellings in the Neighbourhood Plan area; the calculation is therefore:
- Annual rent = £468 x 12 = £5,616;
  - Multiplied by 4 = £22,464;
  - **Income threshold (private rental sector) = £22,464.**
162. The NPPF 2018 acknowledges that build-to-rent dwellings have a role to play in providing affordable market homes and may meet affordable housing need where they include a component of affordable private rent.

## A.3 Affordable Housing

163. There are a range of tenures that constitute the definition of Affordable Housing within the 2018 NPPF: social rent and affordable rent, starter homes, discounted market sales housing, and other affordable routes to home ownership.

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<sup>26</sup> 'Entry-level dwelling' can be understood to comprise a property that costs the average value of dwellings falling into the lower quartile of house prices in the Neighbourhood Plan area, as set out in the Tenure and Affordability chapter above.

<sup>27</sup> This is based on the concept of the 'room standard', which 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). See: [http://england.shelter.org.uk/housing\\_advice/repairs/overcrowding](http://england.shelter.org.uk/housing_advice/repairs/overcrowding)

164. This variety of tenures reflects an ambition by the Government to provide a pathway to home ownership for more sectors of the population, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide affordable housing 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.
165. 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. Labelled an 'intermediate' product, this tenure is suitable for people with an income that precludes them from eligibility for socially-rented dwellings (where rent is set in accordance with the Government's rent policy), but who, at the same time, cannot afford to access the private market.
166. The overall aim is to restrict eligibility for social rent dwellings to those with very low household incomes, relatively speaking. However, within this tenure, market principles also apply, given the link between rents and size of dwelling. There is a strong financial incentive for households to only occupy a dwelling deemed suited to their needs, based on an 'occupancy rating' formula set by the Government.
167. We consider each of the affordable housing tenures in turn, before developing a recommendation for how the quota of affordable housing yielded by development should be divided between these tenures.

### i) Social rent

168. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on low incomes and is subject to strict eligibility criteria.
169. To determine social rent levels, we used the data and statistical return from Homes England. This data is only available at the LPA level so must act as a proxy for Halesworth. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Waveney in the table below.

**Table A-1: Social rent levels (£)**

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

Source: Homes England, AECOM Calculations

### ii) Affordable rent

170. Commentators have repeatedly raised concerns about Affordable Rent not constituting a realistic form of AH, given that in many areas it reduces rent to levels that are still beyond the means of the target group, i.e. those on incomes substantially below the mean.
171. To determine Affordable Rent prices we can also use the Local Housing Allowance rates, which, in the case of Lowestoft and Great Yarmouth BRMA, gives a rate of £104.89 a week or £5,034.72 per year. This produces an income threshold of £20,138.88.

### iii) Intermediate tenures

172. 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**

173. The Housing and Planning Act 2016 introduced a duty on planning authorities in England to promote the supply of 'starter homes', and to require a minimum number or proportion of 'starter homes' on certain residential development sites. In paragraph 64 of the NPPF 2018, 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".

174. In effect, therefore, the NPPF permits neighbourhood planners to decide an appropriate level of affordable home ownership tenure, while taking note of the 10% policy expectation.
175. A starter home is a new build home with a value not exceeding £250,000 (or £450,000 in London); they are eligible for first time buyers aged 40 or younger.
176. Whether to treat discounted market sale homes as affordable housing or not depends on 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 AMH for purchase.
177. To provide a conservative assessment of the suitability of discounted market sale homes, it is appropriate to apply the value we have estimated for an entry-level dwelling, namely £180,000.
178. Applying a discount of 20% provides an approximate selling price of £144,000. Allowing for a 10% deposit further reduces the value of the property to £129,600. The income threshold at a multiple of 3.5 is **£37,029**.

### Shared ownership

179. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and 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 'staircasing'. Generally, staircasing will be upward, thereby increasing the share owned.
180. In exceptional circumstances (for example, 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 first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £60,000.
181. To determine the affordability of shared ownership, calculations are based on the lower quartile house price of £[£180,000].<sup>28</sup> 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 the income on rent (as for the income threshold for the private rental sector).
182. A 25% equity share of £180,000 is £45,000, from which a 10% deposit of £4,500 is deducted. The mortgage value of £40,500 (£45,000 - £4,500) is then divided by 3.5. To secure a mortgage of £40,500, an annual income of £11,571 (£40,500/3.5) is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £135,000. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £3,375 and requires an income of £13,500. Therefore, an income of around **£25,071** (£11,571 + £13,500) is required to afford a 25% shared equity purchase of an entry-level house with annual rent.
183. A 50% equity share of £180,000] is £90,000, from which a 10% deposit of £9,000 may be deducted. The mortgage cost of £81,000 (£90,000 - £9,000) is then divided by 3.5. To secure a mortgage of £81,000, an annual income of £23,143 (£81,000 / 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 50% shared ownership equity, comprising the unsold value of £90,000. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £2,250, requiring an income of £9,000. Therefore, an annual income of around **£32,143** (£9,000 + £23,143) is required to afford a 50% shared equity purchase of an entry-level house with annual rent.
184. A 75% equity share of £180,000 is £135,000, from which a 10% deposit of £13,500 can be deducted. The mortgage cost of £121,500 (£135,000 - £13,500) is then divided by 3.5. To secure a mortgage of £121,500, an annual income of £34,714 (£121,500 / 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 25% shared ownership equity, comprising the unsold value of £45,000. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £1,125, requiring an income of £4,500. Therefore, an annual income of around **£39,214** (£4,500 + £34,714) is required to afford a 75% shared equity purchase of an entry-level house with annual rent.

<sup>28</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 includes property re-sale.

## Appendix B : Housing Needs Assessment Glossary

### Adoption

This refers to the final confirmation of a local plan by a local planning authority.

### Affordability

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)

Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

b) Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

c) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

### 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<sup>29</sup>.

### **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 considered at the examination stage of neighbourhood development plans. They need to be met before a plan can progress to referendum.

### **Backlog need**

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

### **Bedroom Standard<sup>30</sup>**

The bedroom standard is 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/ under occupation. 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>31</sup>**

A community right to build order is a special kind of neighbourhood development order, granting planning permission for small community development schemes, such as housing or new community facilities. Local community organisations that meet certain requirements or parish/town councils are able to prepare community right to build orders.

### **Concealed Families (Census definition)<sup>32</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.

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<sup>29</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

<sup>30</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

<sup>31</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>32</sup> See [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)

### **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>33</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 manage day-to-day tasks without assistance. 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 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, excluding 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**

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.

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<sup>33</sup> See <http://www.housingcare.org/jargon-extra-care-housing.aspx>

## **Housing Products**

Housing products simply refers to different types of housing as they are produced by developers of various kinds (including councils and housing associations). Housing products usually refers 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 more than one household, for example a shared kitchen, are not counted.

## **Housing Type (Census Definition)**

This refers to the type of accommodation used or available for use by an individual household (i.e. 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**

This means 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 by 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 neighbourhood level so LPA level data is employed on the basis of the NA falling within its 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/>.

## **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 housing need (NPPF definition)**

The number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 60 of this Framework).

### **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 or the Greater London Authority, to the extent appropriate to their responsibilities.

### **Local Plan**

This is 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 form part of the Local Plan and are known as 'Development Plan Documents' (DPDs).

### **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**

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.

### **Mean (Average)**

The mean or the average is, mathematically, the sum of all values divided by the total number of values. This is 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>34</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 Development Order (NDO)**

An NDO will grant planning permission for a particular type of development in a particular area. This could be either a particular development, or a particular class of development (for example retail or housing). A number of types of development will be excluded from NDOs, however. These are minerals and waste development, types of development that, regardless of scale, always need Environmental Impact Assessment, and Nationally Significant Infrastructure Projects.

### **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 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 single 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.

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<sup>34</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

## **Proportionate and Robust Evidence**

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 dwellings 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>35</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 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 bedrooomed. 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**

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 LAAs (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 under the 2012 version of the NPPF, usually across administrative boundaries to encompass the whole housing market area. The NPPF makes clear that SHMAs 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 SHMAs are combined with Economic

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<sup>35</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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.). Guideline target rents for this tenure 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>36</sup>

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<sup>36</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

