

Ufford

Housing Needs Assessment (HNA)

October 2022

Quality information

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List of acronyms used in the text:

DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
HMA	Housing Market Area
HNA	Housing Needs Assessment
HRF	Housing Requirement Figure (the total number of homes the NA is expected to plan for, usually supplied by LPAs)
HLIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LPA	Local Planning Authority
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

1. Executive Summary

1. Ufford is a Neighbourhood Area located in the local authority area of East Suffolk. The Neighbourhood Area boundary covers the areas administered by Ufford Parish Council.
2. The Office for National Statistics mid-2020 population estimate for Ufford is 1,033 individuals, showing an increase of 85 individuals since the 2011 Census.
3. There has been some development in Ufford since 2011. East Suffolk Council has provided completions data from 2011 to 2022 which shows the addition of 47 new dwellings. The total quantity of dwellings in the NA is therefore estimated to be 475. As of March 2022, outstanding commitments total 10 dwellings across 4 developments.
4. This Executive Summary details the conclusions of each chapter of the report, addressing the four research questions formulated at the outset of the research.

Conclusions- Tenure and Affordability

Current dwelling stock

5. In 2011, the majority of households in Ufford owned their own home, significantly above both East Suffolk and England as a whole. The proportion of households living in the social rented and private rented sectors in the NA was below East Suffolk's levels, and more significantly below the proportions seen across the country. Between 2015/16 and 2021/22, 30.8% of dwellings in Ufford were delivered as Affordable Housing.
6. Between 2012 and 2022, house prices rose significantly in Ufford. The median house price rose by 89.3%, peaking in 2021 at £506,375. The lower quartile house price fluctuated to a lesser extent and peaked in 2019 at £388,500. In both measures, there was a clear dip in prices in 2020, potentially due to factors such as the types, sizes, condition, and location of properties sold in this year. Comparing NA house prices to East Suffolk in 2021 shows that median house prices in Ufford were 92.1% higher than the local authority as a whole, reflecting the affordability challenges specific to Ufford.

Affordability

7. Local households on average incomes are unable to access even entry-level homes in Ufford unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income nearly three times the current average. Private renting is generally only affordable to average earners. Households made up of one or two lower quartile earners cannot afford the given rental thresholds.
8. Turning to affordable home ownership, it is recommended that First Homes are delivered at a 50% discount in Ufford, subject to viability. This would extend home ownership significantly, to households earning between £50,690 and £89,807. Shared ownership appears to be slightly more affordable than First Homes but is broadly accessible to the same groups. The income required to access Rent to Buy may make this a more affordable option, especially for those with no savings for a deposit.

9. Affordable rented housing is generally affordable to households with two lower earners. Households with a single lower earner may only just be able to afford the smallest socially rented units.

Affordable Housing need

10. This study estimates that Ufford has sufficient affordable rented housing and requires roughly 18 units of affordable home ownership over the Plan period, as shown in Table 4-7. However, both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes and so delivery should not be restricted to affordable home ownership products.
11. Although the need for affordable rented housing need may be met over the long-term with the presumed existing stock, this assumes a rate of relet. The households currently in need in the NA do not necessarily want to, or have the means to, wait for existing stock to become available later in the plan period. Notably, East Suffolk Council's Housing Register indicates that there are currently 5 households on the waiting list for Ufford. In practice, it would be better to frontload any future affordable rented provision to meet those needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock.
12. The indicative mix for Affordable Housing is chiefly in response to the expectation that the delivery of Affordable Housing as a whole will be lower than the needs identified in Chapter 4 for the NA. This is mainly due to the housing requirement figure for Ufford being 0, meaning that there is no requirement for any housing to be delivered, market or affordable. It is suggested, in line with the Local Plan, that any Affordable Housing is delivered in a 50/50 split between social/affordable rented housing and affordable home ownership. When looking at affordable home ownership, the following split is suggested:
- 25% First Homes (at 50% discount);
 - 15% Shared Ownership (at 10% equity); and
 - 10% Rent to Buy.
13. It is suggested that First Homes are delivered at a 50% discount, with shared ownership at 10% equity, and Rent to Buy as an option for households with few savings.
14. Due to the housing requirement figure of 0, it is not expected that delivery of Affordable Housing will meet the demand estimated in the report. The recommendation is that the policy requirement be met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites) to be explored.

Conclusions- Type and Size

15. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing

market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.

Current dwelling stock

16. In 2011, the vast majority of housing in Ufford was detached, at 64.3% of dwellings, followed by semi-detached dwellings at 18.5%. Detached dwellings remained the dominant type in 2021 but there was a significant increase in terraced dwellings in this time (from 10.7% to 19.8%). Between 2015/16 and 2021/22, 74.4% of dwellings built in Ufford were houses, with a significant proportion, at 16.3%, taking the form of bungalows. The NA has a much greater proportion of detached dwellings than both East Suffolk and England, with the proportion of semi-detached and terraced dwellings well below the proportion for the comparator areas.
17. Turning to dwelling size, in 2011, the majority of dwellings in Ufford were 3-bedroom (39.1%), followed by larger 4-bedroom (27.3%) dwellings. There were very few smaller 1-bedroom (1.8%) dwellings. Looking to 2021, there was a slight increase in the proportion of mid-sized 3-bedroom dwellings (to 41.5%) as well as a notable increase in the smallest dwellings (from 1.8% to 5.3%). Between 2015/16 and 2021/22, the majority of development in Ufford was 2-bedroom (32.6%) and 3-bedroom (37.2%), with a significant proportion also of the largest dwellings. The proportion of smaller dwellings in Ufford is below levels for East Suffolk and England, indicating a potential lack of both entry-level dwellings and properties suitable for older people to downsize.

Demographics

18. In 2011, the majority of the population were aged 45-64, followed by those aged 65-84. Looking to 2020, there was an increase in the proportion of households aged 65-84, from 18.7% to 23.6%, indicative of an aging population. There was also a decline in the proportion of the population aged 0-15 and, even more significantly, in the proportion aged 16-24, perhaps indicating affordability challenges for younger people looking to leave their parents' homes. In 2011 the proportion of the population aged 0-44 was significantly smaller in Ufford than nationally whilst the proportion of the population aged 45+ was greater than England. The population of East Suffolk generally falls between that of Ufford and England.
19. Under-occupancy is relatively common in the NA, with 87.7% of households living in a dwelling with at least one extra bedroom. This is most common in family households aged 65+ and families aged under 65 with no children. This suggests that larger housing in Ufford isn't being occupied by households with the most family members, but by those with the most wealth or by older people who have chosen not to, or been unable to, downsize into smaller properties. There is also some over-occupancy in the NA in family households with dependent children.
20. Population growth can be expected to be driven by the oldest households, with households with a household reference person aged 65 and over expected to grow by 74% between 2011 and 2036. This would mean that households in this age bracket would account for 48.9% of households in 2036, compared to accounting for 34.6% in 2011, showing a rapidly aging population.

Future size mix

21. AECOM modelling suggests that in 2036, the majority of dwellings in Ufford should be 3-bedroom. It suggests significant increases in the proportion of smaller 1-bedroom and 2-bedroom dwellings and a decline in the proportion of larger dwellings. In order to reach the guideline mix in Table 5-9 it is suggested that all development within the plan period is for 1-bedroom, 2-bedroom, and 3-bedroom dwellings, with a slight skew towards 2-bedroom dwellings.
22. However, it is not necessarily sensible to restrict delivery to only the smaller categories. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. There may therefore be a justification to continue supplying larger homes despite their abundance because a different kind of larger home is needed to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix but is among the good reasons not to inhibit any size of dwelling entirely.
23. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to smaller and mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

Conclusions- Specialist Housing for Older People

24. There are currently no units of specialist accommodation for older persons in the NA. There are two Almshouses which are specifically for older persons which are currently being redeveloped to make them more suitable for people with mobility limitations.
25. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
26. These two methods of estimating the future need in Ufford produce a range of 19 to 22 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
27. It is important to take into consideration the breakdown in levels of care and tenure within the need for specialist housing for older persons. When considering the AECOM calculations outlined in Table 6-5, the majority of the need, at 68.2% (15 units), is identified for specialist market housing. Slightly more need is identified for sheltered housing at 54.5% (12 units) compared to 45.5% (10 units) extra-care. The greatest sub-category of need was identified for market sheltered housing at 40.9% (9 units) of the total need.

However, this need is for individuals with less severe limitations and market housing is considered the most appropriate for adaptations, so at least some of this need could be met through adaptations or through ensuring that all new housing is accessible and adaptable for people with lower support needs.

28. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Planning groups is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. The local level evidence supplied in this report could be used to influence local authority level policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
29. Local Plan policy SCLP5.8 (Housing Mix) provides explicit encouragement for development to accommodate specific groups such as older people. It requires developments of 10 or more specialist dwellings to have at least 50% of the dwellings meet national standards for accessibility and adaptability (Category M4(2)). The evidence gathered here would appear to justify the Steering Group approaching the LPA to discuss setting further requirements on accessibility and adaptability at a local authority level such as for wheelchair users (Category M4(3)). In addition, Government is considering mandating M4(2) on newly erected dwellings¹, although changes to Building Regulations have not yet been made.
30. Further to this, the adopted Local Plan policy provides explicit encouragement for the development of sheltered and extra-care housing, outlining that these schemes will be supported where they incorporate a mix of tenures and sizes to meet an identified need.
31. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
 - so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
 - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
 - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
32. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
33. It may be considered that Ufford is a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-

¹ See [Raising accessibility standards for new homes: summary of consultation responses and government response - GOV.UK](https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes) (www.gov.uk)

effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from Ufford entirely within the Neighbourhood Area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of Ufford, locations such as Melton may be considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Area (i.e. to be the hub in the hub-and-spoke model). If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself would not overlap.

34. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

Conclusions- Second homes

35. This section of the HNA considers the current extent of second home ownership in Ufford and related trends.
36. In 2011, Ufford contained 399 households and 428 dwellings, implying that there were 29 dwellings with no usual resident household. This means that 6.8% of dwellings had no usual residents, compared to 7.5% across East Suffolk and around 4.0% nationally.
37. When looking at holiday lets eligible for business rates specifically, it is estimated that in August 2022 there were 10 commercial holiday lets. Looking further than just commercial holiday lets, it is expected that overall second home ownership levels are greater than this. Based on estimates of 2021/22 housing stock and ONS mid-2020 population estimates, it is estimated that there are currently around 41 dwellings with no usual resident household, a significant increase on 2011. This means that 8.6% of dwellings therefore had no usual residents, with a significant proportion assumed to be second homes.
38. The demand for second homes in the NA is likely to have an adverse effect on affordability for local people. There is a clear difference in the potential income for owners between the private rented sector and holiday lets identified in the NA. The calculated average monthly cost of a holiday let in Ufford is £3,696 compared to the average monthly cost of a private rented dwelling of £1,217. If a holiday let was rented back-to-back, as it is assumed it would be in the summer months, the income (exclusive of any related costs) associated with the holiday let would be 203.7% greater than associated with longer term private rental. This highlights a clear incentive for property owners to rent their properties as holiday lets as opposed to letting them in the private rented sector, even when the additional costs and vacancy periods associated with holiday lets are factored in.
39. It is not possible to establish a precise causal link between second home ownership and declining affordability because rising prices and declining affordability are affected by other factors such as economic growth at the national level. However, given the scale of second home ownership in the NA, AECOM suggest that it is likely that the second homes market is a factor in the rise in prices and declining affordability in the area. The private rented sector in the NA is very small and is likely constrained by the growth of the holiday

let and second home market. In the context where new housing development is limited, all other things being equal, the expansion of second homes and holiday lets will reduce the availability of housing for households wishing to live in the area.

2. Context

Local context

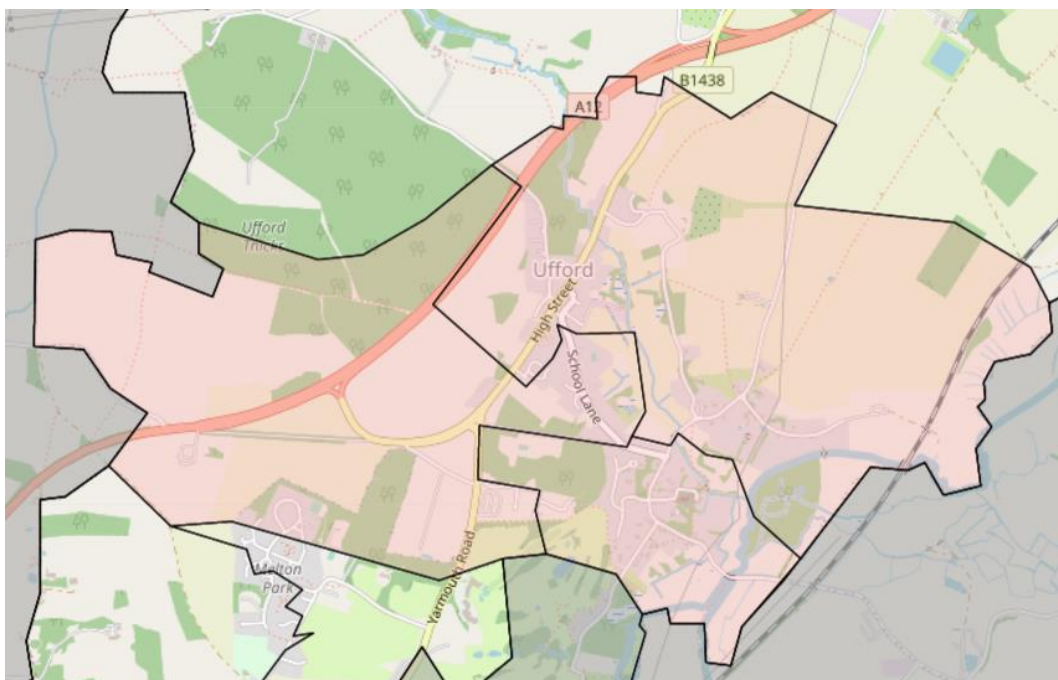
40. Ufford is a Neighbourhood Area located in East Suffolk. The Neighbourhood Area (NA) aligns with the whole parish boundary and was designated in April 2022.
41. The proposed Neighbourhood Plan period starts in 2022 and extends to 2036, therefore comprising a planning period of 14 years. The evidence supplied in this report will look forward to the Plan end date of 2036, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
42. Ufford is located in the county of Suffolk, in the East of England. The NA is located approximately 12 miles north east of Ipswich and c. 35 miles south east of Bury St Edmunds. A major road, the A12, runs through the west and north of the NA, connecting London and Lowestoft. In terms of public transport, there is a local bus service, with the closest train station c.2 miles from the NA in the neighbouring settlement of Melton. This provides connections to Ipswich and Lowestoft, from which connections to London and other major settlements can be obtained. There are limited amenities in the NA, with several pubs, a community hall, a hotel, and a church.
43. For Census purposes, the Neighbourhood Plan area is made up, like the rest of England, of statistical units called Output Areas (OAs). These make up Lower Layer Super Output Areas (LSOAs), which in turn make up Middle Layer Super Output Areas (MSOAs). The Plan area equates to the following combination of OAs, which has been used throughout as a statistical proxy for the NA boundary and which can be interrogated for data from both the 2001 and the 2011 Censuses:
 - OA E00153969
 - OA E00153970
 - OA E00153971

It is worth noting that the Output Areas noted do not align exactly with the NA designated by East Suffolk Council. Figure 2-1 shows the area the OAs cover, and therefore the area used for 2011 Census data collection. Figure 2-2 shows the designated NA, with the only differences being a small area of woodland and part of Melton Park in the south of the parish, which are included in the OAs but excluded in the NA. The area of woodland is likely to be uninhabited and would therefore not impact on the population and dwelling data collected from the Census. However, the small area of Melton Park does include some dwellings which, along with the associated households, will be included in Census data for the NA throughout this report.

44. It is also important to note that East Suffolk Council did not exist at the time of the 2011 Census, with Suffolk Coastal District and Waveney District merging on 1st April 2019 to form East Suffolk. At this time, Ufford was part of Suffolk Coastal District. Where 2011 Census data has been used for the local authority, the data from the two old districts has been combined to give a figure for East Suffolk. Where possible, all data sources have

been updated reflect East Suffolk figures as a comparator for Ufford as opposed to the old Suffolk Coastal area.

Figure 2-1: Map of the Ufford Output Areas



Source: ONS

Figure 2-2: Map of the Ufford Neighbourhood Area²



Source: Ufford Parish Council

² Ufford Parish Council

45. The statistics show that in the 2011 Census the NA had a total of 948 residents, formed into 399 households and occupying 428 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Ufford is 1,033 – indicating population growth of around 85 individuals since 2011. It is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.
46. Between 2011/12 and 2021/22 there were 47 net completions in Ufford, bringing the total number of dwellings to 475. This increase is broadly in line with the population change outlined. Since 2015/16 approximately 30.8% of completions in the NA have been Affordable Housing.

The Housing Market Area Context

47. Whilst this HNA focuses on Ufford neighbourhood area it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas. In the case of Ufford, the parish sits within Ipswich Housing Market Area which covers Ipswich, Babergh, Mid Suffolk, and Suffolk Coastal. This means that when households who live in these authorities move home, the vast majority move within this geography. It is interesting to note that Waveney District Council formed its own Housing Market Area at the time of the 2017 SHMA. Since then, Suffolk Coastal District Council and Waveney District Council have merged to form East Suffolk Council, which may have an impact on the future assessment and designation of Housing Market Areas.
48. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Ufford, are closely linked to other areas. In the case of Ufford, changes in need or demand in settlements nearby is likely to impact on the neighbourhood.
49. In summary, Ufford functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (East Suffolk Council), it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood play within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

Planning policy context

50. Neighbourhood Plans are required to be in general conformity with adopted strategic

local policies³. In the case of Ufford, the relevant adopted Local Plan for East Suffolk is the East Suffolk Council Suffolk Coastal Local Plan⁴, adopted in September 2020, focussing specifically on the old Suffolk Coastal council area up to 2036. This is supported by the East Suffolk Affordable Housing Supplementary Planning Document (SPD)⁵, adopted in May 2022.

51. There is currently no emerging Local Plan for East Suffolk.

Policies in the adopted local plan

52. Table 2-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Ufford.

Table 2-1: Summary of relevant adopted policies in the East Suffolk Council Suffolk Coastal Local Plan

Policy	Provisions
SCLP2.1: Growth in the Ipswich Strategic Planning Area	The Local Plan area will continue to play a key role in the economic growth of the Ipswich Strategic Planning Area. Over the period 2018-2036, the Suffolk Coastal Local Plan will contribute to the collective delivery of at least 35,334 dwellings across the Ipswich Housing Market Area.
SCLP3.1: Strategy for Growth	Over the period 2018-2036 the Council will deliver at least 542 new dwellings per annum (9,756 over the plan period) to boost the supply of housing, the mix of housing available, and the provision of affordable housing.
SCLP3.2: Settlement Hierarchy	<p>The settlement hierarchy is as follows:</p> <ul style="list-style-type: none"> • Major Centre • Market Towns • Large Villages • Small Villages (including Ufford) • Countryside <p>The development requirements for Major Centres, Market Towns, Large Villages, and Small Villages will be delivered through site allocations in the Local Plan or in Neighbourhood Plans, plus through windfall development in accordance with other policies in the Local Plan.</p>

³ A description of the Basic Conditions of Neighbourhood Planning is available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

⁴ Available at: <https://www.eastsuffolk.gov.uk/assets/Planning/Planning-Policy-and-Local-Plans/Suffolk-Coastal-Local-Plan/Adopted-Suffolk-Coastal-Local-Plan/East-Suffolk-Council-Suffolk-Coastal-Local-Plan.pdf>

⁵ Available at: <https://www.eastsuffolk.gov.uk/assets/Planning/Planning-Policy-and-Local-Plans/Supplementary-documents/Affordable-Housing/Affordable-Housing-SPD.pdf>

Policy	Provisions
SCLP5.2: Housing Development in Small Villages	<p>Residential development will be permitted within defined Settlement Boundaries where it is:</p> <ul style="list-style-type: none"> a) A small group of dwellings of a scale appropriate to the size, location, and character of the village; or b) Infill development (in accordance with Policy SCLP5.7). <p>Residential development will be permitted on Exception Sites adjacent or well related to defined Settlement Boundaries in accordance with Policy SCLP5.11.</p>
SCLP5.7: Infill and Garden Development	<p>Proposals for infill development or residential development within existing gardens will be supported subject to conditions outlined in the full Policy.</p> <p>Neighbourhood Plans are able to set their own policies on this type of development in response to local circumstances.</p>
SCLP5.8: Housing Mix	<p>Proposals for new housing development will be expected to deliver the housing needed for different groups in the community as identified in the SHMA or latest equivalent assessment.</p> <p>New development should provide a mix of housing tenures, types, and sizes appropriate to the site size, characteristics, and location, reflecting where feasible the identified need, particularly focusing on smaller dwellings (1 and 2 bedrooms).</p> <p>To contribute towards meeting the significant needs for housing for older people, proposals for ten or more dwellings should demonstrate how the development will contribute to meeting the needs of older people.</p> <p>On proposals of 10 or more non-specialist dwellings at least 50% of the dwellings will need to meet the requirements for accessible and adaptable dwellings under Part M4(2) of the Building Regulations. All specialist dwellings will be expected to meet the requirements for accessible and adaptable dwellings under Part M4(2) of the Building Regulations. Only in exceptional circumstances would a lower percentage of M4(2) dwellings be permitted. In such circumstances applicants would need to demonstrate that provision is either unfeasible or unviable and that the development incorporates alternative measures to enhance accessibility and adaptability where possible.</p> <p>Sheltered and extra-care housing will be supported where the scheme incorporates a mix of tenures and sizes to meet an identified need.</p>

Policy	Provisions
	Neighbourhood Plans may set out an approach to housing type and mix specific to the local area where this is supported by evidence.
1SCLP5.9: Self Build and Custom Build Housing	<p>Proposals for self-build or custom build plots, or proposals that make a proportion of serviced dwelling plots available for sale to self-builders or custom builders, will be supported where in compliance with all other relevant policies of this Local Plan.</p> <p>Developments of 100 or more dwellings will be expected to provide a minimum of 5% self or custom build properties on site through the provision of serviced plots.</p>
SCLP5.10: Affordable Housing on Residential Developments	<p>Proposals for residential development with capacity for ten units or more (or sites of 0.5ha or more) will be expected to make provision for 1 in 3 units to be affordable dwellings, and to be made available to meet an identified local need, including needs for affordable housing for older people.</p> <p>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 / social rent, 25% should be for shared ownership, and 25% should be for discounted home ownership.</p> <p>Neighbourhood Plans may set requirements for a greater proportion of affordable housing where this is supported by evidence of need and viability assessment.</p>
SCLP12.34: Strategy for the Rural Areas	The strategy for rural areas seeks to deliver the provision of new housing which contributes to providing a mix of housing choice in rural areas and help sustain rural communities, including through allocations in or well related to Large and Small Villages.

Source: East Suffolk Council

Quantity of housing to provide

53. The NPPF 2021 (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
54. East Suffolk has fulfilled that requirement by providing Ufford with a definitive figure of 0 dwellings to be accommodated within the Neighbourhood Area by the end of the Plan period.⁶ This is not necessarily a cap on development but means that Ufford is not

⁶ As confirmed in a Teams meeting with Steering Group and consultant, July 2022.

required to contribute to any particular target. Therefore, the group could still seek to provide more housing if in the interests of the community.

3. Approach

Research Questions

55. The following research questions were formulated at the outset of the research through discussion with the Ufford Neighbourhood Plan Steering Group. They serve to direct the research and provide the structure for the HNA.

Tenure and Affordability

56. The Steering 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.
57. This evidence will allow Ufford 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 (eg social housing, affordable rented, shared ownership, discounted market sale, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

Type and Size

58. The Steering Group is seeking to determine what size and type of housing would be best suited to the local community. The Steering Group identified that the ability for older persons to downsize is important in the NA.
59. The aim of this research question is to provide the Steering Group with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.
60. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.
61. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Neighbourhood Area over the Neighbourhood Plan period?

Specialist Housing for Older People

62. This chapter supplements the demographic evidence relating to Type and Size, including the potential demand for downsizing, to consider the quantity and characteristics of need for housing for older people with some form of additional care.

RQ 3: What provision should be made for specialist housing for older people over the Neighbourhood Plan period?

Second Homes

RQ 4: What is the scale and potential impact of the second home sector on the Ufford housing market, and how might this be addressed through policy?

Relevant Data

63. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census and a range of other data sources, including:

- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
- ONS population and household projections for future years;
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from Rightmove.co.uk;
- Local Authority housing waiting list data;
- Ipswich and Waveney Housing Market Areas Strategic Housing Market Assessment Part 1⁷; May 2017; and
- Ipswich Housing Market Area Strategic Housing Market Assessment Part 2 Partial Update⁸, January 2019.

64. More recent data sources for the population and existing housing stock will be used wherever possible in this report. However, Census datasets providing, for example, the breakdown of households (as opposed to individuals) by age and the tenure of dwellings, cannot be accurately brought up to date in this way. Such patterns are instead generally assumed to persist to the present day.

⁷ Available at: <https://www.eastsuffolk.gov.uk/assets/Planning/Suffolk-Coastal-Local-Plan/Local-Plan-Review/Evidence-base/Ipswich-and-Waveney-Housing-Market-Areas-Strategic-Housing-Market-Assessment-Part-1.pdf>

⁸ Available at: <https://www.eastsuffolk.gov.uk/assets/Planning/Suffolk-Coastal-Local-Plan/Local-Plan-Review/Evidence-base/SHMA-Part-2-update-2019.pdf>

4. RQ 1: Tenure, Affordability and the Need for Affordable Housing

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

Introduction

65. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
66. Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
67. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. The NPPF defines Affordable Housing as *'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'*⁹. The full document further outlines the tenures included in this definition. Those outlined in Table 4-1 would fall under this NPPF definition of Affordable Housing.

⁹ Available here - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005759/NPPF_July_2021.pdf

Table 4-1: Breakdown of Affordable Housing tenures

Tenure	Rent/Ownership	Brief Description
Social Rent	Rent	<p>This tenure is owned by local authorities (what used to be called Council housing) and private registered providers (also known as housing associations).</p> <p>Guideline target rents are determined through the national rent regime and are typically the lowest-cost form of housing available.</p> <p>Households must be eligible on the basis of incomes and other circumstances, and there are usually waiting lists.</p>
Affordable Rent	Rent	<p>This is similar to Social Rent (above). Affordable Rent is not subject to the national rent regime but must have a rent of no more than 80% of the local market.</p> <p>Households must be eligible on the basis of incomes and other circumstances, and there are usually waiting lists.</p>
Rent to Buy	Combination	<p>Rent to Buy is a relatively uncommon tenure. Subsidy allows the occupant to save a portion of their rent to be used to build up a deposit to eventually purchase the home.</p>
Shared Ownership	Ownership	<p>An affordable home ownership product where a purchaser buys part (generally between 25% and 75%, but can be as little at 10%) of the value of the property. The remaining (un-owned part) is rented from a housing association or local authority.</p> <p>This Generally applies to new build properties, but re-sales occasionally become available.</p>
First Homes	Ownership	<p>First Homes are an affordable home ownership product introduced in 2021. Discounts on the market price can be set at 30%, 40%, or 50%.</p> <p>New developments will be required to provide 25% of the Affordable Housing as First Homes. This product is discussed in more detail in the commentary following this table.</p>

68. As part of the effort to expand home ownership, the Government introduced the First Homes product in 2021.¹⁰ Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:

¹⁰ The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
- The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
- After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;
- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
- They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
- In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents.
- 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.

Current tenure profile

69. The current tenure profile is a key feature of the Neighbourhood Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.
70. Table 4-2 presents data on tenure in Ufford compared with East Suffolk and England from the 2011 Census, which is the most recent available source of this information. This shows that the majority of households in the NA in 2011 owned their own home, at 81.5% of households, significantly above both East Suffolk and England as a whole. Due to the dominance of owner occupation in Ufford, the proportion of households in the other categories tends to be lower than the comparator areas, with the exception of shared ownership. The proportion of households living in the social rented and private rented sectors in the NA is below East Suffolk's levels, and more significantly below the proportions seen across the country. This indicates a lack of more affordable options, both for those unable to rent and those unable to buy in Ufford.
71. Completion data from East Suffolk Council shows that between 2011/12 and 2021/22 there were 47 net completions. The split between market and affordable housing was

only recorded from 2015/16 to 2021/22, with 30.8% delivered as Affordable Housing. There is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months.

72. Also of interest, although the data is quite old, is the change recorded between the 2001 and 2011 Census. Of note in particular is the social rented sector, with this sector falling by 19.1% in Ufford in this period, compared to it falling by just 0.9% nationally. This may indicate a loss of stock through a greater level of Right to Buy being exercised in the NA, or may be due to a higher rate of development of other tenures in the NA, reducing the proportion of social housing in the overall stock. The private rented sector expanded between 2001 and 2011 (by 36.8%), although at a much slower rate than the local authority area (60.0%) and the country (82.4%).

Table 4-2: Tenure (households) in Ufford, 2011

Tenure	Ufford	East Suffolk	England
Owned	81.5%	71.3%	63.3%
Shared ownership	1.0%	0.4%	0.8%
Social rented	9.5%	12.7%	17.7%
Private rented	6.5%	14.2%	16.8%

Sources: Census 2011, AECOM Calculations

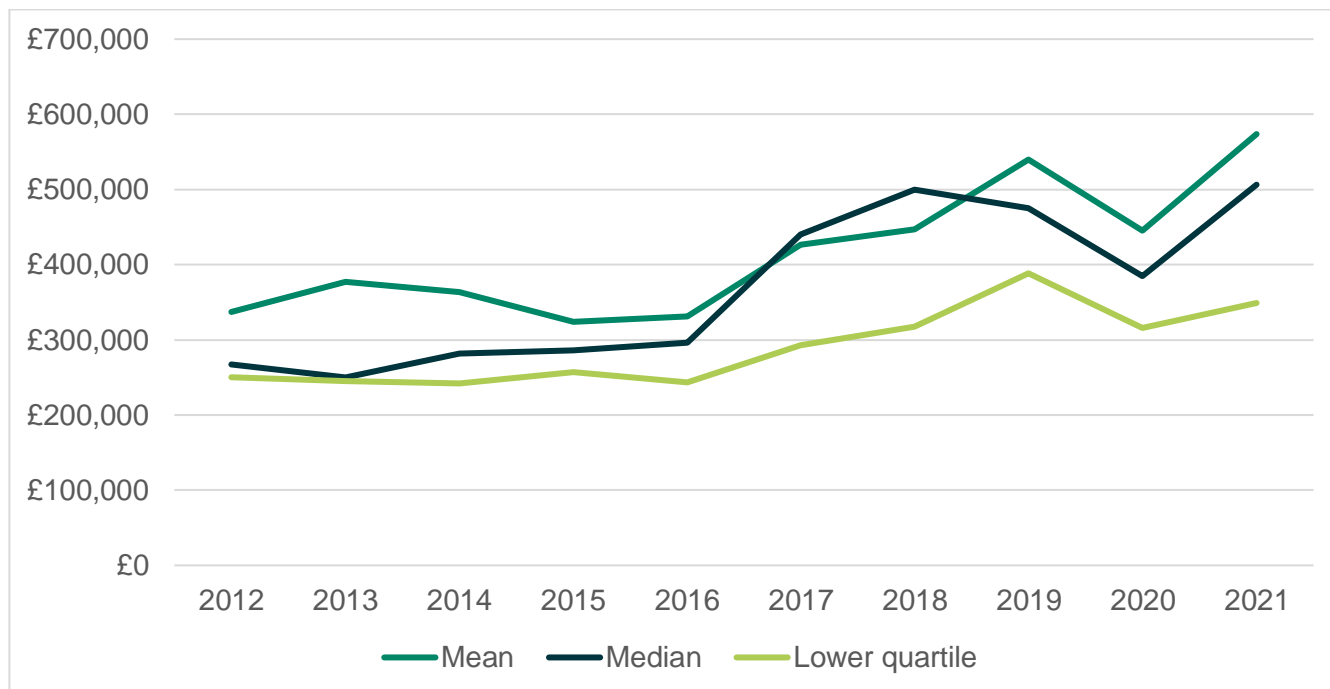
Affordability

House prices

73. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.
74. Figure 4-1 looks at the average and lower quartile house prices in Ufford based on sales price data published by the Land Registry. It shows that between 2012 and 2021 house prices rose significantly in Ufford, with a moderate degree of fluctuation each year, potentially due to the relatively small sample sizes for the NA. Generally, the mean house price, which captures the average of all house prices (causing outlying high data points to pull up the average), remains above the median, which is the middle number when sorting the data from smallest to largest.
75. Between 2012 and 2022, the median house price in Ufford rose by 89.3%, peaking in 2021 at £506,375. The lower quartile house price fluctuated to a lesser extent and whilst between 2012 and 2022 house prices rose by 39.7%, they peaked in 2019 at £388,500. In both scenarios, there was a clear dip in prices in 2020, potentially due to factors such as the types, sizes, condition, and location of properties sold in this year. External factors, such as the Covid-19 pandemic, may have also had an impact on house prices.

76. Comparing NA house prices to East Suffolk in 2021 shows that median house prices in Ufford were 92.1% higher than the local authority as a whole, reflecting the affordability challenges specific to Ufford.

Figure 4-1: House prices by quartile in Ufford, 2012-2021



Source: Land Registry PPD

77. Table 4-3 breaks down house prices by type, presenting the median within each type. It shows that whilst the greatest growth in house prices between 2012 and 2021 was semi-detached properties, at 95.0%, the highest house prices were achieved for detached properties, particularly in 2021. There is some fluctuation in house prices between years in all categories, likely due to small sample sizes and other factors other than house type having an impact on prices, such as the location, size, or condition of the property. There are some noticeable gaps in data for flats and semi-detached dwellings in some years, because of the low number of dwellings in these categories in the NA.

Table 4-3: Median house prices by type in Ufford, 2012-2021

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£390,000	£325,000	£386,250	£439,000	£361,000	£460,000	£555,000	£495,000	£480,000	£625,000	60.3%
Semi-detached	£171,000	-	£250,000	£235,900	£321,500	-	£323,750	-	£320,000	£333,500	95.0%
Terraced	£226,250	£202,500	£137,500	£195,000	£221,000	£182,500	£229,125	£275,000	£265,000	£208,000	-8.1%
Flats	-	-	-	-	-	-	-	-	-	-	-
All Types	£267,500	£250,000	£282,000	£285,900	£296,500	£440,000	£500,000	£475,000	£385,000	£506,375	89.3%

Source: Land Registry PPD

Income

78. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.

79. The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income locally was £46,400 in 2018. A map of the area to which this data applies is provided in Appendix A.
80. The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. East Suffolk's gross individual lower quartile annual earnings were £15,288 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £30,576.
81. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

Affordability Thresholds

82. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.
83. AECOM has determined thresholds for the income required in Ufford to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.
84. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives.
85. The mortgage multiplier is particularly variable, with multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants. The percentage of income to be spent on rent also varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption. While larger mortgages and higher rents may be feasible for individuals, this creates vulnerability to changing economic circumstances and may not be a

possibility for many people with the most acute housing needs. Different assumptions would, however, alter the picture of affordability that emerges here. This is another reason interpret the findings with a degree of flexibility.

86. Table 4-4 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

87. The same information is presented as a graph in Figure 4-2 on a subsequent page, with selected measures from the table presented for clarity.

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

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £46,400	Affordable on LQ earnings (single earner)? £15,288	Affordable on LQ earnings (2 earners)? £30,576
Market Housing						
Median House Price	£455,738	-	£130,211	No	No	No
Estimated NA New Build Entry-Level House Price	£354,829		£101,380	No	No	No
LQ/Entry-level House Price	£314,325	-	£89,807	No	No	No
LA New Build Median House Price	£267,750	-	£76,500	No	No	No
Average Market Rent	-	£14,604	£48,680	No	No	No
Entry-level Market Rent	-	£10,740	£35,800	Yes	No	No
Affordable Home Ownership						
First Homes (-30%)	£248,380	-	£70,966	No	No	No
First Homes (-40%)	£212,898	-	£60,828	No	No	No
First Homes (-50%)	£177,415	-	£50,690	No	No	No
Shared Ownership (50%)	£177,415	£4,928	£67,117	No	No	No
Shared Ownership (25%)	£88,707	£7,392	£49,986	No	No	No
Shared Ownership (10%)	£35,483	£8,871	£39,707	Yes	No	No
Affordable Rented Housing						
Affordable Rent	-	£5,620	£18,713	Yes	No	Yes
Social Rent	-	£4,855	£16,166	Yes	Marginal	Yes

Source: AECOM Calculations

88. Before considering each tenure category in turn, it is important to stress that these affordability thresholds have been calculated to give a sufficiently robust indication of the costs of various tenures to inform Neighbourhood Plan policy choices. These figures rely on existing data and assumptions, and it is not possible to estimate every possible permutation. The income figures also disguise a large degree of variation. For simplicity the analysis below speaks in terms of tenure products being 'affordable' or 'not

affordable' for different groups, but individual circumstances and the location, condition and other factors of specific properties in each category have a large impact. These conclusions should therefore be interpreted flexibly.

Market housing for purchase and rent

89. Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income nearly three times the current average (180.6% higher).
90. Private renting is generally only affordable to higher earners, with average earners only able to afford entry-level market rentals. Households made up of one or two lower quartile earners cannot afford the given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

Affordable home ownership

91. There is a relatively large group of households in Ufford who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £39,320 per year (at which point entry-level rents become affordable) and £89,807 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
92. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.
93. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. It is recommended that First Homes is delivered at a 50% discount in Ufford, subject to viability. Although a 50% discount still does not make First Homes accessible to households on mean incomes, it does extend home ownership significantly, to households earning between £50,690 (the purchase threshold for First Homes at 50% discount) and £89,807 (the purchase threshold for entry-level housing). It is important to note that First Homes at a 30% discount would not be achievable in the NA based on AECOM's calculations as the discounted property value is greater than the £250,000 cap.
94. Table 4-5 shows the discount required for First Homes to be affordable to the four income groups. The cost of a typical First Home is calculated using an estimate for new build entry-level housing in the NA, as outlined in the Appendix. It is also worth considering the discounts required for some additional price benchmarks. The table above uses the calculated NA new build entry-level house price as the best estimate for the cost of a newly built entry-level home in the area, because this reflects the local market and

accounts for the price premium usually associated with newly built housing. However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, as well as median and entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

Table 4-5: Discount on sale price required for households to afford First Homes

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA Median House Price	64%	88%	77%
NA Estimated New Build Entry-Level House Price	54%	85%	70%
NA Entry-Level House Price	48%	83%	66%
LA Median New Build House Price	39%	80%	60%

Source: Land Registry PPD; ONS MSOA total household income

95. Shared ownership appears to be slightly more affordable than First Homes but is broadly accessible to the same groups, with the exception of shared ownership at 10% equity. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value¹¹. If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
96. The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view.
97. The income required to access Rent to Buy, a product designed to allow residents to transition from renting to ownership by allowing a discount on the market rent to be used to save a deposit, is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are less affordable options.
98. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.
 - First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
 - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.

¹¹ The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

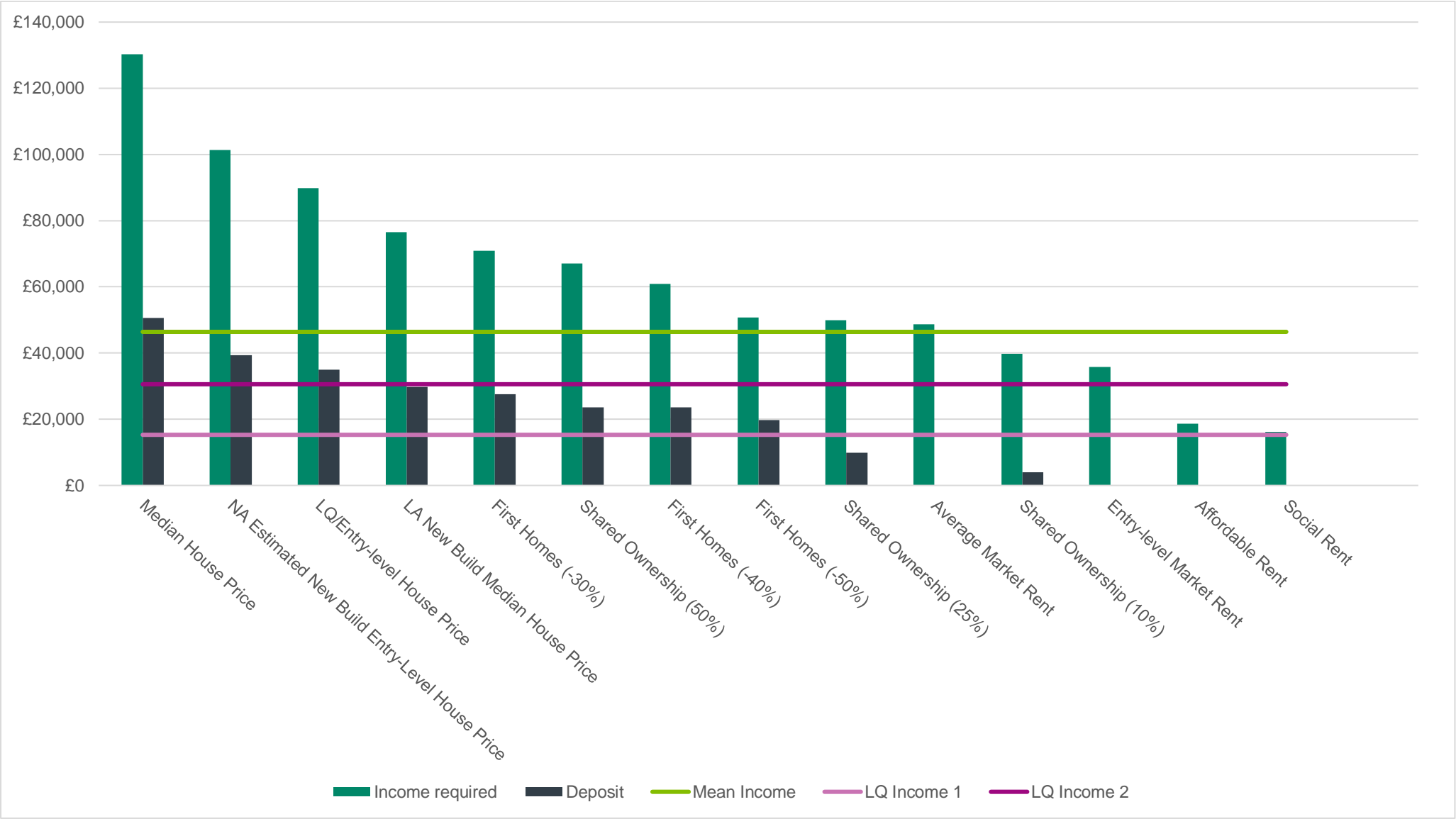
- Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.
- Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

99. In conclusion, all of these products may provide value to different segments of the local population, with shared ownership at a 10% equity share potentially allowing average earning households to get a foot on the housing ladder, while Rent to Buy is helpful to those with little or no savings for a deposit, and First Homes may provide a better long-term investment to those who can afford to access it.

Affordable rented housing

100. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). Households with a single lower earner may only just be able to afford the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
101. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Ufford as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This mean that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

Figure 4-2: Affordability thresholds in Ufford, income required (additional cost of deposit in black)



Source: AECOM Calculations

Affordable housing- quantity needed

102. The starting point for understanding the need for affordable housing in Ufford is generally the relevant Strategic Housing Market Assessment (SHMA). A SHMA was undertaken in 2017, the Ipswich & Waveney Housing Market Areas SHMA Part 1¹² and Part 2¹³, which was then partially updated in 2019¹⁴. Because the 2017 SHMA is relatively dated, and the 2019 update provides scenarios based on both 2014- and 2016-based population projections, AECOM have modelled their own Affordable Housing estimates for Ufford specifically.
103. In Table 4-6 we have calculated, using PPG as a starting point¹⁵, an estimate of the total need for affordable rented housing in Ufford over the Plan period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. For example, Census 2011 data is increasingly out-of-date. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out here are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.
104. It should also be noted that figures in Table 4-6 are largely dependent on information provided by East Suffolk Council in its capacity as manager of the local housing waiting list. The Council indicated that there are 5 households on the Housing Register for Ufford, one of which is in need of housing suitable for those with disabilities.
105. The table shows that there are currently about 5 households in Ufford unable to access affordable rented homes suitable to their needs. The table also suggests that, over the Plan period, 6.2 additional households in the Neighbourhood Area will fall into need, producing total need for affordable rented homes of -0.4 social/affordable rented dwellings per annum, or -6.1 dwellings over the plan period after supply through vacancies is taken into account.
106. This result may initially be surprising since there is understood to be a current backlog of need (in the region of 5 households). The reason for the affordable rented housing need being met over the long-term with the presumed existing stock, is that model uses an estimated rate of turnover of stock of 3%. Therefore, of the estimated 41.1 units of affordable rented accommodation existing currently, it can be expected that around 1.2 will come vacant in any given year as their current occupants move to a new location, pass away or cease to be eligible as their circumstances change. This satisfies the projected newly arising need as well as some of the backlog, which is effectively spread out over the plan period to produce an annualised figure.

¹² Available at: [Ipswich-and-Waveney-Housing-Market-Areas-Strategic-Housing-Market-Assessment-Part-1.pdf](https://www.eastsuffolk.gov.uk/media/10000/10000-Ipswich-and-Waveney-Housing-Market-Areas-Strategic-Housing-Market-Assessment-Part-1.pdf) (eastsuffolk.gov.uk)

¹³ Available at: [SHMA-Update-proposed-chapter-structure](https://www.midsuffolk.gov.uk/media/10000/10000-SHMA-Update-proposed-chapter-structure.pdf) (midsuffolk.gov.uk)

¹⁴ Available at: [SHMA-Part-2-update-2019.pdf](https://www.eastsuffolk.gov.uk/media/10000/10000-SHMA-Part-2-update-2019.pdf) (eastsuffolk.gov.uk)

¹⁵ Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

107. An important caveat to this finding is that there are almost certainly households currently in need in the NA, and to 'spread them out' over the Plan period suggests that some of them can be accommodated in ten years' time once a sufficient surplus has been built up through new supply and turnover of the existing stock. While possible, this is not favourable to the individuals involved. In practice, it would be better to frontload any future affordable rented provision to meet those needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock.
108. A further caveat worth emphasizing is that one unit of Affordable Housing does not necessarily service one household worth of need, since the unit might have 2 bedrooms while the applicant household might require 4 bedrooms, may be located in an inappropriate location, or be otherwise unsuitable.
109. As such, it is recommended that Ufford considers encouraging the delivery of some affordable rented housing, particularly early in the Plan period, with the understanding that if this results in oversupply in future years, this may satisfy new need from elsewhere in East Suffolk.

Table 4-6: Estimate of need for Affordable Housing for rent in Ufford

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current households in need	5.0	East Suffolk Housing Register for Ufford
1.2 Per annum	0.4	Step 1.1 divided by the plan period to produce an annualised figure.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	51.2	DLUHC 2018-based household projections for East Suffolk between start and end of plan period. % increase applied to NA.
2.2 Proportion of new households unable to rent in the market	12.1%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA.
2.2.1 Current number of social renters in parish	41.1	2011 Census social rented occupancy + East Suffolk % increase.
2.2.2 Number of private renters on housing benefits	6.1	Housing benefit caseload for Suffolk Coastal May 2018. Pro rata for NA.
2.3 New households unable to rent	6.2	Step 2.1 x Step 2.2.
2.4 Per annum	0.4	Step 2.3 divided by plan period.
STAGE 3: TURNOVER OF AFFORDABLE HOUSING		
3.1 Supply of social/affordable re-lets (including transfers) %	3.0%	Assumed proportion of stock re-let each year.
3.2 Supply of social/affordable re-lets (including transfers)	1.2	Step 3.1 x NA social rented stock (2.2.1).
NET SURPLUS OF RENTED UNITS PER ANNUM		
Overall surplus per annum	-0.4	Step 1.2 + Step 2.4 - Step 3.2
Overall surplus over the plan period	-6.1	(Step 1.1 + Step 2.3) – Step 3.2 * plan period

Source: AECOM model, using Census 2011, English Housing Survey 2018, DLUHC 2018 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency. Figures may not sum due to rounding.

110. Turning now to Affordable Housing providing a route to home ownership, Table 4-7 estimates the potential demand in Ufford. This model aims to estimate the number of households might wish to own their own home but cannot afford to – the ‘can rent, can’t buy’ group described in the previous section. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.
111. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for

surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership¹⁶. No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.

112. The result of the calculation is 1.3 households per annum who may be interested in affordable home ownership (or 18.2 for the entirety of the Plan period).
113. Again, this assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal because of the lack of shared ownership in the NA currently.
114. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

¹⁶ <http://www.ipsos-mori-generations.com/housing.html>

Table 4-7: Estimate of the potential demand for affordable housing for sale in Ufford

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in parish	31.7	Census 2011 number of renters x national % increase to 2018.
1.2 Percentage renters on housing benefit in LA	19.3%	% of renters in 2018 on housing benefit (Suffolk Coastal)
1.3 Number of renters on housing benefits in parish	6.1	Step 1.1 x Step 1.2.
1.4 Current need (households)	19.2	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. ¹⁷
1.5 Per annum	1.4	Step 1.4 divided by plan period.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	51.2	East Suffolk household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	5.8%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	3.0	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	0.2	Step 2.3 divided by plan period.
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	6.0	Number of shared ownership homes in parish (Census 2011 + East Suffolk new build to 2018/19 pro rated to NA).
3.2 Supply - intermediate resales	0.3	Step 3.1 x 5% (assumed rate of re-sale).
NET SHORTFALL PER ANNUM		
Overall shortfall per annum	1.3	(Step 1.5 + Step 2.4) - Step 3.2.
Overall shortfall over the plan period	18.2	(Step 1.4 + Step 2.3) – Step 3.2 * plan period

Source: AECOM model, using Census 2011, English Housing Survey 2018, DLUHC 2018 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency.

115. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a

¹⁷ The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, based on national level polls which consistently reveal that most households who prefer home ownership eg <http://www.ipsos-mori-generations.com/housing.html> and informed by our experience across numerous neighbourhood level HNAs. The assumption is based on the fact that some households choose to rent at certain stages in their life (e.g. when young, when needing flexibility in employment market, or when new migrants move into an area). While most households prefer the added security and independence of owning their own home, private renting is nevertheless a tenure of choice at a certain points in many households' journey through the housing market. The actual percentage of preference will differ between areas, being higher in large metropolitan areas with younger households and more new migrants, but lower in other areas. 25% is used as a reasonable proxy and for consistency across HNAs and similar assumptions are used in some larger scale assessments such as LHNAs and SHMAs. If the neighbourhood planning group feel this is not an appropriate assumption in their particular locality they could use the results of a local residents survey to refine or confirm this calculation.

greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).

116. It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.

Additional SHMA findings

117. The Ipswich & Waveney Housing Market Areas SHMA outlines the following which relates to Suffolk Coastal:

- From 2001 to 2016, Suffolk Coastal always had the highest house prices compared to Babergh, Ipswich, Mid Suffolk, the county of Suffolk, and the national average.
- Affordability in Suffolk Coastal between 2010 and 2015 worsened at a faster rate than nationally.

Affordable Housing policy guidance

118. East Suffolk's adopted policy on this subject SCLP5.10 ('Affordable Housing on Residential Development') requires 1/3 of all new housing to be affordable. Given that Affordable Housing made up 30.8% of new housing in Ufford between 2015/16 and 2021/22 according to East Suffolk completions figures, it is understood that this target is not always met on sites in the NA.
119. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
120. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is specified in the adopted Local Plan. This outlines that of the Affordable Housing that comes forward, 50% should be for affordable/social rent, 25% for shared ownership, and 25% for discounted home ownership options. The HNA can supply more localised evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Ufford specifically.
121. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:
- A. **Evidence of need for Affordable Housing:** This study estimates that Ufford has sufficient affordable rented housing and requires roughly 18.2 units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.

The relationship between these figures suggests that 100% of Affordable Housing should offer a route to ownership. However, as noted above, these figures are not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.

This tenure mix would therefore not be appropriate for future Affordable Housing, especially when taking into consideration the current backlog of need for rented homes.

- B. Can Affordable Housing needs be met in full?** How far the limited but more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.

It is not expected, based on housing commitments as of 31st March 2022, that any affordable homes would be delivered in the NA because all of the developments are for fewer than the 10 dwellings threshold outlined in the adopted Local Plan. This is not sufficient to satisfy the total potential demand for Affordable Housing identified here.

It should be noted that despite the Affordable Housing policy threshold of 10 dwellings, some small developments in Ufford have included Affordable Housing. For example, a development of 7 bungalows at Hill Farm in Ufford included 2 affordable dwellings. It cannot however be assumed that future developments will go beyond the adopted policy in terms of Affordable Housing delivery.

As a result, affordable rented housing should have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority. The 50% rented 50% ownership guideline mix in the Local Plan may offer an appropriate benchmark.

- C. Government policy (e.g. NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in East Suffolk, where 1/3 of all housing should be affordable, 30% of Affordable Housing should be for affordable ownership. This complies with the guideline tenure split sought in the Local Plan.

There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA there is no evidence that meeting the 10% threshold in Ufford would impact on the ability to deliver social/affordable rented homes.

- D. Local Plan policy:** As noted above, the adopted Local Plan seeks a tenure split of 50% affordable/social rent, 25% shared ownership, and 25% discounted home ownership (which could be taken to mean First Homes).

- E. **First Homes policy:** the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.

This new minimum requirement may have the effect of displacing other products in any established tenure mix and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. This does not appear to be an issue in East Suffolk.

National policy dictates that after the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the relevant Local Plan, with any remaining units allocated to other tenure products in the relative proportions set out in the Local Plan.

AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. If this was done in East Suffolk, the remaining 75% of the affordable housing provision would then be apportioned 50% to affordable rent and 50% to affordable home ownership, as it currently is with 25% shared ownership and 25% discount market sale. Generally if this approach is taken, all other things being equal, it would reduce the provision of rented forms of affordable housing since it would effectively protect the provision of other forms of affordable home ownership alongside First Homes. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.

This guidance generally applies to local authority level policy, and there may still be potential for a neighbourhood plan tenure mix to deviate from how the other tenures are rebalanced if appropriate.

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
- H. **Existing tenure mix in Ufford:** The exact split between market and affordable housing in Ufford in the present day is unknown because completions data provided by East Suffolk Council only shows Affordable

Housing completions from 2015/16. Although this does not allow for the 2011 Census data to be brought up to date, it does show that between 2015/16 and the present, approximately 30.8% of completions in the NA have been Affordable Housing.

Some further provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.

- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.
 - J. **Wider policy objectives:** the neighbourhood planning group may wish to take account of broader policy objectives for Ufford and/or the wider district. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.
122. On the basis of the considerations above, Table 4-8 proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
123. This indicative mix is chiefly in response to the expectation that the delivery of Affordable Housing as a whole will be lower than the needs identified due to the housing requirement figure of 0 for Ufford. Although over the plan period there is an identified surplus of affordable/social rented housing, this should not prohibit delivery due to the backlog on the waiting list and the fact that the proportion of social/affordable rented housing in the NA was significantly below national levels. Therefore, it is suggested that there is a 50/50 split between social/affordable rented housing and affordable home ownership, in line with the adopted Local Plan and compliant with the various minimum requirements mandated nationally.
124. When looking at affordable home ownership, the following split is suggested:
- 25% First Homes (at 50% discount);
 - 15% Shared Ownership (at 10% equity); and
 - 10% Rent to Buy.

It is suggested that First Homes are delivered at a 50% discount, subject to viability. Although this does not make home ownership accessible to households on mean incomes, it does significantly extent ownership to those earning between £50,690 and £89,807. When looking at shared ownership, at 10% equity this product is accessible to households on mean incomes. Rent to Buy is also featured within this dwelling mix as it is accessible to households

on mean incomes and is also a product suitable for households with no or very little savings for a deposit.

125. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J, and in particular the views and objectives of the community.
126. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with East Suffolk Council to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
127. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

Table 4-8: Indicative tenure split (Affordable Housing)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	50%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	15%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	10%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	50%	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

Conclusions- Tenure and Affordability

Current dwelling stock

128. In 2011, the majority of households in Ufford owned their own home, significantly above both East Suffolk and England as a whole. The proportion of households living in the social rented and private rented sectors in the NA was below East Suffolk's levels, and more significantly below the proportions seen across the country. Between 2015/16 and 2021/22, 30.8% of dwellings were delivered as Affordable Housing.
129. Between 2012 and 2022, house prices rose significantly in Ufford. The median house price rose by 89.3%, peaking in 2021 at £506,375. The lower quartile house price fluctuated to a lesser extent and peaked in 2019 at £388,500. In both measures, there was a clear dip in prices in 2020, potentially due to factors such as the types, sizes, condition, and location of properties sold in this year. Comparing NA house prices to East Suffolk in 2021 shows that median house prices in Ufford were 92.1% higher than the local authority as a whole, reflecting the affordability challenges specific to Ufford.

Affordability

130. Local households on average incomes are unable to access even entry-level homes in Ufford unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income nearly three times the current average. Private renting is generally only affordable to average earners. Households made up of one or two lower quartile earners cannot afford the given rental thresholds.
131. Turning to affordable home ownership, it is recommended that First Homes is delivered at a 50% discount in Ufford, subject to viability. This would extend home ownership significantly, to households earning between £50,690 and £89,807. Shared ownership appears to be slightly more affordable than First Homes but is broadly accessible to the same groups. The income required to access Rent to Buy may make this a more affordable option, especially for those with no savings for a deposit.
132. Affordable rented housing is generally affordable to households with two lower earners. Households with a single lower earner may only just be able to afford the smallest socially rented units.

Affordable Housing need

133. This study estimates that Ufford has sufficient affordable rented housing and requires roughly 18 units of affordable home ownership over the Plan period. However, both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes and so delivery should not be restricted to affordable home ownership products.
134. Although the need for affordable rented housing need may be met over the long-term with the presumed existing stock, this assumes a rate of relet. The

households currently in need in the NA do not necessarily want to, or have the means to, wait for existing stock to become available later in the plan period. Notably, East Suffolk Council's Housing Register indicates that there are currently 5 households on the waiting list for Ufford. In practice, it would be better to frontload any future affordable rented provision to meet those needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock.

135. The indicative mix for Affordable Housing proposed here is chiefly in response to the expectation that the delivery of Affordable Housing as a whole will be lower than the needs identified due to the housing requirement figure of 0 for Ufford. It is suggested, in line with the Local Plan, that there is a 50/50 split between social/affordable rented housing and affordable home ownership. When looking at affordable home ownership, the following split is suggested:
- 25% First Homes (at 50% discount);
 - 15% Shared Ownership (at 10% equity); and
 - 10% Rent to Buy.
136. It is suggested that First Homes are delivered at a 50% discount, with shared ownership at 10% equity, and Rent to Buy as an option for households with few savings.
137. Due to the housing requirement figure of 0, it is not expected that delivery of Affordable Housing will meet the demand estimated in the report. The recommendation is that the policy requirement be met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites) to be explored.

5. RQ 2: Type and Size

RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Neighbourhood Area over the Neighbourhood Plan period?

Introduction

138. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Ufford in terms of type and size, as well as some of the population characteristics that tend to influence housing needs. From this, it is possible to develop an understanding of what sort of housing would be appropriate going forward.
139. It is worth emphasising that this evidence assumes that existing demographic and occupation patterns will persist into the future. It can therefore be thought of as the baseline or default scenario, into which the community may wish to intervene – for example to attract a different or more balanced demographic. The recommendations in this chapter, particularly the final suggested size mix, are a starting point that may be adjusted in light of other community objectives and primary evidence.

Existing types and sizes

Background and definitions

140. Before beginning to explore issues of dwelling type and size, it is important to note that the demand for housing by size and type tends to be determined primarily by wealth – with those having more buying power choosing to occupy larger homes, and often preferring detached properties to denser types, such as flats.
141. This study is concerned primarily with need rather than demand. Need for homes of different sizes is chiefly determined by the number of people occupying the home. In the strict sense, there is no ‘need’ for dwellings of any particular type, other than the specific needs of those with certain disabilities for level access properties, for example.
142. The best proxy for the number of people in a household is age or ‘life stage’, with younger and then older households tending to have one or two people, and those in between these poles more likely to have larger families including children. Life stage is therefore a main indicator considered here for the size of housing needed. But it is worth pointing out that wealth is also correlated with age, so it is not possible to attain a pure view of what is needed from the secondary data alone.
143. It is also useful to clarify the terminology around dwellings and households. Dwellings are counted in the Census by combining address information with Census returns on whether people’s accommodation is self-contained. As such,

all dwellings are classified as either shared or unshared dwellings. Households are groups of people who live together as a coherent unit (such as a family), and a dwelling is shared where there is more than one household occupying it (e.g. two families or a group of individual students). Hence, there is usually a different number of households and dwellings in any given area. The number of dwellings can also exceed that of households in areas with large numbers of holiday or second homes.

144. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. For Ufford, Valuation Office Agency (VOA) data has been used to update the type and size mix of housing in the NA as East Suffolk Council were unable to provide a complete breakdown within the completions data. The smallest area VOA data is available at is LSOA level, with LSOA E01030193 being the most appropriate proxy for the NA, though it covers a slightly wider area. Because the areas do not align exactly, percentages as opposed to raw figures have been used.

Dwelling type

145. Table 5-1 shows that in 2011, the vast majority of housing was detached, at 64.3% of dwellings, followed by semi-detached dwellings at 18.5%. Census data counts bungalows within each of the other categories rather than independently, hence the apparent decline in detached and semi-detached dwellings between 2011 and 2021. In 2021, 15.6% of dwellings were bungalows, roughly in line with the decline in detached dwellings. Despite this apparent decline, detached dwellings were still the dominant type in 2021, at 41.7% of dwellings. There was a significant increase in terraced dwellings between 2011 and 2021, from 10.7% to 19.8%, potentially signifying the development of more affordable dwellings in this time period. There as a slight increase in the proportion of flats in this time.

Table 5-1: Accommodation type, Ufford, 2011 and 2021

Dwelling type	2011 (Census)	2021 (VOA)
Bungalow	-	15.6%
Flat	6.8%	7.3%
Terrace	10.7%	19.8%
Semi-detached	18.5%	13.5%
Detached	64.3%	41.7%
Unknown/other	-	2.1%

Source: ONS 2011, VOA 2021, AECOM Calculations

146. East Suffolk Council only recorded the type of dwelling completions in Ufford between 2015/16 and 2021/22 meaning that these incomplete figures cannot be used to update the 2011 Census stock. However, they do give an indication of recent completions. This showed that 74.4% of dwellings built in this time were houses, with a significant proportion, at 16.3%, taking the form of bungalows. The remaining 9.3% of completions were flats.
147. Table 5-2 compares the 2021 type mix of Ufford to the wider local authority area

and the country. This shows that the NA has a much greater proportion of detached dwellings than both East Suffolk and England, in line with the high house prices identified in the previous chapter. The proportion of semi-detached and terraced dwellings was well below the proportion for the comparator areas, indicating a lack of smaller, more affordable, dwellings in the NA. Looking at bungalows specifically, Ufford has a greater proportion than nationally, at 15.6% and 9.2% respectively, but a smaller proportion than East Suffolk as a whole, where 21.5% of dwellings are bungalows.

Table 5-2: Accommodation type, various geographies, 2021

Dwelling type	Ufford	East Suffolk	England
Bungalow	15.6%	21.5%	9.2%
Flat	7.3%	10.5%	23.7%
Terrace	19.8%	23.3%	26.1%
Semi-detached	13.5%	18.7%	23.7%
Detached	41.7%	24.0%	15.8%
Unknown/other	2.1%	1.9%	1.4%

Source: VOA 2021, AECOM Calculations

Dwelling size

148. Turning to dwelling size, in 2011, the majority of dwellings in Ufford were 3-bedroom, at 39.1% of the total, followed by 4-bedroom at 27.3% of all dwellings. There were very few smaller 1-bedroom dwellings. Looking to 2021, there was a slight increase in the proportion of mid-sized 3-bedroom dwellings. There was also a notable increase in the smallest dwellings, likely due to recent development. However, this could also be due to the conversion of larger dwellings into flats, potentially in line with the increase in flats between 2011 and 2021 noted in Table 5-1. Table 5-3 also shows a slight decline in the largest 4-bedroom and 5+ bedroom dwellings.

Table 5-3: Dwelling size (bedrooms), Ufford, 2011 and 2021

Number of bedrooms	2011 (Census)	2021 (VOA)
1	1.8%	5.3%
2	20.3%	20.2%
3	39.1%	41.5%
4	27.3%	25.5%
5+	11.5%	7.4%

Source: ONS 2011, VOA 2021, AECOM Calculations

149. As with dwelling type, East Suffolk Council only recorded the size of dwelling completions in Ufford between 2015/16 and 2021/22 meaning that these figures cannot be used to update the 2011 Census stock but are a useful indicator of recent supply. In this time, development in the NA was split as follows:

- 9.3% 1-bedroom;
- 32.6% 2-bedroom;
- 37.2% 3-bedroom;

- 9.3% 4-bedroom; and
- 11.6% 5-bedroom.

This shows that whilst the majority of development has been mid-sized and smaller 2-bedroom dwellings, there has still been a significant proportion of larger 4- and 5-bedroom dwellings, especially when compared to the provision of the smallest 1-bedroom dwellings.

150. Again, it is useful to look at the breakdown of dwelling sizes in comparison with the wider local authority area and country. Table 5-4 shows that the proportion of smaller 1-bedroom and 2-bedroom homes in Ufford is below levels for East Suffolk and England, indicating a potential lack of both entry-level dwellings and properties suitable for older people to downsize. There is also a slightly smaller proportion of mid-sized dwellings. Ufford has a significantly higher proportion of larger 4+ bedroom dwellings than the wider local authority and the country. This may be linked to the greater proportion of family households in the NA than in the comparator areas, as shown in Table 5-6, and the demand for second home ownership and holiday rentals in Ufford.

Table 5-4: Dwelling size (bedrooms), various geographies, 2021

Number of bedrooms	Ufford	East Suffolk	England
1	5.3%	8.2%	12.6%
2	20.2%	26.6%	28.4%
3	41.5%	45.2%	43.0%
4	25.5%	15.4%	12.1%
5+	7.4%	4.2%	3.3%

Source: VOA 2021, AECOM Calculations

Age and household composition

151. Having established the current stock profile of Ufford and identified recent changes to it, the evidence gathered below examines the composition and age structure of households living in the NA. Many of these indicators have a bearing on what housing might be needed in future years.

Age structure

152. Table 5-5 shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. This shows that in 2011, the largest group of the population were aged 45-64, at 35.2% of the population, indicating that the NA was dominated by families. This was followed by those aged 65-84. Looking to 2020, the largest group of the population remained in the 45-64 age category, although to a slightly lesser extent. There was however a significant increase in the proportion of households aged 65-84, from 18.7% to 23.6%, indicative of an aging population. There is also a decline in the proportion of the population aged 0-15 and more significantly aged 16-24, perhaps indicating affordability challenges for younger people looking to leave their parent's homes.

153. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2020 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2020 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

Table 5-5: Age structure of Ufford population, 2011 and 2020

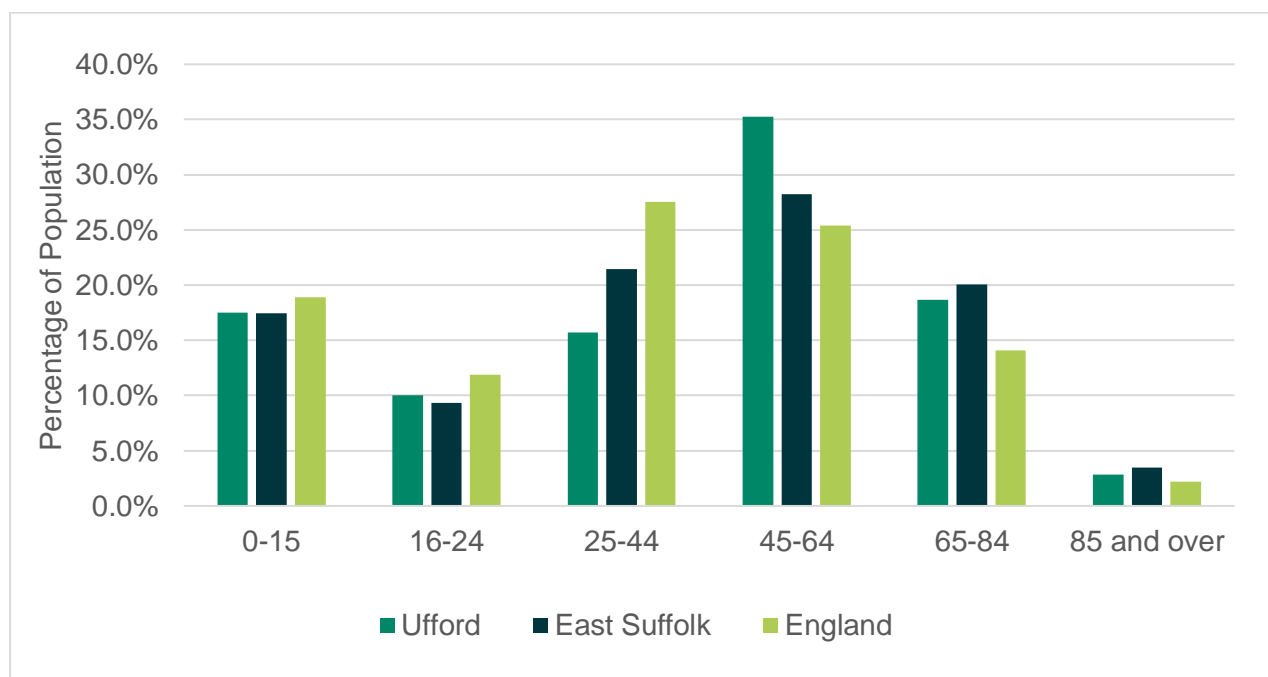
Age group	2011 (Census)		2020 (ONS, estimated)	
0-15	166	17.5%	173	16.7%
16-24	95	10.0%	67	6.5%
25-44	149	15.7%	167	16.2%
45-64	334	35.2%	347	33.6%
65-84	177	18.7%	244	23.6%
85 and over	27	2.8%	35	3.4%
Total	948	-	1,033	-

Source: ONS 2011, ONS mid-2020 population estimates, AECOM Calculations

154. 2021 Census data has begun to be released, with current information limited to population statistics at national and local authority level. It is currently not expected that this data at a parish level will be released until 2023. However, the local authority level data can provide some insight into how Ufford has changed over the last decade. The mid-2020 population estimates for Ufford show that the population in the NA is expected to have grown by 9.0% between 2011 and 2020 whilst 2021 Census data shows that the East Suffolk population grew by 2.6% between 2011 and 2021. This indicates that Ufford has a more rapidly growing population than the wider local authority area, or that the population estimates were overly optimistic.

155. For context, it is useful to look at the parish population structure alongside that of the local authority area and the country. Figure 5-1 (using 2011 Census data) shows that the proportion of the population aged 0-44 is significantly smaller in Ufford than nationally, with this most evident in the 25-44 age category. Conversely, the NA has a greater proportion of the population aged 45+ than England, most significantly in the 45-64 age category. This suggests that there may be a greater proportion of younger families nationally, but older families, perhaps with older or adult children, in Ufford. The population of East Suffolk generally falls between that of Ufford and England. However, the local authority area has a greater proportion of the population than both the NA and the country aged 65-84 and 85+.

Figure 5-1: Age structure in Ufford, 2011



Source: ONS 2011, AECOM Calculations

Household composition

156. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Table 5-6 shows that a significantly smaller proportion of households in Ufford were single person households compared to East Suffolk and England. This means that the NA had a higher proportion of family households, at 73.2%, compared to the local authority area at 65.5%, and the country at 61.8%. A significantly higher proportion of family households in Ufford were aged 65 and over, at 14.5% of households compared to 8.1% nationally.
157. Whilst the proportion of households in the NA and nationally are relatively in line for families with dependent children, the NA had a higher proportion of family households with no children. This, in addition to the high proportion of family households aged 65 and over, may suggest a need for smaller to mid-sized dwellings to cater for couples. There was also a higher proportion of households with non-dependent children in Ufford compared to East Suffolk and England, perhaps highlighting affordability challenges, with adult children remaining at home with parents because they lack the options or funds to leave home and remain within the NA.

Table 5-6: Household composition, Ufford, 2011

Household composition		Ufford	East Suffolk	England
One person household	Total	24.8%	30.1%	30.2%
	Aged 65 and over	13.3%	15.9%	12.4%
	Other	11.5%	14.2%	17.9%
One family only	Total	73.2%	65.5%	61.8%
	All aged 65 and over	14.5%	12.7%	8.1%
	With no children	20.6%	20.1%	17.6%
	With dependent children	26.8%	24.0%	26.5%
	With non-dependent children ¹⁸	11.3%	8.6%	9.6%
Other household types	Total	2.0%	4.4%	8.0%

Source: ONS 2011, AECOM Calculations

Occupancy ratings

158. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.
159. Under-occupancy is relatively common in the NA, with 87.7% of households living in a dwelling with at least one extra bedroom. This is most common in family households aged 65+, of whom 100% under-occupy their homes in Ufford. This is followed by families aged under 65 with no children, at 97.6% of households under-occupying. This suggests that larger housing in Ufford isn't being occupied by households with the most family members, but by those with the most wealth or by older people who have chosen not to, or been unable to, downsize into smaller properties. There is some over-occupancy in the NA, with this only occurring in family households (under 65) with dependent children. Around 12.0% of total households live in dwellings of a suitable size for their household in Ufford.

¹⁸ Refers to households containing children who are older than 18 e.g students or young working people living at home.

Table 5-7: Occupancy rating by age in Ufford, 2011

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	84.5%	15.5%	0.0%	0.0%
Single person 65+	60.4%	35.8%	3.8%	0.0%
Family under 65 - no children	80.5%	17.1%	2.4%	0.0%
Family under 65 - dependent children	43.9%	26.2%	29.0%	0.9%
Family under 65 - adult children	42.2%	37.8%	20.0%	0.0%
Single person under 65	58.7%	34.8%	6.5%	0.0%
All households	60.9%	26.8%	12.0%	0.3%

Source: ONS 2011, AECOM Calculations

Dwelling mix determined by life-stage modelling

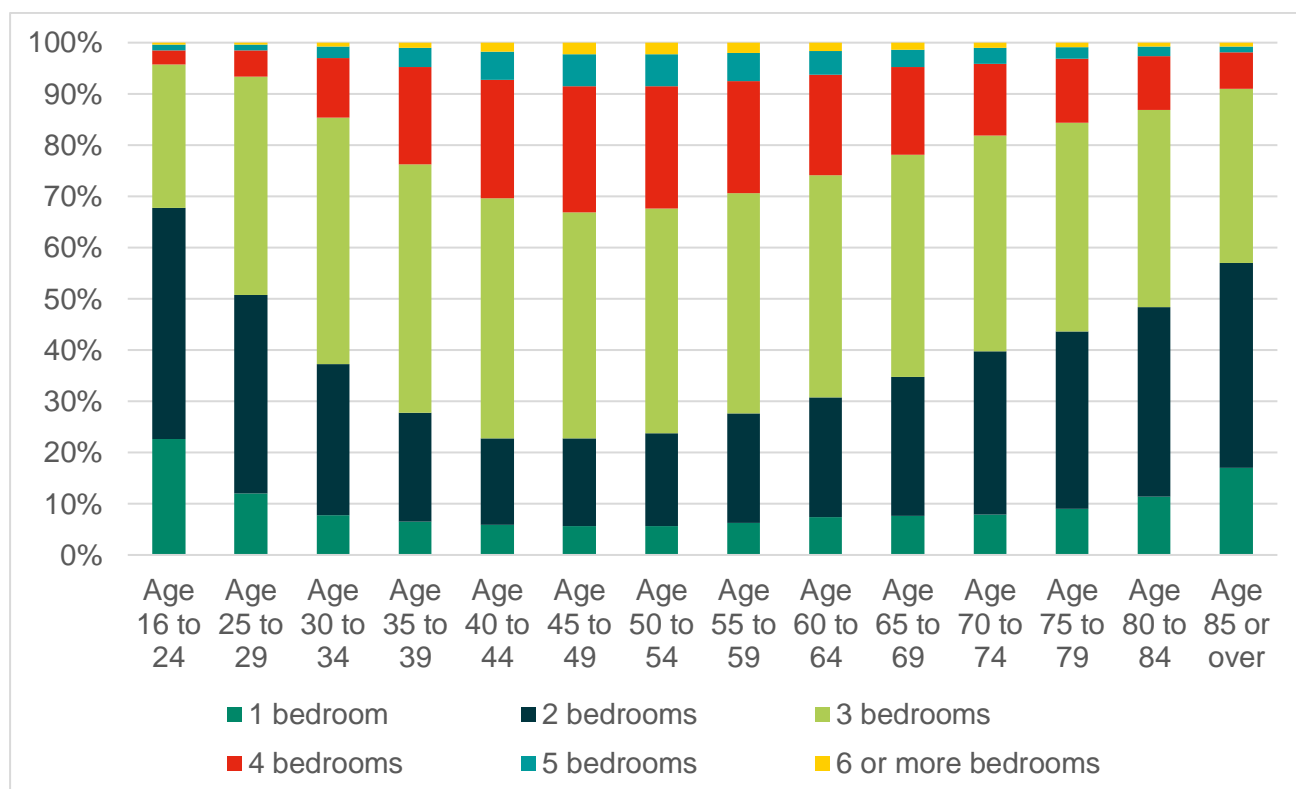
Suggested future dwelling size mix

160. As noted above, there is a strong link between the life stage of a household and the size of dwelling that household can be expected to need. The final part of this chapter presents the results of a model that aims to estimate the dwelling size needs of the parish at the end of the Neighbourhood Plan period. The steps involved in this model are not presented in full, but can be summarised – along with the underpinning assumptions and some limitations – as follows:

- The starting point is the age distribution of Ufford households in 2011.
 - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
 - As noted above, household life stages are not estimated annually, so the older Census data must be used.
- This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows for an estimate of how the parish population might evolve in future.
 - ONS household projections are produced every two years but are only available at Local Authority level. The growth rates are therefore applied to the 2011 starting household age profile of the NA.
- Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1 bedroom homes as opposed to 2, 3 or 4 bedroom homes). This data is mapped to the distribution of the projected NA population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.
 - This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.

- The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further speculative assumptions into the model.
 - Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.
 - The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results.
161. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they 'need'. It also does not anticipate changes in how people may wish to occupy their homes in response to social and technological change.
162. The approach therefore embeds existing patterns of occupancy which may or may not be desirable. As such, it is appropriate for the result of this model to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is considered entirely appropriate for the purpose of drafting neighbourhood plan policy.
163. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.
164. The first, given as Figure 5-2, sets out the relationship between household life stage and dwelling size for East Suffolk in 2011. This shows how the youngest households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

Figure 5-2: Age of household reference person by dwelling size in East Suffolk, 2011



Source: ONS 2011, AECOM Calculations

165. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Ufford households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-8 makes clear that population growth can be expected to be driven by the oldest households, with households with a household reference person aged 65 and over expected to grow by 74% between 2011 and 2036. This would mean that households in this category would account for 48.9% of households in 2036, compared to accounting for 34.6% in 2011, showing a rapidly aging population. The only other category with an expected increase between 2011 and 2036 is in households with a household reference person aged 55 to 64, with all other age categories expected to decline in this time period.

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

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	5	16	144	96	138
2036	4	16	129	102	240
% change 2011-2036	-14%	-3%	-10%	6%	74%

Source: AECOM Calculations

166. The final result of this exercise is presented in Table 5-9. The model suggests that in 2036, the majority of dwellings should be 3-bedroom, as in 2011, but to a greater extent, increasing the proportion from 39.1% to 42.3%. It suggests

significant increases in the proportion of smaller 1-bedroom and 2-bedroom dwellings and a decline in the proportion of larger dwellings. In order to reach the guideline mix it is suggested that all development within the plan period is for 1-bedroom, 2-bedroom, and 3-bedroom dwellings, with a particular emphasis on 2-bedroom dwellings.

Table 5-9: Suggested dwelling size mix to 2036, Ufford

Number of bedrooms	Current mix (2011)	Indicative mix (2036)	Balance of new housing to reach indicative mix
1 bedroom	1.8%	8.4%	24.7%
2 bedrooms	20.3%	27.2%	38.0%
3 bedrooms	39.1%	42.3%	37.3%
4 bedrooms	27.3%	16.8%	0.0%
5 or more bedrooms	11.5%	5.2%	0.0%

Source: AECOM Calculations

167. Completion data provided by East Suffolk Council shows that development between 2015/16 and 2021/22 has been relatively in line with the balance outlined in Table 5-9 for 3-bedroom dwellings, with 37.2% of delivery at this dwelling size. However, the delivery of larger dwellings in this time period has exceeded the estimated proportions required to the end of the plan period, with the delivery of smaller 1-bedroom and 2-bedroom dwellings below expected. This may justify slight alterations to the modelled balance of housing on new developments in the plan period, focussing more on the smaller dwellings because of previous delivery trends.
168. While the provision of Affordable Housing (subsidised tenure products) is one way to combat affordability challenges, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide smaller homes with fewer bedrooms as the model suggests would help to address this situation.
169. However, it is not necessarily sensible to restrict delivery to only the smaller categories. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms, but these may not be realistically affordable for growing families (e.g. may be larger detached homes as opposed to more affordable terraced dwellings). There may therefore be a justification to continue supplying larger homes despite their abundance because a different kind of larger home is needed to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix but is among the good reasons not to inhibit any size of dwelling entirely.

170. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to smaller and mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

Conclusions- Type and Size

171. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.

Current dwelling stock

172. In 2011, the vast majority of housing in Ufford was detached, at 64.3% of dwellings, followed by semi-detached dwellings at 18.5%. Detached dwellings remained the dominant type in 2021 but there was a significant increase in terraced dwellings in this time. Between 2015/16 and 2021/22, 74.4% of dwellings built in Ufford were houses, with a significant proportion, at 16.3%, taking the form of bungalows. The NA has a much greater proportion of detached dwellings than both East Suffolk and England, with the proportion of semi-detached and terraced dwellings well below the proportion for the comparator areas.
173. Turning to dwelling size, in 2011, the majority of dwellings in Ufford were 3-bedroom, followed by larger 4-bedroom dwellings. There were very few smaller 1-bedroom dwellings. Looking to 2021, there was a slight increase in the proportion of mid-sized 3-bedroom dwellings as well as a notable increase in the smallest dwellings. Between 2015/16 and 2021/22, the majority of development in Ufford was 2-bedroom and 3-bedroom, with a significant proportion also of the largest dwellings. The proportion of smaller dwellings in Ufford is below levels for East Suffolk and England, indicating a potential lack of both entry-level dwellings and properties suitable for older people to downsize.

Demographics

174. In 2011, the majority of the population were aged 45-64, followed by those aged 65-84. Looking to 2020, there was a significant increase in the proportion of households aged 65-84, from 18.7% to 23.6%, indicative of an aging population. There is also a decline in the proportion of the population aged 0-15 and, even more significantly, in the proportion aged 16-24, perhaps

indicating affordability challenges for younger people looking to leave their parents' homes. In 2011 the proportion of the population aged 0-44 was significantly smaller in Ufford than nationally whilst the proportion of the population aged 45+ was greater than England. The population of East Suffolk generally falls between that of Ufford and England.

175. Under-occupancy is relatively common in the NA, with 87.7% of households living in a dwelling with at least one extra bedroom. This is most common in family households aged 65+ and families aged under 65 with no children. This suggests that larger housing in Ufford isn't being occupied by households with the most family members, but by those with the most wealth or by older people who have chosen not to, or been unable to, downsize into smaller properties. There is also some over-occupancy in the NA in family households with dependent children.
176. Population growth can be expected to be driven by the oldest households, with households with a household reference person aged 65 and over expected to grow by 74% between 2011 and 2036. This would mean that households in this category would account for 48.9% of households in 2036, compared to accounting for 34.6% in 2011, showing a rapidly aging population.

Future size mix

177. AECOM modelling suggests that in 2036, the majority of dwellings in Ufford should be 3-bedroom, as in 2011, but to a greater extent. It suggests significant increases in the proportion of smaller 1-bedroom and 2-bedroom dwellings and a decline in the proportion of larger dwellings. In order to reach the guideline mix it is suggested that all development within the plan period is for 1-bedroom, 2-bedroom, and 3-bedroom dwellings, with a slight skew towards 2-bedroom dwellings.
178. However, it is not necessarily sensible to restrict delivery to only the smaller categories. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. There may therefore be a justification to continue supplying larger homes despite their abundance because a different kind of larger home is needed to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix but is among the good reasons not to inhibit any size of dwelling entirely.
179. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to smaller and mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

6. RQ 3: Specialist housing for older people

RQ 3: What provision should be made for specialist housing for older people over the Neighbourhood Plan period?

Introduction

180. This chapter considers in detail the specialist housing needs of older people in Ufford. The level of care associated with specialist housing products can vary widely, and is broadly categorised, in descending order from highest to lowest care level, as follows

- Specialist schemes that have 24-hour onsite care and support, typically including onsite catering (e.g. extra care, flexicare, and enhanced care);
- Specialist housing that is designed with the relevant group in mind. This may be suitable for receiving care or support, but this is not typically provided onsite or at all times of day (e.g. sheltered housing); and
- Mainstream housing that is adapted or capable of adaptation so that the inhabitant can live independently and care or support can be provided in the home.

181. People experience ageing differently. Much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age while others may need support and care much earlier in their lives. Some will be interested in moving to a suitable home closer to services while for others ageing independently in place will be key to their wellbeing.

182. Because of the wide variation in the level of support needed, as well as the financial capabilities of those affected, the estimates of need presented here should be viewed with caution – as an idea of the broad scale of potential need rather than an obligatory target that must be met.

183. The specialist housing needs of older people (75+) are assessed below using two methods. The first is a tenure-led projection, based on rates of mobility limitation among this age group and the tenure of housing they currently occupy. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network (HLIN) Strategic Housing for Older People (SHOP) tool,¹⁹ which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

184. It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline

¹⁹ Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

as opposed to the projected new households which form the baseline for estimating housing need overall.²⁰

185. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).²¹ Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for the elderly) are not within the scope of this research. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required.

Current supply of specialist housing for older people

186. When determining a final target for the need for specialist dwellings, it is necessary first to take account of current supply. Information on the current stock is collated manually using the search function on the Elderly Accommodation Counsel's Website: <http://www.housingcare.org>.
187. There are currently no units of specialist accommodation in the NA at present, although Ufford does have two Almshouses within the NA for older persons with a connection to the parish. These are currently being redeveloped to make them more suitable for people with mobility limitations.

Tenure-led projections

188. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across East Suffolk, as this is the most recent and smallest geography for which tenure by age bracket data is available.
189. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2036. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.
190. According to Table 6-1, the vast majority of households aged 55-75 in East Suffolk owned their own home in 2011, at 80.4%, with the remaining 19.6% renting. Of those households renting, the majority of these lived in social rented housing, at 10.5% of all households.

²⁰ See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

²¹ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

Table 6-1: Tenure of households aged 55-75 in East Suffolk, 2011

All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
80.4%	61.1%	19.3%	19.6%	10.5%	8.1%	1.1%

Source: Census 2011

191. The next step is to project how the overall number of older people in Ufford is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for East Suffolk at the end of the Plan period. The figure must be extrapolated from the Local Authority level data because such projections are not available at neighbourhood level. The results are set out in Table 6-2. It shows that between 2011 and 2036, the proportion of the population aged 75+ in Ufford is expected to increase significantly, from 10.0% to 16.0%, a further example of the aging population in the NA.

Table 6-2: Modelled projection of elderly population in Ufford by end of Plan period

Age group	2011		2036	
	Ufford	East Suffolk	Ufford	East Suffolk
All ages	948	239,552	1,082	273,310
75+	95	27,643	173	50,219
%	10.0%	11.5%	16.0%	18.4%

Source: ONS SNPP 2020, AECOM Calculations

192. A key assumption for the next stages of the calculation is that the older people living in the NA currently are already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture).

193. The people whose needs are the focus of the subsequent analysis are therefore the additional 78 individuals expected to join the 75+ age group by the end of the Plan period. This figure should also be converted into households with reference to the average number of people per household with a life stage of 75+ in East Suffolk in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 27,643 individuals aged 75+ and 19,711 households headed by a person in that age group. The average household size is therefore 1.40, and the projected growth of 78 people in Ufford can be estimated to be formed into around 55 households.

194. The next step is to multiply this figure by the percentages of 55-75 year olds occupying each tenure (shown in the table above). This is set out in Table 6-3.

This provides a breakdown of which tenures those households are likely to need.

Table 6-3: Projected tenure of households aged 75+ in Ufford to the end of the Plan period

Owned	Owned outright	Owned (mortgage) or shared ownership	All rented	Social rented	Private rented	Living rent free
44	34	11	11	6	4	1

Source: Census 2011, ONS SNPP 2020, AECOM Calculations

195. Next, rates of disability by tenure are considered. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector. Table 6-4 presents this data for Ufford from the 2011 Census. Note that the closest proxy for the 75+ age group in the Census is the 65+ age group.

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

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories	31	15.2%	44	21.6%	129	63.2%
<i>Owned Total</i>	22	12.0%	39	21.2%	123	66.8%
Owned outright	18	10.7%	36	21.3%	115	68.0%
Owned (mortgage) or shared ownership	4	26.7%	3	20.0%	8	53.3%
<i>Rented Total</i>	9	45.0%	5	25.0%	6	30.0%
Social rented	6	37.5%	5	31.3%	5	31.3%
Private rented or living rent free	3	75.0%	0	0.0%	1	25.0%

Source: DC3408EW Health status

196. It is now possible to multiply the projected number of 75+ households occupying each tenure by the rates of mobility limitation for that tenure to arrive at the final tenure-led estimate for specialist housing needs. The number of households falling into potential need for specialist accommodation over the Plan period is 22.

197. These findings are set out in the table, based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g.

extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

Table 6-5: AECOM estimate of specialist housing need in Ufford by the end of the Plan period

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Multiply the number of people across all rented tenures (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	Multiply the number of people across all owner-occupied housing by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	10
	5	5	
Adaptations, sheltered, or retirement living	Multiply the number of people across all rented housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	Multiply the number of people across all owned housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	12
	3	9	
Total (rounded)	8	14	22

Source: Census 2011, AECOM Calculations

Housing LIN-recommended provision

198. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the simplest and widely used models estimating for the housing needs of older people. Table 6-6 reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide to the numbers of specialist dwellings for older people that should be provided given the increase in their

numbers over the Plan period, and how these should be split into the different tenures.

199. It is worth highlighting that the HLIN model suggests that the level of unmet demand for specialist housing for older people of all kinds is approximately 251 units per 1,000 of the population aged 75+.

Table 6-6: Recommended provision of specialist housing for older people from the SHOP toolkit

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

Source: Housing LIN SHOP Toolkit

200. As Table 6-2 shows, Ufford is forecast to see an increase of 78 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = $60 \times 0.078 = 5$
- Leasehold sheltered housing = $120 \times 0.078 = 9$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = $20 \times 0.078 = 1.6$
- Extra care housing for rent = $15 \times 0.078 = 1.2$
- Extra care housing for sale = $30 \times 0.078 = 2.3$
- Housing based provision for dementia = $6 \times 0.078 = 0.47$

201. This produces an overall total of 19 specialist dwellings which might be required by the end of the plan period.

202. Table 6-7 sets out the HLIN recommendations in the same format as Table 6-5. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates.

Table 6-7: HLIN estimate of specialist housing need in Ufford by the end of the Plan period

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	5
	2	3	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	14
	5	9	
Total (rounded)	7	12	19

Source: Housing LIN, AECOM calculations

Conclusions- Specialist Housing for Older People

203. There are currently no units of specialist accommodation for older persons in the NA. There are two Almshouses which are specifically for older persons which are currently being redeveloped to make them more suitable for people with mobility limitations.
204. It is expected that during the plan period, 78 individuals will join the 75+ age group in Ufford. They are estimated to be formed into around 55 households.
205. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
206. These two methods of estimating the future need in Ufford produce a range of 19 to 22 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
207. It is important to take into consideration the breakdown in levels of care and tenure within the need for specialist housing for older persons. When considering the AECOM calculations outlined in Table 6-5, the majority of the need, at 68.2% (15 units), is identified for specialist market housing. Slightly more need is identified for sheltered housing at 54.5% (12 units) compared to 45.5% (10 units) extra-care. The greatest sub-category of need was identified for market sheltered housing at 40.9% (9 units) of the total need. However, this need is for individuals with less severe limitations and market housing is

considered the most appropriate for adaptations, so at least some of this need could be met through adaptations or through ensuring that all new housing is accessible and adaptable for people with lower support needs.

208. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Planning groups is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. The local level evidence supplied in this report could be used to influence local authority level policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
209. Local Plan policy SCLP5.8 (Housing Mix) provides explicit encouragement for development to accommodate specific groups such as older people. It requires developments of 10 or more specialist dwellings to have at least 50% of the dwellings meet national standards for accessibility and adaptability (Category M4(2)). The evidence gathered here would appear to justify the Steering Group approaching the LPA to discuss setting further requirements on accessibility and adaptability at a local authority level such as for wheelchair users (Category M4(3)). In addition, Government is considering mandating M4(2) on newly erected dwellings²², although changes to Building Regulations have not yet been made.
210. Further to this, the adopted Local Plan policy provides explicit encouragement for the development of sheltered and extra-care housing, outlining that these schemes will be supported where they incorporate a mix of tenures and sizes to meet an identified need.
211. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
- so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
 - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
 - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
212. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or Neighbourhood Areas from a single,

²² See [Raising accessibility standards for new homes: summary of consultation responses and government response - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes)

centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).

213. It may be considered that Ufford is a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from Ufford entirely within the Neighbourhood Area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of Ufford, locations such as Melton may be considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Area (i.e. to be the hub in the hub-and-spoke model). If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself would not overlap.
214. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

7. RQ 4: Second Homes

RQ 4: What is the scale and potential impact of the second home sector on the Ufford housing market, and how might this be addressed through policy?

Introduction

215. Neighbourhood Plan policies controlling second home ownership are typically evidenced by demonstrating a high or rapidly increasing rate of second home ownership within a context of acute affordability challenges and/or serious constraints in the availability of overall housing.
216. The existence of second or holiday homes is not necessarily a problem in and of itself. It becomes a problem when it creates intense competition for local home buyers (or renters), inflates prices, or reduces the resident population to the extent that local services, employment, and community vitality are impacted. Ufford clearly exhibits these wider challenges, with fairly extreme affordability issues, as demonstrated in Chapter 4.
217. This section of the HNA gathers the limited available data on the rate of second home ownership in Ufford that may be used to support policy decisions in this area.

Second and Holiday Homes Data

218. Before looking at second home ownership levels in the NA, it is important to understand the levels of second home ownership, and specifically holiday lets, across the country. According to the English Housing Survey 2018-2019, 2.4 million households in England reported having at least 1 additional residence, with 772,000 of these second homes (including homes primarily used as holiday homes, holiday lets, or working away from home). It was also noted that 57% of second homes were in the UK. Therefore, it could be estimated in 2018/19 that there were at least 440,040 second homes in the UK from households in England, assuming each of 772,000 households above had just 1 additional home.
219. The impact of this nationally is more simply understood as a percentage of all dwellings. There were an estimated 28.9 million dwellings in the UK in 2019²³, meaning that second homes (of which the households that owned them lived in England) in the UK accounted for around 1.5% of total dwellings. The UK second home ownership levels would of course be higher than this when also taking into account second homes owned by households in Wales, Scotland, and Northern Ireland.
220. Turning to the NA specifically, Ufford contained 399 households and 428 dwellings in 2011, implying that there were 29 dwellings (or 'household spaces')

²³ Collated dwelling stock data from GOV.UK, GOV.WALES, National Records of Scotland, and Northern Ireland Department of Finance.

with no usual resident household. 6.8% of dwellings therefore had no usual residents.

221. For comparison, the rate of dwellings that had no usual residents across East Suffolk as a whole in 2011 was 7.5%, slightly higher than Ufford. This may be due to other areas within East Suffolk, such as Aldeburgh and Southwold, being directly on the coast and therefore more likely to have a higher concentration of second homes or holiday lets than the NA.
222. For England, the rate was 4.0%. It is worth noting that across the country (or even the local authority area), dwellings will be empty for different reasons (including being uninhabitable), not just second home ownership. Due to the location of the NA it is assumed that a significant proportion of dwellings without usual residents are second homes, either personal or for holiday let.
223. Another way of gauging the number of holiday homes is to look at the number of properties paying business rates (instead of council tax) in that category. This data is correct to the time of writing but has a number of limitations:
- Most importantly, it only gives an indication of the number of commercially rented holiday homes. A holiday let needs to be available for rent 140 days of the year to reach the threshold for business rates. So only the third subcategory of second/holiday homes below would be captured:
 - Second homes that are never rented and only used by the owner;
 - Holiday homes used by the owner primarily, but also available to rent for part of the year (under 140 days) or rented out informally;
 - Holiday homes with a stronger commercial purpose, available to rent more than 140 days per year.
 - In January 2022 the Government tightened the rules on second homes and business rates. This means that as well as being available for rent for at least 140 days a year, from April 2023, second homeowners will have to prove that holiday lets are being rented out for a minimum of 70 days a year to access small business rates relief²⁴.
 - It is likely that the holiday homes counted in the business rates data would also be captured as dwellings with no usual residents in the Census, since owners of second homes, including those rented out for holiday lets, are obliged to fill in a Census return. This indicator is therefore only useful for context and for any indication it may give of growth over time.
224. The Ufford Neighbourhood Plan Steering Group conducted research based on the number of properties in the NA registered for business rates, specifically self-catering holiday units. This was undertaken by individually searching the postcodes of the parish and then adjusting based on local knowledge. As of August 2022, there was estimated to be 10 commercial holiday lets in the NA. East Suffolk Council also provided information stating that they were aware of

²⁴ Available here: <https://www.gov.uk/government/news/gove-closes-tax-loophole-on-second-homes>

7 properties classed as second homes because they are furnished but no one's sole or main residence.

225. In order to estimate the overall levels of second home ownership in the NA, not just those eligible for business rates, the difference between the number of households and the number of dwellings in the NA needs to be considered. Based on the 2011 Census data and the housing completions data provided by East Suffolk, there were 475 dwellings in Ufford in 2021/22. Mid-2020 population estimates indicate that the population increased between 2011 and 2020 to 1,033 residents. Taking the 2011 average household size of 2.38 it can be calculated that there were roughly 434 households in Ufford in 2020. If in 2021/22 there were 475 dwellings and 434 households (in 2020) in the NA then this implies that there were approximately 41 dwellings (or 'household spaces') with no usual resident household. 8.6% of dwellings therefore had no usual residents and a number of these could be assumed to be second homes. This is a slight increase on the estimated proportion based on empty dwellings in 2011, which accounted for 6.8% of all dwellings.
226. It is worth noting that this is an estimate of the proportion of second homes in the NA, based on ONS population estimates and the estimated number of dwellings in the NA in 2021/22. It is however the most accurate way of establishing second home ownership in Ufford in the present day. The release of the 2021 Census in the coming months will provide further clarity on the number of dwellings in the NA with no usual resident household.
227. It is likely that with higher than national levels of second home ownership in the NA, and the demand for second homes, that this has had an adverse effect on affordability for local people. It may be worth assessing here the difference in potential income between private landlords and holiday lets in Ufford. In order to undertake this comparison, the number of whole property holiday lets available for a week rental in peak holiday season (June and July) 2023 was established from holiday rental site Airbnb²⁵. At this time there were 8 entire property lets available. There is the caveat with this finding that not all holiday lets will be listed on this site, and that some high demand properties may already be fully booked for summer 2023 and therefore not listed. The average letting price was then determined, which could then be compared to the average rental price of private rented properties in Ufford. This process is outlined below:
- Average nightly cost of Ufford holiday let (June/July 2023) from Airbnb properties = £132
 - Average weekly cost of above = £132 * 7 = £924
 - Average monthly cost of above = £924 * 4 = £3,696
 - Average monthly cost of private rented dwelling in the NA²⁶ = £1,217
228. These calculations show that if a holiday let was rented back-to-back, as it could be in the summer months, the income (exclusive of any related costs) associated

²⁵ Search of properties as of 2nd August 2022.

²⁶ As of 20th December 2021 – covering the private rented sector proxy area discussed in the Appendix.

with the holiday let would be 203.7% greater than associated with longer term private rental. This may go some way to explain the perceived growth of holiday lets in the NA. The impact on the private rental sector in Ufford can also be seen to an extent, with the proportion of households living in the private rental sector in the NA increasing by 36.8% between 2001 and 2011, compared to increases of 60.0% across East Suffolk and of 82.4% nationally. Although dated figures, these may demonstrate the increase in holiday rentals reducing the provision of private rented housing in the NA. This in turn would have a detrimental impact on affordability as demand may outweigh the available supply.

229. Although the potential income difference is clear to see above, there are other factors to be taken into consideration. These include the fact that holiday lets may not be occupied for the whole year, as well as running and maintenance costs (which would be associated with both holiday lets and private rentals), and the greater amount of work potentially required with holiday lets in terms of weekly cleaning and booking administration.

Policy Considerations

230. It is not only Ufford within East Suffolk that has housing challenges relating to second home ownership. Southwold, around 25 miles north-east of the NA, faces significant challenges due to the prevalence of second home ownership and holiday lets in the town: it is estimated that in 2015 just 43% of dwellings were primary residences, with the remainder being 22% holiday lets and 35% second homes²⁷.
231. The Southwold Neighbourhood Plan, made in February 2022, outlines a number of ways to tackle housing affordability issues linked to high demand for second homes. This includes using community led housing as a vehicle to ensure Affordable Housing is delivered in perpetuity, without the risk of Right to Acquire or fully staircasing shared ownership properties leading to Affordable Housing becoming second homes in the future.
232. The Neighbourhood Plan also includes a 'Principal Residence Requirement' (Policy SWD4) which outlines that proposals for new housing would only be supported where both first and future occupation is restricted in perpetuity to ensure that each new dwelling is occupied only as a Principal Residence. This would protect any new dwellings from becoming second homes or holiday lets, increasing the proportion of households living full-time in the town.
233. Policies such as those outlined in the Southwold Neighbourhood Plan may be appropriate in Ufford if desired by the Steering Group, although the proportion of second home ownership in the NA is significantly lower.
234. The affordability evidence establishes a clear context of poor and worsening affordability in Ufford that prevents local people from moving to homes better suited to their needs within the neighbourhood and prevents younger households without significant financial help from accessing suitable housing.

²⁷ Southwold Neighbourhood Plan - <https://www.eastsuffolk.gov.uk/assets/Planning/Neighbourhood-Planning/Designated-Neighbourhood-Areas/Southwold/Southwold-Neighbourhood-Plan.pdf>

235. It is not possible to establish a precise causal link between second home ownership and declining affordability because rising prices and declining affordability is affected by other factors such as economic growth at the national level. However, given the scale of second home ownership in the NA, AECOM suggest that it is likely that the second homes market is a factor in the price in prices and declining affordability in the area.
236. Furthermore, there are substantial financial incentives to let properties to holiday makers rather than long term tenants in the private rented sector. The private rented sector in the NA is very small and is likely constrained by the growth of the holiday let and second home market. In the context where new housing development is limited, all other things being equal, the expansion of second homes and holiday lets will reduce the availability of housing for households wishing to live in the area. Reduced availability (or supply) when demand is the same or growing, leads to increased prices and rents.

Conclusions- Second homes

237. This section of the HNA considers the current extent of second home ownership in Ufford and related trends.
238. In 2011, Ufford contained 399 households and 428 dwellings, implying that there were 29 dwellings with no usual resident household. This means that 6.8% of dwellings had no usual residents, compared to 7.5% across East Suffolk and around 4.0% nationally.
239. When looking at holiday lets eligible for business rates specifically, it is estimated that in August 2022 there were 10 commercial holiday lets. Looking further than just commercial holiday lets, it is expected that overall second home ownership levels are greater than this. Based on estimates 2021/22 housing stock and ONS mid-2020 population estimates, it is estimated that there are currently around 41 dwellings with no usual resident household, a significant increase on 2011. This means that 8.6% of dwellings therefore had no usual residents and could be assumed to be second homes.
240. The demand for second homes in the NA is likely to have an adverse effect on affordability for local people. There is a clear difference in the potential income for owners between the private rented sector and holiday lets identified in the NA. The calculated average monthly cost of a holiday let in Ufford is £3,696 compared to the average monthly cost of a private rented dwelling of £1,217. If a holiday let was rented back-to-back, as it is assumed it would be in the summer months, the income (exclusive of any related costs) associated with the holiday let would be 203.7% greater than associated with longer term private rental. This highlights a clear incentive for property owners to rent their properties as holiday lets as opposed to in the private rented sector, even when the additional costs and vacancy periods associated with holiday lets are factored in.
241. It is not possible to establish a precise causal link between second home ownership and declining affordability because rising prices and declining affordability is affected by other factors such as economic growth at the national

level. However, given the scale of second home ownership in the NA, AECOM suggest that it is likely that the second homes market is a factor in the price in prices and declining affordability in the area. The private rented sector in the NA is very small and is likely constrained by the growth of the holiday let and second home market. In the context where new housing development is limited, all other things being equal, the expansion of second homes and holiday lets will reduce the availability of housing for households wishing to live in the area.

8. Next Steps

Recommendations for next steps

242. This Neighbourhood Plan housing needs assessment aims to provide Ufford 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 East Suffolk with a view to agreeing and formulating draft housing policies, bearing the following in mind:
- All Neighbourhood Planning Basic Conditions, but in particular 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 East Suffolk Council;
 - The views of local residents;
 - The views of other relevant local stakeholders, including housing developers and estate agents; and
 - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by East Suffolk Council.
243. 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.
244. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, East Suffolk Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
245. 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.

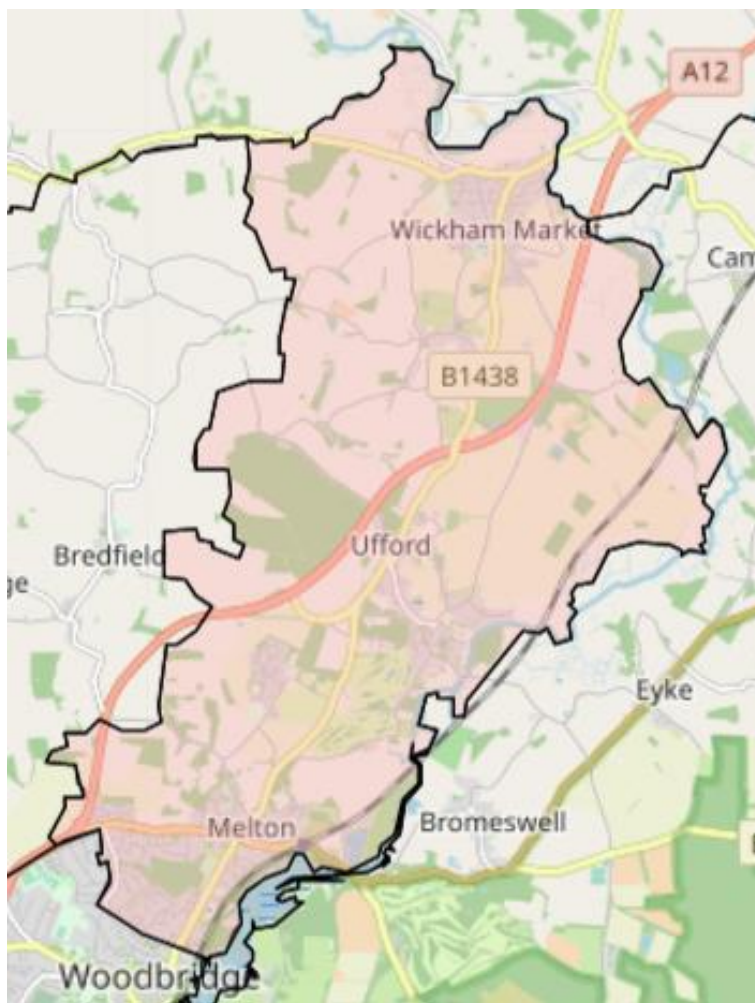
Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

246. 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 Area. Such data is available at MSOA level but not at the level of Neighbourhood Areas.

247. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Area. In the case of Ufford, it is considered that MSOA E02006291 is the closest realistic proxy for the Neighbourhood Area boundary when looking at income data, and as such, this is the assessment geography that has been selected. A map of MSOA E02006291 appears in Figure A-1.

Figure A-1: MSOA E02006291 used as a best-fit geographical proxy for the Neighbourhood Area



Source: ONS

A.2 Market housing

248. Market housing is not subsidised and tends to be primarily accessible to people on higher incomes.
249. To determine affordability in market housing, this assessment considers two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

i) Market sales

250. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) 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.
251. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Ufford, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.
252. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2021) = £506,375;
 - Purchase deposit at 10% of value = £50,638;
 - Value of dwelling for mortgage purposes = £455,738;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £130,211.
253. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2021 was £349,250, and the purchase threshold is therefore £89,807.
254. It is also worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records 6 sales of new build properties in the NA in 2021. There were too few sales in the NA specifically to determine an accurate average for the cost of new build housing in Ufford. AECOM has calculated an estimate for the cost of new build entry-level housing in the NA in 2021. This is important as it is the expected lower end of the market for new housing in the

near future, and it is also the benchmark used for the likely cost of affordable home ownership products (calculated later in the Appendix). The estimated NA new build entry-level house price is calculated by determining the uplift between all house prices in 2021 across East Suffolk and new build house prices in 2021 in the same area. This percentage uplift is then applied to the 2021 lower quartile house price in the NA to give an estimated NA new build entry-level house price of £394,255 and purchase threshold of £101,380.

255. In order to provide a comparison with the wider local authority area, it is helpful to also look at the cost of new build housing across East Suffolk in 2021. The median cost of new build dwellings in East Suffolk was £297,500, with a purchase threshold of £76,500. This is significantly lower than the estimated new build entry level house price for Ufford, highlighting the affordability challenges specific to the NA.

ii) Private Rented Sector (PRS)

256. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.
257. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
258. The property website Rightmove.co.uk shows rental values for property in the Neighbourhood Area. The best available data is derived from properties available for rent within 3 miles of the NA. This covers a wider area than the NA, including parts of Woodbridge, Melton, and Wickham Market but is the closest 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.
259. According to Rightmove.co.uk, there were 20 properties for rent at the time of search in September 2022, with an average monthly rent of £1,217. There were 6 two-bed properties listed, with an average price of £895 per calendar month.
260. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
- Annual rent = £895 x 12 = £10,740;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £35,800.

261. The calculation is repeated for the overall average to give an income threshold of £48,680.

A.3 Affordable Housing

262. There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2021: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. More recently, a new product called First Homes has been introduced in 2021. Each of the affordable housing tenures are considered below.

i) Social rent

263. Rents in socially rented properties reflect a formula based on 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 the lowest incomes and is subject to strict eligibility criteria.

264. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Ufford. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Suffolk Coastal in the Table A-1.

265. The data used to determine social and affordable rents outlined in Table A-1 and Table A-2 is from 2018/19, before East Suffolk Council formed. Therefore, the data for Suffolk Coastal (the Council pre-East Suffolk that Ufford used to fall within) is used here.

266. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£79.12	£91.00	£100.98	£113.38	£93.36
Annual average	£4,114	£4,732	£5,251	£5,896	£4,855
Income needed	£13,700	£15,758	£17,486	£19,633	£16,166

Source: Homes England, AECOM Calculations

ii) Affordable rent

267. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on

housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).

268. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.
269. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Suffolk Coastal. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
270. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 50% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table A-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£88.69	£110.40	£124.81	£149.62	£108.07
Annual average	£4,612	£5,741	£6,490	£7,780	£5,620
Income needed	£15,358	£19,117	£21,612	£25,908	£18,713

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

271. Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are discounted market housing (a subset of which is the new First Homes product), shared ownership, and Rent to Buy. These are considered in turn below.
272. In paragraph 65 of the NPPF 2021, 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.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

First Homes

273. Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type

suitable to first time buyers would bring them within reach of people currently unable to buy market housing.

274. The starting point for these calculations is therefore the estimated cost of new build entry-level housing in the NA noted above of £394,255.

275. For the minimum discount of 30% the purchase threshold can be calculated as follows:

- Value of a new home (estimated NA new build entry-level) = £394,255;
- Discounted by 30% = £275,978;
- Purchase deposit at 10% of value = £27,598;
- Value of dwelling for mortgage purposes = £248,380;
- Divided by loan to income ratio of 3.5 = purchase threshold of £70,966.

276. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £60,828 and £50,690 respectively.

277. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible. First Homes at a 30% discount have a discounted value above the £250,000 cap, meaning the discount required would need to be greater than 30%.

278. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m²⁸) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Ufford.

Shared ownership

279. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), 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 occupant can be increased over time through a process known as 'staircasing'.

280. 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 £80,000.

²⁸ It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - <https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/>

281. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
282. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £394,255 is £98,564;
 - A 10% deposit of £9,856 is deducted, leaving a mortgage value of £88,707;
 - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £25,345;
 - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £295,691;
 - The estimated annual rent at 2.5% of the unsold value is £7,392;
 - This requires an income of £24,641 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
 - The total income required is £49,986 (£25,345 plus £24,641).
283. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £39,707 and £67,117 respectively.
284. The three income thresholds are all below the £80,000 cap for eligible households.

Rent to Buy

285. Rent to Buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent, which is intended to be used to build up a deposit to eventually purchase the home. It is therefore estimated to cost the same as private rents – the difference being that the occupant builds up savings with a portion of the rent.

Help to Buy (Equity Loan)

286. The Help to Buy Equity Loan is not an affordable housing tenure but allows households to afford market housing through a loan provided by the government. With a Help to Buy Equity Loan the government lends up to 20% (40% in London) of the cost of a newly built home. The household must pay a deposit of 5% or more and arrange a mortgage of 25% or more to make up the rest. Buyers are not charged interest on the 20% loan for the first five years of owning the home.
287. It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.

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 housing 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 = $\frac{£200,000}{£25,000} = 8$, (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) 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.

c) 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 methods²⁹.

Age-Restricted General Market Housing

A type of housing which is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens but does not include support or care services.

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, over-crowding, concealment or affordability, but who are yet to be offered a home suited to their needs.

Bedroom Standard³⁰

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.

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

³⁰ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-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 principal 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 Order³¹

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)³²

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

Equity Loans/Shared Equity

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

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

³² See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

Extra Care Housing or Housing-With-Care

Housing which usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24 hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are included in retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

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.

First Homes

First Homes is another form of discounted market housing which will provide a discount of at least 30% on the price of new homes, introduced in 2021. These homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments will be required to provide 25% of Affordable Housing as First Homes. A more detailed explanation of First Homes and its implications is provided in the main body of the HNA.

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.

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.

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 years³³, 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

³³ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

living room and one kitchen would be deemed overcrowded if three adults were living there.

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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.

Retirement Living or Sheltered Housing

Housing for older people which usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently. This can include 24 hour on-site assistance (alarm) and a warden or house manager.

Residential Care Homes and Nursing Homes

Housing for older people comprising of individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually

include support services for independent living. This type of housing can also include dementia care homes.

Rightsizing

Households who wish to move into a property that is a more appropriate size for their needs can be said to be rightsizing. This is often used to refer to older households who may be living in large family homes but whose children have left, and who intend to rightsize to a smaller dwelling. The popularity of this trend is debatable as ties to existing communities and the home itself may outweigh issues of space. Other factors, including wealth, health, status and family circumstance also need to be taken into consideration, and it should not be assumed that all older households in large dwellings wish to rightsize.

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% (though this was lowered in 2021 to a minimum of 10%), 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 Housing³⁴

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 bedroomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also

³⁴ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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 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.³⁵

³⁵ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

