

Holbrook Parish Housing Needs Assessment (HNA)

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Quality information

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List of acronyms used in the text:

AH	Affordable Housing (NPPF 2018 definition)
BDC	Babergh District Council
BMSDC	Babergh & Mid Suffolk District Councils
HNA	Housing Needs Assessment
HPC	Holbrook Parish Council
HRF	Housing requirement figure
HRP	Household Reference Person
HHSR	Holbrook Household Survey Results
LPA	Local Planning Authority
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
NA	Neighbourhood Area
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
SC	Holbrook Neighbourhood Plan Steering Sub-Committee
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment

Executive Summary

Introduction

1. Holbrook Parish in Babergh commissioned through Locality a Housing Needs Assessment (HNA) to inform their Neighbourhood Plan. In consultation with the neighbourhood planning group, we developed two research questions (RQs) for the HNA to answer. The RQs serve to direct out research into the key neighbourhood-level issues and provide the structure for the study.
2. The data sources used in the HNA include the 2011 Census, which provides the most recent available information on demographics and aligns with Babergh's own evidence base, as well as the latest household projections and income estimates provided by ONS, and other sources providing data on the local housing market.

Research Questions

RQ1: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate?

RQ2: What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and market tenures should be included in the housing mix?

Findings of RQ1: Type and Size

3. Holbrook, in line with the District, is dominated by medium and large properties. Properties tend to be larger in the Neighbourhood Area (NA) than the wider District with the average number of rooms per household space is 6.5 against 6 in the District. The vast majority of homes are detached (51.3%) and semi-detached (28.5%) homes that consist of 6 rooms or more (this equates to 3 bedrooms or more).
4. The greatest increase over the intercensal period has been in the number of households living in dwellings of 6 and 8 rooms during this period, which equates to 3-4 bedroom homes. We also note the slight reduction in the amount of smaller properties available in the NA, which is in contrast to the moderate growth of small properties in the wider District.
5. Whilst an analysis of property types and sizes in the intercensal period suggest that there is a growing demand for medium to large properties in the NA (5 rooms or more/ 3 bedrooms or more), it is evident from demographic modelling that demand for slightly smaller medium homes may increase significantly in the NA (2-3 bedroom homes) due to a growing older population. Given the current stock, to avoid any misalignment about 75% of new homes should be between 1 and 2 bedrooms, while 25% should be 3 bedrooms.
6. Whilst, the demand for three-bedroom homes will remain significant, building more 1 or 2 bedrooms will cater for the growing older population and allow older households to downsize (which will make larger family housing available for those who have preference for family homes. Moreover, it will also allow younger households to form, stay in the area, or relocate.
7. However, this recommendation should be applied with a degree of flexibility because it may not be reasonable in practice strictly to limit the provision of dwellings with four or more bedrooms, and in fact, such a restriction has the potential to negatively impact the viability of sites that could help to deliver Affordable Housing or other community priorities (because the profitability of larger market homes enables developers to meet the costs of their obligations to provide Affordable Housing). It should also be noted that this report is concerned with demand in the sense of need rather than in the sense of the preferences of potential occupants, which will likely include demand for larger homes.

Findings of RQ2: Tenure and Affordability

9. Holbrook is characterised by high proportion of home ownership, as opposed to private and social renting, which is in line with Babergh and England as a whole. While this could be taken to indicate a housing market where home ownership is within reach of most people, a more detailed analysis of affordability reveals that this is not the case. The annual income required for an entry-level home (in terms of mortgage availability, and not including the cost of the necessary deposit) is 56% higher than the lower quartile income (the lowest 25% of earners) and 38% higher than the median annual income.
10. In this context it is unsurprising that the rate of private renting in Holbrook has increased the most compared to other forms of tenure, though by a relatively measured 4.4% in the decade between 2001 and 2011. It could be that, over that period, households unable to afford home ownership sought out the next most affordable widely available option, with more homes being put up for rent to satisfy growing demand, while households who would have at other times met their needs through social housing are increasingly obliged to rent privately while relying on housing benefit. Private renting therefore provides an important function in the housing market and, due to its still comparatively low availability, should continue to grow going forward.
11. However, to ensure that households on lower than average incomes can afford to continue living in Holbrook or form their own independent households, especially if reforms to welfare including housing benefit are implemented in the coming years, it will be important to diversify the tenure offering beyond these two most common open-market options of market sale and private renting.
12. There are two thirds as many dwellings offered for social rent in Holbrook than the wider District and, given that this is the only tenure within reach of those on lower quartile incomes, their number should be increased wherever possible. Other forms of Affordable Housing that offer a route to home ownership, such as shared ownership, should also be promoted as a way to enable households on lower incomes to own their own homes should they wish to do so.
13. Affordable housing is typically provided and made financially viable by district-wide planning policies that require it to be included at a set proportion of larger market housing developments. This policy expectation in Holbrook, if the emerging Babergh Local Plan is adopted without changes to its draft policies, is that 35% of new housing on developments providing 10 dwellings or more will be affordable.
14. Of the 68 dwellings that the emerging Local Plan allocates to Holbrook over the Local Plan period (2018-2036), 24 Affordable Housing units should be delivered on the basis of this policy requirement. If the majority of new housing is delivered through windfall development on small sites dispersed around the NA, many of these sites will not meet the requirement of providing 10 or more dwellings and so the number of Affordable Housing units will be lower still. It should however be noted that Holbrook's housing requirement is now considered to have been met by recent development and planning commitments, as confirmed by the Local Planning Authority.
15. The Ipswich Strategic Housing Market Assessment Part 2 2019 Update (SHMA) suggests that Holbrook requires 1.45 units of Affordable Housing for rent and 1.4 units of Affordable Housing for sale per annum during the Neighbourhood Plan period (of 22 years), or 32 and 31 (rounded) dwellings in total. However, a more complete analysis of the potential demand arising from households who cannot afford to buy their own home but can afford to rent on the private market (and are therefore considered in need of Affordable Housing for sale products), suggests that 2.9 dwellings per annum or 64 (rounded) units are needed in total over the Plan period. This accounts for need throughout the entire Plan period, and does not reflect deductions for any dwellings currently planned or under construction.
16. It is understood that an 87-unit development in Holbrook that is close to completion is expected to deliver 15 units of affordable rented housing and 12 shared ownership units. This goes some way to meeting the Affordable Housing need for 31 affordable rented units and 64 affordable sale units over the Plan period identified here. However, given that Holbrook's overall housing requirement is considered to have already been met, if the community wishes to deliver more Affordable Housing to meet community needs, there are other routes available to providing it. For example, using community development orders, identifying exception sites or developing community land trusts are all tried and tested ways of boosting the supply of affordable housing above the minima indicated by Local Plan policy.
17. Regardless of the total quantity to be provided, of the overall Affordable Housing units to be delivered, it is recommended that approximately 50% be offered as social or affordable rent and 50% delivered as affordable routes to home ownership, with an emphasis on shared ownership as opposed to starter homes (which are less affordable in this area).
18. The need to improve affordability in Holbrook across all tenures aligns with our findings in relation to the type and size of homes – that new residential development should focus on smaller dwellings. Increasing the proportion of smaller

homes and more affordable types (as above) should help to rebalance the housing stock in favour of options that are both suitable to the population profile as it evolves over time and that will combat growing affordability challenges.

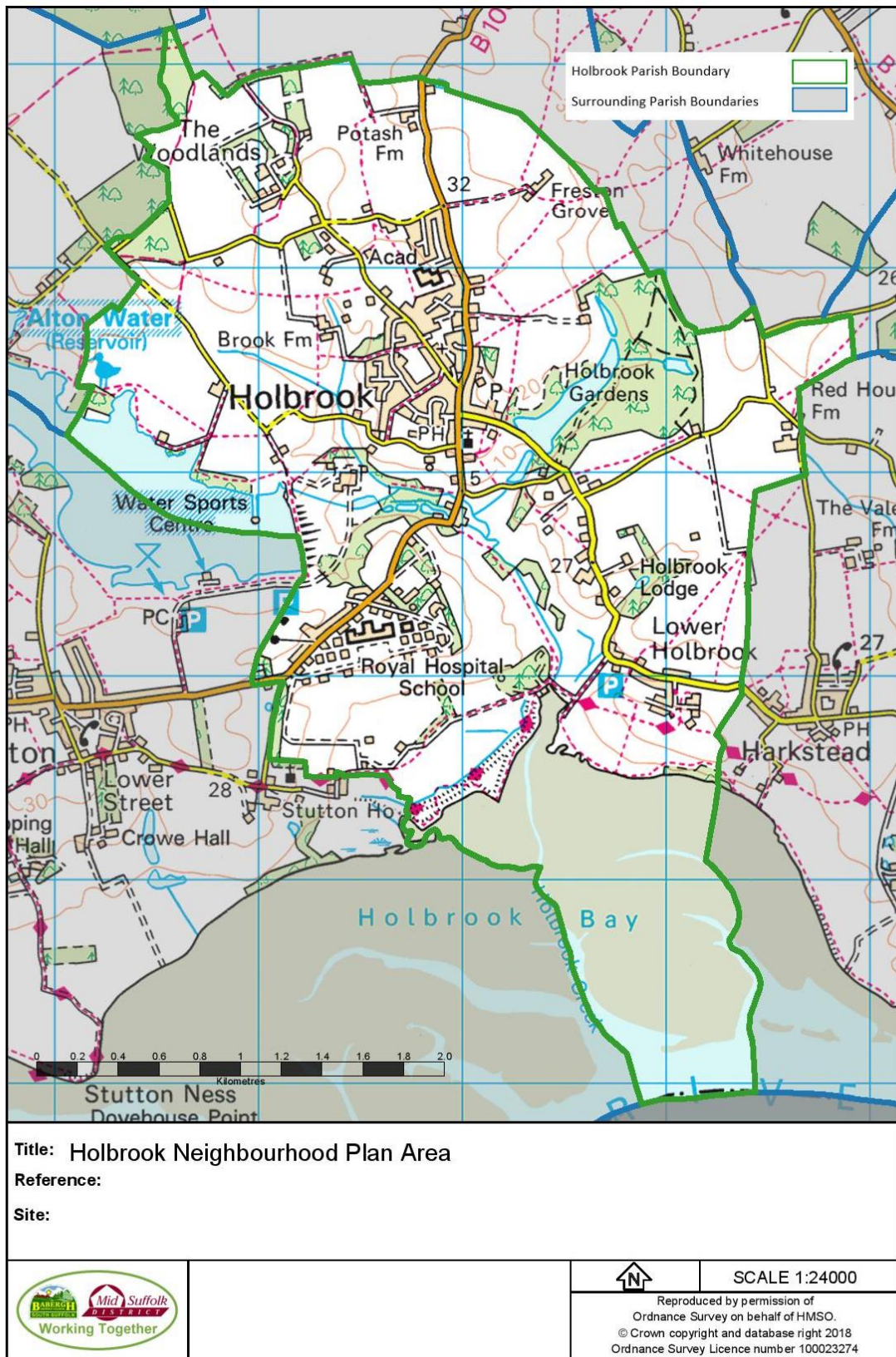
Context

Local context

19. Holbrook Neighbourhood Plan area (NA), situated within Babergh District comprises the core village of Holbrook and the hamlet village of Lower Holbrook. The area is located on the Shotley Peninsula, approximately 8km south of Ipswich.
20. To the north of the settlement, the landscape is classified as Ancient Estate Claylands whereas to the south, the landscape is classified as Rolling Estate Farmlands, Valley Meadowlands and Plateau Estate Farmlands. Part of the area is situated within the Suffolk Coasts and Heath AONB.
21. The area includes the Royal Hospital School which provides education and boarding for ages 11-18 and includes a number of Grade II* and Grade II listed buildings, of which RHS invoiced 540 pupils as boarding and 168 as day in the Michaelmas term 2011.
22. Holbrook plays host to a primary school with capacity to meet the needs of current planning commitments. It also has an academy school which will require extension to meet planning commitments.
23. The Holbrook and Shotley Surgery (Holbrook site) is located in Holbrook core village.
24. The B1080 connects Holbrook to the A14 for access to Ipswich and the wider area.
25. The Parish Council's latest population estimate was 2,343 in 2013¹.
26. Holbrook was designated as an NA on 6 April 2018, and a steering group has since been working towards developing a Neighbourhood Plan (NP). A map identifying the designated Holbrook NA is shown in Figure 0-1 below.

¹ Holbrook Parish Council. <https://holbrook.suffolk.cloud/village-information/>

Figure 0-1 : Holbrook Neighbourhood Area



Source: Babergh District Council

Planning policy context

27. In line with the Basic Conditions² of Neighbourhood Planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies. Consequently, there is a need for the relevant elements of the Local Plan to be reviewed as part of this Housing Needs Assessment (HNA).
28. The current Development Plan is the Babergh Core Strategy, adopted in 2014. We have reviewed this below as it remains the most relevant planning policy document in Babergh.
29. However, Babergh District Council is currently in the process of producing a Joint Local Plan (JLP) with Mid Suffolk District Council. A Consultation Document was published in August 2017 in accordance with Regulation 18 of the Town and Country Planning Regulations (2012) following which the 'Regulation 18' consultation closed in November 2017.
30. The emerging JLP is due for adoption in 2019/2020 and proposed to run up to 2036³. The document currently available is The Babergh and Mid Suffolk Joint Local Plan – consultation document; all policies and proposals are in draft form and should not be regarded as final. Nevertheless, for the purpose of this exercise, it is appropriate for a review of both the current local plan and the proposed policies in the emerging JLP document to be conducted.
31. This is because PPG makes clear that *“Although a draft neighbourhood plan or Order is not tested against the policies in an emerging Local Plan the reasoning and evidence informing the Local Plan process is likely to be relevant to the consideration of the basic conditions against which a neighbourhood plan is tested. For example, up-to-date housing needs evidence is relevant to the question of whether a housing supply policy in a neighbourhood plan or Order contributes to the achievement of sustainable development”*⁴.

Babergh Local Plan 2011-2031: Core Strategy & Policies February 2014

32. According to **Policy CS1: Applying the Presumption in favour of Sustainable Development in Babergh**, BDC will take a positive approach when considering development proposals, reflecting the presumption in favour of sustainable development contained in the National Planning Policy Framework (NPPF).
33. **Policy CS2: Settlement Pattern** directs new development to the towns / urban areas and to the Core Villages and the Hinterland villages within Babergh. In the countryside, development is only permitted in exceptional circumstances, where the need is justified and proven. Within **Policy CS2**, Holbrook is classified as a Core Village. Core Villages will act as a focus for development within their functional cluster and, where appropriate, site allocations to meet housing and employment needs will be made in the Site Allocations document.
34. **Policy CS3: Strategy for Growth and Development** makes provision for 5,975 new dwellings within Babergh District over the plan period, with 2,200 dwellings planned between 2011 and 2016 and a further 4,875 dwellings between 2017 and 2036. In terms of new land allocation numbers, provision will be made for 2,500 new dwellings, 1,050 of which will be delivered in the Core and Hinterland villages.
35. In line with **Policy CS11: Strategy for Development for Core and Hinterland Villages**, development within Hinterland Villages will be approved where proposals demonstrate a close functional relationship to the existing settlement. Development should meet the following criteria:
 - Well designed and appropriate in size, scale, layout and character to the setting and village;
 - Adjacent or well related to the existing pattern of development in the settlement;
 - Meet proven local need identified in the adopted community local plan or neighbourhood plan;
 - Support local services and create or expand employment opportunities; and
 - Not compromise the delivery of permitted or identified schemes in adopted community or village local plans.
36. **Policy CS18: Mix and Types of Dwellings** ensures that the mix, type and size of housing development reflects the established need within the Babergh district. Any development on strategic housing sites or mixed-use developments with a substantial residential element will be required to make provision for the needs of vulnerable or identified groups of people.

² PPG Paragraph: 065 Reference ID: 41-065-20140306

“The basic conditions are set out in paragraph 8(2) of Schedule 4B to the Town and Country Planning Act 1990 as applied to neighbourhood plans by section 38A of the Planning and Compulsory Purchase Act 2004”

³ <https://www.midsuffolk.gov.uk/assets/Strategic-Planning/BMSDC-LDS-JULY-2018.pdf>

⁴ PPG Paragraph: 009 Reference ID: 41-009-20160211

37. As stated in **Policy CS19: Affordable Homes**, all residential development will be required to provide 35% affordable housing in order to promote inclusive and mixed communities. However, individual targets may be set in Core and Hinterland Villages in Area Action Plans and Site Allocation DPDs. Where proposed development includes only one or two dwellings, or where affordable homes cannot be provided on site, a commuted sum will be required.
38. **Policy CS20: Rural Exception Sites** states that BDC will take a flexible approach to the location of rural exception sites, allowing proposals adjacent, or well related, to the settlement development boundaries of Core and Hinterland Villages, where the type, size, and character is appropriate and in line with identified needs.

Emerging Babergh and Mid Suffolk Joint Local Plan (updated July 2019)

39. **Policy SP01: Housing Needs** requires that the type and size mix of new development reflects established needs in the most recent evidence. In Babergh a minimum of 7,560 dwellings (or 420 per annum) are to be planned for over the Plan period 2018-2036.
40. **Policy SP02: Affordable Housing** seeks to retain and deliver 35% Affordable Housing on relevant sites of ten or more dwellings or sites of 0.5ha or more. In exceptional circumstances, the Council may agree to vary the requirement for affordable housing subject to a viability assessment. The following tenure and size profile for Babergh during the Plan period is proposed.

Figure 0-2: Affordable Housing mix for Babergh

Babergh Affordable Housing Mix (tenure & size) 2018 - 2036					
Tenure & size	1 bed	2 bed	3 bed	4 or more bed	Total
Shared ownership	134 (26.4%)	165 (32.6%)	156 (30.9%)	51 (10.1%)	506
Social rent & Affordable rent	271 (27.6%)	228 (23.2%)	225 (22.9%)	259 (26.4%)	983
Discount home ownership & starter homes (demand)	106 (21.3%)	173 (34.8%)	145 (29.2%)	72 (14.5%)	496
Total	511	566	526	382	1986
Total per annum	28	32	29	21	110

Percentages calculated as the number of bedrooms required for each tenure. Please note percentages may not add up to 100% due to rounding.

Source: Babergh and Mid Suffolk Joint Local Plan Part 1: Objectives and Strategic Policies. Page 27.

41. **Policy SP03: Settlement Hierarchy** classifies Holbrook as a core village and Lower Holbrook as a hamlet village.
42. Holbrook will therefore act as a focus for development, with delivery being through site allocations in the joint local plan, the relevant neighbourhood plan and windfall development in accordance with the relevant policies.
43. **Policy SP04: Housing Spatial Distribution**
- Holbrook
 - Holbrook will be expected to contribute towards the provision of 2,650 total new homes within Babergh's requirements for 'core village' housing delivery for the plan period 2018-2036.
 - This figure represents 28% of total homes built in the plan area, with 1,481 being achieved through sites with outstanding planning permissions, and 1,169 through the delivery of new homes.
 - Lower Holbrook
 - Lower Holbrook will be expected to contribute towards the provision of 261 total new homes within Babergh's requirements for 'hamlet village' housing delivery for the plan period 2018-2036.
 - This figure represents 3% of total homes built in the plan area, with 143 being achieved through sites with outstanding planning permissions, and 1,169 through the delivery of new homes.
44. Of these figures, Holbrook neighbourhood plan area will be expected to deliver 68 houses (through both outstanding planning permission and new homes) for the specified plan period (2018-2036). Currently, In the Draft SHELAA 2019

in Appendix D – Outstanding Planning Permissions as at April 2018 (pages 359 & 360) there are 12 lines for Holbrook. Which give the following totals:

Total Dwellings Approved 2018	Net Dwellings Outstanding 2018	Not Started 2018	Commenced 2018
89	58	29	33

45. From the table above, the net dwellings outstanding 2018 are expected to be delivered throughout the plan period, totalling 58 dwellings, of which 33 have already commenced.
46. Additionally, Appendix D includes a table stating the sites that gained planning permission as of 1st April 2019, with 16 outstanding dwellings and 2 dwellings commenced. The sum of the 2018 (58) and 2019 (16) outstanding dwellings is 74 dwellings, which is above the requirement for Holbrook. The sum of the commenced developments is 35 dwellings. Therefore, subtracting the commenced dwellings from the 68 required, results in 33 dwellings.

New Dwellings Approved 2019	Net Dwellings Outstanding 2019	Not Started 2019	Commenced 2019
17 *	16	14	2
*This includes the 7 identified in the JLP as LA068.			

47. **Policy LP01: Hamlets and Clusters of Development in the Countryside** confirms that within the settlement boundary of identified hamlets the principle of development is acceptable, subject to conditions around scale and character.
48. **Allocation LA068: Land east of Ipswich Road, Holbrook** allocates a 0.3ha site within Holbrook for approximately 10 dwellings and associated infrastructure.

Approach

Research Questions

49. Below we set out the Research Questions ('RQ') relevant to this study, as discussed and agreed with Holbrook Neighbourhood Plan Steering Committee ('SC'), which is a sub-committee of the HPC. The RQs were formulated at the start of the project through discussion with the SC on behalf of the HPC. They serve to direct our research and provide the structure for the HNA.

Quantity

50. The emerging Babergh and Mid-Suffolk Local Plan currently classifies Holbrook as a Core Village and Lower Holbrook as a Hamlet Village. Within the emerging Local Plan the minimum housing requirement for each NP are is provided, which include outstanding planning permissions granted as 1st April 2018. The figure provided for Holbrook is 68 dwellings over the plan period. Therefore this report will not look at the quantity of housing required within Holbrook.

Type and size

51. There is a desire to ensure the appropriate size and type of homes is provided in the NA to meet the needs of residents, not least in the context of the existing housing stock. As such, the following research question is to be addressed:

RQ1: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate?

Tenure & Affordable Housing

52. The Parish wish to seek the appropriate tenure split for emerging housing sites as well as for any additional windfall housing that is likely to come forward in the NPA area. The parish is very open to considering a full range of Affordable Housing (AH) tenures, including the wider scope allowed for in the consultation draft of the revised NPPF, issued earlier this year.

RQ2: What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and market tenures should be included in the housing mix?

Relevant Data

53. The PPG states that those bringing forward Neighbourhood Plans can refer to existing needs assessments prepared by the local planning authority as a starting point. As Holbrook is located within Ipswich Housing Market Area (comprising the Local Authority areas of Ipswich, Babergh, Mid Suffolk & Suffolk Coastal), we approached BMSDC to understand the evidence base they have assembled to support the housing policies that appear in their Local Plan.
54. They advised their evidence base constitutes the Strategic Housing Market Assessment Parts 1 (May 2017), 2 (September 2017) and SHMA partial update (2019), all commissioned from Peter Brett Associates. Hence forward, we refer to these as SHMA1 and SHMA2 respectively or collectively, the 'SHMA'.
55. These documents address the relevant housing market area and inform emerging housing policies at a local authority level, including Affordable Housing policy. The SHMA studies draw upon a range of data including population and demographic projections, housing market transactions and employment scenarios to derive the objectively-assessed housing need for the district. As such, it contains a number of points of relevance in understanding housing need within the NA.
56. In addition, this provides a strong starting point for policy development that aims to build on and add local specificity to those of the Local Planning Authority (LPA) by enabling a comparison to be made with parish-level data (gathered as part of the preparation of this study), given that such an exercise reveals contrasts as well as similarities.

Other relevant data (from LPA)

57. In addition to the LPA evidence base, we have gathered data from a range of other sources to ensure our study is robust for the purposes of developing policy at the neighbourhood plan level. These include Census data providing insights into demographic shifts and Land Registry house price data.

RQ 1 Type and size

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

58. As identified earlier in this study, PPG recommends a consideration of the existing housing provision and its suitability, having regard for demographic shifts in age and household composition as well as affordability, to address future as well as current community need. For this reason, we start with a consideration of type and size within the existing housing stock.

Background and definitions

59. Before beginning our consideration of type and size, it is important to understand how different types of households occupy their homes. Crucially, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth and income, with age, such that older households (65+) tend to have larger homes than younger households, often as a result of cost and affordability⁵.
60. In this context, even smaller households (those with smaller numbers of inhabitants, including just one or two people) may be able to choose to live in larger homes than their needs would suggest, and thus would be defined in census terms as under occupying their homes. This is a natural feature of the housing market, and can even distort considerations of future housing needs, with market dynamics and signals giving a very different picture than demographics, household type and size suggest for future years.
61. In order to understand the terminology surrounding size of dwellings, it is important to note the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls; and to be clear that data on dwelling size is collected on the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' should be translated as follows⁶:
- 1 room = bedsit (small)
 - 2 rooms = flat/house with one bedroom and a reception room/kitchen (small)
 - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen (small)
 - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen (medium)
 - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen (medium)
 - 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen (large)
 - 7+ rooms = house with 3, 4 or more bedrooms (large)
62. It is also useful to clarify somewhat the census terminology around dwellings and household spaces, which can be confusing in the context of flats, apartments, shared and communal dwellings, and houses in multiple occupation, types which may typically fall into the private rented sector. Dwellings are counted in the census by combining address information with census returns on whether people's accommodation is self-contained⁷, and as such all dwellings are classified into either shared or unshared dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.
63. The key measure of whether a dwelling is shared or unshared relates to the census' definition of a household. A household is defined as "One person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area."⁸ On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

⁵ SHMA15, pp.130, para 8.5

⁶ <https://www.nomisweb.co.uk/census/2011/qs407ew>

⁷ <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

⁸ Ibid.

64. Whilst it is unlikely that these issues are of particular relevance to Holbrook, given that their main applicability is to students and other people likely to be sharing homes, it is still helpful to understand the terms as a background to the data in this chapter.

Existing types and sizes

Type

65. Table 1-1 below shows the mix of types of dwelling in the NA and how this compares with district and national geographies.
66. Holbrook has a larger proportion of detached homes in comparison with the District (51.3% against 41.6%). The proportion of semi-detached homes in the NA is similar to the district (28.5 vs 29.4%). Meanwhile there is a lower proportion of terraced homes in the NA compared to the District average (16.4 % against 21.7%). Surprisingly, there is a higher proportion of flats (part of converted or shared house) and (in commercial buildings) compared to the District (1.6% vs 0.9% and 1.3% vs 0.8%), however there are seen to be fewer purpose built flats in the NA compared to Babergh (1% vs 5.5%). As stated in the background to Holbrook there is a large boarding school (Royal Hospital School) that is within Holbrook. It is possible that due to a large number of boarders (540 boarding pupils⁹) this could be the reason there are a higher number of flats, maisonettes or apartments within the plan area compared to the surrounding district.

Table 1-1: Accommodation type (households) in Holbrook, 2011

Dwelling type		Holbrook	Babergh	England
Whole house or bungalow	Detached	51.3%	41.6%	22.4%
	Semi-detached	28.5%	29.4%	31.2%
	Terraced	16.4%	21.7%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	1.0%	5.5%	16.4%
	Parts of a converted or shared house	1.6%	0.9%	3.8%
	In commercial building	1.3%	0.8%	1.0%

Source: ONS 2011, AECOM Calculations

67. Additionally, Holbrook Neighbourhood Plan group conducted a household survey in Spring 2019, as shown in Table 1-2 below. This highlights that there is a slighter larger proportion of detached homes (56.5%) than the census data suggests, with all other house types being less than the census data. In particular, the percentage of flats in Holbrook is lower (0.3%) which also highlights that the large proportion of flats in the census data is as a result of the boarding school students, who only reside in Holbrook during term time.
68. However, it also has to be noted that not all households respond to a household survey and there is a particular demographic who is likely to response, such as retired people. Therefore, the results below might not be truly reflective of the area.

Table 1-2: Accommodation type (households) in Holbrook, 2019 (Household Survey results)

Type	Total	%
Detached H & B	393	56.5
Semi Detached H & B	163	23.5
Terraced	95	13.7
Flat	2	0.3
Other (fall in Band A council Tax)	42	6.0

Source: Holbrook Neighbourhood Plan Steering Group

⁹ RHS provided the NPSG with this information 22.10.19

Size

69. Table 1-3 below shows that households are slightly smaller in Holbrook compared to Babergh (2.4 against 2.3). In the following paragraphs, we further investigate the size of dwellings in the NA.

Table 1-3: Household size, 2011

	Holbrook	Babergh
All categories:	680	37,522
Average household size	2.4	2.3
Average number of rooms per household	6.5	6
Average number of bedrooms per household	3.2	3

Source: ONS 2011 (KS403EW)

Table 1-4 below sets out the distribution of the number of rooms by household accommodation (household space). From this data, it is apparent that there is a predominance of larger dwellings, not only in Holbrook but also in Babergh, whilst there are few houses of one to three habitable rooms, with even fewer in Holbrook than the rest of the district.

70. 96.3% of the stock in Holbrook can be considered family dwellings (four rooms or more) and 64.3% of them are large properties (with 6 rooms or more). The remaining 32.1% of homes are of medium size (four to five habitable rooms). These figures are similar to the distribution of housing in Babergh. In Babergh, 93.2% of the stock can be considered family dwellings and 52.9% of these are large properties which is slightly less than Holbrook. Meanwhile only 3.6% of homes in Holbrook have one to three rooms compared to a slightly higher 6.8% in Babergh.

Table 1-4: Number of rooms per household space, 2011

Number of Rooms 2011	Holbrook		Babergh	
	Frequency	%	Frequency	%
1 Room	0	0.0	61	0%
2 Rooms	1	0.1	480	1%
3 Rooms	24	3.5	2,002	5%
4 Rooms	84	12.4	5,950	16%
5 Rooms	134	19.7	9,192	24%
6 Rooms	162	23.8	7,302	19%
7 Rooms	82	12.1	4,724	13%
8 Rooms or more	81	11.9	3,596	10%
9 Rooms or more	112	16.5	4,215	11%
Total	680	100%	37,522	100%

Source: ONS 2011, AECOM Calculations

71. It is also particularly useful to cross-reference this data with Census estimates of the number of bedrooms for each household in Holbrook and Babergh. Table 1-5 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. The data shows that the distribution of bedrooms in Holbrook is fairly similar to that of Babergh, with the households in Holbrook overall being slightly larger and occupying more bedrooms. The main difference can be seen in households with 4 bedrooms: 28% in Holbrook, compared to 20% in Babergh. As stated above, the Royal Hospital School is likely to be responsible for a number of dwellings in the NPA, which might reflect those 1 bedroom properties within the area, which is worth noting.

Table 1-5: Number of bedrooms in household spaces, 2011

Bedrooms	Holbrook		Babergh	
	Number	%	Number	%
All categories: Number of bedrooms	680		37,522	
No bedrooms	1	0%	48	0%
1 bedroom	21	3%	2,361	6%
2 bedrooms	131	19%	9,525	25%
3 bedrooms	278	41%	15,756	42%
4 bedrooms	190	28%	7,576	20%
5 or more bedrooms	59	9%	2,256	6%

Source: ONS 2011 (QS411EW), AECOM Calculations

72. It is also relevant to consider how the number of rooms occupied by households has changed between the 2001 and 2011 censuses. This data is presented below in Table 1-6 and shows that there has been minimal change in the size of homes between 2001-2011, which those homes with 4-5 rooms seeing a slight decrease (-4.6%), which is in line with the district. Additionally 1 room homes have seen a slight decrease (-0.4%), however this is nominal compared to the district (-29.1%). 9 room homes have seen a slight increase in the NA (1.9%) however, this is significantly lower than the district (23.4%) and the rest of England (29.8%).

Table 1-6: Rates of change in number of rooms per household in Holbrook, 2001-2011

Number of Rooms	Holbrook	Babergh	England
1 Room	-0.4%	-29.1%	-5.2%
2 Rooms	0.1%	17.9%	24.2%
3 Rooms	2.1%	17.2%	20.4%
4 Rooms	-0.6%	-1.9%	3.5%
5 Rooms	-3.8%	-4.5%	-1.8%
6 Rooms	1.1%	10.8%	2.1%
7 Rooms	-0.4%	16.6%	17.9%
8 Rooms or more	1.9%	23.4%	29.8%

Source: ONS 2011, AECOM Calculations

Conclusion

73. In summary, homes in Holbrook are mostly medium and large size, and this reflects the housing distribution of the District. Recent trends suggest that larger homes are in moderately higher demand in the NA, as there has been a very slight increase in the amount of these homes (6 & 8 room) delivered over the intercensal period. Meanwhile, there has been a slight reduction in the amount of medium properties (4 & 5 rooms) available in the NA. Nevertheless, the above data does not suggest any particular imbalance in demand for properties of different sizes in the NA.

Household composition and age structure

74. Having established the current stock profile of Holbrook, and identified recent changes in its composition, the evidence assembled in this section shows the composition of households both now and how they are likely to change in future years. Through a consideration of the types of households forming, and the mix of age groups, it is possible to arrive at recommendations as to how size of housing in Holbrook should be influenced through planning policy.

Current Household Composition

75. Household composition is a fundamental factor driving the size of housing that will be needed in Holbrook in the future. As of 2011, the NA had 680 households, representing 1.8% of the District's total (37,500).
76. In Table 1-7 Table below, we present data relating to household composition drawn from Census 2011 in the NA. Overall, the findings differ slightly with those of the District. In the NA, families constitute 70.7% of households, while in

the District they form 67.8%; one person households form a slightly smaller proportion of all households in the NA than the District (25.3% as against 28.2%). There is a lower proportion of families without children in Holbrook compared to the District (14.3% against 21.6%). Moreover, whilst there are fewer one person householders aged 65 and over in the NA than the District (11.6% against 14.1%) the opposite is true for households of families that are aged 65 and over (12.2% against 11.7%).

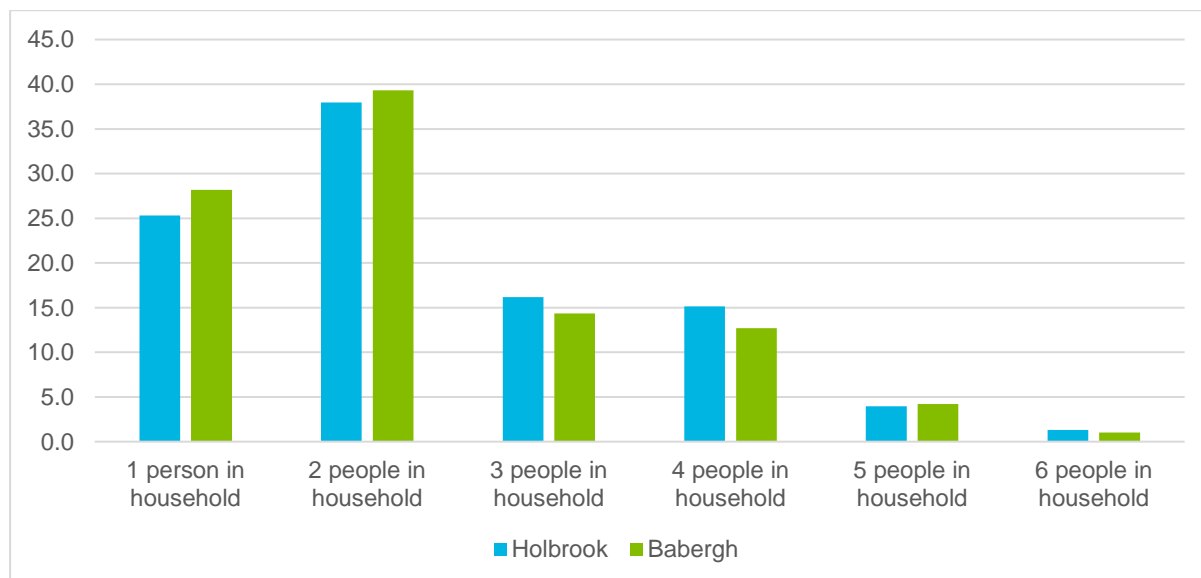
Table 1-7: Household composition (by household) in Holbrook, 2011

		Holbrook	Babergh	England
One person household	Total	25.3%	28.2%	30.2%
	Aged 65 and over	11.6%	14.1%	12.4%
	Other	13.7%	14.0%	17.9%
One family only	Total	70.7%	67.8%	61.8%
	All aged 65 and over	12.2%	11.7%	8.1%
	With no children	14.3%	21.6%	17.6%
	With dependent children	21.6%	25.2%	26.5%
	All children Non-Dependent	6.3%	9.2%	9.6%
Other household types	Total	4%	4.1%	8.0%

Source: ONS 2011, AECOM Calculations

77. As seen in Figure 1-1 the most dominant household size is that of 2 persons which accounts for 37.9% of all housing in Holbrook, which is similar to Babergh (39%). However, one person households is the second most common house type in Babergh at 28%, with a similar proportion of 25.3% in Holbrook. Nevertheless, Holbrook is fairly similar to Babergh in terms of household size distribution and therefore, District-wide policies regarding type and size are likely to be relevant in Holbrook.

Figure 1-1: Household Size



Source: ONS 2011 (QS406EW), AECOM Calculations

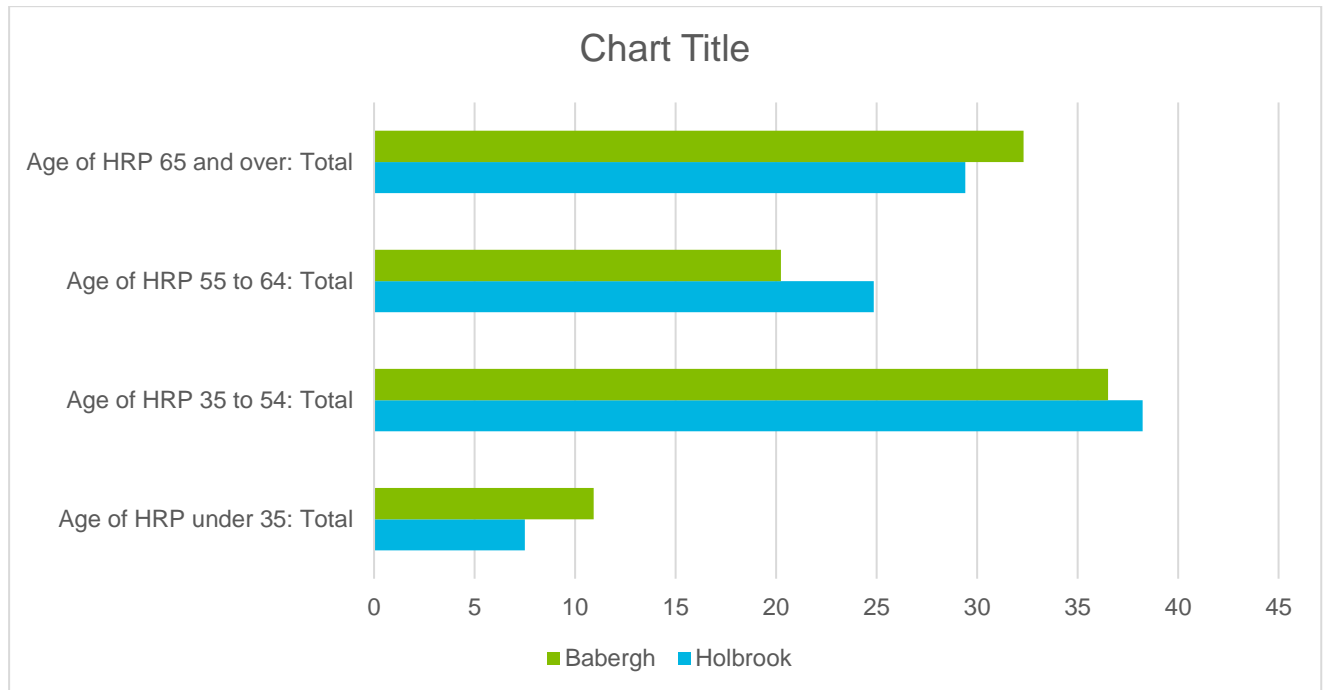
Consideration of age

78. The data presented below classifies households in Holbrook and Babergh according to the age of the Household Reference Person (HRP). Size and type of housing is not only influenced by household composition, but also by the age of the HRP (the individual who used to be known as the head of household and best represents the life-stage of the occupants). The following observations can be highlighted from the data presented in Figure 1-2 below:

- The distribution of household types among different life stages in the NA and the District are fairly similar. Although it is evident that Holbrook has a slightly larger middle-aged population with higher proportions of those aged 35 to 64.

- The most dominant population group in Holbrook is those aged 35 to 54, which forms 38% of the population. People in this category are also the most likely to have dependent children.
- Households headed by those 65+ also form a significant proportion of households in Holbrook at 29%. This is also similar to the proportion of the wider Babergh District which has 32% of its homes headed by those aged 65 and over.

Figure 1-2: Households by age of the HRP



Source: ONS 2011 (qs111ew), AECOM Calculations

Future household composition and age mix

79. We now consider how household composition has shifted over the 2001-2011 inter-census period, before examining how it is expected to evolve towards the end of the Plan period.
80. Table 1-8 below shows that one person households in Holbrook have not increased as much as they have in Babergh (8.3% change against 11.7%). However, there has been a significant increase in the homes headed by one person over the age of 65, especially when compared to the District and National averages (6.3% against 1.8% and -7.3% respectively). A similar increase can be seen with family homes of those aged 65 and over, which has seen a large increase of 66.7% in the NA compared to an increase of just 9.2% in the District and a decline of -2% nationally.

Table 1-8: Rates of change in household composition in Holbrook, 2001-2011

Household type	Percentage change, 2001-2011			
	Holbrook	Holbrook	Babergh	England
One person household	Total	8.3%	11.7%	8.4%
	Aged 65 and over	6.3%	1.8%	-7.3%
	Other	10.0%	23.7%	22.7%
One family only	Total	6.6%	5.5%	5.4%
	All aged 65 and over	66.7%	9.2%	-2.0%
	With no children	10.3%	8.2%	7.1%
	With dependent children	-11.1%	1.1%	5.0%
	All children non-dependent	-18.8%	7.2%	10.6%
Other household types	Total	33.3%	17.4%	28.9%

Source: ONS 2011, AECOM Calculations

81. It would be helpful to consider how households in Holbrook are projected to change in the future and whether the trends observed in the inter-censal period will continue. Unfortunately, detailed projections of future populations are not available for individual towns or parishes, so it is necessary to turn to projections for Babergh as a whole.
82. MHCLG publishes bi-annual household projections for all local authorities in England and Wales, broken down by household type, and also provides projections of the average household size and age.
83. Table 1-9 shows that there are significant increases in household projections in Babergh for most household types, especially those with one person and couple and no other adults (23% and 25% respectively). The biggest increase expected is that of other household types (60%), albeit from a low base of just 1,863 households.

Table 1-9: MHCLG Household projections for Babergh by household type

	One person	Couple and no other adult	Couple and one or more other adult	Households with dependent children	Other
2014	11,062	13,082	2,732	9,737	1,863
2039	13,620	16,344	2,762	9,499	2,979
% Increase between 2014 and 2039	23%	25%	1%	-2%	60%

Source: MHCLG 2014-based household projections, ONS 2011

84. The projections for Babergh also consider the increases in each household age group up to 2039. The biggest increase projected for the District is for older households (those ages 65 and over), which may experience an 87% increase between 2011 and 2039, while every other age group declines. This is an important finding as it will increasingly be the housing needs of the older population (65+) that Holbrook will need to plan for.

Table 1-10: MHCLG Household projections for Babergh by household age

	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	4,228	13,348	7,354	12,641
2014	4,023	13,200	6,897	14,356
2039	3,360	11,524	6,631	23,688
% Increase between 2011 and 2039	-21%	-14%	-10%	87%
% Increase between 2014 and 2039	-16%	-13%	-4%	65%

Source: MHCLG 2014-based household projections, MHCLG 2011-based household projections

Current patterns of occupation

85. To estimate the housing mix needed by the end of the Plan period we adopt an approach which assumes that the housing mix needed by households will reflect current occupation patterns. We estimate the housing likely to be required in the future based on the current propensity of households of different ages to occupy different sizes of dwelling. For example, a growth in single person households aged 35 to 54 will lead to an increase in the need for the type of housing currently occupied by single person households of this age.

Size

86. Figure 1-3 shows household size cross tabulated against the number of bedrooms in their property, in both the NA and the District. In both the NA and the District, households with three or more residents generally have at least three bedrooms. Among households with fewer members, the number of spare bedrooms increases. 71% of properties in the NA have three or more bedrooms and 78% of single person households have two or more bedrooms. As has been shown above, smaller households occupy larger dwellings than their size might suggest.

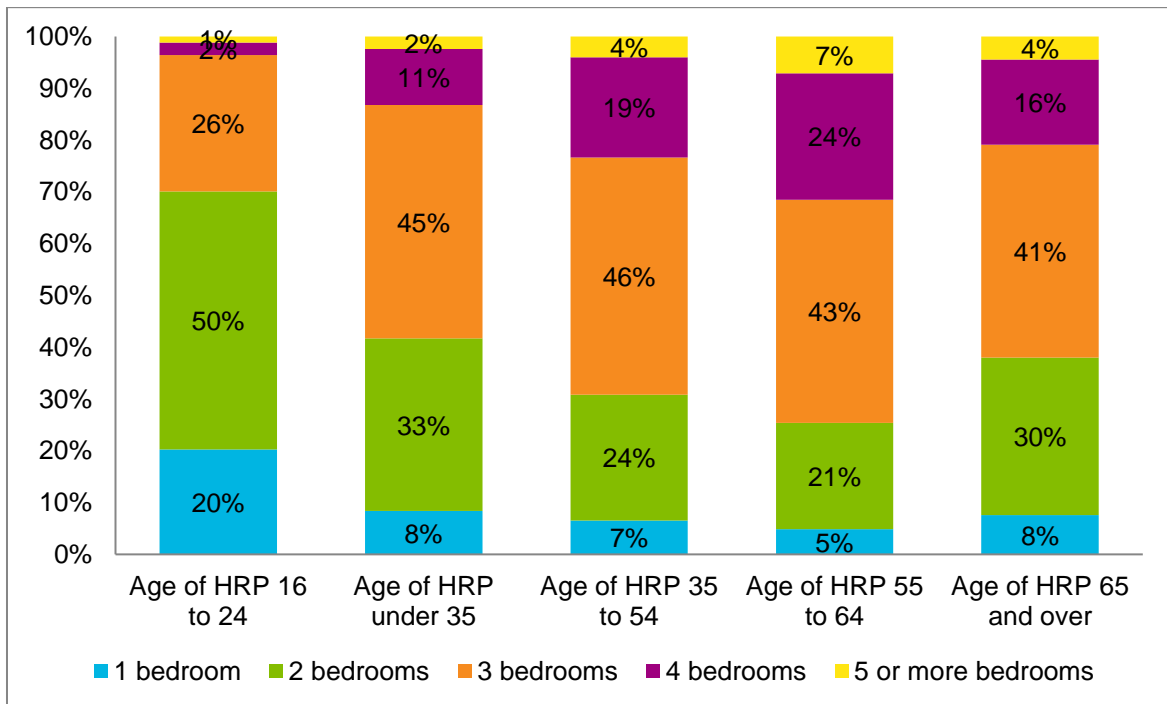
Figure 1-3: Number in households by numbers of bedrooms



Source: ONS 2011 (LC4405EW), AECOM Calculations

87. The housing mix is also influenced by the household life stage, which is available at a District level which is slightly more in depth. The data below in Figure 1-4 provides a closer analysis of patterns of occupation for younger people between the ages of 16 and 24 and also between 24 and 35. This data is also useful in comparing the patterns of occupation between the NA and the wider District. It is evident that the patterns are fairly similar, with the exception of younger age groups of under 35's who tend to live in smaller homes in the District compared to the NA.

Figure 1-4: Age of household reference person to size in Babergh, 2011



Source: ONS 2011 (CT0621), AECOM Calculations

Dwelling mix determined by life-stage modelling

88. In this section, we provide an estimate of the mix of sizes of home needed by the end of the Plan period by matching future household composition to current patterns of occupation by age (working from the assumption set out at the start of this section that the same household types are likely to wish to occupy the same size of homes in 2036 as they did in 2011).
89. First, we use household projections provided by MHCLG to achieve an understanding of the future distribution of households by the age of the Household Reference Person (HRP). This data is only available at the District level and for the years 2014 and 2039. Therefore, we had to estimate what the distribution of households, by the age of the HRP, would be in 2036. The data is presented in Table 1-11 below.

Table 1-11: Projected distribution of households by age of HRP (Babergh)

	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	700	3,401	13,700	7,598	12,123
2014	702	3,321	13,200	6,897	14,356
2036	638	2,802	11,725	6,663	22,568
2039	629	2,731	11,524	6,631	23,688

Source(s): MHCLG 2014-based household projections, ONS 2011(QS111EW) (LC4201EW), AECOM Calculations

90. At this point it is necessary to derive an estimate of the change to the age structure of the population in Holbrook. To do so, the percentage of increase expected for each group in Babergh, derived from the data presented in Table 1-1, was applied onto the population of Holbrook. The results of our calculation are detailed in Table 1-12 below. It is clear that the population will be dominated by those aged over 65, who will overtake those aged 35 to 64 as the largest segment of the population.

Table 1-12: Projected distribution of households in Holbrook by age of HRP

	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	10	41	260	169	200
2014	10	40	250	155	237
2036	9	35	225	150	373
2039	9	34	221	149	392

Source: ONS 2011(QS111EW) (LC4201EW) AECOM Calculations

91. In Table 1-13 below, we work from the same dataset as Figure 1-4 (which provides a more detailed data set than is available at the local level) and set out the distribution of dwellings of different sizes according to the age of the HRP.

Table 1-13: Age of household reference person to size, grouped (Babergh)

	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
1 bedroom	20%	8%	7%	5%	8%
2 bedrooms	50%	33%	24%	21%	30%
3 bedrooms	26%	45%	46%	43%	41%
4 bedrooms	2%	11%	19%	24%	16%
5+ bedrooms	1%	2%	4%	7%	4%

Source(s): MHCLG 2014-based household projections, ONS 2011 (CT0621), AECOM Calculations

92. Having established the preference shown by households at different life-stages towards dwellings of different sizes, and the approximate number of households in Babergh and Holbrook falling into each of these stages at the end of the Plan period in 2036, it is possible to put forward recommendations regarding how the housing stock should evolve in terms of size over the Plan period to overcome any misalignments between supply of dwellings and demand.
93. The table takes in turn each projected age group in 2036, estimating how many of the households in that age bracket will want or need to occupy each size of dwelling. By doing so for each age bracket and then adding together the totals for each dwelling size, we arrive at an estimation of what proportion of each size of dwelling will be required overall. By multiplying a number of households by the percentages in Table 1-13 above, the results are rarely whole

numbers and are therefore presented as rounded. Because the totals are derived from the exact (non-rounded) data, not all columns and rows will sum precisely.

Table 1-14: Ideal size distribution in Holbrook in 2036, according to household life-stages

	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total Households requiring dwelling sizes
Pop 2036	9	35	225	150	373	792
1 bedroom	2	3	16	8	30	63
2 bedrooms	5	12	54	32	112	238
3 bedrooms	2	16	104	65	153	325
4 bedrooms	0	4	43	36	60	127
5+ bedrooms	0	1	9	11	15	23

Source: Census 2011, AECOM Calculations

94. It is now possible to compare the housing mix in terms of size in 2011 against the projected requirement based on the ideal size distribution in Holbrook set out above. Table 1-15 below indicates that, by 2036, the distribution of dwellings should be weighted more towards the smaller end of the size spectrum, with a particular focus on dwellings of 2 and 3 bedrooms.

Table 1-15: Size distribution in 2011 compared to ideal distribution in 2036 (Holbrook)

Number of bedrooms	2011		2036	
1 bedroom	21	3%	63	8%
2 bedrooms	131	19%	238	30%
3 bedrooms	278	41%	325	41%
4 bedrooms	190	28%	127	16%
5 or more bedrooms	59	9%	23	3%
Total households	680		792	

Source: Census 2011, AECOM Calculations

95. Table 1-16 below sets out the misalignment between demand for housing, based on the preferences expressed by households at different life-stages, and the current stock available in the NA. This suggests that there is already a sufficient quantity of larger homes for the needs of the future population and so the mix of new development should prioritise smaller homes.

Table 1-16: Misalignments of supply and demand for housing

Number of bedrooms	2011	2036	Change to housing mix	Recommended split
1 bedroom	21	63	42	25%
2 bedrooms	131	238	107	50%
3 bedrooms	278	325	47	25%
4 bedrooms	190	127	-63	0%
5 or more bedrooms	59	23	-36	0%

Source: AECOM Calculations

96. Note that the changes to the housing mix given above for four and five or more bedroom dwellings are negative numbers. Because in light of the national and local housing shortage, it is rarely advisable or practicable to remove dwellings from the available stock, as would otherwise be suggested here for dwellings with three or more bedrooms, we have instead set the recommended split at 0% rather than a negative number, and rebalanced the other sizes as percentages of the additional dwellings they represent in total.
97. In order to avoid misalignment between supply and demand and to re-balance the stock, we recommend that 25% of houses in new developments be one-bedroom homes, 50% two-bedroom and 25% three-bedroom. Most of the need will be for one, two and three-bedroom homes and there will be no need to build further large properties with four or more bedrooms by the end of the plan period (2036).

98. Such a distribution of new supply by size should help to address unmet demand from younger households and those intending to downsize. It would also make a valuable contribution to diversifying a stock of housing that is dominated by large dwelling sizes.
99. However, this recommendation should be applied with a degree of flexibility because it may not be reasonable in practice strictly to limit the provision of dwellings with four or more bedrooms, and in fact, such a restriction has the potential to negatively impact the viability of sites that could help to deliver Affordable Housing or other community priorities. It should also be noted that this report is concerned with demand in the sense of need rather than in the sense of the preferences of potential occupants, which will likely include demand for larger homes.
100. The type of home (detached, semi-detached, terraced or flat) is more a matter of taste than need and is therefore of secondary importance in the context of a Housing Needs Assessment. Notwithstanding, the housing types that are most likely to meet the needs, based on the current stock recent transactions, are semi-detached homes. Additionally, bungalows appeal to the elderly population and this particular type should be promoted so as to meet the demand of a growing elderly population.

Conclusion

101. Holbrook, in line with the District, is dominated by medium and large properties. Properties tend to be larger in the NA than the wider District with the average number of rooms per household space is 6.5 against 6 in the District. The vast majority of homes are detached (51.3%) and semi-detached (28.5%) homes that consist of 6 rooms or more (this equates to 3 bedrooms or more).
102. The greatest increase over the intercensal period has been in the number of households living in dwellings of 6 and 8 rooms during this period, which equates to 3-4 bedroom homes. We also note the slight reduction in the amount of smaller properties available in the NA, which is in contrast to the moderate growth of small properties in the wider District.
103. Whilst an analysis of property types and sizes in the intercensal period suggest that there is a growing demand for medium to large properties in the NA (5 rooms or more/ 3 bedrooms or more), it is evident from demographic modelling that demand for slightly smaller medium homes may increase significantly in the NA (2-3 bedroom homes) due to a growing older population. Given the current stock, to avoid any misalignment about 75% of new homes should be between 1 and 2 bedrooms, while 25% should be 3 bedrooms.
104. Whilst, the demand for three-bedroom homes will remain significant, building more 1 or 2 bedrooms will cater for the growing older population and allow older households to downsize (which will make larger family housing available for those who have preference for family homes. Moreover, it will also allow younger households to form, stay in the area, or relocate.
105. However, this recommendation should be applied with a degree of flexibility because it may not be reasonable in practice strictly to limit the provision of dwellings with four or more bedrooms, and in fact, such a restriction has the potential to negatively impact the viability of sites that could help to deliver Affordable Housing or other community priorities. It should also be noted that this report is concerned with demand in the sense of need rather than in the sense of the preferences of potential occupants, which will likely include demand for larger homes.

RQ 2 Tenure

What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and market tenures should be included in the housing mix?

Introduction

106. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
107. This section will examine the tenure of dwellings in the current stock and recent supply. Then, looking at affordability, we will make an assessment on whether continuation of these trends would meet future needs. We will also investigate whether there are misalignments between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new developments to prioritise certain tenures, to bring supply and demand into better alignment.¹⁰

Definitions

108. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. AH comprises those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms of AH designed to offer affordable routes to home ownership.¹¹ To distinguish this from the colloquial definition, we refer to the latter as Affordable Market Housing (AMH).
109. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership, with revisions seeking to broaden the definition of AH (which had previously referred only to social and intermediate housing) to include a range of low-cost housing opportunities for those aspiring to own a home, including starter homes.
110. In paragraph 64 of the NPPF, the Government introduces a recommendation that "*where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership*". In line with PPG,¹² the assumption should be that a 'major housing development' can be defined as a site of 10 dwellings or more, and that affordable home ownership includes starter homes, shared ownership homes, and homes available for discount market sale.

Current tenure profile

111. First, it is necessary to present a picture of tenure in the NA based on the most recent reliable data. Table 2-1 below shows Census data from 2011, which shows a slightly lower level of home ownership in the NA than observed in the District and England (67.8% against 71.9% and 63.3% respectively). Additionally, both social and private rent are found in lower proportions than the District and National averages. The reason that all tenures are lower in the NA compared to the District is a significantly higher proportion of the population living rent free.
112. Table 2-2 below allows us to take a longitudinal perspective, identifying how the tenure profile of the NA has changed between the last two censuses. From this it is clear that the trends in the NA are significantly different to those of the District. There has not been a substantial degree of change in the NA over this period, with the most significant change seen in private rented accommodation, which has experienced a 4.4% increase compared to 101.4% at the District level. It appears that home ownership has decreased at the expense of private renting as households unable to afford to own turn to the private rental market.
113. The substantially higher growth rate across all tenures in Babergh overall is a consequence of a generally higher rate of new building.

¹⁰ PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹¹ NPPF 2019.

¹² PPG 031 Reference ID: 23b-031-20161116, available at <https://www.gov.uk/guidance/planning-obligations>

Table 2-1: Proportion of housing tenures 2011

Tenure	Holbrook	Babergh	England
Owned; total	67.8%	71.9%	63.3%
Shared ownership	0.1%	0.5%	0.8%
Social rented; total	8.8%	13.1%	17.7%
Private rented; total	11.2%	12.6%	16.8%

Source: AECOM Calculations

Table 2-2: Rates of tenure change in Holbrook, 2001-2011

Tenure	Holbrook	Babergh	England
Owned; total	-3.7%	2.3%	-0.6%
Shared ownership	0.1%	18.7%	30.0%
Social rented; total	-0.2%	7.6%	-0.9%
Private rented; total	4.4%	101.4%	82.4%

Source: AECOM Calculations

SHMA findings

114. It is also important to identify any forecast market trends which may affect the NA. The SHMA2¹³ highlights the potential growth of demand for shared ownership homes in the Ipswich HMA, which includes the NA. According to SHMA2¹⁴, shared ownership homes have only recently been introduced into the Ipswich and Waveney market areas and therefore there is a lack of data to analyse the demand for housing tenure. Nevertheless, the SHMA2¹⁵ suggests that some who currently choose to privately rent may prefer to switch to shared ownership dwellings. Therefore, the SHMA discounts demand for shared ownership homes from the total requirement for private rented accommodation, although such figures should be indicative rather than final. It would be appropriate for the NA tenure mix to also reflect these findings by supporting shared ownership dwellings as a segment of Affordable Housing provision.
115. Bringing the evidence together it is clear that there has been a slight increase in the proportion of private rented accommodation in the NA. Meanwhile, there has been little change in other tenure types. The profile of tenure types in the NA does differ slightly to that of the wider District. Yet, the SHMA states that there could be a shift from private rented homes towards shared ownership across the Ipswich HMA, which may also impact the NA tenure mix. Overall, unlike the wider District, home ownership continues to dominate. Although it has slightly decreased over the intercensal period, this is fairly insignificant.

Affordability

116. This section details the affordability requirements for each tenure in Holbrook, with reference to income levels, in order to assess which tenures of housing are within reach for the local population. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations below.
117. In line with the PPG, we have considered evidence of affordability by looking specifically at the relationship between lower quartile house prices and incomes, as expressed in the Lower Quartile Affordability Ratio¹⁶ (LQAR) and the Median Affordability Ratio¹⁷ (MAR). While this is a relatively crude measure of affordability, as it does not take account of the cost of servicing mortgage debt, it is a useful basic measure for benchmarking affordability changes over time.
118. Due to the lack of data available at a parish level, it is necessary to use data that reflects the wider District. Using this data has enabled us to establish an understanding of affordability in the parish. The underlying assumption, that the

¹³ The Ipswich and Waveney Housing Market Areas SHMA, Volume 2 – September 2017. Pg 64

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ See glossary

¹⁷ Ibid.

distribution of household income will be broadly comparable to the District is not unreasonable, given the similarity in Census data relating to economic activity between the two geographies as shown below in Table 2-3.

119. Below we set out data relating to economic activity in the District and the NA. This demonstrates the closeness of the profile of economic activity in the two geographies. One contrast that is worth drawing attention to is the higher proportion of economically inactive people in the NA, however this is mainly made up of students in full time education (19.4% compared to 3.4% in the district) which may point to a marginally lower household income in the NA. The numbers of students in the area is reflective of the large Royal Hospital School who board in Holbrook, but do not all originally live there, therefore this data can be treated with a degree of caution. We do not however feel this is significant enough to prevent the use of these numbers for the purpose of understanding affordability in the NA.

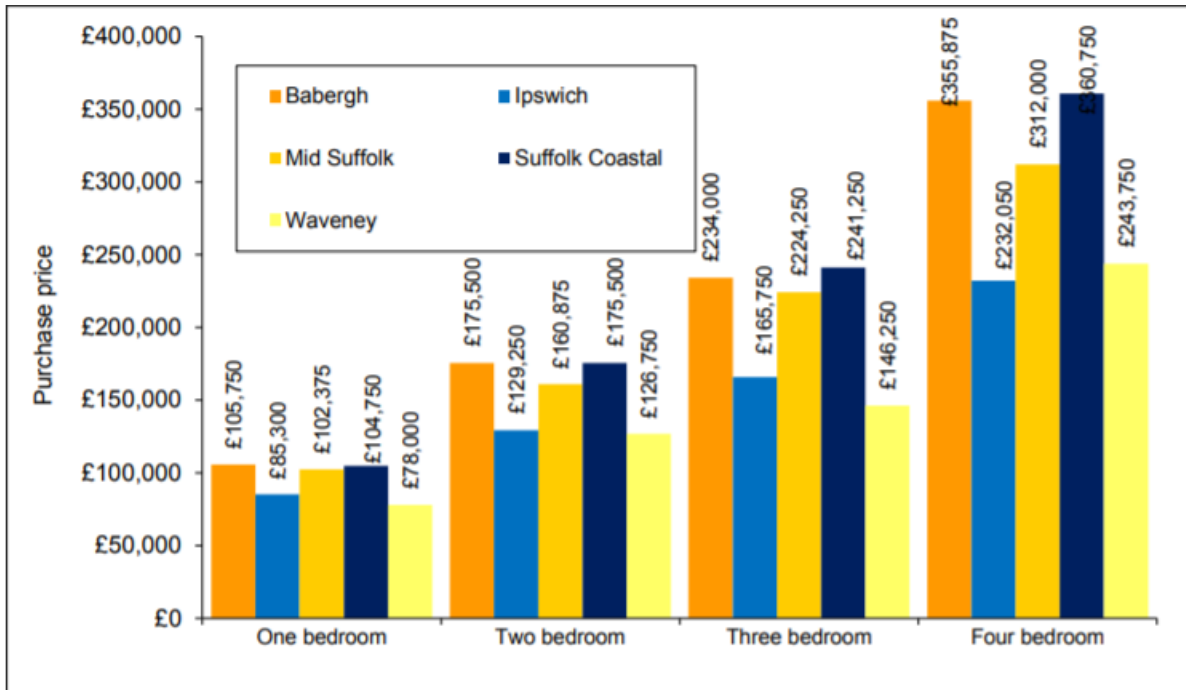
Table 2-3: Economic Activity in Holbrook

Economic category		Holbrook	Babergh	England
Economically active	Total	61.1%	70.3%	69.9%
	Employee: Full-time	31.2%	37.2%	13.7%
	Employee: Part-time	14.5%	15.2%	38.6%
	Self-employed	11.2%	12.7%	9.8%
	Unemployed	1.3%	3.0%	4.4%
	Full-time student	2.8%	2.3%	3.4%
Economically inactive	Total	38.9%	29.7%	30.1%
	Retired	14.3%	18.2%	13.7%
	Student	19.4%	3.4%	5.8%
	Looking after home or family	3.5%	4.2%	4.4%
	Long-term sick or disabled	0.9%	2.5%	4.1%
	Other	0.8%	1.4%	2.2%

Source: ONS 2011, AECOM Calculations

120. On this basis, given similarities between the NA and the District, we can therefore use District level data from the Ipswich and Waveney Housing Market Areas SHMA, Volume 2 as an acceptable proxy. On the next page we reproduce Figure 3.10 from SHMA Volume 2, which shows the entry-level (lower quartile) property prices by size and local authority in the Ipswich and Waveney Housing Market Areas in 2015. A 2 bedroom entry level property costs £175,500 in the Babergh HMA.

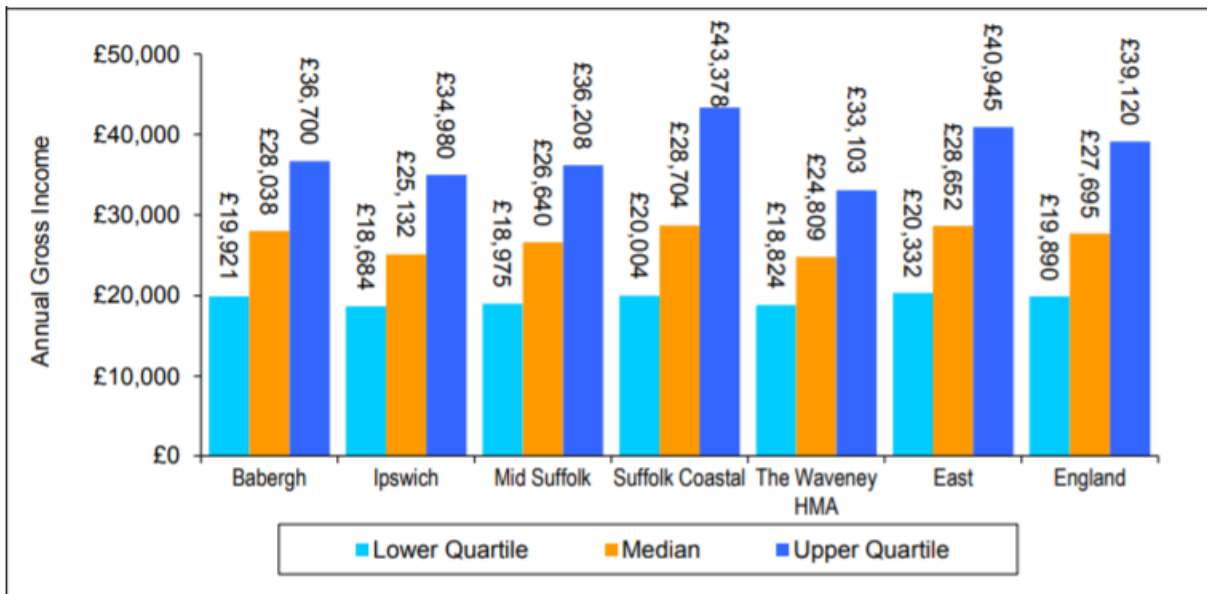
Figure 2-1: Entry-level property prices by size and local authority



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

121. Figure 2-2 below also reproduces figure 2.7 from SHMA Volume 2, which shows the distribution of annual gross household income in the Ipswich and Waveney Housing Market Areas in 2015. These figures within Babergh may be affected by the Royal Hospital School, as the salaries are predicted to be above the local area salaries.

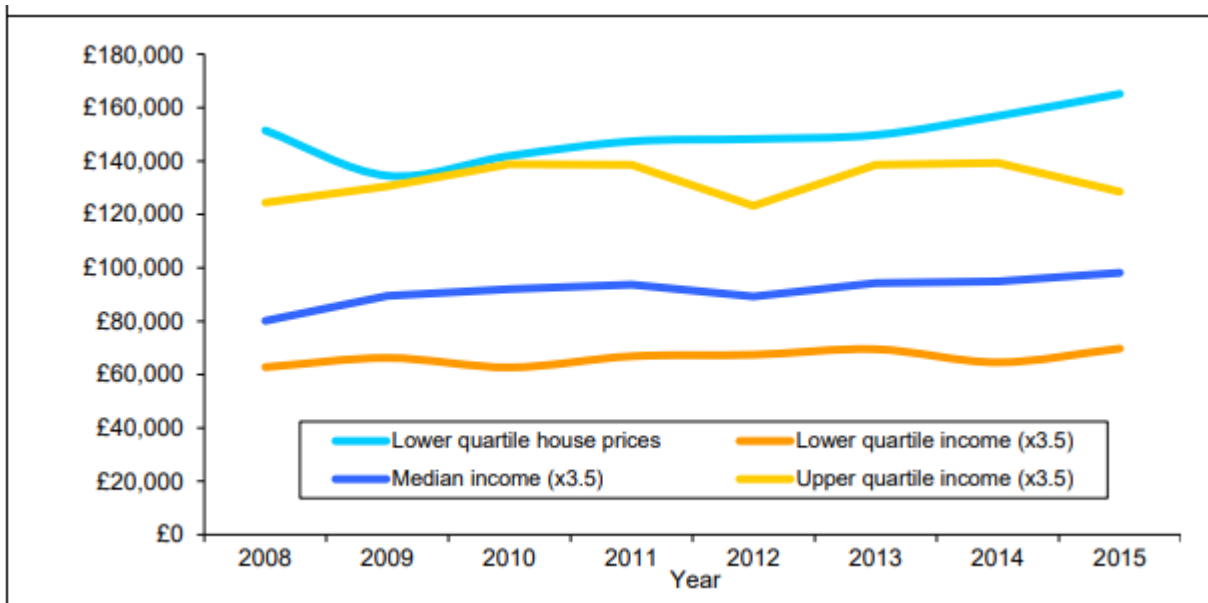
Figure 2-2: Distribution of annual gross household income



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

122. The figure below, shows that since 2008-2015, Lower Quartile house prices have increased, whereas the Lower quartile income has not increase at the same rate, which could represent increased affordability issues within Babergh.

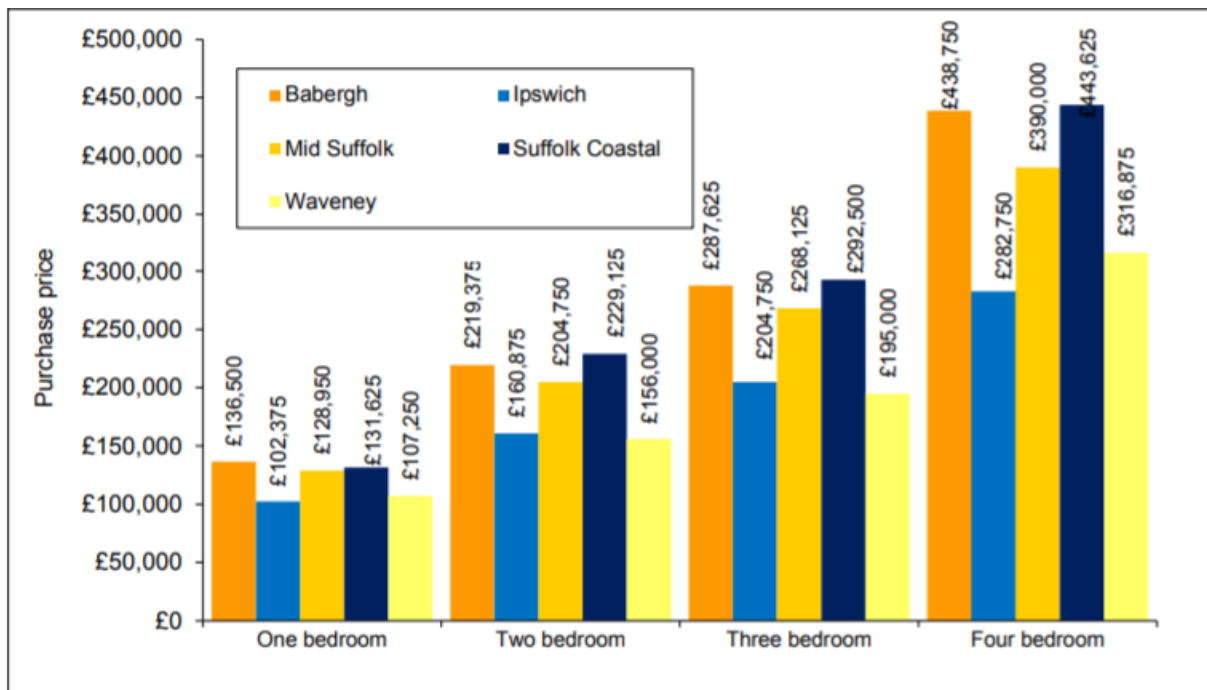
Figure 2-3: Earnings compared with Lower Quartile open market purchase prices in Babergh



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

- 123. From the data presented above it is possible to deduce a LQAR of 8.8, assuming an entry level dwelling of two bedrooms in Babergh (suitable for a households of 2-4 individuals) costing £175,500, and a lower quartile income of £19,921. It would therefore take 8.8 years to save for an entry-level property for those on lower quartile incomes, but only if all income earned is saved to spend on housing costs, which is not a realistic prospect. The true affordability ratio is likely in practice to be far higher, meaning that many people on lower quartile incomes will instead need to access private rented or Affordable Housing tenures.
- 124. To arrive at a median affordability ratio, it is again necessary to use data found in the SHMA volume 2.
- 125. For the purposes of this exercise, we again assume a two bedroom home, but at the higher 'median' price point of £219,375 and a median income of £28,038 as shown in Figure 2-4 below. This produces a MAR of in 2016 of 7.8, which is slightly below that for the LQAR.

Figure 2-4: Median property prices by size and price market



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

Affordability Thresholds

126. To understand affordability of different tenures in Holbrook, we use the concepts of 'Affordability Thresholds.' These establish the minimum income needed to afford different tenures. The full analysis is set out in Appendix A but the table below provides a summary.
127. For those whose income falls into the lower quartile, their choices are extremely limited. Indeed, according to the data we have gathered, in order to cover the rent on Social Rented dwellings, these households will need to devote a higher proportion of their household income to housing costs than the recommended ceiling of 25%, potentially leading to their having to reduce budgets for other goods and services. This could lead to 'exclusion,' or the inability to satisfy basic needs.
128. The data we have gathered shows that for those on income around the median they would only be able to afford Social and Affordable Rented housing.
129. For those whose income falls into the upper quartile, their options include the main forms of intermediate housing (Affordable Rent, Social Rent and Shared Ownership), but will struggle to afford market homes, even at the entry-level price-point. This illustrates how property prices have outstripped household income in recent years, and underlines the affordability challenges indicated by the LQAR and MAR.

Table 2-4: Affordability thresholds in Holbrook (income required, £)

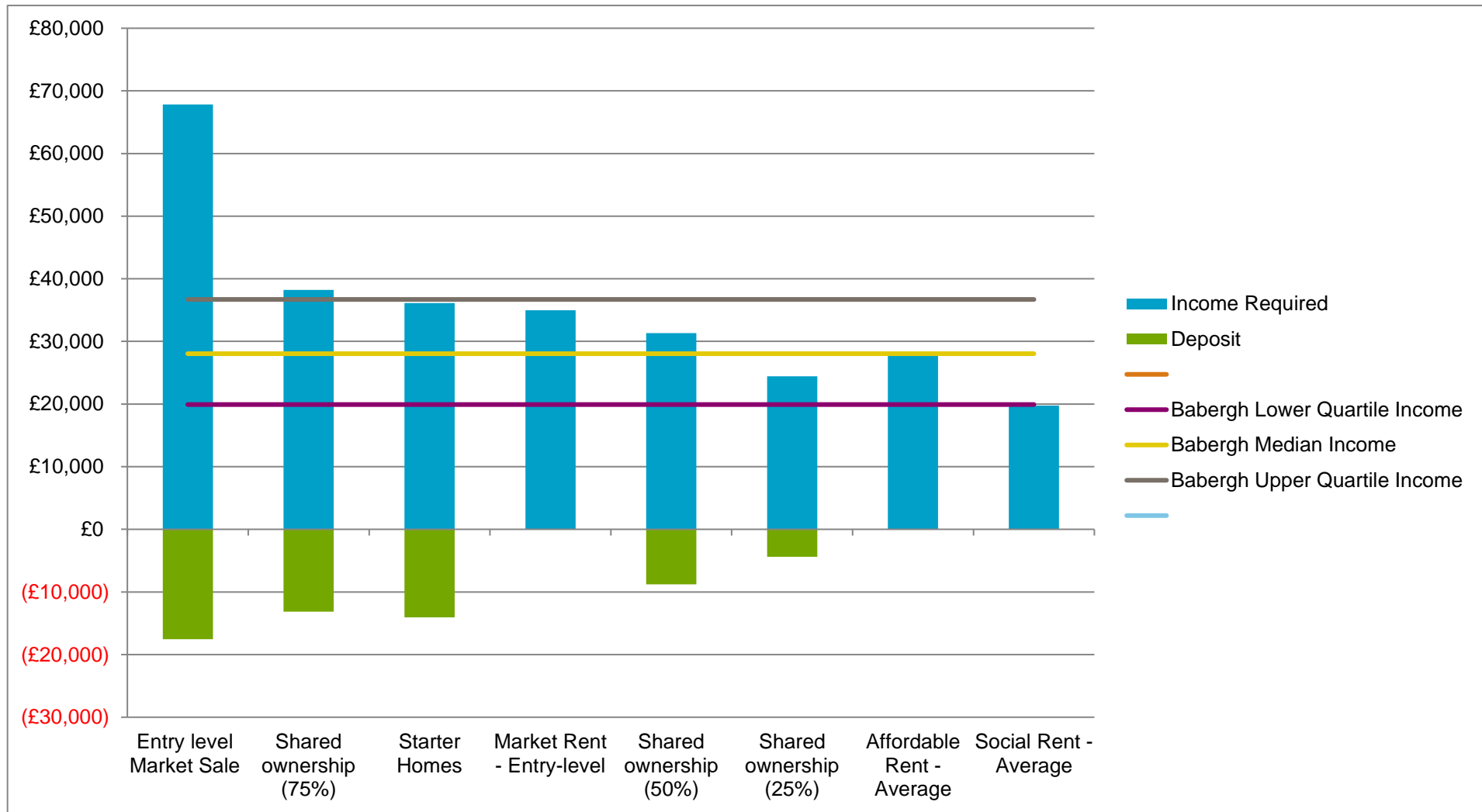
Tenure	Cost of purchase	Annual rent	Income required
Entry-level market sale	£175,500	N/A	£45,129
Shared ownership (75%)	£131,625	£1,097	£38,233
Starter homes	£140,400	N/A	£36,103
Entry-level market rent	N/A	£8,745	34,980
Shared ownership (50%)	£87,750	£2,194	£31,339
Affordable rent	N/A	£6,996	£27,984
Shared ownership (25%)	£43,875	£3,291	£24,445
Social rent - 3 bed dwelling	N/A	£5,335.2	£21,341
Social rent - 2 bed dwelling	N/A	£4,836	£19,344

Source: AECOM Calculations

130. The income required to afford the different tenures is then benchmarked, in figure 2-5 below, against the two measurements of household income set out above. These are £19,921 (LQ) and £28,038 (median) respectively.
131. Taking into consideration the affordability thresholds set out above, it is apparent that the income required to buy an average market home for sale (i.e. the PT) is insufficient for those on median household incomes. The income required to buy an average entry-level home for sale is insufficient for those on lower quartile household incomes.
132. Turning to properties for purchase through the Starter Homes and Shared Ownership tenures, i.e. those aimed at people on lower quartile incomes, the PT is insufficient to meet their needs.
133. Finally, the inability of those on lower quartile incomes to afford entry-level market rents and even affordable rent suggests that provision should prioritise social rent. However, in practice most registered providers of affordable rent seek to cap rents so that they are affordable to those on universal credit, which is the group of people who will be accessing this tenure .
134. Government policy aimed at tackling the housing crisis continues to focus on helping those on lower quartile incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership.¹⁸ In the case of Holbrook, the table above suggests that the most appropriate tenure to help implement this policy goal locally is shared ownership.

¹⁸ See the White Paper 'Fixing Our Broken Housing Market', at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf

Figure 2-5: Affordability thresholds in Holbrook (income required, £)



Source: AECOM Calculations

Affordable Housing – Quantity Needed

135. At Local Authority level, the SHMA 2 2019 Update presents evidence on the need for Affordable Housing within each of the Local Authorities within the Housing Market Area, including Babergh. An estimate of the need for affordable rented housing is updated from the calculation set out in the SHMA 2 (2017) version, and the 2019 Update brings in an additional estimate of the potential demand for Affordable Housing for sale.
136. However, the full calculation for the Affordable Housing for sale estimate is not provided in the SHMA, and the explanation for it suggests that it may not be a complete assessment of the number of households who can afford to rent on the open market but cannot afford to buy. This HNA therefore provides its own estimate to sense-check the SHMA result.
137. The SHMA 2 2019 Update identifies a need for 1,047 social and affordable rented dwellings in Babergh over an 18-year period. This equates to annualised need of 58 (rounded) dwellings.
138. The SHMA 2 2019 Update then identifies a need for 512 units of shared ownership housing and a potential demand for 500 starter homes or other forms of discounted home ownership. In total, this is 1,012 units of Affordable Housing for sale over the 18-year period, or 56 (rounded) units per year.
139. These estimates for Babergh can be prorated to Holbrook according to the proportion of the Babergh population living in Holbrook at the time of the 2011 Census. There were 2,180 Holbrook residents at that time, which was 2.5% (rounded) of the 87,740 people living in Babergh. On this basis, it is assumed that Holbrook's need for Affordable Housing is approximately 2.5% of that identified for Babergh as a whole.
140. Holbrook's prorated annual need for Affordable Housing for rent is therefore 1.45 units, and its prorated annual need for Affordable Housing for sale is 1.4 units. Over the 22 years in Holbrook's 2014-2036 Plan period, this equates to 32 (rounded) units of Affordable Housing for rent and 31 (rounded) units of Affordable Housing for sale.
141. Because the SHMA estimate for Affordable Housing for sale is not detailed in full, as noted above, an additional estimate for this element of need is provided below to sense-check the result.
142. **Error! Reference source not found.** below estimates the number of households who might need affordable home ownership. This is a simplified assessment of the needs of these households but considered reasonable and proportionate for the purposes of neighbourhood planning. These are households who can afford to rent in the market but cannot afford to buy and may prefer to do so. This estimate suggests there may be potential demand for 2.9 affordable home ownership dwellings per annum over the plan period, or 64 units (rounded) in total.
143. This is slightly more than double the potential demand inferred from the SHMA. Because the group of people in question are already living (or expected to be able to live) in private rented accommodation, and that tenure category is growing in Holbrook, it is not unexpected that they will be greater in number than those in need of social and affordable rented accommodation (who are in the most urgent need). For this reason, and because the explanation of the SHMA calculation suggests that it is a less complete assessment than that undertaken here, it is considered more accurate and conservative to take forward the estimate below of 2.9 dwellings per annum (64 over the Plan period).

Table 2-5: Estimate of the need for affordable home ownership housing, Holbrook

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in NA	93	Census 2011 number of renters x national % increase to 2018
1.2 Percentage renters on housing benefit in LA	16.2%	% of renters in 2018 on housing benefit (based on LA proportion)
1.3 Number of renters on housing benefits in NA	15	1.1 x 1.2
1.4 Current need (households)	58.2	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	2.6	1.4/ plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	89.8	LA household projections for plan period (2014 based) pro rated to NA
2.2 % of households unable to buy but able to rent	8.6%	Current % of households in PRS
2.3 Total newly arising need	7.8	2.1 x 2.2

2.4 Total newly arising need per annum	0.4	2.3/ plan period
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	3.8	Number of shared ownership homes in NA (Census 2011 + new build to 2018/19)
3.2 Supply - intermediate resales	0.2	3.1 x 5% (assume rate of re-sale)
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Shortfall (per annum)	2.9	Shortfall = (Step 1.5 + Step 2.4) – 3.2

Source: AECOM model, using Census 2011, English Housing Survey 2018, CLG 2014 based household projections and net additions to affordable housing stock. Figures may not sum due to rounding.

Tenure split within Affordable Housing

- 144. In terms of the most appropriate mix of tenures within Affordable Housing, it is important to reference Babergh-level policy guidance or evidence, which will be based upon more detailed income data and viability assessments than are able to be undertaken in a HNA. Neither the adopted or emerging Local Plan for Babergh specifies a target split within Affordable Housing. However, the SHMA 2 2019 Update states that 13.3% of all housing should be provided as social or affordable rent, and 13.5% provided as intermediate tenures providing a route to home ownership. As a proportion of Affordable Housing only, this is an approximately equal split of 50%/50%.
- 145. The SHMA split reflects the two SHMA estimates of need for Babergh (1,047 and 1,012, which are roughly equal), upon which the initial need estimates for Holbrook (above) are based. However, the estimate for Affordable Housing for sale has been increased from 31 to 64 through a more detailed calculation. The ratio between the final estimates for Holbrook (32 for affordable rent and 64 for affordable sale) would suggest an ideal tenure split of 33%/67%.
- 146. However, given that Holbrook’s housing requirement of 68 dwellings is lower than the total of 96 affordable units required and is judged, in any case, already to have been met, it is unrealistic to expect these levels of Affordable Housing need to be met within the Plan period. As such, it is considered more prudent to align Holbrook’s tenure split with the original SHMA proposal of 50%/50%.
- 147. This is because to do so would be to give equal emphasis to the needs of households who require affordable rented options. That is justified by the fact that households needing social/affordable rent have little other choice and have the most urgent housing needs. This group includes homeless households and families living in temporary accommodation. Social/affordable rented housing meets the need of households on the lowest incomes, who the above affordability threshold analysis indicates can only afford the social rented tenure.
- 148. In Table 2-6 below, we take forward the SHMA estimate and further break down the tenure split into its component parts based on the analysis of affordability thresholds above. It is recommended that for Holbrook, the 50% of Affordable Housing providing routes to home ownership should be focused on shared ownership at the expense of the relatively unaffordable starter homes. Of the 50% affordable rented tenures, it is recommended that the majority be supplied as social rent due to the relative unaffordability to households on lower quartile incomes.

Table 2-6: Recommended tenure split (Housing)

Affordable routes to home ownership, of which	50%
Shared Ownership (40% equity share)	40%
Starter Homes	10%
Affordable Housing for rent, of which	50%
Social Rent	30%
Affordable Rent	20%

Source: AECOM calculations

- 149. This tenure split should be considered a guideline for the ideal mix of tenures to be delivered within the NA. However, it is based foremost upon district-level guidance that benefits from detailed local income data and studies of development viability, with the more detailed breakdown based on the conclusions of our affordability analysis. As such, it will be a useful point of reference when planning applications are considered, but may not represent sufficient justification for the tenure split to be enforced precisely through a Neighbourhood Plan policy.
- 150. Where the neighbourhood planners wish to craft policy that enforces this split more rigidly, it is important that they liaise with the LPA to gather more detailed income and viability information, and to ensure that departures from the district-level policy context have the LPA’s support. Another option 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-size circumstances in addition to this evidence.

151. Given that shared ownership is recommended as an affordable route to home ownership at a reasonable proportion, it is worth looking at the scheme in more detail. Despite being introduced back in the 1970s, shared ownership has only recently become popular. This is largely due to the scheme being relaunched in 2009 and then a sudden increase in development. As a form of tenure, it is generally more affordable than buying and renting privately – both in the NA and the Country as a whole. Shared ownership is particularly known for being an affordable option for those seeking to get on the housing ladder such as newly forming households and families. Given that Holbrook is currently attracting these demographics, makes it a suitable form of tenure for the NA.
152. It is also popular due to the increased choice, control and security it offers in comparison to other tenures. However it should be noted that there are some caveats to shared ownership which bring its affordability into question. For example, buyers still have to pay service charges which are not fixed and can increase unpredictably. Buyers are also responsible for the maintenance of the property, however small their share in the property. Staircasing can also be costly. Given that the purchase of the additional share will rise as market values rise. Furthermore, the discount attained through renting the remaining share can in certain locations be similar to the difference in price between a new build and existing dwelling.

Conclusions- Tenure and Affordability

153. Holbrook is characterised by high proportion of home ownership, as opposed to private and social renting, which is in line with Babergh and England as a whole. While this could be taken to indicate a housing market where home ownership is within reach of most people, a more detailed analysis of affordability reveals that this is not the case. The annual income required for an entry-level home (in terms of mortgage availability, and not including the cost of the necessary deposit) is 56% higher than the LQ income and 38% higher than the median annual income.
154. In this context it is unsurprising that the rate of private renting in Holbrook has increased the most compared to other forms of tenure, though by a relatively measured 4.4% in the decade between 2001 and 2011. It could be that, over that period, households unable to afford home ownership sought out the next most affordable widely available option, with more homes being put up for rent to satisfy growing demand, while households who would have at other times met their needs through social housing are increasingly obliged to rent privately while relying on housing benefit. Private renting therefore provides an important function in the housing market and, due to its still comparatively low availability, should continue to grow going forward.
155. However, to ensure that households on lower than average incomes can afford to continue living in Holbrook or form their own independent households, especially if reforms to welfare including housing benefit are implemented in the coming years, it will be important to diversify the tenure offering beyond these two most common open-market options.
156. There are two thirds as many dwellings offered for social rent in Holbrook than the wider District and, given that this is the only tenure within reach of those on lower quartile incomes, their number should be increased wherever possible. Other forms of Affordable Housing that offer a route to home ownership, such as shared ownership, should also be promoted as a way to enable households on lower incomes to own their own homes should they wish to do so.
157. Affordable housing is typically provided and made financially viable by district-wide planning policies that require it to be included at a set proportion of larger market housing developments. This policy expectation in Holbrook, if the emerging Babergh Local Plan is adopted without changes to its draft policies, is that 35% of new housing on developments providing 10 dwellings or more will be affordable.
158. Of the 68 dwellings that the emerging Local Plan allocates to Holbrook over the Local Plan period (2018-2036), 24 Affordable Housing units should be delivered on the basis of this policy requirement. If the majority of new housing is delivered through windfall development on small sites dispersed around the NA, many of these sites will not meet the requirement of providing 10 or more dwellings and so the number of Affordable Housing units will be lower still. It should however be noted that Holbrook's housing requirement is now considered to have been met by recent development and planning commitments, as confirmed by the Local Planning Authority.
159. The Ipswich SHMA suggests that Holbrook requires 1.45 units of Affordable Housing for rent and 1.4 units of Affordable Housing for sale per annum during the Plan period, or 32 and 31 (rounded) dwellings in total. However, a more complete analysis of the potential demand arising from households who cannot afford to buy their own home but can afford to rent on the private market (and are therefore considered in need of Affordable Housing for sale products), suggests that 2.9 dwellings per annum or 64 (rounded) units in total are needed over the Plan period. This accounts for need throughout the entire Plan period, and does not reflect deductions for any dwellings currently planned or under construction.

160. It is understood that an 87-unit development in Holbrook that is close to completion is expected to deliver 15 units of affordable rented housing and 12 shared ownership units. This goes some way to meeting the Affordable Housing need for 31 affordable rented units and 64 affordable sale units over the Plan period identified here. However, given that Holbrook's overall housing requirement is considered to have already been met, if the community wishes to deliver more Affordable Housing to meet community needs, there are other routes available to providing it. For example, using community development orders, identifying exception sites or developing community land trusts are all tried and tested ways of boosting the supply of affordable housing above the minima indicated by Local Plan policy.
161. Regardless of the total quantity to be provided, of the overall Affordable Housing units to be delivered, it is recommended that approximately 50% be offered as social or affordable rent and 50% delivered as affordable routes to home ownership, with an emphasis on shared ownership as opposed to starter homes (which are less affordable in this area).
162. The need to improve affordability in Holbrook across all tenures aligns with our findings in relation to the type and size of homes – that new residential development should focus on smaller dwellings. Increasing the proportion of smaller homes and more affordable types (as above) should help to rebalance the housing stock in favour of options that are both suitable to the population profile as it evolves over time and that will combat growing affordability challenges.

Conclusions

Overview

163. The table below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

Table 3-1: Summary of local factors specific to Holbrook with a potential impact on neighbourhood plan housing characteristics

Issue/ Research Question	Evidence	Conclusion
<p>Tenure and Affordability</p>	<p>The majority of properties in Holbrook are owned outright, however to a slightly lesser extent than Babergh, but higher than England. For the remaining tenures Holbrook also has a lower proportion than Babergh and England. This is most evident for social rented and shared ownership compared to Babergh.</p> <p>There hasn't been a significant degree of change in the tenure types over the intercensal period in the NA, with the most significant change in private rented accommodation, which has seen a 4.4% increase compared to 101.4% at the district level, followed by owned accommodation that has seen a -3.7% decrease, in comparison to 2.3% increase at the district level. This increase in private rented dwellings could be due to the declining affordability of market housing for sale.</p> <p>Lower quartile house prices have risen over the last ten years. Prices saw a slight dip in 2009 but a steady increase from 2010– 2015 is evident, reaching a maximum of approximately £160,000 in 2015.</p> <p>The median annual household income and lower quartile household income for Holbrook have been calculated to be £28,038 and £19,921 respectively.</p>	<p>The income required to afford the different tenures available has been benchmarked against Holbrook's median annual household income of £28,038 and lower quartile income of £19,921.</p> <p>Data shows that 8.8% of households in Holbrook currently occupy the Social Rent tenure. Those earning lower quartile incomes can only afford to occupy this tenure, and provision should therefore increase</p> <p>Households earning a median income in Holbrook can afford to occupy social rent, affordable rent and shared ownership (25%), suggesting that all play a valid role in the dwelling mix.</p> <p>The provision of smaller entry-level dwellings, as is recommended in the analysis of type and size, would help to improve affordability across all tenures, including housing for market sale and rent.</p> <p>Of the 68 dwellings that Babergh District Council indicates should be provided in Holbrook over the Neighbourhood Plan period, adopted local policy indicates that 35% (24 dwellings) should be affordable.</p> <p>The Ipswich SHMA suggests that Holbrook requires 1.45 units of Affordable Housing for rent and 1.4 units of Affordable Housing for sale per annum during the Plan period, or 32 and 31 (rounded) dwellings in total. However, a more complete analysis of the potential demand arising from households who cannot afford to buy their own home but can afford to rent on the private market (and are therefore considered in need of Affordable Housing for sale products), suggests a need for 2.9 dwellings per annum or 64 (rounded) units in total over the Plan period</p> <p>On the basis of the evidence considered within this Housing Needs Assessment and the SHMA, an overall housing tenure split of</p>

Issue/ Research Question	Evidence	Conclusion
		50% Social and Affordable Rent and 50% intermediate tenures would be appropriate.
Type and size	<p>The main points of difference between the stock profile of Holbrook and that of Babergh are the lower proportion of flats and terraced properties in the parish and the larger percentage of detached properties.</p> <p>Generally speaking, properties in Holbrook are larger than those in the rest of the district.</p> <p>On the whole, between 2001 and 2011, mid-sized dwellings decreased in Holbrook, or have risen at a less significant rate than larger dwellings. Both 4 and 5 room properties have decreased more than other housing. Dwellings of 6+ rooms have seen an increase and 8+ room dwellings seeing the largest increase, though at a lower rate than that seen in Babergh.</p> <p>In Holbrook there is a high proportion of residents who reside in one family households (70.7%) compared to Babergh (67.8%) and England (61.8%). There is also a significantly smaller percentage of those households with no children in Holbrook (14.3%) compared to Babergh (21.6%) and England (17.6%).</p>	<p>Whilst an analysis of property types and sizes in the intercensal period suggest that there is an increasing supply of smaller properties in the parish (3 rooms or more/1 bedrooms or more) and larger homes of 6 and 8 rooms, it is evident from the life-stage modelling that demand for slightly smaller (2-3 bedroom) homes may increase significantly due mainly to a growing older population and dependant children wanting to leave home. Given the current stock, to avoid any misalignment, about 75% of new homes should be 1 or 2 bedroom, while 25% should be 3+ bedrooms.</p> <p>Whilst the demand for 3 bedroom homes will remain significant, building more 1 or 2 bedroom properties will cater for the growing older population and allow older households to downsize (which will make larger family housing available for those in need). Moreover, it will also allow younger households to form, stay in the area, or relocate to Holbrook.</p> <p>The overall weighted conclusion is that to satisfy the requirements of increasingly smaller and older households, but also to enable younger households to remain in the area, it is recommended that around 50% of houses in new developments should be 1 bedroom homes, around 25% should be 2 bedroom homes and around 25% should be 3 bed homes.</p> <p>Bungalows appeal to older people and this particular type of housing should also be encouraged to meet the needs of a growing elderly population.</p>

Recommendations for next steps

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

- Neighbourhood Planning Basic Condition A, that it has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the neighbourhood plan contributes to the achievement of sustainable development; and Condition E, which is the need for the neighbourhood plan to be in general conformity with the adopted strategic development plan;
- the views of Babergh District Council – in particular in relation to the housing need figure that should be adopted;

- the views of local residents;
- the views of other relevant local stakeholders, including housing developers; and
- the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the Babergh District Council, including but not limited to the SHLAA
- the recommendations and findings of this study; and
- The impact of the new Government proposed standard methodology on calculating housing need on the district and its neighbourhoods.

165. Recent changes to the planning system, recent changes to the NPPF, as well as the implementation of the Housing and Planning Act, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.

166. This advice note has been provided in good faith by AECOM consultants on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).

167. Bearing this in mind, we recommend that the steering committee should monitor carefully strategies and documents with an impact on housing policy produced by the Babergh District Council or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.

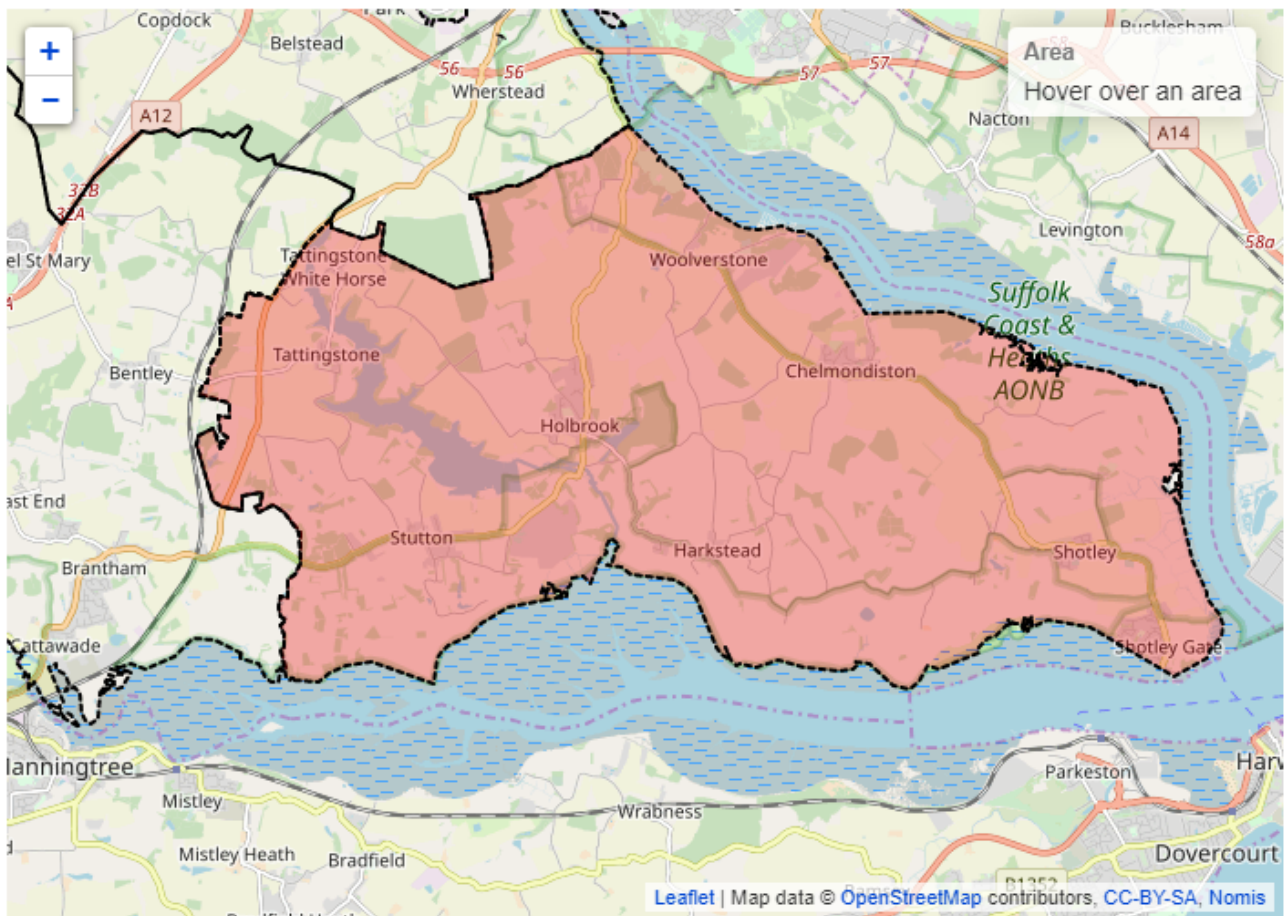
168. At the same time, monitoring on-going demographic or other trends over the period in which the neighbourhood plan is being developed would help ensure relevance and credibility of its policies.

Appendix A : Calculation of Affordability Thresholds

Assessment geography

169. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.
170. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Holbrook, it is considered that MSOA E02006237 is the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of E02006237 appears below in Figure A-1.

Figure A-1: MSOA E02006237, used as a best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

Market housing

171. Market dwellings are accessible to people on higher incomes. Choices in the housing market are driven principally by spending power, life stage, and personal taste.
172. The operation of the housing market is, in most circumstances, the best means of addressing the demand for different types of housing for sale. For this reason, it is important that planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand, because this is the principal way equilibrium is achieved in the market and thus house price growth kept in check.
173. In this sense, the notion of development viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.
174. To determine affordability in market housing, we consider two primary indicators: income thresholds (IT), which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds (PT),

which denote the standard household income required to access mortgage products.

i) Market sales

175. The starting point for calculating the affordability of a dwelling for sale (i.e. the PT) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.

176. To produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first-time buyer) should be taken into account. However, this data is not available for Holbrook. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.

177. The calculation is therefore:

- Value of an 'entry level dwelling'¹⁹ = £175,500;
- Purchase deposit = £ 17,550 @10% of value;
- Value of dwelling for mortgage purposes = £157,950;
- Loan to income ratio = 3.5 of value of mortgage;
- **Purchase threshold = £45,129.**

ii) Private Rented Sector (PRS)

178. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. Households are deemed able to afford a private rent property if the lower quartile private rent does not exceed 25% of gross household income for households with incomes of less than £40,000 per annum, or 30% of gross household income for households with incomes of more than £40,000 per annum.

179. It is assumed that lower quartile private rent equates to the average rent paid in the Neighbourhood Plan area for a two-bedroom dwelling (enough living space for two or three individuals). In order to be in conformity with the Government guidance on overcrowding,²⁰ such a home would require three habitable rooms (a flat or house with two bedrooms).

180. The property website Home.co.uk shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within the IP9 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.

181. According to home.co.uk, there are 4 two-bed properties currently listed for rent across IP9 2, with an average price of £729 per calendar month (September 2019).

182. It is possible to derive from this data the estimated income threshold for private rental sector dwellings in the Neighbourhood Plan area; the calculation is therefore:

- Annual rent = £729 x 12 = £8,745;
- Multiplied by 4 = £34,980;
- **Income threshold (private rental sector) = £34,980.**

183. The NPPF 2018 acknowledges that build-to-rent dwellings have a role to play in providing affordable market homes and may meet affordable housing need where they include a component of affordable private rent.

Affordable Housing

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

185. This variety of tenures reflects an ambition by the Government to provide a pathway to home ownership for more sectors of the population, as well as introducing market principles into the provision of subsidised housing for rent. The aim is

¹⁹ 'Entry-level dwelling' can be understood to comprise a property that costs the average value of dwellings falling into the lower quartile of house prices in the Neighbourhood Plan area, as set out in the Tenure and Affordability chapter above.

²⁰ This is based on the concept of the 'room standard', which indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room). See: http://england.shelter.org.uk/housing_advice/repairs/overcrowding

to divide affordable housing into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay.

186. We consider each of the affordable housing tenures in turn, before developing a recommendation for how the quota of affordable housing yielded by development should be divided between these tenures.

iii) Social rent

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

188. To determine social rent levels, we used the data and statistical return from Homes England. This data is only available at the LPA level so must act as a proxy for Holbrook. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Babergh in the table below.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent PCM	£76.7	£93	£102.6	£110.2	£95
Annual average	£3,988.4	£4,836	£5,335.2	£5,730.40	£4,940
Income needed	£15,953.6	£19,344	£21,340.8	£22,921.6	£19,760

Source: Homes England, AECOM Calculations

iv) Affordable rent

189. Affordable rent is controlled at no more than 80% of the local market rent; as we have seen, the annual entry-level rent in Holbrook is £8,745. In the event of a 20% reduction in rent to £6,996, the income threshold would reduce to an estimated £27,984.

v) Intermediate tenures

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

Starter homes

191. The Housing and Planning Act 2016 introduced a duty on planning authorities in England to promote the supply of 'starter homes', and to require a minimum number or proportion of 'starter homes' on certain residential development sites. In paragraph 64 of the NPPF 2018, the Government introduces a recommendation that "*where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership*".

192. In effect, therefore, the NPPF permits neighbourhood planners to decide an appropriate level of affordable home ownership tenure, while taking note of the 10% policy expectation.

193. A starter home is a new build home with a value not exceeding £250,000 (or £450,000 in London); they are eligible for first time buyers aged 40 or younger.

194. Whether to treat discounted market sale homes as affordable housing or not depends on whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access AMH for purchase.

195. To provide a conservative assessment of the suitability of discounted market sale homes, it is appropriate to apply the value we have estimated for an entry-level dwelling, namely £175,500.

196. Applying a discount of 20% provides an approximate selling price of £140,400. Allowing for a 10% deposit further reduces the value of the property to £126,360. The income threshold at a multiple of 3.5 is £36,103.

197. However, this method of estimating the cost of Starter Homes is based on an assumption that they will be priced with reference to the value of lower quartile dwellings, with a discount of 20% applied. In practice, there is nothing in national regulations to require that their price is set in this way. Developers could instead set prices with reference to average new build prices or a market value they establish themselves based on their sales prices in the area, both of

which tend to be much higher than lower quartile prices. This ambiguity means that the cost of Starter Homes can in reality be much higher than the optimistic calculation presented here.

Shared ownership

198. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied by 'staircasing'. Generally, staircasing will be upward, thereby increasing the share owned.
199. 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.
200. To determine the affordability of shared ownership, calculations are based on the lower quartile house price of £175,500.²¹ 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 income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 25% of the income on rent (as for the income threshold for the private rental sector).
201. A 25% equity share of £175,500 is £43,875, from which a 10% deposit of £4,388 is deducted. The mortgage value of £39,487 (£43,875- £4,388) is then divided by 3.5. To secure a mortgage of £39,487, an annual income of £11,282 (£39,487/3.5) is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £131,625. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £3,291 and requires an income of £13,163. Therefore, an income of around £24,445 (£11,282 + £13,163) is required to afford a 25% shared equity purchase of an entry-level house with annual rent.
202. A 50% equity share of £175,500 is £87,750, from which a 10% deposit of £8,775 may be deducted. The mortgage cost of £78,975 (£87,750- £8,775) is then divided by 3.5. To secure a mortgage of £78,975, an annual income of £22,564 (£78,975 / 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 50% shared ownership equity, comprising the unsold value of £87,750. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £2,194, requiring an income of £8,775. Therefore, an annual income of around £31,339 (£22,564 + £8,775) is required to afford a 50% shared equity purchase of an entry-level house with annual rent.
203. A 75% equity share of £175,500 is £131,625, from which a 10% deposit of £13,163 can be deducted. The mortgage cost of £118,463 (£131,625 - £13,163) is then divided by 3.5. To secure a mortgage of £118,463, an annual income of £33,847 (£118,463/ 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 25% shared ownership equity, comprising the unsold value of £43,875. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £1,097 requiring an income of £4,386. Therefore, an annual income of around £38,233 (£33,847 + £1,097) is required to afford a 75% shared equity purchase of an entry-level house with annual rent.

²¹ It is important to note that this is based on new build sales only. The current shared ownership models are only available for new build homes, with the assumed cost therefore differing from the cost of open market housing, which also includes property re-sale.

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability²²

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)/Intermediate Housing²³

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

Affordable rented housing

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

Annual Monitoring Report

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

²² <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

²³ <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

Bedroom Standard²⁴

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

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order²⁵

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

Concealed Families (Census Definition)²⁶

The 2011 Census defined a concealed family as a couple or single parent family, living in a multi-family household, where the Family Reference Person (FRP) is not the Household Reference Person (HRP). Each family living in a household includes a FRP identified on the basis of economic activity and age characteristics (lone parents are automatically the FRP). In a one-family household the FRP is also the HRP. In households where there is more than one family, the HRP is selected from the FRPs based on economic activity, age and then order on the census form. Concealed families will include young adults living with a partner and/or child/children in the same household as their parents, older couples living with an adult child and their family or unrelated families sharing a household. A single person cannot be a concealed family; therefore one elderly parent living with their adult child and family or an adult child returning to the parental home is not a concealed family; the latter are reported in an ONS analysis on increasing numbers of young adults living with parents.

Equity Loans/Shared Equity

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

Extra Care Housing²⁷

New forms of sheltered housing and retirement housing have been pioneered in recent years, to cater for older people who are becoming more frail and less able to do everything for themselves. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very or enhanced sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents' lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available,

²⁴ <https://www.gov.uk/government/publications/english-housing-survey-2011-to-2012-headline-report>

²⁵ <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

²⁶ http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

²⁷ <http://www.housingcare.org/jargon-extra-care-housing.aspx>

usually provided by on-site staff. Properties can be rented, owned or part owned/part rented. There is a limited (though increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet.

Fair Share

'Fair share' denotes the exercise of identifying a housing needs projection based on the proportion of dwellings in the reference geography represented by the subject geography, for example dwellings in the Neighbourhood Area as a proportion of all dwellings in the CoW.

Household Reference Person (HRP)

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

Housing Market Area (PPG Definition)²⁸

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, such as Starter Homes, the Government's flagship 'housing product'.

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

²⁸ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

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.

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/>.

Local Development Order

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

Local Enterprise Partnership

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing (PPG Definition)

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

Mean (Average)

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

Median

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

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 years²⁹, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Plan

A plan prepared by a Parish 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 one agreed definition of overcrowding, however, utilising the Government's bedroom standard, overcrowding is deemed to be in households where there is more than one person in the household per room (excluding kitchens, bathrooms, halls and storage areas). As such, a home with one bedroom and one living room and one kitchen would be deemed overcrowded if three adults were living there.

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence (PPG Definition)

Proportionate and robust evidence is evidence which is deemed appropriate in scale, scope and depth for the purposes of neighbourhood planning, sufficient so as to meet the Basic Conditions, as well as robust enough to withstand legal challenge. It is referred to a number of times in the PPG and its definition and interpretation relies on the judgement of professionals such as Neighbourhood Plan Examiners. More guidance can be obtained from Planning Aid England: https://www.ourneighbourhoodplanning.org.uk/storage/resources/documents/How_to_gather_and_use_evidence.pdf.

²⁹ <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

Private Rented

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing³⁰

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 usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

Strategic Housing Land Availability Assessment (NPPF Definition)

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

Strategic Housing Market Assessment (NPPF Definition)

A Strategic Housing Market Assessment (SHMA) is a document prepared by one or more local planning authorities to assess their housing needs, usually across administrative boundaries to encompass the whole housing market area. The NPPF makes clear that 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

³⁰ <http://www.housingcare.org/jargon-sheltered-housing.aspx>

serve the needs of older people, including often providing care or other additional services. This housing can be provided in a range of tenures (often on a rented or leasehold basis).

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.) for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.³¹

³¹ <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

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