



# Laxfield Housing Needs Assessment (HNA)

Final report

July 2019

## Quality information

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This document is intended to aid the preparation of the Neighbourhood Plan, and can be used to guide decision making and as evidence to support Plan policies, if the Qualifying Body (i.e. the neighbourhood planning group) so chooses. It is not a neighbourhood plan policy document. It is a 'snapshot' in time and may become superseded by more recent information. The Qualifying Body is not bound to accept its conclusions. If any party can demonstrate that any of the evidence presented herein is inaccurate or out of date, such evidence can be presented to the Qualifying Body at the consultation stage. Where evidence from elsewhere conflicts with this report, the Qualifying Body should decide what policy position to take in the Neighbourhood Plan and that judgement should be documented so that it can be defended at the Examination stage.

**Note on Minimum Housing Requirement for Laxfield Neighbourhood Plan**

At the time that this study was commissioned, Mid Suffolk District Council had not provided an indicative or definitive housing requirement for the Laxfield neighbourhood plan area in line with their obligation to do so under NPPF paragraphs 65 and 66. However, late in the study, after the point at which AECOM had calculated its own indicative housing need figure for the same geography, the Council did provide an indicative figure through its emerging Local Plan (Preferred Options Consultation).<sup>[1]</sup>

The indicative figure provided is for 65 dwellings, which contrasts with AECOM's own calculation of 27 dwellings. The difference between the two figures may be explained by the fact that Mid Suffolk's calculation builds in supply-side factors and/or allocations, whereas AECOM's (as appropriate for a housing needs assessment) was calculated in line with the government's standard method for assessing housing need, with much greater weight on demand-side factors, and fewer supply-side considerations. It is important to recognise, however, in line with the NPPF, that Mid Suffolk's figure definitively supersedes AECOM's own calculation.

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<sup>[1]</sup> Available at <https://www.midsuffolk.gov.uk/assets/Strategic-Planning/JLP-Reg18-2019/Council-v1-BMSDC-Joint-Local-Plan-Preferred-Options-Reg-18.pdf>

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

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
CS	Core Strategy
CSFR	Core Strategy Focussed Review
HNA	Housing Needs Assessment
HNF	Housing Need Figure
Housing LIN	Housing Learning and Improvement Network
HRF	Housing Requirement Figure
HRP	Household Reference Person
JLP	Joint Local Plan
LHN	Local Housing Need
LPA	Local Planning Authority
LPC	Laxfield Parish Council
LQAR	Lower Quartile Affordability Ratio
MAR	Median Affordability Ratio
MH	Market Housing
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
MSDC	Mid Suffolk District Council
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
RQ	Research Question
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

# 1. Executive Summary

## 1.1 Introduction

Laxfield Parish Council in Mid Suffolk commissioned from Locality a Housing Needs Assessment (HNA) to inform their emerging Neighbourhood Plan. In consultation with the Qualifying Body, we developed three research questions (RQs) for the HNA to answer. The RQs serve to direct our research into the key neighbourhood-level issues and provide the structure for the study.

## 1.2 Research Questions

### 1.2.1 Quantity

As demonstrated in our review of the current planning context (Chapter 2 below), Laxfield does not currently benefit from a specific housing requirement figure (HRF) in the Mid Suffolk planning framework.

In line with its new obligations under NPPF 2019's paragraphs 65 and 66, Mid Suffolk has stated it will be providing Laxfield with an HRF as part of the next iteration of the emerging Local Plan. However, the neighbourhood planners have asked if AECOM is able to calculate as an interim step before that point the potential HRF in line with national policy and best practice, and Mid Suffolk have indicated they have no in-principle objection to this element of the HNA.

As such, a quantity figure does need to be caveated in the sense that it has the potential to differ from any HRF provided by Mid Suffolk after the completion of this report, and that in line with national policy, the Mid Suffolk HRF will supersede that calculated by AECOM (if it comes to a different figure).

With all this in mind, an appropriate RQ for this study is as follows:

***RQ 1: What quantity of housing in the Neighbourhood Area should be planned for over the Plan period?***

### 1.2.2 Tenure and affordability

The Qualifying Body would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.

This evidence will allow Laxfield to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

***RQ 2: What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?***

### 1.2.3 Type and size

The Qualifying Body is seeking to determine what size and type of housing would be best suited to the local community.

The aim of this research question is to provide neighbourhood planners with robust evidence on the types and sizes needed by the local community. This will ensure future development truly reflects what residents need.

***RQ 3: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?***

## 1.3 Findings of RQ1: Quantity

Based on the evidence reviewed in this study, the indicative figure calculated by this HNA, which seeks to align with the National Planning Policy Framework (NPPF) advice, recommends an **overall HNF of 27 dwellings, which equates to 2 dwellings per year, between 2014 and 2036.**

However, Mid Suffolk has indicated to the Parish Council and AECOM that a final HRF for Laxfield will emerge alongside the next iteration of the JLP, which is scheduled for Summer 2019. At the time this is provided, it can be

considered to supersede the provisional calculation within this study. Consequently, there is a need for the neighbourhood group to continue to engage with the LPA to agree the need figure for the Neighbourhood Plan.

The forthcoming housing figure from Mid Suffolk will not only carry more weight in planning terms as it will be provided by the LPA rather than AECOM, but also it will be derived from the Government's Standard Methodology, thus superseding the method employed by the Core Strategy Focussed Review.

Note, however, that the quantity to plan for is (at least theoretically) likely to change annually as the Government publish new affordability data each year, and new household projections approximately every two years. This could impact on the number of homes required in Mid Suffolk and, by extension, any indicative housing requirement figure provided by the District Council for neighbourhood areas.

## 1.4 Findings of RQ2: Tenure and Affordability

In terms of Laxfield's current tenure profile, the current Census data shows that a high proportion of the parish are homeowners, in line with the district and national figures. Over the intercensal period, this has increased somewhat, which initially suggests home ownership might continue to be the preferred option for those able to afford it. In comparison, other types of tenure, such as private and social renting currently only represent a small proportion of Laxfield's housing stock.

Data on tenure change rates indicates that many people are turning to the private rental sector in Laxfield, a trend mirrored by England as a whole. This is largely down to home ownership becoming an increasingly less viable option.

According to our affordability analysis, the median annual household income (£35,300) is insufficient to occupy most tenures, unless households choose to devote a higher proportion of their income to housing costs.

A solution in that case, may be to offer a more diverse range of tenures in Laxfield, moving away from market sale and towards more viable options such as shared ownership or affordable rent. Delivering greater quantities or smaller sizes of house could also help to increase the number of dwellings accessible to those on lower incomes. Achieving the 35% AH figure from the Local Plan, should be a priority for all new developments, as well as the 10% affordable routes to home ownership target set out by the NPPF.

In terms of the tenure split of Affordable Housing, it is important to note the affordability pressures that exist among households with below average incomes in Laxfield, which are clear from our affordability analysis and have been flagged by the community. For this reason, we recommend that AH provision should focus on dwellings for Social and Affordable Rent, with Social Rent forming the majority. Of the affordable routes to home ownership to be provided, shared ownership at a 25% share will best cater to the needs of local people.

Having said this, such policies should in practice be flexibly applied given the need for viability. This question is particularly pertinent in rural locations where small in-fill schemes predominate. For these schemes, providers sometimes reject Social Rented stock due to relatively high maintenance costs, seeking to vary the tenure to Affordable Rent or shared ownership. As we have seen, both of these tenures may potentially provide viable options for Laxfield households, and should be prioritized above market housing for rent and sale.

## 1.5 Findings of RQ3: Type and Size

Laxfield has slightly more detached and terraced homes, but slightly fewer semi-detached houses than the local and national averages. The housing stocks of Laxfield and Mid Suffolk are similarly characterised by generally large dwellings, with high percentages of homes over four rooms. There has been a significant rise in the number of large homes of eight or more rooms, and a significant decrease in two and four-room dwellings in Laxfield.

The evolution of Laxfield's dwelling mix in terms of size over the intercensal period also diverges strongly from trends observed for the wider geographies of Mid Suffolk and England. Most notable are Laxfield's persistent lack of one and two room dwellings, compared with uneven but in some cases strong growth in the comparator geographies, and Laxfield's high increase in dwellings of eight or more rooms compared with a moderately lower increase in Mid Suffolk and England.

Laxfield's population is generally older than that of Mid Suffolk and England. There is a significantly higher number of people over the age of 65 in the area, and its main demographic challenge is this significant contraction in the replacement younger population.



With regard to housing, this could indicate that there is an insufficient supply of dwellings appropriate to young and newly forming households and that this shortfall should be urgently addressed. Alternatively, it could indicate that younger age groups move away for other reasons and the stock of housing should be rebalanced to suit the growing retirement-age cohort. A neighbourhood household survey could help to clarify the primary reason for this shift, but there is also an opportunity to supply dwellings that would be appropriate to the needs and financial capabilities of both young households and downsizing households, such as two- and three-bedroom homes.

Much of the new housing delivered in Laxfield between 2001 and 2011 had more than five rooms. While the provision of larger homes may be suitable for families, this pattern of supply potentially misses an opportunity to accommodate young families with no or few children (who may make up a declining share of households in the parish as a result of the lack of suitable housing), and the fast-growing population of older people who may be seeking downsizing options.

Seen in the context of this pattern of supply and Laxfield's comparatively large stock of dwellings overall, its recent trends towards single occupancy, older households and fewer families with dependent children (all of which can reasonably be expected to persist in future) may warrant a Neighbourhood Plan policy intervention to restrict the future supply of very large dwellings to some extent.

Laxfield's demographic profile in 2037 is expected to be dominated by households aged 65 and over and those aged 35 to 54. Three-bedroom homes are particularly popular among both these dominant age bands, with the 35 to 59 group also likely to occupy larger dwellings and the 65 and over group expressing a strong preference for two-bedroom homes.

Given the fact that Laxfield's current dwelling stock is made up of larger dwellings compared with Mid Suffolk, and that the parish's ageing population is likely increasingly to favour smaller dwellings, the recommended dwelling mix for new development over Plan period should be focused on two-bedroom (30%), three-bedroom (38%) and four bedroom homes (31%) suitable to downsizers and young families, at the expense of much larger homes.

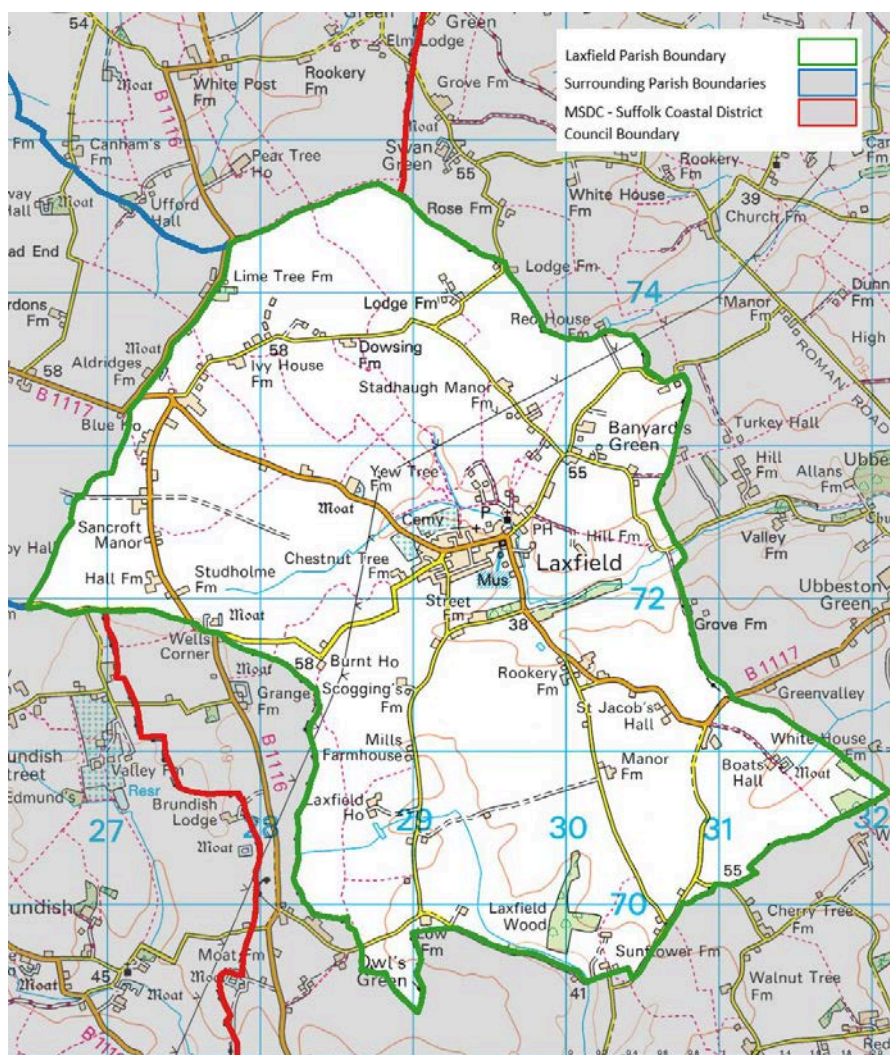
In terms of the types of dwellings required, some unmet demand for generally more affordable dwelling types, such as terraced homes, should be addressed. The size recommendation for two- and three-bedroom homes would help to achieve this. It is also advisable to promote the delivery of bungalows in order to meet the needs of the ageing population and to reflect the fact that other smaller dwelling types, such as apartments, may not in practice be popular market propositions in a rural parish like Laxfield.

## 2. Context

### 2.1 Local context

1. Laxfield is a village and civil parish, located within the district of Mid Suffolk, close to the east coast of England.
2. The parish is still agricultural in character with most residents commuting to nearby market towns. The B117 runs through Laxfield, connecting it to a network of villages. Laxfield is bound by the A143 to the North, A12 to the East and A140 to the West, providing access to large towns such as Ipswich, Lowestoft and the seaside resort of Great Yarmouth. At the time of the 2011 Census the Plan area had a total of 910 residents.
3. On 2 February 2018, Laxfield Parish Council submitted an application to define the boundary of their Neighbourhood Plan. Mid Suffolk District Council confirmed the designated NDP area on 9 February 2018.<sup>1</sup> A map of the resulting Neighbourhood Plan area appears below in Figure 2-1.

Figure 2-1: Map of the Laxfield Neighbourhood Area<sup>2</sup>



Source: Laxfield Neighbourhood Plan

<sup>1</sup> See <https://www.midsuffolk.gov.uk/planning/neighbourhood-planning/neighbourhood-planning-in-mid-suffolk/laxfield-neighbourhood-plan/>

<sup>2</sup> Available at <https://www.midsuffolk.gov.uk/assets/Neighbourhood-Planning/Laxfield-NP-Area-Map.pdf>

## 2.2 Planning policy context

4. In line with the basic conditions 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).
5. Mid Suffolk's adopted Local Plan is relatively old: the original version, some of which remains in force, dates from 1998.<sup>3</sup>
6. However, the 1998 Local Plan has mostly been superseded by policies from the Core Strategy (CS, September 2008),<sup>4</sup> and its Focussed Review (CSFR, December 2012).<sup>5</sup>
7. The 1998 Local Plan document is now being replaced entirely by a new Joint Local Plan (JLP)<sup>6</sup> document for Babergh and Mid Suffolk districts. The JLP is at a relatively advanced stage, with pre-submission consultation (i.e. the last consultation before it is submitted to the Secretary of State for examination) scheduled for summer 2019.
8. The fact that the Core Strategy and adopted Local Plan date from before the adoption of the National Planning Policy Framework (NPPF), the key national planning policy document first adopted in 2012 and revised in 2019, means that for planning purposes, the Core Strategy is considered 'out of date', though the purpose of the CSFR was to bring relevant parts of it up to date with the NPPF. This means that in cases where saved policies from the 1998 Local Plan and/or the 2008 Core Strategy conflict with the NPPF, it is the NPPF policy that takes priority and that the Neighbourhood Plan should align with.
9. Various other parts of the Mid Suffolk Local Plan website, alongside adopted and emerging policy documents, are relevant for the purposes of neighbourhood planning at Laxfield. For example, information on the self-build register and community land trusts, aimed at facilitating the development of self-build and custom-build dwellings, a topic that the Parish Council has indicated they would like the Neighbourhood Plan to cover.<sup>7</sup>
10. The JLP, which has a planning period of 2014 to 2036, is for the purposes of this assessment known as the 'emerging plan'. The Parish Council has confirmed to AECOM that Laxfield Neighbourhood Plan's period will mirror that of the JLP. As such, while the Basic Conditions require neighbourhood plan policies to be in general conformity with the strategic policies in the adopted local plan rather than emerging policy. Clearly it is sensible, given the forthcoming replacement of adopted policies, for the Neighbourhood Plan to seek to be in conformity with both adopted and emerging policy (where adopted policy does not conflict with the NPPF). Needing to be in conformity with both is not normally problematic.
11. A full list of all adopted and emerging Mid Suffolk policies deemed relevant for the purpose of this HNA is identified in Table 2.2 on the following page. It should be noted that despite the relative complexity of the adopted and emerging plans as they have emerged over the last twenty-one years, the aggregated housing policy context for Laxfield is in fact at the time of writing, reasonably simple and straightforward.

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<sup>3</sup> See <https://www.midsuffolk.gov.uk/planning/planning-policy/adopted-documents/mid-suffolk-district-council/mid-suffolk-local-plan/>

<sup>4</sup> Available at <https://www.midsuffolk.gov.uk/assets/Strategic-Planning/Mid-Suffolk-Core-Strategy/Core-Strategy-with-CSFR-label-and-insert-sheet-07-01-13.pdf>

<sup>5</sup> Available at <https://www.midsuffolk.gov.uk/assets/Strategic-Planning/Mid-Suffolk-Core-Strategy/CSFR-adopted-December-2012.pdf>

<sup>6</sup> For most recent version, see <https://www.midsuffolk.gov.uk/planning/planning-policy/new-joint-local-plan/>

<sup>7</sup> See <https://www.babergh.gov.uk/housing/self-build-and-community-land-trusts/>

## 2.2.1 Policies in the adopted local plan

**Table 2-2: Summary of Mid Suffolk adopted and emerging policies having relevance to Laxfield Neighbourhood Plan Housing Needs Assessment<sup>8</sup>**

Policy	Status	Source	Provisions
H4: Affordable Housing	Adopted	Local Plan 1998 (saved policy)	A proportion of affordable housing (up to 35%, based on negotiation) in new housing developments of 5 dwellings or more in the part of the District including Laxfield. <sup>9</sup>
H5: Rural Exception Sites	Adopted	Local Plan 1998 (saved policy)	Affordable housing permitted on rural exception sites where there is evidence of need. <sup>10</sup>
CS1: Settlement Hierarchy	Adopted	Core Strategy 2008	Defines Laxfield as one of eleven 'Primary Villages' in the settlement hierarchy.
FC2: Provision and Distribution of Housing	Adopted	Core Strategy Focussed Review 2012	Requires Primary Villages as defined in the Core Strategy 2008 to accommodate a total of 300 dwellings on greenfield sites over the period 2012 to 2027.
Proposed Joint Settlement Hierarchy	Adopted	Joint Local Plan (2017 Consultation)	Laxfield potentially to be considered Hinterland Village for the purposes of the emerging settlement hierarchy; however, this will not be confirmed until the next iteration of the JLP and no specific housing allocation figure has been provided.

Source: <https://localplan.midsuffolk.gov.uk/written/cpt4.htm#top>

<sup>8</sup> For the purposes of this table, the summaries of relevant provisions have been edited for clarity. The full policy text in the relevant adopted or emerging Local Plan should be referred to by any party proposing development in the Parish.

<sup>9</sup> AECOM considers that this out-of-date policy does not conflict with the NPPF and thus continues to carry weight.

<sup>10</sup> AECOM considers that this out-of-date policy does not conflict with the NPPF and thus continues to carry weight

## 3. Approach

### 3.1 Research Questions

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

#### 3.1.1 Quantity

14. As demonstrated in our review of the current planning context (Chapter 2 above), Laxfield does not currently benefit from a specific housing requirement figure (HRF) in the Mid Suffolk planning framework.
15. In line with its new obligations under NPPF 2019's paragraphs 65 and 66, Mid Suffolk has stated it will be providing Laxfield with an HRF as part of the next iteration of the emerging Local Plan. However, the neighbourhood planners have asked if AECOM is able to calculate as an interim step before that point the potential HRF in line with national policy and best practice, and Mid Suffolk have indicated they have no in-principle objection to this element of the HNA.
16. As such, a quantity figure does need to be caveated in the sense that it has the potential to differ from any HRF provided by Mid Suffolk after the completion of this report, and that in line with national policy, the Mid Suffolk HRF will supersede that calculated by AECOM (if it comes to a different figure).
17. With all this in mind, an appropriate RQ for this study is as follows:

***RQ 1: What quantity of housing in the Neighbourhood Area should be planned for over the Plan period?***

#### 3.1.2 Tenure and affordability

18. The Qualifying Body would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
19. This evidence will allow Laxfield to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

***RQ 2: What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?***

#### 3.1.3 Type and size

20. The Qualifying Body is seeking to determine what size and type of housing would be best suited to the local community.
21. The aim of this research question is to provide neighbourhood planners with robust evidence on the types and sizes needed by the local community. This will ensure future development truly reflects what residents need.

***RQ 3: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?***

## 3.2 Relevant Data

### 3.2.1 Local authority evidence base

22. Planning Practice Guidance (PPG) states that neighbourhood planners can refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As Laxfield Neighbourhood Area is located within Mid Suffolk's planning area, we therefore turned to the relevant Strategic Housing Market Assessment (SHMA). This is the Ipswich and Waveney Housing Market Areas SHMA, published in May 2017.
23. For the purpose of this HNA, data from the SHMA has been considered applicable and relevant unless it conflicts with more locally specific and/or more recently-produced evidence. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As

such, it contains a number of points of relevance when determining housing need within the Plan area, and has been referenced as appropriate.

### 3.2.2 Other relevant data

24. In addition to the Mid Suffolk evidence base, we have assessed other evidence to ensure our study is robust for the purposes of developing policy at the NP level and is locally specific. This includes data from both Census 2001 and 2011, as well as from a wide range of other data sources, including:

- Land Registry data on prices paid for housing within the local market;
- Population and household projections produced by the Office of National Statistics (ONS); and
- Information on current property asking prices, for housing for sale or rent, from [home.co.uk](http://home.co.uk).

## 4. RQ 1: Quantity

### **RQ 1: What quantity of housing in the Neighbourhood Area should be planned for over the Plan period?**

#### 4.1 Introduction

25. The NPPF (paragraph 65) states that strategic policy-making authorities “should establish a housing requirement figure for their whole area which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the Plan period. Within this overall requirement, strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations”.
26. NPPF paragraph 66 states “Where it is not possible to provide a requirement figure for a neighbourhood area<sup>11</sup> the local planning authority should provide an indicative figure, if requested to do so by the neighbourhood planning body”. This ‘indicative’ figure should (amongst other things) “take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the planning authority.”<sup>12</sup>
27. Given that no indicative housing requirement figure (HRF) has been provided to Laxfield at the time of writing there is the potential to calculate an objectively assessed Housing Need Figure (HNF) for the Neighbourhood Area.
28. In calculating this HNF, it should be noted that paragraphs 65 and 66 place specific obligations on strategic or local planning authorities and no other parties (i.e. AECOM is not obliged to follow directly paragraphs 65 and 66). Having said this, clearly AECOM’s calculation will be of most use as a starting point, both to the neighbourhood group and to the LPA, if it can seek to mirror the NPPF suggested approach as closely as possible, and so this is the reasonable approach that has been taken.
29. The Planning Practice Guidance<sup>13</sup> states “Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations”.
30. A housing need figure is a policy-off figure. This means that, while it takes account of the factors set out paragraph 66 of the NPPF and dwelling completions over the course of the Plan period, it is an expression of total housing demand unconstrained by the limits of the land available to build on. It is also unconstrained by the impact of policies that either facilitate or obstruct development. A policy-off figure can then be reviewed in light of further evidence including environmental constraints, land availability, relevant Local and Neighbourhood Plan objectives and policies, to formulate a policy-on Neighbourhood Plan housing requirement figure.
31. We have estimated the number of new dwellings that should be sought in the Plan area over the Plan period (the Housing Need Figure or HNF) using a four-step approach seeking to reflect to the maximum extent the 2019 National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) advice. This is set out in the box overleaf.

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<sup>11</sup> For example, this could be where a neighbourhood area has been designated at a late stage in the strategic policy-making process, or after strategic policies have been adopted; or in instances where strategic policies for housing are out of date.

<sup>12</sup> NPPF, paragraph 66, page 18- available at <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

<sup>13</sup> Paragraph: 001 Reference ID: 2a-001-20190220 at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

**Step 1: “the population of the neighbourhood area”**

The HNF for the Plan area should take as its starting point the housing target for the Local Planning Authority (LPA) in which it sits. The baseline for our calculation for NA is therefore a share of the current LPA Local Housing Needs (LHN) figure that reflects the share of the LPA population living in the Plan area.

NPPF requires Local Authorities, and anyone calculating LHN in their place, to use the standard method.<sup>14</sup> This calculation takes the most recent MHCLG-approved household population projection for the District, applies to it an uplift based on the most recent ONS affordability ratio for that area, and then applies a cap to that number if certain conditions are met.

**Step 2: “most recently available planning strategy of the planning authority”**

We then follow the guidance presented in the NPPF, which states that the initial HNF for neighbourhood plans should reflect “the overall strategy for the pattern and scale of development and any relevant allocations,”<sup>15</sup> and “the most recently available planning strategy of the local planning authority.”<sup>16</sup>

This means introducing Local Authority spatial policy, housing targets, and assessments of housing need at different scales to estimate a more locally appropriate proportion of the LPA housing target that should be provided in NA. This will often result in a slightly different figure to that produced in Step 1.

**Step 3: commitments and completions**

Next, any dwellings that have already been completed over the Plan period to the present date together with any extant commitments on sites in the Plan area should be deducted from the total in order to provide a HNF for the remainder of the Plan period and an annual HNF that reflects past under- or over-delivery.

Provided the data needed is available to us, we will also deduct a windfall allowance<sup>17</sup> given that dwellings that come forward in this way constitute a valid route to housing delivery, and may be taken into account in the way the Plan area proposes to fulfil its housing target so long as there has been a consistent record of such delivery in recent years.<sup>18</sup>

**Step 4: the Local Authority**

The NPPF makes it clear that the Local Authority should provide housing numbers to designated neighbourhood planning areas within their district where requested to do so. To this extent, AECOM is performing a similar role to that required of the Local Authority in providing a HNF to the Plan area. With this in mind, it is important the group share the HNF and underlying methodology once they have received the final version of this document with the LPA to seek confirmation it is aligned with their current planning strategy, in particular those circumstances which may justify an uplift to the HNF set out in PPG.<sup>19</sup>

32. Employing this methodology, the Housing Needs Figure for the Neighbourhood Area may be calculated as follows:

<sup>14</sup> <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

<sup>15</sup> NPPF, paragraph 65, page 18.

<sup>16</sup> Ibid.

<sup>17</sup> Windfall sites are sites which are not included as allocations as part of the housing land supply, but which subsequently become available for housing development. They are sites that were not formally included in the development plan. Whilst, therefore, windfalls cannot by definition be planned for, they are an expected type of development. As such, they can contribute towards housing provision.

<sup>18</sup> Paragraph: 097 Reference ID: 41-097-20180913, at <https://www.gov.uk/guidance/neighbourhood-planning--2>

<sup>19</sup> Paragraph: 010 Reference ID: 2a-010-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>



## 4.2 Standard method (Step 1)

33. Firstly, we calculate the Local Housing Need (LHN) for the LPA using the standard method outlined in Planning Policy Guidance, before taking the population of the NA, and calculating the proportion of the total population of the District that it represents. This percentage will then be used to arrive at the share of the LA target that should be apportioned to the NA.
34. The Mid Suffolk LHN figure, using the standard method, is calculated as follows<sup>20</sup>:
35. **Step one** is to set the baseline, by calculating the projected average annual household growth in Mid Suffolk over a 10-year period, beginning with the current year, using the most recent ONS household projections:
- According to Mid Suffolk's 2014-based household projection, total household growth will be 4,148 dwellings between 2019 and 2029.
36. **Step two** is to adjust this annual average using the most recent ONS median workplace-based affordability ratios,<sup>21</sup> which provide the ratio of house prices to earnings in various geographies. For each 1% increase in the ratio above 4, projected household growth should be increased by a quarter of a percent:
- Mid Suffolk's 2018 median affordability ratio is 9.46. Using the formula outlined in PPG to calculate the adjustment factor results in a minimum annual figure of 556 dwellings (rounded).<sup>22</sup>
37. **Step three** is to apply a cap, which limits the magnitude of increase an LA can face. How this is calculated depends on the current status of relevant strategic policies for housing. There are two options depending on whether those policies were adopted within the last five years or are older:
- Where the relevant strategic policies were adopted within the last five years (at the point of making the calculation), the LHN is capped at 40% above the average annual housing requirement figure set out in the existing policies. This also applies where the relevant strategic policies have been reviewed by the authority within the 5-year period and have been found not to require updating.
  - Where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), the LHN is capped at 40% above whichever is the higher of:
    - a) the projected household growth for the area over the 10-year period identified in step one above; or
    - b) the average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).
  - The relevant strategic policy in this case is FC 2 in the Core Strategy Focussed Review (adopted 2012). As this document was not adopted within the last five years, the second scenario above is applied and the LHN is capped at 40% above whichever is higher of a) or b) above.
  - The housing requirement figure in Policy FC 2 of the Core Strategy Focussed Review is for 2,625 new homes over the Core Strategy period 2012-2027, which equates to an annual average of 175, for a).
  - The average annual housing requirement figure (i.e. b)) is 556 dwellings.
  - Therefore, the cap is applied to b) and not a). A cap of 40% above 556 is therefore  $556 \times 1.4 = 778$ .
  - The cap of 778, because it has been applied to b) and not a), is larger than the figure of 556 dwellings, and therefore does not limit the adjustment for affordability. The minimum LHN for Mid Suffolk is therefore 556 net additional dwellings per year.
38. Having derived Mid Suffolk's LHN, we now calculate Laxfield's share of that target, by determining what proportion of Mid Suffolk's population currently reside in Laxfield and applying that percentage to the Mid Suffolk's LHN.

<sup>20</sup> Paragraph: 004 Reference ID: 2a-004-20190220 Revision date: 20 02 2019

<sup>21</sup>

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

<sup>22</sup> The full calculation for this step is as follows:  $((6.52 - 4) / 4) \times 0.25 = 0.1575$ .  $314 \times 1.1575 = 363.455$ .

39. At the time of the last Census, there were 910 people living in Laxfield, or 0.94% of the 96,731 people in Mid Suffolk. Therefore, applying this percentage to Mid Suffolk's LHN of 556 gives **an indicative HNF for Laxfield of 5 dwellings (rounded) per annum, or 110 dwellings over the Neighbourhood Plan period 2014-2036.**

### 4.3 Latest available LPA planning strategy (Step 2)

40. However, as stated in NPPF guidance, it is important to acknowledge the relevant policies in the most recently available<sup>23</sup> development plan document for the District, which reflect the overall strategy for the pattern and scale of development and any relevant allocations. This requires producing a HNF for the NA that takes into account the Local Authority's spatial strategy, and therefore may differ slightly from the initial HNF calculated above.
41. In Mid Suffolk, this document is the Core Strategy Focussed Review from 2012. The overall strategy for the pattern and scale of development is outlined in Policy FC 2. Within it, Table 4.1 outlines the land supply for the District.
42. Laxfield is designated as a Primary Village. The Core Strategy 2008 sets out the eleven Primary Villages across Mid Suffolk. Policy FC 2 allocates 300 of the overall requirement of 2,625 over the planning period (2012-2027) to the eleven Primary Villages including Laxfield. Therefore, Laxfield's indicative requirement would be  $(300/11=)$  27 dwellings between 2012 and 2027, or 2 dwellings (rounded) per year.

### 4.4 Past dwelling completions and commitments (Step 3)

43. The next step is to subtract any net completions of new dwellings that have occurred since the beginning of the Neighbourhood Plan period, i.e. the period between 2014 and present, as well as to consider commitments.
44. We have interrogated Mid Suffolk's Annual Monitoring Reports (AMRs) since 2014 to check completions recorded in the parish. As in some cases it is not clear if data is double-counted across years/monitoring periods, we checked the conclusions carefully with the Parish Council.
45. According to the AMRs (2014-15, 2015-16, 2016-17, and 2017-18)<sup>24</sup>, there were no completions, but 33 commitments within the NA over this period – specifically, 12 at Land at Mill Road (south side of 13 Noyes Avenue), 10 at Land on west side of Bickers Hill Road, and 11 at a rural exception site.
46. AECOM recommends that commitments should not be discounted from the overall quantity figure as it is only once they are converted into starts that a reasonable supposition can be made that a completion will result. Nevertheless, the 33 commitments do at least indicate where land exists with planning permission and as such leads to a discount in the number of houses that land needs to be found for.
47. As there are 33 commitments but the indicative quantity requirement arising from the Core Strategy Focussed Review is 27 dwellings, this indicates that, at the time of assessment (though this conclusion is very likely to be superseded by the forthcoming Mid Suffolk quantity to be calculated later in 2019) that no land for additional dwellings needs to be found, though at least 27 of the 33 existing commitments will need to be completed before Laxfield can be said to have 'met' its indicative housing requirement figure.
48. However, the overall conclusion from this step is that as there have been no dwelling completions during the Plan period so far, there is no change to the housing need figure at this stage.

### 4.5 Final Housing Need Figure

49. Based on the evidence presented above, the indicative figure calculated by this HNA, which seeks to align with the NPPF advice, recommends an **overall HNF of 27 dwellings, which equates to 2 dwellings per year, between 2014 and 2036.**
50. However, Mid Suffolk has indicated to the Parish Council and AECOM that a final HRF for Laxfield will emerge alongside the next iteration of the JLP, which is scheduled for Summer 2019. At the time this is provided, it can be considered to supersede the provisional calculation within this study. Consequently, there is a need for the neighbourhood group to continue to engage with the LPA to agree the need figure for the Neighbourhood Plan.

<sup>23</sup> This is the exact word used in the NPPF, i.e. not necessarily 'adopted'. In the case of Mid Suffolk, the most recently available planning strategy is in fact the draft JLP, but as it is still at an options stage (both in terms of overall housing quantity and in terms of distribution across settlements), it cannot be considered 'available' for the purposes of the NPPF definition.

<sup>24</sup> 2017-18 is the most recently available AMR at the time of writing. All AMRs interrogated are available on the Mid Suffolk website at <https://www.babergh.gov.uk/planning/planning-policy/evidence-base/annual-monitoring-report-amr/>

51. The forthcoming housing figure from Mid Suffolk will not only carry more weight in planning terms as it will be provided by the LPA rather than AECOM, but also it will be derived from the Government's Standard Methodology, thus superseding the method employed by the Core Strategy Focussed Review.
52. Note, however, that the quantity to plan for is (at least theoretically) likely to change annually as the Government publish new affordability data each year, and new household projections approximately every two years. This could impact on the number of homes required in Mid Suffolk and, by extension, any indicative housing requirement figure provided by MSDC for neighbourhood areas.

## 5. RQ 2: Tenure and Affordability

**RQ 2: What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?**

### 5.1 Introduction

53. 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.
54. This section will examine the tenure of dwellings in the current stock and recent supply. Then, looking at affordability, we will make an assessment on whether continuation of these trends would meet future needs. We will also investigate whether there are misalignments between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new developments to prioritise certain tenures, to bring supply and demand into better alignment.<sup>25</sup>

### 5.2 Definitions

55. 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.<sup>26</sup>
56. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership, but recognises the important role of social, affordable, and private rent tenures for those not currently seeking home ownership.
57. The revisions seek to broaden the definition of AH (which had previously referred only to social and intermediate housing) to include a range of low-cost housing opportunities for those aspiring to own a home, including starter homes.
58. 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,<sup>27</sup> the assumption should be that a 'major housing development' can be defined as a site of 10 dwellings or more, and that affordable home ownership includes starter homes, shared ownership homes, and homes available for discount market sale.

### 5.3 Current tenure profile

59. In order to set a baseline for our examination of tenure, it is necessary to present a picture of the Plan area based on the most recent reliable data. Table 5-1 on the following page presents Census data from 2011; this table shows the distribution of how households occupy their homes within Laxfield, compared to the rest of Mid Suffolk and England.
60. As with the district and England as a whole, the vast majority (68%) of households in Laxfield are owned. This is followed by the social rented category which makes up 16% of households, just slightly higher than Mid Suffolk, and then private rented which accounts for 11%, which is more in proportion with the district.

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<sup>25</sup> PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

<sup>26</sup> NPPF 2019.

<sup>27</sup> PPG 031 Reference ID: 23b-031-20161116, available at <https://www.gov.uk/guidance/planning-obligations>

**Table 5-1: Tenure (households) in Laxfield, 2011**

Tenure	Laxfield	Mid Suffolk	England
Owned; total	68.8%	75.1%	63.3%
Shared ownership	0.7%	0.9%	0.8%
Social rented; total	16.3%	11.3%	17.7%
Private rented; total	11.3%	11.2%	16.8%

Source: Census 2011, AECOM Calculations

61. In Table 5-2, we note the changes in the way households occupied their homes during the intercensal period. The largest change can be seen with private rents, which have increased in Laxfield by nearly a third, although this falls far behind the district and national figures. The only other category which has seen an increase is home ownership, which has grown by 10%, similar to the district. It's also worth noting that shared ownership has increased dramatically in Mid Suffolk, by more than 200%, due to a combination of recent government backing, its affordability for younger buyers, and a low starting figure.

**Table 5-2: Rates of tenure change in Laxfield, 2001-2011**

Tenure	Laxfield	Mid Suffolk	England
Owned; total	9.6%	11.6%	-0.6%
Shared ownership	0.0%	220.6%	30.0%
Social rented; total	0.0%	7.3%	-0.9%
Private rented; total	27.0%	92.5%	82.4%

Source: Censuses 2001 and 2011, AECOM Calculations

## 5.4 Affordability

62. Having reviewed the existing housing stock in Laxfield, we now turn to assessing future provision over the Neighbourhood Plan period.
63. In order to understand whether the tenure profile of the current stock reflects the needs of the population currently and over the Plan period, an important starting point is to consider whether this profile provides different market segments access to dwellings of a suitable type and size, given their household composition.

### 5.4.1 House prices

64. In line with PPG, we have considered evidence of affordability by looking specifically at the relationship between lower quartile house prices and incomes, as expressed in the Lower Quartile Affordability Ratio<sup>28</sup> (LQAR) and the Median Affordability Ratio<sup>29</sup> (MAR). While this is a relatively crude measure of affordability, as it does not take account of the cost of servicing mortgage debt, it is a useful basic measure for benchmarking affordability changes over time. Further, PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.<sup>30</sup>
65. An entry-level dwelling can also be understood as one suitable for a household comprising two or three individuals. In order to be in conformity with Government guidance on overcrowding, such a home would require three habitable rooms (i.e. comprise a flat or house with one or two bedrooms). Entry-level properties can therefore also be understood as one or two-bedroom flats/houses.
66. Figure 5-1 on the following page looks at selected measures of house prices in Laxfield. It shows that there has been significant fluctuations over the past decade, particularly when looking at the average house price. The mean, median and lower quartile saw spikes in the years 2011, 2015 and 2017 and troughs in the preceding years, 2010, 2013 and 2016, in part as a result of the financial recession and uncertainty surrounding the EU referendum. Over recent years (2012-2018) the lower quartile has remained a more constant and reliable figure, in comparison to the mean and

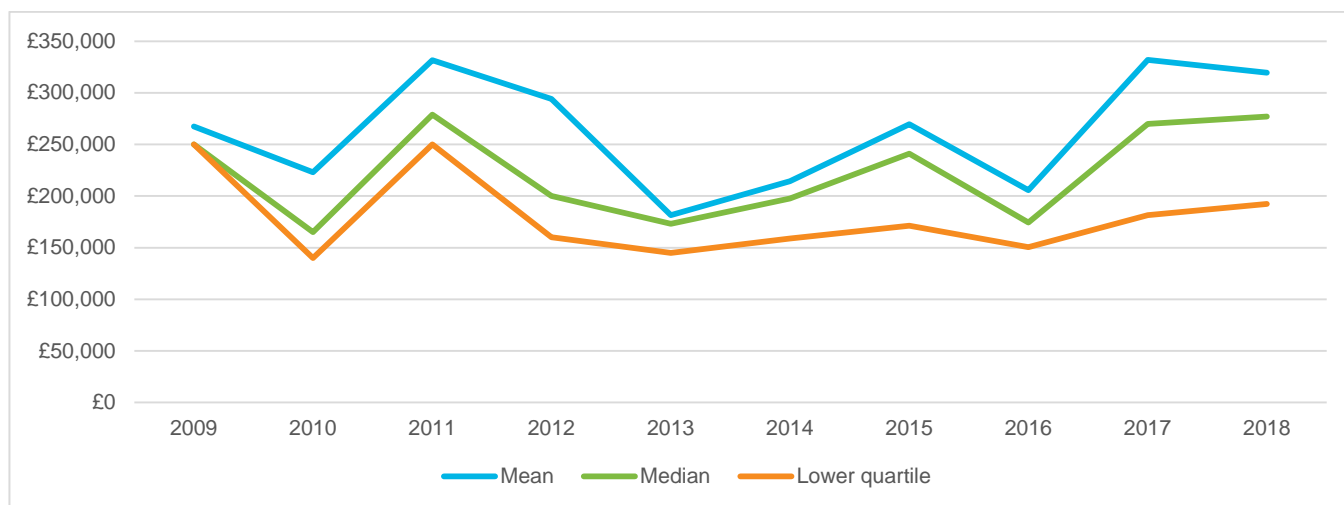
<sup>28</sup> See Glossary in Appendix.

<sup>29</sup> See Glossary in Appendix.

<sup>30</sup> Planning Practice Guidance, Paragraph: 024 Reference ID: 2a-024-20180913, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

median.

**Figure 5-1: House prices in Laxfield between 2008 and 2017**



Source: Land Registry PPD

67. Table 5-3 below breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). Detached properties have seen the largest growth over the past decade, with an increase of 40%, followed by semi-detached and terraced. House prices for detached properties have fluctuated greatly over the decade, with a high of £410,000 in 2012 and then a low of £205,000 the next year, which could be down to a small sample size being used. Flat sales were only recorded in 2016, which is perhaps unsurprising as the housing type is uncommon within a small, parish setting.

**Table 5-3: House prices by type in Laxfield, 2009-2018**

Type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Growth
Detached	£278,722	£275,250	£376,000	£411,143	£205,167	£280,840	£304,731	£213,667	£418,571	£395,475	41.9%
Semi-detached	£165,000	£205,333	£153,000	£178,500	£191,250	£158,500	£155,000	£254,951	£280,250	£212,167	28.6%
Terraced		£145,000	£156,500	£146,787	£121,000	£145,250	£201,190	£141,100	£197,867	£173,833	19.9%
Flats								£162,500			
<b>All Types</b>	<b>£267,350</b>	<b>£223,000</b>	<b>£331,750</b>	<b>£294,011</b>	<b>£181,462</b>	<b>£214,233</b>	<b>£269,603</b>	<b>£205,854</b>	<b>£331,757</b>	<b>£319,547</b>	<b>19.5%</b>

Source: Land Registry PPD

### 5.4.2 Income

68. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for AH products. As such, we have used average household income estimates published by ONS<sup>31</sup> at the Middle-layer Super Output Area (MSOA)<sup>32</sup> as well as data from the SHMA. In the case of Laxfield the MSOA most suitable for use as a proxy for the Plan area boundary is Mid Suffolk 003.

69. The average net annual household income before housing costs (equalised) in the MSOA in 2015/2016 was £35,300, while the lower quartile income for the wider Mid Suffolk area, as presented in the SHMA, was £19,921.<sup>33</sup> The reason

<sup>31</sup> Available at <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/smallareamodelbasedincomeestimates/financialyearending2016>

<sup>32</sup> An MSOA is a statistical area defined for Census purposes. For further information on MSOAs, see <https://www.ons.gov.uk/methodology/geography/ukgeographies/censusgeography>

<sup>33</sup> Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

for using figures for two different geographies is that lower quartile data is not available at the MSOA level, only at district level.

## 5.5 Affordability Thresholds

70. In order to gain a clearer understanding of local affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds'. Purchase Thresholds (PT) denote the standard household income needed to access mortgage products, and Income Thresholds (IT) denote the maximum share of a family's income that should be spent on accommodation costs. The PT is particularly helpful for understanding the affordability of market homes.
71. We have determined thresholds for: market purchase; Private Rented Sector (PRS); shared ownership at 25%, 50%, and 75%; affordable rent set at 80%, and estimated social rent levels across Laxfield. These calculations are detailed in Appendix A. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations. Table 5-4 below shows the annual cost of different tenures and the income required (excluding deposits saved) to support these costs within Laxfield.

**Table 5-4: Affordability thresholds in Laxfield (income required, £)**

Tenure	Cost of purchase	Annual rent	Income required
Entry-level market sale	£173,138	N/A	£49,468
Shared ownership (75%)	£129,853	£4,809	£41,910
Starter homes	£138,510	N/A	£39,574
Entry-level market rent	£86,569	£9,619	£34,353
Shared ownership (50%)	N/A	£7,824	£31,296
Shared ownership (25%)	£43,284	£14,428	£26,795
Affordable rent	N/A	£6,259	£25,037
Social rent - 3 bed dwelling	N/A	£5,426	£21,703
Social rent - 2 bed dwelling	N/A	£4,747	£18,986

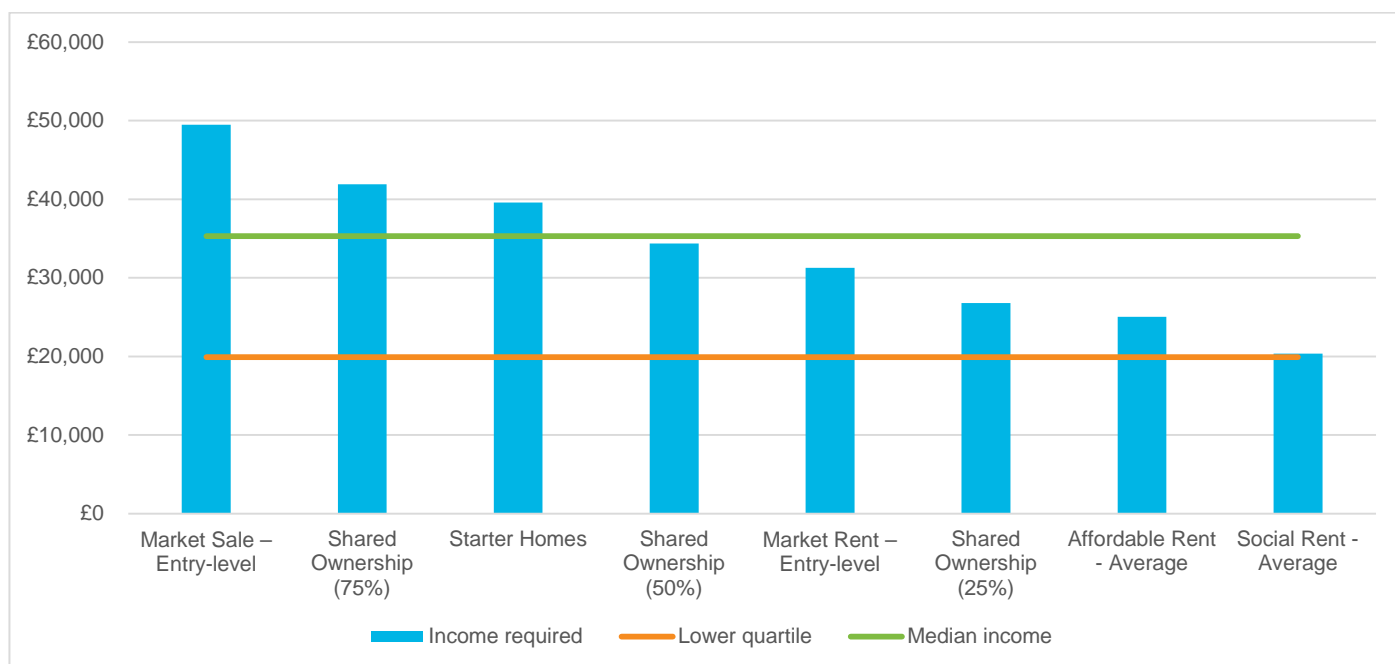
Source: AECOM Calculations

72. The income required to afford the different tenures is then benchmarked against two measurements of household income: firstly the median annual household income before housing costs and secondly the lower quartile household income for the Plan area set out above. These are £35,300 and £19,921 respectively.<sup>34</sup>
73. Taking into consideration the affordability thresholds set out above, it is apparent that the income required to buy an entry-level market home for sale (i.e. the PT) is insufficient for those on median and lower quartile household incomes.
74. Government policy aimed at tackling the housing crisis continues to focus on helping those on lower quartile incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership.<sup>35</sup> In the case of Laxfield, the table above suggests that the most appropriate tenures to help implement this policy goal locally are shared ownership at 25% and 50%. However starter homes and shared ownership at 75% lie above even the median household income.
75. Moving onto the renting market, income required for entry-level market rents is just sufficient for people on a median income but not those on a lower quartile income.
76. Income for affordable renting can be considered sufficient for those on a median income, but not for those on a lower quartile income.
77. Social rent, however, is accessible to those on lower quartile incomes depending on the size of dwelling needed.

<sup>34</sup> Available at <https://www.babergh.gov.uk/assets/Strategic-Planning/Current-Evidence-Base/SHMA-Pt2-Sept-2017-2.pdf>

<sup>35</sup> See the White Paper 'Fixing Our Broken Housing Market', at [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/590464/Fixing\\_our\\_broken\\_housing\\_market\\_-\\_print\\_ready\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf)

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



Source: AECOM Calculations

### 5.5.1 The tenure split

78. The Ipswich SHMA, which Mid Suffolk falls under, suggests that home ownership should account for 66% of new dwellings (split between 60% owner occupied and 6% shared ownership) and affordable rented housing account for 34% of new dwellings (split between 19% private rent and 15% social rent). Of the tenures falling into the category of AH (shared ownership and social rent), the proportions put forward by the SHMA are as follows: roughly 30% affordable routes to home ownership and roughly 70% social and affordable rent.

**Figure 5-3: Mid Suffolk housing need by tenure**

Tenure	Current tenure profile (2014)	Tenure profile 2036	Change required	% of change required
Owner-occupied	131,063	153,614	22,552	60.3%
Private rent	32,685	39,967	7,282	19.5%
Shared Ownership	907	3,019	2,112	5.7%
Social Rent/Affordable Rent	28,810	34,230	5,420	14.5%
<b>Total</b>	<b>193,465</b>	<b>230,830</b>	<b>37,365</b>	<b>100.0%</b>

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

79. Adopted local policy indicates that 35% of new housing in Mid Suffolk should be AH. Therefore, of the 27 dwellings that AECOM calculations indicate should be provided in Laxfield over the Neighbourhood Plan period, at least 9 should be AH. Because the majority of the tenures we have considered are unaffordable to those on lower quartile and median incomes, this policy should be adhered to wherever possible to maximise the provision of genuinely affordable homes.



80. In terms of the tenure split within Affordable housing, we propose following the overall split put forward by the SHMA, which prioritises the provision of homes for social and affordable rent. Within the overall split of 70% social and affordable rent, and 30% affordable routes to ownership, based on the analysis of housing costs presented here, the following approximate detailed split is recommended:

**Table 5-5: Recommended tenure split (Affordable Housing)**

<b>Routes to home ownership, of which</b>	<b>30%</b>
Starter Homes	10%
Shared Ownership (ideally at 25%)	20%
<b>Affordable Housing for rent, of which</b>	<b>70%</b>
Social Rent	50%
Affordable Rent	20%

Source: AECOM calculations

## 5.6 Conclusions- Tenure and Affordability

81. In terms of Laxfield's current tenure profile, the current Census data shows that a high proportion of the parish are homeowners, in line with the district and national figures. Over the intercensal period, this has increased somewhat which initially suggests home ownership might continue to be the preferred option for those able to afford it. In comparison, other types of tenure, such as private and social renting currently only represent a small proportion of Laxfield's housing stock.
82. Data on tenure change rates indicates that many people are turning to the private rental sector in Laxfield, a trend mirrored by England as a whole. This is largely down to home ownership becoming an increasingly less viable option.
83. According to our affordability analysis, the median annual household income (£35,300) is insufficient to occupy most tenures, unless households choose to devote a higher proportion of their income to housing costs.
84. A solution in that case, may be to offer a more diverse range of tenures in Laxfield, moving away from market sale and towards more viable options such as shared ownership or affordable rent. Delivering greater quantities or smaller sizes of house could also help to increase the number of dwellings accessible to those on lower incomes. Achieving the 35% AH figure from the Local Plan, should be a priority for all new developments, as well as the 10% affordable routes to home ownership target set out by the NPPF.
85. In terms of the tenure split of Affordable Housing, it is important to note the affordability pressures that exist among households with below average incomes in Laxfield, which are clear from our affordability analysis and have been flagged by the community. For this reason, we recommend that AH provision should focus on dwellings for Social and Affordable Rent, with Social Rent forming the majority. Of the affordable routes to home ownership to be provided, shared ownership at a 25% share will best cater to the needs of local people.
86. Having said this, such policies should in practice be flexibly applied given the need for viability. This question is particularly pertinent in rural locations where small in-fill schemes predominate. For these schemes, providers sometimes reject Social Rented stock due to relatively high maintenance costs, seeking to vary the tenure to Affordable Rent or shared ownership. As we have seen, both of these tenures may potentially provide viable options for Laxfield households, and should be prioritized above market housing for rent and sale.

## 6. RQ 3: Type and Size

**RQ 3: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?**

### 6.1 Introduction

88. The Laxfield Neighbourhood Plan will need to include policies informed by robust data on what sizes and types of housing would be best suited to the local community. This will help ensure that future developments give local people at all stages of life the options they require, while keeping the market operating efficiently.
89. PPG recommends a consideration of the existing housing provision and its suitability, having regard to demographic shifts in age and household composition, to address future, as well as current community need. For this reason, we firstly consider the type and size of the existing housing stock in Laxfield. Demographic shifts in age and household composition will then be considered. Finally, the future demand for housing by size and type will be determined by the way different household types currently occupy their dwellings in the LPA, and then applying to that baseline assessment demographic projections of how the Plan area population is likely to change by the end of the Neighbourhood Plan period.

### 6.2 Existing types and sizes

90. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth, income, and age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.
91. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require, and thus would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture than demographics, household type and size would suggest for future years.
92. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' should thus be translated as follows<sup>36</sup>:
  - 1 room = bedsit
  - 2 rooms = flat/house with one bedroom and a reception room/kitchen
  - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
  - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
  - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
  - 6 rooms = house with 2 bedrooms and 2 reception rooms and a kitchen, or 3 bedrooms and one reception room and a kitchen
  - 7+ rooms = house with 3, 4 or more bedrooms
93. It is also useful to clarify the Census terminology around dwellings and household spaces. These can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained.<sup>37</sup> As such, all dwellings are classified into either "shared" or "unshared" dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.
94. 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

<sup>36</sup> At <https://www.nomisweb.co.uk/census/2011/qs407ew>

<sup>37</sup> At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

address who share cooking facilities and share a living room or sitting room or dining area.”<sup>38</sup> On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

### 6.2.1 Dwelling type

95. The 2011 Census shows that there were 416 households in Laxfield, living in 204 detached houses, 125 semi-detached, 59 terraced houses, and 28 flats. Compared with the LPA, Laxfield is characterised by a similar dwelling type breakdown, with slightly more detached and terraced homes, but slightly fewer semi-detached houses. Laxfield has more than double the percentage of detached houses, and its percentage of flats is less than a third of the national average (see Table 6-1 below).

**Table 6-1: Accommodation type (households), Laxfield 2011**

Dwelling type		Laxfield	Mid Suffolk	England
Whole house or bungalow	Detached	49.0%	47.5%	22.4%
	Semi-detached	29.8%	32.6%	31.2%
	Terraced	14.2%	13.7%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	5.0%	4.2%	16.4%
	Parts of a converted or shared house	1.3%	0.8%	3.8%
	In commercial building	0.2%	0.5%	1.0%

Source: ONS 2011, AECOM Calculations

### 6.2.2 Dwelling size

96. 2 below sets out the distribution of the number of rooms by household space.
97. Rooms per household is the most accurate proxy for size of dwelling for which data is available. The housing stock in Laxfield and Mid Suffolk are similarly characterised by generally large dwellings, with high percentages of homes over four rooms. There are no studio flats in Laxfield, but a high number of three-room dwellings compared with Mid Suffolk, and correspondingly lower proportions of four- to seven-room dwellings.

**Table 6-2: Number of rooms per household in Laxfield, 2011**

Number of Rooms	2011	2011
	Laxfield	Mid Suffolk
1 Room	0.0%	0.1%
2 Rooms	1.4%	1.1%
3 Rooms	9.6%	5.2%
4 Rooms	13.7%	15.6%
5 Rooms	23.8%	22.2%
6 Rooms	13.7%	18.7%
7 Rooms	12.0%	12.6%
8 Rooms or more	10.6%	10.4%
9 Rooms or more	15.1%	14.0%

Source: ONS 2011, AECOM Calculations

98. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. The table below shows the distribution of housing stock in Laxfield has experienced relatively significant

<sup>38</sup> Ibid.

change over the period, with particularly high growth in eight or more room dwellings, and a significant decrease in two and four-room dwellings.

99. The evolution of Laxfield's dwelling mix in terms of size also diverges strongly from trends observed for the wider geographies of Mid Suffolk and England. Most notable are Laxfield's persistent lack of one and two room dwellings, compared with uneven but in some cases strong growth in the comparator geographies, and Laxfield's high increase in dwellings of eight or more rooms compared with a moderately lower increase in Mid Suffolk and England.
100. It is important to note that there were significant losses in regard to two- and four-room dwellings, despite growth in these categories across Mid Suffolk and England. The sharp decline of dwellings of less than four rooms may be due to the demolition, extension or replacement of smaller housing units, and a very limited supply of new flats.

**Table 6-3: Rates of change in number of rooms per household in Laxfield, 2001-2011**

Number of Rooms	Laxfield	Mid Suffolk	England
1 Room	0.0%	-23.3%	-5.2%
2 Rooms	-25.0%	29.7%	24.2%
3 Rooms	5.3%	13.8%	20.4%
4 Rooms	-28.8%	0.2%	3.5%
5 Rooms	10.0%	1.6%	-1.8%
6 Rooms	-5.0%	13.4%	2.1%
7 Rooms	13.6%	25.1%	17.9%
8 Rooms or more	46.6%	34.1%	29.8%

Source: ONS 2001-2011, AECOM Calculations

101. Returning to the most recent Census data, it is also useful to compare the figures for number of rooms with figures for the number of bedrooms for each household. 4 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. This data shows that Laxfield is in line with the averages of Mid Suffolk and England in terms of the majority of dwellings having two or three bedrooms, but it has relatively high percentages of five or more bedroom homes.

**Table 6-4: Number of bedrooms in household spaces in Laxfield, 2011**

Bedrooms	Laxfield		Mid Suffolk		England	
<b>All categories: no. of bedrooms</b>	416	100.0%	40,306	100.0%	22,063,368	100.0%
No. bedrooms	1	0.2%	42	0.1%	54,938	0.2%
1 bedroom	46	11.1%	2,419	6.0%	2,593,893	11.8%
2 bedrooms	106	25.5%	10,093	25.0%	6,145,083	27.9%
3 bedrooms	164	39.4%	16,298	40.4%	9,088,213	41.2%
4 bedrooms	60	14.4%	8,547	21.2%	3,166,531	14.4%
5 or more bedrooms	39	9.4%	2,907	7.2%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

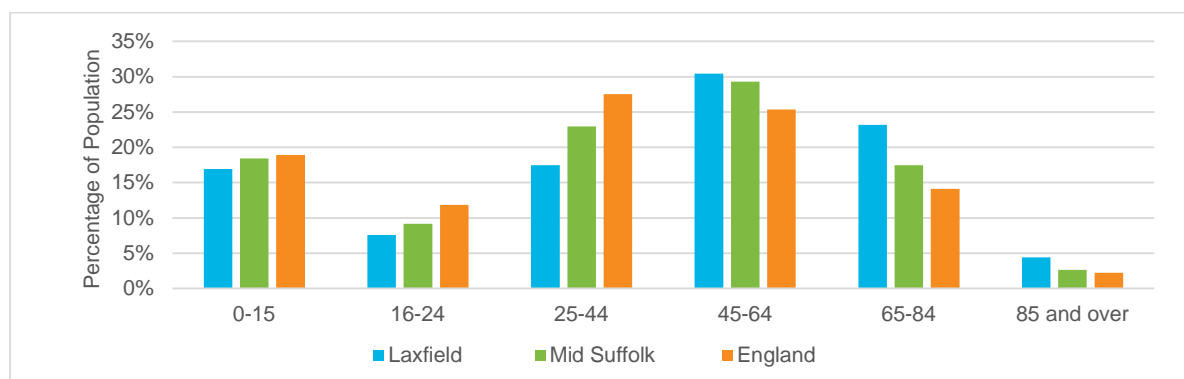
### 6.3 Household composition and age structure

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

### 6.3.1 Age structure

103. The 2011 Census data reveals that Laxfield has a high percentage of people over the age of 45, compared with Mid Suffolk and England (see Figure 6-1 below). With an aging population, Laxfield is likely to require smaller dwellings better suited to older couples and single persons, running contrary to the recent building patterns in the Parish.
104. Laxfield has low rates of young people aged 44 and under, as compared with the national averages. Although Laxfield's demographics usually run congruent with that of Mid Suffolk, there are far less people aged between 25-44 in the area and higher numbers of those aged 65-84. It also illustrates the significant jump that can be expected in the over 65 population as Laxfield's large 45-64 age cohort ages over the Plan period.

**Figure 6-1: Age structure in Laxfield, 2011**



Source: ONS 2011, AECOM Calculations

105. In terms of the changing age structure of the Plan area population, Census data shows that since 2001, Laxfield's population continues to grow for those who are over 45, and shrink significantly for those 25-44 (see 5 below).
106. Laxfield's patterns of population growth are similar to those of Mid Suffolk, with the exception of the under 44 age brackets. Laxfield and Mid Suffolk have similarly high rates of older people compared with the national average, but Laxfield saw a sharp decline in those aged 25-44 and 0-15 in comparison with wider geographies.
107. The total rate of change in the three population brackets under 44 years is a 14% decline, compared with 12% growth in Mid Suffolk. While Laxfield is ageing at a similar rate to Mid Suffolk, its main demographic challenge is this significant contraction in the replacement younger population.
108. With regard to housing, this could indicate that there is an insufficient supply of dwellings appropriate to young and newly forming households and that this shortfall should be urgently addressed. Alternatively, it could indicate that younger age groups move away for other reasons and the stock of housing should be rebalanced to suit the growing retirement-age cohort. A neighbourhood household survey could help to clarify the primary reason for this shift, but there is also an opportunity to supply dwellings that would be appropriate to the needs and financial capabilities of both young households and downsizing households, such as two- and three-bedroom homes.

**Table 6-5: Rate of change in the age structure of Laxfield population, 2001-2011**

Age group	Laxfield	Mid Suffolk	England
0-15	-5.5%	3.9%	1.2%
16-24	21.1%	13.9%	17.2%
25-44	-29.6%	-5.7%	1.4%
45-64	26.5%	22.7%	15.2%
65-84	23.4%	26.5%	9.1%
85 and over	29.0%	35.7%	23.7%

Source: ONS 2001-2011, AECOM Calculations

### 6.3.2 Household composition

109. Household composition is a critical factor in driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.
110. In assessing Census data on household composition, we see that Laxfield differs from the LPA in that there are greater numbers of one person households aged 65 and over, resulting in greater overall ratio of one person households in the area. There is a higher proportion of one family households aged 65 and over, and a lower proportion with no children, or dependent children (Table 6-6).

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

Household composition		Laxfield	Mid Suffolk	England
<b>One person household</b>	<b>Total</b>	31.5%	25.4%	30.2%
	Aged 65 and over	20.4%	12.9%	12.4%
	Other	11.1%	12.4%	17.9%
<b>One family only</b>	<b>Total</b>	65.1%	70.6%	61.8%
	All aged 65 and over	15.4%	11.6%	8.1%
	With no children	19.2%	23.3%	17.6%
	With dependent children	21.9%	26.6%	26.5%
	All children Non-Dependent	8.7%	9.1%	9.6%
<b>Other household types</b>	<b>Total</b>	3.4%	4.1%	8.0%

Source: ONS 2011, AECOM Calculations

111. Again, it is relevant to consider rates of change in this indicator during the period between Censuses. Between 2001 and 2011, the main changes in household composition were a sharp decline in one person households under the age of 65, growth in one family households over 65 (see Table 6-7 on the following page).
112. The proportion of one family households grew in Laxfield as compared to Mid Suffolk and wider England, with the largest increase being in those aged 65 and over. One person households shrunk by 11.5% as compared to 28% growth in the LPA.
113. Notably, other household types declined by 56%, as compared to 24% growth in the LPA. This may be due to the rising frequency of house sharing and student living across the country and especially in cities – a trend that is not frequently seen in rural areas.
114. Seen in the context of Laxfield's comparatively large stock of dwellings, these trends towards single occupancy, older households and fewer families with dependent children may warrant a Neighbourhood Plan policy intervention to restrict the future supply of larger dwellings to some extent. However, it may also be the case that the declining number of families in Laxfield is a function of the limited number of dwellings that are both appropriately-sized and affordable to younger families, so it may be beneficial also to encourage the provision of mid-sized housing suitable for this demand segment. The forthcoming analysis will help to clarify housing need with regard to the life stages of Laxfield's household groups.

**Table 6-7: Rates of change in household composition, Laxfield, 2001-2011**

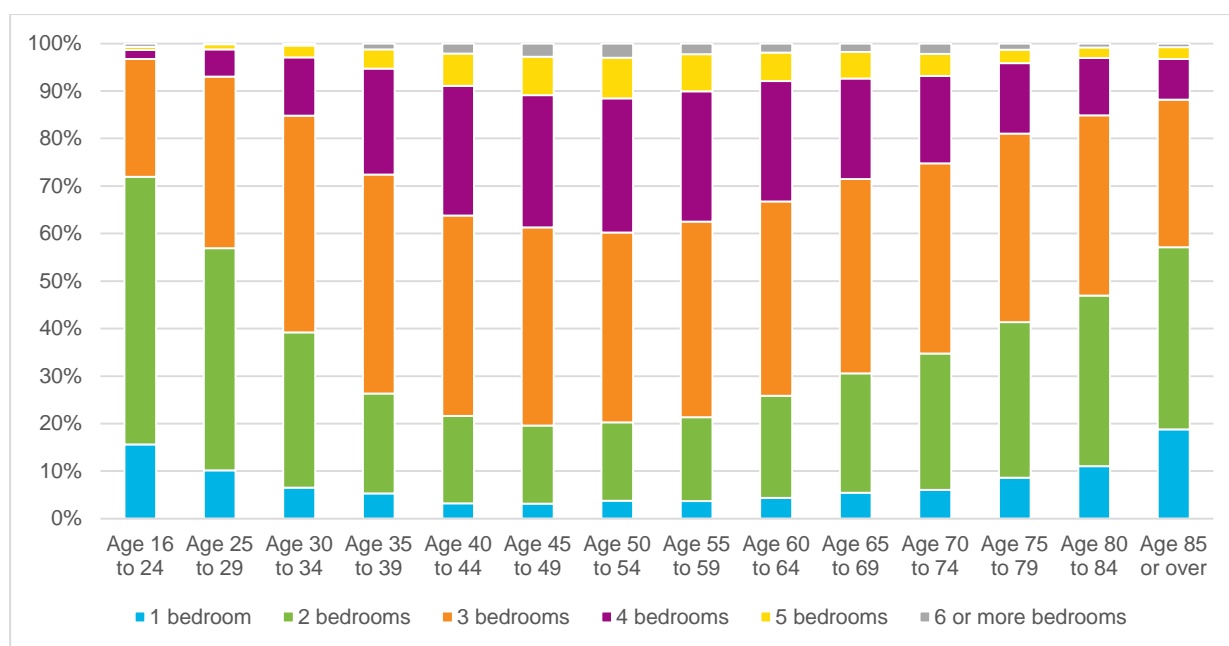
Household type		Percentage change, 2001-2011		
		Laxfield	Mid Suffolk	England
<b>One person household</b>	<b>Total</b>	0.8%	17.1%	8.4%
	Aged 65 and over	9.0%	8.2%	-7.3%
	Other	-11.5%	28.1%	22.7%
<b>One family only</b>	<b>Total</b>	16.3%	12.2%	5.4%
	All aged 65 and over	28.0%	12.9%	-2.0%
	With no children	19.4%	17.1%	7.1%
	With dependent children	1.1%	6.8%	5.0%
	All children non-dependent	38.5%	16.0%	10.6%
<b>Other household types</b>	<b>Total</b>	-56.3%	24.3%	28.9%

Source: ONS 2001-2011, AECOM Calculations

## 6.4 Dwelling mix determined by life-stage modelling

115. Recognising the fact that households of different ages have different housing needs, to estimate the housing mix needed by the end of the Plan period we adopt an approach based on the reasonable assumption that current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in single person households aged over 65 will lead to an increase in the need for the type of housing currently occupied by single person households of that age.
116. However, no data on housing size occupation by age of the HRP is available at neighbourhood level. For this reason, district-level data needs to be used as the closest proxy.
117. Figure 6-2 on the following page sets out the relationship in the 2011 Census at LPA level between the age of the Household Reference Person (HRP- a more modern term for 'head of household') and the size of dwelling occupied. This provides the starting point for determining the most appropriate dwelling size mix by the end of the Neighbourhood Plan period. The data shows that while a majority of Mid Suffolk households under the of 30 live in one- or two-bedroom dwellings, the proportion of households occupying these smaller dwellings declines steeply as households age, before gradually increasing from the age of 60-64, until they are again occupied by a majority of households only from the age of 85 onwards.
118. Three-bedroom dwellings are the most common dwelling size for 10 of the 14 age bands considered here. The occupation of dwellings with four or more bedrooms follows a similar curve to that of two-bedroom dwellings, but peaks at the age of 50-54, while the occupation of one-bedroom dwellings is consistently low, in accordance with the fact that only 6% of dwellings in Mid Suffolk contain only one bedroom.

Figure 6-2: Age of household reference person by dwelling size in Mid Suffolk, 2011



Source: ONS 2011, AECOM Calculations

119. Firstly, we use household projections provided by MHCLG to achieve an understanding of the future distribution of households by the age of the HRP. Again, this data is only available at the LPA level and for the years 2014 and 2039. Therefore, we have estimated what the distribution of households by the age of the HRP would be in 2036, i.e. the end of the Neighbourhood Plan period (red in the table). The data is presented in Table 6-8 below.

Table 6-8: Projected distribution of households by age of HRP, Mid Suffolk

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	732	3,859	15,094	8,003	12,618
2014	773	4,014	14,597	7,669	14,881
2036	664	3,598	13,612	7,765	24,804
2039	649	3,542	13,478	7,778	26,158

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

120. At this point, it is then necessary to extrapolate from this LPA-level data an estimate of the corresponding change in the age structure of the population in Laxfield. To do so, the percentage of increase expected for each group across Mid Suffolk, derived from the data presented above was mapped onto the population of Laxfield. The results of this calculation are detailed in Table 6-9 below:

Table 6-9: Projected distribution of households by age of HRP, Laxfield

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	4	25	129	84	174
2014	4	26	125	80	205
2036	4	23	116	81	342

Source: AECOM Calculations

121. Next, in Table 6-10 on the following page, we present the distribution of dwellings of different sizes currently occupied by HRPs at LPA level at different age brackets.



**Table 6-10: Age of household reference person to size, grouped, Mid Suffolk**

Size	Age of HRP 16 to 24	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
1 bedroom	15.6%	8.1%	3.8%	4.1%	9.0%
2 bedrooms	56.4%	38.7%	17.8%	19.7%	31.1%
3 bedrooms	24.8%	41.5%	42.2%	41.0%	38.6%
4 bedrooms	1.9%	9.5%	26.7%	26.3%	16.0%
5+ bedrooms	1.4%	2.2%	9.5%	8.9%	5.3%

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

122. Finally, having established the preference shown by households at different life-stages towards dwellings of different sizes, and the approximate number of households in Mid Suffolk and Laxfield falling into each of these stages by the end of the Plan period in 2036, it is now possible to recommend how the housing stock should evolve in terms of size over the Plan period to overcome existing or future misalignments between supply and demand (Table 6-11 below).

**Table 6-11: Ideal dwelling size distribution in Laxfield by the end of the Plan period, based on modelled household life-stages**

Size	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total households requiring dwelling sizes
Pop. 2036	4	23	116	81	342	-
1 bedroom	1	2	4	3	31	41
2 bedrooms	2	9	21	16	106	154
3 bedrooms	1	10	49	33	132	225
4 bedrooms	0	2	31	21	55	110
5+ bedrooms	0	1	11	7	18	37

Source: Census 2011, AECOM Calculations

123. It is now possible to compare the 2011 housing mix in terms of size with the projected requirement based on the estimates set out in Table 6-11 above modelling the change in the age structure of the population in Laxfield.
124. Table 6-12 below indicates that, by 2036 the size distribution of dwellings should be relatively similar to what presently exists, with a moderate increase in four-bedroom units required, and lower proportions of one- and five- or more bedroom units needed. Although the increase in four-bedroom properties is primarily driven by the preferences of the fast-growing 65 and over age cohort, it is also a key requirement of the family-aged 35-54 cohort who, our demographic analysis suggests, are currently struggling to access housing suitable to their needs.

**Table 6-12: 2011 housing sizes compared to ideal distribution at end of Plan period, Laxfield**

Number of bedrooms	2011		2036	
1 bedroom	46	11.1%	41	7.2%
2 bedrooms	106	25.5%	154	27.2%
3 bedrooms	164	39.4%	225	39.7%
4 bedrooms	60	14.4%	110	19.4%
5 or more bedrooms	39	9.4%	37	6.5%
Total households	416	100.0%	567	100.0%

Source: Census 2011, AECOM Calculations

125. Table 6-13 below sets out the estimated misalignment between future demand for housing, based on the modelled preferences of households at different life-stages, and the current stock available in the NA.

126. The most significant misalignments are shown to be the current undersupply of two- and three- and four-bedroom dwellings.
127. In light of the national and local housing shortage, it is rarely advisable to remove dwellings from the available stock, as would otherwise be suggested here for dwellings with one or five or more bedrooms, we have 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.

**Table 6-13: Future potential misalignments of supply and demand for housing, Laxfield**

Number of bedrooms	2011	2036	Change to housing mix	Recommended split
1 bedroom	46	41	-5	0.0%
2 bedrooms	106	154	48	30.3%
3 bedrooms	164	225	61	38.4%
4 bedrooms	60	110	50	31.3%
5 or more bedrooms	39	37	-2	0.0%

Source: AECOM Calculations

128. The result of the life-stage modelling exercise, therefore, is that to minimise misalignments between supply and demand, 0% of dwellings in new developments should have 1 bedroom, 30% should have two bedrooms, 38% should have three bedrooms, 31% should have four bedrooms and 0% should be of 5 or more bedrooms.
129. Because the 3026 dwelling totals used above are based on a dataset that does not accurately reflect the projected need for housing in Laxfield specifically, the appropriate final step in the calculation is to apply the recommended split of new dwellings by size to the number of dwellings required over the remainder of the Plan period as presented in the Quantity section: 27 dwellings. This is given in Table 6-14 below.

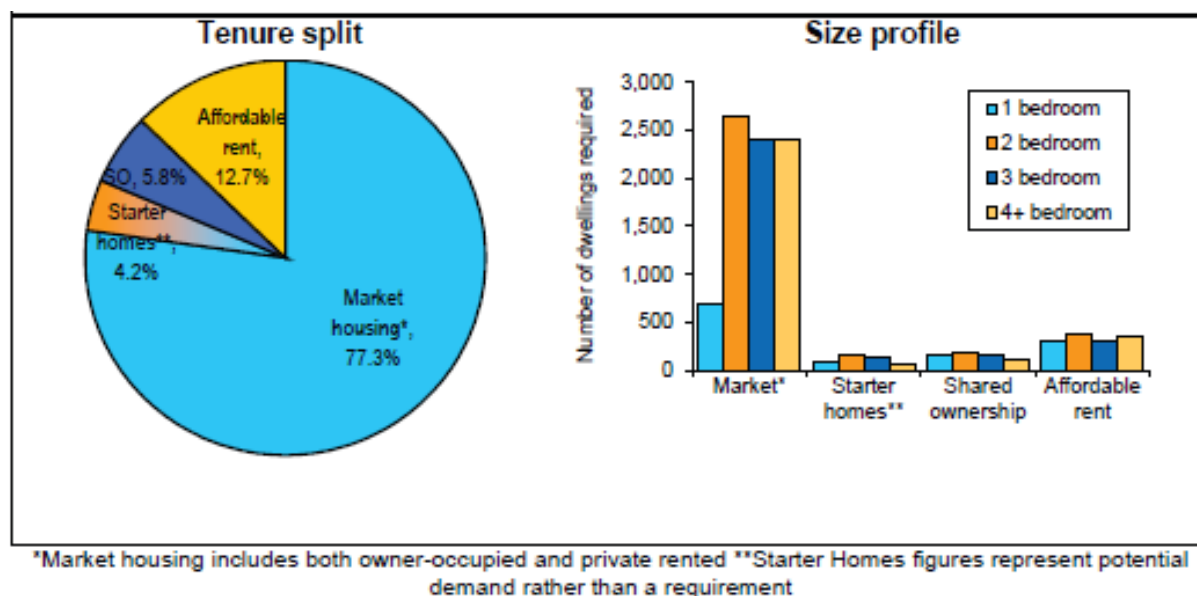
**Table 6-2: Dwelling mix needed for new housing over the remainder of the Plan period**

Number of bedrooms	Recommended split	Additional dwellings required 2018-2036
1-bed	0.0%	0
2-bed	30.3%	8
3-bed	38.4%	10
4-bed	31.3%	9
5+ bed	0.0%	0

Source: AECOM Calculations

130. Finally, it is important to note that this conclusion is in general alignment with the recommended dwelling mix by size put forward for Mid Suffolk in the SHMA. The future dwelling mix presented on the following page also finds little projected need for further one-bedroom dwellings, and a broadly similar proportion of two-, three- and four- or more dwellings are needed at the district level.

Figure 6-3: 2014 SHMA Requirement for all new housing in Mid Suffolk over the plan period



Source: Strategic Housing Market Assessment 2017

## 6.5 Conclusions- type and size

131. Laxfield's stock of existing housing is made up of a similar dwelling type breakdown as that of Mid Suffolk, with slightly more detached and terraced homes, but slightly fewer semi-detached houses. The parish has twice the proportion of detached houses and less than a third the proportion of flats as compared with the national average. The housing stocks of Laxfield and Mid Suffolk are similarly characterised by generally large dwellings, with high percentages of homes over four rooms. There has been a significant rise in the number of large homes of eight or more rooms, and a significant decrease in two and four-room dwellings in Laxfield.
132. The evolution of Laxfield's dwelling mix in terms of size over the intercensal period also diverges strongly from trends observed for the wider geographies of Mid Suffolk and England. Most notable are Laxfield's persistent lack of one and two room dwellings, compared with uneven but in some cases strong growth in the comparator geographies, and Laxfield's high increase in dwellings of eight or more rooms compared with a moderately lower increase in Mid Suffolk and England.
133. The age profile of Laxfield's population is generally older than Mid Suffolk and England. There is a significantly higher number of people over the age of 65 in the area, and its main demographic challenge is this significant contraction in the replacement younger population.
134. With regard to housing, this could indicate that there is an insufficient supply of dwellings appropriate to young and newly forming households and that this shortfall should be urgently addressed. Alternatively, it could indicate that younger age groups move away for other reasons and the stock of housing should be rebalanced to suit the growing retirement-age cohort. A neighbourhood household survey could help to clarify the primary reason for this shift, but there is also an opportunity to supply dwellings that would be appropriate to the needs and financial capabilities of both young households and downsizing households, such as two- and three-bedroom homes.
135. Much of the new housing delivered in Laxfield between 2001 and 2011 had more than five rooms. While the provision of larger homes may be suitable for families, this pattern of supply potentially misses an opportunity to accommodate young families with no or few children (who may make up a declining share of households in the parish as a result of the lack of suitable housing), and the fast-growing population of older people who may be seeking downsizing options.
136. Seen in the context of this pattern of supply and Laxfield's comparatively large stock of dwellings overall, its recent trends towards single occupancy, older households and fewer families with dependent children (all of which can reasonably be expected to persist in future) may warrant a Neighbourhood Plan policy intervention to restrict the future supply of very large dwellings to some extent.

137. Laxfield's demographic profile in 2037 is expected to be dominated by households aged 65 and over and those aged 35 to 54. Three-bedroom homes are particularly popular among both these dominant age bands, with the 35 to 59 group also likely to occupy larger dwellings and the 65 and over group expressing a strong preference for two-bedroom homes.
138. Given the fact that Laxfield's current dwelling stock is made up of larger dwellings compared with Mid Suffolk, and that the parish's ageing population is likely increasingly to favour smaller dwellings, it is logical that the recommended dwelling mix for new development over Plan period should be focused on the provision of two-bedroom (30%), three-bedroom (38%) and four bedroom homes (31%) suitable to downsizers and young families, at the expense of much larger homes.
139. In terms of the types of dwellings required, some unmet demand for generally more affordable dwelling types, such as terraced homes, should be addressed. The size recommendation for two- and three-bedroom homes would help to achieve this. It is also advisable to promote the delivery of bungalows in order to meet the needs of the ageing population and to reflect the fact that other smaller dwelling types, such as apartments, may not in practice be popular market propositions in a rural parish like Laxfield.

## 7. Conclusion

### 7.1 Overview

140. Table 7-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

**Table 7-1: Summary of study findings specific to Laxfield with a potential impact on Neighbourhood Plan housing policies**

Issue	Conclusions and recommendations
Quantity of housing to plan for	<p>Based on the evidence presented, the indicative figure calculated by this HNA, which seeks to align with the NPPF advice, recommends an <b>overall HNF of 27 dwellings, which equates to 2 dwellings per year, between 2014 and 2036.</b></p> <p>However, Mid Suffolk has indicated to the Parish Council and AECOM that a final Housing Requirement Figure for Laxfield will emerge alongside the next iteration of the JLP, which is scheduled for Summer 2019. At the time this is provided, it can be considered to supersede the provisional calculation within this study. Consequently, there is a need for the neighbourhood group to continue to engage with the LPA to agree the need figure for the Neighbourhood Plan.</p> <p>The forthcoming housing figure from Mid Suffolk will not only carry more weight in planning terms as it will be provided by the LPA rather than AECOM, but also it will be derived from the Government's Standard Methodology, thus superseding the method employed by the Core Strategy Focussed Review.</p> <p>Note, however, that the quantity to plan for is (at least theoretically) likely to change annually as the Government publish new affordability data each year, and new household projections approximately every two years. This could impact on the number of homes required in Mid Suffolk and, by extension, any indicative housing requirement figure provided by MSDC for neighbourhood areas.</p>

Issue	Conclusions and recommendations
<p>Housing tenure and affordability</p>	<p>In terms of Laxfield’s current tenure profile, the current Census data shows that a high proportion of the parish are homeowners, in line with the district and national figures. Over the intercensal period, this has increased somewhat which initially suggests home ownership might continue to be the preferred option for those able to afford it. In comparison, other types of tenure, such as private and social renting currently only represent a small proportion of Laxfield’s housing stock.</p> <p>Data on tenure change rates indicates that many people are turning to the private rental sector in Laxfield, a trend mirrored by England as a whole. This is largely down to home ownership becoming an increasingly less viable option.</p> <p>According to our affordability analysis, the median annual household income (£35,300) is insufficient to occupy most tenures, unless households choose to devote a higher proportion of their income to housing costs.</p> <p>A solution in that case, may be to offer a more diverse range of tenures in Laxfield, moving away from market sale and towards more viable options such as shared ownership or affordable rent. Delivering greater quantities or smaller sizes of house could also help to increase the number of dwellings accessible to those on lower incomes. Achieving the 35% AH figure from the Local Plan, should be a priority for all new developments, as well as the 10% affordable routes to home ownership target set out by the NPPF.</p> <p>In terms of the tenure split of Affordable Housing, it is important to note the affordability pressures that exist among households with below average incomes in Laxfield, which are clear from our affordability analysis and have been flagged by the community. For this reason, we recommend that AH provision should focus on dwellings for Social and Affordable Rent, with Social Rent forming the majority. Of the affordable routes to home ownership to be provided, shared ownership at a 25% share will best cater to the needs of local people.</p> <p>Having said this, such policies should in practice be flexibly applied given the need for viability. This question is particularly pertinent in rural locations where small in-fill schemes predominate. For these schemes, providers sometimes reject Social Rented stock due to relatively high maintenance costs, seeking to vary the tenure to Affordable Rent or shared ownership. As we have seen, both of these tenures may potentially provide viable options for Laxfield households, and should be prioritized above market housing for rent and sale.</p>

Issue	Conclusions and recommendations
<p>Housing type and size</p>	<p>Laxfield has slightly more detached and terraced homes, but slightly fewer semi-detached houses than the local and national averages. The housing stocks of Laxfield and Mid Suffolk are similarly characterised by generally large dwellings, with high percentages of homes over four rooms. There has been a significant rise in the number of large homes of eight or more rooms, and a significant decrease in two and four-room dwellings in Laxfield.</p> <p>The evolution of Laxfield's dwelling mix in terms of size over the intercensal period also diverges strongly from trends observed for the wider geographies of Mid Suffolk and England. Most notable are Laxfield's persistent lack of one and two room dwellings, compared with uneven but in some cases strong growth in the comparator geographies, and Laxfield's high increase in dwellings of eight or more rooms compared with a moderately lower increase in Mid Suffolk and England.</p> <p>Laxfield's population is generally older than that of Mid Suffolk and England. There is a significantly higher number of people over the age of 65 in the area, and its main demographic challenge is this significant contraction in the replacement younger population.</p> <p>With regard to housing, this could indicate that there is an insufficient supply of dwellings appropriate to young and newly forming households and that this shortfall should be urgently addressed. Alternatively, it could indicate that younger age groups move away for other reasons and the stock of housing should be rebalanced to suit the growing retirement-age cohort. A neighbourhood household survey could help to clarify the primary reason for this shift, but there is also an opportunity to supply dwellings that would be appropriate to the needs and financial capabilities of both young households and downsizing households, such as two- and three-bedroom homes.</p> <p>Much of the new housing delivered in Laxfield between 2001 and 2011 had more than five rooms. While the provision of larger homes may be suitable for families, this pattern of supply potentially misses an opportunity to accommodate young families with no or few children (who may make up a declining share of households in the parish as a result of the lack of suitable housing), and the fast-growing population of older people who may be seeking downsizing options.</p> <p>Seen in the context of this pattern of supply and Laxfield's comparatively large stock of dwellings overall, its recent trends towards single occupancy, older households and fewer families with dependent children (all of which can reasonably be expected to persist in future) may warrant a Neighbourhood Plan policy intervention to restrict the future supply of very large dwellings to some extent.</p> <p>Laxfield's demographic profile in 2037 is expected to be dominated by households aged 65 and over and those aged 35 to 54. Three-bedroom homes are particularly popular among both these dominant age bands, with the 35 to 59 group also likely to occupy larger dwellings and the 65 and over group expressing a strong preference for two-bedroom homes.</p> <p>Given the fact that Laxfield's current dwelling stock is made up of larger dwellings compared with Mid Suffolk, and that the parish's ageing population is likely increasingly to favour smaller dwellings, the recommended dwelling mix for new development over Plan period should be focussed on two-bedroom (30%), three-bedroom (38%) and four bedroom homes (31%) suitable to downsizers and young families, at the expense of much larger homes.</p> <p>In terms of the types of dwellings required, some unmet demand for generally more affordable dwelling types, such as terraced homes, should be addressed. The size recommendation for two- and three-bedroom homes would help to achieve this. It is also advisable to promote the delivery of bungalows in order to meet the needs of the ageing population and to reflect the fact that other smaller dwelling types, such as apartments, may not in practice be popular market propositions in a rural parish like Laxfield.</p>

## 7.2 Recommendations for next steps

- This Neighbourhood Plan housing needs assessment aims to provide Laxfield with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with Mid with a view to agreeing and formulating draft housing policies, bearing the following in mind:
  - Neighbourhood Planning Basic Condition A, namely that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies in the adopted local plan;
  - The views of Mid Suffolk – in particular in relation to the quantity of housing that should be planned for;
  - The views of local residents;
  - The views of other relevant local stakeholders, including housing developers;
  - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Mid Suffolk, including but not limited to the Strategic Housing Land Availability Assessment (SHLAA);
  - The recommendations and findings of this study; and
  - The impact of the Government's Standard Methodology on calculating housing need for Mid Suffolk and the neighbourhood plan areas within it.
- This advice note has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.
- Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Mid Suffolk or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
- At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.



## Appendix A : Calculation of Affordability Thresholds

### A.1 Market housing

141. 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.
142. 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.
143. 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.
144. 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

145. 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 value ratio, which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.
146. 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 Laxfield. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.
147. The calculation is therefore:
  - Value of an 'entry level dwelling'<sup>39</sup> = £192,375;
  - Purchase deposit = £19,237 @ 10% of value;
  - Value of dwelling for mortgage purposes = £173,138;
  - Loan to value ratio = 3.5 of value of mortgage;
  - **Purchase threshold = £49,468.**

#### ii) Private Rented Sector (PRS)

148. 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.
149. It is assumed that lower quartile private rent equates to the average rent paid in the Plan area for a two-bedroom dwelling (enough living space for two or three individuals). In order to be in conformity with the Government guidance on overcrowding,<sup>40</sup> such a home would require three habitable rooms (a flat or house with two bedrooms).
150. The property website [Home.co.uk](http://www.home.co.uk) shows rental values for property in the Plan area. The best available data is derived from properties available for rent within the IP13 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

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<sup>39</sup> 'Entry-level dwelling' can be understood to comprise a property that costs the average value of dwellings falling into the lower quartile of house prices in the Plan area, as set out in the Tenure and Affordability chapter above.

<sup>40</sup> This is based on the concept of the 'room standard', which indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room). See: [http://england.shelter.org.uk/housing\\_advice/repairs/overcrowding](http://england.shelter.org.uk/housing_advice/repairs/overcrowding)

rental properties offered, the larger sample size is likely to generate more robust findings. Given the lack of data available for the immediate postcode, the search has been extended to a 5-mile radius.

151. According to [home.co.uk](http://home.co.uk), there are 3 two-bed properties currently listed for rent across IP13, with an average price of £716 per calendar month.
152. It is possible to derive from this data the estimated income threshold for private rental sector dwellings in the Plan area; the calculation is therefore:
- Annual rent = £716 x 12 = £8,588;
  - Multiplied by 4 = £34,416;
  - **Income threshold (private rental sector) = £34,353.**
153. The NPPF 2018 acknowledges that build-to-rent dwellings have a role to play in providing affordable market homes and may meet affordable housing need where they include a component of affordable private rent.

## A.2 Affordable Housing

154. There are a range of tenures that constitute the definition of Affordable Housing within the 2019 NPPF: social rent and affordable rent, starter homes, discounted market sales housing, and other affordable routes to home ownership.
155. This variety of tenures reflects an ambition by the Government to provide a pathway to home ownership for more sectors of the population, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide affordable housing into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay.
156. A good example is, in 2012, the introduction of dwellings for affordable rent. Rent for this tenure is set at up to 80% of market rent. Labelled an 'intermediate' product, this tenure is suitable for people with an income that precludes them from eligibility for socially-rented dwellings (where rent is set in accordance with the Government's rent policy), but who, at the same time, cannot afford to access the private market.
157. The overall aim is to restrict eligibility for social rent dwellings to those with very low household incomes, relatively speaking. However, within this tenure, market principles also apply, given the link between rents and size of dwelling. There is a strong financial incentive for households to only occupy a dwelling deemed suited to their needs, based on an 'occupancy rating' formula set by the Government.
158. We consider each of the affordable housing tenures in turn, before developing a recommendation for how the quota of affordable housing yielded by development should be divided between these tenures.

### i) Social rent

159. 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.
160. 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 Laxfield. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Mid Suffolk in the table below.

**Table A-1: Social rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent PCM	£74	£91	£104	£115	£94
Annual average	£3,844	£4,747	£5,426	£5,988	£4,871
Income needed	£15,377	£18,986	£21,703	£23,951	£19,484

Source: Homes England, AECOM Calculations

## ii) Affordable rent

161. Affordable rent is controlled at no more than 80% of the local market rent; as we have seen, the annual entry-level rent in Laxfield is £8,588. In the event of a 20% reduction in rent to £6,870, the income threshold would reduce to an estimated £27,481

## iii) Intermediate tenures

162. 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**

163. 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 2019, 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*".
164. 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.
165. 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.
166. 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 market housing for purchase.
167. 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 £192,375.
168. Applying a discount of 20% provides an approximate selling price of £153,900. Allowing for a 10% deposit further reduces the value of the property to £138,510. The income threshold at a multiple of 3.5 is £39,574.

### **Shared ownership**

169. 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.
170. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £60,000.
171. To determine the affordability of shared ownership, calculations are based on the lower quartile house price of £192,375<sup>41</sup>. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to value ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 25% of the income on rent (as for the income threshold for the private rental sector).
172. A 25% equity share of £192,375 is £48,094, from which a 10% deposit of £4,809 is deducted. The mortgage value of £43,285 (£48,094 - £4,809) is then divided by 3.5. To secure a mortgage of £43,285, an annual income of £12,367 (£43,285/3.5) is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £144,281. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £3,607 and requires an income of £14,428. Therefore, an income of around

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<sup>41</sup> It is important to note that this is based on new build sales only. The current shared ownership models are only available for new build homes, with the assumed cost therefore differing from the cost of open market housing, which also includes property re-sale.

£26,795 (£12,367 + £14,428) is required to afford a 25% shared equity purchase of an entry-level house with annual rent.

173. A 50% equity share of £192,375 is £96,188, from which a 10% deposit of £9,619 may be deducted. The mortgage cost of £86,569 (£96,188 - £9,619) is then divided by 3.5. To secure a mortgage of £86,569, an annual income of £24,734 (£86,569 / 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 £96,188. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £2,405, requiring an income of £9,619. Therefore, an annual income of around £34,353 (£24,734 + £9,619) is required to afford a 50% shared equity purchase of an entry-level house with annual rent.
174. A 75% equity share of £192,375 is £144,281, from which a 10% deposit of £14,428 can be deducted. The mortgage cost of £129,853 (£144,281 - £14,428) is then divided by 3.5. To secure a mortgage of £129,853, an annual income of £37,101 (£129,853 / 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 £48,094. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £1,202, requiring an income of £4,809. Therefore, an annual income of around £41,910 (£37,101 + £4,809) is required to afford a 75% shared equity purchase of an entry-level house with annual rent.

## Appendix B : Housing Needs Assessment Glossary

### Adoption

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

### Affordability

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

### Affordability Ratio

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

### Affordable Housing (NPPF Definition)

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

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

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

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

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

### Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent

Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods<sup>42</sup>.

### **Annual Monitoring Report**

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

### **Basic Conditions**

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

### **Backlog need**

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

### **Bedroom Standard<sup>43</sup>**

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

### **Co-living**

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

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

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

### **Community Right to Build Order<sup>44</sup>**

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

### **Concealed Families (Census definition)<sup>45</sup>**

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

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<sup>42</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

<sup>43</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

<sup>44</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>45</sup> See [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)

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

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

### **Extra Care Housing<sup>46</sup>**

New forms of sheltered housing and retirement housing have been pioneered in recent years, to cater for older people who are becoming frailer and less able to manage day-to-day tasks without assistance. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very or enhanced sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents' lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff. Properties can be rented, owned or part owned/part rented. There is a limited (though increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet.

### **Fair Share**

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

### **Habitable Rooms**

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

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

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

### **Housing Market Area**

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

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

### **Housing Needs**

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

### **Housing Needs Assessment**

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

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<sup>46</sup> See <http://www.housingcare.org/jargon-extra-care-housing.aspx>

## **Housing Products**

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

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

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

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

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

## **Housing Tenure (Census Definition)**

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

## **Income Threshold**

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

## **Intercensal Period**

This means the period between the last two Censuses, i.e. between years 2001 and 2011.

## **Intermediate Housing**

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

## **Life Stage modelling**

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

## **Life-time Homes**

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

## **Life-time Neighbourhoods**

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



### **Local Development Order**

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

### **Local Enterprise Partnership**

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

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

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

### **Local Planning Authority**

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

### **Local Plan**

This is the plan for the future development of the local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. Current core strategies or other planning policies form part of the Local Plan and are known as 'Development Plan Documents' (DPDs).

### **Lower Quartile**

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

### **Lower Quartile Affordability Ratio**

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

### **Market Housing**

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

### **Mean (Average)**

The mean or the average is, mathematically, the sum of all values divided by the total number of values. This is the more commonly used "average" measure as it includes all values, unlike the median.

### **Median**

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

### **Median Affordability Ratio**

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

### **Mortgage Ratio**

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years<sup>47</sup>, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

### **Neighbourhood Development Order (NDO)**

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

### **Neighbourhood plan**

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

### **Older People**

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

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

An output area is the lowest level of geography for publishing statistics, and is the core geography from which statistics for other geographies are built. Output areas were created for England and Wales from the 2001 Census data, by grouping a number of households and populations together so that each output area's population is roughly the same. 175,434 output areas were created from the 2001 Census data, each containing a minimum of 100 persons with an average of 300 persons. Lower Super Output Areas consist of higher geographies of between 1,000-1,500 persons (made up of a number of individual Output Areas) and Middle Super Output Areas are higher than this, containing between 5,000 and 7,200 people, and made up of individual Lower Layer Super Output Areas. Some statistics are only available down to Middle Layer Super Output Area level, meaning that they are not available for individual Output Areas or parishes.

### **Overcrowding**

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

### **Planning Condition**

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

### **Planning Obligation**

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

### **Purchase Threshold**

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

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<sup>47</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

## **Proportionate and Robust Evidence**

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

## **Private Rented**

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

## **Rural Exception Sites**

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

## **Shared Ownership**

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

## **Sheltered Housing<sup>48</sup>**

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 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**

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

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

A Strategic Housing Market Assessment (SHMA) is a document prepared by one or more local planning authorities to assess their housing needs under the 2012 version of the NPPF, usually across administrative boundaries to encompass the whole housing market area. The NPPF makes clear that SHMAs should identify the scale and mix of housing and the range of tenures the local population is likely to need over the Plan period. Sometimes SHMAs are combined with

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<sup>48</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

Economic Development Needs Assessments to create documents known as HEDNAs (Housing and Economic Development Needs Assessments).

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

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

### **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>49</sup>

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<sup>49</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

