



Great Yarmouth Borough Council and The Broads Authority:

Local Housing Needs Assessment 2022 Version 2

Report of Findings

September 2022



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This report corrects some minor typographic and other errors which were found in the original Great Yarmouth Borough Council and the Broads Authority Local Housing Needs Assessment, May 2022. The two reports are the same in every important respect; in particular, the housing need figures are the same in both reports.

Executive Summary

Summary of Key Findings and Conclusions

Introduction

1. Opinion Research Services (ORS) was commissioned by Great Yarmouth Borough Council and the Broads Authority to prepare a Local Housing Needs Assessment (LHNA) for the period 2021-2041 to identify the size, type and tenure of homes that will be needed in the future, and the housing needs of different groups, including affordable housing.

Government Policy

2. The Government published the original National Planning Policy Framework (the Original NPPF) in 2012. A revised version of the National Planning Policy Framework (the Revised NPPF) was published in July 2018 and was updated in February 2019 to incorporate a number of detailed changes. The Revised NPPF introduced a new definition for affordable housing. Whilst the Original NPPF identified that affordable housing should be provided for households *“whose needs are not met by the market”*, the Revised NPPF adds that this includes *“housing that provides a subsidised route to home ownership and/or is for essential local workers”*. On this basis, the needs of households able to afford market rent who aspire to but are unable to afford homeownership must now be counted.
3. The 2019 NPPF requires local planning authorities to inform strategic policy making with a local housing needs assessment. The Local Housing Needs Assessment (LHNA) must now be prepared which will establish a minimum Local Housing Need (LHN) figure, which in turn is set by a Standard Method formula issued by MHCLG. As of late 2021, this gives a figure of 353 dwellings per annum for Great Yarmouth. In addition, the LHNA explores the size, type and tenure of housing needed for a range of different groups in the community.
4. The Government’s policy approach to planning for housing need in National Parks and associated areas such as the Broad Authority is different to that of other Local Planning Authorities. Planning Practice Guidance (PPG) on Housing and Economic Needs at paragraph 14 states that an Area such as the Broads Authority can identify its own housing needs based upon local evidence, rather than follow the national standard method for Local Housing Need set out for local authority areas. As a result, the Broads Authority commissioned ORS to calculate the need for the entire area of the Broads, breaking it down into its 6 constituent districts.

Establishing Current Unmet Need for Affordable Housing

5. To assess the current need for affordable housing, we initially calculated the number of households in Great Yarmouth who are not suitably housed and who are unable to afford market housing. These include; all households that are currently homeless, those who currently housed in temporary accommodation, concealed families living as part of another household, households overcrowded in social or private rent, and people otherwise not counted who are in a reasonable preference category on the housing register.
6. Based on a detailed analysis of the past trends and current estimates of households considered to be in housing need, our analysis has concluded that an estimated 948 households in Great Yarmouth are currently

living in unsuitable housing and are unable to afford their own housing. Of these households, 443 currently occupy affordable housing that does not meet the households' current needs, mainly due to the number of bedrooms. Providing suitable housing for these households will enable them to vacate their existing affordable housing, which can subsequently be allocated to another household in need of affordable housing. There is, therefore, a net need from 505 households in Great Yarmouth (948 less 443 = 505) that currently need affordable housing and do not currently occupy affordable housing.

7. The Broads Authority does not collect information on current housing needs. Therefore, we have apportioned need from the 6 local authorities who include part of the Broads Authority. This shows 43 households currently unsuitably housed and needing to move, with a net need for 25 households.

Future Need for Affordable Housing

8. In addition to those who cannot currently afford market housing, it is also necessary to consider those households who will arise in the future; and households that can afford market rents but aspire to home ownership. The following tables (Figure 1 and Figure 2) summarises the overall impact for those who cannot afford market rents of:
 - » new households adding to housing need,
 - » the households no longer present reducing housing need and
 - » the changes in circumstances impacting existing households.

Figure 1: Summary annual components of Household Growth in Great Yarmouth 2021-41 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Great Yarmouth	All households	Households able to afford housing costs	Households unable to afford housing costs
All new households	2,742	1,778	964
All households no longer present	2,511	1,725	786
Change in existing households	-	+92	-92
Future affordable housing need 2021-41 (Annual average)	+231	+146	+85

Figure 2: Summary annual components of Household Growth in The Broads Authority 2021-41 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

The Broads Authority	All households	Households able to afford housing costs	Households unable to afford housing costs
All new households	157	122	35
All households no longer present	143	114	29
Change in existing households	-	3	-3
Future affordable housing need 2021-41 (Annual average)	14	10	4

9. Overall reviewing the contribution of each element amounts to an additional 85 households needing affordable housing in Great Yarmouth annually over the 20-year period 2021-41, with a total of 4 households a year need affordable housing in the Broads Authority.

Needs of Households Aspiring to Homeownership

10. The new emphasis on households that cannot afford to own their home reflects Government concerns that the proportion of owner occupiers has reduced nationally over the last ten to fifteen years. Estimates from the English Housing Survey suggest that the proportion of owner occupiers reduced from around 69% in 2006 to 65% in 2011 and to 63% by 2016. Over the same period the proportion of households renting from a social landlord also reduced from 19% to 17% whilst the proportion renting privately increased from 12% to 20%.
11. Based on an analysis of English Housing Survey and local level household data, we can estimate that there is a total of around 1,489 households currently resident in Great Yarmouth and 246 in the Broads Authority who cannot afford to own their own home but would aspire to do so.
12. In addition to the current need, it is also important to consider new households that are projected to form over the period 2021-2041. Through combining this data with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 1,063 households in Great Yarmouth and 120 in the Boards Authority that form over the 20-year period who will be able to afford to pay market rent but unable to afford to own, despite that being their aspiration.
13. The below Figure 3 and Figure 4 bring together the information on assessing the unmet need for affordable housing in 2021 together with the future need for affordable housing and those aspiring to home ownership arising over the 20-year period 2021-41. It can be noted that this assessment has no regard for whether those aspiring can access affordable home ownership options.

Figure 3: Assessing total need for affordable housing 2021-2041 – Great Yarmouth (Source: ORS Housing Model)

Great Yarmouth (including the part of the Borough that intersects with the Broads Authority)	Affordable Housing Need Households unable to afford	Affordable Housing Need Households aspiring to home ownership	Overall Affordable Housing Need
Current housing need in 2021	505	1,489	1,994
Future housing need 2021-41	1,709	1,063	2,772
TOTAL HOUSING NEED	2,214	2,551	4,765

Figure 4: Total need for affordable housing 2021-2041 – The Broads Authority (Source: ORS Housing Model)

The Broads Authority	Affordable Housing Need Households unable to afford	Affordable Housing Need Households aspiring to home ownership	Overall Affordable Housing Need
Current housing need in 2021	25	246	271
Future housing need 2021-41	72	120	192
TOTAL HOUSING NEED	97	367	464

14. Neither the NPPF or PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford affordable homeownership products if they were provided.
15. Given this context, we assessed affordability for households that both have sufficient income and savings to purchase an open market property but nonetheless choose to rent, those households with income that would be insufficient to afford 60% of newbuild prices at the lower quartile for the local area, and those households

with savings of less than £5,000. After all these households have been discounted from the 21,805 previously identified there were only 333 households in Great Yarmouth and 54 household in the Broads Authority who:

- » Aspire to homeownership but cannot afford to purchase on the open market;
- » Have incomes sufficient to afford a property at 50% of market value;
- » Have at least £5,000 in savings.

16. Both Figure 14 and Figure 6 provide a breakdown of the total affordable housing on this basis.

Figure 5: Overall need for Affordable Housing 2021-41 in Great Yarmouth, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Great Yarmouth	Affordable Housing Need Households unable to afford	Affordable Housing Need Households aspiring to home ownership	Affordable Housing (Households)
1 bedroom	104	40	144
2 bedrooms	908	129	1,037
3 bedrooms	960	139	1,099
4+ bedrooms	242	24	266
TOTAL HOUSING NEED	2,214	333	2,547

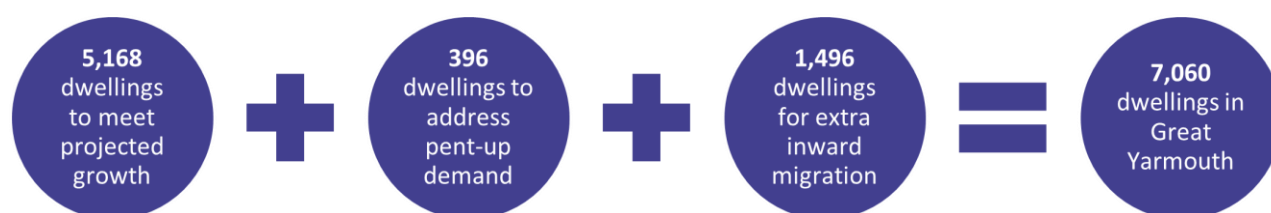
Figure 6: Overall need for Affordable Housing 2021-41 in The Broads Authority, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

The Broads Authority	Affordable Housing Need Households unable to afford	Affordable Housing Need Households aspiring to home ownership	Affordable Housing (Households)
1 bedroom	3	6	9
2 bedrooms	39	18	57
3 bedrooms	44	23	67
4+ bedrooms	11	6	17
TOTAL HOUSING NEED	97	54	151

17. For Great Yarmouth, the LHNA identifies an overall affordable housing need from 2,547 households over the 20-year period 2021-41 (127 per annum). This includes the needs from all households unable to afford to rent or own market housing and also provides for those households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of those households being able to access a 50% First Homes property.
18. For the Broads Authority, the LHNA identifies an overall affordable housing need from 151 households over the 20-year period 2021-41 (8 per annum).

Local Housing Need

19. Using the process set out in the Planning Practice Guidance “Housing and economic needs assessment” (MHCLG – updated December 2020) the minimum annual Local Housing Need (LHN) figure for 2021 can be calculated to be 353 dwellings per annum for Great Yarmouth.
20. Until this point, we have been reporting household, not dwelling need. The local housing need of 353 dwellings per annum translates to 7,060 dwellings (353 x 20) across the twenty-year period. However, this is more than is needed to accommodate the projected population in Great Yarmouth. This additional need is potentially made up from two elements:
- » Enabling more households to form¹ (from the pent-up housing demand) = 396 dwellings;
 - » Enabling more net inward migration² = 1,496 dwellings.



21. These 7,060 overall dwellings can be separated into market and affordable housing. A component of affordable housing as outlined in Chapter 5 is affordable home ownership for those that aspire to own. Some of the 1,892 (396 + 1,496) extra dwellings for pent-up demand³ and in-migration to meet the LHN beyond projected growth will inevitably be occupied by residents that aspire to home ownership, and the impact of this group on the affordable housing numbers is calculated below. These same households should not add to the need for affordable housing to rent because they will have already been counted in the needs set out in Chapter 5 of this report as part of the backlog or new need.

Figure 7: Extra households from pent-up demand and in-migration beyond projected (LHN scenario): Affordable homeownership housing mix by household affordability 2021-2041 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS households able to afford market ownership	Households unable to afford market home ownership	MINUS households unable to afford 50% of newbuild LQ	Households able to afford 50% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	18	-5	= 13	-4	= 9	-8	= 2
2 bedrooms	45	-9	= 36	-10	= 26	-21	= 5
3 bedrooms	40	-6	= 35	-9	= 26	-20	= 6
4+ bedrooms	4	-1	= 4	-1	= 2	-1	= 1
TOTAL	108	-20	= 87	-23	= 64	-50	= 14

¹ Based on the assumption that household formation rates for all age groups under 45 are currently constrained and allowing them to return to the equivalent rates recorded in 2001

² Once household formation rates reach the 2001 level any additional uplift is assumed to provide housing for an additional population based on increased net migration

³ Pent up demand is unfulfilled demand within the existing population, such as hidden households

22. The above Figure 7 shows that dwellings suitable for 14 extra households are needed to accommodate those that aspire to homeownership that have at least £5,000 in savings and have incomes above the relevant threshold.
23. Below, Figure 8 shows the result of applying the vacancy rate for affordable homes to the summary of households in Figure 5 and Figure 7. Note that the 288 C2 dwellings is the result of applying the market vacancy rate the modelled growth in institutional households within the population projections. There is no assumption that this need must be provided as Class C2 dwellings.

Figure 8: Overall need for Market and Affordable Dwellings (including affordable home ownership products) by property size in Great Yarmouth (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Unable to afford market rents	Unable to afford market ownership and Unable to afford 70% First Homes	Unable to afford market ownership but able to afford 70% First Homes	Affordable Housing	Total Market Housing	Total Housing
1 bedroom	107	3	42	151	282	433
2 bedrooms	934	39	103	1,076	776	1,851
3 bedrooms	987	14	139	1,140	2,825	3,966
4+ bedrooms	249	10	17	276	246	522
DWELLINGS	2,277	67	300	2,644	4,129	6,772
C2 Dwellings	-	-	-	-	288	288
LHN	2,277	67	300	2,644	4,416	7,060

24. Below Figure 9 shows the equivalent data for the Broads Authority as Figure 8 for Great Yarmouth

Figure 9: Overall need for Market and Affordable Dwellings (including affordable home ownership products) by property size in The Broads Authority (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

The Broads Authority	Unable to afford market rents	Unable to afford market ownership and Unable to afford 70% First Homes	Unable to afford market ownership but able to afford 70% First Homes	Affordable Housing	Total Market Housing	Total Housing
1 bedroom	4	0	6	10	6	16
2 bedrooms	39	5	13	58	17	75
3 bedrooms	45	6	17	68	146	214
4+ bedrooms	11	3	4	17	36	54
DWELLINGS	98	14	40	153	205	358

1. Introducing the Study

Background to the project and wider policy context

Introduction

- 1.1. Opinion Research Services (ORS) was commissioned by Great Yarmouth Borough Council and the Broads Authority to prepare a Local Housing Needs Assessment (LHNA) for the period 2021-2041 to identify the size, type and tenure of homes that will be needed in the future, and the housing needs of different groups, including affordable housing.

Government Policy

- 1.2. The Government published the National Planning Policy Framework (the Original NPPF) in 2012. This set out the planning policies for England and how these were expected to be applied.
- 1.3. The Original NPPF had a presumption in favour of sustainable development, and paragraph 47 stated that Local Plans should meet *“the full, objectively assessed needs for market and affordable housing in the housing market area”*. The responsibility for establishing housing need rested with the local planning authority and Paragraph 159 of the Original NPPF set out that they *“should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries”*.
- 1.4. A revised version of the National Planning Policy Framework (the Revised NPPF) was published in July 2018. Whilst the Revised NPPF maintains the underlying theme of sustainable development, several significant changes have been introduced in relation to identifying and meeting housing needs. The Revised NPPF was updated in February 2019 to incorporate a number of detailed changes following a technical consultation and again in July 2021. Whilst most of the changes appear relatively minor, they may have a substantial impact on identifying and meeting housing needs in some areas. The results of the consultation were summarised in the document *“Government response to the technical consultation on updates to national planning policy and guidance”*.
- 1.5. Under the Revised NPPF 2021, local planning authorities are still responsible for assessing their local housing needs; however, Paragraph 61 identifies that *“strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach”*. This represents a significant change, as the standard method sets out a formulaic approach to determine the minimum Local Housing Need (LHN) figure and prescribes the use of specific data for the calculation. Therefore, whilst the responsibility for establishing housing need continues to rest with the local planning authority, this is now constrained to a minimum figure that is determined centrally by the Government.
- 1.6. This focus on local area has led to a change in the Duty to Cooperate, where neighbouring authorities now have to produce Statements of Common Ground. Whilst HMAs are no longer mentioned explicitly in the Revised NPPF, Paragraph 61 identifies that *“any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for”*; and PPG identifies that

HMA are still one of the factors which must be considered when determining the relevant cross-boundary areas for plan-making [ID 61-010-20180913].

- 1.7. The Revised NPPF has also introduced a new definition for affordable housing. Whilst the Original NPPF identified (in the Glossary at Annex 2) that affordable housing should be provided for households *“whose needs are not met by the market”*, the Revised NPPF adds that this includes *“housing that provides a subsidised route to home ownership and/or is for essential local workers”*. This has led to a specific change in the Planning Practice Guidance (PPG) for assessing affordable housing need.
- 1.8. Under the Original NPPF, affordable housing need was based on those who could not afford to buy or rent in the market. Households who could afford market rent were not counted as in affordable housing need even if they would have preferred to buy and couldn't afford to do so. However, the latest PPG states that assessments must now include the needs of *“those that cannot afford their own homes, either to rent, or to own, where that is their aspiration”* [ID 2a-020-20190220]. On this basis, households able to afford market rent who aspire to but are unable to afford homeownership must now be counted as being in affordable housing need.

The Standard Method for Local Housing Need Assessment

- 1.9. The Original NPPF and associated PPG set out a methodology for establishing an Objectively Assessed Need for housing in a defined HMA. This methodology required that *“Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need”*, but allowed for adjustment based on local factors: *“The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends.”* Adjustments could therefore be made if there were concerns around the quality of local data (e.g. inaccurate migration estimates), along with evidence-based judgements on other need elements such as market signals uplift and alignment of jobs and workers based on local circumstances.
- 1.10. On 14 September 2017, the Department of Communities and Local Government (CLG) published a consultation on potential revisions to the NPPF, including a standardised methodology for calculating the Local Housing Needs (LHN). This included a number of key proposals:

- » The starting point for calculating the LHN for any area should be the most up to date household projections published by CLG;
- » While, deviation from this starting point can be considered, the consultation proposals note that; There should be very limited grounds for adopting an alternative method which results in a lower need; and
- » The household projections published by CLG should be uplifted by a fixed affordability relationship based upon the ratio of house prices to earnings. The maximum uplift for a local authority area will be 40% above its CLG household projections or current Local plan housing target.

- 1.11. CLG produced a spreadsheet of indicative housing needs figures which covered every local authority area in England based on the most up to date data at the time, the 2014 based household projections.

- 1.12. The Revised NPPF 2018 implicitly and 2019 explicitly confirm that planning authorities should use the standard methodology for plan-making, though alternative methodologies which result in a higher housing need figure may still be deemed appropriate. Therefore, the standard method identifies the minimum number of homes expected to be planned for. It does not produce a housing requirement figure. The LHN figure represents a minimum overall housing need, but local authorities can consider a higher figure for plan making if, for example, this reflects growth potential, or unmet need from elsewhere. This is confirmed by PPG, which states:

When might it be appropriate to plan for a higher housing need figure than the standard method?

The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.

This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). Circumstances where this may be appropriate include, but are not limited to, situations where increases in housing need are likely to exceed past trends because of:

- » *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- » *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
- » *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;*

There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.

PPG Reference ID: 2a-010-20190220

- 1.13. PPG also suggests that local planning authorities will need to calculate their local housing need figure at the start of the plan-making process but that this number should be kept under review and revised where appropriate. This assessment is produced in line with this approach. The housing need figure may change as the inputs are variable, it may therefore be prudent to consider a number that is higher than the minimum LHN to provide a buffer against possible future changes while reviewing local plans.

Changes to the Standard Method

- 1.14. Since the publication of the figures in September 2017 a range of new data has been released which allows for the calculation to be updated. This includes:
- » New affordability data released each year;

- » New 2016-based and 2018 based sub-national population projections (SNPP); and
- » New 2016-based and 2018 based household projections.

- 1.15. The national housing need produced using these new data is lower than previous estimates, falling short of the Governments stated 300,000 dwelling per year target. As a consequence, the Ministry for Housing, Communities and Local Government (MHCLG) consulted on changes to the standard method approach, and on 26 October 2018 published “Technical consultation on updates to national planning policy and guidance October 2018”.
- 1.16. At paragraph 19 of the document, MHCLG set out their planned changes to the standard method, explicitly stating that the lower housing numbers that are derived from application of the standard method to the ONS produced 2016-based household projections should not be used, and that these do not qualify as an exceptional circumstance to warrant deviation from the standard method outputs using the CLG 2014-based projections:

19. The Government considers that the best way of responding to the new ONS household projections and delivering on the three principles in paragraph 18 above is to make three changes:

- » *1. For the short-term, to specify that the 2014-based data will provide the demographic baseline for assessment of local housing need.*
- » *2. To make clear in national planning practice guidance that lower numbers through the 2016-based projections do not qualify as an exceptional circumstance that justifies a departure from the standard methodology; and*
- » *3. In the longer term, to review the formula with a view to establishing a new method that meets the principles in paragraph 18 above by the time the next projections are issued.*

- 1.17. The “**Government response to the technical consultation on updates to national planning policy and guidance**” was published on 19 February 2019. Despite a majority of consultees disagreeing with the proposal at Question 1, the Government still considers that its proposed approach is the most appropriate in the short-term.
- 1.18. On this basis, it would appear that any deviation from the standard methodology should only be considered if exceptional circumstances can be demonstrated. Nevertheless, the revisions to PPG [ID 2a-015-20190220] clarify that an alternative approach that identifies a need higher than using the standard method will be considered sound, providing that it adequately reflects current and future demographic trends and market signals, given that it will have exceeded the minimum starting point. Any figure lower than that identified using the standard method will need to be justified through exceptional local circumstances.
- 1.19. The Government’s response goes on to say:

Over the next 18 months we will review the formula and the way it is set using National Statistics data with a view to establish a new approach that balances the need for clarity, simplicity and transparency for local communities with the Government’s aspirations for the housing market.

A key consideration of the standard method is to provide a degree of continuity between assessments of housing need over time. The changes to underlying assumptions in the population projections and methodological improvements to the household projections had led to significant variations in housing need at a local level, something that needs addressing in the short term.

- 1.20. The end of the 18-month period was August 2020 and at this point the Government consulted on a new standard method for LHN, but decided to leave the existing method in place, except for a modification to increase the number in the 20 largest cities by 35%.
- 1.21. The Government has made it clear that it does not doubt the accuracy of the ONS 2016-based and 2018-based projections, as stated in the consultation. However, the Government has also made it clear that the existence of the lower 2016-based and now 2018-based projections is not a justification for a lower local housing need assessment, despite further disagreement from respondents to the consultation.
- 1.22. It seems likely that the concerns about not using the latest evidence will ultimately be tested in the courts. The concept of being able to deviate from the standard method has already been tested in the courts in the context of planning appeals and this is allowed if there is sufficient evidence to justify the deviation. However, the concept of replacing the 2014 based projections with the 2018 based projections has not been tested.
- 1.23. Whilst there are some uncertainties about the new method for calculating household formation that ONS has introduced for the 2016-based in the 2018-based household projections, the 2016-based and 2018-based sub national population projections are based on a method that is largely consistent with that used for the 2014-based population projection, but using more up-to-date data and based on improved mid-year population estimates. As part of the 2016-based household projections publication, the ONS included an output which applied the previous CLG 2014-based household formation rates to the new 2016-based population projection (variant output 2) which provides up-to-date figures using the previous method.
- 1.24. This report therefore follows the standard method, using 2014-based household projections as the minimum LHN, before exploring the size, type and tenure of housing needed for the community.

Assessing Housing Needs

- 1.25. The Revised NPPF no longer requires local planning authorities to produce an SHMA to establish housing need for HMAs, but instead requires local planning authorities:

61. To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.

62. Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.

63. Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless:

- a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and*
- b) the agreed approach contributes to the objective of creating mixed and balanced communities*

National Planning Policy Framework, July 2021

- 1.26. The new NPPF does not contain any explicit reference to SHMAs and housing needs are to be established at a local authority level. However, a Housing Needs Assessment must now be prepared which will establish a minimum Local Housing Need (LHN) figure using the standard method set out in PPG [ID 2a-004-20190220]. In addition, the Housing Needs Assessment will need to identify the size, type and tenure of housing needed for a range of different groups in the community, which is largely consistent with the scope for SHMAs that the Original NPPF identified.

The Broads Authority Local Plan

- 1.27. The Broads Authority is its own Local Planning Authority with an existing Local Plan which was adopted in May 2019 and runs from 2015-2036. The final evidence for housing needs for the Local Plan was prepared during 2017 in the Central Norfolk SHMA 2017. This gave an overall housing need 2015-36 of 286 dwellings, or 13.6 dwellings per annum. In terms of delivering on this need, Policy SP 15 states that:

Policy SP15: Residential development

Meeting the Objectively Assessed Housing Need The Authority will endeavour to enable housing delivery to meet its objectively assessed housing need throughout the Plan period which is 286 dwellings. The Broads is within 3 housing market areas and the need within each HMA is as follows:

Central Norfolk HMA: 163

Waveney HMA: 57

Great Yarmouth Borough HMA: 66

The Authority will allocate land in the Local Plan to provide around 146 net new dwellings. To meet the remaining requirement of 38 dwellings to 2036, which falls within that part of the Broads in the Borough of Great Yarmouth, the Authority will work with Great Yarmouth Borough Council to address housing need.

A contribution from housing development towards the provision of affordable housing will be sought.

The type of new homes The size and type of homes for each proposal will be based on up-to date evidence of local needs. A suitable mix will be determined through liaison with housing authorities and rural housing enablers where applicable. The size of dwellings will be commensurate with the latest Strategic Housing Market Assessment.

Government Policy for the National Parks and the Broads Authority

- 1.28. The Government's policy approach to planning for housing need in National Parks and associated areas such as the Broad Authority is different to that of other Local Planning Authorities.
- 1.29. The area's status as part of the National Park family has implications for new housing. The Broads Authority is distinct from other National Parks which have two statutory purposes which relate to conservation/enhancement of the area and public understanding and enjoyment of the National Park's special qualities.⁴ There is a thirds strand to the Broads Authority's statutory purpose, namely, to look after the waterways and protect the interests of navigation. However, in policy terms within the NPPF and

⁴ Environment Act 1995. The two purposes are 1. To conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park; and 2. Promote opportunities for the understanding and enjoyment of its special qualities by the public.

associated PPG, the Broads Authority is considered in line with the other members of the National Park family. Legislation places a general duty on all relevant authorities, including National Park Authorities (NPAs) and other public bodies, to have regard to National Park purposes. The NPPF says that great weight should be given to conserving landscape and scenic beauty in National Parks which have the highest status of protection in relation to these issues. The conservation and enhancement of wildlife and cultural heritage should be given great weight. The scale and extent of development within these designated areas should be limited⁵

- 1.30. As noted above, under the NPPF February 2019 (carried over into the NPPF 2021), local planning authorities are still responsible for assessing their local housing needs. However, Planning Practice Guidance (PPG) on Housing and Economic Needs at paragraph 14 states that an Area such as the Broads Authority can identify its own housing needs based upon local evidence, rather than follow the national standard method for Local Housing Need set out for local authority areas. :

Where strategic policy-making authority boundaries do not align with local authority boundaries, or data is not available, should the standard method be used to assess local housing need?

Where strategic policy-making authorities do not align with local authority boundaries (either individually or in combination), or the data required for the model are not available such as in National Parks and the Broads Authority, where local authority boundaries have changed due to reorganisation within the last 5 years or local authority areas where the samples are too small, an alternative approach will have to be used. Such authorities may continue to identify a housing need figure using a method determined locally, but in doing so will need to consider the best available information on anticipated changes in households as well as local affordability levels.

Planning Practice Guidance, ID: 2a-014-20190220

- 1.31. The National Park Circular⁶ says plan policies should respond to local housing needs. The Government recognises that the National Parks and the Broads are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them. The expectation is that new housing will be focused upon meeting affordable housing requirements, supporting local employment opportunities and key services.
- 1.32. National policy on plan-making is that strategic policies should provide for objectively assessed needs and any needs that cannot be met in neighbouring areas, but with some exceptions. One exception is where the protection of areas or assets of particular importance (including National Parks and the Broads Authority) provides a strong reason for restricting the overall scale, type or distribution of development in the plan area.⁷ Joint working between strategic policy-making authorities should help determine whether development needs that cannot be met wholly within a particular plan area could be met elsewhere.⁸ This would be applicable to the development needs of the Broads Authority.
- 1.33. As a result, the Broads Authority have commissioned ORS to calculate the need for the entire area of the Broads, breaking it down into its 6 constituent districts.

⁵ NPPF (2021) paragraph 176

⁶ English National Parks and the Broads UK Government Vision and Circular 2010 - provides policy guidance specifically for the English National Parks for all those whose decisions or actions might affect them.

⁷ NPPF (2021) paragraph 11

⁸ NPPF (2021) paragraph 26

2. Demographic Projections

The starting point for establishing Local Housing Need

Official Projections

- 2.1. Planning Practice Guidance revised in February 2019 identifies that Household Projections provide the baseline for determining the minimum Local Housing Needs figure.

Why are 2014-based household projections used as the baseline for the standard method?

The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government's objective of significantly boosting the supply of homes.

Planning Practice Guidance, ID 2a-005-20190220

- 2.2. Given this context, Figure 10 sets out the 2014-based household projections for Great Yarmouth over the period 2021-31, which is the period covered by the Standard Method and therefore allows for sensitivity testing. However, household projections can vary considerably at a local level which introduces a risk to the LHN figure. Therefore, Figure 10 also sets out the previous household projections that CLG produced for the area together with the 2016-based and 2018 based ONS household projections, including the associated outputs from the sensitivity analysis undertaken. We would note that no equivalent figures exist for the Broads Authority, so bespoke projections for the area are considered later in this chapter.

Figure 10: Household projections 2021-31 for Great Yarmouth (Source: CLG, ONS; Note: All figures presented unrounded for transparency)

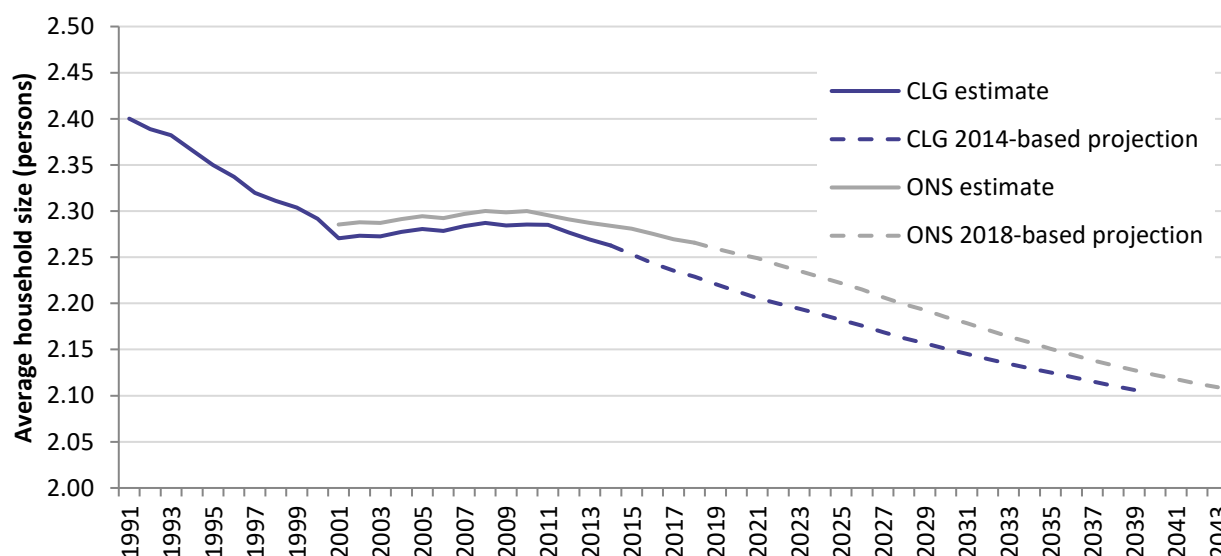
		Migration Trend	10-year Change in Households 2021-31
CLG Household Projections	2014-based projection: 2014-based population and CLG 2014-based HH formation	2009-14	+3,084
ONS 2016-based Projections	Principal projection: 2016-based population and ONS 2016-based HH formation	2011-16	+2,258
ONS 2016-based Projections	Sensitivity analysis 1: 2014-based population and ONS 2016-based HH formation	2009-14	+2,894
ONS 2016-based Projections	Sensitivity analysis 2: 2016-based population and CLG 2014-based HH formation	2011-16	+2,429
ONS 2018-based Projections	Principal projection: 2018-based population and ONS 2018-based HH formation	2016-16	+2,667
ONS 2018-based Projections	Sensitivity analysis 1: 2018-based population with 5 year migration trends	2013-18	+2,107

- 2.3. For Great Yarmouth, the CLG 2014-based household projections identify a growth of 3,084 households over the 10-year period 2021-2031; notably higher than the ONS 2016-based projections which identified the growth of 2,258 households and the ONS 2018 based projections which identified a growth of 2,667 households. However, if we use analysis 2 (using 2016-based population, but 2014-based HH), this shows that the 2016 based population figures yield 2,429 households (based on 2014 formation rates), a decrease of 650. Sensitivity analysis 1 however (using 2014-based population, but 2016-based HH), shows a decrease of approximately 190 households, which demonstrates the impact of the change in household formation rates. This analysis shows that the majority of the change in Great Yarmouth's household figures between the 2014 based projections and ONS 2016 and 2018 based projections are as a result of the different migration trend period used in the projections, not the different method used to calculate household projections. This report follows the standard method, using 2014-based household projections as the minimum LHN, before exploring the size, type and tenure of housing needed for the community.

Projected Household Size

- 2.4. When considering household projections, it is often helpful to review changes to the average household size. Household size is a *product* of the population and household projections, and not a variable used to create them. The data set out in Figure 11 divides the household populations in Great Yarmouth by the associated household projection. Change in household size is an important factor when assessing the dwellings size requirement.
- 2.5. As can be seen average household sizes steadily declined in Great Yarmouth until 2001, but rose slightly between 2001 and 2011. They are now projected to fall in future. This can largely be ascribed to an ageing population, given that older persons tend to live in smaller households (typically single persons or couples without children living in the household). If there was a high degree of suppressed household formation in the area, then this would typically show up as a growing average household size, although other factors such as more families moving into the areas could also generate the same outcome.

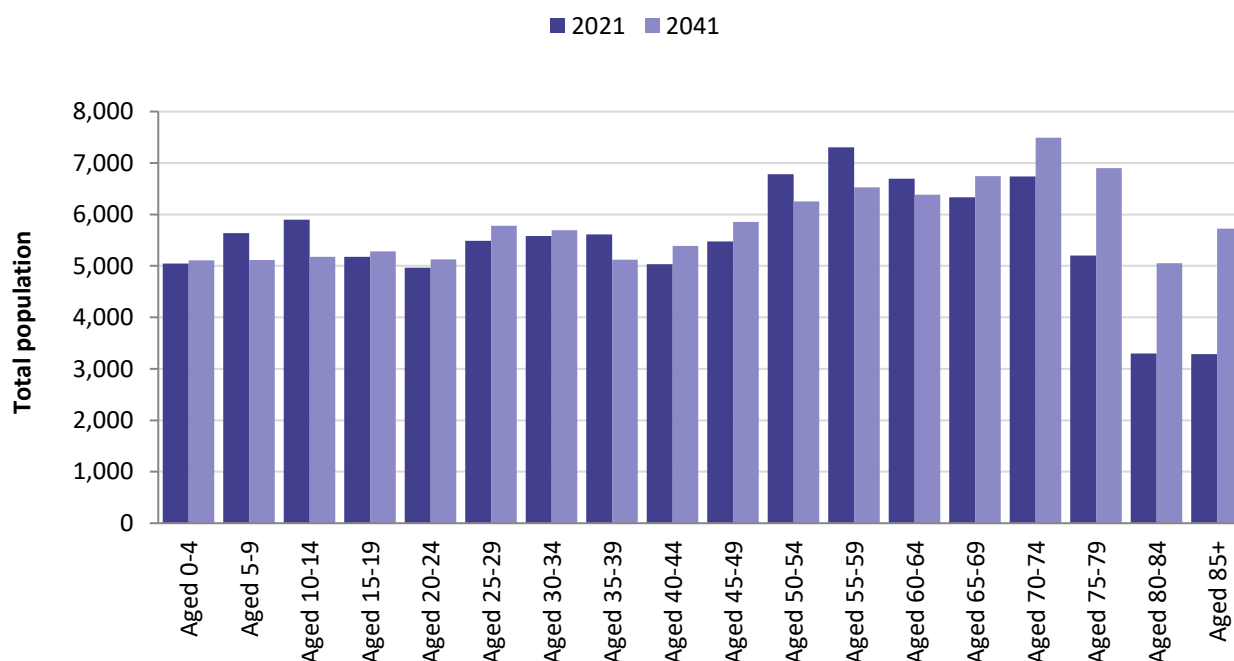
Figure 11: Average household size estimates and projections for Great Yarmouth for the period 1991-2043 (Source: CLG estimates 1991-2011; ONS 2018)

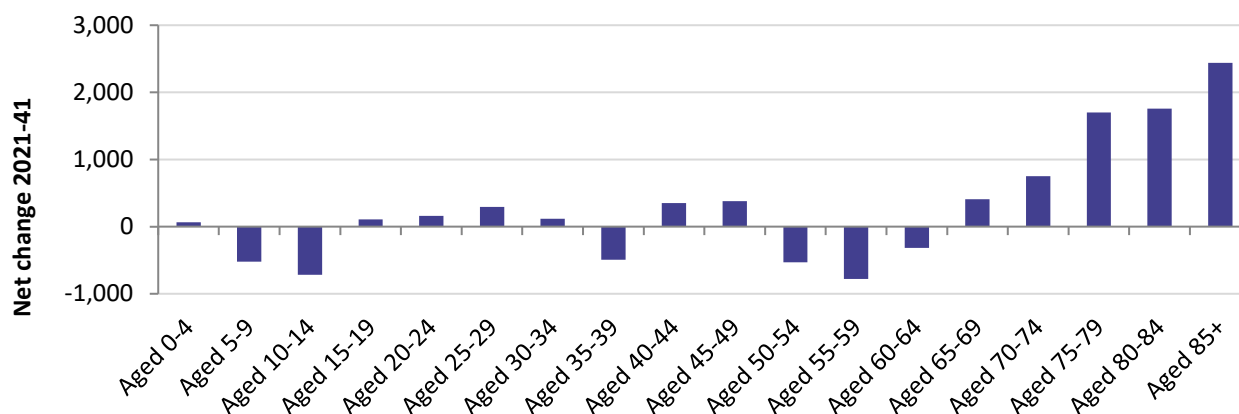


Projected Population Age Profile

- 2.6. The 2018-based ONS household projections represent the most up-to-date household projections at the time of writing, however since their publication a further set of Mid-Year Estimates (MYEs) of population have been released. By applying the 2018 household formation rates to these population estimates, a more up-to-date estimate of household numbers for 2019 can be derived. The projections presented below take account of these newly released figures by replacing the 2019 data in the household projections with these newly derived household numbers. The projection is then run based on this updated data to derive projected household change 2021-41 in Great Yarmouth.
- 2.7. The below Figure 12 shows the projected change in Great Yarmouth population by 5-year age band for the 20-year period 2021-41. This period has been chosen to be consistent with the local plan.
- 2.8. Overall for Great Yarmouth, the growth in the older population is more than the overall population growth. The growth in the older person population is 7,058 persons, and this is offset by a reduction of 1,886 younger persons from a total growth of 5,172 persons. This includes an increase of 2,441 persons aged 85 or over. This is particularly important when establishing the types of housing required and the need for housing specifically for older people.
- 2.9. There are decreases in many age groups under 65, particularly for adults aged 50-64 years, but these have considerably less effect on the net population growth of 5,172 persons than the increase in over 65s.

Figure 12: Population projections 2021-41 by 5-year age cohort for Great Yarmouth (Source: ONS 2018 based sub-national projections)





Household Projections by Age

- 2.10. Below, Figure 13 summarises the total number of households in Great Yarmouth in 2021 and 2041 in terms of the age of household representatives, together with the change in the number of households in each category over the period 2021-41 using 5-year age bands using the 2018-based ONS household projections and 2019 MYEs. A household representative is the eldest economically active person in the household.

Figure 13: Total projected households in Great Yarmouth for 2021 and 2041 and summary of 20-year change by age of household representative (Note: Figures may not sum due to rounding. Source: ORS Model)

Age of Household Representative	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	TOTAL
2021	1,200	4,800	5,900	7,500	8,000	7,600	6,200	2,500	43,700
2041	1,200	5,000	5,900	7,500	7,400	8,300	8,700	4,300	48,300
TOTAL CHANGE 2021-2041	+0	+200	+0	+0	-600	+700	+2,600	+1,900	+4,600

- 2.11. Considering this growth in terms of the age of household representatives, it is evident that the increase in older people is also reflected in terms of household types. The increase in households aged 75+ represents more than 100% of the total household growth, offset by reductions in younger age groups. Many of these older households will already be established and living in existing homes; they will simply get older during the 20-year period. It is therefore also important to consider household growth in relation to age cohorts.
- 2.12. Below, Figure 14 shows the projected number of households in each cohort, showing their age in both 2021 and 2041.

Figure 14: Total projected households in Great Yarmouth for 2021 and 2041 and summary of 20-year change by age cohort of household representative (Note: Figures may not sum due to rounding. Source: ORS Model)

Age in 2021	<5	5-14	15-24	25-34	35-44	45-54	55-64	65+	
Age in 2041	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	TOTAL
2021	-	-	1,200	4,800	5,900	7,500	8,000	16,200	43,700
2041	1,200	5,000	5,900	7,500	7,400	8,300	8,700	4,300	48,300
TOTAL CHANGE 2021-2041	+1,200	+5,000	+4,700	+2,700	+1,500	+700	+700	-11,900	+4,600

- 2.13. The data shows a total of 4,800 households aged 25-34 in 2021. The same households would be aged 45-54 by 2041. The trend-based projection identified that total number of households aged 45-54 in 2041 would total 7,500; therefore, an extra 2,700 households: partly due to new household formations and partly due to net migration.

- 2.14. Based on the cohort analysis, it is apparent that around 16,500 extra households aged under 85 (in 2041) will be likely to form in Great Yarmouth over the 20-year period 2021-41 against a total growth of 4,600 households. The 16,500 extra households aged under 85 are offset against a reduction of 11,900 households aged 85 or over (in 2041). Most of this reduction is due to household dissolution following death (although some may be due to net migration):
- » A total of approximately 16,200 households were aged 65+ in 2021, who would be aged 85+ in 2041 if they had survived;
 - » The projected number of households aged 85+ in 2041 is approximately 4,300, which represents a reduction of 11,900 households whose existing homes would be vacated.
- 2.15. Whilst the increase in overall households is largely amongst those aged 65+, most of the new households seeking housing will be in their twenties and thirties at the time that they form. However, the total number of new households is likely to be more than treble the overall household growth; so, it is also important to recognise that many new households will buy or rent existing housing, and not all new housing will be occupied by new households.

Projected Household Types

- 2.16. When considering future need for different types of housing, it is important to recognise that households of different ages are likely to have different housing needs. Similarly, households of different types (singles, couples and families) within each age group will also have different housing needs.
- 2.17. Figure 15 below shows the household numbers for Great Yarmouth for 2021 and 2041 based on the trend-based projections by household type and age; together with the net change for each group. This is based on the number in each age category rather than the number in each age cohort, as it is assumed that housing needs are more likely to be influenced by the actual age rather than the year of birth.

Figure 15: Total projected households for 2021 and 2041 and summary of 20-year change by household type and age of household representative for Great Yarmouth (Note: Figures may not sum due to rounding. Source: ORS Model)

Year	Household Type	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	TOTAL
2021	Single person	100	1,000	1,160	1,670	2,030	2,170	3,610	1,740	13,500
2021	Couple without children	130	700	760	2,860	4,810	4,690	1,790	630	16,400
2021	Families with child(ren)	660	2,890	3,790	2,580	580	120	70	30	10,700
2021	Other households	270	180	220	420	620	610	690	80	3,100
2021	TOTAL	1,200	4,800	5,900	7,500	8,000	7,600	6,200	2,500	43,700
2041	Single person	0	1,020	1,290	1,790	1,630	1,600	4,260	2,890	14,500
2041	Couple without children	50	520	680	2,470	4,370	5,570	2,840	1,320	17,800
2041	Families with child(ren)	760	3,170	3,700	2,860	700	160	170	100	11,600
2041	Other households	400	260	250	380	710	930	1,430	20	4,400
2041	TOTAL	1,200	5,000	5,900	7,500	7,400	8,300	8,700	4,300	48,300
Change	Single person	-100	+10	+130	+120	-400	-560	+660	+1,150	+1,000
Change	Couple without children	-80	-180	-80	-390	-440	+880	+1,050	+700	+1,500
Change	Families with child(ren)	+100	+270	-100	+280	+120	+50	+100	+60	+900
Change	Other households	+120	+80	+30	-40	+90	+320	+740	-60	+1,300
Change	TOTAL	+0	+200	+0	+0	-600	+700	+2,600	+1,900	+4,600

- » In summary:
- » Families with dependent children represent around 20% of the overall household growth: an increase of 900 households over the 20-year period;
- » Single person households represent just over 20% of the overall 2021-41 household growth in Great Yarmouth. This includes a growth of 1,810 aged over 75 years and a reduction of 800 for those aged under 75 years;
- » Couples without dependent children represent a third of the household growth. This does refer only to dependent children, and any household with only non-dependent children living at home will be included in the “Other” group set out below. In Great Yarmouth, this is an increase of 1,500 households; formed of 2,630 households aged 65+ offset against a reduction of 1,170 younger couples without children.
- » The increase in “Other” households represents 30% of the growth. Other households include multi-generation living, student households and Houses in Multiple Occupation (HMOs).

2.18. Therefore, 54% of the household growth is associated with households such as single persons and couples without children who require smaller dwellings.

Demographic Analysis for the Broads Authority

2.19. As noted above, the Broads Authority is not covered by the standard method for LHN, so it is necessary to derive bespoke projections for the area. In summary the model we have used for housing need in this report adopts the following data sources:

- » **Backlog of Need:** The Broads Authority is not a housing authority, so the backlog of current need is predominantly drawn from data from the 6 local authorities which have then been apportioned to the Broads Authority⁹. This gives a small backlog of need.

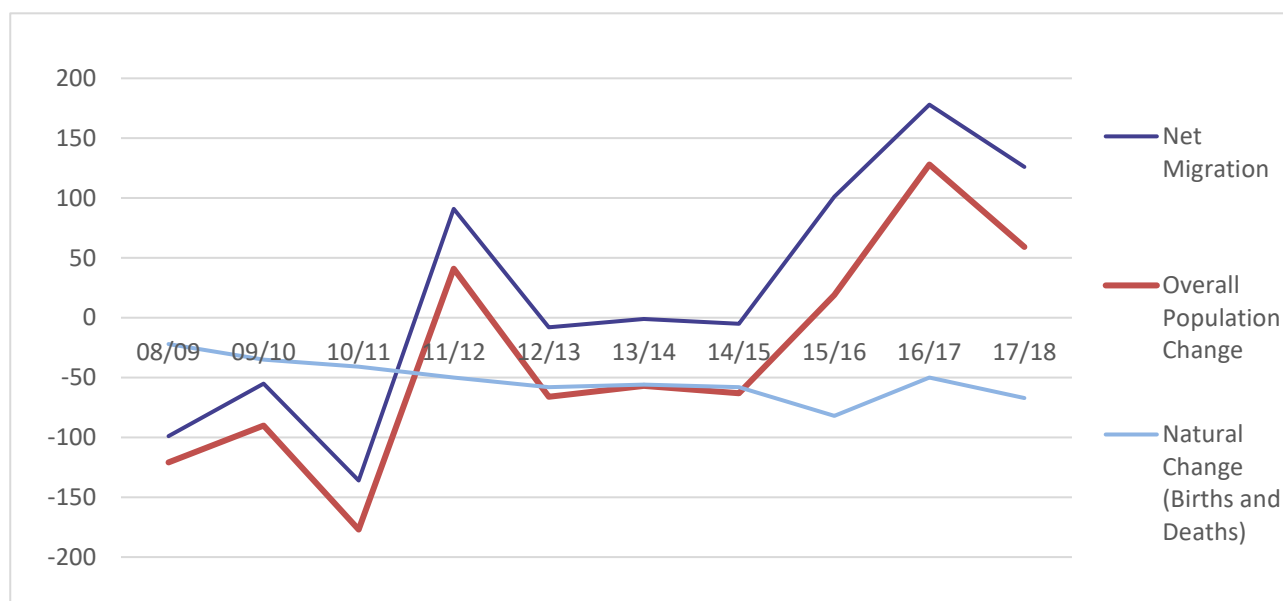
⁹ The backlog of need is the existing historic need that is present before adding any future projections of need.

- » **Population Estimates:** The estimated population for the Broads Authority has been drawn from mid-year population estimates at Lower Super Output Area (LSOA) level. The boundaries of the Broads Authority do not follow LSOA boundaries, so we have best fitted the data to the Broads Authority area. ONS Mid-Year population estimates (MYE) are used instead of ONS projections because MYE are available at LSOA level while the projections are not.
- » **Population Projections:** The population projections have been derived using trends from within the changes of the population estimates. Migration trends have been estimated for the Broads Authority based upon the growth in population each year minus any changes due to births and deaths.
- » **Household Projections:** To convert population projections to household projections requires the use of household headship rates. These have never been produced for national parks, so for the Broads Authority we have used the headship rates for the 6 local authority areas covering the Broads Authority. What this means is that for example, the probability that a 50 year old man living in the Broads Authority is the oldest member of a couple without children is the same as the weighted probability of a 50 year old man in the 6 local authorities covering the Broads Authority being the oldest member of a couple without children.
- » **Vacant, Holiday and Second Homes:** the household projections are uplifted to consider the impact of properties which are not occupied. The housing authorities covering the Broads Authority provided additional information on current vacant, second and holiday homes, but this information was difficult to reconcile and use consistently. This was because the data didn't include any measures for vacancies due to households moving to and from a property. For this reason, for areas such as national parks, we use data from the 2011 Census, which gave a total rate of 18.9% being second homes or vacant.
- » **Household Affordability:** Modelling household affordability is a complex process which draws upon a wide range of data. It takes the type of households projected to be living in an area and considers their affordability. Therefore, if there is projected to be a growing number of young family households in an area this will have a different impact on the need for affordable housing than if the growth in households is coming from older persons. The model is based upon a mixture of data sources covering the tenure of existing households, house prices, rents, housing benefit take-up and incomes, all of which interact with each other.

2.20. The next section of this report considers the demographic information for the Broads Authority which then feed in to the housing needs model.

Migration

2.21. The demographic structure of the Broads Authority is different to the wider areas (compare Figure 12 against Figure 17). A bespoke population estimate for the Broads Authority was made. As noted above, this was based upon a best fit approach to Lower Super Output Areas (LSOA) using Mid-Year Population Estimates (MYE). MYE were used instead of ONS population projections because MYE are available at LSOA level while ONS population projections are not. Figure 16 shows that natural change in the portion of the Broads Authority has been steadily negative over the last decade, whereas inward migration has varied considerably with some of the highest figures being seen since 2015. The net impact of these changes are that the resident population of the Broads Authority is estimated to be lower now than it was a decade earlier, but it has grown in more recent years.

Figure 16: Net migration levels to the portion of The Broads Authority 2008/09 to 2017/18 (Source: ONS Mid-Year Estimates)

- 2.22. As a result of this variability in migration levels, population projections are very sensitive to the time period which informs the trend being projected forward. For example, using a 10 year trend model would see a negative figure for household growth, but this would then include 2011 data when records indicate that the population of the Broads Authority was falling sharply.
- 2.23. Using a 5 year migration trend 2013-2018 would see a household growth of around 14.1 households per annum for the period 2021-41 for the Broads and this is fairly stable for a migration period from 4 to 8 years. Therefore, to use a method which is consistent with the standard method approach for Great Yarmouth we will proceed with a population and household projection model for the Broads Authority based upon the latest 5 year migration trends from 2013-18.

Projected Population Age Profile Based Upon 5 Year Migration Trends

- 2.24. Overleaf Figure 17 shows the projected change in the Broads Authority population by 5-year age band for the 20-year period 2021-41 based upon the 5 year migration trend projections. The projection shows a rise in those aged over 75 years and little change in younger age groups.
- 2.25. While the changes may appear to be dramatic, they do reflect the current population of the Broads Authority. For example, it is estimated that there are 553 persons aged 55-59 years in the area in 2021. However, there are only 267 persons aged 35-39 years. This group will form the core of the 55-59 year old group in 2041. Even allowing for net in-migration from those aged 55-59 years by 2041 it is projected that the total number in this age range will be 463 persons. It is of course possible for the group aged over 80 years may leave the Broads Authority in search of better nursing care options, but overall the trends of net migration and an already ageing population will see a drop in the older working age population.

Figure 17: Population projections 2021-41 by 5-year age cohort for The Broads Authority (Source: ORS Modelling)

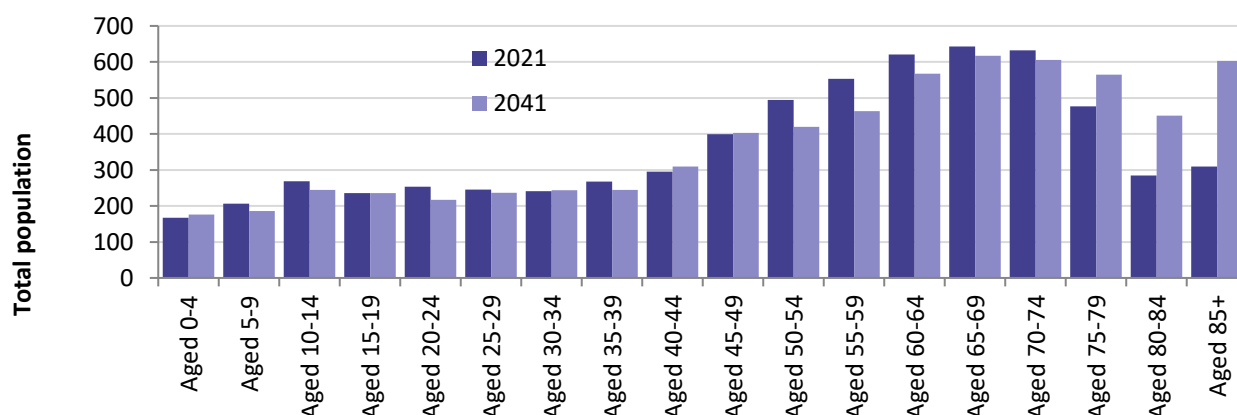
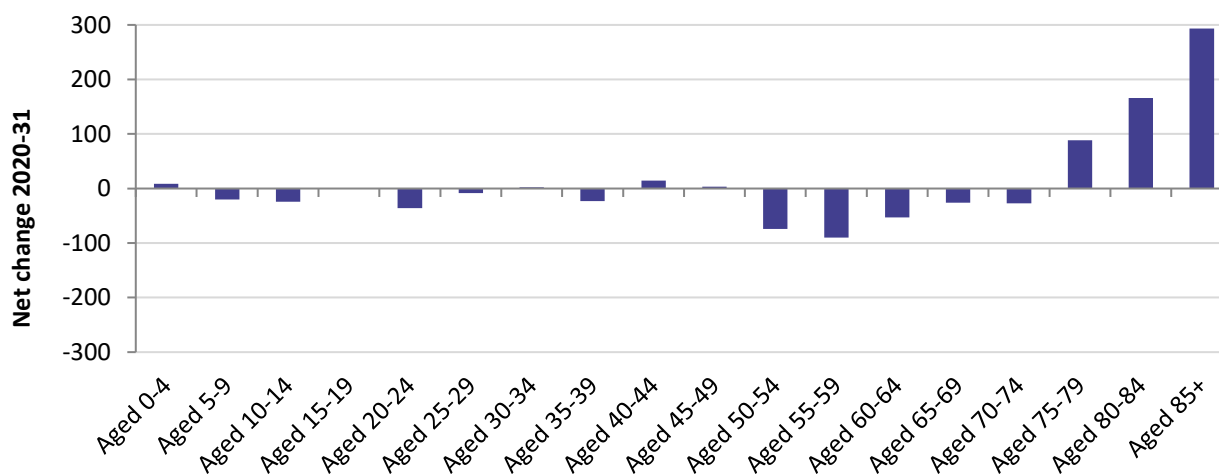


Figure 18: Change in population projections 2021-41 by 5-year age cohort for The Broads Authority (Source: ORS Modelling)



- 2.26. Overleaf Figure 19 show the net change in projected household numbers for The Broads Authority between 2021 and 2041 based on the trend-based projections by household type and age. This data relates to all households, not just those in affordable housing need and it shows how households are likely to change by type and age over the next 11 years. The data is then used to underwrite the modelling of housing need set out below.
- 2.27. Given the overall size of the population for the Broads Authority, the numbers in some categories are small, but overall trends are clear. This shows a growing number of single person households in the area, but also a growth in 'Other' households, some of which are likely to represent adult children of any age living at home with their parents who may be above retirement age.

Figure 19: Summary of 20-year change by household type and age of household representative for the Broads Authority (Note: Figures may not sum due to rounding. Source: ORS Model)

Age of Household Representative	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	TOTAL
Single person	-5	2	5	5	-9	-53	38	107	89
Couple without children	-6	-13	-13	-52	-62	13	104	94	66
Families with child(ren)	2	9	6	15	2	0	1	4	38
Other households	3	-1	-3	-6	-13	2	49	58	89
TOTAL CHANGE	-6	-3	-5	-39	-83	-38	192	263	282
% of Total Change¹⁰	-2%	-1%	-2%	-14%	-29%	-13%	68%	93%	100%

¹⁰ Percentage change in households in the age group in the column heading

3. Jobs and Workers

Alignment of Future Jobs Growth with Resident Workers

Considering the Basis for Adjusting the Local Housing Need

- 3.1. Whilst the PPG sets out a standard approach for establishing local housing need [ID 2a-004-20190220], this is a minimum figure and the PPG also provides examples of a number of circumstances where it may be more appropriate to use a higher figure for plan-making [ID 2a-010-20190220].

When might it be appropriate to plan for a higher housing need figure than the standard method indicates?

The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.

This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:

- » *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- » *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
- » *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;*

Planning Practice Guidance, ID 2a-010-20190220

- 3.2. The PPG is clear that only in exceptional circumstances should an alternative to the standard method that results in a lower figure should be used [ID 2a-015-20190220]; therefore, preparing plans that have the flexibility within the land supply to deliver a greater number of new homes than the current LHN will help to ensure that fluctuations in the LHN in future years are more likely to be accommodated without changes being needed, given that the housing requirement is only fixed for 2 years from the point at which plans are submitted.
- 3.3. Also when considering the factors that could justify an uplift to the LHN, one of the most important is ensuring that the number of new homes takes account of changes that are anticipated in the local economy as well as population trends. This section therefore looks at whether a housing number that is higher than the LHN may need to be considered, and what alternative figure may be justified for the next steps of plan preparation.

Ultimately, it will be for Great Yarmouth Council to determine the extent of any increase when establishing the housing requirement. This will involve evidence-based judgements over a range of different factors.

Future Growth in Worker Numbers

- 3.4. For this study we have modelled future economic activity rates based upon localising the rates used nationally by the Office for Budget Responsibility. These take account of the projected growth in older persons in the labour market as pension ages change and also growing rates of women in the labour market.
- 3.5. The above Figure 12 shows that the working age population of Great Yarmouth is projected to fall between 2021-41. However, this does not imply that the number of workers will fall. Changes to pension age are likely to see more people working for longer in their lives. It is also the case that for every generation the proportion of females who are active in the labour market has risen and this is likely to continue in to the future. The standard method produces a minimum LHN of 353 dwelling per year for Great Yarmouth, including the part of the Broads Authority within Great Yarmouth BC (the derivation is shown in Figure 62). Based upon the population associated with an LHN of 353, we identify that an extra 3,000 workers will be available to work within Great Yarmouth. This does not imply that an extra 3,000 jobs will be supported by workers living in Great Yarmouth. Workers commute in and out of areas and some hold more than one job. However, the population data indicates that the economy of Great Yarmouth can be supported by around 150 more workers per annum.

4. Local Housing Market

Housing options and cost of housing in Great Yarmouth

Housing Tenure Trends

- 4.1. Clear trends are evident in the local data for Great Yarmouth, even while recognising that the 2011 Census is now over 10 years old¹¹. Figure 20 to Figure 22 show that there has been a steady increase in the overall number of owner occupiers since 1981, with a proportional reduction in owner occupation between 2001 and 2011. The proportional and absolute numbers of social renters decreased 1981-2001 (likely in part as a result of the introduction of the Right-to-Buy in 1980), offset by a relatively large increase 2001-11. More recent products such as Affordable Rent had not been introduced in 2011. In comparison, the proportion of private renters has remained relatively constant, however in absolute terms there was a large increase between 2001 and 11.

Figure 20: Number of Households by Tenure in Great Yarmouth 1981-2011 (Source: UK Census of Population)

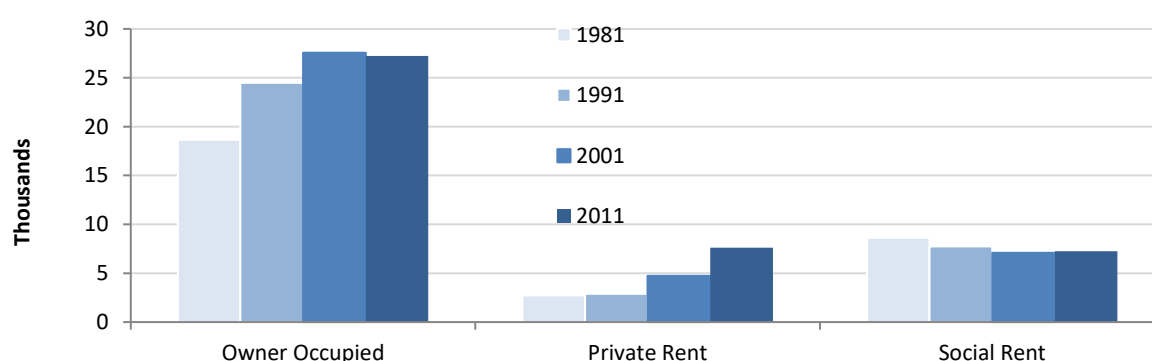
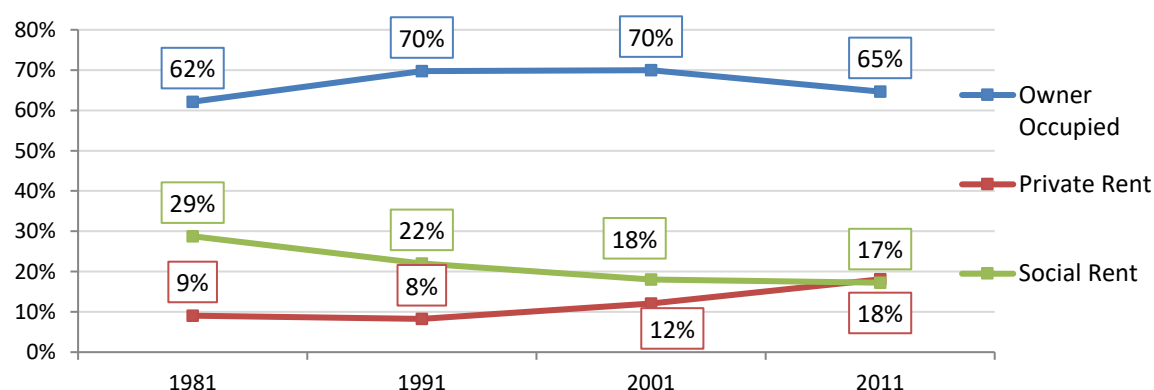


Figure 21: Percentage of Households by Tenure in Great Yarmouth 1981-2011 (Source: UK Census of Population)



¹¹ The first phase release of Census 2021 data is planned for early Summer 2022 including population and households at local authority level

Figure 22: Households by Tenure for Great Yarmouth 1981-2011 (Source: UK Census of Population)

Tenure	Total Households 1981	Total Households 1991	Total Households 2001	Total Households 2011	Net Change 1981-1991	Net Change 1991-2001	Net Change 2001-2011
Owner occupied	18,642	24,492	27,556	27,219	+5,850	+3,064	-337
Private rent	2,722	2,900	4,738	7,605	+178	+1,838	+2,867
Social rent	8,628	7,728	7,086	7,255	-900	-642	+169
TOTAL	29,992	35,120	39,380	42,079	+5,128	+4,260	+2,699
Owner occupied as a %	62.2%	69.7%	70.0%	64.7%	+7.6%	+0.2%	-5.3%
Private rent as a %	9.1%	8.3%	12.0%	18.1%	-0.8%	+3.8%	+6.0%
Social rent as a %	28.8%	22.0%	18.0%	17.2%	-6.8%	-4.0%	-0.8%

Housing Stock by Size

- 4.2. Overleaf Figure 23 shows the housing stock of Great Yarmouth by tenure and number of bedrooms. In general, the owner-occupied stock is dominated by 3-bedroom properties.
- 4.3. 2 bedrooms are the most common private rented property size followed by 3-bedroom then 1 bedroom. In social rent there is a broad three-way split between 1, 2 and 3-bedroom properties, with slightly more 2-bedroom properties than other sizes.

Figure 23: Dwelling stock by tenure and number of bedrooms In Great Yarmouth (Source: UK Census of Population 2011)

Property Type	Owner Occupied	Private Rent	Social Rent	TOTAL
1 bedroom	775	1,631	2,140	4,546
2 bedrooms	7,725	2,999	2,549	13,273
3 bedrooms	13,153	2,428	2,367	17,948
4 bedrooms	4,353	397	141	4,891
5+bedrooms	1,213	150	58	1,421

- 4.4. Figure 24 below shows the housing stock of the Broads Authority with a similar pattern to Great Yarmouth.

Figure 24: Dwelling stock by tenure and number of bedrooms in The Broads Authority (Source: UK Census of Population 2011)

Property Type	Owner Occupied	Private Rent	Social Rent	TOTAL
1 bedroom	50	104	38	193
2 bedrooms	504	256	60	820
3 bedrooms	976	239	53	1268
4+ bedrooms	449	50	4	503
Total	1,980	650	155	2,784

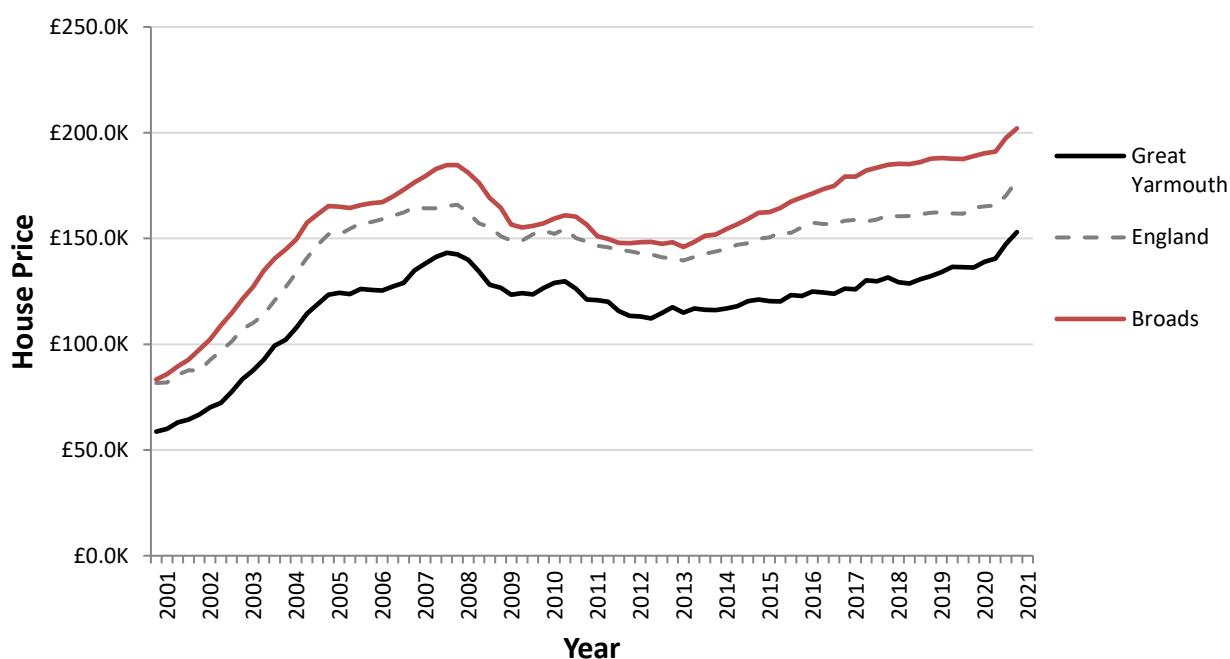
Cost of Home Ownership

- 4.5. House price trends (2001-2021) are shown in Figure 25 based on lower quartile house prices. Lower quartile prices are used to consider the entry level price for home ownership. Of course, the value of money has also

changed during this period, so the data is adjusted to take account of and remove the impact of inflation; therefore, the values reflect real changes in house prices since 2001.

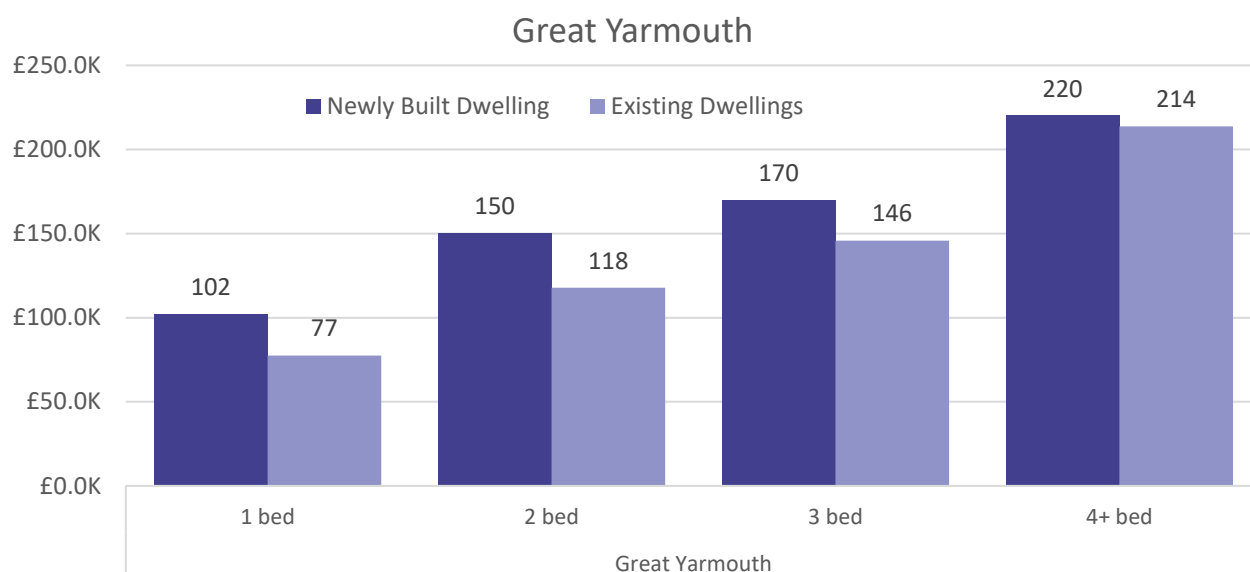
- 4.6. It is evident that real house prices in both Great Yarmouth and the Broads Authority increased substantially in the period 2001-2008 and have been consistently mirroring prices in England. Values reduced during the economic downturn to around by mid-2009 and continued to decline over the period to 2013, but have since increased.

Figure 25: Real House Price Trends: Lower Quartile Prices adjusted to 2021 values using CPI (Source: ONS; Bank of England)



- 4.7. Overleaf Figure 26 shows the lower quartile house prices by bedroom size for Great Yarmouth. Too little newbuild dwellings have been delivered in the Broads Authority to produce an equivalent table. The data shows both the lower quartile price for existing properties and new build dwellings, with prices taken from the Land Registry records for the sales prices of individual properties. When considering first time buyers in particular, many of the purchasers are likely to be newly forming households seeking one and two bed properties, although some will seek larger properties. As discussed below, schemes such as the new First Homes product which sells new homes at a 30% or more discount compared to market prices to local first-time buyers may make home ownership more accessible for this group.
- 4.8. The degree to which new build properties are more expensive than existing homes varies considerably by size of dwelling. This is likely to be down to a range of factors which include the location of newbuild housing, the relative size of properties, gardens and the availability of parking, comparative quality and condition of existing stock, and other intangible issues such as character. In general, new build properties are more expensive than existing dwellings. Given the price of new build properties, a higher level of delivery will make affordability worse in the short-term by increasing median property prices, thus leading to a higher uplift in the Standard Method. The provision of First Homes at a 30% discount may not mitigate this increase as they are only marginally cheaper than existing properties.

Figure 26: Lower quartile prices (adjusted to 2021 values using CPI) for existing dwellings and newly built dwellings (2018-2021) by property size in Great Yarmouth (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)



Income Needed for Home Ownership

- 4.9. The income needed to purchase market housing will depend on the house price together with the mortgage income multiplier and the available deposit (or percentage loan to value).
- 4.10. To give an illustrative example (based on Great Yarmouth prices), taking an existing 1-bedroom property. As this example is purely for illustration and not used in any calculation, it does not take account of some of the complexities of the market such as any increased borrowing rates for Affordable Home Ownership:
- » The lower quartile price recorded was £77,000;
 - » Based on a 90% loan-to-value mortgage, a deposit of £7,700 would be needed (equivalent to 10% of the overall price) with the mortgage covering the remaining £69,300;
 - » Using a mortgage income multiplier of 3.5x would therefore need an annual income of £19,800.
- 4.11. To purchase the same property with a 95% loan-to-value mortgage would reduce the deposit needed to £3,850 (equivalent to 5% of the overall price) but the income required would increase to £20,900 per year. Borrowing at a 4.0x income multiplier would reduce the income needed; but households would still need an income of between £17,300 and £18,300 based on a 5-10% deposit. Therefore, to purchase an existing 1-bedroom property at an overall cost of £77,000 is likely to require an annual income of at least £17,300 (assuming a 10% deposit and a 4.0x multiplier); but with less deposit and a lower income multiplier an income of up to £20,900 per year could be needed.
- 4.12. Whilst some households will have higher deposits available and others will seek to extend their borrowing as far as possible, taking the initial assumptions of a 10% deposit and a 3.5x mortgage multiplier provides a reasonable indication of the income that first-time buyer households are likely to need in order to afford home ownership.
- 4.13. Based on these assumptions, Figure 27 shows the household income levels needed to buy 1 and 2 bedrooms properties in terms of both existing dwellings and newly built dwellings in Great Yarmouth. When purchasing larger homes, households will typically have larger deposits available which often include equity from the

sale of a smaller property. On this basis, it is relatively artificial to consider incomes in isolation. Nor do these figures take account of the variation in price across the Borough, in particular between some of the rural areas and Great Yarmouth town.

Figure 27: Annual income required to afford properties based on a 10% deposit and 3.5 times income mortgage by property size
(Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)

Property Age	Property Size	Annual Household Income Needed to Own at Lower Quartile Prices: Great Yarmouth
NEWLY BUILT DWELLINGS	1 bedroom	£26,200
NEWLY BUILT DWELLINGS	2 bedrooms	£38,600
NEWLY BUILT DWELLINGS	3 bedrooms	£43,700
EXISTING DWELLINGS	1 bedroom	£19,800
EXISTING DWELLINGS	2 bedrooms	£30,300
EXISTING DWELLINGS	3 bedrooms	£37,500

Cost of Renting

- 4.14. Local Housing Allowance (LHA) is the maximum payment for claimants in receipt of housing benefit based on Broad Rental Market Areas (BRMAs). The LHA was previously based on the 30th percentile private rent, however more recent increases have been based on CPI and rates were frozen in the July 2015 Budget before being increased in 2020.
- 4.15. Whilst BRMAs do not align with local authority boundaries, the Lowestoft and Great Yarmouth BRMA covers almost all of Great Yarmouth, and the remainder is covered by Central Norfolk and Norwich BRMA which also covers the whole of the Broads Authority.
- 4.16. Below Figure 28 sets out the maximum local housing allowance by size of property in each of these BRMAs:

Figure 28: Maximum Local Housing Allowance thresholds 2021 (Source: Valuation Office Agency)

Property type	Weekly Rent £ Lowestoft & Great Yarmouth BRMA	Weekly Rent £ Central Norfolk & Norwich BRMA
Room only	£81.50	£82.85
1 bedroom	£92.00	£113.92
2 bedrooms	£116.22	£138.08
3 bedrooms	£126.58	£163.40
4+ bedrooms	£166.85	£218.63

- 4.17. Overleaf Figure 29 sets out the weekly rents for different property sizes. This includes:
- » Median and lower quartile private rent;
 - » Affordable rent; and
 - » Social rent based on existing average rents.

Figure 29: Weekly rent thresholds in Great Yarmouth 2021 (Source: Private Rental Market Statistics, Valuation Office Agency; Regulator of Social Housing Statistical Data Returns. Note: Private rent data excludes housing benefit funded tenancies)

Weekly Rent £	Median Private Rent	Lower Quartile Private Rent	Affordable Rent	Social Rent
1 bedroom	£102.34	£91.99	£87.73	£76.81
2 bedrooms	£132.24	£120.74	£103.17	£84.91
3 bedrooms	£154.09	£136.84	£113.14	£95.76
4+ bedrooms	£206.98	£166.74	£138.12	£110.37

- 4.18. It is evident that for all property sizes, the median private rent is the highest followed in turn by the lower quartile private rent, affordable rent and target social rent. Where the LHA rates are higher than the equivalent lower quartile private rents, it is important to note that the private rent figures exclude housing benefit funded tenancies. Therefore, there would appear to be only limited opportunity for an increase in the number of households in receipt of housing benefit given that lower quartile rents are already above or close to the maximum housing benefit. This analysis does not take differentials in prices in different areas of Great Yarmouth; the market and affordable housing needs by four sub-areas are show below in Figure 70 onwards.
- 4.19. Many private rental properties outside of the urban area are likely to be higher cost and urban areas likely to be lower cost.

Income Needed to Rent Housing

- 4.20. The income needed to rent housing will depend on the monthly rent together with the income multiplier allowed for housing costs. The previous CLG Strategic Housing Market Assessments Practice Guidance (Version 2, August 2007)¹² stated:

*“A household can be considered able to afford market house renting in cases where the rent payable was up to 25 per cent of their **gross** household income” (page 42)*

- 4.21. However, this previous Guidance was rescinded in March 2014 following the publication of the Original NPPF and the launch of the new Planning Practice Guidance (PPG). The PPG does not propose a specific multiplier for assessing housing costs; however, it notes that *“care should be taken ... to include **only those households who cannot afford** to access suitable housing in the market”* [ID 2a-020-20190220] (emphasis added).
- 4.22. Results from the English Housing Survey (EHS) 2015-16¹³ provides information about the percentage of gross household income that households currently spend on their housing costs¹⁴:
- » For the total gross income (excluding housing benefit) of the Household Reference Person and partner, households renting privately spent on average 48% of their income on rent, whilst the average was 40% for households in social rent; and
 - » For the total gross income (excluding housing benefit) from all income earners in the household, irrespective of whether they contribute to the housing cost, households renting privately spent on average 41% of their income on rent, whilst the average was 37% for those in social rent.

¹² <https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance>

¹³ <https://www.gov.uk/government/statistics/english-housing-survey-2015-to-2016-headline-report>

¹⁴ “Annex Table 1.13: Mortgage/rent as a proportion of household income (including and excluding housing benefit), by tenure, 2010-11 to 2015-16”

- 4.23. The EHS demonstrates that many households in both private and social rented properties currently pay considerably more than 25% of gross household income on their housing costs. Whilst it is arguable that some households currently pay too much for their rent, it is unrealistic to suggest that all households paying more than 25% are unable to afford suitable housing in the market.
- 4.24. The proportion of household income allocated to housing costs is necessarily based on a judgement. At the lower end of the range, the previous CLG Practice Guidance sets out a percentage of 25%. However, as the EHS identifies that households renting privately currently spend 41% of their gross income on average, there must be many households currently spending more than 41% of their income on housing costs (which will be offset against others spending lower proportions).
- 4.25. On this basis, it would be reasonable to assume that the proportion of household income allocated to housing costs was at least 25% but no more than 45% of gross income. This leads to our judgement that **35% of income** provides a reasonable basis for assessing the maximum that households should reasonably expect to pay for their housing costs. Whilst this is notably higher than the 25% proposed by the previous guidance, it is still lower than the 41% average that households renting privately actually pay.
- 4.26. As an illustrative example, we can establish the income needed to rent a 1-bedroom property in Great Yarmouth based on a 35% income multiplier:
- » The lower quartile weekly rent recorded was £91.99;
 - » Based on a 35% income multiplier, a weekly income of £262.82 would be needed which equates to a gross annual income of £13,714
- 4.27. To rent the same property based on a 25% income multiplier would increase the gross income required to £19,130 per year. Therefore, to rent a self-contained 1-bedroom property in Great Yarmouth, at a lower quartile rent overall cost of £91.99 per week is likely to require an annual income of at least £13,714 (assuming a 35% multiplier); although it is evident that the required income is very sensitive to the multiplier used.
- 4.28. Given this context, although some households will choose to pay a higher proportion of their income to rent their home (and others might be forced to do so due to the lack of any other housing options), taking the initial assumption of a 35% income multiplier provides a reasonable benchmark to establish the rental income needed. Based on this assumption, Figure 30 shows the gross household incomes needed to afford median and lower quartile private rent, affordable rent and social rent.

Figure 30: Annual income required to afford to rent properties at the lower quartile and median price based on 35% income multiplier by property size in Great Yarmouth (Source: ORS based on Valuation Office Agency data Oct 2020 to Sep 2021)

Annual Income £	Median Private Rent	Lower Quartile Private Rent	Affordable Rent	Social Rent
1 bedroom	£15,257	£13,714	£13,079	£11,451
2 bedrooms	£19,714	£18,000	£15,381	£12,659
3 bedrooms	£22,971	£20,400	£16,867	£14,276
4+ bedrooms	£30,857	£24,857	£20,591	£16,455

- 4.29. Although a rental income multiplier is helpful for benchmark purposes, it does not take account of the disposable income available to households after their housing costs have been paid.
- 4.30. Considering some examples of disposable income:

- » A single person household with a gross income of £20,000 from employment would have £16,880 (£324 per week) after income tax and national insurance contributions. Therefore, housing costs at 35% of gross income would represent 41.4% of their net income, which would leave £9,880 (£189 per week) as disposable income to cover their other living expenses. The maximum amount of weekly income that a single person household can receive before their income starts to affect their housing benefit is currently £73.10 for those aged 25 or over and £57.90 for those aged 16-24; so, on this basis, this household could afford to pay at least 35% of their income on housing costs and still have sufficient disposable income;
- » A couple with two children with a gross income of £20,000 from employment would have up to £19,559 (£375 per week) after income tax and national insurance contributions (assuming both earned £10,000). Therefore, housing costs at 35% of gross income would represent 35.8% of their net income, which would leave £12,559 (£241 per week) as disposable income to cover their other living expenses. The maximum amount of weekly income that a couple with two children can receive before their income starts to affect their housing benefit is currently £248.65 (if one or both are aged 18 or over); so this household could not afford to pay 35% of their income on housing costs as it would not leave them with sufficient disposable income.

- 4.31. When assessing affordable housing need, it is not appropriate to adopt a simplistic income multiplier as this does not take account of different household circumstances. It is better to consider housing benefit eligibility criteria set by the Department for Work and Pensions, which take full account of the different amounts of disposable income for different types of household on different incomes, based on the rents for suitable housing in terms of the number of bedrooms needed.
- 4.32. Eligibility for housing benefit will differ based on the type of household and the number of bedrooms needed. Figure 31 sets out the incomes for housing benefit eligibility for different types of households.

Figure 31: Maximum annual income for households in receipt of housing benefit support by household type in Great Yarmouth
(Source: ORS based on Department for Work and Pensions data)

Property type	Household type	Maximum Annual Income for HB support
ROOM ONLY	Single person aged 16-24	£9,564
ROOM ONLY	Single person aged 25-34	£10,357
1 BEDROOM PROPERTIES	Single person aged 35+	£11,200
1 BEDROOM PROPERTIES	Couple (both aged under 18)	£11,951
1 BEDROOM PROPERTIES	Couple (one or both aged 18 or over)	£13,378
2 BEDROOM PROPERTIES	Lone parent (aged 18 or over) with 1 child	£16,635
2 BEDROOM PROPERTIES	Lone parent (aged 18 or over) with 2 children	£20,125
2 BEDROOM PROPERTIES	Couple (aged 18 or over) with 1 child	£18,813
2 BEDROOM PROPERTIES	Couple (aged 18 or over) with 2 children	£22,304

Income Needed for Other Types of Housing

- 4.33. Another housing option that could be made available in Great Yarmouth, thereby increasing the variety of products available, is Build to Rent. Build to Rent is defined by the NPPF Glossary as:

Build to Rent: purpose-built housing that is typically 100% rented out.

Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control.

NPPF 2021 (Glossary)

- 4.34. Build to Rent housing tends to be somewhat more expensive than median rents (typically more comparable to upper quartile rents). Occupants tend to be those that can afford these higher rents, but are not currently seeking to own a property, since the income required to service such rents is typically in excess of that required to get onto the housing ladder through Low Cost Home Ownership options.
- 4.35. The National Planning Policy Framework states that affordable housing on build to rent schemes should be provided in the form of affordable private rent. The PPG offers a “generally suitable” benchmark that 20% of any given build to rent scheme should be provided as affordable rent (maintained in perpetuity). In terms of setting affordable rent levels, national affordable housing policy requires a rent discount of at least 20% for affordable private rent homes relative to local market rents (inclusive of service charges).
- 4.36. However, the affordability of these affordable Build to Rent options is highly dependent on the rent being discounted. Research by JLL¹⁵ shows that the average Build to Rent option is 9.3% more expensive than the median rent. If it is assumed that these rent levels were to be the case in Great Yarmouth, and a discount of 20% were to be applied to these rents (as is suggested by the NPPF) for the affordable units, then the range of rental costs available would be as Figure 32:

Figure 32: Weekly rent thresholds in Great Yarmouth (Source: Valuation Office Agency 2020-21; SDR 2021, JLL)

Weekly Rent £	Upper Quartile Private Rent	Build to Rent (Median + 9.3%)	Median Private Rent	Local Housing Allowance	Lower Quartile Private Rent	Affordable Build to Rent (20% discount)	Affordable Rent	Social Rent
1 bedroom	£110.39	£111.86	£102.34	£92.00	£91.99	£89.49	£87.73	£76.81
2 bedrooms	£143.74	£144.54	£132.24	£116.22	£120.74	£115.63	£103.17	£84.91
3 bedrooms	£172.48	£168.42	£154.09	£126.58	£136.84	£134.73	£113.14	£95.76
4+ bedrooms	£252.98	£226.23	£206.98	£166.85	£166.74	£180.98	£138.12	£110.37

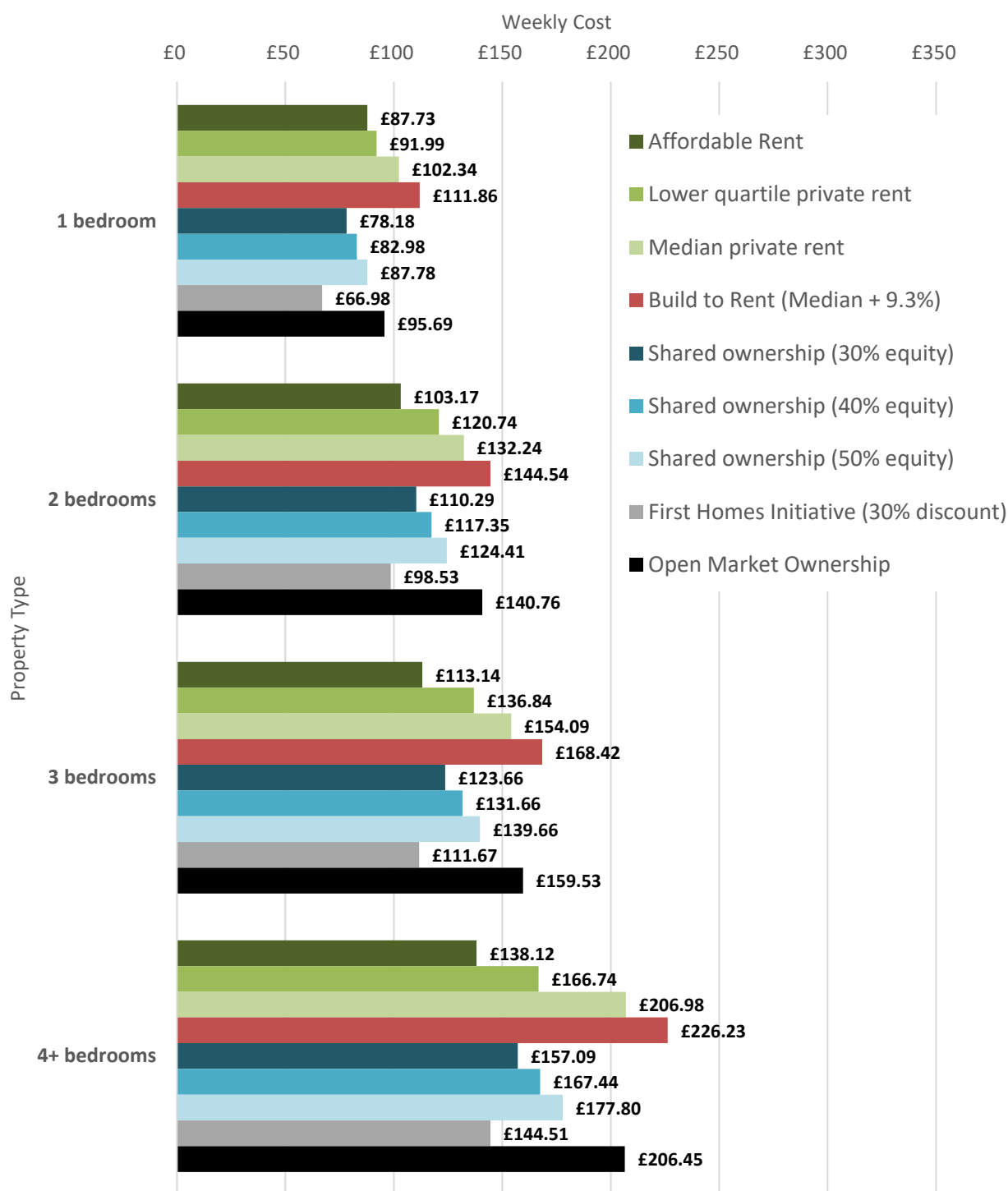
- 4.37. The local housing allowance would be sufficient to cover the costs of affordable Build to Rent units for all dwelling types except for 3 and 4 bedroom properties. As such, the promotion of build to rent with a substantial discount, such as 20%, could be a potentially useful mechanism for bringing forward affordable housing options, particularly on smaller properties.

Summary of Housing Costs

- 4.38. This chapter has considered in some detail the cost of housing depending on tenure type and property size. Figure 33 summarises these costs for each property size using the same assumptions as throughout the report; assuming a 10% for example.

¹⁵ <https://www.jll.co.uk/content/dam/jll-com/documents/pdf/research/emea/uk/jll-residential-insight-build-to-rent.pdf>

Figure 33: Comparison of weekly housing costs by property size in Great Yarmouth (Source: VOA 2020-2021, Land Registry, ORS model)



4.39. Build to Rent for each property size is the most expensive in terms of weekly costs, followed by open market ownership and median private rent. Lower quartile market rent is more expensive than a 70% First Homes mortgage in every property size above single bedroom. A First Homes mortgage is cheaper than median rent for all property sizes.

4.40. The cost of shared ownership predictably varies depending on the equity size purchased, however the fact that it is more expensive on a weekly basis than First Homes for all three equity levels illustrated is evidence

of the significance of the rent payable on the equity retained (along with service charges) on weekly costs. Nonetheless, 40% shared ownership is comparable to median rents in the properties with 2 or 3 bedrooms, and meaningfully cheaper on a 4-bedroom property. It is also much more flexible than First Homes for reasons such as not being restricted to first time buyers and being able to ladder up the equity share, and therefore may meet the needs of different households.

- 4.41. For properties of 2-bedrooms and over, the cost of occupying a Build-to-Rent property is more expensive than all forms of affordable home ownership shown; and is comparable to open market ownership. This underscores that occupants of Build-to-Rent typically have sufficient income to access home ownership options; yet choose not to.
- 4.42. Overall, compared to rental options, the range of affordable home ownership products shown appear to be relatively accessible, however it should be noted that the chart takes no account of the initial cost of a deposit on a property, which is a barrier to many households that seek to get onto the housing ladder. Furthermore, despite the weekly costs being cheaper, the underlying income necessary to obtain a mortgage on a First Home will be meaningfully higher than the underlying income required to rent a property due to the constraint of mortgage income multipliers discussed previously.
- 4.43. At the time of writing, interest rates are expected to rise. This will impact mortgaged properties first, which be followed quite quickly by a growing number of private rents as individual fixed terms reach renewal.

5. Affordable Housing Need

Identifying households who cannot afford market housing

Introduction

- 5.1. The definition of affordable housing was changed by the NPPF 2019, with a specific emphasis now placed on affordable homeownership. This was retained in the NPPF 2021 update and does not explicitly include First Homes. Annex 2 of the Revised NPPF now defines affordable housing as being:

Affordable housing

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)

Revised NPPF 2021, Annex 2

- 5.2. To reflect this change, paragraphs of PPG were updated in February 2019. These were further updated with a new set of guidance on “Housing needs of different groups” published on 22nd July 2019¹⁶.
- 5.3. Further guidance to reflect the need to consider First Homes was then added on May 24th 2021. The changes between the archived PPG and the current revision are highlighted below:

How can the current unmet gross need for affordable housing be calculated?

Strategic policy-making authorities will need to estimate the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market.

The unmet (gross) need for affordable housing by assessing (sic) past trends and current estimates of:

- » *the number of homeless households;*
- » *the number of those in priority need who are currently housed in temporary accommodation;*
- » *the number of households in over-crowded housing;*
- » *the number of concealed households;*
- » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings); and*
- » *the number of households from other tenures in need and those that cannot afford their own homes, **either to rent, or to own, where that is their aspiration.***

Planning Practice Guidance, ID: 2a-020-20190220

Emphasis added shows change first introduced in September 2018

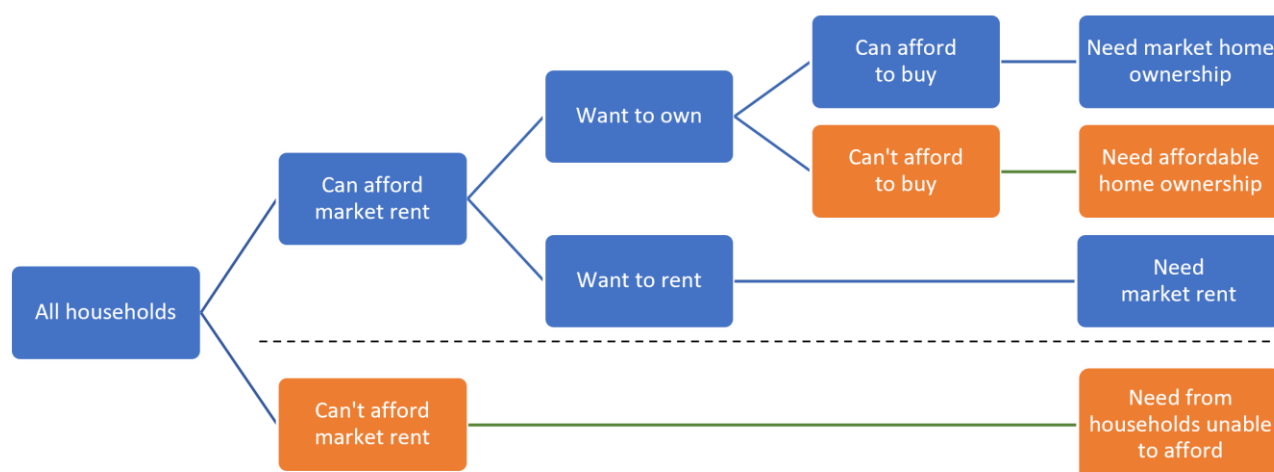
¹⁶ <https://www.gov.uk/guidance/housing-needs-of-different-groups#affordable-housing>

- 5.4. On this basis, it is clear that the assessment of affordable housing need must now consider those households who would like to own but are unable to do so, in addition to those households unable to afford to own or rent which have formed the longstanding basis for assessing affordable housing needs.

Establishing the Need for Affordable Housing to Rent and to Own

- 5.5. Demographic projections provide the basis for identifying the LHN for all types of housing, including both market housing and affordable housing. There is a well-established method for assessing the needs of households who cannot afford to own or rent suitable market housing; however, when considering the needs of households who can afford to rent but would prefer to own, it is necessary to further develop the existing methods given that PPG provides no additional guidance on how this need should be assessed.
- 5.6. Below, Figure 34 illustrates the different groups of households that must now be considered when assessing the need for affordable housing. The needs of those households that can't afford market rent need to be added to the needs of those that can afford market rent but who want to own but can't afford to buy.

Figure 34: Establishing the need for market and affordable housing



Affordable Housing Need: Households Unable to Afford

- 5.7. PPG notes that affordable housing need is based on households “*who lack their own housing or who cannot afford to meet their housing needs in the market*” [ID 67-006-20190722]; though goes on to say that this should include the needs of those that can afford market rent but who want to own but can't afford to buy. Given this context, the following section firstly considers the needs of those households who cannot afford to meet their housing needs, either through buying or renting. The additional needs of those who can afford to rent but who want to own will be considered in the next section.
- 5.8. PPG sets out the framework for this calculation, considering both the current unmet housing need and the projected future housing need in the context of the existing affordable housing stock:

How is the total annual need for affordable housing calculated?

The total need for affordable housing will need to be converted into annual flows by calculating the total net need (subtract total available stock from total gross need) and then converting total net need into an annual flow based on the plan period.

Planning Practice Guidance, ID 67-008-20190722

Current Unmet Need for Affordable Housing

- 5.9. In terms of establishing the **current** unmet need for affordable housing, the PPG draws attention again to those types of households considered to be in housing need; whilst also emphasising the need to avoid double-counting and including only those households unable to afford their own housing. The PPG guidance continues:

How can the current unmet gross need for affordable housing be calculated?

Strategic policy-making authorities will need to estimate the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market.

...

» .

Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.

Planning Practice Guidance, ID: 2a-020-20190220 Establishing Current Unmet Need for Affordable Housing for Households Unable to Afford

- 5.10. Households assumed to be unable to afford housing include:
- » All households that are currently **homeless**;
 - » All those currently housed in **temporary accommodation**; and
 - » People in a **reasonable preference category** on the housing register, where their needs have not already been counted.
- 5.11. Given this context, our analysis counts the needs of all these households when establishing the need for affordable housing at a base date of March 31st 2021.
- 5.12. The analysis counts the needs of all households living in overcrowded rented housing when establishing the need for affordable housing, (which could marginally overstate the affordable housing need) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in Great Yarmouth.
- 5.13. The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household; and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by

improving the existing housing stock, and the Councils have a range of statutory enforcement powers to improve housing conditions.

- 5.14. Concealed families are defined as, “family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity”¹⁷. When considering **concealed families**, it is important to recognise that many do not want separate housing. Concealed families with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger family representatives are more likely to experience affordability difficulties or other constraints (although not all will want to live independently).
- 5.15. Concealed families in a reasonable preference category on the housing register will be counted regardless of age, but our analysis also considers the additional growth of concealed families with family representatives aged 18-54 years (even those not registered on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home). The needs of these households are counted when establishing the need for affordable housing.
- 5.16. Overleaf Figure 35 sets out the assessment of current affordable housing need for Great Yarmouth. The ‘increase in overall need’ shows the number of households who will not be counted by the household projections because of being homeless or concealed households. Because of this, these households should be added to the total housing need.

¹⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf

Figure 35: Assessing current unmet gross need for affordable housing – Great Yarmouth (Sources: CLG P1E returns; Census 2001 and 2011; English Housing Survey 2019; DWP Housing Benefit; CLG Local Authority Housing Statistics)

Current unmet need classification	Current status	Affordable Housing Gross Need	Affordable Housing Supply	Affordable Housing Net Need	Increase in Overall Need
Homeless households in priority need [Source: CLG P1E returns]	Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	16		16	16
Homeless households in priority need [Source: CLG P1E returns]	Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	43		43	
Homeless households in priority need [Source: CLG P1E returns]	Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	26	26	0	
Homeless households in priority need [Source: CLG P1E returns]	Households accepted as homeless but without temporary accommodation provided	0		0	0
Concealed households [Source: Census 2001 and 2011]	Growth in concealed families with family representatives aged under 55	126		126	126
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]	Households living in overcrowded private rented housing	252		252	
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]	Households living in overcrowded social rented housing	415	415	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS]	People who need to move on medical or welfare grounds, including grounds relating to a disability	60	2	58	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS]	People who need to move to a particular locality in the borough of the authority, where failure to meet that need would cause hardship	10	0	10	
TOTAL	TOTAL	948	443	505	142

- 5.17. Based on a detailed analysis of the past trends and current estimates of households considered to be in housing need, our analysis has concluded that an estimated **948 households in Great Yarmouth are currently living in unsuitable housing and are unable to afford their own housing**. This assessment is based on the criteria set out in the PPG and avoids double-counting (as far as possible), but does use estimated data for issues such as overcrowding, so is not an exact figure.
- 5.18. Of these households, 443 currently occupy affordable housing that does not meet the households' current needs, mainly due to the number of bedrooms. Providing suitable housing for these households will enable

them to vacate their existing affordable housing, which can subsequently be allocated to another household in need of affordable housing. **There is, therefore, a net need from 505 households in Great Yarmouth (948 less 443 = 505) that currently need affordable housing and do not currently occupy affordable housing** (although a higher number of new homes may be needed to resolve all the identified overcrowding).

- 5.19. These numbers include a total of 142 households that would not be counted by the household projections because of their being homeless or concealed households.
- 5.20. The Broads Authority is not a housing authority, so does not collect information on current housing needs. Therefore, we have apportioned need from the 6 local authorities who include part of the Broads Authority. Figure 35 sets out the assessment of current affordable housing need for The Broads Authority, which shows 43 households currently unsuitably housed and needing to move, with a net need for 25 households, including 10 not otherwise covered by the household projections.

Figure 36: Assessing current unmet gross need for affordable housing – The Broads Authority (Sources: CLG P1E returns; Census 2001 and 2011; English Housing Survey; DWP Housing Benefit; CLG Local Authority Housing Statistics)

Current unmet need classification	Current status	Affordable Housing Gross Need	Affordable Housing Supply	Affordable Housing Net Need	Increase in Overall Need
Homeless households in priority need [Source: CLG P1E returns]	Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	0		0	0
Homeless households in priority need [Source: CLG P1E returns]	Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	1		1	
Homeless households in priority need [Source: CLG P1E returns]	Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	0	0	0	
Homeless households in priority need [Source: CLG P1E returns]	Households accepted as homeless but without temporary accommodation provided	1		1	1
Concealed households [Source: Census 2001 and 2011]	Growth in concealed families with family representatives aged under 55	9		9	9
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]	Households living in overcrowded private rented housing	9		9	
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]	Households living in overcrowded social rented housing	17	17	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS]	People who need to move on medical or welfare grounds, including grounds relating to a disability	6	1	5	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS]	People who need to move to a particular locality in the borough of the authority, where failure to meet that need would cause hardship	0	0	0	
TOTAL		43	18	25	10

Projected Future Affordable Housing Need

- 5.21. In terms of establishing **future** projections of affordable housing need, the PPG draws attention to new household formation (in particular the proportion of newly forming households unable to buy or rent in the market area) as well as the number of existing households falling into need.

How can the number of newly arising households likely to be in affordable housing need be calculated (gross annual estimate)?

Projections of affordable housing need will have to reflect new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimate of the number of existing households falling into need. This process will need to identify the minimum household income required to access lower quartile (entry level) market housing (strategic policy-making authorities can use current costs in this process, but may wish to factor in anticipated changes in house prices and wages). It can then assess what proportion of newly forming households will be unable to access market housing.

Planning Practice Guidance, ID 2a-021-20190220

- 5.22. The ORS Housing Mix Model considers the need for market and affordable housing on a longer-term basis that is consistent with household projections and Local Housing Need (LHN). The Model uses a range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population.¹⁸ The Model provides robust and credible evidence about the required mix of housing over the full planning period, and recognises how key housing market trends and drivers will impact on the appropriate housing mix.
- 5.23. Whilst PPG identifies that “Projections of affordable housing need will have to reflect new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimate of the number of existing households falling into need.” [ID: 2a-021-20190220], **the Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ by age.** Therefore, the appropriate proportion is determined separately for each household type and age group.
- 5.24. The affordability percentages in Figure 37 and Figure 38 are calculated using detailed information on existing households living in Great Yarmouth from the 2011 Census alongside data published by DWP about housing benefit claimants. For each type of household in each age group, the table identifies the percentage of households unable to afford their housing costs. The defining factor here is whether a household can pay for their housing without requiring affordable housing or housing benefit. Therefore, this is the proportion of households in each age and household composition group that either occupy affordable housing or receive housing benefit to enable them to afford market housing.

¹⁸ Detailed data from CLG 2014-based household projections and sources identified in Figure 29, Figure 35 and

Figure 37: Assessing affordability by household type and age for Great Yarmouth (Source: Census 2011 and DWP)

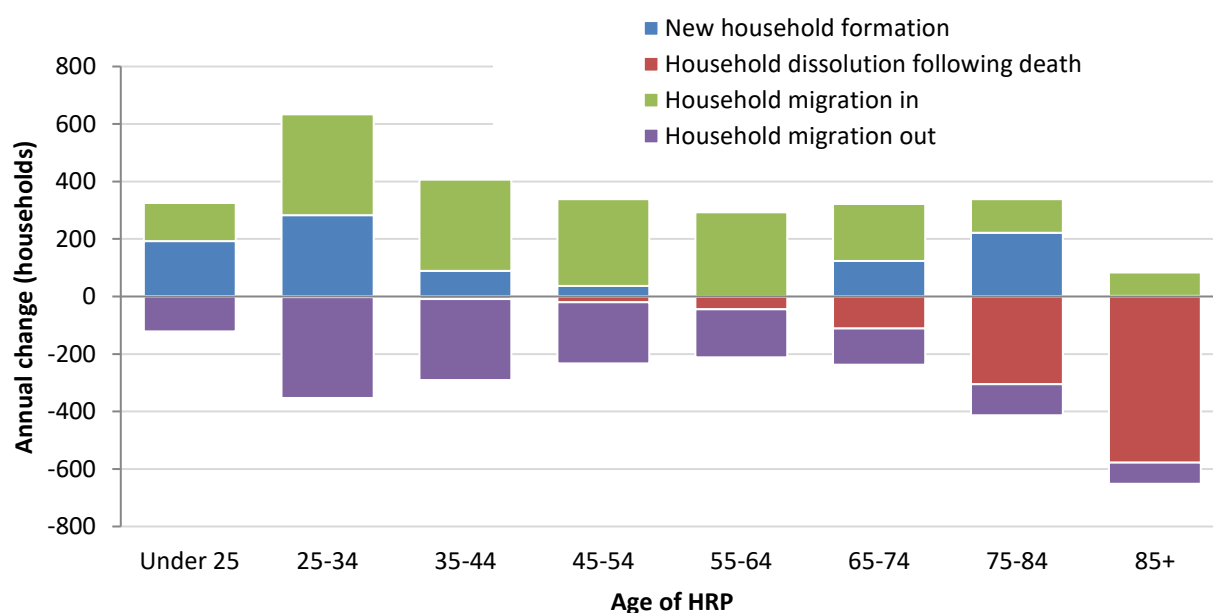
Percentage unable to afford market housing in Great Yarmouth	Under 25	25-34	35-44	45-54	55-64	65+
Single person household	21%	11%	37%	47%	42%	34%
Couple family with no dependent children	24%	10%	15%	12%	11%	15%
Couple family with 1 or more dependent children	53%	36%	27%	20%	21%	38%
Lone parent family with 1 or more dependent children	81%	88%	65%	53%	66%	62%
Other household type	35%	61%	34%	28%	21%	15%

Figure 38: Assessing affordability by household type and age for Broads Authority (Source: Census 2011 and DWP)

Percentage unable to afford market housing in The Broads Authority	Under 25	25-34	35-44	45-54	55-64	65+
Single person household	23%	10%	23%	23%	22%	21%
Couple family with no dependent children	21%	7%	10%	9%	8%	13%
Couple family with 1 or more dependent children	67%	33%	20%	13%	13%	28%
Lone parent family with 1 or more dependent children	76%	78%	53%	43%	37%	73%
Other household type	24%	49%	34%	23%	20%	11%

Establishing the Future Affordable Housing Need for Households Unable to Afford

- 5.25. When considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a “*gross annual estimate*” [ID 2a-021-20190220] suggesting that “*the total need for affordable housing should be converted into annual flows*” [ID 2a-024-20190220].
- 5.26. Below, Figure 39 shows the age structure of each of the components of household change for 2021 to 2026. Note that this analysis is based on changes within each age cohort, so comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore, all new households are properly counted, rather than only counting the increase in the number of households in each age group.

Figure 39: Annual change in Great Yarmouth household numbers in each age cohort by age of Household Representative Person for 2021-2041 (Source: ORS Housing Model, ONS 2018 based sub-national projections and CLG 2014 based sub-national projections)

- 5.27. Together with information on household type, this provides a framework for the model to establish the proportion of households who are unable to afford their housing costs. The following tables look at the impact of different types of household over the longer period of 2021-2041.

Figure 40: Newly forming and in-migration: Annual components of Household Growth 2021-41 in Great Yarmouth (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Great Yarmouth	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	950	573	377	40%
Households migrating into the area	1,792	1,205	587	33%
All new households	2,742	1,778	964	35%

Figure 41: Newly forming and in-migration: Annual components of Household Growth 2021-41 in The Broads Authority (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

The Broads Authority	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	45	33	12	26%
Households migrating into the area	111	88	23	21%
All new households	157	122	35	22%

- 5.28. The ORS Model identifies 950 new households projected to form in Great Yarmouth each year, of which 40% will be unable to afford their housing costs. This amounts to 377 households each year. The equivalent figures for the Broads Authority is that 26% of newly forming households cannot afford which equates to 12 households per annum.
- 5.29. The model also considers new households migrating to the area. The projection is for 1,792 households per annum of which 33% (587 households) will be unable to afford their housing costs. Migrating households are less likely to be in housing need because they typically have higher incomes and equity from property elsewhere.
- 5.30. **This results in a total of 964 new households in need of affordable housing per annum in Great Yarmouth.** 22% of new households in the Broads Authority cannot afford their housing costs, giving an annual need of 35 households.
- 5.31. PPG identifies that “there will be a current supply of housing stock that can be used to accommodate households in affordable housing need” and that it is necessary to establish “the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need” (ID 2a-022).

Figure 42: Dissolution and out-migration: Annual components of Household Growth in Great Yarmouth 2021-41 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Great Yarmouth	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	1,070	781	289	27%
Households migrating <u>out</u> of the area	1,441	944	497	34%
All households no longer present	2,511	1,725	786	31%

Figure 43: Dissolution and out-migration: Annual components of Household Growth in The Broads Authority 2021-41 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

The Broads Authority	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	63	52	11	17%
Households migrating <u>out</u> of the area	80	62	18	22%
All households no longer present	143	114	29	20%

- 5.32. In Great Yarmouth, the model identifies 1,070 households are likely to dissolve following the death of all household members. Many of these households will own their homes outright however, 289 of these are likely to have been unable to afford market housing and will mostly be living in social rented housing. In the Broads Authority, 17% of dissolutions will release affordable housing, amounting to 11 households per annum.
- 5.33. In addition, some households that are unable to afford housing will migrate away from the area, so their needs should be discounted to ensure consistency with the household projections. The model identifies that in Great Yarmouth 1,441 households will migrate out of the area each year, including 497 households who are unable to afford their housing costs. A proportion of these will vacate rented affordable housing (which will become available for another household) whereas others that have not yet been allocated an affordable home will reduce the number of households waiting. (It should be noted that some might have chosen to stay if housing costs were cheaper or more affordable housing was available). In the Broads Authority, the model indicates that 18 households per annum will migrate away from the areas and will no longer require affordable housing.
- 5.34. Altogether, there are 786 households per annum who will vacate affordable dwellings or will no longer be waiting for a home in Great Yarmouth. In the Broads Authority, this figure will be 29 households per annum
- 5.35. PPG also identifies that it is important to estimate “the number of existing households falling into need” (ID 2a-021). Whilst established households that continue to live in the local authorities will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the model by considering changes in affordable housing and housing benefit uptake between cohorts in the population, and it is estimated that 183 established households in Great Yarmouth will fall into need each year.
- 5.36. However, established households’ circumstances can also improve. For example:
- » When two single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately).

- » Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period.

- 5.37. These improved circumstances can therefore reduce the need for affordable housing over time. The model identifies that the circumstances of 275 in Great Yarmouth will improve such that they become able to afford their housing costs having previously being unable to afford. This is again calculated by analysing flows of households moving into affordable housing and housing benefit claimants between different cohorts in the population.
- 5.38. Therefore, considering the changing needs of existing households overall, there is a net decrease of 92 existing households needing affordable housing each year in Great Yarmouth (Figure 44). The equivalent figure in the Broads Authority is a decrease of 3 existing households needing affordable housing each year (Figure 45)

Figure 44: Existing households: Annual components of Household Growth in Great Yarmouth 2021-41 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Great Yarmouth	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-183	+183	100%
Existing households climbing out of need	-	+275	-275	0%
Change in existing households	-	+92	-92	-

Figure 45: Existing households: Annual components of Household Growth in The Broads Authority 2021-41 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

The Broads Authority	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-5	5	100%
Existing households climbing out of need	-	8	-8	0%
Change in existing households	-	3	-3	-

- 5.39. The following tables (Figure 46 and Figure 47) summarise the overall impact of:

- » new households adding to housing need,
- » the households no longer present reducing housing need and
- » the changes in circumstances impacting existing households.

Figure 46: Summary annual components of Household Growth in Great Yarmouth 2021-41 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Great Yarmouth	All households	Households able to afford housing costs	Households unable to afford housing costs
All new households	2,742	1,778	964
All households no longer present	2,511	1,725	786
Change in existing households	-	+92	-92
Future affordable housing need 2021-41 (Annual average)	+231	+146	+85

Figure 47: Summary annual components of Household Growth in The Broads Authority 2021-41 (Source: ORS Housing Model)
Note: Figures may not sum due to rounding)

The Broads Authority	All households	Households able to afford housing costs	Households unable to afford housing costs
All new households	157	122	35
All households no longer present	143	114	29
Change in existing households	-	3	-3
Future affordable housing need 2021-41 (Annual average)	14	10	4

- 5.40. Overall reviewing the contribution of each element amounts to an additional 85 households needing affordable housing in Great Yarmouth annually over the 20-year period 2021-41, with a total of 4 households a year need affordable housing in the Broads Authority.

Overall Affordable Housing Need for Households Unable to Afford

- 5.41. Below, Figure 48 brings together the information on assessing the unmet need for affordable housing in 2021 and the associated impact on market housing, together with the future need for market and affordable housing arising over the 20-year period 2021-41.

Figure 48: Assessing total need for market and affordable housing for Great Yarmouth (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Great Yarmouth	Housing Need (households) Market housing	Housing Need (households) Affordable housing	Overall Housing Need
Unmet need for affordable housing in 2021 (see Figure 35)			
Total unmet need for affordable housing (a)	-	948	948
Supply of housing vacated (b)	363	443	806
Current housing need (c) = (a) - (b)	-363	+505	+142
Projected future housing need 2021-41 (see Figure 46)			
Average annual housing need (d)	+146	+85	+231
Future housing need (e) = (d) x 20	+2,912	+1,709	+4,621
Total need for market and affordable housing (f) = (c) + (e)	+2,550	+2,214	+4,763
Average annual household growth (g) = (f) / 20	+127	+111	+238
Proportion of overall need for market and affordable housing	53.5%	46.5%	100.0%

Figure 49: Assessing total need for market and affordable housing for The Broads Authority ((Source: ORS Housing Model.
Note: Figures may not sum due to rounding)

The Broads Authority	Housing Need (households) Market housing	Housing Need (households) Affordable housing	Overall Housing Need
Unmet need for affordable housing in 2020 (see Figure 36)			
Total unmet need for affordable housing (a)	-	43	43
Supply of housing vacated (b)	15	18	33
Current housing need (c) = (a) - (b)	-15	25	10
Projected future housing need 2021-41 (see Figure 47)			
Average annual housing need (d)	10	4	14
Future housing need (e) = (d) x 20	210	72	282
Total need for market and affordable housing (f) = (c) + (e)	195	97	292
Average annual household growth (g) = (f) / 11	10	5	15
Proportion of overall need for market and affordable housing	66.7%	33.3%	100.0%

- 5.42. Overall, in Great Yarmouth, there is a need to provide affordable housing for 2,214 households unable to afford to rent or buy over the Plan period 2021-41 (46% of the projected growth) which equates to **111 households per year**.
- 5.43. In the Broads Authority, there is a need to provide affordable housing for 97 households unable to afford to rent or buy over the Plan period 2021-41 (33% of the projected growth) which equates to **5 households per year**.

Summary for Households Unable to Afford Market Housing

- 5.44. In Great Yarmouth, the housing mix analysis identified a need to provide additional affordable housing for 2,214 households over the 20-year period 2021-41. **This is equivalent to 111 households per year.**
- 5.45. In the Broads Authority the housing mix analysis identified a need to provide additional affordable housing for 97 households over the 20-year period 2021-41. **This is equivalent to 5 households per year.**
- 5.46. These levels would provide for the current unmet needs for affordable housing in addition to the projected future growth in affordable housing need, but any future losses from the current stock (such as demolition, or sales through Right to Buy) would increase the number of affordable dwellings needed by an equivalent amount.
- 5.47. The analysis also assumes that the level of housing benefit support provided to households living in the private rented sector remains constant. Private rented housing (with or without housing benefit) does not meet the definitions of affordable housing and is not counted as affordable housing supply; however households in receipt of housing benefit are assumed to be able to afford their housing costs, so they are not counted towards the need for affordable housing. Nevertheless, if housing benefit support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.
- 5.48. As policy decisions about housing benefit support provided to households living in the private rented sector are determined by the Government, it will be necessary for the local planning authorities to consider the possible impact of any changes when determining the most appropriate affordable housing targets for the area. This will also need to take account of the latest information from the local authority housing registers.

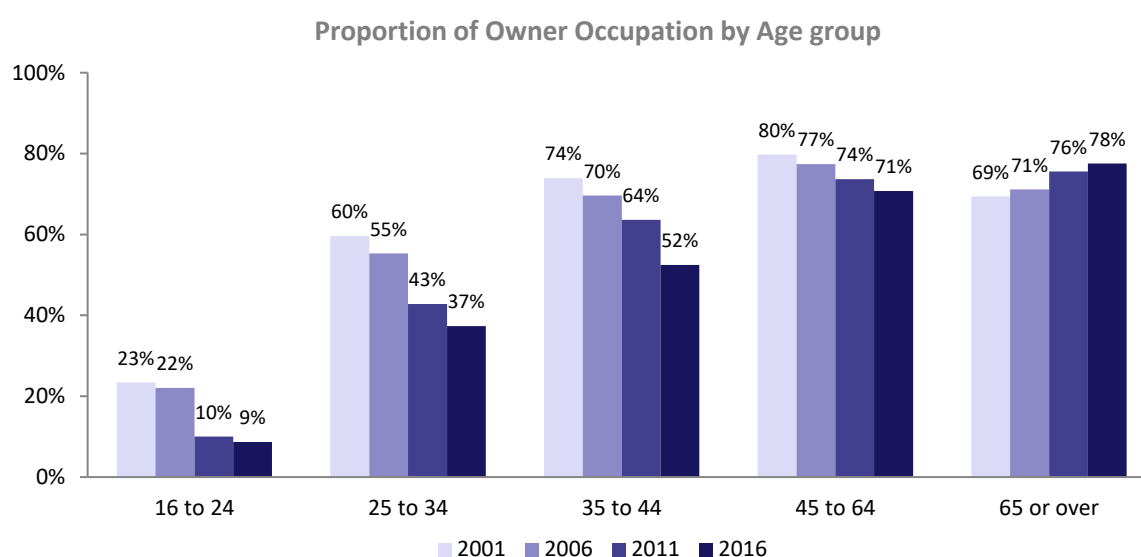
Furthermore, given the net unmet need from 505 households needing affordable housing at the start of the Plan period, it will be appropriate to maximise affordable housing delivery in the early years of the Plan, providing that this does not unduly compromise overall levels of housing delivery in the area.

Needs of Households Aspiring to Homeownership

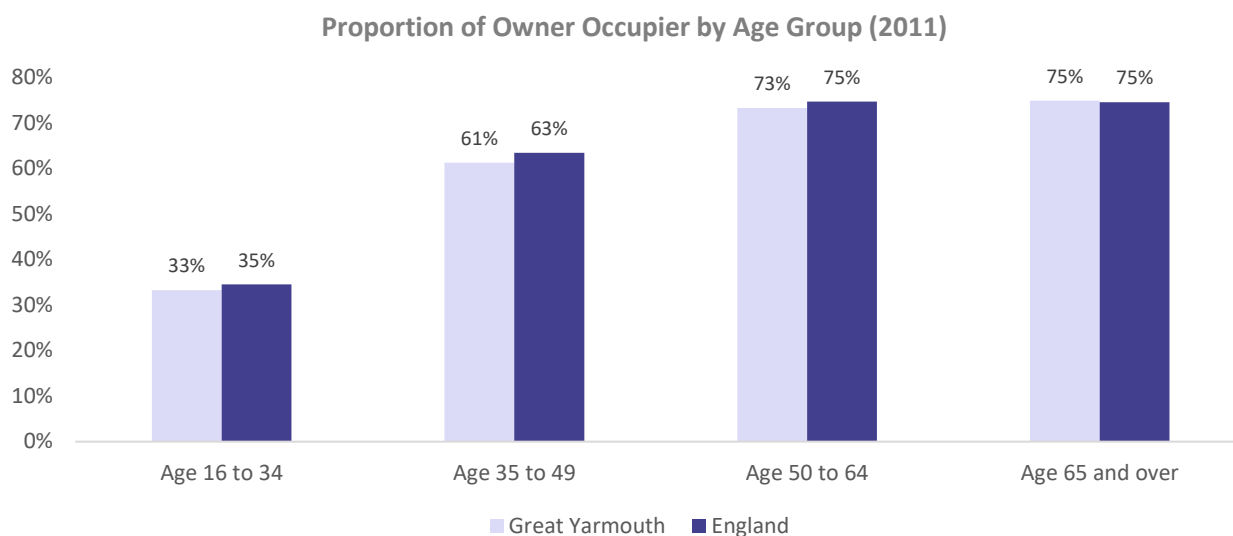
Home Ownership Trends

- 5.49. The new emphasis on households that cannot afford to own their home reflects Government concerns that the proportion of owner occupiers has reduced nationally over the last ten to fifteen years. Estimates from the English Housing Survey suggest that the proportion of owner occupiers reduced from around 69% in 2006 to 65% in 2011 and to 63% by 2016. Over the same period the proportion of households renting from a social landlord also reduced from 19% to 17% whilst the proportion renting privately increased from 12% to 20%.
- 5.50. The proportion of owner occupiers varies by age with younger age groups less likely to own their home than older households. The real change is in the extent to which younger age groups owning their property has fallen over recent years whilst at the upper end of the age scale (aged 65 or over) home ownership has been increasing (Figure 50).

Figure 50: Percentage of Owner Occupiers in England by Age Group 2001-2016 (Source: English Housing Survey)



- 5.51. The English Housing Survey does not contain robust data on owner occupation by age group at the local level, however an indication of the comparison between owner occupation levels by age in Great Yarmouth versus the national average can be gathered from the 2011 Census (Figure 51).

Figure 51: Proportion of Owner Occupation by age group 2011 (Source: Census 2011)

- 5.52. It can be seen from Figure 51 that there are lower rates of owner occupation in Great Yarmouth than the national average in all age groups reported on by the Census 2011, with the exception of the age 65 and over group.

Establishing the number of households aspiring to home ownership

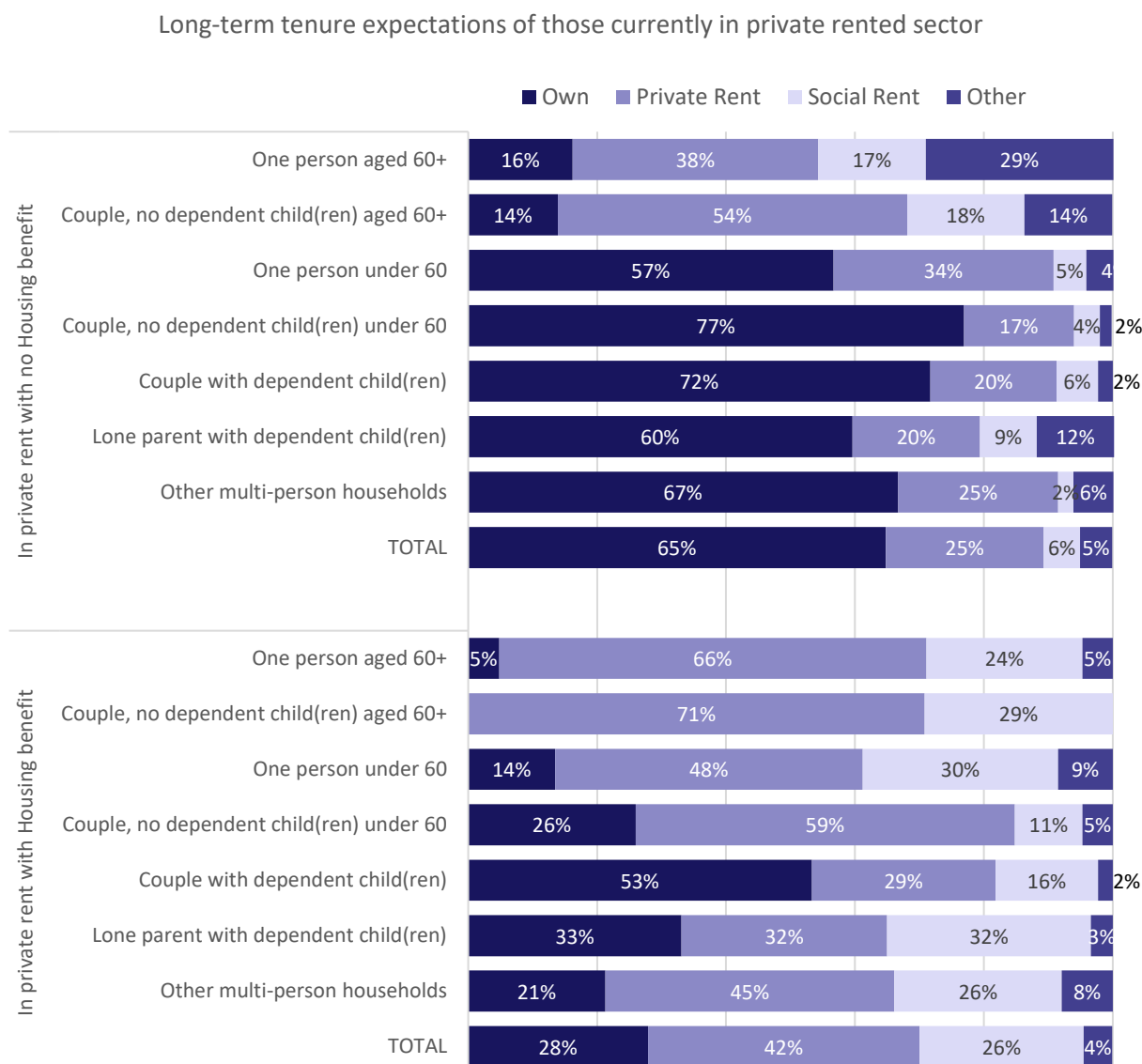
- 5.53. English Housing Survey data shows that, unsurprisingly, 96% of households who currently own their property wish to stay as owner occupiers in the long term. In terms of potential demand over half (54%) of households who rent privately and almost a fifth (18%) of those in social rented housing aspire to homeownership.

Figure 52: Long-term aspirations for England (Source: English Housing Survey 2013/4)

Current Tenure	Long-term Tenure Plan to be Owner Occupier	Long-term Tenure Plan for Shared Ownership	Long-term Tenure Plan to Rent from Private Landlord	Long-term Tenure Plan to Rent from Social Landlord	Long-term Tenure Plan is Other
Owner occupied	96.1%	0.4%	0.7%	1.1%	1.6%
Private rent	53.5%	2.6%	28.8%	11.4%	3.8%
Social rent	18.1%	1.8%	1.9%	77.0%	1.1%

- 5.54. These figures relate to aspirations only and there is no test within the data as to whether this aspiration is affordable. It is therefore worth considering the responses of those currently in private rent in more detail with a view to understanding the types of household aspiring to buy.
- 5.55. The following chart (Figure 53) shows long-term tenure aspirations of those in private rent by household type as well as whether they are currently in receipt of housing benefit.
- 5.56. Almost two in three (65%) of those who are currently renting privately and NOT receiving housing benefit wish to buy their own home in the future. The proportion is much lower for those households with a Household Representative Person (HRP) over 60 (averaging 15%) and slightly higher amongst couples under 60 (77% and 72% depending on whether or not there are dependent children in the household).
- 5.57. Just under three in ten (28%) of those households in the private rented sector and in receipt of housing benefit wish to buy their own home in the future. This increases to 53% of couples with dependent children.

Figure 53: Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support
(Source: English Housing Survey 2013-14. Note: Own includes shared ownership)



Additional Need for Affordable Homeownership

- 5.58. Through combining data on the number of households of each type in each age group living in private rented housing and paying their own rent with the aspiration data from the EHS 2013-14, Figure 54 and Figure 55 establish the number of existing households likely to aspire to home ownership that have not been counted in the affordable housing need. It is important to recognise that all of these households are able to meet their own housing costs in the private rented sector, when they find a dwelling that suits them, so would typically not be considered for social or Affordable Rent.

Figure 54: Households currently living in the Private Rented Sector in Great Yarmouth and paying their own rent that aspire to home ownership by Age of Household Representative (Note: Figures may not sum due to rounding)

Household Type	15-24	25-34	35-44	45-54	55-64	65+	TOTAL
Single person	32	287	108	17	0	0	444
Couple without children	55	214	67	114	55	13	518
Families with child(ren)	54	248	40	27	0	0	369
Other households	90	0	23	18	25	0	157
Total Volume	232	750	238	176	81	13	1,489
<i>Percentage of households</i>	16%	50%	16%	12%	5%	1%	100%

Figure 55: Households currently living in the Private Rented Sector in the Broads Authority and paying their own rent that aspire to home ownership by Age of Household Representative (Note: Figures may not sum due to rounding)

Household Type	15-24	25-34	35-44	45-54	55-64	65+	TOTAL
Single person	5	26	20	12	9	8	80
Couple without children	4	25	11	18	17	8	83
Families with child(ren)	2	29	27	14	0	0	72
Other households	7	0	1	2	1	0	11
Total Volume	18	80	59	46	27	17	246
<i>Percentage of households</i>	7%	33%	24%	19%	11%	7%	100%

- 5.59. Based on this analysis, we can estimate that there is a total of around 1,489 households currently resident in Great Yarmouth who cannot afford to own their own home but would aspire to do so. Just over half of these households (54%) are aged 25-34 with the substantial majority (82%) aged under 45. The equivalent figure for the Broads Authority is 246 households who cannot afford to own their own home but would aspire to do so.
- 5.60. In addition to the current need, it is also important to consider new households that are projected to form over the period 2021-2041. Through combining this data with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 1,063 households that form over the 20-year period who will be able to afford to pay market rent but unable to afford to own, despite that being their aspiration. **Overall, in Great Yarmouth there are likely to be 2,551 households who aspire to homeownership but who cannot afford to buy their own home over the period 2021-41, a net annual need of 125 per year. In the Broads Authority, there are likely to be 120 households who aspire to homeownership but who cannot afford to buy their own home over the period 2021-41, a net annual need of 6 per year** The vast majority of this group of private renters can be assumed to be potential first-time buyers, as it is far more common for a renter to become a homeowner (i.e. as a first-time buyer) than the reverse (i.e. entering the rental market having previously owned a home). Figure 58 and below assess how many of these 2,551 in Great Yarmouth and 125 in the Broads Authority may be able to afford affordable home ownership, taking account of incomes and savings.
- 5.61. As noted earlier in Chapter 4, the government have recently introduced a new housing product entitled First Homes, which are properties to be sold with at least a 30% discount to first-time buyers. While the figure of 2,551 households who aspire to homeownership in Great Yarmouth sets an upper threshold for the number who could seek to access First Homes, it would still be the case that these households would require a deposit and to be able to afford to service the cost of a mortgage. We explore the importance of this point below.

Identifying the Overall Affordable Housing Need

- 5.62. Below, Figure 56 and Figure 57 bring together the information on assessing the unmet need for affordable housing in 2021 together with the future need for affordable housing and those aspiring to home ownership arising over the 20-year period 2021-41. All data relates to households and this will be converted to dwellings when we add a vacancy rate in the next chapter. It can be noted that this assessment has no regard for whether those aspiring can access affordable home ownership options; some may be able to afford home ownership but have not found a suitable property yet.

Figure 56: Assessing total need for affordable housing 2021-2041 – Great Yarmouth (Source: ORS Housing Model)

Great Yarmouth (including the part of the Borough that intersects with the Broads Authority)	Affordable Housing Need Households unable to afford	Affordable Housing Need Households aspiring to home ownership	Overall Affordable Housing Need
Current housing need in 2021	505	1,489	1,994
Future housing need 2021-41	1,709	1,063	2,772
TOTAL HOUSING NEED	2,214	2,551	4,765

Figure 57: Total need for affordable housing 2021-2041 – The Broads Authority (Source: ORS Housing Model)

The Broads Authority	Affordable Housing Need Households unable to afford	Affordable Housing Need Households aspiring to home ownership	Overall Affordable Housing Need
Current housing need in 2021	25	246	271
Future housing need 2021-41	72	120	192
TOTAL HOUSING NEED	97	367	464

- 5.63. On this basis, in Great Yarmouth we can conclude that the overall need for affordable housing would comprise a total of 4,765 households over the 20-year period 2021-2041, equivalent to an average of 238 per annum.
- 5.64. In the Broads Authority we can conclude that the overall need for affordable housing would comprise a total of 464 households over the 20-year period 2021-2041, equivalent to an average of 23 per annum.
- 5.65. In Great Yarmouth, this represents a similar level of growth to that identified by the ONS 2018-based household projections for the LHN period 2021-2031 (10-year variant, Figure 10). This is due to a large proportion of this need being associated with the whole population as opposed to the projected new households, which is recognised by the PPG:

How does the housing need of particular groups relate to overall housing need calculated using the standard method?

The standard method for assessing local housing need identifies an overall minimum average annual housing need figure but does not break this down into the housing need of individual groups. This guidance sets out advice on how plan-making authorities should identify and plan for the housing needs of particular groups of people.

This need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method. How can needs of different groups be planned for?

Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area, taking into account:

- » *the overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);*
- » *the extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and*
- » *the anticipated deliverability of different forms of provision, having regard to viability.*

Planning Practice Guidance, ID 67-001-20190722

- 5.66. The size, type and tenure of homes also needs to be calculated separately from the standard method. PPG February 2019 states:

How does the housing need of particular groups relate to overall housing need calculated using the standard method?

The standard method for assessing housing need does not break down the overall figure into different types of housing. Therefore the need for particular sizes, types and tenures of homes as well as the housing needs of particular groups should be considered separately.

Planning Practice Guidance, ID 2a-017-20190220

- 5.67. Given that the need for affordable housing and affordable home ownership in particular is very high, it is necessary to consider how this need can be addressed within the overall need established.
- 5.68. It will be important to plan for the needs of **all** households unable to afford to rent or own market housing if they are going to avoid the number of housing benefit claimants living in private rented housing increasing.
- 5.69. It is important to recognise that the figures for those who aspire to home ownership are based upon those households who currently can afford market rent. But these households would not necessarily choose new build Affordable Home Ownership if it was available, as some may prefer to secure full ownership in the less expensive second-hand housing market. Similarly, some households may not ultimately need affordable home ownership if their circumstances change to such a degree that they are eventually able to buy without financial assistance. It is also important to recognise that the identified demand could only be realised if Affordable Home Ownership products can be delivered at prices that are truly affordable in the area, in line with local house prices and incomes.
- 5.70. Neither the NPPF nor PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford affordable homeownership products if they were provided. Whilst a range of affordable homeownership products are available, each with different costs and eligibility criteria, PPG for First Homes states at paragraph 2 that:

How does the housing need of particular groups relate to overall housing need calculated using the standard method?

The First Homes criteria are the minimum requirements a housing unit must meet in order to qualify as a First Home. Affordable Housing Update Written Ministerial Statement published on 24 May 2021, the national standards for a First Home are that:

- a) a First Home must be discounted by a minimum of 30% against the market value;*
- b) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London); and,*
- c) the home is sold to a person who meets the First Homes eligibility criteria, as set out in first 2 paragraphs under First Homes eligibility criteria.*

Planning Practice Guidance, ID: 70-002-20210524

5.71. It goes on at paragraph 4 to outline that:

Can the required minimum discount be changed?

In order to qualify as a First Home, a property must be sold at least 30% below the open market value. Therefore, the required minimum discount cannot be below 30%.

However, the First Homes Written Ministerial Statement does give local authorities and neighbourhood planning groups the discretion to require a higher minimum discount of either 40% or 50% if they can demonstrate a need for this. As part of their plan-making process, local planning authorities should undertake a housing need assessment to take into account the need for a range of housing types and tenures, including various affordable housing tenures (such as First Homes). Specific demographic data is available on open data communities which can be used to inform this process. The assessment will enable an evidence-based planning judgement to be made about the need for a higher minimum discount level in the area, and how it can meet the needs of different demographic and social groups.

In such circumstances, the minimum discount level should be fixed at either 40% or 50% below market value and should not be set at any other value. In each case, these percentages represent the minimum discount required for a home to qualify as a First Home. Developers who are able to offer higher discounts within their contributions should be free to do so but the local authority cannot require this. In such cases, whatever discount (as a percentage of market value) is given at the first disposal should be the same at each subsequent sale. These minimum discounts should apply to the entire local plan area (except if Neighbourhood Plans are in place in certain areas) and should not be changed on a site-by-site basis.

If local authorities or neighbourhood planning groups choose to revise their required minimum discounts in any future alterations to their plans, this should not affect the minimum discounts required for previously sold First Homes when they come to be resold, as these will be bound by the section 106 agreements entered into at the time of their first sale.

Planning Practice Guidance, ID: 70-004-20210524

5.72. Previously Figure 26 shows that the current lower quartile newbuild prices for a 4-bedroom property in Great Yarmouth is around £220,000, so 70% of this price would be inside the cap limit. And the equivalent figure for the Broads Authority is also well inside the limit. Therefore, we have not applied any caps on the discount applied to First Homes based upon the maximum £250,000 value. However, it is still the case that a property

discounted by 50% will be much more affordable than one discounted by 30%. Therefore, for the purpose of establishing the plausibility of low-cost home ownership access, we have assumed a maximum discount of 50% on open market prices for properties which are compatible with the First Homes scheme. However, we then assess how many of these households can also afford at a 30% discount.

- 5.73. Given this context, Figure 58 identifies those households with income that would be insufficient to afford 50% of newbuild prices at the lower quartile for the local area, those households with savings of less than £5,000, and those households that both have sufficient income and savings to purchase an open market property but nonetheless choose to rent. It should be remembered that, as set out in Figure 33, First Homes are typically more affordable than shared ownership in Great Yarmouth, but of course shared ownership does often require a lower deposit. This is based on further analysis of the EHS data which considers the income distribution and savings data for households that rent privately but aspire to homeownership. This data has been updated to reflect current income levels and scaled for each local area using indices from the ONS gross disposable household income (GDHI) tables.
- 5.74. In Great Yarmouth, of the 2,551 households who can afford to rent but who aspire to homeownership, there would be 479 that would be able to afford market home ownership but choose not to (but aspire to do so at some point in the future). There would be a further 555 households with insufficient income to have a realistic prospect of being able to afford at 50% of open market values (Figure 58). Of the remaining dwellings for households with incomes above the minimum threshold, there would be 1,184 where the household had savings of less than £5,000 and were therefore unable to afford the assumed deposit (nor the assorted up-front costs) of purchasing a home in the local area.

Figure 58: Affordable homeownership housing mix by household affordability in Great Yarmouth 2021-2041 (Source: ORS Housing Model)

Great Yarmouth	All households aspiring to home ownership	MINUS households able to afford market home ownership	Households unable to afford market home ownership	MINUS households unable to afford 50% of newbuild LQ	Households able to afford 50% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford 50% of newbuild LQ and have savings of £5,000 or more
1 bedroom	422	-115	= 306	-83	= 223	-183	= 40
2 bedrooms	1,068	-211	= 857	-232	= 625	-496	= 129
3 bedrooms	959	-140	= 819	-205	= 614	-475	= 139
4+ bedrooms	102	-12	= 90	-35	= 55	-31	= 24
TOTAL	2,551	-479	= 2,072	-555	= 1,517	-1,184	= 333

Figure 59: Affordable homeownership housing mix by household affordability in the Broads Authority 2021-2041 (Source: ORS Housing Model)

The Broads Authority	All households aspiring to home ownership	MINUS households able to afford market home ownership	Households unable to afford market home ownership	MINUS households unable to afford 50% of newbuild LQ	Households able to afford 50% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	= 41	-10	= 31	-7	= 23	-17	= 6
2 bedrooms	= 140	-24	= 115	-31	= 84	-66	= 18
3 bedrooms	= 159	-20	= 139	-35	= 103	-80	= 23
4+ bedrooms	= 27	-3	= 25	-10	= 14	-8	= 6
TOTAL	367	-58	= 309	-84	= 225	-171	= 54

- 5.75. On this basis, 333 dwellings are needed for households that aspire to homeownership but cannot afford it, who also have at least £5,000 in savings and incomes above the relevant threshold. This is 13% of the total that was originally identified. As previously noted, it is likely that the vast majority of these households would be first-time buyers. The equivalent level of need in the Broads Authority is for 54 households over the 20 year period; 15% of the total that was originally identified.
- 5.76. Whilst it will be a policy decision as to how much of the additional need for affordable homeownership from households able to afford market rent should be provided, in Great Yarmouth, it would seem appropriate to only plan for the needs of those 333 households likely to form an effective demand (i.e. those able to afford the various products that will potentially be available) in addition to the 2,214 households unable to afford to rent or own market housing. Similarly, in the Broads Authority, it would seem appropriate to only plan for the 54 households who form an effective demand as well as the 97 households who cannot afford market rent. Figure 60 and Figure 61 provide a breakdown of the planned affordable housing on this basis.

Figure 60: Overall need for Affordable Housing 2021-41 in Great Yarmouth, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Great Yarmouth	Affordable Housing Need Households unable to afford	Affordable Housing Need Households aspiring to home ownership	Affordable Housing (Households)
1 bedroom	104	40	144
2 bedrooms	908	129	1,037
3 bedrooms	960	139	1,099
4+ bedrooms	242	24	266
TOTAL HOUSING NEED	2,214	333	2,547

Figure 61: Overall need for Affordable Housing 2021-41 in The Broads Authority, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

The Broads Authority	Affordable Housing Need Households unable to afford	Affordable Housing Need Households aspiring to home ownership	Affordable Housing (Households)
1 bedroom	3	6	9
2 bedrooms	39	18	57
3 bedrooms	44	23	67
4+ bedrooms	11	6	17
TOTAL HOUSING NEED	97	54	151

- 5.77. For Great Yarmouth, the LHNA identifies an overall affordable housing need from 2,547 households over the 20-year period 2021-41 (127 per annum). This includes the needs from all households unable to afford to rent or own market housing and also provides for those households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of those households being able to access a 50% First Homes property.
- 5.78. For the Broads Authority, the LHNA identifies an overall affordable housing need from **151 households**¹⁹ over the 20-year period 2021-41 (8 per annum).
- 5.79. However, it is important to recognise that there are many more households who aspire to homeownership who either do not have sufficient income or savings that would enable them to realise their aspiration. There are significant price differences across the borough, with some areas being much more affordable than other. It is also important to recognise that these figures assume that the number of households in receipt of housing benefit to enable them to afford market housing in the private rented sector does not change.

¹⁹ 151 households, before converting the need to 153 dwellings in Figure 74.

6. Overall Housing Need

Local Housing Need based on the Standard Method

Introduction

- 6.1. The NPPF confirms that planning authorities should normally use the standard methodology to establish a minimum Local Housing Need (LHN) figure. As noted earlier, the standard methodology does not apply for the Broads Authority, so we will proceed to analyse the figures for Great Yarmouth first before returning to the Broads Authority later in this chapter.
- 6.2. Using the process set out in Planning Practice Guidance for Housing Need Assessment [ID 2a-004-20190220] the minimum annual Local Housing Need figure for 2021 can be established as follows:

Figure 62: Establishing the minimum LHN figure for Great Yarmouth (Source: CLG, ORS; Note: All figures rounded to the nearest whole number)

Steps	Key data	Great Yarmouth
Step 1: Setting the baseline	Total households 2021	45,183
Step 1: Setting the baseline	Total households 2031	48,267
Step 1: Setting the baseline	10-year change (2021-2031)	3,084
Step 1: Setting the baseline	Annual average	308
Step 2: An adjustment to take account of affordability	Median workplace-based affordability ratio	6.30
Step 2: An adjustment to take account of affordability	Adjustment factor	14.4%
Step 2: An adjustment to take account of affordability	Affordability uplift	44
Step 2: An adjustment to take account of affordability	Uncapped housing need	353
Step 3: Capping the increase	Adoption date of most recent Local Plan	22/12/2021
Step 3: Capping the increase	Annual requirement	363
Step 3: Capping the increase	Annual requirement with 40% uplift applied (Cap A)	508
Step 3: Capping the increase	Household projection with 40% uplift applied (Cap B)	432
FINAL	Local Housing Need	353

- 6.3. Based on these calculations, the minimum Local Housing Need figure for Great Yarmouth is 353 dwellings per annum when adding the unrounded household projections and uplift. This translates to 7,060 (353 x 20) across the twenty-year period.

Establishing the Housing Target

- 6.4. The LHN provides the starting point for establishing the final housing requirement which will be planned for through strategic policies. This is confirmed by PPG at the outset of the section on assessing housing and economic development needs:

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.

Planning Practice Guidance, ID 2a-001-20190220

- 6.5. In determining the local plan housing target, it will be necessary for the local authorities to consider whether, or not, the LHN could be met within their area, taking account of any constraints on land availability.
- 6.6. Where local authorities are unable to meet their LHN in full, it will be necessary for them to engage with neighbouring authorities through the Duty to Cooperate discussion. This should establish if any of the identified housing need that isn't able to be delivered locally (the "unmet need") could be provided for in other areas.

Disaggregating the Minimum Local Housing Need figure

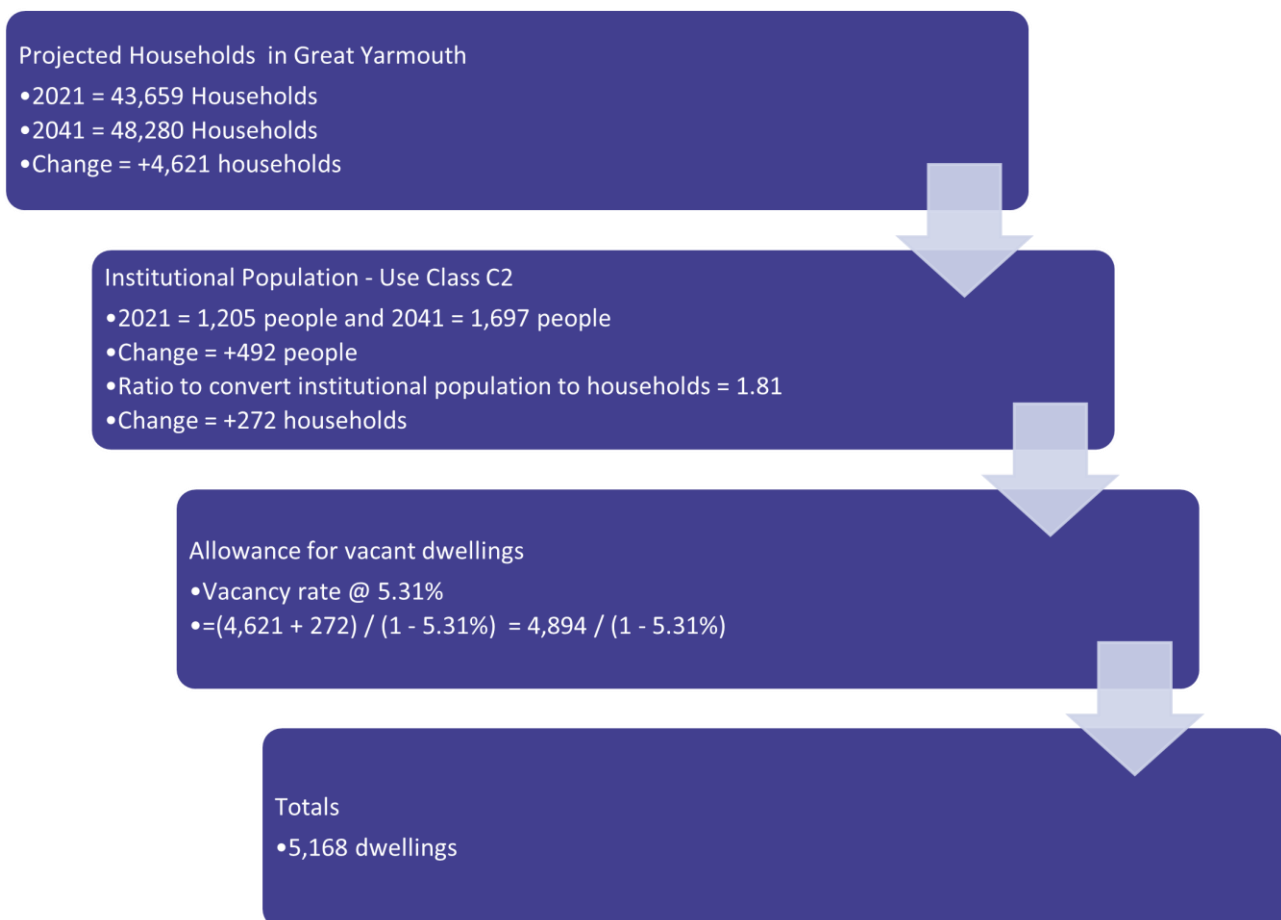
- 6.7. Although the LHN figures are informed by the trend-based household projections, the affordability adjustments (14.4%) mean that the LHN figures are higher than the household projection-based estimate of housing need. This increase is designed to help respond to housing market pressures which may have suppressed past rates of household formation.
- 6.8. Given this context, delivering the number of homes that the minimum LHN identifies will yield a different population and household growth to that projected using past trends alone. In assessing the appropriate mix of housing, it is necessary to establish demographic projections to align with the number of homes identified by the standard method.
- 6.9. The demographic projections for the LHNAs are based on the latest official projections and cover the 20-year period 2021-2041. They are informed by the latest ONS mid-year estimates,²⁰ and take account of the most up-to-date fertility and mortality rates and the latest migration trends. Whilst recent trends provide the starting point, the model aligns household growth with the LHN target through varying two key assumptions:
- » Household formation rates for younger households are adjusted on the basis that the Government's objective of providing more homes will enable more households to form. The analysis assumes that household formation rates for all age groups under 45 will progressively increase towards the equivalent rate that was recorded in 2001. The period 2001 has been chosen because it represents a point in time when the housing market was much less constrained and younger households could form more easily; and
 - » Where household formation rates for all age groups under 45 have returned to the levels recorded in 2001, the rate of net inward migration is increased to align the overall household growth with the number of dwellings identified by the LHN target.

²⁰ The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements

6.10. Below Figure 63 sets out the separate elements that will contribute to the LHN. These include:

- » Households growth over the 20-year plan period calculated on trend-based projections;
- » Institutional population growth over the 20-year plan period needing communal accommodation;
- » Dwellings without a usually resident household either vacant homes, second homes or holiday lets (drawn from the 2011 Census). This includes any properties which are temporarily vacant due to households moving out before a new household moves in, as well as properties which have no usual resident due to them being second homes or holiday lets; and
- » Additional dwellings to respond to pent-up housing market pressure.

Figure 63: Elements of housing need (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)



6.11. At this point in our reporting we are referring to dwellings rather than households. A dwelling is usually occupied by a single household although in some cases two households may share a dwelling. Importantly, we need to make an allowance for an inevitable base level of vacant properties and the word household becomes misleading. The inclusion of an allowance for vacant and second homes and holiday lets also allows any newbuild holiday lets to be counted as part of the overall housing supply.

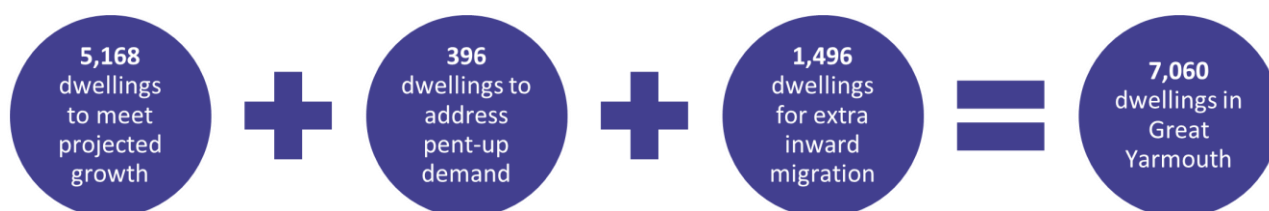
6.12. Thus, the number of dwellings needed to deal with the projected household and institutional population growth is 4,894 in Great Yarmouth. However, if we assume that 5.31%²¹ of dwellings will be unoccupied at any one time this means that a total of 5,168 dwellings are required.

²¹ Based on 2011 Census data at a local authority level

6.13. The local housing need has already been identified as 353 dwellings per annum, which translates to 7,060 dwellings across the twenty-year period. This leaves a difference between these housing need figures and the population projected need of 5,168 dwellings.

6.14. This additional need is made up from two elements:

- » Enabling more households to form²² (from the pent-up housing demand) = 396 dwellings, including the 142 households identified in Figure 48
- » Enabling more net inward migration²³ = 1,496 dwellings



6.15. These 7,060 overall dwellings can be separated into market and affordable housing. A component of affordable housing as outlined in Chapter 5 is affordable home ownership for those that aspire to own. Some of the 1,892 (396 + 1,496) extra dwellings for pent-up demand²⁴ and in-migration to meet the LHN beyond projected growth will inevitably be occupied by residents that aspire to home ownership, and the impact of this group on the affordable housing numbers calculated in Chapter 5 is calculated below. These same households should not add to the need for affordable housing to rent because they will have already been counted in the needs set out in Chapter 5 of this report as part of the backlog or new need.

Figure 64: Extra households from pent-up demand and in-migration beyond projected (LHN scenario): Affordable homeownership housing mix by household affordability 2021-2041 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS households able to afford market ownership	Households unable to afford market home ownership	MINUS households unable to afford 50% of newbuild LQ	Households able to afford 50% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	18	-5	= 13	-4	= 9	-8	= 2
2 bedrooms	45	-9	= 36	-10	= 26	-21	= 5
3 bedrooms	40	-6	= 35	-9	= 26	-20	= 6
4+ bedrooms	4	-1	= 4	-1	= 2	-1	= 1
TOTAL	108	-20	= 87	-23	= 64	-50	= 14

6.16. The above Figure 64 applies the same calculation to the extra residents as was presented in Figure 58 for households that formed projected growth. Dwellings suitable for 14 extra households are needed to accommodate those that aspire to homeownership that have at least £5,000 in savings and have incomes above the relevant threshold.

²² Based on the assumption that household formation rates for all age groups under 45 are currently constrained and allowing them to return to the equivalent rates recorded in 2001.

²³ Once household formation rates reach the 2001 level any additional uplift is assumed to provide housing for an additional population based on increased net migration.

²⁴ Pent up demand is unfulfilled demand within the existing population, such as hidden households

- 6.17. The previous analysis (Figure 58) identified 333 households that could afford an affordable homeownership option and had savings of £5,000 or more. Combining this with the 14 extra households identified, this totals 347 households that will aspire to homeownership and have the financial means to be able to afford First Homes at a 50% discount. Application of the affordable vacancy rate²⁵ yields 367 affordable homeownership dwellings (Figure 65).

Figure 65: Summary of households likely to be able to access affordable home ownership in LHN scenario (Source ORS Housing Model, Census)

	Households able to afford and have savings of £5,000 or more (Base Scenario)	Households able to afford and have savings of £5,000 or more (Uplift for LHN)	Households	Dwellings (including a vacancy rate)
1 bedroom	40	2	42	45
2 bedrooms	129	5	134	142
3 bedrooms	139	6	145	154
4+ bedrooms	24	1	25	27
TOTAL	333	14	347	367

- 6.18. Overleaf Figure 66 shows the result of applying the vacancy rate for affordable homes to the summary of households in Figure 60, and further disaggregating aspire to homeownership into those that can afford First Homes with a 30% discount and those that can afford First Homes with a 50% discount, but not with a 30% discount. This latter group will therefore require the provision of a more accessible product than 70% First Homes (e.g., a form of shared ownership, first homes with a larger discount, or similar). These affordable homes are subtracted from the overall dwelling need calculated above, disaggregating the number of market homes from the LHN. The category labelled unable to afford market rent includes both Social and Affordable Rent.
- 6.19. The figures also contain market needs which represents the need for Use Class C2 bedspaces, such as care homes, converted to dwellings. The Class C2 figure is outlined in Figure 63 which considers the projected growth in those in Class C2 in the population and household projections. The household projections assume that the percentage of persons aged 75 years and over who move to Class C2 remains constant over time and that would release the equivalent of 272 households for relet. However, in practice if these households do not move to Class C2 then the properties will remain occupied. It is important to note that we are not assuming that the equivalent of 288 dwellings in Great Yarmouth are delivered as Class C2 bedspaces. Instead, the population and household projections assume that the equivalent of 288 dwellings (272 households plus an allowance for vacancies and second homes) will be vacated by those moving to Class C2. If these moves do not occur because Class C2 bedspaces are not delivered, then 288 more Class C3 dwellings will be required. If Class C2 bedspaces are delivered they can be counted at a ratio of 1.81 bedspaces equals 1 dwelling in the LHN figures.

²⁵ Affordable vacancy rate data from Regulator of Social Housing - Statistical Data Return 2019

Figure 66: Overall need for Market and Affordable Dwellings (including affordable home ownership products) by property size in Great Yarmouth (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Unable to afford market rents	Unable to afford market ownership and Unable to afford 70% First Homes	Unable to afford market ownership but able to afford 70% First Homes	Affordable Housing	Total Market Housing	Total Housing
1 bedroom	107	3	42	151	282	433
2 bedrooms	934	39	103	1,076	776	1,851
3 bedrooms	987	14	139	1,140	2,825	3,966
4+ bedrooms	249	10	17	276	246	522
DWELLINGS	2,277	67	300	2,644	4,129	6,772
C2 Dwellings	-	-	-	-	288	288
LHN	2,277	67	300	2,644	4,416	7,060

- 6.20. The below Figure 67 shows the components of housing need presented in Figure 66 as percentages of the 7,060 overall dwelling need calculated with the proposed standard method in Figure 62.

Figure 67: Overall need for Market and Affordable Dwellings as percentages of the LHN (including affordable home ownership products) by property size in Great Yarmouth (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Unable to afford market rents	Unable to afford market ownership and Unable to afford 70% First Homes	Unable to afford market ownership but able to afford 70% First Homes	Affordable Housing	Total Market Housing	Total Housing
1 bedroom	1.5%	0.0%	0.6%	2.1%	4.0%	6.1%
2 bedrooms	13.2%	0.6%	1.5%	15.2%	11.0%	26.2%
3 bedrooms	14.0%	0.2%	2.0%	16.2%	40.0%	56.2%
4+ bedrooms	3.5%	0.1%	0.2%	3.9%	3.5%	7.4%
DWELLINGS	32.2%	0.9%	4.3%	37.4%	58.5%	95.9%
C2 Dwellings	-	-	-	-	4.1%	4.1%
LHN	32.2%	0.9%	4.3%	37.4%	62.6%	100.0%

- 6.21. Overleaf Figure 68 shows the components of housing need with a breakdown of affordable rented between social rent and Affordable rent and shows a need for 1,794 social rented dwellings and 483 Affordable rented dwellings. The key factors in this calculation is the household income profile of those in need and whether they receive housing benefit. If a households is unable to afford Social Rent then it is assumed that housing benefit will cover the cost of their rent.

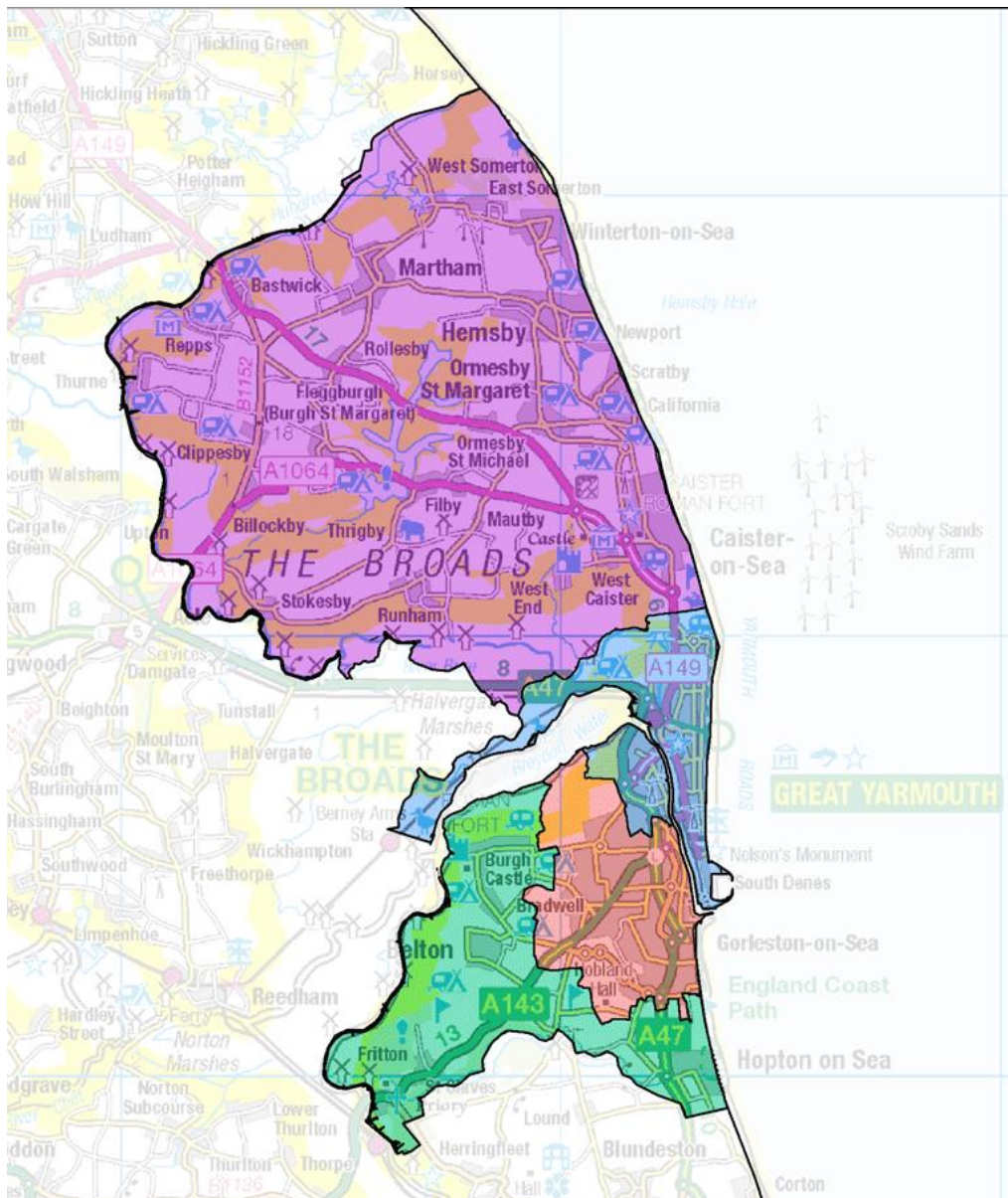
Figure 68: Overall need for Market and Affordable Dwellings (including social and affordable renting) by property size in Great Yarmouth (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Unable to afford Social rent	Unable to afford Affordable rent	Affordable Home Ownership	Total Affordable Housing	Total Market Housing	Total Housing
1 bedroom	76	30	45	151	282	433
2 bedrooms	712	222	142	1,076	776	1,851
3 bedrooms	770	216	154	1,140	2,825	3,966
4+ bedrooms	235	14	27	276	246	522
DWELLINGS	1,794	483	367	2,644	4,129	6,772
C2 Dwellings	-	-	-	-	288	288
LHN	1,794	483	367	2,644	4,416	7,060

Sub-areas of Great Yarmouth

- 6.22. To this point, the figures for the sub-areas of Great Yarmouth have been subsumed as part of the Great Yarmouth figures. However, it is possible to provide an abbreviated housing model for this portion of the sub-areas based on available evidence. This splits the 6,772 dwellings in to the 4 sub-area based upon recent trends. The C2 dwellings are not included in this breakdown.
- 6.23. Discussion with the Borough Council Officers and stakeholders identified four sub-areas which have characteristics and housing markets:
- » North Rural was identified as including everywhere in the Borough from the southern boundary of Caister, northwards and to the West.
 - » Great Yarmouth Town was identified as the boundary of the town.
 - » Gorleston and Bradwell was identified as the boundary of the two settlements.
 - » South Rural was identified as everywhere in the Borough from Breydon Water southwards that is not covered in the Yarmouth Town and Gorleston and Bradwell sub-areas.
- 6.24. The precise boundaries of the sub-areas were then defined based on LSOAs as they are statistical areas, and account taken of some of the geographical features which are a distinctive feature of Great Yarmouth Borough. The precise boundaries are shown on the map below.

Figure 69: Sub-areas of Great Yarmouth



6.25. To undertake this exercise we utilised the following modelling approach:

- » We firstly identify the number of current people, households and dwellings in each sub-area. This includes considering the age profile of the population and also the household types;
- » Trends for population change in the sub-areas are then considered which allow us to develop a projection of migration for each area;
- » The demography of each area is then considered to develop a projection of births and deaths;
- » This allows for a projection of population change in each sub-area based upon recent trends;
- » The data is then reconciled with the overall target to 6,772 dwellings to ensure consistency between the sub-area analysis and the overall housing need for Great Yarmouth.
- » The analysis process set out in Chapter 6 is then followed for each sub-area to model their overall and affordable housing needs based upon their demographic projections.

- 6.26. The important point about the figures set out below is that they are trend based and are driven by the demographics and affordability for each sub-area. The overall figures are not based upon building capacity or any measure of planned delivery.
- 6.27. Taken together, the sub area analysis suggests that:
- » The majority of affordable rent housing is required in the urban areas of Yarmouth town (1,354) and Gorleston and Bradwell (544), though there is a clear need in the North rural (278) and South rural (102) areas.
 - » Gorleston and Bradwell shows the greatest need for affordable home ownership (161), followed by North rural (107), Great Yarmouth town (89) and South rural (10).
 - » The greatest need for market housing is in Gorleston and Bradwell (1,752) and North rural (1,616), South rural (405) then Yarmouth town (355).
- 6.28. The key factor driving the results is the relative relationship between income and housing costs. It is almost always the case that those with lower incomes on average move to areas which have lower housing costs. Therefore, those who reside in more expensive areas do so because they are more likely to be able to afford to be there. The consequences of this is that it is typical that affordable housing needs are higher in lower housing cost areas of a borough. This often appears counter-intuitive, but reflects relative levels of affordability

Figure 70: North Rural Area. Overall need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size by sub-area (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

North	Unable to afford market rents	Unable to afford market ownership and Unable to afford 70% First Homes	Unable to afford market ownership but able to afford 70% First Homes	Affordable Housing	Total Market Housing	Total Housing
1 bedroom	4	1	10	15	24	39
2 bedrooms	130	12	31	174	484	658
3 bedrooms	110	4	39	153	971	1,124
4+ bedrooms	34	4	6	43	137	180
DWELLINGS	278	21	86	384	1,616	2,001

Figure 71: Great Yarmouth Town Area. Overall need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size by sub-area (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Great Yarmouth Town	Unable to afford market rents	Unable to afford market ownership and Unable to afford 70% First Homes	Unable to afford market ownership but able to afford 70% First Homes	Affordable Housing	Total Market Housing	Total Housing
1 bedroom	129	1	13	143	87	229
2 bedrooms	527	10	26	562	-103	459
3 bedrooms	551	3	32	587	387	974
4+ bedrooms	147	1	2	151	-15	136
DWELLINGS	1,354	16	73	1,443	355	1,798

Figure 72: Gorleston and Bradwell Area. Overall need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size by sub-area (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Gorleston and Bradwell	Unable to afford market rents	Unable to afford market ownership and Unable to afford 70% First Homes	Unable to afford market ownership but able to afford 70% First Homes	Affordable Housing	Total Market Housing	Total Housing
1 bedroom	26	1	18	45	108	153
2 bedrooms	210	15	43	268	349	617
3 bedrooms	258	6	64	328	1,203	1,531
4+ bedrooms	50	5	9	64	92	156
DWELLINGS	544	27	134	705	1,752	2,457

Figure 73: South Rural Area. Overall need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size by sub-area (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

South	Unable to afford market rents	Unable to afford market ownership and Unable to afford 70% First Homes	Unable to afford market ownership but able to afford 70% First Homes	Affordable Housing	Total Market Housing	Total Housing
1 bedroom	2	0	1	3	9	11
2 bedrooms	35	2	4	40	77	117
3 bedrooms	50	1	3	54	283	337
4+ bedrooms	15	0	0	15	37	51
DWELLINGS	102	2	8	112	405	517

The Broads Authority: Overall Housing Need for 2021-41

- 6.29. Previously Figure 19 sets out the household growth for the Broads from 2021-41. To convert this to dwellings requires the application of a vacancy and second homes dwelling rate to allow for the fact that at any one time some properties will be empty.
- 6.30. The housing authorities covering the Broads Authority provided additional information on current vacant, second and holiday homes, but this information was difficult to reconcile and use consistently due to the data needing to cover all categories of vacant second and holiday homes. At the time of the 2011 Census, the vacancy rate in the Broads Authority was 18.9%.
- 6.31. The previous Figure 36 also shows a need for 10 households who would not otherwise be counted in the household projections. Under the standard method, these households would form part of the uplift, but no such uplift applies in the Broads Authority. Therefore, we have added them to the households projections.
- 6.32. Overall, we would propose that the 5-year migration trend model which shows a need for 358 dwellings over the 20 year period, or 17.9 dwellings per annum is the best model for the Broads Authority. This is the total need for housing, with the affordable housing need being **153 dwellings**²⁶ over the 20 year period, or 7.6

²⁶ 153 dwellings, which is the result of converting the need for 151 households identified in Figure 61 to the need for dwellings.

dwelling per annum. This figure is consistent with the 5 year migration trends used in the standard method for Local Housing Need for the 6 local authorities covering the Broads Authority, but allows for the differences in population structure between the Broads Authority and the wider local authorities.

- 6.33. Previously Figure 74 and Figure 75 shows the equivalent data for the Broads Authority as Figure 66 and Figure 67 do for Great Yarmouth.

Figure 74: Overall need for Market and Affordable Dwellings (including affordable home ownership products) by property size in The Broads Authority (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

The Broads Authority	Unable to afford market rents	Unable to afford market ownership and Unable to afford 70% First Homes	Unable to afford market ownership but able to afford 70% First Homes	Affordable Housing	Total Market Housing	Total Housing
1 bedroom	4	0	6	10	6	16
2 bedrooms	39	5	13	58	17	75
3 bedrooms	45	6	17	68	146	214
4+ bedrooms	11	3	4	17	36	54
DWELLINGS	98	14	40	153	205	358

Figure 75: Overall need for Market and Affordable Dwellings as percentages of the LHN (including affordable home ownership products) by property size in the Broads Authority (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

The Broads Authority	Unable to afford market rents	Unable to afford market ownership and Unable to afford 70% First Homes	Unable to afford market ownership but able to afford 70% First Homes	Affordable Housing	Total Market Housing	Total Housing
1 bedroom	1.0%	0.0%	1.8%	2.7%	1.6%	4.4%
2 bedrooms	11.0%	1.5%	3.7%	16.1%	4.7%	20.8%
3 bedrooms	12.5%	1.8%	4.8%	19.1%	40.7%	59.8%
4+ bedrooms	3.0%	0.8%	1.0%	4.8%	10.2%	15.0%
DWELLINGS	27.5%	4.0%	11.3%	42.8%	57.2%	100.0%

- 6.34. Overleaf Figure 76 shows the components of housing need with a breakdown of affordable rented between social rent and Affordable rent in the Broads Authority and shows a need for 78 social rented dwellings (with the households involved requiring some Housing Benefit contribution to pay their rent) and 21 Affordable rented dwellings (with the households involved requiring some Housing Benefit contribution to pay their rent). It should be noted that there is a level of uncertainty with the broken down figures because of being based on small numbers; they should be viewed as a guide rather than definitive.

Figure 76: Overall need for Market and Affordable Dwellings (including social and affordable renting) by property size in The Broads Authority (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

The Broads Authority	Unable to afford Social rent	Unable to afford Affordable rent	Affordable Home Ownership	Total Affordable Housing	Total Market Housing	Total Housing
1 bedroom	3	1	6	10	6	16
2 bedrooms	30	9	18	58	17	75
3 bedrooms	35	10	24	68	146	214
4+ bedrooms	10	1	6	17	36	54
DWELLINGS	78	21	55	153	205	358
C2 Dwellings	-	-	-	-	0	0
LHN	78	21	55	153	205	358

Figure 77: Overall need for Market and Affordable Dwellings as percentages of the LHN (including affordable home ownership products) by property size in the Broads Authority (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

The Broads Authority	Unable to afford market rents	Unable to afford market ownership and Unable to afford 70% First Homes	Unable to afford market ownership but able to afford 70% First Homes	Affordable Housing	Total Market Housing	Total Housing
1 bedroom	1.0%	0.0%	1.8%	2.7%	1.6%	4.4%
2 bedrooms	11.0%	1.5%	3.7%	16.1%	4.7%	20.8%
3 bedrooms	12.5%	1.8%	4.8%	19.1%	40.7%	59.8%
4+ bedrooms	3.0%	0.8%	1.0%	4.8%	10.2%	15.0%
DWELLINGS	27.5%	4.0%	11.3%	42.8%	57.2%	100.0%

6.36. It is also possible to calculate the housing need for the Broads Authority by local authority area. Figure 78 shows the distribution of the housing need by local authority area. Taking an example of North Norfolk, 97 dwellings identified are being needed in the Broads Authority within North Norfolk over the period 2021-41. This is a total figure, not an annual rate. It is also part of the existing total for North Norfolk and should not be added to figures calculated earlier. Therefore, it is clear that the housing need for the Broads is very small and has only a marginal impact on meeting the needs of local authorities in the area.

Figure 78: Projected Dwellings needed for the Broads by Local Authority (Note: Dwelling numbers derived based on proportion of dwellings without a usually resident household in the 2011 Census. Note: figures may not sum due to rounding)

The Broads Authority	Broadland	North Norfolk	Norwich	South Norfolk	Great Yarmouth	East Suffolk
ORS Model Using 5 year migration trends	105	97	6	68	59	23

Conclusions

- 6.37. The evidence base for the adopted The Broads Authority Local Plan 2015-36 calculated an overall housing need 2015-36 of 286 dwellings, or 13.6 dwellings per annum. This current update brings in more recent data showing that the population of the Broads Authority has been growing more strongly in recent years. This leads to the overall housing need for 2021-41 of 358 dwellings, or 17.9 dwellings per annum.

7. Needs of Different Groups

Identifying the need for different types of housing

Introduction

- 7.1. Paragraph 62 of the Revised NPPF requires that local planning authorities consider the needs of a range of groups within the population and this chapter considers each group in turn.

62. Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.

NPPF, July 2021

The Private Rented Sector

- 7.2. The growth in the private rented sector in Great Yarmouth has been considered as part of the housing trends section (Figure 20) which showed the sharp growth in the sector over recent years. This is consistent with national trends, with the English Housing Survey (EHS) 2016-17 identifying 20% (4.7 million) households renting from a private landlord, much higher than the 13% recorded 10 years ago in 2006-07. Outside of London, private rented is the third largest tenure and is now larger than social rented; 36% outright ownership, 29% buying with a mortgage, 19% private renting, and 16% social renting. Given this context, PPG recognises the importance of understanding the likely future role of the private rented sector:

Tenure data from the Office for National Statistics can be used to understand the future need for private rented sector housing. However, this will be based on past trends. The level of changes in rents, (known as “market signals”), may reflect the demand in the area for private rented sector housing. Evidence can also be sourced from the English Housing Survey, Office for National Statistics Private Rental Index, the Valuation Office Agency, HomeLet Rental Index and other commercial sources.

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- 7.3. Growth in the sector seems likely to continue, driven by a combination of demand and supply factors:
- » Increasing demand from more households;
 - » Recent reductions in incomes (in real terms);
 - » Affordability of owner occupation reducing;
 - » Changing Bank lending practices;
 - » The impact of inheritance and the difficulties involved in selling properties;

» Pensions reform: pension drawdowns invested in BTL property.

- 7.4. The growth of the Private Rented Sector has been acknowledged as both a growing and long-term option for meeting the nation's housing need. CLG (with the Intermediary Mortgage Lenders Association forecast) that the private rented sector will increase in size to 35% nationally by 2032.²⁷ On this basis, the number of households renting privately could double again over the next twenty years.
- 7.5. As the PRS expands and other sectors contract, it is clear that many households who would traditionally meet their housing needs in other sectors are now renting privately. This includes many households currently unable to afford their housing costs, which can be seen from the expansion of families receiving Housing Benefit in the sector, in particular since the start of the most recent recession.
- 7.6. The Office for Budget Responsibility analysis of the UK's public finances for Government explicitly recognises a likely growth in the share of housing benefit claimants in the private rented sector in its Economic and Fiscal Outlook (March 2014)²⁸:

"The share of [housing benefit] spending accounted for by the private rented sector is forecast to rise from 30 per cent in 2007-08 to 40 per cent by 2018-19. ... We expect the share of claimants in the private rented sector to continue rising over the forecast period, but for average awards to rise more slowly than nominal GDP per capita due to policy, including on uprating." (paragraphs 4.152-154)

- 7.7. Importantly, the Government sees the PRS having an important and long-term role in meeting the housing need of the nation; and although the NPPF and PPG do not mention the current or future role of housing benefit, the policy to support low-income households in the private rented sector with housing benefit is long-standing and housing benefit is explicitly factored into the long-term forecasts for public spending.
- 7.8. Policy by both Government and Local Authorities is focused on improving Management and Maintenance in the sector (via licensing or self-regulation schemes) and expanding supply²⁹ (including the Build to Rent investment scheme³⁰). The Government published "Improving the Private Rented Sector and Tackling Bad Practice: A guide for local authorities" in March 2015³¹, and the Foreword by the Minister stated:

"The private rented sector is an important and growing part of our housing market, housing 4.4 million households in England. The quality of housing in the sector has improved dramatically over the last decade. It is now the second largest tenure and this growth is forecast to continue growing. I am proud of this growth as it shows increasing choice, improving standards whilst helping to keep rents affordable. The Government supports a bigger and better private rented sector and wants to see this growth continue."

- 7.9. Given this context, it is important for local authorities to recognise the role of the private rented sector at a local level. Assuming the release back into the market of many dwellings in the private rented sector currently occupied by tenants in receipt of housing benefit would have significant consequences for the wider housing market as more properties come on to the market; therefore it remains appropriate to recognise that the private rented sector will continue to make an important contribution towards providing housing options for households unable to afford their housing costs in future. Nevertheless, it is essential for local

²⁷ <http://news.rla.org.uk/rpi-rent-revolution/>

²⁸ <http://cdn.budgetresponsibility.org.uk/37839-OBRCm-8820-accessible-web-v2.pdf>

²⁹ <https://www.gov.uk/government/publications/private-rented-homes-review-of-the-barriers-to-institutional-investment>

³⁰ <https://www.gov.uk/government/publications/build-to-rent-round-2-initial-due-diligence>

³¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412921/Improving_private_rented_sector.pdf

authorities to understand the full extent of the need for affordable housing in their areas and consider their policy responses accordingly.

The Future Role of the Private Rented Sector

- 7.10. PRS is an important tenure that has grown since 1991 to house a significant proportion of households in the area. At the same time, young households have been less likely to meet their housing need in affordable housing given the various constraints in accessing local authority and housing association rented housing. Recent changes to letting policies and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1 bedroom social rented or affordable rented property.
- 7.11. Further, there have been other changes announced (Right to Buy for housing association tenants and the new First Homes scheme) which may influence the demand for Private Rented Sector accommodation. The Housing and Planning Act 2016 contains proposals to further the Government's policy of encouraging home ownership through promoting Starter Homes to provide affordable property for first-time buyers. This duty has been updated to supporting the new First Homes scheme.
- 7.12. As is shown in Figure 66 there are many households residing in the private rented sector in Great Yarmouth who aspire to home ownership. If affordable to own homes could be provided for this group, it would help to reduce the size of the private rented sector.
- 7.13. However, If the new supply of affordable homes changes to include a large proportion of First Homes or other affordable to own properties, and if existing affordable supply in net terms reduces (i.e. if new affordable supply does not exceed stock sold under RTB), then demand for PRS stock may continue or increase further. This means that much of the increased demand for PRS property is likely to continue, driven by young households with few other options should they wish to establish their own household.
- 7.14. In practice this implies that unless current trends are reversed there will be a further growth in the private rented sector.

Student Housing

- 7.15. PPG includes specific reference to identifying the needs of students:

Strategic policy-making authorities need to plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus ... Local Planning Authorities will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements

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- 7.16. However, there are no major higher education bodies in either Great Yarmouth or the Broads Authority, so there is no need generated by student populations.

Service Families

- 7.17. The Ministry of Defence publish annual location statistics of service personnel, and the most recent iteration indicates that no service personnel are deployed in Great Yarmouth, with no separate data provided for the

Broads Authority, but the vast majority of personnel stationed in Norfolk are in Breckland and Kings Lynn and West Norfolk, so are outside the Broads Authority.

- 7.18. Given that the lack of MOD personnel deployed in Great Yarmouth and the Broads Authority has remained relatively constant over time, there is no identifiable housing need for service families.

People Wishing to Build their Own Homes

- 7.19. Planning practice guidance requires that people wishing to build their own homes are considered and states:

How can self-build and custom housebuilding needs be assessed?

Most local planning authorities (including all district councils and National Park Authorities) are now required to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in their area in order to build their own home. The Self-build and Custom Housebuilding (Register) Regulations 2016 set out these requirements. For further details, see guidance on self-build and custom housebuilding registers.

To obtain a robust assessment of demand for this type of housing in their area, local planning authorities should assess and review the data held on registers. This assessment can be supplemented with the use of existing secondary data sources such as building plot search websites, 'Need-a-Plot' information available from the Self Build Portal and enquiries for building plots from local estate agents.

Planning Practice Guidance, ID: 67-003-20190722

- 7.20. Over half of the national population (53%) say that they would consider building their own home³² (either directly or using the services of architects and contractors); but it's likely that this figure conflates aspiration with effective market demand. Self-build currently represents only around 7-10% of housing completions in the UK³³, compared with rates of around 40% in France and 70 to 80% elsewhere in Europe.
- 7.21. The attractiveness of self-build is primarily reduced costs; however, the Joseph Rowntree Foundation report "The current state of the self-build housing market" (2001) showed how the sector in the UK had moved away from those unable to afford mainstream housing towards those who want an individual property or a particular location.
- 7.22. "Laying the Foundations – a Housing Strategy for England" (HM Government, 2011)³⁴ redefined self-build as 'Custom Build' and aimed to double the size of this market, creating up to 100,000 additional homes over the decade. "Build-it-yourself? Understanding the changing landscape of the UK self-build market" (University of York, 2013) subsequently set out the main challenges to self-build projects and made a number of recommendations for establishing self-build as a significant contributor to housing supply. The previous Government also established a network of 11 Right to Build 'Vanguards' in 2014 to test how the 'Right to Build' could work in practice in a range of different circumstances. Individual local authorities produced their own reviews of their experiences³⁵, but no detailed review of all 11 Vanguards was produced.

³² Building Societies Association Survey of 2,051 UK consumers 2011

³³ Self-build and custom build housing (England) House of Commons Brief Paper March 2017

³⁴ <https://www.gov.uk/government/publications/laying-the-foundations-a-housing-strategy-for-england--2>

³⁵ [Right to Build Vanguard.pdf](#) and [Version-02-APPG-Enquiry-SCDC-response-to-circ.pdf](#) (cambridgeshireinsight.org.uk)

7.23. In the Budget 2014, the Government announced an intention to consult on creating a new 'Right to Build', giving 'Custom Builders' a right to a plot from councils. The Self-Build and Custom Housebuilding Act³⁶ 2015 places a duty on local planning authorities to:

- » Keep a register (and publicise this) of eligible prospective 'custom' and self-build individuals, community groups and developers;
- » Plan to bring forward sufficient serviced plots of land, probably with some form of planning permission, to meet the need on the register and offer these plots to those on the register at market value; and
- » Allow developers working with a housing association to include self-build and custom-build as contributing to their affordable housing contribution.

7.24. The 2015 Act was amended by the Housing and Planning Act 2016³⁷ which placed a duty on local planning authorities to provide serviced plots which have planning permission that allows for self-build or custom housebuilding:

An authority to which this section applies must give suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area arising in each base period.

Housing and Planning Act 2016 Section 2(a)(2)

February 2021 Policy Update

7.25. In February 2021, the Government updated Planning Practice Guidance in the form of, Self-build and custom housebuilding³⁸. The new guidance offers an updated definition of self-build and custom-housebuilding and also seeks to set out how the need can be assessed and met. The new guidance defines self-build and custom housebuilding as:

An authority to which this section applies must give suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area arising in each base period.

Self-build and custom housebuilding covers a wide spectrum, from projects where individuals are involved in building or managing the construction of their home from beginning to end, to projects where individuals commission their home, making key design and layout decisions, but the home is built ready for occupation ('turnkey')

The Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) provides a legal definition of self-build and custom housebuilding. The Act does not distinguish between self-build and custom housebuilding and provides that both are where an individual, an association of individuals, or persons working with or for individuals or associations of individuals, build or complete houses to be occupied as homes by those individuals.

When reading this guidance, reference should be made to the:

³⁶ <http://services.parliament.uk/bills/2014-15/selfbuildandcustomhousebuilding.html>

³⁷ <http://services.parliament.uk/bills/2015-16/housingandplanning.html>

³⁸ [Self-build and custom housebuilding - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/self-build-and-custom-housebuilding)

Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016)

Self-build and Custom Housebuilding Regulations 2016

Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016

In considering whether a home is a self-build or custom build home, relevant authorities must be satisfied that the initial owner of the home will have primary input into its final design and layout.

Off-plan housing, homes purchased at the plan stage prior to construction and without input into the design and layout from the buyer, are not considered to meet the definition of self-build and custom housing.

Self-build and Custom Housebuilding Guidance

Paragraph: 016 Reference ID: 57-016-20210208

- 7.26. Within this definition, it is clear that conversions can be counted as self-build and custom housebuilding if they involve the first occupant developing them, but homes bought directly off-plan cannot. However, it does seem to leave a situation where the buyer can choose from a range of options before building commences as being custom build. If this is the case, this will make comparisons with an area such as Germany more valid, because of the 70%-80% of German homes considered to be self-build and custom housebuilding, many are bought off plan to individual specifications and built by small builders.
- 7.27. Alongside the updated guidance, MHCLG have published detailed data from the registers for the period 2016 to 2019, with 10,700 new entries being recorded in 2018/19. However, the number of households joining the registers varies across the country and household can appear on more than register. However, it is also likely that the figures do not fully reflect the demand for self-build and custom housebuilding as many households will address their own needs without appearing on any register.
- 7.28. As noted above, it is already considered that by 2017 around 7%-10% of housing delivery occurs via allocated and windfall self-build and custom housebuilding schemes. This would represent around 15,000-22,000 dwellings, but MHCLG statistics indicate that only around 10,100 plots were given planning permission in 2018/19. Therefore, alongside registers potentially underestimating the demand for self-build and custom housebuilding plots, it may also be the case that in some local authority areas, only those schemes which were explicitly granted planning permissions as self-build and custom housebuilding plots are being counted. The guidance also confirms that the uses of the self-build and custom housebuilding registers include:

Relevant authorities must give suitable development permission to enough suitable serviced plots of land to meet the demand for self-build and custom housebuilding in their area. There is no duty on a relevant authority to permission land which specifically meets the requirements expressed by those on the register. Relevant authorities should use preferences expressed by those on the register to guide their decisions when looking at how to meet the duty to grant planning permission etc. This will help ensure that relevant authorities permission land suitable for self-build and custom housebuilding which people are actually keen to develop.

Self-build and Custom Housebuilding Guidance

Paragraph: 028 Reference ID: 57-028-20210208

What does having a 'duty to grant planning permission etc' mean?

Relevant authorities must give suitable development permission to enough suitable serviced plots of land to meet the demand for self-build and custom housebuilding in their area. The level of demand is established by reference to the number of entries added to an authority's register during a base period.

The first base period begins on the day on which the register (which meets the requirement of the 2015 Act) is established and ends on 30 October 2016. Each subsequent base period is the period of 12 months beginning immediately after the end of the previous base period. Subsequent base periods will therefore run from 31 October to 30 October each year.

At the end of each base period, relevant authorities have 3 years in which to permission an equivalent number of plots of land, which are suitable for self-build and custom housebuilding, as there are entries for that base period.

Self-build and Custom Housebuilding Guidance

Paragraph: 023 Reference ID: 57-023-20210208

- 7.29. Therefore, there is an expectation that planning authorities must grant enough permissions to meet the numbers on their register with a 3-year time lag. A failure to deliver sufficient plots can be considered as a material consideration in planning appeals. The level of demand is measured in 'base periods' that run from 31st of October until 30th of October in the following year; and local authorities have three years from the end of each base period to permission enough serviced plots to meet the demand shown in the respective base periods.
- 7.30. The plots granted planning permission do not have to explicitly be for those who are on the register, so plots could be granted and then sold to households not on the register. This is recognised in the guidance which states that:

What is the relationship between the register and the Strategic Housing Market Assessment?

Assessment of local housing need as a whole should be conducted using the standard method in national planning guidance. Within this context, the size, type and tenure of housing needed for different groups should be assessed including people wishing to self-build or custom-build their own homes.

Local planning authorities should use the demand data from the registers in their area, supported as necessary by additional data from secondary sources (as outlined in the housing and economic development needs guidance), to understand and consider future need for this type of housing in their area. Secondary sources can include data from building plot search websites, enquiries for building plots recorded by local estate agents and surveys of local residents. Demand assessment tools can also be utilised.

Plan-makers will need to make reasonable assumptions using the data on their register to avoid double-counting households.

Self-build and Custom Housebuilding Guidance

Paragraph: 011 Reference ID: 57-011-20210208

- 7.31. The guidance is clear that planning authorities should meet the demand for plots from their register, but also should consider a different level of provision if it is clear that there is a demand for this.

April 2021 Self and Custom Build Action Plan

- 7.32. In April 2021, MHCLG produced a new action plan to further support the development of the self-build and custom housebuilding sector.³⁹ This focused upon four key areas:
- » **Mortgage finance:** – a multi-year funding for ‘Help to Build’ was announced at the 2020 Spending Review. In April, the government confirmed an initial £150 million over 4 years to support the scheme to deliver low deposit mortgages and improve affordability of home ownership for self and custom builders similar to Help to Buy.
 - » **Developer finance:** The Home Building Fund, offers £2.5 billion in short term loan finance targeted at small and medium sized builders, innovation and custom build. Funding is available to custom build developers bringing forward serviced plots on sites of 5 units or more.
 - » **Access to land:** As part of the 2020 Spending Review, the government announced additional funding for local authorities to release their surplus brownfield land through the Brownfield Land Release Fund (BLRF). The £75 million BLRF will allocate up to £25 million to local authorities to enable them to bring forward serviced plots for self and custom build on public sector land. The ‘Planning for the Future’ White Paper also included specific proposals that allow local authorities to identify sites for self-build and custom housebuilding and community-led housing in their local plan, including ensuring sufficient provision to meet requirements identified in their self-build register, and proposals to explore how publicly owned land disposal can support SMEs and the self-build sector.
 - » **Expertise/knowledge gap:** The National Custom and Self Build Association’s (NaCSBA) Right to Build Task Force was established to help local authorities, community groups and other organisations help deliver self and custom build housing projects across the UK. Since 2020 it has been funded by government to provide expertise and support to local authorities on the implementation of the Right to Build and how to secure self and custom build delivery.

Evidence for Great Yarmouth

- 7.33. Great Yarmouth have put arrangements in place to comply with the Self-Build and Custom Housebuilding Act, including providing a self-build and custom housebuilding registers. The register contains a Part 1 for those who have a local connection and meeting all other criteria necessary and Part 2 for those without a local connection.
- 7.34. Overleaf Figure 79 shows that as of 2021/22 year, Great Yarmouth has not consistently provided enough self and custom housebuilding plots to meet the needs identified on the register in total. However, this data covers both Part 1 and Part 2 and the duty to meet its needs is only for Part 1 of the register. Great Yarmouth has been meeting its needs to deliver plots for those on Part 12 of the register.
- 7.35. It is extremely also likely that more properties were granted planning permission because some sites not explicitly submitted as self-build and custom housebuilding applications provide potential opportunities. We would also note that Broads Authority has an exemption from providing sufficient plots to meet demand in national policy, but currently has 69 households on its register.

³⁹ [Self and custom build action plan - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/94441/self-and-custom-build-action-plan.pdf)

Figure 79: Self-build and Custom Housebuilding Register and Plot Provision (Source: Great Yarmouth BC 2022)

Self-build and Custom Housebuilding Register and Plot Provision	Up to 2016	2016/17	2017/18	2018/19	019/20	2020/21	2021/22
New applicants on the register	4	10	10	6	12	5	5
Permissions granted	3	10	6	4	2	0	0

Future Need for Self-build and Custom Housebuilding

- 7.36. As highlighted above, Great Yarmouth are currently providing sufficient single dwelling plots to comply with its requirement to meet the needs of those on Part 1 of its own self-build and custom housebuilding register. This has been achieved without any designated policy requirement for either allocated sites for serviced plots, or a requirement for a proportion of plots on larger sites to be made available.
- 7.37. In practice it is possible that the self-build and custom housebuilding register is under-estimating demand for plots in Great Yarmouth and also that the number being delivered is being under-estimated. Some buyers on larger sites will also be customising their dwellings and some conversions will involve the eventual occupier of the property.
- 7.38. We recommend that more information is gathered on the number of self-build and custom housebuilding dwellings which are provided currently in Great Yarmouth. It is likely to be much higher than the total number of self-build permissions counted, and this information can potentially be gathered as part of the process for gathering information on the 5-year land supply and newbuild delivery.
- 7.39. We would note that our experience across the country has been that the self-build and custom housebuilding sector works relatively well for households who are seeking to build bespoke properties on single plot sites. There is less evidence that those with lower budgets are having their needs met. Within this group there are likely to be some households who are seeking to help design their own house, often from customising the interior of a set exterior. Meanwhile, other households will be seeking affordable homeownership dwellings where they can be heavily involved in the building of their final property.
- 7.40. It is for these two groups that Great Yarmouth could seek to work more proactively. There is potential for builders to deliver market homes which can either be customised at the outset, or which could be built as exteriors with the interior to be completed by the final occupant. Both of these approaches can be considered to fit within the definition of custom-built housing, and could both be encouraged with the provision of small and larger sites.
- 7.41. Meanwhile, Great Yarmouth could also seek to work with developers and Registered Providers to assess the potential demand for affordable to own self-build and custom housebuilding. This would be in lieu of providing completed affordable housing, but would allow households to help deliver their own affordable home ownership properties. This element could range from providing serviced plots at cost or partially completed dwellings which are sold to Registered Providers at cost.

Housing for Older People

- 7.42. The UK population is ageing, and people can expect to live longer healthier lives than previous generations. The older population is forecast to grow to 17.6m by 2035 for the over 60s, and from 1.3m (2016) to 3.6m by 2035 for the over 85s.⁴⁰
- 7.43. Given this context, PPG recognises the importance of providing housing for older people. Additional PPG “Housing for older and disabled people” was published on 26th June 2019, which states:

The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector ... Evidence from Joint Strategic Needs Assessments prepared by Health and Wellbeing Boards can also be useful. The assessment of need can also set out the level of need for residential care homes.

Planning Practice Guidance, ID 63-004-20190626

- 7.44. It is important to plan housing which is suitable for this increase in older people within the population with a key requirement being to predict the type of housing which will best meet their needs. Whilst most will remain living in the same area and many will not move from their current homes; those that do move in their later years are likely to be looking for housing suitable for older people.
- 7.45. Norfolk County Council and its local and planning authorities commissioned Three Dragon and ORS to produce a report examining the need for older person and adapted housing. The ‘*Study of Retirement Housing Demand and Planning Issues 2021*,’ is due to be published in the spring of 2022. The results cover all the local authorities in Norfolk, but do not include separate outputs for the Broads Authority.

Housing for People with Disabilities

- 7.46. The Government’s reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the recent changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the Building Regulations 2010 Approved Document Part M: Access to and use of buildings (2015 edition incorporating 2016 amendments – for use in England).⁴¹
- 7.47. Three standards are covered:
- » M4(1) Category 1: Visitable dwellings – Mandatory, broadly about accessibility to ALL properties;
 - » M4(2) Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes;
 - » M4(3) Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.
- 7.48. In terms of new developments, Part M states that: “Where no condition is imposed, dwellings only need to meet requirements M4(1)” (Paragraph 0.3). Local authorities should identify the proportion of dwellings in new developments that should comply with the requirements for M4(2) Category 2 and M4(3) Category 3 as

⁴⁰ ONS 2016-based sub-national population projections

⁴¹ <https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

part of the Local Plan, based on the likely future need for housing for older and disabled people (including wheelchair user dwellings) and taking account of the overall impact on viability.

- 7.49. Planning Practice Guidance for Housing explains that local authorities are expected to plan for households with specific needs and therefore need to be able to quantify the volume of demand. It provides a summary of the data sources which should be used to inform any calculations, and this forms the basis of the approach used in this report:

Based on their housing needs assessment and other available datasets it will be for local planning authorities to set out how they intend to approach demonstrating the need for Requirement M4(2) (accessible and adaptable dwellings), and / or M4(3) (wheelchair user dwellings), of the Building Regulations.

To assist local planning authorities in appraising this data the Government has produced a summary data sheet. This sets out in one place useful data and sources of further information which planning authorities can draw from to inform their assessments. It will reduce the time needed for undertaking the assessment and thereby avoid replicating some elements of the work.

Planning Practice Guidance, ID 56-007-20150327

- 7.50. The 'Study of Retirement Housing Demand and Planning Issues 2021,' assessed the need for adapted homes for each local authority area in Norfolk, again without producing separate outputs for the Broads Authority.

- 7.51. The current Broads Authority Local Plan 2015-36 states in Policy DM43 that:

Accessibility and adaptability: Developments shall be capable of adapting to changing circumstances, in terms of occupiers, use and climate change (including changes in water level). In particular, dwelling houses should be able to adapt to changing family circumstances or ageing of the occupier(s) and commercial premises should be able to respond to changes in industry or the economic base. Applicants are required to consider if it is appropriate for their proposed dwelling/ some of the dwellings to be built so they are accessible and adaptable and meet Building Regulation standard M4(2) and M4(3). If applicants do not consider it appropriate, they need to justify this. For developments of five dwellings or more, 20% will be built to meet Building Regulation Standard M4(2).

- 7.52. Meanwhile, the current Great Yarmouth Local Plan part 2 states at Policy A2 part of that:

New homes must be built to meet requirement M4(2) of Part M of the Building Regulations for accessible and adaptable dwellings where practicable.

8. Stakeholder Interviews

Introduction

- 8.1. This chapter presents a brief summary of the opinions expressed by stakeholders. In depth video interviews were conducted with:
- » Four developers and land agents
 - » Two Registered Providers
 - » Four Community Land Trusts
- 8.2. Eight other developers and two RPs were unable to take part. These received an email invitation and at least one follow up email.
- 8.3. Interviews took between 30 and 40 minutes and were recorded with the interviewees permission to ensure they are reported accurately. All interviewees agreed for their comments to be reported.
- 8.4. There was a high level of awareness among stakeholders of the Great Yarmouth and the Broads Authority Local Plan.

Summary of Stakeholder Views

- 8.5. A steady delivery of housing has been maintained over recent years and is set to continue. There is a healthy market for different tenures; sale, rent and shared ownership. There is evidence of a strong demand for bungalows in the villages and a potentially a considerable opportunity to free up family properties in the villages through building to encourage downsizing.
- 8.6. Developers accept that First Homes will become a requirement in Great Yarmouth BC at some point in the future and see some advantages for their business, while acknowledging the potential reduction in affordable housing for rent caused by developing First Homes as part of the affordable housing.
- 8.7. Factors affecting viability for developers and RPs include unrealistic land values and ground conditions, particularly mitigating against wet ground and flooding risks. A shortage and increasing costs of labour and building materials are risks to viability.

Scale and type of development

- 8.8. Stakeholders are developing and managing a steady flow of homes in Great Yarmouth BC. While some local stakeholders are planning to expand, they are not planning to deliver large numbers of dwellings in the Borough.

We have a site of around 130 [in the construction phase]; 2, 3, 4 bed houses and some bungalows. It's a real mix of market and social housing, some flats.

Developer

Currently we've got 25 [in management] with another 80 in the pipeline.

Registered Provider

Over the past two or three years we've managed output at around 110 houses a year. We have no plans to increase that.

Developer

Our intension is to expand. We've secured £7 million of investment which is all but allocated. Our next step is to get debt finance on our rented properties and we'll look to our target of about 100 homes a year in Norfolk and Suffolk. We've found a niche in the market for typically smaller rural 106 sites which other players [RPs] aren't interested in because [the sites] are ones and twos.

Registered Provider

- 8.9. The Community Land Trusts (CLTs) are all in their early stages of development of the organisations themselves and development of homes. The immediate aim of all the CLTs is to complete small scale development strongly focussed on a geographic area and cohort. In Yarmouth town that is affordable, high quality, flats, while the others tend to focus on affordable housing including some bungalows for local people in villages.

We've done a needs study [in one village] and we're hoping that the Parish Council will adopt the CLT recommendation, which is for three affordable homes; probably one or two for rent and one or two intermediate and two bungalows. The bungalows don't need to be affordable but they should be for local people, for sale, for over fifty-fives.

CLTs

- 8.10. First Homes were accepted as a given based on the NPPF requirement. Developers saw some benefits for their businesses in developing First Homes, but were aware that it was likely that First Homes would result in fewer affordable rented properties:

An inevitable consequence of First Homes [being part of affordable housing] is building fewer houses for rent. Instead of a housing association paying, probably not even the bricks and mortar cost of construction, we will sell a product at a discounted market rate where we might stand some reasonable chance of recouping the cost of construction.

Developer

- 8.11. None of the stakeholders interviewed did self-build as self-build development does not fit with their business. One developer put it:

It's a bit self-defeating for a builder to do self-build

Developer

Customer needs and aspirations

- 8.12. Developers report that many customers are looking for three or four bedroom properties in rural areas. In Yarmouth town the market is different as there is little opportunity for development of larger properties and

development tends to be flats, including conversions. There is also evidence of a strong demand for three bedroom and other bungalows in rural areas. While some of the aspirations of local people when buying a property may be obvious, the list of reasons for wanting new properties suggests the possibility that existing older properties could become unpopular:

[Local people] are wanting better properties, new properties without maintenance, properties that are cheaper to run because they're built to higher insulation standards.

Developer

- 8.13. Households buy in the area for several reasons; they may be from local families and wish to stay local, or they may have moved in to the area for work or to retire, particularly from more expensive but relatively nearby areas such as Essex.

*Yarmouth has been a very attractive location for people from Essex and Hertfordshire cashing in on house prices moving up here and buying properties much more cheaply. We still get a proportion of that, but beyond that it's people living and working in the town. **Most of our customers are reasonably local.***

(Emphasis: ORS)

Developer

- 8.14. There is a noticeable need for properties to downsize into. Addressing this need would provide suitable homes for older people and village homes for families:

Another big need we have is older [single people or couples] living in big houses who want to downsize, but sadly there isn't the stock to downsize into... moving from bigger houses into smaller ones to bring families into the village.

CLTs

The current market

- 8.15. The current market is invariably described as being strong by developers and, as far as it is relevant, RPs:

For us it's been buoyant. Our site has gone very well... [For existing houses] at the quality end of the market it is buoyant. At the lower end of the market it may be more difficult because there's this distinct lack of quality.

Developer

- 8.16. Developers suggest that the market is overheated at present and will slow then level off next year, though they are not expecting prices to fall.

I think this year will slow and next year will level off I don't expect significant price drops, but the froth will be blown off. And we're already seeing that with interest rates going up.

Developer

- 8.17. RPs point to increasing prices for similar products over the last year:

We phased a handover. We had 12 [shared ownership properties]. We have another two and we're expecting them to go for £15k-£20k more than we priced the others; 8 months down the line. They are all three bedrooms. [The price increase is] market led. That [increasing price] is something we have with all the developers we are working with across Norfolk and Suffolk at the moment.

Developer/Agent

Tenures development

- 8.18. Developers and Registered providers are flexible about what tenures they build and are guided by the Council as to what is the most appropriate:

To date, all we've had in Yarmouth is two and three bedroom houses, but we have priced up other schemes with an array of mixes on, so we're led by the Council. If a Section 106 has got provision for a couple of two bedroom bungalows we would make the assumptions that it's been picked because it suits the site. We're open to anything really.

Registered Provider

[We haven't done Build to Rent or other tenures]. We've done some shared equity. We do the require social housing.

Developer

- 8.19. There is clear demand for affordable rented and shared ownership. The location and having a new build home are attractions for households looking at shared ownership:

We've sold 12 [shared ownership] houses and all but one have gone to people to live or work in Yarmouth. It's been really easy to find local applicants who could afford shared ownership.

People we've sold [shared ownership] could have bought something existing in Southtown, but it's a choice. They would rather have 40% of something brand new in Gorleston.

Registered Provider

- 8.20. Talking of the importance of affordable housing for all, one development agent pointed to the need for affordable housing in areas of Great Yarmouth outside of Yarmouth town, and suggested that there had been too great a focus on affordable housing in the town and too little in the rural areas in the past though Great Yarmouth BC had improved on that recently:

Affordable housing is so important and to meet all needs. Not people at the top of the ladder who can afford to buy and not just people at the bottom of the ladder who have their rent paid for them. There is a vast dearth in the middle. That not only helps the people in the middle who get forgotten about, but creates rounded communities.

Previously we've had years of ... 'there's only a need for rent in Yarmouth because Yarmouth is deprived'.

Developer

- 8.21. It was suggested that one problem for Great Yarmouth BC developing intermediate tenures is lack of public awareness:

There is massive work for the Council to do to publicise so that local people know what an intermediate tenure is

Developer

- 8.22. Rural areas could be missing out on affordable housing because development opportunities in the villages are too small to attract any affordable housing. This illustrates the importance of CLTs working in the villages:

There isn't a way you will get affordable housing in these villages because there might be the odd infill plot ... it's not going to be used for an affordable home.

Developer

- 8.23. Smaller organisations are providing a more bespoke and flexible service:

We have a one bedroom flat; we've tweaked the design to fit a wet room bathroom.

Registered Provider

- 8.24. Developers expressed some concerns that in many cases, Help to Buy has not helped the households it was intended for. It has been used by some to buy larger or more expensive properties than they could afford without accessing the scheme. The comparative costs of housing being lower in Norfolk than some other areas means that some households who can already afford a property were eligible for Help to Buy. In a higher value area households who were eligible for Help to Buy would generally be unable to afford a property without help:

[Help to Buy] hasn't helped to buy, it has helped people who could only afford to buy a two bed buy a three bed and people who could afford a three bed buy a four.

Developer

Viability

- 8.25. The main factors affecting viability are unrealistic land value expectations and grounds conditions such as flood risk. Land values were considered to be higher in the rural parts of Great Yarmouth BC than in the urban area, but not as high as around Norwich, possibly for reasons such as transport links.

Land value expectations. I don't think values are as high in the Borough as in some parts of Norfolk and Suffolk.

In the town centre, ground conditions [are a major factor]. Out towards the Broads area you have wet conditions. You've got flood issues there. Developments near Breydon Water; residential can't be on the ground floor, which adds a lot of costs into the build.

Registered Provider

- 8.26. Clear planning for affordable homes is essential for sites to be viable.

[Development of affordable housing is viable] if people have come at it knowing that the affordable will have to be there. If you bought a site not knowing how small or big [the affordable element] will be, it's not going to be viable.

The schemes we've seen to date have been bigger sites, in Gorleston particularly, so they know they've got to provide the affordable.

Registered Providers

- 8.27. Shortages and increasing costs of labour and materials are having an impact on viability for developers, suggesting that property prices may increase. One suggested that affordability should be considered against the property market, not solely against income.

Because of market and materials and labour shortages, the cost to build is astonishing.

We need to appreciate affordability relative to the market, not only to wages.

Developers

We tend to work with the smaller guys who end up with the affordable without really understanding what it entails. We've been able to make it work, probably because they have lower overheads and costs. It might not be the case just at this moment because building costs have gone crazy.

Registered Provider

Effects of the Covid pandemic and Brexit

- 8.28. The Covid pandemic and Brexit have both increased uncertainty, with again the difficult sourcing labour and materials being raised.

Especially for smaller guy who haven't got the ability to stockpile. That means the delivery will slow down.

Registered Provider

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Appendix B

Glossary of Terms

Definitions

Affordability is a measure of whether housing may be afforded by certain groups of households.

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. For the purpose of this report we have used the definition in the Revised NPPF, which specifies the main categories of affordable housing to be: affordable housing for rent; starter homes; discounted market sales housing (sold at a discount of at least 20% below market value); shared ownership, relevant equity loans, other low cost homes for sale and rent to buy.

Affordable Rent is provided by social landlords and rented for less than would be paid if renting privately. It must be at least 20% cheaper than the equivalent private rent in the area and must also be below the value of the Local Housing Allowance in the area.

Category 2 and 3 are classifications of wheelchair accessible housing. They refer to building regulations Approved Document M (2015) which introduced three categories of accessible dwellings. Category 1 (visitable dwellings) relates to accessibility of all properties and, being mandatory, is not assessed in the HNA. Category 2 (accessible and adaptable dwellings) is optional and similar to Lifetime Homes. Category 3 (wheelchair user dwellings) is optional and equivalent to wheelchair accessible and adaptable standard.

Census Output Area is the smallest area for which UK Census of Population statistics are produced. Each Census Output Area had a population of around 250 people with around 100 dwellings at the time of the 2011 Census.

Concealed families are defined as; *“family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity”*⁴².

ECO underpins the Green Deal and places obligations on energy companies to facilitate installation of energy efficiency measures in homes. ECO fits within the Green Deal framework where Green Deal finance alone is not enough.

Equity is the difference between the selling price of a house and the value of the outstanding mortgage.

First Homes are discounted market sale units which must be sold with either a 30%, 40% or 50% discount in perpetuity to a person or persons meeting the First Homes eligibility criteria.

Green Deal is a market led framework that will allow individuals and businesses to make energy efficiency improvements to their buildings at no upfront cost. Finance needed for the improvements is repaid, in instalments, attached to an electricity bill.

Headship rates are defined by CLG as: *“the proportion of people in each age group and household type who are the ‘head’ of a household”*⁴³

⁴² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf

⁴³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182417/MethodologyFinalDraft.pdf

A household is one person living alone, or two or more people living together at the same address who share at least one meal a day together or who share a living room.

Household formation refers to the process whereby individuals in the population form separate households. 'Gross' or 'new' household formation refers to households that form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year that did not exist as separate households at the beginning of the year (not counting 'successor' households, when the former head of household dies or departs). 'Net' household formation is the net growth in households resulting from new households forming less the number of existing households dissolving (e.g. through death or joining up with other households).

A Housing Association or Registered Provider is an independent not-for-profit body that primarily provides low-cost "social or affordable housing" for people in housing need.

Housing demand is the quantity of housing that households are willing and able to buy or rent.

Household income includes all salaries, benefits and pensions, before deductions such as tax and National Insurance.

House in Multiple Occupation are currently defined by the Housing Act 2004 as:

- » an entire house or flat which is let to three or more tenants who form two or more households and who share a kitchen, bathroom or toilet;
- » a house which has been converted entirely into bedsits or other non-self-contained accommodation and which is let to three or more tenants who form two or more households and who share kitchen, bathroom or toilet facilities;
- » a converted house which contains one or more flats which are not wholly self-contained (i.e. the flat does not contain within it a kitchen, bathroom and toilet) and which is occupied by three or more tenants who form two or more households; and
- » a building which is converted entirely into self-contained flats if the conversion did not meet the standards of the 1991 Building Regulations and more than one-third of the flats are let on short-term tenancies.

Housing market areas are geographical areas in which a substantial majority of the employed population both live and work and where those moving house without changing employment choose to stay.

Housing need is the quantity of housing required for households who are unable to access suitable housing without financial assistance.

Housing requirements encompasses both housing demand and housing need, and is therefore the quantity of housing necessary for all households to have access to suitable housing, irrespective of their ability to pay.

Housing type refers to the type of dwelling, for example, flat, house, specialist accommodation.

Intermediate affordable housing is housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria for affordable housing set out above. These include shared equity products (e.g. HomeBuy), other low cost home ownership products and intermediate rent.

Lending multiplier is the number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multipliers quoted are 3.5 times income for a one-income household and 2.9 times total income for dual income households.

Low cost home ownership or **Shared ownership** is intermediate affordable housing designed to help people who wish to buy their own home, but cannot afford to buy outright (with a mortgage). Through this type of scheme you buy a share in the property with a Housing Association or other organisation.

Lower quartile means the value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

Lower Super Output Area is a group of around 5-6 Census Output Areas and is the smallest geography for many Government statistics. Each Lower Super Output Area had a population of around 1,250 people with around 500 dwellings at the time of the 2001 Census.

Market housing is private housing for rent or for sale, where the price is set in the open market.

Market signals are indicators that supply and demand are not in balance for a local housing market. Possible market signals are listed in PPG and the following are the most pertinent; house prices, private sector rents, affordability, rate of development and overcrowding.

Migration is the movement of people between geographical areas. In this context it could be either local authority districts, or wider housing market areas. The rate of migration is usually measured as an annual number of individuals, living in the defined area at a point in time, who were not resident there one year earlier. Gross migration refers to the number of individuals moving into or out of the authority. Net migration is the difference between gross in-migration and gross out-migration.

Pent up demand is unfulfilled demand or need for housing from households within the existing population, such as hidden households.

A projection of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, sex and marital status, and an extrapolation of recent trends in the propensity of different groups to form separate households.

Registered Social Landlord/Registered Provider see Housing Association.

Secondary data is existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (e.g. Census, national surveys).

Shared ownership see Low Cost Home Ownership.

Social rented housing is provided by social landlords and rented for less than would be paid if renting privately. It typically has lower rents than Affordable Rent.

Specialised housing refers to specially designed housing (such as mobility or wheelchair accommodation, hostels or group homes) or housing specifically designated for particular groups (such as retirement housing).

Acronyms and Initials

BRMA	Broad Rental Market Area
CLG	Department for Communities and Local Government (now MHCLG)
DWP	Department of Work and Pensions
LA	Local Authority
LHA	Local Housing Allowance
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
MHCLG	Ministry for Housing, Communities and Local Government
NPA	National Park Authority
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
ORS	Opinion Research Services
PPG	Planning Practice Guidance
RSL	Registered Social Landlord
SHMA	Strategic Housing Market Assessment