



# Reedham Housing Needs Assessment (HNA)

February 2020

## Quality information

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

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

# 1. Executive Summary

## Conclusions- Tenure and Affordability

1. Reedham is characterised by a relatively high proportion of home ownership (70.3%), as opposed to private and social renting, when compared to England as a whole. While this could be taken to indicate a housing market where home ownership is within reach of most people, a more detailed analysis of affordability reveals that this is not the case.
2. Overall, houses prices have grown over the past 10 years. The mean price of houses has risen by approximately 65%, with semi-detached homes experiencing moderately greater price rises than other types.
3. Private renting is comparatively uncommon in Reedham, despite rising significantly between 2001 and 2011 (as did shared ownership and social rent, from a low base).
4. Given that social rent is the only secure tenure within reach of dual-earning households on lower quartile incomes (though some may access private rented dwellings through housing benefit), a lack of social or affordable rented dwellings is the principle affordability challenge for Reedham residents.
5. To ensure that other households on lower than average incomes can afford to continue living in Reedham and that the high number of overcrowded households can have the opportunity to form their own independent households, it will also be important to increase the quantity of affordable routes to home ownership – especially if reforms to welfare including housing benefit are implemented in the coming years.
6. Affordable Housing is typically provided and made financially viable by Borough-wide planning policies that require it to be included at a set proportion of larger market housing developments. This policy expectation in Reedham, expressed in Reedham's adopted Joint Core Strategy is that 40% of new housing on developments should be affordable.
7. If the indicative figure of 50-60 dwellings proposed for Reedham are delivered, approximately 20 affordable homes can be expected to come forward on the basis of that policy requirement. It is estimated that Reedham households will require 15 affordable rented dwellings and 50 affordable home ownership dwellings over the Plan period. It is clear that expected delivery of around 20 affordable homes will not be enough to provide both 15 affordable rented homes and 50 affordable home ownership units. This is true even if 88 dwellings were built over the Plan period.
8. Since the level of expected delivery is not sufficient to meet local need as evidenced in this HNA, it is critical that the 40% housing delivery requirement is met wherever possible in Reedham. Should the community wish to further boost the supply of Affordable Housing there are other routes available to providing it. For example, using community development orders, identifying exception sites or developing community land trusts are all tried and tested ways of increasing the supply of affordable housing above the minima indicated by Local Plan policy.
9. In order to ensure that the most urgent forms of housing need in Reedham are satisfied (i.e. the need for affordable rented housing from those on the lowest incomes), it is recommended that approximately 60% of affordable housing be offered as social or affordable rent, with the emphasis on social rent, and the remaining 40% delivered as affordable routes to home ownership, with the emphasis on shared ownership (which is more affordable than discounted market housing). This tenure split is in line with Broadlands policy guidance.
10. The need to improve affordability in Reedham across all tenures aligns with the findings in relation to the type and size of homes – that new residential development should ensure a substantial proportion of smaller dwellings. Increasing the proportion of smaller homes and more affordable types (as above) should help to rebalance the housing stock in favour of options that are both suitable to the population profile as it evolves over time and that will combat growing affordability challenges.

### 1.1 Conclusions- Type and Size

11. This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site specific factors which may justify a particular dwelling mix.
12. Reedham's stock of existing housing is characterised by significantly higher proportions of detached houses and

homes with 3 bedrooms which is similar to **Reedham** and the rest of the UK. In addition, Reedham has no 1 bedroom units and a lack of two bedroom units.

13. Detached housing represents a higher proportion of all housing in Reedham compared to the situation across England as a whole. 46.4% of houses within Reedham are detached compared to 22.4% in England.
14. The age profile of the Reedham population is broadly similar to that of the wider Borough, except for a substantially higher share of the population aged 45-84 – a group that is likely to reach retirement age over the Plan period to 2034 and will become a source of demand for housing, whether they intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household or their evolving needs. In addition, the younger age brackets, particularly children aged 0-15 and 16-24 year olds have also increased. This suggests that more families are able to move to the area's sufficient provision of suitable dwellings (2-4 bedroom homes).
15. Seen in the context of Reedham's comparatively large stock of dwellings, trends towards older households and young families may warrant a Neighbourhood Plan policy intervention to restrict the future supply of very large dwellings to some extent. Therefore, it may be beneficial also to encourage the provision of mid-sized housing suitable for this demand segment.
16. The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built, corroborates this finding. The recommended size mix of new housing focuses on dwellings of 1 to 3 bedrooms, and suggests that no further large dwellings are needed.
17. This model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some larger dwellings. The provision of larger homes should not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the Reedham Parish Council wish to influence the size mix of housing coming forward, smaller homes should be the priority.
18. In the Tenure and Affordability chapter analysis, it was found that market housing for sale (as opposed to market housing for rent and all types of Affordable Housing) is increasingly unaffordable and that those on the lowest incomes are unable to afford to live outside of the affordable rented sector. While Affordable Housing should be well balanced in terms of size to cater for all circumstances, the provision of smaller homes for sale and rent, as advised here, should make an important contribution to improving affordability more widely. If older households wishing to rightsize and younger ones seeking to form their own independent households are to be able to afford to live in Reedham, increasing the provision of small and mid-size homes and, in so doing, rebalancing the housing stock away from very large housing, will be key.
19. In terms of the types of dwellings required, the current predominance of detached dwellings, compared with national trends, suggests that there may be some unmet demand for the rarer and generally more affordable dwelling types, such as terraced homes and particularly flats. The size recommendation for smaller homes would align with this. This might also include the delivery of bungalows in order to meet the needs of some older households and to reflect the fact that other smaller dwelling types, such as apartments, may not in practice be popular market propositions in a rural area like Reedham.

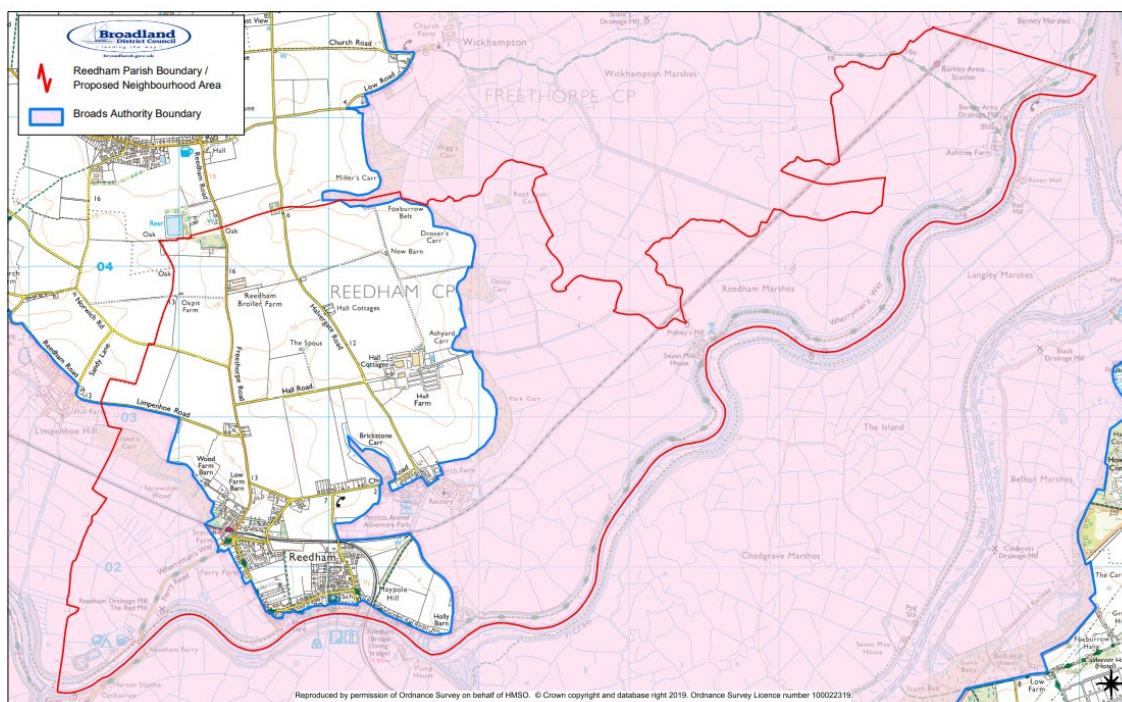


## 2. Context

### 2.1 Local context

20. Reedham is a Neighbourhood Plan area located in Broadland, Norfolk. The Neighbourhood Area (NA) boundary aligns with that of the parish, comprising the village of Reedham and surrounding countryside. The NA was designated in April 2019.
21. The proposed Neighbourhood Plan period starts in 2020 and extends to 2036, therefore comprising a planning period of 16 years.
22. The NA is located at the southwestern edge of the Broadland Authority Boundary, and half of the NA is also within Broads Authority Boundary. Reedham is 12 miles east of the city of Norwich, 7.5 miles south-west of the town of Great Yarmouth and 7.5 miles north -west of the Suffolk town of Lowestoft. Reedham is situated on the north bank of the River Yare. The nearest main road is the A47 which is approximately 5.5 miles north of Reedham, while small roads connect Reedham to the nearby villages of Cantley, Freethorpe and Halvergate. The NA has good rail links as Reedham has its own train station (Reedham, Norfolk) which has direct trains to Norwich and Lowestoft.
23. For Census purposes, the Neighbourhood Plan area is made up, like the rest of England, of statistical units called Output Areas (OAs). The Plan area equates to the following three OAs, which have been used throughout as a statistical proxy for the NA boundary and which can be interrogated for data from both the 2001 and the 2011 Censuses:
  - E00134856 (33UCHE0007)
  - E00134857 (33UCHE0008)
  - E00134858 (33UCHE0009)
24. The statistics show that in the 2011 Census the Neighbourhood Plan area had a total of 1,207 residents.
25. A map of the Plan area appears below in Figure 2.1.

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



Source: Broadland District Council

<sup>1</sup> Available at [https://www.broadland.gov.uk/downloads/file/5213/reedham\\_neighbourhood\\_area\\_map](https://www.broadland.gov.uk/downloads/file/5213/reedham_neighbourhood_area_map)

26. The neighbourhood planners are interested in exploring the need for Affordable Housing for sale and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

## 2.2 Planning policy context

27. In line with the Basic Conditions<sup>2</sup> of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies.<sup>3</sup> Consequently, the relevant elements of the Local Plan are reviewed as part of this Housing Needs Assessment (HNA).
28. In the case of Reedham, the relevant local planning context is as follows:
- Joint Core Strategy DPD (Broadland, Norwich and South Norfolk) adopted 2011, amendments adopted January 2014<sup>4</sup>
  - Development Management DPD (2015)<sup>5</sup>
  - Site Allocations DPD (May 2016)<sup>6</sup>
  - Growth Triangle Area Action Plan<sup>7</sup>
  - Neighbourhood Plan<sup>8</sup>
29. In addition, Broadland District Council, Norwich City Council and South Norfolk Council are working together with Norfolk County Council to prepare the Greater Norwich Local Plan (GNLP). The Greater Norwich Local Plan will build on the long-established joint working arrangements for Greater Norwich, which have delivered the current Joint Core Strategy (JCS) for the area. Greater Norwich have released a draft version of the Local Plan, along with other relevant documents which are detailed below<sup>9</sup>.

### 2.2.1 Policies in the Joint Core Strategy DPD<sup>10</sup>

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

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

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

<sup>4</sup> Available at [https://www.broadland.gov.uk/downloads/file/1310/joint\\_core\\_strategy\\_adopted\\_document\\_2014](https://www.broadland.gov.uk/downloads/file/1310/joint_core_strategy_adopted_document_2014)

<sup>5</sup> Available at [https://www.broadland.gov.uk/downloads/file/1118/development\\_management\\_dpd\\_adopted](https://www.broadland.gov.uk/downloads/file/1118/development_management_dpd_adopted)

<sup>6</sup> Available at [https://www.broadland.gov.uk/downloads/file/1308/site\\_allocations\\_dpd\\_adopted\\_2016](https://www.broadland.gov.uk/downloads/file/1308/site_allocations_dpd_adopted_2016)

<sup>7</sup> Available at [https://www.broadland.gov.uk/downloads/file/1143/growth\\_triangle\\_area\\_action\\_plan\\_adopted\\_july\\_2016](https://www.broadland.gov.uk/downloads/file/1143/growth_triangle_area_action_plan_adopted_july_2016)

<sup>8</sup> Available at [https://www.broadland.gov.uk/info/200164/neighbourhood\\_plans/403/areas\\_with\\_adopted\\_neighbourhood\\_plans](https://www.broadland.gov.uk/info/200164/neighbourhood_plans/403/areas_with_adopted_neighbourhood_plans)

<sup>9</sup> Available at <http://www.greaternorwichgrowth.org.uk/planning/greater-norwich-local-plan/> and <https://gnlp.oc2.uk/readdoc/42/3#d8908>

<sup>10</sup> Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

Policy	Provisions
Policy 4: Housing delivery	<p>Allocations will be made to ensure at least 36,820 new homes can be delivered between 2008 and 2026.</p> <p>Housing mix: Proposals for housing will be required to contribute to the mix of housing required to provide balanced communities and meet the needs of the area, as set out in the most up to date study of housing need and/or Housing Market Assessment.</p> <p>Affordable Housing: A proportion of affordable housing, including an appropriate tenure mix, will be sought on all sites for 5 or more dwellings (or 0.2 hectares or more). The proportion of affordable housing and mix of tenure sought will be based on the most up to date needs assessment for the plan area. At the adoption of this strategy the target proportion to meet the demonstrated housing need is:</p> <ul style="list-style-type: none"> <li>on sites for 5-9 dwellings (or 0.2 – 0.4 ha), 20% with tenure to be agreed on a site by site basis (numbers rounded, upwards from 0.5)</li> <li>on sites for 10-15 dwellings (or 0.4 – 0.6 ha), 30% with tenure to be agreed on a site by site basis (numbers rounded, upwards from 0.5)</li> <li>on sites for 16 dwellings or more (or over 0.6 ha) 33% with approximate 85% social rented and 15% intermediate tenures (numbers rounded, upwards from 0.5)</li> </ul> <p>The proportion of affordable housing sought may be reduced and the balance of tenures amended where it can be demonstrated that site characteristics, including infrastructure provision, together with the requirement for affordable housing would render the site unviable in prevailing market conditions, taking account of the availability of public subsidy to support affordable housing.</p> <p>At appropriate settlements, sites that would not normally be released for housing will be considered for schemes that specifically meet an identified local need for affordable homes. Such schemes must ensure that the properties are made available in perpetuity for this purpose</p> <p>Housing with care: Mixed tenure housing with care will be required as part of overall provision in highly accessible locations.</p>
Policy 15: Service Villages	<p>Reedham is classified as a Service Village. In each Service Village land will be allocated for small-scale housing development subject to form and character considerations. Small-scale employment or service development appropriate to the scale and needs of the village and its immediate surroundings will be encouraged. Existing local shops and services will be protected.</p>

Source: Broadland District Council

### 2.2.2 Policies in the Development Management DPD<sup>11</sup>

**Table 2-3: Summary of Broadland adopted policies having relevance to Reedham Neighbourhood Plan Housing Needs Assessment**

Policy	Provisions
Policy CG2: Location of new development	<p>New development will be accommodated within the settlement limits defined on the policies map. Outside of these limits development which does not result in any significant adverse impact will be permitted where it accords with a specific allocation and/or policy of the development plan.</p>
Policy GC4 – Design	<p>Development will be expected to achieve a high standard of design and avoid any significant detrimental impact. Schemes which are of an innovative nature or which reduce reliance on centralised, non-renewable energy sources will be particularly encouraged.</p>

Source: Broadland District Council

<sup>11</sup> Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

### 2.2.3 Policies in the Site Allocations DPD<sup>12</sup>

**Table 2-4 Summary of Broadland adopted policies having relevance to Reedham Neighbourhood Plan Housing Needs Assessment**

Policy	Provisions
RED1: Land at Station Road, Reedham (approx. 0.9Ha) is allocated for residential development. This will accommodate approximately 15-20 homes.	<p>It will need to comply with relevant policies in the Development Plan and the National Planning Policy Framework.</p> <p>A mix of housing sizes, types and tenures should be provided to reflect the needs and demands in the area, including affordable housing.</p> <p>Access (vehicular and pedestrian) off Yare View Close and/or Station Road.</p> <p>Off-site improvements to the highway network may be necessary which might include the extension of the footway along Station Road which links to the school.</p> <p>A sustainable drainage system (SUDS) should be provided. However, this is likely to require further investigation given the low-lying nature of the land and the proximity to an area of flood risk. It may be that additional land beyond the allocation site is required to accommodate surface water attenuation devices and/or a reduction in the number of dwellings is necessary. Particular regard should be had to avoiding impacts on the wetland habitats of the Broads Area.</p> <p>Adequate landscaping and Green Infrastructure to be provided, in particular to mitigate any impacts on the setting of and views from the Broads Area.</p> <p>Design and layout will have regard to the local character of the area.</p> <p>The site contains a historic environment record and therefore further investigation is likely to be required in respect of archaeology.</p> <p>Infrastructure provision: improvements to social and physical infrastructure will need to be undertaken by the relevant bodies, as appropriate. This is likely to include improvements to sewerage, highways and recreational provision. Funding towards this may be required of the developer directly, and/or through the Community Infrastructure Levy paid by the developer.</p>

Source: Broadland District Council

### 2.2.4 Policies in the Growth Triangle Area Action Plan 2016<sup>13</sup>

**Table 2-5 Summary of Broadland adopted policies having relevance to Reedham Neighbourhood Plan Housing Needs Assessment**

Policy	Provisions
GT 1: Form of Development	All development proposals should create, or contribute to the creation of, distinct quarters; the characteristics of which should be based upon the principles of mixed-use walkable neighbourhoods. Developments are expected to provide, or contribute to the provision of, community services and facilities, as set out in the allocations policies.

Source: Broadland District Council

### 2.2.5 Policies in the Draft Greater Norwich Local Plan

**Table 2-6: Summary of Local Plan policies having relevance to Reedham Neighbourhood Plan Housing Needs Assessment**

Policy	Provisions
Policy 1: The Sustainable Growth Strategy	<p>Sustainable development and inclusive growth are supported by delivery of the following between 2018 and 2038:</p> <ul style="list-style-type: none"> <li>To meet the need for around 40,550 new homes, sites are committed for a minimum of 44,340 new homes.</li> </ul>

<sup>12</sup> Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

<sup>13</sup> Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

Policy	Provisions
Policy 5: Homes	<p>Residential proposals should address the need for homes for all sectors of the community having regard to the latest housing evidence, including a variety of homes in terms of tenure and cost. New homes should provide for good quality of life in mixed and inclusive communities and major development proposals should provide adaptable homes to meet varied and changing needs.</p> <p>Affordable Housing:                      Major residential development proposals and purpose-built student accommodation will provide:</p> <ul style="list-style-type: none"> <li>• At least 33% affordable housing on-site across the plan area, except in Norwich City Centre where the requirement is at least 28%, unless the site is allocated in this plan or a Neighbourhood Plan for a different percentage of affordable housing;</li> <li>• Affordable housing on-site except where exceptional circumstances justify off-site provision;</li> <li>• A mix of affordable housing sizes, types, and tenures in agreement with the local authority, taking account of the most-up-to-date local evidence of housing need. This will include 10% of affordable homes being available for affordable home ownership where this meets local needs;</li> <li>• Affordable housing of at least equivalent to the market homes on-site.</li> </ul>
Policy 7.4: Village Clusters	<p>Reedham is described in the new Local Plan as a Village Cluster. Village clusters are based on primary school catchments, which provide a proxy for social sustainability. Locating this level of growth in village clusters aims to promote social sustainability by supporting rural life and services. The provision of several relatively small allocation sites as required by the NPPF means this approach also has the benefit of supporting small-scale builders, providing choice for the market and helping to ensure the delivering of housing in popular village locations. The policy also aims to provide a range of sizes and tenures of new homes to meet needs in village clusters.</p> <p>Policy 7.4 states that to provide a minimum of 4,024 homes as set out in policy 1 and to support village services, provide choice for the market and promote delivery of a variety of housing types and tenures, housing development will be supported in principle on a range of sites within clusters. Additional sites may be provided in village clusters by:</p> <ol style="list-style-type: none"> <li>1. Infill development within settlement boundaries;</li> <li>2. Affordable housing led development, which may include an element of market housing if necessary, for viability, up to a maximum of 15 dwellings in total. These sites should be adjacent or well related to settlement boundaries with good access to services, including safe routes to schools, subject to other policies of the local plan.</li> </ol>

*Source: Broadland District Council*

### 2.2.6 Additional information from the new Greater Norwich Local Plan 2020 relating to Reedham's housing need

30. It is considered that as well as existing allocations and windfall development, approximately 50-60 new homes are appropriate for Reedham, but that the overall expected level of delivery is 68-88 (40-60 Local Plan allocations plus 28 existing commitments).
31. Two sites are identified as preferred options, providing for between 40-60 new homes in the cluster. There are no carried forward residential allocations but there is a total of 28 additional dwellings with planning permission on small sites. This gives a total deliverable housing commitment for the cluster of between 68-88 homes between 2018-2038. The above information shows that Reedham has a target range of 50-60 dwellings, but that 68-88 are expected.
32. All new and carried forward allocations are expected to address standard requirements associated with development. These vary from place to place, but are likely to include mitigations for flood risk (as well as SUDs), highway improvements, safeguarding of mineral resources, land remediation, measures to protect the environment, biodiversity, and the landscape intrusion.

## 2.3 Reedham Settlement Map<sup>14</sup>:

Figure 2-2: Reedham Settlement Map

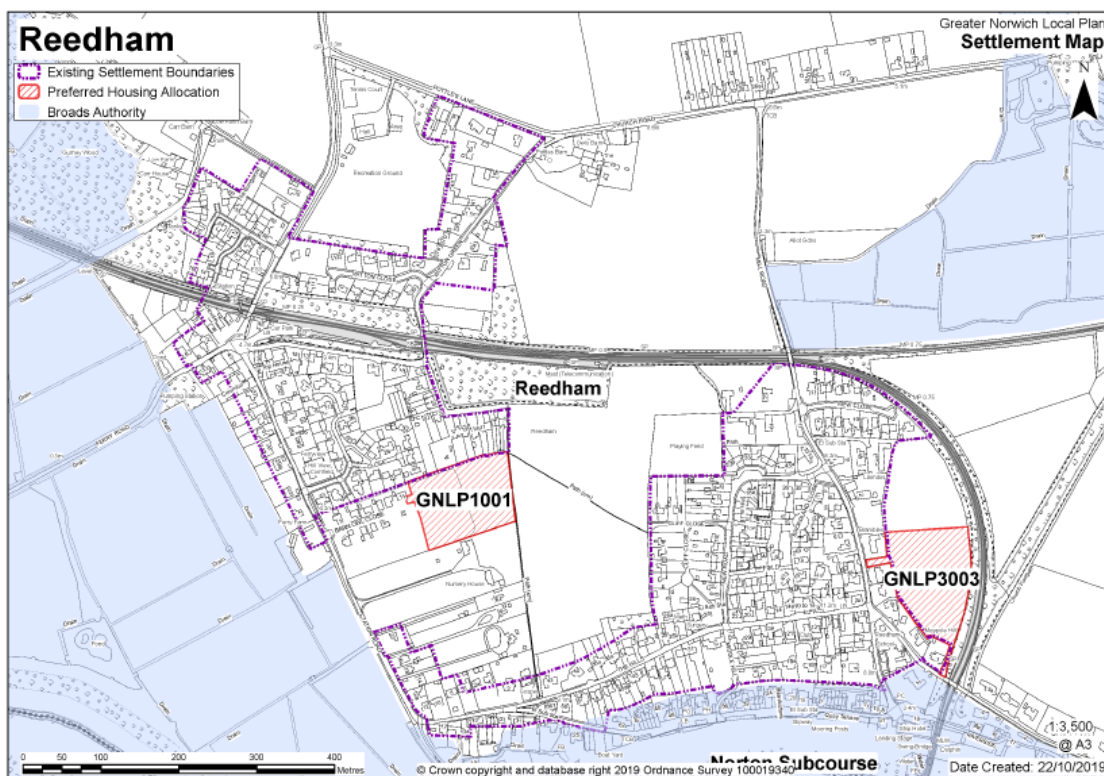


Table 2-8 New allocations proposed

Policy	Address	Description of Site
GNLP1001	Land to East of Station Road, Reedham (approx. 1.10Ha) is allocated for residential development. The site is likely to accommodate 20-30 homes, 33% of which will be affordable.	<p>More homes may be accommodated, subject to an acceptable design and layout as well as infrastructure constraints. The development will be expected to address the following specific matters:</p> <ul style="list-style-type: none"> <li>• Pedestrian and vehicular access to be via Barn Owl Close.</li> <li>• Respect, protect and if appropriate enhance the area of Tree Preservation Order protected trees on the northern side of development.</li> <li>• Appropriate enhancement and links to the PROW that is to the east of the site noting that this could provide a traffic free route for part of the journey to the school.</li> <li>• Potential impact of the scheme on the Broads Authority Executive Area to be considered and addressed as appropriate.</li> <li>• The trees/hedgerows surrounding the site will be protected, enhanced and incorporated into the scheme.</li> <li>• (This site is preferred for allocation as it has minimal constraints. However, it is accepted that it is not possible to provide off-carriageway pedestrian footway for the whole route to Reedham Primary School. The site can be allocated subject to vehicular access via adjacent existing Broadland Local Plan allocation RED1 and footpath connection with</li> </ul>

<sup>14</sup> <http://www.greaternorwichgrowth.org.uk/planning/greater-norwich-local-plan/>

Policy	Address	Description of Site
		Public Rights of Way at the north and east boundaries of the site.
GNLP3003	Mill Road, Reedham (approx. 1.30Ha) is allocated for residential development. The site is likely to accommodate 20-30 homes, 33% of which will be affordable.	<p>More homes may be accommodated, subject to an acceptable design and layout as well as infrastructure constraints.</p> <p>The development will be expected to address the following specific matters:</p> <ul style="list-style-type: none"> <li>• Vehicle access via Mill Road with pedestrian only access at Holly Farm Road;</li> <li>• Visibility for access is restricted and will need further investigation as this may require use of third-party land in order to be achieved;</li> <li>• Consideration of setting of non-designated heritage asset</li> <li>• (Part of this site is preferred for allocation due to its immediate proximity to Reedham Primary School and minimal other constraints, however, it is accepted that it is not possible to provide an off-carriageway pedestrian footway to the school. The site can be allocated subject to vehicular access via Mill Road and pedestrian only access at Holly Farm Road. The vehicular access point at Mill Road will require visibility over the frontage of 'The Brambles' to the north which may require 3<sup>rd</sup> party land.)</li> </ul>

Source: Greater Norwich Local Plan

### 2.3.1 Quantity of housing to provide

33. The NPPF 2019 requires, through paragraphs 65 and 66, Local Authorities to provide neighbourhood groups with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
34. Broadland has fulfilled that requirement by providing Reedham with a definitive figure of 50-60 dwellings to be accommodated within the Neighbourhood Plan area by the end of the Plan period. An additional 28 homes are already allocated, therefore, the overall expected level of delivery is 68-88 dwellings.
35. Given that the NPPF requirement has already been fulfilled, the question of how many houses to plan for has been answered. It is therefore outside the scope of this Housing Needs Assessment. The issue of quantity has been excluded from the Research Questions (see Chapter 3 below).

## 3. Approach

### 3.1 Research Questions

36. Research Questions, abbreviated to 'RQ;' are formulated at the start of the project through discussion with the neighbourhood group. They serve to direct the research and provide the structure for the HNA.

37. The RQs relevant to this study, as discussed and agreed with Reedham Parish Council, are set out below.

#### 3.1.1 Tenure and Affordability

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

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

***RQ 1: What quantity and tenures of Affordable Housing should be planned for over the Neighbourhood Plan period?***

#### 3.1.2 Type and Size

40. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community.

41. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.

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



## 3.2 Relevant Data

### 3.2.1 Local authority evidence base

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

### 3.2.2 Other relevant data

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

## 4. RQ 1: Tenure and Affordability

**RQ1: What Affordable Housing (eg social housing, affordable rented, shared ownership, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?**

### 4.1 Introduction

45. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
46. This section will examine the tenure of dwellings in the current stock and recent supply. Then, looking at affordability, make an assessment on whether continuation of these trends would meet future needs. This section also investigates whether there are misalignments between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new developments to prioritise certain tenures, to bring supply and demand into better alignment.<sup>15</sup>

### 4.2 Definitions

47. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. AH comprises those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms of AH designed to offer affordable routes to home ownership.<sup>16</sup>
48. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership (broadening the definition of AH which had previously referred only to social and intermediate housing to include a range of low-cost housing opportunities for those aspiring to own a home). However, it still recognises the important role of social, affordable, and private rent tenures for those not currently seeking home ownership.
49. In paragraph 64 of the NPPF, the Government introduces a recommendation that "*where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership*". In line with PPG,<sup>17</sup> the assumption should be that a 'major housing development' can be defined as a site of 10 dwellings or more, and that affordable home ownership includes shared ownership homes, and homes available for discount market sale.

### 4.3 Current tenure profile

50. In order to set a baseline for the examination of tenure, it is necessary to present a picture of the Neighbourhood Plan area based on the most recent reliable data. Table 5-1 below presents Census data from 2011; this table shows the distribution of how households occupy their homes within Reedham, compared to the rest of Broadland and England.
51. At present home ownership is the most popular form of tenure in Reedham, followed by Social Rented and then Private Rented accommodation. Shared ownership is the least common form of tenure in Reedham. There is currently a lower proportion of home ownership in Reedham than Broadland, but Reedham's proportion of social renting is nearly double that of the wider district.

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<sup>15</sup> PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

<sup>16</sup> NPPF 2019.

<sup>17</sup> PPG 031 Reference ID: 23b-031-20161116, available at <https://www.gov.uk/guidance/planning-obligations>

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

Tenure	Reedham	Broadland	England
Owned; total	70.3%	79.4%	63.3%
Shared ownership	0.8%	0.6%	0.8%
Social rented; total	14.7%	8.6%	17.7%
Private rented; total	12.5%	10.3%	16.8%

Sources: Census 2011, AECOM Calculations

52. In Table 5-2, we note the changes in tenure during the intercensal period. Over the inter-census period, the number of those renting privately has increased dramatically by 152%. This could be down to several reasons such as potential buyers being priced out of home ownership, younger generations seeking the greater flexibility associated with private rent and an increase in buy-to-let investors. Having said this, social rented units have increased significantly, by 48%, and home ownership overall has increased significantly compared to the rest of Broadland. This shows that despite higher prices, home ownership still remains a popular form of tenure in the NA. Shared ownership has not increased at all, even though it has increased by 23.1% in Broadland and by 30.0% in England. It is possible that this tenure has not increased in Reedham because of high development cost or because it is mainly popular amongst younger buyers who tend to live in more urban areas.

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

Tenure	Reedham	Broadland	England
Owned; total	13.8%	2.6%	-0.6%
Shared ownership	0.0%	23.1%	30.0%
Social rented; total	48.0%	10.3%	-0.9%
Private rented; total	152.0%	91.8%	82.4%

Sources: Censuses 2001 and 2011, AECOM Calculations

## 4.4 Affordability by tenure

53. Having reviewed the tenure of the existing housing stock in Reedham and the findings of the SHMA, this report turns to assessing future provision over the Neighbourhood Plan period.
54. In order to understand whether the tenure profile of the current stock reflects the needs of the population currently and over the Plan period, the starting point is to consider whether this profile provides different market segments access to dwellings of a suitable type and size, given their household composition.

### 4.4.1 House prices

55. PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.<sup>18</sup>
56. An entry-level dwelling can also be understood as one suitable for a household comprising two or three individuals. In order to be in conformity with Government guidance on overcrowding, such a home would require three habitable rooms (i.e. comprise a flat or house with one or two bedrooms). Entry-level properties can therefore also be understood as one or two-bedroom flats/houses.
57. Figure 5-1 looks at selected measures of house prices in Reedham. It shows that house prices dramatically rose from 2009 until 2011 where they reached their peak mean of £260,094. Houses prices in 2012-2014 were lower than previous years, until 2015 when house prices rose again at a more steadily rate. Between 2017 and 2018 house prices decreased again. Lower quartile price trends roughly follow those of the median and mean. Overall, the mean price of houses has risen by approximately 65%.

<sup>18</sup> See Paragraph: 021 Reference ID: 2a-021-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

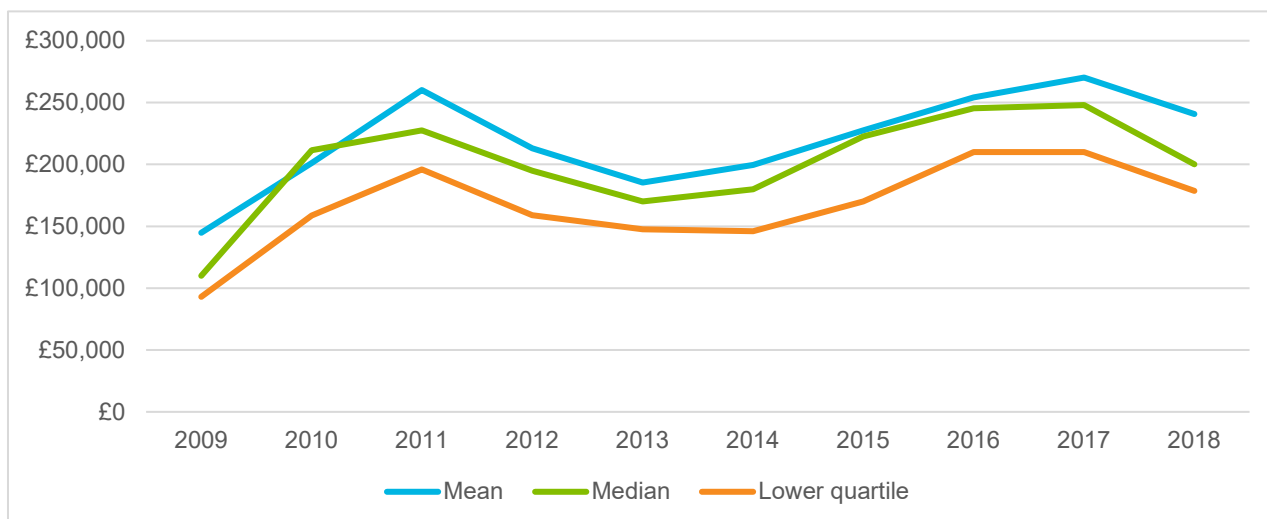


Figure 5-1: House prices by quartile in Reedham between 2009 and 2018

Source: Land Registry PPD

58. Table 5-3 below breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). It shows that on average, house prices in the NA have increased by around two-thirds. Semi-detached properties have seen the largest growth between 2009-2018, increasing by 105.8%, this is followed by detached (83.4%) and terraced (52.2%) homes. The strong increase in price for semi-detached homes (which may in fact be higher still as the 2018 average price appears to be a low anomaly) indicates that they are the most sought-after house type in the NA. There is no data on percentage growth for flats as there are relatively few flats in Reedham to be sold (see the Type and Size chapter), and so the average annual price is highly determined by the particular units sold in any particular year, which may vary in size and quality.

Table 5-3: House prices by type in Reedham, 2008-2017,000's

Type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Growth
Detached	£210,438	£228,223	£278,731	£232,526	£237,000	£230,270	£304,000	£290,833	£311,818	£386,000	83.4%
Semi-detached	£96,564	£161,750	£202,000	£168,143	£150,800	£178,492	£187,038	£216,563	£247,455	£198,700	105.8%
Terraced	£108,000	£141,000	£168,000	£194,500	£168,750	£173,393	£148,333	£231,417	£201,333	£164,375	52.2%
Flats	£106,667										
All Types	£144,773	£201,219	£260,094	£212,978	£185,409	£199,643	£227,558	£254,269	£270,240	£240,763	66.3%

Source: Land Registry PPD

#### 4.4.2 Income

59. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.
60. The first source is locally specific but limited to the average total household income and the median net annual household income before housing costs (or take-home pay). This is the average household income estimates published by ONS<sup>19</sup> at the level of the Middle-layer Super Output Area (MSOA)<sup>20</sup>. In the case of Reedham the MSOA

<sup>19</sup>Available at <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/smallareamodelbasedincomeestimates/financialyearending2016>

<sup>20</sup> An MSOA is a statistical area defined for Census purposes. For further information on MSOAs, see <https://www.ons.gov.uk/methodology/geography/ukgeographies/censusgeography>

most suitable for use as a proxy for the Neighbourhood Plan area boundary is E02005537. Further details on the extent of this MSOA, including a map, and why it was selected as a proxy for the Neighbourhood Plan area, are set out in Appendix A.

61. The average total annual income in MSOA E02005537 was £41,500.<sup>21</sup>
62. The second source of data is Lower Quartile (LQ) average earnings. This is helpful for understanding affordability challenges among those with lower than average earnings. However, this data relates to individual earnings and whilst this is an accurate representation of household incomes where households have one earner, it does not represent household income where there are two people earning. It is also only available at the District level. It is derived from Ratio of house price to residence-based earnings (lower quartile and median), 2002 to 2018.
63. Broadland's gross LQ earnings for 2018 was £21,088 per year.
64. This LQ figure is a helpful indication of what those in the lowest earnings brackets are able to put towards their housing costs, although it is important to note three caveats. First, where a household has two people in work, the average LQ income from earnings will be double the level given by individual earnings. Second, this figure applies to the wider District and may therefore differ from actual LQ earnings levels within the NA itself. Third, it is an indication of gross rather than net earnings, and so the actual amount received after taxes and expenses will differ.

#### 4.4.3 Affordability Thresholds

65. In order to gain a clearer understanding of local affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds'. Purchase thresholds denote the standard household income needed to access mortgage products, and income thresholds denote the maximum share of a family's income that should be spent on accommodation costs.
66. AECOM has determined thresholds for entry-level market purchase and private rent and the full range of Affordable Housing tenures as set out in NPPF across Reedham. There are: social rent; affordable rent set at 80%, shared ownership at 25%, 50%, and 75%; and discounted market sale (at a 20% discount). These calculations are detailed in Appendix A. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 25% and that mortgage financing will be offered at a maximum of 3.5 times household income. Table 5-4 shows the cost of different tenures and the annual income required to support these costs within Reedham. The income required column is the annual income needed to support ongoing housing costs, but does not reflect the cost of a deposit (which we have assumed to be 10% of the value to be purchased) or the possibility that households able to access market housing for purchase may already hold equity from an existing property.
67. The Government has set out its intention to bring forward First Homes which provide a discount on open market sale. A proportion of new homes will be required to be provided as First Homes. However, it is not yet known exactly what this will look like in practice and, as such, First Homes are not included in the affordability thresholds comparison below.

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

Tenure	Cost of purchase	Annual rent	Annual Income required <sup>22</sup>
Entry-level market sale	£160,875	N/A	£45,964
Shared ownership (75%)	£129,656	£4,469	£38,942
Discounted market sale (20%)	£128,700	N/A	£36,771
Entry-level market rent	N/A	£8,220	£32,880
Shared ownership (50%)	N/A	£8,938	£31,920
Affordable rent	N/A	£6,576	£26,304
Shared ownership (25%)	£40,219	£13,406	£24,897
Social rent - 3 bed dwelling	N/A	£5,262	£21,050

<sup>21</sup> Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

<sup>22</sup> On top of deposit assumed at 10% (see Appendix A).

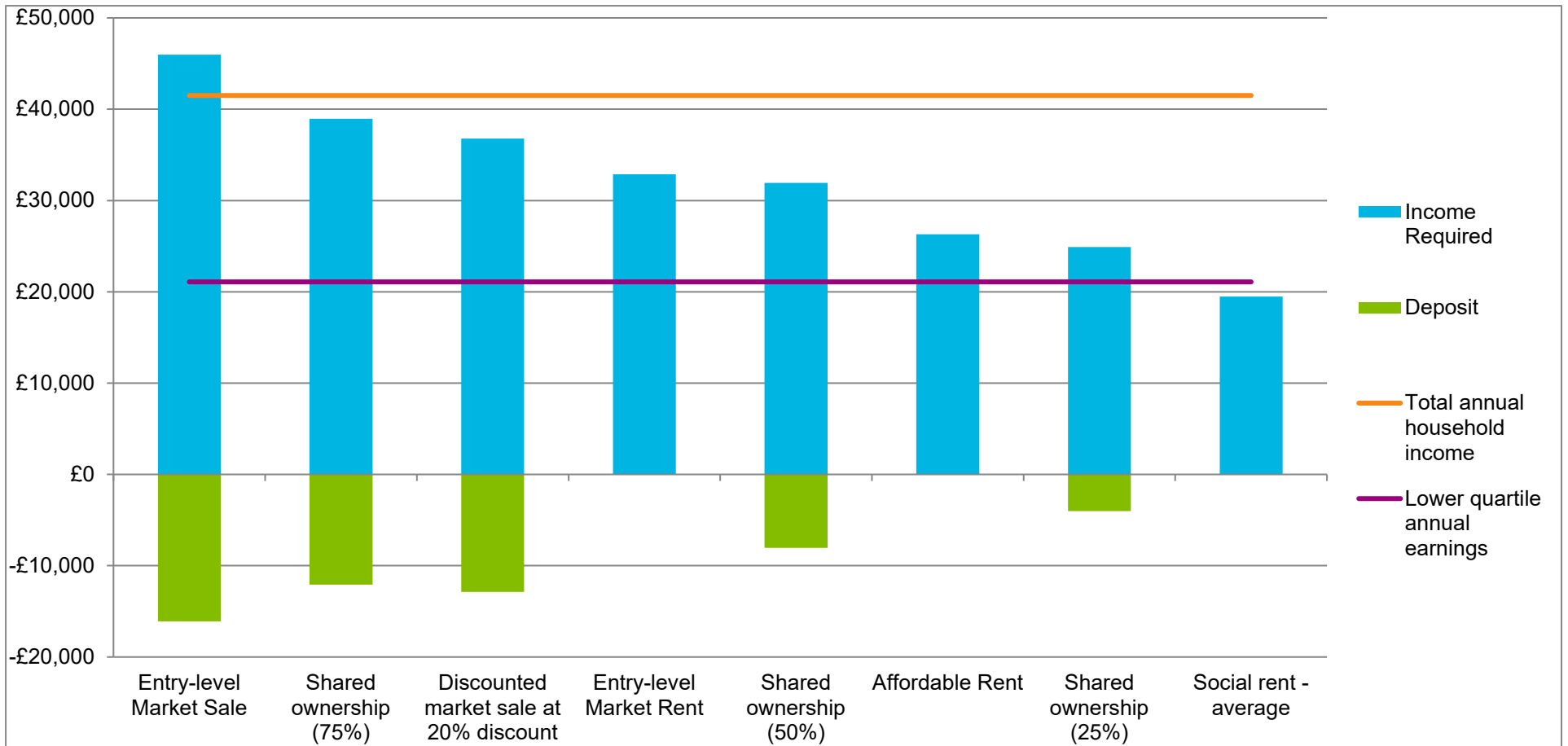
Social rent - 2 bed dwelling	N/A	£4,786	£19,142
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Source: AECOM Calculations

- 68. The income required to afford the different tenures is then benchmarked, in Figure 5-2 against the two measurements of household income set out above. These are the average net household income before housing costs for MSOA E02005537 at £41,500 and the lower quartile gross household income for Broadland at £21,088.
- 69. Looking at the affordability thresholds set out above, it is apparent that single-earning households on lower quartile incomes are unable to afford any of the housing tenures under consideration apart from social rent. However, the lower quartile income data is gross, and therefore does not reflect housing benefits or other forms of financial assistance. It is possible that with such assistance of a greater proportion of annual income available to spend on housing than we have assumed here would enable such households to access affordable rent or even shared ownership at low equity shares. For those on average total annual household incomes, shared ownership (75%), discounted market sale at 20% discount, entry-level market rent, shared ownership (50%), affordable rent, and shared ownership (25%) are all accessible.
- 70. Government policy aimed at tackling the housing crisis continues to focus on helping those on lower quartile incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership.<sup>23</sup> In the case of Reedham, the figure below suggests that the most appropriate tenure to help implement this policy goal locally is Shared Ownership at 25%, though it is still unaffordable to those on the lowest incomes.

<sup>23</sup> See the White Paper 'Fixing Our Broken Housing Market', at [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/590464/Fixing\\_our\\_broken\\_housing\\_market\\_-\\_print\\_ready\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf)

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



Source:

AECOM

Calculation

#### 4.4.4 Affordable Housing- quantity needed

71. The Central Norfolk SHMA (2017) provides evidence on the need for Affordable Housing within Broadland. This study identified the need for 96 affordable homes per annum in Broadland from 2020-2036. This figure can be pro-rated to Reedham (at a rate of 0.97%, which is the percentage of the Broadland population who live in the NA) and equates to 1 affordable home per annum.
72. AECOM's review of this SHMA suggests that the Affordable Housing need identified is focused on households living in unsuitable housing and unable to afford to rent in the market. There is some additional analysis on the role of intermediate housing but the SHMA does not quantify the need (or rather, potential demand) for Affordable Housing from households who can afford to rent but cannot afford to buy and would prefer to do so. The needs and aspirations of this group have become a priority of Government in recent years and is now reflected in revisions to the NPPF which include affordable home ownership products within the definition of Affordable Housing.
73. In order to provide an estimate for those who cannot afford to buy in the market in Reedham, to complement the SHMA's calculation for those who require affordable rented products, AECOM has produced an additional estimate.
74. Table 4-5 estimates the number of households who might need affordable home ownership. This is a simplified assessment of the needs of these households but considered reasonable and proportionate for the purposes of neighbourhood planning. These are households who can afford to rent in the market but cannot afford to buy and may prefer to do so. These households are additional to the 1 household per annum identified in the SHMA (although there may be some overlap at the margins). This estimate suggests there may be potential demand for around 3.1 affordable home ownership dwellings per annum over the plan period.
75. The total estimated Affordable Housing need over the Plan period 2020-2036 is therefore 15 (rounded) affordable rented homes and 50 affordable home ownership dwellings.

**Table 4-5 : Estimate of the need for affordable home ownership housing, Reedham – needs double checking**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in NA	76.8	Census 2011 number of renters x national % increase to 2018
1.2 Percentage renters on housing benefit in LA	18.9%	% of renters in 2018 on housing benefit (based on LA proportion)
1.3 Number of renters on housing benefits in NA	14.5	1.1 x 1.2
1.4 Current need (households)	46.7	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	2.9	1.4/ plan period
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	64.6	LA household projections for plan period (2014 based) pro rated to NA
2.2 % of households unable to buy but able to rent	10.1%	Current % of households in PRS
2.3 Total newly arising need	6.5	2.1 x 2.2
2.4 Total newly arising need per annum	0.5	2.3/ plan period
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	6.6	Number of shared ownership homes in NA (Census 2011 + new build to 2018/19)
3.2 Supply - intermediate resales	0.3	3.1 x 5% (assume rate of re-sale)
<b>NET SHORTFALL (OR SURPLUS) PER ANNUM</b>		
<b>Shortfall (per annum)</b>	<b>3.1</b>	<b>Shortfall = (Step 1.5 + Step 2.4) – 3.2</b>

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



76. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy, and implemented by the Local Planning Authority. It should be noted that Reedham is expected to deliver 40-50 / 68-88 dwellings over the plan period.
77. Assuming that the emerging local plan affordable housing policy will continue to require 40% of all developments (above a certain threshold) to be affordable housing, and that the minimum target of 50 dwellings will be delivered over the plan period, expected affordable housing provision will be in the region of 20 dwellings.
78. This number of dwellings is likely to be sufficient to deliver the most urgently needed 15 affordable rented units, but will not be enough to extend to the potential demand for 50 affordable owned units. Even if 88 dwellings were built over the plan period it would require slightly less than half to be affordable owned units which is unrealistic.
79. If the community wishes to boost the supply of affordable housing in order to secure more affordable home ownership options, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all tried and tested ways of boosting the supply of affordable housing above the minima indicated by Local Plan policy.
80. It is important to state there is no policy or legal obligation on the part either of the Local Authority or neighbourhood planners for it to be met in full, either within or outside the Neighbourhood Plan area, though there are tools available to neighbourhood planners, as outlined above, that can help ensure that it is met to a greater extent if resources permit.
81. It is also important to remember that even after the Reedham, or indeed any other, Neighbourhood Plan is adopted, the assessment of need for affordable housing, its allocation to those in need and the management of the housing waiting list all remain the responsibility of the local authority rather than neighbourhood planners.
82. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can meet affordable housing need, unless there is a specific policy on the housing supply-side (e.g. the identification of one or more housing exception sites over and above those required by the Local Plan).

## 4.5 Tenure Split

83. In terms of the tenure split, it is important to reference Reedham's affordable housing policy, as set out in the adopted Joint Core Strategy, which recommends a balance within any affordable housing provision of 60% Social Rent or Affordable Rent and 40% intermediate home ownership.
84. This balance does not closely align with the results of the exercise above, which produced a need for 15 affordable rented units and 50 affordable ownership units over the Plan period. As a proportion of the total of 65 Affordable Housing units, the balance between those figures is 23% to 77%. However, the two need figures calculated above are not of equal importance: the need identified for social and affordable rent identifies households who cannot afford any other housing (including homeless households and those in temporary accommodation), while the identified need for affordable home ownership products should really be thought of as potential, aspirational demand among those who can afford market rents.
85. Reflecting this, the existing policy requirement of 60% Affordable Rent and 40% intermediate home ownership prioritises the more urgent needs of those requiring affordable rent and would provide for enough affordable home ownership to satisfy a high amount of demand in the community. As such, it is considered appropriate that Reedham rely on existing policy to achieve its aims with regard to affordable housing.
86. The recommended tenure split for Reedham, based on existing policy, is presented in Table 4-6 below. Each headline tenure category is also broken down into sub-tenures in accordance with the evidence arising from the affordability analysis earlier in this chapter.

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

<b>Routes to home ownership, of which</b>	<b>40%</b>
Shared ownership	20%
Discounted market sale	20%
<b>Affordable Housing for rent, of which</b>	<b>60%</b>
Social rent	40%
Affordable rent	20%

Source: AECOM calculations

87. Because the affordability analysis above showed that single-earners on lower quartile incomes can only afford social rented accommodation, social rent is prioritized as the most appropriate form of affordable rented housing in the guideline tenure split.
88. Because shared ownership at 25% appeared to be the most accessible intermediate tenure in the affordability analysis, it is weighted higher in the above table than other forms of discounted market housing within the affordable home ownership category. Note that the precise ownership share to be offered in shared ownership products is not something that it is in the power of neighbourhood planning policies to enforce.
89. While AECOM has made suggestions for the split of different products within the tenure split, though this should be considered indicative as it will be subject to wider considerations of costs, viability and the availability of funding for particular products.
90. Indeed, the precise mix of affordable homes at the site specific level will be influenced by factors other than the scale of need. The mix will be influenced by viability considerations, the views of Registered Providers including whether they wish to manage small numbers of affordable homes in a rural location, the existing stock mix and other policy objectives. It is important to state that the estimates of need in this HNA or elsewhere do not directly determine affordable housing policies because of these wider policy considerations.
91. The tenure split in Table 4-6 should be considered a guideline for the ideal mix of tenures to be delivered within the NA. As such, it will be a useful point of reference when planning applications are considered but may not represent sufficient justification for the tenure split to be enforced precisely through a Neighbourhood Plan policy.

## Conclusions- Tenure and Affordability

92. Reedham is characterised by a relatively high proportion of home ownership (70.3%), as opposed to private and social renting, when compared to England as a whole. While this could be taken to indicate a housing market where home ownership is within reach of most people, a more detailed analysis of affordability reveals that this is not the case.
93. Overall, houses prices have grown over the past 10 years. The mean price of houses has risen by approximately 65%, with semi-detached homes experiencing moderately greater price rises than other types.
94. Private renting is comparatively uncommon in Reedham, despite rising significantly between 2001 and 2011 (as did shared ownership and social rent, from a low base).
95. Given that social rent is the only secure tenure within reach of dual-earning households on lower quartile incomes (though some may access private rented dwellings through housing benefit), a lack of social or affordable rented dwellings is the principle affordability challenge for Reedham residents.
96. To ensure that other households on lower than average incomes can afford to continue living in Reedham and that the high number of overcrowded households can have the opportunity to form their own independent households, it will also be important to increase the quantity of affordable routes to home ownership – especially if reforms to welfare including housing benefit are implemented in the coming years.
97. Affordable Housing is typically provided and made financially viable by Borough-wide planning policies that require it to be included at a set proportion of larger market housing developments. This policy expectation in Reedham, expressed in Reedham’s adopted Joint Core Strategy is that 40% of new housing on developments should be affordable.

98. If the indicative figure of 50-60 dwellings proposed for Reedham are delivered, approximately 20 affordable homes can be expected to come forward on the basis of that policy requirement. It is estimated that Reedham households will require 15 affordable rented dwellings and 50 affordable home ownership dwellings over the Plan period. It is clear that expected delivery of around 20 affordable homes will not be enough to provide both 15 affordable rented homes and 50 affordable home ownership units. This is true even if 88 dwellings were built over the Plan period.
99. Since the level of expected delivery is not sufficient to meet local need as evidenced in this HNA, it is critical that the 40% housing delivery requirement is met wherever possible in Reedham. Should the community wish to further boost the supply of Affordable Housing there are other routes available to providing it. For example, using community development orders, identifying exception sites or developing community land trusts are all tried and tested ways of increasing the supply of affordable housing above the minima indicated by Local Plan policy.
100. In order to ensure that the most urgent forms of housing need in Reedham are satisfied (i.e. the need for affordable rented housing from those on the lowest incomes), it is recommended that approximately 60% of affordable housing be offered as social or affordable rent, with the emphasis on social rent, and the remaining 40% delivered as affordable routes to home ownership, with the emphasis on shared ownership (which is more affordable than discounted market housing). This tenure split is in line with Broadlands policy guidance.
101. The need to improve affordability in Reedham across all tenures aligns with the findings in relation to the type and size of homes – that new residential development should ensure a substantial proportion of smaller dwellings. Increasing the proportion of smaller homes and more affordable types (as above) should help to rebalance the housing stock in favour of options that are both suitable to the population profile as it evolves over time and that will combat growing affordability challenges.

## 5. RQ 2: Type and Size

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

### 5.1 Introduction

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

### 5.2 Existing types and sizes

#### 5.2.1 Background and definitions

104. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth, income, and age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.
105. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require, and would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture to demographics, household type and size.
106. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' can be translated as follows<sup>24</sup>:
- 1 room = bedsit
  - 2 rooms = flat/house with one bedroom and a reception room/kitchen
  - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
  - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
  - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
  - 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen
  - 7+ rooms = house with 4 or more bedrooms
107. It is also useful to clarify the Census terminology around dwellings and households spaces. These can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on

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<sup>24</sup> At <https://www.nomisweb.co.uk/census/2011/qs407ew>

whether people's accommodation is self-contained.<sup>25</sup> As such, all dwellings are classified into either "shared" or "unshared" dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.

108. The key measure of whether a dwelling is shared or unshared relates to the Census' definition of a household. A household is defined as "One person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area."<sup>26</sup> On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

## 5.2.2 Dwelling type

109. The 2011 Census shows that there were 550 households in Reedham, living in 255 detached houses, 230 semi-detached, 52 terraced houses, and 10 flats. Reedham is characterised by a similar amount of detached, semi-detached and terraced homes as Broadland. Reedham has few purpose-built blocks of flats or tenement compared to Broadland, however, Reedham has a larger percentage of converted or shared houses compared to Broadland. Broadland and Reedham have the same percentage of flats, maisonettes or apartments in commercial buildings overall (see Table 6-1 below).

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

Dwelling type		Reedham	Broadland	England
Whole house or bungalow	Detached	46.4%	46.9%	22.4%
	Semi-detached	41.8%	37.9%	31.2%
	Terraced	9.5%	10.2%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	0.4%	3.4%	16.4%
	Parts of a converted or shared house	0.9%	0.6%	3.8%
	In commercial building	0.5%	0.5%	1.0%

Source: ONS 2011, AECOM Calculations

## 5.2.3 Dwelling size

110. Table 6-3 below sets out the distribution of the number of rooms by household space. The housing stock in Reedham is characterised by a large number of 5 and 6 bedroom houses – a combined 45% of all homes in Reedham. This is a trend shared throughout Broadland, where 5 and 6 bedroom houses make up 47.4% of homes. The housing stock in the NA is, however, characterised by a notably larger share of homes with 7 rooms or more than seen at Borough level – a combined 34.3% compared with 32.8% in Broadland. There are consequently proportionally fewer smaller homes in Reedham. There are no 1 bedroom properties.

<sup>25</sup> At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

<sup>26</sup> Ibid.

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

Number of Rooms	2011	2011
	Reedham	Broadland
1 Room	0.0%	0.1%
2 Rooms	0.4%	0.6%
3 Rooms	4.6%	4.4%
4 Rooms	15.8%	14.7%
5 Rooms	24.2%	25.0%
6 Rooms	20.8%	22.4%
7 Rooms	12.3%	13.6%
8 Rooms or more	9.7%	9.2%
9 Rooms or more	12.3%	10.0%

Source: ONS 2011, AECOM Calculations

111. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. The main change from the 2001 Census findings is that the plan area has undergone significant growth in the larger dwelling categories, particularly 4, 5, and 6 rooms per household compared to growth seen at district level. In addition, the number of 3 rooms per household in Reedham has increased dramatically, particularly when compared to Broadland where there is a difference of 72.5 percentage points. The two categories which decreased were 1 and 2 rooms per household. Although a decline of 100% (1 room) and 66.7% (2 room) may seem weighty, the fact that these two categories started from a low base point to begin with makes this finding less significant.

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

Number of Rooms	Reedham	Broadland	England
1 Room	-100.00%	38.2%	-5.2%
2 Rooms	-66.7%	6.0%	24.2%
3 Rooms	76.9%	4.4%	20.4%
4 Rooms	15.9%	-13.7%	3.5%
5 Rooms	22.0%	-8.1%	-1.8%
6 Rooms	25.0%	13.0%	2.1%
7 Rooms	5.1%	24.3%	17.9%
8 Rooms or more	42.3%	38.8%	29.8%

Source: ONS 2001-2011, AECOM Calculations

112. Returning to the most recent Census data, it is also useful to compare the figures for number of rooms with figures for the number of bedrooms for each household. Table 6-5 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. This data shows that, within Reedham, 3 bedroom homes are the most popular, with 47.3% of the local population occupying this size of dwelling. This is also the case in Broadland. The share of homes with 2 bedrooms is the second largest category in Reedham which is also similar in Broadland by only a difference of 1.2%.

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

Bedrooms	Reedham		Broadland		England	
<b>All categories: no. of bedrooms</b>	<b>505</b>	<b>100.0%</b>	<b>5,3336</b>	<b>100%</b>	<b>22,063,368</b>	<b>100.0%</b>
No. bedrooms	0	0.0%	57	0.1%	54,938	0.2%
1 bedroom	22	4.4%	2,635	4.9%	2,593,893	11.8%
2 bedrooms	132	26.1%	13,282	24.9%	6,145,083	27.9%
3 bedrooms	239	47.3%	24,134	45.2%	9,088,213	41.2%
4 bedrooms	91	18.0%	10,675	20.0%	3,166,531	14.4%
5 or more bedrooms	21	4.2%	2,553	4.8%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

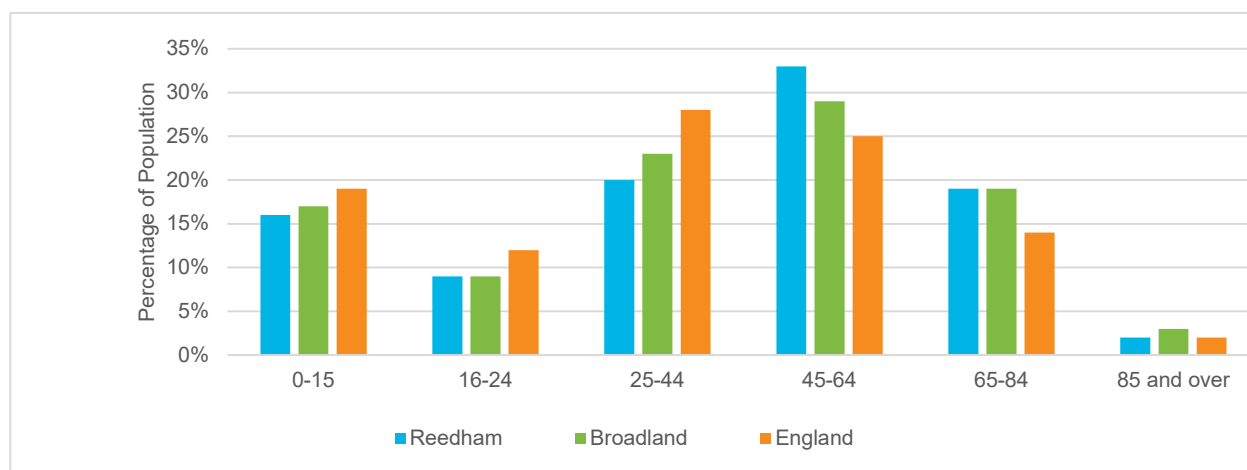
### 5.3 Household composition and age structure

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

#### 5.3.1 Age structure

114. The 2011 Census data reveals that the 25-44 and 45-64 groups make up half of the NA's inhabitants, with 65-84 year olds making up almost 20% of Reedham's population (see Figure 6-1 below). This age group are more prominent here than at the national level. Children (0-15) also make up 16% of Reedham's inhabitants – 16%, however, this is lower than the national level.

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



Source: ONS 2011, AECOM Calculations

115. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001 NA population has seen the greatest growth in the 85 and over age bracket at 366.7% - though this is due to a comparatively low starting figure of just 6 people (rising to 28 in 2011). The younger age brackets, particularly children

aged 0-15 and 16-24 year olds have also increased. This suggests that more families are moving to the area as a result of suitable dwelling mix (2-4 bedroom homes), while other households are ageing at a faster rate than the district (see Table 6-6 below).

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

Age group	Reedham	Broadland	England
0-15	47.4%	-2.4%	1.2%
16-24	44.4%	13.8%	17.2%
25-44	10.4%	-11.4%	1.4%
45-64	27.6%	12.5%	15.2%
65-84	36.3%	20.2%	9.1%
85 and over	366.7%	33.0%	23.7%

Source: ONS 2001-2011, AECOM Calculations

### 5.3.2 Household composition

116. Household composition (i.e the mix of adults and children in a dwelling) is another factor driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.
117. In assessing Census data on household composition, we see that Reedham differs from the district in that there are marginally fewer single-person households. Rates of households with one family and dependent children are slightly lower than district and national rates, yet rates of households with one family and no children is higher than at district and national level (Table 6-7). Note that non-dependent children refer to households in which adult children are living at home, or students still call their primary residence despite living for most of the year near to university. Though this category can often indicate the relative unaffordability of entry-level homes in an area as many such young people may wish to move out and form their own households if they were financially able. It is, however, comparatively low in Reedham.

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

Household composition		Reedham	Broadland	England
<b>One person household</b>	<b>Total</b>	<b>24.6%</b>	<b>26.4%</b>	<b>30.2%</b>
	Aged 65 and over	11.9%	14.1%	12.4%
	Other	12.7%	12.3%	17.9%
<b>One family only</b>	<b>Total</b>	<b>69.9%</b>	<b>69.3%</b>	<b>61.8%</b>
	All aged 65 and over	12.5%	12.6%	8.1%
	With no children	26.9%	22.3%	17.6%
	With dependent children	22.4%	24.9%	26.5%
	All children Non-Dependent <sup>27</sup>	8.1%	9.5%	9.6%
<b>Other household types</b>	<b>Total</b>	<b>5.5%</b>	<b>4.3%</b>	<b>8.0%</b>

Source: ONS 2011, AECOM Calculations

118. Again, it is relevant to consider rates of change in this indicator during the period between Censuses. Between 2001 and 2011, the main changes in household composition were; a large increase in one family all aged 65 and over, particularly in comparison to the district and national level percentage change. There has also been a large increase in one family with no children and one family with dependent children compared to the district and national level (see Table 6-8).

<sup>27</sup> Refers to households containing children who are older than 18 e.g students or young working people living at home.



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

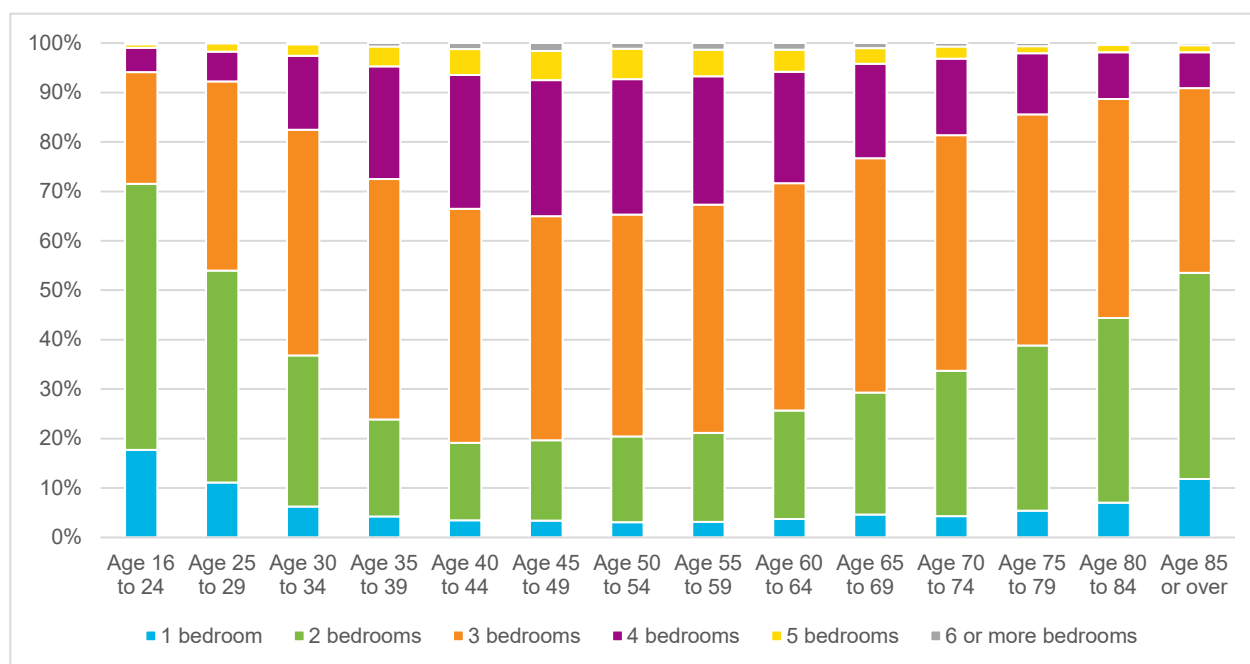
Household type		Percentage change, 2001-2011		
		Reedham	Broadland	England
<b>One person household</b>	<b>Total</b>	<b>15.9%</b>	<b>11.1%</b>	<b>8.4%</b>
	Aged 65 and over	0.0%	7.3%	-7.3%
	Other	36.2%	15.8%	22.7%
<b>One family only</b>	<b>Total</b>	<b>30.7%</b>	<b>3.9%</b>	<b>5.4%</b>
	All aged 65 and over	40.0%	4.0%	-2.0%
	With no children	29.5%	3.0%	7.1%
	With dependent children	36.1%	1.4%	5.0%
	All children non-dependent	10.8%	13.7%	10.6%
<b>Other household types</b>	<b>Total</b>	<b>33.3%</b>	<b>30.0%</b>	<b>28.9%</b>

Source: ONS 2001-2011, AECOM Calculations

## 5.4 Dwelling mix determined by life-stage modelling

119. Recognising the fact that households of different ages may have different housing needs, the housing mix needed to meet demographic change by the end of the Plan period is estimated by an approach based on current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in households aged under 24 will lead to an increase in the need for the type of housing currently occupied by households of that age. It is important to keep in mind that this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the propensity of households to occupy more or less space than they ‘need’. This approach also embeds existing patterns of occupancy which may or may not be desirable. This is particularly important to keep in mind in areas where housing affordability has worsened because it means that many households are forced to occupy less space than they need or want.
120. However, no data on housing size occupation by age of the Household Reference Person (HRP- a more modern term for ‘head of household’) is available at neighbourhood level. For this reason, LPA-level data needs to be used as the closest proxy.
121. Figure 6-2 below sets out the relationship in the 2011 Census at LPA level between the age of the HRP and the size of dwelling occupied. This provides the starting point for determining the most appropriate dwelling size mix by the end of the Neighbourhood Plan period. The data shows that while a majority of Reedham households under the age of 30 live in 1 or 2 bedroom dwellings, the proportion of household occupying these smaller dwellings declines steeply as age increases, until the proportion begins to climb again from the 55-59 category. 3 bedroom dwellings are the most common size for 11 out of the 14 age bands seen here. The occupation of 4 bedroom dwellings follows a pattern that is roughly inverse to that seen for 2 bedroom dwellings, peaking at age 50-54 and age 55-59. 5 bedrooms dwellings follow a similar pattern to 4 bedroom dwellings.

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



Source: ONS 2011, AECOM Calculations

122. Household projections provided by MHCLG are then used to understand the future distribution of households by the age of the HRP. Again, this data is only available at the district level and for the years 2014 and 2039. Therefore, the distribution of households by the age of the HRP would be in 2036 is estimated, i.e. the end of the Neighbourhood Plan period (red in the table). The data is presented in Table 6-9 below.

**Table 6-8: Projected distribution of households by age of HRP, Broadland –**

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	840	4,783	19,784	10,216	17,713
2014	994	4,932	18,923	9,313	20,225
2036	1,029	4,656	18,416	9,324	27,189
2039	1,046	4,526	18,178	9,329	30,467

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

123. It is then necessary to extrapolate from this district-level data an estimate of the corresponding change in the age structure of the population in Reedham. To do so, the percentage increase expected for each group across Broadland, derived from the data presented above was mapped to the population of Reedham. The results of this calculation are detailed in Table 6-10 below:

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

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	18	41	161	121	164
2014	21	42	154	110	187
2036	22	40	150	110	252
% change 2011-2014	19.0%	4.5%	-4.0%	-11.9%	12.9%

Source: AECOM Calculations

124. To complement the two stages in Table 6-11 below sets out the distribution of dwellings of different sizes according to the age of the HRP as they appeared in Census 2011. This provides the basis for a modelled estimate of the proportion of dwelling sizes that will be occupied by each age band across Broadland by the end of the plan period.

**Table 6-10: Age of household reference person to size, grouped, Broadland, Census 2011**

Size	Age of HRP 16 to 24	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
1 bedroom	17.7%	8.2%	3.5%	3.5%	6.2%
2 bedrooms	53.8%	35.4%	17.1%	20.1%	32.2%
3 bedrooms	22.6%	42.8%	46.4%	46.1%	45.3%
4 bedrooms	4.9%	11.4%	26.4%	24.1%	13.5%
5+ bedrooms	1.0%	2.3%	6.6%	6.2%	2.8%

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

125. Finally, having established the likelihood shown by households at different life-stages towards dwellings of different sizes, and the approximate number of households in Broadland and Reedham falling into each of these stages by the end of the Plan period in 2036, it is possible to estimate how the housing stock might evolve in terms of size over the Neighbourhood Plan period in response to demographic change (see Table 6-12 below).

126. The table takes in turn each projected age group in 2036, estimating how many of the households in that age bracket will want or need to occupy each size of dwelling. This is repeated for each age bracket and added together to arrive at an estimation of what proportion of each size of dwelling will be required overall.

**Table 6-11: Likely dwelling size distribution in Reedham by the end of the Plan period, based on modelled household life-stages (totals may not sum due to rounding)**

Size	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total households requiring dwelling sizes
Households (550)	21	43	155	107	254	-
1 bedroom	4	3	5	4	16	<b>32</b>
2 bedrooms	12	15	26	21	82	<b>157</b>
3 bedrooms	5	18	72	49	115	<b>259</b>
4 bedrooms	1	5	41	26	34	<b>107</b>
5+ bedrooms	0	1	10	7	7	<b>25</b>

Source: Census 2011, AECOM Calculations. Figures may not sum due to rounding

127. It is now possible to compare the 2011 housing mix in terms of size with the projected requirement based on the estimates set out in Table 6-12 above modelling the change in the age structure of the population in Reedham.

128. Table 6-13 below indicates that, by 2036, the size distribution of dwellings should be as follows; almost half of the houses in Reedham should be 3 bedrooms (44.7%), followed by just over a quarter of homes having 2 bedrooms (27.0%). 4 bedrooms and 5 or more bedroom houses should in theory decline as a proportion of all housing by 2036. In comparison, in 2036, the number of 2 bedrooms homes is likely to increase by 22.6%.

129. These relatively large changes are due to Reedham's quite unusual current dwelling mix. The most common category of dwelling in Reedham is currently 4 bedrooms, with extremely few dwellings with 1 or 2 bedrooms. The percentages below show that to attain greater balance in the dwelling mix, the number of smaller homes needs to drastically increase and the number of large dwellings need not increase further at all.

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

Number of bedrooms	2011		2036	
1 bedroom	22	4.4%	32	5.6%
2 bedrooms	22	4.4%	157	27.0%
3 bedrooms	132	26.1%	259	44.7%
4 bedrooms	239	47.3%	107	18.4%
5 or more bedrooms	91	18.0%	25	4.3%
Total households	<b>505</b>	<b>100%</b>	<b>580</b>	<b>100%</b>

Source: Census 2011, AECOM Calculations

130. Table 6-14 below sets out the estimated misalignment between future demand for housing, based on the modelled preferences of households at different life-stages, and the current stock available in the Neighbourhood Plan area.

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

Number bedrooms	of 2011	2031	Change to housing mix	Recommended split
1 bedroom	22	32	10	3.8%
2 bedrooms	22	157	135	49.5%
3 bedrooms	132	259	127	46.8%
4 bedrooms	239	107	-132	0%
5 or more bedrooms	91	25	-66	0%

Source: AECOM Calculations

131. Note that the changes to the housing mix given above for four or more bedroom dwellings are negative numbers. Because in light of the national and local housing shortage, it is rarely advisable or practicable to remove dwellings from the available stock, as would otherwise be suggested here for dwellings with three or more bedrooms, we have instead set the recommended split at 0% rather than a negative number, and rebalanced the other sizes as percentages of the additional dwellings they represent in total.
132. Note also that only the percentage mix in the right-hand column is relevant to the purposes of this HNA and the neighbourhood planning process. The actual numbers of dwellings required to adjust the size mix do not reflect that actual quantity of housing needed in the NA and are simply a step in the calculation necessary to produce a percentage split. As a general point, this dwelling mix in percentage terms stands alone from the overall quantity of housing needed or allocated over the Plan period, and could equally apply to windfall development, allocations beyond the plan period, or any other source of housing supply.
133. The result of this modelling exercise is that, in terms of demographic change, new development should be focussed on providing 2 and 3 bedroom dwellings (which are currently undersupplied) at the expense of larger homes.
134. Efforts to change the dwelling mix in this smaller direction would help to allow a growing older cohort of households to rightsize within their existing community if they wish to, and younger people to be able to move into suitably sized first homes, while leaving enough of the larger existing homes to meet demand from families.
135. However, this recommendation should be applied with a degree of flexibility because it may not be reasonable in practice strictly to limit the provision of dwellings with four or more bedrooms, and in fact, such a restriction has the potential to negatively impact the viability of sites that could help to deliver Affordable Housing or other community priorities. It should also be noted that this report is concerned with demand in the sense of need rather than in the sense of the preferences of potential occupants, which will likely include demand for larger homes. There may also be good reasons to deliver larger properties in the NA as part of a housing mix strategy in the district as a whole.

## 5.5 Conclusions- Type and Size

136. This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is

desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site specific factors which may justify a particular dwelling mix.

137. Reedham's stock of existing housing is characterised by significantly higher proportions of detached houses and homes with 3 bedrooms which is similar to Reedham and the rest of the UK. In addition, Reedham has no 1 bedroom units and a lack of two bedroom units.
138. Detached housing represents a higher proportion of all housing in Reedham compared to the situation across England as a whole. 46.4% of houses within Reedham are detached compared to 22.4% in England.
139. The age profile of the Reedham population is broadly similar to that of the wider Borough, except for a substantially higher share of the population aged 45-84 – a group that is likely to reach retirement age over the Plan period to 2034 and will become a source of demand for housing, whether they intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household or their evolving needs. In addition, the younger age brackets, particularly children aged 0-15 and 16-24 year olds have also increased. This suggests that more families are able to move to the area's sufficient provision of suitable dwellings (2-4 bedroom homes).
140. Seen in the context of Reedham's comparatively large stock of dwellings, trends towards older households and young families may warrant a Neighbourhood Plan policy intervention to restrict the future supply of very large dwellings to some extent. Therefore, it may be beneficial also to encourage the provision of mid-sized housing suitable for this demand segment.
141. The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built, corroborates this finding. The recommended size mix of new housing focuses on dwellings of 1 to 3 bedrooms, and suggests that no further large dwellings are needed.
142. This model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some larger dwellings. The provision of larger homes should not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the Reedham Parish Council wish to influence the size mix of housing coming forward, smaller homes should be the priority.
143. In the Tenure and Affordability chapter analysis, it was found that market housing for sale (as opposed to market housing for rent and all types of Affordable Housing) is increasingly unaffordable and that those on the lowest incomes are unable to afford to live outside of the affordable rented sector. While Affordable Housing should be well balanced in terms of size to cater for all circumstances, the provision of smaller homes for sale and rent, as advised here, should make an important contribution to improving affordability more widely. If older households wishing to rightsize and younger ones seeking to form their own independent households are to be able to afford to live in Reedham, increasing the provision of small and mid-size homes and, in so doing, rebalancing the housing stock away from very large housing, will be key.
144. In terms of the types of dwellings required, the current predominance of detached dwellings, compared with national trends, suggests that there may be some unmet demand for the rarer and generally more affordable dwelling types, such as terraced homes and particularly flats. The size recommendation for smaller homes would align with this. This might also include the delivery of bungalows in order to meet the needs of some older households and to reflect the fact that other smaller dwelling types, such as apartments, may not in practice be popular market propositions in a rural area like Reedham.

## 6. Conclusions

### 6.1 Overview

145. Table 11-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed

**Table 11-1: Summary of study findings specific to Reedham with a potential impact on Neighbourhood Plan housing policies**

Issue	Summary of evidence	Conclusions and recommendations
Housing tenure and affordability	<p>70.3% of occupied dwellings in Reedham are owned, with social and private renting comprising a relatively even proportion of the remainder.</p> <p>The average total annual income across the Reedham area in 2018 was £41,500, while the lower quartile earnings of single-earning households across Broadland in 2018 was £21,088, meaning that dual-earning households on lower quartile incomes can be estimated to have gross total earnings of £42,176.</p> <p>Single-earning households on lower quartile incomes are unable to afford any of the housing tenures under consideration apart from social rent. Dual earning households and average earning households can access all tenures, apart from entry-level market sale, if they are able to spend a higher proportion than 30% of their income on housing costs.</p> <p>If the indicative figure of 50-60 dwellings proposed for Reedham are delivered, approximately 20 affordable homes can be expected to come forward on the basis of that policy requirement. It is estimated that Reedham households will require 15 affordable rented dwellings and 50 affordable home ownership dwellings over the Plan period. It is clear that expected delivery of around 20 affordable homes will not be enough to provide both 15 affordable rented homes and 50 affordable home ownership units. This is true even if 88 dwellings were built over the Plan period.</p>	<p>Given that social rent is the only secure tenure within reach of dual-earning households on lower quartile incomes (though some may access private rented dwellings through housing benefit), a lack of social or affordable rented dwellings is the principle affordability challenge for Reedham residents.</p> <p>To ensure that other households on lower than average incomes can afford to continue living in Reedham and that the high number of overcrowded households can have the opportunity to form their own independent households, it will also be important to increase the quantity of affordable routes to home ownership – especially if reforms to welfare including housing benefit are implemented in the coming years.</p> <p>Affordable Housing is typically provided and made financially viable by Borough-wide planning policies that require it to be included at a set proportion of larger market housing developments. This policy expectation in Reedham, expressed in Reedham’s adopted Joint Core Strategy is that 40% of new housing on developments should be affordable.</p> <p>Since the level of expected delivery is not sufficient to meet local need as evidenced in this HNA, it is critical that the 40% housing delivery requirement is met wherever possible in Reedham. Should the community wish to further boost the supply of Affordable Housing there are other routes available to providing it. For example, using community development orders, identifying exception sites or developing community land trusts.</p> <p>Of the Affordable Housing units to be delivered in Reedham, it is recommended that approximately 60% be offered as social (40%) or affordable (20%) rent, the remaining 40% delivered as affordable routes to home ownership, with 20% being shared ownership and 20% being discounted market housing.</p>

Issue	Summary of evidence	Conclusions and recommendations
Housing type and size	<p>The proportion of detached homes in Reedham is more than double the national average. The NA is also characterised by generally larger homes than the rest of England.</p> <p>Reedham has a substantially higher percentage of residents over the age of 45 compared to Broadland and the national average. The current population of those aged 45-65 is likely to result in further ageing over the Plan period.</p>	<p>Seen in the context of Reedham’s comparatively large stock of dwellings, trends towards older households and young families may warrant a Neighbourhood Plan policy intervention to restrict the future supply of larger dwellings to some extent.</p> <p>The recommended size mix of new housing focuses on dwellings of 1 to 3 bedrooms and suggests that fewer large dwellings are needed.</p> <p>The provision of larger homes should not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the neighbourhood plan may be used to influence the size mix of housing coming forward, smaller homes should be the priority.</p> <p>In terms of the types of dwellings required, some unmet demand for generally more affordable dwelling types presently lacking in Reedham, such as terraced homes, should be addressed. The size recommendation for two- and two-bedroom homes would help to achieve this.</p>

## 6.2 Recommendations for next steps

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

- All Neighbourhood Planning Basic Conditions, but in particular the following: Condition A, namely that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
- The views of Broadland – in particular in relation to the quantity of housing that should be planned for;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers and estate agents;
- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Broadland, including but not limited to the Strategic Housing Land Availability Assessment (SHLAA);
- The recommendations and findings of this study; and
- The impact of the Government’s Standard Methodology on calculating housing need for Broadland and the neighbourhood plan areas within it.

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

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

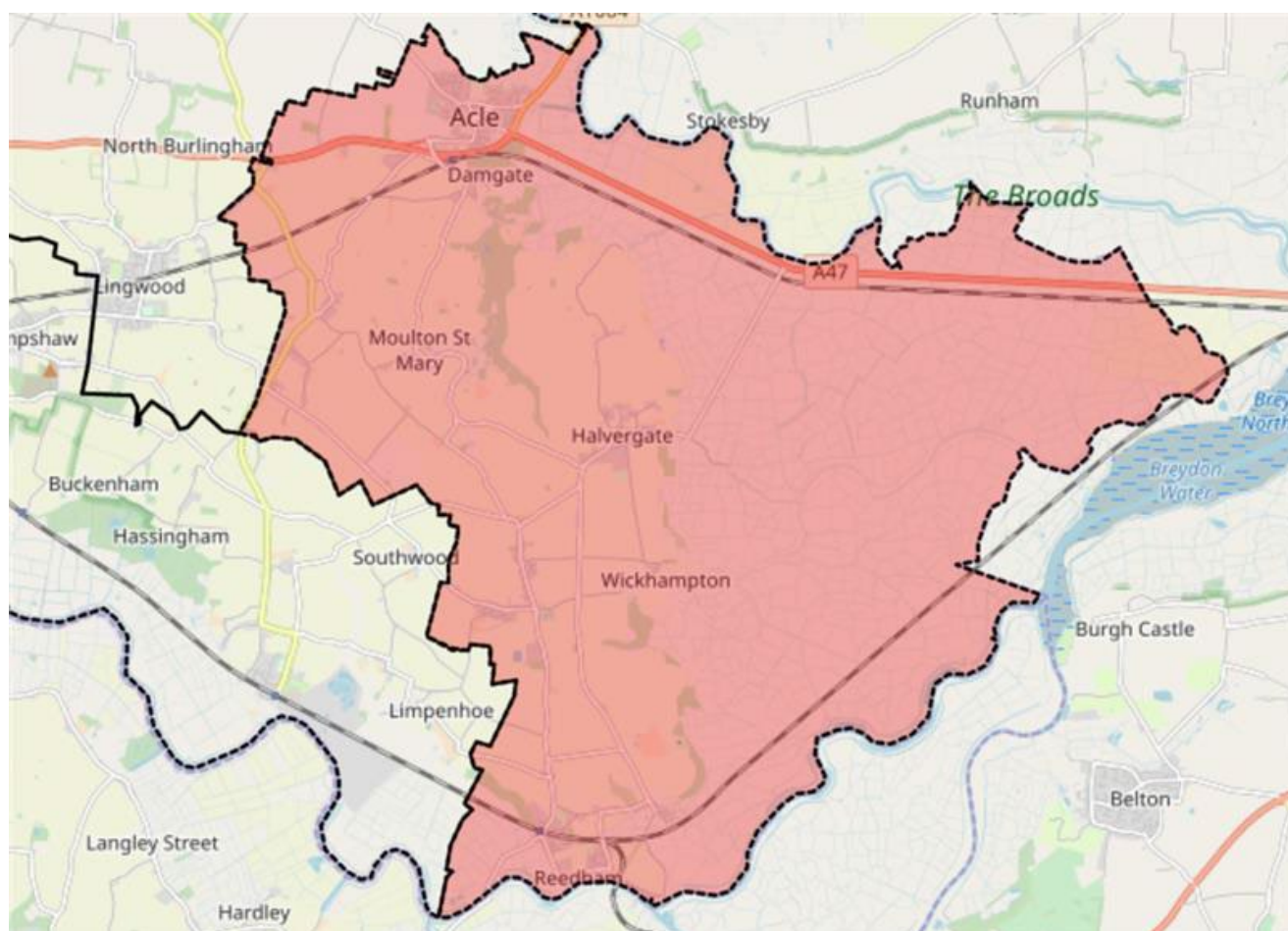
149. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

## Appendix A : Calculation of Affordability Thresholds

### A.1 Assessment geography

150. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.
151. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Reedham, it is considered that MSOA E02005537 is the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of MSOA E02005537 appears below in Figure 11-1.

**Figure 11-1: MSOA E02005537 used as a best-fit geographical proxy for the Neighbourhood Plan area**



Source: ONS

### A.2 Market housing

152. Market dwellings are accessible to people on higher incomes. Choices in the housing market are driven principally by spending power, life stage, and personal taste.
153. The operation of the housing market is, in most circumstances, the best means of addressing the demand for different types of housing for sale. For this reason, it is important that planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand, because this is the principal way equilibrium is achieved in the market and thus house price growth kept in check.



154. In this sense, the notion of development viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.

155. To determine affordability in market housing, the assessment considers two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

### i) Market sales

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

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

158. The value of an entry-level dwelling is considered the best representation of the segment of market housing most likely to be accessible to those on lower incomes.<sup>28</sup> The value of an entry level dwelling used here is the lower quartile average house price from sales data from Land Registry over the year 2018.

159. The calculation is therefore:

- Value of an 'entry level dwelling' = £178,750;
- Purchase deposit = £17,875 @10% of value;
- Value of dwelling for mortgage purposes = £160,875;
- Loan to income ratio = value of dwelling for mortgage purposes divided by 3.5;
- **Purchase threshold = £45,964.**

### ii) Private Rented Sector (PRS)

160. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. Households are deemed able to afford a private rented property if the lower quartile private rent does not exceed 25% of gross household income.

161. It is assumed that lower quartile private rent equates to the average rent paid in the Neighbourhood Plan area for a two-bedroom dwelling (enough living space for two or three individuals). In order to be in conformity with the Government guidance on overcrowding,<sup>29</sup> such a home would require three habitable rooms (a flat or house with two bedrooms).

162. The property website [Home.co.uk](http://Home.co.uk) shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within the NR13 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.

163. According to [home.co.uk](http://home.co.uk), there are 3 two-bed properties currently listed for rent across NR13, with an average price of £624.33 per calendar month.

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

- Annual rent = £624.33 x 12 = £7,492;

<sup>28</sup> 'Entry-level dwelling' can be understood to comprise a property that costs the average value of dwellings falling into the lower quartile of house prices in the Neighbourhood Plan area, as set out in the Tenure and Affordability chapter above.

<sup>29</sup> This is based on the concept of the 'room standard', which indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room). See: [http://england.shelter.org.uk/housing\\_advice/repairs/overcrowding](http://england.shelter.org.uk/housing_advice/repairs/overcrowding)

- Multiplied by 4 (so that no more than 25% of income is spent on rent) = £29,968;
- **Income threshold (private rental sector) = £32,800.**

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

### A.3 Affordable Housing

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

167. This variety of tenures reflects an ambition by the Government to provide a pathway to home ownership for more households, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide affordable housing into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay.

168. We consider each of the affordable housing tenures in turn.

#### i) Social rent

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

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

171. To determine the income needed, it is assumed that no more than 25% of income should be spent on rent.

**Table A-1: Social rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent PCM	£78	£92	£101	£121	<b>£94</b>
Annual average	£4,062	£4,786	£5,262	£6,313	<b>£4,869</b>
Income needed	£16,247	£19,142	£21,050	£25,251	<b>£19,475</b>

Source: Homes England, AECOM Calculations

#### ii) Affordable rent

172. Affordable rent is controlled at no more than 80% of the local market rent. As demonstrated in this report, the annual entry-level rent in Reedham is £8,220. In the event of a 20% reduction in rent to £6,576, the income threshold would reduce to an estimated **£26,304**. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000). Even an 80% discount on the market rent may not be sufficient to ensure that households can afford it, particularly when they are dependent on benefits. RPs in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.

#### iii) Intermediate tenures

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

#### Discounted market sale

174. Whether to treat discounted market sale homes as affordable housing or not depends on whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access market housing for purchase.
175. To provide a conservative assessment of the suitability of discounted market sale homes, it is appropriate to apply the value we have estimated for an entry-level dwelling, namely £178,750.
176. Applying a discount of 20% provides an approximate selling price of £143,000. Allowing for a 10% deposit further reduces the value of the property to £128,700. The income threshold at a loan to income ratio of 3.5 is £36,771.
177. In practice, developers are likely to price discounted market homes in relation to new build prices. When these are discounted by 20% they may not offer any discount on entry level prices in the existing dwelling stock.

### **Shared ownership**

178. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied by 'staircasing'. Generally, staircasing will be upward, thereby increasing the share owned over time.
179. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.
180. To determine the affordability of shared ownership, calculations are based on the lower quartile house price of £178,750.<sup>30</sup> The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 25% of the income on rent (as for the income threshold for the private rental sector).
181. A 25% equity share of £178,750 is £44,688, from which a 10% deposit of £3,400 is deducted. The mortgage value of £40,219 (£44,688 - £4,469) is then divided by 3.5. To secure a mortgage of £40,219, an annual income of £11,491 (£40,219/3.5) is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £134,063. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £3,352 and requires an income of £13,406 (multiplied by 4 so that no more than 25% of income is spent on rent). Therefore, an income of around £24,897 (£11,491 + £13,406) is required to afford a 25% shared equity purchase of an entry-level home.

The same calculations have been undertaken for 50% and 75% equity share. The results are £31,920 and £38,942 respectively.

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<sup>30</sup> It is important to note that this is based on new build sales only. The current shared ownership models are only available for new build homes, with the assumed cost therefore differing from the cost of open market housing, which also includes property re-sale.

## Appendix B : Housing Needs Assessment Glossary

### Adoption

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

### Affordability

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

### Affordability Ratio

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

### Affordable Housing (NPPF Definition)

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

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

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

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

### Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods<sup>31</sup>.

### Age-Restricted General Market Housing

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<sup>31</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

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

### **Annual Monitoring Report**

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

### **Basic Conditions**

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

### **Backlog need**

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

### **Bedroom Standard<sup>32</sup>**

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

### **Co-living**

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

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

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

### **Community Right to Build Order<sup>33</sup>**

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

### **Concealed Families (Census definition)<sup>34</sup>**

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

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

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<sup>32</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

<sup>33</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>34</sup> See [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)

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

### **Extra Care Housing or Housing-With-Care**

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

### **Fair Share**

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

### **Habitable Rooms**

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

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

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

### **Housing Market Area**

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

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

### **Housing Needs**

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

### **Housing Needs Assessment**

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

### **Housing Products**

Housing products simply refers to different types of housing as they are produced by developers of various kinds (including councils and housing associations). Housing products usually refers to specific tenures and types of new build housing.

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

Housing size can be referred to either in terms of the number of bedrooms in a home (a bedroom is defined as any room that was intended to be used as a bedroom when the property was built, any rooms permanently converted for use as bedrooms); or in terms of the number of rooms, excluding bathrooms, toilets halls or landings, or rooms that can only be used for storage. All other rooms, for example, kitchens, living rooms, bedrooms, utility rooms, studies and conservatories

are counted. If two rooms have been converted into one they are counted as one room. Rooms shared between more than one household, for example a shared kitchen, are not counted.

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

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

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

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

### **Income Threshold**

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

### **Intercensal Period**

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

### **Intermediate Housing**

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

### **Life Stage modelling**

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

### **Life-time Homes**

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

### **Life-time Neighbourhoods**

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

### **Local Development Order**

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

### **Local Enterprise Partnership**

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

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

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

### **Local Planning Authority**

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

### **Local Plan**

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

### **Lower Quartile**

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

### **Lower Quartile Affordability Ratio**

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

### **Market Housing**

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

### **Mean (Average)**

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

### **Median**

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

### **Median Affordability Ratio**

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



### **Mortgage Ratio**

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years<sup>35</sup>, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

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

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

### **Neighbourhood plan**

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

### **Older People**

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

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

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

### **Overcrowding**

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

### **Planning Condition**

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

### **Planning Obligation**

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

### **Purchase Threshold**

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

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<sup>35</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

## **Proportionate and Robust Evidence**

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

## **Private Rented**

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

## **Retirement Living or Sheltered Housing**

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

## **Residential Care Homes and Nursing Homes**

Housing for older people comprising of individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

## **Rightsizing**

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

## **Rural Exception Sites**

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

## **Shared Ownership**

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

## **Sheltered Housing<sup>36</sup>**

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bed roomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be

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<sup>36</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

### **Strategic Housing Land Availability Assessment**

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

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

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

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

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

### **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>37</sup>

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<sup>37</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

