

# Oulton Housing Needs Assessment (HNA)

February 2021

## Quality information

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<b>Revision</b>	<b>Revision date</b>	<b>Details</b>	<b>Authorized</b>	<b>Name</b>	<b>Position</b>
V1	08.01.2021	First Draft for AB Internal Review	AB	Amani Bhobe	Graduate Social Consultant
V2	11.01.2021	Technical Review	KP	Kerry Parr	Associate Director
V3	01.02.2021	Group Review	CP	Carla Peterson	Parish Clerk
V4	10.02.2021	Locality Review	AO	Annabel Osborne	Neighbourhood Planning Officer

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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

## 1.1 Tenure and Affordability

1. The majority, 71.4%, of households in Oulton own their homes outright, which is higher than the percentage of homeowners in Waveney and England as a whole. Compared to its wider geographies, there is a relatively lower share of private rented homes in Oulton. As compared to Waveney, there is a higher percentage of both shared ownership and social rented tenures in Oulton. However, compared to England as a whole, the percentage share of each of these tenures is lower in Oulton.
2. In terms of house prices, mean prices increased by 63.6%, median prices increased by 69.5%, and lower quartile prices increased by 42.3% over the time period. The prices of detached and terraced homes increased substantially between 2001-2011. The prices of detached homes increased steadily between 2010-2014. Prices decreased in 2015 but increased again between 2016-2019. In the case of terraced homes, there were no sales between 2011-2013. Between 2013 and 2016 house prices for terraced homes decreased, and then increased in 2017. In 2018, prices declined again before increasing by the end of 2019.
3. In terms of housing completions at the LPA level, the Strategic Housing Market Assessment (SHMA) (2017) shows housing completions in Waveney declined between 2015-2019 and have since been on a declining trend. The SHMA shows that despite low levels of delivery in the housing market area, Waveney demonstrated a five-year housing supply throughout the period. This indicates that the declining delivery could reflect low demand, rather than an undersupply of development sites. Furthermore, the SHMA notes that Waveney has always had low house prices compared to Suffolk and England as a whole. Between 2010-2015, the SHMA shows that house price growth was slower in Waveney in either comparator geography. While house prices followed a largely similar pattern to England, in 2013 Waveney's house prices decreased and have experienced very slow growth. It is important to contrast Oulton with Waveney as a whole, since evidence in this report demonstrates that Oulton experienced a high percentage of price growth in the last decade.
4. By benchmarking the incomes required to afford different tenures in the neighbourhood area, the analysis determined the following:
  - Firstly, there appears to be an affordability gap, given that households require incomes of between £46,286-£57,214 to be able to afford to buy a home for sale at market prices. Given the average household income is £36,600, there is a gap of nearly £9,686. In such cases, however, discounted market sales and shared ownership (25% share) tenures could provide affordable home ownership options to those households that can rent but not buy.
  - The discount on the average market sale price required to enable households on average incomes to afford to buy is 36%. Furthermore, shared ownership (25% share) is affordable to those on mean incomes, and even to households on lower quartile incomes where there are two members earning.
  - Rent to Buy allows households to access discounted market rents to enable them to save for a deposit. They then have an option to purchase the property they are renting within a defined time period. This option is likely to be attractive to households who have modest incomes but do not have adequate savings for a deposit. Given entry-level market rents are affordable to those on average incomes, Rent-to-Buy could be considered as a route to home ownership. As seen in Table 4-4, the income required to access entry level rents is £24,800.
  - Given entry-level rents will be affordable to those on average incomes and average rent might be affordable to those that earn slightly above average incomes—that is, those that earn between £24,800-£26,240, Rent to Buy may be a suitable option for those on average incomes who might wish to access home ownership. However, given average rents are not affordable to households on LQ incomes, unless there are two earners or there is additional subsidy, Rent to Buy is unlikely to be a viable option for single LQ income households, who are likely to require some form of subsidised rented provision.
5. This HNA estimates the scale of need for affordable housing in Oulton. If Oulton was to meet its share of East Suffolk's need for social/affordable rented housing this would imply 180 homes over the plan period. AECOM's estimate of the potential demand for affordable home ownership options suggest there may be a need for these homes in Oulton to address the aspirations of households who can rent but can't buy. AECOM's estimate identified the potential demand for 131 homes over the plan period. 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 LPA. However, if the community wishes to boost the supply of affordable housing, 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.

6. The Housing Requirement Figure for Oulton is for the provision of 340 homes over the plan period. Given the local planning authority requires at least 20% of homes delivered to be affordable housing, around 68 affordable dwellings can be expected to be delivered during the Plan Period. However, given that not all of the sites expected to be delivered in the NA will exceed the threshold required for the affordable housing policy to be implemented, the delivery of 68 affordable homes is the best-case outcome in terms of affordable housing provision. Moreover, the affordable housing completions from the Woods Meadows development from the previous Local Plan should also be considered. The agreement for the Woods Meadow development provides that 169 of the 800 allocated homes should be affordable, with 70% delivered as affordable rent and 30% delivered as shared ownership or shared equity. Thus, the sites allocated in the adopted Local Plan along with the Woods Meadows development should deliver roughly 237 affordable homes over the plan period. This level of housing delivery would not allow housing needs in to be met in full, given AECOM identified the total need for 311 affordable dwellings over the plan period.
7. Based on the evidence of affordable housing needs in this HNA, two indicative tenure mixes have been provided, which could serve as a guideline for the breakdown of Affordable Housing tenures in Oulton. Mix 1 (indicative mix based on local needs) proposes that 50% of affordable homes be provided as rented tenures, and the remaining 50% delivered as affordable routes to home ownership. This mix aligns with the Local Plan in prioritising the most acute needs as far as possible. Mix 2 (indicative mix with 25% First Homes requirement) proposes that 50% of affordable homes be provided as rented tenures, with the 25% as First Homes and the remaining 25% delivered as 15% shared ownership and 10% rent to buy. This aligns with the direction of proposed national policy, which includes a mandated minimum level of delivery of the Government's new First Homes affordable home ownership product.

## 1.2 Type and Size

8. The analysis in this HNA 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.
9. In terms of dwelling type, the 2011 Census shows that there were 1,692 households in Oulton living in 848 detached houses, 452 semi-detached, 356 terraced houses, and 98 flats. Compared to Waveney, Oulton differs from its wider geography in its high percentage of detached homes, and a relatively lower percentage of terraced homes and flats.
10. In terms of dwelling size, the housing stock in Oulton is characterised by a large share of five- and six-bedroom homes, which comprise around half of the neighbourhood plan area's housing stock. Oulton's 2011 size profile is similar to that of Waveney, as both areas had a high share of five-six-bedroom homes, and a relatively small share of both small and large homes.
11. In terms of demographics, AECOM's analysis found that to Waveney and England, Oulton had a higher percentage share of people in younger age groups, especially between 0-15 years, suggesting it is a popular places for families to live. Furthermore, we found that a large percentage share of the population growth between 2001-2011 was in the older age categories. In 2011, the population of older age groups (45 and over) experienced a total increase of 45%. This increase may indicate a need to plan for some smaller housing, as some families in the older age bands might want to downsize.
12. In 2011, the largest percentage of households in Oulton were households with dependent children (29%).
13. Between 2001-2011, our analysis found that the percentage of one-person households increased by 37.2%, with greater growth in younger single households compared to Waveney and England as a whole. There was also significant growth in non-dependent children living at home compared to the benchmark areas, which may indicate that some of these people are struggling to afford to form independent households.
14. The results of a life stage modelling exercise suggest that, in terms of demographic change, new development in Oulton might involve the prioritisation of smaller and modest sized dwellings (eg 2-3 bedroom homes). To some extent this is driven by the ageing population. The neighbourhood group and LPA will also need to take into consideration wider factors, including the nature of particular development sites, in planning for the mix of new homes.

## 2. Context

### 2.1 Local context

15. Oulton is a Neighbourhood Plan area located in Waveney District, East Suffolk. The Neighbourhood Area (NA) boundary comprises Oulton Parish and was designated in December 2018.
16. The proposed Neighbourhood Plan period starts in 2021 and extends to 2036, therefore comprising a planning period of 15 years.
17. The NA is formed of a built up area that extends along the southern and eastern boundaries of the NA, including Oulton village. The western boundary of the NA is marked by the River Waveney, Oulton Dyke, and Oulton Marsh. The western area of the NA (including Oulton Marsh) is part of the Carlton Marshes Nature Reserve, which is a designated National Park, Natura 2000 area and Site of Special Scientific Interest. A farm and a small settlement are situated at the centre of the NA.
18. The NA is served by a network of minor rural roads, as well as by the B1074 (linking north), and the B13775 (connecting Oulton village with the A47, the A146 and the A144 outside of the NA boundary). The northeastern corner of the NA is also served by the A117, linking the NA east (via the A12 and Normanston Drive) and south with Oulton Broad. The western part of the NA is crossed by the railway line connecting Oulton Broad North and Somerleyton, which runs parallel to the River Waveney within the NA boundary.
19. For Census purposes, the Neighbourhood Plan area is made up, like the rest of England, of statistical units called Output Areas (OAs), Lower Super Output Areas (LSOAs) and Middle Super Output Areas (MSOAs). The Plan area equates to the following OAs and LSOAs, 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:
  - LSOA E01030266
  - LSOA E01030267
  - OA E00173899
  - OA E00173900
  - OA E00173901
  - OA E00154344
20. The statistics show that in the 2011 Census the Neighbourhood Plan area had a total of 4,060 residents.
21. A map of the Plan area appears below in Figure 2.1.



## 2.2 Planning policy context

22. 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).
23. In the case of Oulton, the relevant local planning context is as follows:
24. The Waveney Local Plan was adopted in March 2019 and it applies to the part of East Suffolk Council area formerly covered by the Waveney local planning authority area (which includes Oulton Parish).<sup>4</sup> The reason for this is that in February 2018, Waveney District Council and Suffolk Coastal District Council agreed to be merged into one single East Suffolk Council, a change which was effective in April 2019. The Local Plan covers the period 2014-2036 and will remain valid until East Suffolk Council decides to review it.

### 2.2.1 Policies in the adopted local plan<sup>5</sup>

**Table 2-2: Summary of East Suffolk adopted policies having relevance to Oulton Neighbourhood Plan Housing Needs Assessment**

Policy	Provisions
Policy WLP1.1: Scale and Location of Growth	<p>This policy makes provision for the delivery of a minimum of 8,223 dwellings in Waveney from 2014 to 2036 (i.e. 374 per year).</p> <p>The policy also states that any shortfalls in housing delivery against the above target will be recovered over the entire plan period. When calculating a five-year supply requirement, the Council will apportion any past shortfall against the target over the remaining plan period.</p> <p>For the Lowestoft Area (which comprises Oulton Parish), this policy makes provision for 56% of housing growth as compared with other areas in the District.</p> <p>The policy also states that Neighbourhood Plans can allocate additional growth to meet local needs at a scale which does not undermine the overall distribution strategy.</p>
Policy WLP1.2: Settlement Boundaries	<p>This policy states that land outside the settlement boundaries and allocations in the Local Plan and Neighbourhood Plans is considered as the Countryside. New residential development (falling within use classes C3 and C4 of the Town and Country Planning (Use Classes) Order 1987 as amended, i.e. excluding dwellings restricted by condition for use as holiday lets) will not be permitted in the Countryside, except where specific policies in the Local Plan indicate otherwise.</p> <p>Neighbourhood Plans can make minor adjustments to settlement boundaries and allocate additional land for residential development providing the adjustments and allocations do not undermine the overall distribution strategy outlined in Policy WLP1.1 and are not contrary to the other policies of the Local Plan.</p>

<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.eastsuffolk.gov.uk/assets/Planning/Waveney-Local-Plan/Adopted-Waveney-Local-Plan-including-Erratum.pdf>

<sup>5</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 WLP2.14: Land North of Union Lane, Oulton	<p>This policy states that the land north of Union Lane, Oulton (5.70 hectares) as identified on the Local Plan's Policies Map, is allocated for a residential development of approximately 150 dwellings. The policy sets out criteria according to which the site is to be developed as follows:</p> <ul style="list-style-type: none"><li>• The site will be developed at a density of approximately 30 dwellings per hectare.</li><li>• Vehicular access should be off Parkhill. An additional pedestrian and cycle access should be provided on to Union Lane. The pavement on Parkhill should be extended to the site entrance.</li><li>• A play space equivalent to a local equipped area for play of approximately 0.4 hectares in size should be provided.</li><li>• If needed at the time of the planning application, 0.09 hectares of land on the site should be reserved for a new pre-school setting. (If required, land for the pre-school setting will be transferred to the Council in accordance with the payment in kind provisions of Regulation 73 of the Community Infrastructure Regulations 2010 as amended.)</li><li>• A full site investigation report assessing the risk of ground contamination should be submitted with any planning application.</li><li>• Development should avoid impacts on and enhance the historic burial ground.</li><li>• A Transport Assessment and Travel Plan should be submitted with any planning application.</li><li>• A completed ecological assessment undertaken by a suitably qualified person will be required as part of any planning application.</li></ul>
Policy WLP2.15: Land Between Hall Lane and Union Lane, Oulton	<p>This policy states that the land between Hall Lane and Union Lane, Oulton (6.37 hectares) as identified on the Local Plan's Policies Map, is allocated for a residential development of approximately 190 dwellings. The policy sets out criteria according to which the site is to be developed as follows:</p> <ul style="list-style-type: none"><li>• The site will be developed at a density of approximately 30 dwellings per hectare.</li><li>• Vehicular access should be primarily off Hall Lane. A secondary vehicular access could be provided off Union Lane subject to demonstration that the access is safe and suitable. A pedestrian and cycle access should be provided on to Union Lane. The pavement on Hall Lane should be extended to the site entrance.</li><li>• A play space equivalent to a local area for play of approximately 0.04 hectares in size should be provided.</li><li>• If needed at the time of the planning application, 0.09 hectares of land on the site should be reserved for a new pre-school setting. (If required, land for the pre-school setting will be transferred to the Council in accordance with the payment in kind provisions of Regulation 73 of the Community Infrastructure Regulations 2010 as amended.)</li><li>• A heritage impact assessment undertaken by a suitably qualified person will be required as part of any planning application.</li><li>• The development should be designed to avoid harm to the setting of the Grade II* listed Manor House. The design should ensure a link remains between the Manor House and the fields to the north west.</li><li>• The design of the development should complement the transition from suburban to rural character along Hall Lane and Union Lane.</li><li>• Natural features on the site such as the pond, trees and hedgerows should be retained and incorporated into the layout of the development.</li><li>• A completed ecological assessment undertaken by a suitably qualified person will be required as part of any planning application.</li><li>• A Transport Assessment and Travel Plan should be submitted with any planning application.</li><li>• Any planning application is to be supported by the results of a programme of archaeological evaluation, including appropriate fieldwork, and should demonstrate the impacts of development on archaeological remains and proposals for managing those impacts.</li></ul>
Policy WLP2.18: Land at Mobbs Way, Oulton	<p>This policy states that the land at Mobbs Way, Oulton (2.80 hectares) as identified on the Local Plan's Policies Map, is allocated for employment development (falling under use classification B1375)</p>

Policy	Provisions
Policy Housing Mix	<p>WLP8.1: This policy states that the mix of sizes and types of units on any particular site should be based on evidence of local needs including the Strategic Housing Market Assessment and in consultation with the local planning authority. This policy also states that proposals for new residential developments will only be permitted where at least 35% of new dwellings on the site are 1 or 2 bedroom properties, unless this can be satisfactorily demonstrated to be unfeasible. The policy allows for Neighbourhood Plans to set out a more detailed approach to housing type and mix which reflects local circumstances and is supported by evidence.</p>
Policy Affordable Housing	<p>WLP8.2: This policy states that all new housing developments on sites with a capacity of 11 dwellings or more must make provision for a proportion of the total dwellings to be affordable housing. For the Lowestoft and Kessingland area (excluding Corton), which includes Oulton Parish, housing developments must provide 20% affordable housing. Proposals which provide a higher amount of affordable housing than set out above will also be permitted. The policy makes provision for 50% of these affordable dwellings to be for affordable rent. The policy also states that sheltered and extra-care housing should be included as affordable units where needed and where practicable.</p> <p>In relation to the location of affordable housing, the policy states that it should be preferably delivered on the site as part of a mixed tenure scheme; however, exceptionally, on smaller sites, it may be agreed between the local planning authority and the developer for a commuted sum to be paid towards the provision of affordable housing elsewhere.</p> <p>The policy requires that affordable housing be indistinguishable from market housing in terms of the location, external appearance, design, standards and build quality, as well as meet all requirements of the design policies.</p> <p>In exceptional circumstances the level and tenure of affordable housing may be varied where it can be satisfactorily demonstrated through the preparation of a viability assessment, that a different tenure mix or lower percentages of affordable housing are required to ensure the site remains financially viable. Affordable housing provision will only be reduced on sites which are necessary to the overall supply of housing in the District unless the scheme has wider sustainability benefits. Neighbourhood Plans can set out higher requirements for affordable housing provision where local evidence of need and viability support this.</p>
Policy Build and Custom Build	<p>WLP8.3: Self This policy states that proposals that would make a proportion of serviced dwelling plots available for sale to self-builders or custom builders will be supported where in compliance with all other relevant policies of the Local Plan. Developments of 100 or more dwellings will be expected to provide 5% self or custom build properties on site through the provision of serviced plots unless this can be satisfactorily demonstrated to be unfeasible. Proposals which provide a higher amount of self or custom build properties than set out above will also be permitted. Proposals for five or more self-build or custom build dwellings in a single site location should be developed in accordance with a set of design principles to be submitted with any application and agreed by the Local Planning Authority. Once completed and available for development, the serviced plots should be marketed for a period of not less than 12 months and in accordance with the principles set out in the Local Plan. If, following this period, any of the serviced plots remain unsold, they may be built out by the developer.</p>
Policy Conversion Properties to Flats	<p>WLP8.4: This policy identifies a number of Flat Saturation Zones are identified on the Policies Map. The policy provides information about where conversions might be allowed, and what the requirements would be.</p>
Policy Affordable Housing in the Countryside	<p>WLP8.6: This policy states that proposals for the development of affordable housing in the Countryside will be allowed in cases where:</p> <ul style="list-style-type: none"> <li>• It is demonstrated there is an identified local need for affordable housing, and this cannot be met through existing housing allocations in the Local Plan or relevant Neighbourhood Plan;</li> <li>• The scheme is adjacent to Corton, a Larger Village, a Smaller Village or other rural settlements within the Countryside;</li> <li>• The scheme incorporates a range of dwelling sizes, types and tenures appropriate to the identified local need; and</li> <li>• The location, scale and design standard of a scheme will retain or enhance the character and setting of the settlement.</li> </ul> <p>The policy also states that a certain limited percentage of market housing will be permitted where it is required to cross-subsidise the affordable housing. The policy states that in cases where market housing is to be provided on site this amount will be subsidiary to the affordable housing element of the proposal and the amount of market housing required will need to be demonstrated via a viability assessment. The amount of market housing on the site should be no more than one third of dwellings on the site.</p>

Policy	Provisions
Policy WLP8.7: Small Scale Residential Development in the Countryside	<p>The policy states that small scale residential development in the Countryside of up to three dwellings will be permitted where:</p> <ul style="list-style-type: none"><li>• The site constitutes a clearly identifiable gap within a built-up area of a settlement within the Countryside;</li><li>• There are existing residential properties on two sides of the site; and</li><li>• The development does not extend further into the undeveloped Countryside than the existing extent of the built up area surrounding the site.</li></ul> <p>The policy also states that small scale residential development in the Countryside of up to and including five dwellings will also be permitted where:</p> <ul style="list-style-type: none"><li>• There is clear and demonstrable local support;</li><li>• The scheme demonstrates meaningful and robust consultation with the Parish Council, local community and other stakeholders;</li><li>• Following consultation, it can be demonstrated that any planning impacts identified by the local community have been fully addressed and therefore the scheme is supported by the community;</li><li>• The site is adjacent or within the built up area of the settlement within the Countryside; and</li><li>• The scheme when considered cumulatively with other developments in the Countryside would not result in a level of development which would be contrary to the strategy outlined in Policies WLP1.1 and WLP7.1.</li></ul>
Policy WLP8.8: Rural Workers Dwellings in the Countryside	<p>This policy states that proposals for permanent dwellings in the Countryside for rural workers where they are to support an existing and viable rural business will be permitted in cases where:</p> <ul style="list-style-type: none"><li>• There is a clearly established functional need and this could not be fulfilled by another existing dwelling or accommodation in the area which is suitable and available for the occupied workers or could be converted to do so;</li><li>• The need relates to a full time worker, or one who is primarily employed in the rural sector, and does not relate to a part time requirement;</li><li>• The unit and the rural activity concerned has been established for at least three years, has been profitable for at least one of them and is financially sound and has a clear prospect of remaining so; and</li><li>• The proposed dwelling is sensitively designed, landscaped and located to fit in with its surroundings and of a scale that reflects its functional role to support the agricultural activity.</li></ul> <p>Furthermore, the policy states that where a rural dwelling is permitted, occupancy will be restricted by condition to ensure that it is occupied by a person, or persons, currently or last employed in local rural employment. Applications for the removal of an occupancy condition related to rural workers will only be permitted where it can be demonstrated that:</p> <ul style="list-style-type: none"><li>• There is no longer a need for accommodation on the holding/business and in the local area;</li><li>• The property has been marketed to ensure proper coverage within the relevant sector for at least one year at a price which reflects the existence of the occupancy condition; and</li><li>• The dwelling has been made available to a minimum of three Registered Providers operating locally on terms that would prioritise its occupation by a rural worker as an affordable dwelling and that option has been refused.</li></ul>

Policy	Provisions
Policy WLP8.9: Replacement Dwellings and Extensions in the Countryside	<p>The policy states that proposals for the replacement of an existing dwelling in the countryside with a new dwelling will be permitted in cases where:</p> <ul style="list-style-type: none"> <li>• The existing dwelling is not a building of architectural or historical value which makes a positive contribution to the locality;</li> <li>• There is no increase in the number of dwelling units;</li> <li>• It can be demonstrated the property was last used for residential purposes and has not been abandoned; and</li> <li>• The replacement dwelling is of a scale and design which is sensitive to its countryside setting, with its height being similar to that of the original dwelling.</li> </ul> <p>Additionally, proposals for the extension of dwellings in the countryside will be permitted where:</p> <ul style="list-style-type: none"> <li>• They are in keeping with the height, scale and character of the original dwelling and will not adversely affect the character and appearance of the building, the plot of land on which it is located and the rural setting;</li> <li>• The proposed extension is considered along with the cumulative impact of existing extensions on the original dwelling.</li> </ul> <p>Furthermore, extensions to converted agricultural buildings which detract from the original form and character of the building will not be supported.</p>
Policy WLP8.10: Residential Annexes in the Countryside	<p>This policy states that Countryside residential annexes will be permitted where:</p> <ul style="list-style-type: none"> <li>• The annex forms an extension to the existing dwelling.</li> <li>• Only where a physically attached annex is not feasible will consideration be given to the conversion of a suitable existing detached outbuilding within the curtilage, and only where this is not feasible will consideration be given to new build detached residential ancillary accommodation which is closely related to the existing dwelling.</li> <li>• Residential annexes must be designed to reflect the character and setting of the original dwelling. The size, scale, design, location and provision of accommodation in the annex must be subordinate to the existing dwelling.</li> </ul>
Policy WLP8.11: Conversion of Rural Buildings to Residential Use	<p>This policy states that the conversion of redundant rural buildings in the Countryside to residential use will be permitted where it secures or safeguards a heritage asset or in cases where the following requirements are met:</p> <ul style="list-style-type: none"> <li>• The building is locally distinctive and of architectural merit;</li> <li>• The conversion requires only minimal alteration;</li> <li>• The design maintains or enhances the structure, form and character of the rural building;</li> <li>• The creation of a residential curtilage does not have a harmful effect on the character of the countryside or settlement;</li> <li>• The conversion enhances the immediate setting of the area;</li> <li>• The site is served by an appropriate existing access; and</li> <li>• The development when considered cumulatively with other developments in the Countryside would not result in a level of development which would be contrary to the strategy outlined in Policies WLP1.1 and WLP7.1.</li> </ul>

Source: *Waveney Local Plan, 2019*

### 2.2.2 Quantity of housing to provide

25. 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.
26. East Suffolk Council has fulfilled that requirement by providing Oulton with a figure of 340 dwellings to be accommodated within the Neighbourhood Plan area by the end of the Plan period.<sup>6</sup>
27. 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).

<sup>6</sup> As confirmed in a phone conversation with Oulton Parish Council, October 2020

28. Note that the Government's August 2020 consultation proposals for 'Changes to the current planning system' include a temporary measure to lift the small sites threshold. This would mean that on sites of up to 40 or 50 units, developers would not need to contribute to Affordable Housing.<sup>7</sup> The purpose of this time-limited change (its duration is currently unknown) is to support small housebuilders as the economy recovers from the impact of Covid -19.
29. It is important to note here because the housing requirement for Oulton is sufficiently high. This means that even during the period in which this temporary change applies, sufficiently large sites may still be required to deliver Affordable Housing contributions. Turning to the known housing allocations for Oulton, it is expected that at least few of the expected development sites will meet this threshold.
30. When the temporary period ends, the Affordable Housing requirement in the NA will revert to the relevant adopted Local Plan policy, which, in this case, requires Affordable Housing contributions on all sites delivering more than 11 dwellings. It is also important to note that this temporary change does not impact sites allocated solely for Affordable Housing, or any Affordable Housing exception sites allocated in the Local or Neighbourhood Plan. Finally, given that the Oulton Neighbourhood Plan is yet to be made, it is possible that the temporary period will have already elapsed by the time that it comes into force. The neighborhood planners are advised to take note of this proposal as it evolves through the consultation process.

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<sup>7</sup> Available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>.

## 3. Approach

### 3.1 Research Questions

31. 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.
32. The RQs relevant to this study, as discussed and agreed with Oulton, are set out below.

#### 3.1.1 Tenure and Affordability

33. 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.
34. This evidence will allow Oulton 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

35. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community.
36. 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

37. It is appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As Oulton Neighbourhood Area is located within East Suffolk's planning area, we therefore turned to the relevant Strategic Housing Market Assessment (SHMA) which is known as Ipswich and Waveney SHMA (2017)<sup>8</sup> and the Suffolk Coastal Strategic Housing and Economic Land Availability Assessment (SHELAA) (December 2018).
38. For the purpose of this HNA, data from East Suffolk'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

39. In addition to the East Suffolk evidence base, we have assessed other evidence to ensure our study is robust for the purposes of developing policy at the NP level and is locally specific. This includes data from both Census 2001 and 2011, as well as from a wide range of other data sources, including:
  - Land Registry data on prices paid for housing within the local market;
  - Population and household projections produced by the Office of National Statistics (ONS);
  - Information on current property asking prices, for housing for sale or rent, from [home.co.uk](https://www.home.co.uk);
  - Neighbourhood-level survey and consultation work giving further detail. In the case of Oulton, this comprises the Oulton Parish Council Evidence Base.

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<sup>8</sup> Note that there was a partial update to the Ipswich & Waveney SHMA undertaken in 2019 but this did not include updates to Waveney's figures.

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

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

### 4.1 Introduction

40. This section examines the tenure of dwellings in the current stock and recent supply. It then considers the affordability of housing within the area to local households. Drawing on existing evidence and AECOM's estimates for the neighbourhood area, this section quantifies the need for affordable housing within the NA. This includes Affordable Housing for rent (typically social or affordable rents) and Affordable Housing to buy. The scale of need for these homes can justify policies that guide new developments to provide Affordable Housing.<sup>9</sup>

### 4.2 Definitions

41. 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.
42. 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, with capital letters, to denote 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 products designed to offer affordable routes to home ownership.<sup>10</sup>
43. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership (broadening a definition 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). As part of this effort, the Government has recently proposed to introduce First Homes to provide at least a 30% discount on new market housing for sale.<sup>11</sup> However, the NPPF and Homes England funding for Affordable Housing recognises the important role of affordable rent tenures for those unable to afford home ownership.

### 4.3 Current tenure profile

44. The current tenure pattern is a key characteristic of the local neighbourhood area. Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing. Table 4-1 below presents Census data from 2011; this table shows the distribution of how households occupy their homes within Oulton, compared to the rest of Waveney and England.
45. As per Figure 4-1, 71.4% of households in Oulton own their homes outright, which is higher than the percentage of homeowners in either wider geography. This is higher than the percentage of people that own their homes in Waveney and England as a whole. Compared to its wider geographies, there is a relatively lower share of private rented homes in Oulton.
46. As compared to Waveney, there is a higher percentage of both shared ownership and social rented tenures in Oulton. However, as compared to England as a whole, the percentage share of each of these tenures is lower in Oulton.

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<sup>9</sup> PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

<sup>10</sup> NPPF 2019.

<sup>11</sup> The latest consultation proposals, published in August 2020, state that 'The minimum discount for First Homes should be 30% from market price which will be set by an independent registered valuer' and 'Local authorities will have discretion to increase the discount to 40% or 50%. This would need to be evidenced in the local plan making process.'

**Table 4-1: Tenure (households) in Oulton, 2011**

Tenure	Oulton	Waveney	England
Owned; total	71.4%	69.4%	63.3%
Shared ownership	0.5%	0.4%	0.8%
Social rented; total	16.0%	14.0%	17.7%
Private rented; total	11.1%	14.9%	16.8%

Sources: *Census 2011, AECOM Calculations*

47. In Table 4-2, we note the changes in tenure during the intercensal period. Changes are as follows:
- The percentage of private rented homes increased by 87% between 2001-2011. Between 2001-2011, the number of private rented homes increased from 100 to 187. Compared to its wider geographies, the increase in Oulton was relatively higher.
  - There was a 28.2% increase in home ownership between 2001-2011. Raw data shows an increase from 1,349 homes in 2001 to 1,692 homes in 2011. Compared to its wider geographies, the rate of change in Oulton was much higher.
  - There was no change in shared ownership over the time period. However, shared ownership in Oulton's wider geographies increased.
  - Social rented tenures increased by 4.6% between 2001-2011. However, in Oulton's higher geographies, there was a decrease in social rented tenures over the same time period.
  - Overall, during the intercensal period, Oulton experienced an increase in private renting and home ownership.

**Table 4-2: Rates of tenure change in Oulton, 2001-2011**

Tenure	Oulton	Waveney	England
Owned; total	28.2%	1.1%	-0.6%
Shared ownership	0.0%	56.9%	30.0%
Social rented; total	4.6%	-0.9%	-0.9%
Private rented; total	87.0%	63.6%	82.4%

Sources: *Censuses 2001 and 2011, AECOM Calculations*

## 4.4 Affordability

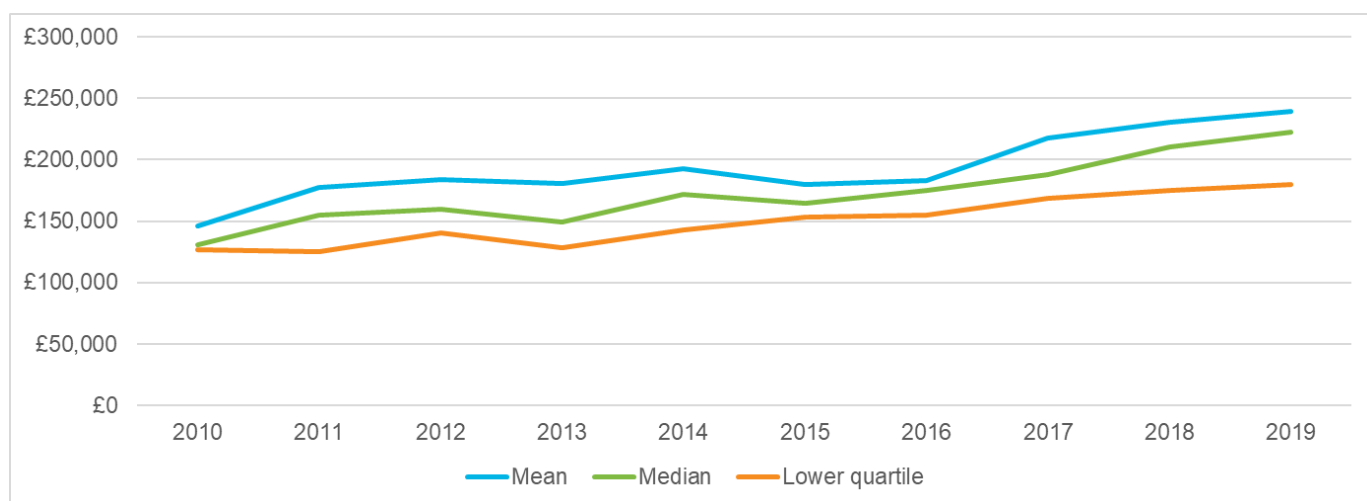
48. Having reviewed the tenure of the existing housing stock in Oulton, this report assesses the affordability of homes to those living in the Neighbourhood Plan area.
49. The following analysis considers house prices and rents in the neighbourhood area and whether these are affordable to local households on the basis of their incomes or earnings. Poor or worsening affordability of homes to rent or buy can indicate the need to provide Affordable Housing.

### 4.4.1 House prices

50. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.
51. Figure 4-1 on the following page looks at selected measures of house prices in Oulton. It shows that mean prices increased by 63.6%, median prices increased by 69.5%, and lower quartile prices increased by 42.3% over the time period. There was a steady increase in house prices between 2010-2019. In 2013, median and lower quartile prices decreased slightly, followed by an increase in the following year and then a small decline in 2015. In 2016, median and lower quartile prices increased slightly and continued to increase till 2019.

52. PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.<sup>12</sup> Entry-level properties are typically those with one or two bedrooms – either flats or houses – since these are usually the cheapest available properties on the market.
53. In terms of housing completions at the LPA level, it is worth noting that as per the SHMA (2017), housing completions in Waveney declined between 2015-2019, and have since been on a declining trend. The SHMA shows that despite a debilitating level of delivery in the HMA, Waveney demonstrated a five-year housing supply throughout the period. This indicates that the declining delivery could reflect low demand, rather than an undersupply of development sites. Furthermore, the SHMA notes that Waveney has always had low house prices compared to Suffolk and England as a whole. Between 2010-2015, the SHMA indicated that house price growth was slower in Waveney in either comparator geography. While house prices followed a largely similar pattern to England, in 2013 Waveney’s house prices decreased and have experienced very slow growth.
54. It is important to contrast Oulton with Waveney as a whole, since Figure 4-1 and Table 4-3 below both indicate that Oulton experienced robust price growth in the last decade.

**Figure 4-1: House prices by quartile in Oulton between 2010-2019**



Source: Land Registry PPD

55. Table 4-3 below breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). It shows the following:
  - Between 2010-2019, there was an overall price increase of 63.6%.
  - The prices of detached and terraced homes increased substantially over the time period. The prices of detached homes increased steadily between 2010-2014. Prices decreased in 2015 but increased again between 2016-2019. In the case of terraced homes, there were no sales between 2011-2013. Between 2013 and 2016 house prices for terraced homes decreased, and then increased in 2017. In 2018, prices declined again before increasing by the end of 2019.
  - There were no flats sold between 2010-2017. There was a 22% decrease in the price of flats between 2018-2019.

**Table 4-3: House prices by type in Oulton, 2010-2019, 000's**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	PRICE GROWTH
Detached	£170k	£181k	£184k	£210k	£210k	£173k	£204k	£225k	£283k	£290k	70.3%
Semi-Detached	£135k	£167k		£133k	£143k	£170k	£167k	£191k	£203k	£195k	44.1%
Terraced	£118k			£120k	£105k	£93k	£90k	£205k	£159k	£203k	71.8%

<sup>12</sup> See Paragraph: 021 Reference ID: 2a-021-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

Flats									£145k	£113k	-22%
<b>All Types*</b>	<b>£146k</b>	<b>£177k</b>	<b>£183,547</b>	<b>£181k</b>	<b>£193k</b>	<b>£180k</b>	<b>£183k</b>	<b>£218k</b>	<b>£230k</b>	<b>£240k</b>	63.6%

Source: Land Registry PPD

#### 4.4.2 Income

56. 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.
57. The first source is locally specific but limited to the mean average total household income. This is the average household income estimates published by ONS<sup>13</sup> at the level of the Middle-layer Super Output Area (MSOA)<sup>14</sup>. In the case of Oulton the MSOA most suitable for use as a proxy for the Neighbourhood Plan area boundary is MSOA E02006304. 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.
58. The average total household income across MSOA E02006304 in was £36,600. This figure is typically used by mortgage lenders to assess a household's ability to afford to borrow.<sup>15</sup>
59. 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.
60. It is derived from ONS annual estimates of paid hours worked and earnings for UK employees to local authority level. Although 2019 provisional data has been published, the revised 2018 data is considered more robust and is therefore used here.
61. East Suffolk's gross LQ weekly earnings for 2018 was £275, or approximately £14,284 per year. This is the LQ income before taxes (or benefits) for individual earners and so only correlates with the measure of household incomes above for single-person households. To estimate the income of LQ-earning households with two earners, the annual income is doubled, to £26,568 per year.

#### 4.4.3 Affordability Thresholds

62. 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.
63. AECOM has determined thresholds for the income required to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in NPPF. 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 30% and that mortgage financing will be offered at a maximum of 3.5 times household income and assumes a 10% deposit is available.
- 64.
65. Table shows the cost of different tenures and the annual income required to support these costs within Oulton. 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.

<sup>13</sup>Available at

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

<sup>14</sup> An MSOA is a statistical area defined for Census purposes. For further information on MSOAs, see

<https://www.ons.gov.uk/methodology/geography/ukgeographies/censusgeography>

<sup>15</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.

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

Tenure	Mortgage Value	Rent	Income required	Affordable on mean incomes?	Affordable on LQ 1 incomes?	Affordable on LQ 2 incomes?
				£36,600	£14,284	£28,568
<b>Market Housing</b>						
Median House Price	£200,250	-	£57,214	No	No	No
LA New Build Mean House Price	£227,738	-	£65,068	No	No	No
LQ/Entry-level House Price	£162,000	-	£46,286	No	No	No
Average Market Rent	-	£7,872	£26,240	Yes	No	Yes
Entry-level Market Rent	-	£7,440	£24,800	Yes	No	Yes
<b>Affordable Home Ownership</b>						
Discounted Market Sale (-20%)	£178,000	-	£45,771	No	No	No
Discounted Market Sale (-30%)	£155,750	-	£40,050	No	No	No
Discounted Market Sale (-40%)	£133,500	-	£34,329	Yes	No	No
Discounted Market Sale (-50%)	£111,250	-	£28,607	Yes	No	No
Shared Ownership (50%)	£111,250	£2,781	£37,878	No	No	No
Shared Ownership (25%)	£50,063	£4,172	£28,210	Yes	No	Yes
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£4,984	£19,937	Yes	No	Yes
Social Rent	-	£4,635	£18,539	Yes	No	Yes

Source: AECOM Calculations

66. The income required to afford the different tenures is then benchmarked, in Table 4-4 against the three measurements of household income set out above. These are the average total household income for MSOA E02006304 at £36,600 and the lower quartile gross earnings for East Suffolk for single-earners at £14,284 and dual-earning households at £28,568.
67. Taking into consideration the affordability thresholds set out above, it is apparent that the income required to buy an average market home for sale is higher than what would be expected to be available to those on average household incomes. The income required to buy an average entry-level home for sale is higher than average household incomes and the incomes of those on lower quartile earnings.
68. In terms of those on lower quartile (LQ) earnings, it is evident that those on LQ incomes can afford entry-level market rents, affordable rent and social rent but only where there are two members earning, or with additional subsidy provided by housing benefit.
69. Government policy aimed at tackling the housing crisis continues to attach high priority on helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership.<sup>16</sup>
70. Table 4-4 shows that households with incomes between £24,800 and £46,286 are able to rent in the market but unable to buy. These households may need affordable home ownership options. There are a range of affordable routes to home ownership tenures, i.e. those aimed at households unable to afford to buy in the market. With regard to these products and the discounts required, the following observations can be made:

<sup>16</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)

- Firstly, there appears to be an affordability gap, given that households require incomes of between £46,286-£57,214 to be able to afford to buy a home for sale at market prices. Given the average household income is £36,600, there is a gap of almost £10,000. In such cases, however, discounted market sales and shared ownership (25% share) tenures could provide affordable home ownership options to those households that can rent but not buy.
  - The discount on the average market sale price required to enable households on average incomes to afford to buy is 36%. Furthermore, shared ownership (25% share) is affordable to those on mean incomes, and to households on lower quartile incomes where there are two members earning.
  - Whether discounted market sale is affordable will depend whether properties are priced in relation to average, new build or entry level homes so developers will view discounts differently. New build homes are often more expensive than properties for sale in the second-hand stock. Discounts on new build or average prices may make homes no more affordable than entry level properties in the existing stock.
  - Discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000.<sup>17</sup> This cost excludes any land value or developer profit.
  - In terms of the various discounts that can be offered in the case of discounted market sales, Table 4-5 below shows what discounts are required in order for properties to be affordable to households on average incomes. It is worth repeating that a discount of 36% would be required. While theoretically possible, it is unclear whether this rate of discount is likely to be realistic in practice and will depend on viability issues. Furthermore, while our calculations show that a 21% discount would be required for entry level sale prices to be affordable to those on mean incomes, it is worth noting that new homes might not be built at those prices. As such, it may be more effective to focus on providing other affordable tenures such as Rent to Buy and shared ownership (25% share).
  - The Government's proposed First Homes product would provide a minimum discount of 30% on new homes. New build prices are not available at the neighbourhood level because the number of transactions is too low. However, median average prices provide a reasonable proxy for the price of new homes. In Oulton, a 30% discount on average prices would not be sufficient to extend home ownership to households on average incomes. Nevertheless, it would extend home ownership substantially,
  - Rent to Buy allows households to access discounted market rents to enable them to save for a deposit. They then have an option to purchase the property they are renting within a defined time period. This option is likely to be attractive to households who have modest incomes but do not have adequate savings for a deposit. Given entry-level market rents are affordable to those on average incomes, Rent-to-Buy could be considered as a route to home ownership. As seen in Table 4-4, the income required to access entry level rents is £24,800.
  - Given entry-level rents will be affordable to those on average incomes and average rent might be affordable to those that earn slightly above average incomes—that is, those that earn between £24,800-£26,240, Rent to Buy is likely to be a suitable option for those on average incomes who might wish to access home ownership. However, given average rents are not affordable to households on LQ incomes, unless there are two earners or there is additional subsidy, Rent to Buy is not a viable option for single LQ income households, who are likely to require affordable rented provision.
  - Note that while the NP and neighbourhood group may not have much influence on the level of discount achieved on market sale properties, the LPA should have a role here.
71. The latest Government consultation on 'Changes to the current planning system'<sup>18</sup> proposes that Local Authorities will have discretion to increase the discount on First Homes to 40% or 50%, but that this would need to be evidenced in the Local Plan making process. Though it is expected that the decision to require a higher discount and the evidence supporting it would be undertaken at district- or borough-wide level, the evidence presented in this HNA may be helpful

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<sup>17</sup> This estimate is included for illustration purposes. £1,500 build cost per sq m is a reasonable estimate of current costs (mid 2020); 70 sq m for a 2 bedroom property is consistent with the Government's Nationally Described Space Standards

<sup>18</sup> Available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>.

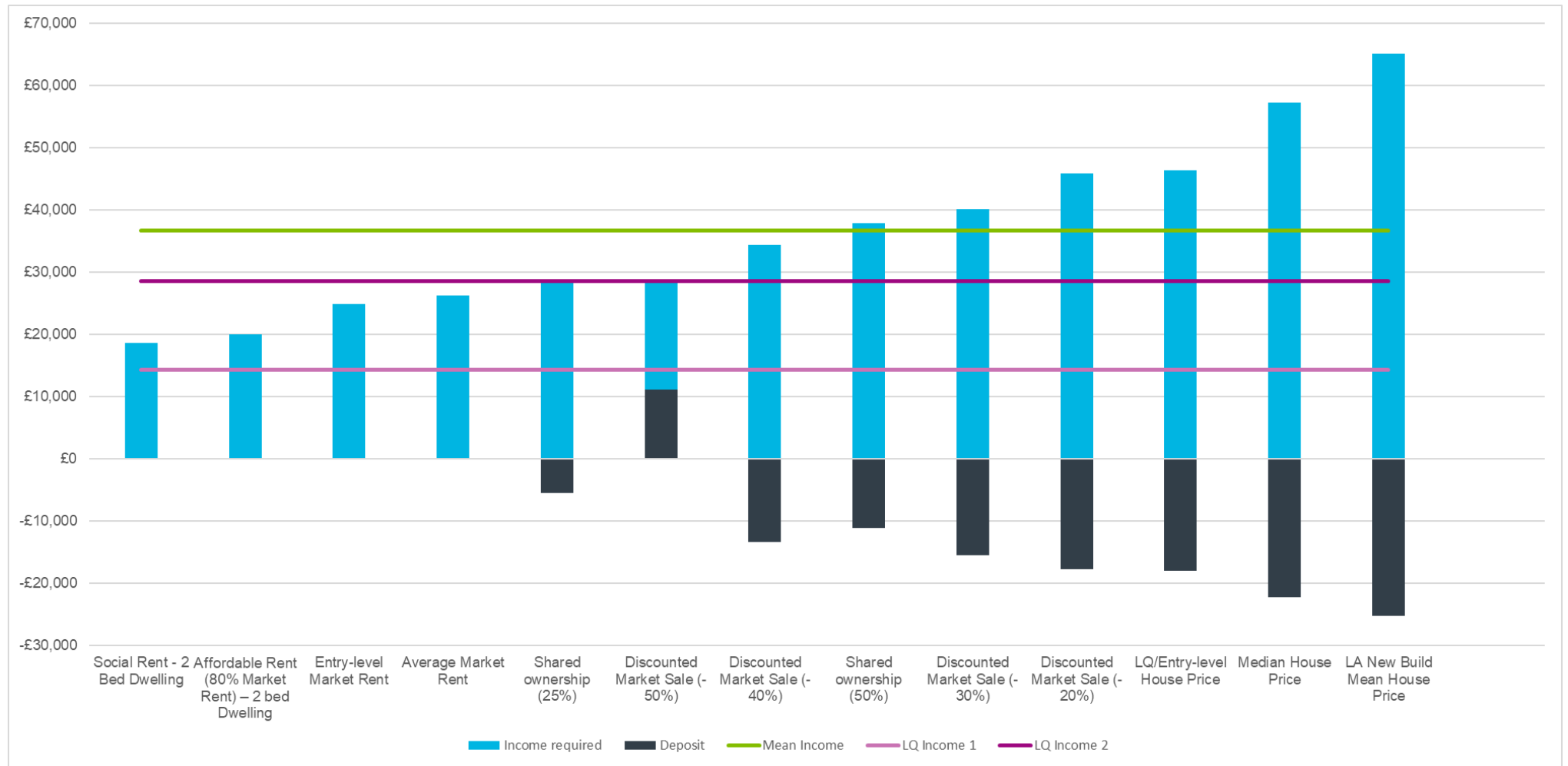
in advancing that discussion. The evidence gathered here suggests that seeking the higher discounts (above the standard 30% minimum) is likely to be necessary in Oulton.

**Table 4-5: % Discount on Sale Price Required for Households on Mean Incomes to Afford**

Mean household income in NA:	<b>£36,600</b>
<b>Tenure/ product:</b>	Discount on sale price required:
• <i>Market sale (Average)</i>	36%
• <i>New build market sale (Average for LA)</i>	44%
• <i>Entry level sale (LQ)</i>	21%

Source: Land Registry PPD; ONS MSOA total household income

Figure 4-2: Affordability thresholds in Oulton (income required, £)



Source: AECOM Calculations

## 4.5 Affordable housing- quantity needed

72. The starting point for understanding the need for affordable housing in Oulton is the relevant Strategic Housing Market Assessment (SHMA). A SHMA was undertaken for the Ipswich and Waveney Housing Market Area in 2017. This study estimates the need for affordable housing in the District based on analysis of the Council’s waiting list and analysis of other data sets in line with Planning Practice Guidance at the time. The SHMA identifies the need for 348 additional affordable homes each year in Waveney between 2014-2036. This need is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents. A small proportion of these households may be able to afford shared ownership because in some cases it is more affordable than market rents, especially when available at a share of 25%.
73. When the SHMA figures are pro-rated to Oulton based on its fair share of the population (3.5% of the LPA’s population), this equates to 12 homes per annum (predominately for social/affordable rent) or 180 homes over the Neighbourhood Plan period [2021-2036].
74. We have also gathered information from East Suffolk’s Housing Register relating to Oulton specifically—this data shows that, as of a snapshot in time in November 2020, there were 104 people on the Housing Register and indicates relatively substantive demand for affordable housing in the NA.

**Figure 4-6: Housing Waiting List, Oulton (November 2020)**

Band	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	
A	0	3	0	0	0	3
B	5	5	3	5	1	19
C	9	2	2	1	0	14
D	3	3	2	1	0	9
E	26	21	12	0	0	59
Total	43	34	19	7	1	104

Source: LPA Housing Waiting List (2020)

75. Figure 4-7 estimates potential demand for affordable home ownership products within Oulton. This has been undertaken by AECOM because the affordable housing need assessment in the SHMA 2017 did not explicitly quantify the need or potential demand for affordable home ownership as a form of affordable housing. This estimate broadly counts households living in the private rented sector (PRS) who are not on housing benefit and new households likely to form over the plan period who are likely to enter the private rented sector (but not require housing benefit). The model aims to estimate the number of households who can rent but can’t buy on the basis of their incomes. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model discounts 25% of these households, assuming a proportion will be renting out of choice. This leaves around 8.9 household per annum who may be interested in affordable home ownership (131 over the plan period).

**Figure 4-7: Estimate of the potential demand for affordable housing for sale in Oulton**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in NA	228.0	Census 2011 number of renters * national % increase to 2018
1.2 Percentage renters on housing benefit in LA	27.1%	% of renters in 2018 on housing benefit
1.3 Number of renters on housing benefits in NA	62	Step 1.1 * Step 1.2
1.4 Current need (households)	124.6	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	<b>8.3</b>	Step 1.4 divided by plan period
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	208.7	LA household projections for plan period (2018 based) pro rated to NA
2.2 % of households unable to buy but able to rent	7.7%	(Step 1.4 + Step 3.1) divided by number of households in NA estimated in 2020
2.3 Total newly arising need	16.0	Step 2.1 * Step 2.2
2.4 Total newly arising need per annum	<b>1.2</b>	Step 2.3 divided by plan period
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	12	Number of shared ownership homes in NA (Census 2011 + LA new build to 2018/19 pro rated to NA)
3.2 Supply - intermediate resales	<b>0.6</b>	Step 3.1 * 5% (assume rate of re-sale)
<b>NET SHORTFALL (OR SURPLUS) PER ANNUM</b>		
Overall shortfall (or surplus) per annum	<b>8.9</b>	(Step 1.5 + Step 2.4) - Step 3.2
Overall shortfall (or surplus) over the plan period	131	(Step 1.4 + Step 2.3) - Step 3.2 * number of years to end of plan period

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. It is important to keep in mind that the households identified in the estimate in Figure 4-7 are, by and large, adequately housed in the private rented sector. They do not lack their own housing but would prefer to buy rather than rent.
77. There is no policy or legal obligation on the part either of the Local Authority or neighbourhood planners to meet affordable housing needs in full, either within or outside the Neighbourhood Plan area, though there are tools available to neighbourhood planners that can help ensure that it is met to a greater extent if resources permit (eg the ability to allocate sites for affordable housing).
78. It is also important to remember that even after the Oulton, or indeed any other, Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need and the management of the housing waiting list all remain the responsibility of the local authority rather than neighbourhood planners.
79. 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).

#### 4.5.1 Additional findings

80. Important points from the Oulton Parish Council evidence base are as follows:

- It is important to note that future housing growth in Oulton is likely to be higher than historic rates of growth, as a result of the planned expansion of the Lowestoft urban area.

- Roughly a quarter of homes in Oulton are single occupancy and around two thirds of these homes are occupied by older people. On comparing this to the housing profile, it is likely that a high number of older people are presently living alone in medium to large sized homes.
- It is also important to note the role of the Woods Meadow development in Oulton. Woods Meadow is a mixed-use allocation from a previous local plan comprises roughly 800 dwellings. Between 2016-2019, almost 300 homes were completed. Thus, in addition to the allocations in the current local plan, a number of dwellings from Woods Meadow are expected to come forward over the plan period.

#### 4.5.2 Affordable Housing Policies in Oulton

81. The Neighbourhood Plan may wish to develop policies in relation to the delivery of Affordable Housing within Oulton. Waveney's Local Plan policy in relation to Affordable Housing delivery states that all new housing developments on sites with a capacity of 11 dwellings or more must make provision for a proportion of the total dwellings to be affordable housing. For the Lowestoft and Kessingland area (excluding Corton), which includes Oulton Parish, housing developments must provide 20% affordable housing. [Policy WLP 8.2 – Affordable Housing].
82. Note, however, that the Government's August 2020 consultation proposals for 'Changes to the current planning system' include a temporary measure to lift the small sites threshold. This would mean that developers would not need to contribute to Affordable Housing on sites of up to 40 or 50 units. This represents a significant increase on the threshold sought in the Local Plan (cited above), and therefore may reduce the delivery of Affordable Housing on normal development sites during the temporary period in which it applies.
83. It is expected that this temporary period will be short and, being introduced to combat the economic impacts of Covid-19 on small builders, may have already elapsed by the time the Neighbourhood Plan is made. Nevertheless, it could have an impact on Affordable Housing delivery in the short term, and warrants the attention of the neighborhood planners as the Government consultation proceeds. For more detail on this proposal in relation to the overall quantity of housing expected in the NA during the Plan period and a link to the consultation document, see the 'Quantity of housing to provide' section at the start of this report (section 2.2.3).
84. Table 4-8 at the end of this chapter estimates the number of affordable homes likely to come forward based on the overall housing requirement for the NA and the application of affordable housing policies.
85. On small scale developments, such as those expected to come forward over the plan period, only small numbers of affordable homes are likely to be delivered through the application of this policy. For this reason, the neighbourhood group may wish to consider identifying sites specifically for the provision of affordable housing.
86. The neighbourhood group may wish to develop policies on the mix of Affordable Housing delivered in Oulton. It is not the role of the HNA to develop policy, as there are a wider set of factors which apply and need to be considered by the neighbourhood planners. However, the following evidence and considerations may be used as a starting point in the development of policy. On the balance of the evidence in this HNA, AECOM set out a judgement on the starting point for an appropriate tenure mix in Oulton.
  - A. **Evidence of need for Affordable Housing:** If Oulton was to meet its share of East Suffolk's need for social/affordable rented housing this would imply 180 homes over the plan period. AECOM's estimate of the potential demand for affordable home ownership options suggest there may be a need for these homes in Oulton to address the aspirations of households who can rent but can't buy. AECOM's estimate identified the potential demand for 131 such homes over the plan period.
  - B. **Can Affordable Housing needs be met in full?** The HRF for Oulton is 340. Given the LPA requires at least 20% of homes delivered to be affordable housing, roughly 68 affordable dwellings can be expected to be delivered during the Plan Period. However, given that not all of the sites expected to be delivered in the NA will exceed the threshold required for the affordable housing policy to be implemented, the delivery of 68 affordable homes is the best-case outcome in terms of affordable housing provision. However, in this case, the affordable housing completions from the Woods Meadows development from the previous Local Plan should also be considered.<sup>19</sup> The agreement for the Woods Meadow development provides that 169 of the 800 allocated homes should be affordable, with 70% delivered as affordable rent and 30% delivered as shared ownership or shared equity. The sites allocated along with the Woods Meadows development should deliver roughly 237 affordable homes over the plan period. This level of housing delivery would not allow housing

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<sup>19</sup> See Oulton Neighbourhood Plan Evidence Base (2020), shared by Neighbourhood Group.

needs in to be met in full, given AECOM identified the total need for 311 affordable dwellings over the plan period.

- C. **Government policy (eg NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Given the Local Plan requires 20% of all homes delivered to be affordable, at least 50% of Affordable Housing would need to be routes to home ownership in order for such products to total more than 10% of all housing. Based on the findings of this HNA, we find going beyond the 10% could jeopardise the delivery of the much needed social/affordable rented housing and that the NP Group may wish to prioritise affordable rented housing rather than affordable home ownership.
- D. **Emerging policy:** the Government is currently consulting on the introduction of First Homes (to provide at least 30% discount on new build home prices). The most recent consultation outlines the Government's intention to require that a minimum of 25% of all Affordable Housing secured through developer contributions should be first homes.<sup>20</sup> The outcome of this consultation and the policy which emerges may shape the provision of different forms of Affordable Housing on new development sites, and the neighbourhood group will need to keep this emerging policy in mind when developing its Neighbourhood Plan policies.
- E. **Local Plan policy:** Waveney's adopted Local Plan requires 20% of proposals for housing developments to provide affordable housing. This policy also provides for 50% of these affordable dwellings to be for affordable rent. The SHMA advises that 50% of affordable housing should be affordable rented and 50% should be intermediate affordable housing tenures. The August 2020 proposals relating to First Homes convey the Government's intention to require that 25% of all Affordable Housing is delivered as First Homes so the Council's existing policy is consistent with this.

The August 2020 proposals relating to First Homes convey the Government's intention to require that 25% of all Affordable Housing is delivered as First Homes. The 25% First Homes requirement is likely to displace other affordable home ownership products in the first instance. Those affordable home ownership products providing the lowest discount should be displaced first. However, affordable rented products may also be affected depending on the tenure mix sought (i.e. if more than 75% of affordable housing is intended as affordable rent, this would need to be reduced to a maximum of 75% affordable rent so that First Homes can constitute 25% of all affordable housing). As yet, it is unclear whether there will be any flexibility over this 25% requirement to take account of local circumstances.

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site specific level. Viability issues are recognised in the Council's adopted/emerging Local Plan and it is acknowledged that this may affect the provision of affordable housing and/or the mix of tenures provided.
- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
- H. **Existing tenure mix in Oulton:** As per the findings of this HNA, there is currently a higher percentage of shared ownership and social rent in Oulton than in Waveney (2011 Census). Upcoming developments such as the Lowestoft urban area and Woods Meadow will provide a number of dwellings over the plan period, some of which are allocated for in the Local Plan. Furthermore, it is evident that home ownership is the dominant tenure - thus, some provision of affordable home ownership products could widen options available to households that can afford to rent but not buy. Evidence in this HNA suggests that some provision of Affordable Housing could offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.
- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in this area.
- J. **Wider policy objectives:** the neighbourhood group may wish to take account of broader policy objectives for Oulton and/or the wider District. These could include, but are not restricted to, policies to attract younger

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<sup>20</sup>The original proposals are available at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/864265/First\\_Homes\\_consultation\\_document.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/864265/First_Homes_consultation_document.pdf). The latest proposals are available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>.

Note that the latest proposals are not final, and could potentially be subject to further change.

households, families or working age people to the Neighbourhood Area. These wider considerations may influence the mix of Affordable Housing provided.

87. In Table 4-8 below, two alternative scenarios for the tenure mix of Affordable Housing in Oulton are presented. Note that we assume, in accordance with current practice, that most Affordable Housing will be brought forward through developer contributions. If the neighbourhood planners are considering delivering Affordable Housing through other means, the national policy requirements reflected here may not apply.
88. The first scenario (Mix 1 – Indicative mix based on local needs) most closely reflects local needs in Oulton as identified in the HNA evidence. We recommend an indicative tenure split of 50/50, that is, 50% of affordable housing should be affordable rented and 50% should be intermediate affordable housing tenures. This also follows the target split set out in the SHMA and is in line with NPPF Guidance, by ensuring that 10% of all housing is Affordable Housing for ownership.
89. We estimated a need for 311 affordable homes over the plan period and found that the allocations in the Local Plan alongside the Woods Meadows development would deliver a large amount of affordable housing. In terms of affordable home ownership, the evidence found shared ownership (25% share) to be the most accessible home ownership option. Since this tenure can be accessed by both those on mean incomes as well as those on LQ incomes (where there are two members earning or there is additional subsidy), it offers home ownership to the widest range of individuals at various income levels.
90. Evidence on the affordability of different affordable home ownership products suggest that discounted market homes (including proposed First Homes at a 30% discount) would not extend home ownership to all of those priced out of homeownership in this area. Our analysis indicated that a discount of at least 36% would be required for an average market sale product to be affordable, and that a discount of 44% would be required for those on mean incomes to be able to afford to build a new build home. Furthermore, we found that shared ownership (25% share) provides a more affordable route to home ownership in comparison to discounted market sales. While a discount of 36% might be affordable, accessing this discount requires an income of at least £37,286. However, accessing shared ownership (25% share) requires an income of roughly £28,210.
91. It is also worth considering Rent to Buy as an option. We determined entry-level market rents are affordable to those on average incomes, and thus, Rent-to-Buy could be considered as a route to home ownership for these groups. The income required to access entry level rents is £24,800.
92. The second scenario (Mix 2 – Indicative mix with 25% First Homes requirement) is aligned with the direction of travel in the Government's most recent policy proposals, in which it is intended that 25% of all Affordable Housing will be required to be provided as First Homes. This outcome is more likely than the first scenario, because the Government proposals are at an advanced stage of development. However, this is proposed here as one of two alternative scenarios in case the First Homes policy proposals do not progress. Given that First Homes are less affordable to local people in Oulton (unless very substantial discounts are provided), if the Government proposal requiring 25% First Homes does not come forward as currently proposed, it is recommended that the neighbourhood planners revert to the other indicative mix as their starting point for policy development in this area.
93. Note also that the Government proposals state that if First Homes are required at 25% of Affordable Housing that comes forward through developer contributions and this results in displacing other tenures within the affordable mix, the tenure products providing the lowest effective discount should be displaced in the first instance. In this case, since we are following a 50/50 tenure split, no displacement of products is needed in order for First Homes to make up 25% of the allocation for intermediate housing tenures.
94. Where the neighbourhood planners wish to develop policy that requires a different mix to that set out in the Local Plan, it is important that they liaise with the LPA to gather more detailed income and viability information, and to ensure that departures from the district-level policy context have the LPA's support. Liaising with the LPA will be particularly important where the Local Plan tenure split can be expected to be adjusted in light of the latest Government proposals, to ensure that the Neighbourhood Plan's approach in reflecting these changes is in line with the LPA approach. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-size circumstances in addition to this evidence.
95. AECOM cannot provide guidance on the appropriate share of social/affordable rented homes as this will depend on the level of funding available to housing associations which will determine at what level rents can be set. Registered providers (eg housing associations) may be reluctant to deliver small numbers of homes where there are ongoing management costs involved. For this reason, the proportion of rented homes which can be secured may depend on the willingness of local housing association to maintain and manage small numbers of homes.

96. Mix 2 put forward below aligns as closely as possible with emerging Government policy as currently proposed. If those proposals do not go forward, the recommended starting point for the tenure mix in the NA will be Mix 1 below. However, the considerations detailed above will remain relevant for determining a more appropriate mix in the light of national policy changes or other unexpected developments.

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

Tenure	Mix 1. Indicative mix based on local needs	Mix 2. Indicative mix with 25% First Homes requirement	Considerations and uncertainties
<b>Routes to home ownership, of which</b>	<b>50%</b>	<b>50%</b>	Government proposing min 25% requirement for First Homes. Uncertainty over extent of requirement until policy finalised.
First Homes <sup>21</sup>	10%	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc
Shared ownership	20%	15%	Proposed changes to the model to allow purchases of 10% share <sup>22</sup> - impact on viability unknown RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to buy	20%	10%	Emerging product with popularity and effectiveness as yet unknown Impact of displacement by First Homes unknown
<b>Affordable Housing for rent, of which</b>	<b>50%</b>	<b>50%</b>	
Social rent	To be set by Registered Providers	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area Uncertain whether RPs willing to own/manage stock in this area
Affordable rent	To be set by Registered Providers	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area

Source: AECOM calculations

97. Assuming that the Government's proposal that 25% of all affordable Housing should be First Homes is formalised, the neighbourhood group will need to take account of how this could impact on affordable housing policies (particularly the tenure mix) in the Neighbourhood Plan. The evidence gathered here suggests that this proposal would not impact on the ability of Oulton to accommodate those with the most acute needs.
98. However, the neighbourhood planners should note that the First Homes product has not been formally implemented, and should await the outcome of the Government consultation.

## 4.6 Conclusions- Tenure and Affordability

99. 71.4% of households in Oulton own their homes outright, which is higher than the percentage of homeowners in either wider geography. This is higher than the percentage of people that own their homes in Waveney and England as a whole. Compared to its wider geographies, there is a relatively lower share of private rented homes in Oulton. As

<sup>21</sup> In the event that the First Homes product does not go forward at all, the proportion of Affordable Housing that might be allotted to First Homes could be delivered as discounted market sales housing if this is available at broadly equivalent discounts, or to other forms of affordable home ownership also recommended in the table.

<sup>22</sup> <https://www.gov.uk/government/news/jenrick-unveils-huge-12-billion-boost-for-affordable-homes>

compared to Waveney, there is a higher percentage of both shared ownership and social rented tenures in Oulton. However, as compared to England as a whole, the percentage share of each of these tenures is lower in Oulton.

100. In terms of house prices, mean prices increased by 63.6%, median prices increased by 69.5%, and lower quartile prices increased by 42.3% over the time period. The prices of detached and terraced homes increased substantially over the time period. The price of detached homes increased steadily between 2010-2014. The price decreased in 2015 but increased again between 2016-2019. In the case of terraced homes, there were no sales between 2011-2013. Between 2013 and 2016 the price decreased, and then increased in 2017. In the price declined again in 2018, before increasing by the end of 2019.
101. In terms of housing completions at the LPA level, it is worth noting that as per the SHMA (2017), housing completions in Waveney declined between 2015-2019, and have since been on a declining trend. The SHMA shows that despite a debilitating level of delivery in the HMA, Waveney demonstrated a five-year housing supply throughout the period. This indicates that the declining delivery could reflect low demand, rather than an undersupply of development sites. Furthermore, the SHMA notes that Waveney has always had low house prices compared to Suffolk and England as a whole. Between 2010-2015, the SHMA indicated that house price growth was slower in Waveney in either comparator geography. While house prices followed a largely similar pattern to England, in 2013 Waveney's house prices decreased and have experienced very slow growth. It is important to contrast Oulton with Waveney as a whole, since evidence in this report demonstrates that Oulton experienced a high percentage of price growth in the last decade.
102. By benchmarking the incomes required to afford different tenures in the neighbourhood area, the analysis determined the following:
- Firstly, there appears to be an affordability gap, given that households require incomes of between £46,286-£57,214 to be able to afford to buy a home for sale at market prices. Given the average household income is £36,600, there is a gap of almost £10,000. In such cases, however, discounted market sales and shared ownership (25% share) tenures could provide affordable home ownership options to those households that can rent but not buy.
  - The discount on the average market sale price required to enable households on average incomes to afford to buy is 36%. Furthermore, shared ownership (25% share) is affordable to those on mean incomes, and to households on lower quartile incomes where there are two members earning.
  - Rent to Buy allows households to access discounted market rents to enable them to save for a deposit. They then have an option to purchase the property they are renting within a defined time period. This option is likely to be attractive to households who have modest incomes but do not have adequate savings for a deposit. Given entry-level market rents are affordable to those on average incomes, Rent-to-Buy could be considered as a route to home ownership. As seen in Table 4-4, the income required to access entry level rents is £24,800.
  - Given entry-level rents will be affordable to those on average incomes and average rent might be affordable to those that earn slightly above average incomes—that is, those that earn between £24,800-£26,240, Rent to Buy is likely to be a suitable option for those on average incomes who might wish to access home ownership. However, given average rents are not affordable to households on LQ incomes, unless there are two earners or there is additional subsidy, Rent to Buy is not a viable option for single LQ income households, who are likely to require affordable rented provision.
103. This HNA estimates the scale of need for affordable housing in Oulton. If Oulton was to meet its share of East Suffolk's need for social/affordable rented housing this would imply 180 homes over the plan period. AECOM's estimate of the potential demand for affordable home ownership options suggest there may be a need for these homes in Oulton to address the aspirations of households who can rent but can't buy. AECOM's estimate identified the potential demand for 131 homes over the plan period. 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 LPA. However, if the community wishes to boost the supply of affordable housing, 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.
104. The HRF for Oulton is 340. Given the LPA requires at least 20% of homes delivered to be affordable housing, roughly 68 affordable dwellings can be expected to be delivered during the Plan Period. However, given that not all of the sites expected to be delivered in the NA will exceed the threshold required for the affordable housing policy to be implemented, the delivery of 68 affordable homes is the best-case outcome in terms of affordable housing provision. This level of housing delivery would not allow housing needs in to be met in full, given AECOM identified the total need

for 311 affordable dwellings over the plan period. However, in this case, the affordable housing completions from the Woods Meadows development from the previous Local Plan should also be considered. The agreement for the Woods Meadow development provides that 169 of the 800 allocated homes should be affordable, with 70% delivered as affordable rent and 30% delivered as shared ownership or shared equity. Thus, the sites allocated in the adopted Local Plan along with the Woods Meadows development should deliver roughly 237 affordable homes over the plan period. While this is a large amount of affordable housing, it will still not allow local needs to be met in full as AECOM identified the need for 311 affordable homes over the plan period.

105. Two indicative tenure mixes have been provided, which could serve as a guideline for the breakdown of Affordable Housing tenures in Oulton based on various considerations and evidence. Mix 1 (indicative mix based on local needs) proposes that 50% of affordable homes be provided as rented tenures, and the remaining 50% delivered as affordable routes to home ownership. This mix aligns with the Local Plan in prioritising the most acute needs as far as possible. Mix 2 (indicative mix with 25% First Homes requirement) proposes that 50% of affordable homes be provided as rented tenures, with the 25% as First Homes. This aligns with the direction of proposed national policy, which includes a mandated minimum level of delivery of the Government's new First Homes affordable home ownership product.
106. Table 4-9 below summarises Oulton's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation and shows the quantities of affordable housing for rent and sale that would be delivered if each of the tenure mixes proposed in this HNA were rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighborhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.
107. Note that this table assumes that most or all of the expected housing delivery in the NA will take place after the Government's proposal to temporarily lift the site size threshold for Affordable Housing has ended. If that period extends beyond the date on which the Neighbourhood Plan is made and also influences the rate of Affordable Housing delivery on relevant development sites, the quantity of Affordable Housing to be provided in the NA during the Plan period may be lower than the estimate below.
108. In this case, Mix 1 and 2 will be the same.

**Table 4-9: Estimated delivery of Affordable Housing in Oulton**

	<b>Step in Estimation</b>	<b>Mix 1 based on local needs</b>	<b>Mix 2 with 25% First Homes requirement</b>
A	Provisional capacity figure	340	340
B	Affordable housing quota (%) in LPA's Local Plan	20%	20%
C	Potential total Affordable Housing in NA (A x B)	68	68
D	Rented % (e.g. social/ affordable rented)	50%	50%
E	Rented number (C x D)	34	34
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	50%	50%
G	Affordable home ownership number (C x F)	34	34

Source: AECOM estimate based on LPA's affordable housing policies, AECOM's indicative tenure mix

## 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

110. The Oulton Neighbourhood Plan may benefit from the inclusion of 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.
111. 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 Oulton. 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 wider Local Authority area, 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

112. 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.
113. 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.
114. 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>23</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
115. 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 whether people's accommodation is self-contained.<sup>24</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.
116. The key measure of whether a dwelling is shared or unshared relates to the Census' definition of a household. A

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<sup>23</sup> At <https://www.nomisweb.co.uk/census/2011/qs407ew>

<sup>24</sup> At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

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>25</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

- 117. The 2011 Census shows that there were 1,692 households in Oulton living in 848 detached houses, 452 semi-detached, 356 terraced houses, and 98 flats.
- 118. As per table 5-1 below, there is a high percentage of detached homes in Oulton. Compared to its wider geographies, Oulton has a higher percentage share of detached homes. Furthermore, relative to its comparator geographies, Oulton has the lowest percentage share of semi-detached and terraced homes. In terms of flats, maisonettes and apartments, Oulton has the lowest percentage compared to Waveney and England.
- 119. Compared to Waveney, Oulton differs from its wider geography in its high percentage of detached homes, and a relatively lower percentage of terraced homes and flats.

**Table 5-1: Accommodation type (households), Oulton 2011**

Dwelling type		Oulton	Waveney	England
Whole house or bungalow	Detached	48.3%	33.8%	22.4%
	Semi-detached	25.8%	27.4%	31.2%
	Terraced	20.3%	28.2%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	5.4%	6.6%	16.4%
	Parts of a converted or shared house	0.2%	2.6%	3.8%
	In commercial building	0.0%	1.0%	1.0%

Source: ONS 2011, AECOM Calculations

### 5.2.3 Dwelling size

- 120. Table 5-2 below sets out the distribution of the number of rooms by household space. From Table 5-3, it is evident that the housing stock in Oulton is characterised by a large share of five- and six-room homes, which comprise roughly 52% of the neighbourhood plan areas housing stock. These broadly equate to mid sized dwellings such as 3 bedroom houses. Oulton’s 2011 size profile is similar to that of Waveney, as both areas had a high share of five-six-room homes, and a relatively small share of both small and large homes. Oulton had a relatively smaller percentage share of both one and two room homes. In terms of raw data, in 2011, there were 0 one-room homes and 19 two room homes in Oulton. In Waveney, there were 119 one room homes and 827 two room homes in the same year.

**Table 5-2: Number of rooms per household in Oulton, 2011**

Number of Rooms	Oulton	Waveney
1 Room	0.0%	0.2%
2 Rooms	1.1%	1.6%
3 Rooms	8.0%	7.2%
4 Rooms	13.4%	15.9%
5 Rooms	26.9%	27.7%
6 Rooms	24.8%	23.4%
7 Rooms	12.2%	11.0%
8 Rooms or more	7.6%	6.6%
9 Rooms or more	6.0%	6.3%

<sup>25</sup> Ibid.

Source: ONS 2011, AECOM Calculations

121. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. The main changes from the 2001 Census findings are as follows:

- Between 2001-2011, the percentage of one-room homes declined by 100%. In terms of raw data, the number of one room homes declined from 3 to 0 over the time period, and the high percentage change is thus a result of the small sample size. However, compared to Waveney and England, the overall change in Oulton was relatively greater, as both wider geographies experienced smaller percentage decreases over the time period.
- There was an increase in the percentage of six as well as seven room homes in Oulton. Compared to both wider geographies, the rate of change in the neighbourhood plan area was thus higher. In raw figures, the number of six room homes in Oulton increased from 290 to 420 while the number of seven room homes increased from 130 to 206 over the same period.
- The percentage of eight room homes increased by 87% in the intercensal period, which was greater than the percentage changes observed in Waveney and England both. In 2001, the number of homes with eight or more rooms increased from 123 to 130 in 2011. The increase in the number of 7 and 8 room dwellings suggests growth in the stock of larger homes in the NA.

**Table 5-3: Rates of change in number of rooms per household in Oulton, 2001-2011**

Number of Rooms	Oulton	Waveney	England
1 Room	-100.0%	-13.8%	-5.2%
2 Rooms	18.8%	-1.9%	24.2%
3 Rooms	7.9%	6.8%	20.4%
4 Rooms	0.4%	-10.8%	3.5%
5 Rooms	4.8%	-0.8%	-1.8%
6 Rooms	42.9%	6.3%	2.1%
7 Rooms	58.5%	22.0%	17.9%
8 Rooms or more	87.0%	33.1%	29.8%

Source: ONS 2001-2011, AECOM Calculations

122. 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 5-4 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. This data shows that there is a significant percentage of three-bedroom homes in Oulton. This is higher than the percentage of three-bedroom homes in Waveney and England as a whole. Furthermore, compared to its wider geographies, Oulton has a relatively lower percentage of two-bedroom homes. It is also worth noting that there is a relatively small proportion of one-bedroom homes in Oulton. It will be useful to compare this stock to the profile of residents and projected demographic growth to see if there is any shortage in smaller dwellings.

**Table 5-4: Number of bedrooms in household spaces in Oulton, 2011**

Bedrooms	Oulton		Waveney		England	
<b>All categories: Number of bedrooms</b>	<b>1,576</b>	<b>100.0%</b>	<b>50,883</b>	<b>100.0%</b>	<b>22,063,368</b>	<b>100.0%</b>
No bedrooms	1	0.1%	71	0.1%	54,938	0.2%
1 bedroom	156	9.9%	4,586	9.0%	2,593,893	11.8%
2 bedrooms	352	22.3%	14,185	27.9%	6,145,083	27.9%
3 bedrooms	779	49.4%	23,460	46.1%	9,088,213	41.2%
4 bedrooms	252	16.0%	6,752	13.3%	3,166,531	14.4%
5 or more bedrooms	36	2.3%	1,829	3.6%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

## 5.3 Household composition and age structure

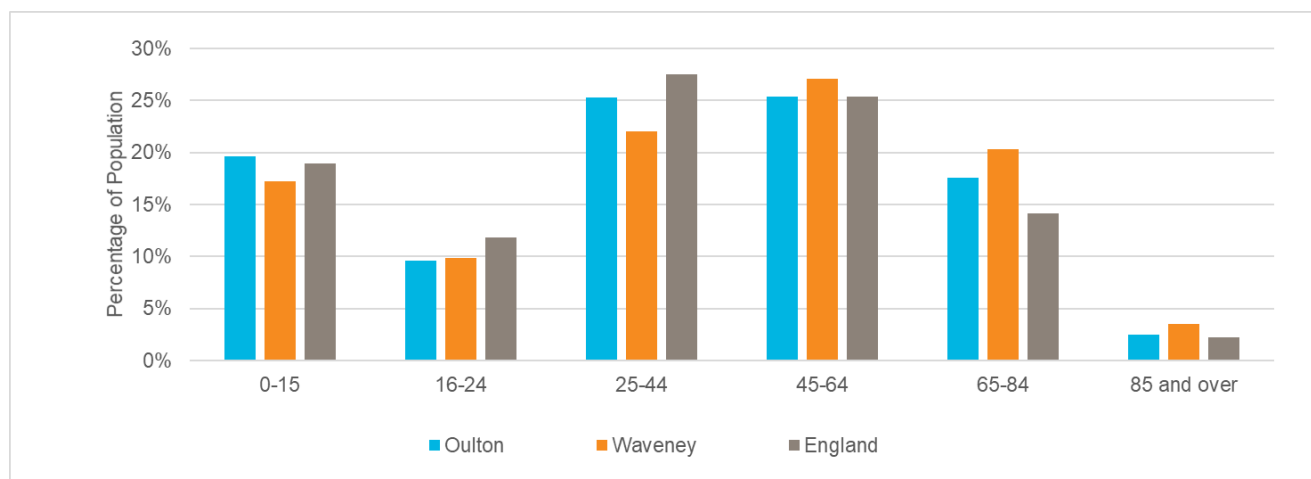
123. Having established the current stock profile of Oulton and identified recent changes in its composition, the evidence assembled below examines the composition and age structure of households in the 2011 Census and in future years. Through a consideration of the types of households projected to form 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

124. The 2011 Census data reveals the following:

- Relative to Waveney and England, Oulton had a higher percentage share of people in younger age groups, especially between 0-15 years which suggests that it is a popular place for families to live.
- While Oulton and Waveney had the same percentage of people between the ages of 16-24 in 2011, this percentage (10%) was lower than the percentage share of the same demographic group in England as a whole.
- It is key to note that a large percentage share of the population growth between 2001-2011 was in the older age categories. In 2011, the population of older age groups (45 and over) experienced a total increase of 45%. This increase may indicate a need to plan for some smaller housing, as some of these households may want to downsize in later life.

Figure 5-1: Age structure in Oulton, 2011



Source: ONS 2011, AECOM Calculations

125. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001 Oulton's population has changed in the following ways:

- The percentage of people over the age of 85 increased by 115% between 2001-2011. In raw figures, the number of people in this age group increased from 47 in 2001 to 101 in 2011.
- There were similarly large increases in the numbers of older age groups (those between the ages of 45-84) between 2001-2011. Between 2001-2011, the percentage of older age groups living in Oulton increased by roughly 153%. This is a very high rate of change and could reflect an increased need for smaller or specialist housing in the neighbourhood plan area as some of these people seek more manageable or accessible housing in later life.
- There was a significant rise in the percentage of people between the ages of 16-24. In raw figures, the number of people in this age group increased from 276 in 2001 to 392 in 2011. Compared to Waveney, Oulton experienced a higher rate of change in this regard. This suggests there is a growing population of younger people who may need entry level or affordable housing to rent or buy within Oulton.

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

Age group	Oulton	Waveney
0-15	17.9%	-8.7%
16-24	42.0%	14.8%
25-44	12.4%	-8.7%
45-64	22.9%	8.7%
65-84	37.9%	11.3%
85 and over	114.9%	27.3%

Source: ONS 2001-2011, AECOM Calculations

### 5.3.2 Household composition

126. Household composition (i.e the mix of adults and children in a dwelling) is a critical factor in driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.

127. In assessing Census data on household composition, we can make the following observations:

- The largest percentage of households in Oulton are households with dependent children (29%)
- Couples without children also represent a large proportion (20.9%).
- There is also a significant population of older households—about 10% of one family households in Oulton consist of older families (couples) and about 15.8% of one-person households are aged 65 and over.
- Compared to Waveney and England, Oulton has a lower percentage of one-person households.
- The percentage of ‘other’ households in Oulton is lower than both the LPA and national averages. Other households may be described as non-traditional households such as sharers.

128. 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. 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. The proportion of households with non-dependent children in similar to Waveney as a whole and slightly lower than the England average.

**Table 5-2: Household composition (by household), Oulton, 2011**

Household type		Oulton	Waveney	England
<b>One person household</b>	<b>Total</b>	<b>27.2%</b>	<b>30.9%</b>	<b>30.2%</b>
	Aged 65 and over	15.8%	16.3%	12.4%
	Other	11.5%	14.6%	17.9%
<b>One family only</b>	<b>Total</b>	<b>69.0%</b>	<b>64.3%</b>	<b>61.8%</b>
	All aged 65 and over	10.5%	12.6%	8.1%
	With no children	20.9%	19.4%	17.6%
	With dependent children	29.0%	23.5%	26.5%
	All children Non-Dependent	8.6%	8.9%	9.6%
<b>Other household types</b>	<b>Total</b>	<b>3.8%</b>	<b>4.7%</b>	<b>8.0%</b>

Source: ONS 2011, AECOM Calculations

129. 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 as follows:

- The percentage of one-person households increased by 37.2% over the time period. Within this category, the percentage of households aged 65 and over increased by 25.4%, again consistent with the ageing of the population.
- The percentage of single-family households with dependent children increased by 26.2% over the time period, while the percentage of households with non-dependent children increased by 32.7%. Both increases are higher

than seen in either wider geography. This suggests that Oulton is a popular place for families with children.

- The number of families without children increased by 19.3% between 2001-2011. The number of households in this category increased from 296 in 2001 to 353 in 2011. While there were increases in both the LPA and England, the overall change in Oulton was much higher.
- 'Other' household types increased by 12.3%. While this increase is higher than the LPA figure, it is relatively lower than the national average.
- There was substantial growth (32.7%) of households with non-dependent children. This growth was significantly higher than both Waveney and England as a whole and may suggest that some younger people are struggling to afford to form independent households.

**Table 5-3: Rates of change in household composition, Oulton, 2001-2011**

Household type		Oulton	Waveney	England
<b>One person household</b>	<b>Total</b>	<b>37.2%</b>	<b>8.8%</b>	<b>8.4%</b>
	Aged 65 and over	25.4%	-3.3%	-7.3%
	Other	57.7%	26.5%	22.7%
<b>One family only</b>	<b>Total</b>	<b>21.9%</b>	<b>3.1%</b>	<b>5.4%</b>
	All aged 65 and over	9.3%	-0.5%	-2.0%
	With no children	19.3%	9.2%	7.1%
	With dependent children	26.2%	-1.9%	5.0%
	All children non-dependent	32.7%	10.5%	10.6%
<b>Other household types</b>	<b>Total</b>	<b>12.3%</b>	<b>8.5%</b>	<b>28.9%</b>

Source: ONS 2001-2011, AECOM Calculations

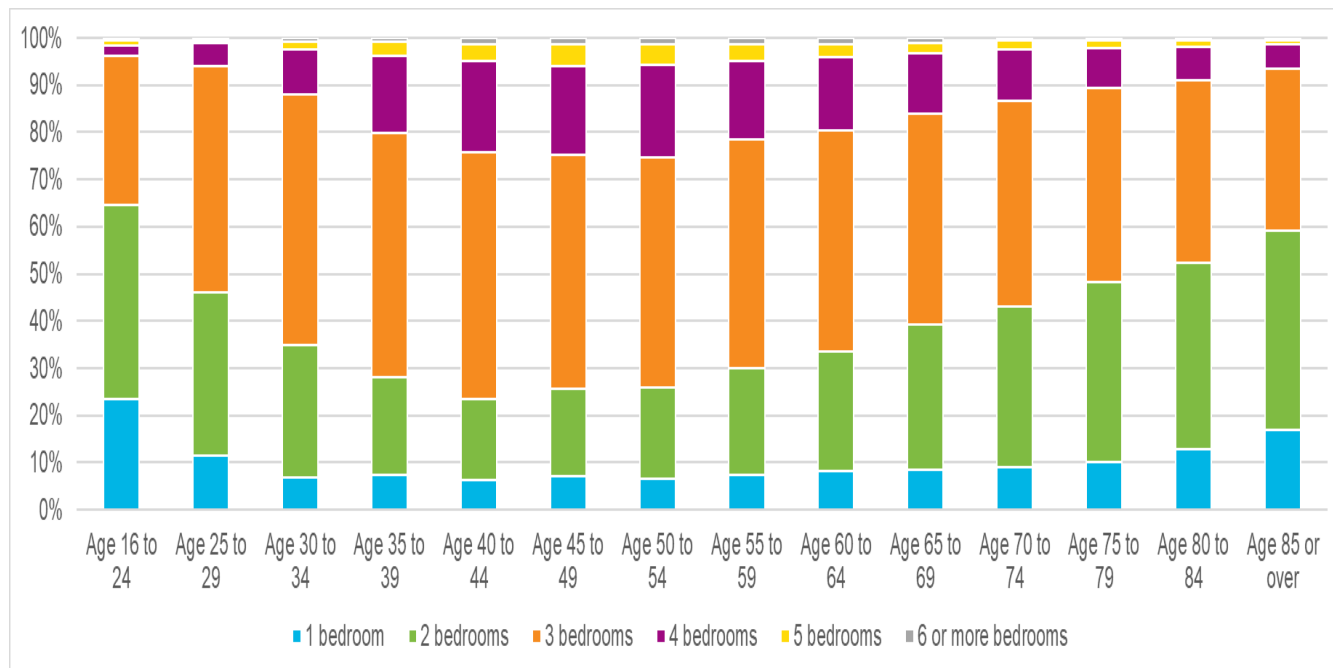
## 5.4 Dwelling mix determined by life-stage modelling

130. 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.
131. 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.
132. 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, LA-level data needs to be used as the closest proxy.
133. Figure 5-2 below sets out the relationship in the 2011 Census at LA 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 two-bedroom homes are the most common amongst those aged 16-25, 80-84 as well as those aged 85 and over. Three-bedroom homes are the common amongst all other age groups. There is some preference for four-bedroom homes amongst all age groups, but most amongst those between the ages of 40-59. The preference for one-bedroom homes remains at a relatively low level for almost all life stages. Finally, five-bedroom homes appear to be one of the least common types of homes, and relatively high numbers appear amongst those aged between 35-69. Homes with six or more bedrooms remain at a low level for almost all life stages.
134. Here it is important to note that evidence in Oulton Parish Council Evidence Base<sup>26</sup> states that roughly a quarter of homes in Oulton are single occupancy and around two thirds of these homes are occupied by older people. On

<sup>26</sup> See Oulton Evidence Base (2020), shared by group.

comparing this to the housing profile, it is likely that a high number of older people are presently living alone in medium to large sized homes. This is a key factor to bear in mind when determining the size mix.

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



Source: ONS 2011, AECOM Calculations

135. 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 Local Authority 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. The data is presented in Table 5-9 below.

**Table 5-4: Projected distribution of households by age of HRP, Waveney**

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	1,420	5,011	16,919	9,418	18,115
2018	1,330	5,047	16,260	9,201	20,701
2036	1,270	5,287	16,032	9,824	27,333
2043	1,247	5,381	15,944	10,066	29,912

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

136. It is then necessary to extrapolate from this Local Authority-level data an estimate of the corresponding change in the age structure of the population in Oulton. To do so, the percentage increase expected for each group across Waveney, derived from the data presented above was mapped to the population of Oulton. The results of this calculation are detailed in Table 5-5 below:

**Table 5-5: Projected distribution of households by age of HRP, Oulton**

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	31	171	636	307	547
2018	29	172	611	300	625
2036	28	180	603	320	825

Source: AECOM Calculations

137. Finally, having established the likelihood shown by households at different life-stages towards dwellings of different sizes in Figure 5-2, and the approximate number of households in Waveney and Oulton falling into each of these stages by the end of the Plan period, 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 5.11 below).
138. 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 5-11: Likely dwelling size distribution in Oulton 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
Pop	28	180	603	320	825	-
1 bedroom	6	16	41	25	91	179
2 bedrooms	11	56	113	77	300	558
3 bedrooms	9	91	305	152	339	896
4 bedrooms	1	13	113	51	76	254
5+ bedrooms	0	3	31	15	19	68

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

139. 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 5-11.11 above modelling the change in the age structure of the population in Oulton.
140. Table 5-62 below indicates that, by 2036 the size distribution of dwellings should be as follows: there future mix is similar to the current size distribution, with a greater percentage of two-bedroom homes and a smaller percentage of three- and four-bedroom homes.

**Table 5-62: 2011 housing sizes compared to likely distribution at end of Plan period, Oulton**

Number of bedrooms	2011		2036	
1 bedroom	156	9.9%	179	9.2%
2 bedrooms	352	22.3%	558	28.5%
3 bedrooms	779	49.4%	896	45.8%
4 bedrooms	252	16.0%	254	13.0%
5 or more bedrooms	36	2.3%	68	3.5%
Total households	1,576	100.0%	1,956	100.0%

Source: Census 2011, AECOM Calculations

141. Table 5-73 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 5-73: Future potential misalignments of supply and demand for housing, Oulton**

Number of bedrooms	2011	2036	Change to housing mix	Indicative split	Indicative split
1 bedroom	156	179	23	23	6.1%
2 bedrooms	352	558	206	206	54.1%
3 bedrooms	779	896	117	117	30.7%
4 bedrooms	252	254	2	2	0.6%
5 or more bedrooms	36	68	32	32	8.5%

Source: AECOM Calculations

142. The result of this life-stage modelling exercise is to suggest that, in terms of demographic change, new development might involve the following share of dwelling sizes: 6.1% as 1 bedroom, 54.1% as two bedrooms, 30.7% as three bedrooms, 0.6% as four bedrooms and 8.5% as 5 or more bedrooms. Broadly, this suggests an emphasis on mid-sized two- and three-bedroom dwellings with smaller proportions of the smallest (1 bedroom) and largest (4 bedroom plus) properties. This reflects the ageing population and growth in smaller households, some of whom will choose to occupy smaller properties.
143. Note 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.

## 5.5 Conclusions- Type and Size

144. 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.
145. In terms of dwelling type, the 2011 Census shows that there were 1,692 households in Oulton living in 848 detached houses, 452 semi-detached, 356 terraced houses, and 98 flats. Compared to Waveney, Oulton differs from its wider geography in its high percentage of detached homes, and a relatively lower percentage of terraced homes and flats.
146. In terms of dwelling size, the housing stock in Oulton is characterised by a large share of five- and six-room homes, which comprise roughly 52% of the neighbourhood plan areas housing stock. Oulton's 2011 size profile is similar to that of Waveney, as both areas had a high share of five-six-bedroom homes, and a relatively small share of both small and large homes.
147. In terms of demographics, AECOM's analysis of 2011 Census data found that to Waveney and England, Oulton had a higher percentage share of people in younger age groups, especially between 0-15 years. Furthermore, we found that a large percentage share of the population growth between 2001-2011 was in the older age categories. In 2011, the population of older age groups (45 and over) experienced a total increase of 45%. This increase may indicate a need to plan for some smaller housing, as some households in the older age bands might want to downsize.
148. In 2011, the largest percentage of households in Oulton were households with dependent children (29%), suggesting that the neighbourhood area is a popular location for families and there was substantial growth in this group between 2001-2011.
149. Between 2001-2011, our analysis found that the percentage of one-person households increased by 37.2%, with more significant growth amongst younger single households. There was also substantial growth (albeit from a small base) in households with non-dependent children. This may suggest that some younger people are struggling to form independent households.
150. The results of a life stage modelling exercise suggest that, in terms of demographic change, new development in Oulton might involve prioritising mid sized 2-3 bedroom dwellings. However, the group and LPA will need to consider a range of factors in planning for the appropriate mix of dwellings on new development sites.

## 6. Conclusions

### 6.1 Overview

151. Table 6-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

**Table 6-1: Summary of study findings specific to Oulton with a potential impact on Neighbourhood Plan housing policies**

Issue	Source(s) (see Chapter 3)	Summary of evidence and data assessed	Conclusions and recommendations
Quantity of affordable housing to plan for	Chapter 4	<p>If Oulton was to meet its share of East Suffolk's need for social/affordable rented housing this would imply 180 homes over the plan period.</p> <p>AECOM's estimate of the potential demand for affordable home ownership options suggest there may be a need for these homes in Oulton to address the aspirations of households who can rent but can't buy. AECOM's estimate identified the potential demand for 131 homes over the plan period.</p>	<p>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 LPA. However, if the community wishes to boost the supply of affordable housing, 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.</p>

Issue	Source(s) (see Chapter 3)	Summary of evidence and data assessed	Conclusions and recommendations
Housing tenure and affordability	Chapter 4	<p>Households require incomes of between £46,286-£57,214 to be able to afford to buy a home for sale at market prices. Given the average household income is £36,600, there is an affordability gap of nearly £10,000. In such cases, however, discounted market sales and shared ownership (25% share) tenures could provide affordable home ownership options to those households that can rent but not buy.</p> <p>Entry-level market rents are affordable to those on average incomes which suggests that Rent-to-Buy might offer a route to home ownership for households who struggle to save for a deposit.</p> <p>For low income households affordable rent and social rents become the only viable options and some will require subsidy through housing benefit to access these tenures.</p>	<p>Two indicative tenure mixes have been provided, which could serve as a guideline for the breakdown of Affordable Housing tenures in Oulton.</p> <p>Mix 1 (indicative mix based on local needs) proposes that 50% of affordable homes be provided as rented tenures, and the remaining 50% delivered as affordable routes to home ownership. This mix aligns with the Local Plan in prioritising the most acute needs as far as possible.</p> <p>Mix 2 (indicative mix with 25% First Homes requirement) proposes that 50% of affordable homes be provided as rented tenures, with the 25% as First Homes and the remainder as other forms of affordable home ownership. This aligns with the direction of proposed national policy, which includes a mandated minimum level of delivery of the Government's new First Homes affordable home ownership product.</p>

Issue	Source(s) (see Chapter 3)	Summary of evidence and data assessed	Conclusions and recommendations
Housing type and size	Chapter 5	<p>The housing stock in Oulton is characterised by a large share of five- and six-room homes, which comprise roughly 52% of the neighbourhood plan areas housing stock. These are typically 3 bedroom or mid-sized homes. Oulton's 2011 size profile is similar to that of Waveney, as both areas had a high share of five-six-room homes, and a relatively small share of both small and large homes.</p> <p>In 2011, Oulton had a higher percentage share of people in younger age groups, especially between 0-15 years. Furthermore, we found that a large percentage share of the population growth between 2001-2011 was in the older age categories. In 2011, the population of older age groups (45 and over) experienced a total increase of 45%. This increase may indicate a need to plan for some smaller homes, as some households in the older age bands might want to downsize.</p>	<p>The results of a life stage modelling exercise suggest that, in terms of demographic change, new development in Oulton might involve the prioritisation of mid sized dwellings of 2 and 3 bedrooms.</p> <p>AECOM's modelling provides an indication of what might be required to meet demographic changes.</p> <p>However, the group and LPA will need to take account of wider considerations eg the existing stock, nature of site and local strategies in planning for the dwelling mix on any new scheme.</p>

## 6.2 Recommendations for next steps

152. This Neighbourhood Plan housing needs assessment aims to provide Oulton 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 Waveney 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 Waveney – 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 Waveney, 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 Waveney and the neighbourhood plan areas within it.

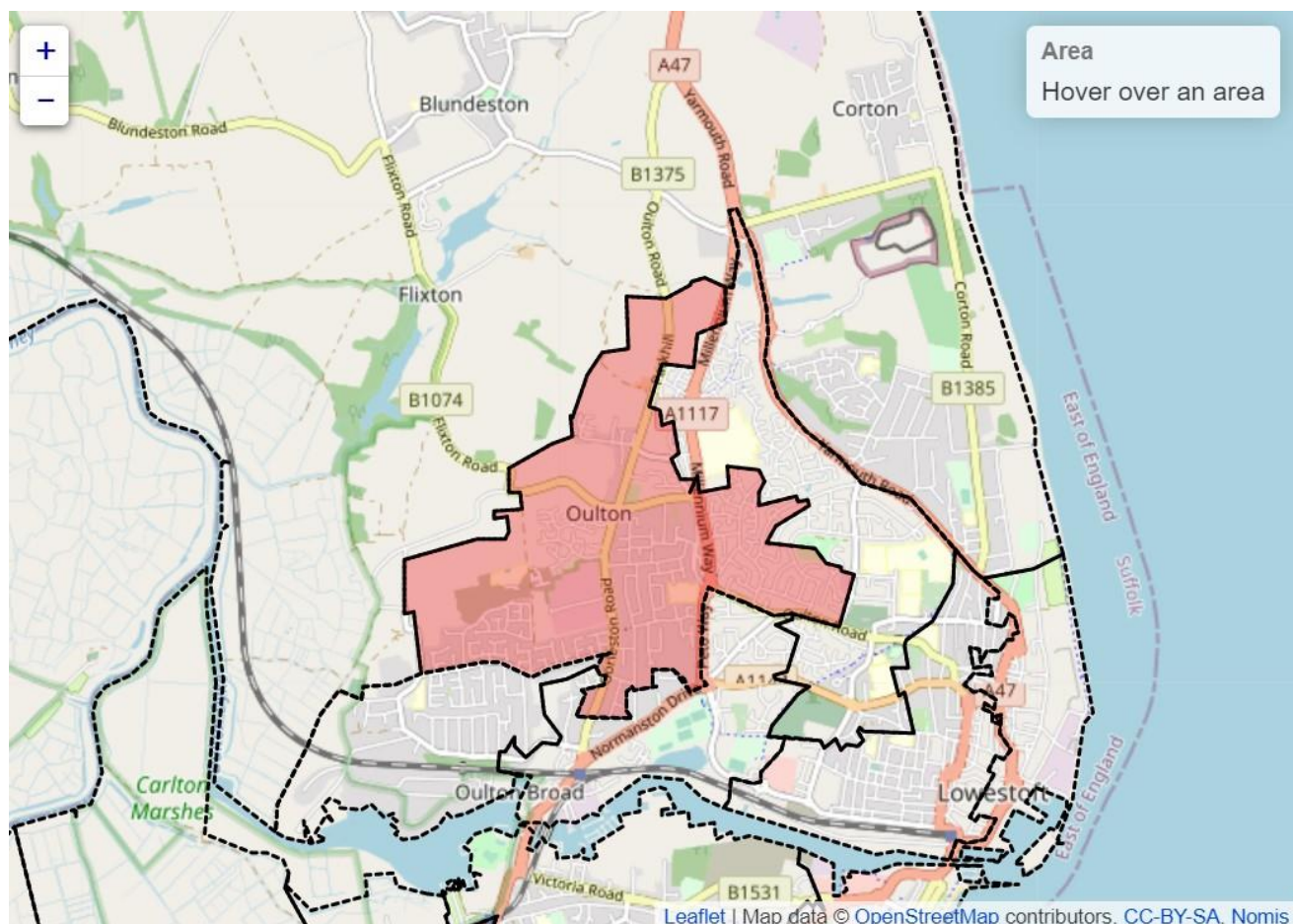
153. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.
154. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Waveney or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
155. 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

156. 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.
157. 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 Oulton, it is considered that MSOA E02006304 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 E02006304 appears below in Figure A-1.

**Figure A-1: MSOA E02006304 used as a best-fit geographical proxy for the Neighbourhood Plan area**



Source: ONS

### A.2 Market housing

158. 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.
159. 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.
160. 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.

161. 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

162. 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.

163. 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 Oulton. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.

164. 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>27</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 2019.

165. The calculation is therefore:

- Value of an 'entry level dwelling' = £180,000
- Purchase deposit = £18,000 @10% of value;
- Value of dwelling for mortgage purposes = £162,000
- Loan to income ratio = value of dwelling for mortgage purposes divided by 3.5;
- **Purchase threshold = £46,286**

### ii) Private Rented Sector (PRS)

166. 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 30% of gross household income.

167. 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>28</sup> such a home would require three habitable rooms (a flat or house with two bedrooms).

168. The property website [Home.co.uk](https://www.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 NR32 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.

169. According to [home.co.uk](https://www.home.co.uk), there are 18 two-bed properties currently listed for rent across NR32, with an average price of £620 per calendar month.

170. 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 = £620 x 12 = £7,440
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = £24,800
- **Income threshold (private rental sector) = £24,800**

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<sup>27</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>28</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)

171. The NPPF 2019 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

172. There are a range of tenures that constitute the definition of Affordable Housing within the 2019 NPPF: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership.

173. 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.

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

#### i) Social rent

175. 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.

176. 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 Oulton. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Waveney in the table below.

177. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This HNA uses two bedroom homes in the main report tables to illustrate affordability of this tenure. These homes are a good proxy for affordability in this tenure as they are typically the most numerous property size.

**Table A-2: Social rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£73.70	£86.60	£96.87	£105.24	£89.13
<b>Annual average</b>	<b>£3,832</b>	<b>£4,503</b>	<b>£5,037</b>	<b>£5,472</b>	<b>£4,635</b>
<b>Income needed</b>	<b>£15,330</b>	<b>£18,013</b>	<b>£20,149</b>	<b>£21,890</b>	<b>£18,539</b>

Source: Homes England, AECOM Calculations

#### ii) Affordable rent

178. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000). 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. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.

179. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Waveney (above). Again it is assumed that no more than 30% of income should be spent on rent.

**Table A-3: Affordable rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£81.74	£98.88	£109.63	£115.89	£95.85
<b>Annual average</b>	<b>£4,250</b>	<b>£5,142</b>	<b>£5,701</b>	<b>£6,026</b>	<b>£4,984</b>
<b>Income needed</b>	<b>£17,002</b>	<b>£20,567</b>	<b>£22,803</b>	<b>£24,105</b>	<b>£19,937</b>

Source: Homes England, AECOM Calculations

### iii) Intermediate tenures

180. 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 Homes

181. In paragraph 64 of the NPPF 2019, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership”. The most recent proposals for ‘Changes to the current planning system’ suggest that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% requirement referenced above may be replaced by the First Homes requirement.

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

183. Applying a discount of 30% - as in the Government’s proposed First Homes product – provides an approximate selling price of £155,750 (30% discount on median average prices of £180,000). Allowing for a 10% deposit further reduces the value of the property to £140,175. The income threshold at a loan to income ratio of 3.5 is £40,050.

184. In practice, developers are likely to price these homes in relation to new build prices, particularly in locations where discounting in relation to entry level prices may not make these homes viable to develop in relation to build costs. When new build prices are discounted by 30% they may not offer any discount on entry level prices.

185. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 20%, 40% and 50% discounted home. This would require an income threshold of £45,771, £34,329 and £28,607 respectively.

#### Shared ownership

186. 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.

187. 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.

188. To determine the affordability of shared ownership, calculations are based on the median house price of £180,000<sup>29</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 30% of the income on rent (as for the income threshold for the private rental sector).

189. A 25% equity share of £222,500 is £55,625, from which a 10% deposit of £5,563 is deducted. The mortgage value of £50,063 (£55,625 - £5,563) is then divided by 3.5. To secure a mortgage of £50,063, an annual income of £14,304 (£50,063/3.5) is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £166,875. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £4,172 and requires an income of £13,906 (multiplied by 3.33 so that no more than 30% of income is spent on rent). Therefore, an income of around **£28,210** (£14,304+ £13,906) is required to afford a 25% shared equity purchase of an entry-level home. The same calculations were undertaken for equity shares of 50% and 75%, producing income thresholds of £37,878 and £47,546 respectively.

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<sup>29</sup> It is important to note that current shared ownership models are only available for new build homes, which are assumed to cost more than this average taken from all 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 = £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>30</sup>.

### Age-Restricted General Market Housing

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

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<sup>30</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

## **Annual Monitoring Report**

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

## **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, overcrowding, concealment or affordability, but who are yet to be offered a home suited to their needs.

## **Bedroom Standard<sup>31</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>32</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>33</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**

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

<sup>31</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

<sup>32</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>33</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)

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.

### **First Homes**

The Government is consulting on the introduction of First Homes as a new form of discounted market homes which will provide a discount of at least 30% on the price of new homes. The intention is that these homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments are likely to be required to provide 25% of Affordable Housing as First Homes.

### **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>34</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

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<sup>34</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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.

### **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>35</sup>**

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bedroomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

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

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

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

A Strategic Housing Market Assessment (SHMA) is a document prepared by one or more local planning authorities to assess their housing needs under the 2012 version of the NPPF, usually across administrative boundaries to encompass the whole

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<sup>35</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

housing market area. The NPPF makes clear that SHMAs should identify the scale and mix of housing and the range of tenures the local population is likely to need over the Plan period. Sometimes SHMAs are combined with Economic Development Needs Assessments to create documents known as HEDNAs (Housing and Economic Development Needs Assessments).

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

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

### **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>36</sup>

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<sup>36</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

