

FINAL VERSION

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Little Waldingfield Parish Housing Needs Assessment (HNA)

March 2019

Quality information

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List of acronyms used in the text:

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

2. Executive Summary

Introduction

1. This report provides Little Waldingfield Parish Council (LWPC) with information regarding the mix of housing they should plan for in the future. This information can be used to inform debate, and can bolster local understanding of the appropriate course of action to be taken as well as provide justification for site allocations and site mix policies. This report was produced using reputable sources with the most recent data available and accepted ways of analysing such data.
2. The report examines:
 - What quantity of new housing in the NA is appropriate over the Plan period;
 - What mix of types and sizes of dwellings should be provided;
 - How much Affordable Housing is needed, and what tenures are within reach of those on average incomes; and
 - The approach taken here recognises that the Neighbourhood Plans will need to meet the statutory 'basic conditions', the fulfilment of which is tested through an independent examination. One of these, Basic Condition E, requires the Neighbourhood Plan to be in 'general conformity with the strategic policies' of the Local Plan.
3. The Government's Planning Practice Guidance indicates that the level of housing development is likely to count as a strategic policy.¹ As such, this formal Housing Need Assessment (HNA) investigates specific local needs that are relevant to the neighbourhood whilst supporting the strategic development needs set out in the current Local Plan. This means a Neighbourhood Plan can propose more housing where there is demonstrable need, but not less than the Local Plan.
4. In terms of the types and sizes of housing needed, this is determined by individual preferences in addition to need and therefore there is generally more flexibility on what Neighbourhood Plan can cover. In order to understand this topic in Little Waldingfield, we have gathered a wide range of local evidence and distilled this into recommendations designed to support the development of appropriate housing policies.
5. The information is produced using reputable sources of the most recent data available and tested ways of analysing such data.
6. At a neighbourhood planning level, one important consideration is acknowledging the role the NA plays in the wider area, reflecting the fact that a single town, village, or neighbourhood almost never constitutes a housing market area on its own and must therefore be assessed in its wider context. Moreover, when there is a lack of data available at a local level, it is important to determine how applicable data at a wider level is to the NA.
7. Our brief was to advise on data at this more local level to help LWPC understand the tenure, type, and size of housing needed to inform Neighbourhood Plan policies including allocations. The analysis also responds to important background information given to the researchers by the LWPC which resulted in a number of agreed research questions:

RQ1: What quantity of housing in the Neighbourhood Area (NA) is appropriate over the Plan period?

RQ2: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate?

RQ3: What evidence is there to support a Local Connection Test policy and what tenures of home are most appropriate to support this?

Headlines

8. The appropriate quantity of new housing to be delivered in the NA, also called Housing Requirement Figure (HRF), is dependent on the policy chosen in the Babergh & Mid Suffolk Joint Local Plan. The different possible HRFs are displayed below and range from 7 - 22 dwellings over the proposed Neighbourhood Plan period (2018 – 2036).

Option description	Little Waldingfield Final Housing Need Figures
Option BHD1 – County Town	7

¹ PPG Paragraph: 006 Reference ID: 2a-006-20140306

focused growth.	
Option BHD2 – Market Town/rural area balance.	22
Option BHD3 – Transport Corridor focused	15
Option BHD4 – New Settlement focused	7

9. For households on lower incomes, housing options in Little Waldingfield are very limited. Owner occupied homes remain dominant in the NA, yet these are unaffordable to those even on the average the household income in the NA. Meanwhile, market rent homes and shared ownership homes may be more affordable, but there is a shortage of supply of these housing tenures. We therefore recommend LWPC explore the use of Build to Rent in a bid to increase the rental sector in the NA.
10. Moreover, there is a clear need for Affordable Housing in the NA. Entry Level market sale homes, shared ownership homes (75%) and starter homes all remain unaffordable for those on the average household income in the NA. Drawing on the data gathered in this HNA, it is apparent that those who earn below the total average income may only be able to purchase affordable homes for rent (market rent – entry level, affordable rent and social rent homes), or shared ownership homes (below 50%). It is evident that Local connection test policies are necessary, but it is necessary to conduct further research at a local level to justify this.
11. Given the limited number of smaller dwellings (1-3 habitable rooms) in the NA, demographic trends point to **an under-supply of smaller dwellings**.
12. The projected population increases and demographic forecasts justify building more homes of all types and sizes, particularly **smaller family housing and housing for the elderly**.

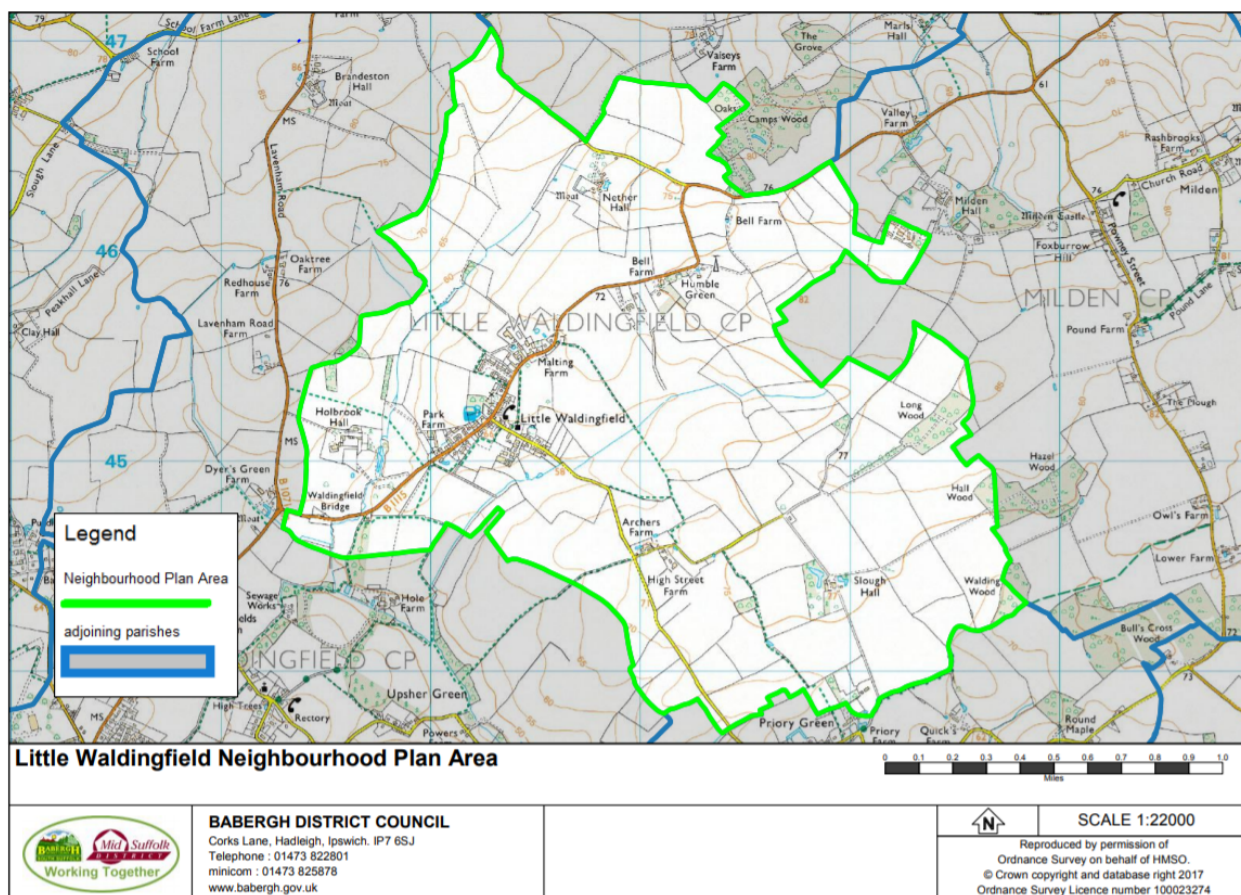
Recommendations for next steps

13. This Neighbourhood Plan housing needs advice has aimed to provide LWPC with evidence on housing trends from a range of sources. We recommend that the parish should, as a next step, discuss the contents and conclusions with Babergh & Mid Suffolk District Councils (BMSDC) with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the NP area, bearing the following in mind:
 - it has regard to the neighbourhood planning basic conditions that will be tested at examination;
 - the views of BMSDC – in particular in relation to the housing need figure that should be adopted and the evidence required to support a local connection test policy;
 - the views of local residents;
 - the views of other relevant local stakeholders, including housing developers; and
 - the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any work carried out by the Babergh District Council to understand the capacity of the NA to absorb housing, including but not limited to the SHLAA; and
 - the findings and recommendations of this study.
14. The Government's on-going changes to the planning system will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
15. This HNA has been provided in good faith by AECOM on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).
16. Bearing this in mind, we recommend that the steering committee should monitor carefully strategies and documents with an impact on housing policy produced by the Babergh District Council or any other relevant body and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
17. At the same time, monitoring on-going demographic or other trends over the period in which the Neighbourhood Plan is being developed may trigger a review of the policy position adopted in the draft NDP in light of changes in key indicators.

3. Context

3.1 Local context

18. Little Waldingfield is a small village in the Babergh District of Suffolk, lying approximately five miles from the market town of Sudbury. The village sits at the junction of Church Road and The Street, between two tributaries of the River Box.
19. With a population of 366 in 2011, the civil parish of Little Waldingfield is two miles from its sister village, Great Waldingfield.



Source: Babergh District Council

3.2 Planning policy context

20. In line with the Basic Conditions² of Neighbourhood Planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies. Consequently, there is a need for the relevant elements of the Local Plan to be reviewed as part of this Housing Needs Assessment (HNA).
21. The current Development Plan is the Babergh Core Strategy, adopted in 2014. We have reviewed this below as it is still the most relevant planning policy document in Babergh.
22. However, Babergh District Council (BMSDC) is currently in the process of producing a Joint Local Plan (JLP) with Mid Suffolk District Council. A Consultation Document was published in August 2017 in accordance with Regulation 18 of the Town and Country Planning Regulations (2012) following which the 'Regulation 18' consultation closed in November 2017.
23. The emerging Joint Local Plan (JLP) is due for adoption in 2019/2020 and proposed to run up to 2036³. The document currently available is The Babergh and Mid Suffolk Joint Local Plan – consultation document; all policies and

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

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

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

proposals are in draft form and should not be regarded as final. Nevertheless, for the purpose of this exercise, it is appropriate for a review of both the current local plan and the proposed policies in the emerging JLP document to be conducted.

- 24. This is because PPG makes clear that *“Although a draft neighbourhood plan or Order is not tested against the policies in an emerging Local Plan the reasoning and evidence informing the Local Plan process is likely to be relevant to the consideration of the basic conditions against which a neighbourhood plan is tested. For example, up-to-date housing needs evidence is relevant to the question of whether a housing supply policy in a neighbourhood plan or Order contributes to the achievement of sustainable development”*⁴.

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

- 26. **Policy CS2: Settlement Pattern Policy**, which classifies Little Waldingfield as a Hinterland Village which will accommodate some development to help meet local needs, with a total of 5,975 dwellings to be provided in the District between 2011 and 2031, with 1,050 of these in the Core & Hinterland Villages.
- 27. **Policy CS19: Affordable Homes**, which sets out a requirement to provide 35% Affordable Housing, and specific targets may be set for Core/Hinterland Villages, which according to paragraph 2.8.5.2 of the plan could mean “greater flexibility in the provision of affordable housing”. Similarly, **Policy CS20 Rural Exception Sites** allows for, and sets guidance for such sites to come forward in Core and Hinterland Villages. The criteria put forward include where sites are adjacent to or well related to the settlement development boundary, and where these meet local needs but not exceed them and are appropriate in size and character.

Babergh & Mid Suffolk Joint Local Plan: Consultation Document August 2017

- 28. The JLP consultation document is formed of three key parts: strategic, delivery and places. The delivery section includes four priority areas for the plan which includes Housing, Economy, Environment and Healthy Communities & Infrastructure. Here we review the housing chapters and the relevant policies that are outlined.
- 29. **Option SET2 Key & Supporting Services** - The Joint Local plan (JLP) reviews the separate Babergh & Mid Suffolk Settlement Hierarchy Review 2017, which informs the JLP settlement hierarchy. In the JLP settlement hierarchy Little Waldingfield is classed as Hinterland Village.
- 30. **Option HR1: OAN (Level Housing Requirement)** – The Joint Local Plan uses the Objectively Assessed Need (OAN) figure between 2014 and 2036; this sets out how much housing is needed in each council area. This figure is derived from the SHMA and Babergh District requires at least 7,820 homes within this period, which equates to an OAN of 355 homes per annum. In addition to the OAN, the Joint Local Plan has reviewed the overall requirement for each District. The housing requirement for Babergh is being kept at the same level as the OAN suggestion, as the council believes this is a sufficient amount to achieve its wider objectives of its Local Plan, such as Affordable Housing and economic growth.
- 31. ***It is important to note that the JLP is currently in draft form and Babergh District Council proposes to alter the JLP Plan period to be from April 2018 till April 2036. Following the advice and guidance from Babergh District Council, all research will be based on this Plan period. Moreover, this change has been agreed by the Steering Committee but is subject to formal confirmation by the LWPC.***
- 32. **Spatial Distribution:** Within the JLP document, the Council is consulting on four different options to take in relation to spatial distribution. These are described in Table 3-1 below.

Table 3-1: Spatial Distributions Options

Option description	Percentage of district growth for all Hinterland Villages
<p>Option BHD1 – County Town focused growth. This will see most development occur in the Ipswich fringe area and larger towns and provide opportunities for these areas to regenerate, whilst other areas will benefit from these improved centres.</p>	<p>5%</p>
<p>Option BHD2 – Market Town/rural area balance. A mix of urban and rural development is seen as most sustainable, and has been historically been the growth pattern in the district.</p>	<p>15%</p>

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

Option BHD3 – Transport Corridor focused – Sustainable development should be achieved by exploiting existing transport connections that enable access to facilities and services across the district and beyond.	10%
Option BHD4 – New Settlement focused – Rather than to expand existing settlements, this option would be to create new, stand-alone settlements.	5%

Source: Babergh & Mid Suffolk Joint Local Plan: Consultation Draft – August 2017, p.29-32

4. Approach

4.1 Research Questions

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

Quantity

34. The emerging Babergh and Mid-Suffolk Local Plan currently classifies Little Waldingfield as a Hinterland Village, which together with a range of other settlements, should accommodate between 5-15% of the District's growth up to 2036. As a result of representations from the LWPC the Village may, however, be re-classed as a Hamlet. It is likely that a minimum of 5% of the District's growth will be expected from villages such as Little Waldingfield. This assessment will cover both scenarios, namely, where the Village is classified as a Hinterland Village and also the position if it is classified as a Hamlet.
35. Given the lack of clarity, the purpose of this HNA is to quantify the need for new housing in Little Waldingfield taking an 'unconstrained' approach, and taking into consideration relevant Local Plan policies. The following research question is therefore to be addressed:

RQ1: What quantity of housing in the Neighbourhood Area (NA) is appropriate over the Plan period?

Type and size

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

RQ2: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate?

Tenure

37. Consideration is being given to prioritising housing for local people, potentially along with affordable tenures. The HNA should therefore gather evidence to support these potential policy objectives. As such, the following research question(s) is to be addressed:

RQ3: What evidence is there to support a Local Connection Test policy and what tenures of home are most appropriate to support this?

4.2 Relevant Data

38. The PPG states that those bringing forward Neighbourhood Plans can refer to existing needs assessments prepared by the local planning authority as a starting point. As Little Waldingfield is located within Ipswich Housing Market Area (comprising the Local Authority areas of Ipswich, Babergh, Mid Suffolk & Suffolk Coastal), we approached BMSDC to understand the evidence base they have assembled to support the housing policies that appear in their Local Plan.
39. They advised their evidence base constitutes the Strategic Housing Market Assessment Parts 1 (May 2017) and 2 (September 2017) commissioned from Peter Brett Associates. Hence forward, we refer to these as SHMA1 and SHMA2 respectively or collectively, the 'SHMA'.
40. These documents address the relevant housing market area and inform emerging housing policies at a local authority level, including Affordable Housing policy. The SHMA studies draw upon a range of data including population and

demographic projections, housing market transactions and employment scenarios to derive the objectively-assessed housing need for the district. As such, it contains a number of points of relevance in understanding housing need within the NA.

41. In addition, this provides a strong starting point for policy development that aims to build on and add local specificity to those of the Local Planning Authority (LPA) by enabling a comparison to be made with parish-level data (gathered as part of the preparation of this study), given that such an exercise reveals contrasts as well as similarities.

4.2.1 Other relevant data (from LPA)

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

5. RQ 1 Quantity

RQ1: What quantity of Housing in the Plan Area is appropriate over the Plan period?

43. We have estimated the number of new dwellings that should be sought in the NA over the Plan period (the Housing Requirement Figure or HRF) using a five-step approach in accordance with the latest National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG).
44. According to the NPPF, the HRF for a designated neighbourhood area “should take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the planning authority.”⁵

Step 1: “the population of the neighbourhood area”

The HRF for the NA uses as a starting point the housing target for the Local Planning Authority (LPA) in which it sits. In order to determine their housing target, the NPPF requires LPAs to use of the Standard Method⁶. The baseline of the HRF for Little Waldingfield is the population of the NA expressed as a proportional share of the LPA’s Standard Method-derived housing target.

The current guidance from MHCLG is that the 2014-based Household Projections should be used as the demographic dataset for calculating housing targets based on the Standard Method⁷. These are provided in the housing need consultation data table published by MHCLG in September 2017; this presents an Objectively Assessed Need for housing for each Local Authority based in England⁸.

Step 2: “most recently available planning strategy”

The next step in the process is the requirement that the HRF for neighbourhood plans should reflect “the overall strategy for the pattern and scale of development and any relevant allocations”⁹ and “the most recently available planning strategy of the local planning authority.”¹⁰ This is achieved through a review of relevant policies, such as settlement hierarchy and site allocations, set out in the Local Plan.

Step 3: Dwelling completions

Next, any dwellings that have already been completed over the Plan period should be deducted before arriving at a final HRF. Provided the data needed is available to us, we will also deduct a windfall allowance¹¹ given that dwellings that come forward in this way constitute a valid route to housing delivery, and may be taken into account in the way the NA proposes to fulfil its housing target so long as there has been a consistent record of such delivery in recent years.¹²

Step 4: “latest evidence of local housing need”

Finally, we explore the “latest evidence of local housing need” through a number of indicators. Following any adjustment justified by this analysis, we produce the final HRF (section 5.7).

Step 5: the Local Authority

The NPPF makes it clear that the Local Authority is under a duty to provide housing numbers to designated neighbourhood planning areas within their district¹³. To this extent, AECOM is performing a similar role to that required of the Local Authority in providing a HRF to the NA. With this in mind, it is important the group share the HRF and underlying methodology with the LPA to seek confirmation it is aligned with their current planning strategy.

45. Using this methodology, the Housing requirement figure for the NA for the proposed Plan period (2018-2036) may be calculated as follows:

⁵ NPPF, paragraph 66, page 18

⁶ NPPF, paragraph 60, page 17

⁷ Technical consultation on updates to national planning policy and guidance, October 2018, page 10

⁸ <https://www.gov.uk/government/consultations/planning-for-the-right-homes-in-the-right-places-consultation-proposals> (last visited 17/12/18)

⁹ NPPF, paragraph 65, page 18

¹⁰ Ibid

¹¹ Windfall sites are sites which are not included as allocations as part of the housing land supply, but which subsequently become available for housing development. They are sites that were not formally included in the development plan. Whilst therefore, windfalls are not planned, they are an expected type of development and, as such, contribute towards housing provision.

¹² Planning Practice Guidance Paragraph: 097 Reference ID: 41-097-20180913 Revision date: 13 09 2018

¹³ Ibid

5.1 Step 1

46. Firstly, we take the population of the NA, and calculate the proportion of the total Local Authority population this represents. This percentage is used to arrive at the share of the Local Authority's target which should be apportioned to the NA.
47. In the case of Little Waldingfield, the District assessment of housing need based on the Standard Method is 439 dwellings per annum. At the time of the last Census, there were 366 people in Little Waldingfield or 0.42% of the 87,740 people in Babergh.
48. Applying this percentage to the local authority's indicative assessment of housing need, gives a HRF for the NA of 2 dwellings per annum, or 33 dwellings by the end of the Neighbourhood Plan period (2018- 2036).

5.2 Step 2

49. However, when considering the housing requirement figure for the NA, it is important to acknowledge the relevant policies in the most recently available development plan document. This will describe the overall strategy for the pattern and scale of development and any relevant allocations.
50. In the Babergh District, these documents are the Babergh & Mid Suffolk Joint Local Plan (JLP), which is currently being drafted but is due to be adopted in February 2020 (according to the latest Babergh & Mid Suffolk Joint Local Development Scheme – July 2018). The overall strategy for the pattern and scale of development is outlined in Policy Option SET2 Key & Supporting Services.
51. As aforementioned in the Policy review in paragraph 28, Little Waldingfield is designated as a Hinterland Village. The JLP proposes four different housing target policy options. For each policy option there is a different percentage of the total housing target that should be delivered within the Hinterland Villages. As the JLP is still in a draft stage, it is necessary to consider all these options in our calculations. We have therefore applied each policy option to the aforementioned indicative assessment of housing need figure for Babergh (439 dwellings per annum). The different policy option housing targets for the total Hinterland Village area are shown below in Table 5-1.

Table 5-1: Hinterland Village Total Housing requirement figure

Option description	Percentage of district growth for all Hinterland Villages	Total Housing Need Figure for Hinterland Villages
Option BHD1 – County Town focused growth. This will see most development occur in the Ipswich fringe area and larger towns and provide opportunities for these areas to regenerate, whilst other areas will benefit from these improved centres.	5%	395
Option BHD2 – Market Town/rural area balance. A mix of urban and rural development is seen as most sustainable, and has been historically been the growth pattern in the district.	15%	1185
Option BHD3 – Transport Corridor focused – Sustainable development should be achieved by exploiting existing transport connections that enable access to facilities and services across the district and beyond.	10%	790
Option BHD4 – New Settlement focused – Rather than to expand existing settlements, this option would be to create new, stand-alone settlements.	5%	395

Source: Babergh & Mid Suffolk Joint Local Plan (JLP), ONS 2011, AECOM Calculations

52. To calculate the fair share of this Hinterland Village area figure for the NA, we apply the percentage of dwellings in the NA against the total number of dwellings in all settlements that form the Hinterland Village area. In 2011, there were 165 dwellings in Little Waldingfield, or 1.76% of the total 9391 dwellings in the rural area, as illustrated in Table 5-2 below.

Table 5-2 Hinterland Village dwelling numbers

Hinterland Village Parishes	Dwellings	Percentage of the Hinterland Village Area
Layham	259	2.76%
Lawshall	396	4.22%
Kersey	177	1.88%
Hitcham	366	3.90%
Hintlesham	256	2.73%
Hartest	210	2.24%
Great Bricett	311	3.31%
East End (East Bergholt)	1182	12.59%
Copdock and Washbrook	465	4.95%
Chelsworth	102	1.09%
Burstall	90	0.96%
Bentley	350	3.73%
Belstead	94	1.00%
Assington	173	1.84%
Alpheton	104	1.11%
Aldham	75	0.80%
Acton	777	8.27%
Leavenheath	613	6.53%
Little Waldingfield	165	1.76%
Monks Eleigh	247	2.63%
Nedging-with-Naughton	180	1.92%
Newton	218	2.32%
Polstead	363	3.87%
Raydon	222	2.36%
Shotley	1029	10.96%
Stutton	407	4.33%
Tattlingstone	243	2.59%
Wenham Magna	81	0.86%
Whatfield	137	1.46%
Woolverstone	99	1.05%
Total	9391	

Source: ONS 2011, AECOM Calculations

53. To reach a final housing requirement figure which is consistent with the JLP, it is necessary to use the fair share calculation shown in Table 5-2 and apply it to the different policy options for Hinterland Villages. The JLP does not state a preference for which policy option will be chosen in the final JLP, and therefore all the different policy options and their relevant housing requirement figures are shown below in Table 5-3. Based on the different policy options the housing requirement figure for Little Waldingfield ranges from 7 – 21 dwellings over the Plan period.

Table 5-3: Little Waldingfield Housing requirement figures

Option description	Percentage of district growth for all	Little Waldingfield Housing Need
--------------------	---------------------------------------	----------------------------------

	Hinterland Villages	Figures
Option BHD1 – County Town focused growth. This will see most development occur in the Ipswich fringe area and larger towns and provide opportunities for these areas to regenerate, whilst other areas will benefit from these improved centres.	5%	7
Option BHD2 – Market Town/rural area balance. A mix of urban and rural development is seen as most sustainable, and has been historically been the growth pattern in the district.	15%	21
Option BHD3 – Transport Corridor focused – Sustainable development should be achieved by exploiting existing transport connections that enable access to facilities and services across the district and beyond.	10%	14
Option BHD4 – New Settlement focused – Rather than to expand existing settlements, this option would be to create new, stand-alone settlements.	5%	7

5.3 Step 3

54. Next it is important to take into consideration the dwellings that have been built over the Plan period. However, as the Plan period is proposed to start from 2018, there is subsequently no homes that have been built within this period.

5.4 Step 4

55. As we have seen, the NPPF recognises that the latest evidence of local housing need should be taken into consideration when arriving at a final HRF for designated areas. In order to identify the particular patterns of housing need and demand in the NA that are helpful in distinguishing it from those of the wider district, a number of indicators are employed.
- Employment and commuting;
 - Migration;
 - Housing Market (Prices);
 - Housing Market (Volume);
 - Overcrowding and concealment; and
 - Rate of Development.

5.5 Employment and Commuting

56. Local employment trends can greatly influence housing needs as employment opportunities can stimulate demand in the plan area. It is therefore important to establish the employment sphere of influence experienced by the residents of the NA.
57. Table 5-4 below shows that the economic profile of Little Waldingfield is fairly similar to that of Babergh. 69% are economically active in Little Waldingfield which is slightly lower than the 70.3% that are economically active in Babergh. There is however a significant amount of those who are self-employed in Little Waldingfield (19.2% against 12.7% for Babergh and 9.8% nationally). Both Little Waldingfield and Babergh have an economic profile that differs from the national average. In particular, Little Waldingfield has a higher percentage of retirees than the national

average (22.6% against 13.7%), a higher amount of those in full time employment (32.6% against 13.7%) whilst part time employment is less than half the national average (14.6% against 38.6%).

Table 5-4: Economic Activity in Little Waldingfield

Economic category		Little Waldingfield	Babergh	England
Economically active	Total	69.0%	70.3%	69.9%
	Employee: Full-time	32.6%	37.2%	13.7%
	Employee: Part-time	14.6%	15.2%	38.6%
	Self-employed	19.2%	12.7%	9.8%
	Unemployed	2.3%	3.0%	4.4%
	Full-time student	0.4%	2.3%	3.4%
Economically inactive	Total	31.0%	29.7%	30.1%
	Retired	22.6%	18.2%	13.7%
	Student	1.9%	3.4%	5.8%
	Looking after home or family	3.8%	4.2%	4.4%
	Long-term sick or disabled	2.7%	2.5%	4.1%
	Other	0.0%	1.4%	2.2%

Source: ONS 2011, AECOM Calculations

58. As shown in Table 5-5 below, the commuting distances of Little Waldingfield residents, is similar to that of the wider District. A significant proportion of Little Waldingfield and Babergh residents as a whole work within 10 km of their home (36.8% and 39.5% respectively). A further 29.3% work between 10km – 30km from home compared to the district and national averages of 26.7% and 21% respectively. There is also a significant 13.2% that work mainly at home, which is similar to the District proportion of 13.7%.

Table 5-5: Distance to work, 2011

Location of work	Little Waldingfield	Babergh	England
Less than 10km	36.8%	39.5%	52.3%
10km to less than 30km	29.3%	26.7%	21.0%
30km and over	13.2%	11.2%	8.0%
Work mainly at or from home	13.2%	13.7%	10.3%
Other	7.5%	8.9%	8.5%
Average distance travelled to work	21.3km	19.4km	14.9km

Source: ONS 2011, AECOM Calculations

59. As a significant proportion of Little Waldingfield residents commute a considerable distance to work, it is necessary to acknowledge any planned economic growth in employment hotspots in areas surrounding the NA. The Ipswich Economic Area Sector Needs Assessment¹⁴ reveals that economic growth and further housing is planned in the nearby towns of Hadleigh and Sudbury. Economic growth in these areas may generate further demand in Little Waldingfield as well as other nearby areas, and therefore it is important to reflect this in the housing requirement figure.

5.6 Migration

60. Table 5-6 below suggests that 94.8% of Little Waldingfield residents were born in the UK. Of the 5.2% residents born outside the UK, 3.6% have resided in the UK for at least 10 years. This suggests that international migration plays a limited role in influencing demand for housing in the area as the NA international migration rate is low compared to the English average and the majority of international migrants in Little Waldingfield have resided in the area for a significant period of time.

¹⁴ Ipswich Economic Area Sector Needs Assessment, September 2017.

Table 5-6: Country of birth and length of residence, Little Waldingfield 2011

Place of birth	Population breakdown		Little Waldingfield	Babergh	England
Born in the UK	Total		94.8%	95.0%	86.2%
Born outside the UK	Total		5.2%	5.0%	13.8%
	EU		1.6%	2.3%	3.7%
	Other		3.6%	2.7%	9.4%
	Length of residence	Less than 2 years	0.3%	0.4%	1.8%
		2-5 years	0.8%	0.6%	2.2%
		5-10 years	0.5%	0.8%	2.9%
		10 years or more	3.6%	3.2%	7.0%

Source: ONS 2011, AECOM Calculations

5.7 Housing Market (Prices)

61. The PPG advises that house prices should be used as an indication of the strength of demand for housing, and adequacy of supply to meet demand¹⁵. It makes clear that house prices can be used to provide a 'market-base' enabling: *"the identification of areas which have clearly different price levels compared to surrounding areas. The findings provide information about differences across the area in terms of the price people pay for similar housing, market 'hotspots', low demand areas and volatility."* This is then used as a signal to adjust demographically based housing projections in response to the actual housing market.
62. In Table 5-7 below we have analysed house prices achieved in 2017 in Little Waldingfield to gain an understanding of the latest prices for different property types and how they compare to the wider postcode area, Babergh and England. The mean price for dwellings in Little Waldingfield is £289,375, which is more affordable than the postcode and District averages (£294,660 and £309,604 respectively).
63. A closer analysis at the individual house types reveals that Little Waldingfield is more affordable than the wider postcode and District for Detached homes, but the reverse is true in regards to semi-detached homes. The lack of data for terraced homes and flats is due to low or no sales of these property types in 2017.

Table 5-7: Mean House Prices (2017)

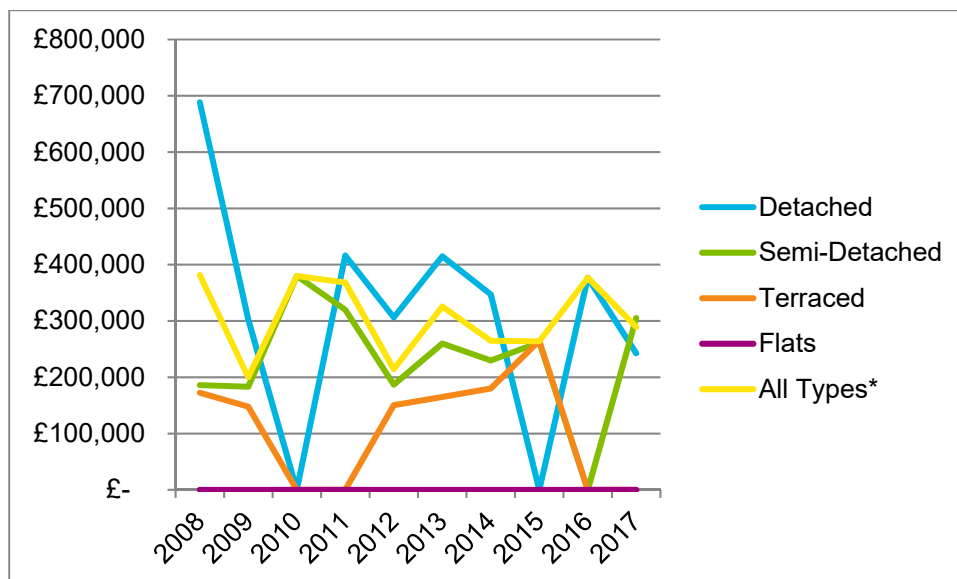
Mean	Detached	Semi-detached	Terraced	Flats and maisonettes	All
Little Waldingfield	£242,500	£305,000			£289,375
CO10	£391,366	£269,789	£229,928	£138,426	£294,660
Babergh	£407,094	£262,496	£226,490	£138,913	£309,604
England	£334,848	£207,998	£178,874	£201,364	£221,790

Source: Land Registry, UK House Price Index, AECOM Calculations

64. To assess evolution in the housing market in Little Waldingfield we have analysed data from the Land Registry. Data was downloaded for the NA, the wider postcode area and the District for the period of January 2008 to December 2017 and is presented in the figure below, divided by type of home and showing average price for each year.
65. It is evident in Figure 5-1 that despite the fluctuations in prices paid for homes between 2008 and 2017, overall the price paid for homes in the NA has decreased in this period from £381,532 in 2008 to £289,375. The price paid for detached homes has decreased by 64.8% since 2008 from £688,330 to £242,500. Meanwhile, semi-detached homes and terraced homes in this period has actually increased, with a 64% increase in prices paid for semi-detached homes. No flats were sold in this period in the NA and therefore no analysis or comparison of this property type is possible. It is important to note that whilst the overall price paid for homes has declined, the price paid for semi-detached homes, which make up the largest proportion of sales in the period, has increased, and therefore this may represent an increase in supply for this property type in particular.

¹⁵ PPG Paragraph: 010 Reference ID: 2a-010-20140306

Figure 5-1: Little Waldingfield Price Paid Data between January 2008 and December 2017



Source: Land Registry, AECOM Calculations

66. The evolution of mean house prices has changed significantly between 2008 and 2017 in both the NA and the wider District. As seen in Table 5-8, mean house prices in the NA were 41% higher than the wider District in 2008. Yet, a growth in the District house prices, and a significant drop in house prices in Little Waldingfield, has resulted in District house prices in 2017 being 7% higher than the NA. This is largely due to the significant drop in detached house prices in Little Waldingfield, which has seen the disparity between the NA and District for this property type change dramatically from 58% to -68%. This reflects the data shown in Figure 5-1, and a similar increase in semi-detached homes has resulted in a growth in disparity between the NA and District prices for this property type from -2% to 14%. Again it must be noted that whilst the data suggests that overall mean house prices has undertaken District levels and indeed reduced, this is due to the higher pricing of the detached housing which creates a slightly misleading result for the overall mean house price figures. Whilst the mean house price figures have reduced, attention must also be focused on semi-detached homes which make up a larger proportion of sales in the NA and as the prices of this property type have increased, it can be concluded that demand for this house type is also increasing.

Table 5-8: Evolution of mean house prices 2008-2017

	2008				2017			
	Little Waldingfield	Babergh	Difference	Percentage Diff	Little Waldingfield	Babergh	Difference	Percentage Diff
Detached	£688,330	£321,987	£366,343	53%	£242,500	£407,094	-£164,594	-68%
Semi-Detached	£186,000	£189,362	-£3,362	-2%	£305,000	£262,496	£42,504	14%
Terraced	£172,500	£157,333	£15,167	9%		£226,490		
Flats		£114,380				£138,913		
All Types	£381,532	£225,475	£156,057	41%	£289,375	£309,604	-£20,229	-7%

Source: Land Registry, AECOM Calculations

67. Prices rising faster than other areas are a better indicator of a supply problem. This is reinforced by the Planning Advisory Service’s (PAS) recent technical advice note on Objectively Assessed Needs and Housing Targets which advises at paragraph 5.38¹⁶ that, “Proportional price change is generally a better indicator than absolute price”. Based on that, Table 5-9 below uses Land Registry data to calculate the average price increase in Little Waldingfield between 2008 and 2017. This is benchmarked against the average price increase for the wider postcode area and for the LA.

68. Table 5-9 shows that price growth in the NA has been 61% less than that of the wider Babergh District, and 69% less than the post code area. This is largely due to the price drop of detached homes in the NA which has caused a -91%

¹⁶ <https://www.local.gov.uk/sites/default/files/documents/objectively-assessed-need-9fb.pdf>

difference between the NA and the District and a -99% difference between the NA and the District. Meanwhile, the price growth of semi-detached homes is 64% in the NA which has resulted in a 25% difference in growth between the NA and the District and a 18% difference in growth between the NA and the postcode area.

Table 5-9: Little Waldingfield, Babergh and CO10 price growth

	Little Waldingfield	Babergh	CO10	Difference Little Waldingfield - Babergh	Difference Little Waldingfield – CO10
Detached	-65%	26%	34%	-91%	-99%
Semi-Detached	64%	39%	46%	25%	18%
Terraced		44%	43%		
Flats		21%	16%		
All Types	-24%	37%	45%	-61%	-69%

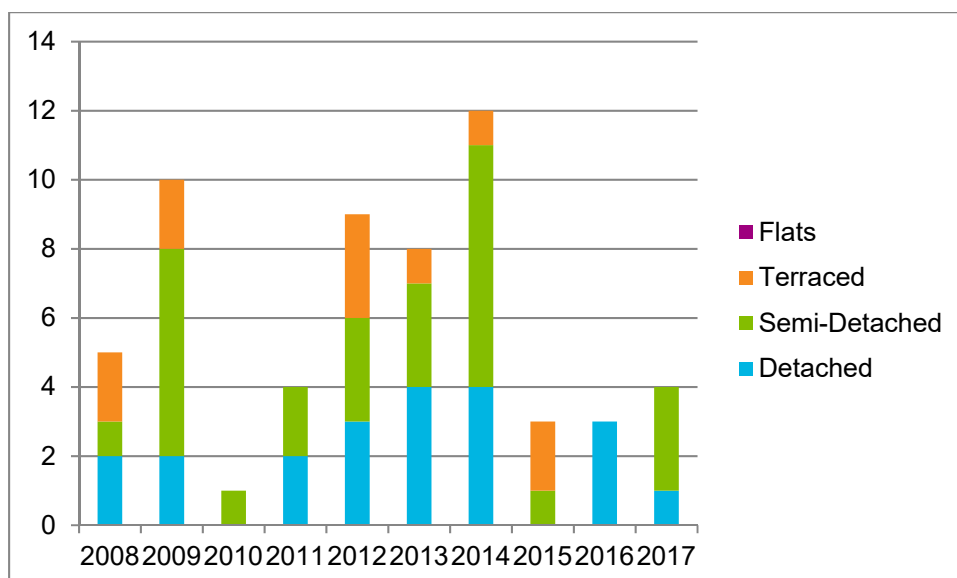
Source: Land Registry PPD, AECOM Calculations

- 69. Bringing the evidence together, it is clear that house prices in the NA has decreased significantly. However, the results are slightly misleading as they reflect the significant drop in detached homes prices which are were the most expensive property type. Meanwhile, the growth of semi- detached homes has increased dramatically by 64% and although these homes make up a large proportion of sales in the NA, the higher yet declining prices of detached homes overshadow the price growth of semi- detached homes. Therefore, it is evident that whist overall house prices has decreased, demand remains significantly strong for semi-detached homes, and as this property type represents the largest proportion of sales, this suggests that demand for housing has increased slightly.

5.8 Housing Market (Transactions)

- 70. Assessing housing sales over time is an important indicator in assessing demand for different types of housing. Figure 5-2 below presents Land Registry data for housing sales for different dwelling types in Little Waldingfield.
- 71. The total amount of property sales between 2008 and 2017 is 59. The amount of housing sold since 2014 has decreased back to pre-2009 levels with only four homes sold in total. It is clearly evident that semi-detached homes form the majority of homes sold throughout the period (27 in total), followed by detached homes (21 in total). Terraced properties have fairly low sales of just 11 homes in total over the period, whilst no flats were sold in any given year in the period.

Figure 5-2: Volume of Property Sales in Little Waldingfield by Property Type (2008 – 2017)



Source: Land Registry PPD, AECOM Calculations

- 72. Another approach to benchmarking whether sales volumes represent a clear market signal indicating inflated or depressed demand across different housing types is to compare the proportion of sales of each type of housing

(excluding any new builds, which would introduce supply-side factors) with the proportion of the existing housing stock that falls into each category. This allows conclusions to be drawn about whether the sale of homes of each type is occurring proportional to their availability, or whether there is unmet demand.

- 73. The comparison shown in Table 5-10 below reveals that housing sales for detached and terraced properties are misaligned with the amount of housing stock available. Whilst there are fewer sales of detached homes in comparison to housing stock in the NA, the opposite is true in regards to terraced housing. This may suggest that there is a minor yet unmet demand for terraced homes, whilst there is surplus supply of detached homes in Little Waldingfield.

Table 5-10: Housing Sales and Stock in Little Waldingfield

	Housing sales in Little Waldingfield	Housing stock in Little Waldingfield	Housing stock in Babergh
Detached	36%	42%	42%
Semi-Detached	46%	45%	29%
Terraced	19%	12%	22%
Flats	0%	1%	7%

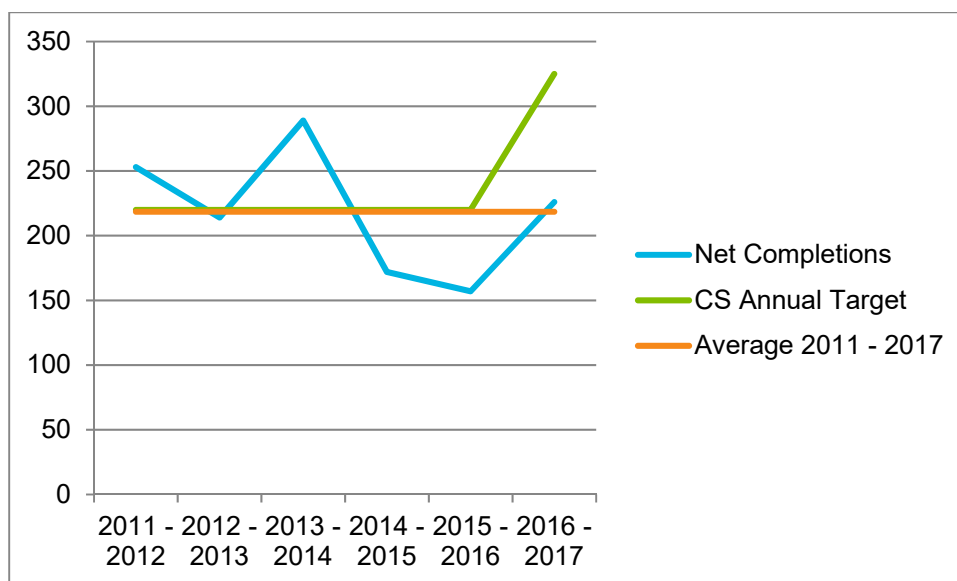
Source: Land Registry PPD, AECOM Calculations

- 74. Bringing the evidence together, it is clear that the sale of properties is very low despite a peak between 2012 and 2014. With the exception of flats which had no sales throughout the period, each property type has fluctuated in the amount of properties sold. Semi-detached homes remain the most popular followed by detached homes, yet the fluctuation in the sales of these properties suggests that current supply meets demand in Little Waldingfield.

5.9 Rate of Development

- 75. Planning Practice Guidance suggests that *“If the historic rate of development shows that actual supply falls below planned supply, future supply should be increased to reflect the likelihood of under-delivery of a plan”*.¹⁷
- 76. Figure 5-3 below uses data from the Babergh & Mid-Suffolk Joint Annual Monitoring Report 2016 – 2017 to benchmark housing completions against the Local Plan annual target 220 dwellings built per annum between 2011 and 2016, rising to 325 dwellings per annum in the years that follow. It is clear from Figure 5-3 that the annual target is often not met, with the exception of the years of 2011/12 and 2013/14.

Figure 5-3: Net housing completions 2011/2012 – 2016/2017



Source: Babergh & Mid-Suffolk Joint Annual Monitoring Report 2016 – 2017, AECOM Calculations

- 77. Therefore, this shortfall could have a knock on effect for the NA; as additional pressure could be put on Little Waldingfield to address the housing shortfall, which in turn could increase the housing requirement figure across the

¹⁷ PPG Paragraph: 019 Reference ID: 2a-019-20140306

Plan period. It is necessary to increase the housing requirement figure to address the shortfall seen in the borough, especially with the higher annual requirement of 325 dwellings in the District.

5.10 Overcrowding and Concealment

- 78. The PPG suggests that another indicator of demand in the housing market is the prevalence of overcrowding in the NA. This is because demand for housing in the area can manifest itself in the over-occupation of housing stock.
- 79. One of the most reliable indicators of overcrowding is the ‘persons per room’ data collected at the household level during the Census. The relative proportion of households occupying different amounts of space in the NA and the borough is shown in Table 5-11 below. It is clear that overcrowding is not an issue in the NA as in both categories which are represent overcrowding (overcrowding is when there is over 1.0 persons per room), there has been no change. Overall, in 2011, only one home was in the overcrowded category of between 1 and 15 persons per room and therefore this suggests that overcrowding is not an issue in the NA.

Table 5-11: Trends in number of persons per room in Little Waldingfield, 2001-2011

Persons per room	Little Waldingfield	Babergh	England
Up to 0.5 persons per room	22.7%	10.4%	7.9%
Over 0.5 and up to 1.0 persons per room	-41.2%	-2.6%	7.0%
Over 1.0 and up to 1.5 persons per room	0.0%	42.6%	27.3%
Over 1.5 persons per room	0.0%	-21.6%	2.5%



Source: ONS 2011, AECOM Calculations





- 80. A further indicator of increased housing demand is the presence of concealed families in the NA. A concealed family is one living in a multi-family household in addition to the primary family, such as a young couple living with parents. ONS data shows that 0.9% of families in Little Waldingfield is concealed, which represents only 1 family in the NA. This is the same percentage as the District and it can be concluded that concealed families are not an issue in the NA.
- 81. Bringing the evidence together, it is clear that overcrowding is minimal in the NA and therefore it is not considered an issue that will affect housing demand in the NA.

5.11 Conclusions

- 82. We have applied our professional judgment on the scales of increase and decrease associated with each factor on a scale from one to three, where one arrow indicates ‘some impact’, two arrows ‘stronger impact’ and three arrows indicates an even stronger impact. Factors are set out in the table below in alphabetical but no other order.

Table 5-12: Summary of factors specific to Little Waldingfield with a potential impact on neighbourhood plan housing quantity

Factor	Source(s)	Possible impact on future housing need	Rationale for judgement
Employment and Commuting	ONS Census Data Ipswich Economic Area Sector Needs Assessment, September 2017		Economic growth in Hadleigh and Sudbury may generate further housing demand in Little Waldingfield.
Migration	ONS Census Data		International migration plays a limited role in influencing demand for housing in the area as the NA international migration rate is low compared to the District and England and the majority of international migrants in Little Waldingfield have resided in the area for a significant period of time.

Housing Sales (Prices)	<p>AECOM Calculations, Land Registry Price Paid Data for 2007-2016 UK House Price Index</p>		<p>Whilst overall house prices has decreased, demand remains significantly strong for semi-detached homes, and as this property type represents the largest proportion of sales, this suggests that demand for housing has increased slightly</p>
Housing Sales (Volume)	<p>AECOM Calculations, Land Registry Price Paid Data for 2007-2016, Census 2001/2011 data,</p>		<p>Semi-detached homes remain the most popular property type followed by detached homes, yet the fluctuation and overall low amount of sales of these properties suggests that current supply meets demand in Little Waldingfield.</p>
Rate of development	<p>AECOM Calculations, Babergh & Mid-Suffolk Joint Annual Monitoring Report 2016 – 2017, AECOM Calculations</p>		<p>It is necessary to increase the housing requirement figure to address the shortfall seen in the borough, especially with the higher annual requirement of 325 dwellings in the District.</p>
Overcrowding and Concealment	<p>Census Data 2001, 2011</p>		<p>Overcrowding is minimal in the NA and therefore it is not considered an issue that will affect housing demand in the NA</p>

Application of market signals

Above we have summarised our conclusions regarding the impact of market signals on the quantity of housing needed in Little Waldingfield. On this basis, we recommend that a 5% uplift should be applied to the interim housing target calculated in the Quantity section. The final potential policy options and their Housing requirement figures are presented below.

Option description	Percentage of district growth for all Hinterland Villages	Little Waldingfield Final Housing Need Figures
<p>Option BHD1 – County Town focused growth. This will see most development occur in the Ipswich fringe area and larger towns and provide opportunities for these areas to regenerate, whilst other areas will benefit from these improved centres.</p>	5%	7
<p>Option BHD2 – Market Town/rural area balance. A mix of urban and rural development is seen as most sustainable, and has been historically been the growth pattern in the district.</p>	15%	22
<p>Option BHD3 – Transport Corridor focused – Sustainable development should be achieved by exploiting existing transport connections that enable access to facilities and services across the district and beyond.</p>	10%	15
<p>Option BHD4 – New Settlement focused – Rather than to expand existing settlements, this option would be to create new, stand-alone settlements.</p>	5%	7

Although there is no definitive guidance on what level of uplift is appropriate, evidence from the Inspector examining the Eastleigh Local Plan (Hampshire) and from the Planning Advisory Service (PAS) indicate that 20% uplift is applied when market signals are very substantial and 10% when they are modest. The PAS Objectively Assessed Need and Housing Targets Technical Advice Note (July 2015) supports this approach as a method to estimate the uplift and says that *“where the evidence suggest moderate under-provision...the projected housing need might be increased by 10%”*.

6. RQ 2 Type and size

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

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

6.1 Background and definitions

84. Before beginning our consideration of type and size, it is important to understand how different types of households occupy their homes. Crucially, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth and income, with age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability¹⁸.
85. In this context, even smaller households (those with smaller numbers of inhabitants, including just one or two people) may be able to choose to live in larger homes than their needs would suggest, and thus would be defined in census terms as under occupying their homes. This is a natural feature of the housing market, and can even distort considerations of future housing needs, with market dynamics and signals giving a very different picture than demographics, household type and size suggest for future years.
86. In order to understand the terminology surrounding size of dwellings, it is important to note the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls; and to be clear that data on dwelling size is collected on the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' should be translated as follows¹⁹:
- 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 3, 4 or more bedrooms
87. It is also useful to clarify somewhat the census terminology around dwellings and households spaces, which can be confusing in the context of flats, apartments, shared and communal dwellings, and houses in multiple occupation, types which may typically fall into the private rented sector. Dwellings are counted in the census by combining address information with census returns on whether people's accommodation is self-contained²⁰, and as such all dwellings are classified into either shared or unshared dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.
88. The key measure of whether a dwelling is shared or unshared relates to the census' definition of a household. A household is defined as "One person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area."²¹ 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.

¹⁸ SHMA15, pp.130, para 8.5

¹⁹ <https://www.nomisweb.co.uk/census/2011/qs407ew>

²⁰ <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

²¹ Ibid.

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

6.2 Existing types and sizes

Type

90. Table 6-1 below shows the mix of types of dwelling in the NA and how this compares with district and national geographies.
91. Little Waldingfield has a similar proportion of detached homes in comparison with the District (41.8% against 41.6%). However, there is a significantly higher proportion of semi-detached homes in the NA (45.5% against 29.4%). Meanwhile there are less terraced homes in the NA compared to the District average (12.1% against 21.7%) and virtually no flats, maisonettes or apartments in the NA.

Table 6-1: Accommodation type (households) in Little Waldingfield, 2011

Dwelling type		Little Waldingfield	Babergh	England
Whole house or bungalow	Detached	41.8%	41.6%	22.4%
	Semi-detached	45.5%	29.4%	31.2%
	Terraced	12.1%	21.7%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	0.0%	5.5%	16.4%
	Parts of a converted or shared house	0.0%	0.9%	3.8%
	In commercial building	0.6%	0.8%	1.0%

Source: ONS 2011, AECOM Calculations

Size

92. Table 6-2 below shows that households are slightly smaller in Little Waldingfield compared to Babergh (2.2 against 2.3). In the following paragraphs, we further investigate the size of dwellings in the NA.

Table 6-2: Occupancy Summary Table

	Little Waldingfield	Babergh
All categories:	156	37,522
Average household size	2.2	2.3
Average number of rooms per household	6.4	6
Average number of bedrooms per household	3.1	3

Source: ONS 2011 (KS403EW)

93. It is also relevant to consider how the number of rooms occupied by households has changed between the 2001 and 2011 censuses. This metric provides a proxy for the size of dwellings in a given geography. This data is presented below in Table 6-3 and shows quite clearly that there has been a decrease in smaller homes of 1-4 rooms. Notably, homes of 2 rooms have decreased by 100%, although this equates to a loss of only three homes given that these figures start from a low base. There has been an increase in larger homes of 5 rooms or more in the NA, above the District average. Homes of 6 and 8 rooms have increased by 28.6% and 41.4% respectively in the NA, whilst there has been no increase in homes of 7 rooms.

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

Number of Rooms	Little Waldingfield	Babergh	England
1 Room	0.0%	-29.1%	-5.2%
2 Rooms	-100.0%	17.9%	24.2%
3 Rooms	0.0%	17.2%	20.4%
4 Rooms	-29.6%	-1.9%	3.5%
5 Rooms	7.1%	-4.5%	-1.8%
6 Rooms	28.6%	10.8%	2.1%
7 Rooms	0.0%	16.6%	17.9%
8 Rooms or more	41.4%	23.4%	29.8%

Source: ONS 2011, AECOM Calculations

94. Table 6-4 below sets out the distribution of the number of rooms by household accommodation (household space). From this data, it is apparent that there is a predominance of larger dwellings, not only in Little Waldingfield but also in Babergh, whilst there are few houses of one to three habitable rooms.
95. 94.9% of the stock in Little Waldingfield can be considered family dwellings (four rooms or more) and 53.8% of them are large properties (with 6 rooms or more). The remaining 41% of homes are of medium size (four to five habitable rooms). These figures are almost identical to the distribution of housing in Babergh. In Babergh, 93.2% of the stock can be considered family dwellings and 52.9% of these are large properties. Meanwhile only 5% of homes in Little Waldingfield have one to three rooms compared to a slightly higher 6.8% in Babergh.

Table 6-4: Number of rooms per household space, 2011

Number of Rooms 2011	Little Waldingfield		Babergh	
	Frequency	%	Frequency	%
1 Room	0	0%	61	0%
2 Rooms	0	0%	480	1%
3 Rooms	8	5%	2002	5%
4 Rooms	19	12%	5950	16%
5 Rooms	45	29%	9192	24%
6 Rooms	27	17%	7302	19%
7 Rooms	16	10%	4724	13%
8 Rooms or more	15	10%	3596	10%
9 Rooms or more	26	17%	4215	11%
Total	156	100%	37522	100%

Source: ONS 2011, AECOM Calculations

96. It is also particularly useful to cross-reference this data with Census estimates of the number of bedrooms for each household in Little Waldingfield and Babergh. Table 6-5 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. The data shows that the distribution of bedrooms in Little Waldingfield is fairly similar to that of Babergh.

Table 6-5: Number of bedrooms in household spaces, 2011

Bedrooms	Little Waldingfield		Babergh	
	Number	%	Number	%
All categories: Number of bedrooms	156		37522	
No bedrooms	0	0%	48	0%

1 bedroom	5	3%	2361	6%
2 bedrooms	44	28%	9525	25%
3 bedrooms	62	40%	15756	42%
4 bedrooms	31	20%	7576	20%
5 or more bedrooms	14	9%	2256	6%

Source: ONS 2011 (QS411EW), AECOM Calculations

Conclusion

97. In summary, homes in Little Waldingfield are mostly medium and large size, and this reflects the housing distribution of the District. Recent trends suggest that larger homes are in significant demand in the NA, as there has been a significant increase in the amount of these homes delivered over the intercensal period. Meanwhile, there has been a slight reduction in the amount of smaller properties available in the NA, which is in contrast to the steady growth of small properties in the wider District. Nevertheless, the above data suggest there is a growing demand for larger properties of 6 rooms or more in the NA.

6.3 Household composition and age structure

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

Current Household Composition

99. Household composition is a fundamental factor driving the size of housing that will be needed in Little Waldingfield in the future. As of 2011, the NA had 156 households, representing 0.42% of the District's total.
100. In Table 6-6 below, we present data relating to household composition drawn from Census 2011 in the NA. Overall, the findings differ slightly with those of the District. In the NA, families constitute 72.4% of households, while in the District they form 67.8%, a difference of 4.6%; one person households form a slightly smaller proportion of all households in the NA than the District (25.0% as against 28.2%). There is a higher proportion of families without children in Little Waldingfield compared to the District (27.6% against 21.6%). Moreover, whilst there are fewer one person householders aged 65 and over in the NA than the District (10.9% against 14.1%) the opposite is true for households of families that are all aged 65 and over (16% against 11.7%).

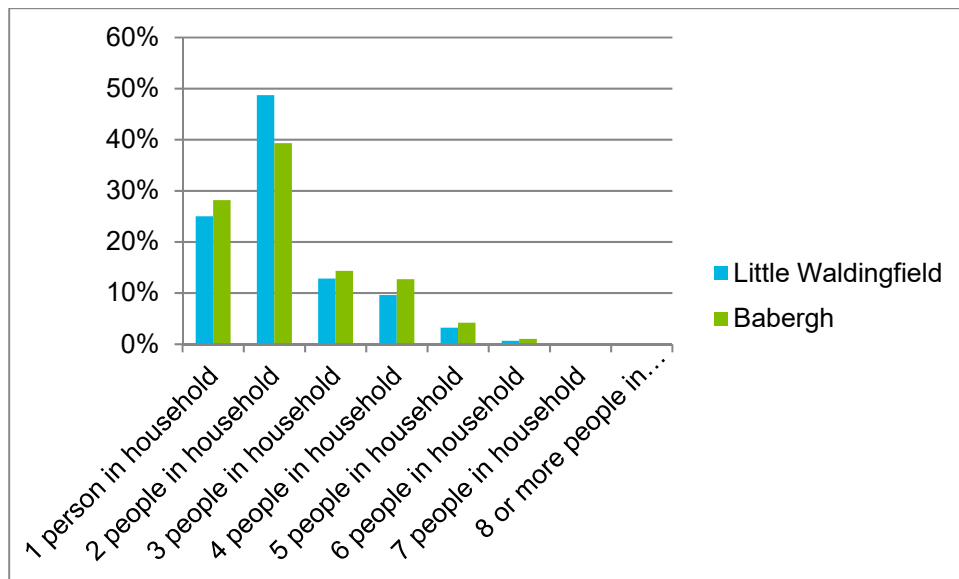
Table 6-6: Household composition (by household) in Little Waldingfield, 2011

		Little Waldingfield	Babergh	England
One person household	Total	25.0%	28.2%	30.2%
	Aged 65 and over	10.9%	14.1%	12.4%
	Other	14.1%	14.0%	17.9%
One family only	Total	72.4%	67.8%	61.8%
	All aged 65 and over	16.0%	11.7%	8.1%
	With no children	27.6%	21.6%	17.6%
	With dependent children	20.5%	25.2%	26.5%
	All children Non-Dependent	8.3%	9.2%	9.6%
Other household types	Total	2.6%	4.1%	8.0%

Source: ONS 2011, AECOM Calculations

101. As seen in Figure 6-1 the most dominant household size is that of 2 persons which accounts for 49% of all housing in Little Waldingfield, compared to 39% in Babergh. However, one person households are the most common house type in Babergh at 28%, with a similar proportion of 25% in Little Waldingfield. Nevertheless, Little Waldingfield is fairly similar to Babergh in terms of household size distribution and therefore, District-wide policies regarding type and size are likely to be relevant in Little Waldingfield.

Figure 6-1: Household Size



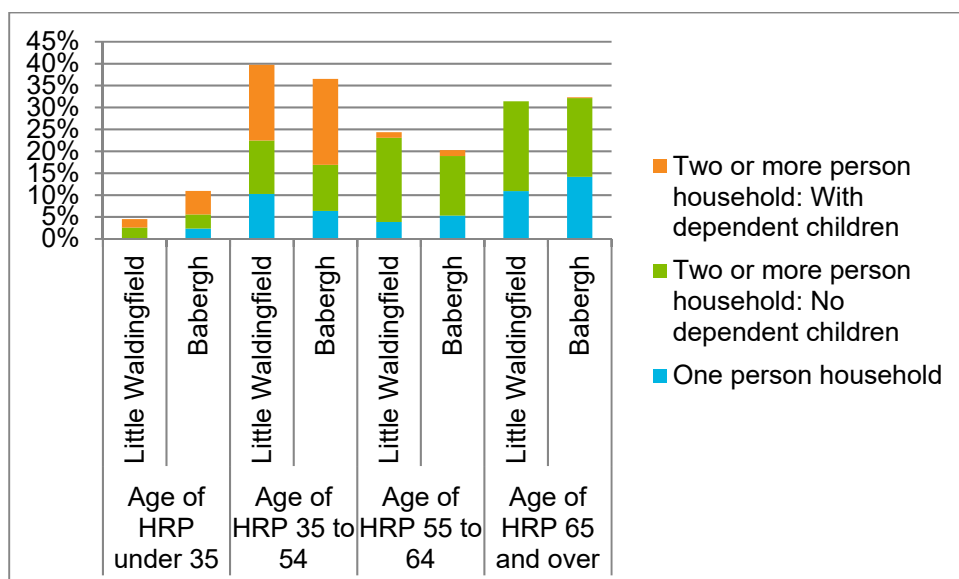
Source: ONS 2011 (QS406EW), AECOM Calculations

Consideration of age

102. The data presented below classifies households in Little Waldingfield and Babergh according to the age of the Household Reference Person (HRP). Size and type of housing is not only influenced by household composition, but also by the age of the HRP. The following observations can be highlighted from the data presented in Figure 6-2 below:

- The distribution of household types among different life stages in the NA and the District are fairly similar. Although it is evident that Little Waldingfield has a slightly larger middle aged population with higher proportions of those aged 35 to 64.
- The most dominant population group in Little Waldingfield is those aged 35 to 54, which forms 40% of the population. People in this category are also the most likely to have dependent children.
- Households headed by older people also form a significant proportion of households in Little Waldingfield at 30%. This is also similar to the proportion of the wider Babergh District which has 32% of its homes headed by those aged 65 and older.

Figure 6-2: Households by age of the HRP



Source: ONS 2011 (qs111ew), AECOM Calculations

Future household composition and age mix

- 103. We now consider how household composition has shifted over the 2001-11 inter-census period, before examining how it is expected to evolve towards the end of the Plan period.
- 104. Table 6-7 below shows that one person households in Little Waldingfield have not increased as much as they have in Babergh (8.3%% change against 11.7%). However, there has been a significant increase in the homes headed by one person over the age of 65, especially when compared to the District and National averages (6.3% against 1.8% and -7.3% respectively). A similar increase can be seen with family homes of those aged 65 and over, which has seen a large increase of 66.7% in the NA compared to an increase of just 9.2% in the District and a decline of -2% nationally.

Table 6-7: Rates of change in household composition in Little Waldingfield, 2001-2011

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

Source: ONS 2011, AECOM Calculations

- 105. It would be helpful to consider how households in Little Waldingfield are projected to change in the future and whether the trends observed in the inter-censal period will continue. Unfortunately, detailed projections of future populations are not available for individual towns or parishes, so it is necessary to turn to projections for Babergh as a whole.
- 106. MHCLG publishes bi-annual household projections for all local authorities in England and Wales, broken down by household type, and also provides projections of the average household size and age.
- 107. Table 6-8 shows that there are significant increases in household projections in Babergh for most household types, especially those with one person and couple and no other adults (23% and 25% respectively). The biggest increase expected is that of other household types (60%), albeit from a low base of just 1,863 households.

Table 6-8: MHCLG Household projections for Babergh by household type

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

Source: MHCLG 2014-based household projections, ONS 2011

- 108. The projections for Little Waldingfield also consider the increases in each household up to 2039. The biggest increase projected for the District is for older households with those ages 65 and over, which may experience an 652% increase between 2014 and 2039.

Table 6-9: MHCLG Household projections for Babergh by household age

Age of HRP under	Age of HRP 35 to	Age of HRP 55 to	Age of HRP 65 and
------------------	------------------	------------------	-------------------

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

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

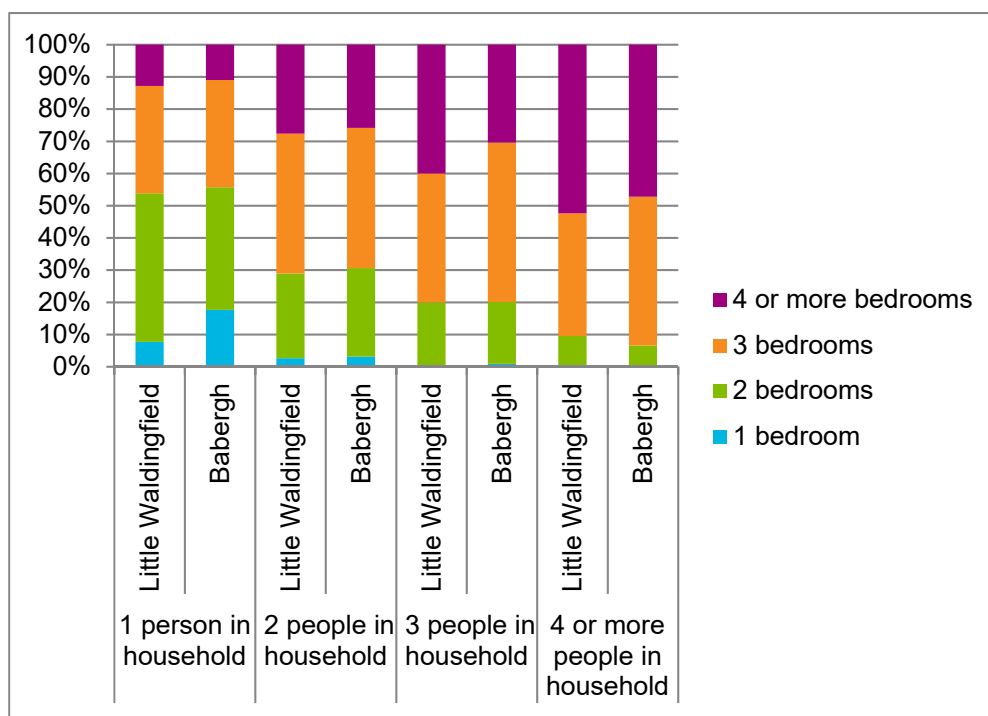
6.4 Current patterns of occupation

109. To estimate the housing mix needed by the end of the Plan period we adopt an approach which assumes that the housing mix needed by households will reflect current occupation patterns. We estimate the housing likely to be required in the future based on the current propensity of households of different ages to occupy different sizes of dwelling. For example, a growth in single person households aged 65-74 will lead to an increase in the need for the type of housing currently occupied by single person households of this age.

Size

110. Figure 6-3 shows household size cross tabulated against the number of bedrooms in their property, in both the NA and the District. In both the NA and the District, households with three or more residents generally have at least three bedrooms. Among households with fewer members, the number of spare bedrooms increases. 71% of properties in the NA have three or more bedrooms and 92% of single person households have two or more bedrooms. As we showed before, smaller households occupy larger dwellings than their size suggest.

Figure 6-3: Number in households by numbers of bedrooms

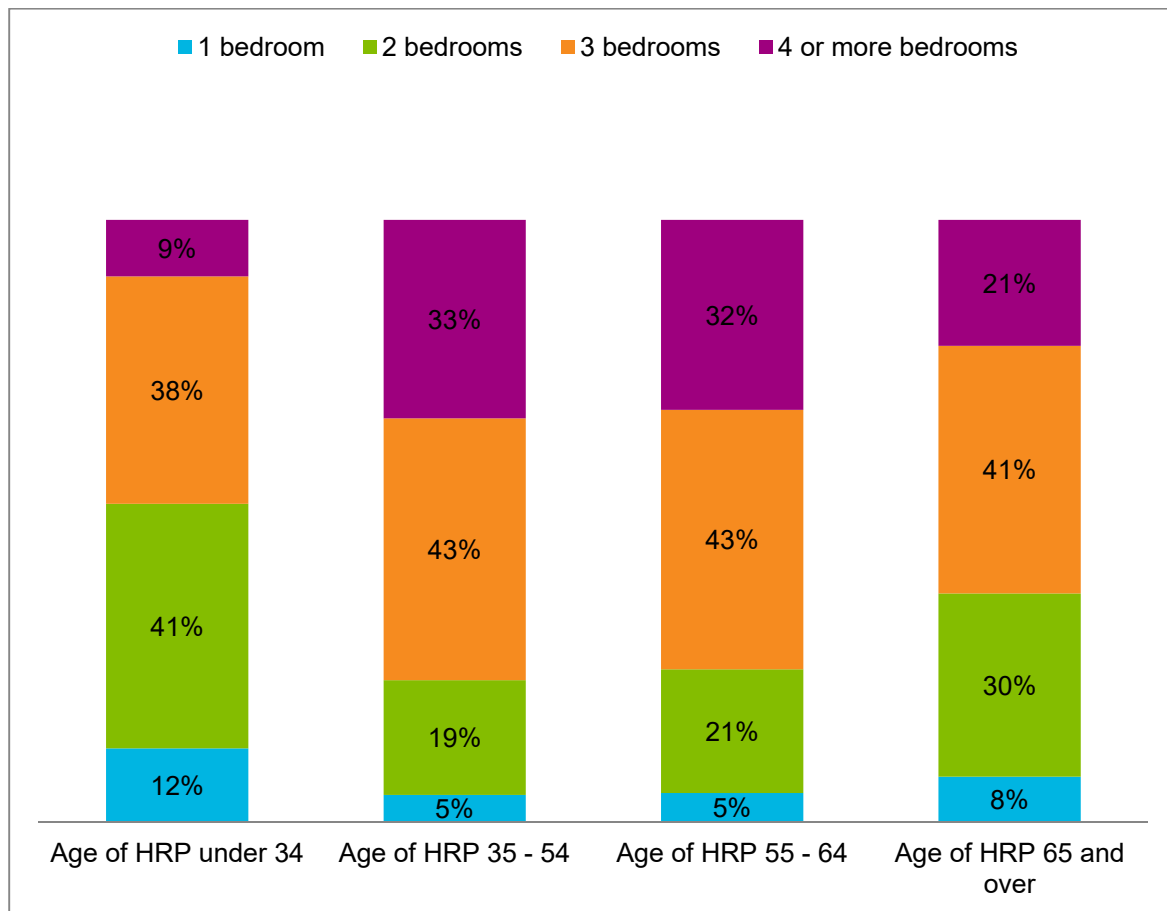


Source: ONS 2011 (LC4405EW), AECOM Calculations

111. The housing mix is also influenced by the household life stage. The data is presented in Figure 6-4 below and shows the size of property occupied by different age groups. In Little Waldingfield, younger households where the HRP is aged under 34 are most likely to live in smaller 1-2 bedroom properties (53% in total). For all other age groups, 3 bedroom households form the majority of households. Although larger homes of 4 or more bedrooms form almost a third of households where the HRP is aged 35 – 64. In households where the HRP is aged 65

and over, 2 bedroom properties are also popular, forming 30% of all properties in this age group, although there is still a high amount of those in this age group in larger properties of 3 bedrooms or more (62%).

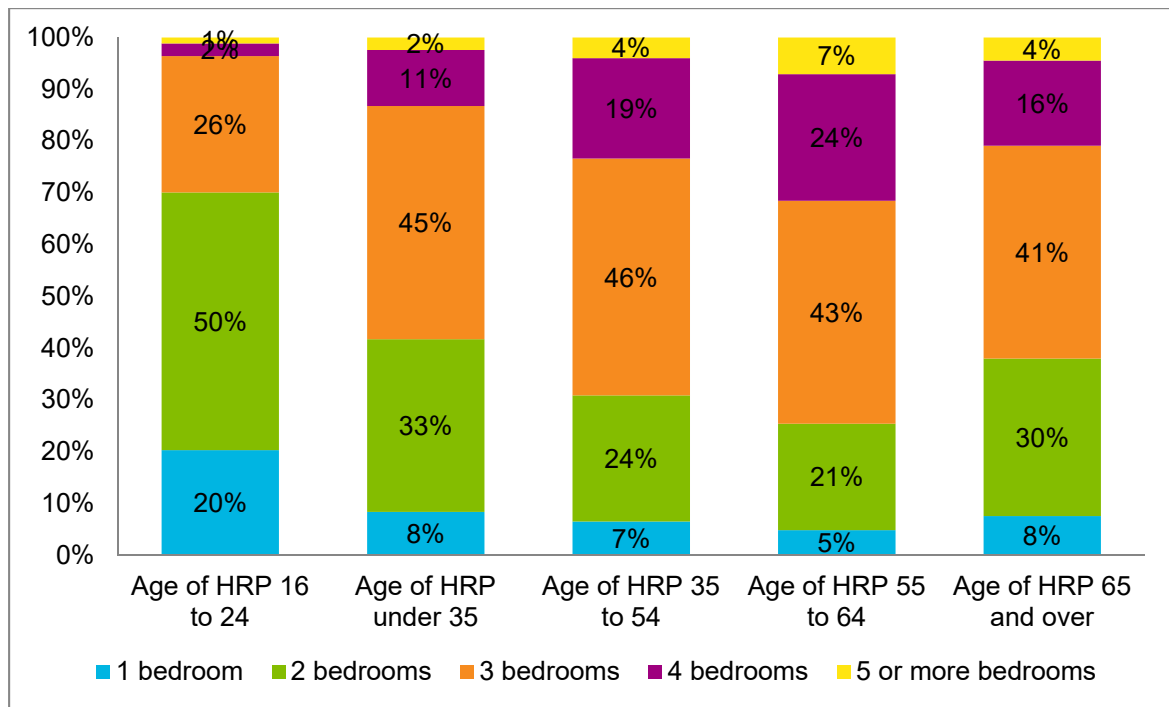
Figure 6-4: Age of household reference person to size in Little Waldingfield, 2011



Source: ONS 2011 (CT0621), AECOM Calculations

112. This data is also available at a District level which is slightly more in depth. The data below in Figure 6-5 provides a closer analysis of patterns of occupation for younger people between the ages of 16 and 24 and also between 24 and 35. This data is also useful in comparing the patterns of occupation between the NA and the wider District. It is evident that the patterns are fairly similar, with the exception of younger age groups of under 35's who tend to live in smaller homes in the District compared to the NA.

Figure 6-5: Age of household reference person to size in Babergh, 2011

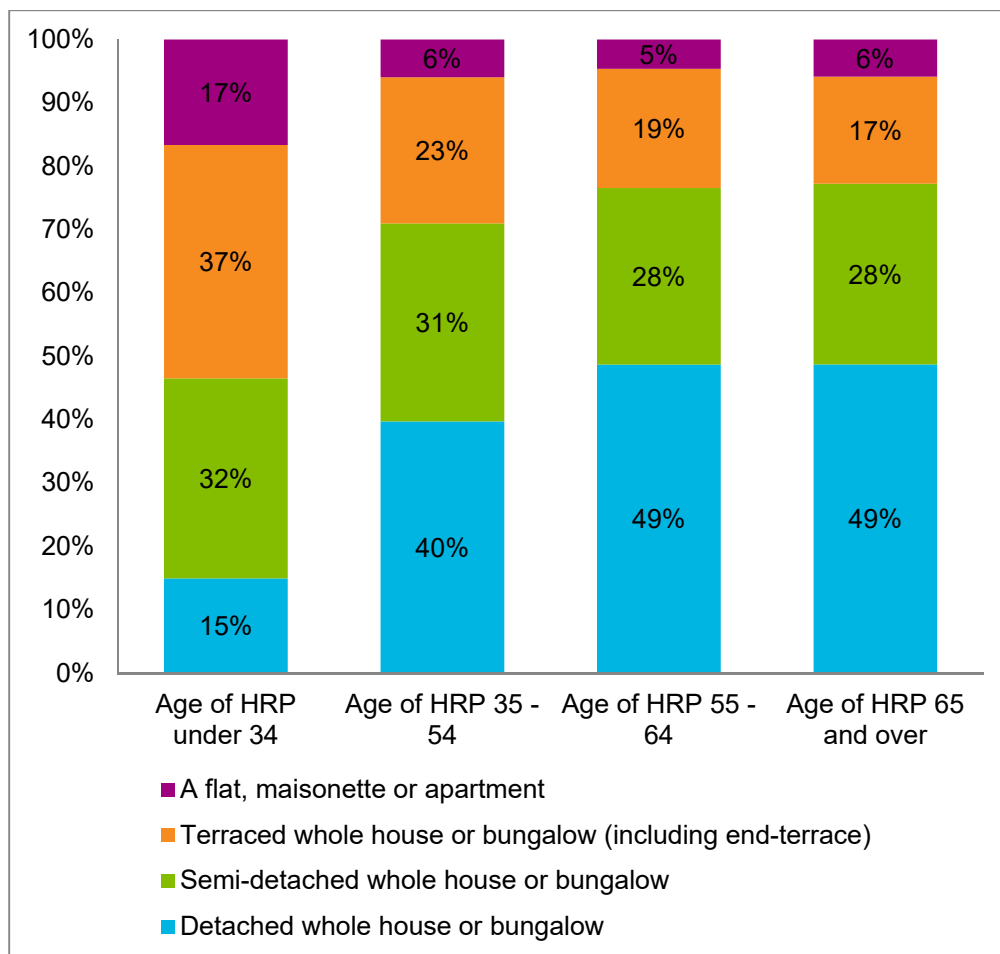


Source: ONS 2011 (CT0621), AECOM Calculations

Type

113. Census data also shows the type of housing occupied by HRPs in different age groups at the District level, and this is summarised below in Figure 6-6. Age does not seem to influence the type of housing, with the exception of younger households under 35, who are more likely to live in terraced or semi-detached homes.

Figure 6-6: Age of household reference person to type in Little Waldingfield, 2011



Source: ONS 2011, AECOM Calculations

6.5 Dwelling mix determined by life-stage modelling

- 114. In this section, we provide an estimate of the mix of sizes of home needed by the end of the Plan period by matching future household composition to current patterns of occupation by age (working from the assumption set out at the start of this section that the same household types are likely to wish to occupy the same size of homes in 2036 as they did in 2011).
- 115. First, we use household projections provided by MHCLG to achieve an understanding of the future distribution of households by the age of the Household Reference Person (HRP). This data is only available at the District level and for the years 2014 and 2039. Therefore, we had to estimate what the distribution of households, by the age of the HRP, would be in 2036. The data is presented in Table 6-10 below.

Table 6-10: Projected distribution of households by age of HRP (Babergh)

	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	700	3,401	13,700	7,598	12,123
2014	702	3,321	13,200	6,897	14,356
2036	638	2,802	11,725	6,663	22,568
2039	629	2,731	11,524	6,631	23,688

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

- 116. At this point it is necessary to derive an estimate of the change to the age structure of the population in Little Waldingfield. To do so, the percentage of increase expected for each group in Babergh, derived from the data presented in Table 6-10, was applied onto the population of Little Waldingfield. The results of our calculation are detailed in Table 6-11 below:

Table 6-11: Projected distribution of households in Little Waldingfield by age of HRP

	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	2	5	62	38	49
2014	2	5	60	34	58
2036	2	4	53	33	91
2039	2	4	52	33	96

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

117. In Table 6-12 below, we work from the same dataset as Figure 6-5 (which provides a more detailed data set than is available at the local level) and set out the distribution of dwellings of different sizes according to the age of the HRP.

Table 6-12: Age of household reference person to size, grouped (Babergh)

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

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

118. Having established the preference shown by households at different life-stages towards dwellings of different sizes, and the approximate number of households in Babergh and Little Waldingfield falling into each of these stages at the end of the Plan period in 2036, it is possible to put forward recommendations regarding how the housing stock should evolve in terms of size over the Plan period to overcome any misalignments between supply of dwellings and demand.

Table 6-13: Ideal size distribution in Little Waldingfield in 2036, according to household life-stages

	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total Households requiring dwelling sizes
Pop 2036	2	4	53	33	91	184
1 bedroom	0	0	3	2	7	13
2 bedrooms	1	1	13	7	28	50
3 bedrooms	1	2	24	14	37	78
4 bedrooms	0	0	10	8	15	34
5+ bedrooms	0	0	2	2	4	9

Source: Census 2011, AECOM Calculations

119. It is now possible to compare the housing mix in terms of size in 2011 against the projected requirement based on the ideal size distribution in Little Waldingfield set out above. Table 6-14 below indicates that, by 2036, the distribution of dwellings should be weighted more towards the smaller end of the size spectrum, with a particular focus on dwellings of 2 and 3 bedrooms.

Table 6-14: Size distribution in 2011 compared to ideal distribution in 2036 (Little Waldingfield)

Number of bedrooms	2011		2036	
1 bedroom	5	3%	13	7%
2 bedrooms	44	28%	50	27%
3 bedrooms	62	40%	78	43%
4 bedrooms	31	20%	34	18%
5 or more bedrooms	14	9%	9	5%
Total households	156		184	

Source: Census 2011, AECOM Calculations

120. Table 6-15 below sets out the dramatic misalignment between demand for housing, based on the preferences expressed by households at different life-stages, and the current stock available in the NA.

Table 6-15: Misalignments of supply and demand for housing

Number of bedrooms	2011	2036	Change to housing mix	Recommended split
1 bedroom	5	12	8	24%
2 bedrooms	44	49	6	18%
3 bedrooms	62	77	16	48%
4 bedrooms	31	33	3	9%
5 or more bedrooms	14	9	-5	0%

Source: AECOM Calculations

121. In order to avoid misalignment between supply and demand and to re-equilibrate the stock, we recommend that 20% of houses in new developments be one-bedroom homes, 20% two-bedroom, 50% three-bedroom and 10% four-bedroom. Most of the need will be for one, two and three-bedroom homes and there will be no need to build further large properties with five or more bedrooms.
122. The type of home (detached, semi-detached, terraced or flat) is more a matter of taste than need and is therefore of secondary importance in the context of a Housing Needs Assessment. Notwithstanding, the housing types that are most likely to meet the needs, based on the current stock recent transactions, are semi-detached homes. Additionally, bungalows appeal to the elderly population and this particular type should be promoted so as to meet the demand of a growing elderly population.

6.6 Conclusion

- Little Waldingfield, in line with the District, is dominated by medium and large properties. Properties tend to be larger in the NA than the wider District with the average number of rooms per household space is 6.4 against 6.1 in the District. The vast majority of homes (87.3%) are detached and semi-detached homes that consist of 5 rooms or more (this equates to 3 bedrooms or more).
- The greatest increase over the intercensal period has been in the number of households living in dwellings of 6 and 8 rooms during this period, which equates to 3-4 bedroom homes. We also note the slight reduction in the amount of smaller properties available in the NA, which is in contrast to the steady growth of small properties in the wider District.
- The trends experienced during the intercensal period indicate a growing demand for medium to large 3 to 4 bedroom homes.
- Whilst an analysis of property types and sizes in the intercensal period suggest that there is a growing demand for medium to large properties in the NA (5 rooms or more/ 3 bedrooms or more), it is evident from the life stage modelling that demand for slightly smaller medium homes may increase significantly in the NA (2-3 bedroom homes) due to a growing older population. Given the current stock, to avoid any misalignment about 45% of new homes should be between 1 or 2 bedrooms, while 50% should be 3 bedrooms and a further 5% 4 bedrooms.
- Whilst, the demand for three-bedroom homes will remain significant, it is important to acknowledge that building slightly more 1 or 2 bedrooms will cater for the growing older population and allow older households to downsize (which will make larger family housing available for those in need). Moreover, it will also allow younger households to form, stay in the area, or relocate.
- As a result of existing larger homes being made available due to older households downsizing, it is therefore recommended, if possible, to build more 1 and 2 bedroom homes than our recommendation/life stage modelling suggests.

7. RQ 3 Tenure

What evidence is there to support a Local Connection Test policy and what tenures of home are most appropriate to support this?

7.1 Background and definitions

123. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines their rights and influences the payments that are to be made in return for these rights. Broadly speaking, tenure falls into two categories: Affordable Housing (AH), in which households receive some sort of subsidy to enable them to live in their homes; and market housing, in which they do not.
124. We will address this question by examining the tenure of dwellings in the current stock and recent supply, and make an assessment, based on a reasonable interpretation of the evidence we have been able to gather, whether the continuation of these trends would meet future needs. Alternatively, we may identify that misalignments exist between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new development to prioritise certain tenures, so as to bring supply and demand into better alignment.²²
125. It is necessary at this stage of the study to make clear the distinction between Affordable Housing in planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. We mean by this those forms of housing tenure that fall within the definition of Affordable Housing set out in the current National Planning Policy Framework (NPPF): Social Rent, Affordable Rent, Affordable Private Rent (brought forward by Build to Rent schemes) and forms of AH designed to offer affordable routes to home ownership such as shared ownership, starter homes and discounted housing for market sale.²³ To distinguish this from the colloquial definition of homes that are broadly within reach for the majority of the population, we refer to the latter as affordable market housing.
126. The definition of AH set out in the NPPF makes clear the government's commitment to home ownership by broadening the definition of AH to include a range of low-cost housing opportunities for those aspiring to own a home, including Starter Homes. But it also recognises the important role of Social, Affordable and Private Rent tenures for those not currently seeking home ownership.
127. In paragraph 64 of the revised NPPF, Government introduces a recommendation that, "where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership." In line with PPG,²⁴ the assumption should be that 'major housing development' can be defined as sites of more than 10 units, and that affordable home ownership includes Starter Homes, shared ownership homes and homes available for discount market sale.

7.1.1 Current tenure profile

128. First, it is necessary to present a picture of tenure in the NA based on the most recent reliable data. Table 7-1 below shows Census data from 2011, which shows a higher level of home ownership in the NA than observed in the District and England (78.8% against 71.9% and 63.3% respectively). Meanwhile, both social and private rent is lower than the District and National averages.

Table 7-1 : Proportion of housing tenures 2011

Tenure	Little Waldingfield	Babergh	England
Owned; total	78.8%	71.9%	63.3%
Shared ownership	0.0%	0.5%	0.8%
Social rented; total	9.6%	13.1%	17.7%
Private rented; total	9.0%	12.6%	16.8%

129. Source: AECOM Calculations

Tenure	Little Waldingfield	Babergh	England
Owned; total	15.0%	2.3%	-0.6%
Shared ownership	0.0%	18.7%	30.0%
Social rented; total	-11.8%	7.6%	-0.9%

²² PPG Paragraph: 021 Reference ID: 2a-021-20160401

²³ NPPF, July 2018

²⁴ PPG 031 Reference ID: 23b-031-20161116

Private rented; total	-6.7%	101.4%	82.4%
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130. Table 7-2 and Table 7-3 allow us to take a longitudinal perspective, identifying how the tenure profile of the NA has changed between the last two censuses. From this, it is clear that the trends in the NA are significantly different to that of the District. A 15% increase in home ownership has occurred in the NA compared to a minor increase of just 2.3% in the District. Moreover, there has been a decline in the rental sector as a whole in the NA, a stark contrast to the exceptional growth in the rental sector in the wider District. This is especially true in the private rental sector (PRS); dwellings of this tenure increased by 101.4% in the District over the Census period, compared to a decline of -6.7% in the NA. Although, as Table 7-3 reveals, the decline of -6.7% represents one less household in the NA private rental sector.

Table 7-2: Rates of tenure change in Little Waldingfield, 2001-2011

Tenure	Little Waldingfield	Babergh	England
Owned; total	15.0%	2.3%	-0.6%
Shared ownership	0.0%	18.7%	30.0%
Social rented; total	-11.8%	7.6%	-0.9%
Private rented; total	-6.7%	101.4%	82.4%

Source: AECOM Calculations

131. It is evident from Table 7-3 that there has been little change regarding different tenure types, with the exception of properties that are under home ownership. Moreover, the lack of change in homes does not reflect the changes that have happened between 2001 and 2011 in the wider District.

Table 7-3: Tenure change in Little Waldingfield, 2001-2011

Tenure	2001		2011	
	Little Waldingfield	Babergh	Little Waldingfield	Babergh
All categories: Tenure	144	34863	156	37522
Owned; total	107	26375	123	26981
Shared ownership	0	150	0	178
Social rented; total	17	4564	15	4912
Private rented; total	15	2341	14	4714

Source: AECOM Calculations

132. To provide a more accurate analysis of tenure change between 2001 and 2011, it is necessary to compare the change between the rates of different tenures between the two census periods. It is clear in Table 7-4 that there has been an increase in home ownership in the NA of 4.54%, despite a decline of this tenure type in the wider District (-3.75%). There has been little change in other tenure types, especially when the percentage differences in Table 7-4 are compared with the actual figures in Table 7-3. Nevertheless, Table 7-4 reveals that trends differ somewhat between the NA and the wider District.

Table 7-4: Difference between rates of tenure in Little Waldingfield, 2001-2011

Tenure	2001		2011		Little Waldingfield Percentage Difference	Babergh Percentage Difference
	Little Waldingfield	Babergh	Little Waldingfield	Babergh		
Owned: Total	74%	76%	79%	72%	4.54%	-3.75%
Shared ownership (part owned and part rented)	0%	0%	0%	0%	0.00%	0.04%
Social rented: Total	12%	13%	10%	13%	-2.19%	0.00%
Private rented: Total	10%	7%	9%	13%	-1.44%	5.85%

Source: ONS 2011, AECOM Calculations

133. It is also important to identify any forecast market trends which may affect the NA. The SHMA²⁵ highlights the potential growth of demand for shared ownership homes in the Ipswich HMA, which includes the NA. According to SHMA²⁶, shared ownership homes have only recently been introduced into the Ipswich and Waveney market areas and therefore there is a lack of data to analyse the demand for housing tenure. Nevertheless, the SHMA²⁷ recognises the results of an affordability analysis which suggest that some who currently choose to privately rent, may switch to shared ownership dwellings. Therefore, the SHMA discounts demand for shared ownership homes from the total requirement for private rented accommodation, although such figures should be indicative rather than final. It would be appropriate for the NA tenure mix to also reflect these findings by supporting shared ownership dwellings as supported Affordable Housing tenure.
134. Bringing the evidence together it is clear that there has been a significant increase in the proportion of home ownership in the NA. Meanwhile, there has been little change in other tenure types. The profile and trends of tenure types in the NA does differ slightly to that of the wider District. Yet, the SHMA states that there could be a shift from private rented homes towards shared ownership across the Ipswich HMA, which may also impact the NA tenure mix. Overall, unlike the wider District, home ownership continues to dominate and grow in the NA whilst other tenure types have experienced little.

7.2 Affordability

135. This section details the affordability requirements for each tenure in Little Waldingfield, with reference to income levels, in order to assess which tenures of housing are within reach for the local population. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations below.
136. In line with the PPG, we have considered evidence of affordability by looking specifically at the relationship between lower quartile house prices and incomes, as expressed in the Lower Quartile Affordability Ratio²⁸ (LQAR) and the Median Affordability Ratio²⁹ (MAR). While this is a relatively crude measure of affordability, as it does not take account of the cost of servicing mortgage debt, it is a useful basic measure for benchmarking affordability changes over time.
137. Due to the lack of data available at a parish level, it is necessary to use data that reflects the wider District. Using this data has enabled us to establish an understanding of affordability in the parish. The underlying assumption, that the distribution of household income will be broadly comparable to the District is not unreasonable, given the similarity in Census data relating to economic activity between the two geographies as shown below in Table 7-5.
138. Below we set out data relating to economic activity in the District and the NA. This demonstrates the closeness of the profile of economic activity in the two geographies. One contrast that is worth pulling out however is the higher proportion of self-employed people in the NA, which may point to a marginally lower household income in the NA. We do not however feel this is significant enough to prevent the use of these numbers for the purpose of understanding affordability in the NA.

Table 7-5: Economic Activity in Little Waldingfield

Economic category		Little Waldingfield	Babergh	England
Economically active	Total	69.0%	70.3%	69.9%
	Employee: Full-time	32.6%	37.2%	13.7%
	Employee: Part-time	14.6%	15.2%	38.6%
	Self-employed	19.2%	12.7%	9.8%
	Unemployed	2.3%	3.0%	4.4%
	Full-time student	0.4%	2.3%	3.4%
Economically inactive	Total	31.0%	29.7%	30.1%
	Retired	22.6%	18.2%	13.7%
	Student	1.9%	3.4%	5.8%
	Looking after home or family	3.8%	4.2%	4.4%

²⁵ The Ipswich and Waveney Housing Market Areas SHMA, Volume 2 – September 2017. Pg 64

²⁶ The Ipswich and Waveney Housing Market Areas SHMA, Volume 2 – September 2017. Pg 64

²⁷ The Ipswich and Waveney Housing Market Areas SHMA, Volume 2 – September 2017. Pg 64

²⁸ See glossary

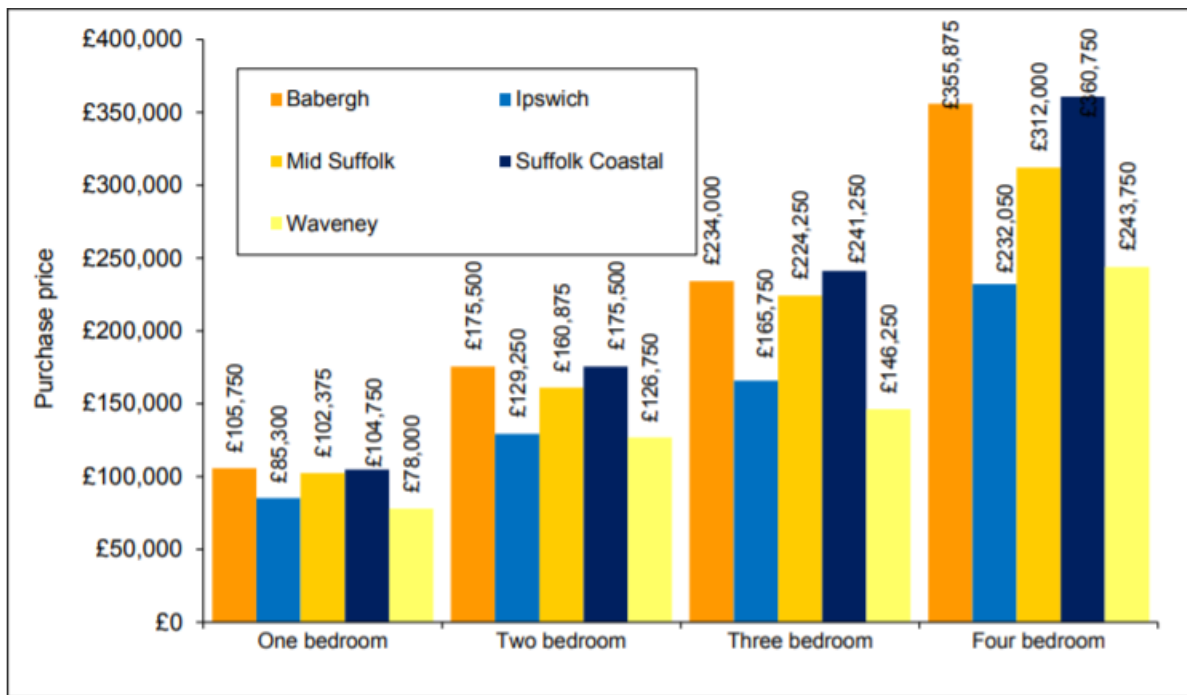
²⁹ See glossary

	Long-term sick or disabled	2.7%	2.5%	4.1%
	Other	0.0%	1.4%	2.2%

Source: ONS 2011, AECOM Calculations

139. On this basis, given similarities between the NA and the District, we can therefore use District level data from the Ipswich and Waveney Housing Market Areas SHMA, Volume 2 as an acceptable proxy. Below we reproduce Figure 3.10 from SHMA volume 2, which shows the entry-level (lower quartile) property prices by size and local authority in the Ipswich and Waveney Housing Market Areas in 2015.

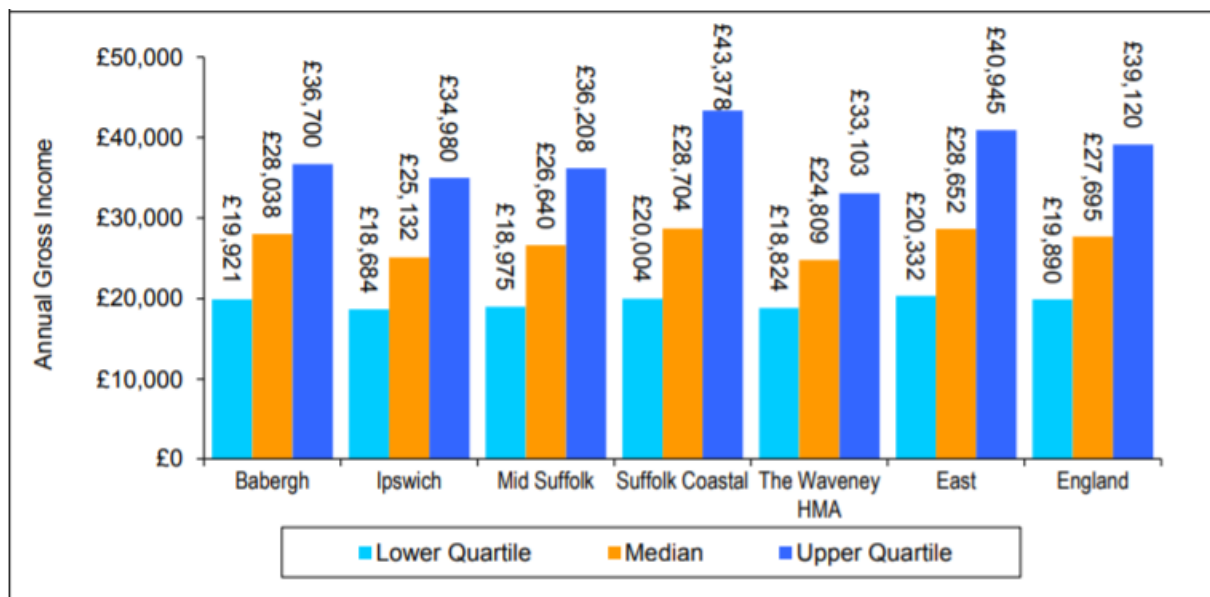
Figure 7-1: Entry-level property prices by size and local authority



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

140. Figure 7-2 below also reproduces figure 2.7 from SHMA volume 2, which shows the distribution of annual gross household income in the Ipswich and Waveney Housing Market Areas in 2015.

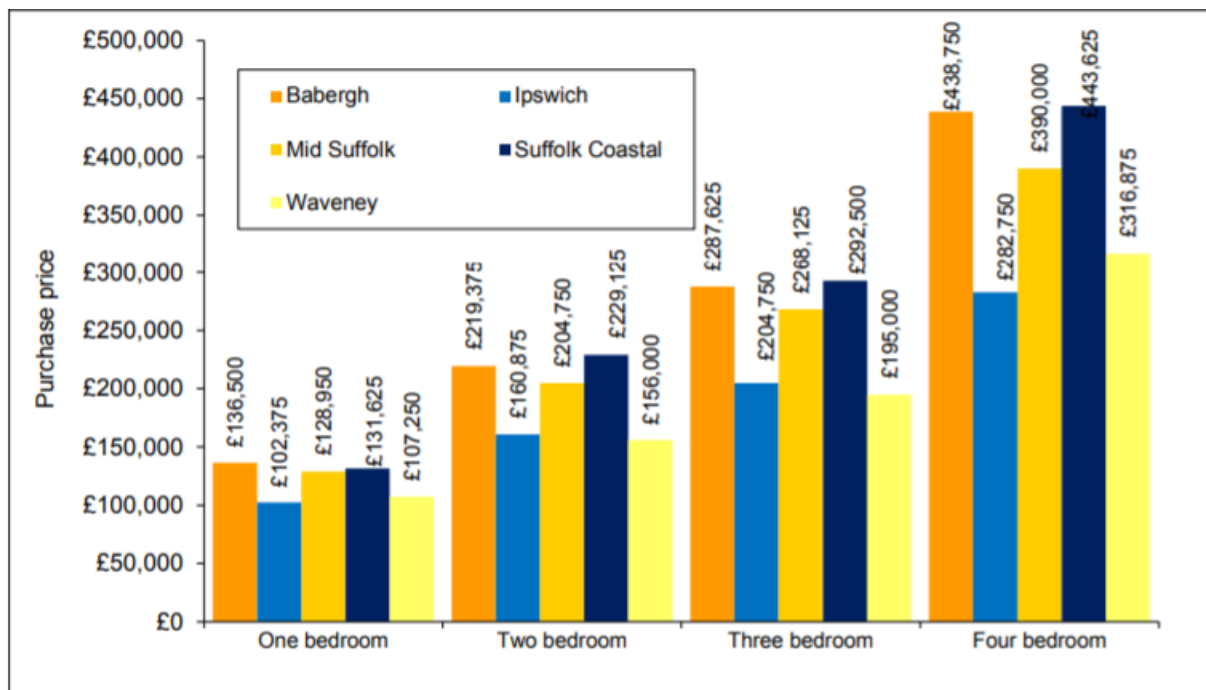
Figure 7-2: Distribution of annual gross household income



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

- 141. From the data presented above it is possible to deduce a LQAR of 8.8, assuming an entry level dwelling of two bedrooms in Babergh (suitable for a households of 2-4 individuals) shown in Figure 7-2 of £175,500, and a lower quartile income of £19,921.
- 142. To arrive at a median affordability ratio, it is again necessary to use data found in the SHMA volume 2.
- 143. For the purposes of this exercise, we again assume a two bedroom home, but at the higher 'median' price point of £219,375 and a median income of £28,038 as shown in Figure 7-3 below. This produces a MAR of in 2016 of 7.8.

Figure 7-3: Median property prices by size and price market



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

Affordability Thresholds

- 144. To understand affordability of different tenures in Little Waldingfield, we use the concepts of 'Affordability Thresholds.' These establish the minimum income needed to afford different tenures. The full analysis is set out in Appendix A; Table 7-6 and Figure 7-4 provide a summary.
- 145. For those whose income falls into the lower quartile, their choices are extremely limited. Indeed, according to the data we have gathered, in order to cover the rent on Social Rented dwellings, these households will need to devote a higher proportion of their household income to housing costs than the recommended ceiling of 25%, potentially leading to their having to reduce budgets for other goods and services. This could lead to 'exclusion,' or the inability to satisfy basic needs.
- 146. The data we have gathered shows that for those on income around the median they would only be able to afford Social and Affordable Rented housing.
- 147. For those whose income falls into the upper quartile, their options include the main forms of intermediate housing (Affordable Rent, Social Rent and Shared Ownership), but will struggle to afford market homes, even at the entry-level price-point. This illustrates how property prices have outstripped household income in recent years, and underlines the affordability challenges indicated by the LQAR and MAR.

Table 7-6: Affordability Thresholds (Income required)

Tenure	Price	Annual rent	Income Required	Deposit
Market Sale	£309,604	-	£79,612	£30,960
Market Rent	-	£11,268	£45,072	-
Entry level Market Sale	£240,625	-	£61,874	£24,063
Shared ownership (75%)	£162,422	£1,654	£53,023	£18,047
Starter Homes	£192,500	-	£49,500	£19,250

Market Rent - Entry-level	-	£8,628	£34,512	-
Shared ownership (50%)	£108,251	£3,309	£44,172	£12,031
Shared ownership (25%)	£54,140	£4,963	£35,320	£6,016
Affordable Rent - Average		£5,985	£23,940	
Social Rent - Average		£4,889	£19,556	

Source: AECOM Calculations

7.3 Local connection test policies

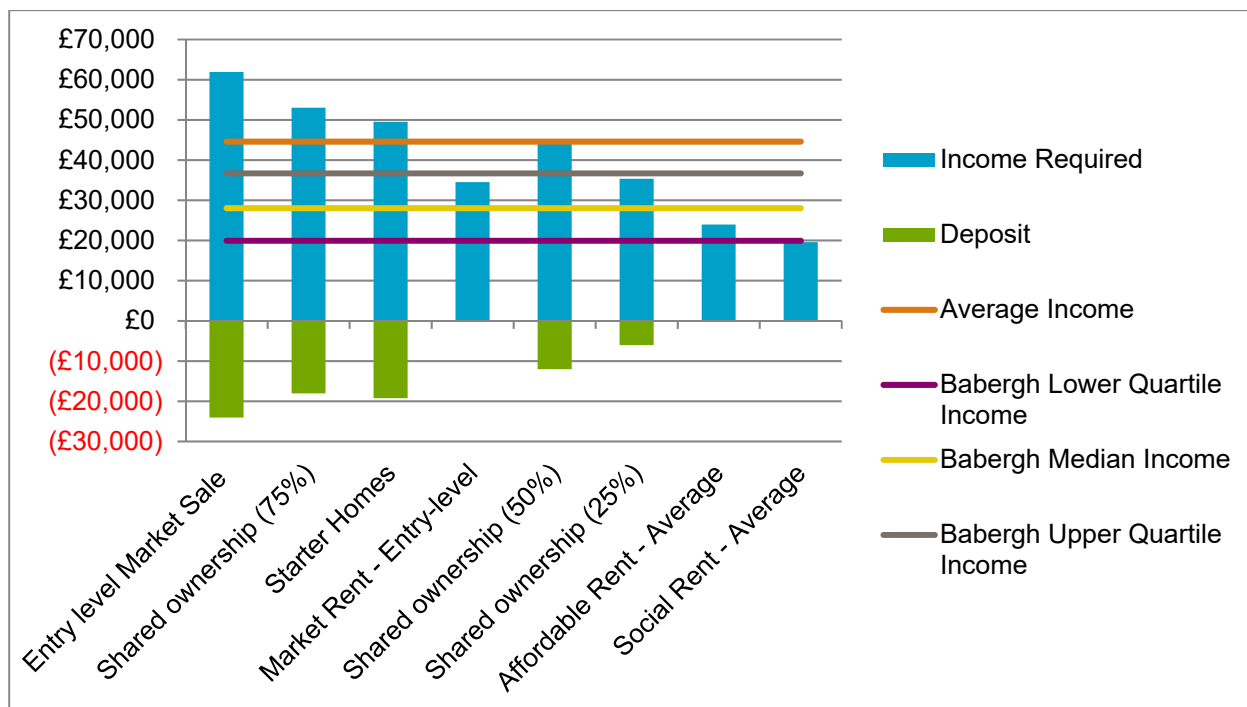
RQ3. What evidence is there to support a Local Connection Test policy and what tenures of home are most appropriate to support this?

148. The starting point for investigating the value of developing a “Local Connection Test” policy at the Neighbourhood Plan level should start with a review of the relevant policy of the LPA. This is because many local authorities undertake such a test as part of their housing allocation policy for Social Rented and other forms of Affordable Housing. They have the right to do this under Section 199 of the Housing Act 1996, which defines a “local connection” as place of normal residence (current or previous), employment, family connections or special circumstances³⁰.
149. It is important to note there is no obligation for such a policy, and it is up to the LPA to decide how they wish to apply them. Indeed, seeking such a policy within a Neighbourhood Plan may put it in conflict with the Local Plan policies given that the LPA will resist constraints on its ability to address housing need at the district level.
150. For this reason, a review of the wider policy context is important to establish the potential value such a policy could produce at the neighbourhood level. In the event the group wish to pursue a policy like this, seeking conformity with the relevant policies in the Local Plan is desirable and assembling evidence of need within the neighbourhood that demonstrate a level greater than the district average is necessary. Evidence may include,
- entries on the **waiting list for Affordable Housing** maintained by the LPA showing appiccate postcodes within the NA;
 - evidence of **acute affordability issues** based on Affordability Ratio indicators and income thresholds; and
 - a **household survey** recording need for Social Housing within the NA based on income levels and concealment.
151. If successful, the effect of the policy is, in effect, to add another set of criteria that would apply to the test of eligibility for Social Housing in the District.
152. AECOM has reviewed the relevant Local Plan policies and a commentary is provided below:
153. The BMSDC’s Housing Allocations Scheme was published in April 2016. This policy covers all Partner Organisations within the wider area, consisting of Babergh, Braintree, Colchester, Ipswich, Maldon, Mid Suffolk, Suffolk Coastal, and Waveney Councils. In particular, the stated aim of the policy is “to facilitate genuine opportunities for mobility across the Gateway area of operation.”³¹
154. In this context, the housing register already operates a local connection test within the wider area encompassing these local authorities, requiring applicants to have a principal home within the local authority, employment in the area, a close family member living in the area for the last five years, a member of the armed forces. These connections are assessed on an individual basis. Applicants without a local connection are placed one “need band” (the rating of need) lower than they would otherwise be if they did have a local connection.
155. The policy also introduces the idea of Local Lettings Plans, which enable the authorities to “give preference for offers of homes to a particular group of applicants in response to certain local circumstances...the decision to apply a local lettings plan will be jointly made by the landlord of the property and [Babergh District Council]”, and it goes on to suggest the circumstances in which this might take place including: to create balance communities, to improve difficult to let areas, to make the best use of housing sock, and where planning conditions have been agreed that stipulate that priority must be given to local applicants. Such a policy would favour those with the longest relationship with the parish, and in cases where there are no suitable applicants, would favour those from nearby villages and parishes “on a concentric circle basis”.

³⁰ <http://righttobuildtoolkit.org.uk/briefing-notes/local-connection-issues/#>

³¹ <https://www.midsuffolk.gov.uk/assets/Housing-and-Homelessness/Allocations-Policy.-Final-2016.pdf>

Figure 7-4: Affordability thresholds and income distribution



Source: AECOM Calculations

156. For the sake of clarity, Figure 6-4 above shows the data displayed in Table 6-6 in graphic form. For comparison purposes, the average income for the wider MSOA area that Little Waldingfield falls within has been used as a proxy. This figure has also been compared with the income levels in the District.

Table 7-7: Babergh Income Levels

Lower Quartile Income	Median Income	Upper Quartile Income
£19,921	£28,038	£36,700

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

157. There is clear evidence of Affordable Housing need within the parish. Only Market, Affordable and Social rent tenures, in addition to shared ownership homes at 50% and 25% are affordable to those that earn the average (total annual) income in Little Waldingfield. It can therefore be assumed that those on incomes lower than this may find it difficult to afford homes in Little Waldingfield. Due to the lack of data available at the neighbourhood level, the income levels for Babergh District have also been analysed against the minimum income required for each tenure (as seen in Figure 7-4). Whilst it is evident that income levels are much higher within the MSOA proxy area than the wider District, this comparison reveals that homes in Little Waldingfield are simply unaffordable to those on even median income levels in the wider district.

158. As aforementioned, the need for Affordable Housing in Little Waldingfield justifies the need for a Local Lettings Plan, given its purpose of helping to “create balance communities.” As such, the evidence does exist to justify a Local Connections Test policy in relation to Affordable Housing in Little Waldingfield. However, more detailed evidence produced as part of housing needs survey could also aid the parish in making the case for such a policy to Babergh District Council. In particular, a housing needs survey may prove necessary as it has the opportunity to provide more robust evidence and record local need for Social Housing within the NA based on local income levels and concealment.

159. Neighbourhood Plans, like Local Plans, can include a Local Connection Test Policy. However, it must be emphasized that such arrangements may be implemented via individual Section 106 agreements, which are legal agreements between those organisations developing a housing scheme and the local authority directly. Given that Neighbourhood Plans, once made, become part of the Local Plan, this would therefore be implemented by Babergh District Council in its agreements with those bringing forward development in the NA.

160. Given this context, it is for the parish council to negotiate with the local authority and local housing providers with regards to providing housing for local people in the Parish and establishing a Local Lettings Plan based on the

evidence of need put forward in this HNA. This may be on a per-scheme basis, and could apply to both rented and owner occupied forms of affordable housing (e.g. shared ownership).

161. The Chartered Institute of Housing (CIH) provides useful guidance for local authorities establishing a local lettings policy, which suggests that proposals should set out clear objectives backed up by evidence. It outlines how the proposals will achieve those objectives, as well as any impact assessments and evidence of consultation with local people on the proposals³².

7.4 Conclusions

162. From the data presented in Figure 7-4 and Table 7-64 it is clear that those households within the lower quartile of household income are unable to afford even the most affordable tenure of home without diverting resources from other forms of expenditure.

163. Market, Affordable and social rent in addition to Starter homes offer a route to home ownership for those households with a median income.

164. Affordable Housing Tenures should offer access to housing for those households in receipt of income above around £19,556.

165. Given that Affordable rent and Social rent are the most affordable tenures, it makes sense for the NA to seek this tenure so as to minimise deprivation in the NA.

166. It is evident that the only affordable tenure in Little Waldingfield is Social rent. Other affordable housing tenures such as Market and Affordable rent and Shared Ownership require a lower income than the MSOA average income, but are still unaffordable to those who earn an income within the District lower income quartile.

167. If Little Waldingfield is to achieve a more balanced community, it is necessary to explore the possibility of local connection test policies such as local lettings to ensure homes are available to those on all income levels. Moreover, a housing needs survey may prove necessary as it has the opportunity to provide more robust evidence and record local need for Social Housing within the NA based on income levels and concealment.

8. Conclusions

8.1 Overview

Table 8-1: Summary of factors specific to Little Waldingfield with a potential impact on neighbourhood plan housing quantity

Factor	Source(s)	Possible impact on future housing need	Rationale for judgement
Employment and Commuting	ONS Census Data Ipswich Economic Area Sector Needs Assessment, September 2017	↑	Economic growth in Hadleigh and Sudbury may generate further housing demand in Little Waldingfield.
Migration	ONS Census Data	↔	International migration plays a limited role in influencing demand for housing in the area as the NA international migration rate is low compared to the District and England and the majority of international migrants in Little Waldingfield have resided in the area for a significant period of time.

³²<http://www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/Allocations%20and%20Local%20Flexibility.pdf>

Housing Sales (Prices)	AECOM Calculations, Land Registry Price Paid Data for 2008-2017 UK House Price Index	↑	Whilst overall house prices has decreased, demand remains significantly strong for semi-detached homes, and as this property type represents the largest proportion of sales, this suggests that demand for housing has increased slightly
Housing Sales (Volume)	AECOM Calculations, Land Registry Price Paid Data for 2008-2017, Census 2001/2011 data,	↔	Semi-detached homes remain the most popular property type followed by detached homes, yet the fluctuation and overall low amount of sales of these properties suggests that current supply meets demand in Little Waldingfield.
Rate of development	AECOM Calculations, Babergh & Mid-Suffolk Joint Annual Monitoring Report 2018 – 2017, AECOM Calculations	↑	It is necessary to increase the housing requirement figure to address the shortfall seen in the borough, especially with the higher annual requirement of 325 dwellings in the District.
Overcrowding and Concealment	Census Data 2001, 2011	↔	Overcrowding is minimal in the NA and therefore it is not considered an issue that will affect housing demand in the NA

8.2 Findings and Recommendations

168. Below we summarise factors affecting the type of housing needed in Little Waldingfield, and our recommendations:

Table 8-2 : Summary of local factors specific to Little Waldingfield with a potential impact on neighbourhood plan housing characteristics

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Conclusion
Affordable Housing (AH)³³	Census 2001/2011, Land Registry PPD, Gateway Housing and Homelessness Allocations policy, Ipswich and Waveney Housing Market Areas SHMA, Volume 2, SDR, AECOM Calculations	<p>Little Waldingfield is dominated by owner occupied housing. There has been a decline in both social and private rented housing in the NA, with no shared ownership homes available, a stark contrast to the significant increase of these tenures in the wider District.</p> <p>House prices mean that housing is particularly unaffordable in the NA. Affordable, Social and Market rent tenures in addition to shared ownership homes (50% and 25%) are affordable to those who earn the average household income. Whilst there is a lack of data at the neighbourhood level. Household income data at the District</p>	The evidence suggests a very significant affordability issue in Little Waldingfield. Almost all housing tenures are affordable for those earning average income in the NA (with the exception of entry level market sale, starter homes and shared ownership (75%)). However, for those who earn within the Districts lower quartile income, the only tenure that is affordable is Social Rent. To prevent this unsustainable trend, it is necessary to provide both additional affordable market homes, of both sale and rent; and social housing including Social and Affordable Rent, Starter Homes and Shared Ownership tenures.

³³ See glossary

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Conclusion
		level indicates these tenures are unaffordable for those within the lower quartile income range.	A Local Connection Policy may be introduced in a Neighbourhood Plan based on robust data showing explicit local need, and this could be potentially supplied through a household survey. Planning obligations may well be the most effective way to achieve the implementation of such a policy.
Demand/need for smaller dwellings	Census 2001 and 2011, MHCLG 2014-based household projections.	<p>Census data recording the number of bedrooms per household suggests the great majority (71%) of people live in small and medium sized dwellings of 1-3 bedrooms, while a minority (29%) live in larger homes of four bedrooms or more.</p> <p>Data from the parish level indicates those households comprising aged 65 and over only (both one person and one family) will see the greatest proportional increase between 2014 and 2036. These two groups account for 73% of household growth.</p> <p>The trend towards down-sizing does not set in until well into retirement age, reflecting firstly the preference among older people to remain in the family home for as long as possible, but also the possible shortage of suitable alternative accommodation.</p> <p>The dwelling mix determined by life-stage modelling³⁴ reveals the danger of a growing misalignment between demand for dwellings of 2, 3 and 4 habitable rooms and supply which, in Little Waldingfield, tends towards larger properties.</p>	<p>Currently, the supply of homes in terms of size and demand for homes are in broad alignment. However, due to significant demographic shifts that are forecast over the Plan period, in particular the ageing population, an appropriate policy response is to support the delivery of smaller dwellings of 2-3 habitable rooms³⁵.</p> <p>To ensure the local needs of all are met in the NA over the Plan period, it is necessary to place a greater focus on smaller dwellings to ensure older people can downsize and also new residents from younger age groups are able to move into the area. The process of downsizing is also likely to free-up stock suitable for families.</p>
Demographic change	Census 2001 and 2011	<p>There has been a significant increase in the proportion of households where all residents are aged 65 and over during the 2001-11 inter-censal period in the NA. One person households aged 65 and over have increased by 6.3% and one family households aged 65 and over have increased by 66.7%.</p> <p>Change during the 2001-11 inter-censal periods suggest slight divergence with District trends, with a population that is ageing more rapidly</p>	The substantial increase in households that consist solely of residents aged 65 and older reflects the aging population in the NA. It is therefore necessary to provide suitable accommodation for older people.

³⁴ See glossary

³⁵ See glossary

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Conclusion
		than Babergh.	
Dwelling type	Census 2001, 11, ONS 2011 (CT 0621)	<p>The great majority of dwellings in Little Waldingfield are houses (as opposed to flats), with semi-detached and detached homes being the most common (45.5% and 41.8% of all dwellings respectively).</p> <p>Within Little Waldingfield, the most dominant house type for under 35's is terraced homes. However from the age of 35 there is a rapid shift to detached dwellings, reaching a peak of 49% among those aged between 55-64.</p>	<p>With a growing older population in the NA, it can be expected that there will be a rising demand for smaller homes. The housing types that are most likely to meet local needs, based on the current stock recent transactions, are semi-detached homes. Additionally, bungalows appeal to the elderly population and this particular type should be promoted so as to meet the demand of a growing elderly population.</p>
Family-sized housing	Census 2001 and 2011	<p>The housing stock tends towards larger homes, with 58% of all households occupying dwellings of 4, 5 and 6 habitable rooms, and 37% having 7 rooms or more.</p> <p>During the 2001 – 11 inter-censal period, Little Waldingfield saw an additional 41.4% households living in dwellings of 8 habitable rooms or more. There was also a significant 28.6% increase in dwellings of 6 habitable rooms.</p>	<p>There is an abundance of large family housing in Little Waldingfield; while this is healthy, and responds to market demand; there is a danger of the market failing to provide enough smaller dwellings (suitable for young families as well as households of 1 or 2 people).</p> <p>While family housing should remain a component on new development moving forward, the provision of very large dwellings of 8 habitable rooms or more (5 or more bedrooms) should only be delivered if a number of smaller self-contained units are also delivered over the same annual reporting period.</p> <p>Moreover, it is important to acknowledge that building more 1 or 2 bedroom dwellings will enable the growing older population to downsize and thus free up larger family homes. This further reduces the need to build larger family homes.</p>
Tenure of housing		<p>Owner-occupation remains the dominant tenure in the NA (the tenure for most households). Moreover, this is the only tenure in the NA that has seen an increase in dwellings.</p> <p>Meanwhile there has been a slight decrease of -6.7% in Private Rented Sector (PRS) during the 2001-11 inter-censal period, despite a 101.4% increase in the wider District.</p>	<p>It is evident, that homes for entry-level market sale remain unaffordable to those who earn the total average annual income. Moreover, in recent years, homes for market sale have been the only housing tenure to increase in the NA. This trend is unsustainable as it will increasingly mean that homes are unaffordable for those on the lowest incomes, nor does it provide a sustainable range of</p>

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Conclusion
			<p>tenures to suit a diverse range of local needs.</p> <p>The revised NPPF (published July 2018) acknowledges that Build to Rent dwellings have a role to play in providing affordable market homes, and may contribute to AH need where they include a component of Affordable Private Rent. Social rent is currently the only genuinely affordable housing tenure in the NA, yet there is a lack of rental homes as a whole in the NA. It is therefore appropriate for policy in Little Waldingfield to explore this option to increase the availability of rented homes and to continue the availability of this Affordable Housing tenure.</p>

8.3 Recommendations for next steps

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

- Neighbourhood Planning Basic Condition A, that it has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the neighbourhood plan contributes to the achievement of sustainable development; and Condition E, which is the need for the neighbourhood plan to be in general conformity with the adopted strategic development plan;
- the views of Babergh District Council – in particular in relation to the housing need figure that should be adopted;
- the views of local residents;
- the views of other relevant local stakeholders, including housing developers; and
- the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the Babergh District Council, including but not limited to the SHLAA
- the recommendations and findings of this study; and
- The impact of the new Government proposed standard methodology on calculating housing need on the district and its neighbourhoods.

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

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

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

173. At the same time, monitoring on-going demographic or other trends over the period in which the neighbourhood plan is being developed (factors summarised in Table 1) would help ensure relevance and credibility of its policies.

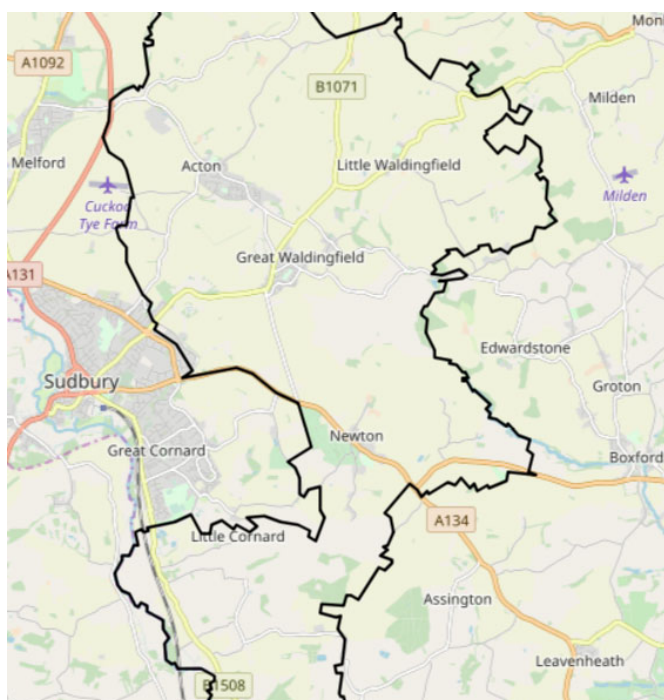
Appendix A : Affordability of tenure options

A.1 Income

174. Incomes are considered first, as they have an important relationship with the ability of households to exercise choice in the housing market and the level of need for Affordable Housing products. Different sources were used to estimate the income levels in Little Waldingfield.

175. As household income data at the Parish level is not available, we have used estimates of average household incomes for 2015/16, published by the ONS at the Middle-layer Super Output Area. One must be aware that the selected area used to obtain estimates of household average income is larger than the NA. However, we believe this data is a robust proxy, giving a more accurate picture than given by estimates of incomes at the LA level. The geography used to retrieve the data is shown in Figure 8-1 below. The net annual household income before housing costs (equalised) in 2015/2016 was **£35,700**, while the total annual income³⁶ was **£44,600**.

Figure 8-1: Map of E02006232: Babergh 006



Source: ONS 2011

A.2 Market housing

176. To determine affordability in market housing, we consider two primary indicators, 'Income Thresholds' (IT), which denotes the maximum share of a family's income that should be spent on accommodation costs, and thirdly 'Purchase Thresholds' (PT), which denotes the standard household income requirement to access mortgage products.

Market sales

177. The PT examines affordability for sale market homes. In this sub-section, we consider two measures of housing price: the average (mean) house price, and the lower quartile (LQ) house price. The LQ house price is the price below which the cheapest 25% of houses may be bought and is a **measure of 'entry-level' property in the area** (cheaper, more Affordable Housing)³⁷. Nonetheless, an entry-level dwelling can also be understood as one suitable for a household comprising two or three individuals. In order to conform with the Government guidance on overcrowding, such a home would require three habitable rooms (a flat or house with two bedrooms). **Entry-level properties can therefore also be understood as two-bedroom flats/houses.**

³⁶ 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.

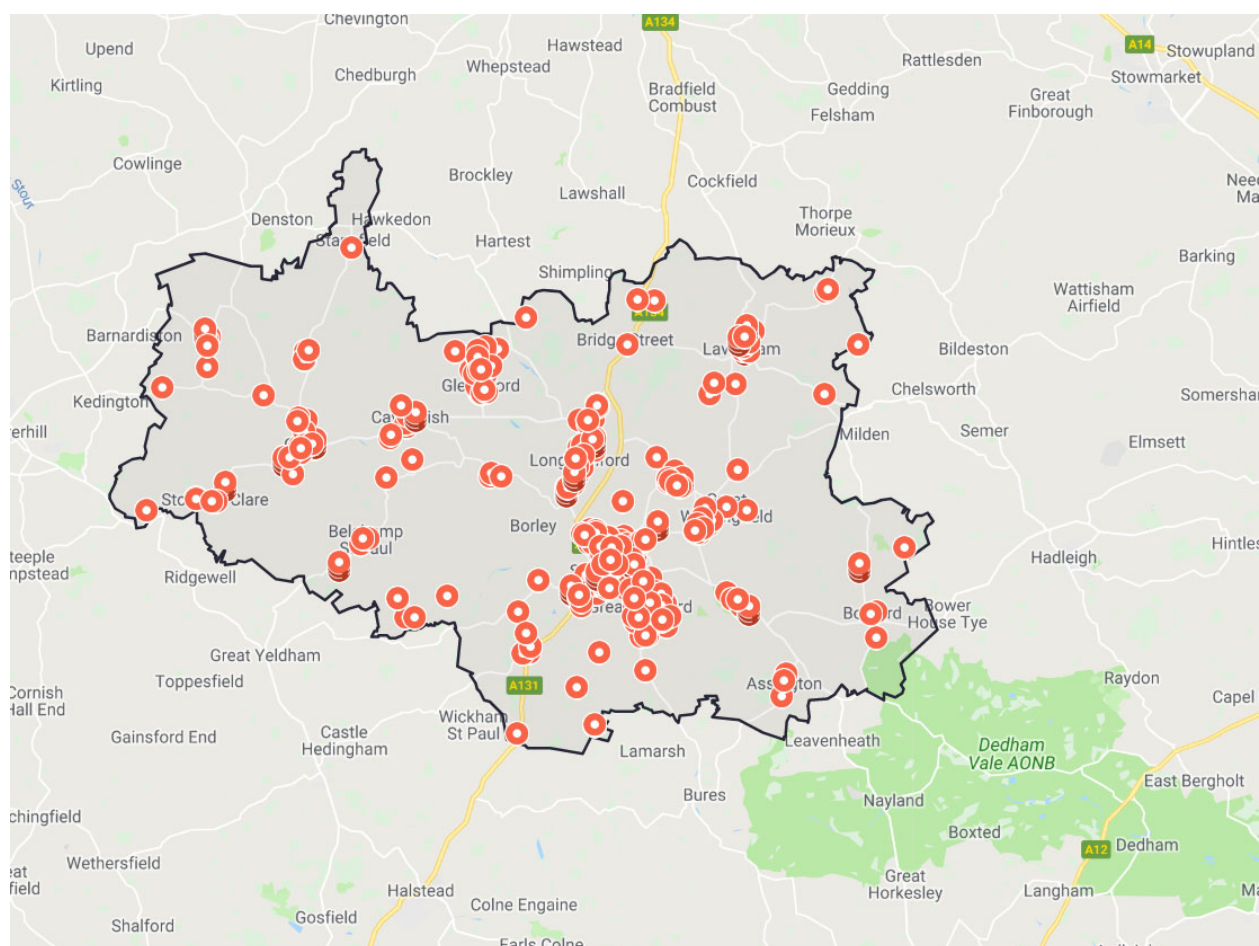
³⁷ Definition of 'entry-level' taken from <https://www.ons.gov.uk/visualisations/dvc393/affordabilitycalculator/content.html>

178. As there has been low sales of smaller homes in the NA, including two bedroom properties, it is necessary to use Land Registry data from 2017. The Lower quartile price for homes in Little Waldingfield is **£240,625** whilst the average price for property in the NA is **£309,604**.
179. The PT is calculated by discounting 10% of the house price to reflect a mortgage deposit. The resulting cost is then divided by 3.5³⁸.
180. The PT for the entry-level property price is $£240,625 \times 10\% = £24,063$; $£240,625 - £24,063 = £216,562$; Dividing this figure by 3.5 produces a threshold of **£61,714**. A single person would need to be earning **£61,874 annually to afford an entry-level property**.
181. The PT for the mean property price in September 2018 is $£309,604 \times 10\% = £30,960$; $£309,604 - £30,960 = £278,644$; Dividing this figure by 3.5 produces a threshold of **£79,612**. A single person would need to be earning **£79,612 annually to afford a property around the average price**.

Private rented sector (PRS)

182. The IT examines affordability for rent market homes. Again, we consider two measures of price: the average rent price and the LQ rent price. However, data is not available for long-term trends at the NA scale, making it impossible to calculate LQ rent price. Nonetheless, as we saw, an entry-level dwelling can also be understood as two-bedroom flats/houses. A search of properties available for private rent was made on www.rightmove.com, presented in Figure 8-2 below. However, the results showed that n properties were available to rent in the area. Therefore, we have turned to Home.co.uk, which provides market rent summary for the wider postcode area, shown in Figure 8-2 below.

Figure 8-2: CO10 Postcode Area



Source: <https://www.rightmove.co.uk>

183. We used CO10 as a proxy for market rent levels in Little Waldingfield and presented property rents by size in Table 8-3 below.

³⁸ Lending criteria: How much a mortgage provider is prepared to lend you (how many times income). According to the SHMA, "An individual with a single income is considered able to buy a home if it costs 3.5 times the gross household income"

Table 8-3: Property Rents in CO10 by Number of Bedrooms

	No. of properties	Average rent
One bedroom	14	£653
Two bedrooms	22	£719
Three bedrooms	26	£1,084
Four bedrooms	13	£1,214
Five bedrooms	3	£2,132
Average property rents in CO10		£1,160

Source: <https://www.home.co.uk>

184. Finally, we have examined rents in surrounding areas and the results were compiled in Table 8-4 below. It appears that the rental market in CO10 (including Little Waldingfield), is relatively expensive when compared to surrounding areas.

Table 8-4: Property rents in surrounding areas

Average property rents in CO10	£939
Average property rents in Sudbury	£798
Average property rents in Suffolk	£865

Source: <https://www.home.co.uk>

185. We now determine the income needed to afford market rents. The IT is derived through the annualisation of the monthly rental cost. For the purpose of this exercise and in line with the SHMA, affordability is defined as spending 25% of income on housing costs.³⁹

186. The average rent for CO10 used as a proxy for Little Waldingfield is £939 PCM. The annualisation of this figure is £11,268. The income threshold is therefore **£45,072**.

187. The average entry-level rent in Little Waldingfield is £719 PCM. The annualisation of this figure is £8,628. The income threshold is therefore **£34,512**.

A.3 Affordable housing

188. We identified the various different tenures that constitute the new definition of Affordable Housing (AH) within the NPPF (2018 version): Social Rent and Affordable Rent, Starter Homes, Discounted market sales housing, and other affordable routes to home ownership.

189. This variety of AH tenures reflects an ambition by the Government to provide a pathway to home ownership to those who seek it, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide AH 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.

190. A good example is, in 2012, the introduction of dwellings for Affordable Rent, rent for this tenure is set at up to 80% of market rent, with intention that the additional income is used to help fund the development of new homes. Labelled an 'intermediate' product, this would be suitable for people with an income that precludes them from eligibility for the Social Rent dwellings (those dwellings where the rent is set in accordance with the Government's rent policy), but who cannot afford to access the private market.

191. The overall aim is to reduce the groups who are eligible for Social Rent dwellings to those who have, relatively speaking, very low household incomes. However, within this segment, market principles also apply given the link between rents and size of dwelling, with a strong financial incentive for households to only occupy a dwelling deemed suited to their composition, based on an 'occupancy rating' formula set by the Government.

Social Rent

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

³⁹ SHMA 2012 "A household is considered able to afford market housing in cases where the rent payable would constitute no more than 25% of their gross household income"

193. To determine Social Rent prices we have used the Statistical Data Return (SDR) from the Regulator of Social Housing (RSH). This data is only available at the District level, but operates as an acceptable proxy for Little Waldingfield given the shared demographic and employment characteristics identified in this study between the two geographies. SDR provides data about rents and the size and type of stock owned and managed by Private Registered Providers (PRPs) and is presented in Table 8-5 below. Using this data, we have also calculated what the annual rent and income needed will be for each home.

Table 8-5 : Social Rent Levels

Size	1 bed	2 beds	3 beds	4 beds	All Stock Sizes ⁴⁰
Average Net rent per week	£74.69	£91.74	£102.35	£113.04	£93.76
Average social rent rate per week	£74.15	£91.21	£101.79	£112.71	£93.36
Annual rent	£3,895	£4,784	£5,337	£5,894	£4,889
Income needed	£15,578	£19,134	£21,347	£23,577	£19,556

Source: SDR, AECOM Calculations

Affordable Rent

194. Commentators have repeatedly raised concerns about affordable rent not constituting a realistic form of AH given that in many areas this reduces rent to levels that are still beyond the means of the target group: those on incomes substantially below the mean.

195. To determine Affordable Rent prices we can also use the SDR from the RSH. The data is presented in Table 8-6 below.

Table 8-6: Affordable Rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All Stock Sizes
Average weekly Gross rent	£92.44	£112.24	£128.14	£163.90	£114.78
Annual rent	£4,820	£5,853	£6,682	£8,546	£5,985
Income needed	£19,280	£23,410	£26,726	£34,185	£23,940

Source: SDR, AECOM Calculations

Intermediate Tenures

196. 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. They can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

- Starter Homes

197. Housing and Planning Act 2016 (HPA) includes provisions to introduce a general duty on planning authorities in England to promote the supply of 'Starter Homes,' and a specific duty to require a minimum number or proportion of 'Starter Homes' on certain residential development sites. In paragraph 64 of the NPPF18, 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".

198. This is a fulfilment of the direction of travel set in the Housing White Paper. It states that, "in keeping with our approach to deliver a range of affordable homes to buy, rather than a mandatory requirement for 'Starter Homes,' we intend to amend the NPPF to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units. It will be for local areas to work with developers to agree an appropriate level of delivery of 'Starter Homes', alongside other affordable home ownership and rented tenures".

199. This is a substantial watering-down of the 'Starter Home' requirement as envisaged when policy contained in the Housing and Planning Act was first conceived. In effect, it leaves it to local groups, including neighbourhood plans, to decide an appropriate level of affordable home ownership products, while taking note of the 10% policy expectation.

200. A Starter Home is a new build home with a value not exceeding £250,000 outside London and £450,000 inside the city; they are eligible for first time buyers aged under 40.

⁴⁰ Weighted average

201. The decision whether to treat Discounted Market Sale Homes (DMSH) as AH should be determined by whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access Affordable Market Housing for purchase.
202. So as to provide a conservative assessment of suitability of DMSH, we propose to use the value we have estimated for an entry-level dwelling of £240,625.
203. Applying a discount of 20% arrives at the approximate selling price of £192,500. Allowing for a 10% deposit further reduces the value of the property to £173,250. The PT at a multiple of 3.5 is **£49,500**.
- Shared Ownership
204. As we have seen, there are no shared ownership dwellings in Little Waldingfield (at the time of the last Census). Nevertheless, it is worth considering its future role.
205. 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 'stair-casing'. Generally, stair-casing will be upward, thereby increasing the share owned. In exceptional circumstances (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 both first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose household income does not exceed £60,000.
206. To determine the affordability of shared ownership, calculations are based on the entry-level house price in Little Waldingfield (£240,625). The amount of the deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, the standard loan to value ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 25% of the income on rent (as for the IT for PRS). This assumption is also made in the Ipswich and Waveney Housing Market Areas SHMA, Volume 2.
207. A 25% equity share of £240,000 is £60,156, from which a 10% deposit of £6,016 is netted off. The mortgage value of £54,140 (£60,156 - £6,016) is then divided by 3.5. To secure a mortgage of £54,140, an annual income of £15,469 (£54,140 / 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 75% shared ownership equity, the unsold value of £180,469. An ongoing annual rent equivalent to 2.75% of the value of the unsold equity is assumed, which is £4,963 and requires an income of £19,852. Therefore, an income of around **£35,320** (£15,469 + £19,852) is required to afford a 25% shared equity purchase of an entry-level house with annual rent.
208. The same calculation is reiterated for different initial share and the results are presented in Table 8-7 below:

Table 8-7: Affordability calculator for shared ownership

Purchase price:	£240,625	Minimum income needed	Mortgage	Income needed for mortgage	Annual Rent	Income needed for rent	Deposit required
Initial share	25%	£35,320	£54,140	£15,469	£4,963	£19,852	£6,016
	35%	£38,861	£75,797	£21,656	£4,301	£17,205	£8,422
	40%	£40,631	£86,625	£24,750	£3,970	£15,881	£9,625
	50%	£44,172	£108,281	£30,938	£3,309	£13,234	£12,031
	60%	£47,713	£129,938	£37,125	£2,647	£10,588	£14,438
	75%	£53,023	£162,422	£46,406	£1,654	£6,617	£18,047

Source: AECOM Calculations

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability⁴¹

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)/Intermediate Housing⁴²

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

Affordable rented housing

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

Annual Monitoring Report

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

⁴¹ <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

⁴² <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

Bedroom Standard⁴³

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

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order⁴⁴

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

Concealed Families (Census Definition)⁴⁵

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

Equity Loans/Shared Equity

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

Extra Care Housing⁴⁶

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

⁴³ <https://www.gov.uk/government/publications/english-housing-survey-2011-to-2012-headline-report>

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

⁴⁵ http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

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

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

Fair Share

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

Household Reference Person (HRP)

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

Housing Market Area (PPG Definition)⁴⁷

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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.

⁴⁷ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

Income Threshold

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

Life Time Homes

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

<http://www.lifetimehomes.org.uk/>.

Local Development Order

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

Local Enterprise Partnership

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing (PPG Definition)

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

Mean (Average)

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

Median

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years⁴⁸, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Plan

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

Older People

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

Output Area/Lower Super Output Area/Middle Super Output Area

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

Overcrowding

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence (PPG Definition)

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

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

⁴⁸ <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

included some benefit claimants whose housing benefit at the time was paid directly to their landlord. This could mean people whose rent is paid by their employer, including some people in the armed forces. Some housing association tenants may also have been counted as living in the private rented sector because of confusion about what a housing association is.

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing⁴⁹

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

Strategic Housing Land Availability Assessment (NPPF Definition)

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for the Elderly

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

⁴⁹ <http://www.housingcare.org/jargon-sheltered-housing.aspx>

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.) for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.⁵⁰

⁵⁰ <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

Appendix C Group comments

(For internal use after group-review stage)

AECOM Comment Actions

Date: 27.03.2019

Comment No. or Summary	AECOM Action or Non-Action	Explanation
The end date here and at Table 5-9, on page 30 should be 2036?	<i>Non- Action</i>	I can confirm this is correct as this table is simply replicating the data from the MHCLG household projections and is not calculating projections to 2036 at this stage of the HNA report.
To be in conformity with the LP surely an NDP can have an HRF of less than the District's suggested figure if justified?	<i>Non- Action</i>	The NDP can have a figure higher than the Districts suggested figure, but not lower. This is because the District's figure should be treated as a minimum requirement and therefore if a NDP HRF is lower than this, it will challenge and not conform with the LP.
What about the growing demand for smaller properties?	<i>Non- Action</i>	The analysis at this stage of the report, based on ONS data, reveals that demand for smaller properties has decreased slightly.
Minor Errors	Action	All minor errors such as typing errors have been addressed and corrected.
Accurate Figures	Action	I can confirm that all figures are accurate.

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