Castle Acre Parish Council
Housing Needs Assessment (HNA)

May 2019
### Quality information

<table>
<thead>
<tr>
<th>Prepared by</th>
<th>Checked by</th>
<th>Approved by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ishaq Khan, Planner</td>
<td>Ivan Tennant, Principal Planner</td>
<td>Ivan Tennant, Principal Planner</td>
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</tbody>
</table>

### Revision history

<table>
<thead>
<tr>
<th>Revision</th>
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<th>Details</th>
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<tr>
<td>1</td>
<td>January 2019</td>
<td>Drafting</td>
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<td>2</td>
<td>March 2019</td>
<td>Technical Review</td>
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<td>Final Draft Report</td>
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<td>May 2019</td>
<td>Locality Review</td>
</tr>
<tr>
<td>7</td>
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<td>Final Report</td>
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List of acronyms used in the text:

AH Affordable Housing (NPPF definition)
AMH Affordable Market Housing
BCKLWN Borough Council of King’s Lynn & West Norfolk
CAPC Castle Acre Parish Council
GT Gypsy & Traveller
GTAA Gypsy and Traveller Accommodation Assessment
HNA Housing Needs Assessment
HNF Housing Needs Figure
LPA Local Planning Authority
MHCLG Ministry for Housing, Communities and Local Government (formerly DCLG)
NDP Neighbourhood Development Plan
NP Neighbourhood Plan
NPA Neighbourhood Area
NPPF National Planning Policy Framework
ONS Office for National Statistics
PPG Planning Practice Guidance
PRS Private Rented Sector
SHLAA Strategic Housing Land Availability Assessment
SHMA Strategic Housing Market Assessment
SHMAU14 Strategic Housing Market Assessment - UPDATE June 2014 (HDH Planning & Development)
1. Executive Summary

1.1 Introduction

1. This report provides the Castle Acre Parish Council (CAPC) with information about the amount and mix of housing they should plan for going forward. The information provided can be used to inform debate within the group, local understanding of the needs and the justification for any site allocation and site mix policies within the Neighbourhood Plan.

2. 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. 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 of housing needed, there is generally more flexibility on what Neighbourhood Plan can cover. In order to understand the types of housing needed in the Neighbourhood Area (NA), we have gathered a wide range of local evidence and distilled this into policy recommendations designed to inform decisions on housing characteristics.

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 determining the extent to which the neighbourhood diverges from the local authority average, 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.

7. Our brief was to advise on data at this more local level to help CAPC understand the tenure, affordability, 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 CAPC which resulted in a number of agreed research questions:

   a. RQ1: What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and market tenures should be included in the housing mix?

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

Key Headlines

8. New homes built for owner occupation will only serve a small number of households at the higher end of the income scale. Several factors indicate the need to increase the number of social and affordable rented homes, namely the high proportion of households on low household incomes, the increase in the number of households privately renting between 2001 and 2011 and the relative unaffordability of privately rented properties.

9. Whilst current policy in King’s Lynn and West Norfolk District is to seek 20% Affordable Housing in Castle Acre on sites of 5 or more dwellings, split 70% social and affordable rented and 30% shared ownership, our analysis suggests that most of households require Affordable Housing and that all tenures other than Social Rented housing are not affordable to the average income household.

10. Informed by local demographic evidence and Borough-level evidence, we propose the following mix: One-bedroom: 17.5%; Two-bedrooms: 35%; Three-bedrooms: 27.5%; Four or more-bedrooms: 20%.

1 PPG Paragraph: 006 Reference ID: 2a-006-20140306
2. **Context**

2.1 **Local context**

11. Castle Acre is a village and civil Parish, covering a large area of approximately 1318 hectares. The Parish is located in the King’s Lynn and West Norfolk District, which is situated within the West of the Norfolk County, within the East of England.

12. The Parish is relatively rural in nature, with a large amount of farm land; however, there is one main settlement within this Parish, located in the south of the Neighbourhood area.

13. Castle Acre Priory, located adjacent to the southern boundary of the Parish, dates back to 1090 and is one of the largest and best preserved monastic sites in the country.

14. The Peddars Way and Norfolk Coast Path National Trail, runs directly through the Parish, provides residents with access to the Norfolk Coast Area of Outstanding Natural Beauty (AONB).

15. The A1065 runs within close proximity to the south east boundary of the Parish, providing residents with access to towns and villages throughout East Anglia.

16. There are two Sites of Special Scientific Interest (SSSIs) along the southern boundary of the Parish; Castle Acre Common SSSI and the River Nar SSSI. Consequently, there are some sections of the Parish which are located within an SSSI Impact Risk Zone (IRZ) for residential development, rural residential development or rural non-residential development.

17. Castle Acre was designated as a Neighbourhood Area (NA) in 2017, and a steering group has since begun working towards developing a Neighbourhood Plan (NP) to cover a period up to 2036. A map identifying the designated Castle Acre Neighbourhood Area is shown below in Figure 2-1.

*Figure 2-1: Castle Acre Neighbourhood Area*

[Source: https://www.west-norfolk.gov.uk/info/20127/neighbourhood_plans/525/castle_acre_neighbourhood_plan]
2.2 Planning policy context

18. In line with the basic conditions\(^2\) of Neighbourhood Planning (NP), Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies. Consequently, there is a requirement for the relevant Local Plan to be reviewed as part of this Housing Needs Assessment (HNA).

19. The Site Allocations and Development Management Policies Plan (SADMP), developed by the Borough Council of King’s Lynn & West Norfolk (BCKLWN), was formally adopted on 29 September 2016. The plan sets out land allocations and development management policies for the district, for the period of 2016 to 2026. The SADMP, together with the Borough’s Core Strategy, form the King’s Lynn and West Norfolk Local Plan. The Core Strategy, adopted in 2011, sets out the spatial planning framework for the district up until 2026 and minor amendments to this document have been identified within the SADMP. Both the SADMP and Core Strategy documents have been studied for policies relevant to housing need.

20. The following policies were deemed relevant for the purpose of this HNA and reviewed accordingly:

Table 2-1: Summary of policies reviewed for the purpose of this HNA

<table>
<thead>
<tr>
<th>Core Strategy</th>
<th>Site Allocations and Development Management Policies Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy CS01: Spatial Strategy</td>
<td>Policy DM2: Development Boundaries</td>
</tr>
<tr>
<td>Policy CS02: Settlement Hierarchy</td>
<td>Policy DM3: Development in the Smaller Villages and Hamlets</td>
</tr>
<tr>
<td>Policy CS06 Development in Rural Areas</td>
<td>Policy DM8: Delivering Affordable Housing on Phased Development</td>
</tr>
<tr>
<td>Policy CS09 Housing Distribution</td>
<td>Policy G22.1 Castle Acre – Land West of Messingham Road</td>
</tr>
</tbody>
</table>

21. Within the Core Strategy, **Policy CS01: Spatial Strategy**, states that approximately 90% of new residential development will take place in the areas identified within the settlement hierarchy to ensure reasonable access to services. This policy also ensures that the levels of growth that take place in selected Key Rural Service Centres is locally appropriate.

22. Key Rural Service Centres are identified as having the potential to accommodate growth to sustain the wider rural community. Core Strategy **Policy CS02: Settlement Hierarchy**, designates Castle Acre as a Key Rural Service Centre, where local scale development will be concentrated; however, this development will be limited to a scale and nature appropriate to secure the sustainability of the settlement.

23. The Core Strategy provides for 16,500 new dwellings across the Borough over the period 2001 – 2026. **Policy CS06: Development in Rural Areas**, states that provision for at least 2,880 of these dwellings will be made within or adjacent of Key Rural Service Centers.

24. For new allocations, **Policy CS09 Housing Distribution** within the Core Strategy, identifies a total of 7,105 new homes to be allocated across the district, 660 of which will be allocated within Key Rural Service Centers. As there are 21 Key Rural Service Centers within King’s Lynn and West Norfolk, the combined housing allocation equates to an average allocation of 31 dwellings per settlement.

25. The SADMP proposes that on a population pro-rata basis, Castle Acre would be allocated 11 new dwellings including 2.2 (at current standards) Affordable Housing/Affordable Housing/Housing dwellings or the equivalent financial contribution. The council considers a marginal increase in the number of dwellings in this location from 11 to 15 would enable a comprehensive scheme. Therefore, **Policy G22.1 Castle Acre – Land West of Messingham Road** within the SADMP, states that the land amounting to 1.1 hectares to the west of Messingham Road, is allocated for residential development of at least 15 dwellings. The implication would be, with the application Policy CS09 (see below), the Affordable Housing allocation will be 3 dwellings.

26. For housing type, **Policy CS09: Housing Distribution** within the Core Strategy states that Proposals for housing must take appropriate account of need identified in the most up to date strategic housing market assessment with particular regard to size, type and tenure of dwellings, including the needs to all sectors in the community.

27. **Policy CS09: Housing Distribution** within the Core Strategy also addresses Affordable Housing, stating that up to date strategic housing market assessments and Affordable Housing needs viability studies will be used. Within the district, the overall target for Affordable Housing will be related to the ability to deliver in the market conditions that prevail at the time of a planning application. Upon adoption of the Core Strategy, it was specified that the percentage of dwellings which will be sought for Affordable Housing provision on qualifying sites is: 15% within the built-up area of

\(^2\) See Glossary
Kings Lynn and 20% in all other areas. Additionally, the thresholds over which Affordable Housing provision will be sought will vary in line with a model of dynamic viability. However, upon adoption of the Core Strategy, the following thresholds were stated within the policy:

- King’s Lynn, Downham Market and Hunstanton - Sites of 0.33 ha or 10 or more dwellings
- Rural areas - Sites of 0.165 of ha or 5 or more dwellings

28. Consistently, the SADMP Policy DM8: Delivering Affordable Housing on Phased Development, states that on sites allocated for residential development, Affordable Housing under Policy CS09: Housing Distribution of the Core Strategy will be applied.

29. In terms of tenure mix, Policy CS09: Housing Distribution of the Core Strategy, identifies a rented to Shared Ownership ratio of 70:30, which may be adjusted to balance housing needs and make schemes viable.

30. Provisions relating to Gypsies, Travellers and Travelling Showpeople are also detailed in the Core Strategy Policy CS09: Housing Distribution. A minimum of 146 permanent pitches for GT have been identified within the Regional Spatial Strategy, as being needed in the district between 2006 and 2011. Provision for transit sites and additional provision of permanent GT sites will be considered where additional need is demonstrated and will be reviewed on an annual basis.
3. **Approach**

3.1 **Research Questions**

31. Below we set out the Research Questions (RQs) relevant to this study, as discussed and agreed with Castle Acre Parish Council (CAPC). RQs are arrived at the start of the project through discussion with the parish. They serve to direct our research and provide the structure for the HNA.

**Tenure**

32. As Castle Acre is a premium priced location, many households are priced out of the housing market. Besides, recently developed homes are unaffordable to locals. Therefore, the group is keen to establish the right conditions for new development to come forward that is affordable, both in the NPPF definition of Affordable Housing (including social renting, affordable renting, and intermediate housing) and in the broader sense of housing that is attainable for first-time buyers and others for whom home-ownership is difficult.

33. The group believes that the existing social rent and private rented sector homes in the Parish serves the local community quite well. They would like to see more of these affordable tenures in the village, and require robust evidence to demonstrate this.

34. **RQ1:** What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and market tenures should be included in the housing mix?

**Type and size**

35. According to the group, a large number of recently built homes are not meeting local needs - they are either too large or due to high pricing at risk of becoming investment properties and not meeting local need. Furthermore, residents have expressed the need for houses for first-time buyers during consultation events. Although the available data shows the existence of smaller family sized dwellings in Castle Acre, they are often inhabited by older residents who remain in them as their family moves on. Building additional smaller homes and/or specialised housing for the elderly is necessary to meet the needs of all residents.

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

3.2 **Relevant Data**

37. The PPG states that neighborhood planners can refer to existing needs assessments prepared by the local planning authority as a starting point. As such, the assessment has considered the King’s Lynn & West Norfolk Strategic Housing Market Assessment Update, published in 2014, as well as the Housing Need Report Assessing King’s Lynn and West Norfolk’s Housing Requirement, published by Neil McDonald in October 2016.

38. The assessment has also considered data from the 2001 and 2011 Censuses, recent and up-to-date population projections and estimates produced by the ONS, and from the Land Registry and UK House Price Index. Annual completions monitoring data acquired directly from BCKLWN was also used in preparing this HNA report. All of these sources of data have been established as up-to-date and publically accessible, and therefore can form the basis for robust evidence on the housing needs of Castle Acre Parish.

39. It should be noted that limitations in the scale of Census data available has meant that a larger area incorporating similar neighbouring parishes has been assessed for data in relation to the size of household by number of bedrooms (Table 5-7). The assessed area is outlined below (Figure 3-1).
Figure 3-1: Area assessed for data in Table 5-7 (Page 20).

Source: Census 2011
4. **RQ 1 Tenure and affordability**

**RQ1: What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and market tenures should be included in the housing mix?**

40. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines their rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.

41. We will address this section 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 continuation of these trends would meet future needs; or, alternatively, whether there exist misalignments 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.

4.1 **Current tenure profile**

42. The current tenure profile in Castle Acre must be the starting point for any consideration of future tenures needed, in particular in relation to the tenure mix across the Borough, and in relation to strategic needs identified in the SHMAU14. Table 4-1 below presents Census data from 2011. This shows that the proportion of owner occupiers in Castle Acre is greater than the national average but lower that the average across the Borough. On the other hand, the proportion of private renters is lower than the Borough and considerably lower than the national average. The proportion of social renters is in keeping with the national average, but greater than the Borough average.

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Castle Acre</th>
<th>King’s Lynn &amp; West Norfolk</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owned; total</td>
<td>66.6%</td>
<td>69.4%</td>
<td>63.3%</td>
</tr>
<tr>
<td>Shared ownership</td>
<td>0%</td>
<td>0.4%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Social rented; total</td>
<td>17.2%</td>
<td>13.3%</td>
<td>17.7%</td>
</tr>
<tr>
<td>Private rented; total</td>
<td>12.9%</td>
<td>14.7%</td>
<td>16.8%</td>
</tr>
</tbody>
</table>

Source: Census 2011, AECOM Calculations

43. It is also informative to consider rates of tenure change over the intercensal period in Castle Acre (see Table 4-2). Whilst the highest increase is in the number of private renters, this is around half the level of increase seen nationally and even lower compared to the increase seen across the Borough. In contrary, the decrease of social renters and the increase of owner occupied properties are substantially greater than the Borough and national averages.

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Castle Acre</th>
<th>King’s Lynn &amp; West Norfolk</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owned; total</td>
<td>19.5%</td>
<td>4.9%</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Shared ownership</td>
<td>0%</td>
<td>95%</td>
<td>30.0%</td>
</tr>
<tr>
<td>Social rented; total</td>
<td>-11.7%</td>
<td>-2.6%</td>
<td>-0.9%</td>
</tr>
<tr>
<td>Private rented; total</td>
<td>41.7%</td>
<td>96.2%</td>
<td>82.4%</td>
</tr>
</tbody>
</table>

Source: Census 2001 and 2011, AECOM Calculations

44. Table 4-3 below summarises these changes in tenure between 2001 and 2011 as a percentage of all additional households (of which there were 28 in Castle Acre and 4,639 across the Borough). This shows that the vast majority of household growth in Castle Acre was accommodated by the owner occupied sector, versus the private rented sector in Kings Lynn and West Norfolk.

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3 PPG Paragraph: 021 Reference ID: 2a-021-20160401
Table 4-3: Actual household tenure change in Castle Acre, 2001-2011

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Castle Acre</th>
<th>King’s Lynn &amp; West Norfolk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owned; total</td>
<td>87.7%</td>
<td>31%</td>
</tr>
<tr>
<td>Shared ownership</td>
<td>0%</td>
<td>2%</td>
</tr>
<tr>
<td>Social rented; total</td>
<td>-18%</td>
<td>-3%</td>
</tr>
<tr>
<td>Private rented; total</td>
<td>30.6%</td>
<td>70%</td>
</tr>
</tbody>
</table>

Source: Census 2001 and 2011, AECOM Calculations

45. In conclusion, we can therefore note that:
   - Owner-occupation remains the dominant tenure in Castle Acre (the tenure for most households);
   - There has been an increase in PRS and owner occupation during the 2001-11 inter-censual period;
   - The number of those socially renting is decreasing in Castle Acre; and
   - There were 28 additional households in 2011 compared to 2001 and the greatest household growth has been in owner occupation.

4.2 Affordability

46. In order to understand whether the tenure profile of the current stock reflects the needs of the population currently and over the Plan period, an important starting point is to consider whether this profile provides different market segments access to dwellings of a suitable type and size given their household composition.

47. In line with the PPG, we have considered evidence of affordability by looking specifically at the relationship between lower quartile house prices and incomes. 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. Furthermore, the Planning Practice Guidance makes clear that lower-quartile house prices should also be used as a benchmark for entry-level home prices\(^4\).

48. Figure 4-4 looks at selected measures of house prices in Castle Acre over a 10 year period. This shows that price growth has been substantial, reflective in the 55% increase for both Lower Quartile and Mean prices and a slightly higher increase for Median prices (67%). This suggests that the growth has been concentrated in the higher end of the market (in particular between the middle and upper quartiles), thus lifting the Median figures.

Figure 4-4: House prices in Castle Acre 2009-2018

Source: Land Registry PPD

\(^4\) Planning Practice Guidance, Paragraph: 024 Reference ID: 2a-024-20180913
49. It is particularly interesting to consider this data broken down by the type of house (see Table 4-5 below). This suggests that the price growth was predominantly led by terraced housing (102.4%) followed by detached housing (59.9%). It should be noted that data is not available for flats due to insufficient sales partially due to the negligible existing housing stock in Castle Acre. This appears to be reflective of the trends seen above, as the housing stock that predominantly falls within the middle and upper quartiles has seen substantially higher growth, effectively increasing the Median house price growth levels above the Mean.

Table 4-5: House prices by type in Castle Acre, 2009-2018

<table>
<thead>
<tr>
<th>Year</th>
<th>Detached</th>
<th>Semi-Detached</th>
<th>Terraced</th>
<th>Flats</th>
<th>All Types</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>£313,500</td>
<td>£175,890</td>
<td>£152,450</td>
<td>-</td>
<td>£230,539</td>
</tr>
<tr>
<td>2010</td>
<td>£442,500</td>
<td>£280,000</td>
<td>£198,500</td>
<td>-</td>
<td>£300,208</td>
</tr>
<tr>
<td>2011</td>
<td>£399,600</td>
<td>£150,833</td>
<td>£210,000</td>
<td>-</td>
<td>£280,045</td>
</tr>
<tr>
<td>2012</td>
<td>£321,250</td>
<td>£143,125</td>
<td>£194,625</td>
<td>-</td>
<td>£199,350</td>
</tr>
<tr>
<td>2013</td>
<td>£292,162</td>
<td>£258,658</td>
<td>£161,143</td>
<td>-</td>
<td>£233,312</td>
</tr>
<tr>
<td>2014</td>
<td>£277,500</td>
<td>£295,075</td>
<td>£207,111</td>
<td>-</td>
<td>£251,900</td>
</tr>
<tr>
<td>2015</td>
<td>£361,106</td>
<td>£170,492</td>
<td>£249,875</td>
<td>-</td>
<td>£261,818</td>
</tr>
<tr>
<td>2016</td>
<td>£289,500</td>
<td>£291,225</td>
<td>£228,386</td>
<td>-</td>
<td>£261,022</td>
</tr>
<tr>
<td>2017</td>
<td>£336,500</td>
<td>£206,833</td>
<td>£207,500</td>
<td>-</td>
<td>£256,808</td>
</tr>
<tr>
<td>2018</td>
<td>£501,417</td>
<td>£240,675</td>
<td>£308,625</td>
<td>-</td>
<td>£357,789</td>
</tr>
</tbody>
</table>

Source: Land Registry PPD

50. It is also relevant to compare this with growth across the Borough (see Table 4-6 below). This shows that, whilst the price of semi-detached homes grew at a rate in accordance with the Borough, the average price growth for other forms of housing was substantially greater in Castle Acre compared to King’s Lynn & West Norfolk district. Notably, the growth of terrace housing was over four times greater in Castle Acre compared to the Borough. The significant growth of terraced house prices indicates high demand for smaller housing in Castle Acre.

Table 4-6: House price growth by type, 2009-2018

<table>
<thead>
<tr>
<th>Type</th>
<th>Castle Acre</th>
<th>King’s Lynn &amp; West Norfolk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detached</td>
<td>59.9%</td>
<td>46%</td>
</tr>
<tr>
<td>Semi-Detached</td>
<td>36.8%</td>
<td>36.9%</td>
</tr>
<tr>
<td>Terraced</td>
<td>102.4%</td>
<td>22.3%</td>
</tr>
<tr>
<td>Flats</td>
<td>-</td>
<td>21.1%</td>
</tr>
<tr>
<td>All Types</td>
<td>55.2%</td>
<td>38.2%</td>
</tr>
</tbody>
</table>

Source: Land Registry Price Paid Data

51. Figure 4-7 shows median household income for each sub-area in the Borough. Castle Acre falls within the East sub-area, which has the third lowest income of £17,896 per annum, when compared to all sub-areas. It is important to note that these are Median income figures, i.e. the income below which 50% of households earned in 2013. It should be noted that these figures are somewhat out of date, as recent national data from the ONS suggest Median disposable income of retired households increased by 7.92% and non-retired grew by 8.76% between 2013 and 2018. Around a quarter of all residents in Castle Acre are retired.

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5 https://www.ons.gov.uk/economy/regionalaccounts/grossdisposablehouseholdincome
6 Census 2011
Figure 4-7: Median income by borough sub-area, 2013

<table>
<thead>
<tr>
<th>Region</th>
<th>Median Income (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>South East</td>
<td>21,106</td>
</tr>
<tr>
<td>South West</td>
<td>16,669</td>
</tr>
<tr>
<td>Downham Market</td>
<td>16,011</td>
</tr>
<tr>
<td>West</td>
<td>28,552</td>
</tr>
<tr>
<td>Airfield</td>
<td>17,529</td>
</tr>
<tr>
<td>East</td>
<td>17,666</td>
</tr>
<tr>
<td>King’s Lynn &amp; the Woottons</td>
<td>18,737</td>
</tr>
<tr>
<td>West Coast</td>
<td>29,598</td>
</tr>
<tr>
<td>North East</td>
<td>25,448</td>
</tr>
<tr>
<td>Hunstanton</td>
<td>21,646</td>
</tr>
</tbody>
</table>

**Source:** SHMAU14

52. In 2018, the average price of a home in Castle Acre was £357,789. Based on a typical mortgage to income ratio of 4 (the rule-of-thumb is that the amount a household can borrow is four times their income) and a deposit of 10%, this implies that a household is required to earn £80,502 to buy an average priced property. Although, for first time buyers or those on lower incomes, a more realistic price would be the lower-quartile (entry-level price), which was £237,875.

53. Based on the mortgage terms above, this would still likely require an annual household income of £53,522. This is almost three times the median income illustrated in the SHMA data above. An adjusted figure to reflect the national rise in median disposable income for both retired and non-retired people since the SHMA analysis suggests a median income of £19,426 in Castle Acre. The household income required is still well over double the median in Castle Acre. It is also important to note that the price of newly built homes tends to be greater than the price of existing homes.

54. Although private rented housing accounted for just 12.9% of household tenure in the parish in 2011, the scale of growth in this tenure over the intercensal period renders this important to consider. Table 4-8 shows the relative price of rented properties in the PE32 postcode area. Castle Acre in its entirety falls within the postcode area. The area also covers other nearby parishes with similar housing market profiles.
This data suggests that the median rent for a two bedroom property was approximately £650 pcm. Should a household spend 40% of its total income on rent, this would suggest the need for an income of approximately £31,200.

This is notable, as the calculations above suggest that an average income household would not be able to afford to rent a two bedroom house in Castle Acre, even if they spend their entire income on rent. Considering the affordability and income data discussed, this implies that many households than own their homes purchased when house prices were more affordable to local people and since housing in Castle Acre has considerably become less affordable to own and rent.

It can thus be concluded that newly built homes for owner occupation will only serve a very small number of households at the highest end of the income scale. Furthermore, renting a two bedroom flat might prove challenging for those without high incomes, and such households could potentially be better served by affordable or social rented housing.

### 4.3 Affordability thresholds and recommended tenure mix

In order to gain a finer understanding of affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done through the use of ‘affordability thresholds.’

Table 4-9 below shows thresholds for market purchase, Private Rented Sector (PRS), Shared Ownership at 25%, 50% and 75%, Affordable Rent set at 80%, and estimated Social Rent levels across Castle Acre. The calculations are detailed in the Appendix A. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations.
<table>
<thead>
<tr>
<th>Tenure</th>
<th>2 Bed Dwelling</th>
<th>3 Bed Dwelling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shared ownership (25%)</td>
<td>£59,469</td>
<td>£4,460</td>
</tr>
<tr>
<td>Affordable Rent</td>
<td>-</td>
<td>£6,240</td>
</tr>
<tr>
<td>Social Rent - 3 Bed Dwelling</td>
<td>-</td>
<td>£4,733</td>
</tr>
<tr>
<td>Social Rent - 2 Bed Dwelling</td>
<td>-</td>
<td>£4,152</td>
</tr>
</tbody>
</table>

Source: AECOM Calculations

60. When comparing the affordability thresholds set out above against the median income covering the sub-area that Castle Acre falls within, as set out in the SHMA (£17,896), and adjusted to reflect the national rise in disposable income (£19,426), it is apparent that all tenures other than Social Rented are not affordable for an average income household.

61. Whilst current policy in BCKLWN is to seek 20% Affordable Housing in Castle Acre on sites of 5 or more dwellings, split 70% Social and Affordable Rented and 30% home ownership, the data we have collated above suggests that most of the population (at least of newly forming households/non owner occupiers) might need housing that is cheaper than is being provided in the private rented sector. However, it should be noted that the above data reflects median incomes and it is not clear if those in need earn median incomes.

62. Given the median income levels, it would be appropriate that a substantial portion of the Affordable Housing dwellings coming through the planning system are for Social and Affordable Rent.

63. The NPPF acknowledges that Build to Rent dwellings have a role to play in providing affordable market homes, and may contribute to Affordable Housing need where they include a component of Affordable Private Rent. It would therefore be appropriate for policy in Castle Acre to support Build to Rent development.

64. It is also plausible that Starter Homes are included in the tenure mix to provide a route to home ownership for those currently renting but on higher incomes. Similarly, Shared Ownership offers an alternative choice to people currently in rented accommodation seeking to move over to a tenure that offers a route to home ownership. For this reason it would be reasonable to include this tenure within the housing mix at Castle Acre.
5. **RQ 2 Type and size**

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

65. As identified earlier in this study, the 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 type and size within the existing housing stock.

5.1 **Background and definitions**

66. 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 affordability.

67. 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.

68. 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 follows⁸:

- 1 room = bedsit
- 2 rooms = flat/house with one bedroom and a reception room/kitchen
- 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
- 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
- 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
- 6 rooms = house with 2 bedrooms and 2 reception rooms and a kitchen, or 3 bedrooms and one reception room and a kitchen
- 7+ rooms = house with 3, 4 or more bedrooms

69. 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 occupations, 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-contained⁹, 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.

70. 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.”⁰ 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.

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⁸ [https://www.nomisweb.co.uk/census/2011/qs407ew](https://www.nomisweb.co.uk/census/2011/qs407ew)


71. Whilst it is unlikely that these issues are of particular relevance to Castle Acre, 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.

5.2 SHMAU14 evidence

72. Recent revisions to the Planning Practice Guidance state that, "Neighbourhood plan policies on the size or type of housing required should be informed by other local authority evidence as far as possible."\(^{11}\)

73. As such, before examining the existing types and sizes of homes in Castle Acre, and the likely need for different types and sizes of homes in future, it is necessary to consider the SHMAU14 evidence to make an assessment of whether the evidence is as relevant to Castle Acre as it is to the rest of the King’s Lynn and West Norfolk District.

74. Figure 5-1 below shows the forecast change in population by age group to 2028. It is important to note here that the Neighborhood Plan will cover a period up to 2036. The greatest proportional increases are those in older age groups, which could have implications for the need for specialist housing for the elderly. However, older people are also more likely to already have their own home, whether owned or rented, and therefore these changes do not necessarily translate directly into the need for different sizes of homes.

Figure 5-1: Forecast population change by age group in BCKLWN 2013-2028

Source: SHMAU14

75. Table 5-1 on the following page sets out the total annual need of different types of households in the King’s Lynn and West Norfolk District. This shows that the largest single category of people in need is single people who are non-pensioners, who are likely to need one bedroom homes. However, on balance, the largest share of need overall is for homes of two bedrooms or more, considering the needs of households with more than one adult, or those with children.

Table 5-1: Total annual need (both current and future) by household type

<table>
<thead>
<tr>
<th>Household type</th>
<th>No. of h'holds in need (gross)</th>
<th>Not in need</th>
<th>Total Number of h'holds</th>
<th>% of h'hold type in need</th>
<th>As a % of those in need</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single pensioners</td>
<td>70</td>
<td>8,981</td>
<td>9,050</td>
<td>0.8%</td>
<td>2.9%</td>
</tr>
<tr>
<td>2 or more pensioners</td>
<td>244</td>
<td>8,488</td>
<td>8,732</td>
<td>2.8%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Single non-pensioners</td>
<td>713</td>
<td>7,628</td>
<td>8,341</td>
<td>8.6%</td>
<td>29.3%</td>
</tr>
<tr>
<td>More than one adult, no children</td>
<td>431</td>
<td>22,838</td>
<td>23,269</td>
<td>1.9%</td>
<td>17.7%</td>
</tr>
<tr>
<td>Lone parent</td>
<td>335</td>
<td>2,219</td>
<td>2,554</td>
<td>13.1%</td>
<td>13.8%</td>
</tr>
<tr>
<td>2+ adults 1 child</td>
<td>379</td>
<td>4,996</td>
<td>5,374</td>
<td>7.0%</td>
<td>15.0%</td>
</tr>
<tr>
<td>2+ adults 2+ children</td>
<td>260</td>
<td>6,298</td>
<td>8,558</td>
<td>4.0%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Total</td>
<td>2,432</td>
<td>61,448</td>
<td>63,660</td>
<td>3.8%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: SHMAU14

76. The SHMA goes further in translating these projected changes in the borough’s population into an ideal size profile for dwellings up to 2028. This proposes the need for a relatively equal split for new homes to 2028, with one and two beds (34.6%), three beds (34.3%), and four or more beds (31.1%), weighted slightly towards smaller properties. However, it is important to note that this size requirement is for market housing only, and the SHMA puts forward a different set of requirements for shared ownership, affordable rented, and social rented homes.

Table 5-2: Size of new market accommodation required in the King’s Lynn and West Norfolk District to 2028

<table>
<thead>
<tr>
<th>Dwelling size</th>
<th>Current size profile</th>
<th>Size profile 2028</th>
<th>Change required</th>
<th>% of change required</th>
</tr>
</thead>
<tbody>
<tr>
<td>One bedroom</td>
<td>3,296</td>
<td>3,814</td>
<td>518</td>
<td>7.5%</td>
</tr>
<tr>
<td>Two bedrooms</td>
<td>12,086</td>
<td>13,965</td>
<td>1,878</td>
<td>27.1%</td>
</tr>
<tr>
<td>Three bedrooms</td>
<td>22,643</td>
<td>25,024</td>
<td>2,382</td>
<td>34.3%</td>
</tr>
<tr>
<td>Four or more bedrooms</td>
<td>13,760</td>
<td>15,916</td>
<td>2,156</td>
<td>31.1%</td>
</tr>
<tr>
<td>Total</td>
<td>51,785</td>
<td>58,720</td>
<td>6,935</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: SHMAU14

77. If we consider all tenures profiled in the SHMA together, the resulting housing mix for the borough is slightly different from that for market housing, as shown in the figure below. This is weighted towards more diversity in the housing stock (i.e. more smaller 1 bedroom properties as well as more larger properties of 4 or more bedrooms).

Table 5-3: Size of new housing needed in the King’s Lynn and West Norfolk District to 2028

<table>
<thead>
<tr>
<th>Bedrooms</th>
<th>King’s Lynn &amp; West Norfolk</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 bedroom</td>
<td>15%</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>30%</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>30%</td>
</tr>
<tr>
<td>4 or more bedrooms</td>
<td>25%</td>
</tr>
</tbody>
</table>

Source: SHMAU14

78. It is interesting to compare this data with the data on the size distribution of the actual housing stock in Castle Acre and King’s Lynn and West Norfolk District in 2011 (Table 5-4). The table on the following page shows that there were fewer one, two and four or more bedroom homes than the recommendations set out above.
Table 5-4: Housing stock in Castle Acre and King’s Lynn and West Norfolk District

<table>
<thead>
<tr>
<th>Bedrooms</th>
<th>Castle Acre</th>
<th>King’s Lynn &amp; West Norfolk</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 bedroom</td>
<td>8%</td>
<td>7.4%</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>27%</td>
<td>29.4%</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>43.9%</td>
<td>43.4%</td>
</tr>
<tr>
<td>4 bedrooms</td>
<td>17.2%</td>
<td>15.4%</td>
</tr>
<tr>
<td>5 or more bedrooms</td>
<td>3.8%</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

Source: Census 2011

79. Table 5-4 further shows that with the exception of 3 bedroom homes, the size profile of Castle Acre differs from that of King’s Lynn and West Norfolk District. Notably, there is just over 2% difference in two bedroom and 4 bedroom homes. Furthermore, when calculating the differences in smaller and larger housing stock, it is apparent that Castle Acre has a higher percentage of larger dwellings (21%) compared to the borough (19.8%).

80. Two conclusions can be drawn from this data: firstly, on account of the forecast change in household composition, and taking into account the current distribution of sizes of home, there exists a need for smaller homes of one and two bedrooms in Castle Acre, and secondly, the size profile differs considerably from the ideal set out in the SHMA for the whole of the borough, and thus Castle Acre appears to face similar challenges to adjust its tenure profile as faced by the borough.

81. We now turn to other demographic factors, namely, household composition, in Castle Acre, which might necessitate further shifts in the need for smaller dwellings.

5.3 Household composition

82. Table 5-5 below shows the household composition in Castle Acre, King’s Lynn and West Norfolk District and England. Notably, Castle Acre has a higher proportion of one person households compared to the Borough and national averages. These are predominantly formed of people aged 65 and over. Castle Acre also has a significantly higher proportion of no children single family households, with collective trends indicating an aging population.

Table 5-5: Household composition, 2011

<table>
<thead>
<tr>
<th>Type</th>
<th>Total</th>
<th>Castle Acre</th>
<th>KLWN</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>One person household</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aged 65 and over</td>
<td>18.4%</td>
<td>14.4%</td>
<td>12.4%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>12.9%</td>
<td>12.8%</td>
<td>17.9%</td>
<td></td>
</tr>
<tr>
<td>One family only</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>63.6%</td>
<td>66.6%</td>
<td>61.8%</td>
<td></td>
</tr>
<tr>
<td>All aged 65 and over</td>
<td>14.4%</td>
<td>13.0%</td>
<td>8.1%</td>
<td></td>
</tr>
<tr>
<td>With no children</td>
<td>24.5%</td>
<td>21.4%</td>
<td>17.6%</td>
<td></td>
</tr>
<tr>
<td>With dependent children</td>
<td>16.9%</td>
<td>23.2%</td>
<td>26.5%</td>
<td></td>
</tr>
<tr>
<td>All children Non-Dependent</td>
<td>7.8%</td>
<td>9.0%</td>
<td>9.6%</td>
<td></td>
</tr>
<tr>
<td>Other household types</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>5.1%</td>
<td>6.2%</td>
<td>8.0%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Census 2011

83. The change in household composition over the intercensal period provides interesting analysis. The increase in the proportion of single person households is substantially lower than both the Borough and national averages. The number of people living alone aged 65 and over is declining in Castle Acre. As expected, the number of single family households with no children has significantly increased and those with dependent children have significantly decreased compared to the Borough and national averages.
Table 5-6: Rates of change in household composition, 2001-2011

<table>
<thead>
<tr>
<th>Type</th>
<th>Castle Acre</th>
<th>KLWN</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>One person household</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4.2%</td>
<td>5.3%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Aged 65 and over</td>
<td>-3.9%</td>
<td>-2.9%</td>
<td>-7.3%</td>
</tr>
<tr>
<td>Other</td>
<td>18.6%</td>
<td>16.4%</td>
<td>22.7%</td>
</tr>
<tr>
<td>One family only</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>5.4%</td>
<td>5.9%</td>
<td>5.4%</td>
</tr>
<tr>
<td>All aged 65 and over</td>
<td>1.8%</td>
<td>0.9%</td>
<td>-2%</td>
</tr>
<tr>
<td>With no children</td>
<td>27.6%</td>
<td>10.7%</td>
<td>7.1%</td>
</tr>
<tr>
<td>With dependent children</td>
<td>-14.1%</td>
<td>2.4%</td>
<td>5%</td>
</tr>
<tr>
<td>All children Non-Dependent</td>
<td>6.9%</td>
<td>12.3%</td>
<td>10.6%</td>
</tr>
<tr>
<td>Other household types</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>11.1%</td>
<td>58.1%</td>
<td>28.9%</td>
</tr>
</tbody>
</table>

Source: Census 2011

84. This data reaffirms the discussion above for the need of one and two bedroom houses in Castle Acre, as it suggests that smaller households (of 1 or 2 persons) are predominantly occupying larger housing than need, whereas larger households are broadly occupying housing that meets their household need. Although, it should be noted that some smaller households may choose to occupy larger homes for personal, leisure or other reasons.

Table 5-7: Size of household by number of bedrooms, Castle Acre, 2011

<table>
<thead>
<tr>
<th></th>
<th>1 bedroom</th>
<th>2 bedrooms</th>
<th>3 bedrooms</th>
<th>4 or more bedrooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 person in household</td>
<td>11%</td>
<td>43%</td>
<td>34%</td>
<td>11%</td>
</tr>
<tr>
<td>2 people in household</td>
<td>5%</td>
<td>26%</td>
<td>49%</td>
<td>20%</td>
</tr>
<tr>
<td>3 people in household</td>
<td>1%</td>
<td>23%</td>
<td>48%</td>
<td>28%</td>
</tr>
<tr>
<td>4 or more people in household</td>
<td>1%</td>
<td>7%</td>
<td>54%</td>
<td>39%</td>
</tr>
<tr>
<td>All households</td>
<td>5%</td>
<td>27%</td>
<td>45%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Source: Census 2011

85. In comparison to Castle Acre, smaller households across the Borough to a greater extent occupy housing of a scale to meet their household need. It is also apparent that single person households tend to occupy two bedroom houses and two people households occupy three bedroom houses in both geographies.

Table 5-8: Size of household by number of bedrooms, King’s Lynn and West Norfolk District, 2011

<table>
<thead>
<tr>
<th></th>
<th>1 bedroom</th>
<th>2 bedrooms</th>
<th>3 bedrooms</th>
<th>4 or more bedrooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 person in household</td>
<td>20%</td>
<td>40%</td>
<td>32%</td>
<td>8%</td>
</tr>
<tr>
<td>2 people in household</td>
<td>5%</td>
<td>33%</td>
<td>44%</td>
<td>19%</td>
</tr>
<tr>
<td>3 people in household</td>
<td>1%</td>
<td>24%</td>
<td>51%</td>
<td>23%</td>
</tr>
<tr>
<td>4 or more people in household</td>
<td>1%</td>
<td>9%</td>
<td>53%</td>
<td>37%</td>
</tr>
<tr>
<td>All households</td>
<td>8%</td>
<td>29%</td>
<td>43%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Source: Census 2011

5.4 Extending the evidence to 2036

86. As previously discussed, the Plan period for the Neighbourhood Plan runs to 2036, to reflect the Plan period of the emerging Local Plan. However, the SHMAU14 evidence covers a period up to 2028.

87. The rates of change in the way that households are composed are predicted by the ONS based on past trends for the period between 2011 and 2021. However, in the years 2021-2041, these shifts are held constant at 2021 rates. The implication of this is that there are unlikely to be very significant (that is unpredictable) differences between population projections for 2028 and 2036, simply because the ONS

is not able to predict with any certainty how household composition and sizes will be changing so far in the future. On this basis then, the size mix of dwellings put forward by SHMAU14 to 2028 is unlikely to be significantly different for 2036. Nevertheless, any new evidence that demonstrates a shift in population composition and between 2026 and 2036 should be taken into account.

5.5 Conclusions

The table below summarises our recommendations and conclusions on the sizes of housing needed in Castle Acre in relation to the existing local authority evidence base (SHMAU14).

Table 5-9: Size of new housing needed in Castle Acre to 2028

<table>
<thead>
<tr>
<th>Bedrooms</th>
<th>SHMAU14</th>
<th>Evidence</th>
<th>Impact of Evidence</th>
<th>Castle Acre Target Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 bedroom</td>
<td>15%</td>
<td>Whilst Castle Acre has slightly more single bedroom houses that the Borough, it has a significantly higher number of one person households. As such, we recommend an increase of 2.5%.</td>
<td>↑</td>
<td>17.5%</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>30%</td>
<td>The evidence suggests that Castle Acre has a lower number of 2 bedroom housing stock compared to the Borough whilst having a higher proportion of smaller households. It is also apparent that households of 2 and 3 people are broadly housed in much larger housing. Therefore, a 5% increase is deemed appropriate.</td>
<td>↑</td>
<td>35%</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>30%</td>
<td>There is less demand for three bedroom homes and an increase of 1 and 2 bedroom houses would likely release housing stock currently occupied by smaller households.</td>
<td>↓</td>
<td>27.5%</td>
</tr>
<tr>
<td>4 or more bedrooms</td>
<td>25%</td>
<td>There is less demand for four bedroom homes and Castle Acre has a higher than Borough average of existing housing stock, and therefore a 5% decrease is recommended.</td>
<td>↓</td>
<td>20%</td>
</tr>
</tbody>
</table>

Source: SHMAU14
6. Conclusions

Table 6-1: Summary of local factors specific to Castle Acre with a potential impact on neighbourhood plan housing characteristics

<table>
<thead>
<tr>
<th>Factor</th>
<th>Source(s) (see Chapter 3)</th>
<th>Possible impact on housing needed</th>
<th>Summary of analysis</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenure and Affordability</td>
<td>ONS Census data (2001, 2011); Land Registry Price Paid Data; SHMAU14; Home.co.uk.</td>
<td>The majority of households in Castle Acre are home owners (66.6%) and the greatest recent household growth has been in owner occupation. The proportion of households socially renting (17.2%) is higher than observed across the Borough (13.3%) and close to the national average (17.7%). PRS has seen significant increase in the intercensal period (30.6%) but this remains below the Borough average at 12.9%. Castle Acre falls within the East sub-area in the SHMAU, which has the third lowest median household income (£17,896 per year). An adjusted figure to reflect the national rise in median disposable income suggests a median income of £19,426 in Castle Acre. This can be compared with the average price of housing in Castle Acre - £357,789 in 2018, requiring an annual household income of £80,502. This is substantially beyond the means of household earning around the median. At £237,875, entry-level housing is more affordable than the average price of housing in Castle Acre, but this requires an annual household income of £53,522, which is also considerably higher than the average household income in the NA. In regards to rented tenures, the median rent for a two-bedroom property is approximately £650 pcm in Castle Acre. Should a household spend 40% of its total income on rent, this would require an income of approximately £31,200. This is also substantially above the median household income in Castle Acre. When comparing the affordability thresholds for all tenures, it is apparent that all tenures other than social rented are not affordable for an average income household.</td>
<td>New homes built for owner occupation will only serve a small number of households at the higher end of the income scale. Several factors indicate the need to increase the number of Social and Affordable Rented homes, namely low household income, the increase in the number of household privately renting between 2001 and 2011 and the relative unaffordability of privately rented properties. Whilst current policy in King’s Lynn and West Norfolk District is to seek 20% Affordable Housing in Castle Acre on sites of 5 or more dwellings, split 70% social and affordable rented and 30% shared ownership, our analysis suggests that most households require Affordable Housing and that all tenures other than Social Rented housing are not affordable to the average income household.</td>
<td></td>
</tr>
<tr>
<td>Factor</td>
<td>Source(s) (see Chapter 3)</td>
<td>Possible impact on housing needed</td>
<td>Conclusion</td>
<td></td>
</tr>
<tr>
<td>-------------</td>
<td>-------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Type and size</td>
<td>ONS Census data (2001, 2011); SHMAU14;</td>
<td>Household projections indicate that older households will increase most at the Borough level, which could have implications for the need for specialist housing for the elderly. However, older people are also more likely to have settled accommodation, whether owned or rented, and therefore these changes do not necessarily translate directly into the need for different sizes of homes. Castle Acre has a higher proportion of one person households compared to the Borough and national averages. Castle Acre also has a significantly higher proportion of no children single family households and a higher proportion of people aged 65 and over. Smaller households are predominantly occupying larger houses than they need, whereas larger households are broadly occupying housing that meets their household need. This suggests a need for one and two bedroom houses in Castle Acre.</td>
<td>Informed by local demographic evidence, we have adjusted the size mix recommendation from the SHMAU14. We propose the following mix for new dwellings delivered over the Plan period: One-bedroom: 17.5% Two-bedrooms: 35% Three-bedrooms: 27.5% Four or more-bedrooms: 20%</td>
<td></td>
</tr>
</tbody>
</table>
6.1 Recommendations for next steps

89. This neighbourhood plan housing needs advice has aimed to provide Castle Acre Parish 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 BCKLWN 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 strategic policies of the adopted Local Plan;
- the views of King’s Lynn and West Norfolk – 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 BCKLWN, 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.

90. Recent changes to the planning system including the updated PPG on HNAs, 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.

91. 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).

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

93. At the same time, monitoring on-going demographic or other trends over the period in which the neighbourhood plan is being developed would help ensure relevance and credibility of its policies.
Appendix A : Calculation of Affordability Thresholds

A.1 Market Housing

1. Given the limited quantity of Affordable Housing (AH) in the NA, the needs of the great majority of the people will be served by the market. People on higher incomes will be able to access a variety of market dwellings; their choices will be driven principally by how much they can afford to spend, the extent to which old age is driving their choice of home as well as personal taste.

2. The operation of the market is the best means of addressing the demand for different types of housing for sale. It is important planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand; this is after all the principal way equilibrium is achieved in the housing market and house price growth kept in check. In this way the notion of viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.

3. 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.

A.2 Market sales

4. The starting point for calculating the affordability of a for sale dwelling (Purchase Threshold) for a given household is the loan to value ratio to which most mortgage companies are prepared to agree. This is conservatively estimated to be 3.5. We note that to produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first time buyer) should be taken into account. However, this data is not available for Castle Acre; an assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.

• The calculation is therefore
• Value of an ‘entry level dwelling’\textsuperscript{13} £237,875
• Purchase deposit = £23,788 @10% of value
• Value of dwelling for mortgage purposes = £214,088
• Loan to value ratio = 3.5 of value of mortgage
• Purchase Threshold = £53,522

A.3 Private rented sector (PRS)

5. Income thresholds are used to calculate the affordability of other tenures of housing, rented and AH tenures. Households are deemed to be able to afford private rent if the lower quartile private rent does not exceed 25% of gross household income for households with incomes of less than £40,000 per annum, or 30% for households with incomes of more than £40,000 per annum.

6. For the purposes of arriving at an understanding of lower quartile private rent, an assumption is made this equates to the average rent paid for in the NA for a two bedroom dwelling (enough space for two or three individuals). In order to conform with the Government guidance on overcrowding\textsuperscript{14}, such a home would require three habitable rooms (a flat or house with two bedrooms). We have turned to the property website Home.co.uk to establish the rental values for property in the NA. The best available data is derived from properties available for rent within the PE32 postcode area. It should be noted that this area extends considerably beyond the NA, but consists of parishes with similar housing market profiles to Castle Acre. Moreover, it forms a larger geography with a greater number of example properties; the larger sample size is likely to generate more robust findings.

\textsuperscript{13} Entry level dwelling can be understood to mean the average value of dwellings falling into the lower quartile of house prices in the NA. For the purpose of this exercise, we have used the LQ house price in Figure 4-4 [House prices (Castle Acre) 2018]

\textsuperscript{14} This is based in the notion of the ‘room standard’. This indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room).

http://england.shelter.org.uk/housing_advice/repairs/overcrowding
Table A-1: Rental sector statistics (two Bedroom Homes) in PE32 postcode area versus Borough average

<table>
<thead>
<tr>
<th></th>
<th>Castle Acre</th>
<th>King’s Lynn</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average time on market (days)</td>
<td>287 days</td>
<td>224 days</td>
<td>+ 63 days</td>
</tr>
<tr>
<td>Average property rents (pcm)</td>
<td>£650pcm</td>
<td>£636pcm</td>
<td>- £14pcm</td>
</tr>
</tbody>
</table>

Source: Home.co.uk

7. It is possible to derive from this data the estimated income threshold for PRS dwellings in the NA; the calculation is therefore:
   - Annual rent = £650 x 12 = £7,800
   - Multiplied by 4 = £31,200
   - Income Threshold (PRS) = £31,200

8. The NPPF 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. It is therefore appropriate for policy in the Castle Acre Neighborhood Plan to support Build to Rent development.

9. It is notable however, that rents for entry-level PRS dwellings remain higher than median household incomes, indicating the majority of households are likely to require some form of subsidised housing. As set out earlier in this study, it is therefore appropriate that the accent is placed on the provision of AH.

A.4 Affordable Housing

10. 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.

11. 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.

12. 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.

13. The overall aim is to reduce the group 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.

14. We consider each of the AH tenures in turn, before arriving at a recommendation for how the quota of AH yielded by development should be divided between these tenure types.

Social Rent

15. 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.

16. To determine social rent levels we have used the Data and Statistical Return (DSR) from the HCA. This data is only available at the District level, but operates as an acceptable proxy for Castle Acre given the shared demographic and employment characteristics identified in this study between the two geographies. DSR provides data about rents and the size and type of stock owned and managed by Private Registered Providers (PRPs) and is presented in Table A-2 below.
Table A-2: Social Rent levels (£)

<table>
<thead>
<tr>
<th>Size</th>
<th>1 bed (PCM)</th>
<th>2 beds (PCM)</th>
<th>3 beds (PCM)</th>
<th>4 beds (PCM)</th>
<th>All (PCM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average social rent</td>
<td>£297</td>
<td>£346</td>
<td>£394</td>
<td>£435</td>
<td>£352</td>
</tr>
<tr>
<td>Annual average</td>
<td>£3,564</td>
<td>£4,152</td>
<td>£4,733</td>
<td>£5,217</td>
<td>£4,223</td>
</tr>
<tr>
<td>Income needed</td>
<td>£14,256</td>
<td>£16,608</td>
<td>£18,932</td>
<td>£20,868</td>
<td>£16,892</td>
</tr>
</tbody>
</table>

Source: HCA, AECOM Calculations

17. Given the household income levels reported in the SHMA, it is appropriate that a substantial portion of the AH dwellings coming through the planning system are for Social Rent.

Affordable Rent

18. 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.

19. Affordable rent is controlled at no more than 80% of the local market rent; as we have seen the annual entry-level rent is £7,800. In the event of a 20% reduction in rent to £6,240, the IT would come down to £24,960 bringing rents within closer reach but still substantially above local average incomes. A breakdown of housing size, affordable rent levels and income needed are set out in Table A-3 below.

Table A-3: Affordable Rent levels (£)

<table>
<thead>
<tr>
<th>Size</th>
<th>1 bed (PCM)</th>
<th>2 beds (PCM)</th>
<th>3 beds (PCM)</th>
<th>4 beds (PCM)</th>
<th>All (PCM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Affordable Rent PCM</td>
<td>£310</td>
<td>£404</td>
<td>£462</td>
<td>£534</td>
<td>£409</td>
</tr>
<tr>
<td>Annual average</td>
<td>£3,720</td>
<td>£4,848</td>
<td>£5,549</td>
<td>£6,642</td>
<td>£4,911</td>
</tr>
<tr>
<td>Income needed</td>
<td>£14,880</td>
<td>£19,392</td>
<td>£22,196</td>
<td>£26,568</td>
<td>£19,644</td>
</tr>
</tbody>
</table>

Source: HCA, AECOM Calculations

Intermediate Tenures

20. 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

21. 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 NPPF, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership”.

22. 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”.

23. 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.

24. 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.
25. 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.

26. 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 £237,875.

27. Applying a discount of 20% arrives at the approximate selling price of £190,300. Allowing for a 10% deposit further reduces the value of the property to £171,270. The IT at a multiple of 3.5 is £48,934. The income required is significantly higher than the median income for Castle Acre (£17,896, adjusted to £19,426) for households in need of housing, and although building Starter Homes would reduce affordability pressures, home ownership would still remain out of reach for many people.

28. Notwithstanding, given the gap between the IT for PRS (£31,200) and the Purchase threshold (£53,522), it is plausible that Starter Homes will provide a route to home ownership to those currently renting; it is therefore appropriate for this tenure to be including the housing mix in Castle Acre.

**Shared Ownership**

29. As we have seen, the previous census suggests that there are no shared ownership dwellings in Castle Acre. Nevertheless, it is worth considering its future role.

30. 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.

31. To determine the affordability of shared ownership, calculations are based on the lower quartile house price for Castle Acre in 2018\(^\text{15}\) (£237,875). 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).

32. A 25% equity share of £237,875 is £59,469, from which a 10% deposit of £5,946 is netted off. The mortgage value of £53,523 (£59,469 - £53,523) is then divided by 3.5. To secure a mortgage of £53,523, an annual income of £15,292 (£53,523 / 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 £178,406. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £4,460 and requires an income of £17,840. Therefore, an income of around £33,132 (£15,292 + £17,840) is required to afford a 25% shared equity purchase of an entry-level house with annual rent.

33. A 50% equity share of £237,875 is £118,938, from which we are netting off a 10% deposit of £11,893. The mortgage cost of £107,045 (£118,938 - £107,045) is then divided by 3.5. To secure a mortgage of £107,045, an annual income of £30,584 (£107,045 / 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 50% shared ownership equity, the unsold value of £118,938. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £2,973, requiring an income of £11,892. Therefore, an annual income of around £42,476 (£30,584 + £11,892) is required to afford a 50% shared equity purchase of an entry-level house with annual rent.

34. A 75% equity share of £237,875 is £178,406, from which we are netting off a 10% deposit of £17,840. The mortgage cost of £160,566 (£178,406 - £160,566) is then divided by 3.5. To secure a mortgage of £160,566, an annual income of £45,876 (£160,566 / 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 25% shared ownership equity, the unsold value of £59,469. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £1,487, requiring an income of £5,948. Therefore, an annual income of around £51,824 (£45,876 + £5,948) is required to afford a 75% shared equity purchase of an entry-level house with annual rent.

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15 It is important to note that this is based on new build sales only. The current shared ownership models are only available for new build homes, with the assumed cost therefore differing from the cost of open market housing, which also include resale properties.
35. Given these values, again noting where these values fall in relation to Affordable Rented dwellings, PRS and for sale homes, Shared Ownership offers an alternative choice to people currently in rented accommodation seeking to move over to a tenure that offers a route to home ownership. For this reason it is reasonable to include this tenure within the housing mix at Castle Acre.
Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)/Intermediate Housing

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.

Basic Conditions

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

Backlog need

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

**Bedroom Standard**¹⁸
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. The Government has a range of support programmes for people interested in bringing forward community led housing.

**Community Right to Build Order**¹⁹
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)**²⁰
The 2011 Census defined a concealed family as one with young adults living with a partner and/or child/children in the same household as their parents, older couples living with an adult child and their family or unrelated families sharing a household. A single person cannot be a concealed family; therefore one elderly parent living with their adult child and family or an adult child returning to the parental home is not a concealed family; the latter are reported in an ONS analysis on increasing numbers of young adults living with parents.

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

**Extra Care Housing**²¹
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

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

Fair Share

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area (PPG Definition)

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.

Income Threshold

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

Intercensal Period 2001-2011

The period between the last two censuses, i.e. between years 2001 and 2011.

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local Planning Authority

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

**Median Affordability Ratio**

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

**Mortgage Ratio**

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years\(^2\), 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 or Town Council or Neighbourhood Forum for a particular neighbourhood area (made under the Planning and Compulsory Purchase Act 2004).

**Older People**

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

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

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

**Overcrowding**

\(^2\) https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/
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.

**Private Rented**

The Census tenure private rented includes a range of different living situations in practice, such as private rented/other including households living “rent free”. Around 20% of the private rented sector are in this category, which will have included some benefit claimants whose housing benefit at the time was paid directly to their landlord. This could mean people whose rent is payed 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 Housing**

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

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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. SHLAAAs 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**

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.25

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Appendix C AECOM Comment Actions

We have addressed other comments from the CAPC, below are the significant comments relating to information and opinion, not dealt with in the final report.

<table>
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<th>Comment No. or Summary</th>
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| By Martin Tate, 3 April 2019 | **Point 2**: ‘In our conversations regarding the research questions we spoke of the problems relating to houses that were being used as second or holiday homes. This is a recognised problem in many tourist and coastal areas and can have an effect on market prices but also on the village community as a whole. A significant number of dwellings can lie empty for extended periods with negative impact on village life. We wish to use data and information to support policies to restrict 2nd and Holiday homes via Principal Residency and Local Connection.

Please could the HNA use this issue to contextualise some of the data regarding Tenure types and the need to protect the properties that are on sale in the open market.

We realise that this is an issue about the use of properties rather than the building of them but there is a strong link to making affordable housing available to meet local need’.

AECOM’s approach to HNAs involves the ratification of research questions at the start of the project so both the client group and AECOM has confirmation of the scope of the project. While second homes is recognised to be one of the housing issues for Castle Acre, it was not covered in the research questions ratified. As such, it is not possible to increase to scope of the HNA at this late stage to investigate this additional topic. However, the impact of second homes on local affordability will have already been captured fully in our detailed assessment of local affordability. |
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