

Borough Council of
**King's Lynn &
West Norfolk**



King's Lynn & West Norfolk

Housing Needs Assessment

March 2020

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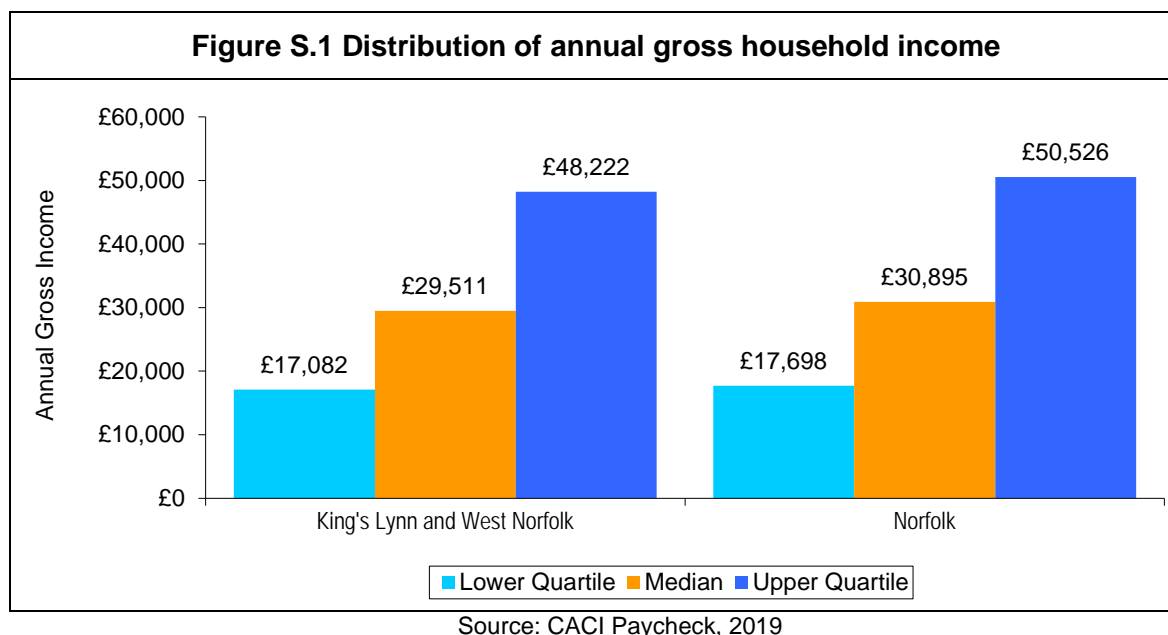
Executive Summary

Introduction

- S.1 The Council's current Local Plan, which is made up of the 2011 Core Strategy and the 2016 Site Allocations and Development Management Policies Plan, is currently under review and the Council is aware that it needs to refresh the evidence base in light of changes to both Government guidance and also the changing demographic and housing market pressures. As detailed in Chapter 1, this report is a residential needs assessment that addresses this requirement for the Council and provides evidence for the forthcoming Local Plan. The information presented in this report complies with the current Government guidance on undertaking these studies as set out in the 2019 National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG).
- S.2 To help disseminate the purpose of this work and ensure the accuracy of this report (and the assumptions used) stakeholders' views have been sought through the development of this study. A consultation event was held on the 8th August 2019, after which written comments were invited.

Socio-economic context

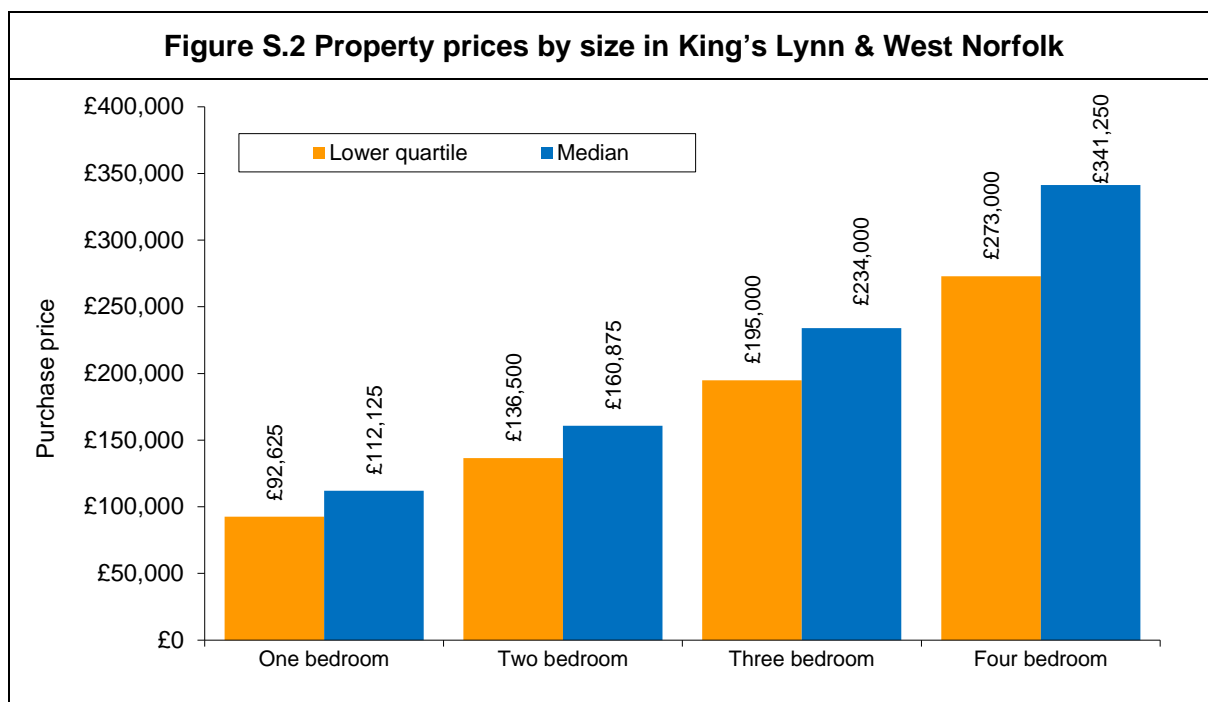
- S.3 As discussed in Chapter 2, the 2018-based population estimates that the resident population in King's Lynn & West Norfolk in 2018 was 151,800 and that since 2013 the population had increased by 1.7%, around 2,600 people. The population in the Borough is older in profile than the regional and national averages and contains fewer households with children.
- S.4 The Annual Population Survey presents a 'Standard Occupation Classification' which categorises all working people resident within an area into one of nine groups depending on the nature of the skills that they use. This data source indicates that some 43.0% of employed residents in King's Lynn & West Norfolk work in Groups 1 to 3 (managerial jobs), lower than the figure for both the East region and the England as a whole. However, the proportion of the working age population claiming Job Seekers Allowance in the Borough in May 2019 is notably lower than the regional and national equivalents (1.7% in King's Lynn & West Norfolk compared to 2.0% in the East region and 2.6% across England)
- S.5 CACI Paycheck estimates that the mean gross annual household income in King's Lynn & West Norfolk is £36,214, which is 4.6% below the equivalent for the County. Figure S.1 below shows household income at various points on the income distribution for the Borough alongside the County-wide equivalents. The data indicates that households in King's Lynn & West Norfolk are slightly less affluent than equivalent Norfolk-wide households at all points on the income distribution.



- S.6 The Standard Method set out in the PPG has been used to determine the minimum annual local housing need figure. This accounts for the projected level of household growth in an area, adjusts for any affordability imbalance that might exist and is framed by the current level of deliverability required. The Housing Need in King's Lynn & West Norfolk, as assessed using the Standard Method, is 555 per year.

The cost and affordability of housing

- S.7 Data from the Land Registry indicates that the overall average property price in King's Lynn & West Norfolk in 2018 is 19.5% lower than the national figure and 11.5% lower than the figure for East Anglia. This data source also indicates that the average property price in the Borough has risen by 30.3% between 2013 and 2018 compared to an increase of 20.7% nationally and a growth of 31.8% across the region. Valuation Office Agency data indicates that the overall average rental price in King's Lynn & West Norfolk is 23.6% lower than the national figure and 24.9% lower than the figure for the East region. The average rents in the Borough have risen by 13.2% between 2012-13 and 2017-18 compared to an increase of 16.6% nationally and a growth of 26.9% across the region. Further detail is found in Chapter 3.
- S.8 Entry-level and median property prices by number of bedrooms were obtained in the Borough via an online search of properties advertised for sale during July 2019. The results of this online price survey are presented in Figure S.2. In accordance with the PPG, entry-level prices are based on lower quartile prices. The figure indicates that entry-level prices in King's Lynn & West Norfolk range from £92,625 for a one bedroom home, up to £273,000 for a four bedroom property.



Source: Online estate agents survey July 2019

- S.9 Entry-level and median private rents for King's Lynn & West Norfolk are presented in Chapter 3. The results show that entry-level rents in the Borough range from £460 per month for a one bedroom home, up to £925 per month for a four bedroom property. The cost of Social Rented and Affordable Rented dwellings across the Borough is also examined. The cost of this tenure is significantly below market accommodation, particularly for larger homes, indicating a significant gap for intermediate products to potentially fill.

Type and tenure of future housing needed

- S.10 The long-term balancing housing markets (LTBHM) model identifies the size and tenure of new accommodation required in the Borough over the plan period (see Chapter 4 for more details). Table S.1 shows the tenure profile required by households resident in the Borough in 20 years' time in comparison to the tenure profile recorded currently. The difference between these two distributions is the change required to the housing stock over this period. The results show that 53.7% of new housing in King's Lynn & West Norfolk should be owner-occupied, 22.0% private rented, 7.7% should be Shared Ownership and 16.7% Social Rent/Affordable Rent.

Table S.1 Tenure of new accommodation required in King's Lynn & West Norfolk				
<i>Tenure</i>	<i>Current tenure profile (2016)</i>	<i>Tenure profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
Owner-occupied	44,110	49,560	5,450	53.7%
Private rent	10,513	12,742	2,229	22.0%
Shared Ownership	212	992	780	7.7%
Social Rent/Affordable Rent	9,520	11,216	1,696	16.7%
Total	64,355	74,510	10,155	100.0%

- S.11 Table S.2 presents the size of new accommodation required in the Borough between 2016 and 2036 for each tenure. The data indicates that across all tenures dwellings of all sizes are required.

Table S.2 Size of new accommodation required in the Borough between 2016 and 2036 by tenure				
<i>Dwelling size</i>	<i>Owner-occupied</i>	<i>Private rented</i>	<i>Shared ownership</i>	<i>Social Rent/Affordable Rent</i>
One bedroom	821	558	151	457
Two bedrooms	1,519	341	218	570
Three bedrooms	1,313	533	228	270
Four or more bedrooms	1,797	797	183	398
Total	5,450	2,229	780	1,696

- S.12 The model also identifies that between 2016 and 2036 there could be a potential demand for 178 discount market housing dwellings in King's Lynn & West Norfolk.

Affordable housing need

- S.13 It is necessary to undertake a separate calculation of affordable housing need. The PPG details how affordable housing need should be calculated. Each stage of the model is calculated separately using locally available data for King's Lynn & West Norfolk. Table S.3 summarises the outputs of each stage of the model and the derivation of the total need for affordable housing of 202 per year in the Borough. Full details on how the figures were derived and the methodology used is set out in Chapter 5.

Table S.3 Results of the affordable housing needs model	
<i>Stage in calculation</i>	<i>KLWN</i>
Stage 1: Current unmet gross need for affordable housing (Total) (Table 5.3)	1,091
Stage 2: Newly arising affordable housing need (Annual) (Table 5.5)	626
Stage 3: Current affordable housing supply (Total) (Table 5.6)	1,099
Stage 4: Future housing supply (Annual) (Table 5.8)	424
Stage 5.1 Net current need (Stage 1 - Stage 3) (Total)	-8
Stage 5.2 Annualise net current need (Stage 5.1/17) (Annual)	0
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	202
Total gross annual need (Stage 1/17 + Stage 2) (Annual)	690
Total gross annual supply (Stage 3/17 + Stage 4) (Annual)	488

Requirements of specific groups of the population

S.14 The following groups of the population are profiled in detail in Chapter 6:

- Older persons
- People with disabilities
- Family households
- Private rented households
- People wishing to build their own homes

S.15 The disaggregated local housing need projections indicate that there will be an increase in the number of households headed by someone over 65 from 24,358 in 2016 to 34,456 in 2036, an increase of 41.5%. It is estimated that by 2036 there will be a requirement for 3,261 new specialist older person's housing and dementia care housing units in King's Lynn & West Norfolk. In addition, it is estimated that an additional 836 Registered Care spaces will be required in the Borough over the next 20 years.

S.16 Modelling indicates that the number of people aged 65 or over with a limiting long-term illness that limits them a lot is expected to increase by 47.9% between 2016 and 2036 in the Borough with the number of people aged 65 or over with dementia expected to increase by 62.8% over the same period. Norfolk County Council have commissioned a study that has undertaken a detailed analysis of the housing requirements for people with disabilities. This identified that new adapted housing (M4(2) Category 2) is required for an additional 4,306 households between 2016 and 2036 in King's Lynn & West Norfolk.

S.17 The disaggregated local housing need projections indicate that the total population of families with children is going to rise from 21,593 in 2016 to 22,757 by 2036 and the proportion of lone parent families within this group will grow from 22.9% in 2016 to 24.5% in 2036.

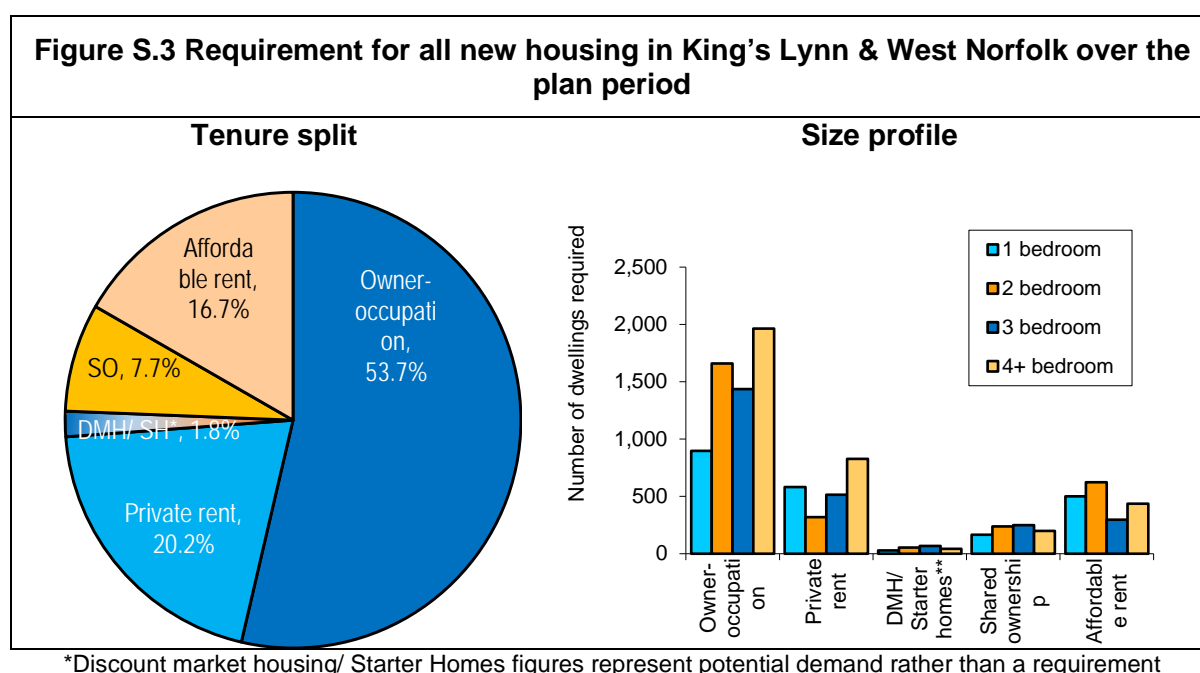
S.18 The LTBHM model indicates that the number of households in the private rented sector in King's Lynn & West Norfolk is projected to increase by 21.2% between 2016 and 2036, a rate of growth is faster than recorded for the other traditional tenures. The model projects that the number of family households living in the tenure is projected to grow at a notably greater rate than single person households and couples without children; it is projected that in 2036 some 43.4% of households in the private rented sector will be families with children.

S.19 The Council commissioned *Custom and Self Build Demand Assessment Framework* which was published in 2018. This report estimates that there is an estimated demand for 83 custom & self-build plots per annum in the Borough for next 5 years, which increases 89 plots per annum between 6 and 15 years into the future. The current supply is estimated to be 50 plots per annum.

Conclusion

S.20 As detailed in Chapter 7, it is clear that Planning Authorities should consider whether or not the housing target in the Local Plan should be increased to assist with meeting the need for affordable housing. The total annual affordable housing need in King's Lynn & West Norfolk of 202 per year represents 36.4% of the annual dwelling growth of 555 in the Borough as assessed using the Standard Method. This proportion of new housing as affordable appears potentially challenging to deliver in King's Lynn & West Norfolk and the Council may want to consider uplifting the Local Housing Need identified by the Standard Method.

S.21 To determine the size and tenure of the new housing required within the Standard Method local housing need to accord with paragraph 017 of the PPG, the LTBHM model outputs are used. Figure S.3 sets out the size and tenure requirement for the 11,100 dwellings (555 per annum) required over the plan period (between 2016 and 2036).



1. Introduction

Purpose

- 1.1 King's Lynn & West Norfolk is a Borough to the south and east of the Wash, which borders parts of Lincolnshire, Cambridgeshire and Suffolk as well as other authorities in Norfolk. It is a largely rural authority with three substantial settlements across the Borough: King's Lynn, Downham Market and Hunstanton. Much of the coastline to the north of the Borough is within an Area of Outstanding Natural Beauty.
- 1.2 The Council's current Local Plan, which is made up of the 2011 Core Strategy and the 2016 Site Allocations and Development Management Policies Plan, is currently under review and the Council is aware that it needs to refresh the evidence base in light of changes to both Government guidance and also the changing demographic and housing market pressures. This report is a residential needs assessment that addresses this requirement for the Council and provides evidence for the forthcoming Local Plan. The information presented in this report complies with the current Government guidance on undertaking these studies as set out in the 2019 National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG), as described below.

Government Guidance

- 1.3 The Council is commissioning this assessment at a time of considerable change in the planning system and in the wider development industry. The Government undertook several consultations in the spring of 2018.
- 1.4 To a large extent the outcome of these consultations became clearer with the publication of the 2019 NPPF and the updated PPG. There remain several areas where further announcements are expected, for example in relation to which projections will be used in the future, but for now the overall framework for plan-making has been settled.
- 1.5 In February 2019 the NPPF was updated and the new PPG published. Paragraph 35 (a) of the 2019 NPPF requires that plans are:

Positively prepared – providing a strategy which, as a minimum, seeks to meet the area's objectively assessed needs; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;

- 1.6 This carried forward the requirements under the 2012 NPPF and concerns the overall housing requirement. The overall housing requirement is as determined under the Standard Method.

59. To support the government's objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay

60. To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning

guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.

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

Paragraphs 59 to 61 – 2019 NPPF

- 1.7 The requirement for housing is derived through the Standard Method and is then disaggregated into the different types of housing the future population will need. An assessment of the number of households in need of affordable housing must also be undertaken. In essence, the first task required by the NPPF for a study of this type is to disaggregate the new housing number as derived through the Standard Method. The second task is the assessment of Affordable Need, and the final task is understanding the needs of groups with specific housing requirements.
- 1.8 The NPPF outlines how a Housing Needs Assessment¹ fits into the wider housing policy framework and the PPG sets out how the various elements of a Housing Needs Assessment should be undertaken, including detailing a comprehensive model for the assessment of affordable housing need. The affordable housing need figure is an unconstrained figure set in the current housing market situation. It is not a component of the overall housing need, but is entirely independent, calculated using a different approach and different data sources.
- 1.9 This Housing Needs Assessment includes a Long-Term Balancing Housing Markets (LTBHM) model which breaks down the overall housing need into the component household types (tenure and size) of housing required. Whilst both the Affordable Needs model and the LTBHM model produce figures indicating an amount of affordable housing required, they are not directly comparable as they use different methods and have different purposes. The affordable housing need figure is calculated in isolation from the rest of the housing market and is used to indicate whether a Local Planning Authority (LPA) should plan for more houses where it could help meet the need for affordable housing. The figure produced by the LTBHM model is based on the population projections and occupation patterns of household groups (considering the trends in how these occupation patterns are changing). This is the mix of housing for which the LPA should be planning. How these figures should be used in King's Lynn & West Norfolk is summarised at the conclusion of this report.
- 1.10 Before considering the analysis required under the PPG, it is timely to consider how the Borough relates to the wider area.

¹ The earlier Guidance referred to a Strategic Housing Market Assessment (SHMA). The 2019 NPPF and updated PPG do not use this phrase, however the outputs and much of the analysis is similar.

Local housing market boundaries

- 1.11 It is useful to consider the functional and geographic context in which the local housing market operates. This is done using secondary data on migration patterns and housing market linkages.

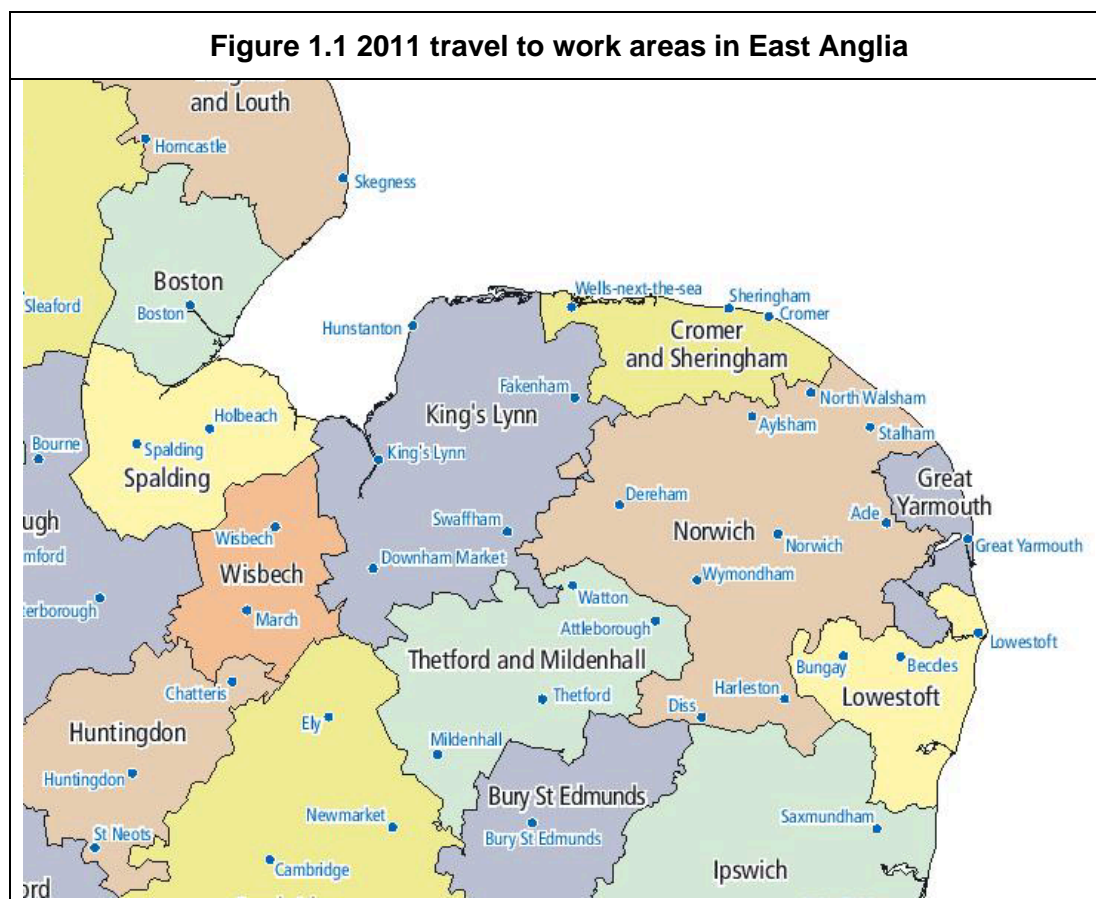
Commuting flows

- 1.12 The most recent detailed profile of commuting flows occurring at the local level is still the 2011 Census. The table below shows the 10 authorities to which residents in King's Lynn & West Norfolk most commonly travelled for work in 2011, alongside the 10 authorities from which people most commonly travelled to work in King's Lynn & West Norfolk. The data indicates that around almost three-quarters of employed residents in King's Lynn & West Norfolk remained in the Borough to work and that people leaving the Borough for work most commonly went to a neighbouring authority. The table also shows that people commuting into King's Lynn & West Norfolk for work were most likely to live in a neighbouring authority.

Table 1.1 The ten authorities with which King's Lynn & West Norfolk has the largest travel to work flows					
<i>Travel to work journeys made by people aged 16 and over resident in King's Lynn & West Norfolk</i>			<i>Travel to work journeys made by people aged 16 and over working in King's Lynn & West Norfolk</i>		
<i>Destination authority area</i>	<i>Number of King's Lynn & West Norfolk residents that work there</i>	<i>Proportion of all residents in work that work there</i>	<i>Authority area of residence</i>	<i>Number of people working in King's Lynn & West Norfolk</i>	<i>Proportion of people working in King's Lynn & West Norfolk that live there</i>
King's Lynn and West Norfolk	38,885	72.6%	King's Lynn and West Norfolk	38,885	77.8%
Fenland	3,509	6.5%	Breckland	2,549	5.1%
Breckland	1,661	3.1%	Fenland	2,032	4.1%
North Norfolk	1,327	2.5%	North Norfolk	1,273	2.5%
Forest Heath	1,203	2.2%	South Holland	1,059	2.1%
South Holland	901	1.7%	Broadland	420	0.8%
East Cambridgeshire	713	1.3%	East Cambridgeshire	382	0.8%
Norwich	604	1.1%	Forest Heath	352	0.7%
Peterborough	520	1.0%	Great Yarmouth	276	0.6%
Cambridge	499	0.9%	Norwich	235	0.5%

Source: 2011 Census

- 1.13 The Office of National Statistics (ONS) used the data on commuting flows collected in the 2011 Census to derive travel to work area boundaries published in 2015². The figure below shows an extract of the national map produced in this process, which concentrates on the travel to work areas in the east of England. This shows that King's Lynn & West Norfolk is part of the King's Lynn travel to work area according to the criteria and thresholds used by the ONS.



Source: Office of National Statistics, 2015

Migration trends

- 1.14 The 2011 Census recorded that King's Lynn & West Norfolk recorded a relatively high level of self-containment with regard to migration flows; 62.7% of all people that moved home in King's Lynn & West Norfolk in the year prior to the Census previously lived in the Borough.
- 1.15 The 2018-based population estimates produced by the Office of National Statistics (ONS) model detail on the origin and destination of people that moved into and out of King's Lynn &

² The criteria applied by the ONS was that the travel to work areas had to have a working population of at least 3,500 and that at least 75% of an area's resident workforce work within the area and at least 75% of the people who work in the area also live in the area. For areas with a working population in excess of 25,000, self-containment rates as low as 66.7% were accepted.

West Norfolk in the previous year³. The table below shows the 10 authorities which residents in King's Lynn & West Norfolk most commonly moved to in the year up to June 2018. The table also contains a column that details the equivalent proportion of movers from King's Lynn & West Norfolk in the year prior to the 2011 Census that had the same destination - this enables a comparison of the changing relationship between these authorities and King's Lynn & West Norfolk⁴.

- 1.16 The data indicates that Breckland is the authority to which people from King's Lynn & West Norfolk most commonly moved in the year up to June 2018, followed by Fenland, South Holland and North Norfolk. Whilst flows to Fenland have increased in relative scale since the 2011 Census (from 10.3% of all out-migrants from King's Lynn & West Norfolk moving there in 2011 to 11.2% of out-migrants in 2018), the growth in flows to Breckland has been more marked (from 7.8% of out-migrants from King's Lynn & West Norfolk in 2011 to 11.3% in 2018). South Holland, Norwich, East Cambridgeshire, Peterborough and Lincoln are all areas that have become increasingly common destinations for those leaving King's Lynn & West Norfolk recently (as a greater proportion of out-migrants from King's Lynn & West Norfolk moved to these areas in 2018 than was the case in 2011), with the opposite true for North Norfolk.

³

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/migrationwithintheuk/datasets/internalmigrationbyoriginanddestinationlocalauthoritiessexandsingleyearofagedetailedestimatesdataset>

⁴ It should be noted that internal flows within King's Lynn & West Norfolk are not included in this analysis as they are not documented in the population estimates, the analysis only concerns people moving into the Borough from elsewhere in the UK.



Table 1.2 The ten authorities with which King's Lynn & West Norfolk has the largest outward migration flows in 2018			
<i>People that moved out of King's Lynn & West Norfolk in the preceding year</i>			
2018			2011
<i>Destination authority area</i>	<i>Number of King's Lynn & West Norfolk residents that moved there</i>	<i>Proportion of all residents leaving King's Lynn & West Norfolk that moved there</i>	<i>Proportion of all residents leaving King's Lynn & West Norfolk that moved there</i>
Breckland	702	11.3%	7.8%
Fenland	699	11.2%	10.3%
South Holland	359	5.8%	3.1%
North Norfolk	339	5.5%	6.0%
Norwich	268	4.3%	3.6%
East Cambridgeshire	152	2.5%	2.0%
Peterborough	130	2.1%	1.7%
South Norfolk	115	1.9%	1.9%
Cambridge	100	1.6%	1.6%
Lincoln	100	1.6%	0.9%

ONS Population estimates, 2018; 2011 Census

- 1.17 The table below shows the 10 authorities from which residents most commonly moved to King's Lynn & West Norfolk in the year up to June 2018. The table also contains a column that details the equivalent proportion of movers to King's Lynn & West Norfolk in the year prior to the 2011 Census that originated from the same location⁵.
- 1.18 The data indicates that Fenland is the authority people that moved into King's Lynn & West Norfolk most commonly came from in the year up to June 2018, followed by Breckland, East Cambridgeshire and South Holland. Flows from Fenland have increased in relative scale since the 2011 Census (from 8.1% of all in-migrants to King's Lynn & West Norfolk in 2011 to 15.9% of in-migrants in 2018).

⁵ As before internal flows within King's Lynn & West Norfolk are not included in this analysis.

Table 1.3 The ten authorities with which King's Lynn & West Norfolk has the largest inward migration flows in 2018

<i>People that moved into King's Lynn & West Norfolk in the preceding year</i>			
<i>2018</i>			<i>2011</i>
<i>Original authority area of residence</i>	<i>Number of people that moved to King's Lynn & West Norfolk</i>	<i>Proportion of all people moving to King's Lynn & West Norfolk</i>	<i>Proportion of all people moving to King's Lynn & West Norfolk</i>
Fenland	812	15.9%	8.1%
Breckland	500	9.8%	7.4%
East Cambridgeshire	258	5.1%	2.8%
South Holland	188	3.7%	2.8%
Peterborough	143	2.8%	1.8%
South Cambridgeshire	130	2.5%	1.0%
Huntingdonshire	107	2.1%	1.8%
Cambridge	94	1.8%	1.0%
Central Bedfordshire	94	1.8%	0.8%
Great Yarmouth	79	1.5%	0.9%

ONS Population estimates, 2018; 2011 Census

Housing market indicators

- 1.19 It is useful to compare the price of housing in King's Lynn & West Norfolk with the neighbouring authorities to see the similarities and differences between the housing markets in the areas. The table below presents the average property price for dwellings sold in King's Lynn & West Norfolk and the neighbouring authorities in 2018. The table shows the overall average price of home sold as well as the average for each dwelling type categorised by the Land Registry.
- 1.20 The table indicates that homes in St Edmundsbury and East Cambridgeshire are notably more expensive than in the other areas profiled and that Fenland and South Holland have the cheapest property prices. Prices in King's Lynn & West Norfolk are slightly more expensive than Breckland and South Kesteven and slightly cheaper than Forest Heath, with properties in North Norfolk more expensive still. Whilst the overall average price for King's Lynn & West Norfolk is closest to that recorded for Breckland (homes in Breckland are less than 0.1% more expensive overall), the average price for detached and semi-detached houses as well as flats in King's Lynn & West Norfolk are most similar to those found in South Kesteven.

Table 1.4 Average property prices in 2018 in King's Lynn & West Norfolk and neighbouring authorities					
<i>Location</i>	Detached	Semi-detached	Terraced	Flat	Overall average price
King's Lynn & West Norfolk	£314,902	£204,252	£175,106	£144,820	£244,655
Breckland	£304,268	£209,865	£170,826	£112,231	£244,765
North Norfolk	£361,437	£237,814	£228,791	£175,039	£280,113
Forest Heath	£324,558	£222,690	£194,931	£181,545	£246,863
St Edmundsbury	£436,237	£290,623	£248,295	£182,000	£325,299
Fenland	£259,755	£175,206	£147,307	£93,025	£203,131
East Cambridgeshire	£401,251	£263,244	£246,855	£205,253	£306,530
South Holland	£237,958	£164,773	£140,846	£101,565	£199,898
South Kesteven	£314,115	£201,719	£200,126	£129,948	£245,602

Source: Land Registry

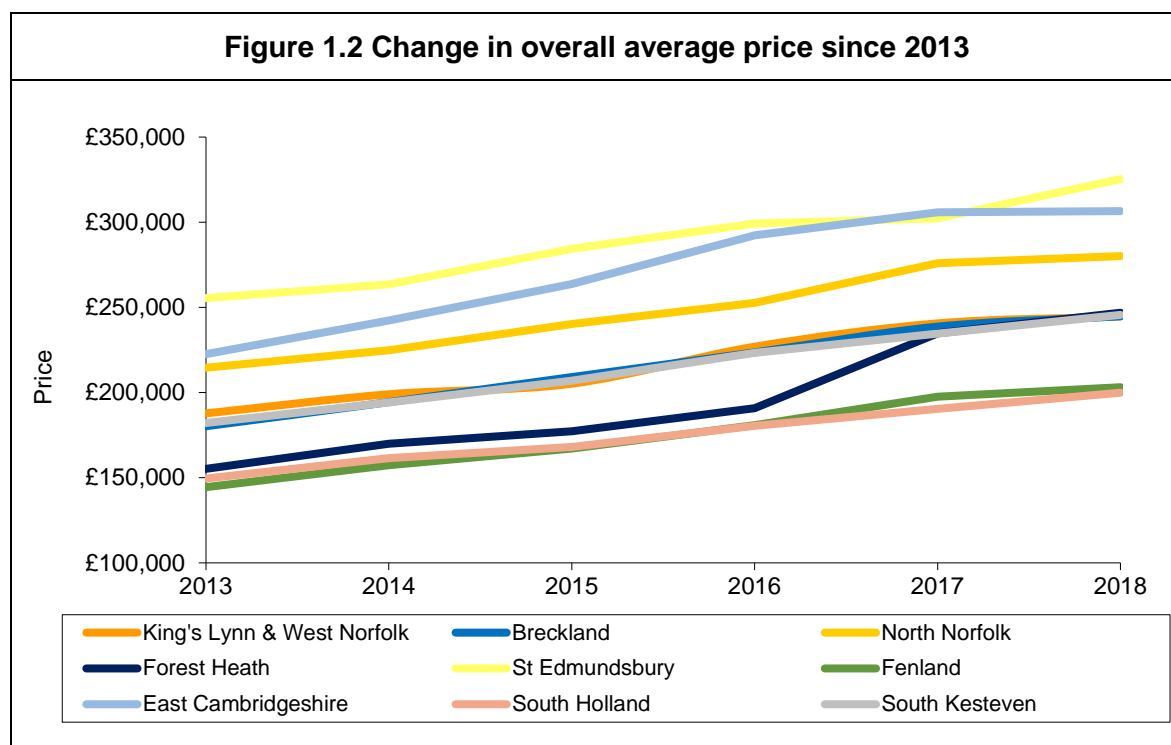
- 1.21 The table below shows the distribution of sales by property type in each of these areas in 2018. The data indicates that in King's Lynn & West Norfolk sales of detached houses are most common and sales of flats are least frequent. The data implies that Forest Heath is the authority with the accommodation profile most distinct to King's Lynn & West Norfolk, with South Kesteven and Fenland recording a profile of property sales that is most similar.

Table 1.5 Distribution of property sales in 2018					
<i>Location</i>	Detached	Semi-detached	Terraced	Flat	Total sales
King's Lynn & West Norfolk	45.4%	27.5%	20.9%	6.2%	100.0%
Breckland	49.3%	25.6%	21.9%	3.2%	100.0%
North Norfolk	42.0%	23.8%	21.9%	12.2%	100.0%
Forest Heath	35.7%	23.8%	33.8%	6.7%	100.0%
St Edmundsbury	38.0%	24.3%	30.6%	7.1%	100.0%
Fenland	43.9%	30.3%	22.1%	3.7%	100.0%
East Cambridgeshire	38.1%	27.1%	26.0%	8.7%	100.0%
South Holland	54.7%	29.1%	13.6%	2.6%	100.0%
South Kesteven	42.8%	28.2%	23.5%	5.4%	100.0%

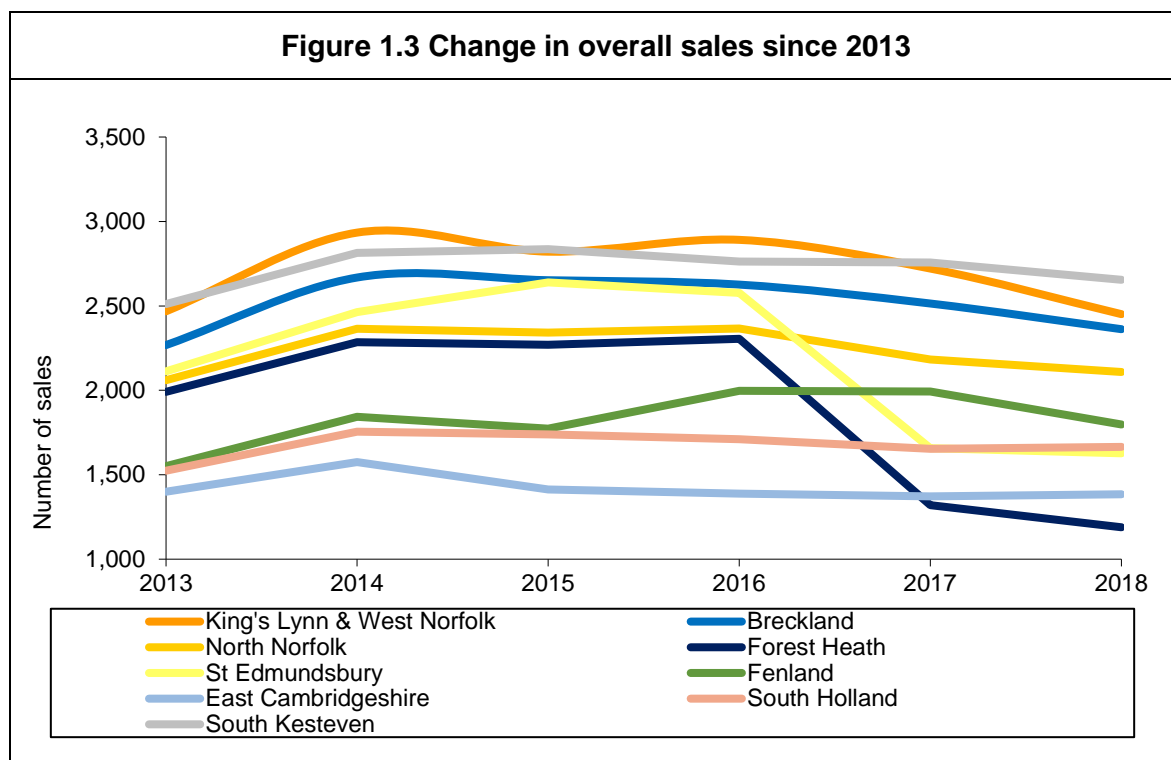
Source: Land Registry

- 1.22 The figure below shows the change in average overall property price in each council area over the last five years. The figure shows that prices have continued to rise steadily in all areas, however over the last five years prices have increased the most in Forest Heath (by 59.0%)

and the smallest increase has been recorded in St Edmundsbury (27.4%). Prices in King's Lynn & West Norfolk have risen by 30.3% between 2013 and 2018, which is most similar to the price rises in North Norfolk (30.5%) and South Kesteven (33.1%).



- 1.23 The figure below shows the change in the number of property sales in each council area over the last five years. Fenland has recorded the largest rise in sales (a 15.9% increase, with South Holland, South Kesteven and Breckland recording the next largest growth at 9.3%, 5.7% and 4.1% respectively). Sales in Forest Heath and St Edmundsbury have fallen notably (by 40.3% and 23.0%). In King's Lynn & West Norfolk sales levels have remained largely static (a fall of 0.7%), a similar situation to that recorded in East Cambridgeshire (a fall of 1.0%) and North Norfolk (growth of 2.3%).



Source: Land Registry

Conclusion

- 1.24 The analysis of King's Lynn & West Norfolk and its neighbouring authorities presented above suggests that the most established linkages are those with the neighbours to the west and east of the Borough – Breckland and Fenland. However it is clear that King's Lynn & West Norfolk records a high level of self-containment and the Borough can clearly be viewed as its own housing market, although one with links to neighbouring authorities. This approach aligns with what is suggested in the PPG.

Report coverage

- 1.25 This report is focused on detailing the amount of new housing required over the plan period in King's Lynn & West Norfolk, the size and tenure of housing that would be most suitable for the future population, the housing requirements of specific groups of the population and the level of affordable housing need that exists in the Borough. The report contains the following:

Chapter 2 presents an examination of the latest data on the labour market and the resident population and a profile of the housing stock in King's Lynn & West Norfolk and the changes that have occurred within them. The PPG indicates that '*Strategic policy-making authorities will need to calculate their local housing need figure at the start of the plan-making process⁶.*' Chapter 2 also sets out the calculation of the local housing need figure in the Borough.

⁶ PPG Paragraph: 008 (Reference ID: 2a-008-20190220)

- Chapter 3** contains a detailed analysis of the cost of property in King's Lynn & West Norfolk and the affordability of the different forms of housing for residents.
- Chapter 4** disaggregates the local housing need to show the demographic profile of the future population in Borough. The chapter uses this information to produce an analysis of the nature of future housing required within the long-term balancing housing markets model (LTBHM).
- Chapter 5** sets out the calculation of outputs for the affordable housing needs model strictly in accordance with the PPG approach. The chapter identified both the type of households in housing need and the tenure of affordable housing that would meet this housing need.
- Chapter 6** contains an analysis of the specific housing situation of the particular sub-groups of the population identified within the NPPF alongside some other sections of the household population that the Council has identified.
- Chapter 7** is a conclusion summarising the implications of these results.

Stakeholder consultation

- 1.26 To help disseminate the purpose of this work and ensure the accuracy of this report (and the assumptions used) stakeholders' views have been sought through the development of this study. A consultation event was held on the 8th August 2019, after which written comments were invited. Details of the stakeholder consultation are presented in Appendix A1 to this report.

Conclusion

- 1.27 The Council's current Local Plan which is made up of the Core Strategy 2011 and the Site Allocations and Development Management Policies Plan 2016 is currently under review and the Council is aware that it needs to refresh the evidence base in light of changes to both Government guidance and also the changing demographic and housing market pressures. This report is a residential needs assessment that addresses this requirement for the Council and provides evidence for the forthcoming Local Plan. The information presented in this report complies with the current Government guidance on undertaking these studies as set out in the 2019 National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG).

2. Market drivers and the extent of housing need

Introduction

- 2.1 Two main drivers of the housing market are the resident population and the local labour market. They affect the nature of housing demand, including household formation rates and households' investment in housing. This first part of this chapter uses the most recently available data to document the current socio-economic profile in King's Lynn & West Norfolk and how it has changed.
- 2.2 Analysis of the stock of housing allows an understanding of the current market balance and existing occupation patterns. A range of data sources, including the 2011 Census, are used to provide an overview of the housing stock in King's Lynn & West Norfolk and a comparison to the regional and national situation will be presented where the data is available.
- 2.3 This socio-economic situation is important context to be understood before the level of housing need is calculated. As stated in the Planning Practice Guidance (PPG)⁷, *'housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for.'*
- 2.4 As the PPG⁸ further indicates *'the National Planning Policy Framework expects strategic policy-making authorities to follow the standard method in this guidance for assessing local housing need.'* The second part of this chapter sets out the calculation of the housing need for King's Lynn & West Norfolk using the Standard Method.

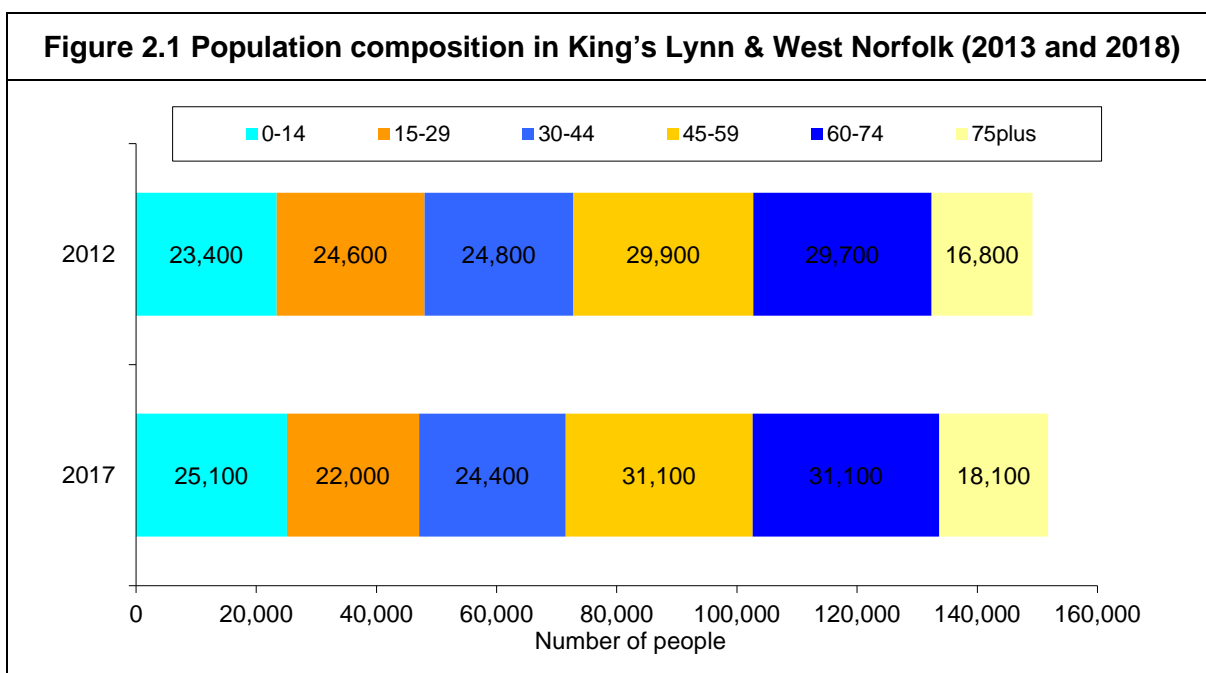
Demography

- 2.5 The 2018-based population estimates produced by the ONS show the age profile of the population in King's Lynn & West Norfolk and how it has changed over the last 5 years. These population estimates indicate that the resident population in King's Lynn & West Norfolk in 2018 was 151,800 and that since 2013 the population had increased by 1.7%, around 2,600 people. In comparison, the population of the East region increased by 4.2% over the same period, whilst the population of England grew by 3.9%.
- 2.6 The figure below illustrates the age composition of the population in King's Lynn & West Norfolk in 2013 and 2018 according to the latest population estimates. The data shows that since 2013 the number of people aged under 15 and the number of people aged 75 or over has markedly increased in the Borough. In contrast, the number of people aged between 15 and 44 has decreased. The 2018-based population estimates indicate that the median age in

⁷ Paragraph: 001 Reference ID: 2a-001-20190220

⁸ Paragraph: 002 Reference ID: 2a-002-20190220

King's Lynn & West Norfolk in 2018 was 47.4, whilst for the East the figure was 41.6 and across England it was 39.9.

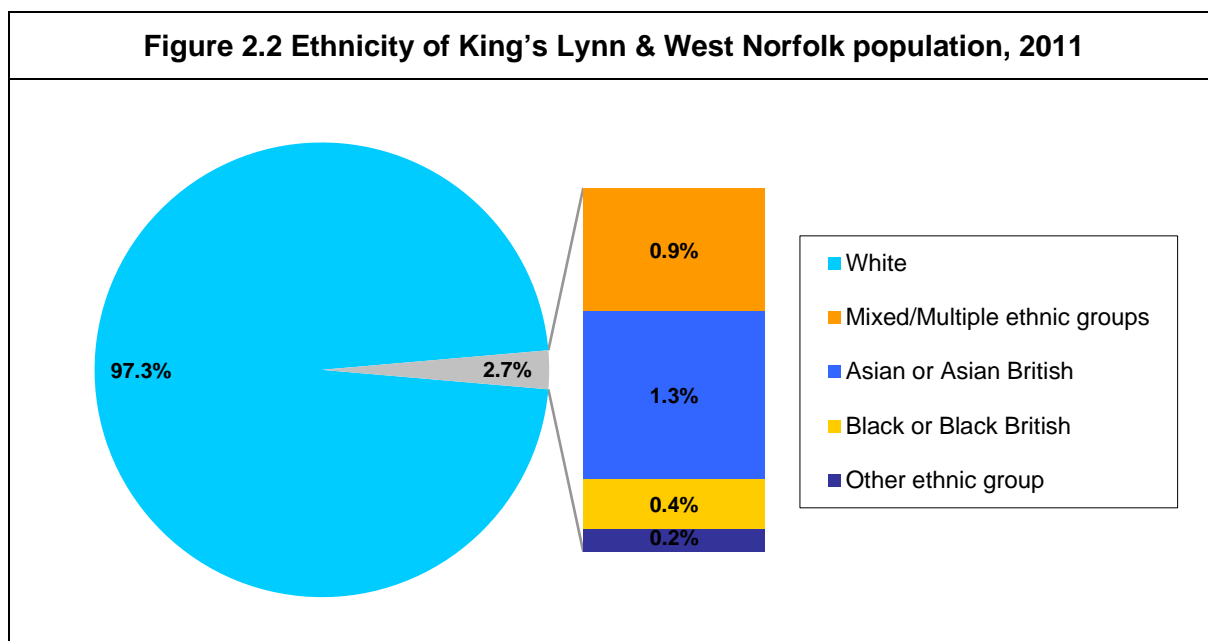


Source: ONS Population estimates, 2018

- 2.7 The population density in King's Lynn & West Norfolk in 2018 was 106 people per sq. km according to the 2018-based population estimates, notably lower than the figure for the region (324 people per sq. km) and England as a whole (430 people per sq. km).

Ethnicity

- 2.8 The 2011 Census suggests that the BAME population was 2.8% of the total population in King's Lynn & West Norfolk, which was lower than the regional figure (4.9% in the East) and the national one (14.5% in England). The figure below presents the ethnicity of the population in King's Lynn & West Norfolk in 2011. The 'Asian or Asian British' represents the largest BAME group in King's Lynn & West Norfolk area (comprising 1.3% of total population). It should be noted that the 'White' group in King's Lynn & West Norfolk includes 'White Irish' (0.4%) 'White Gypsy and Traveller (0.2%) and 'White Other' (4.5%) as well as 'White British' (92.2%).



Source: 2011 Census

- 2.9 The 2018-based population estimates estimate that in 2018, just 0.5% of the population of King's Lynn & West Norfolk had been resident in the UK for less than a year, compared to 0.7% in the East region and 1.0% across England.

Number of households

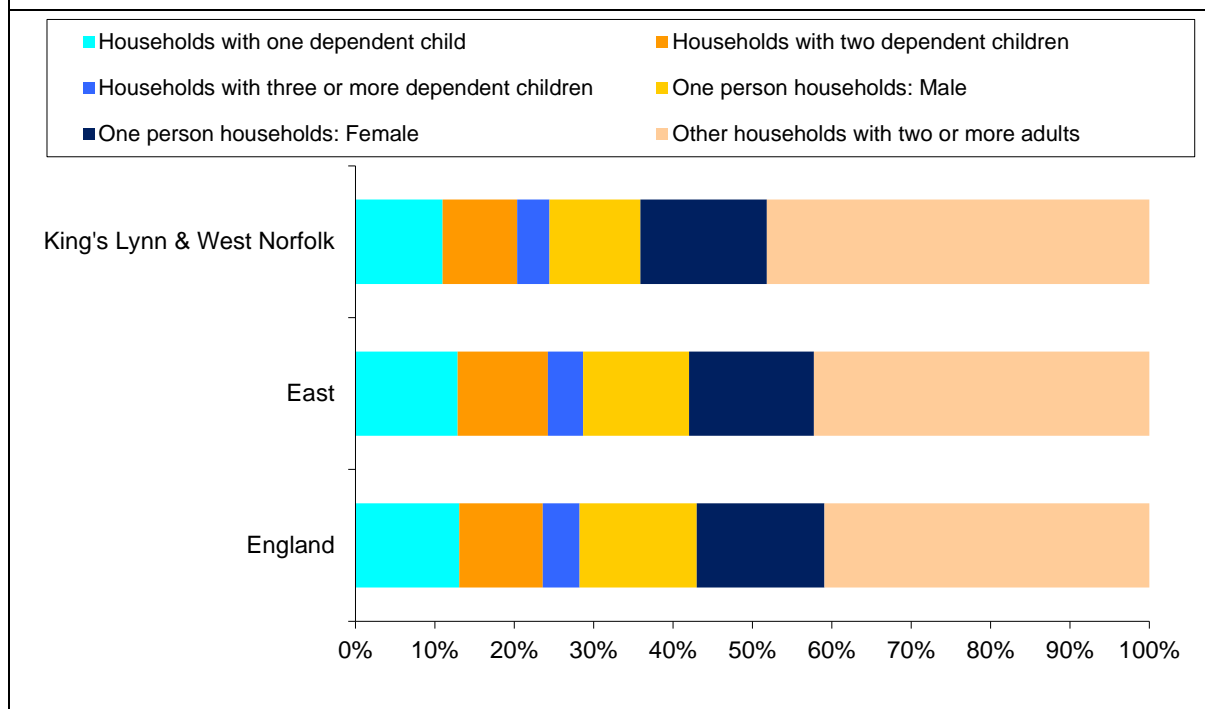
- 2.10 The 2016-based household projections indicated that the number of households in King's Lynn & West Norfolk has increased by 2.3% since 2011, reaching 64,355 households in 2016. This compares to the regional average of 4.6% and the national figure of 4.1%. In King's Lynn & West Norfolk, the East region and at national level the number of households has risen at the same rate as the population in households and the average size of households has remained unchanged.

Table 2.1 Change in average household size between 2011 and 2016		
<i>Location</i>	<i>Average household size in 2011</i>	<i>Average household size in 2016</i>
King's Lynn & West Norfolk	2.32	2.32
East	2.38	2.38
England	2.37	2.37

Source: Mid-year population and household estimates

- 2.11 The figure below compares the household composition in King's Lynn & West Norfolk in 2016 with that recorded for the East region and England. The data indicates that there are fewer households with dependent children and more other households with two or more adults in King's Lynn & West Norfolk than are recorded regionally and nationally.

Figure 2.3 Household composition in King's Lynn & West Norfolk, the East region and England, 2016



Source: 2016-based household projections

Economy

- 2.12 Considerable data is available on the economic context in King's Lynn & West Norfolk, which enables a profile of the current local economy to be presented.

Employment in King's Lynn & West Norfolk

- 2.13 NOMIS⁹ data on 'job density' (this is a measure of the number of individual jobs¹⁰ per person of working age) for 2017 shows that there are 0.85 jobs per working age person in the Borough, the same figure as is recorded for the East region and slightly lower than the national figure (0.87 jobs per working age person in England as a whole). The level of job density in King's Lynn & West Norfolk has risen over the last five years (from 0.77 in 2012 to 0.85 now), matching regional and national trends (from 0.77 to 0.85 in the East and from 0.79 to 0.87 across England).
- 2.14 Measured by the ONS Business Register and Employment Survey there were 54,000 individual employee jobs¹¹ in King's Lynn & West Norfolk in 2017. This is the highest level

⁹ NOMIS is a website provided by the Office for National Statistics that contains a range of labour market data at a local authority level. www.nomisweb.co.uk.

¹⁰ Jobs includes employees (both full and part-time), self-employed, government-supported trainees and HM Forces.

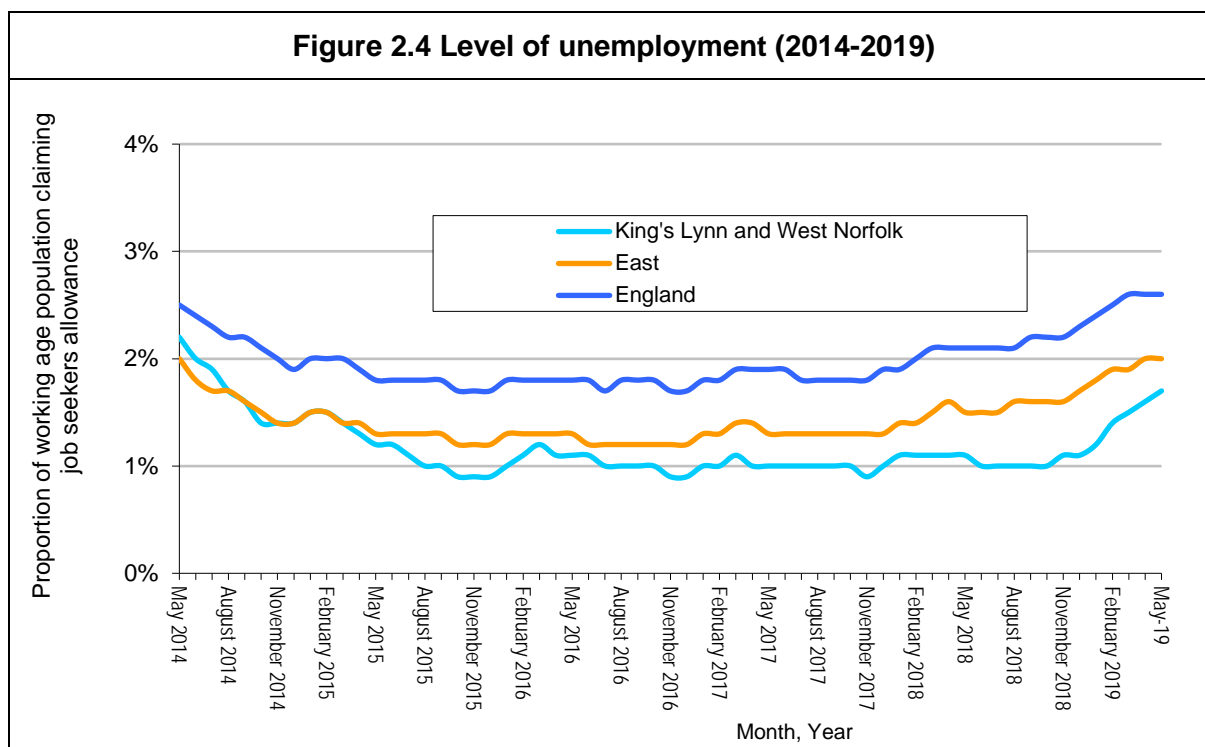
¹¹ Employee jobs excludes self-employed, government-supported trainees and HM Forces. Employee jobs can be both part-time and full-time. Data also excludes farm-based agriculture.

recorded in the Borough since the collection of this data was begun in 2015 (the data source is only two years old). Overall the number of employee jobs in King's Lynn & West Norfolk has increased by 3.8% between 2015 and 2017, compared to an increase of 4.9% for the region and an increase of 2.8% nationally over the same time period.

- 2.15 Data is also available from the ONS about the number of businesses in the area and how this has changed. This can provide an indication of the state of the economy as an increase in businesses would suggest either new companies moving to the area or an increase in local entrepreneurship. The ONS indicates that in 2018 there were 5,500 enterprises in King's Lynn & West Norfolk. Some 88.5% of enterprises across King's Lynn are micro (with 9 or fewer employees), this is very similar when compared with the East (89.9%) and England (89.5%). In King's Lynn & West Norfolk the number of enterprises has increased by 13.8% between 2013 and 2018 (a rise of 665), notably lower than both the regional (21.3%) and national (24.5%) increases.

Employment profile of residents in the Borough

- 2.16 Although the overall economic performance of the Borough provides important context, an understanding of the effect of the economic climate on the resident population is more pertinent to this study.
- 2.17 The ONS publishes the number of people claiming Job Seekers Allowance on a monthly basis. This provides a very up-to-date measure of the level of unemployment of residents in an area. The figure below shows the change in the proportion of the working age population claiming Job Seekers Allowance in King's Lynn & West Norfolk, the East and England over the last five years. The figure indicates that the unemployment level in King's Lynn & West Norfolk, whilst fluctuating notably, has been notably lower than the national level and generally lower than the regional figure. Currently 1.7% of the working age population in King's Lynn & West Norfolk are unemployed, compared to 2.0% regionally and the national average of 2.6%. Over the last five years, unemployment has decreased in King's Lynn & West Norfolk by 24.9%, compared to a fall of 3.8% in the East and a reduction of 5.0% nationally – this is principally because at a regional and national level unemployment has risen over the last six months so it is now only slightly lower than it was in May 2014, however despite a recent rise in unemployment in King's Lynn & West Norfolk, the level currently is notably lower than the peak recorded in May 2014.



Source: ONS Claimant count

2.18 The Annual Population Survey presents a 'Standard Occupation Classification' which categorises all working people resident within an area into one of nine groups depending on the nature of the skills that they use. These nine groups are graded from managerial jobs (Groups 1-3) to unskilled jobs (Groups 8-9). As the table below illustrates, some 43.0% of employed residents in King's Lynn & West Norfolk work in Groups 1 to 3, lower than the figure for both the East region and the national one. The Borough does have a relatively high proportion of employed residents working in Group 8 to 9 occupations. Further analysis shows that, since 2013, there has been a considerable increase in the number of people resident in King's Lynn & West Norfolk employed within Groups 1 to 3 and Groups 6 to 7 and a notable fall in the number of people employed within Groups 4 to 5.

Table 2.2 Occupation structure (2018)				
<i>Occupation Groups</i>	<i>King's Lynn & West Norfolk</i>	<i>East</i>	<i>England</i>	<i>Change in # of people employed in King's Lynn & West Norfolk since 2013</i>
Group 1-3: Senior, Professional or Technical	43.0%	46.2%	46.8%	15.8%
Group 4-5: Administrative, skilled trades	19.4%	21.3%	20.0%	-18.4%
Group 6-7: Personal service, Customer service and Sales	17.1%	16.1%	16.3%	6.5%
Group 8-9: Machine operatives, Elementary occupations	20.5%	16.1%	16.6%	-0.7%
Total	100.0%	100.0%	100.0%	-

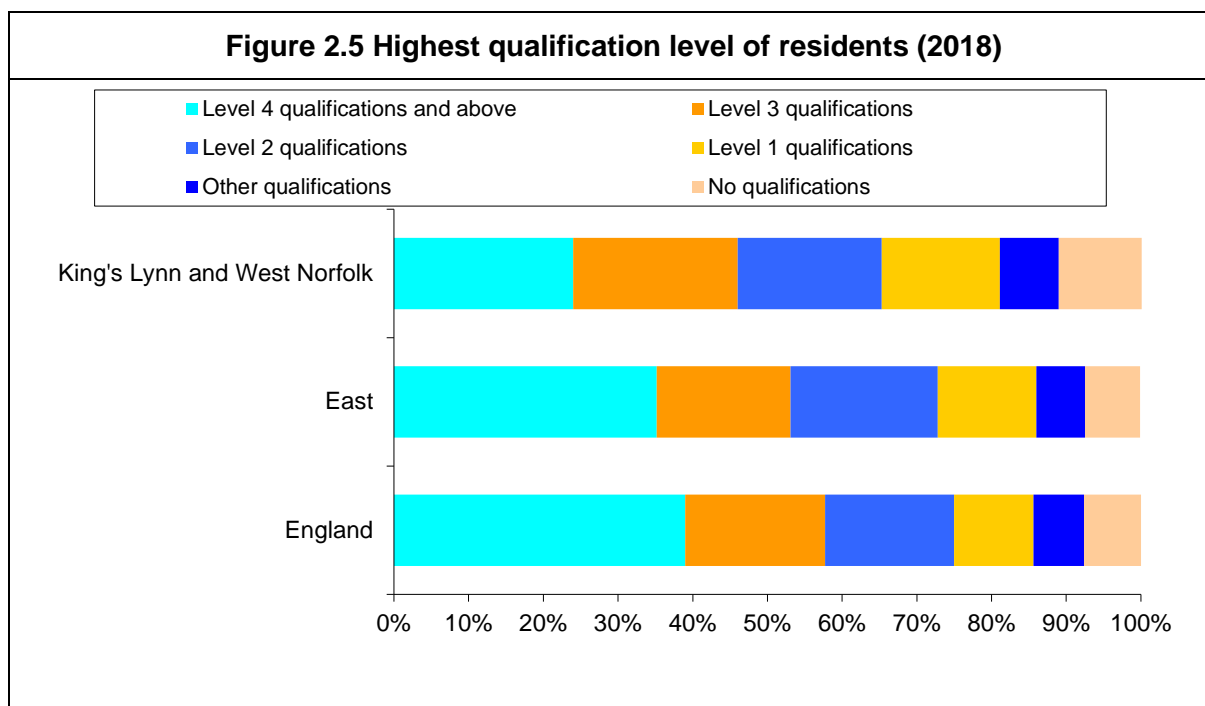
Source: Annual Population Survey, 2018

Qualifications

- 2.19 An important factor in the ability of any economy to grow is the level of skill of the workforce. The figure below shows the highest qualification level of the working-age residents of King's Lynn & West Norfolk, compared to the regional and national equivalents as recorded in the Annual Population Survey. Level 1 qualification is the lowest (equivalent of any grade at GCSE or O-Level) and Level 4 the highest (undergraduate degree or higher)¹². The data indicates that 24.0% of working-age residents in King's Lynn & West Norfolk have Level 4 or higher qualifications, lower than the figures for the East region (35.2%) and England (39.0%). King's Lynn & West Norfolk does however have more residents with no qualifications than is found regionally. It is important to note however that, in King's Lynn & West Norfolk, the proportion of working-age residents without qualifications has reduced since 2013 (by 4.0%)

¹² These definitions come from the data source (at www.nomisweb.co.uk/) and may differ slightly from the banding used on the guide to qualification levels located on the www.gov.uk site.

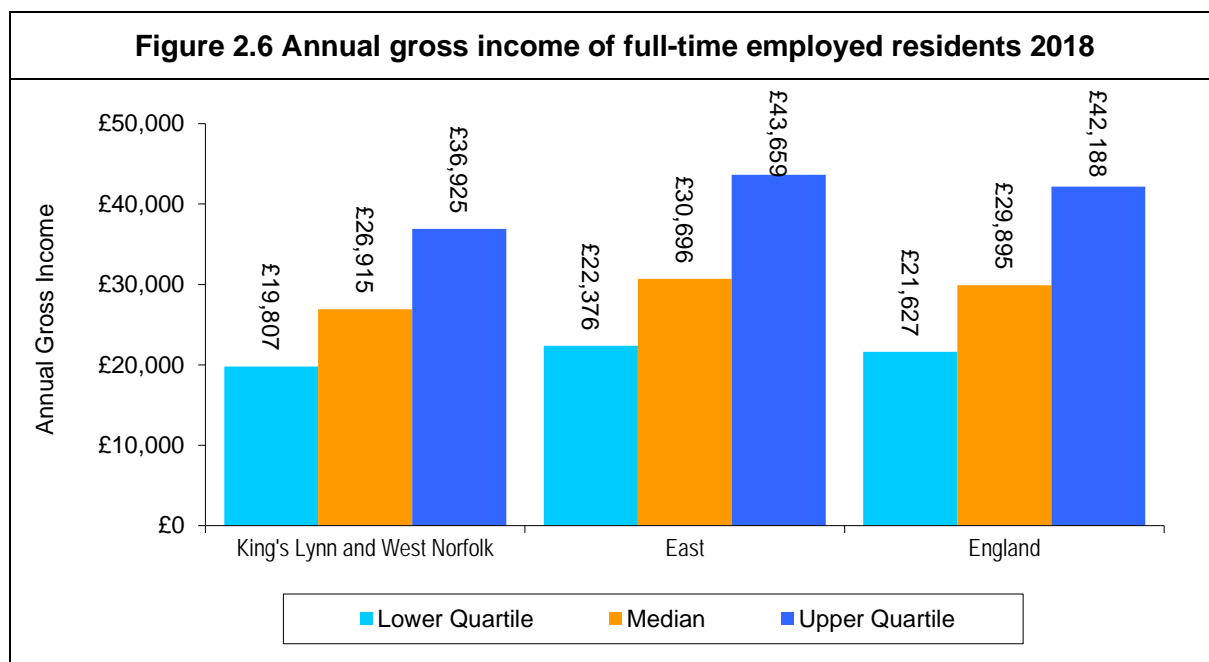




Source: Annual Population Survey, 2018

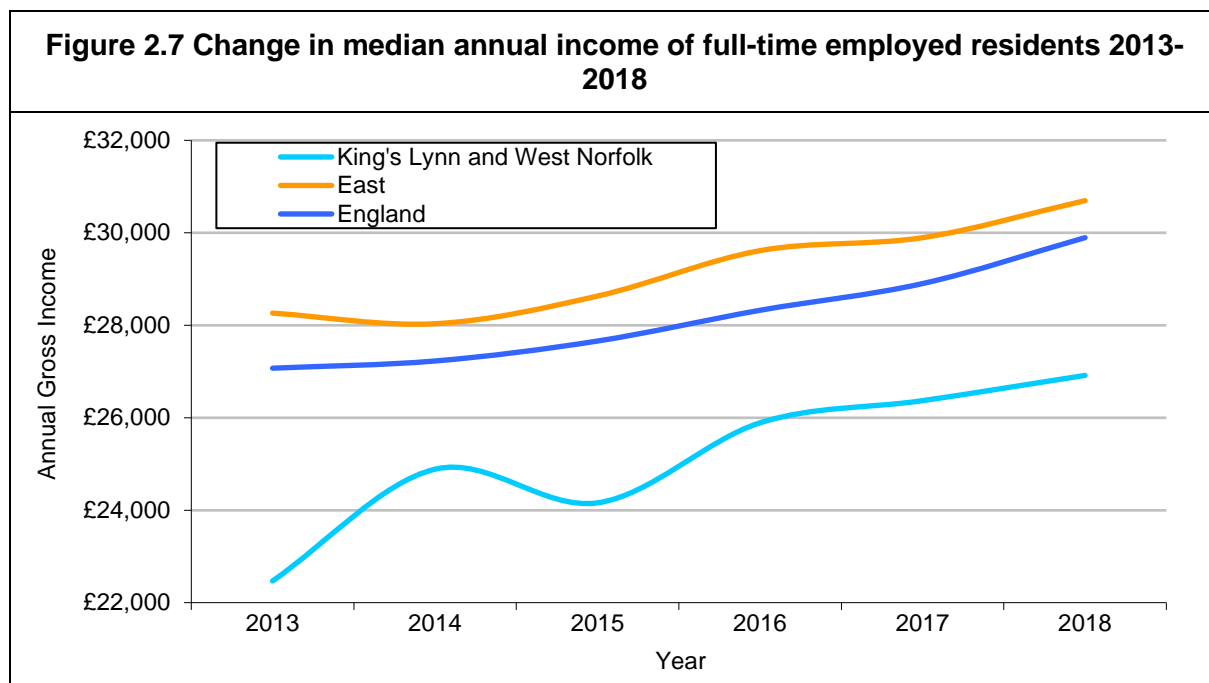
Income

- 2.20 Income has a core effect on the level of choice a household has when determining their future accommodation. The mean earned gross income for full-time employees resident in King's Lynn & West Norfolk in 2018 was £30,124, according to the ONS Annual Survey of Hours and Earnings. In comparison, the regional figure was £37,569 and the national average was £36,192. It is important to note that these figures assess individual incomes rather than household incomes. It should also be noted that the median figures (set out in the figure below) provide a more accurate average than the mean figures as they are less influenced by extreme values, however the mean figures are presented for context.
- 2.21 The figure below shows that at all points on the distribution annual gross income in King's Lynn & West Norfolk is lower than the regional and national equivalents. The gap between upper quartile and lower quartile incomes in King's Lynn & West Norfolk is relatively small.



Source: ONS Annual Survey of Hours and Earnings (2018)

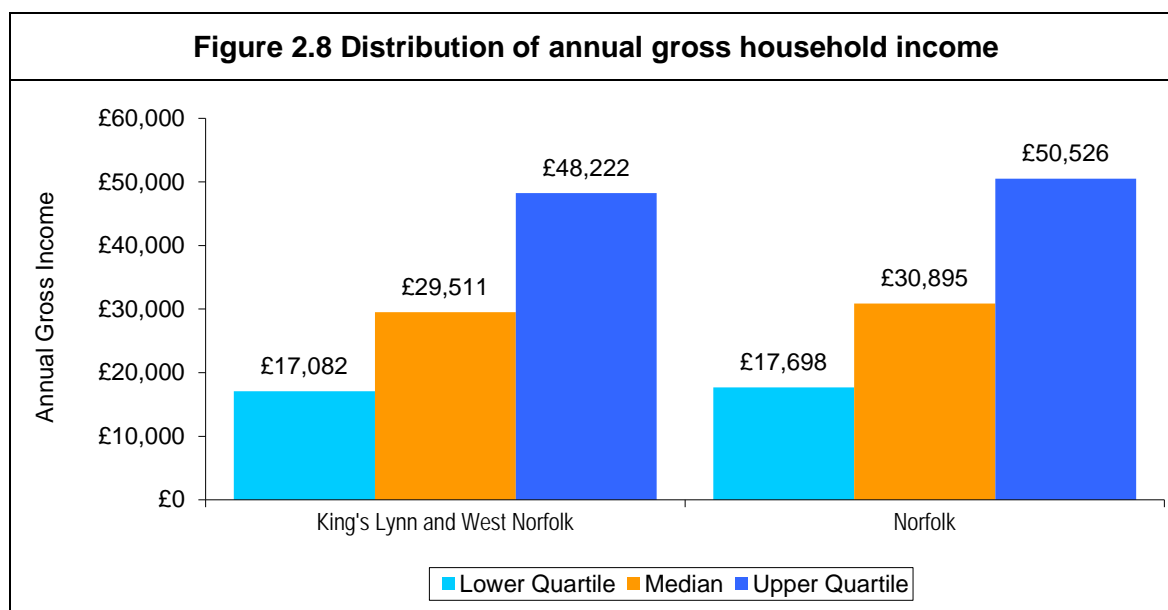
- 2.22 The figure below shows the change in the median income of full-time employees resident in King's Lynn & West Norfolk, the East region and England since 2013. King's Lynn & West Norfolk has recorded the highest increase since 2013 (at 19.8%) followed by England (10.4%), and the East (8.6%).



Source: ONS Annual Survey of Hours and Earnings (2013-2018)

Household income

- 2.23 CACI Paycheck¹³ estimates that the mean gross annual household income in King's Lynn & West Norfolk is £36,214, which is 4.6% below the equivalent for the County (£37,944 for Norfolk). The figure below shows household income at various points on the income distribution for the Borough alongside the County-wide equivalents. The data indicates that households in King's Lynn & West Norfolk are more slightly less affluent than equivalent Norfolk-wide households at all points on the income distribution.



Source: CACI Paycheck, 2019

Dwelling stock

- 2.24 The latest Ministry of Housing, Communities and Local Government (MHCLG) live tables¹⁴ indicates that there were 76,851 dwellings in King's Lynn & West Norfolk in 2018, and that over the last five years, the number of dwellings had increased by 2.6%, almost 1,950 properties. In comparison, the dwelling stock in the East region increased by 4.3% between the 2013 and 2018, whilst the dwelling stock of England increased by 4.0%.

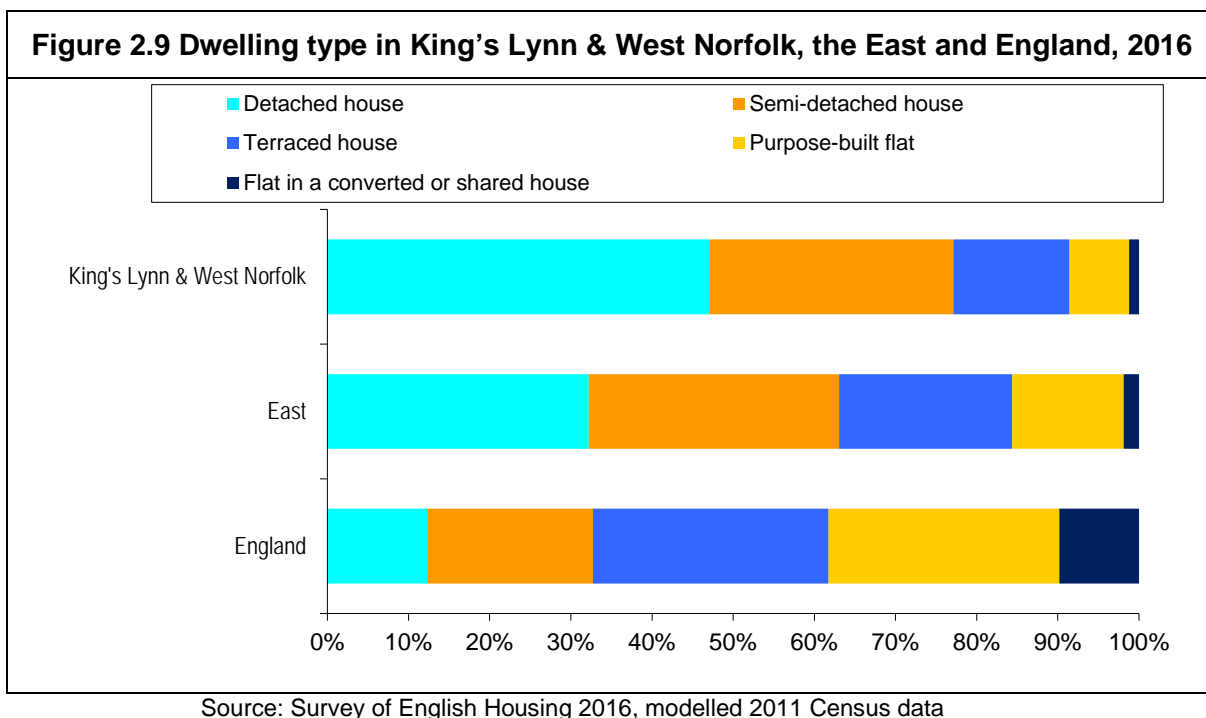
Accommodation profile

- 2.25 The figure below compares the type of accommodation in King's Lynn & West Norfolk in 2016 with that recorded for the East region and England. King's Lynn & West Norfolk contains more detached houses than the regional and national averages. The Borough contains notably fewer terraced properties and flats than are found across both the region and the country. The

¹³ CACI is a commercial company that provides households income data.

¹⁴ <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

most common property type in King's Lynn & West Norfolk is detached houses followed by semi-detached dwellings.



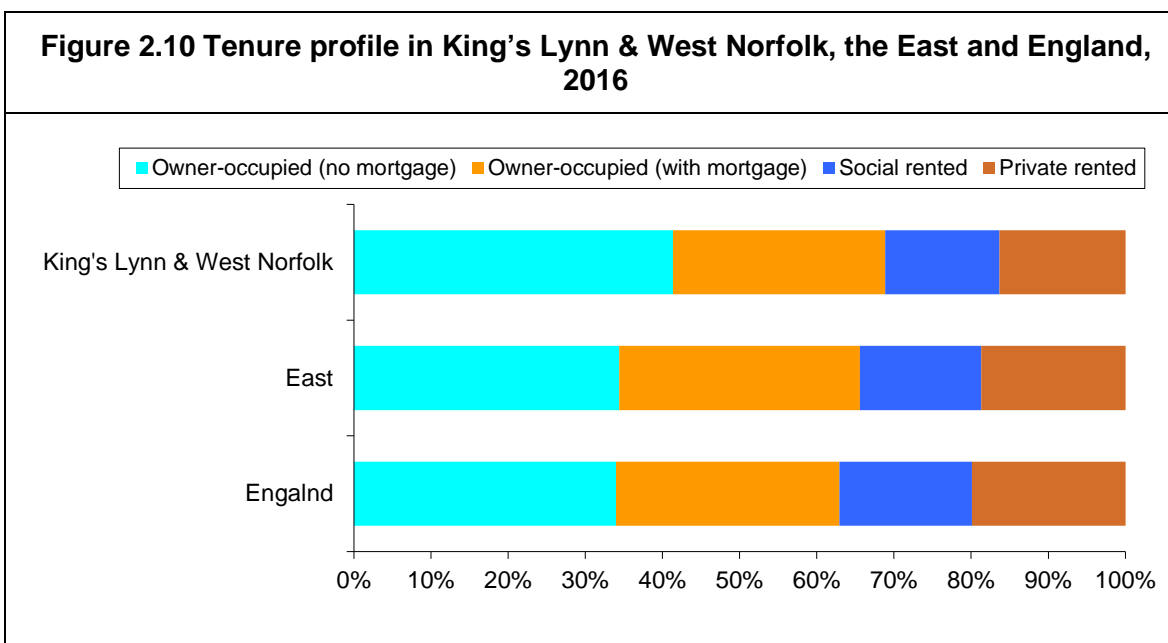
- 2.26 It is worth noting that there are a relatively large number of households living in caravans or other temporary structures in King's Lynn & West Norfolk. The Borough's Housing Standards team, who licence residential caravan sites, have suggested that the Census figure is still the best estimate of the scale of this situation. The 2011 Census recorded that there were 4,339 households living in caravans or other mobile or temporary structures in King's Lynn & West Norfolk.
- 2.27 The table below compares the size of accommodation (in terms of rooms) in King's Lynn & West Norfolk the East region and England. The table indicates that King's Lynn & West Norfolk has a greater proportion of larger dwellings (homes with 6 or more rooms) and fewer smaller homes (four or fewer rooms) than the East region and England as a whole. Overall, four and five room homes account for over half of all dwellings in King's Lynn & West Norfolk.

Table 2.3 Size of dwelling stock in King's Lynn & West Norfolk, the East and England, 2016			
<i>Property size*</i>	<i>King's Lynn & West Norfolk</i>	<i>East</i>	<i>England</i>
2 or fewer rooms	0.5%	0.8%	0.6%
3 rooms	6.6%	9.4%	9.9%
4 rooms	21.1%	21.6%	22.2%
5 rooms	31.9%	30.3%	29.1%
6 rooms	20.1%	19.3%	19.6%
7 rooms	10.6%	10.0%	10.1%
8 or more rooms	9.2%	8.5%	8.5%
Total	100.0%	100.0%	100

*The number of rooms available excludes utility rooms but does include bathrooms and kitchens. Source: Survey of English Housing 2016, modelled 2011 Census data

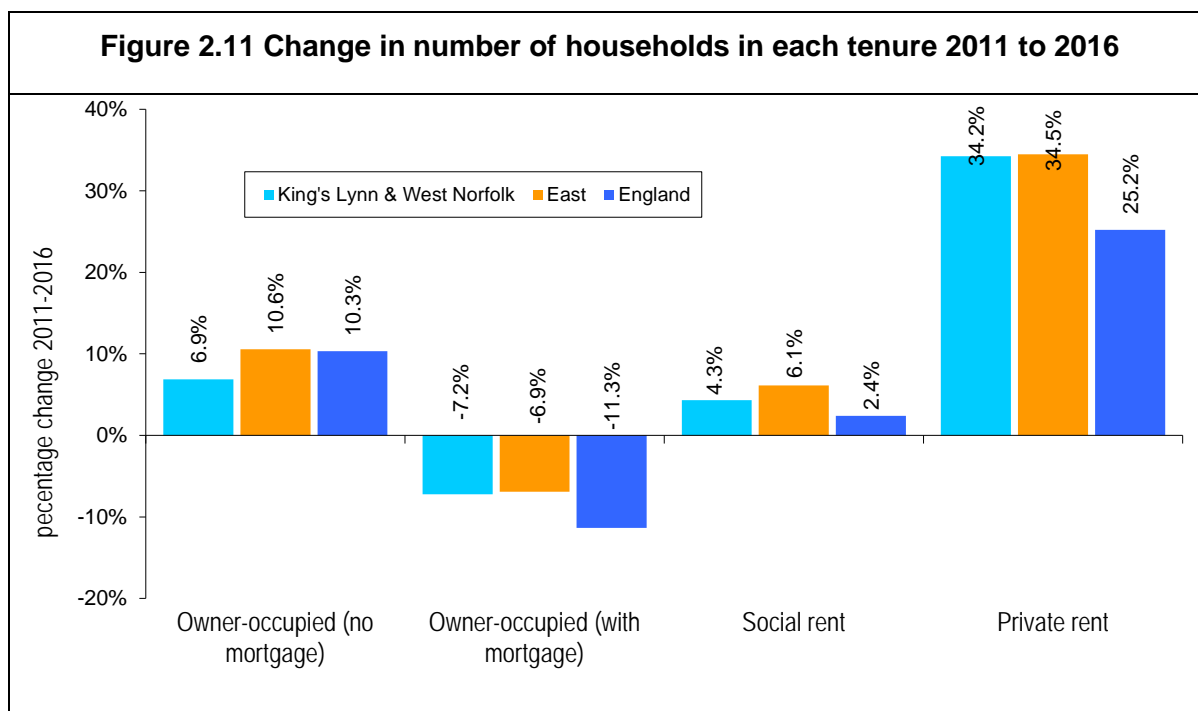
Tenure

- 2.28 The figure below compares the tenure of households in King's Lynn & West Norfolk in 2016 with that recorded for the East region and England. The data indicates that 41.4% of households in the Borough are owner-occupiers without a mortgage, compared to 34.4% in the region and 33.9% nationally. The proportion of owner-occupiers with a mortgage in King's Lynn & West Norfolk (27.5%) is however lower than both the regional (31.2%) and national average (29.5%). Some 14.8% of households in King's Lynn & West Norfolk are resident in the Social Rented sector, lower than the figure for the East region (15.7%) and the national average (17.2%). Finally, some 16.3% of households in the Borough live in private rented accommodation, compared to 18.7% in the East region and 19.9% across England.



Source: Survey of English Housing 2016, modelled 2011 Census data

- 2.29 The figure below shows the change in the size of each tenure between 2011 and 2016. The figure shows that in all areas the private rented sector has increased dramatically and the number of owner-occupiers with no mortgage has also grown. In comparison, the number of owner-occupiers with a mortgage has decreased. The Social Rented sector has generally shown the smallest change in all three areas.

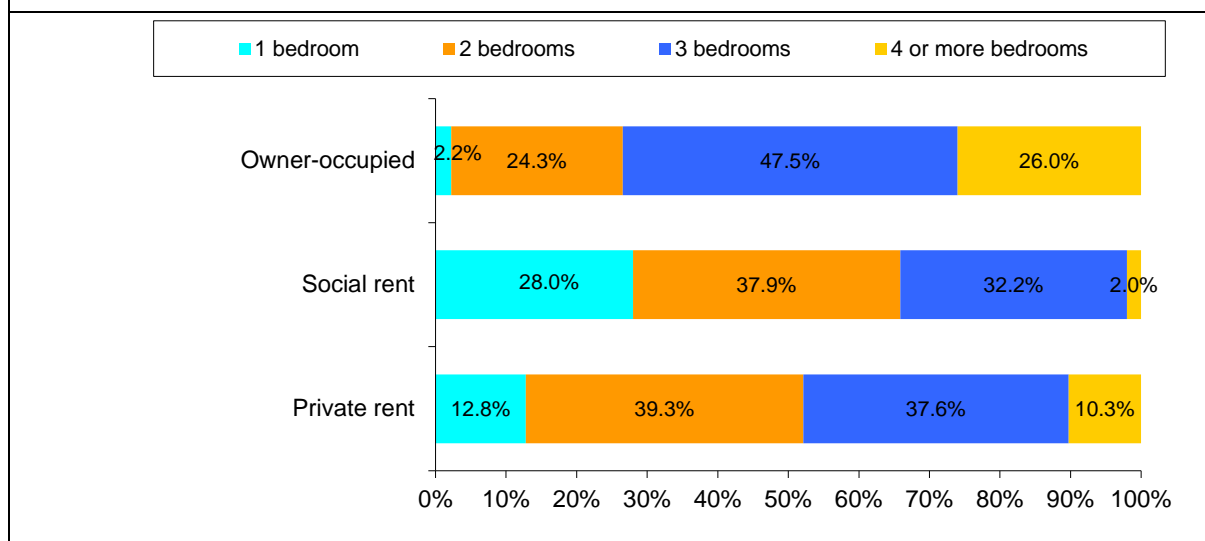


Source: Survey of English Housing 2016, modelled 2011 Census data

Tenure by bedroom

- 2.30 Finally, it is useful to understand the size of accommodation within each tenure as recorded in the LTBHM model (discussed further in Chapter 4). This is shown in the figure below. The data indicates that in King's Lynn & West Norfolk, rented accommodation is smaller on average than owned dwellings. This pattern is common across the country. In the affordable sector this profile partly reflects the size of homes lost from the affordable stock through Right-to-Buy rather than the aspirations of those in this tenure. In the private rented sector, the size profile has been influenced by the rate of return available for investors and the demand from renters, with the existing stock converted into this tenure as a consequence of these factors. Similarly, there has proved little demand for one bedroom owner-occupied homes in the Borough – where they have been developed by the market for sale, a high proportion has ended up in the private rented sector.

Figure 2.12 Dwelling size within each tenure in King's Lynn & West Norfolk, 2016



Source: HCA's Statistical Data Return 2016, modelled 2011 Census data

Housing Need – The Standard Method

- 2.31 As stated in the introduction to the chapter, it is expected that authorities follow the Standard Method set out in the PPG to determine the minimum annual local housing need figure. The PPG makes it clear that whilst it is not mandatory, any deviation from the Standard Method should only be pursued in exceptional circumstances. This section will describe the steps involved in the Standard Method, following the approach described in paragraph of the PPG¹⁵, and calculate the figure for King's Lynn & West Norfolk.

Step 1 – Setting the baseline

- 2.32 The baseline is set using the 2014-based household projections in England¹⁶. The PPG indicates that *'Using these projections, calculate the projected average annual household growth over a 10-year period (this should be 10 consecutive years, with the current year being used as the starting point from which to calculate growth over that period).'*
- 2.33 This source indicates that the number of households in King's Lynn & West Norfolk will grow from 66,396 in 2019, to 70,858 in 2029, which equates to 4,462 extra households over the decade or an average of 446 per year.

¹⁵ All the steps are described in paragraph: 004 Reference ID: 2a-004-20190220

¹⁶ <https://www.gov.uk/government/collections/household-projections>. Paragraph 005 of the PPG (Reference ID: 2a-005-20190220) states that the 2014-based projections are used (in preference to the more recently published 2016-based projections) as they are more suitable for meeting *'the Government's objective of significantly boosting the supply of homes.'*

Step 2 – An adjustment to take account of affordability¹⁷

- 2.34 The average annual projected household growth figure produced in Step 1 should then be adjusted to reflect the affordability of the area using the most recent median workplace-based affordability ratios¹⁸. An adjustment is only required where the ratio is higher than 4 and *'for each 1% the ratio is above 4 (with a ratio of 8 representing a 100% increase), the average household growth should be increased by a quarter of a percent.'* The precise formula is detailed in the PPG:

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

- 2.35 The affordability ratio in King's Lynn & West Norfolk in 2018 is 7.89. The adjustment factor is therefore of 1.243125¹⁹. Applying this to the average annual projected household growth figure of 446, results in an annual local housing need figure of 555 per year.

Step 3 – Capping the level of any increase

- 2.36 As the PPG describes:

'A cap is then applied which limits the increases an individual local authority can face. How this is calculated depends on the current status of relevant strategic policies for housing. Where these policies were adopted within the last 5 years (at the point of making the calculation), the local housing need figure is capped at 40% above the average annual housing requirement figure set out in the existing policies.²⁰ Alternatively 'where the relevant strategic policies for housing were adopted more than 5 years ago..., the local housing need figure is capped at 40% above whichever is the higher of:

- a. the projected household growth for the area over the 10-year period identified in step 1; or*
- b. the average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).'*

- 2.37 In King's Lynn & West Norfolk the most recent planning document is the Council's 2011 Core Strategy. This is over five years old, so the second of the two approaches described by the PPG is applied.

¹⁷ Paragraph 006 of the PPG (Reference ID: 2a-005-20190220) describes why an affordability ratio is applied – principally to account for any constrained household formation and to ensure that people aren't prevented from undertaking employment opportunities by the prohibitive cost of housing in the area near their proposed workplace. The affordability adjustment also accounts for past under-delivery as described in Paragraph 011 of the PPG (Reference ID: 2a-011-20190220).

¹⁸ <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

¹⁹ $7.89 - 4 = 3.89$, $3.89 / 4 = 0.9725$, $0.9725 \times 0.25 = 0.243125$, $0.243125 + 1 = 1.243125$

²⁰ 'This also applies where the relevant strategic policies have been reviewed by the authority within the 5-year period and found to not require updating.'

- 2.38 The first of the two possible caps is based on a 40% increase of the annual household growth identified in Step 1. This cap is therefore 625 in King's Lynn & West Norfolk (446×1.4).
- 2.39 The second of the two caps is based on a 40% increase to the annual housing requirement set out in the 2011 Core Strategy. This document stated an aim to build 16,500 dwellings in the Borough over 25 years (from 2001 to 2026), an annual total of 660. This second cap is therefore 924 in King's Lynn & West Norfolk (660×1.4).
- 2.40 The second of the two caps is higher and represents the upper boundary for any increase, however the annual local housing need figure of 555 per year in King's Lynn & West Norfolk is within this cap and therefore does not need to be modified. **The Housing Need in King's Lynn & West Norfolk, as assessed using the Standard Method, is 555 per year.**

Overall level of housing need

- 2.41 The PPG²¹ notes that whilst *'the standard method may change as the inputs are variable..., local housing need calculated using the standard method may be relied upon for a period of 2 years from the time that a plan is submitted to the Planning Inspectorate for examination.'* In Paragraph 010 the PPG goes on to note in which conditions it may be appropriate to pursue a higher housing need figure than is indicated by the Standard Method, however none of these applies to King's Lynn & West Norfolk and the figure of 555 is considered the level of local annual housing need in the Borough.
- 2.42 As noted in Paragraph 012 of the PPG²² this approach provides an annual figure which can be applied to a whole plan period. The King's Lynn & West Norfolk Local Plan will run for 20 years from 2016 to 2036 so the total new housing required to meet the local need is 11,100 in the Borough across the plan period (555×20).
- 2.43 As Paragraph 017²³ of the PPG notes *'the standard method for assessing housing need does not break down the overall figure into different types of housing. Therefore, the need for particular sizes, types and tenures of homes as well as the housing needs of particular groups should be considered separately.'* Chapter 4 of this report presents the disaggregation of this local housing need figure so that this requirement can be addressed.

Conclusion

- 2.44 A socio-economic analysis of the Borough indicates:
- That there are relatively few households with children in the Borough and the population is notably older than average – the median age in King's Lynn & West Norfolk in 2018 was 47.4, compared to 41.6 in the East and 39.9 across England.

²¹ Paragraph 008 Reference ID: 2a-008-20190220

²² Reference ID: 2a-012-20190220

²³ Reference ID: 2a-017-20190220

- Although the unemployment rate is comparatively low in the Borough, a relatively small proportion of the local population work in managerial roles which means that incomes in King's Lynn & West Norfolk are typically lower than County-wide, regional and national averages.
- The most common property type in King's Lynn & West Norfolk is detached houses followed by semi-detached dwellings. The Borough contains more owner-occupiers with no mortgage than the East region and England as a whole, but smaller social rented and private rented sectors.

2.45 The Standard Method set out in the PPG has been used to determine the minimum annual local housing need figure. This accounts for the projected level of household growth in an area, adjusts for any affordability imbalance that might exist and is framed by the current level of deliverability required. The Housing Need in King's Lynn & West Norfolk, as assessed using the Standard Method, is 555 per year.

3. The cost and affordability of housing

Introduction

- 3.1 An effective housing needs assessment is founded on a thorough understanding of local housing – what it costs and how this varies. This chapter initially considers the cost of market housing in King's Lynn & West Norfolk in a regional and national context. Subsequently, it assesses the entry-level costs of housing across the Borough. A comparison of the cost of different tenures will be used to identify the housing market gaps that exist. Finally, the chapter will report changes in affordability as well as the affordability of housing for different groups of the population currently.

Relative prices

- 3.2 The table below shows the average property price by dwelling type in 2018 in King's Lynn & West Norfolk, the East Anglia region and England as a whole as presented by the Land Registry²⁴. The data indicates that the overall average property price in King's Lynn & West Norfolk is 19.5% lower than the national figure and 11.5% lower than the figure for East Anglia. The data also shows that houses in the Borough are typically notably cheaper than their regional equivalent and markedly cheaper than the national average.
- 3.3 The dwelling profile is not the same across the three areas (with King's Lynn & West Norfolk having a greater proportion of sales of detached houses and a notably smaller proportion of sales of flats than nationally), so a mix adjusted average has therefore been derived to work out what the average price would be were the dwelling mix in King's Lynn & West Norfolk and East Anglia to be the same profile as is recorded across England. The mix adjusted average price indicates that equivalent properties in King's Lynn & West Norfolk are around 29.8% lower than those found nationally and 16.6% lower than those across East Anglia as a whole.

²⁴ <http://landregistry.data.gov.uk/app/standard-reports/report-design?utf8=%E2%9C%93&report=avgPrice>

Table 3.1 Average property prices 2018						
Dwelling type	King's Lynn & West Norfolk		East Anglia		England	
	Average price	% of sales	Average price	% of sales	Average price	% of sales
Detached	£314,902	45.4%	£366,448	37.1%	£414,416	25.4%
Semi-detached	£204,252	27.5%	£246,032	27.2%	£259,532	28.8%
Terraced	£175,106	20.9%	£217,488	25.7%	£248,508	27.5%
Flat	£144,820	6.2%	£176,544	10.0%	£303,281	18.3%
Overall average price	£244,655	100.0%	£276,485	100.0%	£303,833	100.0%
Mixed adjusted overall average price	£213,422	-	£256,000	-	£303,833	-

Source: Land Registry, 2019

- 3.4 The average property price in King's Lynn & West Norfolk has risen by 30.3% between 2013 and 2018 compared to an increase of 20.7% nationally, and a growth of 31.8% across the region. The number of sales in King's Lynn & West Norfolk over this period has fallen by 0.7% compared to a rise of 7.8% in England, and an increase of 2.7% for East Anglia.
- 3.5 The table below shows the average private rents by dwelling size in 2017-2018 in King's Lynn & West Norfolk, the East region and England as recorded by the Valuation Office Agency²⁵. The data indicates that the overall average rental price in King's Lynn & West Norfolk is 23.6% lower than the national figure and 24.9% lower than the figure for the East. The data also shows that for all property sizes, rents in the Borough are markedly cheaper than their regional and national equivalent. The mix adjusted average rent indicates that equivalent properties in King's Lynn & West Norfolk are around 27.4% lower than those found nationally and 28.0% lower than those in the East.

²⁵ These rents have been reported as they allow a comparison between the Borough, the region and nationally. The rents recorded for King's Lynn & West Norfolk are however lower than what are available in the Borough recently, as discussed more in paragraph 3.11.

Table 3.2 Average private rents in 2017-2018* (price per month)

Dwelling size	King's Lynn & West Norfolk		East		England	
	No. of sales	Average price	No. of sales	Average price	No. of sales	Average price
One bedroom	190	£472	9,570	£662	87,900	£720
Two bedroom	590	£593	19,540	£812	201,410	£787
Three bedroom	450	£702	12,910	£959	118,920	£898
Four bedroom	110	£998	4,340	£1,477	40,090	£1,582
Overall average rent**	1,350	£645	49,520	£859	486,310	£844
Mixed adjusted rent	-	£634	-	£881	-	£874

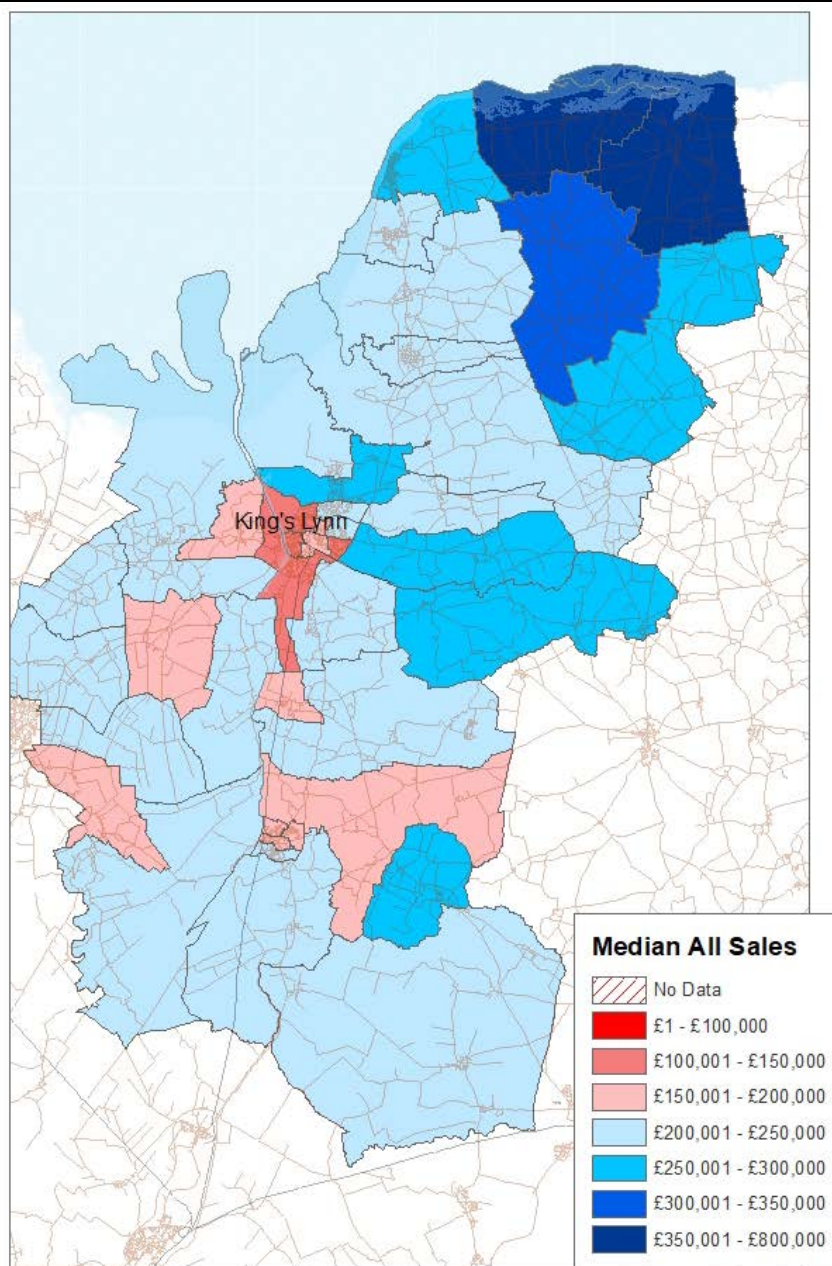
*Recorded between 1 October 2017 to 30 September 2018 **This figure includes the rents for room and studio accommodation which are not presented in this table. Source: Valuation Office Agency, 2019

- 3.6 The average rents in King's Lynn & West Norfolk have risen by 13.2% between 2012-13 and 2017-18 compared with an increase of 16.6% nationally and a growth of 26.9% across the region. The number of lettings in King's Lynn & West Norfolk over this period has increased by 23.3% compared to a rise of 4.1% in England and a growth of 4.3% for the East.

The cost of housing

- 3.7 To fully understand the affordability of housing within an area, it is necessary to collect data on the cost of housing by number of bedrooms. This ensures that it is possible to assess the ability of households to afford market housing of the size required by that particular household. No published secondary data contains this information at a Local Authority level. As part of this study we have therefore undertaken a price survey to assess the current cost of market (owner-occupied and private rented) and affordable housing in King's Lynn & West Norfolk. The figure below shows the variations in the cost of housing across the Borough and illustrates that there is some variation, with prices generally slightly cheaper around King's Lynn, and the most expensive areas being the north of the Borough, especially on the coast. These higher value areas are within an Area of Outstanding Natural Beauty (AONB) and are frequently sought after by people looking to retire or acquire a second home in the area.

**Figure 3.1 Variation in property prices across the Borough –
Median property prices by ward Jan 2018 to June 2019**



This data covers transactions received at Land Registry from 01/01/18 to 25/06/2019
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Contains public sector information licensed under the Open Government Licence v3.0

Source: Land Registry, 2019

3.8 Median asking prices by number of bedrooms were obtained in King's Lynn & West Norfolk via an online search of properties advertised for sale during July 2019. The results of this online price survey are presented in the figure below²⁶. The prices recorded include a discount

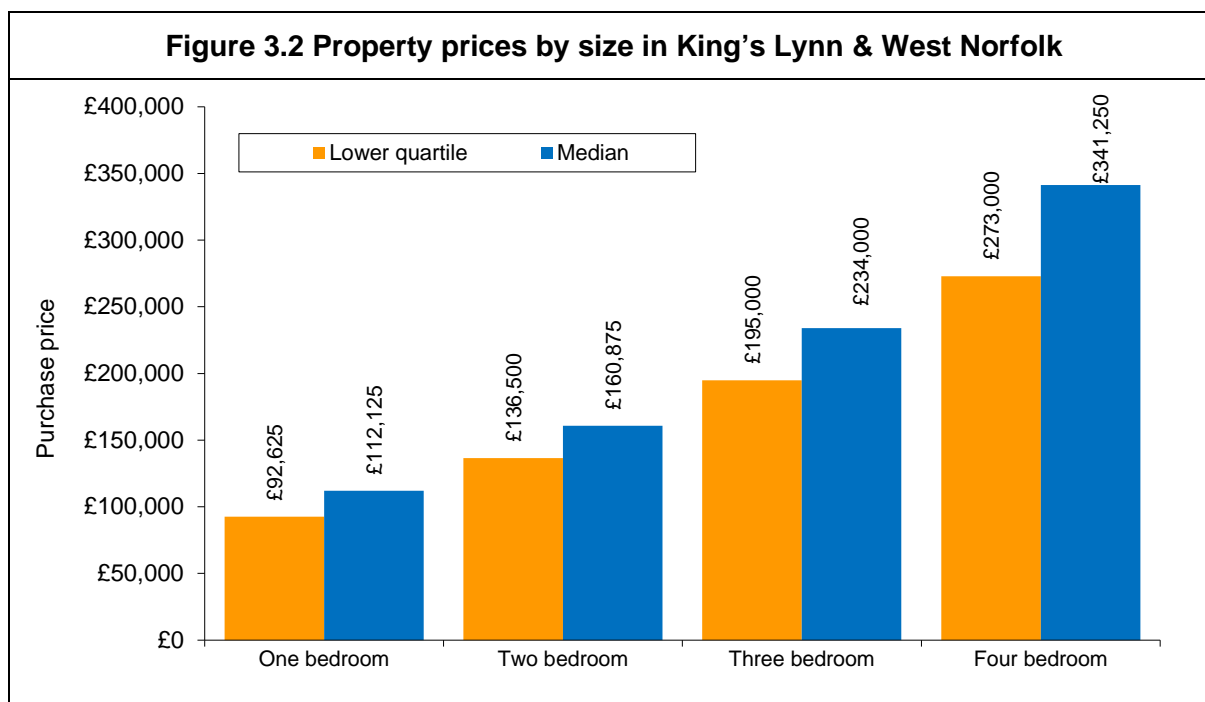
²⁶ The median prices recorded for Kings Lynn & West Norfolk from the price survey are broadly similar to that recorded in the Hometrack Housing Intelligence System. The Hometrack data notes that average prices in the

to reflect that the full asking price is not usually achieved (with sales values typically 2.5% lower according to the data contained within the Hometrack Housing Intelligence System). In terms of market availability, the analysis showed that three bedroom properties are most commonly available to purchase in King's Lynn & West Norfolk, with four bedroom homes the next most widely available. The smallest supply is of one bedroom dwellings.

- 3.9 There are a notable number of mobile homes across the Borough, some of which are available for permanent occupation as a park home²⁷. Park homes were evaluated distinctly within the wider housing market survey. The price survey revealed that the number of park homes available to buy is insufficient for them to be considered as a separate supply of market housing other than for two bedroom homes and even here they make up less than 7% of the total supply of this size home. The price of two bedroom park homes range in price considerably across the Borough from £50,000 to £200,000 and the price variation seems to relate more to the age of the physical home than the location. This is because newer homes are higher in specification (particularly for insulation). Care should be taken in considering older park homes to be suitable market homes as they are unlikely to be adequate to accommodate a household all year round. Whilst newer park homes could be considered as suitable, their price is not notably lower than second hand traditional homes (lower quartile prices are only £5,000 apart). The price survey has therefore presumed that park homes do not provide an alternative market solution (at a cheaper cost) to standard market housing.
- 3.10 The online survey also collected information at different points of the price distribution. Entry-level property prices for each property size are also presented in the figure below. In accordance with the PPG, entry-level prices are based on lower quartile prices (paragraph 021 Reference ID: 2a-021-20190220). This lower quartile price reflects the cost of a home in suitable condition for habitation, some of the properties available in the lowest quartile are sub-standard and will require modernisation and updating which will add further expense to the purchase price. The figure indicates that entry-level prices in King's Lynn & West Norfolk range from £92,625 for a one bedroom home, up to £273,000 for a four bedroom property.

Borough are £97,450 for a one bedroom home, around £161,300 for a two bedroom property, £220,380 for a three bedroom dwelling and £324,425 for four bedroom accommodation.

²⁷ A prefabricated building, often a detached bungalow-style unit, occupied as a permanent home, located with others usually set in a private estate, where they are located on plots known as 'pitches'.



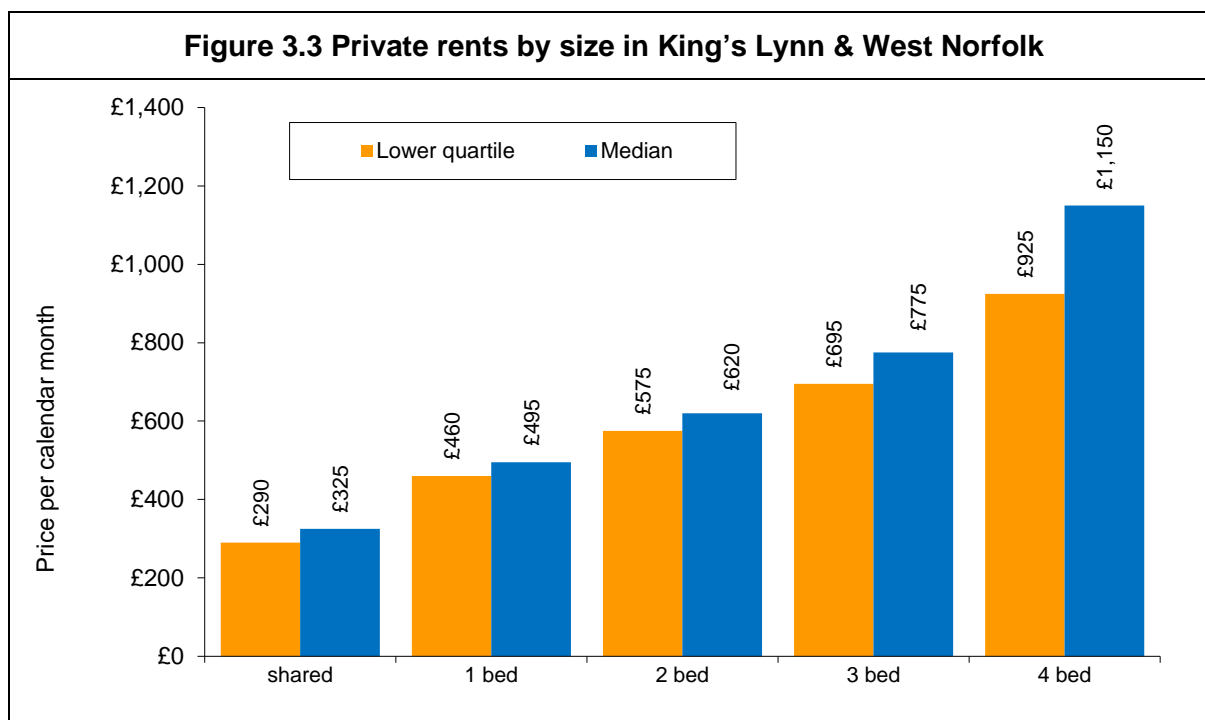
Source: Online estate agents survey July 2019

Private rents

- 3.11 Whilst private rent levels vary across the Borough, the distinction between the areas is less marked than with owner-occupation, reflecting that location is not as important a determinant in rent levels as the condition and quality of the property and also that there is a much lower premium for properties on the north coast in the rental market. The median price for private rented accommodation by property size is presented in the figure below²⁸. The costs recorded are the agreed letting cost rather than the advertised cost, although generally there is little distinction between the two, especially for smaller properties where the demand is high relative to supply. The figure also includes the cost of a shared room within the private rented sector²⁹.
- 3.12 The profile of properties available is somewhat different to that for purchase with a greater proportion of one and two bedroom homes available to rent in the Borough. Entry-level private rents for King's Lynn & West Norfolk are also presented in the figure below. The figure indicates that entry-level rents range from £460 per month for a one bedroom home, up to £925 per month for a four bedroom property.

²⁸ The median rents recorded for Kings Lynn & West Norfolk from the price survey are very similar to that recorded in the Hometrack Housing Intelligence System. The Hometrack data notes that average monthly rents in the Borough are £494 for a one bedroom home, £624 for a two bedroom property, £750 for a three bedroom dwelling and £1,148 for a four bedroom accommodation.

²⁹ The Local Housing Allowance regulations, which indicates that single people 35 or under are only entitled to the shared accommodation rate rather than the rate for a one bedroom home, imply that these individuals are deemed suitable to meet their housing needs within the market in this way. The cost of a room within shared accommodation is therefore included as it represents appropriate accommodation for single person households of 35 or under and this group of households will be tested against its ability to afford this in the affordable housing needs model set out in Chapter 5.



* Shared room is a room in a shared dwelling. Source: Online estate agents survey July 2019

Social Rents

- 3.13 The cost of Social Rented accommodation by dwelling size in King's Lynn & West Norfolk can be obtained from the Regulator of Social Housing's³⁰ Statistical Data Return dataset. The table below illustrates the cost of Social Rented dwellings in King's Lynn & West Norfolk. The costs are significantly below those for private rented housing, particularly for larger homes, indicating a significant gap between the Social Rented and market sectors.

Table 3.3 Average Social Rented costs (per month (includes service charges))	
Bedrooms	Average cost
One bedroom	£324
Two bedrooms	£364
Three bedrooms	£396
Four bedrooms	£457

Source: HCA's Statistical Data Return 2018

Affordable Rent

- 3.14 Affordable Rent is a relatively new product that has been introduced to reduce the requirement for capital subsidy for affordable accommodation. It is within the definition of affordable

³⁰ <https://www.gov.uk/government/news/regulator-publishes-statistical-data-return-2017-to-2018>

housing in the NPPF and is intended to house households on the Housing Register. It is not an intermediate product, but affordable housing for rent that coexists with the existing Social Rent tenure. Whilst the majority of new rented affordable stock in King's Lynn & West Norfolk is offered as Affordable Rent; the majority of re-lets will be at Social Rents unless it was a property that was funded under Affordable Rents originally. Whilst RSLs that develop new affordable housing can convert a proportion of Social Rents re-lets to Affordable Rent, few are doing so currently. Due to its different cost level, detail will be presented on its relative affordability in comparison with Social Rent where this is possible (in Chapter 5).

- 3.15 Affordable Rents can be set at up to 80% of open market rents, implying there is flexibility as to what they may cost. The table below details the Affordable Rent levels charged on tenancies managed by Freebridge RSL³¹ that have commenced since April 2018 in King's Lynn & West Norfolk. A comparison with median market rents indicates that Affordable Rent levels are around 65% to 75% of median market rents for one, two and three bedroom homes, but close to 50% of median market rents for four bedroom accommodation.

Table 3.4 Average Affordable Rented costs (per month (includes service charges))	
<i>Bedrooms</i>	<i>Average cost</i>
One bedroom	£363
Two bedrooms	£450
Three bedrooms	£515
Four bedrooms	£596

Source: Freebridge RSL, 2019 (via King's Lynn & West Norfolk Council)

Analysis of housing market 'gaps'

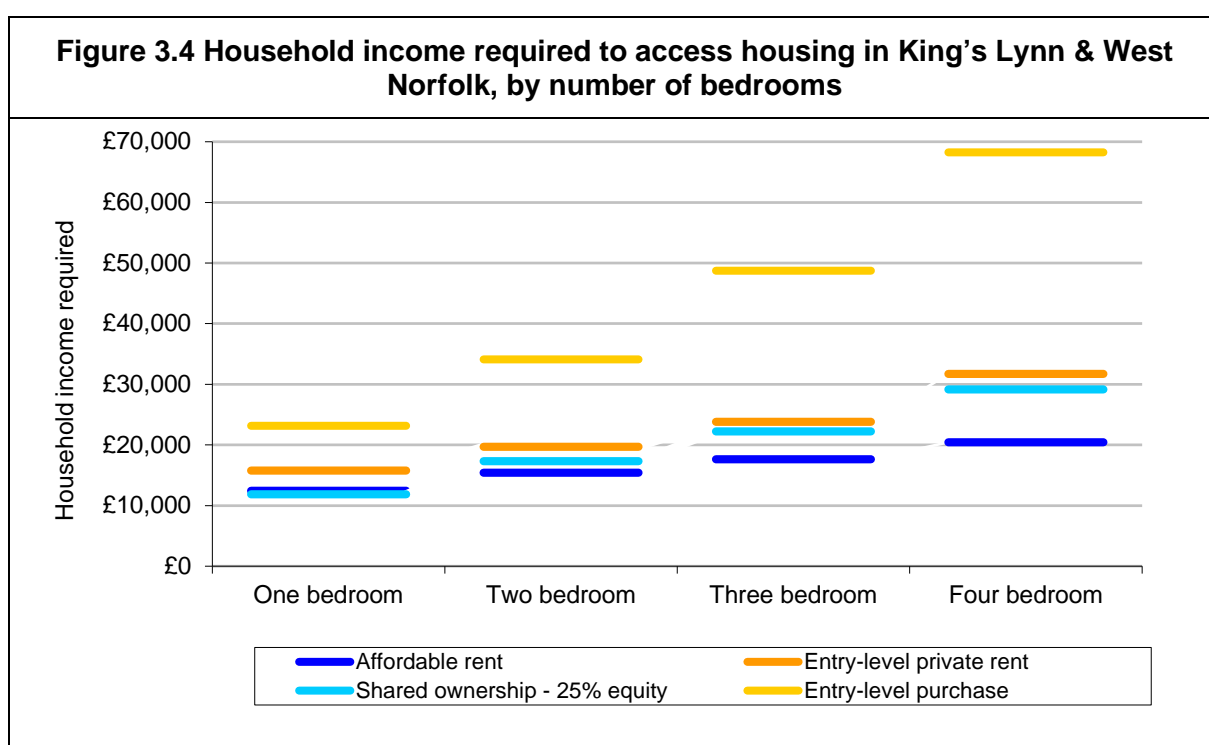
- 3.16 Housing market gaps analysis has been developed to allow comparison of the costs of different tenures. The figure below shows the housing ladder that exists for different sizes of property. The housing ladder is illustrated by comparing the different types of housing in terms of the income required to afford them. To do this, we have divided the entry-level property price (set out in Figure 3.2) by 4³² to get an annual income figure (to reflect the likely minimum income required to be granted a mortgage on the property) and multiplied the annual rent by

³¹ This is the largest RSL in operation in the Borough and represents a majority of all Affordable Rents lets made in the last eighteen months.

³² The multiple of 4 for owner-occupation was used as it reflects the mortgage multiple readily available for first-time buyers in the King's Lynn & west Norfolk housing market currently. It was arrived at after consultation with local mortgage brokers and reflects that whilst multiples of 4.5 or 4.75 times income can be offered, these are only available to people who fulfil all the criteria on other current expenditure, however a multiple of 4 times is available widely.

2.857 to produce a comparable figure. This latter step was carried out for both Affordable Rents (set out in Table 3.4) and market rents (set out in Figure 3.3).

- 3.17 These approaches assume a household spends no more than 35% ($1/35\% = 2.857$) of gross household income on rent – this assumption is used to enable a comparison of the different housing costs. The appropriate affordability threshold within King's Lynn & West Norfolk was discussed at the stakeholder consultation event and 35% was agreed to be an appropriate figure for the local housing market.
- 3.18 The figure shows a comparison of the indicative income requirements per household for different types of housing. Measurement of the size of the gaps between these 'rungs of the ladder' helps assess the feasibility of households moving between the tenures - the smaller the gaps, the easier it is for a household to ascend the ladder.



Source: Online survey of property prices July 2019; Freebridge RSL, 2019

- 3.19 The figures above indicate that for all dwelling sizes in the Council area, the gap between Affordable Rent and market rent is smaller than the gap between market rent and entry-level home ownership. The gaps for four bedroom accommodation are large; in King's Lynn & West Norfolk an additional £11,000 per year is required to access a four bedroom private rented home over the cost of a four bedroom Affordable Rented property, with a further £36,500 in household income required to move to an owner-occupied home.
- 3.20 As is discussed below, shared ownership with a 25% share is the cheapest form of intermediate housing in King's Lynn & West Norfolk. The income required to access this product has therefore also been added to the figure above for illustrative purposes. The figure shows that shared ownership with a 25% share is notably cheaper than market housing, especially for one and two bedroom dwellings.

- 3.21 The table shows the size of the gaps for each dwelling size in King's Lynn & West Norfolk. The table indicates, for example, that three bedroom market entry rents in the Borough are 35.0% higher (in terms of income required) than the cost of Affordable Rented. The notable gap recorded between Affordable Rents and market entry rents for most dwelling sizes indicates that Rent-to-buy housing could potentially be useful for many households. The very large gap between market entry rents and market entry purchase in all cases indicates notable potential demand for part-ownership products for households in this gap.

Table 3.5 Scale of key housing market gaps		
<i>Property size</i>	<i>Affordable Rent<entry-level rent</i>	<i>Entry-level rent<entry-level purchase</i>
One bedroom	26.8%	46.8%
Two bedrooms	27.7%	73.1%
Three bedrooms	35.0%	104.6%
Four bedrooms	55.2%	115.2%

Source: Online survey of property prices July 2019; Freebridge RSL, 2019

Intermediate products

- 3.22 A range of intermediate options are potentially available for households in King's Lynn & West Norfolk, the costs of these are profiled below.

Intermediate Rent/Rent-to-Buy

- 3.23 Rent-to-Buy is a route to home ownership where homes are let to working households at an Intermediate Rent (i.e. less than the full market rent) to give them the opportunity to save for a deposit to buy their first home. It is planned that by landlords providing a discounted rent for tenants for a minimum of 5 years, they will have sufficient time to acquire a deposit so that they may purchase the home. It is set out that the Intermediate Rent must not exceed 80% of the current market rent (inclusive of service charge), however the product is distinct from Affordable Rent which is available to tenants on the same basis as Social Rent.
- 3.24 Although the availability of Rent-to-Buy in the area is extremely limited currently, its potential suitability for households can be tested by modelling its theoretical cost. The table below sets out the costs of Intermediate Rent in King's Lynn & West Norfolk, presuming that the rent is set as 80% of median market rents. The table shows that, in all instances, Intermediate Rent is cheaper than market entry rent and can be considered an affordable product. In all cases, it is also more expensive than the Affordable Rent currently charged within King's Lynn & West Norfolk. As in all instances Intermediate Rent is more expensive than Affordable Rent (and is therefore serving a separate portion of the housing market), it will be considered for its suitability for meeting those in housing need in Chapter 5.

Table 3.6 Estimated cost of Intermediate Rent within King's Lynn & West Norfolk (monthly cost)			
<i>Bedrooms</i>	<i>Intermediate Rent</i>	<i>Entry-level private rent</i>	<i>Affordable Rent</i>
One bedroom	£396	£460	£363
Two bedrooms	£496	£575	£450
Three bedrooms	£620	£695	£515
Four bedrooms	£920	£925	£596

Source: Online survey of property prices July 2019; Freebridge RSL, 2019

- 3.25 As the main purpose of this intermediate housing option is to allow households the opportunity to save for a deposit to buy their first home, it is useful to consider whether this product is likely to allow households to build up their savings sufficiently. The table below shows the average income of households in the private rented sector by number of bedrooms that they require³³ alongside the income required to afford the Intermediate Rent³⁴. The cost of a 10% deposit³⁵ for an entry-level owner-occupied home in King's Lynn in West Norfolk is presented in the fourth column³⁶. The next column indicates the time in years it would take on average for a household in the private rented sector to save enough money to afford the deposit required if they were to reside in a home available at Intermediate Rent³⁷. The final column sets out the time it would take on average for a household to save for the deposit required were they to reside in entry-level private rented accommodation instead.
- 3.26 The table shows that households in the private rented sector that require a one bedroom home would take 6.6 years on average to save enough money to afford a 10% deposit on a one bedroom entry-level home to purchase in the Borough. If however these households were to reside in a home priced at Intermediate Rent they would be able to save for this deposit within 2.6 years. Private rented households requiring a two or three bedroom home would also be able to afford a 10% deposit notably quicker if they were to reside in a home priced at Intermediate Rent rather than within the private rented sector. For households requiring a four bedroom home the reduction in the amount of time required to save for a deposit is not notable.

³³ The household income distribution differentiated by household type (summarised in Figure 3.5) has been adjusted to reflect that nationally the income of private rented households is 90.8% of the figure for all households (according to the English Housing Survey).

³⁴ Following the approach used in Figure 3.4 the annual intermediate rent was multiplied by 2.857 to produce a figure for the annual income required to afford this accommodation (based on 35% of gross income being spent on rent).

³⁵ This is the typical minimum level of deposit required

³⁶ Entry-level purchase prices are set out in Figure 3.2.

³⁷ This is calculated by taking the difference between the average income of households in the private rented sector and the income required to afford intermediate housing and dividing this figure by the cost of a 10% deposit.

Table 3.7 Average time taken to afford a 10% deposit by households residing in Intermediate Rented accommodation

<i>Bedrooms</i>	<i>Average income of applicable* households</i>	<i>Annual income required to afford Intermediate Rent</i>	<i>Cost of 10% deposit of entry-level owner-occupied home</i>	<i>Length of time in years taken to acquire deposit</i>	<i>Length of time in years taken to acquire deposit if household were to reside in private rented sector</i>
One bedroom	£17,171	£13,577	£9,263	2.6	6.6
Two bedrooms	£21,257	£17,006	£13,650	3.2	8.8
Three bedrooms	£25,343	£21,257	£19,500	4.8	12.9
Four bedrooms	£33,242	£31,543	£27,300	16.1	17.9

*This refers to households that would otherwise be renting in the private rented sector.

Shared Ownership

- 3.27 The table below presents the estimated costs of Shared Ownership housing in King's Lynn & West Norfolk as obtained from the online estate agent survey. The open market values are based on newbuild prices at the time of the survey. The monthly costs of purchasing the property with a 40% equity share and 25% equity share are both presented as these are the most commonly available options. The monthly costs are based on a 30-year repayment mortgage with an interest rate of 3.79%³⁸ paid on the equity share owned and a rent payable at 2.75% on the remaining equity (i.e. the part of the house not purchased).
- 3.28 The table shows that a 25% equity share Shared Ownership is cheaper than market entry rent in all instances. However, a 40% equity share Shared Ownership is cheaper than market entry for one and two bedroom accommodation whereas three and four bedroom homes is more expensive than entry-level market to rent (although it is cheaper than entry-level home ownership).

Shared equity

- 3.29 Shared equity is a product similar to Shared Ownership that is typically offered by the private sector rather than RSLs. With shared equity a mortgage is offered on the equity owned but with no rent due on the remaining equity. Whilst shared equity is not confined to newbuild housing (whilst shared ownership is) and it can be used to access second-hand housing, in King's Lynn & West Norfolk it is only available on new dwellings. The typical proportion of the equity sold for a shared equity product is 75%. The monthly costs of purchasing a shared equity property with a 75% equity share are set out in the table below. The monthly costs are

³⁸ This interest rate is available as a five-year fixed product to potential homeowners with a high loan to value ratio currently. It is also a rate with no additional product fee associated with it. Whilst there are lower interest rates available for those with lower loan to value ratios we are principally assessing households looking to purchase a home for the first time who are likely to have higher loan to value ratios. Lower interest rates are available for those choosing a shorter fixed term period, however we feel that the use of a five-year period provides a known cost for households becoming owners for a good amount of time.

based on a 30-year repayment mortgage with an interest rate of 3.79% paid on the equity share owned.

- 3.30 Shared equity accommodation with a 75% equity share is more expensive than Shared Ownership accommodation. In comparison to open market housing, it is cheaper than entry-level one bedroom properties, but more expensive for larger dwelling sizes. It is however cheaper than entry-level home ownership in King's Lynn & West Norfolk for all property sizes.

Starter Homes/ discount market housing

- 3.31 Discounted market housing is based on selling a home for a proportion of the market value with no residual rent to pay. However, the equity level owned is capped and any future re-sale will be at the same proportion of the agreed price. Discounted market housing has not been available in King's Lynn & West Norfolk so far, however the typical proportion of market value sold nationally is 80%. In 2016, the Government announced its Starter Homes Initiative whereby the Government is offering concessions for housebuilders who construct new homes specifically to be sold as discount market houses (with a discount of at least 20%) for first-time buyers under 40 years old. Starter Homes are within the definition of affordable homes for within the NPPF (page 64). The discounted price of these homes should be no more than £250,000 outside London. Eligible first-time buyers will also be required to have a mortgage in order to ensure cash buyers aren't able to speculatively acquire this product. There will also be a minimum 15-year repayment period for a Starter Home.
- 3.32 As it is not possible to separate the potential market for this product from just those aged under 40 and to identify households suitable specifically for a Starter Home rather than a broader discount market housing home, discount market housing and Starter Homes equate to the same product for the purposes of this report.
- 3.33 The table below presents the estimated costs of discount market housing in King's Lynn & West Norfolk. These are based on the same market values for new properties as were used for Shared Ownership. The monthly costs are based on a 30-year repayment mortgage with an interest rate of 3.79% paid on the equity share owned.
- 3.34 Discount market homes with an 80% share are more expensive than entry-level market accommodation, shared equity and Shared Ownership accommodation. It is however cheaper than entry-level home ownership for three and four bedroom homes. It is also worth noting that the price at which discounted home ownership properties would be for sale (at 80% the value of newbuild home ownership) would be under the cap of £250,000 for all dwelling sizes based on the Borough-wide averages that we have used, however there may be some locations in which the newbuild cost with a 20% discount would be in excess of this cap.

Table 3.8 Estimated cost of intermediate housing in King's Lynn & West Norfolk (monthly cost)							
<i>Bedrooms</i>	<i>Open market value</i>	<i>Shared Ownership – 40% equity</i>	<i>Shared Ownership – 25% equity</i>	<i>Shared equity</i>	<i>Discount market housing (modelled)</i>	<i>Entry-level private rent</i>	<i>Entry-level owner-occupation*</i>
One bedroom	£120,000	£388	£346	£419	£447	£460	£431
Two bedrooms	£175,000	£566	£504	£611	£652	£575	£635
Three bedrooms	£225,000	£728	£649	£786	£838	£695	£908
Four bedrooms	£295,000	£955	£850	£1,030	£1,099	£925	£1,271

*The monthly cost of entry-level owner-occupation presuming a 30-year repayment mortgage with an interest rate of 3.79%. Source: Online estate agents survey, July 2019

- 3.35 It is interesting to note that although the product conditions for shared equity and discount market housing are different, the mechanism for making them an intermediate product in King's Lynn & West Norfolk is the same – they are both based on getting a mortgage on a newbuild home which has been discounted (with no costs accrued on the discount). A comparison between the cost of the two products is therefore instructive to identify the level of discount that is required to address a market need. The data suggests that a discount of 25% is required for a one and two bedroom home, whilst a discount of 20% is sufficient for a three and four bedroom home. If discount market housing is offered at these levels it will be available at a cheaper level than entry-level home ownership and be a useful addition to the housing market. The analysis of the potential demand for discount market housing in Chapter 4 therefore assumes that it will be available at these levels.
- 3.36 It is useful to assess the ability of households to build up the 10% deposit likely to be required for a discount market home/Starter Home in King's Lynn & West Norfolk³⁹. The open market values are set out in Table 3.8 and it is presumed that a deposit of 10% is required on the 80% of the value of the home which is to be covered by a mortgage (this equates to 10% of the 80% equity). Following the approach used to produce the analysis set out in Table 3.7, the table below sets out the average time it would take for households resident in the private rented sector paying lower quartile rents to afford a 10% deposit for discount market housing.
- 3.37 The table shows that most households in the private rented sector would be able to build up the deposit required for a discount market housing in between 7 and 11 years. A comparison with the final column in Table 3.7 shows that, whilst it is a faster avenue into home ownership than purchasing a second hand home for two, three and four bedroom properties, for a one bedroom home a deposit can be obtained more quickly for an second hand entry-level dwelling. Although it will prove a useful entry-point for some households, it will be unobtainable for a notable number of households in the private rented sector.

³⁹ Local house builders and mortgage lenders have indicated that this is the level of deposit required for a discount market housing in the area.

Table 3.9 Average time taken to afford a 10% deposit for discount market housing by households residing in the private rented sector				
<i>Bedrooms</i>	<i>Average income of applicable* households</i>	<i>Annual income required to afford entry-level private Rent</i>	<i>Cost of 10% deposit of discount market housing</i>	<i>Length of time in years taken to acquire deposit</i>
One bedroom	£17,171	£15,771	£9,600	6.9
Two bedrooms	£21,257	£19,714	£14,000	9.1
Three bedrooms	£25,343	£23,829	£16,875	11.1
Four bedrooms	£33,242	£31,714	£22,125	14.5

*This refers to households that would otherwise be renting in the private rented sector

Help to Buy: Equity Loan

- 3.38 The Help to Buy: Equity Loan is available to help potential homeowners acquire a new home through a lower than usual deposit. In this scheme the Government lends up to 20% of the cost of a newly built home. The potential homeowner needs to provide a 5% cash deposit and a 75% mortgage to make up the rest (a deposit of at least 10% would typically be required on newbuild homes without a Help to Buy: Equity Loan from the government). There is no residual rent to pay and loan fees on the 20% loan do not apply for the first five years after the home is bought. Equity loans are available to first time buyers as well as homeowners looking to move, although from 2021 it will be restricted only to first time buyers. The home must be newly built and cost no more than £600,000. It is not possible to sublet a home bought with a Help to Buy: Equity Loan or own another property when acquiring a home through this initiative. Help to Buy is a form of financing rather than a specific intermediate housing product, however it is helping to address the same market gap as discount market housing/ Starter Homes.

First Homes

- 3.39 In February 2020, just before the conclusion of this study, the Government announced a consultation of the First Homes policy, which is a potential new initiative to help deliver discounted homes to local people. First Homes are intended to be newly built properties sold with a discount of at least 30% to local people that are unable to purchase a market home in the community in which they live or work. First-time buyers, members of the armed forces and key workers will be prioritised for this product. It is anticipated that no interest will be paid on the remaining equity however, when the home is sold on in the future, it will be available at the same proportion of discount for which it was originally bought. This purpose of this product is to increase owner-occupation so the dwellings will not be able to be used as holiday homes or buy-to-lets.
- 3.40 As this policy is still at consultation stage it is premature to undertake detailed modelling of the potential demand, however the initial guidance suggests that whilst 30% will be the minimum discount applied, *'local areas will be able to set a larger discount to ensure the homes are*

*affordable to local people*⁴⁰. It is useful therefore to understand whether a larger discount would be required in King's Lynn & West Norfolk currently. This is presented in the table below. The table suggest that a 30% discount will be sufficient to ensure newbuild properties are notably cheaper than entry-level owner-occupation and will therefore address a gap in the housing market locally.

Table 3.10 A comparison of the potential price of a First Home with entry-level owner-occupation			
<i>Bedrooms</i>	<i>New build prices</i>	<i>New build prices with a 30% discount</i>	<i>Entry-level owner-occupation</i>
One bedroom	£120,000	£84,000	£92,625
Two bedrooms	£175,000	£122,500	£136,500
Three bedrooms	£225,000	£157,500	£195,000
Four bedrooms	£295,000	£206,500	£273,000

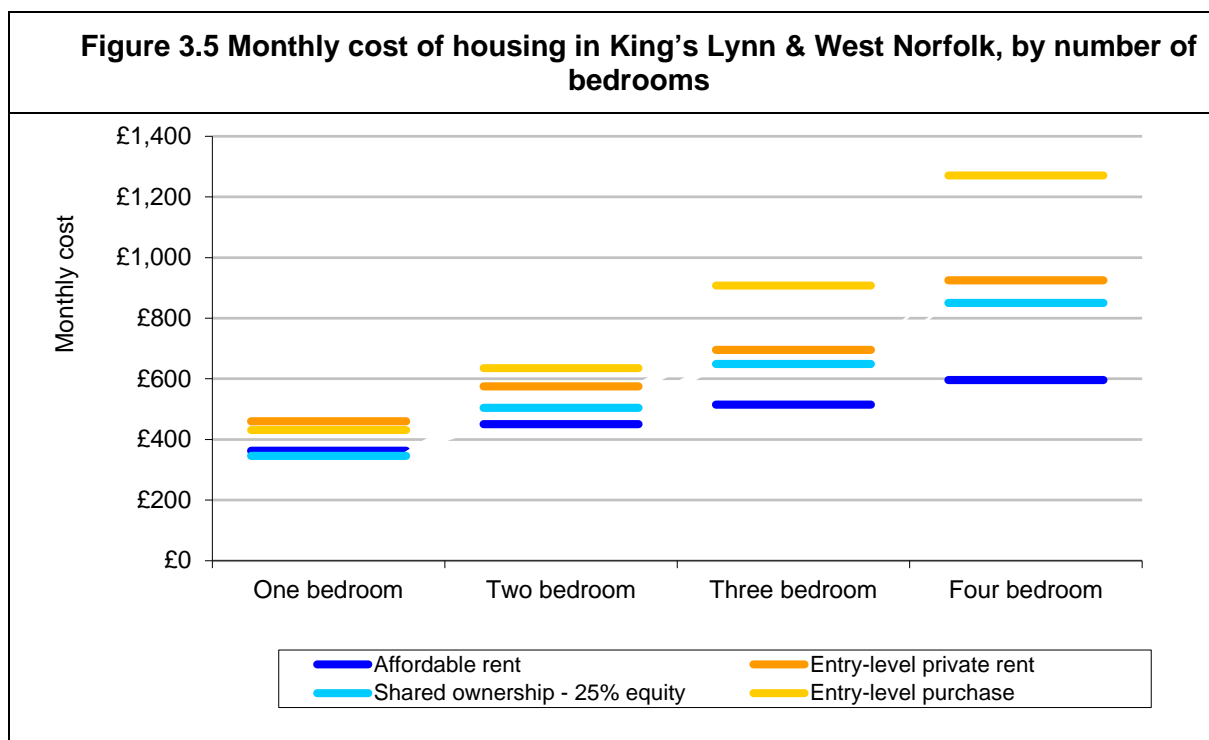
Source: Online estate agents survey, July 2019

Conclusion.

- 3.41 Shared Ownership with a 25% share is the cheapest form of intermediate housing in King's Lynn & West Norfolk. The figure below compares the monthly cost of this product with the equivalent cost for Affordable Rent, entry-level private rent and entry-level owner-occupation, using the figures set out in Table 3.8. This graphically demonstrates the suitability of Share Ownership with a 25% share in the Borough. The figure also indicates that one bedroom owner-occupation has a lower monthly cost than one bedroom private rent at entry-level.
- 3.42 It should be noted that, in areas within the Borough where values are significantly higher than have been assumed in the Borough-wide modelling, adjustments to the intermediate products may be necessary to ensure that they remain affordable. For Discount Market Housing and Shared Equity this may mean increasing the discount offered. Whilst Shared Ownership is the most affordable form of intermediate housing, there may be some instances where affordability needs to be improved further by reducing the rent charged on the percentage of unsold equity.

⁴⁰

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/864267/Guide_to_First_Homes.pdf



3.43 Following the approach used to produce the analysis set out in Table 3.7, the table below sets out the average time it would take for households resident in the private rented sector paying lower quartile rents to afford a 10% deposit on a newbuild Shared Ownership home where they were acquiring a 25% share (this equates to 10% of the 25% equity). The table indicates that most households in the private rented sector would be able to build up the deposit required for a Shared Ownership home with a 25% equity share in between 2 and 5 years. This means that it is a relative fast tenure to access as well as having a reasonable ongoing cost (as demonstrated in the figure above).

Table 3.11 Average time taken to afford a 10% deposit for a Shared Ownership home with a 25% equity share by households residing in the private rented sector				
<i>Bedrooms</i>	<i>Average income of applicable* households</i>	<i>Annual income required to afford entry-level private Rent</i>	<i>Cost of 10% deposit for a shared ownership home with a 25% equity share</i>	<i>Length of time in years taken to acquire deposit</i>
One bedroom	£17,171	£15,771	£3,000	2.1
Two bedrooms	£21,257	£19,714	£4,375	2.8
Three bedrooms	£25,343	£23,829	£5,625	3.7
Four bedrooms	£33,242	£31,714	£7,375	4.8

*This refers to households that would otherwise be renting in the private rented sector.

Local Housing Allowance

- 3.44 Local Housing Allowance (LHA) is the mechanism for calculating Housing Benefit and the housing element of Universal Credit outside of the Social Rented Sector. It is designed to assist people in their ability to pay for their housing, however there is a limit as to how much financial assistance that will be provided dependent on the location and size of the property. The LHA cap sets out what this maximum limit for the Broad Rental Market Area (BRMA) in which the claim is made as determined by the Valuation Office Agency. If the rent charged is in excess of this cap, it is the responsibility of the household to pay the shortfall.
- 3.45 The table below sets out the monthly LHA caps that apply in King's Lynn & West Norfolk, which is covered by two BRMAs - the majority of the Borough is within the King's Lynn BRMA, with a small portion of households in the south of the Borough in the Bury St Edmunds BRMA. A comparison with the Affordable Rent levels in King's Lynn & West Norfolk (set out in Table 3.4) indicates that the local Affordable Rents are currently cheaper than the LHA caps for all dwelling sizes in both BRMA areas. Typically, RSLs operating in King's Lynn & West Norfolk cap Affordable Rents at LHA levels.

Table 3.12 Local Housing Allowance Cap (per month)		
<i>Bedrooms</i>	<i>Kings Lynn BRMA</i>	<i>Bury St Edmunds BRMA</i>
Shared room	£240	£295
One bedroom	£393	£456
Two bedrooms	£501	£581
Three bedrooms	£578	£691
Four bedrooms	£728	£964

Source: Valuation Office Agency 2019

Housing costs paid

- 3.46 The data provided by CACI Paycheck also looks at the typical level of disposable income⁴¹ of households and the average amount paid on the different housing costs in King's Lynn & West Norfolk. The analysis indicates that the mean net disposable household income in King's Lynn & West Norfolk is £17,855 which compares to an equivalent figure of £18,162 for households across Norfolk. The mean amount of money spent on their mortgage annually by owner-occupiers (with a mortgage) in King's Lynn & West Norfolk is £6,484, compared to £7,025 across Norfolk. Private renters in King's Lynn & West Norfolk spend an average of £7,650 on their rent per year which compares to an annual average of £7,849 for households across the County. It is clear that typically those in the private rented sector spend more on rent than owner-occupiers with a mortgage spend on their mortgage, in both areas.

⁴¹ Income after essential outgoings are deducted. The essential outgoings are tax and National Insurance contributions, food and clothing costs, mortgage and rents, Council Tax, utilities, water and structural insurance, childcare, student loans and pension contributions and travel to work costs.

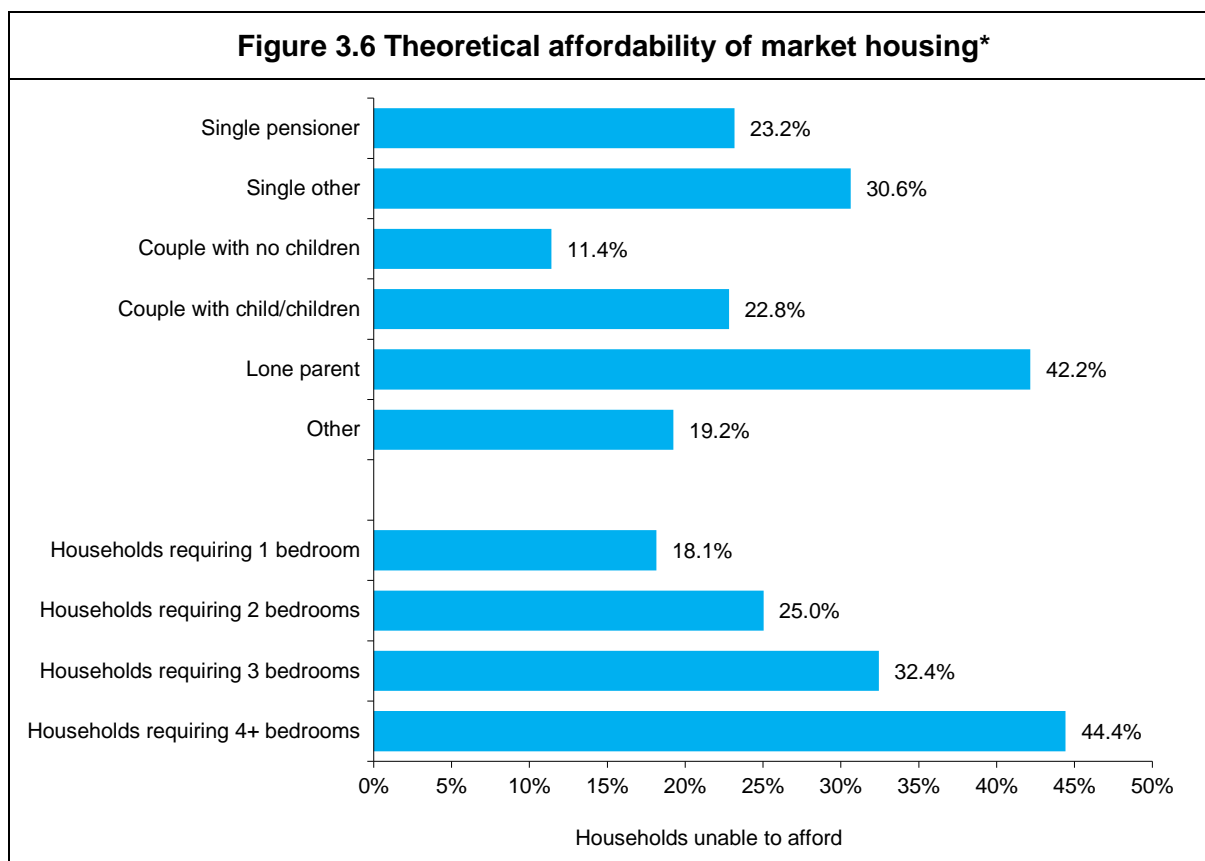
Affordability of housing

- 3.47 Assessing the affordability of market housing in an area is crucial to understanding the sustainability of the housing market. As stated in Chapter 2, the affordability ratio is currently 7.89 in King's Lynn & West Norfolk (with a figure over 4 indicating a market adjustment is required). In comparison the affordability ratio in 2018 in the East was 9.72, whilst the national figure was 8.00. The affordability ratio in King's Lynn & West Norfolk has risen by 20.6% over the last 5 years (it was 6.54 in 2013). In comparison, over the same time period, the affordability ratio has risen by 30.8% for the East (from 7.43 in 2013) and by 18.3% nationally (from a 2013 base of 6.76).

Affordability for specific household groups

- 3.48 The household income distribution referred to in Figure 2.9 differentiated by household type can be used to assess the ability of households in each authority to afford the size of home that they require (according to the bedroom standard⁴²). The entry-level cost of housing by bedroom size is presented in Figures 3.2 and 3.3 and the test is based on the affordability criteria discussed above.
- 3.49 The figure below shows the current affordability of households in King's Lynn & West Norfolk by household type and number of bedrooms required. This is the theoretical affordability of households, as the analysis considers all households regardless of whether the household intends to move. It is used just to demonstrate the comparative affordability of different household groups for contextual purposes, and does not represent information that the Council needs to plan against.
- 3.50 The data indicates that 42.2% of lone parent households in King's Lynn & West Norfolk would be unable to afford market housing (if they were to move home now). Single person households are also relatively unlikely to be able to afford, whilst couple households without children are most likely to be able to afford market housing in the Borough. Households requiring a four bedroom home are least likely to be able to afford this size of market housing in King's Lynn & West Norfolk.

⁴² This is the number of bedrooms that is required and is calculated depending on the age, sex and relationship status of the members to the household. A separate bedroom is allocated for each couple and any single person aged 21 or over. Any children aged 10-20 of the same sex is presumed to be able to share a bedroom as are each pair of children under 10 (regardless of gender). Any unpaired child aged 10-20 is paired, if possible, with a child under 10 of the same sex, or, if that is not possible, they are counted as requiring a separate bedroom, as is any unpaired child under 10.



*Unable to afford both entry-level private rent and entry-level home ownership

Conclusion

- 3.51 Overall average property price in King's Lynn & West Norfolk is 19.5% lower than the national figure and 11.5% lower than the figure for East Anglia. Valuation Office Agency data indicates that the overall average rental price in King's Lynn & West Norfolk is 23.6% lower than the national figure and 24.9% lower than the figure for the East. However as discussed in Chapter 2, local incomes are also lower than regional and national averages meaning the affordability of market housing is a notable problem in the Borough.
- 3.52 Entry-level property prices in King's Lynn & West Norfolk range from £92,625 for a one bedroom home, up to £273,000 for a four bedroom property. Entry-level rents in the Borough range from £460 per month for a one bedroom home, up to £925 per month for a four bedroom property. The cost of affordable accommodation is significantly below those for private rented housing, particularly for larger homes, indicating a significant potential gap between the affordable and market sectors.
- 3.53 A range of intermediate options are available for households in the Borough and the costs of these are profiled. Shared Ownership with a 25% share is the cheapest form of intermediate housing in King's Lynn & West Norfolk. Discount market homes with an 80% share are more expensive than entry-level market accommodation, shared equity and Shared Ownership accommodation. It is however cheaper than entry-level home ownership for three and four bedroom homes.

4. Type and tenure of future housing needed

Introduction

- 4.1 The requirement within paragraph 61 of the NPPF to disaggregate the local housing need figure to '*assess the size, type and tenure of housing needed for different groups in the community*' is reiterated in Paragraph 17 of the PPG. This chapter describes the long-term balancing housing markets (LTBHM) model which determines the future demand for housing by size and tenure based on the profile of the population derived within the local housing need calculation (set out in Chapter 2).
- 4.2 There are two stages to this process, the first is to disaggregate the local housing need as derived through the Standard Method to produce a population profile for the Borough at the end of the plan period in 2036. The second process uses secondary data to model the future demand for housing arising from this future population and compare it to the current housing stock so that a profile of new accommodation required can be determined⁴³.
- 4.3 The demand modelling is described in more detail subsequently, however this chapter initially presents the process for disaggregating the local housing need. The change in the household composition indicated within these projections drives the size and tenure demand profiles generated by the model.

Disaggregating the local housing need

- 4.4 In King's Lynn & West Norfolk the Standard Method local housing need of 555 will require the construction of more homes than is implied by the official projections. If these are built the population is likely to be larger than projected. It is necessary to determine the profile of this additional population and disaggregate the total local housing need using the NMSS model⁴⁴ so that appropriate accommodation can be provided for the whole population of King's Lynn & West Norfolk in 2036. The model takes as its starting point the 2016-based projections⁴⁵. These projections are then adjusted to make them consistent with the local housing need figure using the following assumptions:

⁴³ This will include a figure for the amount of affordable accommodation required over the plan period, however this is derived using a different approach and has a different purpose to the equivalent figure in Chapter 5, as described in paragraph 1.9, and the two should not be compared.

⁴⁴ The model is detailed in Appendix A2.

⁴⁵ The 2016-based population and household projections are used as a basis as these are the most recent and benefit from the ONS's latest methodology and their most recent data and assumptions on key factors such as fertility and mortality rates and international migration. MHCLG have chosen to revert to the 2014-based projections for the Standard Method simply because they happen to produce a national housing need total that is closer to their objective of building 300,000 homes a year, not because they have doubts about the ONS's methodology in the latest projections. In accordance with the PPG we have used the 2014-based projections to determine the local housing need, we are using the 2016-based projections to disaggregate this figure in terms of age and gender profile.

- The additional homes required by the LHN above and beyond those suggested by the latest household projections will be filled by additional people moving into the area from the rest of the UK.
- The age and gender profile of those additional migrants will be same as those who have moved into the area recently from the rest of the UK.
- Building additional homes above those suggested by the latest household projections will have no impact on household formation rates and the number of additional migrants needed to fill those homes will be calculated using the 2016-based household formation rates.
- The in-migrating residents will be aged-on and have the same propensity to have children, move away from the area and die as other residents of the Borough of the same gender and age. In this way it will be possible to estimate how the additional population (above that suggested by the latest population projections) is likely to develop over time.

4.5 The table below sets out the age profile of the population in King's Lynn & West Norfolk in 2036 according to these population projections in comparison to the age profile of the Borough currently. The table suggests that those aged 60 or over are going to constitute a greater section of the population by the end of the plan period, however, despite this, over 30% of people in the Borough at the end of the plan period will be aged under 30.

Table 4.1 Age of projected population in King's Lynn & West Norfolk in 2036 compared to current age profile				
<i>Age</i>	<i>2016 Population</i>	<i>2016 Percentage</i>	<i>2036 Population</i>	<i>2036 Percentage</i>
0-14	24,594	16.2%	25,819	15.1%
15-29	23,543	15.5%	25,685	15.0%
30-44	24,514	16.1%	25,105	14.7%
45-59	30,974	20.4%	29,449	17.2%
60-75	30,734	20.2%	36,986	21.6%
75+	17,438	11.5%	28,001	16.4%
Total	151,797	100.0%	171,044	100.0%

4.6 This population projection is then converted into a household projection by:

- Removing from the population projection an estimate of those living in communal establishments such as boarding schools, halls of residence, prisons and old people's homes. This is done using the same assumptions as in the official projections. The resulting population is known as the household population.

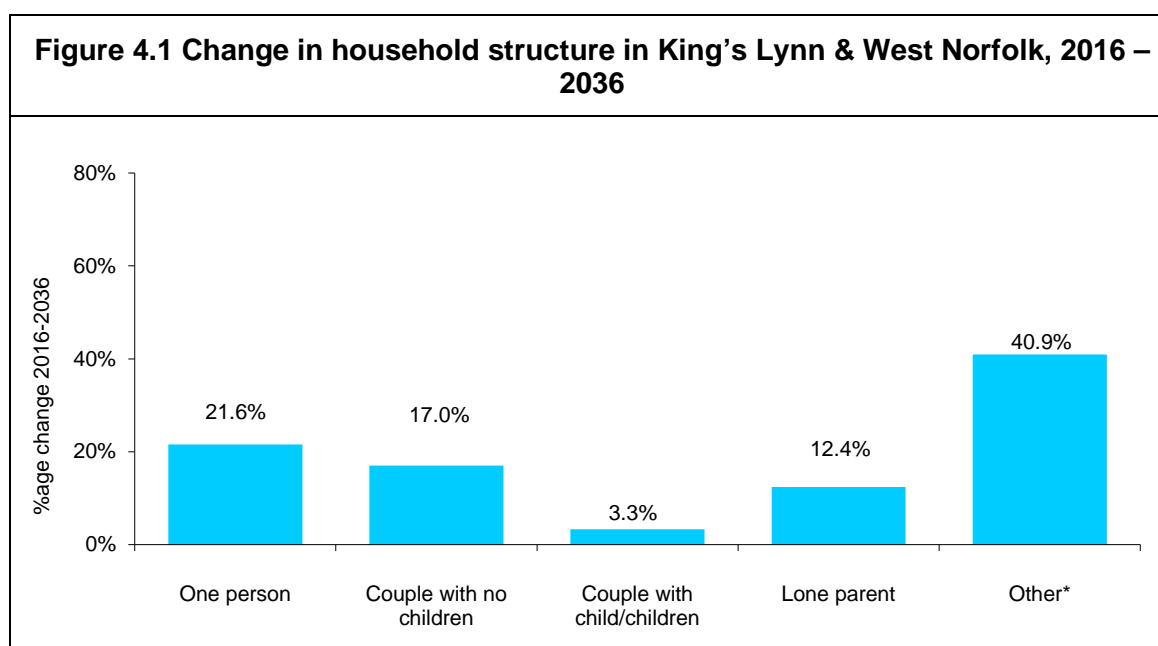
- Household formation rates are then applied to the household population to produce a household projection. The household formation rates are taken from the relevant official projection.

4.7 The table below sets out the number of households that will be resident in King's Lynn & West Norfolk in 2036 disaggregated by broad household type according to these projections. The 2016 household profile is also presented as a reference point, as 2016 is the base date for this model as this is when the Plan period began.

Table 4.2 Projected household population in King's Lynn & West Norfolk in 2036 by household type				
<i>Household type</i>	<i>2016 Number</i>	<i>2016 Percentage</i>	<i>2036 Number</i>	<i>2036 Percentage</i>
One person	17,594	27.3%	21,389	28.7%
Couple with no children	21,351	33.2%	24,985	33.5%
Couple with child/children	16,641	25.9%	17,192	23.1%
Lone parent	4,952	7.7%	5,565	7.5%
Other*	3,817	5.9%	5,379	7.2%
Total	64,355	100.0%	74,510	100.0%

*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups.

4.8 The figure below indicates the change in these household types that will occur between 2016 and 2036 in King's Lynn & West Norfolk. The figure indicates that the number of other households are expected to increase the most in King's Lynn & West Norfolk (although from a low base), followed by one person and couple only households.



*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups.

Methodology of the LTBHM model

- 4.9 The LTBHM model uses secondary data to determine the future demand for housing by size and tenure as derived from the profile of households resident in the area at the end of the plan-period. It is based on both a detailed understanding of the current stock of housing in the Borough and also the occupation patterns of households in King's Lynn & West Norfolk and how they are changing. It is driven by the changes projected to the composition of the population over the next 20 years as set out above.
- 4.10 The Census provides information on the size (in terms of bedrooms) and tenure of accommodation in King's Lynn & West Norfolk in 2011. This has been adjusted⁴⁶ to reflect the changes since 2011 to provide an accommodation profile in 2016.
- 4.11 The 2011 Census also provides detail on the occupational patterns of different household groups in King's Lynn & West Norfolk, which means that the profile of housing occupied by each household type can be determined. Rather than assuming the current usage patterns for each household type will apply to the future population of that household group, the model assesses the current trends in occupation patterns (recorded by the change in the tenure profile of each household type between the 2001 and 2011 Census in King's Lynn & West Norfolk and adjusted to reflect any more recent behavioural trends recorded nationally in the English Housing Survey, with the changes in the size of accommodation occupied within each tenure also accounted for), and models their continuation through to 2036. This approach is in line with the PPG.
- 4.12 A further adjustment is made to counter the existence of overcrowding, which the PPG indicates should be addressed. Households currently overcrowded will therefore be housed in adequately sized accommodation within the model⁴⁷. This means that the future housing stock will better reflect the requirements of the future population in the area.
- 4.13 This profile of suitable accommodation for each household type is applied to the size of the household group in 20 years' time. The accommodation profile required in 2036 is then compared to the current accommodation profile and the nature of additional housing required is derived. It should be noted that the model works by matching dwellings to households, so the figures are based on the change in number of households identified within the housing need calculations. However, the housing need calculations presume that the requirement for new dwellings is greater than the projected growth in households. Chapter 7 below will

⁴⁶ Using the latest data from the Regulator of Social Housing's Statistical Data Return and the LAHS datasets and trends indicated within the English Housing Survey and by the Census.

⁴⁷ Using the example of a lone parent household residing in a two bedroom property but requiring a three bedroom home, the modelled accommodation profile for this household group would assign this household a three bedroom property rather than a two bedroom dwelling. This means that it is anticipated that for equivalent households in the future, none would be expected to live in an overcrowded home.

therefore convert the household-based results from this chapter into dwelling based equivalents⁴⁸. The following section presents the outputs of this model.

Tenure of housing required

- 4.14 The table below show the projected tenure profile in King's Lynn & West Norfolk in 20 years' time. The current tenure is also set out for context. The data shows that in 2036 the housing stock across King's Lynn & West Norfolk should comprise 66.5% owner-occupied accommodation, 17.1% private rented homes, 1.3% Shared Ownership properties and 15.1% Social Rented/Affordable Rented housing.

Table 4.3 Current tenure and tenure profile projected in King's Lynn & West Norfolk in 2036				
<i>Tenure</i>	<i>Current tenure (2016)</i>		<i>Projected tenure (2036)</i>	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
Owner-occupied	44,110	68.5%	49,560	66.5%
Private rented	10,513	16.3%	12,742	17.1%
Shared Ownership	212	0.3%	992	1.3%
Social Rent/Affordable Rent	9,520	14.8%	11,216	15.1%
Total	64,355	100.0%	74,510	100.0%

- 4.15 The table below shows the tenure profile required by households resident in King's Lynn & West Norfolk in 20 years' time in comparison to the tenure profile recorded in the Borough currently. The difference between these two distributions is the change required to the housing stock over this period. The results show that 53.7% of new housing in King's Lynn & West Norfolk should be owner-occupied, 22.0% private rented, 7.7% should be Shared Ownership and 16.7% Social Rent/Affordable Rent.

⁴⁸ The number of homes required per year is converted to a household figure – these new homes are likely to be occupied at the same rate as the existing housing stock so it is necessary to account for the fact that some new homes will be vacant and some will become second homes. The proportion of dwellings currently un-occupied in King's Lynn & West Norfolk is 8.50%. This figure is calculated as the sum of the number of second homes and the number of vacant homes, as a proportion of all dwellings in the authority (as recorded in April 2019 by the Council in the Council tax base dataset). It is assumed that some 8.50% of the 555 new homes required per year will be vacant. This means that each year 508 households will be housed in new homes in King's Lynn & West Norfolk over the plan period.

Table 4.4 Tenure of new accommodation required in King's Lynn & West Norfolk

<i>Tenure</i>	<i>Current tenure profile (2016)</i>	<i>Tenure profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
Owner-occupied	44,110	49,560	5,450	53.7%
Private rent	10,513	12,742	2,229	22.0%
Shared Ownership	212	992	780	7.7%
Social Rent/Affordable Rent	9,520	11,216	1,696	16.7%
Total	64,355	74,510	10,155	100.0%

- 4.16 The model is also able to provide detail on the size of new housing required within each tenure, as is set out in the section below.

Discount market housing/Starter Homes

- 4.17 The analysis of the likely cost profile of discount market housing/Starter Homes in King's Lynn & West Norfolk, set out in Chapter 3, concludes that this product is most likely to be suitable for households that would otherwise reside in the private rented sector. For it to address a gap in the housing market however, the discount from newbuild costs needs to be 25% for one and two bedroom homes, and 20% for three and four bedroom properties. It is a product that has only recently been introduced into the market and therefore cannot be modelled using the same trend data as is utilised for the rest of the LTBHM model. However, the potential demand for this new product over the plan period can be derived by making assumptions about the likelihood of different household groups within the private rented sector to try and acquire this form of housing informed by an affordability analysis of the tenure⁴⁹.
- 4.18 This approach identifies that between 2016 and 2036 there would be a potential demand for 178 discount market housing dwellings in King's Lynn & West Norfolk. These figures are therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 178 discount market housing dwellings in King's Lynn & West Norfolk identified using this process should be treated as an indicative figure rather than an absolute target.

⁴⁹ To try and establish the potential demand for this product over the plan period, the household income distribution differentiated by household type (summarised in Figure 3.5) has been adjusted to reflect that nationally the income of private rented households is 90.8% of the figure for all households (according to the English Housing Survey). Applying this affordability profile to the flow of households moving to a private rented home each year allows the number of these households that could afford discounted home ownership to be modelled. The analysis also takes into account the length of time it would take households in the private rented sector to save the amount required for a 10% deposit likely to be required for a discount market house (set out in Table 3.9).

Size of housing required within each tenure

- 4.19 The tables below present the size of owner-occupied accommodation required in King's Lynn & West Norfolk in 20 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented. The data shows that some 33.0% of new owner-occupied housing in King's Lynn & West Norfolk should be four or more bedroom homes, with 27.9% being two bedroom units, 24.1% should be three bedroom accommodation and 15.1% should have one bedroom.

Table 4.5 Size of new owner-occupied accommodation required in King's Lynn & West Norfolk				
<i>Size of home</i>	<i>Current size profile (2016)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	985	1,806	821	15.1%
Two bedroom	10,713	12,232	1,519	27.9%
Three bedroom	20,932	22,245	1,313	24.1%
Four or more bedrooms	11,480	13,278	1,797	33.0%
Total	44,110	49,560	5,450	100.0%

- 4.20 This analysis can be repeated for private rented housing and is presented in the table below. The data indicates that of the 2,229 private rented homes required within King's Lynn & West Norfolk, 35.8% should be four bedroom properties with a further 23.9% three bedroom homes. Some 25.0% should be single bedroom accommodation and 15.3% should have two bedrooms.

Table 4.6 Size of new private rented accommodation required in King's Lynn & West Norfolk				
<i>Size of home</i>	<i>Current size profile (2016)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	1,345	1,903	558	25.0%
Two bedroom	4,136	4,478	341	15.3%
Three bedroom	3,950	4,483	533	23.9%
Four or more bedrooms	1,081	1,879	797	35.8%
Total	10,513	12,742	2,229	100.0%

- 4.21 The table below sets out the equivalent analysis for Shared Ownership housing. The data indicates that, of the 780 Shared Ownership dwellings required within King's Lynn & West Norfolk, 29.3% should be three bedroom properties with a further 27.9% two bedroom accommodation. Some 23.4% should have four or more bedrooms and 19.4% should have one bedroom.

Table 4.7 Size of new Shared Ownership accommodation required in King's Lynn & West Norfolk				
<i>Size of home</i>	<i>Current size profile (2016)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	30	181	151	19.4%
Two bedroom	87	305	218	27.9%
Three bedroom	79	307	228	29.3%
Four or more bedrooms	16	199	183	23.4%
Total	212	992	780	100.0%

- 4.22 The table below shows the size of accommodation required in the Affordable Rented/Social Rented sector. The table shows that of the 1,696 additional Affordable Rented units required within King's Lynn & West Norfolk over the next 20 years, 33.6% should have two bedrooms, 27.0% one bedroom 23.5% four bedrooms and 15.9% three bedrooms.

Table 4.8 Size of new Social Rent/Affordable Rent required in King's Lynn & West Norfolk				
<i>Size of home</i>	<i>Current size profile (2016)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	2,663	3,120	457	27.0%
Two bedroom	3,607	4,177	570	33.6%
Three bedroom	3,061	3,331	270	15.9%
Four or more bedrooms	189	588	398	23.5%
Total	9,520	11,216	1,696	100.0%

- 4.23 The table below shows the size of discount market housing/Starter Homes that would potentially be required should this product become available to house some households that would otherwise reside in the private rented sector. The residual private rented requirement, once the potential demand from households for this alternative product has been deducted, is also set out in the table. The model indicates that in King's Lynn & West Norfolk, 35.4% of the discount market housing units should have three bedrooms, 28.0% two bedrooms, 22.3% four bedrooms and 14.3% one bedroom.

Table 4.9 Potential demand for discount market housing /Starter Homes in King's Lynn & West Norfolk, by size		
<i>Size of home</i>	<i>Discount market housing / Starter Homes</i>	<i>Residual private rented homes</i>
One bedroom	25	532
Two bedroom	50	291
Three bedroom	63	470
Four or more bedrooms	40	758
Total	178	2,051

Conclusion

- 4.24 The model indicates that of the 10,155 new homes required in King's Lynn & West Norfolk between 2016 and 2036, 53.7% of new housing should be owner-occupied, 22.0% private rented, 7.7% should be Shared Ownership and 16.7% Social Rent/Affordable Rent. The table below presents the size of new accommodation required in the Borough between 2016 and 2036 for each tenure. The data indicates that across all tenures dwellings of all sizes are required.

Table 4.10 Size of new accommodation required in the Borough between 2016 and 2036 by tenure				
<i>Dwelling size</i>	<i>Owner-occupied</i>	<i>Private rented</i>	<i>Shared ownership</i>	<i>Social Rent/Affordable Rent</i>
One bedroom	821	558	151	457
Two bedrooms	1,519	341	218	570
Three bedrooms	1,313	533	228	270
Four or more bedrooms	1,797	797	183	398
Total	5,450	2,229	780	1,696

- 4.25 The model identifies that between 2016 and 2036 there would be a potential demand for 178 discount market housing dwellings in King's Lynn & West Norfolk. These figures are therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed).

5. Affordable housing need

Introduction

- 5.1 It is necessary to undertake a separate calculation of affordable housing need (the previous model has a limited capacity to assess resident households' ability to afford appropriate local housing). Paragraph 18 (Reference ID: 2a-018-20190220) to Paragraph 24 (Reference ID: 2a-024-20190220) of the PPG details how affordable housing need should be calculated. The model outlined in the PPG is an assessment of the housing market at a particular point of time (July 2019) and does not consider likely future changes to the housing market that may impact the results (such as future loss of affordable stock through Right-to-Buy), i.e. it is based on what is known at the time of the assessment. The PPG (Paragraph 19) defines affordable housing need as *'the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market'*.
- 5.2 This chapter presents the results of the three broad stages of the model used to calculate affordable housing need. Within each of the three stages there are a number of detailed calculations many of which themselves have a number of components. This chapter presents details of how each of these stages is calculated using locally available data for King's Lynn & West Norfolk. An annual estimate of the affordable housing need in King's Lynn & West Norfolk is calculated⁵⁰ and the tenure and size of accommodation most appropriate to meet this need is discussed.

Stage 1: Current unmet gross need for affordable housing

- 5.3 The first stage of the model assesses current need. This begins with an assessment of housing suitability, before the affordability test is applied to determine the number of these households that require affordable housing and are therefore in current need.
- 5.4 The PPG sets out four particular categories of unsuitable housing that should be specifically identified. These are presented in the table below for King's Lynn & West Norfolk, which also indicates the number of households in each category and the source of the data. The final column represents the revised total for each of these categories once any double-counting between them has been taken into account. Households can be unsuitably housed for more than one reason, so it is important that they are only counted once.
- 5.5 The table shows that there are 2,783 households currently in unsuitable housing or lacking their own housing in King's Lynn & West Norfolk and the most common reason for unsuitability is overcrowding. This figure of 2,783 represents 4.3% of all households in the Borough.

⁵⁰ This will imply a figure for the amount of affordable accommodation required over the plan period, however this is derived using a different approach and has a different purpose to the equivalent figure in Chapter 4, as described in paragraph 1.9, and the two should not be compared.

Table 5.1 Current households who lack their own housing or live in unsuitable housing in King's Lynn & West Norfolk

<i>Element</i>	<i>Source</i>	<i>Number of households</i>	<i>Revised number of households</i>
Homeless households	King's Lynn & West Norfolk Council's housing register as of July 2019.	129	129
Households in temporary accommodation	Council's homelessness team Summer 2019.	48 ⁵¹	0 ⁵²
Overcrowded households	2011 Census modelled to Spring 2019. This was done by calculating the annual change in the number of overcrowded households (in terms of rooms not bedrooms as bedrooms were not included in the 2001 Census) recorded in King's Lynn & West Norfolk between the 2001 and 2011 Census. The eight-year change for each tenure recorded from this source was averaged against the latest eight-year change for each tenure recorded nationally by the English Housing Survey. This average was applied to the 2011 Census figures for overcrowding in each tenure to derive an estimate for 2019.	1,963	1,963
Concealed households*	2011 Census modelled to Summer 2019. This was done by calculating the annual change in the number of concealed households recorded in each authority between the 2001 and 2011 Census and applying this the number of concealed households identified in the 2011 Census.	846	332 ⁵³
Other unsuitably housed groups	The Council's housing register as of May 2019. Only households that are on the register due to a category of unsuitable housing are included (excluding overcrowded, temporary, concealed and homeless households accounted for above).	359	359
Total		3,312	2,783

Source: 2011 Census data modelled to 2019, the HMA Council's Housing Register *Concealed households include couples, people with young children and single adults over 25 sharing a kitchen, bathroom or WC with another household.

Affordability

- 5.6 Some of these households in unsuitable housing are likely to be able to afford alternative accommodation in the market sector without requiring subsidy. The ability of these households to afford the cost of entry-level market housing of the appropriate size (set out in Figures 3.2 and 3.3) is therefore tested. The housing register details the size of accommodation required by homeless households and households unsuitably housed for other reasons. For overcrowded households and concealed households, the household composition recorded for these households in the Census is used to determine the size requirement profile. To test overcrowded households, the income distribution for each dwelling size requirement, identified

⁵¹ This only includes households living in non-self-contained temporary accommodation i.e. nightly paid, privately managed accommodation and hostels.

⁵² All households in temporary accommodation are also on the Council's Housing Register, although the type of accommodation they occupy is not separately distinguished so this is obtained from the P1(E) form.

⁵³ The 2011 Census indicated that 60.8% of concealed households were also overcrowded in King's Lynn & West Norfolk.

using the CACI income profile for the Borough, is adjusted to reflect that nationally the income of overcrowded households is 96.8% of the figure for all households (according to the English Housing Survey). Similarly, for homeless, concealed and 'other' unsuitably housed households the income distribution is adjusted to reflect that nationally, the income of Social Rented households is 53.7% of the figure for all households (according to the English Housing Survey).

- 5.7 These households in unsuitable housing or lacking their own housing are therefore tested for their ability to afford market housing in their authority using an affordability test where the cost of housing can constitute up to 35% of gross income and still be affordable in King's Lynn & West Norfolk⁵⁴. The impact of using other thresholds is examined at the end of this chapter. The table below shows the number of unsuitably housed households requiring different dwelling sizes and the proportion of these households able to afford the market-entry point. The number of households that are therefore in current need is shown in the final column.

Table 5.2 Affordability of households in unsuitable housing in King's Lynn & West Norfolk			
<i>Number of bedrooms required</i>	<i>Unsuitably housed households</i>	<i>Percentage unable to afford entry-level market housing</i>	<i>Households in current need</i>
One bedroom	405	43.8%	178
Two bedroom	916	33.8%	310
Three bedroom	865	37.8%	327
Four or more bedrooms	596	46.4%	276
Total	2,783	39.2%	1,091

- 5.8 Overall, 39.2% (1,091 households) of unsuitably housed households or households lacking their own housing in King's Lynn & West Norfolk are in current need. For the purposes of the housing needs assessment, households considered to be in housing need have been split into two categories: current occupiers of affordable housing in need that would make the property available when they move (this includes occupiers of Social Rented and Shared Ownership accommodation that are not living with another household currently), and those in other tenures. It is estimated that some 529 households in need in King's Lynn & West Norfolk currently live in affordable housing that would become available for reuse⁵⁵.

⁵⁴ This affordability test is used as this is the most appropriate figures when the affordability of local housing is considered based on practice in the market. As this study is seeking to make a 'policy off' assessment of the housing market, an assumption that reflects the workings of the market should be used.

⁵⁵ For those households who lack their own housing or live in unsuitable housing it was necessary to not only establish the number of households in each category, but also their current tenure (alongside the type of household they were and the size of home they required). This was obtained from the original data sources detailed in Table 5.1.

Total current need

- 5.9 The table below summarises the first stage of the assessment of affordable housing need as set out by PPG. The data shows that there are an estimated 1,091 households in current need in King's Lynn & West Norfolk.

Table 5.3 Stage 1: Current unmet gross need in King's Lynn & West Norfolk	
<i>Component</i>	
Homeless households and those in temporary accommodation	101
Overcrowded and concealed households	677
Other unsuitably housed groups	313
Total current housing need (gross)	1,091

Stage 2: Newly arising affordable housing need

- 5.10 In addition to Current Need, there will also be Newly Arising (ongoing) Need. This forms the second stage of the affordable housing need model. This calculation, as per paragraph 021 of the PPG (Reference ID: 2a-021-20190220), is based on two elements:

- Number of newly forming households each year (× proportion unable to afford market housing)
- Plus existing households falling into need per year

Need from newly forming households

- 5.11 One of the outputs produced within the process of disaggregating the total housing need into a future population and household typology (as described in Chapter 4) is the calculation of the number of households that will form over the plan period in King's Lynn & West Norfolk. This figure is then averaged to provide an annual estimate for the number of newly forming households. Using this methodology, it is estimated that 862 new households will form per year in the King's Lynn & West Norfolk area. This represents a household formation rate of 1.3%, identical to the figure recorded nationally by the English Housing Survey.
- 5.12 To assess the ability of these households to afford entry-level market housing of the appropriate size, the household composition for these new households identified within the disaggregation process are used to determine the appropriate size requirement profile. To test newly forming households' ability to afford market housing, the income distribution for each dwelling size requirement is adjusted to reflect that nationally the income of newly forming households is 70.2% of the figure for all households (according to the English Housing Survey). The table below details the derivation of newly arising need from newly forming households. It shows that 38.5% of newly forming households will be unable to afford market housing in King's Lynn & West Norfolk, which means that there will be an annual affordable housing requirement from 331 newly forming households.

Table 5.4 Newly arising need from new household formation (per annum) in King's Lynn & West Norfolk	
<i>Component</i>	
Number of newly forming households	862
Proportion unable to afford entry-level market housing	38.5%
Number of newly forming households requiring affordable accommodation	331

Existing households falling into need

- 5.13 The current PPG does not provide detail on how this step should be calculated, however the previous version (of the PPG) recommended that this figure is derived by looking at recent trends in households applying for affordable housing. Analysis of the lettings of affordable accommodation within King's Lynn & West Norfolk over the last three years (July 2016 to July 2019) indicates that there were 1,108 households that fell into need over the last three years in King's Lynn & West Norfolk. Annualised this is 369 (1,108/3) households per year in affordable housing need.
- 5.14 This figure will include newly forming households, which have featured in the previous step. The CORE LA Area Lettings Reports⁵⁶ provide an estimate of the proportion of social rented lets each year taken by newly forming households in King's Lynn & West Norfolk. It shows that an average of 20.3% of lettings in the Borough were to newly forming households over the last three years. It is assumed therefore that 76 (20.3% of 369) of the households in need are newly forming households. The resultant number of existing households falling into need in King's Lynn & West Norfolk is 295 (369-76) households per annum.

Total newly arising need

- 5.15 The table below summarises the second stage of the assessment of affordable housing need as set out by the PPG. The table indicates that 626 (331+295) households will be in newly arising need per annum in King's Lynn & West Norfolk.

⁵⁶ The information on the lettings of affordable accommodation provided by the Council did not indicate whether the tenant was a newly formed household. The proportion of all lettings that were to newly formed households in King's Lynn & West Norfolk recorded in the most recent three year period (2015/16 to 2018/19) according to the CORE LA Area Lettings Reports is therefore used. CORE (Continuous REcording) is a national information source funded by the Ministry of Housing, Communities and Local Government that records information on the characteristics of both private registered providers and local authority new social housing tenants and the homes they rent and buy.

Table 5.5 Stage 2 Newly arising need (per annum) in King's Lynn & West Norfolk	
<i>Component</i>	
New household formation (gross per year)	862
Proportion of new households unable to buy or rent in the market	38.5% (331)
Existing households falling into need	295
Total newly arising housing need (gross per year)	626

Stage 3: Current affordable housing supply

- 5.16 Paragraph 022 (Reference ID: 2a-022-20190220) of the PPG indicates that the current supply of stock available to offset the current need includes stock from current occupiers of affordable housing in need, surplus stock from vacant properties and the committed supply of new affordable units. Units to be taken out of management are removed from the calculation.

Current occupiers of affordable housing in need

- 5.17 It is important when considering net need levels to discount households already living in affordable housing. This is because the movement of such households within affordable housing will have an overall nil effect in terms of housing need. As established when calculating current need (paragraph 5.8), there are 529 households currently in need already living in affordable housing in King's Lynn & West Norfolk.

Surplus stock

- 5.18 A certain level of vacant dwellings is normal as this allows for transfers and for work on properties to be carried out. Established good practice suggests that if the vacancy rate in the affordable stock is in excess of 3%, some of the vacant units should be considered as surplus stock which can be included within the supply to offset housing need. King's Lynn & West Norfolk records a vacancy rate in the affordable sector of 1.4%. As the vacancy rate is lower than the 3% benchmark⁵⁷, no vacant dwellings are considered available to be brought back into use to increase the supply of affordable housing in King's Lynn & West Norfolk.

Committed supply of new affordable units

- 5.19 The PPG indicates that '*the committed supply of new net affordable homes at the point of the assessment (number and size)*' be taken into account within the model. The Council has provided its affordable housing forecast which details the permitted sites in the Borough where affordable housing has been secured as at July 2019. In total, there are 616 new affordable homes currently committed across King's Lynn & West Norfolk.

⁵⁷

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/11812/Strategic_Housing_Market_Assessments-Practice_Guidance.pdf (page 47)

Planned units to be taken out of management

- 5.20 The PPG states that the 'units to be taken out of management' should be quantified. The Council has indicated that there are 99 properties empty and likely to be demolished. Whilst 53 will be replaced, it is unclear as to what will happen with the remaining dwellings. For the purpose of this model it is assumed that they will not be replaced and there will be a net loss of 46 affordable units. A figure of 46 is therefore used for this stage.

Total current affordable housing supply

- 5.21 Having been through the four components in order to assess the current affordable housing supply, the stage of the model is summarised in the tables below. The data shows that there are an estimated 1,099 affordable homes currently available in King's Lynn & West Norfolk.

Table 5.6 Stage 3 Current affordable housing supply in King's Lynn & West Norfolk	
<i>Component</i>	
Affordable dwellings occupied by households in need	529
Surplus stock	0
Committed supply of affordable housing	616
Units to be taken out of management	46
Total affordable housing stock available	1,099

Stage 4: Future housing supply of social re-lets and intermediate affordable housing

- 5.22 The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need⁵⁸. It is split between the annual supply of social re-lets and the annual supply of re-lets within the intermediate sector.

The future supply of Social/Affordable Rented housing

- 5.23 This is an estimate of likely future re-lets from the existing affordable stock. Data on the affordable accommodation lettings within King's Lynn & West Norfolk over the last three years is used for this figure. However, these lettings will include households housed in new accommodation. It is therefore necessary to discount the number of new lettings to derive a figure for the number of re-lets over the last few years⁵⁹. The average number of re-lets across

⁵⁸ Whilst this is not a step that is detailed in the current PPG, it is logically required to reflect that there is a flow of housing becoming available to meet need as well as a flow of households requiring affordable housing (Stage 2 of the model). This stage has also been included in all previous iterations of this model that have been published in [Government guidance](#).

⁵⁹ The information on the lettings of affordable accommodation provided by the Council did not indicate whether the dwelling was an existing or new home. The proportion of all lettings that were to new dwellings in King's Lynn & West Norfolk recorded in the most recent three year period (2015/16 to 2018/18) according to the CORE LA Area Lettings Reports is therefore used.

the Social and Affordable Rented sector over the three-year period was 415 per annum in King's Lynn & West Norfolk.

- 5.24 It should be noted that the affordable housing need model is an assessment of the housing market at a particular point of time (July 2019) and does not consider likely future changes to the housing market that may impact the results – such as future loss of affordable stock through Right-to-Buy⁶⁰.

Supply of intermediate housing

- 5.25 In most local authorities, the amount of intermediate housing (mostly Shared Ownership) available in the stock is fairly limited (as is the case in King's Lynn & West Norfolk). However, it is still important to consider to what extent the supply may be able to help those in need of affordable housing. Therefore, we include an estimate of the number of intermediate units that become available each year, based on applying the estimated re-let rate for the Social Rented sector⁶¹ (4.4% in King's Lynn & West Norfolk) to the estimated stock of intermediate housing. This is set out in the table below. It is estimated that around 9 units of intermediate housing will become available to meet housing needs from the existing stock each year in King's Lynn & West Norfolk.

Table 5.7 Estimated intermediate supply in King's Lynn & West Norfolk		
<i>Intermediate tenure</i>	<i>Stock</i>	<i>Annual re-lets</i>
Shared Ownership	202	9

Source: HCA's Statistical Data Return 2018

Annual future supply of affordable housing

- 5.26 The total future supply of affordable housing is the sum of the Social Rented supply and the intermediate supply as set out in the tables below.

⁶⁰ The loss of homes through Right-to-Buy would mean that the number of dwellings in the total stock is reduced so the re-let rate applies to a smaller total stock each year and will therefore produce a smaller supply of affordable housing.

⁶¹ This is calculated by dividing the total number of relets as set out in paragraph 5.23 by the total stock of social and affordable housing as set out in the HCA's Statistical Data Return, 2018.

Table 5.8 Stage 4 Future supply of all affordable housing (per annum) in King's Lynn & West Norfolk	
<i>Component</i>	
Annual supply of Social/Affordable Rented re-lets	415
Annual supply of intermediate housing available for re-let or resale at sub-market levels	9
Annual supply of all affordable housing	424

Estimate of net annual housing need

- 5.27 The PPG states that the figures in the model need to be converted to annual flows to establish the total need for affordable housing (Paragraph: 024 Reference ID: 2a-024-20190220). The first step in this process is to calculate the total net current need. This is derived by subtracting the estimated current affordable housing supply (Stage 3) from the current unmet gross need for affordable housing (Stage 1).
- 5.28 The second step is to convert this total net current need figure into an annual flow. The PPG indicates that annual flows should be based on the plan period. For the purposes of this study the period of 17 years will be used to fit in with the remaining timeframe of the Local Plan (through to 2036). The final step is to sum the annualised net current need with the total newly arising affordable housing need (Stage 2) and subtract the future annual supply of affordable housing (Stage 4). The table below sets out this process. It leads to a total need for affordable housing of 202 per year in King's Lynn & West Norfolk.

Table 5.9 Results of the affordable housing needs model in King's Lynn & West Norfolk	
<i>Stage in calculation</i>	<i>KLWN</i>
Stage 1: Current unmet gross need for affordable housing (Total) (Table 5.3)	1,091
Stage 2: Newly arising affordable housing need (Annual) (Table 5.5)	626
Stage 3: Current affordable housing supply (Total) (Table 5.6)	1,099
Stage 4: Future housing supply (Annual) (Table 5.8)	424
Stage 5.1 Net current need (Stage 1 - Stage 3) (Total)	-8
Stage 5.2 Annualise net current need (Stage 5.1/17) (Annual)	0
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	202
Total gross annual need (Stage 1/17 + Stage 2) (Annual)	690
Total gross annual supply (Stage 3/17 + Stage 4) (Annual)	488

Overall households in affordable housing need by type (gross)

- 5.29 The table below gives a breakdown of the gross annual households in need, by household type in King's Lynn & West Norfolk. The table shows that some 5.2% of lone parent households are in housing need compared to 0.4% of couple households with no children. Overall, lone parent households comprise over a third of all households in need.

Table 5.10 Annual need requirement by household type in King's Lynn & West Norfolk					
<i>Household type</i>	<i>Need requirement</i>				
	<i>No. of h'holds in need (gross)</i>	<i>Not in need</i>	<i>Total Number of h'holds</i>	<i>% of h'hold type in need</i>	<i>As a % of those in need</i>
One person	103	17,713	17,816	0.6%	15.0%
Couple with no children	82	21,714	21,796	0.4%	11.8%
Couple with child/children	189	16,526	16,715	1.1%	27.3%
Lone parent	258	4,716	4,974	5.2%	37.3%
Other*	59	3,916	3,975	1.5%	8.5%
Total	690	64,585	65,275	1.1%	100.0%

*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups.

Size of accommodation required

- 5.30 The table below shows the size of accommodation required by households in housing need in King's Lynn & West Norfolk. The supply distribution for affordable homes is derived from average profile of re-lets of affordable accommodation over the last three years. The last column in the table presents the supply as a percentage of need. This is calculated by dividing the estimated supply of the property size by the derived need for that property size. The lower the figure produced, the more acute the need for affordable accommodation in the area, as the current supply is unlikely to meet the identified need.
- 5.31 The table suggests that there is a net need for all sizes of affordable accommodation in King's Lynn & West Norfolk and the largest net need is for two and four bedroom homes, followed by three bedroom accommodation. The final column shows that the need relative to supply is the greatest for four bedroom homes. Households in need requiring one bedroom accommodation are most likely to have their need met from the current supply.

Table 5.11 Size of additional units required to meet housing need in King's Lynn & West Norfolk

Size of home	Need requirement				
	Gross annual need	Gross annual supply	Net annual need	As a % of total net annual need	Supply as a % of gross need
One bedroom	185	168	17	8.6%	90.6%
Two bedrooms	286	212	74	36.6%	74.1%
Three bedrooms	145	103	42	20.7%	71.2%
Four or more bedrooms	74	5	69	34.1%	6.7%
Total	690	488	202	100.0%	70.7%

Type of affordable home required

- 5.32 As discussed in Chapter 3, a range of affordable products are available to meet affordable housing need in King's Lynn & West Norfolk. This section will consider the suitability of these different products for meeting affordable housing need.

Gross requirement

- 5.33 As the relative cost of each product is not always the same (for example in some instances Shared Ownership housing with a 25% equity share is more expensive than Intermediate Rent, but in other cases the reverse is true) each product is tested individually. The table below illustrates how many households in affordable housing need in King's Lynn & West Norfolk are able to afford the different affordable products. Several intermediate options are affordable to some households, so the table presents the maximum number of households able to afford each product. Households can therefore be included in more than one row (and the totals for each column therefore sum to more than the overall total for each bedroom size). The only exception is the final row which includes only households unable to afford a product more expensive than Social Rent. The Social Rented group also includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside.
- 5.34 The table shows that of the 690 households in need each year in King's Lynn & West Norfolk, 4.9% could afford a First Home, 1.2% could afford shared equity, 5.4% could afford Shared Ownership with a 40% share, 20.1% could afford Shared Ownership with a 25% share, 16.2% could afford Intermediate Rent and 34.5% could afford Affordable Rent. Overall, some 64.1% of households in affordable housing need can only afford Social Rent or require support. These figures are based on the products being available at the costs set out in Chapter 3.

Table 5.12 Size and type of affordable home required by those in need (per annum) in King's Lynn & West Norfolk*						
<i>Product</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>	<i>Total</i>	<i>Total (%)</i>
First Homes	27	7			34	4.9%
Shared equity	8	-	-	-	8	1.2%
Shared Ownership – 40% equity share	29	8	-	-	37	5.4%
Shared Ownership – 25% equity share	56	57	16	10	139	20.1%
Intermediate Rent	25	61	25	1	112	16.2%
Affordable Rent	46	94	57	41	238	34.5%
Social Rent/requires assistance	129	192	88	33	442	64.1%
All households	185	286	145	74	690	100.0%

* Several intermediate options are affordable to some households, so the table presents the maximum number of households able to afford each product. Households can therefore be included in more than one row (and the totals for each column therefore sum to more than the overall total for each bedroom size). The only exception is the final row which includes only households unable to afford a product more expensive than Social Rent.

Sensitivity analysis - affordability threshold

- 5.35 The results presented in this chapter are based on using an affordability test where the cost of housing can constitute up to 35% of gross income and still be affordable in King's Lynn & West Norfolk. The impact of adjusting this affordability threshold is considered in the tables below, which details the results of the PPG affordable housing need model across King's Lynn & West Norfolk where the cost of housing could constitute no more than 25% of gross household income and 30% of gross household income as well as 35% of gross household income. In paragraph 020 of the PPG it is noted that households should be considered against their ability to afford owner-occupation, where that is their aspiration. Unfortunately, the data sources do not collect information on the tenure that the households in need aspire to. To gauge the impact of presuming all households aspire to owner occupation, the final column in the table shows the results of the affordable housing need model if households were tested for their ability to afford market entry owner-occupation rather than market rents.
- 5.36 The table indicates that the net requirement would increase from 202 to 292 affordable homes per year in King's Lynn & West Norfolk if 30% of gross household income could be spent on housing costs. This would increase further to 382 affordable homes per year if 25% of income could be spent on housing costs. If it was presumed that home ownership was the market access point, then there would be a need for 679 affordable homes per year.

Table 5.13 Impact of different affordability assumptions on affordable housing requirement in King's Lynn & West Norfolk

	<i>Rent payable constitutes no more than:</i>			<i>Market entry is based on owner-occupation</i>
	<i>Affordability threshold: 35% of gross household income</i>	<i>30% of gross household income</i>	<i>25% of gross household income</i>	
Stage 1: Current gross need	1,091	1,243	1,396	2,226
Stage 2: Newly arising need	626	708	789	1,040
Stage 3: Current supply	1,099	1,114	1,123	1,178
Stage 4: Future supply	424	424	424	424
Stage 5.1 Net current need	-8	129	273	1,048
Stage 5.2 Annual net current need	0	8	16	62
Stage 5.3 Total annual need	202	292	382	679

Conclusion

- 5.37 It is necessary to undertake a separate calculation of affordable housing need (the previous model has a limited capacity to assess resident households' ability to afford appropriate local housing). Paragraph 18 (Reference ID: 2a-018-20190220) to Paragraph 24 (Reference ID: 2a-024-20190220) of the PPG details how affordable housing need should be calculated. The PPG (Paragraph 19) defines affordable housing need as '*the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market*'.
- 5.38 Each stage of the model is calculated separately using locally available data for King's Lynn & West Norfolk. The PPG states that the figures in the model need to be converted to annual flows to establish the total need for affordable housing. The model indicates that the total need for affordable housing of 202 per year in the Borough.

6. Requirements of specific groups of the population

Introduction

- 6.1 Paragraph 59 of the NPPF seeks that '*... that the needs of groups with specific housing requirements are addressed ...*', and then paragraph 61 requires:

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

- 6.2 This chapter considers the specific profiles of the specific groups of the population. For each group the analysis will present the relative prevalence of the population, the current accommodation situation and information on their future requirements. As stated in Paragraph: 001 (Reference I D: 67-001-20190722) of the PPG '*Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area.*' Whilst the LTBHM model (set out in Chapter 4 above) considers all household groups within the model, the results can be broken down to show the accommodation requirements of certain household groups of interest. It should be noted that during the drafting of this report the PPG on housing needs assessments was divided into three different elements; 'housing and economic needs assessments', 'housing needs of different groups' and 'housing needs of older and disabled people'. This chapter will contain information that meets the requirements within each of these.

- 6.3 The chapter looks at the following groups of the population which all have an appreciable impact on the housing market in King's Lynn & West Norfolk:

- Older persons
- People with disabilities
- Family households

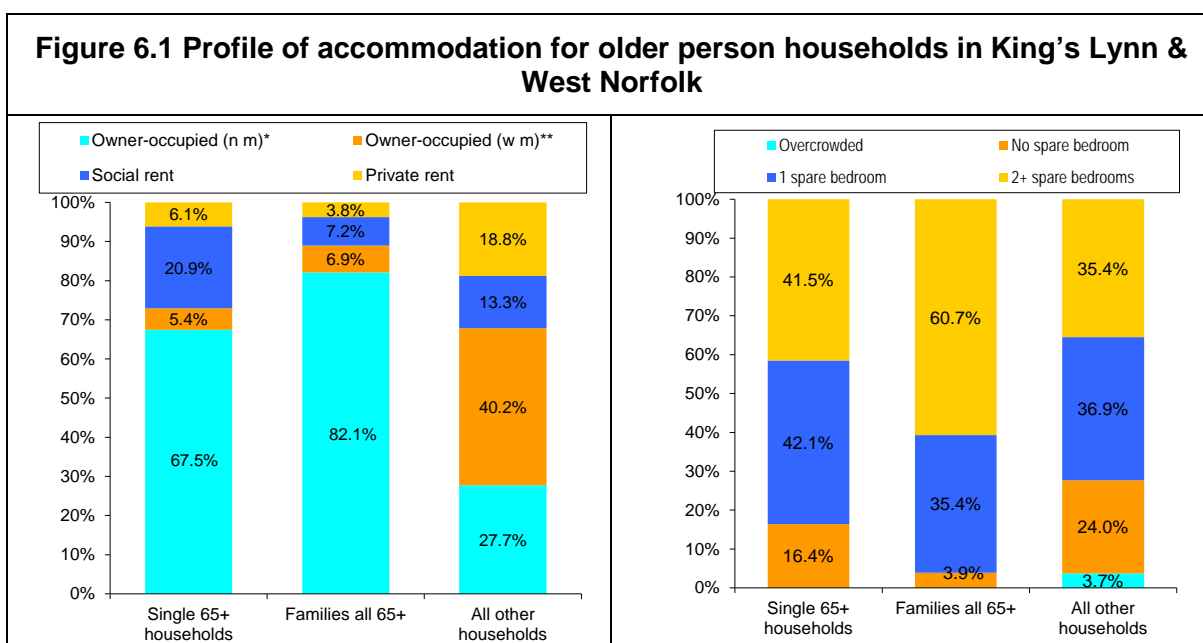
- 6.4 This chapter will also examine the private rented sector in more detail and comment on the level of demand from people wishing to build their own homes. Student housing is not profiled in detail in this report as King's Lynn & West Norfolk contains no higher education establishments. King's Lynn & West Norfolk does contain a military presence, with RAF Marham located on the east of the Borough, and the Council has liaised with contacts at the site to understand the impact on the housing market. The Council has advised that there are no plans in place to change the number of personnel on site and therefore the impact on the housing market of the base is likely to remain the same.

Housing Needs of Older People

- 6.5 Paragraph: 001 (Reference ID: 63-001-20190626) of the PPG recognises that *'the need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing.... Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems.'*
- 6.6 The NPPF provides the following definition of older people: *'People over or approaching retirement age, including the active, newly retired through to the very frail elderly; and whose housing needs can encompass accessible, adaptable general needs housing through to the full range of retirement and specialised housing for those with support or care needs.'* The analysis of older people presented here will be focused on people aged 65 and over.

Current situation

- 6.7 The Census provides detail on the housing situation of older persons at a local level. It is worth noting that in 2011 according to the Census 27.9% of households in King's Lynn & West Norfolk were older person only households (households where all members are 65 or over), compared to 22.3% regionally and 20.7% nationally. Of these older person only households in King's Lynn & West Norfolk in 2011, 51.6% contained only one person, a figure lower than that recorded in the East region (56.8%) and England (59.6%). The figure below shows the tenure profile of older person only households in King's Lynn & West Norfolk in 2011 compared with the remainder of the household population. The figures also set out the occupancy level of these groups. The results show that both of the older person groups record a higher level of owner-occupation than non-polder person households. Older person households were also more likely than average to have multiple spare bedrooms in their home.



Source: 2011 Census *Owner-occupied no mortgage ** Owner-occupied with mortgage, includes Shared Ownership.

Future requirement

- 6.8 The disaggregated local housing need projections indicate that the population aged 65 or over is going to increase dramatically in King's Lynn & West Norfolk over the plan period; from 38,329 in 2016 to 54,931 in 2036, a rise of 43.3%. The projections also suggest that there will be an increase in the number of households headed by someone over 65 from 24,358 in 2016 to 34,456 in 2036, an increase of 41.5%. The projections indicate that the proportion of older persons living alone in King's Lynn & West Norfolk will decrease from 39.8% in 2016 to 38.8% in 2036.
- 6.9 The results of the LTBHM model can be disaggregated into different household groups within the whole population. The tables below show the projected accommodation profile for older person households in King's Lynn & West Norfolk in 2036 arising from that model.

Table 6.1 Type of accommodation required for older person only households in King's Lynn & West Norfolk in 2036					
<i>Size of home</i>	<i>Owner-occupation</i>	<i>Private rented</i>	<i>Shared Ownership</i>	<i>Social Rent/ Affordable Rented</i>	<i>Total</i>
One bedroom	3.2%	1.1%	0.3%	8.4%	13.0%
Two bedrooms	27.4%	3.8%	0.1%	4.2%	35.5%
Three bedrooms	34.3%	2.1%	0.1%	0.7%	37.2%
Four or more bedrooms	14.0%	0.3%	0.0%	0.0%	14.4%
Total	78.9%	7.3%	0.5%	13.3%	100.0%

Specialist accommodation

- 6.10 Given the dramatic growth in the older population and the higher levels of disability and health problems amongst older people there is likely to be an increased requirement for specialist housing options moving forward. It is therefore useful to consider the ability of specialist accommodation to meet the requirements of this group. King's Lynn & West Norfolk Council has therefore commissioned a separate study that identifies the future demand for specialist older person's housing and dementia care housing in the Borough⁶². This report sets out the requirement for different forms of specialist housing, by tenure (where possible), through to 2041. This report analyses the likely requirement rate for each accommodation type, the tenure norms that exist in the Borough and the current supply and concludes that by 2041 there will be a requirement for 2,948 new units in King's Lynn & West Norfolk.

⁶² Demand for Specialist Older Persons Housing and Dementia Care Housing. Evidence of housing demand and supply. Report to King's Lynn & West Norfolk Council (July 2020) **Three Dragons**

6.11 This figure of 2,948 is comprised of:

- 1,839 units of sheltered housing for sale or shared equity ownership
- 780 units of extracare and enhanced sheltered housing for sale or shared equity
- 229 units of extracare and enhanced sheltered housing for rent
- 100 units of dementia care housing
- There will be a surplus of sheltered housing for rent (from within the current stock)

6.12 The actual numbers and type of specialist accommodation needed may depend on changes in patterns of demand and expectations and it is therefore appropriate to consider this level of need with the acknowledgement that the form of accommodation delivered should not be too prescriptive. It should be noted that this requirement for 2,948 specialist units forms part of the overall local housing need required over the Local Plan period in King's Lynn & West Norfolk – any housing released by households moving to new specialist accommodation would become occupied by other households, reducing the need for new non-specialist accommodation.

6.13 As well as the need for specialist housing for older people there will also be an additional requirement for Registered Care (nursing and residential care homes). According to the POPPI⁶³ modelling there were around 975 spaces in nursing and residential care homes in King's Lynn & West Norfolk in 2016. The disaggregated local housing need projections indicate that there will be a requirement for Registered Care from 1,811 people in King's Lynn & West Norfolk in 2036, suggesting an additional 836 spaces will be required over the next 20 years. This additional accommodation is required to meet the future institutional population and therefore does not form part of the new housing to meet the local housing need. (On a practical point, it would not be appropriate to increase the housing requirement to meet this need (as it is not housing) – although it may be appropriate to plan for the provision of this need separately).

6.14 The majority of older person households in King's Lynn & West Norfolk are likely to remain in general housing, as the Paragraph 012 (ID: 63-012-20190626) of the PPG notes *'Many older people may not want or need specialist accommodation or care and may wish to stay or move to general housing that is already suitable, such as bungalows, or homes which can be adapted to meet a change in their needs.'* The next section looks at the role of adaptations to help permit households remain in their home.

People with disabilities

6.15 Paragraph: 002 (Reference ID: 63-002-20190626) of the PPG notes that *'The provision of appropriate housing for people with disabilities, including specialist and supported housing, is crucial in ensuring that they live safe and independent lives.... Providing suitable housing can*

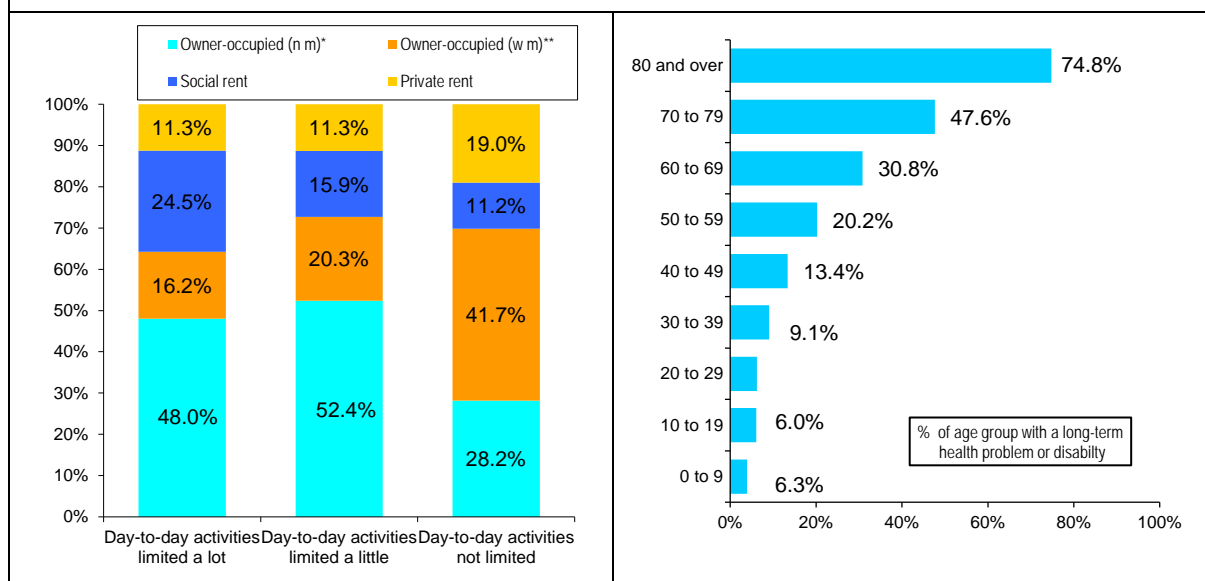
⁶³ <https://www.poppi.org.uk/>

enable disabled people to live more independently and safely, with greater choice and control over their lives.' Page 70 of the NPPF provides the following definition of disabled people: *'People have a disability if they have a physical or mental impairment, and that impairment has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities. These persons include, but are not limited to, people with ambulatory difficulties, blindness, learning difficulties, autism and mental health needs.'* Due to a dearth of accurate data on the individual groups within this population, this analysis in this section will consider all those with a specific need unless otherwise stated.

Current situation

- 6.16 As is noted in paragraph 005 (Reference ID: 63-005-20190626) of the PPG, *'Multiple sources of information may need to be considered in relation to disabled people who require adaptations in the home, either now or in the future. The Census provides information on the number of people with a long-term limiting illness.'* The figures on the incidence of limiting long-term illness recorded by the Census are therefore used as a starting point. The Census shows that, in 2011, some 21.3% of the resident population in King's Lynn & West Norfolk had a long-term health problem or disability, compared to 16.7% in the East and 17.9% nationally. Further analysis shows some 46.0% of all residents with a long-term health problem or disability in King's Lynn & West Norfolk had a condition that limited day-to-day activities a lot, with 44.0% having a condition that limited activities a little. In the East of England, 44.5% of all residents with a long-term health problem or disability had a condition that limited day-to-day activities a lot and 55.5% had a condition that limited activities a little, with the equivalent figures nationally 47.1% and 52.9% respectively.
- 6.17 The figure below shows the tenure profile of people with a long-term health problem or disability in King's Lynn & West Norfolk in 2011 compared to the remainder of the population. The figure also sets out the prevalence of a long-term health problem or disability in the different age groups of the population. The results show that in King's Lynn & West Norfolk, whilst people with a long-term health problem or disability are more likely than average to be owner-occupiers with no mortgage, they are also more likely than average to reside in the social rented sector. The analysis also reveals a strong correlation between age and a long-term health problem or disability.

Figure 6.2 Tenure and age profile of people with a long-term problem or disability in King's Lynn & West Norfolk



Source: 2011 Census *Owner-occupied no mortgage ** Owner-occupied with mortgage, includes Shared Ownership.

Number of people in receipt of relevant benefits

- 6.18 The PPG indicates that a more up-to-date estimate of the number of people with a disability can be acquired by looking at the number of people in an area that are in receipt of Personal Independence Payment⁶⁴ or Attendance Allowance. Personal Independence Payment (PIP) helps with some of the extra costs caused by long-term disability, ill-health or terminal ill-health. Data from the Department of Work & Pensions indicates that, as at April 2019, there were 4,684 people in King's Lynn & West Norfolk in receipt of PIP, which equated to 3.1% of the population in the Borough. In comparison some 2.5% of the population across the East and 3.1% of the population of England were in receipt of PIP.
- 6.19 Attendance Allowance (AA) is a benefit for people over the age of 65 who are so severely disabled, physically or mentally, that they need a great deal of help with personal care or supervision. The Department of Work & Pensions data shows that, as at November 2018, there were 5,399 people in King's Lynn & West Norfolk in receipt of AA, which equated to 3.6% of the population in the Borough. In comparison some 2.5% of the population in the East and 2.4% of the population nationally were in receipt of AA.
- 6.20 The PPG notes *'whilst these data sources can provide a good indication of the number of disabled people, not all of the people included within these counts will require adaptations in the home.'*

⁶⁴ This has replaced Disability Living Allowance

Projected health of the future population

- 6.21 The Projecting Older People Information System (POPPI) website⁶⁵ and the parallel Projecting Adult Needs and Service Information (PANSI) website⁶⁶ model the current and likely future incidence of a range of health issues for each authority in England. The table below sets out the number of people estimated to have one of four health conditions currently as determined by these data sources. The table also indicates the number of people projected to have these conditions in 2036 derived by applying the future prevalence rates used by the POPPI and PANSI modelling to the disaggregated future population for King's Lynn & West Norfolk in 2036 identified within the local housing need calculation. The table then goes on to report the current and future population in King's Lynn & West Norfolk that require assistance with activities. These figures are derived using the same approach as described for the health condition modelling. The data from PANSI and POPPI is based on current and recent prevalence rates and, whilst these may vary in the future, the figures provide a useful baseline estimate.
- 6.22 The table shows that the number of those aged 65 or over with a limiting long-term illness that limits them a lot is expected to increase by 47.9% between 2016 and 2036 in King's Lynn & West Norfolk. This compares to an increase of 2.9% in the number of people aged 18-64 in King's Lynn & West Norfolk with impaired mobility, a rise of 2.0% in the number of people aged 18-64 in King's Lynn & West Norfolk with a common mental health disorder, an increase of 62.8% in the number of people aged 65 or over with dementia⁶⁷ and an increase of 13.6% in the number of people in King's Lynn & West Norfolk with a moderate or severe learning disability.
- 6.23 The table also shows that the number of those aged 65 or over that are unable to manage at least one mobility activity on their own is expected to increase by 53.8% between 2016 and 2036, compared to an increase of 47.7% in the number of people aged 65 and over who need help with at least one domestic task, an increase of 1.7% in the number of people aged 65 and over who need help with at least one self-care activity and an increase of 46.7% in the number of people aged 18-64 with a serious personal care disability. It should be noted that these changes better reflect the projected change in the demographics of the population (an ageing population) rather than a notable change in the overall health of people.

⁶⁵ <https://www.poppi.org.uk/>

⁶⁶ <https://www.pansi.org.uk/>

⁶⁷ Paragraph 019 (Reference ID: 63-019-20190626) of the PPG notes that 'Evidence has shown that good quality housing and sensitively planned environments can have a substantial impact on the quality of life of someone living with dementia. People with dementia need to have access to care and support to enable them to live independently and homes need to be designed with their needs in mind.'

Table 6.2 Number of people with particular health issues projected over the Local Plan period in King's Lynn & West Norfolk

Condition	2016	2036	Total change	% change
Health condition				
People aged 65 and over with an illness*	8,596	12,712	4,116	47.9%
People aged 18-64 with impaired mobility	4,897	5,039	142	2.9%
People aged 18-64 with a common mental health problem	15,913	16,237	324	2.0%
People aged 65 and over with dementia	2,695	4,388	1,693	62.8%
People all ages with a learning disability	2,923	3,320	397	13.6%
People requiring assistance with activities				
People aged 65 and over that are unable to manage at least one mobility activity on their own**	6,920	10,641	3,720	53.8%
People aged 65 and over who need help with at least one domestic task***	10,885	16,073	5,188	47.7%
People aged 65 and over who need help with at least one self-care activity****	773	786	13	1.7%
People aged 18-64 with a serious personal care disability*****	10,830	15,885	5,055	46.7%
All people	151,797	171,044	19,247	12.7%

*A limiting long-term illness that limits them a lot. **Activities include going out of doors and walking down the road; getting up and down stairs; getting around the house on the level; getting to the toilet; getting in and out of bed. ***These are activities which, while not fundamental to functioning, are important aspects of living independently such as doing routine housework or laundry, shopping for food, doing paperwork or paying bills. ****These are activities relating to personal care and mobility about the home that are basic to daily living. *****Their physical disability means that they require someone else to help from getting in and out of bed, or getting in and out of a chair, dressing, washing, feeding, and use of the toilet. Source: The Projecting Older People Information System and Projecting Adult Needs and Service Information, 2019, disaggregated local housing need figures, 2019.

Accessible and adaptable housing

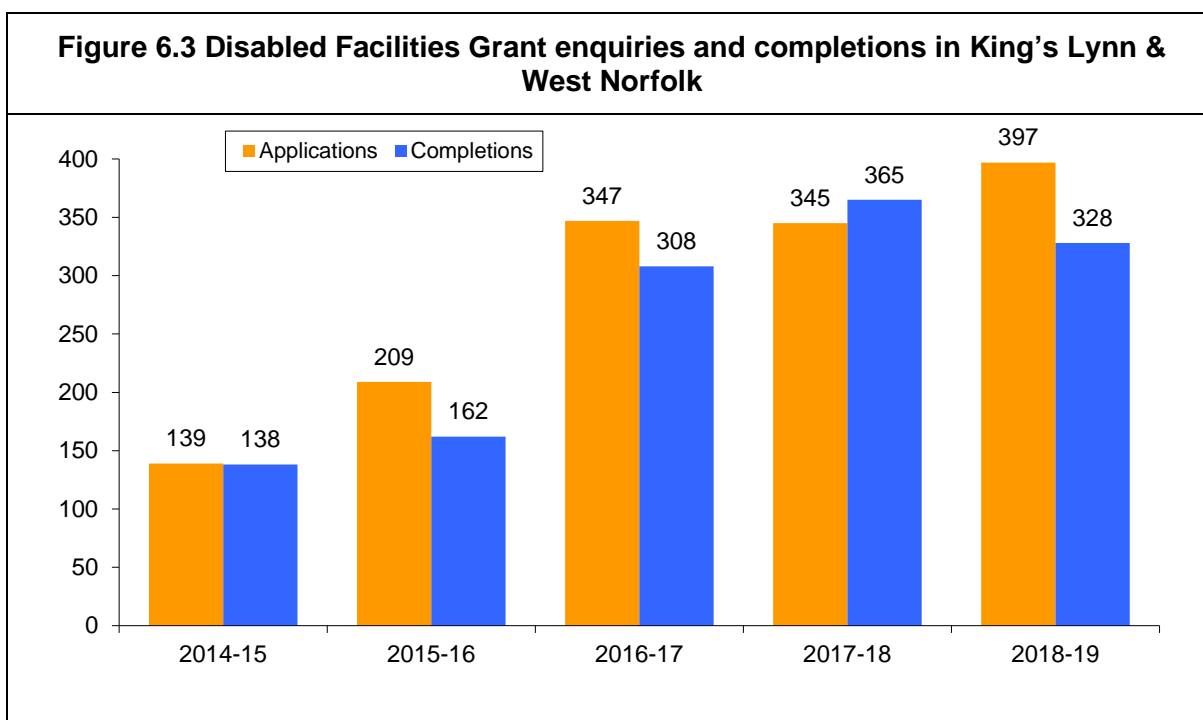
- 6.24 Paragraph 008 (Reference ID: 63-008-20190626) of the PPG is clear that '*Accessible and adaptable housing enables people to live more independently, while also saving on health and social costs in the future.*' The same paragraph then goes on to clarify that '*accessible and adaptable housing will provide safe and convenient approach routes into and out of the home and outside areas, suitable circulation space and suitable bathroom and kitchens within the home. Wheelchair user dwellings include additional features to meet the needs of occupants who use wheelchairs, or allow for adaptations to meet such needs.*'
- 6.25 Norfolk County Council has commissioned a study that has undertaken a detailed analysis of the housing for people with disabilities in the County. This was published in October 2019⁶⁸. It contains background data on the level of disability in each authority in the County currently and goes on to estimate the number of households that will require adapted housing in 2036

⁶⁸ Norfolk Housing for People with Disabilities (October 2019) **Opinion Research Services**

at both the M4(2) Category 2 and also the M4(3) Category 3. The study estimates that in 2036 there will be a maximum of 11,881 households that require adapted housing (at least at M4(2) level) in King's Lynn & West Norfolk. Once the current supply of suitable accommodation is deducted it means that new adapted housing is required for an additional 4,306 households between 2016 and 2036 in the Borough. These figures include the requirement for M4(3) Category 3 homes (dwellings for wheelchair users). The study goes on to estimate that the number of households with a wheelchair user will increase by 804 between 2016 and 2036 in King's Lynn & West Norfolk.

Adaptations and support

- 6.26 In addition to specialist accommodation, the Council helps people to remain in their current home by providing support and assistance. Any adaptations to dwellings provided through this mechanism could reduce the requirement for new homes meeting the M4(2) standard, depending the nature of the adaptation work completed.
- 6.27 The figure below shows the number of applications for Disabled Facilities Grants for home adaptations that have been received by the Council since 2014/15 alongside the number of adaptations that have been completed within this programme. The figure shows that the applications for these services have increased in the last three years, as has the number of works completed within their programme. Paragraph 005 (Reference ID: 63-005-20190626) of the PPG notes that *'Applications for Disabled Facilities Grant (DFG) will provide an indication of levels of expressed need, although this will underestimate total need, as there may be a large number of people who would want or need an adaptation, but would not have applied to the DFG.'*

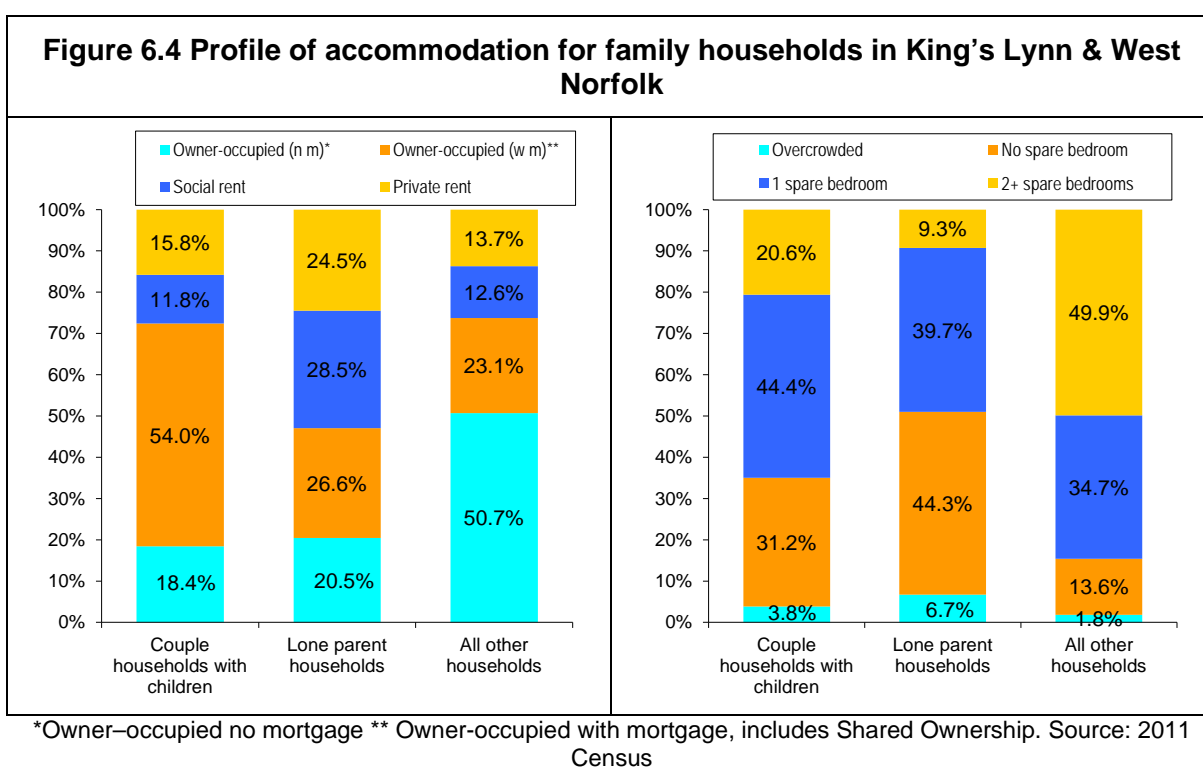


Source: King's Lynn & West Norfolk Council, 2019

Families with children

Current situation

6.28 The Census provides detail on the housing situation of households with children at a local level. It is worth noting that in 2011 according to the Census 32.2% of households in King's Lynn & West Norfolk were families with children, a figure lower than the regional figure (36.7%) and the national average (36.0%). The figure below shows the tenure profile of the two main types of 'family with children' households in King's Lynn & West Norfolk in 2011 compared to the remainder of the household population. The figures also set out the occupancy level of these groups. The data shows that whilst there are notably fewer owner-occupiers with no mortgage amongst couple households with children than amongst other households in King's Lynn & West Norfolk, the proportion of this group in the private rented sector is higher than recorded for other households. Lone parents however are notably more likely than other households to be in both Social Rented and private rented accommodation. Family households with children are also more likely to be overcrowded and less likely to be under-occupied in King's Lynn & West Norfolk.



Future requirement

6.29 The disaggregated local housing need projections indicate that the total population of families with children is going to rise from 21,593 in 2016 to 22,757 by 2036 and the proportion of lone parent families within this group will grow from 22.9% in 2016 to 24.5% in 2036. The table below shows the projected accommodation profile for family households in King's Lynn & West Norfolk in 2036 derived from the LTBHM model, presuming that households do not have to reside in overcrowded accommodation.

Table 6.3 Type of accommodation required for households with dependent children in 2036 in King's Lynn & West Norfolk

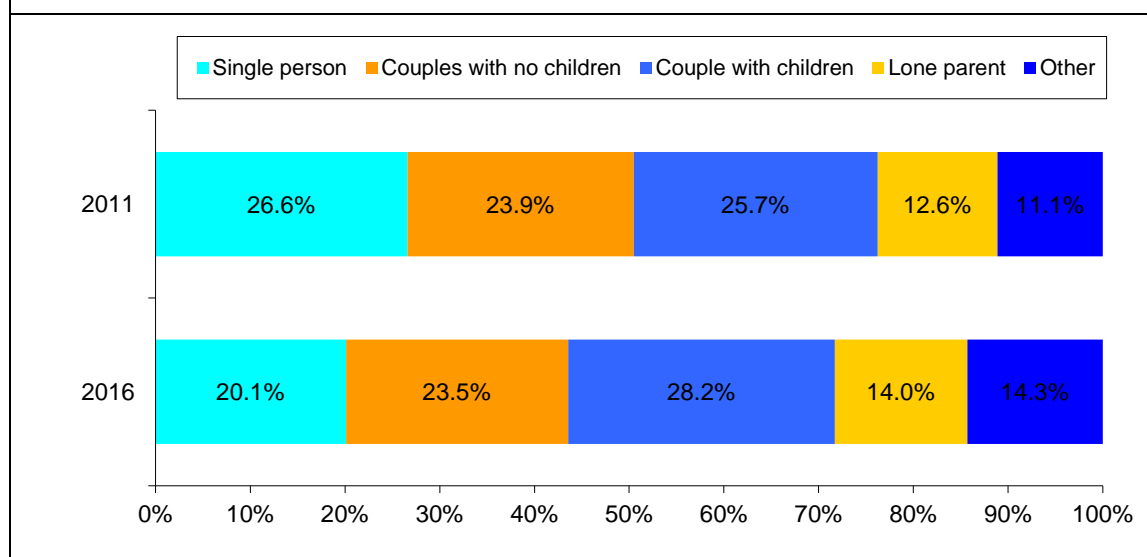
Size of home	Owner-occupation	Private rented	Shared Ownership	Social Rent/ Affordable Rented	Total
One bedroom	0.0%	0.0%	0.0%	0.0%	0.0%
Two bedrooms	7.2%	2.9%	0.4%	8.0%	18.6%
Three bedrooms	32.4%	5.5%	0.7%	12.3%	50.9%
Four or more bedrooms	25.7%	3.5%	0.4%	1.3%	31.0%
Total	65.3%	11.9%	1.5%	21.3%	100.0%

The private rented sector (PRS)

Growth

- 6.30 The current tenure profile in the Borough was modelled as part of the LTBHM model. This estimated that there are 10,513 private rented households in King's Lynn & West Norfolk in 2016, which represents 16.3% of households in the Borough. The private rented sector (PRS) is becoming increasingly important in King's Lynn & West Norfolk; as shown in Figure 2.11, the data indicates that it increased by 34.2% in King's Lynn & West Norfolk between 2011 and 2016 – at a greater rate than was recorded regionally and nationally.
- 6.31 The figure below compares the household composition of the private rented sector in King's Lynn & West Norfolk in 2011, with the profile of households resident in this tenure in King's Lynn & West Norfolk in 2016. The data shows that not only has the private rented sector expanded, but the households in it have diversified.

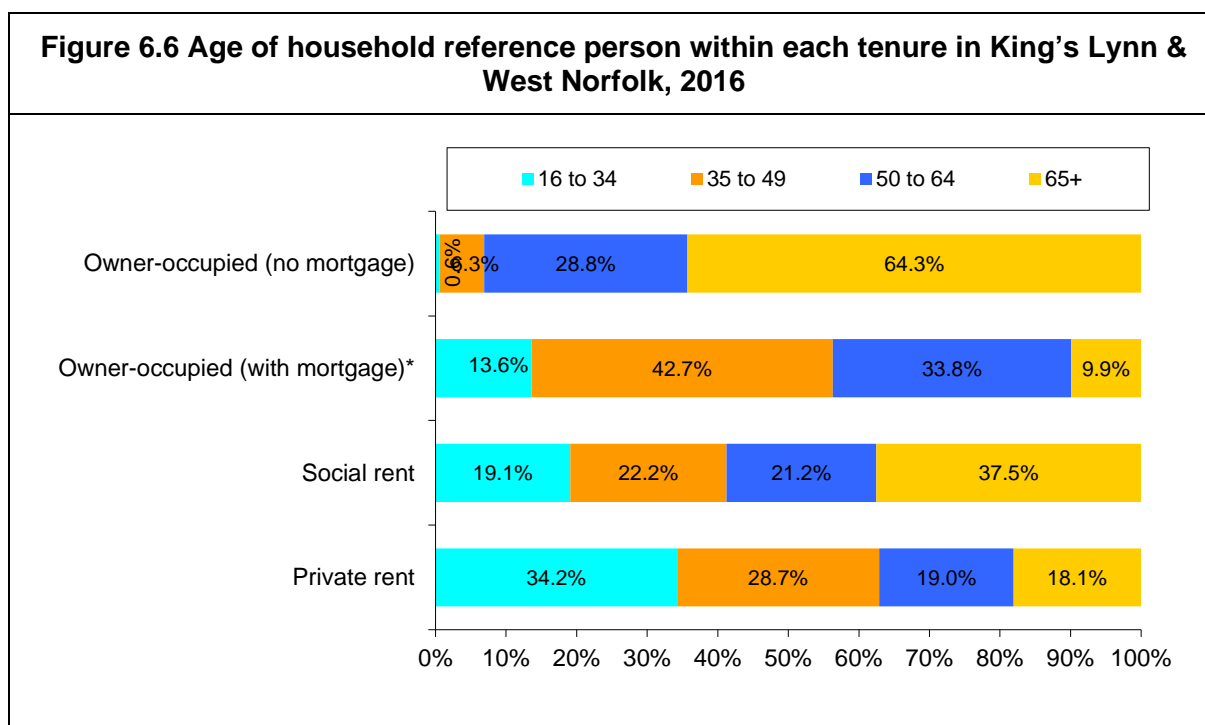
Figure 6.5 Change in the household composition of the PRS in King's Lynn & West Norfolk



Source: 2011 Census and LTBHM modelling

Those resident in the tenure

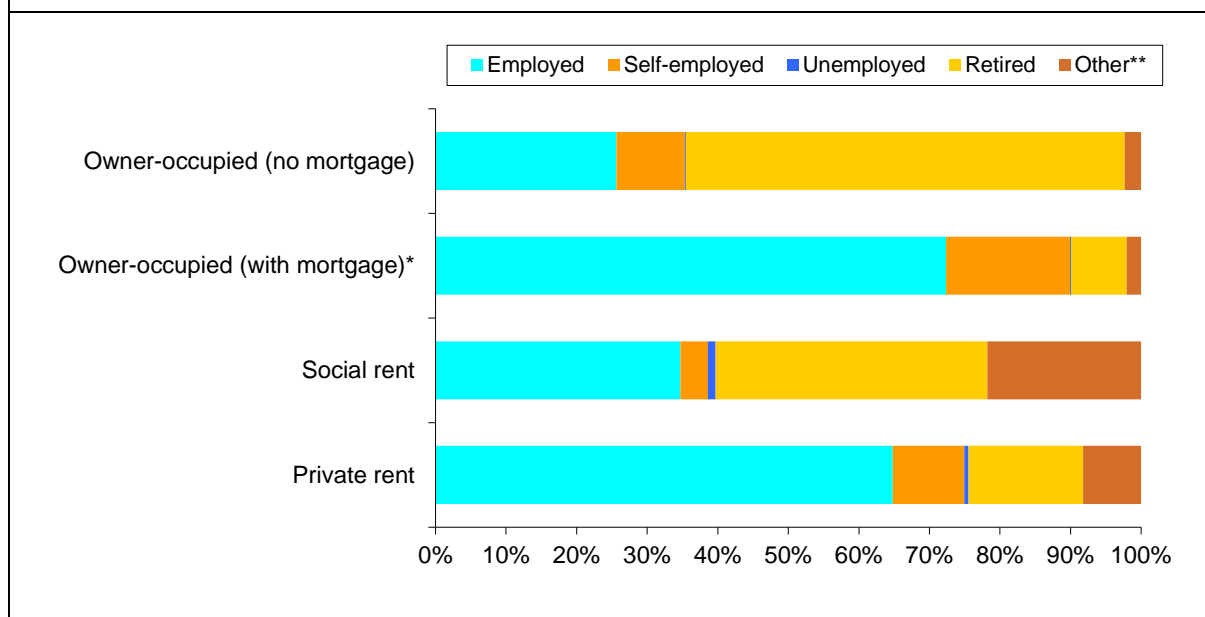
- 6.32 The figure below shows that whilst the private rented sector has diversified, it is still notably more likely to be occupied by younger households, with over a third of household reference persons aged 34 or under compared to less than a fifth of household reference persons in all other tenures.



*Includes Shared Ownership Source: LTBHM modelling

- 6.33 The figure below shows that, whilst the majority of household heads in the private rented in King's Lynn & West Norfolk are in work, there are a significant number where the household head is retired.

Figure 6.7 Economic activity of household reference person within each tenure in King's Lynn & West Norfolk, 2016



*Includes Shared Ownership **Other includes students, those that are looking after the home or family and those that are long-term sick or disabled. Source: LTBHM modelling

Current trends

- 6.34 The PPG suggests that *'market signals reflecting the demand for private rented sector housing could be indicated from the level of changes in rents.'* Therefore, to assess the stability of the sector currently, it is useful to consider how the private rent levels charged vary over time. The table below shows the change in private rents over the last five years at both the median and lower quartile level. This data is disaggregated by accommodation size and location. The table shows for example that between 2012/13 and 2017/18, two bedroom lower quartile rents increased by 15.8% in King's Lynn & West Norfolk.
- 6.35 Overall the data suggests that the private rented sector is not under atypical pressure in King's Lynn & West Norfolk, as rent levels have risen at a similar level to that recorded nationally (and growth is lower than the regional trend). The data does suggest that one bedroom rents are the most pressurised, although there is not a large variation by dwelling size.

Table 6.4 Change in private rents charged in King's Lynn & West Norfolk, the East and England between 2012/13 and 2017/18				
Lower quartile prices				
Area	One bedroom	Two bedrooms	Three bedrooms	Four+ bedroom
King's Lynn & West Norfolk	16.9%	15.8%	12.3%	14.3%
East	23.5%	22.9%	21.8%	29.8%
England	14.6%	10.5%	9.1%	13.2%
Median prices				
Area	One bedroom	Two bedrooms	Three bedrooms	Four+ bedroom
King's Lynn & West Norfolk	18.8%	13.3%	15.8%	17.0%
East	31.3%	30.3%	29.5%	28.6%
England	20.0%	13.0%	15.4%	20.0%

Source: Valuation Office Agency, 2012-13, 2017-18

The benefit-supported private rented sector

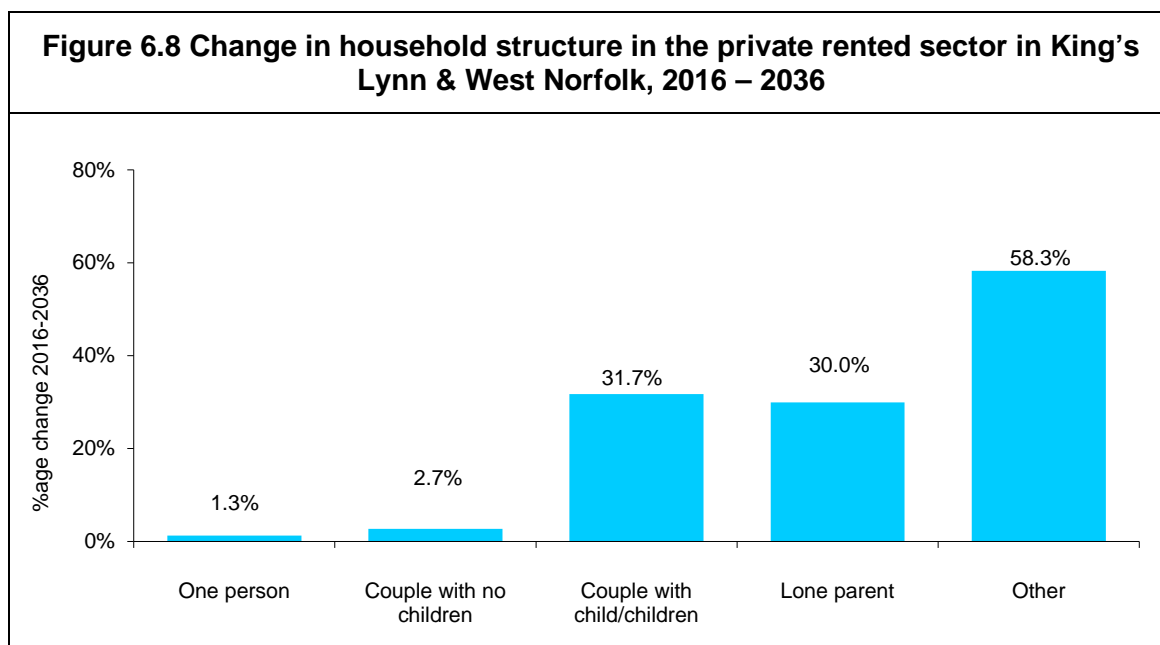
- 6.36 Data available from the Department of Work & Pensions⁶⁹ indicates that there were 2,821 households in the private rented sector in King's Lynn & West Norfolk who were either in receipt of Housing Benefit or were receiving the Housing Element of Universal Credit in August 2019. This represents 26.0% of all households in the tenure and is higher than the equivalent proportion of households in the sector regionally (some 18.6% of private rented households in the East region were in receipt of one of these benefits) but lower than the national figure (28.3% of private rented households across England). Further analysis shows that the number of private rented tenants in receipt of assistance with their housing costs in King's Lynn & West Norfolk has decreased by 12.5% between 2014 and 2019, in comparison to a regional growth of 7.7% and a national fall of 13.7% over the same period.
- 6.37 It is important to recognise the role that the benefit-supported private rented sector plays in alleviating the pressure on the affordable housing stock, by housing some households that would otherwise be resident within the sector; however, it is not an official form of affordable housing as defined by the NPPF. In addition, a comparison of the entry-level private rents with the LHA caps, as set out in Chapter 3, showed there is a notable gap between the two and the housing costs of households in need would not be fully met if they were to reside in this sector.

Future demand

- 6.38 The LTBHM model set out in Chapter 4 has been used to model the future housing market. This indicates that the private rented sector is likely to grow further in importance in King's

⁶⁹ <https://stat-xplore.dwp.gov.uk>

Lynn & West Norfolk over the plan period with the number of homes in the tenure projected to increase by 2,229 households by 2036, a growth of 21.2%. This rate of growth is faster than recorded for the other traditional tenures (owner-occupation, Affordable/Social Rent and Shared Ownership⁷⁰). A breakdown of the growth of households in the tenure projected within the LTBHM model is presented in the figure below.



6.39 The LTBHM modelling indicates that the number of family households living in the tenure is projected to grow at a notably greater rate than single person households and couples without children; at the end of the plan period it is projected that some 43.4% of households in the private rented sector will be families with children.

6.40 There is also anticipated to be a notable growth of 'other' households. In the private rented sector, the majority of 'other' households are people sharing a home either as a single group of friends or by renting a bedroom within a house occupied by other people individually renting out bedrooms. Whilst it is anticipated that the number of people that make their first move into this tenure will increase over the plan period, in continuation of the trend that has already been recorded over the last ten years⁷¹, it is still expected that many of these households will not remain in the tenure for a very long-time and will use it as a stepping stone before acquiring different accommodation.

6.41 The LTBHM model does however anticipate that there will be an increasing number of households that are resident in the private rented sector for a long time, particularly

⁷⁰ Shared Ownership is a relatively new product which is expected to grow at a fast rate as the base stock is so low.

⁷¹ These trends reflect the reduced availability of affordable rented homes for this group and the increasing price of entry-level homes to buy in the Borough as well as changes in expectation amongst younger people of what is a suitable first home for independent life.

households with children. This is partly because, as evidenced in Table 3.7, it takes on average over 10 years for a household living in the private rented sector requiring a three or four bedroom property to save enough money to obtain the deposit on an entry-level house to own. Whilst Affordable Home Ownership products will provide an opportunity for some private rented households to access owner-occupation more easily, there will remain a number of households that are likely to reside in the private rented sector for a long-time. These households, especially those containing children, would potentially benefit of a longer-term tenancy in the sector or at least knowledge of their rental cost over a longer period to provide more security for their situation.

- 6.42 The table below looks at the ability of households in the private rented sector to afford both median and entry-level private rents in King's Lynn & West Norfolk by their current bedroom size. This table shows for example that whilst 33.4% of households in one bedroom accommodation in the private rented sector could not afford a median level one bedroom home, only 17.4% of households in this tenure are unable to afford entry-level accommodation.

Table 6.5 Affordability of private rented households in King's Lynn & West Norfolk			
<i>Number of bedrooms</i>	<i>Number of households</i>	<i>Percentage unable to afford median private rents</i>	<i>Percentage unable to afford entry-level private rents</i>
One bedroom	1,345	33.4%	17.4%
Two bedroom	4,136	49.8%	23.5%
Three bedroom	3,950	55.9%	30.1%
Four or more bedrooms	1,081	73.2%	41.6%

- 6.43 The data suggests that larger private rented homes are less affordable to those that require them. It would therefore be useful for the Council to encourage long-term tenancies to be provided at entry-level rates, particularly for three and four bedroom homes. This would provide affordable and secure accommodation for many families in the Borough who it is anticipated will remain in the tenure for a long period. Although it is hard to model relative affordability accurately across the plan period with certainty, the data indicates that the types of household moving into the tenure in the future will increasingly be those unable to acquire an affordable home (although there will also be a smaller growth in households waiting to access owner-occupation) and the affordability profile in the tenure should decrease with a greater proportion of households requiring financial support to reside in their private rented home.

Local overview

- 6.44 Discussion with local lettings agents⁷² accompanied with analysis of ward-level data was used to generate an overview of the private rented sector in particular localities in the Borough, to understand the current trends affecting the tenure and identify the current pressure points in the market. The data and the letting agents both indicated that the private rented sector is largest and most established in King's Lynn, but there is also a notable amount of this tenure in Downham Market, which has seen more recent growth in the sector.
- 6.45 The majority of private rented demand in the Borough however is in King's Lynn, with concentrations of private rented housing located in the roads around the Queen Elizabeth hospital in the east of the town (where small properties are sought after by hospital workers) and in the town centre around Sir Lewis Street and Cresswell Street (an area often popular with agricultural workers based in King's Lynn). In addition to health and agricultural workers, the other large group driving demand is families relocating to the area, often for business. These households tend to prefer the more suburban style accommodation with bungalows on the edge of the town particularly popular. The letting agents indicated that in Downham Market the demand is more evenly spread across different property types, although family homes close to the schools are always in high demand.
- 6.46 There is demand for all sizes of properties, however four bedroom homes generally sell at a slower rate than smaller homes in King's Lynn as the market for this sized accommodation is smaller. An agent indicated that currently properties that are suitably priced, in good condition and neatly presented are typically rented out within a week, sometimes even quicker. Even properties that are not let quickly are normally rented out within 2-3 weeks, so the demand is still high even for the less popular homes. Another agent however felt that demand for one and two bedroom flats had slowed recently.
- 6.47 Agents commented that the rental market in the Borough is a bit cyclical with demand slowing down in the winter but picking up again in the spring. Part of the increase in demand in spring relates to the time at which new health workers are recruited to the hospital each year, although one agent mentioned that the hospital expanded in June 2019 and there had been a notable uplift in demand from health workers as a consequence. Another agent felt that demand had slowed in the last 18 months, partly in response to Brexit reducing the demand from EU workers with a consequent increase in the number of households on housing benefit trying to access the private rented sector, including those currently classified as homeless.
- 6.48 Agents indicated that there was a range of landlords operating in King's Lynn & West Norfolk, both those with large and small portfolios. There was consensus amongst agents that there were more landlords selling properties than entering the market over the last year and one agent felt that this was due to the uncertainty associated with Brexit. Generally there has been a number of older landlords who have started to sell properties in their portfolio as they move

⁷² A number of letting agents were contacted to discuss the private rented market in King's Lynn & West Norfolk in detail. Town & Country and Belvoir provided a helpful response, however particular thanks must be given to June at Sowerbys' and Paul at Sheridan's for the very detailed answers that they gave.

towards retirement and with the number of new landlords entering the market quite low it has led to a net decrease in the total stock available. As well as the uncertainty with regard to Brexit, the agents felt that landlords were not viewing private rented tenancies as good as an investment as it was in the past. One agent commented that some landlords accustomed to the very high yields typical of the recent past (King's Lynn had one of the highest yields in the country) were thinking of pulling out. The agent clarified that a good yield was still currently available.

Effect of policy changes on the sector

- 6.49 The agents agreed that the tenancy deposit cap of 5 weeks' rent has generally had a positive effect on the market. The fact the deposit is more limited is allowing households to move between properties in the sector more quickly as they don't have to wait as long to save up, this means that market churn is greater, which is generally good and households are better matched to their homes. Another agent noted that the initiative has opened up the sector more to those on lower incomes who would have previously struggled to get the required deposit.
- 6.50 One agent noted that local increases to the level of Council Tax charged on empty properties has meant landlords are very keen to ensure their property is not left vacant, so they let the dwelling more quickly and they are often prepared to lower the rent they charge to ensure it is occupied.
- 6.51 However the banning of letting fees through the Tenant Fees Act last year, was not viewed to have been successful. Whilst the landlord is now meant to pay for the letting fees rather than the tenant, the landlords have just passed it on to the tenant through increases to the monthly rent that is charged.

Future outlook

- 6.52 The agents said that there is typically a lot of demand for private rented accommodation in the Borough from Eastern European workers that work in local agriculture businesses. Some of the agents noted that some of these workers had returned to their country of origin and the demand from this group had reduced, although this had been replaced to an extent by local people on lower incomes.
- 6.53 Another agent felt that the ongoing shortage of affordable homes in the Borough was likely to force more households into the private rented sector, although ideally, they would be more suitably housed in the affordable sector. In the current market it is not always easy for these households to find a home, as a small number of households that were using housing benefit in the sector had caused difficulty and that had meant that some landlords were reluctant to consider this type of tenant in the future even though the vast majority of these households had been good tenants.
- 6.54 One of the agents was concerned about the quality of property available in the sector and hoped the Council would be more vigilant in ensuring that private rented homes in the Borough met suitable condition standards so that the health of tenants was not impacted by the quality of home they lived in.



- 6.55 Whilst there remain private rented households in these areas which transition through the market relatively quickly, there are a notable number of family households that typically rent mid-priced private rented homes for over five years. It is in these locations that the introduction of long-term fairly priced private rented tenancies would be most effective for both meeting a market demand, but also providing opportunity for households to save up for a deposit so that they can eventually access home ownership.

People wishing to build their own homes

- 6.56 It should be noted that the NPPF specifically refers to people *wishing to build or commission their own homes* within the examples cited in paragraph 61. King's Lynn & West Norfolk Council published a *Self-Build & Custom House Building Action Plan* in November 2018.⁷³ This document shows both how the Council will assist individuals or groups in securing development opportunity and support them delivering high quality self-build and custom housing.
- 6.57 Chapter 6 of the report provides details on the self and custom build register that was launched by the Council in April 2016.
- 6.58 As at November 2018 there were 133 individuals interested in self and custom build. Paragraph 6.3 of the report goes on to note *'In terms of the type of self and custom build those on the register are interested in, 80% are interested in detached houses and 50% are interested in detached bungalows. There is limited demand for other types of housing. The majority of households have indicated that they would be interested in building anywhere in the borough. Finally, in terms of plot size, demand covers a wide range of plot sizes with 33% of households are looking for a plot of less than 500sqm (0.12acres), 28% look for between 500sqm (0.12a) and 1000sqm (0.25a) and 33% looking for more than 1000sqm.'*
- 6.59 The Council also commissioned *Custom and Self Build Demand Assessment Framework* which was published in 2018⁷⁴. This report, undertaken by external consultants, models the potential for households in King's Lynn & West Norfolk to develop their own custom or self-build home, by comparing the profile of the local population with national information on the profile of potential custom and self-builders. This modelling estimates that there is an estimated demand for 83 custom & self-build plots per annum in the Borough for next 5 years, which increases to 89 plots per annum between 6 and 15 years into the future. The current supply is estimated to be 50 plots per annum, leading to an annual requirement for around 30 additional plots per year in the next 5 years and 35 additional plots per year in the following ten-year period. It should be noted that these figures cannot be viewed as a maximum as they do not account for households moving into King's Lynn & West Norfolk to undertake self-build.

⁷³ https://www.west-norfolk.gov.uk/info/20079/planning_policy_and_local_plan/721/custom_and_self-build_action_plan

⁷⁴ https://www.west-norfolk.gov.uk/download/downloads/id/5643/csb_demand_assessment_framework_report.pdf

The report does acknowledge that this demand level will have to be further monitored as the data on custom and self-build is relatively new and is still expanding.

- 6.60 This report does go onto suggest that the mix of plot types likely to be required will broadly be *'20% low cost/small plots/terrace style developments; 30% suitable for 3 bed semi/detached homes; 50% suitable for 4 or 5 bed detached homes.'* The report also identifies that within this profile about 8% of these developments will be affordable housing, principally intermediate sale products. Finally, the report suggests that the geography of this demand will be quite even across the Borough with *'a roughly equal split between provision in the South & West and North & East'*.
- 6.61 The PPG suggests that data from the Council's self-build register can be supplemented by information collated on the Self Build Portal⁷⁵. The Self Build Portal presents a limited amount of self-build data at a Local Authority level (it contains more information on the national situation). This source assesses the relative level of self-build demand in each authority in England. King's Lynn & West Norfolk is assessed as having a demand for 95 self-build plots per 100,000 people in 2018. This figure is higher than all the neighbouring authorities – North Norfolk has a demand of 8 self-build properties per 100,000 people, in St Edmundsbury and Forest Heath the figure is 70, in East Cambridgeshire it is 10, in Fenland it is 0 and in South Holland it is 46 (in Breckland there is no data recorded). The Self Build Portal also indicates that there was an increase in the number of people on the self-build register by 46 between 2017 and 2018, a larger figure than is typical; all neighbouring authorities other than Forest Heath recorded growth of under 10 (in Forest Heath 51 people were added to the register between 2017 and 2018).

Conclusion

Older persons

- 6.62 The disaggregated local housing need projections indicate that there will be an increase in the number of households headed by someone over 65 from 24,358 in 2016 to 34,456 in 2036, an increase of 41.5%. The projections indicate that the proportion of older persons living alone in King's Lynn & West Norfolk will decrease from 39.8% in 2016 to 38.8% in 2036.
- 6.63 King's Lynn & West Norfolk Council have therefore commissioned a separate study that identifies the future demand for specialist older person's housing and dementia care housing in the Borough. This report concludes that by 2036 there will be a requirement for 3,261 new units in King's Lynn & West Norfolk.
- 6.64 As well as the need for specialist housing for older people there will also be an additional requirement for Registered Care. Presuming the current occupation rate by age across the area is continued forward, the model indicates there will be an additional 836 spaces will be required over the next 20 years.

⁷⁵ <https://nacsba.org.uk/>

People with disabilities

- 6.65 Data suggests there is a greater incidence of disability in the Borough than average. As at April 2019, some 3.1% of the population in King's Lynn & West Norfolk were in receipt of Personal Independence Payment, compared to 2.5% of the population across the East and 3.1% of the population of England. As at November 2018, some 3.6% of the population in the Borough were in receipt of Attendance Allowance, compared to 2.5% of the population across the East and 2.4% of the population of England.
- 6.66 Modelling indicates that number of those aged 65 or over with a limiting long-term illness that limits them a lot is expected to increase by 47.9% between 2016 and 2036 in the Borough with the number of people aged 65 or over with dementia expected to increase by 62.8% over the same period. The data also suggests that the number of those aged 65 or over that are unable to manage at least one mobility activity on their own will increase by 53.8% between 2016 and 2036.
- 6.67 Norfolk County Council have commissioned a study that has undertaken a detailed analysis of the housing for people with disabilities in the County. This identified that new adapted housing (M4(2) Category 2) is required for an additional 4,306 households between 2016 and 2036 in the Borough.

Family households

- 6.68 The Census indicated that 32.2% of households in King's Lynn & West Norfolk were families with children, a figure lower than the regional figure (36.7%) and the national average (36.0%). Lone parents however are notably more likely than other households to be in both Social Rented and private rented accommodation. Family households with children are also more likely to be overcrowded and less likely to be under-occupied in King's Lynn & West Norfolk.
- 6.69 The disaggregated local housing need projections indicate that the total population of families with children is going to rise from 21,593 in 2016 to 22,757 by 2036 and the proportion of lone parent families within this group will grow from 22.9% in 2016 to 24.5% in 2036.

The private rented sector

- 6.70 The private rented sector is becoming increasingly important in King's Lynn & West Norfolk; it increased by 34.2% in King's Lynn & West Norfolk between 2011 and 2016 – at a greater rate than was recorded regionally and nationally. Analysis shows that not only has the private rented sector expanded, but the households in it have diversified.
- 6.71 In terms of price pressure, the data suggests that the private rented sector is not under atypical pressure in King's Lynn & West Norfolk, as rent levels have risen at a similar level to that recorded nationally over the last five years (and growth is lower than the regional trend).
- 6.72 Some 26.0% of all households in the tenure are in receipt of assistance for their housing costs, a figure higher than the equivalent proportion of households in the sector regionally but lower than the national figure. Further analysis shows that the number of private rented tenants in

receipt of assistance with their housing costs in King's Lynn & West Norfolk has decreased by 12.5% between 2014 and 2019, in comparison to a regional growth of 7.7% and a national fall of 13.7% over the same period.

- 6.73 The LTBHM model set out in Chapter 4 has been used to model the future housing market. This indicates that the private rented sector is likely to grow further in importance in King's Lynn & West Norfolk over the plan period with the number of homes in the tenure projected to increase by 2,229 households by 2036, a growth of 21.2%. This rate of growth is faster than recorded for the other traditional tenures (owner-occupation and affordable/social rent). The number of family households living in the tenure is projected to grow at a notably greater rate than single person households and couples without children; at the end of the plan period it is projected that some 43.4% of households in the private rented sector will be families with children.

People wishing to build their own homes

- 6.74 As at November 2018 there were 133 individuals interested in self and custom build on the Council's register. Modelling undertaken estimates that will be demand for 83 custom & self-build plots per annum in the Borough for next 5 years, which increases 89 plots per annum between 6 and 15 years into the future. The current supply is estimated to be 50 plots per annum, leading to an annual requirement for around 30 additional plots per year in the next 5 years and 35 additional plots per year in the following ten-year period.

7. Conclusions

- 7.1 Chapter 1 considered the geographic context in which the local housing market operates using the latest data on migration patterns and housing market linkages. This analysis concluded that King's Lynn & West Norfolk's most established linkages are those with the neighbours immediately to the west and east of the Borough – Breckland and Fenland. However it is clear that King's Lynn & West Norfolk records a high level of self-containment and the Borough can clearly be viewed as its own housing market, although one with links to neighbouring authorities.
- 7.2 Chapter 2 documented the derivation of the housing need in King's Lynn & West Norfolk following the Standard Method described in the PPG. This indicated that there is a local housing need of 555 each year in King's Lynn & West Norfolk over the plan period.
- 7.3 Chapter 3 examined the cost of housing in the Borough. Whilst market accommodation in King's Lynn & West Norfolk is cheaper than regional equivalents, local incomes are also notably lower meaning the affordability of market housing is a notable problem in the Borough. The analysis of the local housing market indicated that there is a notable gap between the cost of Affordable Rent and market rent which could potentially be filled by intermediate products. There is also a large gap between entry-level market rent and entry-level home ownership which could be addressed by Affordable Home Ownership options. It is important to note that the suitability of these intermediate and sub-market products to meet housing need to the extent identified in the report is contingent on them being priced at the levels set out in Chapter 3. In addition, in areas within the Borough where values are significantly higher than have been assumed in the Borough-wide modelling, adjustments to the intermediate products may be necessary to ensure that they remain affordable, as discussed in paragraph 3.42.
- 7.4 The report has presented two main models, the Long Term Balancing Housing Markets (LTBHM) model (Chapter 4), which disaggregates the Standard Method local housing need calculations to identify the tenure and size of housing that should be sought over the plan period to best accommodate the future population, and the affordable housing need model (Chapter 5), an unconstrained estimate of the amount of affordable housing required. The affordable housing need figure is calculated in isolation from the rest of the housing market and is only used to indicate whether the Standard Method local housing need figure should be increased. On completion of the calculation of the need for affordable housing paragraph 024 (Reference ID: 2a-024-20190220) of the PPG says:

The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments. An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.

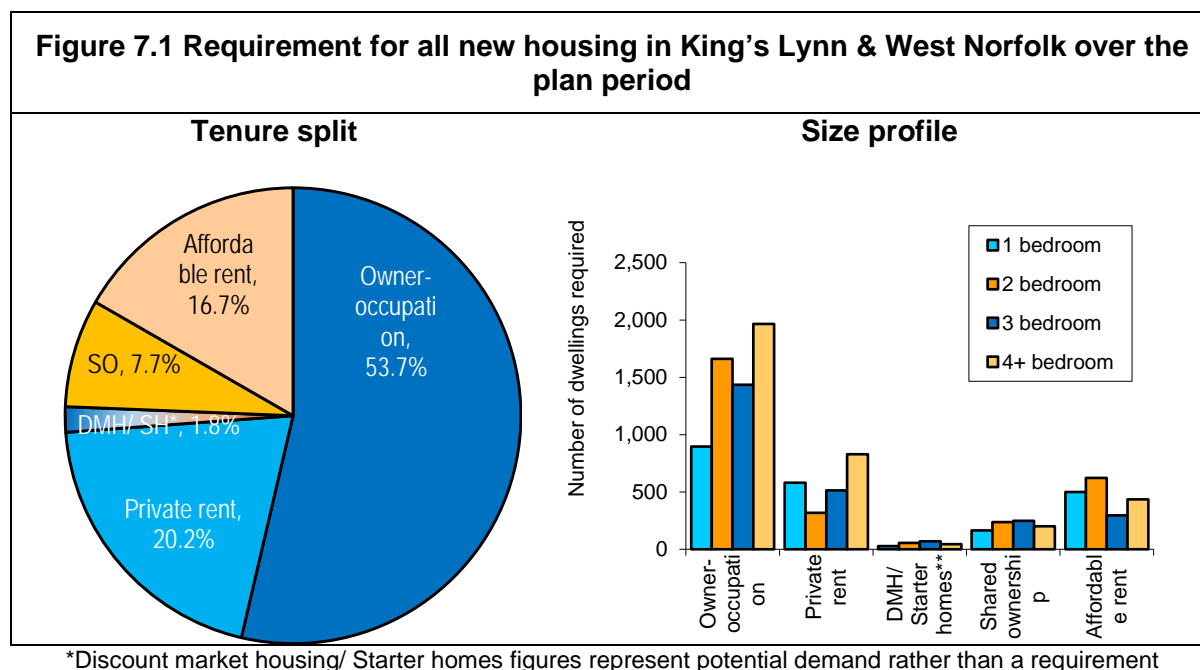
- 7.5 Planning Authorities should consider whether the housing target in the Local Plans should be increased to assist with meeting the need for affordable housing. Once this has been established, the future mix of all housing required over the plan period should be identified. In accordance with paragraph 017 of the PPG, this is derived using a separate approach.
- 7.6 The total annual affordable housing need in King's Lynn & West Norfolk of 202 per year (as set out in Chapter 5) represents 36.4% of the annual dwelling growth of 555 in the Borough as assessed using the Standard Method. This proportion of new housing as affordable appears potentially challenging to deliver in King's Lynn & West Norfolk and the Council may want to consider uplifting the Local Housing Need identified by the Standard Method.
- 7.7 To determine the size and tenure of the new housing required within the Standard Method local housing need to accord with paragraph 017 of the PPG, the LTBHM model outputs are used (the change required between 2016 and 2036). This model provides the profile of housing appropriate to meet the population over the plan period and is directly derived from the calculations used to determine the Standard Method local housing need. In comparison, it is not appropriate to base the recommended housing mix on the results of the affordable housing need model as this is an unconstrained figure with the sole purpose of determining whether an uplift to the Standard Method local housing need is required – it does not form a component of the Standard Method local housing need calculations. This also means that the proportion of new affordable housing required is determined from the LTBHM model, the figure derived from the affordable housing needs model (set out in paragraph 7.6 above), is produced solely to inform the consideration of uplifting the Standard Method local housing need.
- 7.8 Before the suggested housing mix is presented, it is necessary to convert the household totals presented in Chapter 4 to dwelling figures by applying the vacancy⁷⁶ rate of 8.50% (the difference between the household growth total of 508 per year between 2016 and 2036 and the total Standard Method local housing need for King's Lynn & West Norfolk over the plan period of 555 per year).
- 7.9 Figure 7.1 sets out the size and tenure requirement for the 11,100 dwellings (555 per annum) required over the plan period (between 2016 and 2036). The Housing White Paper, published in February 2017, proposes that Local Authorities should '*deliver starter homes as part of a mixed package of affordable housing that can respond to local needs and local markets*'. There is no mandatory requirement for a proportion of all new dwellings to be Starter Homes, however paragraph 64 of the NPPF sets out a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units, but this can include Shared Ownership homes and discounted market sales products as well as Starter Homes.
- 7.10 The White Paper is also clear that there will be an expectation for Local Authorities to also provide Affordable Rented accommodation where this meets the identified needs. We have therefore provided a further distinction within the proposed housing mix to include the potential demand for discount market housing/ Starter Homes (which reduces the requirement for

⁷⁶ See footnote 48 for the derivation of this figure.



private rented accommodation as they are providing an affordable home ownership opportunity for those that would otherwise reside in this tenure rather than meeting the same housing need that is addressed through Shared Ownership and Affordable Rented products).

- 7.11 The overall requirement for 16.7% of housing to be Affordable Rented and 9.5% affordable home ownership (of which 7.7% could be Shared Ownership⁷⁷ and 1.8% discount market housing/ Starter Homes⁷⁸) reflects the mix of housing that would best address the needs of the local population. It does not take into account the funding that will be available to help provide subsidised housing and it is acknowledged that current funding stream priorities mean that it may be easier to deliver intermediate housing rather than Affordable Rent.
- 7.12 The profile set out is a guide to the overall mix of accommodation required in the Borough although it is acknowledged that the Council may wish to divert away from this profile in particular instances. It should also be noted that the potential demand for discount market housing/ Starter Homes is less robustly evidenced than for the other tenures and should therefore be treated with caution.



- 7.13 Chapter 6 considered the housing requirement of particular groups of the population. Paragraph 006 (Reference ID: 63-006-20190626) notes that '*Plan-making authorities should set clear policies to address the housing needs of groups with particular needs such as older and disabled people.... They could also provide indicative figures or a range for the number of*

⁷⁷ Shared Ownership refers to the version with a 25% equity share as this has been evidenced to cost less than market entry housing in Chapter 3.

⁷⁸ The **DMH/SH** Discount market housing/ Starter Homes figure represents a potential demand rather than a requirement and is derived from Table 4.9.

units of specialist housing for older people needed across the plan area throughout the plan period.'

- 7.14 In terms of specialist dwellings for older persons (Class C3), it is evidenced that in King's Lynn & West Norfolk an additional 2,948 additional specialist units should be provided through to 2041, consisting of 1,839 units of sheltered housing, 1,009 units of extracare and enhanced sheltered housing, and 100 units of dementia care housing. Chapter 6 also identifies that there will be an additional 836 Registered Care spaces (nursing and residential care homes) will be required over the next 20 years in King's Lynn & West Norfolk (C2). This additional accommodation is required to meet the future institutional population and therefore does not form part of the new housing to meet the Standard Method local housing need.
- 7.15 In addition, it is calculated that new adapted housing (M4(2) Category 2) is required for an additional 4,306 households between 2016 and 2036 in the Borough. It is important to state that when considering the requirement for Accessible and Adaptable homes, it is not possible to move those in need to the specific properties designed to meet their need. The most effective way to overcome this is to ensure there is a broad choice of homes.

Appendix 1. Summary of stakeholder consultation

Introduction

This appendix describes the stakeholder consultation event that was conducted during the production of this report. This appendix details the consultation process – who was contacted and the nature of the consultation. It also describes the event that took place, including what was discussed.

Stakeholder workshop

A consultation event on the draft report findings, took place on 8th August 2019. A wide breadth and number of organisations were invited to attend to observe the preliminary outputs of the study and to discuss the methodological assumptions used to derive the estimates. In total over 40 different organisations were invited including developers, Registered Providers and planning professionals. In total, 17 different stakeholders attended the event. A full list of those that attended the stakeholder event is set out in Table A1.1. Representatives of housing and planning from King's Lynn & West Norfolk Borough Council were also present.

The event was a presentation of the relevant national guidance which provides the framework for the study, an overview of the purpose of the report and the two main models used to obtain the outputs, the assumptions used within the models (principally focusing on the affordable housing need model), and the initial study-wide outputs that had been derived. Questions were encouraged throughout and a few topics identified for more in depth discussion –the growth of the private rented sector, the appropriate affordability threshold to use, how to deal with single people under 35 potentially in housing need and the requirement for accommodation to meet the lifetime home standard.

Table A1.1 List of attendees to the stakeholder event	
<i>Name</i>	<i>Organisation</i>
Alistair Beales	Gayton Estate
Julian Kerkham	
Graham Woodcock	
James Bracey	Holkham Estates
David Mead	Partners in Planning & Architecture
Richard Shuldman	Savills
Peter Wales	
Emily O'Sullivan	Persimmon
Tim Slater	on behalf of Peter Humphrey
Mr & Mrs Carter	
Michael & Elizabeth Dix	
Kerry Smith	Bennett Homes
Peter Gidney	
Karen Taylor & David Frost	
Mark Mann	Larkfleet
John, Maxine & Colin Kidman	
Steve Holtz	Head of Development, Freebridge

A summary of the discussion that took place at the event is presented below:

The price of housing locally

HDH: Presented figures setting out the entry-level and median price of homes in the Borough both to buy and to rent privately.

Q: Where have the house prices been sourced?

HDH: They have been obtained from an online property sites, such as Rightmove. The prices will be compared to the latest data from Hometrack that the Council will be providing us access to.

Q: Have you taken into account footprints instead of number of bedrooms?

HDH: The prices were based on number of bedrooms rather than floor area of the property, however it was ensured that the bedrooms advertised are of a substantial size.

Q: Some parts of the borough are particularly expensive, have these figures been mixed together bringing out an average?

HDH: Yes, our approach is to assesses the borough-wide figure as this addresses what is required by the guidance.

The calculation of the Local Housing Need

HDH: Set out the process and data sources used to calculate the Local Housing Need and also the process by which the figure is disaggregated so that the profile of the future population can be detailed to enable the type and tenure of future housing required to be modelled.

Q: You've used both 2014 projections and 2016 data, what would happen if the 2014 data were to be applied instead?

HDH: The government have made it clear we have to use the 2014 to calculate the overall figure. The 2016 data is the most up to date data available and is therefore deemed to be the most appropriate data to use for disaggregating the overall figure into the population profile, which is in turn used to identify the different tenures and sizes of new housing required. The approach we have used therefore accords with the recommended approach. If the 2014 data was used for the second element, the difference would be marginal.

The models used

HDH: Described the approach used to calculate the figures and affordable housing needs model and the different purpose they serve when compared with the LTBHM model.

Q: Is the total annual affordable housing need figure (189) a component of the Local Housing Need of 555?

HDH: The two models are quite different and serve different purposes. The figures are not calculated using the same method or data sources and do not relate in a logical way.

Q: The figures suggest the affordable housing percentage will rise as a result of this, bringing viability issues or the overall requirement of 555 needs to be increased

HDH: That hasn't been discussed and is not something we've looked at. The viability of the affordable housing target set by the Council will be considered at a later stage in the Local Plan process.

Affordability threshold

HDH: It is presumed in the calculation of the affordable housing need model that 35% of gross income can be spent on housing as this is what is indicated in the market. Does this ring true with the audience?

Everyone agreed that 35% was a suitable figure to use in the King's Lynn & West Norfolk housing market.

Single people under 35

HDH: The calculation assumes that single people under 35 can be suitably housed in the market in shared accommodation (a room in a shared house), rather than requiring a one bedroom home. This is what the LHA regulations imply and appears the market norm in King's Lynn & West Norfolk.

Everyone agreed that this was a suitable approach.

Intermediate housing

Q: Where do low cost home ownership products come into this?

HDH: We will be testing discount market sales and other products as part of the report.

Specialist housing

HDH: Advised that these may change in the redrafting of the report because the current situation profiled was a best estimate that needed to be verified.

Q: Do we know what the actual need for housing for older people today is?

HDH: Not in detail as this hasn't been accurately assessed by the appropriate agencies, but it would be useful to look at.

Stakeholder event - written consultation

A copy of the slides used in the presentation was sent to all the attendees, as well as those originally invited that were unable to attend. All recipients were encouraged to feedback their views. The deadline for the consultation responses was 23rd August (over a two-week period). The only response received was from John Maxey's comments are on the way, a local agent. These were reviewed and taken onboard as this report was further developed.

Appendix 2. Details of the NMSS model

Overview

The NMSS model is an Excel spreadsheet model which seeks to replicate as closely as is reasonably practicable the methods used by MHCLG and ONS in producing the official population and household projections. It was developed by Neil McDonald to support local authorities and others in estimating objectively assessed housing needs. It has been widely used in Local Plan preparation; Local Plan examinations; and S78 planning appeals and inspectors have been happy to rely on its conclusions.

The model takes as its starting point a set of official projections – currently either the 2014 or 2016-based projections. It is a 'stepping model' which means it takes one year's population figures and estimates of births, deaths and migration flows in the ensuing 12-month period to produce an estimate of the following year's population. That process is then repeated year by year until the end of the projection period is reached.

The estimates of births, deaths and migration flows are based on flow rates derived from official projections and these can be adjusted to produce variant projections. The flow rates are applied to the previous year's population which means that if the model is being used to explore, say, the consequences of assuming higher outflows of students than envisaged in the official projections, the impact this will have on births, deaths and migration flows is automatically taken into account.

HDH Planning and Development Ltd is a specialist planning consultancy providing evidence to support planning authorities, land-owners and developers. The firm is regulated by the RICS.

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- District wide and site specific Viability Analysis
- Local and Strategic Housing Market Assessments and Housing Needs Assessments

HDH Planning and Development have clients throughout England and Wales.

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