

# Stoke Ferry Housing Needs Assessment (HNA)

November 2020

## Quality information

**Prepared by**

Amani Bhobe  
Graduate Social Consultant

**Checked by**

Kerry Parr  
Associate Director

**Approved by**

Kerry Parr  
Associate Director

## Revision History

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**Prepared for:**

Stoke Ferry Neighbourhood Group

**Prepared by:**

AECOM

Aldgate Tower  
2 Leman Street  
London  
E1 8FA  
aecom.com

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## Table of Contents

1.	Executive Summary .....	7
2.	Context .....	9
	2.1 Local context .....	9
	2.2 Planning policy context .....	11
	2.2.1 Policies in the adopted local plan .....	11
	2.2.2 Quantity of housing to provide .....	12
3.	Approach .....	13
	3.1 Research Questions .....	13
	3.1.1 Tenure and Affordability .....	13
	3.1.2 Type and Size .....	13
	3.2 Relevant Data .....	13
	3.2.1 Local authority evidence base .....	13
	3.2.2 Other relevant data .....	13
4.	RQ 1: Tenure, Affordability and the Need for Affordable Housing .....	15
	4.1 Introduction .....	15
	4.2 Definitions .....	15
	4.3 Current tenure profile .....	15
	4.4 Affordability .....	16
	4.4.1 House prices .....	17
	4.4.2 Income .....	18
	4.4.3 Affordability Thresholds .....	19
	4.5 Affordable housing- quantity needed .....	24
	4.5.1 Affordable Housing Policies in Stoke Ferry .....	25
	4.6 Conclusions- Tenure and Affordability .....	29
5.	RQ 2: Type and Size .....	31
	5.1 Introduction .....	31
	5.2 Existing types and sizes .....	31
	5.2.1 Background and definitions .....	31
	5.2.2 Dwelling type .....	32
	5.2.3 Dwelling size .....	32
	5.3 Household composition and age structure .....	36
	5.3.1 Age structure .....	36
	5.3.2 Household composition .....	37
	5.4 Dwelling mix determined by life-stage modelling .....	39
	5.5 Conclusions- Type and Size .....	42
6.	Conclusions .....	43
	6.1 Overview .....	43
	6.2 Recommendations for next steps .....	44
	Appendix A : Calculation of Affordability Thresholds .....	46
	A.1 Assessment geography .....	46
	A.2 Market housing .....	46
	i) Market sales .....	47
	ii) Private Rented Sector (PRS) .....	47
	A.3 Affordable Housing .....	48
	i) Social rent .....	48
	ii) Affordable rent .....	48
	iii) Intermediate tenures .....	49

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Stoke Ferry Neighbourhood Plan Housing Needs Assessment

	5
Appendix B : Housing Needs Assessment Glossary .....	50

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

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

# 1. Executive Summary

## 1.1 Tenure and Affordability

1. In terms of the current tenure profile of the neighbourhood, 71.4% of households in the neighbourhood area own their own homes. 10.2% of the NA's residents rent privately on the market while 16.4% live in social rented homes. There is no shared ownership in the neighbourhood area. Between 2001-2011, there was an increase in both home ownership and private renting. However, the amount of social rented housing remained flat.
2. In terms of house prices, between 2010-2019, mean prices increased by 1.2%, median prices increased by 26.5% and LQ prices increased by 24.5%.
3. In terms of house prices by type, the price for terraced homes increased by 16.9% over the time period, which was the only increase over the period. The price for detached homes decreased by -0.8% between 2001-2011, while the price of semi-detached homes decreased by 6.3% over the same period. Together, this contributed to an overall (mean) average growth of just 1.2% over the period.
4. By benchmarking the incomes required to afford the different tenures in the neighbourhood area, we determined the following:
  - Households need an income of around £42,429 to be able to afford to buy an entry level property on the open market. This is slightly above average incomes within Stoke Ferry (£41,200). The gap between the cost of market renting and home ownership is relatively narrow, affecting those with incomes of between £35,080 and £42,429. Affordable routes to home ownership may be suitable to this group of households.
  - It appears that both discounted market sales (with a discount of 30-40%) and shared ownership (25%-50% share) would extend home ownership to those on average incomes. However, none of the affordable home ownership options aside from shared ownership (25% share) can extend home ownership to those on LQ incomes, even where there might be two members earning.
  - Rent to Buy products allow households to access discounted market rents whilst they save for a deposit with the option to purchase their property within a defined time period. This product can help households with modest incomes, who may be able to afford a mortgage, but who do not have sufficient savings for a deposit. The income required to access Rent to Buy is the same as that required to afford market rents. In this case, this income required to access entry level rents is £35,080. Given entry level rents are affordable to those on mean incomes, Rent to Buy is likely to be a suitable option for those on average incomes who wish to access home ownership. However, given average rents are not affordable to households on LQ incomes, even with two earners, Rent to Buy is still not enough for LQ income households, who are likely to require affordable rented provision.
  - It is clear that those on lower quartile earnings can afford affordable rent and social rent, but only where there are two members earning or with additional subsidy. For lower earning households, the provision of social and affordable rented tenures should be prioritised.
5. It is estimated there will be a need for 40 affordable homes for sale and 28 affordable homes for rent over the plan period. Based on the evidence in this report and other policy considerations, we recommend a tenure split of 70/30. This follows the council's suggested 70/30 split, bearing in mind that given the affordable housing target is set at 20%, 50% of all affordable housing delivered might have to be delivered in the form of affordable home ownership products.
6. Two indicative tenure mixes have been provided, which could serve as a guideline for the breakdown of Affordable Housing tenures in Stoke Ferry based on the evidence and other considerations the LPA's proposed mix of 70% rented and 30% affordable home ownership would seem appropriate. Mix 1 (indicative mix based on local needs) proposes that 70% of affordable homes be provided as rented tenures, and the remaining 30% delivered as affordable routes to home ownership. Mix 2 (indicative mix with 25% First Homes requirement) proposes that 25% is delivered as First Homes with a further 5% as shared ownership and 70% as social/affordable rented. This aligns with the direction of proposed national policy, which includes a mandated minimum level of delivery of the Government's new First Homes affordable home ownership product.

## 1.2 Type and Size

7. This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site-specific factors which may justify a particular dwelling mix.
8. In terms of dwelling type, the 2011 Census shows that there were 440 households in Stoke Ferry, living in 252 detached houses, 163 semi-detached, 53 terraced houses, and 14 flats. Thus, Stoke Ferry has a high share of detached homes and that there are relatively few flats or apartments located in the neighbourhood area.
9. The housing stock in Stoke Ferry is characterised by a relatively higher percentage of medium-large size homes.
10. The 2011 Census data reveals that a majority of Stoke Ferry's housing stock consists of dwellings with three-bedrooms (42.5%). Stoke Ferry also has a high share of dwellings with two-bedrooms (32.7%).
11. In terms of demographics, 2011 Census data reveals that Stoke Ferry has an older bias to the population. Compared to King's Lynn and West Norfolk, Stoke Ferry has a relatively lower proportion of people between the ages of 0-44, and a relatively higher proportion of people between the ages of 45-84. Approximately 54% of Stoke Ferry's population is over the age of 45, which is higher than the share of people in the same age group in both wider geographies.
12. In terms of household composition, our analysis found that the largest groups of households in of Stoke Ferry are couples without children, including older couples. There are also large numbers of households with grown up children. Over the period 2001-2011, the number of families with dependent children declined in the area, consistent with the ageing of the population.
13. The result of a life-stage modelling process suggests that by 2036, the size distribution of dwellings should be focused on delivering more three-bedroom homes as a priority but with reasonable proportions of 1,2 and 4 bed homes. Since the NP group is interested in exploring whether bungalows could be provided as suitable accommodation for older people as well as three-four bedroom homes for families, the size mix implied by the analysis would appear to support the suggested sizemix, though it does not confirm whether these type or sizes of homes can be delivered viably.

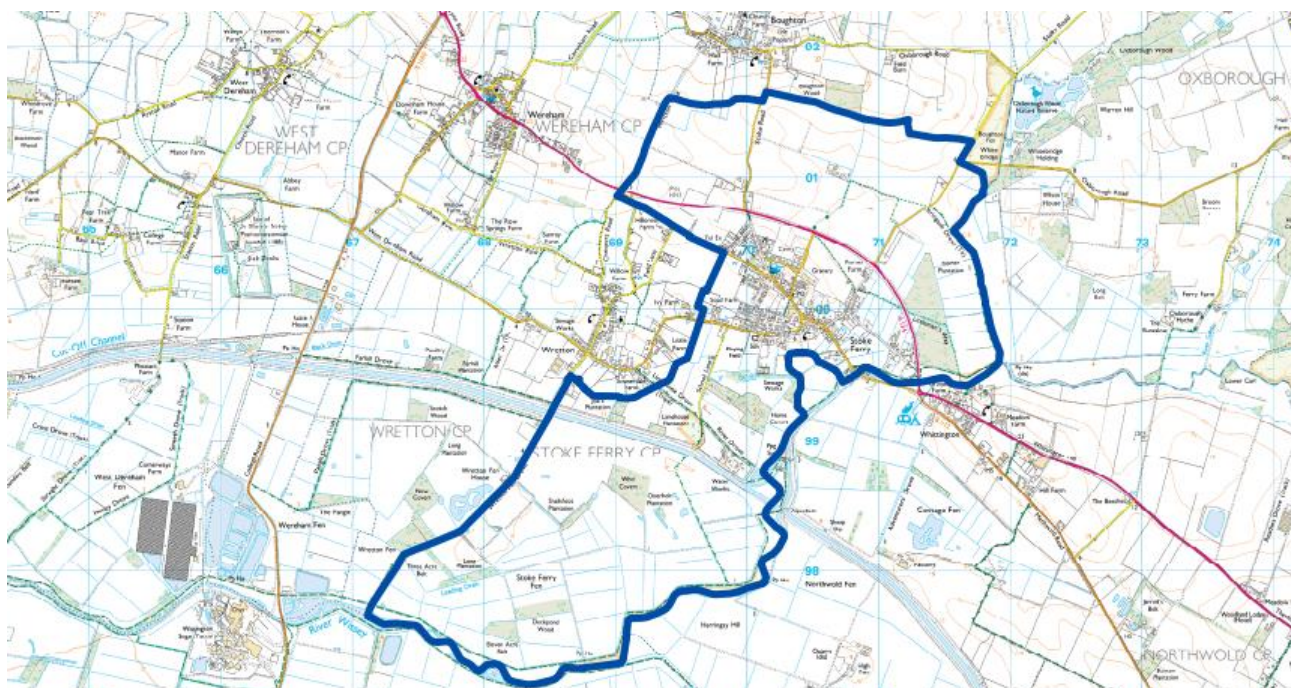


## 2. Context

### 2.1 Local context

15. Stoke Ferry is a Neighbourhood Plan area located in King's Lynn and West Norfolk, in the East of England. The Neighbourhood Area (NA) boundary follows the Parish boundary and was designated on the 24<sup>th</sup> of October 2018. The planning period comprises 19 years, and runs from 2021-2040.
16. The parish of Stoke Ferry lies in the county of Norfolk, south-east of Downham Market. The village is located close to the River Wissey, also known as the River Stoke, which connects with the Cut off Channel as well as the River Great Ouse. Stoke Ferry has a long and rich history and is especially known for its description in the Domesday Book of 1086.
17. In the Domesday Book, Stoke Ferry was described as a settlement in Clackclose and the county of Norfolk. The Book reported a recorded population of 45.5 households in 1086, therefore making it the largest 20% of settlements recorded in Domesday and is listed under 4 owners in Domesday Book<sup>1</sup>.
18. In terms of the spatial context, the neighbourhood area has 22 listed buildings including Grade II and II\* listed building, and several conservation areas. Major transport routes include the A134 which is a by-pass that connects the village to neighbouring areas, as well as the B1112, which can be accessed through the A134.
19. The statistics show that in the 2011 Census the Neighbourhood Plan area had a total of 1020 residents.
20. A map of the NA appears below in Figure 2.1. A map of the NA selected for Census data gathering purposes appears in Figure 2-2.

**Figure 2-1: Map of the Stoke Ferry Neighbourhood Plan area<sup>2</sup>**

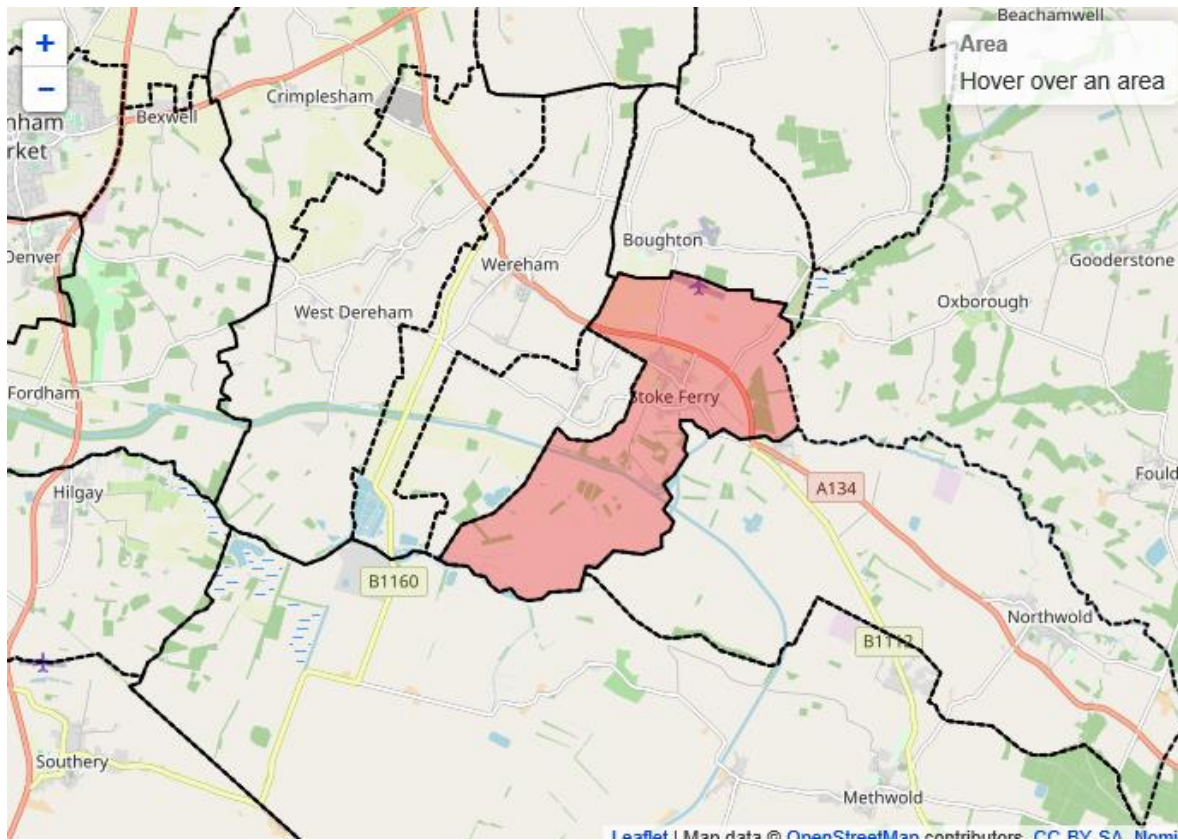


21. The neighbourhood planners are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

<sup>1</sup> Available at <https://opendomesday.org/place/TL7099/stoke-ferry/>

<sup>2</sup> Available at [https://www.west-norfolk.gov.uk/downloads/download/69/neighbourhood\\_plans\\_being\\_prepared](https://www.west-norfolk.gov.uk/downloads/download/69/neighbourhood_plans_being_prepared)

Figure 2-2: Map of Stoke Ferry NA for Census Data Gathering Purposes<sup>3</sup>



<sup>3</sup> Available at <https://www.nomisweb.co.uk/query/construct/components/stdListComponent.asp?menuopt=12&subcomp=100>

## 2.2 Planning policy context

22. In line with the Basic Conditions<sup>4</sup> of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies.<sup>5</sup> Consequently, the relevant elements of the Local Plan are reviewed as part of this Housing Needs Assessment (HNA).
23. In the case of Stoke Ferry, the relevant local planning context is as follows:
24. The Stoke Ferry Neighbourhood Plan is being developed in line with the review of the King's Lynn's and West Norfolk Local Plan. Following adoption of the Core Strategy in 2011 and the Development Management Plan in 2016 a review process began in 2019, as part of the requirement of the latest National Planning Practice Guidance that requires local planning authorities to complete a review of the plan document every 5 years. This review process provides the opportunity to update any of the plan's policies, in line with changes to local context or to national policy. This review process combines the two document and updates them to the 2036 ideal position. Both the adopted plan as well as any updated policies have been reviewed in the section below.

### 2.2.1 Policies in the adopted local plan<sup>6</sup>

**Table 2-2: Summary of King's Lynn and West Norfolk adopted policies having relevance to Stoke Ferry Neighbourhood Plan Housing Needs Assessment**

Policy	Source	Provisions
Policy CS08 – Housing Distribution	Core Strategy, 2011	This policy states that the local plan will identify sufficient land for a minimum of 16,500 new dwellings to be delivered across the Borough between 2001 to 2026. It further states the distribution of these dwellings across each area. The plan further qualifies Stoke Ferry as a 'key rural service centre'. The number of houses to be delivered within Key Rural Services Centres is at least 2,880 dwellings.
Policy DM3 – Development in Smaller Villages and Hamlets	Site Allocation and Development Policies Management Plan, 2016	The policy sets out the types of development that will be permitted in rural areas.
Policy DM4 – Houses in Multiple Occupation	Site Allocation and Development Policies Management Plan, 2016	This policy sets forth the conditions that might be required for the conversion of existing dwellings to and new development of properties for multiple occupation to be permitted.
Policy DM 5 – Enlargement or Replacement of Dwellings in the Countryside	Site Allocation and Development Policies Management Plan, 2016	This policy sets out the conditions that proposals for replacement dwellings or extensions to existing dwellings will be required to meet. The policy states that only those proposals where the design is of a high quality and/or proposal that will preserve the character or appearance of the street scene or overall area will be approved.
Policy LP01 – Spatial Strategy	Local Plan Review, 2019	This strategic overarching policy summaries the development prioritises for the Borough, including setting out development strategies for rural area. It notes the housing need requirements for different areas, including Smaller Villages and Hamlets.

<sup>4</sup> Available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

<sup>5</sup> However, this does not affect the potential for the evidence base underpinning the emerging local plan to inform or form part of the evidence base for the neighbourhood plan.

<sup>6</sup> Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

Policy	Source	Provisions
Policy LP25 – Housing	Local Plan Review, 2019	The policy sets out the Borough’s approach to housing size, tenure and type. It sets out the required affordable housing provision as a percentage which varies depending on the location of the site: 15% in King’s Lynn and 20% elsewhere in the authority area. In Stoke Ferry, the policy in relation to Affordable Housing delivery requires 20% of all new homes on sites of 5 dwellings or more to be delivered as Affordable Housing.  Furthermore, this policy provides the required tenure mix between rented to shared ownership which is stated to be 70:30 across the Borough.
Policy LP29 – Housing needs for rural works	Local Plan Review 2019	This policy seeks to ensure that there is sufficient housing infrastructure to support the rural economy workers. The policy provides guidance for the development of permanent, temporary and existing occupation dwellings.

### 2.2.2 Quantity of housing to provide

25. The NPPF 2019 requires, through paragraphs 65 and 66, Local Authorities to provide neighbourhood groups with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
26. King’s Lynn and West Norfolk has fulfilled that requirement by providing Stoke Ferry with a figure of 60 dwellings to be accommodated within the Neighbourhood Plan area by the end of the Plan period.<sup>7</sup>
27. Given that the NPPF requirement has already been fulfilled, the question of how many houses to plan for has been answered. It is therefore outside the scope of this Housing Needs Assessment. The issue of quantity has been excluded from the Research Questions (see Chapter 3 below).
28. Note that the Government’s August 2020 consultation proposals for ‘Changes to the current planning system’ include a temporary measure to lift the small sites threshold. This would mean that on sites of up to 40 or 50 units, developers would not need to contribute to Affordable Housing. The purpose of this time-limited change (its duration is currently unknown) is to support small housebuilders as the economy recovers from the impact of Covid-19.
29. It is important to note here because the housing requirement for Stoke Ferry is only slightly higher than the number of dwellings that would need to be delivered on a single site in order for Affordable Housing contributions to be required. It is therefore only likely that Affordable Housing will be built on normal development sites in the NA if more than 40 or 50 dwellings are planned for any single site (while this temporary change applies). Turning to the known housing allocations for Stoke Ferry, this is not likely to be the case if those allocations are built out during the period of this temporary change.
30. When the temporary period ends, the Affordable Housing requirement in the NA will revert to the relevant adopted Local Plan policy, which, in this case, requires Affordable Housing contributions on sites of 5 or more dwellings. It is also important to note that this temporary change does not impact sites allocated solely for Affordable Housing, or any Affordable Housing exception sites allocated in the Local or Neighbourhood Plan. Finally, given that the Stoke Ferry Neighbourhood Plan is yet to be made, it is possible that the temporary period will have already elapsed by the time that it comes into force. The neighborhood planners are advised to take note of this proposal as it evolves through the consultation process.

<sup>7</sup> As confirmed in a phone conversation with the NA, August 2020.



## 3. Approach

### 3.1 Research Questions

31. Research Questions abbreviated to 'RQ;' are formulated at the start of the project through discussion with the neighbourhood group. They serve to direct the research and provide the structure for the HNA.
32. The RQs relevant to this study, as discussed and agreed with Stoke Ferry, are set out below.

#### 3.1.1 Tenure and Affordability

33. The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
34. This evidence will allow Stoke Ferry to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

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

#### 3.1.2 Type and Size

35. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community.
36. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.

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

## 3.2 Relevant Data

### 3.2.1 Local authority evidence base

37. It is appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As Stoke Ferry Neighbourhood Area is located within King's Lynn and West Norfolk's planning area, we therefore turned to the relevant Strategic Housing Market Assessment (SHMA) which is known as the King's Lynn and West Norfolk Strategic Housing Market Assessment<sup>8</sup>. The SHMA was first conducted in June 2014 and then updated in March 2020. Both reports have been used in this HNA, as appropriate.
38. For the purpose of this HNA, data from King's Lynn and West Norfolk's own evidence base to support their housing policies has been considered applicable and relevant unless it conflicts with more locally specific and/or more recently-produced evidence. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the Neighbourhood Plan area and has been referenced as appropriate.

### 3.2.2 Other relevant data

39. In addition to the King's Lynn and West Norfolk evidence base, we have assessed other evidence to ensure our study is robust for the purposes of developing policy at the NP level and is locally specific. This includes data from both Census 2001 and 2011, as well as from a wide range of other data sources, including:
  - Land Registry data on prices paid for housing within the local market;
  - Population and household projections produced by the Office of National Statistics (ONS);

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<sup>8</sup> Available at: [https://www.west-norfolk.gov.uk/downloads/download/305/shma\\_document](https://www.west-norfolk.gov.uk/downloads/download/305/shma_document)

- Information on current property asking prices, for housing for sale or rent, from [home.co.uk](https://www.home.co.uk);
- Valuation Office Agency (VOA) data on local housing stock by dwelling type;

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

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

### 4.1 Introduction

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

### 4.2 Definitions

41. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
42. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, with capital letters, to denote those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms products designed to offer affordable routes to home ownership.<sup>10</sup>
43. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership (broadening a definition which had previously referred only to social and intermediate housing to include a range of low-cost housing opportunities for those aspiring to own a home). The Government has recently proposed to introduce First Homes to provide at least a 30% discount on new market housing for sale. However, the NPPF and Homes England funding for Affordable Housing recognises the important role of affordable rent tenures for those unable to afford home ownership.

### 4.3 Current tenure profile

44. The current tenure pattern is a key characteristic of the local neighbourhood area. Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing. Table 4-1 below presents Census data from 2011; this table shows the distribution of how households occupy their homes within Stoke Ferry, compared to the rest of and England.
45. In terms of the current tenure profile of the neighbourhood, 71.4% of neighbourhood area own their own homes. 10.2% of the NA's residents rent privately on the market while 16.4% of live in social rented homes. There is no shared ownership in the neighbourhood area (as recorded in 2011).
46. In absolute terms, in Stoke Ferry, 314 households live in their own homes, 72 households live in social rented housing and 45 households live in private rented housing.
47. Comparing Stoke Ferry's profile to its wider geographies, it is evident that Stoke Ferry has the highest proportion of individuals that own their homes outright. Furthermore, Stoke Ferry also has a higher share of social rent as compared to England, but a lower percentage share than King's Lynn and West Norfolk. Finally, Stoke Ferry has the lowest share of private rent compared to its wider geographies. This is fairly typical for villages and more rural areas.

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

<sup>10</sup> NPPF 2019.

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

Tenure	Stoke Ferry	King's Lynn and West Norfolk	England
Owned; total	71.4%	69.4%	63.3%
Shared ownership	0.0%	0.4%	0.8%
Social rented; total	16.4%	13.3%	17.7%
Private rented; total	10.2%	14.7%	16.8%

Sources: Census 2011, AECOM Calculations

48. In Table 4-2, we note the changes in tenure during the intercensal period. Between 2001-2011, the major changes were as follows:
- There was a 30.3% increase in home ownership between 2001-2011. The number of homes owned outright increased from 241 to 314 over the time period. This was a higher rate of change than observed in the LPA and England.
  - There was no change in shared ownership and social rent over the time period. In Stoke Ferry's comparator geographies, the amount of shared ownership increased both regionally and nationally over the time period, and the amount of social rent decreased over the same period.
  - The share of private rent increased by 60.7% over the time period, which is relatively lower than the changes seen regionally and nationally. In Stoke Ferry, private rent increased from 28 dwellings in 2001 to 45 in 2011.

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

Tenure	Stoke Ferry	King's Lynn and West Norfolk	England
Owned; total	30.3%	4.9%	-0.6%
Shared ownership	0.0%	95.0%	30.0%
Social rented; total	0.0%	-2.6%	-0.9%
Private rented; total	60.7%	96.2%	82.4%

Sources: Censuses 2001 and 2011, AECOM Calculations

## 4.4 Affordability

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

### 4.4.1 SHMA Findings

51. The Stoke Ferry Neighbourhood Area is located within King's Lynn and West Norfolk's planning area. To gain a better understanding of the tenure and affordability issues within the Borough, we turned to the relevant Strategic Housing Market Assessment (SHMA) which is known as the King's Lynn and West Norfolk Strategic Housing Market Assessment (2014). We have also reviewed the SHMA Draft (2019). Key messages that relate directly to the Tenure and Affordability theme follow:
- The 2020 update to the SHMA found that there were 2,783 households in King's Lynn and West Norfolk (4.3% of all households in the Borough) that live in either unsuitable housing or lacked their own housing. The research found the most common reason for unsuitability to be overcrowding.
  - In July 2019, there were 129 households on the Housing Register across King's Lynn and West Norfolk.
  - The SHMA also found that 369 households across the Borough would fall into need every year.
  - In terms of affordability across the Borough, the SHMA found that of the 690 households in need each year, "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."

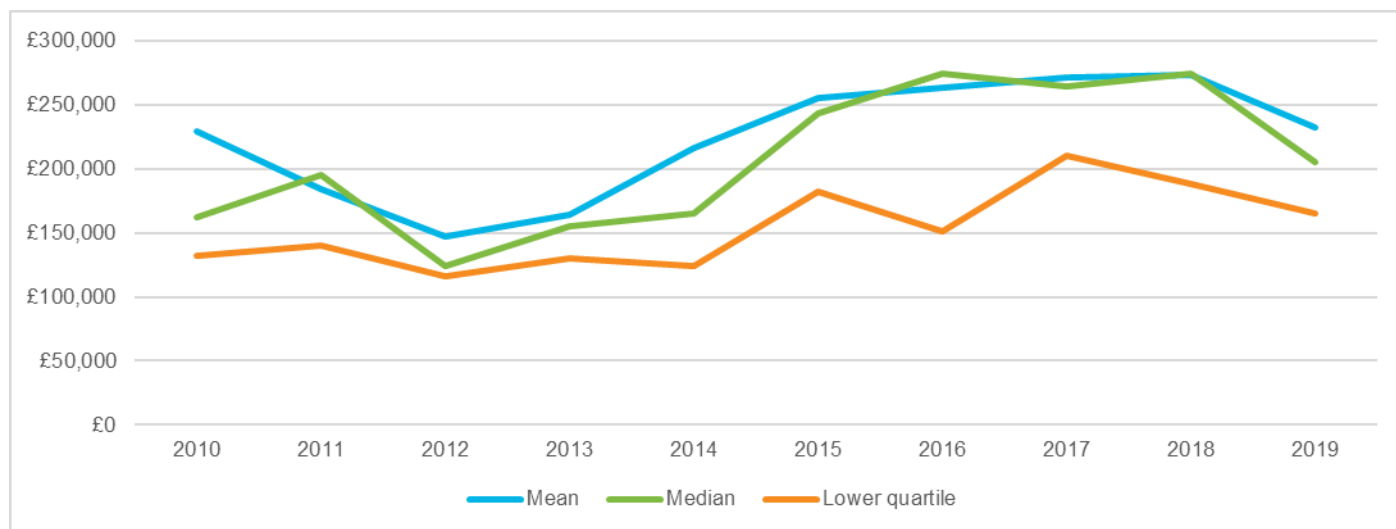


- In 2019, about 64% of households could only afford social rent or required support to access market products.
- The SHMA Draft (2019) finds the total annual affordable housing need in King's Lynn & West Norfolk to be 202 dwellings per year.

#### 4.4.2 House prices

52. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.
53. Figure 4-1 on the following page looks at selected measures of house prices in Stoke Ferry. It shows that between 2010-2019, mean prices increased by 1.2%, median prices increased by 26.5% and that LQ prices increased by 24.5%. From the chart, we see that mean prices experienced a very sharp drop between 2010-2012, and then increased sharply between 2012-2015. Mean prices then remained roughly stable from 2015-2019. At the end of 2019, a mean property cost £232,112. It is worth stating that mean average prices can be affected by changes in the price of properties at the extremes eg the cheapest properties or the most expensive. Median prices are often a more meaningful measure in understanding the price of an average home.
54. Median prices, however, experienced a much higher level of growth. Median prices increased from 2010-2011, then decreased from 2011-2012, followed by a period of sharp price growth from 2012-2016, after which prices remained stable. There was a decrease in prices between 2018-2019. At the end of 2019, a median property cost £205,000.
55. In terms of lower-quartile house prices, we see that prices were volatile from 2010-2014, before increasing from 2014-2015, decreasing again from 2015-2016 and then increasing from 2016-2017. From 2016-2019, lower quartile prices experienced a low decline. At the end of 2019, a lower quartile property cost £165,000.
56. PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.<sup>11</sup> Entry-level properties are typically those with one or two bedrooms – either flats or houses.

**Figure 4-1: House prices by quartile in Stoke Ferry between 2010 and 2019**



Source: Land Registry PPD

57. Table 4-3 below breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). It shows that there was a very low increase in house prices between 2010-2019. There was a growth of 1.2% over the time period. The price for terraced homes increased by 16.9% over the time period, which was the only increase over the period. The price for detached homes decreased by -0.8% between 2001-2011, while the price of semi-detached homes decreased by 6.3% over the same period.

<sup>11</sup> See Paragraph: 021 Reference ID: 2a-021-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

58. If each house type is then analysed individually, we can make the following observations:

- I. Of the various house types, only the house prices for terraced homes increased between 2010-2019.
- II. In the case of detached homes, prices dropped rapidly between 2010-2013 and recovering rapidly between 2014-2016. However, prices dropped once again in 2017, followed by growth in 2018. At the end of 2019, a detached home was priced £280k.
- III. In the case of semi-detached homes, house prices decreased between 2010-2014. Prices increased again in 2015 but dropped quickly in the following year. At the end of 2019, a semi-detached house cost £166k.
- IV. It is worth contrasting the overall growth in Stoke Ferry with growth in the wider postcode area over the same period since prices within Stoke Ferry itself may have been affected by smaller numbers of transactions. In Table 4-4 we see that overall price growth in the PE33 area was much higher (29.9%) than the observed price growth in Stoke Ferry. While the growth in the price of terraced homes in Stoke Ferry is in line with the trend observed in the wider area, there were also significant increases in the prices of detached and semi-detached houses in the wider neighbourhood area, which were not seen in Stoke Ferry.

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

Type	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Growth
Detached	£282k	£192k	£185k	£164k	£249k	£280k	£306k	£295k	£309k	£280k	-0.8%
Semi-detached	£177k	£166k	£141k	£188k	£164k	£215k	£150k	£248k	£174k	£166k	-6.3%
Terraced	£121k	-	£117k	£106k	£127k	-	£133k	£145k	£129k	£142k	16.9%
Flats	-	-	£37k	-	-	-	-	-	£95k	-	-
<b>All Types</b>	<b>£229k</b>	<b>£185k</b>	<b>£148k</b>	<b>£165k</b>	<b>£216k</b>	<b>£256k</b>	<b>£263k</b>	<b>£272k</b>	<b>£274k</b>	<b>£232k</b>	<b>1.2%</b>

Source: Land Registry PPD

**Table 4-4: House prices by type in the wider PE33 postcode area, 2010-2019, 000's**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	GROWTH
Detached	£232k	£213k	£203k	£218k	£237k	£279k	£276k	£289k	£300k	£286k	23.1%
Semi-Detached	£149k	£142k	£157k	£165k	£151k	£167k	£185k	£199k	£202k	£190k	26.8%
Terraced	£124k	£124k	£137k	£121k	£145k	£152k	£173k	£162k	£159k	£179k	43.8%
Flats	-	£89k	£53k	£96k	£87k	£67,500	£120k	£92k	£105k	£124k	39%
<b>All Types*</b>	<b>£193k</b>	<b>£174k</b>	<b>£178k</b>	<b>£192k</b>	<b>£201k</b>	<b>£228k</b>	<b>£241k</b>	<b>£248,276</b>	<b>£243k</b>	<b>£251k</b>	<b>29.9%</b>

Source: Land Registry PPD

#### 4.4.3 Income

59. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.
60. The first source is locally specific but limited to the average total household income. We use the average household income estimates published by ONS<sup>12</sup> at the level of the Middle-layer Super Output Area (MSOA)<sup>13</sup>. In the case of Stoke Ferry the MSOA most suitable for use as a proxy for the Neighbourhood Plan area boundary is E02005568. Further details on the extent of this MSOA, including a map, and why it was selected as a proxy for the Neighbourhood Plan area, are set out in Appendix A.

<sup>12</sup>Available at

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

<sup>13</sup> An MSOA is a statistical area defined for Census purposes. For further information on MSOAs, see <https://www.ons.gov.uk/methodology/geography/ukgeographies/censusgeography>

61. The average total household income before housing costs (equalised) across E02005568 in 2018 was £41,300. This figure is typically used by mortgage lenders to assess a household's ability to afford to borrow.<sup>14</sup>
62. The second source of data is Lower Quartile (LQ) average earnings. This is helpful for understanding affordability challenges among those with lower than average earnings. However, this data relates to individual earnings and whilst this is an accurate representation of household incomes where households have one earner, it does not represent household income where there are two people earning. It is also only available at the District level. This data is derived from ONS annual estimates of paid hours worked and earnings for UK employees to local authority level.
63. King's Lynn and West Norfolk's gross LQ annual earnings for 2019 was £14,009, this approximately equates to £269.40 per week. This is the LQ earnings before taxes (or benefits) for individual earners and so only correlates with the measure of household incomes above for single-person households. To estimate the income of LQ-earning households with two earners, the annual income is doubled, to £28,018.

#### 4.4.4 Affordability Thresholds

64. In order to gain a clearer understanding of local affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds'. Purchase thresholds denote the standard household income needed to access mortgage products, and income thresholds denote the maximum share of a family's income that should be spent on accommodation costs.
65. AECOM has determined thresholds for the income required to buy a home in the open market (average and entry-level prices), and the income required to affords private rent and the range of Affordable Housing tenures as set out in NPPF. These calculations are detailed in Appendix A. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income.
66. Table 4-2 shows the cost of different tenures and the annual income required to support these costs within Stoke Ferry. The income required column is the annual income needed to support ongoing housing costs, and assumes the households has access to a deposit (which we have assumed to be 10% of the value to be purchased). Some households may already hold equity from an existing property and so the mortgage value would be lower and the income required to afford the mortgage lower too.

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<sup>14</sup> Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

**Table 4-2: Affordability thresholds in Stoke Ferry (income required, £)**

Tenure	Mortgage Value (House price - 10% deposit)	Rent	Income required	Affordable on mean incomes?	Affordable on LQ 1 incomes?	Affordable on LQ 2 incomes?
				£41,300	£14,009	£28,018
<b>Market Housing</b>						
Median House Price	£184,500	-	£52,714	No	No	No
LA New Build Mean House Price	£301,255	-	£86,073	No	No	No
LQ/Entry-level House Price	£148,500	-	£42,429	No	No	No
Average Market Rent	-	£15,840	£52,800	No	No	No
Entry-level Market Rent	-	£10,524	£35,080	Yes	No	No
<b>Affordable Home Ownership</b>						
Discounted Market Sale (-20%)	£164,000	-	£42,171	No	No	No
Discounted Market Sale (-30%)	£143,500	-	£36,900	Yes	No	No
Discounted Market Sale (-40%)	£123,000	-	£31,629	Yes	No	No
Discounted Market Sale (-50%)	£10,250	-	£26,357	Yes	No	Yes
Shared Ownership (50%)	£26,357	£8,542	£34,899	Yes	No	No
Shared Ownership (25%)	£13,179	£12,813	£25,991	Yes	No	Yes
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£5,283	£21,131	Yes	No	Yes
Social Rent	-	£4,399	£17,595	Yes	No	Yes

Source: AECOM Calculations

67. The income required to afford the different tenures is then benchmarked, in Figure 4-2 against the three measurements of household income set out above. These are the average total household income for E02005568 at £41,300 and the lower quartile gross earnings for King's Lynn and West Norfolk for single-earners at £14,009 and dual-earning households at £28,018.
68. Taking into consideration the affordability thresholds set out above, it is apparent that the income required to buy an average market home for sale is higher than what would be expected to be available to those on mean household incomes. The income required to buy an average entry-level home for sale is higher than the average lower quartile household income but those on average incomes should be able to afford to buy an entry level priced property.
69. It is clear that those on lower quartile earnings can afford affordable rent and social rent, but only where there are two members earning or with additional subsidy provided through benefits. For lower earning households, then, the provision of social and affordable rented tenures should be prioritised.
70. Government policy aimed at tackling the housing crisis continues to attach high priority on helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership.
71. The gap between the cost of market renting and home ownership is relatively narrow in this area, affecting those with incomes of between £35,080 and £42,429. Affordable routes to home ownership would be suitable to this group of households. With regard to the products that might be available to such households, the following observations can be made:
- It appears that both discounted market sales (with a discount of 30%) and shared ownership (50% share) would extend home ownership to those on average incomes. However, none of the affordable home ownership options aside from shared ownership (25% share) can extend home ownership to those on LQ incomes, even where there might be two members earning.
  - The discount on the average market sale price required to enable households on mean incomes to afford to buy is 22%.

- Whether discounted market sale is affordable will depend whether properties are priced in relation to average, new build or entry level homes so developers will view discounts differently. New build homes are often more expensive than properties for sale in the second-hand stock. Since it is not possible to establish new build prices at NA level, LPA prices have been used.
- Discounts on new build or average prices may make homes no more affordable than entry level properties in the existing stock. As such, either higher discounts or a requirement that discounted market homes should be benchmarked against entry-level secondhand homes would be needed to make them meaningfully affordable. However, whether this is possible will depend on the viability of individual sites. The neighbourhood planners could engage with the Local Planning Authority on the question of higher discounts as the LPA is likely to have done detailed work on viability locally to support its Local Plan policies.
- Discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2-bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000. This cost excludes any land value or developer profit.
- Rent to Buy provides a route to affordable home ownership by allowing households to access discounted rents whilst they save for a deposit. The household then has the option to purchase the property within a defined period of time. The income required to access Rent to Buy is the same as that required to afford market rents. In this case, this income required to access entry level rents is £35,080. Given entry level rents are affordable to those on mean incomes, Rent to Buy is likely to be a suitable option for those on average incomes who wish to access home ownership. However, given average rents are not affordable to households on LQ incomes, even with two earners, Rent to Buy is still not enough for LQ income households, who are likely to require affordable rented provision.
- The Government's proposed First Homes product would provide a minimum discount of 30% on new homes. New build prices are not available at the neighbourhood level because the number of transactions is too low. However, median average prices provide a reasonable proxy for the price of new homes. In Stoke Ferry, a 30% discount on average prices would be sufficient to extend home ownership to households on average incomes.
- Table 4-5 shows what discounts are required in order for properties to be affordable to households on average incomes. From the table below, it is evident that a 22% discount is required for an average market sale product to be affordable and a 52% discount would be required for those on mean incomes to be able to afford to build a new build home. It is relevant to note that the Government's proposed First Homes product could provide discounts of up to 50% on new homes, though it is not known whether this scale of discount would be viable on sites within the NA. Nevertheless, a 22% discount on market sales would extend home ownership to a large group of households than can currently rent but not buy on the market.
- In terms of the various discounts that can be offered in the case of discounted market sales, Table 4-5 shows what discounts are required in order for properties to be affordable to households on average incomes. It is worth repeating that a discount of at least 22% would be required on the price of an average home. Our calculations show that a 3% discount would be required for entry level sale prices to be affordable to those on mean incomes. It thus appears as though discounted market homes, especially at a discount of 22% would be an effective and affordable route to home ownership and could be supported by the NP group in their policies. Table 4-6 also shows the effect of additional discounts on the purchase threshold.
- The latest Government consultation on 'Changes to the current planning system' proposes that Local Authorities will have discretion to increase the discount on First Homes to 40% or 50%, but that this would need to be evidenced in the Local Plan making process. Though it is expected that the decision to require a higher discount and the evidence supporting it would be undertaken at district- or borough-wide level, the evidence presented in this HNA may be helpful in advancing that discussion. The evidence gathered here suggests that seeking the highest possible discounts on new build prices would be necessary in Stoke Ferry.

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

Mean household income in NA:		£41,300
Tenure/ product:		Discount on sale price required:
-	Market sale (Average)	22%
-	New build market sale (Average for LA)	52%
-	Entry level sale (LQ)	3%

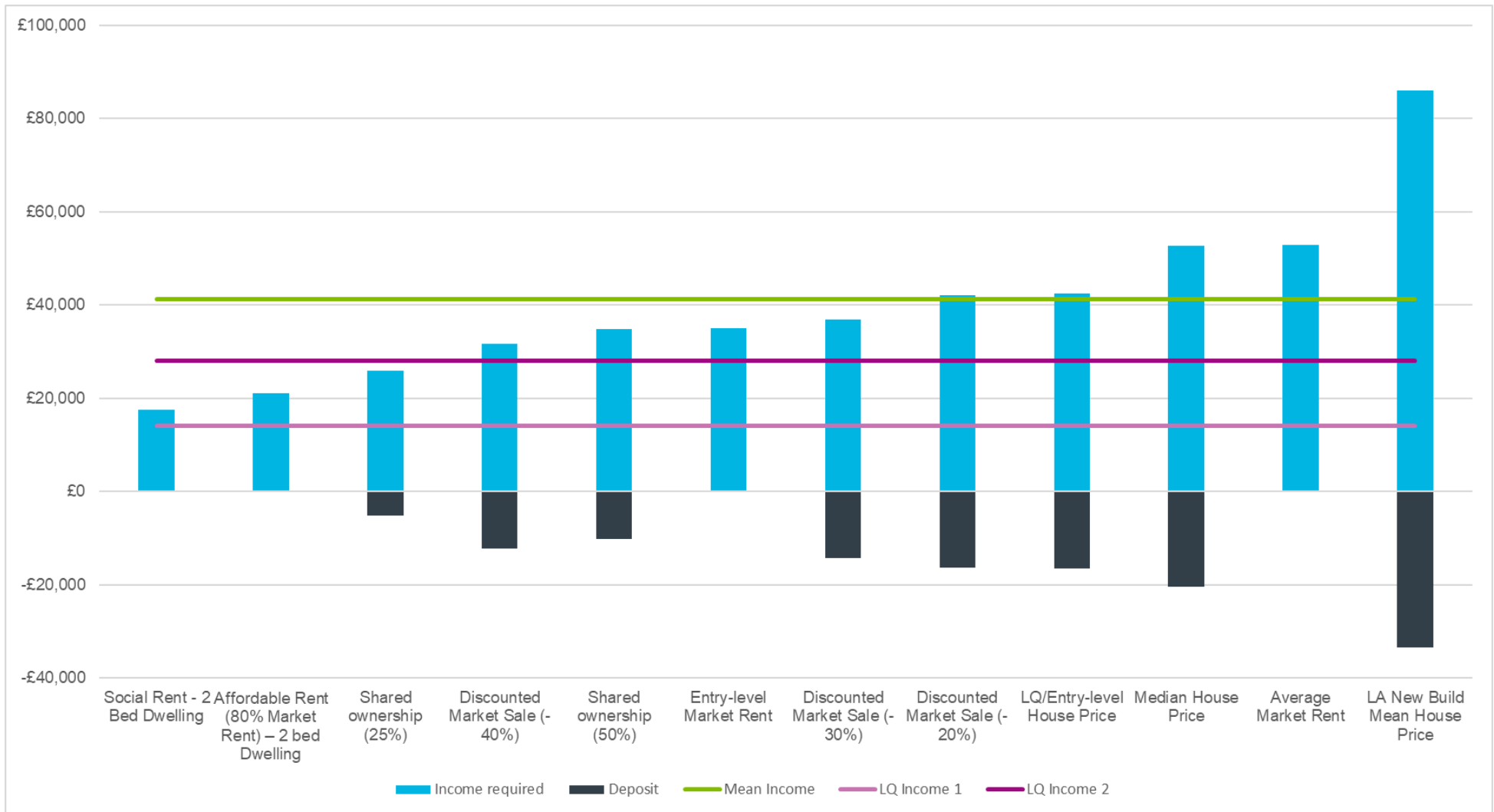
Source: Land Registry PPD, ONS MSOA Total Household Income

**Table 4-6: Discounted Market Sale**

<b>Discount</b>	<b>20%</b>	<b>30%</b>	<b>40%</b>	<b>50%</b>
Discounted value	£164,000	£143,500	£123,000	£102,500
10% Purchase deposit	£16,400	£14,350	£12,300	£10,250
Value for mortgage	£147,600	£129,150	£110,700	£92,250
<b>Purchase Threshold</b>	<b>£42,171</b>	<b>£36,900</b>	<b>£31,629</b>	<b>£26,357</b>

Source: AECOM Calculations, 2011; Land Price PPD

**Figure 4-1: Affordability thresholds in Stoke Ferry (income required, £)**



Source: AECOM Calculations

## 4.5 Affordable housing- quantity needed

72. The starting point for understanding the need for affordable housing in Stoke Ferry is the relevant Strategic Housing Market Assessment. A SHMA was undertaken for King's Lynn and West Norfolk in 2014, followed by an update in 2020. This study estimates the need for affordable housing in the District based on analysis of the Council's waiting list and analysis of other data sets in line with Planning Practice Guidance at the time. The SHMA identifies the need for 202 additional affordable homes each year in King's Lynn and West Norfolk as a whole. This need is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents. A proportion of these households may be able to afford shared ownership because in some cases it is more affordable than market rents, especially when available at a share of 25%.
73. When the SHMA figures are pro-rated to Stoke Ferry based on its fair share of the population (0.69% of the LPA's population), this equates to 1.4 homes per annum (predominately for social/affordable rent) or 27 homes over the Neighbourhood Plan period (2021-2040).
74. We have also gathered information from King's Lynn and West Norfolk's Housing Register relating to Stoke Ferry specifically—this data shows that, as of a snapshot in time in July 2020, there were 3 people on the Housing Register.

**Table 4-7: Housing Register (July 2020)**

Row Labels	1 bed	3 bed	Grand Total
General Needs	-	1	1
Ground floor need	2		2
<b>Grand Total</b>	<b>2</b>	<b>1</b>	<b>3</b>

75. It also relevant to make note of any affordable housing that has already been delivered in Stoke Ferry. As per information provided to us by the LPA, 25 affordable housing units have been delivered in Stoke Ferry since 2011. Furthermore, in terms of future developments, there are 23 affordable housing units in Stoke Ferry with planning granted. LPA records show that of these 23, currently only 3 have full permission and 20 have outlines only.
76. While this information provides an idea of the need for affordable rent in Stoke Ferry, it is also important to consider future demand for affordable home ownership. Figure 4-3 below estimates potential demand for affordable home ownership products within Stoke Ferry. This estimate broadly counts households living in the private rented sector (PRS) who are not on housing benefit and new households likely to form over the plan period who are likely to enter the private rented sector (but not require housing benefit). The model aims to estimate the number of households who can rent but can't buy on the basis of their incomes. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model discounts 25% of these households, assuming a proportion will be renting out of choice. This leaves around 2 household per annum who may be interested in affordable home ownership (38 over the neighbourhood plan period 2021-2041).



**Figure 4-3: Estimate of the potential demand for affordable housing for sale in Stoke Ferry**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in NA	54.9	Census 2011 number of renters x national % increase to 2018
1.2 Percentage renters on housing benefit in LA	0.15	% of renters in 2018 on housing benefit (based on LA proportion)
1.3 Number of renters on housing benefits in NA	8.3	1.1 x 1.2
1.4 Current need (households)	34.9	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	1.7	1.4/ plan period
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	53.6	LA household projections for plan period (2014 based) pro rated to NA
2.2 % of households unable to buy but able to rent	8.1 %	Current % of households in PRS
2.3 Total newly arising need	4.3	2.1 x 2.2
2.4 Total newly arising need per annum	0.3	2.3/ plan period
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	2.2	Number of shared ownership homes in NA (Census 2011 + new build to 2018/19)
3.2 Supply - intermediate resales	0.1	3.1 x 5% (assume rate of re-sale)
<b>NET SHORTFALL (OR SURPLUS) PER ANNUM</b>		
Shortfall (per annum)	2.0	Shortfall = (Step 1.5 + Step 2.4) – 3.2

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

77. It is important to keep in mind that the households identified in the estimate in Figure 4-3 are, by and large, adequately housed in the private rented sector. They do not lack their own housing but would prefer to buy rather than rent.
78. There is no policy or legal obligation on the part either of the Local Authority or neighbourhood planners to meet affordable housing needs in full, either within or outside the Neighbourhood Plan area, though there are tools available to neighbourhood planners that can help ensure that it is met to a greater extent if resources permit (eg the ability to allocate sites for affordable housing).
79. It is also important to remember that even after the Stoke Ferry, or indeed any other, Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need and the management of the housing waiting list all remain the responsibility of the local authority rather than neighbourhood planners.
80. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can meet affordable housing need, unless there is a specific policy on the housing supply-side (e.g. the identification of one or more housing exception sites over and above those required by the Local Plan).

#### 4.5.1 Affordable Housing Policies in Stoke Ferry

81. The Neighbourhood Plan may wish to develop policies in relation to the delivery of Affordable Housing within King's Lynn and West Norfolk's Local Plan policy in relation to Affordable Housing delivery requires 20% of all new homes on sites of 5 dwellings or more to be delivered as Affordable Housing in rural areas (Policy LP25 in the emerging Local Plan). This policy would apply in Stoke Ferry, subject to sites coming forward for development with 5 or more dwellings.
82. Note, however, that the Government's August 2020 consultation proposals for 'Changes to the current planning system' include a temporary measure to lift the small sites threshold. This would mean that developers would not need to contribute to Affordable Housing on sites of up to 40 or 50 units. This represents a significant increase on the threshold sought in the Local Plan (cited above), and therefore may reduce the delivery of Affordable Housing on normal development sites during the temporary period in which it applies.

83. It is expected that this temporary period will be short and, being introduced to combat the economic impacts of Covid-19 on small builders, may have already elapsed by the time the Neighbourhood Plan is made. Nevertheless, it could have an impact on Affordable Housing delivery in the short term, and warrants the attention of the neighborhood planners as the Government consultation proceeds. For more detail on this proposal in relation to the overall quantity of housing expected in the NA during the Plan period and a link to the consultation document, see the 'Quantity of housing to provide' section at the start of this report (section 2.2.3).
84. The neighbourhood group may wish to develop policies on the mix of Affordable Housing delivered in Stoke Ferry. It is not the role of the HNA to develop policy, as there are a wider set of factors which apply and need to be considered by the neighbourhood planners. However, the following evidence and considerations may be used as a starting point in the development of policy. On the balance of the evidence in this HNA, AECOM set out a judgement on the starting point for an appropriate tenure mix in Stoke Ferry.
- A. **Evidence of need for Affordable Housing:** If Stoke Ferry was to meet its share of King's Lynn and West Norfolk's need for social/affordable rented housing this would imply 1.4 per year or 27 homes over the plan period. AECOM's estimate of the potential demand for affordable home ownership options suggest there may be a need for these homes in Stoke Ferry to address the aspirations of households who can rent but can't buy. AECOM's estimate identified the potential demand for 2 homes per annum or 38 over the plan period.
- B. **Can Affordable Housing needs be met in full?** The HRF for NA is 60. Given the LPA requires at least 20% of homes delivered to be affordable housing, roughly 12 affordable dwellings can be expected to be delivered during the Plan Period. However, given that not all of the sites expected to be delivered in the NA will exceed the threshold required for the affordable housing policy to be implemented, the delivery of 12 affordable homes is the best-case outcome in terms of affordable housing provision. Thus, this level of housing delivery would not allow housing needs in to be met in full, given AECOM identified the total need for 65 affordable dwellings. This suggests some form of prioritisation will be required. In most cases, Councils will wish to prioritise the delivery of social/affordable rented homes to meet acute needs.
- C. **Government policy (eg NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Since the Local Plan requires 20% of all homes delivered to be affordable, at least 50% of Affordable Housing would need to be routes to home ownership in order for such products to total more than 10% of all housing. However, the LPA could argue that this level of affordable home ownership would prevent the delivery of much needed affordable rented housing.
- D. **Emerging policy:** the Government is currently consulting on the introduction of First Homes (to provide at least 30% discount on new build home prices). The most recent consultation outlines the Government's intention to require that a minimum of 25% of all Affordable Housing secured through developer contributions should be first homes. The outcome of this consultation and the policy which emerges may shape the provision of different forms of Affordable Housing on new development sites, and the neighbourhood group will need to keep this emerging policy in mind when developing its Neighbourhood Plan policies.
- E. **Local Plan policy:** The adopted Local Plan requires a tenure mix of 70% rented and 30% intermediate housing across the Borough. However, given the NPPF requirement that 10% of all homes are delivered as affordable home ownership homes, this could mean than the LPA need to deliver 50% of affordable housing in areas where the overall affordable housing target is 20% such as Stoke Ferry. However, the LPA may be able to make a strong case that delivery of 10% of all homes as affordable home ownership tenures would prevent the delivery of much needed affordable housing of other tenures. On this basis, we have assumed that the LPA mix of 70:30 will be upheld.

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

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Council's adopted/emerging Local Plan and it is acknowledged that this may affect the provision of affordable housing and/or the mix of tenures provided.

G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.

H. **Existing tenure mix in Stoke Ferry:** As per our review of the existing housing stock in Stoke Ferry, evidence suggests there is limited Affordable Housing, either for rent or for sale, within the NA at present. We found there is no shared ownership in the neighbourhood area. In terms of social rent, while there is more in the neighbourhood as compared to England as a whole, the proportion is lower than in King's Lynn and West Norfolk. Furthermore, it is evident that home ownership is the dominant tenure - thus, some provision of affordable home ownership products could widen options available to households that can afford to rent but not buy.

In summary, our findings suggest that some provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.

I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in this area.

J. **Wider policy objectives:** the neighbourhood group may wish to take account of broader policy objectives for Stoke Ferry and/or the wider District. These could include, but are not restricted to, policies to attract younger households, families or working age people to the Neighbourhood Area. These wider considerations may influence the mix of Affordable Housing provided.

85. In Table 4-8 below, two alternative scenarios for the tenure mix of Affordable Housing in Stoke Ferry are presented. Note that we assume, in accordance with current practice, that most Affordable Housing will be brought forward through developer contributions. If the neighbourhood planners are considering delivering Affordable Housing through other means, the national policy requirements reflected here may not apply.
86. The first scenario (Mix 1 – Indicative mix based on local needs) most closely reflects local needs in Stoke Ferry as identified in the HNA evidence. We follow the council's 70/30 split from the Local Plan, however, bearing in mind that given the affordable housing target is set at 20%, and, in line with NPPF policy, 50% of all affordable housing delivered might have to be delivered in the form of affordable home ownership products. However, given the scale of rented homes required by households in acute need and the limited potential for affordable housing delivery, it can be argued that delivering 10% affordable home ownership overall would prevent delivery of high priority forms of affordable housing. By following a 70/30 split, the NP group will be able to prioritise affordable rented housing, and also be able to deliver some affordable housing as ownership products, which the NA would benefit from given that there is currently no affordable home ownership available within in the NA and that our evidence suggests that these products may be affordable for households on mean and lower quartile incomes.
87. Analysis of the affordability of different affordable home ownership products, it is evident that shared ownership is affordable to a wider range of households when provided at a 25% share. Households need an income of around £25,991 to access shared ownership, which is much lower than the income required to access a discounted market sale product at 30% discount (£36,900). This means that shared ownership might offer home ownership to a larger group of people and should be considered as one of the routes to home ownership.
88. Our analysis also suggests discounted market homes would extend home ownership in this area. Our calculations determined that a 22% discount would be sufficient for an average market sale product to be affordable. Thus, discounted market homes (including proposed First Homes at a 30% discount) would extend home ownership in this area though not as far as shared ownership (where shares of 25% can be offered). If larger discounts can be provided (40-50%), as proposed in the Government's current First Homes proposals, this product may extend home ownership as far as shared ownership.
89. The second scenario (Mix 2 – Indicative mix with 25% First Homes requirement) is aligned with the direction of travel in the Government's most recent policy proposals, in which it is intended that 25% of all Affordable Housing will be required to be provided as First Homes. This outcome is more likely than the first scenario, because the Government proposals are at an advanced stage of development. However, this is proposed here as one of two alternative scenarios in case the First Homes policy proposals do not progress.
90. Note also that the Government proposals state that if First Homes are required at 25% of Affordable Housing that comes forward through developer contributions and this results in displacing other tenures within the affordable mix, the tenure products providing the lowest effective discount should be displaced in the first instance. In this case, given the Local

Plan split gives 70/30, 25% would be the First Homes requirement and the remaining 5% would be shared ownership. Rent-to-Buy provides the lowest discount ie it is less affordable than shared ownership and so would be displaced entirely.

91. Where the neighbourhood planners wish to develop policy that requires a different mix to that set out in the Local Plan, it is important that they liaise with the LPA to gather more detailed income and viability information, and to ensure that departures from the district-level policy context have the LPA's support. Liaising with the LPA will be particularly important where the Local Plan tenure split can be expected to be adjusted in light of the latest Government proposals, to ensure that the Neighbourhood Plan's approach in reflecting these changes is in line with the LPA approach. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.
92. AECOM cannot provide guidance on the appropriate share of social/affordable rented homes as this will depend on the level of funding available to housing associations which will determine at what level rents can be set. Registered providers (eg housing associations) may be reluctant to deliver small numbers of homes where there are ongoing management costs involved. For this reason, the proportion of rented homes which can be secured may depend on the willingness of local housing association to maintain and manage small numbers of homes.
93. Mix 2 put forward below aligns as closely as possible with emerging Government policy as currently proposed. If those proposals do not go forward, the recommended starting point for the tenure mix in the NA will be Mix 1 below. However, the considerations detailed above will remain relevant for determining a more appropriate mix in the light of national policy changes or other unexpected developments.

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

Tenure	Mix 1. Indicative mix based on local needs	Mix 2. Indicative mix with 25% First Homes requirement	Considerations and uncertainties
<b>Routes to home ownership, of which</b>	<b>30%</b>	<b>30%</b>	Government proposing min 25% requirement for First Homes. Uncertainty over extent of requirement until policy finalised.
First Homes <sup>15</sup>	12.5%	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc
Shared ownership	12.5%	5%	Proposed changes to the model to allow purchases of 10% share <sup>16</sup> - impact on viability unknown RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to buy	5%	-	Emerging product with popularity and effectiveness as yet unknown Impact of displacement by First Homes unknown
<b>Affordable Housing for rent, of which</b>	<b>70%</b>	<b>70%</b>	
Social rent	To be set by Registered Providers	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area Uncertain whether RPs willing to own/manage stock in this area

<sup>15</sup> In the event that the First Homes product does not go forward at all, the proportion of Affordable Housing allotted to First Homes in Mix 1 could be re-allocated to discounted market sales housing if this is available at broadly equivalent discounts, or to other forms of affordable home ownership also recommended in the table.

<sup>16</sup> <https://www.gov.uk/government/news/jenrick-unveils-huge-12-billion-boost-for-affordable-homes>

Affordable rent	To be set by Registered Providers	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area
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94. Assuming that the Government’s proposal that 25% of all affordable Housing should be First Homes is formalised, the neighbourhood group will need to take account of how this could impact on affordable housing polices (particularly the tenure mix) in the Neighbourhood Plan. The evidence gathered here suggests that this proposal would not impact on the ability of Stoke Ferry to accommodate those with the most acute needs.
95. It is recommended that consideration is also given to alternative mechanisms capable of helping to meet local need, where appropriate (i.e. rural/entry-level exception sites or community led housing etc.).
96. However, the neighbourhood planners should note that the First Homes product has not been formally implemented, and should await the outcome of the Government consultation.

## 4.6 Conclusions- Tenure and Affordability

97. In terms of the current tenure profile of the neighbourhood, 71.4% of households in the neighbourhood area own their own homes. 10.2% of the NA’s residents rent privately on the market while 16.4% of live in social rented homes. There is no shared ownership in the neighbourhood area. Between 2001-2011, there was an increase in home ownership and private renting. However, the amount of social rent and shared ownership remained the same.
98. In terms of house prices, between 2010-2019, mean prices increased by 1.2%, median prices increased by 26.5% and LQ prices increased by 24.5%.
99. In terms of house prices by type, the price for terraced homes increased by 16.9% over the time period, which was the only increase over the period. The price for detached homes decreased by -0.8% between 2001-2011, while the price of semi-detached homes decreased by 6.3% over the same period.
100. By benchmarking the incomes required to afford the different tenures in the neighbourhood area, we determined the following:
  - The gap between the cost of market renting and home ownership is relatively narrow, affecting those with incomes of between £35,080 and £42,429. Affordable routes to home ownership would be suitable to this group of households.
  - It appears that both discounted market sales (with a discount of 30%) and shared ownership (50% share) would be sufficient to extend home ownership to those on average incomes. However, none of the affordable home ownership options aside from shared ownership (25% share) can extend home ownership to those on LQ incomes, even where there might be two members earning.
  - Rent to Buy products allow households to access discounted market rents whilst they save for a deposit with the option to purchase their property within a defined time period. This product can help households with modest incomes, who may be able to afford a mortgage, but who do not have sufficient savings for a deposit. The income required to access Rent to Buy is the same as that required to afford market rents. In this case, this income required to access entry level rents is £35,080. Given entry level rents are affordable to those on mean incomes, Rent to Buy is likely to be a suitable option for those on average incomes who wish to access home ownership. However, given average rents are not affordable to households on LQ incomes, even with two earners, Rent to Buy is still not enough for LQ income households, who are likely to require affordable rented provision.
  - It is clear that those on lower quartile earnings can afford affordable rent and social rent, but only where there are two members earning or with additional subsidy. For lower earning households, then, the provision of social and affordable rented tenures should be prioritised.
101. It is estimated there will be a need for 40 affordable homes for sale and 28 affordable homes for rent over the plan period. Based on our findings, we recommend a tenure split of 70/30 – where the majority of affordable housing is provided as social/affordable rent. The key reason for this is that the scale of housing likely to be delivered in Stoke Ferry is only likely to deliver a small number of affordable homes and the neighbourhood planners and LPA are likely to want to prioritise the provision of rented homes to meet the needs of households with acute needs. This follows the council’s suggested 70/30 split, but bearing in mind that the NPPF requires delivery of 10% affordable home ownership overall which would imply half (50%) of all affordable housing in Stoke Ferry is provided in this form. However, the LPA may make a strong case that this would prevent the delivery of much needed rented accommodation and this is likely to be true in Stoke Ferry too.
102. Two indicative tenure mixes have been provided, which could serve as a guideline for the breakdown of Affordable Housing tenures in Stoke Ferry based on various considerations and evidence. Mix 1 (indicative mix based on local

needs) proposes that 30% of affordable homes be provided as rented tenures, and the remaining 70% delivered as affordable routes to home ownership. This mix aligns with the Local Plan in prioritising the most acute needs as far as possible. Mix 2 (indicative mix with 25% First Homes requirement) proposes that the remaining 5% of affordable home ownership properties be provided as shared ownership because this would extend home ownership to a wider range of households. This aligns with the direction of proposed national policy, which includes a mandated minimum level of delivery of the Government's new First Homes affordable home ownership product.

103. Table 4-9 below summarises Stoke Ferry's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation and shows the precise quantities of affordable housing for rent and sale that would be delivered if the tenure split proposed in this HNA were rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighborhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

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

	<b>Step in Estimation</b>	<b>Estimated delivery (same for both Mix 1 and Mix 2)</b>
A	Housing requirement figure	60
B	Affordable housing quota (%) in LPA's Local Plan	20%
C	Potential total Affordable Housing in NA (A x B)	12
D	Rented % (eg social/ affordable rented)	70%
E	Rented number (C x D)	8.4
F	Discounted market homes % (eg First Homes)	30%
G	Discounted market homes number (C x F)	3.6

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

## 5. RQ 2: Type and Size

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

### 5.1 Introduction

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

### 5.2 Existing types and sizes

#### 5.2.1 Background and definitions

106. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household ‘consumption’ of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth, income, and age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.
107. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require and would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture to demographics, household type and size.
108. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, ‘dwelling sizes’ can be translated as follows<sup>17</sup>:
- 1 room = bedsit
  - 2 rooms = flat/house with one bedroom and a reception room/kitchen
  - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
  - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
  - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
  - 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen
  - 7+ rooms = house with 4 or more bedrooms
109. It is also useful to clarify the Census terminology around dwellings and households spaces. These can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people’s accommodation is self-contained.<sup>18</sup> As such, all dwellings are classified into either “shared” or “unshared” dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.
110. The key measure of whether a dwelling is shared or unshared relates to the Census’ definition of a household. A household is defined as “One person living alone or a group of people (not necessarily related) living at the same

<sup>17</sup> At <https://www.nomisweb.co.uk/census/2011/qs407ew>

<sup>18</sup> At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>



address who share cooking facilities and share a living room or sitting room or dining area.”<sup>19</sup> On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

### 5.2.2 Dwelling type

111. The 2011 Census shows that there were 440 households in Stoke Ferry, living in 252 detached houses, 163 semi-detached, 53 terraced houses, and 14 flats.
112. From Table 5-1 below, it is evident that Stoke Ferry has a high share of detached homes, as compared to its wider geographies. Roughly 96% of Stoke Ferry’s housing stock consists of whole houses and bungalows, which is much higher than both the LPA and England as a whole. Of the 96%, 51.7% comprises detached homes, while 10.9% comprise of terraced homes. Relative to the LPA and England, Stoke Ferry has a relatively low share of flats, maisonettes and apartments. 2.1% of Stoke Ferry’s housing stock comprises purpose-built blocks of flats, which is much lower than in King’s Lynn and England. Only 0.2% of Stoke Ferry’s flats are located in a commercial building, which is similarly lower than in the LPA and England as a whole.
113. In summary, Stoke Ferry has a high share of detached homes and that there are relatively few flats or apartments located in the neighbourhood area. This is fairly typical of the pattern seen in other villages and rural areas.

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

Dwelling type		Stoke Ferry	King's Lynn and West Norfolk	England
Whole house or bungalow	Detached	51.7%	41.6%	22.4%
	Semi-detached	33.5%	28.7%	31.2%
	Terraced	10.9%	14.8%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	2.1%	7.1%	16.4%
	Parts of a converted or shared house	0.6%	1.3%	3.8%
	In commercial building	0.2%	0.7%	1.0%

Source: ONS 2011, AECOM Calculations

### 5.2.3 Specific housing types

114. The neighbourhood group considers that bungalows could play an important role in meeting the current and future needs of older people in the neighbourhood area.
115. As the ONS Census data does not capture bungalows as a distinct type, we have used Valuation Office Agency data to investigate their presence in Stoke Ferry. The result is presented in Table 5-2 below. There are some caveats to note with this data, firstly the numbers are rounded to 10, so in an instance where 0 is recorded as a number of bungalows, this could in fact be anywhere between 0 - 4. Secondly, the data is unavailable at a geographic level of OA, and we have thus used MSOA level data which covers a wider area. This means that the Stoke Ferry data is not accurate to the Neighbourhood Plan area, unlike the ONS Census data, but the proportion of bungalows identified in this area is likely to relate closely to the NA. Thus, these numbers are likely to be much larger than the actual stock of bungalows in Stoke Ferry since they relate to the number of bungalows in the MSOA as a whole.
116. The data shows that, compared to King’s Lynn and West Norfolk, bungalows comprise a higher share of the housing stock of homes in Stoke Ferry than in King’s Lynn as a whole. It is also evident that two-bedroom homes are the most common type of bungalow in each area. Three-bedroom bungalows are the second most common type in both areas.
117. From Table 5-2, it is also clear that bungalows with four or more bedrooms are relatively uncommon in each area. One-bedroom bungalows are also uncommon—relative to the LPA, Stoke Ferry has a comparatively lower percentage share of one-bedroom bungalows.

<sup>19</sup> Ibid.



118. **Table 5-2** below. The result is presented in Table 5-2 below. There are some caveats to note with this data, firstly the numbers are rounded to 10, so in an instance where 0 is recorded as a number of bungalows, this could in fact be anywhere between 0 - 4. Secondly, the data is unavailable at a geographic level of OA, and we have thus used MSOA level data which covers a wider area<sup>20</sup>. This means that the Stoke Ferry data is not accurate to the Neighbourhood Plan area, unlike the ONS Census data, but the proportion of bungalows identified in this area is likely to relate closely to the NA. Thus, these numbers are likely to be much larger than the actual stock of bungalows in Stoke Ferry since the relate to the number of bungalows in the MSOA as a whole.
119. The data shows that, compared to King's Lynn and West Norfolk, bungalows comprise a higher share of the housing stock of homes in Stoke Ferry than in King's Lynn as a whole. It is also evident that two-bedroom homes are the most common type of bungalow in each area. Three-bedroom bungalows are the second most common type in both areas.
120. From Table 5-2, is it also clear that bungalows with four or more bedrooms are relatively uncommon in each area. One-bedroom bungalows are also uncommon—relative to the LPA, Stoke Ferry has a comparatively lower percentage share of one-bedroom bungalows.

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<sup>20</sup> More information about the area selected can be found in Appendix A.

**Table 5-2: Number of bungalows by property size, 2019**

	Stoke Ferry (numbers)	Stoke Ferry (%)	King's Lynn and West Norfolk (numbers)	King's Lynn and West Norfolk (%)
1 bedroom	50	4.5%	1,370	6.8%
2 bedrooms	570	50.9%	10,080	49.7%
3 bedrooms	430	38.4%	7,580	37.4%
4 bedrooms +	70	6.25%	1,220	6%
Unknown	0	0%	50	0.2%
Total	1,120	32.4%	20,280	27.7%
Total properties	3,460	100%	73,290	100%

Source: Valuation Office Agency, Council tax: stock of properties, 2019, Table CTSOP3.0

### 5.2.4 Dwelling size

121. Table 5-3 below sets out the distribution of the number of rooms by household space. The housing stock in Stoke Ferry is characterised as follows:

- From the table below, it is evident that there is a large number of homes with five rooms in the neighbourhood area. 24.8% of Stoke Ferry's housing stock comprise of five room homes, which is slightly lower than the share of five room homes in King's Lynn and West Norfolk.
- There is also a high share of homes with four and six rooms—again, this is similar to the composition of King's Lynn and West Norfolk, where there is a similar percentage of four and five room homes. From this and the observation above, it is fair to say that Stoke Ferry and the LPA are alike in this regard, given both areas have comparable percentages of four, five and six room homes.
- Note also that there are very few homes with one or two rooms in Stoke Ferry. While there is also low share of the same in the LPA, there is a slightly higher percentage of two room homes in King's Lynn and West Norfolk.
- Additionally, Stoke Ferry has a comparatively higher percentage of large homes, that is, homes with over seven homes than the LPA. Homes with at least seven dwellings comprise roughly 33% of Stoke Ferry's current housing stock.

**Table 5-3: Number of rooms per household in Stoke Ferry, 2011**

Number of Rooms	Stoke Ferry	King's Lynn and West Norfolk
1 Room	0.0%	0.3%
2 Rooms	0.2%	1.7%
3 Rooms	4.8%	6.1%
4 Rooms	18.2%	17.6%
5 Rooms	24.8%	25.7%
6 Rooms	18.9%	20.4%
7 Rooms	12.0%	11.7%
8 Rooms or more	9.8%	7.8%
9 Rooms or more	11.4%	8.7%

Source: ONS 2011, AECOM Calculations

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

- The number of three room homes increased by 110% between 2001-2011. The number of three room homes increased from 10 in 2001 to 21 in 2011. This increase is much higher than seen in Stoke Ferry's comparator geographies.

- The share of four room homes decreased by 18.4% over the time period. Four room decreased from 98 in 2001 to 80 in 2011. Note that the share of four room homes similarly declined in the LPA but increased in England as a whole.
- There were increases in the percentage shares of six and seven room homes. There were similar overall increases in the LPA, but the local and regional increase was relatively higher than in England as a whole.
- The share of five room homes increased by 41.6% between 2001-2011. Five room homes increased from 77 in 2001 to 109 in 2011. This is a deviation from regional and national trends, since there were overall decreases in Stoke Ferry's wider geographies in this regard.
- Finally, there was an increase in the share of homes with eight or more rooms. The percentage of homes with eight or more rooms increased by 55%, that is, the number of such homes increased from 60 to 83 over the time period. Relative to its wider geographies, the rate of change was higher in Stoke Ferry.

**Table 5-4: Rates of change in number of rooms per household in Stoke Ferry, 2001-2011**

Number of Rooms	Stoke Ferry	King's Lynn and West Norfolk	England
1 Room	0.0%	-22.0%	-5.2%
2 Rooms	0.0%	16.3%	24.2%
3 Rooms	110.0%	12.4%	20.4%
4 Rooms	-18.4%	-8.7%	3.5%
5 Rooms	41.6%	-3.5%	-1.8%
6 Rooms	23.9%	13.3%	2.1%
7 Rooms	17.8%	27.3%	17.9%
8 Rooms or more	55%	34.6%	29.8%

Source: ONS 2001-2011, AECOM Calculations

123. Returning to the most recent Census data, it is also useful to compare the figures for number of rooms with figures for the number of bedrooms for each household. Table 5-5 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. The following observations can be made:

- This data shows that a majority of Stoke Ferry's housing stock consists of dwellings with three-bedrooms (42.5%). This is higher than the share in both wider geographies.
- Stoke Ferry also has a high share of dwellings with two-bedrooms (32.7%). Relative to the LPA and England, Stoke Ferry has a higher percentage share of two-bedroom homes.
- While Stoke Ferry has a higher share of homes with five or more bedrooms (5.7%) as compared to the LPA (4.4%), this figure is lower than the national average (6%).
- Note also that as compared to its wider geographies, Stoke Ferry has a very low percentage of one-bedroom homes. There are no homes without bedrooms in the neighbourhood area.

**Table 5-5: Number of bedrooms in household spaces in Stoke Ferry, 2011**

Bedrooms	Stoke Ferry		King's Lynn and West Norfolk		England	
<b>All categories: no. of bedrooms</b>	<b>440</b>	<b>100%</b>	<b>62,977</b>	<b>100%</b>	<b>22,063,368</b>	<b>100%</b>
No. bedrooms	0	0.0%	107	0.2%	54,938	0.2%
1 bedroom	17	3.9%	4,629	7.4%	2,593,893	11.8%
2 bedrooms	144	32.7%	18,495	29.4%	6,145,083	27.9%
3 bedrooms	187	42.5%	27,311	43.4%	9,088,213	41.2%
4 bedrooms	67	15.2%	9,671	15.4%	3,166,531	14.4%
5 or more bedrooms	25	5.7%	2,764	4.4%	1,014,7104	6%

Source: ONS 2011, AECOM Calculations

## 5.3 SHMA Findings

124. The following findings from the King's Lynn and West Norfolk SHMA directly relate to the Type and Size theme:

- Single-parent households comprise 1/3rd of all households in need across King's Lynn and West Norfolk.
- In terms of size of accommodation needed, the SHMA found that the largest net need across King's Lynn and West Norfolk was for two- and four-bedroom homes, followed by three-bedroom accommodation.
- The greatest need relative to supply was for four-bedroom homes<sup>21</sup>.

## 5.4 Household composition and age structure

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

### 5.4.1 Age structure

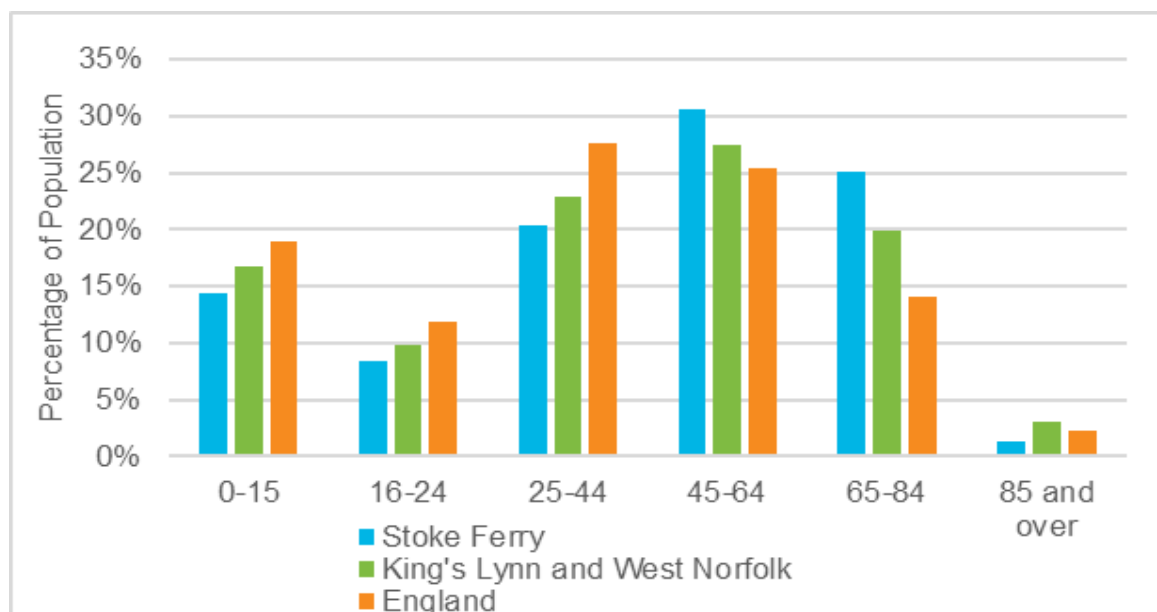
126. The 2011 Census data reveals that Stoke Ferry has a relatively older population, compared to King's Lynn and West Norfolk. Stoke Ferry has a relatively lower proportion of people between the ages of 0-44, and a relatively higher proportion of people between the ages of 45-84 although the proportion of people in the oldest age group (85+) is lower than the District. Approximately 54% of Stoke Ferry's population is over the age of 45, which is higher than the share of people in the same age group in both wider geographies.

127. Note also that Stoke Ferry has a similar profile to King's Lynn and West Norfolk in the sense that both areas have a significant number of individuals between the ages of 25-84. Compared to England as a whole, both areas have a higher percentage of individuals aged 45-84 and a relatively lower percentage of people in the younger age groups. However, this characteristic is more pronounced for Stoke Ferry which has higher proportions of the population in all of the older age brackets than in King's Lynn and West Norfolk. Consequently, Stoke Ferry has a lower percentage of individuals that fall between the ages of 0-15, 16-24 and 25-44.

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<sup>21</sup> This refers to all kinds of housing, and not just affordable housing.

Figure 5-1: Age structure in Stoke Ferry, 2011



Source: ONS 2011, AECOM Calculations

128. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001 NA population has changed as follows:

- The number of individuals between the ages of 65-84 increased from 139 in 2001 to 256 in 2011, which is an increase of 84.2% between 2001-2011. This is a significant increase, especially compared to Stoke Ferry's wider geographies.
- Next, there was a decrease in the population of those aged between 0-15. This population decreased by 28.8%, decreasing from 205 in 2001 to 146 in 2011. This is also a deviation from regional and national trends, as there were overall increases in the population of this age group in Kings Lynn and West Norfolk, as well as in England as a whole.
- Another significant change was in the population of those aged between 16-24. The percentage of individuals in this group increased by 44.1%. Between 2001-2011, the population of this group increased from 59 in 2001 to 85 in 2011. Compared to its wider geographies, this is a higher percentage change.
- Note that there was a decrease in the population of those aged 85 and over—the percentage of individuals in this group decreased by 13.3%. However, this change was from a low base as the number of individuals in this group decreased from 15 in 2001 to 13 in 2011 and so it is difficult to draw any firm conclusions from this.

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

Age group	Stoke Ferry	King's Lynn and West Norfolk	England
0-15	-28.8%	1.5%	1.2%
16-24	44.1%	22.9%	17.2%
25-44	-9.6%	-1.6%	1.4%
45-64	27.3%	12.8%	15.2%
65-84	84.2%	15.1%	9.1%
85 and over	-13.3%	33.7%	23.7%

Source: ONS 2001-2011, AECOM Calculations

#### 5.4.2 Household composition

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

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

- The largest proportion of households in Stoke Ferry are older couples and couples without children.
- There is a low proportion of households with dependent children compared to the District and England as a whole. This confirms the older bias of the population of the NA.
- Compared to its wider geographies, Stoke Ferry has the lowest share of one-person households (23.4%).
- While the percentage share of 'other' household types in Stoke Ferry (7.0%) is higher than the percentage for the LPA (6.2%), it is lower than the national average (8.0%). Other households may be described as non-traditional households such as sharers.

131. Note that non-dependent children refer to households in which adult children are living at home, or students still call their primary residence despite living for most of the year near to university. Though this category can often indicate the relative unaffordability of entry-level homes in an area as many such young people may wish to move out and form their own households if they were financially able.

**Table 5-7: Household composition (by household), Stoke Ferry, 2011**

Household composition		Stoke Ferry	King's and Norfolk	Lynn West	England
<b>One person household</b>	<b>Total</b>	<b>23.4%</b>	<b>27.2%</b>		<b>30.2%</b>
	Aged 65 and over	11.4%	14.4%		12.4%
	Other	12.0%	12.8%		17.9%
<b>One family only</b>	<b>Total</b>	<b>69.5%</b>	<b>66.6%</b>		<b>61.8%</b>
	All aged 65 and over	17.5%	13.0%		8.1%
	With no children	24.3%	21.4%		17.6%
	With dependent children	16.6%	23.2%		26.5%
	All children Non-Dependent <sup>22</sup>	11.1%	9.0%		9.6%
<b>Other household types</b>	<b>Total</b>	<b>7.0%</b>	<b>6.2%</b>		<b>8.0%</b>

Source: ONS 2011, AECOM Calculations

132. Again, it is relevant to consider rates of change in this indicator during the period between Censuses. Between 2001 and 2011, the main changes in household composition were as follows:

- The percentage of one-person households increased by 22.6% over the period. Within this category, the percentage of households aged 65 and over decreased by 10.7%.
- The percentage of single-family households in Stoke Ferry increased by 18.6% over the period. This is higher than the rate of change in either of Stoke Ferry's comparator geographies.
- Within the category of single-family households, the percentage of older households increased by 87.8%. The number of households in this category increased from 41 in 2001 to 77 in 2011 over the period. This is a significant increase, especially when compared to either wider geography.
- The number of families without children increased by 44.6% between 2001-2011. The number of households in this category increased from 74 in 2001 to 107 in 2011. While there were increases in both the LPA and England, the overall change in Stoke Ferry was much higher.
- It is also worth noting that the percentage of families with children decreased by 29.8% while the percentage of families with non-dependent children increased by 25.6%. Both the increase and decrease are higher than seen in either comparator geography. Over this period of time, the NA has lost families with young children but has seen existing families 'grow up' and remain in the area.

<sup>22</sup> Refers to households containing children who are older than 18 e.g students or young working people living at home.

- The percentage of other households increased by 138.5% between 2001-2011. In terms of raw figures, the number of other households increased from 13 in 2001 to 31 in 2011. The change in Stoke Ferry is much higher than in King's Lynn and West Norfolk, as well as England but from a low base.
- The percentage of 'other' households increased by 89.3%. The number of individuals in this category increased from 28 in 2001 to 53 in 2011. Compared to its wider geographies, there was a greater overall increase in Stoke Ferry in this category.

**Table 5-8: Rates of change in household composition, Stoke Ferry, 2001-2011**

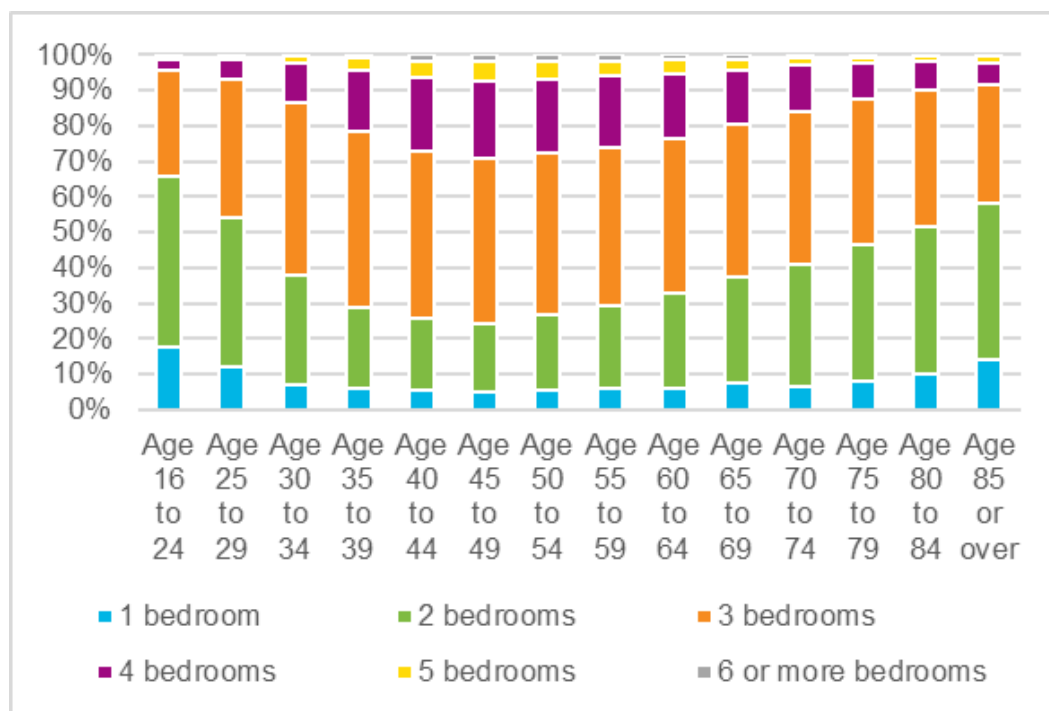
Household type		Percentage change, 2001-2011		
		Stoke Ferry	King's Lynn and West Norfolk	England
One-person household	<b>Total</b>	<b>22.6%</b>	<b>5.3%</b>	<b>8.4%</b>
	Aged 65 and over	-10.7%	-2.9%	-7.3%
	Other	89.3%	16.4%	22.7%
One family only	<b>Total</b>	<b>18.6%</b>	<b>5.9%</b>	<b>5.4%</b>
	All aged 65 and over	87.8%	0.9%	-2.0%
	With no children	44.6%	10.7%	7.1%
	With dependent children	-29.8%	2.4%	5.0%
	All children non-dependent	25.6%	12.3%	10.6%
Other household types	<b>Total</b>	<b>138.5%</b>	<b>58.1%</b>	<b>28.9%</b>

Source: ONS 2001-2011, AECOM Calculations

## 5.5 Dwelling mix determined by life-stage modelling

133. Recognising the fact that households of different ages may have different housing needs, the housing mix needed to meet demographic change by the end of the Plan period is estimated by an approach based on current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in households aged under 24 will lead to an increase in the need for the type of housing currently occupied by households of that age.
134. It is important to keep in mind that this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the propensity of households to occupy more or less space than they 'need'. This approach also embeds existing patterns of occupancy which may or may not be desirable. This is particularly important to keep in mind in areas where housing affordability has worsened because it means that many households are forced to occupy less space than they need or want.
135. However, no data on housing size occupation by age of the Household Reference Person (HRP- a more modern term for 'head of household') is available at neighbourhood level. For this reason, LA-level data needs to be used as the closest proxy.
136. Figure 5-2 below sets out the relationship in the 2011 Census at LA level between the age of the HRP and the size of dwelling occupied. This provides the starting point for determining the most appropriate dwelling size mix by the end of the Neighbourhood Plan period. The data indicates that one- and two-bedroom dwellings are common amongst those aged between 16-25 as well as aged 80 and over. However, for those between the ages of 30-79, three-bedroom homes are the most common. It is worth noting that the preference for four-bedroom dwellings follows the trend of three bedroom dwellings, that is, both these homes are most common amongst those aged between 30-79, whilst the preference for one bedroom homes remains at a relatively low level for almost all life stages.

Figure 5-2: Age of household reference person by dwelling size in King's Lynn and West Norfolk, 2011



Source: ONS 2011, AECOM Calculations

137. Household projections provided by MHCLG are then used to understand the future distribution of households by the age of the HRP. Again, this data is only available at the LPA level and for the years 2014 and 2039. Therefore, the distribution of households by the age of the HRP would be in 2036 is estimated, i.e. the end of the Neighbourhood Plan period. The data is presented in Table 5-9 below.

Table 5-9: Projected distribution of households by age of HRP, King's Lynn and West Norfolk

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	1,598	6,704	21,289	11,658	21,728
2014	1,899	7,298	20,610	10,717	23,726
2036	2,331	6,687	20,653	10,890	32,888
2039	2,389	6,603	20,659	10,914	34,137

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

138. It is then necessary to extrapolate from this LPA-level data an estimate of the corresponding change in the age structure of the population in Stoke Ferry. To do so, the percentage increase expected for each group across King's Lynn and West Norfolk, derived from the data presented above was mapped to the population of Stoke Ferry. The results of this calculation are detailed in Table 5-10 below:

Table 5-10: Projected distribution of households by age of HRP, Stoke Ferry

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	7	28	150	89	166
2014	8	30	145	82	181
2036	10	28	146	83	251

Source: AECOM Calculations

139. Finally, having established the likelihood shown by households at different life-stages towards dwellings of different sizes and the approximate number of households in King's Lynn and West Norfolk and Stoke Ferry falling into each of



these stages by the end of the Plan period in 2036, it is possible to estimate how the housing stock might evolve in terms of size over the Neighbourhood Plan period in response to demographic change (see Table 5-11 below).

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

**Table 5-11: Likely dwelling size distribution in Stoke Ferry by the end of the Plan period, based on modelled household life-stages (totals may not sum due to rounding)**

Size	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total Households requiring dwelling sizes
Pop	10	28	146	83	251	-
1 bedroom	2	3	8	5	22	40
2 bedrooms	5	10	30	21	92	158
3 bedrooms	3	12	68	37	101	221
4 bedrooms	0	2	30	16	28	77
5+ bedrooms	0	1	9	5	7	22

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

141. It is now possible to compare the 2011 housing mix in terms of size with the projected requirement based on the estimates set out in Table 5-11 above modelling the change in the age structure of the population in Stoke Ferry.
142. Table 5-12 below indicates that, by 2036 the size distribution of dwellings, according to demographic change is likely to be broadly similar to the current proportion of dwellings of different sizes but with a small shift towards smaller dwellings.

**Table 5-12: 2011 housing sizes compared to likely distribution at end of Plan period, Stoke Ferry**

Number of bedrooms	2011		2036	
1 bedroom	17	3.9%	40	7.7%
2 bedrooms	144	32.7%	158	30.6%
3 bedrooms	187	42.5%	221	42.8%
4 bedrooms	67	15.2%	77	14.8%
5 or more bedrooms	25	5.7%	22	4.2%
Total households	440	100%	518	100%

Source: Census 2011, AECOM Calculations

143. Table 5-12 below sets out the estimated misalignment between future demand for housing, based on the modelled preferences of households at different life-stages, and the current stock available in the Neighbourhood Plan area.

**Table 5-12: Future potential misalignments of supply and demand for housing, Stoke Ferry**

Number of bedrooms	2011	2036	Change to housing mix	Recommended split
1 bedroom	17	40	23	28.1%
2 bedrooms	144	158	14	17.6%
3 bedrooms	187	221	34	42.4%
4 bedrooms	67	77	10	12.0%
5 or more bedrooms	25	22	-3	0.0%

Source: AECOM Calculations

144. The result of this life-stage modelling exercise is to suggest that, in terms of demographic change, new development might involve the following share of dwelling sizes: 28.1% as 1 bedroom, 17.6% as two bedrooms, 42.4% as three bedrooms, 12% as four bedrooms and 0% as 5 or more bedrooms.
145. Since the NP group is interested in bungalows for older people and three to four-bedroom homes for families, this indicative size mix can help the group shape their policies to suit the area's needs.

146. The analysis on household composition found that there has been an increase in the number of one-family households aged 65 and over, and since the NP Group is interested in bungalows for older people, some of proposed one-two bedroom homes might be delivered as bungalows for these households if these developments can be delivered viably. The analysis found a higher requirement for two-and-three-bedroom homes, essentially 'family homes'.
147. Our model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some larger dwellings. Their provision should not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the neighbourhood plan may be used to influence the size mix of housing coming forward, the neighbourhood planners should consider how to increase options for modest sized homes.
148. Since our study provides an estimate of the size of homes that should come forward, rather than the exact type, the group is free to use the size mix to determine the size of homes that should come forward and then choose to build more bungalows if that is what the area demands.
149. Note that only the percentage mix in the right-hand column is relevant to the purposes of this HNA and the neighbourhood planning process. The actual numbers of dwellings required to adjust the size mix do not reflect that actual quantity of housing needed in the NA and are simply a step in the calculation necessary to produce a percentage split. As a general point, this dwelling mix in percentage terms stands alone from the overall quantity of housing needed or allocated over the Plan period, and could equally apply to windfall development, allocations beyond the plan period, or any other source of housing supply.

## 5.6 Conclusions- Type and Size

150. This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site-specific factors which may justify a particular dwelling mix.
151. In terms of dwelling type, the 2011 Census shows that there were 440 households in Stoke Ferry, living in 252 detached houses, 163 semi-detached, 53 terraced houses, and 14 flats. Thus, Stoke Ferry has a high share of detached homes and that there are relatively few flats or apartments located in the neighbourhood area.
152. The housing stock in Stoke Ferry is characterised by a relatively higher percentage of medium-large size homes. Roughly 77% of Stoke Ferry's housing stock has five or more rooms.
153. The 2011 Census data reveals that a majority of Stoke Ferry's housing stock consists of dwellings with three-bedrooms (42.5%). Stoke Ferry also has a high share of dwellings with two-bedrooms (32.7%).
154. In terms of demographics, 2011 Census data reveals that Stoke Ferry has an older bias to the population. Compared to King's Lynn and West Norfolk, Stoke Ferry has a relatively lower proportion of people between the ages of 0-44, and a relatively higher proportion of people between the ages of 45-84. Approximately 54% of Stoke Ferry's population is over the age of 45, which is higher than the share of people in the same age group in both wider geographies.
155. In terms of household composition, our analysis found that the largest groups of households in of Stoke Ferry are couples without children, including older couples. There are also large numbers of households with grown up children. Over the period 2001-2011, the number of families with dependent children declined in the area, consistent with the ageing of the population.
156. The result of a life-stage modelling process suggests that by 2036, the size distribution of dwellings should prioritise the provision of three-bedroom homes but with reasonable proportions of 1, 2- and 4-bedroom homes as part of the mix. Since the NP group is interested in bungalows for older people and three-four-bedroom homes for families, our suggested size mix can help the group shape their policies to suit the area's needs.
157. This model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some smaller and larger dwellings. Their provision should not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the neighbourhood plan may be used to influence the size mix of housing coming forward, the neighbourhood planners should consider how to increase options for medium sized homes with three bedrooms.

## 6. Conclusions

### 6.1 Overview

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

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

Issue	Source(s) (see Chapter 3)	Summary of evidence and data assessed	Conclusions and recommendations
Quantity of housing to plan for	Chapter 4	AECOM estimated there will be a need for 40 affordable homes for sale and 28 affordable homes for rent over the plan period.	Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy, and implemented by the LPA.
Housing tenure and affordability	Chapter 4	<p>Households need an income of around £42,429 to be able to afford to buy and entry level property on the open market. This is slightly above average incomes within Stoke Ferry (£41,200). The gap between the cost of market renting and home ownership is relatively wide, affecting those with incomes of between £35,080 and £42,429. Affordable routes to home ownership may be suitable to this group of households.</p> <p>It appears that both discounted market sales (with a discount of 30-40%) and shared ownership (25%-50% share) would extend home ownership to those on average incomes. However, none of the affordable home ownership options aside from shared ownership (25% share) can extend home ownership to those on LQ incomes, even where there might be two members earning.</p>	<p>Two indicative tenure mixes have been provided, which could serve as a guideline for the breakdown of Affordable Housing tenures in Stoke Ferry based on various considerations and evidence.</p> <p>Mix 1 (indicative mix based on local needs) proposes that 70% of affordable homes be provided as rented tenures, and the remaining 30% delivered as affordable routes to home ownership.</p> <p>Mix 2 (indicative mix with 25% First Homes requirement) proposes that 25% is delivered as First Homes with a further 5% as shared ownership and 70% as social/affordable rented. This aligns with the direction of proposed national policy, which includes a mandated minimum level of delivery of the Government’s new First Homes affordable home ownership product.</p>

Issue	Source(s) (see Chapter 3)	Summary of evidence and data assessed	Conclusions and recommendations
Housing type and size	Chapter 5	<p>The 2011 Census shows that there were 440 households in Stoke Ferry, living in 252 detached houses, 163 semi-detached, 53 terraced houses, and 14 flats. Thus, Stoke Ferry has a high share of detached homes and that there are relatively few flats or apartments located in the neighbourhood area.</p> <p>The housing stock in Stoke Ferry is characterised by a relatively higher percentage of medium-large size homes.</p> <p>The 2011 Census data reveals that Stoke Ferry has an older bias to the population. Compared to King's Lynn and West Norfolk, Stoke Ferry has a relatively lower proportion of people between the ages of 0-44, and a relatively higher proportion of people between the ages of 45-84. Approximately 54% of Stoke Ferry's population is over the age of 45, which is higher than the share of people in the same age group in both wider geographies.</p>	<p>Our analysis found that the largest groups of households in of Stoke Ferry are couples without children, including older couples. There are also large numbers of households with grown up children. Over the period 2001-2011, the number of families with dependent children declined in the area, consistent with the ageing of the population.</p> <p>The result of a life-stage modelling process suggests that by 2036, the size distribution of dwellings should be focused on delivering more three-bedroom homes as a priority but with reasonable proportions of 1,2 and 4 bed homes. Since the NP group is interested in exploring whether bungalows could be provided as suitable accommodation for older people as well as three-four bedroom homes for families, the size mix implied by the analysis would appear to support this mix, though it does not confirm whether these type or sizes of homes can be delivered viably.</p>

## 6.2 Recommendations for next steps

159. This Neighbourhood Plan housing needs assessment aims to provide Stoke Ferry with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with King's Lynn and West Norfolk with a view to agreeing and formulating draft housing policies, bearing the following in mind:

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

Norfolk and the neighbourhood plan areas within it.

160. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.
161. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, King's Lynn and West Norfolk or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
162. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

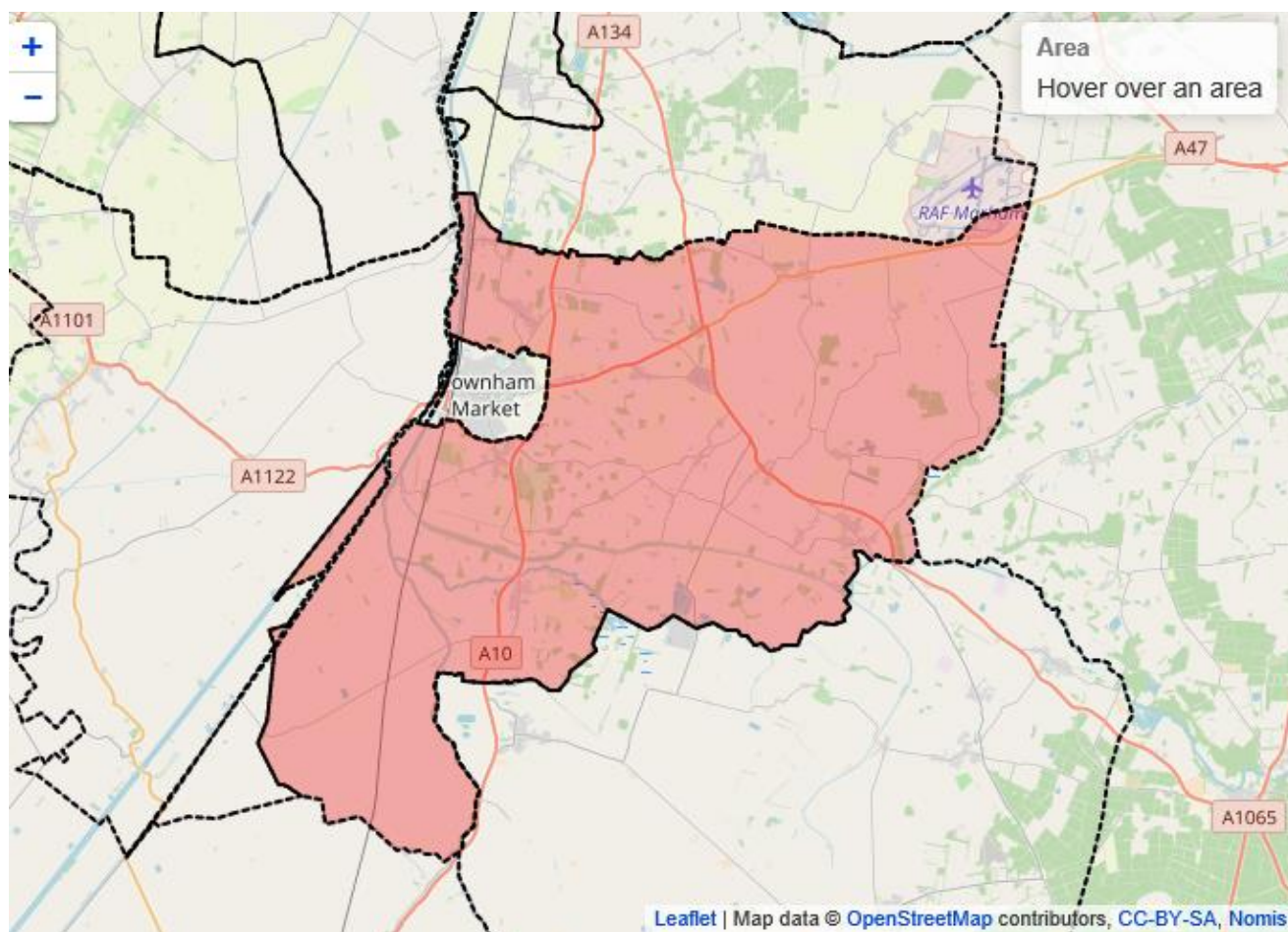
## Appendix A : Calculation of Affordability Thresholds

### A.1 Assessment geography

163. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.

164. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Stoke Ferry, it is considered that MSOA E02005568 is the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of E02005568 appears below in Figure A-1.

**Figure A-1: MSOA E02005568 used as a best-fit geographical proxy for the Neighbourhood Plan area**



Source: ONS

### A.2 Market housing

165. Market dwellings are accessible to people on higher incomes. Choices in the housing market are driven principally by spending power, life stage, and personal taste.

166. The operation of the housing market is, in most circumstances, the best means of addressing the demand for different types of housing for sale. For this reason, it is important that planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand, because this is the principal way equilibrium is achieved in the market and thus house price growth kept in check.

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



resources for infrastructure improvements.

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

### i) Market sales

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

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

171. The value of an entry-level dwelling is considered the best representation of the segment of market housing most likely to be accessible to those on lower incomes.<sup>23</sup> The value of an entry level dwelling used here is the lower quartile average house price from sales data from Land Registry over the year 2018.

172. The calculation is therefore:

- Value of an 'entry level dwelling' = £165,000
- Purchase deposit = £16,500 @10% of value;
- Value of dwelling for mortgage purposes = £148,500
- Loan to income ratio = value of dwelling for mortgage purposes divided by 3.5;
- **Purchase threshold = £42,429**

### ii) Private Rented Sector (PRS)

173. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. Households are deemed able to afford a private rented property if the lower quartile private rent does not exceed 30% of gross household income.

174. It is assumed that lower quartile private rent equates to the average rent paid in the Neighbourhood Plan area for a two-bedroom dwelling (enough living space for two or three individuals). In order to be in conformity with the Government guidance on overcrowding,<sup>24</sup> such a home would require three habitable rooms (a flat or house with two bedrooms).

175. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within the PE33 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.

176. According to [home.co.uk](https://www.home.co.uk), there are 3 two-bed properties currently listed for rent across PE33, with an average price of £877 per calendar month.

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

- Annual rent = £877 x 12 = £10,524;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent)
- **Income threshold (private rental sector) = £35,080**

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<sup>23</sup> 'Entry-level dwelling' can be understood to comprise a property that costs the average value of dwellings falling into the lower quartile of house prices in the Neighbourhood Plan area, as set out in the Tenure and Affordability chapter above.

<sup>24</sup> This is based on the concept of the 'room standard', which indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room). See: [http://england.shelter.org.uk/housing\\_advice/repairs/overcrowding](http://england.shelter.org.uk/housing_advice/repairs/overcrowding)



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

### A.3 Affordable Housing

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

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

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

#### i) Social rent

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

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

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

**Table A-1: Social rent levels (£)**

Social Rent	1 bed	2 beds	3 beds	4 beds	All
Gross Rent	£58.63	£75.98	£83.27	£90.67	£84.59
<b>Annual average</b>	<b>£3,049</b>	<b>£3,951</b>	<b>£4,330</b>	<b>£4,715</b>	<b>£4,399</b>
<b>Income needed</b>	<b>£12,195</b>	<b>£15,804</b>	<b>£17,320</b>	<b>£18,859</b>	<b>£17,595</b>

Source: Homes England, AECOM Calculations

#### ii) Affordable rent

185. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000). Even an 80% discount on the market rent may not be sufficient to ensure that households can afford it, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.

186. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for King's Lynn and West Norfolk (above). Again it is assumed that no more than 30% of income should be spent on rent.

**Table A-2: Affordable rent levels (£)**

Affordable Rent	1 bed	2 beds	3 beds	4 beds	All
Gross Rent	£79.64	£98.89	£109.73	£130.62	£101.59
<b>Annual average</b>	<b>£4,141</b>	<b>£5,142</b>	<b>£5,706</b>	<b>£6,792</b>	<b>£5,283</b>
<b>Income needed</b>	<b>£16,565</b>	<b>£20,569</b>	<b>£22,824</b>	<b>£27,169</b>	<b>£21,131</b>

Source: Homes England, AECOM Calculations

### iii) Intermediate tenures

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

#### Discounted Market Homes

188. In paragraph 64 of the NPPF 2019, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership”.
189. Whether to treat discounted market sale homes as affordable housing or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to access market housing for purchase.
190. Applying a discount of 20% provides an approximate selling price of £164,000 (20% discount on median average prices of £205,000). Allowing for a 10% deposit further reduces the value of the property to £147,000. The income threshold at a loan to income ratio of 3.5 is £42,171.
191. In practice, developers are likely to price these homes in relation to new build prices, particularly in locations where discounting in relation to entry level prices may not make these homes viable to develop in relation to build costs. When new build prices are discounted by 20% they may not offer any discount on entry level prices.
192. The Government is consulting on proposals to introduce First Homes which would provide a minimum discount of 30% on new market homes for eligible households. A 30% discount on median prices would require an income threshold of £36,900.

#### Shared ownership

193. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied by 'staircasing'. Generally, staircasing will be upward, thereby increasing the share owned over time.
194. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.
195. To determine the affordability of shared ownership, calculations are based on the median house price of £205,000.<sup>25</sup> The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
196. A 25% equity share of £205,000 is £51,250 from which a 10% deposit of £5,125 is deducted. The mortgage value of £46,125 is then divided by 3.5. To secure a mortgage of £46,125, an annual income of £13,179 (£46,125/3.5) is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £153,750. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £8,334 and requires an income of £12,812 (multiplied by 3.33 so that no more than 30% of income is spent on rent). Therefore, an income of around **£25,991** (£13,179 + £12,812) is required to afford a 25% shared equity purchase of an entry-level home. The same calculations were undertaken for equity shares of 50% and 75%, producing income thresholds of £34,889 and £43,807 respectively.

<sup>25</sup> It is important to note that current shared ownership models are only available for new build homes, which are assumed to cost more than this average taken from all open market housing, which also includes property re-sale.

## Appendix B : Housing Needs Assessment Glossary

### Adoption

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

### Affordability

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

### Affordability Ratio

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

### Affordable Housing (NPPF Definition)

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

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

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

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

### Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods<sup>26</sup>.

### Age-Restricted General Market Housing

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

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<sup>26</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

## **Annual Monitoring Report**

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

## **Basic Conditions**

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

## **Backlog need**

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

## **Bedroom Standard<sup>27</sup>**

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

## **Co-living**

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

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

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

## **Community Right to Build Order<sup>28</sup>**

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

## **Concealed Families (Census definition)<sup>29</sup>**

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

## **Equity Loans/Shared Equity**

An equity loan which acts as a second charge on a property. For example, a household buys a £200,000 property with a 10% equity loan (£20,000). They pay a small amount for the loan and when the property is sold e.g. for £250,000 the lender

<sup>27</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

<sup>28</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>29</sup> See [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)

receives 10% of the sale cost (£25,000). Some equity loans were available for the purchase of existing stock. The current scheme is to assist people to buy new build.

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

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

### **Fair Share**

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

### **First Homes**

The Government is consulting on the introduction of First Homes as a new form of discounted market homes which will be provided at least 30% discount on new homes. The intention is that these homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments may be required to provide a proportion of Affordable Housing as First Homes (40-80%).

### **Habitable Rooms**

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

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

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

### **Housing Market Area**

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

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

### **Housing Needs**

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

### **Housing Needs Assessment**

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

### **Housing Products**

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

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

Housing size can be referred to either in terms of the number of bedrooms in a home (a bedroom is defined as any room that was intended to be used as a bedroom when the property was built, any rooms permanently converted for use as bedrooms);

or in terms of the number of rooms, excluding bathrooms, toilets halls or landings, or rooms that can only be used for storage. All other rooms, for example, kitchens, living rooms, bedrooms, utility rooms, studies and conservatories are counted. If two rooms have been converted into one they are counted as one room. Rooms shared between more than one household, for example a shared kitchen, are not counted.

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

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

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

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

### **Income Threshold**

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

### **Intercensal Period**

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

### **Intermediate Housing**

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

### **Life Stage modelling**

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

### **Life-time Homes**

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

### **Life-time Neighbourhoods**

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

### **Local Development Order**

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

### **Local Enterprise Partnership**

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

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

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

### **Local Planning Authority**

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

### **Local Plan**

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

### **Lower Quartile**

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

### **Lower Quartile Affordability Ratio**

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

### **Market Housing**

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

### **Mean (Average)**

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

### **Median**

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

### **Median Affordability Ratio**

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

### **Mortgage Ratio**

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years<sup>30</sup>, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

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

An NDO will grant planning permission for a particular type of development in a particular area. This could be either a particular development, or a particular class of development (for example retail or housing). A number of types of development

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<sup>30</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>



will be excluded from NDOs, however. These are minerals and waste development, types of development that, regardless of scale, always need Environmental Impact Assessment, and Nationally Significant Infrastructure Projects.

### **Neighbourhood plan**

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

### **Older People**

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

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

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

### **Overcrowding**

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

### **Planning Condition**

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

### **Planning Obligation**

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

### **Purchase Threshold**

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

### **Proportionate and Robust Evidence**

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

### **Private Rented**

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

rent is paid by their employer, including some people in the armed forces. Some housing association tenants may also have been counted as living in the private rented sector because of confusion about what a housing association is.

### **Retirement Living or Sheltered Housing**

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

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

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

### **Rightsizing**

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

### **Rural Exception Sites**

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

### **Shared Ownership**

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

### **Sheltered Housing<sup>31</sup>**

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

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

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

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<sup>31</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

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

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

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

### **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>32</sup>

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<sup>32</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

