

# Burnham Market

Housing Needs Assessment (HNA)

March 2022

## Quality information

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

BM	Burnham Market
DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
HNA	Housing Needs Assessment
HRF	Housing Requirement Figure (the total number of homes the NA is expected to plan for, usually supplied by LPAs)
HLIN	Housing Learning and Improvement Network
HRP	Household Reference Person
KLWN	King's Lynn & West Norfolk
LHN	Local Housing Need
LPA	Local Planning Authority
NA	Neighbourhood Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

# 1. Executive Summary

1. The Office for National Statistics (ONS) mid-2020 population estimate for Burnham Market is 789, showing a decrease of 88 since the 2011 Census.
2. There has been some development in Burnham Market since 2011, with King's Lynn & West Norfolk Borough Council providing completions data showing 54 new dwellings in the NA in this time period. It is not known what proportion of those delivered were affordable. The total quantity of dwellings in Burnham Market is estimated to be 843 as of 2020/2021.

## Conclusions- Tenure and Affordability

### Current dwelling stock

3. The current tenure profile of Burnham Market, as of the 2011 Census, shows that the majority of households are owner occupied at 64.6%, slightly above national levels. There are relatively low levels of private renting in the NA compared to both the Borough and England. Between 2001 and 2011, the Burnham Market private rented sector expanded by 58.3%, a rate of growth that is significantly below the Borough and national levels, with 96.2% and 82.4% respectively, likely due to the prominence of second homes and holiday lets within the parish. Most notable in the NA in 2011 is the high levels of social housing compared to King's Lynn & West Norfolk, at 20.2% compared to 13.3%. It is however unknown how much of this social rented housing remains.
4. Between 2011 and 2020, the median house price in Burnham Market rose from £420,000 to £636,250, with some fluctuation in prices in this time. There is less fluctuation in the lower quartile house prices. The highest house prices for both the median and the lower quartile in this time were in 2020 at £636,250 and £478,250 respectively. The median house price across the Borough is much lower than in Burnham Market at £230,000, £406,250 lower than the 2020 median house price in the NA. The lower quartile house price for the local authority grew by 47.8% between 2011 and 2020 whilst it grew by 83.9% in the NA. This significant rise in entry-level house prices in the NA compared to the Borough exacerbates the issues of affordability in the NA as smaller properties rapidly increased in cost. In terms of the type of property, the greatest growth is in semi-detached dwellings where a 148.8% increase in house prices was seen.

### Affordability

5. Looking at market affordability, local households on average incomes are unable to access even entry-level market homes. The median house price would require an annual income 396.1% higher than the current average. Private renting is generally only affordable to higher earners. When looking at entry-level market rent (rental prices of 1/2-bedroom dwellings), households on mean incomes are able to afford rents but those with one or two lower quartile incomes cannot.

6. When looking at affordable home ownership, there is a very large cohort of households that may be able to rent privately but cannot afford home ownership in Burnham Market, earning between £29,320 and £122,979. First Homes calculations indicate that First Homes at a 30%, 40%, or 50% discount would all have a discounted market price higher than the £250,000 cap in place for First Homes. It is therefore assumed that the price for First Homes in Burnham Market would be set at the price of the cap (£250,000). This would be a discount of just over 60.7%. The income required for a First Home with a discounted value of £250,000 would be £64,286, still making the product unaffordable even to households with mean incomes. In order for First Homes to be delivered below this cap, this level of discount would be required, or smaller dwellings may be required to make the product viable in the NA.
7. Turning to shared ownership, this product appears to be slightly more affordable than First Homes but is still not accessible to any of the income groups, with shared ownership at 25% and 50% equity also requiring an income over the £80,000 cap. The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are less affordable options.
8. Affordable rented housing is generally affordable to households with two lower earners. However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.

### **Affordable housing need**

9. The starting point for understanding the need for affordable housing in Burnham Market is the King's Lynn & West Norfolk Housing Needs Assessment (2020). The LHNA identifies the need for 202 additional affordable dwellings each year in King's Lynn & West Norfolk as a whole. When the LHNA figures are pro-rated to Burnham Market, this equates to 1.1 dwelling per annum or 15.4 dwellings over the Neighbourhood Plan period 2022-2036. There is no specific split between the need for Affordable Housing but using the proportions of overall housing tenures suggested in the LHNA, 68% of new housing should be for social/affordable rented housing and 32% shared ownership (affordable home ownership). This would equate to the need for 10.5 units of affordable rented housing and 4.9 units of affordable home ownership over the Plan period.
10. The indicative mix is chiefly in response to the major affordability issues and the expectation that the delivery of Affordable Housing will be lower than the needs identified in this Housing Needs Assessment. In this context, affordable rented tenures should be prioritised. The suggested mix is therefore 70% affordable rented housing and 30% affordable home ownership, with the latter's split as follows:
  - 25% First Homes
  - 5% Rent to Buy
11. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J, and in particular the views



and objectives of the community. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with King's Lynn & West Norfolk Borough Council to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.

12. The expected level of delivery in Burnham Market does not meet the quantity of demand identified in estimates of the need for Affordable Housing. It is recommended that the policy requirement be met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites or Community Land Trusts) to be explored. If the group considers exceeding the Local Plan policy requirement in the neighbourhood plan then it must be noted that an extremely high standard of justification is required which goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.

## Conclusions- Type and Size

13. This study 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 parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.

### Current housing stock

14. In 2011, the dominant dwelling type in the proxy area for the NA was terraced dwellings, followed by detached dwellings. The proportion of terraced dwellings fell between 2011 and 2021, with the dominant housing type in 2021 detached properties, above 2011 levels. This indicates that new development in the area in the last decade has focussed on (potentially larger and more expensive) detached dwellings. There is also a significant proportion of bungalows in both time periods, with this decreasing very slightly between 2011 and 2021.
15. Comparing the NA to the country, Burnham Market has a significantly higher proportion of bungalows than England, at 20.6% and 9.4% respectively. However, this figure is below the Borough levels of 27.4%. The proportion of detached dwellings in the NA is above national levels, suggesting the NA is dominated by larger and more expensive dwellings and could also allude to the issue of second homes in the NA.
16. Turning to dwelling size in the NA, Table 5-3 shows that in both 2011 and 2021, the NA was dominated by 3-bedroom dwellings, with the proportion remaining stable in this

time period. There was also an increase in the proportion of 4-bedroom dwellings in the NA, further emphasising the dominance of larger dwellings. However, the proportion of the largest dwellings fell very slightly. In 2011, the smallest proportion of dwellings were 1-bedroom, which along with 2-bedroom, decreased between 2011 and 2021. The proportion of mid-sized 3-bedroom dwellings is relatively stable across the NA, Borough, and country, with greater differences at the smaller and larger dwelling sizes. The proportion of 1-bedroom dwellings in the NA is also significantly below the Borough and national levels. On the other hand, the proportion of dwellings with 5 or more bedrooms is significantly higher than the proportion in both King's Lynn & West Norfolk and England.

## Demographics

17. Looking at the population structure of the NA, it shows the decline in total population in Burnham Market of 88 people. The majority of the population in both 2011 and 2020 are aged 65 and over, at 39.5% and 42.4% respectively, indicating a significant skew towards an older population. The smallest age category in both circumstances is the 16-24 age group. The 25-44 and 45-64 age groups decrease slightly between 2011 and 2020, with the latter accounting for just under a third of the population in Burnham Market. The population of the NA is significantly more skewed towards the older population than the Borough as a whole and the country. Both England and King's Lynn & West Norfolk Borough have the greatest proportion of the population in the 45-64 and 25-44 age categories whilst Burnham Market has the highest proportion of the population in the 65-84 and 45-64 age categories. Population growth to the end of the plan period can be expected to be driven by the oldest households, with households with a household reference person aged 65 and over expected to increase by 44% between 2011 and 2036 to 353 households. This would mean that the oldest households would account for 63.2% of the total population in 2036.
18. A greater proportion of households than King's Lynn & West Norfolk and England are single person households in Burnham Market at 38.9% compared to 27.2% and 30.2% respectively. The proportion of households that are single persons solely aged 65 and over is also significantly higher in the NA than the Borough and England. The proportion of family households where all members are aged 65 and over in the NA is higher again than the Borough and country, further indicating a bias towards the older population in Burnham Market. Between 2001 and 2011 there was a relatively high increase in families with no children at 26.5% compared to increases of 10.7% across King's Lynn & West Norfolk and of 7.1% nationally. This may suggest an increase in unaffordability (or lack of suitable dwellings) for families, leading to them having to move out of the NA. It may also suggest an increase in smaller dwellings suitable for couples without children or align with the 58.3% increase in private rented dwellings in this time (which is however below the Borough and national increase).
19. There are high levels of under-occupancy in Burnham Market, with 84.1% of households living in a home with at least one extra bedroom. This level of under occupancy is most prevalent in families where all residents are aged 65+ at 97.6% under-occupancy, suggesting that once adult children leave the family home, these

households are not downsizing. This could be out of choice or due to a lack of suitable smaller properties for them to move in to. This figure of under-occupancy is also seen in family households aged below 65 with no children, indicating that larger housing in Burnham Market isn't being occupied by households with the most family members, but by the people with the most wealth.

### **Future dwelling mix**

20. AECOM's model suggests that a mix of housing should be delivered through future development in order to reach the suggested indicative mix in 2036. It is suggested that in 2036 there is a greater proportion 1, 2, and 3-bedroom dwellings in the NA than in 2011, and a reduction in larger dwellings. In order to reach this, it is suggested that some priority is given to the provision of 3-bedroom homes, closely followed by smaller 2-bedroom dwellings. This suggests a need for smaller/mid-sized family homes in the NA as well as dwellings suitable for the downsizing of the older population.
21. It is never advisable to restrict future housing delivery to selected size categories only. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. Generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. It is recommended that priority is given to smaller and mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

## **Conclusions- Second homes**

22. This section of the HNA considers the current extent of second home ownership in Burnham Market and related trends. It finds that:
  - In 2011, Burnham Market contained 460 households and 789 dwellings, implying that there were 329 dwellings with no usual resident household. This means that 41.7% of dwellings had no usual residents, compared to 14.7% across King's Lynn & West Norfolk and around 4.0% nationally.
  - When looking at holiday lets eligible for business rates specifically, it is estimated that in 2020/2021, there were approximately 111 premises in the Burnham Market categorised as 'other'. Of these, based on Borough level calculations, 32.4% were specifically classified as holiday homes (self-catering), totalling 36 properties. Between 2011 and 2021, the number of properties assumed to be categorised as holiday lets in Burnham Market doubled.
  - The Steering Group undertook further research based on the number of properties in the NA registered for business rates, specifically self-catering holiday units using individual postcodes. This gave a figure of 109 commercial holiday lets in February 2022, more in line with the overall proportion of properties registered for business rates in the NA in the 'other' category as of 2020/2021 of 111. This indicates that the proportion of 'other' properties that are specifically holiday lets in the NA is much higher, as suspected, than the proportion for King's Lynn & West Norfolk used in

AECOM's calculations (of 32.4%), with this the most localised this data could be collected. It could therefore be reasonable to assume there are in the region of 109 commercial holiday lets (eligible for business rates) in the NA as of February 2022.

- The rate of change in the number of holiday home properties liable for business rates likely expresses the degree of growth in the number of holiday homes overall to some extent, but it might equally express a change in the intensity with which the current holiday homes are let throughout the year. Therefore, the increase between 2011 and 2021 are likely not to be solely an increase in second homes but could also include the transfer of personal second homes into commercial holiday lets.
- Based on dwelling completions data to 2021 and ONS mid-2020 population estimates, it is calculated that in 2020/2021 there were 430 dwellings with no usual resident in Burnham Market, assumed to be second homes. This accounts for 51.0% of dwellings in the NA, a significant increase on the proportion in 2011 of 41.7%.
- The demand for second homes in the NA is likely to have had an adverse effect on affordability for local people. There is a clear difference in the potential income between the private rented sector and holiday lets identified in the NA. The calculated average monthly cost of a holiday let in Burnham Market is £6,440 compared to the average monthly cost of a private rented dwelling of £1,157. This highlights a clear incentive for property owners to rent their properties as holiday lets as opposed to in the private rented sector.
- AECOM suggest there is strong reason to apply a Principal Residence Policy or similar in the NA. As this policy is developed, if new data becomes available (e.g. Census 2021 or additional data sources quantifying levels of second home ownership), the group may wish to refine the policy to adapt to any changes in the scale of the market.

## 2. Context

### Local context

23. Burnham Market Neighbourhood Area is located in King's Lynn & West Norfolk, in the East of England. The NA aligns with the parish boundary and was designated in October 2021. Throughout this HNA, 'Burnham Market' will be used to refer to the whole NA unless specified to mean Burnham Market village specifically.
24. The proposed Neighbourhood Plan period starts in 2022 and extends to 2036, therefore comprising a planning period of 14 years. The evidence supplied in this report will look forward to the Plan end date of 2036, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
25. Burnham Market is located in Norfolk, approximately 1 mile inland, within the Norfolk Coast AONB. Burnham Market parish was formed when the 3 settlements of Burnham Sutton, Burnham Ulph, and Burnham Westgate, with the closest neighbours to the NA being Burnham Norton to the north-west, Burnham Overy to the north-east, and Burnham Thrope to the south-east. The NA is approximately 6 miles west of Wells-next-the-Sea, 11 miles east of Hunstanton, and roughly 20 miles north-east of King's Lynn.
26. In terms of transport links, by road the NA is accessible via the B1355 which runs from north to south through the village centre. The B1355 meets A149 coast road in the north, which stretches along the Norfolk coast. There is a regular bus service along the coast road from King's Lynn, stopping in Burnham Market. The NA has a significant number of amenities, including a post office, GP, dentist, shops, estate agents, cafes, takeaways, and multiple churches. Burnham Market Primary School falls just outside of the NA but serves parishes including Burnham Market.
27. For Census purposes, the Neighbourhood Area is made up, like the rest of England, of statistical units called Output Areas (OAs). The Plan area equates to the following OAs, which have been used throughout as a statistical proxy for the NA boundary and which can be interrogated for data from both the 2001 and the 2011 Censuses:

2011:

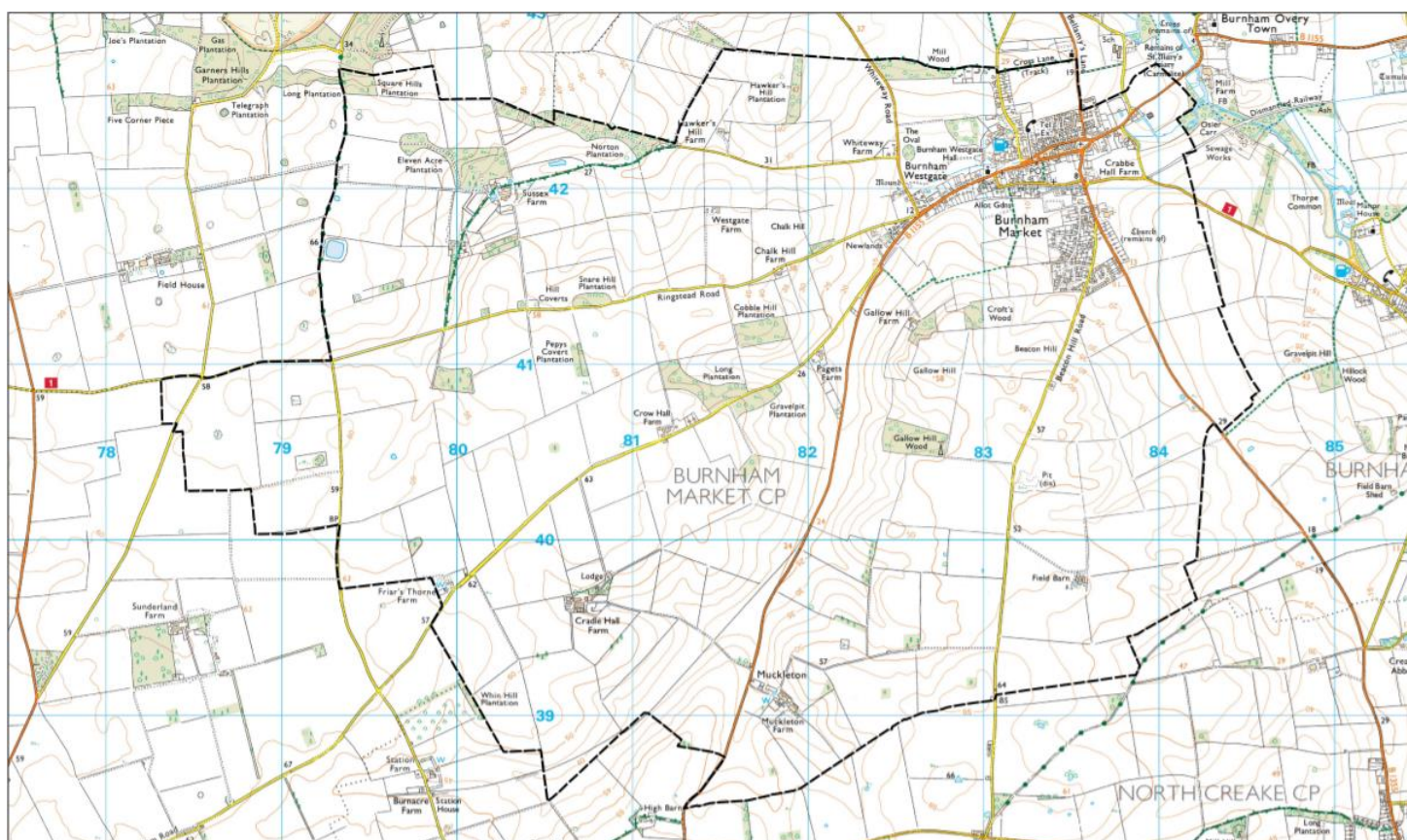
- OA E00135405
- OA E00135406
- OA E00135407
- OA E00135408

2001:

- OA 33UEGW0001
- OA 33UEGW0002
- OA 33UEGW0003
- OA 33UEGW0004

28. The statistics show that in the 2011 Census the NA had a total of 877 residents, formed into 460 households and occupying 789 dwellings. The large difference between these figures can be, at least partially, attributed to second home ownership in the parish. This is discussed further in Chapter 6. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Burnham Market is 789 – indicating population decline of around 88 individuals since 2011. It is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.
29. King's Lynn & West Norfolk Borough Council provided completions data for Burnham Market between 2011 and 2021, indicating 54 new completions in this time period in the NA. This includes new builds as well as conversions of existing properties and changes of use to residential dwellings. There is no indication of the split in terms of market and affordable housing or in relation to the type and size of dwellings delivered. This increase in dwellings is not in line with the decline in population noted above. There are a number of possible explanations for this. First, population estimates could underestimate growth in the NA. The publication of the Census 2021 will allow the group to verify the size of the population in the short term. However, falling household size, driven by population ageing could mean that the population has not expanded in line with the number of households and dwellings. Finally, growth in the dwelling stock without growth in the population could be explained by an increase in the number of second homes or holiday homes in the NA. Current commitments data provided by King's Lynn and West Norfolk Borough Council indicates a potential further net increase in dwellings of 56 dwellings in the NA.
30. A map of the Neighbourhood Area appears in the following Figure 2-1.

**Figure 2-1: Map of the Burnham Market Neighbourhood Area<sup>1</sup>**



Source: King's Lynn & West Norfolk District Council

## The Housing Market Area Context

31. Whilst this HNA focuses on Burnham Market neighbourhood area it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas. In the case of Burnham Market, the parish sits within a housing market area which covers the self-contained local authority area of King's Lynn & West Norfolk<sup>2</sup>. This means that when households who live in this area move home, the vast majority move within this geography, with King's Lynn & West Norfolk having a relatively high level of self-containment with regard to migration and commuter flows. The housing market area does however have links to other neighbouring areas, including Breckland (Norfolk) and Fenland (Cambridgeshire).
32. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Burnham Market are closely linked to other areas. In the case of Burnham Market, changes in need or demand in settlements nearby is likely to impact on the neighbourhood. This includes the expansion of second homes and holiday lets in Burnham Market and surrounding parishes on the Norfolk coast,

<sup>1</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)

<sup>2</sup> King's Lynn & West Norfolk Housing Needs Assessment available at: [https://www.west-norfolk.gov.uk/downloads/file/6252/2020\\_housing\\_needs\\_assessment](https://www.west-norfolk.gov.uk/downloads/file/6252/2020_housing_needs_assessment)



increasing the demand for housing and highlighting the need of local people being pushed out of the market.

33. In summary, Burnham Market functions within a wider strategic area. As well as fostering good working relationships with the local planning authority King's Lynn & West Norfolk, it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood play within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

## Planning policy context

34. Neighbourhood Plans are required to be in general conformity with strategic policies in the adopted local plan<sup>3</sup>. In the case of Burnham Market, the relevant adopted Local Plan for King's Lynn & West Norfolk consists of the below.
35. The adopted Local Plan for King's Lynn & West Norfolk consists of the King's Lynn & West Norfolk Borough Council Local Development Framework Core Strategy (adopted July 2011)<sup>4</sup> and the Site Allocations and Development Management Policies Plan (adopted September 2016)<sup>5</sup>. The Core Strategy guides development to 2026, with the Site Allocations and Development Management Policies Plan complimenting the former in setting out land allocations.
36. The emerging Local Plan<sup>6</sup> will cover the period 2016-2036 and reviews both the Core Strategy and the Site Allocations and Development Management Policies to create a single Local Plan document. The Local Plan review was agreed by Full Council in July 2021, with the pre-submission consultation taking place in August/September 2021. This is the latest version of the Local Plan document.

## Policies in the adopted local plan

37. Table 2-1 summarises adopted Local Plan policies that are relevant to housing need and delivery in Burnham Market.

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<sup>3</sup> A description of the Basic Conditions of Neighbourhood Planning is available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

<sup>4</sup> Available at: [https://www.west-norfolk.gov.uk/downloads/download/68/core\\_strategy\\_document](https://www.west-norfolk.gov.uk/downloads/download/68/core_strategy_document)

<sup>5</sup> Available at: [https://www.west-norfolk.gov.uk/info/20220/site\\_allocations\\_and\\_development\\_management\\_policies\\_plan/514/adopted\\_plan](https://www.west-norfolk.gov.uk/info/20220/site_allocations_and_development_management_policies_plan/514/adopted_plan)

<sup>6</sup> Available at: <https://west-norfolk-consult.objective.co.uk/kse/event/36371/section/ID-5877719-POLICY-LP34-HOUSING-NEEDS-OF-RURAL-WORKERS#ID-5877719-POLICY-LP34-HOUSING-NEEDS-OF-RURAL-WORKERS>



**Table 2-1: Summary of relevant adopted policies in the King's Lynn & West Norfolk Borough Council Local Development Framework Core Strategy**

<b>Policy</b>	<b>Provisions</b>
CS01: Spatial Strategy	<p>Approximately 90% of new residential development will take place in areas identified within the settlement hierarchy to ensure reasonable access to services satisfying basic day to day needs.</p> <p>The strategy for rural areas will focus most new development and at least 2,880 new homes within or adjacent to selected Key Rural Service Centres.</p>
CS02: The Settlement Hierarchy	<p>The settlement hierarchy for King's Lynn &amp; West Norfolk is as follows:</p> <ul style="list-style-type: none"> <li>• Sub-Regional Centre (King's Lynn including West Lynn and Gaywood)</li> <li>• Main Towns (Hunstanton and Downham Market)</li> <li>• Settlements adjacent to King's Lynn and the Main Towns</li> <li>• Key Rural Service Centres (includes Burnham Market)</li> <li>• Rural Villages</li> <li>• Smaller Villages and Hamlets</li> </ul> <p>Limited growth of a scale and nature appropriate to secure the sustainability of each settlement will be supported within the Development Limits of the Key Rural Service Centres.</p>
CS06: Development in Rural Areas	<p>Provision will be made for a total of at least 2,880 new homes within or adjacent to selected Key Rural Service Centres.</p>
CS09: Housing Distribution	<p>The plan will identify sufficient land for a minimum of 16,500 new dwellings across the Borough over the period 2001 to 2026. Provision will be made for at least 2,880 new dwellings in total (with allocations for at least 660 new homes) in the Key Rural Service Centres. Most of this provision will be met through existing completions and commitments, with new housing allocations of an appropriate scale reflecting location and function, to be identified through the Site Allocations DPD.</p> <p>Proposals for housing must take appropriate account of need identified in the most up to date SHMA with particular regard to size, type, and tenure of dwellings.</p> <p>The percentage which will be sought for affordable housing provision on qualifying sites outside of the built up area of King's Lynn is 20%. In rural areas, the affordable housing threshold is 5 dwellings or sites of 0.165 ha or more.</p>

Policy	Provisions
	Tenure mix – 70/30 rented to ‘shared ownership’, adjusted where necessary to balance housing need and make schemes viable, subject to negotiation. 30% ‘shared ownership’ is to also include other forms of intermediate tenure, including intermediate rented.
DMP (2016) - DM8: Delivering Affordable Housing on Phased Development	On windfall sites the requirement to provide affordable housing under Core Strategy CS09 Housing will apply where the Council considers that the proposed development forms part of a larger site which, if developed, would result in a requirement for a proportion of affordable housing.
DMP (2016) - G17.1: Burnham Market – Land at Foundry Field	Land is allocated for residential development of 32 dwellings, with the provision of affordable housing in line with the current standards. Further information is outlined in the Policy.

Source: King's Lynn & West Norfolk Borough Council

## Policies in the emerging local plan

38. Table 2-2 below summarises emerging Local Plan policies that are relevant to housing need and delivery in Burnham Market.

**Table 2-2: Summary of relevant emerging policies in the King's Lynn & West Norfolk emerging Local Plan Review (Pre-Submission Stage 2021)**

Policy	Provisions
LP01: Spatial Strategy	<p>The strategy for rural areas will focus most new development within or adjacent to the selected Growth Key Rural Service Centres and Key Rural Service Centres.</p> <p>The Local Housing Need (LHN) of 539 new dwellings spread over the 20 year plan period (2016-2036) results in a need of 10,780 dwellings which need to be planned for.</p> <p>740 homes are allocated for Key Rural Service Centres, 12% of the homes allocation.</p>
LP02: Settlement Hierarchy	<p>The settlement hierarchy for King's Lynn &amp; West Norfolk is as follows:</p> <ul style="list-style-type: none"> <li>• Sub-Regional Centre (King's Lynn, including West Lynn)</li> <li>• Main Towns (Hunstanton and Downham Market)</li> <li>• Settlements adjacent to King's Lynn and the Main Towns</li> <li>• Growth Key Rural Service Centres</li> </ul>

Policy	Provisions
	<ul style="list-style-type: none"> <li>• Key Rural Service Centres (including Burnham Market)</li> <li>• Rural Villages</li> <li>• Smaller Villages and Hamlets</li> </ul> <p>Key Rural Service Centres are identified as helping to sustain the wider rural economy, providing a range of services that can meet basic day-to-day needs and a level of public transport that can enable access to and from the settlement.</p>
LP28: Affordable Housing	<p>Proposals for housing need to meet the need as identified in the most up to date housing needs assessment with particular regard to size, type, and tenure of dwellings.</p> <p>Affordable rented housing provided on-site should be maintained as affordable housing in perpetuity.</p> <p>On new developments affordable housing should be fully integrated with general market housing to achieve a mixed and balanced community.</p> <p>The percentage of affordable housing provision sought on qualifying sites is 20%, with an affordable housing threshold of 5 or more dwellings (or sites 0.165 ha or larger).</p> <p>Tenure mix is 70% rented, 25% First Homes, and 5% shared ownership, adjusted where necessary to balance housing need and make schemes viable.</p> <p>Affordable housing should be delivered on site.</p> <p>On windfall sites the requirement to provide affordable housing will apply where the Borough Council considers that the proposed development forms part of a larger site which, if developed, would result in a requirement for a proportion of (or contribution to) affordable housing.</p> <p>The Borough Council will support schemes for the provision of affordable housing as exceptions to normal planning policies subject to criteria outlined in the Policy.</p>
LP30: Adaptable and Accessible Homes	<p>All new homes must be designed and constructed in a way that enables them to be adaptable, so they can meet the changing needs of their occupants over their lifetime. Planning permission will be granted for new dwellings subject to the following:</p> <ul style="list-style-type: none"> <li>• 50% of new homes must be built to meet requirement M4(2) of Part M of the Building Regulations: Category 2 for accessible and adaptable dwellings</li> </ul>

Policy	Provisions
	<ul style="list-style-type: none"><li>The encouragement, where practicable and viable, of dwellings on schemes involving major development being provided as wheelchair adaptable dwellings in accordance with the Building Regulations M4(3) standard: Category 3.</li></ul> <p>The Borough Council will require a minimum of 5% of the affordable housing contribution (new dwellings) on major housing developments to accord with Category M4(3) (wheelchair adaptability).</p>

*Source: King's Lynn & West Norfolk Borough Council*

## Quantity of housing to provide

39. The NPPF 2021 (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
40. King's Lynn & West Norfolk has fulfilled that requirement by providing Burnham Market with a definitive figure of 0 dwellings to be accommodated within the Neighbourhood Area by the end of the Plan period<sup>7</sup>. The adopted Local Plan had an allocated site of 32 dwellings which has been fulfilled, with the emerging Local Plan not allocating any further housing requirement.

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<sup>7</sup> As confirmed in diagnostics call on 02/12/2021 and by adopted and emerging Local Plans.

## 3. Approach

### Research Questions

41. The following research questions were formulated at the outset of the research through discussion with the Burnham Market Parish Council Steering Group. They serve to direct the research and provide the structure for the HNA.

### Tenure and Affordability

42. 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.
43. This evidence will allow Burnham Market 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.
44. 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.

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

### Type and Size

45. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. One of the main issues in the community is the high levels of second home ownership, often dominated by larger homes. There is a distinct lack of smaller and more affordable homes for young people and key workers, leading to an ageing population.
46. 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.
47. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.
48. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

***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?***

## Second Homes

49. Burnham Market is an area where the rate of second home ownership is significantly above the national average, and where holiday lets and homes that are vacant for part of the year are perceived to have an impact on housing affordability as well as the vitality and economic resilience of the local community.
50. This chapter of the HNA will review the evidence relating to the presence and growth of second home ownership in Burnham Market, and draw out any relevant connections to the affordability conclusions made in the preceding chapters and other considerations.

***RQ 3: What is the scale and potential impact of the second home sector on the Burnham Market housing market, and how might this be addressed through policy?***

## Relevant Data

51. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census and a range of other data sources, including:
- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
  - ONS population and household projections for future years;
  - Valuation Office Agency (VOA) data on the current stock of housing;
  - Land Registry data on prices paid for housing within the local market;
  - Rental prices from Home.co.uk;
  - Local Authority housing waiting list data; and
  - King's Lynn & West Norfolk Housing Needs Assessment, March 2020<sup>8</sup>.
52. More recent data sources for the population and existing housing stock will be used wherever possible in this report. However, Census datasets providing, for example, the breakdown of households (as opposed to individuals) by age and the tenure of dwellings, cannot accurately be brought up to date in this way. Such patterns are instead generally assumed to persist to the present day.

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<sup>8</sup> Available at: [https://www.west-norfolk.gov.uk/downloads/file/6252/2020\\_housing\\_needs\\_assessment](https://www.west-norfolk.gov.uk/downloads/file/6252/2020_housing_needs_assessment)

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

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

### Introduction

53. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
54. Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
55. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. As part of this effort, the Government has recently introduced a new product called First Homes.<sup>9</sup>
56. Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:
- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
  - The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
  - After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;

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<sup>9</sup> The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
- They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
- In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents.
- 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.

## Current tenure profile

57. The current tenure profile is a key feature of the 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.
58. Table 4-1 below presents data on tenure in Burnham Market compared with King's Lynn & West Norfolk and England from the 2011 Census, which is the most recent available source of this information.
59. There is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Burnham Market the private rented sector expanded by 58.3% in that period, a rate of growth that is significantly below the Borough and national levels, with 96.2% and 82.4% respectively. The proportion of owner occupied households fell by 9.2% compared to a 4.9% increase in King's Lynn & West Norfolk and a national decline of 0.6%.

Table 4-1 shows that the majority of households in Burnham Market are owner occupied at 64.6%, slightly above national levels of 63.3% and below the proportion in King's Lynn & West Norfolk of 69.4%. In 2011 there appeared to be no shared ownership households in the NA despite low levels across the Borough and country. There are relatively low levels of private renting in the NA compared to both the Borough and England. Most notable in the NA is the high levels of social housing compared to King's Lynn & West Norfolk, at 20.2% compared to 13.3%.



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

Tenure	Burnham Market	King's Lynn & West Norfolk	England
Owned; total	64.6%	69.4%	63.3%
Shared ownership	0.0%	0.4%	0.8%
Social rented; total	20.2%	13.3%	17.7%
Private rented; total	12.4%	14.7%	16.8%

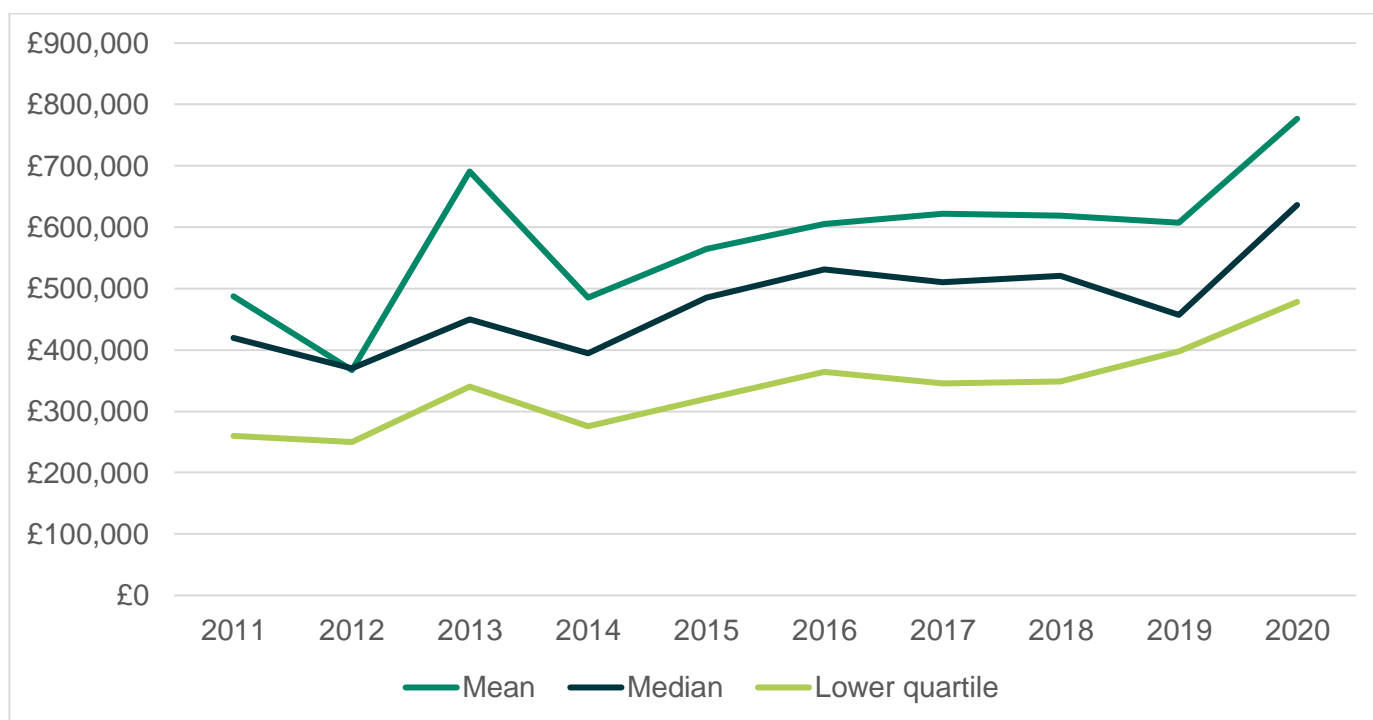
Sources: Census 2011, AECOM Calculations

## Affordability

### House prices

60. 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.
61. Figure 4-1 looks at selected measures of house prices in Burnham Market. It shows that the median house prices have risen from £420,000 in 2011 to £636,250 (growth of 51.5%) in 2020, with some fluctuation in prices in this period. There are notable drops in the median house price in 2012, 2014, and 2019. From 2019 to 2020 the rise in the median house price is considerable with a £179,500 absolute increase. The mean follows a similar pattern to the median but at higher price points (especially in 2013) due to the mean capturing the average of all the house prices, both high and low, meaning that the few outlying data points on the high end cause the mean to increase. The median is the middle number when the data is sorted from smallest to largest, meaning that is it much less impacted by high or low outliers. There is less fluctuation in the lower quartile house prices, with a slight peak in 2013 before falling again in 2014. The highest house prices for both the median and the lower quartile are noted in 2020 at £636,250 and £478,250 respectively.
62. The median growth in house prices between 2011 and 2020 was similar across King's Lynn & West Norfolk to the NA specifically at 53.4% and 51.5% respectively. However, the median house price across the Borough is much lower than in Burnham Market at £230,000, £406,250 lower than the 2020 median house price in the NA. The lower quartile house price for the local authority grew by 47.8% between 2011 and 2020 whilst it grew by 83.9% in the NA. This suggests that although median house price growth has occurred at a similar rate between the Borough and the NA, for entry-level properties there has been a greater rise, exacerbating the issues of affordability in the NA as smaller properties rapidly increased in cost.

**Figure 4-1: House prices by quartile in Burnham Market, 2011-2020**



Source: Land Registry PPD

63. Table 4-2 below breaks down house prices by type, presenting the median within each type. It shows that there is overall growth in house prices between 2011 and 2020, with overall house price growth of 51.5%. This trend is seen most strongly in semi-detached dwellings where a 148.8% increase in house prices was seen. There was some fluctuation in detached house prices, with a decline in 2019 to £540,500 compared to the overall trend of prices increasing. Semi-detached prices also fluctuated, with a peak in in 2016 of £512,500, £272,500 higher than the previous year, and £237,500 higher than 2017. The highest semi-detached property price was recorded in 2020. There were too few flat transactions in the time period to establish a level of growth for this type of dwelling in the NA. Overall, across all house types, the highest prices were recorded in 2020 (£636,250), followed by 2016 (£530,750), and then 2018 (£521,250). These fluctuations could in part be due to a relatively small sample size, with between 15 and 58 transactions a year between 2011 and 2020 in the NA. This is further exacerbated when broken down into types of dwelling.

**Table 4-2: Median house prices by type in Burnham Market, 2011-2020**

Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Growth
Detached	£565,000	£465,000	£680,000	£520,500	£575,500	£695,000	£815,000	£770,000	£540,500	£910,000	61.1%
Semi-detached	£240,000	£249,975	-	£358,750	£240,000	£512,500	£275,000	£280,000	£502,500	£597,050	148.8%
Terraced	£300,000	£420,000	£397,135	£375,000	£408,100	£402,250	£356,000	£475,000	£435,000	£415,000	38.3%
Flats	-	£235,000	£250,000	-	-	-	£370,000	-	-	-	-
<b>All Types</b>	<b>£420,000</b>	<b>£370,000</b>	<b>£450,000</b>	<b>£395,000</b>	<b>£485,000</b>	<b>£530,750</b>	<b>£510,000</b>	<b>£521,250</b>	<b>£456,750</b>	<b>£636,250</b>	<b>51.5%</b>

Source: Land Registry PPD

## Income

64. 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.
65. The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e., it does not provide the average income of lower earners). The average total household income before housing costs locally was £41,300 in 2018. A map of the area to which this data applies is provided in Appendix A.
66. The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e., the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. King's Lynn & West Norfolk's gross individual lower quartile annual earnings were £13,839 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £27,678.
67. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

## Affordability Thresholds

68. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.
69. AECOM has determined thresholds for the income required in Burnham Market to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.
70. 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.
71. Table 4-3 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

72. The same information is presented as a graph in Fig on a subsequent page, with selected measures from the table presented for clarity.

**Table 4-3: Affordability thresholds in Burnham Market (income required, £)**

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £41,300	Affordable on LQ earnings (single earner)? £13,839	Affordable on LQ earnings (2 earners)? £27,678
<b>Market Housing</b>						
Median House Price	£572,625	-	<b>£163,607</b>	No	No	No
LA New Build Median House Price	£207,000	-	<b>£59,143</b>	No	No	No
LQ/Entry-level House Price	£430,425	-	<b>£122,979</b>	No	No	No
Average Market Rent	-	£13,884	<b>£46,280</b>	No	No	No
Entry-level Market Rent	-	£8,796	<b>£29,320</b>	Yes	No	No
<b>Affordable Home Ownership</b>						
First Homes (-30%)	£400,838	-	<b>£114,525</b>	No	No	No
First Homes (-40%)	£343,575	-	<b>£98,164</b>	No	No	No
First Homes (-50%)	£286,313	-	<b>£81,804</b>	No	No	No
Shared Ownership (50%)	£286,313	£7,953	<b>£108,314</b>	No	No	No
Shared Ownership (25%)	£143,156	£11,930	<b>£80,667</b>	No	No	No
Shared Ownership (10%)	£57,263	£14,316	<b>£64,079</b>	No	No	No
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£5,376	<b>£17,901</b>	Yes	No	Yes
Social Rent	-	£4,399	<b>£14,648</b>	Yes	No	Yes

Source: AECOM Calculations

73. Before considering each tenure category in turn, it is important to stress that these affordability thresholds have been calculated to give a sufficiently robust indication of the costs of various tenures to inform Neighbourhood Plan policy choices. These figures rely on existing data and assumptions, and it is not possible to estimate every possible permutation. The income figures also disguise a large degree of variation. For simplicity the analysis below speaks in terms of tenure products being 'affordable' or 'not affordable' for different groups, but individual circumstances and the location, condition and other factors of specific properties in each category have a large impact. These conclusions should therefore be interpreted flexibly.

### Market housing for purchase and rent

74. Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit

of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income 396.1% higher than the current average.

75. Private renting is generally only affordable to higher earners. Households with average incomes cannot afford the given rental thresholds. When looking at entry-level market rent (rental prices of 1 or 2-bedroom dwellings), households on mean incomes are able to afford rents but those with one or two lower quartile incomes cannot. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

### **Affordable home ownership**

76. There is a relatively large group of households in Burnham Market who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £29,320 per year (at which point entry-level rents become affordable) and £122,979 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
77. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e., new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.
78. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. First Homes at all of these discount levels are unaffordable even to those on mean incomes. The calculations indicate that First Homes at a 30%, 40%, or 50% discount would all have a discounted market price higher than the £250,000 cap in place for First Homes. It is therefore assumed that the price for First Homes in Burnham Market would be set at the price of the cap (£250,000). This would be a discount of just over 60.7%. The income required for a First Home with a discounted value of £250,000 would be £64,286, still making the product unaffordable even to households with mean incomes. In order for First Homes to be delivered below this cap, this level of discount would be required, or smaller dwellings may offer the opportunity to provide lower prices. It is important to note that discounts on market sales prices will extend home ownership to some households currently priced out of the market in the NA. But very large discounts would be needed to reach households on average incomes.
79. Table 4-4 shows the discount required for First Homes to be affordable to the three income groups. Because it is not possible to estimate the exact cost of a typical First Home due to a lack of data on new build entry-level house prices in the NA, it is worth considering the discounts required for some additional price benchmarks. The table above uses the median house price in the NA as the best proxy for the cost of a newly built entry-level home in the area as this reflects the local market and accounts for the price premium usually associated with newly built housing (which would bring the price closer to the price of median existing homes than existing entry-level homes). However,

it is also worth thinking about First Homes in relation to the cost of new build prices in the wider area, and of entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

**Table 4-4: Discount on sale price required for households to afford First Homes**

Tenure/product	Mean Income	LQ Income x1	LQ Income x2
NA Median house price	75%	92%	83%
LA New build median house price	30%	77%	53%
NA Entry-level house price	66%	89%	77%

Source: Land Registry PPD; ONS MSOA total household income

80. Shared ownership appears to be slightly more affordable than First Homes but is still not accessible to any of the average and lower income groups considered here, with shared ownership at 25% and 50% equity also requiring an income over the £80,000 cap. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.<sup>10</sup> If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
81. The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view.
82. The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are less affordable options.
83. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.
  - First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
  - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
  - Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service

<sup>10</sup> The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hws48>.

charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.

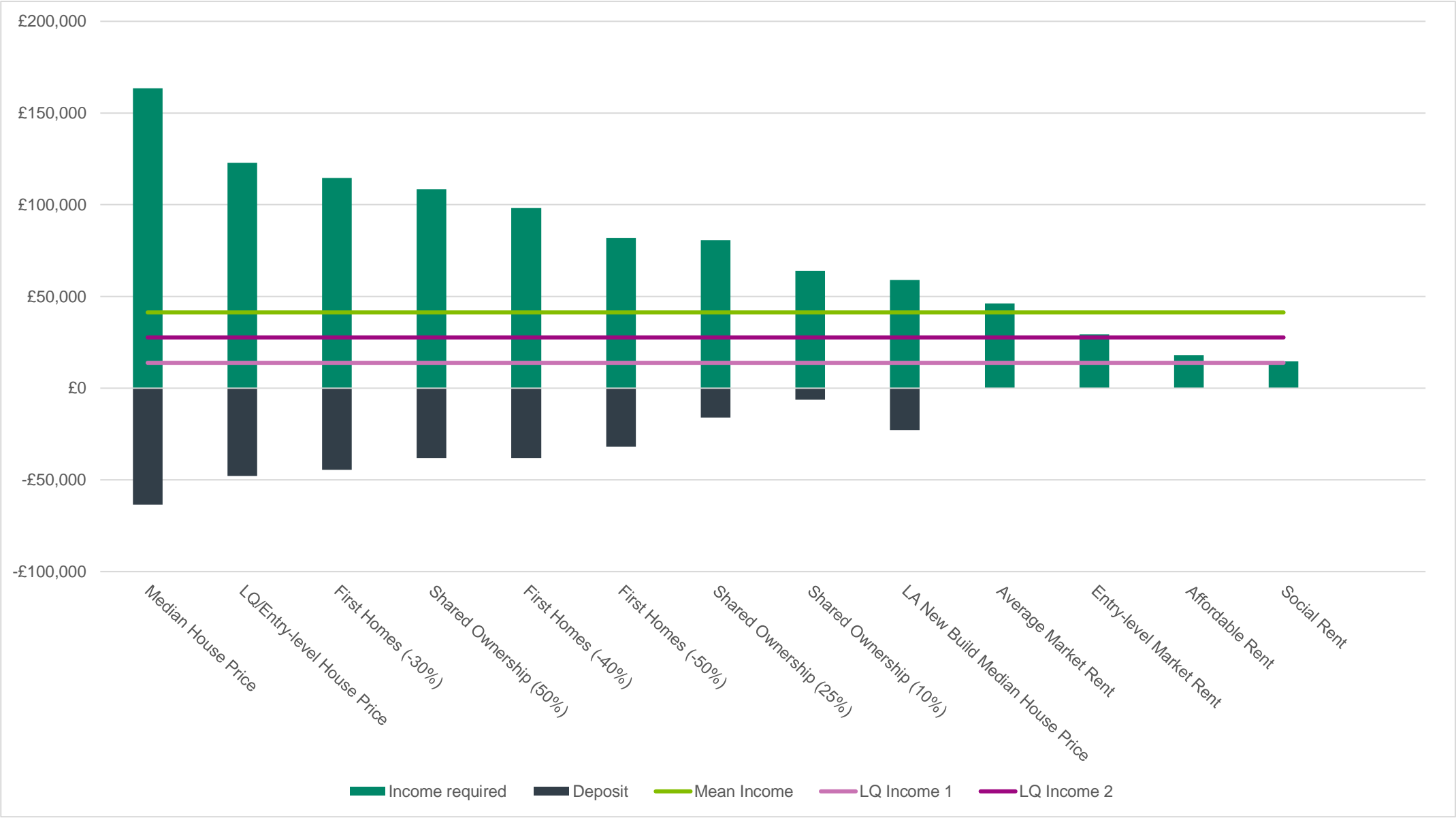
- Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed previously.

84. In conclusion, these products would provide value to different segments of the local population, but none are accessible to households on mean incomes, let alone households with one or two lower quartile earners. Shared ownership at 10% may allow some households with slightly above average incomes to get a foot on the housing ladder, while Rent to Buy is helpful to those with little or no savings for a deposit, with First Homes unlikely to be viable in the NA due to all discount levels exceeding the income cap and maximum discounted value threshold.

### **Affordable rented housing**

85. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
86. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Burnham Market as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This mean that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

Figure 4-2: Affordability thresholds in Burnham Market, income required (additional cost of deposit in black)



Source: AECOM Calculations



## Affordable housing- quantity needed

87. The starting point for understanding the need for affordable housing in Burnham Market is the relevant Local Housing Need Assessment (LHNA) – the King's Lynn & West Norfolk Housing Needs Assessment (2020). This study estimates the need for affordable housing in the Borough 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 LHNA identifies the need for 202 additional affordable dwellings each year in King's Lynn & West Norfolk as a whole. Whilst the LHNA does not provide a recommended split for affordable housing, it does provide a suggested tenure split for all new housing in King's Lynn & West Norfolk, as outlined:
- 53.7% owner occupied;
  - 22.0% private rented;
  - 7.7% shared ownership;
  - 16.7% social/affordable rent.
88. When looking at just the affordable elements of this recommended split of new housing, the ratio between social/affordable rent and affordable home ownership (in this case classified as shared ownership) can be extrapolated to a 68% to 32% split. This indicates that the 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. It is important to keep in mind that with the estimate for affordable home ownership, these households are, by and large, adequately housing in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent, meaning their needs are less acute than those in need of affordable rented housing.
89. When the LHNA figures are pro-rated to Burnham Market based on its fair share of the population (0.52% of the LPA's population<sup>11</sup>), this equates to 1.1 dwelling per annum or 15.4 dwellings over the Neighbourhood Plan period 2022-2036. However, pro-rating District level estimates of affordable housing need to rural areas presents problems in practice.
90. The Borough level figures are likely to represent higher needs in the urban areas of the Borough where there is a large social housing stock and larger numbers of households living in the PRS on housing benefit. Both of these factors tend to generate higher needs. By contrast, in rural villages like Burnham Market often lack social housing means there is more limited need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). According to the Steering Group, there was a significant amount of Affordable Housing in the parish concentrated in the Sutton Estate, but it is unknown what proportion of this remains affordable or has been purchased through Right to

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<sup>11</sup> Based on mid-2020 population estimates.

Buy. This means it is difficult to identify need for social/affordable rented housing within Burnham Market.

91. There is almost certainly a backlog of households in need currently in the NA on the King's Lynn & West Norfolk Borough Council Housing Register waiting list. It is assumed that this need may justify delivery of affordable rented housing towards the beginning of the plan period.
92. A caveat worth emphasising is that one unit of Affordable Housing does not necessarily service one household worth of need, since the unit might have 2-bedrooms while the applicant household might require 4-bedrooms, may be located in an inappropriate location, or be otherwise unsuitable.
93. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g., the ability to allocate sites for affordable housing).
94. It is also important to remember that even after the Neighbourhood Plan is adopted, 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 the neighbourhood planning group.

## **Additional LHNA findings**

95. The King's Lynn & West Norfolk Housing Needs Assessment outlines a number of areas which may relate to housing tenure and affordability in Burnham Market. These are outlined below:
  - The mean gross annual household income in King's Lynn & West Norfolk is 4.6% below the equivalent for Norfolk.
  - The 2018 overall property price in King's Lynn & West Norfolk was 19.5% lower than nationally and 11.5% lower than East Anglia. This is not likely not the case when looking at Burnham Market specifically due to the much higher house prices. The average rental price in King's Lynn & West Norfolk was 23.6% lower than nationally and 24.9% lower than the East region.
  - The recommended tenure split of new housing in King's Lynn & West Norfolk during the plan period (to 2036) is outlined above in 'Affordable housing – quantity needed'.

## **Affordable Housing policy guidance**

96. King's Lynn & West Norfolk's emerging policy on this subject Policy LP28: Affordable Housing requires 20% of all new housing to be affordable. It is not known how much Affordable Housing was delivered in Burnham Market over the last decade as it is not specified in King's Lynn & West Norfolk Borough Council completions figures. However, from completions data it is possible to see that just one development had a net number of completions over the 5 dwelling threshold. If the 20% requirement was met on this development then

6.6 affordable dwellings would be expected to be delivered. The Steering Group believe only a couple of affordable dwellings were included on this site, indicating that the Affordable Housing target is not usually met on sites in the NA.

97. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasising that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
98. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is specified in the emerging Local Plan as 70% rented, 25% First Homes, and 5% shared ownership, but able to be adjusted where necessary. The HNA can supply more localised evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Burnham Market specifically.
99. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:

A. **Evidence of need for Affordable Housing:** This study estimates that Burnham Market requires roughly 15.4 units of Affordable Housing over the Plan period. There is no specific split between the need for Affordable Housing but using the proportions of overall housing tenures suggested in the LHNA, 68% of new housing should be for social/affordable rented housing and 32% shared ownership (affordable home ownership). This would equate to the need for 10.5 units of affordable rented housing and 4.9 units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.

Although these figures suggest that 68% of Affordable Housing should be rented and 32% should offer a route to ownership, these figures are not directly equivalent. The former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership. This split is also based on the needs of the entire local authority area of King's Lynn & West Norfolk as opposed to specifically related to Burnham Market.

If the quantity of new housing overall were unlimited, 68% to 32% may be an appropriate affordable tenure mix. However, this is not likely and may not be strictly necessary.

B. **Can Affordable Housing needs be met in full?** How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.

As there is no requirement for new housing in the NA, there is limited scope for the provision of affordable homes in Burnham Market. If any development comes forward in the form of small infill or windfall developments, those schemes may not be large enough to meet the threshold of 5 dwellings, above which the Affordable Housing policy applies. Looking at the outstanding commitments for Burnham Market provided by King's Lynn & West Norfolk Council, there is the potential for 56 net new dwellings in the relatively near future. Of these, 44 dwellings would be delivered on sites of 5 or more dwellings, therefore reaching the Affordable Housing threshold. If Affordable Housing was delivered at 20% on these sites, approximately 8.8 affordable dwellings would be delivered. This would be insufficient to meet the estimated level of need for Affordable Housing (15.4 units as described above)/

It is unlikely that potentially limited development during the plan period is sufficient to satisfy the total estimated need for Affordable Housing.

As a result, the tenure mix needs to ensure that the most acute needs, for affordable rented housing, are met as a priority. The 70% rented 30% ownership guideline mix in the emerging Local Plan may offer an appropriate benchmark.

- C. **Government policy (e.g., NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in King's Lynn & West Norfolk, where 20% of all housing should be affordable, 50% of Affordable Housing should be for affordable ownership. This does not comply with the guideline tenure split sought in the Local Plan which suggests 30% home ownership (25% First Homes and 5% shared ownership).

There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA it is thought that delivery 10% or more of homes as affordable home ownership may impact on the ability to deliver much needed social/affordable rented homes needed due to the significant affordability issues in the NA.

- D. **Local Plan policy:** As noted above, the emerging Local Plan seeks a tenure split of 70% social/affordable rented and 30% affordable home ownership (25% First Homes and 5% shared ownership).
- E. **First Homes policy:** the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.

This new minimum requirement may have the effect of displacing other products in any established tenure mix and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable

Housing. It is unlikely that First Homes would have a negative impact on the delivery of social/affordable rented dwellings in the local authority.

After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the Local Plan. The remaining units should then be allocated to other tenure products in the relative proportions set out in the Local Plan.

This guidance generally applies to district/borough-level policy, and there may still be potential for a neighbourhood plan tenure mix to deviate from how the other tenures are rebalanced if appropriate.

- 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 Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
- 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 planning 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 Burnham Market:** It is not known exactly how much Affordable Housing there is in Burnham Market as it is not specified in King's Lynn & West Norfolk Borough Council completions figures. As of 2011, 20.2% of households in Burnham Market lived in social rented properties, with no shared ownership dwellings. It is not known how much of this social housing remains in the parish, with the Steering Group raising the potential issue of Right to Buy on the Sutton Estate. It is known that only one site between 2011 and 2021 would have met the Affordable Housing threshold, with at least two shared ownership dwellings delivered on this site according to the Steering Group. It was also explained by the Steering Group that due to house price increases in the NA, the value has increased so much on these shared ownership properties that the income required to access them is above the income cap.  
  
This suggests 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 the parish. The funding arrangements available to housing associations will determine rent levels.

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

100. On the basis of the considerations above, Table 4-5 proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
101. The indicative mix is chiefly in response to the major affordability issues and the expectation that the delivery of Affordable Housing will be lower than the needs identified in this Housing Needs Assessment. In this context, affordable rented tenures should be prioritised. As well as when pro-rating the Borough Affordable Housing need figures to Burnham Market the greater need is identified for affordable rented products, this is also the most acute need. It is also worth remembering the backlog on the Housing Register that may need addressing.
102. The suggested mix is therefore 70% affordable rented housing and 30% affordable home ownership, with the latter's split as follows:
  - 25% First Homes
  - 5% Rent to Buy

It is suggested that First Homes are delivered in line with the national requirements, accounting for 25% of Affordable Housing. It is outlined earlier in the report that First Homes at all discount levels are higher than the £250,000 discounted market price cap. It is therefore assumed that the price for First Homes in Burnham Market would be set at the price of the cap (£250,000). This would be a discount of just over 60.7% and require an income still unaffordable to those on mean incomes. However, the product would still increase the proportion of households able to afford home ownership in the NA than currently. The remaining 5% is suggested to be delivered as Rent to Buy as this is the most affordable form of affordable home ownership product in Burnham Market, assumed to be in line with market rent prices. Shared ownership does not feature in this mix as the Steering Group identified that this product has previously not been successful in the NA. However, with the introduction of 10% shared ownership shares, the group may need to keep this option open. Further, current business plans of many housing associations have relied on shared ownership to cross subsidise affordable rented housing. It is uncertain what impact First Homes will have on these business models so the mix of affordable home ownership required is likely to need to be kept under review.

103. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.
104. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around

sub-tenures, it is important that they liaise with King's Lynn & West Norfolk Borough Council to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.

105. 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.

**Table 4-5: Indicative tenure split (Affordable Housing)**

<b>Tenure</b>	<b>Indicative mix</b>	<b>Considerations and uncertainties</b>
<b>Routes to home ownership, of which</b>	<b>30%</b>	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	0%	Recently confirmed changes to the model to allow purchases of 10% share - 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>	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

*Source: AECOM calculations*

## Conclusions- Tenure and Affordability

### Current dwelling stock

106. The current tenure profile of Burnham Market, as of the 2011 Census, shows that the majority of households are owner occupied at 64.6%, slightly above national levels. There are relatively low levels of private renting in the NA compared to both the Borough and England. Between 2001 and 2011, the Burnham Market private rented sector expanded by 58.3%, a rate of growth that is significantly

below the Borough and national levels, with 96.2% and 82.4% respectively, likely due to the prominence of second homes and holiday lets within the parish. Most notable in the NA in 2011 is the high levels of social housing compared to King's Lynn & West Norfolk, at 20.2% compared to 13.3%. It is however unknown how much of this social rented housing remains.

107. Between 2011 and 2020, the median house price in Burnham Market rose from £420,000 to £636,250, with some fluctuation in prices in this time. There is less fluctuation in the lower quartile house prices. The highest house prices for both the median and the lower quartile in this time were in 2020 at £636,250 and £478,250 respectively. The median house price across the Borough is much lower than in Burnham Market at £230,000, £406,250 lower than the 2020 median house price in the NA. The lower quartile house price for the local authority grew by 47.8% between 2011 and 2020 whilst it grew by 83.9% in the NA. This significant rise in entry-level house prices in the NA compared to the Borough exacerbates the issues of affordability in the NA as smaller properties rapidly increased in cost. In terms of the type of property, the greatest growth is in semi-detached dwellings where a 148.8% increase in house prices was seen.

### **Affordability**

108. Looking at market affordability, local households on average incomes are unable to access even entry-level market homes. The median house price would require an annual income 396.1% higher than the current average. Private renting is generally only affordable to higher earners. When looking at entry-level market rent (rental prices of 1/2-bedroom dwellings), households on mean incomes are able to afford rents but those with one or two lower quartile incomes cannot.
109. When looking at affordable home ownership, there is a very large cohort of households that may be able to rent privately but cannot afford home ownership in Burnham Market, earning between £29,320 and £122,979. First Homes calculations indicate that First Homes at a 30%, 40%, or 50% discount would all have a discounted market price higher than the £250,000 cap in place for First Homes. It is therefore assumed that the price for First Homes in Burnham Market would be set at the price of the cap (£250,000). This would be a discount of just over 60.7%. The income required for a First Home with a discounted value of £250,000 would be £64,286, still making the product unaffordable even to households with mean incomes. In order for First Homes to be delivered below this cap, this level of discount would be required, or smaller dwellings may be required to make the product viable in the NA.
110. Turning to shared ownership, this product appears to be slightly more affordable than First Homes but is still not accessible to any of the income groups, with shared ownership at 25% and 50% equity also requiring an income over the £80,000 cap. The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are less affordable options.
111. Affordable rented housing is generally affordable to households with two lower earners. However, households with a single lower earner appear unable to afford



any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.

### **Affordable housing need**

112. The starting point for understanding the need for affordable housing in Burnham Market is the King's Lynn & West Norfolk Housing Needs Assessment (2020). The LHNA identifies the need for 202 additional affordable dwellings each year in King's Lynn & West Norfolk as a whole. When the LHNA figures are pro-rated to Burnham Market, this equates to 1.1 dwelling per annum or 15.4 dwellings over the Neighbourhood Plan period 2022-2036. There is no specific split between the need for Affordable Housing but using the proportions of overall housing tenures suggested in the LHNA, 68% of new housing should be for social/affordable rented housing and 32% shared ownership (affordable home ownership). This would equate to the need for 10.5 units of affordable rented housing and 4.9 units of affordable home ownership over the Plan period.
113. The indicative mix is chiefly in response to the major affordability issues and the expectation that the delivery of Affordable Housing will be lower than the needs identified in this Housing Needs Assessment. In this context, affordable rented tenures should be prioritised. The suggested mix is therefore 70% affordable rented housing and 30% affordable home ownership, with the latter's split as follows:
- 25% First Homes
  - 5% Rent to Buy
114. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J, and in particular the views and objectives of the community. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with King's Lynn & West Norfolk Borough Council to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
115. The expected level of delivery in Burnham Market does not meet the quantity of demand identified in estimates of the need for Affordable Housing. It is recommended that the policy requirement be met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites or Community Land Trusts) to be explored. If the group considers exceeding the Local Plan policy requirement in the neighbourhood plan then it must be noted that an extremely high standard of justification is required which goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.

## 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 Neighbourhood Area over the Neighbourhood Plan period?***

### Introduction

116. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Burnham Market in terms of type and size, as well as some of the population characteristics that tend to influence housing needs. From this, it is possible to develop an understanding of what sort of housing would be appropriate going forward.
117. It is worth emphasising that this evidence assumes that existing demographic and occupation patterns will persist into the future. It can therefore be thought of as the baseline or default scenario, into which the community may wish to intervene – for example to attract a different or more balanced demographic. The recommendations in this chapter, particularly the final suggested size mix, are a starting point that may be adjusted in light of other community objectives and primary evidence.

### Existing types and sizes

#### Background and definitions

118. Before beginning to explore issues of dwelling type and size, it is important to note that the demand for housing by size and type tends to be determined primarily by wealth – with those having more buying power choosing to occupy larger homes, and often preferring detached properties to denser types, such as flats.
119. This study is concerned primarily with need rather than demand. Need for homes of different sizes is chiefly determined by the number of people occupying the home. In the strict sense, there is no ‘need’ for dwellings of any particular type, other than the specific needs of those with certain disabilities for level access properties, for example.
120. The best proxy for the number of people in a household is age or ‘life stage’, with younger and then older households tending to have one or two people, and those in between these poles more likely to have larger families including children. Life stage is therefore a main indicator considered here for the size of housing needed. But it is worth pointing out that wealth is also correlated with age, so it is not possible to attain a pure view of what is needed from the secondary data alone.

121. It is also useful to clarify the terminology around dwellings and households. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained. As such, all dwellings are classified as either shared or unshared dwellings. Households are groups of people who live together as a coherent unit (such as a family), and a dwelling is shared where there is more than one household occupying it (e.g. two families or a group of individual students). Hence, there is usually a different number of households and dwellings in any given area. The number of dwellings can also exceed that of households in areas with large numbers of holiday or second homes.
122. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. For some aspects, adding together Census figures and completions data for the intervening period is highly accurate. For others, this method is not available so Valuation Office Agency (VOA) must be used. VOA data is used throughout this section as the Steering Group requested 2011 VOA data be used as opposed to 2011 Census data to draw comparisons more easily to the 2021 VOA used. VOA data is only available at LSOA level, meaning that the proxy area used for the NA also includes Burnham Norton, Burnham Overy, Burnham Thorpe, and North Creak. Due to this, percentages have been used as opposed to raw figures.

## Dwelling type

Table 5-1 below shows the split in dwelling types in 2021 compared to 2011 data. Due to completions data provided by King's Lynn & West Norfolk Borough Council not separating completions into dwelling types, VOA data has been used for the figures in the tables. Table 5-1 shows that in 2011, the dominant dwelling type in the proxy area for the NA was terraced dwellings, followed by detached dwellings. The proportion of terraced dwellings fell between 2011 and 2021, with the dominant housing type in 2021 detached properties, above 2011 levels. This indicates that new development in the area in the last decade has focussed on (potentially larger and more expensive) detached dwellings. There is also a significant proportion of bungalows in both time periods, with this decreasing very slightly between 2011 and 2021. The proportion of flats remained stable at just 1.5%.

**Table 5-1: Accommodation type, Burnham Market, 2011 and 2021**

Dwelling type	2011 (VOA)	2021 (VOA)
Bungalow	21.2%	20.6%
Flat	1.5%	1.5%
Terrace	27.3%	24.4%
Semi-detached	22.0%	22.9%
Detached	25.8%	27.5%
Unknown/other	2.3%	3.1%

Source: VOA 2011, VOA 2021, AECOM Calculations

123. Table 5-2 compares the 2021 dwelling type mix used to represent Burnham Market with the wider borough and country using VOA data. This shows that

Burnham Market has a significantly higher proportion of bungalows than England, at 20.6% and 9.4% respectively. However, this figure is below the Borough levels of 27.4%. As discussed above, the largest proportion of dwellings in the NA in 2021 are detached, above both Borough and national levels. This is followed by terraced dwellings which although more in line with national levels, is significantly higher than seen across King's Lynn & West Norfolk. The abundance of detached dwellings suggests that the NA is dominated by larger and more expensive dwellings and is also relevant to the issue of second homes in the NA, discussed in a later chapter.

**Table 5-2: Accommodation type, various geographies, 2021**

Dwelling type	Burnham Market	King's Lynn & West Norfolk	England
Bungalow	20.6%	27.4%	9.4%
Flat	1.5%	9.4%	23.2%
Terrace	24.4%	16.8%	26.3%
Semi-detached	22.9%	21.9%	23.8%
Detached	27.5%	21.6%	16.0%
Unknown/other	3.1%	3.0%	1.4%

Source: VOA 2021, AECOM Calculations

## Dwelling size

124. Turning to dwelling size in the NA, VOA data is used once again. VOA data helpfully shows changes that have been made to existing homes (i.e. extensions and the subdivision of rooms) but as above, is rounded to the nearest ten for each dwelling category. Table 5-3 shows that in both 2011 and 2021, the proxy area for the NA was dominated by 3-bedroom dwellings, with the proportion remaining stable. This is followed by 2-bedroom dwellings at 29.0% in 2011 and 27.8% in 2021. There was also an increase in the proportion of 4-bedroom dwellings in the NA, further emphasising the dominance of larger dwellings. However, the proportion of the largest dwellings fell very slightly. In 2011, the smallest proportion of dwellings were 1-bedroom, which along with 2-bedroom, decreased between 2011 and 2021.

**Table 5-3: Dwelling size (bedrooms), Burnham Market, 2011 and 2021**

Number of bedrooms	2011 (VOA)	2021 (VOA)
1	4.6%	4.0%
2	29.0%	27.8%
3	43.5%	43.7%
4	14.5%	16.7%
5+	8.4%	8.0%
Unknown	0.0%	0.0%

Source: VOA 2011, VOA 2021, AECOM Calculations

125. Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider Borough and country. Table 5-4 below shows that the proportion of mid-sized 3-bedroom dwellings is relatively stable across the

three areas, with greater differences at the smaller and larger dwelling sizes. Whilst the proportion of 2-bedroom dwellings is only slightly below the proportion nationally, this difference is more significant when looking at King's Lynn & West Norfolk. The proportion of 1-bedroom dwellings in the NA is also significantly below the Borough and national levels. On the other hand, the proportion of dwellings with 5 or more bedrooms is significantly higher than the proportion in both King's Lynn & West Norfolk and England, highlighting the issue of large, expensive dwellings in the NA identified by the Steering Group.

**Table 5-4: Dwelling size (bedrooms), various geographies, 2021**

Number of bedrooms	Burnham Market	King's Lynn & West Norfolk	England
1	4.0%	7.5%	12.3%
2	27.8%	30.4%	28.1%
3	43.7%	44.3%	43.4%
4	16.7%	14.3%	12.2%
5+	8.0%	3.3%	3.3%

Source: VOA 2021, AECOM Calculations

## Age and household composition

126. Having established the current stock profile of Burnham Market and identified recent changes to it, the evidence gathered below examines the composition and age structure of households living in the NA. Many of these indicators have a bearing on what housing might be needed in future years.

### Age structure

127. Table 5-5 below shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. It shows the decline in total population in Burnham Market by 88. The majority of the population in both time periods are aged 65 and over, at 39.5% in 2011, increasing to an estimated 42.4% in 2020, indicating a significant bias towards an older population. The smallest age category in both circumstances is the 16-24 age group, at just 6.4% in 2011, decreasing to 4.7% of the population in 2020. The 25-44 and 45-64 age groups also decrease slightly between 2011 and 2020, with the latter accounting for just under a third of the population in Burnham Market. The proportion of children aged 0-15 increased by 2.7 percentage points suggesting that the NA has experienced some growth in the population of families with young children, though caution must be attached to these estimates.
128. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2020 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.
129. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate

basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2020 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

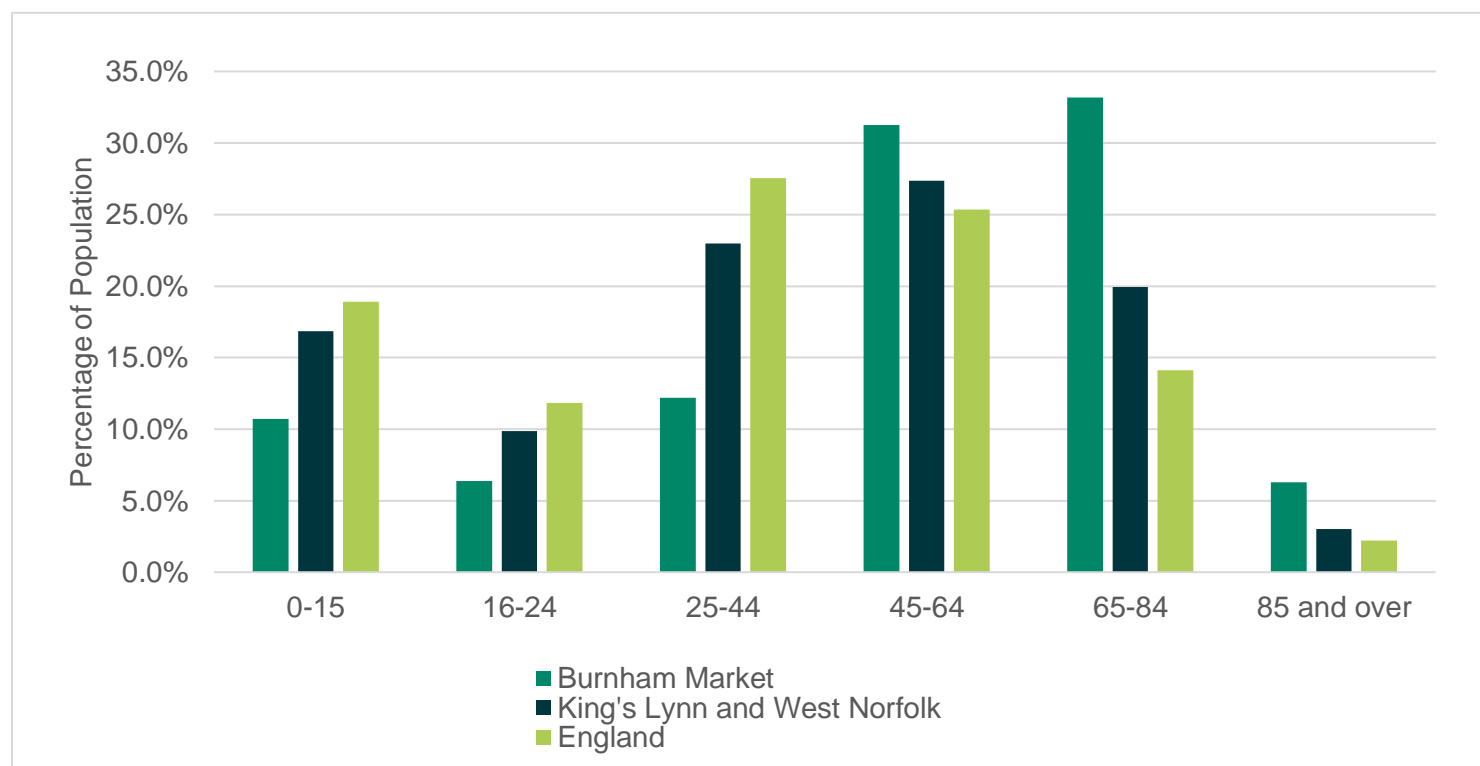
**Table 5-5: Age structure of Burnham Market population, 2011 and 2020**

Age group	2011 (Census)		2020 (ONS, estimated)	
0-15	94	10.7%	106	13.4%
16-24	56	6.4%	37	4.7%
25-44	107	12.2%	82	10.4%
45-64	274	31.2%	231	29.3%
65-84	291	33.2%	277	35.1%
85 and over	55	6.3%	56	7.1%
Total	877		789	

Source: ONS 2011, ONS mid-2020 population estimates, AECOM Calculations

130. For context, it is useful to look at the parish population structure alongside that of the Borough and country. Figure 5-1 below (using 2011 Census data) shows that the population of the NA is skewed towards the older population, significantly more so than the Borough as a whole and the country. Both England and King's Lynn & West Norfolk Borough have the greatest proportion of the population in the 45-64 and 25-44 age categories whilst Burnham Market has the highest proportion of the population in the 65-84 and 45-64 age categories. The Borough and NA follow the same trends in terms of population spread in relation to the country. However, these are more pronounced in the NA with a greater proportion of the population aged 45 and over in Burnham Market than King's Lynn & West Norfolk and England. This is similarly demonstrated in the 0-44 age categories where both the NA and Borough have a lower proportion of the population than England, especially in the NA.

**Figure 5-1: Age structure in Burnham Market, 2011**



Source: ONS 2011, AECOM Calculations

## Household composition

131. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Table 5-6 shows that a greater proportion of households than King's Lynn & West Norfolk and England are single person households in Burnham Market at 38.9% compared to 27.2% and 30.2% respectively.
132. The proportion of households that are single persons aged 65 and over is also significantly higher in the NA than the Borough and England, at 25.4% of all households. The national level is just 12.4%. Due to the high levels of single person households in the NA, the proportion of other households is below the split for the Borough and the country. Despite this, the proportion of households where all members are aged 65 and over (generally older couples) in the NA is higher at 18.7% than the Borough (13.0%) and England (8.1%). The figures for households aged 65 and over (both single and family) further indicate a bias towards the older population in Burnham Market. Another significant difference is noted in the proportion of family households with dependent children. The Burnham Market figure (12.8%) is well below the proportion nationally (26.5%) despite similar levels of households with no children, further reinforcing a high proportion of older households with children that are no longer living at home.
133. Between 2001 and 2011 there was a decrease in single person households by 12.7% despite increases of 5.3% in the Borough and 8.4% nationally. This may suggest worsening affordability issues in the NA, with fewer single persons being able to afford to live in Burnham Market. There was a relatively high

increase in this time of families with no children at 26.5% compared to increases of 10.7% across King's Lynn & West Norfolk and of 7.1% nationally. This may again suggest worsening affordability (or lack of suitable dwellings) for families, leading to them having to move out of the NA.

**Table 5-6: Household composition, Burnham Market, 2011**

Household composition		Burnham Market	King's Lynn & West Norfolk	England
One person household	Total	38.9%	27.2%	30.2%
	Aged 65 and over	25.4%	14.4%	12.4%
	Other	13.5%	12.8%	17.9%
One family only	Total	57.6%	66.6%	61.8%
	All aged 65 and over	18.7%	13.0%	8.1%
	With no children	18.7%	21.4%	17.6%
	With dependent children	12.8%	23.2%	26.5%
	All children Non-Dependent <sup>12</sup>	7.4%	9.0%	9.6%
Other household types	Total	3.5%	6.2%	8.0%

Source: ONS 2011, AECOM Calculations

## Occupancy ratings

134. The tendency for households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.
135. In Burnham Market, 84.1% of households live in a home with at least one extra bedroom. This level of under occupancy is most prevalent in families where all residents are aged 65+ at 97.6% under-occupancy, suggesting that once adult children leave the family home, these households are not generally downsizing. This could be out of choice or due to a lack of suitable smaller properties for them to move in to. This figure of under-occupancy is also seen in family households aged below 65 with no children. It is important to note that larger properties are occupied by smaller households who have sufficient income or wealth to afford to purchase extra space.
136. Over-occupancy is limited with just 0.9% of all households living in a dwelling with too few bedrooms, perhaps suggesting that there is a lack of smaller

<sup>12</sup> Refers to households containing children who are older than 18 e.g students or young working people living at home.



properties. Over-occupancy is only recorded in one category, families under 65 with dependent children, with 5.1% of these households over-occupying their home. Again, these households are likely to have limited resources and so are unable to afford to live in homes sufficient for their needs.

**Table 5-7: Occupancy rating by age in Burnham Market, 2011**

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	58.1%	39.5%	2.3%	0.0%
Single person 65+	43.6%	35.9%	20.5%	0.0%
Family under 65 - no children	69.8%	27.9%	2.3%	0.0%
Family under 65 - dependent children	6.8%	54.2%	33.9%	5.1%
Family under 65 - adult children	14.7%	50.0%	35.3%	0.0%
Single person under 65	67.7%	24.2%	8.1%	0.0%
All households	46.7%	37.4%	15.0%	0.9%

Source: ONS 2011, AECOM Calculations

## Dwelling mix determined by life-stage modelling

### Suggested future dwelling size mix

137. As noted above, there is a strong link between the life stage of a household and the size of dwelling that household can be expected to need. The final part of this chapter presents the results of a model that aims to estimate the dwelling size needs of the parish at the end of the Neighbourhood Plan period. The steps involved in this model are not presented in full, but can be summarised – along with the underpinning assumptions and some limitations – as follows:

- The starting point is the age distribution of Burnham Market households in 2011.
  - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
  - As noted above, household life stages are not estimated annually, so the older Census data must be used.
- This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows for an estimate of how the parish population might evolve in future.
  - ONS household projections are produced every two years but are only available at Local Authority level. The growth rates are therefore applied to the 2011 starting household age profile of the NA.
- Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1-bedroom homes as opposed to 2, 3 or 4 -bedroom homes). This data is mapped to the distribution of the

projected NA population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.

- This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.
- The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further speculative assumptions into the model.
- Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.
  - The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results.

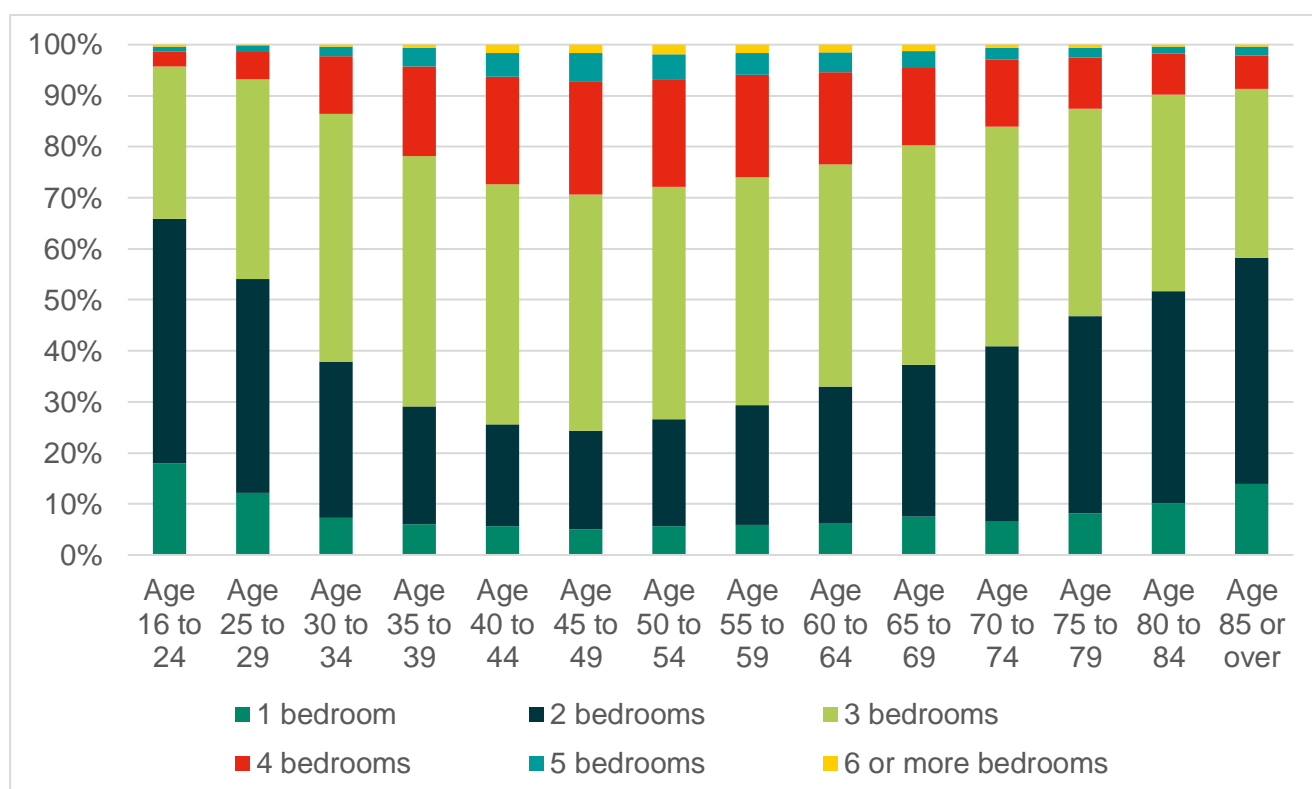
138. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they 'need'. It also does not anticipate changes in how people may wish to occupy their homes in response to social and technological change.

139. The approach therefore embeds existing patterns of occupancy which may or may not be desirable. As such, it is appropriate for the result of this model to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is considered entirely appropriate for the purpose of drafting neighbourhood plan policy.

140. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.

141. The first, given as Figure 5-2, sets out the relationship between household life stage and dwelling size for King's Lynn & West Norfolk in 2011. This shows how the youngest households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age. Figure 5-2 shows that the largest dwellings are occupied by households with a household reference person aged 45-49, with the smallest households occupied most commonly by households with a household reference person aged 16-24.

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



Source: ONS 2011, AECOM Calculations

142. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Burnham Market households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-8 below makes clear that population growth can be expected to be driven by the oldest households, with households with a household reference person aged 65 and over expected to increase by 44% between 2011 and 2036 to 353 households. This would mean that the oldest households would account for 63.2% of the total population in 2036. There is a slight increase of households with a household reference person aged 55 to 64 but in all other categories an expected decline between 2011 and 2036. This suggests that younger people and families are moving out of the parish, potentially due to the lack of appropriately sized homes or affordability challenges.

**Table 5-8: Projected distribution of households by age of HRP, Burnham Market**

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	5	14	103	93	245
2036	3	13	92	97	353
% change 2011-2036	-31%	-11%	-10%	4%	44%

Source: AECOM Calculations

143. The final result of this exercise is presented in Table 5-9 below. The model suggests that a mix of housing should be delivered through future development

in order to reach the suggested indicative mix in 2036. It is suggested that in 2036 there is a greater proportion 1, 2, and 3-bedroom dwellings in the NA than in 2011, and a reduction in larger dwellings, especially those with 5 or more bedrooms. In order to reach this, it is suggested that the majority of housing delivered is 3-bedroom at 40.7%. This is closely followed by smaller 2-bedroom dwellings. This suggests a need for smaller/mid-sized family homes in the NA as well as some smaller dwellings suitable for downsizing or opportunity to access more affordable dwelling types and sizes. It is suggested that no further 5+ bedroom dwellings are delivered but that there should be some provision for 4-bedroom dwellings, perhaps to meet the needs of larger families.

**Table 5-9: Suggested dwelling size mix to 2036, Burnham Market**

Number of bedrooms	Starting mix (2011)	Indicative mix (2036)	Balance of new housing to reach indicative mix
1 bedroom	6.3%	7.9%	13.4%
2 bedrooms	29.6%	32.1%	38.5%
3 bedrooms	41.1%	42.1%	40.7%
4 bedrooms	15.2%	14.0%	7.4%
5 or more bedrooms	6.7%	3.9%	0.0%

Source: AECOM Calculations

144. It is never advisable to restrict future housing delivery to selected size categories only. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population.
145. For example, the young starter families and downsizing older households may both need the 'mid-sized' homes mentioned above but are likely to have extremely different requirements and degrees of purchasing power. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating downsizing among some older households may release those larger homes for use by families who need more bedrooms. That said, it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied in the parish. Reducing the issue of dwelling size to a number of bedrooms is potentially unhelpful in this case. There may be a strong justification to continue supplying larger homes despite their abundance because a different kind of larger home is needed to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix but is among the good reasons not to inhibit any size of dwelling entirely.
146. The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes

come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide smaller homes with fewer bedrooms would help to address this situation.

147. To best meet the needs of the large cohort of older households expected to be present by the end of the Plan period, it should be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility.
148. Generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to smaller and mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

## The LNHA findings

149. The King's Lynn & West Norfolk LHNA outlines the suggested size of future dwellings across all tenures in Table 5-10 below. This shows that a variety of sizes of dwelling are required across the Borough, in all dwelling types. It is difficult to compare this to the recommended dwelling size split above for Burnham Market because the AECOM model presents an estimate of the overall need for different sized dwellings and does not split between different tenures. Table 5-10, along with the Housing Register, may be helpful in determining the appropriate sizes for Affordable Housing in the parish.

**Table 5-10: Size of new accommodation required in the Borough between 2016 and 2036 by tenure (Replicated from King's Lynn & West Norfolk HNA – Table S.2)**

Dwelling size	Owner-occupied	Private rented	Shared ownership	Social rent / affordable rent
One bedroom	821	558	151	457
Two bedrooms	1,519	341	218	570
Three bedrooms	1,313	533	228	270
Four or more bedrooms	1,797	797	183	398
<b>Total</b>	<b>5,450</b>	<b>2,229</b>	<b>780</b>	<b>1,696</b>

Source: King's Lynn & West Norfolk Housing Needs Assessment (2020)

## Conclusions- Type and Size

150. This study 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 parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.

### Current housing stock

151. In 2011, the dominant dwelling type in the proxy area for the NA was terraced dwellings, followed by detached dwellings. The proportion of terraced dwellings fell between 2011 and 2021, with the dominant housing type in 2021 detached properties, above 2011 levels. This indicates that new development in the area in the last decade has focussed on (potentially larger and more expensive) detached dwellings. There is also a significant proportion of bungalows in both time periods, with this decreasing very slightly between 2011 and 2021.
152. Comparing the NA to the country, Burnham Market has a significantly higher proportion of bungalows than England, at 20.6% and 9.4% respectively. However, this figure is below the Borough levels of 27.4%. The proportion of detached dwellings in the NA is above national levels, suggesting the NA is dominated by larger and more expensive dwellings and could also allude to the issue of second homes in the NA.
153. Turning to dwelling size in the NA, Table 5-3 shows that in both 2011 and 2021, the NA was dominated by 3-bedroom dwellings, with the proportion remaining stable in this time period. There was also an increase in the proportion of 4-bedroom dwellings in the NA, further emphasising the dominance of larger dwellings. However, the proportion of the largest dwellings fell very slightly. In 2011, the smallest proportion of dwellings were 1-bedroom, which along with 2-bedroom, decreased between 2011 and 2021. The proportion of mid-sized 3-bedroom dwellings is relatively stable across the NA, Borough, and country, with greater differences at the smaller and larger dwelling sizes. The proportion of 1-bedroom dwellings in the NA is also significantly below the Borough and national levels. On the other hand, the proportion of dwellings with 5 or more bedrooms is significantly higher than the proportion in both King's Lynn & West Norfolk and England.

### Demographics

154. Looking at the population structure of the NA, it shows the decline in total population in Burnham Market of 88 people. The majority of the population in both 2011 and 2020 are aged 65 and over, at 39.5% and 42.4% respectively, indicating a significant skew towards an older population. The smallest age category in both circumstances is the 16-24 age group. The 25-44 and 45-64 age groups decrease slightly between 2011 and 2020, with the latter accounting for

just under a third of the population in Burnham Market. The population of the NA is significantly more skewed towards the older population than the Borough as a whole and the country. Both England and King's Lynn & West Norfolk Borough have the greatest proportion of the population in the 45-64 and 25-44 age categories whilst Burnham Market has the highest proportion of the population in the 65-84 and 45-64 age categories. Population growth to the end of the plan period can be expected to be driven by the oldest households, with households with a household reference person aged 65 and over expected to increase by 44% between 2011 and 2036 to 353 households. This would mean that the oldest households would account for 63.2% of the total population in 2036.

155. A greater proportion of households than King's Lynn & West Norfolk and England are single person households in Burnham Market at 38.9% compared to 27.2% and 30.2% respectively. The proportion of households that are single persons solely aged 65 and over is also significantly higher in the NA than the Borough and England. The proportion of family households where all members are aged 65 and over in the NA is higher again than the Borough and country, further indicating a bias towards the older population in Burnham Market. Between 2001 and 2011 there was a relatively high increase in families with no children at 26.5% compared to increases of 10.7% across King's Lynn & West Norfolk and of 7.1% nationally. This may suggest an increase in unaffordability (or lack of suitable dwellings) for families, leading to them having to move out of the NA. It may also suggest an increase in smaller dwellings suitable for couples without children or align with the 58.3% increase in private rented dwellings in this time (which is however below the Borough and national increase).
156. There are high levels of under-occupancy in Burnham Market, with 84.1% of households living in a home with at least one extra bedroom. This level of under occupancy is most prevalent in families where all residents are aged 65+ at 97.6% under-occupancy, suggesting that once adult children leave the family home, these households are not downsizing. This could be out of choice or due to a lack of suitable smaller properties for them to move in to. This figure of under-occupancy is also seen in family households aged below 65 with no children, indicating that larger housing in Burnham Market isn't being occupied by households with the most family members, but by the people with the most wealth.

### **Future dwelling mix**

157. AECOM's model suggests that a mix of housing should be delivered through future development in order to reach the suggested indicative mix in 2036. It is suggested that in 2036 there is a greater proportion 1, 2, and 3-bedroom dwellings in the NA than in 2011, and a reduction in larger dwellings. In order to reach this, it is suggested that some priority is given to the provision of 3-bedroom homes, closely followed by smaller 2-bedroom dwellings. This suggests a need for smaller/mid-sized family homes in the NA as well as dwellings suitable for the downsizing of the older population.
158. It is never advisable to restrict future housing delivery to selected size categories only. The result of this model is a relatively blunt measure of what could be

beneficial given population change and existing imbalances in housing options. Generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. It is recommended that priority is given to smaller and mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.



## 6. RQ 3: Second Homes

***RQ 3: What is the scale and potential impact of the second home sector on the Burnham Market housing market, and how might this be addressed through policy?***

### Introduction

159. Neighbourhood Plan policies controlling second home ownership are typically evidenced by demonstrating a high or rapidly increasing rate of second home ownership within a context of acute affordability challenges and/or serious constraints in the availability of overall housing.
160. The existence of second or holiday homes is not necessarily a problem in and of itself. It becomes a problem when it creates intense competition for local home buyers (or renters), inflates prices, or reduces the resident population to the extent that local services, employment, and community vitality are impacted.
161. Burnham Market clearly exhibits these wider challenges, with fairly extreme affordability issues, as demonstrated in Chapter 4, no housing requirement in the Local Plan, meaning that there may be very limited upcoming development, potential development constraints due to the AONB, and an attractive location for second homes/tourism, including the infrastructure in the NA to support tourism.
162. This section of the HNA gathers the limited available data on the rate of second home ownership in Burnham Market that may be used to support policy decisions in this area.

### Second and Holiday Homes Data

163. Before looking at second home ownership levels in the NA, it is important to understand the levels of second home ownership, and specifically holiday lets, across the country. According to the English Housing Survey 2018-2019, 2.4 million households in England reported having at least 1 additional residence, with 772,000 of these second homes (including homes primarily used as holiday homes, holiday lets, or working away from home). It was also noted that 57% of second homes were in the UK. Therefore, it could be estimated in 2018/19 that there were at least 440,040 second homes in the UK from households in England, assuming each of 772,000 households above had just 1 additional home.
164. The impact of this nationally is more simply understood as a percentage of all dwellings. There were an estimated 28.9 million dwellings in the UK in 2019<sup>13</sup>, meaning that second homes (of which the households that owned them lived in

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<sup>13</sup> Collated dwelling stock data from GOV.UK, GOV.WALES, National Records of Scotland, and Northern Ireland Department of Finance.

England) in the UK accounted for around 1.5% of total dwellings. The UK second home ownership levels would of course be higher than this when also taking into account second homes owned by households in Wales, Scotland, and Northern Ireland.

165. Turning to the NA specifically, Burnham Market contained 460 households and 789 dwellings in 2011, implying that there were 329 dwellings (or 'household spaces') with no usual resident household. 41.7% of dwellings therefore had no usual residents.
166. For comparison, the rate of dwellings that had no usual residents across King's Lynn & West Norfolk as a whole in 2011 was 14.9%, significantly lower than Burnham Market. This may be due to the wide area that King's Lynn & West Norfolk Borough covers, with the North Norfolk coastline areas of the Burnhams, Brancaster, Holme-next-the-Sea, Hunstanton, and Heacham, where second homes are more likely. The Borough stretches inland to King's Lynn, Downham Market, and the outskirts of Wisbech (Fenland, Cambridgeshire), where the prominence of second home ownership is likely to be low (especially for holiday rental purposes).
167. For England, the rate was 4.0%. it is worth noting that across the country (or even the local authority area), dwellings will be empty for different reasons (including being uninhabitable), not just second home ownership. Due to the location of the NA it is assumed that the majority of dwellings without usual residents are second homes, either personal or for holiday let.
168. Another way of gauging the number of holiday homes is to look at the number of properties paying business rates (instead of council tax) in that category. This data is correct to the time of writing but has a number of limitations:
  - Most importantly, it only gives an indication of the number of commercially rented holiday homes. A holiday let needs to be available for rent 140 days of the year to reach the threshold for business rates. So only the third subcategory of second/holiday homes below would be captured:
    - Second homes that are never rented and only used by the owner;
    - Holiday homes used by the owner primarily, but also available to rent for part of the year (under 140 days) or rented out informally;
    - Holiday homes with a stronger commercial purpose, available to rent more than 140 days per year.
  - In January 2022 the Government tightened the rules on second homes and business rates. This means that as well as being available for rent for at least 140 days a year, from April 2023, second homeowners will have to prove that holiday lets are being rented out for a minimum of 70 days a year to access small business rates relief<sup>14</sup>.
  - It is likely that the holiday homes counted in the business rates data would also be captured as dwellings with no usual residents in the Census, since

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<sup>14</sup> Available here: <https://www.gov.uk/government/news/gove-closes-tax-loophole-on-second-homes>

owners of second homes, including those rented out for holiday lets, are obliged to fill in a Census return. This indicator is therefore only useful for context and for any indication it may give of growth over time.

- This data is only provided for medium and lower super output areas. The data discussed below therefore refers to the LSOA (E01026646) covering Burnham Market as well as Burnham Norton, Burnham Overy, Burnham Thorpe, North Creake, and Scolt Head Island beyond the neighbourhood plan boundary.
169. There are 220 premises with an 'other' business use in the LSOA in 2021, which indicates any premises not used as retail, office, or industry. The 'other' sector covers a variety of business uses and its makeup will vary according to the nature of the location. In coastal Norfolk, it is likely that the dominant use in this category is tourism and hospitality. Pro-rating this figure specifically to Burnham Market using population estimates (Burnham Market is 50.5% of the LSOA population) gives a figure of 111 dwellings with a business rate of 'other' in the NA. It is worth noting that this just gives an indication of scale compared to the LSOA figure and is not necessarily a completely accurate figure as proportions may not be split exactly based on population levels of the parishes in the LSOA.
170. Across King's Lynn & West Norfolk, there were 3,120 ratable premises in the 'other' sector in 2020/2021, of which 1,010 were category 131 holiday homes (self-catering). That is 32.4% of 'other' premises. It might therefore be estimated that 32.4% of the 111 'other' units in the NA are holiday homes, equating to 36 properties. It is worth noting here, as discussed above, that there may be some difference in second home ownership across the Borough. Therefore, the percentage of dwellings in the 'other' sector that are classified as holiday homes (self-catering) is likely to be higher within the NA than across the wider Borough.
171. The second and holiday home market is likely to have changed significantly between 2011 and today.
172. On the approximate and limited basis that the number of properties in the 'other' band for business rates in the Burnham Market LSOA has grown by 100% since 2011 (from 110 to 220), we can estimate that the number of 'other' properties in the NA grew from 56 to 111 (pro-rating using mid-2020 population estimates). Assuming in line with the King's Lynn and West Norfolk proportions of 'other' units that 32.4% are holiday homes, this means that we can estimate that the number of holiday homes in Burnham Market grew from 18 to 36 between 2011 and 2021. As mentioned above, this only accounts for properties that are registered for business rates and are therefore commercially let out as holiday homes. It is also assumed to be a minimum figure for holiday lets as it is based on the local authority level proportions of holiday lets within the 'other' business rates category. King's Lynn & West Norfolk consists of a wide range of settlements, some of which would be unlikely to have holiday lets, meaning the NA proportion is likely to be higher.
173. The Burnham Market Neighbourhood Plan Steering Group undertook further research based on the number of properties in the NA registered for business

rates, specifically self-catering holiday units. This was undertaken by individually searching the postcodes of the parish and as of February 2022 gave a figure of 109 commercial holiday lets. This is more in line with the overall proportion of properties registered for business rates in the NA in the 'other' category as of 2020/2021 of 111. This indicates that the proportion of 'other' properties that are specifically holiday lets in the NA is much higher, as suspected, than the proportion for King's Lynn & West Norfolk used above (of 32.4%) as the smallest scale this data could be disaggregated to. It could therefore be reasonable to assume there are in the region of 109 commercial holiday lets (eligible for business rates) in the NA as of February 2022. The proportional relationship between 2011 and 2020/2021 discussed above, indicating an increase of 100% in this time period, still remains valid and so it may be surmised that in 2011 this figure was around 55.

174. This estimate of growth requires a caveat. The rate of change in the number of holiday home properties liable for business rates likely expresses the degree of growth in the number of holiday homes overall to some extent, but it might equally express a change in the intensity with which the current holiday homes are let throughout the year (for instance as a result of the introduction of sites like Airbnb). The Burnham Market Parish Council Steering Group identified that within the parish in recent years, the intensity of holiday lets has increased, with more second homes becoming furnished holiday lets because of grant and tax advantages for small businesses released by government. Therefore, the increase between 2011 and 2021 are likely not to be solely an increase in second homes, but also include the transfer of personal second homes into commercial holiday lets. The data cannot reflect on any trends in the number of second homes that are not let out or not enough to meet the business rates threshold. There is the potential that the Covid-19 pandemic has also had an impact, limiting the number of days it was possible to let out second homes through 2020 and 2021 due to national lockdowns and restrictions. This may therefore have meant that some second homes that were originally let out enough to be eligible to pay business rates were not in these years.
175. In order to estimate the overall levels of second home ownership in the NA, not just those eligible for business rates, the difference between the number of households and the number of dwellings in the NA needs to be considered. Based on the 2011 Census data and the housing completions data provided by King's Lynn & West Norfolk Borough Council, it is assumed there were 843 dwellings in Burnham Market in 2021. Mid-2020 population estimates indicate that the population fell between 2011 and 2020 to 789 residents. Taking the 2011 average household size of 1.91 it can be calculated that there were roughly 413 households in Burnham Market in 2020. If in 2020/2021 there were 843 dwellings and 413 households in the NA then this implies that there were 430 dwellings (or 'household spaces') with no usual resident household. 51.0% of dwellings therefore had no usual residents and could be assumed to be second homes. This is a significant increase on the proportion of second homes in 2011, which accounted for 41.7% of all dwellings.

176. It is worth noting that this is an estimate of the proportion of second homes in the NA, based on ONS population estimates and the estimated number of dwellings in the NA in 2021. It is however the most accurate way of establishing second home ownership in Burnham Market in the present day. The release of the 2021 Census in the coming months will provide further clarity on the number of dwellings in the NA with no usual resident household.
177. It is clear that with such high levels of second home ownership in the NA, and the demand for second homes, that this has had an adverse effect on affordability for local people. It may be worth assessing here the difference in potential income between private landlords and holiday lets in Burnham Market. In order to undertake this comparison, the number of whole property holiday lets available for a week rental in peak holiday season (July and August) 2022 was established from holiday rental site Airbnb<sup>15</sup>. At this time there were 47 entire property lets available. There is the caveat with this finding that not all holiday lets will be listed on this site, and that some high demand properties may already be fully booked for summer 2022 and therefore not listed. It was then determined the average letting price, which could then be compared to the average rental price of private rented properties in Burnham Market. This process is outlined below:
- Average nightly cost of Burnham Market holiday let (July/August 2022) from Airbnb properties = £230
  - Average weekly cost of above =  $£230 \times 7 = £1,610$
  - Average monthly cost of above =  $£1,610 \times 1 = £1,610$
  - Average monthly cost of private rented dwelling in the NA<sup>16</sup> = £1,157
178. These calculations show that if a holiday let was rented back-to-back, as it is assumed it would be in the summer months, the income (exclusive of any related costs) associated with the holiday let would be 456% greater than associated with longer term private rental. This may go some way to explain the dominance of holiday lets in the NA. The impact on the private rental sector in Burnham Market can also be seen to an extent, with the proportion of households living in the private rental sector in the NA increasing by 58.3% between 2001 and 2011, compared to increases of 96.2% across King's Lynn & West Norfolk and of 82.4% nationally. Although dated figures, these may demonstrate the increase in holiday rentals reducing the provision of private rented housing in the NA. This in turn would have a detrimental impact on affordability as demand may outweigh the available supply.
179. Although the potential income difference is clear to see above, there are other factors to be taken into consideration. These include the fact that holiday lets may not be occupied for the whole year, as well as running and maintenance costs (which would be associated with both holiday lets and private rentals), and

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<sup>15</sup> Search of properties as of 10<sup>th</sup> January 2022

<sup>16</sup> As of 20<sup>th</sup> December 2021 – covering the private rented sector proxy area discussed in the Appendix.

the greater amount of work potentially required with holiday lets in terms of weekly cleaning and booking administration.

## Policy Considerations

180. It is not only Burnham Market within King's Lynn & West Norfolk that has housing challenges relating to second home ownership. The Holme-next-the-Sea Neighbourhood Plan<sup>17</sup> includes policy relating to second home ownership and principal residency requirements, demonstrating the possibilities for neighbourhood plan policies within the Borough. It is advised that the group read the examiner's report on this Neighbourhood Plan policy for guidance on future policy drafting.
181. The affordability evidence establishes a clear context of poor and worsening affordability in Burnham Market that prevents local people from moving to homes better suited to their needs within the neighbourhood and prevents younger households without significant financial help from accessing suitable housing.
182. It is not possible to establish a precise causal link between second home ownership and declining affordability because rising prices and declining affordability is affected by other factors such as economic growth at the national level. However, given the scale of second home ownership in the NA, AECOM suggest that it is highly likely that the second homes market is a factor in the price in prices and declining affordability in the area. Furthermore, there are substantial financial incentives to let properties to holiday makers rather than long term tenants in the private rented sector. The private rented sector in the NA is very small and is likely constrained by the growth of the holiday let and second home market. In the context where new housing development is limited, all other things being equal, the expansion of second homes and holiday lets will reduce the availability of housing for households wishing to live in the area. Reduced availability (or supply) when demand is the same or growing, leads to increased prices and rents.
183. AECOM suggest this is strong reason to apply a Principal Residence Policy or similar in the NA. As this policy is developed, if new data becomes available (e.g. Census 2021 or additional data sources quantifying levels of second home ownership), the group may wish to refine the policy to adapt to any changes in the scale of the market.

## Conclusions- Second homes

184. This section of the HNA considers the current extent of second home ownership in Burnham Market and related trends. It finds that:

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<sup>17</sup> Available at [https://holmentspc.com/wp-content/uploads/2021/07/Part-B\\_V2-2021-01-28.pdf](https://holmentspc.com/wp-content/uploads/2021/07/Part-B_V2-2021-01-28.pdf)

- In 2011, Burnham Market contained 460 households and 789 dwellings, implying that there were 329 dwellings with no usual resident household. This means that 41.7% of dwellings had no usual residents, compared to 14.7% across King's Lynn & West Norfolk and around 4.0% nationally.
- When looking at holiday lets eligible for business rates specifically, it is estimated that in 2020/2021, there were approximately 111 premises in the Burnham Market categorised as 'other'. Of these, based on Borough level calculations, 32.4% were specifically classified as holiday homes (self-catering), totalling 36 properties. Between 2011 and 2021, the number of properties assumed to be categorised as holiday lets in Burnham Market doubled.
- The Steering Group undertook further research based on the number of properties in the NA registered for business rates, specifically self-catering holiday units using individual postcodes<sup>18</sup>. This gave a figure of 109 commercial holiday lets in February 2022, more in line with the overall proportion of properties registered for business rates in the NA in the 'other' category as of 2020/2021 of 111. This indicates that the proportion of 'other' properties that are specifically holiday lets in the NA is much higher, as suspected, than the proportion for King's Lynn & West Norfolk used in AECOM's calculations (of 32.4%), with this the most localised this data could be collected. It could therefore be reasonable to assume there are in the region of 109 commercial holiday lets (eligible for business rates) in the NA as of February 2022.
- The rate of change in the number of holiday home properties liable for business rates likely expresses the degree of growth in the number of holiday homes overall to some extent, but it might equally express a change in the intensity with which the current holiday homes are let throughout the year. Therefore, the increase between 2011 and 2021 are likely not to be solely an increase in second homes but could also include the transfer of personal second homes into commercial holiday lets.
- Based on dwelling completions data to 2021 and ONS mid-2020 population estimates, it is calculated that in 2020/2021 there were 430 dwellings with no usual resident in Burnham Market, assumed to be second homes. This accounts for 51.0% of dwellings in the NA, a significant increase on the proportion in 2011 of 41.7%.
- The demand for second homes in the NA is likely to have had an adverse effect on affordability for local people. There is a clear difference in the potential income between the private rented sector and holiday lets identified in the NA. The calculated average monthly cost of a holiday let in Burnham Market is £6,440 compared to the average monthly cost of a private rented dwelling of £1,157. This highlights a clear incentive for property owners to rent their properties as holiday lets as opposed to in the private rented sector.

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<sup>18</sup> Searches conducted via <https://www.tax.service.gov.uk/business-rates-find/list-properties>

- AECOM suggest there is strong reason to apply a Principal Residence Policy or similar in the NA. As this policy is developed, if new data becomes available (e.g. Census 2021 or additional data sources quantifying levels of second home ownership), the group may wish to refine the policy to adapt to any changes in the scale of the market.



# 7. Conclusions

## Overview

185. Table 7-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

**Table 7-1: Summary of study findings specific to Burnham Market with a potential impact on Neighbourhood Plan housing policies**

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Quantity of affordable housing to plan for	<p>The starting point for understanding the need for affordable housing in Burnham Market is the King's Lynn &amp; West Norfolk Housing Needs Assessment (2020). This study identifies the need for 202 additional affordable dwellings each year in King's Lynn &amp; West Norfolk as a whole. Whilst it does not provide a recommended split for affordable housing, it does provide a suggested tenure split for all new housing in King's Lynn &amp; West Norfolk, as outlined:</p> <ul style="list-style-type: none"> <li>• 53.7% owner occupied;</li> <li>• 22.0% private rented;</li> <li>• 7.7% shared ownership;</li> <li>• 16.7% social/affordable rent.</li> </ul> <p>When looking at just the affordable elements of this recommended split of new housing, the ratio between social/affordable rent and affordable home ownership can be extrapolated to a 68% to 32% split.</p>	<p>When the King's Lynn &amp; West Norfolk Housing Needs Assessment figures are pro-rated to Burnham Market based on its fair share of the population, this equates to 1.1 dwelling per annum or 15.4 dwellings over the Neighbourhood Plan period 2022-2036. There is almost certainly a backlog of households in need currently in the NA on the King's Lynn &amp; West Norfolk Borough Council Housing Register waiting list. It is assumed that this need may justify delivery of affordable rented housing towards the beginning of the plan period.</p> <p>There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g., the ability to allocate sites for affordable housing).</p> <p>It is also important to remember that even after the Neighbourhood Plan is adopted, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
		of the Local Authority rather than the neighbourhood planning group.
Housing tenure and affordability	<p>The current tenure profile of Burnham Market, as of the 2011 Census, shows that the majority of households are owner occupied, slightly above national levels. There are relatively low levels of private renting in the NA compared to both the Borough and England. Between 2001 and 2011, the Burnham Market private rented sector expanded by 58.3%, a rate of growth that is significantly below the Borough and national levels, with 96.2% and 82.4% respectively. Most notable in the NA in 2011 is the high levels of social housing compared to King's Lynn &amp; West Norfolk, at 20.2% compared to 13.3%. It is however unknown how much of this social rented housing remains.</p> <p>Between 2011 and 2020, the median house price in Burnham Market rose from £420,000 to £636,250, with the lower quartile house price peaking at £478,250 in 2020. The median house price across the Borough is £406,250 lower than the 2020 median house price in the NA. In terms of the type of property, the greatest house price growth in the NA is in semi-detached dwellings at a 148.8% increase. Looking at market affordability, local households on average incomes are unable to access even entry-level market homes, with the median house price would requiring an annual income 396.1% higher than the current average.</p> <p>When looking at affordable home ownership, there is a very large cohort of households that may be able to rent</p>	<p>The indicative mix for affordable housing in the NA is chiefly in response to the major affordability issues and the expectation that the delivery of Affordable Housing will be lower than the needs identified in this Housing Needs Assessment. In this context, affordable rented tenures should be prioritised. The suggested mix is therefore 70% affordable rented housing and 30% affordable home ownership, with the latter's split as follows:</p> <ul style="list-style-type: none"> <li>• 25% First Homes</li> <li>• 5% Rent to Buy</li> </ul> <p>This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations discussed in the report, and in particular the views and objectives of the community.</p> <p>The expected level of delivery in Burnham Market does not meet the quantity of demand identified in estimates of the need for Affordable Housing. Therefore further avenues for delivering greater quantities of Affordable Housing (such as exception sites or Community Land Trusts) could be explored. It is not recommended that the Local Plan policy requirement be exceeded in the neighbourhood plan because such steps are rarely accepted by planning inspectors on the grounds that an extremely high standard of justification is required which goes beyond the scope of this HNA, in particular around</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
	<p>privately but cannot afford home ownership in Burnham Market. Calculations indicate that First Homes at any discount would have a discounted market price higher than the £250,000 cap in place for First Homes. It is therefore assumed that the price for First Homes in Burnham Market would be set at the price of the cap, at a discount of just over 60.7%. In order for First Homes to be delivered below this cap, this level of discount would be required, or smaller dwellings may be required to make the product viable in the NA. Turning to shared ownership, this product appears to be slightly more affordable than First Homes but is still not accessible to any of the income groups, with shared ownership at 25% and 50% equity also requiring an income over the £80,000 cap. The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are less affordable options. Affordable rented housing is generally affordable to households with two lower earners, with households with a single lower earner unable to afford any of the tenures considered.</p>	<p>the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could, furthermore, have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.</p>
Housing type and size	<p>In 2011 the dominant dwellings type was terraced dwellings, followed by detached dwellings, with the dominant type in 2021 detached housing. There were a significant proportion of bungalows in both time periods, with this decreasing slightly between 2011 and 2021. Comparing the NA to the country, Burnham Market has a significantly higher proportion of bungalows than England, at 20.6%</p>	<p>AECOM's model suggests that a mix of housing should be delivered through future development in order to reach the suggested indicative mix in 2036. It is suggested that in 2036 there is a greater proportion 1, 2, and 3-bedroom dwellings in the NA than in 2011, and a reduction in larger dwellings. In order to reach this, it is suggested that some priority is given to the provision of 3-bedroom homes,</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
	<p>and 9.4% respectively. The proportion of detached dwellings in the NA is above national levels, suggesting the NA is dominated by larger and more expensive dwellings and could also allude to the issue of second homes in the NA.</p> <p>In terms of dwelling size, in both 2011 and 2021, the NA was dominated by 3-bedroom dwellings, with levels remaining relatively stable in this time period. There was also an increase in the proportion of 4-bedroom dwellings in the NA, further emphasising the dominance of larger dwellings. The proportion of the smallest dwellings fell between 2011 and 2021. The proportion of mid-sized 3-bedroom dwellings is relatively stable across the NA, Borough, and country, with greater differences at the smaller and larger dwelling sizes. The proportion of 1-bedroom dwellings in the NA is significantly below the Borough and national levels. On the other hand, the proportion of dwellings with 5 or more bedrooms is significantly higher than the proportion in both King's Lynn &amp; West Norfolk and England.</p> <p>The majority of the population in both 2011 and 2020 are aged 65 and over, at 39.5% and 42.4% respectively, indicating a significant skew towards an older population. The population of the NA is significantly more skewed towards the older population than the Borough as a whole and the country. Population growth to the end of the plan period can be expected to be driven by the oldest households, with households with a household reference person aged 65 and over expected to increase by 44% between</p>	<p>closely followed by smaller 2-bedroom dwellings. This suggests a need for smaller/mid-sized family homes in the NA as well as dwellings suitable for the downsizing of the older population.</p> <p>It is never advisable to restrict future housing delivery to selected size categories only. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. Generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. It is recommended that priority is given to smaller and mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence represents a starting point for further thought and consultation.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
	<p>2011 and 2036. In terms of households, the proportion of households that are single persons solely aged 65 and over is also significantly higher in the NA than the Borough and England. The proportion of family households where all members are aged 65 and over in the NA is higher again than the Borough and country.</p>	
Second homes	<p>In 2011, Burnham Market contained 460 households and 789 dwellings, implying that there were 329 dwellings with no usual resident household. This means that 41.7% of dwellings had no usual residents, compared to 14.7% across King's Lynn &amp; West Norfolk and around 4.0% nationally.</p> <p>When looking at holiday lets eligible for business rates specifically, it is estimated that in 2020/2021, there were approximately 111 premises in the Burnham Market categorised as 'other'. Of these, based on Borough level calculations, 32.4% were specifically classified as holiday homes (self-catering), totalling 36 properties. Between 2011 and 2021, the number of properties assumed to be categorised as holiday lets in Burnham Market doubled.</p> <p>The demand for second homes in the NA is likely to have had an adverse effect on affordability for local people. There is a clear difference in the potential income between the private rented sector and holiday lets identified in the NA. The calculated average monthly cost of a holiday let in Burnham Market is £6,440 compared to the average monthly cost of a private rented dwelling of £1,157.</p>	<p>Whilst it is helpful to establish the number of holiday lets in the NA based on business rates, this is not a complete picture of second home ownership as it excludes properties used for personal use, those that are let out only short periods of the year, or those that have simply not registered for business rates. Based on dwelling completions data to 2021 and ONS mid-2020 population estimates, an overall picture of second home ownership in 2020/2021 was estimated. It was calculated that in 2020/2021 there were 430 dwellings with no usual resident in Burnham Market, assumed to be second homes. This accounts for 51.0% of dwellings in the NA, a significant increase on the proportion in 2011 of 41.7%.</p> <p>AECOM suggest there is strong reason to apply a Principal Residence Policy in the NA. As this policy is developed, if new data becomes available (e.g. Census 2021 or additional data sources quantifying levels of second home ownership), the group may wish to refine the policy to adapt to any changes in the scale of the market.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
	This highlights a clear incentive for property owners to rent their properties as holiday lets as opposed to in the private rented sector.	

## Recommendations for next steps

186. This Neighbourhood Plan housing needs assessment aims to provide Burnham Market 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 & West Norfolk Borough Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:

- All Neighbourhood Planning Basic Conditions, but in particular 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 & West Norfolk Borough Council;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers and estate agents; and
- 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 & West Norfolk Borough Council.

187. 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.

188. 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 & West Norfolk Borough Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

189. 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.

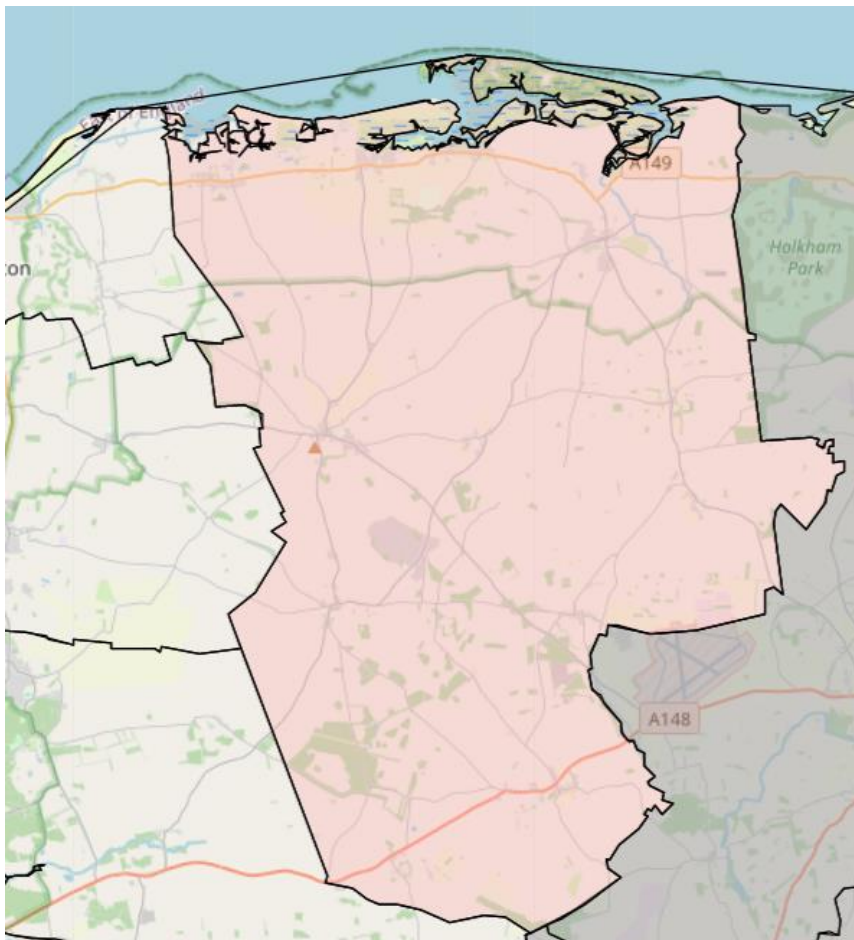
# Appendix A : Calculation of Affordability Thresholds

## A.1 Assessment geography

190. 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 Area. Such data is available at MSOA level but not at the level of neighbourhood areas.

191. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Area. In the case of Burnham Market, it is considered that MSOA E02005552 is the closest realistic proxy for the Neighbourhood Area boundary, and as such, this is the assessment geography that has been selected. A map of MSOA E02005552 appears below in Figure A-1. This MSOA covers the whole of the NA, as well as along the coast to Thornham and south as far as Harley. This area encompasses settlements including Docking, Stanhoe, Brancaster, North/South Creake, and Bircham Newton among others.

**Figure A-1: MSOA E02005552 used as a best-fit geographical proxy for the Neighbourhood Area**



Source: ONS

## A.2 Market housing

192. Market housing is not subsidised and tends to be primarily accessible to people on higher incomes.
193. To determine affordability in market housing, this 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

194. 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.
195. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Burnham Market, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.
196. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2020) = £636,250;
  - Purchase deposit at 10% of value = £63,625;
  - Value of dwelling for mortgage purposes = £572,625;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £163,607.
197. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2020 was £478,250, and the purchase threshold is therefore £122,979.
198. Finally, it is worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records no sales of new build properties in the NA in 2020. Ordinarily, to determine an estimate for the price of new build housing in the NA, the uplift would be calculated between the median and new build house prices in the LA, and then this uplift applied to the lower quartile house price for the NA. However, in this case, there was no uplift across King's Lynn & West



Norfolk as a whole to be applied. Therefore, the median house price in the NA is used as a proxy for the price of new build entry-level housing in the NA and used in the calculations for First Homes and shared ownership. For Burnham Market this value is £636,250, as above.

## **ii) Private Rented Sector (PRS)**

199. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.
200. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
201. The property website Rightmove.co.uk shows rental values for property in the Neighbourhood Area. The best available data is derived from properties available for rent within a 5 mile radius of Burnham Market, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it as there were too few properties for rent specifically in the NA. 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.
202. According to Rightmove.co.uk, there were 16 properties for rent at the time of search in December 2021, with an average monthly rent of £1,157. There were 5 one/two-bed properties listed, with an average price of £733 per calendar month.
203. The calculation for the private rent income threshold for entry-level (1/2 bedroom) dwellings is as follows:
- Annual rent = £733 x 12 = £8,796;
  - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £29,320.
204. The calculation is repeated for the overall average to give an income threshold of £46,280.

## **A.3 Affordable Housing**

205. There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2021: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. More recently, a new

product called First Homes has been introduced in 2021. Each of the affordable housing tenures are considered below.

## i) Social rent

206. Rents in socially rented properties reflect a formula based on 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 the lowest incomes and is subject to strict eligibility criteria.
207. 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 Burnham Market. 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 & West Norfolk in the table below.
208. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

**Table A-1: Social rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£75.98	£83.27	£90.67	£102.33	<b>£84.59</b>
Annual average	£3,951	£4,330	£4,715	£5,321	<b>£4,399</b>
Income needed	£13,157	£14,419	£15,700	£17,719	<b>£14,648</b>

Source: Homes England, AECOM Calculations

## ii) Affordable rent

209. 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).
210. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, 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%.
211. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for King's Lynn & West Norfolk. Again, it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.

212. Comparing this result with the average 1/2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 54.1% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

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

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£82.50	£100.53	£111.35	£131.75	<b>£103.38</b>
Annual average	£4,290	£5,228	£5,790	£6,851	<b>£5,376</b>
Income needed	£14,286	£17,408	£19,281	£22,814	<b>£17,901</b>

Source: Homes England, AECOM Calculations

### iii) Affordable home ownership

213. Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are discounted market housing (a subset of which is the new First Homes product), shared ownership, and Rent to Buy. These are considered in turn below.
214. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

#### First Homes

215. Whether to treat discounted market housing as affordable 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 buy market housing.
216. The starting point for these calculations is therefore the estimated cost of new build housing in the NA, which here is the value of a median priced house in Burnham Market, noted above of £636,250.
217. For the minimum discount of 30% the purchase threshold can be calculated as follows:
- Value of a new home (NA median (value for mortgage)) = £636,250;
  - Discounted by 30% = £445,375;
  - Purchase deposit at 10% of value = £44,538;
  - Value of dwelling for mortgage purposes = £400,838;

- Divided by loan to income ratio of 3.5 = purchase threshold of £114,525.
218. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £98,164 and £81,804 respectively.
219. The income thresholds calculated here for First Homes are all above the cap of £80,000 (above which households are not eligible) and would therefore fail to meet the criteria. All of the discounted prices are also above £250,000 and therefore fail to meet the criteria, so either a greater discount is justified, developers would need to bring the price down, or smaller or lower value properties would need to be delivered than our assumed benchmark.
220. Note that 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. This would not appear to be an issue in Burnham Market.

### **Shared ownership**

221. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%) 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 occupant can be increased over time through a process known as 'staircasing'.
222. 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.
223. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. 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 rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. 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).
224. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £636,250 is £159,063;

- A 10% deposit of £15,906 is deducted, leaving a mortgage value of £143,156;
  - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £40,902;
  - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £477,188;
  - The estimated annual rent at 2.5% of the unsold value is £11,930;
  - This requires an income of £39,766 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
  - The total income required is £80,667 (£40,902 plus £39,766).
225. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £64,079 and £108,314 respectively.
226. The income threshold for shared ownership homes at 10% equity is the only one below the £80,000 cap for eligible households, with the income threshold for shared ownership at 25% equity just £667 over this cap. A smaller property or reduction in price by the developer could therefore make this product fall below the cap.

### **Rent to Buy**

227. Rent to Buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent, which is intended to be used to build up a deposit to eventually purchase the home. It is therefore estimated to cost the same as private rents – the difference being that the occupant builds up savings with a portion of the rent.

### **Help to Buy (Equity Loan)**

228. The Help to Buy Equity Loan is not an affordable housing tenure but allows households to afford market housing through a loan provided by the government. With a Help to Buy Equity Loan the government lends up to 20% (40% in London) of the cost of a newly built home. The household must pay a deposit of 5% or more and arrange a mortgage of 25% or more to make up the rest. Buyers are not charged interest on the 20% loan for the first five years of owning the home.
229. It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.

# 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>19</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.

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

### **Bedroom Standard<sup>20</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.

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<sup>19</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

<sup>20</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-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>21</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>22</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 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.

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<sup>21</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>22</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)



## **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 has recently confirmed the introduction of First Homes as a new form of discounted market housing which will provide a discount of at least 30% on the price of new homes. These homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments will be required to provide 25% of Affordable Housing as First Homes. A more detailed explanation of First Homes and its implications is provided in the main body of the HNA.

## **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>23</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 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

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<sup>23</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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% (though this was lowered in 2021 to a minimum of 10%), 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>24</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

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<sup>24</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

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

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

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

A Strategic Housing Market Assessment (SHMA) is a document prepared by one or more local planning authorities to assess their housing needs under the 2012 version of the NPPF, usually across administrative boundaries to encompass the whole 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>25</sup>

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<sup>25</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>



