

Watlington

Housing Needs Assessment (HNA)

January 2022

Quality information

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Revision History

<u>Revision</u>	<u>Revision date</u>	<u>Details</u>	<u>Authorized</u>	<u>Name</u>	<u>Position</u>
REV 01	10/12/2021	Issue for Internal Review	TS	Tony Sloan	Senior Town Planner
REV 02	13/12/2021	Internal Review	PA	Paul Avery	Principal Housing Consultant
REV 03	13/12/2021	Issue for Neighbourhood Steering Committee review	TS	Tony Sloan	Senior Town Planner
REV 04	18/01/2022	NG Response	DS	Dawn Smith	Watlington Neighbourhood Plan Steering Committee Member
REV 05	20/01/2022	Issue for Locality review	TS	Tony Sloan	Senior Town Planner
REV 06	27/01/2022	Final Issue	TS	Tony Sloan	Senior Town Planner

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List of acronyms used in the text:

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
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
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. Watlington Neighbourhood Plan Steering Committee, commissioned from Locality a Housing Needs Assessment (HNA) to inform their emerging Neighbourhood Plan. In consultation with the neighbourhood planning group, we developed three research questions (RQs) for the HNA to answer. The RQs serve to direct our research into the key neighbourhood-level issues and provide the structure for the study.

Research Questions

Findings of RQ 1: Type and Size of All Housing Need

2. According to 2021 VOA data, Watlington has a significantly high proportion of Bungalows (over a third of all homes). The NA and LPA have a comparable proportion of detached homes, both significantly exceeding the national level. Watlington has a higher proportion of semi-detached homes than the district and country. The NA has a low proportion of terraces and a particularly limited provision of flats.
3. Between 2011 and 2020 there was a notable increase in two- and three-bedroom properties.
4. In 2011, the NA had a relatively young population compared to the district, with a smaller share in the 45-64, 65-84 and 85 and over groups and larger shares in the 0-15, 16–24 and 25-44 groups.
5. A significant degree of ageing has taken place since 2011, with ONS estimates for 2019 showing significant growth in the 65-84 and 85+ age bands.
6. In 2011 the NA had a lower proportion of one person households and a higher proportion of families compared to local and national levels. Few family households were aged over 65, with more families having dependent children rather than none.
7. Watlington has a high rate of under-occupancy, 80.8% of people lived in a home with at least one extra bedroom in 2011.
8. The results of a modelling exercise suggests that new development might involve the following share of dwelling sizes: 39.8% as one bedroom, 0% as two bedrooms, 49.7% as three bedrooms, 0% as four bedrooms and 10.5% as five or more bedrooms. This recommended mix is somewhat unusual, as it suggests there is no need for further two or four -bedroom dwellings over the Neighbourhood Plan period. This also contrasts the findings of the Watlington Neighbourhood Plan Survey, which suggests a high demand for two bed bedroom dwellings, followed by three or more bedroom dwellings.
9. However, it is generally not advisable to restrict the supply of specific size categories too strictly. For example, two-bedroom dwellings have increased flexibility over one-bedroom dwellings. Weighing this up against the relatively small extra cost and extra space associated with building a two-bed dwelling may offer a strong argument for providing larger units.

10. These results are therefore a starting point for thinking about how best to address the more nuanced needs of the future population.
11. Affordability is a serious and worsening challenge in Watlington. 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.
12. It would be unwise for any new housing 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.
13. It is recommended that priority is given to smaller and mid-sized homes (one to three bedroom), however, 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.

Findings of RQ 2: Tenure and Affordability and the Need for Affordable Housing

14. At the time of the 2011 Census, Watlington was characterised by a very high proportion of home ownership and lower proportions of all other tenures compared to local and national levels.
15. There has been a steady but gentle upward increase in house prices between 2011 and 2020. Mean house price increased by 57.4% and the median house price increased by 48.1%, peaking in 2020 at £229,782 and £200,000 respectively. Lower quartile prices loosely tracked the median house price in terms of its trajectory between 2011 and 2020, rising by 42.0%, peaking in 2019 at £176,000, before falling to £156,000 in 2020.
16. Looking at house prices by type, the growth in average price of a detached house (77.4%) significantly exceeds the average growth for all property types (48.1%). Whereas semi-detached and terraced properties experienced more modest growths of 30.6% and 28.2%, respectively.
17. Average incomes (£40,700) can access entry-level homes, although median market homes / new builds are out of reach. The median house price would require an annual income 23% higher than the current average. Market housing therefore remains out of reach to most.
18. Rent to Buy represents a viable route to affordable home ownership for mean incomes, however, is out of reach to lower quartile incomes.
19. First Homes (40% to 50% discount) would extend home ownership to dual lower quartile earning households. However, a discount of over 50% would be required for single lower quartile earners. Shared ownership appears to be less affordable than First Homes, although broadly accessible to the same groups.
20. LHNA findings suggest that Watlington requires 3.4 affordable housing units per year, or 50 units over the Plan period (split 64% rented to 36% ownership).

21. The estimated affordable housing delivery based on the Local Plan (32 dwellings) does not meet the quantity of demand identified here. Although, the figure of 50 dwellings identified in this report is based on the district's need and doesn't necessarily reflect the lower need and suitability for affordable housing in more rural areas.
22. A significant proportion of this affordable need could be met through the delivery of the proposed Freebridge Community Housing scheme at the land off Thieves Bridge Road (reference 21/02421/FM). This scheme seeks permission for 40 dwellings (37 affordable) on the site allocated for a minimum of 32 properties in the SADMP (reference G112.1). The Freebridge scheme proposes an approximate 50:50 affordable tenure split, whereas the LHNA figures suggests 64% affordable rented to 36% affordable ownership is more appropriate.
23. We recommend a 70% rent to 30% ownership affordable tenure split. This accords higher priority to those in most need, aligning with the Local Plan.

Findings of RQ 3 Specialist Housing for Older People

24. There are currently around 251 people aged 75 or over living in Watlington, our calculations show that this age group is expected to increase to 347 people by the end of the planning period - equivalent to 96 additional older individuals and a 38% growth rate for that age cohort.
25. There appears to be no specialist accommodation in Watlington at present. As noted in the Type and Size Chapter, Watlington has a significantly high proportion of bungalows (over one third of all homes), which may appeal to older people and those with mobility challenges.
26. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
27. Two methods of estimating future need in Watlington produce a range of 24 to 34 specialist accommodation units that might be required during the Plan period. The majority of need will be for market housing (as opposed to affordable) and for sheltered accommodation (with less care), although there is need that could be accommodated in any category. The estimates are based on projected growth of the older population, assuming today's older households are already well accommodated. If this is found not the case, it would justify exceeding the identified range.
28. There is no specific requirement to provide specialist accommodation entirely within the NA. It could be provided in a 'hub and spoke' model. Watlington is a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness. King's Lynn or Downham Market are considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Area. If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself would not overlap.

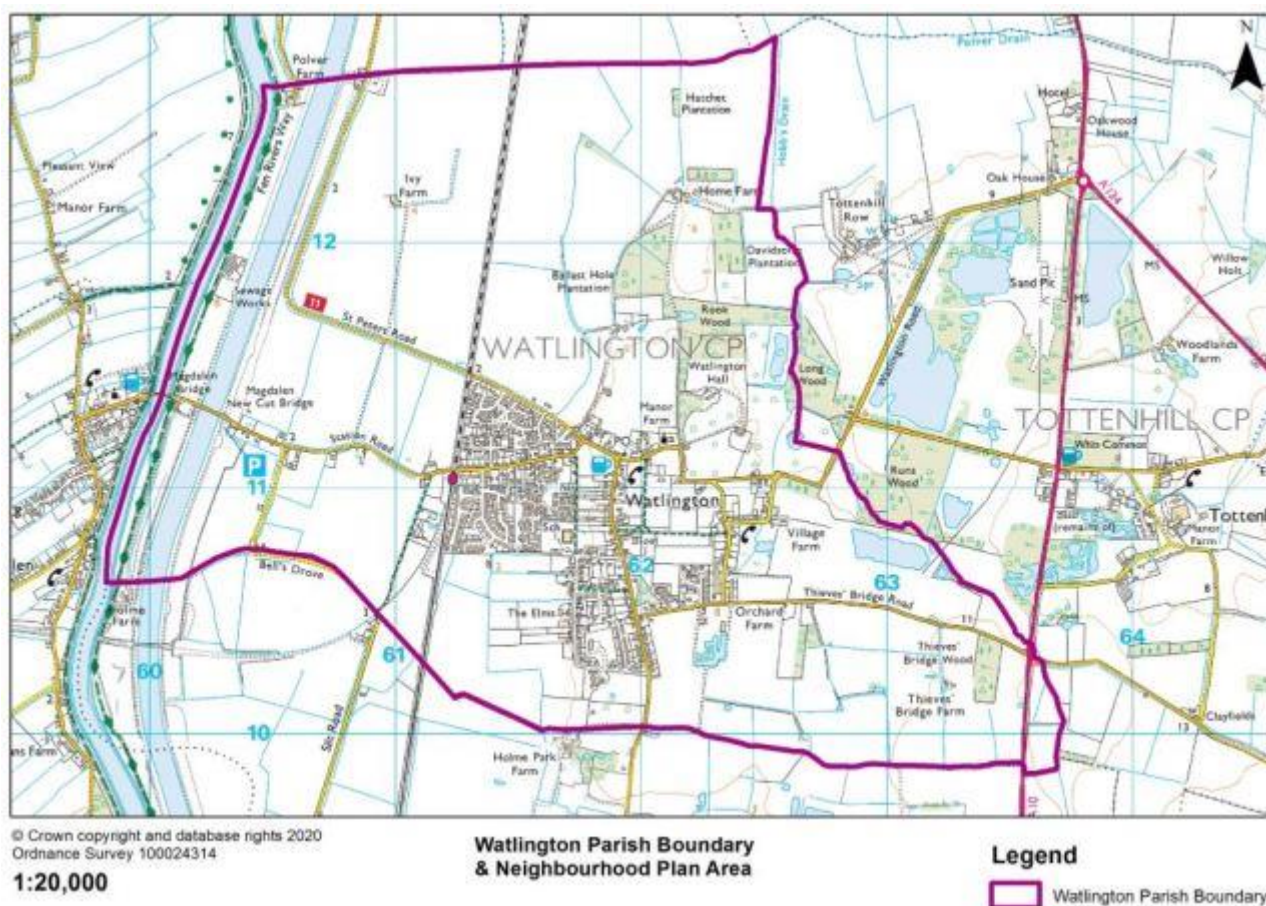
29. Improved accessibility and adaptability standards should be key consideration for new mainstream homes (both market and affordable). If the neighbourhood plan were to be particularly ambitious in requiring high standards of accessibility and adaptability, there is arguably less need to deliver specialist accommodation.

2. Context

Local context

- 30. Watlington is a Neighbourhood Area located in King’s Lynn and West Norfolk, East of England. The Neighbourhood Area (NA) boundary was designated on 5th March 2020, aligns with that of the civil parish of King’s Lynn and West Norfolk.
- 31. A map of the neighbourhood area appears below in Figure 2-1

Figure 2-1: Map of the Watlington Neighbourhood Area¹



Source: Watlington Parish Council

- 32. The proposed Neighbourhood Plan period starts in 2021 and extends to 2036, therefore comprising a planning period of 15 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.
- 33. Watlington is situated on the east bank of the River Great Ouse, between King’s Lynn approximately 11 kilometres to the north and Downham Market approximately 10 kilometres to the south. RAF Marham is located approximately 14km to the east of the Watlington. This is one of the largest and most important RAF stations in the UK, with a large number of service personnel and dependents living near to the airfield. The village

¹ Available at <https://watlington.norfolkparishes.gov.uk/neighbourhood-planning/>

of West Winch which lies approximately 5km to the north-east of the NA has been identified in the King's Lynn and West Norfolk Local Plan as Strategic Growth area with potential to provide 4,000 new dwellings over 18 years.

34. Watlington village is served by Watlington Railway Station, located on the Fen Line providing connections between King's Lynn, Cambridge and beyond.
35. The statistics show that in the 2011 Census the NA had a total of 2,455 residents, formed into 1,021 households and occupying 1,074 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2019 population estimate for Watlington is 2,532 – indicating population growth of around 77 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.
36. The Valuation Office Agency (VOA) counts the stock of properties according to council tax banding and other measures in various areas. Data is provided for Lower Layer Super Output Areas (LSOAs) and their higher-scale equivalents (MSOAs – Medium Super Output Areas). Because Watlington's parish boundary aligns with LSOA - King's Lynn and West Norfolk 015C (E01026722) it is possible to recreate the NA boundary using this dataset to estimate the current number of overall dwellings. VOA data shows that there were 1,150² dwellings in Watlington in 2021, indicating a growth of around 76 dwellings since 2011 (1,074 dwellings recorded in 2011 Census). This broadly aligns with the scale of population growth over the same period.

² Note that VOA data is rounded to the nearest 10.

Planning policy context

37. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.³ In the case of Watlington, the relevant adopted Local Plan for King’s Lynn and West Norfolk consists of:
- King’s Lynn & West Norfolk Borough Council Local Development Framework - Core Strategy - Adopted July 2011
 - King's Lynn and West Norfolk Local Plan - Site Allocations & Development Management Policies (SADMP) – Adopted September 2016
38. The Core Strategy guides development and the use of land up to 2026, setting out the long-term plans for the borough. It contains a number of borough wide policies, and it provides the strategic direction of growth. The SADMP complements the Core Strategy, setting out land allocations and development management policies. The SADMP provides development boundaries for settlements and provides housing allocations across the borough.
39. King’s Lynn & West Norfolk are preparing a review of the Local Plan. The emerging Local Plan will guide development up to 2036, eventually replacing the current Local Plan. The Draft Cabinet Version of the Local Plan Review 2021⁴ acknowledges the Watlington NP, stating that the Borough Council will assist the Parish Council with their preparations. It goes on to state that it would be inappropriate for the Local Plan review to impose development upon the Watlington. It’s noted that the Parish Council through their Neighbourhood Plan will have the opportunity to consider sites which have been proposed through the Local Plan review process, and others. Given the status of Watlington within the Settlement Hierarchy and its role within the Borough it would be appropriate for further allocations to be considered through the Neighbourhood Plan.

Policies in the adopted local plan

40. Table 2-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Watlington.

Table 2-1: Summary of relevant adopted policies in King’s Lynn & West Norfolk Borough Council’s adopted Local Plan

Policy	Provisions
Core Strategy	Defines the Borough’s settlement hierarchy through six tiers of settlements based on their role and function in the borough. Watlington is identified as a Key Rural Service Centre.
CS02 The Settlement Hierarchy	
Core Strategy	Sets out the strategy for development in rural areas. This includes focus most new development in key rural service centres selected from the Settlement Hierarchy Policy CS02.
CS06 Development in Rural Areas	Provision will be made for a total of at least 2,880 new homes within or adjacent to selected Key Rural Service Centres (to be defined in the Site-Specific Allocations DPD).

³ 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>

⁴ Available at <https://west-norfolk-consult.objective.co.uk/kse/event/36249> [accessed November 2021]

Policy	Provisions
Core Strategy	Stipulates a minimum of 16,500 new dwellings across the Borough over the period 2001 to 2026, (12,000 to 2021 and an additional 3,000 to maintain a 15 year supply from adoption date of the Core Strategy, anticipated 2011. The total also allows 10% for flexibility).
CS09 Housing Distribution	<p>Provision 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>In relation to type, size and tenure, housing proposals must take appropriate account of need identified in the most up to date strategic housing market assessment including appropriate provision for all sectors of the community i.e. elderly people or people with disabilities.</p> <p>The percentage of affordable housing which will be sought for on qualifying sites is as follows:</p> <ul style="list-style-type: none"> • 15% within the built-up area of Kings Lynn • 20% in all other areas <p>The thresholds over which affordable housing provision will be sought are:</p> <ul style="list-style-type: none"> • King's Lynn, Downham Market and Hunstanton - Sites of 0.33 ha or 10 or more dwellings • Rural areas - Sites of 0.165 of ha or 5 or more dwellings <p>The policy recommends a Tenure mix of 70:30 Rented to 'shared ownership', subject to negotiation. 30% 'shared ownership' includes other forms of intermediate tenure, including intermediate rented.</p>
SADMP	Residential site allocation on land of around 1.8 hectares, as shown on the Policies Map, for at least 32 dwellings. Development subject to compliance with a number of conditions, this includes the provision of affordable housing in line with the current standards.
G112.1 Watlington - Land south of Thieves Bridge Road	

41. Note, a planning application has been submitted by Freebridge Community Housing to King's Lynn & West Norfolk (reference 21/02421/FM) seeking planning permission for 40 dwellings at the land off Thieves Bridge Road identified as a site allocation for a minimum of 32 properties in the SADMP (reference G112.1). The scheme consists for six two-bedroom bungalows, 16 two-bed houses, 16 three-bed houses and two four-bed houses. The proposed tenure is:

- 3no. market sale
- 18no. shared ownership (affordable)
- 19no. affordable rent (affordable)

42. A decision on this planning application is currently expected by 11th April 2022.

Quantity of housing to provide

43. 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.

44. King's Lynn and West Norfolk has fulfilled that requirement by providing Watlington with minimum figure of 32 dwellings to be delivered through a site allocation by the end of the Plan period. This site was allocated by the SADMP (2016) and the Local Plan review seeks to support this allocation.
45. Given that the NPPF requirement has already been fulfilled, the question of how many houses to plan for has been answered. It is therefore outside the scope of this Housing Needs Assessment. The issue of quantity has been excluded from the Research Questions (see Chapter 3).

3. Approach

Research Questions

46. The following research questions were formulated at the outset of the research through discussion with the Watlington Neighbourhood Plan Steering Group. They serve to direct the research and provide the structure for the HNA.

Type and Size of All Housing Need

47. The Neighbourhood Plan Steering Group is seeking to determine what size and type of housing would be best suited to the local community.
48. The aim of this research question is to provide neighbourhood steering group 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.
49. 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.
50. 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 1: 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?

Tenure and Affordability

51. The Neighbourhood Plan Steering 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.
52. This evidence will allow Watlington 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.
53. The Steering Group 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 2: What quantity and tenures of Affordable Housing should be planned for over the Neighbourhood Plan period?

Specialist Housing for Older People

54. This chapter supplements the demographic evidence relating to Type and Size, including the potential demand for downsizing, to consider the quantity and characteristics of need for housing for older people with some form of additional care.

RQ 3: What provision should be made for specialist housing for older people over the Neighbourhood Plan period?

Relevant Data

55. 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;
- King's Lynn & West Norfolk Housing Needs Assessment (HNA) March 2020; and
- Watlington Neighbourhood Plan Survey Results (28 April 2021).

56. 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.

4. RQ 1: Type and Size of All Housing Need

RQ 1: 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

57. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Watlington 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.
58. 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

59. 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.
60. 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 disabilities requiring level access properties, for example.
61. 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.
62. 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.

63. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. In Watlington’s case, Valuation Office Agency (VOA) boundaries can be made to align exactly with the NA area and as such this data can be used to understand the makeup of the housing stock.

Dwelling type

64. The data in Table 4-1 below shows that Watlington has a significantly high proportion of Bungalows, which comprise over one third of all homes within the neighbourhood area. Although it is not necessarily a given that bungalows are be completely accessible (e.g. for an occupant using a wheelchair), the availability of bungalows may be represent an appealing offering for older people and those with mobility challenges.
65. The proportion of detached properties is comparable between Watlington and King's Lynn and West Norfolk, both significantly exceeding the national level for this house type. Watlington has a higher proportion of semi-detached homes than the district and country.
66. Watlington has a lower proportion of terraces and a particularly low provision of flats. Flats and Terraces are generally the most affordable home types. The underrepresentation of these types might be expected to limit the options for local people on lower incomes, particularly growing families or downsizers or simply those who cannot afford the majority of the options currently available.

Table 4-1: Accommodation type, various geographies, 2021

Dwelling type	Watlington	King's Lynn and West Norfolk	England
Bungalow	34.8%	27.4%	9.4%
Flat	0.9%	9.4%	23.0%
Terrace	13.9%	16.8%	26.4%
Semi-detached	27.8%	21.9%	23.8%
Detached	21.7%	21.6%	15.9%
Unknown/other	0.9%	3.0%	1.4%

Source: VOA 2021, AECOM Calculations

67. Census 2011 data is also presented in Table 4-2, however this unfortunately cannot be used to fully understand the changes between 2011 and 2020 because Census data counts bungalows within each of the other categories rather than independently (hence the apparent decline in the number of other dwelling types). Note also that VOA data is rounded to the nearest 10 in each dwelling category.

Table 4-2: Accommodation type, Watlington, 2011 and 2021

Dwelling type	2011 (Census)	2021 (VOA)
Bungalow	-	400
Flat	20	10
Terrace	117	160
Semi-detached	402	320
Detached	534	250
Unknown/other	-	10
Total	1,074	1,150

Source: ONS 2011, VOA 2021, AECOM Calculations

Dwelling size

68. Table 4-3 below sets out change in the mix of housing by number of bedrooms in Watlington, comparing the 2011 Census mix to 2021 VOA data. While the VOA data helpfully shows changes that have been made to existing homes. It is important to note that the VOA data is rounded to the nearest ten for each dwelling category, however, the table appears to show a notable increase in two- and three-bedroom properties. The amount of one and four+ bedroom properties in Watlington remains relatively unchanged.

Table 4-3: Dwelling size (bedrooms), Watlington, 2011 and 2021

Number of bedrooms	2011 (Census)	2021 (VOA)
1	33 (3.2%)	30 (2.6%)
2	336 (32.9%)	390 (33.9%)
3	411 (40.3%)	490 (42.6%)
4+	241 (23.6%)	240 (20.9%)
Unknown	-	-
Total	1,021 (100%)	1,150 (100%)

Source: ONS 2011, VOA 2021, AECOM Calculations

69. Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country. Watlington has a limited provision of one-bedroom homes, significantly lower than the national average. The NA has a higher proportion of two-bedroom homes compared to local and national levels, and a lower proportion of homes with three bedrooms. Finally, Watlington has a relatively high proportion of four+ bedroom properties compared to King's Lynn and West Norfolk and England as a whole.

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

Number of bedrooms	Watlington	King's Lynn and West Norfolk	England
1	2.6%	7.5%	12.3%
2	33.9%	30.4%	28.1%
3	42.6%	44.3%	43.4%
4+	20.9%	17.7%	16.2%

Source: VOA 2021, AECOM Calculations

Age and household composition

70. Having established the current stock profile of Watlington 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

71. Table 4-5 below shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. The direction of travel in population change is towards ageing: the largest growth in actual numbers is in the 65-84 age band and the largest proportional growth is in the 85+ band. This evidences the growing need for housing suitable for the growing elderly population. The 45-64 age group also grew more moderately, with a proportional increase of 9.7%. In terms of younger demographics, the 0-15 age band increased by 1 person, whereas the 16-24 and 25-44 age groups both decreased between 2011 and 2019.
72. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2019 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.
73. 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 2011-2019 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

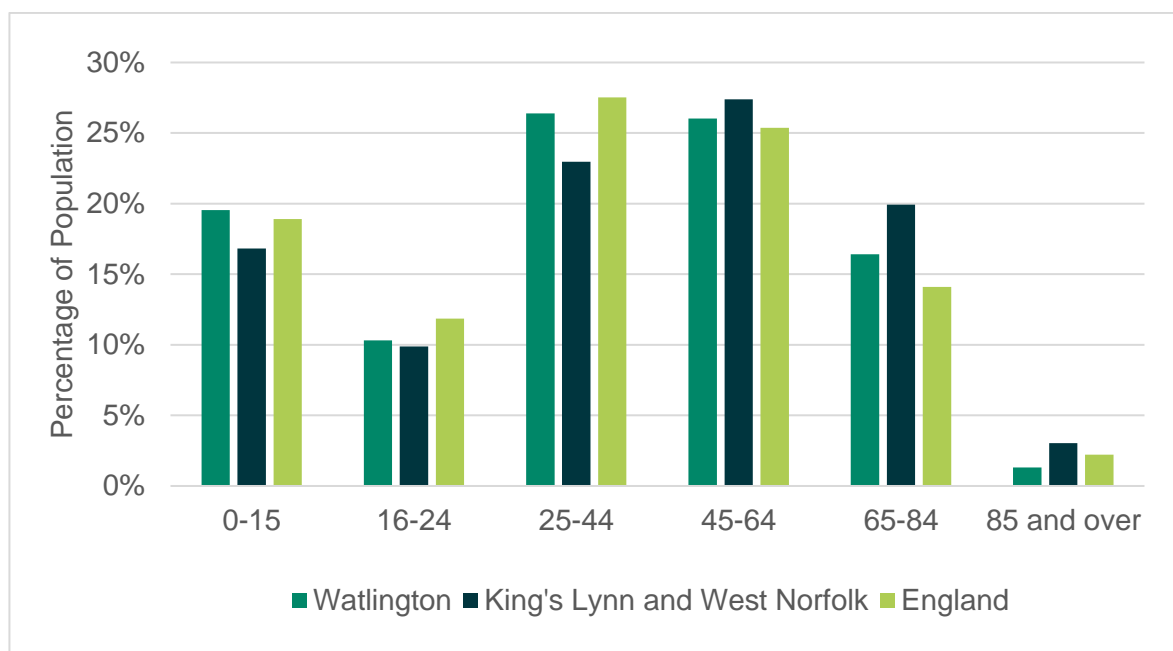
Table 4-5: Age structure of Watlington population, 2011 and 2019

Age group	2011 (Census)		2019 (ONS, estimated)		Rate of Change
	Pop.	%	Pop.	%	
0-15	480	19.6%	481	19.0%	0.2%
16-24	253	10.3%	229	9.0%	-9.5%
25-44	648	26.4%	578	22.8%	-10.8%
45-64	639	26.0%	701	27.7%	9.7%
65-84	403	16.4%	477	18.8%	18.4%
85 and over	32	1.3%	66	2.6%	106.3%
Total	2,455	100%	2,532	100%	3.1%

Source: ONS 2011, ONS mid-2019 population estimates, AECOM Calculations

74. For context, it is useful to look at the parish population structure alongside that of the district and country. The following Figure 4-1 (using 2011 Census data) shows that the NA population was generally younger than the King’s Lynn and West Norfolk average, with a smaller share of the population in the 45-64, 65-84 and 85 and over age groups and larger shares in the 0-15, 16–24 and 25-44 age groups.

Figure 4-1: Age structure in Watlington, 2011



Source: ONS 2011, AECOM Calculations

Household composition

75. 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 4-6 shows that Watlington has a lower proportion of one person households and a higher proportion of families compared to local and national levels. Very few family households were aged over 65, with more families having dependent children rather than none.
76. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. While the data is quite old at this point, it is interesting to observe that this category grew by 26.3% between 2001 and 2011 in the parish – a significantly faster rate than the district (12.3%) and national (10.6%) averages.

Table 4-6: Household composition, Watlington, 2011

Household composition		Watlington	King's Lynn and West Norfolk	England
One person household	Total	24.6%	27.2%	30.2%
	Aged 65 and over	10.5%	14.4%	12.4%
	Other	14.1%	12.8%	17.9%
One family only	Total	71.1%	66.6%	61.8%
	All aged 65 and over	11.0%	13.0%	8.1%
	With no children	22.1%	21.4%	17.6%
	With dependent children	28.6%	23.2%	26.5%
	All children Non-Dependent ⁵	9.4%	9.0%	9.6%
Other household types	Total	4.3%	6.2%	8.0%

Source: ONS 2011, AECOM Calculations

Occupancy ratings

77. The tendency of 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.
78. In Watlington, a combined 80.8% of people lived in a home with at least one extra bedroom in 2011, with 40.1% living in a home with two or more extra bedrooms. The percentage of people living in homes with fewer bedrooms than they might be expected to need is low at 1.4%, indicating that around 35 people may have been (or still be) living in inadequate housing conditions in the parish.
79. It is useful to cross-reference this data by age bracket, presented in Table 4-7. Extreme under-occupancy (+2 rating) is strongly correlated with age, with older age groups much more likely to under-occupy their homes. This is likely because such households tend to be small (i.e. after children have moved out) but remain in homes large enough for families either by preference or for a lack of more suitable options nearby.

⁵ Refers to households containing children who are older than 18 e.g students or young working people living at home.

Table 4-7: Occupancy rating by age in Watlington, 2011

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	58.9%	37.5%	3.6%	0.0%
Single person 65+	42.1%	54.2%	3.7%	0.0%
Family under 65 - no children	61.1%	36.7%	2.2%	0.0%
Family under 65 - dependent children	23.3%	40.1%	33.9%	2.7%
Family under 65 - adult children	21.9%	40.6%	34.4%	3.1%
Single person under 65	43.8%	43.1%	13.2%	0.0%
All households	40.1%	40.7%	17.8%	1.4%

Source: ONS 2011, ONS mid-2019 population estimates, AECOM Calculations

Dwelling mix determined by life-stage modelling

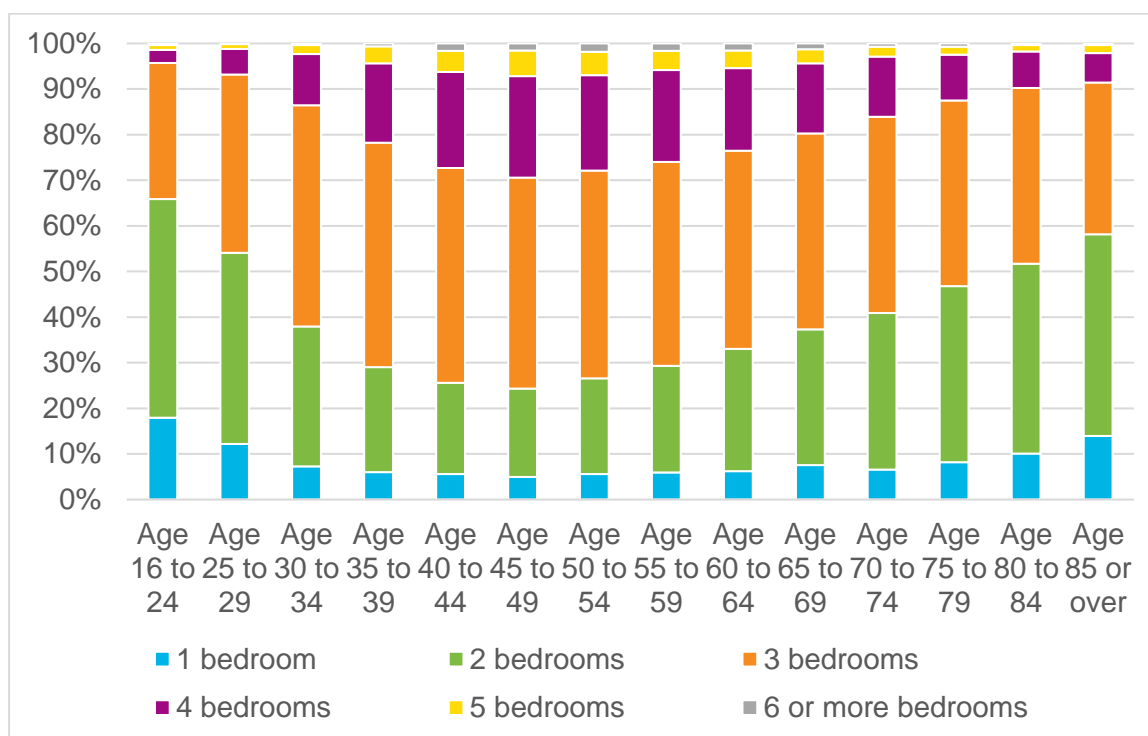
Suggested future dwelling size mix

80. 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 Watlington 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.
81. 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.
82. 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.
83. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.
84. The first, given as Figure 4-2, sets out the relationship between household life stage and dwelling size for King’s Lynn and 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 4-2: Age of household reference person by dwelling size in King’s Lynn and West Norfolk, 2011



Source: ONS 2011, AECOM Calculations

85. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Watlington households in 2011 and the updated estimates of household numbers described in the bullets above. Table 4-8 below makes clear that population growth can be expected to be driven by the oldest households, with increases in the 55-64 and 65 and over categories, while the youngest age groups decline. The largest growth is seen in the 65 and over age category, which increases by 44% from 2011 levels to become the dominant group at 38% of the projected total.

Table 4-8: Projected distribution of households by age of HRP, Watlington

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	25	139	404	168	285
2036	17	124	362	175	411
% change 2011-2036	-31%	-11%	-10%	4%	44%

Source: AECOM Calculations

86. The final result of this exercise is presented in Table 4-9. The model suggests that in terms of demographic change, new development might involve the following share of dwelling sizes: 39.8% as one bedroom, 0% as two bedrooms, 49.7% as three bedrooms, 0% as four bedrooms and 10.5% as five or more bedrooms.

Table 4-9: Suggested dwelling size mix to 2036, Watlington

Number of bedrooms	Current mix (2011)	Target mix 2036	Balance of new housing to reach target mix
1 bedroom	3.2%	7.5%	39.8%
2 bedrooms	32.9%	29.6%	0.0%
3 bedrooms	40.3%	43.4%	49.7%
4 bedrooms	20.3%	15.2%	0.0%
5 or more bedrooms	3.3%	4.3%	10.5%

Source: AECOM Calculations

87. This recommended mix is somewhat unusual, as the interim results of the life-stage modelling suggest that there will be no need for further two or four -bedroom dwellings over the Neighbourhood Plan period. This contrasts the findings of the Watlington Neighbourhood Plan Survey (dated 28th April 2021), which suggests that greatest demand from respondents (in terms of size) is two bed bedroom dwellings, followed by three or more bedrooms.
88. Table 4-9 suggests that 39.8% of new housing should consist of one-bedroom dwellings. This appears to be a significant increase, however, it should be viewed within the context of the relatively low existing one bedroom dwelling stock in the NA (3.2% according to the 2011 Census). One-bedroom dwellings typically can only accommodate a single person or couples. Likewise, a large proportion of traditional specialist housing for elderly people only has one bedroom. Specialist housing for elderly people may encourage downsizing, however as discussed in chapter 6 of this HNA report, specialist accommodation is less suitable within a rural location such as Watlington. In reality, older people usually have a strong preference for two-bedroom or even larger dwellings, even when their needs suggest a requirement for one bedroom. Two-bedroom dwelling provide for the option of separate bedrooms for couples, or for family/friends or overnight carers coming to stay.
89. Normally, two-bedroom dwellings can also accommodate small families. This increased flexibility (compared to one-bedroom dwellings), weighed up against the relatively small extra cost and extra space associated with building a two-bedroom dwelling, may offer a strong argument for providing larger units.
90. It is important to emphasise that it is generally not advisable to prevent the delivery of any particular home sizes entirely, as is suggested in Table 4-9 for two- and four-bedroom properties. 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.
91. Affordability is a serious and worsening challenge in the NA (see chapter 5). 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.

92. 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. 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 older households may release those larger homes for use by families who need more bedrooms.
93. More 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 (one to three bedroom) 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- Type and Size

94. 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. According to 2021 data from the Valuation Office Agency (VOA), Watlington has a significantly high proportion of bungalows (comprising over one third of all homes within the NA), which may be an appealing offering for older people and those with mobility challenges.
95. The proportion of detached properties is comparable between Watlington and King's Lynn and West Norfolk, both significantly exceeding the national level. Watlington has a higher proportion of semi-detached homes than the district and country. The NA has a lower proportion of terraces and a particularly low provision of flats. Flats and terraces are generally the most affordable home types, underrepresentation of these types might be expected to limit the options for those on lower incomes.
96. Between 2011 and 2020 there appears to be a notable increase in two- and three-bedroom properties. Whereas the amount of one and four+ bedroom properties in Watlington remains relatively unchanged.
97. The age structure of the population is a key indicator of the future need for housing. At the time of the 2011 Census, Watlington had a generally younger population than the King's Lynn and West Norfolk average, with a smaller share of the population in the 45-64, 65-84 and 85 and over age groups and larger shares in the 0-15, 16-24 and 25-44 age groups.
98. However, a significant degree of ageing appears to have taken place between the

Census and the latest ONS estimates for 2019. The largest growth in actual numbers is in the 65-84 age band and the largest proportional growth is in the 85+ band. Ageing will be a major driver of housing need in Watlington going forward, whether older households intend to occupy the same dwellings they currently live in, or perhaps move to a home better suited to the size of their household or their evolving needs.

99. In 2011 Watlington had a lower proportion of one person households and a higher proportion of families compared to local and national levels. Very few family households were aged over 65, with more families having dependent children rather than none.
100. Watlington has a high rate of under-occupancy: 80.8% of people lived in a home with at least one extra bedroom in 2011. Indeed, extreme under-occupancy (+2 rating) is strongly correlated with age, with older age groups much more likely to under-occupy their homes. The percentage of people living in homes with fewer bedrooms than they might be expected to need is relatively low. Around 35 people (1.4%) may have been (or still be) living in inadequate housing conditions in the parish.
101. The results of a modelling exercise, which looks at the sizes of dwelling occupied by households at different life stages and projects the growth and decline of those household age groups over the Plan period, suggests that new development might involve the following share of dwelling sizes: 39.8% as one bedroom, 0% as two bedrooms, 49.7% as three bedrooms, 0% as four bedrooms and 10.5% as five or more bedrooms. This recommended mix is somewhat unusual, as it suggests there is no need for further two or four -bedroom dwellings over the Neighbourhood Plan period. This also contrasts the findings of the Watlington Neighbourhood Plan Survey, which suggests a high demand for two bed bedroom dwellings, followed by three or more bedroom dwellings.
102. Whilst the model suggests 39.8% of new dwellings should be one bedroom and 0% should be two bedrooms, it's recognised that the increased flexibility of two bedrooms, weighed up against the relatively small extra cost and extra space, may offer a strong argument for providing larger units.
103. It is generally not advisable to restrict the supply of specific size categories too strictly. These results are a starting point for thinking about how best to address the more nuanced needs of the future population. The following chapter highlights that affordability is a serious and worsening challenge in Watlington. 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.
104. It would be unwise for any new housing 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 (one to three bedroom) 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.

5. RQ 2: Tenure, Affordability and the Need for Affordable Housing

RQ 2: What Affordable Housing (eg 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

105. 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.
106. 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.
107. 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.⁶
108. 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;
 - 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;

⁶ 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>.

- 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

109. The current tenure profile is a key feature of the Neighbourhood Area (NA). 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.
110. Table 5-1 below presents data on tenure in Watlington compared with King's Lynn and West Norfolk and England from the 2011 Census, which is the most recent available source of this information.
111. Watlington is characterised by a very high proportion of home ownership compared to the borough and national levels. The NA has lower proportions of all other tenures compared to both geographies
112. 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 Watlington the social rented sector expanded by 20.6% in that period, contrasting a 2.6% decline at the local level and 0.9% decline at the national level.

Table 5-1: Tenure (households) in Watlington, 2011

Tenure	Watlington	King's Lynn and West Norfolk	England
Owned; total	78.0%	69.4%	63.3%
Shared ownership	0.3%	0.4%	0.8%
Social rented; total	8.0%	13.3%	17.7%
Private rented; total	11.9%	14.7%	16.8%

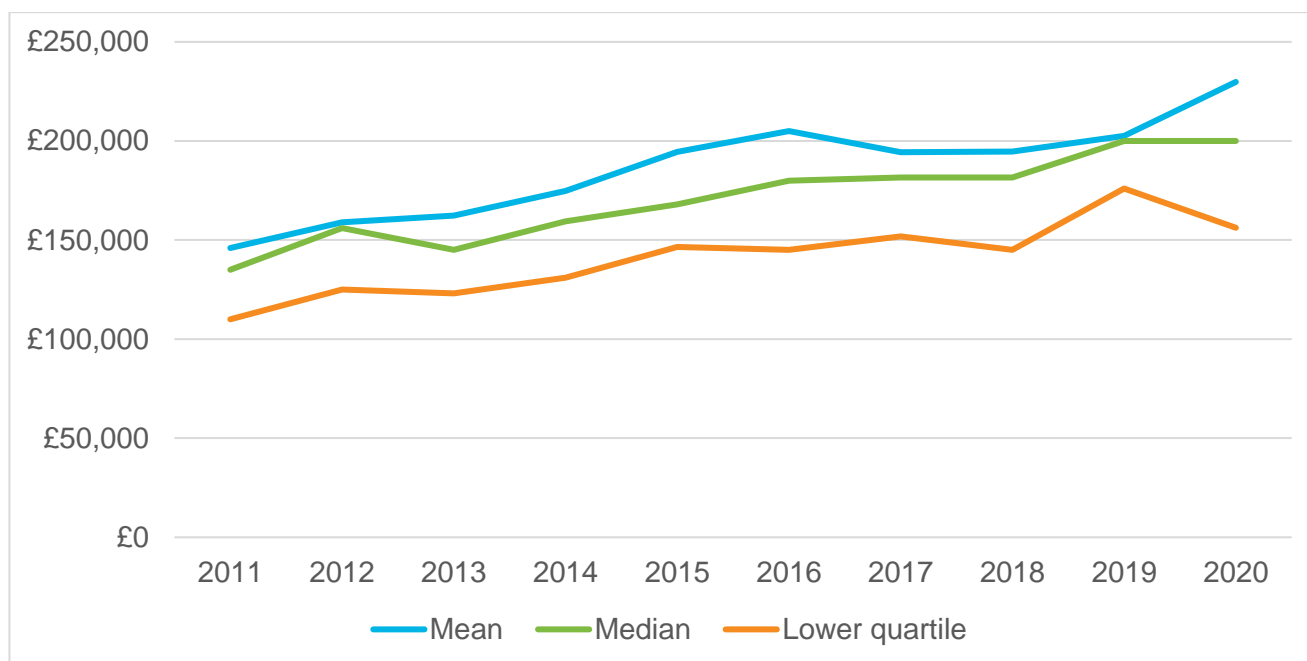
Sources: Census 2011, AECOM Calculations

Affordability

House prices

113. 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.
114. Figure 5-1 below looks at selected measures of house prices in Watlington. It shows that houses prices in Watlington have been on a steady but gentle upward trend between 2011 and 2020. Over this period, the mean house price increased by 57.4% and the median house price increased by 48.1%. The median represents the middle number in a sequence arranged smallest to largest, whereas the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end cause the mean to increase, making it higher than the median. Lower quartile prices loosely tracked the median house price in terms of its trajectory over time, rising by 42.0%. The lower quartile represents the bottom 25% value of all properties sold.
115. The mean and median prices peaked in 2020 at £229,782 and £200,000 respectively. The lower quartile priced peaked in 2019 at £176,000, before falling to £156,000 in 2020 (the second highest figure recorded for lower quartile over this period).

Figure 5-1: House prices by quartile in Watlington, 2011-2020



Source: Land Registry PPD

116. Table 5-2 breaks down house prices by type, presenting the median within each type. It shows that the growth in the price of detached (77.4%) significantly exceeded the average growth for all property types (48.1%). Whereas semi-detached and terraced properties experienced more modest growths of 30.6% and 28.2%, respectively. Only six

transactions for flats were recorded over the entire period between 2011 and 2020, which is unsurprising as flats only accounted for 1.9% of all households in Watlington in 2011. Whilst it's not possible to calculate a comparative price growth for flats, we can see that flats tend to be substantially cheaper than the other housing types in the neighbourhood area.

Table 5-2: Median house prices by type in Watlington, 2011-2020

Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Growth
Detached	£155,000	£170,000	£170,000	£203,000	£233,000	£238,000	£240,000	£235,000	£227,000	£275,000	77.4%
Semi-detached	£134,000	£125,000	£127,500	£146,000	£165,000	£158,750	£170,000	£172,000	£180,000	£175,000	30.6%
Terraced	£116,000	£151,498	£116,000	£132,500	£156,000	£134,000	£147,000	£148,000	£178,750	£148,750	28.2%
Flats	-	£67,500	-	£77,500	£67,500	£132,000	£91,500	£95,000	-	-	N/A
All Types	£135,000	£156,000	£145,000	£159,375	£168,000	£180,000	£181,500	£181,500	£199,998	£200,000	48.1%

Source: Land Registry PPD

Income

117. 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.
118. 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 £40,700 in 2018. A map of the area to which this data applies is provided in Appendix A.
119. 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 and West Norfolk's gross individual lower quartile annual earnings were £13,969 in 2019. To estimate the income of households with two lower quartile earners, this figure is doubled to £27,938.
120. 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

121. 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.

122. AECOM has determined thresholds for the income required in Watlington 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.
123. 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.
124. Table 5-3 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.
125. The same information is presented as a graph in Figure 5-2 on a subsequent page, with selected measures from the table presented for clarity.

Table 5-3: Affordability thresholds in Watlington (income required, £)

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £40,700	Affordable on LQ earnings (single earner)? £13,969	Affordable on LQ earnings (2 earners)? £27,938
Market Housing						
Median House Price	£180,000	-	£51,429	No	No	No
LA New Build Mean House Price	£207,000	-	£59,143	No	No	No
LQ/Entry-level House Price	£140,625	-	£40,179	Yes	No	No
Average Market Rent	-	£9,297	£30,989	Yes	No	No
Entry-level Market Rent	-	£8,913	£29,709	Yes	No	No
Affordable Home Ownership						
First Homes (-30%)	£126,000	-	£36,000	Yes	No	No
First Homes (-40%)	£75,600	-	£21,600	Yes	No	Yes
First Homes (-50%)	£63,000	-	£18,000	Yes	No	Yes
Shared Ownership (50%)	£90,000	£2,500	£34,048	Yes	No	No
Shared Ownership (25%)	£45,000	£3,750	£25,357	Yes	No	Yes
Shared Ownership (10%)	£18,000	£4,500	£20,143	Yes	No	Yes
Affordable Rented Housing						
Affordable Rent	-	£5,376	£17,740	Yes	No	Yes
Social Rent	-	£4,399	£14,648	Yes	Marginal	Yes

Source: AECOM Calculations

126. 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

127. Thinking about housing for purchase on the open market, it appears that local households on average incomes could access entry-level homes. Although median market housing and new builds would be out of reach for average earners, unless they have the advantage of a very large deposit. Therefore, market housing is likely to remain

out of reach to most. The median house price would require an annual income 26% higher than the current average.

128. Private renting is generally only affordable to average earners. Households made up of two lower quartile earners cannot afford the given rental thresholds. 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

129. There is a relatively large group of households in Watlington who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £29,709 per year (at which point entry-level rents become affordable) and £40,179 (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.
130. 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.
131. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Per the calculations presented in Table 5-3, discounts of 40% and 50% would appear to be the most affordable to local residents. A discount of 40% or 50% would extend home ownership to households on with dual lower quartile earners. For single lower quartile earners to be able to access discounted market sales, a discount of over 50% would be required.
132. Table 5-4 shows the discount required for First Homes to be affordable to the three income groups. Because it is not possible to estimate the 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 median house prices in the NA as the best proxy for the cost of a newly built entry-level home in the area, because 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 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.
133. As Table 5-4 shows, in order to access a First Home based on the median house price, households on mean income would require a discount of 21%, single earner households on lower quartile incomes would require a discount of 73%, and dual-earners would need a discount of 46%.

Table 5-4 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	21%	73%	46%
LA New build mean house price	31%	76%	53%
NA Entry-level house price	0%	65%	30%

Source: Land Registry PPD; ONS MSOA total household income

134. Shared ownership appears to be less affordable than First Homes, but is broadly accessible to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.⁷ 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.
135. 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.
136. The income required to access rent to buy is assumed to be the same as that required to afford market rents. In this case, this income required to access entry level rents is £29,709 and average market rent is £30,989. Given average rents are affordable to those on mean incomes, Rent to Buy is likely to be a suitable option for those on average incomes who wish to access home ownership. However, given average rents (and entry level rents) are not affordable to households on LQ incomes, even with two earners, Rent to Buy is still not enough for LQ income households, who are likely to require affordable rented provision. On that basis, First Homes and shared ownership are more affordable options.
137. 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

⁷ 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/hlws48>.

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 above.

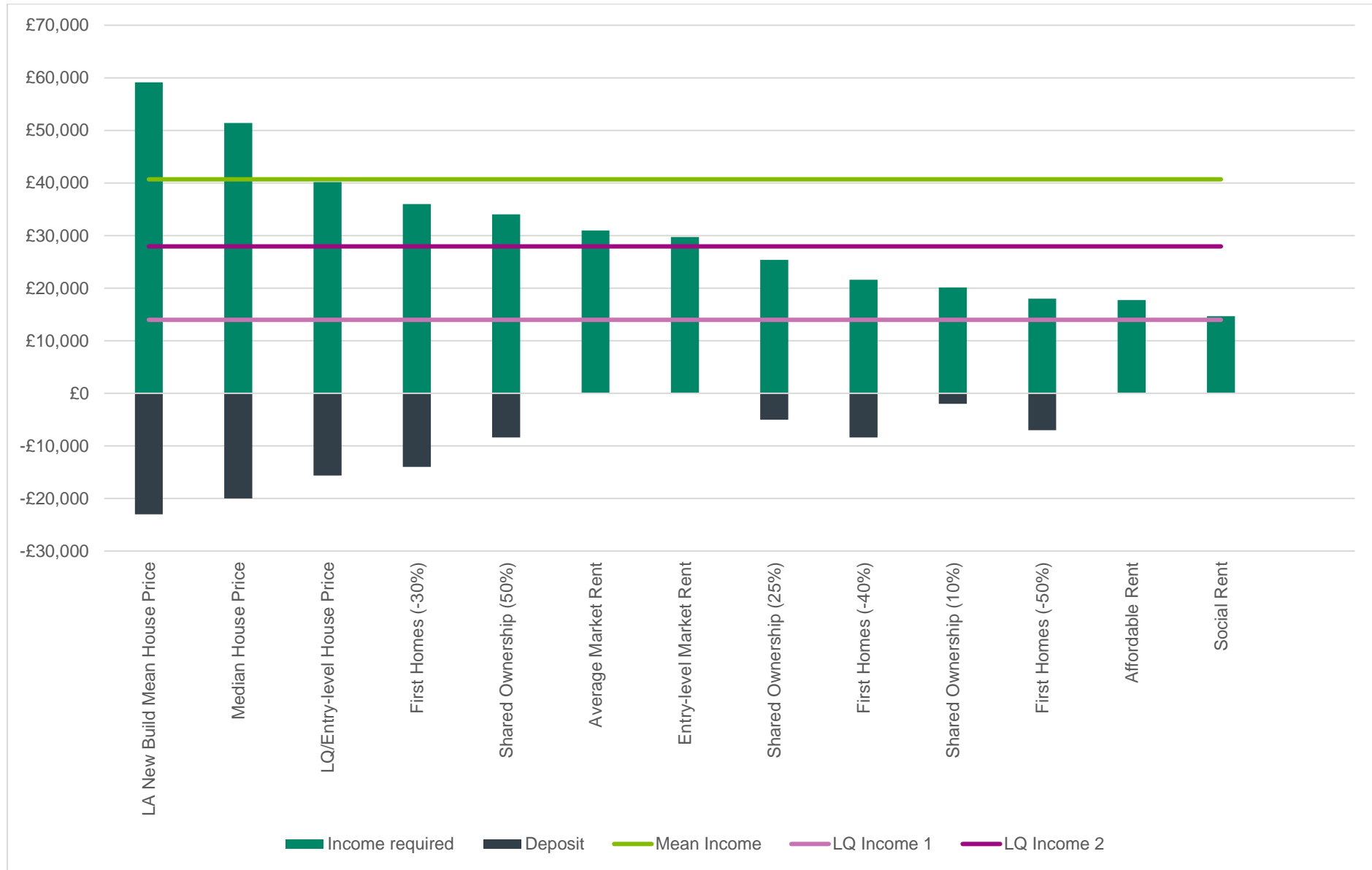
138. In conclusion, all of these products would provide valuable to different segments of the local population, with shared ownership at a lower than 25% equity share potentially allowing lower earning households to get a foot on the housing ladder, while rent to buy is helpful to those with little or no savings for a deposit, and First Homes (especially at 40% or 50% discounts) may provide a better long-term investment to those who can afford to access it.

Affordable rented housing

139. 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.

140. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Watlington 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 5-2: Affordability thresholds in Watlington, income required (additional cost of deposit in black)

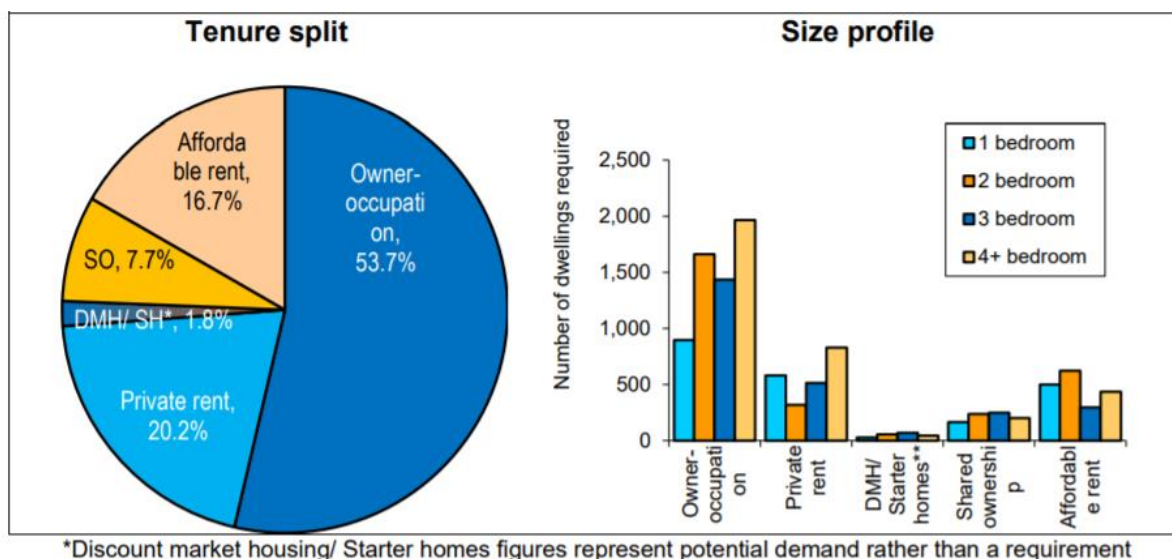


Source: AECOM Calculations

Affordable housing- quantity needed

141. The starting point for understanding the need for affordable housing in Watlington is the relevant Local Housing Need Assessment (LHNA) - The King’s Lynn & West Norfolk HNA (Published March 2020) estimates the need for affordable housing in the District based on analysis of the Council’s waiting list and analysis of other data sets in line with Planning Practice Guidance at the time. The LHNA identifies the need for 202 additional affordable homes each year in King’s Lynn & West Norfolk as a whole. The LHNA doesn’t provide a specific tenure mix for these 202 affordable homes, instead a suggested tenure requirement is provided for all new housing in King’s Lynn & West Norfolk over the plan period (see Figure 5-3). The requirement for 16.7% of housing to be Affordable Rented and 9.5% affordable home ownership (of which 7.7% could be Shared Ownership and 1.8% discount market housing/ Starter Homes) is considered to reflect the mix of housing that would best address the needs of the local population.

Figure 5-3 Requirement for all new housing in King’s Lynn & West Norfolk over the plan period (Replicated from King’s Lynn & West Norfolk HNA – Figure 7.1)



142. When the overall LHNA affordable housing figure is pro-rated to Watlington based on its fair share of the population (1.7% of the LPA’s population⁸), this equates to approximately 3 (3.4) affordable homes per annum or approximately 50 (50.4) homes over the Neighbourhood Plan period (2021-2036).

143. Table 5-5 extrapolates the LHNA’s affordable housing tenure split to provide a specific tenure split which can be applied to the overall affordable housing figure (i.e. 50 dwellings). Based on this proportional calculation, affordable housing should be split approximately 64% rented to 36% ownership.

⁸ Based on Census 2011 data

Table 5-5 Estimate of affordable housing need in Watlington

Tenure/Product	LHNA Suggested Tenure Split	Proportional Affordable Tenure Split	NA Affordable Dwelling Need Per Annum	Total NA Affordable Dwelling Need Over Plan Period
Affordable Home Ownership	9.5%	36.3%	1.2	18.3
Shared Ownership	7.7%	29.4%	1.0	14.8
Discount market housing/ Starter Homes	1.8%	6.9%	0.2	3.5
Affordable Rented	16.7%	63.7%	2.1	32.2
Total	26.2%	100.0%	3.4	50.4

144. However, pro-rating District level estimates of affordable housing need to rural areas presents problems in practice. The District level figures are likely to represent higher needs in the urban areas of the District 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 Watlington the lack of social housing means there is minimal 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). This means it is difficult to more precisely identify need for social/affordable rented housing within Watlington.
145. The affordable housing need identified here of 50 dwellings exceeds the minimum figure of 32 dwellings to be delivered through a Local Plan site allocation (land off Thieves Bridge Road) by the end of the Plan period. Again, this figure of 50 dwellings is based on the district's need and doesn't necessarily reflect the lower need and suitability for affordable housing in more rural areas.
146. As previously highlighted, Freebridge Community Housing have submitted a planning application for 40 dwellings at the land off Thieves Bridge Road. This includes 37 affordable dwellings, split approximately even between affordable rent and shared ownership. Should this proposal be delivered, it would significantly contribute towards meeting the affordable housing need identified in this report.
147. 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).

148. It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.

Affordable Housing policy guidance

149. King's Lynn and West Norfolk's adopted policy on this subject CS09 requires 20% of all new housing in areas outside the built-up area of Kings Lynn to be affordable. 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 emphasizing 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.
150. 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 Local Plan. The HNA can supply more localized 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 Watlington specifically.
151. 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 Watlington requires roughly 32 units of affordable rented housing and 18 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.

The relationship between these figures suggests that 64% of Affordable Housing should be rented and 36% should offer a route to ownership. However, as noted above, 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.

If the quantity of new housing overall were unlimited, 36% to 64% may be an appropriate affordable tenure mix. However, this is not likely and also not 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.

If the Local Plan target of 20% were achieved, up to around 6 (6.4) affordable homes might be expected in the NA. This target is considered achievable as Watlington's HRF is expected to come forward in the form

of development on an allocated site (G112.1 Watlington), which requires the provision of affordable housing in line with the current Affordable Housing policy.

The 20% Local Plan target would be exceeded should the Freebridge Community Housing proposal for 40 dwellings (including 37 affordable dwellings) be delivered on the allocated site. However, even this provision of Affordable Housing is not sufficient to fully satisfy the total potential demand of 50 affordable dwellings identified here. In addition, the Freebridge scheme proposes an approximate 50:50 affordable tenure split, whereas this report suggests 64% affordable rented to 36% affordable ownership is more appropriate. As a result, affordable rented housing should have a higher weighting in the NA's future tenure mix to ensure that the most acute needs are met as a priority.

- C. **Government policy (eg 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. The guideline tenure split sought in the Local Plan (see D below) is not in compliance with this requirement.

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, delivery 10% or more of homes as affordable home ownership would impact on the ability to deliver social/affordable rented homes.

- D. **Local Plan policy:** As noted above, the adopted Local Plan seeks an affordable tenure split of 70% rented to 30% 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. This would not be the case across King's Lynn & West Norfolk as the Local Plan seeks 70% affordable rented.

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-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 Watlington:** As per the evidence presented in this chapter, Watlington has limited shared ownership tenure and significantly lower rates of social rents. 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 Watlington and/or the wider district. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.
152. On the basis of the considerations above, Table 5-6 below proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
153. This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here. In this context, affordable rented tenures should be prioritised. The Local Plan guideline mix of 70% rented to 30% ownership appears to offer a suitable benchmark, which also complies with the various minimum requirements mandated nationally.
154. As per the evidence presented in this chapter, First Homes appear to be an affordable and helpful option locally, assuming it can be offered at 40% to 50% discount level. National policy states that First Homes should represent 25% of the affordable mix, and this recommendation is suitable here. In the interests of diversity and maximizing choice, a further 5% is allocated to shared ownership

rather than more First Homes. Rent to buy does not feature in the recommended mix as it was considered the less affordable than shared ownership (particularly at 10% and 25% equity levels).

155. 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.
156. 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 Watlington to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
157. 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 5-6 Indicative tenure split (Affordable Housing)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	30%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	5%	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	0%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	70%	
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

158. At the time of the 2011 Census, Watlington was characterised by a very high proportion of home ownership compared to the borough and national levels. The NA has lower proportions of all other tenures compared to both geographies
159. The 2021 Census will provide the most robust and up-to-date picture. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Watlington the social rented sector expanded by 20.6% in that period, contrasting a 2.6% decline at the local level and 0.9% decline at the national level.
160. In terms of house prices, there has been steady but gentle upward trend between 2011 and 2020. The mean house price increased by 57.4% and the median house price increased by 48.1%, peaking in 2020 at £229,782 and £200,000 respectively. Lower quartile prices loosely tracked the median house price in terms of its trajectory between 2011 and 2020, rising by 42.0%, peaking in 2019 at £176,000, before falling to £156,000 in 2020. Looking at house prices by type, the growth in average price of a detached house (77.4%) significantly exceeds the average growth for all property types (48.1%). Whereas semi-detached and terraced properties experienced more modest growths of 30.6% and 28.2%, respectively.
161. By benchmarking the incomes required to afford the different tenures in the neighbourhood area, we determined the following:
- Those on average incomes (£40,700) can access entry-level homes, although median market housing and new builds would be out of reach. The median house price would require an annual income 23% higher than the current average. Therefore, market housing is likely to remain out of reach to most.
 - Private renting is generally only accessible to those on average incomes, while average lower quartile earners cannot afford the rental thresholds. Therefore, Rent to Buy represents a viable route to affordable home ownership to those on mean incomes, however, is likely to be out of reach to those on lower quartile incomes.
 - There is a 'can rent, can't buy' cohort who are able to afford to rent privately but cannot afford home ownership, who would benefit from the range of affordable home ownership products such as First Homes and shared ownership.
 - A First Homes discount of 40% or 50% would extend home ownership to households with dual lower quartile incomes. However, in order for single lower quartile earners to be able to access discounted market sales, a discount of over 50% would be required.
 - The discount on average market sale price required to enable households on mean incomes to afford median priced homes is 21%. For single earner

households on lower quartile incomes, a discount of 73% would be required, while dual-earners would need a discount of 46%.

- Shared ownership appears to be less affordable than First Homes, however these tenures are broadly accessible to the same groups. While the income threshold for a 10% or 25% equity shared ownership home is within the reach of lower quartile dual earners, 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.
- Affordable rented housing (particularly social rent) is essential for accommodating those on the lowest incomes in Watlington, who can afford few other options.

162. When calculations presented in the LHNA are pro-rated to Watlington based on its fair share of the population (1.7% of the LPA's population), Watlington can be assumed to have a need for 3 (3.4) affordable homes per annum or approximately 50 (50.4) homes over the Neighbourhood Plan period (2021-2036). Note, this figure is based on the district's need and doesn't necessarily reflect the lower need and suitability for affordable housing in more rural areas.
163. A proportional calculation of the overall tenure split provided in the LHNA, suggests that affordable housing should be split approximately 64% rented to 36% ownership.
164. It's acknowledged that delivery of the Freebridge Community Housing of 40 dwellings (including 37 affordable units) at the land off Thieves Bridge Road would significantly contribute towards meeting the affordable housing need identified in this report. However, this still is not enough to meet the full potential demand of 50 affordable 50 dwellings. In addition, the Freebridge scheme proposes an approximate 50:50 affordable tenure split, opposed to the 64% affordable rented to 36% affordable ownership split suggested by the LHNA figures.
165. Based on a list of considerations presented in the 'policy guidance' section of this chapter, we recommend that an appropriate balance between affordable rented tenures and affordable home ownership within the Affordable Housing that comes forward on mainstream development sites would be 70% rent to 30% ownership. This reflects the fact that the delivery of affordable housing is not enough to meet the full potential demand identified here (approximately 50 dwellings). As such, the more acute needs of those requiring affordable rent should be accorded higher priority than the HNA estimates of need would initially seem to suggest. This tenure split also aligns with the Local Plan requirements.
166. Table 5-7 summarises Watlington's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation, and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly

enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

Table 5-7 Estimated delivery of Affordable Housing in Watlington

	Step in Estimation	Expected delivery
A	Provisional capacity figure	32
B	Affordable housing quota (%) in LPA's Local Plan	20%
C	Potential total Affordable Housing in NA (A x B)	6 (6.4)
D	Rented % (e.g. social/ affordable rented)	70%
E	Rented number (C x D)	4 (4.48)
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	30%
G	Affordable home ownership number (C x F)	2 (1.92)

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

167. The expected level of delivery based on LPA's affordable housing policies doesn't meet the quantity of demand identified in LHNA estimates of the need for affordable housing. Therefore, 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) to 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 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.
168. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.

6. RQ 3: Specialist housing for older people

RQ 3: What provision should be made for specialist housing for older and disabled people over the Neighbourhood Plan period?

Introduction

169. This chapter considers in detail the specialist housing needs of older and disabled people in Watlington. The level of care associated with specialist housing products can vary widely, and is broadly categorised, in descending order from highest to lowest care level, as follows

- Specialist schemes that have 24-hour onsite care and support, typically including onsite catering (e.g. extra care, flexicare, and enhanced care);
- Specialist housing that is designed with the relevant group in mind. This may be suitable for receiving care or support, but this is not typically provided onsite or at all times of day (e.g. sheltered housing); and
- Mainstream housing that is adapted or capable of adaptation so that the inhabitant can live independently, and care or support can be provided in the home.

170. People experience ageing differently. Much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age while others may need support and care much earlier in their lives. Some will be interested in moving to a suitable home closer to services while for others ageing independently in place will be key to their wellbeing.

171. Because of the wide variation in the level of support needed, as well as the financial capabilities of those affected, the estimates of need presented here should be viewed with caution – as an idea of the broad scale of potential need rather than an obligatory target that must be met.

172. The specialist housing needs of older people (75+) are assessed below using two methods. The first is a tenure-led projection, based on rates of mobility limitation among this age group and the tenure of housing they currently occupy. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network (HLIN) Strategic Housing for Older People (SHOP) tool,⁹ which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

173. It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline

⁹ Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

as opposed to the projected new households which form the baseline for estimating housing need overall.¹⁰

174. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).¹¹ Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for the elderly) are not within the scope of this research. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required.

Current supply of specialist housing for older people

175. When determining a final target for the need for specialist dwellings, it is necessary first to take account of current supply. Information on the current stock is collated manually using the search function on the Elderly Accommodation Counsel's Website: <http://www.housingcare.org>.
176. A review of <http://www.housingcare.org> shows that there is no existing specialist accommodation in the NA at present. Likewise, the 2011 Census¹² identified 0 residents living in care.
177. ONS 2019 population estimates suggest that there are currently around 251 individuals aged 75 or over in Watlington.

Tenure-led projections

178. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across King's Lynn and West Norfolk, as this is the most recent and smallest geography for which tenure by age bracket data is available.
179. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2036. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.
180. According to the following Table 6-1, 80.1% of all households between the ages of 55-75 in King's Lynn and West Norfolk own their homes – an even higher rate than for the general population (69.8%). Of this percentage, 59.8% own their homes outright and approximately 20.3% own their homes with a mortgage, loan or as shared ownership. The table also shows that 19.9% of the households in

¹⁰ See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹¹ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

¹² ONS, 2011 (KS405EW)

this age group rent their homes, of which 10.9% live in social rented homes, 7.2% of households rent on the market and 1.8% live rent free. From the table, it is evident that most households falling in the age band own their homes outright, while living rent free is the least common.

Table 6-1: Tenure of households aged 55-75 in King’s Lynn and West Norfolk, 2011

All owned	Owned outright	Owned with mortgage or loan or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
80.1%	59.8%	20.3%	19.9%	10.9%	7.2%	1.8%

Source: Census 2011

181. The next step is to project how the overall number of older people in Watlington is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for King’s Lynn and West Norfolk at the end of the Plan period. The figure must be extrapolated from the Local Authority level data because such projections are not available at neighbourhood level. The results are set out in Table 6-2 below. This calculation indicates that by the end of the plan period, Watlington is forecast to have an over-75 population of 347, an estimated increase of 96 people from the 2011 Census. Watlington will continue to have a lower proportion of people age 75+ compared to King’s Lynn and West Norfolk.

Table 6-2: Modelled projection of elderly population in Watlington by end of Plan period

Age group	2019		2036	
	Watlington	King’s Lynn and West Norfolk	Watlington (AECOM Calculation)	King’s Lynn and West Norfolk (ONS Projection)
All ages	2,532	151,383	2,637	157,689
75+	251	18,575	347	25,669
%	9.9%	12.3%	13.2%	16.3%

Source: ONS 2019 mid-year population estimates, ONS population projections 2018-based, AECOM Calculations

182. A key assumption for the next stages of the calculation is that the older people living in the NA currently are already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture).

183. The people whose needs are the focus of the subsequent analysis are therefore the additional 96 individuals expected to join the 75+ age group by the end of the Plan period. This figure should also be converted into households with reference

to the average number of people per household with a life stage of 75+ in King's Lynn and West Norfolk in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 16,048 individuals aged 75+ and 11,363 households headed by a person in that age group. The average household size is therefore 1.4, and the projected growth of 96 people in Watlington can be estimated to be formed into around 68 households.

184. The next step is to multiply this figure by the percentages of 55-75 year olds occupying each tenure (shown in the table 6-2). This is set out in Table 6-3 below. This provides a breakdown of which tenures those households are likely to need.

Table 6-3: Projected tenure of households aged 75+ in Watlington to the end of the Plan period

Owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living rent free
54	41	14	14	7	5	1

Source: Census 2011, ONS SNPP 2013, AECOM Calculations

185. Next, rates of disability by tenure are considered. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs, they may find that the only suitable and affordable option to them is available in the social rented sector. Table 6-4 presents this data for Watlington from the 2011 Census. Note that the closest proxy for the 75+ age group in the Census is the 65+ age group.

Table 6-4: Tenure and mobility limitations of those aged 65+ in Watlington, 2011

Tenure	All categories: Long-term health problem or disability						
		Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories: Tenure	435	80	18.4%	132	30.3%	223	51.3%
Owned or shared ownership: Total	382	70	18.3%	111	29.1%	201	52.6%
Owned: Owned outright	334	58	17.4%	98	29.3%	178	53.3%
Owned: Owned with a mortgage or loan or shared ownership	48	12	25.0%	13	27.1%	23	47.9%
Rented or living rent free: Total	53	10	18.9%	21	39.6%	22	41.5%
Rented: Social rented	30	7	23.3%	14	46.7%	9	30.0%
Rented: Private rented or living rent free	23	3	13.0%	7	30.4%	13	56.5%

Source: DC3408EW Health status

186. It is now possible to multiply the projected number of 75+ households occupying each tenure by the rates of mobility limitation for that tenure to arrive at the final tenure-led estimate for specialist housing needs. The number of households falling into potential need for specialist accommodation over the Plan period is 38.

187. These findings are set out in the following table, based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

Table 6-5: AECOM estimate of specialist housing need in Watlington by the end of the Plan period

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Multiply the number of people across all rented tenures (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	Multiply the number of people across all owner-occupied housing by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	13
	3	10	
Adaptations, sheltered, or retirement living	Multiply the number of people across all rented housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	Multiply the number of people across all owned housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	21
	5	16	
Total	8	26	34

Source: Census 2011, AECOM Calculations

Housing LIN-recommended provision

188. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the simplest and widely used models estimating for the housing needs of older people. Table 6-6 reproduces the key assumptions of HLIN’s Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the Plan period, and how these should be split into the different tenures.

189. It is worth highlighting that the HLIN model suggests that the level of unmet demand for specialist housing for older people of all kinds is approximately 251 units per 1,000 of the population aged 75+.

Table 6-6: Recommended provision of specialist housing for older people from the SHOP toolkit

FORM OF PROVISION	ESTIMATE OF DEMAND PER THOUSAND OF THE RELEVANT 75+ POPULATION
Conventional sheltered housing to rent	60
Leasehold sheltered housing	120
Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) ³⁶	20
Extra care housing for rent	15
Extra care housing for sale	30
Housing based provision for dementia	6

Source: Housing LIN SHOP Toolkit

190. As Table 6-2 shows, Watlington is forecast to see an increase of 96 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = $60 \times (96/1000) = 6$
- Leasehold sheltered housing = $120 \times (96/1000) = 12$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = $20 \times (96/1000) = 1.92$
- Extra care housing for rent = $15 \times (96/1000) = 1.44$
- Extra care housing for sale = $30 \times (96/1000) = 2.88$
- Housing based provision for dementia = $6 \times (96/1000) = 0.58$

191. This produces an overall total of 24 specialist dwellings which might be required by the end of the plan period.

192. Table 6-7 below sets out the HLIN recommendations in the same format as Table 6-5 previously. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates.

Table 6-7: HLIN estimate of specialist housing need in Watlington by the end of the Plan period

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	7
	2.8	3.84	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	17
	6	12	
Total	9	15	24

Source: Housing LIN, AECOM calculations

Conclusions- Specialist Housing for the Older People

85. There are currently estimated to be around 251 people aged 75 or over living in Watlington. Applying district-level projections to Watlington's population suggests that the 75+ population in the parish will increase from 9.9% of the total currently to 13.2% in 2036 – equivalent to 96 additional older individuals and a 38% growth rate for that age cohort. There appears to be no specialist accommodation in Watlington at present.
193. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
194. These two methods of estimating the future need in Watlington produce a range of 24 to 34 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
195. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Plan is therefore to require standards of accessibility and adaptability in new development to be met at more ambitious levels than those mandated in the Local Plan, and to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged the Neighbourhood Plan may have less influence over changes to the existing stock).
196. Local Plan policy CS09 provides explicit encouragement for development to accommodate all sectors of the community including elderly people or people with disabilities. However, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here would appear to justify applying such a target in the Neighbourhood Plan if this avenue has the support of the LPA.
197. It is relatively common for Local and Neighbourhood Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide, and the localised evidence gathered here would further justify this. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants falling into this category and/or evidence from a household survey.
198. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:

- so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
- so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
- so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.

199. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
200. It is considered that Watlington's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from Watlington entirely within the Neighbourhood Area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of Watlington, King's Lynn or Downham Market are considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Area (i.e. to be the hub in the hub-and-spoke model). If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself would not overlap.
201. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

7. Conclusions

Overview

202. 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 Watlington with a potential impact on Neighbourhood Plan housing policies

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Type and size of All Housing Need	<p>Watlington has a high proportion of bungalows. The NA and LPA have a comparable proportion of detached homes, significantly exceeding the national level. Watlington has a higher proportion of semi-detached homes than the district and country. The NA has a low proportion of terraces and a particularly limited provision of flats. Between 2011 and 2020 there was a notable increase in two- and three-bedroom properties.</p> <p>In 2011, the NA had a relatively young population compared the local level, with smaller shares in the 45-64, 65-84 and 85 and over groups and larger shares in the 0-15, 16–24 and 25-44 groups. A significant degree of ageing has taken place, ONS 2019 estimates show growth in the 65-84 and 85+ bands.</p> <p>In 2011 the NA had a lower proportion of one person households and a higher proportion of families compared to local and national levels. Few family households were aged over 65, with more families having dependent children than none. The NA has a high rate of under-occupancy, 80.8% lived in a home with at least one extra bedroom in 2011.</p>	<p>Modelling exercise suggests that new development might involve the following share of dwelling sizes: 39.8% one bedroom, 0% two bedrooms, 49.7% three bedrooms, 0% four bedrooms and 10.5% five or more bedrooms.</p> <p>This suggests there is no need for further two or four -bedroom dwellings. However, it is generally not advisable to restrict the supply of specific size categories. These results are a starting point for how best to address the more nuanced needs of the future population.</p> <p>Affordability is a serious and worsening challenge in Watlington. While the provision of Affordable Housing 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.</p> <p>It would be unwise for new housing to be delivered in an unbalanced way. Those wishing to move within or relocate to the NA will have a range of circumstances and preferences, and they should be offered choices.</p> <p>It is recommended that priority is given to smaller and mid-sized homes (one to three bedroom), however, this is done to a degree that aligns with the wider objectives of the community and does not limit choice or viability.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
<p>Housing tenure and affordability</p>	<p>At the time of the 2011 Census, Watlington was characterised by a very high proportion of home ownership and lower proportions of all other tenures compared to local and national levels.</p> <p>There has been a steady but gentle upward increase in house prices between 2011 and 2020. Mean house price increased by 57.4% and the median house price increased by 48.1%, peaking in 2020 at £229,782 and £200,000 respectively. Lower quartile prices loosely tracked the median house price in terms of its trajectory between 2011 and 2020, rising by 42.0%, peaking in 2019 at £176,000, before falling to £156,000 in 2020.</p> <p>Looking at house prices by type, the growth in average price of a detached house (77.4%) significantly exceed the average growth for all property types (48.1%). Whereas semi-detached and terraced properties experienced more modest growths of 30.6% and 28.2%, respectively.</p>	<p>Average incomes (£40,700) can access entry-level homes, although median market homes / new builds are out of reach. The median house price would require an annual income 23% higher than the current average. Market housing therefore remains out of reach to most.</p> <p>Rent to Buy represents a viable route to affordable home ownership for mean incomes, however, is out of reach to LQ incomes.</p> <p>First Homes (40% to 50% discount) would extend home ownership to dual LQ households. However, a discount of over 50% would be required for single LQ earners.</p> <p>Shared ownership appears to be less affordable than First Homes, but is broadly accessible to the same groups</p> <p>LHNA findings suggest that Watlington requires 3.4 affordable housing units per year, or 50 units over the Plan period (split 64% rented to 36% ownership).</p> <p>The estimated affordable housing delivery based on the Local Plan (32 dwellings) does not meet the quantity of demand identified here. Although a proposed scheme comprising 40 dwellings (37 affordable units) would significantly contribute towards meeting the affordable housing need.</p> <p>We recommend a 70% rent to 30% ownership affordable tenure split. This accords higher priority to those in most need, aligning with the Local Plan.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
<p>Specialist housing for older people</p>	<p>There are currently around 251 people aged 75 or over living in Watlington, our calculations show that this age group is expected to increase to 347 people by the end of the planning period - equivalent to 96 additional older individuals and a 38% growth rate for that age cohort.</p> <p>There appears to be no specialist accommodation in Watlington at present. As noted in the Type and Size Chapter, Watlington has a significantly high proportion of Bungalows (over one third of all homes), which may appeal to older people and those with mobility challenges.</p> <p>The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.</p>	<p>Two methods of estimating future need in Watlington produce a range of 24 to 34 specialist accommodation units that might be required during the Plan period. The majority of need will be for market housing (as opposed to affordable) and for sheltered accommodation (with less care), although there is need that could be accommodated in any category.</p> <p>The estimates are based on projected growth of the older population, assuming today's older households are already well accommodated. If this is found not the case, it would justify exceeding the identified range.</p> <p>There is no specific requirement to provide specialist accommodation entirely within the NA. It could be provided in a 'hub and spoke' model. Watlington is a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness. King's Lynn or Downham Market are considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Area. If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself would not overlap.</p> <p>Improved accessibility and adaptability standards should be key consideration for new mainstream homes (both market and affordable). If the neighbourhood plan were to be particularly ambitious in requiring high standards of accessibility and adaptability, there is arguably less need to deliver specialist accommodation.</p>

Recommendations for next steps

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

- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
- The views of King's Lynn and West Norfolk;
- 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 and West Norfolk.

204. 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.

205. Bearing this in mind, it is recommended that the Neighbourhood Plan Steering Group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, King's Lynn and West Norfolk or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

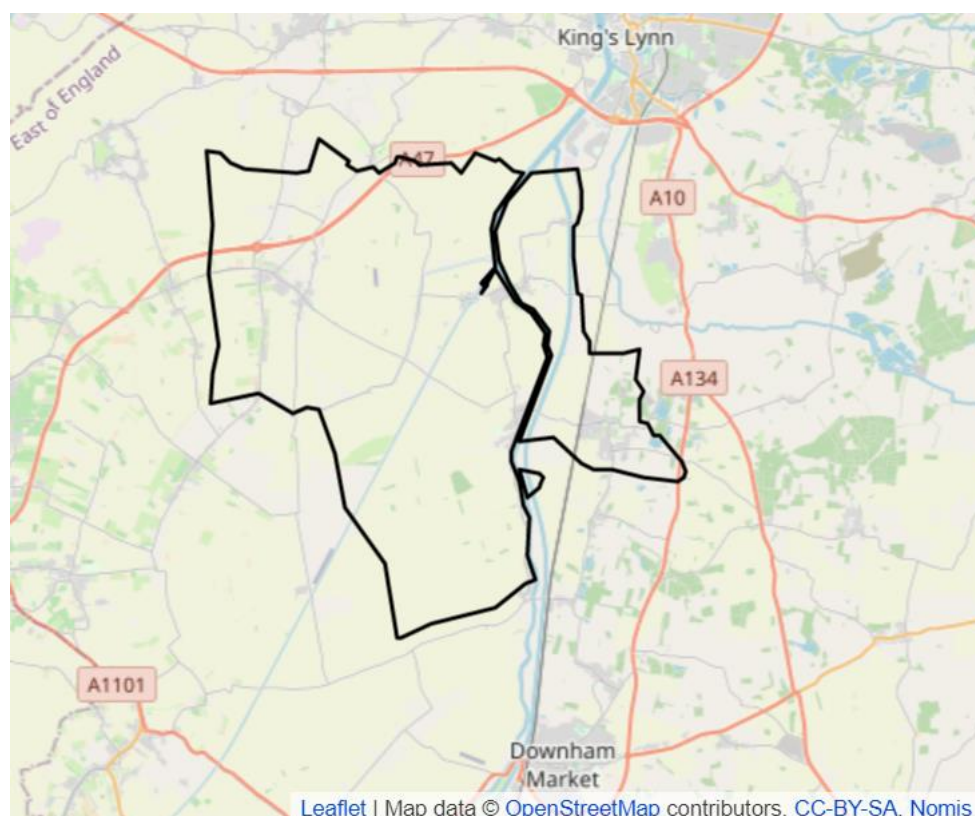
206. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

207. 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.
208. 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 Watlington, it is considered that MSOA King's Lynn and West Norfolk 015 (E02005565) 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 this MSOA area appears below in Figure 7-1. This MSOA has been chosen as it overlaps with the entire extent of the Neighbourhood Area

Figure 7-1: MSOA West Norfolk 015 (E02005565) used as a best-fit geographical proxy for the Neighbourhood Area



Source: ONS

A.2 Market housing

209. Market housing is not subsidised, and tends to be primarily accessible to people on higher incomes.

210. 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

211. 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.

212. 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 Watlington, 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.

213. The calculation for the purchase threshold for market housing is as follows:

- Value of a median NA house price (2020) = £200,000;
- Purchase deposit at 10% of value = £20,000;
- Value of dwelling for mortgage purposes = £180,000;
- Divided by loan to income ratio of 3.5 = purchase threshold of £51,429.

214. 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 £156,250, and the purchase threshold is therefore £40,179.

215. 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 recorded no sales of new build properties in the NA since 2016, meaning that there is no robust or recent sample for data on new build prices in the NA. Therefore the data from King's Lynn and West Norfolk is used as a proxy. There were 137 sales of newly built homes across King's Lynn and West Norfolk in 2020. The median price was £230,000 ranging from £182,995 for an average flat to £305,795 for an average detached house. These figures give a reasonable indication of how much newly built housing might cost in the NA in future.

ii) Private Rented Sector (PRS)

216. 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.
217. 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.
218. The property website Rightmove gathers rental listing data for Watlington. However, there were no properties listed for rent in the NA at the time of search in November 2021. A wider radius of 5 miles from Watlington village was therefore used, which stretches towards Kings Lynn and Downham Market This produced a sample of 30 rental listings, primarily in those surrounding towns, although it should be noted that these locations may not be perfectly comparable particularly because they contain a number of maisonettes/flats which are less common in the NA.
219. Of the 30 rental listings observed (including those with lets agreed), 11 of these were for two-bedroom properties and 19 were for other sizes (predominantly smaller rather than larger).
220. The calculation for the private rent income threshold for entry-level (two bedroom) dwellings is as follows:
- Annual rent = £743 x 12 = £8,913;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £29,709.
221. The calculation is repeated for the overall average to give an income threshold of £30,989.

A.3 Affordable Housing

222. 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

223. 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.
224. 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 Watlington. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for King’s Lynn and West Norfolk in the table below.
225. 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 might 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	£84.59
Annual average	£3,951	£4,330	£4,715	£5,321	£4,399
Income needed	£13,157	£14,419	£15,700	£17,719	£14,648

Source: Homes England, AECOM Calculations

ii) Affordable rent

226. 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).
227. 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%.
228. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for King's Lynn and West Norfolk. Again, it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
229. Comparing this result with the average two-bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 59% 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	£103.38
Annual average	£4,290	£5,228	£5,790	£6,851	£5,376
Income needed	£14,157	£17,251	£19,108	£22,608	£17,740

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

230. 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.

231. 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

232. 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.

233. As noted above, there is a lack of data on new build prices in the NA. 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 (i.e. we’re assuming that new build entry-level homes will cost around the same as a median existing home, because of the premium usually associated with new housing).

234. The starting point for these calculations is therefore £200,000, the median house price in Watlington in 2020.

235. For the minimum discount of 30% the purchase threshold can be calculated as follows:

- Value of a new home (LA average) = £200,000;
- Discounted by 30% = £140,000;
- Purchase deposit at 10% of value = £14,100;

- Value of dwelling for mortgage purposes = £126,000;
- Divided by loan to income ratio of 3.5 = purchase threshold of £36,000.

236. 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 £21,600 and £18,00 respectively.

237. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.

238. 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 two 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. Generally, this would not appear to be an issue in Watlington, although the discounted value at 50% is £115,500.

Shared ownership

239. 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'.

240. 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.

241. 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).

242. The affordability threshold for a 25% equity share is calculated as follows:

- A 25% equity share of £200,000 is £50,000;
- A 10% deposit of £5,000 is deducted, leaving a mortgage value of £45,000;
- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £12,857;

- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £150,000;
- The estimated annual rent at 2.5% of the unsold value is £3,750;
- This requires an income of £12,500 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £25,357 (£12,500 plus £12,857).

243. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £20,143 and £34,048 respectively.

244. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.

Rent to buy

245. 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)

246. 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.

247. 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 methods¹³.

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 Standard¹⁴

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

Co-living

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

Community Led Housing/Community Land Trusts

Housing development, provision and management that is led by the community is very often driven by a need to secure affordable housing for local people in the belief that

¹³ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

¹⁴ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

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 Order¹⁵

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)¹⁶

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

Equity Loans/Shared Equity

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

Extra Care Housing 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.

¹⁵ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

¹⁶ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

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 years¹⁷, 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

¹⁷ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

Overcrowding

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

The Census tenure private rented includes a range of different living situations in practice, such as private rented/ other including households living "rent free". Around 20% of the private rented sector are in this category, which will have included some benefit claimants whose housing benefit at the time was paid directly to their landlord. This could mean people whose rent is paid by their employer, including some people in the armed forces. Some housing association tenants may also have been counted as living in the private rented sector because of confusion about what a housing association is.

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

Housing where a purchaser part buys and part rents from a housing association or local authority. Typical purchase share is between 25% and 75% (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 Housing¹⁸

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 bed roomed. 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.

¹⁸ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

Strategic Housing Land Availability Assessment

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

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.¹⁹

¹⁹ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

