

# Acton

Housing Needs Assessment (HNA)

October 2022

## Quality information

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

APC	Acton Parish Council
BDC	Babergh District Council
DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
HMA	Housing Market Area
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 (Plan) 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

- 1.1 Acton is a Neighbourhood Area located in the local authority area of Babergh District. The Neighbourhood Area boundary covers the areas administered by Acton Parish Council.
- 1.2 The Office for National Statistics mid-2020 population estimate for Acton is 1,868 individuals, showing an increase of 57 individuals since the 2011 Census.
- 1.3 There has been some development in Acton since 2011, with Babergh District Council providing completions data from 2011 to 2022 which showed the development of 18 dwellings. Of these, one dwelling was delivered as Affordable Housing. The total quantity of dwellings in the NA is therefore estimated to be 795. Currently a scheme comprising 100 dwellings (Tamage Road) is under construction with a further 6 dwellings being built (4 in Acton and 2 at Newmans Green as of October 2022).
- 1.4 Our Executive Summary which follows details the conclusions of each chapter of the report, addressing the 3 research questions formulated at the outset of the research.

## Conclusions - Quantity

- 1.5 Applying the standard method for calculating local housing need produced a figure of 418 dwellings per annum (dpa) for Babergh district as whole. When Acton's proportion of the district's population and its role in the settlement hierarchy are taken into consideration, a housing need figure of 5 dpa is calculated for Acton or 75 dwellings over the Acton Neighbourhood Plan (ANP) period (2022-2037).
- 1.6 Based on the evidence, this HNA considers that once the dwellings currently being constructed are complete, there will be a surplus (to assessed need) of 31 dwellings up to 2037. If the Barrow Hill development goes ahead there will effectively be a surplus of 131 dwellings by the end of the plan period.

## Conclusions- Tenure and Affordability

### Affordability issues

- 1.7 Acton's current tenure mix reveals a high rate of home ownership (81%) compared to district and national levels. There is corresponding lack of social rented housing and private rented options (despite a 136% increase in the latter category between 2001 and 2011).
- 1.8 Home values in the Parish have increased substantially over the last decade with the value of an average home (mean) now 53% higher than it was in 2012. An entry-level home currently costs £228,000 with a median home costing 22% more at £278,000. The stock is currently dominated by detached and semi-detached properties which make up around 75% of the stock.

### Tenure options

- 1.9 AECOM has estimated the annual income required to afford various tenures of housing in the NA – each of which is explained in detail in Appendix A. These thresholds are

compared to local incomes to determine which options are the most appropriate for local people going forward. The average household income in Acton is £44,800, and the lower quartile income (per person) was £17,534 in 2020.

- 1.10 It was found that households would need an income comfortably above the average (or a very large deposit) to qualify for a mortgage on an entry level home in Acton. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income 60% higher than the current average.
- 1.11 Private renting is only affordable to higher (than average) earners with only entry-level Market rents being affordable to average income households. Households made up of two lower quartile earners cannot afford the given entry-level rental thresholds and would have to rely on affordable rents or social rents. 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. Social rents are the only affordable option for single LQ households.
- 1.12 There is a relatively large group of households in Acton who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £37,000 per year (at which point entry-level rents become affordable) and £58,629 (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.
- 1.13 All of these products would be 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 offers poorer long-term prospects but is helpful to those with little or no savings for a deposit, and First Homes at a 50% discount provides the best long-term support to those with slightly higher incomes.
- 1.14 Neighbourhood plan qualifying bodies have discretion to increase the discount on the new First Homes product from 30% to 40% or 50% where there is evidence to suggest this is appropriate. This HNA finds that a 40% discount would be required to make First Homes affordable to average income households in Acton. However, the higher discount level of 50% would extend this option to dual lower earning households. On this basis a 50% discount would extend affordable ownership options to the widest number of households and may be a suitable option for the Parish. However, there are other considerations, such as the financial impact of higher discounts on the development overall, which creates the risk that fewer affordable rented homes might be provided. This is a matter for discussion with BDC if relevant.
- 1.15 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 would be 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.
- 1.16 The evidence suggests that the affordable rented sector performs a vital function in Acton 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 means 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.

## Quantity of affordable housing needed

1.17 Pro-rating the SHMA figures to Acton based on its fair share of the population (2% of Babergh District's population) gives 1.14 social/ affordable rented dwellings and 1.16 affordable ownership tenures per annum, equivalent to a total of 17 affordable rented homes and 17 affordable ownership tenures over the Neighbourhood Plan period 2022-2037. 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 semi-rural villages like Acton the lack of social housing means there is no 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 identify need for social/affordable rented housing within Acton. Effectively, there is a potential need for up to 34 Affordable Housing units over the coming 15 years, but the real need is likely to be less due to the role Acton plays in the district and the available services, infrastructure and so forth. Additionally, Newman's Green, which is classed as a Babergh Hamlet Village, would be expected to accommodate much lower growth due to its lower position in the settlement hierarchy, further reducing the parish's expected contribution. As discussed in the quantity chapter; Acton is earmarked for 1.3% of the district's growth even though it has 2% of Babergh's population because of the role it plays in the settlements hierarchy.

## Policy considerations

1.18 Babergh's adopted policy on this subject CS19 (Affordable homes) requires 35% of all new housing on larger sites (i.e. more than 1-2 dwellings) to be affordable. Given that most of the housing completed over the last decade has been on small sites, just under 6% AH has been delivered. However, a 100 unit scheme is currently under construction which will be deliver 35 affordable homes when complete. Therefore, when this is taken into consideration AH delivery equates to around 30% of all new housing in Acton since 2012 according to BDC's completions figures.

1.19 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 this 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.

1.20 On the balance of factors listed in the Policy Guidance section of this chapter, AECOM recommends that roughly 50% of new Affordable Housing units be offered as rented tenures with the remaining 50% brought forward as affordable home ownership products. The rationale for following the SHMA mix is that it aligns with the priorities suggested by the data for Acton, namely that there is likely to be sufficient provision of AH once the current scheme at Tamage Road is completed and there will likely be a surplus if the Barrow Hill site goes ahead. Furthermore, there will be significant new AH provision in



the Chilton Woods strategic site (131 ha) just south of the Parish at Chilton (Sudbury/Great Cornard strategic site). This will provide up to 1,150 new dwellings including around 288 affordable ones.

## Conclusions- Type and Size

1.21 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.

### The existing housing stock

1.22 Acton's housing stock is dominated by detached (39% including bungalows) and semi-detached (35%) housing followed by terraced housing (24%). The parish has a relatively small proportion of flats (2%). Compared to the wider district and the national average for England, Acton has more detached and semi-detached dwellings. The relatively small proportion of terraced housing and flats, which tend to be more affordable to buy or rent, may limit choice in the market with potentially adverse impacts on affordability, particularly for lower income households, first time buyers and young families.

1.23 In terms of dwelling size, Acton's housing stock is characterised by the prevalence of 3 bedroom homes (47%) followed by 2 bedroom (25%) homes. Larger 4 bedroom plus dwellings make up 26%. Overall, the size mix in the parish is relatively well-balanced, with a majority of 3-bedroom homes (as is the case nationwide) and nearly equal proportions of homes that have fewer and more bedrooms. The parish has a greater proportion of 3 bedroom and larger properties (4 bedrooms and over) than the wider geographies with a correspondingly smaller percentage of smaller (1-2 bedroom) properties.

### Demographics

1.24 The age structure of the population is a key indicator of the future need for housing. The NA had a generally older population profile than Babergh and England in 2011. The 65-84 and 85 plus cohorts have grown the fastest between the 2011 Census and the latest ONS estimates for 2020. Currently just over 51% of the population are aged over 45 and around 23% are aged over 65. There is a clear trend toward ageing, and current estimates also suggest that younger age groups are either flatlining or declining, which may reflect a lack of suitable housing options for newly forming households and young families.

1.25 Applying the ONS household projections for Babergh to Acton's population suggests that population growth can be expected to be driven by the oldest households (65 and over age group), with a projected 73% growth rate for the oldest households while the youngest age group and the 35-54 group are expected to decline by 7% and 6% respectively with the remaining groups remaining relatively stable. The number of

households aged over 65 is expected to increase by 154 to become the largest demographic group at 41% of the total by 2037.

- 1.26 It is clear that ageing will be a major driver of housing need in the parish going forward, whether older households intend to occupy the same dwellings they currently live in, or perhaps move within the community to homes better suited to the size of their households or their evolving needs.
- 1.27 The above points relate to data about the existing population of Acton, but it is important to emphasise that the evolution of the community in future years will be as much a function of in-migration than simply the ageing of current residents, and in-migration will depend to a large extent on the housing offer.
- 1.28 Acton has fewer single person households than the wider district and the national average. However, the proportion of family households aged 65 and over is higher in Acton and Babergh than the national average. Notably, Acton has more households living with grown up, non-dependent children than in the wider geographies. In summary there are comparatively fewer people living alone in Acton but there are proportionately more older couples, couples without children and couples with grown up, independent children. The proportion of 'other household types' – i.e. those in multiple household groups such as multigenerational families, housing in multiple occupation (HMOs) and other house share situations, is relatively low in Acton compared to the national average, though this category has grown by 74% since the 2001 Census, indicating an increase in these forms of living.
- 1.29 Acton has a high rate of under-occupancy, with 86% of households living in a home with at least one bedroom more than they would be expected to need, and 46% have two or more extra bedrooms. Only 2% of households have too few. Underoccupancy is particularly prevalent in 65+ family households, 69% of whom live in homes with at least 2 extra bedrooms. The strong correlation between underoccupancy and older households might suggest that larger housing isn't being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or are able to move to smaller properties.

## **The future dwelling mix**

- 1.30 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 should be focused on smaller, 1 to 2 bedroom homes.
- 1.31 The model suggests that new construction should help to boost the supply of smaller homes from its current low base if the type of development is considered appropriate in terms of character and density. There will remain to be a need for larger homes but too many additional large homes should be avoided because there are already more than the population is expected to need, not even accounting for the extensions to existing properties that do not appear in this data.
- 1.32 Smaller homes would improve affordability as well as the parish's offering for younger households who have few options for their next step on the property ladder. It may also enable older households currently under-occupying larger homes to downsize and in so doing potentially create churn in the market, although it is acknowledged that many of

the larger historic properties may be too expensive to be taken up by younger local families.

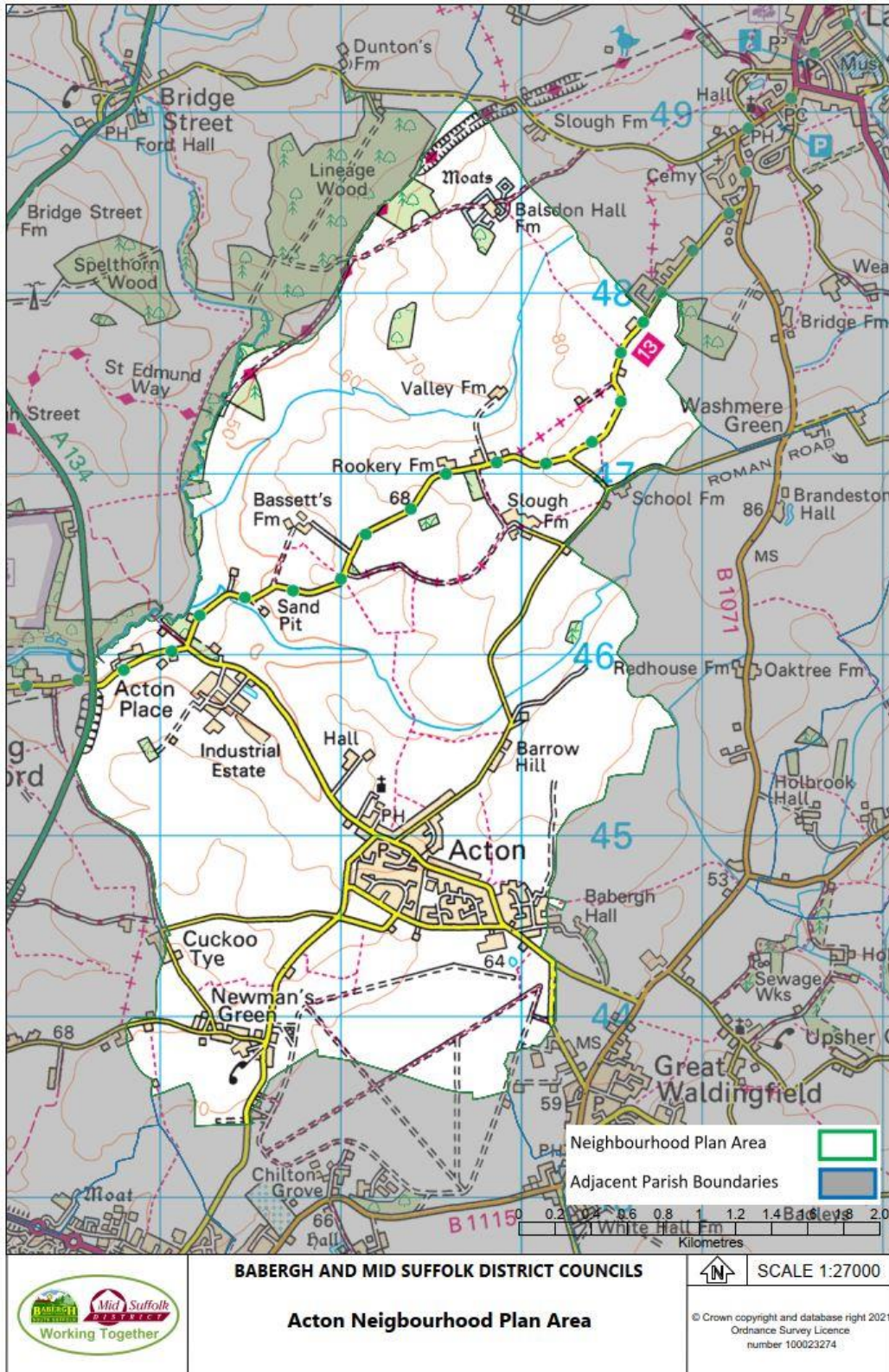
- 1.33 In terms of dwelling type, this study cannot be prescriptive about what types are 'needed', but there is a balance to be struck between, on the one hand, improving choice in the market and affordability by encouraging flats and terraces, and, on the other hand, preserving the features that residents like about Acton at present.

## 2. Context

### Local context

- 2.1 Acton is a Neighbourhood Area located in Babergh District, Suffolk. Designated in September 2021, the Neighbourhood Area (NA) boundary corresponds to the civil parish of Acton.
- 2.2 The proposed Neighbourhood Plan period starts in 2022 and extends to 2037, therefore comprising a planning period of 15 years. The evidence supplied in this report will look forward to the Plan end date of 2037, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
- 2.3 Acton is located within the administrative area of Babergh District, in Suffolk, East Anglia. The main settlements within the parish are Acton village and the hamlet of Newman's Green. Acton is around 3.5 miles from the town of Sudbury to the south, 16 miles from Colchester to the south east and 21 miles from Ipswich to the east. Chad Brook, part of the River Stour Operational Catchment, runs through Parish. The A134 runs along the western boundary of the Parish linking it to Bury St. Edmunds and Sudbury (via the A131). Melford Road, High Street and Sudbury Road intersect the village. The nearest railway station is at Sudbury around 3.3 miles away, providing frequent connections to London (via Marks Tey), Colchester and Ipswich.
- 2.4 The Parish area was used for 2011 Census data, but parish boundaries were not included in the 2001 Census data therefore the following composite set of statistical output areas was chosen to make up the 2001 Parish. Whilst this is not an exact match to the current parish outline it represents the best available statistical proxy to the NA.
- E01029923 Lower Layer Super Output Area (LSOA)  
42UBHL0005 Output Area (OA)  
42UBHL0007 OA
- 2.5 The statistics show that in the 2011 Census the NA had a total of 1,811 residents, formed into 755 households and occupying 777 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Acton is 1,868 – indicating population growth of around 57 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.
- 2.6 Housing completions data obtained from Babergh District Council shows there have been 18 net new dwellings completed since the 2011 census. This indicates a current total of 795 dwellings which is broadly in line with the ONS population estimate above. As a sense check the latest Valuation Office Agency (VOA) data was checked. The data corresponding to LSOA E01029923, which covers a slightly smaller area than Acton Village (excludes parts of Melford Rd., Barrow Hill, Queensway and Newman's Green) shows a total of 610 dwellings for this area. A count of the dwellings (not covered in the LSOA) through a walkover survey in Acton village and Newman's Green gives a similar count to the 2011 census (around 780). A map of the Plan area appears below in Figure 2-1.

Figure 2-1: Map of the Acton Neighbourhood Area<sup>1</sup>



Source: [www.babergh.gov.uk](http://www.babergh.gov.uk)

<sup>1</sup> Available at <https://www.babergh.gov.uk/ActonNP>

## The Housing Market Area Context

- 2.7 Whilst this HNA focuses on Acton neighbourhood area it is important to keep in mind that neighbourhoods are not self contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas. In the case of Acton, the parish sits within the Ipswich housing market area which encompasses Ipswich, Babergh, Mid Suffolk and Suffolk Coastal.<sup>2</sup> This means that when households who live in these authorities move home, the vast majority move within this geography.
- 2.8 At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Acton, are closely linked to other areas. In the case of Acton, changes in need or demand in settlements nearby is likely to impact on the neighbourhood. The neighbouring larger settlements of Sudbury, Long Melford and Great Waldingfield contribute to the development and services need of smaller settlements such as Acton and Newman's Green. Conversely, new development within Acton also helps fulfil some of the housing growth needs of neighbouring Long Melford<sup>3</sup> and Sudbury.
- 2.9 In summary, Acton functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (Babergh and Mid Suffolk), it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood play within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

## Planning policy context

- 2.10 Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.<sup>4</sup> In the case of Acton, the relevant adopted Local Plan for Babergh consists of:
- The Babergh Local Plan 2011-2031 Core Strategy & Policies (BCS) (Part 1 of the New Babergh Local Plan), adopted February 2014. Additionally, some of the previously adopted Babergh Local Plan, Alteration No. 2 (2006) policies remain in place (saved policies).
  - A new Joint Local Plan is currently being undertaken to by Babergh and Mid Suffolk Districts (BMSLP). Once adopted the BMSLP will replace the 2006 Local Plan. The Plan was formally submitted for independent examination on 31 March 2021. The Councils are currently progressing outstanding matters and the necessary updates arising from the examination process.

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<sup>2</sup> Peter Brett Associates: Ipswich and Waveney Housing Market Areas-Strategic Housing Market Assessment Part 1 (2017)

<sup>3</sup> Long Melford Neighbourhood Plan Referendum Draft (July 2022)

<sup>4</sup> A description of the Basic Conditions of Neighbourhood Planning is available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

## Policies in the adopted local plan

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

**Table 2-1: Summary of relevant adopted policies in the Babergh Local Plan 2011-2031 Core Strategy**

<b>Policy</b>	<b>Provisions</b>
CS2 Settlement Pattern Policy	<p>Most new development (up to 2031) will be directed sequentially to the towns/ urban areas, Core Villages and hinterland Villages. These settlements are classified as follows:</p> <ul style="list-style-type: none"> <li>- Towns/ Urban areas: Sudbury and Great Cornard, Hadleigh, Babergh Ipswich Fringe (edge of urban area)</li> <li>- Core Villages: 10 identified including Long Melford which is in close proximity to Acton.</li> <li>- Acton is categorized within the Hinterland Villages group (43 in total). These villages will accommodate some development to help meet local needs.</li> </ul>
CS3 Strategy for Growth and Development	<p>Sets target of 5,975 new dwellings between 2011-2031 in the District. This is to be achieved through existing commitments, windfall sites (1,640) and 2,500 new dwellings distributed as follows:</p> <ul style="list-style-type: none"> <li>- Sudbury &amp; Great Cornard 850 units</li> <li>- Hadleigh 250 units</li> <li>- Ipswich Fringe 350 units</li> <li>- Core &amp; Hinterland Villages 1,050 units</li> </ul>
CS11 Strategy for Development for Core and Hinterland Villages	<p>Development in Hinterland Villages will be approved where proposals demonstrate close functional relationship to existing settlement and address issues such as landscape, environment, heritage, site location, locally identified needs and cumulative impacts of development (social, physical and environmental) to the satisfaction of the local planning authority (LPA)</p> <p>Additionally, development in Hinterland Villages is required to meet various criteria relating to good design, appropriate scale and character to surrounds and:</p> <ul style="list-style-type: none"> <li>- Meets proven local need such as affordable housing or targeted market housing identified in an adopted community local plan / neighbourhood plan.</li> </ul>
CS4 Chilton Woods Strategic Land Allocation and Strategy for Sudbury/ Great Cornard	<p>Allocates a large strategic site (131 ha) which partially crosses the NA south of Acton, for a mixed use development to provide up to 1,050 new dwellings.</p>

<b>Policy</b>	<b>Provisions</b>
CS18 Mix and Types of Dwellings	<p>Supports residential development that meets the needs of the District's population particularly older people where local need exists and at a scale appropriate to the size of the development</p> <p>The mix, type and size of housing development will be expected to reflect established needs in Babergh district.</p>
CS19 Affordable Homes	<p>All residential development will be required to provide 35% affordable housing. Individual targets may be set in Hinterland Villages where justifiable and supported by up-to-date evidence. This is to achieved through Area Action Plans and site Allocation DPDs.</p> <p>Where development comprises only 1-2 dwellings and AH cannot be provided on site a commuted sum will be required.</p> <p>The tenure types, mixes and sizes of affordable homes will reflect established needs in the District as reflected in the most up to date Strategic Housing Market Assessment (SHMA) and Tenancy Strategy or other relevant evidence.</p>

Source: Babergh Local Plan 2011-2031 Core Strategy & Policies (February 2014)

## **Policies in the emerging local plan**

2.12 Table 2-2 below summarises emerging Local Plan policies that are relevant to housing need and delivery in Acton.

**Table 2-2: Summary of relevant emerging policies in the Babergh and Mid Suffolk Joint Local Plan (JLP)**

<b>Policy</b>	<b>Provisions</b>
SP01 Housing Needs	<p>Sets a target of a minimum of 7,904 new dwellings (416 annually) for Babergh District over the period 2018-2037. Out of this a total 4,036 dwellings have outstanding planning permissions leaving a residual requirement of 3,868.</p> <p>The policy also states that the mix, type and size of new housing will be expected to reflect established needs in the most relevant needs assessments/ relevant local housing needs surveys.</p>
SP02 Affordable Housing	<p>A contribution of 35% affordable housing (AH) will be required on sites of 10 or more dwellings or 0.5 ha or more.</p> <p>The plan will assist in delivering 2,096 AH in Babergh.</p> <p>Proposals for new AH will be expected to have regard to the mix and type of housing needs identified in the most relevant needs assessment evidence.</p>



<b>Policy</b>	<b>Provisions</b>
SP03 Settlement Hierarchy	<p>Growth will be focussed on Ipswich Fringe settlements, market Towns/ Urban Area and Core Villages. These will be delivered through local plan allocations and /or neighbourhood plans.</p> <p>Table 2 outlines the Babergh Settlement Hierarchy with Acton now categorised as a Babergh Core Village (i.e. no longer a Hinterland Village).</p> <p>Newman’s Green is categorised as Babergh Hamlet Village.</p>
SP04 Housing and Spatial Distribution	<p>Allocates a total of 9,611 new homes (2018-2037) in Babergh. This will be focused on Market Towns and Urban areas, followed by Core Villages (now includes Acton), Ipswich Fringe, Hinterland Villages, Hamlets (includes Newman’s Green) and Windfall housing. Core Villages are allocated a total of 1,411 new homes, 1,288 have extant planning permissions.</p> <p>Hamlets are allocated 193 new homes, 146 of which have outstanding planning permission.</p> <p>The policy includes minimum housing requirement for designated NP areas (Table 4) but this does not include the NA.</p>
SP05 Employment Land	<p>Employment sites shall be protected – including the Bull Lane site in Acton.</p>
LP06 Mix and type of composition	<p>All major development proposals of 10 or more units or sites of 0.5 ha or more must:</p> <p>Accommodate 35% affordable housing to meet AH need</p> <p>Accommodate 50% of dwellings which meet requirements for accessible and adaptable dwellings under Part M4(2) of the Building Regulations</p> <p>Reflect the mix and type (including bungalows) of housing needs identified in the relevant needs assessment. Bungalows provided will be required to remain in perpetuity through removal of permitted development rights.</p>
LP07 Supported and Special Needs Housing	<p>Supports the provision of developments for supported and special needs housing.</p> <p>States that adopted Neighbourhood Plans may choose to set out an approach to influence housing type and mix specific to the local area . These will be required to have regard to the Plan and any supporting evidence.</p>
Appendix 01 Housing trajectory	<p>Includes a table showing the housing trajectory for settlements within the BMSLP area. A 100 dwellings (net) are forecast for Acton. This is to be delivered between 2026 and 2030.</p>

<b>Policy</b>	<b>Provisions</b>
LA045 Land south of Tamage Road, Acton	Allocates 3.5 ha site at land south of Tamage Rd. Acton for 100 dwellings.

Source: [Babergh & Mid Suffolk Joint Local Plan \(Nov. 2020\) Pre-Submission \(Reg 19\) Document](#)

## Quantity of housing to provide

- 2.13 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.
- 2.14 Babergh Council has fulfilled that requirement by informing the Acton NP Steering Group that no further housing will be required once the Tamage Road scheme (100 dwelling development currently under construction)<sup>5</sup> and the land south east of Barrow Hill site (a 100 unit site recently regranted planning permission) plus 13 windfall sites are taken into account. The emerging JLP includes the Tamage Road allocation for 100 dwellings to be accommodated within the Neighbourhood Area by the end of the Plan period.<sup>6</sup> However, currently there is uncertainty as the inspectors have requested the Council to remove the site allocation policies. Furthermore, the ANP Steering Group are doubtful that the land south east of Barrow Hill site is deliverable as the site was originally granted planning permission in 2017.
- 2.15 The settlement hierarchy in the emerging plan classifies Acton as Babergh Core Village. In the adopted plan Acton is classed as a Hinterland Village. The inspectors have advised that the revised settlement hierarchy in the emerging plan be withdrawn. Therefore, it remains unclear whether Acton's position in the settlement hierarchy will remain as Hinterland Village or will change to Core Village. This has significant implications on the level of growth expected to be accommodated within the Parish.

<sup>5</sup> As outlined in [Appendix 01 Housing Trajectory of the Babergh and Mid Suffolk Joint Local Plan \(Pre-submission Reg. 19\) \(JLP\) and JLP Part 3](#)

<sup>6</sup> Ibid Policy LA045

## 3. Approach

### Research Questions

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

#### Quantity

- 3.2 The ANP Steering group were informed by the BDC that once the existing LP allocations of 213 dwellings are completed no further housing would be required (i.e. the housing requirement figure (HRF) is 0). However, there remains considerable uncertainty over the quantum of development that the NP should seek to deliver as BDC may need to comprehensively review the overall settlement hierarchy and spatial strategy for the district in response to the JLP examination process. Consequently, there is no clear spatial strategy for Acton due to the issues raised through the JLP examination process.
- 3.3 The ANP Steering Group have asked if AECOM is able to calculate as an interim step before the above issues are resolved, the potential HRF in line with national policy and best practice.
- 3.4 As such, a quantity figure does need to be caveated in the sense that it has the potential to differ from any HRF provided by BDC through future revisions of the JLP after the completion of this report, and that in line with national policy, BDC's HRF will supersede that calculated by AECOM (if it comes to a different figure).
- 3.5 With all this in mind, an appropriate RQ for this study is as follows:

***RQ 1: What quantity of housing in the Neighbourhood Area should be planned for over the Plan period?***

#### Tenure and Affordability

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

***RQ 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?***

#### Type and Size

- 3.8 The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community.

- 3.9 The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.
- 3.10 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.
- 3.11 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 3: 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?***

## Relevant Data

- 3.12 This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census and a range of other data sources, including:
- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
  - ONS population and household projections for future years;
  - Valuation Office Agency (VOA) data on the current stock of housing;
  - Land Registry data on prices paid for housing within the local market;
  - Rental prices from Home.co.uk;
  - Local Authority housing waiting list data; and
  - Ipswich Housing Market Area Strategic Housing Market Assessment – Partial Part 2 update (2019).
- 3.13 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 be accurately brought up to date in this way. Such patterns are instead generally assumed to persist to the present day.

## 4. RQ 1: Quantity

***RQ 1: What quantity of housing in the Neighbourhood Area should be planned for over the Plan period?***

### Introduction

- 4.1 The NPPF (paragraph 66) states that strategic policy-making authorities “should establish a housing requirement figure for their whole area which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the Plan period. Within this overall requirement, strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations”.
- 4.2 NPPF paragraph 67 states that “Where it is not possible to provide a requirement figure for a neighbourhood area<sup>7</sup> the local planning authority should provide an indicative figure, if requested to do so by the neighbourhood planning body”. This ‘indicative’ figure should (amongst other things) “take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the planning authority.”<sup>8</sup>
- 4.3 Given that there is presently uncertainty surrounding the housing requirement figure that has been provided to Acton there is the potential to calculate an objectively assessed Housing Need Figure (HNF) for the Neighbourhood Area.
- 4.4 In calculating this HNF, it should be noted that paragraphs 66 and 67 place specific obligations on strategic or local planning authorities and no other parties (i.e. AECOM is not obliged to follow directly paragraphs 66 and 67). That said, AECOM’s calculation will be of most use as a starting point if it can seek to mirror the NPPF suggested approach as closely as possible, and so this is the reasonable approach that has been taken
- 4.5 The Planning Practice Guidance<sup>9</sup> states “Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations”.
- 4.6 A housing need figure is a ‘policy-off’ figure. This means that, while it takes account of the factors set out paragraph 67 of the NPPF and dwelling completions over the course of the Plan period, it is an expression of total housing demand unconstrained by the limits of the land available to build on. It is also unconstrained by the impact of policies that either facilitate or obstruct development. A policy-off figure can then be reviewed in light of further evidence including environmental constraints, land availability, relevant Local and Neighbourhood Plan objectives and policies, to formulate a ‘policy-on’ Neighbourhood Plan housing requirement figure.

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<sup>7</sup> For example, this could be where a neighbourhood area has been designated at a late stage in the strategic policy-making process, or after strategic policies have been adopted; or in instances where strategic policies for housing are out of date.

<sup>8</sup> NPPF, paragraph 67, available at <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

<sup>9</sup> Paragraph: 001 Reference ID: 2a-001-20190220 at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

- 4.7 This is the difference between the Housing Need Figure (HNF) calculated here and the Housing Requirement Figure (HRF) that the Neighbourhood Plan may take forward based upon it, or which may be provided by the LPA. The HNA figure represents need rather than a requirement.
- 4.8 The number of new dwellings that should be planned for in the Neighbourhood Area over the Plan period (the Housing Need Figure or HNF) is estimated using a four-step approach seeking to reflect to the maximum extent the National Planning Policy Framework (NPPF) 2021, Planning Practice Guidance (PPG) advice, and the April 2021 Government response to its consultation on 'Changes to the current planning system'.<sup>10</sup> This is set out in the box overleaf.

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<sup>10</sup> Available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-local-housing-need-proposals-in-changes-to-the-current-planning-system>.

### **Step 1: “the population of the neighbourhood area”**

The HNF for the Neighbourhood Area should take as its starting point the housing target for the Local Planning Authority (LPA) in which it sits. The baseline for our calculation for NA is therefore a share of the current LPA Local Housing Need (LHN) figure that reflects the share of the district population living in the Plan area.

NPPF requires Local Authorities, and anyone calculating LHN in their place, to use the ‘standard method’ for calculating the minimum number of homes that a local authority should plan for in an area. The standard method is a simple and transparent way of calculating a baseline of need that can be applied consistently across the country using publicly available datasets. It produces a starting point for planning and not the final housing requirement.

The standard method was set out in PPG in February 2019.<sup>11</sup> In August 2020, the Government released a consultation document detailing proposed changes to the standard method that aim to make use of more recent data, achieve a better distribution of homes across the country, and smooth out potential areas of volatility.<sup>12</sup> However, the majority of these changes were abandoned following the consultation. The only change made was an ‘urban centres uplift’ which increases the need figures for the most densely populated urban districts in the country, which is not relevant in this case.

### **Step 2: “most recently available planning strategy of the planning authority”**

The NPPF guidance then states that the initial needs figure for neighbourhood plans should reflect “the overall strategy for the pattern and scale of development and any relevant allocations,”<sup>13</sup> and “the most recently available planning strategy of the local planning authority.”<sup>14</sup>

This means introducing Local Authority spatial policy, housing targets, and assessments of housing need at different scales to estimate a more locally appropriate proportion of the LHN that should be provided in NA. This will often result in a slightly different figure to that produced in Step 1.

### **Step 3: Dwelling completions**

Next, any dwellings that have already been completed over the Plan period to the present date should be deducted from the total in order to provide a HNF for the remainder of the Plan period and an annual HNF that reflects past under- or over-delivery. While it is appropriate to consider existing commitments (i.e. dwellings with planning permission, but not yet completed)

<sup>11</sup> <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

<sup>12</sup> <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>, pages 8-18.

<sup>13</sup> NPPF, paragraph 65, page 18.

<sup>14</sup> Ibid.

at this point, they should not be deducted from the total until they are completed.

#### **Step 4: the Local Authority**

The NPPF makes it clear that the Local Authority should provide housing numbers to designated neighbourhood planning areas within their area where requested to do so. To this extent, AECOM is performing a similar role to that required of the Local Authority in providing a HNF to the Neighbourhood Area. With this in mind, it is important the group share the HNF and underlying methodology once they have received the final version of this document with the LPA to seek confirmation it is aligned with their current planning strategy, in particular those circumstances which may justify an uplift to the HNF set out in PPG.<sup>15</sup>

4.9 Employing this methodology, the Housing Needs Figure for the Neighbourhood Area may be calculated as follows:

### **Standard method (Step 1)**

4.10 Firstly, the Local Housing Need (LHN) for the district is calculated using the standard method outlined in Planning Policy Guidance, before taking the population of the Neighbourhood Area, and calculating the proportion of the total population of the LPA area that it represents. This percentage will then be used to determine the share of the LPA target that should be apportioned to the Neighbourhood Area.

4.11 The Babergh District LHN figure, using the standard method, is calculated as follows<sup>16</sup>:

4.12 **Stage one** is to set the baseline, by calculating the projected average annual household growth in Babergh District over a 10-year period, beginning with the current year, using the most recent ONS household projections:

- According to Babergh's 2014-based household projection, total household growth will be 2,801 households between 2022 and 2031. This equates to an annual average of 280 dwellings.

4.13 **Stage two** is to adjust this annual average using the most recent ONS median workplace-based affordability ratios<sup>17</sup> which provide the ratio of house prices to earnings in various geographies. For each 1% increase in the ratio above 4, projected household growth should be increased by a quarter of a percent:

- Babergh's 2021 median affordability ratio is 11.84. Using the formula outlined in PPG, the adjustment factor<sup>18</sup> is therefore 1.49.

<sup>15</sup> Paragraph: 010 Reference ID: 2a-010-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

<sup>16</sup> Paragraph: 004 Reference ID: 2a-004-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

<sup>17</sup> Available at <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

<sup>18</sup> Paragraph: 004 Reference ID: 2a-004-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>



- Applying this to the annual household growth figure of 280 (noted above) results in a minimum annual figure of 417 dwellings.

4.14 **Stage three** is to apply a cap which limits the magnitude of increase an LPA can face. How this is calculated depends on the current status of relevant strategic policies for housing. There are two options depending on whether those policies were adopted within the last five years or are older:

- Option 1: where the relevant strategic policies were adopted within the last five years (at the point of making the calculation), the LHN is capped at 40% above the average annual housing requirement figure set out in the existing policies. This also applies where the relevant strategic policies have been reviewed by the authority within the 5-year period and have been found not to require updating.
- Option 2: where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), the LHN is capped at 40% above whichever is the higher of:
  - a) the annual average projected household growth for the area over the 10-year period identified in Stage One above; or
  - b) The average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).
- The relevant strategic policy in this case is adopted policy CS3 (Strategy for Growth and Development) in the Babergh Local Plan 2011-2031 Core Strategy (adopted 2014). As this document was not adopted within the last five years, the second option (2) above is applied.
- For a) the average annual projected household growth is 280, as identified above.
- For b) the housing requirement figure in Policy CS3 (Strategy for Growth and Development) of the Babergh Local Plan 2011-2031 Core Strategy is for 5,975 new homes over the Plan period 2011-2031, which equates to an annual average of 298.8.
- Thus, the cap is applied to b and not a. A cap of 40% above 298.8 is 418.3.
- The cap of 418.3 is less than the figure of 420 dwellings reached in Stage 2 above, and therefore limits the adjustment for affordability. The minimum LHN for Babergh District is therefore 418 (rounded) net additional dwellings per year.

4.15 Having derived Babergh District's LHN, we now calculate Acton's share of that target, by determining what proportion of Babergh's population currently reside in Acton and applying that percentage to Babergh District's LHN.

4.16 According to the latest ONS mid-year population estimates, there were 1,868 people living in Acton, or 2% of the 92,300 people in Babergh (Census 2021). Therefore, applying this percentage to Babergh's LHN of 418 gives an indicative HNF for Acton of 8 dwellings (rounded) per annum, or 120 dwellings over the Neighbourhood Plan period 2022-2037.

## Latest available LPA planning strategy (Step 2)

- 4.17 However, as stated in NPPF guidance, it is important to acknowledge the relevant policies in the most recently available<sup>19</sup> development plan document for the LPA. The policies reflect the overall strategy for the pattern and scale of development and any relevant allocations. This requires producing a HNF for the Neighbourhood Area that takes into account the Local Authority's spatial strategy, and therefore may differ from the initial HNF calculated above.
- 4.18 In Babergh District, this document is the emerging Babergh and Mid Suffolk Joint Local Plan. The overall strategy for the pattern and scale of development is outlined in policies SP01 Housing Needs, SP03 Settlement Hierarchy and SP04 Housing Spatial Distribution. SP01 allocates 416 new dwellings per annum for Babergh District or 7,904 in total over the plan period (2018-2037). SP03 focuses growth within the Ipswich Fringe Settlements (allocated 21% of growth), Market Towns/ Urban Areas (33% of growth) and Core Villages (28% of growth) with the remaining growth split across Hinterland Villages (9% of growth), Hamlets (4% of growth) and Windfall (5% of growth). The policy designates Acton as a Core Village whilst Newman's Green is designated a Babergh Hamlet Village. SP04 table 04 (minimum housing requirement for NP areas) does not include Acton (or Newman's Green). However, in the JLP Part 3 policy LA045 (Allocations: Land south of Tamage Road, Acton) allocates a 3.5 ha site for a 100 dwelling residential development.
- 4.19 The JLP section 6 (Housing Needs & Requirements) states that the total housing need for Babergh is 7,904 over the plan period (April 2018 to March 2037) or 416 dwellings annually. Out of this total, there are extant planning permissions for 4,036 dwellings (as of April 2018) which leaves a residual requirement of 3,868 (discounting major sites with significant delivery uncertainty). Delivery is cited as a key challenge with recent delivery being below the adopted targets and the housing need figure in the District. Therefore, the Plan includes a buffer of 20% in the housing land supply to improve future delivery.
- 4.20 The scale and location of development is commensurate with the role of settlements in the settlement hierarchy, Acton's designation as a Core Village means that it is in the third rung of the hierarchy and therefore expected to be a focus for growth albeit to a lesser extent than the Ipswich Fringe Settlements and Market Towns/ Urban Areas.
- 4.21 Policy SP03 indicates that core villages (a group of 15 settlements including Acton) would provide 28% of the growth required. Implying that Core Villages would provide around 2,213 dwellings over the plan period or 150 units annually. Acton's population equates to around 4.7% of the total population within the Core Villages (ONS mid-2020 Parish estimates). Therefore, Acton's indicative requirement would be (4.7% X 2,213) 104 dwellings between 2018 and 2037, or 5 dwellings (rounded) per year.
- 4.22 This represents 1.3% of Babergh's total housing need (7,904 from the JLP section 6) which is smaller than the 2% obtained in 4.16 (based on Acton's share of population). Therefore, once the development strategy for the district is applied, Acton is earmarked for less growth than its population might suggest due to its role in the settlement hierarchy, its sustainability and suitability. Applying the 1.3% to Babergh's LHN of 418 dpa produces 5 dpa (rounded) or 75 units over the ANP period.

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<sup>19</sup> This is the exact word used in the NPPF, i.e. not necessarily 'adopted'. In the case of Babergh, the most recently 'available' planning strategy is the emerging Babergh & Mid Suffolk Joint Local Plan, even though this is not the most recently 'adopted' planning strategy.

## Past dwelling completions (Step 3)

- 4.23 As the ANP period starts in 2022 there are no past completions to consider. However, there is a 100 dwelling scheme currently under construction (land south of Tamage Rd, Acton) and a further 6 dwellings being constructed (4 in Acton and 2 in Newman's Green).
- 4.24 There is a further commitment (i.e. planning permission that is yet to be implemented) for a 100 dwelling scheme (Land south east of Barrow Hill). However, AECOM recommends that commitments should not yet be discounted from the overall quantity figure; it is only once they are completed that this can take place.
- 4.25 Therefore, after deducting the dwellings currently under construction a residual HNF of -31 is produced (the calculated need of 75 minus the 106 units under construction); i.e. a surplus of 31 dwellings is calculated up to 2037. If current commitments are taken into account a surplus of up 131 dwellings by the end of the plan period is produced. Therefore, assuming that the sites under construction and current commitments are able to satisfy the NA's future needs (rather than counting toward a past target) there is no outstanding housing need to be planned for.

## Final Housing Need Figure

- 4.26 Based on the evidence above, this HNA considers that once the dwellings currently being constructed are completed there will be a surplus (to assessed need) of 31 dwellings up to 2037. If the Barrow Hill development goes ahead there will effectively be a surplus of 131 dwellings by the end of the Plan period.
- 4.27 The housing figure for Babergh District is derived from the Government's Standard Methodology and is likely to change annually as the Government publish new affordability data each year and new household projections approximately every two years. This could impact on the number of homes required in Babergh and any indicative housing requirement figure provided by BDC for neighbourhood areas.
- 4.28 The ANP Steering group were informed by the BDC that once the existing LP allocations of 213 dwellings are completed no further housing would be required (i.e. HRF is 0). However, this may change as the JLP examination process may require BDC to review the overall settlement hierarchy and spatial strategy for the district. If following a future review, Acton reverts to its previous position in the hierarchy (a Hinterland Village), then it's share of the total growth would be lower still – meaning that once current schemes have been built out it would have a substantial surplus (to locally assessed needs) of new homes. Regardless of the eventual status Acton village in the settlement hierarchy, the NA has a small but significant element of its population resident in Newman's Green, which is categorised as a hamlet and expected to have a lower growth requirement due its lower position in the settlement hierarchy. This has a lowering effect on the overall HNF for the NA.
- 4.29 Babergh's LHN figure has been broken down with the aim of allocating an appropriate share to Acton with reference to the strategy for the pattern and scale of new development across the district as expressed in the latest local development plan, which takes into account the sustainability and suitability of the district's various settlements for growth. This process relies on interpretations and assumptions made by AECOM.

4.30 At the time the final Neighbourhood Plan housing requirement figure is provided by BDC, it can be considered to supersede the provisional calculation within this study. Consequently, there is a need for the neighbourhood group to continue to engage with the LPA to confirm the final housing figure for the Neighbourhood Plan.

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

***RQ2: 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

- 5.1 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.
- 5.2 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.
- 5.3 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. The NPPF defines Affordable Housing as *'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'*<sup>20</sup>. The full document further outlines the tenures included in this definition. Those outlined in Table 5-1 would fall under this NPPF definition of Affordable Housing.

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<sup>20</sup> Available here -

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1005759/NPPF\\_July\\_2021.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005759/NPPF_July_2021.pdf)

Table 5-1: Breakdown of Affordable Housing tenures

Tenure	Rent/Ownership	Brief Description
<b>Social Rent</b>	Rent	<p>This tenure is owned by local authorities (what used to be called Council housing) and private registered providers (also known as housing associations).</p> <p>Guideline target rents are determined through the national rent regime and are typically the lowest-cost form of housing available.</p> <p>Households must be eligible on the basis of incomes and other circumstances, and there are usually waiting lists.</p>
<b>Affordable Rent</b>	Rent	<p>This is similar to Social Rent (above). Affordable Rent is not subject to the national rent regime but must have a rent of no more than 80% of the local market.</p> <p>Households must be eligible on the basis of incomes and other circumstances, and there are usually waiting lists.</p>
<b>Rent to Buy</b>	Combination	<p>Rent to Buy is a relatively uncommon tenure. Subsidy allows the occupant to save a portion of their rent to be used to build up a deposit to eventually purchase the home.</p>
<b>Shared Ownership</b>	Ownership	<p>An affordable home ownership product where a purchaser buys part (generally between 25% and 75%, but can be as little at 10%) of the value of the property. The remaining (un-owned part) is rented from a housing association or local authority.</p> <p>This Generally applies to new build properties, but re-sales occasionally become available.</p>
<b>First Homes</b>	Ownership	<p>First Homes are an affordable home ownership product introduced in 2021. Discounts on the market price can be set at 30%, 40%, or 50%.</p> <p>New developments will be required to provide 25% of the Affordable Housing as First Homes. This product is discussed in more detail in the commentary following this table.</p>

5.4 As part of the effort to expand home ownership, the Government introduced the First Homes product in 2021.<sup>21</sup> Because the First Homes product is new and expected to be

<sup>21</sup> The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

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;
- 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

- 5.5 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.
- 5.6 Table 5-2 presents data on tenure in Acton compared with Babergh District and England from the 2011 Census, which is the most recent available source of this information.
- 5.7 The data shows a high degree of home ownership (81%), higher than the level observed for the wider District (72%) and substantially higher than the national average (63%). Both the social and private rented sectors (8% and 10% in Acton) form a smaller proportion than in the wider District (13% and 13%) with both Acton and Babergh having a much lower proportion of rents (private and social) compared to the national average (18% and 17%). The relatively low proportion of social and private rents is likely to limit the ability of lower income households to reside in the Parish. There is a very small proportion of intermediate tenures such as shared ownership dwellings in the Parish (0.1%) compared to the District (0.5%) and nationally (0.8%).

- 5.8 Housing completions data provided by BDC shows a total of 18 homes completed since 2012 in Acton including 1 affordable dwelling. Additionally, there is a 100 unit scheme currently under construction in the NA (Land south of Tamage Rd., Acton) which will provide 35 affordable homes split between 27 affordable rents and 8 shared ownership homes. When complete the additional affordable rented dwellings will help address some of the shortfall in this sector in the Parish. Similarly, the additional shared ownership dwellings will help improve provision of affordable ownership tenures in the NA.
- 5.9 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 Acton the private rented sector expanded by 136% in that period (whilst the owner occupier sector remained static), a rate of growth that much greater than the corresponding growth rates in this sector for the District (101%) and England (82%). The social rented sector also increased by around 20% in the intercensal period, a much higher growth rate than that observed at District level (8%) and in contrast to a slight decline nationally (-1%). The substantial increase in the private rent sector and lack of growth in private ownership could indicate declining affordability in the NA.

**Table 5-2: Tenure (households) in Acton, 2011**

Tenure	Acton	Babergh	England
Owned	80.7%	71.9%	63.3%
Shared ownership	0.1%	0.5%	0.8%
Social rented	8.1%	13.1%	17.7%
Private rented	9.7%	12.6%	16.8%

Sources: Census 2011, AECOM Calculations

## Affordability

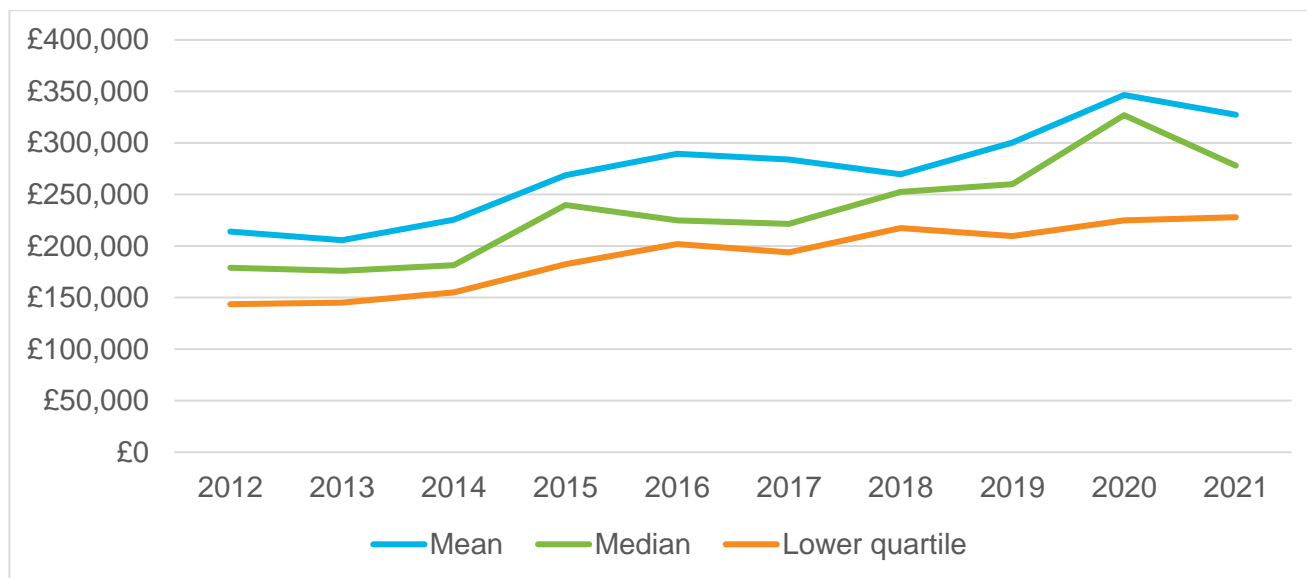
### House prices

- 5.10 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.
- 5.11 Figure 5-1 looks at the average and lower quartile house prices in Acton based on sales price data published by the Land Registry. It shows that prices have increased over the long term with some year-on-year fluctuations. The mean, median and lower quartile values followed a similar trend, ending 53%, 55% and 59% higher, respectively, in 2021 than in 2012. Currently, the median price (£278,000) is around 22% higher than the lower quartile price (£228,000).
- 5.12 The mean value (£327,415) is derived by adding all the price paid data and then dividing by the total number of properties whereas, the median (£278,000), is the middle value when the data is ordered from smallest to largest. Because 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. The mean, and



median values for Acton are 13% and 15% lower than the corresponding values for Babergh District indicating generally lower property prices in the parish than in the wider District.

**Figure 5-1: House prices by quartile in Acton, 2012-2021**



Source: Land Registry PPD

5.13 Table 5-3 breaks down house prices by type, presenting the median within each type. It shows that semi-detached properties have seen the largest price growth (67%) followed by terraced houses (56%) and flats (43%). Detached properties have also increased in value but at lower rate (16%) than other types.

**Table 5-3: Median house prices by type in Acton, 2012-2021**

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£335,000	£215,000	£265,000	£276,000	£319,000	£375,000	£325,500	£338,000	£405,000	£390,000	16.4%
Semi-detached	£150,000	£158,000	£184,000	£190,000	£208,500	£192,750	£249,998	£255,000	£275,000	£250,000	66.7%
Terraced	£135,000	£160,000	£165,000	£180,000	£190,000	£215,000	£217,500	£200,000	£210,000	£210,000	55.6%
Flats	£95,000	£95,000	£118,000	£140,000	£145,000	£145,000	£138,750	£145,000	£135,000	-	42.6%
<b>All Types</b>	<b>£179,000</b>	<b>£176,000</b>	<b>£181,498</b>	<b>£240,000</b>	<b>£225,000</b>	<b>£221,500</b>	<b>£252,500</b>	<b>£260,000</b>	<b>£327,000</b>	<b>£278,000</b>	<b>55.3%</b>

Source: Land Registry PPD

## Income

5.14 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.

5.15 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 locally was £44,800 in 2018. A map of the area to which this data applies is provided in Appendix A.

- 5.16 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. Babergh's gross individual lower quartile annual earnings were £17,534 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £35,068.
- 5.17 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

- 5.18 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.
- 5.19 AECOM has determined thresholds for the income required in Acton 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.
- 5.20 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. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives.
- 5.21 The mortgage multiplier is particularly variable, with multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants. The percentage of income to be spent on rent also varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability, it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption. While larger mortgages and higher rents may be feasible for individuals, this creates vulnerability to changing economic circumstances and may not be a possibility for many people with the most acute housing needs. Different assumptions would, however, alter the picture of affordability that emerges here. This is another reason interpret the findings with a degree of flexibility.
- 5.22 Table 5-4 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.

5.23 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 5-4: Affordability thresholds in Acton (income required, £)**

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £44,800	Affordable on LQ earnings (single earner)? £17,534	Affordable on LQ earnings (2 earners)? £35,068
<b>Market Housing</b>						
Median House Price	£250,200	-	£71,486	No	No	No
Estimated NA New Build Entry-Level House Price	£230,850		£65,957	No	No	No
LQ/Entry-level House Price	£205,200	-	£58,629	No	No	No
LA New Build Median House Price	£324,000	-	£92,571	No	No	No
Average Market Rent	-	£14,856	£49,520	No	No	No
Entry-level Market Rent	-	£11,100	£37,000	Yes	No	No
<b>Affordable Home Ownership</b>						
First Homes (-30%)	£161,595	-	£46,170	No	No	No
First Homes (-40%)	£138,510	-	£39,574	Yes	No	No
First Homes (-50%)	£115,425	-	£32,979	Yes	No	Yes
Shared Ownership (50%)	£115,425	£3,206	£43,666	Yes	No	No
Shared Ownership (25%)	£57,713	£4,809	£32,521	Yes	No	Yes
Shared Ownership (10%)	£23,085	£5,771	£25,833	Yes	No	Yes
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£5,976	£19,901	Yes	No	Yes
Social Rent	-	£4,958	£16,509	Yes	Yes	Yes

Source: AECOM Calculations

5.24 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

5.25 Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income 60% higher than the current average.

5.26 Private renting is generally only affordable to higher (than average) earners with only entry-level rents being affordable to average income households. Households made up of two lower quartile earners cannot afford the given entry-level rental thresholds and would have to rely on affordable rents or social rents. 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. Social rents are the only affordable option for single LQ households.

### **Affordable home ownership**

5.27 There is a relatively large group of households in Acton who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £37,000 per year (at which point entry-level rents become affordable) and £58,629 (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.

5.28 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.

5.29 This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. It appears that a 40% discount would be required to make First Homes affordable to average income households, while a 50% discount would extend the First Homes option to double earning LQ households as well. On this basis a 50% discount would extend affordable ownership options to the widest number of households (average and double LQ earners) and may be a suitable option for the Parish. However, there are other considerations, such as the financial impact of higher discounts on the development overall, which creates the risk that fewer affordable rented homes might be provided. This is a matter for discussion with BDC if relevant.

5.30 Table 5-5 shows the discount required for First Homes to be affordable to the four income groups. The cost of a typical First Home is calculated using an estimate for new build entry-level housing in the NA, as outlined in the Appendix. It is also worth considering the discounts required for some additional price benchmarks. The table above uses the calculated NA new build entry-level house price as the best estimate 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. However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, as well as median and entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

**Table 5-5: Discount on sale price required for households to afford First Homes**

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA Median House Price	37%	75%	51%
NA Estimated New Build Entry-Level House Price	32%	73%	47%
NA Entry-Level House Price	24%	70%	40%
LA Median New Build House Price	52%	81%	62%

Source: Land Registry PPD; ONS MSOA total household income

- 5.31 Shared ownership at 50% equity is more affordable than a 30% discounted First Home and would be accessible to average income households. Lower equity shares (e.g. 25% and lower) would be accessible to both average income and dual LQ earning households. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.<sup>22</sup> If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
- 5.32 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.
- 5.33 The income required to access Rent to Buy, a product designed to allow residents to transition from renting to ownership by allowing a discount on the market rent to be used to save a deposit, is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are more affordable options.
- 5.34 These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.
- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
  - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
  - Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service

<sup>22</sup> The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/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.

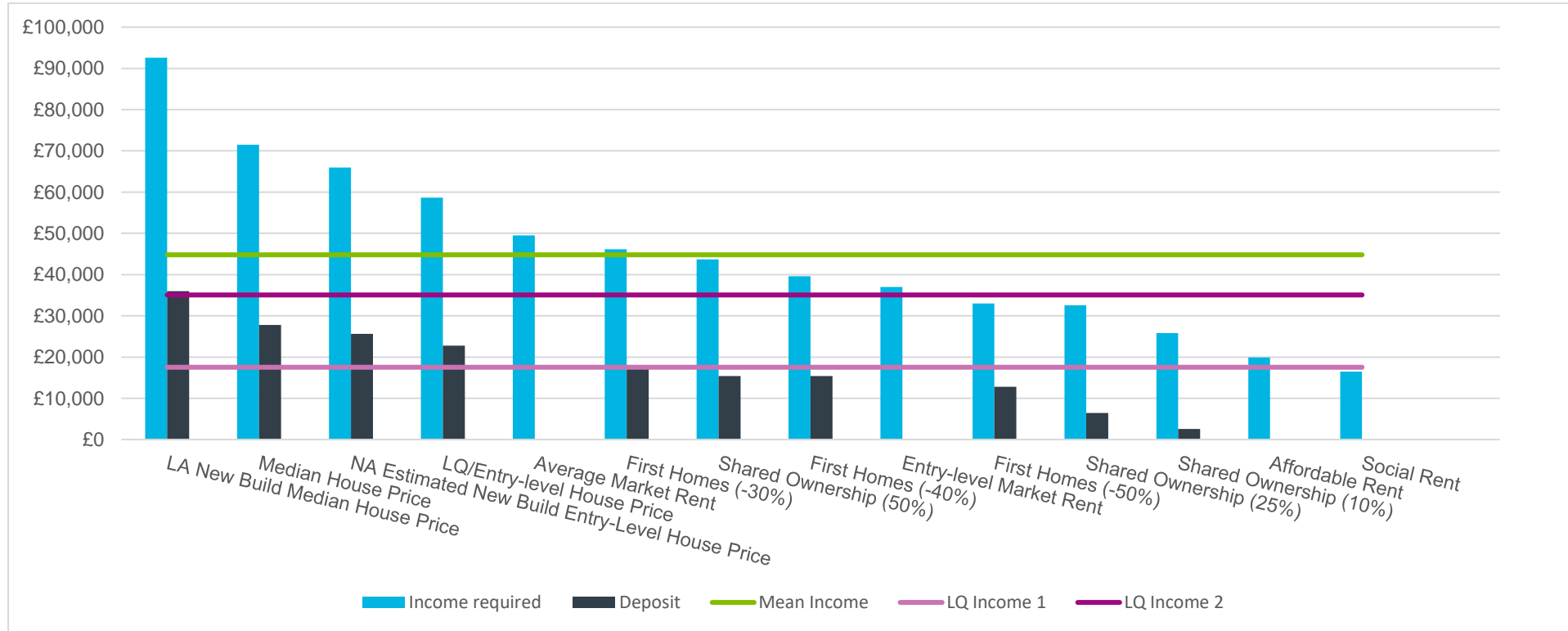
5.35 In conclusion, all of these products would provide value to different segments of the local population, with shared ownership at a lower than 25% equity share potentially allowing lower earning households to get a foot on the housing ladder, while Rent to Buy is helpful to those with little or no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

### **Affordable rented housing**

5.36 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.

5.37 The evidence in this chapter suggests that the affordable rented sector performs a vital function in Acton 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 means 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 Acton, income required (additional cost of deposit in black)**



Source: AECOM Calculations

## Affordable housing- quantity needed

- 5.38 The starting point for understanding the need for affordable housing in Acton is the relevant Strategic Housing Market Assessment (SHMA). A SHMA was undertaken for the Ipswich Housing Market<sup>23</sup> in 2019. This study derives the profile of housing required from calculations used to determine local housing need. It also estimates the need for affordable housing in the District based on a long-term balancing housing market (LTBHM) model which uses secondary data to determine future demand for housing by size and tenure based on the profile of households resident in the HMA in 2036. It then compares this to the existing (as of 2018) housing stock and determines the profile of new dwellings required.
- 5.39 The SHMA identifies a local housing need of 7,704 (428 per year) for Babergh District over the period 2018-2036. Of this 13.3% would be affordable housing for rent and 13.5% affordable ownership products. It suggests that the latter be split between discounted homes and shared ownership products.
- 5.40 Therefore, the SHMA suggests that affordable housing provision be almost equally split between social/affordable rent (13.3%) and intermediate ownership tenures (13.5%). The former relates to households who live in unsuitable housing and who cannot afford to access market rents and the latter relates to households who may be able to afford shared ownership because in some cases it is more affordable than market rents, especially when available at a share of 25%.
- 5.41 When the SHMA figures are pro-rated to Acton based on its fair share of the population (2% of Babergh District's population), this equates to 1.14 social/affordable rented dwellings and 1.16 affordable ownership tenure homes, per annum or 17 and 17 (rounded figures) respectively, over the Neighbourhood Plan 2022-2037.
- 5.42 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 Acton the lack of social housing means there is no 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 identify need for social/affordable rented housing within Acton.
- 5.43 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).
- 5.44 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

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<sup>23</sup> [Ipswich Housing Market Area Strategic Housing Market Assessment - Partial Part 2 update](#)



waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.

## Affordable Housing policy guidance

- 5.45 Babergh's adopted policy on this subject CS19 (Affordable homes) requires 35% of all new housing to be affordable. On smaller sites of 1-2 dwellings a commuted sum would be required if the AH requirement cannot be met on site. Given that most of the housing completed over the last decade has been on small sites, just under 6% AH has been delivered. However, a 100 unit scheme is currently under construction which will be deliver 35 affordable homes when complete. Therefore, when this is taken into consideration total AH delivery equates to around 30% of new housing in Acton since 2012 according to BDC's completions figures.
- 5.46 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.
- 5.47 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 left as a matter to be informed by the latest evidence. 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 Acton specifically.
- 5.48 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:** Applying the SHMA estimates to Acton suggests that the Parish might require 1 affordable dwelling for rent and 1 affordable dwelling for ownership per year. 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 50% of Affordable Housing should be rented and 50% 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, 50% to 50% 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 35% AH were achieved on every site, up to around 70 affordable homes might be expected in the NA<sup>24</sup>. If the majority of Acton's HRF is expected to come forward in the form of small infill developments, those schemes are unlikely to be large enough to meet the threshold of larger than 2 dwellings (or 10 dwellings/ greater than 0.5ha in the emerging JLP), above which the Affordable Housing policy applies. However, this is unlikely to be the case in Acton as there are two, 100 unit, schemes, one of which is under construction (Tamage road) and another with an extant planning permission (Land south east of Barrow Hill). These would meet the threshold requirement delivering up to 70 AH units. If the Land south east of Barrow Hill does not progress, Acton would still be able to deliver 36 AH units by the end of the NP period (2037)<sup>25</sup>.

As a result, affordable rented housing should have a roughly equal weighting in the tenure mix (as proposed in the SHMA and the emerging JLP). Given the expected volume of future delivery it is reasonable to assume that supply will be sufficient to meet Acton's need for both affordable rents and affordable ownership dwellings. The 50% rented 50% ownership guideline mix in the SHMA and emerging JLP may offer an appropriate benchmark.

- 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 Babergh, where 35% of all housing should be affordable, at least 28.6% of Affordable Housing should be for affordable ownership. This does comply with the guideline tenure split sought in the SHMA/ emerging JLP.

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 there is no evidence that meeting the 10% threshold in Acton would prejudice the provision of much needed affordable rented homes.

- D. **Local Plan policy:** As noted above, the adopted Local Plan states that tenure types, mixes and sizes of affordable homes will reflect established needs in the District as reflected in the most up to date Strategic Housing Market Assessment (SHMA) and Tenancy Strategy or other relevant evidence. The SHMA (2019 update) proposes a tenure split of roughly 50:50 between affordable rents and affordable ownership dwellings.
- 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.

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<sup>24</sup> Comprised of the 35 units from scheme currently under construction (Tamage Rd.) and 35 units from the Land south east of Barrow Hill which currently has planning permission.

<sup>25</sup> Comprised 1 completed affordable dwelling in 2018 and the 35 units from the Tamage Rd. scheme under construction.

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 is not the case in the Babergh District.

National policy dictates that 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 relevant Local Plan, with any remaining units allocated to other tenure products in the relative proportions set out in the Local Plan.

AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. If this was done in Babergh District the remaining 75% of the affordable housing provision would then be apportioned 70% to affordable rent and 30% to affordable home ownership. If this approach is taken, all other things being equal, it would reduce the provision of rented forms of affordable housing since it would effectively protect the provision of other forms of affordable home ownership alongside First Homes. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.

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 AH:** There is a lack of social rented accommodation in the Parish at present when compared to rates of provision across the wider District and England. Additionally, shared ownership is very limited in Acton. 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 Acton 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.

- 5.49 On the basis of the considerations above, Table 5-6 proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
- 5.50 What is proposed in the table follows the SHMA 2019, with 50% of new Affordable Housing units to be offered as rented tenures, with the remaining 50% brought forward as affordable home ownership products. The rationale for following the SHMA mix is that it aligns with the priorities suggested by the data for Acton, namely that there is likely to be sufficient provision of AH once the current scheme at Tamage Road is completed and there will likely be a surplus if the Barrow Hill site goes ahead. Furthermore, there will be significant new AH provision in the Chilton Woods strategic site (131 ha), just south of the Parish at Chilton (Sudbury/ Great Cornard strategic site). This will provide up to 1,150 new dwellings including around 288 affordable ones.
- 5.51 In terms of affordable ownership tenures, the first 25% is allocated to First Homes (ideally at 50% discount) as required by current legislation. This is followed by Shared Ownership homes as these are more affordable than First Homes at the nominal 30% discount and lower equity shares are likely to be more affordable to lower earning households. As smaller proportion is allocated to Rent-to-Buy as this is less affordable than the other ownership options but has the advantage of not requiring a deposit and therefore potentially beneficial to those with sufficient incomes but low savings.
- 5.52 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.
- 5.53 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 Babergh District Council to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
- 5.54 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
<b>Routes to home ownership, of which</b>	<b>50%</b>	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	20%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	5%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
<b>Affordable Housing for rent, of which</b>	<b>50%</b>	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

## Conclusions- Tenure and Affordability

### Affordability issues

5.55 Acton's current tenure mix reveals a high rate of home ownership compared to wider averages, at 81%, and a corresponding lack of social rented housing and private rented options (despite a 136% increase in the latter category between 2001 and 2011).

5.56 Home values in the Parish have increased substantially over the last decade with the value of an average home (mean) now 53% higher than it was in 2012. An entry-level home currently costs £228,000 with a median home costing 22% more at £278,000. The stock is currently dominated by detached and semi-detached properties which make up around 75% of the stock. This means that the range of house prices is narrow and there are relatively few opportunities for those with lower budgets. The limited sample size of transactions also produces averages that disguise a wide range of price points. It is therefore difficult to generalise about affordability in Acton, and it should be remembered that there will always be significant variation depending on what properties happen to be available for purchase in a given year.

## Tenure options

- 5.57 AECOM has estimated the annual income required to afford various tenures of housing in the NA – each of which is explained in detail in Appendix A. These thresholds are compared to local incomes to determine which options are the most appropriate for local people going forward. The average household income in Acton is £44,800, and the lower quartile income (per person) was £17,534 in 2020.
- 5.58 It was found that households would need an income comfortably above the average (or a very large deposit) to qualify for a mortgage on an entry level home in Acton. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income 60% higher than the current average.
- 5.59 Private renting is only affordable to higher (than average) earners with only entry-level Market rents being affordable to average income households. Households made up of two lower quartile earners cannot afford the given entry-level rental thresholds and would have to rely on affordable rents or social rents. 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. Social rents are the only affordable option for single LQ households.
- 5.60 There is a relatively large group of households in Acton who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £37,000 per year (at which point entry-level rents become affordable) and £58,629 (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.
- 5.61 All of these products would be 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 offers poorer long-term prospects but is helpful to those with little or no savings for a deposit, and First Homes at a 50% discount provides the best long-term support to those with slightly higher incomes.
- 5.62 Neighbourhood plan qualifying bodies have discretion to increase the discount on the new First Homes product from 30% to 40% or 50% where there is evidence to suggest this is appropriate. This HNA finds that a 40% discount would be required to make First Homes affordable to average income households in Acton. However, the higher discount level of 50% would extend this option to dual lower earning households. On this basis a 50% discount would extend affordable ownership options to the widest number of households and may be a suitable option for the Parish. However, there are other considerations, such as the financial impact of higher discounts on the development overall, which creates the risk that fewer affordable rented homes might be provided. This is a matter for discussion with BDC if relevant.
- 5.63 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 would be 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.

- 5.64 The evidence suggests that the affordable rented sector performs a vital function in Acton 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 means 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.

### **Quantity of Affordable Housing needed**

- 5.65 Pro-rating the SHMA figures to Acton based on its fair share of the population (2% of Babergh District's population) gives 1.14 social/ affordable rented dwellings and 1.16 affordable ownership tenures per annum equivalent to 17 affordable rented dwellings (rounded figures) and 17 affordable ownership dwellings respectively, over the Neighbourhood Plan period 2022-2037. 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 semi-rural villages like Acton the lack of social housing means there is no 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 identify need for social/affordable rented housing within Acton. Effectively, there is a potential need for up to 34 Affordable Housing units over the coming 15 years, but the real need is likely to be less due to the role Acton plays in the district and the available services, infrastructure and so forth. As discussed in the quantity chapter ; Acton is earmarked for 1.3% of the district's growth even though it has 2% of Babergh's population because of the role it plays in the settlements hierarchy.

### **Policy considerations**

- 5.66 Babergh's adopted policy on this subject CS19 (Affordable homes) requires 35% of all new housing on larger sites (i.e. more than 1-2 dwellings) to be affordable. Given that most of the housing completed over the last decade has been on small sites, just under 6% AH has been delivered. However, a 100 unit scheme is currently under construction which will deliver 35 affordable homes when complete. Therefore, when this is taken into consideration AH delivery equates to around 30% of all new housing in Acton since 2012 according to BDC's completions figures.
- 5.67 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 this 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.
- 5.68 On the balance of factors listed in the Policy Guidance section of this chapter, AECOM recommends that roughly 50% of new Affordable Housing units be offered as rented tenures with the remaining 50% brought forward as affordable home ownership products. The rationale for following the SHMA mix is that it

aligns with the priorities suggested by the data for Acton, namely that there is likely to be sufficient provision of AH once the current scheme at Tamage Road is completed and there will likely be a surplus if the Barrow Hill site goes ahead. Furthermore, there will be significant new AH provision in the Chilton Woods strategic site (131 ha) just south of the Parish at Chilton (Sudbury/ Great Cornard strategic site). This will provide up to 1,150 new dwellings including around 288 affordable ones.

5.69 Table 5-7 summarises Acton'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 uses the expected housing delivery based on current dwellings/ schemes under construction and schemes with planning permissions, 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 Acton**

	Step in Estimation	Expected delivery
A	Provisional capacity figure	202
B	Affordable housing quota (%) in LPA's Local Plan	35%
C	Potential total Affordable Housing in NA (A x B)	70
D	Rented % (e.g. social/ affordable rented)	50%
E	Rented number (C x D)	35
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	50%
G	Affordable home ownership number (C x F)	35

*Source: AECOM estimate based on LPA's affordable housing policies, schemes under construction, schemes with recent planning permission and AECOM's indicative tenure mix*

## 6. RQ 3: Type and Size

***RQ 3: 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?***

### Introduction

- 6.1 The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Acton 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.
- 6.2 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

- 6.3 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.
- 6.4 This study is concerned primarily with need rather than demand. Need for homes of different sizes is chiefly determined by the number of people occupying the home. In the strict sense, there is no ‘need’ for dwellings of any particular type, other than the specific needs of those with certain disabilities for level access properties, for example.
- 6.5 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.
- 6.6 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.

6.7 As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. Babergh and Mid Suffolk DC were able to provide completions data since the 2011 census. Adding together Census figures and completions data for the intervening period is highly accurate. The data provided also includes dwelling size data. Therefore, this data is used throughout as it is considered the most accurate available data.

## Dwelling type

6.8 Detached homes represent the most prevalent type in Acton’s housing stock closely followed by semi-detached homes. There is relatively little difference between the 2021 and the 2011 stock with detached properties making up 39-40% and semis around 35%, of the housing stock. Terraced properties make up around 23-24% of stock with a small proportion of flats (2.4%).

**Table 6-1: Accommodation type, Acton, 2011 and 2021**

Dwelling type	2011 (Census)	2021 (2011 census + completions)
Flat	2.4%	2.4%
Terrace	23.6%	23.0%
Semi-detached	35.4%	34.6%
Detached	38.6%	40.0%
Unknown/other	-	-
Total	100%	100%

Source: ONS 2011, BDC completions data, AECOM Calculations

6.9 Compared to the wider District and England (Table 6-2), Acton has more detached and semi-detached dwellings<sup>26</sup> with flats making up a much smaller proportion of the stock. The parish has a similar proportion of terraced homes (23%) to Babergh (23%), both in turn having fewer proportions of terraced properties than England (26%) as a whole. The relatively small proportion of terraced housing and flats, which tend to be generally more affordable to buy or rent, may limit choice in the market with potentially adverse impacts on affordability, particularly for lower income households, first time buyers and young families.

6.10 VOA data is used for the district and England in Table 6-2 with data carried over from Table 6-1 for Acton as there is no exact output area match for the parish. Note also that VOA data is rounded to the nearest 10 in each dwelling category.

<sup>26</sup> Detached and semis in Acton equate to 74.6% (this includes Bungalows) & the equivalent for Babergh equates 68.2% (detached, semis & bungalows).

**Table 6-2: Accommodation type, various geographies, 2021**

Dwelling type	Acton	Babergh	England
Bungalow	-	16.4%	9.2%
Flat	2.4%	7.6%	23.7%
Terrace	23.0%	22.7%	26.1%
Semi-detached	34.6%	22.0%	23.7%
Detached	40.0%	29.8%	15.8%
Unknown/other	-	1.5%	1.4%

Source: BDC completions data, VOA 2021, AECOM Calculations

## Dwelling size

6.11 Table 6-3 shows the 2011 Census mix, the delivery since then from BDC's completions data and the current total. The data shows Acton's stock is characterised by a prevalence of 3 bedroom homes (47.1%) followed by 2 bedroom homes (24.5%). Larger 4 bedroom plus dwellings make up 26.4%. Overall, the size mix in the parish is relatively well-balanced, with a majority of 3-bedroom homes (as is the case nationwide) and nearly equal proportions of homes that have fewer and more bedrooms.

**Table 6-3: Dwelling size (bedrooms), Acton, 2011 and 2021**

Number of bedrooms	2011 (Census)	Completions 2011-2021 (Babergh)	2021 total (Census + completions)	2021 %
Studio	0	0	0	0%
1	16	0	16	2.1%
2	185	4	189	24.5%
3	354	10	364	47.1%
4	164	4	168	21.7%
5+	36	0	36	4.7%
Unknown	0	0	0	-
Total	755	18	773	100%

Source: ONS 2011, VOA 2021, AECOM Calculations

6.12 Again, it is useful to compare the distribution of dwelling sizes in comparison with the wider district and country (Table 6-4). The NA's housing stock has a higher proportion of medium (3 bedroom) properties (47%) than the wider district (44%) and the national average (43%). Larger properties (4 bedrooms and over) are relatively over represented in Acton (26%) compared to the wider district (23%) and national average (16%). There is a correspondingly smaller proportion of 1 and 2 bedroom dwellings (27%) compared the to the district (32%) and England (41%). One bedroom properties are particularly underrepresented in the parish (2%) equating to less than a third of the corresponding levels in the district (7%) and less than a sixth of the national average (13%).

**Table 6-4: Dwelling size (bedrooms), various geographies, 2021**

Number of bedrooms	Acton	Babergh	England
1	2.1%	6.5%	12.6%
2	24.5%	25.9%	28.4%
3	47.1%	44.3%	43.0%
4	21.7%	18.4%	12.1%
5+	4.7%	4.3%	3.5%

Source: BDC completions data, VOA 2021, AECOM Calculations

6.13 The implication of low availability of smaller properties is a challenge in terms of affordability, particularly for newly forming households. There may also be a relative lack of smaller homes to which older households may wish to downsize, causing them to remain in larger homes than they want for longer. This will be explored further in relation to over and under occupancy below.

## Age and household composition

6.14 Having established the current stock profile of Acton 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

6.15 Table 6-5 shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. The data shows that Acton's population has grown by around 3% with a similar age distribution in 2020 to the one observed in 2011. The largest cohort is still the 45-64 group (28%) followed by the 25-44 cohort (23%). In terms of rates of change; the highest rate of growth is seen in the 64-85 cohort which grew by 35%. All younger age groups either declined or had less than 1% growth. The oldest cohort (85 plus) grew by 3%. The 2021 census data for Babergh<sup>27</sup> shows similar demographic trends with younger age groups (15 and under) declining significantly (-14.5%), the 15-64 age groups increasing by a small 1.5%, with the highest growth observed in the 65+ ages groups which increased by 23.1% in the intercensal period.

6.16 Note that ONS advises exercising caution with population estimates by single year of age (from which this 2020 data for Acton has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.

6.17 It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2020 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

<sup>27</sup> [ONS Census 2021](#) Note parish level data was not available at time of writing.

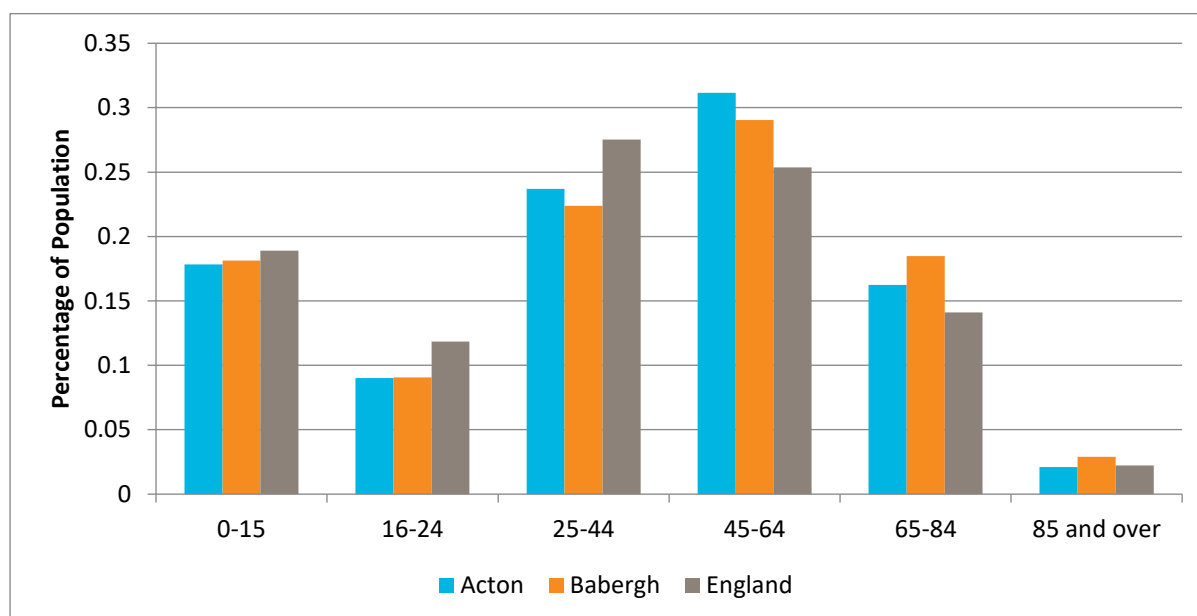
**Table 6-5: Age structure of Acton population, 2011 and 2020**

Age group	2011 (Census)		2020 (ONS, estimated)		% Change
0-15	323	17.8%	314	16.8%	-2.8%
16-24	163	9.0%	164	8.8%	0.6%
25-44	429	23.7%	433	23.2%	0.9%
45-64	564	31.1%	522	27.9%	-7.4%
65-84	294	16.2%	397	21.3%	35.0%
85 and over	38	2.1%	38	2.0%	0.0%
Total	1,811	100%	1,868	100%	3.1%

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

6.18 For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 6-1 (using 2011 Census data) shows that younger age groups (0-15, 16-24 and 25-44) in Acton and the wider district formed a smaller proportion of the population compared with the national average. Conversely, older age groups (45 plus) formed a greater proportion of the total compared to England as a whole. Compared to the wider district, Acton had a larger proportion of residents in the 25-44, 45-64 age groups with a slightly smaller proportion of the 65-84 and 85 plus cohorts.

**Figure 6-1: Age structure in Acton, 2011**



Source: ONS 2011, AECOM Calculations

## Household composition

6.19 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.

6.20 Table 6-6 shows that Acton has fewer single person households than the wider district and the national average. However, the proportion of family households aged 65 and over is higher in Acton and Babergh than the national average. Of those younger than 65 the balance between families with and without children,

favours those with children. Notably, Acton has more households living with grown up, non-dependent children than in the wider geographies. In summary there are comparatively fewer people living alone in Acton but there are proportionately more older couples, couples without children and couples with grown up, independent children.

6.21 The proportion of ‘other household types’ – i.e. those in multiple household groups such as multigenerational families, housing in multiple occupation (HMOs) and other house share situations, is relatively low in Acton compared to the national average, though this category has grown by 74% since the 2001 Census, indicating an increase in these forms of living.

6.22 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 remained unchanged between 2001 and 2011 in the parish – compared to a 7% increase in Babergh and 11% increase nationally.

**Table 6-6: Household composition, Acton, 2011**

Household composition		Acton	Babergh	England
<b>One person household</b>	<b>Total</b>	23.3%	28.2%	30.2%
	Aged 65 and over	10.1%	14.1%	12.4%
	Other	13.2%	14.0%	17.9%
<b>One family only</b>	<b>Total</b>	72.3%	67.8%	61.8%
	All aged 65 and over	11.7%	11.7%	8.1%
	With no children	23.3%	21.6%	17.6%
	With dependent children	26.2%	25.2%	26.5%
	With non-dependent children <sup>28</sup>	11.1%	9.2%	9.6%
<b>Other household types</b>	<b>Total</b>	4.4%	4.1%	8.0%

Source: ONS 2011, AECOM Calculations

## Occupancy ratings

6.23 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.

<sup>28</sup> Refers to households containing children who are older than 18 e.g students or young working people living at home.

6.24 Table 6-7 below shows that 86% of households in Acton live in a home with at least one bedroom more than they would be expected to need, and 46% have two or more extra bedrooms. Only 2% of households have too few. Underoccupancy is particularly prevalent in 65+ family households, 69% of whom live in homes with at least 2 extra bedrooms. This is followed by the under 65 single person households, of whom 57% live in homes with at least 2 extra bedrooms.

6.25 The strong correlation between underoccupancy and older households might suggest that larger housing isn't being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or are able to move to smaller properties.

**Table 6-7: Occupancy rating by age in Acton, 2011**

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	69.3%	29.5%	1.1%	0.0%
Single person 65+	44.7%	48.7%	6.6%	0.0%
Family under 65 - no children	73.3%	26.1%	0.6%	0.0%
Family under 65 - dependent children	17.7%	50.5%	27.8%	4.0%
Family under 65 - adult children	25.0%	51.2%	21.4%	2.4%
Single person under 65	57.0%	34.0%	9.0%	0.0%
All households	46%	40%	13%	2%

Source: ONS 2011, AECOM Calculations

## Dwelling mix determined by life-stage modelling

### Suggested future dwelling size mix

6.26 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 Acton 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.

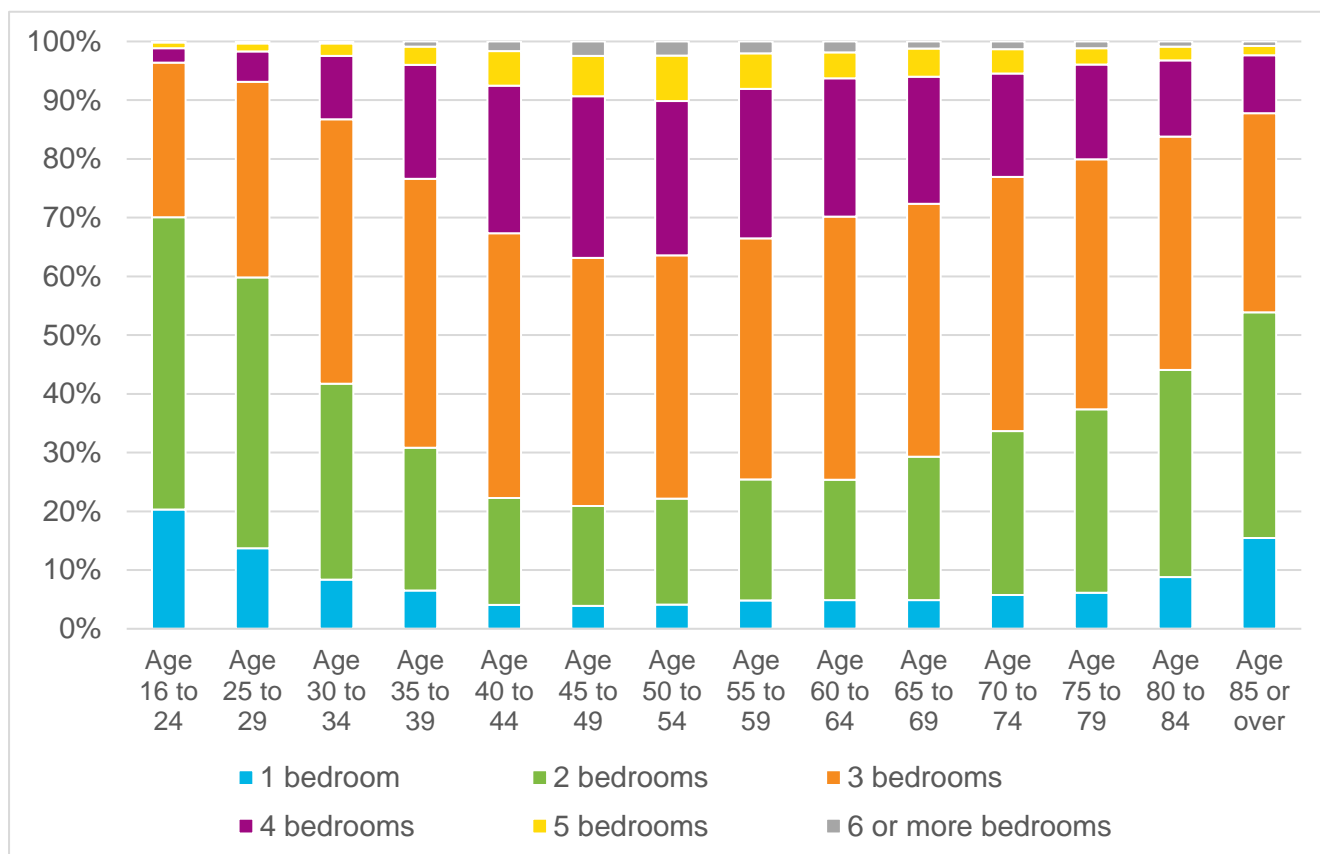
6.27 It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more 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.

6.28 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.

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

6.30 The first, given as Figure 6-2, sets out the relationship between household life stage and dwelling size for Babergh District in 2011. This shows how the youngest households occupy smaller dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

**Figure 6-2: Age of household reference person by dwelling size in Babergh, 2011**



Source: ONS 2011, AECOM Calculations

6.31 The second dataset of note is the result of applying Local Authority level household projections to the age profile of Acton’s households in 2011 and the updated estimates of household numbers described in the bullets above. Table 6-8 makes clear that population growth can be expected to be driven by the oldest households, with a projected 73% growth rate for the oldest households while the youngest age group and the 35-54 group are expected to decline by 7% and 6% respectively with the remaining groups remaining relatively stable. The number of households aged over 65 is expected to increase by 154 to become the largest demographic group at 41% of the total.

**Table 6-8: Projected distribution of households by age of HRP, Acton**

Year	Age of HRP and under 24	Age of HRP 24 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	9	76	273	186	211
2037	8	77	256	191	365
% change 2011-2037	-7%	1%	-6%	3%	73%

Source: AECOM Calculations

6.32 The final result of this exercise is presented in Table 6-9. The model suggests that any new residential development would best address the changing needs of the local population by focusing on smaller homes.

6.33 The model suggests that new construction should help to boost the supply of smaller, 1-2 bedroom, homes from its current low base if the type of development is considered appropriate in terms of character and density. Too many additional large homes should be avoided because there are already more than the population is expected to need, not even accounting for the extensions to existing properties that do not appear in this data. The most common size, 3-bedroom homes, are likely to continue to be needed but to smaller extent as this size is already well represented in the mix.

**Table 6-9: Suggested dwelling size mix to 2037, Acton**

<b>Number of bedrooms</b>	<b>Current mix (2011)</b>	<b>Target mix (2037)</b>	<b>Balance of new housing to reach target mix</b>
1 bedroom	2.1%	6.5%	29.7%
2 bedrooms	24.5%	26.0%	33.7%
3 bedrooms	46.9%	42.0%	15.9%
4 bedrooms	21.7%	19.8%	9.4%
5 or more bedrooms	4.8%	5.8%	11.3%

Source: AECOM Calculations

6.34 The preceding chapter found that affordability is a serious and worsening challenge in Acton. 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.

6.35 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.

6.36 Furthermore, the young starter families and downsizing older households mentioned above may both need 'mid-sized' homes, but are likely to have extremely different requirements and degrees of purchasing power. There is limited scope for Neighbourhood Planning policy to influence the more detailed characteristics of new housing, but additional guidance and prioritisation could be informed by further primary research.

6.37 That said, it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied in the parish. Reducing the issue of dwelling size to a number of bedrooms is potentially unhelpful in this case. There may be a strong justification to continue supplying larger homes despite their abundance because a different kind of larger home is needed to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix, but is among the good reasons not to inhibit any size of dwelling entirely.

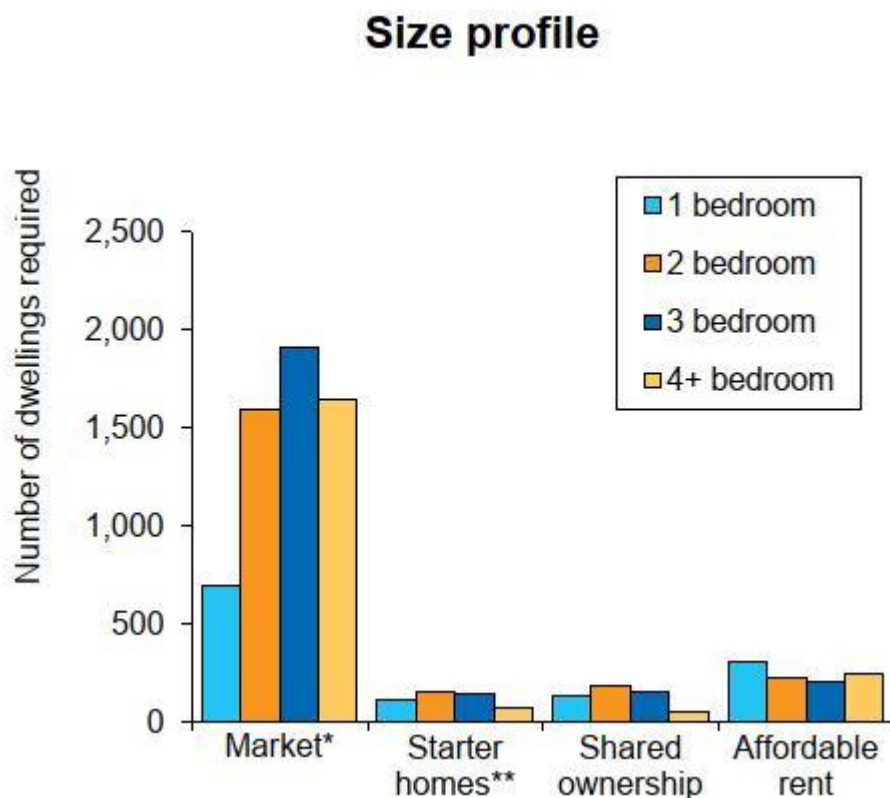
6.38 Indeed, it is never advisable to restrict future housing delivery to selected size categories only. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population.

6.39 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 but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

### The SHMA findings

6.40 The Ipswich HMA SHMA Partial Part 2 update<sup>29</sup> uses a similar methodology to the one employed here to arrive at future size distribution required in the Ipswich HMA which includes Babergh District. The assessment provides a size distribution for the different tenures required. This is summarised in Figure 6-3 below. The proposed mix for market homes is dominated by 3 bedroom dwellings followed by 4+ and 2 bedroom properties in almost equal proportions with a smaller proportion of 1 bedroom units.

**Figure 6-3: SHMA Requirement for new housing in Babergh 2018-2036**



Source: [Ipswich Housing Market Area Strategic Housing Market Assessment – Partial Part 2 update](#)

<sup>29</sup> [PBA report 2019: Ipswich Housing Market Area Strategic Housing Market Assessment – Partial Part 2 update](#)

## Conclusions- Type and Size

6.41 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.

### **The existing housing stock**

6.42 Acton's housing stock is dominated by detached (39% including bungalows) and semi-detached (35%) housing followed by terraced housing (24%). The parish has a relatively small proportion of flats (2%). Compared to the wider district and the national average for England, Acton has more detached and semi-detached dwellings. The relatively small proportion of terraced housing and flats, which tend to be more affordable to buy or rent, may limit choice in the market with potentially adverse impacts on affordability, particularly for lower income households, first time buyers and young families.

6.43 In terms of dwelling size, Acton's housing stock is characterised by the prevalence of 3 bedroom homes (47%) followed by 2 bedroom (25%) homes. Larger 4 bedroom plus dwellings make up 26%. Overall, the size mix in the parish is relatively well-balanced, with a majority of 3-bedroom homes (as is the case nationwide) and nearly equal proportions of homes that have fewer and more bedrooms. The parish has a greater proportion of 3 bedroom homes than Babergh district and England as a whole. Larger properties (4 bedroom and over) are relatively over represented in Acton with a correspondingly smaller proportion of 1 and 2 bedroom dwellings compared to the wider geographies. One bedroom properties are particularly underrepresented in the parish.

6.44 The relative low availability of smaller properties is a challenge in terms of affordability, particularly for newly forming households. There may also be a relative lack of smaller homes to which older households may wish to downsize, causing them to remain in larger homes than they want for longer.

### **Demographics**

6.45 The age structure of the population is a key indicator of the future need for housing. The NA had a generally older population profile than Babergh and England in 2011. The 65-84 and 85 plus cohorts have grown the fastest between the 2011 Census and the latest ONS estimates for 2020. Currently just over 51% of the population are aged over 45 and around 23% are aged over 65. There is a clear trend toward ageing, and current estimates also suggest that younger age groups are either flatlining or declining, which may reflect a lack of suitable housing options for newly forming households and young families.

6.46 Applying the ONS household projections for Babergh to Acton's population suggests that population growth can be expected to be driven by the oldest households (65 and over age group), with a projected 73% growth rate for the oldest households while the youngest age group and the 35-54 group are expected to decline by 7% and 6% respectively with the remaining groups remaining relatively stable. The number of households aged over 65 is expected

to increase by 154 to become the largest demographic group at 41% of the total by 2037.

- 6.47 It is clear that ageing will be a major driver of housing need in the parish going forward, whether older households intend to occupy the same dwellings they currently live in, or perhaps move within the community to homes better suited to the size of their households or their evolving needs.
- 6.48 The above points relate to data about the existing population of Acton, but it is important to emphasise that the evolution of the community in future years will be as much a function of in-migration than simply the ageing of current residents, and in-migration will depend to a large extent on the housing offer.
- 6.49 Acton has fewer single person households than the wider district and the national average. However, the proportion of family households aged 65 and over is higher in Acton and Babergh than the national average. Notably, Acton has more households living with grown up, non-dependent children than in the wider geographies. In summary there are comparatively fewer people living alone in Acton but there are proportionately more older couples, couples without children and couples with grown up, independent children. The proportion of 'other household types' – i.e. those in multiple household groups such as multigenerational families, housing in multiple occupation (HMOs) and other house share situations, is relatively low in Acton compared to the national average, though this category has grown by 74% since the 2001 Census, indicating an increase in these forms of living.
- 6.50 Acton has a high rate of under-occupancy, with 86% of households living in a home with at least one bedroom more than they would be expected to need, and 46% have two or more extra bedrooms. Only 2% of households have too few. Underoccupancy is particularly prevalent in 65+ family households, 69% of whom live in homes with at least 2 extra bedrooms. The strong correlation between underoccupancy and older households might suggest that larger housing isn't being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or are able to move to smaller properties.

### **The future dwelling mix**

- 6.51 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 should be focused on smaller, 1 to 2 bedroom homes.
- 6.52 The model suggests that new construction should help to boost the supply of smaller homes from its current low base if the type of development is considered appropriate in terms of character and density. There will remain to be a need for larger homes but too many additional large homes should be avoided because there are already more than the population is expected to need, not even accounting for the extensions to existing properties that do not appear in this data.
- 6.53 Smaller homes would improve affordability as well as the parish's offering for younger households who have few options for their next step on the property ladder. It may also enable older households currently under-occupying larger homes to downsize and in so doing potentially create churn in the market, although it is acknowledged that many of the larger historic properties may be too expensive to be taken up by younger local families.

6.54 In terms of dwelling type, this study cannot be prescriptive about what types are 'needed', but there is a balance to be struck between, on the one hand, improving choice in the market and affordability by encouraging flats and terraces, and, on the other hand, preserving the features that residents like about Acton at present.

## 7. Next Steps

### Recommendations for next steps

- 7.1 This Neighbourhood Plan housing needs assessment aims to provide Acton with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with Babergh District Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:
- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
  - The views of Babergh District Council;
  - The views of local residents;
  - The views of other relevant local stakeholders, including housing developers and estate agents; and
  - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Babergh and Mid Suffolk District Councils.
- 7.2 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.
- 7.3 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, Babergh and Mid Suffolk District Councils or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
- 7.4 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.



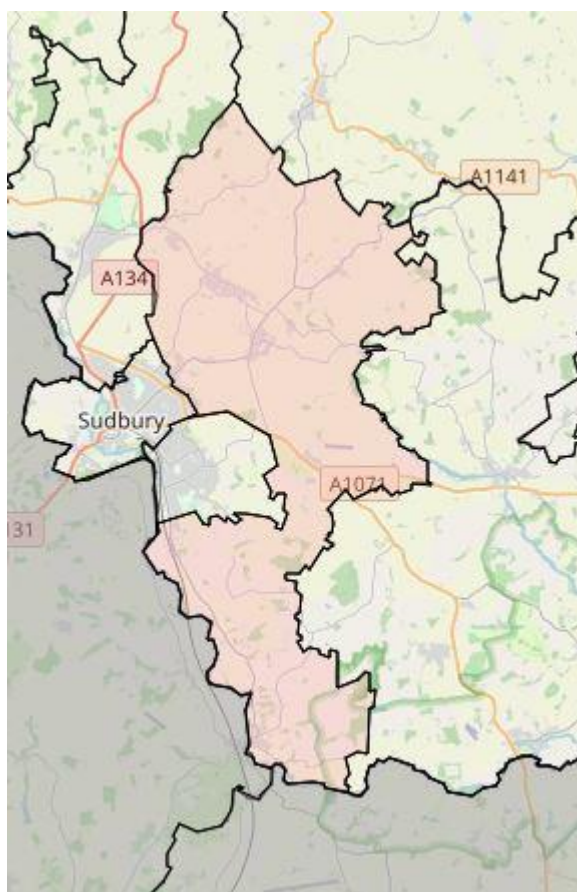
# Appendix A : Calculation of Affordability Thresholds

## A.1 Assessment geography

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.

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 Acton, it is considered that MSOA E02006232 is the closest realistic proxy for the Neighbourhood Area boundary when looking at income data, and as such, this is the assessment geography that has been selected. A map of E02006232 MSOA appears in Figure A-1.

**Figure A-1: MSOA E02006232 used as a best-fit geographical proxy for the Neighbourhood Area**



Source: ONS

## A.2 Market housing

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

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**

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.

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 Acton, 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.

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

- Value of a median NA house price (2021) = £278,000;
- Purchase deposit at 10% of value = £27,800;
- Value of dwelling for mortgage purposes = £250,200;
- Divided by loan to income ratio of 3.5 = purchase threshold of £71,486.

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 2021 was £228,000 and the purchase threshold is therefore £58,629.

It is also 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 shows there were no sales of new build properties in the NA in 2021. Therefore, in the absence of NA specific data for determining an accurate average cost of new build housing in Acton, AECOM has calculated an estimated cost of new build entry-level housing in the NA in 2021. This is important as it is the expected lower end of the market for new housing in the near future, and it is also the benchmark used for the likely cost of affordable home ownership products (calculated later in the Appendix). The estimated NA new build entry-level house price is calculated by determining the uplift between all house prices in 2021 across Babergh and new build house prices in 2021 in the same area. This percentage uplift is then applied to the 2021 lower quartile house price in the NA to give an estimated NA new build entry-level house price of £256,500 and purchase threshold of £65,957.

In order to provide a comparison with the wider local authority area, it is helpful to also look at the cost of new build housing across Babergh in 2021. The median cost of new build dwellings in Babergh was £360,000 with a purchase threshold of £92,571. This represents a 40% uplift in price on the estimated cost of an entry-level new build dwelling in the NA.

## ii) Private Rented Sector (PRS)

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.

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.

The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Area. The best available data is derived from properties available for rent within the CO10 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.

According to [home.co.uk](https://www.home.co.uk), there were 38 properties for rent at the time of search in August, 2022, with an average monthly rent of £1,283. There were 13 two-bed properties listed, with an average price of £925 per calendar month.

The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:

- Annual rent = £925 x 12 = £11,100;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £37,000.

The calculation is repeated for the overall average to give an income threshold of £49,520.

## A.3 Affordable Housing

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

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.

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 Acton. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Babergh in the Table A-1.

To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

**Table A-1: Social rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£80.95	£92.97	£102.80	£112.64	£95.34
Annual average	£4,209	£4,834	£5,346	£5,857	£4,958
Income needed	£14,017	£16,099	£17,801	£19,505	£16,509

Source: Homes England, AECOM Calculations

## ii) Affordable rent

Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).

Even an 80% discount on the market rent may not be sufficient to ensure that households can afford 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%.

Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Babergh. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.

Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 53% 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	£92.05	£112.23	£128.04	£162.86	£114.93
Annual average	£4,787	£5,836	£6,658	£8,469	£5,976
Income needed	£15,939	£19,434	£22,171	£28,201	£19,901

Source: Homes England, AECOM Calculations

### iii) Affordable home ownership

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.

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

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.

The starting point for these calculations is therefore the estimated cost of new build entry-level housing in the NA noted above of £256,500.

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

- Value of a new home (estimated NA new build entry-level) = £256,500;
- Discounted by 30% = £179,550;
- Purchase deposit at 10% of value = £17,955;
- Value of dwelling for mortgage purposes = £161,595;
- Divided by loan to income ratio of 3.5 = purchase threshold of £46,170.

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 £39,574 and £32,979 respectively.

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

Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m<sup>30</sup>) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Acton for 30-40% discounted First Homes. However, at the maximum 50% discount, the sale value would only be around £5,750 above the estimated build cost which may impact viability in Acton.

### **Shared ownership**

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'.

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.

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).

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

- A 25% equity share of £256,500 is £64,125;
- A 10% deposit of £6,413 is deducted, leaving a mortgage value of £57,713;
- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £16,489;
- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £192,375;
- The estimated annual rent at 2.5% of the unsold value is £4,809;

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<sup>30</sup> It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - <https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/>

- This requires an income of £16,031 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £32,521 (£16,489 plus £16,031).

The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £25,833 and £43,666 respectively.

Therefore, the values of income required to purchase 10% to 50% equity are below the £80,000 income thresholds limit.

### **Rent to Buy**

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)**

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.

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 =  $\frac{£200,000}{£25,000} = 8$ , (the house price is 8 times income).

## **Affordable Housing (NPPF Definition)**

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

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

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

c) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and



Rent to Buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

### **Affordable rented housing**

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods<sup>31</sup>.

### **Age-Restricted General Market Housing**

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

### **Annual Monitoring Report**

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

### **Basic Conditions**

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

### **Backlog need**

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

### **Bedroom Standard<sup>32</sup>**

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

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<sup>31</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

<sup>32</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

## **Co-living**

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

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

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

## **Community Right to Build Order<sup>33</sup>**

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

## **Concealed Families (Census definition)<sup>34</sup>**

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

## **Equity Loans/Shared Equity**

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

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<sup>33</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>34</sup> See [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)

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

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

## **Fair Share**

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

## **First Homes**

First Homes is another form of discounted market housing which will provide a discount of at least 30% on the price of new homes, introduced in 2021. These homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments will be required to provide 25% of Affordable Housing as First Homes. A more detailed explanation of First Homes and its implications is provided in the main body of the HNA.

## **Habitable Rooms**

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

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

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

## **Housing Market Area**

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

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

## **Housing Needs**

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

## **Housing Needs Assessment**

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

## **Housing Products**

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

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

Housing size can be referred to either in terms of the number of bedrooms in a home (a bedroom is defined as any room that was intended to be used as a bedroom when the property was built, any rooms permanently converted for use as bedrooms); or in terms of the number of rooms, excluding bathrooms, toilets halls or landings, or rooms that can only be used for storage. All other rooms, for example, kitchens, living rooms, bedrooms, utility rooms, studies and conservatories are counted. If two rooms have been converted into one they are counted as one room. Rooms shared between more than one household, for example a shared kitchen, are not counted.

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

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

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

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

## **Income Threshold**

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

## **Intercensal Period**

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

## **Intermediate Housing**

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

## **Life Stage modelling**

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

## **Life-time Homes**

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

## **Life-time Neighbourhoods**

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

## **Local Development Order**

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

## **Local Enterprise Partnership**

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

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

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

## **Local Planning Authority**

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

## **Local Plan**

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

## **Lower Quartile**

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

## **Lower Quartile Affordability Ratio**

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

## **Market Housing**

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

## **Mean (Average)**

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

## **Median**

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

## **Median Affordability Ratio**

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

## **Mortgage Ratio**

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years<sup>35</sup>, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

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

An NDO will grant planning permission for a particular type of development in a particular area. This could be either a particular development, or a particular class of development (for example retail or housing). A number of types of development will be excluded from NDOs, however. These are minerals and waste development, types of development that, regardless of scale, always need Environmental Impact Assessment, and Nationally Significant Infrastructure Projects.

## **Neighbourhood plan**

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

## **Older People**

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

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

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

## **Overcrowding**

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

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<sup>35</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

living room and one kitchen would be deemed overcrowded if three adults were living there.

### **Planning Condition**

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

### **Planning Obligation**

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

### **Purchase Threshold**

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

### **Proportionate and Robust Evidence**

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

### **Private Rented**

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

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

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

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

Housing for older people comprising of individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually



include support services for independent living. This type of housing can also include dementia care homes.

## **Rightsizing**

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

## **Rural Exception Sites**

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

## **Shared Ownership**

Housing where a purchaser part buys and part rents from a housing association or local authority. Typical purchase share is between 25% and 75% (though this was lowered in 2021 to a minimum of 10%), and buyers are encouraged to buy the largest share they can afford. Generally applies to new build properties, but re-sales occasionally become available. There may be an opportunity to rent at intermediate rent level before purchasing a share in order to save/increase the deposit level

## **Sheltered Housing<sup>36</sup>**

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 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. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also

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<sup>36</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

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

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

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

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

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

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

### **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>37</sup>

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<sup>37</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

