

Hitcham

Housing Needs Assessment (HNA)

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Quality information

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List of acronyms used in the text:

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
LA	Local Authority
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. Hitcham is a Neighbourhood Area located in the local authority area of Babergh. The Neighbourhood Area boundary covers the areas administered by the parish council.
2. The Office for National Statistics mid-2020 population estimate for Hitcham is 764 individuals, showing a decrease of 10 individuals since the 2011 Census.
3. There has been some development in Hitcham since 2011, with Babergh and Mid Suffolk providing completions data from 2011 to 2022 which showed the development of 8 dwellings. The total quantity of dwellings in the NA is therefore estimated to be 374. As of September 2021, outstanding commitments total 15 dwellings.
4. Our Executive Summary which follows details the conclusions of each chapter of the report, addressing the three research questions formulated at the outset of the research.
5. Data from the Census 2021 is being released at the local authority level throughout 2022. At present, only population and household data are available, with data on the dwelling stock expected by the end of the year. Data from the Census 2021 at the localised level, including parishes, will not be available until 2023 at the earliest. As such, neighbourhood level HNAs will draw on the latest available data at the local authority level and continue to use other data sets, including Census 2011 and ONS parish projections to build up evidence of demographics at the neighbourhood level. Up to date data is available at the neighbourhood level on the dwelling stock, prices, and rents from other sources (including the Valuation Office Agency and Land Registry). As such, most of the data the HNA draws on is not reliant on the Census

Tenure and Affordability

Current Tenure Profile

6. The 2011 Census suggests that Hitcham has a tenure profile which is generally similar to the trend found in the LA, with a high proportion of the parish population owning their own homes (76%). However, Hitcham does have a smaller socially rented stock than the district average. Both the parish and the LA have a higher proportion of the population who own their own homes than the national average.
7. Between 2001 and 2011, the private rental sector in Hitcham grew by 43%, which is slower than the growth of 101% seen in the district over the same time period, and the 82% growth rate nationally.

Affordability

8. Currently, the median house price in Hitcham is £409,500, having grown by 17% since 2012. Lower quartile prices grew at a slightly faster rate of 20% over the last decade and are currently £263,125.
9. Average household incomes in Hitcham are estimated to be around £44,000, though many households have substantially lower incomes. The lower quartile individual income (that of the lowest earning 25% of people) is £17,534 in 2020, so a household with two lower earners could be expected to earn around £35,068.

10. There are particularly acute issues of affordability in Hitcham, with the median house price requiring an income of £105,300, which is 139% above the average income. Moreover, purchasing an entry level new build home in Hitcham would still require an income 64% above that of the average earner. Issues of affordability would be felt even more severely by those on lower incomes.
11. Affordability is improved in the rental market and would be accessible to those households on average incomes. However, it would still present issues of affordability to households on lower incomes.
12. It should be noted that at the time of the study (October 2022) there was a scarcity of private rental accommodation on offer in Hitcham, which means the figures presented in this report may not fully reflect the lived experiences of private renters in Hitcham.
13. Given the large gap between affordability of renting and ownership, affordable home ownership products offer good potential to extend home ownership in the parish. To be considered affordable to average earners, First Homes would need to be offered at a minimum discount of 40%, and shared ownerships at an equity share of 25% would be comfortably affordable for households on average incomes. To be accessible to households with two lower earners, both First Homes at a 50% discount and shared ownerships at a 25% equity share would be marginally affordable.
14. Finally, for those still unable to afford subsidised routes to home ownership or to rent from a private landlord, affordable and social rented housing performs a vital function.

Quantity of affordable housing to plan for

15. A SHMA was completed for the Ipswich and Waveney in 2017 which considered the housing needs of the district and can be used to give an indication of the unmet need for affordable housing in Hitcham. When the figures for the full HMA area are prorated to the NA population (based on Hitcham representing 0.14% of the full HMA population), it would be expected that an addition of two new affordable homes per annum are required to meet the needs of the population.
16. Given the date of the relevant SHMA, and the fact that it is conducted on a much larger scale than the NA it is worthwhile using AECOM's own modelling to establish a more localised picture of the unmet need in the parish. AECOM's model suggests a need for two units for affordable rented and 44 units for affordable ownership over the plan period, representing an annualised total need for three new affordable units per annum.
17. This larger estimate reflects the substantial potential demand from households in the private rented sector who would prefer to buy. In practice, many of these households have other options in the market and may not take up affordable home ownership if it were available in Hitcham. This estimate is likely to represent the upper end of potential demand for these products. Given that Hitcham is unlikely to see a significant amount of housing development until provided with an updated housing requirement figure, the neighbourhood plan may wish to focus on delivering affordable rental units which respond to the most acute need in the parish.
18. This HNA would suggest a tenure mix in Hitcham of 50% affordable rented and 50% for affordable ownership accommodation. This is due to the particularly acute levels of

unaffordability in the parish. Whilst the modelling does suggest an increased demand for ownership products, it is likely that those seeking this option are already adequately housed, the most stress is likely to be felt by those earning the least, who would benefit from an increase in the provision of socially rented housing.

Delivery expectations and recommended tenure split

19. On the basis of Hitcham having exceeded its housing requirement figure, it is difficult to establish the number of affordable homes that might be delivered over the Neighbourhood Plan period. Moreover, without the new allocation of sites it is likely that any new housing that comes forward in the parish does so in small and infill sites which may not trigger the threshold for affordable housing.
20. Finally, affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using neighbourhood development orders, identifying exception sites, or developing community land trusts are all ways of boosting the supply of affordable housing. To deliver Affordable Housing in Hitcham which provides for both rented and home ownership needs, it is likely that an Affordable Housing- led scheme would be needed.

Type and Size

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.

Current housing stock and demographic change

22. Currently, there are an estimated 374 dwellings in Hitcham (based on the number dwellings completed since the 2011 Census). There is a limited diversity in the Hitcham housing mix, with a majority of homes being either detached or semi-detached (cumulatively 93%), with very few terraced dwellings or flats on offer in the parish (cumulatively 7%). This is a significant variation with patterns observed across Babergh and England in terms of a higher-than-average proportion of detached and semi-detached dwellings on offer in the Parish.
23. In terms of dwelling size, Hitcham has a high proportion of mid-larger sized homes of three or more bedrooms, which represent an estimated 70% of the housing stock. This is slightly higher than the average in Babergh and nationally, but not a significant deviation. There is a lack of smaller one bed dwellings in both the NA and the LA in comparison to the national averages. Generally, the data does suggest a housing profile that is biased towards family sized accommodation, albeit increasingly occupied by older households.

24. Hitcham has a population that is dominated by older people and families, with 2020 (ONS estimates) suggesting that those aged 45+ account for approximately 67% of the overall population in the parish. When compared to Babergh and England, Hitcham has a population profile with an older bias, with there being a decrease in the proportion of those aged 16-44 when compared to district and national trends.
25. Household projections suggest this trend is likely to continue into the future, and Hitcham could see a percentage increase of 73% in its older population over the Neighbourhood Plan period. This is in contrast to younger age groups which are either projected to stagnate or decline in number.
26. **The future housing mix** This study provides an insight into the likely need for different sizes of homes based on projected demographic change and gaps within the existing housing stock. To accommodate the future population of Hitcham and diversify the housing mix, AECOM's modelling suggests prioritising the provision of homes with two or three bedrooms.
27. It should be noted that this model is a fairly blunt indicator of future needs. It does not reflect the preferences of individuals or their potential desire to live in larger dwellings than they 'need'. For this reason, it may not be advisable to restrict future housing delivery too strictly to smaller dwelling sizes as the model suggests. An additional factor is the existing historic character and density of the built environment, which may not be well-suited to flats – which is the form that one/two -bedroom dwellings typically tend to take. In summary, there are good reasons to depart from the results of the HNA model to allow for more balance – retaining the emphasis on smaller homes but to a lower degree – if this aligns with the objectives of the community.
28. It is also important to remember that other factors should be considered in determining the overall 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 parish 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.

Specialist Housing for Older People

29. ONS estimates suggest that there are currently around 97 individuals aged 75 or over living in Hitcham. This has grown from 76 in 2011 and is projected to increase to 153 by the end of the Neighbourhood Plan period in 2037. This projection would suggest that people aged 75+ represents 17% of the total population of Hitcham by 2017. The older population is projected to almost double between the 2011 Census and the end of the Neighbourhood Plan period.
30. Hitcham currently does not have any form of specialist care housing facilities on offer in the parish. There are a number of facilities on offer within a 10km of the parish.
31. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of

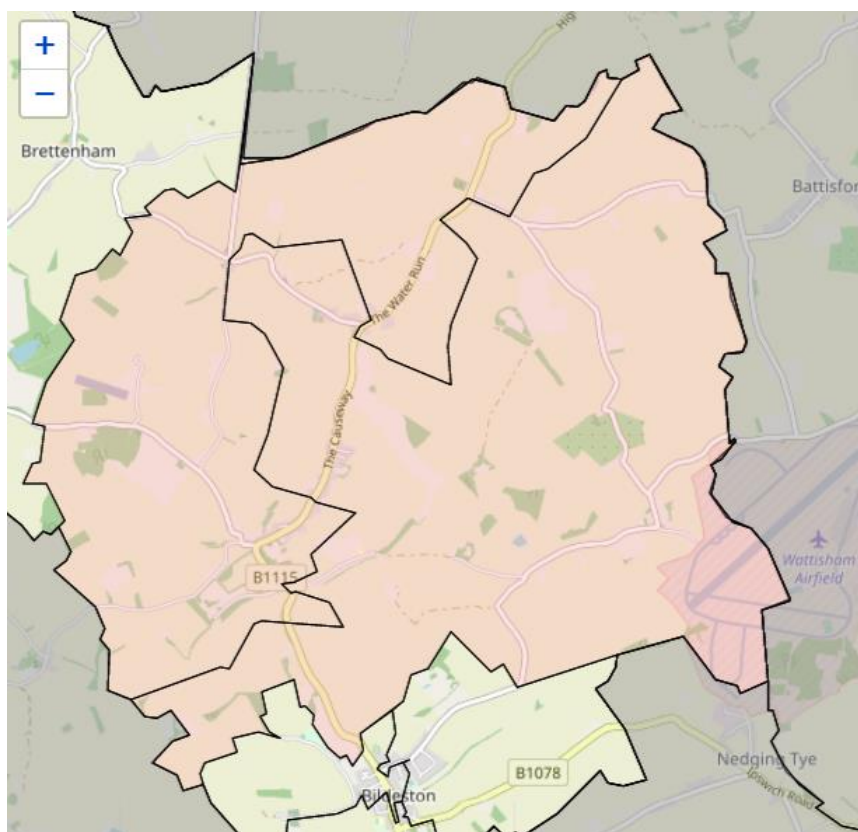
- disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
32. These two methods of estimating the future need in Hitcham produce a range of 19 to 22 specialist accommodation units that might be required during the Plan period.
 33. These estimates are based on the projected growth of the older population from the 2011 Census Figures – with the additional 77 people equating to approximately 55 households. In turn, it is assumed that a majority of the older population accounted for in the 2011 Census are already well accommodated in the existing housing stock.
 34. Given that Hitcham is a small village and has exceeded its housing requirement figure it is unlikely that any substantive specialist accommodation scheme is likely to come forward during the plan period. However, if new mainstream housing does come forward the Neighbourhood Planning group may wish to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. The local level evidence supplied in this report could be used to influence district policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
 35. Alongside the need for specialist housing to be provided in accessible locations, a further important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e., what is sometimes referred to as a 'hub-and-spoke' model).
 36. It is considered that Hitcham's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from Hitcham entirely within the Neighbourhood Area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of Hitcham, either Hadleigh or Stowmarket are considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Area (i.e., to be the hub in the hub-and-spoke model). If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself would not overlap.
 37. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

2. Context

Local context

38. Hitcham is a Neighbourhood Area located in Babergh and Mid Suffolk joint authority, in the East of England. Babergh and Mid Suffolk are two district councils which have fostered a regulatory partnership since 2011, with the councils currently exploring the idea of forming a unitary authority. However, this arrangement had not been formalised during the production of this report (October 2022). In terms of population, the district councils have a combined population of 195,000 (Babergh, 92,300 and Mid Suffolk, 102,700) as of the 2021 Census. Hitcham was designated by Babergh District Council as a Neighbourhood Area on January 7th, 2020.
39. The proposed Neighbourhood Plan period starts in 2018 and extends to 2037, therefore comprising a plan period of 17 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.
40. Hitcham is a village located northwest of Ipswich. The village is relatively small in size and does not benefit from a wide range of services. It is likely that residents in the parish use Stowmarket and Hadleigh as their main service centres, which are both approximately seven miles from Hitcham.
41. For Census purposes, the Neighbourhood Area is made up, like the rest of England, of statistical units called Output Areas (OAs). The designated NA boundary does not easily map to OAs, so for data collection purposes the OAs referenced below are used as the most realistic proxy of the NA. Although this area is set at a slightly larger spatial scale than the parish boundary it represents the best reflection of the designated parish boundary. Moreover, given the proximity, it is likely that the population of the wider area would still have a direct impact on the local housing market. The OAs used for gathering Census data in this study are as follows (a map of the relevant OAs is also included below):
 - E00152242
 - E00152243

Figure 2-1: Map of the NA as OAs¹



Source: NOMIS website

42. The statistics show that in the 2011 Census the NA had a total of 774 residents, formed into 327 households and occupying 366 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 Hitcham is 764 – indicating population decline of around 10 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.
43. From the 2011 Census results there are currently 366 dwellings formed into 327 households. Between 2012 and 2021 there were eight dwellings completed within in the parish, with a further 15 under construction. This takes the current housing stock to an estimated 374 dwellings. The apparent small decrease in population is not necessarily inconsistent with the small increase in dwellings in the NA as it is likely that household size has fallen over time, in part due to the ageing population.
44. When released, data from the 2021 Census will provide a more accurate picture of demographics in the parish. New Census data is expected to be released at various points across 2022, with parish-level data to follow in 2023. These figures will provide a more accurate picture of population growth and other details.

¹ Available at <https://www.nomisweb.co.uk/query/construct/components/mapHComponent.asp?menuopt=12&subcomp=103>

47. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Hitcham, are closely linked to other areas. In the case of Hitcham, changes in need or demand in settlements nearby is likely to impact on the neighbourhood.
48. In summary, Hitcham 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 plays 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

49. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.³ In the case of Hitcham, the relevant adopted Local Plan for Babergh consists of:
- Babergh Local Plan 2011-2031 – Core Strategy & Policies (2014)
50. Babergh and Mid Suffolk are currently in the process of producing a joint local plan, with a Local Development Scheme being approved by both LA's in October 2022. The document covers a period between 2022-2025, setting out a publication timetable for new planning policy documentation.

Policies in the adopted local plan

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

Table 2-1: Summary of relevant adopted policies in the Babergh Core Strategy

Policy	Provisions
Policy CS2: Babergh and Mid Suffolk classify settlements as Towns/Urban areas, Core Villages, Settlement Pattern	CS2: Babergh and Mid Suffolk classify settlements as Towns/Urban areas, Core Villages, Hinterland Villages and Countryside. Hitcham is classified as a Hinterland Village.
Policy	Development in Hinterland villages will accommodate site allocations which respond to local need.
Policy CS3: Strategy for Growth and Development	The LA consider a 'new' growth of 2,500 dwellings would be appropriate in the district over the 20-year plan period. Based on existing commitments at the time of the plan adoption, this new growth equates to 2,430 new units. The plan also makes accommodations for a windfall figure of 1,640 dwellings. In total the plan makes provisions for the delivery of 5,975 new dwellings in Babergh between 2011-2031.

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

Policy	Provisions
Policy Affordable Homes	CS19: All new residential dwellings that come forward will be required to provide 35% affordable housing. Based on the evidence in 2011, the plan recommends that this 35% of all housing should follow a tenure split of 75% socially rented and 25% affordable home ownership.

Quantity of housing to provide

52. 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.
53. Babergh and Mid Suffolk has fulfilled that requirement by providing Hitcham with an indicative figure of 17 dwellings to be accommodated within the Neighbourhood Area by the end of the Local Plan period (2037).⁴ The group have indicated that this target has currently been exceeded. This is borne out by completions data provided by the LA, showing eight dwellings completed and 15 currently under construction. As such, for the purposes of this study there appears to be no outstanding housing requirement for the NA.

⁴ As confirmed during inception call with NA planning steering group

3. Approach

Research Questions

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

Tenure and Affordability

55. 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.
56. This evidence will allow Hitcham 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.

RQ1: What Affordable Housing (e.g., social housing, affordable rented, shared ownership, discounted market sale, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

Type and Size

57. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community.
58. 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.
59. 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.
60. 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.

RQ2: 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?

Specialist Housing for Older People

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

RQ3: What provision should be made for specialist housing for older people over the Neighbourhood Plan period?

Relevant Data

62. 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 a range of other data sources, including:

- Census 2011 and Census 2021 (the latter only available at the local authority level at present)
- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information at the neighbourhood level;
- 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 and Waveney Housing Market Areas SHMA Parts 1 & 2

63. Data from the Census 2021 is being released at the local authority level throughout 2022. At present, only population and household data are available, with data on the dwelling stock expected by the end of the year. Data from the Census 2021 at the localised level, including parishes, will not be available until 2023 at the earliest. As such, neighbourhood level HNAs will draw on the latest available data at the local authority level and continue to use other data sets, including Census 2011 and ONS parish projections to build up evidence of demographics at the neighbourhood level. Up to date data is available at the neighbourhood level on the dwelling stock, prices, and rents from other sources (including the Valuation Office Agency and Land Registry). As such, most of the data the HNA draws on is not reliant on the Census.

4. RQ1: Tenure, Affordability, and the Need for Affordable Housing

RQ1: What Affordable Housing (e.g., social housing, affordable rented, shared ownership, discounted market sale, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

Introduction

64. 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.
65. 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 such as 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.
66. 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'*⁵. The full document further outlines the tenures included in this definition. Those outlined in Table 4-1 would fall under this NPPF definition of Affordable Housing.

⁵ Available here -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005759/NPPF_July_2021.pdf

Table 4-1: Breakdown of Affordable Housing tenures

Tenure	Rent/Ownership	Brief Description
Social Rent	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>
Affordable Rent	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>
Rent to Buy	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>
Shared Ownership	Ownership	<p>An affordable home ownership product where a purchaser buys part (generally between 25% and 75% but can be as little as 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>
First Homes	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>

67. As part of the effort to expand home ownership, the Government introduced the First Homes product in 2021.⁶ Because the First Homes product is new and expected to be

⁶ The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

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

68. 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.
69. Table 4-2 presents data on tenure in Hitcham compared with Babergh and England from the 2011 Census, which is the most recent available source of this information. From this data it can be confirmed that owner occupation was the most common tenure in Hitcham accounting for 76% of households. This is broadly similar to the trend across the LA, indeed Hitcham generally follows the trend set in the LA for all housing tenures. The only area that displays some kind of variation is in the socially rented stock, which has a share that is approximately seven percentage points below that of the district. In terms of how the parish compares to the national context, the proportion of the population who own their own homes is almost 13 percentage points higher in Hitcham than the national average. The other point of note is an approximate 12 percentage point lower proportion

of the population are living in socially rented accommodation than there are nationally.

70. Completions data show that there were eight new dwellings in Hitcham between 2011 and 2021, with a further 15 currently under construction. The data does not confirm how many of these were delivered as affordable, however given that the largest completed development in the parish was two dwellings it is unlikely that any affordable housing has been delivered in this time. From the data provided by Babergh and Mid Suffolk, the current register has seven households who are waiting for affordable housing.
71. 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. In Hitcham, the private rented sector expanded by 43% between 2001 and 2011. This growth is relatively low when compared to the growth of 101% in the district and 82% nationally over the same time period. However, Hitcham is a small parish with a relatively small population, meaning these figures represent growth from a small base.

Table 4-2: Tenure (households) in Hitcham, 2011

Tenure	Hitcham	Babergh	England
Owned	75.8%	71.9%	63.3%
Shared ownership	0.3%	0.5%	0.8%
Social rented	5.8%	13.1%	17.7%
Private rented	15.3%	12.6%	16.8%

Sources: Census 2011, AECOM Calculations

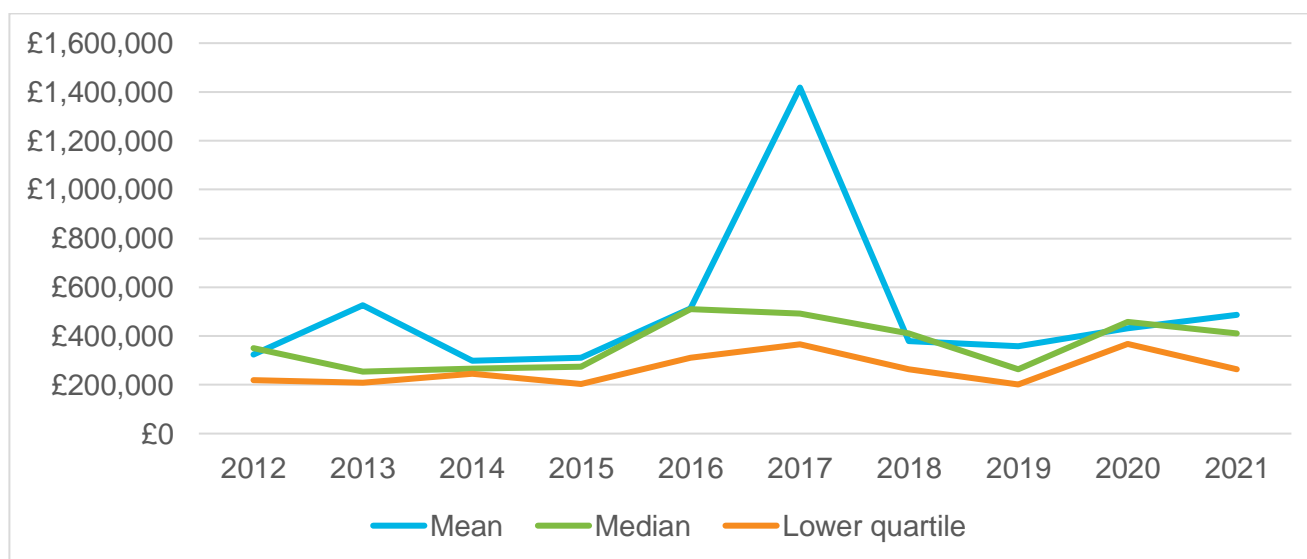
Affordability

House prices

72. 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.
73. Figure 4-1 looks at the average and lower quartile house prices in Hitcham based on sales price data published by the Land Registry. It shows that on average house prices grew by 50% between 2012 and 2021. The current average price is £485,333. The figures below show quite considerable fluctuations in the average over this time period, particularly in 2017, where the average house price was £1,418,035. This average is skewed significantly by two sales (both for £6.1 million) and generally cannot be considered as an accurate reflection of house prices in the parish. In turn, the median house prices (currently £409,500) present a more accurate picture of price growth over the last decade. The figure shows that median prices grew by 17% over this time period. However, when analysing the year-on-year changes, the median also shows some fluctuation.

74. Another point worthy of note is the growth in lower quartile prices. The average LQ price currently stands at £263,125, having grown by 20% over the last decade.
75. In comparison to national levels and many other neighbourhood across the country, house price growth has been relatively limited over the last decade. However, prices started at a relatively high base in 2012. Indeed, the median sale in Hitcham was £350,000 in 2012 and £410,000 in 2021, which is high when compared to the 2021 national average of £280,000 (ONS). This high base when coupled with a low turnover in terms of sales means house prices in Hitcham were high in 2012 and have remained so over the last decade.

Figure 4-1: House prices by quartile in Hitcham, 2012-2021



Source: Land Registry PPD

76. Table 4-3 breaks down house prices by type, presenting the median within each type. It shows that there was a growth of 17% in housing types over the ten-year period between 2012-2021. Semi-detached house prices grew most at 64% between 2012 and 2021. Detached housing grew by 22% over the same period.
77. One point, worthy of note, is that over the 10-year period there were no sales of flats in the parish, which is likely to reflect the small number of these properties in the parish (see Section 5 for further analysis of type and size).

Table 4-3: Median house prices by type in Hitcham, 2012-2021

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£373,750	£360,000	£266,250	£276,500	£617,500	£492,500	£440,500	£458,000	£475,000	£457,500	22.4%
Semi-detached	£174,250	£206,000	£233,000	£273,000	£379,000	£192,000	£312,500	-	£320,000	£285,750	64.0%
Terraced	-	£201,000	£275,000	-	£220,000	£325,000	£105,000	£215,000	-	-	7.0%
Flats	-	-	-	-	-	-	-	-	-	-	-
All Types	£350,000	£254,000	£266,250	£274,750	£510,000	£492,500	£410,000	£262,500	£456,500	£409,500	17.0%

Source: Land Registry PPD

Income

78. 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.
79. 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 £44,000 in 2018. A map of the area to which this data applies is provided in Appendix A.
80. 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.
81. 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

82. 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 renting, or a mortgage given local housing prices.
83. AECOM has determined thresholds for the income required in Babergh 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.
84. 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.
85. 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.

86. 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.
87. 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 to interpret the findings with a degree of flexibility.
88. Table 4-4 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.
89. The same information is presented as a graph in Figure 4-2 on a subsequent page, with selected measures from the table presented for clarity.

Table 4-4: Affordability thresholds in Hitcham (income required, £)

Tenure	Mortgage Value	Rent	Income required	Affordable on mean incomes? (£44,000)	Affordable on LQ 1 incomes? (£17,534)	Affordable on LQ 2 incomes? (£35,068)
Market Housing						
Median House Price	£368,550	-	£105,300	No	No	No
Estimated NA New Build Entry-Level House Price	£253,196	-	£72,342	No	No	No
LQ/Entry-level House Price	£236,813	-	£67,661	No	No	No
LA New Build Median House Price	£306,000	-	£87,429	No	No	No
Average Market Rent	-	£11,160	£37,200	Yes	No	No
Entry-level Market Rent	-	£12,156	£40,520	Yes	No	No
Affordable Home Ownership						
First Homes (-30%)	£177,237	-	£50,639	No	No	No
First Homes (-40%)	£151,917	-	£43,405	Yes	No	No
First Homes (-50%)	£126,598	-	£36,171	Yes	No	Marginal
Shared Ownership (50%)	£126,598	£3,517	£47,893	No	No	No
Shared Ownership (25%)	£63,299	£5,275	£35,668	Yes	No	Marginal
Shared Ownership (10%)	£25,320	£6,330	£28,334	Yes	No	Yes
Affordable Rented Housing						
Affordable Rent	-	£5,476	£18,235	Yes	Marginal	Yes
Social Rent	-	£4,829	£16,080	Yes	Yes	Yes

Source: AECOM Calculations

90. 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.
91. Table 4-4 above shows particularly acute levels of unaffordability relative to market housing. The median house price in Hitcham would require an income of at least £105,300 to be deemed affordable, a figure that is 139% of current average incomes. New build and entry level housing is also unaffordable relative to average incomes, with purchasing thresholds requiring 64% and 54% above average incomes respectively. As such, it can be concluded that market housing in Hitcham is generally unaffordable relative to average household incomes.

Market housing for purchase and rent

92. 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. As has been explained above, the median house price would require an annual income 139% higher than the current average. Moreover, average earners trying to purchase entry level housing would require an income of almost £68,000 – substantially higher than the average income of £44,000. As such, people unable to access this tenure option may need to turn to the private rental market.
93. Private rental generally requires an income of £37,200, which would be affordable to households with average incomes. For households made up of two lower quartile earners private rental may be affordable if they are able to contribute a larger portion of their income to rental costs, which would equate to approximately an extra £2,000 per annum. This arrangement would have repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.
94. It should be noted that these figures are established using rental costs at the time of writing, (as explained in Appendix A.2ii). Considering the size of the village, and the number of rental properties available, it may be the case that these figures do not accurately reflect the lived experience in the parish – which may be higher or lower than the averages suggest.

Affordable home ownership

95. There is a relatively large group of households in Hitcham who may be able to afford to rent privately but cannot afford home ownership. They typically have incomes between around £44,000 per year (at which point entry-level rents become affordable) and

£67,661 (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.

96. 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.
97. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Drawing of the figures presented in Table 4-4, First Homes only start to become affordable for average earners at discounts of 40%. Discounts of 50% are marginally affordable to households with 2x LQ earners, but still do require an income that is 3% higher than the income threshold for lower earners.
98. Table 4-5 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. In this case however, there were no sales of new build homes to establish an accurate presentation of prices locally. As such, the NA new build price is estimated by taking the price at the LA level and applying the same difference between average LA and average NA prices. In this case, the LA average price is higher than the NA average price and so new build prices at the LA level are reduced to reflect what is likely at the neighbourhood level.
99. It is also worth considering the discounts required for some additional price benchmarks. The table above uses the estimated 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. Broadly, even if new build First Homes can be priced in relation to entry level prices this makes little difference to affordability to those on average incomes or lower quartile earnings in Hitcham.

Table 4-5: Discount on sale price required for households to afford First Homes

House price benchmark	Mean household income	Single earner	LQ	Dual earning household	LQ
NA Median House Price	58%		83%		67%
NA Estimated New Build Entry-Level House Price	39%		76%		52%
NA Entry-Level House Price	35%		74%		48%
LA Median New Build House Price	50%		80%		60%

Source: Land Registry PPD; ONS MSOA total household income

100. Shared ownership appears to be slightly more affordable than First Homes but is broadly still only accessible to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.⁷ If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
101. 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.
102. 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 and considering the relatively high rental rates in the parish, First Homes and Shared Ownership may still be more appealing options to households trying to access the housing market.
103. 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 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.
104. 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

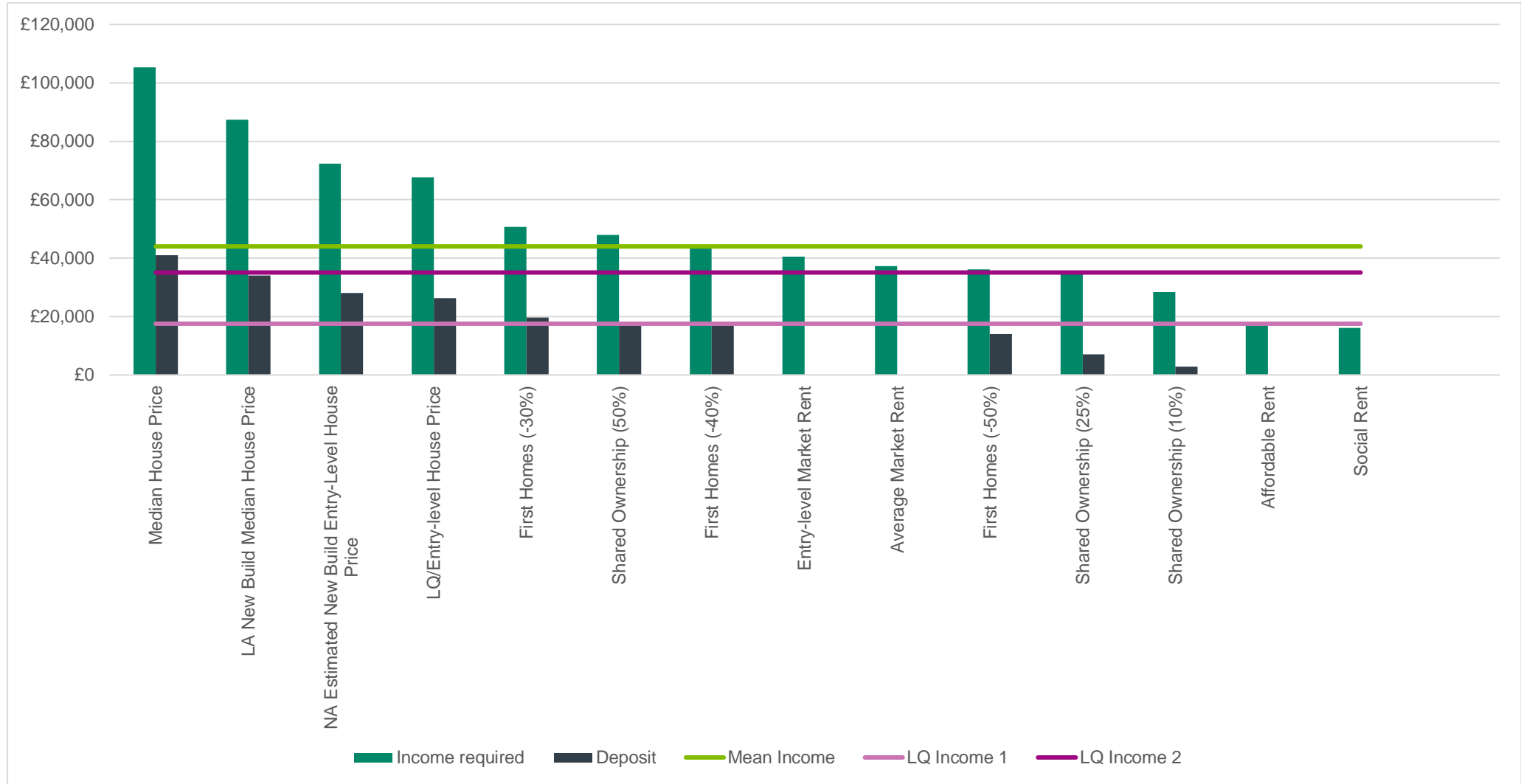
⁷ The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

to those with little or no savings for a deposit, and First Homes (especially at 50% discount) may provide a better long-term investment to those who can afford to access it.

Affordable rented housing

105. 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 but this depends on the eligibility criteria of the Local Authority's waiting list). Affordable rents appear marginally affordable to households with a single lower earner. However, many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
106. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Hitcham 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 4-2: Affordability thresholds in Hitcham, income required (additional cost of deposit in black)



Source: AECOM Calculations

Affordable housing- quantity needed

107. The starting point for understanding the need for affordable housing in Hitcham is the relevant Strategic Housing Market Assessment SHMA. A SHMA was undertaken for the Ipswich and Waveney Housing Market Areas in May 2017. This study estimates the need for affordable housing in the District based on analysis of the Council's housing waiting list and analysis of other data sets in line with Planning Practice Guidance at the time. The SHMA identifies an unmet need for 3,086 additional affordable homes in the HMA. This need is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents. A small proportion of these households may be able to afford shared ownership because in some cases it is more affordable than market rents, especially when available at a share of 25%.
108. When the SHMA figures are pro-rated to represent the parish population (0.14% of the HMA's population), this equates to 2 homes per annum (predominately for social/affordable rent) in Hitcham which contribute to the unmet need over the HMA. The SHMA does not project forward to a specific date to calculate the need for affordable housing over a specific Local Plan period, it does however break down an annualised need for 1,187 new dwellings per annum over the Ipswich and Waveney housing market area.
109. Given the scale of the relevant SHMA, and also that it was conducted in 2017 and is now 5 years old, it is a worthwhile exercise to use AECOM's own modelling to provide a more localised picture of need. Using this method will also allow this HNA to more accurately project need forward to the end of the neighbourhood plan period, which is more difficult using the SHMA findings.
110. In Table 4-6 we have calculated, using PPG as a starting point,⁸ an estimate of the total need for affordable rented housing in Hitcham over the Plan period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. For example, Census 2011 data is increasingly out-of-date. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out here are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.
111. It should also be noted that figures in Table 4-6 are largely dependent on information provided by Babergh and Mid Suffolk in its capacity as manager of the local housing waiting list.
112. The table shows that there are currently about seven households in Hitcham unable to access affordable rented homes suitable to their needs. The table also suggests that, over the Plan period, one additional household in the Neighbourhood Area will fall into need, producing total need for affordable rented homes of eight households

⁸ Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

113. When relating the prorated HMA figures and the output of AECOM’s modelling, 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 Hitcham the lack of social housing means there is limited need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). This means it is difficult to identify need for social/affordable rented housing within Hitcham.

Table 4-6: Estimate of need for Affordable Housing for rent in Hitcham

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current households in need	7.0	Latest waiting list data available from MHCLG Local authority housing statistics data return (households in priority need). Pro rata for the NA. Replace with neighbourhood level data if provided by LA.
1.2 Per annum	0.4	1.1 divided by the plan period 2020-2037
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	47.9	MHCLG 2018-based household projections for the LA between start and end of plan period. % increase applied to NA
2.2 Proportion of new households unable to rent in the market	10.3%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA
2.2.1 Current number of social renters in NA	20.7	2011 Census + LA-level % increase
2.2.2 Number of private renters on housing benefits	9.9	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	4.9	Step 2.1 * Step 2.2
2.4 Per annum	0.3	Step 2.3 divided by plan period 2020-2037
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of social/affordable re-lets (including transfers) %	3.0%	Assumed proportion of stock re-let each year
3.2 Supply of social/affordable re-lets (including transfers)	0.6	Step 3.1 x NA social rented stock (2.2.1)
NET SHORTFALL (OR SURPLUS) OF RENTED UNITS PER ANNUM		
Overall shortfall (or surplus) per annum	0.1	Step 1.2 + Step 2.4 - Step 3.2
Overall shortfall (or surplus) over the plan period	1.4	(Step 1.1 + Step 2.3) - Step 3.2 * plan period

Source: AECOM model, using Census 2011, English Housing Survey 2018, DLUHC 2018 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency. Figures may not sum due to rounding.

114. Turning to Affordable Housing providing a route to home ownership, Table 4-7 estimates the potential demand in Hitcham. This model aims to estimate the number of households that might wish to own their own home but cannot afford to – the ‘can rent, can’t buy’ group described in the previous section. The model is consistent with methods used at Local Authority scale in taking as its starting

point households currently living in or expected to enter the private rented sector who are not on housing benefit.

115. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.⁹ No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.
116. The result of the calculation is three households per annum who may be interested in affordable home ownership (or 44 for the entirety of the Plan period).
117. Again, this assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal because of the lack of shared ownership in the NA currently.
118. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

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⁹ <http://www.ipsos-mori-generations.com/housing.html>

Table 4-7: Estimate of the potential demand for affordable housing for sale in Hitcham

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in NA	60.9	Census 2011 number of renters * national % increase to 2018
1.2 Percentage renters on housing benefit in LA	16.2%	% of renters in 2018 on housing benefit
1.3 Number of renters on housing benefits in NA	9.9	Step 1.1 * Step 1.2
1.4 Current need (households)	38.3	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	2.3	Step 1.4 divided by plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	47.9	LA household projections for plan period (2018 based) pro-rated to NA
2.2 % of households unable to buy but able to rent	10.9%	(Step 1.4 + Step 3.1) divided by number of households in NA estimated in 2020
2.3 Total newly arising need	5.2	Step 2.1 * Step 2.2
2.4 Total newly arising need per annum	0.4	Step 2.3 divided by plan period
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	1.6	Number of shared ownership homes in NA (Census 2011 + LA new build to 2018/19 pro-rated to NA)
3.2 Supply - intermediate resales	0.1	Step 3.1 * 5% (assume rate of re-sale)
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Overall shortfall (or surplus) per annum	2.6	(Step 1.5 + Step 2.4) - Step 3.2
Overall shortfall (or surplus) over the plan period	43.8	(Step 1.4 + Step 2.3) - Step 3.2 * number of years to end of plan period

Source: AECOM model, using Census 2011, English Housing Survey 2018, DLUHC 2018 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency.

119. 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).
120. It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.

Affordable Housing policy guidance

121. Babergh's adopted policy on this subject Policy CS19 requires 35% of all new housing to be affordable. The number of new dwellings that have been provided for as Affordable Housing is not provided in the LA completions data, but given that the largest development either completed or under construction is for 6 new dwellings, it is unlikely that this target will have been reached in the NA.
122. 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.
123. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is specified in the Local Plan as 75% for affordable rental and 25% for affordable home ownership. The HNA can supply more localised evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Hitcham specifically.
124. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:

- A. **Evidence of need for Affordable Housing:** This study estimates that Hitcham requires roughly eight units of affordable rented housing and 44 units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.

The relationship between these figures suggests that 15% of Affordable Housing should be rented and 85% 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.

Given the disparity between income and the threshold at which housing options become affordable, it might be worthwhile to balance the tenure mix to allow for the delivery of both affordable rental and ownership accommodation to address the acute need for Affordable Housing in the parish. If the quantity of new housing were unlimited, a tenure split which deviates from the one offered in the Local Plan (75% affordable rental and 25% affordable home ownership) of 50% affordable rented and 50% affordable home ownership might be more reflective of local need. 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.

The NA was provided with a Housing Requirement Figure of 17 units to be delivered between 2011-2031. Completions' data provided by Babergh and Mid Suffolk show that this figure will be surpassed once some of the dwellings currently under construction in the parish are completed. If the Local Plan target of 35% were achieved on every site, up to around six affordable homes might be expected in the NA. There was no indication from the LA that any of these dwellings have been provided as affordable. However, given that all development has come forward smaller sites of under 10 dwellings, it is unlikely that the established need for affordable has been met in full.

Given that the existing housing requirement for Hitcham appears to have been met, the expected volume of future delivery is uncertain and so it can be assumed any new affordable housing supply will be limited.

- C. **Government policy (e.g., NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in Babergh and Mid Suffolk, where 35% of all housing should be affordable, a minimum of 29% of all Affordable Housing should be for affordable ownership. This does not currently comply with the guideline tenure split sought in the Local Plan.

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 Hitcham would prejudice the provision of much needed affordable rented homes/ delivery 10% or more of homes as affordable home ownership would impact on the ability to deliver social/affordable rented homes.

- D. **Local Plan policy:** As noted above, the adopted Core Strategy seeks a tenure split of 75% for affordable rental and 25% for affordable home ownership.

- E. **First Homes policy:** the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.

This new minimum requirement may have the effect of displacing other products in any established tenure mix and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. Given the commentary included in point C, and the 75/25 tenure split referenced above, adopting the 25% minimum requirement would have a displacement effect on providing other affordable housing products.

National policy dictates that after the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a 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 and Mid Suffolk, 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 it becomes available.
- H. **Existing tenure mix in Hitcham:** The socially rented sector in Hitcham is smaller than the district and national average, by approximately 6 and 12 percentage points, respectively. Alongside particularly poor affordability of housing on the open market, it can be suggested that some provision of Affordable Housing would offer a wider choice of homes for local residents. Also of particular importance, it 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 Hitcham 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.

125. On the basis of the considerations above, Table 4-8 proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
126. Given what has been presented above in points A-J, this HNA would suggest a tenure split of 50% for affordable rental and 50% for affordable ownership. This split is a departure from the one in the currently adopted core strategy. However, this indicative mix is a response to updates to national policy on the delivery of Affordable Housing which require delivery of First Homes, as well as evidence of local need for affordable home ownership. Adopting the mix recommended above would allow for 10% of all housing delivery to be affordable and would meet the national requirement for 25% of all Affordable Housing to be delivered as First Homes. In the interests of diversity and maximising choice, a further 15% could be allocated to shared ownership, as this proved an affordable avenue for the Hitcham population to access homeownership. A further 10% could be provided as Rent to Buy, enabling those with limited savings to build a deposit to buy.
127. The evidence of local affordable housing needs suggests there is some demand for affordable rented housing to meet more acute needs. This tenure mix would enable this to be delivered.
128. 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. It should be noted in particular that the likelihood of low levels of delivery of affordable housing in Hitcham may mean that it is not possible to deliver a genuine mix of affordable housing as envisaged here. The suggested mix may, in practice imply delivering fractions of different product types. This is the case in most rural parishes where small numbers of homes are delivered. However, the aim of the suggested tenure mix is to provide a starting point for the group to think about what type of affordable housing might be most suited to the area in the event that a large site, or indeed an Affordable Housing- led site, were to come forward.
129. 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 and Mid Suffolk to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
130. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

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

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	50%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders, and buyer appetite etc.
Shared ownership	15%	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	10%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	50%	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

Conclusions- Tenure and Affordability

Current Tenure Profile

131. The 2011 Census suggests that Hitcham has a tenure profile which is generally similar to the trend found in the LA, with a high proportion of the parish population owning their own homes (76%). However, Hitcham does have a smaller socially rented stock than the district average. Both the parish and the LA have a higher proportion of the population who own their own homes than the national average.

132. Between 2001 and 2011, the private rental sector in Hitcham grew by 43%, which is slower than the growth of 101% seen in the district over the same time period, and the 82% growth rate nationally.

Affordability

133. Currently, the median house price in Hitcham is £409,500, having grown by 17% since 2012. Lower quartile prices grew at a slightly faster rate of 20% over the last decade and are currently £263,125.

134. Average household incomes in Hitcham are estimated to be around £44,000, though many households have substantially lower incomes. The lower quartile individual income (that of the lowest earning 25% of people) is £17,534 in 2020, so a household with two lower earners could be expected to earn around £35,068.
135. There are particularly acute issues of affordability in Hitcham, with the median house price requiring an income of £105,300, which is 139% above the average income. Moreover, purchasing an entry level new build home in Hitcham would still require an income 64% above that over the average earner. Issues of affordability would be felt even more severely by those on lower incomes.
136. Affordability is improved in the rental market and would be accessible to those households on average incomes. However, it would still present issues of affordability to households on lower incomes.
137. It should be noted that at the time of the study (October, 2022) there was a scarcity of private rental accommodation on offer in Hitcham, which means the figures presented in this report may not fully reflect the lived experiences of private renters in Hitcham.
138. Given the large gap between affordability of renting and ownership, affordable home ownership products offer good potential to extend home ownership in the parish. To be considered affordable to average earners, First Homes would need to be offered at a minimum discount of 40%, and shared ownerships at an equity share of 25% would be comfortably affordable for households on average incomes. To be accessible to households with two lower earners, both First Homes at a 50% discount and shared ownerships at a 25% equity share would be marginally affordable.
139. Finally, for those still unable to afford subsidised routes to home ownership or to rent from a private landlord, affordable and social rented housing performs a vital function.

Quantity of affordable housing to plan for

140. A SHMA was completed for the Ipswich and Waveney in 2017 which considers the housing needs of the district and can be used to give an indication of the unmet need for affordable housing in Hitcham. When the figures for the full HMA area are prorated to the NA population (based on Hitcham representing 0.14% of the full HMA population), it would be expected that an addition of two new affordable homes per annum are required to meet the needs of the population.
141. Given the date of the relevant SHMA, and the fact that it is conducted on a much larger scale than the NA it is worthwhile using AECOM's own modelling to establish a more localised picture of the unmet need in the parish. AECOM's model suggests a need for two units for affordable rented and 44 units for affordable ownership over the plan period, representing an annualised total need for three new affordable units per annum.
142. This larger estimate reflects the substantial potential demand from households in the private rented sector who would prefer to buy. In practice, many of these

households have other options in the market and may not take up affordable home ownership if it were available in Hitcham. This estimate is likely to represent the upper end of potential demand for these products. Given that Hitcham is unlikely to see a significant amount of housing development until provided with an updated housing requirement figure, the neighbourhood plan may wish to focus on delivering affordable rental units which respond to the most acute need in the parish.

143. This HNA would suggest a tenure mix in Hitcham of 50% affordable rented and 50% for affordable ownership accommodation. This is due to the particularly acute levels of unaffordability in the parish. Whilst the modelling does suggest an increased demand for ownership products, it is likely that those seeking this option are already adequately housed, the most stress is likely to be felt by those lowest earners who would benefit from an increase in the provision of socially rented housing.

Delivery expectations and recommended tenure split

144. On the basis of Hitcham having exceeded its housing requirement figure, it is difficult to establish the number of affordable homes that might be delivered over the Neighbourhood Plan period. Moreover, without the new allocation of sites it is likely that any new housing that comes forward in the parish does so in small and infill sites which may not trigger the threshold for affordable housing.
145. Finally, affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using neighbourhood development orders, identifying exception sites, or developing community land trusts are all ways of boosting the supply of affordable housing. To deliver Affordable Housing in Hitcham which provides for both rented and home ownership needs, it is likely that an Affordable Housing-led scheme would be needed.

5. RQ2: Type and Size

RQ2: 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

146. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Hitcham 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.
147. 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

148. 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.
149. 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.
150. 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.
151. 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.

152. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. For some aspects, such as the size mix of homes, adding together Census figures and completions data for the intervening period is highly accurate. For others, such as the type mix of homes, this method is not available, and Valuation Office Agency (VOA) must be used. The most appropriate combination of approaches is used in this section.

Dwelling type

153. Following the 2011 Census, there were 366 dwellings comprising 327 households. Since then, there has been approximately eight dwellings completed within one lost, taking the current housing stock to approximately 374. There were a further 15 dwellings under construction at the time of conducting this study (October, 2022).

154. Table 5-1 below provides a breakdown of the housing profile in terms of dwelling type. It suggests that in 2011 there were a high proportion of detached dwellings (61%), with semi-detached dwellings (27%) being the next most common dwelling type. In comparison there was a relatively small proportion of flats (1.6%) and terraced (4.4%) dwellings.

155. It is possible to use VOA (2021) data to complement the 2011 Census, however in this case Census 2021 still represents the most accurate reflection of the current housing stock. The main reason being that VOA data is collated at the MSOA level and given the size of Hitcham its likely that data at this much larger spatial scale may have a distorting impact. The data is also rounded to the nearest 10 in each dwelling category. Considering the small number of dwellings on offer in the parish, the factors do have the potential to skew figures in this case. Moreover, given that there have only been eight dwellings completed in the parish since 2011, it is unlikely that the housing stock will have changed dramatically during this time.

156. The one figure of note from the VOA data is the figures provided for bungalows, which represented 16% of the housing stock in the relevant MSOA.

Table 5-1: Accommodation type, Hitcham, 2011 and 2021

Dwelling type	2011 (Census)
Bungalow	-
Flat	1.8%
Terrace	4.7%
Semi-detached	28.6%

Detached	65.0%
Unknown/other	-
Total	100%

Source: ONS 2011, VOA 2021, AECOM Calculations

157. Table 5-2 below compares Hitcham's housing type to trends found in the LA and nationally. The table shows that Hitcham has significantly higher proportion of Detached (65%) dwellings than can typically be found, both Babergh (42%) and nationally (22%). In turn, this trend is borne out in the number of terraced (4.7%) dwellings and flats (1.8%) that can be found across both of the comparative benchmarks. Generally, the parish has a similar number of semi-detached dwellings as the LA and England. Considering the NA has seen limited housing growth since the 2011 it can be concluded that the housing profile will not have changed dramatically since the 2011 Census and Hitcham still has a bias toward detached dwellings.

Table 5-2: Accommodation type, Hitcham, 2011

Dwelling type		Hitcham	Babergh	England
Whole house or bungalow	Detached	65.0%	41.6%	22.4%
	Semi-detached	28.6%	29.4%	31.2%
	Terraced	4.7%	21.7%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	0.9%	5.5%	16.4%
	Parts of a converted or shared house	0.6%	0.9%	3.8%
	In commercial building	0.3%	0.8%	1.0%

Source: ONS 2011, AECOM Calculations

Dwelling size

158. Similar to the analysis above, Table 5-3 below presents data on the size mix in terms of bedrooms in Hitcham. Following on from the approach outlined above, in this instance 2011 Census represents the most accurate reflection of the dwelling size in the NA. It should be noted at this stage that whilst completions data was provide by the LA, it was not broken down by room size and cannot therefore be included in this analysis. However, given the limited number of dwellings completed in this time so it is unlikely there is any noticeable change from the figures presented below.

159. The data does however suggest that 3-bedroom dwellings represent the highest share of housing stock in the parish. Approximately 74% of the dwellings in the parish have more than 3 bedrooms, which would suggest the parish has a residential profile in favour of family sized accommodation. Moreover, the higher presence of mid and larger sized dwellings contributes to the higher prices referenced in the previous chapter.

Table 5-3: Dwelling size (bedrooms), Hitcham, 2011 and 2021

Number of bedrooms	2011 (Census)
Studio	-
1	3.4%
2	22.3%
3	39.1%
4	23.5%
5+	11.6%
Unknown	-
Total	100%

Source: ONS 2011, VOA 2021, AECOM Calculations

160. Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country. Hitcham generally appears to follow trends set in Babergh, with limited variation between the number of bedrooms on offer in the two geographies. Compared to the national dwelling mix, Hitcham has a smaller proportion of 1 bedroom dwellings and larger proportion of 4+ bedroom dwellings.

Table 5-3: Number of bedrooms in household spaces in [NA name], 2011

Bedrooms	Hitcham	Babergh	England
All categories: no. of bedrooms	100.0%	100.0%	100.0%
No. bedrooms	0.0%	0.1%	0.2%
1 bedroom	3.4%	6.3%	11.8%
2 bedrooms	22.3%	25.4%	27.9%
3 bedrooms	39.1%	42.0%	41.2%
4 bedrooms	23.5%	20.2%	14.4%
5 or more bedrooms	11.6%	6.0%	4.6%

Age and household composition

161. Having established the current stock profile in Hitcham 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

162. Table 5-5 shows the most recent estimated age structure of the NA population, alongside 2011 Census figures.

163. ONS (2020) population projections place the Hitcham population at approximately 764, which is 1% decrease on the 2011 Census figure (774). 2021 Census population figures are currently only available at LA level, when these figures are compared to the 2011 figures at the same level, they suggest that there has been a 5% increase (from 87,740 to 92,300) in the district-wide population over the ten-year period. If this percentage change is pro-rated to the

NA, the population is estimated to be 813. When 2021 Census data is released at parish level it will provide a more accurate picture of the population and age structure in the parish. However, for the purpose of this study ONS and 2011 Census data will be compared.

164. According to the ONS data presented in Table 5-5 the largest cohort of the population are aged between 45-64 (37%), followed by those aged 65-84 (26.6%). When the two datasets are compared there are two points worthy of note, occurring at both ends of the population structure. Firstly, the data shows a decrease in each cohort aged under 45, and growth in each cohort thereafter. The data suggests Hitcham is experiencing a decline in its younger population and an increase in its older population.
165. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2020 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.
166. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2020 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

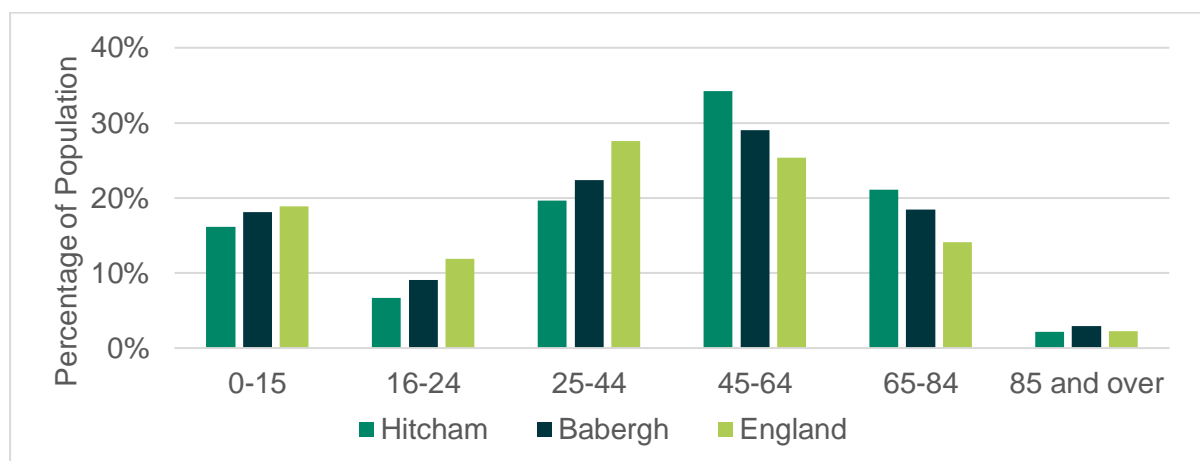
Table 5-5: Age structure of Hitcham population, 2011 and 2020

Age group	2011 (Census)		2020 (ONS, estimated)	
0-15	125	18.1%	95	12.4%
16-24	52	9.1%	47	6.2%
25-44	152	22.4%	114	14.9%
45-64	265	29.0%	278	36.8%
65-84	163	18.5%	203	26.6%
85 and over	17	2.9%	27	3.5%
Total	774	100%	764	100%

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

167. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-1 (using 2011 Census data) shows that Hitcham has a higher proportion of its population aged 45-64 than in Babergh and across England. This is also the case for those aged 65-84, albeit the difference is more marginal. Conversely, it appears there are smaller proportion of people aged 16-24 and 25-44 than there are in both Babergh and England. Generally, the pattern is for a larger proportion of middle aged and early retirees in Hitcham.

Figure 5-1: Age structure in Hitcham, 2011



Source: ONS 2011, AECOM Calculations

Household composition

168. Household composition (i.e., the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Table 5-6 shows that generally Hitcham has a higher proportion of families (with and without children) (74%) than the district (68%) and national (62%) averages. In turn this means the parish has a lower proportion of one person households than are typically found in the district and nationally. Another point worth noting is that Hitcham appears different to the district and England, in that it has a larger proportion of households with no children than with dependent children.
169. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. While the data is quite old at this point, it is interesting to observe that this category grew by 24% between 2001 and 2011 in the parish, which is a significant increase on the district average (7%).

Table 5-6: Household composition, Hitcham, 2011

Household composition		Hitcham	Babergh	England
One person household	Total	22.0%	28.2%	30.2%
	Aged 65 and over	13.5%	14.1%	12.4%
	Other	8.6%	14.0%	17.9%
One family only	Total	74.3%	67.8%	61.8%
	All aged 65 and over	13.1%	11.7%	8.1%
	With no children	24.8%	21.6%	17.6%
	With dependent children	22.0%	25.2%	26.5%
	With non-dependent children ¹⁰	14.4%	9.2%	9.6%
Other household types	Total	3.7%	4.1%	8.0%

Source: ONS 2011, AECOM Calculations

Occupancy ratings

170. 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.
171. With regard to how homes are occupied in Hitcham, the table below indicates that there are generally enough rooms to adequately house the vast majority of the parish population, with only 1% of households being considered as over-occupied or overcrowded. However, the figures do suggest that there are many dwellings with a 'surplus' of bedrooms. This is particularly prevalent with the older population, where every home occupied by families over 65 have at least one additional room bed, around 91% of dwellings occupied by a single person over 65 have an underoccupancy.
172. A combined 84% of the households in Hitcham have at least one more bedroom than they would be expected to need on the basis of their household size.

¹⁰ Refers to households containing children who are older than 18 e.g., students or young working people living at home.

Table 5-7: Occupancy rating by age in Hitcham, 2011

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	65.1%	34.9%	0.0%	0.0%
Single person 65+	54.5%	36.4%	9.1%	0.0%
Family under 65 - no children	77.8%	21.0%	1.2%	0.0%
Family under 65 - dependent children	31.9%	34.7%	27.8%	5.6%
Family under 65 - adult children	38.3%	36.2%	25.5%	0.0%
Single person under 65	46.4%	32.1%	21.4%	0.0%
All households	53.8%	30.6%	14.4%	1.2%

Source: ONS 2011, AECOM Calculations

Dwelling mix determined by life-stage modelling

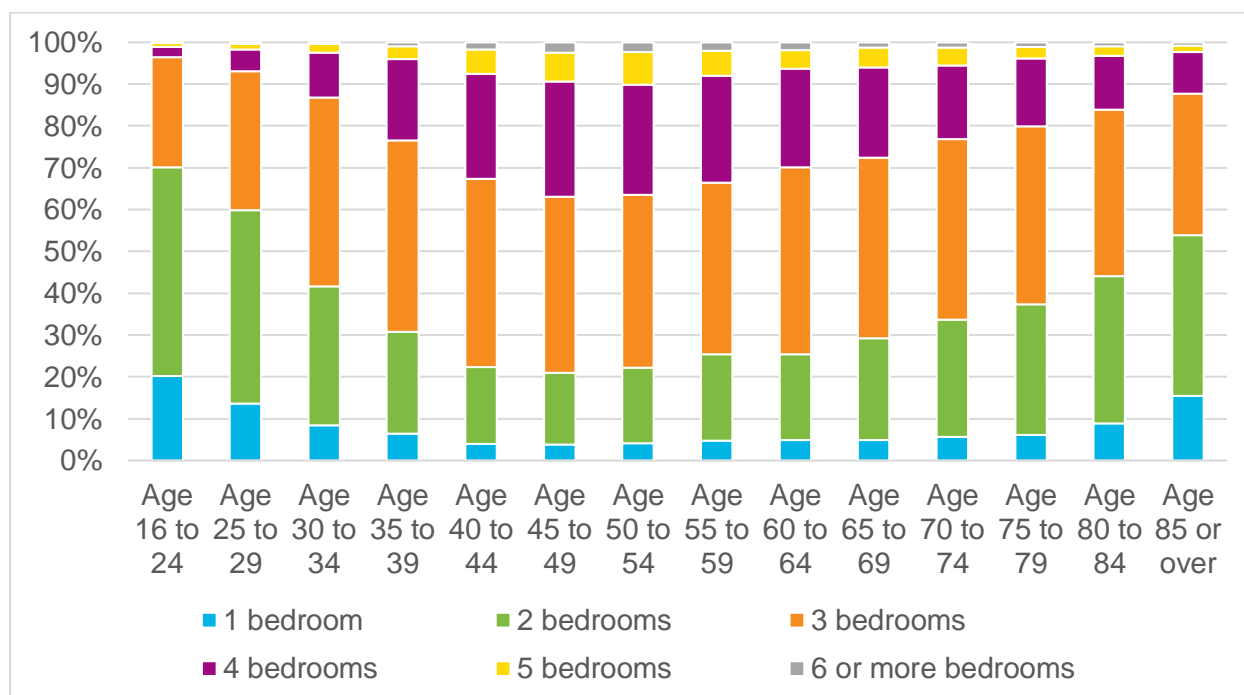
Suggested future dwelling size mix

173. 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 Hitcham 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.
174. 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.
175. 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.
176. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.
177. The first, given as Figure 5-2, sets out the relationship between household life stage and dwelling size for Babergh in 2011. This shows how the youngest households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

Figure 5-2: Age of household reference person by dwelling size in Babergh, 2011



Source: ONS 2011, AECOM Calculations

178. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Hitcham households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-8 makes clear that population growth can be expected to be driven by the oldest households, with 73% growth in older (65+) households between 2011-2037. The other population cohorts show limited growth, with households aged 24 and under and between 35-44 expected to experience a decline.

179. These findings will have differing impacts on the housing market. Of particular concern is how equipped the Hitcham housing profile is to deal with significant growth in the older population. In turn, the population cohorts that are displaying a decline are typically younger family age.

Table 5-8: Projected distribution of households by age of HRP, Hitcham

Year	Age of HRP and under 24	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	700	3,401	13,700	7,598	12,123
2037	654	3,429	12,830	7,819	20,995
% change 2011-2037	-7%	1%	-6%	3%	73%

Source: AECOM Calculations

180. The result of this exercise is presented in Table 5-9 with the projected demographic changes in the parish combined with the existing dwelling mix to provide an indicative housing mix from future development. The model suggests that a more diversified housing offer is needed to meet housing need. Table 5-9 below suggests that Hitcham would benefit from increasing the number of 2/3 bedrooms dwellings. It should be noted that these are crude figures based on

demographic trends, and people often desire to live in larger homes. How far to balance the diversity the existing housing offer and provide for choice in the mix of new housing is a policy decision for the parish council to consider.

Table 5-9: Suggested dwelling size mix to 2037, Hitcham

Number of bedrooms	Current (2011)	Indicative (2037)	Balance of new housing to reach indicative mix
1 bedroom	3.4%	6.5%	16.3%
2 bedrooms	22.3%	26.2%	35.2%
3 bedrooms	39.1%	41.8%	44.7%
4 bedrooms	23.5%	19.7%	3.8%
5 or more bedrooms	11.6%	5.8%	0.0%

Source: AECOM Calculations

181. 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.
182. For example, 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.
183. The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type, and density for local residents’ budgets. Continuing to provide smaller homes with fewer bedrooms would help to address this situation.
184. 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.
185. 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.

186. 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.

Conclusions- Type and Size

187. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.

Current housing stock and demographic change

188. Currently, there are an estimated 374 dwellings in Hitcham (based on the number dwellings completed since the 2011 Census). There is a limited diversity in the Hitcham housing mix, with a majority of homes being either detached or semi-detached (cumulatively 93%), with very few terraced dwellings or flats on offer in the parish (cumulatively 7%). This is a significant variation with patterns observed across Babergh and England in terms of a higher than average proportion of detached and semi-detached dwellings on offer in the Parish.
189. In terms of dwelling size, Hitcham has a high proportion of mid-larger sized homes of 3+ bedrooms, which represent an estimated 70% of the housing stock. This is slightly higher than the average in Babergh and nationally, but not a significant deviation. There is a lack of smaller 1 bed dwellings in both the NA and the LA in comparison to the national averages. Generally, the data does suggest a housing profile that is biased towards family sized accommodation, albeit increasingly occupied by older households.
190. Hitcham has a population that is dominated by older people and families, with 2020 (ONS estimates) suggesting that those ages 45+ account for approximately 67% of the over population in the parish. When compared to Babergh and England, Hitcham has a population profile with an older bias, with there being a decrease in the proportion of those aged 16-44 when compared to district and national trends.
191. Household projections suggest this trend is likely to continue into the future, and Hitcham could see a percentage increase of 73% in its older population over the

Neighbourhood Plan period. This is in contrast to younger age groups which are either projected to stagnate or decline in number.

The future housing mix

192. This study provides an insight into the likely need for different sizes of homes based on projected demographic change and gaps within the existing housing stock. To accommodate the future population of Hitcham and diversify the housing mix, AECOM's modelling suggests prioritising the provision of homes with 2 or 3 bedrooms.
193. It should be noted that this model is a fairly blunt indication of future needs, which does not reflect the preferences of individuals or their potential desire to live in larger dwellings than they 'need'. For this reason, it may not be advisable to restrict future housing delivery too strictly to smaller dwelling sizes as the model suggests. An additional factor is the existing historic character and density of the built environment, which may not be well-suited to flats – which is the form that 1-2 bedroom dwellings typically tend to take. In summary, there are good reasons to depart from the results of the HNA model to allow for more balance – retaining the emphasis on smaller homes but to a lower degree – if this aligns with the objectives of the community.
194. It is also important to remember that other factors should be considered in determining the overall 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 parish 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.

6. RQ3: Specialist housing for older people

RQ3: What provision should be made for specialist housing for older and disabled people over the Neighbourhood Plan period?

Introduction

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

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

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

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

198. The specialist housing needs of older people (75+) are assessed below using two methods. The first is a tenure-led projection, based on rates of mobility limitation among this age group and the tenure of housing they currently occupy. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network (HLIN) Strategic Housing for Older People (SHOP) tool,¹¹ which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

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

¹¹ Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

as opposed to the projected new households which form the baseline for estimating housing need overall.¹²

200. This study covers the need for housing, i.e., buildings that the planning system classifies as Use Class C3 (private dwellings).¹³ Residences that fall into Use Class C2 (institutions including prisons, boarding schools, and some care homes for the elderly) are not within the scope of this research. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required.

Current supply of specialist housing for older people

201. When determining an estimate of the need for specialist dwellings, it is necessary first to take account of current supply. Information on the current stock is collated manually using the search function on the Elderly Accommodation Counsel's Website: <http://www.housingcare.org>.
202. There are currently no units of specialist accommodation in the NA at present. There are however 16 facilities within 10km of Hitcham, with a majority located in Stowmarket. There is a range of tenure options available, including age exclusive housing, retirement housing and specialist care facilities.
203. ONS 2020 population estimates suggest that there are currently around 97 individuals aged 75 or over in Hitcham. It is common practice to measure provision in terms units per 1,000 of the 75+ population. However, in this instance this is not possible due to the lack of provision currently available within the parish.

Tenure-led projections

204. Turning to estimating future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across Babergh, as this is the most recent and smallest geography for which tenure by age bracket data is available.
205. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2037. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.
206. According to Table 6-1, the vast majority of older households in Babergh own their own homes representing 82% of the total older population in the parish, with

¹² See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

¹³ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

the other 18% living in rented accommodation. Of this 18%, a majority were living in socially rented housing (10%), with the remainder (6.4%) living in private rented and a small proportion living rent free (1.5%). This pattern is similar across the country, with relatively few older people living in the private rented sector – both because older households are more likely to own their own homes and because the social rented sector often provides more suitable accommodation for those needing to access supported housing in later life.

Table 6-1: Tenure of households aged 55-75 in Babergh, 2011

All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
82.2%	61.2%	21.1%	17.8%	9.9%	6.4%	1.5%

Source: Census 2011

207. The next step is to project how the overall number of older people in Babergh is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for Babergh at the end of the Plan period. The figure must be extrapolated from the Local Authority level data because such projections are not available at neighbourhood level. The results set out in Table 6-2 suggest that 17% of the total population in Hitcham will be over 75 by the end of the plan period, which is broadly similar to the district. This represents an absolute growth of 77 persons over this period.

Table 6-2: Modelled projection of older population in Babergh by end of Plan period

Age group	2011		2037	
	Hitcham	Babergh	Hitcham	Babergh
All ages	774	87,740	880	99,791
75+	76	8,746	153	17,630
%	9.8%	10.0%	17.4%	17.7%

Source: ONS SNPP 2020, AECOM Calculations

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

209. The people whose needs are the focus of the subsequent analysis are therefore the additional 77 individuals expected to join the 75+ age group by the end of the Plan period. This figure should also be converted into households with reference to the average number of people per household with a life stage of 75+ in Babergh in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 8,746 individuals aged 75+ and 6,220 households headed by

a person in that age group. The average household size is therefore 1.4, and the projected growth of 77 people in Babergh can be estimated to be formed into around 55 households.

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

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

Owned	Owned outright	Owned (mortgage) or shared ownership	All rented	Social rented	Private rented	Living rent free
45	34	12	10	5	4	1

Source: Census 2011, ONS SNPP 2020, AECOM Calculations

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

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

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories	26	14.4%	47	26.1%	107	59.4%
Owned Total	20	12.7%	44	28.0%	93	59.2%
Owned outright	19	13.5%	39	27.7%	83	58.9%
Owned (mortgage) or shared ownership	1	6.3%	5	31.3%	10	62.5%
Rented Total	6	26.1%	3	13.0%	14	60.9%
Social rented	0	0.0%	1	25.0%	3	75.0%
Private rented or living rent free	6	31.6%	2	10.5%	11	57.9%

Source: DC3408EW Health status

212. It is now possible to multiply the projected number of 75+ households occupying each tenure by the rates of mobility limitation for that tenure to arrive at the final

tenure-led estimate for specialist housing needs. The number of households falling into potential need for specialist accommodation over the Plan period is 22.

213. The findings set out in Table 6-5 below are based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g., extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

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

Type	Affordable	Market	Total (rounded)
Housing with care (e.g., extra care)	Multiply the number of people across all rented tenures (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	Multiply the number of people across all owner-occupied housing by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	8
	3	6	
Adaptations, sheltered, or retirement living	Multiply the number of people across all rented housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	Multiply the number of people across all owned housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	14
	1	3	
Total	4	18	22

Source: Census 2011, AECOM Calculations

Housing LIN-recommended provision

214. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the simplest and widely used models estimating for the housing needs of older people. Table 6-6 reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP)

toolkit. The table serves as a guide to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the Plan period, and how these should be split into the different tenures.

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

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

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

Source: Housing LIN SHOP Toolkit

216. As Table 6-2 shows, Hitcham is forecast to see an increase of 77 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = $60 \times 0.077 = 5$
- Leasehold sheltered housing = $120 \times 0.077 = 9$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = $20 \times 0.077 = 2$
- Extra care housing for rent = $15 \times 0.077 = 1$
- Extra care housing for sale = $30 \times 0.077 = 2$
- Housing based provision for dementia = $6 \times 0.077 = 0$

217. This produces an overall total of 19 specialist dwellings which might be required by the end of the plan period.

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

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

Type	Affordable	Market	Total
Housing with care (e.g., extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing-based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	5
	2	3	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	14
	5	9	
Total	7	12	19

Source: Housing LIN, AECOM calculations

Conclusions- Specialist Housing for Older People

219. ONS estimates suggest that there are currently around 97 individuals aged 75 or over living in Hitcham. This has grown from 76 in 2011 and is projected to increase to 153 by the end of the Neighbourhood Plan period in 2037. This projection would suggest that people aged 75+ would represent 17% of the total population of Hitcham by 2017. The older population is projected to almost double between the 2011 Census and the end of the Neighbourhood Plan period.
220. Hitcham currently does not have any form of specialist care housing facilities on offer in the parish. There are a number of facilities on offer within a 10km of the parish.
221. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
222. These two methods of estimating the future need in Hitcham produce a range of 19 to 22 specialist accommodation units that might be required during the Plan period.
223. These estimates are based on the projected growth of the older population from the 2011 Census Figures – with the additional 77 people equating to approximately 55 households. In turn, it is assumed that a majority of the older population accounted for in the 2011 Census are already well accommodated in the existing housing stock.
224. Given that Hitcham is a small village and has exceeded its housing requirement figure it is unlikely that any substantive specialist accommodation scheme is likely to come forward during the plan period. However, if new mainstream housing does come forward the Neighbourhood Planning group may wish to

discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. The local level evidence supplied in this report could be used to influence district policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).

225. Babergh does not currently have an adopted policy that sets specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here would appear to justify the parish council approaching the LPA to discuss setting requirements on accessibility and adaptability at a district level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.
226. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
- so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctors' surgeries, on foot;
 - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
 - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
227. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e., what is sometimes referred to as a 'hub-and-spoke' model).
228. It is considered that Hitcham's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from Hitcham entirely within the Neighbourhood Area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of Hitcham, either Hadleigh or Stowmarket are considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Area (i.e., to be the hub in the hub-and-spoke model). If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself would not overlap.

229. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

7. Next Steps

Recommendations for next steps

230. This Neighbourhood Plan housing needs assessment aims to provide Hitcham 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 and Mid Suffolk 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 and Mid Suffolk;
- 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.

231. 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.

232. 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 or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

233. 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.

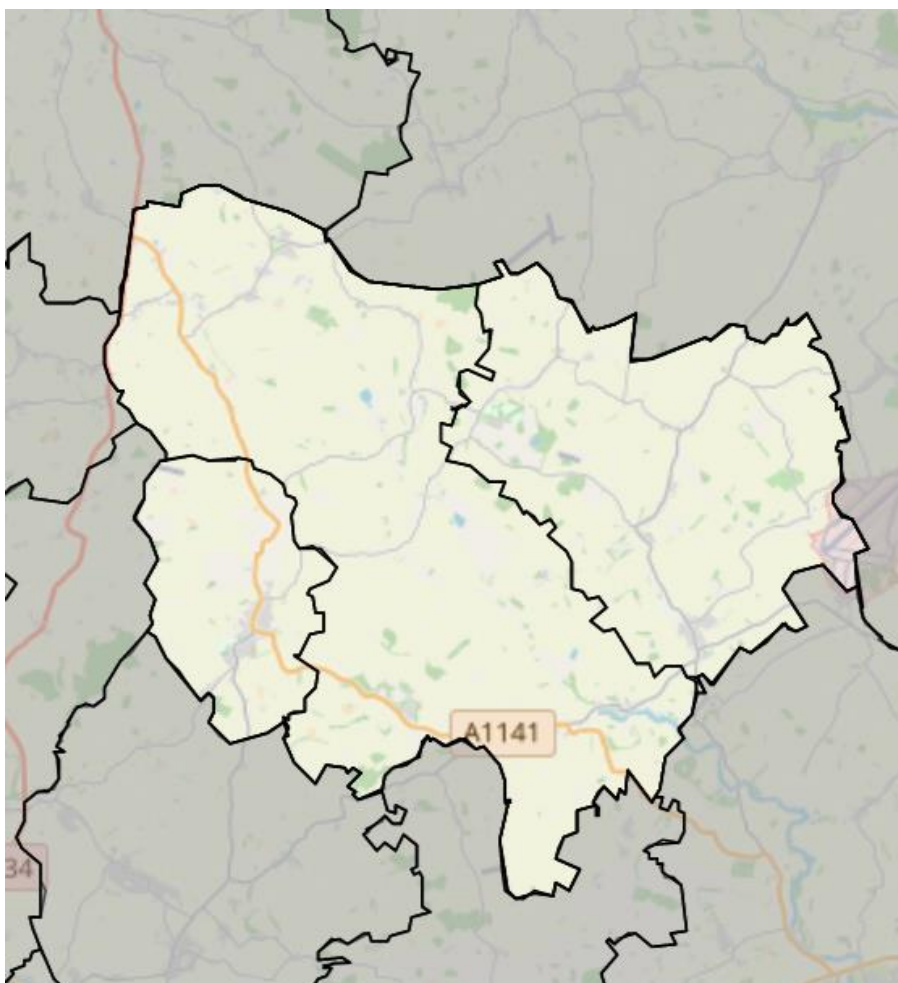
Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

234. 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.

235. 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 Hitcham, it is considered that MSOA: E02006227 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 E02006227 appears in Figure A-1.

Figure A-1: MSOA: E02006227 used as a best-fit geographical proxy for the Neighbourhood Area



Source: ONS

A.2 Market housing

236. Market housing is not subsidised and tends to be primarily accessible to people on higher incomes.
237. 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

238. 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.
239. 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 Hitcham, 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 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.
240. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2021) = £409,500;
 - Purchase deposit at 10% of value = £40,950;
 - Value of dwelling for mortgage purposes = £368,550;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £105,300.
241. 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 £263,125, and the purchase threshold is therefore £67,661.
242. 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 records 0 sales of new build properties in the NA in 2021. There were too few sales in the NA specifically to determine an accurate average for the cost of new build housing in Hitcham. AECOM has calculated an estimate for the 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 £281,329 and purchase threshold of £72,342.

243. 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 £340,000, with a purchase threshold of £87,429, which is higher than the estimate NA new build cost of £281,000.

ii) Private Rented Sector (PRS)

244. 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.

245. 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.

246. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Area. At the time of searching (September 2022) there were no rental properties available. The best available data is derived from searching for properties within a five mile radius of the parish, which 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.

247. According to [home.co.uk](https://www.home.co.uk), there were five properties for rent at the time of search in (September 2022), with an average monthly rent of £930. There were two 2-bed properties listed, with an average price of £1,013 per calendar month.

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

- Annual rent = £1,013 x 12 = £12,150;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £40,520.

249. The calculation is repeated for the overall average to give an income threshold of £37,200.

A.3 Affordable Housing

250. 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

251. 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.

252. 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 Hitcham. 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.

253. 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	£73.87	£90.86	£101.39	£111.66	£92.86
Annual average	£3,841	£4,725	£5,272	£5,806	£4,829
Income needed	£12,791	£15,733	£17,557	£19,335	£16,080

Source: Homes England, AECOM Calculations

ii) Affordable rent

254. 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).

255. 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%.

256. 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.

257. Comparing this result with the average 2-bedroom annual private rent above indicates that affordable rents in [the NA are actually closer to 45% 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	£106.57	£102.87	-	-	£105.31
Annual average	£5,542	£5,349	-	-	£5,476
Income needed	£18,454	£17,813	-	-	£18,235

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

258. 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.

259. 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

260. 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.

261. The starting point for these calculations is therefore the estimated cost of new build entry-level housing in the NA noted above of £281,329.

262. 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) = £281,329;
- Discounted by 30% = £196,930;
- Purchase deposit at 10% of value = £19,693;

- Value of dwelling for mortgage purposes = £177,237;
- Divided by loan to income ratio of 3.5 = purchase threshold of £50,639.

263. 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 £43,405 and £36,171 respectively.

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

265. Note that discounted market sale homes may not be viable 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. m¹⁴) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Hitcham.

Shared ownership

266. 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'.

267. 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.

268. 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).

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

- A 25% equity share of £281,329 is £70,332;
- A 10% deposit of £7,033 is deducted, leaving a mortgage value of £63,299;

¹⁴ 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 is divided by the loan to value ratio of 3.5 to give a purchase threshold of £18,085;
- Rent is charged on the remaining 75% shared ownership equity, i.e., the unsold value of £210,996;
- The estimated annual rent at 2.5% of the unsold value is £5,275;
- This requires an income of £17,583 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £35,668 (£18,085 plus £17,583).

270. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £28,334 and £47,893 respectively. The thresholds are below the £80,000 eligibility cap for shared ownerships.

Rent to Buy

271. 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)

272. 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.

273. It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

- a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).
- b) Discounted market sales housing is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.
- c) Other affordable routes to home ownership are 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 methods¹⁵.

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 Standard¹⁶

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.

¹⁵ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

¹⁶ 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 Order¹⁷

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)¹⁸

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.

¹⁷ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

¹⁸ See 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 years¹⁹, 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

¹⁹ 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 four 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 Housing²⁰

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bedroomed properties. 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

²⁰ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.²¹

²¹ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

