

Lawshall

Housing Needs Assessment (HNA)

April 2023

Quality information

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Revision History

Revision	Date	Authorized	Position
1. First Draft	09/03/2023	Tony Sloan	Senior Town Planner
2. Internal Review	13/03/2023	Paul Avery	Principal Housing Consultant
3. Issue for Group Review	14/03/2023	Tony Sloan	Senior Town Planner
4. Group Comments	30/03/2023	Ian Poole	Director – Places4People
5. Issue for Locality Review	03/04/2023	Tony Sloan	Senior Town Planner
6. Locality Review	17/04/2023	Madeleine Gohin	Neighbourhood Planning Officer
7. Final Report	17/04/2023	Tony Sloan	Senior Town Planner

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List of acronyms used in the text:

DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
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
JLP	Joint Local Plan
LA	Local Authority
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LPA	Local Planning Authority
LSOA	Lower Layer Super Output Area
MSOA	Middle Layer Super Output Area
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
OA	Output Area
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. Lawshall is a Neighbourhood Area (NA) located in the district of Babergh, Suffolk. The NA boundary covers the areas administered by Lawshall Parish Council.
2. According to the 2021 Census, the NA is home to 988 residents formed into 396 households. This population represents an increase of 20 people since the 2011 Census.
3. There has been some development in Lawshall in recent years. Babergh District Council has provided data¹ showing that 13 (net) new homes have been built since 2011. As of October 2023, outstanding commitments (dwellings on sites with planning permission) total 24 (net) homes, comprising 11 (net) homes under construction and 13 homes which have not started construction.
4. This Executive Summary details the conclusions of each chapter of this Housing Needs Assessment (HNA), addressing each of the themes agreed with Lawshall Parish Council at the outset of the research.
5. Data from the 2021 Census is being released throughout 2023. At present, the available data covers population (although not at the most localised level), households, tenure, and dwelling stock characteristics. Some data from the Census 2021 at the localised level, including parishes, will not be available until later in 2023, as well as data comparing numerous variables. As such this HNA will draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and ONS parish projections where necessary to build up evidence at the neighbourhood level.

Research Questions

Findings of RQ 1: Tenure, Affordability and the Need for Affordable Housing

Current tenure profile

6. Lawshall is characterised by a very high proportion of home ownership compared to district and national levels. The NA has significantly lower proportions of private and social rented properties compared to both wider geographies. Shared ownership is extremely limited in the NA, with a 0.3% share representing just one household in 2021. Between 2011 and 2021, owned and private rented accommodation increased, whilst there was a decrease in social rented households. The proportion of shared ownership remained unchanged.

Affordability

7. Between 2012 and 2021 there has been a significant overall increase in house prices, notably in the last few years, despite year-on-year fluctuations. The mean house price experienced the greatest growth over this period, increasing by 116.6% from £228,885 in

¹ Provided by Paul Bryant, Neighbourhood Planning Officer, Babergh & Mid Suffolk District Councils (Dated 7th February 2023). This completions data below covers the period 2011 to October 2022.

2012 to £495,811 in 2021. The median price increased from £210,000 in 2012 to £377,500 in 2021, indicating 79.8% growth. Lower quartile price growth was lower at 75.7%, increasing from £180,000 in 2012 to £316,250 in 2021. House prices in Lawshall are generally around 25% higher than across Babergh, suggesting this is a particularly high-value area that is also dominated by larger detached homes.

8. Local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. The median house price would require an annual income 125% higher than the current average to be affordable to households on mean incomes.
9. Private renting is generally only affordable to higher earners, with average earners able to afford entry-level market rents. Households made up of one or two lower quartile earners cannot afford the given rental thresholds.
10. There is a relatively large group of Lawshall households who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £35,667 per year (at which point entry-level rents become affordable) and £81,321 (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, though there may be limited potential to deliver such products in the NA. It is recommended that any First Homes are delivered at a 50% discount in the NA as the average income (£43,100) is only marginally lower than the purchase threshold for a 50% discount (£43,337).
11. Affordable rented housing is generally affordable to households with two lower earners. However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units.

The need for Affordable Housing

12. This study estimates potential demand for 1.7 affordable home ownership dwellings per annum in Lawshall, equating to a total of 27.5 over the Neighbourhood Plan period. In contrast, it is suggested that Lawshall has sufficient affordable rented housing. This result may initially be surprising since there is understood to be a current backlog of need (in the region of 7 households). It is worth emphasizing that one unit of Affordable Housing does not necessarily service one household worth of need, since the unit might have two-bedrooms while the applicant household might require four bedrooms, it may also be located in an inappropriate location, or be otherwise unsuitable.
13. It may be appropriate for Lawshall to encourage the delivery of some affordable rented housing, with the understanding even if this would meet all of the localised need, it may also help to meet an appropriate share of the needs arising from elsewhere in the district.

Affordable Housing policy

14. The expected level of delivery does not meet the quantity of demand identified in estimates of the need for Affordable Housing. It is therefore recommended that the policy requirement is met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing to be explored.

15. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.
16. AECOM suggests an indicative tenure mix for any affordable housing that comes forward on mainstream development sites of 70% social/affordable rented to 30% affordable home ownership. This is chiefly in response to the expectation that the delivery of Affordable Housing will be significantly lower than the needs identified.
17. Looking specifically at affordable home ownership products, it is recommended that only the minimum level of 25% of Affordable Housing is delivered as First Homes. For variety it is recommended that 5% of Affordable Housing is delivered as shared ownership, with 10% equity extending home ownership further than First Homes, to households with dual lower quartile earnings. Rent to Buy does not feature in this tenure mix in order to prioritise the rented tenures and because it is the least affordable tenure locally.

Findings of RQ 2: Type and Size

The current housing mix

18. Detached dwellings are the dominant accommodation type in Lawshall, increasing from a 58.6% share in 2011 to 61.5% in 2021 and far exceeding the proportions across Babergh and England. Lawshall has a limited provision of flats. Though unsurprising given its rural character, the existence of a single flat means that the options for those seeking smaller and more affordable accommodation are very limited.
19. Turning to dwelling size, the greatest proportion of households live in three-bedroom dwellings, despite a decline in the share of homes in this size category between 2011 and 2021. Larger four + bedroom dwellings are the second most popular dwelling size, experiencing a significant increase from a 25.6% share in 2011 to 33.4% share in 2021 and again exceeding the share present across the district and country. This suggests recent development has focused on larger detached housing, sometimes termed 'executive housing', and has had the effect of exaggerating Lawshall's bias toward larger higher value homes. There were very few one-bedroom dwellings recorded across both years, a feature that is not uncommon in rural areas.
20. The data also suggests that some of the number of larger dwellings has been driven by extensions and conversions of existing smaller dwellings. The loss of existing smaller and mid-sized homes through extensions will exaggerate affordability imbalances.

Population characteristics

21. Between 2011 and 2021 the 45-64 age group represented the largest single age group in Lawshall. The largest proportional change in that time was a 25.7% decrease in the 15-24 age band, followed by a 10.8% decline in the 0-14 age band. The largest change in actual numbers was the growth in the 45-64 age group (representing a 9.6% increase). The 25-44, 65-64 and 85 and over age groups also experienced growth, contrasting the decline in the youngest age groups. This evidence points clearly in the direction of an ageing population. Lawshall's population is also generally older than the district and national average.
22. Lawshall has a lower proportion of single person households and a higher proportion of family households when compared to the wider district. Those aged 65 and over are more likely to be living as a family unit in Lawshall, opposed to within a single person household which is more common across the wider district and nation. In Lawshall the proportion of families with no children (24.5%) is roughly equal to the level of families with dependent children (23.7%), contrasting the wider district and national averages which lean more towards families with dependent children. This could be indicative of an aging population, and potentially due to affordability challenges pricing young families out of the NA.
23. Under-occupancy was relatively common in the NA in 2011, with 84.1% of households living in a dwelling with at least one extra bedroom based on their household size. This is most common in families aged 65+ and single persons households. There was some over-occupancy in the NA, this is most common in families under 65 with adult children, with 5.9% of these households having too few bedrooms. This comparatively high figure could be evidence of affordability challenges pricing young families out of the NA.

Future population and size needs

24. Future population growth can be expected to be driven by the oldest households, with households aged 65 and over expected to grow by 73% between 2011 and the end of the plan period, while all other age categories remain stable or decline.
25. AECOM suggests a dwelling size mix for new development to accommodate population change to the end of the plan period. In order to reach the target mix, the greatest proportion of new housing should be delivered as two-bedroom dwellings (41.7%), followed by one-bedroom (30.1%) dwellings. A more modest provision of four-bedroom (11.8%) and five plus bedroom (13.6%) dwellings is recommended. It is also suggested that a very low provision of three-bedroom dwellings (2.8%) should be delivered. In essence the goal is diversification away from a relatively skewed current mix with a need for all sizes of home but particular emphasis on the smallest options.
26. Continuing to provide smaller homes with fewer bedrooms would also help to address the significant challenge of affordability, although it should be considered whether large numbers of one-bedroom homes are suitable given the area's rural character and current density.
27. 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.

2. Context

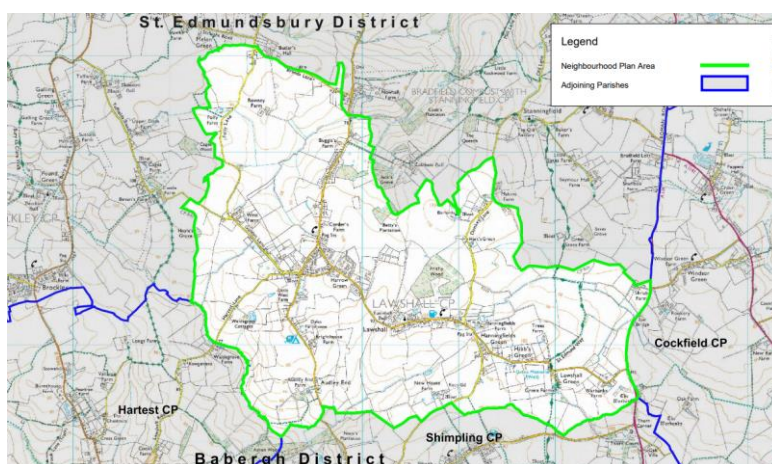
Local context

28. Lawshall is a Neighbourhood Area (NA) located in the district of Babergh in the East of England.
29. The NA boundary comprises the Civil Parish of Lawshall and was designated in December 2015. Lawshall Parish Council are currently undertaking a review of an existing Neighbourhood Plan (2016 – 2036), adopted by Babergh District Council on 24th October 2017.
30. The Neighbourhood Plan Review period is envisaged to start in 2021 and extend to 2037, therefore covering a period of 16 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.
31. The NA covers approximately 1,143 hectares of land, located roughly equidistant between Bury St Edmunds (approximately seven miles to the north) and Sudbury (approximately seven miles to the south). These towns are connected via the A134, which is located approximately one mile to the east of Lawshall village.
32. The local population is considered to be environmentally conscious and the parish council are seeking to enhance biodiversity and conserve more areas of natural beauty. Although this HNA doesn't address the spatial implications of housing growth, locally, this will be an important consideration against which development will be considered,

The NA boundary and key statistics

33. For Census purposes, the NA is made up, like the rest of England, of statistical units called Output Areas (OAs). A breakdown of the OAs relevant to Lawshall is provided in Appendix A. A map of the Plan area appears below in Figure 2-1.

Figure 2-1: Map of the Lawshall Neighbourhood Area



Source: Babergh District Council and Mid Suffolk District Council²

² Available at <https://www.babergh.gov.uk/planning/neighbourhood-planning/neighbourhood-planning-in-babergh/lawshall-neighbourhood-plan/>

34. According to the 2021 Census, the NA is home to 988 residents formed into 396 households. This population represents an increase of 20 people since the 2011 Census.
35. There has been some development in Lawshall in recent years. Babergh District Council has provided data showing that 13 (net) new homes have been built since 2011. The NA's population increase (20 individuals) is in line with this increase in dwellings (13 dwellings).

The housing market area context

36. Whilst this HNA focuses on Lawshall NA it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas.
37. In the case of Lawshall, the NA sits within the Ipswich housing market area (HMA) which covers Ipswich, Babergh, Mid Suffolk, and Suffolk Coastal³. This means that when households who live in these authorities move home, the vast majority move within this geography.
38. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Lawshall, are closely linked to other areas and changes in need or demand in settlements nearby is likely to impact on the neighbourhood.
39. In summary, Lawshall functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (Babergh District Council), 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

40. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.⁴ In the case of Babergh District Council, the relevant adopted Local Plan consists of:
 - The Babergh Local Plan 2011-2031 Core Strategy (February 2014)⁵ and the 'saved' policies from Babergh Local Plan Alteration No 2 (June 2006)⁶.

³ As detailed in the Ipswich and Waveney Housing Market Areas Strategic Housing Market Assessment Part 1 (May 2017). Available at <https://www.midsuffolk.gov.uk/assets/Strategic-Planning/Current-Evidence-Base/Ipswich-and-Waveney-Housing-Market-Areas-Strategic-Housing-Market-Assessment-Part-1-May-2017.pdf>

⁴ 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>

⁵ Available at <https://www.babergh.gov.uk/planning/planning-policy/adopted-documents/babergh-district-council/core-strategy/>

⁶ Available at <https://www.babergh.gov.uk/planning/planning-policy/adopted-documents/babergh-district-council/saved-policies/>

41. Babergh District Council is working with Mid Suffolk District Council to develop a new Joint Local Plan (JLP) for the Babergh and Mid Suffolk districts. Once adopted, the JLP will replace the current Local Plan, providing up-to-date planning policy for the area until 2037.
42. In November 2020 the District Council published the “pre-submission” JLP for a final round of consultation ahead of its submission to the Secretary of State for Housing, Communities and Local Government in March 2021 for independent Examination. An Exploratory Meeting was held in December 2021, and it was proposed that the JLP be split into two parts. The Part 1 Plan will set out the vision and objectives for development in the two Districts. The Part 2 Plan will focus on key matters including: the settlement hierarchy; distribution of housing allocations; and housing requirement figures for Neighbourhood Plan areas. Therefore, policies concerning the distribution of new housing and the allocation of new housing sites across the district were deleted and will now be considered within the new Part 2 Local Plan.
43. Consultation on Modifications to the JLP commenced in March 2023⁷. According to the October 2022 Local Development Scheme published by Babergh and Mid Suffolk District Councils⁸, the Part 2 Plan is programmed to reach Issues and Options consultation in the summer of 2023, with Preferred Options anticipated during the spring of 2024 and Pre-Submission consultation during the autumn of 2024. The Part 2 Plan adoption is programmed for the winter of 2025.
44. A detailed breakdown of the Local Plan policies relevant to housing need is provided in Appendix B. Here, it is worth summarising the most important points of the emerging Local Plan modifications document:
 - Emerging Local Plan Policy SP01 identifies an overall housing target of 416 homes per year for the district;
 - The Draft Policies Map shows four individual ‘Settlement Boundaries’ within the Lawshall NP area. The principle of development is established within settlement boundaries, subject to the other policies in the Plan. Outside of the defined boundaries in isolated locations development will only be permitted in exceptional circumstances as set out in Policy LP07.
 - Policy SP02 states that 35% of all new dwellings on greenfield sites (25% on brownfield sites) are expected to be delivered as Affordable Housing on sites larger than 10 homes. There is no specified tenure mix within Affordable Housing. The mix and type of housing will be guided by the needs identified in the relevant evidence base, such as the SHMA, a Housing Survey and any Housing Supplementary Planning Document/ Guidance;

⁷ Source: Babergh and Mid Suffolk Joint Local Plan – Proposed Modifications Consultation (March 2023). Available at <https://www.midsuffolk.gov.uk/planning/planning-policy/joint-local-plan-examination/joint-local-plan-modification-consultation/>

⁸ Source: Babergh District Council and Mid Suffolk District Council Joint Local Development Scheme 2022-2025 - October 2022. Available at <https://www.midsuffolk.gov.uk/assets/Strategic-Planning/JLPExamination/Babergh-and-Mid-Suffolk-Joint-Local-Development-Scheme-2022-2025.pdf>

Quantity of housing to provide

45. The NPPF 2021 (paragraphs 66 and 67) requires LPAs to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
46. The Parish Council are not currently in receipt of a housing requirement figure. The emerging Joint Local Plan (November 2020) set a minimum housing requirement of 23 new homes for the Lawshall Neighbourhood Plan Area for the period between 2018 and 2037. Policy LS01 of the same draft of the emerging Joint Local Plan identified the following three sites for housing development in Policy LS01:
 - Land west of Bury Road - 15 dwellings
 - Land south-west of Harrow Green - 5 dwellings
 - Land west of Melford Road - 5 dwellings
47. The recommendation of the Planning Inspectors to delete housing allocations means that the housing requirement and site allocations no longer have any standing in planning policy terms. Prior to this decision, planning permission was granted for five dwellings on the land west of Bury Road in April 2020. Likewise, permission was granted for five dwellings on land south-west of Harrow Green in May 2018, with this development (Waverley Place) now complete.
48. As previously noted, outstanding commitments within the NA total 24 (net) homes, comprising 11 (net) homes under construction and 13 homes which have not started construction. These outstanding commitments together with recent completions would exceed the draft Joint Local Plan provision for 23 new homes in Lawshall between 2018 and 2037.
49. The Lawshall NP Regulation 14 Pre-submission Draft Review 2021- 2037 (October 2022) suggests there is no need for the Neighbourhood Plan to identify further sites for housing development over and above those that already have planning permission and which have yet to be completed. However, it is recognised that there may be occasional opportunities for additional dwellings to be built as “infill” plots of one or two dwellings or perhaps the redevelopment of existing “brownfield” sites within the defined Settlement Boundaries.
50. The Lawshall NP Pre-submission Draft Plan provides for around 26 dwellings to be developed in the Neighbourhood Plan area between 2021 and 2037, with this growth met through:
 - i. The completion of existing planning permission as at 1 August 2022; and
 - ii. The development of small brownfield “windfall” sites and infill plots of one or two dwellings within the Settlement Boundaries that come forward during the Plan period.
51. The question of how many houses to plan for is outside the scope of this Housing Needs Assessment, as discussed and agreed with the Parish Council. The issue of quantity has been excluded from the Research Questions (see Chapter 3). Therefore, discussion has

not been provided in this assessment on the overall quantity of homes to be delivered and conclusions drawn on what tenure and type or size of dwelling required can be used as a basis for housing policy in the Neighbourhood Plan, which any planning application would be required to conform with.

3. Objectives and approach

Objectives

52. This Housing Needs Assessment (HNA) is structured according to a number of themes or topics that were agreed at the outset of the research with Lawshall Parish Council. These themes are broadly aligned with the kinds of housing policy areas available to neighbourhood plans, and each will form a distinct chapter of this report. The sub-sections below give a brief overview of the objectives of each chapter.

Affordability and Affordable Housing

53. Neighbourhood plans may include policies that influence the scale of Affordable Housing provision and the mix of different tenures and products provided through new housing development.

54. This chapter has three aims, each given its own sub-section:

- To establish the existing **tenure** of homes within the NA at present (owner occupied, private rented, social/affordable rented, shared ownership);
- To examine the **affordability** of different tenures by considering house prices, rents, local incomes and earnings; and
- To estimate the scale of **need** for Affordable Housing, including the need for those who cannot afford to rent and those who cannot afford to buy.

55. The evidence gathered here can be used to justify planning policies in the Neighbourhood Plan, but it is likely that other supporting evidence may be needed, for example on viability. Local Plans typically include policies on Affordable Housing and whilst the Neighbourhood Plan must be in general conformity with these strategic policies, there is scope for Neighbourhood Plan policies to adopt some local variety where this is supported by the evidence.

Type and Size

56. It is common for neighbourhood plans to include policies that influence what form new housing should take in terms of type and size. This requires evidence of what local people need.

57. The focus of this chapter is to identify relevant trends and potential gaps in the market that can be used to justify planning policies. It has three aims, each given its own sub-section:

- To establish what **mix** of housing exists in the NA at present;
- To describe relevant characteristics of the local **population**; and
- To look to the **future**, considering how the population is likely to evolve and what mix of homes would be most appropriate to build.

58. In addition to the direction of travel revealed by statistics, a variety of reasons sit behind people's housing choices that are less easy to predict, including wealth, accessibility requirements and personal preference. The conclusions and recommendations given here are sufficient for justifying planning policies but are not definitive. It is also appropriate to take into account other factors and evidence if desired.

Approach

59. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the neighbourhood plan level. This includes data from the 2011 Census and a range of other data sources, including:

- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information at the neighbourhood level;
- ONS population and household projections for future years;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from [Rightmove.co.uk](https://www.rightmove.co.uk);
- Local Authority housing waiting list data; and
- The relevant Strategic Housing Market Assessment (SHMA), which comprises the Ipswich and Waveney Housing Market Areas⁹ SHMA Part 1 (Published May 2017), Part 2 (Published September 2017), and the Part 2 Partial Update (Published January 2019).

60. Data from the 2021 Census is being released throughout 2023. At present, the available data covers population (although not at the most localised level), households, tenure, and dwelling stock characteristics. Some data from the Census 2021 at the localised level, including parishes, will not be available until later in 2023, as well as data comparing numerous variables. As such, neighbourhood level HNAs will draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and ONS parish projections to build up evidence at the neighbourhood level.

⁹ Babergh is considered part of the Ipswich housing market area (HMA)

4. Affordability and Affordable Housing

Introduction

61. Neighbourhood plans may include policies that influence the scale of Affordable Housing provision and the mix of different tenures and products provided through new housing development.
62. This chapter has three aims, each given its own sub-section:
- To establish the existing **tenure** of homes within the NA at present (owner occupied, private rented, social/affordable rented, shared ownership);
 - To examine the **affordability** of different tenures by considering house prices, rents, local incomes and earnings; and
 - To estimate the scale of **need** for Affordable Housing, including the need for those who cannot afford to rent and those who cannot afford to buy.
63. The evidence gathered here can be used to justify planning policies in the Neighbourhood Plan, but it is likely that other supporting evidence may be needed, for example on viability. Local Plans typically include policies on Affordable Housing and whilst the Neighbourhood Plan must conform with these policies, there is scope for Neighbourhood Plan policies to adopt some local variety where this is supported by the evidence.

Definitions

64. This section uses a range of technical terms which are useful to define at the outset:
- **Tenure** refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership).
 - **Affordability** refers to the relationship between the cost of housing to buy or rent and the incomes and earnings of households.
 - The definition of **Affordable Housing** is set out in the NPPF 2021 (Annex 2) as 'Housing for sale or rent, for those whose needs are not met by the market...' We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF (Annex 2). A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
 - A range of affordable home ownership opportunities are included in the Government's definition of Affordable Housing, to meet the needs of those aspiring

to own a home. As part of this, the Government has introduced a new product called First Homes, although this is not yet reflected in Annex 2 of the NPPF.¹⁰

- **First Homes** is a new product and expected to be an important part of the strategy for improving access to home ownership. Its key features are explained in greater detail in Appendix C.

Current tenure profile

65. 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.
66. Figure 4-1 presents data on tenure in Lawshall compared with Babergh and England from the 2021 Census.
67. Lawshall is characterised by a very high proportion of home ownership compared to district and national levels. The NA has significantly lower proportions of private and social rented properties compared to both geographies. Shared ownership is extremely limited in the NA, with a 0.3% share representing just one household in 2021.

Table 4-1 Tenure (households) in various geographies, 2021

Tenure	Lawshall	Babergh	England
Owned	81.5%	71.0%	61.3%
Shared ownership	0.3%	0.7%	1.0%
Social rented	8.5%	13.3%	17.1%
Private rented	9.8%	15.0%	20.6%

Sources: Census 2021, AECOM Calculations

68. It is also worth comparing how the tenure mix has changed in the last ten years, using the 2011 Census (see Table 4-2). Owned and private rented accommodation increased over this period, whilst there was a decrease in social rented households (likely due to the Right to Buy and equivalent schemes). The proportion of shared ownership remains unchanged between 2011 and 2021.

Table 4-2 Tenure change (households) in Lawshall, 2011-2021

Tenure	Lawshall 2011	Lawshall 2021	% change
Owned	305	326	6.9%
Shared ownership	1	1	0.0%
Social rented	37	34	-8.1%
Private rented	29	39	34.5%

Sources: Census 2021 and 2011, AECOM Calculations

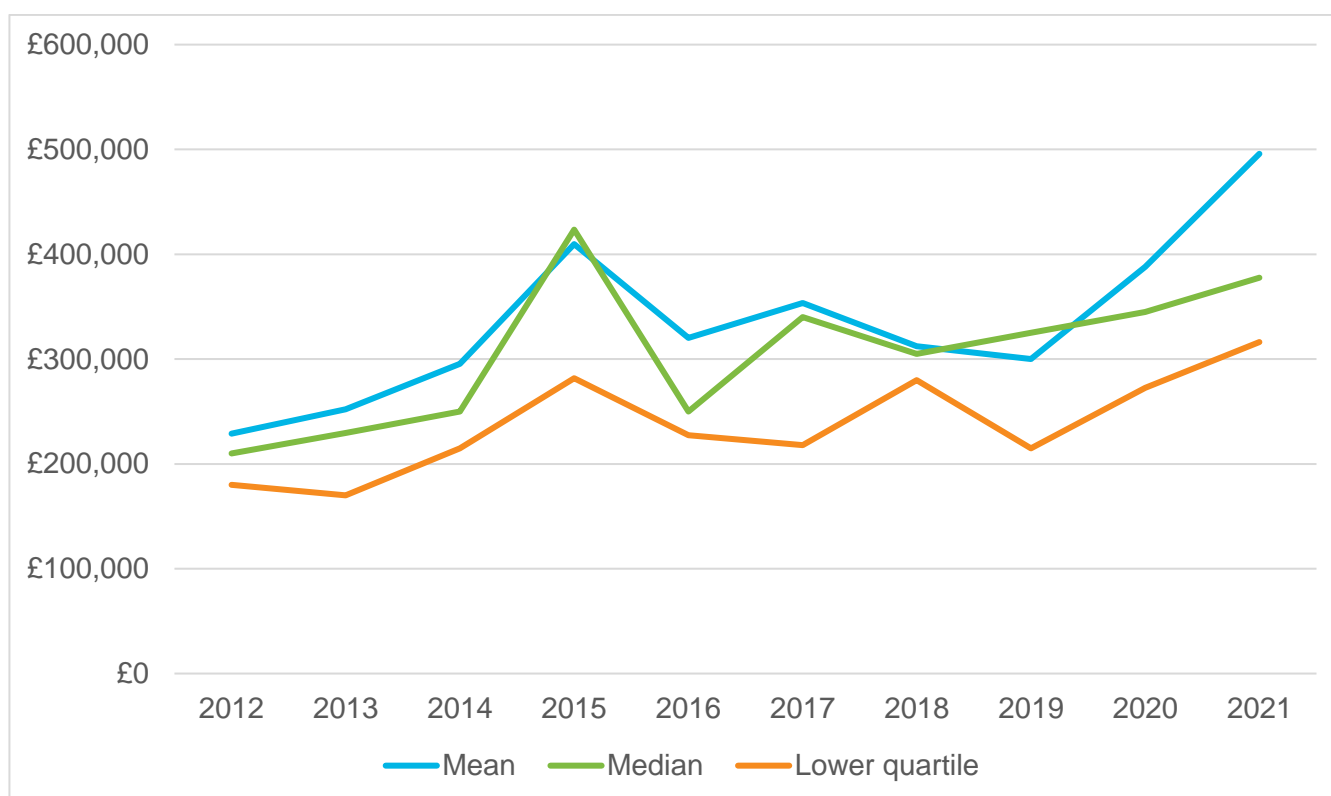
¹⁰ The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

Affordability

House prices

69. 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.
70. Figure 4-1 looks at the average and lower quartile house prices in Lawshall based on sales price data published by the Land Registry. It shows that there has been a significant overall increase in house prices, particularly in the last few years, despite year-on-year fluctuations. The mean, which captures the average of all house prices, both high and low, generally remains higher than the median which is the middle number when the data is sorted from smallest to largest. Although in the years 2015 and 2019, the median price is greater than the mean price, this is likely a result of the small sample size and a few outlying transactions on the low end. By definition, the lower quartile price, which represents the bottom 25% value of all properties sold, remains lower than both the median and mean prices.
71. The mean house price experienced the greatest growth over this period, increasing by 116.6% from £228,885 in 2012 to £495,811 in 2021. The median price increased from £210,000 in 2012 to £377,500 in 2021, indicating 79.8% growth. Lower quartile price growth was lower at 75.7%, increasing from £180,000 in 2012 to £316,250 in 2021.
72. Lawshall's mean house price in 2021 was approximately 25.8% higher than the mean house price across Babergh. Likewise, Lawshall's median and lower quartile prices were 15.5% and 24.1% higher than Babergh's averages, respectively. This suggests that Lawshall is a particularly high-value area and may also reflect the NA's significantly higher proportion of detached properties compared to Babergh (see Chapter 5).

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



Source: Land Registry PPD

73. Table 4-3 breaks down house prices by type, presenting the median within each type. It shows that terraced dwellings experienced the greatest level of growth at 77.6%. Detached dwellings (on average the most expensive dwelling type) experienced the next highest growth at 61.7%, followed by semi-detached dwellings with a growth of 48.2%. Note, there were no transactions recorded across 2012 and 2021 for flats. This is unsurprising, as Chapter 5 highlights this housing type is uncommon within the NA.
74. It's worth noting that this data should be approached with caution: the annual average by type is derived from a smaller sample size within each category that can mean that variation in the homes that happen to be sold in a given year (and their characteristics in terms of size, location and condition) can have a large impact on the average.

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

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£267,000	£360,000	£300,000	£449,995	£280,000	£365,000	£350,000	£360,000	£478,750	£431,750	61.7%
Semi-detached	£178,000	£189,995	£186,250	£200,000	£276,250	£227,500	£285,000	£215,000	£360,000	£263,750	48.2%
Terraced	£138,500	£224,750	£235,000	£311,500	£199,000	£215,000	£305,000	£210,000	£215,000	£246,000	77.6%
Flats	-	-	-	-	-	-	-	-	-	-	-
All Types	£210,000	£229,500	£250,000	£423,500	£250,000	£340,000	£305,000	£325,000	£345,000	£377,500	79.8%

Source: Land Registry PPD

Income

75. 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.
76. 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 £43,100 in 2018 (the most recent year for this dataset). Discussion about the area to which this data applies is provided in Appendix A.
77. 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 District Council'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.
78. 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

79. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.
80. AECOM has determined thresholds for the income required in Lawshall 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 C.
81. 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. This is discussed in more detail at the start of Appendix C.
82. 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.

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

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £43,100	Affordable on LQ earnings (single earner)? £17,534	Affordable on LQ earnings (2 earners)? £35,068
Market Housing						
Median House Price	£339,750	-	£97,071	No	No	No
Estimated NA New Build Entry-Level House Price	£303,362		£86,675	No	No	No
LQ/Entry-level House Price	£284,625	-	£81,321	No	No	No
LA New Build Median House Price	£306,000	-	£87,429	No	No	No
Average Market Rent	-	£17,105	£57,017	No	No	No
Entry-level Market Rent	-	£10,700	£35,667	Yes	No	Marginal
Affordable Home Ownership						
First Homes (-30%)	£212,353	-	£60,672	No	No	No
First Homes (-40%)	£182,017	-	£52,005	No	No	No
First Homes (-50%)	£151,681	-	£43,337	Marginal	No	No
Shared Ownership (50%)	£151,681	£4,213	£57,382	No	No	No
Shared Ownership (25%)	£75,841	£6,320	£42,736	Yes	No	No
Shared Ownership (10%)	£30,336	£7,584	£33,948	Yes	No	Yes
Affordable Rented Housing						
Affordable Rent	-	£5,976	£19,901	Yes	No	Yes
Social Rent	-	£4,958	£16,509	Yes	Yes	Yes

Source: AECOM Calculations

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

Market housing for purchase and rent

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

125% higher). Part of the challenge here is the small gap between the lower quartile and overall average price due to the narrow range of housing options and values. This means there are few opportunities at the lower end of the market.

85. Private renting, using a sample taken from the wider area due to the lack of rentals within the NA (which restricts choice and affordability in itself), is generally only affordable to higher than average earners. Households made up of two lower quartile earners may be able to afford the entry-level rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

Affordable home ownership

86. There is a relatively large group of households in Lawshall who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £35,667 per year (at which point entry-level rents become affordable) and £81,321 (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.
87. 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.
88. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. First Home discounts of 50% appear most effective at bringing new entry-level homes within reach to the local population, with the average income (£43,100) only marginally lower than the purchase threshold for a 50% discount (£43,337). For lower quartile earners to be able to access discounted market sales, a discount of well over 50% would be required. First Homes with discounts of 40% and 30% only appear to be affordable for those earning above average incomes.
89. Therefore, it is recommended that any future First Homes in Lawshall are delivered at a 50% discount. It is noted, however, that First Homes are not a likely proposition given the delivery expectations around affordable housing and local perceptions about the most valuable tenure options.
90. It is important to note that this evidence based on affordability does not provide a complete picture: evidence about the financial viability of development is also relevant. The question is whether demanding higher discount levels on First Homes will create a financial burden on developers that leads them to argue either that the discount level is not feasible or that the total amount of Affordable Housing may need to be decreased. This could effectively sacrifice the provision of affordable rented housing to provide a more attractive First Homes product. The issue of development viability is a specialist matter involving analysis of land values and build costs that is outside the scope of this assessment. If the Lawshall Parish Council intend to set a higher First Homes discount level than that set at district level, further discussions with the LPA are advised.

91. Shared ownership appears to be more affordable than First Homes but is broadly accessible to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.¹¹ 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.
92. Rent to Buy provides households with the option to rent at a discount whilst saving for a deposit to buy their property within a set period (usually within 7 years). The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. However, affordability to local households would depend on how rents are set. If Rent to Buy is offered at a discount to *entry level* rents, this would expand this route to home ownership quite significantly, including those earning just above the dual lower quartile average. Discounts on *average* rents would make Rent to Buy affordability, in terms of the household income required, comparable to Shared Ownership (at 10% equity). However, for some households, the availability of a deposit rather than income level per se is the key barrier to accessing home ownership. Rent to Buy may therefore offer a useful product to meet the needs of some households.
93. These three affordable home ownership 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.

¹¹ 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>.

Affordable rented housing

94. Affordable rents set out in the table above are substantially below market rents. Whilst affordable rents can be set at up to 80% of market rents, in many locations Registered Providers (housing associations) set them to ensure that they are affordable to those claiming housing benefit, i.e. at or below Local Housing Allowance levels. This means that they are in practice below 80% of market levels. This appears to be the case in Lawshall.
95. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner only appear able to afford social rent tenures. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
96. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Lawshall 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.

Estimates of the need for Affordable Housing

AECOM Estimates

97. AECOM estimates suggests Lawshall has sufficient affordable rented housing. The estimate and assumptions used are detailed in Appendix D and summarised in Table 4-5 below.
98. This result may initially be surprising since there is understood to be a current backlog of need (in the region of 7 households or 0.4 households per annum – see Appendix D). The reason for the affordable rented housing need being met over the long-term with the presumed existing stock, is that model uses an estimated rate of turnover of stock of 3% (which may in practice be lower in the NA). Therefore, of the 34 units of affordable rented accommodation existing currently, it can be expected that one will come vacant in any given year as their current occupants move to a new location, pass away or cease to be eligible as their circumstances change. This is able to satisfy the projected newly arising need as well as some of the backlog, which is effectively spread out over the 10-year period to produce an annualised figure.
99. An important caveat to this finding is that the NA may be meeting wider needs within the District. As such, whilst it may be possible to address localised needs through the existing stock, new affordable rented housing may be required to continue to provide homes for households in acute need living elsewhere in the wider area.
100. A further caveat worth emphasizing is that one unit of Affordable Housing does not necessarily service one household worth of need, since the unit might have two bedrooms while the applicant household might require four bedrooms, may be located in an inappropriate location, or be otherwise unsuitable.
101. As such, it may be appropriate for Lawshall to encourage the delivery of some affordable rented housing, with the understanding even if this would meet all of the localised need, it may also help to meet an appropriate share of needs arising from elsewhere in the district. The NA's wider strategic role in the delivery of Affordable Housing should be discussed with the LPA.

Table 4-5 Estimate of need for Affordable Housing for rent in Lawshall

Component of need or supply in the AECOM estimate	Per annum
Current need	0.4
Newly arising need	0.4
Supply	1.0
Net surplus	-0.2

Source: AECOM model summary of estimates. Full estimate included in Appendix D

102. In addition, AECOM estimate the need for 1.7 affordable home ownership dwellings per annum in Lawshall, equating to a total of 27.5 over the

Neighbourhood Plan period. The estimate and assumptions used is detailed in Appendix D and summarised in Table 4-6 below.

103. 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.

Table 4-6 Estimate of need for Affordable Housing for ownership in Lawshall

Component of need or supply in the AECOM estimate	Per annum
Current need	1.5
Newly arising need	0.2
Supply	0.1
Net shortfall	1.7

Source: AECOM model summary of estimates. Full estimate included in Appendix D

Evidence in the SHMA

104. A SHMA was undertaken for Ipswich and Waveney in 2017. This study estimates the need for affordable housing in the district.
105. The estimates produced in the 2017 SHMA primarily focused on the need for social/affordable rented homes because the assessment focused on households living in unsuitable housing, those on the waiting list and new households forming who were unable to afford market rents. A full assessment of the need or demand from households able to rent but unable to afford home ownership was not undertaken in the SHMA 2017. However, an update to the SHMA was published in 2019 which provided estimates of the need for different tenures of homes over the plan period, based on modelling of tenure change. Table 4.3c of the SHMA Update (replicated below as Figure 4-2) sets out the number of households that will be resident in Babergh in 2036, disaggregated by broad household type.
106. As demonstrated in Figure 4-2 the SHMA estimates the following need between 2018 and 2036:
- 512 Shared Ownership dwellings (or 28.4 per annum)
 - 1,047 Social Rent/Affordable Rented (or 58.2 per annum)
107. The 2019 update also provides an estimate of potential demand for discounted home ownership products of 500 dwellings between 2018 and 2036 (or 27.8 per annum). These overlap with the need for private rented accommodation in the SHMA's Table 4.3c.

Figure 4-2 Tenure of new accommodation required (2016 based results), Babergh, SHMA Update 2019

Table 4.3c Tenure of new accommodation required in Babergh over the next 18 years				
<i>Tenure</i>	<i>Current tenure profile</i>	<i>Tenure profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
Owner-occupied	28,026	33,141	5,115	65.0%
Private rent	6,344	7,544	1,200	15.2%
Shared Ownership	180	692	512	6.5%
Social Rent/Affordable Rented	5,241	6,288	1,047	13.3%
Total	39,791	47,665	7,874	100.0%

Source: Ipswich and Waveney Housing Market Areas SHMA Part 2 Partial Update (Published January 2019)

108. When the SHMA figures are pro-rated to Lawshall based on its fair share of the population (1.1% of the district's population from the 2011 Census), this equates to the following need for affordable housing per annum:
- 0.31 Shared Ownership dwellings
 - 0.64 Social Rent/Affordable Rented
 - 0.31 homes for discounted home ownership (these overlap with the PRS tenure in the table above)
109. Taken together, these tenures change estimates imply the need for approximately 1.26 new affordable homes each year in Lawshall – approximately 20 (rounded) in total over the NP period (2021 – 2037). Broadly, half of these homes should be for social/affordable rent and half for affordable home ownership.
110. However, pro-rating district level estimates of affordable housing need to rural areas presents problems in practice. The Local Authority level figures are likely to represent higher needs in urban areas where there is a large social housing stock and larger numbers of households living in private rented homes on housing benefit. Both of these factors tend to generate higher needs. By contrast, in rural parishes like Lawshall the lack of social housing means there is no need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). This means the SHMA-derived figures should be used only as a contextual guide to the broad scale of need, if it were distributed evenly across the district.

Affordable Housing policies in Neighbourhood Plans

Application of Local Plan policies

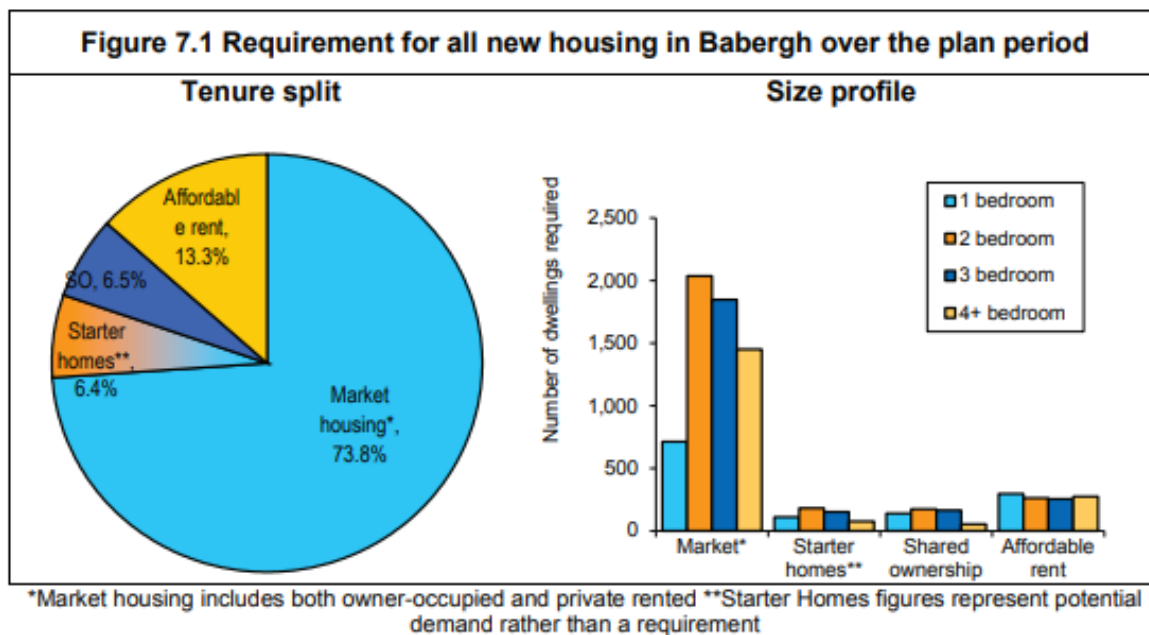
111. Babergh and Mid Suffolk Councils have advised on their policy objectives around the provision of Affordable Housing. Their perspective, which is relevant for the

creation of Neighbourhood Plan policy on this topic, can be summarised as follows:

- The emerging Joint Local Plan for Babergh and Mid Suffolk, and the extant/adopted Local Plans for each District, all set out strategic policies for securing affordable housing to meet District-wide needs alongside the other Districts in the Ipswich Housing Market Area. Neighbourhood Plans are expected to be in general conformity with these strategic policies.
- The Councils seek to put in place policies to require that affordable housing units are allocated to households with a local connection to either Babergh or Mid Suffolk (as appropriate, depending on the location of the site), rather than the NA. The exception to this is in respect of schemes delivered as Rural Exception Sites or by Community Land Trusts, where units would be allocated to those with a local connection to the relevant parish.
- Given this policy context, this aspect of the HNA aims to help identify what types of housing would be most appropriate to contribute towards meeting District-wide needs in a way that appropriately reflects the particular context of the NA. In other words, the LPA expects that Neighbourhood Plan policy in this area will represent a compromise between the needs of the NA and the wider District. Further commentary on how this applies is provided below.

112. Babergh District Council's adopted policy on this subject Policy CS19 requires 35% of all new housing to be affordable. Given the change in Affordable Housing tenures between the 2011 and 2021 Censuses, it is understood that this target is not usually met on sites in the NA. Likewise, Policy SP02 from the emerging Joint Local Plan states that 35% of all new dwellings on green field sites are expected to be delivered as Affordable Housing on sites larger than 10 homes. Given the general requirement for new development to be located within the Settlement Boundaries, it's unlikely Lawshall would facilitate sites of ten or more homes.
113. 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. Changing or influencing the overall proportion of housing that must be affordable is uncommon in Neighbourhood Plans and would demand a high standard of evidence to depart from the Local Plan. If this is of interest, it should first be discussed with the LPA to ensure their support and to determine what additional evidence (e.g. about development viability) would be needed.
114. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is left in the Local Plan as a matter to be informed by the latest evidence.
115. Figure 7.1 of the SHMA Update (replicated below as Figure 4-3) sets out the required tenure split for all new housing in Babergh between 2018 and 2036. Extrapolating these figures suggests Babergh's affordable housing tenure split should approximately be 50% rented to 50% ownership (shared ownership / starter homes).

Figure 4-3 Requirement for all new housing in Babergh over the plan period (2016 based results), SHMA Update 2019



Affordable Housing at Neighbourhood level

116. The HNA can provide more localised evidence and this may be used to support Neighbourhood Plan policies. This section suggests an Affordable Housing tenure mix that might be suitable for Lawshall on the basis of identified housing need and a range of other considerations detailed in Appendix D.
117. This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be extremely limited, and thus lower than the potential demand identified here. In this context, affordable rented tenures should be prioritised. This 70% rented to 30% ownership split can facilitate the 25% requirement for First Homes dictated by national policy and also the national policy requiring 10% of all homes to be delivered for affordable home ownership.
118. It is suggested that, for any First Homes that are delivered (though this is unlikely) a 50% discount would be required, making the product just affordable to households on mean incomes. In the interests of diversity and maximizing choice, a further 5% is allocated to shared ownership, with this product at 10% equity extending home ownership further than First Homes, to households with dual lower quartile earnings. Rent to Buy does not feature in the recommended mix as it was considered the least affordable tenure locally.
119. Where the Parish Council wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with Babergh District Council to determine what additional evidence (notably about development viability) may be needed, and to ensure that departures from the local policy context have their support.

Table 4-7 Indicative tenure split (Affordable Housing, Lawshall)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	30%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	5%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	0%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	70%	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

Conclusions- Tenure and Affordability

Current tenure profile

120. Lawshall is characterised by a very high proportion of home ownership compared to district and national levels. The NA has significantly lower proportions of private and social rented properties compared to both wider geographies. Shared ownership is extremely limited in the NA, with a 0.3% share representing just one household in 2021. Between 2011 and 2021, owned and private rented accommodation increased, whilst there was a decrease in social rented households. The proportion of shared ownership remained unchanged.

Affordability

121. Between 2012 and 2021 there has been a significant overall increase in house prices, notably in the last few years, despite year-on-year fluctuations. The mean house price experienced the greatest growth over this period, increasing by 116.6% from £228,885 in 2012 to £495,811 in 2021. The median price increased from £210,000 in 2012 to £377,500 in 2021, indicating 79.8% growth. Lower quartile price growth was lower at 75.7%, increasing from £180,000 in 2012 to

£316,250 in 2021. House prices in Lawshall are generally around 25% higher than across Babergh, suggesting this is a particularly high-value area that is also dominated by larger detached homes.

122. Local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. The median house price would require an annual income 125% higher than the current average to be affordable to households on mean incomes.
123. Private renting is generally only affordable to higher earners, with average earners able to afford entry-level market rents. Households made up of one or two lower quartile earners cannot afford the given rental thresholds.
124. There is a relatively large group of Lawshall households who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £35,667 per year (at which point entry-level rents become affordable) and £81,321 (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, though there may be limited potential to deliver such products in the NA. It is recommended that any First Homes are delivered at a 50% discount in the NA as the average income (£43,100) is only marginally lower than the purchase threshold for a 50% discount (£43,337).
125. Affordable rented housing is generally affordable to households with two lower earners. However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units.

The need for Affordable Housing

126. This study estimates potential demand for 1.7 affordable home ownership dwellings per annum in Lawshall, equating to a total of 27.5 over the Neighbourhood Plan period. In contrast, it is suggested that Lawshall has sufficient affordable rented housing. This result may initially be surprising since there is understood to be a current backlog of need (in the region of 7 households). It is worth emphasizing that one unit of Affordable Housing does not necessarily service one household worth of need, since the unit might have two-bedrooms while the applicant household might require four bedrooms, it may also be located in an inappropriate location, or be otherwise unsuitable.
127. It may be appropriate for Lawshall to encourage the delivery of some affordable rented housing, with the understanding even if this would meet all of the localised need, it may also help to meet an appropriate share of the needs arising from elsewhere in the district.

Affordable Housing policy

128. The expected level of delivery does not meet the quantity of demand identified in estimates of the need for Affordable Housing. It is therefore recommended that the policy requirement is met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing to be explored.

129. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.
130. AECOM suggests an indicative tenure mix for any affordable housing that comes forward on mainstream development sites of 70% social/affordable rented to 30% affordable home ownership. This is chiefly in response to the expectation that the delivery of Affordable Housing will be significantly lower than the needs identified.
131. Looking specifically at affordable home ownership products, it is recommended that only the minimum level of 25% of Affordable Housing is delivered as First Homes. For variety it is recommended that 5% of Affordable Housing is delivered as shared ownership, with 10% equity extending home ownership further than First Homes, to households with dual lower quartile earnings. Rent to Buy does not feature in this tenure mix in order to prioritise the rented tenures and because it is the least affordable tenure locally.

5. Type and Size

Introduction

132. It is common for neighbourhood plans to include policies that influence what form new housing should take in terms of type and size. This requires evidence of what local people need.
133. This can be done using statistics to identify relevant trends and potential gaps in the market. That is the focus of this chapter of the HNA. The evidence gathered here can be used to justify planning policies either on its own or in combination with survey results expressing the specific wants and concerns of local residents. It will also build up a picture of the population and existing range of homes that may provide useful context for the neighbourhood plan.
134. This chapter has three aims, each given its own sub-section:
- To establish what **mix** of housing exists in the NA at present;
 - To describe characteristics of the local **population** that are relevant to housing need; and
 - To look to the **future**, considering how the population is likely to evolve and what mix of homes would be most appropriate to build.
135. It is important to keep in mind that housing need is not an exact science. To get from a set of facts about the population to an ideal mix of homes requires making assumptions. For example, there are clear patterns about what size of home families tend to live in at different stages of life. However, a variety of other reasons sit behind people's housing choices that are less easy to predict, including wealth, accessibility requirements and personal preference. Some trends can also change rapidly over time, such as the increasing preference for home working.
136. The conclusions and recommendations given here are therefore not definitive. Rather, they are what the statistics suggest future needs will look like based on current trends. This is sufficient for justifying planning policies, but it is also appropriate to take into account other factors and evidence if desired.

Definitions

- **Dwelling type:** whether a home is detached, semi-detached, terraced, a flat, bungalow or other type. Which a household chooses to occupy tends to be more about wealth and preference than a specific need.
- **Dwelling size:** how many rooms or bedrooms a home contains. While this could also mean floor area or number of storeys, the number of bedrooms is most reliably recorded in housing statistics. Bedroom numbers are also closely linked to family size and life stage.
- **Household:** a unit of people who live together, commonly a family, couple or single person. Not all dwellings contain a household, including properties that are vacant and second homes, so the number of dwellings and the number of households in an area is usually different.

- **Household composition:** the specific combination of adults and children who form a household. The Census offers a number of categories, for example distinguishing between families with children who are dependent or non-dependent (i.e. adults). 'Other' households in the Census include house-sharers, groups of students, and multi-family households.
- **Household life stage:** the age of the lead member of a household – usually the oldest adult, or what used to be called the 'head of household'. Life stage is correlated with dwelling size as well as wealth.
- **Housing mix:** the range of home sizes and types in an area.
- **Over- and under-occupancy:** the degree to which the size and composition of a household lines up with the number of bedrooms in their home. If there are more bedrooms than the household would be expected to need, the home is considered under-occupied, and vice versa.

The current housing mix

137. This section establishes the current housing mix of Lawshall, highlighting recent changes to it and comparing the mix to wider averages.

Dwelling type

138. Table 5-1 below shows that detached dwellings are the dominant accommodation type in Lawshall, increasing from a 58.6% share in 2011 to 61.5% in 2021. Slight declines were recorded across semi-detached and terrace dwellings. Lawshall has a limited provision of flats, with only one flat recorded in both the 2011 and 2021 Censuses.

139. Overall, the type mix was relatively stable between 2011 and 2021, suggesting that what limited new development took place has remained broadly in character with the existing dwelling stock.

Table 5-1 Accommodation type, Lawshall, 2011-2021

Dwelling type	2011		2021	
	No.	%	No.	%
Detached	232	58.6%	244	61.5%
Semi-detached	108	27.3%	106	26.7%
Terrace	55	13.9%	46	11.6%
Flat	1	0.3%	1	0.3%
Total	396	100%	397	100%

Source: ONS 2021 and 2011, AECOM Calculations

140. Table 5-2 compares the NA mix to wider benchmarks. It shows that Lawshall has a significantly higher proportion of detached properties compared to Babergh and England. Lawshall has lower proportions of all other accommodation types, compared to district and national levels.

141. Semi-detached, terraces and flats are generally more affordable than detached dwellings. The underrepresentation of these types might be expected to limit the options for local people on lower incomes, particularly growing families or

downsizers or simply those who cannot afford the majority of the options currently available.

Table 5-2 Accommodation type, various geographies, 2021

Dwelling type	Lawshall	Babergh	England
Detached	61.5%	41.7%	22.9%
Semi-detached	26.7%	30.1%	31.5%
Terrace	11.6%	20.6%	23.0%
Flat	0.3%	7.5%	22.6%

Source: Census 2021, AECOM Calculations

Dwelling size

142. Table 5-3 below compares Lawshall's 2011 housing with the current housing mix in terms of size. It shows the greatest proportion of households live in three-bedroom dwellings, despite a decline in the share of homes of this size between 2011 and 2021. Larger four + bedroom dwellings are the second most popular dwelling size in Lawshall, experiencing a significant increase from a 25.6% share in 2011 to 33.4% share in 2021 – suggesting that new development has been focused on larger 'executive' housing that has exaggerated the existing bias toward large homes. There were very few one-bedroom dwellings recorded across both Censuses, a feature that is not uncommon in rural areas. Finally, the proportion of households living in two-bedroom dwellings decreased slightly between 2011 and 2021.
143. The significant change in four + bedrooms hasn't been exclusively driven by the development of new dwellings. According to completions data, only 13 (net) new homes have been built since 2011, however, the total number of four + bedrooms has increase by 35 dwellings according to the Census data. This would suggest that some of this growth has been driven by extensions and conversions of existing smaller dwellings (note, decline in two and three bedroom dwellings). The loss of existing smaller and mid-sized homes through extensions will exaggerate affordability imbalances present in the NA.

Table 5-3 Household size (bedrooms), Lawshall, 2011-2021

Number of bedrooms	2011		2021	
	No.	%	No.	%
1	6	1.6%	9	2.3%
2	87	22.7%	79	19.8%
3	192	50.1%	177	44.5%
4+	98	25.6%	133	33.4%
Total	383	100%	398	100%

Source: ONS 2021 and 2011, AECOM Calculations

144. Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country. Table 5-4 shows that Lawshall has lower proportions in the one- and two- bedroom categories compared to the wider district and nation. As such, Lawshall has a higher share of larger, three- and four plus-bedroom homes compared to the averages across Babergh and England.

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

Number of bedrooms	Lawshall	Babergh	England
1	2.3%	6.7%	11.6%
2	19.8%	24.7%	27.3%
3	44.5%	40.9%	40.0%
4+	33.4%	27.8%	21.1%

Source: Census 2021, AECOM Calculations

Population characteristics

145. This section examines key characteristics of the local population that have a bearing on what housing might be needed in future years. Where available, recent data is used. However, for some information it is necessary to fall back on the 2011 Census.

Age

146. Table 5-5 compares the Census population figures for the NA's age structure across 2011 and 2021. The 45-64 age group represented the largest single age group in Lawshall across 2011 and 2021. The largest proportional change is seen in the 15-24 age band, which decreased by 25.7%. The younger 0-14 age band also experienced a decline, decreasing by 10.8% since 2011. The largest change in actual numbers is in the 45-64 age group (representing a 9.6% increase). The 25-44, 65-64 and 85 and over age groups also experienced growth, contrasting the decline in the youngest age group.

Table 5-5 Age structure of Lawshall in 2011 and 2021

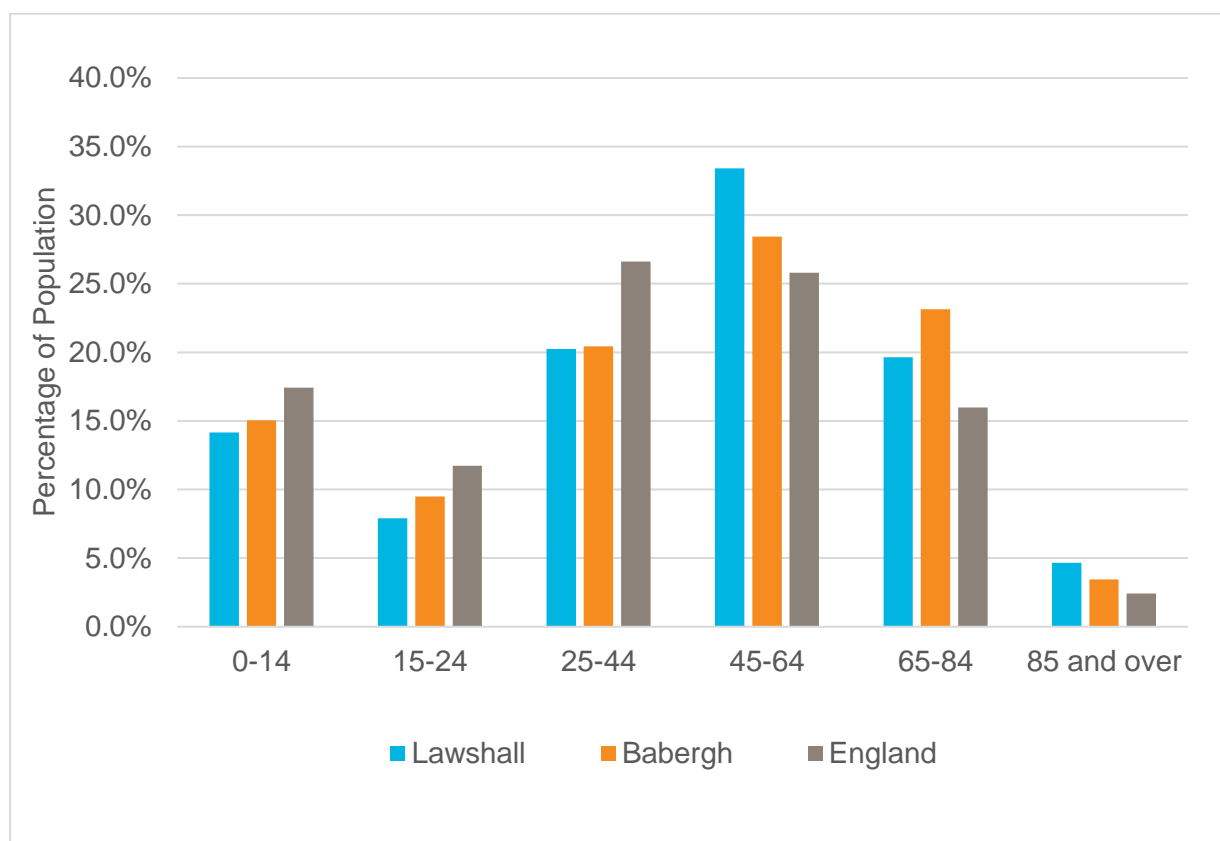
Age group	2011 (Census)		2021 (Census)		Change %
	Pop.	%	Pop.	%	
0-14	157	16.2%	140	14.2%	-10.8%
15-24	105	10.8%	78	7.9%	-25.7%
25-44	189	19.5%	200	20.2%	5.8%
45-64	301	31.1%	330	33.4%	9.6%
65-84	174	18.0%	194	19.6%	11.5%
85 and over	42	4.3%	46	4.7%	9.5%
Total	968	-	988	-	-

Source: ONS 2011, ONS 2021, AECOM Calculations

147. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-1 (using 2021 Census data) shows that the NA's population is generally older than the national average. The 45-64 year old group represents the largest age group across both Lawshall and Babergh, compared to 25-44 across England. Lawshall has lower shares in the younger 0-15 and 16-24 age groups compared to Babergh, with both sitting below the national average. Lawshall has a smaller proportion in the 65-84 age group compared to Babergh, although both significantly exceed this group's share across England. Finally,

Lawshall’s share of the 85 and over and age group exceeds both the district and national average.

Figure 5-1 Age structure across various geographies, 2021



Source: ONS 2011, AECOM Calculations

Household composition and occupancy

148. Household composition (the combination and relationships of adults and children in a dwelling) is an important factor in the kinds of housing needed over the Neighbourhood Plan period. Table 5-6 shows that Lawshall has a lower proportion of single person households and a higher proportion of family households when compared to the wider district. Those aged 65 and over are more likely to be living as a family unit in Lawshall, opposed to within a single person household, which is more common across the wider district and nation.
149. In Lawshall the proportion of families with no children (24.5%) is roughly equal to the level of families with dependent children (23.7%), contrasting the wider district and national averages which lean more towards families with dependent children. This could be indicative of an aging population, and potentially due to affordability challenges pricing young families out of the NA.
150. 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. It is interesting to observe that this category grew by 61.8% between 2011 and 2021 in the parish – a faster rate than the district average which grew by 11.9%.

Table 5-6 Household composition, various geographies, 2021

Household composition		Lawshall	Babergh	England
One person household	Total	19.4%	28.3%	30.1%
	Aged 65 and over	12.1%	15.6%	12.8%
	Other	7.3%	12.7%	17.3%
One family only	Total	75.5%	67.7%	63.1%
	All aged 65 and over	12.9%	14.8%	9.2%
	With no children	24.5%	19.5%	16.8%
	With dependent children	23.7%	22.7%	25.8%
	With non-dependent children ¹²	13.9%	9.6%	10.5%
Other household types	Total	5.3%	4.2%	6.9%

Source: ONS 2021, AECOM Calculations

151. 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.
152. Under-occupancy is relatively common in Lawshall, with 84.1% of households living in a dwelling with at least one extra bedroom. This is most common in 65+ households and single person households. Whilst not uncommon, this perhaps suggests that larger housing in Lawshall is occupied by people with the most wealth or by older persons that have been unable (or unwilling) to downsize as opposed to households with the most family members. Over-occupancy is most common in families under 65 with adult children, with 5.9% of these households having too few bedrooms. This comparatively high figure could again be evidence of affordability challenges pricing young families out of the NA. Only 14.6% of households in the NA live in a dwelling with the expected number of bedrooms based on their household size.

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

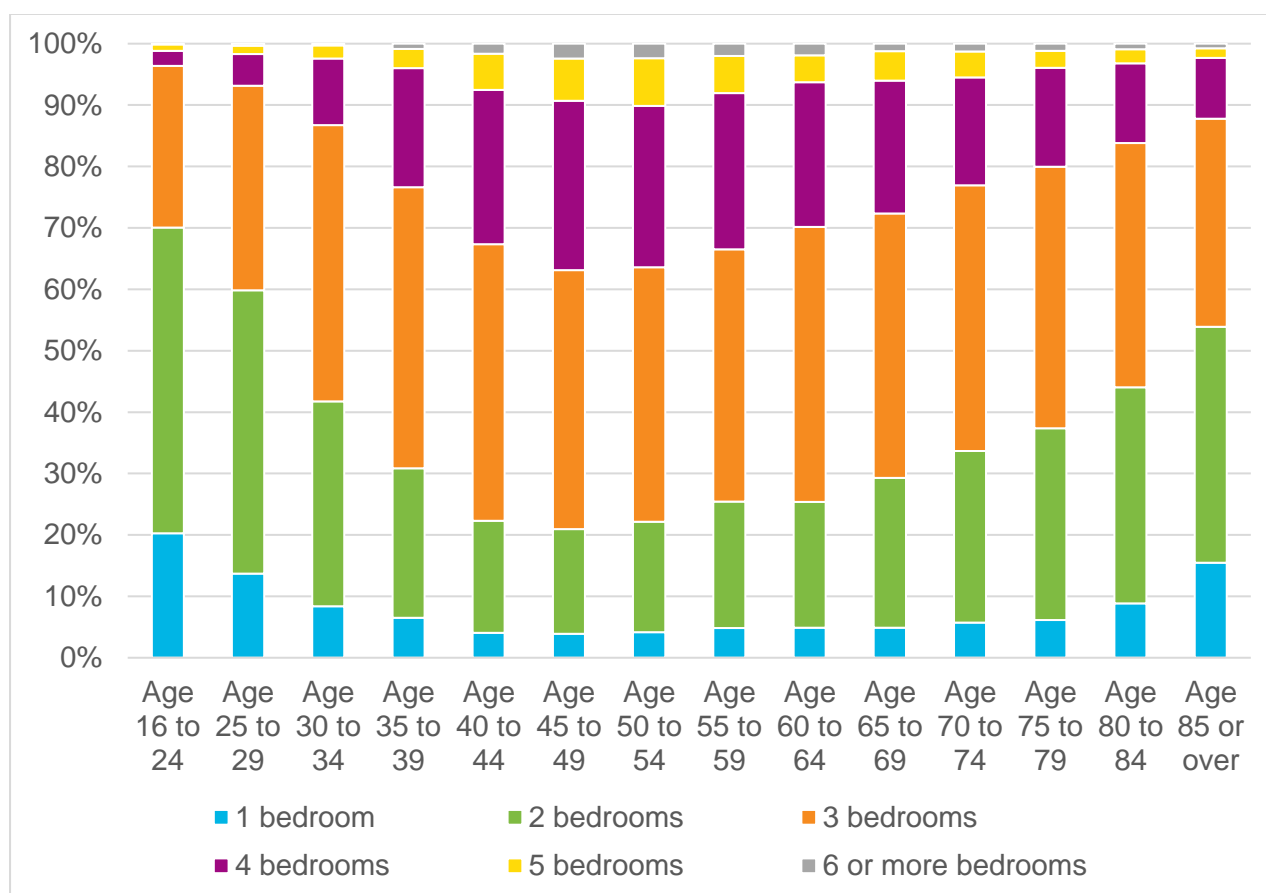
Table 5-7 Occupancy rating by age in Lawshall, 2011

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	64.0%	34.0%	2.0%	0.0%
Single person 65+	55.0%	45.0%	0.0%	0.0%
Family under 65 – no children	76.1%	22.7%	1.1%	0.0%
Family under 65 – dependent children	27.4%	36.8%	34.9%	0.9%
Family under 65 – adult children	14.7%	61.8%	17.6%	5.9%
Single person under 65	60.5%	30.2%	9.3%	0.0%
All households	48.0%	36.0%	14.6%	1.3%

Source: ONS 2011, AECOM Calculations

153. As noted in the introduction to this chapter, the life stage of households is strongly correlated with the size of home they tend to occupy. Figure 5-2 sets out this relationship for Babergh District Council in 2011 (because this data is not available at smaller scales). The graph shows how the youngest households tend to 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 District Council, 2011



Source: ONS 2011, AECOM Calculations

Future population and size needs

154. This section projects the future age profile of the population in Lawshall at the end of the Neighbourhood Plan period and then estimates the mix of dwelling sizes they may need.

Age

155. The result of applying Local Authority level household projections to the age profile of Lawshall households in 2011 is shown in Table 5-8. This makes clear that population growth can be expected to be driven by the oldest households, with the largest growth seen in households with a household reference person aged 65 and over, which increases by 73% from 2011. This followed by more modest increases of 3% in the 55 to 64 category and 1% in the 25 to 34 category. There are expected to be declines in the remaining age groups.

Table 5-8 Projected age of households, Lawshall, 2011 – 2037

Year	24 and under	25 to 34	35 to 54	55 to 64	65 and over
2011	4	32	149	79	119
2037	4	32	140	81	206
% change 2011-2037	-7%	1%	-6%	3%	73%

Source: AECOM Calculations

156. The demographic change discussed above can be translated into an ideal mix of dwelling sizes for new development. This is achieved through a model that maps the dwelling size preferences by life stage shown earlier (in Figure 5-2) onto the projected age profile for the NA in Table 5-8 immediately above. The resulting 'ideal' future mix of dwelling sizes can then be compared to the current stock of housing to identify how future development might best fill the gaps.

157. This approach has limitations, in that it embeds existing size preferences and does not anticipate changes in what people want from their homes. As such, it is appropriate for the results 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 appropriate for the purpose of drafting neighbourhood plan policies.

158. The result of this exercise is presented in Table 5-9. It suggests that the target mix in 2037 should be dominated by three-bedroom dwellings at 42.0%, although to a lesser extent than in 2011. This is followed by two-bedroom dwellings at 26.0%, four-bedroom dwellings at 19.7%, one-bedroom dwellings at 6.5% and five- or more bedroom dwellings at 5.8%.

159. In order to reach the target mix by 2037, the greatest proportion of new housing should be delivered as two-bedroom dwellings (41.7%), followed by one-bedroom (30.1%) dwellings. A more modest provision of four-bedroom (11.8%) and five plus

bedroom (13.6%) dwellings is recommended. It is also suggested that a very low provision of three-bedroom dwellings (2.8%) should be delivered given their present abundance.

160. In essence the goal is diversification away from a relatively skewed current mix, with a need for all sizes of home but particular emphasis on the smallest options.

Table 5-9 Suggested dwelling size mix to 2037, Lawshall

Number of bedrooms	Current mix (2011)	Suggested mix (2037)	Balance of new housing to reach suggested mix
1	1.6%	6.5%	30.1%
2	22.7%	26.0%	41.7%
3	50.1%	42.0%	2.8%
4	21.4%	19.7%	11.8%
5+	4.2%	5.8%	13.6%

Source: AECOM Calculations

161. The following points sense-check the results of the model against other evidence and suggest ways to interpret them when thinking about policy options.
- The preceding chapter found that affordability is a serious and worsening challenge in the parish. 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, although it should be considered whether large numbers of one-bedroom homes are suitable given the area's rural character and current density.
 - To best meet the needs of the growing cohort of older households expected to be present by the end of the Plan period, it should also 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 are built in future to attract both newly forming households on lower budgets and older households with equity from their existing larger homes. While the number of bedrooms required may be similar, other preferences and levels of purchasing power could be very different. Facilitating downsizing among older households may also release those larger homes for use by families who need more bedrooms if they existing stock of larger homes is sufficiently affordable.

Tenure

162. The recommendation discussed immediately above applies to all housing in the NA over the Plan period. This is considered proportionate for devising policy at neighbourhood scale. However, in practice different size mixes may be appropriate for market housing and Affordable Housing. While this distinction may

not be appropriate to make in Neighbourhood Plan policy, since Local Authorities tend to define the precise mix of Affordable Housing required on applicable sites, it is worth thinking through the factors at play.

163. Generally speaking, the size mix needed within affordable tenures, particularly affordable and social rent, is smaller than the size mix of market housing. This is because there tend to be higher proportions of single people and couples in need of affordable rented housing, and they are likely to be eligible only for one or two bedroom properties. In contrast, people buying their own homes tend to want more space than they technically 'need', such as spare rooms for guests, home working or other uses. This fact is established in the data on under-occupancy presented earlier in this chapter.
164. There are three key sources of information for thinking through the size needs of different categories. These are:
- The relevant SHMA for Babergh, which sets out the projected need by size within each tenure over the long-term. In this case, the SHMA indicates that an appropriate mix of owner occupied housing between 2018 and 2036 would be 11.6% one-bedroom, 35.1% two-bedroom, 31.0% three-bedroom, and 22.4% four+ bedroom. In contrast, the suggested mix for social rent/affordable rent is more balanced: 27.2% one-bedroom, 24.1% two-bedroom, 23.5% three-bedroom, and 25.1% four+ bedroom.
 - The waiting list for affordable rented housing, kept by the Local Authority. This provides a more current snapshot of the size needs of applicant households. As this changes over time, individual planning applications can be decided in ways that meet evolving needs. In this case the Housing Register identifies a total of seven households with a range of needs, comprising two households requiring a one-bedroom dwelling, two households requiring a two-bedroom dwelling, and three households requiring a three-bedroom dwelling.
165. To summarise, the overall size mix recommendation presented above applies generally to new housing in the NA. Within this mix, Affordable Housing might require a greater weighting towards smaller sizes while market homes focus on mid-sized homes and some larger options. It is not necessary (and is potentially not appropriate) for Neighbourhood Plans to be prescriptive about the size mix within different tenures, but a range of data sources exist that indicate a direction of travel, which Local Planning Authorities will draw upon when determining applications, and which it is possible for the neighbourhood planners to monitor.

Type

166. Planning policy also tends to be less prescriptive about the mix of dwelling types that are needed than the mix of home sizes. This is because the choice to occupy a terraced rather than a detached home, for example, is primarily a matter of wealth, personal preference, and the amount of outdoor space or other features sought than 'need' in the strict sense. This stands in contrast to the matter of dwelling size, where it can be more clearly established that a household with a

certain number of members, closely correlated with age, requires a particular number of bedrooms.

167. The key distinctions when it comes to dwelling type are between flats and houses and, to a lesser extent, bungalows, each of which tend to appeal to occupants with different life circumstances. However, it remains difficult to generalise about this, particularly when drawing on demographic evidence.
168. The benefits of delivering a certain blend of dwelling types are more closely related to affordability, which is clearly established as an issue in Lawshall, and which favours more dense options (e.g. terraces and flats). This imperative to improve affordability is often in conflict with matters of character, which in rural areas tend to favour lower density options that blend in with the existing built environment. This is particularly relevant in the case of flats, a large block of which may not be a welcome proposition in the NA. That said, it is possible to deliver flats in the form of low-rise maisonettes that resemble terraces from street level, which can counter this issue.
169. In summary, there is a balance to be struck between, on the one hand, improving affordability and choice in the market by encouraging flats and terraces, and, on the other hand, preserving the distinctive character and other features that residents like about the NA today. How far the Neighbourhood Plan should guide on this issue, and in what direction, is a policy decision for Lawshall Parish Council and community to consider.

Conclusions- Type and Size

The current housing mix

170. Detached dwellings are the dominant accommodation type in Lawshall, increasing from a 58.6% share in 2011 to 61.5% in 2021 and far exceeding the proportions across Babergh and England. Lawshall has a limited provision of flats. Though unsurprising given its rural character, the existence of a single flat means that the options for those seeking smaller and more affordable accommodation are very limited.
171. Turning to dwelling size, the greatest proportion of households live in three-bedroom dwellings, despite a decline in the share of homes in this size category between 2011 and 2021. Larger four + bedroom dwellings are the second most popular dwelling size, experiencing a significant increase from a 25.6% share in 2011 to 33.4% share in 2021 and again exceeding the share present across the district and country. This suggests recent development has focused on large detached housing, sometimes termed 'executive housing', and has had the effect of exaggerating Lawshall's bias toward larger higher value homes. There were very few one-bedroom dwellings recorded across both years, a feature that is not uncommon in rural areas.
172. The data also suggests that some of the number of larger dwellings has been driven by extensions and conversions of existing smaller dwellings. The loss of existing smaller and mid-sized homes through extensions will exaggerate affordability imbalances.

Population characteristics

173. Between 2011 and 2021 the 45-64 age group represented the largest single age group in Lawshall. The largest proportional change in that time was a 25.7% decrease in the 15-24 age band, followed by a 10.8% decline in the 0-14 age band. The largest change in actual numbers was the growth in the 45-64 age group (representing a 9.6% increase). The 25-44, 65-64 and 85 and over age groups also experienced growth, contrasting the decline in the youngest age groups. This evidence points clearly in the direction of an ageing population. Lawshall's population is also generally older than the district and national average.
174. Lawshall has a lower proportion of single person households and a higher proportion of family households when compared to the wider district. Those aged 65 and over are more likely to be living as a family unit in Lawshall, opposed to within a single person household which is more common across the wider district and nation. In Lawshall the proportion of families with no children (24.5%) is roughly equal to the level of families with dependent children (23.7%), contrasting the wider district and national averages which lean more towards families with dependent children. This could be indicative of an aging population, and potentially due to affordability challenges pricing young families out of the NA.
175. Under-occupancy was relatively common in the NA in 2011, with 84.1% of households living in a dwelling with at least one extra bedroom based on their household size. This is most common in families aged 65+ and single persons households. There was some over-occupancy in the NA, this is most common in families under 65 with adult children, with 5.9% of these households having too few bedrooms. This comparatively high figure could be evidence of affordability challenges pricing young families out of the NA.

Future population and size needs

176. Future population growth can be expected to be driven by the oldest households, with households aged 65 and over expected to grow by 73% between 2011 and the end of the plan period, while all other age categories remain stable or decline.
177. AECOM suggests a dwelling size mix for new development to accommodate population change to the end of the plan period. In order to reach the target mix, the greatest proportion of new housing should be delivered as two-bedroom dwellings (41.7%), followed by one-bedroom (30.1%) dwellings. A more modest provision of four-bedroom (11.8%) and five plus bedroom (13.6%) dwellings is recommended. It is also suggested that a very low provision of three-bedroom dwellings (2.8%) should be delivered. In essence the goal is diversification away from a relatively skewed current mix with a need for all sizes of home but particular emphasis on the smallest options.
178. Continuing to provide smaller homes with fewer bedrooms would also help to address the significant challenge of affordability, although it should be considered whether large numbers of one-bedroom homes are suitable given the area's rural character and current density.

179. 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.

6. Next Steps

Recommendations for next steps

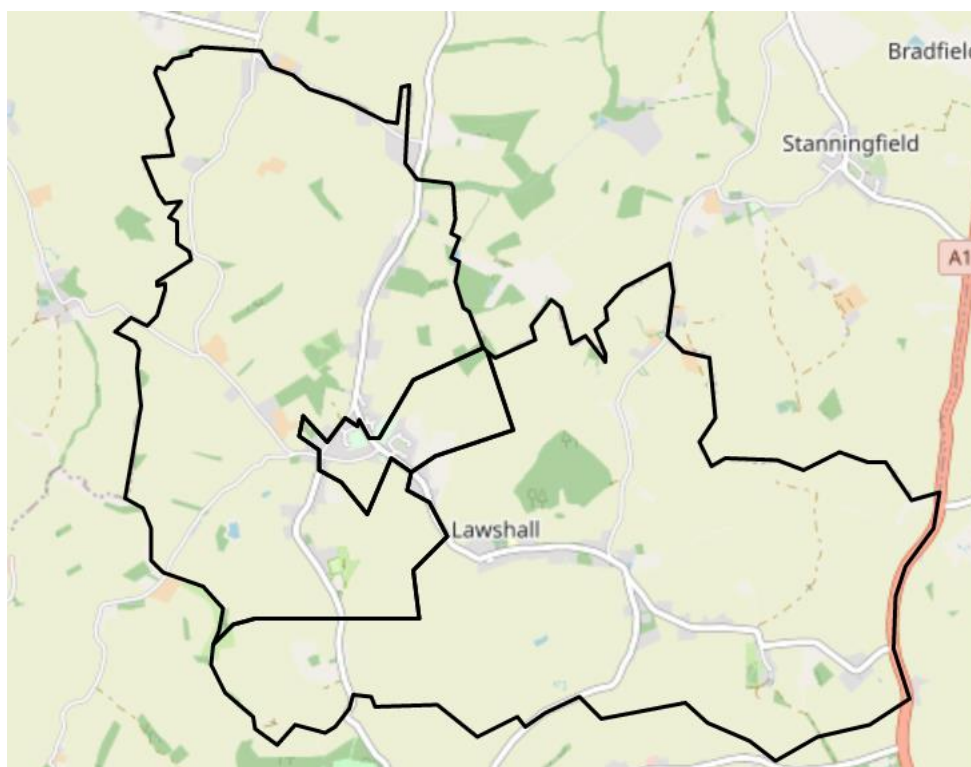
180. This Neighbourhood Plan housing needs assessment aims to provide Lawshall with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with Babergh District Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:
- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
 - The views of Babergh District Council;
 - The views of local residents;
 - The views of other relevant local stakeholders, including housing developers and estate agents; and
 - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Babergh District Council.
181. 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.
182. Bearing this in mind, it is recommended that Lawshall Parish Council should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Babergh District Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
183. 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 : Assessment geography

184. For Census purposes, the whole of England is divided into statistical units of similar population size called Output Areas (OAs) and their larger equivalents. OAs are the smallest units. They make up Lower Layer Super Output Areas (LSOAs), which in turn make up Middle Layer Super Output Areas (MSOAs). The NA and parish equate to the following combination of OAs (see Figure A-1):

- OA E00152267
- OA E00152268
- OA E00152269

Figure A-1 Combined OAs

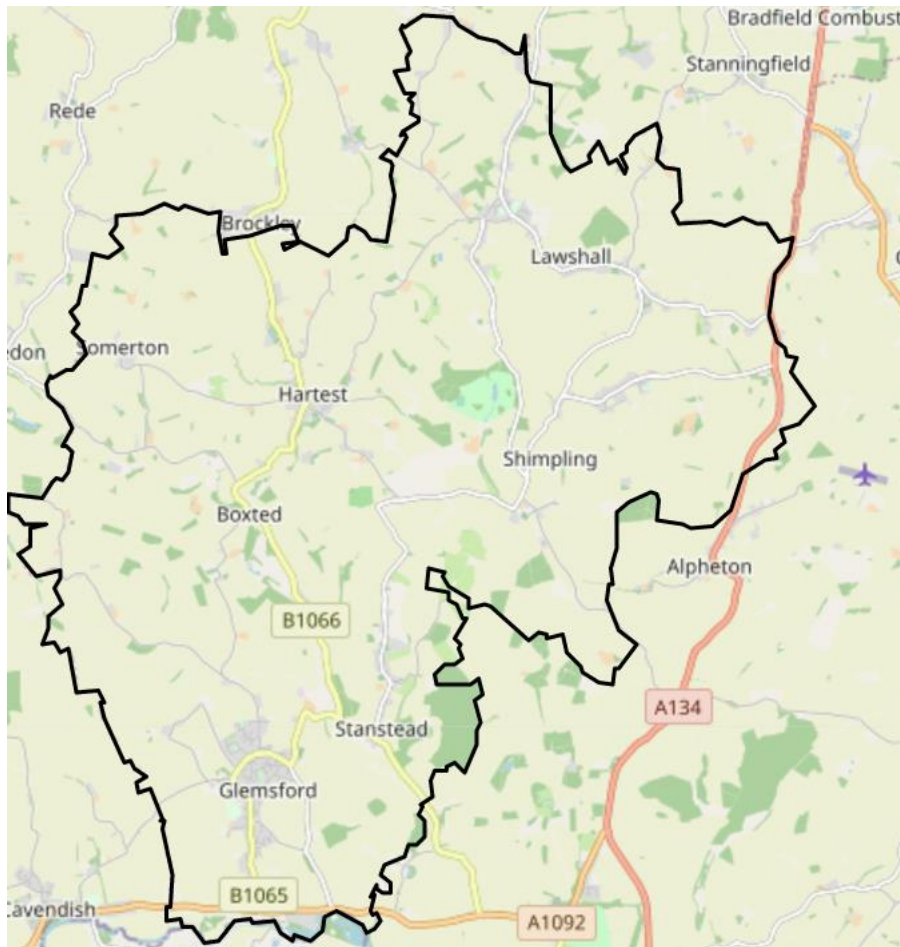


Source: NOMIS

185. Finally, as noted in the analysis of affordability in the main body of the report, household income data for small areas is only provided down to the scale of MSOAs. The relevant MSOA (See Figure A-2), in which the NA is located and which will need to serve as a proxy for it, is:

- MSOA Babergh 002 E02006228

Figure A-2 MSOA Babergh 002



Source: NOMIS

Appendix B : Local Plan context

Policies in the adopted local plan

186. Table B-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Lawshall.

Table B-1: Summary of relevant adopted policies

Policy	Source	Provisions
Policy CS2 Settlement Pattern	Core Strategy	Directs new development sequentially to towns / urban areas then Core Villages and the Hinterland Villages. Lawshall is classified as a Hinterland Village. Hinterland Villages will accommodate some development to help meet the needs within them. All proposals will be assessed against Policy CS11. In the countryside, development is only permitted in exceptional circumstances, where need is justified and proven.
Policy CS3 Strategy for Growth and Development	Core Strategy	Makes provision for 5,975 new dwellings within Babergh District over the plan period, with 2,200 dwellings planned between 2011 and 2016 and a further 4,875 dwellings between 2017 and 2031. In terms of new land allocation numbers, provision will be made for 2,500 new dwellings, 1,050 of which will be delivered in the Core and Hinterland villages.
Strategy for Development for Core and Hinterland Villages	Core Strategy	Sets out criteria that all proposals for development in Hinterland Villages must meet. In summary development in Hinterland Villages will be approved where there is a local need and where the proposals are able to demonstrate a close functional relationship to the existing settlement on sites
Policy CS18 Mix and Types of Dwellings	Core Strategy	Ensures the mix, type and size of housing development reflects the established need within the Babergh district. Any development on strategic housing sites or mixed-use developments with a substantial residential element will be required to make provision for the needs of vulnerable or identified groups of people.
Policy CS19 Affordable Homes	Core Strategy	All residential development will be required to provide 35% affordable housing. Individual targets may be set in Core Villages, Area Action Plans and Site Allocation DPDs. Where proposed development includes only one or two dwellings, or where affordable homes cannot be provided on site, a commuted sum will be required. The tenure types, mixes and sizes of affordable homes will reflect established needs in the District.

Policy	Source	Provisions
Policy CS20 Rural Exception Sites	Core Strategy	Flexible approach to the location of rural exception sites, allowing proposals adjacent, or well related, to the settlement development boundaries of Core and Hinterland Villages, where the type, size, and character is appropriate and in line with identified needs.
HS39 Special Needs Housing	Local Plan 2006	This policy sets criteria for nursing, residential care, rest homes and sheltered housing. Such homes should be located in the built-up area of a Town or sustainable Village (with a range of services and facilities available). Permissions for sheltered housing will normally restrict occupation to persons over 60 years of age.

Policies in the emerging local plan

187. Table B-2 below summarises emerging Local Plan policies that are relevant to housing need and delivery in Lawshall.

Table 2-2: Summary of relevant emerging policies in the Joint Local Plan Modifications Schedule – (March 2023)

Policy	Provisions
Policy SP01 Housing Needs	Makes provision for 7,904 net dwellings (416 per annum) within Babergh District over the plan period .
Policy SP02 Affordable Housing	Requires 35% affordable housing contribution on sites of ten or more dwellings or 0.5ha or more. Proposals for new affordable housing will be expected to have regard to the mix and type of housing needs identified relevant evidence base, such as SHMA, Housing Survey and any Housing Supplementary Planning Document/ Guidance, which would set out dwelling mix, size, tenure and type.
Policy SP03 The Sustainable Location of New Development	New housing development will come forward through extant planning permissions, allocations in made Neighbourhood Plans, windfall development in accordance with the relevant policies of the Plan and any allocations which are made in the forthcoming Part 2 Plan.
	Settlement boundaries will be reviewed, and if necessary revised, as part of the preparation of the Part 2 Plan.

Policy	Provisions
Policy LP07 Community-led and rural exception housing	<p>Community-Led Housing proposals must demonstrate that:</p> <ul style="list-style-type: none">a. The scheme was initiated by, and is being led by, a legitimate local community group; andb. The scheme has general community support. <p>Permission will be granted for a Rural Exception Site scheme if it is well-connected to an existing settlement and proportionate in size to it.</p> <p>Rural Exception Site housing proposals including an element of open market housing must be supported by a viability assessment which convincingly demonstrates that the open market housing is the minimum necessary to cross-subsidise the affordable housing. Proposals including more than 35% open market housing will not be permitted.</p>

Appendix C : Affordability calculations

188. This section outlines how the affordability thresholds discussed in the Affordability and Affordable Housing have been calculated.

C.1 Market housing

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

i) Market sales

190. The starting point for calculating the affordability of a dwelling for sale 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. In practice this can be highly variable. 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.

191. 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 Lawshall, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.

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

- Value of a median NA house price (2021) = £377,500;
- Purchase deposit at 10% of value = £37,750;
- Value of dwelling for mortgage purposes = £339,750;
- Divided by loan to income ratio of 3.5 = purchase threshold of £97,071.

193. 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 £316,250, and the purchase threshold is therefore £81,321.

194. 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 no sales of new build properties in the NA in

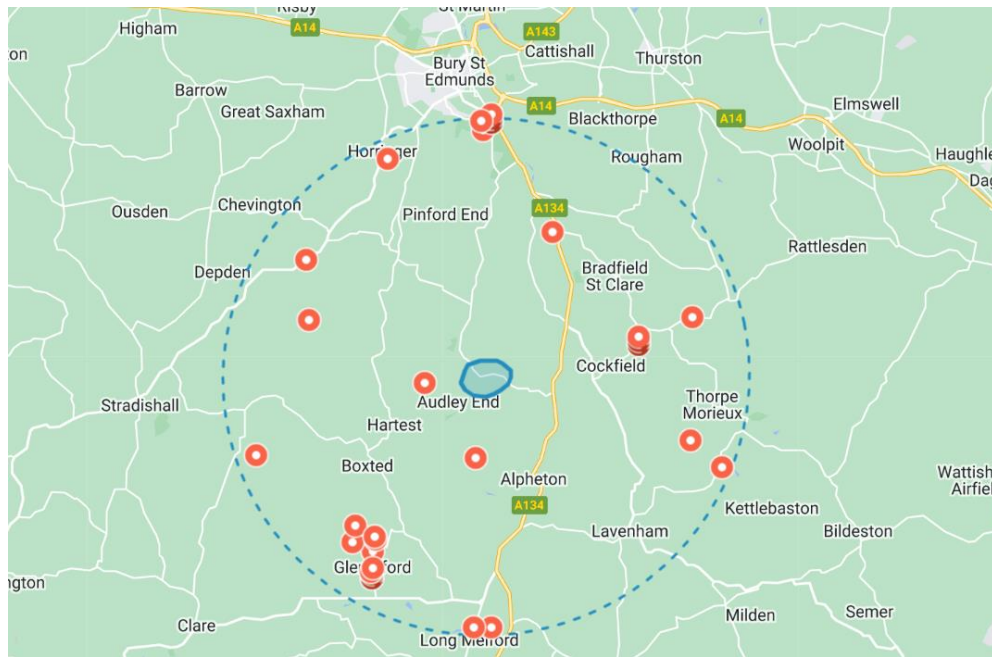
2021. AECOM has therefore calculated an estimate for the cost of new build entry-level housing in the NA in 2021. This is important as it is the expected lower end of the market for new housing in the near future, and it is also the benchmark for understanding the costs of affordable home ownership tenures (considered below).

195. Therefore an estimate has been calculated by determining the uplift between all house prices in 2021 across Babergh District Council and new build house prices in 2021 in the same area. This percentage uplift (or 'new build premium') of 6.6% is then applied to the 2021 lower quartile house price in the NA (£316,250) to give an estimated NA new build entry-level house price of £337,069 and purchase threshold of £86,675.
196. 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 District Council in 2021. The median cost of new build dwellings in Babergh District Council was £340,000, with a purchase threshold of £87,429.

ii) Private Rented Sector (PRS)

197. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income. The percentage of income to be spent on rent before the property is considered affordable 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.
198. 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.
199. The property website [Rightmove.co.uk](https://www.rightmove.co.uk) shows rental values for property in the Neighbourhood Area. According to [Rightmove.co.uk](https://www.rightmove.co.uk), there were no properties available for rent in the NA at the time of search in January 2024. As such, an alternative rental search area needs to be selected that is a suitable proxy for the Neighbourhood Area.
200. Figure 6-1 shows the rental search area used to gather data for the private rent income threshold calculation. This area extends to a five-mile radius beyond the centre of the NA, covering adjacent rural parishes whilst excluding the more urban Bury St Edmunds.

Figure 6-1 Rental Search Area



Source: [Rightmove.co.uk](https://www.rightmove.co.uk)

201. According to [Rightmove.co.uk](https://www.rightmove.co.uk), there were 24 properties for rent at the time of search in January 2023, with an average monthly rent of £1,425. There were 9 two-bed properties listed, with an average price of £892 per calendar month.

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

- Annual rent = £892 x 12 = £10,700;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £35,667.

203. The calculation is repeated for the overall average to give an income threshold of £57,017.

C.2 Affordable Housing

204. 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

205. 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.

206. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at Local Authority scale so must act as a proxy for Lawshall. 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 District Council in Table C-1.

207. 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 C-1: Social rent levels (£)

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

Source: Homes England, AECOM Calculations

ii) Affordable rent

208. 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).

209. 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%.

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

211. Comparing this result with the average two bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 60% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table C-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£92.05	£112.23	£128.04	£162.86	£114.93
Annual average	£4,787	£5,836	£6,658	£8,469	£5,976
Income needed	£15,939	£19,434	£22,171	£28,201	£19,901

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

212. 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.

213. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that “where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of 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

214. Because First Homes are a new tenure product, it is worth explaining some of their key features:

- 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.

215. The starting point for considering whether First Homes are affordable is the estimated cost of new build entry-level housing in the NA noted above of £337,069.

216. 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) = £337,069;
- Discounted by 30% = £235,948;
- Purchase deposit at 10% of value = £23,595;
- Value of dwelling for mortgage purposes = £212,353;
- Divided by loan to income ratio of 3.5 = purchase threshold of £60,672.

217. The income thresholds analysis in the Affordability and Affordable Housing chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £52,005 and £43,337 respectively.

218. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible. The discounted prices are also all below the cap of £250,000.

219. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a two bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m¹³) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Lawshall.

220. Table C-3 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. 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.

¹³ 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/>

Table C-3: Discount on sale price required for households to afford First Homes

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA median house price	56%	82%	64%
NA estimated new build entry-level house price	50%	80%	60%
NA entry-level house price	47%	78%	57%
LA median new build house price	51%	80%	60%

Source: Land Registry PPD; ONS MSOA total household income

Shared ownership

221. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.
222. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.
223. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
224. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £337,069 is £84,264;
 - A 10% deposit of £8,427 is deducted, leaving a mortgage value of £75,841;
 - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £21,669;
 - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £252,802;
 - The estimated annual rent at 2.5% of the unsold value is £6,320;

- This requires an income of £21,066 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £42,736 (£21,669 plus £21,066).

225. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £33,948 and £57,382 respectively.

226. The income threshold for shared ownership at 10%, 25% and 50% equity shares remain below the £80,000 cap for eligible households.

Rent to Buy

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

Help to Buy (Equity Loan)

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

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

Appendix D : Affordable Housing estimates

230. In Table D-1 AECOM has calculated, using PPG as a starting point,¹⁴ an estimate of the total need for affordable rented housing in Lawshall 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 available. 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.

231. It should also be noted that figures in Table D-1 are largely dependent on information provided by Babergh District Council in its capacity as manager of the local housing waiting list. The Council indicated that there are seven households on the Housing Register for Lawshall, across a range of priority bands and needs (See Figure D-1)

Figure D-1: Lawshall Housing Register (January 2023)

	Band A	Band B	Band C	Band D	Band E	Totals
1b	0	0	2	0	0	2
2b	0	0	2	0	0	2
3b	0	3	0	0	0	3
4b	0	0	0	0	0	0
5b	0	0	0	0	0	0
Totals	0	3	4	0	0	7

Source: Babergh District Council

232. Reflecting the housing register data, the Table D-1 shows that there are currently about seven households in Lawshall unable to access affordable rented homes suitable to their needs. The table also suggests that, over the Plan period, 5.8 additional households in the Neighbourhood Area will fall into need, producing an overall surplus of 0.2 social/affordable rented dwellings per annum (or 3.6 dwellings over the NP period), after supply through vacancies is taken into account.

¹⁴ Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

Table D-1: Estimate of need for Affordable Housing for rent in Lawshall

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current households in need	7.0	Lawshall Housing Waiting List (January 2023)
1.2 Per annum	0.4	Step 1.1 divided by the plan period to produce an annualised figure.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	51.0	DLUHC 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	11.3%	(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 parish	34.0	2021 Census number of social renters
2.2.2 Number of private renters on housing benefits	6.3	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	5.8	Step 2.1 x Step 2.2.
2.4 Per annum	0.4	Step 2.3 divided by plan period.
STAGE 3: TURNOVER OF AFFORDABLE HOUSING		
3.1 Supply of social/affordable re-lets (including transfers) %	3%	Assumed proportion of stock re-let each year.
3.2 Supply of social/affordable re-lets (including transfers)	1.0	Step 3.1 x NA social rented stock (2.2.1).
NET SURPLUS OF RENTED UNITS PER ANNUM		
Overall surplus per annum	-0.2	Step 1.2 + Step 2.4 - Step 3.2

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.

233. Turning to Affordable Housing providing a route to home ownership, Table D-2 estimates the potential demand in Lawshall. This model aims to estimate the number of households that might wish to own their own home but cannot afford to. 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.

234. 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.¹⁵ No robust indicator exists

¹⁵ <http://www.ipsos-mori-generations.com/housing.html>

for this area or a wider scale to suggest aspirations may be higher or lower in the NA.

Table D-2: Estimate of the potential demand for affordable housing for sale in Lawshall

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in parish	39.0	Census 2021 number of renters
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 parish	6.3	Step 1.1 x Step 1.2.
1.4 Current need (households)	24.5	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. ¹⁶
1.5 Per annum	1.5	Step 1.4 divided by plan period.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	51.0	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	6.1%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	3.1	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	0.2	Step 2.3 divided by plan period.
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	1	Census 2021 - Number of shared ownership homes in NA
3.2 Supply - intermediate resales	0.1	Step 3.1 x 5% (assumed rate of re-sale).
NET SHORTFALL PER ANNUM		
Overall shortfall per annum	1.7	(Step 1.5 + Step 2.4) - Step 3.2.

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.

235. 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).

¹⁶ The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, based on national level polls which consistently reveal that most households who prefer home ownership eg <http://www.ipsos-mori-generations.com/housing.html> and informed by our experience across numerous neighbourhood level HNAs. The assumption is based on the fact that some households choose to rent at certain stages in their life (e.g. when young, when needing flexibility in employment market, or when new migrants move into an area). While most households prefer the added security and independence of owning their own home, private renting is nevertheless a tenure of choice at a certain points in many households' journey through the housing market. The actual percentage of preference will differ between areas, being higher in large metropolitan areas with younger households and more new migrants, but lower in other areas. 25% is used as a reasonable proxy and for consistency across HNAs and similar assumptions are used in some larger scale assessments such as LHNAs and SHMAs. If the neighbourhood planning group feel this is not an appropriate assumption in their particular locality they could use the results of a local residents survey to refine or confirm this calculation.

236. 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.

Table D-3: Wider considerations in developing Affordable Housing mix policy

Consideration	Local Evidence
<p>A. Evidence of need for Affordable Housing:</p> <p>The need for affordable rent and affordable home ownership is 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.</p>	<p>This HNA suggests that the NA has sufficient affordable rented housing and requires around 1.7 units of affordable home ownership homes per annum over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.</p> <p>The relationship between these figures suggests that 100% of Affordable Housing should offer a route to ownership.</p> <p>However, housing for rent and Affordable Housing for ownership 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.</p> <p>This tenure mix would therefore not be appropriate for future Affordable Housing, especially when taking into consideration the current backlog of need for rented homes.</p>
<p>B. Can Affordable Housing needs be met in full?</p> <p>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.</p>	<p>If the Local Plan target of 35% were achieved on every site, assuming the delivery of the NA's housing target for 26 homes overall, up to 9 affordable homes might be expected in the NA over Plan period.</p> <p>This level of potential affordable housing delivery would not be sufficient to meet all of the potential demand identified.</p>

	<p>Furthermore, the majority of the 26 homes expected to be delivered in the NA comprise completions of existing permissions, with some potential “windfall” infill sites. This means that any future development is likely to be small scale and limited in its delivery of affordable housing.</p> <p>This suggests some form of prioritisation will be required. It is recommended that affordable rented housing should have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority within the limited potential supply, despite the slight surplus identified in AECOM’s calculations over the plan period.</p>
<p>C. Government policy (eg NPPF) requirements:</p> <p>Current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing.</p>	<p>For 10% of all housing to be affordable ownership in Lawshall, where 35% of all housing should be affordable, 29% of Affordable Housing should be for affordable ownership.</p>
<p>D. Local Plan policy:</p>	<p>The Local Plan doesn’t specify a tenure split, instead this is left as a matter to be informed by the latest evidence. The SHMA Update 2019 suggests the affordable housing tenure split should approximately be 50% affordable rent and 50% affordable home ownership.</p>
<p>E. First Homes policy:</p> <p>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.</p> <p>After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority</p>	<p>This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. This would not be the case across in Babergh if the SHMA tenure split (50% were affordable rent) was applied.</p>

<p>protect the provision for social rent set out in the Local Plan. The remaining units should then be allocated to other tenure products in the relative proportions set out in the Local Plan.</p> <p>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. 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.</p>	
<p>F. Viability:</p>	<p>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.</p>
<p>G. Funding:</p> <p>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.</p>	<p>Lawshall Parish Council may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.</p>
<p>H. Existing tenure mix in Lawshall:</p> <p>The current stock of homes in an area, in terms of balance between ownership, rented and affordable provision may be a consideration in the mix of tenures provided on new development sites.</p>	<p>Lawshall has limited shared ownership tenure and significantly lower rates of social rents than the wider borough and country. This suggests that some provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming</p>

	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:	Lawshall Parish Council may wish to take account of broader policy objectives for Lawshall 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.

Appendix E : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods¹⁷.

Age-Restricted General Market Housing

A type of housing which is generally for people aged 55 and over and active older people. 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 Standard¹⁸

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.

¹⁷ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

¹⁸ 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 Order¹⁹

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)²⁰

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 older 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.

¹⁹ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

²⁰ 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 years²¹, 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 very frail older people, 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

²¹ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

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

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing²²

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

²² See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for Older People

Specialist housing for Older People, sometimes known as specialist accommodation for older people, 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.²³

²³ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

