

# Southwell

Housing Needs Assessment (HNA)

May 2022

## Quality information

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

DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
DWHNA	Newark And Sherwood District Council District Wide Housing Needs Assessment
HNA	Housing Needs Assessment
HRF	Housing Requirement Figure (the total number of homes the NA is expected to plan for, usually supplied by LPAs)
HLIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LHN	Local Housing Need
LPA	Local Planning Authority
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NSDC	Newark and Sherwood District Council
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SWG	Southwell Working Group
VOA	Valuation Office Agency

# 1. Executive Summary

## Conclusions- Tenure and Affordability

1. Southwell has a high level of home ownership at 74.3%, which is slightly higher than the rates across the district (70.6%) and England (63.3%). Private renting appears to be less common in Southwell than across England with high rates of social rent and shared ownership making up the remainder.
2. Data from NSDC state that 207 new homes were built since the 2011 Census, of which only 51 were for social rent or intermediate housing. While this slightly added to the affordable housing offering of the NA, recent supply of affordable homes has not met the current demand and the tenure mix overall is now balanced further in favour of market tenures.
3. There has been significant price growth over the last ten years in Southwell, most notably in detached properties which have grown by almost 60% since 2012. Income data suggest 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 only one earner. The significant rise in house prices is very unlikely to have been matched by growth in incomes, meaning that affordability has become a huge challenge in Southwell.
4. In recent years student places at Nottingham Trent University Brackenhurst Campus, just outside the town, have risen by over 1000 students. Anecdotal evidence from the working group suggests that some of the accommodation for these students is met by an increase of housing on campus, however around 400 students are living in housing off campus, with a high percentage of these in the town. This creates competition for suitable housing available for young families and those in the lower earner group who may require smaller properties in the town centre.
5. AECOM has compared various measures of local incomes to the estimated costs of various housing tenures, including private renting and various forms of affordable housing. The picture that emerges is that affordability is an issue in the NA. Purchasing market housing is only an option for the highest earners or those with existing equity or substantial savings. Affordable routes to ownership based on the median house prices do not offer enough of a discount to serve those earning the average income or below, but a 40% discount on the new First Homes product would be sufficient to make it accessible to average earners.
6. Those on lower incomes could potentially access shared ownership at the 25% and below equity share, but otherwise people in the NA will be forced to rely on affordable rented housing as private and affordable ownership is still too expensive.
7. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Southwell 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.

8. Data from the DWHNA suggests that Southwell requires roughly 90 units of affordable rented housing and 60 units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.
9. 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.

## **Conclusions – Type and Size**

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

### **The existing housing stock**

11. Southwell has a housing mix that is skewed toward typically less dense and larger homes – i.e a far higher proportion of detached properties than the district and country, and fewer other property types. With around 21% of homes in Southwell falling into the categories of terraced houses and flats, this could limit the options for local people on lower incomes, whether they are able to buy or rent.
12. As of 2011, the size mix of housing locally has been dominated by larger homes with 73% of homes having 3 or more bedrooms. Correspondingly, Southwell has a notable lack of 1- bedroom properties, accounting for only 7% of the housing stock. Development over the past 10 years has modestly diversified the size mix, particularly in increasing the number of smaller homes.

### **Demographics**

13. The age structure of the population is a key indicator of the future need for housing. Southwell has an older population profile than Newark and Sherwood and England in 2011. The older age brackets of 45-64 and 65-84 have grown the fastest between 2011 and the latest ONS estimates for 2020. It is clear that ageing will be a major driver of

housing need in Southwell going forward, whether older households intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household, or their evolving needs.

14. The NA has a high rate of under-occupancy, with around 84% of households having at least one bedroom more than they would expect to need (at the time of the last Census). The percentage of people living in homes with fewer bedrooms than they might be expected to need is small at 2%. Although this does indicate that a number of people may have been (or still are) living in inadequate housing conditions.
15. The previous chapter established the high property values in the area, so it would appear the largest homes are not necessarily occupied by those with the largest families but by those with the financial capacity to do so, irrespective of their household size. Indeed, over-occupancy is strongly correlated with age, with those aged 65 and over most likely to have more than two additional bedrooms after families with no children.

### **The future dwelling mix**

16. The results of a modelling exercise, which looks at the sizes of dwellings occupied by households at different life stages and projects the growth and decline of those household age groups over the plan period, suggests that new development should be focused on medium and smaller homes. 3-bedroom properties are required at the largest amount followed by 2-bedroom properties as they are suitable for many groups.
17. A future increase in small and medium sized homes would both improve Southwell's offering for younger households who currently have few options for their next step on the property ladder and also enable older households currently under-occupying larger homes to downsize and in doing so potentially create churn in the market (although it is acknowledged that many of the larger historic properties may be too expensive to be taken up by young local families).
18. The preceding chapter found that affordability is a serious and worsening challenge in Southwell. While the provision of affordable housing is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local resident's budgets. Providing smaller homes with fewer bedrooms would help to address this situation.
19. However, it is never advisable to entirely restrict the supply of specific size categories as it suggested here for homes with 4+ bedrooms.
20. To best meet the needs of the large cohort of older households expected to be presented by 2031, it should be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes, whose needs are far from identical. This is likely to require the continued supply of 3-bedroom homes and smaller proportions of 2-bedroom homes than the large quantity indicated by the model. Facilitating downsizing among older households may release those larger

homes for use by families who need more bedrooms. A reasonable amount of larger homes, ideally at affordable price points, may also be required to accommodate growing families with lower budgets.

21. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to smaller homes but that it is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

## **Conclusions - Specialist Housing for Older People**

22. ONS 2020 population estimates suggest that there are currently around 1161 individuals aged 75 and over in Southwell. However, for the purpose of these calculations the 2011 census figure needs to be used as a baseline for consistency with the projections. The estimated growth from 2011 to 2031 is 610 people.
23. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
24. These two methods of estimating the future need in Southwell produce a range of 153 to 191 specialist accommodation units that might be required during the plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
25. There are a range of care options available in Southwell depending on the level of care needed, including an 82-bed care home for full-time care. More than half of options are available for social rent and the rest are available for leasehold. It is worth noting, that NPS can not set the proportion of specialist housing that should be affordable – that usually has to be in line with Local Plan policy for all housing.
26. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period due to the lack of allocations or commitments for specialist accommodation in the Local Plan, another avenue open to the Neighbourhood Planning groups is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. The local level evidence supplied in this report could be used to influence district/borough level policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
27. Local Plan Core Policy 9: Sustainable Design, suggests the accommodation should be provided with greater flexibility that can meet the changing needs of residents over a lifetime, ensuring that development is accessible to all reducing the need to move. The

District Council aim to prepare a Supplementary Planning Document setting out guidance to developers on best practice on issues relating to lifetime homes. However, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here would appear to justify the Working Group approaching the LPA to discuss setting requirements on accessibility and adaptability at a district level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.

28. It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide, and the localised evidence gathered here would further justify this. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants in the district/borough falling into this category.
29. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
  - so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
  - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
  - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
30. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or neighbourhood plan areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
31. It is considered that Southwell is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Plan area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Southwell in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Plan area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Plan area itself.

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

## 2. Context

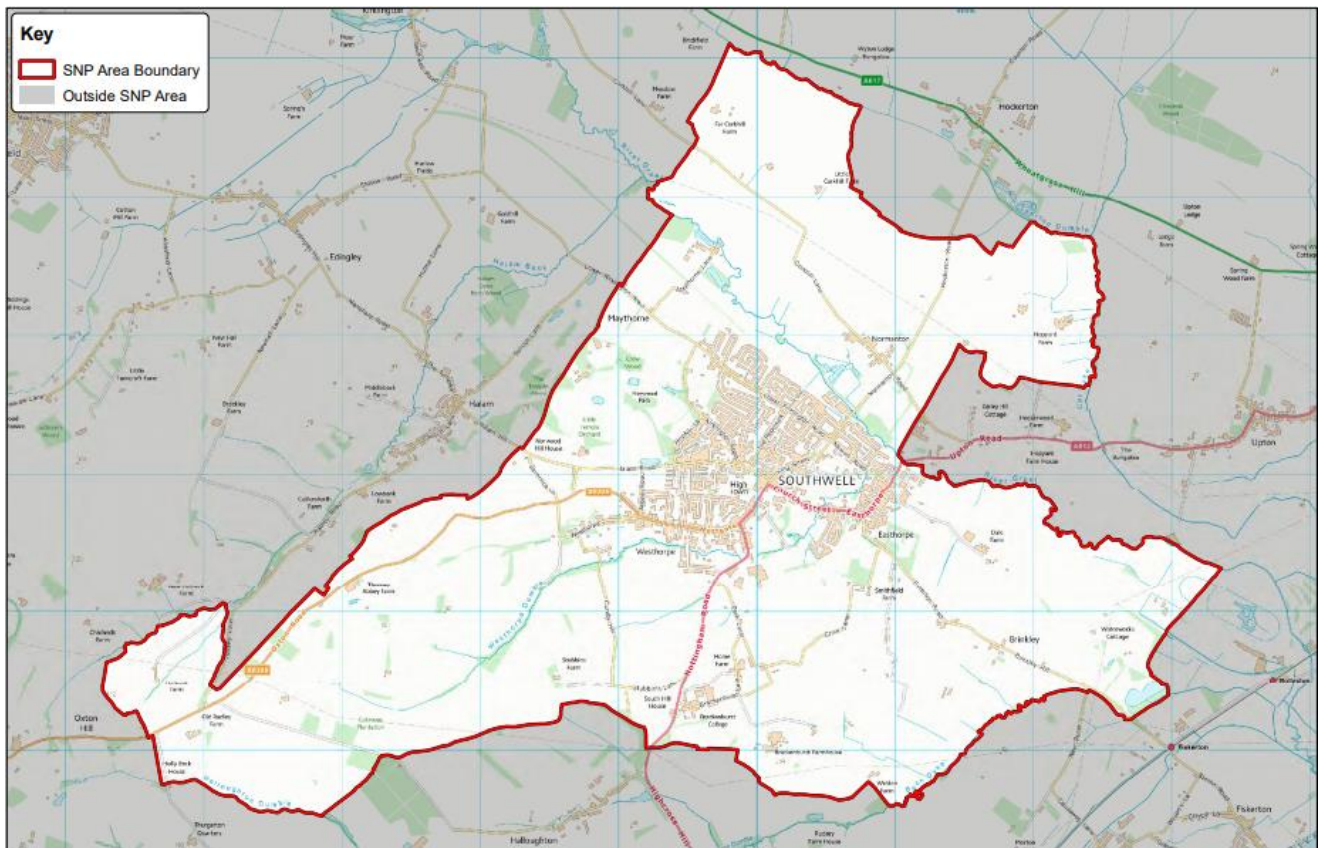
### Local context

33. Southwell is a Neighbourhood Plan area located in the district of Newark and Sherwood, in Nottinghamshire, England. The Neighbourhood Area (NA) boundary aligns with the parish of Southwell, which was formally designated by Newark and Sherwood District Council prior to the adoption of the 2015 version of the Neighbourhood Plan.
34. The proposed Neighbourhood Plan period starts in 2022 and extends to 2031, therefore comprising a planning period of 10 years. The evidence supplied in this report will look forward to the Plan end date of 2031, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
35. The NA lies six miles west of the town of Newark-on-Trent and 15 miles from the city of Nottingham.

#### The NA boundary

36. A map of the plan area appears below in Figure 2-1.
37. Data for Southwell parish was captured in the 2011 Census. Up to date population estimates can also be obtained for parishes, and a current snapshot of housing in the parish can be obtained by adding together 2011 census numbers and completions date from NSDC. However, for the 2001 Census, the parish needs to be recreated using statistical units called Output Areas (OAs). The plan area equates to the following Super OAs- lower layer (LSOA), which have been used as a statistical proxy for the NA boundary:
  - 1275096761
  - 1275096762
  - 1275096763
  - 1275096764
38. The statistics show that in the 2011 Census the NA had a total of 7,297 residents, formed into 3,069 households and occupying 3,185 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Southwell is 7,458 – indicating population growth of around 161 individuals since 2011. It is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.
39. According to completions data provided by NSDC there has been a significant increase in new development in Southwell, with the LPA recording a total of 207 new dwellings since the 2011 Census. This slightly exceeds the estimated population change of around 161 individuals mentioned above.

Figure 2-1: Map of the Southwell Neighbourhood Plan area<sup>1</sup>



Source: [Southwell Town Council]

## The Housing Market Area Context

40. Whilst this HNA focuses on Southwell neighbourhood area it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas. In the case of Southwell, the parish sits within a housing market area called the Nottingham Outer Housing Market Area, consisting of three local authorities, the Districts of Newark and Sherwood, Ashfield, and Mansfield.<sup>2</sup> This means that when households who live in these authorities move home, the vast majority move within this geography.
41. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Southwell, are closely linked to other areas. In the case of Southwell, changes in need or demand in settlements nearby is likely to impact on the neighbourhood.
42. In summary, Southwell functions within a wider strategic area. As well as fostering good working relationships with the local planning authority Newark and Sherwood District Council, it is therefore useful to think about the role of the neighbourhood within the wider

<sup>1</sup> Available at <https://www.newark-sherwooddc.gov.uk/southwellneighbourhoodplan/>

<sup>2</sup> Nottingham Outer Strategic Housing Land Availability Assessment. Available at: <https://www.newark-sherwooddc.gov.uk/media/newark-and-sherwood/images-and-files/planning-policy/pdfs/housing/strategic-housing-land-availability-assessment/Strategic-Housing-Land-Availability-Assessment-Methodology---DONE.pdf>

area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood play within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

## Planning policy context

43. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.<sup>3</sup> In the case of Southwell, the relevant adopted Local Plan for Newark and Sherwood consists of:
44. The Amended Core Strategy Development Plan Document (DPD), adopted in March 2019, and the Allocations and Development Management DPD, adopted in July 2013, which along with Supplementary planning documents make up the Local Development Framework.
45. In line with the requirements of the NPPF, the Council must review local plans every five years to ensure policies remain relevant. The Council are currently undergoing this process, with new plans expected to be adopted in early 2023. The new Local Plan will set out the spatial strategy for the distribution and development of new homes, employment and supporting infrastructure in Newark and Sherwood. This process is currently at too early a stage for any draft policies to be in the public domain, and therefore cannot be reviewed here.

## Policies in the adopted local plan

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

**Table 2-1: Summary of relevant adopted policies in the Newark and Sherwood Amended Core Strategy**

Policy	Provisions
Spatial Policy 1: Settlement Hierarchy	Southwell is designated as a service centre in the settlement hierarchy. The total number of dwellings to be allocated by the District Council between 2013 and 2033 in the sub-regional centre, service centres and principal villages is 8,806. As of March 2017, a minimum of 3,453 is required for the rest of the plan period.
Spatial Policy 2: Spatial Distribution of Growth	Outlines that 30% of overall housing growth will be allocated to service centres, with 10% of this growth allocated to Southwell.

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



<b>Policy</b>	<b>Provisions</b>
Core Policy 1: Affordable Housing Provision	The District Council will seek to secure 30% of new housing development on qualifying sites as Affordable Housing. The District Council will seek to secure a tenure mix of Affordable Housing to reflect local housing need and viability on individual sites. Overall, the affordable tenure mix in the District should reflect the following mix: 60% social rented/affordable rented; 40% affordable home ownership products.
Core Policy 2: Rural Affordable Housing	The District Council will pro-actively seek to secure the provision of affordable housing on rural affordable housing 'exceptions sites.'
Core Policy 3: Housing Mix, Type and Density	The District Council will expect good quality housing design in line with Core Policy 9 Sustainable Design. Development densities in all housing developments should normally be no lower than an average 30 dwellings per hectare net. The District Council will seek to secure new housing development which adequately addresses the housing need of the District, namely: Family housing of 3 bedrooms or more; Smaller houses of 2 bedrooms or less; Housing for the elderly and disabled population.
Core Policy 5: Criteria for considering sites for Gypsies & Travellers and Travelling Showpeople	Sets out the criteria used to guide the process of allocation sites, in the Allocations & Development Management DPD, of individual sites and to help inform decisions on proposals reflecting unexpected demand.
Core Policy 9: Sustainable Design	The District Council will expect new development proposals to demonstrate a high standard of sustainable design that both protects and enhances the natural environment and contributes to and sustains the rich local distinctiveness of the District.
Core Policy 10A: Local Drainage Designations	In order to ensure the appropriate management of flood risk as part of new development, the District Council will work with partners to develop Local Drainage Designations in Southwell.
Core Policy 11: Rural Accessibility	In the Southwell Area the District Council will seek to secure improved public transport to villages, to provide links to the Service Centre of Southwell and the Principal Village of Farnsfield.

*Source: Newark and Sherwood*

## **Quantity of housing to provide**

47. The NPPF 2021 (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
48. Newark and Sherwood District Council have fulfilled that requirement by providing Southwell with an indicative figure of 298 dwellings on eight allocated sites, to be accommodated within the Neighbourhood Area by the end of the Plan period.

## 3. Approach

### Research Questions

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

### Tenure and Affordability

50. The Working Group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
51. This evidence will allow Southwell to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.
52. The Working Group are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

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

### Type and Size

53. The Working Group is seeking to determine what size and type of housing would be best suited to the local community. Local people are requesting more appropriately sized housing for people in the area including smaller homes, homes for first time buyers and young families.
54. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.
55. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.
56. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

***RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?***

## **Specialist Housing for Older People**

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

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

## **Relevant Data**

58. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census and a range of other data sources, including:

- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
- ONS population and household projections for future years;
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from Home.co.uk;
- Local Authority housing waiting list data; and
- Newark And Sherwood District Council District Wide Housing Needs Assessment (DWHNA), December 2020.

59. More recent data sources for the population and existing housing stock will be used wherever possible in this report. However, Census datasets providing, for example, the breakdown of households (as opposed to individuals) by age and the tenure of dwellings, cannot be accurately be brought up to date in this way. Such patterns are instead generally assumed to persist to the present day.

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

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

### Introduction

60. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
61. Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
62. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. As part of this effort, the Government has recently introduced a new product called First Homes.<sup>4</sup>
63. Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:
- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
  - The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
  - After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;

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<sup>4</sup> The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

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

## Current tenure profile

64. The current tenure profile is a key feature of the Neighbourhood Plan 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.
65. The Working Group have expressed concerns about the number of home extensions over the past few years in Southwell. The group conducted baseline research and found that in the past 24 months there has been a total of 89 extensions adding 30 bedrooms. This raises questions about the suitability of the current tenure mix and suggests that more medium to larger homes may be required to meet the needs of larger families. This could help those who may require more affordable housing options, rather than reducing the number of smaller homes which may have previously been considered more affordable options.
66. In recent years student places at Nottingham Trent University Brackenhurst Campus, just outside the town, have risen by over 1000 students. Anecdotal evidence from the working group suggests that some of the accommodation for these students is met by an increase of housing on campus, however around 400 students are living in housing off campus, with a high percentage of these in the town. This again, reduces the suitable housing available for young families and those in the lower earner group who may require smaller properties in the town centre.
67. Table 4-1 presents data on tenure in Southwell compared with Newark and Sherwood and England from the 2011 Census, which is the most recent available source of this information. The largest share of the tenure profile can be accounted for by homes which are owner occupied, 74.3%. This is higher than the district and national averages of 70.6% and 63.3% respectively.

68. NSDC data on homes built since 2011 suggest that of the 207 dwellings, 51 were considered affordable which can be broken down further into 36 dwellings for social rent and 15 intermediate properties. The remainder of the properties were for open market sale or rent. This suggests that the balance of market to affordable homes has been weighted further in favour of market housing, although the affordable provision has been close to the Local Plan target.
69. There is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Southwell the private rented sector decreased by 27.3% in that period, a change that is significantly different from the national average, an increase of 82.4%.

**Table 4-1 Tenure (households in Southwell, 2011)**

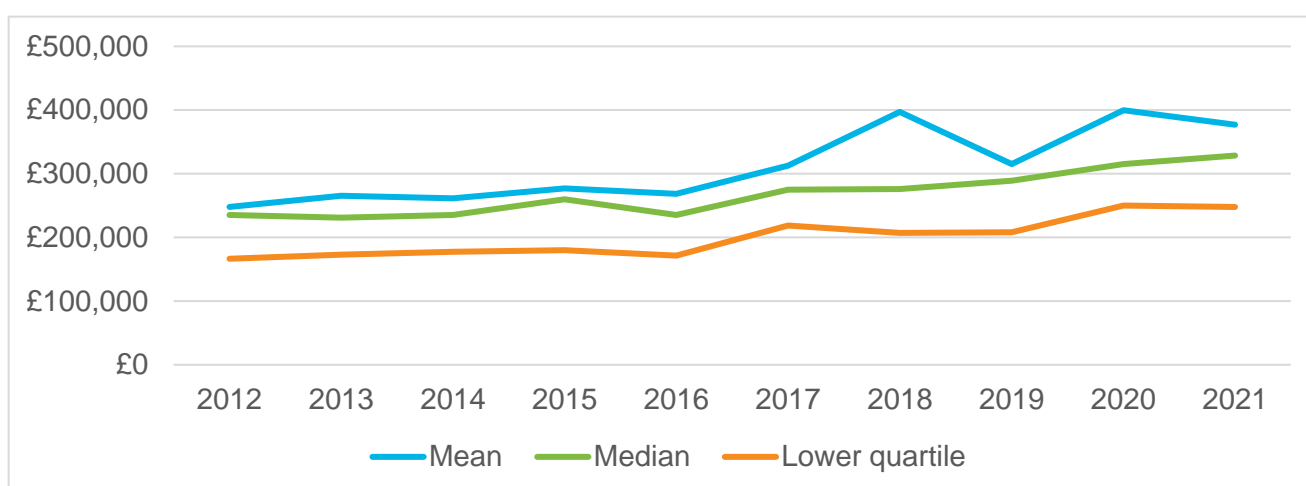
Tenure	Southwell	Newark and Sherwood	England
Owned	74.3%	70.6%	63.3%
Shared ownership	0.6%	0.5%	0.8%
Social rented	9.8%	14.5%	17.7%
Private rented	13.6%	12.9%	16.8%

Sources: Census 2011, AECOM Calculations

## Affordability

### House prices

70. 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.
71. Figure 4-1 below looks at selected measures of house prices in Southwell. The mean house price in 2021 was £376,966 and median house price in 2021 was £328,500. It is ordinary for the median to be below the mean because the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end because of exceptionally expensive properties. The median is the middle number when sorting data from smallest to largest, and therefore is not distorted by outlying data points. The lower quartile price in 2021 was £248,013.
72. The mean house price has had the largest price growth between 2012 and 2021 at 52.1%.

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

Source: Land Registry PPD

73. Table 4-2 breaks down house prices by type, presenting the median within each type. It shows that detached homes saw the greatest price increase at 59.8%, closely followed by semi-detached properties at 51.9%. There was very little price growth in flats, although this may be due to the small sample size, which means that the specific units that happen to be sold in a given year have a bigger impact on the average and general trends are less clear.

**Table 4-2 Median house prices by type in Southwell, 2012-2021 (£k)**

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£266	£285	£279	£300	£326	£331	£376	£388	£383	£425	59.8%
Semi-detached	£177	£179	£200	£205	£222	£210	£252	£236	£250	£270	51.9%
Terraced	£157	£230	£181	£183	£183	£245	£238	£276	£210	£232	47.8%
Flats	£138	£142	£125	£140	£133	£185	£155	£145	£161	£153	10.3%
<b>All Types</b>	<b>£235</b>	<b>£231</b>	<b>£235</b>	<b>£260</b>	<b>£235</b>	<b>£275</b>	<b>£276</b>	<b>£289</b>	<b>£315</b>	<b>£329</b>	<b>39.8%</b>

Source: Land Registry PPD

## Income

74. 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.

75. The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income before housing costs locally was £52,300 in 2018. A map of the area to which this data applies is provided in Appendix A.

76. 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. Newark and Sherwood's gross individual lower quartile annual earnings were £13,376



in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £26,752.

77. 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**

78. 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.
79. AECOM has determined thresholds for the income required in Southwell to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.
80. 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.
81. Table 4-3 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.
82. The same information is presented as a graph in Figure 4-2 on a subsequent page, with selected measures from the table presented for clarity.

**Table 4-3 Affordability thresholds in Southwell (income required, £)**

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £52,300	Affordable on LQ earnings (single earner)? £13,376	Affordable on LQ earnings (2 earners)? £26,752
<b>Market Housing</b>						
Median House Price	£295,650	-	<b>£84,471</b>	No	No	No
LA New Build Median House Price	£207,000	-	<b>£59,143</b>	No	No	No
LQ/Entry-level House Price	£223,211	-	<b>£63,775</b>	No	No	No
Average Market Rent	-	£10,380	<b>£34,600</b>	Yes	No	No
Entry-level Market Rent	-	£7,800	<b>£26,000</b>	Yes	No	Yes
<b>Affordable Home Ownership</b>						
First Homes (-30%)	£206,955	-	<b>£59,130</b>	No	No	No
First Homes (-40%)	£177,390	-	<b>£50,683</b>	Yes	No	No
First Homes (-50%)	£147,825	-	<b>£42,236</b>	Yes	No	No
Shared Ownership (50%)	£147,825	£4,106	<b>£55,923</b>	No	No	No
Shared Ownership (25%)	£73,913	£6,159	<b>£41,649</b>	Yes	No	No
Shared Ownership (10%)	£29,565	£7,391	<b>£33,085</b>	Yes	No	No
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£4,847	<b>£16,140</b>	Yes	No	Yes
Social Rent	-	£4,616	<b>£15,370</b>	Yes	No	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 a sufficiently robust indication of the costs of various tenures to inform Neighbourhood Plan policy choices. These figures rely on existing data and assumptions, and it is not possible to estimate every possible permutation. The income figures also disguise a large degree of variation. For simplicity the analysis below speaks in terms of tenure products being 'affordable' or 'not affordable' for different groups, but individual circumstances and the location, condition and other factors of specific properties in each category have a large impact. These conclusions should therefore be interpreted flexibly.

### Market housing for purchase and rent

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 62% higher than the current average.

85. Private renting is generally only affordable to average earners. Households made up of two lower quartile earners cannot afford the given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

86. It is generally assumed that rented housing is affordable if the annual rent does not exceed 30% of a household's gross annual income. However, this is increasingly unrealistic in practice. It is not possible to determine what proportion of their incomes Southwell households will be willing or able to dedicate to rental costs, and this will differ household to household.

### **Affordable home ownership**

87. There is a relatively large group of households in Southwell who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £26,000 per year (at which point entry-level rents become affordable) and £63,775 (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.

88. 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.

89. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. It found at a 50% and 40% discount level, it would be affordable for average earning households, however none of the discounted ownership options benefit lower quartile earners (both one and two LQ earner). Given that average households appear the only realistic target market, and are able to access First Homes at a 40% discount, this is the recommended discount level.

90. Table 4-4 below shows the discount required for First Homes to be affordable to the three income groups. Because it is not possible to estimate the cost of a typical First Home due to a lack of data on new build entry-level house prices in the NA, it is worth considering the discounts required for some additional price benchmarks. The table above uses median house prices in the NA as the best proxy for the cost of a newly built entry-level home in the area, because this reflects the local market and accounts for the price premium usually associated with newly built housing (which would bring the price closer to the price of median existing homes than existing entry-level homes). However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, and of entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below. The required discount appears lower if future First Homes are able to be built in Southwell at the equivalent value of new build homes across Newark and Sherwood. However, this may not be realistic in practice due to differences in demand and land values, so the median NA house price remains the most appropriate benchmark and it would be prudent to target a minimum 40% discount in the first instance.

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

Tenure/product	Mean Income	LQ Income x1	LQ Income x2
NA Median house price	38%	84%	68%
LA New build median house price	12%	77%	55%
NA Entry-level house price	18%	79%	58%

Source: Land Registry PPD; ONS MSOA total household income

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.<sup>5</sup> If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
92. The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view.
93. The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are more affordable options.
94. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.
- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
  - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
  - Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.
  - Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

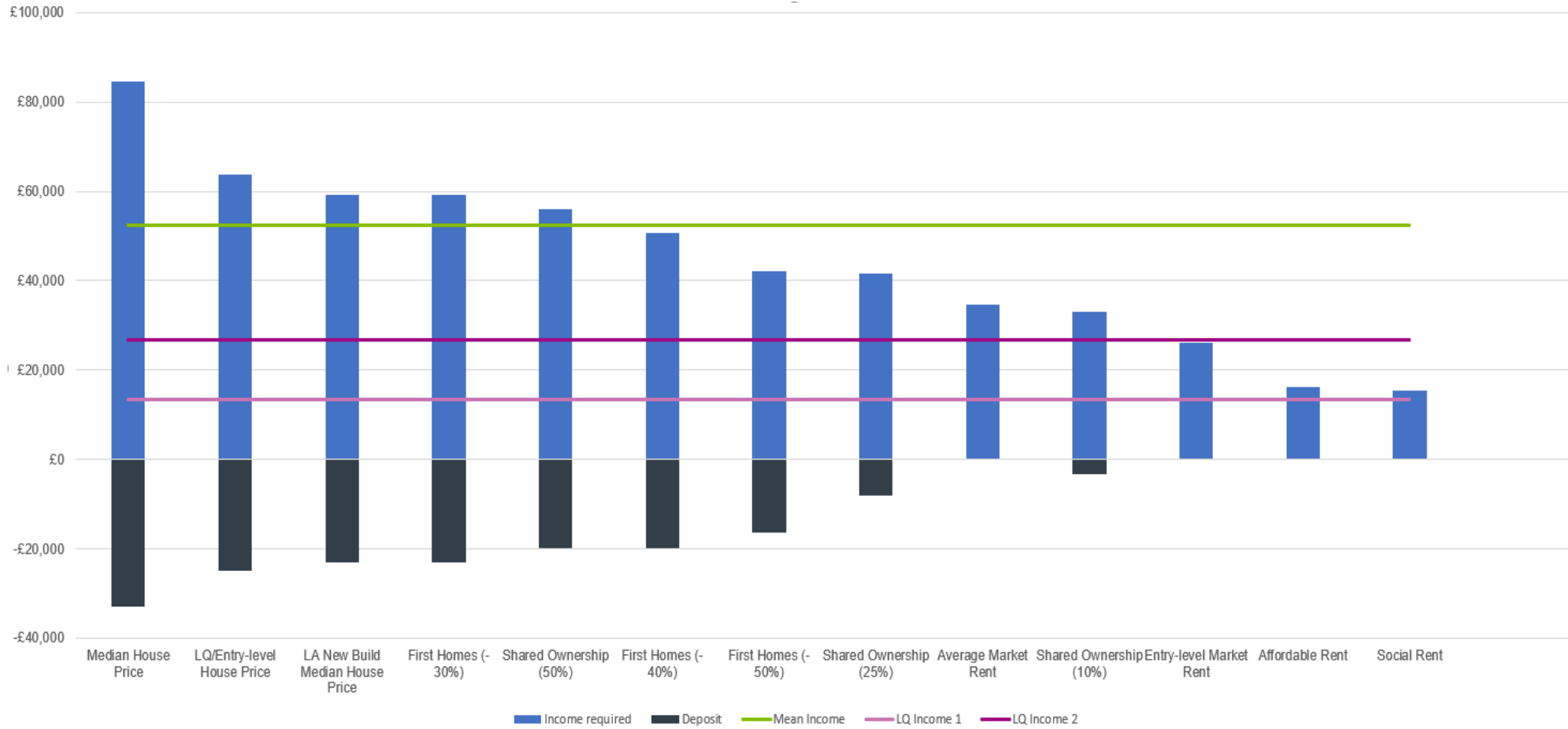
<sup>5</sup> The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

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

### **Affordable rented housing**

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

**Figure 4-2 Affordability thresholds in Southwell, income required (additional cost of deposit in black)**



Source: AECOM Calculations

## Affordable housing- quantity needed

98. The starting point for understanding the need for affordable housing in Southwell is the relevant District Wide Housing Needs Assessment (DWHNA). A DWHNA was undertaken for Newark and Sherwood District Council in 2020. This study estimates the need for affordable housing in the District based on analysis of the Council's waiting list and analysis of other data sets such as household and online surveys. The DWHNA identifies the need for 243 additional affordable dwellings per annum for the period 2019 – 2033 across Newark and Sherwood. It also disaggregates this figure to a number of sub-areas including the Southwell sub-area, which is wider than the parish.
99. The need for the Southwell sub-area is 54 homes per year. This is broken down by tenure to 32 affordable rented units needed per year, with the majority of these being 3-bedroom properties, and 22 intermediate rented and affordable home ownership properties, again with the majority of need for 3-bedroom houses.
100. These figures can be pro-rated to the NA based on its fair share of the population. The population of the Southwell sub-area in 2020 was 14,858 and the population in Southwell in 2020 was 7,458 (50% of the Southwell sub-area's population<sup>6</sup>), this equates to 27 dwellings per year and 270 over the plan period. Of these, the NA would require 16 affordable rented units and 11 affordable home ownership homes per year.
101. NSDC have advised that their preferred approach for calculating affordable housing need is to deduct from gross need the capacity provided by turnover or relets in the existing stock, leaving a net annual imbalance. If this was applied to Southwell it would suggest that while the gross annual affordable need (from the DWHNA) for the Southwell sub area is 54, there is capacity for supply through turnover of 25 affordable dwellings each year, leaving a net annual imbalance of 29. Following the approach in the Southwell HNA this would be halved to provide a net annual imbalance for the Neighbourhood Area of 15 (of which 9 units for affordable rent and 6 for affordable home ownership).

## Affordable Housing policy guidance

102. Newark and Sherwood's adopted policy on this subject Core Policy 1 requires 30% of all new housing to be affordable. Given that Affordable Housing made up just 25% of new housing in Southwell over the last decade according to Newark and Sherwood completions figures, it is understood that this target is not usually met on sites in the NA, although the shortfall is relatively small.
103. 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.

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<sup>6</sup> Based on mid-2020 population estimates.

104. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is specified in the Local Plan. The target tenure mix is 60% social rented/affordable rented and 40% affordable home ownership. The HNA can supply more localized evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Southwell specifically.

105. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:

- A. **Evidence of need for Affordable Housing:** The DWHNA can be used to estimate that Southwell requires roughly 90 units of affordable rented housing and 60 units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.

The relationship between these figures suggests that 60% of Affordable Housing should be rented and 40% should offer a route to ownership. However, as noted above, these figures are not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.

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

If the Local Plan target of 30% were achieved on every site, up to around 48 affordable homes might be expected in the NA over the plan period. If the majority of Southwell's housing target is expected to come forward in the form of small infill developments, those schemes are unlikely to be large enough to meet the threshold of 11 dwellings, above which the Affordable Housing policy applies. If that is the case, the potential delivery of Affordable Housing is likely to be lower still. This is not sufficient to satisfy the total potential demand for Affordable Housing identified here.

As a result, affordable rented housing should have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority. Given the historic delivery rates it is reasonable to assume that supply will be limited and affordable rented accommodation should be prioritised – potentially to a greater degree than the 60/40 split given in the Local Plan.

- C. **Government policy (eg NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. This complies with the guideline tenure split sought in the Local Plan.



D. **Local Plan policy:** As noted above, the adopted Local Plan seeks a tenure split of 60% social rented/ affordable rented and 40% affordable home ownership products.

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

This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. This is not the case in Newark and Sherwood.

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

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

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

F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.

G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.

- H. **Existing tenure mix in Southwell:** At present the majority of homes in Southwell are owner occupied (74.3%) and 13.6% are privately rented, leaving only 12% of the mix to share between social rented accommodation and shared ownership properties. This suggests that some provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.
- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.
- J. **Wider policy objectives:** the neighbourhood planning group may wish to take account of broader policy objectives for Southwell 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.
106. On the basis of the considerations above, Table 4-5 below proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
107. This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here. In this context, affordable rented tenures should be prioritised. The Local Plan guideline mix of 60% rented to 40% ownership appears to offer a suitable benchmark, which also complies with the various minimum requirements mandated nationally. That said, if the community are particularly concerned about unmet needs for affordable rented housing, particularly in the context of the limited expected delivery, there would be justification to put greater emphasis on rented tenures than this (if this has the support of NSDC).
108. Since First Homes appears the most affordable and helpful option locally, assuming it can be offered at the appropriate discount level of 40%, national policy that First Homes should represent 25% of the affordable mix is suitable here. In the interests of diversity and maximizing choice, a further 10% is allocated to shared ownership rather than more First Homes. A small amount of Rent to buy has also be included to add further choice.
109. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.
110. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with Newark and Sherwood to gather

more detailed income and viability information, and to ensure that departures from the local policy context have their support.

111. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

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

Tenure	Indicative mix	Considerations and uncertainties
<b>Routes to home ownership, of which</b>	<b>40%</b>	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	10%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	5%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
<b>Affordable Housing for rent, of which</b>	<b>60%</b>	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

## Conclusions- Tenure and Affordability

112. It was found that Southwell has a high level of home ownership, 74.3%, which is slightly higher than the rates across the district (70.6%) and England (63.3%). Private renting appears to be less common in Southwell than across England with high rates of social rent and shared ownership making up the remainder.
113. Data from NSDC state that 207 new homes were built since the 2011 Census, of which only 51 were for social rent or intermediate housing. While this slightly added to the affordable housing offering of the NA, recent supply of affordable homes has not met the current demand and the tenure mix overall is now balanced further in favour of market tenures.
114. There has been significant price growth over the last ten years in Southwell, most notably in detached properties which have grown by almost 60% since 2012. Income data suggest 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 only one earner. The significant rise in house prices is very unlikely to have been matched by growth in incomes, meaning that affordability has become a huge challenge in Southwell.

115. AECOM has compared various measures of local incomes to the estimated costs of various housing tenures, including private renting and various forms of affordable housing. The picture that emerges is that affordability is an issue in the NA. Purchasing market housing is only an option for the highest earners or those with existing equity or substantial savings. Affordable routes to ownership based on the median house prices do not offer enough of a discount to serve those earning the average income or below, but a 40% discount on the new First Homes product would be sufficient to make it accessible to average earners.
116. Those on lower incomes could potentially access shared ownership at the 25% and below equity share, but otherwise people in the NA will be forced to rely on affordable rented housing as private and affordable ownership is still too expensive.
117. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Southwell 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.
118. Data from the DWHNA suggests that Southwell requires roughly 90 units of affordable rented housing and 60 units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.
119. Table 4-6 below summarises Southwell's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

**Table 4-6 Estimated delivery of Affordable Housing in Southwell**

	<b>Step in Estimation</b>	<b>Expected delivery</b>
A	Provisional capacity figure	270
B	Affordable housing quota (%) in LPA's Local Plan	30%
C	Potential total Affordable Housing in NA (A x B)	81
D	Rented % (e.g. social/ affordable rented)	60%
E	Rented number (C x D)	49
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	40%
G	Affordable home ownership number (C x F)	32

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

120. 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.

## 5. RQ 2: Type and Size

***RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?***

### Introduction

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

### Existing types and sizes

#### Background and definitions

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

all dwellings are classified as either shared or unshared dwellings. Households are groups of people who live together as a coherent unit (such as a family), and a dwelling is shared where there is more than one household occupying it (e.g. two families or a group of individual students). Hence, there is usually a different number of households and dwellings in any given area. The number of dwellings can also exceed that of households in areas with large numbers of holiday or second homes.

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

## Dwelling type

128. The data in Table 5-1 shows the mix of dwelling types in Southwell in 2011. The data is compared with wider geographies for consistency. According to NSDC, there have been 207 new dwellings built since 2011 however, the Local Authority were not able to provide a detailed description on the type of dwellings, just the number of bedrooms, meaning the dwellings could not be added to the 2011 Census baseline. As such, Table 5-2 uses a different source to bring the housing mix up to date.
129. It remains relevant, however, to think about the Census data. It shows that detached housing was the dominant dwelling type across Southwell and Newark and Sherwood, which is typically less dense and larger than other types. 54.9% of the properties in Southwell were detached, which is significantly higher than the both the amount in Newark and Sherwood (37.7%) and England (22.4%). The proportion of terraced housing in Southwell was lower than both the wider district and the national levels across England.
130. It may be an appropriate option to diversify the stock towards flats and terraces, as smaller units are generally the most affordable home types. Currently only 21% of the current housing stock in Southwell are flats or terraces.

**Table 5-1 Accommodation type, Southwell, 2011**

Dwelling type		Southwell	Newark and Sherwood	England
Whole house or bungalow	Detached	54.9%	37.7%	22.4%
	Semi-detached	23.7%	37.0%	31.2%
	Terraced	9.6%	16.5%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	7.3%	6.3%	16.4%
	Parts of a converted or shared house	3.2%	1.2%	3.8%
	In commercial building	1.2%	0.7%	1.0%

Source: ONS 2011, AECOM Calculations

131. VOA data can be used to look at accommodation types across various geographies in 2021, although it counts bungalows as a separate type (while the Census would classify a detached bungalow as 'detached' rather than 'bungalow'), meaning this is not directly comparable to Table 5-1. The most common property type in Southwell is still detached properties, although there are less recorded (40.1%) than in 2011 due to the different way of classifying properties noted above. As in 2011, terrace houses are the least common accommodation type, accounting for 9.4% of properties in Southwell. Southwell has slightly more bungalows than the wider district, potentially representing an appealing offering for older households and those with mobility limitations. All the patterns across the district and England noted in 2011 are replicated in the 2021 data.

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

Dwelling type	Southwell	Newark and Sherwood	England
Bungalow	15.9%	15.1%	9.4%
Flat	15.9%	8.8%	23.2%
Terrace	9.4%	17.1%	26.3%
Semi-detached	16.2%	29.6%	23.8%
Detached	40.1%	26.7%	16.0%
Unknown/other	2.6%	2.7%	1.4%

Source: VOA 2021, AECOM Calculations

## Dwelling size

132. Table 5-3 on the next page shows the housing mix by number of bedrooms in 2011 alongside NSDC completions data to 2022 and the current total. This shows that the focus for development since 2011 has been on 2-bedroom properties, with the largest increase of 94 properties, followed by 3-bedroom properties. Recent delivery has been fairly well balanced and has helped to diversify the 2011 size mix, with the smaller size categories in particular seeing proportionally large increases. It is worth noting that the NSDC completions data for bedroom size looks at gross completions whereas the overall total is net of demolitions, meaning the figures differ slightly.

**Table 5-3 Number of bedrooms in household spaces in Southwell, 2011 compared with completions data from NSDC, 2022**

Bedrooms	2011 Census	NSDC Completions since 2011	2011 Census + NSDC Completions (current mix)
No. bedrooms	3,069	230	3,299
1 bedroom	224	31	255
2 bedrooms	612	94	706
3 bedrooms	1,103	53	1156
4 bedrooms	858	43	901
5 or more bedrooms	272	8	280
Unknown	0	1	1

Source: ONS 2011, NSDC Completions data 2022



133. Table 5-4 below uses VOA data to look at the number of bedrooms in 2021 alongside wider averages in the district and across England. Compared to 2011, a similar pattern can be seen with the majority of properties having 3 or more bedrooms (72%). One-bedroom properties are the least common type in the area accounting for 7.6% of the share, a slight increase from 2011 at 7.3%.

**Table 5-4 Number of bedrooms in household spaces across various geographies, 2021**

Number of bedrooms	Southwell	Newark and Sherwood	England
1	7.6%	6.0%	12.0%
2	20.8%	23.4%	27.7%
3	35.7%	49.8%	43.0%
4+	36.0%	19.9%	15.2%

Source: VOA 2021, AECOM Calculations

134. It is also worth noting the required dwelling size of people on the waiting list for Southwell to reflect future housing need. Most of the people on the list require one- and two-bedroom dwellings, suggesting that the focus for future development should be on smaller units. The housing list suggests that there is also a requirement for supported housing in Southwell.

## Age and household composition

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

### Age structure

136. Table 5-5 below shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. The data shows that there is an ageing population in Southwell, with the largest age group being 45-64, closely followed by 65-84. The percentage of younger people in the area has decreased slightly from 2011 to 2020, with the 0-15 age group dropping from 17% to 14.3%, however, the 16-24 age group has increased by 1.3%.

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

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

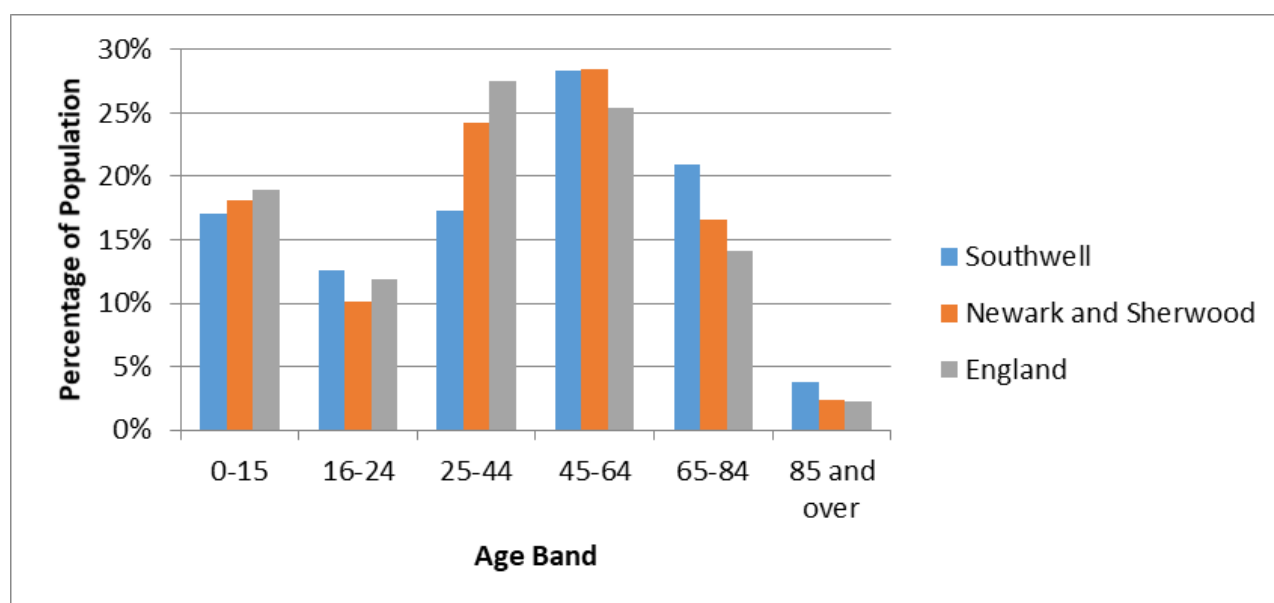
**Table 5-5 Age structure of Southwell population, 2011 and 2020**

Age group	2011 (Census)		2020 (ONS, estimated)	
0-15	1245	17%	1069	14.3%
16-24	921	13%	1068	14.3%
25-44	1259	17%	1070	14.3%
45-64	2066	28%	2005	26.9%
65-84	1531	21%	1920	25.7%
85 and over	275	4%	326	4.4%
Total	<b>7,297</b>		<b>7458</b>	

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

139. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-1 below (using 2011 Census data) confirms that the 45-64 age group made up the largest portion of the population at that time, which is echoed in Newark and Sherwood, although not in England where the largest age cohort is 25–44-year-olds. The 0-15 age group in Southwell is smaller than the average across the district and across England. With Southwell's larger than average 85 and over cohort, combined with the large numbers in the 45-64 and 65-84 categories, Southwell's population will continue to age.

**Figure 5-1 Age structure in Southwell, 2011**



Source: ONS 2011, AECOM Calculations

## Household composition

140. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Table 5-6 shows that Southwell had slightly more one person households than Newark and Sherwood and the majority of them were aged 65 and over. One family households make up the biggest group and of the family households (66.5%), 25.3% had dependent children and 7.7% had non-dependent children, a feature which generally matches the district and national trend.

141. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. While the data is quite old at this point, it is interesting to observe that this category decreased by 2.1% between 2001 and 2011 in the parish – which differs from the norm in the district and across England, where this category increases significantly (10.4% in Newark and Sherwood and 10.6% across England).

**Table 5-6 Household composition, Southwell, 2011**

Household composition		Southwell	Newark and Sherwood	England
<b>One person household</b>	<b>Total</b>	29.7%	28.4%	30.2%
	Aged 65 and over	17.7%	13.3%	12.4%
	Other	12.0%	15.1%	17.9%
<b>One family only</b>	<b>Total</b>	66.5%	67.0%	61.8%
	All aged 65 and over	14.6%	10.2%	8.1%
	With no children	19.0%	21.1%	17.6%
	With dependent children	25.3%	26.3%	26.5%
	All children Non-Dependent <sup>7</sup>	7.7%	9.4%	9.6%
<b>Other household types</b>	<b>Total</b>	3.8%	4.7%	8.0%

Source: ONS 2011, AECOM Calculations

## Occupancy ratings

142. 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.

143. 54% of households in Southwell have two extra bedrooms and a further 30% have one extra bedroom, equating to a total under-occupancy of 84%. Under 65's with no children are the most likely to under-occupy, possibly people who have not yet had children and plan to in the future, however there is no way of knowing this information.

144. A small number of households are over-occupied (2%). However, it is worth noting that many of these households fall into the category of family under 65 with adult children. This is likely the people who have been mentioned previously as being unable to afford to move out of their family homes and are still living with parents.

<sup>7</sup> 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 Southwell, 2011**

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	77.4%	19.9%	2.7%	0.0%
Single person 65+	47.5%	32.2%	20.3%	0.0%
Family under 65 - no children	80.0%	17.0%	3.1%	0.0%
Family under 65 - dependent children	37.2%	39.7%	20.3%	2.8%
Family under 65 - adult children	41.1%	39.0%	16.1%	3.8%
Single person under 65	47.7%	34.1%	18.3%	0.0%
All households	54%	30%	14%	2%

Source: ONS 2011, AECOM Calculations

## Dwelling mix determined by life-stage modelling

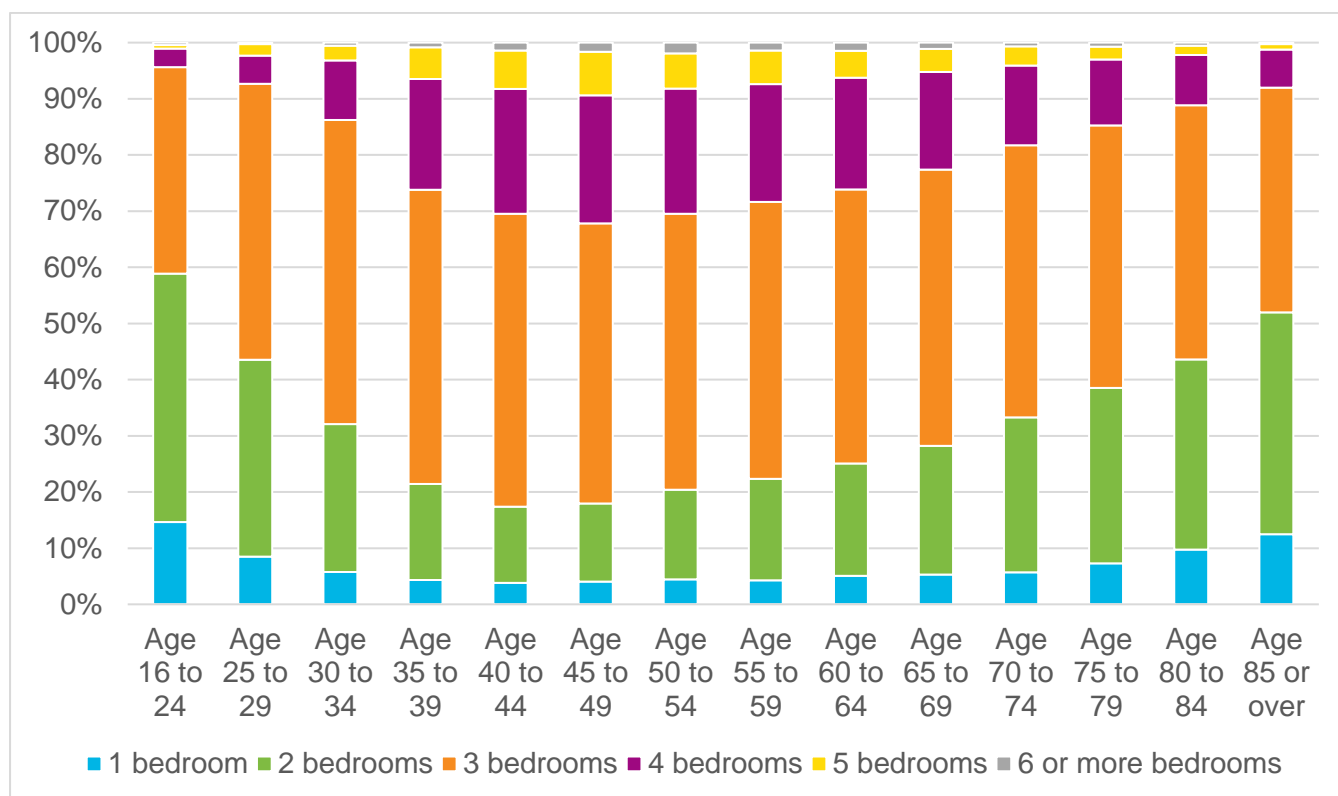
### Suggested future dwelling size mix

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

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

- The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further speculative assumptions into the model.
  - Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.
    - The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results.
146. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they 'need'. It also does not anticipate changes in how people may wish to occupy their homes in response to social and technological change.
147. The approach therefore embeds existing patterns of occupancy which may or may not be desirable. As such, it is appropriate for the result of this model to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is considered entirely appropriate for the purpose of drafting neighbourhood plan policy.
148. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.
149. The first, given as Figure 5-2 below, sets out the relationship between household life stage and dwelling size for Newark and Sherwood in 2011. This shows how the youngest households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

**Figure 5-2 Age of household reference person by dwelling size in Newark and Sherwood, 2011**



Source: ONS 2011, AECOM Calculations

150. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Southwell households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-8 below makes clear that population growth can be expected to be driven by the oldest households, with 51% of growth expected in the 65 and over category. The younger age groups are increasing at a much slower rate, 1% in the 24 and under group and 16% in the 25 to 34 group, combined with a decrease of 1% in the 35 to 54 age category.

**Table 5-8 Projected distribution of households by age of HRP, Southwell**

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	51	179	1,034	605	1,200
2031	51	208	1,023	653	1,817
% change 2011-2031	1%	16%	-1%	8%	51%

Source: AECOM Calculations

151. The final result of the size modelling exercise is presented in Table 5-9. The model suggests that new development should be focused on medium homes, particularly three-bedroom properties. The other clear point is to avoid too many additional large homes because there are already more than the population is expected to need.

152. In the interest of balance, it may be wise to share the 70.4% of homes indicated as having three bedrooms with the two- and one-bedroom category, as they were mentioned in the housing need list (discussed in the Affordability section).

**Table 5-9 Suggested dwelling size mix to 2031, Southwell**

Number of bedrooms	Current mix (2011)	Target mix (2031)	Balance of new housing to reach target mix
1 bedroom	7.3%	6.2%	0.7%
2 bedrooms	19.9%	24.1%	28.9%
3 bedrooms	35.9%	48.3%	70.4%
4 bedrooms	28.0%	16.2%	0.0%
5 or more bedrooms	8.9%	5.3%	0.0%

Source: AECOM Calculations

153. It is never advisable to restrict future housing delivery to selected size categories only. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population.
154. For example, the young starter families and downsizing older households mentioned above may both need 'mid-sized' homes, but are likely to have extremely different requirements and degrees of purchasing power. There is limited scope for Neighbourhood Planning policy to influence the more detailed characteristics of new housing, but additional guidance and prioritisation could be informed by further primary research.
155. The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide smaller homes with fewer bedrooms would help to address this situation.
156. To best meet the needs of the large cohort of older households expected to be present by the end of the Plan period, it should be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms.
157. That said, it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied in the parish. Reducing the issue of dwelling size to a number of bedrooms is potentially unhelpful in this case. There may be a strong justification to continue supplying larger homes despite their abundance because a different kind of larger home is needed to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix but is among the good reasons not to inhibit any size of dwelling entirely (despite the output of the model here).
158. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate

to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to smaller and mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

## **Conclusions- Type and Size**

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

### **The existing housing stock**

160. Southwell has a housing mix that is skewed toward typically less dense and larger homes – i.e a far higher proportion of detached properties than the district and country, and fewer other property types. With around 21% of homes in Southwell falling into the categories of terraced houses and flats, this could limit the options for local people on lower incomes, whether they are able to buy or rent.

161. As of 2011, the size mix of housing locally has been dominated by larger homes with 73% of homes having 3 or more bedrooms. Correspondingly, Southwell has a notable lack of 1- bedroom properties, accounting for only 7% of the housing stock. Development over the past 10 years has modestly diversified the size mix, particularly in increasing the number of smaller homes.

### **Demographics**

162. The age structure of the population is a key indicator of the future need for housing. Southwell has an older population profile than Newark and Sherwood and England in 2011. The older age brackets of 45-64 and 65-84 have grown the fastest between 2011 and the latest ONS estimates for 2020. It is clear that ageing will be a major driver of housing need in Southwell going forward, whether older households intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household, or their evolving needs.

163. The NA has a high rate of under-occupancy, with around 84% of households having at least one bedroom more than they would expect to need (at the time of the last Census). The percentage of people living in homes with fewer bedrooms than they might be expected to need is small at 2%. Although this does indicate that a number of people may have been (or still are) living in inadequate housing conditions.



164. The previous chapter established the high property values in the area, so it would appear the largest homes are not necessarily occupied by those with the largest families but by those with the financial capacity to do so, irrespective of their household size. Indeed, over-occupancy is strongly correlated with age, with those aged 65 and over most likely to have more than two additional bedrooms after families with no children.

### **The future dwelling mix**

165. The results of a modelling exercise, which looks at the sizes of dwellings occupied by households at different life stages and projects the growth and decline of those household age groups over the plan period, suggests that new development should be focused on medium and smaller homes. 3-bedroom properties are required at the largest amount followed by 2-bedroom properties as they are suitable for many groups.

166. A future increase in small and medium sized homes would both improve Southwell's offering for younger households who currently have few options for their next step on the property ladder and also enable older households currently under-occupying larger homes to downsize and in doing so potentially create churn in the market (although it is acknowledged that many of the larger historic properties may be too expensive to be taken up by young local families).

167. The preceding chapter found that affordability is a serious and worsening challenge in Southwell. While the provision of affordable housing is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local resident's budgets. Providing smaller homes with fewer bedrooms would help to address this situation.

168. However, it is never advisable to entirely restrict the supply of specific size categories as it suggested here for homes with 4+ bedrooms.

169. To best meet the needs of the large cohort of older households expected to be presented by 2031, it should be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes, whose needs are far from identical. This is likely to require the continued supply of 3-bedroom homes and smaller proportions of 2-bedroom homes than the large quantity indicated by the model. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms. A reasonable amount of larger homes, ideally at affordable price points, may also be required to accommodate growing families with lower budgets.

170. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to smaller homes but that it is done to a degree that aligns with the wider

objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

## 6. RQ 3: Specialist housing for older people

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

### Introduction

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

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

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

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

174. The specialist housing needs of older people (75+) are assessed below using two methods. The first is a tenure-led projection, based on rates of mobility limitation among this age group and the tenure of housing they currently occupy. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network (HLIN) Strategic Housing for Older People (SHOP) tool,<sup>8</sup> which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

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

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<sup>8</sup> Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

as opposed to the projected new households which form the baseline for estimating housing need overall.<sup>9</sup>

176. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).<sup>10</sup> Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for the elderly) are not within the scope of this research. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required.

## **Current supply of specialist housing for older people**

177. When determining a final target for the need for specialist dwellings, it is necessary first to take account of current supply. Information on the current stock is collated manually using the search function on the Elderly Accommodation Counsel's Website: <http://www.housingcare.org>.
178. Table 6-1 below counts a total of 186 units of specialist accommodation in the NA at present, more than half of which are available for social rent for those in financial need, with the remainder being offered for leasehold or freehold market purchase.
179. In addition to this supply of specialist accommodation, it is also worth noting that there is a care home with a capacity of 82 beds in Southwell. While care home spaces are not within the remit of this study, it is relevant to note that if older people require more intensive care there is appropriate facilities within the NA.
180. ONS 2020 population estimates suggest that there are currently around 1,161 individuals aged 75 or over in Southwell. This suggests that current provision is in the region of 160 units per 1,000 of the 75+ population (a common measure of specialist housing supply).

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<sup>9</sup> See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

<sup>10</sup> For a full description of Planning Use Classes, please refer to [https://www.planningportal.co.uk/info/200130/common\\_projects/9/change\\_of\\_use](https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use)

**Table 6-1 Existing specialist housing for the elderly in Southwell**

	Name	Description	Bed spaces	Tenure	Type
1	Moorfield Court	Retirement housing	43	Rent (social landlord) and Leasehold	1- and 2-bedroom flats
2	Wolsey Close	Age exclusive housing	16	Leasehold	2-bedroom bungalows
3	Coghill Court/ Westgate	Retirement housing	24	Rent (social landlord)	1- and 2-bedroom flats
4	Kings Court	Retirement housing	24	Rent (social landlord)	1-bedroom flats
5	Burgage Close	Retirement housing	24	Rent (social landlord)	1- and 2-bedroom flats
6	Easthorpe/ Potwell Close	Retirement Housing	28	Rent (social landlord)	1- and 2- bedroom bungalows
8	Metcalfe Close	Age exclusive housing	27	Freehold	2-bedroom bungalows

Source: <http://www.housingcare.org>

## Tenure-led projections

181. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across Newark and Sherwood, as this is the most recent and smallest geography for which tenure by age bracket data is available.

182. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2031. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.

183. According to Table 6-2 below, the majority of people aged 55-75 own their home (85.3%), this can be broken down further into owned outright at 62.7% and with a mortgage or shared ownership at 22.7%. A small amount of this age cohort in the parish rent their home, 14.7%. Of the rented households, the vast majority (13.9%) are socially rented, with only 0.7% of households privately rented.

**Table 6-2 Tenure of households aged 55-75 in Newark and Sherwood, 2011**

All owned	Owned outright	Owned with a mortgage or loan or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
<b>85.3%</b>	62.7%	22.7%	<b>14.7%</b>	13.9%	0.7%	0.1%

Source: Census 2011

184. The next step is to project how the overall number of older people in Southwell is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for Newark and Sherwood at the end of the Plan period. The figure must be extrapolated from the Local Authority level data because such projections are not available at neighbourhood level. The results are set

out in Table 6-3 below. There is expected to be an increase of 70% in the absolute number of people aged 75+ between 2011 and 2031.

**Table 6-3 Modelled projection of elderly population in Southwell by end of Plan period**

Age group	2011		2031	
	Southwell (Census)	Newark and Sherwood (Census)	Southwell (AECOM)	Newark and Sherwood (ONS SNPP 2020)
All ages	7,297	114,817	8,387	131,969
75+	876	9,812	1,486	16,650
%	12.0%	8.5%	17.7%	12.6%

Source: ONS SNPP 2020, AECOM Calculations

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

186. The people whose needs are the focus of the subsequent analysis are therefore the additional 610 individuals expected to join the 75+ age group by the end of the Plan period. This figure should also be converted into households with reference to the average number of people per household with a life stage of 75+ in Newark and Sherwood in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 9,812 individuals aged 75+ and an estimated 7,110 households headed by a person in that age group. The average household size is therefore 1.38 and the projected growth of 610 people in Southwell can be estimated to be formed into around 442 households.

187. The next step is to multiply this figure by the percentages of 55-75 year olds occupying each tenure (shown in the table above). This is set out in Table 6-4 below. This provides a breakdown of which tenures those households are likely to need.

**Table 6-4 Projected tenure of households aged 75+ in Southwell to the end of the Plan period**

Owned	Owned outright	Owned with a mortgage loan or shared ownership	All rented	Social rented	Private rented	Living rent free
377	277	100	65	61	3	0

Source: Census 2011, ONS SNPP 2020, AECOM Calculations

188. Next, rates of disability by tenure are considered. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social

rented sector. Table 6-5 below presents this data for Southwell from the 2011 Census. Note that the closest proxy for the 75+ age group in the Census is the 65+ age group.

**Table 6-5 Tenure and mobility limitations of those aged 65+ in Southwell, 2011**

Tenure	All categories: Long-term health problem or disability	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
<b>All categories: Tenure</b>	1,749	313	17.9%	453	25.9%	983	56.2%
<b><i>Owned or shared ownership: Total</i></b>	1,457	226	15.5%	344	23.6%	887	60.9%
Owned: Owned outright	1,331	202	15.2%	326	24.5%	803	60.3%
Owned: Owned with a mortgage or loan or shared ownership	126	24	19.0%	18	14.3%	84	66.7%
<b><i>Rented or living rent free: Total</i></b>	292	87	29.8%	109	37.3%	96	32.9%
Rented: Social rented	202	65	32.2%	82	40.6%	55	27.2%
Rented: Private rented or living rent free	90	22	24.4%	27	30.0%	41	45.6%

Source: DC3408EW Health status

189. It is now possible to multiply the projected number of 75+ households occupying each tenure by the rates of mobility limitation for that tenure to arrive at the final tenure-led estimate for specialist housing needs. The number of households falling into potential need for specialist accommodation over the Plan period is 191.

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

**Table 6-6 AECOM estimate of specialist housing need in Southwell by the end of the Plan period**

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	<i>Multiply the number of people across all rented (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) housing by the percent in that tenure who have day to day activity limitations limited a lot.</i>	<i>Multiply the number of people across all owned housing by the percent in that tenure who have day to day activity limitations limited a lot.</i>	<b>78</b>
	19	58	
Adaptations, sheltered, or retirement living	<i>Multiply the number of people across all rented housing by the percent who have day to day activity limitations limited a little.</i>	<i>Multiply the number of people across all owned housing by the percent in that tenure who have day to day activity limitations limited a little.</i>	<b>113</b>
	24	89	
<b>Total</b>	<b>44</b>	<b>148</b>	<b>191</b>

Source: Census 2011, AECOM Calculations

## Housing LIN-recommended provision

191. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the most simple and widely used models estimating for the housing needs of older people. Table 6-7 below reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the Plan period, and how these should be split into the different tenures.

192. It is worth highlighting that the HLIN model suggests that the level of unmet demand for specialist housing for older people of all kinds is approximately 251 units per 1,000 of the population aged 75+. Recall that the current provision in Southwell is around 160 per 1,000 people aged 75+.

**Table 6-7 Recommended provision of specialist housing for older people from the SHOP toolkit**

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

Source: Housing LIN SHOP Toolkit



193. As Table 6-8 shows, Southwell is forecast to see an increase of 610 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent =  $60 \times 0.61 = 37$
- Leasehold sheltered housing =  $120 \times 0.61 = 73$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) =  $20 \times 0.61 = 12$
- Extra care housing for rent =  $15 \times 0.61 = 9$
- Extra care housing for sale =  $30 \times 0.61 = 18$
- Housing based provision for dementia =  $6 \times 0.61 = 4$

194. This produces an overall total of 153 specialist dwellings which might be required by the end of the plan period.

195. Table 6-8 below sets out the HLIN recommendations in the same format as Table 6-7 above. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates.

**Table 6-8 HLIN estimate of specialist housing need in Southwell by the end of the Plan period**

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	<i>Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia</i>	<i>Includes: enhanced sheltered housing for sale + extra care housing for sale</i>	<b>43</b>
	18.91	24.40	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	<b>110</b>
	37	73	
<b>Total</b>	<b>56</b>	<b>98</b>	<b>153</b>

Source: Housing LIN, AECOM calculations

## Conclusions- Specialist Housing for Older People

196. ONS 2020 population estimates suggest that there are currently around 1161 individuals aged 75 and over in Southwell. However, for the purpose of these calculations the 2011 census figure needs to be used as a baseline for consistency with the projections. The estimated growth from 2011 to 2031 is 610 people.

197. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.

198. These two methods of estimating the future need in Southwell produce a range of 153 to 191 specialist accommodation units that might be required during the plan period. These estimates are based on the projected growth of the older

population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.

199. There are a range of care options available in Southwell depending on the level of care needed, including an 82-bed care home for full-time care. More than half of options are available for social rent and the rest are available for leasehold. It is worth noting, that NPS can not set the proportion of specialist housing that should be affordable – that usually has to be in line with Local Plan policy for all housing.
200. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period due to the lack of allocations or commitments for specialist accommodation in the Local Plan, another avenue open to the Neighbourhood Planning groups is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. The local level evidence supplied in this report could be used to influence district/borough level policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
201. Local Plan Core Policy 9: Sustainable Design, suggests the accommodation should be provided with greater flexibility that can meet the changing needs of residents over a lifetime, ensuring that development is accessible to all reducing the need to move. The District Council aim to prepare a Supplementary Planning Document setting out guidance to developers on best practice on issues relating to lifetime homes. However, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here would appear to justify the Working Group approaching the LPA to discuss setting requirements on accessibility and adaptability at a district level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.
202. It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide, and the localised evidence gathered here would further justify this. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants in the district/borough falling into this category.
203. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
  - so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;

- so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
- so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.

204. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or neighbourhood plan areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).

205. It is considered that Southwell is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Plan area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Southwell in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Plan area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Plan area itself.

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

## 7. Recommendations for next steps

207. This Neighbourhood Plan housing needs assessment aims to provide Southwell 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 Newark and Sherwood 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 Newark and Sherwood 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 Newark and Sherwood.

208. 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.

209. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Newark and Sherwood or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

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

# Appendix A : Calculation of Affordability Thresholds

## A.1 Assessment geography

211. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.

212. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Southwell, it is considered that MSOA Newark and Sherwood 008 is the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of Newark and Sherwood 008 appears below in Figure A-1.

**Figure A-1 MSOA Newark and Sherwood 008 used as a best-fit geographical proxy for the Neighbourhood Plan area**



Source: ONS

## A.2 Market housing

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

214. To determine affordability in market housing, this assessment considers two primary indicators: income thresholds, which denote the maximum share of a

family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

## **i) Market sales**

215. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.
216. 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 Southwell, 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.
217. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2021) = £328,500;
  - Purchase deposit at 10% of value = £32,850;
  - Value of dwelling for mortgage purposes = £295,650;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £84,471.
218. 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 £248,013, and the purchase threshold is therefore £63,775.
219. Finally, it is worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records only 4 sales of new build properties in the NA in 2021. As this is quite a small sample, the average new build price for the LA has been used as a proxy. The average price in 2021 was £230,000 with a purchase threshold of £59,143.

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

220. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.

221. 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.
222. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Plan area. According to [home.co.uk](https://www.home.co.uk), there were 6 properties for rent at the time of search in March 2022, with an average monthly rent of £865. There were 2 two-bed properties listed, with an average price of £650 per calendar month.
223. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
- Annual rent = £650 x 12 = £7,800;
  - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £26,000.
224. The calculation is repeated for the overall average to give an income threshold of £34,600.

## A.3 Affordable Housing

225. 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

226. 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.
227. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Southwell. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Newark and Sherwood District Council in the table below.
228. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally might make housing affordable or unaffordable – it is unrelated to the

eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

**Table A-2 Social rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£79.78	£91.14	£90.80	£100.72	£88.76
Annual average	<b>£4,149</b>	<b>£4,739</b>	<b>£4,722</b>	<b>£5,237</b>	<b>£4,616</b>
Income needed	<b>£13,815</b>	<b>£15,782</b>	<b>£15,723</b>	<b>£17,441</b>	<b>£15,370</b>

Source: Homes England, AECOM Calculations

## ii) Affordable rent

229. 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).
230. 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%.
231. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Newark and Sherwood. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
232. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in Southwell 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 A-3: Affordable rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£78.73	£94.24	£103.14	£143.40	£93.21
Annual average	<b>£4,094</b>	<b>£4,900</b>	<b>£5,363</b>	<b>£7,457</b>	<b>£4,847</b>
Income needed	<b>£13,633</b>	<b>£16,319</b>	<b>£17,860</b>	<b>£24,831</b>	<b>£16,140</b>

Source: Homes England, AECOM Calculations

## iii) Affordable home ownership

233. 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.

234. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

### **First Homes**

235. Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to buy market housing.

236. The starting point for these calculations is therefore the estimated cost of new build entry-level housing in Newark and Sherwood, for which the median value of existing homes in 2021 is used as a proxy: £328,500.

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

- Value of a new home (LA average) = £328,500;
- Discounted by 30% = £229,950;
- Purchase deposit at 10% of value = £22,995;
- Value of dwelling for mortgage purposes = £206,955;
- Divided by loan to income ratio of 3.5 = purchase threshold of £59,130.

238. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £50,683 and £42,236 respectively.

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

240. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000. This cost excludes any land value or developer profit. This would not appear to be an issue in Southwell.

### **Shared ownership**

241. 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'.

242. 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.
243. 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).
244. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £328,500 is £82,125;
  - A 10% deposit of £8,213 is deducted, leaving a mortgage value of £73,913;
  - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £21,118;
  - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £246,375;
  - The estimated annual rent at 2.5% of the unsold value is £6,159;
  - This requires an income of £20,531.25 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
  - The total income required is £41,649 (£21,118 plus £20,531.25).
245. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £33,085 and £55,923 respectively.
246. Again, the income thresholds are below the £80,000 cap for eligible households.

### **Rent to Buy**

247. 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)**

248. 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.
249. It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.

# Appendix B : Housing Needs Assessment Glossary

## **Adoption**

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

## **Affordability**

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

## **Affordability Ratio**

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

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

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

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

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

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

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

### **Affordable rented housing**

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods<sup>11</sup>.

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

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

### **Annual Monitoring Report**

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

### **Basic Conditions**

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

### **Backlog need**

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

### **Bedroom Standard<sup>12</sup>**

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

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<sup>11</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

<sup>12</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

## **Co-living**

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

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

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

## **Community Right to Build Order<sup>13</sup>**

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

## **Concealed Families (Census definition)<sup>14</sup>**

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

## **Equity Loans/Shared Equity**

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

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<sup>13</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>14</sup> See [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)

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

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

## **Fair Share**

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

## **First Homes**

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

## **Habitable Rooms**

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

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

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

## **Housing Market Area**

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

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

## **Housing Needs**

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

## **Housing Needs Assessment**

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

## **Housing Products**

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

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

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

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

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

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

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

## **Income Threshold**

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

## **Intercensal Period**

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



## **Intermediate Housing**

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

## **Life Stage modelling**

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

## **Life-time Homes**

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

## **Life-time Neighbourhoods**

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

## **Local Development Order**

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

## **Local Enterprise Partnership**

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

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

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

## **Local Planning Authority**

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

## **Local Plan**

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

## **Lower Quartile**

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

## **Lower Quartile Affordability Ratio**

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

## **Market Housing**

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

## **Mean (Average)**

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

## **Median**

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

## **Median Affordability Ratio**

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

## **Mortgage Ratio**

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years<sup>15</sup>, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

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

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

## **Neighbourhood plan**

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

## **Older People**

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

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

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

## **Overcrowding**

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

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<sup>15</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

### **Planning Condition**

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

### **Planning Obligation**

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

### **Purchase Threshold**

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

### **Proportionate and Robust Evidence**

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

### **Private Rented**

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

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

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

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

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

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

## **Rightsizing**

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

## **Rural Exception Sites**

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

## **Shared Ownership**

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

## **Sheltered Housing<sup>16</sup>**

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

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<sup>16</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

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

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

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

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

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

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

### **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>17</sup>

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<sup>17</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

