



Wallington Housing Needs Assessment (HNA)

March 2021

Quality information

Prepared by

Paul Avery
Senior Consultant

Checked by

Kerry Parr
Associate Director

Approved by

Kerry Parr
Associate Director

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Prepared for:

Rushden and Wallington Parish Council

Prepared by:

AECOM

Aldgate Tower
2 Lemn Street
London
E1 8FA
aecom.com

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List of acronyms used in the text:

HNA	Housing Needs Assessment
HLIN	Housing Learning and Improvement Network
HRP	Household Reference Person (head of household)
LPA	Local Planning Authority
LTHPD	Long-Term Health Problem or Disability
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
NA	Neighbourhood (Plan) Area
NHCD	North Hertfordshire District Council
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
RQ	Research Question
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

1. Executive Summary

1.1 Population and housing statistics

1. The Office for National Statistics (ONS) mid-2019 population estimate for Wallington parish is 140 people, indicating population decline of around 10 individuals since the 2011 Census.
2. There is understood to have been little to no new development in the NA since 2011 so the Census total of 60 dwellings likely remains accurate except for the fact that it may include a small number of homes that are outside of the NA boundary.
3. The Neighbourhood Plan Working Group estimate that there are approximately 52 dwellings and 117 people in the designated Neighbourhood Area (NA), which is slightly smaller than the parish for which data has been gathered here. This also suggests that population decline has been more significant than the ONS estimate would suggest. Furthermore, this has taken place during a time when the available living space in Wallington's housing has continued to increase.
4. North Herts classifies Wallington as Category B settlement in the new Local Plan, making clear that while development may be permitted in such villages, no specific target for new housing is expected to be met. In effect, Wallington can be reasonably interpreted as having a minimum housing requirement of 0.
5. For the purpose of this study we will assume that very limited or no new development can be expected in Wallington during the Neighbourhood Plan period. However, it remains possible that one or more sites may come forward, either for mainstream development or primarily/exclusively for Affordable Housing. This assessment will help to define what form any potential new housing might appropriately take.

1.2 Conclusions – tenure and affordability

Affordability issues and tenure options

1. Housing in Wallington is primarily privately owned or rented, with a notable undersupply of social rented accommodation compared to the district and national average. Between 2001 and 2011, the NA saw a 42% increase in private renting. Though less pronounced than the national trend, this is a clear signal of the declining affordability of home ownership, which is borne out in house price data.
2. Local home values have generally increased over the last ten years, although the relatively small sample size means that the house price data over time and by dwelling type is fairly volatile. It is clear, however, that home ownership is the preserve of the wealthiest households, with a median 2020 price of £600,000. (Note that a wider area than the NA itself has been investigated for this data; see the main body of the report for more detail). Two recent transactions, which are too new to feature in the Land Registry data used here, further increase both the median price for Wallington specifically and the wide variation or volatility in house prices.
3. AECOM has estimated the annual income required to afford various tenures of housing in the NA. These thresholds are compared to local incomes to determine which options are the most appropriate for local people going forward. The average household income in the Wallington area is £58,400 and the lower quartile income (per person) for North Herts is £17,050.
4. It was found that a household would need an income comfortably above the average (or a very large deposit) to qualify for a mortgage even for an entry-level home in the NA. This further demonstrates that home ownership through the mainstream market is not an option for the majority of local people.
5. Private renting is affordable for households on average incomes but not to households with two lower quartile earners. Broadly speaking, anyone earning between £40,700 and £92,600 can afford to rent but not to buy. These households may benefit from affordable home ownership options such as shared ownership, discounted market housing (including the Government's new First Homes product) and rent to buy.
6. While such products would extend home ownership to more people, they would be assisting only very high earners since no other households have a realistic chance to afford them. The discount on the new build entry-level sale price required to enable households on average incomes to afford to buy is 54%. For a dual lower quartile earning household, a wholly unrealistic discount of 73% would be required.

7. Depending on their individual circumstances, most households on below-average incomes will need affordable rented housing to live in the NA.
8. The evidence summarised above is derived from calculations using average house prices. Such averages naturally disguise a variety of possibilities, and it remains plausible that smaller homes, such as 1-2 bedroom flats or maisonettes, could be delivered at price levels that would be affordable to lower earners in Wallington. Equally, if mainly large luxury homes come forward, these findings may be overly optimistic.

Quantity of Affordable Housing needed

9. It is possible to estimate the quantity of Affordable Housing needed in the NA during the Plan period. This study includes two such calculations. The first estimates the need for affordable rented housing and the second considers the potential demand for the affordable home ownership products considered above.
10. The estimate of affordable rented housing needs finds that 2 such units may be required by 2042. This takes as a starting point the 3 local households on North Herts's Affordable Housing waiting list. However, over the 20-year period the current backlog is expected to be satisfied in part by turnover in the existing stock as households vacate those homes for whatever reason.
11. In effect, there is likely to be minimal long-term need for affordable rented housing in the NA, but providing a small quantity (2 to 3 units) in the near-term would be beneficial.
12. Turning to Affordable Housing providing a route to home ownership, we estimate that around 8 households may be interested in such products over the Plan period. It is important to keep in mind that the households identified in this estimate are, by and large, able to be adequately housed in the private rented sector. They would simply prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

Policy considerations

13. The Neighbourhood Plan may seek to influence the mix of tenures within any Affordable Housing that comes forward in future – either as a proportion of market housing or through an exception site.
14. As noted above, it is estimated that Wallington has limited long-term need for affordable rented housing or potential demand for affordable home ownership. However, in proportion to the current number of homes (roughly 60), the combined need for 10 affordable units identified here (2 for rent and 8 for ownership) would represent a substantial increase in the overall number of dwellings in the NA. It would therefore be beneficial to develop some new Affordable Housing if possible, but this should be planned with consideration to the impact that any increase in housing would have on the settlement. Aside from meeting the needs identified here, any additional Affordable Housing would help to diversify the current tenure mix and provide a wider range of options to local people.
15. The relationship between these two results would suggest that if more than 10 units of Affordable Housing are likely to come forward (which is unlikely unless through an exception site), 80% should be for affordable ownership and 20% for affordable rent. To address the current backlog of 3 households needing rented housing, it would be prudent to adjust this proportion to 70% ownership and 30% rent.
16. If fewer than 10 Affordable Housing units are expected during the Plan period, it is recommended that the first 3 are delivered as affordable rented tenures, with any additional units serving potential demand for affordable home ownership.
17. The breakdown of suitable products within the affordable home ownership category may need to flex in response to national policy guidance that is currently being consulted on. Detail on the most affordable types and potential scenarios is provided in the main body of the report.
18. The above conclusions about the provision of Affordable Housing must be caveated for two key reasons.
19. First, because of its size and limited range of services (particularly public transport) Wallington may not be considered by NHDC as a suitable location for new affordable rented accommodation. This question is beyond the scope of this study and is best answered through direct engagement with NHDC. The calculations and recommendations presented here are based on the potential need for Affordable Housing, unconstrained by limiting factors such as the sustainability of the settlement, infrastructure capacity or the availability of suitable land.
20. Second, the analysis of which affordable home ownership products might be most appropriate in Wallington concluded that the majority are not affordable even to above-average earners. The finding that 8 households might be interested in such products follows a separate methodology and does not reflect the fact that they may still be unable to afford

them. This should be taken into consideration when planning for the Affordable Housing tenure mix. As noted above, the best solution might be to deliver these tenures in the form of smaller, denser housing types such as low-height flats or maisonettes designed in-keeping with the existing character of the village.

1.3 Conclusions – type and size

21. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA 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 stock

22. Wallington has a fairly imbalanced stock of housing: it is composed exclusively of detached and semi-detached dwellings, and is characterised by a high proportion of large properties. Thinking about this information alone, it would be advantageous to diversify the stock with an injection of smaller properties in the form of denser types, such as 2 bedroom terraces or maisonettes (assuming these can be designed in accordance with the existing character of the village). In addition to widening a currently limited range of housing choices, this would improve affordability in a very expensive location.
23. Data for a wider area than the NA points to a healthy supply of bungalows at present (16% compared with a level of 6.5% across North Herts), though this indication should be verified. If the actual rate of bungalow provision is lower in Wallington than the surrounding area, this might justify an increase in this type, which tends to be favoured by the older households expected to become much more common in the NA in the near future.
24. A review of decided planning applications in Wallington between 2011 and 2020 (inclusive) found 8 instances of applications that were likely to involve an increase in the number of rooms or bedrooms in the dwelling concerned. Despite the limited nature of this research exercise, it is possible to conclude with a good degree of confidence that the already large stock of housing in the NA is continually becoming larger and that the broader challenges of affordability and unmet demand for downsizing are becoming exaggerated over time.
25. It should be emphasised that this analysis focuses on gaps and imbalances in existing housing. The priorities of the community and considerations of design, character and the availability of suitable land should also feature in any policy choices in this area.

Demographics

26. The age structure of the population is a key indicator of the future need for housing. As of 2019 Wallington has a population dominated by those aged over 45, though a relatively significant number of children remain. The overriding change since 2011 is the ageing of the population, with particular growth in the 65-84 population while all age groups below 64 have contracted.
27. Today's large 45-84 cohort (roughly 60% of the total) is likely to produce an older population in 2041 that may have different housing needs than it does at present. Whether they 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 support needs, the requirements of older people will become increasingly important.
28. Applying North Herts household projections to the Wallington population suggests that by 2041 the 65+ group could increase by two thirds (from 2011 levels) to become by far the dominant group, while the 55-64 group experiences much gentler growth and all younger categories decline.
29. It is also worth noting that there was considerable growth in the number of non-dependent adult children living in the parental home between 2001 and 2011. It may be assumed that some of these individuals were living with parents due to a lack of affordable options rather than by choice. Given that there are still many children resident in Wallington, it would be prudent to prepare for the time that they may wish to form their own independent households by encouraging the development of smaller, more affordable options.

The future dwelling mix

30. The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by households at different life stages and projects the growth and decline of those household age groups over the Plan period in order to

understand what should be built, suggests that new development might benefit from a strong focus on small and medium sized homes – potentially to the exclusion of dwellings with more than 3 bedrooms.

31. The output of this model validates the tentative conclusions reached above: that delivering smaller homes in future would widen housing choice while helping to accommodate downsizing older people and young independent households.
32. This finding should be approached as a starting point for policy development and viewed alongside qualitative evidence about the desires of local people and the community's wider objectives.

Other considerations

33. In the Tenure and Affordability chapter, it was found that market housing is unaffordable to the vast majority of local people and that those on the lowest incomes would be unable to afford to live in Wallington unless in the social rented sector. While Affordable Housing should be well-balanced in terms of size to cater for all circumstances, the provision of smaller market homes for sale and rent, as advised here, should make an important contribution to improving affordability more widely.
34. This study does not provide a target state for the mix of housing types in Wallington, since type is more a matter of wealth, taste and other factors than need in the strict sense. House type is also not so clearly correlated with life stage as house size, which was used to estimate the target size mix above. However, given the findings on affordability, it may be beneficial to plan for more of the higher density and lower cost types, such as terraces and maisonettes.

2. Context

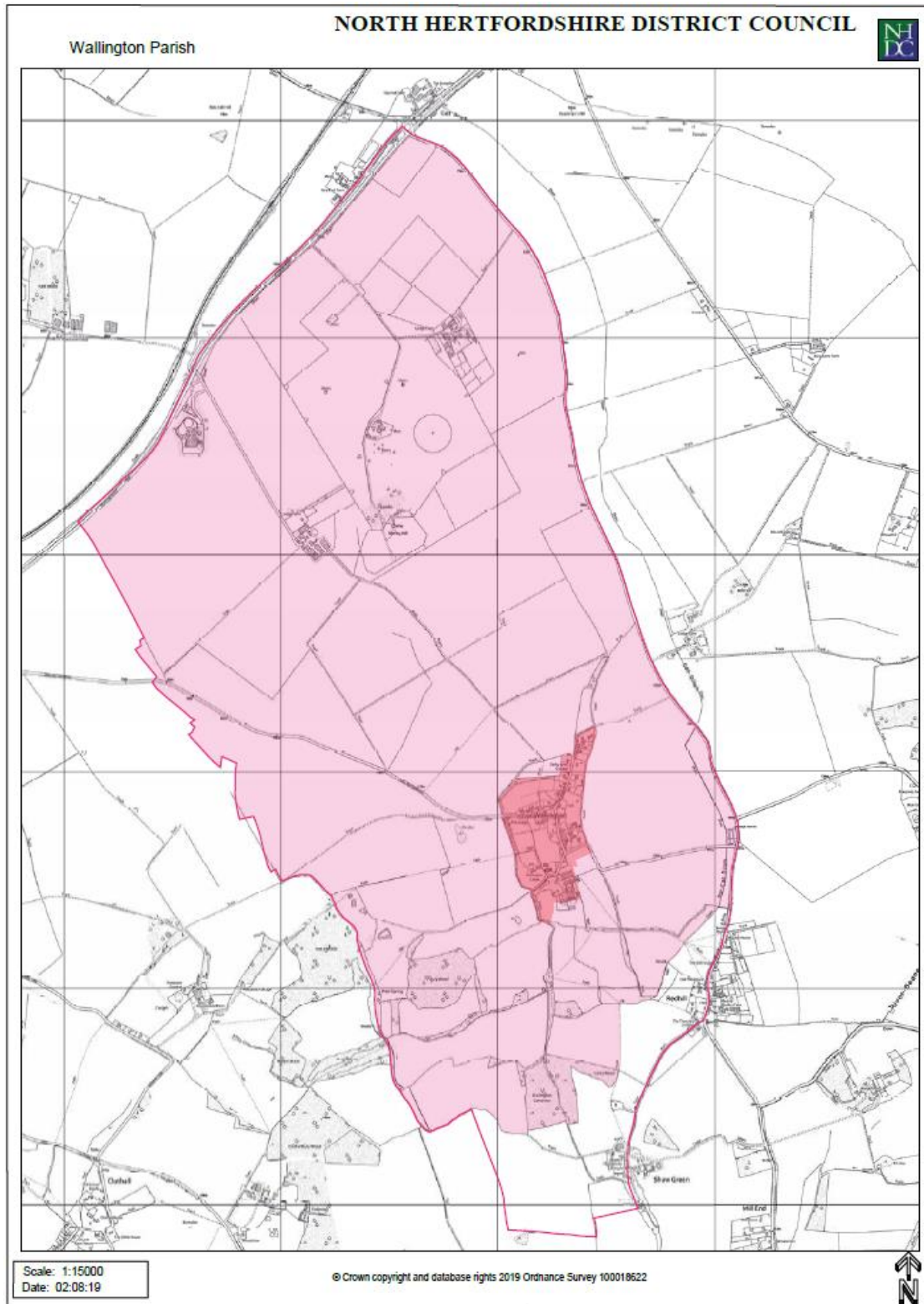
2.1 Local context

35. Wallington is a Neighbourhood Area (NA) located in the District of North Hertfordshire. The NA boundary differs slightly from the existing boundary of the Civil Parish of Wallington. The NA excludes part of the parish along its southern edge by Redhill and Shaw Green. The NA was formally designated by North Herts District Council (NHDC) in April 2020.
36. The NA's only settlement is the small historic village of Wallington. The village provides limited amenities but is notable for the Grade II Listed Church of St Mary and its association with the writer George Orwell. Beyond Wallington the NA covers a wide rural area that is primarily in agricultural use.
37. The NA is bounded by the A505 road along its northern edge, which links Royston to the northeast to Baldock and Letchworth Garden City to the southwest. The nearest train stations are at Baldock and Ashwell & Morden.
38. It is also worth noting that the NA borders the Green Belt to its western edge but aside from a thin piece of land along that edge, is not within the Green Belt itself. NHDC classifies the majority of the NA as Rural Area Beyond the Green Belt.
39. The proposed Neighbourhood Plan period extends to 2041 and is expected to begin in 2021, therefore comprising a planning period of 20 years. The evidence supplied in this report will look forward to the Plan end date of 2041. When tallying totals for the entire period, it will assume a period of 20 years but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan start date changes.

The NA boundary

40. For Census purposes, the country is divided into statistical units called Output Areas (OAs). Wallington parish is composed of just one OA, identified by the code number 26UFHE0005. As noted above, the parish (equivalent to the OA) does not align exactly with the designated NA. However, this is the closest available proxy and is therefore used throughout this report.
41. A map of the designated NA appears overleaf in Figure 2-1, along with the Census parish/OA boundary in Figure 2-2. Being relatively small and largely rural, the affected areas are unlikely to skew the HNA data in any significant way. Perhaps more important is the fact that ONS swaps a small but undefined number of Census returns across small areas in order to preserve anonymity. However, the impact of this is also likely to be minimal.

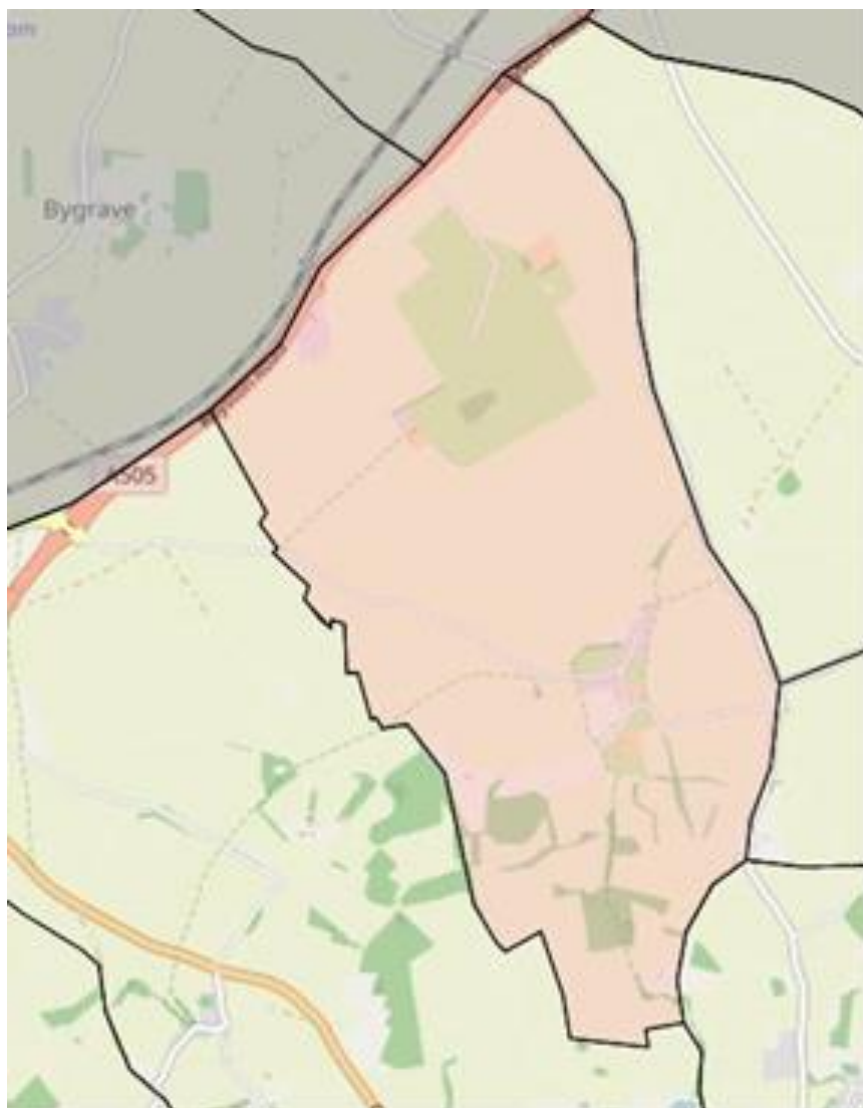
Figure 2-1: Map of the Wallington designated Neighbourhood Area¹



Source: North Herts District Council

¹ Available at <https://www.north-herts.gov.uk/home/planning/planning-policy/neighbourhood-planning/wallington-neighbourhood-planning-area>.

Figure 2-2: Census map of Wallington Civil Parish



Source: Nomis

Headline population and housing statistics

42. The statistics show that in the 2011 Census Wallington had a total of 150 residents, formed into 56 households, and occupying 60 dwellings.
43. There is understood to have been little to no new development in the NA since 2011 so the total of 60 dwellings likely remains accurate except for the fact that it may include a small number of homes that are outside of the NA boundary (see the discrepancy between the maps above).
44. The Office for National Statistics (ONS) produces mid-year population estimates for parishes throughout the country. The mid-2019 population estimate for Wallington parish is 140, indicating population decline of around 10 individuals since 2011.
45. This more recent data on the population and its age distribution 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 size, type and tenure of dwellings, cannot be accurately be brought up to date. Such patterns are instead assumed to persist to the present day.
46. The Neighbourhood Plan Working Group estimate that there are approximately 52 dwellings and 117 people in the designated Neighbourhood Area (NA), which is slightly smaller than the parish for which data has been gathered here. This also suggests that population decline has been more significant than the ONS estimate would suggest.

Furthermore, this has taken place during a time when the available living space in Wallington's housing has continued to increase.

2.2 Planning policy context

47. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.² Those having relevance to housing are reviewed here, along with policies that are likely to be adopted in the near future.
48. The planning policy context for North Herts consists of the adopted 1996 Local Plan (formally known as the District Local Plan No.2 with Alterations) and the new Local Plan (which remains in draft form).
49. The existing Local Plan was adopted in 1996. Its policies expired in 2007 except for those which were given permission to endure by the Secretary of State – of which there are 33. These are gathered in a Saved Policies 2007 Written Statement, and are currently used to determine planning applications.
50. Since the publication of the National Planning Policy Framework (NPPF), Local Plan policies that are inconsistent with it are presumed to have less weight. NHDC considers the majority of the saved policies to be consistent with the NPPF. However, there are four key exceptions to this, two of which may be directly relevant to Wallington. These are (in NHDC's words):
 - Policy 6 on development in rural areas beyond the green belt: the NPPF is more permissive of rural businesses being allowed to grow;
 - Policy 25 on the re-use of rural buildings: the NPPF effectively contains its own policy on this subject.
51. Relevant parts of the NPPF, where it is presumed to supersede these saved policies, will also be reviewed here.
52. The new Local Plan, covering the period 2011-2031, will replace all remnants of the 1996 Local Plan. It is currently undergoing examination in public, with further hearing sessions scheduled for early 2021 to consider some further modifications (none of which are relevant to Wallington). The new Local Plan is at a very advanced stage of development and would therefore carry weight when considering planning applications in Wallington even before it is adopted.
53. The most recent full text of the new Local Plan is the Proposed Submission version published in October 2016. Since this date a number of modifications have been accepted, and others remain outstanding. NHDC has prepared a version of the Local Plan that incorporates the proposed main modifications (November 2018). This is not a formal document but is published as an aid for consultees and decision makers, and is used here.
54. The tables below summarise policies from the adopted and emerging Local Plans that are relevant to housing needs in Wallington. The housing allocations and proposals in the adopted Local Plan are excluded because these were relevant only up to 2001.

Table 2-3: Summary of relevant North Herts adopted policies³

Policy	Provisions
Policy 6: Rural Areas beyond the Green Belt	<p>In Rural Areas beyond the Green Belt, existing countryside and villages should be maintained. As such, development proposals will only normally be allowed if the proposal:</p> <ul style="list-style-type: none"> • is strictly necessary to the needs of agriculture or other community services and those needs cannot be met elsewhere; • would meet an identified rural housing need (see Policy 29); or • is a single dwelling within the built core of the settlement and would not result in its outward expansion or any other adverse impact on the local environment.
Policy 25: Re-use of Rural Buildings	<p>The re-use of rural buildings for residential purposes will be permitted provided that it will not adversely affect the local rural economy, the character of the environment or highway safety, and that the building will not require extensive alteration, rebuilding or extension.</p>

² Available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

³ The saved policies of the 1996 Local Plan are available at: <https://www.north-herts.gov.uk/sites/northherts-cms/files/Written%20Statement%20Sep%202007.pdf>

The NPPF is available at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf.

Policy	Provisions
Policy 29: Rural Housing Needs	<p>Small-scale development designed to meet a proven local need as an exception to Policy 6 (see above) may be accepted only if:</p> <ul style="list-style-type: none"> • The need cannot be met in any other way; • Occupation will be limited to certain people (such as first-time buyers, disabled residents, those eligible for Affordable Housing, immediate descendants of local people, or those permanently employed in the area). • Future occupants come from the relevant parish and its immediately adjoining neighbouring parishes; • The development will be managed to prevent it from entering the mainstream housing market; • It is visually sympathetic. <p>Initially discounted market sales homes will not normally be considered appropriate.</p>
Policy 29A: Affordable Housing for Urban Local Needs	<p>25% of units in any development providing 20 or more dwellings are required to be affordable. The Council may only seek to negotiate Affordable Housing contributions in urban areas.</p>
Policy 30: Replacement or Extension of Dwellings in the Countryside	<p>The Council will normally refuse such proposals if a materially greater impact would result or if the size and design are out of keeping with the original building.</p>
Policy 57: Residential Guidelines and Standards	<p>All residential development is expected to conform with a number of guidelines. Guideline 4 requires that new development should include a mixture of dwelling sizes to meet local needs and create variety.</p>
NPPF extracts relating to housing in rural areas (superseding parts of Policy 6 above)	<p>Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer). – para 63</p> <p>In rural areas, planning policies and decisions should be responsive to local circumstances and support housing developments that reflect local needs. Local planning authorities should support opportunities to bring forward rural exception sites that will provide affordable housing to meet identified local needs, and consider whether allowing some market housing on these sites would help to facilitate this. – para 77</p> <p>Planning policies should identify opportunities for villages to grow and thrive, especially where this will support local services. – para 78</p>
NPPF extracts relating to the replacement of rural buildings (superseding parts of Policy 25 above)	<p>Planning policies and decisions should avoid the development of isolated homes in the countryside unless one or more of the following circumstances apply:</p> <ol style="list-style-type: none"> a) there is an essential need for a rural worker, including those taking majority control of a farm business, to live permanently at or near their place of work in the countryside; b) the development would represent the optimal viable use of a heritage asset or would be appropriate enabling development to secure the future of heritage assets; c) the development would re-use redundant or disused buildings and enhance its immediate setting; d) the development would involve the subdivision of an existing residential dwelling; or e) the design is of exceptional quality – para 79 <p>Note that para 145 makes provision for construction in the Green Belt that is relevant to the 1996 Local Plan but not to Wallington specifically.</p>

Source: 1996 North Hertfordshire Local Plan, NPPF

Table 2-4: Summary of relevant North Herts emerging policies⁴

Policy	Provisions
SP1: Sustainable Development in North Hertfordshire	Among other objectives, NHDC will ensure the long-term vitality of the District's villages by supporting growth which provides opportunities for existing and new residents and sustains key facilities.
SP2: Settlement Hierarchy and Spatial Distribution	<p>The new Local Plan seeks to make provision for at least 15,950 new homes in North Herts between 2011 and 2031. This growth is distributed as follows:</p> <ul style="list-style-type: none"> • Approx. 80% to major towns (e.g. Baldock, Royston, Letchworth Garden City); • Approx. 11% to the five villages identified for growth; and • The remainder (approx. 9%) to other villages, which are classified as follows: <ul style="list-style-type: none"> – Category A (general development within settlement boundaries allowed); – Category B (infill development that does not extend the built core into the surrounding countryside allowed); and – Category C (only limited affordable housing and local community facilities allowed). <p>Development outside of these settlements will generally only be permitted when supported by a Neighbourhood Plan</p> <p>Wallington is categorised as a Category B village because of its relatively low level of facilities and services.</p>
SP8: Housing	<p>The 15,950⁵ housing growth figure is broken down into the relevant housing market areas (including a contribution to the unmet housing needs of Luton), key strategic sites, and the levels of the settlement hierarchy. The entire 15,950 figure can be met without growth in Category B and C villages, though this does not prevent further development in those locations.</p> <p>33% of all homes should be Affordable Housing, with a target of up to 40% on sites allocated in the Plan where viable. 100% Affordable Housing schemes may be appropriate in some cases.</p> <p>Homes should be (broadly) evenly split between 1-2 bedroom homes and 3+ bedroom homes, subject to further up-to-date assessments of housing needs.</p> <p>At least 350 bed spaces for those with support needs should be provided over the Plan period.</p>
CGB1: Rural Areas Beyond the Green Belt	<p>This policy effectively updates the wording of 1996 Local Plan Policy 6.</p> <p>Permission for development will generally be granted provided that it:</p> <ul style="list-style-type: none"> • does not extend the built core of a Category B village; • meets a proven local need for community facilities, services or Affordable Housing in an appropriate location; or • relates to an existing rural building.

⁴ The proposed submission version of the new Local Plan is available at: <https://www.north-herts.gov.uk/sites/northherts-cms/files/Proposed%20Submission%20Local%20Plan.pdf>.

An informal version incorporating main modifications is available at: <https://www.north-herts.gov.uk/sites/northherts-cms/files/Local%20Plan%20-%20Main%20Mods%20track%20change%20version.pdf>.

⁵ While not formally under challenge, this figure is currently the subject of debate alongside or within the Local Plan examination hearings currently taking place. There is a possibility that it may change prior to final adoption.

Policy	Provisions
CGB2b: Community Facilities, Services and Affordable Housing in the Rural Area Beyond the Green Belt	<p>Planning permission for Affordable Housing beyond the built core of Category B villages will be granted provided that the land is identified for such development in a Neighbourhood Plan or:</p> <ul style="list-style-type: none"> • meets a proven local need as identified through a parish survey or other relevant study; • there are no reasonable alternative sites (including in other nearby locations); • any affordable housing would meet relevant criteria of Policy HS2, particularly in relation to need, affordability and retention of dwellings; and • there are no adverse effects on the open character of the area or other public harms. <p>The provision of limited market housing to cross-subsidise schemes will be granted permission in exceptional circumstances where it can be demonstrated that the level of market housing proposed is strictly necessary to make the required development deliverable.</p>
CGB4: Existing Rural Buildings in the Rural Area Beyond the Green Belt	<p>Planning permission for the re-use, replacement or extension of buildings in the Rural Area beyond the Green Belt will be granted provided that:</p> <ul style="list-style-type: none"> • any existing building to be converted for re-use does not require major extension or reconstruction; and • the resultant building(s) do not have a major impact on the open character of the area.
HS2: Affordable Housing	<p>Affordable Housing is required at the following rates according to the site of the site (viability permitting):</p> <ul style="list-style-type: none"> • 25% on sites of 11-14 dwellings • 35% on sites of 15-24 dwellings • 40% on sites of 25 or more dwellings <p>NHDC expects that within the Affordable Housing coming forward in this way, 65% will be in the form of affordable/social rented tenures, and 35% as other forms. This may change in response to new evidence or site-specific circumstances.</p> <p>Affordable Housing should meet the housing needs of the area including those identified by relevant local authority housing register data, Neighbourhood Plans and any settlement- or parish-level surveys or assessments.</p> <p>It should be genuinely affordable to local people where rents or prices are linked to open-market values, and secured for local people in perpetuity.</p>
HS3: Housing Mix	<p>An appropriate range of house types and sizes should be provided, taking into account the latest evidence and the characteristics of the location.</p>
HS4: Supported, Sheltered and Older Persons Housing	<p>This will be supported provided there is good access to local facilities, services and public transport.</p>
HS5: Adaptable and Accessible Housing	<p>Planning permission for major residential development will be granted if at least 50% of homes can be built to the M4(2) Accessible and Adaptable standard and 10% of affordable units (provided there are 10 or more) can be built to the M4(3) wheelchair user standard.</p>

Source: New Local Plan, main modifications tracked changes version

2.2.1 Quantity of housing to provide

55. The NPPF 2019 (paragraphs 65 and 66) requires Local Authorities to provide neighbourhood groups with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
56. North Herts has effectively fulfilled this requirement by classifying Wallington as Category B settlement in the new Local Plan and making clear that while development may be permitted in such villages, no specific target for new housing is expected to be met. In effect, Wallington can be reasonably interpreted as having a minimum housing requirement of 0. It is understood that the Neighbourhood Plan Working Group could formally request a figure from NHDC to exceed this number if they so wished.

57. For the purpose of this study we will assume that very limited or no new development can be expected in Wallington during the Neighbourhood Plan period. However, it remains possible that one or more sites may come forward, either for mainstream development or primarily for Affordable Housing through the policy provisions highlighted above. Development is currently expected on two largely disused farm sites within the village. This assessment will help to define what form any potential new housing might appropriately take.
58. Note that the Government's August 2020 consultation proposals for 'Changes to the current planning system' include a temporary measure to lift the small sites threshold. This would mean that on sites of up to 40 or 50 units, developers would not need to contribute to Affordable Housing.⁶ The purpose of this time-limited change (its duration is currently unknown) would be to support small housebuilders as the economy recovers from the impact of Covid-19.
59. This would not apply to sites brought forward exclusively for Affordable Housing, but is important to note in case a site for more than 10 dwellings comes forward. If this happens during the (as yet unconfirmed) period of this change, the amount of Affordable Housing that could be secured for the community may be reduced.

⁶ Available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>.

3. Approach

3.1 Research Questions

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

3.1.1 Tenure and Affordability

61. 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. Community engagement events have clarified that affordability is a key concern of local people. Early indications show that there is likely to be support for Affordable Housing although provision would need to be considered in light of the relative lack of access to public transport and other amenities.
62. This evidence will allow Wallington 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 if appropriate.
63. The Working Group is 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 is provided under the remit of this research question.

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

3.1.2 Type and Size

64. The aim of this research question is to provide the Working Group with evidence on the types and sizes of new housing needed by the local community. This will help to shape future development so that it better reflects what residents need. It is understood that needs are presently focused around smaller accessible homes for current residents in later life, and homes that would allow the children of residents to return if they were financially able.
65. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock at present and what demographic trends suggest will be appropriate in future.
66. 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.
67. In that sense, the findings in this report might be viewed as the baseline scenario on top of wish 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?

3.2 Relevant Data

68. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the NP level and is locally specific. This includes data from both Census 2001 and 2011, as well as from a wide range of other data sources, including:
 - Other Office of National Statistics (ONS) datasets providing more up-to-date information on the population by age;
 - 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 Rightmove and Home.co.uk;

- Information about specialist older people's housing needs from the Housing Learning and Improvement Network (HLIN);
- Local Authority housing waiting list data; and
- The Stevenage and North Hertfordshire Strategic Housing Market Assessment Update 2016 (SHMA). This document is now relatively old, given that its findings apply to a period beginning in 2011. As such, it is drawn upon in a limited way.

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

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

4.1 Introduction

69. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the Neighbourhood Area (NA) 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.
70. 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.
71. The definition of Affordable Housing set out in the 2019 NPPF 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 proposed to introduce First Homes to provide at least a 30% discount on new market housing for sale.⁷

4.2 Current tenure profile

72. The current tenure profile is a key feature of the 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.
73. Table 4-1 below presents data on tenure in Wallington compared with North Herts and England from the 2011 Census, which is the most recent available source of this information. Housing in Wallington is primarily within the mainstream housing market, either for purchase or for rent. The proportions of both these tenures are above levels at wider geographies. Correspondingly, there is very little Affordable Housing – either social renting (2 units) or shared ownership (1 unit). Unfortunately it was not possible to use NHDC data to determine how many of these units have been converted to market housing since 2011 through the Right to Buy scheme or shared ownership occupant buying out their rented share, or whether any new Affordable Housing has been delivered.
74. Between the 2001 and 2011 Censuses, the NA experienced an 42% increase in private renting. This trend, which reflects a more extreme pattern nationwide, is an indicator of the declining affordability of home ownership – either because of rising house prices or stagnating incomes.

Table 4-1: Tenure (households), Wallington, 2011

Tenure	Wallington	North Herts	England
Owned; total	71.4%	65.6%	63.3%
Shared ownership	1.8%	0.9%	0.8%
Social rented; total	3.6%	19.3%	17.7%
Private rented; total	17.9%	13.1%	16.8%

Sources: Census 2011, AECOM Calculations

75. The key finding here is that there is a near total absence of Affordable Housing, subsidised to accommodate those on the lowest incomes. While changing this situation would likely be to the benefit of local people or those with a strong

⁷ The latest consultation proposals, published in August 2020, state that ‘The minimum discount for First Homes should be 30% from market price which will be set by an independent registered valuer’ and ‘Local authorities will have discretion to increase the discount to 40% or 50%. This would need to be evidenced in the local plan making process.’

local connection who cannot afford to live in Wallington, it may not be appropriate to deliver such housing given the lack of public transport and other amenities in the NA.

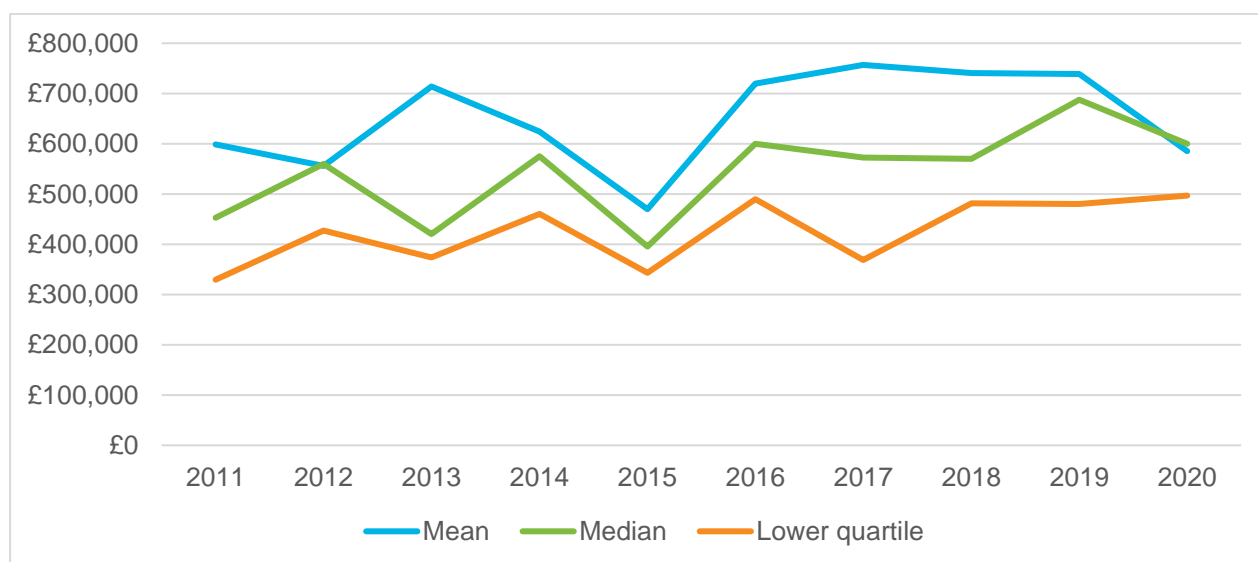
- 76. Note that the question of whether Affordable Housing is suitable in Wallington in the context of its infrastructure and amenities is not within the scope of this study. This chapter instead seeks to determine whether there is, theoretically, any need for such housing. This information can then be used in light of NHDC’s views of whether delivering it would be possible and appropriate.

4.3 Affordability

4.3.1 House prices

- 77. This part of the analysis considers selected measures of house prices in the Wallington area. It should be noted at this stage that the data used here applies to a wider area than the NA itself. This is because there were only 7 sales recorded in Wallington parish between 2011 and 2020 (inclusive), the most recent being in 2016. There are understood to have been two homes sold during the past year, with transactions that have not yet been finalised and/or appeared in Land Registry data – one of which was listed for £1,250,000.
- 78. This is not a strong basis on which to understand local affordability challenges. This fact does however speak to a lack of housing options: no household seeking to buy a home in Wallington, or move to a different home within the NA, would have been able to do so for the last five years because no homes have come on the market.
- 79. Because of the small sample size, we have widened the area of search for the purpose of understanding average house prices. The approach used was to include the neighbouring rural parishes south of the A505, namely Rushden, Sandon and Kelshall (in addition to Wallington), which were selected for their proximity and to ensure that no locations of a strongly contrasting (i.e. urban) character were included. This produced a sample of 96 transactions over the decade, with 8 in 2020 at a median value of £600,000.
- 80. Figure 4-1 shows a high degree of volatility in average house prices since 2011. This is not unusual in small areas where the annual average is strongly skewed by which particular homes happened to be sold in a given year. However, it can be seen that house prices are broadly higher in 2020 than in previous years.
- 81. Two recent transactions for Wallington specifically, which are too new to feature in the Land Registry data used here, further increase the median price above the £600,000 mark found for the wider area, and point to even variation in house prices, making generalization difficult.

Figure 4-1: House prices by quartile in Wallington, 2011-2020



Source: Land Registry Price Paid Data (PPD)

- 82. Table 4-2 below breaks down house prices by type. The same volatility is present here, making conclusions about the changing value of the different types difficult to draw. However average prices have evolved over time, it is clear that home ownership remains the preserve of wealthier households. Although it has been possible to purchase a terraced

home for below £350,000, we know that there are no terraced homes in the NA, so this is not true of Wallington specifically.

83. However, if terraced homes were to be delivered in future, this might be a good benchmark for the affordability of entry-level homes going forward.
84. More detail on the costs of new and existing housing is provided in Appendix A.

Table 4-2: House prices by type, Wallington, 2011-2020

Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Growth
Detached	£710,285	£619,333	£842,222	£658,542	£509,000	£639,833	£717,500	£863,833	£867,500	£620,083	-12.7%
Semi-detached	£337,006	£365,000	£329,333	£419,250	£465,333	£599,950	£545,000	£387,660	£428,750	£600,000	78%
Terraced					£378,500		£310,000	£355,000	£495,000	£360,000	N/A
Flats											N/A
All Types	£598,301	£555,750	£714,000	£624,357	£469,800	£719,661	£756,833	£740,708	£738,925	£585,063	-2.2%

Source: Land Registry PPD

4.3.2 Income

85. 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:

- 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 £58,400 in 2019. This total (gross) income figure is typically used by mortgage lenders to assess a household's ability to afford to borrow.⁸ A map showing the area that this figure refers to is provided in Appendix A.
- 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. North Herts's gross lower quartile annual earnings were £17,051 in 2019. To estimate the income of households with two lower quartile earners, this figure is doubled to £34,102.

86. 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.

4.3.3 Affordability Thresholds

87. 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.
88. AECOM has determined thresholds for the income required in Wallington 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 in Appendix A.
89. 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.

⁸ Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

90. Table 4-3 overleaf shows the estimated cost of each tenure, the annual income required to support these costs within Wallington, and whether local incomes are sufficient. The income required column does not reflect the cost of a deposit (which we have assumed to be 10% of the value to be purchased) or the possibility that households may already hold equity from an existing property.
91. The same information is presented as a graph in Figure 4-2 on a subsequent page.

Table 4-3: Affordability thresholds, Wallington

Tenure	Mortgage Value	Rent	Income required	Affordable on average incomes? £58,400	Affordable on LQ earnings (single earner)? £17,051	Affordable on LQ earnings (2 earners)? £34,102
Market Housing						
Median House Price	£540,000	-	£154,286	No	No	No
New Build Entry-level House Price	£440,955	-	£125,987	No	No	No
Entry-level House Price	£324,000	-	£92,571	No	No	No
Average Market Rent	-	£13,932	£46,440	Yes	No	No
Entry-level Market Rent	-	£12,216	£40,720	Yes	No	No
Affordable Home Ownership						
Discounted Market Sale (-20%)	£391,960	-	£100,790	No	No	No
Discounted Market Sale (-30%)	£342,965	-	£88,191	No	No	No
Discounted Market Sale (-40%)	£293,970	-	£75,592	No	No	No
Discounted Market Sale (-50%)	£244,975	-	£62,994	No	No	No
Shared Ownership (50%)	£244,975	£6,124	£83,408	No	No	No
Shared Ownership (25%)	£110,239	£9,187	£62,119	No	No	No
Affordable Rented Housing						
Affordable Rent	-	£7,122	£28,488	Yes	No	Yes
Social Rent	-	£5,690	£22,761	Yes	No	Yes

Source: AECOM Calculations

92. It is immediately clear that the majority of tenures are not affordable to the average income levels we have compared them to. Note that these are the average and lower quartile incomes, so housing is still likely to be affordable to people earning above the average or who have access to equity from their existing home or other forms of savings (e.g. inheritance).
93. Thinking about housing for market purchase first, it is apparent that a household would need an income comfortably above the average (or a very large deposit) to qualify for a mortgage even for an entry-level home. Home ownership through the mainstream market is not an option for the vast majority of local people.
94. Private renting is affordable for households on average incomes and but not to those two lower quartile earners. Anyone earning between £40,720 and £92,571 can afford to rent but not to buy. These households may benefit from the range of affordable home ownership options, about which the following conclusions can be drawn:
- The affordability thresholds for discounted market sale and shared ownership are calculated from a starting value of £489,950, which was the average price of a new build entry-level home in North Herts in 2020.
 - None of the products considered here would be accessible to households on average incomes. While they would improve affordability for higher earners, they could only meaningfully improve access to home ownership for lower earners if they were delivered as smaller, cheaper homes such as 1 or 2 bedroom flats or maisonettes.
 - A 54% discount would be required to bring a new entry-level home within reach of the average earning household. This suggests the new First Homes product is unlikely to be a suitable addition to the dwelling

mix in the NA. A wholly unrealistic discount of 73% would be needed to widen access to households with two lower earners.

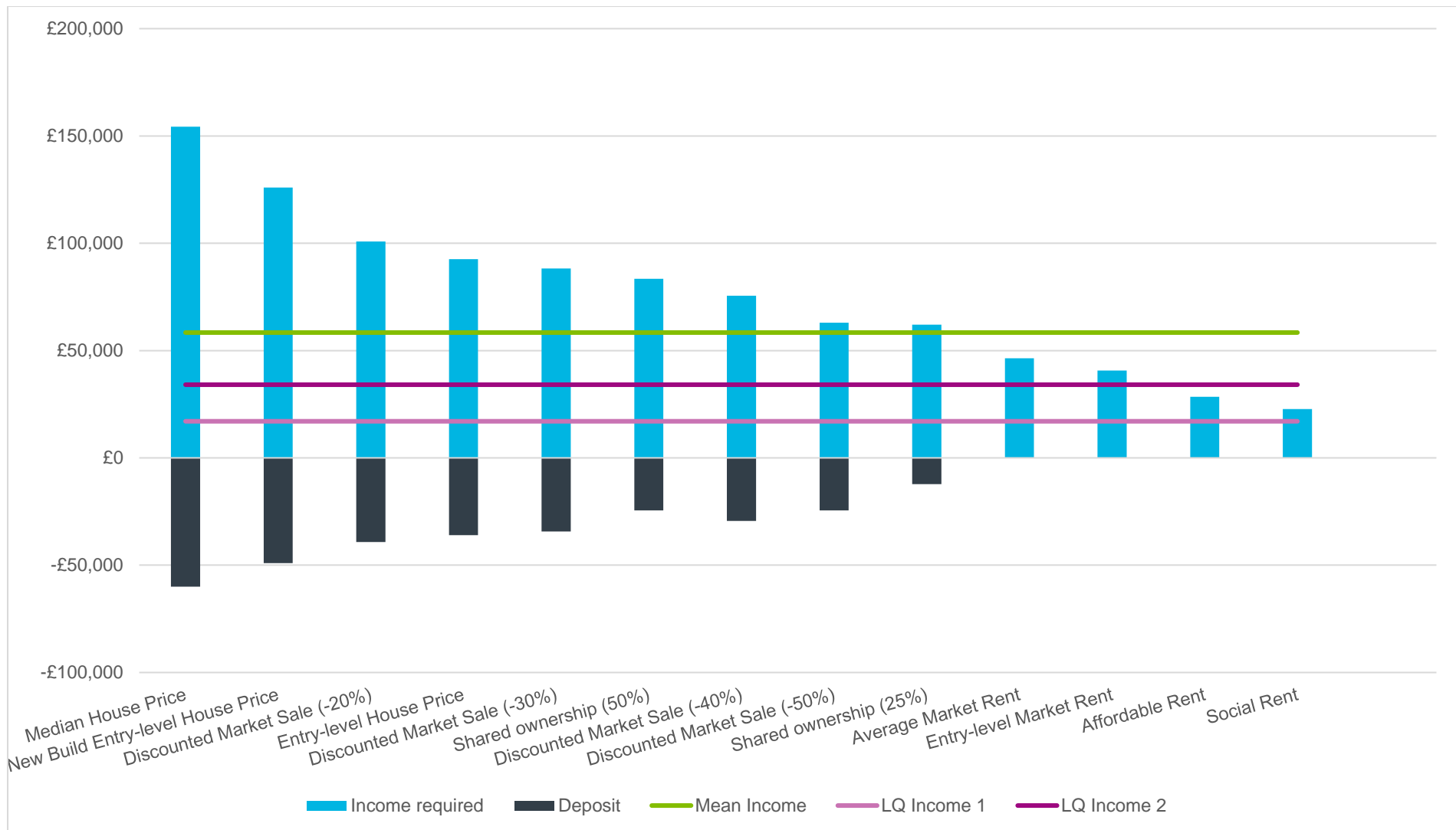
- Discounted market housing might be more or less affordable in practice depending on whether it is priced by the developer in relation to the overall average price, overall new build price or entry level new build price (as assumed here). It should be emphasised that the Neighbourhood Plan is limited in its ability to control or influence level of discount achieved on discounted market sale properties but the Local Planning Authority should have a role here.
 - The income required to access rent to buy is assumed to be the same as that required to afford market rents. At just under £41,000 for an entry-level home (though the new build premium might result in higher rents in practice), this is more affordable than discounted market housing or shared ownership. This is therefore the most affordable home ownership tenure for local people if it can be delivered.
95. Affordable rented housing is affordable to households with two lower earners (average earning households are unlikely to be eligible). Households with a single lower appear unable to afford any of the tenures considered. Many such individuals may however, if unable to secure a small social rented dwelling, be able to live in a room in a shared house using housing benefit. It is understood that no such houses in multiple occupation (HMOs) exist in Wallington at present.
96. The latest Government consultation proposes that Local Authorities will have discretion to increase the discount on First Homes to 40% or 50%, but that this would need to be evidenced in the Local Plan making process. It is clear that seeking the maximum potential discount would be beneficial in Wallington – even though it would widen access only to above average earners (see Table 4-4 below, which also shows how the required discounts would vary depending on how pricing is benchmarked). The evidence assembled here may help to make that case at North Herts level.

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

Tenure/ product:	Mean Income	LQ Income 1	LQ Income 2
NA Median House Price	62%	89%	78%
North Herts New Build Entry-level House Price	54%	86%	73%

Source: Land Registry PPD; ONS MSOA total household income

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



Source: AECOM Calculations

4.4 Affordable housing- quantity needed

97. The starting point for understanding the need for affordable housing in Wallington should be the relevant Strategic Housing Market Assessment (SHMA).
98. The relevant SHMA was published in 2016 for Stevenage and North Herts. This study finds that an average of 215 additional units of Affordable Housing will be needed in North Herts between 2011 and 2031.
99. This figure can be pro-rated to Wallington based on the share of the North Herts population who live in Wallington. Referring to the ONS mid-2019 population estimates, there are currently 140 people living in Wallington and 133,570 people living in North Herts. Therefore, approximately 0.1% of the district population live in Wallington.
100. If Wallington also has around 0.1% of the district's need for Affordable Housing, as identified in the SHMA, this implies the need for 0.215 units in Wallington per year, or roughly 4 homes over the 20 years in the Neighbourhood Plan period.
101. However, pro-rating Local Authority level estimates of Affordable Housing need always presents problems in practice, and especially so where the NA population is as small as here. The Local Authority level figures are likely to smooth over differences in need between urban and rural areas, where the size of the housing stock and numbers of households living in the private rented sector on housing benefit differ greatly. Furthermore, the SHMA estimate is for the period 2011-2031, which is now relatively out of date.
102. This report therefore provides alternative calculations that are specific to Wallington as far as possible. The first estimates the need for affordable rented housing and the second considers the potential demand for affordable home ownership tenures. These estimated are presented and discussed in turn below.

4.4.1 Affordable rented housing

103. The starting point for assessing the need for is the number of Wallington households currently applying for Affordable Housing on the North Herts waiting list for Affordable Housing. NHDC have advised that there are 3 households living in the NA on the register as of January 2020, all of which are in the lowest priority band (Band C) and require a 1 bedroom property.
104. NHDC also advise that there is a further 1 household on the waiting list in Rushden and 3 households who do not live in the area but have selected "villages around/between Baldock and Royston" as their preferred location. Again, all are in Band C, needing 3 1 bedroom properties and 1 2 bedroom property.
105. Table 4-5 below estimates the need for Affordable Housing for rent in Wallington per year of the Plan period. It should be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out below are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.
106. The result of this calculation is a shortfall of 0.1 units per year (or 2 units over the Plan period). This is relatively close to the result produced by pro-rating the SHMA. It indicates that there is likely to be minimal need for affordable rented housing in the NA going forward. Effectively, 2 new units plus turnover from the existing stock would be sufficient to house the current backlog, with any newly arising need satisfied by further turnover in the stock as existing households move out for whatever reason.
107. That said, supplying only 2 new units would still leave an unmet need of 1 household, because there are presently 3 households on the waiting list. Therefore, providing above the need identified here would be beneficial, and it would be ideal if any new supply were to be brought forward early in the Neighbourhood Plan period to address this backlog.
108. However, as noted above, NHDC may consider Wallington not to be a suitable location for affordable rented housing due to its limited transport and other amenities. It should be emphasized that this calculation is an expression of unconstrained potential need, and not necessarily what is possible or advisable given those and other constraints.

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

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current households in need	3	Latest waiting list data from NHDC. Only includes households currently living in Wallington.
1.2 Per annum	0.2	Step 1.1 divided by the plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	5.8	MHCLG 2018-based household projections for the LA between start and end of plan period. % increase applied to NA
2.2 Proportion of new households unable to rent in the market	10%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA
2.2.1 Current number of social renters in NA	2.0	2011 Census
2.2.2 Number of private renters on housing benefits	1.6	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	0.6	Step 2.1 x Step 2.2
2.4 Per annum	0.0	Step 2.3 divided by plan period
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of social/affordable re-lets (including transfers) %	3%	Assumed proportion of stock re-let each year
3.2 Supply of social/affordable re-lets (including transfers)	0.1	Step 3.1 x NA social rented stock (2.2.1)
NET SHORTFALL (OR SURPLUS) OF RENTED UNITS PER ANNUM		
Overall shortfall per annum	0.1	Step 1.2 + Step 2.4 - Step 3.2

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

4.4.2 Affordable home ownership

109. Turning now to Affordable Housing providing a route to home ownership, Table 4-6 below estimates the potential demand in Wallington. This model aims to estimate the number of households who can rent but can't buy on the basis of their incomes. It counts households currently living in or expected to enter the private rented sector who are not on housing benefit.
110. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model discounts 25% of these households, assuming a proportion will be renting out of choice. The result of the calculation is around 0.4 households per annum who may be interested in affordable home ownership (or 8 for the entirety of the Plan period).
111. Again there are limitations with this calculation at this scale. For example, the rate of household growth in the NA is unlikely to match that of North Herts, particularly if no new homes are built. If they are built the proportional increase may in fact far exceed the district figure.
112. It is important to keep in mind that the households identified in this estimate would be, by and large, adequately housed in the private rented sector. They do not lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

Table 4-6: Estimate of the potential demand for affordable housing for sale in Wallington

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in NA	12.2	Census 2011 number of renters x national % increase to 2018
1.2 Percentage renters on housing benefit in LA	12.9%	% of renters in North Herts in 2018 on housing benefit
1.3 Number of renters on housing benefits in NA	1.6	Step 1.1 x Step 1.2
1.4 Current need (households)	8.0	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	0.4	Step 1.4 divided by plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	5.8	LA household projections for plan period (2018 based) pro rated to NA
2.2 % of households unable to buy but able to rent	15.7%	(Step 1.4 + Step 3.1) divided by number of households in NA estimated in 2020
2.3 Total newly arising need	0.9	Step 2.1 x Step 2.2
2.4 Total newly arising need per annum	0.1	Step 2.3 divided by plan period
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	1.4	Number of shared ownership homes in NA (Census 2011 + LA new build to 2018/19 pro rated to NA)
3.2 Supply - intermediate resales	0.1	Step 3.1 x 5% (assume rate of re-sale)
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Overall shortfall (or surplus) per annum	0.4	(Step 1.5 + Step 2.4) - Step 3.2

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

113. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Working Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).
114. It is also important to remember that even after the Wallington, or indeed any other, Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the Working Group.

4.4.3 Affordable Housing policy guidance

115. North Herts's adopted policy on this subject requires 25% of housing on major sites to be affordable, with the new Local Plan keeping this as the minimum rate but requiring it for sites above 11 dwellings (as opposed to 20 in the 1996 Local Plan). The new Local Plan also requires higher rates for larger sites, but given the scale of the NA it is reasonable to assume that 25% is the most likely rate. It remains possible that only sites of fewer than 10 dwellings will come forward in future, and these would not bring forward any Affordable Housing unless allocated exclusively or predominantly for it.
116. Note that the Government's August 2020 consultation proposals for 'Changes to the current planning system' include a temporary measure to lift the small sites threshold. This would mean that developers would not need to contribute to Affordable Housing on sites of up to 40 or 50 units. This represents a significant increase on the threshold sought in the Local Plan (cited above), and therefore may reduce the delivery of Affordable Housing on normal development sites during the temporary period in which it may apply.
117. There is generally limited scope for Neighbourhood Plans to define a different proportion of all housing that must be affordable or increase the policy threshold. A high standard of justification would be required, and the evidence gathered here would not support that approach in Wallington. However, the Neighbourhood Plan may seek to influence the mix of tenures within any Affordable Housing that does come forward in future – either as a proportion of market housing or through an exception site.
118. It is not the role of the HNA to develop policy, as there are a wider set of factors which apply and need to be considered by the Working Group. However, the following evidence and considerations may be used as a starting point in the development of policy concerning the components of the Affordable Housing mix:

- A. **Evidence of need for Affordable Housing:** This study estimates that Wallington has limited long-term need for affordable rented housing or potential demand for affordable home ownership (2 and 8 units over the Plan period respectively). However, in proportion to the current number of homes, this would represent a substantial increase in the overall number of dwellings in the NA. It would therefore be beneficial to develop some new Affordable Housing if possible, but this should be planned with consideration to the impact that any increase in housing would have on the settlement.

The relationship between the two results here would suggest that if more than 10 units of Affordable Housing are likely to come forward, 80% should be for affordable ownership and 20% for affordable rent. To address the current backlog of 3 households needing rented housing, it would be prudent to adjust this proportion to 70% ownership and 30% rent.

- B. **Can Affordable Housing needs be met in full?** There is no minimum requirement for new housing in Wallington at this time. However, it is understood that some development may be possible, and that an affordable exception site may be an option.

An affordable exception site could meet all of the needs identified here, and should be weighted in favour of affordable home ownership (assuming that the proposed units would be genuinely affordable locally). If a mainstream housing site comes forward with just 25% of the units expected to be affordable it is advisable that all of them be for affordable rent, since these needs are the more urgent and acute, and because affordable home ownership has been found to not be particularly affordable in practice in this location.

- C. **Government policy (NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership – a stipulation acknowledged in the new Local Plan. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA there is limited evidence that this is the case in Wallington.
- D. **Emerging policy:** the Government is currently consulting on the introduction of First Homes (to provide at least 30% discount on new build home prices). The most recent consultation outlines the Government's intention to require that a minimum of 25% of all Affordable Housing secured through developer contributions should be first homes.⁹

First Homes appear to be a generally inappropriate product in the NA, so the introduction of this requirement may have an adverse effect on the ability of Wallington's needs to be met.

That said, the outcome of this consultation and the policy which emerges may shape the provision of different forms of Affordable Housing on new development sites, and the Working Group will need to keep this emerging policy in mind when developing its Neighbourhood Plan policies.¹⁰

- E. **Local Plan policy:** the emerging new Local Plan seeks an Affordable Housing tenure split in line with the most recent evidence of 65% for rent and 35% for other forms (i.e. affordable ownership).
- 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 by the new Local Plan and it is acknowledged that this may affect the provision of affordable housing and/or the mix of tenures provided.
- 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 Working Group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.

⁹The original proposals are available at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/864265/First_Homes_consultation_document.pdf. The latest proposals are available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>. Note that the latest proposals are not final, and could potentially be subject to further change.

¹⁰ The expected 25% First Homes requirement may have the effect of displacing other products in any established tenure mix and, if so, is supposed to displace other affordable home ownership products in the first instance, starting with those providing the lowest effective discount. However, affordable rented products may also be affected depending on the tenure mix sought (i.e. if more than 75% of affordable housing is intended as affordable rent, this would need to be reduced to a maximum of 75% affordable rent so that First Homes can constitute 25% of all affordable housing).

The August 2020 proposals also present options on how the make-up of the tenure mix of the remaining 75% of affordable housing is determined, with one option to maintain as far as possible the affordable rented proportions in the local plan, while a second option would allow greater flexibility. It is unknown at this time which option will be pursued.

- H. **Existing tenure mix in Wallington:** Wallington has very limited quantities of social renting and shared ownership. This would justify boosting the provision of Affordable Housing if appropriate. There would appear to be a particular undersupply of affordable renting compared to other areas.
- 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 NA. The funding arrangements available to housing associations will determine rent levels.
- J. **Wider policy objectives:** the Working Group may wish to take account of broader policy objectives for Wallington and/or wider North Herts. 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.
119. On the basis of the considerations above, Table 4-7 below proposes two indicative Affordable Housing tenure mixes that might be sought through Neighbourhood Plan policy. These mixes both assume that an affordable exception site or larger scheme comes forward with the potential to deliver around 10 units of Affordable Housing, with Mix 2 being appropriate if the current consultation on First Homes goes forward, and Mix 1 being appropriate if not.
120. However, as noted in consideration B above, if a smaller development bringing fewer Affordable Housing units comes forward, it would be prudent if at least 3 of these were provided as affordable rented housing, because these needs are the most urgent and acute, with the remainder delivered as affordable home ownership.
121. For example, in a scheme delivering 3 units of Affordable Housing, all 3 should be for affordable rent. In a scheme delivering 5 units, 3 should be for affordable rent and 2 for affordable ownership. And in any scheme bringing forward 10 or more affordable units, the table below offers a suitable baseline.
122. A significant caveat is required when discussing each form of Affordable Housing in Wallington. Affordable rented housing may not be appropriate because its occupants may not have sufficient access to local services or public transport. And affordable home ownership was found to be generally unaffordable to local people.
123. If Affordable Housing is likely to come forward it is therefore advised that the Working Group establish with NHDC whether and how much affordable rented housing the NA might sustainably accommodate. And when developments proposing to include affordable home ownership are being considered, the realistic purchase costs should be viewed in light of local incomes and, where appropriate, smaller more affordable types and sizes of home should be prioritised.
124. In terms of the most appropriate forms of affordable home ownership in Wallington, Table 4-8 below gives a stronger weighting to rent to buy because this is potentially the most affordable. It does not give exclusive priority to this tenure because it is relatively new and untested. Discounted market housing (including First Homes) and shared ownership are equally unaffordable, unless they can be delivered in the form of smaller units.
125. If First Homes are required at 25% of Affordable Housing that comes forward through developer contributions and this results in displacing other tenures within the affordable mix, the tenure products providing the lowest effective discount should be displaced in the first instance. In this case, shared ownership is displaced in Mix 2.
126. Where the Working Group wish to develop policy that deviates from that outlined in the new Local Plan, it is important that they liaise with NHDC to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support. 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 4-7: Indicative Affordable Housing tenure mix for Wallington

Tenure	Mix 1. Indicative mix based on local needs	Mix 2. Indicative mix with 25% First Homes requirement	Considerations and uncertainties
Routes to home ownership, of which	70%	70%	
First Homes / discounted market housing ¹¹	20%	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	20%	15%	Proposed changes to the model to allow purchases of 10% share ¹² - impact on viability unknown Registered Providers' business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to buy	30%	30%	Emerging product with popularity and effectiveness as yet unproven. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	30%	30%	
Social rent	To be set by Registered Providers	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area, and which sub-tenure (social or affordable rent) is prioritised by the LPA.
Affordable rent	To be set by Registered Providers	To be set by Registered Providers	

Source: AECOM calculations

127. Assuming that the Government's proposal that 25% of all affordable Housing should be First Homes is formalised, the Parish Council will need to take account of how this could impact on affordable housing policies (particularly the tenure mix) in the Neighbourhood Plan. The evidence gathered here suggests that this proposal would not significantly impact on the ability of Wallington to accommodate those with the most acute needs. However, the Parish Council should note that the First Homes product has not been formally implemented, and should await the outcome of the Government consultation.
128. It is recommended that consideration continues to be given to alternative mechanisms capable of helping to meet local need, where appropriate (i.e. rural/entry-level exception sites or community led housing etc.) to boost the overall provision of Affordable Housing if the overall scale of development is expected to be insufficient.

4.5 Conclusions- Tenure and Affordability

Affordability issues and tenure options

129. Housing in Wallington is primarily privately owned or rented, with a notable undersupply of social rented accommodation compared to the district and national average. Between 2001 and 2011, the NA saw a 42% increase in private renting. Though less pronounced than the national trend, this is a clear signal of the declining affordability of home ownership, which is borne out in house price data.

¹¹ In the event that the First Homes product does not go forward at all, the proportion of Affordable Housing that might be allotted to First Homes could be delivered as discounted market sales housing if this is available at broadly equivalent discounts, or to other forms of affordable home ownership also recommended in the table.

¹² <https://www.gov.uk/government/news/jenrick-unveils-huge-12-billion-boost-for-affordable-homes>

130. Local home values have generally increased over the last ten years, although the relatively small sample size means that the house price data over time and by dwelling type is fairly volatile. It is clear, however, that home ownership is the preserve of the wealthiest households, with a median 2020 price of £600,000. (Note that a wider area than the NA itself has been investigated for this data; see the main body of the report for more detail). Two recent transactions, which are too new to feature in the Land Registry data used here, further increase both the median price for Wallington specifically and the wide variation or volatility in house prices.
131. AECOM has estimated the annual income required to afford various tenures of housing in the NA. These thresholds are compared to local incomes to determine which options are the most appropriate for local people going forward. The average household income in the Wallington area is £58,400 and the lower quartile income (per person) for North Herts is £17,050.
132. It was found that a household would need an income comfortably above the average (or a very large deposit) to qualify for a mortgage even for an entry-level home in the NA. This further demonstrates that home ownership through the mainstream market is not an option for the majority of local people.
133. Private renting is affordable for households on average incomes but not to households with two lower quartile earners. Broadly speaking, anyone earning between £40,700 and £92,600 can afford to rent but not to buy. These households may benefit from affordable home ownership options such as shared ownership, discounted market housing (including the Government's new First Homes product) and rent to buy.
134. While such products would extend home ownership to more people, they would be assisting only very high earners since no other households have a realistic chance to afford them. The discount on the new build entry-level sale price required to enable households on average incomes to afford to buy is 54%. For a dual lower quartile earning household, a wholly unrealistic discount of 73% would be required.
135. Depending on their individual circumstances, most households on below-average incomes will need affordable rented housing to live in the NA.
136. The evidence summarised above is derived from calculations using average house prices. Such averages naturally disguise a variety of possibilities, and it remains plausible that smaller homes, such as 1-2 bedroom flats or maisonettes, could be delivered at price levels that would be affordable to lower earners in Wallington. Equally, if mainly large luxury homes come forward, these findings may be overly optimistic.

Quantity of Affordable Housing needed

137. It is possible to estimate the quantity of Affordable Housing needed in the NA during the Plan period. This study includes two such calculations. The first estimates the need for affordable rented housing and the second considers the potential demand for the affordable home ownership products considered above.
138. The estimate of affordable rented housing needs finds that 2 such units may be required by 2042. This takes as a starting point the 3 local households on North Herts's Affordable Housing waiting list. However, over the 20-year period the current backlog is expected to be satisfied in part by turnover in the existing stock as households vacate those homes for whatever reason.
139. In effect, there is likely to be minimal long-term need for affordable rented housing in the NA, but providing a small quantity (2 to 3 units) in the near-term would be beneficial.
140. Turning to Affordable Housing providing a route to home ownership, we estimate that around 8 households may be interested in such products over the Plan period. It is important to keep in mind that the households identified in this estimate are, by and large, able to be adequately housed in the private rented sector. They would simply prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

Policy considerations

141. The Neighbourhood Plan may seek to influence the mix of tenures within any Affordable Housing that comes forward in future – either as a proportion of market housing or through an exception site.
142. As noted above, it is estimated that Wallington has limited long-term need for affordable rented housing or potential demand for affordable home ownership. However, in proportion to the current number of homes (roughly 60), the combined need for 10 affordable units identified here (2 for rent and 8 for ownership) would represent a substantial increase in the overall number of dwellings in the NA. It would therefore be beneficial to develop some new Affordable Housing if possible, but this should be planned with consideration to the impact that any increase in housing would

have on the settlement. Aside from meeting the needs identified here, any additional Affordable Housing would help to diversify the current tenure mix and provide a wider range of options to local people.

143. The relationship between these two results would suggest that if more than 10 units of Affordable Housing are likely to come forward (which is unlikely unless through an exception site), 80% should be for affordable ownership and 20% for affordable rent. To address the current backlog of 3 households needing rented housing, it would be prudent to adjust this proportion to 70% ownership and 30% rent.
144. If fewer than 10 Affordable Housing units are expected during the Plan period, it is recommended that the first 3 are delivered as affordable rented tenures, with any additional units serving potential demand for affordable home ownership.
145. The breakdown of suitable products within the affordable home ownership category may need to flex in response to national policy guidance that is currently being consulted on. Detail on the most affordable types and potential scenarios is provided in the main body of the report.
146. The above conclusions about the provision of Affordable Housing must be caveated for two key reasons.
147. First, because of its size and limited range of services (particularly public transport) Wallington may not be considered by NHDC as a suitable location for new affordable rented accommodation. This question is beyond the scope of this study and is best answered through direct engagement with NHDC. The calculations and recommendations presented here are based on the potential need for Affordable Housing, unconstrained by limiting factors such as the sustainability of the settlement, infrastructure capacity or the availability of suitable land.
148. Second, the analysis of which affordable home ownership products might be most appropriate in Wallington concluded that the majority are not affordable even to above-average earners. The finding that 8 households might be interested in such products follows a separate methodology and does not reflect the fact that they may still be unable to afford them. This should be taken into consideration when planning for the Affordable Housing tenure mix. As noted above, the best solution might be to deliver these tenures in the form of smaller, denser housing types such as low-height flats or maisonettes designed in-keeping with the existing character of the village.

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?

5.1 Introduction

149. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Wallington 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 in Wallington going forward.
150. 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.

5.2 Existing types and sizes

5.2.1 Background and definitions

151. Before beginning our consideration 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.
152. 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.
153. 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.
154. 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.

5.2.2 Dwelling type

155. The 2011 Census shows that at that time there were 60 dwellings in Wallington Parish, 36 of which were detached houses and the remaining 24 semi-detached houses. This is a clear departure from the picture at district and national level for obvious reasons: there are no terraced homes or flats in the NA (see Table 5-1 below). Even compared with the picture across the other non-built up areas of the district, Wallington has a particularly high proportion of detached and semi-detached housing. The rural areas of North Herts still have more than 20% terraces and some flats.
156. In this context there may be benefits in terms of affordability and housing choice if a wider range of types were provided in future – namely terraced homes, since flats are unlikely to be a suitable proposition in Wallington.

Table 5-1: Accommodation type, Wallington, 2011

Dwelling type		Wallington	North Herts	North Herts Rural	England
Whole house or bungalow	Detached	60.0%	24.5%	38.9%	22.4%
	Semi-detached	40.0%	30.1%	31.5%	31.2%
	Terraced	0.0%	26.0%	20.3%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	0.0%	16.3%	6.5%	16.4%
	Parts of a converted or shared house	0.0%	1.5%	1.2%	3.8%
	In commercial building	0.0%	1.0%	0.7%	1.0%

Source: ONS 2011, AECOM Calculations

157. These figures unfortunately cannot be brought up to date with reference to Valuation Office Agency (VOA) data because this data source is only available for much wider areas. The relevant area in Wallington's case would stretch from Weston in the west to Sandon in the east, including nearly 900 homes overall and thus skewing the data.
158. However, it is unlikely that the mix of dwelling types has changed since 2011 because of the lack of new housing completions in the intervening period. Unlike the number of bedrooms a home has, which can change through extension and internal subdivision, it is rare for a dwelling to change type over time.
159. Though this is a crude measure for the reasons described above, the proportion of bungalows in the wider area covered in the VOA data (something not captured in the census) is 16%. This is more than double the rate of 6.5% for North Herts as a whole. If Wallington's rate of bungalow provision is similar to 16% this would indicate a healthy supply of level-access homes often favoured by older residents and those with mobility limitations.

5.2.3 Dwelling size

160. Table 5-2 below sets out the distribution of housing by number of rooms in 2011. The housing stock in Wallington is significantly larger than the district average. A combined 84% of homes have 6 or more rooms, compared to 47% across North Herts. The proportion of homes with 9 or more rooms is more than three times the district average. This significant difference aligns with the findings in relation to dwelling type, since detached and semi-detached homes tend to have more rooms than other types.

Table 5-2: Number of rooms per dwelling in Wallington, 2011

Number of Rooms	2011	2011
	Wallington	North Herts
1 Room	0.0%	0.4%
2 Rooms	1.8%	2.3%
3 Rooms	0.0%	10.5%
4 Rooms	0.0%	17.1%
5 Rooms	14.3%	23.0%
6 Rooms	21.4%	19.5%
7 Rooms	12.5%	10.5%
8 Rooms	17.9%	7.7%
9 Rooms or more	32.1%	9.1%

Source: ONS 2011, AECOM Calculations

161. Table 5-3 below presents the distribution of homes by number of bedrooms. Unsurprisingly, the proportion of homes with 5 or more bedrooms is significantly higher than the district and national average. However, Wallington does share the feature of 3 bedroom homes being the most common category with North Herts and England. The Wallington dwelling stock is more similar to the rural areas of North Herts, but still exhibits a notable weighting towards larger homes.

Table 5-3: Number of bedrooms per dwelling, Wallington, 2011

Bedrooms	Wallington		North Herts		North Herts Rural		England	
All	56	100.0%	53,426	100.0%	9,358	100.0%	22,063,368	100.0%
No bedrooms	0	0.0%	89	0.2%	8	0.1%	54,938	0.2%
1 bedroom	1	1.8%	5,956	11.1%	533	5.7%	2,593,893	11.8%
2 bedrooms	5	8.9%	13,133	24.6%	2,157	23.0%	6,145,083	27.9%
3 bedrooms	21	37.5%	22,158	41.5%	3,563	38.1%	9,088,213	41.2%
4 bedrooms	18	32.1%	9,063	17.0%	2,040	21.8%	3,166,531	14.4%
5 or more bedrooms	11	19.6%	3,027	5.7%	1,057	11.3%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

162. Note that the totals vary between the metric of dwelling type and dwelling size. This is because it is easier to determine what type a dwelling falls into than how many bedrooms it has internally (something which can also change over time) when completing the Census survey. More dwellings therefore have an unknown number of bedrooms than type.
163. Again, it was unfortunately not possible to bring these statistics up to date by using VOA data since 2011. However, as noted above, it is possible for the number of rooms and bedrooms to shift considerably over time as extensions are added and internal layouts changed. The Working Group perceive that this has been quite common in Wallington in recent years.
164. A review of decided planning applications in Wallington between 2011 and 2020 (inclusive) found 8 instances of applications that were likely to involve an increase in the number of rooms or bedrooms in the dwelling concerned. In addition there were 2 applications resulting in the provision of a total of 3 agricultural workers dwellings.
165. It was not possible to determine how many rooms or bedrooms each dwelling had prior to and following the work without a more detailed investigation that was beyond the scope of this study. It is also not guaranteed that the proposed works were all carried out as planned.
166. However, it is possible to conclude with a good degree of confidence that the already large stock of housing in the NA is continually becoming larger and that the associated challenges of affordability and the availability of suitable homes for downsizing are becoming exaggerated over time.

5.3 Age and household composition

167. Having established the current stock profile of Wallington 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.

5.3.1 Age structure

168. Table 5-4 below shows the most recent estimated age structure of the Wallington population, alongside 2011 Census figures. Those aged 45-84 form the majority of the population. The overriding change since 2011 is the ageing of the population, with particular growth in the 65-84 population while all age groups below 64 have declined. That said, the number of children remains relatively high and stable, indicating a sustained presence of families.

169. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2019 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.
170. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2019 has not been so significant as to invalidate the 2011 household data used below.

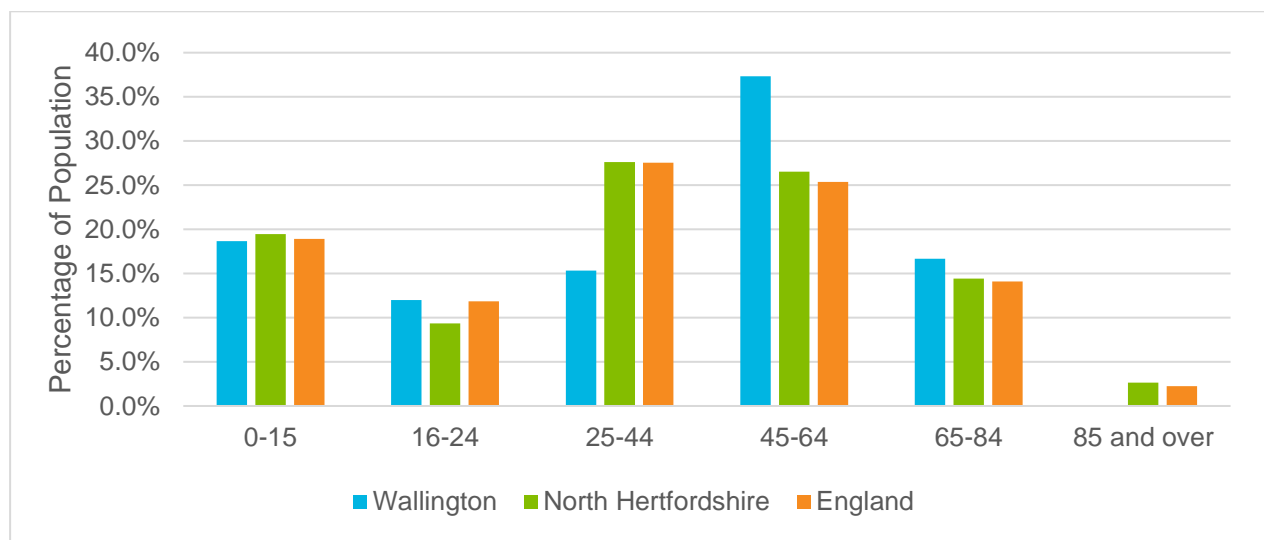
Table 5-4: Age structure of Wallington population, 2011 and 2019

Age group	2011 (Census)		2019 (ONS, estimated)	
	Count	Percentage	Count	Percentage
0-15	28	18.7%	22	15.7%
16-24	18	12.0%	12	8.6%
25-44	23	15.3%	17	12.1%
45-64	56	37.3%	49	35.0%
65-84	25	16.7%	36	25.7%
85 and over	0	0.0%	4	2.9%

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

171. For context, it is useful to look at the NA population structure alongside that of the district and country. Figure 5-1 below (using 2011 Census data) shows that the NA population was generally older than the district and national averages (more people in older age groups and fewer people in younger ones). The 45-64 age group is much larger in the NA than elsewhere, a characteristic that the data above shows is already driving the ageing of the population.

Figure 5-1: Age structure, Wallington, 2011



Source: ONS 2011, AECOM Calculations

5.3.2 Household composition

172. 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.
173. Table 5-5 below shows that in 2011 Wallington had a much lower proportion of one person households than the district or country and therefore many more families as a proportion of all households. More of those families have no children than is common elsewhere, but Wallington and both wider geographies have similar proportions of dependent children.
174. 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 the number of such households increased from 0 to 6 between 2001 and 2011 in the NA – a relatively significant change in the context of the small number of households overall.

Table 5-5: Household composition, various geographies, 2011

Household composition		Wallington	North Herts	England
One person household	Total	17.9%	29.0%	30.2%
	Aged 65 and over	5.4%	12.6%	12.4%
	Other	12.5%	16.4%	17.9%
One family only	Total	76.8%	65.7%	61.8%
	All aged 65 and over	14.3%	8.7%	8.1%
	With no children	25.0%	19.4%	17.6%
	With dependent children	26.8%	28.3%	26.5%
	All children Non-Dependent	10.7%	9.2%	9.6%
Other household types	Total	5.4%	5.3%	8.0%

Source: ONS 2011, AECOM Calculations

5.4 Suggested future dwelling size mix

175. 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 NA 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 Wallington 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 NA population might evolve in future.
 - ONS household projections are produced every two years but are only available at Local Authority level.
- 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 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. However, there is no better indication of what those patterns might look like.
- 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.

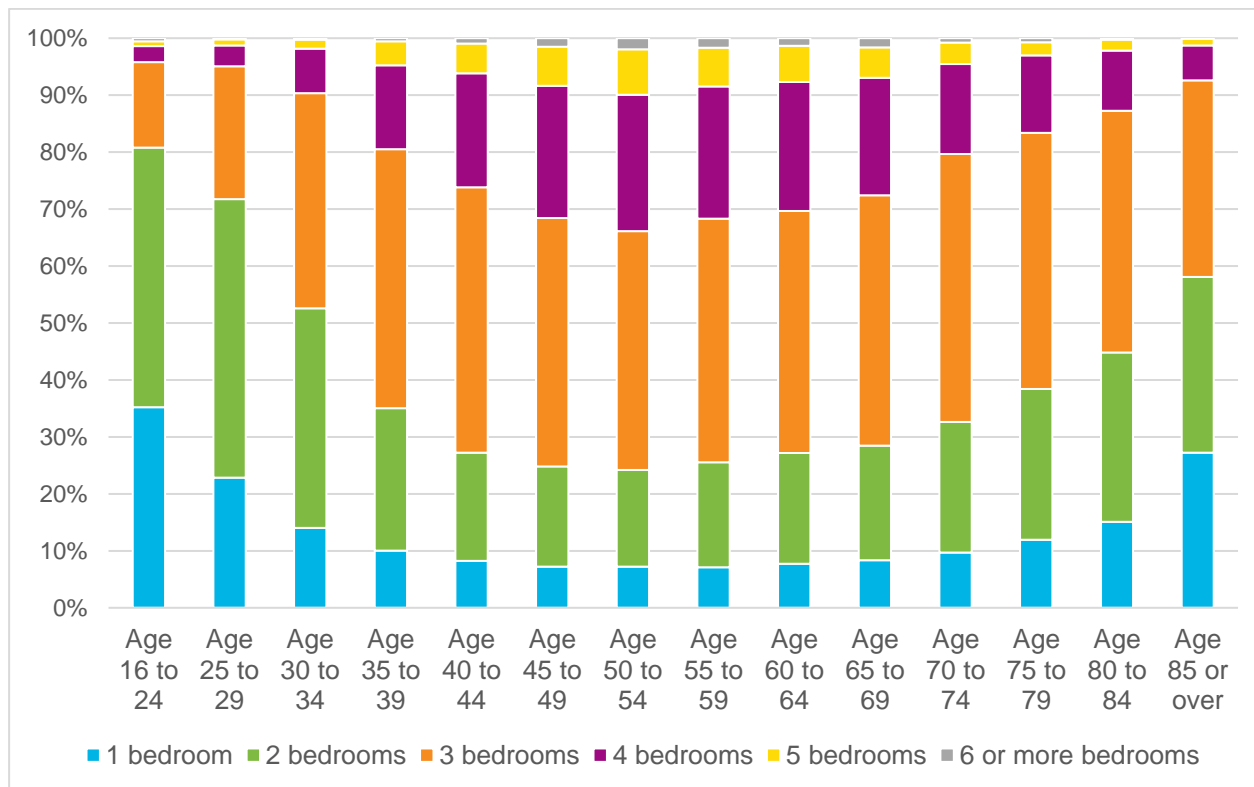
176. It is important to keep in mind that this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they 'need'. This approach also embeds existing patterns of occupancy which may or may not be desirable. It is therefore appropriate for this to be taken as a baseline scenario – what would occur if current trends continued. It may well be the intention of the community to intervene to produce a different

outcome more in line with their place- and community-shaping objectives.

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

178. The first, given as Figure 5-2 below, sets out the relationship between household life stage and dwelling size for North Herts in 2011. This shows how the youngest households occupy the smallest dwellings, before quickly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes as they age.

Figure 5-2: Age of household reference person by dwelling size, North Herts, 2011



Source: ONS 2011, AECOM Calculations

179. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Wallington. Table 5-6 below makes clear that population growth can be expected to be driven by the oldest households, with the 65 and over category increasing by two-thirds from 2011 levels to become by far the dominant group at 39% of the projected total, while the 55-64 group experiences much gentler growth and all younger categories decline.

Table 5-6: Projected distribution of household life stages, Wallington, 2011-2041

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	0	1	28	11	16
2018	0	1	29	12	18
2041	0	1	27	13	26
% change 2011-2024	N/A	-10%	-3%	17%	61%

Source: AECOM Calculations

180. The final result of this exercise is presented in Table 5-7. The model suggests that new development should focus on small and medium dwellings, with few (if any) larger homes. While demographic change has an impact here, a key driver of this output is the current undersupply of smaller homes compared to district levels.

181. This dwelling mix would help to accommodate any unmet demand for smaller properties to which older households may wish to downsize, in the process vacating larger houses that might be occupied by families. An emphasis on smaller homes should also help to accommodate younger people and children of residents who are currently not well served

by housing options in the area. Such homes are also likely to be more affordable, something which is direly needed in Wallington (refer to Tenure and Affordability chapter).

Table 5-7: Suggested dwelling size mix, 2041

Number of bedrooms	Current (2020) distribution		'Ideal' (2041) distribution		Change required	
1 bedroom	1	1.8%	7	10.3%	6	25.0%
2 bedrooms	5	8.9%	15	22.0%	10	41.2%
3 bedrooms	21	37.5%	29	43.4%	8	33.8%
4 bedrooms	18	32.1%	12	18.3%	0	0.0%
5 or more bedrooms	11	19.6%	4	6.1%	0	0.0%

Source: Census 2011, AECOM Calculations

182. Note that only the percentage mix in the right-hand column is relevant to the purposes of this HNA and the neighbourhood planning process. The actual numbers of dwellings required to adjust the size mix do not reflect that actual quantity of housing needed in the NA and are simply a step in the calculation necessary to produce a percentage split. As a general point, this dwelling mix in percentage terms stands alone from the overall quantity of housing needed or allocated over the Plan period, and could equally apply to windfall development, allocations beyond the plan period, or any other source of housing supply.

5.5 Conclusions- Type and Size

183. 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 NA 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 stock

184. Wallington has a fairly imbalanced stock of housing: it is composed exclusively of detached and semi-detached dwellings, and is characterised by a high proportion of large properties. Thinking about this information alone, it would be advantageous to diversify the stock with an injection of smaller properties in the form of denser types, such as 2 bedroom terraces or maisonettes (assuming these can be designed in accordance with the existing character of the village). In addition to widening a currently limited range of housing choices, this would improve affordability in a very expensive location.
185. Data for a wider area than the NA points to a healthy supply of bungalows at present (16% compared with a level of 6.5% across North Herts), though this indication should be verified. If the actual rate of bungalow provision is lower in Wallington than the surrounding area, this might justify an increase in this type, which tends to be favoured by the older households expected to become much more common in the NA in the near future.
186. A review of decided planning applications in Wallington between 2011 and 2020 (inclusive) found 8 instances of applications that were likely to involve an increase in the number of rooms or bedrooms in the dwelling concerned. Despite the limited nature of this research exercise, it is possible to conclude with a good degree of confidence that the already large stock of housing in the NA is continually becoming larger and that the broader challenges of affordability and unmet demand for downsizing are becoming exaggerated over time.
187. It should be emphasised that this analysis focuses on gaps and imbalances in existing housing. The priorities of the community and considerations of design, character and the availability of suitable land should also feature in any policy choices in this area.

Demographics

188. The age structure of the population is a key indicator of the future need for housing. As of 2019 Wallington has a population dominated by those aged over 45, though a relatively significant number of children remain. The overriding change since 2011 is the ageing of the population, with particular growth in the 65-84 population while all age groups below 64 have contracted.

189. Today's large 45-84 cohort (roughly 60% of the total) is likely to produce an older population in 2041 that may have different housing needs than it does at present. Whether they 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 support needs, the requirements of older people will become increasingly important.
190. Applying North Herts household projections to the Wallington population suggests that by 2041 the 65+ group could increase by two thirds (from 2011 levels) to become by far the dominant group, while the 55-64 group experiences much gentler growth and all younger categories decline.
191. It is also worth noting that there was considerable growth in the number of non-dependent adult children living in the parental home between 2001 and 2011. It may be assumed that some of these individuals were living with parents due to a lack of affordable options rather than by choice. Given that there are still many children resident in Wallington, it would be prudent to prepare for the time that they may wish to form their own independent households by encouraging the development of smaller, more affordable options.

The future dwelling mix

192. The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by households at different life stages and projects the growth and decline of those household age groups over the Plan period in order to understand what should be built, suggests that new development might benefit from a strong focus on small and medium sized homes – potentially to the exclusion of dwellings with more than 3 bedrooms.
193. The output of this model validates the tentative conclusions reached above: that delivering smaller homes in future would widen housing choice while helping to accommodate downsizing older people and young independent households.
194. This finding should be approached as a starting point for policy development and viewed alongside qualitative evidence about the desires of local people and the community's wider objectives.

Other considerations

195. In the Tenure and Affordability chapter, it was found that market housing is unaffordable to the vast majority of local people and that those on the lowest incomes would be unable to afford to live in Wallington unless in the social rented sector. While Affordable Housing should be well-balanced in terms of size to cater for all circumstances, the provision of smaller market homes for sale and rent, as advised here, should make an important contribution to improving affordability more widely.
234. This study does not provide a target state for the mix of housing types in Wallington, since type is more a matter of wealth, taste and other factors than need in the strict sense. House type is also not so clearly correlated with life stage as house size, which was used to estimate the target size mix above. However, given the findings on affordability, it may be beneficial to plan for more of the higher density and lower cost types, such as terraces and maisonettes.

6. Conclusions

6.1 Overview

197. Table 6-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

Table 6-1: Summary of study findings with a potential impact on Neighbourhood Plan housing policies

Issue	Summary of evidence and data assessed	Conclusions and recommendations
<p>Housing tenure and affordability</p>	<p>Housing in Wallington is primarily privately owned or rented, with a notable undersupply of social rented accommodation compared to the district and national average. Between 2001 and 2011, the NA saw a 42% increase in private renting.</p> <p>Local home values have generally increased over the last ten years, although the relatively small sample size means that the house price data over time and by dwelling type is fairly volatile. It is clear, however, that home ownership is the preserve of the wealthiest households, with a median 2020 price of £600,000.</p> <p>The average household income in the Wallington area is £58,400 and the lower quartile income (per person) for North Herts is £17,050.</p>	<p>A household would need an income comfortably above the average (or a very large deposit) to qualify for a mortgage even for an entry-level home in the NA. Home ownership through the mainstream market is not an option for the majority of local people.</p> <p>Private renting is affordable for households on average incomes but not to households with two lower quartile earners. Affordable home ownership products would only extend home ownership to very high earners. The discount on the new build entry-level sale price required to enable households on average incomes to afford to buy is 54%.</p> <p>Depending on their individual circumstances, most households on below-average incomes will need affordable rented housing to live in the NA.</p> <p>An estimate of affordable rented housing needs finds that 2 such units may be required by 2042. An equivalent estimated of the potential demand for affordable home ownership found that around 8 households may be interested in such products over the Plan period.</p> <p>If more than 10 units of Affordable Housing are likely to come forward (i.e. through an exception site), 70% should be for affordable ownership and 30% for affordable rent.</p> <p>If fewer than 10 Affordable Housing units are expected during the Plan period, it is recommended that the first 3 are delivered as affordable rented tenures, with any additional units serving potential demand for affordable home ownership.</p> <p>Two caveats should be borne in mind. First: because of its size and limited range of services (particularly public transport) Wallington may not be considered by NHDC as a suitable location for new affordable rented accommodation.</p> <p>Second: the 8 households who might be interested in affordable home ownership does not reflect the fact that they may still be unable to afford them. This should be taken into consideration when planning for the Affordable Housing tenure mix. As noted above, the best solution might be to deliver these tenures in the form of smaller, denser housing types such as low-height flats or maisonettes designed in-keeping with the existing character of the village.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
<p>Housing type and size</p>	<p>Wallington has a fairly imbalanced stock of housing: it is composed exclusively of detached and semi-detached dwellings, and is characterised by a high proportion of large properties.</p> <p>Data for a wider area than the NA points to a healthy supply of bungalows at present (16% compared with a level of 6.5% across North Herts), though this indication should be verified.</p> <p>A review of decided planning applications in Wallington between 2011 and 2020 (inclusive) found 8 instances of applications that were likely to involve an increase in the number of rooms or bedrooms in the dwelling concerned. The already large stock of housing in the NA is continually becoming larger over time.</p> <p>As of 2019 Wallington has a population dominated by those aged over 45, though a relatively significant number of children remain. The overriding change since 2011 is the ageing of the population, with particular growth in the 65-84 population while all age groups below 64 have contracted.</p> <p>Applying North Herts household projections to the Wallington population suggests that by 2041 the 65+ group could increase by two thirds (from 2011 levels) to become by far the dominant group, while the 55-64 group experiences much gentler growth and all younger categories decline.</p> <p>It is also worth noting that there was considerable growth in the number of non-dependent adult children living in the parental home between 2001 and 2011.</p>	<p>New development might benefit from a strong focus on small and medium sized homes – potentially to the exclusion of dwellings with more than 3 bedrooms.</p> <p>The output of this model confirms that delivering smaller homes in future would widen housing choice while helping to accommodate downsizing older people and young independent households.</p> <p>This finding should be approached as a starting point for policy development and viewed alongside qualitative evidence about the desires of local people and the community's wider objectives.</p> <p>While Affordable Housing should be well-balanced in terms of size to cater for all circumstances, the provision of smaller market homes for sale and rent, as advised here, should make an important contribution to improving affordability more widely. It may also be beneficial to plan for more of the higher density and lower cost house types, such as terraces and maisonettes.</p>

6.2 Recommendations for next steps

198. This Neighbourhood Plan housing needs assessment aims to provide Wallington with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the Working Group should, as a next step, discuss the contents and conclusions with NHDC 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 NHDC;
- 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 NHDC.

199. 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.

200. Bearing this in mind, it is recommended that the Working Group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, NHDC or any other relevant party and review the

Neighbourhood Plan accordingly to ensure that general conformity is maintained.

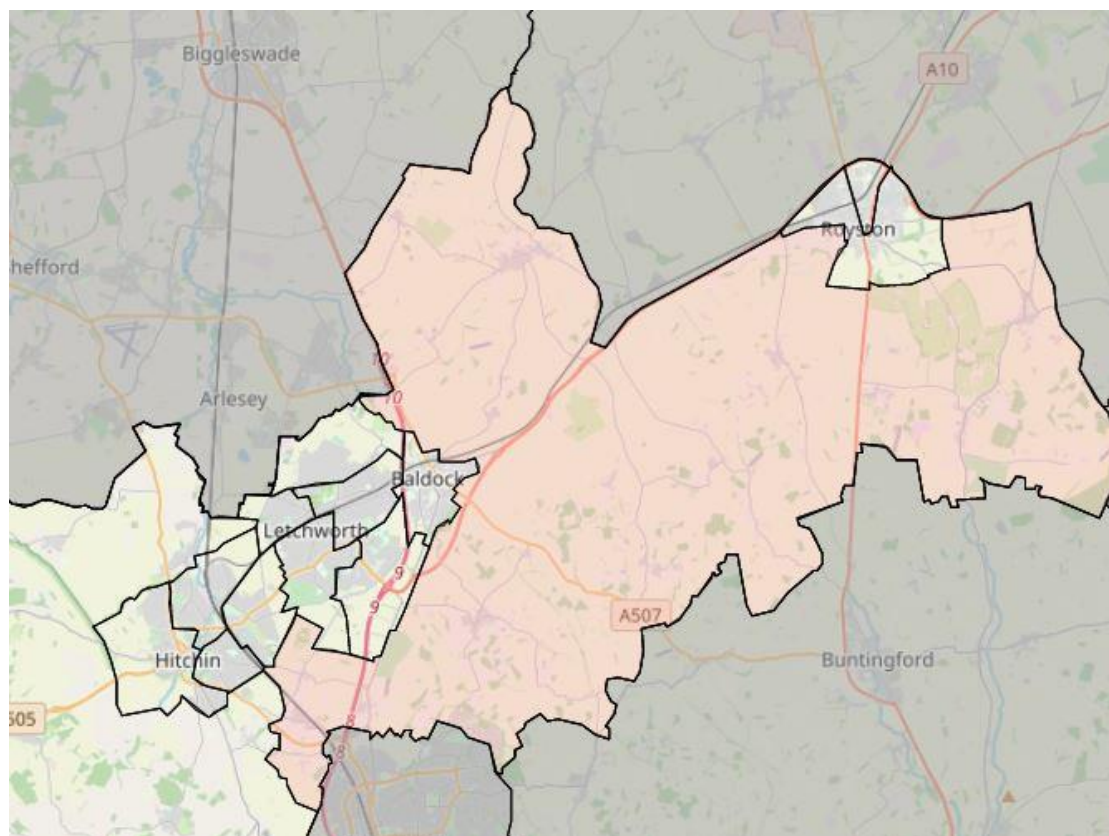
201. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Calculation of affordability thresholds

A.1 Income data geography

202. As noted in the Tenure and Affordability chapter, local income data is only available at the scale of the Medium Super Output Area (MSOA), which is larger than the NA. The MSOA that covers Wallington is known as North Herts 005 (code number E02004913). This is the best available proxy for incomes in the NA. Although it does extend to a much wider area (as seen in Figure A-1 below), it primarily covers an area of a similar character and is not skewed by data from urban areas.

Figure A-1: MSOA North Herts 005, used as a best-fit geographical proxy for the Neighbourhood Area



Source: ONS

A.2 Market housing

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

204. 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

205. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.

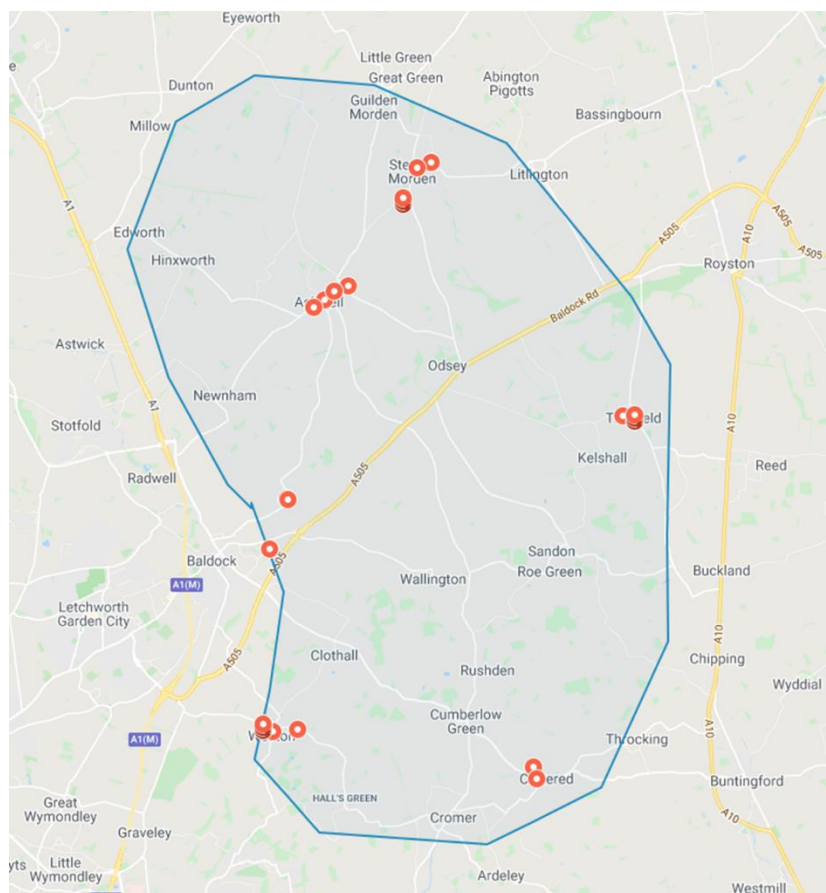
206. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Wallington, and the precise deposit 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.

207. It should be noted at this stage that there were only 7 sales recorded by Land Registry in Wallington parish between 2011 and 2020 (inclusive), the most recent being in 2016. Because of the small sample size, we have widened the area of search for the purpose of understanding average house prices. The approach used was to include the neighbouring rural parishes south of the A505, namely Rushden, Sandon and Kelshall (in addition to Wallington). This produced a sample of 96 transactions over the decade, with 8 taking place in 2020, and having a median sales price of £600,000.
208. The calculation for the purchase threshold for market housing is as follows:
- Value of median NA house price (2020) = £600,000;
 - Purchase deposit at 10% of value = £60,000;
 - Value of dwelling for mortgage purposes = £540,000;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £154,286.
209. 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.
210. The lower quartile average (across Wallington and its neighbouring parishes) in 2020 was £496,875. However, because the housing in this area is predominantly large and detached, the lower quartile price does not really reflect an entry-level dwelling: the cheapest 25% of properties still includes large demi-detached homes.
211. Instead we turn to the average price of a terraced home in the area in 2020, which was £360,000. On this basis, the purchase threshold for an entry-level home is £92,571.
212. Finally, it is worth assessing the purchase threshold for an entry-level new build home, since this most closely represents the cost of the new housing that will need to come forward in future if local people are to be accommodated. None of the 96 sales captured for the Wallington area since 2011 were newly built, so for this measure it was necessary to turn to North Herts data. The new build lower quartile price in 2020 was £489,950. The purchase threshold is therefore £125,987.

ii) Private Rented Sector (PRS)

213. 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.
214. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable here, if they are willing or able to dedicate a higher proportion of their income to housing costs.
215. The property website Rightmove shows rental values for property in the NA. There were no rental listings at the time of writing in January 2021 so the area of search had to be widened. A custom area was created in order to extend beyond the NA into the surrounding area, but also to exclude urban areas such as Baldock and Royston, which are unlikely to be representative of rental costs in Wallington. A map of the area of search used, with pins showing the locations of the listings available, is presented in Figure A-2 at the end of this section.
216. There were 21 rental properties within this area in January 2021. 4 of these had 2 bedrooms, which is the best proxy for an entry-level home.
217. The overall average monthly rent for all sizes was £1,161. The average entry-level (2 bedroom) monthly rent was £1,018.
218. The calculation for the PRS income threshold (overall average) is as follows:
- Annual rent = £1,161 x 12 = £13,932;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £46,440.
219. The income threshold for the average entry-level rent produces a result of £40,720.
220. It is worth noting that the lack of rental listings in the NA is itself an indicator that local people may find it difficult to access housing that is affordable.

Figure A-2: Area of search for rental price data



Source: Rightmove

A.3 Affordable Housing

221. There are a range of tenures that constitute the definition of Affordable Housing within the 2019 NPPF: 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 proposed for introduction, to replace Starter Homes. Each of the affordable housing tenures are considered below.

i) Social rent

222. 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.

223. To determine social rent levels, a statistical data return from Homes England is used. This data is only available at the Local Authority level so North Herts must act as a proxy for Wallington. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for North Herts in the table below.

224. To determine the income needed, it is again assumed that no more than 30% of household income should be spent on rent. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table A-1: Social rent levels, North Herts, 2019

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£93.80	£108.41	£114.83	£129.23	£109.43
Annual average	£4,878	£5,637	£5,971	£6,720	£5,690
Income needed	£19,510	£22,549	£23,885	£26,880	£22,761

Source: Homes England, AECOM Calculations

ii) Affordable rent

225. 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).
226. 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%.
227. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for North Herts (above). Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
228. Comparing this result with the average entry-level annual private rent above indicates that affordable rents in Wallington are in practice significantly cheaper than 80% of the market average. They will be around 58% of market rents.

Table A-2: Affordable rent levels, North Herts, 2019

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£117.78	£147.49	£152.67	£156.94	£136.96
Annual average	£6,125	£7,669	£7,939	£8,161	£7,122
Income needed	£24,498	£30,678	£31,755	£32,644	£28,488

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

229. 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.
230. In paragraph 64 of the NPPF 2019, 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 most recent proposals for ‘Changes to the current planning system’ suggest 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.

Discounted market housing

231. 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.
232. As noted above, the lower quartile new build home in North Herts in 2020 was priced at £489,950, This is considered the best available measure of the likely cost of new build homes aimed at first-time buyers in the NA, and will be used as the benchmark for this assessment of the affordability of discounted market homes. That said, new build flats

(which are unlikely to be suitable in this location) would be cheaper, while new build housing for families requiring more space are likely to be more expensive.

233. For a discount of 30% – as in the Government’s proposed First Homes product – the purchase threshold can be calculated as follows:

- Value of average new entry-level house price (2020) = £489,950;
- Discounted by 30% = £342,965;
- Purchase deposit at 10% of value = £34,297;
- Value of dwelling for mortgage purposes = £308,669;
- Divided by loan to income ratio of 3.5 = purchase threshold of £88,191.

234. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 20%, 40% and 50% discounted home (with the discount benchmarked on the entry-level new build price as above). This would require income thresholds of £100,790, £75,592 and £62,994 respectively.

235. 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 Wallington.

Shared ownership

236. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but 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'.

237. 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.

238. To determine the affordability of shared ownership, calculations are again based on the entry-level new build price of £489,950. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector). The affordability threshold is calculated as follows:

- A 25% equity share of £489,950 is £122,488;
- A 10% deposit of £12,249 is deducted, leaving a mortgage value of £110,239;
- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £31,497;
- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £367,463;
- The estimated annual rent at 2.5% of the unsold value is £9,187;
- This requires an income of £30,622 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £62,119 (£31,497 plus £30,622).

239. The same calculation is repeated for equity shares of 50% and 75%, producing affordability thresholds of £62,994 and £94,490 respectively.

240. It has recently been announced that the minimum equity share for shared ownership may fall to just 10% of the property value. If this can be delivered, the income required would be lower still. However, it is worth emphasising that 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. This product would therefore only be a realistic route to full ownership for households prepared to take a very long-term view.

Rent to buy

241. Rent to buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent to build up a deposit to eventually purchase the home. It is therefore estimated to cost the same as PRS rents – the difference being that the occupant builds up equity.

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

c) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods¹³.

Age-Restricted General Market Housing

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

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

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, overcrowding, concealment or affordability, but who are yet to be offered a home suited to their needs.

Bedroom Standard¹⁴

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

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order¹⁵

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

Concealed Families (Census definition)¹⁶

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

Equity Loans/Shared Equity

An equity loan which acts as a second charge on a property. For example, a household buys a £200,000 property with a 10% equity loan (£20,000). They pay a small amount for the loan and when the property is sold e.g. for £250,000 the lender

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

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

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

receives 10% of the sale cost (£25,000). Some equity loans were available for the purchase of existing stock. The current scheme is to assist people to buy new build.

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

The Government is consulting on the introduction of First Homes as a new form of discounted market homes which will provide a discount of at least 30% on the price of new homes. The intention is that these homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments are likely to be required to provide 25% of Affordable Housing as First Homes.

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

Housing size can be referred to either in terms of the number of bedrooms in a home (a bedroom is defined as any room that was intended to be used as a bedroom when the property was built, any rooms permanently converted for use as bedrooms);

or in terms of the number of rooms, excluding bathrooms, toilets halls or landings, or rooms that can only be used for storage. All other rooms, for example, kitchens, living rooms, bedrooms, utility rooms, studies and conservatories are counted. If two rooms have been converted into one they are counted as one room. Rooms shared between more than one household, for example a shared kitchen, are not counted.

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years¹⁷, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

An NDO will grant planning permission for a particular type of development in a particular area. This could be either a particular development, or a particular class of development (for example retail or housing). A number of types of development

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

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 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%, and buyers are encouraged to buy the largest share they can afford. Generally applies to new build properties, but re-sales occasionally become available. There may be an opportunity to rent at intermediate rent level before purchasing a share in order to save/increase the deposit level

Sheltered Housing¹⁸

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

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

housing market area. The NPPF makes clear that SHMAs should identify the scale and mix of housing and the range of tenures the local population is likely to need over the Plan period. Sometimes SHMAs are combined with Economic Development Needs Assessments to create documents known as HEDNAs (Housing and Economic Development Needs Assessments).

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.¹⁹

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

