

Newton Flotman

Housing Needs Assessment (HNA)

May 2024

Quality information

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List of acronyms used in the text:

DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
GNLP	Greater Norwich Local Plan
HMA	Housing Market Area
HNA	Housing Needs Assessment
HRF	Housing Requirement Figure (the total number of homes the NA is expected to plan for, usually supplied by LPAs)
HLIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LA	Local Authority
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LPA	Local Planning Authority
LSOA	Lower Layer Super Output Area
MSOA	Middle Layer Super Output Area
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
OA	Output Area
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

1. Executive Summary

1. Newton Flotman parish, the Neighbourhood Area (NA), is located in the local authority area of South Norfolk in the East of England region. The NA boundary, which conforms to the parish boundary, was designated in October 2023.
2. The Neighbourhood Plan is envisaged to start in 2025 and extend to 2045, therefore covering a period of 20 years. The evidence supplied in this report will look forward to the Plan end date of 2045, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
3. In 2021, according to Census data, the population of Newton Flotman was 1,416 people in 598 households with 613 dwellings. There are slightly more dwellings than households, with just over 2% of dwellings unoccupied.
4. At the time of the 2011 Census the NA was home to 1,489 residents, formed into 602 households and occupying 614 dwellings.
5. Over the last 10 years there has been a slight population decline of around 73 individuals (or 4.9%) since 2011. The number of households has remained broadly stable with the average household size falling over the 10 year period.
6. There appears to have been little or no change in the total number of dwellings in the NA between 2011-2021. Whilst South Norfolk District Council recorded 3 dwelling completions from 2011-2021 and a further completion in 2022/23, Census data for 2021 does not reflect any net change to the number of dwellings. This may be because these new dwellings have replaced existing ones (and therefore resulted in no net change).
7. Data from the 2021 Census is continuing to be released. At present, the available data covers population, households, tenure, and dwelling stock characteristics. Some data from the Census 2021 at the localised level is not yet available, as well as some data comparing numerous variables. As such this HNA will draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and ONS projections where necessary to build up evidence at the neighbourhood level.
8. This Executive Summary details the conclusions of each chapter of this Housing Needs Assessment (HNA), addressing each of the themes agreed with the Newton Flotman Neighbourhood Plan Steering Group at the outset of the research.

Newton Flotman Context

9. Newton Flotman sits within a Central Norfolk housing market area which covers Norwich, Broadland and South Norfolk authorities, with substantial parts of North Norfolk, Breckland and the Broads Authority.
10. At the neighbourhood scale it is not possible to be definitive about housing need and demand because changes in need or demand in settlements nearby will likely

have an impact on the neighbourhood. Norwich City exerts a significant influence on the parish due to its size and proximity.

11. Newton Flotman is expected to accommodate 55 dwellings by the end of the Local Plan period (2038). This figure represents the sum of allocations on two sites in the South Norfolk Village Clusters Allocation document. One of the sites, VC NEW2 has been approved for development (31 homes) and is understood to begin construction this year.

Tenure, Prices and Affordability

12. The majority of households in the NA are home owners (70.1%), slightly lower than South Norfolk as a whole but a higher proportion than in England. This is common to many rural villages across the country.
13. The social rented sector is relatively large in Newton Flotman and, as a share of households (17.9%), is comparable to England. The proportion of social renters is higher than the district as a whole. Levels of private renting are lower however (11.7%), below both the district and national average.
14. Over the 10 year period 2011-2021 the number of home owners appears to have fallen, with a small decline in the number of social renters as well. Falls in the number and share of home owners is relatively common and can reflect affordability pressures with corresponding switching of some dwellings from ownership to renting. There was a corresponding increase in the number and share of private renters over the period.
15. Prices of average and lower quartile properties are higher at the end of 2023 compared to 2014 (10 years earlier) in Newton Flotman.
16. Median average prices in 2023 were £283,500 and grew by 68% over the 10 year period, resulting in an absolute increase of +£114,740 in the price of average properties in the NA. Median prices in South Norfolk as a whole were substantially higher at £345,000 indicating the relative affordability of the NA compared to the wider district. This is likely to influence household movements to and from the NA from the rest of the district.
17. The lower quartile is a good representation of entry-level housing. Lower quartile prices were £240,000 in 2023, not substantially lower than median average prices, reflecting the limited number of properties for sale, particularly at the cheaper end of the market. Lower quartile prices also grew by 68% over the 10 year period with an absolute increase in price of almost +£100,000 since 2014.
18. The average household income locally was £50,000 in 2020 (the most recent year for this dataset). South Norfolk's gross individual lower quartile annual earnings were £18,871 in 2023. To estimate the income of households with two lower quartile earners, this figure is doubled to £37,742.
19. Local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. The median house price would require an annual income of £72,000, almost 50% higher than the current average household income of £50,000.
20. Private renting appears affordable to households on average incomes and entry level rents appear affordable to households with two lower quartile earners. It is

important to note that there were very few properties available for rent at the time of writing.

21. A group of households in Newton Flotman may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £35,400 per year (at which point entry-level rents become affordable) and £72,900 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
22. Discounts of 30% appear to be at the margins of affordability for households on average incomes. Discounts of 40% and 50% would extend the affordability of home ownership further, with 50% discounts reaching households with two lower quartile earners.
23. Shared ownership appears to be more affordable than First Homes and at lower shares of 25% and 10%, may be affordable to households with two lower quartile earners.
24. The evidence in this chapter suggests that the social/affordable rented sector performs a vital function in Newton Flotman as the only option for a large segment of those in the greatest need.
25. The Greater Norwich Housing Need Assessment 2021 was undertaken recently and provides evidence on affordable housing needs within South Norfolk and the other authority areas within the sub region. Whilst specific data for Newton Flotman is not provided in the HNA 2021, estimates can be made by pro rating the South Norfolk figures based on the NA's 'fair share' of the South Norfolk population.
26. In South Norfolk, the HNA 2021 estimates the need for 7,745 Affordable Homes over the 20 year period 2018-2038, equating to 387 per annum. This is broken down to:
 - 2,644 Social/Affordable Rented homes, equating to 132 per annum.
 - 5,101 affordable home ownership homes, equating to 255 per annum.
27. As the population of Newton Flotman is 1% of the district total, this would imply:
 - 1 Social/Affordable Rented home per annum
 - 2.5 Affordable Home Ownership homes per annum
28. The remaining proposed allocation at NEW1 (for 25 homes) would deliver around 8 Affordable Homes if this was delivered in line with Local Plan policy for 33% Affordable Housing.
29. AECOM's suggestion that a split of 50:50 would enable delivery of some social/affordable rented homes which meet priority needs and also provide a small contribution to delivery of affordable home ownership. Given the small numbers of Affordable Homes likely to be delivered (unless further sites come forward as windfall development), the range of different affordable home ownership products that can be provided will be limited.

Housing Mix: Type and Size

30. Almost half of the stock in the NA is detached housing (47.4%). This is followed by semi detached housing (31.1%) with a relatively significant proportion of terraced housing (19.2%) but very few flats (2.4% of the stock).
31. The largest proportion of homes have 3 bedrooms (43.9%). 2 bedroom properties account for 30.1% of the stock, followed by 23.1% with 4 bedrooms or larger. Just under 3% of homes have 1 bedroom which is unsurprising given the small proportion of flats in the housing stock in the NA.
32. The largest group in the population in 2021 was the 45-64 age group (28.2%). Older people (65+) account for around one quarter of the population with the 65-84 age group increasing most rapidly over the last 10 years (by +30.8%).
33. There is a substantial number and proportion of younger working age people (25-44) but this group has declined over 10 years in number and as a share of the population overall. The same is true for other younger age groups, including children aged 0-14.
34. Newton Flotman has a population structure which is similar to the district as a whole with similar proportions of children, younger working age people and residents in the older age groups. However, both the NA and LA have an older bias to their populations compared to England.
35. Despite the growth of the older population, the proportion of households that are families with dependent children is 25.8%, the same as England as a whole and slightly higher than in the district.
36. Population growth can be expected to be driven by the oldest households, with those aged 65+ expected to double in number by 2045 compared to 2011. However, growth is expected in younger household groups as well which will impact on the nature of housing needed in the NA over time.
37. AECOM's simple modelling suggests that a range of dwelling sizes are required through new development with continued substantial provision of 3 bedroom homes. This is despite the fact that 3 bed properties account for the largest share of homes at present.

Specialist Housing for Older People

38. The 2021 Census indicates that there were 172 individuals aged 75 or over in Newton Flotman. The older population (aged 75+) is expected to increase by +139 people by 2045 and account for over 17% of the population. This would equate to around 100 households.
39. AECOM's estimate, using the projected growth of the older population, levels of disability and health problems and tenure patterns expects that the number of households falling into potential need for specialist accommodation over the Plan period is likely to be around 49.
40. This need is broadly balanced between housing with care (such as extra care accommodation) and accommodation which offers lower levels of support such as retirement housing.

41. Comparing these findings with the assumptions in the Housing Learning and Improvement Network (HLIN), SHOP tool suggests that growth in the older population of Newton would result in the need for a total of 35 specialist dwellings.
42. The majority of older people live in mainstream housing and will continue to do so all of their lives. There is currently no specialist housing for older people in Newton Flotman and so all older households (with the exception of older people in the 43 bed care home) live in the mainstream housing stock.
43. The recently adopted Local Plan Policy 5 sets a 20% requirement for the proportion of new housing that should meet national standards for accessibility and adaptability (Category M4(2)). The evidence gathered here may justify the Parish Council approaching the LPA to discuss setting higher requirements on accessibility and adaptability at either the NA or district level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.

2. Context

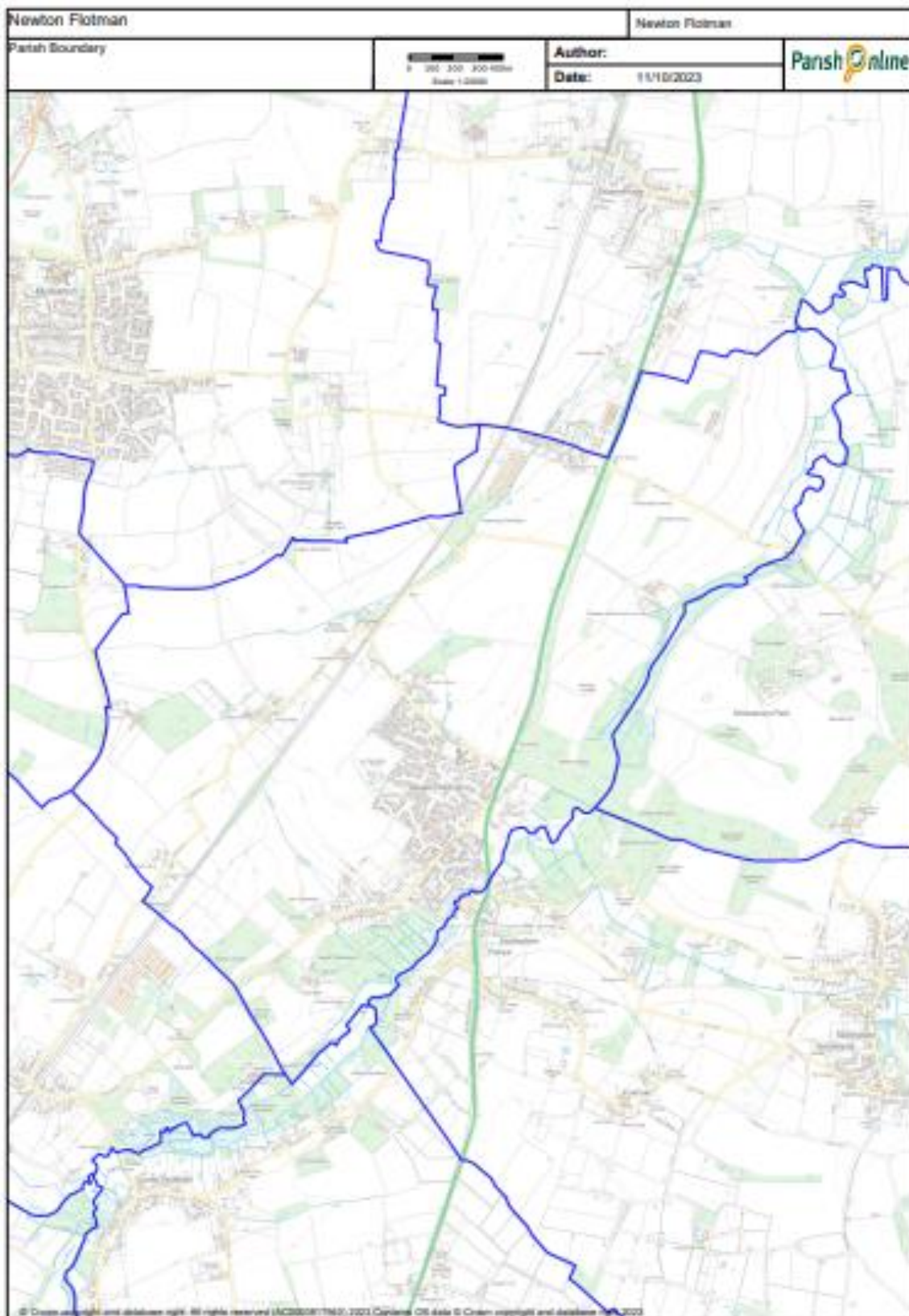
Local context

- 2.1 Newton Flotman is a Neighbourhood Area (NA) located in the local authority area of South Norfolk in the East of England region. The NA boundary, which conforms to the parish boundary, was designated in October 2023.
- 2.2 The Neighbourhood Plan is envisaged to start in 2025 and extend to 2045, therefore covering a period of 20 years. The evidence supplied in this report will look forward to the Plan end date of 2045, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
- 2.3 The main settlement of the parish lies on the A140 in the Tas Valley, where the boundaries of Saxlingham Thorpe and Newton Flotman parishes meet. The village possesses a good direct link via the A140 to Norwich (approx. 10km to the centre of the City) and Long Stratton (5km south along the A140).
- 2.4 Newton Flotman has a good range of services and facilities. The main part of the village contains a GP surgery, primary school, village hall, shop, pharmacy and playing fields. There is a restaurant to the south of the village, and local employment at the animal feed mill to the south of the river.

The NA boundary and key statistics

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

Figure 2-1: Map of the Newton Flotman Neighbourhood Area



Source: South Norfolk Council and Broadland District Council¹

2.6 In 2021, according to Census data, the population of Newton Flotman was 1,416 people in 598 households. The Census also records 613 dwellings.

¹ Available at [newton-flotman-neighbourhood-area-application \(southnorfolkandbroadland.gov.uk\)](https://newton-flotman-neighbourhood-area-application.southnorfolkandbroadland.gov.uk)

- 2.7 At the time of the 2011 Census the NA was home to 1,489 residents, formed into 602 households and occupying 614 dwellings. Over the last 10 years there has been a slight population decline of around 73 individuals (or 4.9%) since 2011. The number of households has remained broadly stable with the average household size falling over the 10 year period. There appears to have been no net change in the total number of dwellings in the NA between 2011-2021. This does not mean that there has been no new housing completed in this 10 year period since South Norfolk District Council recorded 3 completions over this period and a further completion in 2022/23 (all single dwellings). New dwellings may have been delivered through the demolition or conversion of existing dwellings without creating a net additional dwelling.

The housing market area context

- 2.9 Whilst this Housing Needs Assessment (HNA) focuses on Newton Flotman NA it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas.
- 2.10 In the case of Newton Flotman, the NA sits within a Central Norfolk housing market area which covers Norwich, Broadland and South Norfolk authorities, with substantial parts of North Norfolk, Breckland and the Broads Authority.² This means that when households who live in these authorities move home, the vast majority move within this geography.
- 2.11 At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Newton Flotman, are closely linked to other areas. In the case of Newton Flotman, changes in need or demand in settlements nearby is likely to impact on the neighbourhood. Norwich City exerts a significant influence on the NA due to its size and proximity.
- 2.12 In summary, Newton Flotman functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (South Norfolk), it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood plays within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

² The housing market area was confirmed in the Central Norfolk SHMA 2015 and this definition, along with the Greater Norwich core area was taken forward in subsequent studies including the Greater Norwich Housing Needs Assessment 2021

Planning policy context

2.13 Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.³ In the case of South Norfolk, the relevant adopted Local Plan consists of:

2.14 Greater Norwich Local Plan (Adoption Version March 2024).

2.15 A detailed breakdown of the Local Plan policies relevant to housing need is provided in Appendix B. Here, it is worth summarising the most important points of the Local Plan:

- Greater Norwich Plan Policy 1 identifies an overall housing requirement of 40,500 homes per year for the Greater Norwich area. The plan makes provision for 45,041 homes however in order to deliver this requirement.
- Policy 7.4 – Village Clusters states that new sites to deliver 1,200 homes are to be allocated through a South Norfolk Village Clusters Allocation Local Plan.
- A separate South Norfolk Village Clusters Allocation document has been prepared which includes two proposed sites within Newton Flotman (note: these are not yet adopted allocations):
 - VC NEW1: Land off Alan Avenue allocated for 25 dwellings
 - VC NEW2: Land adjacent to Alan Avenue allocated for 30 dwellings (planning permission approved for 31 dwellings)
- Policy 5 sets out requirements in terms of affordable housing, dwelling mix and other aspects concerned with the nature of new housing development:
- 33% of all new dwellings are expected to be delivered as Affordable Housing with the mix taking account of the most recent evidence of local housing needs.
- At least 20% of new homes on major development sites will be built to Category M4(2) accessibility standards.

Quantity of housing to provide

2.16 The NPPF 2023 (paragraphs 67 and 68) requires LPAs to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.

2.17 South Norfolk has fulfilled that requirement by providing Newton Flotman with a proposed allocation of 55 dwellings to be accommodated within the NA by the end of the Plan period. This figure represents the sum of allocations on two sites in the South Norfolk Village Clusters Allocation document. One of the sites, VC NEW2 has been approved for development (31 homes) and is understood to begin construction this year.

2.18 Policy 7.4 Village Clusters in the adopted Greater Norwich Local Plan also states that additional sites within village clusters may be permitted as infill development

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

or as affordable housing led schemes (of up to 15 dwellings). The actual delivery of new homes within Newton Flotman could be higher than 55 therefore, assuming NEW1 proposed allocation is approved by South Norfolk Council.

3. Objectives and approach

Objectives

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

Affordability and Affordable Housing

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

Type and Size

- 3.5 It is common for neighbourhood plans to include policies that influence what form new housing should take in terms of type and size. This requires evidence of what local people need.
- 3.6 The focus of this chapter is to identify relevant trends and potential gaps in the market that can be used to justify planning policies. It has three aims, each given its own sub-section:
- To establish what **mix** of housing exists in the NA at present;
 - To describe relevant characteristics of the local **population**; and
 - To look to the **future**, considering how the population is likely to evolve and what mix of homes would be most appropriate to build.

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

Specialist Housing for Older People

- 3.8 It may be appropriate for neighbourhood plans in areas with aging populations to include policies relating to specialist housing for older persons.
- 3.9 This chapter supplements the demographic evidence relating to Type and Size, including the potential demand for downsizing, to consider the quantity and characteristics of need for housing for older people with some form of additional care. Its approach is as follows:
- To review the **current provision** of specialist housing in the NA;
 - To estimate the **potential demand** for this form of accommodation with reference to the projected growth in the older population and current rates of mobility limitation; and
 - To discuss the potential for meeting this need through adaptations to the mainstream stock and other **additional considerations**.
- 3.10 This element of the HNA recognises that the majority of older people will live in the mainstream housing stock and that there is no single way to meet their needs. It may also be inappropriate to focus excessively on the needs of one group or to promote a specialist scheme in a location that lacks adequate services. These issues will be drawn out.

Approach

- 3.11 This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the neighbourhood plan level. This includes data from the 2021 and 2011 Censuses and a range of other data sources, including:
- 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 both [Home.co.uk](https://www.home.co.uk) and Rightmove, cross checked due to the small sample size for the NA;
 - Local Authority housing waiting list data; and
 - The Greater Norwich Housing Need Assessment 2021
- 3.12 Data from the 2021 Census continues to be released. At present, the available data covers population, households, tenure, and dwelling stock characteristics. Some data at the localised level, including parishes, will not be available until later in 2024, as well as data comparing numerous variables. As such,

neighbourhood level HNAs will draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and ONS parish projections to build up evidence at the neighbourhood level.

4. Affordability and Affordable Housing

Introduction

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

Definitions

- 4.4 This section uses a range of technical terms which are useful to define at the outset:
- **Tenure** refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership).
 - **Affordability** refers to the relationship between the cost of housing to buy or rent and the incomes and earnings of households.
 - The definition of **Affordable Housing** is set out in the NPPF 2023 (Annex 2) as 'Housing for sale or rent, for those whose needs are not met by the market...' We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF (Annex 2). A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
 - A range of affordable home ownership opportunities are included in the Government's definition of Affordable Housing, to meet the needs of those aspiring to own a home. As part of this, the Government has introduced a new

product called First Homes, although this is not yet reflected in Annex 2 of the NPPF.⁴

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

Current tenure profile

- 4.5 The current tenure profile is a key feature of the Neighbourhood Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.
- 4.6 Table 4-1 presents data on tenure in Newton Flotman compared with South Norfolk and England from the 2021 Census.
- 4.7 The majority of households in the NA are home owners (70.1%), slightly lower than South Norfolk as a whole but a higher proportion than in England. This is common to many rural villages across the country. The social rented sector is relatively large in Newton Flotman and, as a share of households (17.9%), is comparable to England. The proportion of social renters is higher than in the district as a whole. Levels of private renting are lower however (11.7%), below both the district and national average.

Table 4-1: Tenure (households) in Newton Flotman and comparator geographies, 2021

Tenure	Newton Flotman	South Norfolk	England
Owned	70.1%	73.1%	61.3%
Shared ownership	0.3%	1.2%	1.0%
Social rented	17.9%	11.7%	17.1%
Private rented	11.7%	13.9%	20.6%

Sources: Census 2021, AECOM Calculations

- 4.8 It is also worth comparing how the tenure mix has changed in the last ten years, using the 2011 Census (see Table 4-2). Over the 10 year period 2011-2021 the number of home owners appears to have fallen with a small decline in the number of social renters as well. Falls in the number and share of home owners is relatively common and can reflect affordability pressures with corresponding switching of some dwellings from ownership to renting. There was a corresponding increase in the number and share of private renters over the period.

⁴ The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

Table 4-2: Tenure change (households) in Newton Flotman, 2011-2021

Tenure	2011	2021	% change
Owned	429	419	-2.3%
Shared ownership	3	2	-33.3%
Social rented	113	107	-5.3%
Private rented	51	70	37.3%

Sources: Census 2021 and 2011, AECOM Calculations

Affordability

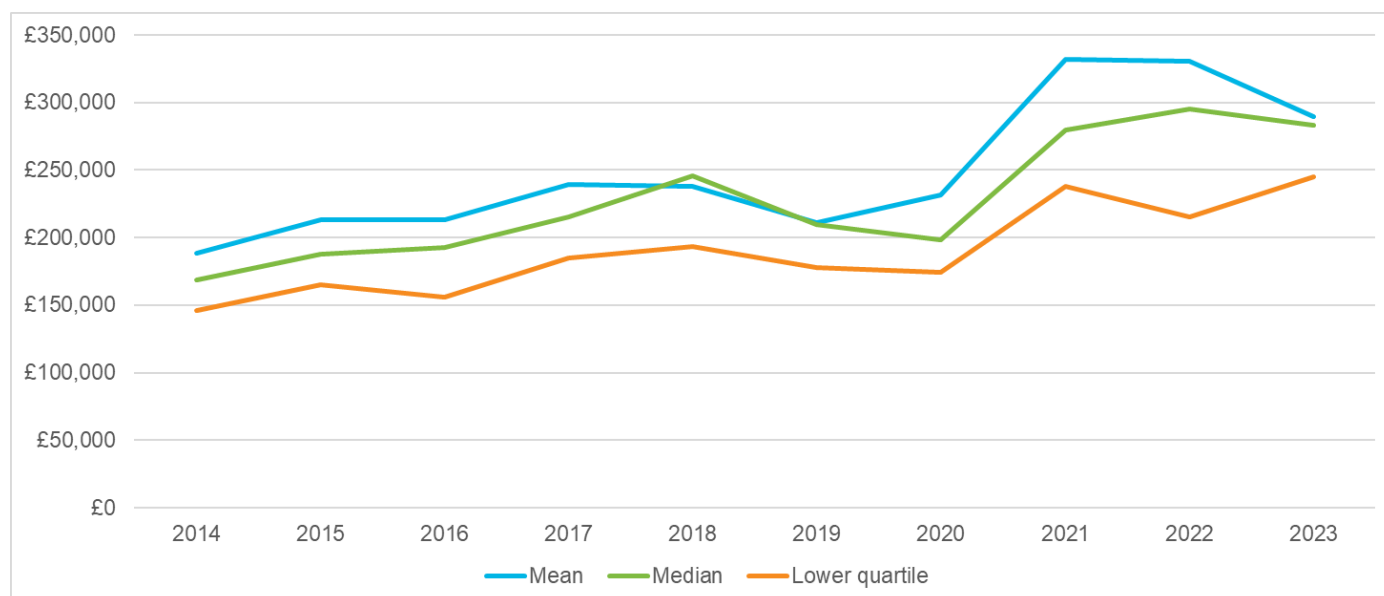
House prices

4.9 House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.

4.10 Figure 4-3 looks at average and lower quartile house prices in Newton Flotman based on sales price data published by the Land Registry. It shows that prices of average and lower quartile properties are higher at the end of 2023 compared to 2014 (10 years earlier). Whilst there has been some fluctuation over the period this is common to all areas and in this case is likely to reflect the small number of property sales each year with the mix of homes sold affecting the average price. The key points to note are:

- Median average prices in 2023 were £283,500. The mean was slightly higher but broadly similar. Median prices grew by 68% over the 10 year period, resulting in an absolute increase of +£114,740 in the price of average properties in the NA.
- The lower quartile is the middle figure of the lowest 50% of prices and a good representation of entry-level housing. Lower quartile prices were £240,000 in 2023, not substantially lower than median average prices, reflecting the limited number of properties for sale, particularly at the cheaper end of the market. Lower quartile prices also grew by 68% over the 10 year period with an absolute increase in price of almost +£100,000 since 2014.
- Median prices in South Norfolk as a whole were substantially higher (£345,000) than in Newton Flotman (£283,500). The NA is relatively affordable compared to the wider district which is likely to impact on migration patterns to and from the neighbourhood.

4.11 Given the size of the NA and the small number of property sales each year, average and LQ prices are affected by the mix of homes sold in any one year. For example in 2020 and 2021 there were high priced properties sold (in excess of £1million) which affected the mean average price of properties in those years (as reflected in Figure 4.3).

Figure 4-3: House prices by quartile in Newton Flotman, 2014-2023

Source: Land Registry PPD

4.12 Table 4-4 breaks down house prices by type, presenting the median within each type. It shows that detached properties exhibited the highest prices across the 10 year period, with an average detached property valued at £320,000 in 2023. Semi detached and terraced properties appear similarly priced over time but terraced properties have increased at the largest rate over the 10 year period (+70%). This may reflect the quality or style of particular properties in any one year because of the small sample size. There were very few flat sales over the 10 year period but these were the lowest priced properties, with an average price of around £162,000 in 2022, up from £109,000 in 2014, indicating a similar rate of price growth to the median prices.

Table 4-4: Median house prices by type in Newton Flotman, 2014-2023

Type	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Growth
Detached	£226,000	£229,500	£245,000	£292,500	£280,000	£272,500	£319,000	£305,000	£355,000	£320,000	41.6%
Semi-detached	£159,975	£138,000	£185,000	£170,000	£240,000	£180,000	£198,000	£215,000	£230,000	£229,000	43.1%
Terraced	£158,500	£167,000	£163,500	£200,000	£184,900	£198,000	£177,500	£211,000	£232,000	£270,000	70.3%
Flats	£109,000	£114,000	£125,000	£135,000	-	£140,000	-	-	£162,000	-	~
All Types	£168,750	£188,000	£193,000	£215,000	£246,000	£210,000	£198,000	£280,000	£295,000	£283,500	68.0%

Source: Land Registry PPD

Income

4.13 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.

4.14 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 household income locally was

£50,000 in 2020 (the most recent year for this dataset). Discussion about the area to which this data applies is provided in Appendix A.

- 4.15 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. South Norfolk's gross individual lower quartile annual earnings were £18,871 in 2023. To estimate the income of households with two lower quartile earners, this figure is doubled to £37,742.
- 4.16 It is clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

Affordability Thresholds

- 4.17 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.
- 4.18 AECOM has determined thresholds for the income required in Newton Flotman to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix C.
- 4.19 The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives. This is discussed in more detail at the start of Appendix C.
- 4.20 Table 4-5 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

Table 4-5: Affordability thresholds in Newton Flotman (income required, £)

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £50,000	Affordable on LQ earnings (single earner)? £18,871	Affordable on LQ earnings (2 earners)? £37,742
Market Housing						
Median House Price	£255,150	-	£72,900	No	No	No
Estimated NA New Build Entry-Level House Price	£253,575		£72,450	No	No	No
LQ/Entry-level House Price	£220,500	-	£63,000	No	No	No
LA New Build Median House Price	£310,500	-	£88,714	No	No	No
Average Market Rent	-	£12,420	£41,400	Yes	No	No
Entry-level Market Rent	-	£10,620	£35,400	Yes	No	Yes
Affordable Home Ownership						
First Homes (-30%)	£177,503	-	£50,715	Marginal	No	No
First Homes (-40%)	£152,145	-	£43,470	Yes	No	No
First Homes (-50%)	£126,788	-	£36,225	Yes	No	Yes
Shared Ownership (50%)	£126,788	£3,522	£47,965	Yes	No	No
Shared Ownership (25%)	£63,394	£5,283	£35,722	Yes	No	Yes
Shared Ownership (10%)	£25,358	£6,339	£28,376	Yes	No	Yes
Affordable Rented Housing						
Affordable Rent	-	£5,836	£19,434	Yes	No	Yes
Social Rent	-	£4,651	£15,487	Yes	Yes	Yes

Source: AECOM Calculations

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

Market housing for purchase and rent

4.22 Local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income of £72,000, almost 50% higher than the current average household income of £50,000.

4.23 Private renting appears affordable to households on average incomes and entry level rents appear affordable to households with two lower quartile earners. Households made up of one lower quartile earners cannot afford average of entry level rents given the relationships between rents and their incomes. It is important to note that there were very few properties available for rent at the time of writing.

AECOM used a 5km radius from the centre of the NA to identify available properties in order to determine a reasonable average and entry level rent. This area does not include large settlements or the edge of Norwich so is likely to be a reasonable proxy for rents in the NA.

- 4.24 Affordability of private renting is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

Affordable home ownership

- 4.25 There is a group of households in Newton Flotman who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £35,400 per year (at which point entry-level rents become affordable) and £72,900 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
- 4.26 First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.
- 4.27 This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Discounts of 30% appear to be at the margins of affordability for households on average incomes. Discounts of 40% and 50% would extend the affordability of home ownership further, with 50% discounts reaching households with two lower quartile earners.
- 4.28 It is important to note that this evidence based on affordability does not provide a complete picture: evidence about the financial viability of development is also relevant. The question is whether demanding higher discount levels on First Homes will create a financial burden on developers that leads them to argue either that the discount level is not feasible or that the total amount of Affordable Housing may need to be decreased. This could effectively sacrifice the provision of affordable rented housing to provide a more attractive First Homes product. The issue of development viability is a specialist matter involving analysis of land values and build costs that is outside the scope of this assessment. If the Parish Council intend to set a higher First Homes discount level than that set at district level, further discussions with the LPA are advised.
- 4.29 Shared ownership appears to be more affordable than First Homes and at lower shares of 25% and 10%, may be affordable to households with two lower quartile earners. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.⁵ If this is delivered in the

⁵ The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial

NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.

4.30 Rent to Buy provides households with the option to rent at a discount whilst saving for a deposit to buy their property within a set period (usually within 7 years). The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. However, affordability to local households would depend on how rents are set. If Rent to Buy is offered at a discount to *entry level* rents, this would expand this route to home ownership quite significantly, including to lower income groups. However, discounts on *average* rents would make Rent to Buy affordability, in terms of the household income required, comparable Shared Ownership at lower shares. However, for some households, the availability of a deposit rather than income level per se is the key barrier to accessing home ownership. Rent to Buy may therefore offer a useful product to meet the needs of some households.

4.31 These three affordable home ownership products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not:

- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
- Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
- Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.
- Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

Affordable rented housing

4.32 Affordable rents set out in the table above are substantially below market rents. Whilst affordable rents can be set at up to 80% of market rents, in many locations Registered Providers (housing associations) set them to ensure that they are affordable to those claiming housing benefit, i.e. at or below Local Housing Allowance levels. This means that they are in practice below 80% of market

levels. This is likely to be the case in Newton Flotman based on South Norfolk District's affordable rents. Average affordable rents (all properties) are around 50% the level of average private rents for instance.

- 4.33 Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner are only able to affordable social rents on the basis of their incomes. Many households who are eligible for social/affordable rented housing will be supported by Housing Benefit or Universal Credit and so affordability based solely on income through earnings may not reflect the full picture.
- 4.34 The evidence in this chapter suggests that the social/affordable rented sector performs a vital function in Newton Flotman as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This means that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

Estimates of the need for Affordable Housing

- 4.35 This section seeks to estimate need for Affordable Housing, which should be considered separately for affordable rented housing and affordable routes to ownership. The appropriate approach is taken based on the evidence available at Local Authority and NA scale.
- 4.36 The Greater Norwich Housing Need Assessment 2021 was undertaken recently and provides evidence on affordable housing needs within South Norfolk and the other authority areas within the sub region. Whilst specific data for Newton Flotman is not provided in the HNA 2021, estimates can be made by pro rating the South Norfolk figures based on the NA's 'fair share' of the South Norfolk population.
- 4.37 In South Norfolk, the HNA 2021 estimates the need for 7,745 Affordable Homes over the 20 year period 2018-2038, equating to 387 per annum. This is broken down to:
- 2,644 Social/Affordable Rented homes, equating to 132 per annum.
 - 5,101 affordable home ownership homes, equating to 255 per annum.
- 4.38 As the population of Newton Flotman is 1% of the district total, this would imply:
- 1 Social/Affordable Rented home per annum
 - 2.5 Affordable Home Ownership homes per annum
- 4.39 Pro-rating district level estimates of affordable housing need to rural areas presents problems in practice. The Local Authority level figures are likely to

represent higher needs in urban areas where there is a large social housing stock and also often larger numbers of households living in private rented homes on housing benefit. Both of these factors tend to generate higher needs. By contrast, in rural parishes limited numbers of social renters means there is more limited need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). This means it is difficult to identify need for social/affordable rented housing within rural areas.

4.40 However, Newton Flotman has a relatively large Social Rented sector at 17.9% of households in 2021. Its Social Rented sector is larger, as a share of households, than South Norfolk as a whole. The private rented sector, which is also a source of affordable housing needs, is relatively small but has grown over the last 10 years. On balance, AECOM consider that the pro rate district level estimates of Affordable Housing represent a reasonable estimate of Affordable Housing needs within Newton Flotman.

4.41 It is relevant to note that as a cross checking exercise, AECOM's Affordable Housing models produce almost identical estimates for Newton Flotman as the estimates derived from the Greater Norwich HNA 2021.

Affordable Housing policies in Neighbourhood Plans

4.42 This section outlines a common Neighbourhood Plan policy level around the tenure mix of affordable housing, provides a recommendation and summarises relevant considerations.

Application of Local Plan policies

4.43 South Norfolk's adopted policy on this subject Policy 5 in the Greater Norwich Local Plan requires 33% of new housing to be affordable. Recent evidence suggests that this requirement is not always met on sites within the NA. Local Plan allocation VC NEW2 was recently approved for 31 homes but with a reduced Affordable Housing quota and will deliver only 4 Affordable Homes. It is understood that the reduction was accepted on the basis of the costs of meeting nutrient neutrality requirements across the development as a whole.

4.44 The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable. Changing or influencing the overall proportion of housing that must be affordable is uncommon in Neighbourhood Plans and would demand a high standard of evidence to depart from the Local Plan. If this is of interest, it should first be discussed with the LPA to ensure their support and to determine what additional evidence (e.g. about development viability) would be needed.

4.45 How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is not specified in the

Greater Norwich Local Plan. Rather, Policy 5 states that the mix of new homes should take account of the most up to date evidence of need. The Greater Norwich HNA 2021 evidence can therefore provide a guide for the tenure mix of Affordable Homes that might be appropriate in the NA.

Affordable Housing at Neighbourhood level

- 4.46 The HNA can provide more localised evidence and this may be used to support Neighbourhood Plan policies. AECOM's suggested indicative tenure split is set out in Table 4.6. This suggests an Affordable Housing tenure mix that might be suitable for Newton Flotman on the basis of identified housing need and a range of other considerations detailed in Appendix D.
- 4.47 This indicative mix reflects the expectation that the delivery of Affordable Housing will be lower than the needs identified here. In this context, affordable rented tenures may be given a higher priority than implied by the level of need. The Greater Norwich HNA estimates, pro rated to Newton Flotman, would imply the need for 1 social/affordable rented home per annum and 2.5 affordable home ownership properties. The remaining proposed allocation at NEW1 (for 25 homes) would deliver around 8 Affordable Homes if this was delivered in line with Local Plan policy for 33% Affordable Housing. AECOM's suggestion that a split of 50:50 would enable delivery of some social/affordable rented homes which meet priority needs and also provide a small contribution to delivery of affordable home ownership. Given the small numbers of Affordable Homes likely to be delivered (unless further sites come forward as windfall development), the range of different affordable home ownership products that can be provided will be limited. In practice, at the site specific level, it may make practical sense to deliver one type of affordable home ownership product (e.g. all First Homes or all Shared Ownership).
- 4.48 Where the Parish Council wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with South Norfolk District Council to determine what additional evidence (notably about development viability) may be needed, and to ensure that departures from the local policy context have their support.

Table 4-6: Indicative tenure split (Affordable Housing)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	54%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	25%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	0%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	50%	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

Conclusions- Tenure and Affordability

4.49 The majority of households in the NA are home owners (70.1%), slightly lower than South Norfolk as a whole but a higher proportion than in England. This is common to many rural villages across the country.

4.50 The social rented sector is relatively large in Newton Flotman and, as a share of households (17.9%), is comparable to England. The proportion of social renters is higher than the district as a whole. Levels of private renting are lower however (11.7%), below both the district and national average.

4.51 Over the 10 year period 2011-2021 the number of home owners appears to have fallen, with a small decline in the number of social renters as well. Falls in the number and share of home owners is relatively common and can reflect affordability pressures with corresponding switching of some dwellings from ownership to renting. There was a corresponding increase in the number and share of private renters over the period.

4.52 Prices of average and lower quartile properties are higher at the end of 2023 compared to 2014 (10 years earlier) in Newton Flotman.

- 4.53 Median average prices in 2023 were £283,500 and grew by 68% over the 10 year period, resulting in an absolute increase of +£114,740 in the price of average properties in the NA.
- 4.54 The lower quartile is a good representation of entry-level housing. Lower quartile prices were £240,000 in 2023, not substantially lower than median average prices, reflecting the limited number of properties for sale, particularly at the cheaper end of the market. Lower quartile prices also grew by 68% over the 10 year period with an absolute increase in price of almost +£100,000 since 2014.
- 4.55 The average household income locally was £50,000 in 2020 (the most recent year for this dataset). South Norfolk's gross individual lower quartile annual earnings were £18,871 in 2023. To estimate the income of households with two lower quartile earners, this figure is doubled to £37,742.
- 4.56 Local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. The median house price would require an annual income of £72,000, almost 50% higher than the current average household income of £50,000.
- 4.57 Private renting appears affordable to households on average incomes and entry level rents appear affordable to households with two lower quartile earners. It is important to note that there were very few properties available for rent at the time of writing.
- 4.58 A group of households in Newton Flotman may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £35,400 per year (at which point entry-level rents become affordable) and £72,900 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
- 4.59 Discounts of 30% appear to be at the margins of affordability for households on average incomes. Discounts of 40% and 50% would extend the affordability of home ownership further, with 50% discounts reaching households with two lower quartile earners.
- 4.60 Shared ownership appears to be more affordable than First Homes and at lower shares of 25% and 10%, may be affordable to households with two lower quartile earners.
- 4.61 The evidence in this chapter suggests that the social/affordable rented sector performs a vital function in Newton Flotman as the only option for a large segment of those in the greatest need.
- 4.62 The Greater Norwich Housing Need Assessment 2021 was undertaken recently and provides evidence on affordable housing needs within South Norfolk and the other authority areas within the sub region. Whilst specific data for Newton Flotman is not provided in the HNA 2021, estimates can be made by pro rating the South Norfolk figures based on the NA's 'fair share' of the South Norfolk population.

4.63 In South Norfolk, the HNA 2021 estimates the need for 7,745 Affordable Homes over the 20 year period 2018-2038, equating to 387 per annum. This is broken down to:

- 2,644 Social/Affordable Rented homes, equating to 132 per annum.
- 5,101 affordable home ownership homes, equating to 255 per annum.

4.64 As the population of Newton Flotman is 1% of the district total, this would imply:

- 1 Social/Affordable Rented home per annum
- 2.5 Affordable Home Ownership homes per annum

4.65 The remaining proposed allocation at NEW1 (for 25 homes) would deliver around 8 Affordable Homes if this was delivered in line with Local Plan policy for 33% Affordable Housing.

4.66 AECOM's suggestion that a split of 50:50 would enable delivery of some social/affordable rented homes which meet priority needs and also provide a small contribution to delivery of affordable home ownership. Given the small numbers of Affordable Homes likely to be delivered (unless further sites come forward as windfall development), the range of different affordable home ownership products that can be provided will be limited.

4.67 Table 4-7 summarises Newton Flotman's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation, and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plans for more housing (and therefore more affordable housing) than the local plan, or if the group decides to influence the tenure mix in other ways), or as a result of site-specific constraints.

Table 4-7: Estimated delivery of Affordable Housing in Newton Flotman

	Step in Estimation	Expected delivery
A	Remaining proposed housing allocation (NEW1)	25
B	Affordable housing quota (%) in LPA's Local Plan	33%
C	Potential total Affordable Housing in NA (A x B)	8
D	Rented % (e.g. social/ affordable rented)	50%
E	Rented number (C x D)	4
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	50%
G	Affordable home ownership number (C x F)	4

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

4.68 Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are more proactive routes available for its provision. For example, using neighbourhood development orders, identifying exception sites or bring forward community led housing through.

5. Mix of Housing: Type and Size

Introduction

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

Definitions

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

are vacant and second homes, so the number of dwellings and the number of households in an area is usually different.

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

The current housing mix

5.6 This section establishes the current housing mix in Newton Flotman, highlighting recent changes to it and comparing the mix to wider averages.

Dwelling type

5.7 Table 5-1 below shows that almost half of the stock in the NA is detached housing (47.4%). This is followed by semi detached housing (31.1%) with a relatively significant proportion of terraced housing (19.2%) but very few flats (2.4% of the stock). Direct comparisons with the stock in 2011 are limited because Census 2021 counts households occupying different dwelling types rather than the dwellings themselves (so unoccupied dwellings are not counted in this data set in 2021). Nevertheless, there is very little change in the broad mix of housing types over the last 10 years as limited development has taken place.

5.8 A substantial proportion of detached and semi detached homes in Newton Flotman are likely to be bungalows. However, it is not possible to provide accurate figures on the number from the Census or VOA. Census does not count bungalows as a separate category. VOA counts bungalows but the geographical scale does not relate to the NA. The closest available statistical geography (LSOA) that contains most of the NA also includes the settlement of Swainthorpe and so the figures for Newton Flotman cannot be separated out.

Table 5-1: Accommodation type, Newton Flotman, 2011-2021

Type	2011	%	2021	%
Detached	296	48.2%	282	47.4%
Semi-detached	194	31.6%	185	31.1%
Terrace	110	17.9%	114	19.2%
Flat	14	2.3%	14	2.4%
Total	614		595	

Source: Census 2021 and 2011, AECOM Calculations

5.9 Table 5-2 compares the NA mix to wider benchmarks. It shows that the NA's mix is very similar to the district as a whole with similar proportions of detached and semi detached homes. South Norfolk has a higher proportion of flats than Newton Flotman, reflecting the presence of larger settlements which contain denser housing types. Both Newton Flotman and South Norfolk are different to England as a whole with substantially higher proportions of flats and terraces in England. This reflects the more rural nature of both the NA and LA but also highlights the likely lower proportion of smaller dwelling types in the area which will contribute to affordability patterns and the choice available to different households.

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

Type	Newton Flotman	South Norfolk	England
Detached	47.4%	49.6%	22.9%
Semi-detached	31.1%	31.1%	31.5%
Terrace	19.2%	12.5%	23.0%
Flat	2.4%	6.6%	22.2%

Source: Census 2021, AECOM Calculations

Dwelling size

5.10 Table 5-3 below presents the current housing mix in terms of size. It shows that the largest proportion of homes have 3 bedrooms (43.9%). 2 bedroom properties account for 30.1% of the stock, followed by 23.1% with 4 bedrooms or larger. Just under 3% of homes have 1 bedroom which is unsurprising given the small proportion of flats in the housing stock in the NA. Again, the figures for 2021 relate to households rather than dwellings but there is likely to have been limited change in the broad structure of the housing stock, by size of property, over the last 10 years.

Table 5-3: Dwelling size (bedrooms), Newton Flotman, 2011-2021

Number of bedrooms	2011	%	2021	%
1	18	3.0%	17	2.9%
2	185	30.7%	179	30.1%
3	250	41.5%	261	43.9%
4+	149	24.8%	137	23.1%
Total	602		594	

Source: Census 2021 (households) and 2011 (dwellings), AECOM Calculations

5.11 Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country. Table 5-4 shows that the stock of

larger 3-4 bedroom homes in Newton Flotman is similar to South Norfolk as a whole. Interestingly, Newton Flotman has a relatively substantial proportion of 2 bedroom homes (30.1%), higher than in the district as a whole (23.9%) and England (27.3%). With the exception of 1 bedroom properties, Newton Flotman's housing stock appears to offer a wide range of dwelling sizes.

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

Number of bedrooms	Newton Flotman	South Norfolk	England
1	2.9%	6.0%	11.6%
2	30.1%	23.9%	27.3%
3	43.9%	41.3%	40.0%
4+	23.1%	28.7%	21.1%

Source: Census 2021, AECOM Calculations

Population characteristics

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

Age

5.13 Table 5-5 shows the most recent age structure of the NA population, alongside 2011 Census figures. The largest group in the population in 2021 was the 45-64 age group (28.2%). Older people (65+) account for around one quarter of the population with the 65-84 age group increasing most rapidly over the last 10 years (by +30.8%).

Table 5-5: Age structure of Newton Flotman, 2011 and 2021

Age group	2011 (Census)		2021 (Census)		Change
0-14	295	19.8%	237	16.7%	-19.7%
15-24	141	9.5%	111	7.8%	-21.3%
25-44	388	26.1%	321	22.7%	-17.3%
45-64	382	25.7%	399	28.2%	4.5%
65-84	227	15.2%	297	21.0%	30.8%
85 and over	56	3.8%	51	3.6%	-8.9%
Total	1489	100.0%	1,416	100.0%	-4.9%

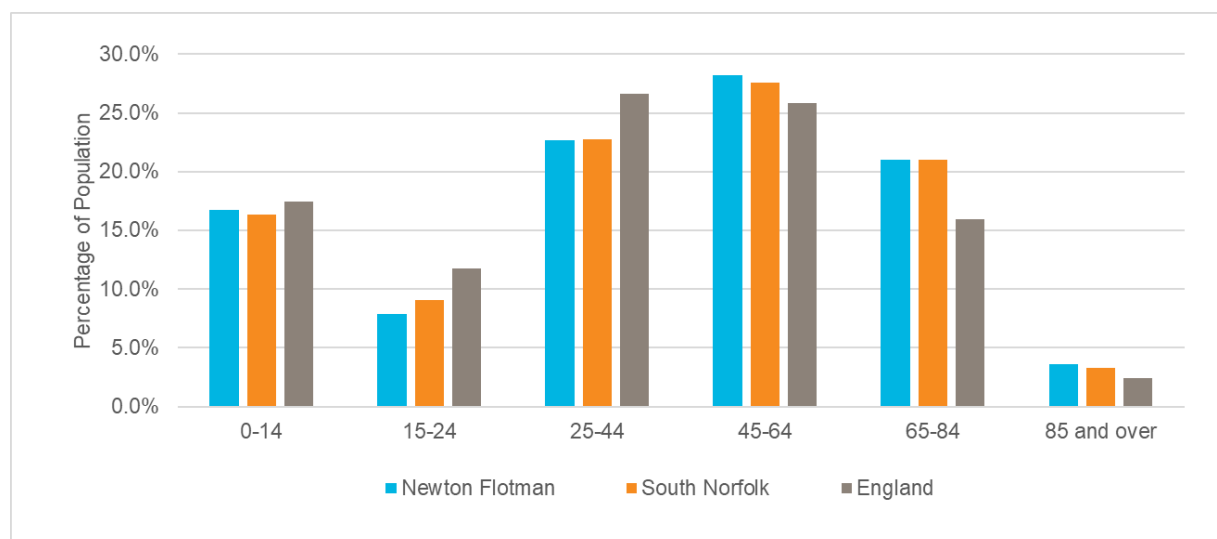
Source: ONS 2011, ONS 2021, AECOM Calculations

5.14 There is a substantial number and proportion of younger working age people (25-44) but this group has declined over 10 years in number and as a share of the population overall. The same is true for other younger age groups, including children aged 0-14. This age group accounts for 16.7% of the population of Newton Flotman in 2021, a reduction of almost 20% over the last 10 years.

5.15 These population dynamics reflect the ageing of the population and this is a common pattern across many areas of the country, particularly in rural parishes.

5.16 For context, it is useful to look at the NA population structure alongside that of the district and country. Figure 5-6 (using 2021 Census data) shows that, broadly, Newton Flotman has a population structure which is similar to the district as a whole with similar proportions of children, younger working age people and residents in the older age groups. However, both the NA and LA have an older bias to their populations compared to England. Both also have notably lower proportions of younger working age people and the younger age group containing students (aged 15-24).

Figure 5-6: Age structure in Newton Flotman, 2021



Source: Census 2021, AECOM Calculations

Household composition and occupancy

5.17 Household composition (the combination and relationships of adults and children in a dwelling) is an important factor in the kinds of housing needed over the Neighbourhood Plan period. Table 5-7 shows that the proportion of households that are families with dependent children is 25.8%, the same as England as a whole and slightly higher than in the district. The proportion of households made up of older people – either single or couples is higher than in England as a whole but similar to the district. The NA and LA are notably different to England with lower proportions of younger single people. These households account for 13.9% of the NA population compared to 17.3% in England.

5.18 Over the last 10 years, the number of families with dependent children has fallen in Newton Flotman by 18.9%. In contrast, this group has grown in size in the district and England as a whole. The number and proportion of households with non dependent children has grown fastest in Newton Flotman (by 29.8%) compared to 22% in the LA and just 3.5% in England.

5.19 Households with non-dependent children refers to those 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.

Table 5-7: Household composition, Newton Flotman and comparator geographies, 2021

Household composition		Newton Flotman	South Norfolk	England
One person household	Total	26.1%	27.7%	30.1%
	Aged 66 and over	12.2%	14.3%	12.8%
	Other	13.9%	13.4%	17.3%
One family only	Total	69.9%	68.3%	63.1%
	All aged 66 and over	12.2%	13.7%	9.2%
	With no children	20.1%	20.5%	16.8%
	With dependent children	25.8%	24.5%	25.8%
	With non-dependent children ⁶	10.2%	9.3%	10.5%
Other household types	Total	4.0%	4.1%	6.9%

Source: Census 2021, AECOM Calculations

5.20 The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A household is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy (also referred to as overcrowding) works in the same way, with a rating of -1 indicating at least one bedroom too few.

5.21 The majority of households in Newton Flotman have more bedrooms than they need for their household size. This is especially the case for older households. However, there is a small but significant proportion of households who live in overcrowded homes (3.1% of all households). Most of these overcrowded households are families with dependent children. This data provides a further indicator of acute housing need amongst a small number of households in the NA.

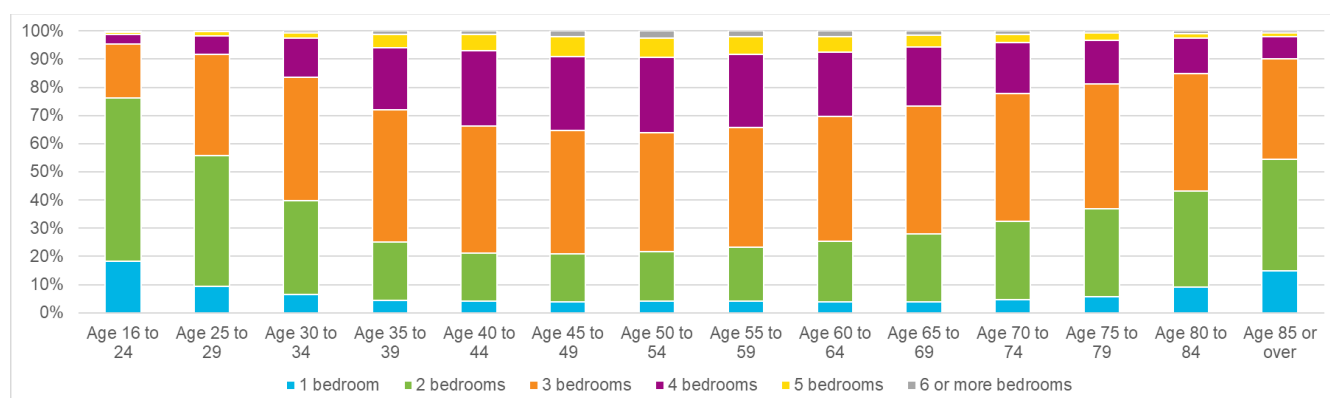
⁶ Refers to households containing children who are older than 18 e.g students or young working people living at home.

Table 5-8: Occupancy rating by age in Newton Flotman, 2021

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 66+	78.3%	16.9%	4.8%	0.0%
Single person 66+	47.9%	47.9%	4.1%	0.0%
Family under 66 - no children	66.7%	31.7%	1.6%	0.0%
Family under 66 - dependent children	21.5%	32.3%	38.6%	7.6%
Family under 66 - adult children	30.5%	42.4%	23.7%	3.4%
Single person under 66	46.4%	44.0%	9.5%	0.0%
All households	46.4%	34.0%	16.4%	3.1%

Source: ONS 2021, AECOM Calculations

5.22 As noted in the introduction to this chapter, the life stage of households is strongly correlated with the size of home they tend to occupy. Figure 5-9 sets out this relationship for South Norfolk in 2011 (because this data is not available at smaller scales). The graph shows how the youngest households tend to occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

Figure 5-9: Age of household reference person by dwelling size in South Norfolk, 2011

Source: ONS 2011, AECOM Calculations

Future population and size needs

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

Age

5.24 The result of applying Local Authority level household projections to the age profile of Newton Flotman households in 2011 is shown in Table 5-10. Note that in this case, we have extended the projections assuming the same rate of growth for years 2044 and 2045 since the latest household projections run to 2043. This makes clear that population growth can be expected to be driven by the oldest households, with those aged 65+ expected to double in number by 2045

compared to 2011. However, growth is expected in younger household groups as well which will impact on the nature of housing needed in the NA over time.

Table 5-10: Projected age of households, Newton Flotman, 2011 - 2045

Year	24 and under	25 to 34	35 to 54	55 to 64	65 and over
2011	19	84	233	107	159
2045	22	113	308	141	319
% change 2011-2045	17%	35%	32%	31%	101%

Source: AECOM Calculations

5.25 The demographic change discussed above can be translated into an ‘ideal’ mix of dwelling sizes. This is achieved through a model that maps the dwelling size preferences by life stage shown earlier (in Figure 5-9 (rainbow bar graph)) onto the projected age profile for the NA in Table 5-10 immediately above. The resulting ‘ideal’ future mix of dwelling sizes can then be compared to the current stock of housing to identify how future development might best fill the gaps.

5.26 This approach has limitations, in that it embeds existing size preferences and does not anticipate changes in what people want from their homes. As such, it is appropriate for the results to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives.

5.27 The result of this exercise is presented in Table 5-11. It suggests that a range of dwelling sizes is required with continued substantial provision of 3 bedroom homes. This is despite the fact that 3 bed properties account for the largest share of homes at present.

Table 5-11: Suggested dwelling size mix to 2045, Newton Flotman

Number of bedrooms	Past mix (2011)	Current mix (2021)	Suggested mix (2045)	Balance of new housing to reach suggested mix
1	3.0%	2.9%	5.9%	11.6%
2	30.7%	30.1%	26.3%	19.0%
3	41.5%	43.9%	42.6%	40.1%
4	24.8%	23.1%	25.1%	29.2%

Source: AECOM Calculations

Tenure

5.28 The recommendation discussed immediately above applies to all housing in the NA over the Plan period. This is considered proportionate for devising policy at neighbourhood scale. However, in practice different size mixes may be appropriate for market housing and Affordable Housing. While this distinction may not be appropriate to make in Neighbourhood Plan policy, since Local

Authorities tend to define the precise mix of Affordable Housing required on applicable sites, it is worth thinking through the factors at play.

- 5.29 Data on overcrowding in the Census 2021 reveals a small number (just under 20 households) who live in overcrowded homes and are likely to be in acute housing need. Almost all of these households are families with children and are likely to be waiting for family sized social/affordable rented accommodation to become available. Specific evidence on the requirements of households who need Affordable Housing can be gathered from South Norfolk's waiting list. Provision of a small number of larger social/affordable rented homes within the NA may help to address this need and enable these families with children to remain in the parish and to continue to attend the local school.

Conclusions- Type and Size

The current housing mix

- 5.30 Almost half of the stock in the NA is detached housing (47.4%). This is followed by semi detached housing (31.1%) with a relatively significant proportion of terraced housing (19.2%) but very few flats (2.4% of the stock).
- 5.31 The largest proportion of homes have 3 bedrooms (43.9%). 2 bedroom properties account for 30.1% of the stock, followed by 23.1% with 4 bedrooms or larger. Just under 3% of homes have 1 bedroom which is unsurprising given the small proportion of flats in the housing stock in the NA.

Population characteristics

- 5.32 The largest group in the population in 2021 was the 45-64 age group (28.2%). Older people (65+) account for around one quarter of the population with the 65-84 age group increasing most rapidly over the last 10 years (by +30.8%).
- 5.33 There is a substantial number and proportion of younger working age people (25-44) but this group has declined over 10 years in number and as a share of the population overall. The same is true for other younger age groups, including children aged 0-14.
- 5.34 Newton Flotman has a population structure which is similar to the district as a whole with similar proportions of children, younger working age people and residents in the older age groups. However, both the NA and LA have an older bias to their populations compared to England.
- 5.35 Despite the growth of the older population, the proportion of households that are families with dependent children is 25.8%, the same as England as a whole and slightly higher than in the district.

Future population and size needs

- 5.36 Population growth can be expected to be driven by the oldest households, with those aged 65+ expected to double in number by 2045 compared to 2011. However, growth is expected in younger household groups as well which will impact on the nature of housing needed in the NA over time.

- 5.37 AECOM's simple modelling suggests that a range of dwelling sizes are required through new development with continued substantial provision of 3 bedroom homes. This is despite the fact that 3 bed properties account for the largest share of homes at present.
- 5.38 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.

6. Specialist housing for older people

Introduction

- 6.1 It is relatively common for neighbourhood plans in areas with aging populations to include policies relating to specialist housing for older people. This chapter considers in detail the specialist housing needs of older people in Newton Flotman. It focuses on specialist forms of provision but recognises that the majority of older people will live in the mainstream housing stock. The approach is as follows:
- To review the **current provision** of specialist housing in the NA;
 - To estimate the **potential demand** for this form of accommodation with reference to the projected growth in the older population and current rates of mobility limitation; and
 - To discuss the potential for meeting this need through adaptations to the mainstream stock and other **additional considerations**.
- 6.2 Because of the wide variation in the level of support needed, as well as the financial capabilities of those affected, the estimates of need presented here should be viewed with caution – as an idea of the broad scale of potential need rather than an obligatory target that must be met.
- 6.3 It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as opposed to the projected new households which form the baseline for estimating housing need overall.⁷
- 6.4 This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).⁸ Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for older people) are largely beyond the scope of this research. However, it is possible to estimate the likely need for residential and nursing care over the Neighbourhood Plan period.
- 6.5 The distinction between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required. C3 specialist accommodation is typically self-contained with its own front door, made available on an individual basis with support provided in the home or not at all if the resident does not require it, and offered for sale or rent on the open market.

⁷ See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

⁸ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

Definitions

- **Older people:** people over retirement age, ranging from the active newly retired to the very frail elderly. Their housing needs tend to encompass accessible and adaptable general needs housing as well as the full spectrum of retirement and specialised housing offering additional care.
- **Specialist housing for older people:** a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups. This could include residential institutions, 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.
- **Sheltered Housing⁹:** self-contained flats or bungalows where all the residents are older people. Schemes on the whole provide independent, self-contained homes, either to rent or buy. Properties in most schemes have features like raised electric sockets, lowered worktops, walk-in showers, and so on, as well as being linked to an emergency alarm service. Some will be designed to accommodate wheelchair users. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, guest flats and gardens.
- **Extra Care Housing:** housing which usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required. Residents are able to live independently with 24-hour access to support services and staff, and meals are often also available. 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.
- **Category M4(2):** accessible and adaptable dwellings.
- **Category M4(3):** wheelchair user dwellings.

Specialist housing for older people

6.6 The 2021 Census indicates that at this time there were 172 individuals aged 75 or over in Newton Flotman. There are no units of specialist older persons accommodation in the NA at present. It is relevant to note that the national average for England is 136 units per 1,000 of the 75+ population¹⁰.

Demographic characteristics

6.7 The starting point for estimating the need for specialist housing for older people is to project how the overall number of older people in Newton Flotman is likely to change in future. This is calculated by extrapolating population projections from the ONS Sub-National Population Projections for South Norfolk. The results

⁹ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

¹⁰ Table 22, 'More Choice Greater Voice' (2008), published by Housing LIN for CLG (now DLUHC) and the Care Services Improvement Partnership

are set out in Table 6-1. The older population (aged 75+) is expected to increase by +139 people by 2045 and account for over 17% of the population.

- 6.8 A key assumption for the estimate given at the end of this section is that the older people living in the NA currently are already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture). As such, the growth in the older population rather than the total at the end of the Plan period is the key output of this calculation.

Table 6-1: Modelled projection of older population in Newton Flotman by end of Plan period

Age group	2021 (Census)		2045 (ONS SNPP 2018 based projection)	
	Newton Flotman	South Norfolk	Newton Flotman	South Norfolk
All ages	1,416	141,949	1,798	180,237
75+	172	16,626	311	30,060
%	12.1%	11.7%	17.3%	16.7%

Source: ONS SNPP 2020, AECOM Calculations

- 6.9 The next step is to consider the need for different tenures of dwelling for older people. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.
- 6.10 The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2045 because they are in the 65-85 age group in 2021. The top row in Table 6-2 outlines the tenure mix among households aged 55-75 at Local Authority level, which indicates that the vast majority own their own homes (just under 85%) with around 15% of these households renting (broadly equally divided between social and private rented sectors).
- 6.11 The expected growth in the 75+ population in the NA is +139 additional individuals by the end of the plan period. This can be converted into 101 households based on the average number of people per household aged 75+ at Local Authority scale. Multiplying this figure by the percentages of 55-75 year olds occupying each tenure gives a breakdown of which tenures the additional Newton Flotman households are likely to need by 2045, and is shown in the bottom row of Table 6-2.

Table 6-2: Tenure of households aged 55-75 in South Norfolk (2011) and projected aged 75+ in Newton Flotman (2045)

	All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
South Norfolk (2011 mix)	84.9%	63.6%	21.3%	15.1%	7.7%	6.2%	1.2%
Newton Flotman (2045)	85	64	21	15	8	6	1

Source: Census 2011

6.12 It is also important to consider rates of disability by tenure. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector. Table E-1 in Appendix E presents this data for Newton Flotman from the 2011 Census.

Future needs for specialist accommodation and adaptations

6.13 Based on the evidence outlined above, the number of households falling into potential need for specialist accommodation over the Plan period is calculated to be 49.

6.14 AECOM's modelling, summarised in Table 6-3, is based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

6.15 The estimated need for different forms of specialist housing is broadly balanced between housing with care (such as extra care accommodation) and accommodation which offers lower levels of support such as retirement housing.

Table 6-3: AECOM estimate of specialist housing for older people need in Newton Flotman by the end of the Plan period

Type	Affordable	Market	Total
Housing with care	5	18	23
Adaptations, sheltered, or retirement living	5	21	26
Total	10	39	49

Source: Census 2011, AECOM Calculations

6.16 It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the simplest and widely used models estimating for the housing needs of older people. HLIN calculations

6.17 **Ta3** in Appendix E reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. Applying those assumptions to the growth in the older population of Newton results in a total of 35 specialist dwellings that might be required to the end of the Plan period. This is set out in Table 6-4

Table 6-4: HLIN estimate of specialist housing for older people need in Newton Flotman by the end of the Plan period

Type	Affordable	Market	Total
Housing with care	4	6	10
Adaptations, sheltered, or retirement living	8	17	25
Total	13	22	35

Source: Housing LIN, AECOM calculations

Further considerations

6.18 The above estimates suggest that potential need for specialist accommodation could be in the range of 35-49 units over the Neighbourhood Plan period. However, it may not be possible or appropriate to deliver this scale of new accommodation. Indeed, it exceeds the expected level of overall housing delivery in the NA based on the remaining allocation of 25 homes.

6.19 In addition, specialist housing for older people should only be provided in sustainable, accessible locations that offer services and facilities, public transport options, and the necessary workforce of carers and others.

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

- 6.21 It is considered that Newton Flotman's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation, particularly those forms with onsite care and support, on the basis of the accessibility criteria and the considerations of cost-effectiveness above. Given the proximity of Norwich to the NA, it is likely that the need for specialist accommodation that arise within Newton Flotman will be met in Norwich or other settlements nearby. Accommodation with for households with intensive care/support needs may be appropriately provided within Newton Flotman.
- 6.22 It is also important to emphasise that the potential need for specialist housing for older people overlaps with the need for care home bedspaces and the need for adaptations to mainstream housing. These topics are considered in the sections below.

Care homes

- 6.23 Residential and nursing care homes are not defined as housing because they do not provide self-contained accommodation where an older person can live independently. Care home accommodation is defined as institutional accommodation rather than housing.
- 6.24 However, residents of care homes may be similar in terms of their care and support needs as those living in specialist housing, or even mainstream housing with appropriate care and support delivered in their homes. There may be some scope for older people who would otherwise have been accommodated in care homes to meet their needs within specialist or mainstream housing if sufficient appropriate accommodation can be provided. Nevertheless, there is likely to be continued need for care home accommodation to meet more acute and severe needs, and to offer choice to some older people and their families about how they are cared for and supported.
- 6.25 Given the overlap between people who might enter care home accommodation and those who might take up specialist housing or care and support in their own home if available, estimates of the future need for care home accommodation, as with estimates of the need for specialist housing above, are uncertain and depend on both local and national policies, delivery, and the appetite of private developers.
- 6.26 AECOM has estimated the likely need for care home accommodation over the plan period, based on the HLIN SHOP toolkit prevalence rates for residential and nursing care homes for older people (aged 75+). This estimate applied the prevalence rates in the 'More Choice, Greater Voice' 2008 report which informed the development of the HLIN toolkit. This report suggested that 65 residential care beds per 1,000 people aged 75+ was an appropriate rate. For nursing care beds this is an extra 45 care beds per 1,000 people aged 75+. Based on these rates, applied to the growth in the older population for consistency with the calculations above, it is estimated that in 2045 there would be a need for an additional 9 residential care beds and 6 nursing care beds in the NA. There are 43 care home beds within one scheme in the NA at present.

6.27 It is important to note that as these estimates relate to care homes (or the population in institutions) rather than independent housing, these figures are in addition to the overall need for housing in the NA. However, as discussed in this section, some of the need for care home beds might be met by independent housing accommodation and vice versa.

The Role of Mainstream Housing

6.28 The majority of older people live in mainstream housing and will continue to do so all of their lives. There is currently no specialist housing for older people in Newton Flotman and so all older households (with the exception of older people in the 43 bed care home) live in the mainstream housing stock.

6.29 It is not possible to be precise about how well older people are accommodated within mainstream housing, in terms of whether their accommodation is suitable to their needs and whether adequate care or support is provided within the home when they need.

6.30 However, given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another key avenue to addressing those with relevant needs is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with South Norfolk District Council.

6.31 It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide. Government is considering mandating M4(2) on newly erected dwellings¹¹, although changes to Building Regulations have not yet been made.

6.32 The recently adopted Local Plan policy 5 sets a 20% requirement for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)). The evidence gathered here may justify the Parish Council approaching the LPA to discuss setting higher requirements on accessibility and adaptability at district level which could be applied to the NA. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.

6.33 The proportion of new housing that might accommodate those using wheelchairs is harder to define at small scales. Typically, at Local Authority scale, this might be set with reference to the proportion of Affordable Housing applicants in the Local Authority area falling into this category or to wider data from surveys and other sources where available.

6.34 Table 6-5 sets out the proportion of wheelchair users in England as a whole, either using a wheelchair all of the time (0.6% of the population) or part of the time (3% of the population). It is worth noting that these national figures are for all age categories, not just older persons, although it is likely that a significant

¹¹ See [Raising accessibility standards for new homes: summary of consultation responses and government response - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes)

proportion of households using a wheelchair will be older persons. As a crude estimate, these percentages are applied to the expected level of housing delivery for Newton Flotman to suggest the number that might be encouraged to be wheelchair friendly or adaptable. This would imply a potential need for around 1 wheelchair accessible dwelling over the Plan period. However, the combined requirement from the two sites (with NEW2 already permitted for 31 dwellings) would imply the need to deliver 2 wheelchair accessible dwellings based on these figures.

Table 6-5: Wheelchair use Nationally Applied to Newton Flotman

	Percentage in England	% applied to remaining NA housing allocation (25 dwellings)
Households using wheelchair all the time	0.6%	0
Households using wheelchair either indoors or outdoors	3.0%	1

Source: Survey of English Housing 2018/19

Conclusions- Specialist Housing for Older People

- 6.35 The 2021 Census indicates that there were 172 individuals aged 75 or over in Newton Flotman. The older population (aged 75+) is expected to increase by +139 people by 2045 and account for over 17% of the population. This would equate to around 100 households.
- 6.36 The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
- 6.37 These two methods of estimating the future need in Newton Flotman produce a range of 35 to 49 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well
- 6.38 AECOM's estimate (49 specialist dwellings) suggests that this need is broadly balanced between housing with care (such as extra care accommodation) and accommodation which offers lower levels of support such as retirement housing.
- 6.39 The majority of older people live in mainstream housing and will continue to do so all of their lives. There is currently no specialist housing for older people in Newton Flotman and so all older households (with the exception of older people in the 43 bed care home) live in the mainstream housing stock.
- 6.40 The recently adopted Local Plan Policy 5 sets a 20% requirement for the proportion of new housing that should meet national standards for accessibility and adaptability (Category M4(2)). The evidence gathered here may justify the Parish Council approaching the LPA to discuss setting higher requirements on accessibility and adaptability at either the NA or district level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the

national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.

7. Next Steps

Recommendations for next steps

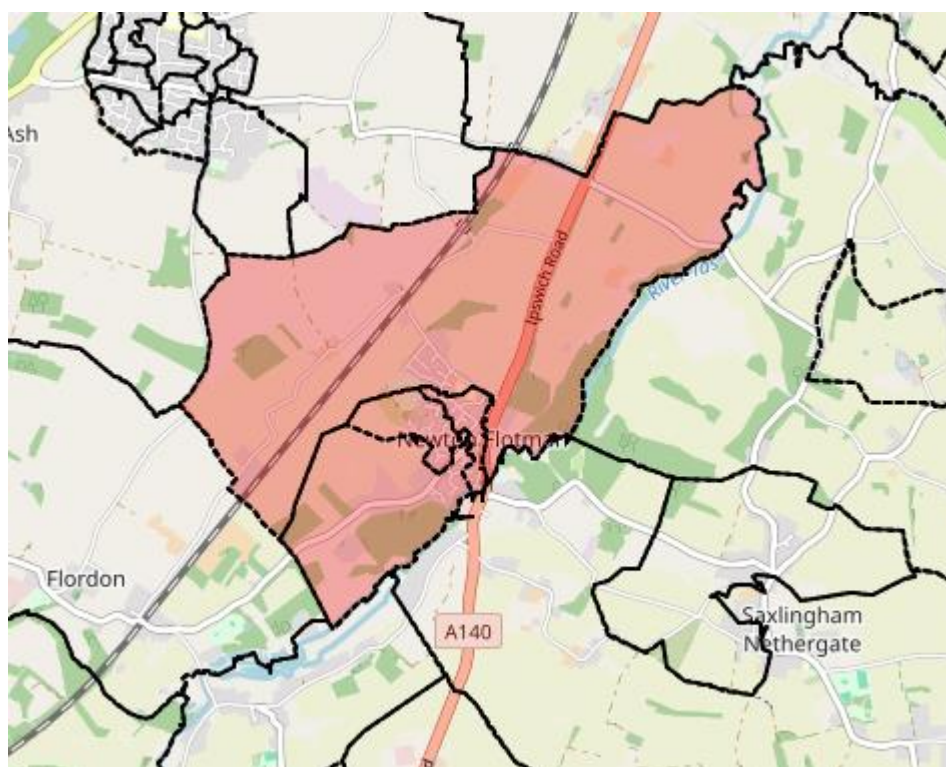
- 7.1 This Neighbourhood Plan housing needs assessment aims to provide Newton Flotman Parish Council with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with South Norfolk Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:
- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
 - The views of South Norfolk Council;
 - The views of local residents;
 - The views of other relevant local stakeholders, including housing developers and estate agents; and
 - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by South Norfolk Council.
- 7.2 This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.
- 7.3 Bearing this in mind, it is recommended that the Parish should monitor carefully strategies and documents with an impact on housing policy produced by the Government, South Norfolk Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
- 7.4 At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Assessment geography

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

- E00136923
- E00136924
- E00132925
- E00132926

Figure A-1: NA geography

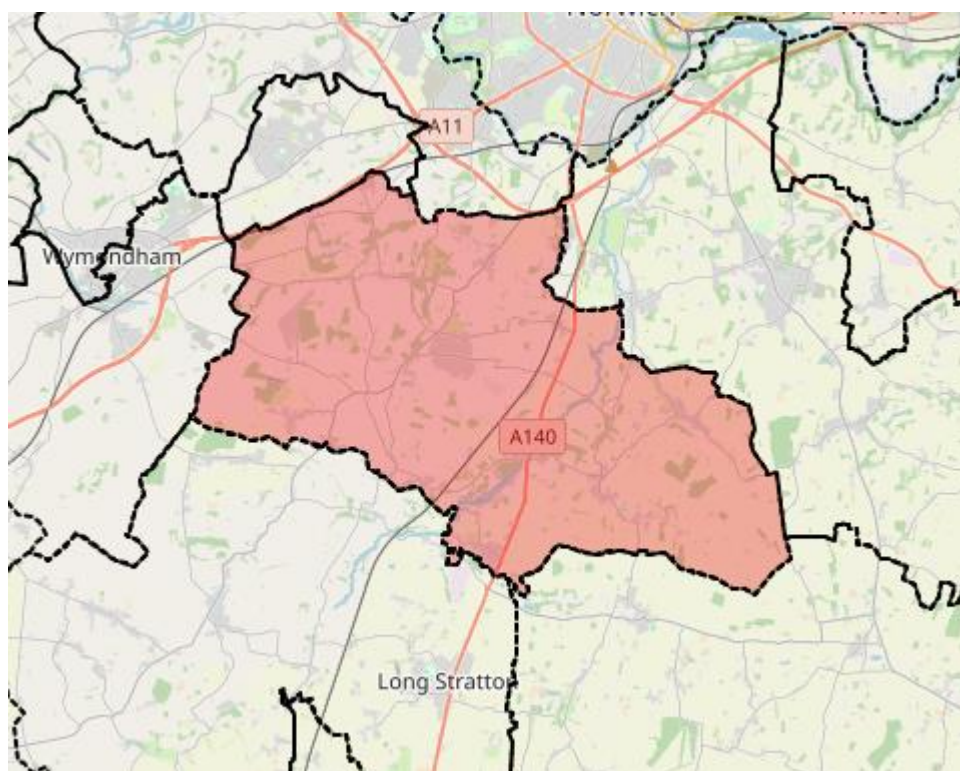


Source: ONS

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

- MSOA: E02005605: this is a larger area than the NA but provides the closest proxy area for localised income data (see map below)

Figure A-2: MSOA for income data



Source: ONS

Appendix B : Local Plan context

Policies in the adopted local plan

B.1 Table B-1 below summarises Local Plan policies that are relevant to housing need and delivery in Newton Flotman.

Table B-1: Summary of relevant emerging policies in the Greater Norwich Local Plan 2018-2038 (Adoption Version, March 2024)

Policy	Provisions
Policy 1 – The Sustainable Growth Strategy	Between 2018 and 2038 to meet the requirement for around 40,550 new homes, provision is made for a minimum of 45,041 new homes in the Greater Norwich area.
Policy 5 - Homes	Residential proposals should address the need for homes for all sectors of the community having regard to the latest housing evidence, including a variety of homes in terms of tenure and cost. New homes should provide for a good quality of life in mixed and inclusive communities and major development proposals should provide adaptable homes to meet varied and changing needs. This will be achieved as follows: Affordable Housing Major residential development proposals will provide: • At least 33% affordable housing on-site across the plan area, except in Norwich City Centre (as defined in map 10) where the requirement is at least 28%, or where: a) the site is allocated in a Neighbourhood Plan for a different percentage of affordable housing, or b) the applicant can demonstrate that particular circumstances justify the need for a viability assessment at decision-making stage. • Affordable housing on-site except where exceptional circumstances justify off-site provision. • A mix of affordable housing sizes, types, and tenures in agreement with the local authority, taking account of the most up-to-date local evidence of housing need. • Affordable housing of at least equivalent quality to the market homes on-site. The sub-division of a site to avoid affordable housing provision will not be permitted. Space Standards All housing development proposals must meet the Government's Nationally Described Space Standard for internal space or any successor. Accessible and Specialist Housing Development proposals providing specialist housing options for older people's accommodation and others with support needs, including sheltered housing, supported housing, extra care housing and residential/nursing care homes will be permitted on sites with good access to local services including on sites allocated for residential use unless there are significant adverse impacts that justify a refusal of planning permission. The identification by Norfolk County Council of a strategic need for specialist housing which the proposal can address will be a material consideration. To meet changing needs by providing accessible and adaptable homes, proposals for major housing development are required to provide at least 20% of homes to the Building Regulation M4(2) standard or any successor.

Policy	Provisions
Policy 7.4 – Village Clusters	To provide a minimum of 4,220 homes as set out in policy 1 and to support village services, provide choice for the market and promote delivery of a variety of housing types and tenures, housing development will be supported in principle on a range of sites within the village clusters. To achieve this: 1. New sites in village clusters to provide a minimum of 1,200 homes will be allocated through a South Norfolk Village Clusters Housing Allocations Local Plan; 2. New sites in village clusters in Broadland to provide 482 homes are allocated in the Greater Norwich Local Plan Sites Plan. Additional sites may be provided in village clusters by: 1. Infill development within settlement boundaries; 2. Affordable housing led development, which may include an element of market housing (including self/custom build) if necessary, for viability, up to a maximum of 15 dwellings in total. These sites should be adjacent or well related to settlement boundaries with good access to services, including safe routes to schools, subject to other policies of the local plan. The cumulative amount of windfall development permitted during the plan period should not have a negative impact on the character and scale of settlements in any village cluster.
South Norfolk Village Clusters Housing Allocations Plan (Reg 19 Consultation March 2023)	Minimum 1,200 homes to be identified Additional 1,392 existing commitments
Policy VC NEW1: Land off Alan Avenue	1.05ha of land is allocated for approximately 25 dwellings. The developer of the site will be required to ensure: • Two points of access, the first via the adjoining carried forward 2015 Local Plan allocation (now VC NEW2), and the second from another point on Alan Avenue, closer to the junction with Flordon Road; • Reinforcement of the vegetation of the southwestern boundary to successfully contain the site and integrate the development with the wider countryside; • Design and layout to take account of the site topography to protect the residential amenity of existing and future properties; • Liaison with Anglian Water regarding foul water capacity and the potential need to phase the site to later in the plan period;
Policy VC NEW2: Land adjacent Alan Avenue	This was previously NEW1 in Local Plan 2015 1.3 hectares of land is allocated for housing and associated infrastructure for approximately 30 dwellings. This site is expected to be built out in accordance with planning application 2021/2784 when approved. Any new planning permission will need to ensure the following: • Vehicular and pedestrian access via Alan Avenue; • Landscaping of the site to reflect the edge of settlement location, as well as its elevated position within the wider landscape; • Appropriate boundary treatments along the north-west and south-west site boundaries to minimise the visual impact of the development;

Policy	Provisions
	• Connectivity of the site with VC NEW1 to be incorporated into the site design including vehicular and pedestrian access between the sites, landscaping, site layout and the drainage scheme, unless otherwise agreed with the Local Planning Authority; • Liaison with Anglian Water regarding foul water capacity and the potential need to phase the site to later in the plan period.

Source: [Strategy - draft final 2.pdf \(gnlp.org.uk\)](#)

Appendix C : Affordability calculations

- C.1 This section outlines how the affordability thresholds discussed in the Affordability and Affordable Housing have been calculated.

Market housing

- C.2 Market housing is not subsidised and tends to be primarily accessible to people on higher incomes.

i) Market sales

- C.3 The starting point for calculating the affordability of a dwelling for sale from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5. In practice this can be highly variable. Multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants.
- C.4 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 Newton Flotman, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.
- C.5 The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2023) = £283,500;
 - Purchase deposit at 10% of value = £28,350;
 - Value of dwelling for mortgage purposes = £255,150;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £72,900.
- C.6 The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2023 was £245,000, and the purchase threshold is therefore £63,000.
- C.7 It is also worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records 0 sales of new build properties in the NA in

2023. There were too few recent sales in the NA specifically to determine an accurate average for the cost of new build housing in Newton Flotman. It is, however, important to understand the likely cost of new housing because new housing is where the Neighbourhood Plan has most influence, and is the appropriate benchmark for understanding the costs of affordable home ownership tenures (considered below).

- C.8 Therefore an estimate has been calculated by determining the uplift between all house prices in 2023 across South Norfolk and new build house prices in 2023 in the same area. This percentage uplift (or 'new build premium') is then applied to the 2023 lower quartile house price in the NA to give an estimated NA new build entry-level house price of £281,750 and purchase threshold of £72,450.
- C.9 In order to provide a comparison with the wider local authority area, it is helpful to also look at the cost of new build housing across South Norfolk in 2023. The median cost of new build dwellings in South Norfolk was £345,000, with a purchase threshold of £88,714.

i) Private Rented Sector (PRS)

- C.10 It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income. The percentage of income to be spent on rent before the property is considered affordable varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption.
- C.11 This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
- C.12 The property websites Home.co.uk and Rightmove have been cross checked because of the small sample size in the Neighbourhood Area. The best available data is derived from properties available for rent within the a 3 mile radius of the NA centre, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. The larger sample size is likely to generate more robust findings.
- C.13 According to home.co.uk, there were 9 properties for rent at the time of search in March, 2024, with an average monthly rent of £1,035. There were 5 two-bed properties listed, with an average price of £885 per calendar month.

C.14 The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:

- Annual rent = £885 x 12 = £10,620;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £35,400.

C.15 The calculation is repeated for the overall average to give an income threshold of £41,400.

Affordable Housing

C.16 There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2023: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. The new First Homes was introduced in 2021 but is not yet included in the NPPF. Each of the affordable housing tenures are considered below.

i) Social rent

C.17 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.

C.18 To determine social rent levels, data and statistical return from Homes England is used. This data is only available at Local Authority scale so must act as a proxy for Newton Flotman. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for South Norfolk in Table C-1.

C.19 To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table C-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£77.95	£86.83	£95.87	£111.40	£89.44
Annual average	£4,053	£4,515	£4,985	£5,793	£4,651
Income needed	£13,498	£15,035	£16,601	£19,290	£15,487

Source: Homes England, AECOM Calculations

i) Affordable rent

- C.20 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).
- C.21 Even a 20% 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%.
- C.22 Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for South Norfolk. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
- C.23 Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 50% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table C-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£94.84	£111.17	£128.73	£159.18	£112.23
Annual average	£4,932	£5,781	£6,694	£8,277	£5,836
Income needed	£16,422	£19,250	£22,291	£27,564	£19,434

Source: Homes England, AECOM Calculations

i) Affordable home ownership

- C.24 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.
- C.25 In paragraph 66 of the NPPF 2023, the Government introduces a recommendation that “where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership.” There are exemptions to this requirement, including where:
- The provision would exceed the level of affordable housing required in an area;

- The provision would significantly prejudice the ability to meet the identified affordable housing needs of specific groups;
- A proposed development provides solely Build to Rent homes;
- A proposed development provides specialist accommodation for a group of people with specific needs (such as purpose built accommodation for students or the elderly);
- The development is proposed to be developed by people who wish to build or commission their own homes; or
- The proposed development is exclusively for affordable housing, a community-led development exception site, or a rural exception site.

First Homes

C.26 Because First Homes are a new tenure product, it is worth explaining some of their key features:

- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
- The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
- After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;
- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
- They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
- In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents.
- 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.

- C.27 The starting point for considering whether First Homes are affordable is the estimated cost of new build entry-level housing in the NA noted above of £281,750.
- C.28 For the minimum discount of 30% the purchase threshold can be calculated as follows:
- Value of a new home (estimated NA new build entry-level) = £281,750;
 - Discounted by 30% = £197,225;
 - Purchase deposit at 10% of value = £19,723;
 - Value of dwelling for mortgage purposes = £177,503;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £50,715.
- C.29 The income thresholds analysis in the Affordability and Affordable Housing chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £43,470 and £36,335 respectively.
- C.30 All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.
- C.31 Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m¹²) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Newton Flotman.
- C.32 Table C-3 shows the discount required for First Homes to be affordable to the three income groups. The cost of a typical First Home is calculated using an estimate for new build entry-level housing in the NA. However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, as well as median and entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

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

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA median house price	31%	74%	48%
NA estimated new build entry-level house price	31%	74%	48%
NA entry-level house price	21%	70%	40%
LA median new build house price	44%	79%	57%

Source: Land Registry PPD; ONS MSOA total household income

¹² It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - <https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/>

Shared ownership

- C.33 Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rent 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'.
- C.34 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.
- C.35 To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
- C.36 The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £281,750 is £70,438;
 - A 10% deposit of £7,044 is deducted, leaving a mortgage value of £63,384;
 - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £18,113;
 - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £211,313;
 - The estimated annual rent at 2.5% of the unsold value is £5,283;
 - This requires an income of £17,603 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
 - The total income required is £35,722 (£18,113 plus £17,603).
- C.37 The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £28,376 and £47,965 respectively.

Rent to Buy

- C.38 Rent to Buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent, which is intended to be used to build up a deposit to eventually purchase the home. It is therefore

estimated to cost the same as private rents – the difference being that the occupant builds up savings with a portion of the rent.

Help to Buy (Equity Loan)

- C.39 The Help to Buy Equity Loan is not an affordable housing tenure but allows households to afford market housing through a loan provided by the government. With a Help to Buy Equity Loan the government lends up to 20% (40% in London) of the cost of a newly built home. The household must pay a deposit of 5% or more and arrange a mortgage of 25% or more to make up the rest. Buyers are not charged interest on the 20% loan for the first five years of owning the home.
- C.40 It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.

Appendix D : Affordable Housing need and policy

D.1 The following table reviews the relevant factors in developing a policy on the Affordable Housing tenure mix, which inform the recommendation given in the main body of the report.

Table D-1: Wider considerations in developing Affordable Housing mix policy

Consideration	Local Evidence
A. Evidence of need for Affordable Housing: The need for affordable rent and affordable home ownership is not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.	The Greater Norwich HNA, pro rated to the NA, suggests that the Newton Flotman requires around 1 units of affordable rented housing and 2-3 units of affordable home ownership homes per annum over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes. The relationship between these figures suggests that potential demand for affordable home ownership may exceed the need for social/affordable rent. However, the latter tenure is often higher priority because of the acute needs these households face.
B. Can Affordable Housing needs be met in full? How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.	If the Local Plan target of 33% were achieved on every site, assuming the delivery of the NA's remaining allocation for 25 homes overall, up to 8 affordable homes might be expected in the NA over Plan period unless other windfall sites are delivered. This level of potential affordable housing delivery would not be sufficient to meet all of the need identified.
C. Government policy (eg NPPF) requirements: Current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing.	For 10% of all housing to be affordable ownership in Newton Flotman, where 33% of all housing should be affordable, 30% of Affordable Housing would need to be provided as affordable home ownership.

D. Local Plan policy:	The recently adopted Local Plan does not set specific requirements on the tenure split but states that this should take account of up to date evidence of need. In the case of South Norfolk, the balance of need identified in the Greater Norwich HNA is 34% social/affordable rent and 66% affordable home ownership. Again, the need for social/affordable rented housing is more acute and whilst smaller in number, the LPA and Parish Council may wish to prioritise the delivery of this Affordable Housing in the mix.
E. First Homes policy: The Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes. After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the Local Plan. The remaining units should then be allocated to other tenure products in the relative proportions set out in the Local Plan. AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.	This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing.

F. Viability:	HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
G. Funding: The availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site.	The Newton Flotman may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
H. Existing tenure mix in Newton Flotman: The current stock of homes in an area, in terms of balance between ownership, rented and affordable provision may be a consideration in the mix of tenures provided on new development sites.	There is a relatively large stock of social/affordable rented housing in Newton Flotman given the size of the parish. There are very few affordable home ownership properties (shared ownership).
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 Parish Council may wish to take account of broader policy objectives for Newton Flotman and the wider district. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.

Appendix E : Specialist housing for older people

Background data tables

Table E-1: Tenure and mobility limitations of those aged 65+ in Newton Flotman, 2011 (65+ is the closest proxy for 75+ in this data)

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories	248	58	65	125	248	58
<i>Owned Total</i>	201	42	50	109	201	42
Owned outright	168	34	41	93	168	34
Owned (mortgage) or shared ownership	33	8	9	16	33	8
<i>Rented Total</i>	47	16	15	16	47	16
Social rented	38	14	12	12	38	14
Private rented or living rent free	9	2	3	4	9	2

Source: DC3408EW Health status

HLIN calculations

Table E-2: Recommended provision of specialist housing for older people from the HLIN SHOP toolkit

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

Source: Housing LIN SHOP Toolkit

E.1 As Table 6-1 in the main report shows, Newton Flotman is forecast to see an increase of 139 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = $60 \times .139 = 8$
- Leasehold sheltered housing = $120 \times .139 = 17$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = $20 \times .139 = 2.8$
- Extra care housing for rent = $15 \times .139 = 2.0$
- Extra care housing for sale = $30 \times .139 = 4.2$
- Housing based provision for dementia = $6 \times .139 = 0.8$

Appendix F : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

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

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

Affordable rented housing

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

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom 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.

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

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

Co-living

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

Community-led developments (NPPF definition)

A development instigated and taken forward by a not-for-profit organisation set up and run primarily for the purpose of meeting the housing needs of its members and the wider local community, rather than being a primarily commercial enterprise. The organisation is created, managed, and democratically controlled by its members. It may take any one of the various legal forms including a community land trust, housing co-operative, and community benefit society. Membership of the organisation is open to all beneficiaries and prospective beneficiaries of that organisation. The organisation should own, manage, or steward the homes in a manner consistent with its purpose, for example through a mutually supported arrangement with a Registered Provider of Social Housing. The benefits of the development to the specified community should be clearly defined and consideration given to how these benefits can be protected over time, including in the event of the organisation being wound up.

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 older parent living with their adult child and family or an adult child returning to the parental home is not a concealed family; the latter are reported in an ONS analysis on increasing numbers of young adults living with parents.

Equity Loans/Shared Equity

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

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

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

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning

authorities should work with all the other constituent authorities under the duty to cooperate.

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

The number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing

strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 60 of this Framework).

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent 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 will be excluded from NDOs, however. These are minerals and waste development, types of development that, regardless of scale, always need Environmental Impact Assessment, and Nationally Significant Infrastructure Projects.

Neighbourhood plan

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

Older People

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

Output Area/Lower Super Output Area/Middle Super Output Area

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

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

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% (though this was lowered in 2021 to a minimum of 10%), and buyers are encouraged to buy the largest share they can afford. Generally applies to new build properties, but re-sales occasionally become available. There may be an opportunity to rent at intermediate rent level before purchasing a share in order to save/increase the deposit level

Sheltered 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

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

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

Specialist Housing for Older People

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

Social Rented Housing

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

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

