



Diss and District Housing Needs Assessment (HNA)

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Note on Minimum Housing Requirement for the Mid Suffolk part of the Neighbourhood Plan Area

At the time that this study was commissioned, Mid Suffolk District Council had not provided an indicative or definitive housing requirement for the Mid Suffolk part of the Neighbourhood Plan area in line with their obligation to do so under NPPF paragraphs 65 and 66. However, late in the study, after the point at which AECOM had calculated its own indicative housing need figure for the same geography, the Council did provide an indicative figure through its emerging Local Plan (Preferred Options Consultation).¹

The indicative figure provided is for 48 dwellings, which contrasts with AECOM's own calculation of 154 dwellings. The difference between the two figures may be explained by the fact that Mid Suffolk's calculation builds in supply-side factors/constraints (as appropriate for a Local Plan), whereas AECOM's (as appropriate for a housing needs assessment) was calculated in line with the government's standard method for assessing housing need, with much greater weight on demand-side factors, and fewer supply-side considerations.

It is important to recognise, however, in line with the NPPF, that Mid Suffolk's figure definitively supersedes AECOM's own calculation and therefore should be considered the minimum housing requirement for the Mid Suffolk part of the Neighbourhood Plan Area. It has been nevertheless agreed with the Town Council that AECOM's own calculation should be retained within this report, as a still helpful indication of what the unconstrained (i.e. demand-side) housing need might be in this part of the Neighbourhood Plan area. The figure arising from AECOM's calculation may be particularly helpful if the Town Council wishes to consider supporting development in the Mid Suffolk part of the Neighbourhood Plan area that exceeds the minimum housing requirement set out by the District Council.

¹ Available at <https://www.midsuffolk.gov.uk/assets/Strategic-Planning/JLP-Reg18-2019/Council-v1-BMSDC-Joint-Local-Plan-Preferred-Options-Reg-18.pdf>

Table of Contents

List of acronyms used in the text:	6
1. Executive Summary	8
1.1 Introduction	8
1.2 Research Questions	8
1.3 Findings of RQ1: Quantity	8
1.4 Findings of RQ2: Tenure and affordability	8
1.5 Findings of RQ3: Type and size	9
1.6 Findings of RQ4: Housing for first-time buyers	10
2. Context	11
2.1 Local context	11
2.2 Planning policy context	12
2.2.1 South Norfolk Parishes (Roydon; Burston and Shimpling; Scole; Diss)	12
2.2.2 Mid Suffolk Parishes (Palgrave; Stuston; Brome and Oakley)	13
3. Approach	15
3.1 Research Questions	15
3.1.1 Quantity	15
3.1.2 Tenure and affordability	15
3.1.3 Type and size	15
3.1.4 Homes for first-time buyers	15
3.2 Relevant Data	15
3.2.1 The Local Authority Evidence Base	15
3.2.2 Other relevant data	16
4. RQ 1: Quantity	17
4.1 Introduction	17
4.2 Standard method (Step 1)	18
4.3 Latest LPA planning strategy (Step 2)	19
4.4 Past dwelling completions and commitments (Step 3)	19
4.5 Final Housing Need Figure	20
5. RQ 2: Tenure and affordability	21
5.1 Introduction	21
5.2 Definitions	21
5.3 Current tenure profile	21
5.3.1 Data from Central Norfolk SHMA	21
5.3.2 Data from Mid Suffolk SHMA	22
5.3.3 Data from Census	23
5.4 Affordability	24
5.4.1 House prices	24
5.4.2 Income	25
5.4.3 Affordability thresholds	26
5.5 Local authority assessment of affordable housing need	27
5.5.1 Mid Suffolk	27
5.5.2 South Norfolk	27
5.6 Conclusions- Tenure and Affordability	29
6. RQ 3: Type and size	30
6.1 Introduction	30
6.2 Background and definitions	30
6.3 Existing type and size	31
6.3.1 Data from Central Norfolk SHMA	31
6.3.2 Data from Mid Suffolk SHMA	31
6.3.3 Census data	31

AECOM	5
6.3.4 Age structure and household composition.....	33
Age structure	33
Household composition.....	34
6.4 Dwelling mix determined by life-stage modelling	34
6.5 Type and size conclusions.....	37
6.5.1 Existing types and sizes	37
6.5.2 Age structure	37
6.5.3 Household composition	38
7. RQ 4: Housing for first-time buyers.....	39
7.1 Introduction.....	39
7.2 Assessment.....	39
8. Conclusions	42
8.1 Assessment conclusions	42
8.2 Recommendations for next steps	46
Appendix A : Affordability Calculations	47
A.1 Market Housing	47
A.2 Affordable Housing	47
Appendix B : Housing Needs Assessment Glossary.....	50

List of acronyms used in the text:

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
ASNLP	Adopted South Norfolk Local Plan
DMPD	Development Management Policies Document
DTC	Diss Town Council
GNLP	Greater Norwich Local Plan
GT	Gypsy & Traveller
GTAA	Gypsy and Traveller Accommodation Assessment
HEDNA	Housing and Economic Development Needs Assessment
HELAA	Housing and Economic Land Availability Assessment
HNA	Housing Needs Assessment
IT	Income Threshold
JCS	Joint Core Strategy for Broadland, Norwich and South Norfolk
JLP	Joint Local Plan
HNF	Housing Needs Figure
HRP	Household Reference Person
LAA	Land Availability Assessment
LHN	Local Housing Need
LPA	Local Planning Authority
LQ	Lower Quartile
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
MS & SN	Mid Suffolk and South Norfolk
MSDC	Mid Suffolk District Council
MSOA	Middle Super Output Area
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NA	Neighbourhood Area
NPPF	National Planning Policy Framework
OAN	Objectively Assessed Need
ONS	Office for National Statistics
PPD	Price Paid Data
PPG	Planning Practice Guidance

PRS	Private Rented Sector
PT	Purchase Threshold
QB	Qualifying Body
RQ	Research Question
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
SNDC	South Norfolk District Council
SSAPD	Site Specific Allocations and Policy Document

1. Executive Summary

1.1 Introduction

Diss and District in South Norfolk and Mid Suffolk commissioned from Locality a Housing Needs Assessment (HNA) to inform their emerging Neighbourhood Plan. In consultation with the neighbourhood planning group, we developed four research questions (RQs) for the HNA to answer. The RQs serve to direct our research into the key neighbourhood-level issues and provide the structure for the study.

1.2 Research Questions

RQ1: What quantity of housing in the three combined Parishes of Brome and Oakley, Stuston and Palgrave - part of the wider Diss and District Neighbourhood Area - is appropriate over the Plan period?

RQ2: What Affordable Housing (Social Rented, Affordable Rented, and affordable routes to home ownership) and market tenures should be included in the housing mix?

RQ3: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is most appropriate for Diss and District?

RQ4: What provision should be made for first-time buyers within the NA?

1.3 Findings of RQ1: Quantity

1. Based on the evidence presented above, this HNA recommends an indicative **overall HNF of 154 dwellings, which equates to 9 dwellings per year between 2019 and 2036** for the Mid Suffolk part of the Neighbourhood Area, i.e. the parishes of Brome and Oakley, Stuston and Palgrave.
2. However, the housing figure for Mid Suffolk is derived from the Government's Standard Methodology and is likely to change annually as the Government publish new affordability data each year and new household projections approximately every two years. This could impact on the number of homes required in Mid Suffolk and any indicative housing requirement figure provided by MSDC for neighbourhood areas.
3. Additionally, Mid Suffolk has indicated to AECOM that a final Housing Requirement Figure for the Mid Suffolk part of the Diss and District NA will emerge alongside the next iteration of the Joint Local Plan (JLP), which is scheduled for Summer 2019. At the time this is provided, it can be considered to supersede the provisional calculation within this study, and based on the evidence of past spatial strategy for smaller villages in Mid Suffolk, could differ significantly from it. Consequently, there is a need for the neighbourhood group to continue to engage with the LPA to agree the need figure for the Neighbourhood Plan.

1.4 Findings of RQ2: Tenure and affordability

4. The South Norfolk SHMA concludes that 15% of affordable housing need in South Norfolk should be met through the provision of 1 bed flats, 43% by 2 bed properties, 36% by 3 bed houses and 7% by 4+ bed houses. This does not, however, align with the current housing waiting list for the South Norfolk part of the Neighbourhood Area, which suggests a much higher need for one bed properties and that the types of housing most suitable are likely therefore to tend more towards bungalows, flats and smaller (i.e. terraced and semi-detached rather than detached) house types.
5. Overall, the SHMA considers that the dwellings needed across South Norfolk between now and the end of the Local Plan period would comprise 80% market housing and 20% affordable housing. As such, neither the SHMA nor the snapshot of the current affordable waiting list suggest there is any overwhelming need for neighbourhood planners to need to provide a housing exception site, at least not early in the Plan period, and the Mid Suffolk SHMA comes to a similar conclusion.
6. Affordability thresholds calculated as part of this study show that the income required to buy an entry-level market home for sale (i.e. the Purchase Threshold) exceeds what is available to those on median household incomes and lower quartile household incomes.
7. For the Starter Homes and Shared Ownership tenures, i.e. those aimed at people on lower quartile incomes, average lower quartile incomes are insufficient to access any of these tenures, although shared ownership at 50% or less is within reach for those on average incomes.
8. The inability of those on lower quartile incomes to afford entry-level market rents, affordable rent and social rent is justification for relatively bold policy measures to ensure that sufficient quantities of social rented accommodation are

provided so that this segment of the population has access to appropriate accommodation. Future provision should focus on social rather than affordable rented housing where possible. Also appropriate locally would be shared ownership which, at a 25% or 50% share, remains significantly more affordable than starter homes.

9. The fact that shared ownership is more affordable than entry-level market rent, and within reach for those on median incomes, represents a clear opportunity for the increased provision of this tenure (which is poorly represented in the current dwelling mix) to facilitate access to home ownership for those on average incomes who wish to attain it.
10. The comparison of tenures between the Local Authorities and the Neighbourhood Area strongly suggests that Diss and District is less affordable than its wider area, and potentially also becoming less affordable over time as house prices steadily rise.

1.5 Findings of RQ3: Type and size

11. Census data shows that there are proportionally more terraces and flats in the combined parishes than across the local authorities. Although the proportion of detached homes is lower than observed across the District, it is still significantly higher than the average for England.
12. The NA differs significantly from the Local Authorities in that it has more very small homes, a larger proportion of 4 room properties and fewer very large properties of 8 rooms or more. Nevertheless, this is a relative assessment- the NA still has a large proportion of properties with 5 rooms or more (70.8%).
13. The 2011 Census data reveals that the age profile of Diss and District NA is very similar to that of South Norfolk. We do note, however, a slightly larger proportion of residents in the older age brackets. For example, 20% of Diss and District NA residents are aged between 65 and 84, compared with 18% across the District. The proportion of younger residents aged between 0 and 15 is one percentage point lower than the District. Both areas are characterised by a larger amount of residents in the older brackets compared to the England average.
14. Between the two Censuses, the number of residents aged 85 and over is the age group that has increased the most (30.2%).
15. The ONS population projections also reveal that, by 2036, people aged over 65 will be the single largest group in South Norfolk and Mid Suffolk. Therefore, there will be a significant increase in the demand for housing related support services. The ageing of the population currently aged 45-64 thus has major implications for Diss and District NA over the Plan period.
16. Household composition in Diss and District NA is not dissimilar to the District as a whole. The main difference is the higher proportion of one-person households, which is increasing.
17. A large and increasing proportion of families with non-dependent children, as is the case in the NA, can sometimes indicate difficulties experienced by younger residents in forming their own households, possibly due to a lack of suitable dwellings.
18. Through a life-stage modelling exercise, we conclude that by the end of the neighbourhood plan period, the distribution of dwellings should ideally be only slightly different from that of today- there should be slightly fewer homes of 1 and 2 bedrooms, and slightly more homes of 3, 4 and 5+ bedrooms.
19. These findings indicate that the smaller average size of homes in Diss and District compared to the Local Authority averages means that the NA is, broadly speaking, well-placed already to cope with the forecast ageing of the population and their consequent demand for smaller homes as they downsize.
20. However, it is important to caveat the result of this model, because it is based on past trends and issues of supply. Supply, not just demographic profile, can influence occupancy patterns. For this reason, we verify the results further with respect to occupancy trends at the national level.
21. This recommended split implies more demand for one and three-bedroom dwellings, and less for those with two bedrooms and four or more bedrooms.
22. To reflect this, the HNA advises taking the average of the life stage modelling and the national occupancy trends, meaning the final recommendation for the dwelling mix is as follows (all figures rounded and approximate):
 - 15% one bedroom dwellings;
 - 15% two bedroom dwellings;
 - 50% three bedroom dwellings; and
 - 20% four or more bedroom dwellings.

1.6 Findings of RQ4: Housing for first-time buyers

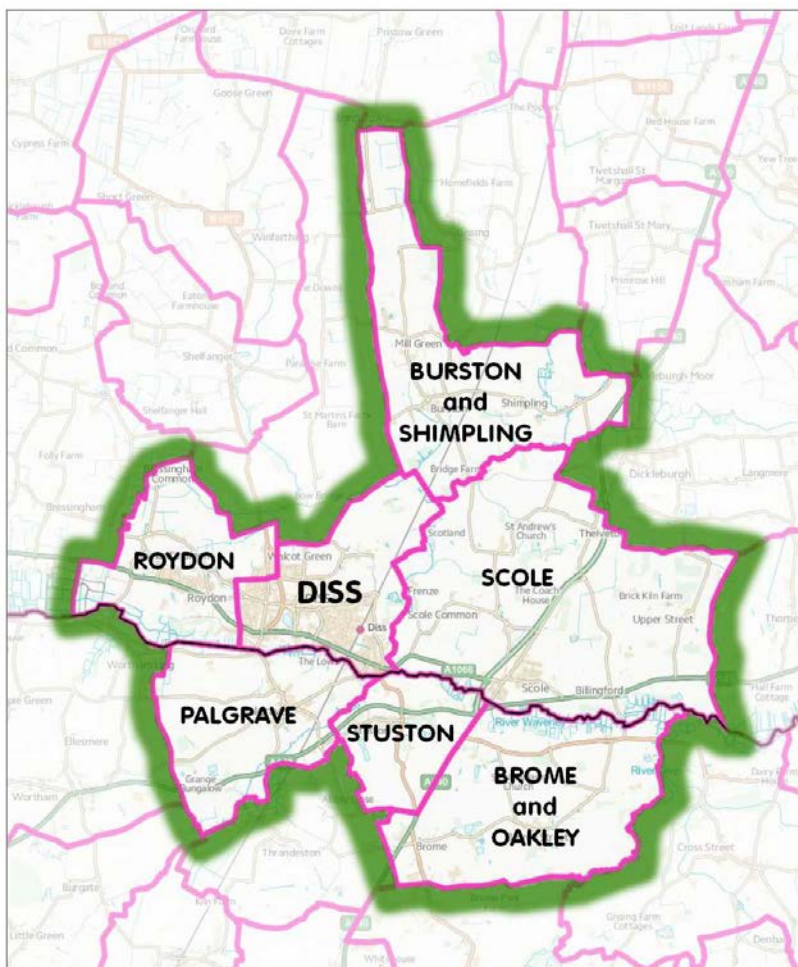
23. There were 2,548 individuals aged between 18 and 35 in the NA in 2011. This represents 18.8% of the population (13,531). These individuals may or may not have formed their own households.
24. Based on Census 2011 data, it is estimated that there are 470 households that could potentially be formed that had not yet done so. We assume these households are still living with their parents. They will not have formed their own household for several reasons including the absence of suitable affordable tenures (though there will be other reasons, too, such as saving money).
25. Census data about household composition shows that 502 households have non-dependent children living in them. The figure of 470 above can therefore be seen as a broadly reasonable estimate.
26. Rental is by far the most commonly occupied tenure among HRPs under the age of 49- although it is clear that rental decreases and ownership increased with advancing age. This is a common pattern seen across the country and is likely linked to increasing income over time.
27. However, the tenures occupied by different households can vary significantly between the ages of 25 and 49.
28. Data interrogated for households under the age of 35 specifically shows the importance of the private and social rented sectors at present for younger households, though does show that after the age of 30, more HRPs are able to afford to own their own house than rent, helped by mortgages, loans or shared ownership schemes.
29. Based on the average of the datasets interrogated, an estimated tenure split of new-build homes has been developed, bearing in mind the needs of newly forming households specifically. This tenure split emphasizes the importance to these households of both entry-level market sales (including affordable routes to home ownership) and private rent, and is as follows:
- Home ownership 4%
 - Entry-level market sales/intermediate ownership product 10%
 - Social rent 33%
 - Private rent 53%

2. Context

2.1 Local context

30. Diss and District was designated as a Neighbourhood Area (NA) in 2017, and a steering group has since begun working towards developing a Neighbourhood Plan (NP). The Neighbourhood Area is unusual, and made more complex, in that it stretches across two separate Local Planning Authorities (LPAs) in two separate counties (South Norfolk and Mid Suffolk). A map identifying the designated Diss Neighbourhood Area is shown below in Figure 2-1.
31. The NA is made up of the following seven parishes:
- Brome and Oakley;
 - Burston and Shimpling;
 - Diss;
 - Palgrave;
 - Roydon;
 - Scole; and
 - Stuston.

Figure 2-1: Diss Neighbourhood Area



Source: Diss Town Council²

² Available at <http://diss.gov.uk/neighbourhood-planning/>

32. Roydon (approximately 520 hectares), Burston and Shimpling (approximately 917 hectares) and Scole (approximately 1490 hectares) are villages and civil parishes located in South Norfolk district. Diss (approximately 530 hectares) is a market town and parish, also located in South Norfolk.
33. Palgrave (approximately 608 hectares), Stuston (approximately 335 hectares), and Brome and Oakley (approximately 895 hectares), are villages and civil parishes situated in Mid Suffolk District.
34. The main settlement within the NA is Diss. The surrounding parishes are relatively rural in nature, with smaller settlements.
35. Diss railway station is situated near the centre of the NA. The station is served by the Great Eastern main line, which provides residents with regular services between London Liverpool Street and Norwich, as well as additional Saturday services to Great Yarmouth.
36. The seven parish partnership was formed in July 2017 and carried out public consultation on planning in early 2018. The Town council informs us that the NP period will cover 2019 to 2036.

2.2 Planning policy context

37. In line with the basic conditions of Neighbourhood Planning (NP), Neighbourhood Development Plans (NDPs) are required to be in general conformity with the strategic policies in the adopted Local Plan. Consequently, there is a requirement for the relevant Local Plans to be reviewed as part of this Housing Needs Assessment (HNA).

2.2.1 South Norfolk Parishes (Roydon; Burston and Shimpling; Scole; Diss)

38. For the parishes within South Norfolk, The adopted South Norfolk Local Plan (ASNLP) sets out detailed planning policies for the district, for the period up to 2026. The Local Plan includes the Joint Core Strategy for Broadland, Norwich and South Norfolk (JCS), adopted in 2011 and amended in 2014, the Site Specific Allocations and Policy Document (SSAPD), adopted in 2015, and the Development Management Policies Document (DMPD), adopted in 2015. South Norfolk District Council (SNDC) is currently working with Broadland District Council, Norwich City Council and Norfolk County Council, to prepare the Greater Norwich Local Plan (GNLP). Upon completion, the GNLP will provide the most up-to-date planning policy for the area, up until 2036. However, given that the GNLP is not due to be adopted until 2021, the ASNLP is the document with which the NP must conform. The SSAPD, JCS and DMPD documents of the ASNLP have been studied for policies relevant to housing need.
39. A full list of all adopted and emerging South Norfolk policies deemed relevant for the purpose of this HNA is identified in Table 2- below.

Table 2-1: Summary of South Norfolk District Council adopted and emerging policies considered relevant for the purpose of this HNA³

Policy or topic	Status	Source	Provisions
Policy 4: Housing delivery	Adopted	Joint Core Strategy for Broadland, Norwich and South Norfolk (JCS)	At least 36,820 new homes will be delivered between 2008 and 2026, 33,000 of which will be allocated in the designated Norwich Policy Area (<i>which excludes Diss and District</i>). Affordable housing will be sought on all sites for 5 or more dwellings (or 0.2 hectares or more)- 20% for sites of 5-9 dwellings, 30% for sites of 10-15 dwellings and 33% for sites of 16 dwellings or more. ⁴
Policy 9: Strategy for growth in the Norwich Policy Area	Adopted	Joint Core Strategy for Broadland, Norwich and South Norfolk (JCS)	Dwelling numbers and locations are specified in this policy. ⁵
Policy 10: Locations for major new, or expanded, communities in the Norwich Policy area	Adopted	Joint Core Strategy for Broadland, Norwich and South Norfolk (JCS)	Designated areas, with specific growth and housing targets are included in this policy. ⁶
Strategic Principles of the Site Specific Allocations and Policies Document	Adopted	Site Specific Allocations and Policy Document (SSAPD)	This document sets out the appropriate sites for housing and affordable housing, in the most sustainable locations to meet the Joint Core Strategy requirements ⁷ .

³ For the purposes of this table, the summaries of relevant provisions have been edited for clarity. The full policy text in the relevant adopted or emerging Local Plan should be referred to by any party proposing development in the Parish.

⁴ Available at: https://www.south-norfolk.gov.uk/sites/default/files/JCS_Adopted_Version_Jan_2014.pdf

⁵ Ibid.

⁶ Ibid.

Policy or topic	Status	Source	Provisions
DM 3.1: Meeting housing requirements and needs	Adopted	Development Management Policies Document (DMPD)	All housing proposals should help to contribute to a range of dwelling types as set out in the SHMA. This policy will be applied to all sites and proposals that could meet or exceed JCS 4 thresholds in relation to affordable housing ⁸ .
DM 3.2: Meeting rural housing needs	Adopted	Development Management Policies Document (DMPD)	This policy sets out the requirements for planning affordable housing in rural areas ⁹ .
DM 3.4 – 3.6 regarding residential and countryside extensions, conversions, replacement dwellings, additional dwellings	Adopted	Development Management Policies Document (DMPD)	This policy sets out the guidelines for residential extensions and conversions (e.g. adequate access and parking), rules for replacement dwellings and additional dwellings (e.g. incorporating good quality design), and needs for countryside house extensions and replacements (e.g. the original dwelling must have a lawful permanent residential use) ¹⁰ .

2.2.2 Mid Suffolk Parishes (Palgrave; Stuston; Brome and Oakley)

40. The original version of Mid Suffolk's Local Plan, some of which remains in force, dates from 1998.¹¹
41. However, the 1998 Local Plan has mostly been superseded by policies from the Core Strategy (September 2008)¹² and its Focused Review (December 2012).¹³
42. The 1998 Local Plan document is now being replaced entirely by a new Joint Local Plan (JLP) document¹⁴ for Babergh and Mid Suffolk districts. The JLP is at a relatively advanced stage, with pre-submission consultation (i.e. the last consultation before it is submitted to the Secretary of State for examination) scheduled for summer 2019.
43. The fact that the Core Strategy and adopted Local Plan date from before the adoption of the National Planning Policy Framework (NPPF), the key national planning policy document first adopted in 2012 and revised in 2019, means that for planning purposes, the Core Strategy is considered 'out of date', though the purpose of the CSFR was to bring relevant parts of it up to date with the NPPF. This means that in cases where saved policies from the 1998 Local Plan and/or the 2008 Core Strategy conflict with the NPPF, it is the NPPF policy that takes priority and that the Neighbourhood Plan should align with.
44. Various other parts of the Mid Suffolk Local Plan website, alongside adopted and emerging policy documents, are relevant for the purposes of neighbourhood planning at Diss and District, for example, information on the self-build register and community land trusts, aimed at facilitating the development of self-build and custom-build dwellings, a topic that the Town Council has indicated they would like the Neighbourhood Plan to cover.¹⁵
45. As such, the JLP, which has a planning period of 2014 to 2036, is for the purposes of this assessment known as the 'emerging plan'. The Town Council has confirmed to AECOM that Diss and District Neighbourhood Plan's period will mirror the remaining period of the JLP. As such, while the Basic Conditions require neighbourhood plan policies to be in conformity with adopted rather than emerging policy, clearly it is sensible, given the forthcoming replacement of adopted policies, for the Neighbourhood Plan to seek to be in conformity with the adopted policy (where adopted policy does not conflict with the NPPF) and have regard to emerging policy.
46. A full list of all adopted and emerging Mid Suffolk policies deemed relevant for the purpose of this HNA is identified in Table 2- below.

⁷ Available at: https://www.south-norfolk.gov.uk/sites/default/files/SSAPD_Sections_0-1_Contents_%26_Intro_Major_Growth_Locations.pdf

⁸ Available at: https://www.south-norfolk.gov.uk/sites/default/files/Development_Management_Policies_Document_0.pdf

⁹ Available at: https://www.south-norfolk.gov.uk/sites/default/files/Development_Management_Policies_Document_0.pdf

¹⁰ Available at: https://www.south-norfolk.gov.uk/sites/default/files/Development_Management_Policies_Document_0.pdf

¹¹ See <https://www.midsuffolk.gov.uk/planning/planning-policy/adopted-documents/mid-suffolk-district-council/mid-suffolk-local-plan/>

¹² Available at <https://www.midsuffolk.gov.uk/assets/Strategic-Planning/Mid-Suffolk-Core-Strategy/Core-Strategy-with-CSFR-label-and-insert-sheet-07-01-13.pdf>

¹³ Available at <https://www.midsuffolk.gov.uk/assets/Strategic-Planning/Mid-Suffolk-Core-Strategy/CSFR-adopted-December-2012.pdf>

¹⁴ For most recent version, see <https://www.midsuffolk.gov.uk/planning/planning-policy/new-joint-local-plan/>

¹⁵ See <https://www.babergh.gov.uk/housing/self-build-and-community-land-trusts/>

Table 2-2: Summary of Mid Suffolk Council adopted and emerging policies considered relevant for the purposes of this HNA¹⁶

Policy or topic	Status	Source	Provisions
H4: Affordable Housing	Adopted	Local Plan 1998 (saved policy)	A proportion of affordable housing (up to 35%, based on negotiation) in new housing developments of 5 dwellings or more in the part of the District including the three combined parishes. ¹⁷
H5: Rural Exception Sites	Adopted	Local Plan 1998 (saved policy)	Affordable housing permitted on rural exception sites where there is evidence of need. ¹⁸
CS1: Settlement Hierarchy	Adopted	Core Strategy 2008	Defines Palgrave as one of 26 'Secondary Villages' in the settlement hierarchy. Stuston and Brome and Oakley are not listed in the Settlement Hierarchy and as such are designated as 'countryside villages'.
FC2: Provision and Distribution of Housing	Adopted	Core Strategy Focussed Review 2012	Does not require Secondary Villages and countryside villages to accommodate development over the period 2012 to 2027.
Proposed Joint Settlement Hierarchy	Emerging policy	Joint Local Plan (2017 Consultation)	The August 2017 JLP consultation document placed all three parishes in the 'Hinterland Village' category. A revised Settlement Hierarchy will be published in the next iteration of the JLP which is currently scheduled for publication in Summer 2019. No specific housing allocation figure has yet been provided.

Source: Mid Suffolk District Council.

¹⁶ For the purposes of this table, the summaries of relevant provisions have been edited for clarity. The full policy text in the relevant adopted or emerging Local Plan should be referred to by any party proposing development in the Parish.

¹⁷ AECOM considers that this out-of-date policy does not conflict with the NPPF and thus continues to carry weight.

¹⁸ AECOM considers that this out-of-date policy does not conflict with the NPPF and thus continues to carry weight.

3. Approach

3.1 Research Questions

47. Research Questions, abbreviated to 'RQ,' are determined at the start of the project through discussion with the neighbourhood planning group. They serve to direct our research and provide the structure for the HNA.
48. Below we set out the RQs relevant to this study, as discussed and agreed with Diss Town Council.

3.1.1 Quantity

49. The Diss and District Neighbourhood Area is made up of seven different Parishes located in two different Local Authorities: South Norfolk and Mid Suffolk. Diss, Roydon, Burston and Shimpling and Scole are located in the South Norfolk District. South Norfolk District Council has advised that Diss and Roydon should seek to accommodate 300 dwellings, Burton and Shimpling 35, and Scole a further 35.¹⁹
50. The three remaining parishes are located in the Mid Suffolk District and no indication has been made regarding the number of dwellings they should seek to accommodate. Therefore, the Diss and District Neighbourhood Plan steering group would like the HNA to help them determine the appropriate number of new dwellings needed in the three Mid Suffolk Parishes until the end of the Plan period (2036).

RQ1: What quantity of housing in the three combined Parishes of Brome and Oakley, Stuston and Palgrave - part of the wider Diss and District Neighbourhood Area - is appropriate over the Plan period?

3.1.2 Tenure and affordability

51. The QB is unsure whether the amount of Affordable Housing currently being delivered is enough to meet local needs. The group has also mentioned the importance of affordable homes to retain younger families. Affordable Housing needs, as well as the affordability of different tenures, will therefore be investigated.

RQ2: What Affordable Housing (Social Rented, Affordable Rented, and affordable routes to home ownership) and market tenures should be included in the housing mix?

3.1.3 Type and size

52. The aim of this research question is to provide the Neighbourhood Area with robust evidence on the types and sizes needed by the local community based on the changing demographic profile.

RQ3: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is most appropriate for Diss and District?

3.1.4 Homes for first-time buyers

53. The steering group perceives an increase in the number of younger families looking to buy their first home. Therefore, using the evidence from the first two RQs, this HNA will provide guidance on the specific housing needs of first-time buyers.

RQ4: What provision should be made for first-time buyers within the NA?

3.2 Relevant Data

3.2.1 The Local Authority Evidence Base

54. The PPG states that, where a qualifying body is attempting to identify and meet housing need, a local planning authority should share relevant evidence on housing need gathered to support its own plan-making.²⁰ As Diss and District straddles the boundary of South Norfolk and Mid Suffolk Districts, the LPA evidence bases were interrogated to understand that evidence.
55. In the case of South Norfolk, this evidence base comprises the following documents:

¹⁹ Via e-mail to AECOM, May 2019.

²⁰ PPG Paragraph: 040 Reference ID: 41-040-20160211

- The Central Norfolk Strategic Housing Market Assessment (SHMA) 2016 Part One (January 2016)²¹
- The Central Norfolk SHMA 2015 Part Two (January 2016)²²
- The Central Norfolk SHMA 2017 (June 2017)²³, which partially updates the 2016 SHMA Part One.

56. In the case of Mid Suffolk, this evidence base comprises the following documents:

- The Ipswich and Waveney Housing Market Areas Strategic Housing Market Assessment (SHMA) Part One (May 2017)²⁴;
- The Ipswich and Waveney Housing Market Areas SHMA Part 2 (September 2017)²⁵; and
- A SHMA Part II Partial Update (January 2019)²⁶.

57. These documents address the relevant geography and inform emerging housing policies at a local authority level, including affordable housing policy.

58. An initial review, however, showed that Part 1 of both the South Norfolk and Mid Suffolk SHMAs are relevant only in terms of establishing the Objectively Assessed Need (OAN) for housing across the district as a whole, and as such are not relevant for any of our RQs. This is also the case for the Central Norfolk SHMA 2017.

59. Perhaps surprisingly, this is as true for RQ1 on Quantity as it is for the others, because although both SHMA Part 1 and RQ1 cover quantity, the methodology used by RQ1 does not rely on the SHMA quantity calculations, rather using adopted South Norfolk and Mid-Suffolk policy, alongside national-level household projections.

3.2.2 Other relevant data

60. In addition to the LPA evidence base, we have gathered data from a range of other sources to ensure our study is robust for the purposes of developing policy at the neighbourhood plan level. These include Census data providing insights into demographic shifts, the affordable housing waiting lists managed by South Norfolk and Mid Suffolk District Councils, Land Registry data on house prices and Valuation Office Agency data on local income.

²¹ Available at <https://www.south-norfolk.gov.uk/residents/planning/planning-policy/emerging-local-plan-and-new-evidence/strategic-housing-market>

²² Available at <https://www.south-norfolk.gov.uk/residents/planning/planning-policy/emerging-local-plan-and-new-evidence/strategic-housing-market>

²³ Available at <https://www.south-norfolk.gov.uk/residents/planning/planning-policy/emerging-local-plan-and-new-evidence/strategic-housing-market>

²⁴ Available at <https://www.babergh.gov.uk/assets/Strategic-Planning/Current-Evidence-Base/Ipswich-and-Waveney-Housing-Market-Areas-Strategic-Housing-Market-Assessment-Part-1-May-2017.pdf>

²⁵ Available at <https://www.babergh.gov.uk/assets/Strategic-Planning/Current-Evidence-Base/SHMA-Pt2-Sept-2017-2.pdf>

²⁶ Available at <https://www.babergh.gov.uk/assets/Strategic-Planning/Current-Evidence-Base/SHMA-Part-2-update-2019.pdf>

4. RQ 1: Quantity

RQ1: What quantity of housing in the three combined Parishes of Brome and Oakley, Stuston and Palgrave - part of the wider Diss and District Neighbourhood Area - is appropriate over the Plan period?

4.1 Introduction

61. The NPPF (paragraph 65) states that strategic policy-making authorities should establish a housing requirement figure for their whole area which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period. Within this overall requirement, strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations.
62. NPPF paragraph 66 states where it is not possible to provide a requirement figure for a neighbourhood area²⁷ the local planning authority should provide an indicative figure, if requested to do so by the neighbourhood planning body". This 'indicative' figure should (amongst other things) take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the planning authority.²⁸
63. Given that no indicative housing requirement figure has been provided to the three combined Parishes of Brome and Oakley, Stuston and Palgrave at the time of writing, there is a need to calculate an objectively assessed Housing Need Figure (HNF) for this part of the Neighbourhood Area. This then has the potential to be used as the starting point for further work to establish a policy-on Housing Requirement Figure.
64. In calculating this HNF, it should be noted that paragraphs 65 and 66 place specific obligations on strategic or local planning authorities and no other parties (i.e. AECOM is not obliged to follow directly paragraphs 65 and 66). Having said this, clearly AECOM's calculation will be of most use as a starting point, both to the neighbourhood group and to the LPA, if it can seek to mirror the NPPF suggested approach as closely as possible, and so this is the reasonable approach that has been taken.
65. The Planning Practice Guidance²⁹ states "Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations".
66. A housing need figure is a policy-off figure. This means that, while it takes account of the factors set out paragraph 66 of the NPPF and dwelling completions over the course of the Plan period, it is an expression of total housing demand unconstrained by the limits of the land available to build on. It is also unconstrained by the impact of policies that either facilitate or obstruct development. A policy-off figure can then be reviewed in light of further evidence including environmental constraints, land availability, relevant Local and Neighbourhood plan objectives and policies, to arrive at a policy-on Neighbourhood Planning housing requirement figure.
67. We have estimated the number of new dwellings that should be sought in the NA over the Plan period (the Housing Need Figure or HNF) using a four-step approach in accordance with the 2019 National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG). This is set out in the box below:

Step 1: "the population of the neighbourhood area"

The HNF for the NA should take as its starting point the housing target for the Local Authority (LA) in which it sits. The baseline for our calculation for NA is therefore a share of the current LA Local Housing Need figure that reflects the share of the LA population living in NA.

NPPF requires Local Authorities, and anyone calculating LHN in their place, to use the standard method.³⁰ This calculation takes the most recent MHCLG-approved household population projection for the District, applies to it an uplift based on the most recent ONS affordability ratio for that area, and then applies a cap to that number if certain conditions are met.

²⁷ Because a neighbourhood area is designated at a late stage in the strategic policy-making process, or after strategic policies have been adopted; or in instances where strategic policies for housing are out of date.

²⁸ NPPF, paragraph 66, page 18

²⁹ Paragraph: 001 Reference ID: 2a-001-20190220

³⁰ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

Step 2: “most recently available planning strategy of the planning authority”

We then follow the guidance presented in the NPPF, which states that the initial HNF for neighbourhood plans should reflect “the overall strategy for the pattern and scale of development and any relevant allocations,”³¹ and “the most recently available planning strategy of the local planning authority.”³²

This means introducing Local Authority spatial policy, housing targets, and assessments of housing need at different scales to arrive at a more locally appropriate proportion of the LA housing target that should be provided in NA. This will often result in a slightly different figure to that produced in Step 1.

Step 3: Completions

Next, any dwellings that have already been completed over the Plan period to the present date on sites in the NA should be deducted from the total in order to provide a HNF for the remainder of the Plan period and an annual HNF that reflects past under- or over-delivery.

Step 4: the Local Authority

The NPPF makes it clear that the Local Authority should provide housing numbers to designated neighbourhood planning areas within their district where requested to do so. To this extent, AECOM is performing a similar role to that required of the Local Authority in providing a HNF to the NA. With this in mind, it is important the group share the HNF and underlying methodology once they have received the final version of this document with the LPA to seek confirmation it is aligned with their current planning strategy, in particular those circumstances which may justify an uplift to the HNF set out in PPG.³³

68. Employing this methodology, the Housing Needs Figure for the Neighbourhood Area may be calculated as follows:

4.2 Standard method (Step 1)

69. Firstly, we calculate the Local Housing Need (LHN) for the LPA using the standard method outlined in Planning Policy Guidance, before taking the population of the Plan area, and calculating the proportion of the total population of the LPA that it represents. This percentage will then be used to determine the share of the LPA target that should be apportioned to the Plan area.

70. The Mid Suffolk LHN figure, using the standard method, is calculated as follows³⁴:

71. **Stage one** is to set the baseline, by calculating the projected average annual household growth in Mid Suffolk over a 10-year period, beginning with the current year, using the most recent ONS household projections:

- According to Mid Suffolk’s 2014-based household projection, total household growth will be 4,148 dwellings between 2019 and 2029 (thus 415 dwellings per annum over this ten-year period after rounding).

72. **Stage two** is to adjust this annual average using the most recent ONS median workplace-based affordability ratios,³⁵ which provide the ratio of house prices to earnings in various geographies. For each 1% increase in the ratio above 4, projected household growth should be increased by a quarter of a percent:

- Mid Suffolk’s 2018 median affordability ratio is 9.46. Using the formula outlined in PPG to calculate the adjustment factor results in a minimum annual figure of **556** dwellings (rounded).³⁶

73. **Stage three** is to apply a cap, which limits the magnitude of increase an LA can face. How this is calculated depends on the current status of relevant strategic policies for housing. There are two options depending on whether those policies were adopted within the last five years or are older:

- Option 1: where the relevant strategic policies were adopted within the last five years (at the point of making the calculation), the LHN is capped at 40% above the average annual housing requirement figure set out in the existing policies. This also applies where the relevant strategic policies have been reviewed by the

³¹ NPPF, paragraph 65, page 18

³² Ibid

³³ Paragraph: 010 Reference ID: 2a-010-20190220

³⁴ Paragraph: 004 Reference ID: 2a-004-20190220

³⁵ <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

³⁶ The full calculation for this step is as follows: $((9.46 - 4) / 4) \times 0.25 = 0.34125$. $415 \times 1.34125 = 556$. Refer to PPG Paragraph 004 Reference ID: 2a-004-20190220 for full details.

authority within the 5-year period and have been found not to require updating.

- Option 2: where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), the LHN is capped at 40% above whichever is the higher of:
 - a) the projected household growth for the area over the 10-year period identified in stage one above; or
 - b) The average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).
- The relevant strategic policy in this case is FC 2 in the Core Strategy Focussed Review (adopted 2012). As this document was not adopted within the last five years, the second scenario above is applied and the LHN is capped at 40% above whichever is higher of a) or b) above.
- The housing requirement figure in Policy FC 2 of the Core Strategy Focussed Review is for 2,625 new homes over the Plan period 2012-2027, which equates to an annual average of 175, for a)
- The average annual housing requirement figure (i.e. b)) is 556 dwellings.
- Therefore, the cap is applied to b) and not a). A cap of 40% above 556 is therefore $556 \times 1.4 = 778$.
- The cap of 778, because it has been applied to b) and not a), is larger than the figure of 556 dwellings, and therefore does not limit the adjustment for affordability. The minimum LHN for Mid Suffolk is therefore 556 net additional dwellings per year.

74. Having derived Mid Suffolk's LHN, we now calculate Brome and Oakley, Stuston and Palgrave's share of that target, by determining what proportion of Mid Suffolk's population currently reside in the three combined Parishes and applying that percentage to the Mid Suffolk's LHN.
75. At the time of the last Census, there were 1,574 people living in three combined parishes, or 1.63% of the 96,731 people in Mid Suffolk. Therefore, applying this percentage to Mid Suffolk's LHN of 556 **gives an indicative HNF for Brome and Oakley, Stuston and Palgrave of 9 dwellings (rounded) per annum, or 154 dwellings (rounded) over the Neighbourhood Plan period 2019-2036.**

4.3 Latest LPA planning strategy (Step 2)

76. However, as stated in NPPF guidance, it is important to acknowledge the relevant policies in the most recently available³⁷ development plan document for the District, which reflect the overall strategy for the pattern and scale of development and any relevant allocations. This requires producing a HNF for the NA that takes into account the Local Authority's spatial strategy, and therefore may differ slightly from the initial HNF calculated above.
77. In Mid Suffolk, this document is the Core Strategy Focussed Review from 2012. The overall strategy for the pattern and scale of development is outlined in Policy FC 2. Within it, Table 4.1 outlines the land supply for the District.
78. Palgrave is designated as a Secondary Village. Stuston and Brome and Oakley are designated as countryside villages. The Core Strategy 2008 sets out the 26 Secondary Villages across Mid Suffolk. Policy FC 2 allocates none of the overall requirement of 2,625 over the planning period (2012-2027) to the 26 Secondary Villages.
79. Therefore, there is no provision made in the most recently available development plan for the three combined parishes of Brome and Oakley, Stuston and Palgrave.

4.4 Past dwelling completions and commitments (Step 3)

80. The next step is to subtract any net completions of new dwellings that have occurred since the beginning of the Neighbourhood Plan period, as well as considering commitments. As the Neighbourhood Plan period starts in 2019, there is no need to subtract any completions.

³⁷ This is the exact word used in the NPPF, i.e. not necessarily 'adopted'. In the case of Mid Suffolk, the most recently available planning strategy is in fact the draft JLP, but as it is still at an options stage (both in terms of overall housing quantity and in terms of distribution across settlements), it cannot be considered 'available' for the purposes of the NPPF definition.

Table 4-1: Completions across the three Mid Suffolk parishes, 2011-18

NET COMPLETIONS	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Palgrave	0	1	4	1 [Barn Conversion]	0	1 [1no 4-bed detached houses]	0
Stuston	0	0	0	2 [2no 4-bed detached houses]	0	0	0
Brome & Oakley	0	0	0	1 [1no 3-bed detached houses]	0	0	0

Source: MSDC

4.5 Final Housing Need Figure

81. Based on the evidence presented above, this HNA recommends an indicative **overall HNF of 154 dwellings, which equates to 9 dwellings per year between 2019 and 2036** for the Mid Suffolk part of the Neighbourhood Area, i.e. the parishes of Brome and Oakley, Stuston and Palgrave.
82. However, the housing figure for Mid Suffolk is derived from the Government's Standard Methodology and is likely to change annually as the Government publish new affordability data each year and new household projections approximately every two years. This could impact on the number of homes required in Mid Suffolk and any indicative housing requirement figure provided by MSDC for neighbourhood areas.
83. Additionally, Mid Suffolk has indicated to AECOM that a final Housing Requirement Figure for the Mid Suffolk part of the Diss and District NA will emerge alongside the next iteration of the JLP, which is scheduled for summer 2019. At the time this is provided, it can be considered to supersede the provisional calculation within this study, and based on the evidence of past spatial strategy for smaller villages in Mid Suffolk, could differ significantly from it. Consequently, there is a need for the neighbourhood group to continue to engage with the LPA to agree the need figure for the Neighbourhood Plan.

5. RQ 2: Tenure and affordability

RQ2. What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and market housing tenures should be included in the housing mix?

5.1 Introduction

84. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
85. This section will examine the tenure of dwellings in the current stock and recent supply. Then, looking at affordability, we will make an assessment on whether continuation of these trends would meet future needs. We will also investigate whether there are misalignments between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new developments to prioritise certain tenures, to bring supply and demand into better alignment.³⁸

5.2 Definitions

86. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. AH comprises those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms of AH designed to offer affordable routes to home ownership.³⁹ To distinguish this from the colloquial definition, we refer to the latter as Affordable Market Housing (AMH).
87. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership, but recognises the important role of social, affordable, and private rent tenures for those not currently seeking home ownership.
88. The revisions seek to broaden the definition of AH to include a range of low-cost housing opportunities for those aspiring to own a home, including starter homes.
89. In paragraph 64 of the NPPF, the Government introduces a recommendation that "*where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership*". In line with PPG,⁴⁰ the assumption should be that a 'major housing development' can be defined as a site of 10 dwellings or more, and that affordable home ownership includes starter homes, shared ownership homes, and homes available for discount market sale.

5.3 Current tenure profile

5.3.1 Data from Central Norfolk SHMA

90. The Central Norfolk SHMA 2017 contains data relevant to answering RQ3, which can be summarised as follows:
- A judgement is made that 35% of annual household income is a reasonable upper limit at which households on lower incomes could afford rent without falling into housing need;
 - On this basis, Figure 85 of the SHMA indicates that, on a 'policy-off' basis, 15% of affordable housing need in South Norfolk should be met through the provision of 1 bedroom flats, 5% through two-bedroom flats, 38% by two-bed houses, 36% by 3-bed houses and 7% by 4+ bed houses; and
 - Overall, the SHMA (again, in Figure 85) considers that the dwellings needed across South Norfolk between now and the end of the Local Plan period would comprise 80% market housing and 20% affordable housing.

³⁸ PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

³⁹ NPPF 2018.

⁴⁰ PPG 031 Reference ID: 23b-031-20161116, available at <https://www.gov.uk/guidance/planning-obligations>

5.3.2 Data from Mid Suffolk SHMA

91. The Mid Suffolk SHMA Part 2 (2017), and its 2019 partial update, both contain data relevant to answering RQ3, which can be summarised as follows:

- The mean gross annual household income in Mid Suffolk is £40,775, based on CACI Paycheck estimates;
- The median gross annual housing income in Mid Suffolk is £33,982, the lower quartile £18,787 and the upper quartile £54,656;
- Across the Ipswich Housing Market Area, Mid Suffolk records the smallest Social Rented sector (11.2%) and the greatest private rented sector (13.2%);
- Across the Ipswich Housing Market Area, including Mid Suffolk, the cost of social rented dwellings is significantly below those for private rented housing, particularly for larger homes, indicating a significant potential gap between the Social Rented and market sectors; and
- Affordable Rent levels across Mid Suffolk are around 60% to 75% of median market rents.
- Figure 3.15 of the SHMA Part 2, replicated as Figure 5-1 below, shows the household income required to access housing in Mid-Suffolk by number of bedrooms.

Figure 5-1: Household income required to access housing in Mid Suffolk, by number of bedrooms



Source: Mid Suffolk SHMA Part 2 (2017)

- Table 3.4 of the SHMA Part 2, replicated as Table 5-1 below, shows the scale of key housing market gaps.

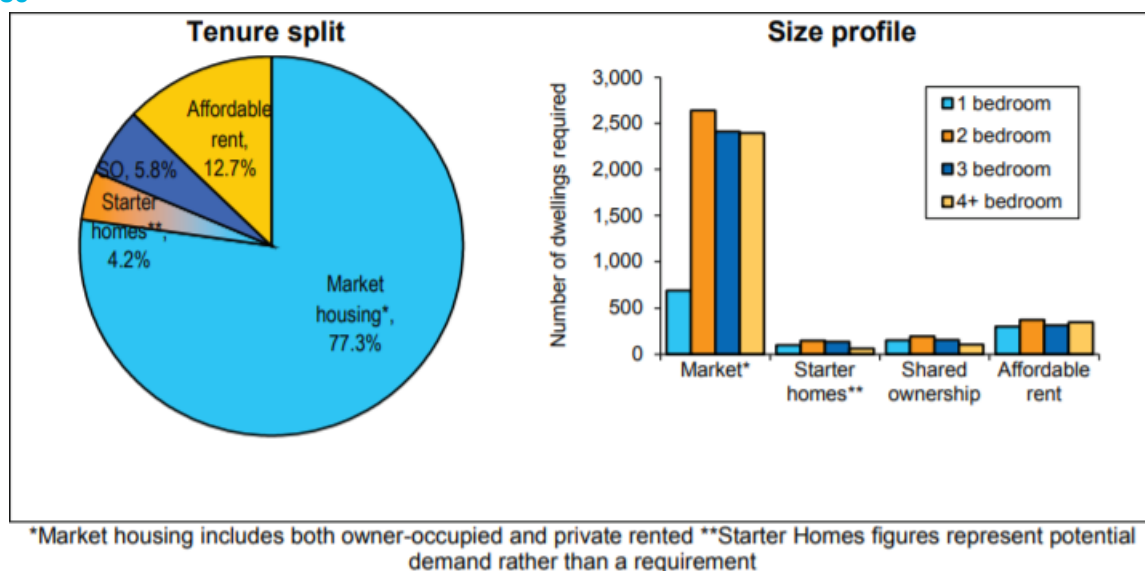
Table 5-1: Scale of key housing market gaps

Mid Suffolk		
Property size	Affordable Rent<entry-level rent	Entry-level rent<entry-level purchase
One bedroom	39.9%	79.6%
Two bedrooms	29.4%	125.3%
Three bedrooms	32.5%	163.2%
Four bedrooms*	48.2%	188.9%

Source: Mid Suffolk SHMA Part 2 (2017)

- In Mid Suffolk, 25% equity share Shared Ownership is cheaper than market entry rent in all instances other than for three bedroom homes and can be considered an affordable product. The only instances in which 40% equity share Shared Ownership is cheaper than market entry is for one bedroom accommodation.
- Overall, data suggests that the private rented sector is under notable pressure in all authorities within the Ipswich Housing Market Area, as rent levels have risen at a greater rate than recorded nationally. However, it could also be argued that as the price rises are similar to regional trends the housing market is just operating within the local norm. The data does suggest that two and three bedroom rents are the most pressurised and that rents in Mid Suffolk have risen the most.
- The total annual affordable housing need in Mid Suffolk of 97 households per year represents 22.2% of the annual projected household growth in the District between 2014 and 2036 (435 households per year). This proportion of new housing as affordable appears achievable to deliver in Mid Suffolk. It is clear that the Council can be confident that the affordable housing requirement can be met by the OAN identified and no adjustment is required to this figure.
- Figure 7.3 of the SHMA Part 2 partial update, reproduced as Figure 5-2 below, summarises the overall SHMA conclusion on the requirement for all new housing in Mid Suffolk over the plan period.

Figure 5-2: SHMA Part 2 partial update conclusions on housing requirement for Mid-Suffolk, 2014-2036



Source: SHMA Part 2 Partial Update (2019)

5.3.3 Data from Census

- In order to set a baseline for our examination of tenure, it is necessary to present a picture in the NA based on the most recent reliable data. Table 5-2 below presents Census data from 2011; this table shows the distribution of how households occupy their homes within Diss and District, compared to the two relevant local authorities and England.
- Compared to the local authorities, there are fewer owner-occupied dwellings in Diss and District. There are also higher levels of both social rented and private rented. This strongly suggests that Diss and District is less affordable than its wider area.

Table 5-2: Tenure (households), 2011

Tenure	Diss and District	MS & SN	England
Owned; total	68.5%	75.0%	63.3%
Shared ownership	0.8%	0.9%	0.8%
Social rented; total	13.7%	11.3%	17.7%
Private rented; total	15.3%	11.2%	16.8%

Source: Census 2011, AECOM Calculations

- In Table 5-3, we note the changes in the way households occupied their homes during the intercensal period. It is

notable that owner-occupation increased at a lower rate in the Plan area than across both Local Authorities, whereas social rented increased by a rate far above the local and England average. The increase in private rented, though high, was slightly less than that of the wider area, and the take-up of shared ownership significantly lower than the Districts or England as a whole.

Table 5-3: Rates of tenure change, 2001-2011

Tenure	Diss and District	MS & SN	England
Owned; total	2.7%	10.3%	-0.6%
Shared ownership	6.3%	103.2%	30.0%
Social rented; total	17.0%	10.1%	-0.9%
Private rented; total	87.8%	91.3%	82.4%

Source: Census 2001 and 2011, AECOM Calculations

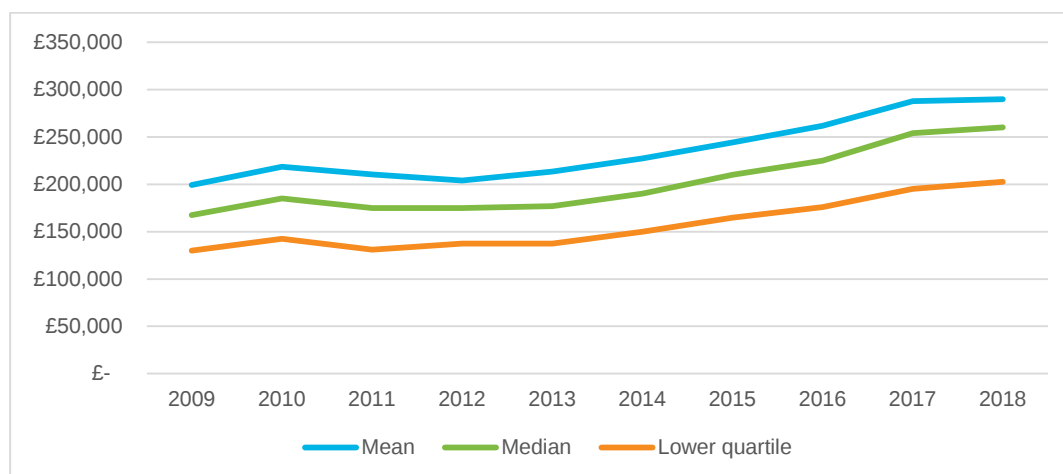
5.4 Affordability

95. Having now reviewed both the existing housing stock in Diss and District and the findings of the SHMA, we now turn to assessing future provision over the Neighbourhood Plan period.
96. In order to understand whether the tenure profile of the current stock reflects the needs of the population currently and over the Plan period, an important starting point is to consider whether this profile provides different market segments access to dwellings of a suitable type and size, given their household composition.

5.4.1 House prices

97. Figure 5-3 shows that house prices across Diss and District rose steadily between 2009 and the present. Growth has been very slightly, but not significantly, faster for the mean and median house prices compared with lower quartile prices, though over the period all prices have risen by approximately £50-£60,000.

Figure 5-3: House prices in Diss and District NA 2008-2017



Source: Land Registry PPD

98. Table 5-4 breaks down house prices by type of house, as recorded in the Land Registry. This shows that semi-detached and terraced homes have seen the greatest increase in prices over this period, though there was strong growth in the prices of all house types. Overall, this suggests a particularly strong demand for terraced and semi-detached homes, but more importantly demand across all types of houses is generally strong, hinting at the potential for affordability pressure.

Table 5-4: House prices by type in Diss and District NA, 2009-2018

Type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Growth
Detached	£263,784	£292,528	£291,771	£271,506	£291,521	£307,058	£324,784	£352,923	£376,898	£379,740	44.0%
Semi-detached	£154,258	£167,101	£164,067	£169,748	£171,483	£182,385	£196,080	£214,359	£236,562	£241,316	56.4%
Terraced	£134,010	£151,546	£135,485	£145,954	£142,271	£155,365	£176,872	£187,245	£199,075	£201,503	50.4%
Flats	£97,992	£99,680	£95,475	£96,433	£96,559	£107,002	£113,608	£125,395	£120,831	£135,801	38.6%
All Types	£199,258	£218,471	£210,322	£204,034	£213,232	£227,059	£244,168	£261,811	£287,808	£289,871	45.5%

Source: Land Registry PPD

5.4.2 Income

99. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. As such, we have used two sources of data for household incomes in the NA.
100. The first is locally specific but limited to the average total household income and the median net annual household income. It therefore does not provide the Lower Quartile (LQ) average income that is helpful for understanding affordability challenges among those with lower than average incomes.
101. This first data source we have used is the average household income estimates dataset published by ONS⁴¹ at the level of the Middle-layer Super Output Area (MSOA)⁴².
102. As mapped, in Appendix A, Diss and District spans parts of two neighbouring Local Authorities, and its boundary does not therefore align with a single MSOA. In fact, the NA falls within three separate MSOAs: Diss and District makes up the entirety of the MSOA known as South Norfolk 015, and parts of the NA also fall within two further MSOAs: South Norfolk 014 and Mid Suffolk 001. The most suitable proxy for household incomes in the Plan area boundary is therefore the average of these three MSOAs, which is presented in Table 5-5.

Table 5-5: Average annual household income levels, MSOA-level

MSOA	Net income before housing costs	Total income
South Norfolk 014	£33,900	£42,400
South Norfolk 015	£32,300	£38,100
Mid Suffolk 001	£35,300	£42,600
Average	£33,833	£41,033

Source: ONS

103. The average net annual household income before housing costs (equalised) in 2016 was £33,833, while the average total annual income was £41,033.⁴³
104. The second data source we have used provides data on gross LQ incomes, but only at the district level. It is derived from ONS annual estimates of paid hours worked and earnings for UK employees to local and unitary authority level. Although 2018 provisional data has been published, the revised 2017 data is considered more robust and is therefore used here.
105. South Norfolk's gross LQ weekly income for 2017 was £235.60, or approximately £12,251 per year. Mid Suffolk's gross LQ weekly income for 2017 was £249.90, or approximately £12,995 per year. The average of these two figures, which is considered the best proxy for the wider Diss and District area, is £12,623.
106. This LQ figure of £12,623 is a helpful indication of what those in the lowest income brackets are able to use for their housing costs, although it is important to note two caveats. First, this figure applies to the wider districts of South Norfolk and Mid Suffolk and may therefore differ slightly from actual LQ income levels within the NA itself. Second, this is an indication of gross rather than net incomes, and so the actual amount of income received after taxes and

⁴¹ Available at <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/smallareamodelbasedincomeestimates/financialyearending2016>

⁴² An MSOA is a statistical area defined for Census purposes. For further information on MSOAs, see <https://www.ons.gov.uk/methodology/geography/ukgeographies/censusgeography>

⁴³ Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

expenses will likely differ from this figure (although not to the same degree that the gross and net income levels presented in Table 5-10 differ, because income tax rates on an income of £12,623 are substantially lower than for an income of £41,033, and the earner may be eligible for housing or other benefits).

5.4.3 Affordability thresholds

107. In order to gain a clearer understanding of local affordability, it is now useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds'. Purchase Thresholds (PT) denote the standard household income needed to access mortgage products, and Income Thresholds (IT) denote the maximum share of a family's income that should be spent on accommodation costs. The PT is particularly helpful for understanding the affordability of market homes.
108. We have determined thresholds for: market purchase; Private Rented Sector (PRS); shared ownership at 25%, 50%, and 75%; affordable rent set at 80%, and estimated social rent levels across Diss and District. These calculations are detailed in Appendix A. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations. Table 5-6 below shows the annual cost of different tenures and the income required (excluding deposits saved) to support these costs within Diss and District.

Table 5-6: Affordability Thresholds (Income required, £)

Tenure	Cost of purchase	Annual rent	Income Required
Entry-level Market Sale	£182,250	N/A	£52,071
Shared ownership (75%)	£136,688	£5,063	£44,116
Starter Homes	£145,800	N/A	£41,657
Entry-level Market Rent	£91,125	£10,125	£36,161
Shared ownership (50%)	£91,125	£7,146	£28,584
Shared ownership (25%)	£45,563	£15,188	£28,205
Affordable Rent	N/A	£5,717	£22,867
Social Rent - 3 Bed Dwelling	N/A	£5,006	£20,024
Social Rent - 2 Bed Dwelling	N/A	£4,484	£17,938

Source: AECOM Calculations

109. The income required to afford the different tenures is then benchmarked against the median net annual household income before housing costs for the NA and the average gross LQ household income for the wider districts, both of which are set out in the Incomes section above. These are £33,833 and £12,623 respectively.
110. Taking into consideration the affordability thresholds set out above, it is apparent that the income required to buy an entry-level market home for sale (i.e. the PT) exceeds what is available to those on median household incomes and lower quartile household incomes.
111. Turning to properties for purchase through the Starter Homes and Shared Ownership tenures, i.e. those aimed at people on lower quartile incomes, average lower quartile incomes are insufficient to access any of these tenures, although shared ownership at 50% or less is within reach for those on average incomes.
112. The inability of those on lower quartile incomes to afford entry-level market rents, affordable rent and social rent, is justification for relatively bold policy measures to ensure that sufficient quantities of social rented accommodation are provided so that this segment of the population, through the support of other forms of subsidy and assistance from the local authority, has access to appropriate accommodation. Given that the gap between a 2-bed social rented dwelling and the average affordable rented dwelling is relatively high, future provision should focus on social rather than affordable rented housing where possible.
113. Government policy aimed at tackling the housing crisis continues to focus on helping those on lower quartile incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership.⁴⁴ In the case of Diss and District, the table above suggests that the most appropriate tenure to help implement this policy goal locally would be shared ownership which, at a 25% or 50% share, remains significantly more affordable than starter homes.

⁴⁴ See the White Paper 'Fixing Our Broken Housing Market', at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf

114. The fact that shared ownership is more affordable than entry-level market rent, and within reach for those on median incomes, represents a clear opportunity for the increased provision of this tenure (which is poorly represented in the current dwelling mix) to facilitate access to home ownership for those on average incomes who wish to attain it.

5.5 Local authority assessment of affordable housing need⁴⁵

115. So far, we have considered housing need based on a statistical understanding of affordability derived from household income. A necessary additional component to quantify need for affordable housing in Diss and District is identifiable through demand expressed in entries on the Local Authority housing needs register. This number would express an existing unmet need for affordable housing.

5.5.1 Mid Suffolk

116. Mid Suffolk confirmed to AECOM as at March 2019 that the current housing waiting list for the parishes forming the Mid Suffolk component of Diss and District is as follows:

- 5 applicants with a connection to Brome (one with a need for ground-floor accommodation);
- 5 applicants with a connection to Palgrave (none with a need for adapted accommodation);
- 0 applicants with a connection to Oakley; and
- 1 applicant with a connection to Stuston (with a need for ground-floor accommodation / level access shower).

5.5.2 South Norfolk

117. South Norfolk confirmed to AECOM as at March 2019 that the Council operates a choice-based lettings arrangement, meaning that, unlike in the system used by Mid Suffolk, applicants are not asked where they want to live. As such, the figures provided, and summarised in Table 5-7 relate to applicants' current place of residence.
118. All applicants are applying for affordable housing for rent. The Council has confirmed that it does not keep a register of people seeking affordable home ownership, meaning that evidence of need in terms of this data source is incomplete. However, the Council has confirmed that over financial year 2018-19, there was a surplus of available shared ownership and shared equity properties across South Norfolk.

⁴⁵ All households whose needs are not met by the market can be considered in affordable housing need. The definition of affordable housing for planning purposes is set out in Annex 2 of the National Planning Policy Framework.

Table 5-7: Current South Norfolk housing register numbers for Diss and District

Type of property requested	Number of households in need by parish				Total	Total (%) (rounded)
	Diss	Roydon	Burston	Scole		
1 bedroom - sheltered	11	1	1	1	14	16
1 bedroom non-sheltered	30	1	0	1	32	38
2 bedrooms	22	1	0	2	25	29
3 bedrooms	11	0	0	0	11	13
4+ bedrooms	2	1	0	0	3	4

Source: South Norfolk District Council

119. The Council operates a banding system for its housing register; the three priority bands are broken down into 'Gold', 'Silver' and 'Bronze' depending on the urgency of their need, and the remainder of households with a lower level of assessed need are placed in the 'low' band. The results of applying the banding system to the current housing register is set out in Table 5-8 below.

Table 5-8: Current South Norfolk housing register numbers for Diss and District

	Diss	Roydon	Burston	Scole
1 bedroom - sheltered	1 Gold 4 Silver 4 Bronze 2 Low	1 Low	1 Silver	1 Silver
1 bedroom non-sheltered	4 Gold 14 Silver 2 Bronze 10 Low	1 Silver	0	1 Low
2 bedrooms	5 Gold 5 Silver 1 Bronze 11 Low	1 Bronze	0	2 Low
3 bedrooms	1 Gold 5 Silver 3 Bronze 2 Low	0	0	0
4+ bedrooms	1 Silver 1 Low	1 Silver	0	0

Source: South Norfolk District Council

120. As an important caveat, it should be noted that the picture of affordability provided by housing waiting lists is, for the purposes of this assessment, more helpful in terms of the type of accommodation that those on the list are seeking rather than the overall quantity of households on the list.
121. This is because this assessment of the waiting lists is only a snapshot in time, and it is impossible to tell how long into the planning period it will take for them all to be housed, given that due to data anonymisation it is also not clear how long they have been on the list in the first place. It is also not clear how many further households will be added to the local authority lists over the plan period- while a reasonable estimate can be made, this is more within the scope of the Local Authorities' ongoing SHMA evidence bases given that, even after the Neighbourhood Plan is made, the assessment of need for affordable housing, its allocation to those in need and the management of the housing waiting list all remain the responsibility of Mid Suffolk and South Norfolk rather than neighbourhood planners.
122. In this sense, neighbourhood plans are normally reasonably constrained in terms of the extent to which they can meet affordable housing need, unless there is a specific policy on the housing supply-side (e.g. the identification of one or more housing exception sites over and above those required by the Local Plans).
123. Therefore, summarising the picture of housing type provided by the housing waiting lists, it can be concluded that there appears to be a need for at least two bungalows (and/or ground-floor accommodation units) in the snapshot of

the Mid Suffolk waiting list. In the snapshot of the South Norfolk data, need appears highest for smaller dwellings, i.e. those of 3 bedrooms or less.

5.6 Conclusions- Tenure and Affordability

124. There are a number of relevant sources for calculating the need for the differing tenures, including affordable housing that should be provided across Diss and District during the neighbourhood plan period.
125. The South Norfolk SHMA concludes, on a 'policy-off' basis, that 15% of affordable housing need in South Norfolk should be met through the provision of 1 bedroom flats, 43% by two-bed properties, 36% by 3-bed houses and 7% by 4+ bed houses. This does not, however, align with the current housing waiting list for the South Norfolk part of the Neighbourhood Area, which suggests a much higher need for one bed properties locally.
126. Overall, the SHMA considers that the dwellings needed across South Norfolk between now and the end of the Local Plan period would comprise 80% market housing and 20% affordable housing. On this basis, and having regard to the adopted South Norfolk Plan's affordable housing requirements, neither the SHMA nor the snapshot of the current affordable waiting list suggest there is an overwhelming need for neighbourhood planners to take specific steps to boost the supply of affordable housing (e.g. through the provision of a housing exception site), at least not early in the Plan period.
127. The average net annual household income across Diss and District before housing costs (equalised) in 2016 was £33,833, while the average total annual income was £41,033.
128. South Norfolk's gross Lower Quartile (LQ) weekly income for 2017 was £235.60, or approximately £12,251 per year. Mid Suffolk's gross LQ weekly income for 2017 was £249.90, or approximately £12,995 per year. The average of these two figures, which is considered the best proxy for the wider Diss and District area, is £12,623. This LQ figure is a helpful indication of what those in the lowest income brackets are able to use for their housing costs.
129. We have determined affordability thresholds for: market purchase; Private Rented Sector (PRS); shared ownership at 25%, 50%, and 75%; affordable rent set at 80%, and estimated social rent levels across Diss and District. The thresholds show that the income required to buy an entry-level market home for sale (i.e. the PT) exceeds what is available to those on median household incomes and lower quartile household incomes.
130. For the Starter Homes and Shared Ownership tenures, i.e. those aimed at people on lower quartile incomes, average lower quartile incomes are insufficient to access any of these tenures, although shared ownership at 50% or less is within reach for those on average incomes.
131. The inability of those on lower quartile incomes to afford entry-level market rents, affordable rent and social rent is justification for relatively bold policy measures to ensure that sufficient quantities of social rented accommodation are provided so that this segment of the population, through the support of other forms of subsidy and assistance from the local authority, has access to appropriate accommodation. Given that the gap between a 2-bed social rented dwelling and the average affordable rented dwelling is relatively high, future provision should focus on social rather than affordable rented housing where possible.
132. Also appropriate locally would be shared ownership which, at a 25% or 50% share, remains significantly more affordable than starter homes.
133. The fact that shared ownership is more affordable than entry-level market rent, and within reach for those on median incomes, represents a clear opportunity for the increased provision of this tenure (which is poorly represented in the current dwelling mix) to facilitate access to home ownership for those on average incomes who wish to attain it.
134. The Mid Suffolk SHMA Part 2 (2017) paints a very similar picture of unaffordable housing across the Authority and notes that the private rented sector is under notable pressure. However, like in South Norfolk, affordable need is projected to comprise close to 20% of all need, and on this basis, and having regard to the snapshot of the current affordable housing waiting list, the same conclusion is apparent as for the South Norfolk part of the Neighbourhood Area- namely, that there appears to be no overwhelming need for neighbourhood planners to take specific steps to boost the supply of affordable housing (e.g. through the provision of a housing exception site), at least not early in the Plan period.
135. Having said this, the comparison of tenures between the Local Authorities and the Neighbourhood Area strongly suggests that Diss and District is less affordable than its wider area, and potentially also becoming less affordable over time as house prices steadily rise.
136. In terms of the size and type of affordable housing to be provided, while restating the caveat that they are just snapshots in time, the current housing waiting lists of both local authorities suggest that need appears highest for

smaller dwellings, i.e. those of 3 bedrooms or less, and that the types of housing most suitable are likely therefore to tend more towards bungalows, flats and smaller (i.e. terraced and semi-detached rather than detached) house types.

6. RQ 3: Type and size

RQ3: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is most appropriate for Diss and District?

6.1 Introduction

137. The Diss and District Neighbourhood Plan will need to include policies informed by robust data on what sizes and types of housing would be best suited to the local community. This will help ensure that future developments give local people at all stages of life the options they require, while keeping the market operating efficiently.
138. PPG recommends a consideration of the existing housing provision and its suitability, having regard to demographic shifts in age and household composition, to address future, as well as current community need. For this reason, we firstly consider the type and size of the existing housing stock across Mid Suffolk and South Norfolk. Demographic shifts in age and household composition will then be considered. Finally, the future demand for housing by size and type will be determined by the way different household types currently occupy their dwellings in the LPA, and then applying to that baseline assessment demographic projections of how the Plan area population is likely to change by the end of the Neighbourhood Plan period.

6.2 Background and definitions

139. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth, income, and age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.
140. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require, and thus would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture than demographics, household type and size would suggest for future years.
141. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' should thus be translated as follows⁴⁶:
- 1 room = bedsit
 - 2 rooms = flat/house with one bedroom and a reception room/kitchen
 - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
 - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
 - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
 - 6 rooms = house with 2 bedrooms and 2 reception rooms and a kitchen, or 3 bedrooms and one reception room and a kitchen
 - 7+ rooms = house with 3, 4 or more bedrooms
142. It is also useful to clarify the Census terminology around dwellings and households spaces. These can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained.⁴⁷ As such, all dwellings are classified into either "shared" or "unshared" dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.
143. The key measure of whether a dwelling is shared or unshared relates to the census' definition of a household. A household is defined as "One person living alone or a group of people (not necessarily related) living at the same

⁴⁶ <https://www.nomisweb.co.uk/census/2011/qs407ew>

⁴⁷ <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

address who share cooking facilities and share a living room or sitting room or dining area.”⁴⁸ On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

144. Whilst it is unlikely that these issues are of specific relevance to Diss and District NA, given that their main applicability is to students and other people likely to be sharing homes, it is still helpful to understand the terms as a background to the data in this chapter.

6.3 Existing type and size

6.3.1 Data from Central Norfolk SHMA

145. The Central Norfolk SHMA 2017 contains some data relevant to answering RQ3, which can be summarised as follows:

- South Norfolk has seen growth in both two and three person households but reductions in one person households.
- It is projected (Figure 85) that across South Norfolk over the Local Plan period, there will be a need to provide the following dwelling type and size split (both market and affordable tenures):
 - 4% 1-bed flats;
 - 2% 2+ bed flats;
 - 15% 2-bed houses;
 - 54% 3-bed houses;
 - 19% 4-bed houses; and
 - 5% 5+ bed houses.

6.3.2 Data from Mid Suffolk SHMA

146. The Mid Suffolk SHMA Part 2 (2017) and its 2019 partial update, both contain some data relevant to answering RQ3, which can be summarised as follows:

- Among all local authorities in the Ipswich Housing Market Area, Mid Suffolk contains the highest proportion of detached houses; and
- Among all local authorities in the Ipswich Housing Market Area, Mid Suffolk records the lowest proportion of small dwellings and the highest proportion of larger homes (four or more bedrooms).
- It is projected (Tables 4.4 to 4.7e) that across Mid Suffolk over the Local Plan period, there will be a need to provide the following dwelling type and size split (average across all tenures):
 - 13% one-bed dwellings;
 - 31% two-bed dwellings;
 - 29% three-bed dwellings; and
 - 27% 4+ bed dwellings.

6.3.3 Census data

147. Table 6-1 shows that the way Diss and District NA households occupy different accommodation types varies from the District. There are proportionally more terraces and flats in the combined parishes than across the local authorities. Although the proportion of detached homes is lower than observed across the District, it is still significantly higher than the average for England.

⁴⁸ Ibid.

Table 6-1: Accommodation type per household space, 2011

Dwelling type		Diss and District	MS & SN	England
Whole house or bungalow	Detached	42.1%	49.5%	22.4%
	Semi-detached	30.0%	31.4%	31.2%
	Terraced	17.4%	12.8%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	7.7%	4.5%	16.4%
	Parts of a converted or shared house	1.1%	0.8%	3.8%
	In commercial building	0.8%	0.5%	1.0%

Source: ONS 2011, AECOM Calculations

148. Table 6-2 below sets out the distribution of the number of rooms per household space. The NA differs significantly from the Local Authorities in that it has more homes of 3 rooms or fewer (i.e. very small homes), a larger proportion of 4 room properties, fewer with 5 and 6 rooms, and fewer very large properties of 8 rooms or more.
149. Although Diss and District NA is characterised by a large proportion of properties with 5 rooms or more (70.8%), it has a reasonable number of smaller properties with 1 to 4 rooms (29.2%). By contrast South Norfolk has a larger amount of larger properties and fewer smaller ones.

Table 6-2: Number of rooms per household space, 2011

Number of Rooms	2011 Diss and District	2011 MS & SN
1 Room	0.1%	0.1%
2 Rooms	1.6%	1.1%
3 Rooms	6.9%	4.9%
4 Rooms	21.6%	15.4%
5 Rooms	23.8%	22.6%
6 Rooms	18.3%	19.7%
7 Rooms	11.1%	13.2%
8 Rooms or more	8.4%	10.2%
9 Rooms or more	8.1%	12.9%

Source: ONS 2011, AECOM Calculations

150. It is also relevant to consider how the number of rooms occupied by households has changed over time and, for this reason, Table 6-3 below identifies this rate of change between the 2001 and 2011 Census.
151. The table highlights a rise in properties of 6 rooms and more, similar to increases in Mid Suffolk and across England. There was a particularly significant increase in the number of 8 room properties developed between the two Censuses (52%). Finally, we note a small decline in the number of four to five-room dwellings, which was similar to that at the District level.

Table 6-3: Rates of change in number of rooms per household, 2001-2011

Number of Rooms	Diss and District	MS & SN	England
1 Room	-22.2%	-31.2%	-5.2%
2 Rooms	6.7%	29.0%	24.2%
3 Rooms	16.4%	15.9%	20.4%
4 Rooms	2.3%	-0.4%	3.5%
5 Rooms	0.6%	-0.9%	-1.8%
6 Rooms	13.2%	13.2%	2.1%
7 Rooms	17.1%	29.7%	17.9%
8 Rooms or more	29.8%	35.3%	29.8%

Source: ONS 2001-2011, AECOM Calculations

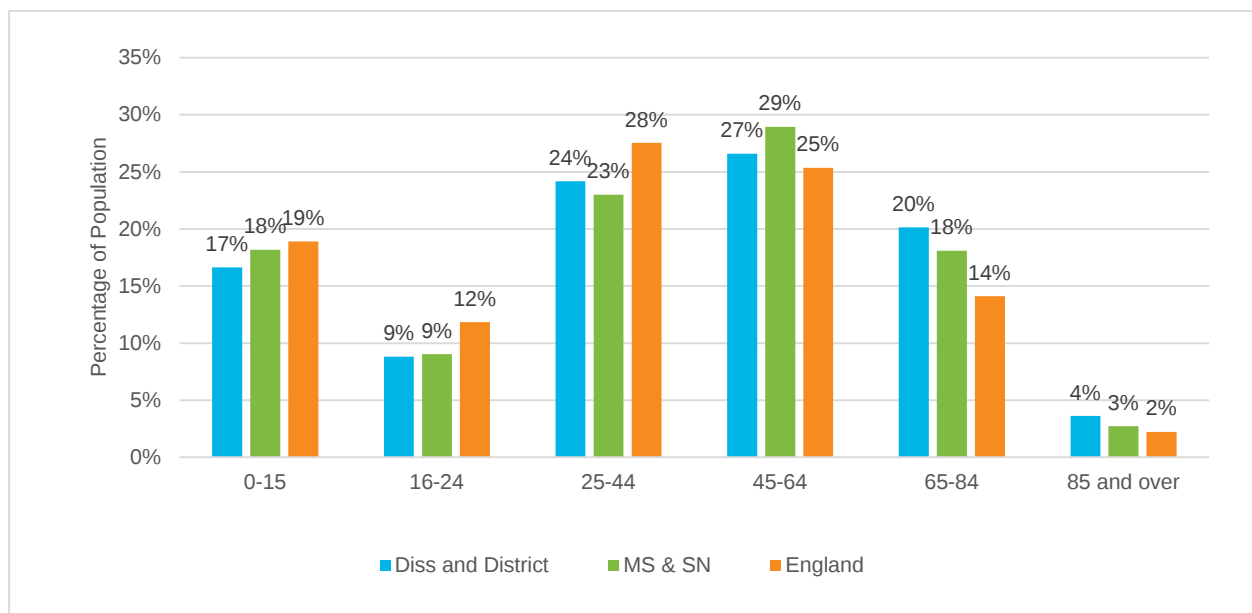
6.3.4 Age structure and household composition

152. Complementing the baseline information showing the stock profile of housing in the combined parishes as of Census 2011, data is assembled below to examine the composition and age structure of households both at present and in future years. Through the consideration of the types of households forming and the mix of age groups, it then becomes possible to consider the type and size of housing needed in the NA over the Plan period.

Age structure

153. As highlighted in Figure 6-1 below, the 2011 Census data reveals that the age profile of Diss and District NA is very similar to that of South Norfolk. We do note, however, a slightly larger proportion of residents in the older age brackets. For example, 20% of Diss and District NA residents are aged between 65 and 84, compared with 19% across the District. A more significant difference is the proportion of younger residents aged between 0 and 15, two percentage points lower than the District. Both areas are characterised by a larger amount of residents in the older brackets compared to the England average.

Figure 6-1: Age structure, 2011



Source: ONS 2011, AECOM calculations

154. Table 6-4 below identifies the rate of change in the age structure of the population since 2001. The table shows that there has been no decline in any population group between the two censuses. The number of residents aged 85 and over is the age group that has increased the most (30.2%).

Table 6-4: Rate of change in the age structure of the population, 2001-2011

Age group	Diss and District	MS & SN	England
0-15	11.3%	6.1%	1.2%
16-24	15.2%	17.9%	17.2%
25-44	6.1%	-2.2%	1.4%
45-64	20.5%	17.7%	15.2%
65-84	20.0%	24.4%	9.1%
85 and over	35.0%	34.4%	23.7%

Source: ONS 2001-2011, AECOM Calculations

155. The ONS population projections also reveal that, by 2036, people aged over 65 will be the single largest group in South Norfolk and Mid Suffolk. Therefore, there will be a significant increase in the demand for housing related support services. The ageing of the population currently aged 45-64 thus has major implications for Diss and District NA over the Plan period, and the implication of an ageing population on the need for specialised housing is explored in more depth in Chapter 5.

Household composition

156. Household composition is a fundamental factor driving the size of housing needed in the future. In Table 6-5 below, we present data relating to household composition drawn from Census 2011. Household composition in Diss and District NA is not dissimilar to the District as a whole. The main difference is the higher proportion of one-person households and, correspondingly, less one-family households. In particular the NA is characterised by fewer families with children, and 4.3% of families have non-dependent children, as opposed to 8.2% in the District.
157. A large proportion of families with non-dependent children can sometimes indicate difficulties experienced by younger residents in forming their own households, possibly due to a lack of suitable dwellings. In this case, it is possible that the large number of smaller properties in Diss and District NA relative to South Norfolk (as seen in Table 6-2) may help younger residents to find a suitable home in which to form their own household.

Table 6-5: Household composition, 2011

		Diss and District	MS & SN	England
One person household	Total	31.4%	25.9%	30.2%
	Aged 65 and over	16.7%	13.2%	12.4%
	Other	14.7%	12.6%	17.9%
One family only	Total	63.4%	69.9%	61.8%
	All aged 65 and over	12.3%	12.1%	8.1%
	With no children	20.5%	23.0%	17.6%
	With dependent children	22.3%	25.9%	26.5%
	All children Non-Dependent	8.3%	8.9%	9.6%
Other household types	Total	5.2%	4.2%	8.0%

Source: ONS 2011, AECOM Calculations

158. Table 6-6 shows that, since 2001, the household types that have increased the most are one-person households below 65 and one-family households with non-dependent children. The changes in household composition between Diss and District NA and South Norfolk are, again, similar.

Table 6-6: Rates of change in household composition, 2001-2011

Household type		Percentage change, 2001-2011		
		Diss and District	MS & SN	England
One person household	Total	10.9%	15.9%	8.4%
	Aged 65 and over	1.8%	6.7%	-7.3%
	Other	23.3%	27.3%	22.7%
One family only	Total	7.5%	11.9%	5.4%
	All aged 65 and over	4.5%	10.4%	-2.0%
	With no children	6.8%	14.9%	7.1%
	With dependent children	8.4%	9.2%	5.0%
	All children non-dependent	11.8%	14.1%	10.6%
Other household types	Total	39.2%	30.0%	28.9%

Source: ONS 2001-2011, AECOM Calculations

159. Households of different ages are likely to have different housing needs and this relationship is examined further in the following section.

6.4 Dwelling mix determined by life-stage modelling

160. To estimate the housing mix needed by the end of the Plan period, we adopt an approach which assumes that the housing mix needed will reflect current occupation patterns. We estimate the housing likely to be required in the future based on the current propensity of households of different ages to occupy different types of accommodation (working from the common-sense assumption set out at the start of this section that the same household types are likely to occupy the same size of homes in 2036 as they did in 2011). For example, a growth in single person households aged 65-74 will lead to an increase in the need for the type of housing currently occupied by single person households of this age.

161. Firstly, we use household projections provided by MHCLG to achieve an understanding of the future distribution of households by the age of the Household Reference Person (HRP)⁴⁹. This data is only available at the District level and for the years 2014 and 2039. Therefore, we have had to estimate what the distribution of households, by the age of the HRP, would be in 2036, which is the end of the Plan period (red text denotes AECOM calculations). The data is presented in Table 6-7 below.

Table 6-7: Projected distribution of households by age of HRP (Mid Suffolk & South Norfolk)

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	1,727	9,015	34,426	18,196	29,751
2014	1,864	9,388	33,919	17,025	34,912
2036	2,167	9,054	35,329	18,273	55,106
2039	2,208	9,008	35,522	18,443	57,860

Source(s): MHCLG 2014-based household projections, ONS 2011, AECOM Calculations

162. At this point it is necessary to derive an estimate of the change to the age structure of the population in Diss and District NA. To do so, the percentage increase expected for each group in Mid Suffolk & South Norfolk combined, derived from the data presented in Table 6-7, was applied to the population of Diss and District NA. The results of our calculation are detailed in Table 6-8 below:

Table 6-8: Projected distribution of households by age of HRP (Diss and District NA)

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	137	691	2,025	1,079	2,140
2014	148	720	1,995	1,010	2,511
2036	172	694	2,078	1,084	3,964

Source: AECOM Calculations

163. Size of housing is influenced by household age range. While no data is available at the Parish level that identifies housing size occupation by age of the HRP, this data is available at the District level and can be used as a proxy for Diss and District NA.

164. That data is presented in Table 6-9 below and shows the size of property occupied by different age groups.

Table 6-9: Age of household reference person to size, grouped (Mid Suffolk & South Norfolk)

Size	Age of HRP 16 to 24	HRP 25 to 34	HRP 35 to 54	HRP 55 to 64	HRP 65 and over
1 bedroom	17.1%	7.8%	3.9%	4.0%	7.9%
2 bedrooms	57.3%	38.8%	17.9%	20.1%	30.7%
3 bedrooms	21.6%	40.9%	43.4%	42.4%	41.1%
4 bedrooms	2.7%	10.2%	26.1%	25.2%	15.9%
5+ bedrooms	1.3%	2.3%	8.6%	8.4%	4.5%

Source(s): ONS 2011, AECOM Calculations

165. We have now established the preference shown by households at different life-stages for dwellings of different sizes, and the approximate number of households in Mid Suffolk & South Norfolk combined and Diss and District NA falling into each of these stages at the end of the Plan period in 2036. It is therefore now possible to develop recommendations regarding how the housing stock should evolve in terms of size over the Plan period to overcome any misalignments between dwelling supply and demand (Table 6-10).

Table 6-10: Ideal size distribution in Diss and District NA in 2036, according to household life-stages

	Age of HRP 16 to 24	HRP under 35	HRP 35 to 54	HRP 55 to 64	HRP 65 and over	Total
Pop 2036	172	694	2,078	1,084	3,964	-
1 bedroom	29	54	82	43	311	520
2 bedrooms	99	269	372	217	1,215	2,173

⁴⁹ Broadly speaking, the HRP equates to what was formerly known as the 'head of the household'.

3 bedrooms	37	284	901	459	1,631	3,313
4 bedrooms	5	71	543	273	630	1,522
5+ bedrooms	2	16	180	91	176	464

Source: Census 2011, AECOM Calculations

166. Table 6-11 below compares the housing mix in terms of size in 2011 against the ideal size distribution in Diss and District NA in 2036. It indicates that by the end of the neighbourhood plan period, the distribution of dwellings should ideally be only slightly different from that of today- there should be slightly fewer homes of 1 and 2 bedrooms, and slightly more homes of 3, 4 and 5+ bedrooms.
167. These findings indicate that the smaller average size of homes in Diss and District compared to the Local Authority averages means that the NA is, broadly speaking, well-placed already to cope with the forecast ageing of the population and their consequent demand for smaller homes as they downsize.

Table 6-11: Size distribution in 2011 compared to ideal size distribution in 2036 (Diss and District NA)

Number of bedrooms	2011		2036	
1 bedroom	487	8.0%	520	6.5%
2 bedrooms	1,950	32.1%	2,173	27.2%
3 bedrooms	2,385	39.3%	3,313	41.5%
4 bedrooms	996	16.4%	1,522	19.0%
5 or more bedrooms	245	4.0%	464	5.8%
Total households	6,072	100.0%	7,991	100.0%

Source: Census 2011, AECOM Calculations

168. Table 6-12 below sets out the misalignment between future demand for housing, based on the trends of how households occupy dwellings at different life-stages, and the stock (2011) available in the NA.

Table 6-12: Misalignments of supply and demand for housing

Number of bedrooms	2011	2036	Change to housing mix	Recommended split
1 bedroom	487	520	33	1.7%
2 bedrooms	1,950	2,173	223	11.6%
3 bedrooms	2,385	3,313	928	48.1%
4 bedrooms	996	1,522	526	27.3%
5 or more bedrooms	245	464	219	11.4%

Source: AECOM Calculations

169. In order to avoid misalignment between supply and demand, therefore, the interim outputs of the life-stage model show that approximately 1.7% of houses in new developments should be one-bedroom homes, 11.6% two-bedroom, 48.1% three-bedroom, 27.3% four-bedroom and 11.4% four bedroom. Most of the need will therefore be for three bedroom homes.

Adjustment

170. However, it is important to caveat the result of this model, because it is based on past trends and issues of supply. Supply, not just demographic profile, can influence occupancy patterns. For instance, it may be that the construction of smaller dwellings, such as bungalows, would encourage older people to downsize, but in the absence of such accommodation, these older households may have to remain in their larger four or five-bedroom homes. For this reason, we verify the results further with respect to occupancy trends at the national level. This would give the following split (Table 6-13):

Table 6-13: Nationally-adjusted misalignments of supply and demand for housing at Diss and District NA

Number of bedrooms	2011	2036	Change to housing mix	Recommended split
1 bedroom	487	964	477	25.8%
2 bedrooms	1,950	2,243	293	15.9%

3 bedrooms	2,385	3,373	988	53.5%
4 or more bedrooms	996	1,085	89	4.8%

Source: AECOM Calculations

171. This recommended split implies more demand for one and three-bedroom dwellings, and less for those with two bedrooms and four or more bedrooms. This may be explained by distinct occupational trends. In Mid Suffolk, a higher proportion of younger households and older households occupy small one-bedroom properties. Furthermore, there are also more households occupying large homes.
172. To reflect this, the HNA advises taking the average of the recommendations set out in Table 6-12 and Table 6-13, as follows (all figures rounded and approximate):
- 15% one bedroom dwellings;
 - 15% two bedroom dwellings;
 - 50% three bedroom dwellings; and
 - 20% four or more bedroom dwellings.

6.5 Type and size conclusions

6.5.1 Existing types and sizes

173. The Central Norfolk SHMA 2017 projects (Figure 85) that across South Norfolk over the Local Plan period, there will be a need to provide the following dwelling type and size split (both market and affordable tenures):
- 4% 1-bed flats;
 - 2% 2+ bed flats;
 - 15% 2-bed houses;
 - 54% 3-bed houses;
 - 19% 4-bed houses; and
 - 5% 5+ bed houses.
174. The Mid Suffolk SHMA Part 2 (2017) and its 2019 partial update state that among all local authorities in the Ipswich Housing Market Area, Mid Suffolk records the lowest proportion of small dwellings and the highest proportion of larger homes (four or more bedrooms). It is projected (Tables 4.4 to 4.7e) that across Mid Suffolk over the Local Plan period, there will be a need to provide the following dwelling type and size split (average across all tenures):
- 13% one-bed dwellings;
 - 31% two-bed dwellings;
 - 29% three-bed dwellings; and
 - 27% 4+ bed dwellings.
175. Census data shows that there are proportionally more terraces and flats in the combined parishes than across the local authorities. Although the proportion of detached homes is lower than observed across the District, it is still significantly higher than the average for England.
176. The NA differs significantly from the Local Authorities in that it has more very small homes, a larger proportion of 4 room properties and fewer very large properties of 8 rooms or more. Nevertheless, this is a relative assessment- the NA still has a large proportion of properties with 5 rooms or more (70.8%),

6.5.2 Age structure

177. The 2011 Census data reveals that the age profile of Diss and District NA is very similar to that of South Norfolk. We do note, however, a slightly larger proportion of residents in the older age brackets. For example, 20% of Diss and District NA residents are aged between 65 and 84, compared with 18% across the District. The proportion of younger residents aged between 0 and 15 is one percentage point lower than the District. Both areas are characterised by a larger amount of residents in the older brackets compared to the England average.

178. Between the two Censuses, the number of residents aged 85 and over is the age group that has increased the most (30.2%).
179. The ONS population projections also reveal that, by 2036, people aged over 65 will be the single largest group in South Norfolk and Mid Suffolk. Therefore, there will be a significant increase in the demand for housing related support services. The ageing of the population currently aged 45-64 thus has major implications for Diss and District NA over the Plan period.

6.5.3 Household composition

180. Household composition in Diss and District NA is not dissimilar to the District as a whole. The main difference is the higher proportion of one-person households, which is increasing.
181. A large and increasing proportion of families with non-dependent children, as is the case in the NA, can sometimes indicate difficulties experienced by younger residents in forming their own households, possibly due to a lack of suitable dwellings.
182. Through a life-stage modelling exercise, we conclude that by the end of the neighbourhood plan period, the distribution of dwellings should ideally be only slightly different from that of today- there should be slightly fewer homes of 1 and 2 bedrooms, and slightly more homes of 3, 4 and 5+ bedrooms.
183. These findings indicate that the smaller average size of homes in Diss and District compared to the Local Authority averages means that the NA is, broadly speaking, well-placed already to cope with the forecast ageing of the population and their consequent demand for smaller homes as they downsize.
184. However, it is important to caveat the result of this model, because it is based on past trends and issues of supply. Supply, not just demographic profile, can influence occupancy patterns. For this reason, we verify the results further with respect to occupancy trends at the national level.
185. This recommended split implies more demand for one and three-bedroom dwellings, and less for those with two bedrooms and four or more bedrooms.
186. To reflect this, the HNA advises taking the average of the life stage modelling and the national occupancy trends, meaning the final recommendation for the dwelling mix is as follows (all figures rounded and approximate):
- 15% one bedroom dwellings;
 - 15% two bedroom dwellings;
 - 50% three bedroom dwellings; and
 - 20% four or more bedroom dwellings.

7. RQ 4: Housing for first-time buyers

RQ4: What provision should be made for first-time buyers within the NA?

7.1 Introduction

187. This research question relates to the housing needs of first-time buyers (more accurately referred to henceforth as newly-forming households, as some would choose to rent rather than buy) in Diss and District. For the purpose of this HNA, we define newly forming households as those where the HRP⁵⁰ is aged between 18 and 35 and is looking to form their own independent household.

7.2 Assessment

188. We start by looking at the ONS 'Age by Single Year' dataset. This reveals that there were 2,548 individuals aged between 18 and 35 in the NA in 2011. This represents 18.8% of the population (13,531). These individuals may or may not have formed their own households.

189. Table 7-1 below shows that in Census 2011, there were a total of 828 households with an HRP aged below 35, or around 13.6% of all 6,072 households in Diss and District. To estimate the number of individuals aged between 18 and 35 residents this represents, we use the following approach:

- i. We multiply the number of households under 35 by the average household size in the NA (2.25 individuals per household), which results in 1,862 individuals. ($828 * 2.25 = 1,862$);
- ii. We then discount the number of individuals below 18. As 372 households live with at least one dependent child, we estimated there were about 372 children among these households. ($1,862 - 372 = 1,490$);
- iii. Therefore, among the 2,548 individuals who are between 18 and 35, 1,490 have formed their own household and 1,058 have not. ($2,548 - 1,490 = 1,058$); and then
- iv. This represents 470 households that could potentially be formed (1,058 is divided by 2.25).

190. We assume these households are still living with their parents. They will not have formed their own household for several reasons, including the absence of suitable affordable tenures (though there will be other reasons, too, such as saving money).

191. Census data about household composition shows that 502 households have non-dependent children living in them. The figure of 470 above can therefore be seen as a broadly reasonable estimate.

192. Therefore, around 470 households in Diss and District had the potential to form their own household at the time of the last Census in 2011.

Table 7-1: Households where age of HRP is under 35

Household composition	Number
Age of HRP under 35: One person household	168
Age of HRP under 35: Two or more person household: No dependent children	288
Age of HRP under 35: Two or more person household: With dependent children	372
Age of HRP under 35: Total	828

Source: ONS, 2011

193. Now that we have identified the number of newly forming households potentially in need, we need to find out the type of tenures they are most likely to occupy. To do so, we look at tenure occupied by households aged 24 and under, and 25 to 49 in the NA. This is presented in Table 7-2.

⁵⁰ See glossary

194. This shows that rental is by far the most commonly occupied tenure among HRP's under the age of 49- although it is clear that rental decreases and ownership increased with advancing age. This is a common pattern seen across the country and is likely linked to increasing income over time.

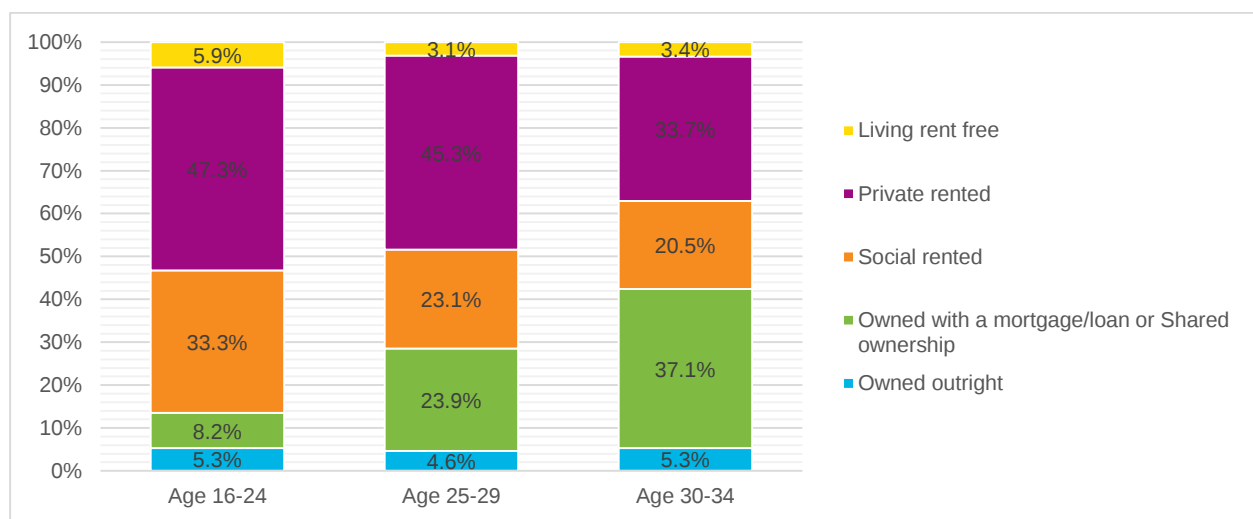
Table 7-2: Tenure by age of HRP, NA 2011

Tenure	Age 24 and under		Age 25 to 49	
	Number	Percent	Number	Percent
All categories: Tenure	137	100.0%	2199	100.0%
<i>Owned or shared ownership: Total</i>	18	13.1%	1273	57.9%
Owned: Owned outright	3	2.2%	215	9.8%
Owned: Owned with a mortgage or loan or shared ownership	15	10.9%	1058	48.1%
<i>Rented or living rent free: Total</i>	119	86.9%	926	42.1%
Rented: Social rented	44	32.1%	316	14.4%
Rented: Private rented or living rent free	75	54.7%	610	27.7%

Source: ONS, 2011

195. The data we have just examined considers the tenure of HRP's aged between 25 and 49 in one single group. However, the tenures occupied by different households can vary significantly between the ages of 25 and 49, and the table above does not capture the tenures occupied specifically by households where the HRP is aged below 35.
196. Therefore, we turned to data at the LPA level (comprising an average of the South Norfolk and Mid Suffolk levels), as it provides the level of precision we are seeking. The data presented in Figure 7-1 below again emphasises the importance of the private and social rented sectors at present for younger households, though does show that after the age of 30, more HRP's are able to afford to own their own house than rent, helped by mortgages, loans or shared ownership schemes.

Figure 7-1: Tenure by age of HRP, Mid Suffolk and South Norfolk, 2011



Source: ONS, 2011

197. Based on the average of the numbers in Table 7-2 and Figure 7-1, an estimated tenure split of new-build homes has been developed, bearing in mind the needs of newly forming households specifically. This split is set out in Table 7-3. We note this tenure split emphasizes the importance to these households of both entry-level market sales (including affordable routes to home ownership) and private rent.

Table 7-3: Recommended tenures to be provided in the NA that would meet the needs of newly forming households

Tenure	Recommended proportion
Home ownership	4%
Entry-level market sales/intermediate ownership product	10%
Social rent	33%
Private rent	53%

Source: AECOM calculations

8. Conclusions

8.1 Assessment conclusions

198. Table 8-1 below summarises issues affecting the quantity and type of housing needed in Diss and District NA, and the consequent HNA recommendations.

Table 8-1: Summary of local factors specific to Diss and District NA with a potential impact on neighbourhood plan housing characteristics

Factor	Evidence and recommendations
Quantity	Based on the evidence reviewed, this HNA recommends an indicative overall HNF of 154 dwellings, which equates to 9 dwellings per year between 2019 and 2036 for the Mid Suffolk part of the Neighbourhood Area, i.e. the parishes of Brome and Oakley, Stuston and Palgrave. An HNF has not been calculated for the South Norfolk part of the Neighbourhood Area, as the Town Council has indicated that one has already been provided to them. The housing figure for Mid Suffolk is derived from the Government's Standard Methodology and is likely to change annually as the Government publish new affordability data each year and new household projections approximately every two years. This could impact on the number of homes required in Mid Suffolk and any indicative housing requirement figure provided by MSDC for neighbourhood areas. Additionally, Mid Suffolk has indicated to AECOM that a final Housing Requirement Figure for the Mid Suffolk part of the Diss and District NA will emerge alongside the next iteration of the JLP, which is scheduled for summer 2019. At the time this is provided, it can be considered to supersede the provisional calculation within this study, and based on the evidence of past spatial strategy for smaller villages in Mid Suffolk, could differ significantly from it. Consequently, there is a need for the neighbourhood group to continue to engage with the LPA to agree the need figure for the Neighbourhood Plan.

Factor	Evidence and recommendations
Tenure and affordability	The South Norfolk SHMA concludes that 15% of affordable housing need in South Norfolk should be met through the provision of 1 bedroom flats, 43% by two-bed properties, 36% by 3-bed houses and 7% by 4+ bed houses. This does not, however, align with the current housing waiting list for the South Norfolk part of the Neighbourhood Area, which suggests a much higher need for one bed properties and that the types of housing most suitable are likely therefore to tend more towards bungalows, flats and smaller (i.e. terraced and semi-detached rather than detached) house types.
	Overall, the SHMA considers that the dwellings needed across South Norfolk between now and the end of the Local Plan period would comprise 80% market housing and 20% affordable housing. As such, neither the SHMA nor the snapshot of the current affordable waiting list suggest there is any overwhelming need for neighbourhood planners to need to provide a housing exception site, at least not early in the Plan period, and the Mid Suffolk SHMA comes to a similar conclusion.
	Affordability thresholds calculated as part of this study show that the income required to buy an entry-level market home for sale (i.e. the Purchase Threshold) exceeds what is available to those on median household incomes and lower quartile household incomes.
	For the Starter Homes and Shared Ownership tenures, i.e. those aimed at people on lower quartile incomes, average lower quartile incomes are insufficient to access any of these tenures, although shared ownership at 50% or less is within reach for those on average incomes.
	The inability of those on lower quartile incomes to afford entry-level market rents, affordable rent and social rent is justification for relatively bold policy measures to ensure that sufficient quantities of social rented accommodation are provided so that this segment of the population has access to appropriate accommodation. Future provision should focus on social rather than affordable rented housing where possible. Also appropriate locally would be shared ownership which, at a 25% or 50% share, remains significantly more affordable than starter homes. The fact that shared ownership is more affordable than entry-level market rent, and within reach for those on median incomes, represents a clear opportunity for the increased provision of this tenure (which is poorly represented in the current dwelling mix) to facilitate access to home ownership for those on average incomes who wish to attain it. The comparison of tenures between the Local Authorities and the Neighbourhood Area strongly suggests that Diss and District is less affordable than its wider area, and potentially also becoming less affordable over time as house prices steadily rise.

Factor	Evidence and recommendations
	Census data shows that there are proportionally more terraces and flats in the combined parishes than across the local authorities. Although the proportion of detached homes is lower than observed across the District, it is still significantly higher than the average for England. The NA differs significantly from the Local Authorities in that it has more very small homes, a larger proportion of 4 room properties and fewer very large properties of 8 rooms or more. Nevertheless, this is a relative assessment- the NA still has a large proportion of properties with 5 rooms or more (70.8%). The 2011 Census data reveals that the age profile of Diss and District NA is very similar to that of South Norfolk. We do note, however, a slightly larger proportion of residents in the older age brackets. For example, 20% of Diss and District NA residents are aged between 65 and 84, compared with 18% across the District. The proportion of younger residents aged between 0 and 15 is one percentage point lower than the District. Both areas are characterised by a larger amount of residents in the older brackets compared to the England average. Between the two Censuses, the number of residents aged 85 and over is the age group that has increased the most (30.2%). The ONS population projections also reveal that, by 2036, people aged over 65 will be the single largest group in South Norfolk and Mid Suffolk. Therefore, there will be a significant increase in the demand for housing related support services. The ageing of the population currently aged 45-64 thus has major implications for Diss and District NA over the Plan period. Household composition in Diss and District NA is not dissimilar to the District as a whole. The main difference is the higher proportion of one-person households, which is increasing.
Type and size	A large and increasing proportion of families with non-dependent children, as is the case in the NA, can sometimes indicate difficulties experienced by younger residents in forming their own households, possibly due to a lack of suitable dwellings. Through a life-stage modelling exercise, we conclude that by the end of the neighbourhood plan period, the distribution of dwellings should ideally be only slightly different from that of today- there should be slightly fewer homes of 1 and 2 bedrooms, and slightly more homes of 3, 4 and 5+ bedrooms. These findings indicate that the smaller average size of homes in Diss and District compared to the Local Authority averages means that the NA is, broadly speaking, well-placed already to cope with the forecast ageing of the population and their consequent demand for smaller homes as they downsize. However, it is important to caveat the result of this model, because it is based on past trends and issues of supply. Supply, not just demographic profile, can influence occupancy patterns. For this reason, we verify the results further with respect to occupancy trends at the national level. This recommended split implies more demand for one and three-bedroom dwellings, and less for those with two bedrooms and four or more bedrooms. To reflect this, the HNA advises taking the average of the life stage modelling and the national occupancy trends, meaning the final recommendation for the dwelling mix is as follows (all figures rounded and approximate): • 15% one bedroom dwellings; • 15% two bedroom dwellings; • 50% three bedroom dwellings; and • 20% four or more bedroom dwellings.

Factor	Evidence and recommendations
Newly-forming households	There were 2,548 individuals aged between 18 and 35 in the NA in 2011. This represents 18.8% of the population (13,531). These individuals may or may not have formed their own households.
	Based on Census 2011 data, it is estimated that there are 470 households that could potentially be formed that had not yet done so. We assume these households are still living with their parents. They will not have formed their own household for several reasons including the absence of suitable affordable tenures (though there will be other reasons, too, such as saving money).
	Census data about household composition shows that 502 households have non-dependent children living in them. The figure of 470 above can therefore be seen as a broadly reasonable estimate.
	Rental is by far the most commonly occupied tenure among HRPs under the age of 49- although it is clear that rental decreases and ownership increased with advancing age. This is a common pattern seen across the country and is likely linked to increasing income over time.
	However, the tenures occupied by different households can vary significantly between the ages of 25 and 49. Data interrogated for households under the age of 35 specifically shows the importance of the private and social rented sectors at present for younger households, though does show that after the age of 30, more HRPs are able to afford to own their own house than rent, helped by mortgages, loans or shared ownership schemes. Based on the average of the datasets interrogated, an estimated tenure split of new-build homes has been developed, bearing in mind the needs of newly forming households specifically. This tenure split emphasizes the importance to these households of both entry-level market sales (including affordable routes to home ownership) and private rent, and is as follows: • Home ownership 4% • Entry-level market sales/intermediate ownership product 10% • Social rent 33% • Private rent 53%

8.2 Recommendations for next steps

199. This neighbourhood plan housing needs assessment has aimed to provide Diss Town Council with evidence on housing trends from a range of sources. We recommend that the parish should, as a next step, discuss the contents and conclusions with MSDC and SNDC and with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the Neighbourhood Plan area, bearing the following in mind:
- Neighbourhood Planning Basic Condition A, that it has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the neighbourhood plan contributes to the achievement of sustainable development; and Condition E, which is the need for the neighbourhood plan to be in general conformity with the strategic policies in the adopted Local Plans;
 - the views of Mid Suffolk and South Norfolk District Councils;
 - the views of local residents;
 - the views of other relevant local stakeholders, including housing developers; and
 - the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the District Councils, including but not limited to the SHLAA; and
 - the recommendations and findings of this study.
200. Ongoing changes to the planning system (for example the recent amendments to the NPPF) will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
201. This advice note has been provided in good faith by AECOM consultants on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).
202. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the District Councils or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.
203. At the same time, monitoring on-going demographic or other trends over the period in which the neighbourhood plan is being developed will help ensure the continued relevance and credibility of its policies.

Appendix A : Affordability Calculations

204. In this section, we assess the affordability of housing in the Parish. This is achieved through analysis of the cost of different tenures, and the income needed to afford these tenures.

A.1 Market Housing

205. To determine affordability in market housing, we consider two primary indicators, 'Income Thresholds' (IT), which denotes the maximum share of a family's income that should be spent on accommodation costs, and secondly 'Purchase Thresholds' (PT), which denote the standard household income requirement to access mortgage products.

Market sales

206. The PT examines affordability for market homes for sale. In this sub-section, we consider two measures of housing price: the median house price, and the lower quartile (LQ) house price. The LQ house price is the price below which the cheapest 25% of houses may be bought and is a measure of 'entry-level' property in the area (i.e. cheaper, more affordable housing). An entry-level dwelling can also be understood as one suitable for a household comprising two or three individuals. In order to conform with government guidance on overcrowding, such a home would require three habitable rooms (a flat or house with two bedrooms). Entry-level properties can therefore also be understood as two-bedroom flats/houses.

207. To determine the price of for-sale market homes, we calculated the median price of houses sold in Diss and District in 2018, using Land Registry data.

208. The PT is calculated by discounting 10% of the house price to reflect a mortgage deposit. The resulting cost is then divided by a lending criterion of 3.5⁵¹.

209. The PT for an entry-level property is $\text{£}202,500 \times 10\% = \text{£}20,250$; $\text{£}202,500 - \text{£}20,250 = \text{£}182,250$. Dividing this figure by 3.5 produces a threshold of $\text{£}52,071$. A single household would thus need to be earning **£52,071 annually to afford an entry-level property**.

Private rented sector (PRS)

210. Income thresholds are used to calculate the affordability of other tenures of housing, rented and AH tenures.

211. We have turned to the property website [Home.co.uk](https://www.home.co.uk) to establish the rental values for property in the NA.

212. We now determine the income needed to afford market rents. The IT is derived through the annualisation of the monthly rental cost. For the purpose of this exercise, affordability is then defined as spending no more than a third of income on housing costs.

213. The average entry-level rent in Diss is $\text{£}596$ pcm. The annualisation of this figure is $\text{£}7,146$. The income threshold is therefore **£28,584**.

A.2 Affordable Housing

214. There is a range of tenures that constitute the new definition of Affordable Housing (AH) within the NPPF (2019 version), namely 'Affordable housing for rent (social rent or affordable rent), starter homes, discounted market sales housing and other affordable routes to home ownership.'

215. We consider each of the AH tenures in turn, before developing a recommendation for how the quota of AH yielded by development should be divided between these tenure types.

Social Rent

216. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual property values and average earnings in each area, maintaining substantial discounts to market rents. As such, it is suitable for the needs of those on low incomes, and is subject to strict eligibility criteria.

217. To determine social rent levels we have used the Data and Statistical Return (DSR) from Homes England. This data is only available at the District level, but operates as an acceptable proxy for Diss and District. DSR provides data about rents and the size and type of stock owned and managed by Private Registered Providers (PRPs) and is presented in

⁵¹ Lending criteria: How much a mortgage provider is prepared to lend you (how many times income). A household is considered able to buy a home if it costs 3.5 times the gross household income.

Table 8-2 below.

Table 8-2: Social rents by unit size in South Norfolk

Social Rent	1 bed	2 beds	3 beds	4 beds	All
Average social rent PCM	£76	£86	£96	£112	£89
Annual average	£3,955	£4,484	£5,006	£5,829	£4,632
Income needed	£15,820	£17,938	£20,024	£23,315	£18,529

Source: HCA, AECOM Calculations

Affordable Rent

218. Commentators have repeatedly raised concerns about affordable rent not constituting a realistic form of AH given that in many areas this reduces rent to levels that are still beyond the means of the target group: those on incomes substantially below the mean.
219. Affordable rent is controlled at no more than 80% of the local market rent; as we have seen the annual entry-level rent is £7,146. In the event of a 20% reduction in rent to £5,717, the income threshold would come down to an estimated £22,867.

Starter Homes

220. The Housing and Planning Act 2016 includes provisions to introduce a general duty on planning authorities in England to promote the supply of 'Starter Homes,' and a specific duty to require a minimum number or proportion of 'Starter Homes' on certain residential development sites.
221. A Starter Home is a new build home with a value not exceeding £250,000 outside London; they are eligible for first time buyers aged 40 or younger. They are sold at a discount of at least 20% below local market value.
222. In order to provide a conservative assessment of suitability of Starter Homes, we propose to use the value of £202,500 we have estimated previously for an entry-level dwelling.
223. Applying a discount of 20% gives an approximate selling price of £162,000. Allowing for a 10% deposit further reduces the value of the property to £145,800. Dividing this figure by 3.5 gives a PT of **£41,657**.

Shared Ownership

224. As we have seen, there are very few shared ownership dwellings in Diss and District (51 at the time of the last Census which is 0.8% of the housing stock). Nevertheless, it is worth considering the future role of this tenure.
225. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75%, and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, firstly in terms of the share which can be purchased and secondly in terms of the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied through a process known as 'stair-casing'.
226. Generally, stair-casing will be upward, thereby increasing the share owned. In exceptional circumstances (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 both first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating **whose household income does not exceed £60,000**.
227. To determine the affordability of shared ownership, calculations are based on the previously-calculated entry-level house price in Diss and District (£202,500). The amount of the deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to value ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household should spend no more than a third of its income on rent (as for the IT for PRS).
228. A 25% equity share of £202,500 is £50,625, from which a 10% deposit of £5,063 is assumed. The mortgage value of £45,563 (£50,625 - £5,063) is then divided by 3.5. To secure a mortgage of £45,563, therefore, an annual income of £13,018 (£45,563 / 3.5) is needed. In addition to the mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £151,875. An ongoing annual rent equivalent to 2.75% of the value of the unsold equity is assumed, which is £3,797 and requires an income of £15,188. Therefore, an income of around **£28,205** (£13,018 + £15,188) is required to afford a 25% shared equity purchase of an entry-level house with annual rent.
229. The same calculation can be replicated for different initial share and the results are presented in Table 8-3:

Table 8-3: Affordability calculator for shared ownership

Shared Ownership	25%	50%	75%
Entry level price	£202,500	£202,500	£202,500
Equity	£50,625	£101,250	£151,875
10% deposit	£5,063	£10,125	£15,188
Mortgage value	£45,563	£91,125	£136,688
Purchase income required	£13,018	£26,036	£39,054
Unsold value	£151,875	£101,250	£50,625
2.75% rent	£3,797	£2,531	£1,266
Rental income required	£15,188	£10,125	£5,063
Total income required	£28,205	£36,161	£44,116

Source: AECOM Calculations

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

National Planning Policy Framework Annex 2: Glossary, Affordable Housing

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 methods⁵².

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 made at the examination stage of neighbourhood plans. They need to be met before a plan can progress to referendum.

Backlog need

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

Bedroom Standard⁵³

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.

⁵² The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

⁵³ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order⁵⁴

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

Concealed Families (Census Definition)⁵⁵

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

Equity Loans/Shared Equity

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

Extra Care Housing⁵⁶

New forms of sheltered housing and retirement housing have been pioneered in recent years, to cater for older people who are becoming frailer and less able to manage day-to-day tasks without assistance. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very or enhanced sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents' lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff. Properties can be rented, owned or part owned/part rented. There is a limited (though increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet.

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.

⁵⁴ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

⁵⁵ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

⁵⁶ See <http://www.housingcare.org/jargon-extra-care-housing.aspx>

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, such as Starter Homes, the Government's flagship 'housing product'.

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 years⁵⁷, 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 plan

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

Older People

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

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

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

⁵⁷ 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.

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing⁵⁸

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

⁵⁸ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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 the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.⁵⁹

⁵⁹ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

