AUGUST 2021

Wealden Local Housing Needs Assessment

ICENI PROJECTS LIMITED
ON BEHALF OF WEALDEN
DISTRICT COUNCIL

Iceni Projects Limited on behalf of
Wealden District Council

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EXECUTIVE SUMMARY

- The purpose of the document is to examine the future need for housing in the district and its sub areas. As well as overall housing need, the report examines affordable housing need and makes recommendations on the mix of housing and the needs for specific groups.

- This Executive Summary provides the key headline outputs of the report but it should also be read in conjunction with the wider report which provide further analysis, commentary and justification for policy recommendations.

Housing Stock and Market

- The district's estimated population is 161,475 living in just over 71,000 dwellings. Completions in the district have averaged 653 per annum since 2011. Around 41% of the population reside in the parts of the district which relate to Eastbourne and its HMA, 34% in the Sevenoaks and Tunbridge Wells HMA and 19% to Coastal West Sussex HMA.

- Relative to wider comparator areas, a high percentage of households in Wealden own their own homes and a relatively low percentage were privately renting and socially renting. There is also a high percentage of larger detached and semi-detached dwellings with 4 or more bedrooms but a low percentage of terraced dwellings and flats. As a result there are significant levels of under-occupation and lower levels of overcrowding. The housing mix responds to this and the Council should encourage downsizing to ensure best use of the existing stock.

- Median house prices in Wealden, in the year to June 2020, were slightly below the South East median but significantly above the median for East Sussex and £80,000 above the national median. The cost of semi-detached and terraced homes have increased at a faster rate than flats and detached homes. However, we expect demand for detached and semi-detached homes to continue to increase while growth in the cost of flats will slow as a result of Covid-19.

- Affordability has significantly deteriorated in Wealden since 1998 and in 2019, the median house price in Wealden was 11.55 times median earnings (higher than across all wider comparator areas). This demonstrated the difficulty, particularly for first time buyers to enter the housing market.

Housing Need

- The four step standard method in Wealden is calculated as follows:
    - Step 1 – Projected household growth of 875 per annum over the 2020-30 period;
    - Step 2 – Increasing the household growth by 47% based on an affordability ratio of 11.55;
    - Step 3 – Capping the increase in step 2 to 40%;
    - Step 4 – No adjustment as the district falls outside of the 20 most populated urban areas in England.
- This results in a housing need of 1,225 dwellings per annum which can be applied across the Local Plan period from 2020 onwards. This level of housing need forms the basis of much of the analysis in the report.

- Overall, in the 2019-39 period, the delivery of 1,225 dpa is projected to see an increase in population of 28% (45,200 more people) compared with a 12% increase (19,700) in the 2018-based SNPP.

Of the 25,500 difference in population increase, some 61% (15,600) is accounted for by a projected uplift in the number of people aged 16-64.

Affordable Housing Need and Mix

- Analysis has been undertaken to estimate the need for affordable housing in the 2019-39 period. The analysis is split between a need for social/affordable rented accommodation and the need for affordable home ownership (AHO).

- There is a need for 519 affordable homes per annum to rent and 335 AHO per annum. Therefore the Council is justified in seeking to secure as much affordable housing as viability allows. Overall, the analysis identifies a notable need for affordable housing generally, and it is clear that provision of new affordable housing is an important and pressing issue in the District.

- The analysis suggests that there will be a need for both social and affordable rented housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and also for some households who claim full Housing Benefit. On this basis, it is not recommended that the Council has a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes are likely to be required.

- A discount of 30% looks to be generally reasonable for first homes, although higher discounts may be suited for 3-bedroom homes. Given the cost of housing in the area, the Council could consider a maximum price of First Homes of around £175,000-£200,000 to be appropriate. This will help to keep First Homes affordable in a local context. Given the likely income requirements to afford a First Home (and incomes required to buy in the market), a threshold household income of around £50,000 might be appropriate.

- In deciding what types of affordable housing to provide, the Council should consider the relative levels of need alongside viability (recognising for example that providing AHO may be more viable than affordable rented housing and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).

Private rental market

- The PRS in the district makes up approximately 11.1% of all housing, a lower level to the County, regional and national figures. Renting in Wealden is relatively more expensive compared to both East Sussex and England as whole but only slightly more expensive than the South East. Furthermore, rental price growth over the last five years has been higher than all but the regional average.

- Our high level analysis suggests that there could be some level of interest in BTR products in the district based on the income gap between renting and buying and the age profile of BTR target. However, there is not a major urban centre in the district and thus far institutional investment for this type of product has been focused on major cities.

Housing Mix

- There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to long-term (20-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population.

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	30%	40%	25%
Affordable home ownership	20%	40%	30%	10%
Affordable housing (rented)	40%	30%	25%	5%

- The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas, Registered Providers find difficulties selling 1-bedroom affordable home ownership homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation.

- Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to current evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.

The Needs of Older Persons & Those with Disabilities

- Wealden has an older age structure but similar levels of disability compared with other areas (age-specific rates are lower). The older person population is projected to increase notably in the future and an ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2019-39 period include:

    - A 56% increase in the population aged 65+ (potentially accounting for over half of total population growth);
    - A 75% increase in the number of people aged 65+ with dementia and a 66% increase in those aged 65+ with mobility problems;
    - A need for around 2,200 housing units with support (sheltered/retirement housing) including 65% in the market sector;
    - A need for around 1,100 additional housing units with care (e.g. extra-care), around a third in the affordable sector;
    - A need for 993 additional care bedspaces; and
    - A need for around 1,800 dwellings to be for wheelchair users (meeting technical standard M4(3)).

- This suggests a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing.

- The Council could consider (as a starting point) requiring all dwellings (in all tenures) to meet the M4(2) standards (which are similar to the Lifetime Homes Standards) and at least 10% of homes meeting M4(3) – wheelchair user dwellings (a higher proportion in the affordable sector) subject to financial viability.

Other Groups

- With respect to self and custom build register, the Council will need to ensure that plots of land that are permitted within 3 years at the equivalent level of the actual number of entries on the register at the end of each base period. On average 26 individuals enter the self and custom build register per base period. This gives an indication of the scale of future need. As a first step, the local

authority should seek to adopt a general “encourage” policy for all sites but also implement a further policy for supporting such development on strategic sites.

- The average number of households owed a homelessness duty is 121 per annum of which 51% required a prevention duty and 49% a relief duty. The majority require smaller homes and the Council should consider ensuring a smaller supply of affordable homes to meet this need.

- Many of those presenting as homeless also have a support need. The Council should continue to work with the relevant bodies to ensure proper support is provided and monitor the situation for any rapid changes. For example an increase in homelessness once the eviction amnesty is finished.

1. INTRODUCTION AND CONTEXT

1.1 Wealden District Council has commissioned a consultancy team led by Iceni Projects Limited ("Iceni") to prepare a new Local Housing Needs Assessment ("LHNA") for the District. The Assessment is intended to provide a robust evidence base regarding the need for housing to allow the Council to be able to develop policies to create balanced communities, create relevant housing pathways of choice and to support economic regeneration in both urban and rural parts of Wealden.

Purpose of the Local Housing Market Assessment

1.2 The assessment considers the current housing stock, the future need and demand for housing, and gaps in housing provision – both for market rent, sale and affordable housing. It also considers the housing needs of different groups within the population – including older persons, those with disabilities, students and current or former forces personnel. The assessment also provides an evidence base regarding the need for specific types of housing, including affordable housing, specialist housing for older people, student accommodation, and self and custom-build housing.

1.3 This report updates and replaces the Wealden Strategic Housing Market Assessment which was prepared in 2016. It also updates and replaces the findings of the update to the Wealden's Objectively Assessed Housing Need that was published in 2017. It takes account of more recent housing market conditions; demographic dynamics; and policy changes at both the national and local levels.

1.4 This section sets out an overview of the key national planning policy and guidance underpinning the preparation of this Local Housing Market Area Needs Assessment which applies at time of writing.

1.5 There are potential implications for this assessment arising from the national policy proposals set out in the Government's White Paper: Planning for the Future (August 2020). The changes proposed in the White Paper have been considered throughout the main body of our assessment, where necessary.

National Planning Policy Framework (February 2019)

1.6 The latest version of the National Planning Policy Framework (NPPF) was published by Government on 19th February 2019. Paragraph 7 in the NPPF states that the purpose of planning is to contribute to the achievement of sustainable development. It sets out that planning policies and decisions should play an active role in guiding development towards sustainable solutions, but in doing so should take local circumstances into account, to reflect the character, needs and opportunities of each area.

1.7 The development plan must include strategic policies to address each local planning authority's priorities for the development and use of land in its area. Plans should apply a presumption in favour of sustainable development and for plan-making, this means that plans should positively seek opportunities to meet the development needs of their area, and be sufficiently flexible to adapt to rapid change and strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring authorities, where it is sustainable to do so.

1.8 In order to support the Government's objective of significantly boosting the supply of homes, paragraph 59 in the NPPF states it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.

1.9 Paragraph 60 sets out that in order to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals.

1.10 Paragraph 61 goes on to set out that within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, people who rent their homes and people wishing to commission or build their own homes.

1.11 Paragraphs 62 – 64 address affordable housing provision. They set out that where an affordable housing need is identified, planning policies should specify the type of affordable housing required and expect it to be met on-site unless off-site provision or a financial contribution in lieu can be robustly justified, or the agreed approach contributes to the objectives of creating mixed and balanced communities.

1.12 Paragraph 63 states that the provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas.

1.13 Paragraph 64 sets out that where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups. In addition, other exemptions to this 10% requirement include instances where a site or proposed development:

- Provides solely for Build to Rent homes;
- Provides specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students);
- Is proposed to be developed by people who wish to build or commission their own homes; or
- Is exclusively for affordable housing, an entry-level exception site or a rural exception site.

1.14 The NPPF's Glossary (Annex 2) provides an updated definition of affordable housing; as well as definitions of Build to Rent development, local housing need, older people; and self-build and custom housebuilding.

Planning Policy Guidance

1.15 Government's Planning Practice Guidance includes a number of sections which are relevant to the assessment of housing need.

1.16 Guidance on housing and economic needs assessments sets out that housing need is "an unconstrained assessment of the number of homes needed in an area" and should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations. Details of the standard method calculations for Wealden are addressed in Section 4 of this report.

1.17 Guidance on housing needs of different groups sets out how affordable housing need can be assessed, as well as the needs of students, and how planning policies can support rural communities. It makes clear that the housing needs of individual groups may well exceed, or be proportionally high in relation to the overall housing need figure calculated using the standard method, as these will often be calculated having consideration to the whole population as opposed to new households.

1.18 Councils will need to take into account these needs including the need for affordable housing - having regard to the overall housing need identified, the extent to which this can be translated into a housing requirement figure over the plan period, and the anticipated deliverability of different forms of provision, having regard to viability.

1.19 The Guidance section for housing for older and disabled people sets out that the need to provide housing for older people is critical, as people are living longer and the older population is increasing. It sets out that the health, lifestyle and housing needs of older people will differ greatly with housing needs ranging from accessible and adaptable general needs housing to specialist housing with high levels of care and support.

1.20 It provides guidance on how the housing needs of older and disabled people can be assessed, which Iceni has had regard to in this report, and sets out that this should inform clear policies within plans which may include specific site allocations to provide greater certainty to developers. Separate guidance is provided on optional technical standards including for accessible and adaptable housing, use of national space standards and wheelchair-accessible housing.

1.21 Separate guidance sections have also been prepared which address Build to Rent and Self-Build and Custom Housebuilding. The Build-to-Rent guidance requires authorities to assess need, and where a need is identified to include a plan policy setting out the circumstances and locations where build-to-rent development will be encouraged.

1.22 The Self-Build guidance section sets the requirements of the Self-Build and Custom Housebuilding Act 2015 (as amended) including the requirements on Councils to maintain a Register of those interested in self-build housing and to grant consents to meet the need shown. It also sets out that needs assessments can consider other secondary data sources.

Housing and Social Care Legislation

1.23 Wider legislation affecting housing need includes the 1996 Housing Act (as amended), the Housing and Social Care Act 2012, the 2014 Care Act and 2017 Homelessness Reduction Act.

1.24 The 2014 Care Act sets out local authorities' duties in relation to assessing people's needs and their eligibility for publicly funded care and support. Under the Act, local authorities must carry out an assessment of anyone who appears to require care and support and focus the assessment on the person's needs and how they impact on their wellbeing, and the outcomes they want to achieve. Local authorities must also consider other things besides care services that can contribute to the desired outcomes (e.g., preventive services, community support and specialised housing needs).

1.25 The Homelessness Reduction Act 2017 places new legal duties on English councils so that everyone who is homeless or at risk of homelessness will have access to meaningful help. Local Authorities have a duty to produce homelessness strategies to prevent homelessness in their respective areas.

Wealden Planning Context

1.26 The Council is preparing a new local plan for Wealden District. The Local Plan will provide policies to over a 15-20 year period. The Local Plan will ultimately be the key planning document against which the Council assess and make decisions on planning applications.

1.27 The Council have recently published a Direction of Travel consultation[1] which is the first stage in their engagement process. Within the consultation document the Council have identified a number of key planning themes that they will need to address in the local plan. These themes include housing under which they have identified what they think are the key challenges, opportunities and critical planning issues for the district are and how these could be included in a new local plan.

1.28 This document is a key part of the evidence base the Council need to understand what the challenges are and how these can best be addressed.

[1] https://www.wealden.gov.uk/UploadedFiles/Wealden-Local-Plan-Direction-of-Travel-1.pdf

Plan period

1.29 Wealden District Council are currently working on the basis of a twenty year Local Plan period. The standard method which is the basis for much of this report is to be calculated over a ten year period starting with the current year (2020 when this report was prepared).

1.30 However, as per Paragraph 12 of the PPG this number can then "be applied to the whole plan period". (Ref: 2a-012-20190220). As the standard method "addresses projected household growth and historic under-supply" (Reference ID: 2a-002-20190220) then the parts of the Plan Period that pre-date the standard method calculation (2019-2020) can be based on net housing completions (1,034 dpa).

Structure

Following this introductory section the report is set out as follows:

- Chapter 2 examines the housing market areas which cross Wealden;
- Chapter 3 provides a baseline of the district's housing stock;
- Chapter 4 examines the housing market in the district;
- Chapter 5 calculation of housing need;
- Chapter 6 examines local demographics and projects future population growth;
- Chapter 7 calculates the need for affordable housing to buy and rent;
- Chapter 8 makes recommendations in relation to the mix and cost of affordable housing;
- Chapter 9 examines the Private Rental Sector;
- Chapter 10 makes recommendations in relation to the size of homes that are required;
- Chapter 11 looks at the need for Older People and those with a disability;
- Chapter 12 examines the needs of other groups; and
- Chapter 13 provides a summary of the previous chapters and a set of recommendations.

2. HOUSING MARKET AREA GEOGRAPHIES

2.1 Paragraph 18 of the Plan Making Planning Practice Guidance (PPG)[2] defines what a Housing Market Area (HMA) is and sets out the approach local authorities should take when defining these.

2.2 According to the Guidance 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*." The PPG goes on to add:

"These can be broadly defined by analysing:

- *The relationship between housing demand and supply across different locations, using house prices and rates of change in house prices. This should identify areas which have clearly different price levels compared to surrounding areas.*
- *Migration flow and housing search patterns. This can help identify the extent to which people move house within an area, in particular where a relatively high proportion of short household moves are contained, (due to connections to families, jobs, and schools).*
- *Contextual data such as travel to work areas, retail and school catchment areas. These can provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use)."*

2.3 The guidance finally sets out a range of suggested data sources for doing this. These are:

"Office for National Statistics (internal migration and travel to work areas statistics); Land Registry House Price Index and Price Paid data (including sales); data from estate agents and local newspapers about geographical coverage of houses advertised for sale and rent; Ministry of Housing, Communities and Local Government statistics including live tables on affordability (lower quartile house prices/lower quartile earnings); and neighbourhood data from the Census."

2.4 This slimmed down guidance notably omits any self-containment threshold for defining HMAs. This is unlike the previous version of the PPG which stated that migration self-containment of "typically 70 per cent" excluding long distance moves can help identify a suitable HMA. The scale of a Housing Market Area and its required self-containment rate is therefore less definitive, as long as it is identified using the approach in the PPG. However, it is considered that the Government's previous advice remains of some relevance.

2.5 It is also worth noting that HMA boundaries do not stop and start at administrative boundaries. Despite this, it is often commonplace for housing market areas to be defined using local authority boundaries. This is because much of the key datasets used in both defining housing market geographies and housing need (such as the household projections) are only published at a local authority level. In many areas, a pragmatic response has therefore been to define HMAs at a local authority level. However, the appropriate approach needs to take account of the geography of the local area beyond its administrative boundaries.

2.6 These issues were touched upon in the Planning Advisory Services Technical Advice Note on Objectively Assessed Housing Need and Housing Targets[3] (July 2015) which concluded that:
"It is best if HMAs, as defined for the purpose of needs assessments, do not straddle local authority boundaries. For areas smaller than local authorities data availability is poor and analysis becomes impossibly complex. There may also be 'cliff edge' effects at the HMA boundary, for example development allowed on one side of a road but not the other."

[2] Reference ID: 61-018-20190315

[3] https://www.local.gov.uk/sites/default/files/documents/objectively-assessed-need-9fb.pdf

2.7 However, the Technical Advice Note notably adds:

"This is not always possible and it may be the case that some areas, particularly those covering an expansive area fall into more than one HMA. "

2.8 Wealden District, which covers an area of 321 square miles, would potentially be one such local authority. It is the 44th largest out of 317 local authorities in England and the second largest in the South East region behind only the newly formed Buckinghamshire Council.

2.9 Although there are a number of sizable towns in the district, Wealden is surrounded by a number of larger towns and urban areas including Eastbourne to the south, Lewes and Brighton to the south west, East Grinstead, Horsham and Crawley to the north west, Haywards Heath and Burgess Hill to the west, Sevenoaks and Tunbridge Wells to the north east, and Bexhill and Hastings to the south east. These larger settlements will naturally have an influence beyond their boundaries including into Wealden.

Previously-defined Geographies

2.10 The previous Wealden Strategic Housing Market Assessment (August 2016) took a Wealden centric view of the Housing Market area and "*based on the strongest and most consistent*" relationships identified a HMA which included:

- Wealden;
- Eastbourne;
- Tunbridge Wells;
- Rother;
- Lewes; and
- Mid Sussex

2.11 Clearly this is a wide area and while it is a reasonable approach to take it does not recognise the wider influences on these areas. For example, it is unlikely that Tunbridge Wells and Lewes are in the same HMA given Lewes proximity to Brighton and Hove and the influence that City exerts on the housing market in Lewes. It is therefore worthwhile examining the evidence which looks at and defines the Housing Market Areas for these neighbouring authorities to see how they define their own housing market area.

Eastbourne

2.12 The 2016 Eastbourne Borough Council SHMA explored the extent of the HMA using house price, migration and travel to work data from the 2011 Census. The work identified a migration self-containment rate of 60.8% comprising residents moving from Eastbourne who stayed in the borough; and 65.4% of residents moving to a property in Eastbourne who originated from the borough.

2.13 These figures were marginally below the "typical" threshold of 70% set by the former Department of Communities and Local Government (DCLG) guidance. However, if interactions with Wealden District are included, the origin self-containment rate increases to 70.2% and the destination self-containment rate to 72.9%. Therefore, the report concluded that Eastbourne is part of a wider HMA that extends into Wealden District.

2.14 The report added that although Eastbourne can be considered to be self-contained in terms of commuting there were strong interactions with Wealden (9.5% of Eastbourne residents work in Wealden and 14.9% of people working in Eastbourne live in Wealden). It therefore recommended that Eastbourne is considered to be part of a wider functional economic area which extends into Wealden District.

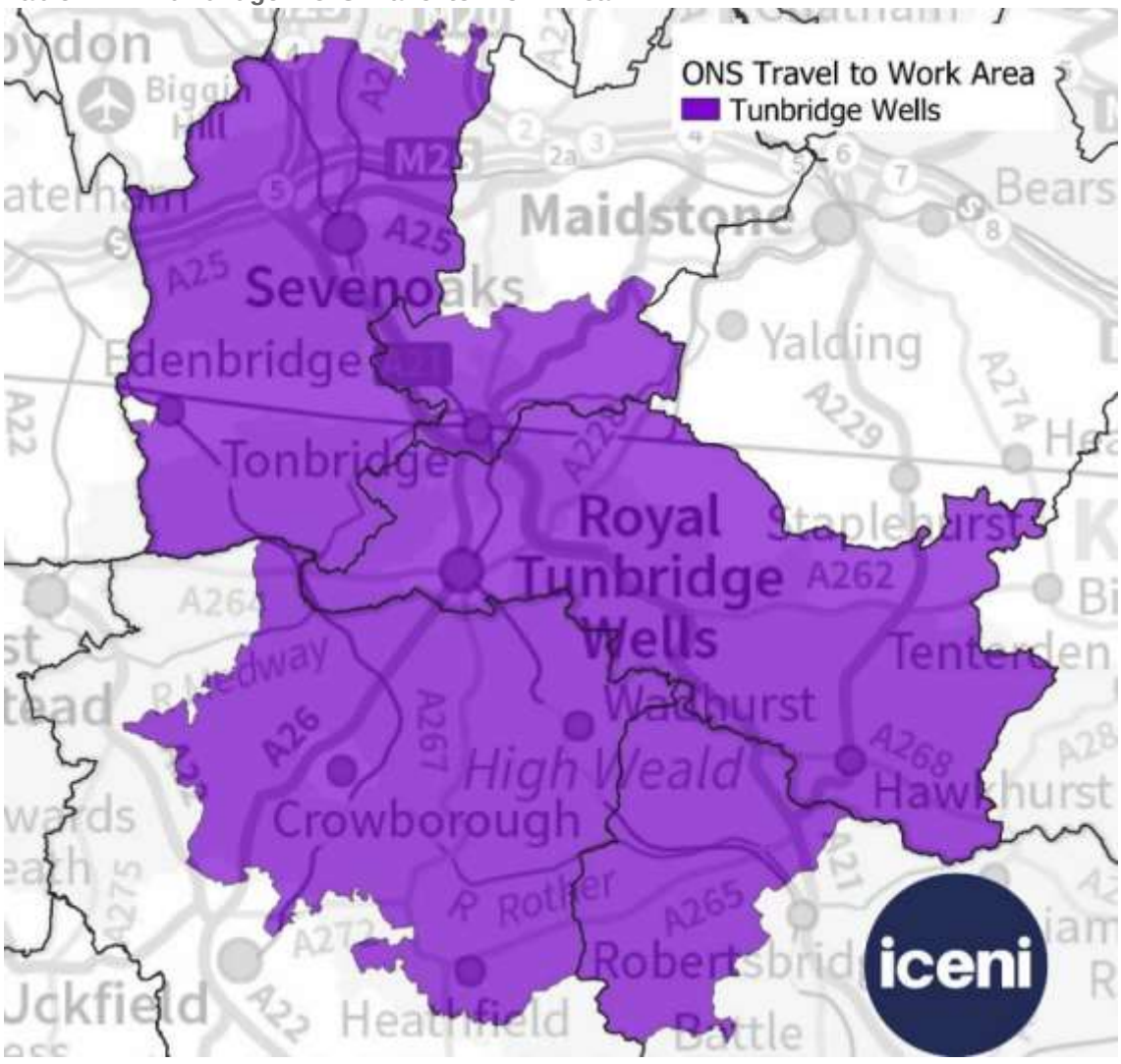
2.15 The SHMA ultimately concluded that Eastbourne is part of a wider housing market area that extends into Wealden District. It did not however examine the spatial extent of the housing market area or other external influences on this area.

Tunbridge Wells

2.16 The extent of the housing market influences in Tunbridge Wells were examined in the September 2015 Sevenoaks and Tunbridge Wells SHMA. The report considered that the 2011 Tunbridge Wells Travel to Work Area (TTWA) provides an appropriate HMA geography and noted that this is not substantially different to the Centre for Urban and Regional Development Studies (CURDS) Local Housing Market Area boundary.

2.17 The extent of the Tunbridge Wells TTWA is illustrated in the figure below. As illustrated, this includes the north eastern part of Wealden district including the settlements of Crowborough, Wadhurst and Heathfield. The extent of this area reflects the rail and road links which support commuting into Tunbridge Wells. The Office for National Statistics (ONS) criteria for defining TTWAs is that generally at least 75% of an area's resident workforce work in the area and at least 75% of the people who work in the area also live in the area.

Table 2.1 Tunbridge Wells Travel to Work Area



Source: Iceni, Based on ONS and OS Data

2.18 The report highlighted relationships with adjoining areas, including between Swanley and Dartford; and between Tunbridge Wells (rather than Sevenoaks or Tonbridge) and the northern parts of Wealden and Rother Districts. Specifically the report identifies a West Kent Housing Market Area (HMA) which includes Sevenoaks, Tonbridge and Tunbridge Wells and extends to include Crowborough, Hawkhurst and Heathfield.

2.19 However, the report went on to note, as per the PAS Guidance, that for practical purposes it is useful to consider the 'best fit' of local authorities to housing market areas. On that basis the report considered Sevenoaks and Tunbridge Wells local authorities together with the Tonbridge part of Tonbridge and Malling as a core HMA area (reflecting in part the commissioning geography for the study).

2.20 Although both Sevenoaks and Tunbridge Wells have produced updates to the SHMA these updates did not re-examine the housing market areas but relied on the 2015 SHMA.

Rother

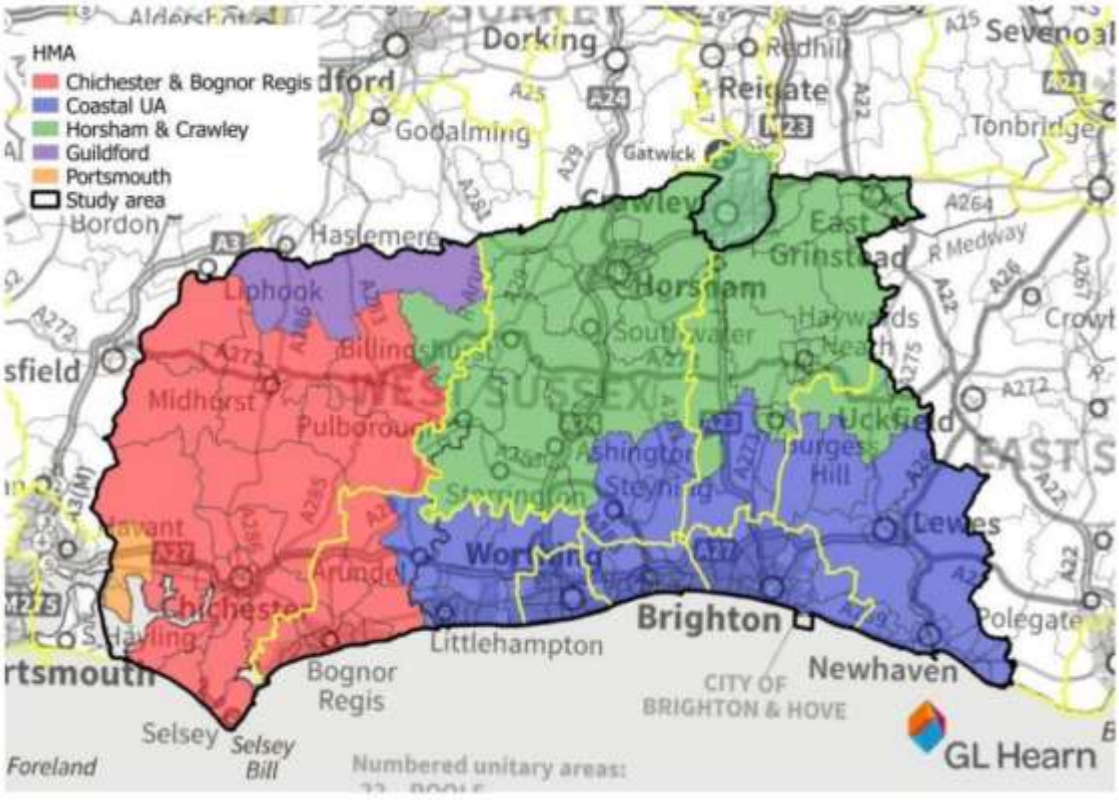
2.21 Rother District Council and Hastings Borough Council have produced a new Housing and Economic Development Needs Assessment (HEDNA). This work sought to test the validity of the Hastings and Rother HMA as defined in their June 2013 SHMA. It did not however look to examine the influence on the housing market area outside of its boundaries or other external influences on the HMA area within Hastings and Rother.

2.22 The HEDNA examined migration and commuting data as well as house price change data and concluded that the 2013 definition remained valid. Combined, these two areas – Hastings and Rother – were found to have a destination self-containment rate of 82.5% and an origin self-containment rate of 80.8% when long distance moves are excluded.

Lewes and Mid Sussex

2.23 The Greater Brighton and Coastal West Sussex Strategic Planning Board published a document called "Defining the HMA and FEMA" in February 2017. The purpose of this document was to identify the extent of housing market areas in this area. With the exception of Crawley, it did not examine the extent of the Core HMAs outside of the study area.

Table 2.2 Boundaries in Greater Brighton and Coastal West Sussex



Source: GL Hearn, 2017

2.24 The study was comprehensive in the range of factors it examined and ultimately identified three core housing market areas and two further areas of influence in the study area. As illustrated in the figure below, the three Core HMAs were: the Chichester and Bognor Regis HMA; the Coastal Urban Area HMA including Brighton and Hove, Lewes and the southern part of Mid Sussex; and the Horsham and Crawley HMA which also covered the northern parts of Mid Sussex.

2.25 The report also explored self-containment rates. The Horsham and Crawley HMA was identified as having an origin self-containment rate of 73% and a 74% destination self-containment rate. The Coastal Urban Area HMA had even higher rates of 85% and 86% respectively.

Migration and Self-Containment

2.26 The ONS provides annual data on internal migration flows (both in- and out- migration flows) which is informed by a range of official datasets including NHS GP registrations data.

2.27 We have sought to appraise gross migration flows (the sum of flows in both directions) between areas to understand the relative strength of the housing market interactions between different local authorities. We use gross flows to understand the strength of the migration relationship between areas, and then benchmark them for the combined population size of the two local authorities to understand the relative strength of links. This recognises that two larger authorities will have a larger absolute flow than smaller authorities. The table below shows these flows with Wealden.

Table 2.3 Top Migration Gross Flows with Wealden per 1,000 Population

Local Authority	Gross Migration	Combined Population	Gross Moves per 1,000
Eastbourne	3,000	265,220	11.31
Tunbridge Wells	1,183	280,199	4.22
Lewes	1,092	264,743	4.12
Rother	1,041	257,555	4.04
Mid Sussex	957	312,497	3.06
Brighton and Hove	736	452,360	1.63
Hastings	374	254,136	1.47
Sevenoaks	268	282,225	0.95
Tandridge	201	249,604	0.81
Horsham	223	305,266	0.73
Tonbridge and Malling	199	293,628	0.68
Crawley	161	273,884	0.59
Canterbury	178	326,869	0.54

Source: Internal migration - Matrices of moves between English and Welsh local authorities, English regions, Scotland and Northern Ireland, year ending June 2019

2.28 Wealden's relationship with Eastbourne is twice the strength of that for the next strongest relationship, Tunbridge Wells. Wealden's relationship with Tunbridge Wells, Lewes and Rother are of a comparable strength. There is also a slightly weaker relationship with Mid Sussex. It is with these authorities that Wealden has a relatively strong relationship, pointing to housing market inter-relationships in a number of directions. There is a significantly weaker relationship with the other authorities shown.

2.29 One of the previous benchmarks for identifying a HMA was self-containment levels. These are the percentage of moves to or from an area which also originate from the same area. The guidance suggested that a self-containment rate of 70% would be typical of an HMA.

2.30 The guidance also suggested long distance moves should be excluded as these would include such things as people retiring to the area or moving for University which would typically be outside of the HMA they reside. We are required to use data from the 2011 Census as the more recent data does not report on internal moves within a local authority.

2.31 In migration terms, 13,453 people moved from a home in Wealden in the year before the 2011 census, of these 6,784 moved to another home in Wealden. This equates to a destination self-containment rate of around 50.4%. However, if we exclude those who moved outside of the South East region then the self-containment rate would increase to 60.3%.

2.32 Alternatively, 13,889 people moved to Wealden in the year before the 2011 census, of these 6,784 moved from elsewhere in Wealden. This equates to an origin self-containment rate of around 48.8%. However, if we exclude those who moved from outside of the South East region then the self-containment rate would increase to 57.5%.

2.33 By no measure is Wealden therefore approaching the typical 70% threshold for self-containment. This indicates that Wealden is not a HMA in its own right and falls within the wider HMA of one or more local authority.

2.34 As set out in the Eastbourne evidence, Eastbourne and Wealden combined has an origin self-containment rate of 70.2% and the destination self-containment rate of 72.9%. Therefore, it could be concluded (as Eastbourne Borough Council do) that there is a HMA extending across the two local authorities.

2.35 We have also undertaken a similar exercise with Tunbridge Wells and Sevenoaks. Combined these have an origin self-containment rate of 65.1% and the destination self-containment rate of 69.5%. When Wealden is added to these figures, they change to 65.4% and 67.6% respectively.

2.36 Finally reflecting the strong links to Lewes we have calculated the self-containment of the local authorities which comprise the majority of the Coastal Urban Area HMA i.e. Brighton and Hove, Worthing, Adur and Lewes.

2.37 Combined these local authorities have an origin self-containment rate of 84.6% and the destination self-containment rate of 84.3%. When Wealden is added to these figures, they fall to 72.6% and 72.4% respectively.

2.38 This would reiterate that Wealden as a whole is more closely linked to Eastbourne than other neighbouring authorities. If HMA boundaries were drawn using only a local authority boundaries then the HMA boundary would include Wealden and Eastbourne.

2.39 However, it is clear that given Wealden, which covers a large area and is adjacent to a number of significant settlements in a wider geographic area, a more nuanced approach is appropriate. The remainder of this section looks at these potential boundaries in more detail.

CURDS Study

2.40 The National Housing and Planning Advice Unit commissioned a national Study to consider housing market geographies which was published in 2010. The research was produced by the Centre for Urban and Regional Development Studies (CURDS) based out of Newcastle University and uses the 2001 Census as a basis for analysis.

2.41 The PAS Technical Advice Note recommends that these definitions are used as a ‘starting point’ for considering HMA geography. The CURDS study brought together a range of datasets to define a tiered structure of housing markets, as follows:

- Strategic (Framework) Housing Markets – based on 77.5% commuting self-containment; and
- Local Housing Market Areas – based on 50% migration self-containment.

2.42 It also advises that below this, there are potential sub-markets based on neighbourhood factors and house types. These boundaries are not typically suitable for strategic planning documents such as this Local Housing Needs Assessment.

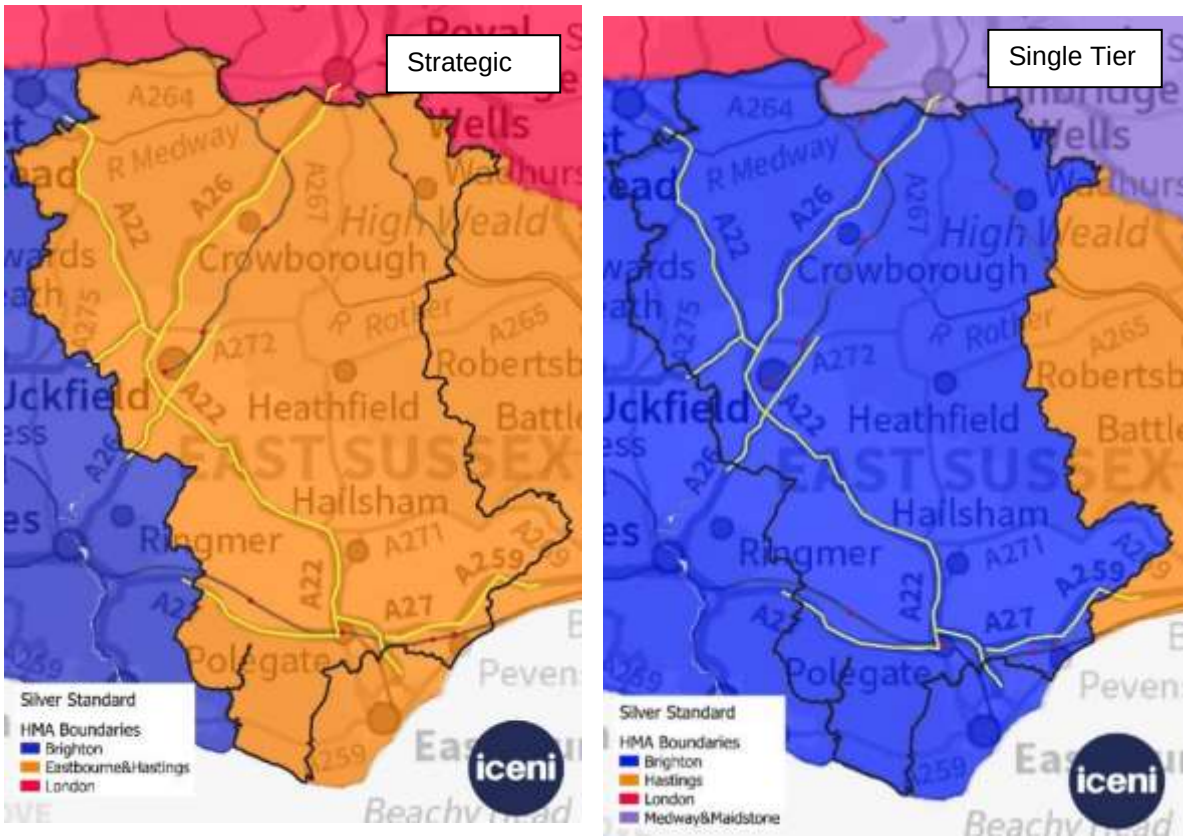
2.43 The CLG research defines the market areas in two further ways. The first is a 'gold-standard' which is based on an aggregation of ward areas and is therefore more detailed; than the second definition - the 'silver–standard' - which are comprised of local authority areas.

2.44 The strategic HMAs cover the whole country and in more urbanised regions are further split into a 'lower tier' of Local HMAs which can be used for detailed monitoring of the balance of housing supply and demand.

2.45 Using the 'silver standard' geography aligned to local authority boundaries, the CURDS research defines an Eastbourne and Hastings HMA which includes the local authorities of Eastbourne, Hastings, Rother and Wealden. Within this are separate Eastbourne and Hastings local housing market areas.

2.46 The alternative 'single tier' geography however instead groups Eastbourne and Wealden with other East and West Sussex authorities including Lewes, Adur, Crawley, Horsham, Mid Sussex and Worthing. This is a relatively large geography, of which we would note that Wealden sits on the edge.

Table 2.4 Silver Standard – Strategic and Single Tier and HMA Boundaries



Source: CURDS, 2010

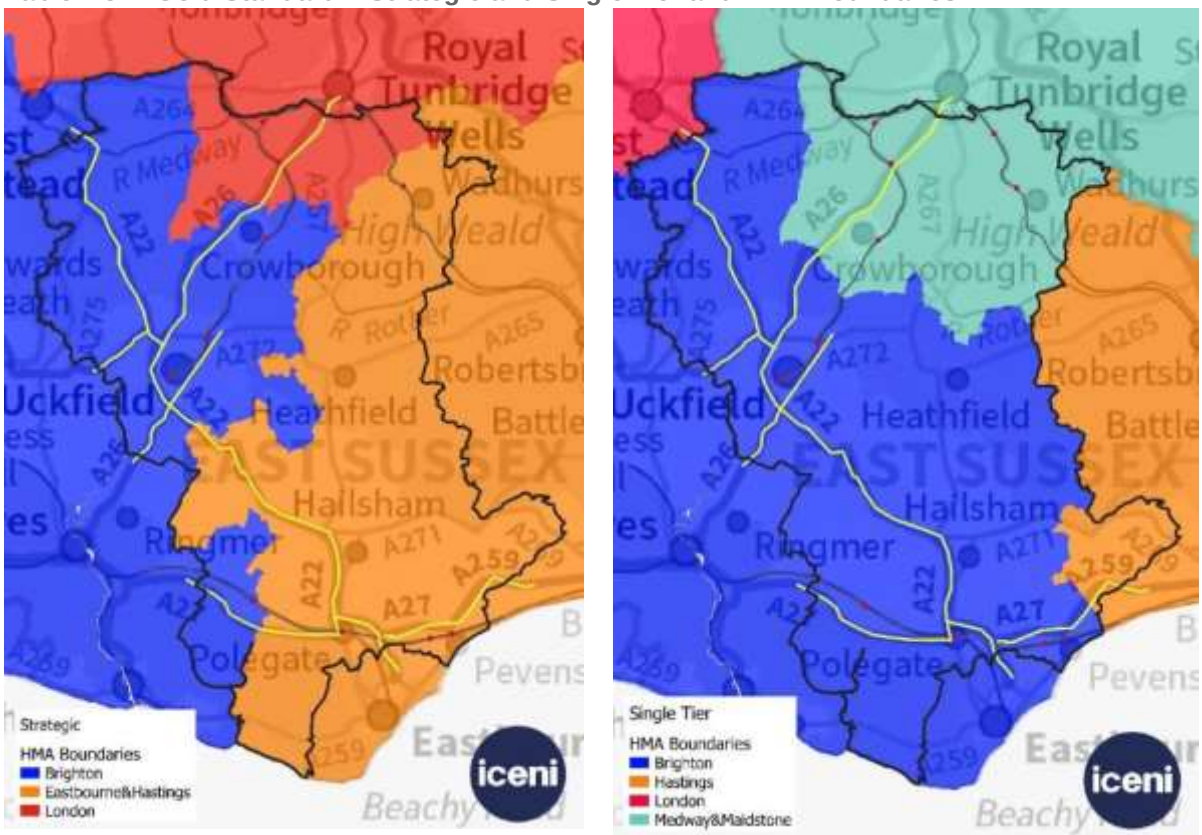
2.47 Given the lack of consistency using the 'silver standard' geographies, which snap to local authority boundaries, it is worthwhile examining these issues closer and in particular to investigate the 'gold standard' geographies based on wards.

2.48 The ward-based 'gold standard' geographies show different parts of Wealden District falling in three Housing Market Areas. The west of the District, including Crowborough and Uckfield, are identified as within a Brighton-focused Strategic HMA which extends across much of Sussex. A number of villages in the north of the District including Blackham, Groombridge, Park Corner, Eridge and Frant are identified as in a London-focused Strategic HMA. The remainder of the District, including Heathfield, Hailsham and Polegate are identified as within an Eastbourne and Hastings Strategic HMA.

2.49 In contrast, the Gold Standard Single Tier HMA identifies the influence of the Brighton, Hastings, and Medway and Maidstone HMA. The Medway and Maidstone HMA includes Tunbridge Wells and other parts of east Kent, and extends to include Crowborough and Wadhurst. Much more of the District falls

within a Brighton HMA; with only the area around Ninfield and Hooe falling within a Hastings-focused HMA.

Table 2.5 Gold Standard – Strategic and Single Tier and HMA Boundaries



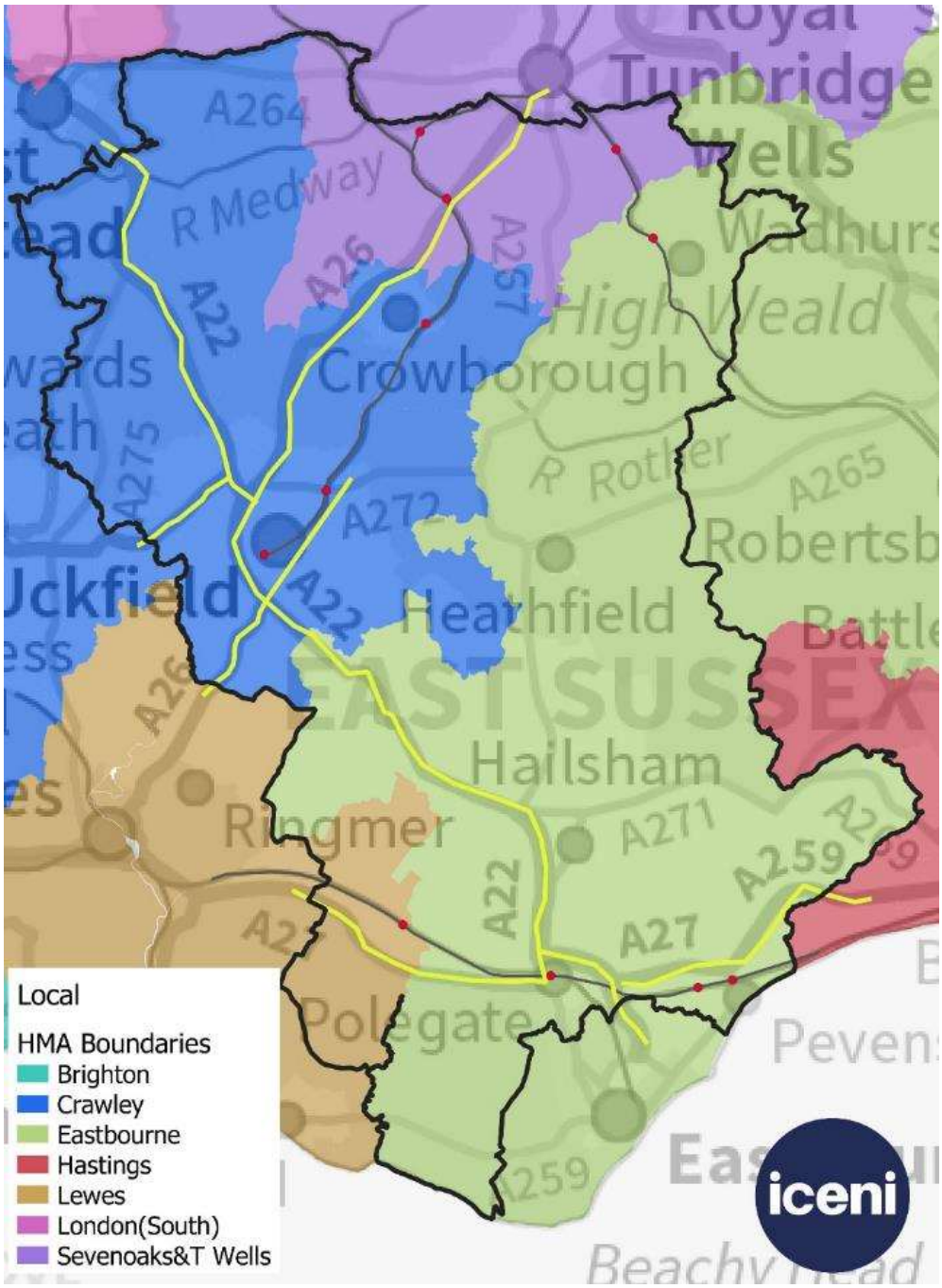
Source: CURDS, 2010

2.50 Finally, CURDS also defined local HMA boundaries (which are embedded within the gold standard 'Strategic HMAs') in some cases cover quite larger areas. As illustrated in the figure below Wealden is split into four different local HMA. These include:

- Crawley – Which includes the towns of Crowborough and Uckfield;
- Eastbourne – Which includes the towns of Heathfield, Hailsham and Polegate;
- Lewes – Which includes the village of Berwick; and
- Sevenoaks and Tunbridge Wells – Which includes the villages of Groombridge, Eridge and Frant.

2.51 The significant variance between the different CURDS geographies indicates the complex local nature of Wealden District, and multiple influences on housing market dynamics, but begins to delineate the different parts of the district into their respective localised movements.

Table 2.6 Standard – Local HMA Boundaries



Source: CURDS, 2010

2.52 It should also be reiterated that these boundaries are based on 2001 data and more recent data may show slightly different boundaries. We explore this further below.

Commuting and ONS Travel to Work Areas

2.53 In 2011, Wealden had a commuting self-containment rate of 59% meaning that 59% of employees in the district also resided there. Conversely, it had a workforce self-containment rate of 41.6% meaning that 41.6% of resident employees also live in the district.

2.54 The main commuting routes for Wealden residents who commute out of the District are Eastbourne, Tunbridge Wells, Lewes and Mid Sussex.

2.55 As set out in the table below around 11.6% of jobs in Wealden are taken up by Eastbourne residents and 12.6% of jobs in Eastbourne are taken up by Wealden residents. Overall, around 2,300 people more commute to Eastbourne from Wealden than commute to Wealden from Eastbourne.

2.56 The commuting relationship with Tunbridge Wells is relatively one way with those commuting to Tunbridge Wells around double than commuting from it. A similar pattern arises in Lewes, Mid Sussex, London and Brighton.

Table 2.7 Top Commuting Flows to and from Wealden (2011)

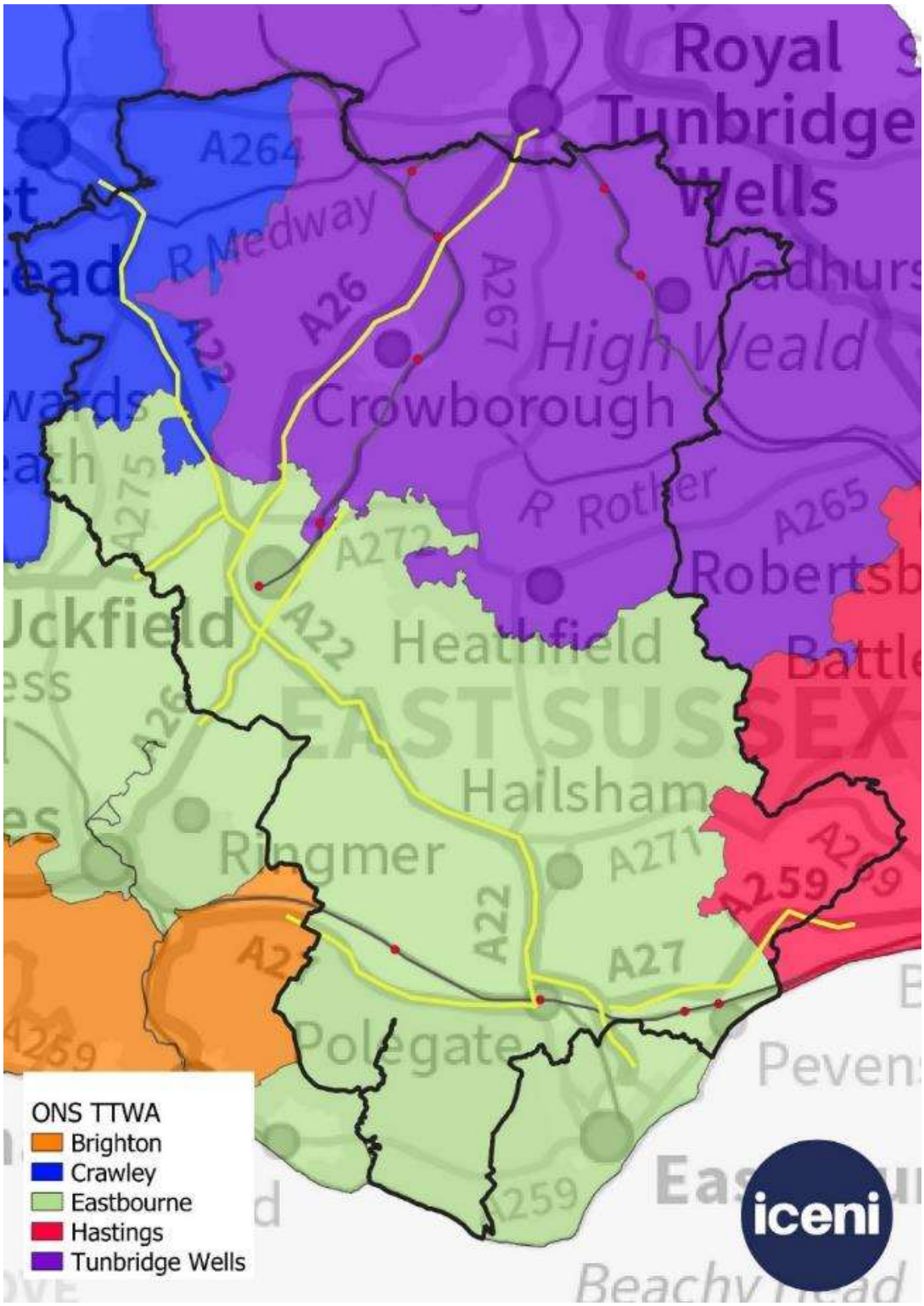
In-Commuting	Commuters	% Commuters	Out -Commuting	Commuters	% Commuters
Wealden	21,579	59.0%	Wealden	21,579	41.6%
Eastbourne	4,249	11.6%	Eastbourne	6,556	12.6%
Lewes	1,812	5.0%	Tunbridge Wells	4,119	7.9%
Rother	1,736	4.7%	Lewes	3,145	6.1%
Tunbridge Wells	1,586	4.3%	Mid Sussex	2,375	4.6%
Mid Sussex	1,358	3.7%	Westminster & City of London	2,041	3.9%
Brighton and Hove	844	2.3%	Brighton and Hove	1,517	2.9%
Hastings	831	2.3%	Rother	1,381	2.7%
Tonbridge and Malling	252	0.7%	Crawley	1,263	2.4%
Sevenoaks	178	0.5%	Tonbridge and Malling	749	1.4%

Source: ONS, Census 2011

2.57 The ONS Travel to Work Areas (TTWA), although produced in late 2015, draw on 2011 census data. The TTWAs are approximations of self-contained labour market areas in which the majority of commuting occurs within the boundary of the area. These areas were produced by analysing ward level commuting patterns.

2.58 The ONS have identified four travel to work areas which cover different parts of Wealden. These, as the map below illustrates, relate to Eastbourne, Hastings, Crawley and Tunbridge Wells. The vast majority of the district, including all the main towns, fall within either the Eastbourne or Tunbridge Wells TTWA.

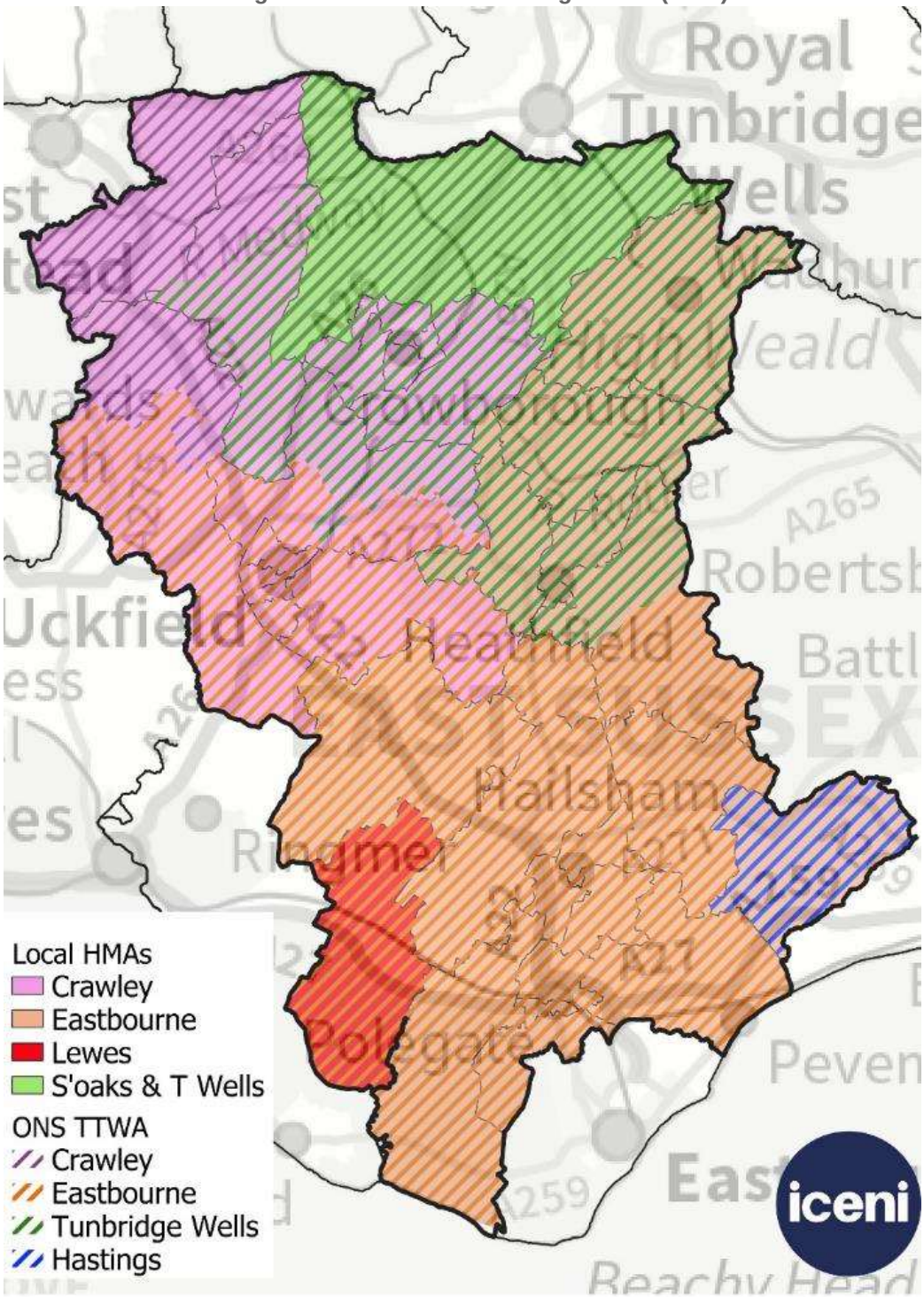
Table 2.8 ONS Travel to Work Areas



Source: ONS, 2015

2.59 There is to some degree a similarity between the local HMAs produced by CURDS and the ONS TTWA. The map below overlays these boundaries. The main difference is the extent of the Eastbourne and Tunbridge Wells influence on the district.

Table 2.9 Commuting to Eastbourne or Tunbridge Wells (2011)

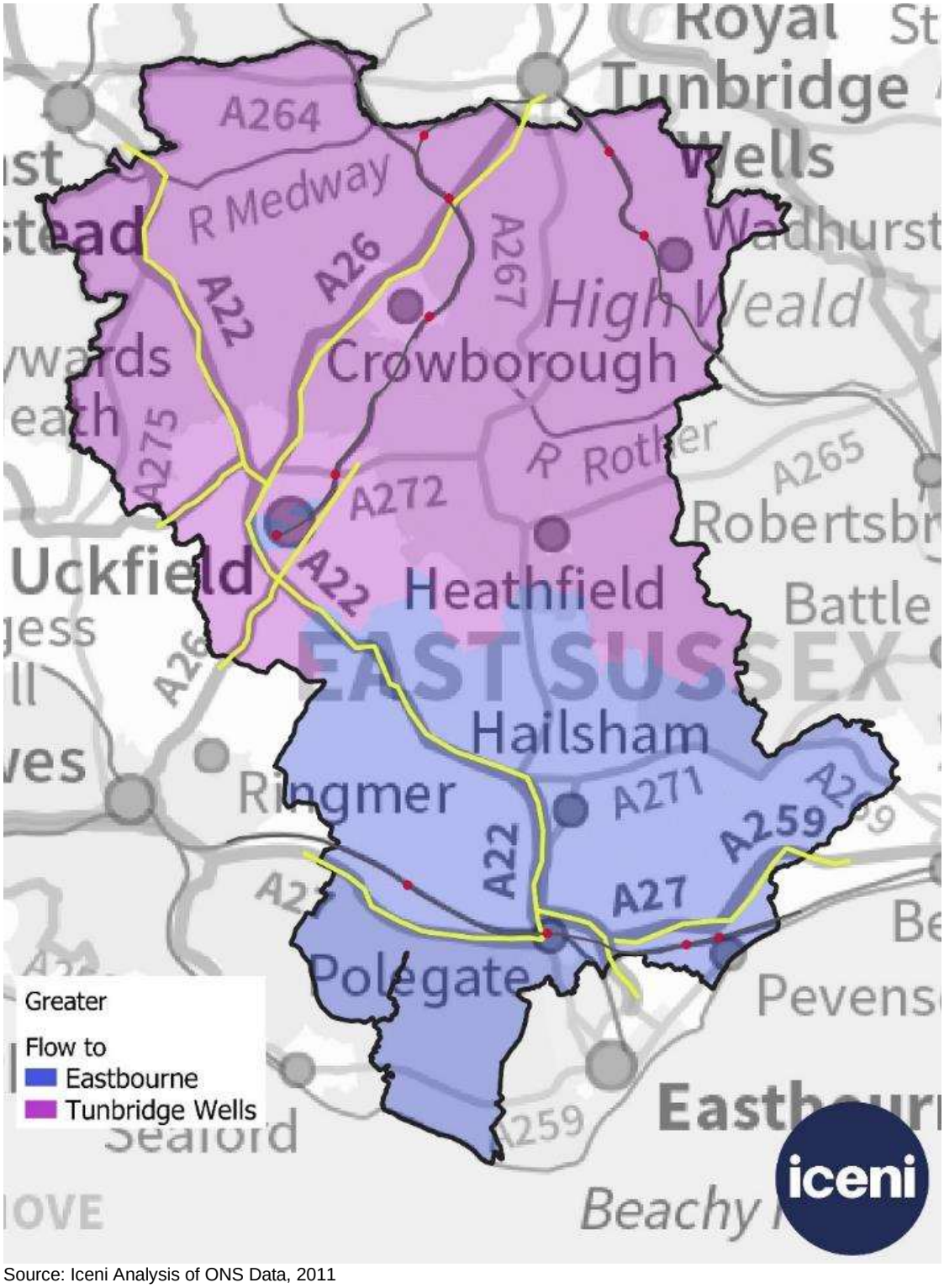


Source: Iceni Analysis of ONS Data, 2011

2.60 To further analyse these influences, we have sought to analyse commuting in the district in a more binary fashion. We have sought to appraise which parts of the district relate more closely to Eastbourne; and which relate more closely to Tunbridge Wells. Specifically, we have identified whether more people in each LSOA commute to either town. This is illustrated in the figure below.

2.61 Unsurprisingly, the areas to the north of the district relate more closely to Tunbridge Wells and the areas to the south of the district relate more closely to Eastbourne. Uckfield however sees commuting to both Eastbourne and Tunbridge Wells.

Table 2.10 Commuting to Eastbourne or Tunbridge Wells (2011)

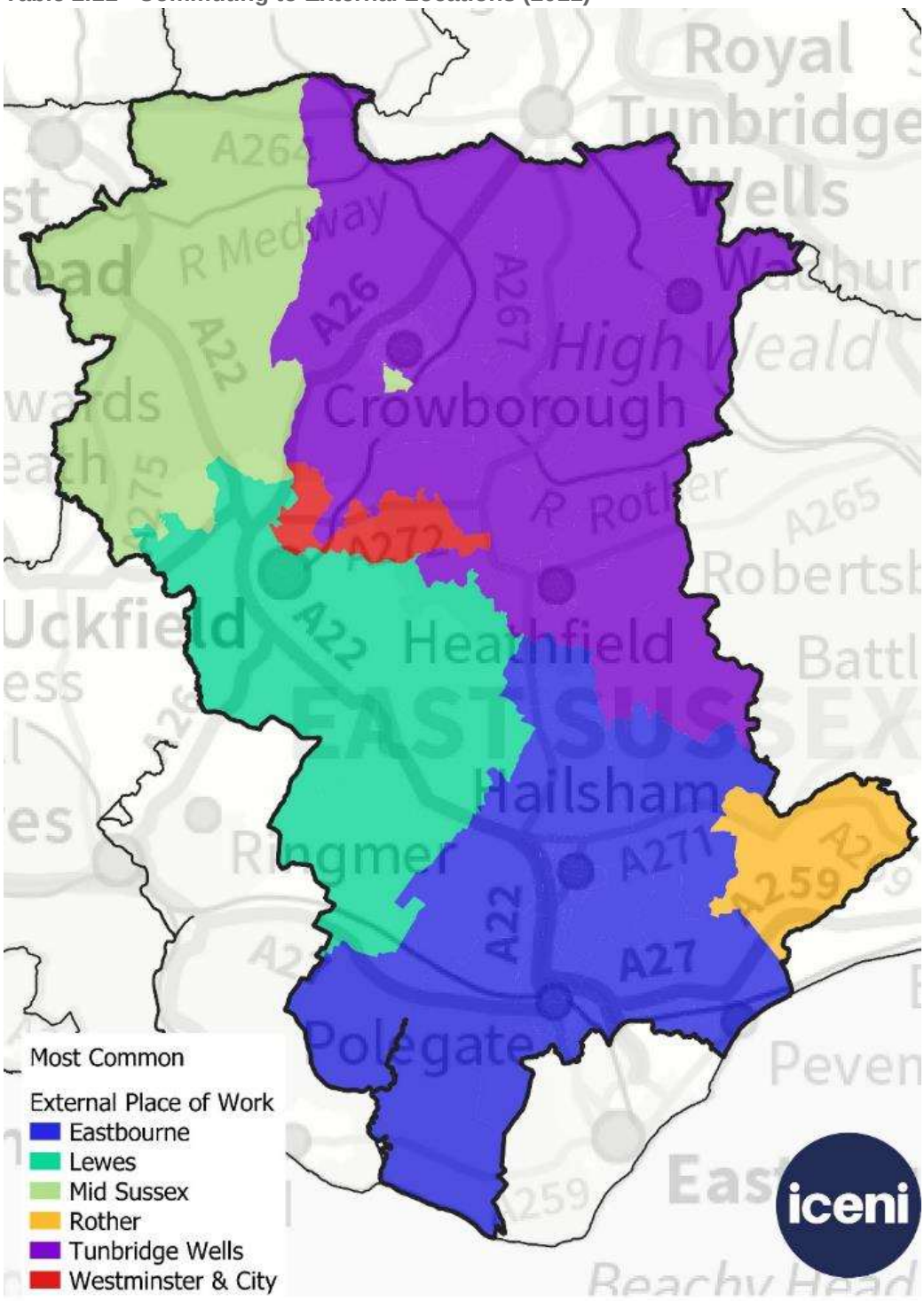


Source: Iceni Analysis of ONS Data, 2011

2.62 However, this binary analysis is perhaps a little too simplistic as the commuting dynamics, particularly in the West of the District and the South East of the district, are more complicated. We have therefore undertaken further analysis examining the most common external destination wherever that may be.

2.63 As the figure below illustrates, there are six external destinations identified. These destinations include London, and in some cases are non-contiguous in their areas of influence. Furthermore, it is clear that some of these destination are parts of wider HMAs themselves. For example, Lewes is part of the Coastal Sussex HMA.

Table 2.11 Commuting to External Locations (2011)

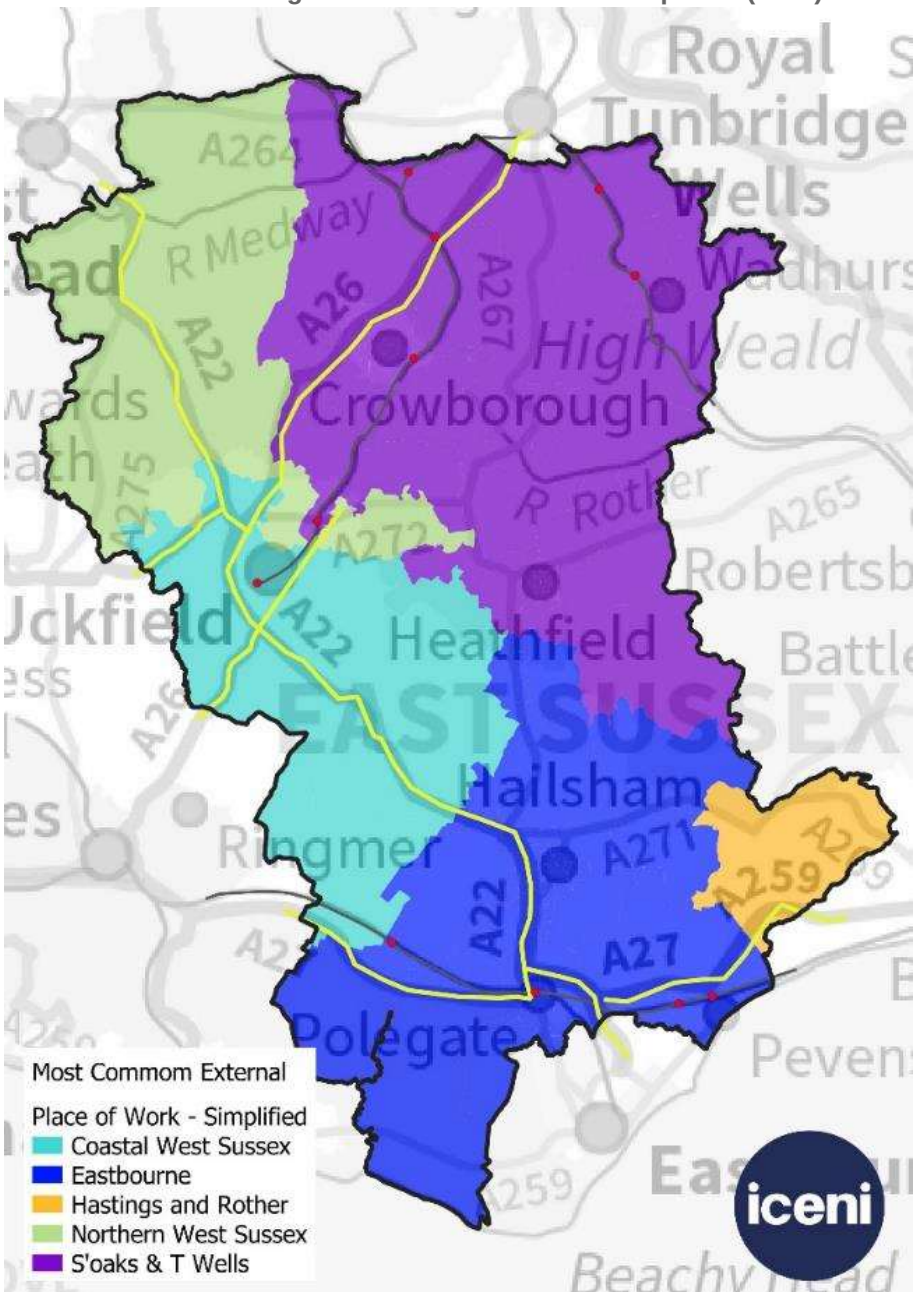


Source: Iceni Analysis of ONS Data, 2011

2.64 The map below simplifies the analysis of the previous map by altering the areas associated with London to the next highest external location. In a similar fashion we have also changed non-contiguous areas to the next highest destination. In all cases the numbers were marginal, so these changes were not significant. We have also changed the destination to the housing market area rather than local authority area to reflect the wider influences.

2.65 As shown, this disaggregates the district into five areas. However, the majority of the population including all the main towns fall within the Sevenoaks and Tunbridge Wells, Eastbourne and Sussex Coast areas of influence.

Table 2.12 Commuting to External Locations – Simplified (2011)



Source: Iceni Analysis of ONS Data, 2011

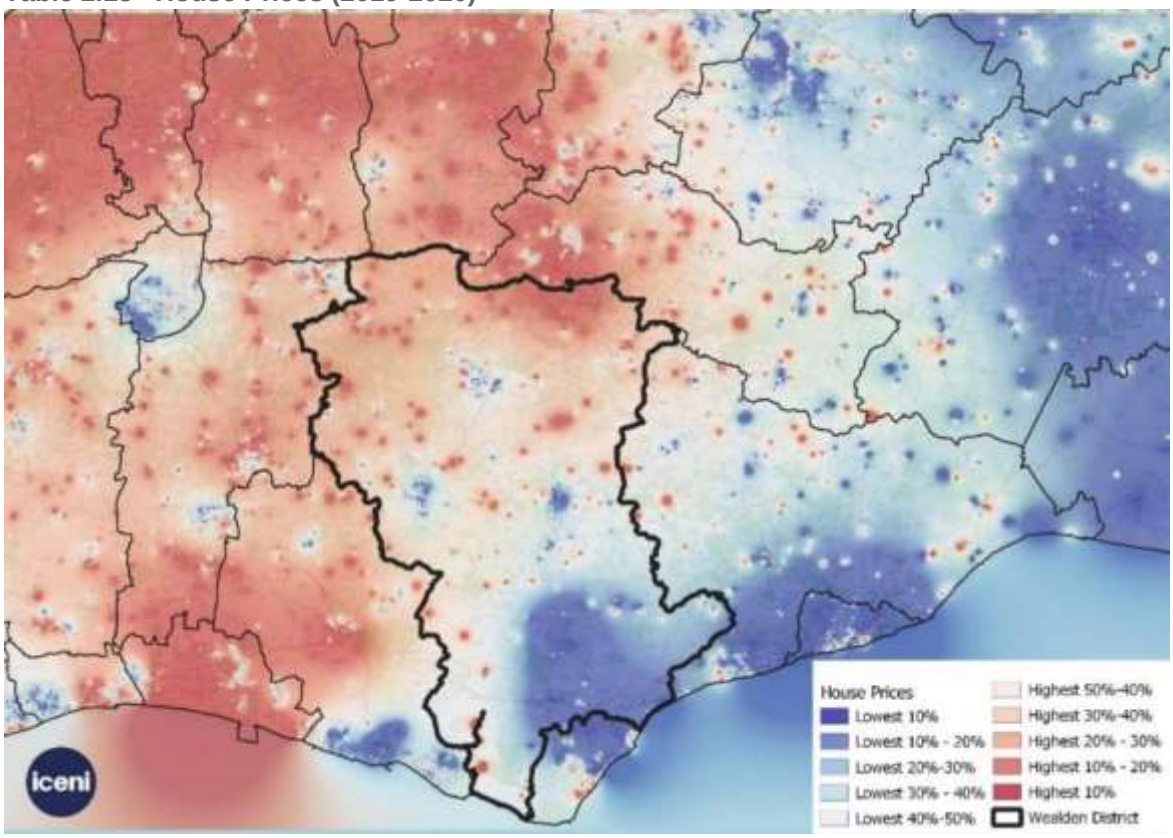
2.66 Crowborough and Heathfield are once more influenced by Tunbridge Wells and Hailsham and Polegate by Eastbourne. Uckfield in this instance is influenced by Lewes and the Wider Sussex Coast HMA.

House Prices and House Price Change

2.67 The PPG also suggests that when identifying HMAs the "*relationship between housing demand and supply across different locations, using house prices and rates of change in house prices. This should identify areas which have clearly different price levels compared to surrounding areas*."

2.68 The map below examines the cost of housing in Wealden and its neighbouring areas. This is shown by breaking the prices down in deciles of costs for those areas in Sussex, Surrey and Kent. The lower values in the urban areas reflects the size and type of homes being sold (i.e. more flats than detached homes). The map highlights the influence of proximity and transport links to London on residential values.

Table 2.13 House Prices (2019-2020)

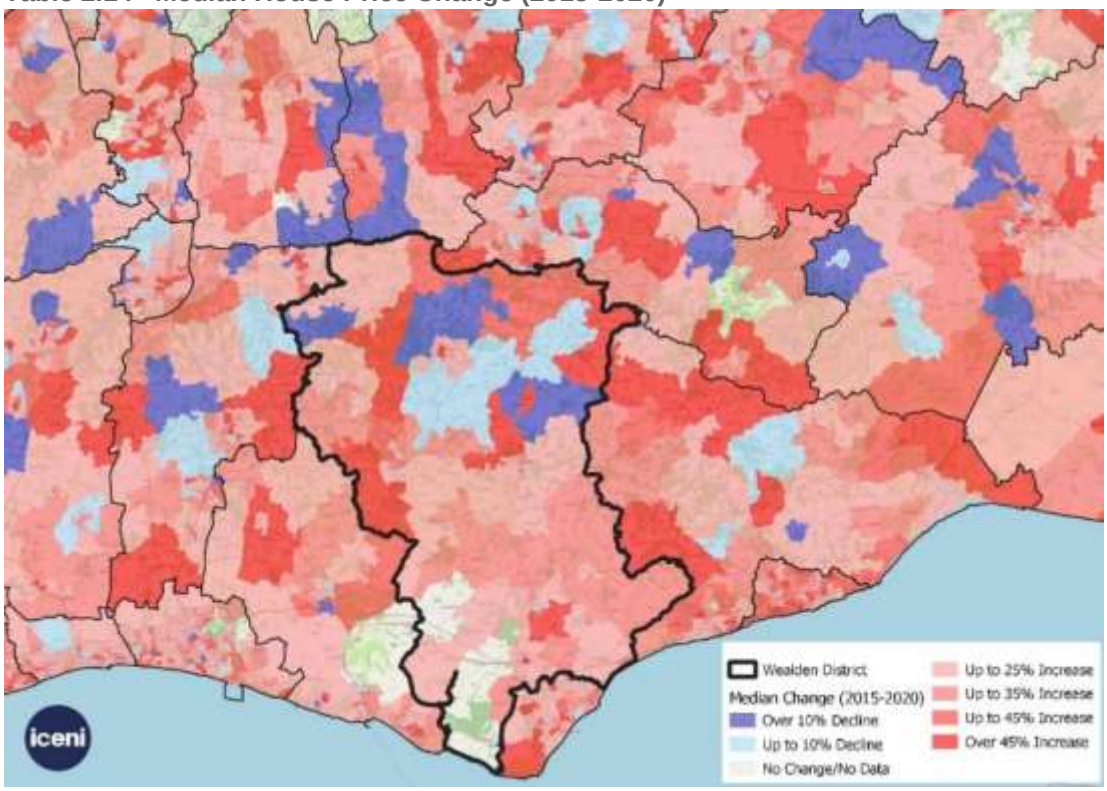


Source: HM Land Registry, 2020

2.69 The map clearly illustrates that the south of the district around Hailsham and Polegate achieves lower house prices than the north of the district around Crowborough and particularly those areas closest to Tunbridge Wells. Uckfield and surrounding villages are again in an area of transition with higher values north of the town and lower values south of the town.

2.70 By examining the change in median housing costs since 2015 there is also an apparent distinction between the areas more closely connected to Tunbridge Wells and elsewhere in the district. Specifically, the rural areas surrounding Crowborough have seen a decline in house prices in the last five years unlike the rest of Wealden.

Table 2.14 Median House Price Change (2015-2020)



Source: HM Land Registry, 2020

2.71 It should be stressed however that the change in house prices at this level might relate to very few transactions so it is difficult to draw out any meaningful conclusions.

Conclusions

2.72 The migration analysis identifies Wealden's close links to Eastbourne and to a lesser degree Tunbridge Wells and Lewes. Eastbourne and Wealden combined has an origin self-containment rate of 70.2% and the destination self-containment rate of 72.9%. Therefore, it could be concluded (as Eastbourne Borough Council do) that there is a HMA extending across the two local authorities.

2.73 Previous research by the Centre for Urban and Regional Development Studies defines an Eastbourne and Hastings HMA which includes the local authorities of Eastbourne, Hastings, Rother and Wealden. The alternative 'single tier' geography however instead groups Eastbourne and Wealden with other East and West Sussex authorities including Lewes, Adur, Crawley, Horsham, Mid Sussex and Worthing.

2.74 The commuting analysis illustrates the main commuting routes for Wealden residents are to Eastbourne, Tunbridge Wells, Lewes and Mid Sussex. As well as local residents, jobs in Wealden are taken up by residents in Eastbourne, Lewes and Rother in notable numbers. The commuting relationship with Tunbridge Wells is relatively one way with those commuting to Tunbridge Wells around double than those commuting from it.

2.75 The ONS previously identified four travel to work areas which cover different parts of Wealden. These relate to Eastbourne, Hastings, Crawley and Tunbridge Wells. The vast majority of the district, including all the main towns, fall within either the Eastbourne or Tunbridge Wells TTWA.

2.76 The different strands of the analysis set out above shows a reasonable level of consistency. The south of the district including, Hailsham and Polegate fall within an Eastbourne-focused HMA. The northern part of the district including Heathfield and Crowborough are linked to Tunbridge Wells.

2.77 The small rural area around Ninfield and Hooe consistently relates to Hastings and Rother. The rural parts to the north west of the district around Forest Row and Ashdown Forest relate to East Grinstead and more widely to the Horsham-Crawley HMA.

2.78 The area where there is less consistency is around Uckfield and the area south of this to Golden Cross. While the commuting analysis suggests that Uckfield has a closer relationship to Lewes than Eastbourne, the ONS TTWA geography places the area within the Eastbourne TTWA. The CURDS 'gold standard' ward-based geography suggests a closer relationship to the Crawley HMA (albeit this is now based on dated 2001 Census information). The house price data also places the town in an area of transition. This would suggest that Uckfield and its surrounding area is in a zone of transition.

2.79 There will clearly be localised inter-relationships in this area in a number of directions as HMAs inevitably overlap to some degree close to the boundaries. But it is worthwhile examining commuting from the town more closely to confirm where the closest relationships lie.

2.80 The table below aggregates commuting from the LSOA which comprises the Uckfield urban area. As set out, besides internal movements, the relationships to the west (Lewes, Mid Sussex and Brighton and Hove) are stronger than those to any of the other local authorities. This would suggest that the area around Uckfield is more closely linked to the Sussex Coast HMA than anywhere else.

Table 2.15 Uckfield Residents Location of Employment (2011)

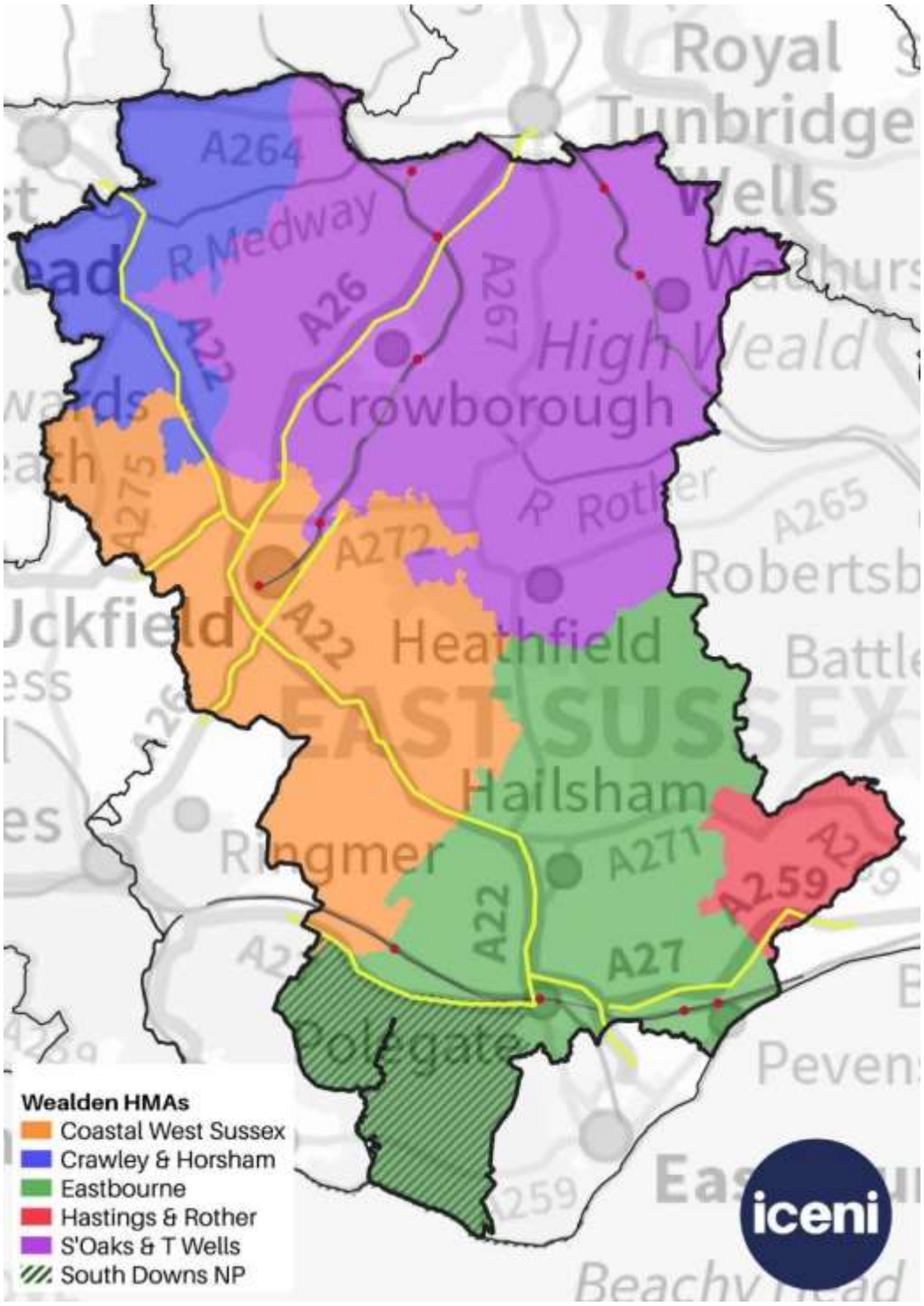
Location of Employment	Commuters
Wealden	2,832
Lewes	613
Mid Sussex	437
Brighton and Hove	223
Crawley	203
Tunbridge Wells	176
Westminster and City of London	119
Eastbourne	107

Source: ONS, Census 2011

2.81 Bringing together the evidence, it is possible to identify the extent of housing market areas within Wealden. To do this we have started with the ONS TTWAs as a basis but have altered the area around Uckfield to reflect its relationship with Lewes and the Wider Coastal Urban Area HMA.

2.82 The map below outlines our concluded boundaries as well as the extent of the South Downs National Park within Wealden. These areas will be used to derive HMA Sub-area analysis in the local housing needs assessment. We will also provide analysis for the area covered by the National Park where possible.

Table 2.16 Wealden HMA Boundaries



Source: Iceni, based on ONS data.

2.83 When ONS published their Travel to Work Area, which these boundaries are loosely based they were clear that these areas:

"reflect self-contained areas in which most people both live and work. For those involved in labour market analysis and planning, TTWAs are useful for helping build an understanding of local labour markets, for framing local labour market analysis, and in particular for examining the spatial mismatch between labour supply and demand."

2.84 We can also be reasonably content that these areas provide a high level of self-containment given the ONS TTWAs they are loosely based on having "at least 75% of an area's resident workforce work in the area and at least 75% of the people who work in the area also live in the area".

2.85 In migration terms this is also likely to be the case given a large percentage of the districts population (41%) falls within the Eastbourne HMA which has been demonstrated to exceed the typical 70% and the closely defined area would likely increase this further.

2.86 The table below sets out the population in each of these areas within Wealden. As shown the majority of Wealden's population falls within three housing market areas although it only makes up a substantial proportion of the HMA population in two of these.

Table 2.17 Population of HMA within Wealden (2019)

Housing Market Area	Wealden Population	% of Wealden Population	Estimated HMA Population	% of HMA population in Wealden
Eastbourne	65,567	41%	169,312	39%
Sevenoaks and Tunbridge Wells	54,290	34%	343,800	16%
Coastal West Sussex	29,946	19%	702,012	4%
Horsham and Crawley	9,139	6%	386,062	2%
Hastings and Rother	2,533	2%	191,274	1%
Total	161,475	100%	1,792,460	9%

Source: Iceni Analysis based on ONS Mid-Year Population Estimates

2.87 Similarly, the Sevenoaks, Tunbridge Wells and Tonbridge HMA, with which there are close links specifically to Tunbridge Wells, would also likely exceed 70% if only those parts of Wealden are included within their HMA alongside the Tonbridge parts of Tonbridge and Malling as per their own HMA. It also has over 75% commuting self-containment as it is based on the ONS TTWA.

2.88 The previously defined Sussex Coastal Urban Area HMA with which there are notable links between Wealden and Lewes also had a high level of self-containment and given the clear relationship between Uckfield and Lewes it is likely that the revised boundary would also exceed 70%.

2.89 Given the small population numbers in those parts of Wealden that fall within the Horsham and Crawley (9,139) and Hastings and Rother (2,533) HMAs, it is unlikely to alter previously identified self-containment rates as set out earlier in this report.

The Duty to Cooperate

2.90 One of the purposes of defining housing market areas is to identify the "*appropriate functional geographical area to gather evidence and develop policies to address these (Strategic) matters, based on demonstrable cross-boundary relationships*."

2.91 Where these areas are identified the relevant local planning authority are required to cooperate on strategic matters. This cooperation includes, according to paragraph 11 of the Plan-Making PPG (reference ID: 61-011-20190315), agreeing a statement of common ground which contains:

"if applicable, the housing requirements in any adopted and (if known) emerging strategic policies relevant to housing within the area covered by the statement" or

"distribution of needs in the area as agreed through the plan-making process, or the process for agreeing the distribution of need (including unmet need) across the area"

2.92 It will be important for the Council to therefore liaise with surrounding authorities both in agreeing HMA geographies; and in discussing any issues associated with unmet housing needs (either from Wealden or neighbouring areas).

Housing Market Area: Key Messages

- The migration analysis identifies Wealden's close links to Eastbourne and to a lesser degree Tunbridge Wells and Lewes.
- The commuting analysis illustrates the main commuting routes for Wealden residents are to Eastbourne, Tunbridge Wells, Lewes and Mid Sussex. As well as local residents, jobs in Wealden are taken up by residents in Eastbourne, Lewes and Rother in notable numbers.
- The south of the district around Hailsham and Polegate achieves lower house prices than the north of the district around Crowborough and particularly those areas closest to Tunbridge Wells. Uckfield and surrounding villages are again in an area of transition with higher values north of the town and lower values south of the town.
- The different strands of the analysis shows a reasonable level of consistency. The south of the district including, Hailsham and Polegate fall within an Eastbourne-focused HMA. The northern part of the district including Heathfield and Crowborough are linked to Tunbridge Wells.
- The small rural area around Ninfield and Hooe consistently relates to Hastings and Rother. The rural parts to the north west of the district around Forest Row and Ashdown Forest relate to East Grinstead and more widely to the Horsham-Crawley HMA.
- The area where there is less consistency is around Uckfield with the data suggesting that the town and its surrounding area is in a zone of transition but is more closely linked to the Sussex Coast HMA than anywhere else.
- It will be important for the Council to liaise with surrounding authorities both in agreeing HMA geographies; and in discussing any issues associated with unmet housing needs (either from Wealden or neighbouring areas).

3. HOUSING STOCK

Introduction

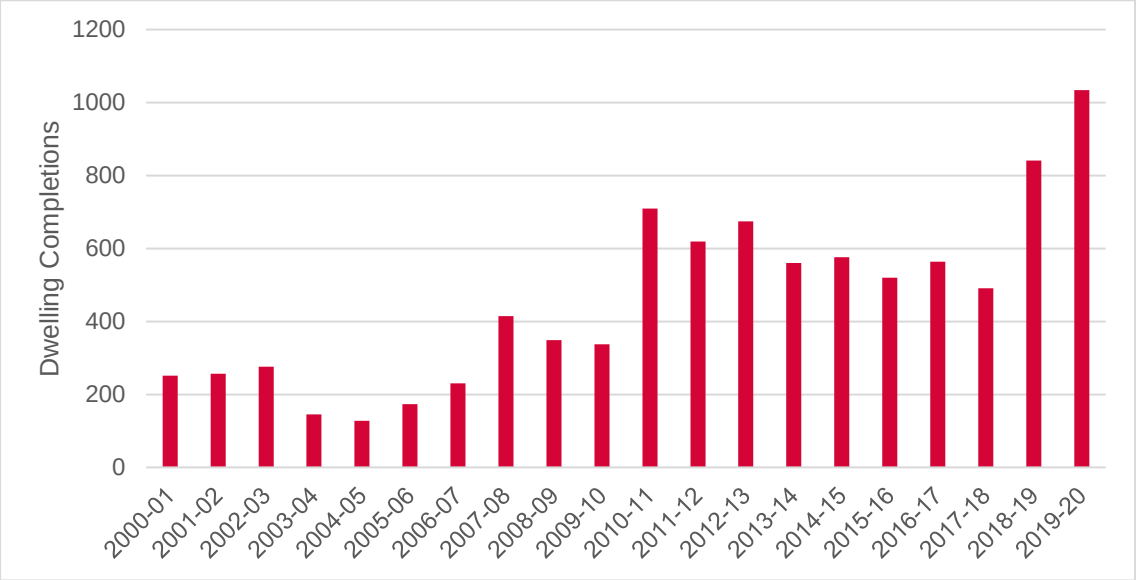
3.1 This section of the report summaries the current housing stock in the district Including the type, tenure and size of accommodation. It also examines the pipeline supply of housing.

Housing Stock

3.2 In 2011, there were 65,159 dwellings in Wealden. However, since the last Census the district has seen a net additional 5,879. This has taken the total number of dwellings in the district to just over 71,000.

3.3 Completions in the district have averaged 653 per annum since 2011, this is more than double the 297 dpa average of the period from 2000/01 to 2010/11. Overall the rate of growth has been around 0.9% per annum.

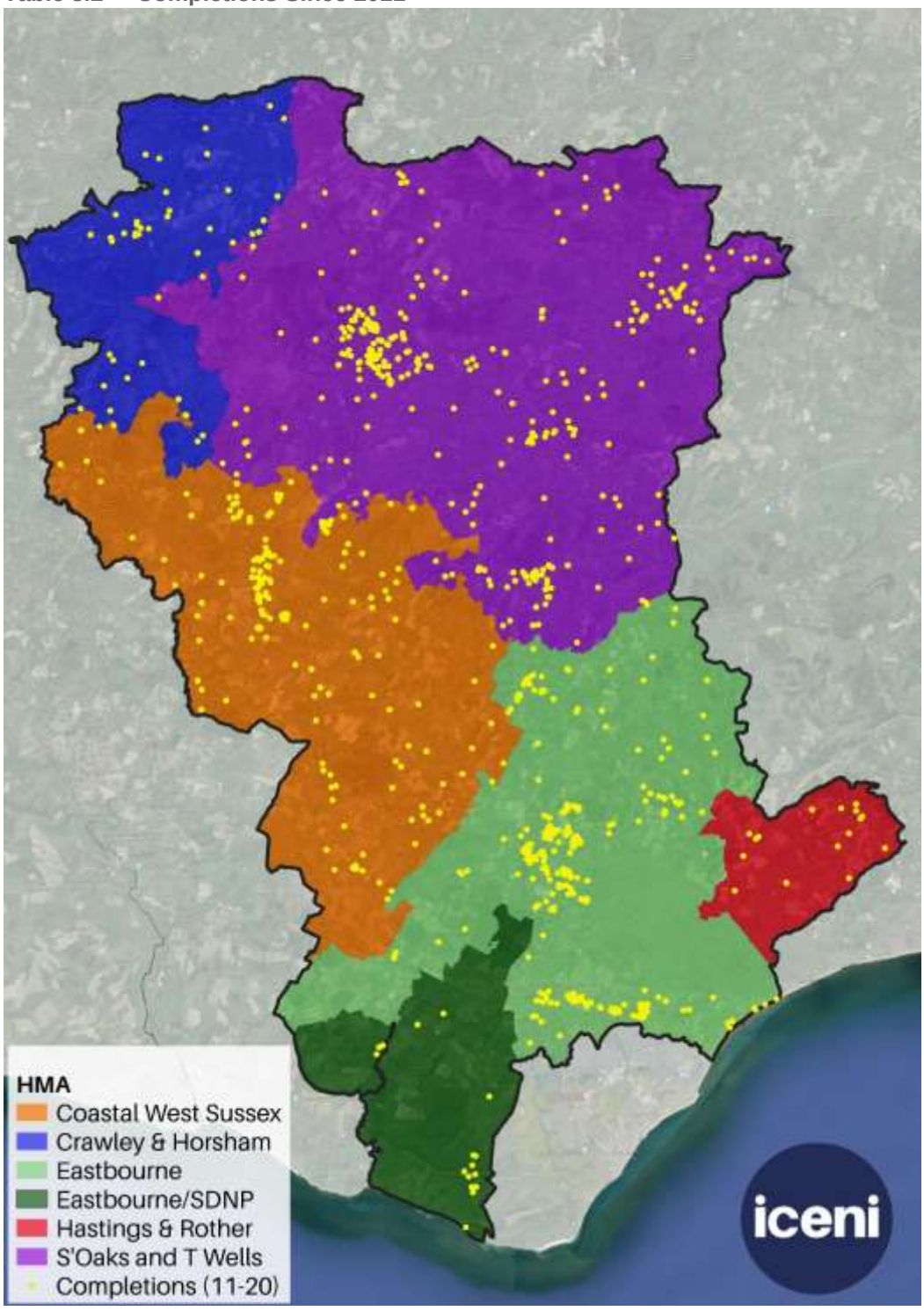
Table 3.1 Net Housing Completions (2000/01-2019/20)



Source: Wealden District Council

3.4 The map below shows where energy performance certificates have been issued to new dwellings across Wealden since 2011. This can be taken as a proxy for completions. As expected, concentrations of completions can be seen in and around Crowborough, Uckfield, Hailsham and to a lesser extent Heathfield. There is only a small concentration of completions in Polegate and most completions in this area are on a band between Polegate and Stone Cross following the A27.

Table 3.2 Completions Since 2011

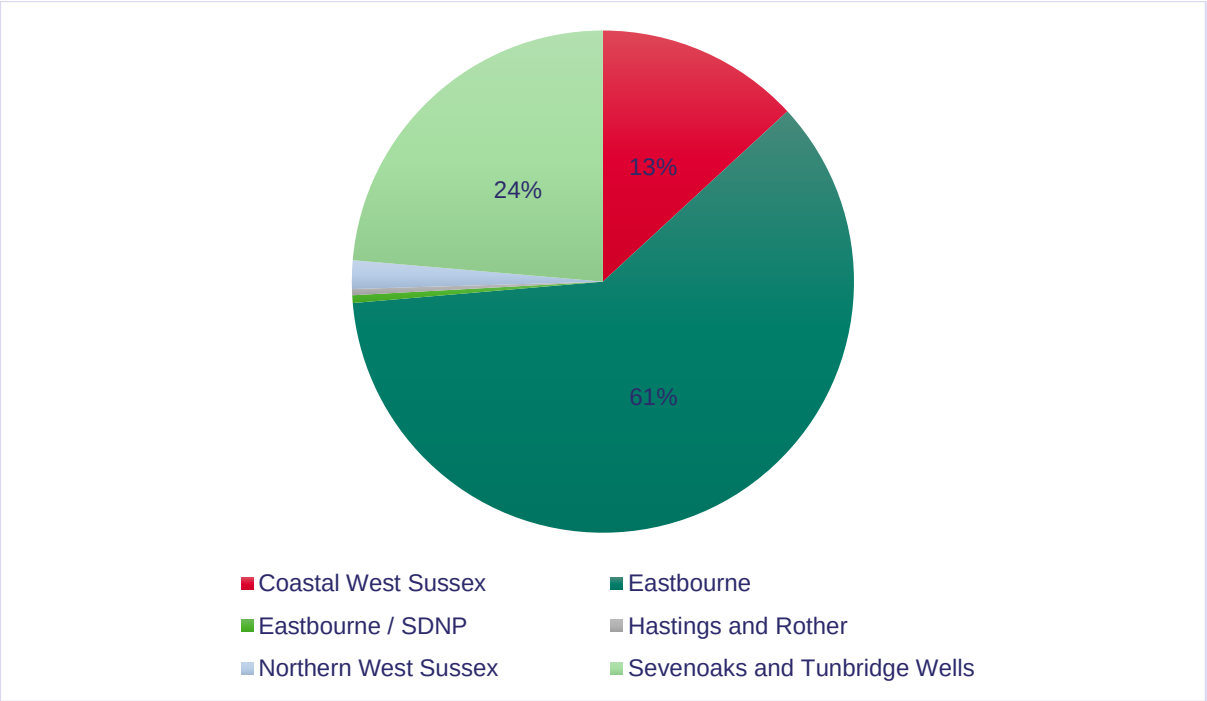


Source: MHCLG, Energy Performance Certificates

3.5 The pie chart below shows completions since 2011 by sub-area (again based on the number of energy performance certificates issued). Overall, there were 6,066 completions in the district of which 3,670 (61%) were in Eastbourne HMA sub-area.

3.6 The Sevenoaks and Tunbridge Wells HMA sub-area accommodated 1,434 (24%) completions and Coastal West Sussex HMA sub-area accommodated 797 (13%) completions. Northern West Sussex accommodated 111 (2%) completions and Eastbourne/SDNP and Hastings and Rother HMA sub-area accounted for 30 and 24 respectively (less than 1%).

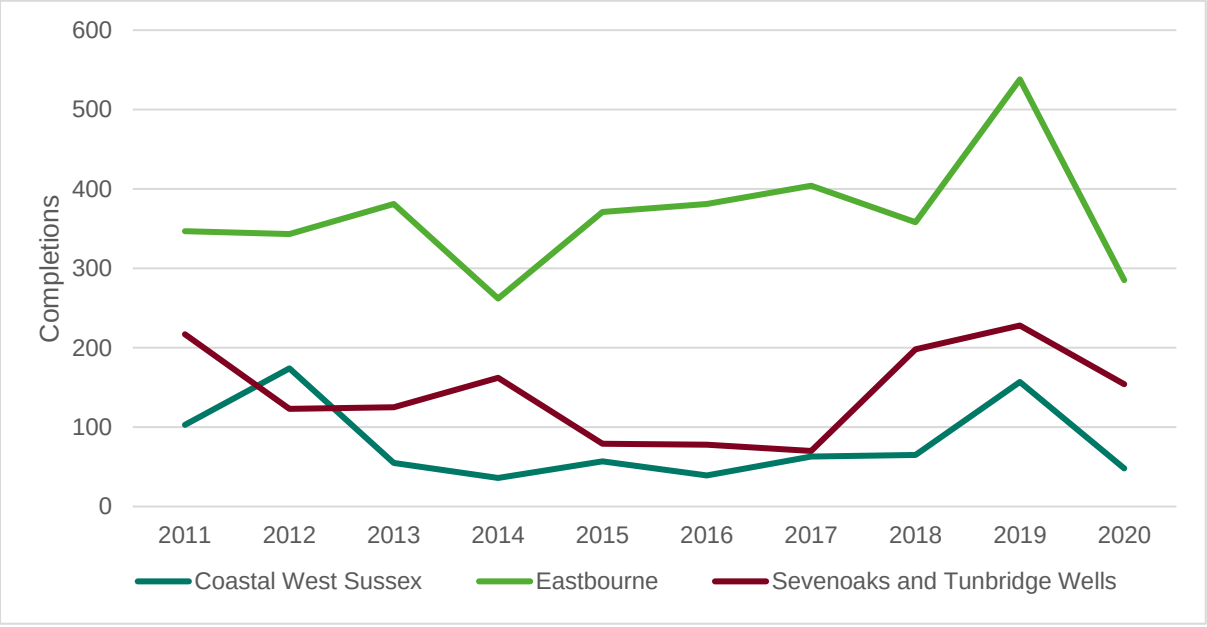
Table 3.3 Delivery by HMA Sub-area Since 2011



Source: MHCLG, Energy Performance Certificates

3.7 The figure below shows how delivery rates have changed over time across the major sub-areas which accommodated a significant number of completions. It can be seen that completions peaked at 538 in 2019 before falling to 285 in 2020 in the Eastbourne HMA Sub-area.

Table 3.4 Completions Per Annum by Major HMA Sub-area within Wealden



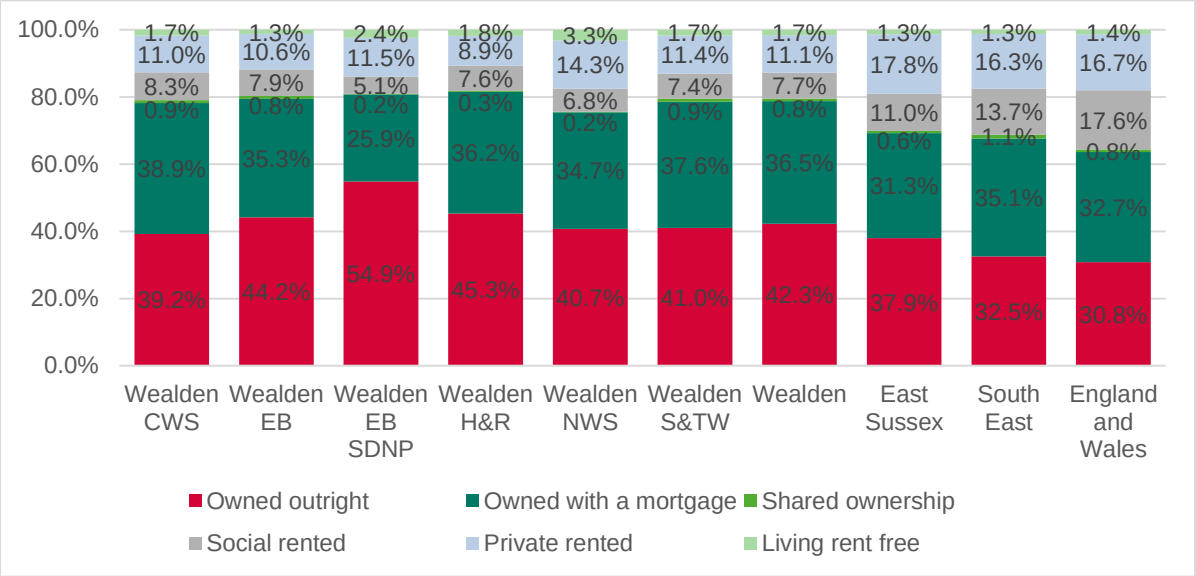
Source: MHCLG, Energy Performance Certificates

3.8 The Sevenoaks and Tunbridge Wells HMA and Coastal West Sussex HMA Sub-area has seen more stable rates of growth. However, a fall in completions in 2020 can be seen across all sub-areas which is likely due to the impacts of Covid-19.

Tenure

3.9 The figure below shows the split of tenures across Wealden and its sub-area according to the 2011 Census. Around 42.5% of households owned homes outright in the district with a further 36.5% owned with a mortgage. Both of these percentages are significantly higher than across East Sussex, the South East and England and Wales.

Table 3.5 Household by Tenure



Source: ONS Census

3.10 Correspondingly, there was a much lower percentage of households (11.1%) privately renting than across the wider comparator areas. Similarly, only 7.7% of households were socially renting – a lower percentage than across the wider comparator areas.

3.11 However, the percentage of shared ownership was 0.8% for the district which is slightly higher than across East Sussex (0.6%), slightly lower than across the South East (1.1%) and the same as England and Wales (0.8%).

3.12 Levels of private ownership overall were higher than the district average (78.7%) in the Eastbourne (79.5%), Eastbourne/SDNP (80.8%), Hastings and Rother (81.5%) HMA Sub-areas.

3.13 The highest percentage of households owning homes outright was in the Eastbourne/SDNP, Hastings and Rother, and Eastbourne HMA Sub-areas. These sub-areas, in addition to Northern West Sussex, had a lower percentage of households owning homes with a mortgage than across the district as a whole.

3.14 The Eastbourne HMA sub-area even had a significantly lower percentage of households owning homes with a mortgage than the wider comparators areas. This is explained by the very large percentage of households owning outright and is likely to be linked to the age of the population in the sub-area.

3.15 It can also be seen that whilst still much lower than the wider comparator areas levels of private renting were significantly higher than the district average (11.1%) in the Northern West Sussex HMA Sub-area (14.4%) and significantly lower in the Hastings and Rother HMA Sub-area (8.9%).

3.16 Levels of social renting and shared ownership were relatively similar across the district aside from the Eastbourne/SDNP HMA Sub-area (5.1% and 0.2% respectively) which was significantly lower than the district average (7.7% and 0.8% respectively).

3.17 More recent data from ONS provides an update to 2019, although this data is not as detailed as the Census data particularly in relation to the breakdown of the private sector housing. The figure below illustrates that across the district there was a significant percentage increase in the dwellings owned by

housing associations and an absolute growth in private sector dwellings. There was also a small decline in the stock owned by the Council.

Table 3.6 Change in Tenure (2011-2019)

	Local Authority	Housing association	Other public sector	Private sector	Total
2011	3,060	1,871	33	60,195	65,159
2019	2,941	2,618	11	64,459	70,029
Change	-119	747	-22	4,264	4,870
% Change	-3.9%	39.9%	-66.7%	7.1%	7.5%

Source: ONS, Table 100 Dwelling stock: Number of Dwellings by Tenure; 2019

3.18 Another dataset provided by ONS is the sub-national dwelling stock by tenure estimates. This data set only breaks down the privately held stock between owner-occupied and privately rented and is over a slightly different timeframe. Importantly, these are not official statistics and therefore cannot be relied upon in the same way.

3.19 As the table below illustrates, there has been a further shift from owner occupation to privately renting although in both tenures there has been a growth. This does not reflect delivery of each of these tenures but rather a shift between them. This shift has happened to a greater degree in Wealden than in the region or nationally.

Table 3.7 Change in Private Tenues (2012-2018)

	2012		2018		2012-2018 Change	
	Owner Occupied	Privately Rented	Owner Occupied	Privately Rented	Owner Occupied	Privately Rented
Wealden	53,486	7,204	53,845	9,915	359	2711
Wealden %	81.31	10.95	77.82	14.33	-3.49	3.38
South East	69.46	16.90	69.34	17.40	-0.12	0.50
England	63.84	18.54	63.20	19.89	-0.64	1.35

Source: ONS, Sub-national dwelling stock by tenure estimates, 2018

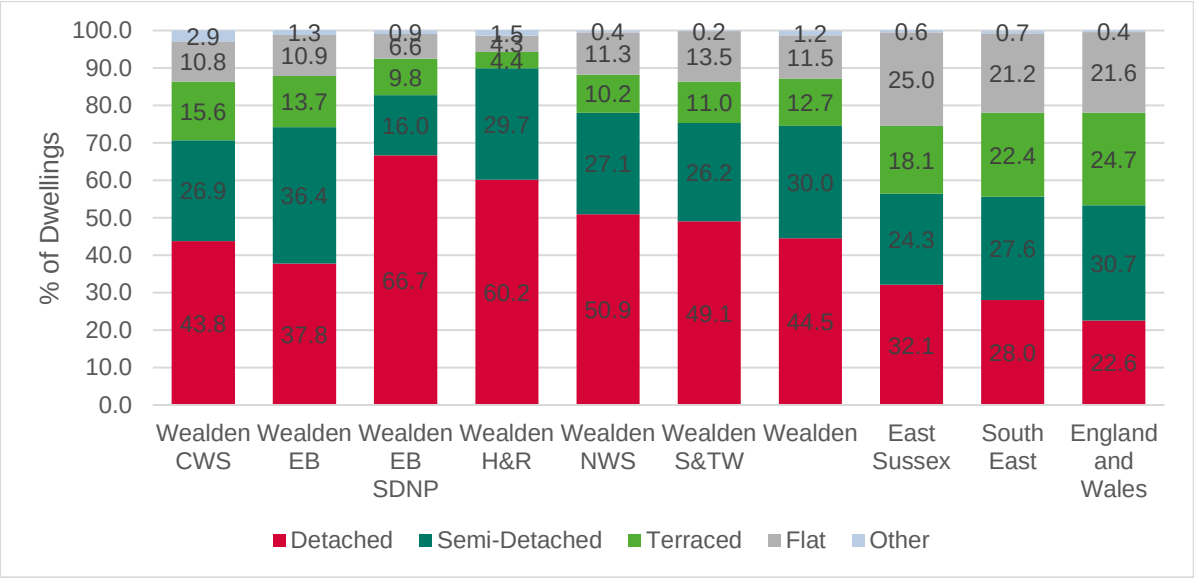
Dwelling Type

3.20 In 2011, 44.5% of dwellings in the district were detached, 30.0% semi-detached, 12.7% terraced and 11.5% flats. The percentage of detached dwellings in Wealden was significantly higher than across East Sussex (32.1%), the South East (28.0%) and England and Wales (22.6%).

3.21 Similarly the percentage of semi-detached dwellings in Wealden (30.0%) was also higher than across East Sussex (24.3%) and the South East (27.6%) but similar to the percentage across England and Wales (30.7%).

3.22 Conversely, the percentage of terraced dwellings in Wealden (12.7%) was significantly lower than across East Sussex (18.1%), the South East 22.4%) and England and Wales (24.7%). Similarly, the percentage of flats in Wealden (11.5%) was significantly lower than across East Sussex (25.0%), the South East (21.2%) and England and Wales (21.6%).

Table 3.8 Dwellings by Type and Sub Area (2011)



Source: ONS, Census 2011

3.23 The percentage of detached dwellings in the Eastbourne/SDNP (66.7%) and Hastings and Rother (60.2%) HMA sub-areas, and to a lesser extent in the Northern West Sussex (50.9%) and Sevenoaks and Tunbridge Wells (49.1%) HMA sub-areas were higher than the district average (44.5%).

3.24 The percentage of semi-detached dwellings is significantly lower the in Eastbourne/SDNP HMA sub-area (16%) than the district average (30.0%). Similarly the percentage of terraced dwellings were significantly lower in the Hastings and Rother HMA Sub-area (4.4%) than the district average (12.7%).

3.25 Whilst still lower than the wider comparator areas, the percentage of flats in the Sevenoaks and Tunbridge HMA Sub-area (13.5%) was higher than the district average (11.5%). On the other hand the percentage of flats in the Hastings and Rother (4.3%) and Eastbourne/SDNP (6.6%) HMA sub-areas were significantly lower than the district average (11.5%).

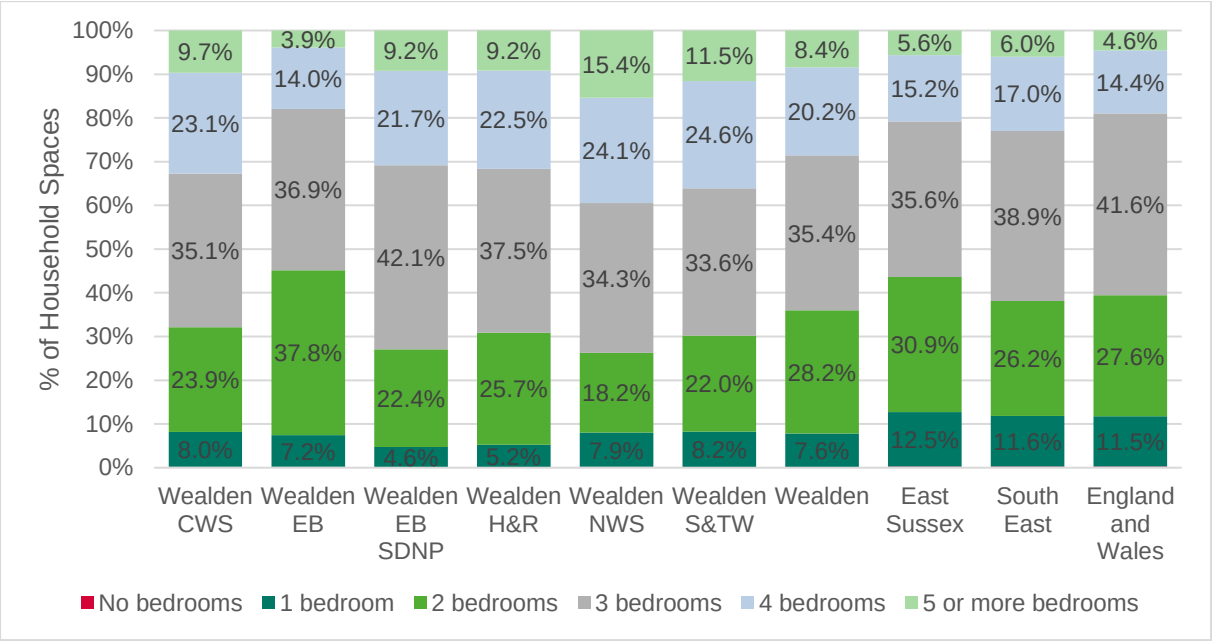
Bedrooms

3.26 The figure below shows the breakdown of dwelling sizes by number of bedrooms. The predominant size in Wealden (and the wider comparator areas) was three beds (35.4%). This is a similar percentage than across East Sussex (35.6%) but lower than across the South East (38.9%) and England and Wales (41.6%).

3.27 Importantly there was a lower percentage of one bedroom dwellings in Wealden (7.6%) compared to East Sussex (12.5%), the South East (11.6%) and England and Wales (11.5%). This would have ramifications for supporting younger people onto the housing ladder. Wealden also had a lower percentage of 2-3 bedroom dwellings (63.6%) than across East Sussex (66.5%), the South East (65.2%) and England and Wales (69.3%).

3.28 In contrast, there is also a higher percentage of four and five bedroom properties (20.2% and 8.4% respectively), compared to East Sussex (15.2% and 5.6% respectively), the South East (17.0% and 6.0% respectively) and England and Wales (14.4 and 4.6% respectively).

Table 3.9 Number of bedrooms by Sub Area (2011)



Source: ONS, Census 2011

3.29 In the Eastbourne HMA sub-area the percentage of 2-3 bedroom dwellings (74.6%) was significantly higher than the district average (63.6%) and the wider comparator areas. However, the percentage of 1 bedroom dwellings (7.2%) was similar to the Wealden average (7.6%) and significantly lower than across East Sussex (12.5%), South East (11.6%) and England and Wales (11.5%).

3.30 The percentage of 2-3 bedroom dwellings was lower in Northern West Sussex (52.5%) and Sevenoaks and Tunbridge Wells (55.6%), and to a lesser extent in Coastal West Sussex (59.1%) HMA Sub-areas than the district average.

3.31 The percentage of one bedroom dwellings was also significantly lower than the district average (7.6%) in the Eastbourne/SDNP (4.6%) and Hastings and Rother (5.2%) HMA Sub-areas.

Occupancy Level

3.32 The table below shows the occupancy rates of dwellings across HMA sub-areas. This compares the number of bedrooms in a home against the required number of bedrooms for the household occupying it. The required number of bedrooms is based on the age, sex and relationship of the members of each household. A minus rating means that there are too few bedrooms (over-crowded) and a positive rating means there are too many rooms (under-occupancy)

3.33 Around 2.2% of households in Wealden live in over-occupied dwellings. This is slightly lower than across East Sussex (2.9%) and significantly lower than across the South East (3.6%) and England and Wales (4.5%).

3.34 None of the HMA sub-areas across Wealden have significantly different levels of over occupation than the district average and are therefore lower than the wider comparator areas.

Table 3.10 Occupancy Rates (Bedroom Standard) by HMA Sub-Area

	Over-Occupied (-1 & -2 or less)	Under-Occupied (2 or more)	Over-Occupied (-1 & -2 or less)	Under-Occupied (2 or more)
Wealden CWS	249	5,428	2.1%	46.0%
Wealden EB	536	7,991	2.3%	33.6%
Wealden EB SDNP	20	911	1.3%	59.8%
Wealden H&R	24	450	2.4%	45.3%
Wealden NWS	97	1,874	2.7%	52.8%
Wealden S&TW	425	10,262	2.0%	48.8%
Wealden	1,351	26,916	2.2%	42.9%
East Sussex	6,618	82,326	2.9%	35.5%
South East	127,456	1,318,932	3.6%	37.1%
England and Wales	1,062,644	8,077,085	4.5%	34.6%

Source: ONS, Census 2011

3.35 Conversely, under occupancy (classed here as having 2 bedrooms or more as spare bedrooms), are significantly higher in Wealden (42.9%) than East Sussex (35.5%), the South East (37.1%) and England and Wales (34.6%).

3.36 Levels of under-occupancy are particularly high in the Northern West Sussex (52.8%), and Eastbourne/SDNP (59.8%) HMA Sub-area. The levels of under-occupancy in the Eastbourne HMA Sub-area are just 33.6% - lower than all of the wider comparators areas.

Council Tax

3.37 The table below shows that of the 70,370 properties registered for Council Tax in Wealden 24.2% (the highest percentage) were in Council Tax Band C – similar to the percentage across East Sussex (23.2%) and the South East (25.8%) but significantly higher than across England and Wales (21.8%).

Table 3.11 Properties by Council Tax Band (March 2020)

Area Name	A	B	C	D	E	F	G	H	Total properties
Wealden (No.)	4,110	8,030	17,020	14,620	11,220	7,580	6,890	910	70,370
Wealden (%)	6%	11.4%	24.2%	20.8%	15.9%	10.8%	9.8%	1.3%	70,370
East Sussex	14%	18.5%	23.2%	18.9%	12.3%	6.9%	5.2%	0.6%	254,100
South East	9%	16.6%	25.8%	20.1%	13.2%	8.0%	6.4%	1.0%	3,976,580
England and Wales	24%	19.7%	21.8%	15.6%	9.9%	5.3%	3.5%	0.6%	26,128,990

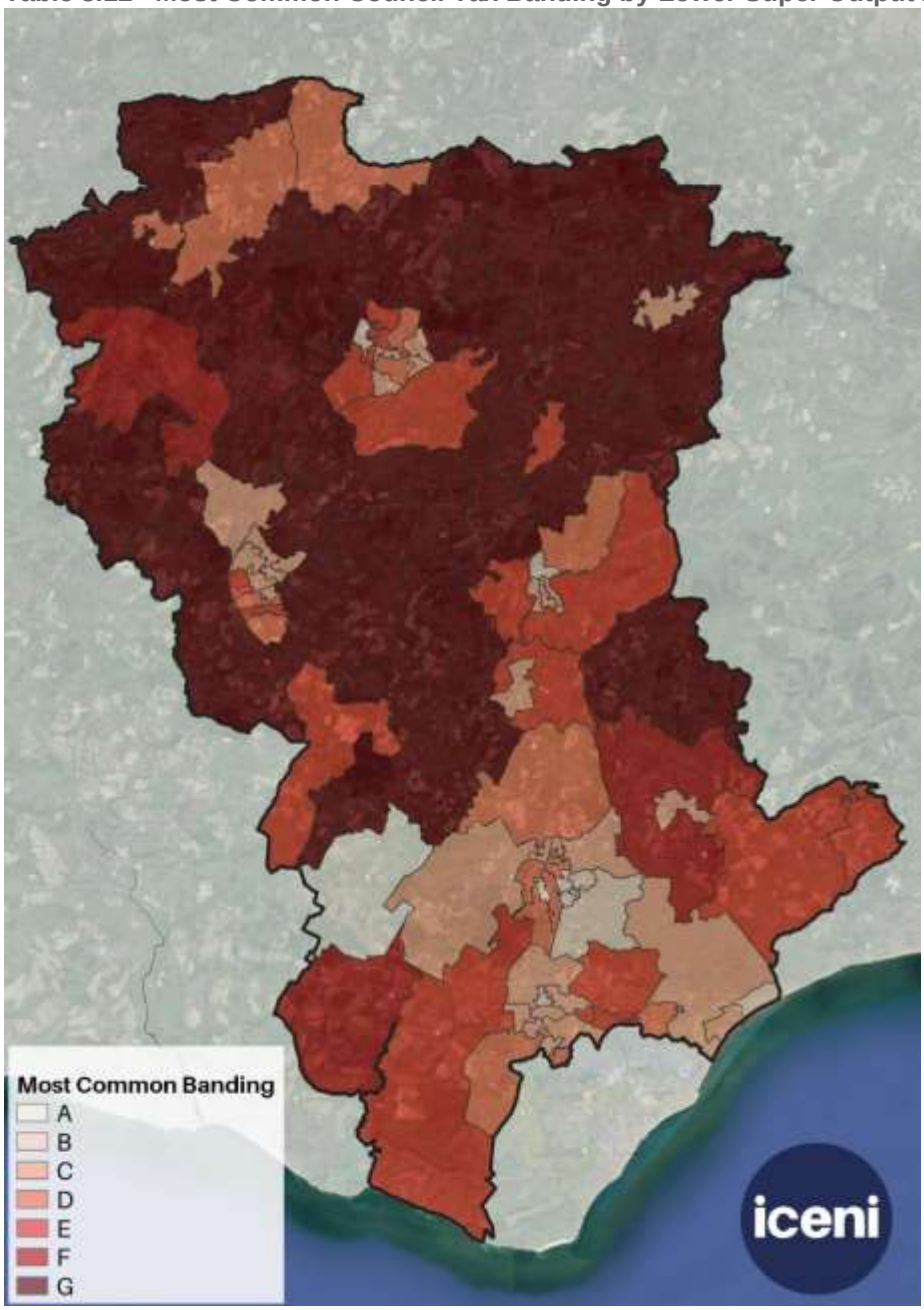
Source: VOA

3.38 The percentage of dwellings in Bands A and B in Wealden was just 17.3% - significantly lower than across East Sussex (32.9%), the South East (25.5%) and England and Wales (43.3%).

3.39 At the other end of the scale the percentage of properties in Bands F, G and H in Wealden was 21.9% - significantly higher than East Sussex (12.7%), the South East (15.3%) and England and Wales (9.4%).

3.40 The figure below illustrates a north/south rural/urban split with the LSOA with those in the north of the district, which is more rural, having a greater percentage of homes in the more expensive bandings (Bands E to G).

Table 3.12 Most Common Council Tax Banding by Lower Super Output Area (2020)

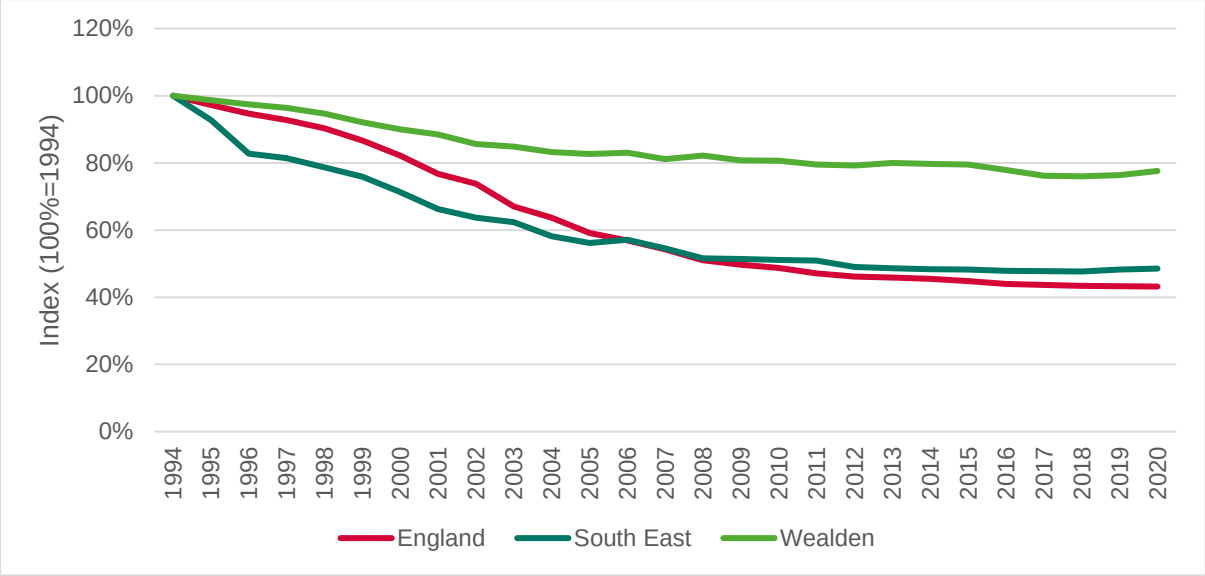


Source: VOA

Council Owned Stock

3.41 The Council owned 2,987 dwellings in the district in 2020. The figure below shows how the local authority owned housing stock has change over time as a percentage of the 1994 value. Whilst Wealden's council owned housing stock has declined 22% since 1994, it has declined far less than the average across the South East and England – declines of 51% and 57% respectively.

Table 3.13 Index of Local Authority Owned Stock (1994 – 2020)



Source: MHCLG, Table 116 Live Tables

3.42 The majority of council owned stock in Wealden is Social Rental (93.3%) higher than across the South East (88.7%) but lower than England (97.2%). Levels of council owned affordable rented stock in Wealden (6.7%) are significantly higher than across both the South East (1.8%) and England (1.6%).

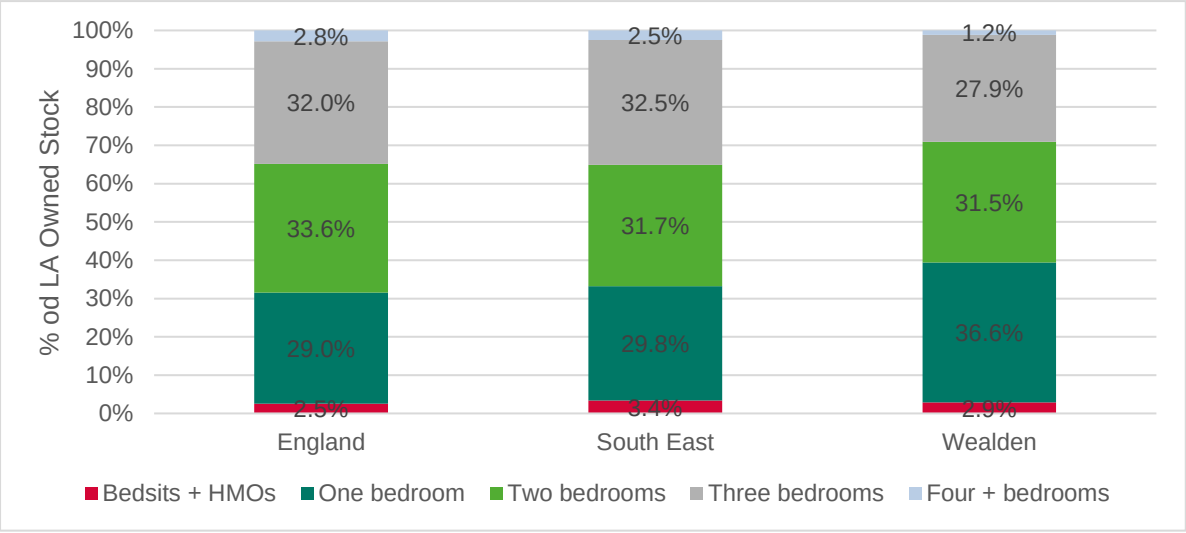
Table 3.14 Tenure of Local Authority Owned Stock (2020)

	Shared Ownership	Social Rent	Affordable Rent	Total	Shared Ownership	Social Rent	Affordable Rent
England	19,417	1,533,837	25,503	1,578,757	1.2%	97.2%	1.6%
South East	16,206	151,264	2,996	170,466	9.5%	88.7%	1.8%
Wealden	0	2,788	199	2,987	0.0%	93.3%	6.7%

Source: MHCLG, Local Authority Housing Statistics dataset

3.43 The majority of council owned stock in Wealden has one bedroom (36.6%). The percentage of council owned stock with two bedrooms is 31.5% - similar to the South East (31.7%) and slightly lower than England (33.6%).

Table 3.15 Local Authority Owned Stock by Bedroom Size (2020)



Source: Local Authority Housing Statistics dataset (2020)

3.44 The percentage of three bedroom and four bedroom council owned stock is lower in Wealden (27.9% and 1.2% respectively) than both the South East (32.5% and 2.5% respectively) and England (32.0% and 2.8% respectively).

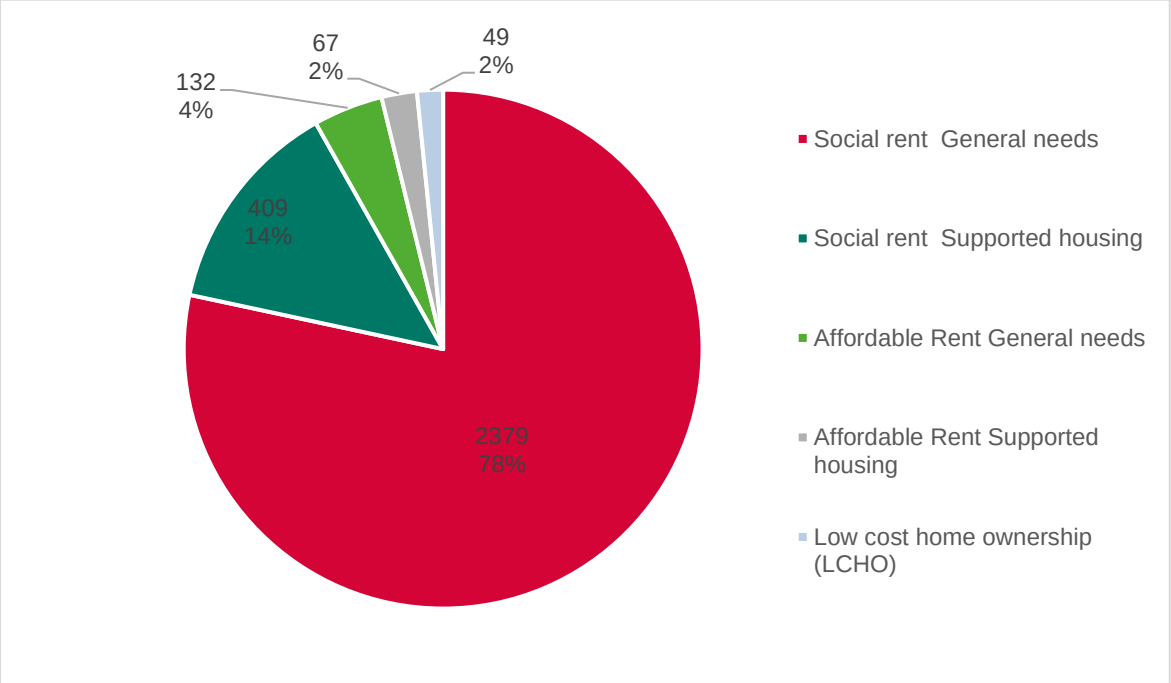
Registered Provider Owned Stock

3.45 There is a total of 2,379 dwellings owned by Registered Providers in Wealden. This takes the total affordable housing stock to 5,366 and equates to around 7.5% of all stock in the district.

3.46 The figure below shows the split (number and percentage) of registered providers stock in Wealden by bedrooms. It can be seen that the majority of stock is social rented (92%), including both general needs (78%) and supported housing (14%).

3.47 A small percentage of stock is affordable rented (6%), including both general needs (4%) and supported housing (2%). Just 2% of registered providers stock is for low cost home ownership.

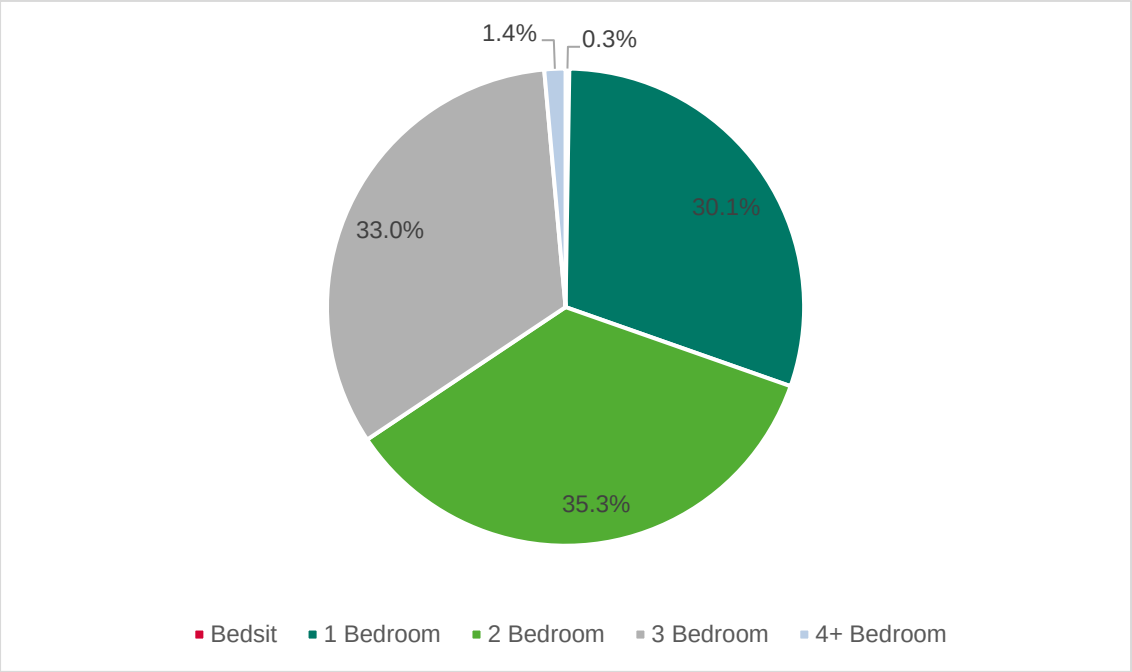
Table 3.16 Local Authority Owned Stock by Sub Tenure – Wealden (2020)



Source: Local authority registered provider (LARP) social housing stock in England 2020

3.48 The figure below shows the split of registered provider stock in Wealden by number of bedrooms. The highest percentage of registered provider homes have two bedrooms (35.3%), then three bedrooms (33.0%), then one bedroom (30.1%). Less than 2% of the stock is four or more bedrooms (1.4%).

Table 3.17 Registered Provider Stock by Number of Bedrooms - Wealden (2020)

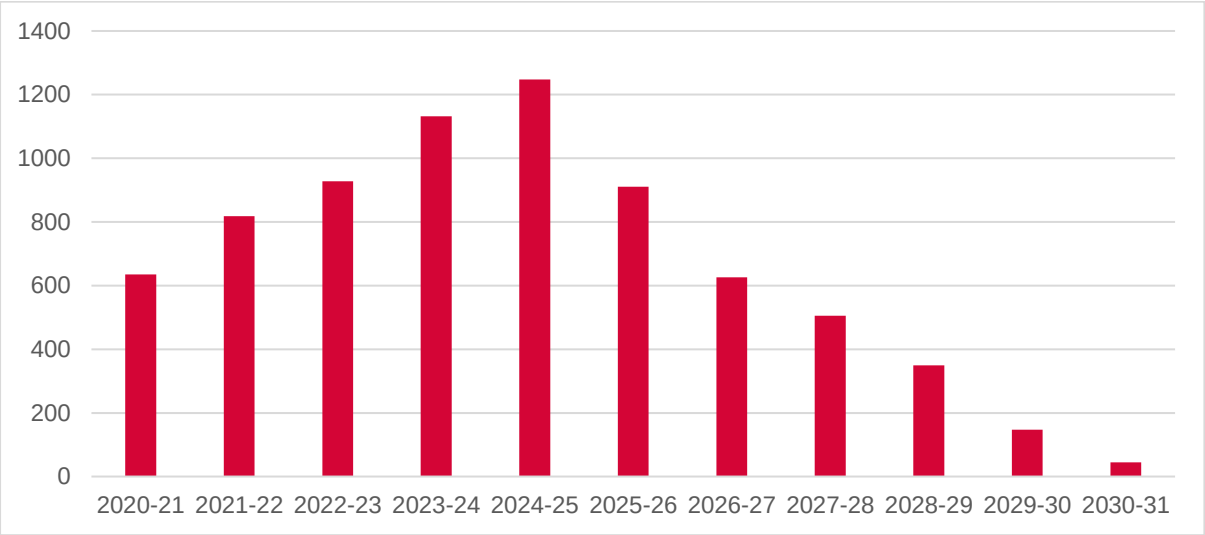


Source: Local authority registered provider (LARP) social housing stock in England 2020

Pipeline Supply

3.49 The figure below shows the pipeline of committed new homes in the district (planning permissions which are due to be completed) across Wealden up to 2030-31. It can be seen that the pipeline supply in 2020-21 is 635 dwellings. This grows to a peak of 1,248 in 2024-25 before declining to 45 in 2030-31.

Table 3.18 Pipeline from Committed Supply (2020-21-2030-31)



Source: Wealden DC, 2021

3.50 In total, the committed supply totals 7,334 dwellings. The Council is expected to identify additional supply through allocations within the Local Plan process, as well as windfall development (specifically forthcoming planning applications) and therefore this figure is only a part of the expected supply. The new allocations in the Local Plan will specifically increase the supply after the first five year period (beyond 2024/25) until 2039.

Housing Stock: Key Messages

- There are just over 71,000 dwellings in Wealden and completions in the district have averaged 653 per annum since 2011.
- Relative to wider comparator areas, a high percentage of households in Wealden own their own homes and a relatively low percentage were privately renting and socially renting.
- Relative to wider comparator areas, Wealden's housing stock had a high percentage of detached and semi-detached dwellings but a low percentage of terraced dwellings and flats.
- There was a significantly lower percentage of one bedroom dwellings and 2-3 bedroom dwellings in Wealden than wider comparator areas.
- Housing stock in Wealden has significant levels of under-occupation than across wider comparator areas and there is lower levels of overcrowding.
- The amount of council owned housing stock has decreased significantly less (in percentage terms) than across the South East and England since 1994.
- The percentage of council owned housing stock with 3-4 bedrooms is significantly lower in Wealden than across the South East and England as a whole.
- The current pipeline supply of housing (planning permissions which are due to be completed) peaks in 2024, steadily rising from the 2020-21 pipeline supply.

4. HOUSING MARKET

4.1 Median house prices in the year to June 2020 in Wealden were around £320,000. This is slightly below the South East regional median (£325,000) but higher than the national (£240,000) and East Sussex (£290,000) medians.

Table 4.1 Median House Price (Year to June 2020)

Area	Median
Wealden	£319,950
East Sussex	£290,000
South East	£325,000
England and Wales	£240,000

Source: MHCLG, 2021

4.2 More recent data for all of 2020 suggests that the median house price has increased to £330,000. This data also allows us to look at the medians in each of the identified HMA Sub-Areas. As shown the highest house prices by some margin are found in the Eastbourne/South Downs National Park HMA Sub-Area. This is likely to be linked to the lack of stock as well as the quality of place.

4.3 There are also relatively high house prices in the parts of the district that fall within the Northern West Sussex HMA Sub-Area. This is likely to be due to the rural nature of this area and the high percentage of detached homes.

Table 4.2 Median and Lower Quartile House Price, and Number of Trans by Sub Area (2020)

	Median	Lower Quartile	Transactions
Coastal West Sussex	£370,000	£282,500	287
Eastbourne	£280,000	£238,250	747
Eastbourne / SDNP	£560,000	£480,000	41
Hastings and Rother	£420,000	£382,500	19
Northern West Sussex	£530,000	£367,000	75
Sevenoaks and Tunbridge Wells	£379,500	£290,000	572
Wealden	£330,000	£275,500	1,741

Source: HM Land Registry, 2021

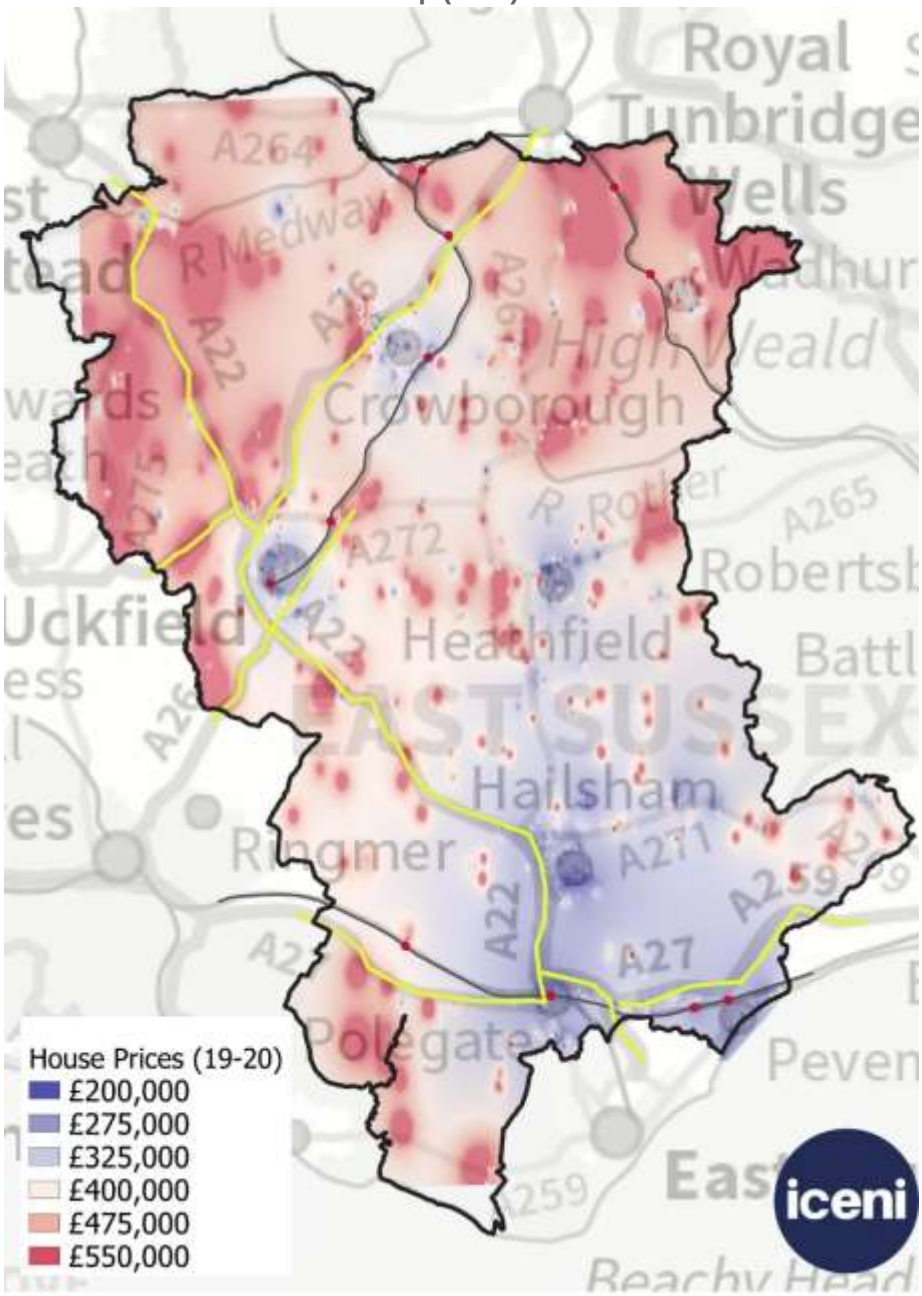
4.4 The lowest prices, again by some margin, are found in the Eastbourne HMA Sub-Area (£280,000). This is again likely to be linked to the type of stock being sold, with flatted stock and terraced homes being more prevalent in the urban areas of Hailsham and Polegate.

4.5 Entry level prices, for which lower quartile prices are used as a proxy, are around £275,500 for the district. This ranges from £238,250 in the Eastbourne HMA Sub-Area to £480,000 in the Eastbourne/SDNP HMA Sub-Area. This illustrates the great difficulty first time buyers have in the National Park.

4.6 The table also illustrates that the most active areas of the district in terms of sales are the areas with the major settlements. Of these, the Eastbourne HMA Sub-Area has around 42% of all sales in the district followed by Sevenoaks and Tunbridge Wells HMA Sub-Area (32%).

4.7 The map below shows a North: South divide in the district with the northern parts of the district achieving a premium. It also illustrates higher house prices in the rural areas compared to the urban areas which is expected given the mix of homes in these areas.

Table 4.3 House Price Heat Map (2020)



Source: HM Land Registry, 2021

4.8 Given the impact of the housing mix on median house prices it is worthwhile examining the relative costs of housing on a like for like basis, although this does not take into account the greater space that a semi-detached house in a rural area is likely to have in comparison to one in an urban area.

4.9 As the table below shows, for semi-detached housing, the Northern West Sussex HMA Sub-Area homes exceed those in the National Park which is only slightly higher than the Hastings and Rother HMA sub-area. The lowest semi-detached house prices remain in the Eastbourne HMA Sub-Area.

Table 4.4 Median House Price by Sub-area and Type (2020)

	Detached	Semi-Detached	Terraced	Flats	Median
Coastal West Sussex	£550,000	£338,750	£276,000	£178,001	£370,000
Eastbourne	£355,000	£265,000	£240,000	£168,000	£280,000
Eastbourne / SDNP	£570,000	£405,000	£832,500		£560,000
Hastings and Rother	£525,000	£395,000			£420,000
Northern West Sussex	£680,000	£420,000	£327,000	£195,000	£530,000
Sevenoaks and Tunbridge Wells	£555,000	£338,750	£297,500	£175,000	£379,500
Wealden	£450,000	£300,000	£268,000	£175,000	£330,000

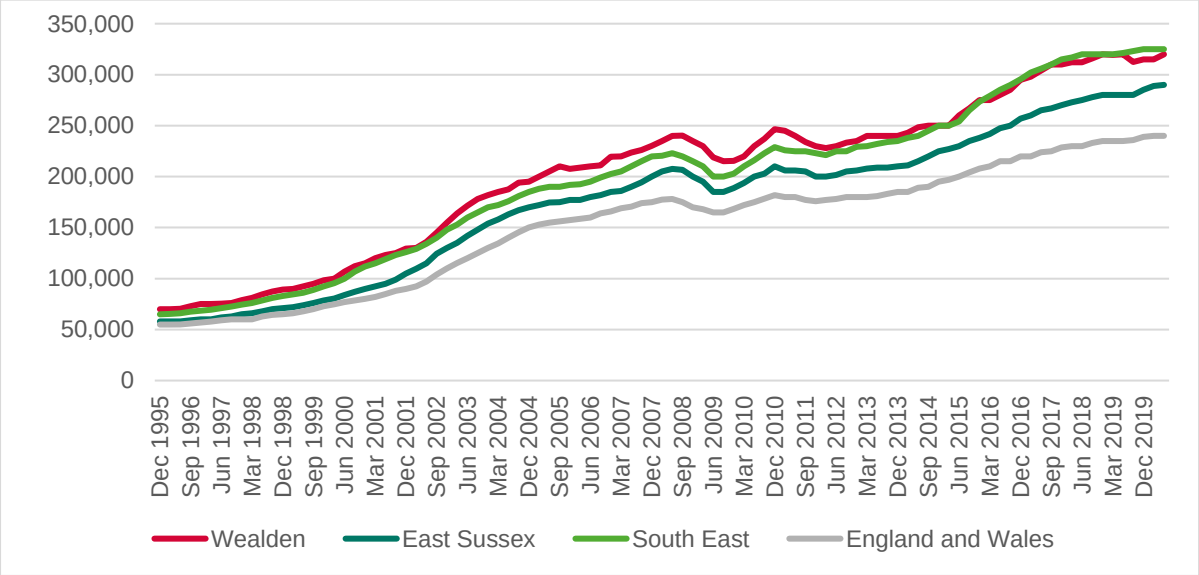
Source: HM Land Registry, 2021 (Areas with no-data due to no sales of that type in that area)

4.10 The Eastbourne HMA Sub-Area has the lowest prices for all types of homes whereas the highest cost homes are in the Northern West Sussex HMA Sub-Area with the exception of terraced homes which are highest in the National Park, albeit this reflects only two sales.

House Price Change

4.11 House prices in Wealden have tracked the national pattern albeit at a slightly higher level. As the chart below illustrates house prices in the South East region and Wealden have been similar since 1995 and tracked each other closely since 2012.

Table 4.5 Median House Price Growth (1995-2019)



Source: MHCLG, 2021

4.12 The table below shows the changes by Sub-Area. This shows that over the longer period, since 2005, the lowest price growth has been in the Sevenoaks and Tunbridge Wells and Eastbourne HMA Sub-Areas (3.1% pa), despite a relatively low starting point. The same can also be said for the last five years (since 2015).

Table 4.6 Median House Price Change by Sub Area (2005-2020)

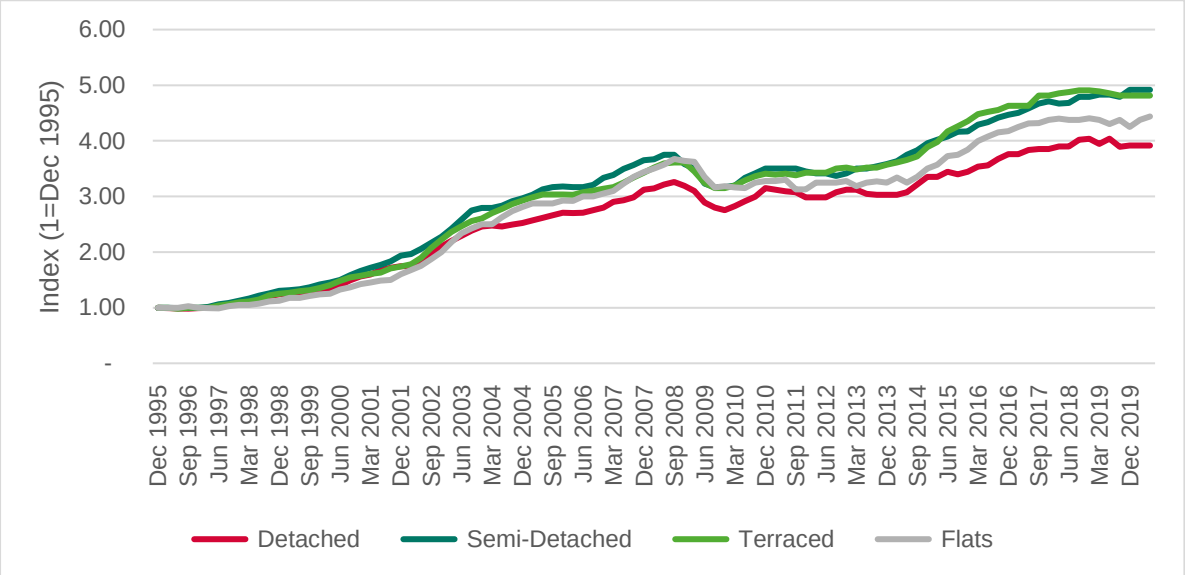
	2005	2010	2015	2020	CAGR Since 2005	CAGR Since 2010	CAGR Since 2015
Coastal West Sussex	£222,500	£270,000	£306,250	£370,000	3.4%	3.2%	3.9%
Eastbourne	£176,250	£195,000	£240,000	£280,000	3.1%	3.7%	3.1%
Eastbourne / SDNP	£300,000	£410,000	£462,500	£560,000	4.2%	3.2%	3.9%
Hastings and Rother	£236,000	£310,000	£310,000	£420,000	3.9%	3.1%	6.3%
Northern West Sussex	£311,726	£363,750	£430,000	£530,000	3.6%	3.8%	4.3%
Sevenoaks and Tunbridge Wells	£238,750	£277,750	£315,000	£379,500	3.1%	3.2%	3.8%
Wealden	£207,250	£247,000	£275,000	£330,000	3.1%	2.9%	3.7%

Source: HM Land Registry, Price Paid Data 2021

4.13 The highest growth area over the longer term was the Eastbourne/South Downs National Park Sub-Area (4.2% pa), although in the shorter term the greatest increases were in the Hastings and Rother HMA Sub-Area (6.3% pa).

4.14 The table below illustrates the change in house price by type in Wealden since 1995. As shown, the cost of semi-detached and terraced homes have increased at a faster rate than flats and detached homes.

Table 4.7 Median House Price Change by Type - Wealden (1995- 2019)



Source: ONS, Median House Prices

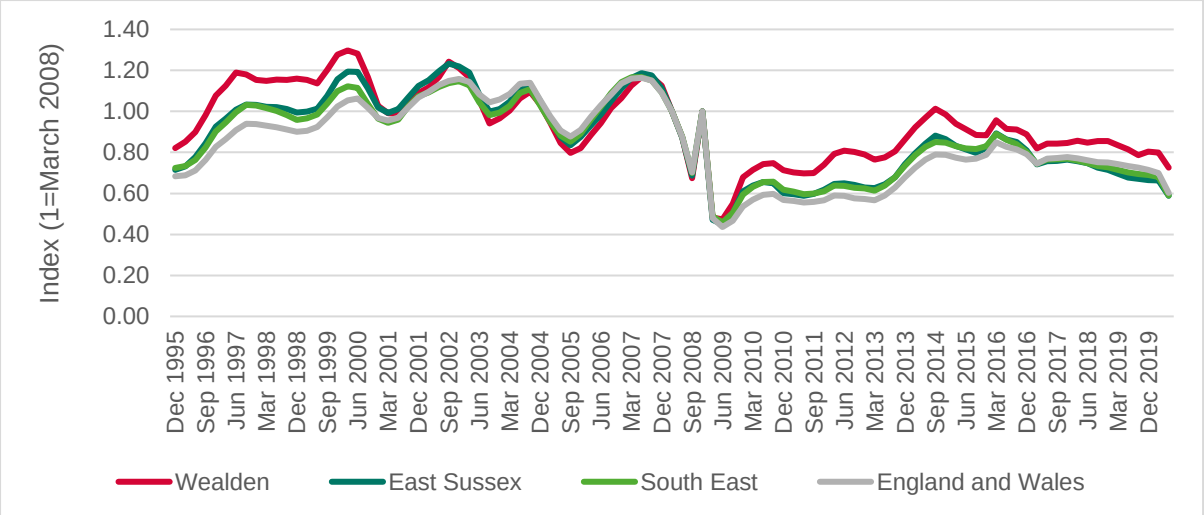
4.15 This trend has accelerated since the 2008 recession. However, we expect demand for detached and semi-detached homes to continue to increase while growth in the cost of flats will slow as a result of Covid-19.

Transactions

4.16 Sales performance has been benchmarked against long-term trends to assess the relative demand for market homes for sale. The figure below benchmarks annual sales over the period 1995-2019 against

the pre-recession average for Wealden and wider comparators. There is a relative similarity in trends across areas, reflecting the influence of macro-economic factors.

Table 4.8 Indexed Number of Transactions (1995 – 2019)



Source: ONS, Residential Property Sales

4.17 There were around 1,700 transactions in Wealden in 2020. This was significantly down on previous years (50%). As the figure shows, the number of transactions is on average considerably below pre-2008 recession levels.

4.18 There was a notable recovery up until 2014, but the number of sales has fallen since, a trend which is repeated across the country.

Affordability

4.19 We have considered the affordability of market housing by looking specifically at the relationship between house prices and incomes. We have done this by looking at both median and lower quartile values for each, with the latter being used as a proxy for entry level affordability. We have focussed on workplace-based ratios which use income data from those working in the area rather than those living in the area (residence based).

4.20 The table below shows that, in 2019, the median house price in Wealden was 11.55 times average earnings compared to 10.12 in the South East and 7.7 across England and Wales as a whole. Given that mortgages are usually restricted to multiples of 4.5 times income this means that much of market housing for sale is unaffordable for many households without a sizeable deposit.

Table 4.9 Median and lower-quartile workplace based affordability ratio

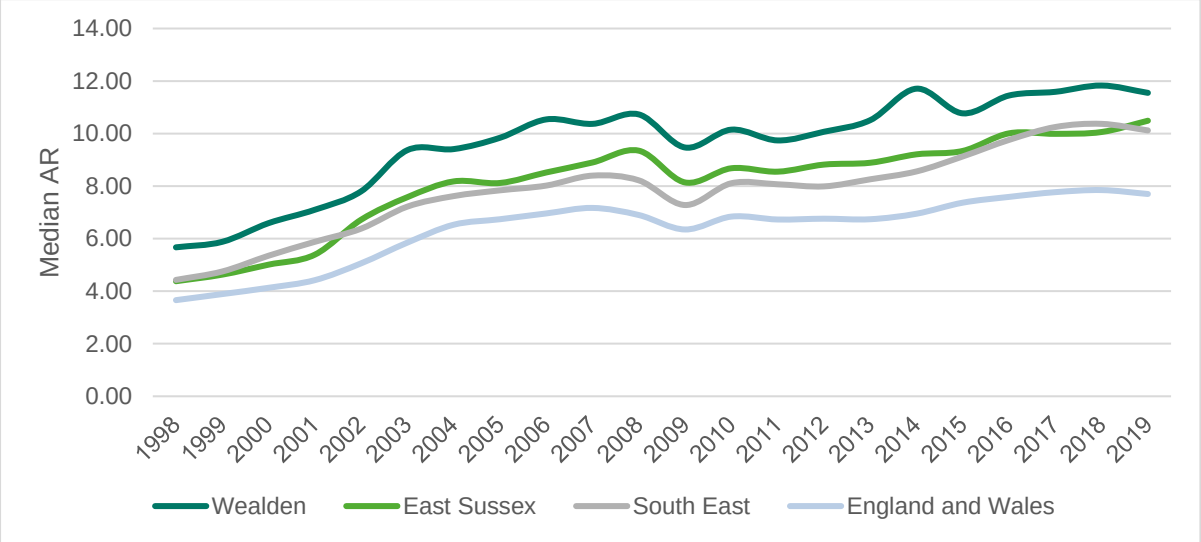
	Median	Lower quartile
Wealden	11.55	12.87
East Sussex	10.49	10.98
South East	10.12	10.46
England and Wales	7.70	7.06

Source: ONS

4.21 In 2019, the lower-quartile affordability ratio in Wealden was 12.87 - significantly higher than across the South East region as a whole (10.46) and England and Wales (7.06). This demonstrates the difficulty that first time buyers (who typically have lower incomes) have to get on the market.

4.22 The figure below shows that median workplace-based housing affordability ratio in Wealden has significantly worsened since 1998. However, the median affordability ratio across Wealden has roughly followed patterns at the county, regional and national level.

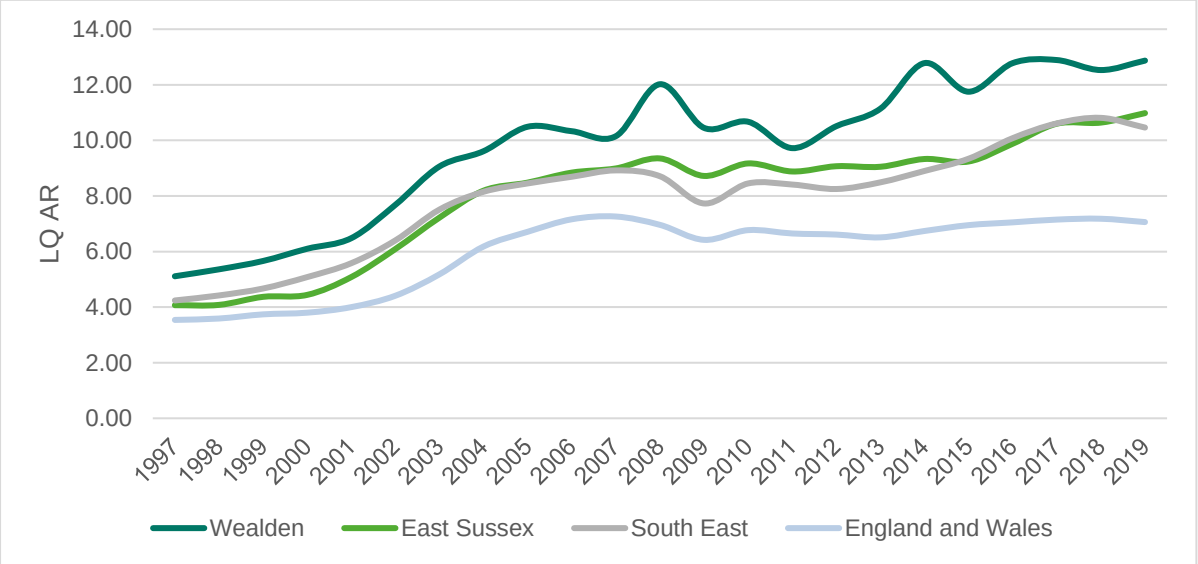
Table 4.10 Median Affordability Ratio – Workplace Based (1998 – 2019)



Source: MHCLG, Affordability Ratio, 2020

4.23 The figure below shows the lower quartile workplace-based housing affordability ratio. It shows a similar pattern in Wealden to East Sussex and the South East with affordability significantly worsening since 1998. Since 2008, the LQ affordability ratio across Wealden has undergone a significantly greater decline in affordability than seen nationally.

Table 4.11 Lower Quartile Affordability Ratio – Workplace Based (1998 – 2019)



Source: MHCLG, Affordability Ratio, 2020

Mortgage availability and impacts on FTB numbers

4.24 It is predicted that the impacts of Covid-19 on first time buyers could be severe in the short-term. Last year Knight Frank predicted that lenders would issue 150,000 fewer mortgages than usual (similar to

the number issued in the first half of 2019)[4]. This is likely to occur as lenders seek lower loan to value ratios to reduce their exposure to economic and house price downturns, meaning greater deposits are required.

4.25 The pandemic had initially seen some mortgage lenders retract the width of products that they offered to ensure they were less exposed to the expected economic downturn. This saw typical loan to value ratios of 90% decrease in availability with the highest LTV ratio of 80% being more common. This meant households required a 20% deposit rather than 10% thus forcing many households out of the market.

4.26 To bridge this LTV gap Savills[5] expect borrowing from the "Bank of Mum and Dad" to increase over the next two years from £5 billion to over £7billion. Savills reported that around 40% of first time buyers had assistance from their family, however, they expected the overall value of this form of financing to fall in 2021 due to decreased activity in the market.

4.27 Other restrictions to the range of products being offered include a reduction in availability of long-term mortgages (longer than 25 years), although this trend pre-dates the pandemic. The lack of longer term mortgages means that those seeking smaller repayment amounts, typically first time buyers and those on lower incomes, have less choice in the market[6].

4.28 However, there does appear to be some recovery from these early pandemic impacts. Moneyfacts analysis reported by the BBC shows that the number of mortgage products for those with a deposit of 10% have risen more than fourfold, from 44 to 197 products since summer 2020 suggesting a better outlook for first time buyers[7]. Furthermore, mortgage rates for those with a 10% deposit are getting better.

4.29 The widened availability of mortgage products suggest a modest increase in lender confidence, resulting in them being less risk adverse. The greater level of competition between lenders also helps keep interest rates stable. However, Moneyfacts suggest that "it is likely lenders will continue to carefully manage their lending through the year."

4.30 The Stamp Duty holiday for FTB buying homes up to £500,000 also had a small impact on keeping the FTB market afloat. This scheme helped by offsetting the higher deposit requirement with a reduced taxation burden. This only affected the few FTB's seeking a home costing between £300,000 and £500,000 as FTB already had relief on homes valued up to £300,000. Furthermore, this is only a short term measure and the holiday ends at the end of September 2021 with the offer tapering from the end of June. This may reduce the number of first time buyers who could afford to purchase a new home beyond this period.

Help to Buy

4.31 The Government's Help-to-Buy Programme provides a range of schemes which support younger households to get on the housing market (and in doing so support housing market activity). The scheme is to undergo some changes from early 2021 and the programme will now include:

- Help to Buy Equity Loan – This scheme will be open to first time buyers only. In the South East it can be used to buy new homes (from registered housebuilders) up to a value of £437,600.

[4] https://www.ft.com/content/a577d790-8d7e-11ea-af59-5283fc4c0cb0

[5] https://www.savills.co.uk/blog/article/302871/residential-property/first-time-buyer-funding-and-the-bank-of-mum-and-dad.aspx

[6] https://www.mortgagesolutions.co.uk/news/2021/02/08/first-time-buyers-hit-as-longest-mortgage-terms-vanish-quilter/?cmpredirect

[7] Low-deposit mortgages return after Covid slump - BBC News

There is no income cap. A 5% deposit is required and the Help to Buy Equity Loan lends up to 20% of the purchase price resulting in a maximum mortgage to be secured of 75% of the total price. The Help to Buy loan is interest free for the first five years. The amount you pay back is worked out as a percentage of the market value at the time you choose to repay.

- Help to Buy: Shared Ownership – Supports part ownership of between 25% and 75% of the total home (either new build or resales) and requires ongoing rental payments on the remainder. Those with a household income of £80,000 or less are eligible for this scheme. As of 2021, the Share to Buy programme means that Shared Ownership homes will be offered with a minimum 10% share, which will greatly reduce deposit requirements, thus widening the market. Unlike the current system the costs of any repairs will also be covered by the landlord or housing association for the first 10 years.

- Help to Buy ISA – This is a savings product aimed at first time buyers. The ISA boosts the amount saved by 25% with the total Government contribution capped at £3,000. The ISA can be used in combination with the Equity Loan or Shared Ownership schemes. The Help to Buy ISA closed to new accounts at midnight on 30th November 2019; however, if applications have opened prior to this, they will be able to continue saving into the account until November 2029.

4.32 The Help to Buy programme allows the purchase (or part purchase) of new build housing and existing stock via a re-sale of Registered Providers stock. It is funded by the Government via Homes England and then administered by regional Help to Buy Agents.

4.33 The Help to Buy ISA has now been replaced by the government backed Lifetime ISA. This allows those between 18 and 50 to save for a first home or later life. People can put in up to £4,000 each year, until they are 50. The government will add a 25% bonus to their savings, up to a maximum of £1,000 per year.

4.34 The figure below shows the total number and value of equity loans in Wealden, the average for all Shire districts (all local authorities excluding London boroughs, metropolitan districts and unitary authorities) and the total number across England. The number of equity loans are broken down between houses and flats.

4.35 Over the period between October 2019 to September 2020, the Help-to-Buy Equity Loan Scheme helped a total of 173 households to buy a home in Wealden[8]. This compares to an average of 100 loans across all Shire Districts. This suggests that the scheme has played a significant role in supporting the local housing market and is an important means of helping a range of households, including younger households, onto the housing ladder.

Table 4.12 Extent of new build support from Help-to-Buy equity loan

	Number of Equity Loans	Value of equity loans
Wealden	173	£52,487,680
Shire District Average	100	£36,500,040
England	278,639	£16,464542,769

Source: MHCLG, Help to Buy Tables

[8] https://www.gov.uk/government/statistics/help-to-buy-equity-loan-scheme-statistics-april-2013-to-31-december-2018

4.36 Since the introduction of Help to Buy loans in the second quarter of 2013 there have been 887 loans given to households in Wealden. This comprises around 36% of the new build sales registered in the same time. However, as the figure below demonstrates there has been a notable uptake in Wealden since Q4 2016.

Table 4.13 Percentage of New Build Sales with HTB Loans (Q2 2013 – Q2 2020)



Source: MHCLG, Help to Buy Tables and HM Land Registry Price Paid Data

4.37 For the last two reporting quarters help to buy loans have equated to around three quarters of all new build sales in the district. Although the percentage of loans going to first time buyers has been falling it has averaged around 77% since its introduction.

4.38 As of 2021, Help to Buy Loans will be capped at £437,600 for homes in the South East. In 2020, there were 88 new build sales in the district, of which 63 were less than the new threshold (72%). This means that the support this scheme provides may not be significantly curtailed in Wealden where the cost of new homes has mostly been below this cap.

Agency Consultation

4.39 Consultation was undertaken with estate agents in order to gain a deeper understanding of the sales market in Wealden, adding to and corroborating the quantitative data collected and analysed. The following agents were contacted in February 2021:

- Your Move Estate Agents of 91 High St, Polegate BN26 6AE
- Peter Oliver Homes of 103 High St, Uckfield TN22 1RN
- Banfield Estate Agents of The Broadway, Crowborough TN6 1DE 9
- Fine and Country of 160 High St, Uckfield TN22 1AT
- Crane and Co of 2 High Street Hailsham

4.40 The agents contacted classified the market as buoyant. Some said it was extremely busy whereas others said it was reasonably so. In general the agents noted that demand was very strong. However, one agent stated that they felt ‘a cliff edge was coming’ as they felt like they had sold all of 2021’s and 2022’s stock in 2020. In contrast, another suggested there was no sign of slowing.

4.41 In terms of time on the market, one agent stated that properties were selling 'almost immediately', three of the others stated that properties typically sold in between 1 and 4 weeks. Fine and Country who cover the upper quartile of the market only, stated that properties were typically staying on the market for around 8 weeks.

4.42 All agents stated that asking prices were generally very close to being met, met or exceeded. One agent stated that sales were sometimes well over asking prices. Fine and Country stated that the sale price to asking price ratio was 97%, meaning at the top end of the market sellers were getting 3% less than what they asked.

4.43 Four out of five agents noted rising sales prices whilst one agent considered that prices were relatively static. It was stated that the driver of price rises was a lack of stock and demand from people moving from London. However, one agent noted that they feel a price ceiling will soon be hit as reduced lending will lead to lower demand.

4.44 Most agents noted that before Covid-19 there was a relatively even mix of people moving from outside of Wealden and within Wealden. Since Covid-19 there has been a shift which has seen more people moving into the district, particularly from London. One agent noted that since Covid-19 they had seen more moves from central areas of London, compared to south/south of London before Covid-19.

4.45 Three of the agents stated that high demand existed across all house types but the flatted market had dipped which the agents linked to Covid-19. One agent noted a fall in demand for retirement properties although Bungalows were in demand. One agent stated that lower priced 2-3 bed homes were in particular demand as well as 2-4 bedroom houses with reasonably large gardens.

4.46 One agent stated that the top end of the market was quieter than the rest of the market before Covid-19. Fine and Country stated that currently the homes of around £800,000/4 beds were in highest demand in the market.

4.47 The agents reported a mix of household types which were typically moving into homes in Wealden. All agents stated that they dealt with a significant number of couples and families looking for a greater sense of community and also looking to move up the property ladder where affordable. One agent noted that there were not many first time buyers. Two agents noticed an increase in the number of divorcees looking to buy (but also rent).

4.48 All agents agreed that a significant number of those buying in Wealden were professionals (often moving from London). Two agents noted that some people had been told by employers that they would only need to come to the office once a month after Covid-19 restrictions are lifted – this trend is likely to be driving sales in Wealden. One agent noted that lots of healthcare workers and nurses were moving into the district.

4.49 When asked, 'what makes the district attractive to buyers?' the agents cited a number of factors. Three agents noted access to the coast and countryside, outdoor activities and open spaces including the South Downs National Park, Ashdown Forest and the Cuckoo Trail. Two agents noted good transport links.

4.50 One agent stated that people had the 'opportunity to rethink what is important' and were now favouring a nice place to live which is still accessible to London. Two agents noted good schools. One agent also noted low crime, good facilities, low traffic problems and low parking restrictions (particularly in Crowborough). However, one agent noted that there was 'lots of development across the district which is upsetting'.

4.51 When asked if there were any particular gaps in the market the agents responses were mixed. One agent suggested there were no gaps. Another agent emphasised that demand outstripped supply across the board (apart from flats which were low in supply and demand).

4.52 One agent noted a gap in the small/first time buyer market in part linked to affordability issues. Another agent noted a gap in the supply of homes between £350,000 and £500,000. Fine and Country noted no particular gaps in supply in the upper end of the market.

4.53 Whilst the agents stated that levels of demand were high across Wealden, some agents noted a difference in demand across Wealden. One agent stated that demand was highest in Crowborough and Uckfield and the rural parts of the district.

4.54 Two agents noted that prices were higher in these two towns because of train connectivity, including to London. One agent noted that homes in areas without a train station (such as Pevensey Bay) were in lower demand. In contrast, the agent in Hailsham (which does not have a train station) suggested demand was high including from those moving from London, although homes with private parking did achieve a premium.

4.55 One agent noted that first time buyers often looked in Hailsham (and similar areas) to get their foot on the property ladder even though it may not be their desired location. They also noted that there were 'no first time buyer homes' in Crowborough indicating affordability issues. Hailsham was also noted as an area with demand from cash buyers.

4.56 One agent noted that there was particularly strong take up of new build homes under the Help to Buy scheme in the district but said the equity loan scheme (which requires a 5% deposit) was not accessible because lenders were not accepting 5% deposits.

4.57 Feedback from the agents suggested that there is demand for housing for the elderly in the district, although not the agent in Hailsham. One agent noted that demand was up and down and that at the moment demand was down due to elderly people isolating and being unable to move, but foresaw demand picking up.

4.58 One agent noted that there was a supply of independent living facilities (for able bodied over 60's, adapted for elderly needs but no on-site care) and care homes, but that there was a gap in between - i.e. Assisted living facilities with on-site care but which still offered a level of independence.

4.59 A demand for 'modern bungalows' was noted with one agent stating that there are lots of retirement flats available due to deaths. The agents noted that housing for the elderly tends to be more of a rental market.

4.60 Three out of the four agents stated that demand for self-build was strong. One agent even said, 'everybody wants to do this'. However, these agents all noted that there were significant barriers to this including a lack of suitable and permissioned plots, high land prices, and the fact that plots are normally taken by developers. One agent noted the fact that it is not possible to get a mortgage for land presenting a financial barrier.

Furlough

4.61 The figure below shows the percentage of eligible employments[9] furloughed under the Coronavirus Job Retention Scheme between July and October 2020. It can be seen that Wealden has had a consistently higher take up-rate compared to the wider comparators.

[9] An employment is defined within this release as anyone who meets the scheme criteria set out within the HMRC guidance. HMRC have applied this definition in order to manage the difficulty in separating out Office Holders (such as directors) from what are generally considered employees.

4.62 The latest figures show that around 13% of eligible employments are currently furloughed in Wealden compared to 12% nationally. This was based on an overall figure of 8,500 people in the scheme which was down from a high of 21,200 in July last year.

Table 4.14 % of Employment Furloughed (May 2020 – Jan 2021)



Source: HM Revenue and Customs, Job Retention Scheme Statistics 2021

4.63 At 13%, Wealden is in the middle of the national range (5% to 20%). The lowest rates are typically found in areas with a strong agricultural economy such as South Holland and Boston in Lincolnshire, and those with the highest rates in areas with major transport hubs (Crawley (Gatwick) and Hounslow (Heathrow)). The impact of Gatwick may well be influencing the numbers in Wealden.

Looking forward

4.64 The figure below shows the Office for Budget Responsibility (OBR) House Price Forecast for the UK[10]. It takes into account short-term indicators of house price inflation, medium term factors such as forecast real incomes; demographics; mortgage rates; and credit conditions, and predicted effects of government policies.

4.65 As illustrated, the OBR central forecast sees house prices falling in 2021. This is driven by the end of the stamp duty holiday and reduced household incomes due to higher unemployment once furlough ends.

[10] https://obr.uk/docs/dlm_uploads/CCS1020397650-001_OBR-November2020-EFO-v2-Web-accessible.pdf

Table 4.15 OBR house price forecast



Source: OBR (November 2020)

4.66 The OBR then forecasts a steady recovery from 2022 onwards. However, the forecast growth in house prices is around 17% lower in 2026 in comparison to the previous OBR forecast which was pre-pandemic (March 2020).

4.67 Alternative residential property market forecasts have been produced by Savills (September 2020)[11]. Unlike the OBR forecast they predict no growth in 2021 before returns to annual nominal house price growth of 4.0%, 6.5% and 4.5% in 2022, 2023 and 2024 respectively. Savills' forecasts for the South East are even higher – 2.5%, 5.0%, 3.0% between 2022 and 2024 (after no growth in 2021).

4.68 Wealden's economy appears to have fared worse than those in some other parts of the region/ country in recent months. Unemployment claimants has increased from 1,315 claimants in March 2020 to 3,775 in January 2021. This 187% change is worse than the regional and national changes (137% and 106% respectively) although the rate in Wealden is still generally lower than the wider comparators.

Table 4.16 Change in Claimant Counts (March 2020 – January 2021)

	Mar-20		Jan-21		March 20- Jan 21	
Area	Claimant count	Claimants as % of 16-64	Claimant count	Claimants as % of 16-64	Change in Claimants	% Change
Wealden	1,315	1.4	3,775	4.1	2,460	187%
East Sussex	9,135	2.9	19,255	6.1	10,120	111%
South East	120,930	2.2	286,545	5.1	165,615	137%
England and Wales	1,123,770	3.0	2,310,030	6.2	1,186,260	106%

Source: DWP, Claimant Count, 2021

4.69 The OBR forecasts for 2021 envisage that the market will weaken in 2021 as the Stamp Duty Holiday ends and unemployment grows as the furlough scheme comes to an end both of which occur at the end of September.

4.70 OBR expected transactions to rise in the immediate short-term as buyers seek to complete purchases by the September deadline, but then drop off sharply in Q4. Transactions are then forecast to rise gradually back to a level consistent with longer-term average turnover – recovering to this level by Q4 2021.

[11] https://www.savills.co.uk/insight-and-opinion/research-consultancy/residential-market-forecasts.aspx

Housing Market: Key Messages

- Median house prices in Wealden, in the year to June 2020, were slightly below the South East median but significantly above the median for East Sussex and £80,000 above the national median. House prices in the South East region and Wealden have been similar since 1995 and tracked each other closely since 2012.

- The highest house prices by some margin were found in the Eastbourne/South Downs National Park and Northern West Sussex HMA Wealden sub-areas. The lowest prices, again by some margin, are found in the Eastbourne HMA Wealden sub-area.

- Around three quarters of sales in Wealden take place in the Eastbourne and Sevenoaks and Tunbridge Wells HMA Sub-Areas. These are the areas with major settlements and hence the highest levels of housing stock.

- The cost of semi-detached and terraced homes have increased at a faster rate than flats and detached homes. However, we expect demand for detached and semi-detached homes to continue to increase whilst growth in the cost of flats will slow as a result of Covid-19.

- There were around 1,700 transactions in Wealden in 2020. This was significantly down on previous years (50%) and remains below pre-2008 recession levels.

- In 2019, the median house price in Wealden was 11.55 times average earnings (higher than across all wider comparator areas). Affordability has significantly deteriorated in Wealden since 1998, but follows a similar pattern to that across the wider comparator areas.

- The Help to Buy scheme has played a significant role in supporting Wealden's housing market since 2013 and is an important means of helping a range of households, including younger households, onto the housing ladder. The capping of this scheme to homes priced under £437,600 for homes in the South East may not be significantly curtail opportunity in Wealden where 72% of new homes is below this cap.

- Consultation with local estate agents suggests that demand for a home in the district has grown since the onset of Covid-19, particularly due to people moving from London.

- Savills forecast that house prices in the South East will stagnate in 2021 (as they forecast at the national level) but will grow at a higher rate than the national average between 2022 and 2024.

5. HOUSING NEED

Introduction

5.1 This section considers the level of local housing need for Wealden having due regard to (a) the standard method and (b) circumstances which could justify planning for a higher figure over and above the standard method.

Housing Need and the Standard Method

5.2 The starting point for this is the standard methodology for calculating housing need, which is clearly set out by Government in the Planning Practice Guidance. The four-step process is set out in the figure below and worked through in the following sub-sections.

Table 5.1 Overview of the Standard Method for Calculating Local Housing Need



Step One: Setting the Baseline

5.3 The first step in considering housing need against the standard method is to establish a demographic baseline of household growth. This baseline is drawn from the 2014-based Household Projections and should be the annual average household growth over a ten year period, with the current year being the first year i.e. 2020 to 2030*[12].

5.4 This results in household growth of 875 households per annum in Wealden over the ten year period. This is shown in the Table below.

Table 5.2 Wealden Household Growth, 2020 to 2030

	Wealden Households
Households in 2020	71,016
Households in 2030	79,767
Change (2020-2030)	8,751
Annual	875

Source: ONS 2014-Based Household Projections

5.5 Although this figure is calculated over a ten year period from 2020 to 2030, paragraph 12 of the PPG states that this average household growth and the local housing need arising from it can then "be applied to the whole plan period".

[12] This element of the work was commenced in 2020, although see update later in this chapter for 2021 figure

Step Two: Affordability Adjustment

5.6 The second step of the standard method is to consider the application of an uplift on the demographic baseline, to take account of market signals (i.e. relative affordability of housing). The adjustment increases the housing need where house prices are high relative to workplace incomes. It uses the published median affordability ratios from ONS based on workplace-based median house price to median earnings ratio for the most recent year for which data is available. The latest (workplace-based) affordability data is 2019-based and was published by ONS in March 2020.

5.7 The Government's Guidance states that for each 1% increase in the ratio of house prices to earnings, above 4, the average household growth should be increased by a quarter of a per cent, with the calculation being as follows:

$$Adjustment\ Factor = \frac{Affordability\ Ratio - 4}{4} * 0.25$$

5.8 Applying this calculation to household growth in Wealden (as shown in Table 3.1) results in a local housing need figure for 1,288 dwellings per annum in Wealden, as is shown in the Table below.

Table 5.3 Local Housing Need, 2019-2029 – Affordability Adjustment

	Wealden
2014-based Household Growth	875
Median Affordability Ratio, 2019	11.55
Adjustment	47%
Step 2 – Uncapped Housing Need	1,288

Source: ONS Household Projections and MHCLG Affordability Ratios

Step Three: The Cap

5.9 The third step of the standard method is to consider the application of a cap on any increase and ensure that the figure which arises through the first two steps does not exceed a level which can be delivered. There are two situations where a cap is applied:

- The first is where an authority has reviewed their plan (including developing an assessment of housing need) or adopted a plan within the last five years. In this instance the need may be capped at 40% above the requirement figure set out in the plan.

- The second situation is where plans and evidence are more than five years old. In such circumstances a cap may be applied at 40% of the higher of the projected household growth (step 1) or the housing requirement in the most recent plan, where this exists.

5.10 In the case of Wealden, the second situation is relevant given the housing requirement in the most recent Local Plan (February 2013) is more than five years old. The Local Plan set out a need for 450 dwellings per annum which is less than the household growth of 875 dpa calculated at step 1. The impact of the cap is shown in the table below for the local authority.

Table 5.4 Local Housing Need – Capping the Increase

	Wealden
Date of Plan Adoption	19-Feb-13
A) Local Plan Housing Requirement	450
B) Household Growth	875
40% above Higher of A or B	1,225
Local Housing Need:	**1,225**

Source: ONS Household Projections and MHCLG Affordability Ratios & WDC Local Plan

5.11 This step in the calculation reduced the need in Wealden from 1,288 dwellings per annum to 1,225 dwellings per annum. While the cap reduces the minimum number generated by the standard method, it does not reduce housing need itself. Therefore strategic policies adopted with a cap applied may require an early review and updating to ensure that any housing need above the capped level is planned for as soon as is reasonably possible.

5.12 Where the minimum annual local housing need figure is subject to a cap, consideration can still be given to whether a higher level of need could realistically be delivered. This may help prevent authorities from having to undertake an early review of the relevant policies.

Step Four: Urban Uplift

5.13 The fourth and final step in the calculation means that the 20 largest urban areas in England are subject to a further 35% uplift. This uplift ensures that the Governments stated target of 300,000 dwellings per annum is met and that "homes are built in the right places, to make the most of existing infrastructure, and to allow people to live nearby the service they rely on, making travel patterns more sustainable." (Paragraph: 035 Reference ID: 2a-035-20201216).

5.14 As Wealden is not within the top 20 local authority areas in the country in population terms then it is not subject to this additional uplift. The housing need in Wealden therefore remains at 1,225 dwellings per annum.

Rebasing to 2021

5.15 As set out earlier in this chapter the majority of this work was carried out in 2020 and therefore the standard need calculations were based on the 2020-30 period. However as of January 2021 the housing need number is recalibrated in each local authority to cover the 2021-31 period. The housing need number will also be recalibrated in March each year when the latest affordability ratios are published.

5.16 The rebased household projections reduce the outputs of Step 1 from 875 to 872 household per annum. This is a change of around 0.3% which we would not consider meaningful.

5.17 Based on Land published Land Registry Data and the Annual Survey of Hours and Earnings we have also estimated that the ratio of house prices to earning in Wealden for 2020. Our indicative calculation suggest the workplace based affordability ratio will increase from 11.55 to 11.57.

5.18 However, this does not alter the affordability adjustment which would remain at 47% and therefore the cap at 40%. Applying this to the rebased household projections results in a housing need of 1,221 dpa.

5.19 Again we would not consider this to be a meaningful change and the core outputs of this report based on a minimum housing need of 1,225 dpa remain valid.

Exceeding the Standard Method

5.20 The PPG is clear that the standard method is a minimum number and that in areas such as Wealden where the cap reduces the local housing need "consideration can still be given to whether a higher level of need could realistically be delivered. This may help prevent authorities from having to undertake an early review of the relevant policies" (Reference ID: 2a-007-20190220). For Wealden, this would mean considering whether to deliver 1,288 dwellings per annum

5.21 The PPG also sets out examples of when it might be appropriate for local authority areas to plan for higher levels of housing need than the standard method. The examples in paragraph 10 (Reference ID: 2a-010-20201216) include (but are not limited to):

- growth strategies for the area that are likely to be deliverable;
- strategic infrastructure improvements; or
- an authority agreeing to take on unmet need from neighbouring authorities.

5.22 There is no growth strategy in place for Wealden and the strategic infrastructure which might drive higher levels of growth (i.e. upgrade of the A27) are not likely to occur until towards the end of the plan period. This will be considered as part of Local Plan production as well as any subsequent local plan reviews.

5.23 In addition, Wealden District Council must also meet the requirements of unmet housing need under the Duty to Cooperate and it is understood from Eastbourne Borough Council's early Regulation 18 Direction of Travel document that they are unable to meet their own housing need. Under the standard method Eastbourne has a housing need of 675 dpa which equates to 13,500 dwellings over their 20 year Plan period.

5.24 In the early consultation document, Eastbourne Borough Council presented six options for development within the town. At this time, Eastbourne Borough Council have not provided Wealden District Council with a figure for their unmet need. Any figure provided will need to be robustly examined and tested to understand whether it will be possible to help Eastbourne in meeting their unmet housing need.

Housing Need: Key Messages

- The four step standard method in Wealden is calculated as follows:
  - Step 1 – Projected household growth of 875 per annum over the 2020-30 period
  - Step 2 – Increasing the household growth by 47% based on an affordability ratio of 11.55
  - Step 3 – Capping the increase in step 2 to 40%
  - Step 4 – No adjustment as the district falls outside of the 20 most populated urban areas in England

- This results in a housing need of 1,225 dwellings per annum which can be applied across the Local Plan period from 2020 onwards. This level of housing need forms the basis of much of the analysis in the remainder of this report.

6. DEMOGRAPHIC TRENDS AND PROJECTIONS

Introduction

6.1 This section of the report considers demographic trends, in particular looking at past trends in population growth and future projections. The analysis draws on the 2018-based subnational population projections (SNPP) and the 2018-based household projections (SNHP) – both ONS data releases. The analysis also looks at the most recent population estimates (again from ONS) which date to mid-2019.

6.2 The section also considers the implications of delivering housing in-line with the Standard Method (1,225 dwellings per annum across the District, including the National Park area). This includes understanding potential population growth and changes to population/household structures. Projections have been developed for the 2019-39 period. The projections developed are then used for other analysis in this report (such as to consider changes to the older person population and their potential needs).

Demographic Trends

6.3 The analysis below looks at some key statistics about demographic trends in Wealden; particularly focussing on past population growth and the reasons for changes (components of change). This information is provided to help give some context for analysis to follow. The data presented is mainly for Wealden District as a whole, although key demographic data for HMA Sub-areas is also provided.

Population

6.4 As an initial background analysis, the table below shows the estimated population of Wealden in each HMA Sub-area (as of 2019) and the proportion of total population of Wealden this amounts to. This analysis shows that around two-fifths of the population lives in the Eastbourne HMA and a third in the Sevenoaks & Tunbridge Wells HMA; only 2% of the population lives in the National Park.

Table 6.1 Population profile (2019)

	Estimated population	% of population
Eastbourne	65,567	40.6%
Sevenoaks & Tunbridge Wells	53,726	33.3%
Coastal West Sussex	30,322	18.8%
Northern West Sussex	9,327	5.8%
Hastings and Rother	2,533	2%
Total	161,475	100%
SDNP	3,249	2.0%

Source: ONS

Age Structure

6.5 The table below shows the population profile of Wealden in five-year age bands compared with a range of other areas. In particular, the data shows a relatively old age structure in comparison with the regional and national position.

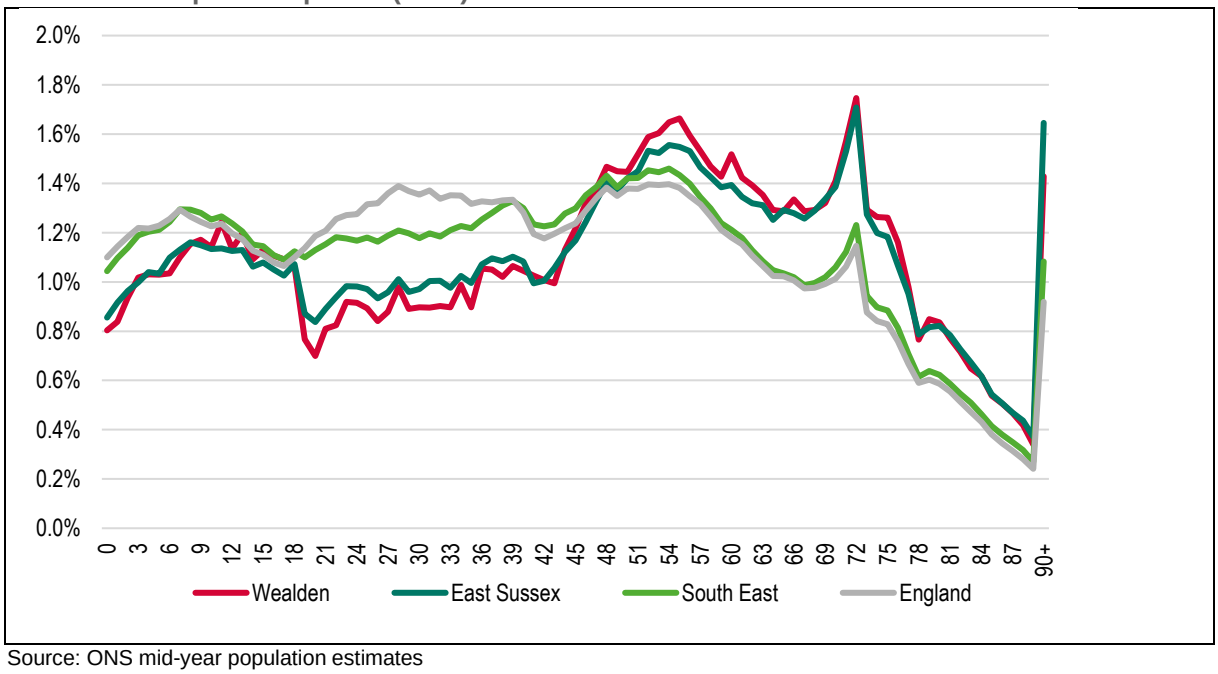
Table 6.2 Population profile (2019)

	Wealden		East Sussex	South East	England
	Population	% of population	% of population	% of population	% of population
0-4	7,470	4.6%	4.8%	5.7%	5.9%
5-9	8,863	5.5%	5.6%	6.3%	6.3%
10-14	9,377	5.8%	5.6%	6.1%	6.0%
15-19	8,329	5.2%	5.1%	5.6%	5.5%
20-24	6,729	4.2%	4.6%	5.8%	6.2%
25-29	7,234	4.5%	4.8%	5.9%	6.8%
30-34	7,396	4.6%	5.0%	6.0%	6.8%
35-39	8,214	5.1%	5.3%	6.4%	6.6%
40-44	8,401	5.2%	5.3%	6.3%	6.1%
45-49	11,026	6.8%	6.5%	6.9%	6.6%
50-54	12,603	7.8%	7.5%	7.2%	6.9%
55-59	12,408	7.7%	7.4%	6.7%	6.5%
60-64	11,268	7.0%	6.6%	5.6%	5.5%
65-69	10,528	6.5%	6.5%	5.1%	5.0%
70-74	11,761	7.3%	7.1%	5.3%	4.9%
75-79	8,098	5.0%	4.8%	3.7%	3.4%
80-84	5,795	3.6%	3.6%	2.7%	2.6%
85+	5,975	3.7%	4.0%	2.8%	2.5%
All Ages	161,475	100.0%	100.0%	100.0%	100.0%

Source: ONS

6.6 The differences between Wealden and other areas can more clearly be seen in the figure below. This identifies a relatively low proportion of the population aged up to 45 (in most age bands) and higher proportions for most age bands from about 45 upward.

Table 6.3 Population profile (2019)



Source: ONS mid-year population estimates

6.7 The analysis below summarises the above information by assigning population to three broad age groups (which can generally be described as a) children, b) working-age and c) pensionable age). This analysis shows that, compared with the regional and national position, Wealden has a high proportion of people aged 65 and over (26%) and consequently lower proportions of both children and people of working-age.

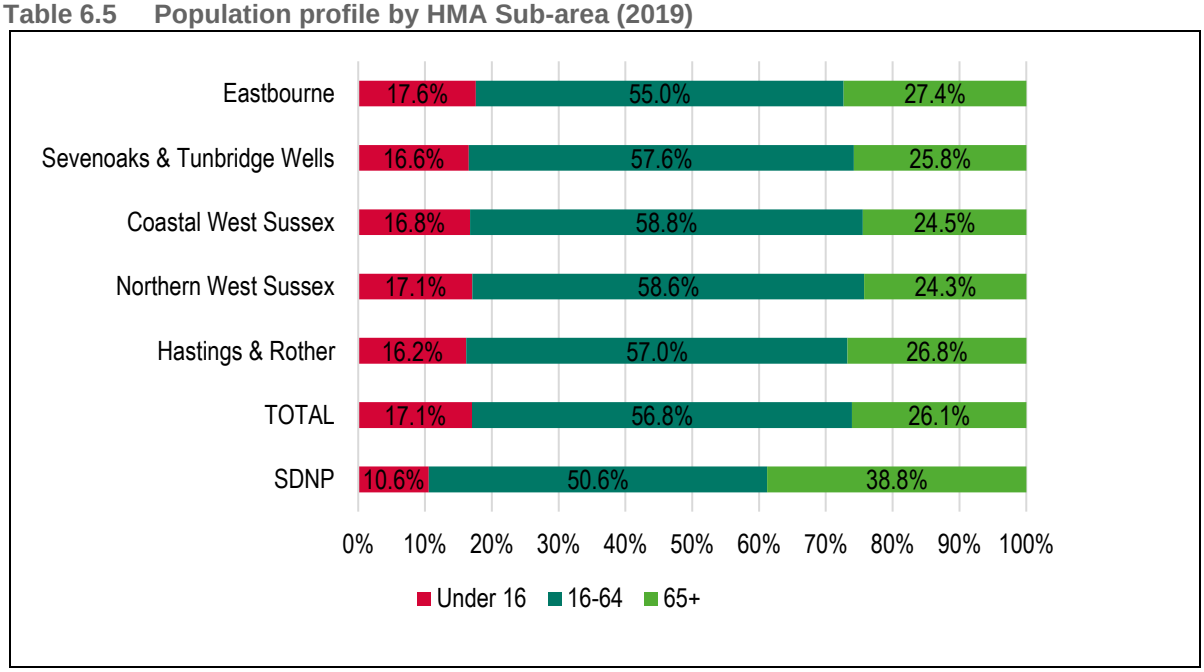
Table 6.4 Population profile (2019) – summary age bands

	Wealden		East Sussex	South East	England
	Population	% of population	% of population	% of population	% of population
Under 16	27,534	17.1%	17.0%	19.3%	19.2%
16-64	91,784	56.8%	57.0%	61.2%	62.4%
65+	42,157	26.1%	25.9%	19.5%	18.4%
All Ages	161,475	100.0%	100.0%	100.0%	100.0%

Source: ONS mid-year population estimates

6.8 The figure below takes this data forward to look at some differences by HMA within Wealden. The analysis shows a similar age profile across areas with the proportion of people aged 65 and over ranging from 24% in the Northern West Sussex HMA, up to 27% in the Eastbourne HMA. The National Park area of the District does show a notably different age structure, with 39% of people being aged 65 and over, and only 11% of the population being children.

Table 6.5 Population profile by HMA Sub-area (2019)

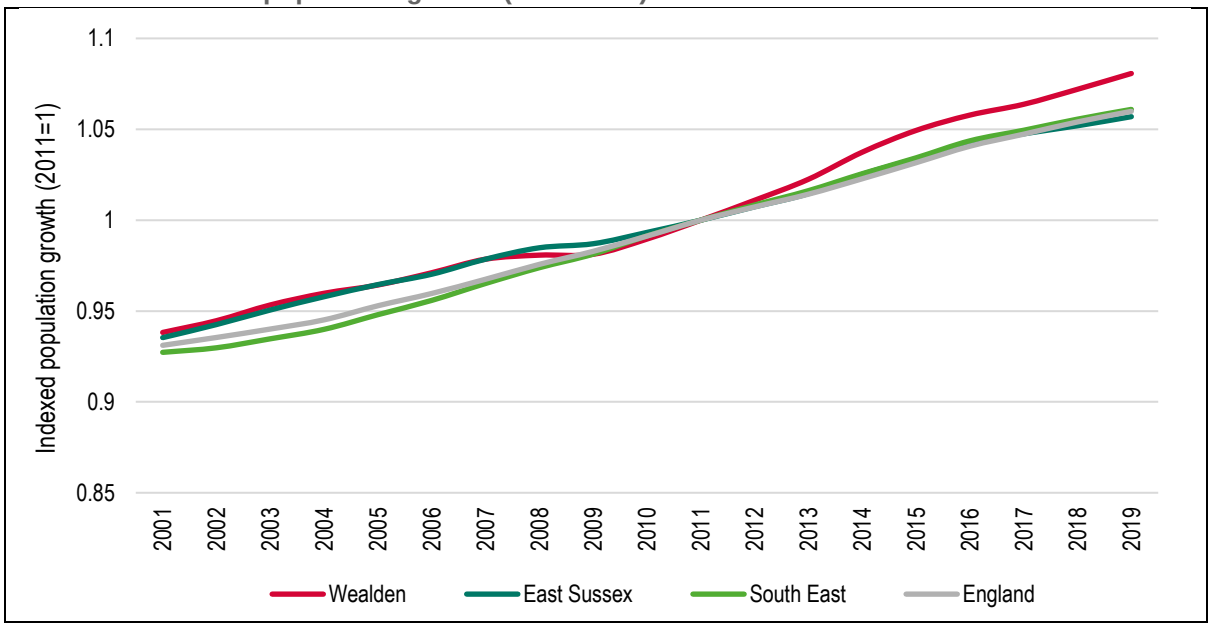


Source: ONS mid-year population estimates

Past Population change

6.9 The figure below considers population growth in the period from 2001 to 2019 (indexed to 2011). The analysis shows over this period that the population of Wealden has risen at a slightly faster rate than observed in other areas (particularly since 2011). In 2019, it is estimated that the population of the District had risen by 15% from 2001 levels, this is in contrast with a 13% increase across the County, a 14% rise across the region and 14% nationally.

Table 6.6 Indexed population growth (2001-2019)



Source: ONS (mid-year population estimates)

6.10 The table below considers population change over the 8-year period to 2019 (this is to allow the census to be used as a starting point as it provide robust smaller area data). The analysis shows over the period that the population of Wealden increased by 8.1%; this is a relatively high level of population change and compares with increases of only 6.1% in the South East and 6.0% in England. The level of population growth is also higher than seen across East Sussex in the same period.

Table 6.7 Population change (2011-19)

	Population (2011)	Population (2019)	Change	% change
Wealden	149,415	161,475	12,060	8.1%
East Sussex	527,209	557,229	30,020	5.7%
South East	8,652,784	9,180,135	527,351	6.1%
England	53,107,169	56,286,961	3,179,792	6.0%

Source: ONS mid-year population estimates

6.11 The table below shows population change by age (again for the 2011-19 period). This generally identifies the greatest increases to be in older age groups (aged 65 and over) along with some notable population increases in the 25-34 and 50-59 age groups. The District also saw some population declines, particularly those aged 40-44.

Table 6.8 Population change by age (2011-19) – 5-year age bands (Wealden)

	Population (2011)	Population (2019)	Change	% change
0-4	7,529	7,470	-59	-0.8%
5-9	8,138	8,863	725	8.9%
10-14	9,043	9,377	334	3.7%
15-19	8,963	8,329	-634	-7.1%
20-24	6,335	6,729	394	6.2%
25-29	6,187	7,234	1,047	16.9%
30-34	6,156	7,396	1,240	20.1%
35-39	7,914	8,214	300	3.8%
40-44	10,725	8,401	-2,324	-21.7%
45-49	11,868	11,026	-842	-7.1%
50-54	10,717	12,603	1,886	17.6%
55-59	9,864	12,408	2,544	25.8%
60-64	11,538	11,268	-270	-2.3%
65-69	10,224	10,528	304	3.0%
70-74	7,567	11,761	4,194	55.4%
75-79	6,469	8,098	1,629	25.2%
80-84	5,060	5,795	735	14.5%
85+	5,118	5,975	857	16.7%
All Ages	149,415	161,475	12,060	8.1%

Source: ONS mid-year population estimates

6.12 This information has been summarised into three broad age bands to ease comparison. The table below shows a modest increase in the number of children living in the District (increasing by about 4%) along with a similar increase in the 'working-age' population (of 4%).

6.13 The key driver of population growth has therefore been in the 65 and over age group, which between 2011 and 2019 saw a population increase of about 7,700 people; this age group increasing in size by 22% over the 8-year period.

Table 6.9 Change in population by broad age group (2011-19) – Wealden

	2011	2019	Change	% change
Under 16	26,523	27,534	1,011	3.8%
16-64	88,454	91,784	3,330	3.8%
65+	34,438	42,157	7,719	22.4%
TOTAL	149,415	161,475	12,060	8.1%

Source: ONS

6.14 Additional analysis is provided below to look at the HMA sub-areas in Wealden. The analysis shows an increasing population in all areas apart from the National Park (which saw a 1% decline). The highest increase in proportionate terms was seen in the Eastbourne HMA (a 14% population increase) – this area also saw the largest increase in terms of population (increasing by around 7,800 people over the 8-years – 65% of all population growth).

Table 6.10 Change in population (2011-19) by HMA Sub-area

	2011	2019	Change	% change
Eastbourne	57,762	65,567	7,805	13.5%
Sevenoaks & Tunbridge Wells	51,581	53,726	2,145	4.2%
Coastal West Sussex	28,659	30,322	1,663	5.8%
Northern West Sussex	8,961	9,327	366	4.1%
Hastings & Rother	2,452	2,533	81	3.3%
TOTAL	149,415	161,475	12,060	8.1%
SDNP	3,269	3,249	-20	-0.6%

Source: ONS

Components of Population change

6.15 The drivers of population change 2001 to 2019 are considered below. The main components of change are natural change (births minus deaths), net migration (internal/domestic and international) and other changes. There is also an Unattributable Population Change (UPC) which is a correction made by ONS upon publication of Census data if population has been under- or over-estimated.

6.16 The data shows a negative level of natural change throughout the period (i.e. more deaths than births). Internal migration has been quite variable – but positive in all years; the last five years for which data is available shows an average of over 1,400 people (net) moving to the District from other parts of the United Kingdom. International migration is also variable, although the data does suggest a positive net level for each year back to 2001. Over the past five years international migration has averaged about 300 people per annum (net).

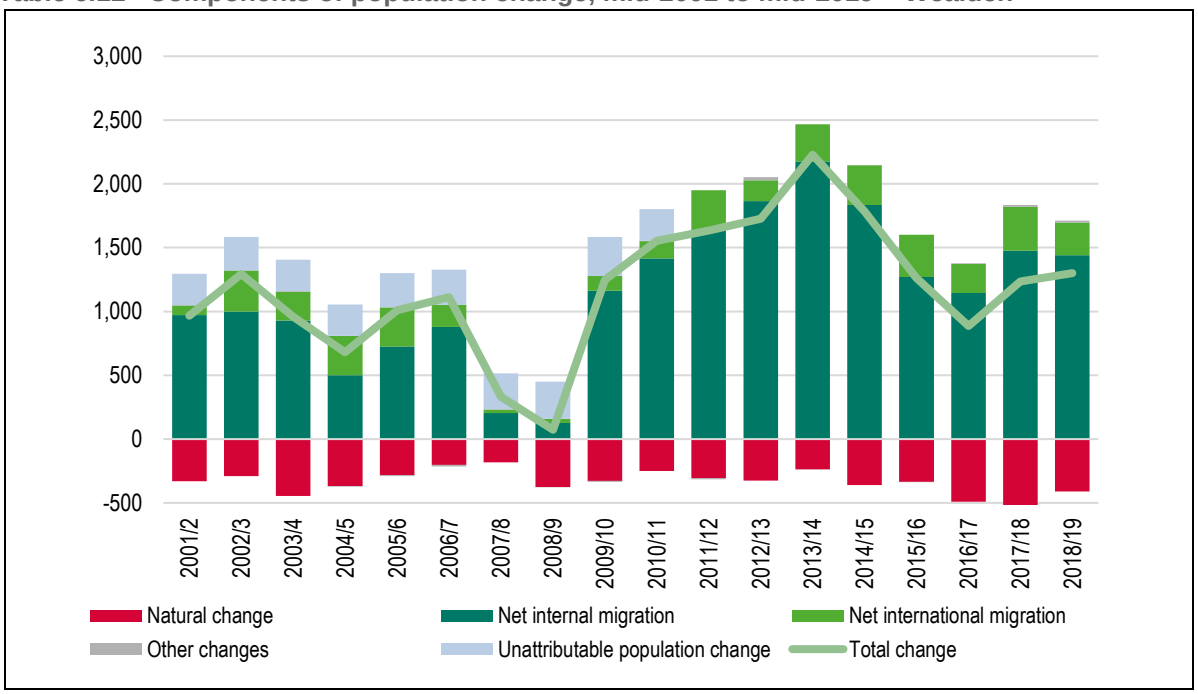
6.17 The data also shows a positive level of UPC, suggesting that between 2001 and 2011, the ONS may have initially underestimated population growth within population estimates (and this was corrected once Census data had been published).

Table 6.11 Components of population change, mid-2001 to mid-2019 – Wealden

	Natural change	Net internal migration	Net international migration	Other changes	Other (unattributable)	Total change
2001/2	-330	971	75	3	247	966
2002/3	-289	1,000	321	1	261	1,294
2003/4	-445	930	224	6	245	960
2004/5	-368	499	311	-6	244	680
2005/6	-282	726	305	-9	270	1,010
2006/7	-202	879	172	-13	277	1,113
2007/8	-182	203	29	2	280	332
2008/9	-375	127	32	-2	291	73
2009/10	-327	1,162	115	-9	308	1,249
2010/11	-249	1,416	135	3	249	1,554
2011/12	-306	1,643	308	-10	0	1,635
2012/13	-325	1,865	163	24	0	1,727
2013/14	-238	2,176	291	-1	0	2,228
2014/15	-361	1,835	310	1	0	1,785
2015/16	-336	1,270	332	-2	0	1,264
2016/17	-491	1,145	228	5	0	887
2017/18	-601	1,477	342	16	0	1,234
2018/19	-411	1,442	254	15	0	1,300

Source: ONS

Table 6.12 Components of population change, mid-2001 to mid-2019 – Wealden



Source: ONS

2018-based Subnational Population Projections (SNPP)

6.18 The latest (2018-based) set of subnational population projections (SNPP) were published by ONS in March 2020 (replacing a 2016-based release). The projections provide estimates of the future population of local authority areas, assuming a continuation of recent local trends in fertility, mortality and migration which are constrained due to the assumptions made for the 2018-based national population projections.

6.19 The 2018-based SNPP contain a number of assumptions that have been changed from the 2016-based version, these assumptions essentially filtering down from changes made at a national level. The key differences are:

- ONS' long-term international migration assumptions have been revised upwards to 190,000 per annum compared to 165,000 in the 2016-based projections. This is based on a 25-year average;
- The latest projections assume that women will have fewer children, with the average number of children per woman expected to be 1.78 compared to 1.84 in the 2016-based projections; and
- Life expectancy increases are less than in the 2016-based projections as a consequence of the continued limited growth in life expectancy over the last two years.

6.20 As well as providing a principal projection, the ONS has developed a number of variants. In all cases the projections use the same fertility and mortality rates with differences being applied in relation to migration. The key variants in terms of this assessment can be described as:

- principal projection;
- an alternative internal migration variant; and
- a 10-year migration variant.

6.21 In the principal projection, data about internal (domestic) migration uses data for the past 2-years and data about international migration from the past 5-years. The use of 2-years data for internal migration has been driven by ONS changing their methodology for recording internal moves, with this data being available from 2016 only.

6.22 The alternative internal migration variant uses data about migration from the last 5-years (2013-18), as well as also using 5-years of data for international migration. This variant is closest to replicating the methodology used in the 2016-based SNPP although it does mean for internal migration that data used is collected on a slightly different basis.

6.23 The 10-year migration variant (as the name implies) uses data about trends in migration over the past decade (2008-18). This time period is used for both internal and international migration.

6.24 The table below shows the outputs from each of these three variant scenarios. This shows the principal projection projecting population growth of 10%, with the alternative internal migration scenario being higher than this (12%) – the 10-year trend variant sits somewhere in the middle of this range (11%).

Table 6.13 Projected population growth (2019-2039) – Wealden – 2018-based SNPP

	Population 2019	Population 2039	Change in population	% change
Principal projection	161,339	177,461	16,121	10.0%
Alternative internal migration	161,581	181,261	19,680	12.2%
10-year trends	161,356	178,510	17,154	10.6%

Source: ONS

6.25 As noted, the 2018-based SNPP has three main scenarios and rather than provide data from all three, the analysis below looks at a preferred scenario. In this case, it is considered that the alternative internal migration variant is likely to be the most robust in a local context. This has been chosen as it is considered that the principal SNPP has too short a data period when looking at internal migration whilst the 10-year alternative is not thought likely to reflect recent changes and may include some influence from the economic downturn/credit crunch of 2008 (given that the 10-year period will be 2008-18).

6.26 The table below shows projected population growth from 2019 to 2039 (using alternative internal migration assumptions) in Wealden and a range of comparator areas. The data shows that the population of the District is projected to increase at a faster rate than seen in other locations; this will reflect the higher levels of population growth seen in the District in the period to 2018.

Table 6.14 Projected population growth (2019-2039) – 2018-based SNPP (alternative internal migration assumptions)

	Population 2019	Population 2039	Change in population	% change
Wealden	161,581	181,261	19,680	12.2%
East Sussex	558,633	621,047	62,414	11.2%
South East	9,190,122	9,902,308	712,186	7.7%
England	56,343,072	60,961,805	4,618,733	8.2%

Source: ONS

6.27 With the overall change in the population will also come changes to the age profile. The table below summarises findings for key (5 year) age groups. The largest growth will be in people aged 65 and over. In 2039, it is projected that there will be 61,000 people aged 65 and over. This is an increase of 18,700 from 2019, representing growth of 44%. The population aged 85 and over is projected to increase by an even greater proportion, 80%. Looking at the other end of the age spectrum the data shows that there is projected to be a decrease in the number of children (those aged under 15), with increases (and some decreases) shown for adult age groups.

Table 6.15 Population change 2019 to 2039 by five-year age bands – Wealden (2018-based SNPP – alternative internal migration assumptions)

	Population 2019	Population 2039	Change in population	% change from 2019
Under 5	7,527	7,739	212	2.8%
5-9	8,864	8,533	-331	-3.7%
10-14	9,361	9,081	-280	-3.0%
15-19	8,234	8,619	384	4.7%
20-24	6,667	6,570	-97	-1.5%
25-29	7,274	7,673	398	5.5%
30-34	7,446	7,853	407	5.5%
35-39	8,210	8,119	-91	-1.1%
40-44	8,321	9,653	1,332	16.0%
45-49	10,997	10,844	-153	-1.4%
50-54	12,666	11,512	-1,154	-9.1%
55-59	12,436	12,139	-297	-2.4%
60-64	11,256	11,888	633	5.6%
65-69	10,576	13,807	3,231	30.5%
70-74	11,820	14,533	2,713	23.0%
75-79	8,113	12,644	4,531	55.9%
80-84	5,825	9,290	3,466	59.5%
85+	5,988	10,763	4,775	79.7%
Total	161,581	181,261	19,680	12.2%

Source: ONS

6.28 The analysis below summarises the above information by assigning population to three broad age groups (which can generally be described as a) children, b) working-age and c) pensionable age). This analysis emphasises the projected increase on the population aged 65 and over, of the total projected population increase of 19,700 people, some 95% is projected to be in the 65+ age group.

Table 6.16 Population change 2019 to 2039 by broad age bands – Wealden (2018-based SNPP – alternative internal migration assumptions)

	Population 2019	Population 2039	Change in population	% change from 2019
Under 16	27,576	27,198	-378	-1.4%
16-64	91,682	93,025	1,343	1.5%
65 and over	42,322	61,038	18,716	44.2%
Total	161,581	181,261	19,680	12.2%

Source: ONS

Household Representative Rates (Household Formation)

6.29 Having studied the population size and age structure changes, the next step in the process is to convert this information into estimates of the number of households in the area. To do this, the concept of household representative rates (HRR) is used. HRRs can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)).

6.30 The latest HRRs are as contained in the ONS 2018-based subnational household projections (SNHP). It would be fair to say that recent SNHP (since the 2016-based release) have come under some criticism, this is largely because they are based only on data in the 2001-11 Census period which would suggest that it builds in the suppression of household formation experienced in that time.

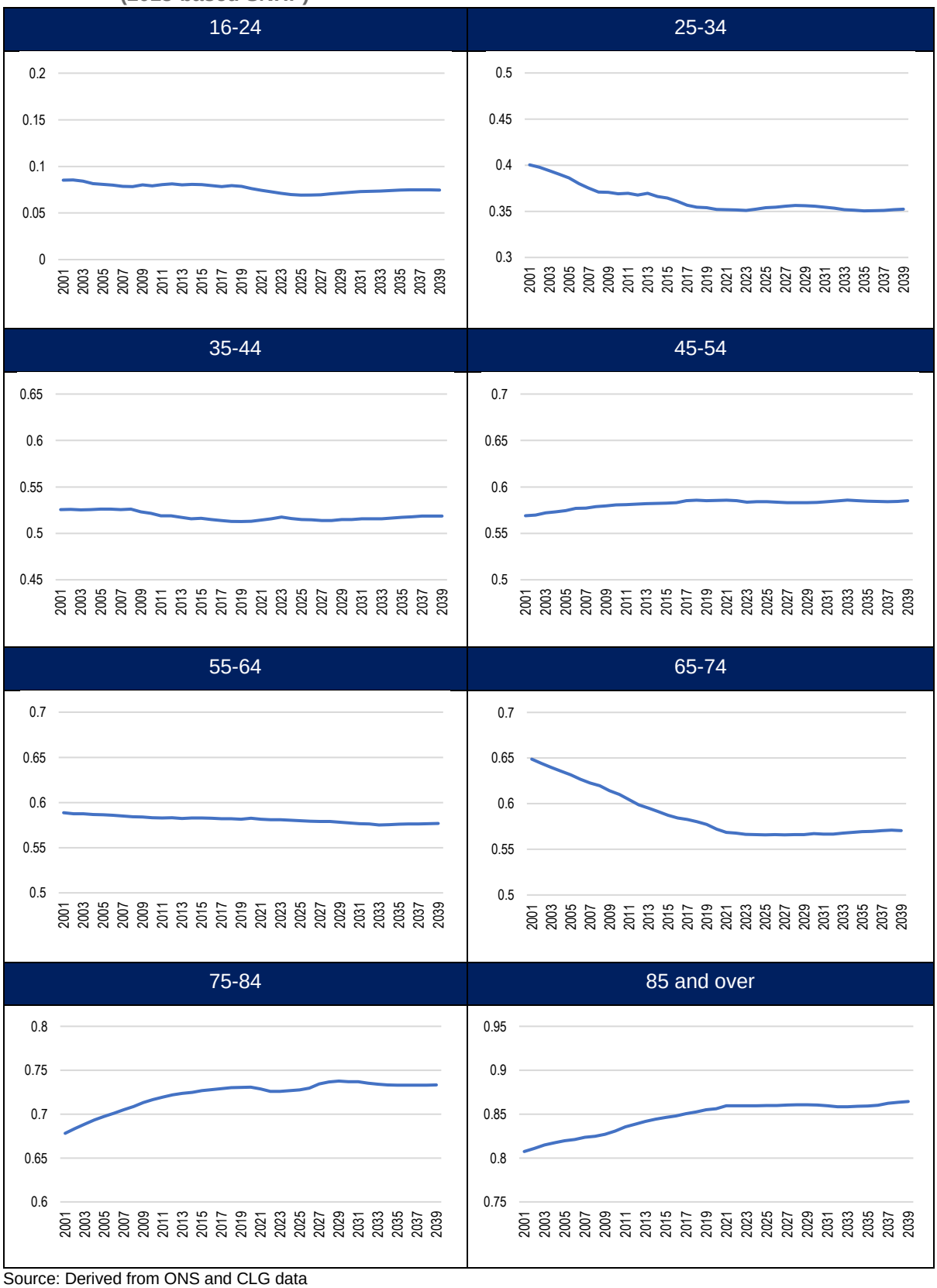
6.31 This suppression can be seen in the figure below, and particularly for the 25-34 age group where there was a notable drop in formation rates from 2001 to 2011, and ONS are projecting this forward as far as 2021 (following which the rate is held broadly stable). Given this apparent suppression, the SNHP data has been used to create a scenario where the reduction in the HRR for the 25-34 age group is reversed so that between 2021 and 2031 it returns to the level seen in 2001 (a time when this age group was arguably less constrained), similar adjustments have also been made to the 16-24 and 35-44 age groups (although the impact of this is fairly minor).

6.32 Therefore, rather than rejecting the 2018-based SNHP due to the potential for the projections to include a degree of suppression, the data has been used to build a scenario where the suppression is reversed. Two scenarios are modelled:

- Using 2018-based SNHP where data from the SNHP is used as published (2018-SNHP); and
- Using the 2018-based SNHP with an adjustment to the 16-44 age groups to 'correct' for apparent suppression in household formation (2001-return).

6.33 An approach that improves the household formation of younger people is consistent with advice set out in Planning Practice Guidance (see paragraph 2a-006) although in reality there would need to be changes in the housing market to allow for this to happen (rather than simply building more homes). For example, to allow for younger households to form in greater numbers, it is likely that there would need to be provision of more affordable housing, or indeed market housing that is more affordable. Therefore, whilst this assumption has been used in modelling, the likelihood of this being an outcome will depend on a range of changes happening to enable younger people to form households at the sort of rates seen historically.

Table 6.17 Projected Household Representative Rates by age of head of household – Wealden (2018-based SNHP)



Source: Derived from ONS and CLG data

Household Growth

6.34 The table below shows estimates of household growth with each of the two HRR scenarios. The table also shows an estimate of the number of additional dwellings this might equate to. All of the figures link to population growth in the 2018-based SNPP (alternative internal migration variant).

6.35 To convert households into dwellings, the analysis includes an uplift to take account of vacant homes. For the purposes of this analysis, it has been assumed that the number of vacant homes in new stock would be 3% higher than the number of occupied homes (which is taken as a proxy for households) and hence household growth figures are uplifted by 3% to provide an estimate of housing need. This figure is a fairly standard assumption when looking at vacancy rates in new stock and will allow for movement within the housing stock.

6.36 The analysis below shows the housing need outputs when linked to the 2018-based SNPP. This shows an overall housing need for 656 dwellings per annum (dpa) across the District when using the 2018-based SNHP as the underlying household projection. This figure increases to 707 dpa with an adjustment to the formation rates of the population aged under 45.

Table 6.18 Projected housing need – range of household representative rate assumptions – Wealden (linked to 2018-based SNPP)

	Households 2019	Households 2039	Change in households	Per annum	Dwellings (per annum)
2018-SNHP	68,904	81,649	12,745	637	656
2001-return	68,904	82,628	13,725	686	707

Source: Demographic projections

Developing a Projection linking to 1,225 dwellings per annum

6.37 Earlier in this report it has been noted that based on the Standard Method, there is a requirement to provide 24,500 homes in the 2019-39 period at an average rate of 1,225 dwellings per annum. It can be seen from the analysis above that even by taking a fairly positive approach to HRRs, there would not be the level of household growth required to fill this number of homes. Therefore, a final scenario has been developed which increases migration to the District (as well as building in the improvement to household formation discussed above) such that there is sufficient population for 1,225 additional homes each year.

6.38 In summary, an approach has therefore been developed that both improves household formation and increases migration to project how population and household structures might change with delivery of 24,500 homes (2019-39). This approach is consistent with that set out in the PPG (paragraph 2a-006).

6.39 Within the modelling, migration assumptions have been changed so that across the District the increase in households matches the housing need (including the 3% vacancy allowance). The changes to migration have been applied on a proportionate basis; the methodology assumes that the age/sex profile of both in- and out-migrants is the same as underpins the 2018-based SNPP (alternative internal migration variant) with adjustments being consistently applied to both internal (domestic) and international migration. Adjustments are made to both in- and out-migration (e.g. if in-migration is increased by 1% then out-migration is reduced by 1%). In summary the method includes the following assumptions:

- Base population in 2019 from the latest mid-year population estimates;
- Household representative rates from the 2018-based SNHP with an adjustment for suppression in the 16-44 age group; and
- The migration profile (by age and sex) in the same proportions as the 2018-based SNPP (alternative internal migration variant)

6.40 In developing this projection, a notably higher level of population growth is derived (45,200 additional people compared with 19,700 in the SNPP as published). The age structure of the two projections is also somewhat different, with the projection linked to 1,225 dpa showing much stronger growth in what might be considered as 'working-age' groups. This arises due to the fact that ONS data shows that migrants are heavily concentrated in those age groups (along with their associated children).

6.41 The different level of population growth in the 2018-based SNPP and when linking to 1,225 dpa is created by assuming there would be an increase (from a trend-based position) in the number of net in-migrants to the District. Were this migration to not materialise, then arguably this would mean some additional homes being vacant (alternatively the formation of households could reach unprecedented levels).

6.42 In reality, the analysis of past trends in migration suggests that the District could support relatively high levels of net migration. In any case, were the migration to not materialise, it is more likely that the development industry would stop or slow down the rate of building, rather than building homes to remain empty. Regardless, planning on the basis of an increase in net migration is something that should be monitored, particularly along with neighbouring authorities, who may in some cases also be developing housing targets that would assume an increase in migration levels.

Table 6.19 Population change 2019 to 2039 by five-year age bands – Wealden (linked to delivery of 1,225 dwellings per annum)

	Population 2019	Population 2039	Change in population	% change from 2019
Under 5	7,470	9,652	2,182	29.2%
5-9	8,863	10,226	1,363	15.4%
10-14	9,377	10,425	1,048	11.2%
15-19	8,329	9,709	1,380	16.6%
20-24	6,729	8,041	1,312	19.5%
25-29	7,234	9,645	2,411	33.3%
30-34	7,396	10,011	2,615	35.4%
35-39	8,214	10,267	2,053	25.0%
40-44	8,401	11,565	3,164	37.7%
45-49	11,026	12,370	1,344	12.2%
50-54	12,603	12,800	197	1.6%
55-59	12,408	13,366	958	7.7%
60-64	11,268	13,044	1,776	15.8%
65-69	10,528	14,982	4,454	42.3%
70-74	11,761	15,601	3,840	32.7%
75-79	8,098	13,521	5,423	67.0%
80-84	5,795	9,932	4,137	71.4%
85+	5,975	11,521	5,546	92.8%
Total	161,475	206,680	45,205	28.0%

Source: Demographic projections

6.43 The table below summarises this information into three broad age bands. This confirms that increases in the older person population are projected to be the most significant, but does also show that the increase in the population aged 16-64 is notably higher than is projected by the official projections. The 2018-based SNPP suggests an increase of 1,300 people aged 16-64 (2019-39), whereas the projection linking to 1,225 dpa increases this notably – to around 17,000 people.

Table 6.20 Population change 2019 to 2039 by broad age bands – Wealden (linked to delivery of 1,225 dwellings per annum)

	Population 2019	Population 2039	Change in population	% change from 2019
Under 16	27,534	32,376	4,842	17.6%
16-64	91,784	108,746	16,962	18.5%
65 and over	42,157	65,557	23,400	55.5%
Total	161,475	206,680	45,205	28.0%

Source: Demographic Projections

6.44 In the remainder of this report, most of the analysis makes reference to this projection – i.e. linking to 1,225 dwellings per annum.

Demographic Trends and Projections: Key Messages

- Analysis has been undertaken to consider demographic trends, in particular looking at past trends in population growth and future projections. The analysis draws on the 2018-based subnational population projections (SNPP) and the 2018-based household projections (SNHP). The analysis also looks at the most recent population estimates (again from ONS) which date to mid-2019.

- The District has an older age structure, with 26% of the population estimated to be aged 65 and over in 2019 (compared to a national average of 18%). The Eastbourne HMA sub-area in Wealden sees a particularly older population, with some 27% of people aged 65 and over (including 39% of the population of the National Park).

- Past population growth in Wealden has been relatively strong, over the past 8-years (since 2011) the population of the District has grown by 8% - compared with a 6% increase nationally over the same period. Population growth is largely driven by net internal migration (moves from one part of the country to another) with the District seeing a notable negative level of natural change (i.e. more deaths than births) – this is related to the older age structure.

- The relatively high level of population growth can also be seen in ONS projections (which are trend based), with the 2018-based version showing higher projected changes in Wealden than other areas (including the County and region). Population growth is projected to be concentrated in older age groups (those aged 65 and over) – this age group accounting for 95% of all projected population change.

- Population growth can be converted into estimates of household growth by using household representative rates (HRR). HRRs can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)). Data about HRRs is taken from ONS household projections.

- In analysing data about HRRs, it was considered that the latest (2018-based) version potentially build in some degree of suppression of household formation in younger age groups. A sensitivity model was therefore developed that sought to return the HRRs of the younger population (aged under 45) back to levels seen in 2001 (a time when suppression looks from the data to be fairly minimal).

- Using the information from the 2018-based SNPP and SNHP (along with adjustments to HRRs for younger people) a bespoke projection has been developed that links to the standard method dwelling provision of 1,225 dwellings per annum (dpa) – this considers the level of population growth and household formation that might be expected if this delivery is achieved (in the 2019-39 period). This projection is then used for some further analysis (e.g. in looking at older persons' needs (as the projection contains a detailed age structure)).

- This bespoke projection suggests that population growth might be expected to be higher than suggested in the latest official projections and that the age structure changes will proportionally include more people aged under 65. Overall, in the 2019-39 period, delivery of 1,225 dpa is projected to see an increase in population of 28% (45,200 more people) compared with a 12% increase (19,700) in the 2018-based SNPP. Of the 25,500 difference in population increase, some 61% (15,600) is accounted for by a projected uplift in the number of people aged 16-64.

7. AFFORDABLE HOUSING NEED

Introduction

7.1 This section provides an assessment of the need for affordable housing in Wealden and five HMA sub-areas within Wealden. The analysis specifically considers general needs housing, with further analysis of specialist housing (e.g. for older people) being discussed later in the report.

7.2 The analysis follows the PPG (Sections 2a-018 to 2a-024) and provides two main outputs, linked to Annex 2 of the NPPF – this is firstly an assessment of the need for social/affordable rented housing and secondly to consider the need for affordable home ownership products.

7.3 The analysis also briefly considers First Homes, which looks likely to become a new tenure (potentially replacing other forms of affordable home ownership). Further information about First Homes was set out in the Government's consultation document 'Changes to the current planning system' in August 2020.

Methodology Overview

7.4 The method for studying the need for affordable housing has been enshrined in Government practice guidance for many years, with an established approach to look at the number of households who are unable to afford market housing (to either rent or buy) – it is considered that this group will mainly be a target for rented affordable homes (social/affordable rented) and therefore the analysis looks at need for *'affordable housing for rent'* as set out in Annex 2 of the NPPF. The methodology for looking at the need for rented (social/affordable) housing considers the following:

- **Current affordable housing need**: an estimate of the number of households who have a need now, at the point of the assessment, based on a range of data modelled from local information – this figure is then annualised so as to meet the current need over a period of time;
- **Projected newly forming households in need**: using demographic projections to establish gross household formation, and then applying an affordability test to estimate numbers of such households unable to afford market housing;
- **Existing households falling into need**: based on studying past trends in the types of households who have accessed social/affordable rented housing; and
- **Supply of affordable housing**: an estimate of the likely number of lettings that will become available from the existing social/affordable housing stock.

7.5 The first three bullet points above are added together to identify a gross need, from which the supply of relets of existing properties is subtracted to identify a net annual need for additional affordable housing. For the purposes of this assessment, this analysis is used to identify the overall (net) need for social/affordable rented housing.

7.6 This approach has traditionally been used to consider the needs of households who have not been able to afford market housing (either to buy or to rent). As the income necessary to afford to rent homes without financial support is typically lower than that needed to buy, the ability of households to afford private rents has influenced whether or not they are in need of affordable housing.

7.7 The NPPF and associated guidance has expanded the definition of those in affordable housing need to include households who might be able to rent without financial support but who aspire to own a home, and require support to do so. The PPG includes households that "*cannot afford their own homes, either to rent, or to own, where that is their aspiration*" as having an affordable housing need.

7.8 This widened definition has been introduced by national Government to support increased access to home ownership, given evidence of declining home ownership and growth in private renting over the last 10-15 years. PPG does not however provide specific guidance on how the needs of such households should be assessed and so this study adopts a broadly consistent methodology to that identified in the PPG, and considers a current need; a newly-arising need on an annual basis; existing households falling into need; and an annual estimate of supply.

7.9 For some of the analysis in this section it has been necessary to draw on other sources of data (applied to local information) to make estimates of the need. The approach is consistent with the PPG (Housing and economic needs assessment – see 2a-020 for example) and includes linking local Census data to national changes (as evidenced in national surveys such as the English Housing Survey).

7.10 Additionally, information drawn from local surveys previously undertaken by JGC across the country have been used to look at potential prevalence rates for some elements of need where comprehensive local data is lacking. This includes considering what proportion of households in the private rented sector might have a need due to potential loss of accommodation (e.g. tenancies ending) although again such rates are applied to local information about the size of the sector.

7.11 This approach is considered to provide a reasonable view about likely local needs and is an approach that has been accepted through a range of Local Plan Examinations over the past five or more years. Our analysis of affordable housing need is therefore structured to consider the need for rented affordable housing, and separately the need for affordable home ownership. The overall need is expressed as an annual figure, which can then be compared with likely future delivery (as required by 2a-024).

7.12 Whilst the need for social/affordable rented housing and affordable home ownership are analysed separately, there are a number of pieces of information that are common to both assessments. In particular, this includes an understanding of local housing costs, incomes and affordability. The sections below therefore look at these factors.

Local Prices and Rents

7.13 An important part of the affordable needs model is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion requires support and are thus defined as having an 'affordable housing need'. For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes).

7.14 The analysis below considers the entry-level costs of housing to both buy and rent across the Council area. The approach has been to analyse Land Registry and ONS data to establish lower quartile prices and rents. Using a lower quartile figure is consistent with the PPG and reflects the entry-level point into the market recognising that the very cheapest properties may be of sub-standard quality.

7.15 Data from the Land Registry for the year to September 2020 (i.e. Q4 of 2019 and Q1-Q3 of 2020) shows estimated lower quartile property prices in the District by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £139,000 for a second-hand flat and rising to £350,000 for a detached home. Looking at the lower quartile price across all dwelling types the analysis shows a lower quartile 'average' price of £250,000 (existing dwellings).

7.16 The analysis is also split between newly-built and existing dwelling which shows higher prices for new homes. For the purposes of analysis in this section, the main focus is on the pricing of existing homes within the District.

Table 7.1 Lower quartile cost of housing to buy – year to September 2020 – Wealden

	Existing dwellings	Newly-built dwellings	All dwellings
Flat/maisonette	£139,000	£188,000	£141,000
Terraced	£226,000	£280,000	£229,000
Semi-detached	£256,000	£303,000	£260,000
Detached	£346,000	£364,000	£350,000
All dwellings	£250,000	£310,000	£255,000

Source: Land Registry

7.17 It is also useful to provide estimates of property prices by the number of bedrooms in a home. Analysis for this draws together Land Registry data with an internet search of prices of homes for sale (using sites such as Rightmove). The analysis suggests a lower quartile price of about £154,000 for a 1-bedroom home, rising to just over £400,000 for homes with 4-bedrooms. To some extent the prices should be seen as indicative, in particular the supply of 1-bedroom homes to buy was quite small.

Table 7.2 Estimated lower quartile cost of housing to buy by size (existing dwellings) – year to September 2020 – Wealden

	Lower quartile price
1-bedroom	£154,000
2-bedrooms	£192,000
3-bedrooms	£298,000
4-bedrooms	£408,000
All Dwellings	£250,000

Source: Land Registry and Internet Price Search

7.18 A similar analysis has been carried out for private rents using ONS data – this covers a 12-month period to September 2020. For the rental data, information about dwelling sizes is provided (rather than types); the analysis shows an average lower quartile cost (across all dwelling sizes) of £795 per month.

Table 7.3 Lower Quartile Market Rents, year to September 2020 – Wealden

	Lower Quartile rent, pcm
Room only	£500
Studio	£500
1-bedroom	£650
2-bedrooms	£775
3-bedrooms	£955
4-bedrooms	£1,375
All properties	£795

Source: ONS

7.19 The rental figures above have been taken from ONS data; it is however of interest for this study to see how these vary by location. The table below shows an estimate of the overall lower quartile private rent in each of the HMA Sub-areas within Wealden; this is based on analysis of Rightmove data on available lettings which has then been adjusted to be consistent with the data from ONS. In some areas there was no evidence of any significant supply from the Rightmove source and so the estimates have been supplemented by analysis of the relative cost of housing (looking at purchases prices) and also an understanding of the profile of stock in the private rented sector (drawn from Census data). The overall lower quartile purchase price has also been shown (drawn directly from the Land Registry source – but also taking account of data over the last five years to help provide an estimate in smaller areas).

7.20 The analysis shows some variation in prices and rents, although it should be confirmed that in smaller areas a best estimate has been provided. Prices (and indeed rents) are estimated to be lowest in the Eastbourne HMA sub-area, although the National Park area of this HMA sub-area within Wealden does have the highest prices. To some extent the overall averages are influenced by the mix of housing in each area, and this should be borne in mind when interpreting the figures.

Table 7.4 Lower Quartile Prices and Market Rents, by HMA sub-area in Wealden

	Lower quartile price (existing dwellings)	Lower Quartile rent, pcm
Eastbourne	£233,000	£770
Sevenoaks & Tunbridge Wells	£274,000	£810
Coastal West Sussex	£277,000	£825
Northern West Sussex	£332,000	£940
Hastings & Rother	£303,000	£935
All properties	£250,000	£795
SDNP	£452,000	£1,195
Eastbourne (excl. SDNP)	£231,000	£765

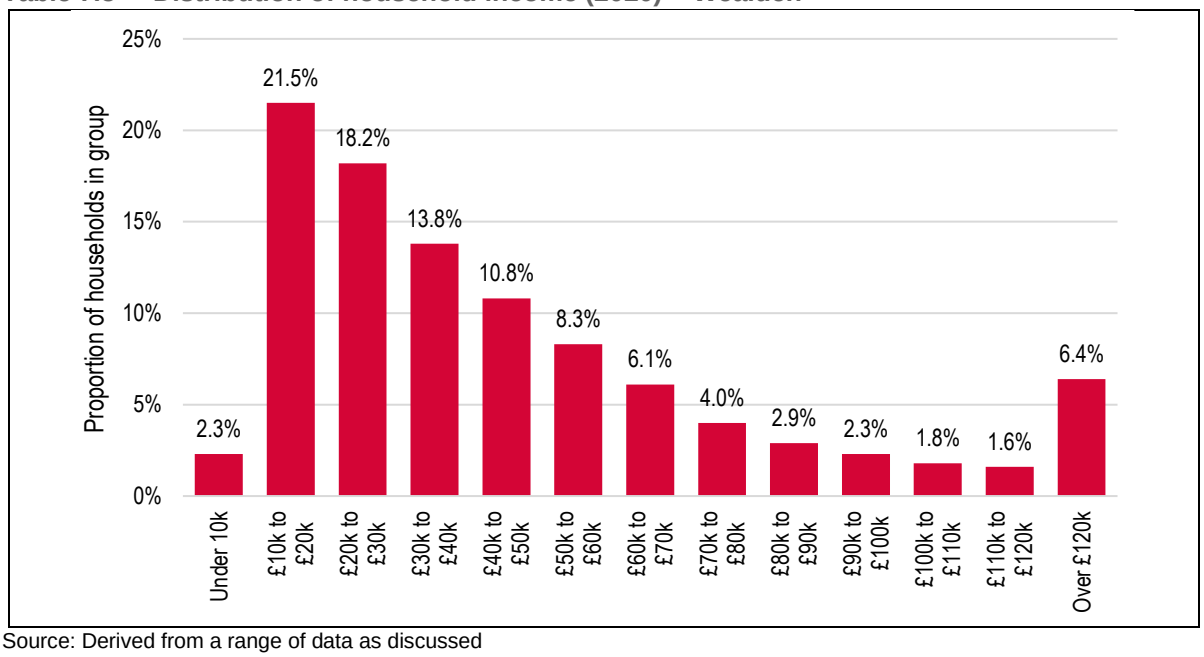
Source: Internet private rental cost search and Land Registry

Household Incomes

7.21 Following on from the assessment of local prices and rents it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability (i.e. the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy). Data about total household income has been based on ONS modelled income estimates, with additional data from the English Housing Survey (EHS) being used to provide information about the distribution of incomes.

7.22 Drawing all of this data together an income distribution for the whole District (including the SDNP) has been constructed for 2020. The figure below shows that around a quarter of households have incomes below £20,000 with a further third in the range of £20,000 to £40,000. Overall, the average (mean) income is estimated to be around £49,700, with a median income of £35,500; the lower quartile income of all households is estimated to be £20,500.

Table 7.5 Distribution of household income (2020) – Wealden



Source: Derived from a range of data as discussed

7.23 Analysis has also been undertaken to estimate how incomes vary by HMA Sub-area, with the table below showing the estimated median household income in each area, the table also shows the variance in incomes from the District average. There is some variation in the estimated incomes by area, median figures ranging from £31,200 in the Eastbourne HMA sub-area of Wealden, up to £39,600 in the Sevenoaks & Tunbridge Wells HMA sub-area in Wealden.

Table 7.6 Estimated average (median) household income by HMA Sub-area (mid-2020 estimate)

Sub-Area/HMA within Wealden	Median income	As a % of the District average
Eastbourne	£31,200	88%
Sevenoaks & Tunbridge Wells	£39,600	112%
Coastal West Sussex	£37,500	106%
Northern West Sussex	£39,200	110%
Hastings & Rother	£33,700	95%
All households	£35,500	100%
SDNP	£34,300	97%
Eastbourne (excl. SDNP)	£31,000	87%

Source: Derived from a range of data as discussed

Affordability Thresholds

7.24 To assess affordability, two different measures are used; firstly to consider what income levels are likely to be needed to access private rented housing (this establishes those households in need of social/affordable rented housing) and secondly to consider what income level is needed to access owner occupation (this, along with the first test helps to identify households in the 'gap' between renting and buying). This analysis therefore brings together the data on household incomes with the estimated incomes required to access private sector housing. Additionally, different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g. recognising that newly forming households are likely on average to have lower incomes than existing households).

7.25 A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income. The choice of an appropriate threshold is an important aspect of the analysis – the PPG does not provide any guidance on this issue. CLG SHMA guidance prepared in 2007 suggested that 25% of income is a reasonable start point, it also noted that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40%. Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics).

7.26 The threshold of income to be spent on housing should be set by asking the question '*what level of income is expected to be required for a household to be able to access market housing without the need for a subsidy*?' The choice of an appropriate threshold is therefore judgement based. The key consideration to understand here is that local income levels are not setting the threshold but are simply being used to assess how many can or cannot afford market housing. It is important to consider what residual income is left, after households have paid for housing.

7.27 At £795 per calendar month, lower quartile rent levels in Wealden are relatively high in comparison to those seen nationally (a lower quartile rent of £550 for England in the year to September 2020). This would suggest that a proportion of income to be spent on housing could be higher than the bottom end of the range (the range starting from 25%). Across England the lowest lower quartile rents are around £400 per month (there were a total of 14 local authority areas with lower quartile rents not exceeding £400 per month). If these areas are considered to be at the bottom end of the range (i.e. 25% of income to be spent on housing) then this would leave a residual income of £1,200 per month. With the same residual income applied to Wealden, the gross household income required to afford a £795 PCM lower quartile rent would be £1,995 and so the percentage spent on housing would be 40%.

7.28 However, it needs to be considered that the cost of living in different areas will vary, and it is likely that areas where rents are higher will also generally have higher living costs. Therefore, a pragmatic approach to determining a reasonable proportion of income has been to take a midpoint between the bottom (25%) and the equivalent residual income figure (40% if looking at Wealden). In this example a threshold of 32% would therefore be considered as reasonable (with some small variances depending on housing costs in different locations).

7.29 In reality, many households may well spend a higher proportion of their income on housing and therefore would have less money for other living costs. For the purposes of this assessment these households would essentially be assumed as ideally having some form of subsidised rent so as to ensure a sufficient level of residual income.

7.30 Generally, the income required to access owner-occupied housing is higher than that required to rent and so the analysis of the need for social/affordable rented housing is based on the ability to afford to access private rented housing. However, local house prices (and affordability) are important when looking at the need for affordable home ownership.

7.31 For the purposes of this assessment, the income thresholds for owner-occupation assume a household has a 10% deposit and can secure a mortgage for four and a half times their salary. These assumptions are considered to be broadly in line with typical lending practices although it is recognised that there will be differences on a case by case basis.

7.32 The table below shows the estimated incomes required to both buy and rent (privately) in each HMA Sub-area in Wealden. This shows a notable 'gap' in all areas across the District, particularly locations with higher house prices. The information in the table below is taken forward into further analysis in this section to look at affordable housing needs in different locations.

Table 7.7 Estimated Household Income Required to Buy and Privately Rent by HMA Sub-area

	To buy	To rent (privately)	Income gap
Eastbourne	£46,600	£28,800	£17,800
Sevenoaks & Tunbridge Wells	£54,800	£29,800	£25,000
Coastal West Sussex	£55,400	£30,100	£25,300
Northern West Sussex	£66,400	£32,700	£33,700
Hastings & Rother	£60,600	£32,600	£28,000
All households	£50,000	£29,400	£20,600
SDNP	£90,400	£38,300	£52,100
Eastbourne (excl. SDNP)	£46,200	£28,700	£17,500

Source: Based on Housing Market Cost Analysis

Need for Social/Affordable Rented Housing

7.33 The sections below work through the various stages of analysis to estimate the need for social/affordable housing in each HMA Sub-area within Wealden. Final figures are provided as an annual need (including an allowance to deal with current need). As per paragraph 2a-024 of the PPG, this figure can then be compared with likely delivery of affordable housing.

Current Need

7.34 In line with PPG paragraph 2a-020, the current need for affordable housing has been based on considering the likely number of households with one or more housing problems. The table below sets out the categories in the PPG and the sources of data being used to establish numbers. The PPG also includes a category where households cannot afford to own despite it being their aspiration – this category is considered separately in this report (under the title of the need for affordable home ownership).

Table 7.8 Main sources for assessing the current unmet need for affordable housing

Categories of Affordable Housing Need	Source	Notes
Homeless households (those in temporary accommodation	MHCLG Statutory Homelessness data	Household in temporary accommodation at end of quarter.
Households in overcrowded housing	Census table LC4108EW	Analysis undertaken by tenure and updated by reference to national changes (from the English Housing Survey (EHS))
Concealed households	Census table LC1110EW	Number of concealed families
Existing affordable housing tenants in need	Modelled data linking to past survey analysis	Excludes overcrowded households – tenure estimates updated by reference to the EHS
Households from other tenures in need	Modelled data linking to past survey analysis	

Source: PPG [2a-020]

7.35 It should be noted that there may be some overlap between categories (such as overcrowding and concealed households, whereby the overcrowding would be remedied if the concealed household moved). The data available does not enable analysis to be undertaken to study the impact of this and so it is possible that the figures presented include a small element of double counting (although this is likely to be small). Additionally, some of the concealed households may be older people who have moved back in with their families and might not be considered as in need.

7.36 The table below shows the initial estimate of the number of households within the study area with a current housing need. These figures are before any 'affordability test' has been applied to assess the ability of households to meet their own housing needs; and has been termed 'the number of households in unsuitable housing'. Overall, the analysis estimates that there are currently some 3,700 households living in unsuitable housing (or without housing).

Table 7.9 Estimated Number of Households Living in Unsuitable Housing

	Homeless/ concealed household	Households in overcrowded housing	Existing affordable housing tenants in need	Households from other tenures in need	Total
Eastbourne	222	668	44	530	1,464
Sevenoaks & Tunbridge Wells	181	508	35	460	1,184
Coastal West Sussex	110	310	22	253	695
Northern West Sussex	46	123	5	91	265
Hastings & Rother	18	29	2	20	69
All households	577	1,638	109	1,354	3,678
SDNP	12	24	2	35	72

Source: MHCLG Live Tables, Census 2011 and Data Modelling

7.37 In taking this estimate forward, the data modelling next estimates housing unsuitability by tenure. From the overall number in unsuitable housing, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The analysis also excludes 90% of owner-occupiers under the assumption (which is supported by analysis of survey data) that the vast majority will be able to afford housing once savings and equity are taken into account.

7.38 A final adjustment is to slightly reduce the unsuitability figures in the private rented sector to take account of student-only households – such households could technically be overcrowded/living in unsuitable housing but would be unlikely to be allocated affordable housing (student needs are essentially assumed to be transient). Once these households are removed from the analysis, the remainder are taken forward for affordability testing.

7.39 The table below shows it is estimated that there are around 2,000 households living in unsuitable housing (excluding current social tenants and the majority of owner-occupiers).

Table 7.10 Unsuitable Housing by Tenure and Number to Take Forward into Affordability Modelling (Wealden)

	In Unsuitable Housing	Number to Take Forward for Affordability Testing
Owner-occupied	1,216	122
Affordable housing	596	0
Private rented	1,290	1,289
No housing (homeless/concealed)	577	577
Total	3,678	1,988

Source: MHCLG Live Tables, Census 2011 and Data Modelling

7.40 Having established this figure, it needs to be considered that a number of these households might be able to afford market housing without the need for subsidy. To consider this, the income data has been used, with the distribution adjusted to reflect a lower average income amongst households living in unsuitable housing – for the purposes of the modelling an income distribution that reduces the average

household income to 88% of the figure for all households has been used to identify the proportion of households whose needs could not be met within the market (for households currently living in housing). A lower figure of 42% has been used to apply an affordability test for the concealed/homeless households who do not currently occupy housing.

7.41 These two percentage figures have been based on a consideration of typical income levels of households who are in unsuitable housing (based mainly on estimates in the private rented sector) along with typical income levels of households accessing social rented housing (for those without accommodation).

7.42 The figures have been based on analysis of the English Housing Survey (mainly looking at relative incomes of households in each of the private and social rented sectors) as well as consideration of similar information collected through household surveys across the country by JGC. These modelling assumptions are considered reasonable and have not been challenged through the Local Plan process in other locations (where the same assumptions have been used).

7.43 Overall, over half of households with a current need are estimated as likely to have insufficient income to afford market housing and so the estimate of the total current need is around 1,143 households in the District. The table below also shows how this is estimated to vary by HMA Sub-area in Wealden.

Table 7.11 Estimated Current Affordable Housing Need (for social/affordable rented housing)

	In unsuitable housing (taken forward for affordability test)	% Unable to Afford Market Housing (without subsidy)	Revised Gross Need (including Affordability)
Eastbourne	758	62.4%	473
Sevenoaks & Tunbridge Wells	636	52.5%	334
Coastal West Sussex	381	55.4%	211
Northern West Sussex	171	56.6%	97
Hastings & Rother	42	68.1%	29
All households	1,988	57.5%	1,143
SDNP	41	69.3%	29

Source: CLG Live Tables, Census 2011 and Data Modelling

7.44 The estimated figure shown above (1,143) represents the number of households with a need currently. For the purposes of analysis, it is assumed that the local authority would seek to meet this need over a period of time. Given that this report typically looks at needs in the period from 2019 to 2039, the need is annualised by dividing by 20 (to give an annual need for 57 dwellings across all areas). This does not mean that some households would be expected to wait 20-years for housing as the need is likely to be dynamic, with households leaving the current need as they are housed but with other households developing a need over time.

Newly Forming Households

7.45 The number of newly forming households has been estimated through demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below, 5 years previously, to provide an estimate of gross household formation.

7.46 The number of newly-forming households is limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes after age 45 that headship (household formation) rates 'plateau'. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.

7.47 The number of newly forming households has been estimated through demographic modelling (linked to 2018-based SNHP). This is considered to provide the best view about trend-based household formation.

7.48 In assessing the ability of newly forming households to afford market housing, data has been drawn from previous surveys undertaken nationally by JGC. This establishes that the average income of newly forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level).

7.49 The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this it is possible to calculate the proportion of households unable to afford market housing. For the purposes of the need for social/affordable rented housing this will relate to households unable to afford to buy or rent in the market.

7.50 The assessment suggests overall that around half of newly forming households will be unable to afford market housing (to rent privately) and this equates a total of 516 newly forming households will have a need per annum on average – the table below provides a breakdown by HMA sub-area in Wealden.

Table 7.12 Estimated Need for Social/Affordable Rented Housing from Newly Forming Households (per annum)

	Number of new households	% unable to afford	Annual newly forming households unable to afford to rent
Eastbourne	396	55.4%	220
Sevenoaks & Tunbridge Wells	357	44.6%	159
Coastal West Sussex	207	47.7%	99
Northern West Sussex	61	49.6%	30
Hastings & Rother	15	57.2%	8
All households	1,037	49.8%	516
SDNP	15	63.8%	9

Source: Projection Modelling/Affordability Analysis

Existing Households Falling into Affordable Housing Need

7.51 The second element of newly arising need is existing households falling into need. To assess this, information about past lettings in social/affordable rented has been used. The assessment looked at households who have been housed in general needs housing over the past three years – this group will represent the flow of households onto the Housing Register over this period. From this, newly forming households (e.g. those currently living with family) have been discounted as well as households who have transferred from another social/affordable rented property. An affordability test has also been applied.

7.52 This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that *'Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)'*.

7.53 Following the analysis through suggests a need arising from 115 existing households each year. The table below breaks this down by HMA Sub-area.

Table 7.13 Estimated Need for Social/Affordable Rented Housing from Existing Households Falling into Need (per annum)

	Total Additional Need	% of Total
Eastbourne	49	42.3%
Sevenoaks & Tunbridge Wells	36	31.0%
Coastal West Sussex	23	20.0%
Northern West Sussex	6	5.0%
Hastings & Rother	2	1.6%
All households	115	100.0%
SDNP	2	1.8%

Source: Derived from a range of sources as described in text

Supply of Social/Affordable Rented Housing Through Relets

7.54 The future supply of affordable housing through relets is the flow of affordable housing arising from the existing stock that is available to meet future need. This focusses on the annual supply of social/affordable rent relets.

7.55 The Planning Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. Information from CoRe has been used to establish past patterns of social housing turnover. The figures are for general needs lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.

7.56 On the basis of past trend data is has been estimated that 170 units of social/affordable rented housing are likely to become available each year moving forward for occupation by newly forming households and existing households falling into need from other tenures.

Table 7.14 Analysis of Past Social/Affordable Rented Housing Supply, 2016/17 – 2018/19 (per annum)

	Total Lettings	% as Non-New Build	Lettings in Existing Stock	% Non-Transfers	Lettings to New Tenants
Wealden	406	78.2%	317	53.4%	170

Source: CoRe/LAHS

7.57 The table below shows the estimated supply of affordable housing from relets in each HMA Sub-area. The HMA Sub-area figures have been based on the size of the stock in each HMA Sub-area as of 2011 (Census data).

Table 7.15 Estimated supply of affordable housing from relets of existing stock by HMA Sub-area (per annum)

	Annual supply	% of supply
Eastbourne	69	40.6%
Sevenoaks & Tunbridge Wells	55	32.5%
Coastal West Sussex	35	20.3%
Northern West Sussex	9	5.0%
Hastings & Rother	3	1.6%
All households	170	100.0%
SDNP	3	1.6%

Source: CoRe/LAHS/Census (2011)

7.58 The PPG model also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation. These have however not been included within the modelling in this report. Firstly, there is no evidence of any substantial stock of vacant homes (over and above a level that might be expected to allow movement in the stock). Secondly, with the pipeline supply, it is not considered appropriate to include this as to net off new housing would be to fail to show the full extent of the need, although in monitoring it will be important to net off these dwellings as they are completed.

Net Need for Social/Affordable Rented Housing

7.59 The table below shows the overall calculation of affordable housing need. The analysis shows that there is a need for 519 dwellings per annum to be provided with an affordable need being seen in all HMA Sub-areas within the District. The net need is calculated as follows:

Net Need = Current Need (allowance for) + Need from Newly-Forming Households + Existing Households falling into Need – Supply of Affordable Housing

Table 7.16 Estimated Need for Social/Affordable Rented Housing by HMA Sub-area (per annum)

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Eastbourne	24	220	49	292	69	223
Sevenoaks & Tunbridge Wells	17	159	36	212	55	157
Coastal West Sussex	11	99	23	132	35	98
Northern West Sussex	5	30	6	41	9	32
Hastings & Rother	1	8	2	12	3	9
All households	57	516	115	688	170	519
SDNP	1	9	2	13	3	10

Source: Range of sources as discussed

7.60 Whilst the need above is provided down to HMA sub-area level, it should be remembered that affordable need can be met across the District as and when opportunities arise, and so specific HMA sub-area data should not be treated as a local target.

7.61 The pipeline supply of sites with 10 units or more could deliver around 2,300 affordable dwellings if they achieve 35% contribution. There will also be supply from further allocations as the Council move towards their new local plan.

7.62 There may also be a further supply from Rural Exception Sites. Such schemes have not come forward over the past 5 years owing to the Council's 5YHLS position that has not kept up with the changes to the housing target. There has been a scheme promoted by a Community Land Trust (CLT) at Windmill Hill which has been granted planning permission for 9 units.

Establishing a Need for Affordable Home Ownership

7.63 The Planning Practice Guidance confirms a widening definition of those to be considered as in affordable need; now including *'households which can afford to rent in the private rental market, but cannot afford to buy despite a preference for owning their own home'*. However, at the time of writing, there is no guidance about how the number of such households should be measured.

7.64 The methodology used in this report therefore draws on the current methodology, and includes an assessment of current needs, and projected need (newly forming and existing households). The key difference is that in considering affordability an estimate of the number of households in the 'gap' between buying and renting is used. There is also the issue of establishing an estimate of the supply of affordable home ownership homes – this is considered separately below.

Gross Need for Affordable Home Ownership

7.65 The first part of the analysis seeks to understand what the gap between renting and buying actually means in the study area – in particular establishing the typical incomes that might be required. The information about incomes required to both buy and rent in different locations has already been provided earlier in this section and so the discussion below is a broad example.

7.66 Using the income distributions developed (as set out earlier in this section) along with data about price and rents, it has been estimated that of all households living in the private rented sector, around 25% already have sufficient income to buy a lower quartile home, with 27% falling in the rent/buy 'gap'. The final 48% are estimated to have an income below which they cannot afford to rent privately (i.e. would need to spend more than the calculated threshold of their income on housing costs) although in reality it should be noted that many households will spend a higher proportion of their income on housing. These figures have been based on an assumption that incomes in the private rented sector are around 88% of the equivalent figure for all households (a proportion derived from the English Housing Survey) and are used as it is clear that affordable home ownership products are likely to be targeted at households living in or who might be expected to access this sector (e.g. newly forming households).

7.67 The table below shows an estimate of the proportion of households living in the private rented sector who are able to afford different housing products by HMA Sub-area. This shows a higher proportion of households in the rent/buy gap in the Northern West Sussex HMA Sub-area, with the lowest figure being seen in the Eastbourne HMA.

Table 7.17 Estimated proportion of households living in Private Rented Sector able to buy and/or rent market housing

	Can afford to buy OR rent	Can afford to rent but not buy	Cannot afford to buy OR rent
Eastbourne	24%	23%	53%
Sevenoaks & Tunbridge Wells	28%	30%	42%
Coastal West Sussex	25%	30%	45%
Northern West Sussex	19%	33%	47%
Hastings & Rother	18%	28%	55%
All households	25%	27%	48%
SDNP	9%	30%	62%

Source: Derived from Housing Market Cost Analysis and Affordability Testing

7.68 The finding that a significant proportion of households in the private rented sector are likely to have an income that would allow them to buy a home is also noteworthy and suggests that for many households, barriers to accessing owner-occupation are less about income/the cost of housing and more about other factors (which could for example include the lack of a deposit or difficulties obtaining a mortgage (for example due to a poor credit rating or insecure employment)). However, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g. if moving locations with employment).

7.69 To study current need, an estimate of the number of household living in the Private Rented Sector (PRS) has been established, with the same (rent/buy gap) affordability test (as described above) then applied. The start point is the number of households living in private rented accommodation; as of the 2011 Census there were some 7,000 households living in the sector across the District. Data from the English Housing Survey (EHS) suggests that since 2011, the number of households in the PRS has

risen by about 19% - if the same proportion is relevant to the District then the number of households in the sector would now be around 8,300.

7.70 Additional data from the EHS suggests that 60% of all PRS households expect to become an owner at some point (5,000 households if applied to the study area) and of these some 25% (1,240 households) would expect this to happen in the next 2-years. The figure of 1,240 is therefore taken as the number of households potentially with a current need for affordable home ownership before any affordability testing.

7.71 As noted above, on the basis of income it is estimated that around 27% of the private rented sector sit in the gap between renting and buying (depending on location). Applying this proportion to the 1,240 figure would suggest a current need for around 341 affordable home ownership units (17 per annum if annualised over a 20-year period).

7.72 In projecting forward, the analysis can consider newly forming households and also the remaining existing households who expect to become owners further into the future. Applying the same affordability test (albeit on a very slightly different income assumption for newly forming households) suggests an annual need from these two groups of around 331 dwellings (280 from newly forming households and 51 from existing households in the private rented sector).

7.73 Bringing together the above analysis suggests that there is a need for around 348 affordable home ownership homes (priced for households able to afford to rent but not buy) per annum. This is before any assessment of the potential supply of housing is considered.

Table 7.18 Estimated proportion of households living in Private Rented Sector able to buy and/or rent market housing

	Current need	Newly forming households	Existing households falling into need	Total Gross Need
Eastbourne	6	89	17	112
Sevenoaks & Tunbridge Wells	6	106	19	131
Coastal West Sussex	3	61	10	75
Northern West Sussex	2	20	5	26
Hastings & Rother	0	4	1	5
All households	17	280	51	348
SDNP	0	4	1	6

Source: Range of sources as discussed

Potential Supply of Housing to Meet the Affordable Home Ownership Need

7.74 As with the need for social/affordable rented housing, it is also necessary to consider if there is any supply of affordable home ownership products from the existing stock of housing. As with assessing the need for affordable home ownership, it is the case that at present the PPG does not include any suggestions about how the supply of housing to meet these needs should be calculated.

7.75 The main source is likely to be resales of products such as shared ownership and an analysis of CoRe data about resales of affordable housing shows an average of around 12 resales per annum (based on data for the 2016-19 period). These properties would also potentially be available for these households and can be included as potential supply.

7.76 The table below therefore shows an estimate of the net need for affordable home ownership. This suggests a need for around 335 dwellings per annum, with a need being shown in all areas. As with the need for rented affordable housing, it should be remembered that affordable housing need can be met across the District as and when opportunities arise, and so specific HMA Sub-area data should not be treated as a local target.

Table 7.19 Estimated Need for Affordable Home Ownership by HMA Sub-area (per annum)

	Total Gross Need	LCHO supply	Net need
Eastbourne	112	5	107
Sevenoaks & Tunbridge Wells	131	5	126
Coastal West Sussex	75	3	72
Northern West Sussex	26	0	26
Hastings & Rother	5	0	5
All households	348	12	335
SDNP	6	0	6

Source: Range of sources as discussed

An Alternative view of the Supply of Affordable Home Ownership Properties

7.77 The analysis above has looked at the supply of resales of affordable housing. However, it should be noted that the analysis should consider households unable to afford a lower quartile property price. By definition, a quarter of all homes sold will be priced at or below a lower quartile level. According to the Land Registry, there were a total of 2,112 resales (i.e. excluding newly-built homes) in the last year (year to March 2020) and therefore around 528 would be priced below the lower quartile. This is 528 homes that would potentially be affordable to the target group for affordable home ownership products and is a potential supply that is well in excess of the level of need calculated.

7.78 If a further supply of 528 dwellings per annum were taken from the estimated need (335 per annum) then it would be suggested that there is actually a surplus of affordable home ownership properties (of around 193 per annum). This figure should be treated as theoretical, not least because it is the case that market housing is not allocated in the same way as social/affordable rented homes (i.e. anyone is able to buy a home as long as they can afford it and it is possible that a number of lower quartile homes would be sold to households able to afford more, or potentially to investment buyers). However, it is clear that looking at a wider definition of supply does make it difficult to conclude what the need for affordable home ownership is (and indeed if there is one).

Implications of the Analysis

7.79 Given the analysis above, it would be reasonable to conclude that there is a need to provide housing under the definition of 'affordable home ownership' – although this conclusion is based on only considering supply from resales of affordable housing (notably shared ownership). If supply estimates are expanded to include market housing for sale below a lower quartile price then the need for AHO is less clear-cut.

7.80 Regardless, it does seem that there are many households in Wealden who are being excluded from the owner-occupied sector. This can be seen by analysis of tenure change, which saw the number of households living in private rented accommodation increasing by 81% from 2001 to 2011 (with the likelihood that there have been further increases since). Over the same period, the number of owners with a mortgage dropped by 6%. That said, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g. if moving locations with employment).

7.81 On this basis, and as previously noted, it seems likely in Wealden that access to owner-occupation is being restricted by access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially some mortgage restrictions (e.g. where employment is temporary) rather than just being due to the cost of housing to buy.

7.82 Hence, whilst the NPPF gives a clear direction that 10% of all new housing (on larger sites) should be for affordable home ownership, it is not clear that this is the best solution in the study area given the

high need for rented affordable housing. The NPPF does provide some examples of where the 10% might not be required (paragraph 64), most notably that the 10% would be expected unless this would *'*significantly *prejudice the ability to meet the identified affordable housing needs of specific groups'*. In Wealden, the clear need for additional rented housing would arguably mean that providing the affordable home ownership would 'prejudice the ability' to meet the needs of the 'specific group' requiring rented accommodation.

7.83 Given the analysis above, it would be reasonable to conclude, on the basis of the evidence, that in general terms there may not be the need to provide the full 10% of housing under the definition of 'affordable home ownership'. Indeed, if the Council were seeking to meet the most acute need then the AHO figure could arguably be 0%. Whilst there are clearly many households in the gap between renting and buying, they in some cases will be able to afford homes below lower quartile housing costs. That said, it is important to recognise that some households will have insufficient savings to be able to afford to buy a home on the open market (particularly in terms of the ability to afford a deposit) and low cost home ownership homes – and shared ownership homes in particular – will therefore continue to play a role in supporting some households in this respect.

7.84 The evidence points to a clear and acute need for rented affordable housing from lower income households, and it is important that a supply of rented affordable housing is maintained to meet the needs of this group including those to which the authorities have a statutory housing duty. Such housing is notably cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments). Notably, social rents also enable access to employment for lower income families.

Affordable Housing Need: Key Messages

- Analysis has been undertaken to estimate the need for affordable housing in the 2019-39 period. The analysis is split between a need for social/affordable rented accommodation and is based on households unable to buy or rent in the market and the need for affordable home ownership (AHO) – this includes housing for those who can afford to rent privately but cannot afford to buy a home.

- The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership).

- When looking at rented needs, the analysis suggests a need for 519 affordable homes per annum and therefore the Council is justified in seeking to secure additional affordable housing. There is also a need shown in all parts of the District.

- When looking at the need for AHO products, the analysis also suggests a need across the District, albeit (at 335 dwellings per annum) the need is lower than for rented housing. In interpreting this figure, it should be noted that there could be an additional supply from resales of market homes (below a lower quartile price) which arguably would mean there is a more limited need for AHO.

- Analysis does suggest that there are many households in Wealden who are being excluded from the owner-occupied sector (as evidenced by reductions in owners with a mortgage and increases in the size of the private rented sector). This suggests that a key issue in the District is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.

- In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Council will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).

- Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the District. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. This work on the Council's viability evidence base will be undertaken separately. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

8. AFFORDABLE HOUSING MIX AND COST

Split Between Social and Affordable Rented Housing

8.1 The analysis above has studied the overall need for social and affordable rented housing with a focus on households who cannot afford to rent in the market. These households will therefore have a need for some form of rented housing at a cost below typical market rates. Typically, there are two main types of rented affordable accommodation (social and affordable rented) with the analysis below initially considering what a reasonable split might be between these two tenures.

8.2 An analysis has been undertaken to compare the income distribution of households with the cost of different products. Data about average social and affordable rents has been taken from the Regulator of Social Housing (RSH) and this is compared with lower quartile and median market rents (from ONS data). This analysis shows that social rents are lower than affordable rents; the analysis also shows that affordable rents are less than both lower quartile and median market rents.

Table 8.1 Comparison of rent levels for different products – Wealden (2018/19)

	Social rent	Affordable rent (AR)	Lower quartile (LQ) market rent	Median market rent	AR as % of LQ	AR as % of median
1-bedroom	£354	£482	£650	£700	74%	69%
2-bedrooms	£423	£602	£775	£850	78%	71%
3-bedrooms	£480	£711	£955	£1,100	74%	65%
4-bedrooms	£577	£868	£1,375	£1,600	63%	54%
All	£445	£628	£795	£925	79%	68%

Source: RSH and ONS

8.3 For the affordability test, the overall average rent for each product has been used and some caution should be noted as the different profile of tenures clearly has some impact on housing costs. The table below suggests that around 16% of households who cannot afford to rent privately could afford an affordable rent, with a further 23% being able to afford a social rent (but not an affordable one). A total of 61% of households would need some degree of benefit support to be able to afford their housing (regardless of the tenure).

Table 8.2 Estimated need for affordable rented housing

	% of households able to afford
Afford affordable rent	16%
Afford social rent	23%
Need benefit support	61%
All unable to afford market	100%

Source: Affordability analysis

8.4 The finding that only 16% of households can afford an affordable rent does not automatically lead to a policy conclusion on the split between the two types of housing. For example, many households who will need to access rented accommodation will be benefit dependent and as such could technically afford an affordable rent – hence a higher proportion of affordable rented housing might be appropriate – indeed the analysis does identify a substantial proportion of households as being likely to need benefit support. On the flip side, providing more social rents might enable households to return to work more

easily, as a lower income would potentially be needed to afford the lower social (rather than affordable) rent.

8.5 There will be a series of other considerations both at a strategic level and for specific schemes. For example, there may be funding streams that are only available for a particular type of housing, and this may exist independently to any local assessment of need. Additionally, there will be the consideration of the balance between the cost of housing and the amount that can be viably provided, for example, it is likely that affordable rented housing is more viable, and therefore a greater number of units could be provided. Finally, in considering a split between social and affordable rented housing it needs to be considered that having different tenures on the same site (at least at initial occupation) may be difficult – e.g. if tenants are paying a different rent for essentially the same size/type of property and services.

8.6 On this basis, it is not recommended that the Council has a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes are likely to be required in all areas.

How Much Should Affordable Home Ownership Homes Cost?

8.7 The analysis and discussion above suggests that there are a number of households likely to fall under the PPG definition of needing affordable home ownership (including First Homes) – i.e. in the gap between renting and buying – but that the potential supply of low-cost housing to buy makes it difficult to fully quantify this need. However, given the NPPF/First Homes consultation, it seems likely that the Council may need to consider some additional homes on larger sites as some form of home ownership.

8.8 The analysis below focusses firstly on the cost of First Homes to make them genuinely affordable before moving on to consider shared ownership (in this case suggestions are made about the equity shares likely to be affordable and whether these shares are likely to be offered). It is considered that First Homes and shared ownership are likely to be the main affordable home ownership tenures moving forward although it is accepted that there may be some delivery of other products. This section also provides comments about Rent to Buy housing.

8.9 The reason for the analysis to follow is that it will be important for the Council to ensure that any affordable home ownership product is sold at a price that is genuinely affordable for the intended target group – for example, there is no point in discounting a new market home by 30% if the price still remains above that for which a reasonable home can already be bought in the open market.

First Homes

8.10 During the production of this report (May 2021) MHCLG published new Planning Practice Guidance (PPG) regarding First Homes. The key parts of this guidance in relation to this report are set out below:

> *First Homes are a specific kind of discounted market sale housing and should be considered to meet the definition of 'affordable housing' for planning purposes. Specifically, First Homes are discounted market sale units which:*
>
> *a) must be discounted by a minimum of 30% against the market value;*
>
> *b) are sold to a person or persons meeting the First Homes eligibility criteria (see below);*
>
> *c) on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and,*
>
> *d) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).*
>
> *First Homes are the government's preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations.*

8.11 In terms of eligibility criteria, a purchaser should be a first-time buyer with a combined annual household income not exceeding £80,000 (or £90,000 in Greater London) and a mortgage needs to fund a minimum of 50% of the discounted purchase price.

8.12 Local authorities can set their own eligibility criteria, which could for example involve lower income caps, a local connection test, or criteria based on employment status.

8.13 Regarding discounts, a First Home must be sold at least 30% below the open market value. However, local authorities do have the discretion to require a higher minimum discount of either 40% or 50% (if they can demonstrate a need for this).

8.14 The sections below look in more detail at First Homes. In particular, the analysis will seek to answer the following questions:

- Is there a justification for a discount of greater than 30%, if so, what should it be and should the discount be variable depending upon property size?
- Is the maximum price of £250K after discount an appropriate maximum sales value?
- Is the national threshold of £80,000 for household income appropriate?

8.15 The appropriate size of first homes and other affordable home ownership products is examined in Chapter 10 of this report.

Appropriate Discount

8.16 To understand what an appropriate discount is, it is necessary to have information about a) the cost at which housing can be considered as affordable and b) the cost of a newbuild home (against which the necessary discount to reach the affordable level can be calculated). Whilst both of these pieces of data would appear fairly straightforward, this will not necessarily be the case.

8.17 Firstly, in establishing what is affordable it is necessary to establish entry-level housing costs and also what might be considered as an affordable level. For example, it might be established that a lower quartile 2-bedroom home costs £200,000 and therefore arguably a home priced at £199,000 is affordable as it is cheaper than the market. However, it is equally clear that having such a small price difference will mean that only a very small fraction of households previously unable to afford will now be able to.

8.18 The approach we have taken is to establish the likely price that is affordable to a household sitting in the middle of the income range between being able to rent privately and buy a home. Setting prices at this level would mean that around half of households in the rent/buy gap could afford a home. This is considered to be a reasonable position to take; however, only if other (cheaper) forms of affordable home ownership (AHO) are also expected to be delivered (such as shared ownership).

8.19 If First Homes were to be the only form of AHO, then setting prices at this midpoint would potentially exclude a large chunk of the market for AHO products. In such circumstances, it would be more appropriate to price this product at a price which is affordable to those at the lower end of this range.

8.20 The table below shows the estimated prices for AHO products to make them affordable at this midpoint – the analysis also shows a lower end affordable price; this is based on estimating the affordable price for a household with an income that just allows them to afford private rented housing.

8.21 These purchase costs are based on current lower quartile rental prices and also a consideration of the income required to access the private rented sector and then estimating what property price this level of income might support (assuming a 10% deposit and a 4.5 times mortgage multiple). Below is an example of a calculation based on a 2-bedroom home:

- Previous analysis has shown that the lower quartile rent for a 2-bedroom home in the District is £775 per month;

- On the basis of a household spending no more than 32% of their income on housing, a household would need an income of around £2,400 per month to afford (775/0.32) or £28,700 per annum (rounded);
- With an income of £28,700, it is estimated that a household could afford to buy a home for around £143,400. This is based on assuming a 10% deposit and a four and a half times mortgage multiple – calculated as 22,800*4.5/0.9.

8.22 Therefore, £143,400 is a suggested purchase price to make First Homes/discounted home ownership affordable for households in the rent/buy gap. This figure is essentially the equivalent price that is affordable to a household who can just afford to rent privately.

8.23 In reality, there will be a range of incomes in the rent/buy gap and so some households could afford a higher price; however, setting all homes at a higher price would mean that some households will still be unable to afford this.

Table 8.3 Affordable Home Ownership Prices, year to March 2020

	Affordable Price (lower end)	Affordable Price (midpoint)
1-bedroom	£120,300	£137,100
2-bedrooms	£143,400	£167,700
3-bedrooms	£176,700	£237,400
4+-bedrooms	£254,400	£331,200

Source: Derived from a range of sources

8.24 Secondly, it is necessary to establish the cost of a newbuild home, so that a level of discount can be calculated. Our approach is to add 15% to the estimated price of a lower quartile second-hand home. The 15% figure was used to approximate the newbuild premium, although this arguably could have been applied to a median price rather than the lower quartile.

8.25 In reality the OMV might be quite different for specific schemes and therefore the percentage discount would not be applicable. For example, if the OMV for a 2-bedroom home were to actually be £300,000 (rather than the modelled £220,800) then the discount would be in the range of 44% and 52%. It is therefore the affordable price rather than the discount that should be focused on when determining affordability.

Table 8.4 Estimated newbuild Open Market Value (OMV) – based on lower quartile price of existing home plus 15%

	Estimated newbuild OMV
1 Bedroom	£177,100
2-bedrooms	£220,800
3-bedrooms	£342,700
4+-bedrooms	£469,200

8.26 There is a significant range in the cost of new-build housing prices in Wealden as shown by our local property search. This has been undertaken using Rightmove and looking at new build homes in the district, which we have grouped to the nearest town.

8.27 It should be noted that this analysis is at a point in time and clearly the mix and price of newbuild homes can vary significantly depending on when such analysis is carried out. The table below shows a selection of newbuild homes (the figures exclude any homes priced at £500,000 or over).

8.28 The analysis shows a wide range of prices for homes of the same size; whilst some of the 2-bedroom homes are at or below the OMV, it is the case that many homes are more expensive than estimated. This does raise the issue about what homes should be able to be sold as a First Home – for example

selling the 3-bedroom semi-detached in Heathfield at £395,000 with a 30% discount would still give a price of £276,500, which cannot be considered as affordable in a local context.

Table 8.5 Example of newbuild homes for sale in Wealden (August 2021)

Area	Bedrooms	Type	Price
Crowborough	2	Semi-Detached	£367,500
Crowborough	2	Flats	£261,250
Hailsham	3	Detached	£387,995
Hailsham	3	Semi-Detached	£331,475
Heathfield	3	Semi-Detached	£395,000
Hailsham	4	Detached	£480,000
Heathfield	4	Detached	£499,995
Uckfield	4	Detached	£477,500

Source: Rightmove, 2021 *excludes homes over £500,000

8.29 The analysis therefore identifies how difficult it is to estimate a newbuild price against which an appropriate discount can be applied. However, it will be necessary for the Council to establish a reasonable discount to feed into policy. The analysis below therefore used the estimated OMV (i.e. the price plus 15% figure) and works out the discount required for each of the lower and midpoint affordable price.

8.30 The table below sets this out along with the discount required to make homes affordable. This does suggest a range of discounts depending on property size and the affordable price used. Overall, it is considered that the analysis points to a standard 30% discount as being appropriate in most instances.

Table 8.6 Discount required to make First Homes Affordable

	Affordable Price (lower end)	Affordable Price (midpoint)	Estimated newbuild OMV	% discount (lower affordable price)	% discount (midpoint affordable price)
1-bedroom	£120,300	£137,100	£177,100	32%	23%
2-bedrooms	£143,400	£167,700	£220,800	35%	24%
3-bedrooms	£176,700	£237,400	£342,700	48%	31%
4+-bedrooms	£254,400	£331,200	£469,200	46%	29%

Source: Derived from a range of sources

8.31 Despite concluding on a 30% discount, it does need to be remembered that this is very much based on the assumed prices in the table above. In reality it can be seen that newbuild OMV could well be in excess of the costs shown and therefore a higher discount might be appropriate.

8.32 It does however also need to be noted that a higher discount will be less viable for the development industry to provide, and therefore could potentially prejudice delivery of other forms of affordable housing (notably affordable rented products).

8.33 Finally, it needs to be considered if the level of discount should vary across different property sizes. The analysis above does suggest that 3-bedroom homes could potentially need a higher discount to make them affordable.

8.34 However, it is not clear from the PPG if different discounts are allowable in policy at this stage. If they are, then the Council could consider a 40% discount for these homes. Again, having a larger discount will need to be considered alongside viability issues and the potential impact on delivery of other forms of affordable housing.

Is the £250,000 cap appropriate?

8.35 Looking at table 8.6 above, it can be seen that all bar the 4-bedroom affordable prices sit below the £250,000 cap and therefore it is arguable that a lower cap would be appropriate for 1 to 3 bedroom homes.

8.36 While the cap should be applied for larger homes it is considered that the number of 4-bedroom homes likely to be provided as First Homes will be low (the focus is likely to be on 2- and 3-bedroom homes – see below) and this gives further reason for looking at a cap.

8.37 A cap would help to ensure that homes are affordable even on schemes where the OMV is relatively high (although consideration about viability and potential loss of other forms of affordable housing will also be a consideration).

8.38 Looking at the affordable prices, and also the analysis of actual newbuild house prices from Rightmove it is considered that a cap of something in the region of £175,000-£200,000 might be appropriate for smaller homes. This could help to ensure that First Homes are only offered on properties where the initial OMV is not significantly above the affordable prices.

Is an £80,000 income threshold appropriate?

8.39 To study the income threshold analysis has been provided below to consider the likely incomes required to afford both the lower end and midpoint Affordable Price. This is shown in the table below and shows even the most expensive price would only require an income of about £66,000.

8.40 It should however be noted that these findings are based on a specific set of assumptions about mortgage multiples and deposit availability (10% deposit and 4.5 times mortgage multiple) and in reality individual households will have their own specific circumstances.

Table 8.7 Incomes Required to Afford First Homes

	Affordable Price (lower end)	Affordable Price (midpoint)
1-bedroom	£24,060	£27,420
2-bedrooms	£28,680	£33,540
3-bedrooms	£35,340	£47,480
4+-bedrooms	£50,880	£66,240

Source: Derived from a range of sources

8.41 That said, it is considered that an £80,000 threshold looks to be too high; households with that level of income would be expected to readily buy a home in the area without the need for any discount. On balance, and looking at the figures in the round (and recognising that there may be relatively few 4-bedroom homes delivered) it is considered that an income cap of around £50,000 might be appropriate in the case of Wealden.

Shared Ownership

8.42 Whilst, the current Government consultation focusses on First Homes, it is clear that they also see a continued role for Shared Ownership. In November 2020, a separate consultation was launched (New Model for Shared Ownership[13]) – this includes four key proposals, with the main one for the purposes of this assessment being the suggestion of reducing the minimum initial share from 25% to 10%. A key advantage of shared ownership over other tenures is that a lower deposit is likely to be required than

[13] https://www.gov.uk/government/consultations/new-model-for-shared-ownership-technical-consultation

for full or discounted purchase. Additionally, the rental part of the cost will be subsidised by a Registered Provider and therefore keeps monthly outgoings down.

8.43 For the purposes of the analysis in this report it is considered that for shared ownership to be affordable, total outgoings should not exceed that needed to rent privately.

8.44 Because shared ownership is based on buying part of a property, it is the case that the sale will need to be at open market value. Where there is a large gap between the typical incomes required to buy or rent, it may be the case that lower equity shares are needed for homes to be affordable (at the level of renting privately). The analysis below therefore seeks to estimate the typical equity share that might be affordable for different sizes of property with any share lower than 10% likely to be unavailable. The key assumptions used in the analysis are:

- OMV at LQ price plus 15% (reflecting likelihood that new build homes will have a premium attached and that they may well be priced above a LQ level) – it should be noted that this is an assumption for modelling purposes and consideration will need to be given to the OMV of any specific product;
- 10% deposit on the equity share;
- Rent at 2.75% pa on unsold equity;
- Repayment mortgage over 25-years at 4%;
- Service charge of £50 per month for flatted development (assumed to be 1- and 2-bedroom homes); and
- It is also assumed that shared ownership would be priced for households sitting towards the bottom end of the rent/buy gap and so the calculations assume that total outgoings should be no higher than the equivalent private rent (lower quartile) cost for that size of property.

8.45 The table below shows that to make shared ownership affordable, equity shares of around 40%-45% could work for 1- and 2-bedroom homes but that lower shares are likely to be required for larger homes (shares of 20%-26%). The analysis does suggest that it may be quite difficult to make shared ownership 'work' for larger homes although lower equity shares may be possible given that (as noted) the government is currently consulting on new proposals for shared ownership.

8.46 It should also be noted that the analysis below is predicated on a particular set of assumptions (notably about likely OMV). In reality costs do vary across the District and will vary from site to site. Therefore, this analysis should be seen as indicative with specific schemes being tested individually to determine if the product being offered is genuinely (or reasonably) affordable.

Table 8.8 Estimated Affordable Equity Share by Size – Wealden

	1-Bedroom	2-Bedrooms	3-Bedrooms	4+-Bedrooms
OMV	£177,100	£220,800	£342,700	£469,200
Share	45%	40%	20%	26%
Equity Bought	£79,000	£89,200	£68,900	£122,000
Mortgage Needed	£71,100	£80,300	£62,000	£109,800
Monthly Cost of Mortgage	£375	£424	£327	£580
Retained Equity	£98,100	£131,600	£273,800	£347,200
Monthly Rent on Retained Equity	£225	£302	£627	£796
Service Charge per month	£50	£50	£0	£0
Total Cost per month	£650	£775	£955	£1,375

Source: Data based on Housing Market Cost Analysis

8.47 In policy terms, whilst the analysis has provided an indication of the equity shares possibly required by size, the key figure is actually the total cost per month (and how this compares with the costs to access private rented housing). For example, whilst the table suggests a 40% equity share for 2-bedroom homes, this is based on a specific set of assumptions. Were a scheme to come forward with a 40% share, but a total cost in excess of £775 per month, then it would be clear that a lower share is likely to be required to make the home genuinely affordable. Hence, the actual share can only be calculated on a scheme-by-scheme basis. Any policy position should seek to ensure that outgoings are no more than can reasonably be achieved in the private rented sector, rather than seeking a specific equity share.

8.48 Again, the figures above are for the whole District and it is recognised that there will be variations across locations (and over time and for specific sites).

Income Requirement

8.49 The analysis below sets out the costs of various market sale tenures in terms of deposit requirements and the income level required to service a mortgage. As shown, there is a considerable difference in the level of deposit required to buy a shared ownership home (£7,750) and to buy a resale home outright (£25,000) at lower quartile values.

8.50 There is also a considerable difference in the income required to service mortgages (and rents) on these products. At the more affordable end there is only a marginal difference between Shared Ownership and First Homes both at around £44,000 per annum.

8.51 Notably, the income required for a house with a help to buy equity loan and to buy a resale home is only around £5,500 higher. There is then an income gap of around £12,000 to be able to afford a lower quartile new build home. The income requirement for a HTB home would also increase once the equity loan starts to be paid off after 5 years.

Table 8.9 Deposit and Income Requirement for different sales Tenures in Wealden

	Market Purchase - New Build	Market Purchase - Resale	HTB Support (20% loan)	First Homes (30% Discount)	Shared Ownership (25% Share)
Lower Quartile Values	£310,000	£250,000	£248,000	£217,000	£310,000
Deposit Requirement	10% of Sales Price	10% of Sales Price	5% of Total Value	10%	10% of 25% Share (2.5%)
Deposit Cost	£31,000	£25,000	£12,400	£21,700	£7,750
Income Required Calculations	4.5 x income with 10% deposit	4.5 x income with 10% deposit	4.5 x income with 20% loan + 5% deposit	4.5 x income with 10% deposit	Mortgage Costs on 20% Share (4% interest over 25 years) + Rent at 2.75% of retained equity + £600 per annum service charged and spending 30% of income
Income Required	£62,000	£50,000	£49,600	£43,400	£45,233

Source: Price Analysis

8.53 Aligning these income requirements to the income distribution in the previous chapter allows us to identify the scale of the market for each of these tenures. Only around 24% of households earn enough to buy a new-build property in the district at a lower quartile value. This increases to 34% with Help to Buy and those purchasing a resales property (a market segment of around 10%). This would largely come down to the ability to raise a deposit.

8.54 There is 6% market segment which would be split between those who could afford a first home and a shared ownership home which is affordable to around 40% the population. Again, this would largely come down to the ability to raise a deposit.

8.55 Although there is a considerable difference between deposit requirements and potentially also the quality of home, therefore there will still be a market for First Homes, Shared Ownership and HTB schemes despite the similar income requirements.

8.56 This analysis is, of course, very high level and there are a number of factors which would result in the tenure choice people would make, not least their ability to raise a deposit. Other factors which may sway people to rent include the flexibility it provides and their current tenure i.e. they may not wish to "downgrade" from owning to rental if they have already bought their home even if their income falls.

8.57 By comparison, local lettings agents in the area seek 5 weeks deposit and one month's rent up front which, based on Median values of £925 per month, would be an initially outlay of £1,992. While this would be a considerable sum for many household it is still way below the deposit requirements for even a shared ownership home.

8.58 A median rent of around £925 per month would, based on 30% of income on housing require a total income of around £37,000. This is around £13,000 less than that required for a resale home and £8,000 less than Shared Ownership home and £6,400 less than a first home.

8.59 Based on our previous analysis around 8% of households would fall in the gap between renting and buying a first home. This increase to around 10% when compared to the income requirements for a shared ownership home.

Rent to Buy

8.60 A further affordable option is Rent to Buy; this is a government scheme designed to ease the transition from renting to buying the same home. Initially (typically five years) the newly built home will be provided at the equivalent of an affordable rent (approximately 20% below the market rate). The expectation is that the discount provided in that first five years is saved in order to put towards a deposit on the purchase of the same property. Rent to Buy can be advantageous for some households as it allows for a smaller 'step' to be taken on to the home ownership ladder.

8.61 At the end of the five-year period, depending on the scheme, the property is either sold as a shared ownership product or to be purchased outright as a full market property. If the occupant is not able to do either of these then the property is vacated.

8.62 In order to access this tenure it effectively requires the same income threshold for the initial phase as a market rental property although the cost of accommodation will be that of affordable rent. The lower than market rent will allow the household to save for a deposit for the eventual shared ownership or market property. In considering the affordability of rent-to-buy schemes there is a direct read across to the income required to access affordable home ownership (including shared ownership), it should therefore be treated as part of the affordable home ownership products suggested by the NPPF.

Essential Local Workers

8.63 Annex 2 of the NPPF also includes the needs of essential local workers *'Affordable housing: housing for* sale *or rent, for those whose needs are not met by the market (including housing that* provided *a subsidised route to home ownership and/or is for essential local workers'* [emphasis added]. Essential local workers are defined as *'Public sector employees who provide frontline services in areas including health, education and community safety – such as NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers'*.

8.64 To give an indication of the number of essential workers in Wealden analysis has been undertaken looking at Standard Industrial Classification 2007 (SIC) categories – this shows employment sectors based on industry, and for the purposes of this analysis the public administration, education and health industries have been used to represent 'essential workers'. The analysis shows that around 28% of resident workers are considered 'essential workers' – this proportion is similar to that seen in other locations.

Table 8.10 Number and proportion of essential workers in a range of areas

	Wealden		East Sussex	South East	England
	Resident workers	% of workers	% of workers	% of workers	% of workers
Agriculture, energy and water	1,948	2.7%	2.2%	2.1%	2.3%
Manufacturing	4,458	6.2%	6.1%	7.2%	8.9%
Construction	7,282	10.1%	9.4%	8.0%	7.7%
Distribution, hotels and restaurants	14,716	20.5%	21.6%	20.6%	21.5%
Transport and communication	5,167	7.2%	7.1%	10.7%	9.1%
Financial, Real Estate, Professional and Administration	13,882	19.3%	16.6%	18.6%	17.5%
Public admin, education, and health	20,022	27.9%	31.4%	27.7%	28.2%
Other	4,280	6.0%	5.7%	5.1%	5.0%
All industries	71,755	100.0%	100.0%	100.0%	100.0%

Source: 2011 Census

8.65 The table below shows how the number of essential workers varies across HMA Sub-areas. The analysis shows that over 30% of workers living in the Eastbourne HMA fall into the essential worker category, compared with just 25% in Sevenoaks & Tunbridge Wells. Of all people working in this industry classification, the data also shows that over two-fifths live in the Eastbourne HMA.

Table 8.11 Number and proportion of essential workers by HMA Sub-area

	Resident essential workers	% of workers in area	% of resident workers
Eastbourne	8,090	31.1%	40.4%
Sevenoaks & Tunbridge Wells	6,503	25.5%	32.5%
Coastal West Sussex	3,862	26.6%	19.3%
Northern West Sussex	1,201	27.0%	6.0%
Hastings & Rother	366	29.8%	1.8%
Total	20,022	27.9%	100.0%
SDNP	369	26.2%	1.8%

Source: 2011 Census

8.66 The 2011 Census also enables analysis to be conducted as to the tenure of workers by industry. It can be seen that essential workers see a fairly average profile, with similar levels of owner-occupation, social renting and private renting as is seen across the District.

Table 8.12 Housing tenure by industry of employment (2011) – Wealden

	Owner-occupied	Social rented	Private rented
Agriculture, energy and water	77%	6%	17%
Manufacturing	81%	5%	14%
Construction	80%	6%	14%
Distribution, hotels and restaurants	73%	8%	19%
Transport and communication	82%	6%	12%
Financial, Real Estate, Professional and Administration	84%	3%	13%
Public admin, education and health	80%	6%	15%
Other	70%	6%	24%
All industries	79%	6%	15%

Source: 2011 Census

8.67 It is also possible to consider the affordability of housing for essential workers by considering local salaries. An online assessment of local jobs (across East Sussex) for nurses, firefighters, teachers, police officers and childcare was undertaken in January 2021. This showed a range of salaries, but typically in the range of about £25,000 to £40,000 per annum. The average salary was around £30,000 although it does need to be noted that there are a variety of roles with a range of salaries in these professions depending on level of expertise and experience.

8.68 With a salary of £30,000, an individual might be able to buy a home for around £150,000 (based on a 10% deposit and 4.5 times mortgage multiple) and with two salaries at this level would be able to afford approaching £300,000. This latter figure would allow the household to afford to buy a home across much of the District, but the single income would make home ownership difficult, and this population could be a potential target for affordable home ownership products.

8.69 Overall, the analysis does not point towards there being a particular and specific need for affordable housing for essential workers. Such workers make up a similar part of the workforce as is the case in many areas and households are as likely to be owner-occupiers than many other industry groups. However, on the basis of local incomes (notably for single income essential workers), access to the owner-occupied sector may be restricted by income and it may be appropriate to consider whether or not some affordable properties should be set aside for essential local workers.

Affordable Housing Mix: Key Messages

- The analysis suggests that there will be a need for both social and affordable rented housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and also for some households who claim full Housing Benefit.
- On this basis, it is not recommended that the Council has a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes are likely to be required.
- The study also considers different types of AHO (notably First Homes and shared ownership) as each will have a role to play – shared ownership is likely to be suitable for households with more marginal affordability (those only just able to afford to privately rent) as it has the advantage of a lower deposit and subsidised rent.
- A discount of 30% looks to be generally reasonable for first homes, although higher discounts may be suited 3-bedroom homes. Caution should be exercised about the OMV against which discounts are applies to ensure that the actual housing cost is genuinely affordable for the target group.
- Given the cost of housing in the area, the Council could consider a maximum price of First Homes of around of £175,000-£200,000 might be appropriate. This will help to keep First Homes affordable in a local context.
- Given the likely income requirements to afford a First Homes (and incomes required to buy in the market) a threshold household income of around £50,000 might be appropriate.
- The analysis does not point towards there being a particular and specific need for affordable housing for essential workers. However, on the basis of local incomes (notably for single income essential workers), access to the owner-occupied sector may be restricted by income and it may be appropriate to consider whether or not some affordable properties should be set aside/prioritised for essential local workers.

9. PRIVATE RENTAL SECTOR

Introduction

9.1 This chapter of the report examines the private rental market in Wealden and compares this to county, regional and national equivalents. Where possible we examine these across different sizes of homes.

Context

9.2 The private rented sector has been the key growth sector in the housing market for the last 15 years and now makes up just over 20% of all UK households. Since 2011, the private rented sector has been the second largest housing tenure in England behind owner-occupation, overtaking social housing.

9.3 In the context of the sector's growth over the last 20 years and a national housing shortage, successive Governments have looked to the private rented sector to play a greater role in providing more new build housing and have sought to encourage "Build to Rent" development.

9.4 The NPPF[14] also requires authorities to assess and reflect the needs of those people who rent their homes. The Build-to-Rent sector is however one which we would describe as relatively 'embryonic' outside London and the major cities.

9.5 It has developed over the last few years to a position where there are now a range of schemes in London, and schemes coming forward in other core cities, but in many other areas there has been limited provision to date.

9.6 This includes Wealden where there are no current schemes. This would suggest there is limited interest in the tenure within Wealden.

Government-led Publications on Build to Rent

9.7 In August 2012, The Montague Review[15] was published; having been commissioned by Government to consider the potential for attracting large-scale institutional investment in building new homes for private rent – a model of investment, which is much more prevalent in other countries, and in some niche markets in the UK, like student housing. The Review author Sir Adrian Montague was clear that:

> "there is real potential for investment in large scale developments of purpose-built rented housing to grow and to be viable. This type of development can bring in new money, give a boost to housing supply, and provide more choice for tenants, particularly those who may be renting long term. And there is research which suggests that the lack of high quality private rented accommodation can put a brake on the wider growth of economic activity" (our emphasis)

9.8 Following the publication of the Montague Review, the Government launched a number of initiatives aimed at 'kick starting' the private rented sector and the development of purpose built long-term market rental housing schemes i.e. Build to Rent.

9.9 The Government set up the Private Rented Sector Taskforce ("PRS Taskforce") and a £1bn Build to Rent fund in line with the recommendations of the Montague Review. In March 2015, *A Build to Rent*

[14] National Planning Policy Framework (paragraph 61, February 2019)

[15] Review of the barriers to institutional investment in private rented homes (DCLG, August 2012)

Guide for Local Authorities[16] was also prepared and published by Government which noted the following upfront:

> "The £1bn Build to Rent Fund, Private Rented Sector Debt Guarantee Scheme and Private Rented Sector Taskforce have stimulated considerable interest in the sector".

9.10 The Guide was published to support local authorities to, in turn, support Build to Rent. The benefits set out in the Guide centred on three key areas which are summarised below:

(1) **Supporting the local community** – the Government made clear that the development of new Build to Rent housing can help local authorities to meet demand for private rented housing whilst increasing tenants choice "as generally speaking tenants only have the option to rent from a small-scale landlord". The Government also said that successful schemes will retain their tenants for longer and maximise occupancy levels as Build to Rent investment is an income focused business model. In order to achieve this, investors will strive to provide for their tenants, and this is key reason why they want to create truly sustainable communities.

(2) **Supporting local growth –** the Government said that Build to Rent development can help increase housing supply, particularly on large, multiple phased sites as it can be built alongside build for sale and affordable housing. The Government also highlighted that Build to Rent has the potential to increase the speed of housing delivery and place-making as the market absorption rate for private rented sector is higher than build for sale; and

(3) **Financial** – the Government said that some local authorities can become directly involved in provision in some instances, given the potential to generate income or capital receipts.

9.11 The Build to Rent Guide also deals directly with design and construction, noting that good design and high quality construction are key components of the Build to Rent model. In the Government's own words, "Investors will want to know that their Build to Rent schemes will appeal to their target customers over the long-term and be truly sustainable". It is also highlighted that "Build to Rent can also offer opportunities for innovative forms of construction, such as build off-site".

9.12 In concluding, the Build to Rent Guide summarised Build to Rent as a product in simple terms, noting:

> "Build to Rent housing can help to fix the country's broken housing market by providing another source of good quality housing supply which can also accelerate the speed of housing delivery".

9.13 The Government has since continued to seek to support and promote growth of the sector - most prominently through the Government's Housing White Paper, "Fixing Our Broken Housing Market" (February 2017) which brought a number of the key messages together.

9.14 The foreword in the Housing White Paper acknowledged that Britain's housing market is broken, housing is increasingly unaffordable for both buyers and renters, and as a result more homes are needed, of the type people want to live in, in the places they want to live. As part of a wider package, one of the measures put forward in order to achieve this was diversifying the housing market:

> "we will diversify the housing market, opening it up to smaller builders and those who embrace innovative and efficient methods. We will encourage housing associations and local authorities to build more, and <u>we will work to attract new investors into residential development including homes for rent</u>" (our emphasis)

9.15 Under diversifying the market, the Government said that they want to encourage more institutional investors into housing, including for building more homes for private rent, and encourage family-friendly tenancies as well as a range of different products; highlighting explicitly that:

[16] Accelerating housing supply and increasing tenant choice in the private rented sector: A Build to Rent Guide for Local Authorities (DCLG, March 2015)

> "Alongside affordable homes, we need more good quality privately rented homes. This sector has doubled over the last decade, but rising rents suggest that demand is still growing. Following the 2012 review of barriers to institutional investment in the private rented sector, the government's Private Rented Sector Task Force made major early in-roads to establish the "Build to Rent" model in the UK, and to stimulate initial investor interest. The Government has supported this through the £3.5 billion Private Rented Sector Housing Guarantee Scheme, and the £1bn Build to Rent Fund" (our emphasis)

9.16 The Housing White Paper makes it clear that the Government want to build on the above – the initiatives, support and encouragement – to attract new investment into large-scale scale housing which is purpose-built for market rent i.e. Build to Rent. This will, the Government state, drive up overall housing supply, and increase choice and standards for people living in privately rented homes. Drawing on references from earlier work, the Government noted that these developments tend to be built out more quickly, adopt modern methods of construction and help regenerate local economies by attracting a skilled labour force.

9.17 The Government also acknowledge in the Housing White Paper that Build to Rent development has the potential to provide more stable rented accommodation for families particularly as access to ownership has become more challenging.

9.18 In line with the clear strength of commitment from the Government on building more homes for rent, a consultation was launched alongside the Housing White Paper focussed on supporting more Build to Rent developments through measures including:

- incorporating a change to the Framework so authorities know they should plan proactively for Build to Rent where there is a need; and
- ensuring that family-friendly tenancies of three or more years are available for those tenants that want them on schemes that benefit from the changes.

9.19 It is therefore clear from the successive announcements, reviews, initiatives and package of measures proposed that Government policy is to support and encourage growth of the private rented sector and particularly Build to Rent development as a product; in order to deliver quality rental accommodation and boost housing supply; meet demand of the private rented market and deliver quality place-making.

Technical Research, Market Insight & Manifestos

9.20 The Urban Land Institute ("ULI") published the first edition of its Build to Rent Guide in April 2014 at a time where there was still, in the words of the ULI, "a significant amount of market scepticism as to whether the nascent private rented sector in the UK was really going to succeed".

9.21 The first edition of the Guide was initiated by the Government's PRS Taskforce – as referenced above – in order to address the design, management and construction of the buildings. The Guide underlined, according to the Government, that "Build to Rent schemes can offer additional amenities and make use of space both inside and outside the buildings to create a sense of place and community".

9.22 Following the publication of the first edition of the Guide, Build to Rent institutional investment began to increase significantly; whilst the British Property Federation ("BPF") launched its Build to Rent Manifesto in October 2015; acknowledging it as a new emerging asset class at the time. The BPF made it clear that:

> "The primary motivation of investors is to keep their buildings fully-occupied with satisfied tenants. That means offering longer tenancies, other flexibilities (to personalise the home for example), good onsite amenities, and good transport links for easy commuting" (our emphasis)

9.23 Building on the benefits of the building themselves, the BPF also noted that some communities are 'haemorrhaging their young talent because there are no obvious housing options for them'. The BPF highlights that the majority of private renters are under 35 years of age and have no dependents; so

are unlikely to get social housing. This is an important point – Build-to-Rent development will provide high quality housing for households who are not able to access social housing stock in many instances.

9.24 Importantly, the Manifesto was also clear that:

> "As long-term investors Build to Rent providers' only interest is in creating 'places' that thrive. Their investments will gain or lose value depending on their wider environment. They therefore have a huge motivation to ensure that not only their developments work well, but also the neighbourhood and services that surround them"

9.25 In other words, the BPF highlighted that providers have no incentive to leave homes empty; and it is in the interests of that provider to ensure the units are of a notably higher standard so they can be let quicker; and pensioners and other investors can therefore derive their income. Echoing the thoughts of the Government in its Guide for Local Authorities in 2015, the benefits of the BPF's Manifesto clearly align with the priorities of the Council's Housing Strategy around achieving a high standard of new homes and communities; improving housing conditions and promoting health and wellbeing.

9.26 The BPF also highlighted that the sector is working with local authorities and other partners in other ways. The BPF states that it is generating income for local authorities; so rather than selling their land for instant receipts, councils can lease the land to a Build to Rent provider, derive long-term income from their share of rents, and retain ultimate ownership of their land.

9.27 Once the Build to Rent concept began to gain traction, the ULI published the second edition of its Build to Rent Guide: "A Best Practice Guide" which the intention of moving from proving the Build to Rent concept could work in the UK, to demonstrating true best practice in a UK context. The second edition of the Guide defined Build to Rent schemes as 100 or more units which are:

> "purposefully designed and built with the customer in mind. It is anticipated that they will typically incorporate dedicated staff (potentially on-site) with a strong management ethos based on maximising the customer experience, together with a level of on-site amenity befitting the size of the development. Irrespective of the overall package of amenities, the creation of a community feel, and positive customer experience is the underlying philosophy of any successful Build to Rent scheme"

9.28 This is important, highlighting once more that the Build to Rent concept is not simply about increasing housing delivery and diversifying the market – this is a by-product – it is about delivering mixed and balanced communities, high quality private rented sector accommodation and opportunities for all parts of society in housing need. Notably, at the time of the second edition of the Guide, there were 30,000 Build to Rent homes in the development pipeline with 8,000 completions.

9.29 Turning to the present and the latest market insight on Build to Rent as it begins to mature and strengthen as a development sector, the Savills UK Build to Rent Market Update[17] for Q3 2021 states that the market now had 50,800 completed units, 37,700 under construction and 84,000 in the development pipeline, a total of 172,500 units.

9.30 The report notes that around 88% of the operational stock was located in City Centre flats but there had been a slight shift towards "housing led, family targeted", Build to Rent schemes in suburban locations. This was on the belief that there is a wider PRS market for houses (63%) than for flats.

9.31 The Savills work also noted that the sector had bounced back from a Covid-19 pandemic related slowdown. They also noted new entrants into the sector seeking longer term investment.

[17] https://www.savills.co.uk/research_articles/229130/306754-0

Profile of Build to Rent Tenants

9.32 The British Property Federation, London First and UK Apartment Association (UKAA) recently published (February 2021) a report[18] profiling those who live in built to rent accommodation in London, which makes up the bulk of the market, 47% currently falling to 44% once the pipeline supply is included. This demonstrates a slight movement out of the capital.

9.33 Around 62% of residents were aged between 25 and 34 compared with 47% in the wider PRS market. The remaining residents included 17% aged between 16 and 24 and 13% aged 35-44, both of which were below the corresponding values for the wider PRS market.

9.34 The survey based data identified that incomes are similar to those in PRS accommodation with 43% earning less than £32,000 and 29% earning between £32,000 and £47,000. Typically BTR residents spend between 29% and 35% of their income on accommodation. This compares to 29% to 32% in the wider PRS demonstrating a willingness to pay slightly more.

9.35 The lower income value would put this group in the lowest 40% of earners in London which would have an equivalent value of £28,541 in Wealden. The higher values would be around the 60th percentile which would equate to around £38,266 in Wealden.

9.36 It noted that BTR had comparable levels of affordability but was notably more affordable for couples and sharers. This is perhaps reflected in the higher incidence of these household types within the BTR sector.

9.37 The report also identified a similar levels of people working in the public and private sectors as across the wider PRS market (around 85% in the private sector) and across a similarly good cross section of industries to those in PRS. The most common industries included Finance and Insurance (25%), Other Services (20%) and IT and Communications (including marketing) (15%). Although this might just be representative of London sectors.

Size of rental sector

9.38 As set out in Chapter 3 of this report at the time of the last census (2011) around 11.1% of households in Wealden were privately renting. PRS in the district is lower than levels across the County (17.8%) and regionally (16.3%) but less than the national figure (16.7%).

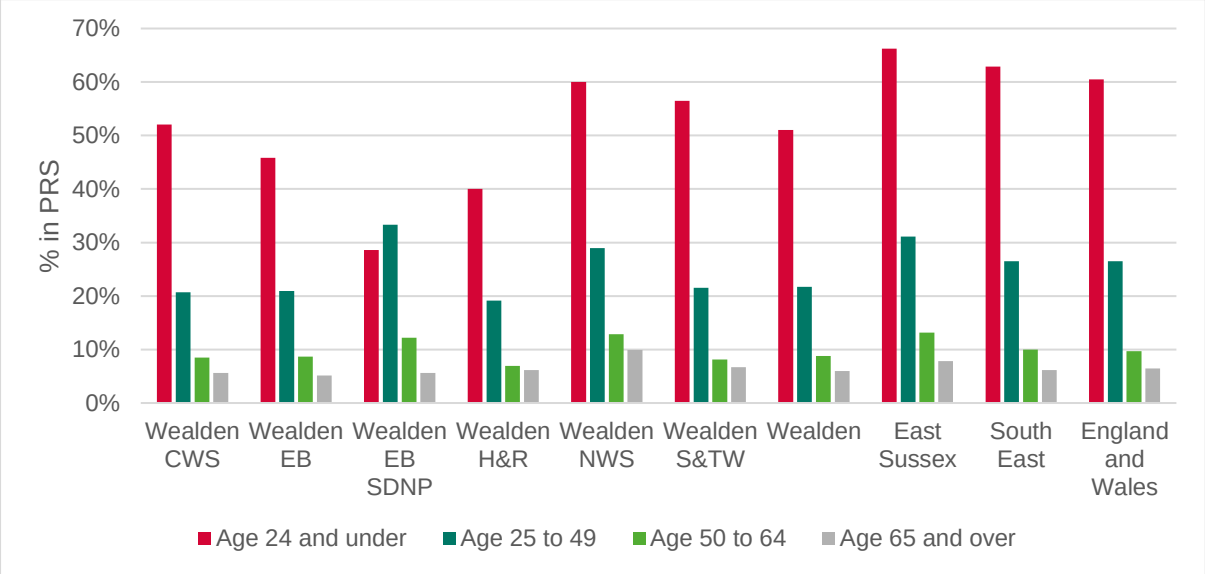
9.39 More recent, but less detailed information shows that the majority of the district's housing stock is privately owned at 92% (this includes private rental). The latest ONS estimates suggest that PRS still accounts for around 11% of the housing stock in the district, with around 9,915 properties in the sector which is an increase of around 2,700 homes since 2012. This is likely to be from conversions rather than new build. This data is also subject to a relatively large error margin.

9.40 At a sub-area level, private renting is most prominent in the Northern West Sussex HMA sub-area (11.5%) although of the major sub areas the largest PRS sector is in the Sevenoaks and Tunbridge Wells HMA Sub-Area (11.4%).

9.41 Of those Privately Renting in 2011, the highest percentages are found in those aged under 24 (51%), as is the case both nationally and regionally. Although in absolute terms the largest group is those aged 25-49.

[18] https://buildtorent.files.wordpress.com/2021/01/who-lives-in-build-to-rent-1.pdf?mc_cid=624df5d223&mc_eid=e05cc2220b

Table 9.1 PRS Tenants by Age (2011)



Source: ONS, Census 2011

Rental Costs

9.42 The figure below shows the median rental prices in Wealden and comparator areas. It can be seen that renting in Wealden is relatively expensive compared to both East Sussex, the South East and England as whole. This is also the case for entry level (lower quartile) rental prices which are £795 per month for the district.

Table 9.2 Median and Lower Quartile Rental Cost (Year to September 2020)

Median Rents	Median	Lower Quartile
Wealden	£925	£795
East Sussex	£800	£650
South East	£895	£735
England	£725	£550

Source: VOA Rental Statistics

9.43 It would appear that this is to a certain degree driven by the larger rental stock in the district which for 3 and 4 bedroom homes is more than the South East regional average. However the reverse is true for smaller homes.

Table 9.3 Median Rent by Size

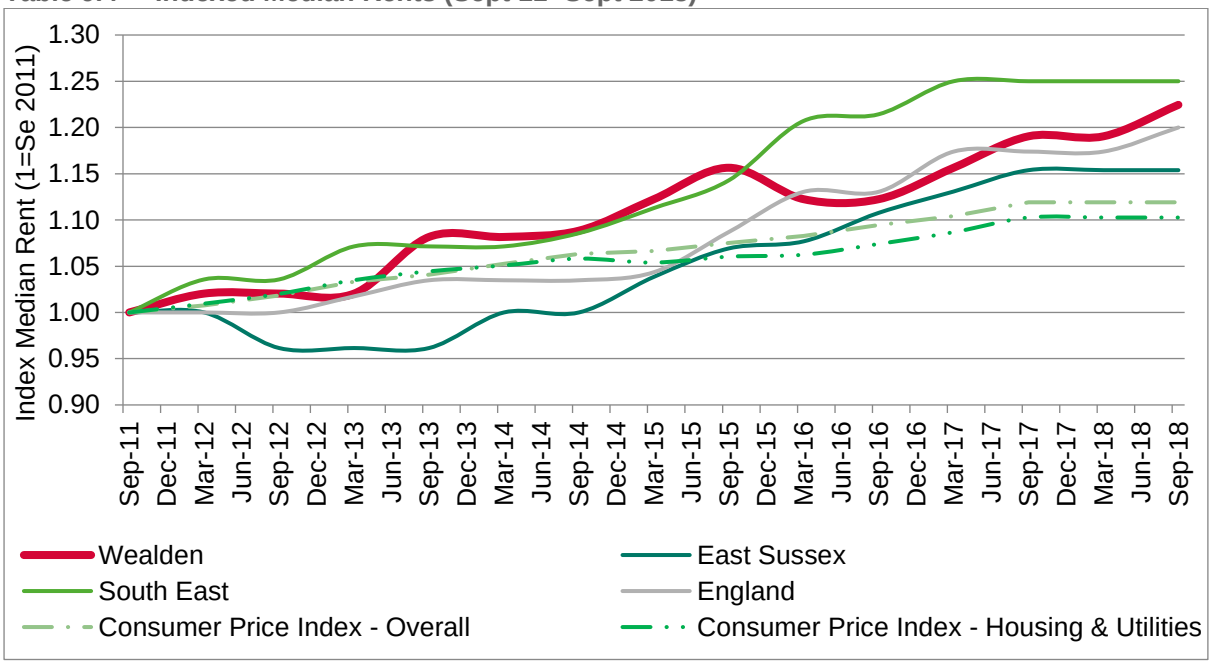


Source: ONS Rental Market Statistics

9.44 The cost of renting homes of any size in Wealden is however higher than the national and county wide costs. Earlier in this report, lower quartile rents by sub-area were set out. This showed that the highest rental values were in the Eastbourne/SNDP HMA Sub-Areas (£1195) and the lowest in the Eastbourne HMA Sub-Area (£770).

9.45 The figure below shows that median rents in Wealden have increased by 22% between 2011 and 2018 which is a faster rate than in all areas except the South East (25%). The figure below also notes that rental costs have outstripped the rise in inflation meaning that renting is becoming relatively more expensive.

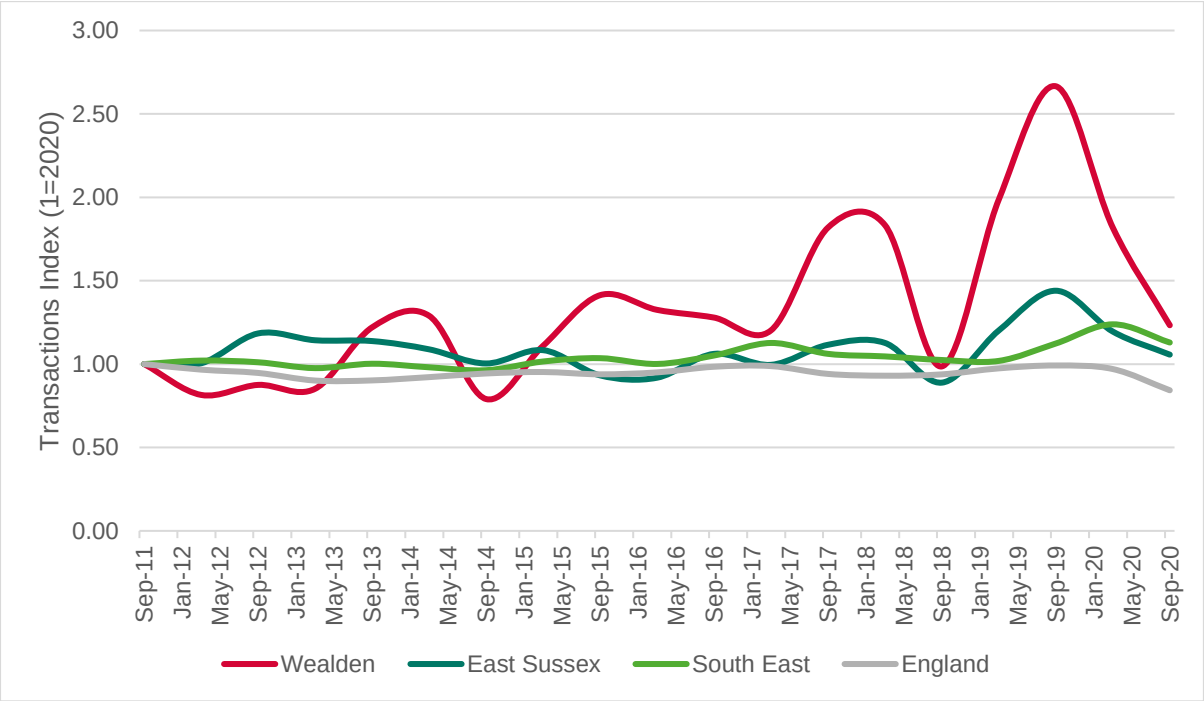
Table 9.4 Indexed Median Rents (Sept 11- Sept 2018)



Source: VOA Rental Market Statistics

9.46 As the table below illustrates the rental market in Wealden is highly variable. However, since 2011, there is a distinct upwards trend in the number of rental transactions in the district. This seems to suggest the market is growing at a quicker rate than any of the wider comparison areas.

Table 9.5 Indexed Rental Transactions (2011-2018)



Source: VOA Rental Market Statistics

Scale of Future Demand for BTR Accommodation

9.47 As established by the British Property Federation report, the current focus of Build to Rent development is in the major cities. This would immediately suggest that there is limited scope for investment in Wealden, at least in the short term.

9.48 The BPF report identified that around 62% of BTR residents were aged between 25 and 34, 17% were aged between 16 and 24 and 13% aged 35-44. In examining the population of Wealden the largest population in their 20s and 30s can be found in Eastbourne HMA sub-area and to a lesser extent the Sevenoaks and Tunbridge Wells HMA sub-area. This would suggest that demand for Build to Rent would be greatest in these areas.

Table 9.6 Mid-Year Population Estimate (2019)

	0-19	20-29	30-39	40+	TOTAL	20-39
Eastbourne	14,127	5,654	6,712	39,074	65,567	12,366
Sevenoaks & Tunbridge Wells	11,071	4,645	4,962	33,048	53,726	9,607
Coastal West Sussex	6,290	2,743	2,898	18,391	30,322	5,641
Northern West Sussex	2,015	737	827	5,748	9,327	1,564
Hastings & Rother	536	184	211	1,602	2,533	395
Total	34,039	13,963	15,610	97,863	161,475	29,573
SDNP	447	169	212	2,421	3,249	381

Source: ONS, MYE 2019

9.49 In moving forward, the population projections linked to the housing requirement show that the population in the Wealden aged 20 to 39 will increase by around 8,400 people. This is an increase of around 28.4%.

Table 9.7 Population Projections for Wealden

	Population 2019	Population 2039	Change in population	% change from 2019
20-24	6,729	8,041	1,312	19.5%
25-29	7,234	9,645	2,411	33.3%
30-34	7,396	10,011	2,615	35.4%
35-39	8,214	10,267	2,053	25.0%
20-39	29,573	37,964	8,391	28.4%
Total	161,475	206,680	45,205	28.0%

Source: Demographic Projections

9.50 However, not all of these households will seek rental accommodation as those able to afford to buy are likely to do so. Furthermore, others will not be able to afford to rent. Those which are already renting privately are the target group and they are prepared to pay a premium to benefit from the additional services and professional management that the BTR sector provides.

9.51 As analysis set out elsewhere in this report illustrates, there is a notable gap (£13,000) between the income required for a median rent and to buy at lower quartile resale values. The population within these benchmark income values have been chosen as the market for BTR, as this market is more akin to a premium rental product and it is likely that those who can afford to buy will do so.

9.52 This gap decreases to around £8,200 when compared to a Shared Ownership home. The SO market with its lower deposit levels, might be a more attractive offer to those seeking a premium rental products.

Table 9.8 Income Gap Between Buying and Renting

	To buy – Lower Quartile Resale	To rent Privately - Median	Income gap	To buy – Shared Ownership	To rent Privately - Median	Income Gap
Wealden	£50,000	£37,000	£13,000	£45,233	£37,000	£8,233

Source: Based on HM Land Registry and VOA Data

9.53 Based on the identified costs around 15% of the population would fall in the income gap between median rents and lower quartile resale. This falls to around 10% between median rents and Shared Ownership.

9.54 As a purely mathematical exercise, as other factors will be at play, if 10% of the 8,319 growth in the population aged 20-39 did choose to move to a BTR accommodation then this would equate to around 800 homes. This population growth is also spread across a number of HMAs meaning the target market for any given development is likely to be much lower.

9.55 That said, there will be people who are currently renting in general PRS homes that might prefer the better quality product, more professional management and security of tenure that is typical of BTR developments.

9.56 It should be reiterated that it is difficult to be precise about the demand for BTR in Wealden as the market is embryonic. To this point, the low demand had been demonstrated by the lack of development coming forward.

BTR as an Affordable Housing Product

9.57 There is also an opportunity for the BTR sector to assist with the delivery of affordable housing. The need for this was considered earlier in this report. This would come in two forms either as affordable private rent via developer contributions on market schemes or development of 100% affordable sites.

9.58 In representations made to the now withdrawn Draft Wealden Local Plan, one operator (Rentplus UK Ltd) suggested that development of Rent to Buy developments would help reduce 'the numbers of households waiting for appropriate housing', free up 'resources to target households with higher priority needs' and 'enable registered providers to diversify their stock and deliver more affordable housing of all tenures'.

9.59 This would be achieved through a combination of a secure affordable rented period (whichever is the lower of 80% of open market rent, including any service charge, or Local Housing Allowance), giving residents time to save, and a 10% gifted deposit to enable tenants to buy their own home in 5, 10, 15 or 20 years.

9.60 They state that 'a significant proportion of those requiring affordable housing may be better accommodated by build to rent 'due to the period of affordable rent which enables savings to be built up' given the challenges of accessing a deposit which shared ownership and intermediate ownership do not resolve.

9.61 They provided an example where they received enquiries from 200 households in 24 hours. They added that households in Band C of the local choice based lettings scheme filled 41% of the dwellings. Out of the total, 30% of tenants moved from social rented housing and a further 35% were previously living in overcrowded households. However, the location of this example was not provided.

9.62 The operator stated that 'the Council should take a proactive approach to welcoming the delivery of the wider range of affordable tenures set out in the revised NPPF to encourage a more diverse housing stock and to improve the ability of all developers to deliver an appropriate and higher quantum of affordable housing'.

9.63 Any such scheme should be treated on its merits and be located in suitable locations and supported by a demand assessment for the settlement.

Agency Consultation

9.64 Consultation was undertaken with lettings agents in order to gain a deeper understanding of the rental market in Wealden, adding to and corroborating the quantitative data collected and analysed. The consultation took place in February 2021 and involved the following:

- Taylor Engley Limited of 11 High St, Hailsham, BN27 1AL
- Ashton Burkinshaw of 1 Eridge Rd, Crowborough TN6 2SJ

9.65 The agents consulted stated that the rental market was extremely buoyant. They said that there was a shortage of properties and very high demand and that this was 'squeezing prices up'. There was no significant differences in demand or rental prices across the district.

9.66 It was noted that there were a 'queue of people after property's' and that things go within hours and the other agent stated that typically within '24 hours properties are let'.

9.67 Both agents indicated that the scale of the rental market in the district was large and that properties were moving from the sales market to the rental market as owners/landlords want to fill properties.

9.68 One agent noted that issues with supply may be down to the fact that the 'government have made it harder for landlords', citing electrical testing and Stamp Duty (relief). They went on to say that the government have tried to help tenants but less people wanting to be landlords had pushed up rents.

9.69 In terms of types and sizes of properties in demand, both agents stated that everything was in demand. However, one agent stated that historically 1-2 bed homes were in strongest demand and that bigger homes took longer to rent.

9.70 It was stated that 2 bedroom houses were a particular gap in the market and an example of a 2 bedroom cottage that had 1,500 views online within 48 hours and was rented for £100 above the asking price was cited.

9.71 One agent stated that there was an even mix of local moves and moves from outside of the district. However, one agent stated that the mix was skewed 70-80% towards local moves. This might be indicative of locals being priced out of the purchase market by those moving from London.

9.72 In terms of the demographic of renters, both agents stated that this varies. However, both agents noticed a lot of people renting due to divorce.

9.73 It was noted that since Covid-19 they had seen more youngsters renting (was more mixed before Covid-19). Adding that in general, youngsters are 'desperate to get their own place' but do not have large enough deposits to buy or could not afford a mortgage.

9.74 One of the main groups of people renting were those who had sold their home and were renting in the interim before buying new home. They also noted that lots of people moving from London were renting.

9.75 Rental lengths were typically for a couple of years and the agents noted that people are tending to rent for longer at the moment, unless they have to move.

9.76 The agents stated that in general there were no issues with the quality of rental stock in the district. They noted that landlords were good and that the majority of properties were good or fair.

9.77 A potential for build to rent accommodation was indicated although at present neither agent had had much experience dealing with it.

Private rental market in Wealden– key messages

- The PRS in the district makes up approximately 11.1% of all housing, a lower level than the County, Regional and national figures.
- Renting in Wealden is relatively more expensive compared to both East Sussex and England as whole but only slightly more expensive than the South East region. Furthermore, rental price growth over the last five years has been higher than all but the South East average.
- Consultation with letting agents suggest that the rental market in Wealden is buoyant with high levels of demand and this has not been negatively affected by the onset of Covid-19. However, Covid-19 has seen a decline in demand for flats. This has been supported by greater numbers migrating from London.
- Young people and divorcees make up a significant proportion of the rental market, many of whom cannot get on the property ladder. Suggesting that demand is focused on smaller homes.
- However, levels of private renting amongst young people in Wealden are lower than the national and regional average. It can be seen that there are a particularly high proportion of younger people renting in the North West Sussex and Sevenoaks and Tunbridge Wells HMA Sub-Areas.
- Our high level analysis suggests that there could be some level of interest in BTR products in the district based on the income gap between renting and buying and the age profile of the BTR target market. However, there is not any major urban centres in the district and thus far institutional investment for this type of product has been focused on urban centres. However, it is difficult to be precise about the demand for this product in Wealden as the market is still embryonic.

10. FAMILY HOUSEHOLDS AND THE APPROPRIATE MIX OF HOUSING

Introduction

10.1 This section considers the appropriate mix of housing across the study area, with a particular focus on the sizes of homes required in different tenure groups. This section looks at a range of statistics in relation to families (generally described as households with dependent children) before moving on to look at how the numbers are projected to change moving forward. The analysis considers the mix of housing across the whole of Wealden (covering all household groups and tenures); before providing some commentary about how this might vary across different HMA Sub-areas.

Background data

10.2 The number of families in the District (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 16,900 as of the 2011 Census, accounting for 27% of households. This proportion is slightly lower than seen across the region and nationally (but above the County average). The proportion of lone parent households is notably lower than seen in other locations.

Table 10.1 Households with dependent children (2011)

		Married couple with dependent children	Cohabiting couple with dependent children	Lone parent with dependent children	Other households with dependent children	Households with no dependent children	Total	Total with dependent children
Wealden	No.	10,451	2,212	3,179	1,093	45,741	62,676	16,935
	%	16.7%	3.5%	5.1%	1.7%	73.0%	100.0%	27.0%
East Sussex	%	13.5%	3.9%	6.2%	1.9%	74.6%	100.0%	25.4%
South East	%	17.1%	3.9%	6.1%	2.3%	70.6%	100.0%	29.4%
England	%	15.3%	4.0%	7.1%	2.6%	70.9%	100.0%	29.1%

Source: Census (2011)

10.3 The table below shows the same information for HMA Sub-areas. The analysis shows relatively few family households in the Eastbourne HMA Sub-area (as well as the National Park area) and a higher proportion in most other areas (up to 29% in a number of locations).

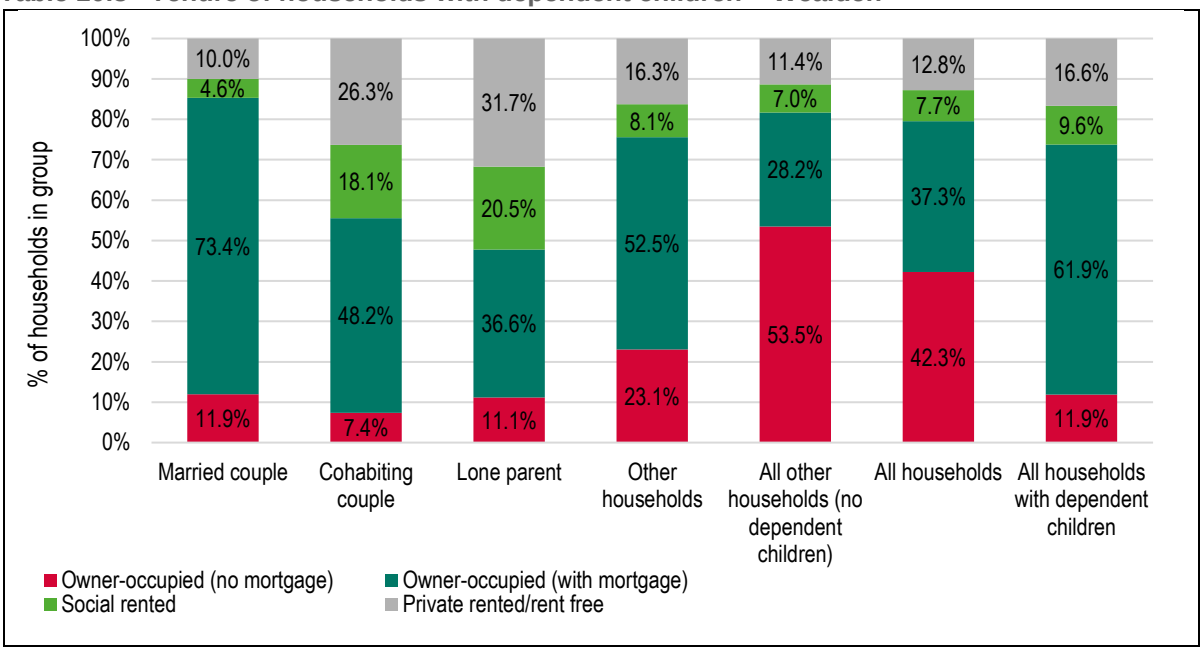
Table 10.2 Households with dependent children (2011)

	Married couple with dependent children	Cohabiting couple with dependent children	Lone parent with dependent children	Other households with dependent children	Households with no dependent children	Total	Total with dependent children
Eastbourne	14.1%	3.5%	5.3%	1.6%	75.4%	100.0%	24.6%
Sevenoaks & Tunbridge Wells	18.7%	3.4%	4.8%	1.7%	71.3%	100.0%	28.7%
Coastal West Sussex	18.2%	3.7%	4.9%	1.9%	71.3%	100.0%	28.7%
Northern West Sussex	18.0%	3.5%	5.7%	2.0%	70.8%	100.0%	29.2%
Hastings & Rother	16.5%	3.4%	4.9%	2.0%	73.1%	100.0%	26.9%
TOTAL	16.7%	3.5%	5.1%	1.7%	73.0%	100.0%	27.0%
SDNP	11.1%	2.4%	2.9%	1.3%	82.3%	100.0%	17.7%

Source: Census (2011)

10.4 The figure below shows the current tenure of households with dependent children. There are some considerable differences by household type with lone parents having a very high proportion living in the social rented sector and also in private rented accommodation. Only 48% of lone parent households are owner-occupiers compared with 85% of married couples with children.

Table 10.3 Tenure of households with dependent children – Wealden



Source: Census (2011)

10.5 Household projections have been developed, linked to the Standard Method (1,225 dwellings per annum in the 2019-39 period) to estimate growth in family households over the period. The profile of these is set out in the table below; and shows a notable projected increase in the number of households with dependent children – increasing by 24% (about 4,200 households) over the projection period. This level of increase is however lower than the projected change for other households (i.e. those without dependent children) – projected increase of 38% over the period studied.

Table 10.4 Projected Change in Family Households in Wealden, 2019-39

	2019	2039	Change in households	% change
Households with one dependent child	7,754	9,077	1,322	17.1%
Households with two dependent children	7,135	9,077	1,942	27.2%
Households with three dependent children	2,590	3,493	903	34.9%
All other households with no dependent children	51,324	70,943	19,619	38.2%
Total Households	68,803	92,589	23,787	34.6%
Total households with dependent children	17,479	21,647	4,168	23.8%

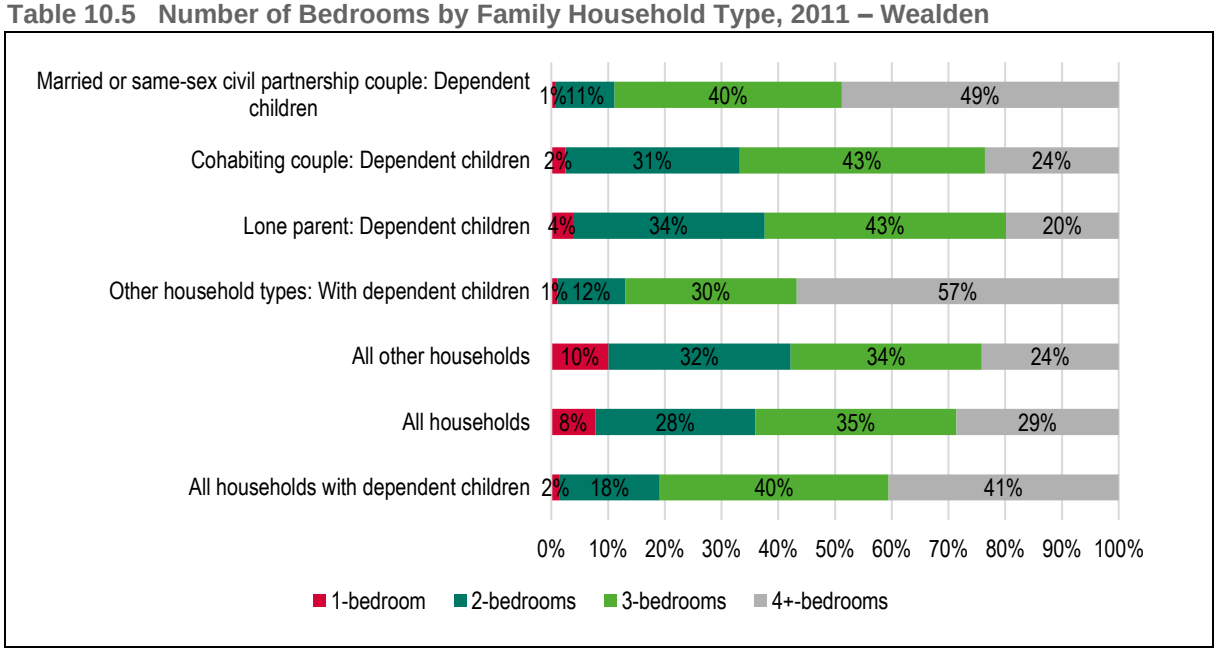
Source: Demographic Projections

10.6 The level of growth in family households does not automatically translate into an equivalent need for family-sized accommodation, not least as many older households will continue to live in family-sized properties that offer space for friends and relatives to come and stay.

10.7 The figure below shows the number of bedrooms for family households at the point of the 2011 Census. The analysis shows the differences between married, cohabiting and lone parent families. Across the

District, the tendency is for family households to occupy 3+-bedroom housing with varying degrees of 2-bedroom properties depending on the household composition. The data also, unsurprisingly, highlights the small level of 1-bed stock occupied by families across the board. As a result, we could expect continued demand for 3+-bedroom homes; although, given the affordable housing need profile, a greater balance of homes of medium sized properties should also be factored into the recommendations.

Table 10.5 Number of Bedrooms by Family Household Type, 2011 – Wealden



Source: 2011 Census

10.8 Delivery of family sized housing remains a requirement in both urban and rural locations of the District. This includes providing family housing in the widest possible choice and mix of housing locations including town centres, and through the sustainable expansion of rural and smaller settlements (particularly helping to support economic and social vitality).

10.9 It is important to deliver a range of housing sizes and to actively promote this through appropriate planning policies and consideration of the operation of the market. There may still be limitations as to the affordability of larger properties in the context of continued growth in sales prices evident across the District in recent years.

The Mix of Housing

10.10 A model has been developed that starts with the current profile of housing in terms of size (bedrooms) and tenure. Within the data, information is available about the age of households and the typical sizes of homes they occupy. By using demographic projections linked to the local housing need calculated though the standard method, it is possible to see which age groups are expected to change in number, and by how much.

10.11 On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is possible to assess the profile of housing needed over the assessment period to 2039 (from 2019).

10.12 An important starting point is to understand the current balance of housing in the area. The table below shows the profiles the sizes of homes in different tenure groups. In the owner-occupied sector the analysis shows a profile of larger dwellings, with 34% of all homes having 4+-bedrooms. In the social rented sector, the analysis shows a fairly balanced stock profile in comparison with other areas (i.e. a similar size mix), whilst the private rented sector also looks to be fairly balanced (although there is a

slightly lower than average proportion of homes with 1-bedroom). Observations about the current mix feed into conclusions about future mix later in this section.

Table 10.6 Number of Bedrooms by Tenure, 2011

		Wealden	East Sussex	South East	England
Owner-occupied	1-bedroom	4%	5%	5%	4%
	2-bedrooms	26%	28%	22%	23%
	3-bedrooms	37%	40%	44%	48%
	4+-bedrooms	34%	27%	30%	25%
	Total	100%	100%	100%	100%
Social rented	1-bedroom	33%	35%	32%	31%
	2-bedrooms	34%	32%	33%	34%
	3-bedrooms	30%	29%	31%	31%
	4+-bedrooms	3%	3%	4%	4%
	Total	100%	100%	100%	100%
Private rented	1-bedroom	18%	28%	24%	23%
	2-bedrooms	41%	40%	37%	39%
	3-bedrooms	29%	24%	27%	28%
	4+-bedrooms	12%	8%	12%	10%
	Total	100%	100%	100%	100%

Source: 2011 Census

Overview of Methodology

10.13 The method to consider future housing mix looks at the ages of the Household Reference Persons and how these are projected to change over time. The sub-sections to follow describe some of the key analysis.

Understanding how Households Occupy Homes

10.14 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.

10.15 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it, and hence projecting an increase in single person households does not automatically translate into a need for smaller units.

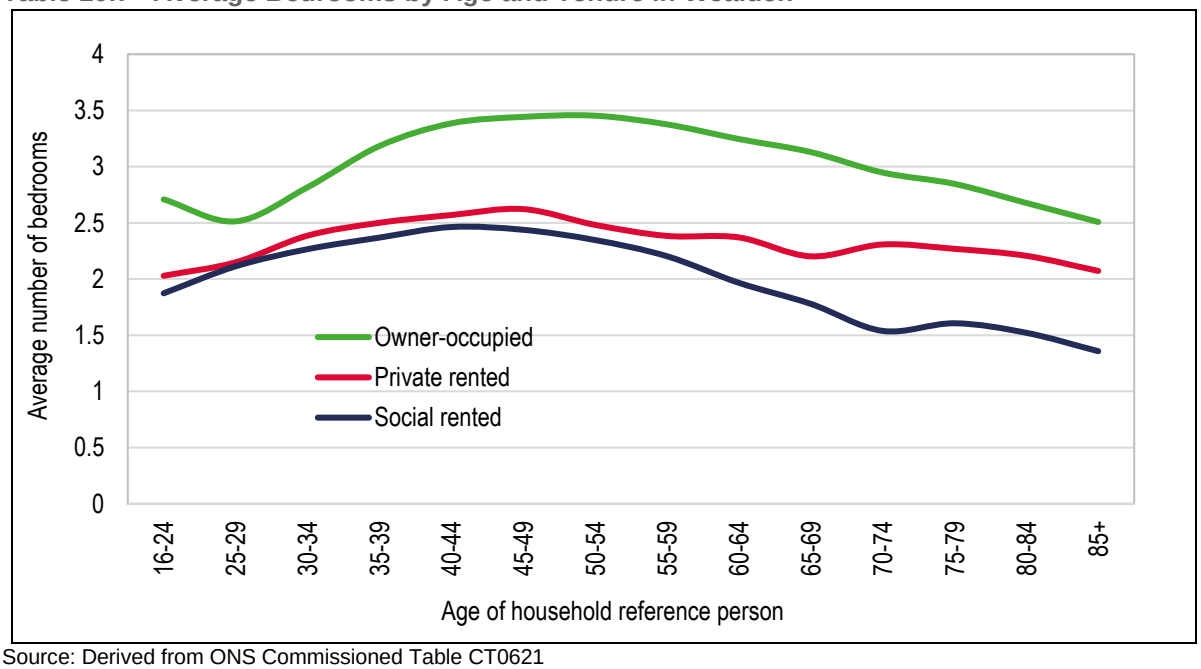
10.16 That said, issues of supply can also impact occupancy patterns, for example it may be that a supply of additional smaller bungalows (say 2-bedrooms) would encourage older people to downsize but in the absence of such accommodation these households remain living in their larger accommodation.

10.17 The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) where households are allocated properties which reflect the size of the household, although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing (e.g. those who can afford to pay the spare room subsidy (‘bedroom tax’)).

10.18 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing within these groups. The data for this analysis has been formed from a commissioned table by ONS (Table CT0621 which provides relevant data for all local authorities in England and Wales from the 2011 Census).

10.19 The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for Wealden. In the owner-occupied sector, the average size of accommodation rises over time to typically reach a peak around the age of 50; a similar pattern (but with smaller dwelling sizes) is seen in both the social and private rented sector. After peaking, the average dwelling size decreases – as typically some households downsize as they get older.

Table 10.7 Average Bedrooms by Age and Tenure in Wealden



Source: Derived from ONS Commissioned Table CT0621

10.20 Replicating the existing occupancy patterns at a local level would however result in the conclusions being skewed by the existing housing profile – this is particularly the case in the owner-occupied and to a lesser extent the social rented sector. On this basis, a further model has been developed that applies regional occupancy assumptions for the South East region. Assumptions are applied to the projected changes in Household Reference Person by age discussed below.

10.21 The analysis has been used to derive outputs for three broad categories. These are:

- **market housing** – which is taken to follow the occupancy profiles in the owner-occupied sector;
- **affordable home ownership** – which is taken to follow the occupancy profile in the private rented sector (this is seen as reasonable as the Government's desired growth in home ownership looks to be largely driven by a wish to see households move out of private renting); and
- **rented affordable housing** – which is taken to follow the occupancy profile in the social rented sector. The affordable sector in the analysis to follow would include social and affordable rented housing.

Changes to Households by Age

10.22 The table below presents the projected change in households by age of household reference person. This clearly shows particularly strong growth as being expected in older age groups (and to some extent

some younger age groups e.g. those aged up to 44). Households headed by someone aged 50-54 are projected to see only a very modest increase in household numbers.

Table 10.8 Projected Change in Household by Age of HRP in Wealden

	2019	2039	Change in Households	% Change
16-24	1,006	1,474	469	46.6%
25-29	2,067	3,150	1,083	52.4%
30-34	3,034	4,423	1,389	45.8%
35-39	4,030	5,175	1,145	28.4%
40-44	4,416	6,187	1,771	40.1%
45-49	6,244	7,044	800	12.8%
50-54	7,470	7,590	120	1.6%
55-59	7,301	7,868	567	7.8%
60-64	6,363	7,303	939	14.8%
65-69	5,609	7,840	2,231	39.8%
70-74	7,160	9,540	2,380	33.2%
75-79	5,465	9,108	3,643	66.7%
80-84	4,343	7,524	3,181	73.3%
85 & over	4,294	8,362	4,068	94.7%
Total	68,803	92,589	23,787	34.6%

Source: Demographic Projections

Modelled Outputs

10.23 By following the methodology set out above and drawing on the sources shown, a series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures at a local authority level. Two tables are provided, considering both local and regional occupancy patterns. The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context.

10.24 The analysis for rented affordable housing can also draw on data from the local authority Housing Register with regards to the profile of need. The data has been taken from the Local Authority Housing Statistics ("LAHS") and shows a pattern of need which is focussed on 1- and 2-bedroom homes but also showing over a fifth of those registered as requiring 3+- bedroom homes (including 4% in the 4+-bedroom category).

Table 10.9 Size of Social/Affordable Rented Housing – Housing Register Information – Wealden

	Number of households	% of households
1-bedroom	395	50%
2-bedrooms	234	29%
3-bedrooms	134	17%
4+-bedrooms	33	4%
Total	796	100%

Source: Local Authority Housing Statistics, 2019

10.25 The tables below show that for most tenures the modelled outputs of need are similar regardless of the choice of modelling assumptions. The key difference looks to be for affordable housing (rented) where using local occupancy shows higher need for 1-bedroom homes (and lower needs for 2-bedroom homes). A further table below combines the outputs from the two models. This data is used, along with additional analysis below to draw conclusions about a suitable mix of housing for the District.

Table 10.10 Modelled Mix of Housing by Size and Tenure in Wealden (linked to local occupancy patterns)

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	34%	36%	25%
Affordable home ownership	19%	42%	28%	10%
Affordable housing (rented)	39%	33%	25%	2%

Sources: Housing Market Model

Table 10.11 Modelled Mix of Housing by Size and Tenure in Wealden (linked to regional occupancy patterns)

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	6%	28%	44%	23%
Affordable home ownership	25%	38%	27%	10%
Affordable housing (rented)	40%	31%	26%	3%

Sources: Housing Market Model

Table 10.12 Modelled Mix of Housing by Size and Tenure in Wealden (combining methodologies)

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	6%	31%	40%	24%
Affordable home ownership	22%	40%	28%	10%
Affordable housing (rented)	40%	32%	26%	3%

Sources: Housing Market Model

Indicative Targets for Different Sizes of Properties by Tenure across Wealden

Social/Affordable Rented Housing

10.26 Bringing together the above, a number of factors are recognised. This includes recognising that it is unlikely that all affordable housing needs will be met and that it is likely that households with a need for larger homes will have greater priority (as they are more likely to contain children). That said, there is also a possible need for 1-bedroom social housing arising due to homelessness (typically, homeless households are more likely to be younger, single people).

10.27 The conclusions also consider the Housing Register, but recognises that this will be based on a strict determination of need using the bedroom standard; there will be some households able to afford a slightly larger home or who can claim benefits for a larger home than they strictly need (i.e. are not caught by the spare room subsidy ('bedroom tax') – this will include older person households).

10.28 In taking account of the modelled outputs, the Housing Register and the discussion above, it is suggested that the following mix of social/affordable rented housing would be appropriate:

- 1-bedroom: 40%
- 2-bedrooms: 30%
- 3-bedrooms: 25%
- 4+-bedrooms: 5%

Affordable Home Ownership

10.29 In the affordable home ownership and market sectors a profile of housing that more closely matches the outputs of the modelling is suggested. It is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households. Based on this analysis, it is suggested that the following mix of affordable home ownership would be appropriate:

- 1-bedroom: 20%
- 2-bedrooms: 40%
- 3-bedrooms: 30%
- 4+-bedrooms: 10%

Market Housing

10.30 Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile (as well as observations about the current mix when compared with other locations). This sees a slightly larger recommended profile compared with other tenure groups. The following mix of market housing is suggested:

- 1-bedroom: 5%
- 2-bedrooms: 30%
- 3-bedrooms: 40%
- 4+-bedrooms: 25%

10.31 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market, it does not necessarily follow that such prescriptive figures should be included in the plan making process (although it will be useful to include an indication of the broad mix to be sought across the District) – demand can change over time linked to macro-economic factors and local supply. Policy aspirations could also influence the mix sought.

10.32 Whilst this report does not suggest that highly prescriptive figures necessarily need to be included within Local Plans, it is the case that the figures can be used as a monitoring tool to ensure that the future delivery of housing is not unbalanced when compared with the likely requirements as driven by demographic change in the area. The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and the Council should expect justification for a housing mix on such sites which significantly differs from that modelled herein. Site location and the character of the area are also relevant considerations to ensure an appropriate mix of market housing on individual development sites.

Smaller-area Housing Mix

10.33 The analysis above has focussed on District-wide needs; given differences between locations it is worth considering the potential mix at a smaller-area level. The table below shows the profile of housing by tenure for the HMA sub-areas in Wealden. The analysis shows a few features, including the high proportion of 4-+bedroom market homes in the Sevenoaks & Tunbridge Wells HMA Sub-area and lower proportions in the Eastbourne HMA Sub-area. Generally, patterns by size for social rented housing are the opposite of the market (i.e. areas with larger market homes tend to have smaller social rented accommodation).

Table 10.13 Number of Bedrooms by Tenure, 2011 – HMA Sub-areas

		East-bourne	Sevenoaks & Tunbridge Wells	Coastal West Sussex	Northern West Sussex	Hastings & Rother	Wealden	SDNP
Owner-occupied	1-bedroom	4%	4%	4%	3%	2%	4%	1%
	2-bedrooms	36%	19%	20%	14%	23%	26%	19%
	3-bedrooms	39%	35%	37%	35%	38%	37%	44%
	4+-bedrooms	22%	43%	39%	48%	37%	34%	36%
	Total	100%	100%	100%	100%	100%	100%	100%
Social rented	1-bedroom	29%	35%	38%	37%	37%	33%	32%
	2-bedrooms	37%	31%	33%	31%	33%	34%	27%
	3-bedrooms	31%	31%	27%	28%	27%	30%	37%
	4+-bedrooms	3%	3%	3%	4%	3%	3%	4%
	Total	100%	100%	100%	100%	100%	100%	100%
Private rented	1-bedroom	16%	22%	17%	19%	8%	18%	16%
	2-bedrooms	45%	38%	40%	32%	38%	41%	43%
	3-bedrooms	30%	26%	32%	34%	41%	29%	31%
	4+-bedrooms	9%	14%	11%	16%	14%	12%	11%
	Total	100%	100%	100%	100%	100%	100%	100%

Source: 2011 Census

10.34 A modelling exercise has then been carried out using the same methodology as for District-wide data (but with some additional assumptions due to data availability) with the tables below showing the estimated mix of housing by tenure in each location.

Market housing

10.35 Focussing on the market sector, and consistent with the analysis of current profiles, the analysis typically shows a need for larger homes outside of the Eastbourne HMA Sub-area. However, it is not considered clear-cut that these are sufficient to suggest a different mix of housing at a HMA Sub-area level. If developments were provided in-line with the suggested mix in this report (District-wide), then over time there would be some degree of balancing the stock across areas, whilst still recognising the general role and function of different locations.

Table 10.14 Modelled size requirement by HMA Sub-area – market housing

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Eastbourne	6%	37%	41%	17%
Sevenoaks & Tunbridge Wells	6%	27%	39%	28%
Coastal West Sussex	5%	28%	40%	27%
Northern West Sussex	5%	24%	39%	32%
Hastings & Rother	4%	29%	40%	26%
District-wide	6%	31%	40%	24%
SDNP	4%	29%	43%	24%

Source: Housing Market Model

Affordable home ownership

10.36 The table below shows estimates of mix for affordable home ownership. There are again differences between locations, although all areas show a particular focus on the need for 2- and 3-bedroom homes in this sector. Again, it is not clear-cut that the data points to the need for a mix of housing which is substantially different locally than would be suggested by the District-wide analysis.

Table 10.15 Modelled size requirement by HMA Sub-area – affordable home ownership

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Eastbourne	22%	43%	27%	8%
Sevenoaks & Tunbridge Wells	24%	38%	26%	12%
Coastal West Sussex	22%	40%	29%	10%
Northern West Sussex	22%	35%	30%	13%
Hastings & Rother	17%	38%	34%	12%
District-wide	22%	40%	28%	10%
SDNP	22%	41%	28%	9%

Source: Housing Market Model

Social/Affordable Rented

10.37 In the social/affordable rented sector, the differences between areas are fairly slight. Within areas there may however be a case for considering different profiles (e.g. young single people without access to a car might be most suited to living in towns and therefore see a higher need for 1-bedroom homes). However, overall, it is considered that broadly the same mix could be applied across the District (in line with the District-wide mix previously suggested).

10.38 Regarding the need for social/affordable rented housing, it should be noted that the analysis above for HMA Sub-areas does not take account of any information from the Housing Register. It is possible at any point in time that the register will be able to provide additional data about a suitable mix of rented housing and this should be considered at the relevant time for any specific applications.

Table 10.16 Modelled size requirement by HMA Sub-area – social/affordable rented

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Eastbourne	38%	33%	26%	2%
Sevenoaks & Tunbridge Wells	41%	30%	26%	3%
Coastal West Sussex	40%	32%	25%	3%
Northern West Sussex	40%	30%	26%	3%
Hastings & Rother	42%	31%	25%	3%
District-wide	40%	32%	26%	3%
SDNP	45%	26%	26%	3%

Source: Housing Market Model

HMA Sub-area conclusions

10.39 Overall, the analysis does not suggest that a substantially different mix should be proposed for smaller areas although there may be a case on a site-by-site basis, or at a specific point in time for some minor adjustments. This is summarised below:

a) Whilst there are differences in the stock profile in different locations this should not necessarily be seen as indicating particular surpluses or shortfalls of particular types and sizes of homes;

b) As well as looking at the stock, an understanding of the role and function of areas is important. For example, higher priced rural areas are typically sought by wealthier families and therefore such areas would be expected to provide a greater proportion of larger homes;

c) That said, some of these areas will have very few smaller/cheaper stock and so consideration needs to be given to diversifying the stock;

d) The location/quality of sites will also have an impact on the mix of housing. For example, brownfield sites in the centre of towns may be more suited to flatted development (as well as recognising the point above about role and function) whereas a rural site on the edge of an existing village may be more appropriate for family housing. Other considerations (such as proximity to public transport) may impact on a reasonable mix at a local level;

e) Overall, it is suggested that Council should broadly seek the same mix of housing in all locations but would be flexible to a different mix where specific local characteristics suggest. The Council should also monitor what is being built to ensure that a reasonable mix is provided in a settlement overall. For example, if a recent housing site has provided nothing but 4+-bedroom 'executive' homes, then it could be expected that the next site to come along might provide a mix which includes more homes for younger/smaller family households and childless couples.

f) Additionally, in the affordable sector it may be the case that Housing Register data for a smaller area identifies a shortage of housing of a particular size/type which could lead to the mix of housing being altered from the overall suggested requirement.

Built-form

10.40 A final issue is a discussion of the need/demand for different built-forms of homes. In particular, this discussion focusses on bungalows and the need for flats vs. houses.

Bungalows

10.41 The sources used for analysis in this report make it difficult to quantify a need/demand for bungalows in the District as Census data (which is used to look at occupancy profiles) does not separately identify this type of accommodation. Data from the Valuation Office Agency (VOA) does however provide estimates of the number of bungalows (by bedrooms) although no tenure split is available.

10.42 The table below shows a notable proportion of homes in Wealden are bungalows (18% of all dwellings) with over half of these having 2-bedrooms (and most of the rest 3-bedrooms); a lower proportion (9%) of homes across England are bungalows.

Table 10.17 Number of dwellings by property type and number of bedrooms (March 2020)

	Number of bedrooms					All
	1	2	3	4+	Not Known	
Bungalow	550	7,400	3,330	880	30	12,190
Flat/Maisonette	4,070	3,770	420	90	60	8,400
Terraced house	320	3,830	4,930	660	20	9,760
Semi-detached house	100	3,470	9,630	1,960	40	15,190
Detached house	50	1,220	7,310	13,230	120	21,920
All flats/houses	5,090	19,690	25,620	16,820	270	67,460
Annexe	-	-	-	-	-	590
Other	-	-	-	-	-	1,120
Unknown	-	-	-	-	-	1,230
All properties	-	-	-	-	-	70,400

Source: Valuation Office Agency

10.43 In general, discussions with local estate agents (discussions nationally) find that there is a demand for bungalows and in addition, analysis of survey data (in other locations) points to a high demand for bungalows (from people aged 65 and over in particular).

10.44 Bungalows are often the first choice for older people seeking suitable accommodation in later life and there is generally a high demand for such accommodation when it becomes available (this is different from specialist accommodation for older people which would have some degree of care or support).

10.45 As a new build option, bungalows are often not supported by either house builders or planners (due to potential plot sizes and their generally low densities). There may, however, be instances where bungalows are the most suitable house type for a particular site; for example, to overcome objections about dwellings overlooking existing dwellings or preserving sight lines.

10.46 There is also the possibility of a wider need/demand for retirement accommodation. Retirement apartments can prove very popular if they are well located in terms of access to facilities and services, and environmentally attractive (e.g. have a good view). However, some potential purchasers may find high service charges unacceptable or unaffordable and new build units may not retain their value on re-sale.

10.47 Overall, the Council should consider the potential role of bungalows as part of the future mix of housing. Such housing may be particularly attractive to older owner-occupiers (many of whom are equity-rich) which may assist in encouraging households to downsize. However, the downside to providing bungalows is that they are relatively land intensive.

10.48 Bungalows are likely to see a particular need and demand in the market sector and also for rented affordable housing (for older people as discussed in the next section of the report). Bungalows are likely to particularly focus on 2-bedroom homes, including in the affordable sector where such housing may encourage households to move from larger ‘family-sized’ accommodation (with 3+-bedrooms).

Flats vs. Houses

10.49 Although there are some 1-bedroom houses and 3-bedroom flats, it is considered that the key discussion on built-form will be for 2-bedroom accommodation, where it might be expected that there would be a combination of both flats and houses. At a national level, 81% of all 1-bedroom homes, 35% of 2-bedroom homes and just 4% of homes with 3-bedrooms are flats.

10.50 The table below shows (for 2-bedroom accommodation) the proportion of homes by tenure that are classified as a flat, maisonette or apartment in both Wealden and England. This shows a relatively low proportion of flats in Wealden (just 17% of all 2-bedroom homes) and this would point to the majority of

2-bedroom homes in the future also being houses. The analysis does however show a higher proportion of flats in the social sector (two-fifths of 2-bedroom homes are flats).

Table 10.18 Proportion of 2-bedroom homes that are a flat, maisonette or apartment (by tenure)

	Wealden	England
Owner-occupied	10%	21%
Social rented	40%	48%
Private rented	32%	50%
All (2-bedroom)	17%	35%

Source: 2011 Census

10.51 As noted, this analysis would suggest that most 2-bedroom homes should be built as houses (or bungalows) rather than flats. However, any decisions will still have to take account of site characteristics, which in some cases might point towards flatted development as being most appropriate. The analysis would suggest that the affordable sector might be expected to see a higher proportion of flats than for market housing, although it is still the case that houses are likely to make up the majority of the need in this sector.

Family Households and the Appropriate Mix of Housing: Key Messages

- The proportion of households with dependent children is slightly below the regional and national average (but above the County average). There is expected to be an increase in the number of households with dependent children – increasing by 24% (4,200 more households) over the 2019-39 period when linking to a housing need of 1,225 dwellings per annum.

- There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to long-term (20-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population:

Suggested Mix of Housing by Size and Tenure

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	30%	40%	25%
Affordable home ownership	20%	40%	30%	10%
Affordable housing (rented)	40%	30%	25%	5%

- The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bed properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing in the District (by tenure) and also the size requirements shown on the Housing Register.

- The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas, Registered Providers find difficulties selling 1-bedroom affordable home ownership homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to current evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.

- Based on the evidence, it is expected that the focus of new market housing provision will be on 2- and 3-bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2- and 3-beds) from older households downsizing and looking to release equity in existing homes, but still retaining flexibility for friends and family to come and stay.

- Analysis also considered the mix of housing at a smaller-area level. Whilst there were some differences between areas, it is not considered that they are substantial enough to suggest a notably different mix of housing as being needed in different areas. That said, the mix on any specific site could be influenced by site characteristics, and also any localised evidence of need, such as that from the modelling in this report or information drawn from the Housing Register.

11. THE NEEDS OF OLDER PEOPLE AND PEOPLE WITH DISABILITIES

Introduction

11.1 This section studies the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. It responds to Planning Practice Guidance on *Housing for Older and Disabled People* published by Government in June 2019. It includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

Understanding the Implications of Demographic Changes

11.2 The population of older persons is increasing, driven by demographic changes including increasing life expectancy. This is a key driver of the need for housing which is capable of meeting the needs of older persons.

Current Population of Older People

11.3 The tables below provide baseline population data about older persons in the District and compares this with other areas. The population data has been taken from the published 2019 ONS mid-year population estimates (MYE). The first table shows that Wealden has a relatively old age structure (older people for the purposes of this report generally considered to be people aged 65 and over), with 26.1% of the population being aged 65 and over in 2019. This compares with 19.5% regionally and 18.4% nationally.

Table 11.1 Older Persons Population, 2019

	Wealden	East Sussex	South East	England
Under 65	73.9%	74.1%	80.5%	81.6%
65-74	13.8%	13.5%	10.3%	9.9%
75-84	8.6%	8.4%	6.4%	6.0%
85+	3.7%	4.0%	2.8%	2.5%
Total	100.0%	100.0%	100.0%	100.0%
Total 65+	26.1%	25.9%	19.5%	18.4%
Total 75+	12.3%	12.4%	9.2%	8.5%

Source: ONS Mid-Year Population Estimates

11.4 The table below shows the same information for HMA Sub-areas, this shows only small variations in the proportion of people aged 65 and over (other than in the National Park area where some 39% of people are aged 65 and over). The Eastbourne HMA Sub-area does have a relatively high proportion of people aged 75 and over.

Table 11.2 Older Persons Population, 2019 – HMA Sub-areas

	Under 65	65-74	75-84	85+	Total	Total 65+	Total 75+
Eastbourne	72.6%	13.9%	9.3%	4.2%	100.0%	27.4%	13.5%
Sevenoaks & Tunbridge Wells	74.2%	13.6%	8.4%	3.8%	100.0%	25.8%	12.1%
Coastal West Sussex	75.5%	13.9%	7.7%	2.9%	100.0%	24.5%	10.6%
Northern West Sussex	75.7%	13.4%	7.9%	3.0%	100.0%	24.3%	10.8%
Hastings & Rother	73.2%	16.3%	8.1%	2.4%	100.0%	26.8%	10.5%
TOTAL	73.9%	13.8%	8.6%	3.7%	100.0%	26.1%	12.3%
SDNP	61.2%	20.4%	12.1%	6.3%	100.0%	38.8%	18.4%

Source: ONS Mid-Year Population Estimates

Projected Future Change in the Population of Older People

11.5 Population projections can next be used to provide an indication of how the numbers of older persons might change in the future compared with other areas.

11.6 Wealden is projected to see a notable increase in the older person population, with the total number of people aged 65 and over projected to increase by 56% over the 20-years to 2039. This compares with overall population growth of 28% and an increase in the under 65 population of 18%.

11.7 In total population terms, the projections show an increase in the population aged 65 and over of 23,400 people. This is against a backdrop of an overall increase of 45,200 – population growth of people aged 65 and over therefore accounts for 52% of the total projected population change.

Table 11.3 Projected Change in Population of Older Persons, 2019 to 2039 – Wealden (based on delivery of 1,225 dwellings per annum)

	2019	2039	Change in population	% change
Under 65	119,318	141,123	21,805	18.3%
65-74	22,289	30,583	8,294	37.2%
75-84	13,893	23,453	9,560	68.8%
85+	5,975	11,521	5,546	92.8%
Total	161,475	206,680	45,205	28.0%
Total 65+	42,157	65,557	23,400	55.5%
Total 75+	19,868	34,974	15,106	76.0%

Source: Demographic Projections

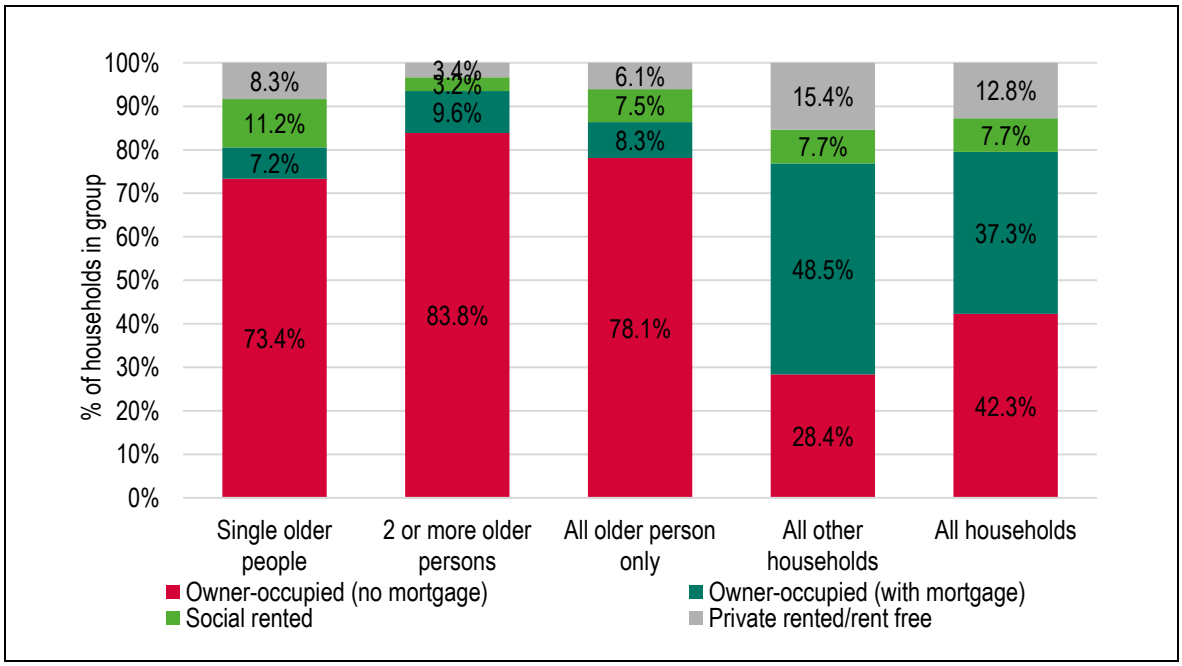
Characteristics of Older Person Households

11.8 The tenures in which older persons currently live provides a useful indication of the potential tenure profile of demand for new-build development.

11.9 The figure below shows the tenure of older person households. The data has been split between single older person households and those with two or more older people (which will largely be couples). The data shows that the majority of older persons households (86%) are owner occupiers, and indeed 78% are owner occupiers with no mortgage and thus may have significant equity which can be put towards the purchase of a new home. Some 8% of older persons households across the study area live in the social rented sector. The proportion of older person households living in the private rented sector is also relatively low (about 6%).

11.10 There are also notable differences for different types of older person households with single older people having a much lower level of owner-occupation than larger older person households – this group also has a much higher proportion living in the social rented sector.

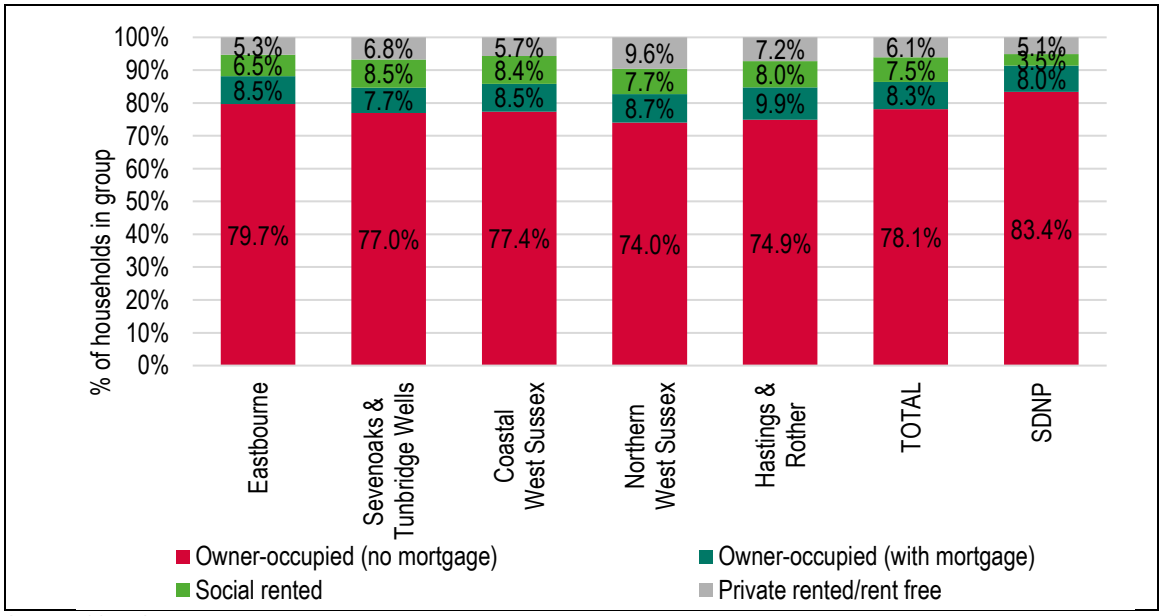
Table 11.4 Tenure of Older Persons Households in Wealden, 2011



Source: 2011 Census

11.11 The figure below shows the same information for HMA Sub-areas – the data is provided for all older person households. The data shows that the tenure profile of older person households is similar across much of the study area; the main notable difference is the high level of owner-occupation amongst older people in the National Park area.

Figure 6.2: Tenure of Older Persons Households in Wealden, 2011



Source: 2011 Census

Prevalence of Disabilities

11.12 The table below shows the proportion of people with a long-term health problem or disability (LTHPD) drawn from 2011 Census data, and the proportion of households where at least one person has a LTHPD. The data suggests that some 32% of households contain someone with a LTHPD. This figure is lower than seen across the County, but above the regional average (and also broadly in-line with the national average). The figures for the population with a LTHPD again show a similar pattern in comparison with other areas (an estimated 18% of the population of the District having a LTHPD).

Table 11.5 Households and People with a Long-Term Health Problem or Disability, 2011

	Households Containing Someone with a Health Problem		Population with a Health Problem	
	No.	%	No.	%
Wealden	19,967	31.9%	26,062	17.5%
East Sussex	81,480	35.1%	107,145	20.3%
South East	1,048,887	29.5%	1,356,204	15.7%
England	7,217,905	32.7%	9,352,586	17.6%

Source: 2011 Census

11.13 The analysis also shows some differences between different parts of the study area, with the Eastbourne HMA Sub-area seeing a higher proportion of the population and households with a LTHPD.

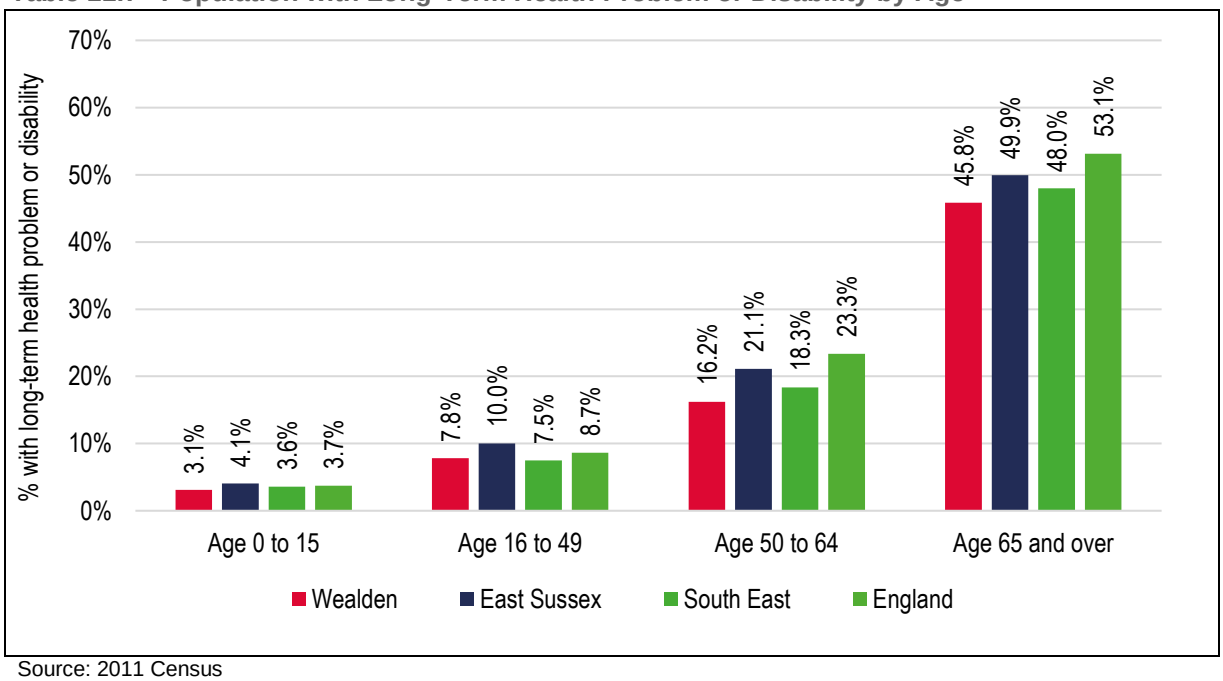
Table 11.6 Households and People with a Long-Term Health Problem or Disability, 2011 – HMA Sub-areas

	Households Containing Someone with a Health Problem		Population with a Health Problem	
	No.	%	No.	%
Eastbourne	9,395	37.1%	12,294	21.3%
Sevenoaks & Tunbridge Wells	5,946	28.3%	7,733	15.1%
Coastal West Sussex	3,381	28.6%	4,373	15.3%
Northern West Sussex	932	26.3%	1,263	14.2%
Hastings & Rother	313	31.5%	399	16.3%
TOTAL	19,967	31.9%	26,062	17.5%
SDNP	482	31.6%	638	19.6%

Source: 2011 Census

11.14 It is likely that the age profile will impact upon the numbers of people with a LTHPD, as older people tend to be more likely to have a LTHPD. The figure below shows the age bands of people with a LTHPD. It is clear from this analysis that those people in the oldest age bands are more likely to have a LTHPD. The analysis also lower levels of LTHPD in each age band within Wealden when compared with other areas. This analysis suggests that the overall proportions of people/households with a LTHPD in Wealden is driven by the local age structure (older age structure) rather than specific groups having higher than average levels of disability.

Table 11.7 Population with Long-Term Health Problem or Disability by Age

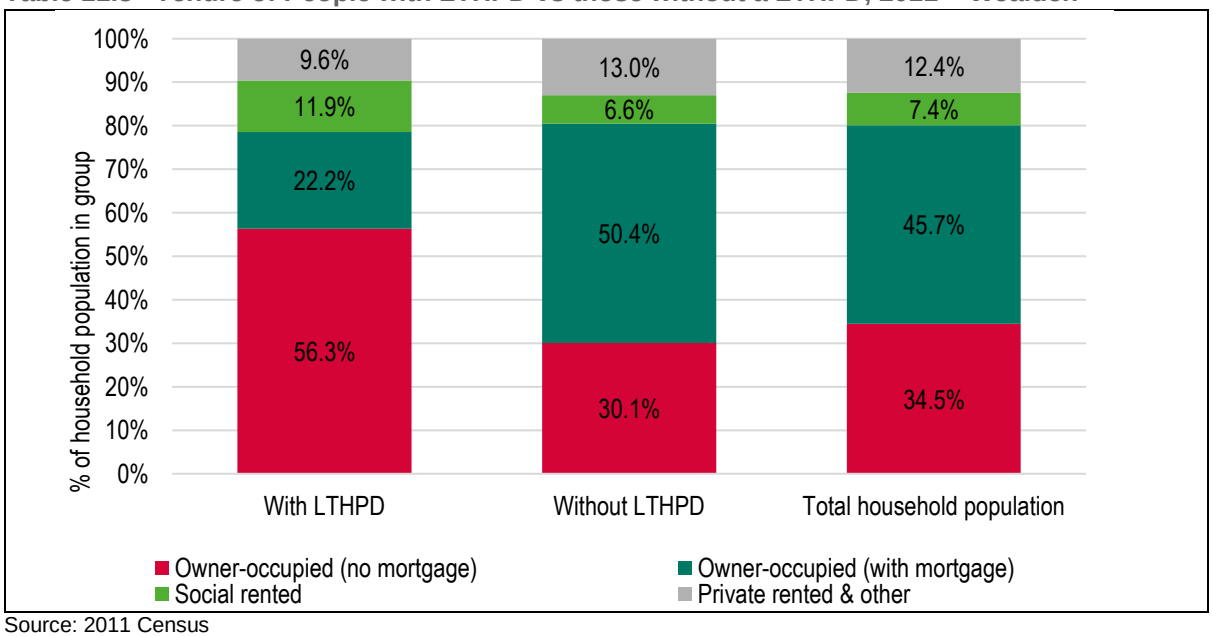


Source: 2011 Census

11.15 The figure below shows the tenures of people with a LTHPD – it should be noted that the data is for 'population living in households' rather than 'households'. The analysis clearly shows that people with a LTHPD are more likely to live in social rented housing or are also more likely to be outright owners (this will be linked to the age profile of the population with a disability).

11.16 Given that typically the lowest incomes are found in the social rented sector, and to a lesser extent for outright owners (many of whom are retired), the analysis would suggest that the population/households with a disability are likely to be relatively disadvantaged when compared to the rest of the population in terms of income levels and therefore the ability to afford goods and services (as well as to access the housing market in many instances).

Table 11.8 Tenure of People with LTHPD vs those without a LTHPD, 2011 – Wealden



Source: 2011 Census

11.17 In addition, data taken from the same source as above suggests that 27% of all people living in the social rented sector have a LTHPD, compared with 16% of people in other tenures.

Health Related Population Projections

11.18 The incidence of a range of health conditions is an important component in understanding the potential need for care or support for a growing older population.

11.19 The analysis undertaken covers both younger and older age groups and draws on prevalence rates from the PANSI (Projecting Adult Needs and Service Information) and POPPI (Projecting Older People Population Information) websites. Adjustments have been made to take account of the age specific health/disabilities previously shown. In all cases, the analysis links to estimates of population growth based on the Standard Method (2019-39).

11.20 Of particular note are the large increases in the number of older people with dementia (increasing by 75% from 2019 to 2039) and mobility problems (66% increase over the same period). Changes for younger age groups are smaller, reflecting the fact that projections are expecting older age groups to see the greatest proportional increases in population. When related back to the total projected change to the population, the increase of 4,500 people with a mobility problem represents 10% of the total projected population growth.

11.21 It should be noted that there will be an overlap between categories (i.e. some people will have both dementia and mobility problems). Hence the numbers for each of the illnesses/disabilities should not be added together to arrive at a total.

Table 11.9 Projected Changes to Wealden Population with a Range of Disabilities

Disability	Age Range	2019	2039	Change	% Change
Dementia	65+	2,594	4,528	1,933	74.5%
Mobility problems	65+	6,778	11,231	4,453	65.7%
Autistic Spectrum Disorders	18-64	706	837	130	18.5%
	65+	336	531	195	57.9%
Learning Disabilities	15-64	1,861	2,207	347	18.6%
	65+	759	1,170	411	54.2%
Challenging behaviour	15-64	35	41	6	18.4%
Impaired mobility	16-64	4,592	5,243	652	14.2%

Source: POPPI/PANSI and Demographic Projections

11.22 Invariably, there will be a combination of those with disabilities and long-term health problems that continue to live at home with family, those who chose to live independently with the possibility of incorporating adaptations into their homes and those who choose to move into supported housing.

11.23 The projected change shown in the number of people with disabilities provides clear evidence justifying delivering 'accessible and adaptable' homes as defined in Part M4(2) of Building Regulations, subject to viability and site suitability. The Council should ensure that the viability of doing so is also tested as part of drawing together its evidence base although the cost of meeting this standard is unlikely to have any significant impact on viability and would potentially provide a greater number of homes that will allow households to remain in the same property for longer.

11.24 The PPG for Housing for Older and Disabled People [63-006] refers only to specialist housing for older people; however, clearly the local authority should support specialist housing schemes for younger adults which come forward across the plan area.

11.25 The analysis suggests that there is likely to be some increase in the number of younger people (generally those aged 16/18 to 64) with a disability across the study area. There are a range of disabilities that are likely to require some degree of support, or potentially some form of specialised housing solution.

11.26 This report does not seek to be specific about the exact number of units that need to be provided for different groups, nor where such accommodation should be located; it is the case that some types of specialist accommodation might have a wide catchment, and would be suitable for clients from outside of the study area (it is also possible that some people in the area would be placed in accommodation elsewhere).

11.27 The brief discussion below therefore broadly considers the range of options that might be relevant on the basis of the data and draws on a number of studies, reports and websites, including:

- Mencap – Housing for people with a learning disability[19]
- My life my care (information provided to residents of Bournemouth, Christchurch and Poole in Dorset)[20]
- Housing Options for Younger Adults with a Disability (NHS website)[21]

11.28 The Mencap report notes that the majority of people with a learning disability known to local authorities live in one of three types of accommodation: with family and friends (38%), in a registered care home (22%) or in supported accommodation (16%). The majority of people with a learning disability who live with family and friends want greater independence, with around 70% wanting to change their current housing arrangements to achieve this (89% of parents whose son or daughter lives with them want to see greater independence for them). This clearly identifies for this group that there is a potential need for supported accommodation outside of the family home.

11.29 The report does however highlight that there are a number of barriers to achieving independent living, including local budgets, a lack of support, problems finding suitable accommodation for people with complex or multiple needs as well as a general lack of accommodation.

11.30 Whilst the Mencap report does not specifically set out the types of accommodation needed it does recommend developing a national strategy for people with learning difficulties and suggests that local authorities should include specific plans for improving the housing situation of people with a learning disability in local housing strategies – the report notes that the need from this group of people is expected to increase in the future.

11.31 Turning to specific types of accommodation for younger people with a disability, we can consider the information provided by the NHS. The NHS website considers a wider range of needs and sets out 5 broad types of housing that might be made available. The following is taken from the NHS website:

"Teenagers and young adults with special needs or disabilities may want – or need – greater independence as they get older. But they're also likely to have care needs that mean they need alternative housing options. Those care needs may be related to, for example, physical or mental health problems, a learning disability, or drug or alcohol misuse. There are a variety of housing options they may want to consider:

- *buying or renting an adapted property;*
- *sheltered housing schemes for younger people;*
- *supported housing in the community;*
- *supported living services; and*
- *shared lives schemes"*

[19] https://www.mencap.org.uk/sites/default/files/2016-08/2012.108-Housing-report_V7.pdf

[20] https://www.mylifemycare.com/article/6313/Housing-options-for-people-with-a-learning-or-physical-disability

[21] https://www.nhs.uk/conditions/social-care-and-support-guide/care-services-equipment-and-care-homes/moving-to-a-new-home-housing-options/

11.32 This is a wide range of housing options, and there are likely to be different products within each of these categories. Crucially, it is important for any schemes to encourage and enable people to be as independent as reasonably possible and in addition to accommodation, it is likely that some people will need assistance with 'life skills' such as with diet and budgeting as well as tailored care plans in some instances.

11.33 The range of disabilities and client groups under the general banner of 'younger people with disabilities' is quite wide and it is clear that there will not be a one-size fits all. The Council should note the assessment of need in this report and also the range of possible solutions to enable people to live as independently as possible. The Council should also encourage the provision of accommodation where the opportunities arise, as well as keeping information about the options as up-to-date as possible.

11.34 As noted previously, this report does not seek to provide targets for different types of accommodation, although it is clear that additional housing will be required owing to increasing demand. Local authorities should work together to ensure that there is a reasonable supply of suitable accommodation for a wide range of different client groups by encouraging the development of homes which help to meet the growing demand, such as shared living and small group independent living schemes.

Need for Specialist Accommodation for Older Persons

11.35 Given the ageing population and higher levels of disability and health problems amongst older people, there is likely to be an increased requirement for specialist housing options moving forward. The box below shows the different types of older persons housing which are considered.

Definitions of Different Types of Older Persons' Accommodation

Age-restricted general market housing: This type of housing is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens, but does not include support or care services.

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

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

Residential care homes and nursing homes (care bedspaces): These have individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

Source: Planning Practice Guidance [63-010]

11.36 The need for specialist housing for older persons is typically modelled by applying prevalence rates to current and projected population changes and considering the level of existing supply. There is no standard methodology for assessing the housing and care needs of older people. The current and future demand for elderly care is influenced by a host of factors including the balance between demand and supply in any given area and social, political, regulatory and financial issues. Additionally, the extent to which new homes are built to accessible and adaptable standards may over time have an impact on specialist demand (given that older people often want to remain at home rather than move to care) – this will need to be monitored.

11.37 There are a number of 'models' for considering older persons' needs, but they all essentially work in the same way. The model results are however particularly sensitive to the prevalence rates applied, which typically describe the proportion of people aged over 75 who could be expected to live in different forms of specialist housing.

11.38 Whilst there are no definitive rates, the PPG [63-004] notes that *'the future need for specialist* accommodation *for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector, for example SHOP@ for Older People Analysis Tool)'*. The PPG does not specifically mention any other tools and therefore seems to be indicating that SHOP@ would be a good starting point for analysis. Since the PPG was published the Housing Learning and Information Network (Housing LIN) has removed the Shop@ online toolkit although the base rates used for analysis are known and can be used alongside demographic projections to provide an indication of the potential level of additional specialist housing that might be required for older people in the future.

11.39 This report therefore uses the SHOP@ rates as a start point, but it is of interest to briefly set out other sources for comparative purposes. As the table below shows, different sources use different rates, and in some cases do not provide estimates for particular types of housing. Overall, the SHOP@ figures tend to fit in the middle of the range shown.

Table 11.10 Range of suggested baseline prevalence rates (per 1,000 aged over 75) from a number of tools and publications

Type/Rate	SHOP @ (2008)[22]	Housing in Later Life (2012) [23]	2016 Housing LIN Review	HOPSR (2017)[24]
Age-restricted general market housing	-	-	25	55
Retirement living or sheltered housing (housing with support)	125	180	100	153
Extra care housing or housing-with-care (housing with care)	45	65	30-40 ('proactive range')	20
Residential care homes	65	(no figure apart from 6 for dementia)	40	111
Nursing homes (care bedspaces), including dementia	45		45	

Source: Range of sources as identified

11.40 As noted, this report uses the SHOP@ figures as a starting point. However, it is clear that:

- The prevalence rates used should be assessed taking account of an authority's strategy for delivering specialist housing for older people. The degree for instance which the Council want to require extra care housing as an alternative to residential care provision would influence the relative balance of need between these two housing types; and

[22] Based on the More Choice Greater Voice publication of 2008 (https://www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf). It should be noted that although these rates are from 2008, they are the same rates as were being used in the online toolkit when it was taken offline in 2019.

[23] https://www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Toolkit/Housing_in_Later_Life_Toolkit.pdf

[24] https://www4.shu.ac.uk/research/cresr/news/housing-older-people-supply-recommendations-hopsr

- The Housing LIN model has been influenced by existing levels of provision and their view on what future level of provision might be reasonable taking account of how the market is developing, funding availability etc. There is a degree to which the model and assumptions within it may not fully capture the growing recent private sector interest and involvement in the sector.

11.41 The baseline rates applied in this assessment are discussed below – specific local adjustments are considered following the setting of baselines in the bullet points below:

- Age-restricted housing – Housing LIN does not provide rates for this type of housing and it is unclear if new provision is to be expected. For this study, the modelling takes forward overall national prevalence rates to provide some indication of what the need might be (essentially showing the position in Wealden compared with other parts of the county). The baseline rates applied are a need for 25 units per 1,000 population aged 75 and over in the affordable sector and 5 per 1,000 in market housing. No further adjustments have been made to these prevalence rates;
- Housing with Support (retirement/sheltered housing) – Housing LIN suggests a base level of 125 units per 1,000 population aged 75 and over and it is considered that this is a reasonable starting point. Adjustments are made to this figure to reflect local levels of health in the older person population. The suggested tenure split is for 50% of homes to be market housing in more deprived areas and up to 67% in less deprived locations;
- Housing with Care (enhanced sheltered and extra-care housing) – Housing LIN suggests a base level of 45 units per 1,000 population aged 75 and over. It is considered that this level of provision is a reasonable longer-term aim but that this is quite a high figure in the context of current supply (estimated nationally to be around 18 units per 1,000 population aged 75 and over. Therefore, the baseline modelling sets a need figure of 25 units per 1,000 initially, rising to 45 by the end of the projection period. Again, adjustments are made to this figure to reflect local levels of health in the older person population. The tenure split is taken to be the same as for housing with support (again adjusted depending on levels of deprivation); and
- Residential care bedspaces – Housing LIN suggests a base level of 65 units (bedspaces) per 1,000 population aged 75 and over. This figure is considered to be a reasonable starting point. However, given that the analysis seeks to increase the need for extra-care housing it seems reasonable to expect that there might be some reduction in the need for residential care. Therefore, the analysis looks at reducing the need for this accommodation type down to 45 per 1,000 by the end of the projection period. Again, adjustments are made to this figure to reflect local levels of health in the older person population. Residential care bedspaces do not have an associated tenure; and
- Nursing care bedspaces – Housing LIN suggests a base level of 45 units (bedspaces) per 1,000 population aged 75 and over and this is considered reasonable as both a current need estimate and projecting forward. Again, adjustments are made to this figure to reflect local levels of health in the older person population and there is no associated tenure.

11.42 Following the Housing LIN methodology, an initial adjustment has then been made to these rates to reflect the relative health of the local older person population (applied to all groups apart from age-restricted housing). This has been based on Census data about the proportion of people aged 65 and over who have a long-term health problem or disability compared with the England average. In Wealden, the data shows slightly better health in the older person population and so the prevalence rates used have been decreased slightly (by an average of about 14%) – this figure is based on comparing the proportion of people aged 65 and over with a LTHPD in Wealden (45.8%) with the equivalent figure for England (53.1%).

11.43 A second local adjustment has been to estimate a tenure split for the housing with support and housing with care categories. This again draws on suggestions in the Shop@ toolkit which suggests that less deprived local authorities could expect a higher proportion of their specialist housing to be in the market sector. Using 2019 Index of Multiple Deprivation (IMD) data, the analysis suggests Wealden is the 254th most deprived local authority in England (out of 317). This suggests a greater need for market homes for older people in Wealden than would be the case for an authority closer to the middle of the range suggested by the Shop@ toolkit. To be clear this is market housing within the categories described above (e.g. housing with support and housing with care).

11.44 The table below shows estimated needs for different types of housing linked to the population projections. The analysis is separated into the various different types and tenures although it should be recognised that there could be some overlap between categories (i.e. some households might be suited to more than one type of accommodation). Below is a brief summary of the findings:

- Age-restricted – the analysis suggests a potential shortfall of accommodation both currently and by 2039 in both broad tenures.
- Housing with support (sheltered/retirement housing) – the analysis suggests a shortfall in both the market and affordable sectors. By 2039 a total shortfall of 2,169 units is estimated – some 1,420 in the market sector (65% of the total).
- Housing with care (e.g. Extra-care housing) – a total shortfall of 1,088 units is estimated by 2039, of which 66% is in the market sector.
- Residential/nursing care bedspaces – the analysis estimates a total need for an additional 993 bedspaces by 2039 (including a current shortfall of 163).

11.45 Taking the categories of housing with support and housing with care together, the analysis suggests a need for 3,257 dwellings over the 2019-39 period (163 per annum) – this figure represents around 13% of the total housing need shown by demographic projections linking to the Standard Method (1,225 dwellings per annum).

11.46 Where market housing is shown in the table below, it is considered that this could include an element of leasehold shared ownership – this would particularly help older owner-occupiers who have lower levels of equity. The analysis in this report does not attempt to estimate the need for shared ownership and the exact proportions of the market housing delivered as shared ownership will depend on a number of factors (including viability). At a national level, less than 5% of all market housing with care is of a shared ownership tenure and it is considered that the Council might consider a higher figure than this (say 10%) where opportunities arise.

Table 11.11 Specialist Housing Need using adjusted SHOP@ Assumptions, 2019-39 – Wealden

		Housing demand per 1,000 75+		Current supply	Current demand	Current shortfall/ surplus (-ve)	Addition-al demand to 2039	Shortfall /surplus by 2039
		Start	Finish					
Age-exclusive	Market	5	5	19	99	80	76	156
	Affordable	25	25	52	497	445	378	822
Total (age-exclusive)		30	30	71	596	525	453	978
Housing with support	Market	69	69	980	1,363	383	1,036	1,420
	Affordable	39	39	624	780	156	593	749
Total (housing with support)		108	108	1,604	2,143	539	1,629	2,169
Housing with care	Market	14	25	151	273	122	591	713
	Affordable	8	14	119	156	37	338	375
Total (housing with care)		22	39	270	429	159	929	1,088
Residential care bedspaces		56	39	600	1,114	514	244	758
Nursing care bedspaces		39	39	1,123	772	-351	587	235
Total bedspaces		95	78	1,723	1,886	163	830	993

Source: Derived from Demographic Projections and Housing LIN/EAC

11.47 The provision of a choice of attractive housing options to older households is a component of achieving good housing mix. The availability of such housing options for the growing older population may enable some older households to downsize from homes which no longer meet their housing needs or are expensive to run. The availability of housing options which are accessible to older people will also provide the opportunity for older households to 'rightsize' which can help improve their quality of life.

11.48 It should also be noted that within any category of need, there may be a range of products. For example, many market extra-care schemes are towards the 'top-end' of the market and may have significant service charges (due to the level and quality of facilities and services). Such homes may therefore only be affordable to a small proportion of the potential market, and it will be important for the Council to seek a range of products that will be accessible to a wider number of households if needs are to be met.

11.49 The table above should be considered as providing an indicative view of need based on a single set of prevalence rates (which have drawn on a range of sources). The ultimate level of provision the Council seeks to support will be influenced by its broader strategy for older persons housing and care.

11.50 The analysis has not attempted to break these figures down into the HMA Sub-areas. However, the data previously provided in this section would help to indicate how needs might vary across locations. In particular, it is notable that the population of older persons does vary across the District, with those areas with higher proportions potentially expected to see a higher demand for older person accommodation.

Older Persons' Housing, Planning Use Classes and Affordable Housing Policies

11.51 The issue of use classes and affordable housing generally arises in respect of extra care/ assisted living development schemes. The Planning Practice Guidance defines extra care housing or housing with care as follows:

"This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24 hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a

wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses".

11.52 There is a degree to which different terms can be used for this type of development inter-changeably, with reference sometimes made to extra care, assisted living, continuing care retirement communities, or retirement villages. Accommodation units typically include sleeping and living accommodation, bathrooms and kitchens; and have their own front door. Properties having their own front doors is not however determinative of use.

11.53 The distinguishing features of housing with care is the provision of personal care through an agency registered with the Care Quality Commission, and the inclusion of extensive facilities and communal space within these forms of development, which distinguish them from blocks of retirement flats.

Use Classes

11.54 Use classes are defined in the Town and Country Planning (Use Classes) Order 1987. Use Class C2: Residential Institutions is defined as *"use for the provision of residential accommodation and care to people in need of care (other than a use within class C3 (dwelling houses)*." C3 (dwelling houses) are defined as "*use as a dwelling house (whether or not as a sole or main residence) a) by a single person or by people living together as a family; or b) by no more than 6 residents living together as a single household (including a household where care is provided for residents)*."

11.55 Care is defined in the Use Class Order as meaning "personal care for people in need of such care by reason of old age, disablement, past or present dependence on alcohol or drugs or past or present mental disorder, and in class C2 also includes the personal care or children and medical care and treatment."

11.56 Personal care has been defined in Regulations[25] as "the provision of personal care for persons who, by reasons of old age, illness or disability are unable to provide it for themselves, and which is provided in a place where those persons are living at the time the care is provided."

11.57 Government has released new Planning Practice Guidance of *Housing for Older and Disabled People* in June 2019. In respect of Use Classes, Para 63-014 therein states that:

"It is for a local planning authority to consider into which use class a particular development may fall. When determining whether a development for specialist housing for older people falls within C2 (Residential Institutions) or C3 (Dwelling house) of the Use Classes Order, consideration could, for example, be given to the level of care and scale of communal facilities provided."

11.58 The relevant factors identified herein are the level of care which is provided, and the scale of communal facilities. It is notable that no reference is made to whether units of accommodation have separate front doors. This is consistent with the Use Class Order, where it is the ongoing provision of care which is the distinguishing feature within the C2 definition. In a C2 use, the provision of care is an essential and ongoing characteristic of the development and would normally be secured as such through the S106 Agreement.

11.59 A range of appeal decisions have addressed issues relating to how to define the use class of a development. These are fact specific, and there is a need to consider the particular nature of the scheme. What arises from this, is that schemes which have been accepted as a C2 use commonly demonstrate the following characteristics:

- Occupation restricted to people (at least one within a household) in need of personal care, with an obligation for such residents to subscribe to a minimum care package. Whilst there has been debate about the minimum level of care to which residents must sign-up to, it is considered that this should not be determinative given that a) residents' care needs would typically change over

[25] Schedule 1 of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010.

time, and in most cases increase; and b) for those without a care need the relative costs associated with the care package would be off-putting.

- Provision of access to a range of communal areas and facilities, typically beyond that of simply a communal lounge, with the access to these facilities typically reflected in the service charge.

NPPF Policies on Affordable Housing

11.60 Use Class on its own need not be determinative on whether affordable housing provision could be applied. In all cases we are dealing with residential accommodation. But nor is there a clear policy basis for seeking affordable housing provision or contributions from a C2 use in the absence of a development plan policy which seeks to do so.

11.61 The 2019 NPPF sets out in paragraph 34 that Plans should set out the contributions expected from development, including levels of affordable housing. Such policies should not undermine the deliverability of the Plan. Paragraph 62 of the NPPF states that where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless off-site provision or a financial contribution can be robustly justified; and the agreed approach contributes to the objective of creating mixed and balanced communities.

11.62 Paragraph 63 states that affordable housing should not be sought from residential developments that are not major developments. Paragraph 64 sets out that specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students) are exempt from the requirement for 10% of homes (as part of the affordable housing contribution) to be for affordable home ownership. But neither of these paragraphs set out that certain types of specialist accommodation for older persons are exempt from affordable housing contributions.

11.63 The implication for Wealden is that:

- The ability to seek affordable housing contributions from a C2 use at the current time is influenced by how its current development plan policies were constructed and evidenced; and
- If policies in a new development plan are appropriately crafted and supported by the necessary evidence on need and viability, affordable housing contributions could be sought from a C2 use through policies in a new Local Plan.

11.64 Within the local plan, it would be possible to craft a policy in such a way that affordable housing could be sought on extra care housing from both C2 and C3 use classes and it should be noted that in July 2020 the High Court rejected claims that 'extra care' housing should not contribute affordable homes because it falls outside C3 use (CO/4682/2019). It is however important to recognise that the viability of extra care housing will differ from general mixed tenure development schemes, and there are practical issues associated with how mixed tenure schemes may operate.

Viability

11.65 There are a number of features of a typical extra care housing scheme which can result in substantively different viability characteristics relative to general housing. In particular:

- Schemes typically include a significant level of communal space and on-site facilities, such that the floorspace of individual units might equate to 65% of the total floorspace, compared to 100% for a scheme of houses and perhaps 85% for typical flatted development. There is a significant proportion of space from which value is not generated through sales (although individual units may be smaller);
- Higher construction and fit out-costs as schemes need to achieve higher accessibility requirements and often include lifts, specially adapted bathrooms, treatment rooms etc. In many instances, developers need to employ third party building contractors are also not able to secure the same

economies of scale as the larger volume housebuilders;

- Sales rates are also typically slower for extra care schemes, not least as older residents are less likely to buy 'off plan.' The combination of this and the limited ability to phase flatted schemes to sales rates can result in higher finance costs for a development.

11.66 There are a number of implications arising from this. Firstly, there is a need for viability evidence to specifically test and consider what level of affordable housing could be applied to different forms of older person's accommodation, potentially making a distinction between general market housing; retirement living/sheltered housing; and extra care/housing with care. It may well be that a differential and lower affordable housing policy is justified for housing with care.

11.67 Secondly, developers of extra care schemes can struggle to secure land when competing against mainstream housebuilders or strategic land promoters. One way of dealing with this is to allocate sites specifically for specialist older persons housing, and this may be something that the Council wishes to consider through the preparation of a new Local Plan. There could be benefits of doing this through achieving relatively high-density development of land at accessible locations, and in doing so, releasing larger family housing elsewhere as residents move out.

Practical Issues

11.68 In considering policies for affordable housing provision on housing with care schemes, there is one further factor which warrants consideration relating to the practicalities of mixed-tenure schemes. The market for extra care development schemes is currently focused particularly towards providers at the affordable and higher ends of the market, with limited providers currently delivering within the 'mid-market.' At the higher ends of the market, the level of facilities and services/support available can be significant, and the management model is often to recharge this through service charges.

11.69 Whilst recognising the benefits associated with mixed income/tenure development, in considering whether mixed tenure schemes can work it is important to consider the degree to which service charges will be affordable to those on lower incomes and whether Registered Providers will want or be able to support access to the range of services/facilities on site. In a range of instances, this has meant that authorities have accepted off-site contributions to affordable housing provision.

Wheelchair User Housing

11.70 Information about the need for housing for wheelchair users is difficult to obtain, particularly at a local level and estimates of need produced in this report draw on data from the English Housing Survey (EHS) which provides a range of relevant data, but often for different time periods. The EHS data used includes the age structure of wheelchair users, information about work needed to homes to make them 'visitable' for wheelchair users and data about wheelchair users by tenure.

11.71 The analysis below sets out estimates of the number of wheelchair users in the District; this has been based on estimating prevalence rates from the 2011-12 EHS (Annex Table 6.11) combined with Census data. At the time, the EHS showed there were 184,000 households with a wheelchair user and the oldest person in the household was aged under 60; the 2011 Census showed around 41.2 million people aged under 60 and therefore a base prevalence rate of 0.004 has been calculated for this group – essentially for every 1,000 people aged under 60 there are around 4 wheelchair user households. The table below shows data for a full range of age groups; it should be noted that whilst the prevalence rates mix households and population, they will provide a reasonable estimate of the number of wheelchair user households.

Table 11.12 Baseline prevalence rates by age used to estimate wheelchair user households

	Number of wheelchair user households	Population	Prevalence (per 1,000 population)
under 60 years	184,000	41,215,000	4
60 - 74 years	205,000	7,754,000	26
75 - 84 years	191,000	2,944,000	65
85 years or over	146,000	1,193,000	122

Source: Derived from EHS (2011-12) and 2011 Census

11.72 The analysis also considers the relative health of the population of Wealden. For this, data has been taken from the 2011 Census for the household population with 'day to day activities limited a lot' by their disability. The table below shows this information by age in both Wealden and England, and also shows the adjustment made to reflect differences in health between the areas. Due to the age band used in the Census, there has been some degree of adjustment for the under 60 and 60-74 age groups. The data shows lower levels of disability for all age groups in Wealden, pointing to a slightly lower than average proportion of wheelchair user households.

Table 11.13 Proportion of people with day to day activities limited a lot (by age) – 2011

	% of age group with day to day activities limited a lot		Wealden as % of England	Prevalence rate (per 1,000 population)
	Wealden	England		
under 60 years	3.1%	4.2%	74.0%	3
60 - 74 years	8.0%	13.9%	57.3%	15
75 - 84 years	21.0%	29.1%	72.1%	47
85 years or over	44.9%	52.3%	85.8%	105

Source: 2011 Census

11.73 The local prevalence rate data can be brought together with information about the population age structure and how this is likely to change moving forward. The data estimates a total of 2,142 wheelchair user households in 2019, and that this will rise to 3,389 by 2039 (an increase of 1,248).

Table 11.14 Estimated number of wheelchair user households (2019-39) – Wealden

	Prevalence rate (per 1,000 population)	Population 2019	Population 2039	Wheelchair user households (2019)	Wheelchair user households (2039)
under 60 years	3	108,050	128,078	357	423
60 - 74 years	15	33,557	43,628	508	660
75 - 84 years	47	13,893	23,453	650	1,098
85 years or over	105	5,975	11,521	627	1,208
TOTAL		161,475	206,680	2,142	3,389

Source: Derived from a range of sources

11.74 The finding of an estimated current number of wheelchair user households does not indicate how many homes might be needed for this group – some households will be living in a home that is suitable for wheelchair use, whilst others may need improvements to their accommodation, or a move to an alternative home. Data from the EHS (2014-15) shows that of the 814,000 wheelchair user households, some 200,000 live in a home that would either be problematic or not feasible to make fully 'visitable' – this is around 25% of wheelchair user households. Applying this to the current number of wheelchair user households and adding the additional number projected forward suggests a need for 1,774 additional wheelchair user homes in the 2019-39 period – this equates to 7% of all housing need (as set out in the table below).

Table 11.15 Estimated need for wheelchair user homes, 2019-2039

	Current need	Projected need (2019-39)	Total current and future need	Housing need (2019-39)	% of Housing Need
Wealden	526	1,248	1,774	24,500	7%

Source: Derived from demographic projections and Habinteg/EHS prevalence rates

11.75 Furthermore, information in the EHS (for 2017/18) also provides national data about wheelchair users by tenure. This showed that, at that time, around 7.1% of social tenants were wheelchair uses, compared with 2.7% of market households (owner-occupiers and private renters). Applying these national figures to the demographic change and need (as shown above) it is possible to estimate the potential need by tenure, as shown in the table below. This shows a need for 5% of all market homes to be M4(3) along with 17% of affordable (across the District).

Table 11.16 Estimated need for wheelchair user homes by tenure, 2019-2039

	Market	Affordable
Wealden	6%	15%

Source: Derived from demographic projections and Habinteg/EHS prevalence rates

11.76 To meet the identified need we would, therefore, recommend that the Council should seek 5-10% of all new market homes to be M4(3) compliant and up to 20% in the affordable sector. These figures reflect that not all sites would be able to deliver homes of this type. In the market sector these homes would be M4(3)A (adaptable) and M4(3)B (accessible) for affordable housing.

11.77 As with M4(2) homes it may not be possible for some schemes to be built to these higher standards due to built-form, topography, flooding etc. Furthermore, provision of this type of property may in some cases challenge the viability of delivery given the reasonably high build out costs (see table below).

11.78 It is worth noting that the Government is currently consulting on changes to the way the needs of people with disabilities and wheelchair users are planned for as a result of concerns that in the drive to achieve housing numbers, the delivery of housing that suits the needs of the households (in particular those with disabilities) is being compromised on viability grounds[26].

11.79 One of the policy options tabled in this document is to remove M4(1) altogether, so that all new homes will have to at least have the accessible and adaptable features of an M4(2) home. M4(3) would apply where there is a local planning policy in place in which a need has been identified and evidenced. This is consistent with the evidence presented in this report, although the trade-off identified in the consultation paper between viability and the need to deliver sufficient numbers of market homes to meet general housing needs is unavoidable.

11.80 The viability challenge is particularly relevant for M4(3)(B) standards. These make properties accessible from the moment they are built and involve high additional costs that could in some cases challenge the feasibility of delivering all or any of a policy target.

Table 11.17 Access Cost Summary

	1-Bed Apartment	2-Bed Apartment	2-Bed Terrace	3-Bed Semi Detached	4-Bed Semi-Detached
M4(2)	£940	£907	£523	£521	£520
M4(3)(A) – Adaptable	£7,607	£7,891	£9,754	£10,307	£10,568
M4(3)(B) – Accessible	£7,764	£8,048	£22,238	£22,791	£23,052

Source: EC Harris, 2014

[26] Raising accessibility standards for new homes, a consultation paper, page 10

11.81 However, local authorities only have the right to request M4(3)(B) accessible compliance from homes for which they have nomination rights. They can, however, request M4(3)(A) adaptable compliance from the wider (market) housing stock.

11.82 A further option for the Council would be to consider seeking a higher contribution, where it is viable to do so, from those homes to which they have nomination rights. This would address any under delivery from other schemes (including schemes due to their size i.e. less than 10 units or 1,000 square metres) but also recognise the fact that there is a higher prevalence for wheelchair use within social rent tenures. This should be considered when setting policy in the new Local Plan.

The Needs of Older Persons & Those with Disabilities: Key Messages

- A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. The analysis responds to Planning Practice Guidance on *Housing for Older and Disabled People* published by Government in June 2019 and includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

- The data shows in general that Wealden has an older age structure but similar levels of disability compared with other areas (age-specific rates are lower). The older person population is projected to increase notably in the future and an ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2019-39 period include:

  - A 56% increase in the population aged 65+ (potentially accounting for over half of total population growth);
  - A 75% increase in the number of people aged 65+ with dementia and a 66% increase in those aged 65+ with mobility problems;
  - A need for around 2,200 housing units with support (sheltered/retirement housing) including 65% in the market sector;
  - A need for around 1,100 additional housing units with care (e.g. extra-care), around a third in the affordable sector;
  - A need for 993 additional care bedspaces; and
  - A need for around 1,800 dwellings to be for wheelchair users (meeting technical standard M4(3)).

- This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Council could consider (as a starting point) requiring all dwellings (in all tenures) to meet the M4(2) standards (which are similar to the Lifetime Homes Standards) and at least 10% of homes meeting M4(3) – wheelchair user dwellings (a higher proportion in the affordable sector).

- Where the authority has nomination rights, M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.

- The Council should also consider if a different approach is prudent for market housing and affordable homes, recognising that Registered Providers may already build to higher standards, and that households in the affordable sector are more likely to have some form of disability.

- In seeking M4(2) compliant homes, the Council should also be mindful that such homes could be considered as 'homes for life' and would be suitable for any occupant, regardless of whether or not they have a disability at the time of initial occupation.

- In framing policies for the provision of specialist older persons accommodation, the Council will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for.

12. THE NEEDS OF OTHER GROUPS

Introduction

12.1 This section of the report considers the need for self- and custom-build development and other specific groups that might have a specific housing requirement.

Self-Build Register

12.2 The Self-Build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) provides a legal definition of 'self-build and custom housebuilding' where individuals or associations of individuals (or persons working with or for individuals or associations of individuals) build houses to be occupied as homes for those individuals.

12.3 The Housing and Planning Act 2016 formally introduced the 'Right to Build'. This 2016 Act under the 'duty to grant planning permissions etc.' section placed a legal duty on the relevant authority to grant enough planning permissions to meet the demand for self-build housing as identified through its register in each base period[27].

12.4 Paragraph 61 of the NPPF sets out that within the context of the standard method, "the size, type, and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies "including, but not limited to… people wishing to commission or build their homes[26]."

12.5 Footnote 26 of the NPPF states that:

> *"Under section 1 of the Self-Build and Custom Housebuilding Act 2015, local authorities are required to keep a register of those seeking to acquire serviced plots in the area for their own self-build and custom house building. They are also subject to duties under sections 2 and 2A of the Act to have regard to this and to give enough suitable development permissions to meet the identified demand. Self and custom-build properties could provide market or affordable housing."*

12.6 Paragraph 3 of the PPG concerning the housing need of different groups describes how the needs of those wanting to self-build and custom housebuilders can be assessed:

> *"Most local planning authorities (including all district councils and National Park Authorities) are now required to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in their area to build their own home. The Self-build and Custom Housebuilding (Register) Regulations 2016 set out these requirements. For further details, see guidance on self-build and custom housebuilding registers.*
>
> *To obtain a robust assessment of demand for this type of housing in their area, local planning authorities should assess and review the data held on registers. This assessment can be supplemented with the use of existing secondary data sources such as building plot search websites, 'Need-a-Plot' information available from the Self-Build Portal and enquiries for building plots from local estate agents."*

[27] With the exception of the first base period which ran from 1st of April 2016 to the 30th of October 2016 each subsequent base period has lasted 1 year. There have therefore been 5 base periods since the 1st of April 2016.

12.7 At paragraphs 23 to 28 and paragraph 14 in relation to self and custom build, the PPG sets out the two Self-build and custom housebuilding land duties i.e. the 'duty to grant planning permission etc.' and the 'duty as regards registers' (Reference ID: 57-023-201760728).

12.8 Paragraphs 23 and 24 of the PPG relate to the duty to grant planning permission etc. and states that all local planning authorities:

> *"must give suitable development permission to enough suitable serviced plots of land to meet the demand for self-build and custom housebuilding in their area. The level of demand is established by reference to the number of entries added to an authority's register during a base period.*
>
> *The first base period begins on the day on which the register (which meets the requirement of the 2015 Act) is established and ends on 30 October 2016. Each subsequent base period is the period of 12 months beginning immediately after the end of the previous base period. Subsequent base periods will therefore run from 31 October to 30 October each year.*
>
> *At the end of each base period, relevant authorities have 3 years in which to permission an equivalent number of plots of land, which are suitable for self-build and custom housebuilding, as there are entries for that base period."*

Local Authority Custom and Self-Build Registers

12.9 In line with the PPG, the starting point for understanding demand for custom and self-build plots is the registers managed by the Council. Entries have been divided across each of the five base periods since 2016 in order to project forward an estimation of future need.

Table 12.1 Indicative demand for custom and self-build plots based on past trends

Base Period	Additions
1 – To October 30 2016	0
2 – To October 30 2017	26
3 – To October 30 2018	24
4 – To October 30 2019	22
5 – To October 30 2020	32
Average	26

Source: Local Authority Custom and Self Build Housing Registers

12.10 The table shows that on average 26 individual entries onto Wealden's Self-Build and Custom Build Register per base period. Although in the first period there were no additions and this has been discounted. It was also only half a base period. This gives an indication of the scale of future need. Moving forward, the Council will need to ensure that the actual number of entries on the register at the end of each base period is equivalent to number of plots of land that are permitted within 3 years.

12.11 The vast majority of demand is for detached houses and there is demand for all parts of the district. We have summarised the areas of preference below:

- Crowborough – 12 individuals
- Forest Row - 7 individuals
- Hailsham - 4 individuals
- Heathfield - 9 individuals

- Polegate - 2 individuals
- Uckfield - 8 individuals
- Rural - 38 individuals
- Multiple - 24 individuals

Local Authority Response

12.12 Paragraph 25 of the PPG (Reference ID: 57-025-201760728) provides guidance on how Councils can help support self and custom build by increasing the number of suitable planning permissions. It encourages Councils to undertake several tasks including:

- developing policies in their Local Plan for self-build and custom housebuilding;
- using their own land if available and suitable for self-build and custom housebuilding and marketing it to those on the register;
- engaging with landowners who own sites that are suitable for housing and encouraging them to consider self-build and custom housebuilding and facilitating access to those on the register where the landowner is interested, and;
- working with custom build developers to maximise opportunities for self-build and custom housebuilding.

12.13 Several local authorities have implemented a Local Plan policy, for example:

- South Cambridgeshire Council – On all sites of 20 or more dwellings, and in each phase of strategic sites, developers will supply dwelling plots for sale to self and custom builders. Where plots have been made available and appropriately marketed for at least 12 months and have not been sold, the plot(s) may either remain on the market or be built out by the developer.
- Teignbridge District Council - 5% of plots on development sites of more than 20 dwellings with plots marketed for a minimum of 12 months.
- Mid Devon District Council - 5% of plots on development sites of more than 20 dwellings.
- Torbay Council - 5% of plots on development sites of more than 30 dwellings.
- East Cambridgeshire District Council - 5% of plots on development sites of more than 100 dwellings.
- Stroud District Council - 2% of plots on strategic housing sites.

12.14 Other local authorities have developed a policy of encouragement without defining exact percentages. For example, North Tyneside Council and Daventry District Council will ‘encourage’, rather than require, a proportion of plots to be set aside on sites of over 200 and 500 units respectively.

12.15 As a first step, the local authorities should seek to adopt a general “encourage” policy for all sites but also implement a further policy on strategic sites. The exact level should be determined in reference to the number and capacity of strategic sites and the overall local need as identified on the register. This should also take into account the committed supply, need for other types of housing (including affordable housing need) and viability.

Role of Larger Sites

12.16 There is the potential for larger development schemes to provide serviced plots for custom-build development, and for these sites, with support, to help to drive forward delivery rates. The independent review of build-out[28] by Sir Oliver Letwin (2018) was undertaken to identify the cause of the significant

[28] https://www.gov.uk/government/publications/independent-review-of-build-out-final-report

gap between housing completions and the amount of land allocated or permitted on large sites in areas of high housing demand.

12.17 Section 3 of the Letwin Review looks at increasing diversity and a new planning framework for large sites (over 1,500 houses). Letwin recommends that the Government should adopt a new set of planning rules that apply to large sites in areas of high housing demand that would require their outline planning permission to include for 'housing diversification' to be a 'reserved matter' in line with new secondary legislation.

12.18 If the Council is proposing to allocate sites that are suited to the provision of self-build plots, we would recommend they consider seeking plots which are available for self and custom build plots. The threshold for such sites should be made at a point where demand is being met without over-burdening every site and subject to viability.

12.19 It is also possible for Custom and Self-Build schemes to be large sites in their own right. An example of this can be seen at the Graven Hill development in Bicester, Oxfordshire. This is the largest custom build scheme nationally with proposals for over 2,000 custom-built homes. The site has been acquired by Cherwell District Council from the MOD and a development company has been set up.

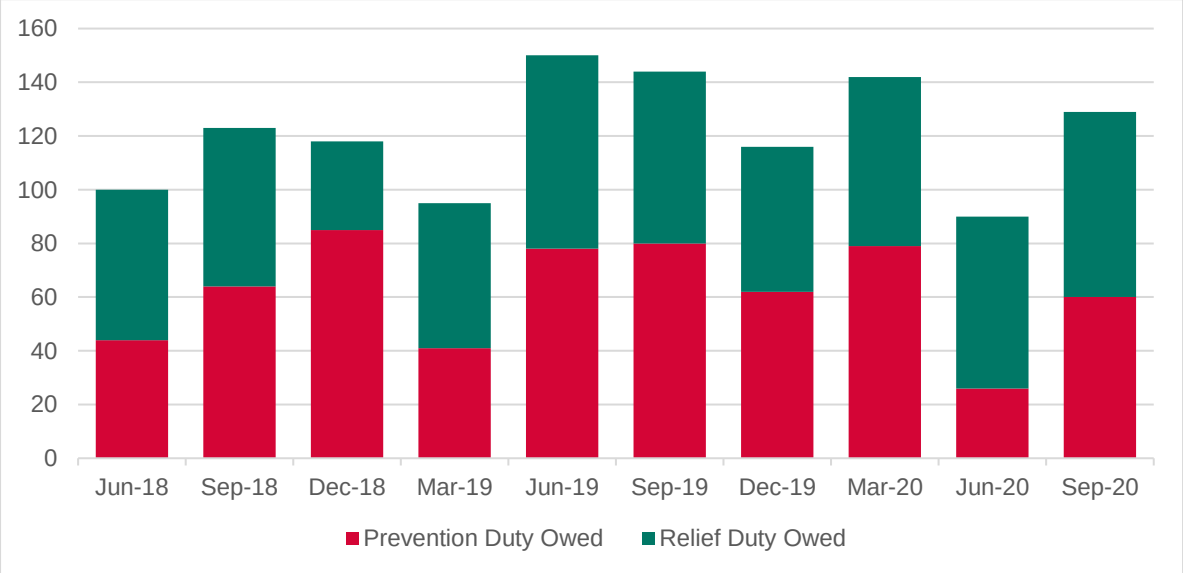
12.20 There is a dedicated web site[29] that provides all the information required for people that would like to build their own home in the area. Various formats of delivery are envisaged, from the construction of the shell through to the ability of occupants to tailor the finish.

Homeless Households and Other Groups Requiring Supported Housing

12.21 We have only examined short term trends in homelessness to tie in with the changes brought about by the homelessness reduction act. The data we have used comes from quarterly data produced by MHCLG since June 2018.

12.22 As the table below illustrates, the number of households that are required a homeless prevention or relief duty varies from year on year. The average number of households owed a duty is 121 per annum of which 51% required a prevention duty and 49% a relief duty.

Table 12.2 Relief and Prevention Cases by Quarter

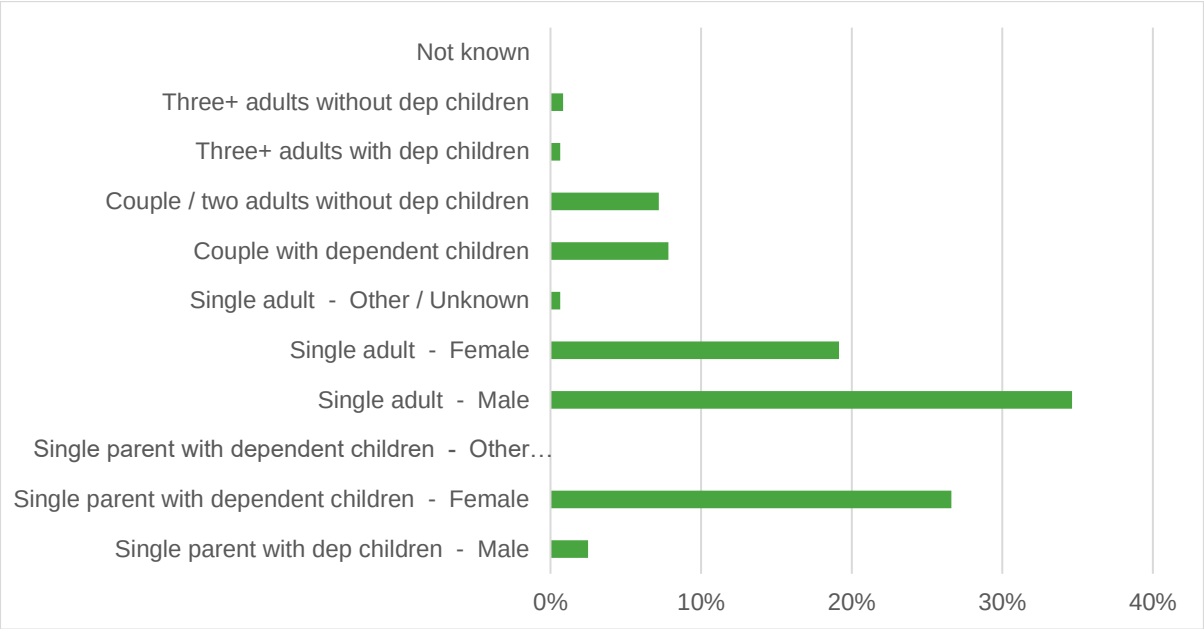


Source: MHCLG, 2021

[29] https://gravenhill.co.uk/

12.23 There are three significant household types which are owed a prevention or relief duty. These are, single males (35%), Female Single Parents (27%) and Single Females (19%). Around 38% of households has dependent children.

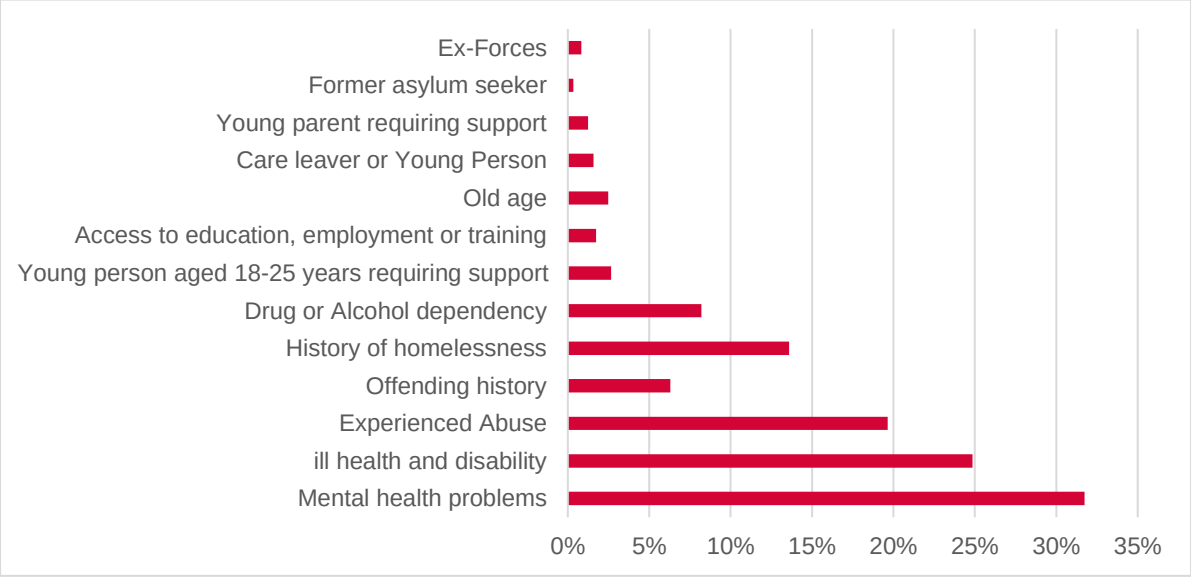
Table 12.3 Household Type of those owed a Prevention or Relief Duty (Since June 2018)



Source: MHCLG, 2021

12.24 The reason support needs of households owed a prevention or relief duty are myriad and often multiple. The most common support need is those with a mental health issue of which around a third of those owed a duty suffer. Around a quarter had a physical disability or suffered from ill health.

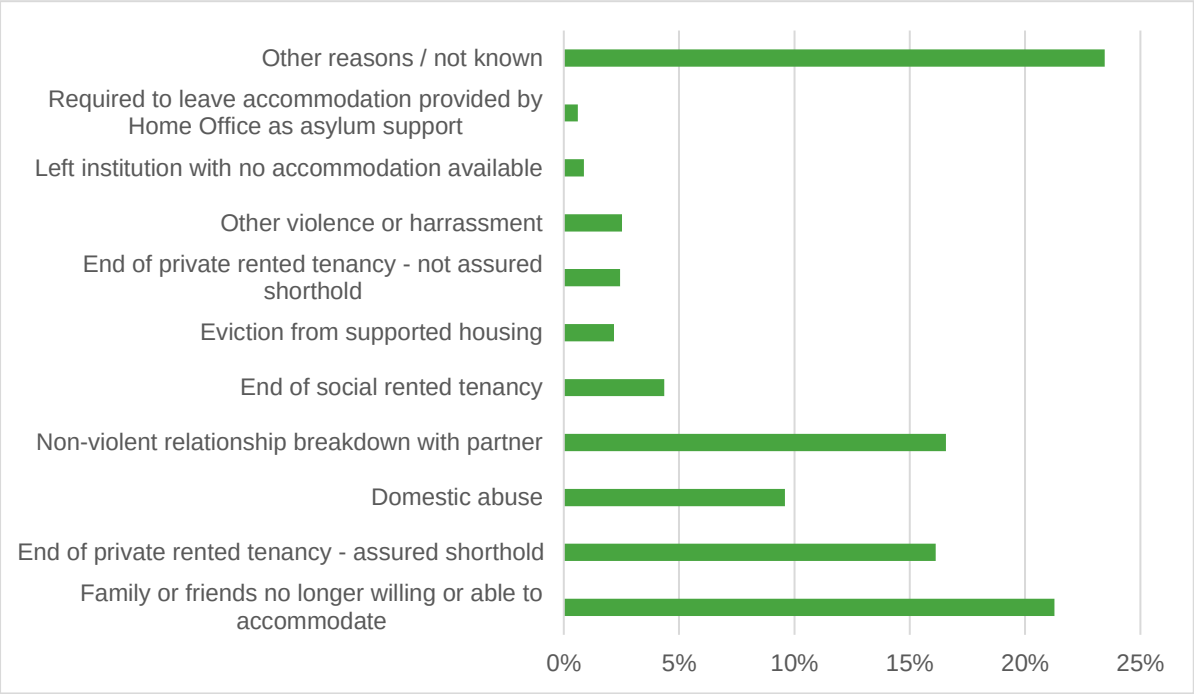
Table 12.4 Support needs of households owed a prevention or relief duty (Since June 2018)



Source: MHCLG, 2021

12.25 Around 20% of households owed a duty said that the reason for loss of last settled home was because their friends and family no longer willing or able to accommodate them. A further 17% was because of a breakdown in relationship (non-violent) while 10% was due to domestic abuse.

Table 12.5 Reason for loss of last settled home for households owed a duty (Since June 2018)



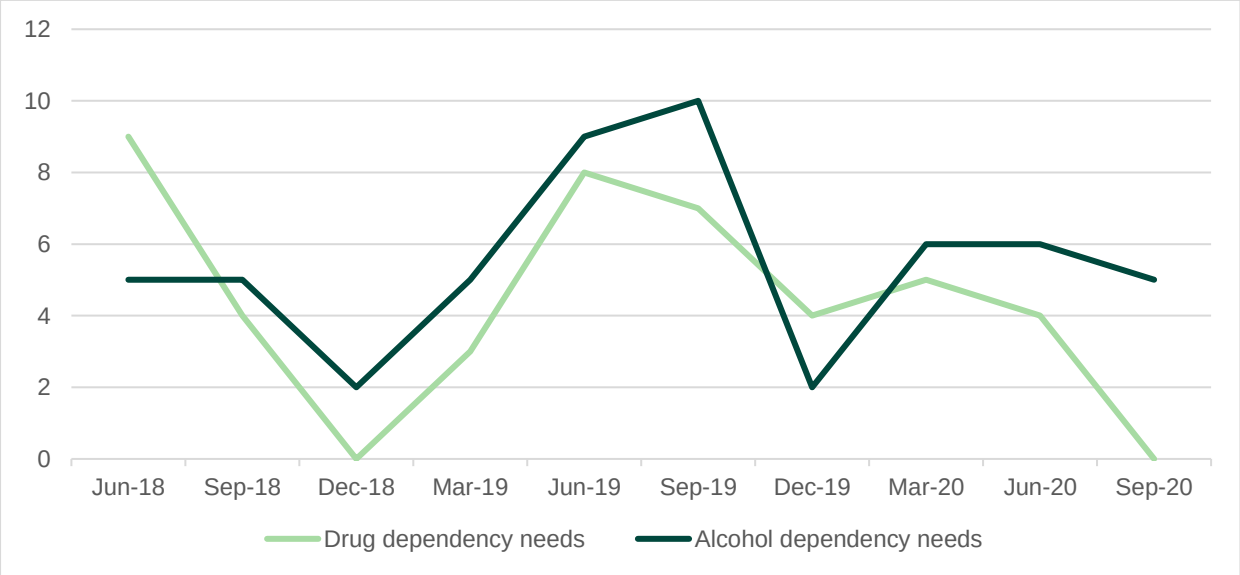
Source: MHCLG, 2021

12.26 Around 18% of those owed a duty was due to the end of their private tenancy (assured and non-assured shorthold) and 4% was due to the end of social rental tenancy.

People recovering from drug or alcohol dependence

12.27 Of those owed a duty, 3.6% had drug dependence issues and 4.6% alcohol dependence. In total 99 households since 2019 have been owed a duty and required a drug or alcohol support need. As the table below illustrates the numbers have fluctuated although over the last year there has been a downward trend.

Table 12.6 Households owed a duty with drug or alcohol dependence (Since June 2018)

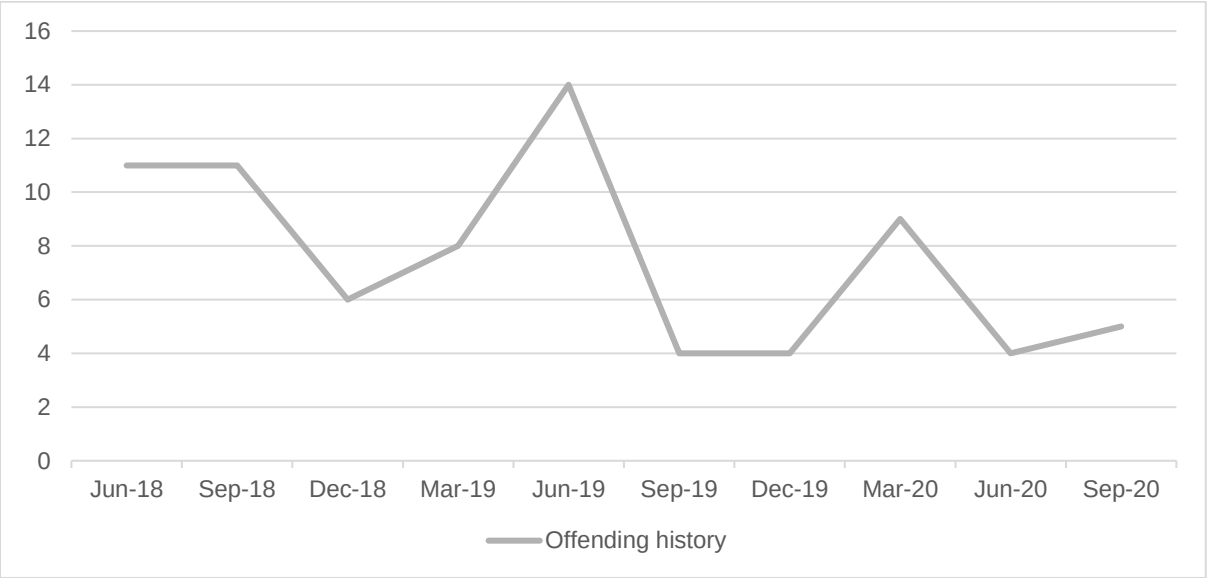


Source: MHCLG, 2021

People with experience of the criminal justice system

12.28 Of those owed a duty 6.3% had an offending history, this was a total of 76 household. As the table below illustrates the numbers have fluctuated although over the last year there has been a downward trend.

Table 12.7 Households owed a duty with drug or alcohol dependence (Since June 2018)

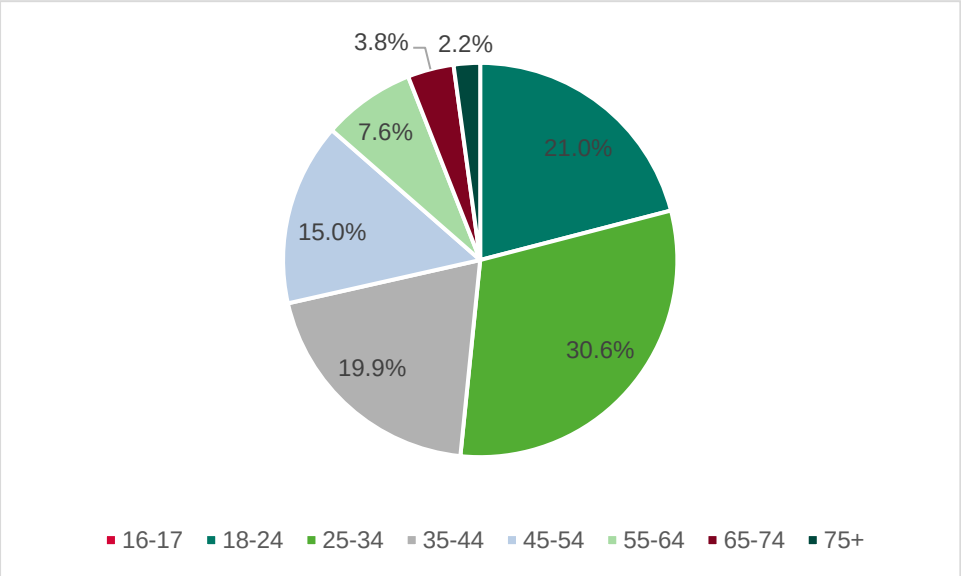


Source: MHCLG, 2021

Young people with a support need

12.29 As illustrated in the figure below, the 25-34 and 18-24 age groups comprise around 50% of all those owed a prevention or relief duty. Only around 5% of those that were owed a duty were of a retirement age.

Table 12.8 Age Profile of those owed a prevention or relief duty (Since June 201)



Source: MHCLG, 2021

12.30 The Council should monitor these trends and respond to any upwards spikes. They should also work with a range of agencies to ensure there is a flexible and responsive supply of accommodation. These agencies include:

- Adult Social Care teams;
- Clinical Commissioning Groups (CCGs);
- Registered providers; and
- Other local partners.

Students

12.31 There are no higher education facilities in Wealden with the nearest being the Brighton University, Eastbourne Campus. We have consulted with the University to understand their aspirations and to understand how this might impact housing demand in Eastbourne and subsequently Wealden.

12.32 The campus has around 2,000 students when full. However they are expecting this to reduce slightly as courses are streamlined when the two schools merge. As such there is unlikely to be any demand for additional housing to cater for the campus either in Eastbourne or Wealden.

12.33 The halls of residence which are managed by a third party have a capacity for around 300 students. The remaining students either live in the general housing stock in student flats (which congregate around Pevensey Road) or with the own families.

12.34 The school has a nursing department, which has around 200 students a large percentage of which live with their families. There is also a teacher training department where a high percentage (10% - 20%) are mature students.

Service Families

12.35 MOD statistics report that there has been no military personnel located in East Sussex since 2015. At that time there were 10 civilian personnel stationed in the county. This number had not changed since 2012.

12.36 Although there are no personnel stationed in the district, the Allocation of Housing (Qualification Criteria for Armed Forces) (England) Regulations ensure that Service personnel (including bereaved spouses or civil partners) are allowed to establish a 'local connection' with the area in which they are serving or have served.

12.37 This means that ex-service personnel would not suffer disadvantage from any 'residence' criteria chosen by the Local Authority in their allocations policy. Furthermore, any ex-armed forces personnel with mental health issues who present themselves to the Council as homeless would be assisted as a vulnerable group and will be given priority need for housing.

12.38 Annex 2 of the NPPF identifies Military Personnel as Essential Key Workers. As such, accommodation specifically comes under the definition of affordable housing. Depending on their incomes this group will already be accounted for within the affordable housing need and will largely not be additional to it.

Gypsy and Travellers

12.39 The NPPF sets out the need for local authorities to determine their housing need figure using the standard method and that "within this context" the need for "different groups in the community should be assessed and reflected in planning policies (including…travellers)[30]. Footnote 25 notes that

[30] NPPF paragraphs 60-61

"Planning Policy for Traveller Sites sets out how travellers' housing needs should be assessed for those covered by the definition in Annex 1 of that document".

12.40 Gypsy and Traveller pitches are therefore included within the standard method-based housing needs figure. However, a separate study is required to identify the need for such sites, but these would not be additional to the standard method.

12.41 The latest evidence for Wealden is set out in the "Wealden Gypsy and Traveller Accommodation Assessment" (November 2016) produced by ORS[31]. The report identified a need for 21 additional pitches between 2016 and 2038. This evidence base is currently being updated for the entirety of East Sussex (with the specific needs of Wealden assessed) and will be published in due course.

[31] https://www.wealden.gov.uk/UploadedFiles/WLP_GTAA_Report_November2016.pdf

The Needs of Other Groups: Key Messages

- On average 26 individuals enter the self and custom build register per base period. This gives an indication of the scale of future need. Moving forward, the Council will need to ensure that the actual number of entries on the register at the end of each base period is equivalent to the number of plots of land that are permitted within 3 years.

- As a first step, the local authority should seek to adopt a general "encourage" policy for all sites but also implement a further policy on strategic sites. The exact level should be determined in reference to the number and capacity of strategic sites and the overall local need as identified on the register. This should also take into account the committed supply, need for other types of housing (including affordable housing need) and viability.

- The average number of households who owed a duty is 121 per annum of which 51% required a prevention duty and 49% a relief duty. The majority require smaller homes and the council should consider ensuring a smaller supply of affordable homes to meet this need.

- Many of those presenting as homeless also have a support need. The Council should continue to work with the relevant bodies to ensure proper support is provided and monitor the situation for any rapid changes (for example, an increase in homelessness once the eviction amnesty is finished).

- There is unlikely to be any demand from student or service (or ex-service) personnel in the district.

- The latest evidence for Wealden in relation to Gypsies and Travellers is set out in the "Wealden Gypsy and Traveller Accommodation Assessment" (November 2016). The report identified a need for 21 additional pitches between 2016 and 2038. This evidence base is currently being updated separately.

13. SUMMARY AND CONCLUSIONS

13.1 This summary section draws together the key findings of the report and highlights a number of policy recommendations and considerations. In some cases it will be for the Council to interpret these findings alongside other evidence (such as viability evidence) and to conclude as to what an appropriate response would be for Wealden and its Local Plan based on the Council's priorities.

HMA

13.2 The purpose of the document is to examine the future need for housing in the district and its sub areas. As well as the overall need, the report examines the affordable housing need and makes recommendations on the mix of housing and the needs for specific groups.

13.3 The main recommendations look at the housing need for the district but where necessary we have also made recommendations for sub-areas of the district. These sub-areas are based on the different Housing Market Areas which cover the district. Five sub-areas were identified based on analysing house prices, migration and commuting patterns (see table 2.16).

Housing Stock

13.4 The district's estimated population is 161,475 living in just over 71,000 dwellings. Completions in the district have averaged 653 per annum since 2011. Around 41% of the population reside in the parts of the district which relate to Eastbourne and its HMA, 34% in the Sevenoaks and Tunbridge Wells HMA and 19% to Coastal West Sussex.

13.5 Relative to wider comparator areas, a high percentage of households in Wealden own their own homes and a relatively low percentage were privately renting and socially renting.

13.6 Relative to wider comparator areas, Wealden's housing stock had a high percentage of detached and semi-detached dwellings but a low percentage of terraced dwellings and flats. Linked to this there was a high percentage of homes with 4 or more bedrooms and a significantly lower percentage of one bedroom dwellings and 2-3 bedroom dwellings in Wealden than wider comparator areas.

13.7 The high percentage of large homes in the area also results in significant levels of under-occupation than across wider comparator areas and there is lower levels of overcrowding. The housing mix responds to this and the Council should encourage downsizing to ensure best use of the existing stock.

13.8 In total, the committed supply totals 7,334 dwellings. The Council is expected to identify additional supply through allocations within the Local Plan process, as well as windfall development (specifically forthcoming planning applications) and therefore this figure is only a part of the expected supply. The new allocations in the Local Plan will specifically increase the supply after the first five year period (beyond 2024/25) until 2039.

Housing Market

13.9 Median house prices in Wealden, in the year to June 2020, were slightly below the South East median but significantly above the median for East Sussex and £80,000 above the national median. House prices in the South East region and Wealden have been similar since 1995 and tracked each other closely since 2012.

13.10 The highest house prices by some margin were found in the Eastbourne/South Downs National Park and Northern West Sussex HMA Sub-Areas. The lowest prices, again by some margin, are found in the Eastbourne HMA Sub-Area.

13.11 The cost of semi-detached and terraced homes have increased at a faster rate than flats and detached homes. However, we expect demand for detached and semi-detached homes to continue to increase while growth in the cost of flats will slow as a result of Covid-19.

13.12 There were around 1,700 transactions in Wealden in 2020. This was significantly down on previous years (50%) and remain below pre-2008 recession levels.

13.13 Affordability has significantly deteriorated in Wealden since 1998 and in 2019, the median house price in Wealden was 11.55 times median earnings (higher than across all wider comparator areas). This demonstrated the difficulty, particularly for first time buyers to enter the housing market.

13.14 The Help to Buy scheme has played a significant role in supporting Wealden's housing market since 2013 and is an important means of helping a range of households, including younger households, onto the housing ladder. The capping of help to buy properties to £437,600 is unlikely to significantly effect this supply in Wealden as 72% of new build sales were below this threshold.

13.15 Consultation with local estate agents suggests that demand for a home in the district has grown since the onset of Covid-19, particularly due to people moving from London.

13.16 Savills forecast that house prices in the South East will stagnate in 2021 (as they forecast at the national level) but will grow at a higher are than the national average between 2022 and 2024.

Housing Need

13.17 The four step standard method in Wealden is calculated as follows:

- Step 1 – Projected household growth of 875 per annum over the 2020-30 period;
- Step 2 – Increasing the household growth by 47% based on an affordability ratio of 11.55;
- Step 3 – Capping the increase in step 2 to 40%;
- Step 4 – No adjustment as the district falls outside of the 20 most populated urban areas in England.

13.18 This results in a housing need of 1,225 dwellings per annum which can be applied across the Local Plan period from 2020 onwards. This level of housing need forms the basis of much of the analysis in the report.

Demographic Trends and Projections

13.19 Analysis has been undertaken to consider demographic trends, in particular looking at past trends in population growth and future projections. The analysis draws on the 2018-based subnational population projections (SNPP) and the 2018-based household projections (SNHP). The analysis also looks at the most recent population estimates (again from ONS) which date to mid-2019.

13.20 The District has an older age structure, with 26% of the population estimated to be aged 65 and over in 2019 (compared to a national average of 18%). The Eastbourne HMA sub-area sees a particularly old population, with some 27% of people aged 65 and over (including 39% of the population of the National Park).

13.21 Past population growth in Wealden has been relatively strong, over the past 8-years (since 2011) the population of the District has grown by 8% - compared with a 6% increase nationally over the same period. Population growth is largely driven by net internal migration (moves from one part of the country to another) with the District seeing a notable negative level of natural change (i.e. more deaths than births) – this is related to the older age structure.

13.22 The relatively high level of population growth can also be seen in ONS projections (which are trend based), with the 2018-based version showing higher projected changes in Wealden than other areas (including the County and region). Population growth is projected to be concentrated in older age groups (those aged 65 and over) – this age group accounting for 95% of all projected population change.

13.23 Population growth can be converted into estimates of household growth by using household representative rates (HRR). HRRs can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)). Data about HRRs is taken from ONS household projections.

13.24 In analysing data about HRRs, it was considered that the latest (2018-based) version potentially built in some degree of suppression of household formation in younger age groups. A sensitivity model was therefore developed that sought to return the HRRs of the younger population (aged under 45) back to levels seen in 2001 (a time when suppression looks from the data to be fairly minimal).

13.25 Using the information from the 2018-based SNPP and SNHP (along with adjustments to HRRs for younger people) a bespoke projection has been developed that links to the standard method dwelling provision of 1,225 dwellings per annum (dpa) – this considers the level of population growth and household formation that might be expected if this delivery is achieved (in the 2019-39 period). This projection is then used for some further analysis (e.g. in looking at older persons' needs (as the projection contains a detailed age structure)).

13.26 This bespoke projection suggests that population growth might be expected to be higher than suggested in the latest official projections and that the age structure changes will proportionally include more people aged under 65. Overall, in the 2019-39 period, the delivery of 1,225 dpa is projected to see an increase in population of 28% (45,200 more people) compared with a 12% increase (19,700) in the 2018-based SNPP. Of the 25,500 difference in population increase, some 61% (15,600) is accounted for by a projected uplift in the number of people aged 16-64.

Affordable Housing Need

13.27 Analysis has been undertaken to estimate the need for affordable housing in the 2019-39 period. The analysis is split between a need for social/affordable rented accommodation and is based on households unable to buy or rent in the market and the need for affordable home ownership (AHO) – this includes housing for those who can afford to rent privately but cannot afford to buy a home.

13.28 The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership).

13.29 When looking at rented needs, the analysis suggests a need for 519 affordable homes per annum and therefore the Council is justified in seeking to secure as much affordable housing as viability allows. There is also a need shown in all parts of the District.

13.30 When looking at the need for AHO products, the analysis also suggests a need across the District, albeit (at 335 dwellings per annum) the need is lower than for rented housing. In interpreting this figure, it should be noted that there could be an additional supply from resales of market homes (below a lower quartile price) which arguably would mean there is a more limited need for AHO.

13.31 Analysis does suggest that there are many households in Wealden who are being excluded from the owner-occupied sector (as evidenced by reductions in owners with a mortgage and increases in the size of the private rented sector). This suggests that a key issue in the District is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.

13.32 In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Council will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units

to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).

13.33 Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the District. It does however need to be stressed that this report does not provide an affordable housing target. The amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

Affordable Housing Mix

13.34 The analysis suggests that there will be a need for both social and affordable rented housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and also for some households who claim full Housing Benefit.

13.35 On this basis, it is not recommended that the Council has a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes are likely to be required.

13.36 The study also considers different types of AHO (notably First Homes and shared ownership) as each will have a role to play – shared ownership is likely to be suitable for households with more marginal affordability (those only just able to afford to privately rent) as it has the advantage of a lower deposit and subsidised rent.

13.37 A discount of 30% looks to be generally reasonable for first homes, although higher discounts may be suited 3-bedroom homes. Caution should be exercised about the OMV against which discounts are applies to ensure that the actual housing cost is genuinely affordable for the target group.

13.38 Given the cost of housing in the area, the Council could consider a maximum price of First Homes of around of £175,000-£200,000 might be appropriate. This will help to keep First Homes affordable in a local context.

13.39 Given the likely income requirements to afford a First Homes (and incomes required to buy in the market) a threshold household income of around £50,000 might be appropriate.

13.40 The analysis does not point towards there being a particular and specific need for affordable housing for essential workers. However, on the basis of local incomes (notably for single income essential workers), access to the owner-occupied sector may be restricted by income and it may be appropriate to consider whether or not some affordable properties should be set aside/prioritised for essential local workers.

Private rental market

13.41 The PRS in the district makes up approximately 11.1% of all housing, a lower level to the County, regional and national figures.

13.42 Renting in Wealden is relatively more expensive compared to both East Sussex and England as whole but slightly more expensive than the South East. Furthermore, rental price growth over the last five years has been higher than all but the regional average.

13.43 Consultation with letting agents suggest that the rental market in Wealden is buoyant with high levels of demand supported by greater numbers migrating from London.

13.44 The rental market has not been negatively affected by the onset of Covid-19. However, the pandemic has resulted in a reduced demand for flats.

13.45 Young people and divorcees make up a significant proportion of the rental market, many of whom cannot get on to the property ladder. This suggests that demand is focused on smaller homes.

However, levels of private renting amongst young people in Wealden are lower than the national and regional average.

13.46 Our high level analysis suggests that there could be some level of interest in BTR products in the district based on the income gap between renting and buying and the age profile of BTR target. However, there is not a major urban centre in the district and thus far institutional investment for this type of product has been focused major cities.

13.47 Ultimately, it is difficult to be precise about the demand for this product in Wealden as the market is still embryonic. If any purpose built build to rent is promoted in the area this should be viewed on its merits and should be supported by local demand analysis for the settlement.

13.48 Developments which encourages high levels of affordable housing supply such as rent to buy schemes should also be supported as these will help address the backlog of affordable housing need. Again such schemes should be supported with local demand analysis for the settlement and subject to viability and other planning considerations.

Housing Mix

13.49 The proportion of households with dependent children is slightly below the regional and national average (but above the County average). There is expected to be an increase in the number of households with dependent children – increasing by 24% (4,200 more households) over the 2019-39 period when linking to a housing need of 1,225 dwellings per annum.

13.50 There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to long-term (20-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population:

Table 13.1 Suggested Mix of Housing by Size and Tenure

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	30%	40%	25%
Affordable home ownership	20%	40%	30%	10%
Affordable housing (rented)	40%	30%	25%	5%

13.51 The strategic conclusions in the affordable housing sector recognise the role which the delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bed properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing in the District (by tenure) and also the size requirements shown on the Housing Register.

13.52 The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas, Registered Providers find difficulties selling 1-bedroom affordable home ownership homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation.

13.53 Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to current evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.

13.54 Based on the evidence, it is expected that the focus of new market housing provision will be on 2- and 3-bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2- and 3-beds) from older

households downsizing and looking to release equity in existing homes, but still retaining flexibility for friends and family to come and stay.

13.55 The analysis also considered the mix of housing at a smaller-area level. Whilst there were some differences between areas, it is not considered that they are substantial enough to suggest a notably different mix of housing as being needed in different areas. That said, the mix on any specific site could be influenced by site characteristics, and also any localised evidence of need, such as that from the modelling in this report or information drawn from the Housing Register.

The Needs of Older Persons & Those with Disabilities

13.56 A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. The analysis responds to Planning Practice Guidance on *Housing for Older and Disabled People* published by Government in June 2019 and includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

13.57 The data shows in general that Wealden has an older age structure but similar levels of disability compared with other areas (age-specific rates are lower). The older person population is projected to increase notably in the future and an ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2019-39 period include:

- A 56% increase in the population aged 65+ (potentially accounting for over half of total population growth);
- A 75% increase in the number of people aged 65+ with dementia and a 66% increase in those aged 65+ with mobility problems;
- A need for around 2,200 housing units with support (sheltered/retirement housing) including 65% in the market sector;
- A need for around 1,100 additional housing units with care (e.g. extra-care), around a third in the affordable sector;
- A need for 993 additional care bedspaces; and
- A need for around 1,800 dwellings to be for wheelchair users (meeting technical standard M4(3)).

13.58 This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Council could consider (as a starting point) requiring all dwellings (in all tenures) to meet the M4(2) standards (which are similar to the Lifetime Homes Standards) and at least 10% of homes meeting M4(3) – wheelchair user dwellings (a higher proportion in the affordable sector).

13.59 Where the authority has nomination rights, M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.

13.60 The Council should also consider if a different approach is prudent for market housing and affordable homes, recognising that Registered Providers may already build to higher standards, and that households in the affordable housing sector are more likely to have some form of disability.

13.61 In seeking M4(2) compliant homes, the Council should also be mindful that such homes could be considered as 'homes for life' and would be suitable for any occupant, regardless of whether or not they have a disability at the time of initial occupation.

13.62 In framing policies for the provision of specialist older persons' accommodation, the Council will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for.

Other Groups

13.63 On average 26 individuals enter the self and custom build register per base period. This gives an indication of the scale of future need. Moving forward, the Council will need to ensure that the actual number of entries on the register at the end of each base period is equivalent to number of plots of land that are permitted within 3 years.

13.64 As a first step, the local authority should seek to adopt a general "encourage" policy for all sites but also implement a further policy on strategic sites. The exact level should be determined in reference to the number and capacity of strategic sites and the overall local need as identified on the register. This should also take into account the committed supply, need for other types of housing (including affordable housing need) and viability.

13.65 The average number of households owed a homelessness duty is 121 per annum of which 51% required a prevention duty and 49% a relief duty. The majority require smaller homes and the council should consider ensuring a smaller supply of affordable homes to meet this need.

13.66 Many of those presenting as homeless also have a support need. The Council should continue to work with the relevant bodies to ensure proper support is provided and monitor the situation for any rapid changes. For example an increase in homelessness once the eviction amnesty is finished.

13.67 There is unlikely to be any demand from student or service (or ex-service) personnel in the district.

13.68 The latest evidence for Wealden in relation to Gypsies and Travellers is set out in the "Wealden Gypsy and Traveller Accommodation Assessment" (November 2016). The report identified a need for 21 additional pitches between 2016 and 2038. This evidence base is currently being updated separately.