

Horam

Housing Needs Assessment (HNA)

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List of acronyms used in the text:

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

1. Executive Summary

1. Horam is a Neighbourhood Area located in Wealden District, East Essex. The Neighbourhood Area (NA) boundary comprises the whole parish and was designated in November 2019.
2. The Office for National Statistics mid-2020 population estimate for Horam is 2,906 individuals, showing an increase of 264 individuals since the 2011 Census.
3. There has been some development in Horam since 2011, with WDC providing completions data from 2011 to 2022 which showed the development of 270 net dwellings. Of these, 58 were delivered as Affordable Housing. The total quantity of dwellings in the NA in 2022 is estimated to be 1,425. The number of dwellings in 2011 was 1,155. Thus, when combined with 270 net dwellings completions (2011-2022), the total comes to 1,425. As of 1st April 2022, outstanding commitments total 108 dwellings.
4. This Executive Summary details the conclusions of each chapter of the report, addressing the three research questions formulated at the outset of the research.

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

5. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The outcomes of these assessments will inform NP policies for the scale and nature of affordable housing provision, as well as provide a context for wider planning policies to guide new development.
6. From the current tenure profile, the data shows that Horam has a high percentage of home ownership compared to that of England, with 77% compared to 64% respectively. Furthermore, Horam has a low percentage of social rented (9%) and private rented (11%) accommodation compared to that of England, which has 18% social rent and 17% private rent. Importantly, this low rate of social rented accommodation compared with the national average is a potential challenge for local people on the lowest incomes.
7. As aforementioned, WDC has provided completions data since 2011 to 2022, which provides an indication of the number of new developments since the last census. Total net completions from 2011-2022 were 270. The WDC data suggests that within this total, 48 units of social rented housing and 10 of intermediate home ownership have been delivered. It is assumed that many sites completed in this period were too small to be expected to deliver Affordable Housing. Thus, around 21.5% of the homes built since 2011 have been in affordable tenures, mainly for rent.
8. On house prices, in 2021, the average house price was £462,951. The data shows that the mean house price has increased by nearly 70% since 2012, from £272,907. Furthermore, the lower quartile house price has shown the largest increase from 2012-2021, with an increase of 79%, from £179,500 to £321,250. The median house price has increased by 57.4%, from £235,000 to £370,000.

9. On income, the average total household income locally was £45,600 in 2018. There is also a second source, providing lower quartile average earnings (i.e. the income of the lowest 25% of earners) across the wider District. Wealden's gross individual lower quartile annual earnings were £16,598 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £33,196. Additionally, employment-based incomes in Wealden were compared to resident-based incomes. The median individual income among those working but not necessarily living in Wealden is £23,662, compared with £26,103 for those living in Wealden but not necessarily working there. The difference is slight, meaning there appears to be little difference between the earning power of those commuting in and out, although higher paying jobs appear to be more plentiful outside the District.
10. On affordability thresholds, for housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher-than-average income, is likely to remain out of reach to most. The median house price would require an annual income of £95,143. This is 109% higher than the current average of £45,600. Flats appear to be the cheapest market housing option at £48,278, showing that the type of property has an impact on affordability, but even for flats the income needed for the average price remains slightly above the average income for Horam.
11. Private renting at entry level is generally affordable to average earners. Households made up of two lower quartile earners cannot afford the given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.
12. On Affordable Home ownership, there is a large group of households in Horam who may be able to afford to rent privately but cannot afford home ownership. This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership. Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes from 30% to 40% or 50% where there is evidence to suggest this is appropriate. This report suggests that a 50% discount is required from the perspective of affordability, subject to viability considerations.
13. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Horam as the only option for a large segment of those in the greatest need.
14. To understand the quantity of affordable housing for rent needed in Horam in future years, the Wealden LHNA was consulted. It is important to emphasise that the estimates of need set out in the LHNA are in excess of what is deliverable given Wealden's overall housing need. The LHNA is explicit on this point, concluding that Affordable Housing delivery should be maximised within new development and acknowledging that this will need to be lower than the identified need.
15. To get a rough sense of the Affordable Housing need that is attributable to Horam specifically, the LHNA figures are pro-rated to NA based purely on its share of the

population (1.77% of the LPA's population). For affordable and social rented homes this equates to 9 (rounded up) homes per annum or approximately 135 homes over the 15-year Neighbourhood Plan period, 2024-2039. The equivalent figure for affordable home ownership is 6 per year or 90 homes over the plan period. This provides a broad sense of the scale of potential need, noting that Affordable Housing need across Wealden is not achievable within the need for housing overall. In addition, pro-rating District level estimates of affordable housing need to rural areas presents problems in practice.

16. Consequently, additional estimates of the need for affordable housing are calculated here at neighbourhood scale, largely from information provided by WDC in its capacity as manager of the local housing waiting list. The data supplied by WDC stated that there are that there are 8 households are living in Horam seeking alternative affordable accommodation within Horam – the key group who need to be accommodated. Furthermore, there are 77 households living elsewhere in the district who are in need of affordable housing and have listed Horam as an area of preference. Households may indicate multiple areas of preference, so this is a less relevant indicator of the need and is mentioned only for context.
17. From AECOM's calculations, the overall result is in fact a net surplus of 1.9 affordable rented homes per year or 28.5 homes over the plan period (29 rounded). This result – suggesting no further supply is needed – may initially be surprising since there is understood to be a current backlog of need (in the region of 8 households), as well as a significant unmet need for affordable rented homes across Wealden, according to the LHNA.
18. This result is explained by the high number of social/affordable housing units already within Horam (at least relative to Wealden overall), which has the potential to accommodate newly arising needs. This has also been boosted by supply as part of recent developments. This picture at the scale of Horam, where supply through turnover is large in proportion to the current and expected need, is different to the picture across Wealden. Nevertheless, there is a need to clear the current backlog and thus, an undefined immediate need for Affordable Housing for rent. As such, it is recommended that Horam seek to deliver some affordable rented housing, particularly early in the Plan period, with the understanding that if this results in oversupply in future years, the vacancies created when existing occupants leave their properties will satisfy new and additional need from elsewhere in the district.
19. On the quantity of affordable housing for ownership, the result of the calculation is 4.8 households per annum who may be interested in affordable home ownership or 71.9 for the entirety of the Plan period (72 rounded). For context, this figure is similar to that calculated by pro-rating the LHNA figures to Horam. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances.
20. Overall, combining the results of affordable housing for rent and sale in Horam, there should be around 5 Affordable Homes built within Horam per year or 72 homes over the plan period based on AECOM's calculation.
21. This figure is simply the total potential demand for affordable ownership, since it is not appropriate to deduct the surplus of affordable rented housing because relevant households cannot move between them. This figure is also an expression of potential demand rather than need in the strict sense.

22. As an alternative estimate, the combined Affordable Housing figure from the Wealden LHNA pro-rated in Horam would be 15 homes per year (9 for rent and 6 for ownership). However, it is important to state that the pro-rated figure from the LHNA is not considered achievable in Horam, and the total figure is equally unachievable for Wealden. The LHNA recommends that 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.
23. To note, from AECOM's estimates, it is clear that affordable ownership is a priority at the local level, and this should be balanced with the imperative at the district scale to maximise rental options. The policy approach for Horam should be a reasonable compromise between these contrasting imperatives at the two scales.
24. On the basis of the considerations within the chapter, this HNA proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy. As housing delivery levels are currently unknown, AECOM proposes that Horam aims for a tenure split of 40% for affordable home ownership to 60% for affordable rent, within forthcoming Affordable Housing supply. This maintains a focus on those whose needs are most urgent but allows for a meaningful share of delivery to be dedicated to ownership options.

RQ 2: Type and Size

25. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.
26. On the mix of dwelling types within Horam, 29.6% of homes in 2021 were detached, followed by semi-detached at 24.4%. The lowest accommodation type is terrace with 11.1% of the share. Compared to England it is clear that Horam has a higher percentage of detached dwellings and far more bungalows (although this is also a feature shared by the wider district). The relative lack of smaller dwelling types, such as flats and terraces, feeds into RQ 1 above, contributing to the affordability issues previously established.
27. In terms of the mix of home sizes, smaller dwellings appear to have increased in recent years. For example, 2 bed dwellings have increased since 2011, whereas 4 and 5 bed dwellings have reduced in number (noting some potential inconsistencies in the two data sources used). The size mix remains generally larger than the national average but slightly smaller than the Wealden average.
28. On demographics, the data shows that Horam's age structure remains relatively unchanged from 2011 to 2020, although in 2011 the demographic profile was clearly older than the wider District and country. There has since been a slight increase in the older population aged 65+ but also in the 0-15 age category. Overall, the data shows that the population has increased from 2,642 to 2,906 from 2011 to 2020.
29. On household composition, Horam had a slightly higher proportion of one person households than the District average. More of the younger families have dependent children than do not within Horam. It is also important to note that households in which

adult children are living at home form 10% of the total, which is higher than Wealden and England. This suggests that some younger adults are unable to leave home to form their own households, likely due to concerns around housing affordability.

30. Looking at occupancy ratings, 79% of households have more bedrooms than they might strictly be expected to need. There is also a high percentage of older people occupying dwellings which are larger than their needs, and thus have extra unoccupied rooms. This data is indicative of potential unmet need for downsizing options in the parish.
31. The HNA model predicting what mix of dwelling sizes would be most appropriate given the projected evolution of the population suggests that new housing provision within Horam should focus on smaller and mid-sized homes. This will help to accommodate younger families and new households, address the unmet demand for downsizing, and go some way to improving affordability.
32. Specifically, 2-bed dwellings are suggested to form 41.2% of the proposed mix, with moderate proportions of 1- and 3-bed homes, and modest continued provision of larger homes with 4+ bedrooms.
33. Smaller dwellings, particularly with 1 bedroom, should be sympathetic to the character and attributes of Horam, and local design codes and guidelines should be followed. For instance, flats could take the form of maisonettes with the appearance of terraced housing within the NA to reduce the need to higher-rise buildings and keep within expectations of character.
34. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It may not be appropriate, for example, for policy to be prescriptive about the specific percentage sought for each size category. Other evidence, such as the results of a household survey, may also be valid inputs to any final size mix sought in Neighbourhood Plan policy.

RQ 3: Specialist housing for older people, including disabilities

35. This chapter considers in detail the specialist housing needs of older and disabled people in Horam. People experience ageing differently. Much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age while others may need support and care much earlier in their lives. Some will be interested in moving to a suitable home closer to services while for others ageing independently in place will be key to their wellbeing.
36. In addition to housing for older people, the neighbourhood planning group is keen to ensure that there is an adequate supply of suitable dwellings provided to meet the needs of people with disabilities in the Neighbourhood Area. As such, it is appropriate to understand the specific dwelling tenures and types that could be provided to ensure that the Neighbourhood Area retains or provides housing that is suitable for disabled people.
37. Within Horam there is a total of 118 units of specialist accommodation for older people at present, including care home beds. However, of interest are the 51 units that are available for retirement housing. Of these 51 units, there is a split of tenures between rent (social landlord) and shared ownership. ONS 2020 population estimates suggest that there are currently around 384 individuals aged 75 or over in Horam. This

suggests that current provision is in the region of 133 units per 1,000 of the 75+ population (a common measure of specialist housing supply).

38. Looking at tenure and projections, the vast majority of households in Wealden aged 55-75 own their own home (87.1%), most of whom own their home outright (60.4%). There is a low incidence of renting within the group, both social and private. Following this, the data shows that the percentage of those aged 75+ in the NA will increase from 12.8% to 20.4%. Accordingly, over one-fifth of the population of Horam will be 75 and over by 2039.
39. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
40. These two methods of estimating the future need in Horam produce a range of 77 to 96 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
41. At the lower end of the range bracket, 77 homes would lead to an increase of 58% in specialist housing. At the higher end of the scale, 96 houses would result in an increase of 72% in specialist housing within Horam. These rates of increase may not be seen as realistic given the housing targets set for the parish overall, and furthermore may not be seen as desirable in the context of other objectives such as demographic balance. The range provided here is not additional to or within the overall housing target but has a flexible degree of overlap with it, depending on the preferences of the community, capacity of sites, and competing imperatives to provide other forms of housing, such as affordable housing.
42. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Planning Group is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. The local level evidence supplied in this report could be used to influence district/borough level policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
43. The current adopted Local Plan does not provide explicit encouragement for development to accommodate specific groups such as older people. Also, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The government is intending to mandate M4(2) standards in all new homes following a consultation exercise on this subject in July 2022 but has not yet implemented the change to building regulations. The evidence gathered here would appear to justify that approach. It may be worth the Parish Council approaching the LPA to discuss setting requirements on accessibility and adaptability at District level prior to the national mandate. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.

44. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
 - so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
 - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
 - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
45. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
46. It is considered that Horam's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from Horam entirely within the Neighbourhood Area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of Horam, Heathfield or Hailsham are considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Area (i.e. to be the hub in the hub-and-spoke model). There are no formal targets that must be met in terms of accommodation for this group, but the unmet need within the parish could be reduced if additional provision is provided elsewhere or if higher standards of accessibility and adaptability are achieved in the mainstream housing in the parish.
47. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, with the consideration of those with disabilities, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.
48. On disabilities, the data shows that the percentage of people with a LTHPD within Horam is in line with England, with 17.5% and 17.6% respectively. It is interesting to note that a higher share of those with severely limiting health conditions tend to live in social rented accommodation, compared to the other categories. This may be because those conditions also impact those individuals' ability to work and therefore to afford alternative housing options. Lastly, the data shows that incidence of long-term disability and age are strongly correlated. Ultimately, there could be broader benefits to providing disability housing in Horam that is not explicitly targeted at older people. However, given there are not unusually high rates of disabilities in the younger population there may not be justification for a specific scheme. Again, the avenue of seeking ambitious standards of accessibility and adaptability in new housing may be the most effective and flexible option.

2. Context

Local context

49. Horam is a Neighbourhood Area located in Wealden District, East Essex. The Neighbourhood Area (NA) boundary comprises the whole parish and was designated in November 2019.
50. The Neighbourhood Plan is anticipated to be adopted in 2024 and would extend to 2039, therefore comprising a planning period of 15 years. The evidence supplied in this report will look forward to the expected Plan end date of 2039, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
51. Horam is a village situated in the Weald of Sussex, once part of a vast forest of 1,700 square miles situated between the North Downs and the South Downs of south-east England. The Weald consists of green fields, arable farmland and small woods. Little remains of the ancient forest except for a few sites which are now of scientific interest.
52. The Wealden administrative District covers 323 square miles of the larger geographical area which is the Weald. Horam itself lies 3 miles south of Heathfield, one of the five main towns in the District.
53. Horam is a village and a civil parish, a small administrative area for the purposes of local government. The parish has its own church, Village Hall and Recreation Ground. Most of the people of Horam parish live close to the centre of Horam and the communities of Vines Cross and Maynard's Green, but many others live in houses dotted along the roads and lanes. The southern slopes of the High Weald Area of Outstanding Natural Beauty touch Horam on its northern fringe.
54. Horam village lies on the A267 Tunbridge Wells–Eastbourne Road south of Heathfield. Furthermore, Horam is served by various routes of the Stagecoach Bus Services.
55. For Census purposes, the Neighbourhood Area is made up, like the rest of England, of statistical units called Output Areas (OAs). The Plan area equates to the following LSOAs, which have been used throughout as a statistical proxy for the NA boundary and which can be interrogated for data from both the 2001 and the 2011 Censuses:
 - LSOA: E01021201
 - LSOA: E01021200
56. The statistics show that in the 2011 Census the NA had a total of 2,642 residents, formed into 1,114 households and occupying 1,155 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Horam is 2,906 – indicating population growth of around 264 individuals since 2011. It is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.
57. The data below, in Table 2-1, has been supplied by WDC, the LPA, and details the total number of completions from 2011-2022. This provides us with the number of new developments since the last census. The number of dwellings in 2011 was 1,155.

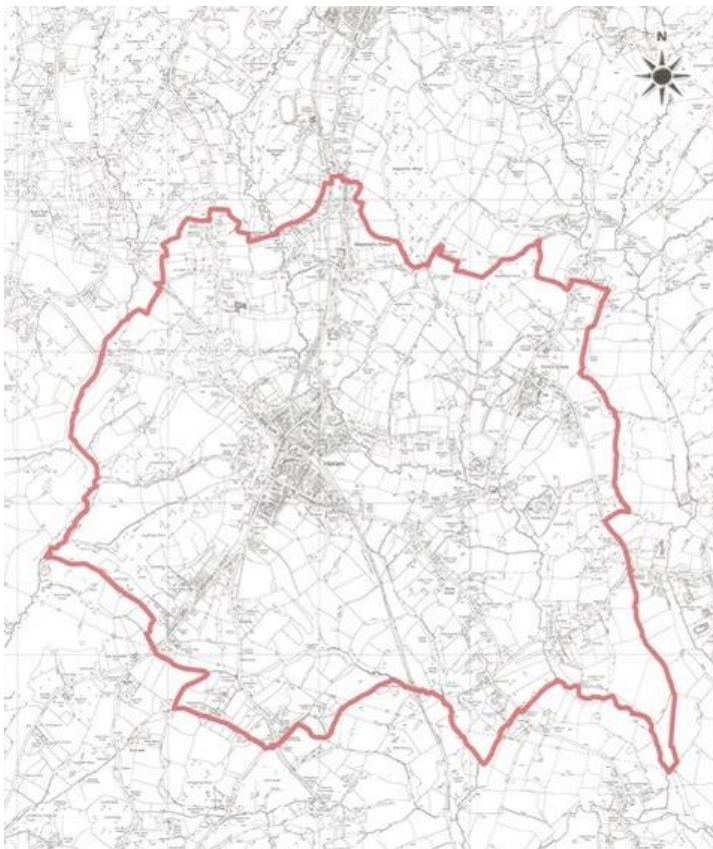
When combined with 270 net dwellings completions (2011-2022), the total comes to 1,425.

Table 2-1: Completions in Horam 2011-2022

Financial Year	Intermediate Housing		Market		Social Rented Housing		Total	
	Net dwellings completed	Gross dwellings completed	Net dwellings completed	Gross dwellings completed	Net dwellings completed	Gross dwellings completed	Net dwellings completed	Gross dwellings completed
2011/2012			2	2			2	2
2012/2013			1	1	0	0	1	1
2013/2014					9	9	9	9
2014/2015			4	4			4	4
2015/2016			4	4	0	0	4	4
2016/2017			39	39			39	39
2017/2018			7	7			7	7
2018/2019			23	23			23	23
2019/2020	10	10	65	66	22	22	97	98
2020/2021			23	23	6	6	29	29
2021/2022			44	45	11	11	55	56
Total	10	10	212	214	48	48	270	272

58. A map of the Plan area appears below in Figure 2-1.

Figure 2-1: Map of the Horam Neighbourhood Area¹



Source: Located from Horam.com ^[1].

¹ Available at <https://horam.com/neighbourhood-plan/boundary-map/>

The Housing Market Area Context

59. Whilst this HNA focuses on Horam neighbourhood area it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas. In the case of Horam, the Wealden Local Housing Needs Assessment (2021) gives context to housing within the District.
60. This means that when households who live in these authorities move home, the vast majority move within this geography. The housing market area also has links to other neighbouring areas however, including major towns such as Crowborough, Hailsham, Heathfield, Polegate and Uckfield.
61. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Horam, are closely linked to other areas. In the case of Horam, changes in need or demand in settlements nearby is likely to impact on the neighbourhood.
62. In summary, Horam functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (WDC) it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood play within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area. This is beyond the scope of this study but it is something that the NP must consider when drawing conclusions from this HNA.

Planning policy context

63. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.²
64. Wealden District Council's (WDC's) current statutory development plan consists of the adopted Wealden District Core Strategy Local Plan (February 2013), the 'saved' policies of the adopted Wealden Local Plan (1998) and the Affordable Housing Delivery Local Plan (May 2016).
65. Importantly, a proportion of the Horam Parish lies within High Weald AONB. This is relevant for the northern area of the Parish and covers all of Maynard's Green. The High Weald AONB Management Plan 2019-2024³ has been developed for the sustainable management and protection of this AONB.
66. To note, the AONB Management Plan does not form part of the statutory development plan, but local planning authorities and neighbourhood planning bodies should take the AONB Management Plan into account when preparing local and neighbourhood plans. AONB Management Plans includes material considerations for making decisions on planning applications within AONBs and their setting. Accordingly, this

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

³ AONB Management Plan available at: <https://www.highweald.org/downloads/publications/high-weald-aonb-management-plan-documents/2291-high-weald-management-plan-4th-edition-2019-2024/file.html>

management plan must be considered for the NP and planning applications within the AONB.

67. WDC is preparing a new local plan for Wealden District, which will replace the current Local Plan. The new Local Plan will provide policies to shape places, plan and manage growth in the district and guide development over a 15–20-year period. The local plan will ultimately be the key planning document against which planning applications will be assessed and decided. However, on 19th February 2020, WDC formally withdrew its draft Wealden Local Plan 2019 following its Stage One examination process. A new Plan has since been developed but its Regulation 18 consultation stage has been delayed due to uncertainties in the national planning context.
68. Three key documents have been considered here for review:
- The **Affordable Housing Delivery Local Plan**, which supersedes policy WCS8 in the adopted Core Strategy Local Plan concerning Affordable Housing. Following examination by an Independent Planning Inspector, the Affordable Housing Delivery Local Plan was adopted on 18 May 2016;
 - **Saved policies from the adopted local plan 1998:** As of 27th of September 2007 a number of policies in the Wealden Local Plan were saved by approval of the Secretary of State under paragraph 1(3) of Schedule 8 of the Planning and Compulsory Purchase Act 2004, and;
 - **The Core Strategy Local Plan**, which comprises a long-term spatial vision and strategic objectives for the Wealden District area for the period 2013 to 2027. All subsequent documents produced as part of the Local Plan will build on the objectives set out in the Core Strategy.

Policies in the adopted local plan

69. Table 2-2 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Horam.

Table 2-2: Summary of relevant adopted policies to Horam Neighbourhood Plan Housing Needs

Policy	Document	Provisions
Policy AFH1: Affordable Housing	Affordable Housing Delivery Local Plan	<p>This policy states that affordable housing must be provided at a rate of 35% of the total number of dwellings on construction sites with 5 (net) dwellings or more. When sites are allocated in a Local Plan, the document can specify a different amount.</p> <p>The policy also states that for development sites of 49 dwellings or less, roughly 80% of the total number of affordable homes provided should be for social rented accommodation, with the remainder being for intermediate accommodation. For sites of 50 dwellings or more, around 40% of the total number of affordable homes should be social rented accommodation, 40% should be affordable rent and 20% should be intermediate accommodation.</p>
Policy WCS1: Provision of Homes and Jobs 2006-2027	Adopted Core Strategy	Land will be identified in subsequent Development Plan Documents for the provision of some 4525 net additional dwellings in Wealden District to provide for 9440 dwellings over the period 2006-2027.
Policy WCS2: Distribution of Housing Growth 2006-2027	Adopted Core Strategy	This policy sets out a plan for future housing developments and how land will be allocated to meet the housing provision set out in Policy WCS1.
Policy WCS4: Strategic Development Areas	Adopted Core Strategy	This policy outlines the strategic development areas that are considered vital to the overall strategy's delivery, and provide new housing, jobs, and community amenities in the Wealden district.
Policy WCS6: Rural Areas Strategy	Adopted Core Strategy	Within this policy Horam has been designated 100 net additional dwellings up to 2027.

Quantity of housing to provide

70. The NPPF 2021 (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
71. WDC has not yet formally fulfilled this requirement by providing Horam with a definitive or indicative number of dwellings to be accommodated within the Neighbourhood Plan area by the end of the Plan period. This is understood to be due to the fact that the emerging WDC Local Plan was completely withdrawn following its examination.
72. The Wealden LHNA (August 2021) states that 1,225 dwellings are needed per annum across the District. This can be loosely apportioned to Horam with reference to population statistics. Horam represents 1.77% of Wealden's population and might therefore be expected to need 22 dwellings per annum (rounded). Over the period of the LHNA (2019-2039) this equates to 434 dwellings. Over the anticipated Neighbourhood Plan period (15 years) it equates to 330.
73. Focusing on the figure for the whole LHNA period and subtracting the dwellings already completed in Horam since its publication (181) leaves 253 outstanding to 2039. This estimate may be useful for the NP moving forward.

3. Approach

Research Questions

74. The following research questions were formulated at the outset of the research through discussion with Horam Parish Council. They serve to direct the research and provide the structure for the HNA.

Tenure and Affordability

75. The Parish Council would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
76. This evidence will allow Horam to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

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

Type and Size

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

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

Specialist Housing for Older People and Disabilities

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

RQ 3: What provision should be made for specialist housing for older people, and others with disabilities, over the Neighbourhood Plan period?

Relevant Data

82. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census (as the 2021 Census figures are yet to be published for local areas) and a range of other data sources, including:
- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
 - ONS population and household projections for future years;
 - Valuation Office Agency (VOA) data on the current stock of housing;
 - Land Registry data on prices paid for housing within the local market;
 - Rental prices from Home.co.uk;
 - Local Authority housing waiting list data; and
83. Wealden Local Housing Needs Assessment August (LHNA) 2021 More recent data sources for the population and existing housing stock will be used wherever possible in this report. However, Census datasets providing, for example, the breakdown of households (as opposed to individuals) by age and the tenure of dwellings, cannot be accurately brought up to date in this way. Such patterns are instead generally assumed to persist to the present day.

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

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

Introduction

84. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
85. Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
86. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. The NPPF defines Affordable Housing as '*housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers; and which complies with one or more of the following definitions*⁴'. The full document further outlines the tenures included in this definition. Those outlined in Table 4-1 would fall under this NPPF definition of Affordable Housing.

Table 4-1: Breakdown of Affordable Housing tenures

Tenure	Rent/Ownership	Brief Description
Social Rent	Rent	<p>This tenure is owned by local authorities (what used to be called Council housing) and private registered providers (also known as housing associations).</p> <p>Guideline target rents are determined through the national rent regime and are typically the lowest-cost form of housing available.</p>

⁴ Available here -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005759/NPPF_July_2021.pdf

		Households must be eligible on the basis of incomes and other circumstances, and there are usually waiting lists.
Affordable Rent	Rent	<p>This is similar to Social Rent (above). Affordable Rent is not subject to the national rent regime but must have a rent of no more than 80% of the local market.</p> <p>Households must be eligible on the basis of incomes and other circumstances, and there are usually waiting lists.</p>
Rent to Buy	Combination	Rent to Buy is a relatively uncommon tenure. Subsidy allows the occupant to save a portion of their rent to be used to build up a deposit to eventually purchase the home.
Shared Ownership	Ownership	<p>An affordable home ownership product where a purchaser buys part (generally between 25% and 75%, but can be as little as 10%) of the value of the property. The remaining (un-owned part) is rented from a housing association or local authority.</p> <p>This Generally applies to new build properties, but re-sales occasionally become available.</p>
First Homes	Ownership	<p>First Homes are an affordable home ownership product introduced in 2021. Discounts on the market price can be set at 30%, 40%, or 50%.</p> <p>New developments will be required to provide 25% of the Affordable Housing as First Homes. This product is discussed in more detail in the commentary following this table.</p>

87. As part of the effort to expand home ownership, the Government introduced the First Homes product in 2021.⁵ Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:

- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);

⁵ The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

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

Current tenure profile

88. The current tenure profile is a key feature of the Neighbourhood Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.
89. Table 4-2 presents data on tenure in Horam compared with Wealden and England from the 2011 Census, which is the most recent available source of this information.
90. The data shows that Horam has a high percentage of home ownership compared to that of England, with 77% compared to 63.3% respectively. Furthermore, Horam has a low percentage of social rented (9%) and private rented housing (10.9%) compared to that of England, which has 17.7% social rent and 16.8% private rent. Importantly, this low rate of social rented accommodation compared with the national average is a potential challenge for local people on the lowest incomes.
91. As aforementioned, WDC has provided completions data since 2011 to 2022, which provides an indication of the number of new developments since the last census. Completions from 2011-2022 total 270. The WDC data suggests that within this total, 48 units of social rented housing and 10 of intermediate home ownership have been delivered. It is assumed that many sites completed in this period were too small to be expected to deliver Affordable Housing. Thus around 21.5% of the homes built since 2011 have been in affordable tenures, mainly for rent.

92. There is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Horam the private rented sector expanded by 59.2% in that period, this rate of growth was lower than in Wealden (112.7%) and also nationally (82.4%). However, private renting tends to see more growth in towns and cities compared to rural areas.

Table 4-2: Tenure (households) in Horam, 2011

Tenure	Horam	Wealden	England
Owned	77.0%	78.7%	63.3%
Shared ownership	1.7%	0.8%	0.8%
Social rented	9.0%	7.7%	17.7%
Private rented	10.9%	11.1%	16.8%

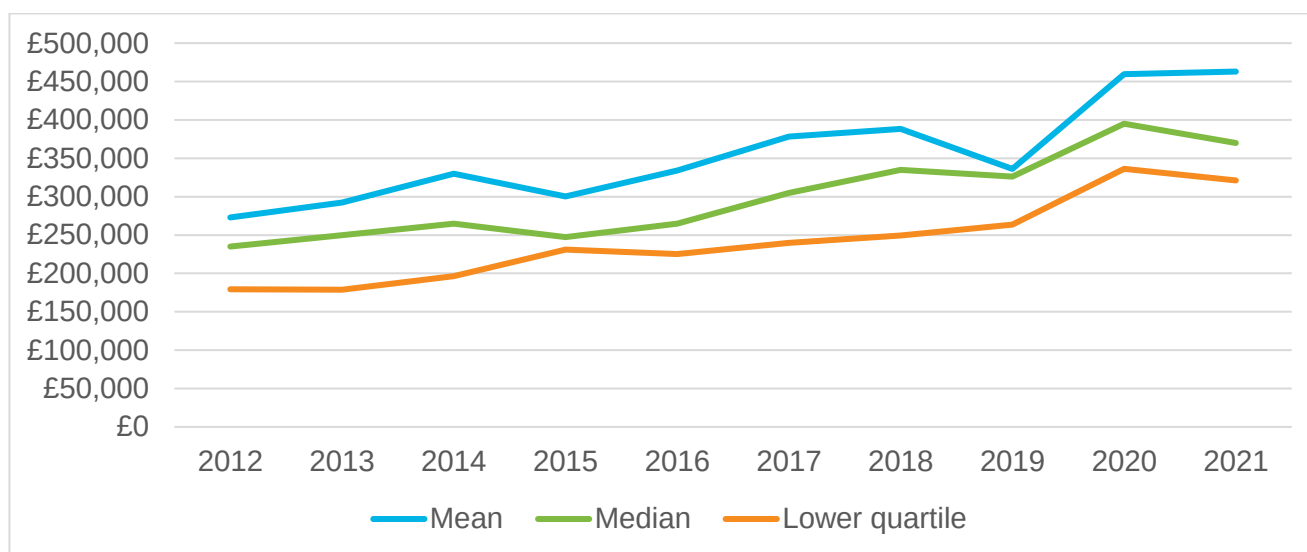
Sources: Census 2011, AECOM Calculations

Affordability

House prices

93. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.
94. Figure 4-1 looks at the average and lower quartile house prices in Horam based on sales price data published by the Land Registry. It shows that in 2021, the average house price was £462,951, a figure that has increased by nearly 70% since 2012, when it stood at £272,907. Furthermore, the lower quartile house price has shown the largest increase from 2012-2021, with an increase of 79%, from £179,500 to £321,250. The median house price has increased by 57.4%, from £235,000 to £370,000.
95. For reference, the median is the middle number when you sort the data from smallest to largest. Additionally, because the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end cause the mean to increase, making it higher than the median.
96. The price of entry-level housing has risen faster than that of housing generally, presenting a potentially immense challenge for those with lower incomes or without equity in an existing home who wish to buy locally.

Figure 4-1: House prices by quartile in Horam, 2012-2021



Source: Land Registry PPD

97. Table 4-3 breaks down house prices by type, presenting the median within each type. It shows that terraced housing has seen the largest increase in price, by 90.2% from £184,000 in 2012 to £350,000 in 2021 (although the trend for terraces is fairly volatile owing to the small sample size). This was followed by semi-detached dwellings with an increase of 86.1% from 2012-2021, then detached dwellings with an increase of 73.6%.

Table 4-3: Median house prices by type in Horam, 2012-2021

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£299,000	£415,000	£399,950	£337,500	£485,000	£470,000	£530,000	£370,000	£479,995	£519,000	73.6%
Semi-detached	£180,000	£194,975	£220,250	£245,000	£230,000	£290,000	£314,975	£320,000	£332,498	£335,000	86.1%
Terraced	£184,000	£239,000	£198,250	£220,000	£215,000	£277,500	£247,000	£248,500	£315,000	£350,000	90.2%
Flats	£115,000	£122,500	-	£120,725	£159,950	£185,000	£169,250	£193,500	£200,000	£187,750	63.3%
All Types	£235,000	£249,999	£265,000	£247,500	£265,000	£305,000	£335,000	£326,250	£395,000	£370,000	57.4%

Source: Land Registry PPD

Income

98. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.
99. The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income locally was £45,600 in 2018. A map of the area to which this data applies is provided in Appendix A.
100. The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners) and is more up-to-date. However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household

income where there are two or more people earning. Wealden's gross individual lower quartile annual earnings were £16,598 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £33,196.

101. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

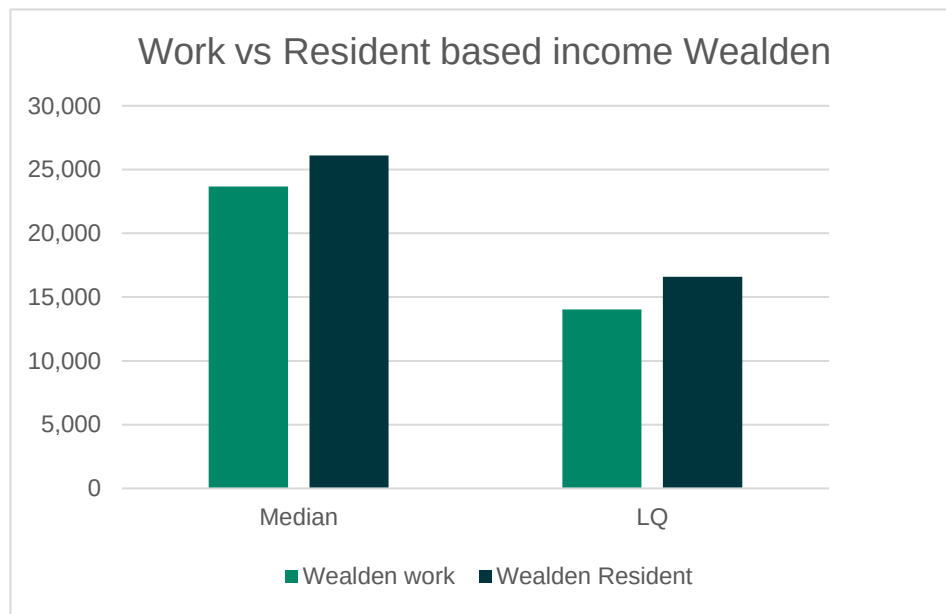
Incomes: workers vs residents

102. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. It is also helpful to review additional details relating to local incomes. The ONS estimates at local authority level are provided in two keyways: one is for 'home geography' – for all of the people who live in the local authority no matter whether they work there or not; the other is for 'work geography' – for all of the people who work in the local authority, even if they commute in from elsewhere.
103. In terms of incomes, the median individual income among those working but not necessarily living in Wealden is £23,662, compared to £26,103 for those living in Wealden but not necessarily working there. The difference is relatively small, meaning that work is slightly higher paying outside of Wealden than within it, but only to a limited degree.
104. More detailed information on travel to work patterns (though not incomes) can be gleaned from the Census for Horam specifically. Unfortunately, it is not possible to determine how many people work in Horam but do not live there and vice versa at this scale
105. Table 4-4 and Figure 4-2 below highlights workers vs residents-based income at District level to clarify the differences in salary.

Table 4-4: Work vs Resident based income WDC

Type	Median	Lower Quartile
Wealden Work	£23,662	£14,044
Wealden Resident	£26,103	£16,598

Figure 4-2: Work vs Resident based income Wealden



Affordability Thresholds

106. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent, or a mortgage given local housing prices.
107. AECOM has determined thresholds for the income required in Horam to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.
108. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives.
109. The mortgage multiplier is particularly variable, with multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants. The percentage of income to be spent on rent also varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability, it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption. While larger mortgages and higher rents may be feasible for individuals, this creates vulnerability to changing economic circumstances and may not be a possibility for many people with the most acute housing needs. Different assumptions would, however, alter the picture of affordability that emerges here. This is another reason interpret the findings with a degree of flexibility.

110. Table 4-5 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.
111. It is also worth emphasising that the income data used here is from 2018 (overall median) and 2020 (lower quartile individual and dual), while the housing costs data is accurate to 2021/22. As such these comparisons are not precisely equivalent and there is potential for housing costs and incomes to have changed at different rates in the intervening years.
112. The same information is presented as a graph in Figure 4-3 on a subsequent page, with selected measures from the table presented for clarity.

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

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £45,600	Affordable on LQ earnings (single earner)? £16,598	Affordable on LQ earnings (2 earners)? £33,196
Market Housing						
Median House Price	£333,000	-	£95,143	No	No	No
Estimated NA New Build Entry-Level House Price	£297,331	-	£84,952	No	No	No
LQ/Entry-level House Price	£289,125	-	£82,607	No	No	No
LA New Build Median House Price	£337,498	-	£96,428	No	No	No
Average Market Rent	-	£14,520	£48,400	Marginal	No	No
Entry-level Market Rent	-	£12,780	£42,600	Yes	No	No
Market Housing by Type						
Detached (median house price)	£467,100	-	£133,457	No	No	No
Semi-detached (median house price)	£301,500	-	£86,142	No	No	No
Terraced (median house price)	£315,000	-	£90,000	No	No	No
Flats (median house price)	£168,975	-	£48,278	Marginal	No	No
Affordable Home Ownership						
First Homes (-30%)	£208,132	-	£59,466	No	No	No
First Homes (-40%)	£178,399	-	£50,971	No	No	No
First Homes (-50%)	£148,665	-	£42,476	Yes	No	No
Shared Ownership (50%)	£148,665	£4,130	£56,241	No	No	No
Shared Ownership (25%)	£74,333	£6,194	£41,886	Yes	No	No
Shared Ownership (10%)	£29,733	£7,433	£33,273	Yes	No	Marginal
Affordable Rented Housing						
Affordable Rent	-	£7,539	£25,105	Yes	No	Yes
Social Rent	-	£5,583	£18,590	Yes	No	Yes

Source: AECOM Calculations

113. Before considering each tenure category in turn, it is important to stress that these affordability thresholds have been calculated to give a sufficiently robust indication of the costs of various tenures to inform Neighbourhood Plan policy choices. These figures rely on existing data and assumptions, and it is not possible to estimate every possible permutation. The income figures also disguise a large degree of variation. For simplicity the analysis below speaks in terms of tenure products being 'affordable' or 'not affordable' for different groups, but individual circumstances and the location, condition and other factors of specific properties in each category have a large impact. These conclusions should therefore be interpreted flexibly.

Market housing for purchase and rent

114. Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher-than-average income, is likely to remain out of reach to most. The median house price would require an annual income of £95,143. This is more than double the 2018 local average income of £45,600, and therefore suggests that local buyers will need equity from an existing home.
115. Private renting at entry level is generally affordable to average earners. Households made up of two lower quartile earners cannot afford the given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.
116. For Horam, an additional piece of analysis was undertaken for the different forms of market housing by type, using the 2021 median house price. The headline averages can be seen within Table 4-6, in comparison with other affordability values. In addition, Table 4-6 below details the variation between dwelling types. Flats appear to be the cheapest at £48,278, yet this remains slightly above the average income for Horam. It is clear that more dense dwelling types (i.e., flats) improve affordability, but given the scale of the challenge in Horam the benefits still accrue to higher-than-average earners or those with additional savings or equity from an existing property.

Table 4-6: Affordability of market housing by type (using the 2021 median in Horam)

	Detached	Semi-detached	Terraced	Flats
Average price	£519,000	£335,000	£350,000	£187,750
10% purchase deposit	£51,900	£33,500	£35,000	£18,775
Value for mortgage	£467,100	£301,500	£315,000	£168,975
Loan to value ratio	3.5	3.5	3.5	3.5
Income required to afford	£133,457	£86,142	£90,000	£48,278

Affordable home ownership

117. There is a large group of households in Horam who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £42,600 per year (at which point entry-level rents become affordable) and

£82,607 (at which point entry-level market sale houses become affordable). This ‘can rent, can’t buy’ cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.

118. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e., new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.
119. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. From the data, only those on an average income and with a discount level of 50% are able to afford a First Home. This would require a salary of £42,476. As such, the maximum possible discount level is warranted from the perspective of affordability. Viability considerations also apply and should be discussed with Wealden if a policy on First Homes is intended for the Neighbourhood Plan. Higher discount levels may only be possible in the highest value areas.
120. Table 4-7 shows the discount required for First Homes to be affordable to the four income groups. The cost of a typical First Home is calculated using an estimate for new build entry-level housing in the NA, as outlined in the Appendix. It is also worth considering the discounts required for some additional price benchmarks. Table 4-5 uses the calculated NA new build entry-level house price as the best estimate for the cost of a newly built entry-level home in the area, because this reflects the local market and accounts for the price premium usually associated with newly built housing. However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, as well as median and entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.
121. It is clear that even at a 50% discount only average earning households (and not those composed of two lower earners) are within reach of accessing First Homes, no matter how the price is benchmarked.

Table 4-7: Discount on sale price required for households to afford First Homes

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA Median House Price	52%	83%	65%
NA Estimated New Build Entry-Level House Price	46%	80%	61%
NA Entry-Level House Price	45%	80%	60%
LA Median New Build House Price	53%	83%	66%

Source: Land Registry PPD; ONS MSOA total household income

122. Shared ownership appears to be slightly more affordable than First Homes but is broadly accessible to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.⁶ If this is delivered in the NA, it will make shared ownership easier to access for more

⁶ The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

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

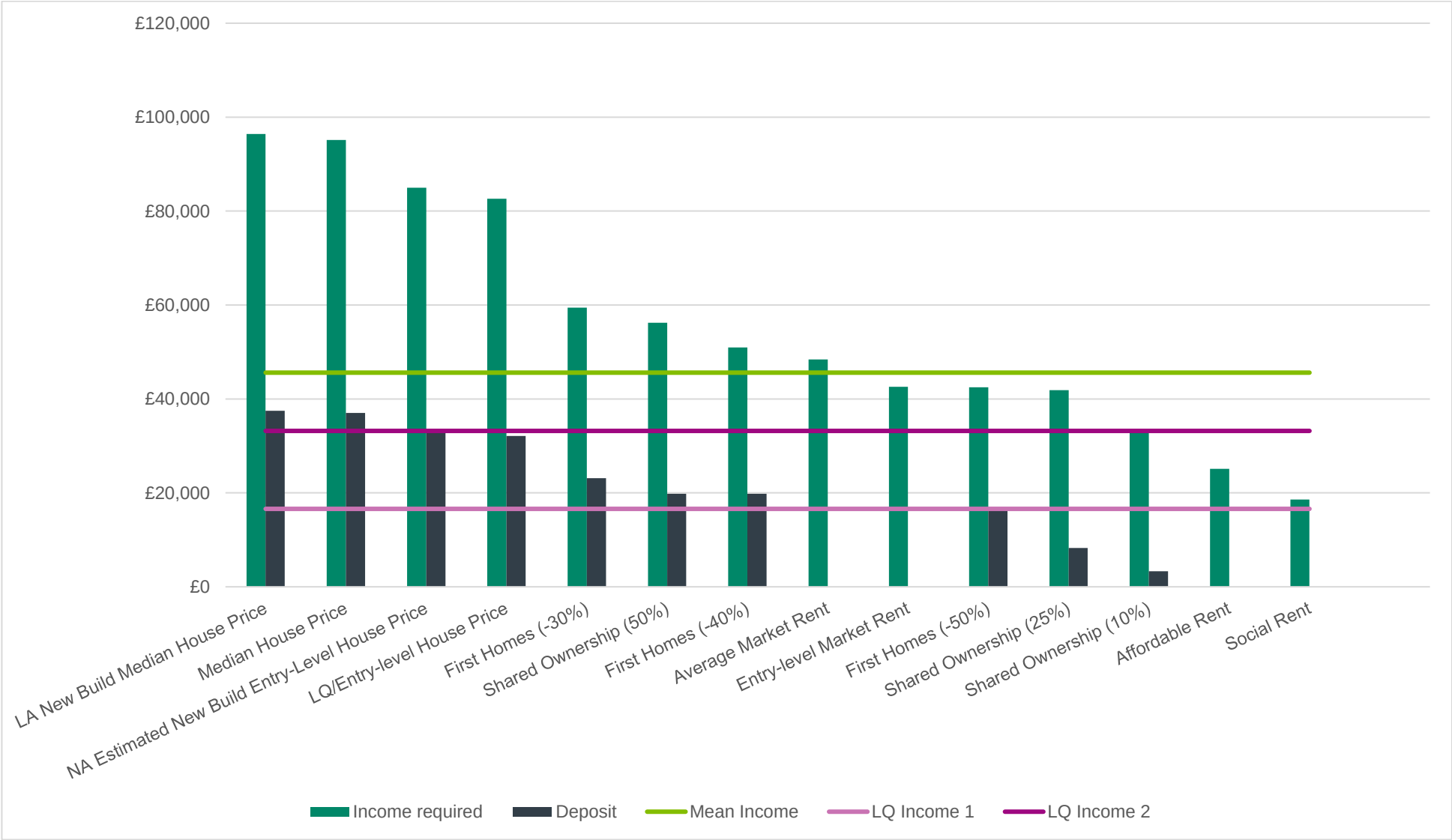
123. The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view.
124. The income required to access Rent to Buy, a product designed to allow residents to transition from renting to ownership by allowing a discount on the market rent to be used to save a deposit, is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are more affordable options, at the higher discount levels.
125. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.
 - First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
 - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
 - Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.
 - Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.
126. In conclusion, all of these products would provide value to different segments of the local population, with shared ownership at a 10% equity share potentially allowing lower earning households to get a foot on the housing ladder, while Rent to Buy is helpful to those with little or no savings for a deposit, and First Homes (especially at 50% discount) may provide a better long-term investment to those who can afford to access it.

Affordable rented housing

127. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.

128. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Horam as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This mean that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

Figure 4-3: Affordability thresholds in Horam, income required (additional cost of deposit in black)



Source: AECOM Calculations

Affordable housing- quantity needed

129. The starting point for understanding the need for affordable housing in Horam is the relevant Wealden Local Housing Needs Assessment (LHNA). The LHNA was undertaken for WDC in 2021, providing an update to the SHMA that was completed in 2016 for the area.
130. The LHNA estimates the need for affordable housing in the district. Within the LHNA, the conclusion states that Wealden District Council has a net average annual affordable housing need of 519 affordable homes for rent and 335 affordable homes for ownership.
131. When the LHNA figures are pro-rated to NA based on its fair share of the population (1.77% of the LPA's population), this equates to 9 (rounded) homes per annum for social/affordable rent or approximately 135 homes over the 15-year Neighbourhood Plan period, 2024-2039. For affordable home ownership this would equate to 6 (rounded) homes per annum or approximately 90 homes over the 15-year Neighbourhood Plan period.
132. It is important to recognise that these figures are not achievable in the context of the overall housing growth currently expected in Horam or in Wealden overall. Accordingly, the LHNA recommends that 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.
133. However, pro-rating District level estimates of affordable housing need to rural areas presents problems in practice. The district level figures are likely to represent higher needs in the urban areas of the district where there is a large social housing stock and larger numbers of households living in the PRS on housing benefit. Both of these factors tend to generate higher needs. By contrast, in rural villages like Horam the more limited level of social housing means there is limited need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). This means it is difficult to identify need for social/affordable rented housing within the NA.
134. For this reason, in Table 4-8 we have calculated, using PPG as a starting point,⁷ an estimate of the total need for affordable rented housing in Horam over the Plan period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. For example, Census 2011 data is increasingly out-of-date. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out here are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.
135. It should also be noted that figures in Table 4-8 are largely dependent on information provided by WDC in its capacity as manager of the local housing waiting list. The data supplied by WDC stated there are 8 households living in Horam and requiring alternative accommodation within Horam. Furthermore, there are 77 households living elsewhere in the district who are in need of

⁷ Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

affordable housing and have listed Horam as an area of preference. Households may indicate multiple areas of preference, so this is a less relevant indicator of the need and is mentioned only for context.

136. Accordingly, as aforementioned and in the Table, there are currently about 8 households in Horam unable to access affordable rented homes suitable to their needs. The table also suggests that, over the Plan period, 1.2 additional households in the Neighbourhood Area will fall into need, but up to 3.6 households might also be accommodated in existing social rented homes that come vacant (based on the assumption that 3% of the stock will turn over in a given year).
137. From AECOM's calculations, the overall result is therefore a net surplus of 1.9 affordable rented homes per year or 28.5 homes over the plan period (29 rounded). This result may initially be surprising since there is understood to be a current backlog of need (in the region of 8 households), as well as the 135 homes for affordable rent over the plan period calculated from the LHNA using population statistics.
138. This result can be justified due to the high number of social/affordable housing units already within Horam, which has the potential to accommodate newly arising needs. Nevertheless, there is a need to clear the current backlog and thus, an undefined immediate need for Affordable Housing for rent.
139. As such, it is recommended that Horam seek to deliver some affordable rented housing, particularly early in the Plan period, with the understanding that if this results in oversupply in future years, the vacancies created when existing occupants leave their properties will help in meeting new and additional need from elsewhere in the district.

Table 4-8: Estimate of need for Affordable Housing for rent in Horam

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current households in need	8.0	Latest waiting list data available from Local authority housing statistics data return (households in priority need). Pro rata for the NA.
1.2 Per annum	0.5	Step 1.1 divided by the plan period to produce an annualised figure.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	139.1	DLUHC 2018-based household projections for the LA between start and end of plan period. % increase applied to NA.
2.2 Proportion of new households unable to rent in the market	13.2%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA.
2.2.1 Current number of social renters in parish	121.7	2011 Census social rented occupancy + LA % increase.

2.2.2 Number of private renters on housing benefits	39.7	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	18.4	Step 2.1 x Step 2.2.
2.4 Per annum	1.1	Step 2.3 divided by plan period.
STAGE 3: TURNOVER OF AFFORDABLE HOUSING		
3.1 Supply of social/affordable re-lets (including transfers) %	3%	Assumed proportion of stock re-let each year.
3.2 Supply of social/affordable re-lets (including transfers)	3.6	Step 3.1 x NA social rented stock (2.2.1).
NET SURPLUS OF RENTED UNITS PER ANNUM		
Overall surplus per annum	1.9	Step 1.2 + Step 2.4 - Step 3.2

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

140. Turning now to Affordable Housing providing a route to home ownership, Table 4-9 estimates the potential demand in Horam. This model aims to estimate the number of households might wish to own their own home but cannot afford to – the ‘can rent, can’t buy’ group described in the previous section. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.
141. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.⁸ No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.
142. The result of the calculation is 4.8 households per annum who may be interested in affordable home ownership (or 71.9 for the entirety of the Plan period). This is close to the 90 affordable home ownership units potentially needed when the pro-rated LHNA figures are used. The LHNA also notes that the unmet need for this type of accommodation can be met by existing and new open market housing that falls below the lower quartile value.
143. Again, this assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal because of the lack of shared ownership in the NA currently.
144. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.
145. Note that turnover in the affordable rented stock, which could be created by households moving into affordable home ownership accommodation, is taken

⁸ <http://www.ipsos-mori-generations.com/housing.html>

into account in the previous model simply by using annual vacancy rates. It is not appropriate to assume a level of affordable ownership delivery, or to assume what proportion of occupants were formerly in affordable rented housing.

Table 4-9: Estimate of the potential demand for affordable housing for sale in Horam

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in parish	147.5	Census 2011 number of renters x national % increase to 2018.
1.2 Percentage renters on housing benefit in LA	26.9%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	39.7	Step 1.1 x Step 1.2.
1.4 Current need (households)	80.9	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. ⁹
1.5 Per annum	5.4	Step 1.4 divided by plan period.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	139.1	LA household projections for plan period (2018 based) pro-rated to NA.
2.2 % of households unable to buy but able to rent	8.7%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	12.1	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	0.9	Step 2.3 divided by plan period.
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	30.6	Number of shared ownership homes in parish (Census 2011 + LA new build to 2018/19 pro rated to NA).
3.2 Supply - intermediate resales	1.5	Step 3.1 x 5% (assumed rate of re-sale).
NET SHORTFALL PER ANNUM		
Overall shortfall per annum	4.8	(Step 1.5 + Step 2.4) - Step 3.2.

⁹ The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, based on national level polls which consistently reveal that most households who prefer home ownership eg <http://www.ipsos-mori-generations.com/housing.html> and informed by our experience across numerous neighbourhood level HNAs. The assumption is based on the fact that some households choose to rent at certain stages in their life (e.g. when young, when needing flexibility in employment market, or when new migrants move into an area). While most households prefer the added security and independence of owning their own home, private renting is nevertheless a tenure of choice at a certain points in many households' journey through the housing market. The actual percentage of preference will differ between areas, being higher in large metropolitan areas with younger households and more new migrants, but lower in other areas. 25% is used as a reasonable proxy and for consistency across HNAs and similar assumptions are used in some larger scale assessments such as LHNAs and SHMAs. If the neighbourhood planning group feel this is not an appropriate assumption in their particular locality they could use the results of a local residents survey to refine or confirm this calculation.

146. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).
147. It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group, although it is possible for local connections policies to be introduced at neighbourhood level.
148. Overall, combining the results of these estimates for the need for affordable housing for rent and sale in Horam, there is potential need for an annual average of 5 new homes. This is composed of a need for 0 affordable rented homes and 5 units of affordable home ownership. These figures are substantially lower than the potential need that results from pro-rating the need for Wealden set out in the LHNA. This additional source is valid justification for exceeding the HNA need figures and aspiring to deliver as much Affordable Housing as is viable.

Affordable Housing policy guidance

149. WDC's adopted policy on this subject (AFH1) requires 35% of all new housing to be affordable (on sites with 5 net dwellings or more). Affordable Housing made up 28.5% of new housing in Horam over the last decade according to WDC completions figures, which is slightly shy of this target. The main reason for this is that a number of smaller windfall sites that contributed to overall housing delivery were not large enough to be eligible to supply Affordable Housing.
150. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasising that the HNA finds there to be evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
151. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is detailed in the Local Plan. The HNA can supply more localised evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Horam specifically.
152. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:
 - A. **Evidence of need for Affordable Housing:** This study estimates that Horam has limited long-term need for affordable rented housing and quite a higher potential demand for affordable home ownership.

It is not recommended to strictly limit the future provision of affordable rented housing for the following reasons: there is currently a backlog of

need from 8 households; the wider district continues to have need; and economic circumstances could change or the assumptions for turnover in the stock used here may not be borne out in practice.

However, there is justification to seek a higher proportion of affordable home ownership. Furthermore, there is potential within the range of available products for those on average incomes to gain access to ownership, viability permitting.

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

The Local Plan seeks 35% of homes on sufficiently large sites to be affordable. The specific number of dwellings required or expected within the NA over the Plan period remains uncertain at this time, partially due to status of the emerging Local Plan.

Depending on whether Horam's future delivery is expected to come forward in the form of small infill developments or larger sites, the threshold of 5 dwellings, above which the Affordable Housing policy applies, may not be met. Given historic trends, a number of sites will not be eligible meaning that while some sites will be required to deliver 35% affordable housing, the proportion of all housing across all new sites that is affordable is likely to be lower than 35%.

- C. **Government policy (eg NPPF) requirements:** Current NPPF policy requires 10% of all homes (on major sites of 10+ homes) to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in Wealden, where 35% of all housing on eligible sites should be affordable, 29% of affordable homes should offer a route to ownership.

Accordingly, the NPPF requirement is not met within Wealden (see D below).

There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA there is no evidence that meeting the 10% threshold in Horam would prejudice the provision of affordable rented homes.

- D. **Local Plan policy:** Depending on this size of the development, Policy AHF1 states that for development sites of 49 dwellings or less, roughly 80% of the total number of affordable homes provided should be for social rented accommodation, with the remainder being for affordable home ownership. For sites of 50 dwellings or more, around 40% of the total number of affordable homes should be social rented accommodation, 40% should be affordable rent and 20% should be intermediate accommodation.

From this policy, 20% is set aside for affordable ownership. This results in 7% of all housing being available on affordable ownership.

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

This new minimum requirement may have the effect of displacing other products in any established tenure mix and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. Within Wealden, where the policy states roughly 80% of the total number of affordable homes provided should be for social rented accommodation, the new First Homes requirement could displace some affordable rented housing.

National policy dictates that after the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the relevant Local Plan, with any remaining units allocated to other tenure products in the relative proportions set out in the Local Plan.

AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. If this was done in Wealden, the remaining 75% of the affordable housing provision would then be apportioned 80% to affordable rent and 20% to affordable home ownership. If this approach is taken, all other things being equal, it would reduce the provision of rented forms of affordable housing since it would effectively protect the provision of other forms of affordable home ownership alongside First Homes. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.

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

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.

- H. **Existing tenure mix in Horam:** Currently within Horam, 77% of homes are owned. 11% are privately rented and 9% are socially rented, with 2% shared ownership.

This suggests that some provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.

- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.
- J. **Wider policy objectives:** the neighbourhood planning group may wish to take account of broader policy objectives for Horam and/or the wider district. These could include, but are not restricted to, policies to retain younger households, families or working age people in the NA. These wider considerations may influence the mix of Affordable Housing provided.
153. On the basis of the considerations above, Table 4-10 proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy. The recommendation is for 40% for affordable home ownership and 60% for affordable rent.
154. This indicative mix, which represents a slight adjustment of the Local Plan default in the direction of affordable ownership, is chiefly a response to the higher potential demand for ownership than rented products identified here, in addition to the fact that the Local Plan guideline mix of roughly 80% rented to 20% ownership does not comply with the various minimum requirements mandated nationally. However, because of the expectation that the delivery of Affordable Housing will be lower than the needs identified here overall, and the wider District continues to have a large unmet need, affordable rented tenures should still be prioritised overall.
155. Since shared ownership appears to be the most affordable route to ownership in Horam, it should represent 10% of the affordable mix after the minimum First Homes share is allocated. Rent to Buy can be seen as the least affordable tenure locally and thus, is given 5% of the mix. Rent to Buy is not common and it may be prudent not to specify an exact percentage if it is not known to be deliverable locally.
156. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.
157. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with WDC to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.

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

Table 4-10: Indicative tenure split (Affordable Housing)

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

Source: AECOM calculations

Conclusions- Tenure and Affordability

159. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The outcomes of these assessments will inform NP policies for the scale and nature of affordable housing provision, as well as provide a context for wider planning policies to guide new development.

160. From the current tenure profile, the data shows that Horam has a high percentage of home ownership compared to that of England, with 77% compared to 64% respectively. Furthermore, Horam has a low percentage of social rented (9%) and private rented (11%) accommodation compared to that of England, which has 18% social rent and 17% private rent. Importantly, this low rate of social rented accommodation compared with the national average is a potential challenge for local people on the lowest incomes.
161. As aforementioned, WDC has provided completions data since 2011 to 2022, which provides an indication of the number of new developments since the last census. Total net completions from 2011-2022 were 270. The WDC data suggests that within this total, 48 units of social rented housing and 10 of intermediate home ownership have been delivered. It is assumed that many sites completed in this period were too small to be expected to deliver Affordable Housing. Thus, around 21.5% of the homes built since 2011 have been in affordable tenures, mainly for rent.
162. On house prices, in 2021, the average house price was £462,951. The data shows that the mean house price has increased by nearly 70% since 2012, from £272,907. Furthermore, the lower quartile house price has shown the largest increase from 2012-2021, with an increase of 79%, from £179,500 to £321,250. The median house price has increased by 57.4%, from £235,000 to £370,000.
163. On income, the average total household income locally was £45,600 in 2018. There is also a second source, providing lower quartile average earnings (i.e. the income of the lowest 25% of earners) across the wider District. Wealden's gross individual lower quartile annual earnings were £16,598 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £33,196. Additionally, employment-based incomes in Wealden were compared to resident-based incomes. The median individual income among those working but not necessarily living in Wealden is £23,662, compared with £26,103 for those living in Wealden but not necessarily working there. The difference is slight, meaning there appears to be little difference between the earning power of those commuting in and out, although higher paying jobs appear to be more plentiful outside the District.
164. On affordability thresholds, for housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher-than-average income, is likely to remain out of reach to most. The median house price would require an annual income of £95,143. This is 109% higher than the current average of £45,600. Flats appear to be the cheapest market housing option at £48,278, showing that the type of property has an impact on affordability, but even for flats the income needed for the average price remains slightly above the average income for Horam.
165. Private renting at entry level is generally affordable to average earners. Households made up of two lower quartile earners cannot afford the given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.
166. On Affordable Home ownership, there is a large group of households in Horam who may be able to afford to rent privately but cannot afford home ownership.

This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership. Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes from 30% to 40% or 50% where there is evidence to suggest this is appropriate. This report suggests that a 50% discount is required from the perspective of affordability, subject to viability considerations.

167. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Horam as the only option for a large segment of those in the greatest need.
168. To understand the quantity of affordable housing for rent needed in Horam in future years, the Wealden LHNA was consulted. It is important to emphasise that the estimates of need set out in the LHNA are in excess of what is deliverable given Wealden's overall housing need. The LHNA is explicit on this point, concluding that Affordable Housing delivery should be maximised within new development and acknowledging that this will need to be lower than the identified need.
169. To get a rough sense of the Affordable Housing need that is attributable to Horam specifically, the LHNA figures are pro-rated to NA based purely on its share of the population (1.77% of the LPA's population). For affordable and social rented homes this equates to 9 (rounded up) homes per annum or approximately 135 homes over the 15-year Neighbourhood Plan period, 2024-2039. The equivalent figure for affordable home ownership is 6 per year or 90 homes over the plan period. This provides a broad sense of the scale of potential need, noting that Affordable Housing need across Wealden is not achievable within the need for housing overall. In addition, pro-rating District level estimates of affordable housing need to rural areas presents problems in practice.
170. Consequently, additional estimates of the need for affordable housing are calculated here at neighbourhood scale, largely from information provided by WDC in its capacity as manager of the local housing waiting list. The data supplied by WDC stated that there are that there are 8 households are living in Horam seeking alternative affordable accommodation within Horam – the key group who need to be accommodated. Furthermore, there are 77 households living elsewhere in the district who are in need of affordable housing and have listed Horam as an area of preference. Households may indicate multiple areas of preference, so this is a less relevant indicator of the need and is mentioned only for context.
171. From AECOM's calculations, the overall result is in fact a net surplus of 1.9 affordable rented homes per year or 28.5 homes over the plan period (29 rounded). This result – suggesting no further supply is needed – may initially be surprising since there is understood to be a current backlog of need (in the region of 8 households), as well as a significant unmet need for affordable rented homes across Wealden, according to the LHNA.

172. This result is explained by the high number of social/affordable housing units already within Horam (at least relative to Wealden overall), which has the potential to accommodate newly arising needs. This has also been boosted by supply as part of recent developments. This picture at the scale of Horam, where supply through turnover is large in proportion to the current and expected need, is different to the picture across Wealden. Nevertheless, there is a need to clear the current backlog and thus, an undefined immediate need for Affordable Housing for rent. As such, it is recommended that Horam seek to deliver some affordable rented housing, particularly early in the Plan period, with the understanding that if this results in oversupply in future years, the vacancies created when existing occupants leave their properties will satisfy new and additional need from elsewhere in the district.
173. On the quantity of affordable housing for ownership, the result of the calculation is 4.8 households per annum who may be interested in affordable home ownership or 71.9 for the entirety of the Plan period (72 rounded). For context, this figure is similar to that calculated by pro-rating the LHNA figures to Horam. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances.
174. Overall, combining the results of affordable housing for rent and sale in Horam, there should be around 5 Affordable Homes built within Horam per year or 72 homes over the plan period based on AECOM's calculation.
175. This figure is simply the total potential demand for affordable ownership, since it is not appropriate to deduct the surplus of affordable rented housing because relevant households cannot move between them. This figure is also an expression of potential demand rather than need in the strict sense.
176. As an alternative estimate, the combined Affordable Housing figure from the Wealden LHNA pro-rated in Horam would be 15 homes per year (9 for rent and 6 for ownership). However, it is important to state that the pro-rated figure from the LHNA is not considered achievable in Horam, and the total figure is equally unachievable for Wealden. The LHNA recommends that 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, at both scales.
177. To note, from AECOM's estimates, it is clear that affordable ownership is a priority at the local level, and this should be balanced with the imperative at the district scale to maximise rental options. The policy approach for Horam should be a reasonable compromise between these contrasting imperatives at the two scales.
178. On the basis of the considerations within the chapter, this HNA proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy. As housing delivery levels are currently unknown, AECOM proposes that Horam aims for a tenure split of 40% for affordable home ownership to 60% for affordable rent, within forthcoming Affordable Housing supply. This maintains a focus on those whose needs are most urgent but allows for a meaningful share of delivery to be dedicated to ownership options.

5. RQ 2: Type and Size

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

Introduction

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

Existing types and sizes

Background and definitions

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

The number of dwellings can also exceed that of households in areas with vacant homes and/or a large numbers of holiday or second homes.

185. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. One accurate approach is to add together the census baseline and completions since, but this is not available in the case of Horam. However, VOA data is available for the exact parish boundary and can therefore be used to understand the current mix.

Dwelling type

186. Table 5-1 below shows that the majority of houses in 2021 within Horam were detached at 29.6%, with semi-detached following at 24.4%. The least common accommodation type is terraces with 11.1% of the share.
187. Census 2011 data is also presented, but this unfortunately cannot be used to fully understand the changes between 2011 and 2021 because Census data counts bungalows within each of the other categories rather than independently (hence the apparent decline in the number of detached and semi-detached properties).

Table 5-1: Accommodation type, Horam, 2011 and 2021

Dwelling type	2011 (Census)	2021 (VOA)
Bungalow	-	17.8%
Flat	12.6%	13.3%
Terrace	11.2%	11.1%
Semi-detached	34.0%	24.4%
Detached	42.0%	29.6%
Unknown/other	-	3.7%

Source: ONS 2011, VOA 2021, AECOM Calculations

188. Table 5-2 below shows the share of accommodation type, within Horam compared to the LA and England. Horam's mix is not dissimilar to Wealden's, however it is clear that Horam has a higher percentage of detached dwellings compared to that of England, at 29.6% and 15.8% respectively. Horam also has a higher percentage of bungalows compared to England with 17.8% and 9.2% respectively. Also, there is a lower percentage of smaller dwelling types, such as flats and terraces within Horam compared to England. This feeds into RQ 1 above, and thus, affordability issues.

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

Dwelling type	Horam	Wealden	England
Bungalow	17.8%	17.1%	9.2%
Flat	13.3%	11.9%	23.7%
Terrace	11.1%	13.8%	26.1%
Semi-detached	24.4%	21.9%	23.7%
Detached	29.6%	31.2%	15.8%
Unknown/other	3.7%	4.2%	1.4%

Source: VOA 2021, AECOM Calculations

Dwelling size

189. Table 5-3 below highlights the mix of dwelling sizes within Horam, using Census data from 2011 and VOA data from 2021. It is clear that the share of smaller dwelling sizes has increased in recent years. For example, 2 bed dwellings have increased since 2011, whereas 4 and 5 bed dwellings have reduced in the proportion they represent. The significant decrease in 5+ dwelling homes may be a result of the rounding that takes place within each type and size category in the VOA data and may also be related to the homes in the 'unknown' category. This source is not always perfectly reliable at small scales but can helpfully show the direction of travel between the two time periods. The 2021 Census will provide a more precise up-to-date total when its results are released.

Table 5-3: Dwelling size (bedrooms), Horam, 2011 and 2021

Number of bedrooms	2011 (Census)	2021 (VOA)
Studio	0.1%	-
1	8.0%	9.5%
2	26.5%	28.6%
3	39.4%	42.1%
4	18.0%	15.1%
5+	8.1%	4.0%
Unknown	0.1%	0.8%

Source: ONS 2011, VOA 2021, AECOM Calculations

190. Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country. The dwelling size mix is not too dissimilar to that of England. Horam's size mix generally skews larger, but not to the same extent as wider Wealden.

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

Number of bedrooms	Horam	Wealden	England
1	9.5%	7.6%	12.6%
2	28.6%	29.1%	28.4%
3	42.1%	37.8%	43.0%
4	15.1%	18.3%	12.1%
5+	4.0%	6.8%	3.3%

Source: VOA 2021, AECOM Calculations

Age and household composition

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

Age structure

192. Table 5-5 shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. The data shows that the age structure remains relatively unchanged from 2011 to 2020, with all categories

increasing. There has been a larger proportional increase in the older population aged 65+ as well as the 0-15 age category. Overall, the data shows that the population has increased from 2,642 to 2,906 from 2011 to 2020.

193. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2020 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.
194. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year.
195. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2020 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

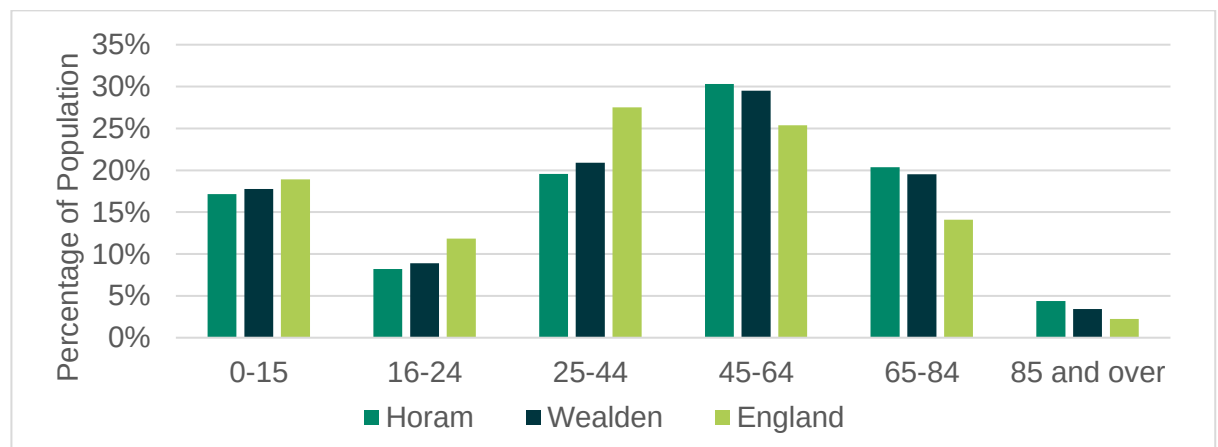
Table 5-5: Age structure of Horam population, 2011 and 2020

Age group	2011 (Census)		2020 (ONS, estimated)	
0-15	453	17%	534	18%
16-24	217	8%	223	8%
25-44	517	20%	568	20%
45-64	801	30%	824	28%
65-84	538	20%	622	21%
85 and over	116	4%	135	5%
Total	2,642	-	2,906	-

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

196. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-1 (using 2011 Census data) shows that Horam had a generally older population compared to that of the Wealden and England at that time. This can be seen in the graph below from ages 45 to 85+. Correspondingly, Horam has a lower share of people aged 16-44 than that of Wealden and England.

Figure 5-1: Age structure in Horam, 2011



Source: ONS 2011, AECOM Calculations

Household composition

197. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Table 5-6 shows that Horam had a slightly higher proportion of one person households than the district average with 29% against 27.9%. Very few households were aged over 65 within the one family household composition, with a clear majority of the younger families having dependent children rather than not within Horam.
198. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. Within Horam, this is currently 10.1% which is higher than the Wealden and England.

Table 5-6: Household composition, Horam, 2011

Household composition		Horam	Wealden	England
One person household	Total	29.0%	27.6%	30.2%
	Aged 65 and over	17.3%	15.3%	12.4%
	Other	11.7%	12.3%	17.9%
One family only	Total	66.3%	67.2%	61.8%
	All aged 65 and over	10.6%	12.6%	8.1%
	With no children	20.6%	20.0%	17.6%
	With dependent children	25.1%	25.3%	26.5%
	With non-dependent children ¹⁰	10.1%	9.3%	9.6%
Other household types	Total	4.7%	5.2%	8.0%

Source: ONS 2011, AECOM Calculations

Occupancy ratings

199. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.
200. The data in Table 5-7 below shows that 79% of households have more bedrooms than they might strictly be expected to need. There is also a high percentage of older people occupying dwellings which are larger than their needs, and thus have extra unoccupied rooms. For instance, looking at single-person households aged 65+, 75.2% have a dwelling with at least 1 extra

¹⁰ Refers to households containing children who are older than 18 e.g students or young working people living at home.

room. Conversely, this figure is 63.3% for younger families with dependent children.

Table 5-7: Occupancy rating by age in Horam, 2011

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	64.4%	33.1%	2.5%	0.0%
Single person 65+	38.9%	36.3%	24.9%	0.0%
Family under 65 - no children	70.7%	26.6%	2.6%	0.0%
Family under 65 - dependent children	20.4%	42.9%	32.1%	4.6%
Family under 65 - adult children	29.5%	46.4%	22.3%	1.8%
Single person under 65	47.7%	34.6%	17.7%	0.0%
All households	43%	36%	19%	2%

Source: ONS 2011, AECOM Calculations

Dwelling mix determined by life-stage modelling

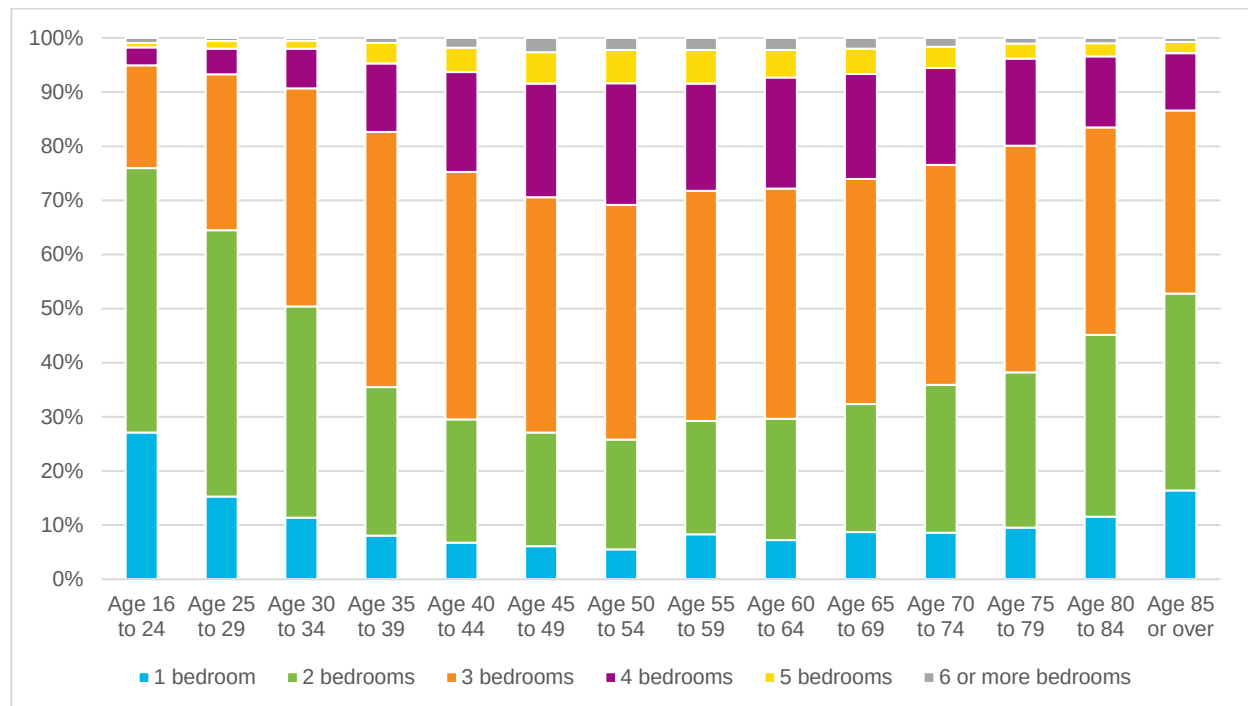
Suggested future dwelling size mix

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

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

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

Figure 5-2: Age of household reference person by dwelling size in Wealden, 2011



Source: ONS 2011, AECOM Calculations

206. The second dataset of note is the result of applying Local Authority level household projections (2018-based, looking ahead to 2039) to the age profile of Horam households from the 2011 Census and the updated estimates of household numbers described in the bullets above. Table 5-8 makes clear that population growth can be expected to be driven by the oldest households, with 71% growth from 2011 to the end of the plan period. Contrastingly, there is a projected decrease in those aged 35-64 within the NA by 5%.

Table 5-8: Projected distribution of households by age of HRP, Horam

Year	Age of HRP and under 24	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	14	65	393	227	415
2039	14	74	372	258	710
% change 2011-2039	2%	13%	-5%	14%	71%

Source: AECOM Calculations

207. The final result of this exercise is presented in Table 5-9. The model suggests that new housing provision within Horam should focus on 2-bed dwellings at 41% of the suggested mix. Although the model has calculated a need for 4+ bed dwellings to make up 31% of the mix, the general focus for future development should be smaller and mid-sized homes, which will help to accommodate changes to the population, notably ageing, as well as to attract and retain some younger family households, as well as improving affordability.

Table 5-9: Suggested dwelling size mix to 2039, Horam

Number of bedrooms	Current mix (2011)	Target mix (2039)	Balance of new housing to reach target mix
1 bedroom	8.0%	8.2%	9.0%
2 bedrooms	26.5%	29.7%	41.2%
3 bedrooms	39.4%	34.9%	18.8%
4 bedrooms	18.0%	19.3%	24.2%
5 or more bedrooms	8.1%	7.8%	6.9%

Source: AECOM Calculations

208. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population.
209. For example, the young starter families and downsizing older households mentioned above may both need 'mid-sized' homes but are likely to have extremely different requirements and degrees of purchasing power. There is limited scope for Neighbourhood Planning policy to influence the more detailed characteristics of new housing, but additional guidance and prioritisation could be informed by further primary research.
210. The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide smaller homes with fewer bedrooms would help to address this situation. This could justify a higher weighting to smaller homes than the model suggests, although it is noted that the development of 1 bedroom accommodation is largely achieved through flats which generally may not be a suitable proposition in this area given considerations of character.
211. To best meet the needs of the large cohort of older households expected to be present by the end of the Plan period, it should be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms.
212. That said, it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied in the parish. Reducing the issue of dwelling size to a number of bedrooms is potentially unhelpful in this case. There may be a strong justification to continue supplying larger homes despite their abundance because a different kind of larger home is needed to accommodate growing families with less buying power.

Conclusions- Type and Size

213. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.
214. On the mix of dwelling types within Horam, 29.6% of homes in 2021 were detached, followed by semi-detached at 24.4%. The lowest accommodation type is terrace with 11.1% of the share. Compared to England it is clear that Horam has a higher percentage of detached dwellings and far more bungalows. The relative lack of smaller dwelling types, such as flats and terraces, feeds into RQ 1 above, contributing to the affordability issues previously established.
215. In terms of the mix of home sizes, smaller dwellings appear to have increased in recent years. For example, 2 bed dwellings have increased since 2011, whereas 4 and 5 bed dwellings have reduced in number (noting some potential inconsistencies in the two data sources used). The size mix remains generally larger than the national average but slightly smaller than the Wealden average.
216. On demographics, the data shows that Horam's age structure remains relatively unchanged from 2011 to 2020, although in 2011 the demographic profile was clearly older than the wider District and country. There has since been a slight increase in the older population aged 65+ but also in the 0-15 age category. Overall, the data shows that the population has increased from 2,642 to 2,906 from 2011 to 2020.
217. On household composition, Horam had a slightly higher proportion of one person households than the District average. More of the younger families have dependent children than do not within Horam. It is also important to note that households in which adult children are living at home form 10% of the total, which is higher than Wealden and England. This suggests that some younger adults are unable to leave home to form their own households, likely due to concerns around housing affordability.
218. Looking at occupancy ratings, 79% of households have more bedrooms than they might strictly be expected to need. There is also a high percentage of older people occupying dwellings which are larger than their needs, and thus have extra unoccupied rooms. This data is indicative of potential unmet need for downsizing options in the parish.
219. The HNA model predicting what mix of dwelling sizes would be most appropriate given the projected evolution of the population suggests that new housing provision within Horam should focus on smaller and mid-sized homes. This will help to accommodate younger families and new households, address the unmet demand for downsizing, and go some way to improving affordability.
220. Specifically, 2-bed dwellings are suggested to form 41.2% of the suggested mix, with moderate proportions of 1- and 3-bed homes, and modest continued provision of larger homes with 4+ bedrooms.

221. Smaller dwellings, particularly with 1 bedroom, should be sympathetic to the character and attributes of Horam, and local design codes and guidelines should be followed. For instance, flats could take the form of maisonettes with the appearance of terraced housing within the NA to reduce the need to higher-rise buildings and keep within expectations of character.
222. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population.

6. RQ 3: Specialist housing for older people, including disabilities.

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

Introduction

224. This chapter considers in detail the specialist housing needs of older and disabled people in Horam. The level of care associated with specialist housing products can vary widely, and is broadly categorised, in descending order from highest to lowest care level, as follows
- Specialist schemes that have 24-hour onsite care and support, typically including onsite catering (e.g. extra care, flexicare, and enhanced care);
 - Specialist housing that is designed with the relevant group in mind. This may be suitable for receiving care or support, but this is not typically provided onsite or at all times of day (e.g. sheltered housing); and
 - Mainstream housing that is adapted or capable of adaptation so that the inhabitant can live independently, and care or support can be provided in the home.
225. People experience ageing differently. Much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age while others may need support and care much earlier in their lives. Some will be interested in moving to a suitable home closer to services while for others ageing independently in place will be key to their wellbeing.
226. Because of the wide variation in the level of support needed, as well as the financial capabilities of those affected, the estimates of need presented here should be viewed with caution – as an idea of the broad scale of potential need rather than an obligatory target that must be met.
227. The specialist housing needs of older people (75+) are assessed below using two methods. The first is a tenure-led projection, based on rates of mobility limitation among this age group and the tenure of housing they currently occupy. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network (HLIN) Strategic Housing for Older People (SHOP) tool,¹¹ which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.
228. It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for estimating housing need overall.¹²

¹¹ Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

¹² See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

229. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).¹³ Most residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for the elderly) are not within the scope of this research. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required.
230. In addition to housing for older people, the neighbourhood planning group is keen to ensure that there is an adequate supply of suitable dwellings provided to meet the needs of people with disabilities in the Neighbourhood Area. As such, it is appropriate to understand the specific dwelling tenures and types that could be provided to ensure that the Neighbourhood Area retains or provides housing that is suitable for disabled people.

Current supply of specialist housing for older people

231. When determining a final target for the need for specialist dwellings, it is necessary first to take account of current supply. Information on the current stock is collated manually using the search function on the Elderly Accommodation Counsel's Website: <http://www.housingcare.org>.
232. Table 6-1 counts a total of 118 units of specialist accommodation in the NA at present, for all types. However, of interest are the 51 units that are available for retirement housing. Of these 51 units, there is a split of tenures between rent (social landlord) and shared ownership.
233. ONS 2020 population estimates suggest that there are currently around 384 individuals aged 75 or over in Horam. This suggests that current provision is in the region of 133 units per 1,000 of the 75+ population¹⁴ (a common measure of specialist housing supply).

Table 6-1: Existing specialist housing for the elderly in Horam

	Name	Units	Tenure	Type
1	Cherry Tree Court and Hillside Drive	51	Rent (social landlord) and Shared Ownership	Retirement Housing
2	Millcroft	24	-	Care Home
3	Oaklands Court Nursing Home	43	-	Care home with Nursing

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

Tenure-led projections

234. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across Wealden, as this

¹³ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

¹⁴ Calculation (51/384) x 1000 = 133.

is the most recent and smallest geography for which tenure by age bracket data is available.

235. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2039. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.
236. According to Table 6-2, the vast majority of households in Wealden aged 55-75 own their own home (87.1%), most of whom own their home outright (60.4%). There is a low incidence of renting within the group, both social and private.

Table 6-2: Tenure of households aged 55-75 in Wealden, 2011

All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
87.1%	60.4%	26.7%	12.9%	5.8%	5.9%	1.3%

Source: Census 2011

237. The next step is to project how the overall number of older people in Horam is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for Wealden at the end of the Plan period. The figure must be extrapolated from the Local Authority level data because such projections are not available at neighbourhood level. The results are set out in Table 6-3. The table shows that the percentage of those aged 75+ in the NA is expected to increase from 12.8% to 20.4%. Accordingly, over one-fifth of the population of Horam will be 75 and over by 2039.

Table 6-3: Modelled projection of elderly population in Horam by end of Plan period

Age group	2011		2039	
	Horam (Census)	Wealden (Census)	Horam (AECOM Calculation)	Wealden (ONS SNPP 2018)
All ages	2,642	148,915	3,148	177,461
75+	337	16,564	643	31,587
%	12.8%	11.1%	20.4%	17.8%

Source: ONS SNPP 2020, AECOM Calculations

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

239. The people whose needs are the focus of the subsequent analysis are therefore the additional 306 individuals expected to join the 75+ age group by the end of the Plan period. This figure should also be converted into households with reference to the average number of people per household with a life stage of 75+ in Wealden in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 16,564 individuals aged 75+ and 11,577 households headed by a person in that age group. The average household size is therefore 1.43, and the projected growth of 306 people in Horam can be estimated to be formed into around 214 households (rounded).
240. The next step is to multiply this figure by the percentages of 55-75 year olds occupying each tenure (shown in the table above). This is set out in Table 6-4. This provides a breakdown of which tenures those households are likely to need.

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

Owned	Owned outright	Owned (mortgage) or shared ownership	All rented	Social rented	Private rented	Living rent free
186	129	57	28	12	13	3

Source: Census 2011, ONS SNPP 2020, AECOM Calculations

241. Next, rates of disability by tenure are considered. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs, they may find that the only suitable and affordable option to them is available in the social rented sector. Table 6-5 presents this data for Horam from the 2011 Census. Note that the closest proxy for the 75+ age group in the Census is the 65+ age group.

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

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories	123	20.6%	149	25.0%	324	54.4%
Owned Total	90	17.9%	125	24.9%	288	57.3%
Owned outright	65	15.9%	109	26.7%	235	57.5%
Owned (mortgage) or shared ownership	25	26.6%	16	17.0%	53	56.4%

Rented Total	33	35.5%	24	25.8%	36	38.7%
Social rented	22	41.5%	13	24.5%	18	34.0%
Private rented or living rent free	11	27.5%	11	27.5%	18	45.0%

Source: DC3408EW Health status

242. It is now possible to multiply the projected number of 75+ households occupying each tenure by the rates of mobility limitation for that tenure to arrive at the final tenure-led estimate for specialist housing needs. From Table 6-6, the number of households falling into potential need for specialist accommodation over the Plan period is 96.
243. These findings are set out in the table, based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

Table 6-6: AECOM estimate of specialist housing need in Horam by the end of the Plan period

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	<i>Multiply the number of people across all rented (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) housing by the percent in that tenure who have day to day activity limitations limited a lot.</i>	<i>Multiply the number of people across all owned housing by the percent in that tenure who have day to day activity limitations limited a lot.</i>	43
	10	33	
Adaptations, sheltered, or retirement living	<i>Multiply the number of people across all rented housing by the percent who have day to day activity limitations limited a little.</i>	<i>Multiply the number of people across all owned housing by the percent in that tenure who have day to day activity limitations limited a little.</i>	53
	7	46	
Total	17	79	96

Source: Census 2011, AECOM Calculations (may not sum due to rounding)

Housing LIN-recommended provision

244. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the simplest and widely used models estimating for the housing needs of older people. Table 6-7 reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the Plan period, and how these should be split into the different tenures.
245. It is worth highlighting that the HLIN model suggests that the level of unmet demand for specialist housing for older people of all kinds is approximately 251 units per 1,000 of the population aged 75+.

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

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

Source: Housing LIN SHOP Toolkit

246. As Table 6-7 shows, Horam is forecast to see an increase of 306 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:
- Conventional sheltered housing to rent = $60 \times 0.306 = 18$
 - Leasehold sheltered housing = $120 \times 0.306 = 37$
 - Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = $20 \times 0.306 = 6.11$
 - Extra care housing for rent = $15 \times 0.306 = 4.58$
 - Extra care housing for sale = $30 \times 0.306 = 9.17$
 - Housing based provision for dementia = $6 \times 0.306 = 1.83$
247. This produces an overall total of 77 specialist dwellings which might be required by the end of the plan period.
248. Table 6-8 sets out the HLIN recommendations in the same format as Table 6-6 above. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates.

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

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	<i>Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia</i>	<i>Includes: enhanced sheltered housing for sale + extra care housing for sale</i>	22
	10	12	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	55
	18	37	
Total	28	49	77

Source: Housing LIN, AECOM calculations

LHNA findings

249. Chapter 11 within the WDC LHNA 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, including 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).
250. 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)).
251. Follow the data presented within the LHNA, it suggests 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).

252. As M4(2) may become mandatory, when seeking M4(2) compliant homes, the LHNA states that 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.

Disabilities in Horam

253. The English Housing Survey 2019-20 found that 8% of households in England contain at least one person with a long-standing physical or mental health condition that required adaptations to make their home suitable to their needs. It is also estimated that around 1 million households in 2019-20 did not have all of the adaptations that they reported to need in their home, increasing from 864,000 in 2014-15.
254. It is important to acknowledge that there may be a need to provide specialised (supported) housing for other vulnerable households including, for example, those with learning disabilities, mental health needs or young people leaving care. This is harder to assess at small scales, and individual circumstances play a much greater role within the wide range of potential non-physical challenges in what forms of housing might be needed. The forms of care involved are also often more specialised, meaning that the availability of appropriately trained care staff is a further relevant consideration. The requirements of such groups tend to be assessed at the scale of Local Authorities.

Current population with LTHPD

255. Using Census data, it is possible to examine the current population with physical disabilities at various geographies and from various perspectives, and to model how that population will change in future. This presents a basis with which to plan for their specialised housing needs.
256. The Census provides data on people with a long-term health problem or disability (LTHPD), which is defined as a health-problem or disability that limits that person's day-to-day activities and has lasted or is expected to last at least 12 months. The data is broken down by whether the respondent's activities are perceived to be limited 'a lot' or 'a little'. Table 6-9 shows the total number of residents in Horam reporting an LTHPD (across all ages, unlike the equivalent table in the previous section), broken down by the degree of activity limitation, and compared with the wider geographies of Wealden and England overall.
257. The table shows that the percentage of people with a LTHPD within Horam is in line with England, with 17.5% and 17.6% respectively.

Table 6-9: Current population with LTHPD at various geographies

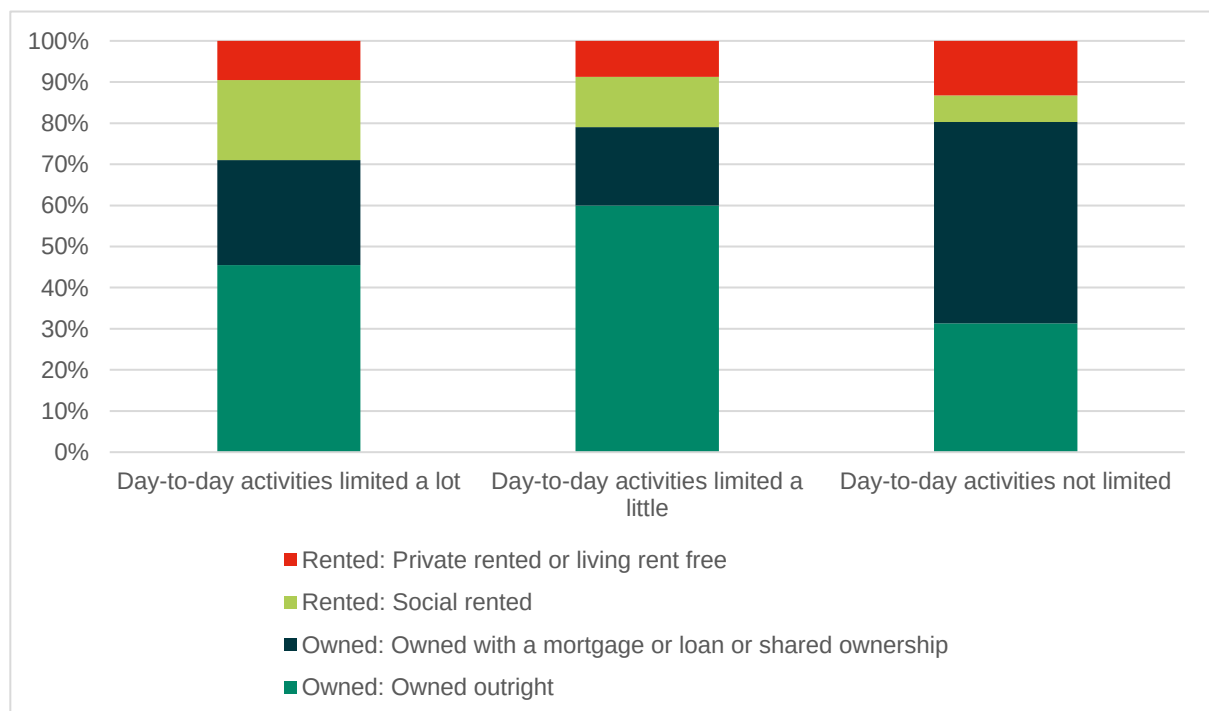
	Horam		Wealden		England	
	Total	Percentage	Total	Percentage	Total	Percentage
All usual residents	2,642	-	148,915	-	52,059,931	-
Total with a LTHPD	462	17.5%	24,390	16.4%	9,162,549	17.6%
Day-to-day activities limited a lot	200	7.6%	9,629	6.5%	4,320,975	8.3%
Day-to-day activities limited a little	262	9.9%	14,761	9.3%	4,841,574	9.3%

Source: 2011 Census

Tenure of people with LTHPD

258. Next, we look at the prevalence of long-term disability among different tenure groupings. Figure 6-1 shows the tenure mix occupied by people with LTHPDs in Horam, as well as those without an LTHPD ('day-to-day activities not limited'). The data shows that in all categories, the majority of those with LTHPD own their dwellings (again a feature associated with older households). It is interesting to note that a higher share of those with severely limiting health conditions tend to live in social rented accommodation, compared to the other categories. This may be because those conditions also impact those individuals' ability to work and therefore to afford alternative housing options.

Figure 6-1: Tenure of people with LTHPD, Horam



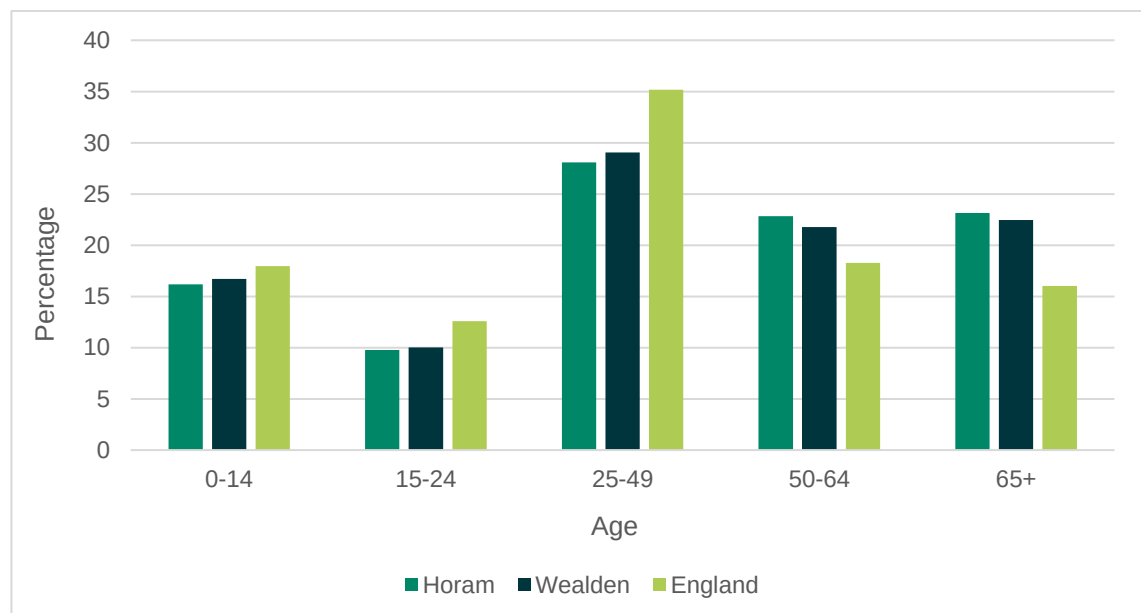
259. The links between household wealth, particularly in relation to home ownership and equity, are also important when considering if homes are suitably adapted for those with disabilities. According to the English Housing

Survey (2019-20), a quarter of private renters and a quarter of local authority households felt their homes were unsuitable for their needs in relation to adaptations. Unsurprisingly, this was least common for owner occupiers, with 17% reporting that their home was unsuitable. This is likely due to homeowners not only being more likely to have the funds to make the required adaptations, but also due to owner occupiers having more control over altering their home. Households under the age of 55 were also more likely to report that their dwelling was unsuitable (30%) compared to older households (13% of those age 75+), potentially linked to older persons being more likely to own their own home than the wider population. Older persons are also likely to have greater access to specialist accommodation, such as age-restricted sheltered housing or retirement flats, which would be more suitable for their needs.

Incidence of LTHPD by age group at various geographies

260. We next consider the prevalence of long-term disability and mobility by age group. Figure 6-2 clearly shows that the incidence of long-term disability and age are strongly correlated.

Figure 6-2: Incidence of LTHPD by age group at various geographies



Conclusions- Specialist Housing for Older People

261. This chapter considers in detail the specialist housing needs of older and disabled people in Horam. People experience ageing differently. Much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age while others may need support and care much earlier in their lives. Some will be interested in moving to a suitable home closer to services while for others ageing independently in place will be key to their wellbeing.
262. In addition to housing for older people, the neighbourhood planning group is keen to ensure that there is an adequate supply of suitable dwellings provided to meet the needs of people with disabilities in the Neighbourhood Area. As such, it is appropriate to understand the specific dwelling tenures and types that could be provided to ensure that the Neighbourhood Area retains or provides housing that is suitable for disabled people.

263. Within Horam there is a total of 118 units of specialist accommodation for older people at present, including care home beds. However, of interest are the 51 units that are available for retirement housing. Of these 51 units, there is a split of tenures between rent (social landlord) and shared ownership. ONS 2020 population estimates suggest that there are currently around 384 individuals aged 75 or over in Horam. This suggests that current provision is in the region of 133 units per 1,000 of the 75+ population (a common measure of specialist housing supply).
264. Looking at tenure and projections, the vast majority of households in Wealden aged 55-75 own their own home (87.1%), most of whom own their home outright (60.4%). There is a low incidence of renting within the group, both social and private. Following this, the data shows that the percentage of those aged 75+ in the NA will increase from 12.8% to 20.4%. Accordingly, over one-fifth of the population of Horam will be 75 and over by 2039.
265. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
266. These two methods of estimating the future need in Horam produce a range of 77 to 96 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here. It is important to note that this need may be reduced if M4(2) becomes mandatory for new developments, or if the accessibility and adaptation of existing homes is particularly high in Horam.
267. At the lower end of the range bracket, 77 homes would lead to an increase of 58% in specialist housing. At the higher end of the scale, 96 houses would result in an increase of 72% in specialist housing within Horam. These rates of increase may not be seen as realistic given the housing targets set for the parish overall, and furthermore may not be seen as desirable in the context of other objectives such as demographic balance. The range provided here is not additional to or within the overall housing target but has a flexible degree of overlap with it, depending on the preferences of the community, capacity of sites, and competing imperatives to provide other forms of housing, such as affordable housing.
268. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Planning groups is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. The local level evidence supplied in this report could be used to influence district/borough level policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
269. The current adopted Local Plan does not provide explicit encouragement for development to accommodate specific groups such as older people. Also, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence

gathered here would appear to justify the Parish Council approaching the LPA to discuss setting requirements on accessibility and adaptability at District level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.

270. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
- so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
 - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
 - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
271. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
272. It is considered that Horam's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from Horam entirely within the Neighbourhood Area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of Horam, Heathfield or Hailsham are considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Area (i.e. to be the hub in the hub-and-spoke model). If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself would not overlap.
273. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, with the consideration of those with disabilities, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.
274. On disabilities, the data shows that the percentage of people with a LTHPD within Horam is in line with England, with 17.5% and 17.6% respectively. It is interesting to note that a higher share of those with severely limiting health conditions tend to live in social rented accommodation, compared to the other categories. This may be because those conditions also impact those individuals' ability to work and therefore to afford alternative housing options. Lastly, the data shows that incidence of long-term disability and age are strongly correlated. Ultimately, there could be broader benefits to providing disability housing in Horam that is not explicitly targeted at older people. However, given there are not unusually high rates of disabilities in the younger population there may not be justification for a specific scheme. Again, the

avenue of seeking ambitious standards of accessibility and adaptability in new housing may be the most effective and flexible option.

7. Next Steps

Recommendations for next steps

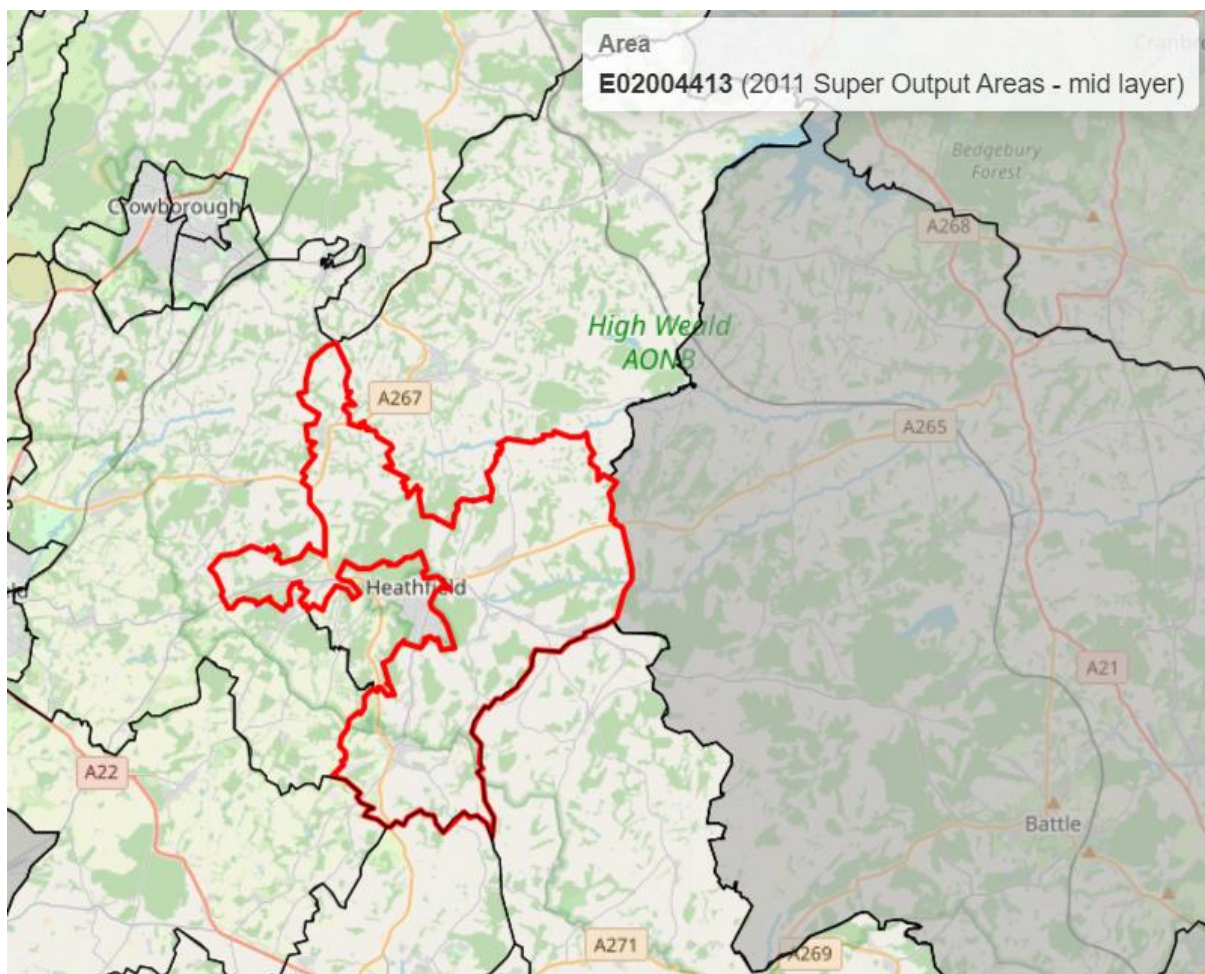
275. This Neighbourhood Plan housing needs assessment aims to provide Horam with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with WDC with a view to agreeing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

Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

279. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Area. Such data is available at MSOA level but not at the level of Neighbourhood Areas.
280. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Area. In the case of Horam, it is considered that MSOA E02004413 is the closest realistic proxy for the Neighbourhood Area boundary when looking at income data, and as such, this is the assessment geography that has been selected. A map of E02004413 appears in Figure A-1. This is the MSOA that overlaps to the greatest extent with (also stretching beyond) the Neighbourhood Area.

Figure A-1: MSOA E02004413 used as a best-fit geographical proxy for the Neighbourhood Area



Source: ONS

A.2 Market housing

281. Market housing is not subsidised and tends to be primarily accessible to people on higher incomes.
282. To determine affordability in market housing, this assessment considers two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

i) Market sales

283. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.
284. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Horam, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.
285. The calculation for the purchase threshold for market housing is as follows:
 - Value of a median NA house price (2021) = £370,000;
 - Purchase deposit at 10% of value = £37,000;
 - Value of dwelling for mortgage purposes = £333,000;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £95,143.
286. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2021 was £321,250, and the purchase threshold is therefore £82,607.
287. It is also worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records 16 sales of new build properties in the NA in 2021. AECOM has calculated an estimate for the cost of new build entry-level housing in the NA in 2021. This is important as it is the expected lower end of the market for new housing in the near future, and it is also the benchmark used for the likely cost of affordable home ownership products (calculated later in the Appendix). The estimated NA new build entry-level house price is calculated by determining the uplift between all house prices in 2021 across Wealden and new build house prices in 2021 in the same area. This percentage uplift is then applied to the 2021 lower quartile house price in the

NA to give an estimated NA new build entry-level house price of £ £330,368 and purchase threshold of £84,952.

288. In order to provide a comparison with the wider local authority area, it is helpful to also look at the cost of new build housing across Wealden in 2021. The median cost of new build dwellings in Wealden was £374,998, with a purchase threshold of £96,428.

ii) Private Rented Sector (PRS)

289. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.
290. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
291. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Area. The best available data is derived from properties available for rent within the 'TN21' postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.
292. According to [home.co.uk](https://www.home.co.uk), there were 17 properties for rent at the time of search in July 2022 with an average monthly rent of £1,210. There were 5 two-bed properties listed, with an average price of £1,065 per calendar month.
293. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
- Annual rent = £1,065 x 12 = £12,780;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £42,600 .
294. The calculation is repeated for the overall average to give an income threshold of £48,400.

A.3 Affordable Housing

295. There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2021: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. More recently, a new product called First Homes has been introduced in 2021. Each of the affordable housing tenures are considered below.

i) Social rent

296. Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.
297. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Horam. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Wealden in the Table A-1.
298. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£90.22	£103.43	£113.29	£138.01	£107.36
Annual average	£4,691	£5,378	£5,891	£7,177	£5,583
Income needed	£15,622	£17,910	£19,617	£23,898	£18,590

Source: Homes England, AECOM Calculations

ii) Affordable rent

299. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).
300. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.
301. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for WDC. Again, it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
302. Comparing this result with the average 2-bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 60% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table A-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£111.31	£138.87	£163.98	£200.31	£144.98
Annual average	£5,788	£7,221	£8,527	£10,416	£7,539
Income needed	£19,274	£24,047	£28,395	£34,686	£25,105

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

303. Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are discounted market housing (a subset of which is the new First Homes product), shared ownership, and Rent to Buy. These are considered in turn below.
304. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

First Homes

305. Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to buy market housing.
306. The starting point for these calculations is therefore the estimated cost of new build entry-level housing in the NA noted above of £330,368.
307. For the minimum discount of 30% the purchase threshold can be calculated as follows:
- Value of a new home (estimated NA new build entry-level) = £330,368;
 - Discounted by 30% = £231,257;
 - Purchase deposit at 10% of value = £23,126;
 - Value of dwelling for mortgage purposes = £208,132;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £59,466.
308. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £50,971 and £42,476 respectively.
309. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.

310. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq. m and a build cost of £2,375 per sq. m¹⁵) would be around £166,250. This cost excludes any land value or developer profit. This would not appear to be an issue in Horam.

Shared ownership

311. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%) and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.
312. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.
313. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
314. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £330,368 is £82,592;
 - A 10% deposit of £8,259 is deducted, leaving a mortgage value of £74,333;
 - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £21,238;
 - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £21,238;
 - The estimated annual rent at 2.5% of the unsold value is £6,194;
 - This requires an income of £20,648 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
 - The total income required is £41,886 (£20,648 plus £21,238).
315. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £33,273 and £56,241 respectively.

¹⁵ It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - <https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/>

Rent to Buy

316. Rent to Buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent, which is intended to be used to build up a deposit to eventually purchase the home. It is therefore estimated to cost the same as private rents – the difference being that the occupant builds up savings with a portion of the rent.

Help to Buy (Equity Loan)

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

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods¹⁶.

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard¹⁷

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

¹⁶ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

¹⁷ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order¹⁸

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

Concealed Families (Census definition)¹⁹

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

Equity Loans/Shared Equity

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

¹⁸ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

¹⁹ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years²⁰, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

²⁰ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

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

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing²¹

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

²¹ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.²²

²² See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

