

Horam Neighbourhood Plan

Housing Needs Assessment - Supplementary Note regarding housing mix

In its comments on the Draft (Regulation 14) Horam Neighbourhood Plan (HNP), Wealden District Council commented on the AECOM Housing Needs Assessment (HNA) prepared for the HNP, stating that:

RQ2: Type and Size

Paragraph 215 states that *'The size mix remains generally larger than the national average but slightly smaller than the Wealden average.'*

We consider on this basis, whether there are actually strong reasons to deviate from the assumptions made for market homes in the Council's own LHNA? There are substantial differences between the two assessments in terms of the housing mix (particularly around 2- and 3- bedrooms) and it does not appear to be sufficiently justified by the text that precedes the suggested dwelling mix.

The difference between the conclusions in relation to the proportions of dwellings to have three or fewer bedrooms in the respective studies is shown below:

	1-bed	2-bed	3-bed	1-3 bed
HNP overall mix ¹	10%	40%	20%	70%
WDC market housing	5%	30%	40%	75%
WDC aff. home ownership	20%	40%	30%	90%
WDC affordable rented	40%	30%	25%	95%

It can be seen that the thrust of Draft HNP policy HHD1 - that at least 70% of homes are 1,2 and 3-bed compares closely to the WDC target of 75% for market homes, albeit lower than its respective affordable housing percentages.

As the table from the 2021 Census for Horam parish shows (see below), 79% of households either own, or shared-own their homes. Hence, it makes by far the most significant contribution to total supply.

Tenure	2021	%
Total	1,304	100
Owned or shared ownership	1,028	79
Social rented	124	10
Private rented or lives rent free	152	11

As WDC highlight, the most notable difference relates to 3-bed dwellings, with the Draft HNP seeking 20% overall, while the WDC Assessment (LHNA) is for 40% market

¹ Rounded figures, as contained in the Draft Horam Neighbourhood Plan at Policy HHD1

dwelling, 30% affordable home ownership and 25% affordable rented homes to be 3-bed.

Commentary

There are differences in the methodologies of the two studies that explain these differences:

- The HNP housing mix assessment applies to all homes, as it is demographically-led, based on data for Horam itself, whereas the WDC LHNA uses district-wide and sub-market demographic data.
- While the HNP HNA looks at housing needs for the population as a whole and does not make assumptions about affordability of housing which relates more to financial circumstances, it acknowledges that *“Within the overall size mix sought below from new housing in the Parish, it is recognised that in practice it applies primarily to market housing, while Affordable Housing is likely to require a greater weighting towards smaller sizes.”*
- The HNP HNA compares future household needs with the existing stock to generate an assessment of what mix is required to create a closer balance in the future, whereas the WDC LHNA looks at what is needed to generate a stock more typical of that across the region. In this respect, the latter is more influenced by market demand, while the former is more influenced by local needs.
- The HNP HNA emphasises that it assumes that existing demographic and occupation patterns will persist into the future and can be regarded as a *“baseline or default scenario”*, highlighting that it is one that the community may wish to intervene in, such as to develop a different or more balanced demographic in light of other community objectives and primary evidence.

Both HNAs pre-date release of the 2021 Census for the Parish. The respective figures for Horam and Broad Oak Middle Super Output Area (MSOA) at 2011 and 2021 are set out below:

No. of bedrooms	MSOA	
	2011	2021
1 (incl studio)	8.1%	7.7%
2	26.5%	24.2%
3	39.4%	35.5%
4+	26.1%	32.7%
Unknown	0.1%	0%

This shows that Horam has witnessed an increase over the last 10 years of in the proportion of larger dwellings. This corresponds with local knowledge of the nature of new housebuilding.

It is evident that there is currently well over 20% (i.e. 35%) of 3-bed homes in the local area. It may be unreasonable, and unrealistic, to seek such a large reduction in 3-bed homes. At the same time, the HNP HNA does demonstrate a clear need, based on demographic projections, for a significant proportion of 1 and 2-bed homes.

It seems that, having regard to both demographic needs and market demand (which may also reflect needs in that smaller households do not necessarily need less bedrooms, for a variety of reasons) it is concluded that a more appropriate mix of new dwellings in the HNP would be:

	1-bed	2-bed	3-bed	1-3 bed
HNP revised overall mix ²	10%	30%	30%	70%

In other words, there would be an even split between 2, 3 and 4+ bedroomed dwellings, with a small proportion of 1-bed, which are more likely to be affordable homes, given the identified need.

The HNP HNA had the following table, based on Valuation Office Agency (VOA), which can now be updated with the most recent Census figures, as below

This shows the following:

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%	

Iceni (who prepared the District HNA) consider future housing mix looking at the ages of the Household Reference Persons (HRP) and how these are projected to change over time.

Iceni highlight that, *whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.*

Iceni relate the age of HRP to number of bedrooms, using 2011 census data, but note that *replicating the existing occupancy patterns at a local level would however result in the conclusions being skewed by the existing housing profile.*

So, it applies regional occupancy assumptions for the South East region.

Iceni provide findings in two tables, considering both local and regional occupancy patterns. The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context.

² Rounded figures, as contained in the Draft Horam Neighbourhood Plan at Policy HHD1

The Iceni findings show that for most tenures the modelled outputs of need are similar regardless of the choice of modelling assumptions. The key difference looks to be for affordable housing (rented) where using local occupancy shows higher need for 1-bedroom homes (and lower needs for 2-bedroom homes). In terms of housing tenure type:

Social/Affordable Rented Housing:

Iceni say that In taking account of the modelled outputs, the Housing Register and the discussion above, it is suggested that the following mix of social/affordable rented housing would be appropriate:

- 1-bedroom: 40% • 2-bedrooms: 30% • 3-bedrooms: 25% • 4+-bedrooms: 5%

Affordable Home Ownership:

In the affordable home ownership and market sectors a profile of housing that more closely matches the outputs of the modelling is suggested. It is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households. Based on this analysis, it is suggested that the following mix of affordable home ownership would be appropriate:

- 1-bedroom: 20% • 2-bedrooms: 40% • 3-bedrooms: 30% • 4+-bedrooms: 10%

Market Housing:

A balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile (as well as observations about the current mix when compared with other locations). This sees a slightly larger recommended profile compared with other tenure groups. The following mix of market housing is suggested:

- 1-bedroom: 5% • 2-bedrooms: 30% • 3-bedrooms: 40% • 4+-bedrooms: 25%

In relation to Plan targets, Iceni says that it does not necessarily follow that such prescriptive figures should be included in the plan making process, noting that policy aspirations could also influence the mix sought.

The Iceni report states that:

Overall, it is suggested that Council should broadly seek the same mix of housing in all locations but would be flexible to a different mix where specific local characteristics suggest.

The productions of the Horam HNA, and suggested amendments to policies as suggested above, are based on a more granular understanding of local characteristics than is possible to report in the Wealden District HNA and is thus reflective of the recommendations in that report. The approach taken to housing mix in the Horam NDP is thus appropriate and supported by evidence that is specifically to the local area.