

# Forest Edge South

Housing Needs Assessment (HNA)

February 2023

## Quality information

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**List of acronyms used in the text:**

DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
FES	Forest Edge South
FESSG	Forest Edge South Neighbourhood Plan Steering Group
FD	Forest of Dean
FDDC	Forest of Dean District Council
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
WD	West Dean

# 1. Executive Summary

## Conclusions - Tenure and Affordability

1. FES' tenure mix reveals that the parish has a higher rate of ownership compared to the district and national averages. The area also has a relatively higher proportion of larger housing (particularly detached and semi-detached) and relatively lower proportion of rents. House prices in FES have also risen in value in recent years, increasing in the region of 40% - 70% since 2011. In combination, these factors are likely to have created a high affordability threshold for properties in the area.
2. Most market housing ownership options in FES are now out of reach for average/above average income households – with average earners needing a wage increase of 69% and 107% to afford entry level homes and median value homes, respectively. For average earners to find home ownership affordable (at median and lower quartile prices), they must rely on Affordable Housing schemes of First Homes at the maximum 50% discount, and Shared Ownership at the 10% and 25% proportion. This report therefore recommends the use of all three of these Affordable Housing ownership options.
3. Average market rent is considered affordable to average income households; however, Affordable Housing schemes are needed to bring renting to within an affordable range to households of two lower quartile earners.
4. Affordable Housing tenures represent a solution that will bring at least one option of ownership and/or renting prices to within affordable levels to average and below average income households. However, the demand for Affordable Housing in FES far outweighs the supply, and this is likely to be the case throughout the future Neighbourhood Plan period. Whilst the future housing allocation for FES is not yet known, if the figure remains in line with the previous plan's target of around 45 total new builds (market and affordable), the demand for Affordable Housing will not be satisfied.
5. An indicative recommendation for the future tenure split of Affordable Housing in FES of 35% ownership to 65% renting has been generated based on calculations within this report. This mix recommendation is calculated on the assumption that the new Local Plan build allocation for FES will be similar to the previous Local Plan's allocation, which was around 45.

## Conclusions - Type and Size

6. 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.
7. The type and size of future housing developments within FES should focus on mid - smaller housing sizes (three bedrooms and below). Whilst a range of house types should be explored within future developments, priority should be placed on delivering more dense housing types to the area if this can be made to fit within the local historic character and other constraints. This is particularly the case for flats, as there is a clear deficit in their position within the overall type mix in FES, only accounting for 3% of the total stock.



One option if blocks of flats are deemed unsuitable in this location would be to provide flatted options in the form of maisonettes with the external appearance of terraced homes.

8. There is a clear need for the new housing in FES to accommodate its ageing population (which is forecast to almost double in size by 2041). Whilst this does not mean housing provision for households in younger age groups should be disregarded altogether, it is the ageing population that currently dominate the demographics of the area and are only expected to dominate more over the NP period, and hence this is where the focus of new builds should be. Providing for older households should also have the knock-on benefit of creating churn in the market that potentially makes larger family homes available to others. With this being the case, the recommendation of prioritising smaller to intermediately sized houses/terraces/flats of three or fewer bedrooms is expected to guide FES' housing stock toward becoming more suitable for its current and future housing needs.

## **Conclusion- Second homes**

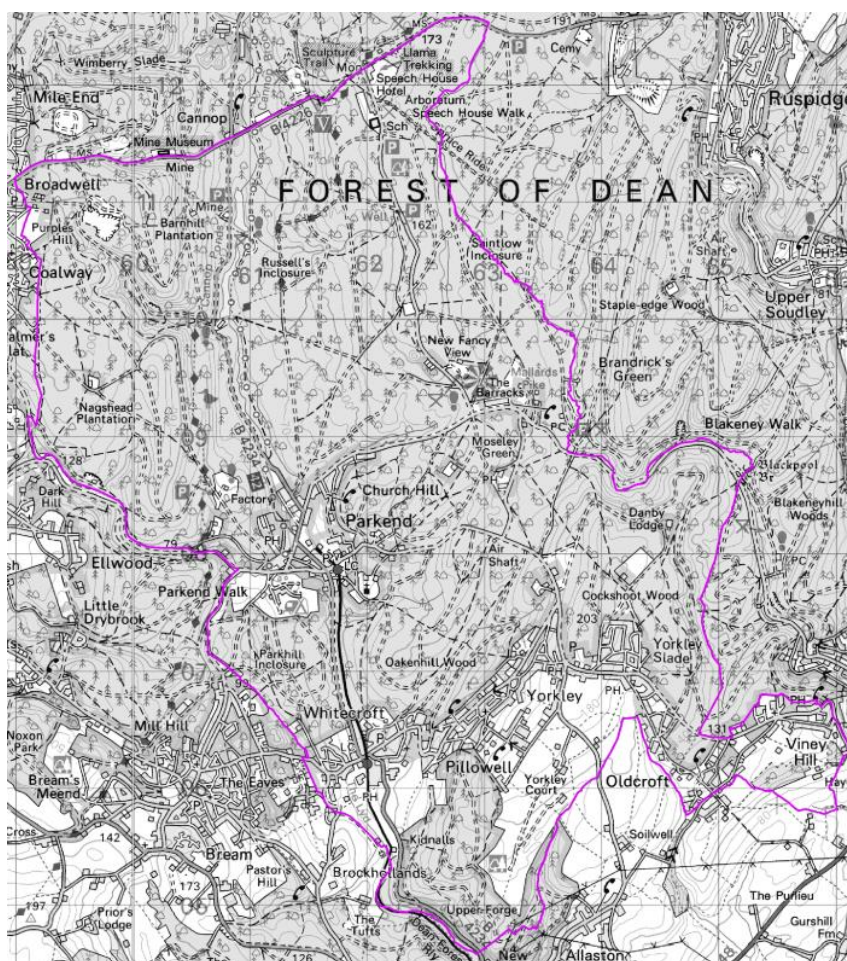
9. FES contained 1,475 households and 1,570 dwellings in 2011, implying that there were 95 dwellings (or 'household spaces') with no usual resident household. 6.1% of dwellings therefore had no usual residents. For comparison, the rate across FD was 5.5%. For England, the rate was 4.3%. Overall, based on this data alone, the proportion of dwellings with no usual residents in FES is similar to the district and national average.
10. The proportion of known homes paying business tax is comparable to district and national averages, with 60 houses falling under this category. Pro-rating the figure for the district proportion of holiday homes (self-catering) within the 'other' property category (of 12%), it is estimated that there are 8 holiday lets in FES. This is approximately 0.4% of all properties.
11. Although the available data does not suggest a significant proportion of properties are being used for second home ownership compared to the district and country, it is possible that FESSG's concerns of a recent increase in rise of these types of properties may be revealed in the forthcoming Census data. There may be scope to reflect the results of the upcoming Census in any potential second home policy by making its provisions conditional on an established threshold of second home ownership or rate of increase. If the 2021 Census reveals a continuation of the trend towards an increasing number of dwellings with no usual resident household, as experienced between 2001 and 2011, this may provide justification to consider a second homes policy in the NP.

## 2. Context

### Local context

12. Forest Edge South (FES) is a Neighbourhood Plan area located in the district of Forest of Dean (FD), Gloucestershire. The Neighbourhood Area (NA) was designated in November 2017 and shares its boundary with that of the Pillowell Ward, within the wider parish of West Dean (WD).
13. The proposed Neighbourhood Plan period starts in 2021 and extends to 2041, therefore comprising a planning period of 20 years. The evidence supplied in this report will look forward to the Plan end date of 2041, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
14. FES' population is dispersed between six settlements located in the southern half of the NA (Oldcroft, Parkend, Pillowell, Viney Hill, Whitecroft, and Yorkley). FES has a limited number of amenities, such as a few convenience stores, pubs, and churches. Three primary schools are also found within the NA, in Parkend, Pillowell, and Yorkley. It is unsurprising, therefore, that these settlements are considered a group under the Local Plan and are expected to pool certain facilities and services.
15. Regarding public transport within FES, the west of the NA is served by the local Dean Forest Railway line, stopping in Parkend and Whitecroft, and later connecting to the mainline at Lydney Junction beyond the NA boundary. The parish also benefits from bus services connected between the main settlements, along the 27 bus route.
16. The NA boundary was identified from the Forest of Dean's District Council's (FDDC) website - <https://www.fdean.gov.uk/media/rngfkfh5/pillowell-neighbourhood-area-map.pdf>
17. For Census purposes, the Neighbourhood Plan area is made up, like the rest of England, of statistical units called Output Areas (OAs). The Plan area equates to the following Lower Super Output Areas (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:
  - E01022268; and
  - E01022269.
18. The statistics show that in the 2011 Census the NA had a total of 3,522 residents, formed into 1,475 households and occupying 1,570 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 FES is 3,591 – indicating population growth of around 69 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.
19. Based on the most recent data provided by FDDC, there have been 65 housing completions since March 2011 in FES. A further 21 houses are marked as 'outstanding permissions', and therefore are expected to be completed within the current Local Plan period. The growth in housing within FES can therefore be considered as proportional to FES' population growth, increasing from 1,570 to 1,635 dwellings in the last ten years.
20. A map of the Plan area appears below in Figure 2-1.

**Figure 2-1: Map of the Forest Edge South Neighbourhood Plan area<sup>1</sup>**



Source: Forest of Dean District Council

## Planning policy context

21. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.<sup>2</sup> In the case of FES, the relevant adopted Local Plan for FD consists of:

- Core Strategy (Feb 2012)<sup>3</sup> - sets out the strategic vision, objectives, and spatial strategy for the borough.
- Allocations Plan (Adopted June 2018)<sup>4</sup> – allocates land for housing and other developments to deliver the targets set out in the Core Strategy.
- Local Plan (2021-2041)<sup>5</sup> – unpublished, however will eventually supersede the current Local Plan.

22. The current Local Plan for FD was adopted in February 2012 for the period up to 2026. FDDC are currently in the process of developing a new Local Plan that will run from 2021-2041, which will drive FD’s development strategy over a 20-year period. ‘Issues and options’ were developed in 2019, and in 2020 a preferred option was selected. In Autumn

<sup>1</sup> Available at <https://www.fdean.gov.uk/media/rngkfh5/pillowell-neighbourhood-area-map.pdf>

<sup>2</sup> 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>

<sup>3</sup> Available at: <https://www.fdean.gov.uk/media/szpzpxj/core-strategy.pdf>

<sup>4</sup> Available at: <https://www.fdean.gov.uk/media/ruscm3s1/allocations-plan.pdf>

<sup>5</sup> See: <https://www.fdean.gov.uk/planning-and-building/planning-policy/developing-our-new-local-plan/>

2022 the first draft Local Plan will be released, and in Autumn 2023 the Plan will be submitted for final examination before adoption.

## Policies in the adopted local plan

23. Table 2-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in FES.

**Table 2-1: Summary of relevant adopted policies in the Forest of Dean Local Plan 2012-2026**

Document / Policy	Provisions
CSP.4 – Development at Settlements	<p>Consistent with national policy, CSP.4 states that ‘new housing will be concentrated where there is already good access to employment and where additional employment can be provided’. This also means that developments will be concentrated in pre-existing settlement boundaries.</p>
CSP.5 – Housing (Greenbelt Land)	<p>The policy states that no ‘new’ greenbelt land will be released for developments, unless there are no alternative options, and the proposed development aligns with the Plan.</p> <p>Paragraph 6.39 states that an exception ‘for the release of greenfield sites solely for affordable housing’ may be allowed under the right circumstances.</p>
CSP.5 – Housing (Housing Density)	<p>The Plan sets out that a figure of 30 dwellings per hectare will be used as a reference ‘for future housing development densities’, although this is flexible depending on whether the location is considered within a settlement (higher densities), or a more rural area (lower densities).</p>
CSP.5 – Housing (Ageing Population)	<p>The policy expects that new housing developments within FD will appropriately accommodate the growing ageing population in both ‘affordable and market housing’. This should be ‘reflected more in the lifetime suitability of dwellings than their design for a particular stage in life’.</p> <p>The mix of new house sizes should be based on ‘prevailing evidence’, such as a SHMA or an HNS.</p>
CSP.5 – Housing (Affordable Housing)	<p>For sites within FES, affordable housing will be sought as a proportion of 40% of housing on sites of 0.16ha or more accommodating 5 dwellings or more. The policy clarifies that ‘on small sites ‘of less than 10 dwellings, the number of affordable homes expected will be rounded down to the nearest whole dwelling...on larger sites the rounding will be upwards’.</p> <p>The policy acknowledges that throughout FD there ‘is a need for smaller dwellings for one and two persons, and for families generally and for a range of affordable housing’ and that ‘the need for affordable housing is overwhelmingly for housing for social rent’.</p> <p>Affordable housing will be granted more leniency for planning approval and therefore may be eligible for development on exemption sites ‘where normal housing would not normally be permitted’. These are defined as ‘exception sites’ and comprise of solely affordable housing.</p> <p>Whilst affordable housing is a matter of high concern within the policy, it has been stated that the development of affordable housing will not be explored in areas that are without ‘at least some basic provisions’. This also means that developments are expected to be within or on the boundary of already existing settlements.</p>

Document / Policy	Provisions
Allocations Individual Chapters	<p>Plan – Listed below are the category types for each settlement within FES, as found in the Allocation Plan:</p> <ul style="list-style-type: none"> <li>- Oldcroft and Viney Hill are identified as ‘small villages’, and therefore will have ‘limited opportunities for additional development’</li> <li>- Parkend is considered a ‘service village’, a ‘settlement with a range of local services and where new development opportunities are likely to be small in scale’</li> <li>- Whitecroft-Pillowell-Yorkley are considered a ‘group village’ and therefore has been identified as ‘suitable for additional development’ and suggests that ‘an allocation for housing is appropriate’</li> </ul>
AP 3 'Mixed Uses and Proximity'	Mixed use developments will be sought, either through the inherent plans of the new development, or locating the new development ‘in close proximity to other land uses that provide a mix’.
AP 6 'Locally Distinct Areas'	<p>Proposed developments within ‘Locally Distinctive Areas’ will be ‘required to demonstrate that it complements the established character of the area’.</p> <p>The plan identifies the settlements of Pillowell, Yorkley West, and Yorkley Slade as Locally Distinctive Areas due to their location within/ partially within the forest boundary (and in Pillowell’s case, it is also within in a Conservation Area). Therefore, developments proposed in these settlements will have to overcome stricter requirements to be approved.</p>
AP 10 'Dean Forest Railway'	Land has been allocated for development in Parkend to couple with the Dean Forest Railway development policy’s plans for an extension to the north.
AP25 'Whitemead Park'	<p>Whitemead Park has been identified as a site with potential for expansion due to its tourism and recreation uses.</p> <p>It should be noted that Whitemead Park is for a leisure and tourism complex, and not a residential development.</p>
AP 111 'Whitecroft Scovill'	At the Whitecroft Scovill site, approximately 1ha has been allocated for around 30 dwellings.
Allocations Whitecroft, Pillowell and Yorkley Chapter	<p>Plan - Between the Core Strategy’s publication (2012) and the most recent Allocation Plan (2018), 49 dwellings have been completed within the Whitecroft, Pillowell and Yorkley area at the former Vencil Resil site on New Road. This confirms that the housing target set out in the original Core Strategy of 45 dwellings by 2026 has already been fulfilled. It is worth noting that housing targets are always a minimum, and the number of developments is likely to increase in the area given the allocation of development sites such as ‘Whitecroft Scovill’.</p>

Source: Core Strategy (Feb 2012); Allocations Plan (Adopted June 2018)

## Policies in the emerging local plan

24. Table 2-2 below summarises emerging Local Plan policies that are relevant to housing need and delivery in FES.

25. The new Local Plan for FD is currently in the draft writing stage, with a preferred option now selected. Whilst this means that there are no policies to review, commentary provided on the preferred option will be useful to reflect on with regards to the general direction of the future housing policy in FES. The following quotes indicate some key aims that will shape the future housing policy within FD’s new Local Plan:

**Table 2-2: Summary of relevant adopted policies in the Local Plan 2021-2041**

Document / Policy	Provisions
Strategic Consultation Document (2020) Option Document	<ul style="list-style-type: none"> <li>• 'Mix of types and overall delivery sufficient to meet needs, deliver Affordable Housing all to be long term sustainable in terms of location and construction'.</li> <li>• 'Allocate sites that can provide affordable housing to address local need, enable "exceptions" sites. Allocations and delivery policies provide housing as far as possible where it is needed'.</li> </ul>
Local Plan Preferred Option Webpage <sup>6</sup>	<ul style="list-style-type: none"> <li>• 'The strategy in the preferred Option is one that will see many of the existing sites that are presently identified being developed, most notably at Lydney. It also proposes a new mixed-use development at Beachley using the army camp, which is to be vacated, a major development at Newent and a new settlement. The location of this is yet to be fixed but the best location may be in the broad area where the A40 and A48 meet.'</li> <li>• 'The major sites will need to include a mixture of housing, employment, greenspace and community facilities.'</li> <li>• 'About half of the housing needs can be met on sites already known and identified in existing plans and permissions, and the remainder will need to be newly identified. Of the newly identified land, which will need to accommodate about 4000 dwellings and other development, about half will be provided for at the proposed new settlement. This is expected to be commenced around 2030 and may be able to contribute in the period beyond 2041 too. The other new sites will come from a mixture of small developments at larger villages and towns as well as Beachley and Newent.'</li> </ul>

26. Relative to FES, the quotes found in Table 2-2 suggest that the future development will not veer from the status-quo, with FD's main focus for housing development fixed on sites outside of the FES boundary.

## Quantity of housing to provide

27. 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.

28. FDDC's Core Strategy has fulfilled that requirement by providing the main group settlement within FES, 'Whitcroft-Pillowell-Yorkley', with an indicative figure of 45 dwellings to be provided by 2026. For the wider FES area, there may be additional housing developments that make up part of an additional 608 units across FD that have been allocated to 'Other villages and rural approx'— although it is unlikely that many of these will be in FES. The Allocation Plan document from 2018 suggests that the housing targets for FES may have already been fulfilled through a development of 49 dwellings at the former Vencil Resil site on New Road. The Allocation Plan also describes that land within the FES boundary has been allocated for another 30 dwellings at Whitcroft Scovill, and an unnamed number of dwellings in Parkend.

<sup>6</sup> Available at: <https://fdean-consult.objective.co.uk/portal/planning/plan41/po/lppo>

## 3. Approach

### Research Questions

29. The following research questions were formulated at the outset of the research through discussion with the Forest Edge South Neighbourhood Plan Steering Group (FESSG). They serve to direct the research and provide the structure for the HNA.

### Tenure and Affordability

30. FESSG 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.
31. This evidence will allow FES 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.
32. The QB are seeking to establish the need for affordable housing for sale, likely via grant funded assessment work, though TBC if they would prefer via technical support. On these grounds the QB is eligible for support under the Discounted Housing element of the programme.
33. The neighbourhood planners are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

***RQ 1: What quantity and tenures of Affordable Housing should be planned for over the Neighbourhood Plan period?***

### Type and Size

34. FESSG is seeking to determine what size and type of housing would be best suited to the local community.
35. 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.
36. 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.
37. 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 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 Neighbourhood Area over the Neighbourhood Plan period?***

## Second Homes

38. FES is an area where there is growing concern about the rate of second home ownership, and where holiday lets and homes that are vacant for part of the year are perceived to have an impact on housing affordability as well as the vitality and economic resilience of the local community.
39. This chapter of the HNA will review the evidence relating to the presence and growth of second home ownership in FES and draw out any relevant connections to the affordability conclusions made in the preceding chapter and other considerations.

***RQ 3: What mechanisms are available and/or could be applied to maximise the provision of new homes that are provided for people and households with a genuine local connection to the Neighbourhood Plan area?***

## Relevant Data

40. 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 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 Rightmove.co.uk;
  - Local Authority housing waiting list data; and
  - Gloucestershire Local Housing Needs Assessment 2019<sup>7</sup>.
41. 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.

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<sup>7</sup> Available at: <https://www.cheltenham.gov.uk/downloads/file/8258/gloucestershire-local-housing-needs-assessment>



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

***RQ 1: What Affordable Housing (e.g. 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

42. 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.
43. 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.
44. 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. As part of this effort, the Government has recently introduced a new product called First Homes.<sup>8</sup>
45. 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);
  - 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;

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<sup>8</sup> 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>.

- 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

46. The current tenure profile is a key feature of the Neighbourhood Plan 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.
47. Table 4-1 below presents data on tenure in FES compared with FD and England from the 2011 Census, which is the most recent available source of this information.
48. Compared to the district and national context, Table 4-1 presents that FES has a high proportion of property ownership and a particularly low proportion of social and private rent. Shared ownership within FES is comparable to national levels and slightly higher than FD percentage levels.

**Table 4-1: Tenure (households) in Forest Edge South, 2011**

Tenure	Forest Edge South	Forest of Dean	England
Owned; total	80.2%	74.3%	63.3%
Shared ownership	0.8%	0.5%	0.8%
Social rented; total	11.9%	12.4%	17.7%
Private rented; total	5.6%	11.2%	16.8%

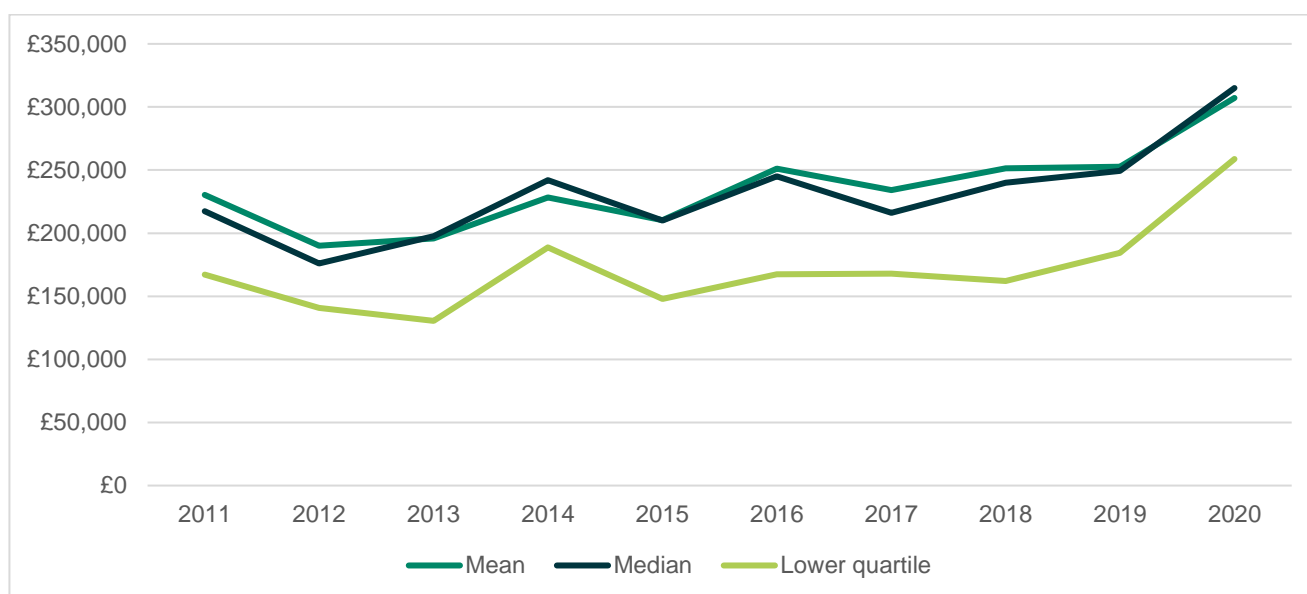
Sources: Census 2011, AECOM Calculations

49. 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 FES the private rented sector expanded by 100% in that period, a rate of growth that was higher than the national average of 82%, but lower than the district average of 118%.
50. The trend of increased renting options is also evident in FES' Affordable Housing completions data from the past ten years, with seven of the 10 Affordable Housing units built having a rent tenure. This data indicates that the renting market is being allowed to continue its growth.

## House prices

51. 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.
52. Figure 4-1 below looks at the change in mean (the average), median (the middle value), and lower quartile (the value below which the lowest 25% of values fall) of house prices in FES. Over the 9-year period examined in the graph, house prices across all featured measures have increased in value. Whilst there have been short-term fluctuations (as is common in such a small sample, with an average of 56 sales per year in FES), the long-term trend is an overall positive increase in property value. In the eight years between 2011 and 2019, averages for all house price measures increased in value moderately (around 10%). However, in the one year between 2019 and 2020, house prices jumped up significantly: the lower quartile saw a 40% increase, whilst the mean/median value saw an increase of around 26% over the same period. This growth finds the 2020 mean house price at around £307,145, the median price at £315,000, and the lower quartile price at £258,750.

**Figure 4-1: House prices by quartile in Forest Edge South, 2011 - 2020**



Source: Land Registry PPD

53. Table 4-2 below breaks down house prices by type, presenting the median price for each year between 2011 and 2020. The data shows that all houses except for flats saw positive growth from the period of 2011 to 2020. Whilst detached houses saw a healthy median growth of 43.2%, their rate of growth was smaller than semi-detached and terraced properties, which grew 71.8% and 73.6%, respectively. The market for flats is an outlier to these trends, with the earliest median flat price being £170,000 in 2013 and seemingly falling to £87,500 in 2020, a decrease of 48.5%. However, this does not necessarily mean that the flat market has decreased in value. As demonstrated in Table 4-1 above, the proportion of flats within FES' housing stock is low (this is further exemplified by there being no flat sales data in the years of 2011, 2012, and 2015). This means that the median has more to do with the location, size and condition of the flat(s) that happen to sell in a given year than real changes in market values.

**Table 4-2: Median house prices by type in Forest Edge South, 2011-2020**

Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Growth
Detached	£234,000	£212,000	£246,750	£249,995	£255,000	£305,000	£247,500	£312,750	£282,500	£335,000	43.2%
Semi-detached	£154,250	£162,500	£125,000	£161,000	£152,500	£162,500	£173,250	£158,000	£212,000	£265,000	71.8%
Terraced	£96,500	£108,000	£139,500	£160,000	£91,150	£167,000	£153,750	£170,250	£165,000	£167,500	73.6%
Flats	-	-	£170,000	£181,500	-	£90,000	£172,500	£92,475	£104,000	£87,500	-
<b>All Types</b>	£217,500	£176,000	£197,500	£242,000	£209,995	£245,000	£216,000	£240,000	£249,250	£315,000	44.8%

Source: Land Registry PPD

## Income

54. 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.
55. 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 before housing costs locally was £39,000 in 2020. A map of the area to which this data applies is provided in Appendix A.
56. The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. FD's gross individual lower quartile annual earnings were £12,490 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £24,980.
57. 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.

## Affordability Thresholds

58. 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.
59. AECOM has determined thresholds for the income required in FES 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.
60. 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.
61. Table 4-3 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.

62. The same information is presented as a graph in Figure 4-2 on a subsequent page, with selected measures from the table presented for clarity.

**Table 4-3: Affordability thresholds in Forest Edge South (income required, £)**

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £39,000	Affordable on LQ earnings (single earner)? £12,490	Affordable on LQ earnings (2 earners)? £24,980
<b>Market Housing</b>						
Median House Price	£283,500	-	£81,000	No	No	No
LA New Build Mean House Price	£259,196	-	£74,056	No	No	No
LQ/Entry-level House Price	£232,875	-	£66,536	No	No	No
Average Market Rent	-	£8,880	£29,600	Yes	No	No
Entry-level Market Rent	-	£8,412	£28,040	Yes	No	No
<b>Affordable Home Ownership</b>						
First Homes (-30%)	£181,437	-	£51,839	No	No	No
First Homes (-40%)	£155,517	-	£44,434	No	No	No
First Homes (-50%)	£129,598	-	£37,028	Yes	No	No
Shared Ownership (50%)	£129,598	£3,600	£49,028	No	No	No
Shared Ownership (25%)	£64,799	£5,400	£36,514	Yes	No	No
Shared Ownership (10%)	£25,920	£6,480	£29,005	Yes	No	No
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£5,676	£18,902	Yes	No	Yes
Social Rent	-	£4,947	£16,473	Yes	No	Yes

Source: AECOM Calculations

63. 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**

64. 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 an above average income, is likely to remain out of reach to most; the median and entry-level house prices would require an annual income of 107% and 69% higher than the current average, respectively.

65. Private renting is generally only affordable to average earners, with households made up of two lower quartile earners unable to reach the market rent affordability threshold.

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.

### Affordable home ownership

66. There is a relatively large group of households in FES who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £28,040 per year (at which point entry-level rents become affordable) and £66,536 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
67. 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.
68. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. For these calculations, the data suggests that only a 50% discount would reduce house prices to within affordable levels for average earners in the area. Even with a 50% discount, households made up of two lower quartile earners would not be able to afford First Homes in the area.
69. Table 4-4 below shows the discount required for First Homes to be affordable to the three income groups. As it is not possible to precisely estimate the cost of a typical First Home due to a lack of data on new build entry-level house prices in the NA, it is worth considering the discounts required for some additional price benchmarks. The table above uses median house prices in the NA as the best proxy 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 (which would bring the price closer to the price of median existing homes than existing entry-level homes). However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, and of entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

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

Tenure/product	Mean Income	LQ Income x1	LQ Income x2
NA Median house price	51.9%	84.6%	69.2%
LA New build mean house price	47.3%	83.1%	66.3%
NA Entry-level house price	41.4%	81.2%	62.5%

Source: Land Registry PPD; ONS MSOA total household income

70. Shared ownership appears to be more affordable than First Homes at the lowest percentage share but is broadly accessible to the same groups. The Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.<sup>9</sup> If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the

<sup>9</sup> 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>.

alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.

71. 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.
72. The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are less affordable options.
73. 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 must 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.
74. For an average earner in the area, First Homes at 50% discount and shared ownership at 10% and 25% equity are within budget, enabling them to get a foot on the housing ladder. For individuals earning within the lower quartile, none of the tenure options bring ownership to within an affordable level. It is therefore recommended that all three of the mentioned Affordable Housing options are used within FES. However, it should be noted that the caveat to a high discount recommendation is that it is based purely on the question of affordability, but development viability is also relevant. Higher discounts are a financial burden on developers that may allow them to justify providing less Affordable Housing overall. FDDC may be able to advise on this issue.

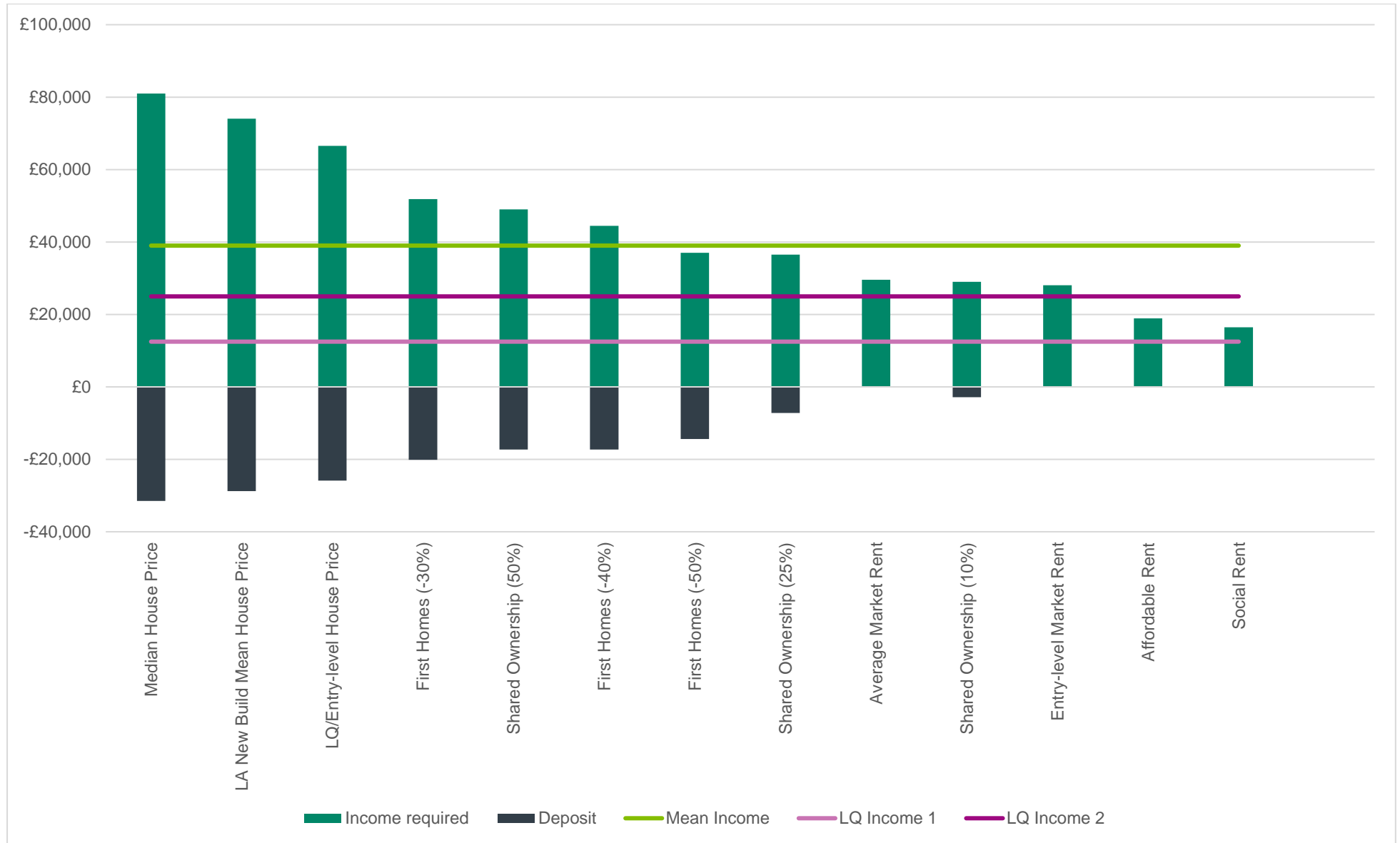
### **Affordable rented housing**

75. 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.

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



**Figure 4-2: Affordability thresholds in Forest Edge South, income required (additional cost of deposit in black)**



Source: AECOM Calculations

## Affordable housing- quantity needed

77. The starting point for understanding the need for affordable housing in FES is the relevant Local Housing Need Assessment (LHNA). An LHNA was undertaken for Gloucestershire in 2019. This study estimates the minimum need for housing in the District based on analysis of FDDC's waiting list and analysis of other data sets in line with Planning Practice Guidance at the time. The LHNA identifies the need for 110 additional Affordable Housing units each year in FD over the period of 2021-41, split between 73 affordable rents and 36 affordable ownership properties.
78. When the LHMA figures are pro-rated to FES based on its fair share of the population (4% of FD's population), this equates to 4 homes per annum or 80 homes over the Neighbourhood Plan period 2021-2041, split into 54 affordable rented units and 26 affordable homes for ownership. However, pro-rating District level estimates of affordable housing need to rural areas presents problems in practice. For the purposes of this report, these estimates are a useful basis for a 'ballpark' estimate of the affordable housing needed in FES. For a more up-to-date and locally specific estimate, this report includes two calculations for FES below using the most recent data from the smallest parish scale.
79. In Table 4-5 below we have calculated, using PPG as a starting point<sup>10</sup>, an estimate of the total need for affordable rented housing in FES 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.
80. It should be noted that figures in Table 4-5 are also largely dependent on information provided by FDDC in its capacity as manager of the local housing waiting list. FDDC have provided the following data:
- Affordable Housing completions from 2011-2021: 10
  - The current affordable renting waiting list: 137 (most of these households are seeking 1 or 2 bed housing and are classed as Bronze under Homeseeker Plus designations – which have been determined to have the least urgent needs).
  - In FES, households seeking affordable rent are given the option to select which settlements – out of Parkend, Whitecroft, and Yorkley - they would like to be considered for. Applicants can put their name forward for one, two, or all three of the settlements. In ascending order of demand: Whitecroft has 45 applicants, Parkend has 61 applicants, and Yorkley has 77 applicants.
  - Age bands for affordable rent seekers: 53 within the 18-34 band, 66 in the 35-65 band, and 18 in the 65+ band.
  - The affordable housing lettings data for 2019-2021: 10 (an average of 5 per year).

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<sup>10</sup> Paragraphs 028-030 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

81. In addition to the FDDC figure of 137 households currently unable to access affordable rented homes, estimates that around 59 additional households will fall into renting need over the Neighbourhood Plan period. Whilst a turnover of stock is expected to offset some of the demand for affordable renting, calculations within Table 4-5 suggest that demand will still outweigh supply, leaving the total need for affordable rented homes of 73 over the Neighbourhood Plan period.

**Table 4-5: Estimate of need for Affordable Housing for rent in Forest Edge South**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current households in need	137.0	Data provided by FDDC on 17/11/21
1.2 Per annum	<b>6.9</b>	Step 1.1 divided by the plan period (20 years) to produce an annualised figure.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	257.1	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	22.8%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by the most recent estimate for the number of households in NA (1611 in 2018).
2.2.1 Current number of social renters in parish	203.8	2011 Census social rented occupancy + LA % increase.
2.2.2 Number of private renters on housing benefits	25.9	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	58.5	Step 2.1 x Step 2.2.
2.4 Per annum	<b>2.9</b>	Step 2.3 divided by plan period (20 years).
<b>STAGE 3: TURNOVER OF AFFORDABLE HOUSING</b>		
3.1 Supply of social/affordable re-lets (including transfers) %	3.0%	Assumed proportion of stock re-let each year.
3.2 Supply of social/affordable re-lets (including transfers)	<b>6.1</b>	Step 3.1 x NA social rented stock (2.2.1). FDDC offered statistics for properties let in the previous two years. From that data an average of 5 properties were let each year. This validates the assumption of 3% turnover per year (which is used because the recent average is taken from only two years, that may not be representative due to the COVID-19 pandemic).
<b>NET SHORTFALL (OR SURPLUS) OF RENTED UNITS PER ANNUM</b>		
Overall shortfall per annum	<b>3.7</b>	Step 1.2 + Step 2.4 - Step 3.2
Overall shortfall (or surplus) over the plan period	<b>73.2</b>	(Step 1.1 + Step 2.3) - Step 3.2 * plan period

*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.*

82. Turning now to Affordable Housing providing a route to home ownership, Table 4-6 below estimates the potential demand in FES. This model aims to estimate the number of households that 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.
83. 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.<sup>11</sup> No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.
84. The result of the calculation is 3 households per annum who may be interested in affordable home ownership (or 58 for the entirety of the Plan period). Again, this assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal (one per year) because of the lack of shared ownership in the NA currently.
85. 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.

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<sup>11</sup> <http://www.ipsos-mori-generations.com/housing.html>

**Table 4-6: Estimate of the potential demand for affordable housing for sale in Forest Edge South**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in parish	100.0	Census 2011 number of renters x national % increase to 2018.
1.2 Percentage renters on housing benefit in LA	25.9%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	25.9	Step 1.1 x Step 1.2.
1.4 Current need (households)	55.5	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. <sup>12</sup>
1.5 Per annum	<b>2.8</b>	Step 1.4 divided by plan period (20 years).
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	257.1	LA household projections for plan period (2018 based) pro-rated to NA.
2.2 % of households unable to buy but able to rent	4.4%	(Step 1.4 + Step 3.1) divided by the most recent estimate for the number of households in NA (1611 in 2018).
2.3 Total newly arising need	11.3	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	<b>0.9</b>	Step 2.3 divided by plan period.
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	15.0	Number of shared ownership homes in parish (Census 2011 + LA completions data).
3.2 Supply - intermediate resales	<b>0.8</b>	Step 3.1 x 5% (assumed rate of re-sale).
<b>NET SHORTFALL (OR SURPLUS) PER ANNUM</b>		
Overall shortfall (or surplus) per annum	<b>2.9</b>	(Step 1.5 + Step 2.4) - Step 3.2.
Overall shortfall (or surplus) over the plan period	<b>57.9</b>	(Step 1.4 + Step 2.3) - Step 3.2 * number of years to end of plan period (20 years).

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.

86. 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).

87. It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of

<sup>12</sup> 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 LHNA and SHMA. 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.

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.

## Affordable Housing policy guidance

88. 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 robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
89. For the FD area, the LHNA estimates that 31% of new homes should be offered for affordable tenures. FD's adopted policy on this subject (CSP.5) has a higher target, requiring 40% of all new housing on sites of above 5 dwellings to be affordable. Given that Affordable Housing made up just 15% of new housing in FES over the last decade according to FDDC completions figures, it is understood that this target is not usually met on sites in the NA.
90. 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 specified as 70% rent 30% intermediate housing in the Local Plan CSP.5. The HNA can supply more localised evidence, and this section summarises the factors that might be considered before proposing a suggested Affordable Housing tenure mix that might be suitable for FES specifically.
91. 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 FES requires roughly 73 units of affordable rented housing and roughly 58 units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.

The relationship between these figures suggests that 59% of Affordable Housing should be rented and 41% should offer a route to ownership. However, as noted above, these figures are not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.

If the quantity of new housing overall were unlimited, 59% to 41% may be an appropriate affordable tenure mix. However, this is not likely and not strictly necessary.

- 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.

Whilst no housing delivery targets for the new Local Plan have been decided upon yet, if targets remained similar to the current Local Plan (which has an Affordable Housing percentage target of 40% and a build target of around 45 houses for FES) this would result in up to 18

affordable homes to be expected in the NA over the course of the new Local Plan.

If the majority of FES housing target is expected to come forward in the form of small infill developments, those schemes are unlikely to be large enough to meet the threshold of 5 dwellings, above which the Affordable Housing policy applies. If that is the case, the potential delivery of Affordable Housing is likely to be lower still. As a result, affordable rented housing should have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority.

Overall, this scenario would not be sufficient to satisfy the total potential demand for Affordable Housing identified here.

- C. **Government policy (e.g. NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in FD, where 40% of all housing should be affordable, 25% of Affordable Housing should be for affordable ownership. This does comply with the guideline tenure split sought in the Local Plan.

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 FES would prejudice the provision of much needed affordable rented homes.

- D. **Local Plan policy:** As noted above, the adopted Local Plan seeks an Affordable Housing tenure split of 70% rent to 30% 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. This however is not the case, as the FD Local Plan targets a 70% allocation to Affordable Housing.

After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should, as a priority, protect the provision for social rent set out in the Local Plan. The remaining units should then be allocated to other tenure products in the relative proportions set out in the Local Plan.

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 FES:** Based on the 2011 Census data, FES' tenure mix of affordable rents and shared ownership is very similar to the wider district mix. Compared to the national average, the mix of shared ownership tenures in FES is the same as the national average mix, however the offering of affordable renting tenures was found to be around 6% lower than the national average.

Based on the most recent FDDC data, the new Affordable Housing builds within the last 10 years in FES have come in the form of seven rents and three shared ownership properties. This represents a 70% rent 30% ownership split, which is exactly in line with the Local Plan's mix targets.

In the past two years, an average of five new social/affordable re-lets have occurred within FES – suggesting that there is a limited annual supply of re-lets.

- 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 FES and/or the wider district. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.
92. Based on the considerations above, Table 4-7 below proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
93. A 65% rent to 35% ownership mix has been selected as this ratio falls between the results of this report's statistical analysis and the Local Plan's original Affordable Housing mix allocation. This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here. As this is likely to be the case, affordable rented tenures should be prioritised. The Local Plan guideline mix of 70% rented to 30% ownership appears to offer a suitable benchmark, however this report recommends a slightly reduced rented allocation of 65% considering the local demand for ownership is expected to remain relatively high over the plan period (and market housing remains far out of reach even for above average earners in the area, with Affordable Home



Ownership products the only route to ownership). A 65% renting to 35% ownership split acknowledges these ownership demands, but still gives priority to affordable rent. If the new Local Plan announces an accelerated drive to build houses in FES, it may be appropriate to allow more weighting towards affordable ownership over renting, closer to the calculated 59% renting 41% ownership split.

94. Since First Homes appears to be one of the few affordable ownership options locally, assuming it can be offered at the appropriate discount level of 50%, national policy that First Homes should represent 25% of the affordable mix is suitable here. In the interests of diversity and maximising choice, both Shared Ownership and Rent to Buy have been allocated 5%.
95. 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 the views and objectives of the community.
96. 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 FDDC to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.

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 4-7: Indicative tenure split (Affordable Housing)**

Tenure	Indicative mix	Considerations and uncertainties
<b>Routes to home ownership, of which</b>	<b>35%</b>	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders, and buyer appetite etc.
Shared ownership	5%	Recently confirmed changes to the model to allow purchases of 10% and 25% 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. Renting within FD in all measured cases is more affordable than ownership.
<b>Affordable Housing for rent, of which</b>	<b>65%</b>	
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

97. FES' tenure mix reveals that the parish has a higher rate of ownership compared to the district and national averages. The area also has a relatively higher proportion of larger housing (particularly detached and semi-detached) and relatively lower proportion of rents. House prices in FES have also risen in value in recent years, increasing in the region of 40% - 70% since 2011. In combination, these factors are likely to have created a high affordability threshold for properties in the area.
98. Most market housing ownership options in FES are now out of reach for average/above average income households – with average earners needing a wage increase of 69% and 107% to afford entry level homes and median value homes, respectively. For average earners to find home ownership affordable (at median and lower quartile prices), they must rely on Affordable Housing schemes of First Homes at the maximum 50% discount, and Shared Ownership at the 10% and 25% proportion. This report therefore recommends the use of all three of these Affordable Housing ownership options.
99. Average market rent is considered affordable to average income households; however, Affordable Housing schemes are needed to bring renting to within an affordable range to households of two lower quartile earners.

100. Affordable Housing tenures represent a solution that will bring at least one option of ownership and/or renting prices to within affordable levels to average and below average income households. However, the demand for Affordable Housing in FES far outweighs the supply, and this is likely to be the case throughout the future Neighbourhood Plan period. Whilst the future housing allocation for FES is not yet known, if the figure remains in line with the previous plan’s target of around 45 total new builds (market and affordable), the demand for Affordable Housing will not be satisfied.

101. An indicative recommendation for the future tenure split of Affordable Housing in FES of 35% ownership to 65% renting has been generated based on calculations within this report. This mix recommendation is calculated on the assumption that the new Local Plan build allocation for FES will be similar to the previous Local Plan’s allocation, which was around 45.

**Table 4-8: Estimated delivery of Affordable Housing in Forest Edge South**

	<b>Step in Estimation</b>	<b>Expected delivery</b>
A	Provisional capacity figure	45 (Redundant figure from current Local Plan – but is the most recent indication available)
B	Affordable housing quota (%) in LPA’s Local Plan	40%
C	Potential total Affordable Housing in NA (A x B)	18
D	Rented % (e.g. social/ affordable rented)	65%
E	Rented number (C x D)	12
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	35%
G	Affordable home ownership number (C x F)	6

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

102. Table 4-8 demonstrates that if the new Local Plan has a similar housing build target as the current Local Plan, FES’ Affordable Housing need will not be fulfilled. If this is the case further avenues for delivering greater quantities of Affordable Housing (such as exception sites) could be explored.

103. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites, or developing community land trusts are all ways of boosting the supply of affordable housing.

There may also be an option of raising the proportion of new housing expected to be offered as affordable tenures above the Local Plan requirement, but an extremely high standard of justification would be required, and viability evidence may also be needed. This goes beyond the scope of this HNA. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.

## 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

104. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in FES 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.
105. 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

106. 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.
107. 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.
108. 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.
109. 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 large numbers of holiday or second homes.

110. There is no perfect data source for the current mix of dwellings in the NA. Consequently, the sections below rely on a combination of Census and VOA data. Census data will be used to provide a baseline figure from 2011, and VOA data is used as a proxy for present day figures.
111. It should be noted that VOA data is not perfect, with the following caveats needing to be acknowledged:
- data is rounded to the nearest ten for each dwelling category.
  - the data includes records of properties with an unknown number of rooms.
  - the newest data available is for March 2021 – which misses any homes completed since then.
112. Combining the 2011 Census baseline with data on homes completed since then would be the best-case scenario, however the data provided by FDDC does not have a complete breakdown for either housing type or housing size.

## Dwelling type

113. Table 5-1 presents the recorded dwelling type mix within FES using 2011 Census data and 2021 VOA data. Before analysing the table, it should be acknowledged that the data 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 flats, semi-detached, and detached properties).

**Table 5-1: Accommodation type, Forest Edge South, 2011 and 2021**

Dwelling type	2011 (Census)	2021 (VOA)
Bungalow	-	290
Flat	55	50
Terrace	117	150
Semi-detached	554	440
Detached	843	630
Unknown/other	-	30
Total	1570	1590

Source: ONS 2011, VOA 2021, AECOM Calculations

114. The salient information from the data presented in Table 5-1 comes from the current approximate mix of dwelling types within FES, found in the VOA column. It shows that there is an imbalance within the housing mix, with the area dominated by detached and semi-detached housing. It can be inferred that most bungalows are also detached, given the drop in detached property numbers when bungalows are included as a separate category in the VOA data. Finally, Table 5-1 also shows that there is a notable deficit in the number of flats in FES.
115. To understand the mix further, it is useful to look at the percentage breakdown of accommodation types, and compare these to the wider district and country, provided in Table 5-2.

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

Dwelling type	Forest Edge South	Forest of Dean	England
Bungalow	18.2%	16.6%	9.4%
Flat	3.1%	7.3%	23.2%
Terrace	9.4%	15.4%	26.3%
Semi-detached	27.7%	26.1%	23.8%
Detached	39.6%	31.2%	16.0%
Unknown/other	1.9%	3.3%	1.4%

Source: VOA 2021, AECOM Calculations

116. The data in Table 5-2 confirms that the current housing mix in FES is dominated by larger property types, with detached housing making up nearly 40% of the mix – this figure is assumed to be an underestimate given the likelihood that many of the area’s bungalows are likely to be detached. This proportion of detached housing is over double the national average, and slightly higher than the district average too. Compared to the district mix, the higher percentage of detached houses in FES is offset by a relatively lower percentage of terraced and semi-detached – with all other house types negligible in difference. Compared to the national mix, FES has a much lower percentage of denser properties such as terraces and flats - the latter of which is seven times smaller.

117. Table 5-2 also demonstrates that FES has a high percentage of bungalows within its type mix at around double the national average proportion. This may be a factor that makes FES, and FD which also has a high percentage of bungalows comparatively, an attractive area to live in for older people.

## Dwelling size

118. Table 5-3 and Table 5-4 present Census and VOA data for the dwelling size of properties within FES.

**Table 5-3: Dwelling size (bedrooms), Forest Edge South, 2011 and 2021**

Number of bedrooms	2011 (Census)	2021 (VOA)
Studio	0	0
1	85	80
2	318	410
3	738	760
4+	334	320
Unknown	0	0
Total	1,475	1,570

Source: ONS 2011, VOA 2021, AECOM Calculations

119. Table 5-3 suggests that 3-bedroom houses are the most common housing size in FES at around 760 units in 2021. In 2011, there were similar numbers of 2-bedroom and 4+ bedroom dwellings, however in the years between then and 2021, the number of 2-bedroom dwellings has increased by around 90 properties, whereas the number of 4+ bedroom dwellings has decreased by around 15 properties – indicating a shift towards a housing stock with more smaller bedroom sized dwellings. Based on these trends, it can be inferred that development within FES in the past 10 years has helped to widen choice and provide balance by addressing the underrepresented end of the housing market.

120. Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country.

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

Number of bedrooms	Forest Edge South	Forest of Dean	England
1	5.1%	7.7%	12.3%
2	26.1%	27.1%	28.1%
3	48.4%	45.7%	43.4%
4+	20.4%	19.45%	16.11%

Source: VOA 2021, AECOM Calculations

121. At present, FES' distribution of dwelling sizes broadly follows the same figures for the district, with a slightly higher proportion of 3-bedroom houses, offset by a slightly lower proportion of 1-bedroom houses. Compared to the national distribution, FES has a higher proportion of larger dwellings (3- and 4+ bedroom houses), at the expense of a slightly lower proportion of 2-bedroom houses, and a significantly lower proportion of 1-bedroom houses.

## Age and household composition

122. Having established the current stock profile of FES 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

123. Table 5-5 below shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. Between 2011 and 2020, FES' total population has experienced modest growth of 2%. Over this same period there has been a slight proportional redistribution within the population age bands, with the 65-84 age bracket growing by 5.3%, whilst all the other age bands saw either negligible or negative growth in their proportion of FES' population. The age bracket that saw the greatest decrease in proportion was 25-44, falling by 4.2 percentage points. In the long term this may suggest that the ageing of the FES population will continue to accelerate in future.

124. 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.

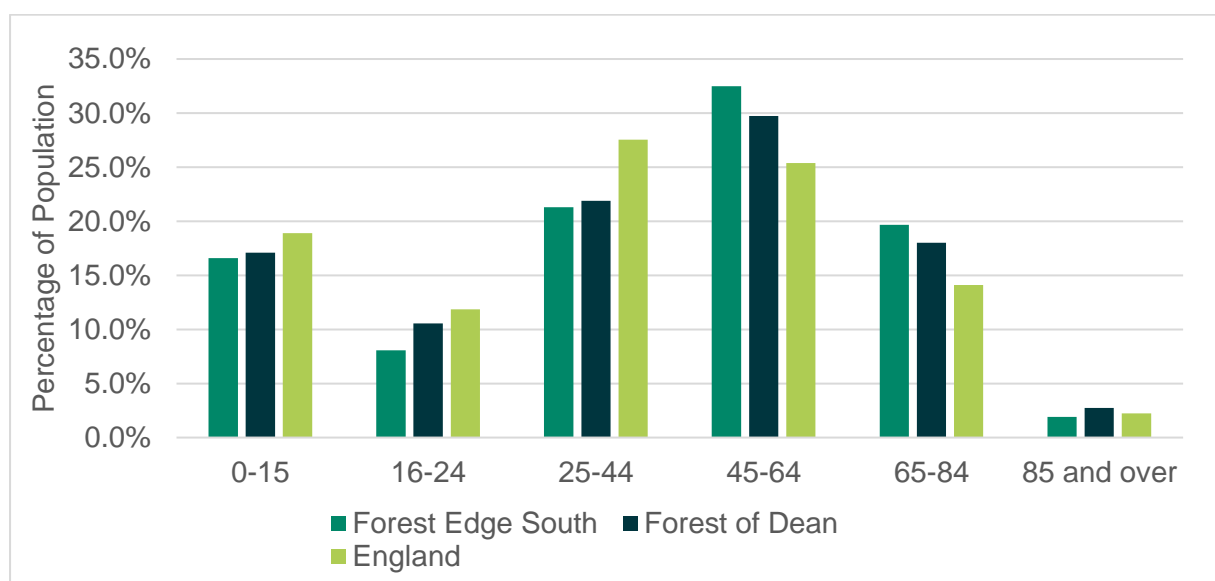
125. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the 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 Forest Edge South population, 2011 and 2020**

Age group	2011 (Census)		2020 (ONS, estimated)	
0-15	584	16.6%	524	14.6%
16-24	284	8.1%	296	8.2%
25-44	750	21.3%	613	17.1%
45-64	1144	32.5%	1186	33.0%
65-84	693	19.7%	896	25.0%
85 and over	67	1.9%	76	2.1%
Total	3,522		3,591	

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

126. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-1 below (using 2011 Census data) shows that FES has a lower percentage of its population in the age range of 0-15, 16-24, and 25-44, when compared to FD and England. The inverse is true when observing the age brackets of 45-64 and 65-84, with FES having a higher percentage of its population within these brackets when compared to FD and England. Finally, for the 85 and over bracket, FES has a similar percentage to England, but lower than FD. Overall, this means that FES has a relatively older population compared to district and national averages.

**Figure 5-1: Age structure in Forest Edge South, 2011**

Source: ONS 2011, AECOM Calculations

## Household composition

127. 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 FES has a relatively low percentage of its population in one person households compared to district and national averages. This works together with FES having a relatively higher total of family households in the area by the same comparisons. The proportion of family households within FES with either no children or are all aged over 65 are again higher than the district and national averages. While the data is quite old at this point, it is interesting to observe that these two categories grew by 13.2% and 25.3% respectively between 2001 and 2011 in the parish – a significantly faster rate than the district and national growth rate. Like previous



tables within this section, the data suggests that FES' population is growing older and will continue to do so in future years.

**Table 5-6: Household composition, Forest Edge South, 2011**

Household composition		Forest Edge South	Forest of Dean	England
<b>One person household</b>	<b>Total</b>	22.2%	27.0%	30.2%
	Aged 65 and over	12.2%	13.8%	12.4%
	Other	10.0%	13.2%	17.9%
<b>One family only</b>	<b>Total</b>	73.4%	67.7%	61.8%
	All aged 65 and over	13.1%	11.1%	8.1%
	With no children	24.9%	21.9%	17.6%
	With dependent children	24.9%	24.4%	26.5%
	All children Non-Dependent <sup>13</sup>	10.4%	10.2%	9.6%
<b>Other household types</b>	<b>Total</b>	4.3%	5.3%	8.0%

Source: ONS 2011, AECOM Calculations

## LHNA Findings

128. For the FD area, the LHNA has forecast that by 2041, population growth 'in the older population aged 65 and over (9,498) is larger than the overall population growth of 8,823' (p40). This supports conclusions that the elderly population will be a key consideration for future housing.

## Occupancy ratings

129. 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.

130. The occupancy rating data reveals a strong trend of housing in FES being underoccupied – with 81% of households having at least one extra bedroom. Families under 65 with children are most likely to have a +1-occupancy rating, whereas all families and single persons over 65 are most likely to have a +2-occupancy rating. These statistics point towards the possibility that larger housing within FES is being occupied by the people with the most wealth and/or by older people who have remained within family homes after children have moved out to smaller properties.

<sup>13</sup> Refers to households containing children who are older than 18 e.g students or young working people living at home.

**Table 5-7: Occupancy rating by age in Forest Edge South, 2011**

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	69.4%	25.4%	5.2%	0.0%
Single person 65+	50.0%	29.4%	20.6%	0.0%
Family under 65 - no children	72.8%	24.5%	2.7%	0.0%
Family under 65 - dependent children	22.0%	42.9%	31.8%	3.3%
Family under 65 - adult children	22.1%	48.1%	24.7%	5.2%
Single person under 65	50.0%	31.8%	18.2%	0.0%
All households	47.0%	34.0%	17.3%	1.8%

Source: ONS 2011, ONS mid-2019 population estimates, AECOM Calculations

## Dwelling mix determined by life-stage modelling

### Suggested future dwelling size mix

131. 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 FES 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 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.

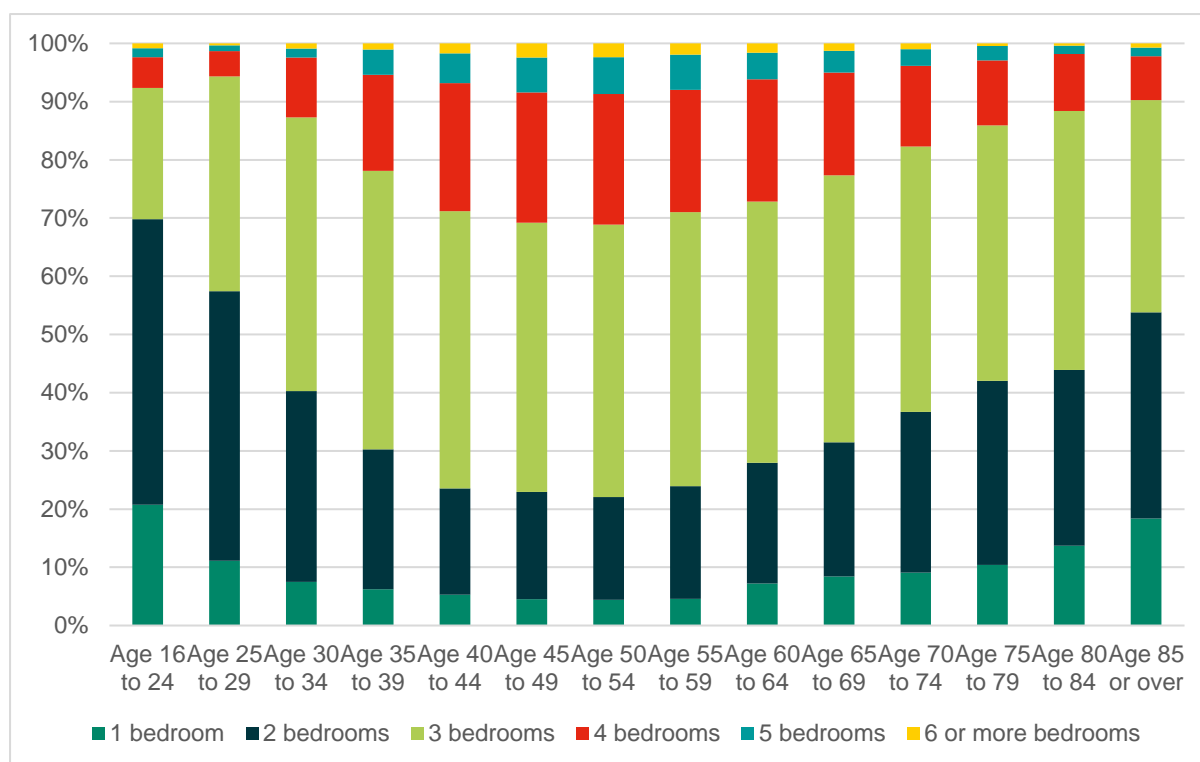
132. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not consider income and wealth, other than in an indirect way through the tendency of households to occupy more or less 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.

133. 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.

134. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.

135. The first, given as Figure 5-2 below, sets out the relationship between household life stage and dwelling size for FD 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 Forest Edge South, 2011**



Source: ONS 2011, AECOM Calculations

136. The second dataset of note is the result of applying Local Authority level household projections to the age profile of FES households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-8 below makes clear that population growth will increase significantly in the oldest HRP age band of 65+, which has been forecast to increase by 79%. There will, however, also be an increase in the percentage of HRP aged between 25 and 34, which is forecast to grow by 17%. Overall, FES' population growth will be driven predominantly by the older age groups, and this will have important implications for the kinds of housing that may need to be provided.

**Table 5-8: Projected distribution of households by age of HRP, Forest Edge South**

Year	Age of HRP and under 24	Age of HRP 24 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	14	83	548	343	487
2041	14	97	523	366	870
% change 2011-2041	1.2%	17.4%	-4.6%	6.6%	78.7%

Source: AECOM Calculations

137. The result of this exercise is presented in Table 5-9 below. The model suggests that the proportion of houses with fewer bedrooms should be prioritised for new builds to increase the proportion they hold within the housing mix of the area, with 1- and 2-bedroom dwellings targeted to be around 18% and 38% of new builds, respectively. Conversely, the model suggests that 3- and 4-bedroom houses should make up around 25% and 7% of new builds, respectively. Finally, around

11% of new builds should be allocated for housing of 5 or more bedrooms, to slightly increase their position in the target housing mix.

**Table 5-9: Suggested dwelling size mix to 2041, Forest Edge South**

Number of bedrooms	Current mix (2011)	Target mix (2041)	Balance of new housing to reach target mix
1 bedroom	5.8%	8.4%	18.4%
2 bedrooms	21.6%	25.0%	37.9%
3 bedrooms	50.0%	44.9%	25.8%
4 bedrooms	19.0%	16.5%	7.0%
5 or more bedrooms	3.7%	5.2%	10.9%

Source: AECOM Calculations

138. 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.
139. 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.
140. 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.
141. 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.
142. 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 relative abundance because a different kind of larger home is needed to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix but is among the good reasons not to inhibit any size of dwelling entirely.
143. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to

smaller homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

## Conclusions- Type and Size

144. 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.
145. The statistics discussed in this chapter support the conclusion that the type and size of future housing developments within FES should focus on mid -smaller housing sizes (three bedrooms and below). Whilst a range of house types should be explored within future developments, priority should be placed on delivering more dense housing types to the area if this can be made to fit within the local historic character and other constraints. This is particularly the case for flats, as there is a clear deficit in their position within the overall type mix in FES, only accounting for 3% of the total stock. One option if blocks of flats are deemed unsuitable in this location would be to provide flatted options in the form of maisonettes with the external appearance of terraced homes.
146. A clear theme throughout this chapter has been the need for the new housing in the area to accommodate FES' ageing population (which is forecast to almost double in size by 2041). Whilst this does not mean housing provision for households in younger age groups should be disregarded altogether, it is the ageing population that currently dominate the demographics of the area and are only expected to dominate more over the NP period, and hence this is where the focus of new builds should be. Providing for older households should also have the knock-on benefit of creating churn in the market that potentially makes larger family homes available to others. With this being the case, the recommendation of prioritising smaller to intermediately sized houses/terraces/flats of three or fewer bedrooms is expected to guide FES' housing stock toward becoming more suitable for its current and future housing needs.

## 6. RQ 3: Second homes

***RQ 3: What is the scale and potential impact of the second home sector on the FES housing market, and how might this be addressed through policy?***

### Introduction

147. Neighbourhood Plan policies controlling second home ownership are typically evidenced by demonstrating a high or rapidly increasing rate of second home ownership within a context of acute affordability challenges and/or serious constraints on the availability of housing overall.
148. The existence of second or holiday homes is not necessarily a problem in and of itself. It becomes a problem when it creates intense competition for local home buyers (or renters), inflates prices, or reduces the resident population to the extent that local services, employment, and community vitality are impacted.
149. FES clearly exhibits these wider challenges, with severe affordability issues as demonstrated in the preceding chapter, a limited number of suitable sites and upcoming development, high land values, and an attractive second home / tourism offering – with all of the infrastructure and other impacts the latter entails. A particular concern of the FESSG is the number of homes being purchased and rented out as holiday lets through private letting sites such as Airbnb in last few years.
150. This section of the HNA gathers the limited available data on the rate of second home ownership in FES that may be used to support policy decisions in this area.

### Existing policy

151. Within the FD Core Strategy there is no reference to any second home ownership restrictions. There is, however, one reference to a local connection policy. This may be useful to acknowledge in this chapter as there are also concerns within the area that those in need of Affordable Housing within the parish are not having their needs met due to the urgency of housing others from elsewhere in the district. The following passage is taken from CSP5 within the Core Strategy document:

*‘So called "exceptions sites", solely comprising affordable housing, can be located in villages where new housing of the scale proposed would not normally be permitted including outside settlement boundaries...Unlike housing provided as a negotiated share of larger sites, exceptions schemes can be restricted to persons with a local connection (e.g. resident in the same parish) ...’*

152. The local connection policy is only relevant to developments outside of the main settlement areas in FES, and therefore will not be relevant to most of the already proposed developments.

### Second and Holiday Homes Data

153. FES contained 1,475 households and 1,570 dwellings in 2011, implying that there were 95 dwellings (or ‘household spaces’) with no usual resident household. 6.1% of dwellings therefore had no usual residents. For comparison, the rate across FD was 5.5%. For England, the rate was 4.3%. Overall, based on this data

alone, the proportion of dwellings with no usual residents in FES is similar to the district and national average.

154. Whilst the 2011 Census is becoming increasingly out of date, it is a useful indicator towards the general trend that the rate of second home ownership is heading in FES. Using the same method as above, the 2001 Census reveals that around 2.3% of dwellings in FES had no usual resident household. Therefore, between 2001 and 2011 the percentage of dwellings with no usual resident household in FES doubled. The actual number of dwellings with no usual resident household almost tripled.
155. Another way of gauging the number of holiday homes is to look at the number of properties paying business rates (instead of council tax) in that category. This data is correct to the time of writing but has a number of limitations:
- Most importantly, it only gives an indication of the number of commercially rented holiday homes. A holiday let needs to be available for rent 140 days of the year to reach the threshold for business rates. So only the third subcategory of second / holiday homes below would be captured:
    - Second homes that are never rented and only used by the owner;
    - Holiday homes used by the owner primarily, but also available to rent for part of the year (under 140 days) or rented out informally;
    - Holiday homes with a stronger commercial purpose, available to rent more than 140 days per year.
  - It is likely that the holiday homes counted in the business rates data would also be captured as dwellings with no usual residents in the Census, since owners of second homes including those rented out for holiday lets are obliged to fill out a census return.<sup>14</sup> This indicator is therefore only useful for context and for any indication it may give of growth over time.
  - This data is only provided for medium and lower super output areas. (As noted in the Context chapter and illustrated with maps in Figure 2-1, the neighbourhood plan area is composed of 2 LSOAs). The data discussed below therefore refers to a combined dataset from the 2 LSOAs.
156. There are 60 premises with an ‘other’ business use in 2020, which indicates any premises not used as retail, office, or industry.
157. The ‘other’ sector covers a variety of business uses (see Figure 6-1) and its makeup will vary according to the nature of the location.
158. Across the Forest of Dean in 2020, there were 1,050 rateable premises in the ‘other’ sector, of which 260 were category 131 holiday homes (self-catering). That is 12% of ‘other’ premises.
159. It might therefore be estimated that 12% of the 60 ‘other’ units in FES are holiday homes, equating to 7 properties.
160. Note also that the 60 figure has not changed since 2008.

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<sup>14</sup> See current guidance for the 2011 Census at <https://census.gov.uk/help/types-of-household-or-accommodation/second-homes-holiday-lets-and-empty-properties/i-have-a-second-property>.



**Figure 6-1: ONS definitions of 'other' business use categories**

**Table 1: Sector and sub-sector categories**

Sector	Sub-sector
Retail	Financial and Professional Services
	Shops
Office	Offices
Industry	General Industrial
	Storage & Distribution
	Other
Other	Assembly and Leisure
	Education
	Health
	Hotels, Guest & Boarding, Self-Catering etc.
	Non Residential Institutions
	Offices*
	Other
	Retail
	Residential Institutions
	Storage & Distribution
	Transport
	Utilities

\* These are offices that are part of a specialist property, and so have been attributed to "Other" sector rather than the "Office" sector.

Source: ONS

161. Census data combined with up-to-date FDDC completions data, presents that there are currently 1635 dwellings in FES. Based on this figure, 7 dwellings represent 0.4% of all homes in FES.
162. This estimate requires a caveat. The rate of change in the number of holiday home properties liable for business rates likely expresses the degree of growth in the number of holiday homes overall to some extent, but it might equally express a change in the intensity with which the current holiday homes are let throughout the year (for instance as a result of the introduction of sites like Airbnb). It is highly limited on that front but is entirely silent on any trends in the number of second homes that are not let out or not enough to meet the business rates threshold.

## Policy considerations

163. The affordability evidence establishes a clear context of poor and worsening affordability in FES that prevents local people from moving to homes better suited to their needs within the neighbourhood, blocks younger households without significant financial help from accessing suitable housing, and constrains the labour pool for employment on which the community depends. However, the impact of second home ownership is unlikely to be a significant contributing factor to these conditions, at least according to the data within this report.
164. However, it is not possible to establish a clear link between second home ownership and the affordability issues demonstrated elsewhere without up-to-date information on the recent growth of second home ownership.
165. One option to make any potential policy as evidence led as possible might be to make it conditional on the forthcoming 2021 Census data. Census data is currently the most accurate indicator of second home ownership, and extremely up-to-date Census information is forthcoming.
166. It is possible to apply principal residence restrictions to development in the parishes (or neighbourhood area as a whole) if, in the 2021 or 'latest' Census, a

certain proportion of housing that is not usually occupied is exceeded, or if a certain rate of increase is observed on the 2011 figures. What those thresholds might be should be determined with reference to the evidence underpinning adopted policies in nearby or similar neighbourhood plans.

167. It might also be helpful to create further flexibility by referring to other up-to-date information in addition to the latest Census in case council tax reporting data starts providing second homes information or any other useful source appears in the meantime.

## **Conclusion- Second homes**

168. This section of the HNA considers the current extent of second home ownership in FES and related trends. It finds that:

- 2011 Census data suggests that 95 dwellings within FES contained no usual residents. Therefore, 6.1% of dwellings therefore had no usual residents – this represents a doubling in the percentage of dwellings with no usual resident household in FES since 2001.
- The proportion of known homes paying business tax is comparable to district and national averages, with 60 houses falling under this category.
- Pro-rating the figure for the district proportion of holiday homes (self-catering) within the ‘other’ property category (of 12%), it is estimated that there are 7 holiday lets in FES. This is approximately 0.4% of all properties.

169. A review of the available data sources on this subject strongly suggests that the Census is the most accurate and comprehensive source for this indicator. An up-to-date snapshot is imminent, with the results of the 2021 Census to be published in the coming months.

170. Although the available data does not suggest a significant proportion of properties are being used for second home ownership compared to the district and country, it is possible that FESSG’s concerns of a recent increase in rise of these types of properties may be revealed in the forthcoming Census data. There may be scope to reflect the results of the upcoming Census in any potential second home policy by making its provisions conditional on an established threshold of second home ownership or rate of increase. If the 2021 Census reveals a continuation of the trend towards an increasing number of dwellings with no usual resident household, as experienced between 2001 and 2011, this may provide justification to consider a second homes policy in the NP.

# 7. Conclusions

## Overview

171. Table 7-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

**Table 7-1: Summary of study findings specific to FES with a potential impact on Neighbourhood Plan housing policies**

Issue	Summary of evidence	Conclusions and recommendations
<p>Housing tenure and affordability</p>	<p>FES' tenure mix reveals that the parish has a higher rate of ownership compared to the district and national averages. The area also has a relatively higher proportion of housing (particularly detached and semi-detached) and relatively lower proportion of rents. House prices in FES have also risen in value over previous years, increasing in the region of 40% - 70% since 2011. In combination, these factors are likely to have created a high affordability threshold for properties in the area.</p> <p>Most market housing ownership options in FES are now out of reach for average/above average income households, with average earners needing a wage increase of 69% and 107% to afford entry level homes and median value homes, respectively. Average market rent is considered affordable to average and above income households only.</p> <p>Based on estimated future build targets within FES, it is unlikely that FES' Affordable Housing need will be fulfilled over the NP period. It will require the new Local Plan to have a minimum target of 313 dwellings to be built on sites which trigger the Affordable Housing policy for the predicted demand to be fulfilled – this is unlikely to be the case given the sentiment of the preferred option of the new FD Local Plan.</p>	<p>Affordable Housing packages represent a solution that will bring at least one option of ownership and/or renting prices to within affordable levels to average and below average income households.</p> <p>Based on the evidence from calculations within this chapter, is recommended that future developments should offer the Affordable Housing ownership schemes of First Homes at the maximum 50% discount, and Shared Ownership at the 10% and 25% proportions. Affordable Housing schemes are also needed to bring renting to within an affordable range to households of two lower quartile earners when otherwise it would not be, so these should also be prioritised.</p> <p>An indicative split of 35% ownership to 65% renting has been suggested for the balance of Affordable Housing.</p> <p>As the expected needs of Affordable Housing will not be met in FES over the forthcoming Local Plan, it is recommended that the policy requirement be met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites) to be explored. It is not recommended that the Local Plan policy requirement be exceeded in the Neighbourhood Plan because such steps are rarely accepted by planning inspectors on the grounds that an extremely high standard of justification is required which goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA.</p> <p>Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites, or developing community land trusts are all ways of boosting the supply of affordable housing.</p>

Issue	Summary of evidence	Conclusions and recommendations
<p>Housing type and size</p>	<p>FES' housing mix is dominated by mid - large (three bedrooms or more) and less dense housing types (semi-detached and detached), at the expense of smaller (two bedrooms or fewer) and more dense housing types (terraces and flats – the latter of which only takes up 3% of the total housing stock).</p> <p>FES' population is already older than the district and national average. Most of the future population growth within FES will also come from those within the 65+ age bracket – indicating that a large part of the focus for future housing should be given to the older population. This will likely require the need to build more smaller houses.</p> <p>Dwellings within FES are seriously underfilled – all household types are more likely to be underfilled than they are appropriately filled or overfilled. This trend is especially the case for families and singles over 65 and families with no children, the majority of whom have at least two spare rooms.</p>	<p>Based on the current housing stock, and predicted demographic changes within FES, it is recommended that new housing builds should prioritise small – mid housing sizes (three or fewer bedrooms).</p> <p>Whilst a range of house types should be explored within future developments, priority should also be focussed on delivering more dense housing types, especially flats.</p>

Issue	Summary of evidence	Conclusions and recommendations
<p>Second Homes</p>	<p>FES contained 1,475 households and 1,570 dwellings in 2011, implying that there were 95 dwellings (or 'household spaces') with no usual resident household. 6.1% of dwellings therefore had no usual residents. For comparison, the rate across FD was 5.5%. For England, the rate was 4.3%. Overall, based on this data alone, the proportion of dwellings with no usual residents in FES is similar to the district and national average.</p> <p>Whilst the 2011 Census is becoming increasingly out of date, it is a useful indicator towards the general trend that the rate of second home ownership is heading in FES. Using the same method as above, the 2001 Census reveals that around 2.3% of dwellings in FES had no usual resident household. Therefore, between 2001 and 2011 the percentage of dwellings with no usual resident household in FES doubled. The actual number of dwellings with no usual resident household almost tripled.</p> <p>The proportion of known homes paying business tax is comparable to district and national averages, with 60 houses falling under this category. Pro-rating the figure for the district proportion of holiday homes (self-catering) within the 'other' property category (of 12%), it is estimated that there are 8 holiday lets in FES. This is approximately 0.4% of all properties.</p>	<p>It is unlikely that purchases of second homes have been a historical factor that has driven up housing affordability within FES.</p> <p>Although the available data does not suggest a significant proportion of properties are being used for second home ownership compared to the district and country, it is possible that FESSG's concerns of a recent increase in rise of these types of properties may be revealed in the forthcoming Census data. There may be scope to reflect the results of the upcoming Census in any potential second home policy by making its provisions conditional on an established threshold of second home ownership or rate of increase. If the 2021 Census reveals a continuation of the trend towards an increasing number of dwellings with no usual resident household, as experienced between 2001 and 2011, this may provide justification to consider a second homes policy in the NP.</p>

## Recommendations for next steps

172. This Neighbourhood Plan housing needs assessment aims to provide FES 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 FDDC 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 FDDC;
- 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 FDDC.
173. This assessment has been provided in good faith by AECOM consultants based on housing data, national guidance, and other relevant and available information current at the time of writing.
174. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should carefully monitor strategies and documents with an impact on housing policy produced by the Government, FDDC or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
175. 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.

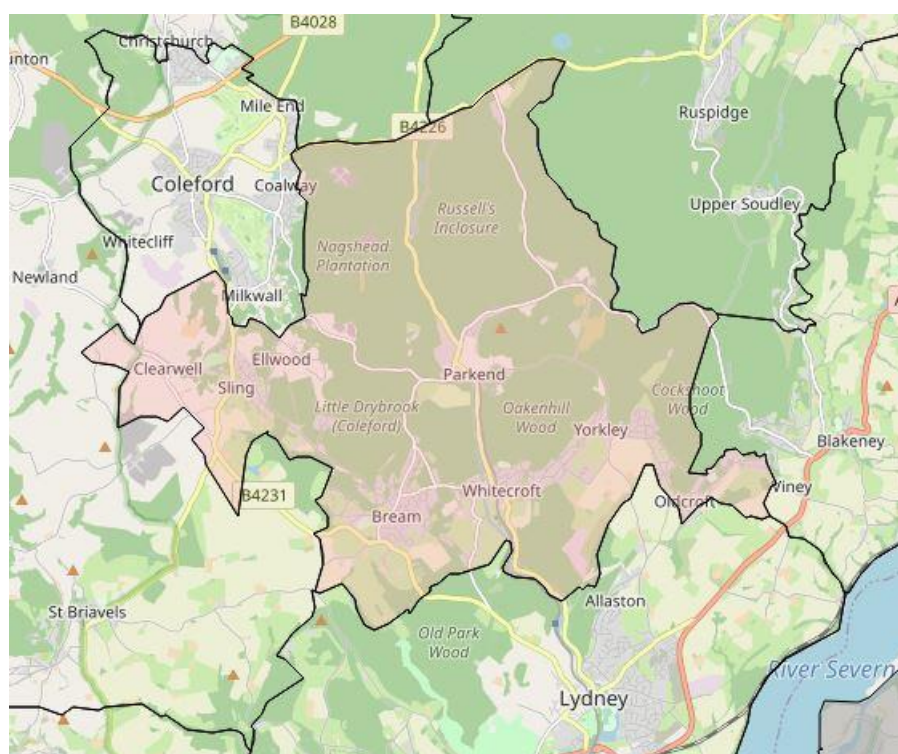
# Appendix A : Calculation of Affordability Thresholds

## A.1 Assessment geography

176. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated based on data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.

177. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Forest Edge South, it is considered that MSOA WD (E02004633) is the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of WD appears below in Figure 7-1.

**Figure 7-1: MSOA West Dean used as a best-fit geographical proxy for the Neighbourhood Plan area**



Source: HM Land Registry

## A.2 Market housing

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

179. 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**

180. 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.
181. To produce a more accurate assessment of affordability, the savings required for a deposit should be considered in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in FES, 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.
182. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2020) = £315,000;
  - Purchase deposit at 10% of value = £31,500;
  - Value of dwelling for mortgage purposes = £283,500;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £81,000.
183. 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 2020 was £258,750, and the purchase threshold is therefore £66,536. As the sample size for average new build house prices in the NA is too small, the relevant calculations within this chapter will rely on LA new build figure (which is £287,995) as a proxy for the cost of entry-level new build housing.

## **ii) Private Rented Sector (PRS)**

184. 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.
185. 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.
186. The property website Rightmove.co.uk shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within the 3 miles of the Pillowell 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.

187. According to Rightmove.co.uk, there were 12 properties for rent at the time of search in November 2021, with an average monthly rent of £740. There were 9 two-bed properties listed, with an average price of £701 per calendar month.

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

- Annual rent = £701 x 12 = £8,412;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £28,040.

189. The calculation is repeated for the overall average to give an income threshold of £29,600.

## **A.3 Affordable Housing**

190. 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**

191. 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.

192. 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 FES. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for FD in the table below.

193. 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	£84.83	£93.82	£100.96	£112.31	£95.13
Annual average	£4,411	£4,879	£5,250	£5,840	£4,947
Income needed	£14,689	£16,246	£17,482	£19,448	£16,473

Source: Homes England, AECOM Calculations

## ii) Affordable rent

194. 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).
195. 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 50-60% of market levels rather than 80%.
196. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for FD. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
197. Comparing this result with the average 2-bedroom annual private rent above indicates that affordable rents in FD are closer to 66% 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	£82.98	£106.48	£118.87	£144.15	£109.16
Annual average	£4,315	£5,537	£6,181	£7,496	£5,676
Income needed	£14,369	£18,438	£20,584	£24,961	£18,902

Source: Homes England, AECOM Calculations

## iii) Affordable home ownership

198. 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.
199. 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**

200. 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.
201. The starting point for these calculations is therefore the estimated cost of new build housing taken from the estimated mean house price of new builds, which comes to £287,995.
202. For the minimum discount of 30% the purchase threshold can be calculated as follows:
  - Value of a new home (LA average) = £287,995;
  - Discounted by 30% = £201,597;
  - Purchase deposit at 10% of value = £20,106;
  - Value of dwelling for mortgage purposes = £181,437;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £51,839.
203. 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 £44,434 and £37,028 respectively.
204. All the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.
205. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2-bedroom home (assuming 70 sq. m and a build cost of £1,500 per sq. m) would be around £105,000. This cost excludes any land value or developer profit. This would not appear to be an issue in FES.

### **Shared ownership**

206. 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 are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.
207. In exceptional circumstances (for example, because 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.
208. 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 assumes that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).

209. The affordability threshold for a 25% equity share is calculated as follows:

- A 25% equity share of £287,995 is £71,999;
- A 10% deposit of £7,200 is deducted, leaving a mortgage value of £64,799;
- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £18,514;
- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £215,996;
- The estimated annual rent at 2.5% of the unsold value is £5,400;
- This requires an income of £18,000 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £36,514 (£18,514 plus £18,000).

210. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £29,005 and £49,028 respectively.

211. These figures suggest that income thresholds within FES remain below the £80,000 cap for eligible households.

### **Rent to Buy**

212. 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)**

213. 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.

214. 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 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 methods<sup>15</sup>.

## **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 Standard<sup>16</sup>**

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.

## **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

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<sup>15</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

<sup>16</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

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 can 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 Order<sup>17</sup>**

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 can prepare community right to build orders.

### **Concealed Families (Census definition)<sup>18</sup>**

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

### **Equity Loans/Shared Equity**

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

### **Extra Care 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 can 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**

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<sup>17</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>18</sup> See [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)

The Government has recently confirmed the introduction of First Homes as a new form of discounted market housing which will provide a discount of at least 30% on the price of new homes. 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 because 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 based on 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 based on 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 years<sup>19</sup>, 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). Several 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 several 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 several individual Output Areas) and Middle Super Output Areas are higher than

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<sup>19</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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 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 to meet the Basic Conditions, as well as robust enough to withstand legal challenge. It is referred to several 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 to save/increase the deposit level

## **Sheltered Housing<sup>20</sup>**

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

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<sup>20</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

## **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) 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.<sup>21</sup>

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<sup>21</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

