



# City of Wells

## Housing Needs Assessment (HNA)

October 2020

## Quality information

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

|             |  |
|-------------|--|
| AH          | Affordable Housing (NPPF definition)                                   |
| AMH         | Affordable Market Housing  |
| CW          | City of Wells  |
| MDC         | Mendip District Council  |
| HNA         | Housing Needs Assessment   |
| HNF         | Housing Need Figure  |
| Housing LIN | Housing Learning and Improvement Network                               |
| HRP         | Household Reference Person   |
| LHN         | Local Housing Need   |
| LPA         | Local Planning Authority   |
| LQAR        | Lower Quartile Affordability Ratio                                     |
| LTHPD       | Long-Term Health Problem or Disability                                 |
| MAR         | Median Affordability Ratio   |
| MH          | Market Housing   |
| MHCLG       | Ministry for Housing, Communities and Local Government (formerly DCLG) |
| NA          | Neighbourhood (Plan) Area  |
| NDO         | Neighbourhood Development Order  |
| NDP         | Neighbourhood Development Plan   |
| NP          | Neighbourhood Plan   |
| NPPF        | National Planning Policy Framework                                     |
| ONS         | Office for National Statistics   |
| PPG         | Planning Practice Guidance   |
| PRS         | Private Rented Sector  |
| RQ          | Research Question  |
| SHLAA       | Strategic Housing Land Availability Assessment                         |
| SHMA        | Strategic Housing Market Assessment                                    |
| VOA         | Valuation Office Agency  |

# 1. Executive Summary

## Tenure and Affordability

City of Wells is characterised by a relatively high proportion of home ownership. However, the greatest apparent change occurring in the Wells in the intercensal period was the increase in private renting, which likely points to the declining affordability of home ownership. In addition, it is likely that this rate of growth has continued since 2011, likely resulting in a far higher level of private renting currently than the data shows.

Support for this hypothesis emerges when comparing house prices to median and lower quartile incomes. Average house prices are almost double median incomes and more than four times higher than dual LQ incomes. When considering new builds this affordability gap is even more pronounced.

The most significant finding, therefore, is the need for affordable home ownership in City of Wells. The provision of shared ownership at (25%) or discounted market homes with more than a 40% discount (which could potentially be delivered by the Government's First Homes strategy, although this discount would need to be significantly higher if local developers benchmark it against new built homes) would allow for those on median incomes to own their own homes.

Table 4-7 below summarises Wells position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation, and shows the quantities of affordable housing for rent and sale that would be delivered if each of the tenure mixes proposed in this HNA were rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighborhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

Note that this table assumes that most or all of the expected housing delivery in the NA will take place after the Government's proposal to temporarily lift the site size threshold for Affordable Housing has ended. If that period extends beyond the date on which the Neighbourhood Plan is made and also influences the rate of Affordable Housing delivery on relevant development sites, the quantity of Affordable Housing to be provided in the NA during the Plan period may be lower than the estimate below.

It is also worth noting here that at the time of writing the Neighbourhood Plan period is already fairly well advanced. A large number of the 1,127 new dwellings planned for the NA have already been built, however the break down between completions and commitments has not been provided. The Neighbourhood Plan will only be able to influence the tenure split (if a policy setting this out is included, which is not obligatory) on future development that has not yet received planning permission. The estimate below is therefore limited in its accuracy.

**Table 4-7: Estimated delivery of Affordable Housing in City of Wells**

|   | Step in Estimation                               | Mix 1 based on local needs | Mix 2 with 25% First Homes requirement |
|---|--|----------------------------|--|
| A | Housing requirement figure                       | 1,127                      | 1,127                                  |
| B | Affordable housing quota (%) in LPA's Local Plan | 40%                        | 40%                                    |
| C | Potential total Affordable Housing in NA (A x B) | 450                        | 450                                    |
| D | Rented % (eg social/ affordable rented)          | 30%                        | 30%                                    |
| E | Rented number (C x D)                            | 135                        | 135                                    |
| F | Discounted market homes % (eg First Homes)       | 70%                        | 70%                                    |
| G | Discounted market homes number (C x F)           | 315                        | 315                                    |

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

This expected level of delivery does meet the quantity of demand identified in estimates of the need for social/affordable rented housing, which was found to be in surplus. However, even though there is surplus it is not advised that housing stock is removed from this tenure or that future development is prohibited – it still needs to be considered as it provides for acute needs, the needs of those with different size and location requirements, and the needs of those outside of the City of Wells: the supply of this tenure in Wells is likely to provide for others outside of the neighbourhood area, for example for those in more rural areas where the provision of affordable housing is more constrained.

The expected level of delivery would not meet the potential demand identified for affordable ownership housing even when using the full 1,127 housing requirement. However, while this seems like a very high number, this is an estimate of potential demand and again is representative of those who can rent but cannot buy so is less critical than the more acute needs for social/affordable rent.

Therefore, it is recommended that the affordable housing policy requirement be met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites) to be explored if desired by the community. 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. Raising the percentage of Affordable Housing required could, furthermore, have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.

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, and implemented by the LPA. 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 tried and tested ways of boosting the supply of affordable housing above the minima indicated by Local Plan policy.

It must be noted that there has been large scale of recent delivery and much of the housing requirement has been fulfilled. Therefore, while the figures used in this assessment are reflective of current need and give an idea of future expectations, there is likely to be potential for more turnover in the existing stock which would reduce the number in need.

## Type and Size

This analysis 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 NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site-specific factors which may justify a particular dwelling mix.

Compared with the LPA, City of Wells is characterised by a smaller percentage of detached dwellings and a correspondingly higher proportion of semi-detached, terraced and flats. This is likely due to the city context of Wells compared to the more rural setting of the district.

In terms of demographic change, the analysis suggests that there is little attraction and retention of younger generations, particularly the 25-44 age cohort, which often comprises young families. Meanwhile, there is a higher proportion of residents aged 45-64, some of whom are likely to reach retirement age over the plan period to 2029 and likely to require housing to support their evolving needs

It is therefore important for new development to prioritise housing that is appropriate both to young families with children and older households. The needs and financial capabilities of both these groups overlap to some extent, although the precise configuration and quality expectations that they have for smaller dwellings may vary. The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built demonstrates that in City of Wells an appropriate response would be to prioritise the supply mid-sized dwellings (3 and 4 bedrooms). Whereas the trend in dwelling size from 2015 to 2020 has been for the predominance of 2- and 3-bedroom dwellings.

This model, however, operates on the assumption that households can and will wish to occupy only housing specifically suitable for their household size, which is not a realistic prospect given that people are willing to pay for extra bedrooms for a range of reasons. It is not surprising, then, that demand for some larger or smaller dwellings will remain. The provision of these homes should therefore not be inhibited entirely (though some of that demand will be met by natural churn within the



market), but to the extent that the community wish to influence the size mix of housing coming forward, mid-sized homes should be the priority.

While in general mid-sized homes may be the priority for the neighbourhood area, this may change when considering the tenure of housing. For example, when considering social/ affordable housing it is likely that a focus on smaller dwellings (of one- and two-bedrooms) would be required. Increasing the share of smaller homes in the dwelling mix than is proposed in the demographic-led model presented here would be desirable in order to address affordable housing need, but also to improve affordability for younger and older households seeking market housing options.

In the Tenure and Affordability chapter analysis, it was found that market housing for sale (as opposed to market housing for rent and all types of Affordable Housing) is increasingly unaffordable and that those on the median incomes are unable to afford to live outside of the rented sector. While Affordable Housing should be well balanced in terms of size to cater for all circumstances, the provision of smaller and mid-sized homes for sale and rent should make an important contribution to improving affordability more widely. If older households wishing to 'rightsize' and younger ones seeking to form their own independent households are to be able to afford to live in Wells, increasing the provision of small and mid-size homes will be crucial.

In Wells there are a number of sources of evidence to consider when exploring the tenure mix, on top of the demographic model. Such as the affordability and the SHMA data therefore a potential tenure mix should take all of these elements into account, rather than solely relying on the tenure split presented in this chapter. For example, a broad size mix which accounts for all elements of data may be more appropriate to the mix as shown in Figure 5-15 below.

**Table 1-1 Indicative Dwelling Size Mix**

| Dwelling Size Mix | 100% |
|-------------------|------|
| 1 bedroom         | 20%  |
| 2 bedrooms        | 30%  |
| 3 bedrooms        | 30%  |
| 4 bedrooms        | 10%  |
| 5 bedrooms        | 10%  |

In terms of the types of dwellings required, the current predominance of semi-detached and terraced when compared to district trends is likely owed to the urban context of the neighbourhood area compared to a largely rural district. Therefore, given the need for smaller to mid-size dwellings it is likely that these types of dwellings, possibly with an increase in flats and apartments, will remain the dominant dwelling type. However, consideration may need to be given when assessing how the current lack of affordability for those wishing to buy in the area may interact with the type of housing to be delivered.

## Specialist Housing for the Older People

AECOM's recommendation is to treat the outcomes of the two approaches presented in this chapter as a range, with at least 563 specialist dwellings being required to service the needs of older people over the Plan period, and the projection of 677 dwellings functioning as an upper, more aspirational target, to be provided if other constraints allow.

As this range relates to the total number of specialist dwellings likely to be required by the end of the Plan period, the final step is to ensure both the upper and the lower estimates are net rather than gross figures by deducting the current supply of specialist housing for older people in City of Wells and thus to determine a net minimum requirement for provision over the Plan period.

Recall that there are 339 existing units of specialist housing for older people in City of Wells, for a 2011 population of 1,576 people aged 75+. This suggests the actual rate of provision in City of Wells is approximately 210 dwellings per 1,000 population aged 75+. Referring to the minimum target produced by the AECOM calculation, this means there are a deficit of 224 specialist units (339-563) in the neighbourhood area. In addition, given the urban context of the Plan area and the surrounding rural district, it is likely that many older households in need of more specialist accommodation will move to Wells considering the general lack of this type of housing in the more rural areas. Therefore, it is advised that additional provision for this group is made, potentially reflecting closer to the higher target of 677 dwellings, or a residual need of 338 (677-339).

In addition, given that specialist housing for older people costs more to build, it is considered that to assume 35% of all specialist housing for older people should comprise AH tenures is reasonable and realistic, midway between the tenure-led and Housing LIN projections. This midpoint target should be monitored for viability as it is implemented, with neighbourhood planners seeking a higher proportion where appropriate.

While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:

- so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
- so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
- so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.

Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or neighbourhood plan areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).

It is considered that City of Wells is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Plan area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from City of Wells in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Plan area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Plan area itself.

Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

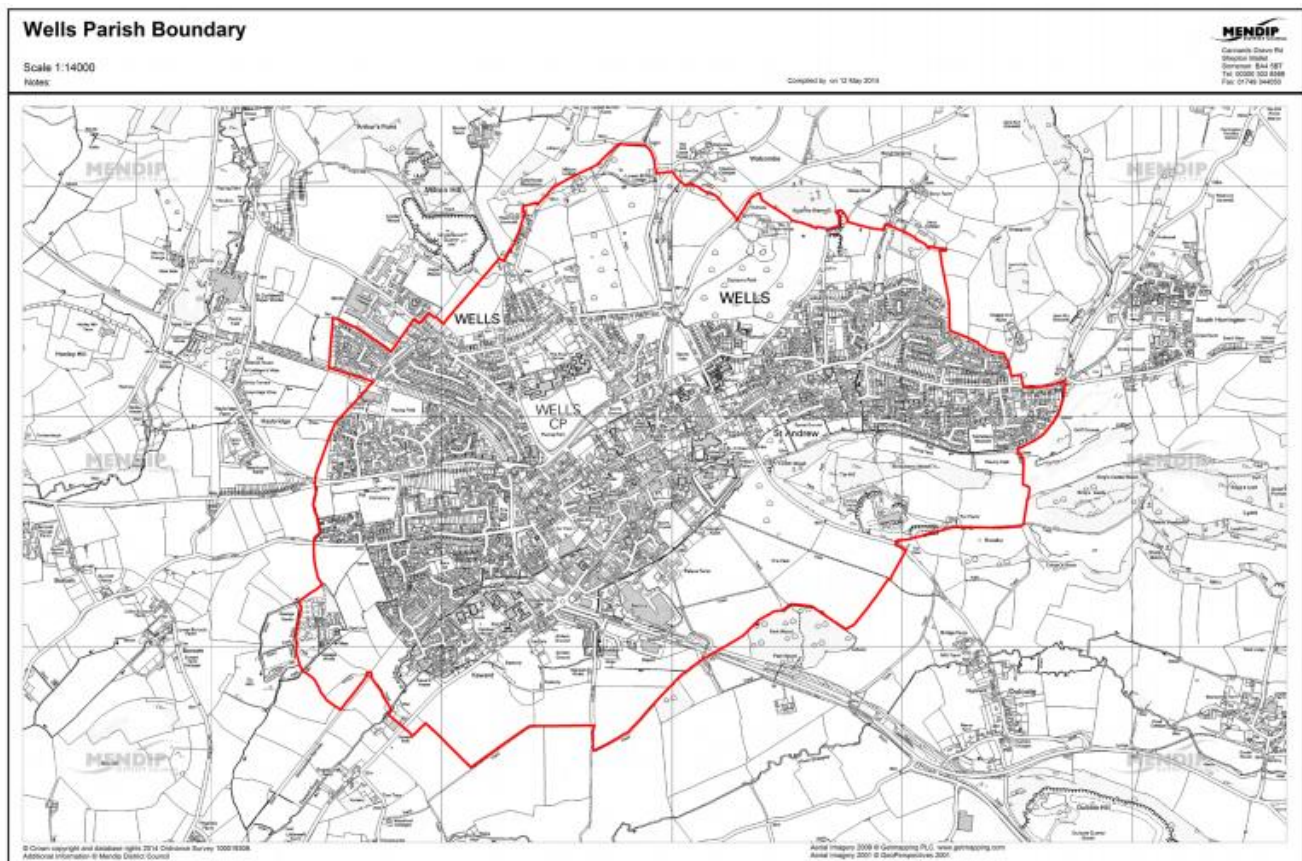
Given that most older people will live within the mainstream housing stock and may receive care and support in their own homes, the City Council may also wish to consider the extent to which new housing provision is built to accessible and adaptable standards. Increasing the proportion of accessible and adaptable homes within the housing stock, through applying optional building regulations (M4(2) and M4(3)) could play an important part in ensuring the wider housing stock meets the needs of older people.

## 2. Context

### 2.1 Local context

1. City of Wells is a Neighbourhood Plan area located in the district of Mendip in Somerset. The Neighbourhood Area (NA) boundary aligns with the existing boundary of Wells Parish and was designated in September 2014.
2. The proposed Neighbourhood Plan period starts in 2015 and extends to 2029, therefore comprising a planning period of 14 years.
3. City of Wells has a wide array of services and facilities owing to its city status. The M5 links the city to Bristol to the north and Taunton to the south west. The closest train station is located in Castle Cary, providing links to Exeter, London, Bristol, Yeovil, Weymouth, Gloucester and Penzance.
4. The data used for this HNA is for Wells Parish, which is synonymous with the Neighbourhood Plan area.
5. The statistics show that in the 2011 Census the Neighbourhood Plan area had a total of 10,536 residents.
6. A map of the Plan area appears below in Figure 2-1.

**Figure 2-1: Map of the City of Wells Neighbourhood Plan area**



Source: Mendip District Council<sup>1</sup>

<sup>1</sup> Available at: [https://www.mendip.gov.uk/media/7528/Wells-Parish-Boundary-Neighbourhood-Planning-Mendip-map-for-Consultation/pdf/Wells\\_Parish\\_Boundary\\_-\\_Neighbourhood\\_Planning.pdf?m=635372980528730000](https://www.mendip.gov.uk/media/7528/Wells-Parish-Boundary-Neighbourhood-Planning-Mendip-map-for-Consultation/pdf/Wells_Parish_Boundary_-_Neighbourhood_Planning.pdf?m=635372980528730000)

## 2.2 Planning policy context

8. In line with the Basic Conditions<sup>2</sup> of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies.<sup>3</sup> Consequently, the relevant elements of the Local Plan are reviewed as part of this Housing Needs Assessment (HNA).
9. In the case of City of Wells, the relevant local planning context is as follows:
10. Local Plan Part 1 was adopted in December 2014. It sets out strategic and local planning policies for Mendip District to 2029<sup>4</sup>.
11. Local Plan Part II outlines the sites and policies for the district and is currently at examination. The plan allocates 1,768 dwellings to the City of Wells over the plan period. However, this allocation includes 3 sites which are no within the neighbourhood plan boundary and fall within adjacent parishes. Therefore, the actual allocation for Wells is 1,127 dwellings. However, given recent commitments and dwellings built there is a residual requirement of much less, although given the lack data the residual requirement is unknown.
12. The Council have also committed to review and update the adopted Mendip Local Plan Part 1. The new plan will also incorporate the Local Plan Part II when adopted. No major consultation is likely before Spring 2021 with submission of a revised plan in 2020 and 2023. Agreement on the timescales and pre-commencement consultation will take place from summer 2020.

### 2.2.1 Policies in the adopted local plan<sup>5</sup>

**Table 2-2: Summary of Mendip District Council adopted policies having relevance to City of Wells Neighbourhood Plan Housing Needs Assessment**

| Policy                                 | Source                                | Provisions   |
|--|---------------------------------------|--|
| Core Policy 1: Mendip Spatial Strategy | Local Plan Part Strategy and Policies | 1: The policy identifies Wells as one of five principle settlements within the District, to which the majority of development will be directed.  |
| Core Policy 10: Wells City Strategy    | Local Plan Part Strategy and Policies | 1: The policy sets out details of how it expects Wells to develop across the plan period.  |
| DP11: Affordable Housing               | Local Plan Part Strategy and Policies | 1: The policy states that on-site provision of affordable housing is required on sites of over 7 dwellings or 0.25 ha and a payment of commuted sum on sites below - 0.25 ha or providing up to 6 dwellings.<br><br>Proposals in Wells are required to provide 40% of new homes as affordable tenures.<br><br>A tenure split within affordable housing of 80% social rented housing and 20% intermediate housing is provided as a baseline target for new development. |
| DP14: Housing Mix and Type             | Local Plan Part Strategy and Policies | 1: The Policy states that proposals should provide an appropriate mix of dwelling types and sizes that reflect the local need, including small family sized units and housing for older people as identified in housing assessments.   |

Source: Local Plan Part I: Strategy and Policies

<sup>2</sup> Available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

<sup>3</sup> However, this does not affect the potential for the evidence base underpinning the emerging local plan to inform or form part of the evidence base for the neighbourhood plan.

<sup>4</sup> Available at [https://www.mendip.gov.uk/media/9073/Adopted-Local-Plan-2014/pdf/Adopted\\_Local\\_Plan\\_2014\\_with\\_erratum\\_note.pdf?m=637280110415670000](https://www.mendip.gov.uk/media/9073/Adopted-Local-Plan-2014/pdf/Adopted_Local_Plan_2014_with_erratum_note.pdf?m=637280110415670000)

<sup>5</sup> Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

### 2.2.2 Quantity of housing to provide

13. The NPPF 2019 requires, as set out in paragraphs 65 and 66, Local Authorities to provide neighbourhood groups with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
14. Mendip District Council has fulfilled that requirement by providing City of Wells with a requirement of 1,127 dwellings to be accommodated within the Neighbourhood Plan area by the end of the Plan period.
15. Given that the NPPF requirement has already been fulfilled, the question of how many houses to plan for has been answered. It is therefore outside the scope of this Housing Needs Assessment. The issue of quantity has thus been excluded from the Research Questions (see Chapter 3 below).
16. Note that the Government's August 2020 consultation proposals for 'Changes to the current planning system' include a temporary measure to lift the small sites threshold. This would mean that on sites of up to 40 or 50 units, developers would not need to contribute to Affordable Housing.<sup>6</sup> The purpose of this time-limited change (its duration is currently unknown) is to support small housebuilders as the economy recovers from the impact of Covid-19.
17. It is important to note here because the housing requirement for Wells is sufficiently high that even during the period in which this temporary change applies, sufficiently large sites may still be required to deliver Affordable Housing contributions. Turning to the known housing allocations for Wells, it is expected that a number of sites will meet this threshold.
18. When the temporary period ends, the Affordable Housing requirement in the NA will revert to the relevant adopted Local Plan policy, which, in this case, requires Affordable Housing contributions on all sites delivering more than 6 dwellings. It is also important to note that this temporary change does not impact sites allocated solely for Affordable Housing, or any Affordable Housing exception sites allocated in the Local or Neighbourhood Plan. Finally, given that the Wells Neighbourhood Plan is yet to be made, it is possible that the temporary period will have already elapsed by the time that it comes into force. The neighborhood planners are advised to take note of this proposal as it evolves through the consultation process.

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<sup>6</sup> Available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>.

### 3. Approach

#### 3.1 Research Questions

19. Research Questions, abbreviated to 'RQ;' are formulated at the start of the project through discussion with the neighbourhood group. They serve to direct the research and provide the structure for the HNA.
20. The RQs relevant to this study, as discussed and agreed with City of Wells, are set out below.

##### 3.1.1 Tenure and Affordability

21. The neighbourhood planning group 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. The Local Plan Part 1 identifies the weaknesses in Wells as a lack of affordability to local people and a limited stock of affordable housing.
22. This evidence will allow City of Wells to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

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

##### 3.1.2 Type and Size

23. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. The neighbourhood planning group communicated that there is a lack of opportunity for younger people looking to move as well as a lack of opportunity for older people to re-size. In addition, it was highlighted that there is a need for homes which are 'built for life' and can be adaptable and homes which are more environmentally sustainable. The Local Plan Part 1 backs up this anecdotal evidence as it identifies potential threats to Wells as having an ageing population and an undersupply of housing.
24. 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.

***RQ Two: 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?***

##### 3.1.3 Specialist Housing for Older People

25. The neighbourhood planning group wishes to ensure that future housing provision takes into account the needs of older people. In terms of housing, the group is particularly interested in how those needs might be met through a variety of solutions – including mainstream housing which meets the needs of households at all life stages and specialist accommodation which promotes independent living and access to care and support. There is significant overlap between this area and the question of housing type and size, but this question will specifically address the need for specialised housing for older people through the Plan period.

***RQ Three: What provision should be made for specialist housing for older people over the Neighbourhood Plan period?***

## 3.2 Relevant Data

### 3.2.1 Local authority evidence base

26. It is appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As City of Wells Neighbourhood Area is located within Mendip District Council's planning area, we therefore turned to the relevant Strategic Housing Market Assessment (SHMA) which is known as Mendip, Sedgemoor, South Somerset and Taunton Dean Strategic Housing Market Assessment (2016).
27. For the purpose of this HNA, data from Mendip District Council's own evidence base to support their housing policies has been considered applicable and relevant unless it conflicts with more locally specific and/or more recently produced evidence. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the Neighbourhood Plan area and has been referenced as appropriate.

### 3.2.2 Other relevant data

28. In addition to the Mendip District Council evidence base, we have assessed other evidence to ensure our study is robust for the purposes of developing policy at the NP level and is locally specific. This includes data from both Census 2001 and 2011, as well as from a wide range of other data sources, including:
  - Land Registry data on prices paid for housing within the local market;
  - Population and household projections produced by the Office of National Statistics (ONS);
  - Information on current property asking prices, for housing for sale or rent, from ; and
  - The Housing Learning and Improvement Network (LIN)'s SHOP@ tool for estimating the need for differing types of specialist dwellings for older people.



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

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

### 4.1 Introduction

29. This section examines the tenure of dwellings in the current stock and recent supply. It then considers the affordability of housing within the area to local households. Drawing on existing evidence and AECOM's estimates for the neighbourhood area, this section quantifies the need for affordable housing within the NA. This includes Affordable Housing for rent (typically social or affordable rents) and Affordable Housing to buy. The scale of need for these homes can justify policies that guide new developments to provide Affordable Housing.<sup>7</sup>

### 4.2 Definitions

30. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
31. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, with capital letters, to denote those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms products designed to offer affordable routes to home ownership.<sup>8</sup>
32. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership (broadening a definition which had previously referred only to social and intermediate housing to include a range of low-cost housing opportunities for those aspiring to own a home). The Government has recently proposed to introduce First Homes to provide at least a 30% discount on new market housing for sale. However, the NPPF and Homes England funding for Affordable Housing recognises the important role of affordable rent tenures for those unable to afford home ownership.

### 4.3 Current tenure profile

33. The current tenure pattern is a key characteristic of the local neighbourhood area. 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. Table 4-1 below presents Census data from 2011; this table shows the distribution of how households occupy their homes within City of Wells, compared to the rest of Mendip District Council and England.
34. As seen at higher level geographies, the vast majority of homes in Wells are owned. The next most common tenure is private rent, closely followed by social rent, both of which again reflect the position at district level.

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<sup>7</sup> PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

<sup>8</sup> NPPF 2019.



**Table 4-1: Tenure (households) in City of Wells, 2011**

| Tenure                | City of Wells | Mendip | England |
|-----------------------|---------------|--------|---------|
| Owned; total          | 69.8%         | 70.3%  | 63.3%   |
| Shared ownership      | 1.0%          | 0.8%   | 0.8%    |
| Social rented; total  | 12.1%         | 11.9%  | 17.7%   |
| Private rented; total | 15.1%         | 15.5%  | 16.8%   |

Sources: Census 2011, AECOM Calculations

35. In Table 4-2, we note the changes in tenure during the intercensal period. The greatest apparent change occurring in the Wells was the increase in private rented, this could be linked to the relatively small starting figure of 403 dwellings, in any case this growth of private renting likely points to the declining affordability of home ownership. This is further evidenced by the reduction in home ownership, which decreased more than nationally. In addition, the amount in shared ownership also decreased significantly. However, this is likely owing to the limited stock in this tenure, while occupants of existing units may have bought out the equity share to become full owners.

**Table 4-2: Rates of tenure change in City of Wells, 2001-2011**

| Tenure                | City of Wells | Mendip | England |
|-----------------------|---------------|--------|---------|
| Owned; total          | -1.6%         | 1.8%   | -0.6%   |
| Shared ownership      | -12.5%        | 4.5%   | 30.0%   |
| Social rented; total  | 4.0%          | 4.3%   | -0.9%   |
| Private rented; total | 84.1%         | 88.6%  | 82.4%   |

Sources: Censuses 2001 and 2011, AECOM Calculations

## 4.4 Affordability

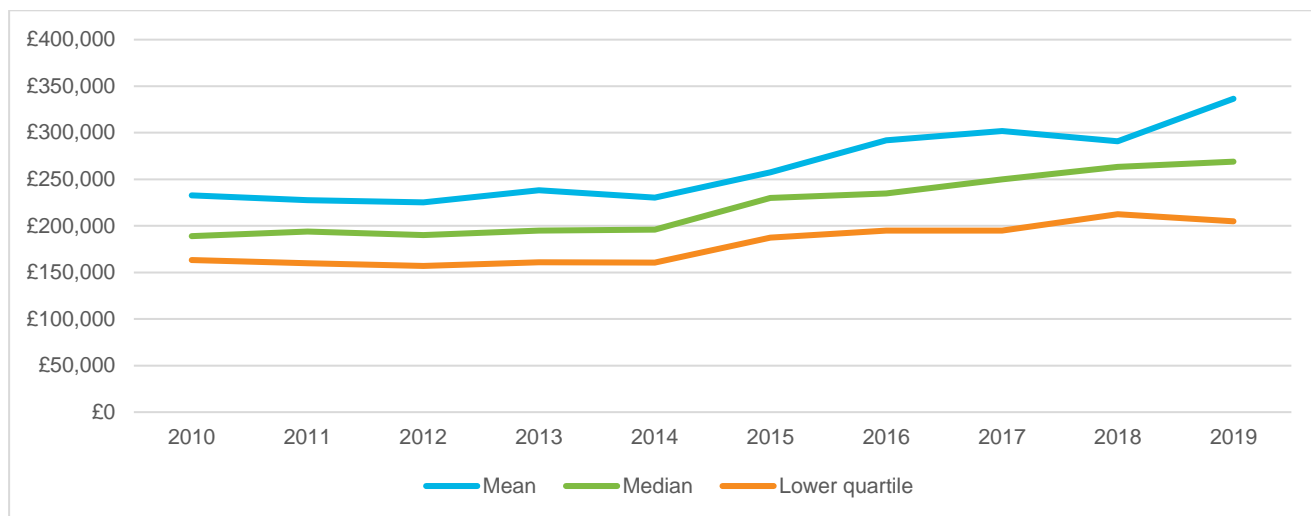
36. Having reviewed the tenure of the existing housing stock in City of Wells, this report assesses the affordability of homes to those living in the Neighbourhood Plan area.
37. The following analysis considers house prices and rents in the neighbourhood area and whether these are affordable to local households on the basis of their incomes or earnings. Poor or worsening affordability of homes to rent or buy can indicate the need to provide Affordable Housing.

### 4.4.1 House prices

38. 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.
39. Figure 4-1 on the following page looks at selected measures of house prices in City of Wells. It shows that house prices, while they have been increasing, have remained relatively stable across all quartiles from 2010 to 2019.
40. PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.<sup>9</sup> Entry-level properties are typically those with one or two bedrooms – either flats or houses.

<sup>9</sup> See Paragraph: 021 Reference ID: 2a-021-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

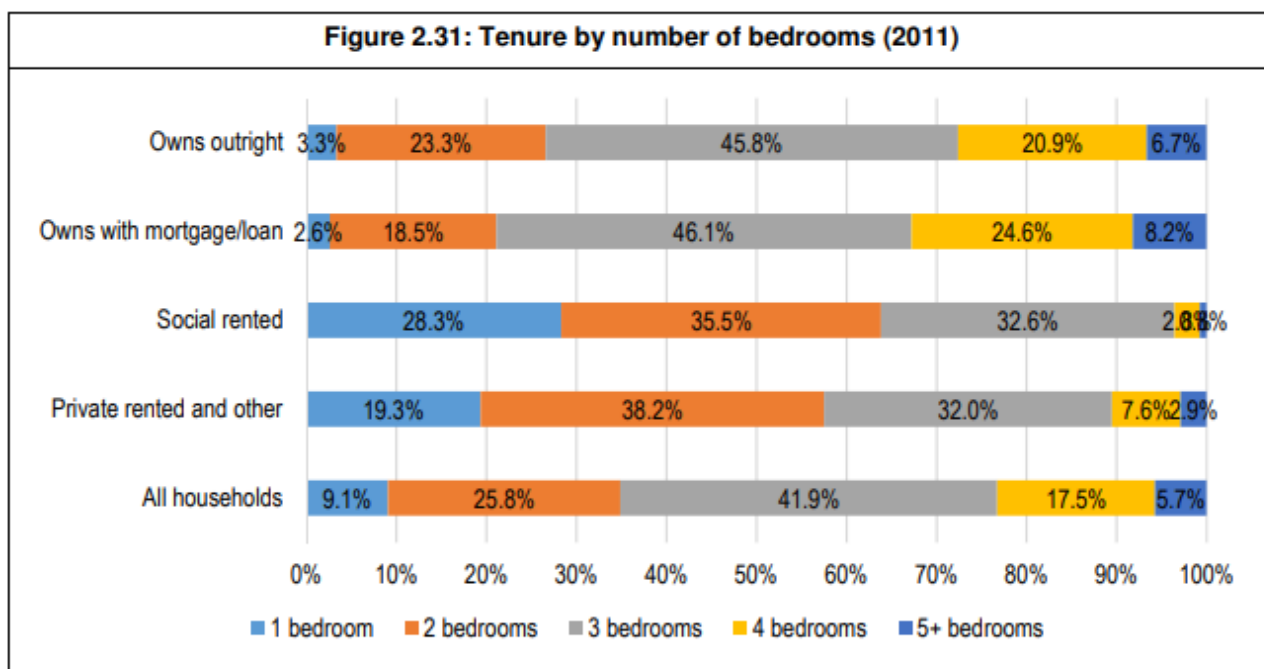
**Figure 4-1: House prices by quartile in City of Wells between 2010 and 2019**



Source: Land Registry PPD

41. Figure 4-2 below, taken from the SHMA, helpfully shows the tenure of properties across Somerset by number of bedrooms. It demonstrates that houses that are owned tend to be larger (3 bedrooms or more) whereas rented houses tend to be smaller (1-2 bedrooms). This can be attributed to the fact that those who own their own homes tend to have a higher income than those who rent and therefore often can afford to live in a property with more bedrooms. However, it must be noted that this is a representation of the whole housing market area and therefore the district and neighbourhood area may see some differences to this in reality.

**Figure 4-2 Tenure by number of Bedrooms, Somerset (2011)**



Source: 2011 Census

Source: Mendip, Sedgemoor, South Somerset and Taunton Deane Strategic Housing Market Assessment (2016)

42. Table 4-3 below breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). It shows that detached homes are substantially more expensive than other types on average. Although semi-detached dwellings appear to have appreciated by the greatest amount over the period. The general growth for all types again demonstrates what is shown in Figure 4-1, that house prices are steadily increasing.

**Table 4-3: House prices by type in City of Wells, 2008-2017, 000's**

| Type             | 2010            | 2011            | 2012            | 2013            | 2014            | 2015            | 2016            | 2017            | 2018            | 2019            | PRICE GROWTH |
|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|
| Detached         | £348,056        | £340,554        | £375,566        | £411,233        | £343,365        | £398,182        | £449,862        | £490,604        | £462,882        | £475,278        | 36.6%        |
| Semi-detached    | £187,274        | £207,009        | £204,542        | £215,408        | £214,013        | £238,108        | £243,764        | £263,308        | £272,087        | £270,695        | 44.5%        |
| Terraced         | £235,605        | £224,531        | £201,101        | £214,956        | £235,143        | £223,039        | £260,958        | £265,606        | £249,728        | £264,885        | 12.4%        |
| Flats            | £165,180        | £149,766        | £170,539        | £137,239        | £143,333        | £146,617        | £177,062        | £160,757        | £201,471        | £173,631        | 5.1%         |
| <b>All Types</b> | <b>£232,687</b> | <b>£227,688</b> | <b>£225,269</b> | <b>£238,176</b> | <b>£230,351</b> | <b>£257,351</b> | <b>£291,834</b> | <b>£302,025</b> | <b>£290,987</b> | <b>£336,524</b> | <b>44.6%</b> |

Source: Land Registry PPD

#### 4.4.2 Income

43. 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.
44. The first source is locally specific but limited to the average total household income and the median net annual household income before housing costs (or take-home pay). This is the average household income estimates published by ONS<sup>10</sup> at the level of the Middle-layer Super Output Area (MSOA)<sup>11</sup>. In the case of City of Wells, the MSOA most suitable for use as a proxy for the Neighbourhood Plan area boundary is Mendip 008. Further details on the extent of this MSOA, including a map, and why it was selected as a proxy for the Neighbourhood Plan area, are set out in Appendix A.
45. The average total household income before housing costs (equalised) across Mendip 008 in 2018 was £38,000. This figure is typically used by mortgage lenders to assess a household's ability to afford to borrow.<sup>12</sup>
46. The second source of data is Lower Quartile (LQ) average earnings. This is helpful for understanding affordability challenges among those with lower than average earnings. However, this data relates to individual earnings and whilst this is an accurate representation of household incomes where households have one earner, it does not represent household income where there are two people earning. It is also only available at the District level.
47. It is derived from ONS annual estimates of paid hours worked and earnings for UK employees to local authority level.
48. Mendip's gross LQ annual earnings for 2019 was approximately £9,785 per year. This is the LQ income before taxes (or benefits) for individual earners and so only correlates with the measure of household incomes above for single-person households. To estimate the income of LQ-earning households with two earners, the annual income is doubled, to £19,570.

#### 4.4.3 Affordability Thresholds

49. In order to gain a clearer understanding of local affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds'. Purchase thresholds denote the standard

<sup>10</sup>Available at <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/smallareamodelbasedincomeestimates/financialyearending2016>

<sup>11</sup> An MSOA is a statistical area defined for Census purposes. For further information on MSOAs, see <https://www.ons.gov.uk/methodology/geography/ukgeographies/censusgeography>

<sup>12</sup> Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

household income needed to access mortgage products, and income thresholds denote the maximum share of a family's income that should be spent on accommodation costs.

50. AECOM has determined thresholds for the income required 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 NPPF. These calculations are detailed in Appendix A. 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.
51. Table 4-4 shows the cost of different tenures and the annual income required to support these costs within City of Wells. The income required column is the annual income needed to support ongoing housing costs, but does not reflect the cost of a deposit (which we have assumed to be 10% of the value to be purchased) or the possibility that households able to access market housing for purchase may already hold equity from an existing property.

**Table 4-4: Affordability thresholds in City of Wells (income required, £)**

| Tenure                           | Mortgage Value | Rent    | Income required | Affordable on mean incomes?<br>£38,000 | Affordable on LQ earnings (single earner)?<br>£9,785 | Affordable on LQ earnings (2 earners)?<br>£19,570 |
|----------------------------------|----------------|---------|-----------------|--|--|---|
| <b>Market Housing</b>            |                |         |                 |  |  |   |
| NA Median House Price            | £242,078       | -       | <b>£69,165</b>  | No                                     | No   | No  |
| LA New Build Mean House Price    | £306,831       |         | <b>£87,666</b>  | No                                     | No   | No  |
| NA LQ/Entry-level House Price    | £184,500       | -       | <b>£52,714</b>  | No                                     | No   | No  |
| Average Market Rent              | -              | £9,324  | <b>£31,080</b>  | Yes                                    | No   | No  |
| Entry-level Market Rent          | -              | £8,556  | <b>£28,520</b>  | Yes                                    | No   | No  |
| <b>Affordable Home Ownership</b> |                |         |                 |  |  |   |
| Discounted Market Sale (-20%)    | £215,180       | -       | <b>£55,332</b>  | No                                     | No   | No  |
| Discounted Market Sale (-30%)    | £188,283       | -       | <b>£48,416</b>  | No                                     | No   | No  |
| Discounted Market Sale (-40%)    | £161,385       | -       | <b>£41,499</b>  | No                                     | No   | No  |
| Discounted Market Sale (-50%)    | £121,039       | -       | <b>£34,583</b>  | Yes                                    | No   | No  |
| Shared Ownership (50%)           | £34,583        | £11,207 | <b>£45,790</b>  | No                                     | No   | No  |
| Shared Ownership (25%)           | £17,291        | £16,811 | <b>£34,102</b>  | Yes                                    | No   | No  |
| <b>Affordable Rented Housing</b> |                |         |                 |  |  |   |
| Affordable Rent (average)        | -              | £5,952  | <b>£23,810</b>  | Yes                                    | No   | No  |
| Social Rent (average)            | -              | £4,923  | <b>£19,693</b>  | Yes                                    | No   | Marginal  |

Source: AECOM Calculations

52. The income required to afford the different tenures is then benchmarked, in Figure 4-3 against the three measurements of household income set out above. These are the average total household income for Mendip 008 at £38,000 and the lower quartile gross earnings for Mendip for single-earners at £9,785 and dual-earning households at £19,570.
53. Taking into consideration the affordability thresholds set out above, it is apparent that the income required to buy an average market home for sale is higher than what would be expected to be available to those on median household incomes. The income required to buy an average entry-level home for sale is also higher than the average income of those on lower quartile household incomes.
54. Table 4-4 shows that households with incomes between £28,520 and £34,102 are able to rent in the market but unable to buy. These households may need affordable home ownership options, but it is worth emphasising that such products are only likely to extend home ownership to median and above earners in City of Wells. There are a range of affordable routes to home ownership tenures, i.e. those aimed at households unable to afford to buy in the market. The only affordable home ownership options that are available to those on median income is shared ownership at 25% and discounted market sale at 50%. There are no affordable home ownership routes available to those lower quartile

earners. Rent to Buy is likely to be affordable to households able to afford average market rents and therefore may offer an affordable route to home ownership for households able to afford these rents. In relation to discounted market sales options, the following observations can be made:

- Whether discounted market sale is affordable will depend whether properties are priced in relation to average, new build or entry level homes so developers will view discounts differently. New build homes are often more expensive than properties for sale in the second-hand stock.
- Discounts on new build or average prices may make homes no more affordable than entry level properties in the existing stock.
- The discount on the average market sale price required to enable households on mean incomes to afford to buy is 45%, but when benchmarked against new build prices the required discount would be 57% (see Table 4-5 below).
- 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.<sup>13</sup> This cost excludes any land value or developer profit.
- There is a limitation of the neighbourhood group to control or influence level of discount achieved on market sale properties but the LPA should have a role here.
- The Government's proposed First Homes product would provide a minimum discount of 30% on new homes. In City of Wells a 30% discount on average prices would not be sufficient to extend home ownership to households on median incomes.

55. Table 4-5 shows what discounts are required in order for properties to be affordable to households on average incomes. A discount of 57% on new build homes would be required to be affordable to those on median incomes, this is substantially higher than the 30% discount envisaged in the First Homes product. For entry level sale prices, the standard 30% would make homes affordable to those on median incomes, however, it is unlikely that new homes will be viable to build at these prices.
56. The latest Government consultation on 'Changes to the current planning system'<sup>14</sup> proposes that Local Authorities will have discretion to increase the discount on First Homes to 40% or 50%, but that this would need to be evidenced in the Local Plan making process. Though it is expected that the decision to require a higher discount and the evidence supporting it would be undertaken at district- or borough-wide level, the evidence presented in this HNA may be helpful in advancing that discussion. The evidence gathered here suggests that seeking the highest possible discounts would be necessary for market and new build sales to be affordable to those on a medium income in Wells.

**Table 4-5 % Discount on Sale Price Required for Households on Mean Incomes to Afford**

| Mean household income in NA: <b>£38,000</b> |   |
|---|---|
| <b>Tenure/ product:</b>                     | <b>Discount on sale price required:</b> |
| - Market sale (Average)                     | <b>45%</b>                              |
| - New build market sale (Average for LA)    | <b>57%</b>                              |
| - Entry level sale (LQ)                     | <b>28%</b>                              |

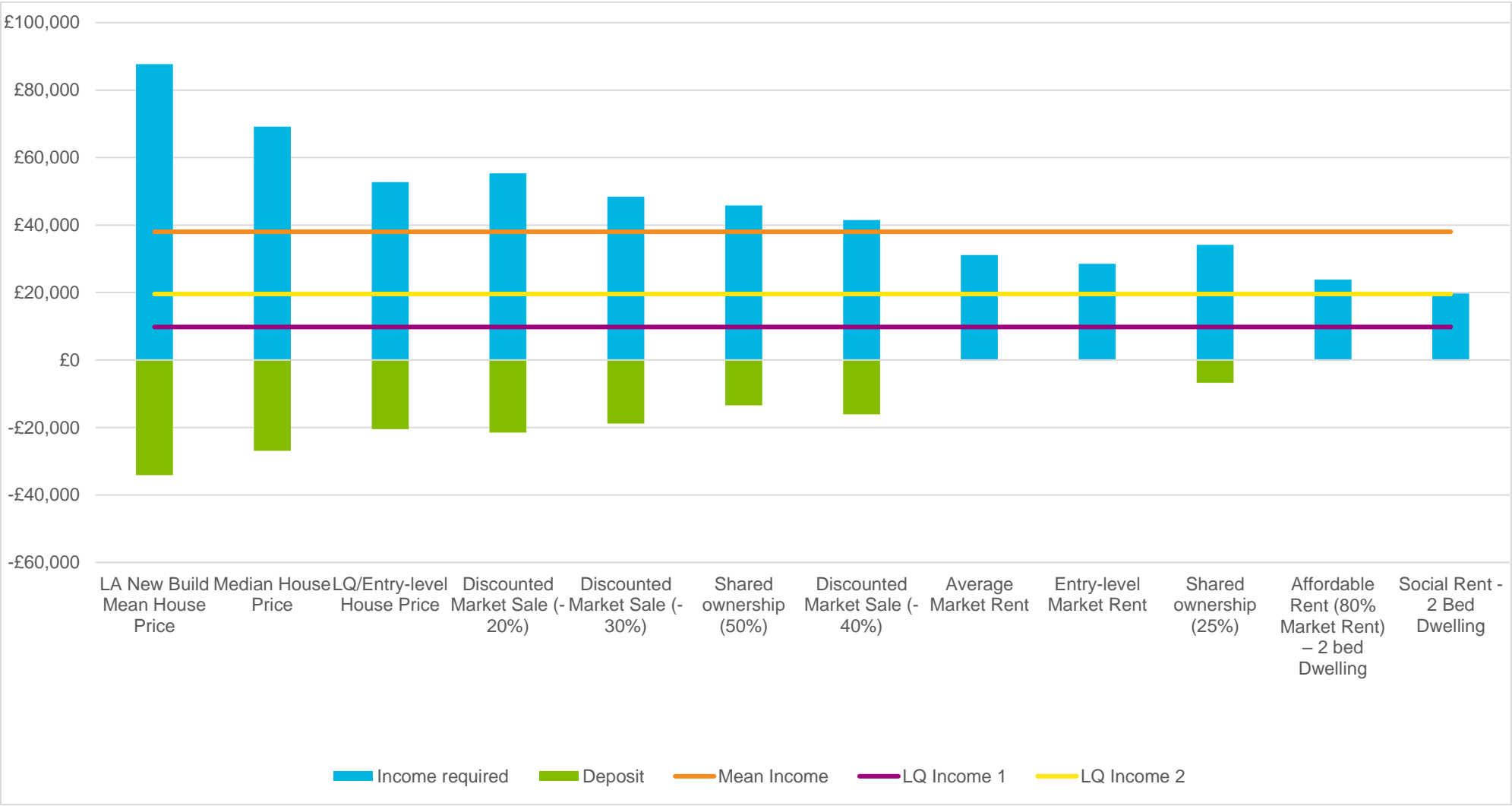
Source: Land Registry PPD; ONS MSOA total household income

57. Finally, the inability of those on lower quartile earnings to afford entry-level market rents, affordable rent and social rent suggests that these tenures will be vital in accommodating the lowest earning households. Although the analysis above indicates that they remain unaffordable to those on lower quartile incomes, this may not be the case when all benefits and other forms of subsidy are taken into account. Single person lower earning households may also be able to afford a room in a shared house using their income in combination with other benefits.

<sup>13</sup> This estimate is included for illustration purposes. £1,500 build cost per sq m is a reasonable estimate of current costs (mid 2020); 70 sq m for a 2 bedroom property is consistent with the Government's Nationally Described Space Standards

<sup>14</sup> Available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>.

Figure 4-3: Affordability thresholds in City of Wells (income required, £)



Source: AECOM Calculations

## 4.5 Affordable housing- quantity needed

58. The starting point for understanding the need for affordable housing in City of Wells is the relevant Strategic Housing Market Assessment (SHMA). A SHMA was undertaken for Mendip, Sedgemoor, South Somerset and Taunton Deane in 2016. This study estimates the need for affordable housing in the District based on analysis of the Council's waiting list and analysis of other data sets in line with Planning Practice Guidance at the time. The SHMA identifies the need for 240 additional affordable homes each year in Mendip District Council as a whole. This need is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents. A small proportion of these households may be able to afford shared ownership because in some cases it is more affordable than market rents, especially when available at a share of 25%. A pro-rated figure for City of Wells has not been provided as it shows a markedly different figure of need than the more accurate calculation below and would therefore not be helpful to include in this assessment.
59. As detailed data has been shared by the LPA relating to those on the affordable housing waiting list living in Wells City, it is possible to run an accurate calculation of need for affordable rented properties for the neighbourhood area to complement the estimate in the SHMA. Figure 4-4 demonstrates there is a surplus of 19 dwellings per annum or 266 over the plan period.
60. This surplus effectively means that the estimated newly arising need for social and affordable housing in Wells City each year is likely to be satisfied by turnover in the existing stock – i.e. enough occupants of existing affordable rented units will move out to enable the newly vacant homes to be occupied by those newly falling into need. This finding should be caveated in the sense that it relates to total numbers. There remains the possibility that the vacated units will not be appropriate to those in need. For example, need for three-bedroom homes will not be met by newly vacated one bedroom units.
61. Furthermore, despite the apparent surplus, this tenure will likely still need to be a focus point as it is likely that a significant proportion of this supply will be used to accommodate those outside the neighbourhood area who live in more rural areas where this type of housing is less accessible, especially the parish of St. Cuthbert's which totally surrounds the Wells.

**Figure 4-4 Estimate of the potential demand for affordable rented housing in City of Wells**

| Stage and Step in Calculation                                 | Total        | Description  |
|---|--------------|--|
| <b>STAGE 1: CURRENT NEED</b>                                  |              |  |
| 1.1 Current households in need                                | 195.00       |  |
| 1.2 Per annum   | <b>13.93</b> | 1.1 divided by the plan period 2020-2030   |
| <b>STAGE 2: NEWLY ARISING NEED</b>                            |              |  |
| 2.1 New household formation                                   | 532.00       | MHCLG 2014-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 | 54.87 %      | (1.1 + 2.2.1 + 2.2.2) divided by number of households in NA  |
| 2.2.1 Current number of social renters in NA                  | 2850.82      | 2011 Census + LA-level % increase (MHCLG, Live Table 100)  |
| 2.2.2 Number of private renters on housing benefits           | 10.66        | Housing benefit caseload May 2018. Pro rata for NA.  |
| 2.3 New households unable to rent                             | 291.91       | 2.1 * 2.2  |
| 2.4 Per annum   | <b>20.85</b> | 2.3 divided by plan period 2015-2029   |
| <b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>                  |              |  |
| 3.2 Supply of social/affordable re-lets (including transfers) | 54           | Data provided by the LPA to 27 <sup>th</sup> July 2020, and average taken of the annual figures 2016-2019        |
| <b>NET SHORTFALL (OR SURPLUS) OF RENTED UNITS PER ANNUM</b>   |              |  |
| Overall shortfall per annum                                   | -19.22       | 1.2 + 2.4 - 3.2  |

62. Figure 4-5 estimates potential demand for affordable home ownership products within City of Wells. This estimate broadly counts households living in the private rented sector (PRS) who are not on housing benefit and new households



likely to form over the plan period who are likely to enter the private rented sector (but not require housing benefit). The model aims to estimate the number of households who can rent but can't buy on the basis of their incomes. 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 discounts 25% of these households, assuming a proportion will be renting out of choice. This leaves around 56 household per annum who may be interested in affordable home ownership (equating to 839 over the plan period).

**Figure 4-5: Estimate of the potential demand for affordable housing for sale in City of Wells**

| Stage and Step in Calculation                      | Total       | Description   |
|--|-------------|---|
| <b>STAGE 1: CURRENT NEED</b>                       |             |   |
| 1.1 Current number of renters in NA                | 1,631       | Census 2011 number of renters x national % increase to 2018                 |
| 1.2 Percentage renters on housing benefit in LA    | 0.15%       | % of renters in 2018 on housing benefit (based on LA proportion)            |
| 1.3 Number of renters on housing benefits in NA    | 246         | 1.1 x 1.2   |
| 1.4 Current need (households)                      | 1,039       | Current renters minus those on HB and minus 25% assumed to rent by choice   |
| 1.5 Per annum                                      | <b>74</b>   | 1.4/ plan period  |
| <b>STAGE 2: NEWLY ARISING NEED</b>                 |             |   |
| 2.1 New household formation                        | 532         | LA household projections for plan period (2014 based) pro rated to NA       |
| 2.2 % of households unable to buy but able to rent | 31.9%       | Current % of households in PRS  |
| 2.3 Total newly arising need                       | 170         | 2.1 x 2.2   |
| 2.4 Total newly arising need per annum             | <b>13.1</b> | 2.3/ plan period  |
| <b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>       |             |   |
| 3.1 Supply of affordable housing                   | 627         | Number of shared ownership homes in NA (Census 2011 + new build to 2018/19) |
| 3.2 Supply - intermediate resales                  | <b>31</b>   | 3.1 x 5% (assume rate of re-sale)   |
| <b>NET SHORTFALL (OR SURPLUS) PER ANNUM</b>        |             |   |
| <b>Shortfall (per annum)</b>                       | <b>56</b>   | <b>Shortfall = (Step 1.5 + Step 2.4) – 30</b>                               |

Source: AECOM model, using Census 2011, English Housing Survey 2018, CLG 2014 based household projections and net additions to affordable housing stock. Figures may not sum due to rounding.

63. It is important to keep in mind that the households identified in the estimate in Figure 4-5 are, by and large, adequately housed in the private rented sector. They do not lack their own housing but would prefer to buy rather than rent.
64. There is no policy or legal obligation on the part either of the Local Authority or neighbourhood planners to meet affordable housing needs in full, either within or outside the Neighbourhood Plan area, though there are tools available to neighbourhood planners that can help ensure that it is met to a greater extent if resources permit (eg the ability to allocate sites for affordable housing).
65. It is also important to remember that even after the City of Wells, or indeed any other, Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need and the management of the housing waiting list all remain the responsibility of the local authority rather than neighbourhood planners.
66. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can meet affordable housing need, unless there is a specific policy on the housing supply-side (e.g. the identification of one or more housing exception sites over and above those required by the Local Plan).

#### 4.5.1 Affordable Housing Policies in City of Wells

67. The Neighbourhood Plan may wish to develop policies in relation to the delivery of Affordable Housing within City of Wells. Mendip District Council Local Plan policy in relation to Affordable Housing delivery requires 40% of all new homes on sites of 7 or more dwellings or more to be delivered as Affordable Housing through Development Policy 11 Affordable Housing. This policy would apply in City of Wells, subject to sites coming forward for development with 7 or more or more dwellings.



68. Note, however, that the Government's August 2020 consultation proposals for 'Changes to the current planning system' include a temporary measure to lift the small sites threshold. This would mean that developers would not need to contribute to Affordable Housing on sites of up to 40 or 50 units. This represents a significant increase on the threshold sought in the Local Plan (cited above), and therefore may reduce the delivery of Affordable Housing on normal development sites during the temporary period in which it applies.
69. It is expected that this temporary period will be short and, being introduced to combat the economic impacts of Covid-19 on small builders, may have already elapsed by the time the Neighbourhood Plan is made. Nevertheless, it could have an impact on Affordable Housing delivery in the short term, and warrants the attention of the neighborhood planners as the Government consultation proceeds. For more detail on this proposal in relation to the overall quantity of housing expected in the NA during the Plan period and a link to the consultation document, see the 'Quantity of housing to provide' section at the start of this report (section 2.2.3).
70. Table 4-7 estimates the number of affordable homes likely to come forward based on the overall housing requirement for the City of Wells and the application of affordable housing policies.
71. The neighbourhood group may wish to develop policies on the mix of Affordable Housing delivered in City of Wells. It is not the role of the HNA to develop policy, as there are a wider set of factors which apply and need to be considered by the neighbourhood planners. However, the following evidence and considerations may be used as a starting point in the development of policy. On the balance of the evidence in this HNA, AECOM set out a judgement on the starting point for an appropriate tenure mix in City of Wells.
- A. **Evidence of need for Affordable Housing:** AECOM's estimate of the potential demand for affordable home ownership options suggest there may be a need for these homes in City of Wells to address the aspirations of households who can rent but can't buy. AECOM's estimate identified the potential demand for 852 homes over the plan period. Whereas, there is found to be a potential surplus of 266 homes in social/affordable rented housing. The relationship between these two estimates clearly suggests that there will be greater demand for affordable home ownership over social/affordable rented housing.
  - B. **Can Affordable Housing needs be met in full?** The HRF for NA is 1,127. This level of housing delivery would not allow the total potential demand for affordable ownership housing to be met in full, but it could make a significant contribution to delivery of such products. It is also likely that some of NA's HRF will come forward in the form of small infill developments, which are unlikely to be large enough to meet the threshold of 6 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. However, the delivery of social/ affordable rented would be over and above the identified need, providing a useful source of supply to ensure local needs are met across a variety of dwelling sizes and locations, and to help meet the needs of the wider area. This evidence suggests that there may be some scope to increase the proportion of affordable ownership housing (versus affordable rented housing) beyond the broad tenure split set out in the Local Plan.
  - C. **Government policy (eg NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. 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 going beyond the 10% threshold in City of Wells would prejudice the provision of much needed affordable rented homes.
  - D. **Emerging policy:** the Government is currently consulting on the introduction of First Homes (to provide at least 30% discount on new build home prices). The most recent consultation outlines the Government's intention to require that a minimum of 25% of all Affordable Housing secured through developer contributions should be first homes.<sup>15</sup> The outcome of this consultation and the policy which emerges may shape the provision of different forms of Affordable Housing on new development sites, and the neighbourhood group will need to keep this emerging policy in mind when developing its Neighbourhood Plan policies.

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<sup>15</sup>The original proposals are available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/864265/First\\_Homes\\_consultation\\_document.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/864265/First_Homes_consultation_document.pdf). The latest proposals are available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>. Note that the latest proposals are not final, and could potentially be subject to further change.

- E. **Local Plan policy:** Mendip District Council's emerging/adopted Local Plan requires a tenure mix of 80% social rented and 20% intermediate housing.

The August 2020 proposals relating to First Homes convey the Government's intention to require that 25% of all Affordable Housing is delivered as First Homes. The 25% First Homes requirement is likely to displace other affordable home ownership products in the first instance. Those affordable home ownership products providing the lowest discount should be displaced first. However, affordable rented products may also be affected depending on the tenure mix sought (i.e. if more than 75% of affordable housing is intended as affordable rent, this would need to be reduced to a maximum of 75% affordable rent so that First Homes can constitute 25% of all affordable housing). As yet, it is unclear whether there will be any flexibility over this 25% requirement to take account of local circumstances.

- 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 Council's adopted/emerging Local Plan and it is acknowledged that this may affect the provision of affordable housing and/or the mix of tenures provided.
- 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 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 City of Wells:** Evidence suggests that within the NA at present there is limited affordable housing for sale, yet there is a much larger proportion of social rent. This suggests that some provision of Affordable Housing for sale would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.
- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in this area.
- J. **Wider policy objectives:** the neighbourhood group may wish to take account of broader policy objectives for City of Wells 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 Neighbourhood Area. These wider considerations may influence the mix of Affordable Housing provided.

72. In Table 5-4 below, two alternative scenarios for the tenure mix of Affordable Housing in Wells are presented. Note that we assume, in accordance with current practice, that most Affordable Housing will be brought forward through developer contributions. If the neighbourhood planners are considering delivering Affordable Housing through other means, the national policy requirements reflected here may not apply.
73. The first scenario (Mix 1 – Indicative mix based on local needs) most closely reflects local needs in Wells as identified in the HNA evidence.
74. The second scenario (Mix 2 – Indicative mix with 25% First Homes requirement) is aligned with the direction of travel in the Government's most recent policy proposals, in which it is intended that 25% of all Affordable Housing will be required to be provided as First Homes. This outcome is more likely than the first scenario, because the Government proposals are at an advanced stage of development. However, this is proposed here as one of two alternative scenarios in case the First Homes policy proposals do not progress. Given that First Homes have been found to be generally not affordable to local people in Wells, if the Government proposal requiring 25% First Homes does not come forward as currently proposed, it is recommended that the neighbourhood planners revert to the other indicative mix as their starting point for policy development in this area.
75. Note also that the Government proposals state that if First Homes are required at 25% of Affordable Housing that comes forward through developer contributions and this results in displacing other tenures within the affordable mix, the tenure products providing the lowest effective discount should be displaced in the first instance. In this case, shared ownership and rent to buy would be displaced.
76. Where the neighbourhood planners wish to develop policy that requires a different mix to that set out in the Local Plan, it is important that they liaise with the LPA to gather more detailed income and viability information, and to ensure that departures from the district-level policy context have the LPA's support. Liaising with the LPA will be particularly important where the Local Plan tenure split can be expected to be adjusted in light of the latest

Government proposals, to ensure that the Neighbourhood Plan's approach in reflecting these changes is in line with the LPA approach. 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.

77. AECOM cannot provide guidance on the appropriate share of social/affordable rented homes as this will depend on the level of funding available to housing associations which will determine at what level rents can be set. Registered providers (eg housing associations) may be reluctant to deliver small numbers of homes where there are ongoing management costs involved. For this reason, the proportion of rented homes which can be secured may depend on the willingness of local housing association to maintain and manage small numbers of homes.
78. Mix 2 put forward below aligns as closely as possible with emerging Government policy as currently proposed. If those proposals do not go forward, the recommended starting point for the tenure mix in the NA will be Mix 1 below. However, the considerations detailed above will remain relevant for determining a more appropriate mix in the light of national policy changes or other unexpected developments.

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

| Tenure                                       | Mix 1. Indicative mix based on local needs | Mix 2. Indicative mix with 25% First Homes requirement | Considerations and uncertainties  |
|--|--|--|---|
| <b>Routes to home ownership, of which</b>    | <b>70%</b>                                 | <b>70%</b>   | Government proposing min 25% requirement for First Homes. Uncertainty over extent of requirement until policy finalised.  |
| First Homes <sup>16</sup>                    | 15%  | 25%  | Product untested so uncertainties around viability, developer, lenders and buyer appetite etc   |
| Shared ownership                             | 40%  | 35%  | Proposed changes to the model to allow purchases of 10% share <sup>17</sup> - impact on viability unknown<br>RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown. |
| Rent to buy                                  | 15%  | 10%  | Emerging product with popularity and effectiveness as yet unknown<br>Impact of displacement by First Homes unknown  |
| <b>Affordable Housing for rent, of which</b> | <b>30%</b>                                 | <b>30%</b>   |   |
| Social rent                                  | To be set by Registered Providers          | To be set by Registered Providers                      | Uncertain how much funding available to support this tenure in local area<br>Uncertain whether RPs willing to own/manage stock in this area   |
| Affordable rent                              | To be set by Registered Providers          | To be set by Registered Providers                      | Uncertain whether RPs willing to own/manage stock in this area  |

Source: AECOM calculations

79. Assuming that the Government's proposal that 25% of all affordable Housing should be First Homes is formalised, the neighbourhood group will need to take account of how this could impact on affordable housing policies (particularly the

<sup>16</sup> In the event that the First Homes product does not go forward at all, the proportion of Affordable Housing allotted to First Homes in Mix 1 could be re-allocated to discounted market sales housing if this is available at broadly equivalent discounts, or to other forms of affordable home ownership also recommended in the table.

<sup>17</sup> <https://www.gov.uk/government/news/jenrick-unveils-huge-12-billion-boost-for-affordable-homes>

tenure mix) in the Neighbourhood Plan. The evidence gathered here suggests that this proposal would not impact on the ability of Wells to accommodate those with the most acute needs

80. It is recommended that consideration is also given to alternative mechanisms capable of helping to meet local need, where appropriate (i.e. rural/entry-level exception sites or community led housing etc.).
81. However, the neighbourhood planners should note that the First Homes product has not been formally implemented, and should await the outcome of the Government consultation.

## 4.6 Conclusions- Tenure and Affordability

82. City of Wells is characterised by a relatively high proportion of home ownership. However, the greatest apparent change occurring in the Wells in the intercensal period was the increase in private renting, which likely points to the declining affordability of home ownership. In addition, it is likely that this rate of growth has continued since 2011, likely resulting in a far higher level of private renting currently than the data shows.
83. Support for this hypothesis emerges when comparing house prices to median and lower quartile incomes. Average house prices are almost double median incomes and more than four times higher than dual LQ incomes. When considering new builds this affordability gap is even more pronounced.
84. The most significant finding, therefore, is the need for affordable home ownership in City of Wells. The provision of shared ownership at (25%) or discounted market homes with more than a 40% discount (which could potentially be delivered by the Government's First Homes strategy, although this discount would need to be significantly higher if local developers benchmark it against new built homes) would allow for those on median incomes to own their own homes.
85. Table 4-7 below summarises Wells position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation, and shows the quantities of affordable housing for rent and sale that would be delivered if each of the tenure mixes proposed in this HNA were rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighborhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.
86. Note that this table assumes that most or all of the expected housing delivery in the NA will take place after the Government's proposal to temporarily lift the site size threshold for Affordable Housing has ended. If that period extends beyond the date on which the Neighbourhood Plan is made and also influences the rate of Affordable Housing delivery on relevant development sites, the quantity of Affordable Housing to be provided in the NA during the Plan period may be lower than the estimate below.
87. It is also worth noting here that at the time of writing the Neighbourhood Plan period is already fairly well advanced. A large number of the 1,127 new dwellings planned for the NA have already been built, however the break down between completions and commitments has not been provided. The Neighbourhood Plan will only be able to influence the tenure split (if a policy setting this out is included, which is not obligatory) on future development that has not yet received planning permission. The estimate below is therefore limited in its accuracy.

**Table 4-7: Estimated delivery of Affordable Housing in City of Wells**

|   | Step in Estimation                               | Mix 1 based on local needs | Mix 2 with 25% First Homes requirement |
|---|--|----------------------------|--|
| A | Housing requirement figure                       | 1,127                      | 1,127                                  |
| B | Affordable housing quota (%) in LPA's Local Plan | 40%                        | 40%                                    |
| C | Potential total Affordable Housing in NA (A x B) | 450                        | 450                                    |
| D | Rented % (eg social/ affordable rented)          | 30%                        | 30%                                    |

|   |  |     |     |
|---|--|-----|-----|
| E | Rented number (C x D)                      | 135 | 135 |
| F | Discounted market homes % (eg First Homes) | 70% | 70% |
| G | Discounted market homes number (C x F)     | 315 | 315 |

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

88. This expected level of delivery does meet the quantity of demand identified in estimates of the need for social/affordable rented housing, which was found to be in surplus. However, even though there is surplus it is not advised that housing stock is removed from this tenure or that future development is prohibited – it still needs to be considered as it provides for acute needs, the needs of those with different size and location requirements, and the needs of those outside of the City of Wells: the supply of this tenure in Wells is likely to provide for others outside of the neighbourhood area, for example for those in more rural areas where the provision of affordable housing is more constrained.
89. The expected level of delivery would not meet the potential demand identified for affordable ownership housing even when using the full 1,127 housing requirement. However, while this seems like a very high number, this is an estimate of potential demand and again is representative of those who can rent but cannot buy so is less critical than the more acute needs for social/affordable rent.
90. Therefore, it is recommended that the affordable housing policy requirement be met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites) to be explored if desired by the community. 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. Raising the percentage of Affordable Housing required could, furthermore, have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.
91. 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, and implemented by the LPA. 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 tried and tested ways of boosting the supply of affordable housing above the minima indicated by Local Plan policy.
92. It must be noted that there has been large scale of recent delivery and much of the housing requirement has been fulfilled. Therefore, while the figures used in this assessment are reflective of current need and give an idea of future expectations, there is likely to be potential for more turnover in the existing stock which would reduce the number in need.

## 5. RQ Two: Type and Size

***RQ Two: 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?***

### 5.1 Introduction

93. The City of Wells Neighbourhood Plan may benefit from the inclusion of policies informed by evidence on what sizes and types of housing would be best suited to the local community. This will help ensure that future developments give local people options within the housing market at all stages of life.
94. Planning Practice Guidance (PPG) recommends a consideration of the existing housing provision and its suitability, having regard to demographic shifts in age and household composition, to address future, as well as current community need. For this reason, we firstly consider the type and size of the existing housing stock in City of Wells. Demographic shifts in age and household composition will then be considered. Finally, the future demand for housing by size and type is determined by the way different household types currently occupy their dwellings in the LPA, and then applying demographic projections of how the Neighbourhood Plan area population is likely to change by the end of the Plan period.

### 5.2 Existing types and sizes

#### 5.2.1 Background and definitions

95. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth, income, and age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.
96. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require, and would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture to demographics, household type and size.
97. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' can be translated as follows<sup>18</sup>:
- 1 room = bedsit
  - 2 rooms = flat/house with one bedroom and a reception room/kitchen
  - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
  - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
  - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
  - 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen
  - 7+ rooms = house with 4 or more bedrooms
98. It is also useful to clarify the Census terminology around dwellings and households spaces. These can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained.<sup>19</sup> As such, all dwellings are classified into either "shared" or "unshared" dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.

<sup>18</sup> At <https://www.nomisweb.co.uk/census/2011/qs407ew>

<sup>19</sup> At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

99. The key measure of whether a dwelling is shared or unshared relates to the Census' definition of a household. A household is defined as "One person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area."<sup>20</sup> On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

### 5.2.2 Dwelling type

100. The 2011 Census shows that there were 5,187 households in City of Wells living in 999 detached houses, 1,860 semi-detached, 1,503 terraced houses, and 826 flats. Compared with Mendip as a whole, City of Wells is characterised by a smaller percentage of detached dwellings and a correspondingly higher proportion of semi-detached, terraced and flats. This is likely due to the city context of Wells compared to the more rural setting of the district (see Table 5-1 below).

**Table 5-1: Accommodation type (households), City of Wells 2011**

| Dwelling type                 |  | City of Wells | Mendip | England |
|-------------------------------|--|---------------|--------|---------|
| Whole house or bungalow       | Detached                                 | 19.3%         | 31.3%  | 22.4%   |
|                               | Semi-detached                            | 35.9%         | 31.4%  | 31.2%   |
|                               | Terraced                                 | 29.0%         | 24.6%  | 24.5%   |
| Flat, maisonette or apartment | Purpose-built block of flats or tenement | 10.4%         | 8.4%   | 16.4%   |
|                               | Parts of a converted or shared house     | 3.8%          | 2.8%   | 3.8%    |
|                               | In commercial building                   | 1.7%          | 1.1%   | 1.0%    |

Source: ONS 2011, AECOM Calculations

### 5.2.3 Dwelling size

101. Table 5-2 below sets out the distribution of the number of rooms by household space. The housing stock in City of Wells, which follows a similar trend to that which is seen at the district level, is characterised by a larger percentage of 4, 5 and 6- room dwellings and consequentially a lower proportion of smaller (1, 2, 3 room) and larger (7, 8, 9 room) dwellings.

**Table 5-2: Number of rooms per household in City of Wells, 2011**

| Number of Rooms | 2011          | 2011   |
|-----------------|---------------|--------|
|                 | City of Wells | Mendip |
| 1 Room          | 0.5%          | 0.4%   |
| 2 Rooms         | 1.9%          | 2.0%   |
| 3 Rooms         | 9.6%          | 7.8%   |
| 4 Rooms         | 21.7%         | 16.6%  |
| 5 Rooms         | 23.8%         | 22.0%  |
| 6 Rooms         | 18.9%         | 19.6%  |
| 7 Rooms         | 10.4%         | 12.7%  |
| 8 Rooms or more | 6.6%          | 8.6%   |
| 9 Rooms or more | 6.6%          | 10.3%  |

<sup>20</sup> Ibid.



Source: ONS 2011, AECOM Calculations

102. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. The main change from the 2001 Census findings is that the proportion of smaller dwellings with 1 or 2 rooms has reduced significantly compared with wider geographies, and while the proportion of dwellings with 3 rooms have increased it is not at the same rate as the district and national levels. This only exacerbates the problems within the neighbourhood area, with the perceived deficit of smaller dwellings for young families and older people.

**Table 5-3: Rates of change in number of rooms per household in City of Wells , 2001-2011**

| Number of Rooms | City of Wells | Mendip | England |
|-----------------|---------------|--------|---------|
| 1 Room          | -51.1%        | -19.5% | -5.2%   |
| 2 Rooms         | -11.4%        | 28.7%  | 24.2%   |
| 3 Rooms         | 8.5%          | 21.0%  | 20.4%   |
| 4 Rooms         | -0.4%         | 0.6%   | 3.5%    |
| 5 Rooms         | -1.3%         | -3.3%  | -1.8%   |
| 6 Rooms         | 3.1%          | 3.1%   | 2.1%    |
| 7 Rooms         | 13.6%         | 16.2%  | 17.9%   |
| 8 Rooms or more | 16.1%         | 24.0%  | 29.8%   |

Source: ONS 2001-2011, AECOM Calculations

103. It is also useful to compare the figures for number of rooms with figures for the number of bedrooms for each household. Table 5-4 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. This data shows that Wells is roughly in line with higher level geographies for all categories. However, surprisingly, Wells has a slightly higher proportion of smaller dwellings with one or two bedrooms than at the district or national level and has a slightly smaller proportion of larger dwellings with 4 or more bedrooms. This may suggest that the stock of housing is less of a problem than the affordability for young families looking to move homes in the area.

**Table 5-4: Number of bedrooms in household spaces in City of Wells, 2011**

| Bedrooms                               | Wells        |               | Mendip        |               | England           |               |
|--|--------------|---------------|---------------|---------------|-------------------|---------------|
| <b>All categories: no. of bedrooms</b> | <b>4,912</b> | <b>100.0%</b> | <b>46,157</b> | <b>100.0%</b> | <b>22,063,368</b> | <b>100.0%</b> |
| No. bedrooms                           | 10           | 0.2%          | 71            | 0.2%          | 54,938            | 0.2%          |
| 1 bedroom                              | 598          | 12.2%         | 4,315         | 9.3%          | 2,593,893         | 11.8%         |
| 2 bedrooms                             | 1,487        | 30.3%         | 11,311        | 24.5%         | 6,145,083         | 27.9%         |
| 3 bedrooms                             | 1,896        | 38.6%         | 19,054        | 41.3%         | 9,088,213         | 41.2%         |
| 4 bedrooms                             | 681          | 13.9%         | 8,358         | 18.1%         | 3,166,531         | 14.4%         |
| 5 or more bedrooms                     | 240          | 4.9%          | 3,048         | 6.6%          | 1,014,710         | 4.6%          |

Source: ONS 2011, AECOM Calculations

104. There has been significant development in Wells since the 2011 census and the Mendip District Council have provided AECOM with the break down in completions by dwellings size from 2015 to 2020 in City of Wells, see Table 5-5. This allows us to compare the more recent build trend with the older census data as well as compare it to the suggested split of dwelling size later in the chapter.
105. As can be seen from Table 5-5, the most significant development has been in dwellings with 2 or 3 bedrooms, followed by dwellings with 4 bedrooms. Dwellings with one bedroom have had little focus in comparison to the larger dwellings. This follows the trends of what was already observed in Wells, as shown in Table 5-4 above: 2- and 3-bedroom dwellings had the largest share in 2011, followed by dwellings with 4 bedrooms and then those with 1 bedroom.



**Table 5-5 Completions by dwellings size in City of Wells between 2015 and 2020**

|             | 1 bed     | 2 bed      | 3 bed      | 4 bed      |
|-------------|-----------|------------|------------|------------|
| 2015        | 8.3%      | 44.7%      | 33.0%      | 14.1%      |
| 2016        | 7.1%      | 12.9%      | 35.7%      | 44.3%      |
| 2017        | 6.8%      | 30.5%      | 11.9%      | 50.8%      |
| 2018        | 13.4%     | 41.3%      | 34.1%      | 11.2%      |
| 2019        | 12.9%     | 23.3%      | 33.3%      | 30.5%      |
| 2020        | 4.3%      | 38.2%      | 43.0%      | 14.5%      |
| Total (raw) | <b>85</b> | <b>313</b> | <b>311</b> | <b>201</b> |

Source: South Somerset District Council

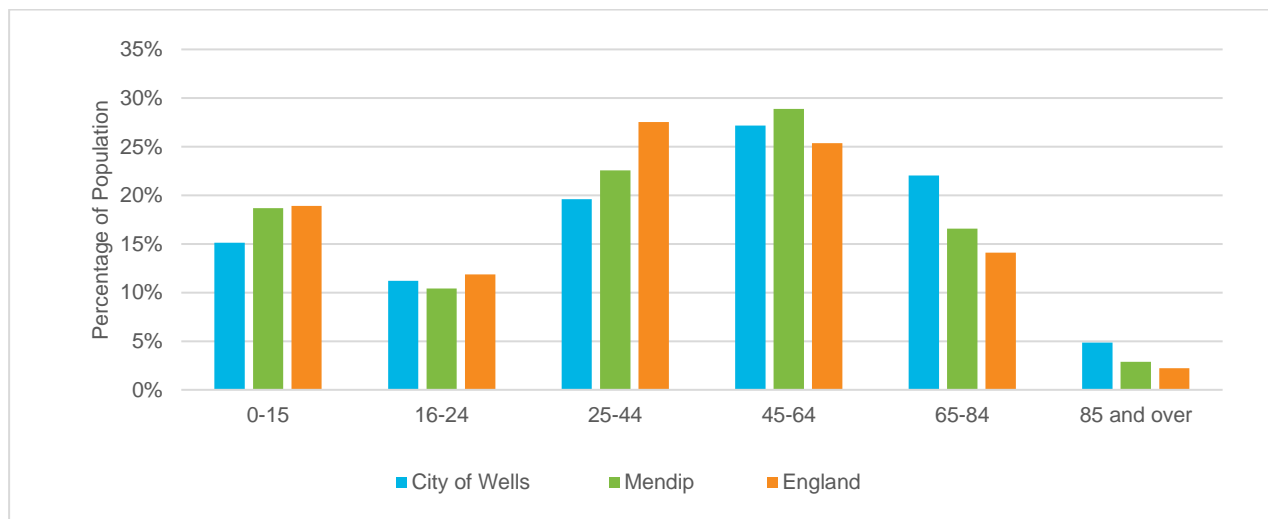
## 5.3 Household composition and age structure

106. Having established the current stock profile of City of Wells and identified recent changes in its composition, the evidence assembled below examines the composition and age structure of households in the 2011 Census and in future years. Through a consideration of the types of households projected to form over the Neighbourhood Plan period, and the mix of age groups suggested by demographic projections, it becomes possible to consider the type and size of housing needed in the Neighbourhood Plan area by the end of the planning period.

### 5.3.1 Age structure

107. The 2011 Census data reveals that Wells has a much higher proportion of people in the 65-84 and 85 and over age category than at wider geographies. Given this weighting towards an older population, over the Plan period to 2029, it is likely that Wells will require smaller dwellings better suited to couples and single persons. In addition, the neighbourhood area has a far lower proportion of those aged 0-15 and 25-44. This may be representative that the latter cannot afford to stay in the area; this is the age group often with younger families which may also explain the smaller proportion of those aged 0-15 (see Figure 5-1 below).

**Figure 5-1: Age structure in City of Wells, 2011**



Source: ONS 2011, AECOM Calculations

108. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001 NA population has grown notably for those in the category of 85 and above, while the 0-15 and 25-44 age groups have declined. In addition to a moderately ageing population, a further demographic challenge for Wells is the lack of growth in those of childbearing age and consequently the younger replacement population. These patterns are similar to those seen at borough level, but are slightly more pronounced (see Table 5-6 below).

**Table 5-6: Rate of change in the age structure of City of Wells population, 2001-2011**

| Age group   | City of Wells | Mendip | England |
|-------------|---------------|--------|---------|
| 0-15        | -13.7%        | -4.5%  | 1.2%    |
| 16-24       | 18.5%         | 17.4%  | 17.2%   |
| 25-44       | -15.1%        | -11.1% | 1.4%    |
| 45-64       | 13.2%         | 16.3%  | 15.2%   |
| 65-84       | 5.6%          | 17.0%  | 9.1%    |
| 85 and over | 27.0%         | 29.6%  | 23.7%   |

Source: ONS 2001-2011, AECOM Calculations

### 5.3.2 Household composition

109. Household composition (i.e the mix of adults and children in a dwelling) is a critical factor in driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.
110. In assessing Census data on household composition, we see that City of Wells differs from Mendip as a whole in that there are slightly less one family households with children and more households where all members are aged over 65 (Table 5-5-7). Note that non-dependent children refer to households in which adult children are living at home, or students still call their primary residence despite living for most of the year near to university. Though this category can often indicate the relative unaffordability of entry-level homes in an area as many such young people may wish to move out and form their own households if they were financially able.

**Table 5-5-7: Household composition (by household), City of Wells, 2011**

| Household composition        |  | City of Wells | Mendip | England |
|------------------------------|--|---------------|--------|---------|
| <b>One person household</b>  | <b>Total</b>                             | 37.6%         | 29.9%  | 30.2%   |
|                              | Aged 65 and over                         | 21.9%         | 13.8%  | 12.4%   |
|                              | Other                                    | 15.8%         | 16.2%  | 17.9%   |
| <b>One family only</b>       | <b>Total</b>                             | 58.3%         | 64.8%  | 61.8%   |
|                              | All aged 65 and over                     | 13.1%         | 10.2%  | 8.1%    |
|                              | With no children                         | 16.4%         | 20.1%  | 17.6%   |
|                              | With dependent children                  | 20.7%         | 25.6%  | 26.5%   |
|                              | All children Non-Dependent <sup>21</sup> | 8.2%          | 8.9%   | 9.6%    |
| <b>Other household types</b> | <b>Total</b>                             | 4.1%          | 5.3%   | 8.0%    |

Source: ONS 2011, AECOM Calculations

111. Again, it is relevant to consider rates of change in this indicator during the period between Censuses. Between 2001 and 2011, the main changes in household composition were an increase in one family households either with no children or dependent children suggesting an increase in families where the children are older or no longer live with the parents. Interestingly, the percentage change in households where all members are over 65 saw a (marginal) decrease. Given the evidence of an ageing population is this somewhat surprising, however, it could be attributable to a very high proportion of these households at the starting point (see Table 5-8).

<sup>21</sup> Refers to households containing children who are older than 18 e.g students or young working people living at home.

**Table 5-8: Rates of change in household composition, City of Wells, 2001-2011**

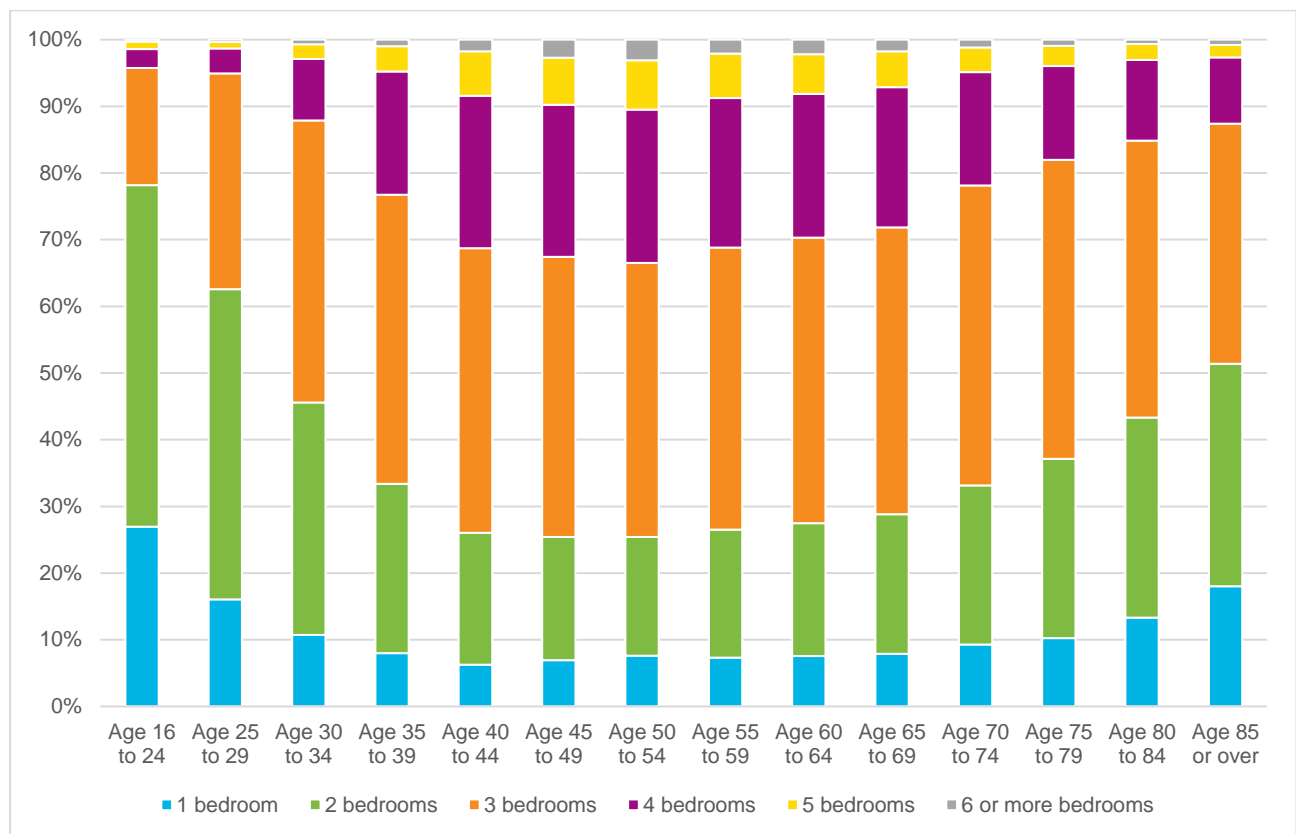
| Household type               |                            | Percentage change, 2001-2011 |        |         |
|------------------------------|----------------------------|------------------------------|--------|---------|
|                              |                            | City of Wells                | Mendip | England |
| <b>One person household</b>  | <b>Total</b>               | 2.8%                         | 13.7%  | 8.4%    |
|                              | Aged 65 and over           | -5.7%                        | 3.3%   | -7.3%   |
|                              | Other                      | 17.6%                        | 24.4%  | 22.7%   |
| <b>One family only</b>       | <b>Total</b>               | 2.5%                         | 4.0%   | 5.4%    |
|                              | All aged 65 and over       | -0.5%                        | 3.4%   | -2.0%   |
|                              | With no children           | 9.5%                         | 7.9%   | 7.1%    |
|                              | With dependent children    | -4.6%                        | -0.1%  | 5.0%    |
|                              | All children non-dependent | 14.5%                        | 8.6%   | 10.6%   |
| <b>Other household types</b> | <b>Total</b>               | 27.6%                        | 23.0%  | 28.9%   |

Source: ONS 2001-2011, AECOM Calculations

## 5.4 Dwelling mix determined by life-stage modelling

112. Recognising the fact that households of different ages may have different housing needs, the housing mix needed to meet demographic change by the end of the Plan period is estimated by an approach based on current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in households aged under 24 will lead to an increase in the need for the type of housing currently occupied by households of that age.
113. It is important to keep in mind that this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the propensity of households to occupy more or less space than they ‘need’. This approach also embeds existing patterns of occupancy which may or may not be desirable. This is particularly important to keep in mind in areas where housing affordability has worsened because it means that many households are forced to occupy less space than they need or want.
114. However, no data on housing size occupation by age of the Household Reference Person (HRP- a more modern term for ‘head of household’) is available at neighbourhood level. For this reason, district-level data needs to be used as the closest proxy.
115. Figure 5-2 below sets out the relationship in the 2011 Census at LA level between the age of the HRP and the size of dwelling occupied. This provides the starting point for determining the most appropriate dwelling size mix by the end of the Neighbourhood Plan period. The data shows that whilst the majority of Mendip residents live in 1- and 2- bedroom properties until the age of 30, the preference turns to dwellings of 3 bedrooms or more right up until the age of 85, when the preference for smaller homes again exceeds 50% of households. Generally speaking, households tend to start small at earlier life stages, then moving to larger properties and finally moving back to smaller properties in later life stages.

**Figure 5-2: Age of household reference person by dwelling size in Mendip District Council, 2011**



Source: ONS 2011, AECOM Calculations

116. Household projections provided by MHCLG are then used to understand the future distribution of households by the age of the HRP. Again, this data is only available at the LPA level and for the years 2014 and 2039. Therefore, the distribution of households by the age of the HRP in 2029 is estimated, i.e. the end of the Neighbourhood Plan period (red in the table). The data is presented in Table 5-9 below.

**Table 5-9: Projected distribution of households by age of HRP, Mendip District Council**

| Year | Age of HRP 24 and under | Age of HRP 25 to 34 | Age of HRP 35 to 54 | Age of HRP 55 to 64 | Age of HRP 65 and over |
|------|-------------------------|---------------------|---------------------|---------------------|------------------------|
| 2011 | 1,195                   | 4,475               | 17,476              | 9,220               | 13,791                 |
| 2014 | 1,161                   | 4,622               | 17,031              | 8,774               | 15,865                 |
| 2029 | 1,177                   | 4,427               | 16,688              | 8,964               | 22,186                 |
| 2039 | 1,188                   | 4,296               | 16,459              | 9,090               | 26,400                 |

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

117. It is then necessary to extrapolate from this LPA-level data an estimate of the corresponding change in the age structure of the population in City of Wells. To do so, the percentage increase expected for each group across Mendip District Council, derived from the data presented above was mapped to the population of City of Wells. The results of this calculation are detailed in Table 5-10 below:

**Table 5-10: Projected distribution of households by age of HRP, City of Wells**

| Year               | Age of HRP 24 and under | Age of HRP 25 to 34 | Age of HRP 35 to 54 | Age of HRP 55 to 64 | Age of HRP 65 and over |
|--------------------|-------------------------|---------------------|---------------------|---------------------|------------------------|
| 2011               | 121                     | 358                 | 1,599               | 847                 | 1,987                  |
| 2014               | 118                     | 370                 | 1,558               | 806                 | 2,286                  |
| 2029               | 119                     | 354                 | 1,527               | 823                 | 3,197                  |
| % change 2011-2029 | 1.4%                    | -4.2%               | -2.0%               | 2.2%                | 39.8%                  |

Source: AECOM Calculations

118. Finally, having established the likelihood shown by households at different life-stages towards dwellings of different sizes in Figure 5-2, and the approximate number of households in Mendip District Council and City of Wells falling into each of these stages by the end of the Plan period in 2029, it is possible to estimate how the housing stock might evolve in terms of size over the Neighbourhood Plan period in response to demographic change (see Table 5-11 below).
119. The table takes in turn each projected age group in 2029, estimating how many of the households in that age bracket will want or need to occupy each size of dwelling. This is repeated for each age bracket and added together to arrive at an estimation of what proportion of each size of dwelling will be required overall.

**Table 5-11: Likely dwelling size distribution in City of Wells by the end of the Plan period, based on modelled household life-stages (totals may not sum due to rounding)**

| Size                    | Age of HRP 16 to 24 | Age of HRP under 35 | Age of HRP 35 to 54 | Age of HRP 55 to 64 | Age of HRP 65 and over | Total households requiring dwelling sizes |
|-------------------------|---------------------|---------------------|---------------------|---------------------|------------------------|---|
| Households <b>4,912</b> | 119                 | 354                 | 1,527               | 823                 | 3,197                  | -   |
| 1 bedroom               | 32                  | 47                  | 109                 | 61                  | 357                    | <b>606</b>                                |
| 2 bedrooms              | 61                  | 142                 | 304                 | 161                 | 838                    | <b>1,507</b>                              |
| 3 bedrooms              | 21                  | 134                 | 644                 | 350                 | 1,357                  | <b>2,507</b>                              |
| 4 bedrooms              | 3                   | 24                  | 337                 | 181                 | 496                    | <b>1,041</b>                              |
| 5+ bedrooms             | 2                   | 8                   | 132                 | 69                  | 148                    | <b>359</b>                                |

Source: Census 2011, AECOM Calculations. Figures may not sum due to rounding

120. It is now possible to compare the 2011 housing mix in terms of size with the projected requirement based on the estimates set out in Table 5-11 above modelling the change in the age structure of the population in City of Wells.
121. Table 5-12 below indicates that, by 2029, the size distribution of dwellings should focus on 2, 3- and 4-bedroom dwellings, with a lower proportion of 1- and 5 or more-bedroom dwellings.

**Table 5-12: 2011 housing sizes compared to likely distribution at end of Plan period, City of Wells**

| Number of bedrooms | 2011         |               | 2029         |               |
|--------------------|--------------|---------------|--------------|---------------|
| 1 bedroom          | 598          | 12.2%         | 606          | 10.1%         |
| 2 bedrooms         | 1,487        | 30.3%         | 1,507        | 25.0%         |
| 3 bedrooms         | 1,896        | 38.6%         | 2,507        | 41.6%         |
| 4 bedrooms         | 681          | 13.9%         | 1,041        | 17.3%         |
| 5 or more bedrooms | 240          | 4.9%          | 359          | 6.0%          |
| Total households   | <b>4,912</b> | <b>100.0%</b> | <b>6,020</b> | <b>100.0%</b> |

Source: Census 2011, AECOM Calculations

122. Table 5-13 below sets out the estimated misalignment between future demand for housing, based on the modelled preferences of households at different life-stages, and the current stock available in the Neighbourhood Plan area.

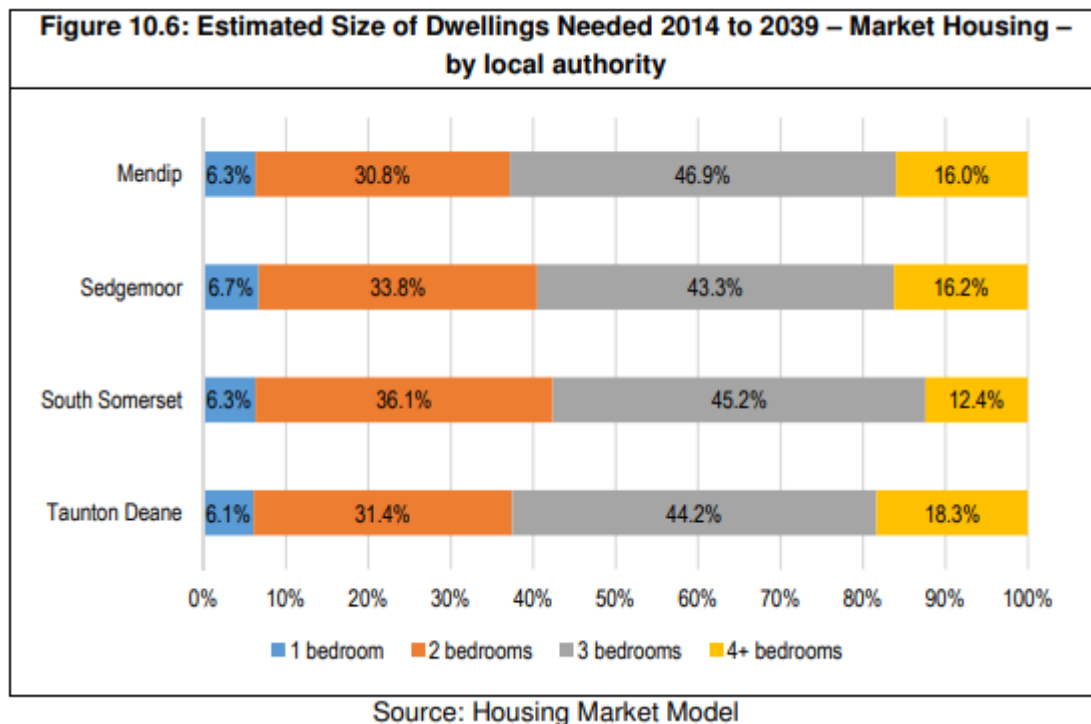
**Table 5-13: Future potential misalignments of supply and demand for housing, City of Wells**

| Number bedrooms    | of 2011 | 2029  | Change to housing mix | Recommended split |
|--------------------|---------|-------|-----------------------|-------------------|
| 1 bedroom          | 598     | 606   | 8                     | 0.7%              |
| 2 bedrooms         | 1,487   | 1,507 | 20                    | 1.8%              |
| 3 bedrooms         | 1,896   | 2,507 | 611                   | 54.6%             |
| 4 bedrooms         | 681     | 1,041 | 360                   | 32.2%             |
| 5 or more bedrooms | 240     | 359   | 119                   | 10.7%             |

*Source: AECOM Calculations*

123. The result of this life-stage modelling exercise is to suggest that, in terms of demographic change, new development might involve the following share of dwelling sizes: 0.7% as 1 bedroom, 1.8% as two bedrooms, 55% as three bedrooms, 32% as four bedrooms and 11% as 5 or more bedrooms.
124. Note that only the percentage mix in the right-hand column is relevant to the purposes of this HNA and the neighbourhood planning process. The actual numbers of dwellings required to adjust the size mix do not reflect that actual quantity of housing needed in the NA and are simply a step in the calculation necessary to produce a percentage split. As a general point, this dwelling mix in percentage terms stands alone from the overall quantity of housing needed or allocated over the Plan period, and could equally apply to windfall development, allocations beyond the plan period, or any other source of housing supply.
125. The building trends from 2015 to 2020, shown in Table 5-5, slightly differ from the recommended split as demonstrated here. As recent building has focused on 2-4 bed homes while the recommended split is for primarily 3-5 bed homes. Therefore, the main difference between this recommended split and the recent building trends is the quantity of 1 and 2 beds, while this may imply these smaller dwellings should reduce in the numbers being built, this would conflict with the community's assessment that they need more households for young and downsizers. However, this demographic model is only one piece of the puzzle, and that the affordability issue identified by the group and found in the previous chapter, would justify a mix weighted more towards smaller homes than our model suggests.
126. The SHMA puts forward a dwelling size mix only by tenure rather than for all housing, as seen in Figure 5-3, but can still be usefully compared to the above result. For market housing, which can be assumed to most closely align with the all housing as considered above, 2- and 3-bedroom homes are projected to be in greatest need, which contradicts the recommended split for the neighbourhood area. This could be due to the relatively larger stock of smaller houses in Wells compared with the wider more rural district. However, again, this evidence can be used to support the findings that affordability issues suggest a need for a mix of dwellings weighted more towards smaller homes. As this Mendip level evidence can also form part of the Neighbourhood Plan evidence base and be a valid input to a potential dwelling size policy should it depart from our model.

**Figure 5-3 Dwelling size mix need from 2014 to 2039 by Local Authority**



Source: Mendip, Sedgemoor, South Somerset and Taunton Deane Strategic Housing Market Assessment (2016)

127. The LPA provided detailed Housing Register Data which allows us to compare the general house size need by age with the social/affordable need.

**Table 5-14 City of Wells Housing Need by Size and Age**

| Wells Housing Need at 29/07/2020 |             |       |       |       |       |     |            |
|----------------------------------|-------------|-------|-------|-------|-------|-----|------------|
| Bed Size                         | Age Profile |       |       |       |       |     | Total      |
|                                  | 18-21       | 22-29 | 30-39 | 40-54 | 55-60 | 60+ |            |
| 1-bed                            | 4           | 10    | 18    | 27    | 17    | 31  | 107        |
| 2-bed                            | 4           | 12    | 15    | 12    | 2     | 5   | 50         |
| 3-bed                            |             | 3     | 15    | 8     |       |     | 26         |
| 4-bed                            |             | 1     | 5     | 5     | 1     |     | 12         |
| <b>Wells Total</b>               | 8           | 26    | 53    | 52    | 20    | 36  | <b>195</b> |

Source: Data provided by Planning Officer at Mendip District Council (29/07/2020)

128. Table 5-14 demonstrates the need for smaller, one and two bed houses in affordable tenures, in comparison with larger dwellings across all tenures as above. This evidence strongly justifies including more 1-2-bedroom homes in the dwelling mix so that they can help to satisfy affordable housing need in particular. The pattern reflects that which is shown in Figure 5-2, in that younger people require smaller properties and the tendency for larger properties as age increases and then a reversal back to smaller properties when reaching the older age.

## 5.5 Conclusions- Type and Size

129. This analysis 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 NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site-specific factors which may justify a particular dwelling mix.
130. Compared with the LPA, City of Wells is characterised by a smaller percentage of detached dwellings and a correspondingly higher proportion of semi-detached, terraced and flats. This is likely due to the city context of Wells compared to the more rural setting of the district.
131. In terms of demographic change, the analysis suggests that there is little attraction and retention of younger generations, particularly the 25-44 age cohort, which often comprises young families. Meanwhile, there is a higher proportion of residents aged 45-64, some of whom are likely to reach retirement age over the plan period to 2029 and likely to require housing to support their evolving needs
132. It is therefore important for new development to prioritise housing that is appropriate both to young families with children and older households. The needs and financial capabilities of both these groups overlap to some extent, although the precise configuration and quality expectations that they have for smaller dwellings may vary. The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built demonstrates that in City of Wells an appropriate response would be to prioritise the supply mid-sized dwellings (3 and 4 bedrooms). Whereas the trend in dwelling size from 2015 to 2020 has been for the predominance of 2- and 3-bedroom dwellings.
133. This model, however, operates on the assumption that households can and will wish to occupy only housing specifically suitable for their household size, which is not a realistic prospect given that people are willing to pay for extra bedrooms for a range of reasons. It is not surprising, then, that demand for some larger or smaller dwellings will remain. The provision of these homes should therefore not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the community wish to influence the size mix of housing coming forward, mid-sized homes should be the priority.
134. While in general mid-sized homes may be the priority for the neighbourhood area, this may change when considering the tenure of housing. For example, when considering social/ affordable housing it is likely that a focus on smaller dwellings (of one- and two-bedrooms) would be required. Increasing the share of smaller homes in the dwelling mix than is proposed in the demographic-led model presented here would be desirable in order to address affordable housing need, but also to improve affordability for younger and older households seeking market housing options.
135. In the Tenure and Affordability chapter analysis, it was found that market housing for sale (as opposed to market housing for rent and all types of Affordable Housing) is increasingly unaffordable and that those on the median incomes are unable to afford to live outside of the rented sector. While Affordable Housing should be well balanced in terms of size to cater for all circumstances, the provision of smaller and mid-sized homes for sale and rent should make an important contribution to improving affordability more widely. If older households wishing to 'rightsize' and younger ones seeking to form their own independent households are to be able to afford to live in Wells, increasing the provision of small and mid-size homes will be crucial.
136. In Wells there are a number of sources of evidence to consider when exploring the tenure mix, on top of the demographic model. Such as the affordability and the SHMA data therefore a potential tenure mix should take all of these elements into account, rather than solely relying on the tenure split presented in this chapter. For example, a broad size mix which accounts for all elements of data may be more appropriate to the mix as shown in Figure 5-15 below.



**Table 5-15 Indicative Dwelling Size Mix**

| Dwelling Size Mix | 100% |
|-------------------|------|
| 1 bedroom         | 20%  |
| 2 bedrooms        | 30%  |
| 3 bedrooms        | 30%  |
| 4 bedrooms        | 10%  |
| 5 bedrooms        | 10%  |

137. In terms of the types of dwellings required, the current predominance of semi-detached and terraced when compared to district trends is likely owed to the urban context of the neighbourhood area compared to a largely rural district. Therefore, given the need for smaller to mid-size dwellings it is likely that these types of dwellings, possibly with an increase in flats and apartments, will remain the dominant dwelling type. However, consideration may need to be given when assessing how the current lack of affordability for those wishing to buy in the area may interact with the type of housing to be delivered.

## 6. RQ Three: Specialist housing for older people

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

### 6.1 Introduction

138. This chapter considers in detail the specialist housing needs for older and disabled people in City of Wells. It considers the quantity, tenure and size of dwellings that might be required. It is important to keep in mind that there is no formal definition of 'old age'. People experience ageing differently and much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age whilst others may need support and care much earlier in their lives. It is useful to think of two main stages in later life: the '3<sup>rd</sup> age' – where people are healthy and active and may or may not continue to work and the '4<sup>th</sup> age' – where older people need care and support to meet their health needs.<sup>22</sup> These two stages are not necessarily related to age though most people in advanced old age (85+) will need care or support at some point in their lives. The housing needs of these two groups can be markedly different.
139. In the Planning Practice Guidance (PPG), the Government states that plans need to provide for specialist housing for older people where a need exists. Innovative and diverse housing models will need to be considered where appropriate.<sup>23</sup>
140. It is important to note that, as stated in the PPG, the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the overall (i.e. the total) housing need figure. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method.<sup>24</sup>
141. In considering the need or demand for specialist housing for older people it is appropriate to consider the population aged 75+ since this group is more likely to access this type of housing. The needs of this sector of the population have been assessed through two methods. The first is a tenure-led projection, based on the tenure of dwellings typically occupied by people in this age group. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network's (HLIN) Strategic Housing for Older People (SHOP) tool<sup>25</sup>, which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.
142. Housing needs assessment covers the need for houses that fall for the purposes of the planning system into Use Class C3 (private dwellings)<sup>26</sup>. Any assessment of need for residences that fall into Use Class C2 (residential institutions, which include prisons, boarding schools and some care homes for the elderly) would be a separate exercise outside the scope of a standard HNA. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. In some cases, extra care schemes, particularly those where independent living is emphasised and care provision is more limited, will be counted as C3. However, in other cases, particularly where care provision is higher, they will be counted as C2. There is no hard and fast rule- clear differentiation between the two has not been set in government policy.
143. As such, existing and future specialist housing for older people may be either C2 or C3, but the important point is that it is not possible to state definitively at the time of assessment whether any new provision forecast to be needed on the basis of current evidence will fall into use class C2 or C3. The distinction is important because accommodation in C2 buildings does not count towards the overall housing target for the neighbourhood plan areas whereas C3 accommodation units do. Therefore, it is not possible to state at this point the extent of overlap, if any, between the overall quantity of specialist housing forecast to be required and the overall housing quantity figure for the plan area.

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<sup>22</sup> University of Sheffield & DWELL (2016) Designing with Downsizers

<sup>23</sup> See Paragraph: 012 Reference ID: 63-012-20190626 at <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

<sup>24</sup> See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

<sup>25</sup> Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

<sup>26</sup> For a full description of Planning Use Classes, please refer to [https://www.planningportal.co.uk/info/200130/common\\_projects/9/change\\_of\\_use](https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use)

## 6.2 Housing for older people - context

144. MHCLG's guidance on housing for older and disabled people states that the need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing. In mid-2016 there were 1.6 million people aged 85 and over; by mid-2041 this is projected to double to 3.2 million.
145. Almost a third of UK homes are occupied by the 55+ age group, yet only 7% of UK stock is currently recognised as meeting minimum accessibility standards, which means few older people can find options that will improve their quality of life. This is reflected in evidence that just 3.4% of 50+ households move home each year, which is half as many moves as rest of population. Perhaps surprisingly, just under half of moves result in fewer habitable rooms because many older people need or want to retain space for activities, to retain a life time of possessions, accommodating visitors or caring for grandchildren. For some, social status can be a factor in deciding to move to a home with significantly fewer rooms.<sup>27</sup>
146. The concept of 'rightsizing' (formally referred to as downsizing) recognizes that the situations, desires and needs of the older population are no less diverse than their family circumstances. The actual choices available to older people, however, are limited to the housing provisions that are both available and accessible to them. Not surprisingly the vast majority of older people currently tend to age in place until circumstances mean their home environment becomes a decisive barrier to their well-being. Research indicates that very few properties are designed to support ageing in place (see below). Thus whilst many people do not wish to move home, there is also evidence that there is large scale unmet demand to move<sup>28</sup> with many older people stuck in a 'rightsizing gap'.<sup>29</sup>
147. A Demos survey of over 60s conducted in 2013 found a "considerable appetite" amongst this age group to move to a new property, with one quarter of all those surveyed suggesting they would be interested in buying a specialist property, and one quarter considering renting a specialist home.<sup>30</sup>
148. Indeed, 76% of those in homes of three or more bedrooms wished to rightsize, and this increased to 99% of those in homes of five or more bedrooms, with two bedrooms the preferred choice for both.<sup>31</sup> However, in spite of evidence of high demand, currently only 5% of older people's housing is made up of specialist homes,<sup>32</sup> with Demos suggesting that, "the chronic under-supply of appropriate housing for older people is the UK's next housing crisis",<sup>33</sup> and local authorities are often, "accused of reluctance to approve development plans for specialist housing....out of fear of increased care costs".<sup>34</sup> Indeed, whilst many of those surveyed may consider moving, the percentage that ultimately do is likely to be relatively low, and many who downsize may move into mainstream housing.
149. Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems. Therefore, an understanding of how the ageing population in City of Wells affects housing needs is something to be considered from the early stages of plan-making through to decision-taking.<sup>35</sup>
150. The need to access housing with support or care is often driven by health considerations, particularly disabilities. Disabilities can include, but are not limited to, people with ambulatory difficulties, blindness, learning difficulties, autism and mental health needs, which may generate a range of housing requirements which can change over time. Unsuitable housing or housing which is not capable of adaptation can have a negative impact on occupants and their carers. Disability is strongly linked to age and an ageing population will see the numbers of disabled people continuing to increase. It is important to plan early to meet their needs throughout their lifetime.

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<sup>27</sup> Rightsizing: Reframing the housing offer for older people, 2018, Phase and Manchester School of Architecture

<sup>28</sup> Pannell et al., 2012

<sup>29</sup> Rightsizing: Reframing the housing offer for older people, 2018, Phase and Manchester School of Architecture

<sup>30</sup> <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

<sup>31</sup> Ibid.

<sup>32</sup> [https://www.housinglin.org.uk/assets/Resources/Housing/OtherOrganisation/for-future-living\\_Oct2014.pdf](https://www.housinglin.org.uk/assets/Resources/Housing/OtherOrganisation/for-future-living_Oct2014.pdf)

<sup>33</sup> <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

<sup>34</sup> <http://researchbriefings.files.parliament.uk/documents/CBP-7423/CBP-7423.pdf>

<sup>35</sup> Available at <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

151. Older people typically occupy a broad range of accommodation types and tenures depending on their individual needs, including both market housing and more specialist accommodation. The latest PPG<sup>36</sup> adopts the following planning approach:
- a. Where an identified need exists, plans are expected to make use of the optional technical housing standards (footnote 46 of the National Planning Policy Framework) to help bring forward an adequate supply of accessible housing. In doing so planning policies for housing can set out the proportion of new housing that will be delivered to the following standards:
    - i. M4(1) Category 1: Visitable dwellings (the minimum standard that applies where no planning condition is given unless a plan sets a higher minimum requirement)
    - ii. M4(2) Category 2: Accessible and adaptable dwellings
    - iii. M4(3) Category 3: Wheelchair user dwellings
  - b. Planning policies for accessible housing need to be based on evidence of need, viability and a consideration of site specific factors.
152. In the case of City of Wells, this HNA, together with any local housing survey conducted will form the evidence required to justify policies proposing the Category 2 or 3 standards above for both market and affordable housing and the two main types of specialist housing for older people - sheltered housing and extra care (see Appendix C for definitions).
153. In 2014, there were approximately 450,000 units of sheltered social rented and private sector retirement housing in England, with approximately one quarter of these in private sector and the rest provided at social rent levels.<sup>37</sup> This situation reflects historic patterns of development, significant constraints on the delivery of such housing in the market sector as well as changing aspirations and expectations amongst older people today in comparison with previous generations.
154. Local planning authorities can plan for older co-housing communities through their implementation of the Self-build and custom-build legislation 2015<sup>38</sup>, as some communities will be looking to build the development themselves. Local authorities can also identify sites suitable for older co-housing communities as part of their overall assessment of land available for housing over the plan period.<sup>39</sup>
155. Given that the vast majority of people over 75 live in their own homes, but that the current stock is primarily for social rent, AECOM has developed a 'tenure-led' approach to calculating the need for specialist housing, which also takes into account the health and mobility of population of the Neighbourhood Plan area so as to develop projections for future need for specialist housing provided with some level of care or other services.

## 6.3 Approach

156. In accordance with NPPF guidance, this chapter applies a three stage process to determine the potential incidence of need for specialist housing for the elderly, based on tenures, projections of the future population of elderly people in the Neighbourhood Plan area, and Census data relating to mobility limitations and overall health.<sup>40</sup> These are then compared with rates of provision that have been recommended by the Housing Learning and Improvement Network (HLIN), as well as with existing rates of provision across Mendip District Council.
157. Clearly, this calculation represents an assumption, with the actual decision for an older or disabled person to enter specialist housing highly dependent on individual circumstances. As already noted, the actual proportion of older people that can be considered in need of specialist housing is affected both by overall levels of health as well as by individual lifestyle choices, given that the vast majority of older people currently choose to continue to live in their homes for their entire lives.

<sup>36</sup> Housing for Older and disabled people, Guidance June 2019, MHCLG

<sup>37</sup> [https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/safe-at-home/rb\\_july14\\_housing\\_later\\_life\\_report.pdf](https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/safe-at-home/rb_july14_housing_later_life_report.pdf)

<sup>38</sup> <https://www.gov.uk/guidance/self-build-and-custom-housebuilding>

<sup>39</sup> See Paragraph: 011 Reference ID: 63-011-20190626 at <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

<sup>40</sup> <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

158. The charity Age UK suggests that “inaccessible housing should not force anyone out of their home or local community against their wishes. It’s much better to have ‘pull factors’ that attract older people towards housing alternatives.”<sup>41</sup> By understanding the tenure breakdown of specialist housing need, it is possible to better understand the extent to which demand will be a factor in this market segment.

### 6.3.1 Current supply of specialist housing for older people

159. When determining a final target for the need for specialist dwellings, it is necessary first to take account of current supply. There are a number of ways to do this. Data may be available within Mendip District Council’s housing evidence base. Alternatively, data may be collated manually on the amount of specialist housing within a given area using the search function on the Elderly Accommodation Counsel’s Website: <http://www.housingcare.org>.

160. It is important to note that bed spaces in communal establishments such as live-in care homes are not included in the calculation below.<sup>42</sup> This is because for the purposes of the UK planning system, such institutions occupy a different land-use class from other housing (use class C2, which comprises residential institutions, versus C3, which comprises private dwellings)<sup>43</sup>. However, all other types of specialist housing for older people fall within use class C3 and, as such, are within the scope of this Housing Needs Assessment. Having said this, we will note the existing provision of such institutional accommodation where it exists in City of Wells.

161. The 2011 Census highlights the number of residents living in different types of communal establishments. Within City of Wells, it identified 0 residents living in care homes with nursing and 62 in care homes without nursing.<sup>44</sup>

162. Given that communal establishments (care homes) are generally outside the scope of housing needs assessments for the reasons described above, these are discounted from this analysis, and the remaining specialist housing for older people, which should be within use class C3 and thus within the scope of this assessment, is presented in Table 6-1 below. This gives a total of **339** specialist dwellings (or bed spaces<sup>45</sup>), for a 2011 population aged 75+ of **1,576**. This suggests the actual rate of provision in City of Wells is approximately **210** dwellings per 1000 population aged 75+. This is significantly higher than the district supply which at 151 dwellings per 1000 population aged 75+ according to the SHMA. However, it is likely that the specialist housing in Wells serves some of the surrounding area’s population.

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<sup>41</sup> See <https://www.ageuk.org.uk/documents/EN-GB/Political/Age%20UK%20ID201813%20Housing%20Later%20Life%20Report%20-%20final.pdf?dtrk=true>

<sup>42</sup> Further details on the definition of different types of housing within the English planning system are available at <https://www.gov.uk/guidance/definitions-of-general-housing-terms>

<sup>43</sup> See Paragraph: 009 Reference ID: 13-009-20140306 at <https://www.gov.uk/guidance/when-is-permission-required>

<sup>44</sup> ONS, 2011 (KS405EW)

<sup>45</sup> Please note that this assumes one person per dwelling, even when there are two bedrooms.

**Table 6-1: Existing specialist housing for the elderly (excluding care homes) in City of Wells**

|    | Name  | Description           | Bed spaces                      | Tenure                 | Type                          |
|----|---|-----------------------|---------------------------------|------------------------|-------------------------------|
| 1  | Nightingale Close                                     | Retirement Housing    | 24 one and two bed bungalows    | Rent (social landlord) | Bungalows                     |
| 2  | Tucker Street   | Retirement Housing    | 42 one and two bed bungalows    | Rent (social landlord) | Bungalows                     |
| 3  | Homechime House                                       | Retirement Housing    | 56 one and two bed flats        | Leasehold              | Flats                         |
| 4  | Southover & Becket Place                              | Retirement Housing    | 23                              | Rent (social landlord) | Flats, bungalows and cottages |
| 5  | Palace Court  | Retirement Housing    | 26 one and two bed flats        | Leasehold              | Flats                         |
| 6  | The Cloisters   | Retirement Housing    | 32 one and two bed flats        | Leasehold              | Flats                         |
| 7  | King Alfreds Courtyard                                | Retirement Housing    | 17 one, two and three bed flats | Leasehold              | Flats                         |
| 8  | Bubwith, Still, Brick, Willes and Llewellyn Almhouses | Retirement Housing    | 17 one and two bed flats        | Rent (social landlord) | Flats and cottages            |
| 11 | Carlton Court   | Retirement Housing    | 31 one and two bedroom flats    | Leasehold              | Flats                         |
| 12 | Mondyes Court   | Retirement Housing    | 44 one and two bed flats        | Leasehold              | Flats                         |
| 13 | Abbeyfield House                                      | Retirement Housing    | 9                               | Rent (social landlord) | Flats                         |
| 14 | Old School Place / School House                       | Age Exclusive Housing | 18 one and two bed flats        | Leasehold              | Flats                         |

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

### 6.3.2 Tenure-led projections

163. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across Mendip District Council, as this is the smallest geography for which tenure by age bracket data is available. The age cohort-based approach is taken because it is these households which, over the next 20 years, will be reaching the age of 75+, where the need for specialist housing provision is more likely. The existing tenure split within this cohort is used to project forward the need for specialist housing according to different tenure.
164. The projection is based on the premise that those currently occupying their own home will also wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented accommodation of some kind.
165. According to Table 6-6-2 below, the vast majority of households in South Somerset aged 55-74 own their home, most of whom own the property outright. There is a low incidence of renting within the group, but within those who do there is a fairly even split between private and social rented.

**Table 6-6-2: Tenure of households aged 55-75 in Mendip District Council, 2011**

| All owned | Owned outright | Owned with a mortgage or loan or Shared Ownership | All Rented | Social rented | Private rented | Living free rent free |
|-----------|----------------|---|------------|---------------|----------------|-----------------------|
| 81.1%     | 58.4%          | 22.7%   | 18.9%      | 9.2%          | 8.5%           | 1.3%                  |

Source: Census 2011

166. The next step is to project how the overall number of older people in City of Wells is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for Mendip District Council at the end of the Plan

period. The figure must be extrapolated from the LPA data because such projections are not available at neighbourhood level. This calculation indicates that the number of older residents in the NA is likely to grow, from 1,576 to 2,790 over the Plan period, which equates to an 77% increase.

167. **Table 6-6-3: Modelled projection of elderly population in City of Wells by end of Plan period**

| Age group | 2011          |         | 2029          |         |
|-----------|---------------|---------|---------------|---------|
|           | City of Wells | Mendip  | City of Wells | Mendip  |
| All ages  | 10,536        | 109,279 | 12,043        | 124,905 |
| 75+       | 1,576         | 10,229  | 2,790         | 18,110  |
| %         | 15.0%         | 9.4%    | 23.2%         | 14.5%   |

Source: ONS SNPP 2016, AECOM Calculations

168. The results of this exercise provide us with a projection of the number of people in City of Wells living in each tenure in the 55-75 cohort by 2011, as shown in the table below. This projection is calculated by multiplying the projected number of people aged 75 and over by the end of the Plan period by the tenure split for Mendip District Council presented in Table 6-6-2 above, and is set out in Table 6-4 below.

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

| Owned | Owned outright | Owned with a mortgage or loan or shared ownership | All rented | Social rented | Private rented | Living rent free |
|-------|----------------|---|------------|---------------|----------------|------------------|
| 2,262 | 1,629          | 633   | 527        | 256           | 237            | 36               |

Source: Census 2011, ONS SNPP 2013, AECOM Calculations

169. The population figures in Table 6-4 above are then translated into households, as set out in Table 6-5 below. The translation factor used was 1.5 persons per household, which was the rate in Mendip for people aged over 75 in the Census 2011.

**Table 6-5: Projected tenure by household aged 75+ in the NA by the end of the plan period**

| Owned | Owned outright | Owned with a mortgage or loan or shared ownership | All rented | Social rented | Private rented | Living rent free |
|-------|----------------|---|------------|---------------|----------------|------------------|
| 1,508 | 753            | 422   | 351        | 176           | 158            | 24               |

Source: Census 2011, ONS SNPP 2013, AECOM Calculations

170. Next the incidence of mobility limitations is considered, as defined by the Census, within each tenure group for those aged 65+ in City of Wells. This allows us to link the levels of need (as defined by extent of mobility limitations within the population) to tenure (based on the premise that such needs can be used as a proxy for the need for specialist housing in this age group).

171. The tendency for people in rented housing to have higher dependency levels is well established. It arises partly because people with higher dependency levels tend to have lower incomes; they are therefore less able to afford to buy, even at earlier stages in their lives. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector.



**Table 6-6: Tenure and mobility limitations of those aged 65+ in City of Wells, 2011**

| Tenure   | All categories:<br>Long-term health<br>problem or<br>disability | Day-to-day<br>activities<br>limited a lot |              | Day-to-day<br>activities<br>limited a little |              | Day-to-day<br>activities not<br>limited |              |
|--|---|---|--------------|--|--------------|---|--------------|
| <b>All categories: Tenure</b>                            | <b>2,755</b>  | <b>558</b>                                | <b>20.3%</b> | <b>759</b>                                   | <b>27.5%</b> | <b>1,438</b>                            | <b>52.2%</b> |
| <b><i>Owned or shared ownership: Total</i></b>           | <b>2,333</b>  | <b>423</b>                                | <b>18.1%</b> | <b>631</b>                                   | <b>27.0%</b> | <b>1,279</b>                            | <b>54.8%</b> |
| Owned: Owned outright                                    | 2,146   | 383                                       | 17.8%        | 576  | 26.8%        | 1,187                                   | 55.3%        |
| Owned: Owned with a mortgage or loan or shared ownership | 187   | 40  | 21.4%        | 55   | 29.4%        | 92                                      | 49.2%        |
| <b><i>Rented or living rent free: Total</i></b>          | <b>422</b>  | <b>135</b>                                | <b>32.0%</b> | <b>128</b>                                   | <b>30.3%</b> | <b>159</b>                              | <b>37.7%</b> |
| Rented: Social rented                                    | 269   | 96  | 35.7%        | 82   | 30.5%        | 91                                      | 33.8%        |
| Rented: Private rented or living rent free               | 153   | 39  | 25.5%        | 46   | 30.1%        | 68                                      | 44.4%        |

Source: DC3408EW Health status

172. Focusing on those whose activities are limited a lot, the calculations suggest that of the 351 renters and 1,508 owners in City of Wells in this age group, there could be a need for 272 specialist homes for owner occupiers ( $18.1\% \times 1,508$ ) and 112 for renters of all kinds ( $32\% \times 351$ ), or 401 new specialist homes in total.
173. These findings are set out in the table below, based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

**Table 6-7: AECOM estimate of specialist housing need in City of Wells by the end of the Plan period**

| Type   | Affordable   | Market  | Total (rounded) |
|--|--|---|-----------------|
| Housing with care (e.g. extra care)          | Multiply the number of people across all rented tenures (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) by the percent of occupiers in that tenure who have day to day activity limitations limited a lot | Multiply the number of people across all owner-occupied housing by the percent of occupiers in that tenure who have day to day activity limitations limited a lot | 384             |
|  | 112  | 272   |                 |
| Adaptations, sheltered, or retirement living | Multiply the number of people across all rented housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little   | Multiply the number of people across all owned housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little       | 179             |
|  | 106  | 73  |                 |
| <b>Total</b>                                 | 218  | 345   | 563             |

Source: Census 2011, AECOM Calculations

174. The number of households falling into potential need for specialist accommodation is therefore 563, which is 37% of the 1,508 households in total aged 75 and above projected to live in City of Wells by the end of the Plan period.

### 6.3.3 Housing LIN-recommended provision

175. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the respected models for planning for the housing needs of older people. In Table 6-6-8 below we reproduce the key table from their Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide, based on best practice research, to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the Plan period, and how these should be split into the different tenures.

**Table 6-6-8: Recommended provision of specialist housing for older people from the SHOP toolkit**

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

Source: Housing LIN SHOP Toolkit

176. As the number of older residents in the NA is likely to grow, from 1,576 to 2,790 over the Plan period, which equates to an 77% increase.

177. **Table 6-6-3** shows, City of Wells is forecast to have an over-75 population of 2,790 by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent =  $60 \times 2.7 = 162$
- Leasehold sheltered housing =  $120 \times 2.7 = 324$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) =  $20 \times 2.7 = 54$
- Extra care housing for rent =  $15 \times 2.7 = 40$
- Extra care housing for sale =  $30 \times 2.7 = 81$
- Housing based provision for dementia =  $6 \times 2.7 = 16$

178. This produces an overall total of 677 specialist dwellings which might be required by the end of the plan period. This can be compared to the current stock of specialist housing in Table 6-1 to indicate the likely shortfall of different types of accommodation (see conclusions below).

179. Table 6-6-9 below sets out the HLIN recommendations in the same format as Table 6-7 above. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates. This means that the requirements expressed by the SHOP toolkit are higher than those implied by a straightforward projection based on the growth of the over 75 population.

**Table 6-6-9: HLIN estimate of specialist housing need in City of Wells by the end of the Plan period**

| Type                                | Affordable   | Market  | Total      |
|-------------------------------------|--|---|------------|
| Housing with care (e.g. extra care) | Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia | Includes: enhanced sheltered housing for sale + extra care housing for sale | 191        |
|                                     | 83   | 108   |            |
| Sheltered housing                   | Conventional sheltered housing for rent  | Leasehold sheltered housing   | 522        |
|                                     | 162  | 324   |            |
| <b>Total</b>                        | <b>245</b>   | <b>432</b>  | <b>677</b> |

Source: Housing LIN, AECOM calculations

## 6.4 SHMA findings

180. The SHMA demonstrates that out of the whole Housing Market Area, Mendip's population of over 65's will grow the fastest with an increase of 67.3% by 2039. This demonstrates the importance for providing suitable housing for this generation.

**Figure 6-1 Projected Change in Population of Older Persons 2014-2039**

| <b>Figure 11.2: Projected Change in Population of Older Persons (2014 to 2039)</b> |          |       |       |        |       |           |
|--|----------|-------|-------|--------|-------|-----------|
|  | Under 65 | 65-74 | 75-84 | 85+    | Total | Total 65+ |
| Mendip   | -0.7%    | 32.8% | 85.6% | 159.4% | 14.0% | 67.3%     |
| Sedgemoor  | 9.0%     | 33.4% | 85.2% | 151.0% | 21.6% | 65.8%     |
| South Somerset   | -1.9%    | 22.6% | 74.8% | 150.8% | 12.2% | 57.5%     |
| Taunton Deane  | 2.8%     | 31.3% | 80.8% | 154.3% | 16.8% | 66.9%     |
| Somerset   | 1.3%     | 27.6% | 78.0% | 150.2% | 15.1% | 61.4%     |
| South West   | 5.4%     | 27.3% | 72.1% | 137.4% | 16.4% | 57.4%     |
| England  | 7.4%     | 33.3% | 70.1% | 137.5% | 16.5% | 59.2%     |

Source: ONS (2014-based SNPP)

Source: Mendip, Sedgemoor, South Somerset and Taunton Deane Strategic Housing Market Assessment (2016)

## 6.5 Conclusions- Specialist Housing for the Older People

181. AECOM's recommendation is to treat the outcomes of the two approaches presented in this chapter as a range, with at least 563 specialist dwellings being required to service the needs of older people over the Plan period, and the projection of 677 dwellings functioning as an upper, more aspirational target, to be provided if other constraints allow.
182. As this range relates to the total number of specialist dwellings likely to be required by the end of the Plan period, the final step is to ensure both the upper and the lower estimates are net rather than gross figures by deducting the current supply of specialist housing for older people in City of Wells and thus to determine a net minimum requirement for provision over the Plan period.
183. Recall that there are 339 existing units of specialist housing for older people in City of Wells, for a 2011 population of 1,576 people aged 75. This suggests the actual rate of provision in City of Wells is approximately 210 dwellings per 1,000 population aged 75+. Referring to the minimum target produced by the AECOM calculation, this means there are a deficit of 224 specialist units (339-563) in the neighbourhood area. In addition, given the urban context of the Plan area and the surrounding rural district, it is likely that many older households in need of more specialist accommodation will move to Wells considering the general lack of this type of housing in the more rural areas. Therefore, it is advised that additional provision for this group is made, potentially reflecting closer to the higher target of 677 dwellings, or a residual need of 338 (677-339).
184. In addition, given that specialist housing for older people costs more to build, it is considered that to assume 35% of all specialist housing for older people should comprise AH tenures is reasonable and realistic, midway between the tenure-led and Housing LIN projections. This midpoint target should be monitored for viability as it is implemented, with neighbourhood planners seeking a higher proportion where appropriate.
185. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
  - so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
  - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
  - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
186. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or neighbourhood plan areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).

187. It is considered that City of Wells is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Plan area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from City of Wells in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Plan area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Plan area itself.
188. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.
189. Given that most older people will live within the mainstream housing stock and may receive care and support in their own homes, the City Council may also wish to consider the extent to which new housing provision is built to accessible and adaptable standards. Increasing the proportion of accessible and adaptable homes within the housing stock, through applying optional building regulations (M4(2) and M4(3)) could play an important part in ensuring the wider housing stock meets the needs of older people.

## 7. Conclusions

### 7.1 Overview

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

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

| Issue                                  | Source(s)<br>(see<br>Chapter 3)   | Summary of evidence and data<br>assessed  | Conclusions and recommendations   |
|--|---|---|---|
| Housing<br>tenure and<br>affordability | Land<br>Registry,<br>ONS,<br><a href="http://Home.co.uk">Home.co.uk</a> | <p>City of Wells is characterised by a relatively high proportion of home ownership. However, the greatest apparent change occurring in the Wells in the intercensal period was the increase in private rented, this growth of private renting likely points to the declining affordability of home ownership. In addition, it is likely that this level of growth private renting has continued since 2011, likely resulting in a far higher level of private renting currently than the data shows.</p> <p>Support for this hypothesis emerges when comparing house prices to median and lower quartile incomes. Average house prices are almost double median incomes and more than four times higher than dual LQ incomes. When considering new builds this affordability gap is even more pronounced.</p> <p>The most significant finding, therefore, is the need for affordable home ownership in City of Wells, with a need of 839 dwellings over the Plan period. The provision of shared ownership at (25%) or discounted market homes with more than a 40% discount would allow for those on median incomes to own their own homes. However, the expected level of delivery would not meet the demand identified for affordable ownership housing even when using the full 1,127 housing requirement.</p> | <p>This expected level of delivery does meet the quantity of demand identified in estimates of the need for social/affordable rented housing. Given there is a surplus in this tenure any level of provision would meet the requirements. However, even though there is surplus it is not advised that housing stock is removed from this tenure – it still needs to be considered as it provides for acute needs. In addition, the supply of this tenure in Wells is likely to provide for others outside of the neighbourhood area, for example for those in more rural areas where this tenure is less accessible.</p> <p>Therefore, it is recommended that the affordable housing policy requirement be met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites) to be explored where can be financially viable in the NA. In addition, when looking at which affordable home ownership products to deliver in Wells there is a need to ensure the first homes policy is incorporated into it.</p> <p>It must be noted that there has been large scale of recent delivery and much of the housing requirement has been fulfilled. Therefore, while the figures used in this assessment are reflective of current need and give an idea of future expectations, there is likely to be potential for more turnover in the existing stock which would reduce the number in need.</p> |

|                       |     |  |   |
|-----------------------|-----|--|---|
| Housing type and size | ONS | <p>Compared with the LPA, City of Wells is characterised by a smaller percentage of detached dwellings and a correspondingly higher proportion of semi-detached, terraced and flats. This is likely due to the city context of Wells compared to the more rural setting of the district.</p> <p>In terms of demographic change, the analysis suggests that there is little attraction and retention of younger generations, particularly the 25-44 age cohort, which often comprises young families. Meanwhile, there is a higher proportion of residents aged 45-64, a group that are likely to reach retirement age over the plan period to 2029 and likely to require housing to support their evolving needs</p> <p>It is therefore important for new development to prioritise housing that is appropriate both to young families with children and older households. The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built demonstrates that in City of Wells an appropriate response would be to prioritise the supply mid-sized dwellings (3 and 4 bedrooms). Whereas the trend in dwelling size from 2015 to 2020 has been for the predominance of 2- and 3-bedroom dwellings.</p> | <p>The life stage model operates on the assumption that households can and will wish to occupy only housing specifically suitable for their household size, which is not a realistic prospect given that people are willing to pay for extra bedrooms for a range of reasons. It is not surprising, then, that demand for some larger or smaller dwellings will remain. The provision of these homes should therefore not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the community wish to influence the size mix of housing coming forward, mid-sized homes should be the priority.</p> <p>In the Tenure and Affordability chapter analysis, it was found that market housing for sale (as opposed to market housing for rent and all types of Affordable Housing) is increasingly unaffordable and that those on the median incomes are unable to afford to live outside of the rented sector. While Affordable Housing should be well balanced in terms of size to cater for all circumstances, the provision of smaller and mid-sized homes for sale and rent should make an important contribution to improving affordability more widely. If older households wishing to 'rightsize' and younger ones seeking to form their own independent households are to be able to afford to live in Wells, increasing the provision of small and mid-size homes will be crucial.</p> <p>Therefore, the indicative dwelling size mix considering the demographic model, SHMA data and the affordability findings suggests a mix of 20% 1 bedroom, 30% 2 bedrooms, 30% 3 bedrooms, 10% 4 bedrooms and 10% 5 bedrooms.</p> <p>In terms of the types of dwellings required, the current predominance of semi-detached and terraced when compared to district trends is likely owed to the urban context of the neighbourhood area compared to a largely rural district. Therefore, given the need for smaller to mid-size dwellings it is likely that these types of dwellings, possibly with an increase in flats and apartments, will remain the dominant dwelling type. However, consideration</p> |
|-----------------------|-----|--|---|



| Issue | Source(s)<br>(see<br>Chapter 3) | Summary of evidence and data<br>assessed | Conclusions and recommendations   |
|-------|---------------------------------|--|---|
|       |                                 |  | may need to be given when assessing how the current lack of affordability for those wishing to buy in the area may interact with the type of housing to be delivered. |

|                                     |           |  |   |
|-------------------------------------|-----------|--|---|
| Specialist housing for older people | ONS, HLIN | <p>In comparing the outcomes of the tenure-led projections and the Housing LIN recommendations, it is important not to assume direct equivalence of the type of housing deemed suitable for those whose lives are limited 'a little' with 'sheltered housing', even though both types of housing address the needs of those with relatively limited support needs. This is because there is a range of housing suitable for this group of the population including mainstream housing, whereas the HLIN identifies only sheltered housing specifically.</p> <p>A more accurate result, therefore, can be achieved by comparing the 563 dwellings identified in the tenure-led approach for those who require housing with care with the 677 specialist dwellings that emerge from the HLIN calculations. By contrast, the 563 figure in the tenure-led projections is based on those whose day-to-day needs are limited only a little, and whose housing needs therefore have the potential to be provided through adaptations to a conventional home.</p> <p>For this reason, our recommendation would be to treat the outcome of these approaches as a range, with at least 563 specialist dwellings being required to service the needs of older people over the Plan period, and the projection of 677 dwellings functioning as an upper, more aspirational target, to be provided if other constraints allow.</p> <p>As this range relates to the total number of specialist dwellings likely to be required by the end of the Plan period, the final step is to ensure both the upper and the lower estimates are net rather than gross figures by deducting the current supply of specialist housing for older people in City of Wells and thus to determine a net minimum requirement for provision over the Plan period, broken down by tenure.</p> | <p>There are 339 existing units of specialist housing for older people in City of Wells, for a 2011 population of 1,576 people aged 75. This suggests the actual rate of provision in City of Wells is approximately 210 dwellings per 1000 population aged 75+. Referring to the minimum target produced by the Housing LIN-based calculation, this means there are a deficit of 338 specialist units (339-677) in the neighbourhood area. However, given the urban context of the Plan area and the surrounding rural district, it is likely that many older households in need of more specialist accommodation will move to Wells considering the general lack of this type of housing in the more rural areas. Therefore, it is advised that additional provision for this group is made, potentially reflecting the higher target of 677 dwellings.</p> <p>In addition, given that specialist housing for older people costs more to build, it is considered that to assume 35% of all specialist housing for older people should comprise AH tenures is reasonable and realistic, midway between the tenure-led and Housing LIN projections. This midpoint target should be monitored for viability as it is implemented, with neighbourhood planners seeking a higher proportion where appropriate.</p> <p>It is considered that City of Wells is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Plan area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from City of Wells in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Plan area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Plan area itself.</p> <p>Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so</p> |
|-------------------------------------|-----------|--|---|

| Issue | Source(s)<br>(see<br>Chapter 3) | Summary of evidence and data<br>assessed | Conclusions and recommendations  |
|-------|---------------------------------|--|--|
|       |                                 |  | <p>as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.</p> <p>Given that most older people will live within the mainstream housing stock and may receive care and support in their own homes, the City Council may also wish to consider the extent to which new housing provision is built to accessible and adaptable standards. Increasing the proportion of accessible and adaptable homes within the housing stock, through applying optional building regulations (M4(2) and M4(3)) could play an important part in ensuring the wider housing stock meets the needs of older people.</p> |

## 7.2 Recommendations for next steps

191. This Neighbourhood Plan housing needs assessment aims to provide City of Wells 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 Mendip District Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:
- All Neighbourhood Planning Basic Conditions, but in particular the following: Condition A, namely that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
  - The views of Mendip District Council– in particular in relation to the quantity of housing that should be planned for;
  - The views of local residents;
  - The views of other relevant local stakeholders, including housing developers and estate agents;
  - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Mendip District Council, including but not limited to the Strategic Housing Land Availability Assessment (SHLAA);
  - The recommendations and findings of this study; and
  - The impact of the Government's Standard Methodology on calculating housing need for Mendip District Council and the neighbourhood plan areas within it.
192. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.
193. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Mendip District Council or any other

relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

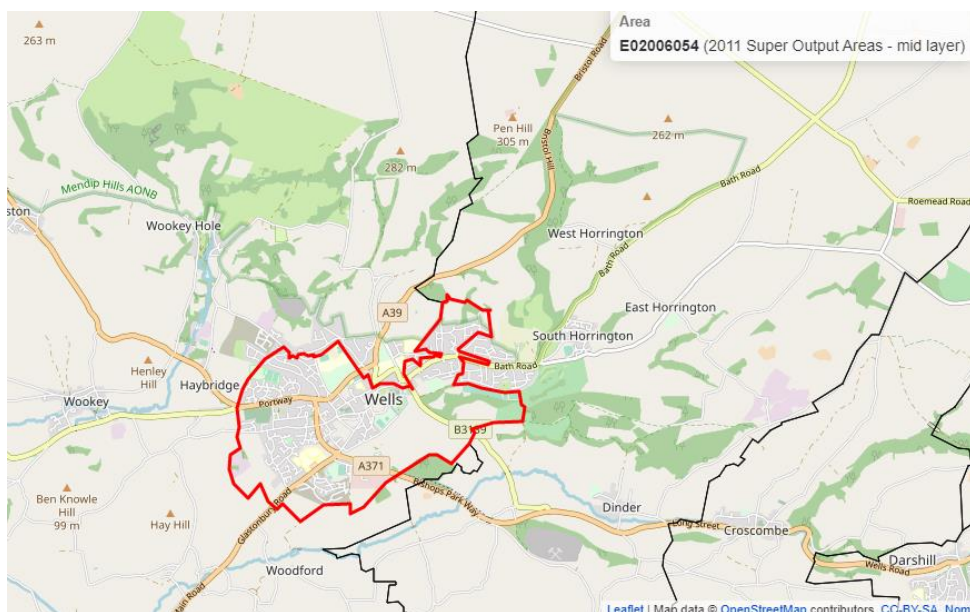
194. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

## Appendix A : Calculation of Affordability Thresholds

### A.1 Assessment geography

195. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.
196. 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 City of Wells, it is considered that MSOA Mendip 008 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 Mendip 008 appears below in Figure 7-1.

**Figure 7-1: MSOA Mendip 008 used as a best-fit geographical proxy for the Neighbourhood Plan area**



Source: ONS

### A.2 Market housing

197. Market dwellings are accessible to people on higher incomes. Choices in the housing market are driven principally by spending power, life stage, and personal taste.
198. The operation of the housing market is, in most circumstances, the best means of addressing the demand for different types of housing for sale. For this reason, it is important that planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand, because this is the principal way equilibrium is achieved in the market and thus house price growth kept in check.
199. In this sense, the notion of development viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.
200. To determine affordability in market housing, the 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

201. 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.
202. To produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first-time buyer) should be taken into account. However, this data is not available for City of Wells. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.
203. The value of an entry-level dwelling is considered the best representation of the segment of market housing most likely to be accessible to those on lower incomes.<sup>46</sup> The value of an entry level dwelling used here is the lower quartile average house price from sales data from Land Registry over the year 2019.
204. The calculation is therefore:
- Value of an 'entry level dwelling' = £205,000;
  - Purchase deposit = £20,500 @10% of value;
  - Value of dwelling for mortgage purposes = £184,500;
  - Loan to income ratio = value of dwelling for mortgage purposes divided by 3.5;
  - **Purchase threshold = £52,714.**

## ii) Private Rented Sector (PRS)

205. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. Households are deemed able to afford a private rented property if the lower quartile private rent does not exceed 30% of gross household income.
206. It is assumed that lower quartile private rent equates to the average rent paid in the Neighbourhood Plan area for a two-bedroom dwelling (enough living space for two or three individuals). In order to be in conformity with the Government guidance on overcrowding,<sup>47</sup> such a home would require three habitable rooms (a flat or house with two bedrooms).
207. The property website [Home.co.uk](https://www.home.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 BA5 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.
208. According to [home.co.uk](https://www.home.co.uk), there are 9 two-bed properties currently listed for rent across BA5, with an average price of £713 per calendar month.
209. It is possible to derive from this data the estimated income threshold for private rental sector dwellings in the Neighbourhood Plan area; the calculation is therefore:
- Annual rent = £713 x 12 = £8,556;
  - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = £28,491;
  - **Income threshold (private rental sector) = £28,520.**
210. The NPPF 2019 acknowledges that build-to-rent dwellings have a role to play in providing affordable market homes and may meet affordable housing need where they include a component of affordable private rent.

<sup>46</sup> 'Entry-level dwelling' can be understood to comprise a property that costs the average value of dwellings falling into the lower quartile of house prices in the Neighbourhood Plan area, as set out in the Tenure and Affordability chapter above.

<sup>47</sup> This is based on the concept of the 'room standard', which indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room). See: [http://england.shelter.org.uk/housing\\_advice/repairs/overcrowding](http://england.shelter.org.uk/housing_advice/repairs/overcrowding)

## A.3 Affordable Housing

211. There are a range of tenures that constitute the definition of Affordable Housing within the 2019 NPPF: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership.
212. This variety of tenures reflects an ambition by the Government to provide a pathway to home ownership for more households, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide affordable housing into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay.
213. We consider each of the affordable housing tenures in turn.

### i) Social rent

214. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual 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 low incomes and is subject to strict eligibility criteria.
215. 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 City of Wells. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Mendip District Council in the table below.
216. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This HNA uses two bedroom homes in the main report tables to illustrate affordability of this tenure. These homes are a good proxy for affordability in this tenure as they are typically the most numerous property size and align closely with the overall average price.

**Table A-1: Social rent levels (£)**

| Size                    | 1 bed          | 2 beds         | 3 beds         | 4 beds         | All            |
|-------------------------|----------------|----------------|----------------|----------------|----------------|
| Average social rent PCM | £82.09         | £92.67         | £103.04        | £123.44        | £94.68         |
| Annual average          | <b>£4,269</b>  | <b>£4,819</b>  | <b>£5,358</b>  | <b>£6,419</b>  | <b>£4,923</b>  |
| Income needed           | <b>£17,075</b> | <b>£19,275</b> | <b>£21,432</b> | <b>£25,676</b> | <b>£19,693</b> |

Source: Homes England, AECOM Calculations

### ii) Affordable rent

217. 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). Even an 80% discount on the market rent may not be sufficient to ensure that households can afford it, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.
218. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Mendip District Council (above). Again, it is assumed that no more than 30% of income should be spent on rent.

**Table A-2: Affordable rent levels (£)**

| Size                        | 1 bed          | 2 beds         | 3 beds         | 4 beds         | All            |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| Average affordable rent PCM | £90.44         | £112.72        | £134.80        | £165.31        | £114.47        |
| Annual average              | <b>£4,703</b>  | <b>£5,861</b>  | <b>£7,010</b>  | <b>£8,596</b>  | <b>£5,952</b>  |
| Income needed               | <b>£18,812</b> | <b>£23,446</b> | <b>£28,038</b> | <b>£34,384</b> | <b>£23,810</b> |

Source: Homes England, AECOM Calculations



### iii) Intermediate tenures

219. Intermediate housing includes 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. They can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing.

#### Discounted Market Homes

220. In paragraph 64 of the NPPF 2019, 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 most recent proposals for ‘Changes to the current planning system’ suggest 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% requirement referenced above may be replaced by the First Homes requirement.
221. Whether to treat discounted market sale homes as affordable housing 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 access market housing for purchase.
222. Applying a discount of 30% - as in the Government’s proposed First Homes product – provides an approximate selling price of £188,283 (30% discount on median average prices of £268,975). Allowing for a 10% deposit further reduces the value of the property to £169,454. The income threshold at a loan to income ratio of 3.5 is £48,499.
223. In practice, developers are likely to price these homes in relation to new build prices, particularly in locations where discounting in relation to entry level prices may not make these homes viable to develop in relation to build costs. When new build prices are discounted by 30% they may not offer any discount on entry level prices.
224. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 20%, 40% and 50% discounted home. This would require an income threshold of £55,332, £41,499 and £34,583 respectively.

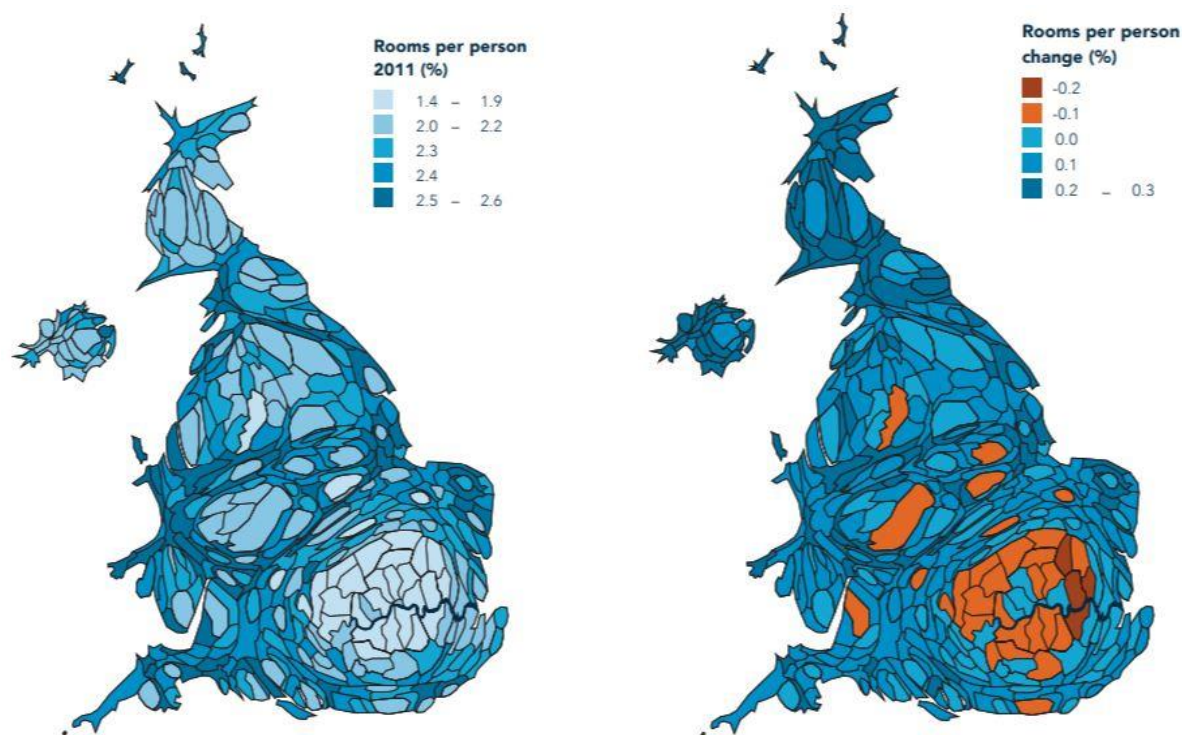
#### Shared ownership

225. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied by ‘staircasing’. Generally, staircasing will be upward, thereby increasing the share owned over time.
226. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.
227. To determine the affordability of shared ownership, calculations are based on the median house price of £268,975.<sup>48</sup> 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 income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
228. A 25% equity share of £268,975 is £67,244, from which a 10% deposit of £6,724 is deducted. The mortgage value of £60,519 (£67,244 - £6,724) is then divided by 3.5. To secure a mortgage of £60,519, an annual income of £17,291 (£60,519/3.5) is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £201,731. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £5,043 and requires an income of £16,810.94 (multiplied by 3.33 so that no more than 30% of income is spent on rent). Therefore, an income of around £34,102 (£17,291 + £16,810) is required to afford a 25% shared equity purchase of an entry-level home. The same calculations were undertaken for equity shares of 50% and 75%, producing income thresholds of £45,790 and £57,477 respectively.

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<sup>48</sup> It is important to note that current shared ownership models are only available for new build homes, which are assumed to cost more than this average taken from all open market housing, which also includes property re-sale.

## Appendix B : Rooms per person & changes, UK



Source: People and Places 2016

## Appendix C : Housing Needs Assessment Glossary

### Adoption

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

### Affordability

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

### Affordability Ratio

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

### Affordable Housing (NPPF Definition)

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

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

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

c) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

### Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods<sup>49</sup>.

### Age-Restricted General Market Housing

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<sup>49</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

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, overcrowding, concealment or affordability, but who are yet to be offered a home suited to their needs.

### **Bedroom Standard<sup>50</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 price-point to be attractive or affordable to local people. The principle forms of community-led models include cooperatives, co-housing communities, self-help housing, community self-build housing, collective custom-build housing, and community land trusts. By bringing forward development which is owned by the community, the community is able to set rents and/or mortgage payments at a rate that it feels is appropriate. The Government has a range of support programmes for people interested in bringing forward community led housing.

### **Community Right to Build Order<sup>51</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 are able to prepare community right to build orders.

### **Concealed Families (Census definition)<sup>52</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.

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<sup>50</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

<sup>51</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>52</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)

### **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 are able to live independently with 24 hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are included in retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

### **Fair Share**

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

### **First Homes**

The Government is consulting on the introduction of First Homes as a new form of discounted market homes which will provide a discount of at least 30% on the price of new homes. The intention is that these homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments are likely to be required to provide 25% of Affordable Housing as First Homes.

### **Habitable Rooms**

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

### **Household Reference Person (HRP)**

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

### **Housing Market Area**

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

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

### **Housing Needs**

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

### **Housing Needs Assessment**

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

### **Housing Products**

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

### **Housing Size (Census Definition)**

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

### **Housing Type (Census Definition)**

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

### **Housing Tenure (Census Definition)**

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

### **Income Threshold**

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

### **Intercensal Period**

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

### **Intermediate Housing**

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

### **Life Stage modelling**

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

### **Life-time Homes**

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

### **Life-time Neighbourhoods**

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

### **Local Development Order**

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

### **Local Enterprise Partnership**

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

### **Local housing need (NPPF definition)**

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

### **Local Planning Authority**

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

### **Local Plan**

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

### **Lower Quartile**

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

### **Lower Quartile Affordability Ratio**

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

### **Market Housing**

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

### **Mean (Average)**

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

### **Median**

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

### **Median Affordability Ratio**

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

### **Mortgage Ratio**



The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years<sup>53</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). A number of types of development will be excluded from NDOs, however. These are minerals and waste development, types of development that, regardless of scale, always need Environmental Impact Assessment, and Nationally Significant Infrastructure Projects.

### **Neighbourhood plan**

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

### **Older People**

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

### **Output Area/Lower Super Output Area/Middle Super Output Area**

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

### **Overcrowding**

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

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<sup>53</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

## **Proportionate and Robust Evidence**

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

## **Private Rented**

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

## **Retirement Living or Sheltered Housing**

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

## **Residential Care Homes and Nursing Homes**

Housing for older people comprising of individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

## **Rightsizing**

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

## **Rural Exception Sites**

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

## **Shared Ownership**

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

## **Sheltered Housing<sup>54</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')

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<sup>54</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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.

### **Strategic Housing Land Availability Assessment**

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

### **Strategic Housing Market Assessment (NPPF Definition)**

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

### **Specialist Housing for the Elderly**

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

### **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>55</sup>

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<sup>55</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

