



Long Whatton and Diseworth Housing Needs Assessment (HNA)

March 2021

Quality information

Prepared by

Amani Bhobe

Graduate Social Consultant

Checked by

Kerry Parr

Associate Director

Approved by

Kerry Parr

Associate Director

Revision History

| Revision | Revision date | Details | Authorized | Name | Position |
|-----------------|----------------------|------------------------------------|-------------------|-------------------|--------------------------------|
| V1 | 27/01/2021 | First Draft for AB Internal Review | | Amani Bhobe | Graduate Social Consultant |
| V2 | 29/01/2021 | Internal Review | KP | Kerry Parr | Associate Director |
| V3 | 09/03/2021 | Group Review | SL | Samantha Lockwood | Parish Clerk |
| V4 | 23/03/2021 | Locality Review | JW | John Wilkinson | Neighbourhood Planning Officer |

Prepared for:

Long Whatton and Diseworth Parish Council

Prepared by:

AECOM

Aldgate Tower
2 Leman Street
London
E1 8FA
aecom.com

© 2021 AECOM. All Rights Reserved.

This document has been prepared by AECOM Limited ("AECOM") in accordance with its contract with Locality (the "Client") and in accordance with generally accepted consultancy principles, the budget for fees and the terms of reference agreed between AECOM and the Client. Any information provided by third parties and referred to herein has not been checked or verified by AECOM, unless otherwise expressly stated in the document. AECOM shall have no liability to any third party that makes use of or relies upon this document.

Disclaimer

This document is intended to aid the preparation of the Neighbourhood Plan, and can be used to guide decision making and as evidence to support Plan policies, if the Qualifying Body (i.e. the neighbourhood planning group) so chooses. It is not a neighbourhood plan policy document. It is a 'snapshot' in time and may become superseded by more recent information. The Qualifying Body is not bound to accept its conclusions. If any party can demonstrate that any of the evidence presented herein is inaccurate or out of date, such evidence can be presented to the Qualifying Body at the consultation stage. Where evidence from elsewhere conflicts with this report, the Qualifying Body should decide what policy position to take in the Neighbourhood Plan and that judgement should be documented so that it can be defended at the Examination stage.

Table of Contents

| | | |
|----|--|----|
| 1. | Executive Summary | 7 |
| 2. | Context..... | 10 |
| | 2.1 Local context | 10 |
| | 2.2 Planning policy context..... | 12 |
| | 2.2.1 Policies in the adopted local plan | 12 |
| | 2.2.2 Quantity of housing to provide..... | 13 |
| 3. | Approach..... | 15 |
| | 3.1 Research Questions..... | 15 |
| | 3.1.1 Tenure and Affordability..... | 15 |
| | 3.1.2 Type and Size..... | 15 |
| | 3.2 Relevant Data..... | 16 |
| | 3.2.1 Local authority evidence base..... | 16 |
| | 3.2.2 Other relevant data | 16 |
| 4. | RQ 1: Tenure, Affordability and the Need for Affordable Housing..... | 17 |
| | 4.1 Introduction..... | 17 |
| | 4.2 Definitions..... | 17 |
| | 4.3 Current tenure profile..... | 17 |
| | 4.4 Affordability..... | 18 |
| | 4.4.1 House prices..... | 18 |
| | 4.4.2 Income..... | 19 |
| | 4.4.3 Affordability Thresholds | 20 |
| | 4.5 Affordable housing- quantity needed | 25 |
| | 4.5.1 Affordable Housing Policies in LWD | 29 |
| | 4.6 Conclusions- Tenure and Affordability | 33 |
| 5. | RQ 2: Type and Size..... | 35 |
| | 5.1 Introduction..... | 35 |
| | 5.2 Existing types and sizes | 35 |
| | 5.2.1 Background and definitions..... | 35 |
| | 5.2.2 Dwelling type | 36 |
| | 5.2.3 Specific housing types..... | 36 |
| | 5.2.4 Dwelling size..... | 37 |
| | 5.3 Household composition and age structure | 38 |
| | 5.3.1 Age structure | 39 |
| | 5.3.2 Household composition | 40 |
| | 5.4 Dwelling mix determined by life-stage modelling..... | 42 |
| | 5.5 Conclusions- Type and Size | 46 |
| 6. | Conclusions..... | 47 |
| | 6.1 Overview | 47 |
| | 6.2 Recommendations for next steps | 49 |
| | Appendix A : Calculation of Affordability Thresholds..... | 51 |
| | A.1 Assessment geography..... | 51 |
| | A.2 Market housing | 51 |
| | i) Market sales..... | 52 |
| | ii) Private Rented Sector (PRS) | 52 |
| | A.3 Affordable Housing..... | 53 |
| | i) Social rent..... | 53 |
| | ii) Affordable rent..... | 53 |

AECOM

Long Whatton and Diseworth Neighbourhood Plan Housing Needs Assessment

| | |
|---|----|
| | 5 |
| iii) Intermediate tenures | 54 |
| Appendix B : Housing Needs Assessment Glossary..... | 56 |

List of acronyms used in the text:

| | |
|-------------|--|
| AH | Affordable Housing (NPPF definition) |
| AMH | Affordable Market Housing |
| HNA | Housing Needs Assessment |
| HNS | Housing Needs Study |
| 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 |
| LWD | Long Whatton and Diseworth Neighbourhood Area |
| 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

1.1 Tenure and Affordability

1. According to the 2011 Census, Long Whatton and Diseworth (LWD) has a high proportion of home owners and a correspondingly lower proportion of private renting than North West Leicestershire. Compared to England, while the percentage of home ownership is higher in LWD, private renting is relatively lower in the neighbourhood plan area. Compared to its wider geographies, LWD has a lower percentage of social renting, but a higher percentage of shared ownership.
2. In terms of house prices, there was an overall price increase in the LWD neighbourhood plan area of 10.2% between 2010-2019. This price increase can mainly be attributed to the sale of detached homes: the price of detached homes appreciated by 23.9% over the time period, while the price of semi-detached and terraced homes decreased by 6.1% and 28.2% respectively. Between 2010-2019, no flats within the neighbourhood plan area were sold. While mean prices increased by 10.2% over this time period, median prices increased by 17.6%, and lower quartile prices decreased by 25.8%.
3. By benchmarking the incomes required to afford the different tenures in the neighbourhood area, we find:
 - Overall, there appears to be a large affordability gap, as market sale prices are not accessible to households on mean incomes. The discount on the average market sale price required to enable households on average incomes to afford to buy is 50%.
 - The income required to buy an average market home for sale is higher than what would be expected to be available to those on average household incomes. The income required to buy an average entry-level home for sale is also higher than the average income of those on average and lower quartile household incomes.
 - For those on mean incomes, entry-level rents are accessible, which suggests those interested in home ownership may be able access rent-to-buy products. However, in terms of affordable home ownership, households on mean incomes can only access Discounted Market Sales (with a discount of 50%) and Shared Ownership (share of 25%) tenure products.
 - The Government's proposed First Homes product would provide a minimum discount of 30% on new homes. New build prices are not available at the neighbourhood level because the number of transactions is too low. However, median average prices provide a reasonable proxy for the price of new homes. In LWD, a 30% discount on average prices would not be sufficient to extend home ownership to households on average incomes. However, even a 30% discount would extend home ownership to some families (with above average incomes) in the neighbourhood area who are currently priced out.
 - Rent to Buy allows households to access discounted market rents to enable them to save for a deposit. They then have an option to purchase the property they are renting within a defined time period. This option is likely to be attractive to households who have modest incomes but do not have adequate savings for a deposit. Given entry-level market rents are affordable to those on average incomes, Rent-to-Buy could be considered as a route to home ownership. As per our calculations, the income required to access entry level rents is £27,720 and is an affordable route to home ownership for those earning mean incomes.
4. The average (mean) income in the neighbourhood area is around £48,000 per annum. However, the Parish Council is concerned that 'high paying' jobs at East Midlands airport are responsible for 'pulling up' the overall average income (£48,000), and that this does not reflect the affordability challenges of lower income earnings (those on lower quartile earnings). Our calculations demonstrate that households in which there is only one lower quartile earner appear unable to afford any tenures, including affordable and social rent, without additional subsidy. Furthermore, dual-earning households can access affordable rent and social rent, but cannot access any other tenures, including any of the routes to affordable home ownership.
5. It is estimated that there will be a need for 24 affordable homes for rent and 95 affordable homes for sale over the plan period. It is important to note that the potential demand for affordable homes for sale is primarily based on households who live in the private rented sector but cannot afford to buy. By and large, they are adequately housed. Taken together, AECOM's estimates suggest the need or potential demand for almost 7 affordable homes each year. It is relevant to supplement our calculations with evidence from the two housing needs studies completed by Midlands Rural Housing in 2016. The results of the study for Long Whatton found a need for up to 13 affordable homes and 5

open market (sale) homes between 2016-2021 in order for local people to be housed suitably in the community. Similarly, the results of the study for Diseworth found a need for up to 5 affordable homes and 4 open market (sale) homes between 2016-2021. Taken together, the studies suggest the need for 3-4 affordable homes each year. This is slightly lower than the AECOM estimates but of a similar scale.

6. 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 minimum indicated by Local Plan policy. This recommendation is in line with the findings of both studies conducted for Long Whatton and Diseworth in 2016. The reports note: *“Local needs affordable homes could be developed on a ‘rural exception site’, if available, and subject to local support some open market sale homes could be used to cross-subsidise the affordable homes...local homes that are needed [can be] developed as part of a larger development if the opportunity arises and if the needs cannot be met by existing properties.”*
7. Two indicative tenure mixes have been provided, which could serve as a guideline for the breakdown of Affordable Housing tenures in LWD based on various considerations and evidence. Mix 1 (indicative mix based on local needs) proposes that 80% of affordable homes be provided as rented tenures, and the remaining 20% delivered as affordable routes to home ownership. This mix aligns with the Local Plan in prioritising the most acute needs as far as possible. Mix 2 (indicative mix with 25% First Homes requirement) proposes that 25% of affordable homes be provided as First Homes. The remaining 75% would be delivered as affordable rented tenures. This aligns with the direction of proposed national policy, which includes a mandated minimum level of delivery of the Government’s new First Homes affordable home ownership product.

1.2 Type and Size

8. The 2011 Census shows that there were 765 households in LWD, living in 468 detached houses, 225 semi-detached, 69 terraced houses, and 28 flats. Compared to North West Leicestershire, LWD has a higher percentage of detached homes and a relatively lower percentage of semi-detached homes, terraced homes and flats, maisonettes or apartments.
9. Compared to North West Leicestershire, there is a high proportion of bungalows in the overall stock in LWD. In LWD, bungalows comprise 13.9% of all property types, which is higher than in the North West Leicestershire, where bungalows comprise 11.9% of the housing stock in the district as a whole.
10. Valuation Office Agency data (2019) shows that there is a high proportion of two-bedroom bungalows in the LWD neighbourhood area (46.3% of all bungalows). This is a lower percentage share than is observed in North West Leicestershire. Three-bedroom bungalows are also common in the neighbourhood plan area, as this type of dwelling accounts for 39% of the bungalow stock in LWD.
11. In terms of dwelling sizes overall, there is a large number of mid-sized homes (five-six rooms) and large homes (seven or more rooms) in the neighbourhood plan area. Compared to North West Leicestershire, LWD has a higher percentage mid-sized homes (that is, homes with five or more rooms) and large homes (homes with eight or more rooms).
12. Between 2001-2011, the percentage of small to mid-sized homes declined, while large homes, especially homes with eight or more rooms experienced the greatest percentage increases. Moreover, homes with between one to four rooms (the smallest properties) decreased by a total of almost 140%, which is a much higher rate of change than observed in either wider geography.
13. In terms of housing size by number of bedrooms, LWD has a high percentage of large homes with 3-4 bedrooms and a relatively low percentage of small-mid sized homes.
14. In terms of age structure, Census 2011 data reveals that the neighbourhood plan area has a high percentage of residents between the ages of 45-64 (32%) and 65-84 (20%).
15. While there is a generally good balance of different age groups in the population, the higher proportion of residents in the 45-64 and 65-84 age groups may result in some demand for downsizing and accessible housing for some older households. The Parish Council is particularly interested in bungalows and other forms of housing to address the housing needs for older people.

16. In terms of household composition, the largest percentage of households in LWD are families with children, followed by couples without children. There is also a large population of older households—about 13.6% of single-family households in LWD consist of older families (couples) and about 11.9% of one person households are aged 65 and over.
17. AECOM's life-stage modelling exercise suggests that, in terms of demographic change, new development might involve the following share of dwelling sizes: 11.3% as 1 bedroom, 27.4% as two bedrooms, 55.8% as three bedrooms, 5.5% as four bedrooms and 0% as 5 or more bedrooms. Broadly, this implies the prioritisation of the development of modest sized (2-3 bedroom homes). Since the NP group is interested in exploring whether bungalows could be provided as suitable accommodation for older people as well as smaller homes for families, the size mix implied by the analysis would appear to support the suggested size mix, though it does not confirm whether these type or sizes of homes can be delivered viably.

2. Context

2.1 Local context

18. Long Whatton and Diseworth (hereafter referred to as LWD) is a Neighbourhood Plan area located in the district of North West Leicestershire. The Neighbourhood Area (NA) boundary follows the parish boundary and was designated on 14 October 2020.¹²
19. The proposed Neighbourhood Plan period starts in 2021 and extends to 2039, therefore comprising a planning period of 18 years.
20. Long Whatton and Diseworth are both villages located in the county of Leicestershire. Long Whatton is located to the south of East Midlands Airport. In terms of transport connections, the village is near the Junctions 23 and 23A of the M1 motorway and is well connected to the neighbouring town of Loughborough and Shepshed via the A6. Diseworth is located off Junction 23A of the M1 motorway and is also located to the south of East Midlands Airport. In terms of its spatial context, Diseworth consists of a vast agricultural landscape and has a shallow valley created by the Diseworth Brook. Diseworth Brook flows eastwards and eventually becomes the Long Whatton Brook before its confluence with the River Soar. At the 2011 census, the population of Diseworth was included in the civil parish of Long Whatton and Diseworth.
21. The Parish Plan (2008) for Long Whatton and Diseworth provides a valuable description of the parish's geographic context:

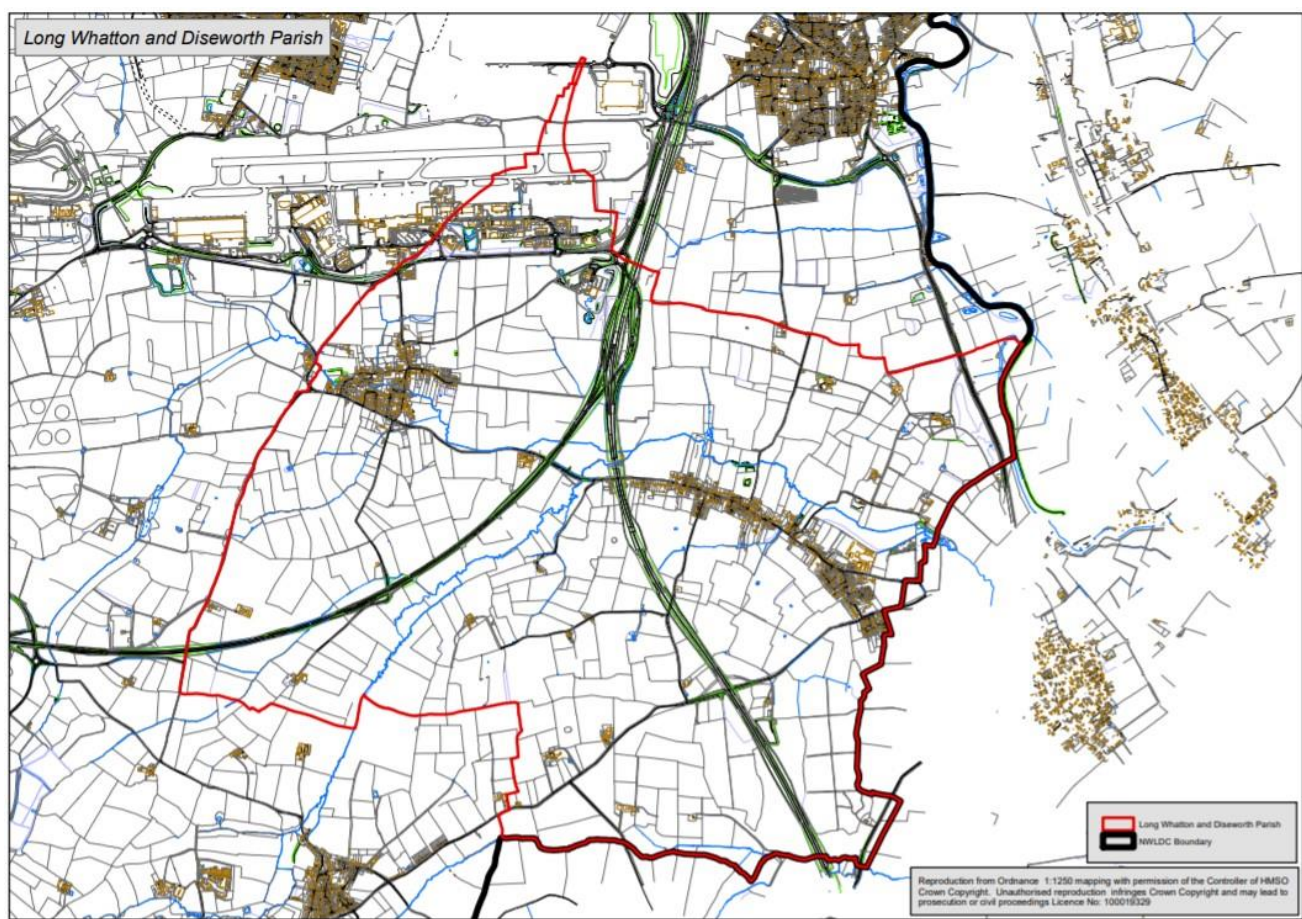
“The parish of Long Whatton & Diseworth comprises two villages situated next to each other in North West Leicestershire. They are crossed by two major roads, the M1 and the A42, providing a considerable barrier between the two villages. They both have a rich history of farming and industry, evidence of Roman settlement, and both have Parish Churches with Saxon origins; houses and farms spread out from the site of the Churches. The Parish is within 16 miles of three major cities, Leicester, Derby and Nottingham. Loughborough, which is 5 miles distant is the most popular shopping centre with a direct bus route.”
22. The statistics show that in the 2011 Census the Neighbourhood Plan area had a total of 1,760 residents.
23. A map of the neighbourhood plan area appears below in Figure 2.1.

¹ Available at:

https://www.nwleics.gov.uk/files/documents/application_for_the_designation_of_long_whatton_and_diseworth_neighbourhood_plan_area/Application%20for%20the%20Designation%20of%20Long%20Whatton%20%26%20Diseworth%20Neighbourhood%20Plan%20Area.pdf

² Available at: https://www.nwleics.gov.uk/pages/long_whatton_and_diseworth_neighbourhood_plan

Figure 2-1: Map of the Long Whatton and Diseworth Neighbourhood Plan area³



Source: North West Leicestershire District Council

24. The neighbourhood planners are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

³ Available at:

https://www.nwleics.gov.uk/files/documents/long_whatton_and_diseworth_neighbourhood_plan_area_map/Long%20Whatton%20and%20Diseworth%20Neighbourhood%20Plan%20Area%20Map.pdf

2.2 Planning policy context

26. In line with the Basic Conditions⁴ of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies.⁵ Consequently, the relevant elements of the Local Plan are reviewed as part of this Housing Needs Assessment (HNA).
27. In the case of Long Whatton and Diseworth, the relevant local planning context is as follows:
28. The Local Plan for North West Leicestershire District Council was adopted on 21 November 2017 and runs from 2011-2031. The District Council began a partial review of the plan in February 2018, and a 'substantive review' process is underway.

2.2.1 Policies in the adopted local plan⁶

Table 2-2: Summary of adopted policies having relevance to Long Whatton and Diseworth Neighbourhood Plan Housing Needs Assessment

| Policy | Source | Provisions |
|--|---------------------------|---|
| Policy S1: Future Housing and Economic Development Needs | Adopted Local Plan (2017) | This policy sets out the ways in which the District will meet the housing and employment land needs of the district as identified in the Leicester and Leicestershire Housing and Economic Development Needs Assessment. The policy states that provision will be made for the development of a minimum of 9,620 dwellings (481 dwellings per annum) which is the Objectively Assessed Need (OAN) and Housing Requirement for the district. |
| Policy S2: Settlement Hierarchy | Adopted Local Plan (2017) | This policy sets out a 'settlement hierarchy' in order to assess the suitability of a settlement for new development. The principle of the hierarchy is that settlements higher up the hierarchy will take more growth than those lower down. According to this policy, Long Whatton and Diseworth are each classified as a 'Sustainable Village' which is defined as follows: "Settlements which have a limited range of services and facilities where a limited amount of growth will take place within the defined Limits to Development." |
| Policy H1: Housing Provisions - Permissions | Adopted Local Plan (2017) | This policy provides a list of sites that have planning permission for housing development. There are no sites in the neighbourhood plan area under this policy. |
| Policy H2: Housing Provisions - Resolutions | Adopted Local Plan (2017) | This policy provides a list of those sites that the council has resolved to grant planning permission for housing development. There are no sites in the neighbourhood plan area under this policy. |
| Policy H3: Housing Provisions – New allocations | Adopted Local Plan (2017) | This policy provides a list of sites allocated for housing development, and the specified requirements they are expected to meet. There are no sites within the neighbourhood plan area boundary under this policy. |

⁴ Available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

⁵ 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.

⁶ 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.

| Policy | Source | Provisions |
|--|---------------------------|---|
| Policy H4: Affordable Housing | Adopted Local Plan (2017) | <p>This policy states that the council will provide affordable housing in order to support and create mixed, sustainable communities in the district. The policy sets out the various requirements for the provision of affordable housing in different areas of the district.</p> <p>Greenfield sites: this policy requires all major development proposals are expected to provide 30% Affordable Housing on sites delivering 11 or more units, or covering 1,000 sqm gross floor space.</p> <p>Previously Developed Land: In cases where land has been previously developed, proposals are required to provide 5% affordable housing on sites delivering 30 or more dwellings OR sites of 1Ha or more.</p> |
| Policy H5: Rural Exception Sites | Adopted Local Plan (2017) | This policy provides the circumstances wherein the provision of affordable housing outside of the Limits to Development will be allowed as an exception. This policy also sets out that the planning permission for 'exception sites' will be subject to conditions, or a planning obligation will need to be procured. |
| Policy H6: House Types and Mix | Adopted Local Plan (2017) | This policy states that the council will seek a mix of housing types, size and tenures in new housing developments of 10 or more dwellings, so that the identified needs of the entire community are met. |
| Policy H7: Provisions for Gypsies and Travellers and Travelling Showpeople | Adopted Local Plan (2017) | This policy states that provisions will be made in order to meet the accommodation needs of Gypsies and Travellers and Travelling Showpeople between 2012 – 2031. The policy sets out the minimum requirements that should be met. |

Source: North West Leicestershire Local Plan (Adopted 2017)

2.2.2 Quantity of housing to provide

29. The NPPF 2019 requires, through 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.
30. There is currently no Housing Requirement Figure (HRF) for Long Whatton and Diseworth. As per the Local Plan (Policy H3: New Allocations) there are no sites allocated for the neighbourhood plan area. The neighbourhood group has not requested a HRF at the moment given North West Leicestershire District Council is at a very early stage in the new local plan review process and the group is happy to request one at a later date.
31. Given that the LPA will fulfill the NPPF requirement at a later date, 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 been excluded from the Research Questions (see Chapter 3 below).
32. 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.⁷ 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.
33. It is important to note here because there is currently no housing requirement for LWD it is therefore unlikely that any Affordable Housing will be built on normal development sites in the NA while this temporary change applies, since sites of a sufficient size are unlikely to come forward, or to be permitted, for development.
34. 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 11

⁷ Available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>.

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 identified in the Local or Neighbourhood Plan. Finally, given that the LWD 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.

3. Approach

3.1 Research Questions

35. 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.
36. The RQs relevant to this study, as discussed and agreed with LWD, are set out below.

3.1.1 Tenure and Affordability

37. 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.
38. This evidence will allow Long Whatton and Diseworth to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

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

3.1.2 Type and Size

39. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community.
40. 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 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?

3.2 Relevant Data

3.2.1 Local authority evidence base

41. It is appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As LWD Neighbourhood Area is located within North West Leicestershire's planning area, we therefore turned to the relevant Strategic Housing Market Assessment (SHMA) called Leicester and Leicestershire Strategic Housing Market Assessment published in 2014 and the Housing and Economic Development Needs Assessment (HEDNA) published in 2017
42. For the purpose of this HNA, data from North West Leicestershire'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

43. In addition to the North West Leicestershire 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 [home.co.uk](https://www.home.co.uk);
 - Valuation Office Agency (VOA) data on local housing stock by dwelling type;
 - Neighbourhood-level survey and consultation work giving further detail. In the case of LWD, this comprises two Housing Needs Studies produced in 2016 for Long Whatton and Diseworth each.

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

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

4.1 Introduction

44. 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.⁸

4.2 Definitions

45. 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.
46. 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.⁹
47. 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). As part of this effort, the Government has recently proposed to introduce First Homes to provide at least a 30% discount on new market housing for sale.¹⁰ 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

48. 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 Long Whatton and Diseworth (LWD), compared to the rest of North West Leicestershire and England.
49. LWD has a high percentage of home ownership and a correspondingly lower percentage of private renting than North West Leicestershire. Compared to England, while the percentage of home ownership is higher in LWD, private renting is relatively lower in the neighbourhood plan area. Compared to its wider geographies, LWD has a lower percentage of social renting, but a higher percentage of shared ownership.

⁸ PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

⁹ NPPF 2019.

¹⁰ The latest consultation proposals, published in August 2020, state that 'The minimum discount for First Homes should be 30% from market price which will be set by an independent registered valuer' and 'Local authorities will have discretion to increase the discount to 40% or 50%. This would need to be evidenced in the local plan making process.'

Table 4-1: Tenure (households) in LWD, 2011

| Tenure | Long Whatton and Diseworth | North West Leicestershire | England |
|-----------------------|----------------------------|---------------------------|---------|
| Owned; total | 76.2% | 72.5% | 63.3% |
| Shared ownership | 1.2% | 0.8% | 0.8% |
| Social rented; total | 7.2% | 14.3% | 17.7% |
| Private rented; total | 14.4% | 11.3% | 16.8% |

Sources: Census 2011, AECOM Calculations

50. In Table 4-2, we note the changes in tenure during the intercensal period. Key findings are as follows:
- It is relevant to note that there was an increase in each of the tenure categories in LWD between 2001-2011.
 - Shared ownership increased by 125%, however this change was from a relatively low base. The number of dwellings increased from 4 to 9 dwellings between 2001-2011.
 - Private renting experienced a large change, increasing by 54.9% over the time period. The number of dwellings in this category increased from 71 to 110 between 2001-2011.
 - There was no change in the number of social rented households in the neighbourhood.
 - The proportion of home ownership increased by 11.9%. This was an increase of 62 dwellings between 2001-2011.

Table 4-2: Rates of tenure change in LWD, 2001-2011

| Tenure | Long Whatton and Diseworth | North West Leicestershire | England |
|-----------------------|----------------------------|---------------------------|---------|
| Owned; total | 11.9% | 5.3% | -0.6% |
| Shared ownership | 125.0% | 66.9% | 30.0% |
| Social rented; total | 0.0% | -2.0% | -0.9% |
| Private rented; total | 54.9% | 164.6% | 82.4% |

Sources: Censuses 2001 and 2011, AECOM Calculations

4.4 Affordability

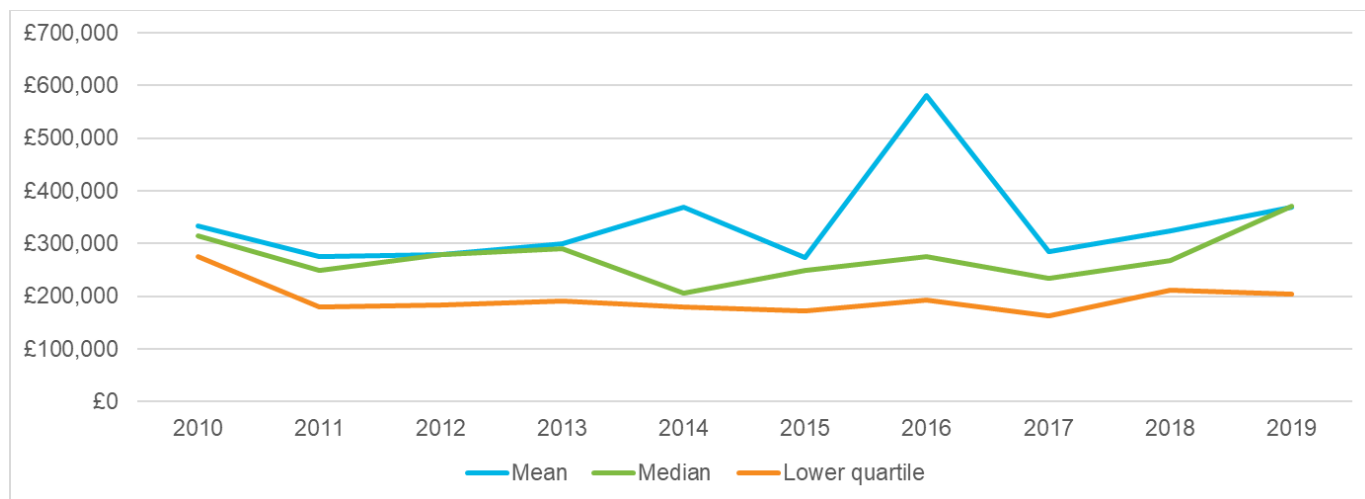
51. Having reviewed the tenure of the existing housing stock in LWD, this report assesses the affordability of homes to those living in the Neighbourhood Plan area.
52. The following analysis considers house prices and rents in the neighbourhood area and whether these are affordable to local households 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

53. 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.
54. Figure 4-1 on the following page looks at selected measures of house prices in LWD. Between 2010-2019, mean prices increased by 10.2%, median prices increased by 17.6%, and lower quartile prices decreased by 25.8%. The figure shows that lower quartile prices experienced declines between 2010-2011 and 2016-2017 but remained relatively stable over the rest of the time period. The figure also shows that mean prices experienced considerable growth between 2015-2016, followed by a sharp decline between 2016-2017.
55. Median prices decreased slightly between 2010-2011, and then experienced an increase between 2011-2013, followed by a sharp decline over the next year. Between 2014-2016, median prices increased rapidly, and then fell between 2016-2017, before increasing over the next two years.

56. LQ prices experienced less volatility than median prices: between 2010-2011, prices decreased rapidly and then became reactively stable over the next few years. Between 2013-2014, prices experienced a slightly decreased. Between 2015-2016, LQ prices increased slightly and then experienced a decrease between 2016-2017. LQ prices increased between 2017-2018 and experienced a slight decrease between 2018-2019.
57. PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.¹¹ Entry-level properties are typically those with one or two bedrooms – either flats or houses.

Figure 4-1: House prices by quartile in LWD between 2010 and 2019



Source: Land Registry PPD

58. This information can be supplemented by findings from the Long Whatton Housing Need Survey (HNS) and the Diseworth HNS conducted in 2016 by Midlands Rural Housing. According to the reports, property prices in Long Whatton experienced an overall increase of 18.96% between 2011-2016. In Diseworth, analysts noticed a similar trend as house prices experienced an overall increase of 23.73% over the same period of time.
59. To further understand the increase in house prices, Table 4-3 below breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). It shows that there was an overall price increase in the LWD neighbourhood plan area of 10.2% between 2010-2019. This price increase can mainly be attributed to the sale of detached homes: the price of detached homes appreciated by 23.9% over the time period, while the price of semi-detached and terraced homes decreased by 6.1% and 28.2% respectively. Between 2010-2019, no flats within the neighbourhood plan area were sold.

Table 4-3: House prices by type in LWD, 2010-2019, 000's

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | PRICE GROWTH |
|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Detached | £346k | £337k | £324k | £341k | £276k | £316k | £341k | £450k | £379k | £428k | 23.9% |
| Semi-Detached | £280k | £221k | £177k | £212k | £198k | £191k | £186k | £204k | £251k | £263k | -6.1% |
| Terraced | £283k | £157k | £161k | £204k | £164k | £210k | £375k | £129k | £230k | £204k | -28.2% |
| Flats | | | | | | | | | | | - |
| All Types* | £334k | £275k | £279k | £299k | £369k | £274k | £580k | £285k | £324k | £369k | 10.2% |

Source: Land Registry PPD

4.4.2 Income

60. 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.

¹¹ See Paragraph: 021 Reference ID: 2a-021-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

61. The first source is locally specific but limited to the average total household income. This is the average household income estimates published by ONS¹² at the level of the Middle-layer Super Output Area (MSOA)¹³. In the case of LWD the MSOA most suitable for use as a proxy for the Neighbourhood Plan area boundary is MSOA E02005398. 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.
62. The average total household income before housing costs (equalised) across MSOA E02005398 in 2018 was £48,000. This figure is typically used by mortgage lenders to assess a household's ability to afford to borrow.¹⁴
63. 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.
64. It is derived from ONS annual estimates of paid hours worked and earnings for UK employees to local authority level. Although 2020 provisional data has been published, the revised 2019 data is considered more robust and is therefore used here.
65. North West Leicestershire's gross average LQ weekly earnings for 2019 was £264 or approximately £13,746 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 £27,492.
66. It is important to consider the location of the neighbourhood area and understand the location's impacts on the average income figures. Since the neighbourhood plan area is located close to East Midlands Airport, there are a number of high paying jobs for pilots and others that work in/around the airport, and it is likely these high paying jobs have "pulled up" overall average income figures. The Parish Council want to understand the needs of lower quartile earners in the area, because their circumstances could be concealed by the apparently high average incomes driven by higher paid workers living locally.

4.4.3 Affordability Thresholds

67. 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 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.
68. 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. shows the cost of different tenures and the annual income required to support these costs within LWD. The income required column is the annual income needed to support ongoing housing costs, and assumes the household already has a deposit (10% of the purchase price). It is important to note that some ho
69. Table 4-4 shows that households are able to access market housing for purchase because they hold equity from an existing property or are able to access financial support from family.

¹²Available at

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

¹³ 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>

¹⁴ 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.

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

| Tenure | Mortgage Value | Rent | Income required | Affordable on mean incomes? £48,000 | Affordable on LQ 1 incomes? £13,746 | Affordable on LQ 2 incomes? £27,492 |
|----------------------------------|----------------|---------|-----------------|--|--|--|
| Market Housing | | | | | | |
| Median House Price | £333,000 | - | £95,143 | No | No | No |
| LA New Build Mean House Price | £265,636 | - | £75,896 | No | No | No |
| LQ/Entry-level House Price | £184,500 | - | £52,714 | No | No | No |
| Average Market Rent | - | £14,472 | £48,240 | No | No | No |
| Entry-level Market Rent | - | £8,316 | £27,720 | Yes | No | No |
| Affordable Home Ownership | | | | | | |
| Discounted Market Sale (-20%) | £266,400 | - | £76,114 | No | No | No |
| Discounted Market Sale (-30%) | £233,100 | - | £66,600 | No | No | No |
| Discounted Market Sale (-40%) | £199,800 | - | £57,086 | No | No | No |
| Discounted Market Sale (-50%) | £166,500 | - | £47,571 | Yes | No | No |
| Shared Ownership (50%) | £166,500 | £4,625 | £62,988 | No | No | No |
| Shared Ownership (25%) | £83,250 | £6,938 | £46,911 | Yes | No | No |
| Affordable Rented Housing | | | | | | |
| Affordable Rent | - | £5,106 | £20,426 | Yes | No | Yes |
| Social Rent | - | £4,816 | £19,265 | Yes | No | Yes |

Source: AECOM Calculations

70. The income required to afford the different tenures is then benchmarked in Figure 4-2 against the three measurements of household income set out above. These are the average total household income for E02005398 at £48,000, the lower quartile gross earnings for North West Leicestershire for single-earners at £13,746 and dual-earning households at £27,492.
71. 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 average household incomes. The income required to buy an average entry-level home for sale is also slightly higher than the average income of those on lower quartile household incomes. For those on mean incomes, entry-level rents are accessible, which suggests those interested in home ownership could access Rent-to-buy (discussed below). However, in terms of affordable home ownership, households on mean incomes can only be able access Discounted Market Sales (with a discount of 50%) and Shared Ownership (share of 25%) tenure products.
72. Since the Parish Council is concerned that the 'high paying' jobs of people that work around East Midlands airport are responsible for 'pulling up' the overall average income (£48,000), it is important to focus on the affordability needs of LQ earners. From Table 4-4 above we see that households in which there is only one lower quartile earner appear unable to afford any tenures, including affordable and social rent, without additional subsidy. Furthermore, dual-earning households can access affordable rent and social rent, but cannot access any other tenures, including any of the routes to affordable home ownership.

73. Government policy aimed at tackling the housing crisis continues to attach high priority on helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership.¹⁵
74. Table 4-4 shows that households with incomes between £27,720 and £52,714 are able to rent in the market but unable to buy. These households may need affordable home ownership options. 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. With regard to these products and the discounts required, the following observations can be made:
- Overall, there appears to be a large affordability gap, as the price of an average market sale property is not accessible to households on mean incomes. The discount on the average market sale price required to enable households on average incomes to afford to buy is 50%.
 - However, entry level market sale properties are on the margins of affordability for households on average incomes. 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. In this case, the average new build price in 2019 in LWD neighbourhood plan area (from a sample of 12 transactions) was £323,917 which is lower than the median within the second hand stock (£333,000).
 - 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 £105,000.¹⁶ This cost excludes any land value or developer profit.
 - The Government's proposed First Homes product would provide a minimum discount of 30% on new homes. New build prices are not available at the neighbourhood level because the number of transactions is too low. However, median average prices provide a reasonable proxy for the price of new homes. In LWD, a 30% discount on average prices would not be sufficient to extend home ownership to households on average incomes. However, even a 30% discount would extend home ownership to some households currently priced out of the market in the neighbourhood area.
 - In terms of the various discounts that can be offered in the case of discounted market sales, Table 4-5 below shows what discounts are required in order for properties to be affordable to households on average incomes. It is worth repeating that a discount of 50% would be required to make average market sale properties affordable to households on average incomes. While theoretically possible, it is unclear whether this rate of discount is likely to be realistic in practice and will depend on viability issues. Furthermore, while our calculations show that a 9% discount would be required for entry level sale prices to be affordable to those on mean incomes, it is worth noting that new homes might not be built at those prices. As such, it is important to consider providing other affordable tenures such as Rent to Buy and shared ownership (25% share).
 - Rent to Buy allows households to access discounted market rents to enable them to save for a deposit. They then have an option to purchase the property they are renting within a defined time period. This option is likely to be attractive to households who have modest incomes but do not have adequate savings for a deposit. Given entry-level market rents are affordable to those on average incomes, Rent-to-Buy could be considered as a route to home ownership. As seen in Table 4-4, the income required to access entry level rents is £27,720 and is an affordable route to home ownership for those earning mean incomes.
75. The latest Government consultation on 'Changes to the current planning system'¹⁷ 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

¹⁵ See the White Paper 'Fixing Our Broken Housing Market', at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf

¹⁶ 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

¹⁷ Available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>.

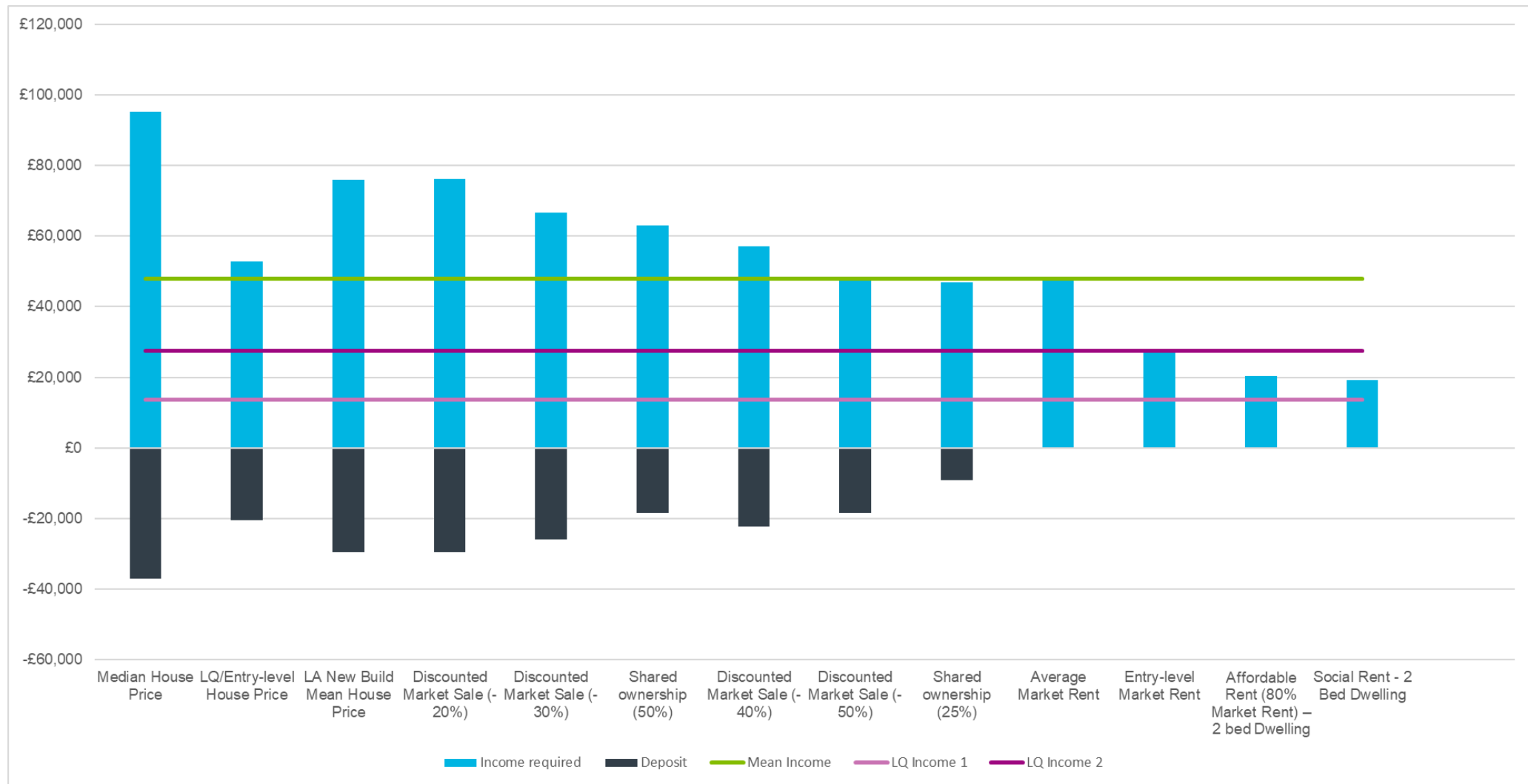
in advancing that discussion. The evidence gathered here suggests that seeking the highest possible discounts is likely to be necessary in LWD.

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

| | |
|---|----------------------------------|
| Mean household income in NA: | £48,000 |
| Tenure/ product: | Discount on sale price required: |
| • <i>Market sale (Average)</i> | 50% |
| • <i>New build market sale (Average for LA)</i> | 37% |
| • <i>Entry level sale (LQ)</i> | 9% |

Source: Land Registry PPD; ONS MSOA total household income

Figure 4-2: Affordability thresholds in Long Whatton and Diseworth (income required, £)



Source: AECOM Calculations

4.5 Affordable housing- quantity needed

76. The starting point for understanding the need for affordable housing in LWD is the Housing and Economic Development Needs Assessment (2017). A HEDNA was undertaken for North West Leicestershire in 2017. The HEDNA identifies the net need for 2,238 affordable homes between 2011-2036 in the Leicestershire Housing Market Area as a whole. In North West Leicestershire specifically, the HEDNA identified a need for 195 homes per year (up to 2036). When this figure, or range, is prorated to the population of LWD (1.88% of the population of North West Leicestershire), this implies a share of 4 affordable homes per annum (rounded) or 72 over the plan period (to 2039).

Table 4-6: Affordable Housing Need

| | Current need | Newly forming households | Existing households falling into need | Total Need | Supply from existing stock | Net Need |
|-----------------|--------------|--------------------------|---------------------------------------|------------|----------------------------|----------|
| Leicester | 207 | 1,330 | 971 | 2,508 | 1,774 | 734 |
| Blaby | 19 | 321 | 113 | 452 | 184 | 268 |
| Charnwood | 33 | 576 | 240 | 848 | 464 | 384 |
| Harborough | 14 | 250 | 80 | 343 | 141 | 202 |
| H&B | 20 | 342 | 163 | 525 | 278 | 247 |
| Melton | 11 | 139 | 81 | 231 | 160 | 70 |
| NWL | 19 | 298 | 174 | 491 | 297 | 194 |
| Oadby & Wigston | 16 | 155 | 40 | 210 | 71 | 139 |
| HMA | 337 | 3,410 | 1,862 | 5,609 | 3,371 | 2,238 |

Source: HEDNA, 2017

77. However, pro-rating Local Authority level estimates of Affordable Housing need presents problems in practice. The Local Authority level figures are likely to smooth over differences in need between urban and rural areas, where the size of the housing stock and numbers of households living in the private rented sector on housing benefit differ greatly. This report therefore provides alternative calculations that are specific to LWD as far as possible.
78. We have calculated, using PPG as a starting point,¹⁸ an estimate of the total need for affordable rented housing in LWD over the Plan period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out in Figure 4-3 are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.

¹⁸ Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

Figure 4-4: Estimate of the potential demand for affordable housing for rent in Long Whatton and Diseworth

| Stage and Step in Calculation | Total | Description |
|---|------------|---|
| STAGE 1: CURRENT NEED | | |
| 1.1 Current households in need | 9.0 | Latest waiting list data available from MHCLG Local authority housing statistics data return (households in priority need). Pro rata for the NA. Replace with neighbourhood level data if provided by LA. |
| 1.2 Per annum | 0.5 | 1.1 divided by the plan period 2021-2039 |
| STAGE 2: NEWLY ARISING NEED | | |
| 2.1 New household formation | 246.9 | MHCLG 2018-based household projections for the LA between start and end of plan period. % increase applied to NA |
| 2.2 Proportion of new households unable to rent in the market | 10.5% | (Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA |
| 2.2.1 Current number of social renters in NA | 66 | 2011 Census + LA-level % increase |
| 2.2.2 Number of private renters on housing benefits | 23 | Housing benefit caseload May 2018. Pro rata for NA. |
| 2.3 New households unable to rent | 27 | Step 2.1 * Step 2.2 |
| 2.4 Per annum | 1.5 | Step 2.3 divided by plan period 2021-2039 |
| STAGE 3: SUPPLY OF AFFORDABLE HOUSING | | |
| 3.1 Supply of social/affordable re-lets (including transfers) % | 1% | Assumed proportion of stock re-let each year |
| 3.2 Supply of social/affordable re-lets (including transfers) | 0.7 | Step 3.1 x NA social rented stock (2.2.1) |
| NET SHORTFALL (OR SURPLUS) OF RENTED UNITS PER ANNUM | | |
| Overall shortfall (or surplus) per annum | 1 | Step 1.2 + Step 2.4 - Step 3.2 |
| Overall shortfall (or surplus) over the plan period | 24 | (Step 1.1 + Step 2.3) - Step 3.2 * plan period |

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.

Table 4-7: Housing Register, December 2020¹⁹

| Number of applicants by band and bed need | | Bedroom Need | | |
|---|----------|--------------|---|---|
| | | 1 | 2 | 3 |
| Band | Low | 1 | 1 | |
| | Medium | 1 | 3 | 1 |
| | High | 2 | | |
| | Priority | | | |

¹⁹ We have gathered information from North West Leicestershire's Housing Register relating to LWD specifically—the data in Figure 4-6 shows that, as of a snapshot in time in December 2020, there were 9 people on the Housing Register.

Source: LPA Housing Waiting List (2020)

79. Table 4-8 shows that there are currently 9 households in LWD unable to access affordable rented homes suitable to their needs. The table also suggests that, over the Plan period, 1 additional household in the Neighbourhood Plan area will fall into need each year, producing total need for affordable rented homes of 24. This also takes account of limited turnover (re-lettings) of properties within the existing social rented stock. This suggests that there is relatively limited need for affordable rented homes in LWD, as reflected in the waiting list. This is a common pattern for villages or more rural areas and to some extent reflects the fact that lower income households may move to urban areas to access affordable housing (either in the social or private rented sector).
80. It also relevant to consider any affordable housing that has already been delivered in LWD. Figure 4-3 below sets out housing completions from 2011-2020. It is evident that there were a number of dwellings delivered over the last decade, however none of them were affordable.

Table 4-8: Completions Data as at April 2020

| Monitoring Period | Total No. of dwellings built | No. of bed spaces | | | | Affordable |
|-------------------|------------------------------|-------------------|---|---|----|------------|
| | | 1 | 2 | 3 | 4+ | |
| 2011/12 | 1 | | | | 1 | 0 |
| 2012/13 | 0 | | | | | 0 |
| 2013/14 | 1 | | | 1 | | 0 |
| 2014/15 | 3 | | | 1 | 2 | 0 |
| 2015/16 | 5 | | | | 5 | 0 |
| 2016/17 | 11 | | 1 | 5 | 5 | 0 |
| 2017/18 | 9 | | | 3 | 6 | 0 |
| 2018/19 | 1 | | | 1 | | 0 |
| 2019/20 | 7 | | 1 | 4 | 2 | 0 |

Source: NWL Housing Completions Data

81. Figure 4-7 estimates **potential demand** for affordable home ownership products within LWD. It is important to stress that this is potential demand and not all of these households will want, or access, affordable home ownership options if they are available. 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 5.9 households per annum who may be interested in affordable home ownership (95 over the plan period).
82. The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, informed by our experience across numerous neighbourhood level HNAs. The assumption is based on the fact that some households choose to rent at certain stages in their life (e.g. when young, when needing flexibility in employment market, or when new migrants move into an area). While most households prefer the added security and independence of owning their own home, the PRS is nevertheless a tenure of choice at a certain points in many households' journey through the housing market. The actual percentage of preference will differ between areas, being higher in large metropolitan areas with younger households and more new migrants, but lower in other areas. 25% is used as a reasonable proxy and for consistency across AECOM neighbourhood level HNAs and similar assumptions are used in some larger scale assessments such as LHNAs and SHMAs.

Figure 4-5: Estimate of the potential demand for affordable housing for sale in Long Whatton and Diseworth

| Stage and Step in Calculation | Total | Description |
|---|------------|--|
| STAGE 1: CURRENT NEED | | |
| 1.1 Current number of renters in NA | 134 | Census 2011 number of renters * national % increase to 2018 |
| 1.2 Percentage renters on housing benefit in LA | 17.2% | % of renters in 2018 on housing benefit |
| 1.3 Number of renters on housing benefits in NA | 23 | Step 1.1 * Step 1.2 |
| 1.4 Current need (households) | 83.3 | Current renters minus those on HB and minus 25% assumed to rent by choice |
| 1.5 Per annum | 4.6 | Step 1.4 divided by plan period |
| STAGE 2: NEWLY ARISING NEED | | |
| 2.1 New household formation | 247 | LA household projections for plan period (2018 based) pro rated to NA |
| 2.2 % of households unable to buy but able to rent | 11.4 % | (Step 1.4 + Step 3.1) divided by number of households in NA estimated in 2020 |
| 2.3 Total newly arising need | 28.1 | Step 2.1 * Step 2.2 |
| 2.4 Total newly arising need per annum | 2.2 | Step 2.3 divided by plan period |
| STAGE 3: SUPPLY OF AFFORDABLE HOUSING | | |
| 3.1 Supply of affordable housing | 18 | Number of shared ownership homes in NA (Census 2011 + LA new build to 2018/19 pro rated to NA) |
| 3.2 Supply - intermediate resales | 0.9 | Step 3.1 * 5% (assume rate of re-sale) |
| NET SHORTFALL (OR SURPLUS) PER ANNUM | | |
| Overall shortfall (or surplus) per annum | 5.9 | (Step 1.5 + Step 2.4) - Step 3.2 |
| Overall shortfall (or surplus) over the plan period | 95 | (Step 1.4 + Step 2.3) - Step 3.2 * number of years to end of plan period |

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.

83. 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. Furthermore, not all of these households will want to access affordable home ownership options if they are available.
84. It is useful to note that AECOM's two estimates of the need for rented accommodation and potential demand for affordable home ownership, taken together, equate to a broadly similar level of affordable housing need as LWD's population share of the HEDNA figures.
85. It is also relevant to compare our analysis with evidence from the two housing needs studies completed by Midlands Rural Housing in 2016. The results of the study for Long Whatton found a need for up to **13 affordable homes** and 5 open market (sale) homes between 2016-2021 in order for local people to be housed suitably in the community. Similarly, the results of the study for Diseworth found a need for **up to 5 affordable homes** and 4 open market (sale) homes between 2016-2021. Taken together, this equates to 18 affordable homes over the 5 year period or 3-4 homes each year. While we recognise both settlements are distinct areas, combining the survey findings helps us compare the overall conclusions with our calculations.
86. 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).

87. It is also important to remember that even after the LWD, 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.
88. 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 LWD

89. The Neighbourhood Plan may wish to develop policies in relation to the delivery of Affordable Housing within LWD. North West Leicestershire's Local Plan policy in relation to Affordable Housing delivery requires all major development proposals are expected to provide 30% Affordable Housing on sites delivering 11 or more units, or covering 1,000 sqm gross floor space in cases where sites are located on Greenfield land, and 5% affordable housing on sites delivering 30 or more dwellings or sites of 1Ha or more where land has been previously developed (Policy H3).
90. 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.
91. 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).
92. The neighbourhood group may wish to develop policies on the mix of Affordable Housing delivered in LWD. 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 LWD.
 - 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 LWD to address the aspirations of households who can rent but can't buy. AECOM's calculations for affordable rented housing determined a need for 24 homes over the plan period (1 per annum). AECOM's estimate identified the potential demand for 95 homes over the plan period (almost 6 per annum). Taken together, these estimates suggest the need (or potential demand) for up to 7 affordable homes per annum. This is a similar level of need to that identified by the HEDNA (4 per year) and slightly higher, but of the same scale as the affordable housing needs identified in the housing needs studies conducted for Long Whatton and Diseworth between 2016-2021.
 - B. **Can Affordable Housing needs be met in full?** There is currently no HRF for LWD so it is not possible to determine whether likely affordable housing delivery will be sufficient to meet the needs identified here. However, given there is no requirement for LWD it is possible to assume that housing delivery will be limited and, unless schemes are proposed which deliver 100% or majority affordable housing, it will be difficult to meet the identified affordable housing needs in this HNA and previous assessments.
 - 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. Since the Local Plan requires 30% of all homes delivered on sites to be affordable, under current policy at least 33% of Affordable Housing would need to be routes to home ownership in order for such products to total more than 10% of all housing.²⁰

²⁰ The Plan requires 5% for previously developed land and 30% for Greenfield sites. We have chosen the upper bound for this calculation.

- 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.²¹ 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.

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.

- E. **Local Plan policy:** The adopted Local Plan does not provide a tenure mix. However, the Council's Housing and Economic Needs Development Assessment (see Table 4-9)²² gives a 80/20 split (80% Social and Affordable Rented Housing and 20% Intermediate Housing) for North West Leicestershire as a whole. However, given the NPPF requirement that 10% of all homes are delivered as affordable home ownership homes, this could mean that the LPA need to deliver 33% of affordable housing in areas where the overall affordable housing target is 30%. However, the LPA may be able to make a strong case that delivery of 10% of all homes as affordable home ownership tenures would prevent the delivery of much needed affordable housing of other tenures. On this basis, we have assumed that the HEDNA mix of 80/20 will be upheld.

Table 4-9: Recommended Tenure Split

| | Intermediate housing | Social/Affordable rented |
|---------------------|----------------------|--------------------------|
| Leicester | 19% | 81% |
| Blaby | 20% | 80% |
| Charnwood | 23% | 77% |
| Harborough | 23% | 77% |
| Hinckley & Bosworth | 21% | 79% |
| Melton | 20% | 80% |
| NWL | 20% | 80% |
| Oadby & Wigston | 21% | 79% |
| HMA | 20% | 80% |

Source: *Housing and Economic Development Needs Assessment, 2017*

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.

- 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

²¹The original proposals are available at: 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.

²² Available at: https://www.nwleics.gov.uk/files/documents/hedna_main_report_january_2017/HEDNA%20Main%20Report%20%28January%202017%29.pdf

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 LWD:** The evidence suggests there is a need for affordable housing in the NA. Our analysis shows that the stock of shared ownership has grown from a small base in recent years, but there is a relatively low percentage of social rented housing in the neighbourhood plan area. The section on affordability thresholds demonstrated that lower income households in which there is only one earner appear unable to afford any tenures, including affordable and social rent, without additional subsidy. Furthermore, dual-earning households can access affordable rent and social rent, but cannot access any other tenures, including any of the routes to affordable home ownership.

It is important to consider the Parish Council's concern regarding high earners 'pulling up' the median income figure in LWD—while market rents might be affordable to those that earn above median incomes, this income figure might not be a realistic representation of incomes across the neighbourhood plan area. Thus, while affordable rent should be prioritised, increasing affordable home ownership options would offer a wider choice of homes for local residents who can rent but cannot buy 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 LWD 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.

93. In Table 4-10 below, two alternative scenarios for the tenure mix of Affordable Housing in LWD 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.
94. The first scenario (Mix 1 – Indicative mix based on local needs) most closely reflects local needs in LWD as identified in the HNA evidence. Our analysis identified a need for 5.9 affordable homes for sale per year, which is higher than the identified need for 1 affordable home for rent per year. However, while there is a higher potential demand for affordable housing for sale, it is important to bear in mind that these households are able to afford market rents and are not in acute need. Lower income households cannot access any market tenures and so delivering affordable rented housing may continue to be the priority, especially if the level of housing development in the NA is limited. If the overall level of housing development allowed for the provision of a higher number of affordable homes, the group may wish to consider providing a greater share as affordable home ownership tenures.
95. For these reasons, we follow the HEDNA recommended 80/20 split (20% Affordable Home Ownership/80% Affordable Housing for Rent). However it is important to bear in mind that, given the affordable housing target is set at 30%, in some areas 33% of all affordable housing delivered might have to be delivered in the form of affordable home ownership products under current Government policy. Furthermore, delivering small numbers of rented homes in villages may not be the preference of local registered providers, whereas others can be geared up for this scenario, so the balance of different tenures may be something that the group wish to explore with the LPA and providers.
96. Analysis of the affordability of different affordable home ownership products, it is evident that shared ownership is affordable to a wider range of households when provided at a 25% share. Households need an income of around £46,911 to access shared ownership, which is much lower than the income required to access a discounted market sale product at 30% discount (£66,600). This means that shared ownership might offer home ownership to a larger group of people and should be considered as one of primary routes to home ownership.
97. Furthermore, given entry-level market rents are affordable to those on average incomes, Rent-to-Buy should also be considered as a route to home ownership. As per our calculations, the income required to access entry level rents is £27,720 and is an affordable route to home ownership for those earning mean incomes.
98. 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.

99. Given that First Homes are only affordable to local households on average incomes in LWD if the maximum discount of 50% can be achieved, 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.
100. 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, the suggested affordable routes to home ownership (rent to buy and shared ownership) would be displaced entirely, with an additional 6% being displaced from the Affordable Housing for Rent provision.
101. 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.
102. 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.
103. 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 4-10: 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 |
|------------------------------------|--|--|---|
| Routes to home ownership, of which | 20% | 25% | Government proposing min 25% requirement for First Homes. Uncertainty over extent of requirement until policy finalised. |
| First Homes ²³ | 4% | 25% | Product untested so uncertainties around viability, developer, lenders and buyer appetite etc |
| Shared ownership | 8% | - | Proposed changes to the model to allow purchases of 10% share ²⁴ - impact on viability unknown RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown. |
| Rent to buy | 8% | - | Emerging product with popularity and effectiveness as yet unknown |

²³ 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.

²⁴ <https://www.gov.uk/government/news/jenrick-unveils-huge-12-billion-boost-for-affordable-homes>

| | | | |
|--|-----------------------------------|-----------------------------------|---|
| | | | Impact of displacement by First Homes unknown |
| Affordable Housing for rent, of which | 80% | 75% | |
| 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 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

104. 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 tenure mix) in the Neighbourhood Plan. The evidence gathered here suggests that this proposal would impact on the ability of LWD to accommodate those with the most acute needs.
105. 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.).
106. 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

107. According to the 2011 Census, Long Whatton and Diseworth (LWD) has a high percentage of home ownership and a correspondingly lower percentage of private renting than North West Leicestershire. Compared to England, while the percentage of home ownership is higher in LWD, private renting is relatively lower in the neighbourhood plan area. Compared to its wider geographies, LWD has a lower percentage of social renting, but a higher percentage of shared ownership.
108. In terms of house prices, there was an overall price increase in the LWD neighbourhood plan area of 10.2% between 2010-2019. This price increase can mainly be attributed to the sale of detached homes: the price of detached homes appreciated by 23.9% over the time period, while the price of semi-detached and terraced homes decreased by 6.1% and 28.2% respectively. Between 2010-2019, no flats within the neighbourhood plan area were sold. While mean prices increased by 10.2% over this time period, median prices increased by 17.6%, and lower quartile prices decreased by 25.8%.
109. By benchmarking the incomes required to afford the different tenures in the neighbourhood area, we determined the following:
 - Overall, there appears to be a large affordability gap, as average market sale prices are not accessible to households on mean incomes. The discount on the average market sale price required to enable households on average incomes to afford to buy is 50%.
 - 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 average household incomes. The income required to buy an average entry-level home for sale is also slightly higher than average incomes and substantially higher than the incomes of those on lower quartile household incomes.
 - For those on mean incomes, entry-level rents are accessible, which suggests those interested in home ownership can access rent-to-buy. However, in terms of affordable home ownership, households on mean incomes can only access Discounted Market Sales (with a discount of 50%) and Shared Ownership (share of 25%) tenure products.
 - The Government's proposed First Homes product would provide a minimum discount of 30% on new homes. New build prices are not available at the neighbourhood level because the number of transactions is too low. However, median average prices provide a reasonable proxy for the price of new homes. In LWD, a 30% discount on average prices would not be sufficient to extend home ownership to households on average

incomes. However, even a 30% discount would extend home ownership to some households currently priced out of the market in the neighbourhood area.

- Rent to Buy allows households to access discounted market rents to enable them to save for a deposit. They then have an option to purchase the property they are renting within a defined time period. This option is likely to be attractive to households who have modest incomes but do not have adequate savings for a deposit. Given entry-level market rents are affordable to those on average incomes, Rent-to-Buy could be considered as a route to home ownership. As per our calculations, the income required to access entry level rents is £27,720 and is an affordable route to home ownership for those earning mean incomes.

110. The Parish Council is concerned that the 'high paying' jobs of people that work around East Midlands airport is responsible for 'pulling up' the overall average income (£48,000) and so a focus on the affordability needs of lower earners is needed. Our calculations demonstrate that households in which there is only one lower quartile earner appear unable to afford any tenures, including affordable and social rent, without additional subsidy. Furthermore, dual-earning households can access affordable rent and social rent, but cannot access any other tenures, including any of the routes to affordable home ownership.
111. It is estimated that there will be a need for 24 affordable homes for rent and 95 affordable homes for sale over the plan period. Taken together, this equates to almost 7 affordable homes per annum. Evidence from the two housing needs studies completed by Midlands Rural Housing in 2016 suggests Long Whatton needs for up to 13 affordable homes and 5 open market (sale) homes between 2016-2021 in order for local people to be housed suitably in the community. Similarly, the results of the study for Diseworth found a need for up to 5 affordable homes and 4 open market (sale) homes between 2016-2021. Taken together, these studies equate to a need for 18 affordable homes over the 5 year period or 3-4 per annum. This is lower than the AECOM estimates but of a similar scale.
112. 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. This recommendation is in line with the findings of both studies conducted for Long Whatton and Diseworth in 2016. The reports note: "*Local needs affordable homes could be developed on a 'rural exception site', if available, and subject to local support some open market sale homes could be used to cross-subsidise the affordable homes...local homes that are needed [can be] developed as part of a larger development if the opportunity arises and if the needs cannot be met by existing properties.*"
113. Based on the evidence in this report and other policy considerations, we recommend a tenure split of 80/20 is likely to be an appropriate starting point. This follows the council's suggested split of 80/20, bearing in mind that given the affordable housing target is set at 30%. In some areas 33% of all affordable housing delivered might have to be delivered in the form of affordable home ownership products to meet current Government policy requirements that 10% of all new homes should be provided in this way.
114. Two indicative tenure mixes have been provided, which could serve as a guideline for the breakdown of Affordable Housing tenures in LWD based on various considerations and evidence. Mix 1 (indicative mix based on local needs) proposes that 80% of affordable homes be provided as rented tenures, and the remaining 20% delivered as affordable routes to home ownership. This mix aligns with the Local Plan in prioritising the most acute needs as far as possible. Mix 2 (indicative mix with 25% First Homes requirement) proposes that 25% of affordable homes be provided as First Homes. The remaining 75% should be delivered as affordable rented tenures. This aligns with the direction of proposed national policy, which includes a mandated minimum level of delivery of the Government's new First Homes affordable home ownership product.

5. RQ 2: Type and Size

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

5.1 Introduction

115. The LWD 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.
116. 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 LWD. 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 wider Local Authority area, 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

117. 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.
118. 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.
119. 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 follows²⁵:
- 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
120. 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.²⁶ 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.

²⁵ At <https://www.nomisweb.co.uk/census/2011/qs407ew>

²⁶ At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

121. 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."²⁷ 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

122. The 2011 Census shows that there were 765 households in Long Whatton and Diseworth, living in 468 detached houses, 225 semi-detached, 69 terraced houses, and 28 flats. Compared to North West Leicestershire, LWD has a higher percentage of detached homes and a relatively lower percentage of semi-detached homes, terraced homes and flats, maisonettes or apartments.

Table 5-1: Accommodation type (households), LWD 2011

| Dwelling type | | Long Whatton and Diseworth | North West Leicestershire | England |
|-------------------------------|--|----------------------------|---------------------------|---------|
| Whole house or bungalow | Detached | 59.2% | 38.8% | 22.4% |
| | Semi-detached | 28.5% | 35.2% | 31.2% |
| | Terraced | 8.7% | 18.2% | 24.5% |
| Flat, maisonette or apartment | Purpose-built block of flats or tenement | 1.4% | 5.3% | 16.4% |
| | Parts of a converted or shared house | 1.9% | 0.9% | 3.8% |
| | In commercial building | 0.3% | 0.8% | 1.0% |

Source: ONS 2011, AECOM Calculations

5.2.3 Specific housing types

123. The neighbourhood group considers that bungalows can play an important role in meeting the current and future needs of older people in the neighbourhood area.

124. As the ONS Census data does not capture bungalows as a distinct type, we have used Valuation Office Agency data to investigate their presence in LWD. The result is presented in Table 5-2 below. There are some caveats to note with this data, firstly the numbers are rounded to 10, so in an instance where 0 is recorded as a number of bungalows, this could in fact be anywhere between 0 - 4. Secondly, the data is unavailable at a geographic level of OA, and we have thus used MSOA²⁸ level data which covers a wider area. This means that the LWD data is not accurate to the Neighbourhood Plan area, unlike the ONS Census data, but the proportion of bungalows identified in this area is likely to give an indication of the proportion of bungalows in the NA. Thus, these numbers are likely to be much larger than the actual stock of bungalows in LWD since they relate to the number of bungalows in the MSOA as a whole.

125. From Table 5-2 (overleaf), we note that there is a high stock of two-bedroom bungalows in the LWD neighbourhood area (46.3%). This is a lower percentage share than is observed in North West Leicestershire. Three-bedroom bungalows are also common in the neighbourhood plan area, as this type of dwelling accounts for 39% of the bungalow stock in LWD. Compared to North West Leicestershire, there is a higher percentage of three bedroom bungalows in LWD.

126. Compared to North West Leicestershire, there is a high overall stock of bungalows in LWD. In LWD, bungalows comprise 13.9% of all property type, which is higher than in the North West Leicestershire, where bungalows comprise 11.9% of the housing stock in the district as a whole.

²⁷ Ibid.

²⁸ We have used data for MSOA E02005398. Please see Appendix A for more information.

Table 5-2: Number of Bungalows by property size, 2019

| | LWD (numbers) | LWD (%) | North West Leicestershire (numbers) | North West Leicestershire (%) |
|-------------------------|---------------|-------------|-------------------------------------|-------------------------------|
| 1 bedroom | 40 | 9.76% | 510 | 9.55% |
| 2 bedrooms | 190 | 46.34% | 2,700 | 50.5% |
| 3 bedrooms | 160 | 39.0% | 1,880 | 35.2% |
| 4 bedrooms + | 30 | 7.31% | 210 | 3.9% |
| Unknown | - | - | 30 | 0.56% |
| Total | 410 | 13.9% | 5,340 | 11.9% |
| Total properties | 2,950 | 100% | 44,950 | 100% |

Source: Valuation Office Agency, Council tax: stock of properties, 2019, Table CTSOP3.0

5.2.4 Dwelling size

127. Table 5-3 below sets out the distribution of the number of rooms by household space. The housing stock in LWD is characterised by a large number of mid-sized homes, having five-six rooms and a relatively high percentage of large homes, having seven rooms or more. Compared to North West Leicestershire, LWD has a higher percentage of large homes (that is, homes with 7 or more rooms) and very large homes (homes with nine or more rooms).

Table 5-3: Number of rooms per household in LWD, 2011

| Number of Rooms | Long Whatton and Diseworth | North West Leicestershire |
|-----------------|----------------------------|---------------------------|
| 1 Room | 0.0% | 0.1% |
| 2 Rooms | 0.7% | 1.0% |
| 3 Rooms | 2.7% | 5.2% |
| 4 Rooms | 10.2% | 13.5% |
| 5 Rooms | 21.6% | 27.0% |
| 6 Rooms | 20.4% | 23.0% |
| 7 Rooms | 11.9% | 12.5% |
| 8 Rooms or more | 14.6% | 8.9% |
| 9 Rooms or more | 17.9% | 8.8% |

Source: ONS 2011, AECOM Calculations

128. 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 are as follows:

- The number of one room homes decreased by 100% between 2001-2011. However, this change was from a low base, as the number of one room households decreased from 3 in 2001 to 0 in 2011.
- The number of eight room homes increased by 38.3% over the time period. The number of homes with eight or more rooms increased from 180 in 2001 to 249 in 2011.
- The number of six room homes increased by 10.6% which is a higher percentage change than in either wider geography.
- The number of homes with seven rooms increased by 9.6% between 2001-2011, however compared with LWD's wider geographies, this was a lower percentage change.

129. In summary, it is fair to say that the percentage of small to mid-sized homes experienced significant decreased over the time period, while large homes, especially homes with eight or more rooms experienced the greatest percentage increases. Between 2001-2011, homes with between one to four rooms decreased by a total of almost 140%, which is a much higher rate of change than observed in either wider geography.

130. Moreover, over the same time period, the percentage of homes with five or more rooms increased by 62.3%. While there was a similar trend seen regionally and nationally, it is important to consider that LWD is a parish with a high number of families and older people, who are likely to live in small to mid-sized homes.

Table 5-4: Rates of change in number of rooms per household in LWD, 2001-2011

| Number of Rooms | Long Whatton and Diseworth | North West Leicestershire | England |
|-----------------|----------------------------|---------------------------|---------|
| 1 Room | -100.0% | -42.5% | -5.2% |
| 2 Rooms | -16.7% | 9.1% | 24.2% |
| 3 Rooms | -19.2% | 27.0% | 20.4% |
| 4 Rooms | -4.9% | 2.7% | 3.5% |
| 5 Rooms | 3.8% | -2.2% | -1.8% |
| 6 Rooms | 10.6% | 7.9% | 2.1% |
| 7 Rooms | 9.6% | 22.1% | 17.9% |
| 8 Rooms or more | 38.3% | 36.7% | 29.8% |

Source: ONS 2001-2011, AECOM Calculations

131. Returning to the most recent Census data, 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. We can make the following observations:

- LWD has a high percentage of three-bedroom homes. These homes comprise 41.6% of the parish's housing stock.
- Compared to its wider geographies, LWD has a high percentage share of four-bedroom homes as well as homes with five or more bedrooms.
- Relative to North West Leicestershire and England as a whole, LWD has a low percentage of both homes without bedrooms as well as one-bedroom homes.

132. In summary, based on Table 5-4 and Table 5-5 below, LWD has a high percentage of large homes with 3-4 bedrooms and a relatively low percentage of small-mid sized homes. In order to determine whether the housing stock is suitable for the residents of the neighbourhood plan area, it is important to consider factors such as household composition, which is covered in the section below.

Table 5-4: Number of bedrooms in household spaces in LWD, 2011

| Bedrooms | Long Whatton and Diseworth | | North West Leicestershire | | England | |
|---|----------------------------|---------------|---------------------------|---------------|-------------------|---------------|
| All categories: Number of bedrooms | 765 | 100.0% | 39,128 | 100.0% | 22,063,368 | 100.0% |
| No bedrooms | 1 | 0.1% | 80 | 0.2% | 54,938 | 0.2% |
| 1 bedroom | 26 | 3.4% | 2,210 | 5.6% | 2,593,893 | 11.8% |
| 2 bedrooms | 159 | 20.8% | 9,119 | 23.3% | 6,145,083 | 27.9% |
| 3 bedrooms | 318 | 41.6% | 18,533 | 47.4% | 9,088,213 | 41.2% |
| 4 bedrooms | 190 | 24.8% | 7,419 | 19.0% | 3,166,531 | 14.4% |
| 5 or more bedrooms | 71 | 9.3% | 1,767 | 4.5% | 1,014,710 | 4.6% |

Source: ONS 2011, AECOM Calculations

5.3 Household composition and age structure

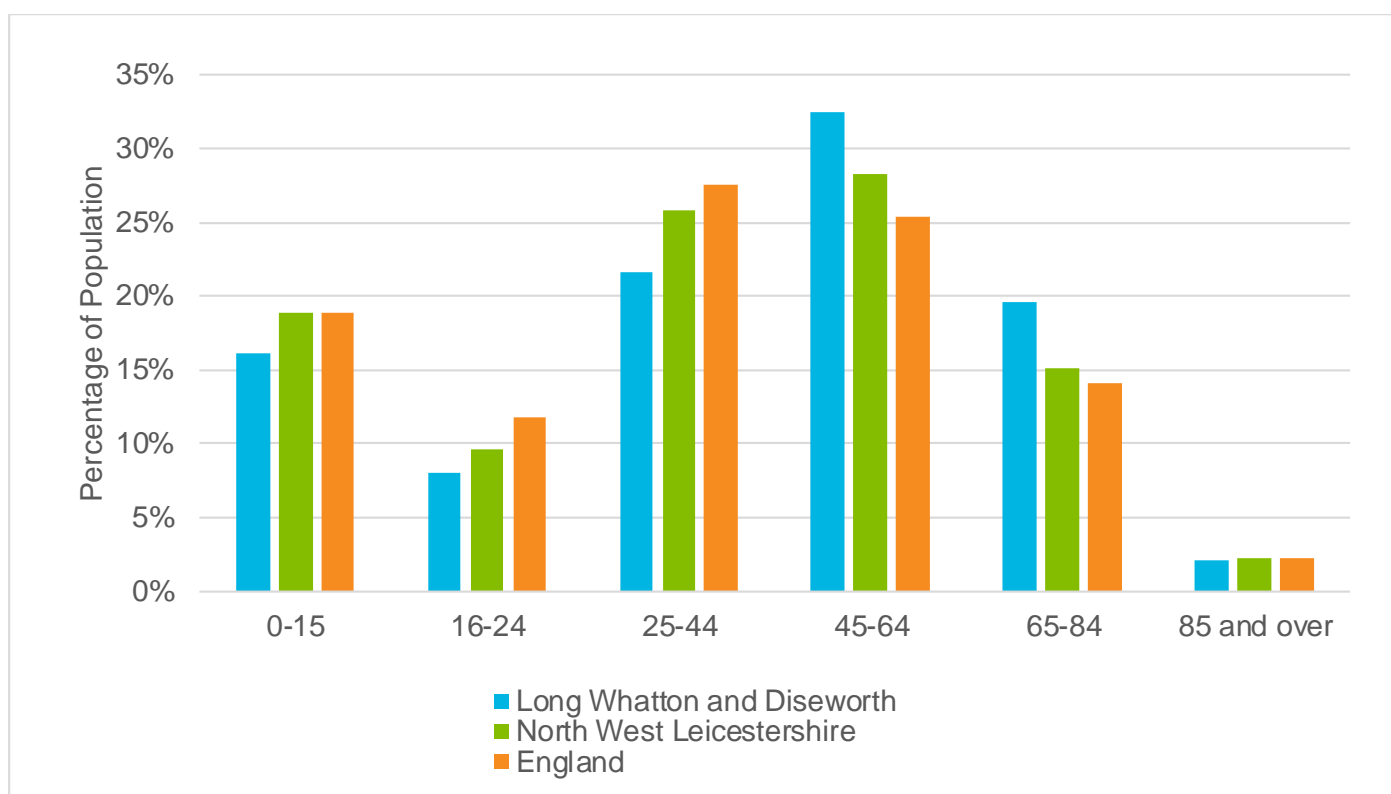
133. Having established the current stock profile of LWD and identified changes in its composition, the evidence assembled below examines the composition and age structure of households in the 2011 Census and in future years. Through a consideration of the types of households projected to form over the 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

134. The 2011 Census data reveals that the neighbourhood plan area has a high proportion of residents between the ages of 45-64 (32%) and 65-84 (20%). Compared to its wider geographies, LWD has a higher percentage of individuals in these older age groups. Further to this, relative to North West Leicestershire, LWD has a lower proportion of people between the ages of 0-15, 16-24 and 25-44. The figures worth highlighting are the much lower percentage of people in the 25-44 group (22%) compared to 26% in North West Leicestershire and 28% in England.

135. In summary, LWD has an older bias to its population compared to the local authority area and the higher proportion of residents in the 45-64 and 65-84 age groups may require different housing requirements through the plan period, potentially involving some demand for downsizing and accessible housing. This confirms the Parish Council's concern about the need to address housing needs of older people.

Figure 5-1: Age structure in LWD, 2011



Source: ONS 2011, AECOM Calculations

136. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001, the NA population has changed as follows:

- The percentage of residents between the age of 0-15 decreased by 3.1% between 2001-2011. This was a deviation from national and regional trends, as there was an increase in the percentage of this age group in both wider geographies.
- The percentage of those between the ages of 16-24 increased by 77.5%. In raw numbers, the number of people in this group increased from 16 in 2001 to 24 in 2011. Compared to LWD's wider geographies, the increase was greater than observed in either North West Leicestershire and England.
- The percentage of those over the age of 85 increased by 131.3% over the time period. In raw numbers, the number of people in this age group increased from 16 to 37 over the time period. Compared to its wider geographies, the rate of change in LWD was much higher.
- The percentage of people between the age of 25-44 decreased by 10.4% over the time period. In raw data, this means that the number of people in this age group decreased from 425 in 2001 to 381 in 2011.

137. In summary, the change in age structure show us that there is a high population of older people in the neighbourhood area. The decreasing percentages of residents in the 0-15 and 25-44 age groups may indicate that young families or couples with children have moved out of the neighbourhood and/or that as these households age they are not replaced by new younger families.

Table 5-5: Rate of change in the age structure of LWD population, 2001-2011

| Age group | Long Whatton and Diseworth | North West Leicestershire | England |
|-------------|----------------------------|---------------------------|---------|
| 0-15 | -3.1% | 4.8% | 1.2% |
| 16-24 | 77.5% | 16.9% | 17.2% |
| 25-44 | -10.4% | -2.8% | 1.4% |
| 45-64 | 12.4% | 17.6% | 15.2% |
| 65-84 | 45.0% | 16.2% | 9.1% |
| 85 and over | 131.3% | 41.6% | 23.7% |

Source: ONS 2001-2011, AECOM Calculations

5.3.2 Household composition

138. 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. In assessing Census data on household composition, we can make the following observations:

- The largest percentage of households in LWD are families with children (24.3%), followed by couples without children (22.4%).
- There is a large population of older households—around 13.6% of households in LWD consist of older families (couples) and 11.9% are one person households aged 65 and over.
- Compared to North West Leicestershire and England, LWD has a lower percentage of one-person households and 'Other' households. Compared just with North West Leicestershire, LWD has a higher percentage of single-family households and a slightly lower percentage of 'other' households. Other households may be described as non-traditional households such as sharers.

139. 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 5-6: Household composition (by household), LWD 2011

| Household type | | Long Whatton and Diseworth | North West Leicestershire | England |
|------------------------------|----------------------------|----------------------------|---------------------------|--------------|
| One person household | Total | 26.4% | 27.1% | 30.2% |
| | Aged 65 and over | 11.9% | 12.0% | 12.4% |
| | Other | 14.5% | 15.0% | 17.9% |
| One family only | Total | 69.2% | 68.1% | 61.8% |
| | All aged 65 and over | 13.6% | 9.1% | 8.1% |
| | With no children | 22.4% | 21.4% | 17.6% |
| | With dependent children | 24.3% | 27.5% | 26.5% |
| | All children Non-Dependent | 8.9% | 10.1% | 9.6% |
| Other household types | Total | 4.4% | 4.8% | 8.0% |

Source: ONS 2011, AECOM Calculations

140. 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 as follows:

- The percentage of one-person households increased by 19.5% over the time period. Within this category, the percentage of older households decreased by 6.2% and 'Other' households increased by 54.2%. Both the increase and decrease is higher than seen in either wider geography.
- The percentage of older couples (aged 65 and over) increased by 65.1% while the percentage of households (younger couples) without children decreased by 9%.
- Households with non-dependant children increased by roughly 13% over the period, which is a greater percentage change than observed in North West Leicestershire. This increase is also greater than the percentage increase observed nationally.
- Finally, the percentage of 'Other' household types increased by 183.3% over the time period. In raw numbers, the number of people in this category increased from 12 to 34 between 2001-2011.

Table 5-7: Rates of change in household composition, LWD, 2001-2011

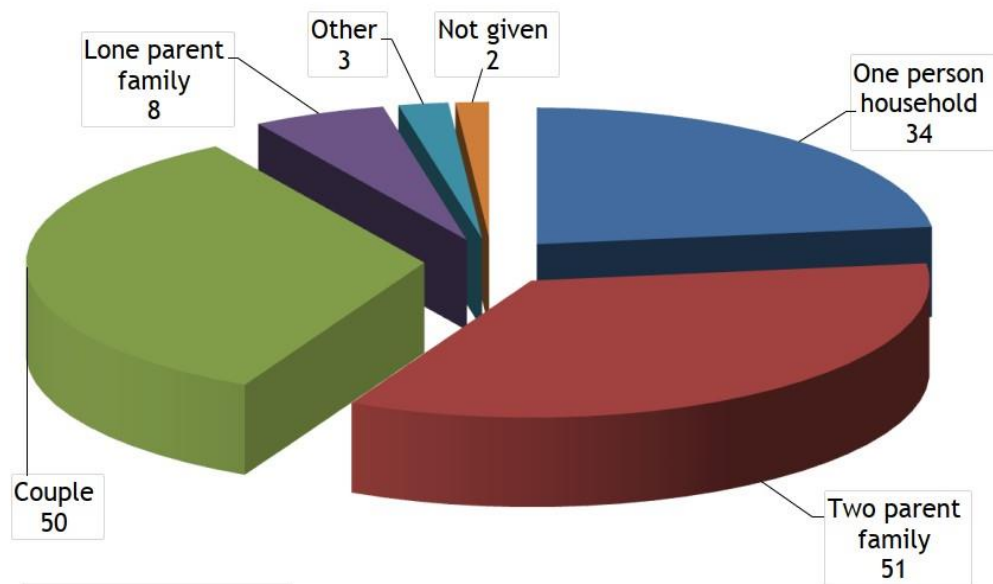
| Household type | | Long Whatton and Diseworth | North West Leicestershire | England |
|-----------------------|----------------------------|----------------------------|---------------------------|---------|
| One person household | Total | 19.5% | 15.9% | 8.4% |
| | Aged 65 and over | -6.2% | -1.9% | -7.3% |
| | Other | 54.2% | 35.4% | 22.7% |
| One family only | Total | 8.8% | 7.1% | 5.4% |
| | All aged 65 and over | 65.1% | 4.9% | -2.0% |
| | With no children | -9.0% | 9.3% | 7.1% |
| | With dependent children | 6.3% | 7.7% | 5.0% |
| | All children non-dependent | 13.3% | 3.5% | 10.6% |
| Other household types | Total | 183.3% | 36.9% | 28.9% |

Source: ONS 2001-2011, AECOM Calculations

141. As Census (2011) information can be dated, data collected for the Housing Needs Studies conducted by Midlands Rural Housing can be used here to develop a better profile of the neighbourhood area's residents. Question One of the questionnaires by asked village residents to indicate the type of household they are.

142. Based on the responders for Long Whatton (see Figure 5-2), the largest share of households contained couples as 48% of total responses were from this group. Moreover, 26% of responds were from two parent families, while 17% were from one-person households and 4% were from lone parent households. About 4% of responders described their household type as 'Other'. This is broadly similar to the pattern in the Census 2011, though the studies suggest fewer single person households are present.

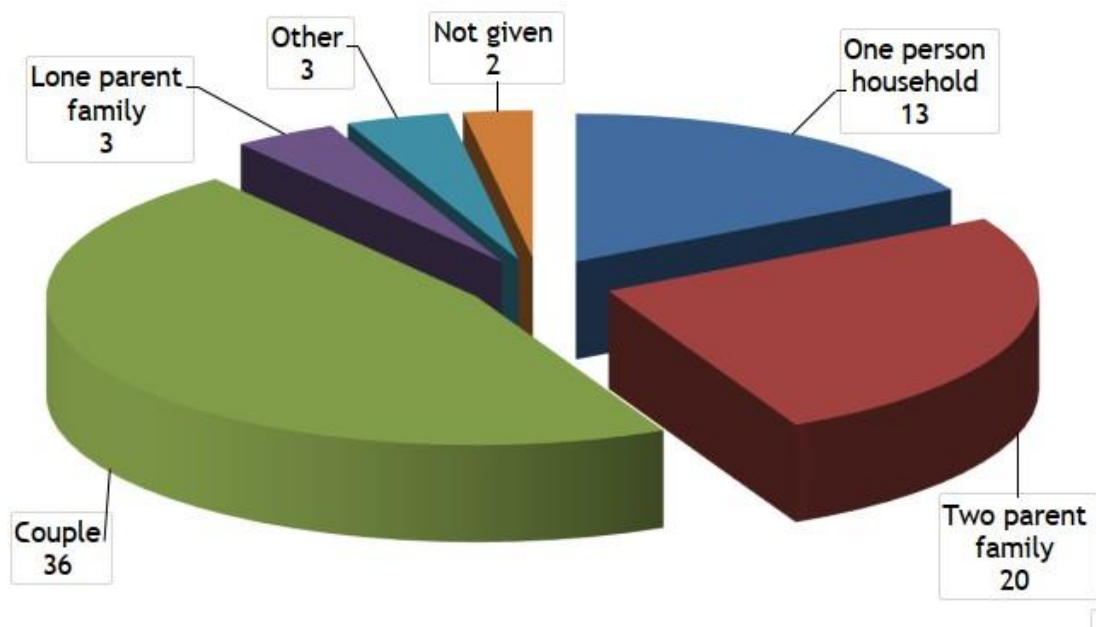
Figure 5-2: Household Type, Long Whatton



Source: Long Whatton Housing Needs Study, 2016

143. Similarly, based on responders to the Diseworth questionnaire, the largest share of households contained two parent families as 26% of total responses were from this group. 17% of responses came from one person households, 4% came from lone parent families and 4% households described their household type as 'Other'.

Figure 5-3: Household Type, Diseworth



Source: Diseworth Housing Needs Study, 2016

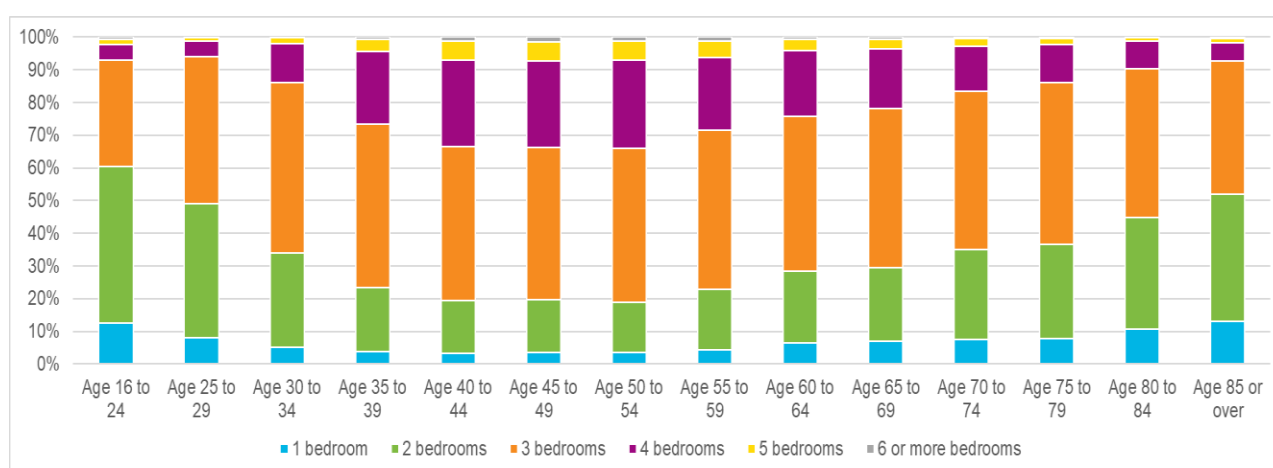
5.4 Dwelling mix determined by life-stage modelling

144. 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.

- 145. 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.
- 146. 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, LA-level data needs to be used as the closest proxy.
- 147. Figure 5-4 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

Figure 5-4: Age of household reference person by dwelling size in North West Leicestershire, 2011



Source: ONS 2011, AECOM Calculations

- 148. 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 Local Authority level and for the years 2014 and 2039. Therefore, the distribution of households by the age of the HRP would be in 2039 is estimated, i.e. the end of the Neighbourhood Plan period (red in the table). The data is presented in Table 5-8 below.

Table 5-8: Projected distribution of households by age of HRP, North West Leicestershire

| 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 | 897 | 4,315 | 15,845 | 7,415 | 10,656 |
| 2018 | 1,049 | 4,700 | 16,300 | 7,744 | 13,214 |
| 2039 | 1,134 | 5,779 | 19,983 | 9,730 | 21,102 |
| 2043 | 1,150 | 5,984 | 20,684 | 10,108 | 22,605 |

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

- 149. It is then necessary to extrapolate from this Local Authority-level data an estimate of the corresponding change in the age structure of the population in LWD. To do so, the percentage increase expected for each group across North West Leicestershire derived from the data presented above was mapped to the population of LWD. The results of this calculation are detailed in Table 5-9.

Table 5-9: Projected distribution of households by age of HRP, LWD

| 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 | 6 | 45 | 322 | 149 | 243 |
| 2018 | 7 | 49 | 331 | 156 | 301 |
| 2039 | 8 | 60 | 406 | 196 | 481 |
| % change 2011-end of Plan period | 0 | 0 | 0 | 0 | 1 |

Source: AECOM Calculations

150. Finally, having established the likelihood shown by households at different life-stages towards dwellings of different sizes in Figure 5-9, and the approximate number of households in North West Leicestershire and LWD falling into each of these stages by the end of the Plan period in 2039, 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 5-10 below).
151. The table takes in turn each projected age group in 2039, 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 5-10: Ideal dwelling size distribution in LWD 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 |
|-------------|---------------------|---------------------|---------------------|---------------------|------------------------|---|
| Pop | 8 | 60 | 406 | 196 | 481 | - |
| 1 bedroom | 1 | 4 | 15 | 11 | 42 | 72 |
| 2 bedrooms | 4 | 20 | 67 | 40 | 139 | 271 |
| 3 bedrooms | 2 | 30 | 193 | 94 | 227 | 546 |
| 4 bedrooms | 0 | 5 | 105 | 41 | 61 | 212 |
| 5+ bedrooms | 0 | 1 | 26 | 10 | 12 | 50 |

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

152. 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 5-10 above modelling the change in the age structure of the population in LWD.
153. Table 5-11 below indicates that, by 2039 the size distribution of dwellings should be as follows: there should be a higher percentage of one, two and three bedroom homes and a relatively lower percentage of large homes (homes with four and five bedrooms).

Table 5-11: 2011 housing sizes compared to ideal distribution at end of Plan period, LWD

| Number of bedrooms | 2011 | | 2039 | |
|--------------------|------|--------|-------|--------|
| 1 bedroom | 26 | 3.4% | 72 | 6.3% |
| 2 bedrooms | 159 | 20.8% | 271 | 23.5% |
| 3 bedrooms | 318 | 41.6% | 546 | 47.4% |
| 4 bedrooms | 190 | 24.8% | 212 | 18.5% |
| 5 or more bedrooms | 71 | 9.3% | 50 | 4.3% |
| Total households | 765 | 100.0% | 1,151 | 100.0% |

Source: Census 2011, AECOM Calculations

154. Table 5-12 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 5-12: Future potential misalignments of supply and demand for housing, LWD

| Number of bedrooms | 2011 | 2039 | Change to housing mix | Recommended split |
|--------------------|------|------|-----------------------|-------------------|
| 1 bedroom | 26 | 72 | 46 | 11.3% |
| 2 bedrooms | 159 | 271 | 112 | 27.4% |
| 3 bedrooms | 318 | 546 | 228 | 55.8% |
| 4 bedrooms | 190 | 212 | 22 | 5.5% |
| 5 or more bedrooms | 71 | 50 | -21 | 0.0% |

Source: AECOM Calculations

155. 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: 11.3% as 1 bedroom, 27.4% as two bedrooms, 55.8% as three bedrooms, 5.5% as four bedrooms and 0% as 5 or more bedrooms. This kind of analytical exercise provides figures that appear a precise mix of housing is required. However, AECOM would advise that the key point to take from Table 5-14 is that prioritisation of smaller and modest sized homes might be required to meet demographic needs and taking into account the size of properties in the existing stock. The group will also want to consider other factors in considering the future housing mix and any site specific mix.
156. Note that the changes to the housing mix given above for five or more-bedroom dwellings are negative numbers. Because in light of the national and local housing shortage, it is rarely advisable or practicable to remove dwellings from the available stock, as would otherwise be suggested here for dwellings with three or more bedrooms, we have instead set the recommended split at 0% rather than a negative number, and rebalanced the other sizes as percentages of the additional dwellings they represent in total. In other words, the interim results of the life-stage modelling suggest that there will be no need for further five or more-bedroom dwellings over the Neighbourhood Plan period. It is important to stress that there may be other good reasons to provide a particular size or type of dwelling in the NA, for example the need to improve the mix of homes in a particular location, improving choice or meeting needs in the wider housing market area.

Figure 5-3: Dwelling Mix (HEDNA 2017)

| Type of Housing | Dwelling size | | | |
|-------------------|---------------|---------------|---------------|---------------|
| | 1 bed | 2 bed | 3 bed | 4 bed |
| Market | 0-10% | 30-40% | 45-55% | 10-20% |
| Affordable | 30-35% | 35-40% | 25-30% | 5-10% |

Source: Housing and Economic Development Needs Assessment, 2017

157. Figure 5-3 shows the recommended dwelling mix for North West Leicestershire. While the dwelling mix varies at neighbourhood level, the HEDNA recommended mix shows there is a need now to ensure that future developments in LWD should focus on delivering more 2-3 bedroom properties in order to provide a better balance in the overall housing market. The recommendations in HEDNA are largely consistent with the findings of this HNA, since our analysis found a higher requirement for two-and-three-bedroom homes, and a lower need for four-five bedroom homes.
158. Moreover, the Parish Council, in previous Parish Plans (2008) and Housing Needs Studies (2014) have expressed concern over the location of the parish close to East Midlands airport and the potential impact of the same on house prices and house types in the neighbourhood area. Evidence in this HNA demonstrated a high stock of large homes with 3-4 bedrooms (Census 2011) and a large stock of bungalows with two-three bedrooms, which supports the Parish Council's concern over 'high earners' purchasing large homes in LWD. However, our analysis of household composition and future population projections demonstrated the need for more small-mid sized homes for families and older residents. Since the Parish Council is interested in bungalows and 'family homes', some of proposed one-two bedroom homes might be delivered as bungalows for these households if these developments can be delivered viably.

159. Since our study provides an estimate of the size of homes that should come forward, rather than the exact type, the group is free to use the size mix to determine the size of homes that should come forward and then choose to build more bungalows if that is what the area demands.
160. Note that only the percentage mix in the right-hand column of Table 5-14 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.

5.5 Conclusions- Type and Size

161. 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.
162. The 2011 Census shows that there were 765 households in LWD, living in 468 detached houses, 225 semi-detached, 69 terraced houses, and 28 flats. Compared to North West Leicestershire, LWD has a higher percentage of detached homes and a relatively lower percentage of semi-detached homes, terraced homes and flats, maisonettes or apartments.
163. Valuation Office Agency data (2019) shows that there is a high stock of two-bedroom bungalows in the LWD neighbourhood area (46.3%). This is a lower percentage share than is observed in North West Leicestershire. Three-bedroom bungalows are also common in the neighbourhood plan area, as this type of dwelling accounts for 39% of the bungalow stock in LWD.
164. Compared to North West Leicestershire, there is a high overall stock of bungalows in LWD. In LWD, bungalows comprise 13.9% of all property type, which is higher than in the North West Leicestershire, where bungalows comprise 11.9% of the housing stock in the district as a whole.
165. In terms of dwelling size, there is a large number of mid-sized homes (five-six rooms) and large homes (seven or more rooms) in the neighbourhood plan area. Compared to North West Leicestershire, LWD has a higher percentage large homes (that is, homes with seven or more rooms) and very large homes (homes with eight or more rooms).
166. In terms of housing size by number of bedrooms, LWD has a high percentage of large homes with 3-4 bedrooms and a relatively low percentage of small-mid-sized homes.
167. Between 2001-2011, the percentage of small to mid-sized homes experienced significant decreased, while large homes, especially homes with eight or more rooms experienced the greatest percentage increases. Moreover, homes with between one to four rooms decreased by a total of almost 140%, which is a much higher rate of change than observed in either wider geography.
168. In terms of age structure, Census 2011 data reveals that the neighbourhood plan area has a high percentage of residents between the ages of 45-64 (32%) and 65-84 (20%).
169. There is a higher proportion of residents in the 45-64 and 65-84 age groups, some of whom may require different housing needs through the plan period, potentially involving higher demand for downsizing and accessible housing. This does confirm the Parish Council's concern to address the need for housing for older people.
170. In terms of household composition, the largest percentage of households in LWD are families with children (despite declines in the younger population) as well as a with a relatively high share of older families (couples) and one person households aged 65 and over.
171. The result of this life-stage modelling exercise is to suggest that, in terms of demographic change, new development might prioritise smaller and modest sized homes. Since the NP group is interested in exploring whether bungalows could be provided as suitable accommodation for older people as well as smaller homes for families, the size mix implied by the analysis would appear to support the suggested size mix, though it does not confirm whether these type or sizes of homes can be delivered viably.

6. Conclusions

6.1 Overview

172. Table 6-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

Table 6-1: Summary of study findings specific to LWD with a potential impact on Neighbourhood Plan housing policies

| Issue | Source(s) (see Chapter 3) | Summary of evidence and data assessed | Conclusions and recommendations |
|---------------------------------|------------------------------|---|--|
| Quantity of housing to plan for | Chapter 4 | AECOM estimated that there will be a need for 24 affordable homes for rent and 95 affordable homes for sale over the plan period. | 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. |

| Issue | Source(s) (see Chapter 3) | Summary of evidence and data assessed | Conclusions and recommendations |
|----------------------------------|------------------------------|---|---|
| Housing tenure and affordability | Chapter 4 | <p>Overall, there appears to be a large affordability gap, as market sales are not accessible to householdson mean incomes. The discount on the average market sale price required to enable households on average incomes to afford to buy is 50%.</p> <p>The income required to buy an average market home for sale is higher than what would be expected to be available to those on average household incomes. The income required to buy an average entry-level home for sale is also higher than the average income of those on average and lower quartile household incomes.</p> <p>For those on mean incomes, entry-level rents are accessible, which suggests those interested in home ownership may be able access rent-to-buy products. However, in terms of affordable home ownership, households on mean incomes can only access Discounted Market Sales (with a discount of 50%) and Shared Ownership (share of 25%) tenure products.</p> <p>The average (mean) income in the neighbourhood area is around £48,000 per annum. However, the Parish Council is concerned that 'high paying' jobs at East Midlands airport are responsible for 'pulling up' the overall average income (£48,000), and that his does not reflect the affordability challenges of lower income earnings (those on lower quartile earnings). Our calculations demonstrate that households in which there is only one lower quartile earner appear unable to afford any tenures, including affordable and social rent, without additional subsidy. Furthermore, dual-earning households can access affordable rent and social rent, but cannot access any other tenures, including any of the routes to affordable home ownership.</p> | <p>Two indicative tenure mixes have been provided, which could serve as a guideline for the breakdown of Affordable Housing tenures in LWD based on various considerations and evidence.</p> <p>Mix 1 (indicative mix based on local needs) proposes that 80% of affordable homes be provided as rented tenures, and the remaining 20% delivered as affordable routes to home ownership. This mix aligns with the Local Plan in prioritising the most acute needs as far as possible.</p> <p>Mix 2 (indicative mix with 25% First Homes requirement) proposes that 25% of affordable homes be provided as rented tenures, with the 25% as First Homes. The remaining 75% should be delivered as affordable housing for sale. This aligns with the direction of proposed national policy, which includes a mandated minimum level of delivery of the Government's new First Homes affordable home ownership product.</p> |

| Issue | Source(s) (see Chapter 3) | Summary of evidence and data assessed | Conclusions and recommendations |
|-----------------------|------------------------------|---|--|
| Housing type and size | Chapter 5 | <p>The 2011 Census shows that there were 765 households in LWD, living in 468 detached houses, 225 semi-detached, 69 terraced houses, and 28 flats. Compared to North West Leicestershire, there is a high proportion of bungalows in the overall stock in LWD. In LWD, bungalows comprise 13.9% of all property types, which is higher than in the North West Leicestershire, where bungalows comprise 11.9% of the housing stock in the district as a whole.</p> <p>Valuation Office Agency data (2019) shows that there is a high proportion of two-bedroom bungalows in the LWD neighbourhood area (46.3% of all bungalows). This is a lower percentage share than is observed in North West Leicestershire. Three-bedroom bungalows are also common in the neighbourhood plan area, as this type of dwelling accounts for 39% of the bungalow stock in LWD.</p> <p>In terms of housing size, there is a large number of mid-sized homes (five-six rooms) and large homes (nine or more rooms) in the neighbourhood plan area. About 86.4% of LWD's housing stock can be characterised as 'large', that is, as having over five rooms. In terms of housing size by number of bedrooms, LWD has a high percentage of large homes with 3-4 bedrooms and a relatively low percentage of small-mid-sized homes.</p> | <p>In terms of household composition, the largest percentage of households in LWD are families with children, followed by couples without children. There is also a large population of older households—about 13.6% of single-family households in LWD consist of older families (couples) and about 11.9% of one person households are aged 65 and over.</p> <p>The result of a life-stage modelling exercise is to suggest that, in terms of demographic change, new development might involve the following share of dwelling sizes: 11.3% as 1 bedroom, 27.4% as two bedrooms, 55.8% as three bedrooms, 5.5% as four bedrooms and 0% as 5 or more bedrooms. Since the NP group is interested in exploring whether bungalows could be provided as suitable accommodation for older people as well as smaller homes for families, the size mix implied by the analysis would appear to support the suggested size mix, though it does not confirm whether these type or sizes of homes can be delivered viably.</p> |

6.2 Recommendations for next steps

173. This Neighbourhood Plan housing needs assessment aims to provide LWD 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 North West Leicestershire 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 North West Leicestershire – 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 North West Leicestershire, 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 North West Leicestershire and the neighbourhood plan areas within it.

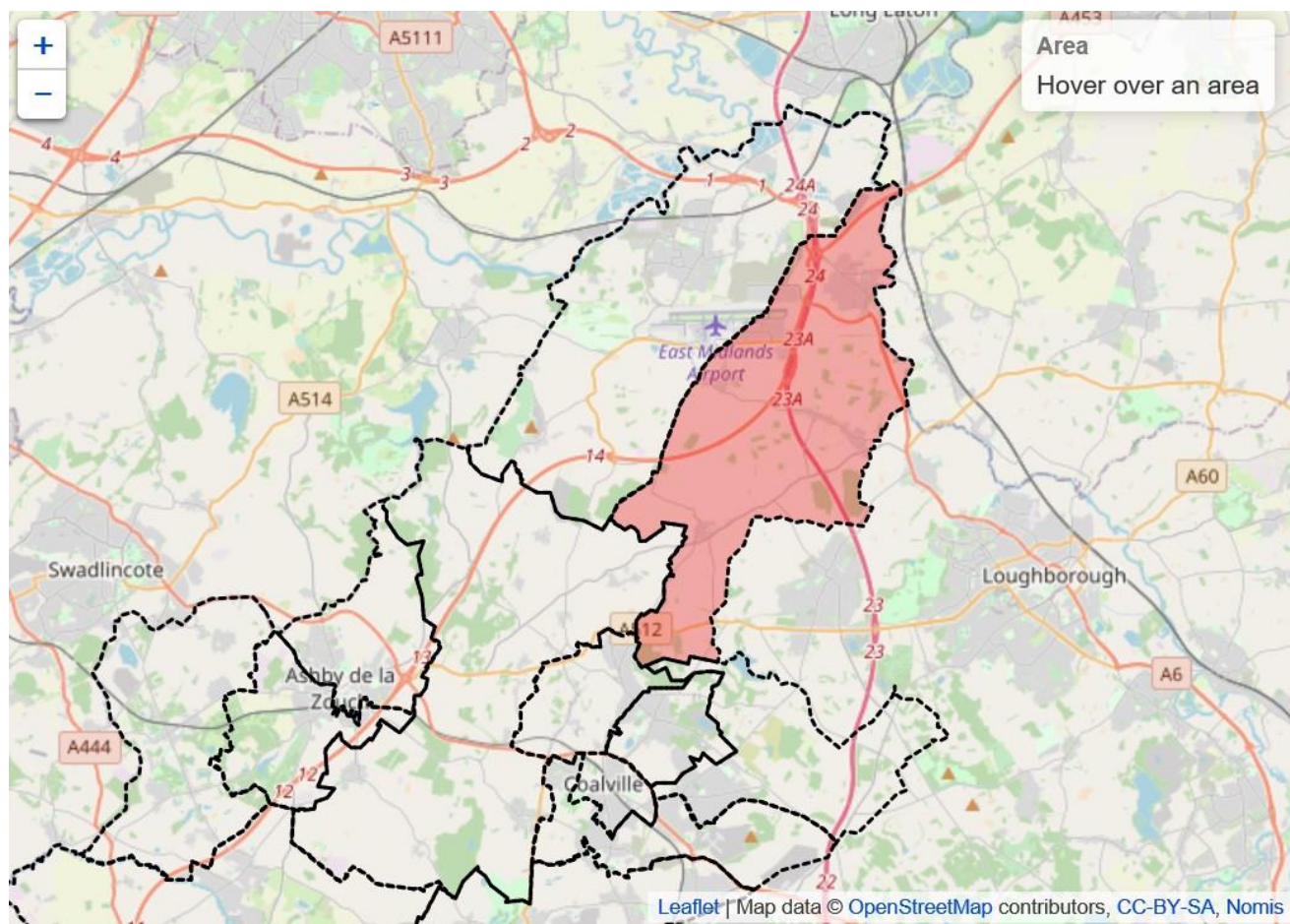
174. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.
175. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, North West Leicestershire or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
176. 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

177. 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.
178. 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 LWD it is considered that MSOA E02005398 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 E02005398 appears below in Figure A-1.

Figure A-1: MSOA E02005398 used as a best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

A.2 Market housing

179. 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.
180. 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.
181. 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.

182. 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

183. 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.

184. 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 LWD. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.

185. 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.²⁹ 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.

186. 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)

187. 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.

188. 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,³⁰ such a home would require three habitable rooms (a flat or house with two bedrooms).

189. 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 DE74 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.

190. According to [home.co.uk](https://www.home.co.uk), there is only one two-bed properties currently listed for rent across DE74 with an average price of £693 per calendar month. Given the small sample size, we increased our search area to a 8 mile radius from the centre and still found only one two-bedroom property listed for rent. We also crosschecked our findings with an alternative website (RightMove), and found eight properties listed, including those with let agreed. Upon searching for properties in the postcode, that did not have agreed lets, we found only one two-bedroom home, which is consistent with our findings from [home.co.uk](https://www.home.co.uk).

²⁹ '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.

³⁰ 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

191. 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 entry-level rent = £693 x 12 = £8,316
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = £27,720
- **Income threshold (private rental sector) = £27,720**

192. 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.

A.3 Affordable Housing

193. 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.

194. 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.

195. We consider each of the affordable housing tenures in turn.

i) Social rent

196. 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.

197. 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 LWD. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for North West Leicestershire in the table below.

198. 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.

Table A-1: Social rent levels (£)

| Social Rent | 1 bed | 2 beds | 3 beds | 4 beds | All |
|-----------------------|----------------|----------------|----------------|----------------|----------------|
| Gross Rent | £81.83 | £91.39 | £99.37 | £110.45 | £92.62 |
| Annual average | £4,255 | £4,752 | £5,167 | £5,743 | £4,816 |
| Income needed | £17,021 | £19,009 | £20,669 | £22,974 | £19,265 |

Source: Homes England, AECOM Calculations

ii) Affordable rent

199. 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%.

200. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for North West Leicestershire (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 per week | £84.69 | £101.46 | £111.20 | £128.15 | £98.20 |
| Annual average | £4,404 | £5,276 | £5,782 | £6,664 | £5,106 |
| Income needed | £17,616 | £21,104 | £23,130 | £26,655 | £20,426 |

Source: Homes England, AECOM Calculations

iii) Intermediate tenures

201. 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

202. 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.

203. 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.

204. Applying a discount of 30% - as in the Government’s proposed First Homes product – provides an approximate selling price of £259,000 (30% discount on median average prices of £370,000). Allowing for a 10% deposit further reduces the value of the property to £233,100. The income threshold at a loan to income ratio of 3.5 is £66,600.

205. 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.

206. 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 £76,114, £57,086 and £47,571 respectively.

Shared ownership

207. 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.

208. 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.

209. To determine the affordability of shared ownership, calculations are based on the median house price of £370,000.³¹ 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

³¹ 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.

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).

210. A 25% equity share of £370,000 is £92,500 from which a 10% deposit of £9,250 is deducted. The mortgage value of £83,250 (£92,500 - £9,250) is then divided by 3.5. To secure a mortgage of £83,250, an annual income of £23,786 (£83,250/3.5) is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £277,500. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £6,938 and requires an income of £23,125 (multiplied by 3.33 so that no more than 30% of income is spent on rent). Therefore, an income of around **£46,911** (£23,786+ £23,125) 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 £62,988 and £79,065 respectively.

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods³².

Age-Restricted General Market Housing

³² 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 Standard³³

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 Order³⁴

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)³⁵

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.

³³ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

³⁴ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

³⁵ See 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 on-site 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 years³⁶, 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.

³⁶ 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 Housing³⁷

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

³⁷ 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.³⁸

³⁸ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

