

Ipswich and Waveney Housing Market Areas Strategic Housing Market Assessment Volume 2

HDH Planning and Development Ltd

September 2017v3 (please see errata)

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Issued 22nd September 2017

Errata

This is the third version of this report. Since the report issued on 12th May 2017, an amendment has been made to Table 6.1a – where the figure for One Bedroom Social Rent / Affordable Rent has been changed to 11.7% (from 6.9%). Other minor changes have occurred in tables 4.1a, c and d, 4.2a, c and d, 4.3a, c and d, 4.4a, c and d, 4.5a, c and d, 4.6a, c and d, 4.7a, c and d, 4.8a, c and d, 6.1a, 6.4a and the commentary associated with these tables. Minor changes have also been made to paragraphs 7.10 and 7.19 and figures 7.1 and 7.2. These minor changes reflect a correction to the population distributions in Babergh and Ipswich within the LTBHM model and are generally very small (less than 0.3% difference from the original figure).

No other changes have been made.

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1. Introduction

Purpose

- 1.1 This report follows from the Volume 1 Strategic Housing Market Assessment (SHMA)¹ for Babergh, Ipswich, Mid Suffolk, Suffolk Coastal and Waveney. The Volume 1 Study examined the housing markets in the region and identified two separate housing markets - the Ipswich Housing Market Area (HMA) containing the Local Authorities of Babergh, Ipswich, Mid Suffolk, Suffolk Coastal, and the Waveney HMA comprising the District of Waveney. The Volume 1 Study calculates the Objectively Assessed Need for housing (the OAN) across both HMAs using the latest demographic and housing market data. This report forms Volume 2. It is a Strategic Housing Market Assessment (SHMA) that focuses, principally, on the calculation of the level of affordable housing need (referred to as Affordable Need) and the size and tenure of all dwellings required within the overall OAN calculated in Volume 1 of the SHMA. All of the results presented in this report will be disaggregated into the two HMAs within the study area, with some further disaggregation to Local Authority level presented in the Appendices.

Government Guidance

- 1.2 This report forms a component of a SHMA alongside the Volume 1 Study. National Planning Policy is set out in the National Planning Policy Framework (NPPF). Paragraph 159 of the NPPF (March 2012) sets out the role of a SHMA.

Local planning authorities should have a clear understanding of housing requirements in their area. They should:

- *Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to require over the plan period which:*
 - *meets household and population projections, taking account of migration and demographic change*
 - *addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as families with children, older people, disabled people, service families and people wishing to build their own homes); and*
 - *caters for housing demand and the scale of housing supply necessary to meet this demand (para 28)*

- 1.3 The NPPF outlines how a SHMA fits into the wider housing policy framework and the Planning Practice Guidance (PPG) sets out how the various elements of a SHMA should be undertaken, including detailing a comprehensive model for the assessment of affordable housing need (Chapter 5). The affordable housing need figure, is an unconstrained figure set in the current housing market situation. It is not a component of the Objectively Assessed Need, but is entirely independent, calculated using a different approach and different data sources.

¹ The Ipswich and Waveney Housing Market Areas SHMA, Volume 1 – March 2017, Peter Brett Associates.

- 1.4 The report also includes the Long Term Balancing Housing Markets (LTBHM) model (Chapter 4) which, following the guidance set out in paragraph 021 of the PPG, breaks down the overall Objectively Assessed Need into the component household typology (tenure and size) of housing required. Whilst both of these models produce figures indicating an amount of affordable housing required, they are not comparable – they use different methods and have different purposes. The affordable housing need figure (chapter 5) is calculated in isolation from the rest of the housing market and is only used to indicate whether the OAN should be increased. The figure produced by the LTBHM model is based on the population projections and occupation patterns of households groups (considering the trends in how these occupation patterns are changing). This is the mix of housing that the authority should be planning for. How these figures should be used in each authority is summarised within chapter 7.

Report coverage

- 1.5 This report is focused on detailing the future type and tenure of housing needed in the Ipswich and Waveney HMAs. This report is therefore limited to:
- Examination of the latest data on the labour market and the resident population and a profile of the housing stock in each HMA and the changes that have occurred within them.
 - Analysis of the price of property in the HMAs and the affordability of housing for residents.
 - Production of an analysis of the entire housing market within the long-term balancing housing markets model (LTBHM).
 - Calculation of outputs for the affordable housing needs model strictly in accordance with the PPG approach.
 - An analysis of the specific housing situation of the particular sub-groups of the population identified within the NPPF.
 - A conclusion summarising the implications of these results.

Stakeholder consultation

- 1.6 To help disseminate the purpose of this work and ensure the accuracy of this report (and the assumptions used) stakeholders' views have been sought through the development of this study. A consultation event was held on the 14th October 2016, after which written comments were invited. Details of the stakeholder consultation that has taken place are presented in Appendix A1 to this report.

2. Socio-economic context

Introduction

- 2.1 Two main drivers of the housing market are the resident population and the local labour market. They affect the nature of housing demand including household formation rates and households' investment in housing. This chapter uses the most recently available data to document the current socio-economic profile in each HMA and how it has changed.
- 2.2 Analysis of the stock of housing allows an understanding of the current market balance and existing occupation patterns. A range of data sources, including the 2011 Census, will be used to provide an overview of the housing stock in each HMA and a comparison to the regional and national situation will be presented where the data is available.

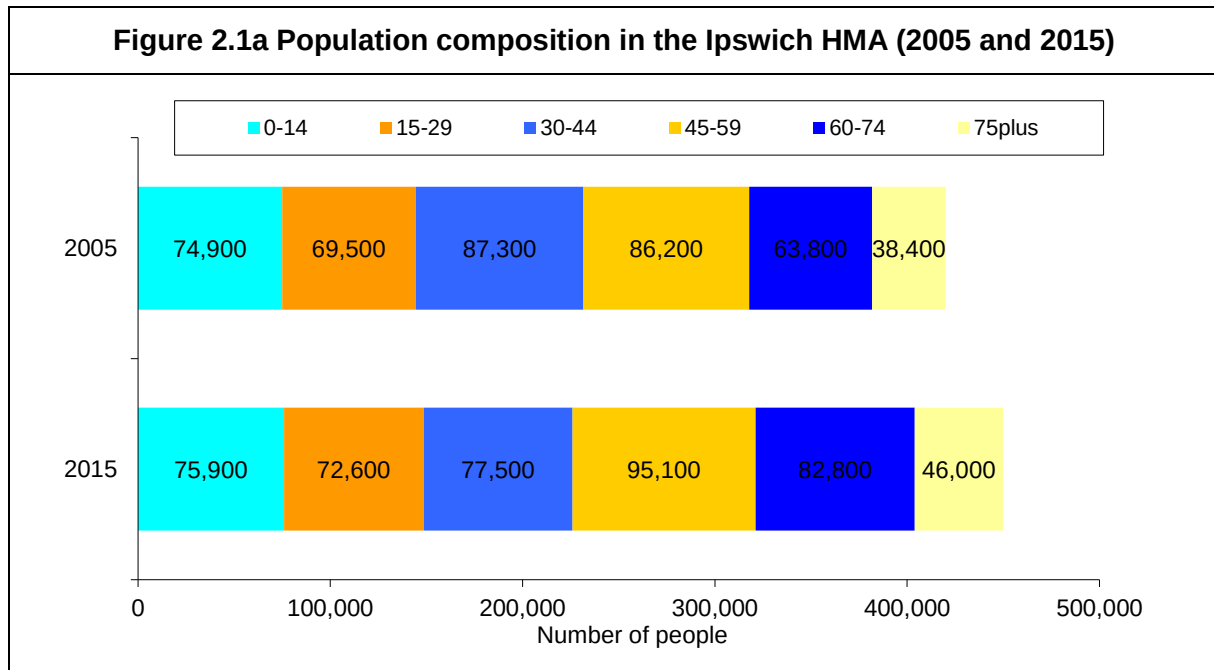
Demography

- 2.3 The 2015-based population estimates produced by the Office of National Statistics show the age profile of the population in each HMA and how it has changed over the last 10 years. Data from the 2011 Census is used to provide further detail on the demographic characteristics of the population in each HMA and how this compares to regional and national trends.

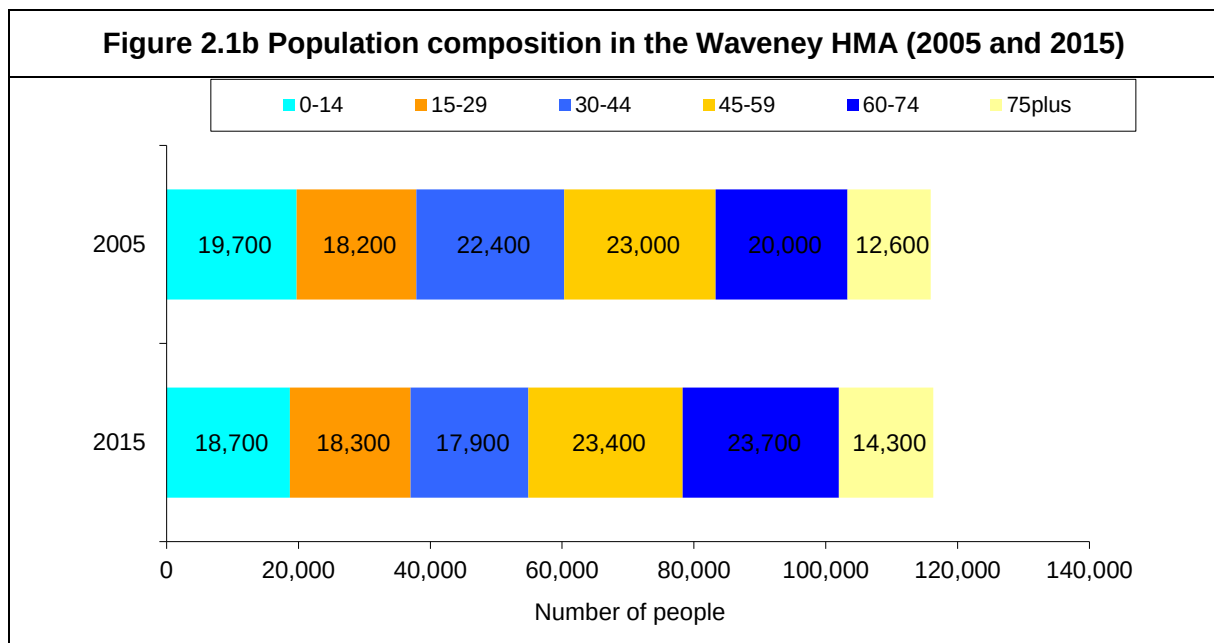
Population

- 2.4 The latest sub-national population estimates² indicate that the resident population in the Ipswich HMA in 2015 was 449,900 and that since 2005 the population had increased by 7.1%, around 29,800 people. The same source indicates that the resident population in the Waveney HMA in 2015 was 116,300 and that since 2005 the population had increased by 0.3%, around 400 people. In comparison, the population of the East region increased by 9.2% over the same period, whilst the population of England grew by 8.3%. For the individual authorities within the Ipswich HMA, the population growth between 2005 and 2015 was 4.0% in Babergh, 9.5% in Ipswich, 10.2% in Mid Suffolk and 4.5% in Suffolk Coastal.
- 2.5 Figure 2.1a below illustrates the age composition of the population in the Ipswich HMA in 2005 and 2015 according to the latest population estimates, with Figure 2.1b showing the equivalent information for the Waveney HMA. The data shows that since 2005 the number of people aged 60 or over has markedly increased in both HMAs. In contrast, the number of people aged between 30 and 44 has decreased. This figure is replicated for the constituent authorities of the Ipswich HMA within the appendices to this report.

² ONS Population estimates - local authority based by five year age band, published on www.nomisweb.co.uk/



Source: ONS Population estimates, 2016



Source: ONS Population estimates, 2016

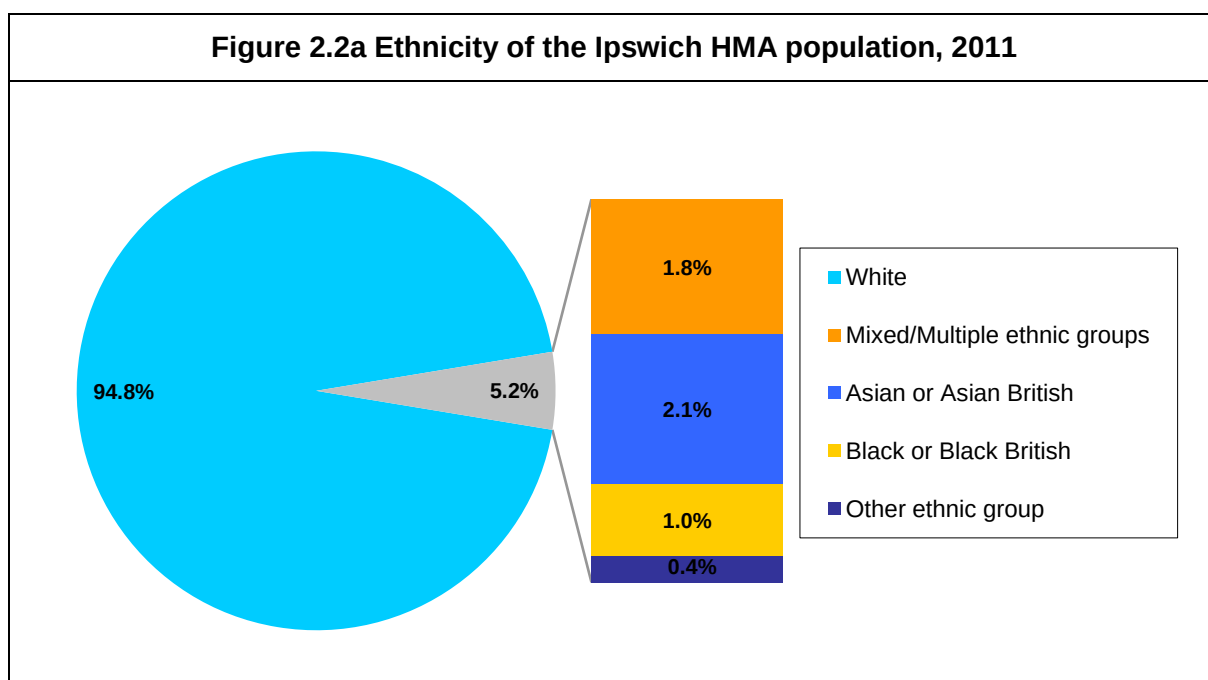
- 2.6 According to the Census, some 17.6% of the resident population in the Ipswich HMA and 22.3% of the resident population in the Waveney HMA have a long-term health problem or disability, compared to 16.7% of residents in the East region and 17.6% of people across England.

Ethnicity

- 2.7 According to the 2001 Census, the proportion of Black, Asian and Minority Ethnic (BAME) (non-white) groups in the Ipswich HMA was 2.9%, whilst the figure for the Waveney HMA was 1.2%. Both were lower than that recorded for the East region (4.9%) and the national average

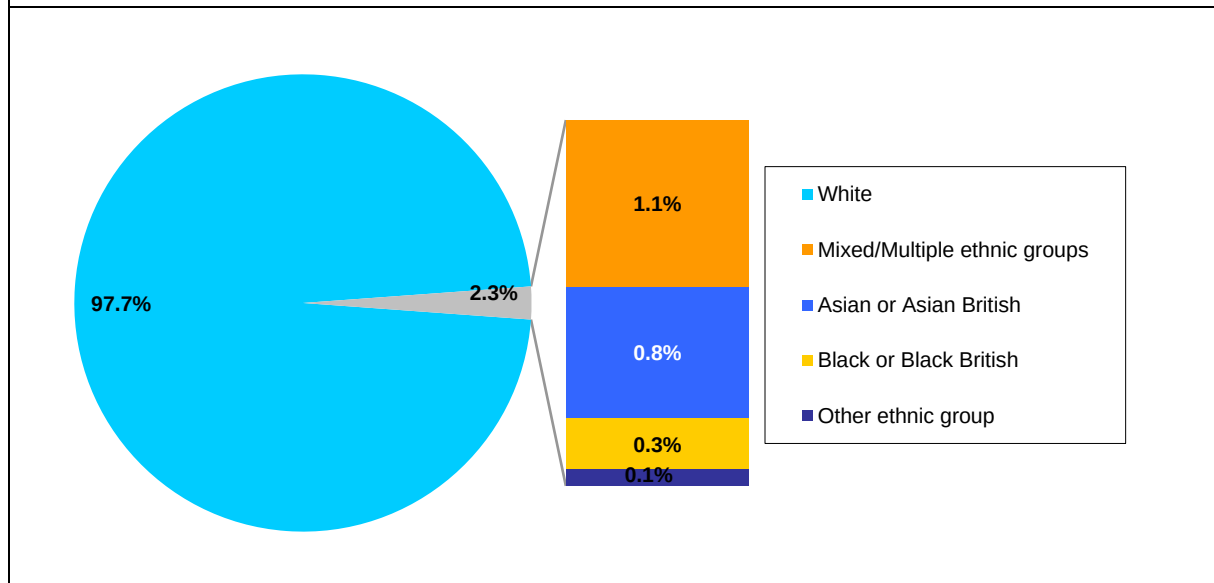
(9.1%). The 2011 Census suggests that the BAME population has increased to 5.2% of the total population in the Ipswich HMA and to 2.3% of the total population in the Waveney HMA, which are both still notably smaller than the regional and national figures (9.2% in the East region and 14.5% in England). In Babergh the BAME population constitutes 2.2% of the total population, 11.1% in Ipswich, 2.1% in Mid Suffolk, 3.5% in Suffolk Coastal.

- 2.8 The figures below present the ethnicity of the population in the two HMAs in 2011. The 'Asian or Asian British' represents the largest BAME group in the Ipswich HMA area (comprising 2.1% of total population). The 'Mixed/Multiple ethnic groups' represents the largest BAME group in the Waveney HMA area (comprising 1.1% of total population). It should be noted that the 'White' group in the Ipswich HMA includes 'White Irish' (0.5%) 'White Gypsy and Traveller' (0.1%) and 'White Other' (2.9%) as well as 'White British' (91.3%). In the Waveney HMA the 'White' group includes 'White Irish' (0.4%) 'White Gypsy and Traveller' (0.1%) and 'White Other' (1.5%) as well as 'White British' (95.8%). Figure 2.2 is replicated for the constituent authorities of the Ipswich HMA within the appendices to this report.



Source: 2011 Census

Figure 2.2b Ethnicity of Waveney HMA population, 2011



Source: 2011 Census

- 2.9 The Census reveals that in 2011 just 0.9% of the population of the Ipswich HMA and just 0.4% of the population of the Waveney HMA had been resident in the UK for less than two years, compared to 1.5% in the East region and 1.8% across England. The overwhelming majority of the population of both HMAs have resided in the UK for over 5 years (including those born in the UK); 97.9% in the Ipswich HMA and 99.1% in the Waveney HMA compared to 96.7% in the East region and 96.0% in England. Within the Ipswich HMA, Ipswich records the highest proportion of the population that were resident in the UK for less than two years in 2011 (at 1.9%) followed by Suffolk Coastal (0.5%), Babergh (0.4%) and Mid Suffolk (0.4%).

Number of households

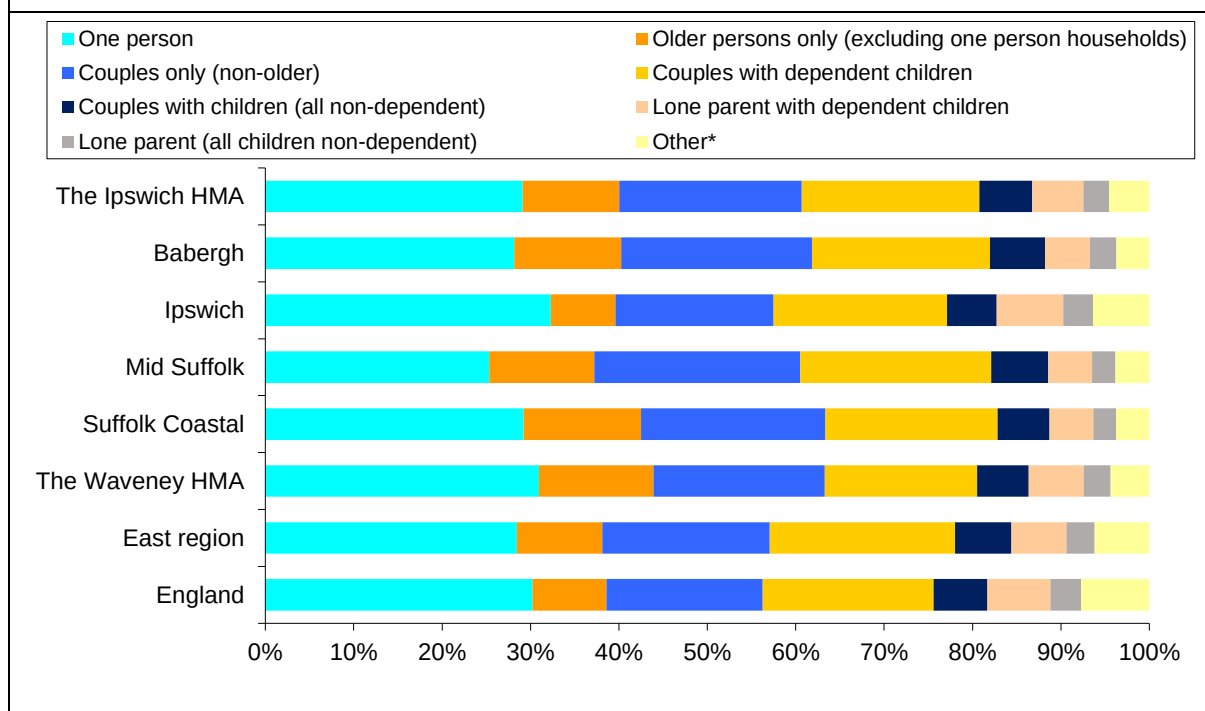
- 2.10 The 2011 Census revealed that the number of households in the Ipswich HMA has increased by 11.5% since 2001, reaching 188,684 households in total. The same source shows that the number of households in the Waveney HMA has increased by 5.1% since 2001, reaching 50,883 households in total. This compares to the regional average of 8.6% and the national figure of 7.9%. In both HMAs the population has increased at a slower rate than the number of households between 2001 and 2011, resulting in a falling average household size, as is illustrated in the table below. This is also the pattern nationally, however at a regional level the number of households has risen at broadly the same rate as the population in households between 2001 and 2011 and the average size of households has remained. Within the Ipswich HMA, Babergh and Mid Suffolk have recorded the greater decrease in average household size and Ipswich the smallest. The decrease in average household size in the Waveney HMA is greater than that recorded in any authority within the Ipswich HMA.

Table 2.1 Change in average household size between 2001 and 2011		
<i>Location</i>	<i>Average household size in 2001</i>	<i>Average household size in 2011</i>
The Ipswich HMA	2.34	2.30
Babergh	2.35	2.30
Ipswich	2.32	2.29
Mid Suffolk	2.41	2.36
Suffolk Coastal	2.31	2.27
The Waveney HMA	2.29	2.23
East region	2.37	2.37
England	2.38	2.36

Source: 2001 & 2011 Census

- 2.11 The figure below compares the household composition in the Ipswich HMA and the Waveney HMA in 2011 with that recorded for the East region and England. The data indicates that there are more older person only households and fewer lone parent households in both HMAs than are recorded regionally and nationally. Across the Ipswich HMA area, the profile in Ipswich is the most closely aligned to the national pattern whilst the other authorities have higher proportions of older persons only households and couple without children households and a lower proportion of one person households.

Figure 2.3 Household composition in the Ipswich HMA, the Waveney HMA, the East and England, 2011

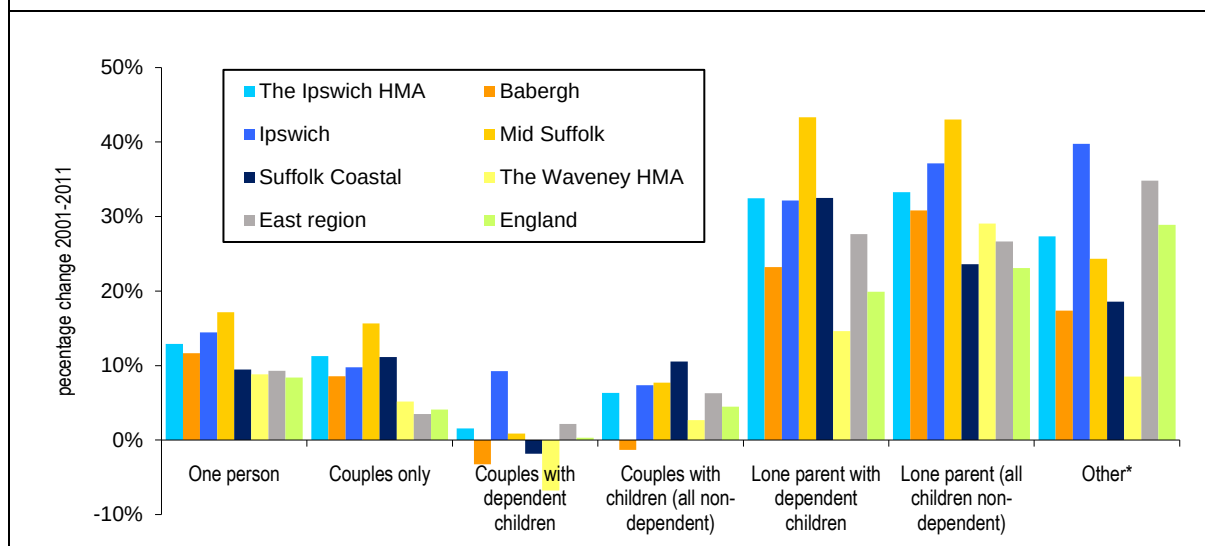


*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups. Source: 2011 Census

- 2.12 The figure below shows the change recorded between the 2001 and 2011 Census for the different household groups in the two HMAs, the East and England. The figure shows that lone parent households have increased the most in both HMAs (although from a low base), followed by 'other' households³ in the Ipswich HMA and one person households in the Waveney HMA. It is interesting to note that in the Waveney HMA households with only non-dependent children have increased whilst the number of households with dependent children has decreased. This suggests that household formation rates amongst young adults may have reduced. The data indicates that within the Ipswich HMA, one person households have increased most notably in Mid Suffolk, whilst Ipswich is the only authority to record a large increase in couple households with dependent children and Babergh is the only district to show a fall in the number of couple households with non-dependent children.

³ Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups.

Figure 2.4 Change in household types resident in the HMAs 2001 to 2011



*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups. Source: 2001 & 2011 Census

Economy

- 2.13 Considerable data is available on the economic context in both HMAs, which enables a profile of the current local economy to be presented.

Employment in the HMA

- 2.14 NOMIS⁴ data on 'job density' (this is a measure of the number of individual jobs⁵ per person of working age) for 2014 shows that there are 0.83 jobs per working age person in the Ipswich HMA and 0.74 jobs per working age person in the Waveney HMA, compared to 0.80 jobs per working age person across the East region, and 0.83 for England as a whole. The job density in the individual authorities in the Ipswich HMA are 0.73 in Babergh, 0.86 in Ipswich, 0.78 in Mid Suffolk and 0.88 in Suffolk Coastal. Both HMAs have recorded an improvement in job density from 2009, during the recession, to 2014, (an increase from 0.77 to 0.83 in the Ipswich HMA and from 0.69 to 0.74 in the Waveney HMA). All authorities within the Ipswich HMA recorded an improvement in job density since 2009; it has increased from 0.65 in Babergh, from 0.85 in Ipswich, from 0.68 in Mid Suffolk and from 0.80 in Suffolk Coastal.
- 2.15 Measured by the Office for National Statistics (ONS) Business Register and Employment Survey there were 183,000 individual employee jobs⁶ in the Ipswich HMA in 2015 with a further 40,000 in the Waveney HMA. This is the highest level recorded in the Ipswich HMA since the

⁴ NOMIS is a website provided by the Office for National Statistics that contains a range of labour market data at a local authority level. www.nomisweb.co.uk.

⁵ Jobs includes employees (both full and part-time), self-employed, government-supported trainees and HM Forces.

⁶ Employee jobs excludes self-employed, government-supported trainees and HM Forces. Employee jobs can be both part-time and full-time.

collection of this data was begun in 2009. Overall the number of employee jobs in the Ipswich HMA has increased by 5.8% between 2009 and 2015, whilst in the Waveney HMA the number of employee jobs decreased by 2.4% between 2009 and 2015. These figures compare to an increase of 7.8% for the region and an increase of 7.1% nationally over the same time period. At the local authority level within the Ipswich HMA, Babergh recorded an increase of 6.9% in employee jobs between 2009 and 2015, compared to an increase of 4.5% in Ipswich, a rise of 6.3% in Mid Suffolk and 6.5% growth in Suffolk Coastal.

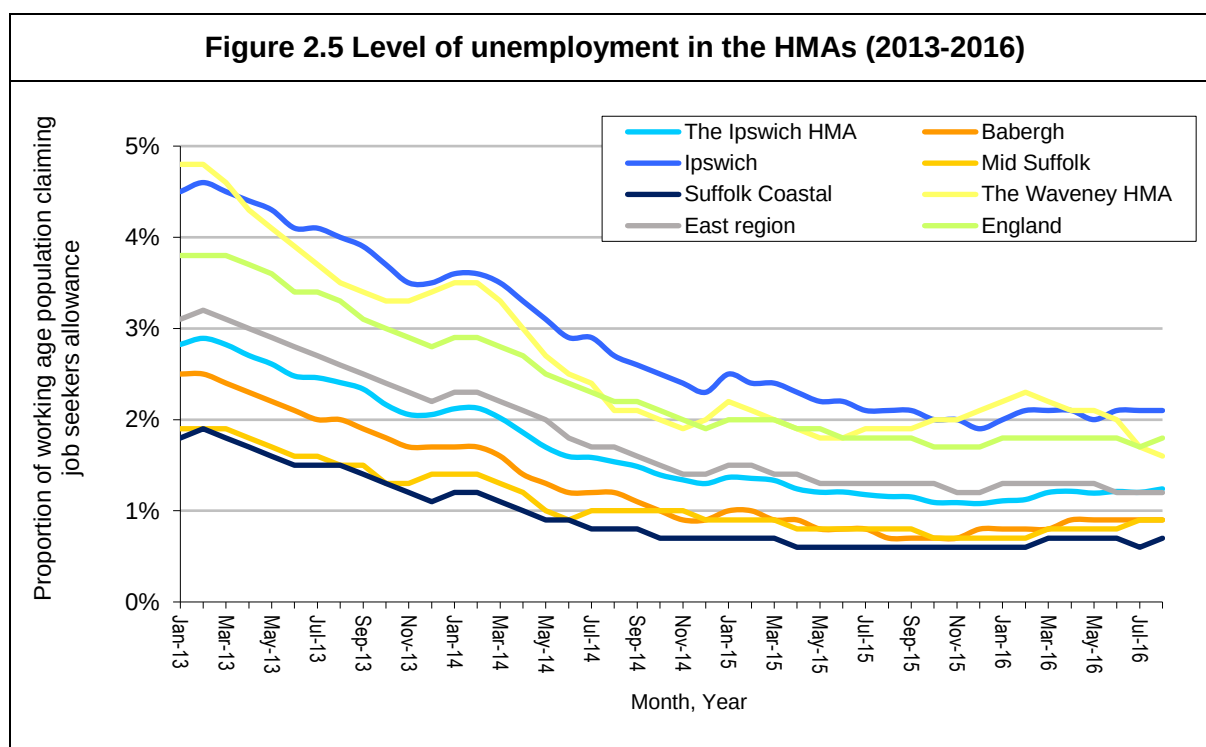
- 2.16 Information from the Annual Civil Service Employment Survey indicates that 0.9% of employee jobs in the Ipswich HMA in 2015 were in the Civil Service as were 2.2% of employee jobs in the Waveney HMA. These figures compare to 0.9% of employee jobs in the East and 1.5% of employee jobs in England in the Civil Service in 2015. In Babergh less than 0.1% of employee jobs were in the Civil Service, which compares to 1.3% of employee jobs in Ipswich, 0.4% in Mid Suffolk and 1.2% in Suffolk Coastal. The proportion of employees in the Ipswich HMA working in the civil service has fallen from 1.2% in 2010 to 0.9% in 2015 and this figure has decreased in each constituent authority over this period. The proportion of employees in the Waveney HMA working in the civil service has fallen from 3.0% in 2010 to 2.2% in 2015
- 2.17 Data is also available from the ONS about the number of businesses in the area and how this has changed over the last few years (older data is not available as the format of the information collected changed in 2010). This can provide a good indication of the state of the economy as an increase in businesses would suggest either new companies moving to the area or an increase in local entrepreneurship.
- 2.18 The ONS indicates that in 2015 there were 17,755 enterprises across the Ipswich HMA, with 4,020 located in Babergh, 3,660 in Ipswich, 4,780 in Mid Suffolk and 5,295 in Suffolk Coastal. In addition there are 3,720 enterprises in the Waveney HMA. A very similar proportion of enterprises are micro (with 9 or fewer employees) across the Ipswich HMA (88.5%) and the Waveney HMA (88.4%) compared with the East (89.2%) and England (88.8%). Across the Ipswich HMA the number of enterprises has increased by 7.5% between 2013 and 2015 (a rise of 1,215) and an increase has been recorded across all constituent authorities. In the Waveney HMA the number of enterprises has increased by 9.4% between 2013 and 2015 (a rise of 320). It should be noted in the three years prior to this (2010 to 2013) the number of enterprises in both HMAs fell.

Employment profile of residents in the two HMAs

- 2.19 Although the overall economic performance of the HMAs provides important context, an understanding of the effect of the economic climate on the resident population is more pertinent to this study.
- 2.20 The Census provides an overview of the employment situation in the two HMAs in 2011. It shows that of all residents in work in the Ipswich HMA (excluding those who are also students), 16.7% are self-employed, with 58.9% full-time employees and 24.4% part-time employees. Of all residents in work in the Waveney HMA (excluding those who are also students), 15.7% are self-employed, with 56.1% full-time employees and 28.2% part-time employees. In the Ipswich

HMA, the level of self-employment is higher than both the regional (16.2%) and national equivalents (15.7%), whilst in both HMAs part-time employment is higher than both the regional and national average (22.1% and 22.1% respectively). Within the Ipswich HMA, Babergh and Mid Suffolk record a particularly high level of self-employment (19.6% and 19.3% of residents in work respectively), whereas self-employment is least common in Ipswich (just 11.2%). This difference in the predominance of self-employment reflects the geography of the authorities, with national data from the Census indicating that of all residents in work that reside in rural locations, 16.5% are self-employed, whilst of those living in urban areas, 14.4% are self-employed.

- 2.21 Since the 2001 Census the number of part-time employees in the Ipswich HMA has increased by 27.3% whilst the number of full-time employees has risen by 5.8%. The number of self-employed residents in the Ipswich HMA has increased by 7.7%. Since 2001, the number of part-time employees in the Waveney HMA has increased by 20.0% whilst the number of full-time employees has fallen by 0.8%. The number of self-employed residents in the Waveney HMA has increased by 218.7% (although from a relatively low base).
- 2.22 The ONS publishes the number of people claiming Job Seekers Allowance on a monthly basis. This provides a very up-to-date measure of the level of unemployment of residents in an area. The figure below shows the change in the proportion of the working age population claiming Job Seekers Allowance in the two HMAs, since January 2013. The figure indicates that the unemployment level in the Ipswich HMA, whilst fluctuating notably, has been consistently below the level for the East region and notably lower than the national level, whilst the unemployment level in the Waveney HMA, whilst fluctuating notably, has been consistently above both the national level and notably higher than the regional level. Currently 1.2% of the working age population in the Ipswich HMA and 1.6% of the working age population in the Waveney HMA are unemployed, compared to 1.2% regionally and the national average of 1.8%. Generally, unemployment in the Ipswich HMA has been lowest in Suffolk Coastal, followed by Mid Suffolk and Babergh and highest in Ipswich.
- 2.23 Over the last twelve months, unemployment has increased across the Ipswich HMA (by 8.6%), whereas it has fallen across the Waveney HMA (by 15.5%), the East region (by 5.5%) and England (by 2.0%). All authorities within the Ipswich HMA have also recorded a rise in unemployment over the last year; unemployment has increased by 20.8% in Babergh, by 1.4% in Ipswich, by 10.9% in Mid Suffolk and by 27.8% in Suffolk Coastal. It should be noted however that the unemployment level in all locations is markedly lower than the level recorded in January 2013.



2.24 It is worth noting that the Ipswich HMA has an average proportion of young people unemployed; 2.2% of 18 to 24 year olds in the HMA are unemployed compared to 2.0% at the regional level and 2.8% nationally. The Waveney HMA however records a higher than average proportion of young people unemployed, 3.4% of 18 to 24 year olds. Within the Ipswich HMA, Mid Suffolk is the authority with a lowest level of young people unemployed (1.5%), followed by Babergh (1.6%), Suffolk Coastal (1.7%) and Ipswich (3.1%).

2.25 The Annual Population Survey presents a 'Standard Occupation Classification' which categorises all working people resident within an area into one of nine groups depending on the nature of the skills that they use. These nine groups are graded from managerial jobs (Groups 1-3) to unskilled jobs (Groups 8-9). As the table below illustrates, some 44.2% of employed residents in the Ipswich HMA work in Groups 1 to 3, similar to the figure for both the East region and the national one. The Ipswich HMA has a higher proportion of the workforce in occupation Groups 8 to 9 than is found regionally and nationally. Further analysis shows that, since 2010, there has been a considerable increase in the number of people resident in the Ipswich HMA employed within Groups 8 to 9 and Groups 1 to 3 and a notable fall in the number of people resident in the Ipswich HMA employed within Groups 4 to 5 and Groups 6 to 7.

2.26 The data shows that the Waveney HMA has a lower proportion of the workforce in occupation Groups 1 to 3 and a higher proportion in all other Groups than is found regionally and nationally. Further analysis shows that, since 2010, there has been a very large increase in the number of people resident in the Waveney HMA employed within Groups 6 to 7 and Groups 8 to 9 and a fall in the number of people resident in the Waveney HMA employed within Groups 1 to 3 and Groups 4 to 5.

- 2.27 Within the Ipswich HMA, Suffolk Coastal records a higher proportion of employed residents working in Groups 1 to 3 and a lower proportion in Groups 4 to 5 than the regional and national average, whilst the distribution in Babergh and Mid Suffolk is similar to the HMA average. Ipswich is the authority within the Ipswich HMA with the highest proportion of employed residents working in Groups 8 to 9.

Table 2.2 Occupation structure (2015)						
<i>Occupation Groups</i>	<i>The Ipswich HMA</i>	<i>The Waveney HMA</i>	<i>Change in # of people employed in the Ipswich HMA since 2010</i>	<i>Change in # of people employed in the Waveney HMA since 2010</i>		
Group 1-3: Senior, Professional or Technical	44.2%	27.4%	7.8%	-17.7%		
Group 4-5: Administrative, skilled trades	19.2%	24.3%	-15.2%	-12.4%		
Group 6-7: Personal service, Customer service and Sales	15.7%	24.8%	-8.4%	72.4%		
Group 8-9: Machine operatives, Elementary occupations	20.9%	22.0%	18.4%	53.3%		
Total	100.0%	100.0%	-	-		
<i>Occupation Groups</i>	<i>Babergh</i>	<i>Ipswich</i>	<i>Mid Suffolk</i>	<i>Suffolk Coastal</i>	<i>East</i>	<i>England</i>
Group 1-3: Senior, Professional or Technical	41.4%	37.3%	43.9%	53.3%	44.0%	44.8%
Group 4-5: Administrative, skilled trades	25.6%	15.0%	24.7%	14.5%	22.4%	21.1%
Group 6-7: Personal service, Customer service and Sales	12.2%	19.0%	16.7%	13.3%	16.1%	16.6%
Group 8-9: Machine operatives, Elementary occupations	20.8%	27.3%	14.7%	18.4%	17.2%	17.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

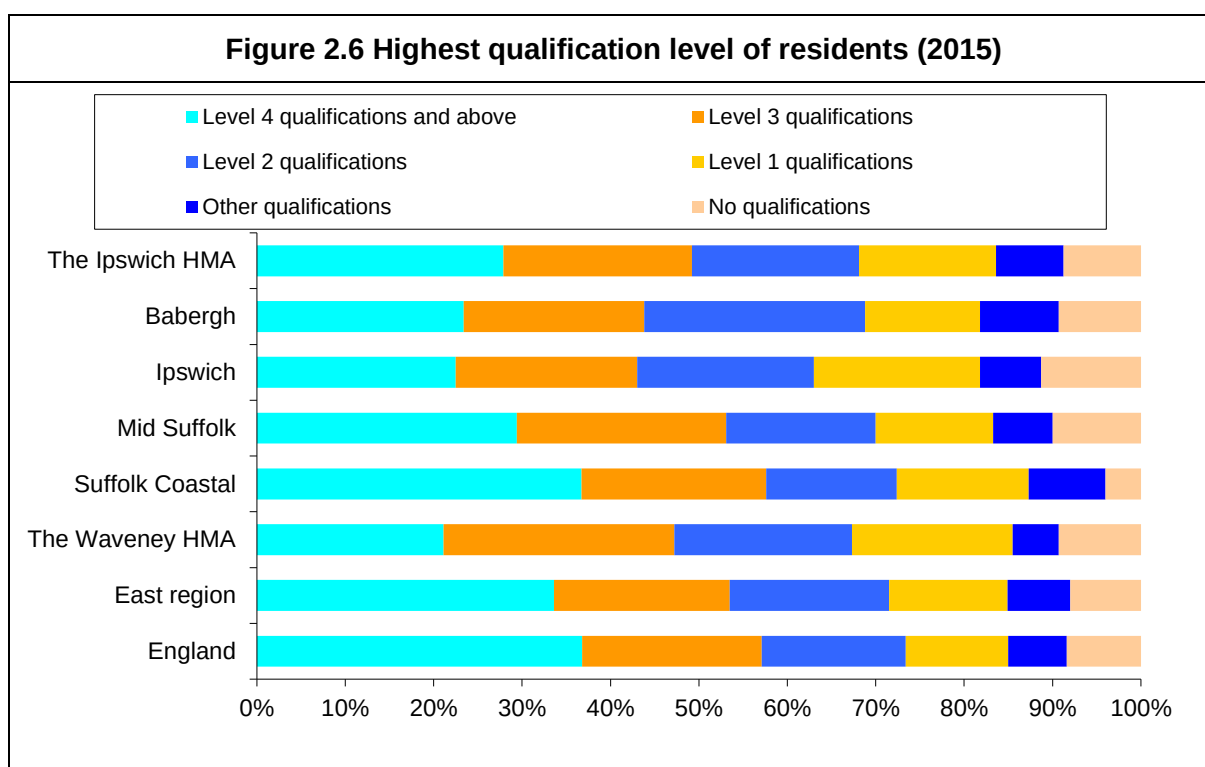
Source: Annual Population Survey, 2015

Qualifications

- 2.28 An important factor in the ability of any economy to grow is the level of skill of the workforce. The figure below shows the highest qualification level of the working-age residents of the two HMAs, compared to the regional and national equivalents as recorded in the Annual Population Survey. Level 1 qualification is the lowest (equivalent of any grade at GCSE or O-Level) and Level 4 the highest (undergraduate degree or higher)⁷. The data indicates that 27.9% of working-age residents in the Ipswich HMA and 21.1% of working-age residents in

⁷ These definitions come directly from the data source (located at www.nomisweb.co.uk/) and may differ slightly from the banding used on the guide to qualification levels located on the www.gov.uk site.

the Waveney HMA have level 4 or higher qualifications, lower than the figures for the East region (33.6%) and England (36.8%). Both the Ipswich HMA and the Waveney HMA have more residents with no qualifications (at 8.7% and 9.3% respectively). It is important to note however that, in both HMAs, the proportion of working-age residents without qualifications has reduced notably since 2010 (by 12.9% in the Ipswich HMA and by 38.9% in the Waveney HMA). Within the Ipswich HMA, Suffolk Coastal has the most qualified population and Ipswich the least qualified.

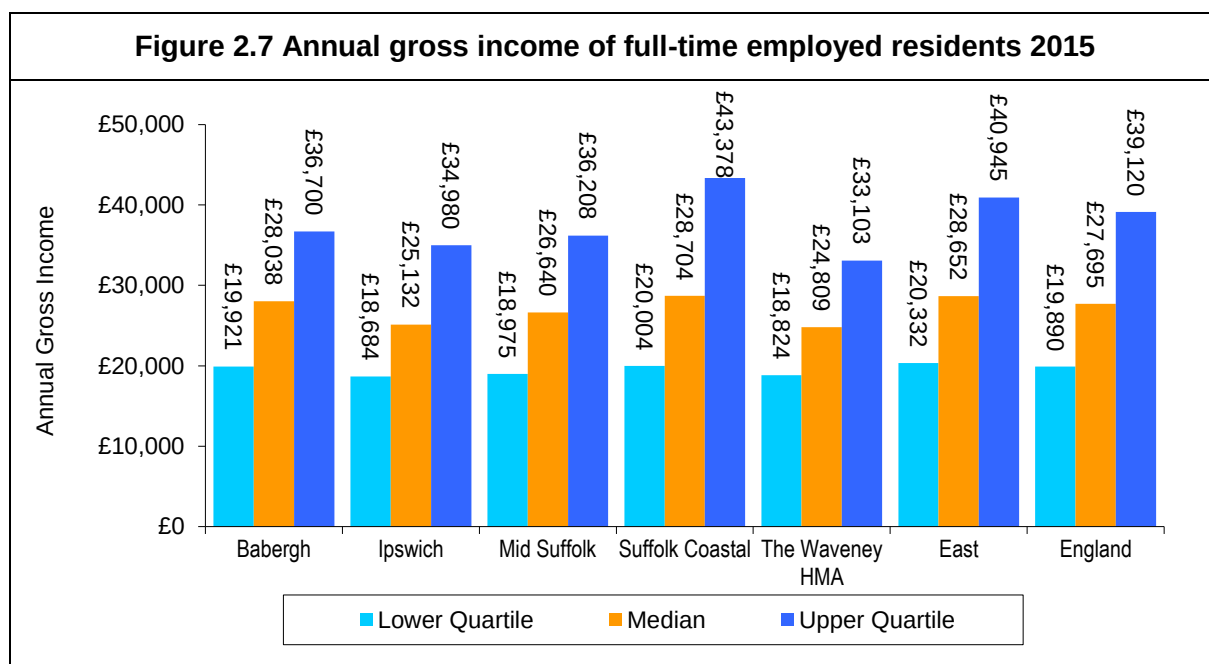


Source: Annual Population Survey, 2015

Income

- 2.29 Income has a core effect on the level of choice a household has when determining their future accommodation. The mean earned gross income for full-time employees resident in the Waveney HMA in 2015 was £27,144, according to the ONS Annual Survey of Hours and Earnings. It is not possible to present data for the Ipswich HMA as a whole because the dataset does not provide sufficient information to enable a figure to be calculated from the four constituent authorities. Within the Ipswich HMA, Babergh in records a mean earned gross income for full-time employees residents of £36,208, whilst the equivalent figure for Ipswich was £28,855, for Mid Suffolk it was £34,091 and for Suffolk Coastal it was £34,278. In comparison, the regional figure was £34,403 and the national average was £33,088. It is important to note that these figures assess individual incomes rather than household incomes. It should also be noted that the median figures (set out in the figure below) provide a more accurate average than the mean figures are they are less influenced by extreme values, however the mean figures are presented for context.

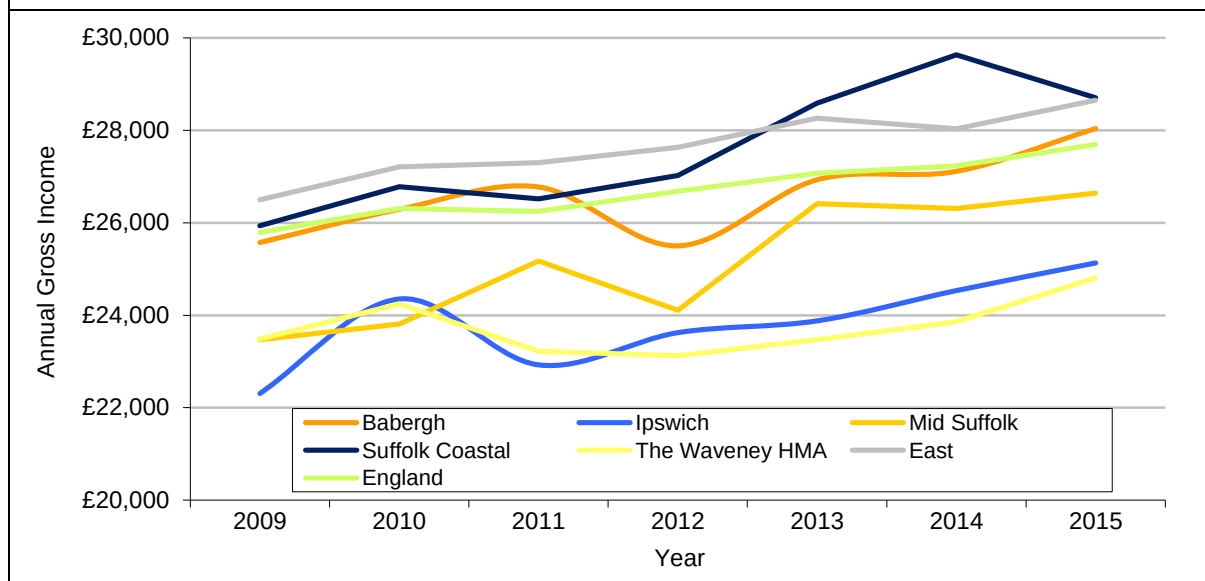
- 2.30 As the figure below shows, despite Babergh recording the highest mean income, at all points on the distribution annual gross income in Suffolk Coastal is the highest within the Ipswich HMA, followed by Babergh and Mid Suffolk. Suffolk Coastal records the biggest difference between lower and upper quartile incomes, suggesting a large distinction between high and low earning people in the district. In contrast incomes in the Waveney HMA are lower than for all authorities within the Ipswich HMA other than lower quartile incomes in Ipswich. It is also worth noting that in the Waveney HMA there is a relatively small difference between high and low earning people.



Source: ONS Annual Survey of Hours and Earnings (2015)

- 2.31 The figure below shows the change in the median income of full-time employees resident in each authority in the two HMAs, the East region and England since 2009. Mid Suffolk has recorded the highest increase since 2009 within the Ipswich HMA (at 13.5%) followed by Ipswich (12.7%), Suffolk Coastal (10.7%), Babergh (9.6%). The equivalent increase recorded in the Waveney HMA since 2009 is 5.5%. The comparative regional and national figures are 8.1% across the East and 7.4% for England.

Figure 2.8 Change in median annual income of full-time employed residents 2009-2015



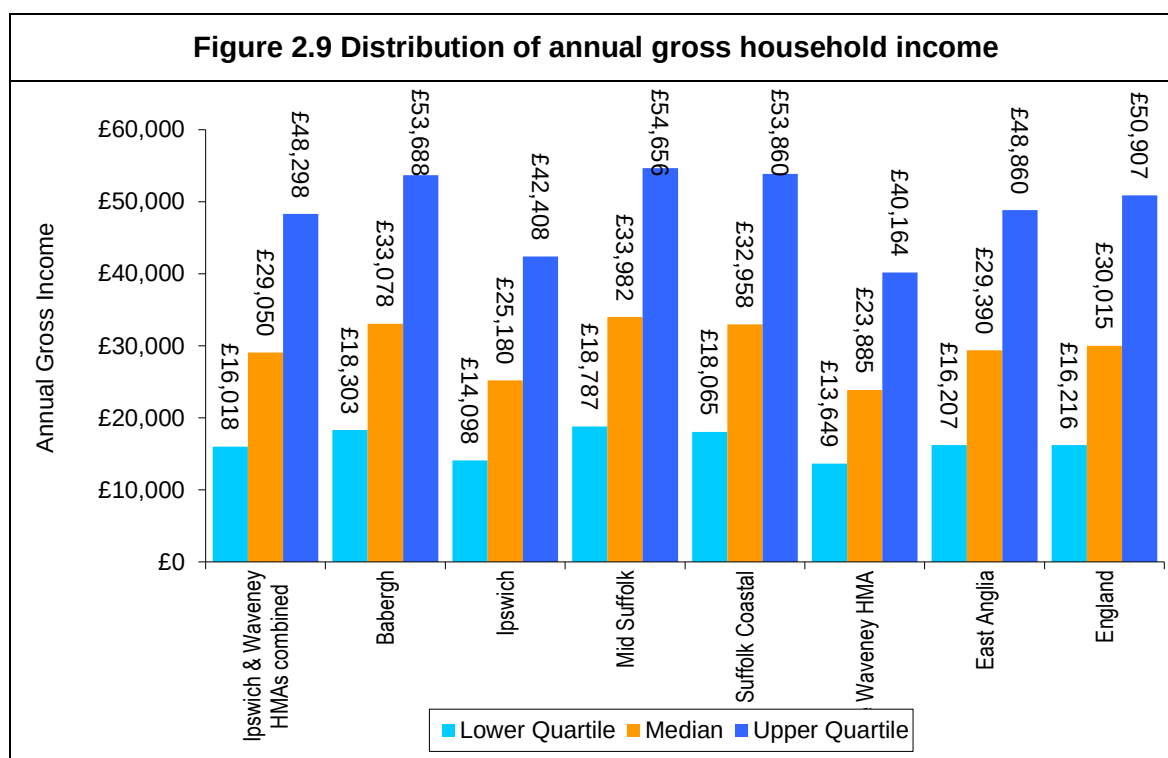
Source: ONS Annual Survey of Hours and Earnings (2009-2015)

Household income

- 2.32 CACI Paycheck⁸ estimates that the mean gross annual household income across both the Ipswich & Waveney HMAs is £36,100⁹, which is 1.3% below the regional equivalent (£36,568 for East Anglia) and 5.2% below the figure for England (£38,077). The same data source indicates that the mean gross annual household income in Babergh is £40,136, whilst it is £36,406 in Ipswich, £40,775 in Mid Suffolk, £40,202 in Suffolk Coastal and £30,050 in Waveney. It should also be noted that the median figures (set out in the figure below) provide a more accurate average than the mean figures as they are less influenced by extreme values, however the mean figures are presented for context.
- 2.33 The figure shows household income at various points on the income distribution for the Waveney HMA, each local authority within the Ipswich HMA and the combined Ipswich & Waveney HMAs alongside the region-wide and national equivalents. The data indicates that households in the Waveney HMA are the least affluent. Within the Ipswich HMA, household incomes in Mid Suffolk, Babergh and Suffolk Coastal are not only notably higher than those in Ipswich but also higher than the national and regional averages.

⁸ CACI is a commercial company that provides households income data.

⁹ Figures were not available for the Ipswich HMA in total



Source: CACI Paycheck, 2016

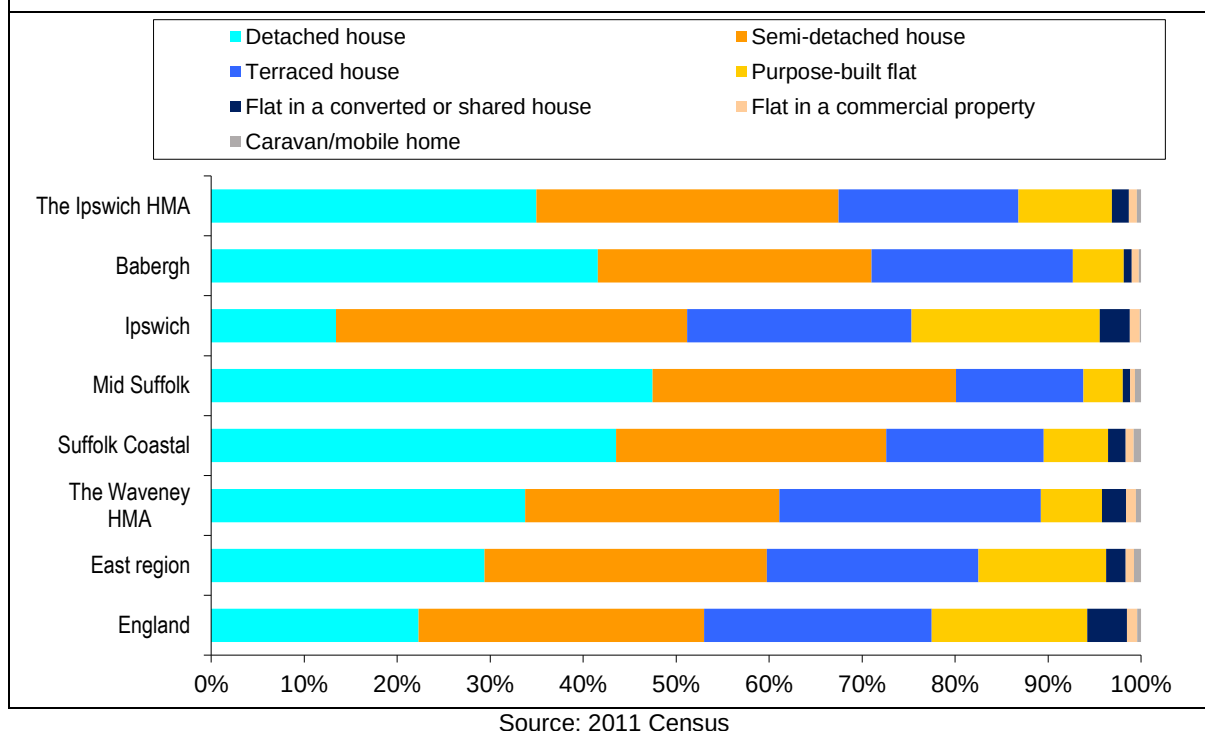
Dwelling stock

- 2.34 The Census indicates that there were 198,564 dwellings in the Ipswich HMA in 2011, and that since 2001 the number of dwellings had increased by 12.1%, over 21,400 properties. The same source indicates that there were 54,558 dwellings in the Waveney HMA in 2011, and that since 2001 the number of dwellings had increased by 5.8%, exactly 3,000 properties. In comparison, the dwelling stock in the East region increased by 9.7% between the 2001 and 2011 Census, whilst the dwelling stock of England increased by 8.3%. Within the Ipswich HMA, Ipswich recorded the largest growth in dwellings (14.7%), followed by Mid Suffolk (14.0%), Suffolk Coastal (10.8%) and Babergh (8.2%).

Accommodation profile

- 2.35 The figure below compares the type of accommodation in both HMAs in 2011 with that recorded for the East region and England. Both HMAs contain more detached houses and fewer flats than the regional and national averages. The most common property type across the Ipswich HMA is detached houses followed by semi-detached dwellings, whilst in the Waveney HMA it is detached houses followed by terraced homes. There are some notable differences within the Ipswich HMA; almost a quarter of dwellings in Ipswich are flats, whilst they make up no more than a tenth of the stock in the other three areas. Mid Suffolk contains the greatest proportion of detached houses whilst Ipswich has the largest percentage of terraced houses.

Figure 2.10 Dwelling type in the Ipswich HMA, Waveney HMA, the East region and England, 2011



2.36 Since 2001 the number of flats has increased markedly in the Ipswich HMA, by 37.8%. Whilst this change is most pronounced in Ipswich a large growth in this property type is common to all authorities within the Ipswich HMA. The change in the number of houses across the Ipswich HMA has been less notable, although terraced dwellings have recorded the biggest rise (11.9%), followed by detached properties (9.4%) and semi-detached homes (7.7%). In the Waveney HMA the change in the different accommodation types between 2001 and 2011 has been more even; the number of detached houses has increased by 7.9%, whilst the number of semi-detached houses has grown by 6.6%, flats have risen by 5.1% and terraced houses have increased by 3.5%.

2.37 The table below compares the size of accommodation (in terms of bedrooms) in the two HMAs, the East region and England. The table indicates that both HMAs have a greater proportion of three bedroom properties and fewer smaller homes (two or fewer bedrooms) than the East region and England as a whole. Overall, three bedroom homes account for 43% of all dwellings in the Ipswich HMA and 46% of all dwellings in the Waveney HMA. Within the Ipswich HMA, Mid Suffolk records the lowest proportion of small dwellings and the highest proportion of larger homes (four or more bedrooms). Ipswich has the largest proportion of small dwellings and the lowest level of large homes.

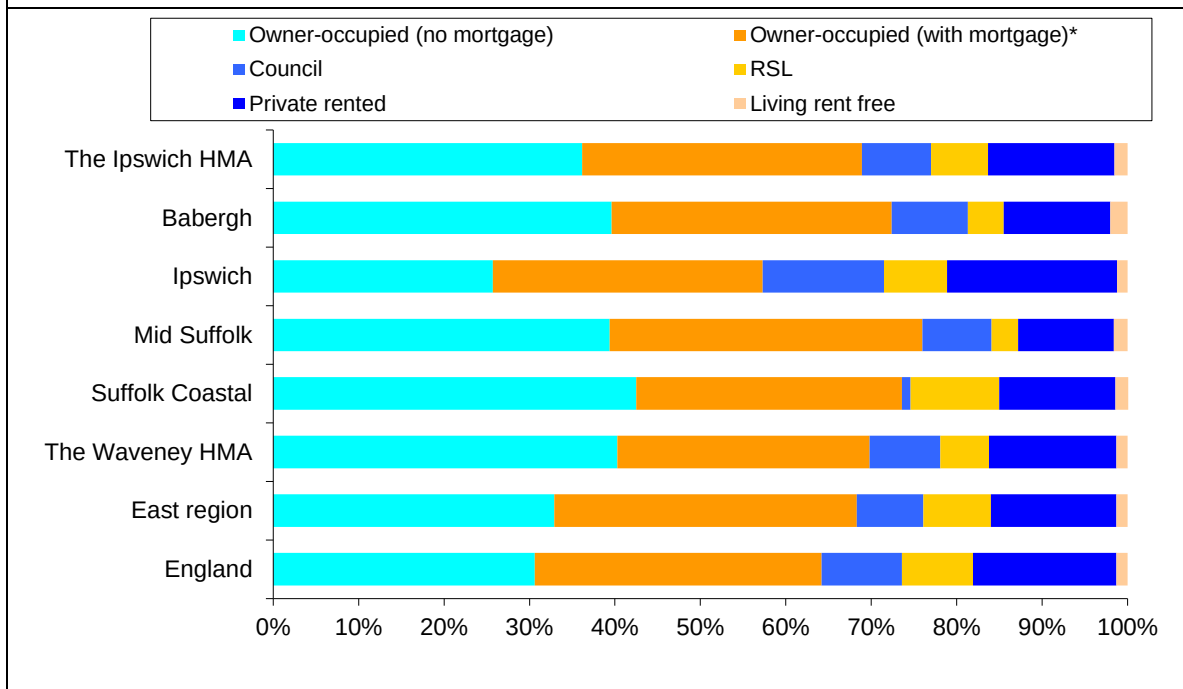
Table 2.3 Size of dwelling stock in the Ipswich HMA, Waveney HMA, the East region and England, 2011								
<i>Property size</i>	<i>The Ipswich HMA</i>	<i>Babergh</i>	<i>Ipswich</i>	<i>Mid Suffolk</i>	<i>Suffolk Coastal</i>	<i>The Waveney HMA</i>	<i>East</i>	<i>England</i>
Bedsit	0.2%	0.1%	0.3%	0.1%	0.2%	0.1%	0.2%	0.2%
1 bedroom	8.5%	6.3%	12.8%	6.0%	7.3%	9.0%	10.4%	11.8%
2 bedrooms	25.1%	25.4%	25.4%	25.0%	24.8%	27.9%	26.2%	27.9%
3 bedrooms	43.4%	42.0%	49.9%	40.4%	39.8%	46.1%	41.4%	41.2%
4 bedrooms	17.3%	20.2%	9.2%	21.2%	20.9%	13.3%	16.8%	14.4%
5 or more bedrooms	5.5%	6.0%	2.5%	7.2%	7.1%	3.6%	5.1%	4.6%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Source: 2011 Census

Tenure

- 2.38 The figure below compares the tenure of households in the two HMAs in 2011 with that recorded for the East region and England. The data indicates that 36.2% of households in the Ipswich HMA and 40.3% of households in the Waveney HMA are owner-occupiers without a mortgage, compared to 32.9% in the region and 30.6% nationally. The proportion of owner-occupiers with a mortgage in both the Ipswich HMA (32.7%) and the Waveney HMA (29.5%) is however lower than both the regional (35.4%) and national average (33.6%). Some 14.8% of households in the Ipswich HMA and 14.0% of households in the Waveney HMA are resident in the Social Rented sector, lower than the figure for the East region (15.7%) and England as a whole (17.7%). Finally, some 14.8% of households in the Ipswich HMA and 14.9% of households in the Waveney HMA live in private rented accommodation, compared to 14.7% in the East region and 16.8% across England. Within the Ipswich HMA, Ipswich records by far the lowest level of owner-occupiers with no mortgage (25.7%) but a relatively large Social Rented stock (21.6%) and a large private rented sector (19.9%). Mid Suffolk and Suffolk Coastal record the smallest Social Rented sector (11.2% and 11.4% respectively) and the greatest private rented sector (13.2% and 12.9% respectively). The tenure profile in Babergh is most similar to the regional average and can be considered as well balanced within this context.

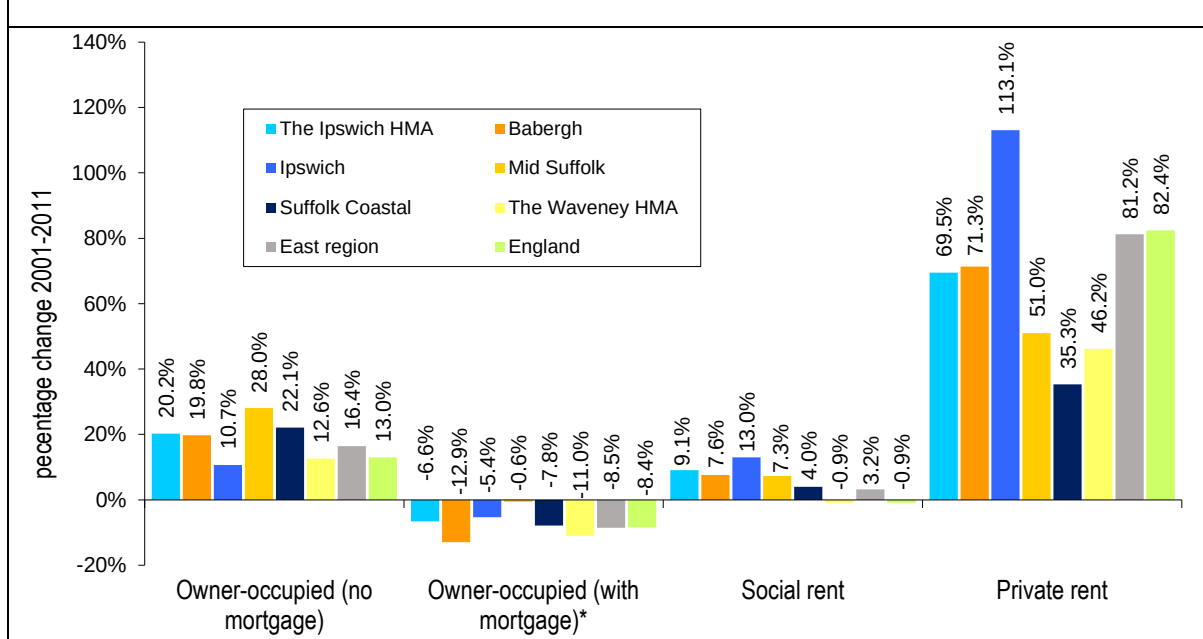
Figure 2.11 Tenure profile in the Ipswich HMA, the Waveney HMA, the East region and England, 2011



Source: 2011 Census *Includes Shared Ownership

2.39 The figure below shows the change in the size of each tenure between the 2001 and 2011 Census. The figure shows that in all areas the private rented sector has increased dramatically and the number of owner-occupiers with no mortgage has also grown. In comparison, the number of owner-occupiers with a mortgage has decreased. The Social Rented sector has generally shown the smallest change.

Figure 2.12 Change in number of households in each tenure 2001 to 2011

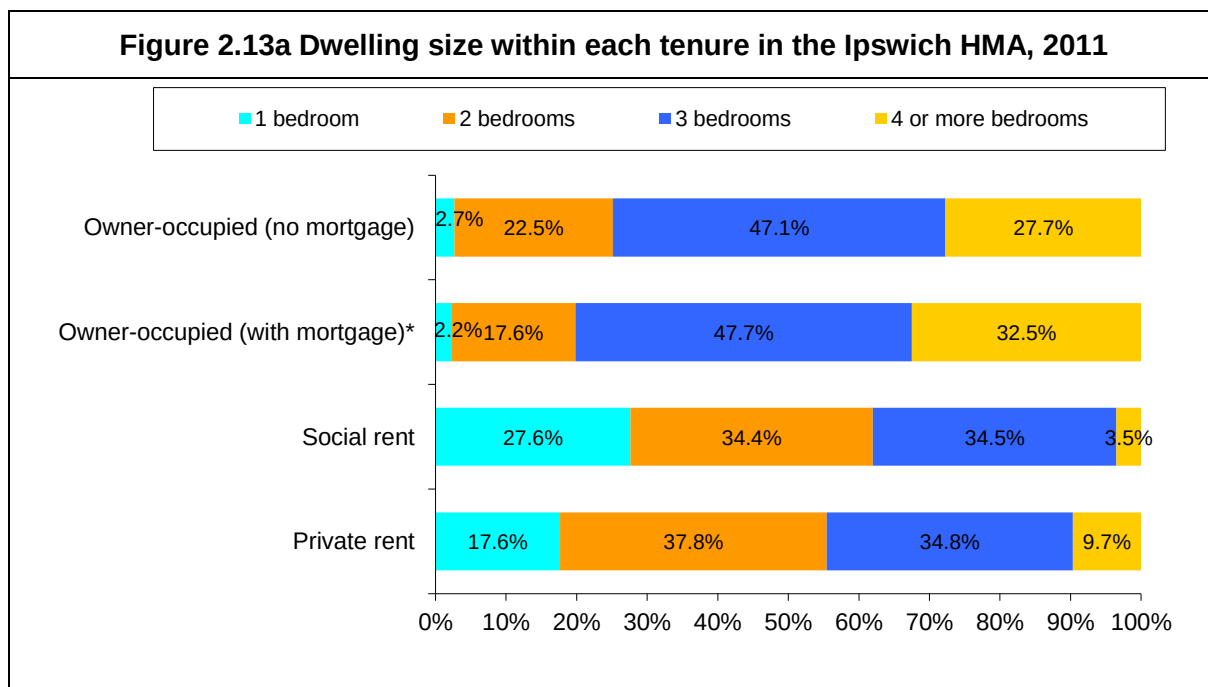


*Includes Shared Ownership. Source: 2001 & 2011 Census

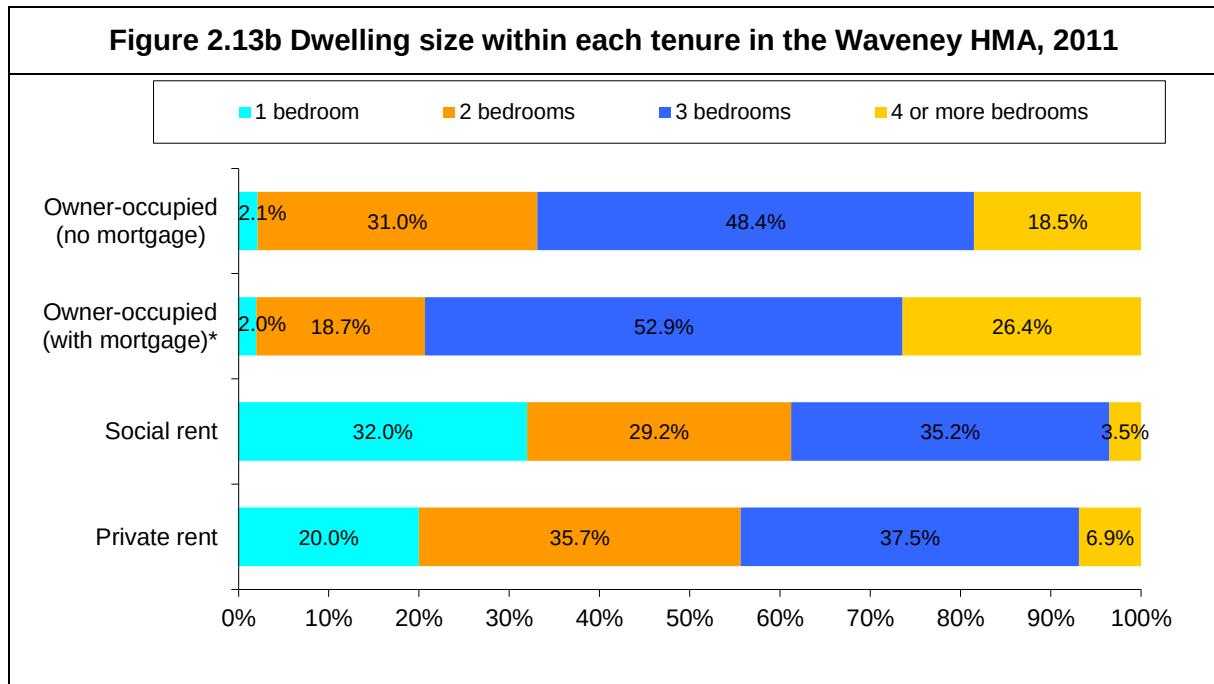
- 2.40 It should be noted that whilst the owner-occupied (with mortgage) sector has decreased, the number of Shared Ownership properties has increased between 2001 and 2011, rising by 103.4% in the Ipswich HMA and by 56.9% in the Waveney HMA (although both are from a low base).

Tenure by bedroom

- 2.41 Finally, it is useful to understand the size of accommodation within each tenure as recorded in the 2011 Census. This is shown in the figures below. The data indicates that, in both HMAs, rented accommodation is smaller on average than owned dwellings. This pattern is common across the country and reflects of the profile of dwellings built in each sector alongside the size of homes lost from the affordable stock through Right-to-Buy rather than the aspirations of those in the different tenures. This figure is replicated for the constituent authorities of the Ipswich HMA within the appendices to this report.



Source: 2011 Census *Includes Shared Ownership



Source: 2011 Census *Includes Shared Ownership

3. The cost and affordability of housing

Introduction

- 3.1 An effective SHMA is founded on a thorough understanding of local housing – what it costs and how this varies. This chapter describes the changes in the housing market that have been recorded across both HMAs. Subsequently, it assesses the entry-level costs of housing across the different price markets in operation¹⁰. A comparison of the cost of different tenures will be used to identify the housing market gaps that exist. Finally, the chapter will report changes in affordability as well as the affordability of housing for different groups of the population currently.

Relative prices

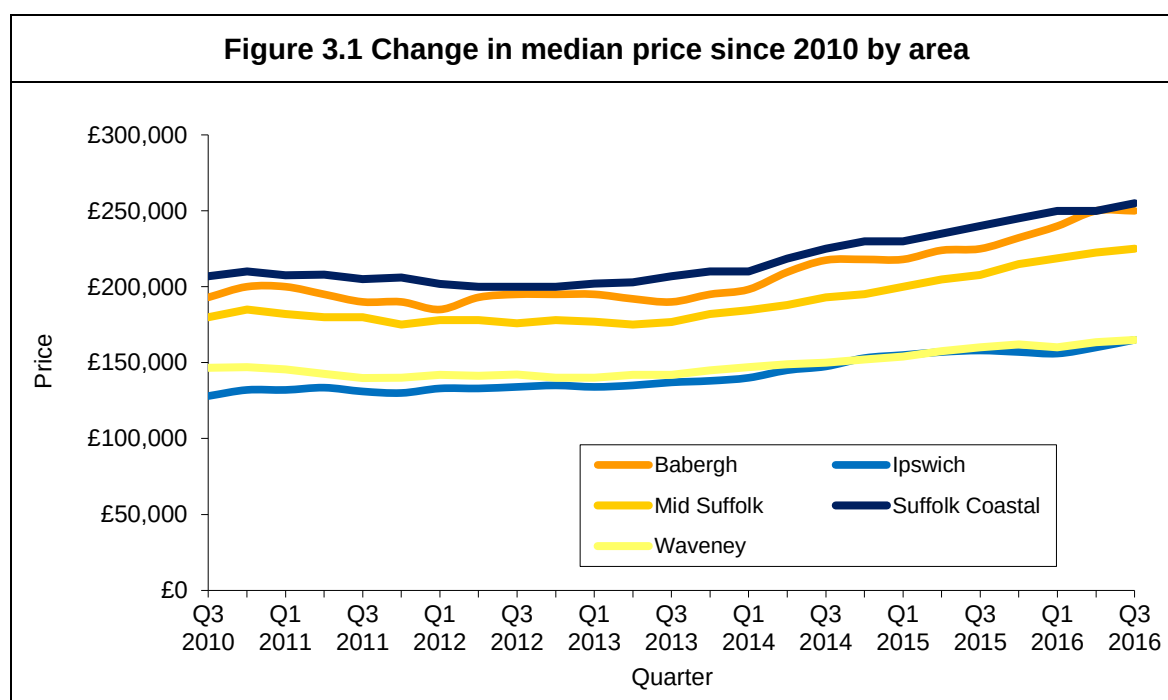
- 3.2 Recent house price data from the Land Registry, from the third quarter of 2016, is presented for the five authorities across the two HMAs, the East region and England as a whole in the table below. The prices recorded for the third quarter of 2010 are also presented and the change in mean price over the last six years is shown. It is not possible to present data for the Ipswich HMA as a whole because the dataset does not provide all the data points to enable a median to be calculated across the four constituent authorities.
- 3.3 The table indicates that Suffolk Coastal recorded the highest average price of dwellings in Quarter 3 2016, followed by Babergh and Mid Suffolk. Prices in these three areas are considerably higher than those in Ipswich and Waveney. Average prices in Suffolk Coastal are the only ones higher than the average for the East region as a whole. The table also shows that between 2010 and 2015 average prices have increased fastest in Babergh, followed by Ipswich, Mid Suffolk and Suffolk Coastal. All authorities recorded price rises lower than the region-wide equivalent. Prices in have increased by a notably lower amount than the authorities within the Ipswich HMA. It should be noted that these prices should be read in conjunction with the accommodation profile presented in Chapter 2 – Ipswich has a higher proportion of smaller dwellings than the other authorities which affects the overall median price recorded in the Borough.

¹⁰ As presented later in the chapter, the price markets follow the Local Authority boundaries, therefore the analysis in this chapter will principally be at Local Authority level; Babergh, Ipswich Mid Suffolk and Suffolk Coastal in the Ipswich HMA and Waveney/the Waveney HMA.

Table 3.1 Median property prices 2010 and 2016			
<i>Location</i>	<i>Median price Jul - Sep 2010</i>	<i>Median price Jul - Sep 2016</i>	<i>Percentage change recorded 2010-2016</i>
Babergh	£193,000	£250,000	29.5%
Ipswich	£128,000	£165,000	28.9%
Mid Suffolk	£180,000	£225,000	25.0%
Suffolk Coastal	£207,000	£254,998	23.2%
Waveney	£146,500	£165,000	12.6%
East Region	£189,000	£250,000	32.3%
England	£180,000	£220,000	22.2%

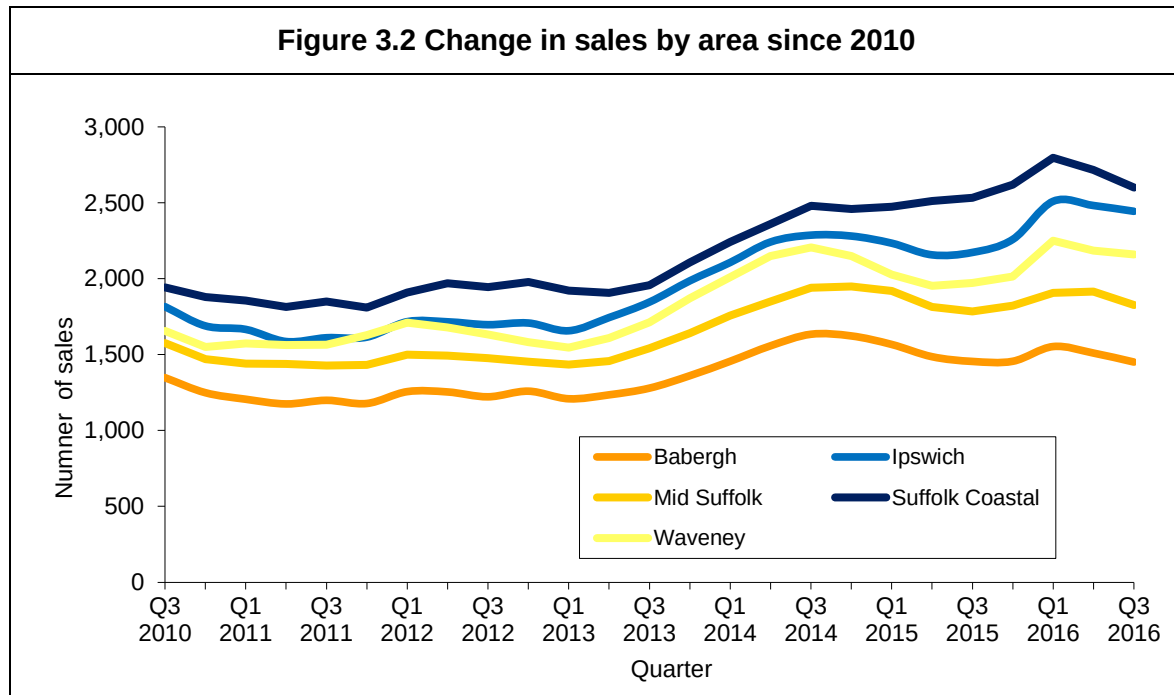
Source: Land Registry

- 3.4 The figure shows the change in median property price in each council area in the two HMAs since Quarter 3 of 2010. The figure shows that prices have continued to rise steadily in all areas.



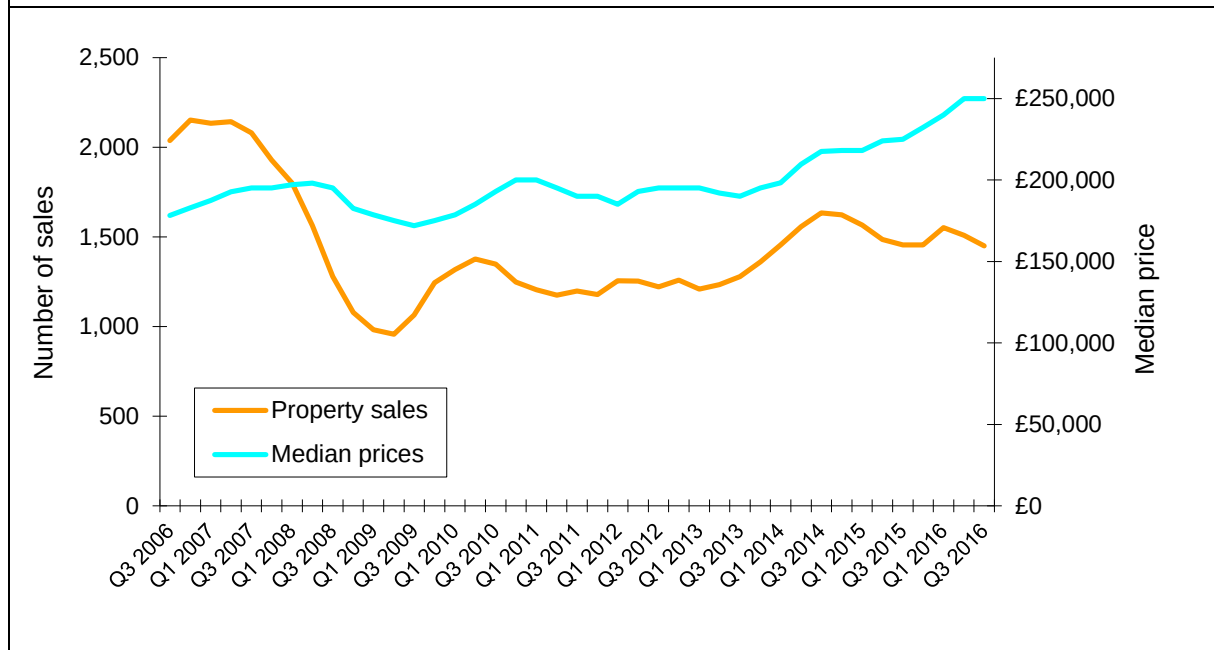
Source: Land Registry

- 3.5 The figure below shows the change in the number of property sales since the third quarter of 2010 for the Waveney HMA and the council areas in the Ipswich HMA. The figure suggests that Suffolk Coastal records the highest level of sales every quarter and Babergh the lowest. The data also indicates that sales levels in all five areas are higher now than they were in 2010.



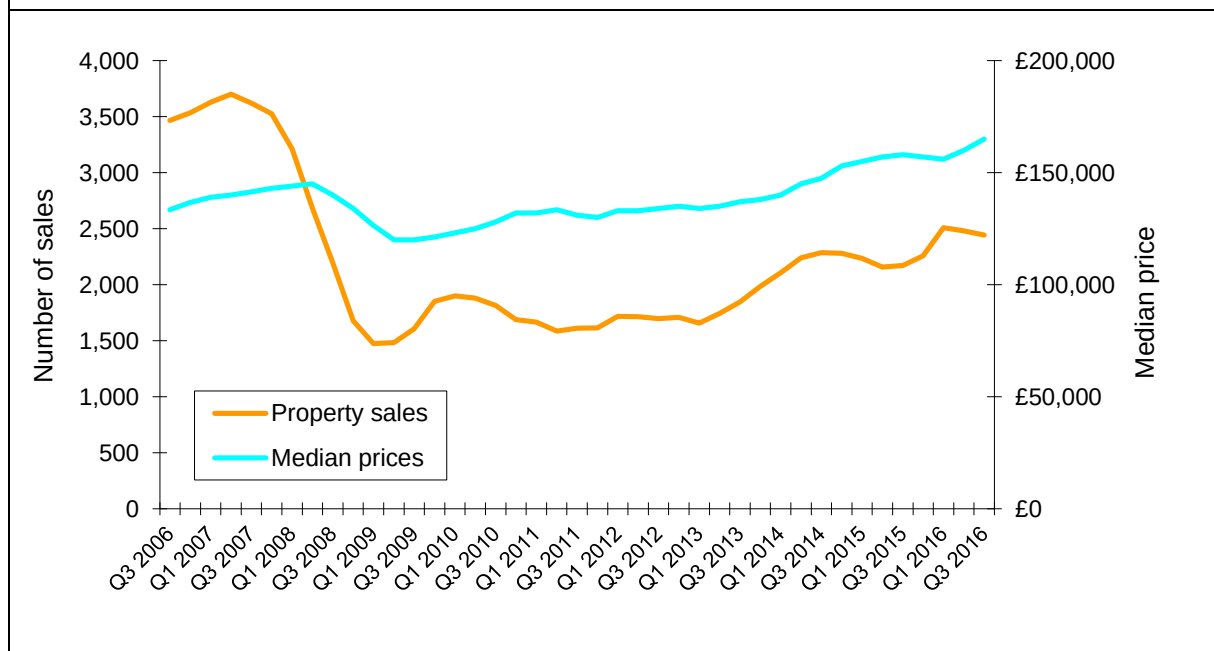
- 3.6 It is useful to briefly review housing market activity over a longer period to consider influences on property price changes. The figure below shows the variation in median prices and property sales levels since 2006 in Babergh. The data suggests that property prices remained relatively stable over the last ten years despite property sales declining dramatically for part of that period (summer 2007 to summer 2009). Whilst the number of sales declined notably during this period this was not necessarily due to the unaffordability of these homes, but related more to a reduction in the number of home owners making their property available for purchase. Figures 3.4 to 3.7 repeat this analysis for the other four authorities in the two HMAs.

Figure 3.3 Changes in prices and sales levels in Babergh over the past 10 years



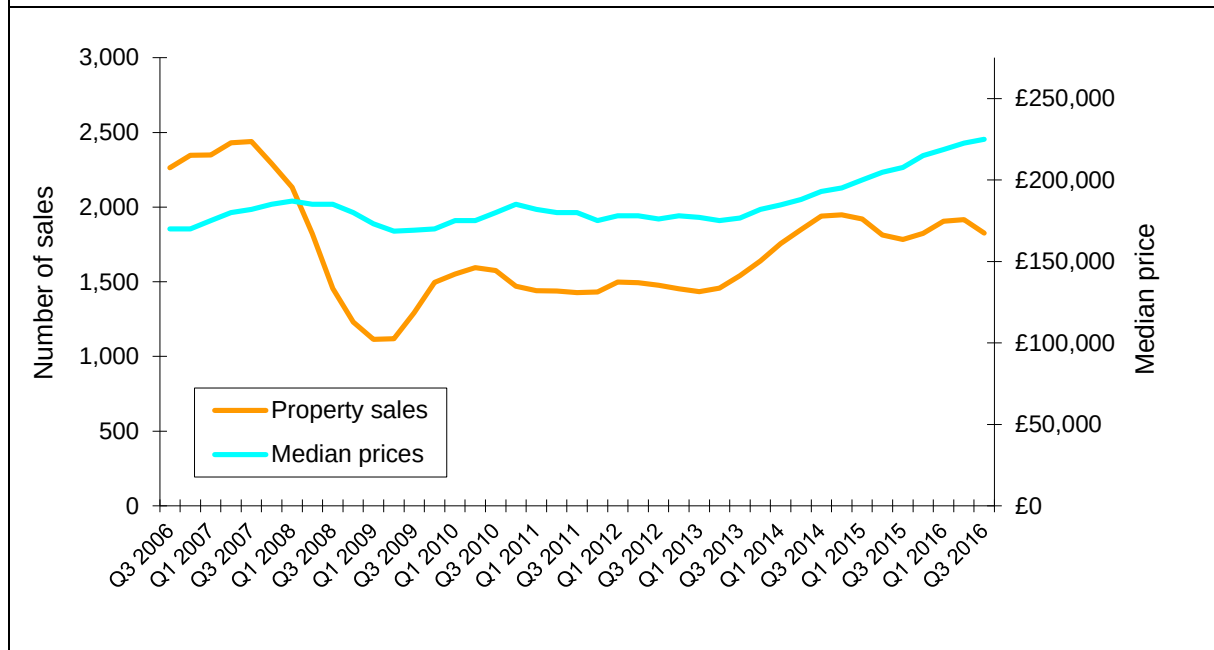
Source: Land Registry

Figure 3.4 Changes in prices and sales levels in Ipswich over the past 10 years



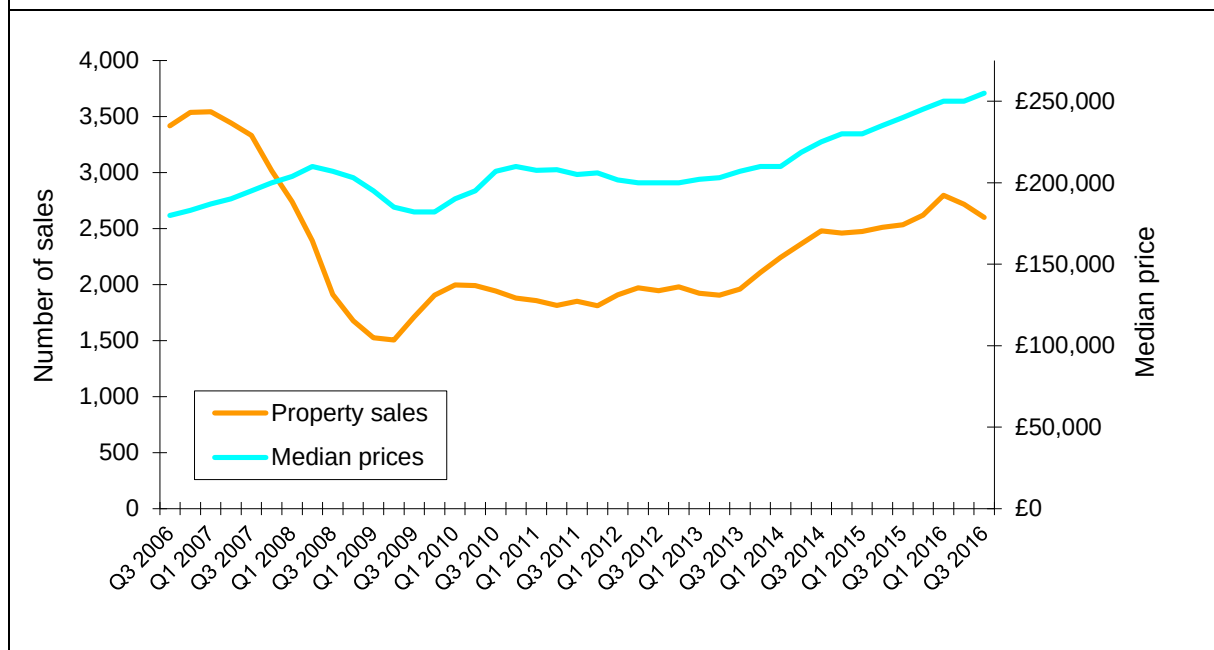
Source: Land Registry

Figure 3.5 Changes in prices and sales levels in Mid Suffolk over the past 10 years



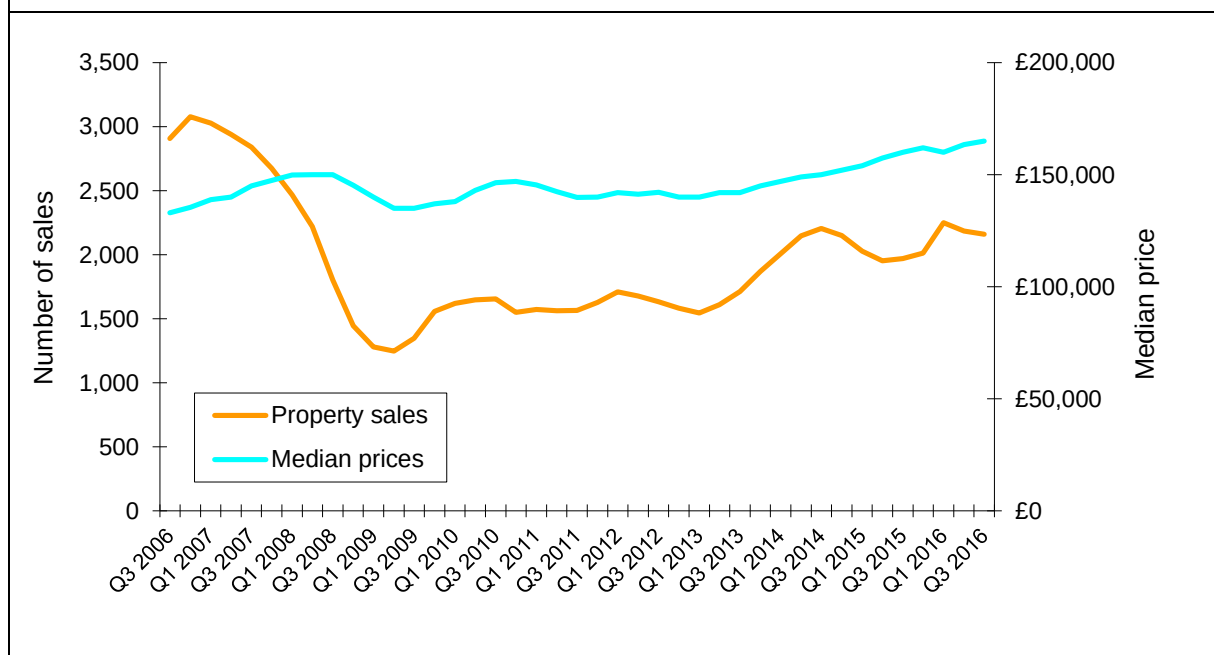
Source: Land Registry

Figure 3.6 Changes in prices and sales levels in Suffolk Coastal over the past 10 years



Source: Land Registry

Figure 3.7 Changes in prices and sales levels in Waveney over the past 10 years

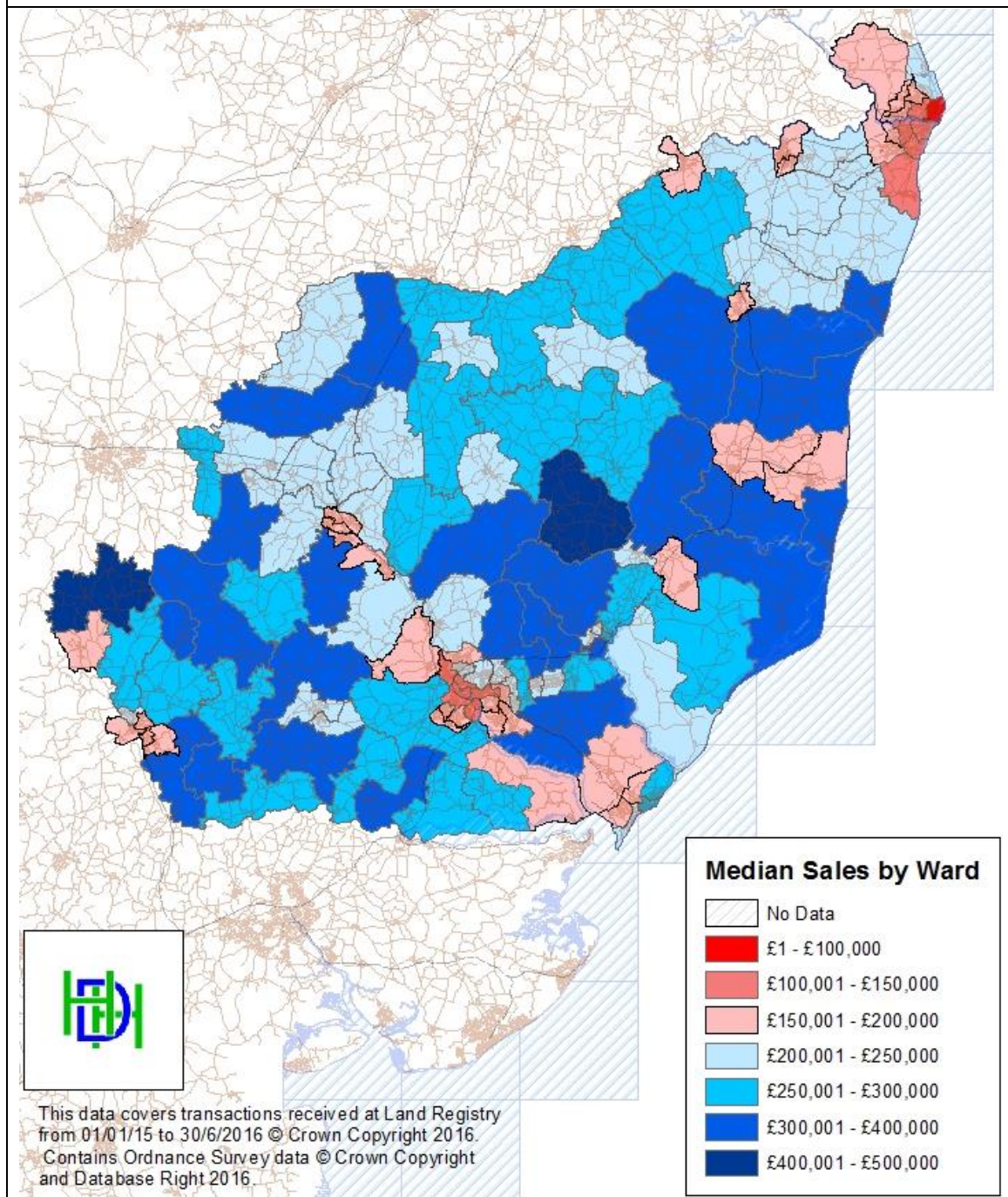


Source: Land Registry

The cost of housing

- 3.7 To fully understand the affordability of housing within an area, it is necessary to collect data on the cost of housing by number of bedrooms. This ensures that it is possible to assess the ability of households to afford market housing of the size required by that particular household. However, no published secondary data contains this information at a Local Authority level. As part of this study we have therefore undertaken a price survey to assess the current cost of market (owner-occupied and private rented) and affordable housing in the two HMAs. The figure below shows the variations in the cost of housing across both the HMAs and illustrates that there are clear distinctions, with the prices in the north of Waveney around Lowestoft and in the southern half of Ipswich the cheapest, and the prices in the rural areas north and west of Ipswich as well as large parts of the Suffolk Coastal district the most expensive.

Figure 3.8 Variation in property prices across the two HMAs – Median property prices by ward Jan 2015 to June 2016

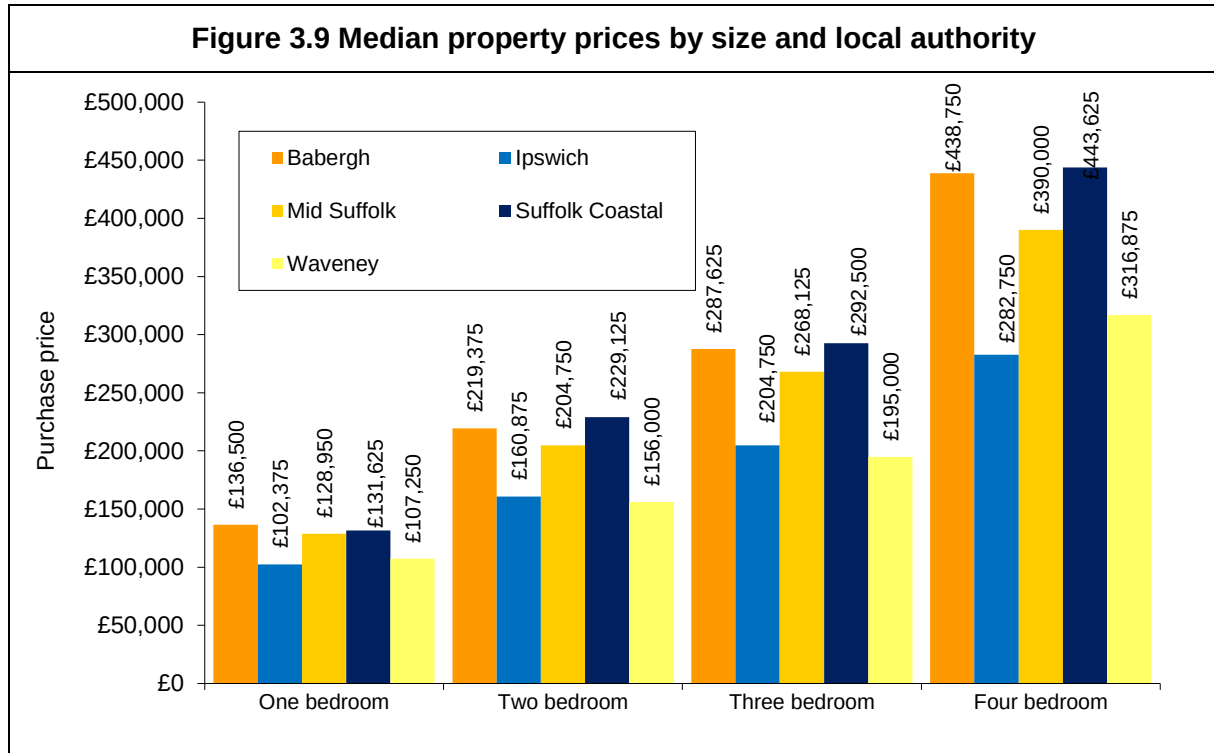


Source: Land Registry, 2016

- 3.8 Median property prices by number of bedrooms were obtained in each local authority area via an online search of properties advertised for sale during September 2016. The results of this online price survey are presented in the figure below. The prices recorded include a discount to reflect that the full asking price is not usually achieved (with sales values typically 2.5% lower).

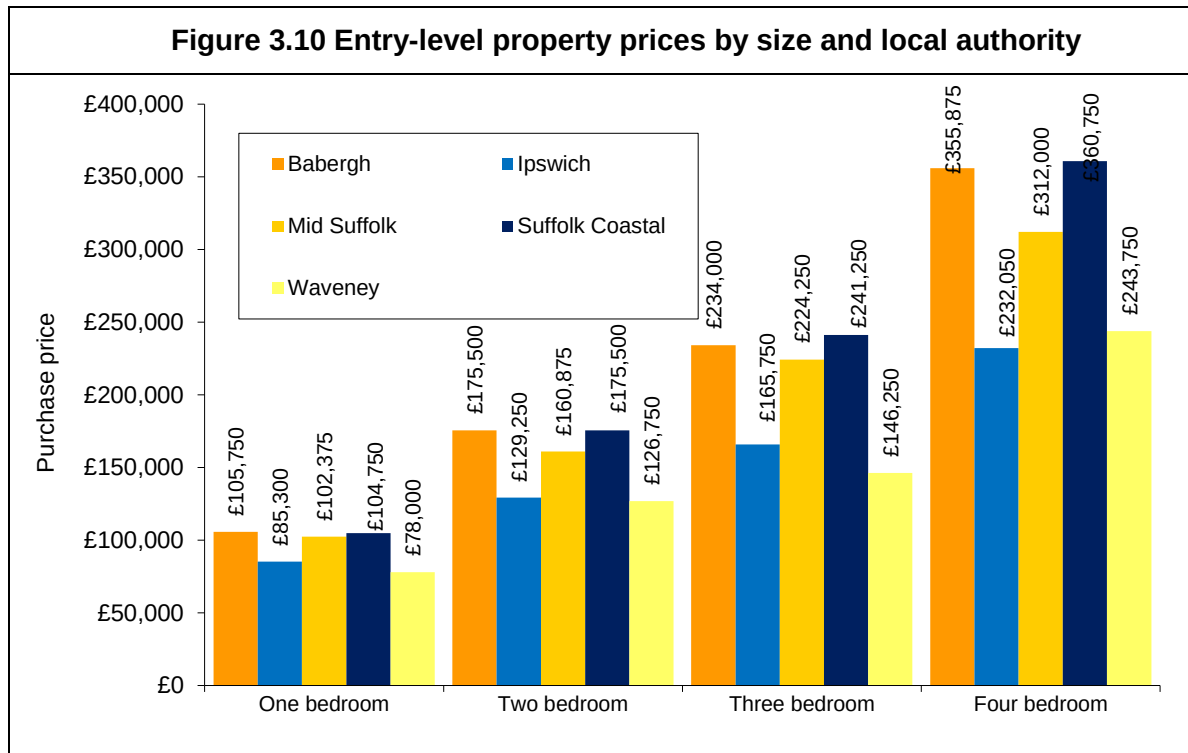
- 3.9 There are a large number of mobile homes across both HMAs, some of which are available for permanent occupation as a park home¹¹. Park homes were evaluated distinctly within the wider housing market survey. The price survey revealed that the number of park homes available to buy is insufficient for them to be considered a separate supply of market housing other than for two bedroom homes in Babergh, Mid-Suffolk, Suffolk Coastal and Waveney and even here they make up less than 7% of the total supply of this size home within each authority. The price of two bedroom park homes range in price considerably across both HMAs from £30,000 to £200,000 and the price variation seems to relate more to the age of the home than the location. This is because newer homes are higher in specification particularly for things such as insulation. It seems clear that older park homes should not be considered as suitable market homes as they would not be adequate to accommodate a household all year round. Whilst newer park homes could be considered as suitable, their price is not notably lower than second hand traditional homes. The price survey has therefore presumed that park homes do not provide an alternative market solution (at a cheaper cost) to standard market housing.
- 3.10 The figure shows that prices are highest in Suffolk Coastal and Babergh and lowest in Waveney and Ipswich. In all authorities, the difference between two and three bedroom homes is smallest and the difference between three and four bedroom homes is largest. In terms of market availability, the analysis showed that three bedroom properties are most commonly available to purchase in all council areas, with four bedroom homes the next most widely available in all areas other than Ipswich, where two bedroom homes are the next most widely available dwelling size. In all council areas, one bedroom homes (including one bedroom flats) are least frequently available for sale. There is no national data on the availability of different size homes for purchase with which to compare these trends.

¹¹ A prefabricated building, often a detached bungalow-style unit, occupied as a permanent home, located with others usually set in a private estate, where they are located on plots known as 'pitches'.



Source: Online estate agents survey September 2016

- 3.11 The online survey also collected information at different points of the price distribution. Entry-level property prices for each price market are presented in the figure below. In accordance with the PPG, entry-level prices are based on lower quartile prices (paragraph 025 Reference ID: 2a-025-20140306). This lower quartile price reflects the cost of a home in suitable condition for habitation, many of the properties available in the lowest quartile are sub-standard and will require modernisation and updating which will add further expense to the purchase price. The figure indicates that entry-level prices range from £78,000 for a one bedroom home in Waveney up to £360,750 for a four bedroom property in Suffolk Coastal.



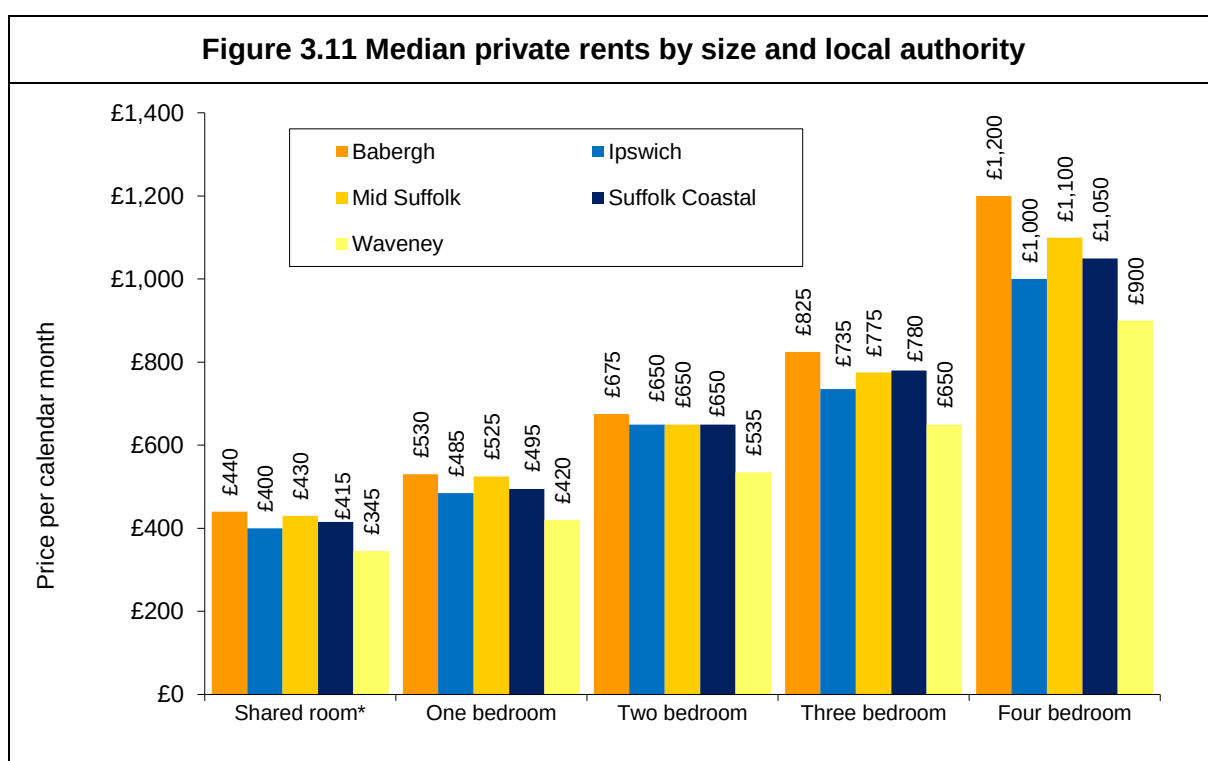
Source: Online estate agents survey September 2016

Private rents

- 3.12 Whilst private rent levels vary across the two HMAs, the distinction between the areas is less marked than with owner-occupation, reflecting that location is not as important a determinant in rent levels as the condition and quality of the property. The median price for private rented accommodation by property size in each local authority is presented in the figure below. The costs recorded are the agreed letting cost rather than the advertised cost, although generally there is little distinction between the two, especially for smaller properties where the demand is high relative to supply. For larger properties demand is lower and there is more negotiation on the rent to be finally paid. The figure also includes the cost of a shared room within the private rented sector.
- 3.13 The Local Housing Allowance regulations, which indicates that single people 35 or under are only entitled to the shared accommodation rate rather than the rate for a one bedroom home, imply that these individuals are deemed suitable to meet their housing needs within the market in this way. The cost of a room within shared accommodation is therefore included as it represents appropriate accommodation for single person households of 35 or under and this group of households will be tested against its ability to afford this in the affordable housing needs model set out in Chapter 5. This assumption was discussed at length during the stakeholder consultation event, with further submissions on the topic in the subsequent written responses, and whilst the consensus was that the approach taken was logical and reflected the market locally, there was not unanimity of opinion that the approach was appropriate. It was agreed that alternative results, where all single person households are tested against their ability to afford one bedroom accommodation, would be included in the report. This

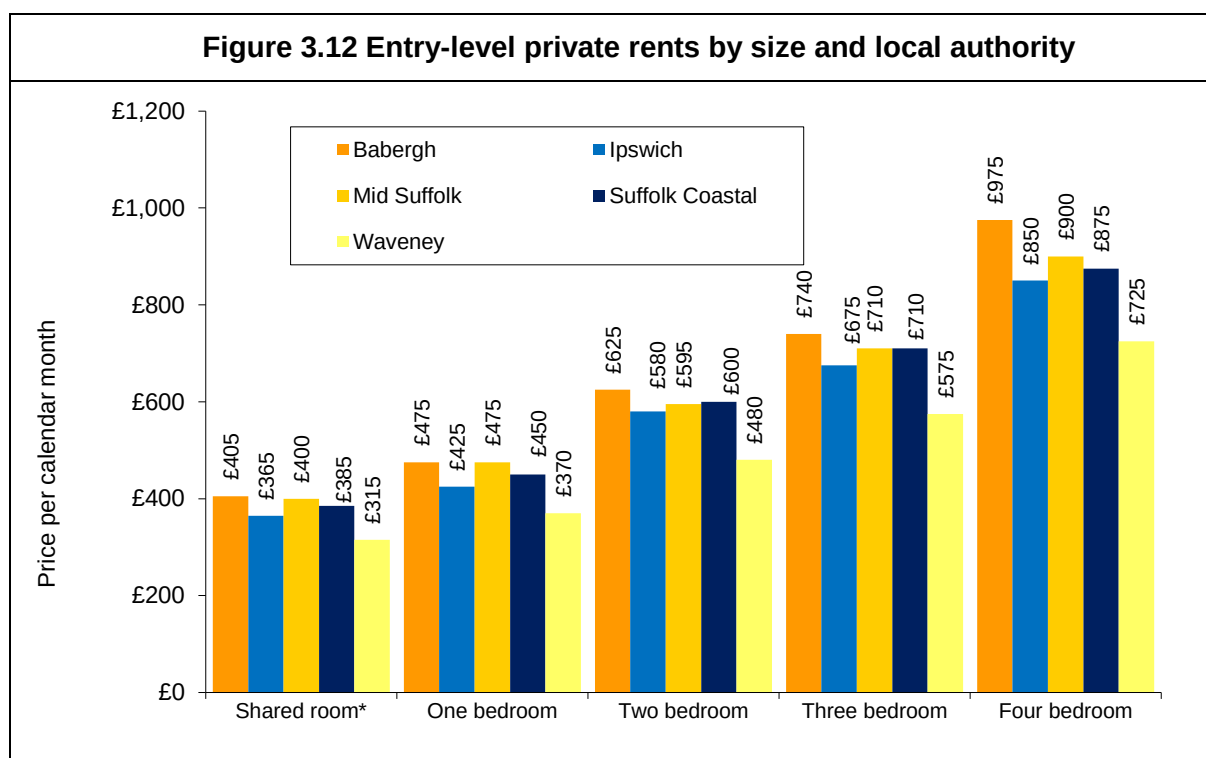
further analysis is presented in Appendix A3 alongside a broader analysis of newly forming households.

- 3.14 The data indicates that there is a different pattern with regard to the relative cost of housing with Babergh clearly the most expensive authority for private rent, followed by Mid Suffolk, Suffolk Coastal and Ipswich. Rents in Waveney are notably cheaper than in the four authorities within the Ipswich HMA. The figure also shows that the smallest difference is between the cost of two and three bedroom homes in Ipswich, Suffolk Coastal and Waveney, whilst the difference between one and two bedroom homes is smallest in Babergh and Mid Suffolk. The difference between the cost of three and four bedroom accommodation is less marked in the private rented sector than for owner-occupation. In addition, the profile of properties available is somewhat different to that for purchase with a greater proportion of one and two bedroom homes available to rent in all council areas.



* Shared room is a room in a shared dwelling. Source: Online estate agents survey September 2016

- 3.15 Entry-level private rents for each Local Authority are presented in the figure below. The figure indicates that entry-level rents in range from £370 per month for a one bedroom home in Waveney, up to £975 per month for a four bedroom property in Babergh.



* Shared room is a room in a shared dwelling. Source: Online letting agents survey September 2016

Social Rents

- 3.16 The cost of Social Rented accommodation by dwelling size in each council area can be obtained from the Homes & Communities Agency's Statistical Data Return dataset for the RSL sector and from the Local Authority Housing Statistics data return for the council sector. The table below illustrates the cost of Social Rented dwellings across each local authority in the two HMAs. As can be seen, the costs are significantly below those for private rented housing, particularly for larger homes, indicating a significant potential gap between the Social Rented and market sectors.

Table 3.2 Mean* Social Rented costs (per month (includes service charges))					
Bedrooms	Babergh	Ipswich	Mid Suffolk	Suffolk Coastal	Waveney
One bedroom	£339	£303	£303	£337	£287
Two bedrooms	£391	£361	£367	£390	£341
Three bedrooms	£415	£399	£401	£438	£362
Four bedrooms	£458	£456	£476	£488	£420

*Median prices are not available from this data source. Includes both RSL and Council owned social rented homes. Source: HCA's Statistical Data Return 2015, Council LAHS 2015

Affordable Rent

- 3.17 Affordable Rent is a relatively new product that has been introduced to reduce the requirement for capital subsidy for affordable accommodation. It is within the definition of affordable

housing in the NPPF and is intended to house households on the Housing Register. It is not an intermediate product, but a new form of affordable housing for rent that coexists with the existing Social Rent tenure. Whilst there remain long-standing tenancies on Social Rent, the majority of new rented affordable accommodation in the HMAs is as Affordable Rent; both re-lets from the existing stock and new Affordable Rented accommodation added to the stock. Due to its different cost level, detail will be presented on its relative affordability in comparison with Social Rent where this is possible (in Chapter 5). Affordable Rents can be set at up to 80% of open market rents, implying there is flexibility as to what they may cost.

- 3.18 The Homes & Communities Agency (HCA)'s Statistical Data Return details the Affordable Rent levels charged in each local authority in the two HMAs and these are set out in the table below. A comparison with median market rents indicates that Affordable Rent levels are around 60% to 75% of median market rents, although one bedroom Affordable Rents in Waveney are priced at almost 80% of current median private rent levels.

Table 3.3 Mean* Affordable Rented costs (per month (includes service charges))					
<i>Bedrooms</i>	<i>Babergh</i>	<i>Ipswich</i>	<i>Mid Suffolk</i>	<i>Suffolk Coastal</i>	<i>Waveney</i>
One bedroom	£382	£357	£340	£355	£335
Two bedrooms	£471	£391	£460	£457	£411
Three bedrooms	£547	£473	£536	£536	£465
Four bedrooms	£718	£569	£607	£708	£491

* Median prices are not available from this data source. Includes both RSL and Council owned social rented homes Source: HCA's Statistical Data Return 2015

Analysis of housing market 'gaps'

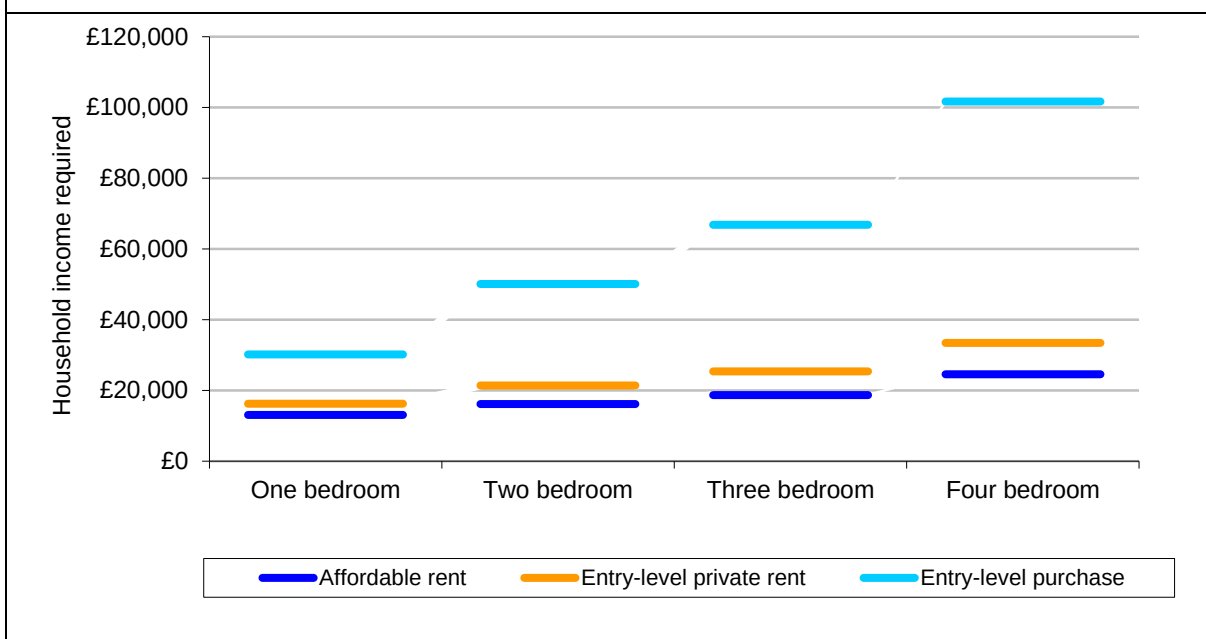
- 3.19 Housing market gaps analysis has been developed to allow comparison of the costs of different tenures. Figures 3.13 to 3.17 show the housing ladder that exists for different sizes of property for each authority within the two HMAs. The housing ladder is illustrated by comparing the different types of housing in terms of the income required to afford them. To do this, we have divided the entry-level property price (set out in Figure 3.10) by 3.5¹² to get an annual income figure (to reflect the likely minimum income required to be granted a mortgage on the property) and multiplied the annual rent by 2.857 to produce a comparable figure. This latter step was carried out for both Affordable Rents (set out in Table 3.3) and market rents (set out in Figure 3.12). These approaches assume a household spends no more than 35% (1/35 = 2.857) of gross household income (household incomes are set out in Table 2.9) on rent – this assumption is used to enable a comparison of the different housing costs, however the appropriate affordability threshold within each HMA is discussed in more detail in Chapter 5

¹² The multiple of 3.5 for owner-occupation was established in the Strategic Housing Market Assessments Practice Guidance <https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance> (page 42). For modelling purposes, it is presumed there is no requirement for a deposit as there is no local level data available on household savings and capital levels to enable this analysis.

(paragraph 5.8) and Appendix A3. Equivalent figures showing the housing market gaps if it is assumed that a household spends no more than 25% or 30% of gross household income on rent are set out in Appendix A7.

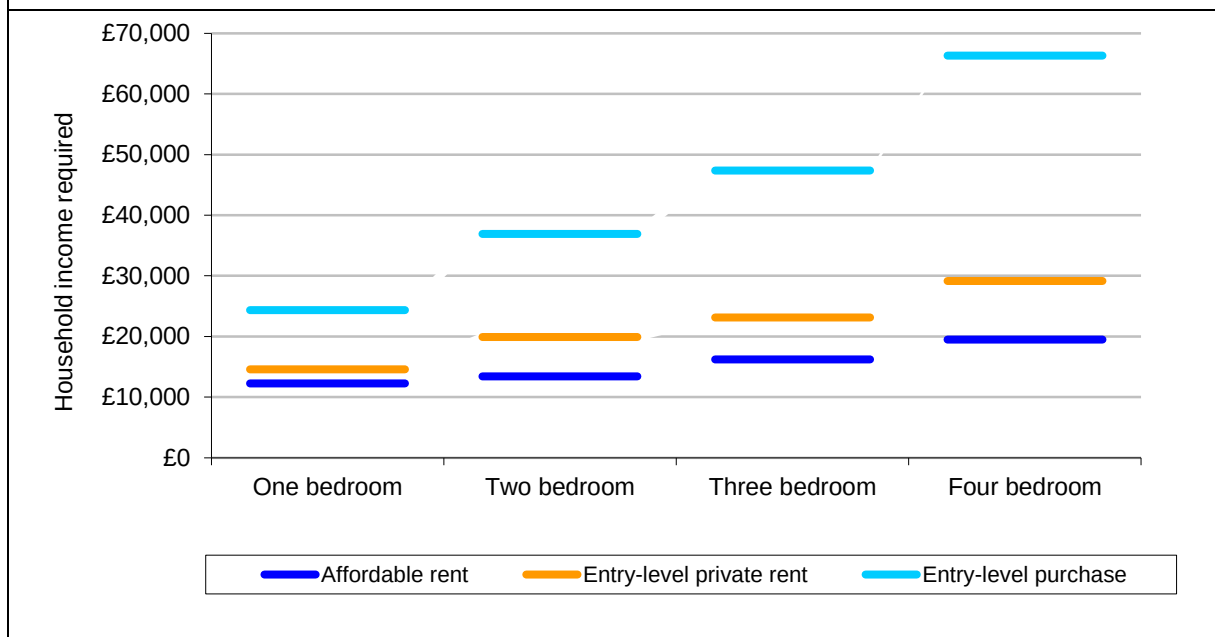
- 3.20 The figures show a comparison of the indicative income requirements per household for different types of housing. Measurement of the size of the gaps between these ‘rungs of the ladder’ helps assess the feasibility of households moving between the tenures - the smaller the gaps, the easier it is for a household to ascend the ladder.

Figure 3.13 Household income required to access housing in Babergh, by number of bedrooms



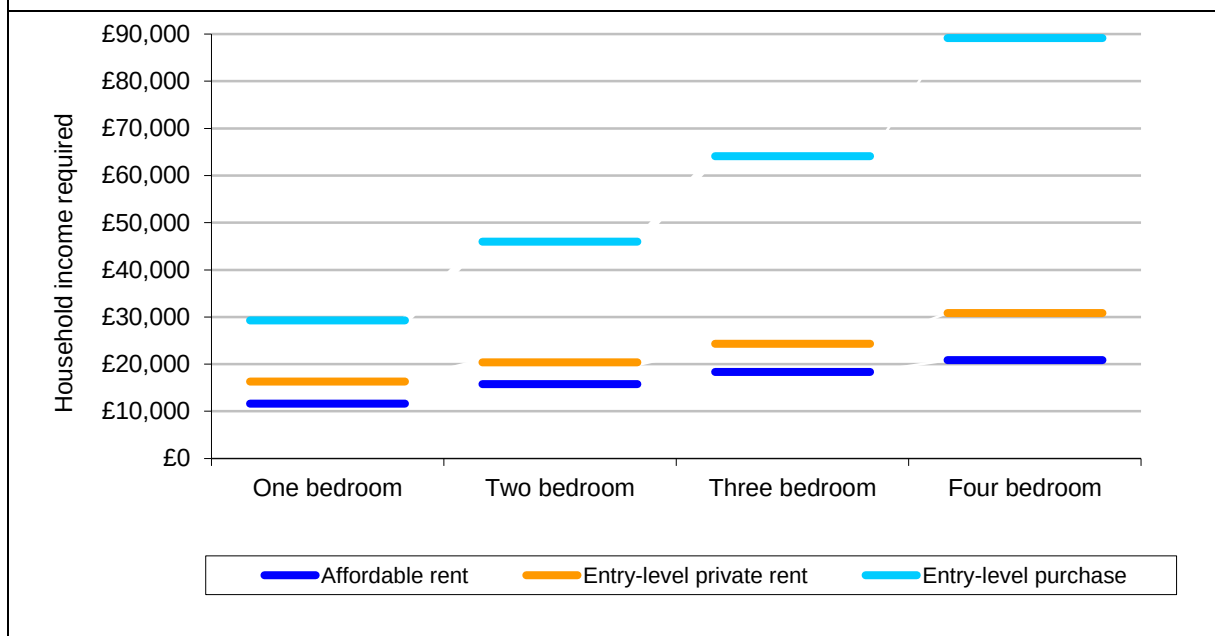
Source: Online survey of property prices September 2016; HCA's Statistical Data Return 2015, Council LAHS 2015

Figure 3.14 Household income required to access housing in Ipswich, by number of bedrooms



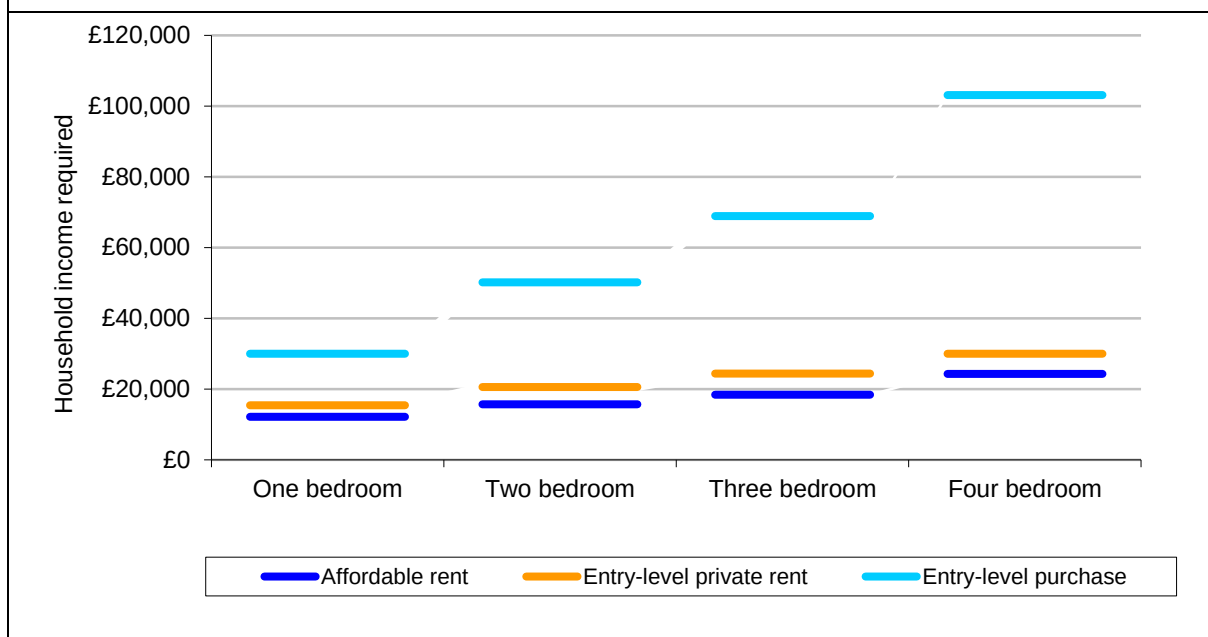
Source: Online survey of property prices September 2016; HCA's Statistical Data Return 2015, Council LAHS 2015

Figure 3.15 Household income required to access housing in Mid Suffolk, by number of bedrooms



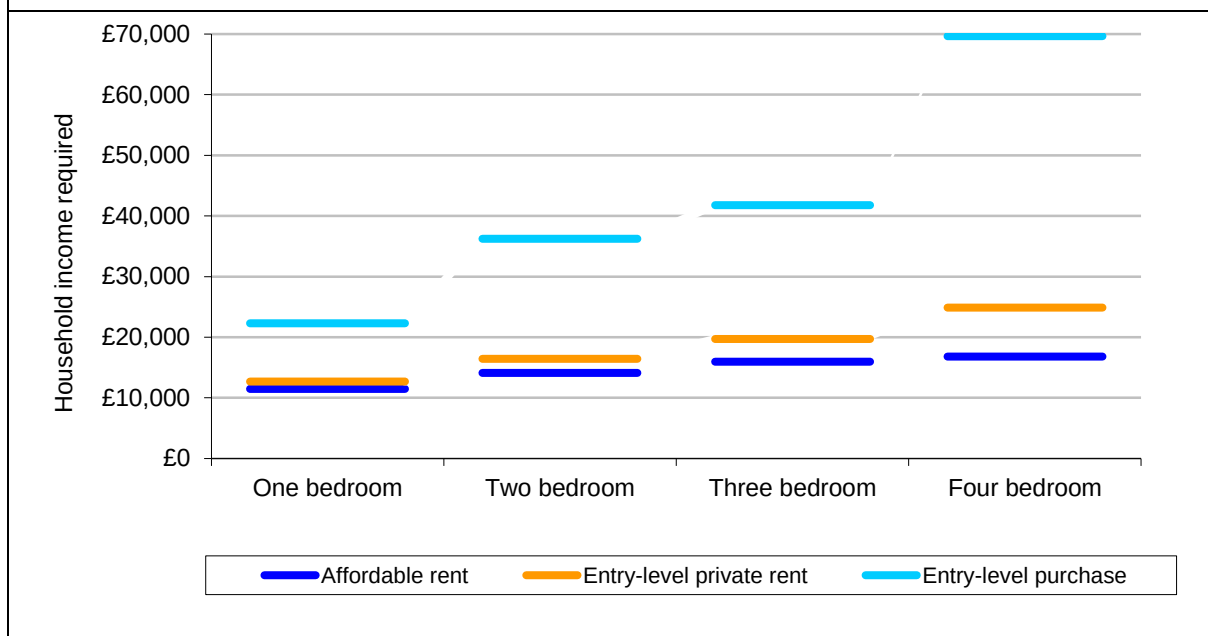
*As there is no four bedroom Affordable Rent currently, the cost is modelled from the cost of four bedroom Social Rent. Source: Online survey of property prices September 2016; HCA's Statistical Data Return 2015, Council LAHS 2015

Figure 3.16 Household income required to access housing in Suffolk Coastal, by number of bedrooms



Source: Online survey of property prices September 2016; HCA's Statistical Data Return 2015, Council LAHS 2015

Figure 3.17 Household income required to access housing in Waveney, by number of bedrooms



Source: Online survey of property prices September 2016; HCA's Statistical Data Return 2015, Council LAHS 2015

- 3.21 The figures above indicate that for all dwelling sizes in each council area, the gap between Affordable Rent and market rent is smaller than the gap between market rent and entry-level home ownership. The gaps for four bedroom accommodation are large; in Suffolk Coastal an

additional £5,700 per year is required to access a four bedroom private rented home over the cost of a four bedroom Affordable Rented property, with a further £73,000 in household income required to move to an owner-occupied home.

- 3.22 Table 3.4 shows the size of the gaps for each dwelling size for each authority within the two HMAs. The table indicates, for example, that three bedroom market entry rents in Babergh are 35.4% higher (in terms of income required) than the cost of Affordable Rented. The notable gap recorded between Affordable Rents and market entry rents for most dwelling sizes indicates that intermediate housing could potentially be useful for a large number of households. The very large gap between market entry rents and market entry purchase in all cases indicates notable potential demand for part-ownership products for households in this gap.

Table 3.4 Scale of key housing market gaps		
Babergh		
<i>Property size</i>	<i>Affordable Rent<entry-level rent</i>	<i>Entry-level rent<entry-level purchase</i>
One bedroom	24.3%	85.5%
Two bedrooms	32.7%	134.0%
Three bedrooms	35.4%	163.5%
Four bedrooms	35.8%	204.2%
Ipswich		
<i>Property size</i>	<i>Affordable Rent<entry-level rent</i>	<i>Entry-level rent<entry-level purchase</i>
One bedroom	19.1%	67.3%
Two bedrooms	48.3%	85.7%
Three bedrooms	42.6%	104.6%
Four bedrooms	49.5%	127.5%
Mid Suffolk		
<i>Property size</i>	<i>Affordable Rent<entry-level rent</i>	<i>Entry-level rent<entry-level purchase</i>
One bedroom	39.9%	79.6%
Two bedrooms	29.4%	125.3%
Three bedrooms	32.5%	163.2%
Four bedrooms*	48.2%	188.9%
Suffolk Coastal		
<i>Property size</i>	<i>Affordable Rent<entry-level rent</i>	<i>Entry-level rent<entry-level purchase</i>
One bedroom	26.8%	94.0%
Two bedrooms	31.3%	143.8%
Three bedrooms	32.5%	183.2%
Four bedrooms	23.5%	243.6%
Waveney		
<i>Property size</i>	<i>Affordable Rent<entry-level rent</i>	<i>Entry-level rent<entry-level purchase</i>
One bedroom	10.6%	75.7%
Two bedrooms	16.8%	120.1%
Three bedrooms	23.6%	112.0%
Four bedrooms	47.8%	180.2%

Source: Online survey of property prices September 2016; HCA's Statistical Data Return 2015, Council LAHS 2015

Intermediate products

- 3.23 A range of intermediate options are available for households in both HMAs, the costs of these are profiled below.

Intermediate Rent/Rent-to-buy

- 3.24 Rent-to Buy-homes are let to working households at an Intermediate Rent to give them the opportunity to save for a deposit to buy their first home. It is planned that by landlords providing a discounted rent for tenants for a minimum of 5 years, they will have sufficient time to acquire a deposit so that they may purchase the home. It is set out that the Intermediate Rent must not exceed 80% of the current market rent (inclusive of service charge), however the product is distinct from Affordable Rent which is available with a range of tenancy options and was made available to tenants on the same basis as Social Rent.
- 3.25 It has not been possible to ascertain the availability of this product in the market currently, however its potential suitability for households can be tested by modelling its theoretical cost. The table below sets out the costs of intermediate rent in both HMAs, presuming that the rent is set as 80% of median market rents. The table shows that in all instances intermediate rent is cheaper than market entry rent and can be considered an affordable product. In all cases, it is also more expensive than the Affordable Rent currently charged within the two HMAs. As in all instances Intermediate Rent is more expensive than Affordable Rent (and is therefore serving a separate portion of the housing market), it will be considered for its suitability for meeting those in housing need in Chapter 5.

Table 3.5 Estimated cost of intermediate rent within the two HMAs (monthly cost)			
<i>Bedrooms</i>	<i>Babergh</i>		
	<i>Intermediate Rent</i>	<i>Entry-level private rent</i>	<i>Affordable Rent</i>
One bedroom	£424	£475	£382
Two bedrooms	£540	£625	£471
Three bedrooms	£660	£740	£547
Four bedrooms	£960	£975	£718
<i>Bedrooms</i>	<i>Ipswich</i>		
	<i>Intermediate Rent</i>	<i>Entry-level private rent</i>	<i>Affordable Rent</i>
One bedroom	£388	£425	£357
Two bedrooms	£520	£580	£391
Three bedrooms	£588	£675	£473
Four bedrooms	£800	£850	£569
<i>Bedrooms</i>	<i>Mid Suffolk</i>		
	<i>Intermediate Rent</i>	<i>Entry-level private rent</i>	<i>Affordable Rent</i>
One bedroom	£420	£475	£340
Two bedrooms	£520	£595	£460
Three bedrooms	£620	£710	£536
Four bedrooms	£880	£900	£607
<i>Bedrooms</i>	<i>Suffolk Coastal</i>		
	<i>Intermediate Rent</i>	<i>Entry-level private rent</i>	<i>Affordable Rent</i>
One bedroom	£396	£450	£355
Two bedrooms	£520	£600	£457
Three bedrooms	£624	£710	£536
Four bedrooms	£840	£875	£708
<i>Bedrooms</i>	<i>Waveney</i>		
	<i>Intermediate Rent</i>	<i>Entry-level private rent</i>	<i>Affordable Rent</i>
One bedroom	£336	£370	£335
Two bedrooms	£428	£480	£411
Three bedrooms	£520	£575	£465
Four bedrooms	£720	£725	£491

Source: Online survey of property prices September 2016; HCA's Statistical Data Return 2015.

Shared Ownership

- 3.26 The table below presents the estimated costs of Shared Ownership housing in both HMAs as obtained from the online estate agent survey. The open market values are based on newbuild prices at the time of the estate agent survey. The monthly costs of purchasing the property with a 40% equity share and 25% equity share are both presented as these are the most commonly available options. The monthly costs are based on a 25-year repayment mortgage

with an interest rate of 3.94%¹³ paid on the equity share owned and a rent payable at 2.75% on the remaining equity. The table shows that 25% equity share Shared Ownership is cheaper than market entry rent in all instances other than for three bedroom homes in Babergh, Mid Suffolk and Suffolk Coastal and four bedroom homes in Suffolk Coastal and Waveney and can be considered an affordable product. The only instances in which 40% equity share Shared Ownership is cheaper than market entry is for one bedroom accommodation in all authorities and two, three and four bedroom homes in Ipswich. In all other instances, it is more expensive than entry-level market accommodation either to rent or buy. Only in those instances in which Shared Ownership is cheaper than market-entry will it be considered for its suitability for meeting those in housing need in Chapter 5.

Starter Homes/ discount home ownership

- 3.27 Discounted home ownership is based on selling a home for a proportion of the market value with no residual rent to pay. However, the equity level owned is capped and any future re-sale will be at the same proportion of the agreed price. In the two HMAs the typical proportion of market value sold is 80%. In 2016, the Government announced its Starter Homes Initiative whereby the Government is offering concessions for housebuilders who construct new homes specifically to be sold as discount market houses (with a discount of at least 20%) for first-time buyers under 40 years old. This has been formalised in the Housing White Paper published in February 2017. Starter Homes are not within the current definition of affordable homes for planning purposes but the Housing White Paper is proposing to amend this. The discounted price of these homes should be no more than £250,000 outside London and the maximum income of potential purchasers should be £80,000 (outside London). Eligible first-time buyers will also be required to have a mortgage in order to ensure cash buyers aren't able to speculatively acquire this product. There will also be a minimum 15-year repayment period for a Starter Home.
- 3.28 As it is not possible to separate the potential market for this product from just those under 40 and therefore identify those suitable specifically for a Starter Home rather than a broader discount home ownership home, discounted home ownership and Starter Homes equate to the same product for the purposes of this report.
- 3.29 The table below presents the estimated costs of Starter Homes in the two HMAs. These are based on the same open market values as were used for Shared Ownership. The monthly costs are based on a 25-year repayment mortgage with an interest rate of 3.94% paid on the equity share owned.
- 3.30 Starter Homes with an 80% share are more expensive than entry-level market accommodation (private rent) and Shared Ownership accommodation. It is however cheaper than entry-level home ownership in all instances. It is also worth noting that the price at which discounted home ownership properties would be for sale (at 80% the value of newbuild home ownership) would be under the cap of £250,000 for all dwelling sizes in both HMAs with the exception of

¹³ 3.94% is a mortgage rate typically available to those with a good credit history but without a significant deposit.

four bedroom homes in Babergh and Suffolk Coastal. As it costs more than entry-level market accommodation (private rent) it will not be considered for its suitability for meeting those in housing need in Chapter 5, however analysis of its potential demand across the plan period (principally from households that would otherwise reside in the private rented sector) is modelled in Chapter 4.

Shared equity

- 3.31 Shared equity is a product similar to Shared Ownership that is typically offered by the private sector rather than RSLs. Shared equity does not however require an element of taxpayer subsidy. Like Shared Ownership, with shared equity a mortgage is offered on the equity owned with rent due on the remaining equity, however unlike Shared Ownership it is not confined to newbuild housing and it can be used to access second-hand housing. In both HMAs the typical proportion of the equity sold for a shared equity product is 75%. The monthly costs of purchasing a shared equity property with a 75% equity share are set out in the table below. The monthly costs are based on a 25-year repayment mortgage with an interest rate of 3.94% paid on the equity share owned and a rent payable at 2.75% on the remaining equity. The open market values are however based on the overall median prices at the time of the estate agent survey.
- 3.32 Shared equity accommodation with a 75% equity share is more expensive than entry-level market accommodation (private rent), Shared Ownership accommodation and Starter Homes. It is cheaper than one bedroom entry-level home ownership in all authorities within both HMAs, however in all other cases it is more expensive than entry-level home ownership. Shared equity is more expensive than entry-level home ownership for two, three and four bed properties, because the overall median market prices are more expensive than new build homes.

Table 3.6 Estimated cost of intermediate housing within the two HMAs (monthly cost)							
<i>Bedrooms</i>	<i>Babergh</i>						
	<i>Open market value</i>	<i>Shared Ownership – 40% equity</i>	<i>Shared Ownership – 25% equity</i>	<i>Starter Homes</i>	<i>Shared equity</i>	<i>Entry-level private rent</i>	<i>Entry-level owner-occupation*</i>
One bedroom	£125,000	£423	£372	£503	£576	£475	£600
Two bedrooms	£185,000	£627	£551	£745	£928	£625	£883
Three bedrooms	£250,000	£847	£744	£1,006	£1,219	£740	£1,177
Four bedrooms	£325,000	£1,101	£967	£1,308	£1,859	£975	£1,790
<i>Bedrooms</i>	<i>Ipswich</i>						
	<i>Open market value</i>	<i>Shared Ownership – 40% equity</i>	<i>Shared Ownership – 25% equity</i>	<i>Starter Homes</i>	<i>Shared equity</i>	<i>Entry-level private rent</i>	<i>Entry-level owner-occupation*</i>
One bedroom	£110,000	£373	£327	£443	£450	£425	£524
Two bedrooms	£150,000	£508	£446	£604	£681	£580	£650
Three bedrooms	£195,000	£661	£580	£785	£867	£675	£834
Four bedrooms	£250,000	£847	£744	£1,006	£1,200	£850	£1,167
<i>Bedrooms</i>	<i>Mid Suffolk</i>						
	<i>Open market value</i>	<i>Shared Ownership – 40% equity</i>	<i>Shared Ownership – 25% equity</i>	<i>Starter Homes</i>	<i>Shared equity</i>	<i>Entry-level private rent</i>	<i>Entry-level owner-occupation*</i>
One bedroom	£125,000	£423	£372	£503	£545	£475	£581
Two bedrooms	£180,000	£610	£536	£724	£865	£595	£809
Three bedrooms	£240,000	£813	£714	£966	£1,140	£710	£1,128
Four bedrooms	£300,000	£1,016	£893	£1,207	£1,650	£900	£1,570
<i>Bedrooms</i>	<i>Suffolk Coastal</i>						
	<i>Open market value</i>	<i>Shared Ownership – 40% equity</i>	<i>Shared Ownership – 25% equity</i>	<i>Starter Homes</i>	<i>Shared equity</i>	<i>Entry-level private rent</i>	<i>Entry-level owner-occupation*</i>
One bedroom	£127,500	£432	£379	£513	£557	£450	£594
Two bedrooms	£185,000	£627	£551	£745	£965	£600	£883
Three bedrooms	£255,000	£864	£759	£1,026	£1,242	£710	£1,214
Four bedrooms	£325,000	£1,101	£967	£1,308	£1,880	£875	£1,815
<i>Bedrooms</i>	<i>Waveney</i>						
	<i>Open market value</i>	<i>Shared Ownership – 40% equity</i>	<i>Shared Ownership – 25% equity</i>	<i>Starter Homes</i>	<i>Shared equity</i>	<i>Entry-level private rent</i>	<i>Entry-level owner-occupation*</i>
One bedroom	£105,000	£356	£313	£423	£439	£370	£442
Two bedrooms	£150,000	£508	£446	£604	£661	£480	£638
Three bedrooms	£175,000	£593	£521	£704	£820	£575	£736
Four bedrooms	£260,000	£881	£774	£1,046	£1,335	£725	£1,226

*The monthly cost of entry-level owner-occupation presuming a 25-year repayment mortgage with an interest rate of 3.94%. Source: Online estate agents survey, September 2016

Local Housing Allowance

- 3.33 Local Housing Allowance (LHA) has been brought in to replace Housing Benefit outside of the Social Rented sector. It is designed to make up the shortfall in people's ability to pay for their housing. Households unable to afford all of their rent are entitled to LHA to make up the difference so long as the rent does not exceed the LHA cap for the Broad Rental Market Area (BRMA) in which the claim is made as determined by the Valuation Office Agency. The table below sets out the monthly LHA caps that apply in the two HMAs, which are covered by five BRMAs. Ipswich is located entirely within the Ipswich BRMA, whilst Mid Suffolk is covered by the Ipswich, Bury St Edmunds and Central Norfolk & Norwich BRMAs. Babergh lies within the Ipswich, Bury St Edmunds and Colchester BRMAs, whilst Suffolk Coastal is covered by the Ipswich, Central Norfolk & Norwich and the Lowestoft & Great Yarmouth BRMAs. Finally, Waveney falls across the Central Norfolk & Norwich and the Lowestoft & Great Yarmouth BRMAs.
- 3.34 A comparison with the Affordable Rent levels in the two HMAs (set out in Table 3.3) indicates that the local Affordable Rents are currently cheaper than the LHA caps across both HMAs. A comparison with the LHA caps indicates that Affordable Rents are around 90-95% of the respective LHA caps within the HMAs. The LHA caps are however lower than entry-level private rented accommodation in the vast majority of instances.

Table 3.7 Local Housing Allowance Cap (per month)					
<i>Bedrooms</i>	<i>Ipswich BRMA</i>	<i>Central Norfolk & Norwich BRMA</i>	<i>Bury St Edmunds BRMA</i>	<i>Lowestoft & Great Yarmouth BRMA</i>	<i>Colchester BRMA</i>
Shared room	£248	£266	£278	£280	£281
One bedroom	£393	£403	£443	£374	£449
Two bedrooms	£485	£505	£547	£455	£573
Three bedrooms	£561	£587	£652	£510	£698
Four bedrooms	£756	£798	£936	£646	£886

Source: Valuation Office Agency 2016

- 3.35 It is worth noting that during the Spending Review on 25th November 2015, the Government announced that housing benefit within the Social Rented sector, including the Shared Accommodation Rate for single claimants aged under 35 without dependent children, is to be capped at the relevant LHA rates for new tenants.

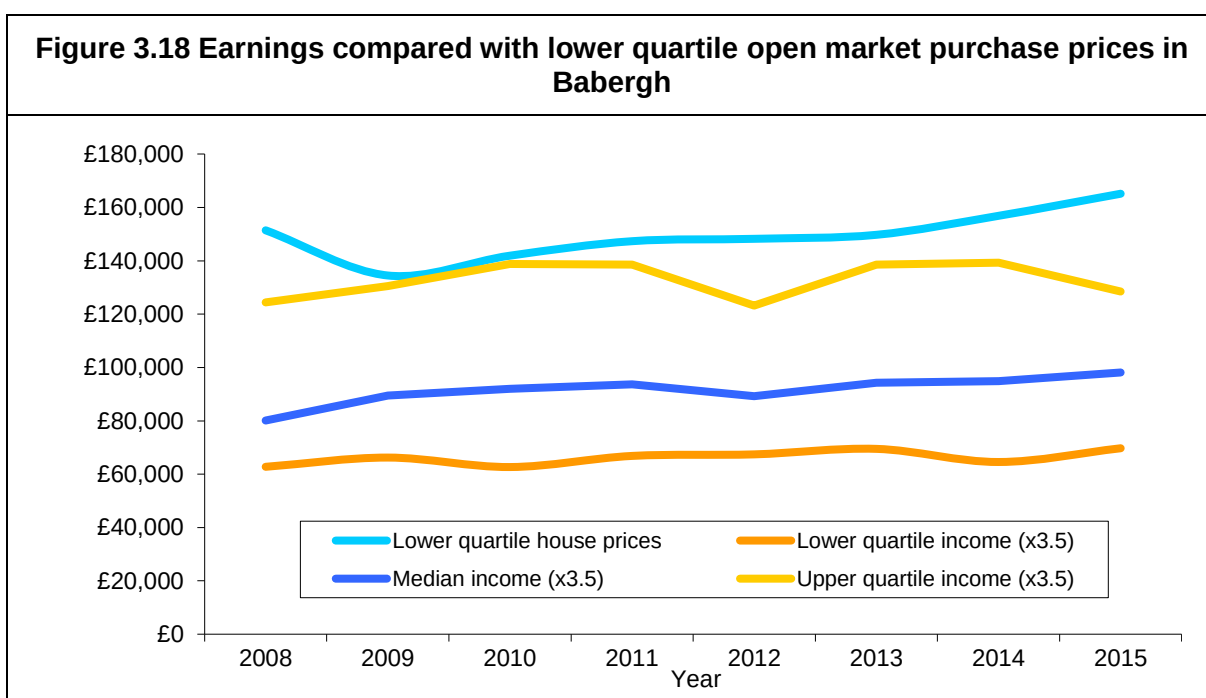
Affordability of housing

- 3.36 Assessing the affordability of market housing in an area is crucial to understanding the sustainability of the housing market.
- 3.37 The affordability of housing in an area is measured by the ratio of market housing costs to income in that area. Initially the general authority-wide entry-level cost of market housing will

be compared to different points on the earnings distribution of residents in the area to consider affordability in historical terms. This will be followed by an analysis that assesses the ability of households in both HMAs to afford market accommodation of the size they require, using data on the household income distribution and the household composition in each council area.

General affordability

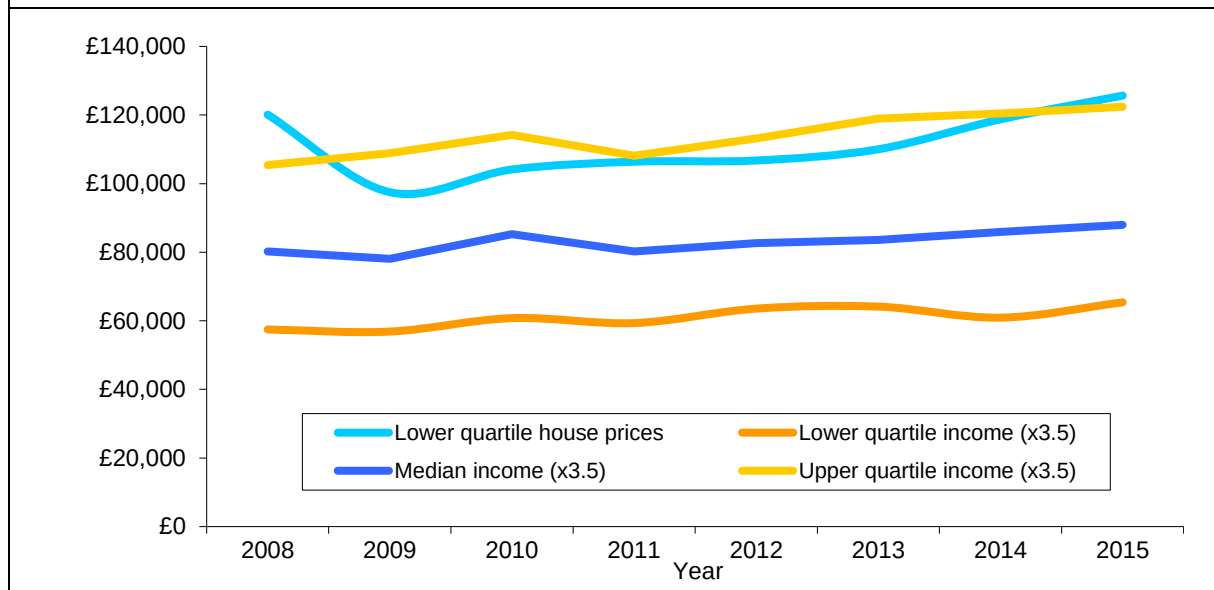
- 3.38 Figures 3.18 to 3.22 show the lower quartile, median and upper quartile earnings of full-time workers in each local authority within the two HMAs (as set out in Chapter 2) multiplied by 3.5 (the income multiple often used by mortgage lenders) compared to lower quartile prices in each council area¹⁴. The figures show that full-time workers with earnings at the upper-quartile level in Babergh, Mid Suffolk, Suffolk Coastal and Waveney would be unable to purchase an entry-level property in the authority, whilst those with earnings at the upper-quartile level in Ipswich would be able to purchase a home in most years (although not in 2015). In all areas, full-time workers with earnings at the lower quartile or median level would require substantial additional income or a capital sum to deduct from the purchase price to be able to afford a lower quartile property.



Source: Land Registry via CLG; Annual Survey of Hours and Earnings

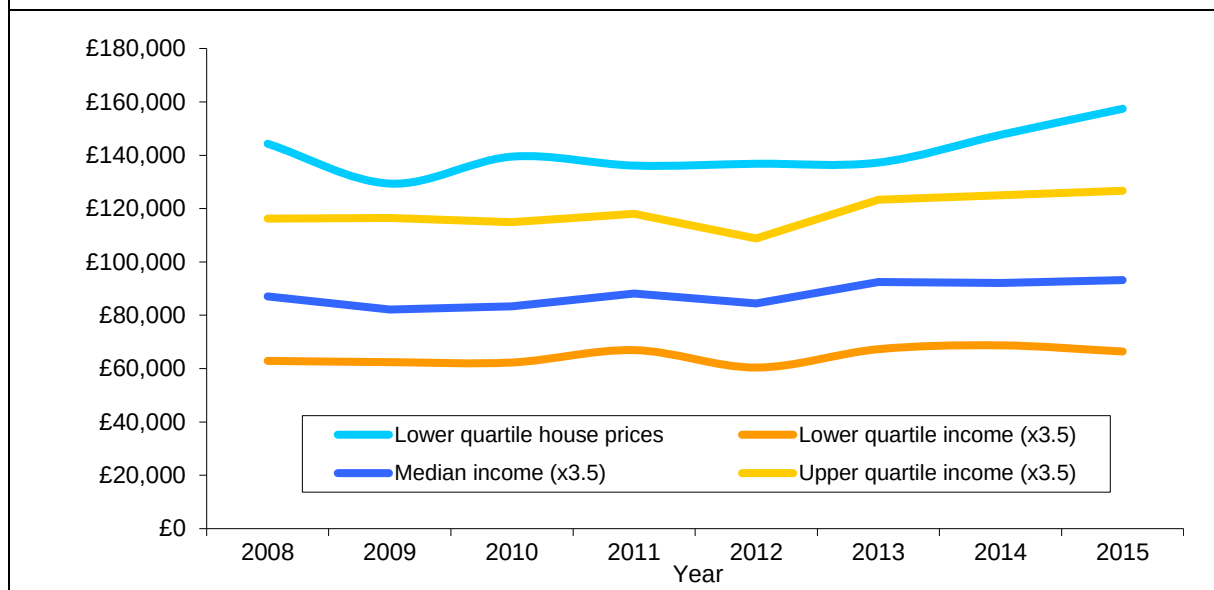
¹⁴ It is necessary to use full-time workers earnings for this analysis rather than household incomes because there is no time-series data available for household incomes at a Local Authority level.

Figure 3.19 Earnings compared with lower quartile open market purchase prices in Ipswich



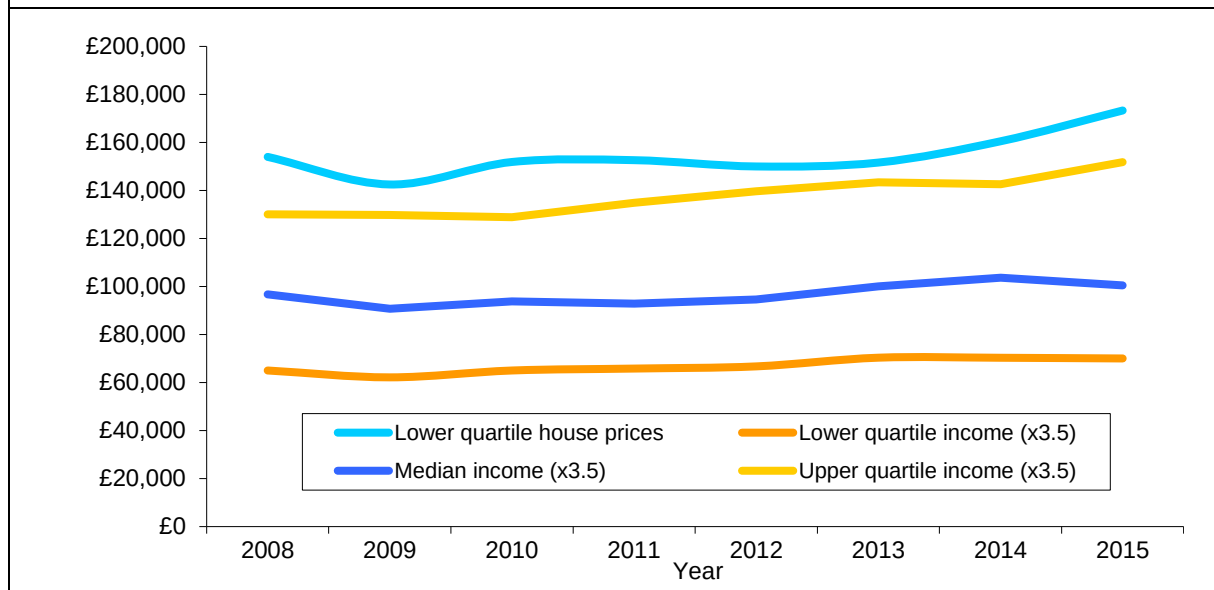
Source: Land Registry via CLG; Annual Survey of Hours and Earnings

Figure 3.20 Earnings compared with lower quartile open market purchase prices in Mid Suffolk



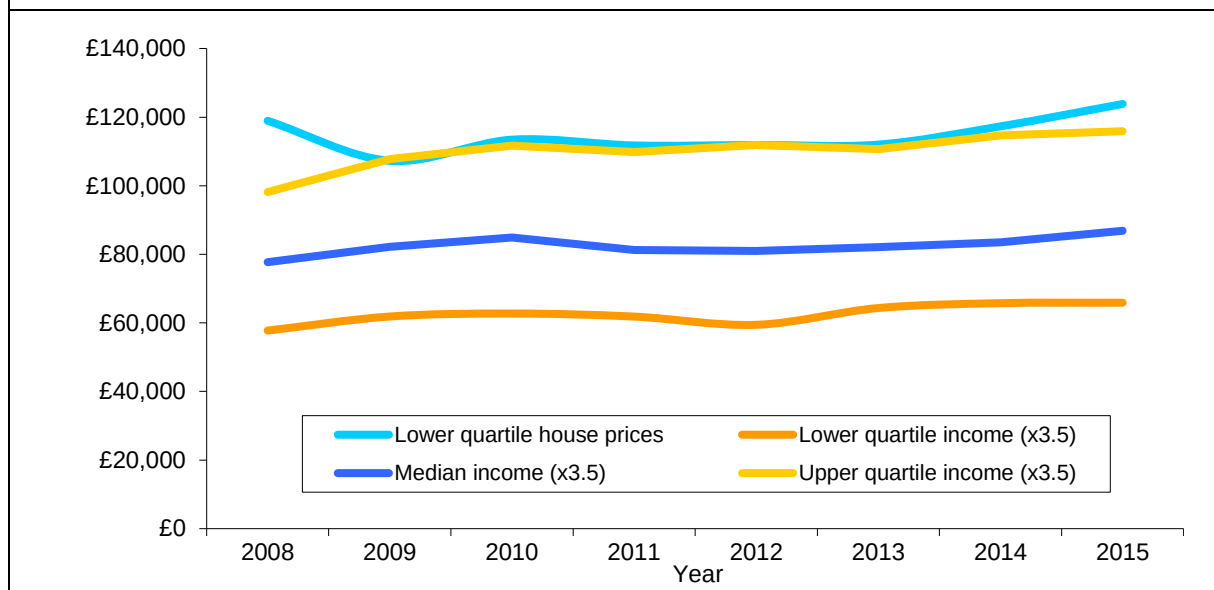
Source: Land Registry via CLG; Annual Survey of Hours and Earnings

Figure 3.21 Earnings compared with lower quartile open market purchase prices in Suffolk Coastal



Source: Land Registry via CLG; Annual Survey of Hours and Earnings

Figure 3.22 Earnings compared with lower quartile open market purchase prices in Waveney



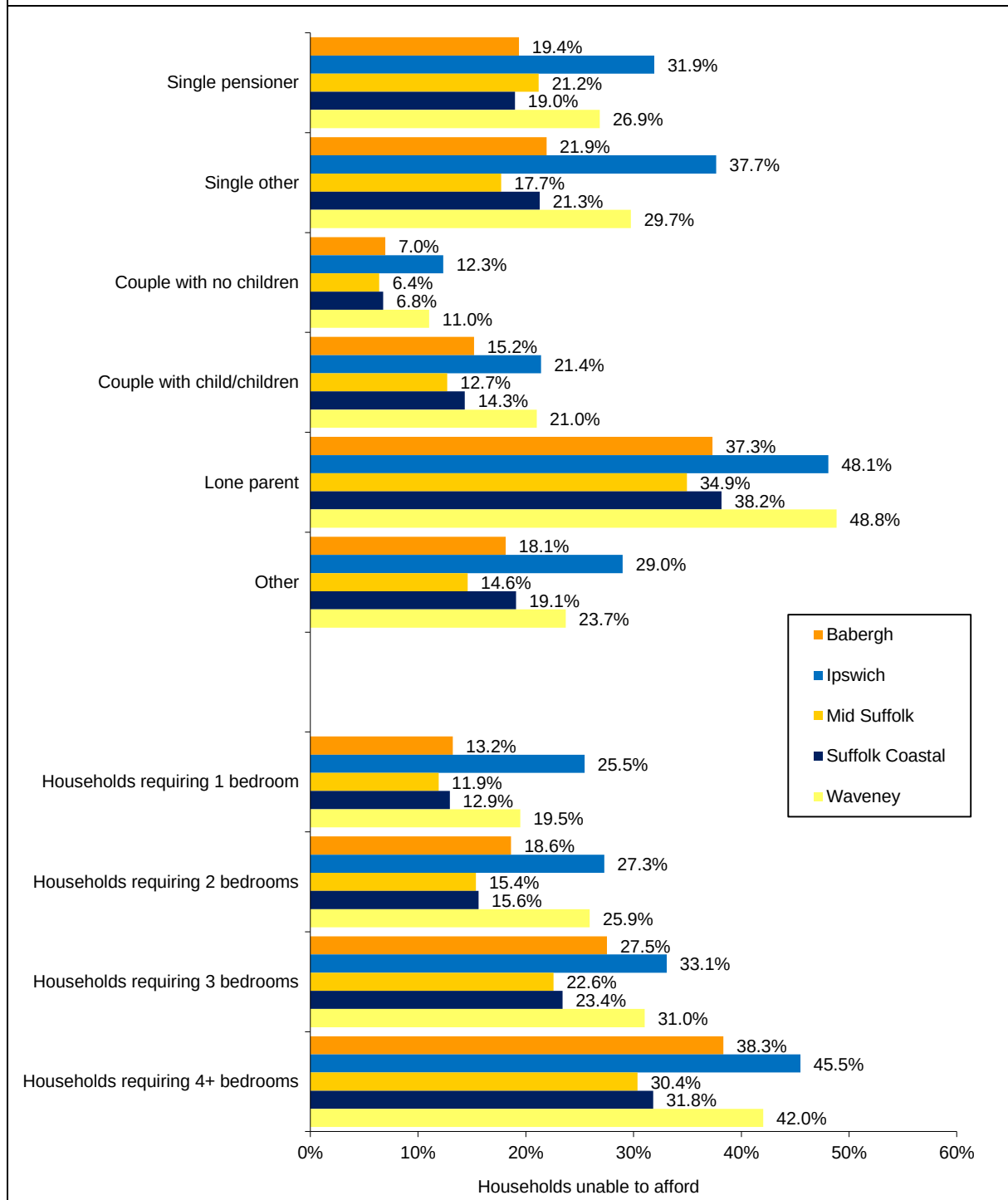
Source: Land Registry via CLG; Annual Survey of Hours and Earnings

Specific theoretical affordability

- 3.39 The household income distribution referred to in Figure 2.9 differentiated by household type can be used to assess the ability of households in each authority to afford the size of home that they require (according to the bedroom standard). The entry-level cost of housing by bedroom size is presented in Figures 3.10 and 3.12 and the test is based on the affordability criteria discussed above.

- 3.40 The figure below shows the current affordability of households in both HMAs by household type and number of bedrooms required. This is the theoretical affordability of households, as the analysis considers all households regardless of whether the household intends to move. It is used to just demonstrate the comparative affordability of different household groups for contextual purposes and does not represent information that the Councils need to plan against.
- 3.41 The data indicates that 37.3% of lone parent households in Babergh would be unable to afford market housing (if they were to move home now), as would 48.1% of lone parent households in Ipswich, 34.9% of lone parent households in Mid Suffolk, 38.2% of lone parent households in Suffolk Coastal and 48.8% of lone parent households in Waveney. Single non-pensioner households are also relatively unlikely to be able to afford, whilst couple households without children are most likely to be able to afford market housing in all areas. Households requiring a four bedroom home are least likely to be able to afford this size market housing in all constituent council areas.

Figure 3.23 Theoretical affordability of market housing



4. Type and tenure of future housing needed

Introduction

- 4.1 Paragraph 021 of the PPG is clear that *‘once an overall housing figure has been identified, plan makers will need to break this down by tenure, household type (singles, couples and families) and household size’*. This chapter describes the long-term balancing housing markets (LTBHM) model which uses secondary data to determine the future demand for housing by size and tenure based on the profile of households resident in each of the HMAs in 2036. This will then be compared to the current housing stock and a profile of new accommodation required will be determined¹⁵.
- 4.2 The model is set out in more detail subsequently, however this chapter initially presents the demographic changes that will occur in each HMA over the Local Plan period (2014 to 2036) as set out in the projections used to calculate the Objectively Assessed Need (described in the Part 1 SHMA report). The change in the household composition indicated within these projections drives the size and tenure demand profiles generated by the model.

Demographic projections

- 4.3 The household and population projections associated with the Objectively Assessed Need calculation presented in the Part 1 Study have been further disaggregated into different household groups to facilitate this analysis. The tables below set out the number of households that will be resident in the two HMAs in 2036 disaggregated by broad household type. The 2014 household profile is also presented as a reference point, as 2014 is the base date for this model and is when the Plan period will begin.

¹⁵ This will include a figure for the amount of affordable accommodation required over the plan period, however this is derived using a different approach and has a different purpose to the equivalent figure in chapter 5, as described in para 1.4, and the two should not be compared.

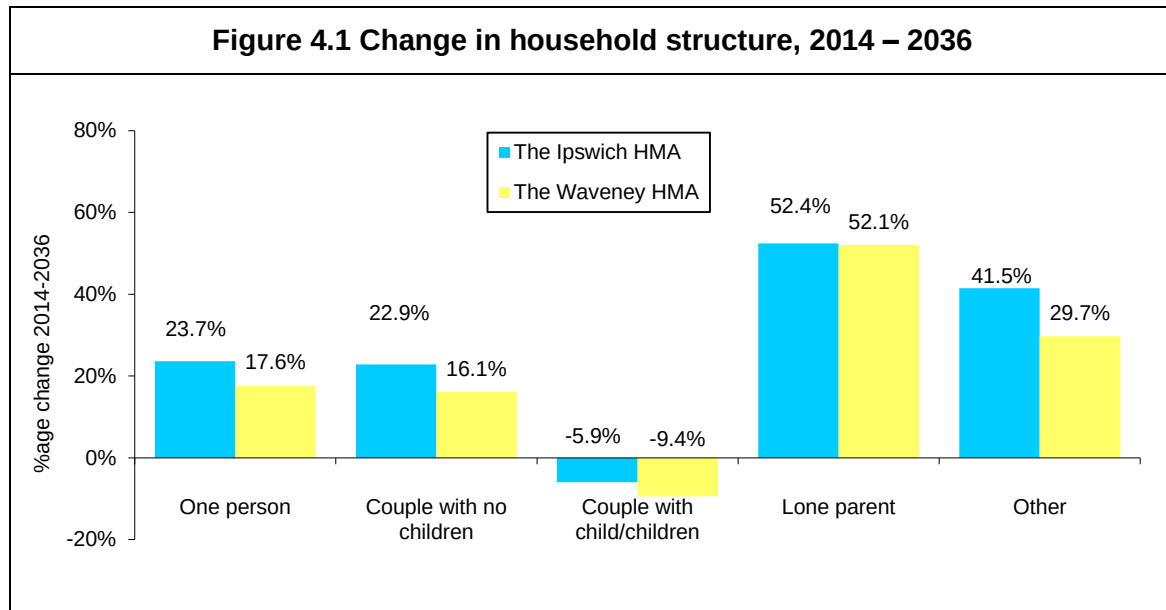
Table 4.1a Projected household population in the Ipswich HMA in 2036 by household type				
<i>Household type</i>	<i>2014 Number</i>	<i>2014 Percentage</i>	<i>2036 Number</i>	<i>2036 Percentage</i>
One person	56,698	29.3%	70,110	30.4%
Couple with no children	60,653	31.4%	74,515	32.3%
Couple with child/children	49,217	25.4%	46,295	20.1%
Lone parent	17,010	8.8%	25,923	11.2%
Other*	9,887	5.1%	13,987	6.1%
Total	193,465	100.0%	230,830	100.0%

*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups.

Table 4.1b Projected household population in the Waveney HMA in 2036 by household type				
<i>Household type</i>	<i>2014 Number</i>	<i>2014 Percentage</i>	<i>2036 Number</i>	<i>2036 Percentage</i>
One person	15,932	31.0%	18,739	31.7%
Couple with no children	16,346	31.8%	18,983	32.2%
Couple with child/children	11,644	22.7%	10,544	17.9%
Lone parent	4,885	9.5%	7,428	12.6%
Other*	2,583	5.0%	3,351	5.7%
Total	51,390	100.0%	59,045	100.0%

*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups.

- 4.4 The figure below indicates the change in these household types that will occur between 2014 and 2036 in each HMA. The figure indicates that the number of lone parent households are expected to increase the most in both HMAs, followed by other households. Couples with children are projected to decrease in number.



Methodology of the model

- 4.5 The Census provides information on the size (in terms of bedrooms) and tenure of accommodation in each local authority in the two HMAs in 2011. This has been adjusted¹⁶ to reflect the changes since 2011 to provide an accommodation profile in 2014. Following the instructions within the PPG the model is led by the OAN projections and does not contain an affordability assessment.
- 4.6 The 2011 Census also provides detail on the occupational patterns of different household groups in each authority, which means that the profile of housing occupied by each household type can be determined. Rather than assuming the current usage patterns for each household type will apply to the future population of that household group, the model assesses the current trends in occupation patterns (recorded by the change in the tenure profile of each household type between the 2001 and 2011 Census in each authority alongside the changes in the size of accommodation occupied within each tenure) and models their continuation through to 2036.
- 4.7 A further adjustment is made to counter the existence of overcrowding, which the PPG indicates should be addressed. Households currently overcrowded will therefore be housed in adequately sized accommodation within the model¹⁷. This means that the future housing stock will better reflect the requirements of the future population in the area.

¹⁶ Using the latest data from the Homes & Communities Agency's Statistical Data Return and the LAHS datasets and trends indicated within the English Housing Survey and by the Census.

¹⁷ Using the example of a lone parent household residing in a two bedroom property but requiring a three bedroom home, the modelled accommodation profile for this household group would assign this household a three bedroom property rather than a two bedroom dwelling. This means that it is anticipated that for equivalent households in the future, none would be expected to live in an overcrowded home.

- 4.8 This profile of suitable accommodation for each household type is applied to the size of the household group in 22 years' time. The accommodation profile required in 2036 is then compared to the current accommodation profile and the nature of additional housing required is derived. It should be noted that the model works by matching dwellings to households so the figures are based on the change in number of households identified within the OAN calculations. However, the overall Objectively Assessed Need figure calculated in the SHMA Volume 1, presumes that the requirement for new dwellings is greater than the projected growth in households in accordance with the approach set out in the PPG. Chapter 7 below will therefore convert the household based results from this chapter into dwelling based equivalents. The following section presents the outputs of this model.

Tenure of housing required

- 4.9 The tables below show the projected tenure profiles for the two HMAs in 22 years' time. The current tenure is also set out for context. The data shows that in 2036 the housing stock across the Ipswich HMA should comprise 66.5% owner-occupied accommodation, 17.4% private rented homes, 1.3% Shared Ownership properties and 14.8% Social Rented/Affordable Rented housing. The housing stock in 2036 in the Waveney HMA should comprise 68.2% owner-occupied accommodation, 16.3% private rented homes, 1.1% Shared Ownership properties and 14.5% Social Rented/Affordable Rented housing.

Table 4.2a Current tenure and tenure profile projected in the Ipswich HMA in 2036				
<i>Tenure</i>	<i>Current tenure (2014)</i>		<i>Projected tenure (2036)</i>	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
Owner-occupied	131,063	67.7%	153,614	66.5%
Private rented	32,685	16.9%	39,967	17.4%
Shared Ownership	907	0.5%	3,019	1.3%
Social Rent/Affordable Rent	28,810	14.9%	34,230	14.8%
Total	193,465	100.0%	230,830	100.0%

Table 4.2b Current tenure and tenure profile projected in 2036 in the Waveney HMA				
<i>Tenure</i>	<i>Current tenure (2014)</i>		<i>Projected tenure (2036)</i>	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
Owner-occupied	35,554	69.2%	40,251	68.2%
Private rented	8,433	16.4%	9,598	16.3%
Shared Ownership	155	0.3%	633	1.1%
Social Rent/Affordable Rent	7,248	14.1%	8,563	14.5%
Total	51,390	100.0%	59,045	100.0%

- 4.10 The tables below show the tenure profile required by households resident in each HMA in 22 years' time in comparison to the tenure profile recorded in the HMA currently. The difference between these two distributions is the change required to the housing stock over this period. The results show that 60.3% of new housing in the Ipswich HMA should be owner-occupied, 19.5% private rented, 5.7% should be Shared Ownership and 14.5% Social Rent/Affordable Rent. In the Waveney HMA, 61.4% of new housing should be owner-occupied, 15.2% private rented, 6.2% should be Shared Ownership and 17.2% Social Rent/Affordable Rent.

Table 4.3a Tenure of new accommodation required in the Ipswich HMA over the next 22 years				
<i>Tenure</i>	<i>Current tenure profile (2014)</i>	<i>Tenure profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
Owner-occupied	131,063	153,614	22,552	60.3%
Private rent	32,685	39,967	7,282	19.5%
Shared Ownership	907	3,019	2,112	5.7%
Social Rent/Affordable Rent	28,810	34,230	5,420	14.5%
Total	193,465	230,830	37,365	100.0%

Table 4.3b Tenure of new accommodation required in the Waveney HMA over the next 22 years				
<i>Tenure</i>	<i>Current tenure profile</i>	<i>Tenure profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
Owner-occupied	35,554	40,251	4,697	61.4%
Private rent	8,433	9,598	1,165	15.2%
Shared Ownership	155	633	478	6.2%
Social Rent/Affordable Rented	7,248	8,563	1,315	17.2%
Total	51,390	59,045	7,655	100.0%

- 4.11 The model is also able to provide detail on the size of new housing required within each tenure, as is set out in the section below.

Discount home ownership/Starter Homes

- 4.12 The analysis of the likely cost profile of discount home ownership/Starter Homes in the two HMAs, set out in Chapter 3, concludes that this product is most likely to be suitable for households that would otherwise reside in the private rented sector. It is a product that has only recently been introduced into the market and therefore can't be modelled using the same trend data as is utilised for the rest of the LTBHM model. However, the potential demand for this new product over the plan period can be derived by making assumptions about the likelihood of different household groups within the private rented sector to try and acquire this form of housing informed by an affordability analysis of the tenure¹⁸.
- 4.13 This approach identifies that between 2014 and 2036 there would be a potential demand for 2,650 discount home ownership dwellings across the Ipswich HMA and 454 discount home ownership dwellings across the Waveney HMA. These figures are therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 2,650 discount home ownership dwellings in the Ipswich HMA and 454 in the Waveney HMA identified using this process should be treated as an indicative figure rather than an absolute target.

Size of housing required within each tenure

- 4.14 The tables below present the size of owner-occupied accommodation required in each HMA in 22 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented. The data shows that some 35.1% of new

¹⁸ To try and establish the potential demand for this product over the plan period, the household income distribution differentiated by household type (summarised in Figure 3.23) has been adjusted to reflect that nationally the income of private rented households is 98.9% of the figure for all households (according to the English Housing Survey). Applying this affordability profile to the flow of households moving to a private rented home each year allows the number of these households that could afford discounted home ownership to be modelled.

owner-occupied housing in the Ipswich HMA should be three bedroom homes, with 27.0% being two bedroom units, 28.7% should have four or more bedrooms and 9.2% one bedroom accommodation. In the Waveney HMA, 34.8% of new owner-occupied housing in should be three bedroom homes, with 27.7% being two bedroom units, 27.2% should have four or more bedrooms and 10.3% one bedroom accommodation.

Table 4.4a Size of new owner-occupied accommodation required in the Ipswich HMA over the next 22 years				
<i>Size of home</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	3,250	5,321	2,071	9.2%
Two bedroom	25,194	31,294	6,100	27.0%
Three bedroom	60,478	68,391	7,913	35.1%
Four or more bedrooms	42,141	48,608	6,467	28.7%
Total	131,063	153,614	22,552	100.0%

Table 4.4b Size of new owner-occupied accommodation required in the Waveney HMA over the next 22 years				
<i>Size of home</i>	<i>Current size profile</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	704	1,188	483	10.3%
Two bedrooms	8,522	9,823	1,301	27.7%
Three bedrooms	17,833	19,466	1,633	34.8%
Four or more bedrooms	8,494	9,774	1,280	27.2%
Total	35,554	40,251	4,697	100.0%

- 4.15 This analysis can be repeated for private rented housing and is presented in Table 4.5. The data indicates that of the 7,282 private rented homes required within the Ipswich HMA, 33.3% should be two bedroom properties with a further 25.8% should be three bedroom homes. Some 19.9% should be single bedroom accommodation and 21.0% should have four or more bedrooms. The model also suggests that of the 1,165 private rented homes required within the Waveney HMA, 39.4% should be three bedroom properties with a further 30.7% should be two bedroom homes. Some 10.6% should be single bedroom accommodation and 19.3% should have four or more bedrooms.

Table 4.5a Size of new private rented accommodation required in the Ipswich HMA over the next 22 years				
<i>Size of home</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	6,014	7,465	1,451	19.9%
Two bedroom	12,629	15,056	2,426	33.3%
Three bedroom	10,924	12,801	1,878	25.8%
Four or more bedrooms	3,118	4,646	1,527	21.0%
Total	32,685	39,967	7,282	100.0%

Table 4.5b Size of new private rented accommodation required in the Waveney HMA over the next 22 years				
<i>Size of home</i>	<i>Current size profile</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	1,611	1,735	124	10.6%
Two bedrooms	2,965	3,322	357	30.7%
Three bedrooms	3,282	3,741	458	39.4%
Four or more bedrooms	575	800	226	19.3%
Total	8,433	9,598	1,165	100.0%

- 4.16 Table 4.6 sets out the equivalent analysis for Shared Ownership housing. The data indicates that of the 2,112 Shared Ownership dwellings required within the Ipswich HMA, 32.8% should be two bedroom properties with a further 30.5% three bedroom accommodation. Some 23.9% should have one bedroom and 12.8% should have four or more bedrooms. In the Waveney HMA, the 478 shared ownership properties required should comprise 34.0% three bedroom homes, 32.6% two bedroom accommodation, 21.6% one bedroom dwellings and 11.9% properties with four or more dwellings.

Table 4.6a Size of new Shared Ownership accommodation required in the Ipswich HMA over the next 22 years				
<i>Size of home</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	182	686	504	23.9%
Two bedroom	328	1,021	693	32.8%
Three bedroom	304	948	644	30.5%
Four or more bedrooms	93	364	271	12.8%
Total	907	3,019	2,112	100.0%

Table 4.6b Size of new Shared Ownership accommodation required in the Waveney HMA over the next 22 years				
<i>Size of home</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	30	133	103	21.6%
Two bedroom	48	204	156	32.6%
Three bedroom	51	213	162	34.0%
Four or more bedrooms	26	83	57	11.9%
Total	155	633	478	100.0%

- 4.17 Table 4.7 shows the size of accommodation required in the Affordable Rented/Social Rented sector. The table shows that of the 5,420 additional Affordable Rented units required within the Ipswich HMA over the next 22 years, 30.1% should have four bedrooms, 26.0% two bedrooms, 23.8% one bedroom and 20.1% three bedrooms. Of the 1,315 additional Affordable Rented units required within the Waveney HMA over the next 22 years, 29.2% should have four bedrooms, 29.1% three bedrooms, 21.2% one bedroom and 20.5% two bedrooms.

Table 4.7a Size of new Social Rent/Affordable Rent required in the Ipswich HMA over the next 22 years				
<i>Size of home</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	7,990	9,281	1,292	23.8%
Two bedroom	10,157	11,563	1,406	26.0%
Three bedroom	10,078	11,167	1,089	20.1%
Four or more bedrooms	585	2,218	1,634	30.1%
Total	28,810	34,230	5,420	100.0%

Table 4.7b Size of new Social Rent/Affordable Rent required in the Waveney HMA over the next 22 years				
<i>Size of home</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	2,339	2,617	279	21.2%
Two bedroom	2,195	2,465	270	20.5%
Three bedroom	2,536	2,919	383	29.1%
Four or more bedrooms	178	562	383	29.2%
Total	7,248	8,563	1,315	100.0%

- 4.18 Table 4.8 shows the size of discount home ownership/Starter Home that would potentially be required should this product become available to house some households that would otherwise reside in the private rented sector. The residual private rented requirement, once the potential demand from households for this alternative product has been deducted, is also set out in the table. The model indicates that in the Ipswich HMA, 30.5% of the discount home ownership units should have two bedrooms, 29.8% three bedrooms, 25.4% one bedroom and 14.3% four bedrooms. In the Waveney HMA, 38.4% of the discount home ownership units should have three bedrooms, 31.2% two bedrooms, 17.2% one bedroom and 13.2% four bedrooms.

Table 4.8a Potential demand for discount home ownership/Starter Homes in the Ipswich HMA over the next 22 years by size		
<i>Size of home</i>	<i>Discount home ownership / Starter Homes</i>	<i>Residual private rented homes</i>
One bedroom	672	779
Two bedroom	809	1,617
Three bedroom	790	1,087
Four or more bedrooms	379	1,148
Total	2,650	4,632

Table 4.8b Potential demand for discount home ownership/Starter Homes in the Waveney HMA over the next 22 years by size		
<i>Size of home</i>	<i>Discount home ownership / Starter Homes</i>	<i>Residual private rented homes</i>
One bedroom	78	47
Two bedroom	141	218
Three bedroom	174	286
Four or more bedrooms	60	166
Total	454	716

- 4.19 These outputs are replicated for the constituent authorities of the Ipswich HMA in the appendices to this report.

5. Affordable housing need

Introduction

- 5.1 It is necessary to undertake a separate calculation of affordable housing need (the previous model has a limited capacity to assess resident households' ability to afford appropriate local housing). Paragraph 22 (Reference ID: 2a-022-20140306) to Paragraph 29 (Reference ID: 2a-029-20140306) of the *Housing and economic development needs assessments* section of the PPG details how affordable housing need should be calculated. The model outlined in the PPG is an assessment of the housing market at a particular point of time (September 2016) and does not consider likely future changes to the housing market that may impact the results (such as future loss of affordable stock through Right-to-Buy), i.e. it is based in what is known at the time of the assessment. The PPG defines affordable housing need as *'number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market'*.
- 5.2 The PPG goes on to set out the types of households to be considered in housing need:
- *'homeless households or insecure tenure (e.g. housing that is too expensive compared to disposable income);*
 - *households where there is a mismatch between the housing needed and the actual dwelling (e.g. overcrowded households);*
 - *households containing people with social or physical impairment or other specific needs living in unsuitable dwellings (e.g. accessed via steps) which cannot be made suitable in-situ*
 - *households that lack basic facilities (e.g. a bathroom or kitchen) and those subject to major disrepair or that are unfit for habitation;*
 - *households containing people with particular social needs (e.g. escaping harassment) which cannot be resolved except through a move.'*
- 5.3 This chapter presents the results of the three broad stages of the model used to calculate affordable housing need. Within each of the three stages there are a number of detailed calculations many of which themselves have a number of components. This chapter presents details of how each of these stages is calculated using locally available data for each individual local authority. An annual estimate of the affordable housing need in each HMA is calculated¹⁹ and the tenure and size of accommodation most appropriate to meet this need is discussed.

Stage 1: Current unmet gross need for affordable housing

- 5.4 The first stage of the model assesses current need. This begins with an assessment of housing suitability, before the affordability test is applied to determine the number of these households that require affordable housing, and are therefore in current need.

¹⁹ This will imply a figure for the amount of affordable accommodation required over the plan period, however this is derived using a different approach and has a different purpose to the equivalent figure in chapter 4, as described in para 1.4, and the two should not be compared.

- 5.5 The PPG sets out four particular categories of unsuitable housing that should be specifically identified. These are presented in the tables below for each HMA, which also indicates the number of households in each category and the source of the data²⁰. The final column represents the revised total for each of these categories once any double-counting between them has been taken into account. Households can be unsuitably housed for more than one reason so it is important that they are only counted once.
- 5.6 The first table shows that there are 7,378 households currently in unsuitable housing or lacking their own housing in the Ipswich HMA and the most common reason for unsuitability is overcrowding. This figure of 7,378 represents 3.8% of all households in the HMA. The second table shows that there are 2,159 households currently in unsuitable housing or lacking their own housing in the Waveney HMA and the most common reason for unsuitability is overcrowding. This figure of 2,159 represents 4.2% of all households in the HMA.

²⁰ It should be noted that the analysis of the Housing Register is based on households on it in September 2016. The number of households on the register has fallen across the HMA in the last few years, most notably in Babergh and Mid Suffolk where households have to reapply annually. It is possible therefore that there may be more households in need than is recorded by the current register, which would increase the overall affordable housing need figure, but there is no way of accounting for them. Similarly, it is thought by Council and RSL professionals working in the locality that there are a significant number of people in the private rented sector who are struggling with affordability, spending a large proportion of their income on rent (over 35%) and whose rent exceeds the LHA ceiling, but they have not joined the housing register. As there is no accurate data source on the number and characteristics of these households it is not possible to include them within the model, however it is likely that the figures of 7,378 households in current need in the Ipswich HMA and 2,159 households in current need in the Ipswich HMA set out in the tables below may underestimate the full current need.

Table 5.1a Current households who lack their own housing or live in unsuitable housing in the Ipswich HMA

<i>Element</i>	<i>Source</i>	<i>Number of households</i>	<i>Revised number of households</i>
Homeless households	Each individual Council's housing register as of September 2016.	230	229 ²¹
Households in temporary accommodation	Section E6 of the Council's P1(E) return for 1 st quarter of 2016 from each Council.	67 ²²	0 ²³
Overcrowded households	2011 Census modelled to Autumn 2016. This was done by calculating the annual change in the number of overcrowded households (in terms of rooms not bedrooms as bedrooms were not included in the 2001 Census) recorded in each authority between the 2001 and 2011 Census (set out in tables S053 Household composition by tenure and occupancy rating and table DC4104EW1a Tenure by occupancy rating (rooms) by household composition). The five-year change for each tenure recorded from this source was averaged against the latest five-year change for each tenure recorded nationally by the English Housing Survey (set out in table FA1421 Trend in overcrowding rates by tenure). This average five-year change was applied to the 2011 Census figures for overcrowding in each tenure to derive an estimate for 2016 (set out in table DC4105EW1a - Tenure by occupancy rating (bedrooms) by household composition).	4,474	4,474
Concealed households*	2011 Census modelled to Autumn 2016. This was done by calculating the annual change in the number of concealed households recorded in each authority between the 2001 and 2011 Census (set out in table S058 - Households in a shared dwelling and amenities and household size by central heating and number of rooms and in table DC4205EW - Dwelling type by type of central heating in household by occupancy rating (rooms) by ethnic group of Household Reference Person (HRP)) and applying this the number of concealed households identified in the 2011 Census (DC1110EW1a - Concealed family by family type by dependent children in family by age of Family Reference Person).	1,345	442 ²⁴
Other groups	Each individual Council's housing register as of September 2016. Only households that are on the register due to a category of unsuitable housing are included ²⁵ (excluding overcrowded, temporary, concealed and homeless households accounted for above).	2,233	2,233
Total		8,349	7,378

Source: 2011 Census data modelled to 2016, the HMA Council's Housing Register *According to the Practice Guidance, concealed households include couples, people with young children and single adults over 25 sharing a kitchen, bathroom or WC with another household.

²¹ One homeless household is also overcrowded.

²² This only includes households living in non-self-contained temporary accommodation i.e. B&B and hostels.

²³ All households in temporary accommodation are also on the Council's Housing Register, although the type of accommodation they occupy is not separately distinguished so this is obtained from the P1(E) form.

²⁴ The 2011 Census indicated that 87.5% of concealed households were also overcrowded in Babergh, 67.1% in Ipswich, 76.9% in Mid Suffolk, 59.2% and in Suffolk Coastal.

²⁵ This includes households that are living in accommodation that is of an insufficient standard for their needs, such as non-Gypsy and Traveller households living in caravans on a Gypsy and Traveller site due to a lack of suitable accommodation available that is affordable for them.

Table 5.1b Current households who lack their own housing or live in unsuitable housing in the Waveney HMA

<i>Element</i>	<i>Source</i>	<i>Number of households</i>	<i>Revised number of households</i>
Homeless households	The Council's housing register as of September 2016.	38	38
Households in temporary accommodation	Section E6 of the Council's P1(E) return for 1 st quarter of 2016 from each Council.	3 ²⁶	0 ²⁷
Overcrowded households	2011 Census modelled to Autumn 2016. This was done by calculating the annual change in the number of overcrowded households (in terms of rooms not bedrooms as bedrooms were not included in the 2001 Census) recorded in Waveney between the 2001 and 2011 Census (set out in tables S053 Household composition by tenure and occupancy rating and table DC4104EW1a Tenure by occupancy rating (rooms) by household composition). The five-year change for each tenure recorded from this source was averaged against the latest five-year change for each tenure recorded nationally by the English Housing Survey (set out in table FA1421 Trend in overcrowding rates by tenure). This average five-year change was applied to the 2011 Census figures for overcrowding in each tenure to derive an estimate for 2016 (set out in table DC4105EW1a - Tenure by occupancy rating (bedrooms) by household composition).	1,099	1,099
Concealed households*	2011 Census modelled to Autumn 2016. This was done by calculating the annual change in the number of concealed households recorded in Waveney between the 2001 and 2011 Census (set out in table S058 - Households in a shared dwelling and amenities and household size by central heating and number of rooms and in table DC4205EW - Dwelling type by type of central heating in household by occupancy rating (rooms) by ethnic group of Household Reference Person (HRP)) and applying this the number of concealed households identified in the 2011 Census (DC1110EW1a - Concealed family by family type by dependent children in family by age of Family Reference Person).	703	425 ²⁸
Other groups	The Council's housing register as of September 2016. Only households that are on the register due to a category of unsuitable housing are included ²⁹ (excluding overcrowded, temporary, concealed and homeless households accounted for above).	597	597
Total		2,439	2,159

Source: 2011 Census data modelled to 2016, the HMA Council's Housing Register *According to the Practice Guidance, concealed households include couples, people with young children and single adults over 25 sharing a kitchen, bathroom or WC with another household.

²⁶ This only includes households living in non-self-contained temporary accommodation i.e. B&B and hostels.

²⁷ All households in temporary accommodation are also on the Council's Housing Register, although the type of accommodation they occupy is not separately distinguished so this is obtained from the P(1)E form.

²⁸ The 2011 Census indicated that 39.5% of concealed households were also overcrowded in Waveney.

²⁹ This includes households that are living in accommodation that is of an insufficient standard for their needs, such as non-Gypsy and Traveller households living in caravans on a Gypsy and Traveller site due to a lack of suitable accommodation available that is affordable for them.

Affordability

- 5.7 Some of these households in unsuitable housing are likely to be able to afford alternative accommodation in the market sector without requiring subsidy. The ability of these households to afford the cost of entry-level market housing of the appropriate size (set out in Figures 3.10 and 3.12) is therefore tested. The housing register details the size of accommodation required by homeless households and households unsuitably housed for other reasons. For overcrowded households and concealed households, the household composition recorded for these households in the Census is used to determine the size requirement profile. To test overcrowded households the income distribution for each dwelling size requirement, identified using the CACI income profile for the HMA, is adjusted to reflect that nationally the income of overcrowded households is 98.6% of the figure for all households (according to the English Housing Survey). Similarly, for homeless, concealed and 'other' unsuitably housed households the income distribution is adjusted to reflect that nationally the income of Social Rented households is 52.0% of the figure for all households (according to the English Housing Survey).
- 5.8 These households in unsuitable housing or lacking their own housing are therefore tested for their ability to afford market housing in their authority using an affordability test where the cost of housing can constitute up to 35% of gross income and still be affordable in the Ipswich HMA and where the cost of housing can constitute up to 30% of gross income and still be affordable in the Waveney HMA³⁰. The impact of using other thresholds is examined at the end of this chapter. The tables below show the number of unsuitably housed households requiring different dwelling sizes and the proportion of these households able to afford the market-entry point. The number of households that are therefore in current need is shown in the final column.

Table 5.2a Affordability of households in unsuitable housing in the Ipswich HMA			
<i>Number of bedrooms required</i>	<i>Unsuitable housed households</i>	<i>Percentage unable to afford entry-level market housing</i>	<i>Households in current need</i>
One bedroom	1,620	52.3%	848
Two bedroom	2,601	40.2%	1,045
Three bedroom	1,889	39.8%	751
Four or more bedrooms	1,268	47.1%	597
Total	7,378	43.9%	3,241

³⁰ This affordability test is used in preference to the affordability test of 25% of gross income on housing which was the suggested starting point in the, now cancelled, 2007 Practice Guidance (although the Guidance did note that this threshold should be determined locally), as these are the most appropriate figures when the affordability of local housing is considered based on practice in the market. The derivation of these affordability thresholds is set out in Appendix A3. As this study is seeking to make a 'policy off' assessment of the housing market, an assumption that reflects the workings of the market should be used – and the majority of stakeholders agreed that these assumptions were correct.

Table 5.2b Affordability of households in unsuitable housing in the Waveney HMA			
<i>Number of bedrooms required</i>	<i>Unsuitable housed households</i>	<i>Percentage unable to afford entry-level market housing</i>	<i>Households in current need</i>
One bedroom	643	54.6%	351
Two bedroom	665	49.6%	330
Three bedroom	493	44.0%	217
Four or more bedrooms	358	54.9%	197
Total	2,159	50.7%	1,094

- 5.9 Overall 43.9% (3,241 households) of unsuitably housed households or households lacking their own housing in the Ipswich HMA are unable to afford market housing and are in current need. Within the Waveney HMA, 50.7% (1,094 households) of unsuitably housed households or households lacking their own housing are unable to afford market housing and are in current need. For the purposes of the housing needs assessment, households considered to be in housing need have been split into two categories: current occupiers of affordable housing in need that would make the property available when they move (this includes occupiers of Social Rented and Shared Ownership accommodation that are not living with another household currently), and other households. It is estimated that some 1,690 households in need in the Ipswich HMA and 680 households in need in the Waveney HMA currently live in affordable housing that would become available for reuse³¹.

Total current need

- 5.10 The tables below summarise the first stage of the assessment of affordable housing need as set out by PPG. The data shows that there are an estimated 3,241 households in current need in the Ipswich HMA and 1,094 households in current need in the HMA Waveney.

³¹ For those households who lack their own housing or live in unsuitable housing it was necessary to not only establish the number of households in each category, but also their current tenure (alongside the type of household they were and the size of home they required). This was obtained from the original data sources detailed in Table 5.1. The final tenure profile of households in need, and the figures of 1,690 and 680 in affordable accommodation derived, accounts for the different affordability profiles of these different groups of households who lack their own housing or live in unsuitable housing groups.

Table 5.3a Stage 1: Current unmet gross need in the Ipswich HMA	
<i>Component</i>	
Homeless households and those in temporary accommodation	222
Overcrowded and concealed households	1,763
Other groups	1,256
Total current housing need (gross)	3,241

Table 5.3b Stage 1: Current unmet gross need in the Waveney HMA	
<i>Component</i>	
Homeless households and those in temporary accommodation	37
Overcrowded and concealed households	627
Other groups	430
Total current housing need (gross)	1,094

Stage 2: Newly arising affordable housing need

5.11 In addition to Current Need, there will also be Newly Arising (ongoing) Need. This forms the second stage of the affordable housing need model. This is split, as per the PPG, into two categories:

- new household formation (× proportion unable to buy or rent in market).
- existing households falling into need.

Need from newly forming households

5.12 The headship rate for each 5 year age cohort between the ages 15 and 49³² was calculated using information in the Census on the number of people and number of household heads within each age cohort. This headship rate was then applied to the population projections associated with the calculation of the Objectively Assessed Need figure. This identified the projected number of households likely to form in each HMA. This figure is then averaged to provide an annual estimate for the number of newly forming households.

5.13 Using this methodology, it is estimated that 3,346 new households will form per year in the Ipswich HMA. This represents a household formation rate of 1.7%, the same as the figure of 1.7% recorded nationally by the English Housing Survey. In the Waveney HMA it is estimated that 841 new households will form per year, representing a household formation rate of 1.6%. To assess the ability of these households to afford entry-level market housing of the

³² After this age it is presumed that household headship rates plateau.

appropriate size, it is presumed that these new households will have the same composition as the profile for new households recorded in the English Housing Survey, from which the appropriate size requirement profile can be determined. To test newly forming households' ability to afford market housing, the income distribution for each dwelling size requirement (identified using the CACI income profile for the each individual authority) is adjusted to reflect that nationally the income of newly forming households is 72.9% of the figure for all households (according to the English Housing Survey).

- 5.14 The tables below detail the derivation of newly arising need from newly forming households. The first table shows that 23.3% of newly forming households will be unable to afford market housing in the Ipswich HMA, which means that there will be an annual affordable housing requirement from 781 newly forming households. The second table shows that 46.5% of newly forming households will be unable to afford market housing in the Waveney HMA, which means that there will be an annual affordable housing requirement from 392 newly forming households. Further detail of how the affordability of newly forming households is calculated is set out in Appendix A3.

Table 5.4a Newly arising need from new household formation (per annum) in the Ipswich HMA	
<i>Component</i>	
Number of newly forming households	3,346
Proportion unable to afford entry-level market housing	23.3%
Number of newly forming households requiring affordable accommodation	781

Table 5.4b Newly arising need from new household formation (per annum) in the Waveney HMA	
<i>Component</i>	
Number of newly forming households	841
Proportion unable to afford entry-level market housing	46.5%
Number of newly forming households requiring affordable accommodation	392

Existing households falling into need

- 5.15 The PPG recommends that this figure is derived by looking at recent trends in households applying for affordable housing. Analysis of the re-lets of affordable accommodation within each council area over the last three years (Autumn 2013 to Autumn 2016) indicates that there were 4,872 households that fell into need over the last three years in the Ipswich HMA. Annualised this is 1,624 (4872/3) households per year in affordable housing need. In the Waveney HMA there were 1,224 households that fell into need over the last three years, equating to 408 households per annum.

- 5.16 This figure will include newly forming households, which have featured in the previous step. The CORE LA Area Lettings Reports³³ provide an estimate of the proportion of Social Rented lets each year taken by newly forming households in each authority within each HMA. It shows that an average of 16.4% of lettings in the Ipswich HMA were to newly forming households over the last three years. It is assumed therefore that 266 (16.4% of 1,624) of the households in need are newly forming households. The resultant number of existing households falling into need in the Ipswich HMA is 1,358 (1,624-266) households per annum. The data also indicates that an average of 17.1% of lettings in the Waveney HMA were to newly forming households over the last three years. It is assumed therefore that 70 (17.1% of 408) of the households in need are newly forming households. The resultant number of existing households falling into need in the Waveney HMA is 338 (408-70) households per annum.

Total newly arising need

- 5.17 The tables below summarise the second stage of the assessment of affordable housing need as set out by the PPG. The first table indicates that 2,139 (791+1,358) households will be in newly arising need per annum in the Ipswich HMA. The second table indicates that 730 (392+338) households will be in newly arising need per annum in the Waveney HMA.

Table 5.5a Stage 2 Newly arising need (per annum) in the Ipswich HMA	
<i>Component</i>	
New household formation (gross per year)	3,346
Proportion of new households unable to buy or rent in the market	23.3% (791)
Existing households falling into need	1,358
Total newly arising housing need (gross per year)	2,139

Table 5.5b Stage 2 Newly arising need (per annum) in the Waveney HMA	
<i>Component</i>	
New household formation (gross per year)	841
Proportion of new households unable to buy or rent in the market	46.5% (392)
Existing households falling into need	338
Total newly arising housing need (gross per year)	730

Stage 3: Current affordable housing supply

- 5.18 The PPG indicates that the stock available to offset the current need includes stock from current occupiers of affordable housing in need, surplus stock from vacant properties and the

³³ CORE (Continuous REcording) is a national information source funded by the Department for Communities and local Government that records information on the characteristics of both private registered providers and local authority new social housing tenants and the homes they rent and buy.

committed supply of new affordable units. Units to be taken out of management are removed from the calculation.

Current occupiers of affordable housing in need

- 5.19 It is important when considering net need levels to discount households already living in affordable housing. This is because the movement of such households within affordable housing will have an overall nil effect in terms of housing need. As established when calculating current need (paragraph 5.9), there are 1,690 households currently in need already living in affordable housing in the Ipswich HMA and a further 680 households currently in need already living in affordable housing in the Waveney HMA

Surplus stock

- 5.20 A certain level of vacant dwellings is normal as this allows for transfers and for work on properties to be carried out. Established good practice suggests that if the vacancy rate in the affordable stock is in excess of 3%, some of the vacant units should be considered as surplus stock which can be included within the supply to offset housing need. Babergh records a vacancy rate in the affordable sector of 0.9%, whilst it is 0.6% in Ipswich, 1.5% in Mid Suffolk, 0.9% and in Suffolk Coastal. As the vacancy rate is lower than the 3% benchmark, no vacant dwellings are considered available to be brought back into use to increase the supply of affordable housing in the Ipswich HMA. In Waveney the vacancy rate in the affordable sector is 1.3%, so no vacant dwellings are considered available to be brought back into use to increase the supply of affordable housing in the Waveney HMA.

Committed supply of new affordable units

- 5.21 The PPG indicates that '*the committed supply of new affordable units (Social Rented and intermediate housing) at the point of the assessment*' be taken into account within the model. The Councils have taken a strict definition and only included developments which have started, have discharged any pre-commencement conditions or have full or reserved matters permission granted in the 12 months up to September 2016. The figures are therefore quite low, especially in Ipswich who have a number of affordable schemes (including those as part of market housing) which are likely to come forward but are not yet committed from a planning point of view. In total, there are 609 new affordable homes currently committed across the Ipswich HMA and 143 new affordable homes currently committed across the Waveney HMA.

Planned units to be taken out of management

- 5.22 The PPG states that the '*net number of units to be taken out of management (demolition or replacement schemes that lead to net losses of stock)*' should be quantified. The Councils have indicated that there are no affordable housing replacement schemes that will lead to a net loss of affordable accommodation and so a figure of 0 is used for this stage in both HMAs.

Total current affordable housing supply

- 5.23 Having been through the four components in order to assess the current affordable housing supply, the stage of the model is summarised in the tables below. The data shows that there

are an estimated 2,299 affordable homes currently available in the Ipswich HMA area and 823 affordable homes currently available in the Waveney HMA area.

Table 5.6a Stage 3 Current affordable housing supply in the Ipswich HMA	
<i>Component</i>	
Affordable dwellings occupied by households in need	1,690
Surplus stock	0
Committed supply of affordable housing	609
Units to be taken out of management	0
Total affordable housing stock available	2,299

Table 5.6b Stage 3 Current affordable housing supply in the Waveney HMA	
<i>Component</i>	
Affordable dwellings occupied by households in need	680
Surplus stock	0
Committed supply of affordable housing	143
Units to be taken out of management	0
Total affordable housing stock available	823

Stage 4: Future housing supply of social re-lets and intermediate affordable housing

- 5.24 The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need. It is split between the annual supply of social re-lets and the annual supply of re-lets within the intermediate sector.

The future supply of Social/Affordable Rented housing

- 5.25 This is an estimate of likely future re-lets from the existing affordable stock. The PPG suggests that the estimate should be based on past trend data over the last three years. CORE data provides an indication of the number of lettings in the Social Rented/Affordable Rented sector and the results for the last three years are presented in the table below. The average number of lettings across the Social and Affordable Rented sector over the three-year period was 1,633 per annum in the Ipswich HMA and 524 per annum in the Waveney HMA.

Table 5.7 Analysis of past housing supply (Social Rented/Affordable Rented sector)						
<i>Year</i>	<i>Babergh</i>	<i>Ipswich</i>	<i>Mid Suffolk</i>	<i>Suffolk Coastal</i>	<i>The Ipswich HMA</i>	<i>The Waveney HMA</i>
2012/13	273	693	250	381	1,597	506
2013/14	257	755	264	349	1,625	547
2014/15	261	706	234	475	1,676	520
Average	264	718	249	402	1,633	524

Source: CORE LA Area Lettings Report 2012/2013, 2013/2014, 2014/2015

- 5.26 As set out in paragraph 5.1, the affordable need model is an assessment of the housing market at a particular point of time and does not consider likely future changes to the housing market. Concern has been raised that the model is unable to take account of the ongoing loss of affordable stock for re-let as a consequence of the Right-to-Buy initiative. Although it cannot be included within the main model (as it is not prescribed within the PPG guidance) an additional analysis is presented in Appendix A8 considering the impact of the results of the continued loss of affordable stock over the plan period.

Supply of intermediate housing

- 5.27 In most local authorities, the amount of intermediate housing (mostly Shared Ownership) available in the stock is fairly limited (as is the case across both HMAs). However, it is still important to consider to what extent the supply may be able to help those in need of affordable housing. Therefore, we include an estimate of the number of intermediate units that become available each year, based on applying the estimated re-let rate for the Social Rented sector³⁴ (5.0% in Babergh, 5.6% in Ipswich, 5.3% in Mid Suffolk and 6.4% in Suffolk Coastal in the Ipswich HMA and 7.1% in the Waveney HMA) to the estimated stock for each form of intermediate housing in each Local Authority. This is set out in the tables below. It is estimated that around 50 units of intermediate housing will become available to meet housing needs from the existing stock each year in the Ipswich HMA and 12 units of intermediate housing will become available to meet housing needs from the existing stock each year in the Waveney HMA.

³⁴ This is calculated by dividing the total number of relets as set out in Table 5.7 by the total stock of social and affordable housing as set out in the HCA's Statistical Data Return, 2015 and each Council's LAHS return, 2015.

Table 5.8a Estimated intermediate supply in the Ipswich HMA		
<i>Intermediate tenure</i>	<i>Stock</i>	<i>Annual re-lets</i>
Discount home ownership	10	1
Shared Ownership	906	49
All intermediate lettings	-	50

Source: HCA's Statistical Data Return 2015, Council LAHS 2015

Table 5.8b Estimated intermediate supply in the Waveney HMA		
<i>Intermediate tenure</i>	<i>Stock</i>	<i>Annual re-lets</i>
Discount home ownership	1	0
Shared Ownership	156	12
All intermediate lettings	-	12

Source: HCA's Statistical Data Return 2015, Council LAHS 2015

Annual future supply of affordable housing

- 5.28 The total future supply of affordable housing is the sum of the Social Rented supply and the intermediate supply as set out in the tables below.

Table 5.9a Stage 4 Future supply of all affordable housing (per annum) in the Ipswich HMA	
<i>Component</i>	
Annual supply of Social/Affordable Rented re-lets	1,633
Annual supply of intermediate housing available for re-let or resale at sub-market levels	50
Annual supply of all affordable housing	1,683

Table 5.9b Stage 4 Future supply of all affordable housing (per annum) in the Waveney HMA	
<i>Component</i>	
Annual supply of Social/Affordable Rented re-lets	524
Annual supply of intermediate housing available for re-let or resale at sub-market levels	12
Annual supply of all affordable housing	536

Estimate of net annual housing need

- 5.29 The PPG states that the figures in the model need to be converted to annual flows to establish the total need for affordable housing. The first step in this process is to calculate the total net

current need. This is derived by subtracting the estimated current affordable housing supply (Stage 3) from the current unmet gross need for affordable housing (Stage 1).

- 5.30 The second step is to convert this total net current need figure into an annual flow. The PPG is not specific as to how this should be done. For the purposes of this study the period of 20 years will be used to fit in with the remaining timeframe of the Local Plans (through to 2036)³⁵. The final step is to sum the annualised net current need with the total newly arising affordable housing need (Stage 2) and subtract the future annual supply of affordable housing (Stage 4). The tables below set out this process. It leads to a total need for affordable housing of 503 per year in the Ipswich HMA and a total need for affordable housing of 208 per year in the Waveney HMA. The summary results set out below alongside the subsequent analysis of households in need is presented for the constituent authorities of the Ipswich HMA in the appendices to this report.

Table 5.10a Results of the affordable housing needs model³⁶ in the Ipswich HMA	
<i>Stage in calculation</i>	<i>the HMA</i>
Stage 1: Current unmet gross need for affordable housing (Total) (Table 5.3)	3,241 (+)
Stage 2: Newly arising affordable housing need (Annual) (Table 5.5)	2,139 (+)
Stage 3: Current affordable housing supply (Total) (Table 5.6)	2,299 (-)
Stage 4: Future housing supply (Annual) (Table 5.9)	1,683 (-)
Stage 5.1 Net current need (Stage 1 - Stage 3) (Total)	943
Stage 5.2 Annualise net current need (Stage 5.1/20) (Annual)	47
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	503
Total gross annual need (Stage 1/20 + Stage 2) (Annual)	2,301 (+)
Total gross annual supply (Stage 3/20 + Stage 4) (Annual)	1,798 (-)

³⁵ The base date for this model is 2016 as this is when the data on households in current need, provided by the Housing Register, is available from.

³⁶ The results are aggregated results for the four component authorities based on using an affordability test where the cost of housing can constitute up to 35% of gross income and still be affordable in the Ipswich HMA, reflecting what was agreed by the majority of stakeholders. The results vary if different affordability thresholds are used, as set out in Table 5.14.

Table 5.10b Results of the affordable housing needs model³⁷ in the Waveney HMA	
<i>Stage in calculation</i>	<i>the HMA</i>
Stage 1: Current unmet gross need for affordable housing (Total) (Table 5.3)	1,094 (+)
Stage 2: Newly arising affordable housing need (Annual) (Table 5.5)	730 (+)
Stage 3: Current affordable housing supply (Total) (Table 5.6)	823 (-)
Stage 4: Future housing supply (Annual) (Table 5.9)	536 (-)
Stage 5.1 Net current need (Stage 1 - Stage 3) (Total)	271
Stage 5.2 Annualise net current need (Stage 5.1/20) (Annual)	14
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	208
Total gross annual need (Stage 1/20 + Stage 2) (Annual)	785 (+)
Total gross annual supply (Stage 3/20 + Stage 4) (Annual)	577 (-)

Overall households in affordable housing need by type (gross)

- 5.31 The table below gives a breakdown of the gross annual households in need, by household type in the Ipswich HMA. The table shows that some 3.9% of 'other' households are in housing need compared to 0.6% of single person households. Overall, couple households with children comprise 25.7% of all households in need.

Table 5.11a Annual need requirement by household type in the Ipswich HMA					
<i>Household type</i>	<i>Need requirement</i>				
	<i>No. of h'holds in need (gross)</i>	<i>Not in need</i>	<i>Total Number of h'holds</i>	<i>% of h'hold type in need</i>	<i>As a % of those in need</i>
One person	321	57,323	57,644	0.6%	13.9%
Couple with no children	472	61,447	61,919	0.8%	20.5%
Couple with child/children	590	48,667	49,257	1.2%	25.7%
Lone parent	521	16,851	17,373	3.0%	22.7%
Other	397	9,795	10,192	3.9%	17.2%
Total	2,301	194,084	196,385	1.2%	100.0%

- 5.32 The table below gives a breakdown of the gross annual households in need, by household type in the Waveney HMA. The table shows that some 5.7% of 'other' households are in

³⁷ The results are based on using an affordability test where the cost of housing can constitute up to 30% of gross income and still be affordable in the Waveney HMA, reflecting what was agreed by the majority of stakeholders. The results vary if different affordability thresholds are used, as set out in Table 5.14.

housing need compared to 1.1% couple only households. Overall, one person households comprise 25.1% of all households in need.

Table 5.11b Annual need requirement by household type in the Waveney HMA					
<i>Household type</i>	<i>Need requirement</i>				
	<i>No. of h'holds in need (gross)</i>	<i>Not in need</i>	<i>Total Number of h'holds</i>	<i>% of h'hold type in need</i>	<i>As a % of those in need</i>
One person	197	15,912	16,108	1.2%	25.1%
Couple with no children	182	16,348	16,530	1.1%	23.2%
Couple with child/children	138	11,502	11,640	1.2%	17.6%
Lone parent	118	4,856	4,974	2.4%	15.1%
Other	150	2,492	2,642	5.7%	19.1%
Total	785	51,110	51,895	1.5%	100.0%

Size of accommodation required

- 5.33 The tables below show the size of accommodation required by households in housing need in the Ipswich HMA and the Waveney HMA. The supply distribution for Social Rented and intermediate homes is derived from average profile of re-lets of affordable accommodation over the last three years as supplied from the Councils. The last column in the table presents the supply as a percentage of need. This is calculated by dividing the estimated supply of the property size by the derived need for that property size. The lower the figure produced, the more acute the need for affordable accommodation in the area, as the current supply is unlikely to meet the identified need.
- 5.34 The first table suggests that there is a net need for all sizes of affordable accommodation in the Ipswich HMA and the largest net need is for four bedroom homes, followed by two bedroom accommodation. The final column shows that the need relative to supply is the greatest for four bedroom homes. Households in need requiring three bedroom accommodation are most likely to have their need met from the current supply. The gross need is largest for two and one bedroom affordable homes, but the supply of this accommodation is also greater than the supply of other dwellings. It should be noted that this profile of affordable accommodation required to meet those in housing need does not completely reflect the situation as experienced by the Council currently - with the Council recording a larger requirement for one bedroom affordable homes.
- 5.35 The second table suggests that there is a net need for one, two and four bedroom affordable housing in the Waveney HMA whilst there is a surplus of three bedroom homes. The final column shows that the need relative to supply is the greatest for four bedroom homes. Households in need requiring three bedroom accommodation are most likely to have their need met from the current supply. It should be noted that this profile of affordable

accommodation required to meet those in housing need does not completely reflect the situation as experienced by the Council currently.

Table 5.12a Size of additional units required to meet housing need in the Ipswich HMA					
<i>Size of home</i>	<i>Need requirement</i>				
	<i>Gross annual need</i>	<i>Gross annual supply</i>	<i>Net annual need</i>	<i>As a % of total net annual need</i>	<i>Supply as a % of gross need</i>
One bedroom	793	683	110	21.8%	86.2%
Two bedrooms	860	706	154	30.6%	82.1%
Three bedrooms	408	374	34	6.9%	91.5%
Four or more bedrooms	241	35	205	40.7%	14.7%
Total	2,301	1,798	503	100.0%	78.1%

Table 5.12b Size of additional units required to meet housing need in the Waveney HMA					
<i>Size of home</i>	<i>Need requirement</i>				
	<i>Gross annual need</i>	<i>Gross annual supply</i>	<i>Net annual need</i>	<i>As a % of total net annual need</i>	<i>Supply as a % of gross need</i>
One bedroom	379	249	130	59.7%	65.7%
Two bedrooms	206	191	16	7.2%	92.4%
Three bedrooms	118	127	-10	0.0%	108.2%
Four or more bedrooms	82	10	72	33.0%	12.5%
Total	785	577	208	100.0%	73.5%

Type of affordable home required

- 5.36 As discussed in Chapter 3, a range of affordable products is available to meet affordable housing need in both HMAs. This section will consider the suitability of these different products for meeting affordable housing need.

Gross requirement

- 5.37 As the relative cost of each product is not always the same (for example in some instances Shared Ownership housing with a 25% equity share is more expensive than Intermediate Rent, but in other cases the reverse is true) each product is tested individually. The tables below illustrate how many households in affordable housing need in each HMA are able to

afford the different affordable products. Several intermediate options are affordable to some households so the table presents the maximum number of households able to afford each product. Households can therefore be included in more than one row. The only exception is the final row which includes only households unable to afford a product more expensive than Social Rent. The Social Rented group also includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside.

- 5.38 The first table shows that of the 2,301 households in gross need each year in the Ipswich HMA, 9.0% could afford Shared Ownership with a 40% share, 27.8% could afford Shared Ownership with a 25% share, 19.1% could afford Intermediate Rent and 46.5% could afford Affordable Rent. Overall some 50.8% of households in affordable housing need can only afford Social Rent or require support. These figures are based on the products being available at the costs set out in Chapter 3.
- 5.39 The second table shows that of the 785 households in gross need each year in the Waveney HMA, 2.0% could afford Shared Ownership with a 25% share, 27.4% could afford Shared Ownership with a 25% share, 14.0% could afford Intermediate Rent and 29.1% could afford Affordable Rent. Overall some 27.5% of households in affordable housing need can only afford Social Rent or require support. These figures are based on the products being available at the costs set out in Chapter 3.

Table 5.13a Size and type of affordable home required by those in need (per annum) in the Ipswich HMA						
<i>Product</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>	<i>Total</i>	<i>Total (%)</i>
Shared Ownership – 40% equity share	129	69	7	1	206	9.0%
Shared Ownership – 25% equity share	349	205	50	35	639	27.8%
Intermediate Rent	162	151	99	27	439	19.1%
Affordable Rent	330	382	209	149	1,070	46.5%
Social Rent/requires assistance	409	478	199	84	1,169	50.8%
All households	793	860	408	241	2,301	100.0%

Table 5.13b Size and type of affordable home required by those in need (per annum) in the Waveney HMA						
<i>Product</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>	<i>Total (number)</i>	<i>Total (%)</i>
Shared Ownership – 40% equity share	16	0	0	0	16	2.0%
Shared Ownership – 25% equity share	155	29	31	0	215	27.4%
Intermediate rent	36	42	31	1	110	14.0%
Affordable Rent	36	75	63	54	228	29.1%
Social Rent/requires assistance	224	131	55	28	216	27.5%
All households	379	206	118	82	785	100.0%

Sensitivity analysis - affordability threshold

- 5.40 The results presented in this chapter are based on using an affordability test where the cost of housing can constitute up to 35% of gross income and still be affordable in the Ipswich HMA and up to 30% in the Waveney HMA, reflecting the outcome of the stakeholder discussion. The impact of adjusting this affordability threshold is considered in the tables below, which details the results of the PPG affordable housing need model across each HMA where the cost of housing could constitute no more than 25% of gross household income, 30% of gross household income and 35% of gross household income.
- 5.41 The first table indicates that the net requirement would increase from 503 to 979 affordable homes per year in the Ipswich HMA if 30% of gross household income could be spent on housing costs. This would increase further to 1,472 affordable homes per year if 25% of income could be spent on housing costs. The second table indicates that the net requirement would increase from 208 to 332 affordable homes per year in the Waveney HMA if 25% of gross household income could be spent on housing costs. However, if the income threshold was increased to 35%, the net requirement would reduce to 82 affordable dwellings per annum.

Table 5.14a Impact of different affordability assumptions on affordable housing requirement in the Ipswich HMA			
	<i>Rent payable constitutes no more than:</i>		
	<i>Affordability threshold: 35% of gross household income</i>	<i>30% of gross household income</i>	<i>25% of gross household income</i>
Stage 1: Current gross need	3,241	3,935	4,642
Stage 2: Newly arising need	2,139	2,590	3,064
Stage 3: Current supply	2,299	2,479	2,831
Stage 4: Future supply	1,683	1,683	1,683
Stage 5.1 Net current need	943	1,457	1,811
Stage 5.2 Annual net current need	47	73	91
Stage 5.3 Total annual need	503	979	1,472

Table 5.14b Impact of different affordability assumptions on affordable housing requirement in the Waveney HMA			
	<i>Rent payable constitutes no more than:</i>		
	<i>Affordability threshold: 30% of gross household income</i>	<i>35% of gross household income</i>	<i>25% of gross household income</i>
Stage 1: Current gross need	1,094	920	1,260
Stage 2: Newly arising need	730	608	852
Stage 3: Current supply	823	727	931
Stage 4: Future supply	536	536	536
Stage 5.1 Net current need	271	193	329
Stage 5.2 Annual net current need	14	10	16
Stage 5.3 Total annual need	208	82	332

- 5.42 Further sensitivity analysis, examining the impact on the affordable housing need model of changing the assumption that single person households under 35 can be housed in shared accommodation in the private rented sector rather than a self-contained one bedroom home, is set out in Appendix A3.
- 5.43 It should be noted that the model used to calculate the affordable housing need figure has changed since the previous SHMA was published in 2012 and comparisons of the level of affordable housing need between the two reports are invalid. Affordability has overall worsened over this period as demonstrated in Chapter 3.

6. Requirements of specific groups of the population

Introduction

- 6.1 The NPPF indicates that a SHMA should ensure all subgroups of the population are addressed. Whilst the LTBHM model (set out in Chapter 4 above) considers all household groups within the model, the results can be broken down to show the accommodation requirements of certain household groups of interest. This chapter considers the specific profiles of the following groups of the population, which are suggested in the PPG and have an appreciable impact on the housing market within both HMAs:
- Older persons
 - People with disabilities
 - Family households
 - Students
 - Service Families
- 6.2 This chapter will also examine the private rented sector in more detail and comment on the level of demand from people wishing to build their own homes.
- 6.3 The chapter includes a summary of the latest Gypsy and Traveller study undertaken across the two HMAs.

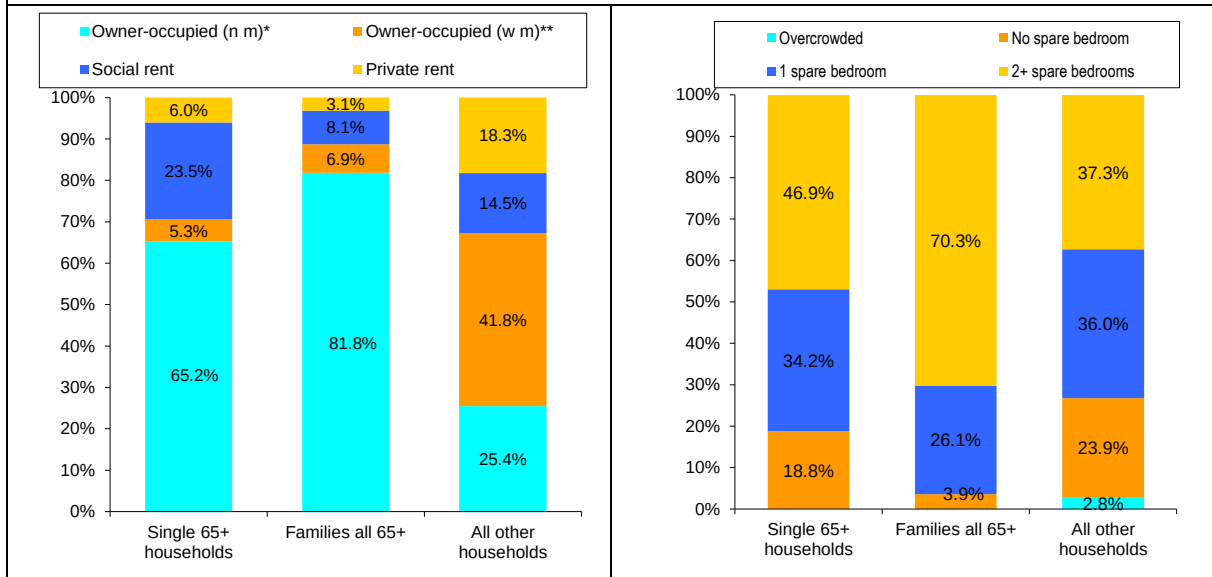
Housing Needs of Older People

Current situation

- 6.4 The SHMA Guidance recognises the need to provide housing for older people as part of achieving a good mix of housing. The Census indicates that 24.5% of households in the Ipswich HMA and 29.3% of households in the Waveney HMA were older person only households (households where all members are 65 or over), compared to 22.3% regionally and 20.5% nationally. Within the Ipswich HMA, Suffolk Coastal records the largest proportion of older persons only households (28.7%) followed by Babergh (26.2%), Mid Suffolk (24.8%) and Ipswich (19.1%). Of these older person only households in the Ipswich HMA in 2011, 55.3% contained only one person as did 55.7% of older person only households in the Waveney HMA. Both of these figures are lower proportions than that recorded in the East region (56.8%) and England (60.0%).
- 6.5 The figures below show the tenure profile of older person only households in each HMA in 2011 compared to the remainder of the household population. The figures also set out the occupancy level of these groups. The results are consistent across the two HMAs and show that both of the older person groups record a higher level of owner-occupation than other

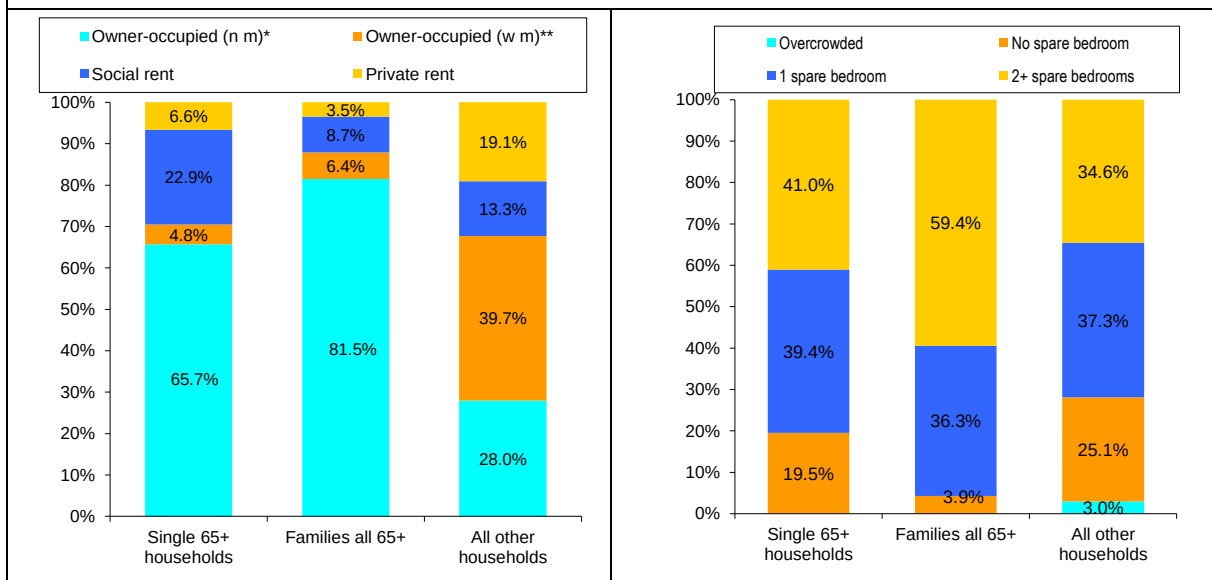
households. Older person households were also more likely than average to have multiple spare bedrooms in their home.

Figure 6.1a Profile of accommodation for older person households in the Ipswich HMA



Source: 2011 Census *Owner-occupied no mortgage ** Owner-occupied with mortgage, includes Shared Ownership.

Figure 6.1b Profile of accommodation for older person households in the Waveney HMA



Source: 2011 Census *Owner-occupied no mortgage ** Owner-occupied with mortgage, includes Shared Ownership

Future requirement

- 6.6 The Objectively Assessed Need projections indicate that the population aged 65 or over is going to increase dramatically in both HMAs over the plan period; from 98,104 in 2014 to

154,839 in 2036 in the Ipswich HMA, a rise of 57.8% and from 30,131 in 2014 to 42,427 in 2036 in the Waveney HMA, a rise of 40.8%.

- 6.7 The Projecting Older People Information System (POPPI) website uses information on recent trends in the health and occupation patterns of those aged 65 and over, and applies them to the latest sub-national population projections to provide an indication of the potential future profile of older persons in each authority in the country. This source suggests that the proportion of older persons living alone in the Ipswich HMA will increase from 36.2% in 2015 to 38.0% in 2030 (the furthest date that the POPPI website projects to), whilst in the Waveney HMA the proportion of older persons living alone is projected to increase from 36.5% in 2015 to 38.4% in 2030.
- 6.8 The results of the LTBHM model can be disaggregated into different household groups within the whole population. The tables below show the projected accommodation profile for older person households in each HMA in 2036 arising from that model.

Table 6.1a Type of accommodation required for older person only households in the Ipswich HMA in 2036					
<i>Size of home</i>	<i>Owner-occupation</i>	<i>Private rented</i>	<i>Shared Ownership</i>	<i>Social Rent/ Affordable Rented</i>	<i>Total</i>
One bedroom	7.7%	2.1%	0.4%	11.7%	17.0%
Two bedrooms	19.1%	3.4%	0.2%	3.5%	26.2%
Three bedrooms	39.9%	0.8%	0.1%	1.2%	41.9%
Four or more bedrooms	9.8%	0.1%	0.0%	0.0%	10.0%
Total	76.5%	6.4%	0.6%	16.4%	100.0%

Table 6.1b Type of accommodation required for older person only households in the Waveney HMA in 2036					
<i>Size of home</i>	<i>Owner-occupation</i>	<i>Private rented</i>	<i>Shared Ownership</i>	<i>Social Rent/ Affordable Rented</i>	<i>Total</i>
One bedroom	9.2%	2.1%	0.6%	11.1%	23.1%
Two bedrooms	17.6%	3.9%	0.2%	4.0%	25.7%
Three bedrooms	37.6%	0.5%	0.0%	0.8%	38.9%
Four or more bedrooms	12.3%	0.1%	0.0%	0.0%	12.3%
Total	76.6%	6.6%	0.8%	15.9%	100.0%

Specialist accommodation

- 6.9 Given the dramatic growth in the older population and the higher levels of disability and health problems amongst older people there is likely to be an increased requirement for specialist housing options moving forward. It is therefore useful to consider the ability of specialist accommodation to meet the requirements of this group. To do this we use the modelling produced by Suffolk County Council, which was derived from the Strategic Housing for Older People (SHOP) tool developed by the Housing Learning and Improvement Network³⁸. It should be noted that this tool is only driven by demographic changes and does not take into account peoples' aspirations as to what form of accommodation they would prefer, however the County Council further refined the assumptions to better reflect the situation in each area. Suffolk County Council produced bespoke analysis, based on the SHOP tool, on the requirements for various forms of specialist accommodation within each local authority within the County over both the short-term and long-term. The long-term analysis that they have undertaken to 2035 has been extended to 2036 for the purpose of this study, to ensure that the results fit in with the Local Plan end dates. We have worked alongside the team in the Adult and Community Services department at the County Council to ensure our results correlate with the work they have done.
- 6.10 The tables below show the current supply of specialist housing for older people. At present, it is estimated that there are 4,630 units in the Ipswich HMA and 1,167 units in the Waveney HMA. The tables also show the amount of specialist accommodation that the model identifies will be required by the population in 2036. The total additional units required to increase the current provision to this level is also presented.

Table 6.2a Specialist accommodation required in the Ipswich HMA over the next 22 years			
<i>Type of specialist accommodation</i>	<i>Current profile</i>	<i>Profile 2036</i>	<i>Additional units required</i>
Sheltered housing ³⁹	4,052	6,631	2,579
Enhanced sheltered housing ⁴⁰	70	440	370
Extracare housing ⁴¹	508	1,035	527
Total	4,630	8,106	3,476

Source: Suffolk County Council, 2016. This table is replicated for the constituent authorities of the Ipswich HMA within the Appendices to this report.

³⁸ <http://www.housinglin.org.uk/>

³⁹ A collection of self-contained units of accommodation (usual bedsits within a communal block), which have on-site warden support (usually daytime only with on call service at night) and communal social areas and activities.

⁴⁰ A similar provision in type to sheltered accommodation, but with enhanced provision for personal care of frailer older people. On-site support is usually provided on a 24 hour rather than day-time only basis.

⁴¹ An enhanced sheltered housing setting with a focus on the extra care needs of people often focused on addressing the needs of people with dementia.

Table 6.2b Specialist accommodation required in the Waveney HMA over the next 22 years			
<i>Type of specialist accommodation</i>	<i>Current profile</i>	<i>Profile 2036</i>	<i>Additional units required</i>
Sheltered housing	1,045	1,905	860
Enhanced sheltered housing	0	173	173
Extracare housing	122	286	164
Total	1,167	2,364	1,197

Source: Suffolk County Council, 2016.

- 6.11 To meet the occupation patterns predicted by the County Council in 2036 the model identifies a requirement for 3,476 additional specialist units in the Ipswich HMA, of which 2,579 should be sheltered housing, 370 enhanced sheltered housing and 527 extracare housing. The requirement for 3,476 additional specialist units for older people represents 9.3% of the total household growth for the period 2014 to 2036. The actual numbers and type of specialist accommodation needed may depend on changes in patterns of demand and expectations and it is also recognised that Suffolk County Council are developing further accommodation typologies to best respond to future care needs, and it is therefore appropriate to consider this level of need with the acknowledgement that the form of accommodation delivered should not be too prescriptive. It should be noted that this requirement for 3,476 specialist units forms part of the overall Objectively Assessed Need required over the Local Plan period in the Ipswich HMA – any housing released by households moving to new specialist accommodation would become occupied by other households, reducing the need for new non-specialist accommodation.
- 6.12 To meet the occupation patterns predicted by the County Council in 2036 the model identifies a requirement for 1,197 additional specialist units in the Waveney HMA, of which 860 should be sheltered housing, 173 enhanced sheltered housing and 164 extracare housing. The requirement for 1,197 additional specialist units for older people represents 15.6% of the total household growth for the period 2014 to 2036. The actual numbers and type of specialist accommodation needed may depend on changes in patterns of demand and expectations and it is also recognised that Suffolk County Council are developing further accommodation typologies to best respond to future care needs, and it is therefore appropriate to consider this level of need with the acknowledgement that the form of accommodation delivered should not be too prescriptive. It should be noted that this requirement for 1,197 specialist units forms part of the overall Objectively Assessed Need required over the Local Plan period in the Waveney HMA – any housing released by households moving to new specialist accommodation would become occupied by other households, reducing the need for new non-specialist accommodation.
- 6.13 As well as the need for specialist housing for older people there will also be an additional requirement for Registered Care (nursing and residential care homes). According to the Strategic Housing for Older People tool there are around 3,671 spaces in nursing and residential care homes in the Ipswich HMA currently and 1,050 spaces in nursing and

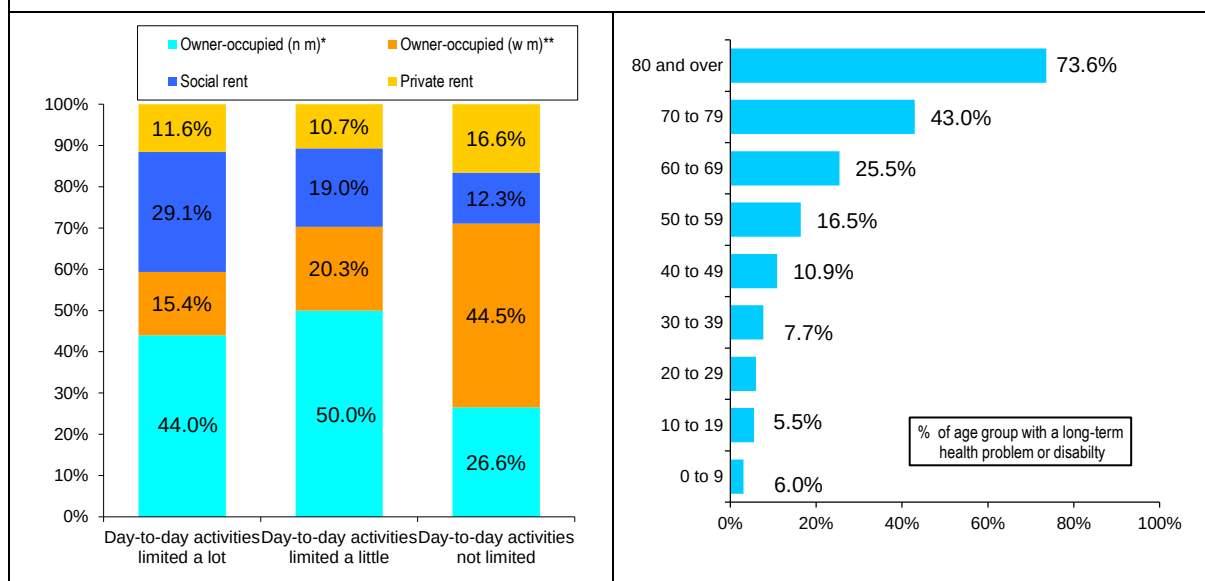
residential care homes in the Waveney HMA currently. Presuming the occupation rate proposed by the County Council is continued forward, the data indicates there will be a requirement from 6,931 people in the Ipswich HMA in 2036, suggesting an additional 3,260 spaces will be required over the next 22 years. In the Waveney HMA, it is estimated there will be a requirement from 1,955 people in 2036, suggesting an additional 905 spaces will be required over the next 22 years. This additional accommodation is required to meet the future institutional population and therefore does not form part of the new housing to meet the Objectively Assessed Need. (On a practical point, it would not be appropriate to increase the housing requirement to meet this need (as it is not housing) – although it may be appropriate to plan for the provision of this need separately).

Households with specific needs

Current situation

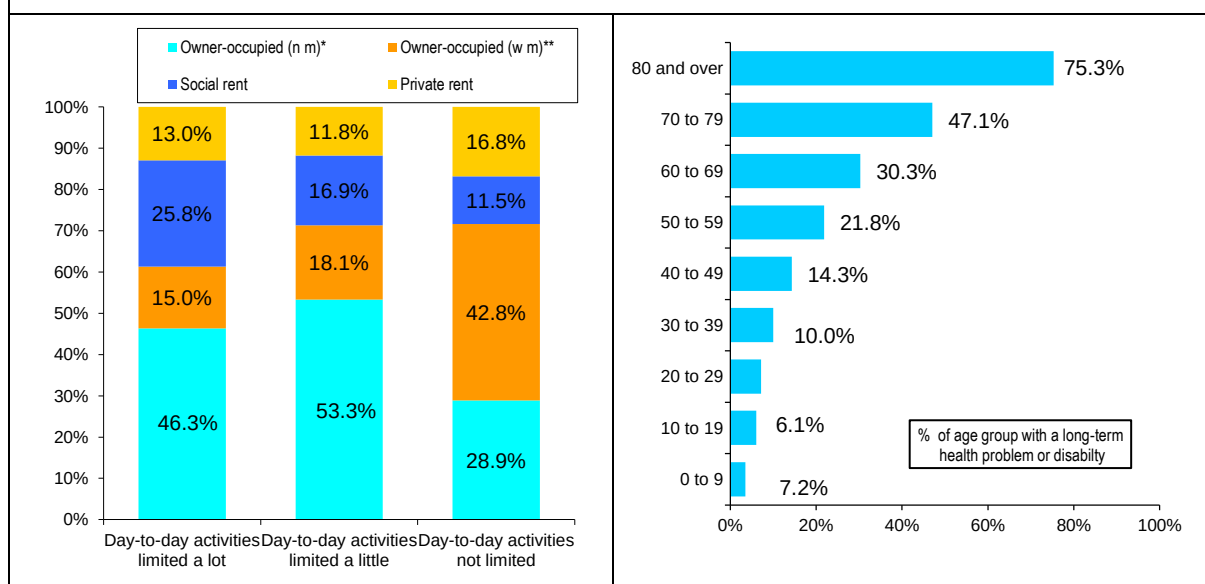
- 6.14 Paragraph 2.6 indicates that, in 2011, some 17.6% of the resident population in the Ipswich HMA and 22.3% of the resident population in the Waveney HMA had a long-term health problem or disability. Within the Ipswich HMA the proportion of the population with a long-term health problem or disability is, 17.4% in Babergh, 17.6% in Ipswich, 16.6% in Mid Suffolk and 18.5% in Suffolk Coastal. Further analysis shows some 42.8% of all residents with a long-term health problem or disability in the Ipswich HMA had a condition that limited day-to-day activities a lot, with 57.2% having a condition that limited activities a little. In the Waveney HMA, 47.3% of all residents with a long-term health problem or disability had a condition that limited day-to-day activities a lot and 52.7% had a condition that limited activities a little
- 6.15 The figures below show the tenure profile of people with a long-term health problem or disability in each HMA in 2011 compared to the remainder of the population. The figures also set out the prevalence of a long-term health problem or disability in the different age groups of the population. The results show that in both HMAs, whilst people with a long-term health problem or disability are more likely than average to be owner-occupiers with no mortgage, they are also more likely than average to reside in the Social Rented sector. The analysis also reveals a strong correlation between age and a long-term health problem or disability.

Figure 6.2a Tenure and age profile of people with a long-term problem or disability in the Ipswich HMA



Source: 2011 Census *Owner-occupied no mortgage ** Owner-occupied with mortgage, includes Shared Ownership.

Figure 6.2b Tenure and age profile of people with a long-term problem or disability in the Waveney HMA



Source: 2011 Census *Owner-occupied no mortgage ** Owner-occupied with mortgage, includes Shared Ownership.

Projected health of the future population

- 6.16 The Projecting Older People Information System (POPPI) website and the parallel Projecting Adult Needs and Service Information (PANSI) model the likely future incidence of a range of health issues for each authority in England. The table below sets out the number of people projected to have one of four health issues over the next fifteen years in both HMAs. The four issues chosen are broad health categories presented to provide the most useful general

information for this report. The data from PANSI and POPPI is based on current and recent prevalence rates and whilst these may vary in the future, the figures provide a useful baseline estimate.

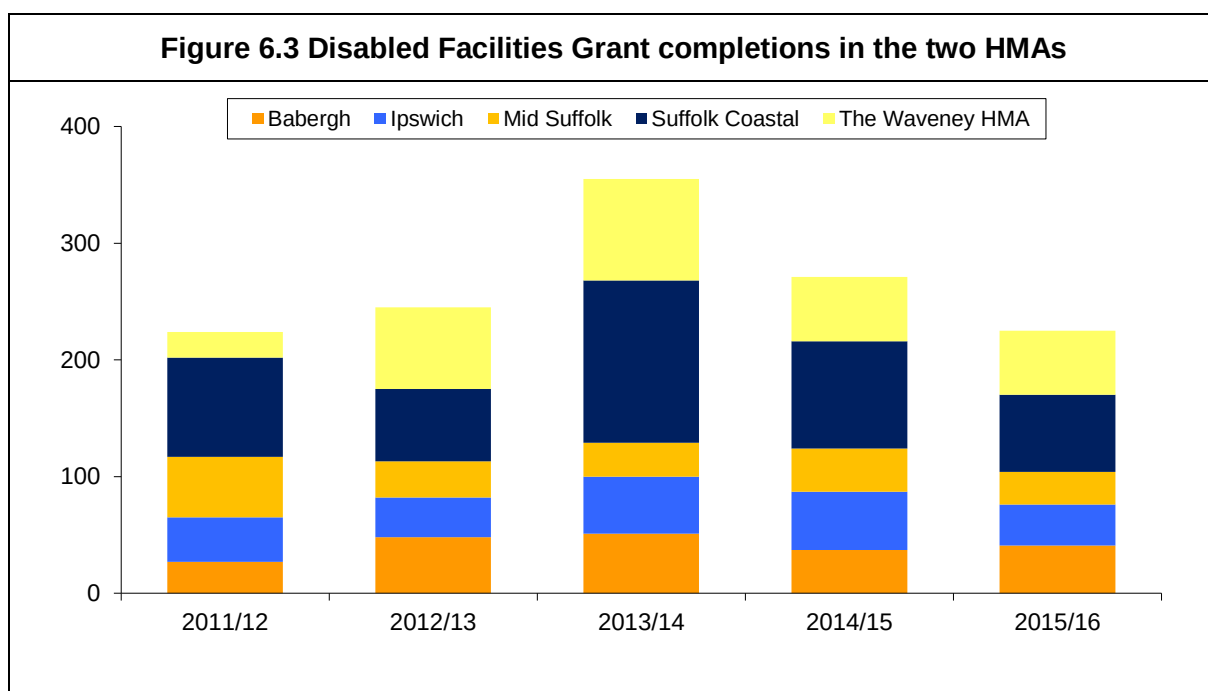
- 6.17 The table shows that the number of those aged 65 or over with a limiting long-term illness that limits them a lot is expected to increase by 52.0% between 2015 and 2030 across the Ipswich HMA. This compares to an increase of 2.3% in the number of people aged 18-64 in the Ipswich HMA with a serious physical disability, a decrease of 2.1% in the number of people aged 18-64 in the Ipswich HMA with a common mental health disorder and an increase of 4.4% in the number of people in the Ipswich HMA with a moderate or severe learning disability. Within the Waveney HMA, the number of those aged 65 or over with a limiting long-term illness that limits them a lot is expected to increase by 37.0% between 2015 and 2030, compared to an increase of 0.1% in the number of people aged 18-64 with a serious physical disability, a decrease of 4.3% in the number of people aged 18-64 with a common mental health disorder and an increase of 1.4% in the number of people with a moderate or severe learning disability. It should be noted that these changes better reflect the projected change in the demographics of the population (an ageing population) rather than a notable change in the overall health of people.

Table 6.3 Number of people with particular health issues projected in both HMAs over the next 15 years				
People aged 65 and over with an illness*				
	2015	2020	2025	2030
The Ipswich HMA	19,236	21,962	25,558	29,240
Babergh	3,806	4,457	5,215	6,012
Ipswich	5,204	5,705	6,452	7,314
Mid Suffolk	4,171	4,911	5,836	6,739
Suffolk Coastal	6,055	6,889	8,055	9,175
The Waveney HMA	7,049	7,731	8,726	9,658
People aged 18-64 with a serious physical disability				
	2015	2020	2025	2030
The Ipswich HMA	6,477	6,670	6,781	6,624
Babergh	1,298	1,321	1,336	1,288
Ipswich	1,838	1,915	1,973	1,984
Mid Suffolk	1,485	1,529	1,561	1,514
Suffolk Coastal	1,856	1,905	1,911	1,838
The Waveney HMA	1,611	1,642	1,663	1,612
People aged 18-64 with a common mental health disorder				
	2015	2020	2025	2030
The Ipswich HMA	41,495	41,322	41,036	40,603
Babergh	7,846	7,660	7,544	7,356
Ipswich	13,683	13,909	14,003	14,152
Mid Suffolk	9,036	9,023	8,900	8,778
Suffolk Coastal	10,930	10,730	10,589	10,317
The Waveney HMA	10,192	10,023	9,952	9,757
People with a moderate or severe learning disability (all ages)				
	2015	2020	2025	2030
The Ipswich HMA	1,700	1,723	1,745	1,775
Babergh	329	329	330	333
Ipswich	534	548	560	576
Mid Suffolk	374	380	386	391
Suffolk Coastal	463	466	469	475
The Waveney HMA	433	432	434	439

*A limiting long-term illness that limits them a lot. Source: The Projecting Older People Information System and Projecting Adult Needs and Service Information, 2015

Adaptations and support

- 6.18 In addition to specialist accommodation, the Councils help people to remain in their current home by providing support and assistance. The figure below shows the number of Disabled Facilities Grants that have been completed between 2011/12 and 2015/16 in each authority within the two HMAs. The figure shows that the requirement for these services has increased notably over this period in the Waveney HMA. Within the Ipswich HMA, the requirement for these services in Babergh has recorded an increase over the whole period, whilst in Ipswich it has fallen slightly and in Mid Suffolk and Suffolk Coastal it has decreased notably. It should be noted that the changes recorded are not linear and that the requirement can vary notably from year to year.



Source: Babergh, Ipswich, Mid Suffolk, Suffolk Coastal and Waveney Councils, 2016

- 6.19 Stakeholders also identified an ongoing need for easy access housing, such as bungalow accommodation, to house those with specific disabilities and conditions.

Families with children

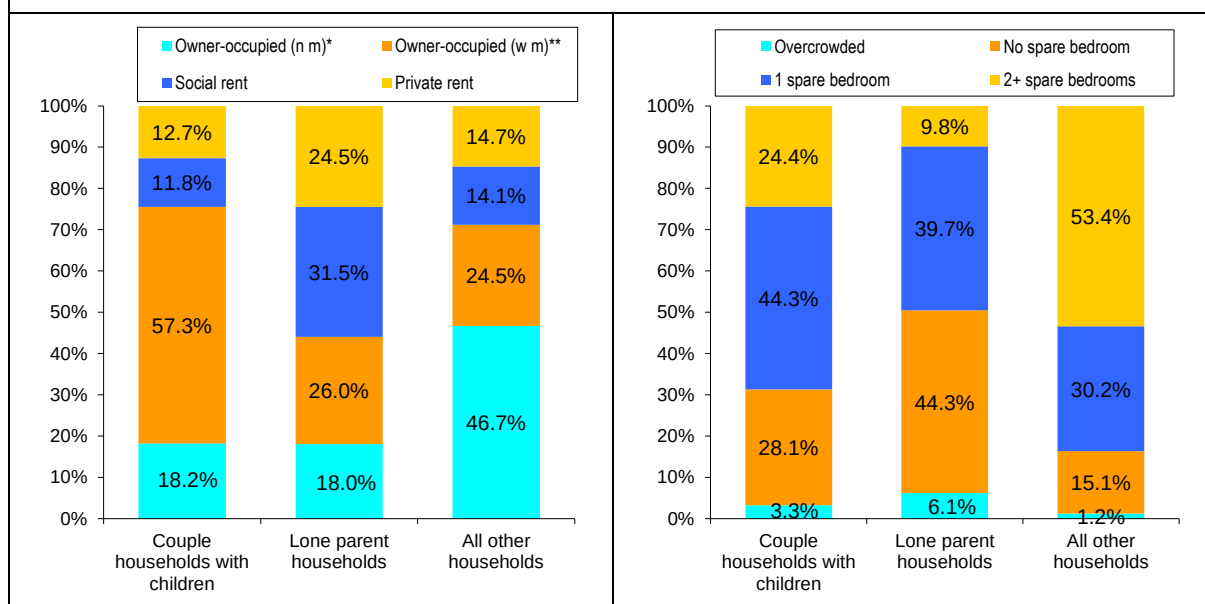
Current situation

- 6.20 Figure 2.3 showed the household composition recorded at the time of the Census. This indicated that 34.8% of the household population in the Ipswich HMA and 32.4% of the household population in the Waveney HMA and were families with children, a figure lower than the regional figure (36.5%) and the national average (36.0%). Within the Ipswich HMA, Ipswich records the largest proportion of family households (36.1%), followed by Mid Suffolk (35.7%) Babergh (34.4%) and finally Suffolk Coastal (32.9%).

- 6.21 The figures below show the tenure profile of the two main types of 'family with children' households in each HMA in 2011 compared to the remainder of the household population.

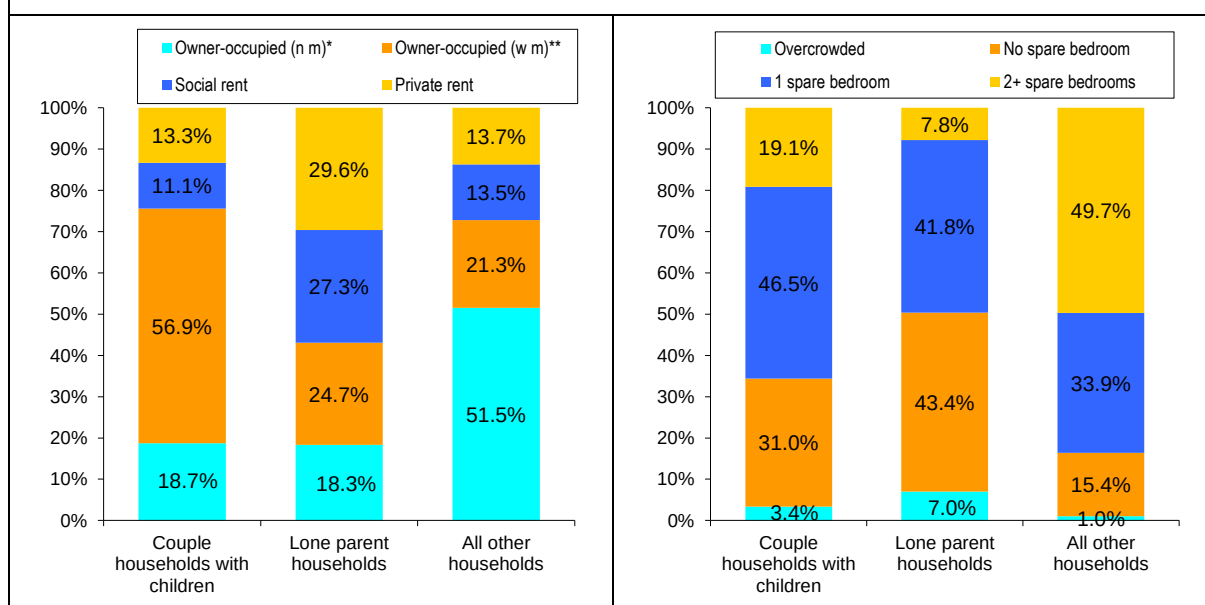
The figures also set out the occupancy level of these groups. The data shows that whilst there are notably fewer owner-occupiers with no-mortgage amongst couple households with children than amongst other households in both HMAs, the proportion of this group in the social and private rented sector is lower than recorded for other households. Lone parents however are notably more likely than other households to be in both Social Rented and private rented accommodation. Family households with children are also more likely to be overcrowded and less likely to be under-occupied than other households in both HMAs.

Figure 6.4a Profile of accommodation for family households in the Ipswich HMA



*Owner-occupied no mortgage ** Owner-occupied with mortgage, includes Shared Ownership. Source: 2011 Census

Figure 6.4b Profile of accommodation for family households in the Waveney HMA



*Owner-occupied no mortgage ** Owner-occupied with mortgage, includes Shared Ownership. Source: 2011 Census

Future requirement

- 6.22 The Objectively Assessed Need projections indicate that the total population of families with children in the Ipswich HMA is going to rise from 66,227 in 2014 to 72,218 by 2036 and the proportion of lone parent families within this group will grow from 25.7% in 2014 to 35.9% in 2036. The total population of families with children in the Waveney HMA is going to rise from 16,528 in 2014 to 17,983 by 2036 and the proportion of lone parent families within this group will grow from 29.6% in 2014 to 41.3% in 2036. The tables below show the projected accommodation profile for family households in each HMA in 2036 derived from the LTBHM model, presuming that households do not have to reside in overcrowded accommodation.

Table 6.4a Type of accommodation required for households with dependent children in 2036 in the Ipswich HMA					
Size of home	Owner-occupation	Private rented	Shared Ownership	Social Rent/ Affordable Rented	Total
One bedroom	0.0%	0.0%	0.0%	0.0%	0.0%
Two bedrooms	6.9%	2.5%	0.4%	5.9%	15.7%
Three bedrooms	33.7%	3.1%	0.6%	13.6%	51.0%
Four or more bedrooms	29.1%	1.7%	0.5%	2.0%	33.3%
Total	69.7%	7.3%	1.5%	21.5%	100.0%

Table 6.4b Type of accommodation required for households with dependent children in 2036 in the Waveney HMA					
Size of home	Owner-occupation	Private rented	Shared Ownership	Social Rent/ Affordable Rented	Total
One bedroom	0.0%	0.0%	0.0%	0.0%	0.0%
Two bedrooms	8.5%	1.3%	0.2%	4.7%	14.8%
Three bedrooms	39.1%	2.8%	0.5%	14.5%	56.9%
Four or more bedrooms	24.9%	1.1%	0.4%	1.9%	28.3%
Total	72.6%	5.3%	1.1%	21.0%	100.0%

Service Families

- 6.23 The Ministry of Defence (MoD) operates two sites in the Ipswich HMA, RAF Woodbridge near the town of Woodbridge within Suffolk Coastal District and RAF Wattisham, near Wattisham in Babergh. Both sites were contacted and asked about the current accommodation provision for its service personnel, what expectations they have for future growth and where this growth will be accommodated. A summary of the response are set out below.

RAF Wattisham - current profile

- 6.24 There are 1,450 service personnel working at Wattisham, with approximately 750 living on base (behind the wire) and around 700 resident in the wider housing market. Of the 700 service personnel living in the wider housing market, approximately 100 are single and around 600 are in family households. About 15% of those resident in the wider housing market live in the private rented sector, mainly the single people.
- 6.25 RAF Wattisham offers 539 service families accommodation, made up of 289 in Wattisham, 204 in Hadleigh and 46 in Thorington. There is currently a high level of voids in the service families' accommodation in Wattisham, with around 89 units not currently used.

RAF Wattisham - housing flows

- 6.26 The average stay, or posting, is three to four years, though this may vary depending on the role of the individual.
- 6.27 The responsibility of the MOD to house ex-serving personnel ceases when they leave the military, but frequent service briefings are held including the Help to Buy Scheme, and also full transition housing advice and guidance package/seminars provided for all service leavers, including contact with local councils for public housing issues.

RAF Wattisham - future plans

- 6.28 There are no plans to alter the size of the military population at RAF Wattisham. The respondent did however identify a drive to enable more families to live in the community and that the MOD has a policy to encourage more home ownership amongst personnel.
- 6.29 At the time of writing consideration was being given to a proposal to hand over a total of 40 service families' accommodation to an RSL, comprised of 31 units in Hadleigh and 9 in Thorington. If these units were to become part of the housing market, the OAN in Babergh could be reduced as a consequence.

RAF Woodbridge

- 6.30 Since 2006, RAF Woodbridge has been split up and the two parts officially renamed as Woodbridge Airfield and Rock Barracks. Rock Barracks at Woodbridge is planned to be sold in 2027. There are 208 dwellings on this site that will potentially be released into the housing market, presuming they are of sufficient quality. These 208 dwellings comprise 66 two bedroom units, 96 three bedroom units and 46 four bedroom units. If these units were to become part of the housing market, the OAN in Suffolk Coastal could be reduced as a consequence.

Students

- 6.31 The University of Suffolk is located in the quayside area of Ipswich, within the Ipswich HMA. The University was contacted and asked about the current accommodation provision for its

students, what expectations they have for future growth and where this growth will be accommodated. The response received is summarised below.

Current profile

- 6.32 There are currently over 4,500 full and part-time students studying at the University of Suffolk equating to a full-time equivalent of 3,200 students. Just over 15% of students require accommodation, with 573 resident in on-campus halls of residence, 137 living in off-campus halls of residence and 37 in the local private rented sector. Some 70% of the student population base are from the local area (from within the four closest post code areas (IP, CO, NR, PE)) and the majority of these are thought to be living at their parents' home whilst studying. The private rented accommodation occupied by students is located within one mile of the waterfront campus and there are no notable problems with students in relation to housing currently.

Plans for growth

- 6.33 The University has plans to grow but current increases are lagging. Although any increase in students is likely to be housed in the private rented sector, because the growth is not being achieved, the additional impact on the local housing market arising from the University is likely to be small.

Accommodation Needs of Gypsies and Travellers, Travelling Showpeople and Boat Dwellers

- 6.34 The SHMA does not extend to a Gypsy and Traveller Accommodation Assessment. The Gypsy, Traveller, Travelling Showpeople and Boat Dwellers Accommodation Needs Assessment (ANA) for Babergh, Ipswich, Mid Suffolk, Suffolk Coastal and Waveney (RRR Consultancy Ltd May 2017) considered the needs of these groups in detail. The report concluded:
- There is an overall need in the study area over the period 2016-2036 of 73 residential pitches, 9 plots for Travelling Showpeople, and 28 residential moorings. It is also recommended that each authority has a corporate policy in place to address negotiated stopping places for small scale transient encampments, and that at least 2 transit sites should be delivered within the study area (in accordance with the plans already being taken forward across the county).
 - The ANA identified that there are pitches not occupied by Gypsies or Travellers. This highlights that there is growing demand across the study area for residential sites for non Gypsies and Travellers as well as Gypsies and Travellers. It is recommended that the councils collectively look into this demand further, in terms of why there is this demand and the extent of the demand (see appendix 1 of the ANA for further information).
 - There are also 29 vacant Gypsy and Traveller pitches across the study areas. These impact on the needs figures as it is assumed these will meet the needs of Gypsy and Traveller families (see appendix 1 of the ANA for further information).

- 6.35 This study has constituted a thorough assessment of the need arising from all accommodation types present at the time of the survey. It should be regarded as a reasonable and robust assessment of need upon which to base planning decisions going forward.

Table 6.5 Permanent residential accommodation need arising from existing district level Gypsy and Traveller on site populations						
	Babergh	Ipswich	M. Suffolk	S. Coastal	Waveney	Total
Current occupied authorised residential provision (pitches)	1	39	38	0	24	102
Residential pitch need (2016– 2021)	0	13	-5 (16)*	12	12 (8)*	32(49)*
Residential pitch need (2021– 2026)	0	4	4	1	3	12
Residential pitch need (2026– 2031)	0	5	5	1	3	14
Residential pitch need (2031–2036)	1	5	5	1	3	15
Total Residential pitch need (2016–2036)	1	27	9 (30)*	15	21 (17)*	73 (90)*

Source: RRR Consultancy Ltd 2017 (* The figures in brackets relate to considerations of supply. Where there are known to be sites which are currently occupied or vacant but which may not continue to be available this could have the effect of increasing the need and a higher need figure is therefore shown in brackets. Conversely where there are known to be non Gypsy and Traveller families living on pitches and where it is thought that these pitches could be made available for Gypsy and Traveller families a lower alternative need figure is shown in brackets)

Table 6.6 Permanent residential accommodation need arising from existing district level Travelling Showpeople on yard populations						
	Babergh	Ipswich	M. Suffolk	S. Coastal	Waveney	Total
Current occupied authorised residential provision (plots)	0	0	6	2	0	8
Residential plot need (2016– 2021)	0	0	4 (5)*	2	0	6(7)*
Residential plot need (2021– 2026)	0	0	1	0	0	1
Residential plot need (2026– 2031)	0	0	1	0	0	1
Residential plot need (2031–2036)	0	0	1	0	0	1
Total Residential plot need (2016–2036)	0	0	7(8)*	2	0	9 (10)*

Source: RRR Consultancy Ltd 2017 (*The figures in brackets relate to considerations of supply. Where there are known to be sites which are currently occupied or vacant but which may not continue to be available this could have the effect of increasing the need and a higher need figure is therefore shown in brackets.)

Table 6.7 Permanent residential accommodation need arising from existing district level boat dwellers on permanent residential moorings populations						
	Babergh	Ipswich	M. Suffolk	S. Coastal	Waveney	Total
Current identified residential provision (occupied permanent residential moorings)	21	0	0	16	2	39
Permanent residential moorings need (2016–2021)	4	0	0	13	0	17
Permanent residential moorings need (2021–2026)	2	0	0	1	0	3
Permanent residential moorings need (2026–2031)	2	0	0	1	1	4
Permanent residential moorings need (2031–2036)	2	0	0	2	0	4
Total permanent residential moorings need (2016–2036)	10	0	0	17	1	28

Source: RRR Consultancy Ltd 2017

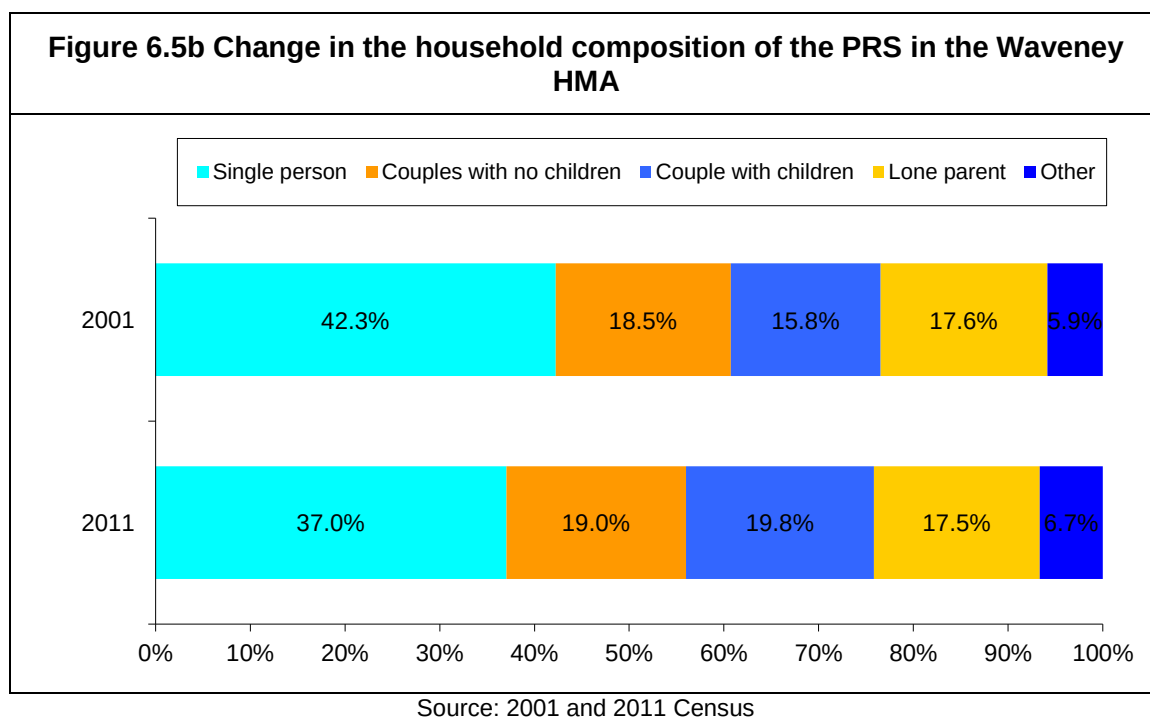
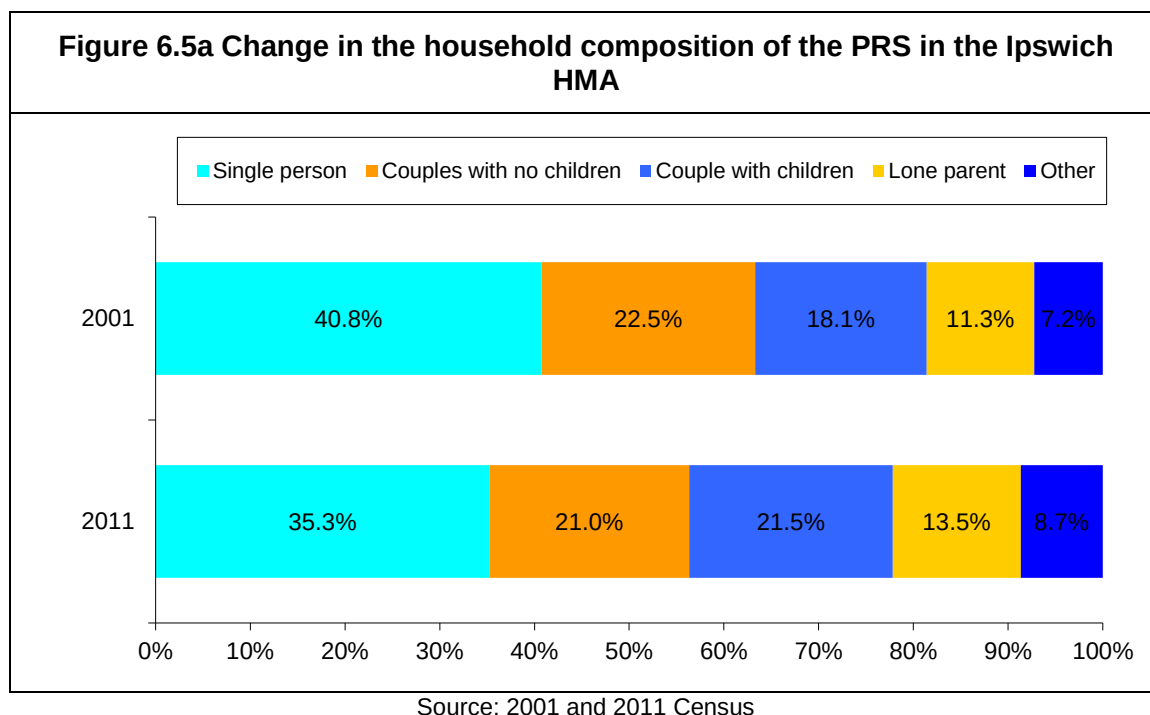
- 6.36 It is recommended that the accommodation needs assessment is repeated in about five years (i.e. before 2022) to ensure it remains accurate. These findings are considered to be current.
- 6.37 In terms of overall housing provision, it is important to note that the Gypsy and Traveller population is included within the ONS population projections and the DCLG household projections. It is therefore not appropriate to adjust the OAN to meet the specific needs of this group, although the Councils may need to make specific housing provision within the Plan. However, the Councils will need to consider the needs of non Gypsy and Traveller community members living on pitches which have planning permission for Gypsies and Travellers.

The private rented sector (PRS)

Growth

- 6.38 The current tenure profile in the HMA was modelled as part of the LTBHM model. This estimated that there are 32,684 private rented households in the Ipswich HMA in 2014, which represents 16.9% of households in the HMA. The model estimates that there are 8,433 private rented households in the Waveney HMA in 2014, which represents 16.4% of households in the HMA. The private rented sector (PRS) is becoming increasingly important in the HMA; as shown in Figure 2.12, the Census indicates that it increased by 69.5% in the Ipswich HMA

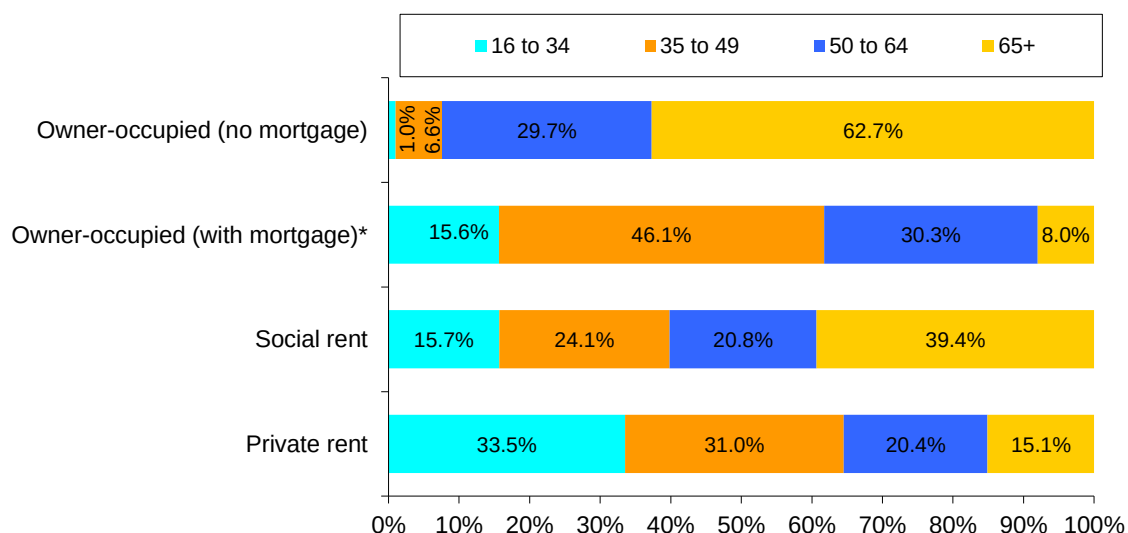
between 2001 and 2011 and by 46.2% in the Ipswich HMA between 2001 and 2011. The figure below compares the household composition of the private rented sector in each HMA in 2001, with the profile of households resident in this tenure in each HMA in 2011. The data shows that not only has the private rented sector expanded, but the households in it have diversified.



6.39 The figures below shows that whilst the private rented sector has diversified it is still notably more likely to be occupied by younger households, with over a third of household reference

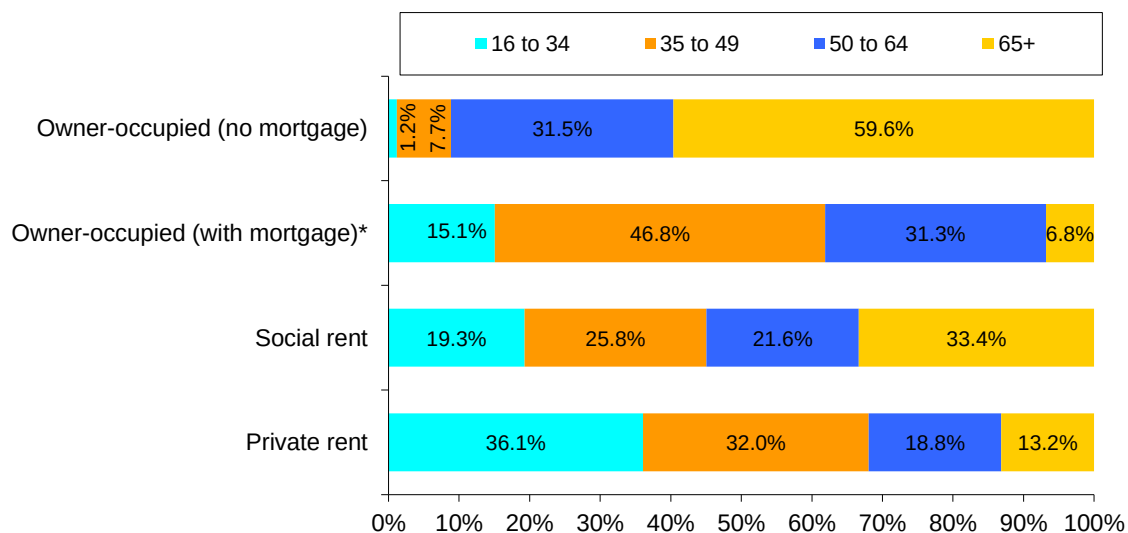
persons aged 34 or under compared to less than a fifth of household reference persons in all other tenures.

Figure 6.6a Age of household reference person within each tenure in the Ipswich HMA, 2011



Source: 2011 Census *Includes Shared Ownership

Figure 6.6b Age of household reference person within each tenure in the Waveney HMA, 2011



Source: 2011 Census *Includes Shared Ownership

6.40 The LTBHM model set out in Chapter 4 has been used to model the future housing market. This indicates that the private rented sector is likely to grow further in importance in the Ipswich HMA over the plan period with the number of homes in the tenure projected to increase by

7,297 households by 2036, a growth of 22.3%. Within the Waveney HMA it is projected that the private rented sector will increase by 1,170 households by 2036, a growth of 13.9%

Current trends

- 6.41 To assess the stability of the sector currently it is useful to consider how the private rent levels charged vary over time. Table 6.5 shows the change in private rents over the last four years at both the median and lower quartile level. This data is disaggregated by accommodation size and location. It is not possible to present data for the Ipswich HMA as a whole because the dataset does not provide all the data points to enable a median to be calculated across the four constituent authorities. The table shows for example that between 2011/12 and 2015/16 two bedroom lower quartile rents increased by 15.0% in Babergh. Overall the data suggests that the private rented sector is under notable pressure in all authorities within the Ipswich HMA, as rent levels have risen at a greater rate than recorded nationally. However, it could also be argued that as the price rises are similar to regional trends the housing market is just operating within the local norm. The data does suggest that two and three bedroom rents are the most pressurised and that rents in Mid Suffolk have risen the most, followed by Ipswich. The price increases in the Waveney HMA are generally lower than those recorded for the authorities of the Ipswich HMA and the region, particularly at the median level.

Table 6.8 Change in private rents charged in the HMA, the East and England between 2011/12 and 2015/16				
Lower quartile prices				
Area	One bedroom	Two bedrooms	Three bedrooms	Four+ bedroom
Babergh	5.9%	15.0%	11.7%	11.8%
Ipswich	12.5%	16.7%	13.3%	6.7%
Mid Suffolk	14.3%	17.0%	18.2%	9.5%
Suffolk Coastal	3.1%	14.1%	13.6%	13.8%
The Waveney HMA	11.4%	6.0%	8.2%	-3.8%
East	11.8%	10.6%	13.0%	17.3%
England	8.7%	4.2%	6.9%	6.9%
Median prices				
Area	One bedroom	Two bedrooms	Three bedrooms	Four+ bedroom
Babergh	5.6%	13.6%	11.5%	10.6%
Ipswich	14.1%	15.0%	16.2%	11.8%
Mid Suffolk	21.8%	13.3%	20.8%	2.3%
Suffolk Coastal	6.4%	15.0%	15.8%	9.1%
The Waveney HMA	3.9%	8.2%	9.5%	0.7%
East	16.2%	13.4%	16.1%	25.0%
England	11.1%	6.2%	6.9%	13.6%

Source: Valuation Office Agency, 2012-16

The benefit-supported private rented sector

- 6.42 The report '*Who Lives in the Private Rented Sector*' published in January 2013 by the British and Social Housing Foundation estimates that nationally around a quarter of private tenants are in receipt of Local Housing Allowance. In the Ipswich HMA the figure is 22.8%, whilst in Waveney the figure is 50.1%. Further analysis shows that the number of private rented tenants in receipt of Local Housing Allowance across the Ipswich HMA has decreased by 18.2% between September 2012 and September 2016 and by 8.2% in the Waveney HMA over the same period. It should be noted that, in both HMAs, the number of private tenants in receipt of Local Housing Allowance was highest in 2012 and 2013, before starting to reduce in 2014.
- 6.43 It is important to recognise the role that the benefit-supported private rented sector plays in alleviating the pressure on the affordable housing stock, by housing some households that would otherwise be resident within the sector; however, it is not an official form of affordable housing as defined by the NPPF. In addition, a comparison of the entry-level private rents with the LHA caps, as set out in Chapter 3, showed there is a notable gap between the two and the housing costs of households in need would not be fully met if they were to reside in this sector. Experience from the Councils is that households in this situation can fall into arrears, which sometimes lead to homelessness.
- 6.44 Similarly, not all households living in the benefit-supported private rented sector are automatically in housing need, they can however be in housing need for one of the other PPG defined reasons. The model that we set out in this report (in Chapter 5) conforms to these two assumptions (which also comply with the NPPF). This approach was supported by the vast majority of stakeholders.

People wishing to build their own homes

- 6.45 It should be noted that the NPPF specifically refers to people *wishing to build their own homes* within the examples cited in paragraph 159. All the Councils within the two HMAs have launched a list for people interested in undertaking a self-build development to register themselves, take up has so far has varied across the Ipswich HMA – as of September 2016, 18 people have joined the register in Ipswich, 113 people have joined the register in Suffolk Coastal and 19 people have joined the register across Babergh and Mid Suffolk. In total, there are 150 people on the self-build register across the Ipswich HMA. In comparison, 83 people have joined the register in the Waveney HMA. All people registering were asked to indicate the type of self-build they would consider (and they were allowed to choose as many of the options as they wanted).
- 6.46 Across the Ipswich HMA, 94.7% of those on the register are interested in a single plot of land to build a home for themselves to live in (or employ someone else to build this home), 28.1% are interested in a group self-build project (where a group of people come together to design and develop a custom build housing development which they then live in) and 19.3% in a developer led custom build (where a developer divides a larger site into individual plots and provides a design and build service to purchasers enabling people to customise existing house designs). Those on the self-build register were also asked about the minimum number of

bedrooms they would require in their new home. Some 46.9% of respondents indicated they require three bedrooms, 35.9% require four bedrooms, 15.9% two bedrooms and 1.3% five or more bedrooms.

- 6.47 In the Waveney HMA, 90.4% of those on the register are interested in a single plot of land, 34.9% are interested in a group self-build project and 12.0% in a developer led custom build. In terms of the size of new home required, some 40.9% of respondents indicated they require three bedrooms, 30.9% require four bedrooms, 22.7% two bedrooms and 5.5% five or more bedrooms.

7. Conclusions

- 7.1 The report has presented two main models, the Long Term Balancing Housing Markets (LTBHM) model (Chapter 4), which disaggregates the OAN calculations to identify the tenure and size of housing that should be sought over the plan period to best accommodate the future population, and the affordable housing need model (chapter 5), an unconstrained estimate of the amount of affordable housing required. The affordable housing need figure is calculated in isolation from the rest of the housing market and is only used to indicate whether the OAN should be increased. On completion of the calculation of the need for affordable housing the PPG says at Reference ID: 2a-029-20140306:

The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.

- 7.2 Planning Authorities should consider whether the housing target in the Local Plans should be increased to assist with meeting the need for affordable housing. Once this has been established the future mix of all housing required over the plan period should be identified. In accordance with para 021 of the PPG this is derived using a separate approach.
- 7.3 This chapter will, for each constituent Council, consider the requirement for an uplift of the OAN to meet affordable housing need, identify any additional provision required to address the requirements of specific groups and determine the size and tenure of new housing required over the plan period (as derived from the LTBHM model).

Babergh

- 7.4 The total annual affordable housing need in Babergh of 73 households per year (as set out in Appendix 5) represents 21.4% of the annual projected household growth in the District between 2014 and 2036 (342 households⁴² per year as identified within the full OAN calculations). This proportion of new housing as affordable appears achievable to deliver in Babergh. It is clear that the Council can be confident that the affordable housing requirement can be met by the OAN identified and no adjustment is required to this figure.
- 7.5 Chapter 6 considered the impact of subgroups of the population on the housing target. The Ministry of Defence may release 40 dwellings associated with the RAF Wattisham base into the wider housing market, which will have a relatively minor impact as it is a fairly small proportion of the annual OAN. In terms of specialist dwellings for older persons (Class C3b), as set out in Appendix A6, it is evidenced that in Babergh an additional 1,369 sheltered and

⁴²This is the household component of the full OAN dwelling figure, i.e. the OAN figure less vacant and second homes.

extracare housing units (or homes or services providing equivalent support but under a different label) should be provided over the plan period within the identified OAN.

- 7.6 To determine the size and tenure of the new housing required within the OAN to accord with paragraph 21 of the PPG, the LTBHM model outputs are used (the change required between 2014 and 2036). This model provides the profile of housing appropriate to meet the population over the plan period and is directly derived from the calculations used to determine the OAN. In comparison, it is not appropriate to base the recommended housing mix on the results of the affordable housing need model as this is an unconstrained figure with the sole purpose of determining whether an uplift to the OAN is required – it does not form a component of the OAN. This also means that the proportion of new affordable housing required is determined from the LTBHM model, the figure derived from the affordable housing needs model (set out in paragraph 7.4 above), is produced solely to inform the consideration of modifying the OAN.
- 7.7 Before the suggested housing mix is presented, it is necessary to convert the household totals presented in this report to dwelling figures by applying the vacancy⁴³ rate of 3.9% (the difference between the household growth total of 342 per year between 2014 and 2036 and the total OAN for Babergh over the plan period of 355 per year).
- 7.8 Figure 7.1 sets out the size and tenure requirement for the 7,820 dwellings (355 per annum) required over the plan period (between 2014 and 2036). The Housing White Paper, which is a consultation, published in February 2017 proposes that Local Authorities should *'deliver starter homes as part of a mixed package of affordable housing that can respond to local needs and local markets'*. There is no mandatory requirement for a proportion of all new dwellings to be Starter Homes, however it is proposed that the NPPF will be adjusted to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units, but this can include Shared Ownership homes and discounted market sales products as well as Starter Homes.
- 7.9 The White Paper is also clear that there will be an expectation for Local Authorities to also provide Affordable Rented accommodation where this meets the identified needs. We have therefore provided a further distinction within the proposed housing mix to include the potential demand for discount home ownership/Starter Homes (which reduces the requirement for private rented accommodation as they are providing an affordable home ownership opportunity for those that would otherwise reside in this tenure rather than meeting the same housing need that is addressed through Shared Ownership and Affordable Rented products).
- 7.10 The overall requirement for 12.6% of housing to be Affordable Rented and 12.5% affordable home ownership (of which 6.5% could be Shared Ownership⁴⁴ and 6.0% Starter Homes⁴⁵)

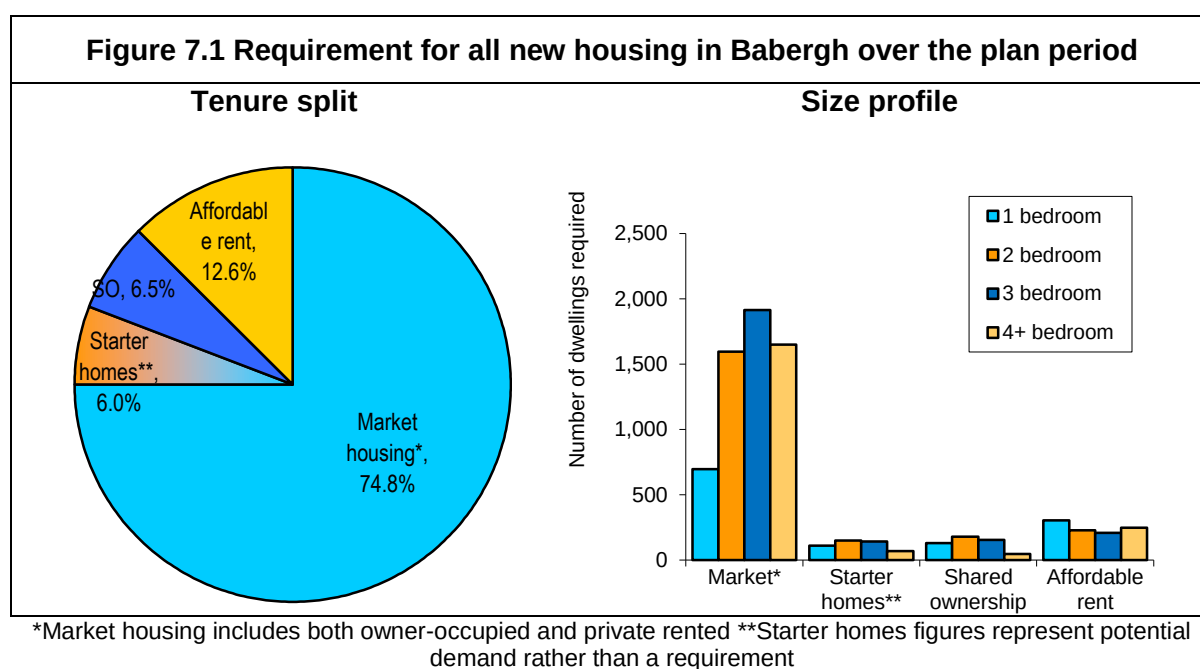
⁴³ This accounts for both homes that are empty and those that are used as second homes and is recorded in the 2011 Census.

⁴⁴ Shared Ownership refers to the version with a 25% equity share as this has been evidenced to cost less than market entry housing in Chapter 3.

⁴⁵ Starter homes figure represents a potential demand rather than a requirement and is derived from table 4.8c.

reflects the mix of housing that would best address the needs of the local population. It does not take into account the funding that will be available to help provide subsidised housing and it is acknowledged that current funding streams priorities mean that it will be easier to deliver intermediate housing rather than Affordable Rent.

- 7.11 The profile set out is a guide to the overall mix of accommodation required in the District although it is acknowledged that the Council may wish to divert away from this profile in particular instances. It should also be noted that the potential demand for discount home ownership/Starter Homes is less robustly evidenced than for the other tenures and should therefore be treated with caution.



Ipswich

- 7.12 The total annual affordable housing need in Ipswich of 239 households per year (as set out in Appendix 5) represents 47.9% of the annual projected household growth in the Borough between 2014 and 2036 (500 households⁴⁶ per year as identified within the full OAN calculations). This proportion of new housing as affordable appears challenging to deliver in Ipswich, so the Council may want to consider an uplift to the OAN to help provide more affordable housing. However, it is important to consider the conclusions of the report into the Stroud Local Plan where the inspector said⁴⁷
- 7.13 *'The need for affordable housing is certainly a policy consideration that could influence housing targets, particularly in view of affordability issues, but it is distinct from the overall objective assessment of housing need, since the methodology and numbers are not*

⁴⁶This is the household component of the full OAN dwelling figure, i.e. the OAN figure less vacant and second homes.

⁴⁷ Report to Stroud District Council by Stephen J Pratt BA (Hons) MRTPI, 2nd November 2015.

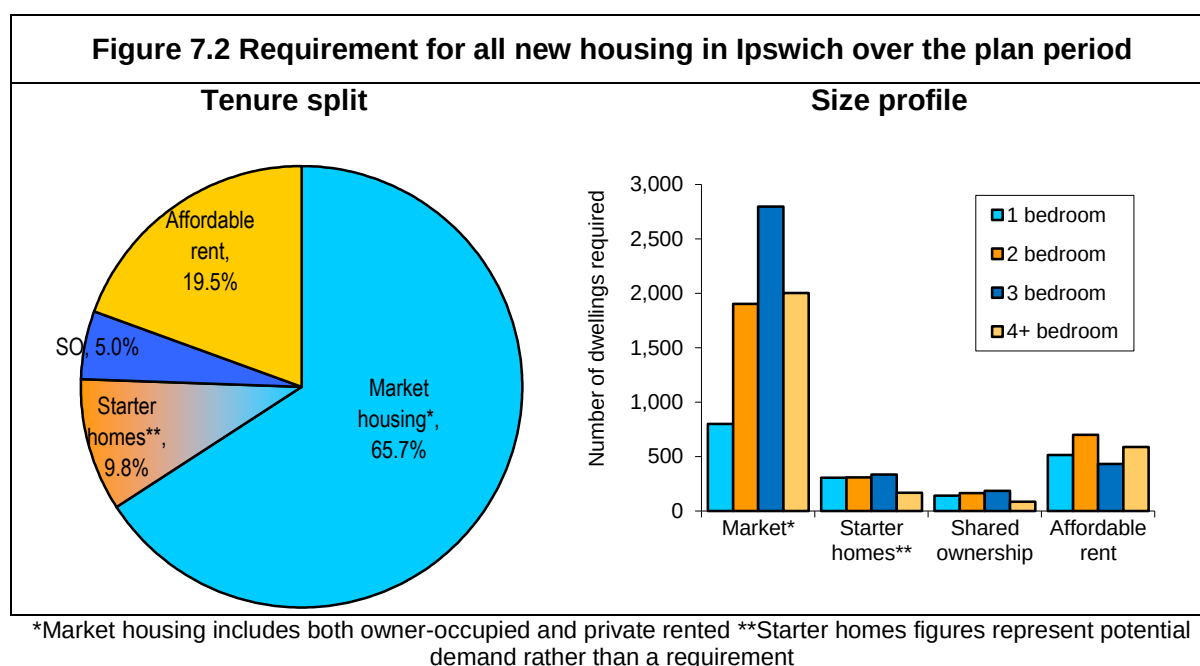
compatible. Although a modest increase in the overall housing requirement could be considered, to seek to deliver all the affordable housing needed through the provision of market housing would result in unrealistic and undeliverable rates of housing development.' (para 48)

- 7.14 When setting an affordable housing target in the Plan, the Council will need to consider the full range of evidence (including the viability assessment) and allowance will need to be taken of the fact that some sites may not deliver affordable housing (for example due to policy thresholds).
- 7.15 Chapter 6 considered the impact of subgroups of the population on the housing target. Whilst the University of Suffolk is located within Ipswich there are no firm plans for student numbers to notably change so the influence on the local housing market of the student population is unlikely to alter over the plan period. In terms of specialist dwellings for older persons (Class C3b), as set out in Appendix A6, it is evidenced that there will be a surplus of 185 sheltered and extracare housing units in 2036 and it may be necessary to convert some of this housing into mainstream accommodation.
- 7.16 To determine the size and tenure of the new housing required within the OAN to accord with paragraph 21 of the PPG, the LTBHM model outputs are used (the change required between 2014 and 2036). This model provides the profile of housing appropriate to meet the population over the plan period and is directly derived from the calculations used to determine the OAN. In comparison, it is not appropriate to base the recommended housing mix on the results of the affordable housing need model as this is an unconstrained figure with the sole purpose of determining whether an uplift to the OAN is required – it does not form a component of the OAN. This also means that the proportion of new affordable housing required is determined from the LTBHM model, the figure derived from the affordable housing needs model (set out in paragraph 7.11 above), is produced solely to inform the consideration of modifying the OAN.
- 7.17 Before the suggested housing mix is presented, it is necessary to convert the household totals presented in this report to dwelling figures by applying the vacancy⁴⁸ rate of 3.6% (the difference between the household growth total of 500 per year between 2014 and 2036 and the total OAN for Ipswich over the plan period of 519 per year).
- 7.18 Figure 7.2 sets out the size and tenure requirement for the 11,420 dwellings (519 per annum) required over the plan period (between 2014 and 2036). The Housing White Paper, which is a consultation, published in February 2017 proposes that Local Authorities should '*deliver starter homes as part of a mixed package of affordable housing that can respond to local needs and local markets*'. There is no mandatory requirement for a proportion of all new dwellings to be Starter Homes, however it is proposed that the NPPF will be adjusted to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units, but this can include Shared Ownership homes and discounted market

⁴⁸ This accounts for both homes that are empty and those that are used as second homes and is recorded in the 2011 Census.

sales products as well as Starter Homes. The White Paper is also clear that there will be an expectation for Local Authorities to also provide Affordable Rented accommodation where this meets the identified needs. We have therefore provided a further distinction within the proposed housing mix to include the potential demand for discount home ownership/Starter Homes (which reduces the requirement for private rented accommodation as they are providing an affordable home ownership opportunity for those that would otherwise reside in this tenure rather than meeting the same housing need that is addressed through Shared Ownership and Affordable Rented products).

- 7.19 The overall requirement for 19.5% of housing to be Affordable Rented and 14.8% affordable home ownership (of which 5.0% could be Shared Ownership⁴⁹ and 9.8% Starter Homes⁵⁰) reflects the mix of housing that would best address the needs of the local population. It does not take into account the funding that will be available to help provide subsidised housing and it is acknowledged that current funding streams priorities mean that it will be easier to deliver intermediate housing rather than Affordable Rent.
- 7.20 The profile set out is a guide to the overall mix of accommodation required in the Borough although it is acknowledged that the Council may wish to divert away from this profile in particular instances. It should also be noted that the potential demand for discount home ownership/Starter Homes is less robustly evidenced than for the other tenures and should therefore be treated with caution.



⁴⁹ Shared Ownership refers to the version with a 25% equity share as this has been evidenced to cost less than market entry housing in Chapter 3.

⁵⁰ Starter homes figure represents a potential demand rather than a requirement and is derived from table 4.8d.

Mid Suffolk

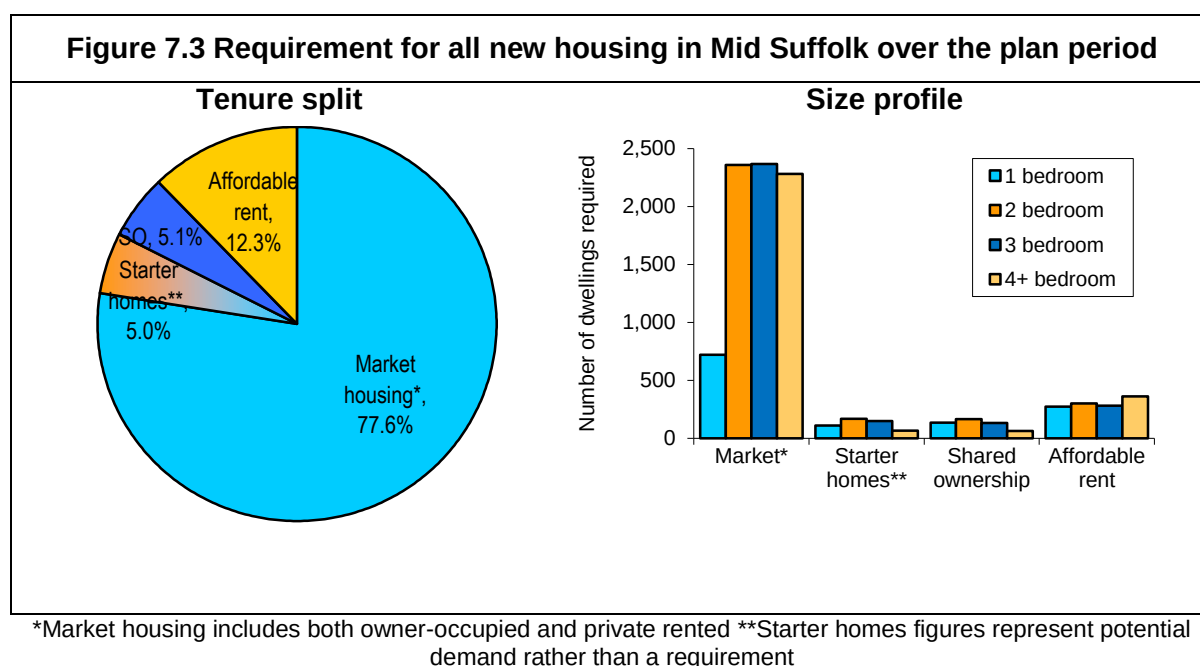
- 7.21 The total annual affordable housing need in Mid Suffolk of 97 households per year (as set out in Appendix 5) represents 22.2% of the annual projected household growth in the District between 2014 and 2036 (435 households⁵¹ per year as identified within the full OAN calculations). This proportion of new housing as affordable appears achievable to deliver in Mid Suffolk. It is clear that the Council can be confident that the affordable housing requirement can be met by the OAN identified and no adjustment is required to this figure.
- 7.22 Chapter 6 considered the impact of subgroups of the population on the housing target. There are no significant Ministry of Defence sites or universities in the District that have an impact on the housing market. In terms of specialist dwellings for older persons (Class C3b), as set out in Appendix A6, it is evidenced that in Mid Suffolk an additional 1,005 sheltered and extracare housing units (or homes or services providing equivalent support but under a different label) should be provided over the plan period within the identified OAN.
- 7.23 To determine the size and tenure of the new housing required within the OAN to accord with paragraph 21 of the PPG, the LTBHM model outputs are used (the change required between 2014 and 2036). This model provides the profile of housing appropriate to meet the population over the plan period and is directly derived from the calculations used to determine the OAN. In comparison, it is not appropriate to base the recommended housing mix on the results of the affordable housing need model as this is an unconstrained figure with the sole purpose of determining whether an uplift to the OAN is required – it does not form a component of the OAN. This also means that the proportion of new affordable housing required is determined from the LTBHM model, the figure derived from the affordable housing needs model (set out in paragraph 7.20 above), is produced solely to inform the consideration of modifying the OAN.
- 7.24 Before the suggested housing mix is presented, it is necessary to convert the household totals presented in this report to dwelling figures by applying the vacancy⁵² rate of 3.9% (the difference between the household growth total of 435 per year between 2014 and 2036 and the total OAN for Mid Suffolk over the plan period of 452 per year).
- 7.25 Figure 7.3 sets out the size and tenure requirement for the 9,951 dwellings (452 per annum) required over the plan period (between 2014 and 2036). The Housing White Paper, which is a consultation, published in February 2017 proposes that Local Authorities should '*deliver starter homes as part of a mixed package of affordable housing that can respond to local needs and local markets*'. There is no mandatory requirement for a proportion of all new dwellings to be Starter Homes, however it is proposed that the NPPF will be adjusted to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units, but this can include Shared Ownership homes and discounted market sales products as well as Starter Homes. The White Paper is also clear that there will be an

⁵¹ This is the household component of the full OAN dwelling figure, i.e. the OAN figure less vacant and second homes.

⁵² This accounts for both homes that are empty and those that are used as second homes and is recorded in the 2011 Census.

expectation for Local Authorities to also provide Affordable Rented accommodation where this meets the identified needs. We have therefore provided a further distinction within the proposed housing mix to include the potential demand for discount home ownership/Starter Homes (which reduces the requirement for private rented accommodation as they are providing an affordable home ownership opportunity for those that would otherwise reside in this tenure rather than meeting the same housing need that is addressed through Shared Ownership and Affordable Rented products).

- 7.26 The overall requirement for 12.3% of housing to be Affordable Rented and 10.1% affordable home ownership (of which 5.1% could be Shared Ownership⁵³ and 5.0% Starter Homes⁵⁴) reflects the mix of housing that would best address the needs of the local population. It does not take into account the funding that will be available to help provide subsidised housing and it is acknowledged that current funding streams priorities mean that it will be easier to deliver intermediate housing rather than Affordable Rent.
- 7.27 The profile set out is a guide to the overall mix of accommodation required in the District although it is acknowledged that the Council may wish to divert away from this profile in particular instances. It should also be noted that the potential demand for discount home ownership/Starter Homes is less robustly evidenced than for the other tenures and should therefore be treated with caution.



⁵³ Shared Ownership refers to the version with a 25% equity share as this has been evidenced to cost less than market entry housing in Chapter 3.

⁵⁴ Starter homes figure represents a potential demand rather than a requirement and is derived from table 4.8e.

Suffolk Coastal

- 7.28 The total annual affordable housing need in Suffolk Coastal of 94 households per year (as set out in Appendix 5) represents 22.3% of the annual projected household growth in the District between 2014 and 2036 (422 households⁵⁵ per year as identified within the full OAN calculations). This proportion of new housing as affordable appears achievable to deliver in Suffolk Coastal. It is clear that the Council can be confident that the affordable housing requirement can be met by the OAN identified and no adjustment is required to this figure.
- 7.29 Chapter 6 considered the impact of subgroups of the population on the housing target. The Ministry of Defence may close Rock barracks at RAF Woodbridge which may release 208 dwellings on this site into the housing market, presuming they are of sufficient quality. Although this closure is being mooted for 2027, the Council has to consider their current OAN total and determine whether an adjustment is appropriate. In terms of specialist dwellings for older persons (Class C3b), as set out in Appendix A6, it is evidenced that in Suffolk Coastal an additional 1,287 sheltered and extracare housing units (or homes or services providing equivalent support but under a different label) should be provided over the plan period within the identified OAN.
- 7.30 To determine the size and tenure of the new housing required within the OAN to accord with paragraph 21 of the PPG, the LTBHM model outputs are used (the change required between 2014 and 2036). This model provides the profile of housing appropriate to meet the population over the plan period and is directly derived from the calculations used to determine the OAN. In comparison, it is not appropriate to base the recommended housing mix on the results of the affordable housing need model as this is an unconstrained figure with the sole purpose of determining whether an uplift to the OAN is required – it does not form a component of the OAN. This also means that the proportion of new affordable housing required is determined from the LTBHM model, the figure derived from the affordable housing needs model (set out in paragraph 7.27 above), is produced solely to inform the consideration of modifying the OAN.
- 7.31 Before the suggested housing mix is presented, it is necessary to convert the household totals presented in this report to dwelling figures by applying the vacancy⁵⁶ rate of 8.3% (the difference between the household growth total of 422 per year between 2014 and 2036 and the total OAN for Suffolk Coastal over the plan period of 460 per year).
- 7.32 Figure 7.4 sets out the size and tenure requirement for the 10,111 dwellings (460 per annum) required over the plan period (between 2014 and 2036). The Housing White Paper, which is a consultation, published in February 2017 proposes that Local Authorities should '*deliver starter homes as part of a mixed package of affordable housing that can respond to local needs and local markets*'. There is no mandatory requirement for a proportion of all new dwellings to be Starter Homes, however it is proposed that the NPPF will be adjusted to

⁵⁵ This is the household component of the full OAN dwelling figure, i.e. the OAN figure less vacant and second homes.

⁵⁶ This accounts for both homes that are empty and those that are used as second homes and is recorded in the 2011 Census.

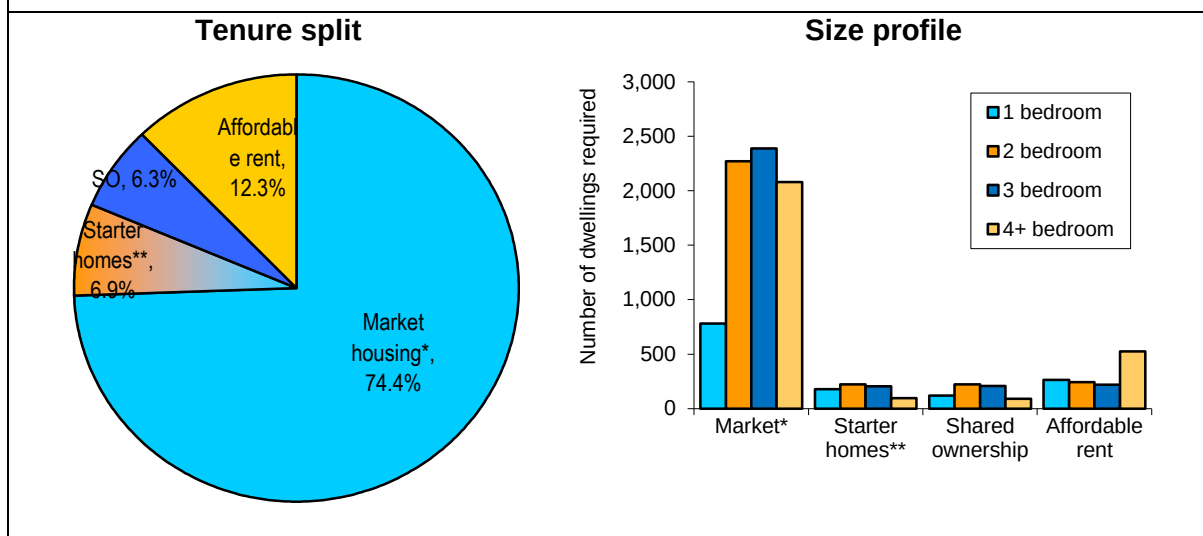
introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units, but this can include Shared Ownership homes and discounted market sales products as well as Starter Homes. The White Paper is also clear that there will be an expectation for Local Authorities to also provide Affordable Rented accommodation where this meets the identified needs. We have therefore provided a further distinction within the proposed housing mix to include the potential demand for discount home ownership/Starter Homes (which reduces the requirement for private rented accommodation as they are providing an affordable home ownership opportunity for those that would otherwise reside in this tenure rather than meeting the same housing need that is addressed through Shared Ownership and Affordable Rented products).

- 7.33 The overall requirement for 12.3% of housing to be Affordable Rented and 13.2% affordable home ownership (of which 6.9% could be Shared Ownership⁵⁷ and 6.3% Starter Homes⁵⁸) reflects the mix of housing that would best address the needs of the local population. It does not take into account the funding that will be available to help provide subsidised housing and it is acknowledged that current funding streams priorities mean that it will be easier to deliver intermediate housing rather than Affordable Rent.
- 7.34 The profile set out is a guide to the overall mix of accommodation required in the District although it is acknowledged that the Council may wish to divert away from this profile in particular instances. It should also be noted that the potential demand for discount home ownership/Starter Homes is less robustly evidenced than for the other tenures and should therefore be treated with caution.

⁵⁷ Shared Ownership refers to the version with a 25% equity share as this has been evidenced to cost less than market entry housing in chapter 3.

⁵⁸ Starter homes figure represents a potential demand rather than a requirement and is derived from table 4.8f.

Figure 7.4 Requirement for all new housing in Suffolk Coastal over the plan period



*Market housing includes both owner-occupied and private rented **Starter homes figures represent potential demand rather than a requirement

Waveney

- 7.35 The total annual affordable housing need in Waveney of 208 households per year (as set out in Appendix 5) represents 59.8% of the annual projected household growth in the District between 2014 and 2036 (348 households⁵⁹ per year as identified within the full OAN calculations). This proportion of new housing as affordable appears challenging to deliver in Waveney, so the Council may want to consider an uplift to the OAN to help provide more affordable housing. However it is important to consider the conclusions of the report into the Stroud Local Plan where the inspector said⁶⁰
- 7.36 *'The need for affordable housing is certainly a policy consideration that could influence housing targets, particularly in view of affordability issues, but it is distinct from the overall objective assessment of housing need, since the methodology and numbers are not compatible. Although a modest increase in the overall housing requirement could be considered, to seek to deliver all the affordable housing needed through the provision of market housing would result in unrealistic and undeliverable rates of housing development.'* (para 48)
- 7.37 When setting an affordable housing target in the Plan the Council will need to consider the full range of evidence (including the viability assessment) and allowance will need to be taken of the fact that some sites may not deliver affordable housing (for example due to policy thresholds).

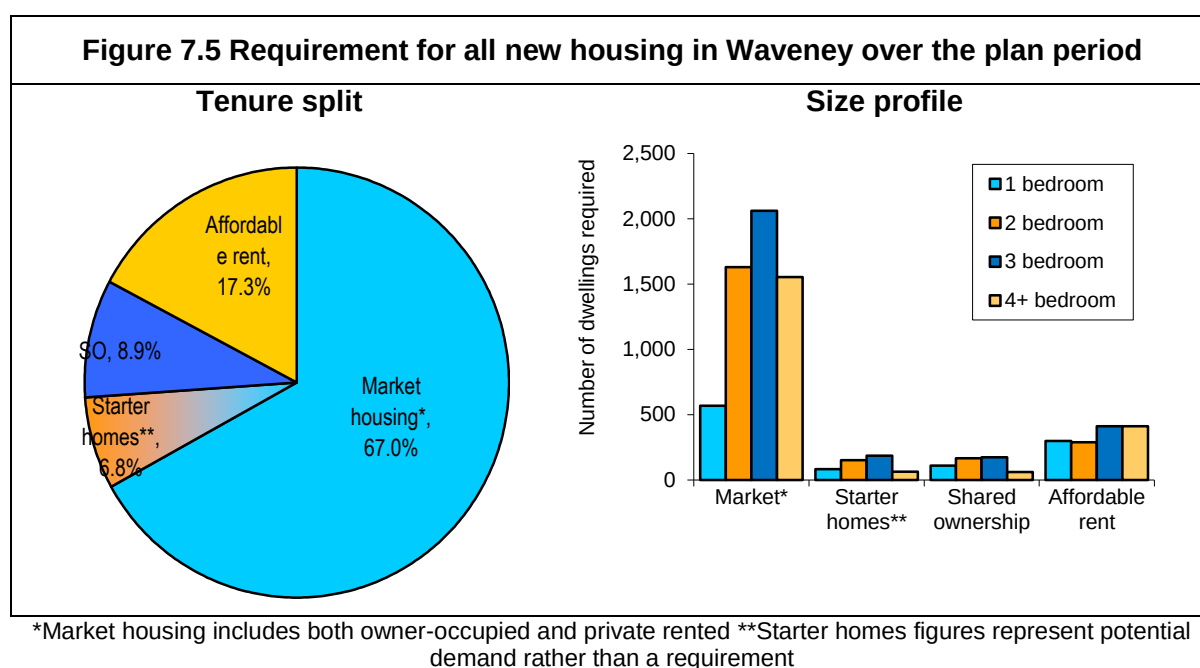
⁵⁹ This is the household component of the full OAN dwelling figure, i.e. the OAN figure less second and vacant homes.

⁶⁰ Report to Stroud District Council by Stephen J Pratt BA (Hons) MRTPI, 2nd November 2015.

- 7.38 Chapter 6 considered the impact of subgroups of the population on the housing target. There are no significant Ministry of Defence sites or universities in the District that have an impact on the housing market. In terms of specialist dwellings for older persons (Class C3b), as set out in chapter 6, it is evidenced that in Waveney an additional 1,197 sheltered and extracare housing units (or homes or services providing equivalent support but under a different label) should be provided over the plan period within the identified OAN.
- 7.39 To determine the size and tenure of the new housing required within the OAN to accord with paragraph 21 of the PPG, the LTBHM model outputs are used (the change required between 2014 and 2036). This model provides the profile of housing appropriate to meet the population over the plan period and is directly derived from the calculations used to determine the OAN. In comparison, it is not appropriate to base the recommended housing mix on the results of the affordable housing need model as this is an unconstrained figure with the sole purpose of determining whether an uplift to the OAN is required – it does not form a component of the OAN. This also means that the proportion of new affordable housing required is determined from the LTBHM model, the figure derived from the affordable housing needs model (set out in paragraph 7.35 above), is produced solely to inform the consideration of modifying the OAN.
- 7.40 Before the suggested housing mix is presented, it is necessary to convert the household totals presented in this report to dwelling figures by applying the vacancy⁶¹ rate of 6.9% (the difference between the household growth total of 348 per year between 2014 and 2036 and the total OAN for Waveney over the plan period of 374 per year).
- 7.41 Figure 7.5 sets out the size and tenure requirement for the 8,223 dwellings (374 per annum) required over the plan period (between 2014 and 2036). The Housing White Paper, which is a consultation, published in February 2017 proposes that Local Authorities should *‘deliver starter homes as part of a mixed package of affordable housing that can respond to local needs and local markets’*. There is no mandatory requirement for a proportion of all new dwellings to be Starter Homes, however it is proposed that the NPPF will be adjusted to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units, but this can include Shared Ownership homes and discounted market sales products as well as Starter Homes. The White Paper is also clear that there will be an expectation for Local Authorities to also provide Affordable Rented accommodation where this meets the identified needs. We have therefore provided a further distinction within the proposed housing mix to include the potential demand for discount home ownership/Starter Homes (which reduces the requirement for private rented accommodation as they are providing an affordable home ownership opportunity for those that would otherwise reside in this tenure rather than meeting the same housing need that is addressed through Shared Ownership and Affordable Rented products).

⁶¹ This accounts for both homes that are empty and those that are used as second homes and is recorded in the 2011 Census.

- 7.42 The overall requirement for 17.3% of housing to be Affordable Rented and 15.7% affordable home ownership (of which 8.9% could be Shared Ownership⁶² and 6.8% Starter Homes⁶³) reflects the mix of housing that would best address the needs of the local population. It does not take into account the funding that will be available to help provide subsidised housing and it is acknowledged that current funding streams priorities mean that it will be easier to deliver intermediate housing rather than Affordable Rent.
- 7.43 The profile set out is a guide to the overall mix of accommodation required in the District although it is acknowledged that the Council may wish to divert away from this profile in particular instances. It should also be noted that the potential demand for discount home ownership/Starter Homes is less robustly evidenced than for the other tenures and should therefore be treated with caution.



⁶² Shared Ownership refers to the version with a 25% equity share as this has been evidenced to cost less than market entry housing in Chapter 3.

⁶³ Starter homes figure represents a potential demand rather than a requirement and is derived from table 4.8b.

Glossary of abbreviations commonly used in report

HMA:	Housing Market Area
LTBHM:	Long-Term Balancing Housing Market (model)
NPPF:	National Planning Policy Framework
OAN:	Objectively Assessed Need (for all housing)
PPG:	Planning Practice Guidance
SHMA:	Strategic Housing Market Assessment

Appendix A1. Summary of stakeholder consultation

Introduction

This appendix describes the process of consulting with stakeholders – who was contacted and the nature of the consultation. It also describes the consultation event that took place, including what was discussed. Finally, the appendix sets out the comments that were received and the response to them.

Stakeholder workshop

A consultation event on the draft study-wide findings (across both HMAs), took place on 14th October 2016. A wide breadth and number of organisations were invited to attend to observe the preliminary outputs of the study and to discuss the methodological assumptions used to derive the estimates. In total over 500 different organisations were invited including landowners, developers, RSLs, planning professionals and agents. These groups were targeted in order to obtain feedback on the housing market. In total, almost 200 people indicated their intention to come, so two sessions were run to ensure that everyone would be able to fully participate, one in the morning and one in the afternoon. The first session principally contained landowners and the second featured more RSLs and planning professionals, although there were a mix of all organisations at both. The same presentation was delivered and the same subjects for discussion were promoted but the content of the discussion and the further questions asked varies notably. A full list of those that attended the two stakeholder events is set out in Table A1.1, although people who were not there representing an organisation are listed only as a private individual and most of these were landowners. Representatives of housing and planning from the client authorities were also present.

The event was a presentation of the relevant national guidance which provides the framework for the study, an overview of the purpose of the report and the two main models used to obtain the outputs, the assumptions used within the models (principally focusing on the affordable housing need model), and the initial study-wide outputs that had been derived. Questions were encouraged throughout and a few topics identified for more in depth discussion –the entry-level prices and rents identified through the local price survey, the role of the private rented sector, the appropriate affordability threshold to use and how to deal with single people under 35 potentially in housing need.

Table A1.1 List of attendees at the stakeholder events

<i>Morning session</i>	<i>Afternoon session</i>
Kim Balls (Great Yarmouth Borough Council)	Claire Adcroft (Fletcher Barton Ltd)
Phill Bamford (Gladman Homes)	Philip Branton (WKP Architects)
David Barker (Evolution Panning)	Peter Brooks (Brooks Architects)
Graham Bloomfield (Pigeon Investment Management)	James Firth (Strutt and Parker)
Adam Broadway (Flagship)	Edward Gilder (Badger Building)
Robert Bryce (Lacy Scott Knight)	Grant Heal (Persimmon Homes)
Lisa Davis (Orbit)	Simon Henry (Bidwells)
Paul Foster (Barton Wilmore)	Daniel Hewett (Taylor Wimpey)
Chris Haworth (Propop Advisors)	David Lowe (EWS)
Aoife O'Gorman (Architect)	Mark Pickreli (Boyer Planning)
Fiona Portway (Webb & Son)	Bethan Roscoe (Boyer Planning)
James Portway (Webb & Son)	Sam Robinson (Gary Johns Architects)
Paul Foster (Barton Wilmore)	Mark Rodwell (Orwell Housing)
Jamie Roberts (Pegasus)	Christopher Smith (Hopkins Homes)
David Smith (Percival and Co)	James Tanner (Hollins)
Hollie Stacey (Crest Nicholson)	Margaret Wells (Concertus)
Mark Walker (Orbit)	Seth Williams (DLP consultants)
Private individual x26	Private individual x23

A summary of the discussion that took place at the event is presented below:

Morning session

Cost of Housing

HDH Planning explained that the affordability test used was based on households accessing lower-quartile properties in both the rental and ownership markets. He stated that there was an argument for using the lower-decile figure rather than the lower-quartile. However, this was deemed not suitable as many of the properties in the lower-decile are in a poor condition and in need of repair. Also, there is relatively little difference in price between lower-quartile and lower-decile averages.

Question (RSL) – What data source and time is used for current market rent prices?

HDH Planning explained data was from online sources, wide a range as possible, but not Land Registry as there is no information on number of bedrooms.

Question (Developer) – Are the prices the price paid (re market purchase prices)?

HDH Planning explained they are asking prices adjusted to take account of what is usually paid.

Comment (RSL) – The rental cost figures look a bit low

Comment (RSL) – Will need to take into account the 1%pa reduction in HA rents.

HDH Planning explained that the assessment needs to be undertaken in relation to today's data but the text can recognise any changes that are planned or likely. Using current data also

gives a fair comparison with market purchase prices and avoids getting into predicting what purchase prices might be in the future.

Comment – 4% interest on a mortgage seems quite high.

HDH Planning explained that it is based on those at the bottom of the market with a minimum deposit.

Comment (Council officer) – Shared Ownership mortgages usually have higher interest rates as there are only two lenders in the rural areas.

HDH Planning explained this hasn't been factored in but he would check.

Starter Homes

HDH Planning discussed the role of Starter Homes, where they fit into the market and what the likely demand for this product is.

Question – What standards would Starter Homes be built to? From developer perspective starter homes may be more favourable to build as spec is different to affordable housing. Would those buying a Starter Home have otherwise bought a market home? Take up of Starter Homes may be slower than providing affordable housing.

Comment – Starter Homes focused in urban areas rather than rural would cause an issue for rural communities.

Proportion of income spent on housing

HDH Planning outlined the proportion of income spent on housing in different tenures and stated that an assumption of 35% had been used in the draft model, although it is believed a lower figure of 30% maybe appropriate for Waveney and asked whether this was correct and reflected market practice.

Question (Council officer) – Will caps be looked at (in relation to % spent on income)?

BMSDC Housing Enabling – The cap is important for private sector and also Council and HA rents.

Question (Developer) – can the % spent on income be sensitivity tested?

HDH Planning explained this would be later in the presentation.

Question – Have interest rates going up in future been factored in?

HDH Planning explained that the PPG does not provide for this, but it would be picked up in future SHMA reviews.

Under 35 single person households

HDH Planning outlined how single person households aged under 35 can be in need of affordable housing, however their access to affordable housing is restricted. They are only eligible for the shared rate of LHA and are in the lower category groups. In order to reflect the market, the needs figure is presented to only include those who cannot afford the shared room

rate. A discussion took place around whether or not it is appropriate to remove these households from the calculation?

Comment (Developer) – Not sure all under 35s want to live in groups

HDH Planning explained that it only relates to single person household under 35s.

Private Rented Sector

HDH Planning: Given the increasing similarities between the PRS and the social sector with regards to rent levels and type of tenancy offered, how should we be treating those housed in the PRS?

HDH Planning: Although those housed in the PRS in receipt of LHA won't automatically be assessed as being in housing need, unless there are other issues such as overcrowding, the PRS can't be classed as a supply of affordable housing because it doesn't meet the definition of affordable housing set out in the NPPF.

Question (Council officer) – How would you pick up on those in the PRS who are inadequately housed? What is the data source for committed supply?

HDH Planning explained it is from the Councils' planning records but can be looked at again.

Affordable Need

HDH Planning talked through affordable housing needs model, its purpose, the data sources used and the preliminary results it shows for the study area as a whole.

Question (Council officer) – How have future trends been taken into account e.g. increase Right to Buy?

HDH Planning explained that the PPG model doesn't allow for that.

The LTBHM model

HDH Planning talked through LTBHM model, its purpose, how it works and the preliminary results it shows for the study area a whole.

Question (Council officer) – In table 4.4 is there a difference between the Districts?

HDH Planning explained that there is.

Comment – There is an issue of people being unable to find suitable accommodation to downsize to (e.g. bungalows) (in SCDC area).

Question (Agent) – In Waveney the profile would be dominated by Lowestoft.

Will it be broken down by LPA?

HDH Planning - Yes

Afternoon session

Current costs

HDH Planning explained that the affordability test used was based on households accessing lower-quartile properties in both the rental and ownership markets. He stated that there was an argument for using the lower-decile figure rather than the lower-quartile. However, this was deemed not suitable as many of the properties in the lower-decile are in a poor condition and

in need of repair. Also, there is relatively little difference in price between lower-quartile and lower-decile averages.

General agreement that the costs seem about right.

RSL – figures should possibly be slightly lower – HA rents are slightly lower than those shown.

Comment (development consultant) – Lowestoft skews the Waveney figures, the rest of the District is more similar to the rest of the area covered by the SHMA.

General agreement that the income figures look about right.

Proportion of income spent on housing

HDH Planning outlined the proportion of income spent on housing in different tenures and stated that an assumption of 35% had been used in the draft model, although it is believed a lower figure of 30% maybe appropriate for Waveney and asked whether this was correct and reflected market practice.

Comment that 30% to 35% seems about right.

Question – Will affordability be projected forward?

HDH Planning – Guidance requires analysis based on existing figures.

Under 35 single person households

HDH Planning outlined how single person households aged under 35 can be in need of affordable housing, however their access to affordable housing is restricted. They are only eligible for the shared rate of LHA and are in the lower category groups. In order to reflect the market, the needs figure is presented to only include those who cannot afford the shared room rate. A discussion took place around whether or not it is appropriate to remove these households from the calculation?

Comment – There is no market in building 1 bedroom houses.

HDH Planning – The focus here is on affordable housing

Comment – Not many under 35s live on their own.

HDH Planning – Identifying what people can afford to pay not type of property at this point.

Question – Why not provide 2 bedroom properties for under 35s?

HDH Planning – Must be led by what the market is saying

Comment – Outgoings are increasing faster than incomes.

Private Rented Sector

HDH Planning: Given the increasing similarities between the PRS and the social sector with regards to rent levels and type of tenancy offered, how should we be treating those housed in the PRS?

HDH Planning: Although those housed in the PRS in receipt of LHA won't automatically be assessed as being in housing need, unless there are other issues such as overcrowding, the

PRS can't be classed as a supply of affordable housing because it doesn't meet the definition of affordable housing set out in the NPPF.

Question – What if a PRS tenant needs to provide a top-up to cover the difference between LHA and rent?

HDH Planning – They would need to be on the Housing Register to fall within the definition of need.

Affordable Need

HDH Planning talked through affordable housing needs model, its purpose, the data sources used and the preliminary results it shows for the study area as a whole.

Question – Should you quantify how much affordable housing exists?

HDH Planning – this is factored into the model.

Question – Are you counting tenants in the PRS where the LHA is lower than rent?

HDH Planning – no unless they are in need for other reasons.

Question – What about those not on the housing register?

HDH Planning – Housing register is the only data source that can be used

Question – What about households who no longer exist?

HDH Planning – Picked up through the supply element of the model.

The LTBHM model

HDH Planning talked through LTBHM model, its purpose, how it works and the preliminary results it shows for the study area as a whole.

Question – why are figures divided by 22 and not 20?

HDH Planning – The base date is 2014.

Question – How has supply since 2014 been factored in?

HDH Planning – It can be deducted from the final model results

Question – Do we need any more four bedroom homes?

Question – What if the affordable requirements are not met?

Question – Do the projections take account of people moving into the area?

HDH Planning – Yes, this is picked up through the OAN work.

Question - How will the figures be disaggregated for each local authority?

HDH Planning – The final figures will add up to the final figure for all Councils.

Question – Can the model take on board circumstances where a site is supposed to provide affordable housing but become unviable?

HDH Planning – Not all sites will provide affordable housing, the model can't get too refined. Policy requirements are for the Councils to decide.

Specialist groups

HDH Planning talked through the specific household groups that were being looked at in the study, which data sources will be used and how the results will be used.

Question – Where is the evidence for self-build and custom build?

HDH Planning – Evidence will come from the self-build register which Councils are required to have.

Comment – developers don't want self-build on sites as they take longer to build and the site can look untidy, which makes other homes more difficult to sell.

Final questions

Question – Can you provide a glossary with the slides when they are sent out.

HDH Planning – Yes

Question – Is the impact of Brexit being considered?

HDH Planning – This is more relevant to the OAN work. No LPA has yet made an assumption based on Brexit.

Question – What about splitting larger properties to enable older people to live on the ground floor and rent out the upper levels (Danish model)?

Question around providing sufficient parking but it was explained that this is for the Councils to consider through their policies.

Question around whether the invites had been sent to the appropriate people

HDH Planning explained this had been based on experience from elsewhere.

Written consultation

A copy of the presentation slides were sent to all the attendees, as well as those originally invited that were unable to attend. All recipients were encouraged to feedback their views, particularly regarding the small number of variables that can influence the outputs of the study and are not prescribed in relevant national planning guidance. The deadline for the consultation responses was 28th October (a two week period). The prompts set out in the e-mail covering the invitation for a formal response were:

1. The consultants suggested an affordability test based on households spending no more than 30% of their household income on housing in Waveney and 35% in the other districts. This was based on discussions with agents and mortgage brokers and is felt to be a realistic understanding of how the market works. Do you agree with this approach or do you think a different approach should be used – if so what and why?
2. The privately rented sector (PRS) is used to house households in housing need (including by Local Authorities discharging their statutory duties) with the assistance of Local Housing Allowance (LHA). In spite of this (and in line with the Eastleigh inspector's comments) it is not proposed to count the PRS with LHA as supply of affordable housing as the PRS with LHA does not fall within the strict definition of affordable housing contained within the NPPF. The PPG sets out the various groups of housing that are in need of affordable housing, these do not include households within the PRS who are in receipt LHA (as they are adequately housed) – although such households may of course be in need for other reasons such as overcrowding. It is proposed not to count those households in the PRS in receipt of housing LHA as being in housing need, unless there is some other reason for them being in need. It is

not proposed to count any supply from the PRS. Do you agree with this approach? If not, why not?

3. The access LHA for self-contained housing is restricted for single person households under 35 (and in fact most single person households under 35 actually do share). It is proposed to test single under 35 single person households against their ability to afford shared accommodation. Do you agree with this approach? If not, why not (bearing in mind the working of the benefit system and the housing market)?

Consultation responses

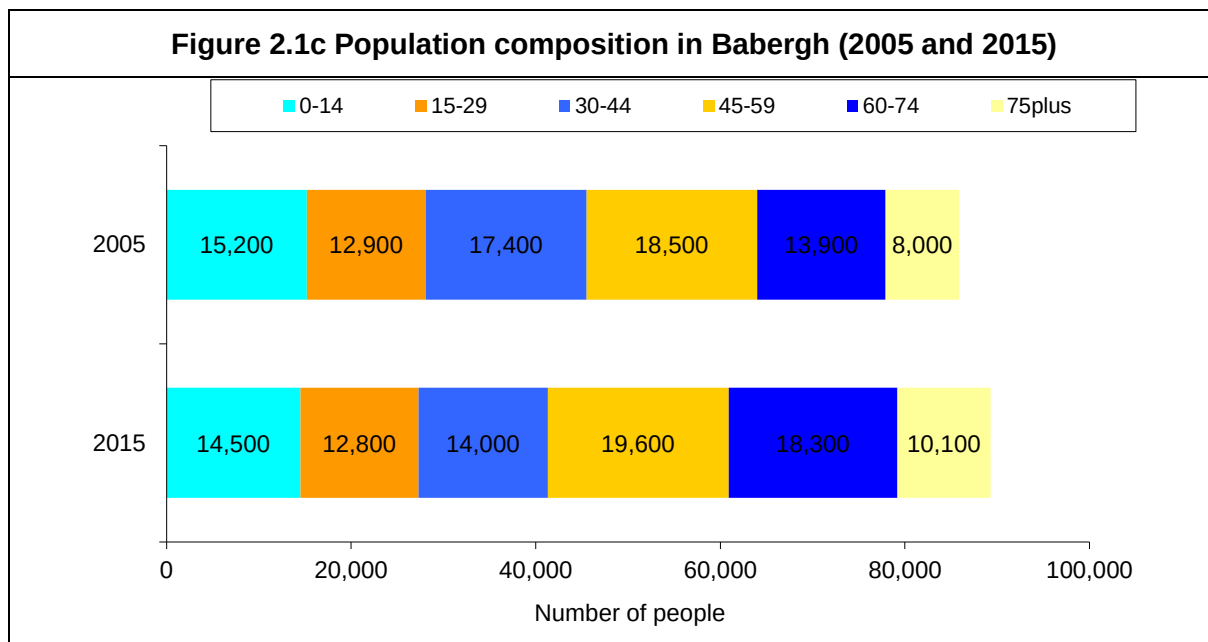
In total nine organisations or individuals submitted a formal response to the consultation process. A summary of the points raised by each and how they have been addressed is set out in Table A1.2

Table A1.2 Comments received through formal consultation and a how they have been addressed		
Respondent	Summary of comment	Response to comment
Private individual 1	There is a need for affordable housing across Suffolk for households with a range of incomes. There is also a need for housing for people with disabilities to live independently – especially bungalows.	Commentary on the diversity of housing need added to Chapter 7 and Chapter 6.
Orwell Housing Association	Agreement to the access point of lower quartile costs. Care needs to be taken to avoid a straight definition of the cheapest 25%, as invariably this will include a lot that require modernisation and updating which many people will subsequently be unable to afford.	Support for approach noted in report.
Orwell Housing Association	Agreement to the affordability test of 35% of gross household income.	Support for approach noted in report.
Orwell Housing Association	Treatment of PRS. I disagree with the statement that people in the PRS in receipt of LHA are not in affordable need. The LHA does not always cover PRS rents and so I would assume people are having to top up the shortfall via alternative means which may not be sustainable in the long term.	Comment noted, however the PPG is clear in the definition of housing need and we have followed that definition.
Orwell Housing Association	The affordable need is also based on housing registers as of September 2016. This assumes that everyone who is in need is actually on the register, which is not always the case.	Note to this affect has been added to the report.
Orwell Housing Association	We should not include the private rented sector as a supply of affordable housing.	Support for approach noted in report
Orwell Housing Association	The HCA's funding is now focussed on Shared Ownership and not affordable rented property and therefore most Housing Associations will not be building rented properties until 2021 at the earliest, unless policy changes in the interim. Therefore, the near 6000 rented properties required by 2036 will need an alternative mechanism for delivery, especially with the planning threshold of s106 houses not being required for developments of less than 10 units	Thank you for the comment. As respondent noted, this is a policy issue and is therefore beyond the remit of this report.
Robinson and Hall	Agree with the approach used with regard the treatment of the PRS in the affordable housing needs model.	Support for approach noted in report.
Robinson and Hall	Believe that single people under 35 should be tested against the cost of self-contained housing. Although most under 35 single people might share, this is not true for all. Policy would then be skewed towards the very bottom end of the market without	Response fed into the discussion on

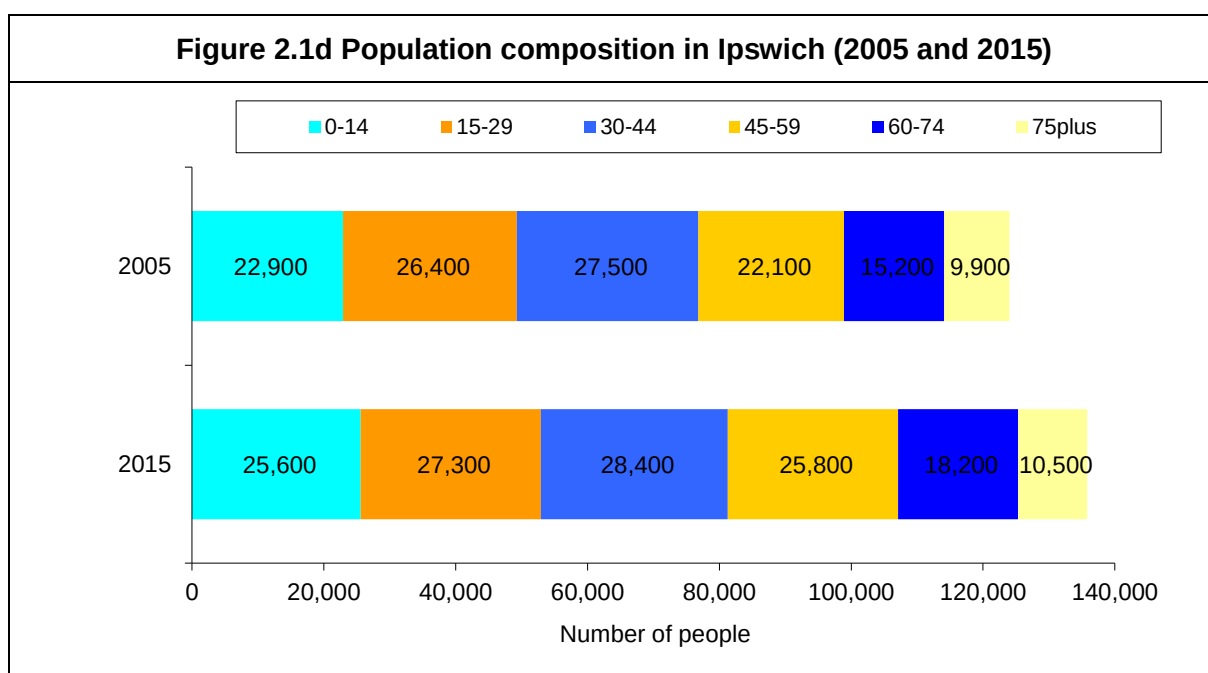
	allowing for smaller units affordable for younger people (to either by or rent), which is contrary to the principles of starter homes and recent Government rhetoric.	suitability of this approach in report.
Private individual 2	My knowledge of the market suggest that housing costs are more than 35% in Mid-Suffolk, more like 40%.	Response fed into the discussion on suitable affordability threshold.
Private individual 2	Agree that those in the private rented sector are not necessarily in need - sector gets a bad press in the media, but most landlords provide a good product at a fair price.	Support for approach noted in report.
Private individual 2	Agree that single person households under 35 can be assessed for their ability to afford a room in shared accommodation.	Response fed into the discussion on suitability of this approach in report.
Waveney & Yare Housing Association	Waveney consists of Lowestoft, three market towns and numerous villages. The issues that this raises is that whilst on paper the mix of properties overall will show one picture, the reality is that in specific areas it will be quite different. In our particular circumstance, the majority of our properties are 3 bedroom terraced or semis, and we have very few 2 and 4 bedroom houses. Within the town as a whole, it is the lack of smaller properties for both young and retired couples that prevents young couples starting in their own property, and older couples moving to more suitable accommodation, and freeing up 3 bedroom properties for those that need them. It isn't only the overall mix that is important, but also the mix in individual areas.	The housing mix proposed in this is a suggestion and the report acknowledges that the Council may wish to divert away from this profile in individual locations depending on the characteristics of the particular sites
Waveney & Yare Housing Association	Feel that the properties being produced by developers do not address local need but often to attract new people into the area, thus making the overall position for local people even worse.	This is a policy issue that is beyond the remit of this report.
Waveney & Yare Housing Association	The use of the lower income quartile for calculating the access points is appropriate. There are issues with poor accommodation and repairs not being carried out in the lowest quartile of the private rented sector.	Support for approach noted in report.
Waveney & Yare Housing Association	The affordability threshold of 30% in Waveney seems appropriate.	Response fed into the discussion on suitable affordability threshold.
Waveney & Yare Housing Association	The private rented sector should not be considered as a de facto source of affordable housing, the quality in insufficient and there is no incentive for properties to be improved.	Support for approach noted in report.
Waveney & Yare Housing Association	Waveney generally probably has closer links to Norwich than Ipswich, in both work and social aspects, so may need to be looked at slightly differently to many of the districts in Suffolk. Lowestoft may certainly have more in common with Great Yarmouth, whilst the market towns probably have similar issues to many others in Suffolk.	The boundary of the Housing Market Area has been adjusted since the first draft so that Waveney is considered a separate HMA to the other four authorities which form the Ipswich HMA.
Barton Wilmore on behalf of CEMEX UK Ltd	The appropriate threshold to use for the affordability test is a grey area as there is no up to date guidance on this. However, the 2007 CLG SHMA guidance recommended 25%. The effect of using a higher figure is obviously to reduce the level of affordable housing need. It would be prudent to undertake a sensitivity test, based on this lower percentage (if not done so already) to at least assess the magnitude of difference in the range.	Sensitivity testing of the affordability threshold has been included in the report.
Barton Wilmore on behalf of CEMEX UK Ltd	The private rented sector should not be considered as a de facto source of affordable housing.	Support for approach noted in report.

Barton Wilmore on behalf of CEMEX UK Ltd	The current reality of people under 35 living in shared accommodation is at least in part a result of the housing crisis. We know that household formation in this age group has deteriorated, and as such younger people are forced into a situation of living with friends and relatives – this, however, should be treated as a need rather than a desire, and is reflective of past levels of under delivery. As such, it is not appropriate to plan forward on the basis of this assumption.	Response fed into the discussion on suitability of this approach in report.
East Suffolk Contractor	When assessing numbers of people in housing need, include people in PRS who have excessive rents/paying more than 35% of their income.	This has been done where the data sources have enabled it.
East Suffolk Contractor	As a regular producer of work on housing need, can confirm that the Housing Register is still the best, immediate, easily accessible and up to date source of information we have about need and demand for affordable housing. It is likely to be an underestimate of the full need.	Note to this affect has been added to the report.
Infinity Architects	Presuming that single persons under 35 can be housed in a room in shared accommodation seems very prescriptive, however I do appreciate that a person would be considered under that category in reality if necessary.	Response fed into the discussion on suitability of this approach in report.
Infinity Architects	Agree that 35% is the correct affordability threshold to use	Response fed into the discussion on suitable affordability threshold.
Infinity Architects	Households in the private rented sector in need should be considered within the affordable housing need model	Support for approach noted in report.
Gladman	The assumptions made in relation to housing access points within the lower quartile are critical in ensuring that the government's agenda to improve affordability can be achieved – agree with the approach used	Support for approach noted in report.
Gladman	If assumptions are set at a rate that is not reflective of the realistic aspirations of young people, then it will be difficult for the plan makers to demonstrate that they are responding positively to future needs. It is therefore felt that the SHMA should be more realistic in its assumptions around the desire of those under 35 to live in single person households. Whilst there will be circumstances where young adults choose to share a property, if the assumption of those making this choice is set too high then the affordability of housing in the area will continue to be an issue for those who wish to live on their own. The Study should therefore include a sensitivity test whereby a percentage of single persons under 35 share accommodation while the remainder seek to purchase.	Further sensitivity testing has been added to Appendix A3
Gladman	The percentage of income spent on housing must be realistic to address existing issues of affordability in terms of both mortgage and rent payments. The suggestion that households will be expected to spend over a third of their income on housing cannot be considered as a positive response to the affordability problem. In order to reduce the housing affordability burden, Gladman request that the percentage of income on housing should be set at a lower rate than the 35% that has been suggested. A more responsive assumption would be within the range of 25% to 30%.	Response fed into the discussion on suitable affordability threshold.
Gladman	he use of the Private Rented Sector when supported by Housing Benefit (Local Housing Allowance) is not considered by Gladman to be a permanent solution for meeting the housing needs of households in need.	Support for approach noted in report.

Appendix 2. Further local authority-level detail on socio-economic situation

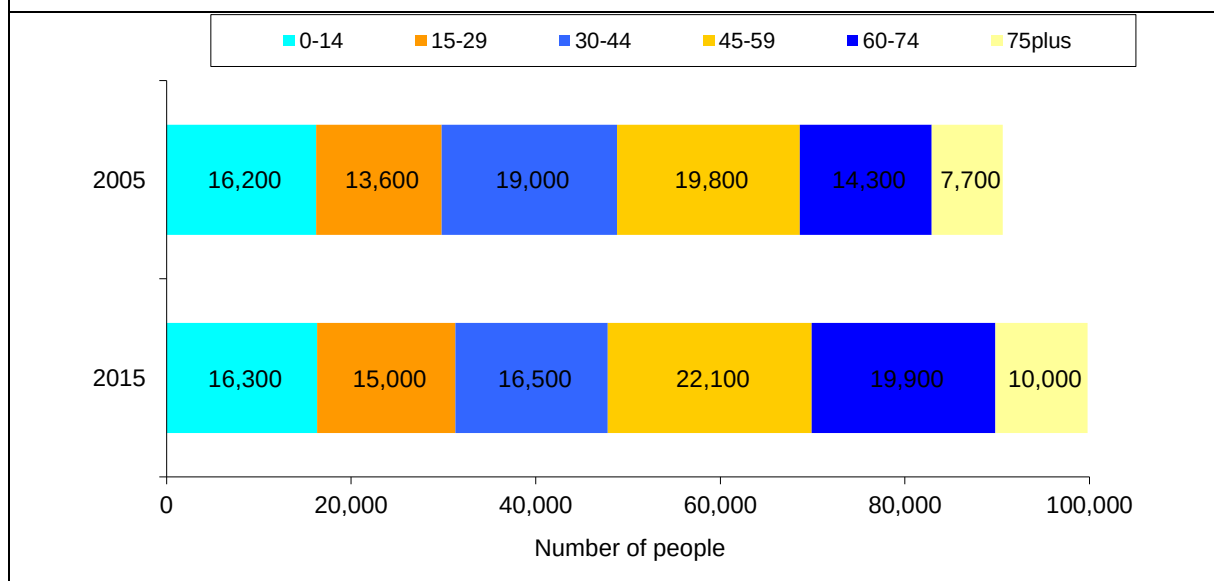


Source: ONS Population estimates, 2016



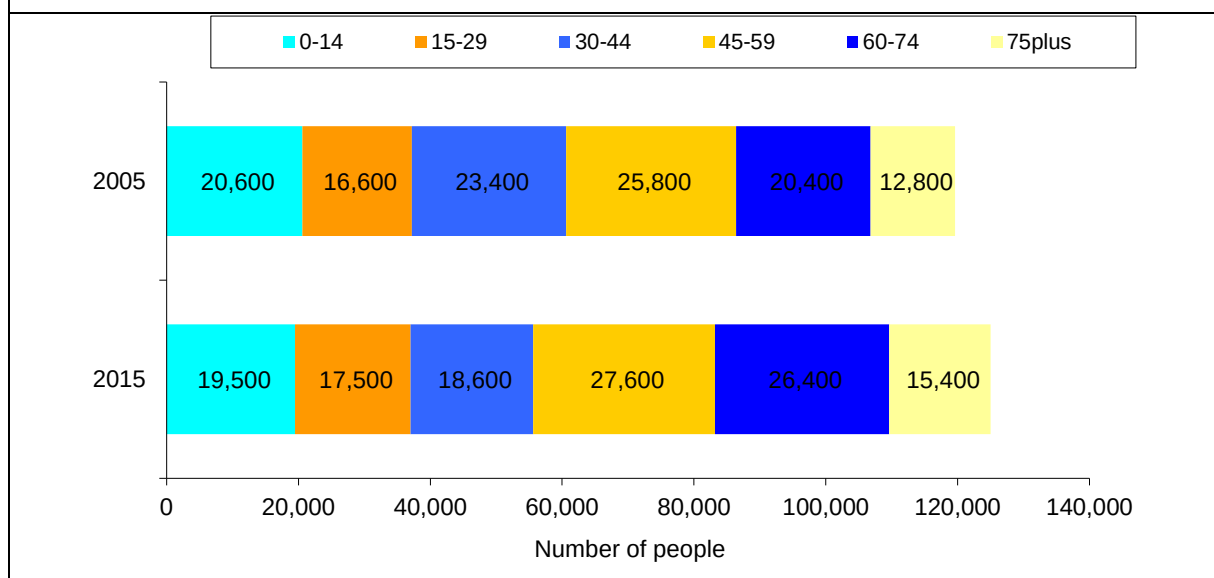
Source: ONS Population estimates, 2016

Figure 2.1e Population composition in Mid Suffolk (2005 and 2015)



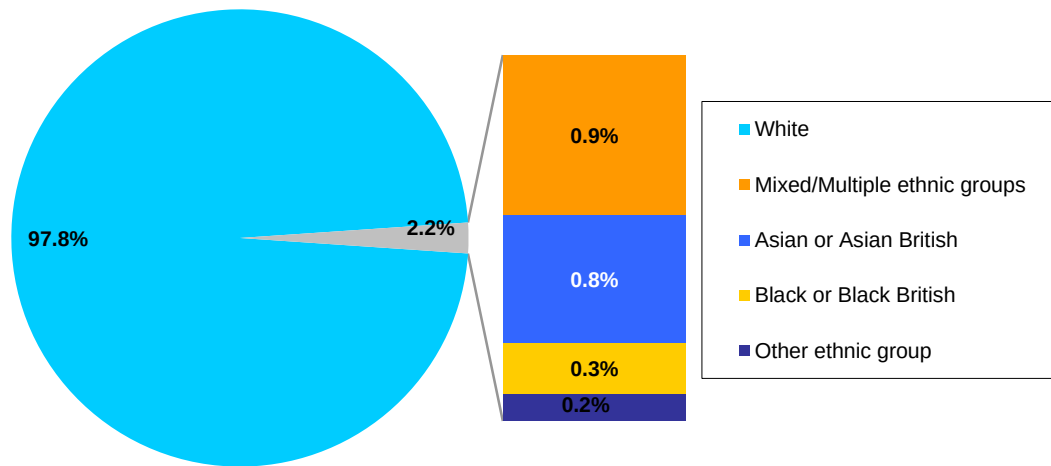
Source: ONS Population estimates, 2016

Figure 2.1f Population composition in Suffolk Coastal (2005 and 2015)



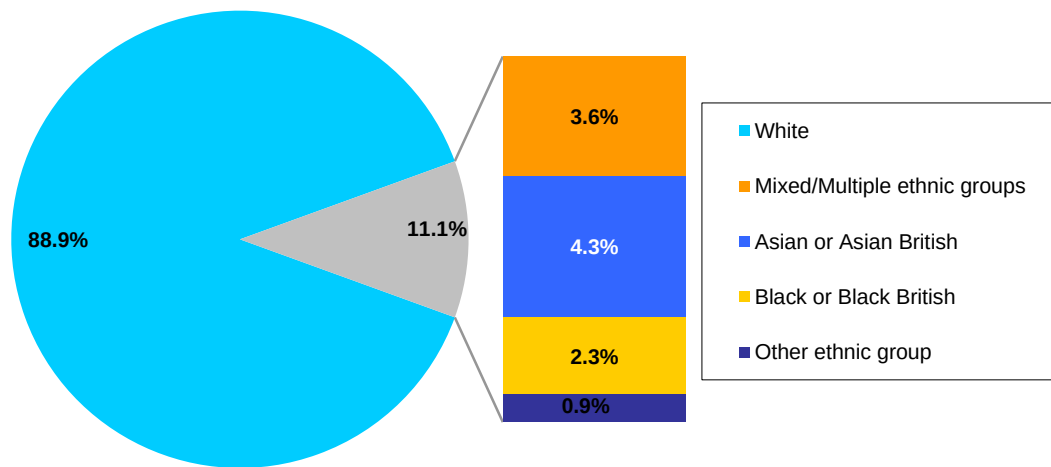
Source: ONS Population estimates, 2016

Figure 2.2c Ethnicity of Babergh population, 2011



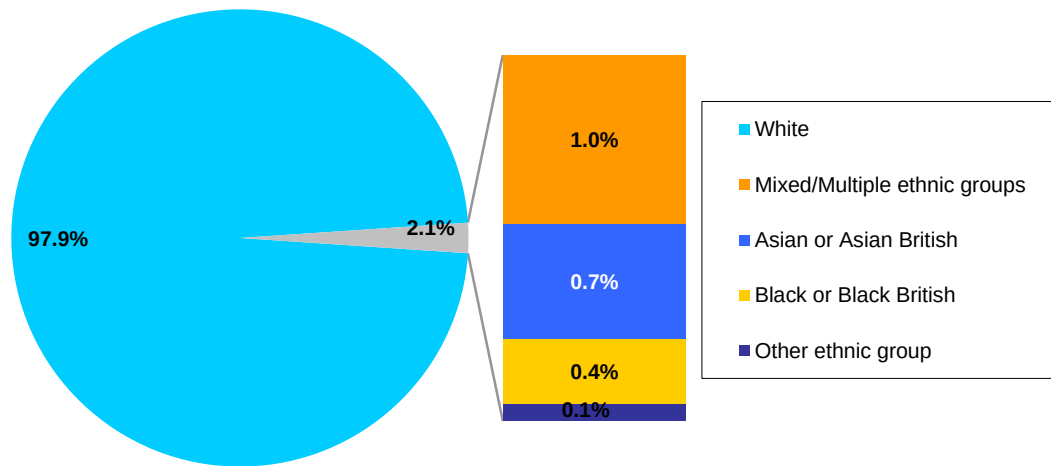
Source: 2011 Census

Figure 2.2d Ethnicity of Ipswich population, 2011



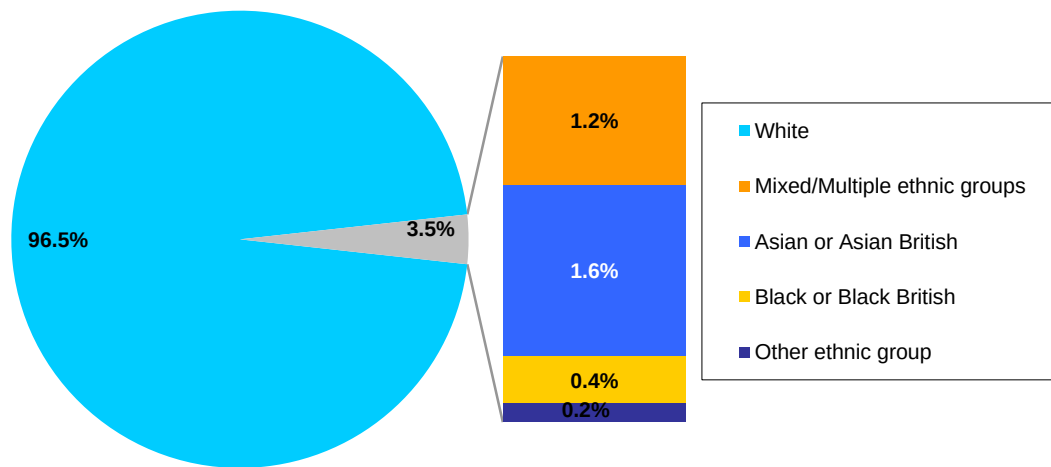
Source: 2011 Census

Figure 2.2e Ethnicity of Mid Suffolk population, 2011



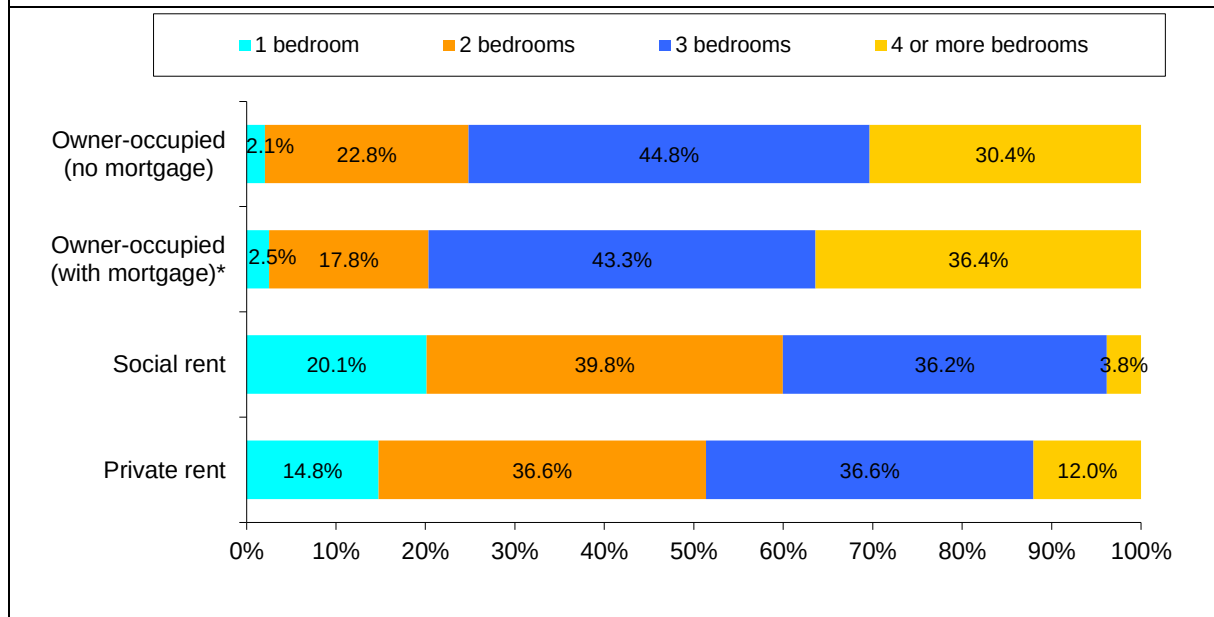
Source: 2011 Census

Figure 2.2f Ethnicity of Suffolk Coastal population, 2011



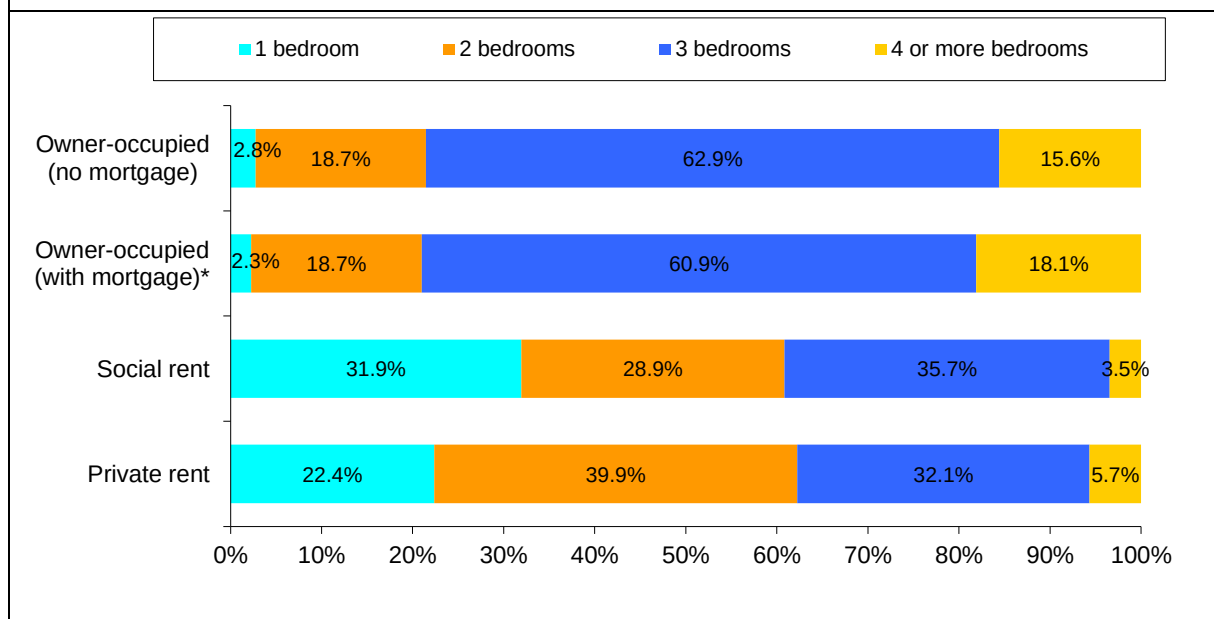
Source: 2011 Census

Figure 2.13c Dwelling size within each tenure in Babergh, 2011



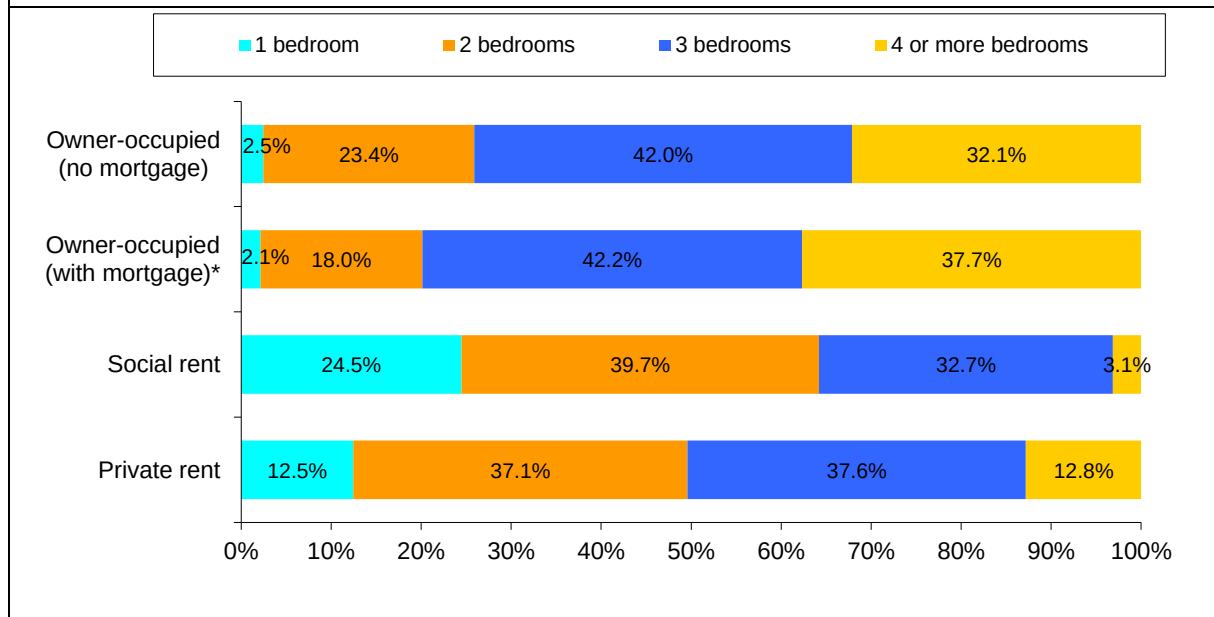
Source: 2011 Census *Includes Shared Ownership

Figure 2.13d Dwelling size within each tenure in Ipswich, 2011



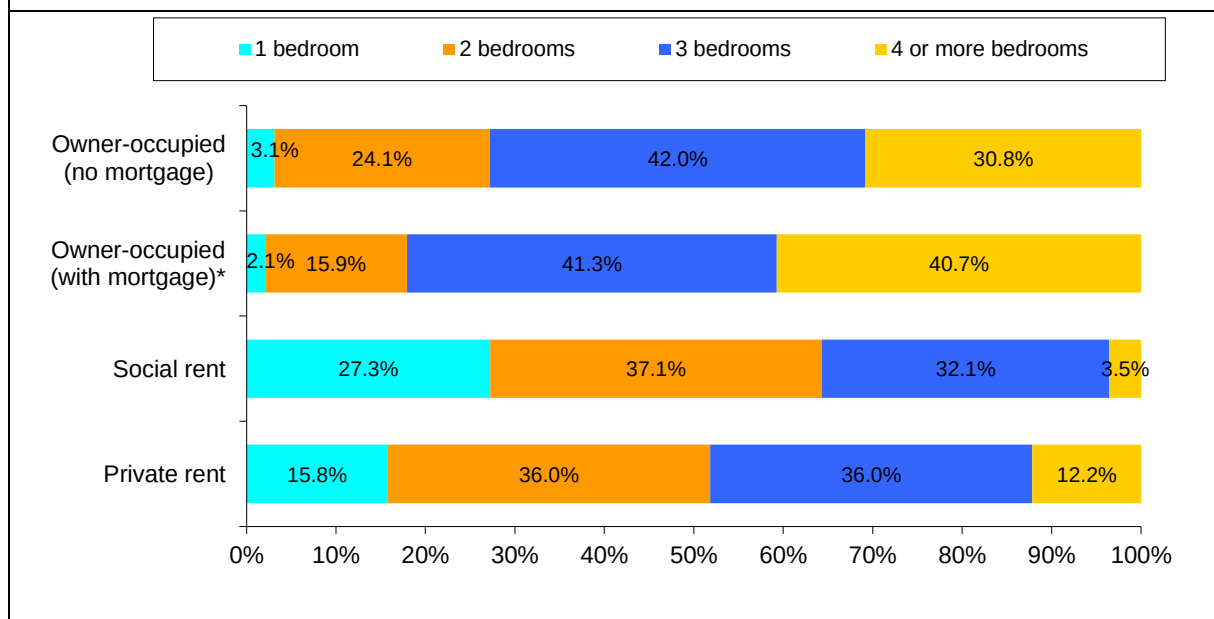
Source: 2011 Census *Includes Shared Ownership

Figure 2.13e Dwelling size within each tenure in Mid Suffolk, 2011



Source: 2011 Census *Includes Shared Ownership

Figure 2.13f Dwelling size within each tenure in Suffolk Coastal, 2011



Source: 2011 Census *Includes Shared Ownership

Appendix 3. Evidence to support assumptions used in report

The affordability threshold

As part of the process of identifying future needs for affordable housing, the Planning Practice Guidance (Paragraph: 024 Reference ID: 2a-024-20140306) states that planning authorities should ‘identify the minimum household income required to access lower quartile (entry level) market housing (plan makers should use current cost in this process, but may wish to factor in changes in house prices and wages)’. Current cost can be identified as the percentage of household income spent on housing in the local market at the time of the assessment. This can be assessed through both a quantitative and qualitative analysis of the local housing market. The results of this analysis are presented below for both the Ipswich and Waveney HMAs.

Quantitative analysis

A comparison of the median private rent across each authority within both HMAs as ascertained from the housing market price survey (set out in Figure 3.11 and 3.12) with the median household income in the private rented sector within each authority (using the CACI income profiles summarised in Figure 2.9) shows that on average households in the tenure in Babergh spend 39.1% of the household income on rent, with households in the tenure in Ipswich spending 36.4% on average, those in Mid-Suffolk spending 37.7% on average, those in Suffolk Coastal spending 35.7% on average and those in Waveney spending 31.1% on average. When lower quartile household incomes in the private rented sector are compared to lower quartile rents it can be seen that households at this level in Babergh typically spend 49.0% of their income on rent, with equivalent households in Ipswich spending 43.9%, equivalent households in Mid-Suffolk spending 47.1%, equivalent households in Suffolk Coastal spending 43.8% and these households in Waveney spending 37.7%.

Qualitative research

The affordability thresholds in operation in the market have also been substantiated through discussions with letting agents and mortgage brokers about the workings of the local market⁶⁴. Landlords want to let property at a rent that the tenant can afford so to avoid the expense of recovering rent arrears, evictions and re-letting, and lenders want to avoid the expensive repossession process. Both go to some length to ensure properties are affordable to the tenants or occupiers. Letting agents use credit reference agencies (such as Experian) and lenders require potential borrowers to fill out very detailed forms on all aspects of a household's expenditure.

⁶⁴ 11 agents dealing in lettings were spoken to across the HMA. We tried to speak with at least 4 operating in each authority, some did not want to engage and others were able to comment on more than one area within an individual office.

The comments from letting agents were varied (some did not wish to engage). It was clear that multi person households (either living as couples or just together) spend a relatively greater proportion of their income on housing and that for larger properties this may be over 50%. The letting agents considered this to be affordable – because the household afforded it (as evidenced by the fact that they do not fall into arrears). Lower down the market, at the level we are considering (i.e. the lower quartile point) the general feedback was in the range of 30% to 40% of gross household income was affordable.

This evidence indicated that the lower quartile figures derived from the quantitative analysis would be too high to base the affordability test on and that the median figures are more appropriate. The median figures were then rounded down to the nearest 5% to better match the qualitative information and ensure the affordability thresholds used were not above average.

This analysis leads to the baseline approach used in the report - that the affordability test in the affordable housing need model is based on the cost of housing constituting no more than 30% of gross household income in the Waveney HMA and 35% in the Ipswich HMA. These thresholds reflect current typical market practice in the local area as evidenced by both the quantitative and qualitative housing market research.

Whilst it may appear awkward to use a different threshold for the Waveney HMA than for the Ipswich HMA, it is clear that the private rented sector in Waveney has a substantially different role in the District, with over half (50.1%) of households in the tenure supported by Local Housing Allowance. In comparison, the proportion of households receiving LHA in the private rented sector in all the other authorities is less than a quarter (20.2% in Babergh, 20.8% in Ipswich 23.9% in Mid-Suffolk and 24.9% in Suffolk Coastal). This means it is harder for local households to afford private rents in Waveney and a lower threshold to the other authorities is therefore appropriate.

Stakeholder advice

The stakeholder consultation workshops⁶⁵ held on 14th October 2016 provided an opportunity to test that this position reflected the local knowledge of developers, agents and landowners operating in the area. Over 80 stakeholders attended the event (held over two sessions) in which the draft findings of the study were presented and the key assumptions used in the modelling were discussed. The affordability threshold was one of the key assumptions on which feedback was particularly sought. In both sessions, the responses received did not indicate that the thresholds proposed do not reflect the way in which the market currently operates.

Furthermore, of the nine subsequent consultation responses that were submitted by stakeholders at the end of this process, only one indicated that the affordability thresholds should be set lower than proposed. In the other eight, the thresholds were considered

⁶⁵ Detailed in Appendix A1 of the report.

accurate, were not commented on or the respondent did not consider they had sufficient knowledge to comment. Notably, the two responses received from Registered Providers supported the use of the 35% threshold.

Other studies

There are several studies looking at affordability at a national level that suggest a range of affordability thresholds are appropriate ranging from 25% to 40%:

- According to Social Housing (How to assess the affordability of rents, 26 August 2015), 30%-35% of gross income, or 40%-45% of net income, is common.
- We have reviewed the Retail Price Index (RPI) Basket – this is the basket of goods that the ONS base the RPI on. The weighting for rent has increased from 47 in 2001 to 83 in 2016. This is a 57% increase, meaning (in broad terms) that people are generally spending more of their income on rent than they used to. Over the same period the cost of nearly everything else has fallen. The rental weight includes all rents – including social, affordable and market rents. The RPI includes all households in all tenures so is averaged across all – so each basket not only contains rent, but also mortgages and recognises some households own their houses outright.
- The Government's Money Advice Service suggests that on average families require a minimum income of £18,180 after tax including a housing cost component of £8,028 or 44% of total costs.
- According to Shelter, households spending any more than 35% of their net household income on their housing costs are at risk of having to cut back on other essentials (food, clothing, heating, energy consumption etc.) or falling into debt/arrears.
- Research published by the Resolution Foundation suggests that a third of disposable income should be spent on housing costs.
- According to the English Housing Survey (EHS) 2014/15, on average, those buying their home with a mortgage spend 19% of their net income on mortgage payments, whereas rent payments were (on average) 31% of the net income for social renters, and 43% of the net income for private renters. Excluding housing benefit, the average proportion of net income spent on rent was 42% for social renters and 52% for private renters.
- The Housing White Paper notes that across the country, more than 2.2 million working households with below-average incomes spend a third or more of their disposable income on housing. This means they have less money to spend on other things every month, and are unable to put anything aside to get together the sums needed for a deposit.

Conclusion

The report however is not trying to judge what is affordable, but reflect how the market currently operates as per the Planning Practice Guidance - it presents a policy-off assessment

of the level of affordable housing need. The market analysis presented above clearly shows that the current threshold in the Ipswich HMA is 35% whilst in the Waveney HMA it is 30%

We include within the report the results of the model when alternative affordability thresholds are used to be transparent about the consequences of using this position, however the qualitative and quantitative data obtained from the market indicates that the baseline current position is as described. This conclusion has been supported by the response of local stakeholders.

Single person households under 35

Paragraph 3.12 of the report indicates that shared accommodation is considered as appropriate accommodation for single person household 35 or under. This reflects the market reality in the HMA currently. The Census (Table LC1109EW - Household composition by age by sex) indicates that 7.2% of adults aged 34 or under in the Ipswich HMA in 2011 lived as a single person household – 92.8% form part of a larger household with other people⁶⁶. The data source indicates that in the Waveney HMA 5.8% of adults aged 34 or under lived as a single person household – 94.2% form part of a larger household with other people⁶⁷. Therefore, the assumption that it is reasonable to expect those under 35 that can afford to share a home to actually do this, corresponds with the current behaviour of this group and that the appropriate market boundary for under 35s is shared accommodation rather than a one-bedroom home.

There was a range of opinions provided from stakeholders as to whether this assumption is appropriate, even though it was broadly acknowledged that it does reflect the housing market reality, and it was agreed that the affordable housing need model results would also be presented whereby single person households under 35 are tested for their ability to afford a one bedroom market home. This section will therefore consider the impact of varying this assumption on the overall requirement for affordable housing.

Table A3.1 profiles the number of single person households under 35 identified as being potentially in need each year within the affordable housing need model. This group is then disaggregated between those that can afford a one bedroom market home (indicated as the row in bold in the table), those able to afford a shared room in the private rented sector (the italicised row in the table) and those unable to afford any of these options (the underlined row in the table).

The household totals in bold are definitely not in housing need as they can afford a market solution. The underlined household totals are definitely in housing need as they cannot afford any form of market solution. For the purpose of this report, we have presumed that households

⁶⁶ Further interrogation of the data reveals that 96.6% of adults aged 24 or under form part of a larger household, with the same true for 89.5% of those aged 25 to 34.

⁶⁷ Further interrogation of the data reveals that 96.8% of adults aged 24 or under form part of a larger household, with the same true for 91.6% of those aged 25 to 34.

in the italicised row are not in need as they could afford a market solution. However, if it were determined that all single person households under 35 unable to afford one bedroom market accommodation can be considered in need, it would mean there would be 486 single person households under 35 that require affordable housing each year across the Ipswich HMA (as opposed to the 194 households presumed in the model currently). This increases the overall annual need for new affordable units across the Ipswich HMA to 795 (from 503). Similarly, if all single person households under 35 unable to afford one bedroom market accommodation were considered in need, it would mean there would be 138 single person households under 35 that require affordable housing each year across the Waveney HMA (as opposed to the 64 households presumed in the model currently). This increases the overall annual need for new affordable units across the Waveney HMA to 282 (from 208).

Table A3.1 Understanding the affordability of single under 35 year olds (figures represent annual number of households)						
	<i>Babergh</i>	<i>Ipswich</i>	<i>Mid Suffolk</i>	<i>Suffolk Coastal</i>	<i>The Ipswich HMA</i>	<i>The Waveney HMA</i>
All single person households under 35	143	349	169	215	876	234
Able to afford a one bedroom market home	70	135	80	105	390	95
<i>Able to afford a shared room in the private rented sector*</i>	46	133	51	62	292	74
<u>In need of affordable housing</u>	<u>27</u>	<u>81</u>	<u>38</u>	<u>48</u>	<u>194</u>	<u>64</u>

Understanding the affordability of newly forming households

All of the single person households under 35 that have been assigned to shared accommodation within the model (as demonstrated in the table above) are newly forming households. To better understand the characteristics of these households, it is useful to analyse the whole cohort of newly forming households. The table below shows the number of households the model estimates will form each year, split by broad household type and age of household head. The table shows that 45.5% of single person households under 35 suitable for a shared accommodation are aged 24 or under, 32.1% are aged between 25 and 29 and 14.1% are aged 30 or over.

The table also sets out how many of each of these household groups are able to afford market accommodation of an appropriate size. The table for example shows that there are 622 couple households with a household reference person aged between 25 and 29 projected to form within the study area each year. Of these, 429 (68.9%) would be able to afford a one bedroom market home and 193 (31.1%) would require affordable housing.

The table also shows that newly forming 'other' households are most likely to be able to afford suitable market accommodation, followed by newly forming couple households. Newly forming

households with children are the least likely to be able to afford a market home. Similarly, the data shows that the older the household reference person of the newly forming household is, the more likely they are to be able to afford market accommodation – some 81.9% of all newly forming households aged 35 or over can afford a market home of a suitable size compared to 65.2% of all newly forming households aged 24 or under (these figures include shared accommodation for single person households under 35 as a market solution).

Table A3.2 Affordability profile of newly forming households in the two HMAs by age and household type (figures represent annual number of households)						
<i>Household type</i>	<i>Affordability solution</i>	<i>Age of household reference person</i>				
		<i>24 or under</i>	<i>25 to 29</i>	<i>30 to 34</i>	<i>35 or over</i>	<i>Total</i>
<i>Single person households</i>	<i>Afford 1 bedroom home</i>	112	257	116	230	716
	<i>Afford shared accommodation</i>	161	176	29	-	366
	<i>Requires affordable housing</i>	81	115	62	92	351
<i>Couple households</i>	<i>Afford 1 bedroom home</i>	235	429	215	157	1036
	<i>Requires affordable housing</i>	148	193	30	8	379
<i>Households with children*</i>	<i>Afford market accommodation</i>	103	192	135	118	549
	<i>Requires affordable housing</i>	116	145	48	13	322
<i>Other households*</i>	<i>Afford market accommodation</i>	152	164	24	9	349
	<i>Requires affordable housing</i>	63	51	6	1	121

*Requires a two, three or four bedroom home depending on characteristics of household.

Appendix 4. Local authority-level results for the type and tenure of future housing needed

Babergh

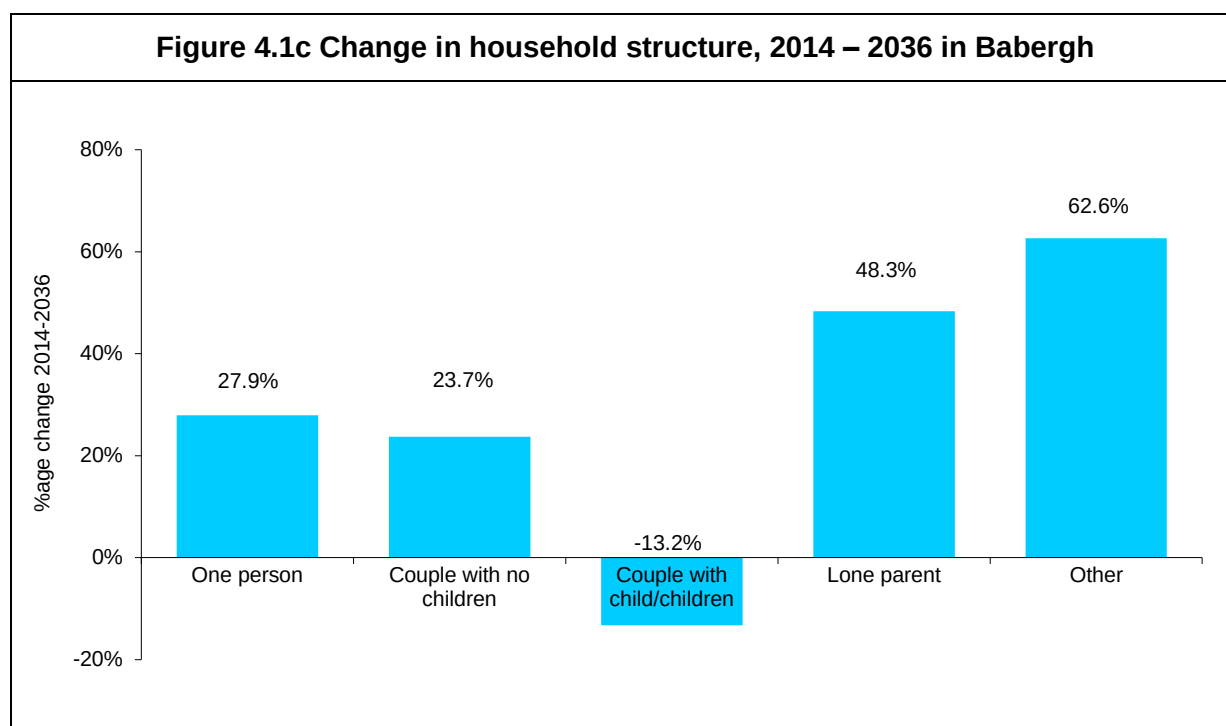
Demographic projections

The household and population projections associated with the Objectively Assessed Need calculation presented in the Part 1 Study have been further disaggregated into different household groups. The table below sets out the number of households that will be resident in Babergh in 2036 disaggregated by broad household type. The current (2014) household profile is also presented as a reference point.

Table 4.1c Projected household population in 2036 by household type in Babergh				
<i>Household type</i>	<i>2014 Number</i>	<i>2014 Percentage</i>	<i>2036 Number</i>	<i>2036 Percentage</i>
One person	11,062	28.8%	14,149	30.8%
Couple with no children	12,929	33.6%	15,994	34.8%
Couple with child/children	9,582	24.9%	8,314	18.1%
Lone parent	3,040	7.9%	4,508	9.8%
Other*	1,863	4.8%	3,030	6.6%
Total	38,475	100.0%	45,995	100.0%

*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups.

The figure below indicates the change in these household types that will occur between 2014 and 2036. The figure indicates that the number of 'other' households are expected to increase the most in Babergh (albeit from a low base), followed by lone parent households. Couples with children are projected to fall in number.



Tenure of housing required

The table below shows the projected tenure profile for Babergh in 22 years' time. The current tenure is also set out for context. The data shows that in 2036 the housing stock in Babergh should comprise 70.4% owner-occupied accommodation, 14.8% private rented homes, 1.4% Shared Ownership properties and 13.4% Social Rented/Affordable Rented housing.

Table 4.2c Current tenure and tenure profile projected in 2036 in Babergh				
<i>Tenure</i>	<i>Current tenure (2014)</i>		<i>Projected tenure (2036)</i>	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
Owner-occupied	27,535	71.6%	32,366	70.4%
Private rented	5,569	14.5%	6,821	14.8%
Shared Ownership	163	0.4%	652	1.4%
Social Rent/Affordable Rent	5,208	13.5%	6,157	13.4%
Total	38,475	100.0%	45,995	100.0%

The table below shows the tenure profile required by households resident in Babergh in 22 years' time in comparison to the tenure profile recorded currently. The difference between these two distributions is the change required to the housing stock over this period. The results show that 64.2% of new housing should be owner-occupied, 16.6% private rented, 6.5% should be Shared Ownership and 12.6% Social Rent/Affordable Rent.

Table 4.3c Tenure of new accommodation required in Babergh over the next 22 years				
<i>Tenure</i>	<i>Current tenure profile</i>	<i>Tenure profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
Owner-occupied	27,535	32,366	4,831	64.2%
Private rent	5,569	6,821	1,252	16.6%
Shared Ownership	163	652	489	6.5%
Social Rent/Affordable Rented	5,208	6,157	949	12.6%
Total	38,475	45,995	7,520	100.0%

The analysis of the likely cost profile of discount home ownership/Starter Homes in Babergh, set out in Chapter 3, concludes that this product is most likely to be suitable for households that would otherwise reside in the private rented sector. The approach to modelling the potential demand for this product over the plan period, described in Chapter 4, identifies that between 2014 and 2036 there would be a potential demand for 455 discount home ownership dwellings in Babergh. This figure is therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 455 discount home ownership dwellings identified using this process should be treated as an indicative figure.

The model is able to also provide detail on the size of new homes required within each tenure, as is set out in the section below.

Size of housing required within each market tenure

The table below presents the size of owner-occupied accommodation required in Babergh in 22 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented.

Table 4.4c Size of new owner-occupied accommodation required in Babergh over the next 22 years				
<i>Size of home</i>	<i>Current size profile</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	601	1,151	549	11.4%
Two bedrooms	5,294	6,614	1,320	27.3%
Three bedrooms	11,993	13,621	1,627	33.7%
Four or more bedrooms	9,646	10,980	1,334	27.6%
Total	27,535	32,366	4,831	100.0%

This analysis can be repeated for private rented housing and is presented in the table below.

Table 4.5c Size of new private rented accommodation required in Babergh over the next 22 years				
<i>Size of home</i>	<i>Current size profile</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	828	1,055	227	18.1%
Two bedrooms	2,024	2,381	357	28.5%
Three bedrooms	2,048	2,398	349	27.9%
Four or more bedrooms	669	987	319	25.4%
Total	5,569	6,821	1,252	100.0%

The table below sets out the equivalent analysis for Shared Ownership housing.

Table 4.6c Size of new Shared Ownership accommodation required in Babergh over the next 22 years				
<i>Size of home</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	35	161	126	25.7%
Two bedroom	62	234	172	35.1%
Three bedroom	54	202	148	30.2%
Four or more bedrooms	12	56	44	9.0%
Total	163	652	489	100.0%

The table below shows the size of accommodation required in the Affordable Rented/Social Rented sector.

Table 4.7c Size of new Social Rent/Affordable Rent required in Babergh over the next 22 years				
<i>Size of home</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	1,027	1,319	292	30.7%
Two bedroom	2,183	2,403	219	23.1%
Three bedroom	1,874	2,074	200	21.1%
Four or more bedrooms	124	362	238	25.1%
Total	5,208	6,157	949	100.0%

The table below shows the size of discount home ownership/Starter Homes that would be potentially demanded should this product become available to house some households that

would otherwise reside in the private rented sector. The residual private rented requirement, once the potential demand from households for this alternative product has been deducted, is also set out in the table.

Table 4.8c Potential demand for discount home ownership/Starter Homes in Babergh over the next 22 years by size		
<i>Dwelling size</i>	<i>Discount home ownership/Starter Homes</i>	<i>Residual private rented homes</i>
One bedroom	107	120
Two bedroom	144	213
Three bedroom	137	213
Four or more bedrooms	67	251
Total	455	797

Ipswich

Demographic projections

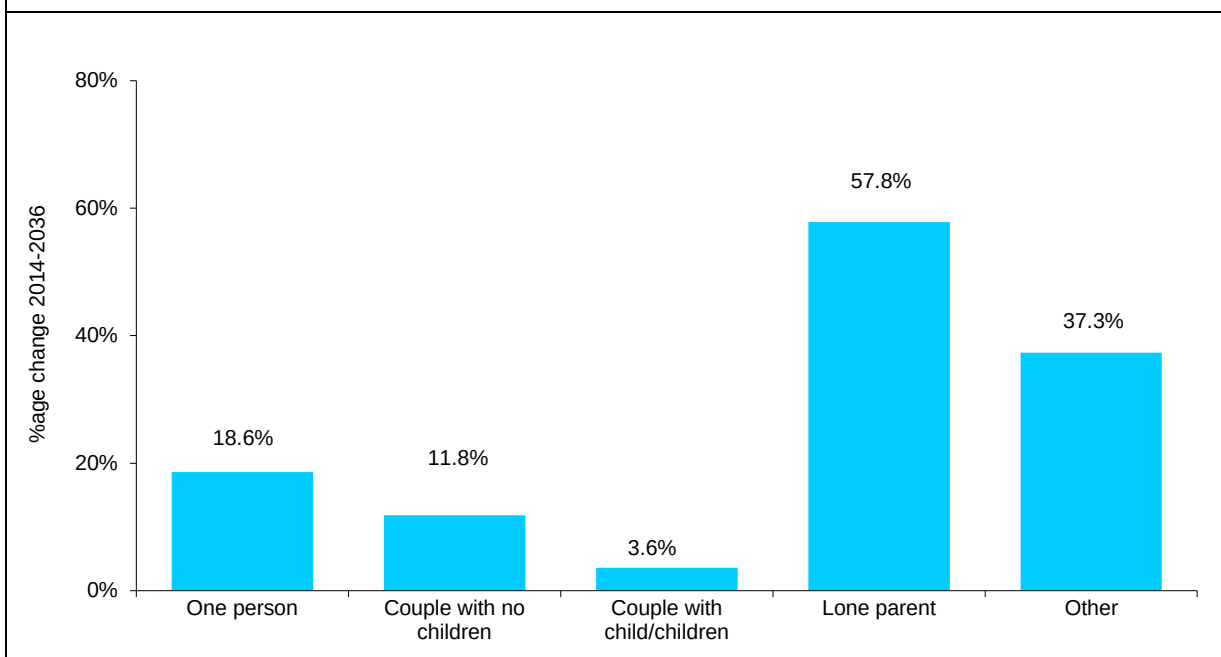
The household and population projections associated with the Objectively Assessed Need calculation presented in the Part 1 Study have been further disaggregated into different household groups. The table below sets out the number of households that will be resident in Ipswich in 2036 disaggregated by broad household type. The current (2014) household profile is also presented as a reference point.

Table 4.1d Projected household population in 2036 by household type in Ipswich				
<i>Household type</i>	<i>2014 Number</i>	<i>2014 Percentage</i>	<i>2036 Number</i>	<i>2036 Percentage</i>
One person	18,801	32.2%	22,299	32.1%
Couple with no children	14,353	24.5%	16,052	23.1%
Couple with child/children	14,798	25.3%	15,326	22.1%
Lone parent	6,598	11.3%	10,412	15.0%
Other*	3,925	6.7%	5,391	7.8%
Total	58,475	100.0%	69,480	100.0%

*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups.

The figure below indicates the change in these household types that will occur between 2014 and 2036. The figure indicates that the number of lone parent households are expected to increase the most in Ipswich, followed by 'other' households. Couples with children are projected to record the smallest increase.

Figure 4.1d Change in household structure, 2014 – 2036 in Ipswich



Tenure of housing required

The table below shows the projected tenure profile for Ipswich in 22 years' time. The current tenure is also set out for context. The data shows that in 2036 the housing stock in Ipswich should comprise 52.7% owner-occupied accommodation, 24.7% private rented homes, 1.3% Shared Ownership properties and 21.4% Social Rented/Affordable Rented housing.

Table 4.2d Current tenure and tenure profile projected in 2036 in Ipswich				
<i>Tenure</i>	<i>Current tenure (2014)</i>		<i>Projected tenure (2036)</i>	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
Owner-occupied	31,364	53.6%	36,609	52.7%
Private rented	14,072	24.1%	17,130	24.7%
Shared Ownership	350	0.6%	903	1.3%
Social Rent/Affordable Rent	12,689	21.7%	14,838	21.4%
Total	58,475	100.0%	69,480	100.0%

The table below shows the tenure profile required by households resident in Ipswich in 22 years' time in comparison to the tenure profile recorded currently. The difference between these two distributions is the change required to the housing stock over this period. The results show that 47.7% of new housing should be owner-occupied, 27.8% private rented, 5.0% should be Shared Ownership and 19.5% Social Rent/Affordable Rent.

Table 4.3d Tenure of new accommodation required in Ipswich over the next 22 years

<i>Tenure</i>	<i>Current tenure profile</i>	<i>Tenure profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
Owner-occupied	31,364	36,609	5,245	47.7%
Private rent	14,072	17,130	3,058	27.8%
Shared Ownership	350	903	553	5.0%
Social Rent/Affordable Rented	12,689	14,838	2,149	19.5%
Total	58,475	69,480	11,005	100.0%

The analysis of the likely cost profile of discount home ownership/Starter Homes in Ipswich, set out in Chapter 3, concludes that this product is most likely to be suitable for households that would otherwise reside in the private rented sector. The approach to modelling the potential demand for this product over the plan period, described in Chapter 4, identifies that between 2014 and 2036 there would be a potential demand for 1,075 discount home ownership dwellings in Ipswich. This figure is therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 1,075 discount home ownership dwellings identified using this process should be treated as an indicative figure.

The model is able to also provide detail on the size of new homes required within each tenure, as is set out in the section below.

Size of housing required within each market tenure

The table below presents the size of owner-occupied accommodation required in Ipswich in 22 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented.

Table 4.4d Size of new owner-occupied accommodation required in Ipswich over the next 22 years

<i>Size of home</i>	<i>Current size profile</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	880	1,316	436	8.3%
Two bedrooms	5,915	6,909	994	19.0%
Three bedrooms	18,805	21,142	2,338	44.6%
Four or more bedrooms	5,764	7,242	1,477	28.2%
Total	31,364	36,609	5,245	100.0%

This analysis can be repeated for private rented housing and is presented in the table below.

Table 4.5d Size of new private rented accommodation required in Ipswich over the next 22 years				
<i>Size of home</i>	<i>Current size profile</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	3,246	3,876	630	20.6%
Two bedrooms	5,793	6,929	1,136	37.2%
Three bedrooms	4,236	4,915	679	22.2%
Four or more bedrooms	797	1,410	613	20.0%
Total	14,072	17,130	3,058	100.0%

The table below sets out the equivalent analysis for Shared Ownership housing.

Table 4.6d Size of new Shared Ownership accommodation required in Ipswich over the next 22 years				
<i>Size of home</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	67	203	136	24.7%
Two bedroom	134	291	157	28.5%
Three bedroom	112	289	177	32.0%
Four or more bedrooms	37	119	82	14.8%
Total	350	903	553	100.0%

The table below shows the size of accommodation required in the Affordable Rented/Social Rented sector.

Table 4.7d Size of new Social Rent/Affordable Rent required in Ipswich over the next 22 years				
<i>Size of home</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	4,058	4,553	494	23.0%
Two bedroom	3,799	4,472	673	31.3%
Three bedroom	4,556	4,971	415	19.3%
Four or more bedrooms	276	842	566	26.3%
Total	12,689	14,838	2,149	100.0%

The table below shows the size of discount home ownership/Starter Homes that would be potentially demanded should this product become available to house some households that

would otherwise reside in the private rented sector. The residual private rented requirement, once the potential demand from households for this alternative product has been deducted, is also set out in the table.

Table 4.8d Potential demand for discount home ownership/Starter Homes in Ipswich over the next 22 years by size		
<i>Dwelling size</i>	<i>Discount home ownership/Starter Homes</i>	<i>Residual private rented homes</i>
One bedroom	294	336
Two bedroom	297	839
Three bedroom	322	357
Four or more bedrooms	162	451
Total	1,075	1,983

Mid Suffolk

Demographic projections

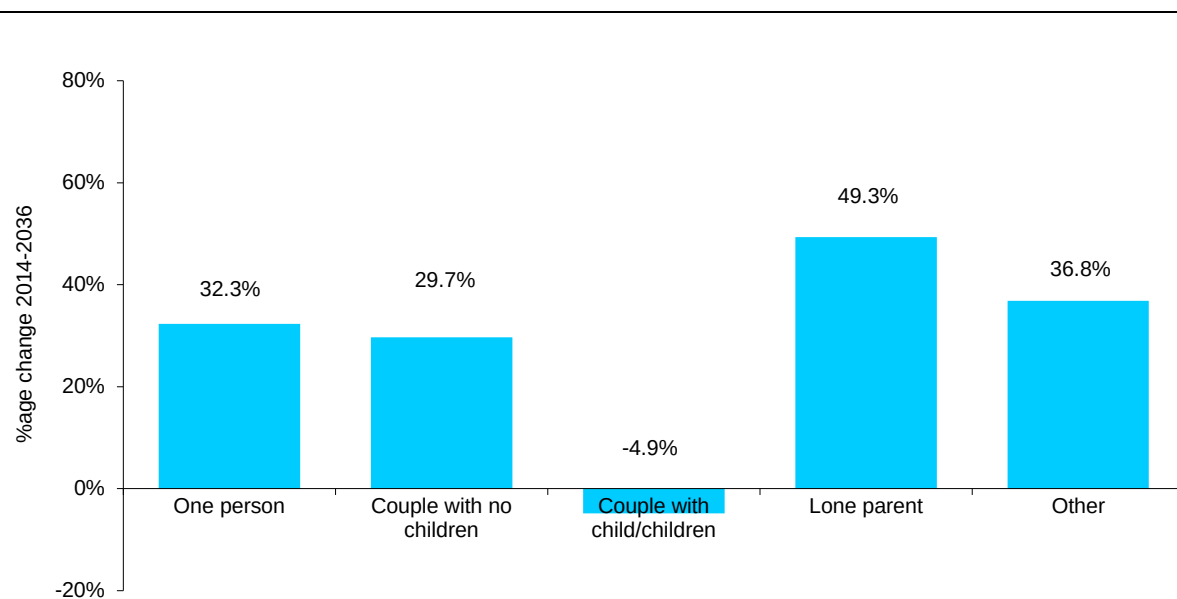
The household and population projections associated with the Objectively Assessed Need calculation presented in the Part 1 Study have been further disaggregated into different household groups. The table below sets out the number of households that will be resident in Mid Suffolk in 2036 disaggregated by broad household type. The current (2014) household profile is also presented as a reference point.

Table 4.1e Projected household population in 2036 by household type in Mid Suffolk				
<i>Household type</i>	<i>2014 Number</i>	<i>2014 Percentage</i>	<i>2036 Number</i>	<i>2036 Percentage</i>
One person	10,808	25.8%	14,304	27.8%
Couple with no children	14,778	35.2%	19,164	37.2%
Couple with child/children	11,369	27.1%	10,816	21.0%
Lone parent	3,207	7.6%	4,790	9.3%
Other*	1,773	4.2%	2,426	4.7%
Total	41,935	100.0%	51,500	100.0%

*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups.

The figure below indicates the change in these household types that will occur between 2014 and 2036. The figure indicates that the number of lone parent households are expected to increase the most in Mid Suffolk, followed by 'other' households. Couples with children are projected to fall in number.

Figure 4.1e Change in household structure, 2014 – 2036 in Mid Suffolk



Tenure of housing required

The table below shows the projected tenure profile for Mid Suffolk in 22 years' time. The current tenure is also set out for context. The data shows that in 2036 the housing stock in Mid Suffolk should comprise 74.3% owner-occupied accommodation, 12.8% private rented homes, 1.5% Shared Ownership properties and 11.3% Social Rented/Affordable Rented housing.

Table 4.2e Current tenure and tenure profile projected in 2036 in Mid Suffolk

Tenure	Current tenure (2014)		Projected tenure (2036)	
	Number	Percentage	Number	Percentage
Owner-occupied	31,837	75.9%	38,268	74.3%
Private rented	5,142	12.3%	6,616	12.8%
Shared Ownership	292	0.7%	775	1.5%
Social Rent/Affordable Rent	4,664	11.1%	5,841	11.3%
Total	41,935	100.0%	51,500	100.0%

The table below shows the tenure profile required by households resident in Mid Suffolk in 22 years' time in comparison to the tenure profile recorded currently. The difference between these two distributions is the change required to the housing stock over this period. The results show that 67.2% of new housing should be owner-occupied, 15.4% private rented, 5.1% should be Shared Ownership and 12.3% Social Rent/Affordable Rent.

Table 4.3e Tenure of new accommodation required in Mid Suffolk over the next 22 years				
<i>Tenure</i>	<i>Current tenure profile</i>	<i>Tenure profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
Owner-occupied	31,837	38,268	6,431	67.2%
Private rent	5,142	6,616	1,474	15.4%
Shared Ownership	292	775	483	5.1%
Social Rent/Affordable Rented	4,664	5,841	1,177	12.3%
Total	41,935	51,500	9,565	100.0%

The analysis of the likely cost profile of discount home ownership/Starter Homes in Mid Suffolk, set out in Chapter 3, concludes that this product is most likely to be suitable for households that would otherwise reside in the private rented sector. The approach to modelling the potential demand for this product over the plan period, described in Chapter 4, identifies that between 2014 and 2036 there would be a potential demand for 478 discount home ownership dwellings in Mid Suffolk. This figure is therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 478 discount home ownership dwellings identified using this process should be treated as an indicative figure.

The model is able to also provide detail on the size of new homes required within each tenure, as is set out in the section below.

Size of housing required within each market tenure

The table below presents the size of owner-occupied accommodation required in Mid Suffolk in 22 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented.

Table 4.4e Size of new owner-occupied accommodation required in Mid Suffolk over the next 22 years				
<i>Size of home</i>	<i>Current size profile</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	706	1,196	490	7.6%
Two bedrooms	6,177	8,151	1,974	30.7%
Three bedrooms	13,219	15,229	2,010	31.3%
Four or more bedrooms	11,735	13,692	1,957	30.4%
Total	31,837	38,268	6,431	100.0%

This analysis can be repeated for private rented housing and is presented in the table below.

Table 4.5e Size of new private rented accommodation required in Mid Suffolk over the next 22 years				
<i>Size of home</i>	<i>Current size profile</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	658	970	311	21.1%
Two bedrooms	1,938	2,394	456	31.0%
Three bedrooms	1,864	2,271	408	27.6%
Four or more bedrooms	682	981	299	20.3%
Total	5,142	6,616	1,474	100.0%

The table below sets out the equivalent analysis for Shared Ownership housing.

Table 4.6e Size of new Shared Ownership accommodation required in Mid Suffolk over the next 22 years				
<i>Size of home</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	62	193	131	27.2%
Two bedroom	91	251	160	33.1%
Three bedroom	106	235	129	26.7%
Four or more bedrooms	33	96	63	13.1%
Total	292	775	483	100.0%

The table below shows the size of accommodation required in the Affordable Rented/Social Rented sector.

Table 4.7e Size of new Social Rent/Affordable Rent required in Mid Suffolk over the next 22 years				
<i>Size of home</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	1,188	1,453	265	22.5%
Two bedroom	1,866	2,156	290	24.6%
Three bedroom	1,545	1,818	273	23.2%
Four or more bedrooms	64	413	349	29.7%
Total	4,664	5,841	1,177	100.0%

The table below shows the size of discount home ownership/Starter Homes that would be potentially demanded should this product become available to house some households that

would otherwise reside in the private rented sector. The residual private rented requirement, once the potential demand from households for this alternative product has been deducted, is also set out in the table.

Table 4.8e Potential demand for discount home ownership/Starter Homes in Mid Suffolk over the next 22 years by size		
<i>Dwelling size</i>	<i>Discount home ownership/Starter Homes</i>	<i>Residual private rented homes</i>
One bedroom	108	203
Two bedroom	163	294
Three bedroom	144	264
Four or more bedrooms	64	235
Total	478	996

Suffolk Coastal

Demographic projections

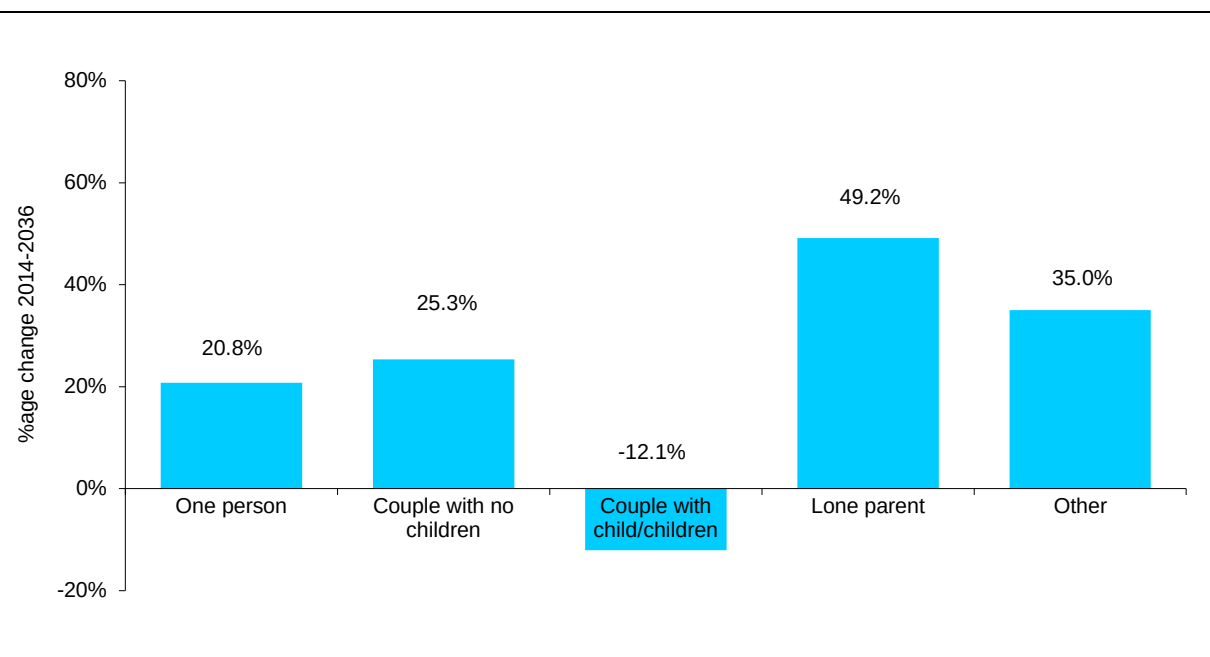
The household and population projections associated with the Objectively Assessed Need calculation presented in the Part 1 Study have been further disaggregated into different household groups. The table below sets out the number of households that will be resident in Suffolk Coastal in 2036 disaggregated by broad household type. The current (2014) household profile is also presented as a reference point.

Table 4.1f Projected household population in 2036 by household type in Suffolk Coastal				
<i>Household type</i>	<i>2014 Number</i>	<i>2014 Percentage</i>	<i>2036 Number</i>	<i>2036 Percentage</i>
One person	16,027	29.4%	19,358	30.3%
Couple with no children	18,594	34.1%	23,305	36.5%
Couple with child/children	13,467	24.7%	11,839	18.5%
Lone parent	4,166	7.6%	6,214	9.7%
Other*	2,326	4.3%	3,140	4.9%
Total	54,580	100.0%	63,855	100.0%

*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups.

The figure below indicates the change in these household types that will occur between 2014 and 2036. The figure indicates that the number of lone parent households are expected to increase the most in Suffolk Coastal, followed by 'other' households. Couples with children are projected to fall in number.

Figure 4.1f Change in household structure, 2014 – 2036 in Suffolk Coastal



Tenure of housing required

The table below shows the projected tenure profile for Suffolk Coastal in 22 years' time. The current tenure is also set out for context. The data shows that in 2036 the housing stock in Suffolk Coastal should comprise 72.6% owner-occupied accommodation, 14.7% private rented homes, 1.1% Shared Ownership properties and 11.6% Social Rented/Affordable Rented housing.

Table 4.2f Current tenure and tenure profile projected in 2036 in Suffolk Coastal

Tenure	Current tenure (2014)		Projected tenure (2036)	
	Number	Percentage	Number	Percentage
Owner-occupied	40,327	73.9%	46,372	72.6%
Private rented	7,902	14.5%	9,400	14.7%
Shared Ownership	102	0.2%	689	1.1%
Social Rent/Affordable Rent	6,249	11.4%	7,394	11.6%
Total	54,580	100.0%	63,855	100.0%

The table below shows the tenure profile required by households resident in Suffolk Coastal in 22 years' time in comparison to the tenure profile recorded currently. The difference between these two distributions is the change required to the housing stock over this period. The results show that 65.2% of new housing should be owner-occupied, 16.1% private rented, 6.3% should be Shared Ownership and 12.3% Social Rent/Affordable Rent.

Table 4.3f Tenure of new accommodation required in Suffolk Coastal over the next 22 years				
<i>Tenure</i>	<i>Current tenure profile</i>	<i>Tenure profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
Owner-occupied	40,327	46,372	6,045	65.2%
Private rent	7,902	9,400	1,497	16.1%
Shared Ownership	102	689	587	6.3%
Social Rent/Affordable Rented	6,249	7,394	1,145	12.3%
Total	54,580	63,855	9,275	100.0%

The analysis of the likely cost profile of discount home ownership/Starter Homes in Suffolk Coastal, set out in Chapter 3, concludes that this product is most likely to be suitable for households that would otherwise reside in the private rented sector. The approach to modelling the potential demand for this product over the plan period, described in Chapter 4, identifies that between 2014 and 2036 there would be a potential demand for 642 discount home ownership dwellings in Suffolk Coastal. This figure is therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 642 discount home ownership dwellings identified using this process should be treated as an indicative figure.

The model is able to also provide detail on the size of new homes required within each tenure, as is set out in the section below.

Size of housing required within each market tenure

The table below presents the size of owner-occupied accommodation required in Suffolk Coastal in 22 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented.

Table 4.4f Size of new owner-occupied accommodation required in Suffolk Coastal over the next 22 years				
<i>Size of home</i>	<i>Current size profile</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	1,062	1,658	596	9.9%
Two bedrooms	7,809	9,620	1,812	30.0%
Three bedrooms	16,462	18,399	1,938	32.1%
Four or more bedrooms	14,995	16,695	1,699	28.1%
Total	40,327	46,372	6,045	100.0%

This analysis can be repeated for private rented housing and is presented in the table below.

Table 4.5f Size of new private rented accommodation required in Suffolk Coastal over the next 22 years				
<i>Size of home</i>	<i>Current size profile</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	1,281	1,564	282	18.9%
Two bedrooms	2,875	3,351	476	31.8%
Three bedrooms	2,776	3,218	442	29.5%
Four or more bedrooms	971	1,267	296	19.8%
Total	7,902	9,400	1,497	100.0%

The table below sets out the equivalent analysis for Shared Ownership housing.

Table 4.6f Size of new Shared Ownership accommodation required in Suffolk Coastal over the next 22 years				
<i>Size of home</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	18	129	111	18.8%
Two bedroom	41	245	204	34.8%
Three bedroom	32	222	190	32.4%
Four or more bedrooms	11	93	82	14.0%
Total	102	689	587	100.0%

The table below shows the size of accommodation required in the Affordable Rented/Social Rented sector.

Table 4.7f Size of new Social Rent/Affordable Rent required in Suffolk Coastal over the next 22 years				
<i>Size of home</i>	<i>Current size profile (2014)</i>	<i>Size profile 2036</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	1,716	1,957	241	21.0%
Two bedroom	2,309	2,532	223	19.5%
Three bedroom	2,103	2,303	201	17.5%
Four or more bedrooms	121	602	481	42.0%
Total	6,249	7,394	1,145	100.0%

The table below shows the size of discount home ownership/Starter Homes that would be potentially demanded should this product become available to house some households that

would otherwise reside in the private rented sector. The residual private rented requirement, once the potential demand from households for this alternative product has been deducted, is also set out in the table.

Table 4.8f Potential demand for discount home ownership/Starter Homes in Suffolk Coastal over the next 22 years by size		
<i>Dwelling size</i>	<i>Discount home ownership/Starter Homes</i>	<i>Residual private rented homes</i>
One bedroom	162	120
Two bedroom	205	272
Three bedroom	188	254
Four or more bedrooms	87	210
Total	642	855

Appendix 5. Local authority-level results for affordable housing need model

Babergh

Estimate of net annual housing need

Table 5.10c sets out the total need for affordable housing of 73 per year across Babergh. Paragraph 5.29 and 5.30 describe how the figures in the table are used to produce this total.

Table 5.10c Results of the affordable housing needs model in Babergh	
Stage in calculation	
Stage 1: Current unmet gross need for affordable housing (Total)	476 (+)
Stage 2: Newly arising affordable housing need (Annual)	339 (+)
Stage 3: Current affordable housing supply (Total)	349 (-)
Stage 4: Future housing supply (Annual)	272 (-)
Stage 5.1 Net current need (Stage 1- Stage 3) (Total)	128
Stage 5.2 Annualise net current need (Stage 5.1/22) (Annual)	6
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	73
Total gross annual need (Stage 1/20 + Stage 2) (Annual)	362 (+)
Total gross annual supply (Stage 3/20 + Stage 4) (Annual)	289 (-)

Overall households in affordable housing need by type (gross)

The table below gives a breakdown of the gross annual households in need, by household type in Babergh. The table shows that some 3.9% of 'other' households are in housing need compared to 0.2% of one person households. Overall, couple with children households comprise 29.9% of all households in need.

Table 5.11c Annual need requirement by household type in Babergh					
<i>Household type</i>	<i>Need requirement</i>				
	<i>No. of h'holds in need (gross)</i>	<i>Not in need</i>	<i>Total Number of h'holds</i>	<i>% of h'hold type in need</i>	<i>As a % of those in need</i>
One person	22	11,272	11,294	0.2%	6.0%
Couple with no children	79	13,165	13,244	0.6%	21.8%
Couple with child/children	108	9,374	9,482	1.1%	29.9%
Lone parent	78	2,985	3,064	2.6%	21.7%
Other	75	1,861	1,936	3.9%	20.6%
Total	362	38,658	39,020	0.9%	100.0%

Size of accommodation required

The table below shows the size of accommodation required by households in housing need in Babergh. The last column in the table presents the supply as a percentage of need. This is calculated by dividing the estimated supply of the property size by the derived need for that property size. The lower the figure produced, the more acute the need for affordable accommodation in the area, as the current supply is unlikely to meet the identified need.

The table suggests that there is a net need for all sizes of accommodation with the biggest net requirement for four bedroom dwellings. The final column shows that the need relative to supply is the greatest for four bedroom homes. Households in need requiring three bedroom accommodation are most likely to have their need met from the current supply. The gross need is largest for two and one bedroom affordable homes, but the supply of this accommodation is also greater than the supply of other dwellings. It should be noted that this profile of affordable accommodation required to meet those in housing need does not completely reflect the situation as experienced by the Council currently - with the Council recording a larger requirement for one bedroom affordable homes.

Table 5.12c Size of additional units required to meet housing need in Babergh

Size of home	Need requirement				
	Gross annual need	Gross annual supply	Net annual need	As a % of total net annual need	Supply as a % of gross need
One bedroom	101	91	10	14.2%	89.8%
Two bedrooms	145	129	16	22.3%	88.8%
Three bedrooms	74	67	7	9.5%	90.6%
Four or more bedrooms	42	3	39	54.0%	6.6%
Total	362	289	73	100.0%	79.9%

Type of affordable home required

As discussed in Chapter 3, a range of affordable products is available to meet affordable housing need in Babergh. As the relative cost of each product is not always the same (for example in some instances Shared Ownership housing with a 25% equity share is more expensive than Intermediate Rent, but in other cases the reverse is true) each product is tested individually. The table below illustrates how many households in affordable housing need in Babergh are able to afford the different affordable products. Several intermediate options are affordable to some households so the table presents the maximum number of households able to afford each product. Households can therefore be included in more than one row. The only exception is the final row which includes only households unable to afford a product more expensive than Social Rent. The Social Rented group also includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside.

The table shows that of the 362 households in gross need each year in Babergh, 4.1% could afford Shared Ownership with a 40% share, 21.5% could afford Shared Ownership with a 25% share, 19.3% could afford Intermediate Rent and 43.3% could afford Affordable Rent. Overall some 54.2% of households in affordable housing need can only afford Social Rent or require support. These figures are based on the products being available at the costs set out in Chapter 3.

Table 5.13c Size and type of affordable home required by those in need (per annum) in Babergh						
<i>Product</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>	<i>Total (number)</i>	<i>Total (%)</i>
Shared Ownership – 40% equity share	15	0	0	0	15	4.1%
Shared Ownership – 25% equity share	48	27	0	3	78	21.5%
Intermediate rent	15	32	17	6	70	19.3%
Affordable Rent	39	66	35	17	157	43.3%
Social Rent/requires assistance	53	79	39	25	196	54.2%
All households	101	145	74	42	362	100.0%

Sensitivity analysis - affordability threshold

The results presented in this chapter are based on using an affordability test where the cost of housing can constitute up to 35% of gross income and still be affordable. The impact of adjusting this affordability threshold is considered in the table below, which details the results of the PPG affordable housing need model across Babergh where the cost of housing could constitute no more than 25% and 30% of gross household income, rather than 35% used in the standard model.

Table 5.14c Impact of different affordability assumptions on affordable housing requirement in Babergh			
	<i>Rent payable constitutes no more than:</i>		
	<i>35% of gross household income</i>	<i>30% of gross household income</i>	<i>25% of gross household income</i>
Stage 1: Current gross need	476	591	700
Stage 2: Newly arising need	339	410	481
Stage 3: Current supply	349	400	472
Stage 4: Future supply	272	272	272
Stage 5.1 Net current need	128	191	228
Stage 5.2 Annual net current need	6	10	11
Stage 5.3 Total annual need	73	147	220

The table indicates that the net requirement would increase from 73 to 147 affordable homes per year in Babergh if 30% of gross household income could be spent on housing costs. This would increase further to 220 affordable homes per year if 25% of income could be spent on housing costs.

Ipswich

Estimate of net annual housing need

Table 5.10d sets out the total need for affordable housing of 239 per year across Ipswich. Paragraph 5.29 and 5.30 describe how the figures in the table are used to produce this total.

Table 5.10d Results of the affordable housing needs model in Ipswich	
Stage in calculation	
Stage 1: Current unmet gross need for affordable housing (Total)	1,733 (+)
Stage 2: Newly arising affordable housing need (Annual)	943 (+)
Stage 3: Current affordable housing supply (Total)	1,040 (-)
Stage 4: Future housing supply (Annual)	738 (-)
Stage 5.1 Net current need (Stage 1- Stage 3) (Total)	693
Stage 5.2 Annualise net current need (Stage 5.1/20) (Annual)	35
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	239
Total gross annual need (Stage 1/20 + Stage 2) (Annual)	1,029 (+)
Total gross annual supply (Stage 3/20 + Stage 4) (Annual)	790 (-)

Overall households in affordable housing need by type (gross)

The table below gives a breakdown of the gross annual households in need, by household type in Ipswich. The table shows that some 4.3% of lone parent households are in housing need compared to 0.8% one person households. Overall, lone parent person households comprise 28.2% of all households in need.

Table 5.11d Annual need requirement by household type in Ipswich					
<i>Household type</i>	<i>Need requirement</i>				
	<i>No. of h'holds in need (gross)</i>	<i>Not in need</i>	<i>Total Number of h'holds</i>	<i>% of h'hold type in need</i>	<i>As a % of those in need</i>
One person	145	18,858	19,003	0.8%	14.1%
Couple with no children	183	14,270	14,453	1.3%	17.8%
Couple with child/children	283	14,762	15,045	1.9%	27.5%
Lone parent	290	6,527	6,818	4.3%	28.2%
Other	129	3,914	4,042	3.2%	12.5%
Total	1,029	58,331	59,360	1.7%	100.0%

Size of accommodation required

The table below shows the size of accommodation required by households in housing need in Ipswich. The last column in the table presents the supply as a percentage of need. This is calculated by dividing the estimated supply of the property size by the derived need for that property size. The lower the figure produced, the more acute the need for affordable accommodation in the area, as the current supply is unlikely to meet the identified need.

The table suggests that there is a net need for all sizes of affordable housing whilst and that the largest net need is for two bedroom homes, followed by four bedroom accommodation. The final column shows that the need relative to supply is the greatest for four bedroom homes. Households in need requiring one bedroom accommodation are most likely to have their need met from the current supply. The gross need is largest for two and one bedroom affordable homes, but the supply of this accommodation is also greater than the supply of other dwellings. It should be noted that this profile of affordable accommodation required to meet those in housing need does not completely reflect the situation as experienced by the Council currently - with the Council recording a larger requirement for one bedroom affordable homes.

Table 5.12d Size of additional units required to meet housing need in Ipswich					
Size of home	Need requirement				
	Gross annual need	Gross annual supply	Net annual need	As a % of total net annual need	Supply as a % of gross need
One bedroom	328	310	18	7.5%	94.5%
Two bedrooms	423	315	108	45.3%	74.3%
Three bedrooms	181	149	32	13.4%	82.3%
Four or more bedrooms	97	16	81	33.8%	16.6%
Total	1,029	790	239	100.0%	76.7%

Type of affordable home required

As discussed in Chapter 3, a range of affordable products is available to meet affordable housing need in Ipswich. As the relative cost of each product is not always the same (for example in some instances Shared Ownership housing with a 25% equity share is more expensive than Intermediate Rent, but in other cases the reverse is true) each product is tested individually. The table below illustrates how many households in affordable housing need in Ipswich are able to afford the different affordable products. Several intermediate options are affordable to some households so the table presents the maximum number of households able to afford each product. Households can therefore be included in more than one row. The only exception is the final row which includes only households unable to afford a product more expensive than Social Rent. The Social Rented group also includes those

unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside.

The table shows that of the 1,029 households in gross need each year in Ipswich, 14.5% could afford Shared Ownership with a 40% share, 37.8% could afford Shared Ownership with a 25% share, 16.8% could afford Intermediate Rent and 48.7% could afford Affordable Rent. Overall some 47.0% of households in affordable housing need can only afford Social Rent or require support. These figures are based on the products being available at the costs set out in Chapter 3.

Table 5.13d Size and type of affordable home required by those in need (per annum) in Ipswich						
<i>Product</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>	<i>Total (number)</i>	<i>Total (%)</i>
Shared Ownership – 40% equity share	72	69	7	1	149	14.5%
Shared Ownership – 25% equity share	174	134	50	31	389	37.8%
Intermediate rent	56	57	46	14	173	16.8%
Affordable Rent	129	198	102	72	501	48.7%
Social Rent/requires assistance	154	225	79	25	483	47.0%
All households	328	423	181	97	1,029	100.0%

Sensitivity analysis - affordability threshold

The results presented in this chapter are based on using an affordability test where the cost of housing can constitute up to 35% of gross income and still be affordable. The impact of adjusting this affordability threshold is considered in the table below, which details the results of the PPG affordable housing need model across Ipswich where the cost of housing could constitute no more than 25% and 30% of gross household income, rather than 35% used in the standard model.

Table 5.14d Impact of different affordability assumptions on affordable housing requirement in Ipswich			
	<i>Rent payable constitutes no more than:</i>		
	<i>35% of gross household income</i>	<i>30% of gross household income</i>	<i>25% of gross household income</i>
Stage 1: Current gross need	1,733	1,975	2,235
Stage 2: Newly arising need	943	1,084	1,244
Stage 3: Current supply	1,040	1,100	1,190
Stage 4: Future supply	738	738	738
Stage 5.1 Net current need	693	875	1,045
Stage 5.2 Annual net current need	35	44	52
Stage 5.3 Total annual need	239	390	559

The table indicates that the net requirement would increase from 239 to 390 affordable homes per year in Ipswich if 30% of gross household income could be spent on housing costs. This would increase further to 559 affordable homes per year if 25% of income could be spent on housing costs.

Mid Suffolk

Estimate of net annual housing need

Table 5.10e sets out the total need for affordable housing of 97 per year across Mid Suffolk. Paragraph 5.29 and 5.30 describe how the figures in the table are used to produce this total.

Table 5.10e Results of the affordable housing needs model in Mid Suffolk	
Stage in calculation	
Stage 1: Current unmet gross need for affordable housing (Total)	429 (+)
Stage 2: Newly arising affordable housing need (Annual)	358 (+)
Stage 3: Current affordable housing supply (Total)	360 (-)
Stage 4: Future housing supply (Annual)	265 (-)
Stage 5.1 Net current need (Stage 1- Stage 3) (Total)	69
Stage 5.2 Annualise net current need (Stage 5.1/20) (Annual)	3
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	97
Total gross annual need (Stage 1/20 + Stage 2) (Annual)	380 (+)
Total gross annual supply (Stage 3/20 + Stage 4) (Annual)	283 (-)

Overall households in affordable housing need by type (gross)

The table below gives a breakdown of the gross annual households in need, by household type in Mid Suffolk. The table shows that some 4.5% of 'other' households are in housing need compared to 0.5% of one person households. Overall, couple only households comprise 23.2% of all households in need.

Table 5.11e Annual need requirement by household type in Mid Suffolk					
<i>Household type</i>	<i>Need requirement</i>				
	<i>No. of h'holds in need (gross)</i>	<i>Not in need</i>	<i>Total Number of h'holds</i>	<i>% of h'hold type in need</i>	<i>As a % of those in need</i>
One person	54	11,052	11,105	0.5%	14.1%
Couple with no children	88	15,156	15,244	0.6%	23.2%
Couple with child/children	84	11,275	11,359	0.7%	22.0%
Lone parent	71	3,203	3,274	2.2%	18.7%
Other	83	1,760	1,843	4.5%	21.9%
Total	380	42,445	42,825	0.9%	100.0%

Size of accommodation required

The table below shows the size of accommodation required by households in housing need in Mid Suffolk. The last column in the table presents the supply as a percentage of need. This is calculated by dividing the estimated supply of the property size by the derived need for that property size. The lower the figure produced, the more acute the need for affordable accommodation in the area, as the current supply is unlikely to meet the identified need.

The table suggests that there is a net need for all size of affordable housing, with the largest net need for four bedroom homes, followed by one bedroom accommodation. The final column shows that the need relative to supply is the greatest for four bedroom homes. Households in need requiring two bedroom accommodation are most likely to have their need met from the current supply. The gross need is largest for one and two bedroom affordable homes, but the supply of this accommodation is also greater than the supply of other dwellings. It should be noted that this profile of affordable accommodation required to meet those in housing need does not completely reflect the situation as experienced by the Council currently - with the Council recording a larger requirement for one bedroom affordable homes.

Table 5.12e Size of additional units required to meet housing need in Mid Suffolk					
Size of home	Need requirement				
	Gross annual need	Gross annual supply	Net annual need	As a % of total net annual need	Supply as a % of gross need
One bedroom	142	103	38	39.7%	72.9%
Two bedrooms	126	122	5	4.8%	96.3%
Three bedrooms	68	56	12	12.8%	81.8%
Four or more bedrooms	44	2	41	42.8%	5.0%
Total	380	283	97	100.0%	74.5%

Type of affordable home required

As discussed in Chapter 3, a range of affordable products is available to meet affordable housing need in Mid Suffolk. As the relative cost of each product is not always the same (for example in some instances Shared Ownership housing with a 25% equity share is more expensive than Intermediate Rent, but in other cases the reverse is true) each product is tested individually. The table below illustrates how many households in affordable housing need in Mid Suffolk are able to afford the different affordable products. Several intermediate options are affordable to some households so the table presents the maximum number of households able to afford each product. Households can therefore be included in more than one row. The only exception is the final row which includes only households unable to afford a product more expensive than Social Rent. The Social Rented group also includes those

unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside.

The table shows that of the 3,486 households in gross need each year in Mid Suffolk, 6.1% could afford Shared Ownership with a 40% share, 17.6% could afford Shared Ownership with a 25% share, 17.9% could afford Intermediate Rent and 42.7% could afford Affordable Rent. Overall some 56.5% of households in affordable housing need can only afford Social Rent or require support. These figures are based on the products being available at the costs set out in Chapter 3.

Table 5.13e Size and type of affordable home required by those in need (per annum) in Mid Suffolk						
<i>Product</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>	<i>Total (number)</i>	<i>Total (%)</i>
Shared Ownership – 40% equity share	23	0	0	0	23	6.1%
Shared Ownership – 25% equity share	45	21	0	1	67	17.6%
Intermediate rent	25	26	15	2	68	17.9%
Affordable Rent	58	47	29	28	162	42.7%
Social Rent/requires assistance	84	79	39	13	215	56.5%
All households	142	126	68	44	380	100.0%

Sensitivity analysis - affordability threshold

The results presented in this chapter are based on using an affordability test where the cost of housing can constitute up to 35% of gross income and still be affordable. The impact of adjusting this affordability threshold is considered in the table below, which details the results of the PPG affordable housing need model across Mid Suffolk where the cost of housing could constitute no more than 25% and 30% of gross household income, rather than 35% used in the standard model.

Table 5.14e Impact of different affordability assumptions on affordable housing requirement in Mid Suffolk			
	<i>Rent payable constitutes no more than:</i>		
	<i>35% of gross household income</i>	<i>30% of gross household income</i>	<i>25% of gross household income</i>
Stage 1: Current gross need	429	579	729
Stage 2: Newly arising need	358	451	545
Stage 3: Current supply	360	387	450
Stage 4: Future supply	265	265	265
Stage 5.1 Net current need	69	192	279
Stage 5.2 Annual net current need	3	10	14
Stage 5.3 Total annual need	97	196	293

The table indicates that the net requirement would increase from 97 to 196 affordable homes per year in Mid Suffolk if 30% of gross household income could be spent on housing costs. This would increase further to 293 affordable homes per year if 25% of income could be spent on housing costs.

Suffolk Coastal

Estimate of net annual housing need

Table 5.10f sets out the total need for affordable housing of 94 per year across Suffolk Coastal. Paragraph 5.29 and 5.30 describe how the figures in the table are used to produce this total.

Table 5.10f Results of the affordable housing needs model in Suffolk Coastal	
Stage in calculation	
Stage 1: Current unmet gross need for affordable housing (Total)	603 (+)
Stage 2: Newly arising affordable housing need (Annual)	500 (+)
Stage 3: Current affordable housing supply (Total)	550 (-)
Stage 4: Future housing supply (Annual)	408 (-)
Stage 5.1 Net current need (Stage 1- Stage 3) (Total)	53
Stage 5.2 Annualise net current need (Stage 5.1/20) (Annual)	3
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	94
Total gross annual need (Stage 1/20 + Stage 2) (Annual)	530 (+)
Total gross annual supply (Stage 3/20 + Stage 4) (Annual)	436 (-)

Overall households in affordable housing need by type (gross)

The table below gives a breakdown of the gross annual households in need, by household type in Suffolk Coastal. The table shows that some 4.7% of 'other' households are in housing need compared to 0.6% of single person and couple only households. Overall, couple only households comprise 22.9% of all households in need.

Table 5.11f Annual need requirement by household type in Suffolk Coastal					
<i>Household type</i>	<i>Need requirement</i>				
	<i>No. of h'holds in need (gross)</i>	<i>Not in need</i>	<i>Total Number of h'holds</i>	<i>% of h'hold type in need</i>	<i>As a % of those in need</i>
One person	101	16,141	16,242	0.6%	19.0%
Couple with no children	122	18,856	18,978	0.6%	22.9%
Couple with child/children	116	13,256	13,371	0.9%	21.8%
Lone parent	82	4,136	4,218	1.9%	15.4%
Other	110	2,261	2,371	4.7%	20.8%
Total	530	54,650	55,180	1.0%	100.0%

Size of accommodation required

The table below shows the size of accommodation required by households in housing need in Suffolk Coastal. The last column in the table presents the supply as a percentage of need. This is calculated by dividing the estimated supply of the property size by the derived need for that property size. The lower the figure produced, the more acute the need for affordable accommodation in the area, as the current supply is unlikely to meet the identified need.

The table suggests that there is a net need for one, two and four bedroom affordable housing whilst there is a surplus of three bedroom homes. The largest net need is for four bedroom homes, followed by one bedroom accommodation. The final column shows that the need relative to supply is the greatest for four bedroom homes. Households in need requiring three bedroom accommodation are most likely to have their need met from the current supply. The gross need is largest for one and two bedroom affordable homes, but the supply of this accommodation is also greater than the supply of other dwellings. It should be noted that this profile of affordable accommodation required to meet those in housing need does not completely reflect the situation as experienced by the Council currently - with the Council recording a larger requirement for one bedroom affordable homes.

Table 5.12f Size of additional units required to meet housing need in Suffolk Coastal					
Size of home	Need requirement				
	Gross annual need	Gross annual supply	Net annual need	As a % of total net annual need	Supply as a % of gross need
One bedroom	222	179	43	38.8%	80.6%
Two bedrooms	165	140	25	22.1%	85.1%
Three bedrooms	85	102	-17	0.0%	120.0%
Four or more bedrooms	58	14	44	39.1%	24.8%
Total	530	436	94	100.0%	82.2%

Type of affordable home required

As discussed in Chapter 3, a range of affordable products is available to meet affordable housing need in Suffolk Coastal. As the relative cost of each product is not always the same (for example in some instances Shared Ownership housing with a 25% equity share is more expensive than Intermediate Rent, but in other cases the reverse is true) each product is tested individually. The table below illustrates how many households in affordable housing need in Suffolk Coastal are able to afford the different affordable products. Several intermediate options are affordable to some households so the table presents the maximum number of households able to afford each product. Households can therefore be included in more than one row. The only exception is the final row which includes only households unable

to afford a product more expensive than Social Rent. The Social Rented group also includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside.

The table shows that of the 3,486 households in gross need each year in Suffolk Coastal, 3.6% could afford Shared Ownership with a 40% share, 19.8% could afford Shared Ownership with a 25% share, 24.1% could afford Intermediate Rent and 47.2% could afford Affordable Rent. Overall some 51.9% of households in affordable housing need can only afford Social Rent or require support. These figures are based on the products being available at the costs set out in Chapter 3.

Table 5.13f Size and type of affordable home required by those in need (per annum) in Suffolk Coastal						
<i>Product</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>	<i>Total (number)</i>	<i>Total (%)</i>
Shared Ownership – 40% equity share	19	0	0	0	19	3.6%
Shared Ownership – 25% equity share	82	23	0	0	105	19.8%
Intermediate rent	66	36	21	5	128	24.1%
Affordable Rent	104	71	43	32	250	47.2%
Social Rent/requires assistance	118	94	42	21	275	51.9%
All households	222	165	85	58	530	100.0%

Sensitivity analysis - affordability threshold

The results presented in this chapter are based on using an affordability test where the cost of housing can constitute up to 35% of gross income and still be affordable. The impact of adjusting this affordability threshold is considered in the table below, which details the results of the PPG affordable housing need model across Suffolk Coastal where the cost of housing could constitute no more than 25% and 30% of gross household income, rather than 35% used in the standard model.

Table 5.14f Impact of different affordability assumptions on affordable housing requirement in Suffolk Coastal			
	<i>Rent payable constitutes no more than:</i>		
	<i>35% of gross household income</i>	<i>30% of gross household income</i>	<i>25% of gross household income</i>
Stage 1: Current gross need	603	790	977
Stage 2: Newly arising need	500	644	794
Stage 3: Current supply	550	591	718
Stage 4: Future supply	408	408	408
Stage 5.1 Net current need	53	199	259
Stage 5.2 Annual net current need	3	10	13
Stage 5.3 Total annual need	94	246	399

The table indicates that the net requirement would increase from 94 to 246 affordable homes per year in Suffolk Coastal if 30% of gross household income could be spent on housing costs. This would increase further to 399 affordable homes per year if 25% of income could be spent on housing costs.

Appendix 6. Specialist accommodation required in each local authority

Babergh

The table below shows the current supply of specialist housing for older people. At present, it is estimated that there are 522 units in Babergh. The table also shows the amount of specialist accommodation that will be required by the population in 2036. The total additional units required to increase the current provision to this level is also presented.

Table 6.2c Specialist accommodation required in Babergh over the next 22 years			
<i>Type of specialist accommodation</i>	<i>Current profile</i>	<i>Profile 2036</i>	<i>Additional units required</i>
Sheltered housing	427	1,552	1,125
Enhanced sheltered housing	0	106	106
Extracare housing	95	233	138
Total	522	1,891	1,369

Source: Suffolk County Council, 2016

To meet the occupation patterns predicted by Suffolk County Council in 2036 then there is a requirement for 1,369 additional specialist units in Babergh, of which 1,125 should be sheltered housing, 106 enhanced sheltered housing and 138 extracare housing. The actual numbers and type of specialist accommodation needed may depend on changes in patterns of demand and expectations and it is also recognised that Suffolk County Council are developing further accommodation typologies to best respond to future care needs, however it is suitable to plan towards this target currently with the acknowledgement that the form of accommodation delivered should not be too prescriptive.

As well as the need for specialist housing for older people there will also be an additional requirement for Registered Care (nursing and residential care homes). According to the Strategic Housing for Older People tool there are around 1,019 spaces in nursing and residential care homes Babergh currently. Presuming the occupation rate proposed by the County Council is continued forward, the data indicates there will be a requirement from 1,591 people in Babergh in 2036, suggesting an additional 572 spaces will be required over the next 22 years. This additional accommodation is required to meet the future institutional population and therefore does not form part of the new housing to meet the Objectively Assessed Need.

Ipswich

The table below shows the current supply of specialist housing for older people. At present, it is estimated that there are 1,627 units in Ipswich. The table also shows the amount of specialist accommodation that will be required by the population in 2036. The total additional units required to increase the current provision to this level is also presented.

Table 6.2d Specialist accommodation required in Ipswich over the next 22 years			
<i>Type of specialist accommodation</i>	<i>Current profile</i>	<i>Profile 2036</i>	<i>Additional units required</i>
Sheltered housing	1,430	1,142	-288
Enhanced sheltered housing	0	88	88
Extracare housing	197.0	212	15
Total	1,627	1,442	-185

Source: Suffolk County Council, 2016

The occupation patterns predicted by Suffolk County Council suggest that in 2036 there will be a surplus of 185 specialist units in Ipswich, with 288 sheltered housing units more than are required, although a further 88 sheltered housing units are needed as are 15 enhanced sheltered housing homes. It may therefore be appropriate to convert some of the surplus sheltered housing properties into the other accommodation types. The actual numbers and type of specialist accommodation needed may depend on changes in patterns of demand and expectations and it is also recognised that Suffolk County Council are developing further accommodation typologies to best respond to future care needs, however it is suitable to plan towards this target currently with the acknowledgement that the form of accommodation delivered should not be too prescriptive.

As well as the need for specialist housing for older people there will also be an additional requirement for Registered Care (nursing and residential care homes). According to the Strategic Housing for Older People tool there are around 739 spaces in nursing and residential care homes Ipswich currently. Presuming the occupation rate proposed by the County Council is continued forward, the data indicates there will be a requirement from 1,305 people in Ipswich in 2036, suggesting an additional 566 spaces will be required over the next 22 years. This additional accommodation is required to meet the future institutional population and therefore does not form part of the new housing to meet the Objectively Assessed Need.

Mid Suffolk

The table below shows the current supply of specialist housing for older people. At present, it is estimated that there are 971 units in Mid Suffolk. The table also shows the amount of specialist accommodation that will be required by the population in 2036. The total additional units required to increase the current provision to this level is also presented.

Table 6.2e Specialist accommodation required in Mid Suffolk over the next 22 years			
<i>Type of specialist accommodation</i>	<i>Current profile</i>	<i>Profile 2036</i>	<i>Additional units required</i>
Sheltered housing	874	1,629	755
Enhanced sheltered housing	29	102	73
Extracare housing	68.0	244	176
Total	971	1,976	1,005

Source: Suffolk County Council, 2016

To meet the occupation patterns predicted by Suffolk County Council in 2036 then there is a requirement for 1,005 additional specialist units in Mid Suffolk, of which 755 should be sheltered housing, 73 enhanced sheltered housing and 176 extracare housing. The actual numbers and type of specialist accommodation needed may depend on changes in patterns of demand and expectations and it is also recognised that Suffolk County Council are developing further accommodation typologies to best respond to future care needs, however it is suitable to plan towards this target currently with the acknowledgement that the form of accommodation delivered should not be too prescriptive.

As well as the need for specialist housing for older people there will also be an additional requirement for Registered Care (nursing and residential care homes). According to the Strategic Housing for Older People tool there are around 666 spaces in nursing and residential care homes Mid Suffolk currently. Presuming the occupation rate proposed by the County Council is continued forward, the data indicates there will be a requirement from 1,670 people in Mid Suffolk in 2036, suggesting an additional 1,004 spaces will be required over the next 22 years. This additional accommodation is required to meet the future institutional population and therefore does not form part of the new housing to meet the Objectively Assessed Need.

Suffolk Coastal

The table below shows the current supply of specialist housing for older people. At present, it is estimated that there are 1,510 units in Suffolk Coastal. The table also shows the amount of specialist accommodation that will be required by the population in 2036. The total additional units required to increase the current provision to this level is also presented.

Table 6.2f Specialist accommodation required in Suffolk Coastal over the next 22 years			
<i>Type of specialist accommodation</i>	<i>Current profile</i>	<i>Profile 2036</i>	<i>Additional units required</i>
Sheltered housing	1,321	2,307	986
Enhanced sheltered housing	41	144	103
Extracare housing	148.0	346	198
Total	1,510	2,797	1,287

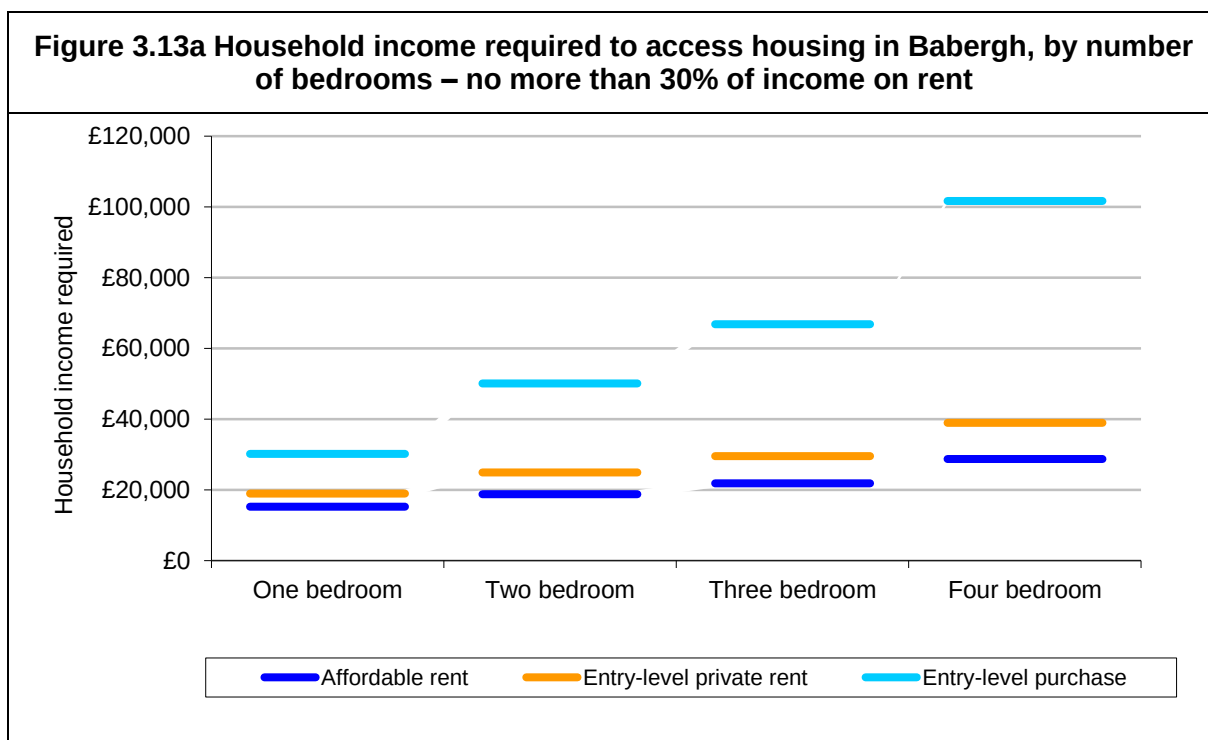
Source: Suffolk County Council, 2016

To meet the occupation patterns predicted by Suffolk County Council then there is a requirement for 1,287 additional specialist units in Suffolk Coastal, of which 986 should be sheltered housing, 103 enhanced sheltered housing and 198 extracare housing. The actual numbers and type of specialist accommodation needed may depend on changes in patterns of demand and expectations and it is also recognised that Suffolk County Council are developing further accommodation typologies to best respond to future care needs, however it is suitable to plan towards this target currently with the acknowledgement that the form of accommodation delivered should not be too prescriptive.

As well as the need for specialist housing for older people there will also be an additional requirement for Registered Care (nursing and residential care homes). According to the Strategic Housing for Older People tool there are around 1,247 spaces in nursing and residential care homes Suffolk Coastal currently. Presuming the occupation rate proposed by the County Council is continued forward, the data indicates there will be a requirement from 2,365 people in Suffolk Coastal in 2036, suggesting an additional 1,118 spaces will be required over the next 22 years. This additional accommodation is required to meet the future institutional population and therefore does not form part of the new housing to meet the Objectively Assessed Need.

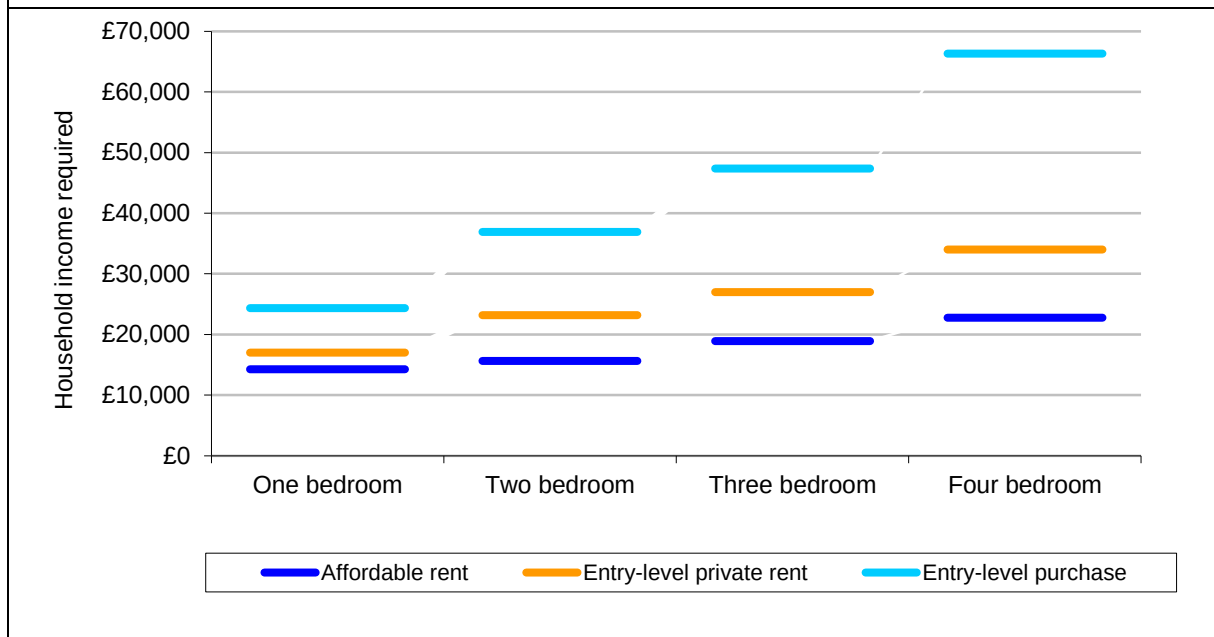
Appendix 7. Further analysis of housing market

Housing market gaps analysis is set out in paragraph 3.19. The figures below repeat the results set out in Figures 3.13 to 3.17 but indicate the income required to obtain rented housing if it is assumed that a household spends no more than 25% or 30% on rent (both affordable and market).



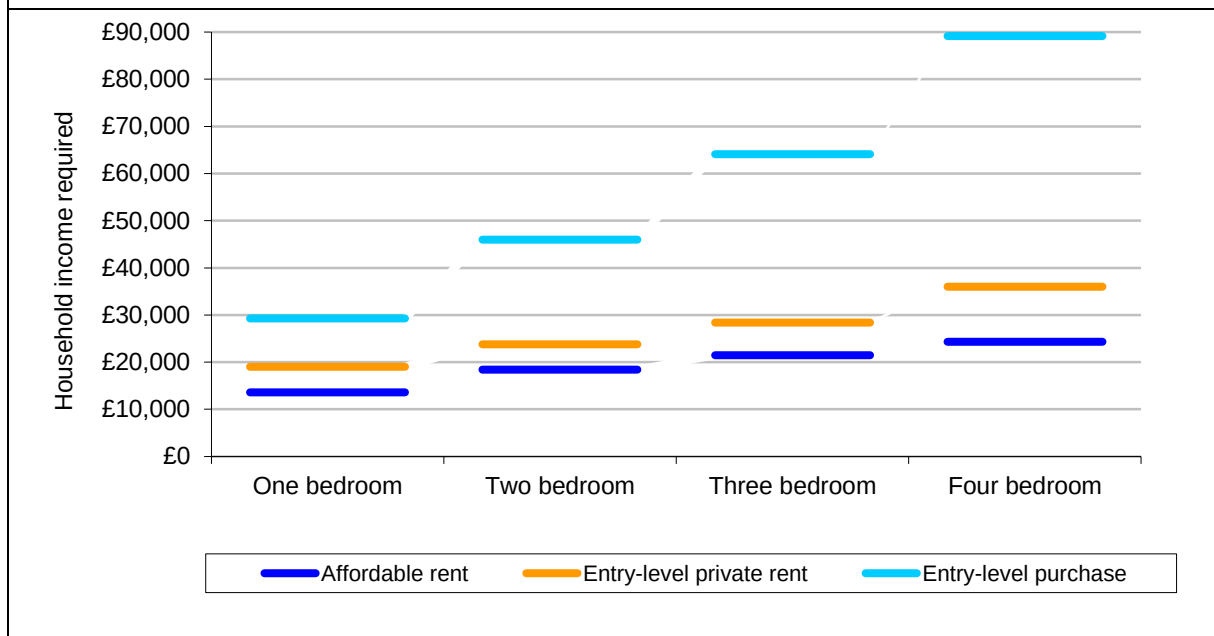
Source: Online survey of property prices September 2016; HCA's Statistical Data Return 2015, Council LAHS 2015

Figure 3.14a Household income required to access housing in Ipswich, by number of bedrooms – no more than 30% of income on rent



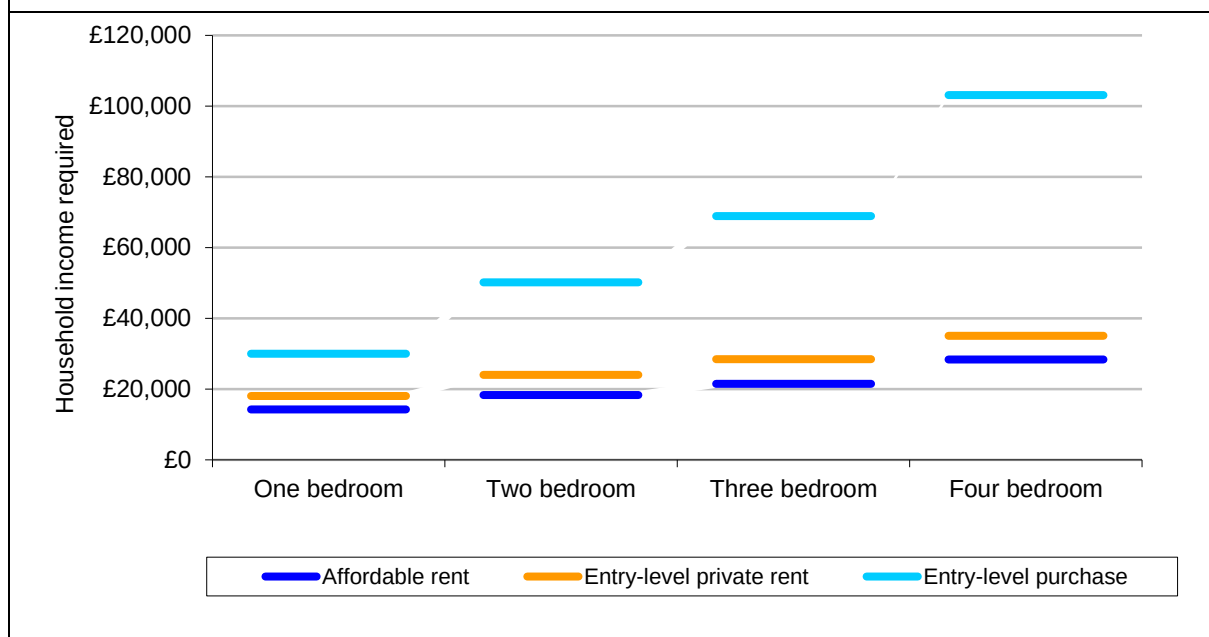
Source: Online survey of property prices September 2016; HCA's Statistical Data Return 2015, Council LAHS 2015

Figure 3.15a Household income required to access housing in Mid Suffolk, by number of bedrooms – no more than 30% of income on rent



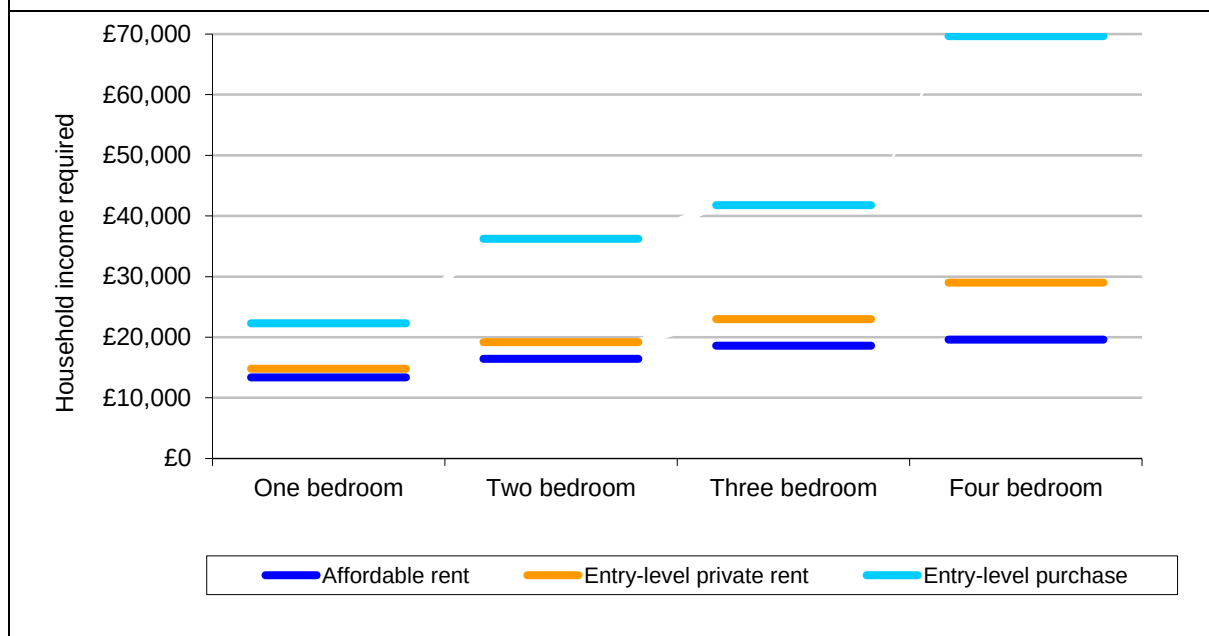
*As there is no four bedroom Affordable Rent currently, the cost is modelled from the cost of four bedroom Social Rent. Source: Online survey of property prices September 2016; HCA's Statistical Data Return 2015, Council LAHS 2015

Figure 3.16a Household income required to access housing in Suffolk Coastal, by number of bedrooms – no more than 30% of income on rent



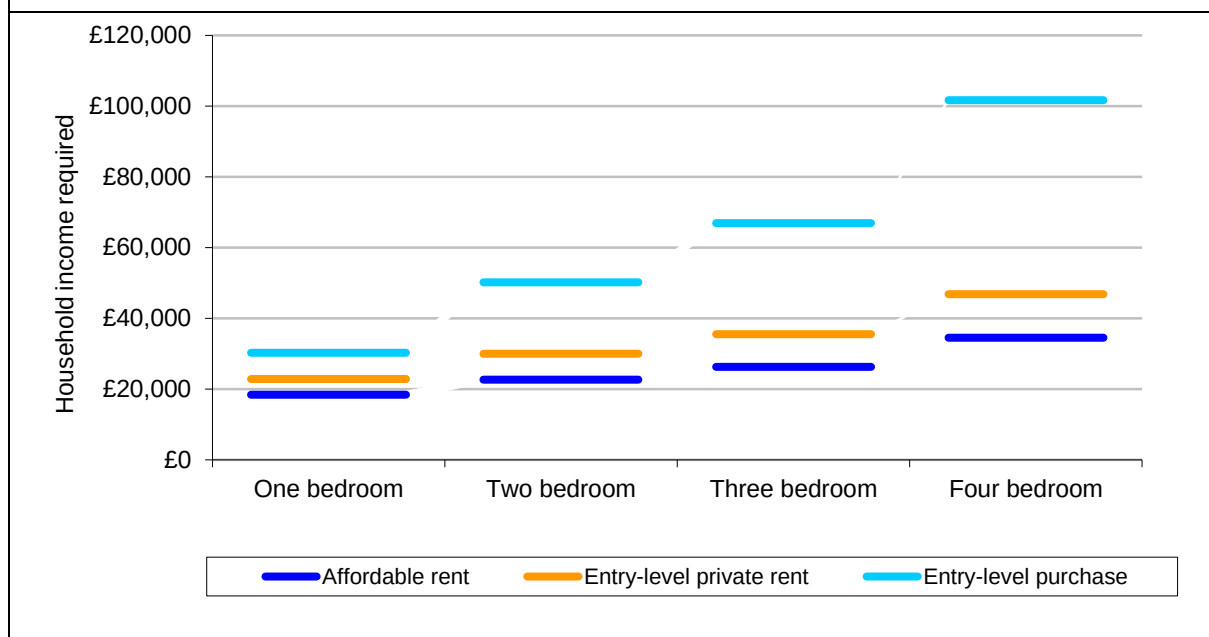
Source: Online survey of property prices September 2016; HCA's Statistical Data Return 2015, Council LAHS 2015

Figure 3.17a Household income required to access housing in Waveney, by number of bedrooms – no more than 30% of income on rent



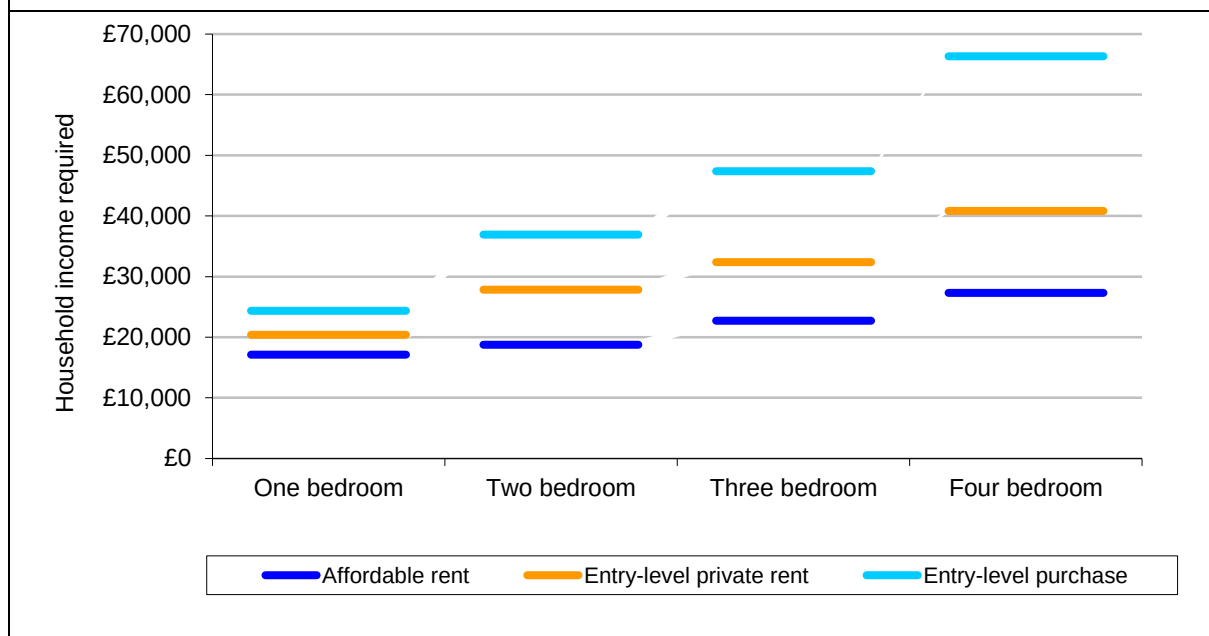
Source: Online survey of property prices September 2016; HCA's Statistical Data Return 2015, Council LAHS 2015

Figure 3.13b Household income required to access housing in Babergh, by number of bedrooms – no more than 25% of income on rent



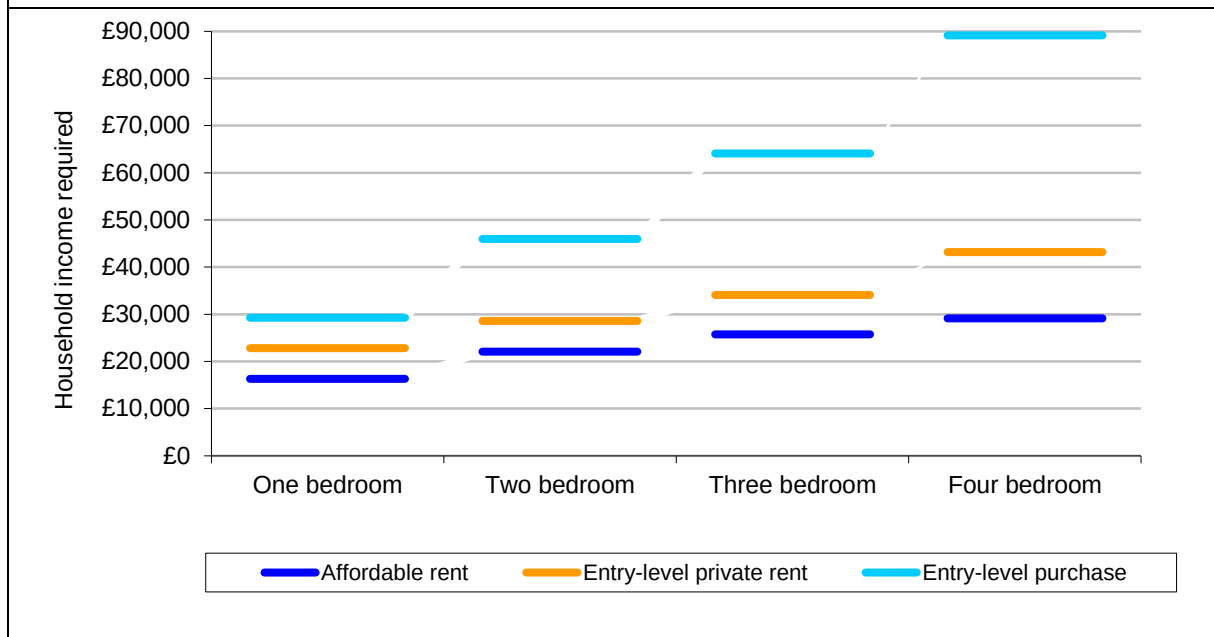
Source: Online survey of property prices September 2016; HCA's Statistical Data Return 2015, Council LAHS 2015

Figure 3.14b Household income required to access housing in Ipswich, by number of bedrooms – no more than 25% of income on rent



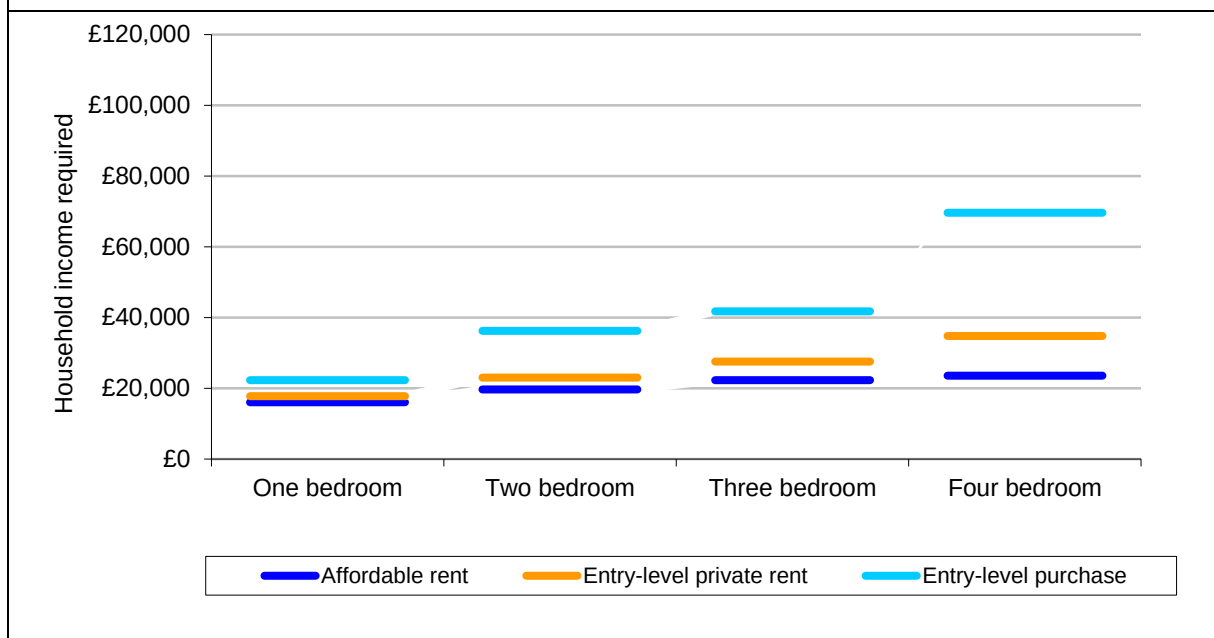
Source: Online survey of property prices September 2016; HCA's Statistical Data Return 2015, Council LAHS 2015

Figure 3.15b Household income required to access housing in Mid Suffolk, by number of bedrooms – no more than 25% of income on rent



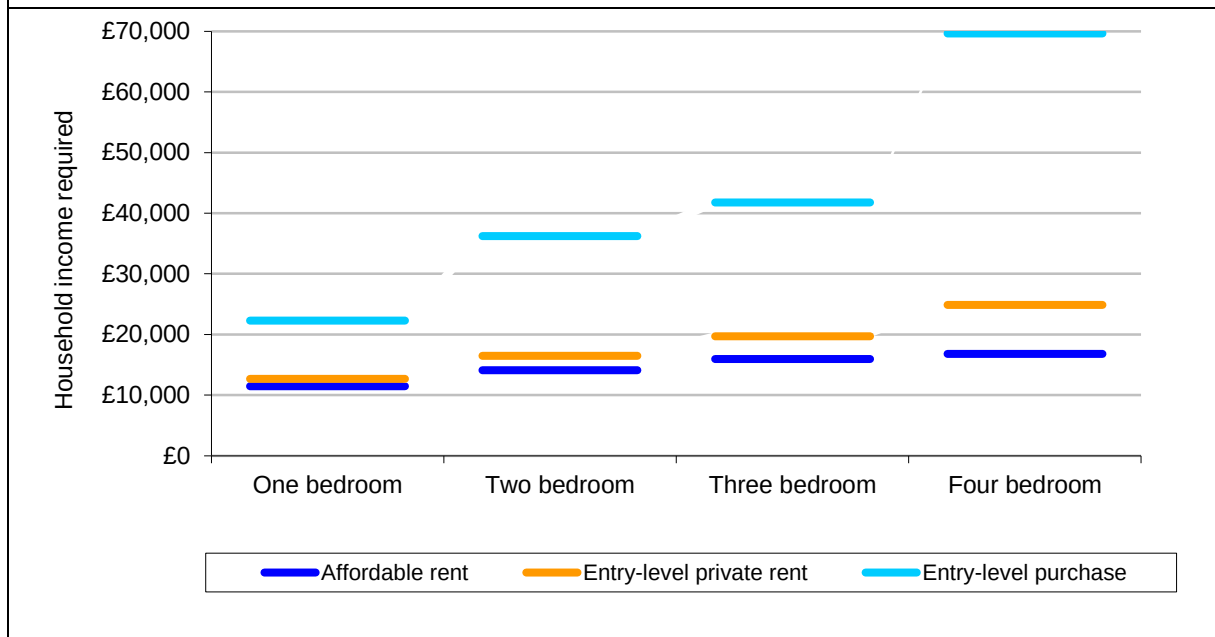
*As there is no four bedroom Affordable Rent currently, the cost is modelled from the cost of four bedroom Social Rent. Source: Online survey of property prices September 2016; HCA's Statistical Data Return 2015, Council LAHS 2015

Figure 3.16b Household income required to access housing in Suffolk Coastal, by number of bedrooms – no more than 25% of income on rent



Source: Online survey of property prices September 2016; HCA's Statistical Data Return 2015, Council LAHS 2015

Figure 3.17b Household income required to access housing in Waveney, by number of bedrooms – no more than 25% of income on rent



Source: Online survey of property prices September 2016; HCA's Statistical Data Return 2015, Council LAHS 2015

Appendix 8. Impact of further Right-to-Buy losses on affordable housing needs model

The affordable model need model is an assessment of the housing market at a particular point of time and does not consider likely future changes to the housing market. Concern has been raised that the model is unable to take account of the ongoing loss of affordable stock for re-let as a consequence of the Right-to-Buy initiative. To consider the impact of these potential stock losses, this Appendix reproduces the main affordable housing needs model, but has adjusted the future supply of Affordable/social rented accommodation on the basis that the total stock available for re-let is reduced at the same rate over the remainder of the plan period (2016 to 2036) as has been recorded for the last five years (an average of 16 dwellings per year in Babergh, 52 dwellings per year in Ipswich, 20 in Mid Suffolk, none in Suffolk coastal (no Council owned stock) and 17 in Waveney). This is set out in the table below. The data indicates that across the Ipswich HMA the net need for affordable housing would increase from 503 per year to 554 per year if the model accounted for the likely losses to the affordable stock over the plan period from Right-to-Buy. In the Waveney HMA the net need for affordable housing would increase from 208 per year to 220 per year.

Table A8.1 The potential impact of Right-to-Buy losses on the affordable housing need model						
Area	Original model			Revised model		
	Total gross annual need	Total gross annual supply	Total net need for affordable housing	Total gross annual need	Total gross annual supply	Total net need for affordable housing
Babergh	362	289	73	362	280	82
Ipswich	1,029	790	239	1,029	759	270
Mid Suffolk	380	283	97	380	272	108
Suffolk Coastal	530	436	94	530	436	94
Ipswich HMA	2,301	1,798	503	2,301	1,747	554
Waveney HMA	785	577	208	785	564	220

The impact on the affordable housing need model of Right-to-Buy is not greater, because the loss of dwellings is from the total stock, so the re-let rate applies to a smaller total stock each year (for example 5.0% of 5,238 in 2017 in Babergh rather than 5.0% of 5,254 in 2016). The difference therefore on an annual basis is fairly small (1 less affordable dwelling per year available for occupation in Babergh for example), however the cumulative effect of the continued loss of stock over the plan period does have a notable impact, although not a very large one.

HDH Planning and Development Ltd is a specialist planning consultancy providing evidence to support planning authorities, land owners and developers.

The firm is led by Simon Drummond-Hay who is a Chartered Surveyor, Associate of Chartered Institute of Housing and senior development professional with a wide experience of both development and professional practice. The firm is regulated by the RICS.

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- District wide and site specific Viability Analysis
- Local and Strategic Housing Market Assessments and Housing Needs Assessments
- Future Housing Numbers Analysis (post RSS target setting)

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