

Walsham le Willows

Housing Needs Assessment (HNA)

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Quality information

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List of acronyms used in the text:

DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
HNA	Housing Needs Assessment
HRF	Housing Requirement Figure (the total number of homes the NA is expected to plan for, usually supplied by LPAs)
HLIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LHN	Local Housing Need
LPA	Local Planning Authority
NA	Neighbourhood Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

1. Executive Summary

Conclusions- Tenure and Affordability

Affordability issues

1. **Walsham le Willows' current tenure profile reveals that home ownership is less common in the parish than the wider district, but that a relatively strong supply of Affordable Housing tenures exists.** Figures supplied by Mid Suffolk Council from 2021 and 2017 suggest that there are 85 units of affordable rented housing and 9 units of shared ownership in the Neighbourhood Area (NA). The former is 3 units greater than the tally at the time of the 2011 Census and the latter is one unit fewer. These changes are due to development in the intervening years combined with the transfer of dwellings into home ownership through the Right to Buy scheme and the staircasing of equity shared in shared ownership.
2. Home values in Walsham le Willows have increased over the past ten years despite a number of year-on-year fluctuations. Such fluctuations are not unusual with a small sample of transactions, averaging around 20 sales per year.
3. **The current median house price is £316,000, representing a growth rate of 71% on the 2012 starting figure. The current lower quartile price is £243,125, representing growth of 75% over the same period.** This means that a household looking to buy today is faced with funding an additional £100,000 through savings or mortgage costs, even for an entry-level home, on top of what they would have needed if buying just ten years ago. This is a significant impediment to home ownership for local people, considering that incomes across Mid Suffolk have risen on average by just 19% over the last decade (according to ONS estimates of gross weekly earnings). House prices in the parish are 6-7% higher than across the wider district.

Tenure options

4. AECOM has estimated the annual income required to afford various tenures of housing in the NA – each of which is explained in detail in Appendix A. These thresholds are compared to local incomes to determine which options are the most appropriate for local people going forward. **The average household income in Walsham le Willows is £46,300, and the lower quartile income (per person) for Mid Suffolk was £15,704 in 2020.**
5. It was found that **a household would need an income comfortably above the average (or a very large deposit) to qualify for a mortgage even for an entry-level home in the area.** The median house price would require an annual income roughly 75% higher than the current average.
6. Private renting appears much more accessible, although it is important to note that the benchmarks for the costs of renting used here are taken from a sample extending 3 miles around the parish. This means that they do not precisely represent the kinds of

home likely to come up for rent in the NA. The lack of current listings for rental homes is also a signal of limited choice in the housing market and/or high demand for any rental properties that do come available. Average earning households can afford a variety of rented options and those on two lower incomes can access entry-level rented properties.

7. There is a relatively large group of households in Walsham le Willows who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £27,000 per year (at which point entry-level rents become affordable) and £62,000 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
8. All of these products would be valuable to different segments of the local population, with shared ownership at a lower than 25% equity share potentially allowing lower earning households to get a foot on the housing ladder, while rent to buy offers poorer long-term prospects but is helpful to those with little or no savings for a deposit, and First Homes at a 50% discount provides the best long-term support to those with slightly higher incomes.
9. Neighbourhood plan qualifying bodies have discretion to increase the discount on the new First Homes product from 30% to 40% or 50% where there is evidence to suggest this is appropriate. **This HNA finds that a discount of at least 40% would be necessary from an affordability perspective in Walsham le Willows.**
10. Affordable rented housing appears generally affordable to households with two lower earners (average earning households are unlikely to be eligible). However, households with a single lower earner are unable to afford any of the tenures considered except for smaller socially rented units. Many such individuals will, if unable to secure a social rented dwelling or additional subsidy, need to live in a room in a shared house using housing benefit.

Quantity of Affordable Housing needed

11. The Ipswich and Waveney Housing Market Areas SHMA Part 2 Partial Update 2019 identifies a need for 1,298 additional affordable rented homes in Mid Suffolk between 2018-36, and a further 1,391 affordable home ownership units.
12. On the basis that the share of this need attributable to the NA is in proportion to its share of the district population (1.25%), this suggests that **Walsham le Willows will need 28 affordable homes over the Neighbourhood Plan period, 14 of which should be for affordable rent and 14 of which should be for affordable home ownership.**
13. While this evidence is a helpful indication of what can be understood as Walsham le Willows' share of the district's overall needs, and of the rough scale of demand that might be expected, pro-rating district-level needs for rural areas presents problems in practice. The HNA therefore provides additional estimates for each sub-tenure using up-to-date and locally specific data inputs from Mid Suffolk Council.

14. **The result of the model is a slight surplus of additional affordable rented housing of 1.1 units per year.** This is because the expected annual turnover in the existing stock of 85 affordable rented properties (2-3 coming vacant per year) is likely to absorb newly arising need each year as well as to eventually satisfy the current backlog of 8 households.
15. **The potential for mismatch between the size and type of home needed and the available stock, combined with the potential for the waiting list figure to increase unexpectedly in future, is cause for flexibility to accommodate some positive growth in affordable rented housing in spite of the surplus identified here. Walsham le Willows may also be expected to meet a share of the wider district's need, whether or not there is a persistent need within the parish itself.**
16. Regarding the potential demand for affordable home ownership tenures, the model estimates that **around 3 households per year may be interested in such products, or 47 over the whole Plan period.**

Policy considerations

17. Mid Suffolk's adopted policy on this subject (H4) aims for up to 35% of all new housing to be affordable. The emerging JLP (Policy SP02) raises the threshold to sites with more than 10 dwellings and suggests that higher percentage requirements may be permitted.
18. The overall housing requirement for the parish is due to be substantially met by two large upcoming sites and two single-dwelling schemes. Affordable Housing delivery from the larger schemes is expected to provide a significant injection of supply in the parish, perhaps the largest in recent decades. **The total potential delivery of Affordable Housing over the Neighbourhood Plan period is expected to be in the range of 38-53 units, which would be more than sufficient to meet the NA's share of Mid Suffolk's needs and may also address the potential demand for affordable home ownership identified here.**
19. Walsham le Willows is in the unusual position for a rural parish of having higher rates of social renting and shared ownership than the wider district, coupled with a projected (moderate) surplus of affordable rented housing over the coming years, and a large upcoming injection of Affordable Housing supply.
20. In this context, to the degree that the Neighbourhood Plan will seek to influence the mix of Affordable Housing on the upcoming sites, **there is an opportunity to provide a wider range of affordable routes to home ownership to serve first time buyers and others unable to afford the area's fast-rising house prices, without overly endangering the provision of affordable rented accommodation for the lower number of people with the most acute needs.**
21. On the balance of factors listed in the Policy Guidance section of this chapter, **AECOM recommends that roughly 36% of Affordable Housing should take the form of rented tenures such as social and affordable rent (preferably the former), with the remaining 64% as affordable routes to home ownership, fulfilling the**

requirements of the new First Homes product and allowing for shared ownership and rent to buy to widen choice in the market.

Conclusions- Type and Size

22. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.

The existing housing stock

23. Walsham le Willows has a housing mix that is dominated by detached and semi-detached housing. This is not unusual for a rural village and to diversify the stock towards flats in particular may not be appropriate in this location given its character, density and constraints.
24. However, terraces and flats (or maisonettes separating houses into smaller units, which tend to be more in keeping with the character of villages) are generally the most affordable home types. **That just 1% of homes in Walsham le Willows are flats may well have the effect of limiting the options for local people on lower incomes, whether they are able to buy or rent.**
25. It is also relevant to consider the provision of bungalows, which are a clear preference among local people according to the household survey results. Across an area that extends beyond the parish, **15% of homes are bungalows, compared with 19% across Mid Suffolk and 9% across England as a whole.** This demonstrates that there is no major deficit of bungalows locally compared with wider averages. However, **there may be justification for further encouraging this option due to the ageing of the population (see below) and the clear demand expressed in the survey.**
26. In terms of size Walsham le Willows is characterised by high proportions of larger homes in line with the wider district and correspondingly fewer smaller properties. That said, on its own terms the size mix in Walsham le Willows is relatively well-balanced, with a majority of 3-bedroom homes (as is the case nationwide) and nearly equal proportions of homes that have fewer and more bedrooms. There is, however, a clear lack of 1-bedroom homes (3% of the stock), which aligns with the absence of flats.

Demographics

27. The age structure of the population is a key indicator of the future need for housing. Walsham le Willows had a generally younger population profile than Mid Suffolk but significantly older profile than England in 2011. The older age brackets have also grown the fastest between the 2011 Census and the latest ONS estimates for 2020. Currently around 56% of the population are aged over 45 and 24% are aged over 65. **There is a clear trend toward ageing, and current estimates also suggest that young adults**

are leaving the area, which may reflect a lack of suitable options for newly forming households.

28. Applying ONS household projections for Mid Suffolk to the Walsham le Willows population suggests **that by 2038 the 65 and over cohort could increase by 80% from 2011 levels to become by far the dominant group at 42% of the projected total, while the youngest age groups remain stable or decline. It is clear that ageing will be a major driver of housing need in Walsham le Willows going forward**, whether older households intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household or their evolving needs.
29. Most households in Walsham le Willows are families and substantially more families have dependent children than no children. There are slightly more families with non-dependent (older children) and single person households in Walsham le Willows than Mid Suffolk. While still low by national standards, the number of 'other' households (such as multigenerational units, house sharers and students) increased by 53% between 2001 and 2011 in the NA. This may be indicative of affordability challenges driving more people into shared houses.
30. **Walsham le Willows has a high rate of under-occupancy, with 97% of households living in a home with at least one bedroom more than they would be expected to need** (at the time of the last Census). The percentage of people living in homes with fewer bedrooms than they might be expected to need is marginal at 1%.
31. The previous chapter established the high property values in the area, so it would appear that the largest homes are not necessarily occupied by those with the largest families but by those with the financial capacity to do so, irrespective of their household size. Indeed, under-occupancy is strongly correlated with age, with couples aged over 65 being the most likely to have more bedrooms than they would be expected to need.

The future dwelling mix

32. The results of a modelling exercise, which looks at the sizes of dwelling occupied by households at different life stages and projects the growth and decline of those household age groups over the Plan period, suggests that **the dwelling stock by size needs to become slightly smaller with less emphasis on the 3-4 bedroom homes that dominate at present. To reach this target state, around half of new housing should have 1-2 bedrooms, with another quarter composed of 3-bedroom homes, and a final quarter composed of 4+ bedroom homes.**
33. Small and mid-sized homes would improve affordability as well as Walsham le Willows' offering for younger households who have few options for their next step on the property ladder. It may also enable older households currently under-occupying larger homes to downsize and in so doing potentially create churn in the market, although it is acknowledged that many of the larger historic properties may be too expensive to be taken up by younger local families.

34. The latest household survey broadly corroborates this recommendation in its finding that around half of those in housing need are looking to downsize while the other half need a larger property. Although it is not known what size dwelling these respondents currently occupy, it would seem that the recommendation for half of new homes to have 2 or fewer bedrooms and half to have 3 or more bedrooms could generally accommodate the need expressed in the survey.
35. That said, among those interested in starter properties and bungalows (respondents who can be assumed to represent the younger and older ends of the demographic spectrum), there was a strong preference for 2-bedroom properties. **Given that 1-bedroom homes are typically brought forward as flats, which may not be seen as a suitable typology in such a rural location for reasons of character and density, and that 2 bedroom properties tend to be more popular for their flexibility and space to accommodate guests and possessions, this evidence could well justify departing from the size mix recommended here to place less emphasis on 1 bedroom homes and more on 2-3 bedroom properties.**
36. It appears that the pipeline of housing supply in the parish is relatively well aligned with what this HNA finds to be needed (if indeed it is decided that 1-bedroom homes should be de-emphasised to some degree). **Taking the current pipeline into account, it may be beneficial to encourage future schemes to deliver slightly more 1 bedroom and slightly fewer 3-4 bedroom properties.** To conclude on the recommended size mix, **as a starting point around half of new homes should have 1-2 bedrooms (with more emphasis on 2 than 1-bedroom options), a quarter should have 3-bedrooms, and a further quarter 4-bedrooms, ensuring that larger more profitable dwelling sizes do not come to dominate the future supply.**
37. In terms of dwelling type, this study cannot be prescriptive about what types are 'needed', but there is a balance to be struck between, on the one hand, improving choice in the market and affordability by encouraging flats and terraces, and, on the other hand, preserving the features that residents like about Walsham le Willows at present. There is, however, clear demand and capacity for an increase in the provision of bungalows.

2. Context

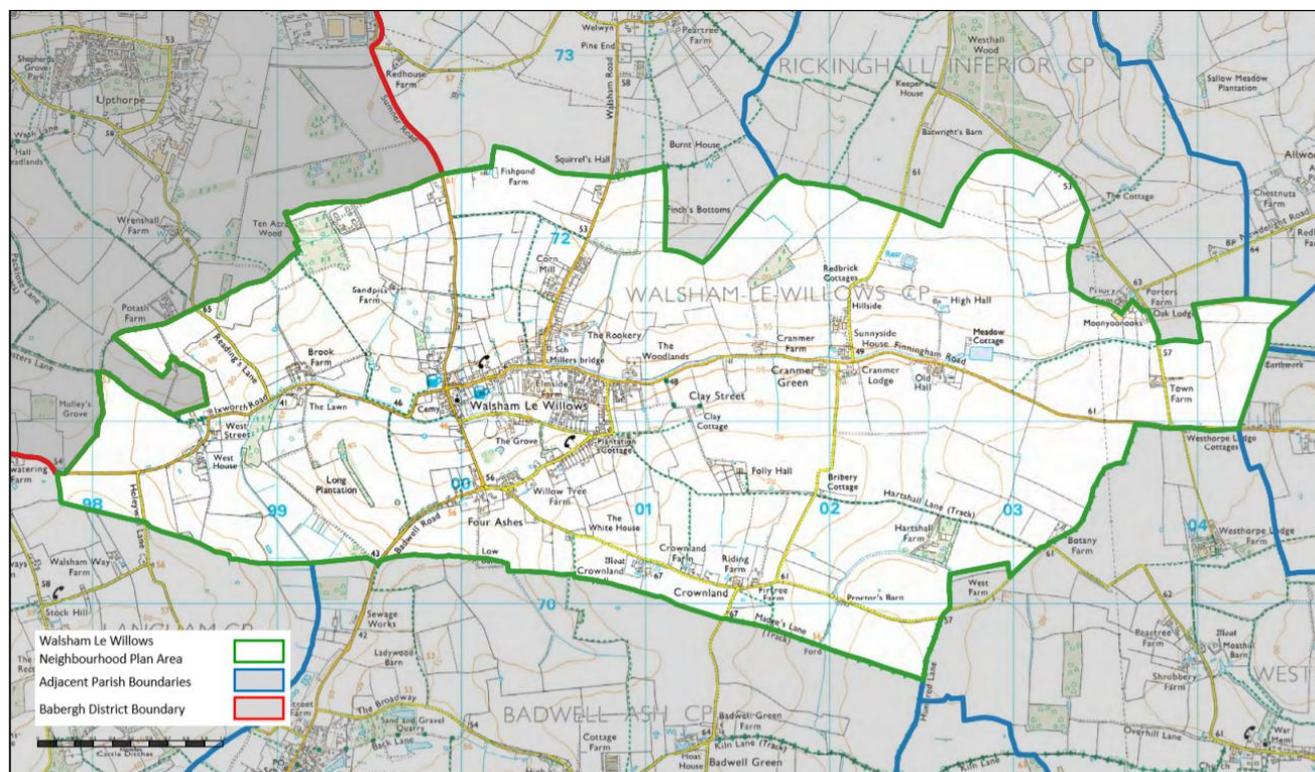
Local context

38. Walsham le Willows is a Neighbourhood Area (NA) located in Mid Suffolk District, in the East of England. The NA boundary aligns with the parish boundary and was designated in July 2018.
39. The proposed Neighbourhood Plan period starts in 2022 and extends to 2037, therefore comprising a planning period of 15 years. The evidence supplied in this report will look forward to the Plan end date of 2037, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
40. Walsham le Willows is located south of the A143 where Mid Suffolk borders West Suffolk at its north-west edge. The NA is approximately 13 miles north-east of Bury St Edmunds and 13 miles south-east of Thetford. In terms of transport links, there is a bus service that runs between Bury St Edmunds and Diss, stopping in Walsham le Willows every few hours. The closest train station is approximately 6 miles south in Elmswell.
41. There are amenities in Walsham le Willows, including a primary school, mobile post office (available for one hour per week), church, a community run coffee shop (open only for a limited time each week), and a variety of community spaces used for local clubs and groups.
42. For Census purposes, the Neighbourhood Area is made up, like the rest of England, of statistical units called Output Areas (OAs). The Plan area equates to the following four OAs, which have been used throughout as a statistical proxy for the NA boundary and which can be interrogated for data from both the 2001 and the 2011 Censuses:
 - 42UEHG0011;
 - 42UEHG0012;
 - 42UEHG0013; and
 - 42UEHG0014.
43. The statistics show that at the time of the 2011 Census the NA had a total of 1,213 residents, formed into 512 households and occupying 528 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Walsham le Willows is 1,295 – indicating population growth of around 82 individuals since 2011. It is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.
44. Completions data provided by Mid Suffolk Council indicates that 36 new homes have been built since the 2011 Census (although 18 of these were completed in the 2011/12 reporting year and may predate the Census slightly). On the basis of the average number of people per household in the parish in 2011 (2.37), it can be estimated that the 36 new homes are

accommodating 85 additional people. This aligns closely with the ONS estimated growth of 82 people.

45. A map of the Plan area appears below in Figure 2-1.

Figure 2-1: Map of the Walsham le Willows Neighbourhood Area¹



Source: Mid Suffolk District Council

The Housing Market Area Context

46. Whilst this HNA focuses on Walsham le Willows neighbourhood area it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas. In the case of Walsham le Willows, the parish sits within Ipswich housing market area which covers Ipswich, Babergh, Mid Suffolk, and Suffolk Coastal (Suffolk Coastal has since merged with Waveney District to form East Suffolk Council. Waveney is a separate housing market area within the SHMA)². This means that when households who live in these authorities move home, the vast majority move within this geography. The housing market area also has links to other neighbouring areas however, including Braintree (Essex), which has the strongest links to Babergh within the Ipswich housing market area.

47. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods are closely linked to other areas. In the case of

¹ Available at <https://www.midsuffolk.gov.uk/assets/Neighbourhood-Planning/WalshamleWillows-NP-Map.pdf>

² Available at: <https://www.babergh.gov.uk/planning/planning-policy/evidence-base/current-evidence/shma/>

Walsham le Willows, changes in need or demand in settlements nearby are likely to impact on the neighbourhood.

48. In summary, Walsham le Willows functions within a wider strategic area. As well as fostering good working relationships with the local planning authority Mid Suffolk Council, it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood play within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

Planning policy context

49. Neighbourhood Plans are required to be in general conformity with the strategic policies in the adopted local plan.³ In the case of Walsham le Willows, the relevant policy context includes the adopted and emerging Local Plan for Mid Suffolk District Council consists of:
50. The adopted Local Plan, the Mid Suffolk Core Strategy Development Plan Document, adopted September 2008⁴. This plan covers the period to 2025, with Walsham le Willows identified as a Primary Village. The Core Strategy (adopted 2008) was reviewed and partly updated by the Core Strategy Focused Review, adopted in December 2012⁵. Some policies from the Mid Suffolk 1998 Local Plan⁶ are also saved and included in Table 2-1 below.
51. The emerging plan for Mid Suffolk is the Babergh and Mid Suffolk Joint Local Plan⁷. The latest version of the plan is the pre-submission (Regulation 19) version of the plan was published in November 2020, covering 2018-2037. The start date for the examination hearing for the Joint Local Plan was June 2021. The plan is still awaiting adoption, with correspondence ongoing between the Councils and the inspectors. The latest position is that the Plan has been split into two parts: Part 1, covering most policies other than the spatial distribution of development and open spaces, is to continue on the current course, with adoption anticipated for summer 2022. Part 2 is not expected to be complete until 2024.

Policies in the adopted local plan

52. Table 2-1 summarises adopted Local Plan policies that are relevant to housing need and delivery in Walsham le Willows.

³ A description of the Basic Conditions of Neighbourhood Planning is available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

⁴ Available at: <https://www.midsuffolk.gov.uk/assets/Strategic-Planning/Mid-Suffolk-Core-Strategy/Core-Strategy-with-CSFR-label-and-insert-sheet-07-01-13.pdf>

⁵ Available at: <https://www.midsuffolk.gov.uk/assets/Strategic-Planning/Mid-Suffolk-Core-Strategy/CSFR-adopted-December-2012.pdf>

⁶ Available at: <https://www.midsuffolk.gov.uk/assets/Strategic-Planning/Direction-schedule-of-saved-policies-Mid-Suffolk.pdf>

⁷ Available at: <https://www.babergh.gov.uk/assets/Strategic-Planning/JLPExamination/CoreDocLibrary/A-SubmissionDocs/A01-Part-1-Objective-and-Strategic-Policies-Part-2-Local-Policies.pdf>

Table 2-1: Summary of relevant adopted policies in the Core Strategy Development Plan Document (2008) and Core Strategy Focused Review (2012)

Policy	Provisions
CS1 – Settlement Hierarchy (2008)	<p>The majority of new development will be directed to towns and key service centres, but also with some provision for meeting local housing needs in primary and secondary villages, in particular affordable housing. The settlement hierarchy is outlined below:</p> <ul style="list-style-type: none"> - Towns – Stowmarket, Needham Market, Eye - Key Service Centres - Primary Villages – includes Walsham le Willows - Secondary Villages <p>Settlements not listed in the hierarchy are designated as countryside and countryside villages.</p>
CS7 – Brownfield Target (2008)	<p>The District Council proposes a target of 50% of dwellings being built on brownfield/previously developed land in Mid Suffolk.</p>
CS9 – Density and Mix (2008)	<p>New housing development should provide a mix of house types, sizes, and affordability.</p> <p>Average densities of at least 30 dwellings per hectare should be achieved unless there are special local circumstances. Lower densities may be justified in villages to take account of the character and appearance of the existing built environment. Higher densities of at least 40 dwellings per hectare may be achieved in more sustainable locations in towns.</p>
FC2 – Provision and Distribution of Housing (2012)	<p>Provision is made for allocating greenfield sites for at least 2,625 homes and associated infrastructure in Mid Suffolk over a 15-year period from the 1st April 2012.</p> <p>The release of land for housing will be phased to enable continuous delivery of housing for at least 15 years from the date of adoption and to ensure that priority is given to the use of previously developed land where this is consistent with other sustainability considerations.</p> <p>Estimate of potential housing on previously developed land and the amount of housing on new allocations of greenfield land as ‘urban extensions’:</p> <ul style="list-style-type: none"> - Mid Suffolk – 2,625 - Primary Villages (including Walsham le Willows) - 300

Policy	Provisions
<p>Saved Policy H4 – Proportion of Affordable Housing in New Housing Developments</p> <p>1998 Local Plan Alteration (2006)⁸</p>	<p>The Council seeks Affordable Housing of up to 35% of the total provision of housing on appropriate sites.</p> <p>Negotiations with developers will take account of the identified local needs, the economics and viability of the development, and the availability of local services.</p> <p>The site size threshold for Mid Suffolk (excluding Stowmarket and Needham Market) is sites of 5 dwellings or more or sites of 0.17 hectares and above.</p>
<p>Saved Policy H5 – Affordable Housing on Rural Exception Sites</p> <p>1998 Local Plan Alteration (2006)</p>	<p>In order to provide affordable housing for local people who are unable to compete for property in the general housing market, the District Planning Authority may, as an exception to normal planning policy, grant planning permission for residential development abutting the settlement boundary of a small rural settlement where adequate facilities are available.</p> <p>To be acceptable, proposals should demonstrate that a local need exists which cannot be met by applying normal planning policy. Any application for affordable housing should be accompanied by a detailed survey of local housing need and the accommodation proposed should contribute to meeting this proven need.</p>
<p>Saved Policy H3 – Housing Development in Villages</p> <p>1998 Local Plan⁹</p>	<p>Residential development within the settlement boundaries of villages will normally take the form of:</p> <ul style="list-style-type: none"> - The infilling of small undeveloped sites, unless it is desirable to retain a site in undeveloped form as an important amenity or open space in the village scene; or - A small group of dwellings, up to 5 in number, well related to its surroundings and the character of the village; or - In those villages, where a wider range of services and facilities exist, groups of up to 9 dwellings well related to each other and the character of their surroundings. <p>In villages, housing development in the form of estates of 10 dwellings or more will be permitted only on sites allocated in the Local Plan.</p>

Source: Mid Suffolk District Council

⁸ Available at: <https://www.midsuffolk.gov.uk/assets/Strategic-Planning/MSDC-Affordable-Altered-H4-Policy.pdf>

⁹ Available at: <https://localplan.midsuffolk.gov.uk/>

Policies in the emerging local plan

53. Table 2-2 below summarises emerging Local Plan policies that are relevant to housing need and delivery in Walsham le Willows.

Table 2-2: Summary of relevant emerging policies in the Babergh and Mid Suffolk Joint Local Plan Pre-Submission Document

Policy	Provisions
SP01 – Housing Needs	<p>Across the plan area the mix, type, and size of the new housing development will be expected to reflect established needs in the most relevant district needs assessment, or any local housing needs surveys where relevant.</p> <p>The Joint Local Plan will seek to deliver a minimum of 10,165 net additional dwellings (535 dwellings per annum) within the Mid Suffolk district over the plan period 2018-2037.</p>
SP02 – Affordable Housing	<p>A contribution of 35% affordable housing will be required on sites of ten or more dwellings or 0.5 ha or more.</p> <p>Proposals which provide a greater amount of affordable housing than that set out above will also be permitted, subject to the relevant Plan and Neighbourhood Plan policies.</p> <p>The Plan will assist to deliver 2,428 affordable dwellings in Mid Suffolk up to 2037.</p> <p>Proposals for new affordable housing will be expected to have regard to the mix and type of housing needs identified in the most relevant district needs assessment evidence supported by the Council.</p>
SP03 – Settlement Hierarchy	<p>Ipswich Fringe Settlements, Market Towns/Urban Areas and Core Villages will act as a focus for development, which will be delivered through site allocations in the Plan and/or in Neighbourhood Plans, and windfall development in accordance with the relevant policies.</p> <p>Walsham le Willows is classified as a Mid Suffolk Core Village.</p> <p>New allocations are included within defined settlement boundaries. Outside of the defined boundaries in isolated locations development will only be permitted in exceptional circumstances.</p>
SP04 – Housing Spatial Distribution	<p>From April 2018 to March 3037, Mid Suffolk Core Villages will account for:</p> <ul style="list-style-type: none"> - 1,464 outstanding planning permissions (as of 01/04/2018) - 3,297 new homes (2018-2037)

Policy	Provisions
	<p>This totals 4,761 new homes in Mid Suffolk Core Villages between 2018 and 2037, accounting for 38% of new development in Mid Suffolk.</p> <p>All identified figures are minimum figures.</p> <p>Walsham le Willows Neighbourhood Area will be expected to deliver a minimum of 90 total homes. As of 01/04/2018, 8 homes are identified as outstanding planning permissions.</p>
<p>LP06 – Mix and Type of Composition</p>	<p>For all major housing development proposals of 10 units or more, or sites of 0.5 ha or more, including supported and special needs housing, the scheme composition:</p> <ul style="list-style-type: none"> a) Must accommodate 35% affordable housing to meet affordable housing need. b) Must accommodate 50% of the dwellings which meet the requirements for accessible and adaptable dwellings under Part M4(2) of Building Regulations (or any relevant regulation that supersedes and replaces). c) Will be expected to reflect the mix and type (including bungalows) of housing needs identified in the most relevant district needs assessment evidence supported by the Council. Any bungalows provided will be required to remain in perpetuity through the removal of permitted development rights.
<p>LP08 – Affordable, Community Led and Rural Exception Housing</p>	<p>Affordable Housing:</p> <ul style="list-style-type: none"> a) Is expected to be delivered on-site, unless it can be demonstrated in exceptional circumstances, that it is not feasible or practical to provide the units on site in which case it may be agreed that a commuted sum could be paid towards off-site affordable housing provision. b) Should be tenure blind when being designed and integrated within a development that contains other types of housing. c) Must be upheld by avoiding proposals that create artificial or contrived subdivision of a site to circumvent requirements. d) The Local Planning Authority will use planning obligations or legal agreements to secure and deliver affordable housing to ensure the benefit of affordable housing will be enjoyed by successive occupiers. <p>Community Led Housing:</p>

Policy	Provisions
	<p>a) Proposals must demonstrate that the scheme was initiated by, and is being led by a legitimate local community group such as a Parish Council or Community Land Trust; and</p> <p>b) Demonstrate the scheme has general community support, with evidence of meaningful public engagement.</p> <p>Rural Exception Housing:</p> <p>Up to 35% of market housing on rural exception sites will be supported, only where it is financially necessary in order to secure and deliver additional local affordable housing.</p>
LA091 – Allocation: Land West of Wattisfield Road, Walsham le Willows	<p>Site Size – 2.7 ha</p> <p>Site allocated for approximately 60 dwellings (with associated infrastructure)</p>
LA092 – Allocation: Land East of Wattisfield Road, Walsham le Willows	<p>Site size – 0.53 ha</p> <p>Site allocated for approximately 22 dwellings (with associated infrastructure)</p>

Source: Mid Suffolk District Council

Quantity of housing to provide

54. The NPPF 2021 (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
55. Mid Suffolk District Council has fulfilled that requirement by providing Walsham le Willows with a definitive target of 90 dwellings to be accommodated within the Neighbourhood Area by the end of the Plan period¹⁰, as per the emerging Local Plan. This figure is substantially accommodated through the two allocations cited above (with a total of 82 dwellings), and Mid Suffolk Council note two other sites of one dwelling each with planning permission.

¹⁰ As confirmed inception meeting with Philip Newby, Richard Belson, and consultant Andrea Long, December 2021

3. Approach

Research Questions

56. The following research questions were formulated at the outset of the research through discussion with the Neighbourhood Planning Steering Group. They serve to direct the research and provide the structure for the HNA.

Tenure and Affordability

57. The Steering Group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
58. This evidence will allow Walsham le Willows to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market. It will be important to interpret the need for Affordable Housing in the context of relatively high volumes of supply expected in the coming years.
59. The neighbourhood planners are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

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

Type and Size

60. The Steering Group is seeking to determine what size and type of housing would be best suited to the local community.
61. The aim of this research question is to provide evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.
62. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.
63. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

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

Pipeline housing supply

64. The Steering Group have asked that the upcoming supply of housing be built into this assessment. Mid Suffolk have confirmed that there are 84 units in the pipeline across two large allocations and two single-dwelling sites. Being not yet complete, the details of these schemes are subject to change. For clarity, the key characteristics of each are summarised here:

65. LA091: 60 homes, data taken from site plan submitted 17 October 2020:

- 31 affordable (up from 21, pending a decision); 29 market homes. Blend of affordable rented housing to affordable home ownership not confirmed.
- 25 detached houses; 28 semi-detached houses; 3 terraced houses; 4 flats.
- 4 1-bed; 19 2-bed; 23 3-bed; 10 4-bed; 4 5-bed.

66. LA092: 22 homes, brought forward by Mid Suffolk Council:

- The size and type mix is not yet confirmed. Mid Suffolk Council record the number of affordable homes as 7, but it is understood by the Steering Group that this site is being considered solely for Affordable Housing or only as much market housing as is required to subsidise the affordable homes.

67. Two single-dwelling sites: 1 2-bed; 1 4+ bed (data provided by Mid Suffolk Council).

Relevant Data

68. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census and a range of other data sources, including:

- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
- ONS population and household projections for future years;
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from Rightmove.co.uk;
- Local Authority completions and housing waiting list data; and
- The Ipswich and Waveney Housing Market Areas Strategic Housing Market Assessment (SHMA), originally published in May 2017 with Part 2 updated in January 2019.

- Results of the Walsham le Willows Neighbourhood Plan survey, November/December 2021. The survey received 142 responses, a rate of roughly 27%. Key findings with relevance to this study are as follows:
 - 29 respondents (21% of those responding to the relevant question) are likely to be in housing need in the next 5 years.
 - Exactly half of the 26 of respondents to a follow-up question need a bigger home, with the other half needing a smaller home.
 - Of the 30 respondents to another follow-up question (who were allowed to choose multiple options), 20 are looking to buy in the open market, 12 to self/custom build, 2 to rent from a private landlord, 3 to rent from a housing association, 3 to buy a shared ownership property and 1 to access high-quality sheltered housing. The majority of near-term need may be satisfied by open market housing but there is an important minority who require subsidised Affordable Housing options.
 - When asked what type of housing is wanted, particular interest was shown in larger homes, starter homes and bungalows. Within the latter two choices there was a strong preference for 2-bedroom properties. There was a small number of respondents in favour of retirement housing and properties suitable for wheelchair users.
 - 51 respondents (38% of those responding to the relevant question) expect to work from home more often in future.
- Findings of the Walsham le Willows Housing Needs Survey, reported in May 2015. The survey received 131 responses, a rate of roughly 21%. Though the more recent survey now supersedes many of the findings of this study, its scope was slightly different and some of its findings therefore remain relevant:
 - 11 households self-identified as having a current housing need. All were couples (with or without children) or single parent families. This is within range of the 29 responding affirmatively in the latest survey, given that it asked more explicitly about future need. A further 4 households identified a need to return to the parish from elsewhere.
 - The most common reason for housing need was setting up one's own home (9 respondents), followed by insecurity of tenure and financial reasons (4 each), needing a larger home (3), and health and mobility (1).
 - Most respondents in need were looking for a house or bungalow to rent, with a minority seeking shared ownership or local market sale housing.
 - 24 people were found to be in need of Affordable Housing.
 - Data was provided on household's combined earnings, with the most common bracket (46%) being £10,000-15,000. Because of the small sample size of 15 respondents this does not represent the average income of all

local people but does highlight that those in need of housing are predominantly in low income groups.

- Likewise with savings, a majority of respondents had no savings with no respondent having more than £15,000 in savings. This was again a small sample size but points to the fact that most of these households will need to be served by affordable rented housing.

69. More recent data sources for the population and existing housing stock will be used wherever possible in this report. However, Census datasets providing, for example, the breakdown of households (as opposed to individuals) by age and the tenure of dwellings, cannot accurately be brought up to date in this way. Such patterns are instead generally assumed to persist to the present day.

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

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

Introduction

70. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
71. Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
72. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. As part of this effort, the Government has recently introduced a new product called First Homes.¹¹
73. Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:
- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
 - The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
 - After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;

¹¹ The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
- They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
- In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents.
- 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.

Current tenure profile

74. The current tenure profile is a key feature of the Neighbourhood Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.
75. Table 4-1 presents data on tenure in Walsham le Willows compared with Mid Suffolk and England from the 2011 Census, which is the most recent available source of this information. It shows that home ownership is less prevalent in the parish than the wider district, although Walsham le Willows has double the rate of shared ownership seen at wider geographies. The parish and district have similar (and comparatively low) proportions of private renting, but the parish has more socially rented homes. In all, Walsham le Willows' tenure mix more closely resembles that of England than Mid Suffolk.
76. It is difficult to firmly establish changes to the tenure mix since 2011. Mid Suffolk Council have provided information about the 36 homes built since that time, but this information does not capture which of these can be counted as units of Affordable Housing. The most recent 18 completions have all been on sites of fewer than four dwellings, which is well the size threshold above which Mid Suffolk expects a contribution to Affordable Housing, so it is safe to assume these are market homes. The other 18 units are part of the large Hopkins Homes scheme at Elm Drive / Willow Close, which delivered a total of approximately 57 homes between 2009 and 2013. It is highly likely that a proportion of these homes are in Affordable Housing tenures, but Mid Suffolk Council were unable to detail this for the site as a whole or the 18 homes completing after the Census.
77. Mid Suffolk Council were, however, able to confirm that the stock of Council Housing (i.e. social rent) in the parish stands at 57 (as of January 2021). This does not include housing managed by Registered Providers (RPs), only by the Council itself. Mid Suffolk Council

were able to provide a 2017 figure for the number of social rented homes operated by RPs, which stood at 28 units. Assuming that no affordable rented homes have been built since 2017 and that none of the RP operated units have been bought out through the Right to Buy scheme since 2017 suggests that the current total is 85.

78. This represents an increase of 3 units on the total of 82 counted at the time of the 2011 Census. This suggests that a small number of the dwellings on the large Hopkins Homes scheme built after 2011 were in affordable tenures, or that a larger number are in affordable tenures but some of the 82 social rented properties in 2011 have since been bought out by their owners through the Right to Buy scheme. (Across Mid Suffolk 196 social or affordable rented homes have been bought out through the Right to Buy scheme since 2011 according to MHCLG live tables, equating to 4.3% of the stock existing at the time of the Census. On this basis it might be expected that around 3 units may have been bought out within the NA in that time.)
79. The 2017 estimate of RP Affordable Housing also indicated that a further 9 homes in the parish are in the shared ownership tenure. This represents a decline of 1 unit from the total of 10 counted in the 2011 Census. This is not unusual as the proportion of the home that is owned by the occupant can increase over time and may eventually lead to full ownership.
80. In all, it can be estimated that there are 94 units of Affordable Housing of all kinds in Walsham le Willows at present. This is 16.7% of the current estimated total of 564 homes (528 at 2011 plus 36 completions since). The total proportion of housing in the parish in affordable tenures has thus declined by roughly 1.3 percentage points since 2011. The potentially large volume of Affordable Housing expected to come forward on two key upcoming sites is likely to counteract this change, and will be discussed in greater detail toward the end of this chapter in the context of the future need for Affordable Housing.
81. There is no current data on the proportion of housing that is rented privately (rather than owned) because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months.

Table 4-1: Tenure (households) in Walsham le Willows, 2011

Tenure	Walsham le Willows	Mid Suffolk	England
Owned	67.6%	75.1%	63.3%
Shared ownership	2.0%	0.9%	0.8%
Social rented	16.0%	11.3%	17.7%
Private rented	11.7%	11.2%	16.8%

Sources: Census 2011, AECOM Calculations

Affordability

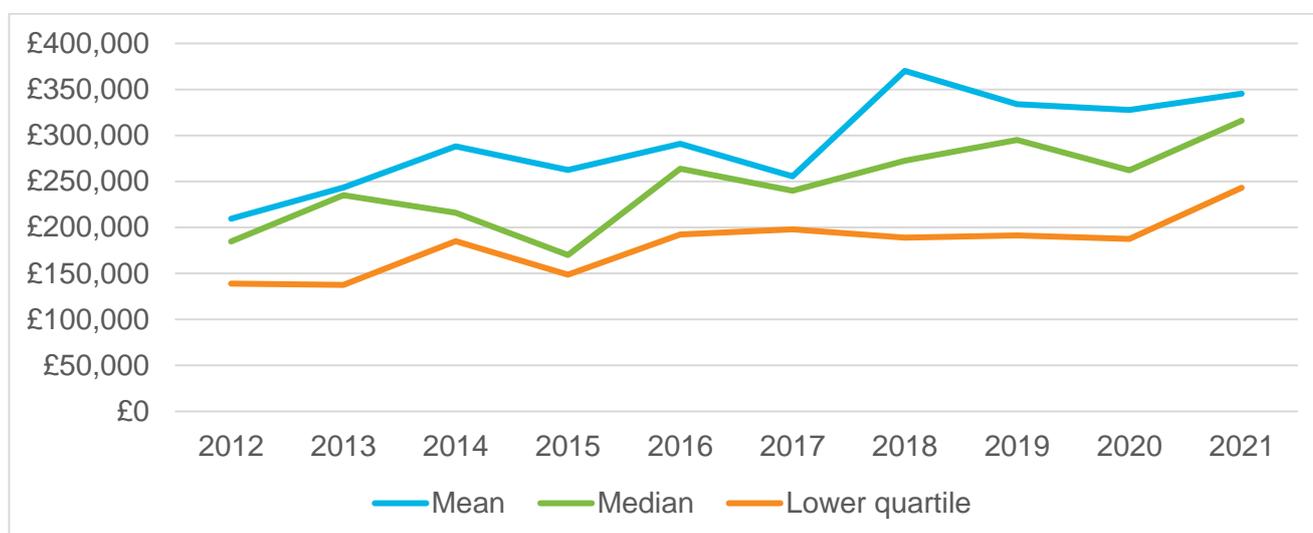
House prices

82. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is

affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.

83. Figure 4-1 looks at selected measures of house prices in Walsham le Willows. It shows that values have increased over the past ten years despite a number of year-on-year fluctuations. Such fluctuations are not unusual with a small sample of transactions, averaging around 20 sales per year.
84. The current median house price is £316,000, representing a growth rate of 71% on the 2012 starting figure. The current lower quartile price is £243,125, representing growth of 75% over the same period. This means that a household looking to buy today is faced with funding an additional £100,000 through savings or mortgage costs, even for an entry-level home, on top of what they would have needed if buying just ten years ago. This is a significant impediment to home ownership for local people, considering that incomes across Mid Suffolk have risen on average by just 19% over the last decade (according to ONS estimates of gross weekly earnings).
85. The median and lower quartile house price for Mid Suffolk in 2021 were £295,000 and £230,000 respectively, indicating that property values in Walsham le Willows are roughly 6-7% higher than the district average, depending on which measure is used.

Figure 4-1: House prices by quartile in Walsham le Willows, 2012-2021



Source: Land Registry PPD

86. Table 4-2 breaks down house prices by type, presenting the median within each type. It shows a clear distinction between the cost of detached housing and all other types. The upward trajectory of prices is most clearly visible for semi-detached homes, which currently sit at their peak, while fluctuations have been more common for terraced and detached averages over time.

Table 4-2: Median house prices by type in Walsham le Willows, 2011-2020

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£272,475	£317,498	£335,000	£452,500	£332,000	£360,000	£445,000	£430,000	£424,500	£392,500	44.0%
Semi-detached	£165,000	£134,000	£185,000	£158,000	£209,250	£237,500	£195,000	£245,000	£232,500	£260,000	57.6%
Terraced	£225,000	£138,500	£199,000	£145,000	£240,000	£209,000	£180,500	£244,250	£262,000	£222,500	-1.1%
Flats	-	-	-	£155,000	£185,000	-	-	£183,500	-	£200,000	N/A
All Types	£184,670	£235,000	£216,000	£170,000	£263,750	£240,000	£272,500	£295,000	£262,000	£316,000	71.1%

Source: Land Registry PPD

87. Finally, it is worth discussing the cost of newly built housing. Two new homes were sold in Walsham le Willows in 2016, but these are the most recent examples. This means that it is not possible to ascertain the average costs of new housing in the parish. Instead, it is useful to consider price points across the wider district. Since Mid Suffolk prices are within 10% of those in the parish, they can be taken as reasonably representative of the likely cost of newly built housing that may come forward in the parish in the near future.
88. The overall median price of the 53 newly built homes sold in Mid Suffolk in 2021 was £288,000. The median by type was £230,000 for a semi-detached home, £252,200 for a terraced home and £328,000 for a detached home.

Income

89. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.
90. The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income before housing costs locally was £46,300 in 2018 (which remains the latest data). A map of the area to which this data applies is provided in Appendix A.
91. The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. Mid Suffolk's gross individual lower quartile annual earnings were £15,704 in 2021 (provisional data for 2021 was used because the revised data for 2020 was not complete for Mid Suffolk). To estimate the income of households with two lower quartile earners, this figure is doubled to £31,408.
92. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

Affordability Thresholds

93. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.
94. AECOM has determined thresholds for the income required in Walsham le Willows to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.
95. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income.
96. Table 4-3 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.
97. The same information is presented as a graph in Fig on a subsequent page, with selected measures from the table presented for clarity.

Table 4-3: Affordability thresholds in Walsham le Willows (income required, £)

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £46,300	Affordable on LQ earnings (single earner)? £15,704	Affordable on LQ earnings (2 earners)? £31,408
Market Housing						
Median House Price	£284,400	-	£81,257	No	No	No
LA New Build Median House Price	£259,200		£74,057	No	No	No
LQ/Entry-level House Price	£218,813	-	£62,518	No	No	No
Average Market Rent	-	£10,200	£34,000	Yes	No	No
Entry-level Market Rent	-	£8,100	£27,000	Yes	No	Yes
Affordable Home Ownership						
First Homes (-30%)	£181,440	-	£51,840	No	No	No
First Homes (-40%)	£155,520	-	£44,434	Yes	No	No
First Homes (-50%)	£129,600	-	£37,029	Yes	No	No
Shared Ownership (50%)	£129,600	£3,600	£49,029	No	No	No
Shared Ownership (25%)	£64,800	£5,400	£36,514	Yes	No	No
Shared Ownership (10%)	£25,920	£6,480	£29,006	Yes	No	Yes
Affordable Rented Housing						
Affordable Rent	-	£5,643	£18,791	Yes	No	Yes
Social Rent	-	£4,979	£16,580	Yes	Marginal	Yes

Source: AECOM Calculations

98. Before considering each tenure category in turn, it is important to stress that these affordability thresholds have been calculated to give a sufficiently robust indication of the costs of various tenures to inform Neighbourhood Plan policy choices. These figures rely on existing data and assumptions, and it is not possible to estimate every possible permutation. The income figures also disguise a large degree of variation. For simplicity the analysis below speaks in terms of tenure products being 'affordable' or 'not affordable' for different groups, but individual circumstances and the location, condition and other factors of specific properties in each category have a large impact. These conclusions should therefore be interpreted flexibly.

Market housing for purchase and rent

99. Thinking first about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a large deposit. Market housing is therefore the preserve of those with substantial equity from an existing home, those on higher than average local incomes, and incomers from elsewhere. The median house price would require an annual income roughly 75% higher than the current average.
100. Private renting appears much more accessible, although it is important to note that the benchmarks for the costs of renting used here are taken from a sample extending 3 miles around the parish. This means that they do not precisely represent the kinds of home likely to come up for rent in the NA. The lack of current listings for rental homes is also a

signal of limited choice in the housing market and/or high demand for any rental properties that do come available. Average earning households can afford a variety of rented options and those on two lower incomes can access entry-level rented properties. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

Affordable home ownership

101. There is a relatively large group of households in Walsham le Willows who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £27,000 per year (at which point entry-level rents become affordable) and £62,000 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
102. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.
103. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. It appears that a 40% discount is sufficient to bring First Homes within reach of average earning households, while even the greatest 50% discount option does not provide an entry point for lower earning households. As such, 40% may be considered a suitable discount level, subject to issues of viability and the wider strategy of the local authority, which should be discussed with Mid Suffolk Council if this policy area is taken forward in the Neighbourhood Plan.
104. Table 4-5 shows the discount required for First Homes to be affordable to the three income groups. Because it is not possible to estimate the cost of a typical First Home due to a lack of data on new build entry-level house prices in the NA, it is worth considering the discounts required for some additional price benchmarks. The table above uses median new build house prices across Mid Suffolk as a proxy. However, it is worth thinking about First Homes in relation to the cost of the median and lower quartile average within the NA specifically to get a more complete picture. The discount levels required for these alternative benchmarks are given below. This evidence does suggest that the 40% discount level is right on the edge of affordability, and if First Homes come forward in line with the cost of median existing homes in the NA this might exclude average earning households. This may justify a higher discount if this is a concern locally.

Table 4-5: Discount on sale price required for households to afford First Homes

Price/product	Low Income	Low Income x1	Low Income x2
Median house price			
New build median house price			
Entry-level house price			

Source: Land Registry PPD; ONS MSOA total household income

105. Shared ownership appears to be about as affordable as First Homes, and is broadly accessible to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.¹² If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
106. The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view.
107. The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. On that basis, Rent to Buy could be more affordable than First Homes and shared ownership and should be explored if a realistic possibility locally.
108. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not:
- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
 - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
 - Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.
 - Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

Affordable rented housing

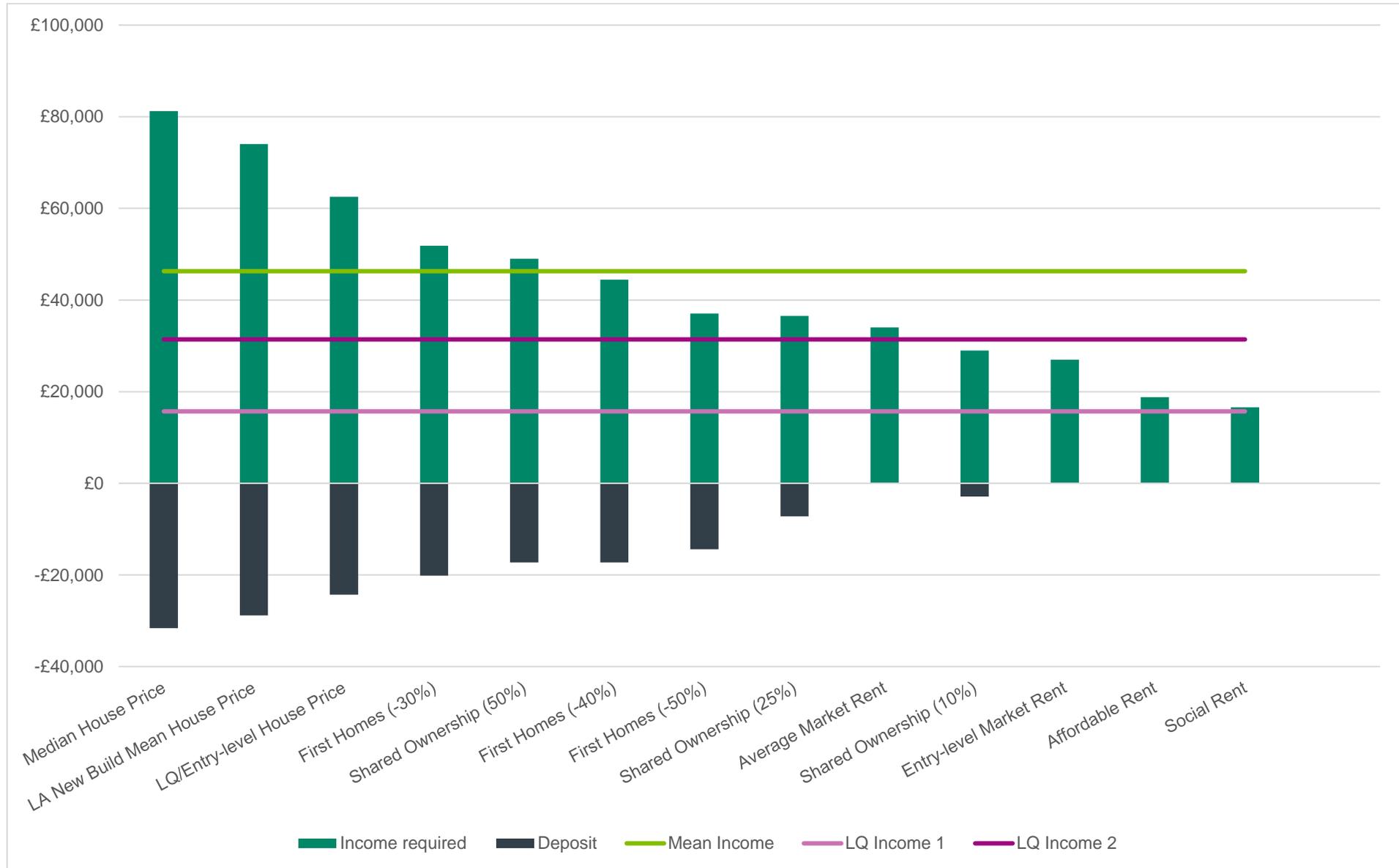
109. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such

¹² The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.

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

Figure 4-2: Affordability thresholds in Walsham le Willows, income required (additional cost of deposit in black)



Source: AECOM Calculations

Affordable housing- quantity needed

111. The starting point for understanding the need for affordable housing in Walsham le Willows is the relevant Strategic Housing Market Assessment (SHMA) The Ipswich and Waveney Housing Market Areas SHMA Part 2 Partial Update 2019 provides total estimates for the need for Affordable Housing for each district.
112. It finds that 1,298 social or affordable rented homes will be needed in 2018-36 across Mid Suffolk, and that there is potential demand for a further 1,391 affordable home ownership units (composed of 960 shared ownership and 431 discounted market homes). On the basis that the share of this need attributable to the NA is in proportion to its share of the district population (1.25%), this suggests that Walsham le Willows will need around 16-17 units of each type of Affordable Housing over the same period, or just under one unit of each type per year. Over the 15 years of the Neighbourhood Plan period, this equates to the need for 28 affordable homes, 14 of which should be for affordable rent and 14 of which should be for affordable home ownership. The broadly even split between the two tenure types is reflected in the survey findings, that 3 households are looking for subsidised rent and 3 for shared ownership.
113. While this evidence is a helpful indication of what can be understood as Walsham le Willows' share of the district's overall needs, and of the rough scale of demand that might be expected, pro-rating district-level needs for rural areas presents problems in practice. It effectively smooths out differences across a wide area and is less specific to the local situation. These results should be a consideration when thinking about policy options in the Neighbourhood Plan, but can also be supplemented with calculations that use inputs that relate specifically to the NA, which are detailed below. The first estimates the need for affordable rented housing and the second considers the potential demand for affordable home ownership tenures.

Affordable rented housing

114. The starting point for assessing the need for affordable rented housing is the number of Walsham le Willows households currently applying for Affordable Housing on the Mid Suffolk housing register. The Council has indicated that as of October 2021 there are 8 applicant households claiming a local connection to Walsham le Willows on the housing register (claiming because local connections are not verified until properties come available). It is not known how many of these, or if any other households, currently reside in the parish. This current snapshot appears to be broadly representative of other years: a previous snapshot in September 2020 found 5 applicants with a local connection. That said, the 2015 household survey established a need from 24 individuals, which is significantly higher than the figures captured on the housing register. This could point to a difference of methodology, stringent eligibility criteria for the register, or simply a change over time.

115. The number of bedrooms needed is varied, with 4 households needing 1 bedroom, 1 needing 2 bedrooms, 2 needing 3 bedrooms and 1 needing 4 bedrooms. 3 of the households are aged over 55 and 2 require a level-access property adapted to their mobility needs. 1 applicant is in priority band A, 3 are in band B, 1 in band C and 3 in band E.
116. Table 4-6 estimates the need for Affordable Housing for rent in Walsham le Willows per year of the Plan period. It should be noted that the accuracy of the findings generated by the model is only as strong as the evidence available. However, given the test of proportionality for evidence supporting neighbourhood plans, the calculations set out below are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need. Many of the inputs are also dependent on information provided by Mid Suffolk in its capacity as manager of the local housing waiting list
117. The result of the model is a slight surplus of additional affordable rented housing of 1.1 units per year. This is because the expected annual turnover in the existing stock of 85 affordable rented properties (2-3 coming vacant per year) is likely to absorb newly arising need each year as well as to eventually satisfy the current backlog.
118. That said, if annual turnover were able to satisfy newly arising need there would not be a consistent backlog of 5-8 households in need. This may in part be due to the potential mismatch between the type and size of properties needed and the type and size of those available. The tally of affordable rented homes by size in the parish is as follows. It is likely that the applicant in need of a 4-bedroom home may have to wait for some time for the limited stock to come available without further construction, and it is notable that the category with the highest current need (for 1-bedroom homes) represents only 13% of the stock.
- 11 x 1-bedroom
 - 40 x 2-bedroom
 - 31 x 3-bedroom
 - 3 x 4-bedroom
119. This, combined with the potential for the waiting list figure to increase unexpectedly in future, is cause for flexibility to accommodate some positive growth in affordable rented housing in spite of the surplus identified here.
120. In addition, Walsham le Willows is part of a wider market area and may be expected to meet some of Mid Suffolk's needs, which have been identified in the SHMA noted above. The natural surplus estimated here, or any additional provision, would help to satisfy those wider needs.

Table 4-6: Estimate of need for Affordable Housing for rent in Walsham le Willows

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current households in need	8.0	Data provided by Mid Suffolk Council, for those claiming a local connection to the parish as of October 2021.
1.2 Per annum	0.5	Step 1.1 divided by the plan period to produce an annualised figure.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	75.6	DLUHC 2018-based household projections for the LA between start and end of plan period. % increase applied to NA.
2.2 Proportion of new households unable to rent in the market	18.0%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA.
2.2.1 Current number of social renters in parish	85.0	Data provided by Mid Suffolk Council, incorporating a 2021 total of Council Housing plus a 2017 estimate of Registered Provider stock.
2.2.2 Number of private renters on housing benefits	12.4	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	13.6	Step 2.1 x Step 2.2.
2.4 Per annum	0.9	Step 2.3 divided by plan period.
STAGE 3: TURNOVER OF AFFORDABLE HOUSING		
3.1 Supply of social/affordable re-lets (including transfers) %	3%	Assumed proportion of stock re-let each year.
3.2 Supply of social/affordable re-lets (including transfers)	2.6	Step 3.1 x NA social rented stock (2.2.1).
NET SURPLUS OF RENTED UNITS PER ANNUM		
Overall surplus per annum	1.1	Step 1.2 + Step 2.4 - Step 3.2

Source: AECOM model, using Census 2011, English Housing Survey 2018, DLUHC 2018 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency. Figures may not sum due to rounding.

Affordable home ownership

121. Turning now to Affordable Housing providing a route to home ownership, Table 4-7 estimates the potential demand in Walsham le Willows. This model aims to estimate the number of households might wish to own their own home but cannot afford to – the ‘can rent, can’t buy’ group described in the previous section. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.

122. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model

also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.¹³ No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.

123. The result of the calculation is 3 households per annum who may be interested in affordable home ownership (or 47 for the entirety of the Plan period).
124. Again, this assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal because of low number of shared ownership units in the NA currently (even though it is proportionally high compared with the district and country).
125. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

¹³ <http://www.ipsos-mori-generations.com/housing.html>

Table 4-7: Estimate of the potential demand for affordable housing for sale in Walsham le Willows

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in parish	73.1	Census 2011 number of renters x national % increase to 2018.
1.2 Percentage renters on housing benefit in LA	16.9%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	12.4	Step 1.1 x Step 1.2.
1.4 Current need (households)	45.6	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. ¹⁴
1.5 Per annum	3.0	Step 1.4 divided by plan period.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	75.6	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	9.3%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	7.1	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	0.5	Step 2.3 divided by plan period.
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	9	Number of shared ownership homes in parish (Mid Suffolk Council count)
3.2 Supply - intermediate resales	0.5	Step 3.1 x 5% (assumed rate of resale).
NET SHORTFALL PER ANNUM		
Overall shortfall per annum	3.1	(Step 1.5 + Step 2.4) - Step 3.2.

Source: AECOM model, using Census 2011, English Housing Survey 2018, DLUHC 2018 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency.

126. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).

127. It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing

¹⁴ The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, based on national level polls which consistently reveal that most households who prefer home ownership eg <http://www.ipsos-mori-generations.com/housing.html> and informed by our experience across numerous neighbourhood level HNAs. The assumption is based on the fact that some households choose to rent at certain stages in their life (e.g. when young, when needing flexibility in employment market, or when new migrants move into an area). While most households prefer the added security and independence of owning their own home, private renting is nevertheless a tenure of choice at a certain points in many households' journey through the housing market. The actual percentage of preference will differ between areas, being higher in large metropolitan areas with younger households and more new migrants, but lower in other areas. 25% is used as a reasonable proxy and for consistency across HNAs and similar assumptions are used in some larger scale assessments such as LHNA and SHMA. If the neighbourhood planning group feel this is not an appropriate assumption in their particular locality they could use the results of a local residents survey to refine or confirm this calculation.

waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.

Affordable Housing pipeline supply

128. As noted in the context section of this report, the overall housing requirement for the parish is due to be substantially met by two large upcoming sites and two single-dwelling schemes. Affordable Housing delivery from the larger schemes is expected to provide a significant injection of supply in the parish, perhaps the largest in recent decades.
129. The 60-unit site was initially expected to deliver 21 affordable homes, but as of an October 2021 change (pending a decision) this is likely to rise to 31. Mid Suffolk Council data suggests that the 22-unit site will bring forward 7 affordable homes. However, the mix on this site is yet to be determined and as this site is being brought forward by the Council, it is possible that it will eventually be composed wholly of Affordable Housing.
130. Reflecting this uncertainty, the total potential delivery of Affordable Housing over the Neighbourhood Plan period is expected to be in the range of 38-53 units. The split between the different forms of Affordable Housing (notably between rented and ownership options) is not known at this time.
131. This volume of delivery is more than sufficient to meet Walsham le Willows' share of the district's need as gleaned from the SHMA, of 28 units. It also has the potential to meet the potential demand identified here for 47 units of affordable home ownership accommodation (with the annual surplus of affordable rented housing requiring no further construction).

Affordable Housing policy guidance

132. Mid Suffolk's adopted policy on this subject (H4) aims for up to 35% of all new housing to be affordable. The emerging JLP (Policy SP02) raises the threshold to sites with more than 10 dwellings and suggests that higher percentage requirements may be permitted.
133. How the Affordable Housing that that does come forward through any future mainstream development sites may take a variety of forms. How it should be broken down into specific tenures is suggested in emerging policy SP02. This policy states that the need is for 12.5% of all housing to be for affordable rent and for 10% to be for affordable sale. However, the total of 22.5% is below the overall target for the proportion of housing that should be affordable, so it is not clear exactly how the homes on a given scheme should be split between affordable renting and affordable ownership.
134. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:
 - A. **Evidence of need for Affordable Housing:** This study estimates that Walsham le Willows requires little or no additional affordable rented housing in the long term but does have a small current backlog. It also

finds that there may potentially be demand for 47 units of affordable home ownership accommodation over the Plan period. Pro-rating the need identified for Mid Suffolk in the SHMA suggests that 14 units of each tenure may be required in the parish based on its population.

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

- B. Can Affordable Housing needs be met in full?** How far the generally more acute need for affordable rented housing might be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.

As noted above, Affordable Housing delivery is expected to be in the region of 38-53 units during the Plan period. This is sufficient to meet most of the ways of looking at need reviewed here. As such, there is an opportunity to maximise the supply of affordable home ownership options to meet the greater quantity of demand without risking a deficit of affordable rented housing if this is within the aspirations of the community.

- C. Government policy (eg NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in Mid Suffolk, where 35% of all housing should be affordable, 28.5% of Affordable Housing should be for affordable ownership. This complies with the JLP, which seeks more than 10% of all housing to be in this category.

There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA there is no evidence that meeting (or even exceeding) the 10% threshold in Walsham le Willows would prejudice the provision of affordable rented homes.

- D. Local Plan policy:** As noted above, the adopted and emerging Local Plans do not provide a firm guideline of the split within affordable housing but do set minimum figures for each type of Affordable Housing as a proportion of all housing (12.5% for affordable rent and 10% for affordable home ownership).
- E. First Homes policy:** the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.

This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. This is not the case in Mid Suffolk.

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

This guidance generally applies to district-level policy, and there may still be potential for a neighbourhood plan tenure mix to deviate from how the other tenures are rebalanced if appropriate.

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
- H. **Existing tenure mix in Walsham le Willows:** Walsham le Willows appears to have a healthy stock of Affordable Housing compared to wider Mid Suffolk, with more affordable rent and nearly double the proportion of shared ownership. While the overall proportion of housing that falls into affordable tenures has fallen slightly since the Census, it is due to be buttressed by the delivery associated with two large upcoming sites.
- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.
- J. **Wider policy objectives:** the neighbourhood planning group may wish to take account of broader policy objectives for Walsham le Willows and/or the wider district. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.

135. On the basis of the considerations above, Table 4-8 proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.

136. Walsham le Willows is in the unusual position for a rural parish of having higher rates of social renting and shared ownership than the wider district, coupled with a projected (moderate) surplus of affordable rented housing over the coming years, and a large upcoming injection of Affordable Housing supply.
137. In this context, to the degree that the Neighbourhood Plan will seek to influence the mix of Affordable Housing on the upcoming sites, there is an opportunity to provide a wider range of affordable routes to home ownership to serve first time buyers and others unable to afford the area's fast-rising house prices, without overly endangering the provision of affordable rented accommodation for the lower number of people with the most acute needs.
138. The split between rented and ownership options within the affordable mix proposed here gives greater emphasis to ownership options but retains a robust proportion for affordable rent in order to help address the existing backlog, protect against a change of circumstances in future years and contribute to the wider needs of Mid Suffolk established in the SHMA.
139. The choice of a 64/36 split is informed by the provision in the emerging Local Plan that at least 12.5% of all housing should be for affordable rent and 10% should be for affordable home ownership. 12.5% of all housing is 36% of Affordable Housing, assuming that the policy target for 35% of all housing to be affordable is met. Effectively, it is recommended that this 12.5% benchmark be taken as an upper bound rather than a minimum, with affordable home ownership rising to make up the difference.
140. How the 64% affordable home ownership should be split into sub-tenures is proposed with regard to the national policy requirement that 25% of Affordable Housing be First Homes, as well as the findings of the affordability analysis in this chapter, which suggest that the three sub-tenures provide similar affordability as well as value to different segments of the population.
141. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.
142. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with Mid Suffolk to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
143. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

Table 4-8: Indicative tenure split (Affordable Housing)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	64%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	25%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	14%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	36%	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

Conclusions- Tenure and Affordability

Affordability issues

144. Walsham le Willows' current tenure profile reveals that home ownership is less common in the parish than the wider district, but that a relatively strong supply of Affordable Housing tenures exists. Figures supplied by Mid Suffolk Council from 2021 and 2017 suggest that there are 85 units of affordable rented housing and 9 units of shared ownership in the Neighbourhood Area (NA). The former is 3 units greater than the tally at the time of the 2011 Census and the latter is one unit fewer. These changes are due to development in the intervening years combined with the transfer of dwellings into home ownership through the Right to Buy scheme and the staircasing of equity shared in shared ownership.
145. Home values in Walsham le Willows have increased over the past ten years despite a number of year-on-year fluctuations. Such fluctuations are not

unusual with a small sample of transactions, averaging around 20 sales per year.

146. The current median house price is £316,000, representing a growth rate of 71% on the 2012 starting figure. The current lower quartile price is £243,125, representing growth of 75% over the same period. This means that a household looking to buy today is faced with funding an additional £100,000 through savings or mortgage costs, even for an entry-level home, on top of what they would have needed if buying just ten years ago. This is a significant impediment to home ownership for local people, considering that incomes across Mid Suffolk have risen on average by just 19% over the last decade (according to ONS estimates of gross weekly earnings). House prices in the parish are 6-7% higher than across the wider district.

Tenure options

147. AECOM has estimated the annual income required to afford various tenures of housing in the NA – each of which is explained in detail in Appendix A. These thresholds are compared to local incomes to determine which options are the most appropriate for local people going forward. The average household income in Walsham le Willows is £46,300, and the lower quartile income (per person) for Mid Suffolk was £15,704 in 2020.
148. It was found that a household would need an income comfortably above the average (or a very large deposit) to qualify for a mortgage even for an entry-level home in the area. The median house price would require an annual income roughly 75% higher than the current average.
149. Private renting appears much more accessible, although it is important to note that the benchmarks for the costs of renting used here are taken from a sample extending 3 miles around the parish. This means that they do not precisely represent the kinds of home likely to come up for rent in the NA. The lack of current listings for rental homes is also a signal of limited choice in the housing market and/or high demand for any rental properties that do come available. Average earning households can afford a variety of rented options and those on two lower incomes can access entry-level rented properties.
150. There is a relatively large group of households in Walsham le Willows who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £27,000 per year (at which point entry-level rents become affordable) and £62,000 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
151. All of these products would be valuable to different segments of the local population, with shared ownership at a lower than 25% equity share potentially allowing lower earning households to get a foot on the housing ladder, while rent to buy offers poorer long-term prospects but is helpful to those with little or

no savings for a deposit, and First Homes at a 50% discount provides the best long-term support to those with slightly higher incomes.

152. Neighbourhood plan qualifying bodies have discretion to increase the discount on the new First Homes product from 30% to 40% or 50% where there is evidence to suggest this is appropriate. This HNA finds that a discount of at least 40% would be necessary from an affordability perspective in Walsham le Willows.
153. Affordable rented housing appears generally affordable to households with two lower earners (average earning households are unlikely to be eligible). However, households with a single lower earner are unable to afford any of the tenures considered except for smaller socially rented units. Many such individuals will, if unable to secure a social rented dwelling or additional subsidy, need to live in a room in a shared house using housing benefit.

Quantity of Affordable Housing needed

154. The Ipswich and Waveney Housing Market Areas SHMA Part 2 Partial Update 2019 identifies a need for 1,298 additional affordable rented homes in Mid Suffolk between 2018-36, and a further 1,391 affordable home ownership units.
155. On the basis that the share of this need attributable to the NA is in proportion to its share of the district population (1.25%), this suggests that Walsham le Willows will need 28 affordable homes over the Neighbourhood Plan period, 14 of which should be for affordable rent and 14 of which should be for affordable home ownership.
156. While this evidence is a helpful indication of what can be understood as Walsham le Willows' share of the district's overall needs, and of the rough scale of demand that might be expected, pro-rating district-level needs for rural areas presents problems in practice. The HNA therefore provides additional estimates for each sub-tenure using up-to-date and locally specific data inputs from Mid Suffolk Council.
157. The result of the model is a slight surplus of additional affordable rented housing of 1.1 units per year. This is because the expected annual turnover in the existing stock of 85 affordable rented properties (2-3 coming vacant per year) is likely to absorb newly arising need each year as well as to eventually satisfy the current backlog of 8 households.
158. The potential for mismatch between the size and type of home needed and the available stock, combined with the potential for the waiting list figure to increase unexpectedly in future, is cause for flexibility to accommodate some positive growth in affordable rented housing in spite of the surplus identified here. Walsham le Willows may also be expected to meet a share of the wider district's need, whether or not there is a persistent need within the parish itself.
159. Regarding the potential demand for affordable home ownership tenures, the model estimates that around 3 households per year may be interested in such products, or 47 over the whole Plan period.

Policy considerations

160. Mid Suffolk's adopted policy on this subject (H4) aims for up to 35% of all new housing to be affordable. The emerging JLP (Policy SP02) raises the threshold to sites with more than 10 dwellings and suggests that higher percentage requirements may be permitted.
161. The overall housing requirement for the parish is due to be substantially met by two large upcoming sites and two single-dwelling schemes. Affordable Housing delivery from the larger schemes is expected to provide a significant injection of supply in the parish, perhaps the largest in recent decades. The total potential delivery of Affordable Housing over the Neighbourhood Plan period is expected to be in the range of 38-53 units, which would be more than sufficient to meet the NA's share of Mid Suffolk's needs and may also address the potential demand for affordable home ownership identified here.
162. Walsham le Willows is in the unusual position for a rural parish of having higher rates of social renting and shared ownership than the wider district, coupled with a projected (moderate) surplus of affordable rented housing over the coming years, and a large upcoming injection of Affordable Housing supply.
163. In this context, to the degree that the Neighbourhood Plan will seek to influence the mix of Affordable Housing on the upcoming sites, there is an opportunity to provide a wider range of affordable routes to home ownership to serve first time buyers and others unable to afford the area's fast-rising house prices, without overly endangering the provision of affordable rented accommodation for the lower number of people with the most acute needs.
164. On the balance of factors listed in the Policy Guidance section of this chapter, AECOM recommends that roughly 36% of Affordable Housing should take the form of rented tenures such as social and affordable rent (preferably the former), with the remaining 64% as affordable routes to home ownership, fulfilling the requirements of the new First Homes product and allowing for shared ownership and rent to buy to widen choice in the market.
165. Table 4-9 summarises Walsham le Willows' position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation, and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

Table 4-9: Estimated delivery of Affordable Housing in Walsham le Willows

	Step in Estimation	Expected delivery
A	Housing requirement in emerging Local Plan	90
B	Affordable housing quota (%) in LPA's Local Plan	35%
C	Potential total Affordable Housing in NA (A x B)	32 (actual range likely to be in the region of 38-53 unts based on committed supply)
D	Rented % (e.g. social/ affordable rented)	36%
E	Rented number (C x D)	12
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	64%
G	Affordable home ownership number (C x F)	20

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

5. RQ 2: Type and Size

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

Introduction

166. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Walsham le Willows in terms of type and size, as well as some of the population characteristics that tend to influence housing needs. From this, it is possible to develop an understanding of what sort of housing would be appropriate going forward.
167. It is worth emphasising that this evidence assumes that existing demographic and occupation patterns will persist into the future. It can therefore be thought of as the baseline or default scenario, into which the community may wish to intervene – for example to attract a different or more balanced demographic. The recommendations in this chapter, particularly the final suggested size mix, are a starting point that may be adjusted in light of other community objectives and primary evidence.

Existing types and sizes

Background and definitions

168. Before beginning to explore issues of dwelling type and size, it is important to note that the demand for housing by size and type tends to be determined primarily by wealth – with those having more buying power choosing to occupy larger homes, and often preferring detached properties to denser types, such as flats.
169. This study is concerned primarily with need rather than demand. Need for homes of different sizes is chiefly determined by the number of people occupying the home. In the strict sense, there is no ‘need’ for dwellings of any particular type, other than the specific needs of those with certain disabilities for level access properties, for example.
170. The best proxy for the number of people in a household is age or ‘life stage’, with younger and then older households tending to have one or two people, and those in between these poles more likely to have larger families including children. Life stage is therefore a main indicator considered here for the size of housing needed. But it is worth pointing out that wealth is also correlated with age, so it is not possible to attain a pure view of what is needed from the secondary data alone.
171. It is also useful to clarify the terminology around dwellings and households. Dwellings are counted in the Census by combining address information with Census returns on whether people’s accommodation is self-contained. As such,

all dwellings are classified as either shared or unshared dwellings. Households are groups of people who live together as a coherent unit (such as a family), and a dwelling is shared where there is more than one household occupying it (e.g. two families or a group of individual students). Hence, there is usually a different number of households and dwellings in any given area. The number of dwellings can also exceed that of households in areas with large numbers of holiday or second homes.

172. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. The 2011 Census is now fairly dated and Valuation Office Agency (VOA) data on the UK's dwelling stock does not drill down to areas as small as Walsham le Willows. The approach that has therefore been taken is to sum together the 2011 Census baseline and completions data on the homes built since then, provided by Mid Suffolk Council. While this provides a relatively up-to-date picture, it does not account for any changes to homes that existed in 2011 (such as extensions).
173. More importantly, the Mid Suffolk data only counts the size and type of home from 2017. Of the homes built prior to this date, 3 were at an unknown development in 2013-14 and approximately 73 were delivered as part of the Hopkins Homes scheme at Elm Drive / Willow Close between 2008 and 2012. Of these 73, only 21 were completed since the 2011 Census and therefore would need to be added to the 2011 Census baseline. However, because a detailed breakdown of the mix and phasing of this site is not available, it is not possible to determine what sizes and types of home were built in the most recent years. The picture of the current size and type mix provided below is therefore incomplete, but this is not statistically significant.
174. As also noted in the Context section, the approach taken here is to present the current housing mix as the baseline against which the need can be examined, and then to consider (or deduct) upcoming supply against the identified need.

Dwelling type

175. Of the 36 homes built since 2011, Mid Suffolk Council hold no relevant information on 24 dwellings. In terms of dwelling type, a further 5 are labelled simply as 'houses' or 'bungalows' with no information on whether they are detached, terraced, etc. This leaves 7 homes for which type information is available. Just 1 of these is a flat and the other 6 are all detached houses.
176. These new homes are added to the 2011 Census breakdown in Table 5-1. It is clear that detached and semi-detached properties predominate in Walsham le Willows and, to the extent that this is known, recent development has served to further exaggerate this pattern.
177. VOA data provides the dwelling type breakdown of a wider area (including Wattisfield and a rural area in addition to Walsham le Willows). It is therefore less accurate in terms of actual numbers, but valuable because the VOA counts bungalows as a separate category of dwelling, unlike in the Census. Across this wider area bungalows make up 15.2% of homes, which is lower

than the Mid Suffolk average of 19.1% but higher than the England average of 9.4%.

Table 5-1: Accommodation type, Walsham le Willows, 2011 and 2021

Dwelling type	2011 (Census)	Completions since 2011 (for which information is known)	2021 total (Census + completions)
Flat	6	1	7 (1.3%)
Terrace	91	0	91 (17.0%)
Semi-detached	200	0	200 (37.4%)
Detached	229	6	235 (43.9%)
Total	528	7	535

Source: ONS 2011, VOA 2021, AECOM Calculations

178. It is also useful to compare the type and mix with the wider district and country. The table below uses the 2021 mix for the NA compared with 2011 Census data for the wider district and country. It is arguable that the NA has a more balanced mix of dwelling types than Mid Suffolk except for the very low proportion of flats. While a lack of flats may carry negative consequences for affordability, the higher proportion of terraced homes may offer a suitable alternative to some households.

Table 5-2: Accommodation type, various geographies

Dwelling type	Walsham le Willows (2021)	Mid Suffolk (2011)	England (2011)
Flat	1.3%	5.5%	21.2%
Terrace	17.0%	13.7%	24.5%
Semi-detached	37.4%	32.6%	31.2%
Detached	43.9%	47.5%	22.4%

Source: VOA 2021, AECOM Calculations

Dwelling size

179. Of the 36 homes built since 2011, Mid Suffolk Council hold no relevant information on 24 dwellings. In terms of dwelling size, an additional 1 property does not have size information, leaving 11 homes for which relevant data is available. Of these 5 had 3 bedrooms and 6 had 4 bedrooms.

180. Table 5-3 combines the new homes for which size data is known with the 2011 baseline. The most common size category by far is 3-bedroom homes, with roughly equal amounts of 2 and 4 bedroom homes, and relatively few homes at the far ends of the size spectrum.

181. Note that the starting total from the 2011 Census is different for dwelling sizes than types: the total by size aligns with the number of households while the total by type aligns with the number of dwellings.

Table 5-3: Dwelling size (bedrooms), Walsham le Willows, 2011 and 2021

Number of bedrooms	2011 (Census)	Completions since 2011 (for which information is known)	2021 total (Census + completions)
1	14	0	14 (2.7%)
2	132	0	132 (25.2%)
3	222	5	227 (43.4%)
4	111	6	117 (22.4%)
5+	33	0	33 (6.3%)
Total	512	11	523

Source: ONS 2011, VOA 2021, AECOM Calculations

182. Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country. Table 5-4 shows that the distribution of dwelling sizes in the NA broadly reflects that of wider Mid Suffolk with the exception of 1-bedroom properties, which are less common in line with the absence of flats noted above. The Walsham le Willows and Mid Suffolk size mixes skew significantly larger than the country as a whole.

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

Number of bedrooms	Walsham le Willows (2021)	Mid Suffolk (2011)	England (2011)
1	2.7%	6.1%	12.0%
2	25.2%	25.0%	27.9%
3	43.4%	40.4%	41.2%
4	22.4%	21.2%	14.4%
5+	6.3%	7.2%	4.6%

Source: VOA 2021, AECOM Calculations

Age and household composition

183. Having established the current stock profile of Walsham le Willows and identified recent changes to it, the evidence gathered below examines the composition and age structure of households living in the NA. Many of these indicators have a bearing on what housing might be needed in future years.

Age structure

184. Table 5-5 shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. The clearest change over the time period is the ageing of the population, with all of the age brackets under 45 decreasing in relative proportion and all of those over that age increasing in relative proportion. The biggest change in terms of raw numbers is the increase of 69 people in the 65-84 age group, while the largest proportional increase was the 44% growth in the number of people aged over 85. The contraction of younger

age groups is smaller in scale than the growth in older groups. Ageing is likely to be a key driver of housing demand currently and in future years.

185. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2020 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.

186. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2020 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

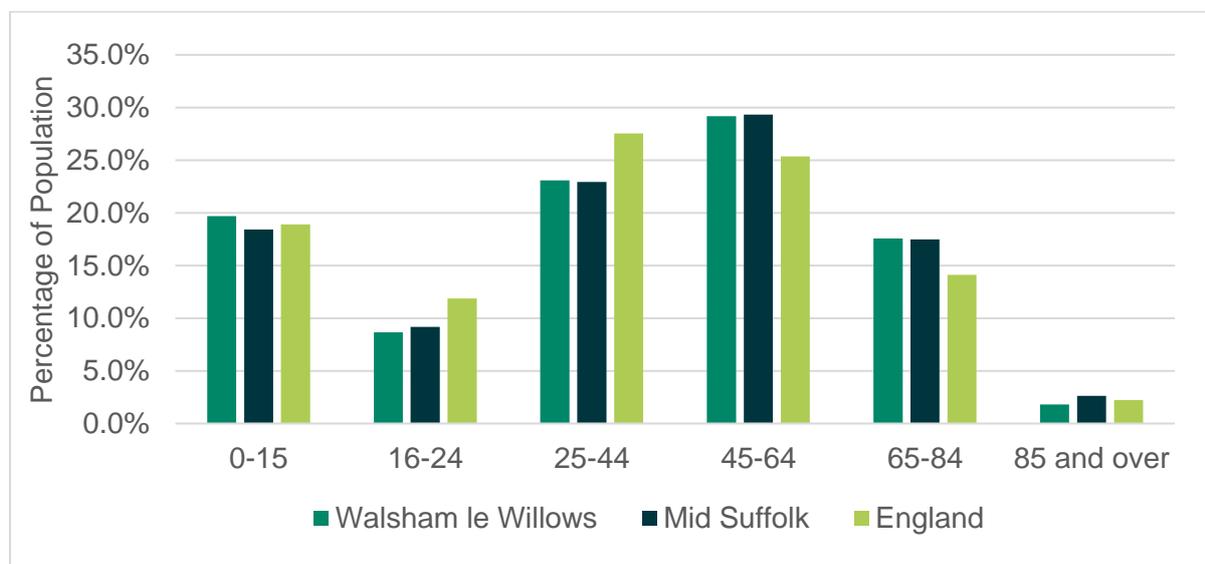
Table 5-5: Age structure of Walsham le Willows population, 2011 and 2020

Age group	2011 (Census)		2020 (ONS, estimated)	
0-15	239	19.7%	204	15.8%
16-24	105	8.7%	97	7.5%
25-44	280	23.1%	276	21.3%
45-64	354	29.2%	404	31.2%
65-84	213	17.6%	282	21.8%
85 and over	22	1.8%	32	2.5%
Total	1,213		1,295	

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

187. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-1 (using 2011 Census data) shows that Walsham le Willows had a slightly younger population than Mid Suffolk in 2011, with more children and fewer over 85s, however the population profile remains significantly older than the national average.

Figure 5-1: Age structure in Walsham le Willows, 2011



Source: ONS 2011, AECOM Calculations

Household composition

188. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Table 5-6 shows that most households in the NA are families and substantially more families have dependent children than no children. There are slightly more families with non-dependent (older children) and single person households in Walsham le Willows than Mid Suffolk.

189. While still low by national standards, the number of 'other' households (such as multigenerational units, house sharers and students) increased by 53% between 2001 and 2011 in Walsham le Willows. This may be indicative of affordability challenges driving more people into shared houses.

Table 5-6: Household composition, Walsham le Willows, 2011

Household composition		Walsham le Willows	Mid Suffolk	England
One person household	Total	27.5%	25.4%	30.2%
	Aged 65 and over	11.9%	12.9%	12.4%
	Other	15.6%	12.4%	17.9%
One family only	Total	68.0%	70.6%	61.8%
	All aged 65 and over	11.5%	11.6%	8.1%
	With no children	18.9%	23.3%	17.6%
	With dependent children	28.1%	26.6%	26.5%
	All children Non-Dependent ¹⁵	9.4%	9.1%	9.6%
Other household types	Total	4.5%	4.1%	8.0%

Source: ONS 2011, AECOM Calculations

Occupancy ratings

190. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.

191. Table 5-7 shows that in Walsham le Willows a combined 97% of households live in a home with at least one extra bedroom, and 73% have two or more

¹⁵ Refers to households containing children who are older than 18 e.g students or young working people living at home.

spare bedrooms. Just 1% of households have fewer bedrooms than they would be expected to need, although this does represent 10 households who were and may still be living in unsuitable housing conditions.

192. Under occupancy is particularly prevalent among older households and those without children. This might suggest that the larger housing isn't being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or been able to move to smaller properties.

Table 5-7: Occupancy rating by age in Walsham le Willows, 2011

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	72.9%	23.7%	3.4%	0.0%
Single person 65+	57.4%	34.4%	8.2%	0.0%
Family under 65 - no children	71.1%	28.9%	0.0%	0.0%
Family under 65 - dependent children	29.2%	39.6%	30.6%	0.7%
Family under 65 - adult children	25.0%	47.9%	27.1%	0.0%
Single person under 65	45.0%	45.0%	10.0%	0.0%
All households	47.5%	35.7%	16.2%	0.6%

Source: ONS 2011, AECOM Calculations

Dwelling mix determined by life-stage modelling

Suggested future dwelling size mix

193. As noted above, there is a strong link between the life stage of a household and the size of dwelling that household can be expected to need. The final part of this chapter presents the results of a model that aims to estimate the dwelling size needs of the parish at the end of the Neighbourhood Plan period. The steps involved in this model are not presented in full, but can be summarised – along with the underpinning assumptions and some limitations – as follows:

- The starting point is the age distribution of Walsham le Willows households in 2011.
 - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
 - As noted above, household life stages are not estimated annually, so the older Census data must be used.
- This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows for an estimate of how the parish population might evolve in future.
 - ONS household projections are produced every two years but are only available at Local Authority level. The growth rates are therefore applied to the 2011 starting household age profile of the NA.

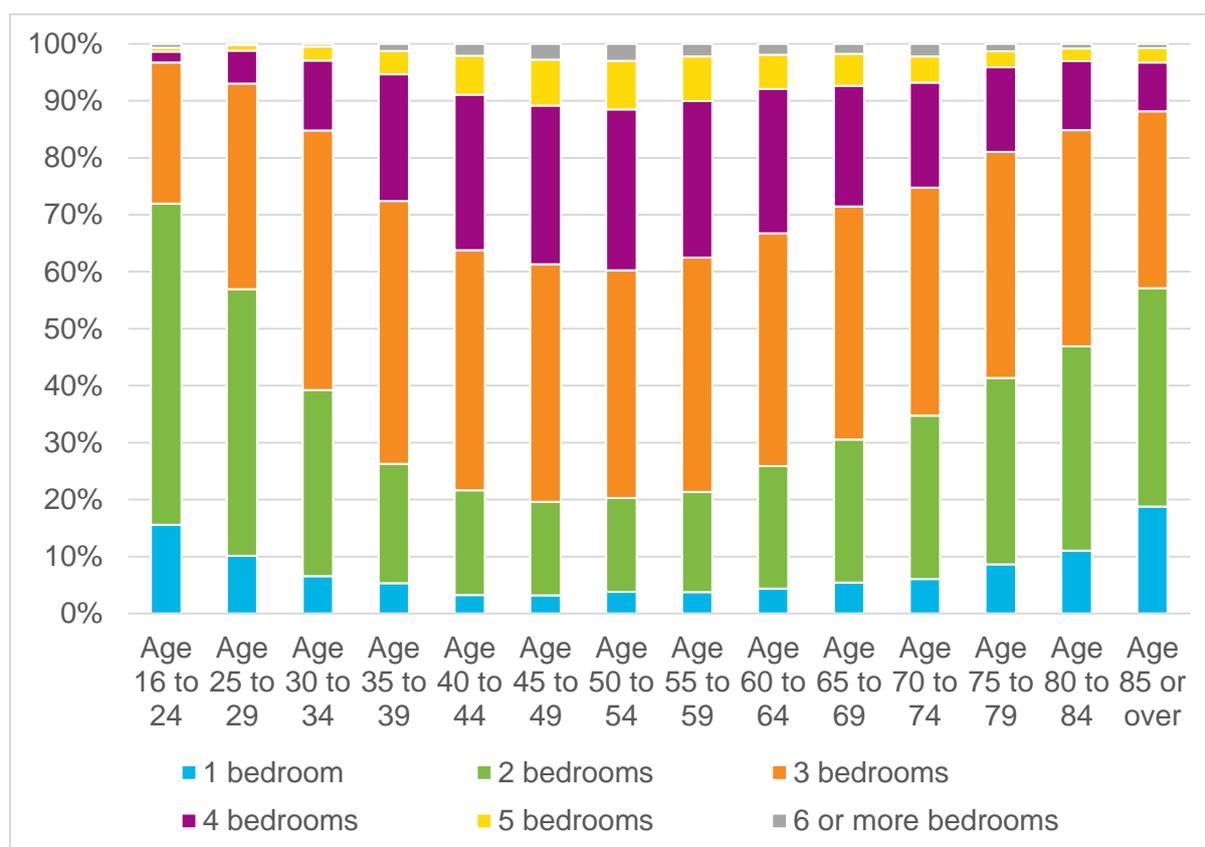
- Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1 bedroom homes as opposed to 2, 3 or 4 bedroom homes). This data is mapped to the distribution of the projected NA population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.
 - This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.
 - The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further speculative assumptions into the model.
- Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.

194. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they 'need'. It also does not anticipate changes in how people may wish to occupy their homes in response to social and technological change.

195. The approach therefore embeds existing patterns of occupancy which may or may not be desirable. As such, it is appropriate for the result of this model to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is considered entirely appropriate for the purpose of drafting neighbourhood plan policy.

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

197. The first, given as Figure 5-2, sets out the relationship between household life stage and dwelling size for Mid Suffolk in 2011. This shows how the youngest households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

Figure 5-2: Age of household reference person by dwelling size in Mid Suffolk, 2011

Source: ONS 2011, AECOM Calculations

198. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Walsham le Willows households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-8 makes clear that population growth can be expected to be driven by the oldest households, in particular the 80% expansion of the 65+ age group to become the largest single group at 42% of the total, while all other age groups remain within a 10% margin of their 2011 levels.

Table 5-8: Projected distribution of households by age of HRP, Walsham le Willows

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	7	44	200	109	152
2037	6	48	197	121	274
% change 2011-2037	-8%	9%	-1%	11%	80%

Source: AECOM Calculations

199. The final result of this exercise is presented in Table 5-9. The model suggests that to accommodate expected demographic change the dwelling stock by size needs to become slightly smaller with less emphasis on the 3-4 bedroom homes that dominate at present. To reach this target state, around half of new housing

should have 1-2 bedrooms, with another quarter composed of 3-bedroom homes, and a final quarter composed of 4+ bedroom homes.

Table 5-9: Suggested dwelling size mix to 2037, Walsham le Willows

Number of bedrooms	Current mix (2021)	Target mix (2037)	Balance of new housing to reach target mix
1	2.7%	6.5%	22.7%
2	25.2%	25.7%	27.7%
3	43.4%	40.2%	26.7%
4	22.4%	20.6%	13.1%
5+	6.3%	7.0%	9.8%

Source: AECOM Calculations

200. It is necessary to bring the recommendation produced by this model into contact with the results of the household survey and the size mix of the future pipeline of housing supply as far as this is known.
201. The most relevant findings from the recent survey on this subject suggest that around half of those in housing need are looking to downsize while the other half need a larger property. Although it is not known what size dwelling these respondents currently occupy, it would seem that the recommendation above for half of new homes to have 2 or fewer bedrooms and half to have 3 or more bedrooms could generally accommodate the need expressed in the survey.
202. That said, among those interested in starter properties and bungalows (respondents who can be assumed to represent the younger and older ends of the demographic spectrum), there was a strong preference for 2-bedroom properties. Given that 1-bedroom homes are typically brought forward as flats, which may not be seen as a suitable typology in such a rural location for reasons of character and density, and that 2 bedroom properties tend to be more popular for their flexibility and space to accommodate guests and possessions, this evidence could well justify departing from the size mix recommended here to place less emphasis on 1-bedroom homes and more on 2-3 bedroom properties.
203. Of the 62 new homes in Walsham le Willows with planning permission for which the dwelling size is known, the breakdown is provided in Table 5-10 alongside the recommended mix discussed above. It appears that pipeline supply is relatively well aligned with what this HNA finds to be needed (if indeed it is decided that 1-bedroom homes should be de-emphasised to some degree, though 6.5% may be seen as excessively low). Taking the current pipeline into account, it may be beneficial to encourage future schemes to deliver slightly more 1-bedroom and slightly fewer 3-4 bedroom properties.

Table 5-10: Pipeline supply compared with suggested dwelling size mix to 2037, Walsham le Willows

Number of bedrooms	Pipeline supply	Recommended mix (2037)
1	6.5%	22.7%
2	32.3%	27.7%
3	37.1%	26.7%
4	17.7%	13.1%
5+	6.5%	9.8%

Source: Mid Suffolk Council, AECOM Calculations

204. The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide smaller homes with fewer bedrooms would help to address this situation, though it is a policy determination for the Neighbourhood Plan to make how far this should be prioritised with regard to the appetite for flats as a form of development in the parish.
205. To best meet the needs of the large cohort of older households expected to be present by the end of the Plan period, it should also be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms.
206. That said, it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied in the parish. Reducing the issue of dwelling size to a number of bedrooms is potentially unhelpful in this regard.

Conclusions- Type and Size

207. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.

The existing housing stock

208. Walsham le Willows has a housing mix that is dominated by detached and semi-detached housing. This is not unusual for a rural village and to diversify the

stock towards flats in particular may not be appropriate in this location given its character, density and constraints.

209. However, terraces and flats (or maisonettes separating houses into smaller units, which tend to be more in keeping with the character of villages) are generally the most affordable home types. That just 1% of homes in Walsham le Willows are flats may well have the effect of limiting the options for local people on lower incomes, whether they are able to buy or rent.
210. It is also relevant to consider the provision of bungalows, which are a clear preference among local people according to the household survey results. Across an area that extends beyond the parish, 15% of homes are bungalows, compared with 19% across Mid Suffolk and 9% across England as a whole. This demonstrates that there is no major deficit of bungalows locally compared with wider averages. However, there may be justification for further encouraging this option due to the ageing of the population (see below) and the clear demand expressed in the survey.
211. In terms of size Walsham le Willows is characterised by high proportions of larger homes in line with the wider district and correspondingly fewer smaller properties. That said, on its own terms the size mix in Walsham le Willows is relatively well-balanced, with a majority of 3-bedroom homes (as is the case nationwide) and nearly equal proportions of homes that have fewer and more bedrooms. There is, however, a clear lack of 1-bedroom homes (3% of the stock), which aligns with the absence of flats.

Demographics

212. The age structure of the population is a key indicator of the future need for housing. Walsham le Willows had a generally younger population profile than Mid Suffolk but significantly older profile than England in 2011. The older age brackets have also grown the fastest between the 2011 Census and the latest ONS estimates for 2020. Currently around 56% of the population are aged over 45 and 24% are aged over 65. There is a clear trend toward ageing, and current estimates also suggest that young adults are leaving the area, which may reflect a lack of suitable options for newly forming households.
213. Applying ONS household projections for Mid Suffolk to the Walsham le Willows population suggests that by 2038 the 65 and over cohort could increase by 80% from 2011 levels to become by far the dominant group at 42% of the projected total, while the youngest age groups remain stable or decline. It is clear that ageing will be a major driver of housing need in Walsham le Willows going forward, whether older households intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household or their evolving needs.
214. Most households in Walsham le Willows are families and substantially more families have dependent children than no children. There are slightly more families with non-dependent (older children) and single person households in Walsham le Willows than Mid Suffolk. While still low by national standards, the number of 'other' households (such as multigenerational units, house sharers

and students) increased by 53% between 2001 and 2011 in the NA. This may be indicative of affordability challenges driving more people into shared houses.

215. Walsham le Willows has a high rate of under-occupancy, with 97% of households living in a home with at least one bedroom more than they would be expected to need (at the time of the last Census). The percentage of people living in homes with fewer bedrooms than they might be expected to need is marginal at 1%.
216. The previous chapter established the high property values in the area, so it would appear that the largest homes are not necessarily occupied by those with the largest families but by those with the financial capacity to do so, irrespective of their household size. Indeed, under-occupancy is strongly correlated with age, with couples aged over 65 being the most likely to have more bedrooms than they would be expected to need.

The future dwelling mix

217. The results of a modelling exercise, which looks at the sizes of dwelling occupied by households at different life stages and projects the growth and decline of those household age groups over the Plan period, suggests that the dwelling stock by size needs to become slightly smaller with less emphasis on the 3-4 bedroom homes that dominate at present. To reach this target state, around half of new housing should have 1-2 bedrooms, with another quarter composed of 3 bedroom homes, and a final quarter composed of 4+ bedroom homes.
218. Small and mid-sized homes would improve affordability as well as Walsham le Willows' offering for younger households who have few options for their next step on the property ladder. It may also enable older households currently under-occupying larger homes to downsize and in so doing potentially create churn in the market, although it is acknowledged that many of the larger historic properties may be too expensive to be taken up by younger local families.
219. The latest household survey broadly corroborates this recommendation in its finding that around half of those in housing need are looking to downsize while the other half need a larger property. Although it is not known what size dwelling these respondents currently occupy, it would seem that the recommendation for half of new homes to have 2 or fewer bedrooms and half to have 3 or more bedrooms could generally accommodate the need expressed in the survey.
220. That said, among those interested in starter properties and bungalows (respondents who can be assumed to represent the younger and older ends of the demographic spectrum), there was a strong preference for 2 bedroom properties. Given that 1 bedroom homes are typically brought forward as flats, which may not be seen as a suitable typology in such a rural location for reasons of character and density, and that 2 bedroom properties tend to be more popular for their flexibility and space to accommodate guests and possessions, this evidence could well justify departing from the size mix recommended here to

place less emphasis on 1 bedroom homes and more on 2-3 bedroom properties.

221. It appears that the pipeline of housing supply in the parish is relatively well aligned with what this HNA finds to be needed (if indeed it is decided that 1-bedroom homes should be de-emphasised to some degree). Taking the current pipeline into account, it may be beneficial to encourage future schemes to deliver slightly more 1 bedroom and slightly fewer 3-4 bedroom properties. To conclude on the recommended size mix, as a starting point around half of new homes should have 1-2 bedrooms (with more emphasis on 2 than 1-bedroom options), a quarter should have 3-bedrooms, and a further quarter 4 bedrooms, ensuring that larger more profitable dwelling sizes do not come to dominate the future supply.
222. In terms of dwelling type, this study cannot be prescriptive about what types are 'needed', but there is a balance to be struck between, on the one hand, improving choice in the market and affordability by encouraging flats and terraces, and, on the other hand, preserving the features that residents like about Walsham le Willows at present. There is, however, clear demand and capacity for an increase in the provision of bungalows.

6. Conclusions

Overview

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

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

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing tenure and affordability	<p>Walsham le Willows' current tenure profile reveals that home ownership is less common in the parish than the wider district, but that a relatively strong supply of Affordable Housing tenures exists.</p> <p>Figures supplied by Mid Suffolk Council from 2021 and 2017 suggest that there are 85 units of affordable rented housing and 9 units of shared ownership in the Neighbourhood Area (NA). The former is 3 units greater than the tally at the time of the 2011 Census and the latter is one unit fewer.</p> <p>Home values in Walsham le Willows have increased over the past ten years despite a number of year-on-year fluctuations. The current median house price is £316,000, representing a growth rate of 71% on the 2012 starting figure. The current lower quartile price is £243,125, representing growth of 75% over the same period. House prices in the parish are 6-7% higher than across the wider district.</p> <p>The average household income in Walsham le Willows is £46,300, and the lower quartile income (per person) for Mid Suffolk was £15,704 in 2020. Incomes across Mid Suffolk have risen on average by just 19% over the last decade.</p> <p>The Ipswich and Waveney Housing Market Areas SHMA Part 2 Partial Update 2019 identifies a need for 1,298 additional affordable rented homes in Mid Suffolk between 2018-36, and a further 1,391 affordable home ownership units.</p> <p>On the basis that the share of this need attributable to the NA is in proportion to its share of the district population (1.25%), this suggests that Walsham le Willows will need 28 affordable homes over the Neighbourhood Plan period, split equally between affordable rent and affordable home ownership.</p> <p>The total potential delivery of Affordable Housing over the Neighbourhood Plan period is expected to be in the range of 38-53 units, which would be more than sufficient to meet the NA's share of Mid Suffolk's needs and may also address the potential demand for affordable home ownership identified here.</p>	<p>A household would need an income comfortably above the average (or a very large deposit) to qualify for a mortgage even for an entry-level home in the area. Private renting appears much more accessible, however the lack of current listings for rental homes is also a signal of limited choice in the housing market.</p> <p>There is a relatively large group of households in Walsham le Willows who may be able to afford to rent privately but cannot afford home ownership. This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership, all which would be valuable to different segments of the local population. This HNA finds that a First Homes discount of at least 40% would be necessary from an affordability perspective in Walsham le Willows.</p> <p>Affordable rented housing appears generally affordable to households with two lower earners (average earning households are unlikely to be eligible). However, households with a single lower earner are unable to afford any of the tenures considered.</p> <p>The HNA provides additional estimates for each sub-tenure. The result of the first calculation is a slight surplus of additional affordable rented housing of 1.1 units per year. This is because the expected annual turnover in the existing stock of 85 affordable rented properties (2-3 coming vacant per year) is likely to absorb newly arising need each year as well as to eventually satisfy the current backlog of 8 households.</p> <p>The potential for mismatch between the size and type of home needed and the available stock, combined with the potential for the waiting list figure to increase unexpectedly in future, is cause for flexibility to accommodate some positive growth in affordable rented housing in spite of the surplus identified here. Walsham le Willows may also be expected to meet a share of the wider district's need.</p> <p>Regarding the potential demand for affordable home ownership tenures, the model estimates that around 3 households per year may be interested in such products, or 47 over the whole Plan period.</p> <p>AECOM recommends that roughly 36% of Affordable Housing should take the form of rented tenures such as social and affordable rent (preferably the former), with the remaining 64% as affordable routes to home ownership, fulfilling the requirements of the new First Homes product and allowing for shared ownership and rent to buy to widen choice in the market.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing type and size	<p>Walsham le Willows has a housing mix that is dominated by detached and semi-detached housing. This is not unusual for a rural village and to diversify the stock towards flats in particular may not be appropriate in this location given its character, density and constraints.</p> <p>However, terraces and flats (or maisonettes separating houses into smaller units, which tend to be more in keeping with the character of villages) are generally the most affordable home types. That just 1% of homes in Walsham le Willows are flats may well have the effect of limiting the options for local people on lower incomes, whether they are able to buy or rent.</p> <p>Bungalows are a clear preference among local people according to the household survey results. Across an area that extends beyond the parish, 15% of homes are bungalows, compared with 19% across Mid Suffolk and 9% across England as a whole.</p> <p>In terms of size Walsham le Willows is characterised by high proportions of larger homes in line with the wider district and correspondingly fewer smaller properties. There is a clear lack of 1-bedroom homes (3% of the stock), which aligns with the absence of flats.</p> <p>Walsham le Willows had a generally younger population profile than Mid Suffolk but significantly older profile than England in 2011. The older age brackets have also grown the fastest between the 2011 Census and the latest ONS estimates for 2020. There is a clear trend toward ageing, and current estimates also suggest that young adults are leaving the area, which may reflect a lack of suitable options for newly forming households.</p> <p>ONS household projections suggest that by 2038 the 65 and over cohort could increase by 80% from 2011 levels to become by far the dominant group at 42% of the projected total, while the youngest age groups remain stable or decline. It is clear that ageing will be a major driver of housing need in Walsham le Willows going forward.</p> <p>Most households in Walsham le Willows are families and substantially more families have dependent children than no children. Walsham le Willows has a high rate of under-occupancy, with 97% of households living in a home with at least one bedroom more than they would be expected to need (at the time of the last Census).</p>	<p>The results of a modelling exercise suggests that the dwelling stock by size needs to become slightly smaller with less emphasis on the 3-4 bedroom homes that dominate at present. To reach this target state, around half of new housing should have 1-2 bedrooms, with another quarter composed of 3-bedroom homes, and a final quarter composed of 4+ bedroom homes.</p> <p>Small and mid-sized homes would improve affordability as well as Walsham le Willows' offering for younger households who have few options for their next step on the property ladder. It may also enable older households currently under-occupying larger homes to downsize and in so doing potentially create churn in the market, although it is acknowledged that many of the larger historic properties may be too expensive to be taken up by younger local families.</p> <p>The latest household survey broadly corroborates this recommendation in its finding that around half of those in housing need are looking to downsize while the other half need a larger property.</p> <p>there was also a strong preference for 2-bedroom properties. Given that 1-bedroom homes are typically brought forward as flats, which may not be seen as a suitable typology in such a rural location for reasons of character and density, and that 2 bedroom properties tend to be more popular, this evidence could well justify departing from the size mix recommended here.</p> <p>It appears that the pipeline of housing supply in the parish is relatively well aligned with what this HNA finds to be needed (if indeed it is decided that 1-bedroom homes should be de-emphasised to some degree). Taking the current pipeline into account, it may be beneficial to encourage future schemes to deliver slightly more 1 bedroom and slightly fewer 3-4 bedroom properties.</p> <p>In terms of dwelling type, this study cannot be prescriptive about what types are 'needed', but there is a balance to be struck between, on the one hand, improving choice in the market and affordability by encouraging flats and terraces, and, on the other hand, preserving the features that residents like about Walsham le Willows at present. There is, however, clear demand and capacity for an increase in the provision of bungalows.</p>

Recommendations for next steps

224. This Neighbourhood Plan housing needs assessment aims to provide Walsham le Willows with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should,

as a next step, discuss the contents and conclusions with Mid Suffolk Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:

- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
- The views of Mid Suffolk Council;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers and estate agents; and
- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Mid Suffolk Council.

225. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.

226. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Mid Suffolk or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

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

Appendix A : Calculation of Affordability Thresholds

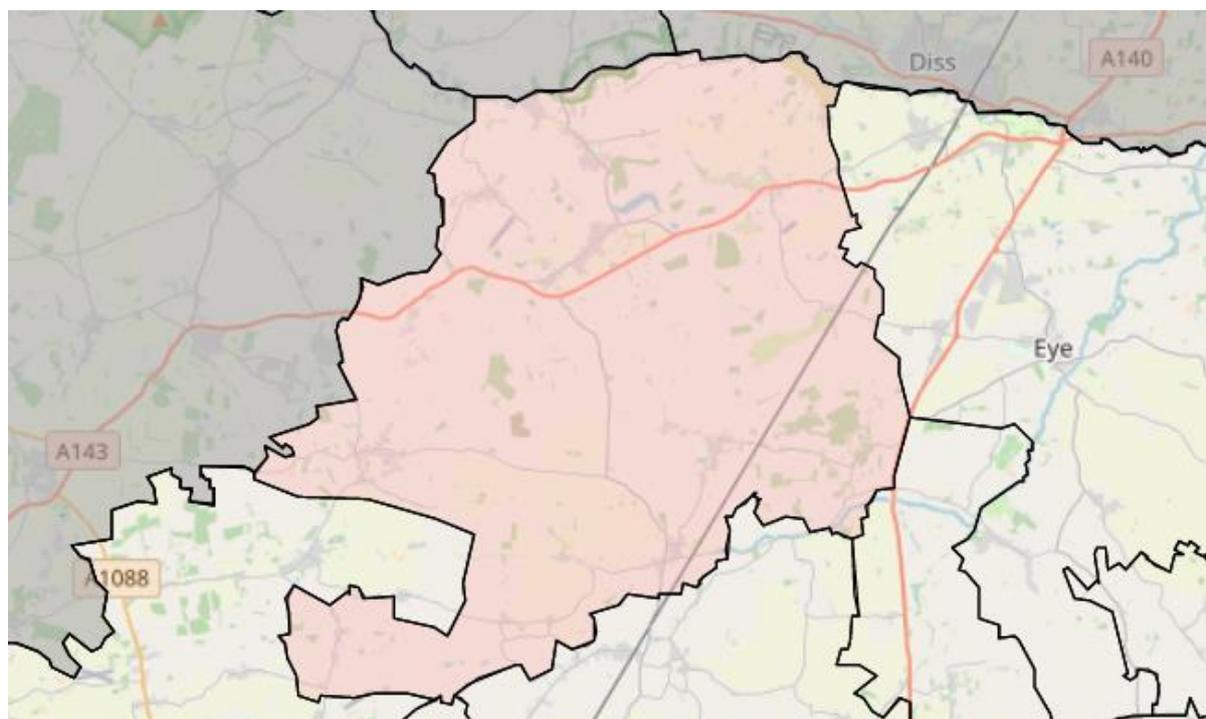
A.1 Assessment geography

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

229. Mid Suffolk 002 (E02006262).

230. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Area. In the case of Walsham le Willows, it is considered that MSOA Mid Suffolk 002 (code E02006262) is the best proxy for the Neighbourhood Area boundary given that it contains the parish, and as such, this is the assessment geography that has been selected. A map of appears below in Figure A-1.

Figure A-1: MSOA Mid Suffolk 002 used as a best-fit geographical proxy for the Neighbourhood Area



Source: ONS

A.2 Market housing

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

232. To determine affordability in market housing, this assessment considers two primary indicators: income thresholds, which denote the maximum share of a

family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

i) Market sales

233. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.
234. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Walsham le Willows, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.
235. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2020) = £316,000;
 - Purchase deposit at 10% of value = £31,600;
 - Value of dwelling for mortgage purposes = £284,400;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £81,257.
236. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2020 was £243,125, and the purchase threshold is therefore £62,518.
237. Finally, it is worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. The most recent sales of new build properties in the NA recorded by Land Registry were two homes sold in 2016. Given that no sufficiently large or recent sample of new build transactions is available for Walsham le Willows, it is necessary to instead consider new build prices across wider Mid Suffolk. The median new build price in 2021 in Mid Suffolk was £288,500, with the median by type ranging from £252,500 for terraces to £328,000 for detached houses. As existing house prices in the NA are within 10% of those across the district, district new build averages can be taken as reasonably representative of the likely costs of new housing in the parish. The affordability threshold for a median new build home, following the same steps outlined above, is £74,057.

ii) Private Rented Sector (PRS)

238. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.
239. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
240. The property website Rightmove.co.uk shows rental values for property in the Neighbourhood Area. At the time of search in January 2022 there were no listings of available rental properties in the NA (itself a challenge in terms of housing choice locally), so a wider radius of 3 miles around the parish was used to generate a sample for analysis. There were 12 homes listed for rent in this radius, ranging from £615 per month for a 1-bedroom flat to £2,500 for a 4 bedroom house.
241. For the purpose of this analysis, the median of the entire sample at £850 per month, is used to represent the overall average rent, and the median of the 6 1-2 bedroom homes, at £675 per month, is used to represent the average entry-level rent.
242. The calculation for the private rent income threshold for entry-level dwellings is as follows:
- Annual rent = £675 x 12 = £8,100;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £27,000.
243. The calculation is repeated for the overall average to give an income threshold of £34,000.

A.3 Affordable Housing

244. There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2021: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. More recently, a new product called First Homes has been introduced in 2021. Each of the affordable housing tenures are considered below.

i) Social rent

245. Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.
246. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Walsham le Willows. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Mid Suffolk in the table below.
247. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£79.52	£93.20	£104.96	£116.34	£95.75
Annual average	£4,135	£4,846	£5,458	£6,050	£4,979
Income needed	£13,770	£16,139	£18,175	£20,145	£16,580

Source: Homes England, AECOM Calculations

ii) Affordable rent

248. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).
249. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.
250. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Mid Suffolk. Again, it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.

251. Comparing this result with the average 2-bedroom annual private rent above indicates that affordable rents in [the NA are actually closer to 70% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table A-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£93.36	£108.55	£124.80	£140.97	£108.52
Annual average	£4,855	£5,645	£6,490	£7,330	£5,643
Income needed	£16,166	£18,797	£21,610	£24,410	£18,791

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

252. Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are discounted market housing (a subset of which is the new First Homes product), shared ownership, and Rent to Buy. These are considered in turn below.

253. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

First Homes

254. Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to buy market housing.

255. The starting point for these calculations is therefore the estimated cost of new build entry-level housing in the NA. Since there is no recent data on this point, the median new build price across Mid Suffolk of £288,000 is used as a proxy. This falls in between the overall median and entry-level average for existing housing in the NA, and is roughly 15% higher than the existing entry-level price (15% is broadly the price premium associated with newly built housing). As such this serves as a suitable benchmark.

256. For the minimum discount of 30% the purchase threshold can be calculated as follows:

- Value of a new home (LA average) = £288,000;

- Discounted by 30% = £201,600;
- Purchase deposit at 10% of value = £20,160;
- Value of dwelling for mortgage purposes = £181,440;
- Divided by loan to income ratio of 3.5 = purchase threshold of £51,840.

257. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £44,434 and £37,029 respectively.

258. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.

259. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2-bedroom home (assuming 70 sqm and a build cost of £1,500 per sqm) would be around £105,000. This cost excludes any land value or developer profit. This would not appear to be an issue in Walsham le Willows.

Shared ownership

260. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.

261. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.

262. To determine the affordability of shared ownership, calculations are again based on the estimated cost of new build entry-level housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).

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

- A 25% equity share of £288,000 is £72,000;

- A 10% deposit of £7,200 is deducted, leaving a mortgage value of £64,800;
- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £18,514;
- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £216,000;
- The estimated annual rent at 2.5% of the unsold value is £5,400;
- This requires an income of £18,000 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £36,514 (£18,514 plus £18,000).

264. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £29,006 and £49,029 respectively. These are again below the £80,000 cap for eligible households.

Rent to Buy

265. Rent to Buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent, which is intended to be used to build up a deposit to eventually purchase the home. It is therefore estimated to cost the same as private rents – the difference being that the occupant builds up savings with a portion of the rent.

Help to Buy (Equity Loan)

266. The Help to Buy Equity Loan is not an affordable housing tenure but allows households to afford market housing through a loan provided by the government. With a Help to Buy Equity Loan the government lends up to 20% (40% in London) of the cost of a newly built home. The household must pay a deposit of 5% or more and arrange a mortgage of 25% or more to make up the rest. Buyers are not charged interest on the 20% loan for the first five years of owning the home.

267. It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

c) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and

Rent to Buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision or refunded to Government or the relevant authority specified in the funding agreement.

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods¹⁶.

Age-Restricted General Market Housing

A type of housing which is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens but does not include support or care services.

Annual Monitoring Report

A report submitted to the Government by local planning authorities assessing progress with and the effectiveness of a Local Development Framework.

Basic Conditions

The Basic Conditions are the legal tests that are considered at the examination stage of neighbourhood development plans. They need to be met before a plan can progress to referendum.

Backlog need

The backlog need constitutes those households who are eligible for Affordable Housing, on account of homelessness, over-crowding, concealment, or affordability, but who are yet to be offered a home suited to their needs.

Bedroom Standard¹⁷

The bedroom standard is a measure of occupancy (whether a property is overcrowded or under-occupied, based on the number of bedrooms in a property and the type of household in residence). The Census overcrowding data is based on occupancy rating (overcrowding by number of rooms not including bathrooms and hallways). This tends to produce higher levels of overcrowding/ under occupation. A detailed definition of the standard is given in the Glossary of the EHS Household Report.

¹⁶ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

¹⁷ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

Co-living

Co-living denotes people who do not have family ties sharing either a self-contained dwelling (i.e., a 'house share') or new development akin to student housing in which people have a bedroom and bathroom to themselves, but share living and kitchen space with others. In co-living schemes each individual represents a separate 'household'.

Community Led Housing/Community Land Trusts

Housing development, provision and management that is led by the community is very often driven by a need to secure affordable housing for local people in the belief that housing that comes through the planning system may be neither the right tenure or price-point to be attractive or affordable to local people. The principle forms of community-led models include cooperatives, co-housing communities, self-help housing, community self-build housing, collective custom-build housing, and community land trusts. By bringing forward development, which is owned by the community, the community is able to set rents and/or mortgage payments at a rate that it feels is appropriate. The Government has a range of support programmes for people interested in bringing forward community led housing.

Community Right to Build Order¹⁸

A community right to build order is a special kind of neighbourhood development order, granting planning permission for small community development schemes, such as housing or new community facilities. Local community organisations that meet certain requirements or parish/town councils are able to prepare community right to build orders.

Concealed Families (Census definition)¹⁹

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

Equity Loans/Shared Equity

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

¹⁸ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

¹⁹ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

Extra Care Housing or Housing-With-Care

Housing which usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24 hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are included in retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

Fair Share

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

First Homes

The Government has recently confirmed the introduction of First Homes as a new form of discounted market housing which will provide a discount of at least 30% on the price of new homes. These homes are available to first time buyers as a priority, but other households will be eligible depending on agreed criteria. New developments will be required to provide 25% of Affordable Housing as First Homes. A more detailed explanation of First Homes and its implications is provided in the main body of the HNA.

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years²⁰, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

An NDO will grant planning permission for a particular type of development in a particular area. This could be either a particular development, or a particular class of development (for example retail or housing). A number of types of development will be excluded from NDOs, however. These are minerals and waste development, types of development that, regardless of scale, always need Environmental Impact Assessment, and Nationally Significant Infrastructure Projects.

Neighbourhood plan

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

Older People

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

Output Area/Lower Super Output Area/Middle Super Output Area

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

Overcrowding

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

²⁰ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

living room and one kitchen would be deemed overcrowded if three adults were living there.

Planning Condition

A condition imposed on a grant of planning permission (in accordance with the Town and Country Planning Act 1990) or a condition included in a Local Development Order or Neighbourhood Development Order.

Planning Obligation

A legally enforceable obligation entered into under section 106 of the Town and Country Planning Act 1990 to mitigate the impacts of a development proposal.

Purchase Threshold

Purchase thresholds are calculated by netting 10% off the entry house price to reflect purchase deposit. The resulting cost is divided by 4 to reflect the standard household income requirement to access mortgage products.

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

Housing for older people comprising of individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually

include support services for independent living. This type of housing can also include dementia care homes.

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

Housing where a purchaser part buys and part rents from a housing association or local authority. Typical purchase share is between 25% and 75% (though this was lowered in 2021 to a minimum of 10%), and buyers are encouraged to buy the largest share they can afford. Generally, applies to new build properties, but re-sales occasionally become available. There may be an opportunity to rent at intermediate rent level before purchasing a share in order to save/increase the deposit level

Sheltered Housing²¹

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

²¹ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.²²

²² See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

