

# Whitchurch

Housing Needs Assessment (HNA)

Whitchurch Parish Council

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## Quality information

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## Table of Contents

1.	Executive Summary.....	5
2.	Context.....	8
	Local context.....	8
	Planning policy context.....	10
	Policies in the adopted local plan.....	10
	Quantity of housing to provide.....	11
3.	Approach.....	12
	Research Questions.....	12
	Tenure and Affordability.....	12
	Type and Size.....	12
	Relevant Data.....	13
4.	RQ One: Tenure, Affordability and the Need for Affordable Housing.....	14
	Introduction.....	14
	Current tenure profile.....	15
	Affordability.....	16
	House prices.....	16
	Income.....	17
	Affordability Thresholds.....	18
	Affordable housing- quantity needed.....	24
	Village Questionnaire findings.....	28
	i) Affordable Housing policy guidance.....	30
	Conclusions- Tenure and Affordability.....	33
5.	RQ Two: Type and Size.....	36
	Introduction.....	36
	Existing types and sizes.....	36
	Background and definitions.....	36
	Dwelling type.....	37
	Dwelling size.....	37
	Age and household composition.....	38
	Age structure.....	38
	Household composition.....	39
	ii) Occupancy ratings.....	40
	Dwelling mix determined by life-stage modelling.....	41
	b) Suggested future dwelling size mix.....	41
	The HEDNA findings.....	45
	Conclusions- Type and Size.....	46
6.	Conclusions.....	48
	Overview.....	48
	Recommendations for next steps.....	50
	Appendix A : Calculation of Affordability Thresholds.....	52
A.1	Assessment geography.....	52
A.2	Market housing.....	53
	i) Market sales.....	53
	ii) Private Rented Sector (PRS).....	54
A.3	Affordable Housing.....	54
	i) Social rent.....	54
	ii) Affordable rent.....	55
	iii) Affordable home ownership.....	56

## Appendix B : Housing Needs Assessment Glossary ..... 59

### Figures

Figure 2-1: Map of the Whitchurch Neighbourhood Plan area .....	9
Figure 4-1: House prices by quartile in Whitchurch, 2011-2020 .....	17
Figure 4-2: Affordability thresholds in Whitchurch, income required (additional cost of deposit in black).....	23
Figure 4-3 Bar chart results from the Village Questionnaire.....	29
Figure 5-1: Age structure in Whitchurch, 2011 .....	39
Figure 5-2: Age of household reference person by dwelling size in Aylesbury Vale, 2011 .....	43
Figure 5-3 Break down in tenure and size of dwellings required in Aylesbury Vale.....	45

### Tables

Table 4-1: Tenure (households) in Whitchurch, 2011 .....	16
Table 4-2: House prices by type in Whitchurch, 2011-2020 .....	17
Table 4-3: Affordability thresholds in Whitchurch (income required, £).....	19
Table 5-1: Accommodation type, various geographies, 2020 .....	37
Table 6-1: Summary of study findings specific to Whitchurch with a potential impact on Neighbourhood Plan housing policies.....	48

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

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
DLUHC	Department for Leveling up, Housing and Communities (formerly MHCLG)
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

# 1. Executive Summary

## Tenure and Affordability Conclusions

The way residents occupy their homes in Whitchurch broadly aligns with district and national trends. As such the majority of homes are owned, followed by a relatively even split between social rented and private rented and a low level of shared ownership (only 2 dwellings). Since the 2011 Census there were 45 (net) completions, two were offered as affordable tenures. It is also interesting to observe the change recorded between the 2001 and 2011 Census: in Whitchurch the private rented sector expanded by 64% in that period, a rate of growth lower than at district and national levels. Interestingly, social renting increased by almost 10%, whereas this tenure saw a decrease both in Aylesbury Vale and England.

House prices have seen some fluctuations, yet there has not been a significant increase over the past decade. The median, which is the middle number when you sort the data from smallest to largest, while the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end cause the mean to increase, making it higher than the median. The mean price in 2020 was £405,903, while the median was £368,500. Between 2011 and 2020 the mean increased by 16% (or £55,903), while the median prices increased by 12% (or £39,500).

However, in Whitchurch lower quartile prices decreased by 1.3% (or £3,750) between 2011 and 2020 to £280,000. At district level lower quartile prices increased by just over 50%, yet still remain lower than in the neighbourhood area, at £250,000.

It appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income 60% higher than the current average.

The most significant finding is the need for affordable home ownership in Whitchurch. AECOM estimates potential demand for an additional 38 affordable home ownership dwellings. Government policy aimed at tackling the housing crisis continues to attach high priority on helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership. In the case of Whitchurch, the most appropriate tenures to help implement this policy goal locally are rent to buy, shared ownership (at 10% or 25% share) or the new First Homes product (with a 40% or 50% discount).

The assessment calculated a surplus of affordable rented units over the Plan period; however, this is due to the level of turnover meeting the anticipated newly arising need and addressing the backlog (five households) over time. However, it is not realistic or helpful to limit social rented dwellings when there is a current backlog and, therefore, there should be some delivery of affordable rented dwellings over the Plan period. This is especially important as households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling, require additional subsidy through Housing Benefit to access housing.

The Local Plan does not outline a recommended split between tenures of affordable housing that should be sought. Therefore, based on the evidence provided in this assessment it is suggested that a split of 80% affordable home ownership and 20% affordable rented would be best to meet the identified need in Whitchurch.

The expected level of delivery does not meet the quantity of demand identified in estimates of the need for affordable housing. It is therefore recommended that the policy requirement is met wherever possible, and further avenues for delivering greater quantities of Affordable Housing (such as exception sites) to be explored. It is not recommended that the Local Plan policy requirement be exceeded in the neighbourhood plan because such steps are rarely accepted by planning inspectors on the grounds that an extremely high standard of justification is required which goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could, furthermore, have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.

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

## **Type and Size Conclusions**

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.

There is a varied mix of dwellings in the neighbourhood area; however, there is a smaller proportion of flats and higher proportion of bungalows than at district or national level. This is somewhat unsurprising in a rural area.

Whitchurch is made up of predominantly larger dwellings with 3 or 4 or more bedrooms. Although recent completions have somewhat addressed this imbalance by providing primarily 2 bedroom dwellings, the low level of 1 bedroom dwellings and continued provision of larger homes means the strong weighting towards bigger properties persists.

The demographic structure is reflective of what is seen at both district and national level. However, there is a slightly higher proportion of those aged 45-65 and a slightly lower proportion of those aged 16-24 and 25-44 in Whitchurch than in Aylesbury Vale and England more widely. Between 2011 and 2019, the demographic structure changed slightly, with an

increase in those aged 65-84 and a minor increase in those aged 85 and over, coupled with small decreases in in all other age categories.

The vast majority of people in Whitchurch live in dwellings with one or two extra bedrooms (85%), while 13% live in homes with no extra bedrooms. Only 2% live in dwellings with fewer bedrooms than those households would be expected to need. However, this differs depending on the makeup of the household. As such, only families under 65 with dependent children experience over occupancy. While families who are all aged over 65 have the highest rates of under occupancy. This suggests that the larger housing is not being occupied by households with the most family members, but by the people with the most wealth or my older people who have not chosen or been able to move to smaller properties.

The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built, demonstrates that in Whitchurch an appropriate response would be to prioritise the supply of smaller to mid-sized dwellings with 1, 2 or 3 bedrooms, with a far smaller number of larger homes with 4 or more bedrooms likely to be required.

This model, however, operates on the assumption that households can and will wish to occupy only housing specifically suitable for their household size, which is not a realistic prospect given that people are willing to pay for extra bedrooms for a range of reasons. It is not surprising, then, that demand for all dwelling sizes will remain. Therefore, the weighing suggested provides a helpful guideline of what should be delivered in the Parish but it should be interpreted with a degree of flexibility.

In the Tenure and Affordability chapter analysis, it was found that market housing for sale (as opposed to market housing for rent and all types of Affordable Housing) is increasingly unaffordable and that those on the median incomes are unable to afford to live outside of the rented sector. While Affordable Housing should be well balanced in terms of size to cater for all circumstances, the provision of smaller and mid-sized homes for sale and rent should make an important contribution to improving affordability more widely. This is supported by the evidence in the HEDNA, which shows that for affordable housing for rent and intermediate housing 2 and 3 bedroom properties should take precedence.

If older households wishing to 'rightsize' and younger ones seeking to form their own independent households are to be able to afford to live in Whitchurch, increasing the provision of small to mid-sized homes will be crucial.

## 2. Context

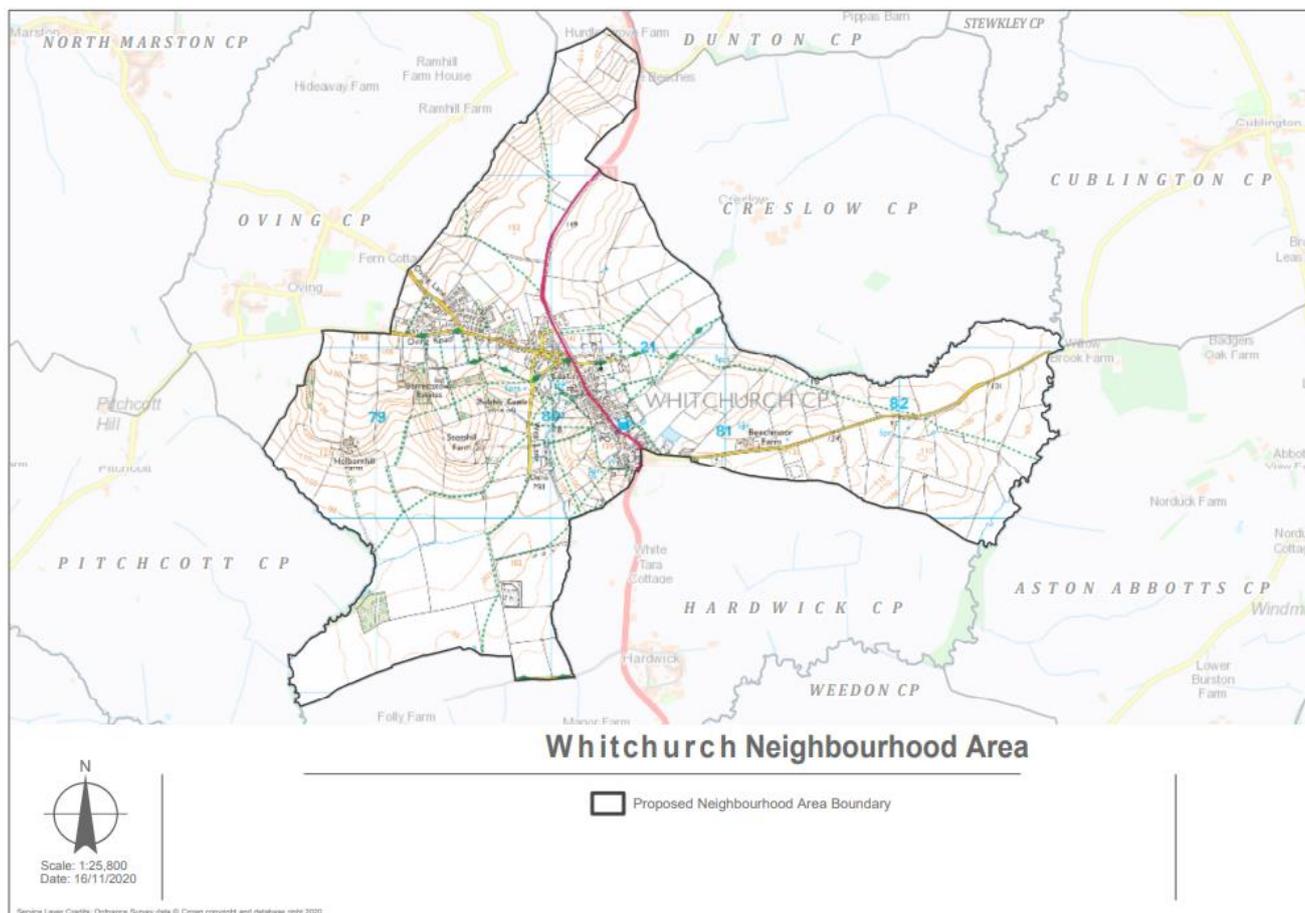
### Local context

1. Whitchurch is a Neighbourhood Plan area located in the former Aylesbury Vale district area, Buckinghamshire. The Neighbourhood Area (NA) boundary is synonymous with the Parish boundary and was designated in November 2019.
2. The proposed Neighbourhood Plan period starts in 2021 and extends to 2040, therefore comprising a planning period of 19 years. The evidence supplied in this report will look forward to the Plan end date of 2040, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
3. Whitchurch straddles the A413, Aylesbury to Buckingham road, and is located approximately five miles north of Aylesbury and 12 miles south of Buckingham. The settlement is predominately linear, mostly consisting of one street with minor roads surrounding it. Whitchurch is on a prominent ridge of the Brill-Wing Hills, and there are long-distance views in all directions. The surrounding land is mainly pastoral with hedgerows and mature trees, although there is grazing land towards the north and several blocks of broadleaved woodlands towards the west. Whitchurch is a historic settlement with buildings dating back to the 13th century, and there are many fine examples of medieval buildings within the village.
4. The closest train station is Aylesbury Vale Parkway providing regular services to London.
5. The data source used for the neighbourhood plan area comprises the Parish of Whitchurch, as well as neighbouring parish of Creslow. This is due to the census data not breaking down far enough to just Whitchurch. However, given the lack of development in Creslow (one farmstead), this should not impact the findings and the relatability to the neighbourhood plan area.
6. Whitchurch is located in the planning area of Buckinghamshire Council. However, as this is a unitary authority formed relatively recently (April 2020), the majority of the published data and planning documents relevant to this study and the Neighbourhood Plan relate to the smaller former Aylesbury Vale district area.
7. The statistics show that in the 2011 Census the NA had a total of 932 residents, formed into 378 households and occupying 394 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2019 population estimate for Whitchurch is 934 – indicating population growth of around two 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.
8. Between the 2011 census and 30<sup>th</sup> September 2021 there have been 45 (net) completions in the Parish, 31 houses and 16 flats all in primarily in market tenures, two of the dwellings came forward as shared ownership. Additionally, as of 30<sup>th</sup> September there are a further 53 (net) dwellings committed. This does not align with the small increase in the population

as noted above, however, this may be due to when the dwellings were built and the estimated nature of the population figure.

9. A map of the Plan area appears below in Figure 2.1.

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



Source: Aylesbury Vale Neighbourhood Planning Webpage

<sup>1</sup> Available at <https://www.aylesburyvaledc.gov.uk/sites/default/files/whitchurch%20parish%20council%20area%20designation%20request%20and%20map%20nov%202020.pdf>

## Planning policy context

11. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.<sup>2</sup> In the case of Whitchurch, the relevant adopted Local Plan for Aylesbury Vale consists of:
- Vale of Aylesbury Local Plan (VALP) 2013-2033. This Plan manages and directs growth up until 2033 in a way that will protect what makes the area a special place.
12. On 1<sup>st</sup> April 2020 Buckinghamshire Council was created and became the local planning authority for the area previously covered by four local planning authorities, namely Aylesbury Vale District Council, Chiltern District Council, South Bucks District Council and Wycombe District Council, as well as Buckinghamshire County Council, which was responsible for Minerals and Waste Planning. Therefore, moving forward local planning documents will be published by Buckinghamshire Council.
13. With the creation of Buckinghamshire Unitary Authority in 2020, work is now progressing on the Buckingham Local Plan, which must be in place for the whole council area by April 2025. This work is at an early stage, with issues and options consultation expected soon. Bucks Council is currently undertaking a questionnaire survey and seeking help in identifying Brownfield sites.

## Policies in the adopted local plan

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

**Table 2-1: Summary of relevant adopted policies in the Aylesbury Vale adopted Local Plan**

Policy	Provisions
H1 Affordable Housing	This policy requires developments of 11 dwellings or more or sites of 0.3 ha or more to provide a minimum of 25% affordable homes on site. It goes on to note that the type, size, tenure and location of the affordable housing will be agreed with the council.
H2 Rural Exception Sites	This policy notes that in rural areas, small scale development for affordable housing may exceptionally be permitted providing it meets local housing needs, is located within or adjoining the existing development footprint of the settlement, is appropriate in scale and design and would remain in perpetuity for those in affordable local need.
H6a Housing Mix	This policy states that new residential development will be expected to provide a mix of homes to meet current and expected future requirements in the interest of meeting housing need and creating socially mixed and inclusive communities. The housing mix will be negotiated having regard to the council's most up-to-date evidence on housing need, available evidence from developers on local market conditions and shall be in general conformity with the council's latest evidence and Neighbourhood Development Plan evidence where applicable for the relevant area.

Source: *Vale of Aylesbury Local Plan*<sup>3</sup>

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

<sup>3</sup> Available at:

<https://www.aylesburyvaledc.gov.uk/sites/default/files/VALP/AppendixA/Adopted%20Vale%20of%20Aylesbury%20Local%20Plan%201.pdf>

## **Quantity of housing to provide**

15. 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.
16. Given that Buckinghamshire Council is at an early stage of plan-making the spatial strategy for the area is not yet clear and an indicative housing requirement figure has therefore not been requested at this stage. Whilst there is an expectation that approximately 30 dwellings would be acceptable to the local community, the decision to extend the plan period to 2040, and securing longevity of the neighbourhood plan, in particular securing the protection of Paragraph 14 of the NPPF, is yet to be considered in establishing an appropriate figure for Whitchurch to 2040. However, for the purposes of calculations used in this report, the proxy figure of around 30 dwellings has been used at this stage.

## 3. Approach

### Research Questions

17. The following research questions were formulated at the outset of the research through discussion with the Whitchurch Neighbourhood Planning Group. They serve to direct the research and provide the structure for the HNA.
18. The Neighbourhood Planning Group carried out a village consultation in July 2021. In the summary note it states that *‘there appears to be consensus around the need for more affordable housing suitable for single people, retired people and young families. This reinforces the findings of our 2019 survey. No comments were in favour of large homes or large developments. The needs of local people were highlighted. A number of comments referred to sustainable, environmentally friendly, eco design of new houses. A number of comments mentioned sympathetic design to the existing built environment’*. Therefore, the research questions are based on these topics.

### Tenure and Affordability

19. The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
20. This evidence will allow Whitchurch 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.
21. 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 One: What quantity and tenures of Affordable Housing should be planned for over the Neighbourhood Plan period?***

### Type and Size

22. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. The group are looking to diversify away from the standard luxury developments that have come forward in the past couple of years to provide smaller, more affordable dwellings, both suitable for new home owners and those seeking to downsize.
23. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.
24. 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.

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

## Relevant Data

26. 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 Home.co.uk;
- Local Authority housing waiting list data;
- Village Questionnaire (July 2021); and
- Buckinghamshire Housing and Economic Development Needs Assessment (2016).

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

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

***RQ One: 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

28. 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.
29. 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.
30. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. As part of this effort, the Government has recently introduced a new product called First Homes.<sup>4</sup>
31. 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;

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<sup>4</sup> The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

- 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

32. The current tenure profile is a key feature of the Neighbourhood Plan Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.
33. Table 4-1 below presents data on tenure in Whitchurch compared with Aylesbury Vale and England from the 2011 Census, which is the most recent available source of this information.
34. The way residents occupy their homes in Whitchurch broadly aligns with district and national trends. As such, the majority of homes are owned, followed by a relatively even split between social rented and private rented and a low level of shared ownership (only 2 dwellings).
35. Between the 2011 census and 30<sup>th</sup> September 2021 there have been 45 (net) completions in the Parish, 31 houses and 16 flats all in market tenures. This suggests that the proportion of homes in ownership is even higher today than in 2011. Additionally, as of 30<sup>th</sup> September there are a further 53 (net) dwellings committed; however, an accurate tenure breakdown is not available for these dwellings.
36. There is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Whitchurch the private rented sector expanded by 64% in that period, a rate of growth

lower than at district and national levels. Interestingly, social renting increased by almost 10%, whereas this tenure saw a decrease both in Aylesbury Vale and England.

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

Tenure	Whitchurch	Aylesbury Vale	England
Owned; total	75.4%	71.6%	63.3%
Shared ownership	0.5%	0.9%	0.8%
Social rented; total	11.9%	12.9%	17.7%
Private rented; total	10.8%	13.3%	16.8%

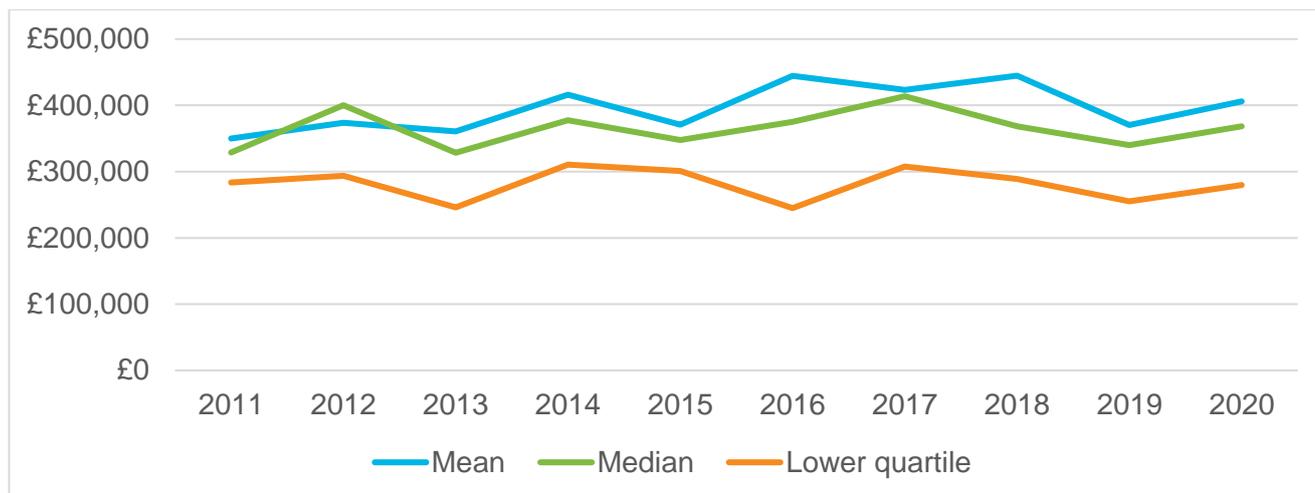
Sources: Census 2011, AECOM Calculations

## Affordability

### House prices

37. 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.
38. Figure 4-1 below looks at selected measures of house prices in Whitchurch. It shows that while house prices have seen some fluctuations on a generally upward trajectory, there has not been a significant increase overall.
39. The median is the middle number when you sort the data from smallest to largest, while the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end cause the mean to increase, making it higher than the median. The mean price in 2020 was £405,903, while the median was £368,500. Between 2011 and 2020, the mean increased by 16% (or £55,903), while the median prices increased by 12% (or £39,500).
40. These prices are higher than the mean and median house prices at district level (£385,007 and £335,000 respectively), however prices across the district significantly increased by 46% between 2011 and 2020.
41. In Whitchurch lower quartile prices decreased by 1.3% (or £3,750) between 2011 and 2020 to £280,000. At district level lower quartile prices increased by just over 50%, yet still remain lower than in the neighbourhood area, at £250,000.
42. This demonstrates the consistent high prices of dwellings in Whitchurch, although this has seemingly resulted in less significant changes in price over the past decade.

**Figure 4-1: House prices by quartile in Whitchurch, 2011-2020**



Source: Land Registry PPD

43. Table 4-2 below breaks down house prices by type. It shows that detached and terraced dwellings have appreciated the most, by over 80% and 50% respectively. Semi-detached dwellings appreciated by a less significant amount (10%). While flats actually depreciated; however, this may be due to the small sample of flats (there were a total of 13 in 2011, which increased to 29 by September 2021). The overall small sample size also accounts for the significant variation in the average price of detached homes – with 2011 being a particularly low and 2020 being a particularly high year.

**Table 4-2: House prices by type in Whitchurch, 2011-2020**

Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Growth
Detached	£340,000	£420,000	£451,250	£512,500	£380,000	£693,000	£455,000	£600,000	£510,000	£625,000	83.8%
Semi-detached	£250,000	£294,000	£261,250	£342,500	£342,500	£504,998	£380,000	£350,000	£320,500	£275,000	10.0%
Terraced	-	£247,000	£226,250	£240,000	£345,750	£307,500	£261,000	£240,000	£340,000	£375,000	51.8%
Flats	-	-	-	-	£239,999	£233,000	-	£175,000	£223,000	-	-7.1%
<b>All Types</b>	<b>£329,000</b>	<b>£400,000</b>	<b>£328,500</b>	<b>£377,500</b>	<b>£347,500</b>	<b>£374,995</b>	<b>£413,750</b>	<b>£368,500</b>	<b>£340,000</b>	<b>£368,500</b>	<b>12.0%</b>

Source: Land Registry PPD

## Income

44. 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.
45. 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 £59,600 in 2018. A map of the area to which this data applies is provided in Appendix A.
46. 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. Buckinghamshire's gross individual lower quartile annual earnings were £16,706 in 2019. To estimate the income of households with two lower quartile earners, this figure is doubled to £33,412.

47. 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**

48. 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.
49. AECOM has determined thresholds for the income required in Whitchurch 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.
50. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income.
51. Table 4-3 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.
52. The same information is presented as a graph in Figure 4-2 on a subsequent page, with selected measures from the table presented for clarity.

**Table 4-3: Affordability thresholds in Whitchurch (income required, £)**

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £59,600	Affordable on LQ earnings (single earner)? £16,706	Affordable on LQ earnings (2 earners)? £33,412
<b>Market Housing</b>						
Median House Price	£331,650	-	<b>£94,757</b>	No	No	No
LA New Build Mean House Price	£369,000		<b>£105,429</b>	No	No	No
LQ/Entry-level House Price	£252,000	-	<b>£72,000</b>	No	No	No
Average Market Rent	-	£14,700	<b>£49,000</b>	Yes	No	No
Entry-level Market Rent	-	£13,956	<b>£46,520</b>	Yes	No	No
<b>Affordable Home Ownership</b>						
First Homes (-30%)	£232,155	-	<b>£66,330</b>	No	No	No
First Homes (-40%)	£198,990	-	<b>£56,854</b>	Yes	No	No
First Homes (-50%)	£165,825	-	<b>£47,379</b>	Yes	No	No
Shared Ownership (50%)	£165,825	£4,606	<b>£62,733</b>	No	No	No
Shared Ownership (25%)	£82,913	£6,909	<b>£46,721</b>	Yes	No	No
Shared Ownership (10%)	£33,165	£8,291	<b>£37,113</b>	Yes	No	No
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£7,931	<b>£26,410</b>	Yes	No	Yes
Social Rent	-	£5,576	<b>£18,568</b>	Yes	No	Yes

Source: AECOM Calculations

53. 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**

54. Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income 60% higher than the current average.
55. Private renting is generally only affordable to average earners. Households made up of one or two lower quartile earners cannot afford the given rental thresholds. 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

56. There is a relatively large group of households in Whitchurch who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £46,520 per year (at which point entry-level rents become affordable) and £72,000 (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.
57. 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.
58. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. First Homes are accessible to those on average incomes when a discount of 40% or 50% is applied. This suggests that there is evidence to push for higher levels of discount than the minimum of 30% in this area, with 40% likely being most appropriate.
59. Table 4-4 below 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 house prices in the NA as the best proxy for the cost of a newly built entry-level home in the area, because this reflects the local market and accounts for the price premium usually associated with newly built housing (which would bring the price closer to the price of median existing homes than existing entry-level homes). However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, and of entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

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

Tenure/product	Mean Income	LQ Income x1	LQ Income x2
NA Median house price	37%	82%	65%
LA New build mean house price	43%	84%	68%
NA Entry-level house price	17%	77%	54%

Source: Land Registry PPD; ONS MSOA total household income

60. Shared ownership appears to be more affordable than First Homes, but 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.<sup>5</sup> If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as

<sup>5</sup> The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

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

61. 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.
62. The income required to access rent to buy is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are less affordable options.
63. 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.
64. In conclusion, all of these products would provide 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 is helpful to those with little or no savings for a deposit, and First Homes (especially at 40% or 50% discount) may provide a better long-term investment to those who can afford to access it.

**Affordable rented housing**

65. Affordable rented housing is generally affordable to households with two lower quartile earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.

66. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Whitchurch 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 Whitchurch, income required (additional cost of deposit in black)**



Source: AECOM Calculations

## Affordable housing- quantity needed

67. The starting point for understanding the need for affordable housing in Whitchurch is the relevant Housing and Economic Development Needs Assessment (HEDNA). A HEDNA was undertaken for Buckinghamshire in 2016 (with a 2017 update). This study estimates the need for affordable housing in the District based on analysis of the Council's waiting list and analysis of other data sets in line with Planning Practice Guidance at the time. The HEDNA identifies the need for 210 additional affordable homes each year in Aylesbury Vale as a whole. 83% of those are in need of affordable rented, while 17% are required to be intermediate housing.
68. When the HEDNA figures are pro-rated to Whitchurch based on its share of the population (0.54% of the LPA's population), this equates to 0.9 homes per annum (for social/affordable rent) or 17 homes over the Neighbourhood Plan period 2021-2040. In addition, there is a need for 0.2 homes per annum (for intermediate tenures) or 3.5 homes over the Plan period.
69. However, pro-rating District level estimates of affordable housing need to rural areas presents problems in practice. The District level figures are likely to represent higher needs in the urban areas of the District where there is a large social housing stock and larger numbers of households living in the PRS on housing benefit. Both of these factors tend to generate higher needs. By contrast, in rural villages like Whitchurch the lack of social housing means there is no need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). This means it is difficult to identify need for social/affordable rented housing within Whitchurch.
70. Consequently, in Table 4-5 below we have calculated, using PPG as a starting point,<sup>6</sup> an estimate of the total need for affordable rented housing in Whitchurch over the Plan period using more locally-specific data. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. For example, Census 2011 data is increasingly out-of-date. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out here are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.
71. It should also be noted that figures are largely dependent on information provided by Buckinghamshire in its capacity as manager of the local housing waiting list. The Planning Officers notes that there were five households currently on the Bucks Home Choice Applications from addresses within the Whitchurch area. Others

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<sup>6</sup> Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

may have family connection or preference to reside in the area but the LPA does not hold that data.

72. The table shows that there are currently about five households in Whitchurch unable to access affordable rented homes suitable to their needs. The table also suggests that, over the Plan period, 13.8 additional households in the Neighbourhood Plan area will fall into need. However, because of the expected rate of turnover in the existing stock, it is anticipated that there will in fact be a surplus for affordable rented homes of approximately 9.5 units over the plan period.
73. This result may initially be surprising since there is understood to be a current backlog of need (in the region of five households). The reason for the apparent surplus over the long-term is that model assumes a rate of turnover in the existing affordable housing stock of 3%. So of the 45 units of affordable rented accommodation existing currently, it can be expected that around 1.6 will come vacant in any given year as their current occupants move to a new location, pass away or cease to be eligible as their circumstances change. This satisfies the projected newly arising need as well as some of the backlog, which is effectively spread out over the 10-year period to produce an annualized figure.
74. An important caveat to this finding is that there are almost certainly households currently in need in the NA, and to 'spread them out' over the Plan period suggests that some of them can be accommodated in ten years' time once a sufficient surplus has been built up through new supply and turnover of the existing stock. While possible, this is not favourable to the individuals involved. In practice, it would be better to frontload any future affordable rented provision to meet those needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock.
75. A further caveat worth emphasizing is that one unit of Affordable Housing does not necessarily service one household worth of need, since the unit might have 2 bedrooms while the applicant household might require 4 bedrooms, may be located in an inappropriate location, or be otherwise unsuitable.
76. As such, it is recommended that Whitchurch considers encouraging the delivery of some affordable rented housing, particularly early in the Plan period, with the understanding that if this results in oversupply in future years, the vacancies created when existing occupants leave their properties may need to satisfy new need from elsewhere in the district. This is particularly important in Whitchurch as when the total need for the district is pro-rated to the neighbourhood it suggests that approximately 17 affordable dwellings (primarily for social rented) should be provided in the area – either to meet Whitchurch's own needs or to contribute to those of the wider area.

**Table 4-5: Estimate of need for Affordable Housing for rent in Whitchurch**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current households in need	5	Neighbourhood level data if provided by LA.
1.2 Per annum	<b>0.3</b>	Step 1.1 divided by the plan period to produce an annualised figure.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	92.8	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	14.9%	(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	45	2011 Census social rented occupancy + recent completions
2.2.2 Number of private renters on housing benefits	8.3	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	13.8	Step 2.1 x Step 2.2.
2.4 Per annum	0.7	Step 2.3 divided by plan period.
<b>STAGE 3: TURNOVER OF AFFORDABLE HOUSING</b>		
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)	1.6	Step 3.1 x NA social rented stock (2.2.1).
<b>NET SURPLUS OF RENTED UNITS PER ANNUM</b>		
Overall surplus per annum	0.5	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.

77. Turning now to Affordable Housing providing a route to home ownership, Table 4-6 below estimates the potential demand in Whitchurch. 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.
78. 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 is assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.<sup>7</sup> No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.
79. The result of the calculation is two households per annum who may be interested in affordable home ownership (or 38 for the entirety of the Plan period).

<sup>7</sup> <http://www.ipsos-mori-generations.com/housing.html>

80. Again this assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal because of the lack of shared ownership in the NA currently.
81. 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.

**Figure 4-6: Estimate of the potential demand for affordable housing for sale in Whitchurch**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in parish	50	Census 2011 number of renters x national % increase to 2018.
1.2 Percentage renters on housing benefit in LA	16.5%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	8.3	Step 1.1 x Step 1.2.
1.4 Current need (households)	31.3	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. <sup>8</sup>
1.5 Per annum	<b>1.6</b>	Step 1.4 divided by plan period.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	92.8	LA household projections for plan period (2018 based) pro-rated to NA.
2.2 % of households unable to buy but able to rent	8.2%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	7.6	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	<b>0.6</b>	Step 2.3 divided by plan period.
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	5.3	Number of shared ownership homes in parish (Census 2011 + LA new build to 2018/19 pro-rated to NA).
3.2 Supply - intermediate resales	<b>0.3</b>	Step 3.1 x 5% (assumed rate of re-sale).
<b>NET SHORTFALL (OR SURPLUS) PER ANNUM</b>		
Overall shortfall (or surplus) per annum	<b>2</b>	(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.

82. 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).

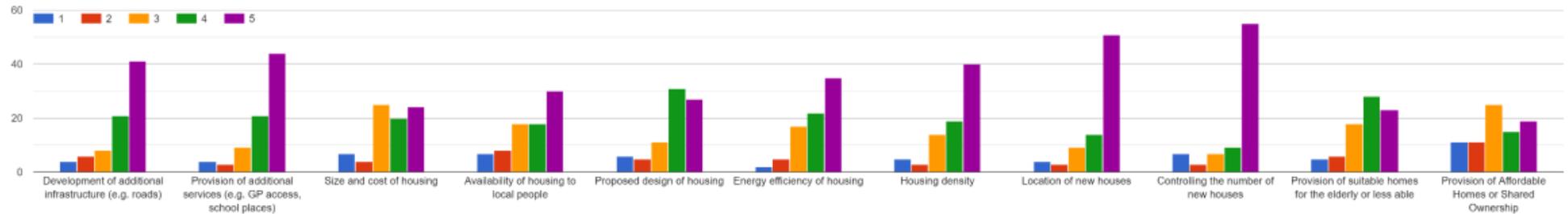
<sup>8</sup> The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, based on national level polls which consistently reveal that most households who prefer home ownership eg <http://www.ipsos-mori-generations.com/housing.html> and informed by our experience across numerous neighbourhood level HNAs. The assumption is based on the fact that some households choose to rent at certain stages in their life (e.g. when young, when needing flexibility in employment market, or when new migrants move into an area). While most households prefer the added security and independence of owning their own home, private renting is nevertheless a tenure of choice at a certain points in many households' journey through the housing market. The actual percentage of preference will differ between areas, being higher in large metropolitan areas with younger households and more new migrants, but lower in other areas. 25% is used as a reasonable proxy and for consistency across HNAs and similar assumptions are used in some larger scale assessments such as LHNAs and SHMAs. 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.

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

## **Village Questionnaire findings**

**Figure 4-3 Bar chart results from the Village Questionnaire**

8. What is most important when considering future housing for Whitchurch?



84. Residents were asked to rate the above issues out of five for which they see as most important. As shown in Figure 4-3, the issues seen as most important are location of new houses, controlling the number of new houses and provision of additional infrastructure and services. The size and cost of housing and provision of affordable homes or shared ownership have a more mixed view; however, all are still considered to be relatively important to residents.

### i) Affordable Housing policy guidance

85. Aylesbury Vale's adopted policy on this subject, Policy H1, requires 25% of all new housing to be affordable. Given that Affordable Housing made up 4% of new housing in Whitchurch over the last decade according to Aylesbury Vale completions figures, it is understood that this target is not usually met on sites in the NA.
86. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
87. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is left as a matter to be informed by the latest evidence. The 2016 HEDNA suggests a mix of 83% affordable rented and 17% affordable for sale. However, the HNA can supply more localized evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Whitchurch specifically.
88. 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 Whitchurch requires no units of affordable rented housing and 38 units of affordable home ownership over the Plan period. However, due to reasons already discussed, both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes, particularly in the shorter term.

However, as noted above, these figures are not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.

- B. **Can Affordable Housing needs be met in full?** How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.

If the Local Plan target of 25% were achieved on every site, up to around 8 affordable homes might be expected in the NA based on an overall housing target of 30. If the majority of Whitchurch's HRF is expected to come forward in the form of small infill developments, those schemes are unlikely to be large enough to meet the threshold of 11 dwellings, above which the Affordable Housing policy applies. If that is the case, the potential delivery of Affordable Housing is likely to be lower still. This is not sufficient to satisfy the total potential demand for Affordable Housing identified here.

As a result, affordable rented housing should have a higher weighting in the tenure mix (than suggested by the need figures summarized in A above) to ensure that the most acute needs are met as a priority. But given the expected volume of future delivery and historic delivery rates it is reasonable to assume that supply will be limited; however, given that there has been no affordable rented need identified, the ratio of 80% affordable for sale and 20% affordable rented is appropriate to aim for in the neighbourhood area.

- 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 Aylesbury Vale, where 25% of all housing should be affordable, 40% of Affordable Housing should be for affordable ownership.

There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA, there is no evidence that meeting the 10% threshold in Whitchurch would prejudice the provision of much needed affordable rented homes/ delivery 10% or more of homes as affordable home ownership would impact on the ability to deliver social/affordable rented homes.

- D. **Local Plan policy:** As noted above, the adopted Local Plan does not seek a specific affordable tenure split. However, the HEDNA suggests a split of 83% affordable rented and 17% affordable for sale.
- 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 Whitchurch.

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 Whitchurch:** In 2011, there were 45 socially rented dwellings, while there were only 2 dwellings in shared ownership. Since then there has been very limited development of affordable housing for either rent or sale. This suggests that some provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.
- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in 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 Whitchurch 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.
89. On the basis of the considerations above, Table 4-7 below proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
90. This indicative mix is chiefly a response to the need identified in this HNA. In this context, affordable rented tenures should still be delivered where possible but do not need to be excessively prioritised. Whereas the lack of affordable options for home ownership suggest that this should have a greater focus.
91. Since shared ownership at 10% and 25% shares and First Homes at 40% or 50% discount appear to be the most affordable and helpful option locally, the tenure split is weighted in favour of those tenures. In the interests of diversity and maximizing choice, rent to buy is also included.
92. 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.
93. 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 Aylesbury Vale to gather more

detailed income and viability information, and to ensure that departures from the local policy context have their support<sup>9</sup>.

94. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

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

Tenure	Indicative mix	Considerations and uncertainties
<b>Routes to home ownership, of which</b>	<b>80%</b>	
First Homes	30%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	30%	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	20%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
<b>Affordable Housing for rent, of which</b>	<b>20%</b>	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

## Conclusions- Tenure and Affordability

95. The way residents occupy their homes in Whitchurch broadly aligns with district and national trends. As such the majority of homes are owned, followed by a relatively even split between social rented and private rented and a low level of shared ownership (only 2 dwellings). Since the 2011 Census there were 45 (net) completions, 0 were offered as affordable tenures. It is also interesting to observe the change recorded between the 2001 and 2011 Census: in Whitchurch the private rented sector expanded by 64% in that period, a rate of growth lower than at district and national levels. Interestingly, social renting increased by almost 10%, whereas this tenure saw a decrease both in Aylesbury Vale and England.
96. House prices have seen some fluctuations, yet there has not been a significant increase over the past decade. The median, which is the middle number when you sort the data from smallest to largest, while the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end cause the mean to increase, making it higher than the median. The mean price in 2020 was £405,903, while the median was £368,500. Between 2011 and 2020 the mean increased by 16% (or £55,903), while the median prices increased by 12%

<sup>9</sup> The Parish Council have indicated they will not pursue this.

(or £39,500).

97. However, in Whitchurch lower quartile prices decreased by 1.3% (or £3,750) between 2011 and 2020 to £280,000. At district level lower quartile prices increased by just over 50%, yet still remain lower than in the neighbourhood area, at £250,000.
98. It appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income 60% higher than the current average.
99. The most significant finding is the need for affordable home ownership in Whitchurch. AECOM estimates potential demand for an additional 38 affordable home ownership dwellings. Government policy aimed at tackling the housing crisis continues to attach high priority on helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership. In the case of Whitchurch, the most appropriate tenures to help implement this policy goal locally are rent to buy, shared ownership (at 10% or 25% share) or the new First Homes product (with a 40% or 50% discount).
100. The assessment calculated a surplus of affordable rented units over the Plan period; however, this is due to the level of turnover meeting the anticipated newly arising need and addressing the backlog (five households) over time. However, it is not realistic or helpful to limit social rented dwellings when there is a current backlog and, therefore, there should be some delivery of affordable rented dwellings over the Plan period. This is especially important as households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling, require additional subsidy through Housing Benefit to access housing.
101. The Local Plan does not outline a recommended split between tenures of affordable housing that should be sought. Therefore, based on the evidence provided in this assessment it is suggested that a split of 80% affordable home ownership and 20% affordable rented would be best to meet the identified need in Whitchurch.
102. Table 4-8 below summarises Whitchurch's 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 proxy housing 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 4-8: Estimated delivery of Affordable Housing in Whitchurch**

	<b>Step in Estimation</b>	<b>Expected delivery</b>
A	Provisional capacity figure	30
B	Affordable housing quota (%) in LPA's Local Plan	25%
C	Potential total Affordable Housing in NA (A x B)	8
D	Rented % (e.g. social/ affordable rented)	20%
E	Rented number (C x D)	2
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	80%
G	Affordable home ownership number (C x F)	6

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

103. This expected level of delivery does not meet the quantity of demand identified in estimates of the need for affordable housing. It is therefore recommended that the policy requirement is met wherever possible, and further avenues for delivering greater quantities of Affordable Housing (such as exception sites) to be explored<sup>10</sup>. It is not recommended that the Local Plan policy requirement be exceeded in the neighbourhood plan because such steps are rarely accepted by planning inspectors on the grounds that an extremely high standard of justification is required which goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could, furthermore, have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.

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

<sup>10</sup> Although the Parish Council have indicated they will not pursue this.

## 5. RQ Two: Type and Size

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

### Introduction

105. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Whitchurch 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.
106. 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

107. 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.
108. 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.
109. 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.
110. 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.

111. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. For some aspects, such as the size mix of homes, adding together Census figures and completions data for the intervening period is highly accurate. For others, such as the type mix of homes, this method is not available and Valuation Office Agency (VOA) must be used. The most appropriate combination of approaches is used in this section. However, it must be noted that the VOA data only goes down to LSOA level, this covers a much larger area than the parish boundary and therefore cannot be directly compared with census data.

## Dwelling type

112. There is a varied mix of dwellings in the neighbourhood area; however, there is a small proportion of flats and higher proportion of bungalows than at district or national level. This is somewhat unsurprising in a rural area.

**Table 5-1: Accommodation type, various geographies, 2020**

Dwelling type	Whitchurch	Aylesbury Vale	England
Bungalow	14.1%	5.3%	9.4%
Flat	4.2%	9.4%	23.0%
Terrace	14.1%	20.5%	26.4%
Semi-detached	29.6%	23.6%	23.8%
Detached	36.6%	40.5%	15.9%
Unknown/other	1.4%	0.7%	1.4%

Source: VOA 2020, AECOM Calculations

## Dwelling size

113. Whitchurch is made up of predominantly larger dwellings with 3 or 4 or more bedrooms; however, recent completions have somewhat looked to address this imbalance providing primarily 2 bedroom dwellings. However, the low delivery of 1 bedroom dwellings has further exaggerated the imbalance weighted towards larger dwellings.

**Table 5-2: Dwelling size (bedrooms), Whitchurch, 2011 and 2020**

Number of bedrooms	2011 (Census)	Completions 2011-2021	2021 total (Census + completions)
Studio	0	0	0
1	21	3	24
2	82	25	107
3	136	10	146
4+	139	9	148
Unknown	0	0	0
Total	378	47	425

Source: ONS 2011, VOA 2020, AECOM Calculations, Aylesbury Vale Completions Data

114. Again it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country. Whitchurch and Aylesbury Vale have a similar breakdown in sizes of dwellings, with more larger (3, 4 or more bedroom) dwellings, some 2 bedroom dwellings and a small proportion of 1 bedroom dwellings. Whereas nationally, there is a more even split across the sizes with a predominance of 2 and 3 bedroom dwellings.

**Table 5-3: Dwelling size (bedrooms), various geographies, 2020**

Number of bedrooms	Whitchurch	Aylesbury Vale	England
1	5.8%	5.6%	12.0%
2	23.2%	19.5%	27.7%
3	37.7%	37.0%	43.0%
4+	31.8%	36.9%	15.2%

Source: VOA 2020, AECOM Calculations

## Age and household composition

115. Having established the current stock profile of Whitchurch 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

116. Table 5-4 below shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. The data suggests that there has been an increase in population of two people between 2011 and mid-2019. Though this might not be realistic when viewed against the increase of 47 dwellings, the estimated population breakdown remains a valuable source. The demographic structure has changed slightly, with an increase in those aged 65-84 and a minor increase in those aged 85 and over, coupled with small decreases in in all other age categories.

117. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2019 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.

118. 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 2011-2019 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

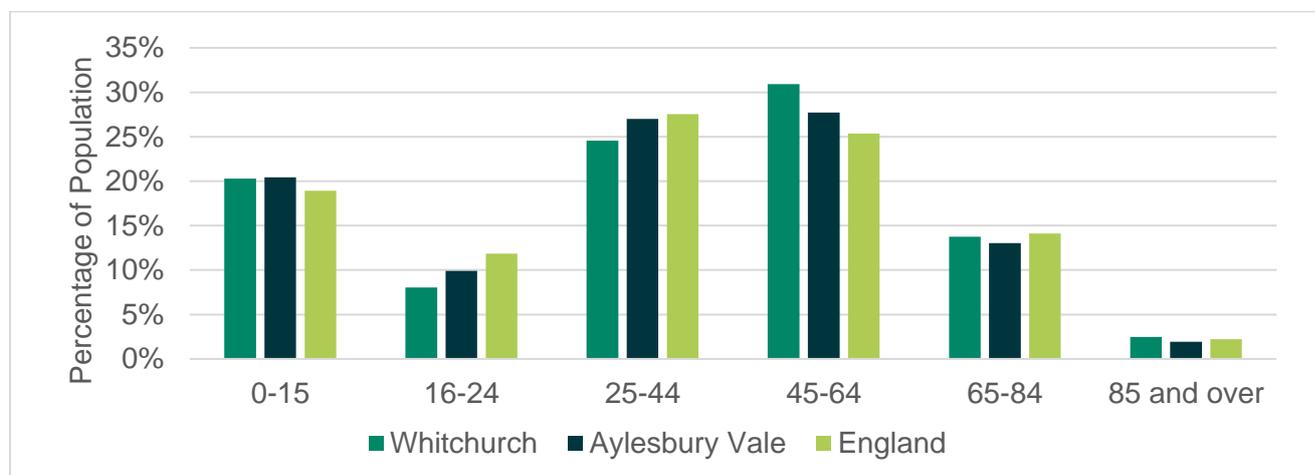
**Table 5-4: Age structure of Whitchurch population, 2011 and 2019**

Age group	2011 (Census)		2019 (ONS, estimated)	
	Count	Percentage	Count	Percentage
0-15	189	20%	174	18.6%
16-24	75	8%	68	7.3%
25-44	229	25%	179	19.2%
45-64	288	31%	272	29.1%
65-84	128	14%	221	23.7%
85 and over	23	2%	20	2.1%
Total	932	100%	934	100%

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

119. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-1 below (using 2011 Census data) shows that the demographic structure is reflective of what is seen at both district and national level. However, there is a slightly higher proportion of those aged 45-65 and a slightly lower proportion of those aged 16-24 and 25-44 in Whitchurch than in Aylesbury Vale and England more widely.

**Figure 5-1: Age structure in Whitchurch, 2011**



Source: ONS 2011, AECOM Calculations

## Household composition

120. 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- shows that there is a higher proportion of family households in Whitchurch than one person households, compared with wider geographies. In addition, within the family households there is a larger proportion with no children when compared with Aylesbury Vale and England.

121. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. While the data is quite old at this point, it is interesting to observe that this category decreased by 15.8% between 2001 and 2011 in the parish – whereas at higher level geographies saw an increase in this category.

**Table 5-5: Household composition, Whitchurch, 2011**

Household composition		Whitchurch	Aylesbury Vale	England
<b>One person household</b>	<b>Total</b>	21.2%	25.4%	30.2%
	Aged 65 and over	10.8%	10.7%	12.4%
	Other	10.3%	14.7%	17.9%
<b>One family only</b>	<b>Total</b>	74.1%	68.2%	61.8%
	All aged 65 and over	9.0%	8.1%	8.1%
	With no children	27.0%	20.8%	17.6%
	With dependent children	29.6%	29.9%	26.5%
	All children Non-Dependent <sup>11</sup>	8.5%	9.3%	9.6%
<b>Other household types</b>	<b>Total</b>	4.8%	6.5%	8.0%

Source: ONS 2011, AECOM Calculations

### Occupancy ratings

122. 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.

123. Census data on occupancy rating is only provided down to MSOA level. So for the purpose of this analysis, the NA is represented by MSOA Aylesbury Vale 008. The vast majority of people in this area live in dwellings with one or two extra bedrooms (85%), while 13% live in homes with no extra bedrooms. Only 2% live in dwellings in over occupancy.

124. However, this differs depending on the makeup of the household. As such only families under 65 with dependent children experience over occupancy. While families who are all aged over 65 have the highest rates of under occupancy.

125. This suggests that the larger housing isn't being occupied by households with the most family members, but by the people with the most wealth or my older people who have not chosen or been able to move to smaller properties.

<sup>11</sup> Refers to households containing children who are older than 18 e.g students or young working people living at home.

**Table 5-6: Occupancy rating by age in Whitchurch, 2011**

Age group	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	73.5%	23.5%	2.9%	0.0%
Single person 65+	58.5%	29.3%	12.2%	0.0%
Family under 65 – no children	66.7%	29.4%	3.9%	0.0%
Family under 65 – dependent children	34.8%	39.3%	21.4%	4.5%
Family under 65 – adult children	43.8%	43.8%	12.5%	0.0%
Single person under 65	43.6%	38.5%	17.9%	0.0%
All households	51%	34%	13%	2%

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

## Dwelling mix determined by life-stage modelling

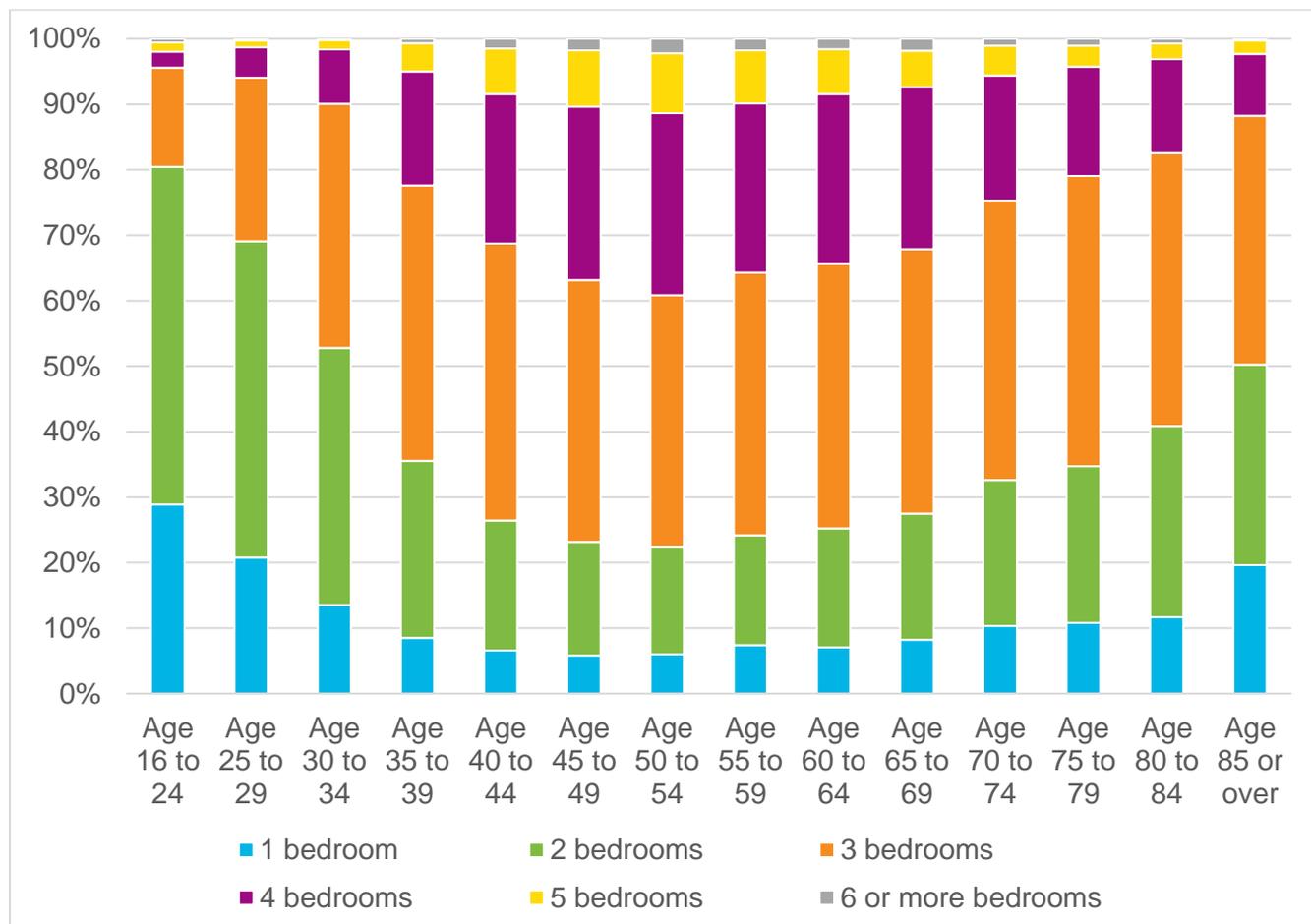
### Suggested future dwelling size mix

126. 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 Whitchurch 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.
  - The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results.

127. 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.
128. 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.
129. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.
130. The first, given as Figure 5-2 below, sets out the relationship between household life stage and dwelling size for Aylesbury Vale 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 Aylesbury Vale, 2011**



Source: ONS 2011, AECOM Calculations

131. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Whitchurch households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-7 below makes clear that population growth can be expected to be driven by the oldest households, with the number of those aged 65 and over more than doubling by 2040. There is also a significant increase in those aged 55-65, while young age groups are likely to see a smaller rise.

**Table 5-7: Projected distribution of households by age of HRP, Whitchurch**

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	26	154	83	108
2040	8	31	181	116	217
% change 2011-2040	12%	20%	17%	40%	101%

Source: AECOM Calculations

132. The final result of this exercise is presented in Table 5- below. The model suggests that primarily 3 bedroom dwellings should be prioritised, followed by those with 2 bedrooms then 1 bedroom. The table suggests that dwellings with 4 or 5 or more bedrooms should still be delivered but as a lower proportion than those with fewer bedrooms.

**Table 5-8: Suggested dwelling size mix to 2040, Whitchurch**

Number of bedrooms	Current mix (2011)	Target mix (2040)	Balance of new housing to reach target mix
1 bedroom	5.6%	9.5%	18.0%
2 bedrooms	21.7%	22.7%	24.9%
3 bedrooms	36.0%	40.1%	49.0%
4 bedrooms	27.5%	20.8%	6.2%
5 or more bedrooms	9.3%	6.9%	1.9%

Source: AECOM Calculations

133. It is never advisable to restrict future housing delivery to selected size categories only. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population.
134. For example, the young starter families and downsizing older households mentioned above may both need 'mid-sized' homes, but are likely to have extremely different requirements and degrees of purchasing power. There is limited scope for Neighbourhood Planning policy to influence the more detailed characteristics of new housing, but additional guidance and prioritisation could be informed by further primary research.
135. 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.
136. To best meet the needs of the large cohort of older households expected to be present by the end of the Plan period, it should be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms.
137. That said, it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied in the parish. Reducing the issue of dwelling size to a number of bedrooms is potentially unhelpful in this case. There may be a strong justification to continue supplying larger homes despite their abundance because a different kind of larger home is needed to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix, but is among the good reasons not to inhibit any size of dwelling entirely.

138. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to smaller and mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

### The HEDNA findings

139. The HEDNA provides a breakdown in the size of homes which should be sought in Aylesbury Vale. These are shown in Figure 5-3 below.

140. The Figure shows that for market housing the greatest need is 3 and 4 bedroom dwellings, whereas affordable rented dwellings and intermediate housing should primarily be brought forward as 2 and 3 bedroom houses.

Figure 5-3 Break down in tenure and size of dwellings required in Aylesbury Vale

		Aylesbury Vale
		Plan period 2013-33
<b>MARKET HOUSING</b>		
Flat	1 bedroom	560
	2+ bedrooms	530
House	2 bedrooms	1,940
	3 bedrooms	7,920
	4 bedrooms	3,200
	5+ bedrooms	1,050
<b>Total Market Housing</b>		<b>15,200</b>
<b>AFFORDABLE HOUSING</b>		
Flat	1 bedroom	360
	2+ bedrooms	250
House	2 bedrooms	1,530
	3 bedrooms	1,650
	4+ bedrooms	410
<b>Total Affordable Housing</b>		<b>4,200</b>
<b>TOTAL</b>		<b>19,400</b>
<b>AFFORDABLE RENT</b>		
Flat	1 bedroom	330
	2+ bedrooms	200
House	2 bedrooms	1250
	3 bedrooms	1330
	4+ bedrooms	390
<b>Total Affordable Rent</b>		<b>3500</b>
<b>% of affordable housing</b>		<b>83%</b>
<b>INTERMEDIATE HOUSING</b>		
Flat	1 bedroom	30
	2+ bedrooms	50
House	2 bedrooms	280
	3 bedrooms	320
	4+ bedrooms	20
<b>Total Intermediate Housing</b>		<b>700</b>
<b>% of affordable housing</b>		<b>17%</b>

## Conclusions- Type and Size

141. 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.
142. There is a varied mix of dwellings in the neighbourhood area; however, there is a smaller proportion of flats and higher proportion of bungalows than at district or national level. This is somewhat unsurprising in a rural area.
143. Whitchurch is made up of predominantly larger dwellings with 3 or 4 or more bedrooms. Although recent completions have somewhat addressed this imbalance by providing primarily 2 bedroom dwellings, the low level of 1 bedroom dwellings and continued provision of larger homes means the strong weighting towards bigger properties persists.
144. The demographic structure is reflective of what is seen at both district and national level. However, there is a slightly higher proportion of those aged 45-65 and a slightly lower proportion of those aged 16-24 and 25-44 in Whitchurch than in Aylesbury Vale and England more widely. Between 2011 and 2019, the demographic structure changed slightly, with an increase in those aged 65-84 and a minor increase in those aged 85 and over, coupled with small decreases in all other age categories.
145. The vast majority of people in Whitchurch live in dwellings with one or two extra bedrooms (85%), while 13% live in homes with no extra bedrooms. Only 2% live in dwellings with fewer bedrooms than those households would be expected to need. However, this differs depending on the makeup of the household. As such, only families under 65 with dependent children experience over occupancy. While families who are all aged over 65 have the highest rates of under occupancy. This suggests that the larger housing is not being occupied by households with the most family members, but by the people with the most wealth or my older people who have not chosen or been able to move to smaller properties.
146. The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built, demonstrates that in Whitchurch an appropriate response would be to prioritise the supply of smaller to mid-sized dwellings with 1, 2 or 3 bedrooms, with a far smaller number of larger homes with 4 or more bedrooms likely to be required.
147. This model, however, operates on the assumption that households can and will wish to occupy only housing specifically suitable for their household size, which is not a realistic prospect given that people are willing to pay for extra

bedrooms for a range of reasons. It is not surprising, then, that demand for all dwelling sizes will remain. Therefore, the weighing suggested provides a helpful guideline of what should be delivered in the Parish but it should be interpreted with a degree of flexibility.

148. In the Tenure and Affordability chapter analysis, it was found that market housing for sale (as opposed to market housing for rent and all types of Affordable Housing) is increasingly unaffordable and that those on the median incomes are unable to afford to live outside of the rented sector. While Affordable Housing should be well balanced in terms of size to cater for all circumstances, the provision of smaller and mid-sized homes for sale and rent should make an important contribution to improving affordability more widely. This is supported by the evidence in the HEDNA, which shows that for affordable housing for rent and intermediate housing 2 and 3 bedroom properties should take precedence.
149. If older households wishing to 'rightsize' and younger ones seeking to form their own independent households are to be able to afford to live in Whitchurch, increasing the provision of small to mid-sized homes will be crucial.

## 6. Conclusions

### Overview

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

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

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing tenure and affordability	<p>The way residents occupy their homes in Whitchurch broadly aligns with district and national trends. As such the majority of homes are owned, followed by a relatively even split between social rented and private rented and a low level of shared ownership (only 2 dwellings). Since the 2011 Census there were 45 (net) completions, two were offered as affordable tenures.</p> <p>House prices have seen some fluctuations, yet there has not been a significant increase over the past decade. The mean price in 2020 was £405,903, while the median was £368,500. Between 2011 and 2020 the mean increased by 16% (or £55,903), while the median prices increased by 12% (or £39,500).</p> <p>However, in Whitchurch lower quartile prices decreased by 1.3% (or £3,750) between 2011 and 2020 to £280,000. At district level lower quartile prices increased by just over 50%, yet still remain lower than in the neighbourhood area, at £250,000.</p> <p>It appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income 60% higher than the current average.</p>	<p>The most significant finding is the need for affordable home ownership in Whitchurch. AECOM estimates potential demand for an additional 38 affordable home ownership dwellings. Government policy aimed at tackling the housing crisis continues to attach high priority on helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership. In the case of Whitchurch, the most appropriate tenures to help implement this policy goal locally are rent to buy, shared ownership (at 10% or 25% share) or the new First Homes product (with a 40% or 50% discount).</p> <p>The assessment calculated a surplus of affordable rented units over the Plan period; however, this is due to the level of turnover meeting the anticipated newly arising need and addressing the backlog (five households) over time. However, it is not realistic or helpful to limit social rented dwellings when there is a current backlog and, therefore, there should be some delivery of affordable rented dwellings over the Plan period. This is especially important as households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling, require additional subsidy through Housing Benefit to access housing.</p> <p>The Local Plan does not outline a recommended split between tenures of affordable housing that should be sought. Therefore, based on the evidence provided in this assessment it is suggested that a split of 80% affordable home ownership and 20% affordable rented would be best to meet the identified need in Whitchurch.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
		<p>The Local Plan does not outline a recommended split between tenures of affordable housing that should be sought. Therefore, based on the evidence provided in this assessment it is suggested that a split of 80% affordable home ownership and 20% affordable rented would be best to meet the identified need in Whitchurch.</p> <p>The expected level of delivery does not meet the quantity of demand identified in estimates of the need for affordable housing. It is therefore recommended that the policy requirement is met wherever possible, and further avenues for delivering greater quantities of Affordable Housing (such as exception sites) to be explored. It is not recommended that the Local Plan policy requirement be exceeded in the neighbourhood plan because such steps are rarely accepted by planning inspectors on the grounds that an extremely high standard of justification is required which goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could, furthermore, have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.</p> <p>Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing type and size	<p>There is a varied mix of dwellings in the neighbourhood area; however, there is a smaller proportion of flats and higher proportion of bungalows than at district or national level. This is somewhat unsurprising in a rural area.</p> <p>Whitchurch is made up of predominantly larger dwellings with 3 or 4 or more bedrooms. Although recent completions have somewhat addressed this imbalance by providing primarily 2 bedroom dwellings, the low level of 1 bedroom dwellings and continued provision of larger homes means the strong weighting towards bigger properties persists.</p> <p>The demographic structure is reflective of what is seen at both district and national level. However, there is a slightly higher proportion of those aged 45-65 and a slightly lower proportion of those aged 16-24 and 25-44 in Whitchurch than in Aylesbury Vale and England more widely. Between 2011 and 2019, the demographic structure changed slightly, with an increase in those aged 65-84 and a minor increase in those aged 85 and over, coupled with small decreases in in all other age categories.</p> <p>The vast majority of people in Whitchurch live in dwellings with one or two extra bedrooms (85%), while 13% live in homes with no extra bedrooms. Only 2% live in dwellings with fewer bedrooms than those households would be expected to need. However, this differs depending on the makeup of the household. As such, only families under 65 with dependent children experience over occupancy. While families who are all aged over 65 have the highest rates of under occupancy. This suggests that the larger housing is not being occupied by households with the most family members, but by the people with the most wealth or my older people who have not chosen or been able to move to smaller properties.</p>	<p>The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built, demonstrates that in Whitchurch an appropriate response would be to prioritise the supply of smaller to mid-sized dwellings with 1, 2 or 3 bedrooms, with a far smaller number of larger homes with 4 or more bedrooms likely to be required.</p> <p>This model, however, operates on the assumption that households can and will wish to occupy only housing specifically suitable for their household size, which is not a realistic prospect given that people are willing to pay for extra bedrooms for a range of reasons. It is not surprising, then, that demand for all dwelling sizes will remain. Therefore, the weighing suggested provides a helpful guideline of what should be delivered in the Parish but it should be interpreted with a degree of flexibility.</p> <p>In the Tenure and Affordability chapter analysis, it was found that market housing for sale (as opposed to market housing for rent and all types of Affordable Housing) is increasingly unaffordable and that those on the median incomes are unable to afford to live outside of the rented sector. While Affordable Housing should be well balanced in terms of size to cater for all circumstances, the provision of smaller and mid-sized homes for sale and rent should make an important contribution to improving affordability more widely. This is supported by the evidence in the HEDNA, which shows that for affordable housing for rent and intermediate housing 2 and 3 bedroom properties should take precedence.</p> <p>If older households wishing to 'rightsize' and younger ones seeking to form their own independent households are to be able to afford to live in Whitchurch, increasing the provision of small to mid-sized homes will be crucial.</p>

## Recommendations for next steps

151. This Neighbourhood Plan housing needs assessment aims to provide Whitchurch 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 Buckinghamshire 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 Buckinghamshire;
- 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 Buckinghamshire.

152. 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.

153. 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, Buckinghamshire or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

154. 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.

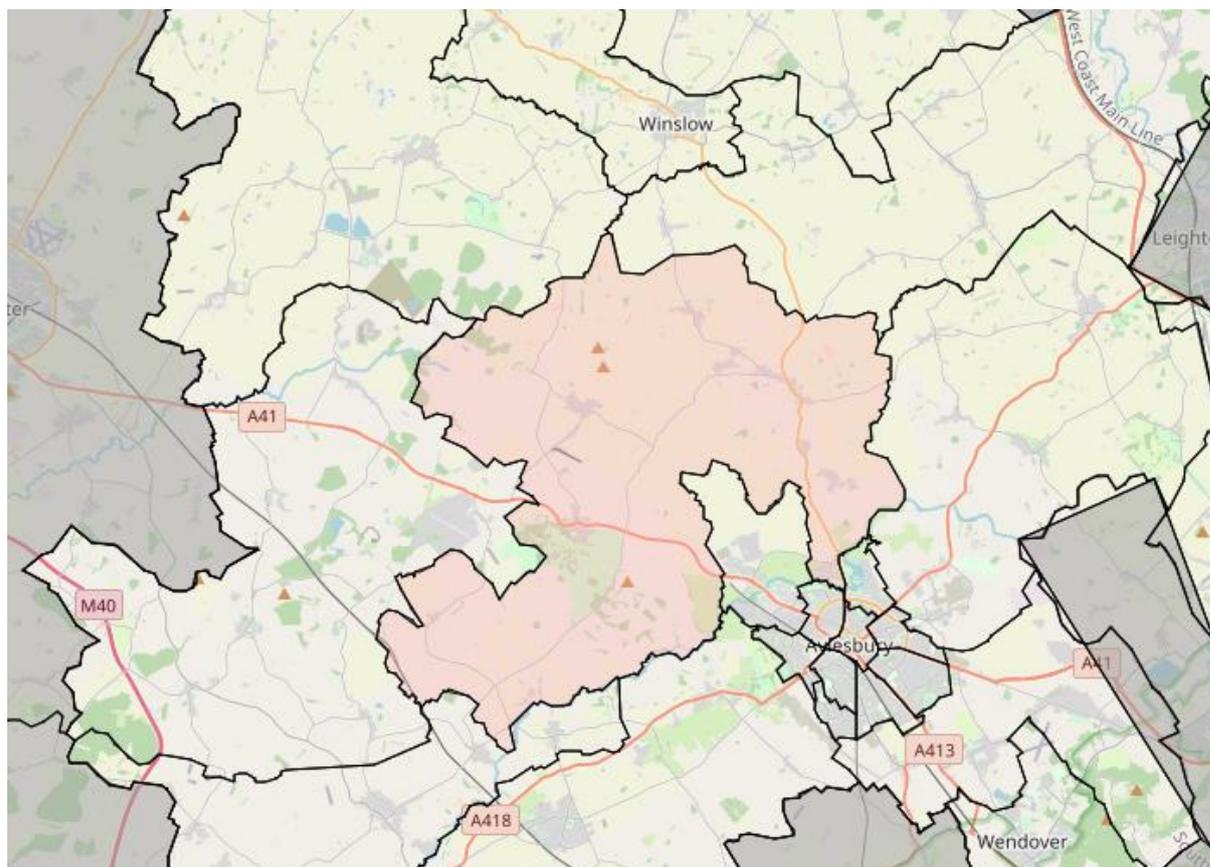
# Appendix A : Calculation of Affordability Thresholds

## A.1 Assessment geography

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

156. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Whitchurch, it is considered that MSOA Aylesbury Vale 008 is the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of Aylesbury Vale 008 appears below in Figure . This MSOA covers a much larger area than the neighbourhood plan area but is used as a proxy.

Figure A-1: MSOA Aylesbury Vale 008 used as a best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

## A.2 Market housing

157. Market housing is not subsidised, and tends to be primarily accessible to people on higher incomes.
158. 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

159. 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.
160. 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 Whitchurch, 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.
161. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2020) = £368,500;
  - Purchase deposit at 10% of value = £36,850;
  - Value of dwelling for mortgage purposes = £331,650;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £94,757.
162. 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 £280,000, and the purchase threshold is therefore £72,000.
163. 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. Land Registry records sales of only four new build properties in the NA in 2020; therefore, the average for the LPA has been used.
- Detached - £527,498
  - Semi Detached - £360,000
  - Terraced - £412,500

- Flats - £410,000

## ii) Private Rented Sector (PRS)

164. 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.
165. 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.
166. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within the HP22 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.
167. According to [home.co.uk](https://www.home.co.uk), there were 12 properties for rent at the time of search in October 2021, with an average monthly rent of £1,225. There were four two-bed properties listed, with an average price of £1,163 per calendar month.
168. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
- Annual rent = £1,163 x 12 = £13,956;
  - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £46,520.
169. The calculation is repeated for the overall average to give an income threshold of £49,000.

## A.3 Affordable Housing

170. 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

171. 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.
172. 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 Whitchurch. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Aylesbury Vale in the table below.
173. 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 might 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	£95.53	£106.30	£114.88	£133.43	£107.23
Annual average	£4,968	£5,528	£5,974	£6,938	£5,576
Income needed	£16,542	£18,407	£19,893	£23,105	£18,568

Source: Homes England, AECOM Calculations

## ii) Affordable rent

174. 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).
175. 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%.
176. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Aylesbury Vale. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
177. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 55% 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	£120.89	£146.71	£172.33	£214.05	£152.52
Annual average	£6,286	£7,629	£8,961	£11,131	£7,931
Income needed	£20,933	£25,404	£29,841	£37,065	£26,410

Source: Homes England, AECOM Calculations

### iii) Affordable home ownership

178. 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.
179. 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**
180. 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.
181. The starting point for these calculations is the median house price in Aylesbury Vale noted above of £368,500. The assumption is that the existing median price will be broadly similar to the price of a newly built entry-level home, with the premium associated with new housing accounting for the difference.
182. For the minimum discount of 30% the purchase threshold can be calculated as follows:
- Median house price = £368,500;
  - Discounted by 30% = £257,950;
  - Purchase deposit at 10% of value = £25,795;
  - Value of dwelling for mortgage purposes = £232,155;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £66,330.
183. 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 £56,854 and £47,379 respectively.

184. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.
185. The 30% discounted price is above £250,000 resulting in it failing to meet the criteria, so either a greater discount is justified, developers would need to bring the price down, or smaller or lower value properties would need to be delivered than our assumed benchmark.
186. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000. This cost excludes any land value or developer profit. This would not appear to be an issue in Whitchurch.

### **Shared ownership**

187. 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'.
188. 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.
189. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling 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).
190. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £368,500 is £92,125;
  - A 10% deposit of £9,213 is deducted, leaving a mortgage value of £82,913;
  - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £23,689;
  - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £276,375;

- The estimated annual rent at 2.5% of the unsold value is £6,909;
- This requires an income of £23,031.25 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £46,721 (£23,689 plus £23,031.25).

191. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £37,113 and £62,733 respectively.

### **Rent to buy**

192. Rent to buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent 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 equity in the property with a portion of the rent, but this portion is still a monthly outgoing for the occupant.

### **Help to Buy (Equity Loan)**

193. 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.

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

# Appendix B : Housing Needs Assessment Glossary

## **Adoption**

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

## **Affordability**

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

## **Affordability Ratio**

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

## **Affordable Housing (NPPF Definition)**

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

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

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

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

affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

### **Affordable rented housing**

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods<sup>12</sup>.

### **Age-Restricted General Market Housing**

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

### **Annual Monitoring Report**

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

### **Basic Conditions**

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

### **Backlog need**

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

### **Bedroom Standard<sup>13</sup>**

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

### **Co-living**

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

<sup>12</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

<sup>13</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

## **Community Led Housing/Community Land Trusts**

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

### **Community Right to Build Order<sup>14</sup>**

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

### **Concealed Families (Census definition)<sup>15</sup>**

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

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

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

### **Extra Care Housing or Housing-With-Care**

Housing which usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents 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**

<sup>14</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>15</sup> See [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)

'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 years<sup>16</sup>, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

### **Neighbourhood Development Order (NDO)**

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

### **Neighbourhood plan**

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

### **Older People**

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<sup>16</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

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

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

### **Overcrowding**

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

### **Planning Condition**

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

### **Planning Obligation**

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

### **Purchase Threshold**

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

### **Proportionate and Robust Evidence**

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

### **Private Rented**

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

### **Retirement Living or Sheltered Housing**

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

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

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

### **Rightsizing**

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

### **Rural Exception Sites**

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

### **Shared Ownership**

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

### **Sheltered Housing<sup>17</sup>**

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<sup>17</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

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

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

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

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

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

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

### **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be

owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>18</sup>

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<sup>18</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

