

# Aldringham-cum-Thorpe

Housing Needs Assessment (HNA)

April 2023

## Quality information

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## Table of Contents

1.	Executive Summary.....	6
2.	Context.....	12
	Local context.....	12
	The Housing Market Area Context.....	13
	Planning policy context.....	14
	Policies in the adopted local plan.....	14
	Quantity of housing to provide.....	17
3.	Approach.....	18
	Research Questions.....	18
	Tenure and Affordability.....	18
	Type and Size.....	18
	<b>Second Homes</b> .....	18
	Relevant Data.....	19
4.	RQ 1: Tenure, Affordability and the Need for Affordable Housing.....	20
	Introduction.....	20
	Current tenure profile.....	22
	Affordability.....	23
	House prices.....	23
	Income.....	24
	Affordability Thresholds.....	25
	Affordable housing- quantity needed.....	32
	Additional SHMA findings.....	37
	Affordable Housing policy guidance.....	37
	Conclusions- Tenure and Affordability.....	41
5.	RQ 2: Type and Size.....	44
	Introduction.....	44
	Existing types and sizes.....	44
	Background and definitions.....	44
	Dwelling type.....	45
	Dwelling size.....	46
	Age and household composition.....	47
	Age structure.....	47
	Household composition.....	49
	Occupancy ratings.....	50
	Dwelling mix determined by life-stage modelling.....	51
	Indicative future dwelling size mix.....	51
	Conclusions- Type and Size.....	55
6.	RQ 3: Second Homes.....	57
	Introduction.....	57
	Second and Holiday Homes Data.....	57
	Policy Considerations.....	60
	Conclusions- Second homes.....	61
7.	Next Steps.....	63
	Recommendations for next steps.....	63
	Appendix A : Calculation of Affordability Thresholds.....	64

A.1	Assessment geography .....	64
A.2	Market housing .....	65
i)	Market sales .....	65
ii)	Private Rented Sector (PRS).....	66
A.3	Affordable Housing .....	66
i)	Social rent.....	67
ii)	Affordable rent.....	67
iii)	Affordable home ownership .....	68
Appendix B : Housing Needs Assessment Glossary .....		71

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

ASHE	Annual Survey of Hours and Earnings
DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
HMA	Housing Market Area
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
LA	Local Authority
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LPA	Local Planning Authority
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

1. Aldringham-cum-Thorpe is a Neighbourhood Area located in the local authority area of East Suffolk. The Neighbourhood Area boundary covers the areas administered by Aldringham-cum-Thorpe Parish Council.
2. The NA is comprised of the two villages of Aldringham and Thorpeness. The village of Thorpeness is located on the east coast, with Aldringham approximately 2 miles inland. The NA has some amenities, mainly linked to the tourist sector, including a hotel, golf course, and a number of cafes.
3. The Office for National Statistics mid-2020 population estimate for Aldringham-cum-Thorpe is 794 individuals, showing an increase of 35 individuals since the 2011 Census.
4. There has been some development in Aldringham-cum-Thorpe since 2011, with East Suffolk providing completions data from 2011/12 to 2021/22 which showed the net development of 73 dwellings. Of these, 18.1% were delivered as Affordable Housing. The total quantity of dwellings in the NA at present is therefore estimated to be 696. As of 31<sup>st</sup> March 2022, outstanding commitments total 2 net dwellings.
5. This Executive Summary details the conclusions of each chapter of the report, addressing the three research questions formulated at the outset of the research.
6. Data from the Census 2021 is being released at the local authority level throughout 2022. At present, only population and household data is available, with data on the dwelling stock expected by the end of the year. Data from the Census 2021 at the localised level, including parishes, will not be available until 2023 at the earliest. As such, neighbourhood level HNAs will draw on the latest available data at the local authority level and continue to use other data sets, including Census 2011 and ONS parish projections to build up evidence of demographics at the neighbourhood level. Up to date data is available at the neighbourhood level on the dwelling stock, prices and rents from other sources (including the Valuation Office Agency and Land Registry). As such, most of the data the HNA draws on is not reliant on the Census.

## Conclusions- Tenure and Affordability

### Current dwelling stock

7. In 2011 68.1% of households owned their own home in Aldringham-cum-Thorpe, a greater proportion than England (63.3%) but a smaller proportion than across the local authority area (71.3%). The private rented sector in the NA was notably much smaller than nationally, potentially due to second home ownership and short term holiday lets in the NA. The proportion of households living in Affordable Housing in the NA was above the proportion across East Suffolk. The proportion of social/affordable rented dwellings was also above national levels. Completion data provided by East Suffolk Council shows that between 2011/12 and 2021/22, 18.1% of development was Affordable Housing.
8. Between 2012 and 2021 house prices rose in the NA, with significant fluctuation. The median house price increased by 76.8%, peaking in 2021 at £495,000. The lower quartile

house price peaked in 2019 at £401,125. It experienced overall growth of 44.0%, with a 2021 lower quartile house price of £360,000.

## **Affordability**

9. 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. Private renting is generally only affordable to higher earners, although households on mean incomes and made up of two lower quartile earners can afford entry-level rental thresholds.
10. Turning to affordable home ownership, it is recommended that First Homes are delivered at a 50% discount in the NA, making the product affordable to households earning between £39,696 and £80,000 (the income cap for First Homes eligibility), increasing access to home ownership significantly. Shared ownership appears to be more affordable, with shared ownership at 10% equity which is accessible to households on mean incomes and potentially households with two lower quartile earners.
11. Affordable rented housing is generally affordable to households with two lower earners depending on their household size. However, households with a single lower earner are only marginally able to afford socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
12. Despite households working in industries linked to the tourist sector in the East of England tending to have lower earnings than the overall earnings for Aldringham-cum-Thorpe used in the affordability analysis, this has little impact in terms of accessibility to different tenures of housing. For example, taking a 2-person mean earning household in the tourist sector, they are expected to be able to afford the same products (entry level market rent and shared ownership at 10% equity) as mean earning households overall. There is greater disparity when looking at lower quartile earners, with households made up of two lower quartile earners in Table 4-4 able to afford entry level market rents and shared ownership at 10% (marginally). Households working in the tourist sector specifically are only able to afford social and affordable rents. Single lower quartile earners in the tourist sector are unable to afford even the smallest socially rented units.

## **Affordable housing need**

13. This study estimates that the need for social/affordable rented dwellings in Aldringham-cum-Thorpe would be met over the plan period, and that there is a need for 29.0 units of affordable home ownership in this time. Despite this, both forms of Affordable Housing would be valuable in meeting the needs of people on various incomes.
14. AECOM suggests an indicative mix of Affordable Housing, suggesting an appropriate split between affordable rented housing and affordable home ownership options. The indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be

lower than the needs identified here. Despite the need for social/affordable rented housing estimated to be met over the plan period, the severe affordability challenges in the NA and the low expected level of delivery means that there should still be the delivery of affordable rented products. The Local Plan guideline mix of 50% rented to 50% ownership appears to offer a suitable benchmark, which also complies with the various minimum requirements mandated nationally.

15. Within affordable home ownership, it is recommended that First Homes are delivered in line with national policy, at 25% of Affordable Housing delivery. It is suggested, subject to viability, that First Homes are delivered at a 50% discount. It is recommended that 20% of Affordable Housing is delivered as shared ownership as at 10% equity, and Rent to Buy is included at a 5% share to provide variety and for households with little or no savings for a deposit.
16. 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 be met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites) to be explored. If the group consider exceeding the Local Plan policy requirement in the neighbourhood plan then it must be noted 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 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.
17. 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.

## **Conclusions- Type and Size**

18. 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.

### **Current dwelling mix**

19. In 2011 the greatest proportion of dwellings in the NA were detached (49.0%), followed by semi-detached dwellings. There was a significant proportion of bungalows in 2021 (33.1%), as well as a high proportion of detached dwellings. The proportion of terraced dwellings fell

from 20.4% to 13.1% between 2011 and 2021. In 2021 there was a significantly greater proportion of bungalows in the NA than across East Suffolk and the country. The proportion of detached dwellings was also higher than the comparator areas.

20. Turning to dwelling size, in 2011 the greatest proportion of dwellings were 3-bedroom, at 42.1%, followed by 2-bedroom at 21.4%. Looking to 2021, the proportion of mid-sized dwellings grew to 46.4%. The proportion of the largest 5+ bedroom dwellings also grew, from 7.4% to 9.3% of dwellings. In 2021 the proportion of mid-sized 3-bedroom dwellings in Aldringham-cum-Thorpe was slightly above both local authority and national levels. The proportion of larger 4+ bedroom dwellings in the NA was also well above the levels in the comparator areas. On the other hand, the proportion of smaller 1-bedroom and 2-bedroom dwellings, especially the former, was significantly lower.

## Demographics

21. In 2011 the greatest proportion of the population in Aldringham-cum-Thorpe were aged 65-84, followed by those aged 45-64. There were notably very few people aged 16-24, highlighting the lack of young people in the NA. Looking to 2020, the proportion of the population aged 65+ increased significantly and proportion of young people aged 16-24 rose very slightly. The proportion of the population aged 44 and under in Aldringham-cum-Thorpe was significantly below the proportion across both East Suffolk and the country in 2011. The proportion of the population aged 45+ in the NA was well above the comparator areas. This was most notable in the 65-84 age bracket, with 34.3% of the NA population falling into this age category, 20.0% across East Suffolk, and 14.1% nationally.
22. Population growth within the plan period can be expected to be driven by the oldest households, with households with a household reference person aged 65 and over expected to increase by 74%. These households are expected to account for 65.9% of households in 2036, compared to accounting for 52.0% in 2011.
23. A significantly higher proportion of households in Aldringham-cum-Thorpe were single person households in 2021 when compared to East Suffolk and England. 27.1% of households in the NA were single persons aged 66 and over, again significantly higher than the comparator areas, suggesting an older population in the NA than both the local authority area and the country. The greatest proportion of households in Aldringham-cum-Thorpe fall within this category. Because of the proportion of single person households in the NA, there was a smaller proportion of family households than the comparator areas. The greatest proportion of family households were aged 66 and over, at 24.9% of total households, again well above the levels for both East Suffolk and England.
24. Under-occupancy is common in Aldringham-cum-Thorpe, with 84.7% of households living in a dwelling with at least one extra bedroom compared to the household size. This is most common in family households aged 65+ and family households under 65 with no children. This indicates that the largest dwellings in the NA are not necessarily occupied by households with the most family members, but by households with the most wealth or by older persons that have been unable or unwilling to downsize into smaller properties.

## Future size mix

25. AECOM modelling suggests an indicative mix of housing that would be suitable for

Aldringham-cum-Thorpe in 2036. In order to reach the indicative mix it is suggested that housing is delivered across all size categories except the largest 5+ bedroom dwellings. The greatest proportion, at 49.0%, should be delivered as 2-bedroom dwellings, followed by mid-sized 3-bedroom dwellings. It is also suggested that a small proportion of 1-bedroom and 4-bedroom dwellings are delivered.

26. 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.

## **Conclusions- Second homes**

27. This section of the HNA considers the current extent of second home ownership in Aldringham-cum-Thorpe and related trends.
28. In 2011, Aldringham-cum-Thorpe contained 392 households and 623 dwellings, implying that there were 231 dwellings with no usual resident household. This means that 37.1% of dwellings had no usual residents, compared to 7.5% across East Suffolk and around 4.0% nationally.
29. When looking at holiday lets eligible for business rates specifically, it is estimated that in October 2022 there were 102 commercial holiday lets. Based on estimates of 2021/22 housing stock and 2021 Census household data, it is estimated that there are currently around 294 dwellings with no usual resident household, a significant increase on 2011. This means that 42.2% of dwellings therefore had no usual residents and could be assumed to be second homes, a considerable proportion of the dwelling stock.
30. The Steering Group noted that post Covid some households have moved more permanently (often from London) to their second homes due to the ability to work from home. Whilst these are not always the primary residence, occupancy seems to have increased. A further change that may occur during the plan period is the switch from holiday lets to more longer term lets as Sizewell C nuclear power station is developed just north of the parish, with the need for accommodation for employees. This may reduce the proportion of holiday lets in the NA (and increase the private rented sector, although there would be increased competition for houses for locals).
31. The demand for second homes in the NA is likely to have an adverse effect on affordability for local people. There is a clear difference in the potential income for owners between the private rented sector and holiday lets identified in the NA. The calculated average monthly cost of a holiday let in Aldringham-cum-Thorpe is £8,969 compared to the average monthly cost of a private rented dwelling of £1,149. If a holiday let was rented back-to-back, as it is assumed it would be in the summer months, the income (exclusive of any related costs) associated with the holiday let could be up to six times greater than associated with longer term private rental. This highlights a clear incentive for property owners to rent their

properties as holiday lets as opposed to in the private rented sector, even when the additional costs and vacancy periods associated with holiday lets are factored in.

32. It is not possible to establish a precise causal link between second home ownership and declining affordability because rising prices and declining affordability is affected by other factors such as economic growth at the national level. However, given the scale of second home ownership in the NA, AECOM suggest that it is likely that the second homes market is a factor in the rise in prices and declining affordability in the area due to reducing the available stock of housing for local people and increasing demand on this smaller stock pushing up house prices (increased competition). The private rented sector in the NA is very small and is likely constrained by the growth of the holiday let and second home market. In the context where new housing development is limited, all other things being equal, the expansion of second homes and holiday lets will reduce the availability of housing for households wishing to live in the area.

## 2. Context

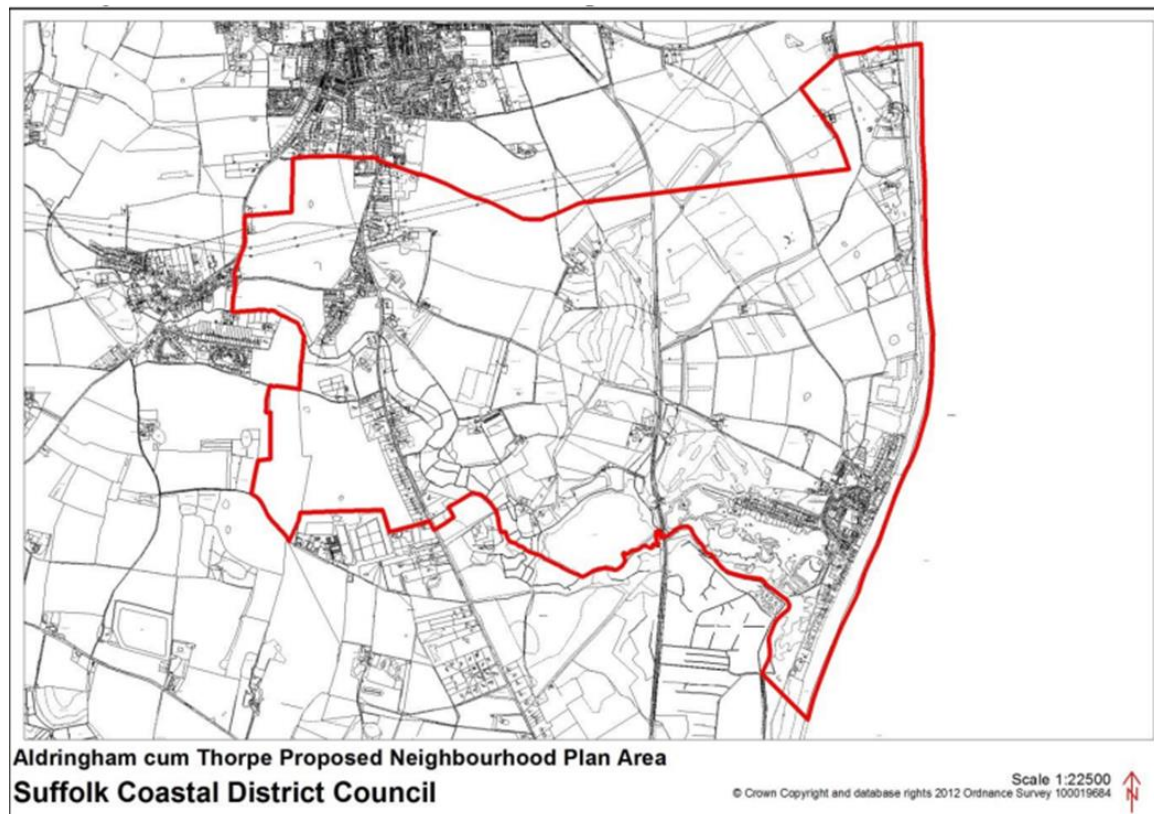
### Local context

33. Aldringham-cum-Thorpe is a Neighbourhood Area located in East Suffolk in the East of England. The Neighbourhood Area (NA) boundary aligns with the parish boundary and was designated in May 2016.
34. The proposed Neighbourhood Plan period starts in 2022 and extends to 2036, therefore comprising a planning period of 14 years. The evidence supplied in this report will look forward to the Plan end date of 2036, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
35. Aldringham-cum-Thorpe is a NA comprised of the two villages of Aldringham and Thorpeness in East Suffolk. The village of Thorpeness is located on the east coast, with Aldringham approximately 2 miles inland. In relation to surrounding settlements, the NA is approximately 2 miles south of Leiston and around 2.5 miles south of Sizewell. Saxmundham, c. 5 miles north west of the NA, is the closest train station, providing connections to Ipswich and Lowestoft. The NA has some amenities, mainly linked to the tourist sector, including a hotel, golf course, and a number of cafes.
36. For Census purposes, the Neighbourhood Plan area is made up, like the rest of England, of statistical units called Output Areas (OAs). These make up Lower Layer Super Output Areas (LSOAs), which in turn make up Middle Layer Super Output Areas (MSOAs). The Plan area equates to the following OAs, which have been used throughout as a statistical proxy for the NA boundary and which can be interrogated for data from both the 2001 and the 2011 Censuses:
- OA E00153735;
  - OA E00153736; and
  - OA E00153737.
  - In 2001 these were referred to as OA 42UGGW0013, OA 42UGGW0014, and OA 42UGGW0015.
37. The statistics show that in the 2011 Census the NA had a total of 759 residents, formed into 392 households and occupying 623 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Aldringham-cum-Thorpe is 794 – indicating population growth of around 35 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. 2021 Census data shows that at this time there were 402 households in the NA, an increase of 10 on the 2011 figure.
38. Completion data provided by East Suffolk Council indicates that between 2011/12 and 2021/22, there were 73 net completions in Aldringham-cum-Thorpe, of which 18.1% were

Affordable Housing. This overall increase in dwellings broadly aligns with the increase in the population noted above but is significantly higher than the increase in households.

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

**Figure 2-1: Map of the Aldringham-cum-Thorpe Neighbourhood Area<sup>1</sup>**



Source: East Suffolk Council

## The Housing Market Area Context

40. Whilst this HNA focuses on Aldringham-cum-Thorpe neighbourhood area it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas. In the case of Aldringham-cum-Thorpe, the NA sits within Ipswich Housing Market Area which covers Ipswich, Babergh, Mid Suffolk, and Suffolk Coastal. This means that when households who live in these authorities move home, the vast majority move within this geography. It is interesting to note that Waveney District Council formed its own Housing Market Area at the time of the 2017 SHMA. Since then, Suffolk Coastal District Council and Waveney District Council have merged to form East Suffolk Council, which may have an impact on the future assessment and designation of Housing Market Areas.

<sup>1</sup> Available at:

<https://www.eastsuffolk.gov.uk/assets/Planning/Suffolk-Coastal-Local-Plan/Local-Plan-Review/Evidence-base/Ipswich-and-Waveney-Housing-Market-Areas-Strategic-Housing-Market-Assessment-Part-1.pdf>  
<https://www.eastsuffolk.gov.uk/assets/Planning/Suffolk-Coastal-Local-Plan/Local-Plan-Review/Evidence-base/SHMA-Part-2-update-2019.pdf>

41. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Aldringham-cum-Thorpe, are closely linked to other areas. In the case of Aldringham-cum-Thorpe, changes in need or demand in settlements nearby is likely to impact on the neighbourhood.
42. In summary, Aldringham-cum-Thorpe functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (East Suffolk Council), it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood plays within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

## Planning policy context

43. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.<sup>2</sup> In the case of Aldringham-cum-Thorpe, the relevant adopted Local Plan for East Suffolk is the East Suffolk, Suffolk Coastal Local Plan<sup>3</sup>, adopted in September 2020, focussing specifically on the old Suffolk Coastal council area up to 2036. This is supported by the East Suffolk Affordable Housing Supplementary Planning Document (SPD)<sup>4</sup>, adopted in May 2022.
44. There is currently no emerging Local Plan for East Suffolk

## Policies in the adopted local plan

45. Table 2-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Aldringham-cum-Thorpe.

**Table 2-1: Summary of relevant adopted policies in the East Suffolk, Suffolk Coastal Local Plan**

Policy	Provisions
SCLP2.1: Growth in the Ipswich Strategic Planning Area	Over the period 2018-2036, the Suffolk Coastal Local Plan will contribute to the delivery of at least 35,334 dwellings across the Ipswich Housing Market Area.
SCLP3.1: Strategy for Growth	Between 2018 and 2036 the Council will significantly boost the supply of housing, the mix of housing available, and the provision of

<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.eastsuffolk.gov.uk/assets/Planning/Planning-Policy-and-Local-Plans/Suffolk-Coastal-Local-Plan/Adopted-Suffolk-Coastal-Local-Plan/East-Suffolk-Council-Suffolk-Coastal-Local-Plan.pdf>

<sup>4</sup> Available at: <https://www.eastsuffolk.gov.uk/assets/Planning/Planning-Policy-and-Local-Plans/Supplementary-documents/Affordable-Housing/Affordable-Housing-SPD.pdf>

Policy	Provisions
	Affordable Housing, through the delivery of at least 542 new dwellings per annum (at least 9,756 over the period 2018-2036).
SCLP3.2: Settlement Hierarchy	<p>The settlement hierarchy is as follows:</p> <ul style="list-style-type: none"> <li>• Major Centre;</li> <li>• Market Towns;</li> <li>• Large Villages;</li> <li>• Small Villages (including Thorpeness); and</li> <li>• Countryside (including Aldringham).</li> </ul> <p>The development requirements for Major Centres, Market Towns, Large Villages, and Small Villages will be delivered through site allocations in the Local Plan or in Neighbourhood Plans, plus through windfall development in accordance with Local Plan policies.</p> <p>The development requirements in the Countryside will come forward through Neighbourhood Plans and windfall sites in accordance with Local Plan policies.</p>
SCLP5.2: Housing Development in Small Villages	<p>Residential development will be permitted within defined Settlement Boundaries where it is:</p> <ol style="list-style-type: none"> <li>a) A small group of dwellings of a scale appropriate to the size, location, and character of the village; or</li> <li>b) Infill development</li> </ol> <p>Residential development will be permitted on Exception Sites adjacent or well related to defined Settlement Boundaries.</p>
SCLP5.3: Housing Development in the Countryside	<p>Outside of the defined Settlement Boundaries, new residential development will be limited to:</p> <ol style="list-style-type: none"> <li>a) Affordable housing to meet identified local needs on exception sites adjacent to, or well related to, Settlement Boundaries or clusters of housing in the countryside;</li> <li>b) Limited development within existing clusters;</li> <li>c) Replacement dwellings on a one to one basis where these are no more visually intrusive in the countryside than the building to be replaced;</li> <li>d) Subdivision of an existing larger dwelling;</li> <li>e) Conversion of an existing building;</li> <li>f) Rural worker dwellings, where there is an essential need for a rural worker to live permanently at or near their place of work;</li> </ol>

Policy	Provisions
	g) Other residential development consistent with policy on residential development in the countryside contained in the NPPF.
SCLP5.4: Housing in Clusters in the Countryside	Proposals for new dwellings within ‘clusters’ in the countryside will be supported in line with the full details of the policy.
SCLP5.8: Housing Mix	<p>Proposals for new housing development will be expected to deliver the housing needed for different groups in the community as identified in the SHMA or latest equivalent assessment.</p> <p>New development should provide a mix of housing tenures, types, and sizes appropriate to the site size, characteristics, and location, reflecting where feasible the identified need, particularly focussing on smaller dwellings.</p> <p>To contribute towards meeting the significant needs for housing of older people, proposals for 10 or more dwellings should demonstrate how the development will contribute to meeting the needs of older people.</p> <p>On proposals of 10 or more non-specialist dwellings, at least 50% of the dwellings will need to meet the requirements for accessible and adaptable dwellings under Part M4(2) of the Building Regulations.</p> <p>Sheltered and extra-care housing will be supported where the scheme incorporates a mix of tenures and sizes to meet an identified need.</p> <p>Neighbourhood Plans may set out an approach to housing type and mix specific to the local area where this is supported by evidence.</p>
SCLP5.9: Self Build and Custom Build Housing	Developments of 100 or more dwellings will be expected to provide a minimum of 5% self or custom build properties on site through the provision of serviced plots.
SCLP5.10: Affordable Housing on Residential Development	<p>Proposals for residential development with capacity for 10 units or more will be expected to make provision for 1 in 3 units to be affordable dwellings.</p> <p>Of these affordable dwellings, 50% should be for affordable / social rent, 25% should be for shared ownership, and 25% should be for discounted home ownership.</p> <p>Neighbourhood Plans may set requirements for a greater proportion of Affordable Housing where this is supported by evidence of need and viability assessment.</p>

<b>Policy</b>	<b>Provisions</b>
SCLP5.11: Affordable Housing on Exception Sites	Proposals for the development of Affordable Housing in the countryside will be permitted in line with the full policy. A limited amount of market housing will be permitted where it is required to cross-subsidise the Affordable Housing.
SCLP12.1: Neighbourhood Plans	When Neighbourhood Plans seek to plan for housing growth, they will be expected to plan for a minimum housing requirement. For Aldringham-cum-Thorpe NA, this is the existing Local Plan allocation of 40 dwellings plus small scale additional development and windfall.
SCLP12.34: Strategy for Rural Areas	The strategy for rural areas seeks to deliver the provision of new housing which contributes to providing a mix of housing choice in rural areas and helps sustain rural communities, including through allocation in or well related to Large Villages and Small Villages.
SCLP12.42: Land to the East of Aldeburgh Road, Aldringham	1.66ha of land to the east of Aldeburgh Road, Aldringham, is identified for the development of approximately 40 dwellings.

*Source: East Suffolk Council*

## **Quantity of housing to provide**

46. 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.
47. East Suffolk Council fulfilled that requirement by providing Aldringham-cum-Thorpe with a definitive figure of 40 dwellings to be accommodated within the Neighbourhood Area by the end of the Plan period<sup>5</sup>. This was an allocated site in the Local Plan, which has already been completed, meaning there is no residual requirement for housing delivery in the NA between 2022 and 2036. However, this does not preclude the delivery / allocation of land above the identified minimum amounts.

<sup>5</sup> As confirmed in Microsoft Teams meeting with Steering Group, 21<sup>st</sup> October 2022

## 3. Approach

### Research Questions

48. The following research questions were formulated at the outset of the research through discussion with the Aldringham-cum-Thorpe Neighbourhood Plan Steering Group. They serve to direct the research and provide the structure for the HNA.

### Tenure and Affordability

49. The Steering Group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
50. This evidence will allow Aldringham-cum-Thorpe to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

***RQ 1: What Affordable Housing (e.g. 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?***

### Type and Size

51. The Steering Group is seeking to determine what size and type of housing would be best suited to the local community.
52. The aim of this research question is to provide the Steering Group 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.
53. 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.
54. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

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

### Second Homes

55. This chapter considers the potential scale of second homes ownership, including commercial holiday lets, in the NA. This includes how second home ownership may

impact the private rented sector and how policy may be used to address challenges created.

***RQ 3: What is the scale and potential impact of the second home sector on the Aldringham-cum-Thorpe housing market, and how might this be addressed through policy?***

## Relevant Data

56. 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 a range of other data sources, including:
- Census 2011 and Census 2021 (the latter only available at the local authority level at present)
  - Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information at the neighbourhood level;
  - ONS population and household projections for future years;
  - Valuation Office Agency (VOA) data on the current stock of housing;
  - Land Registry data on prices paid for housing within the local market;
  - Rental prices from Rightmove.co.uk;
  - Local Authority housing waiting list data;
  - Ipswich and Waveney Housing Market Areas Strategic Housing Market Assessment Part 1<sup>6</sup>; May 2017; and
  - Ipswich Housing Market Area Strategic Housing Market Assessment Part 2 Partial Update<sup>7</sup>, January 2019.
57. Data from the Census 2021 is being released at the local authority level throughout 2022. At present, only population and household data is available, with data on the dwelling stock expected by the end of the year. Data from the Census 2021 at the localised level, including parishes, will not be available until 2023 at the earliest. As such, neighbourhood level HNAs will draw on the latest available data at the local authority level and continue to use other data sets, including Census 2011 and ONS parish projections to build up evidence of demographics at the neighbourhood level. Up to date data is available at the neighbourhood level on the dwelling stock, prices and rents from other sources (including the Valuation Office Agency and Land Registry). As such, most of the data the HNA draws on is not reliant on the Census.

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<sup>6</sup> Available at: <https://www.eastsuffolk.gov.uk/assets/Planning/Suffolk-Coastal-Local-Plan/Local-Plan-Review/Evidence-base/Ipswich-and-Waveney-Housing-Market-Areas-Strategic-Housing-Market-Assessment-Part-1.pdf>

<sup>7</sup> Available at: <https://www.eastsuffolk.gov.uk/assets/Planning/Suffolk-Coastal-Local-Plan/Local-Plan-Review/Evidence-base/SHMA-Part-2-update-2019.pdf>

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

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

### Introduction

58. 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.
59. 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.
60. 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. The NPPF defines Affordable Housing as *'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'*<sup>8</sup>. The full document further outlines the tenures included in this definition. Those outlined in Table 4-1 would fall under this NPPF definition of Affordable Housing.

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<sup>8</sup> Available here -

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1005759/NPPF\\_July\\_2021.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005759/NPPF_July_2021.pdf)

**Table 4-1: Breakdown of Affordable Housing tenures**

<b>Tenure</b>	<b>Rent/Ownership</b>	<b>Brief Description</b>
<b>Social Rent</b>	Rent	<p>This tenure is owned by local authorities (what used to be called Council housing) and private registered providers (also known as housing associations).</p> <p>Guideline target rents are determined through the national rent regime and are typically the lowest-cost form of housing available.</p> <p>Households must be eligible on the basis of incomes and other circumstances, and there are usually waiting lists.</p>
<b>Affordable Rent</b>	Rent	<p>This is similar to Social Rent (above). Affordable Rent is not subject to the national rent regime but must have a rent of no more than 80% of the local market.</p> <p>Households must be eligible on the basis of incomes and other circumstances, and there are usually waiting lists.</p>
<b>Rent to Buy</b>	Combination	<p>Rent to Buy is a relatively uncommon tenure. Subsidy allows the occupant to save a portion of their rent to be used to build up a deposit to eventually purchase the home.</p>
<b>Shared Ownership</b>	Ownership	<p>An affordable home ownership product where a purchaser buys part (generally between 25% and 75%, but can be as little at 10%) of the value of the property. The remaining (un-owned part) is rented from a housing association or local authority.</p> <p>This Generally applies to new build properties, but re-sales occasionally become available.</p>
<b>First Homes</b>	Ownership	<p>First Homes are an affordable home ownership product introduced in 2021. Discounts on the market price can be set at 30%, 40%, or 50%.</p> <p>New developments will be required to provide 25% of the Affordable Housing as First Homes. This product is discussed in more detail in the commentary following this table.</p>

61. As part of the effort to expand home ownership, the Government introduced the First Homes product in 2021.<sup>9</sup> 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:

<sup>9</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>.

- 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;
- 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

62. The current tenure profile is a key feature of the Neighbourhood Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.
63. Table 4-2 presents data on tenure in Aldringham-cum-Thorpe compared with East Suffolk and England from the 2011 Census, which is the most recent available source of this information. It shows that in 2011, the greatest proportion of households owned their own home, at 68.1% of households, a greater proportion than England (63.3%), although a smaller proportion than across the local authority area (71.3%). The private rented sector in the NA was notably much smaller than nationally, as well as being smaller than East Suffolk as a whole, potentially due to second home ownership and short term holiday lets in the NA. On the other hand, the proportion of households living in Affordable Housing, both shared ownership and social/affordable rented dwellings, in Aldringham-cum-Thorpe was above the proportion across East Suffolk. The proportion of social/affordable rented dwellings was also above national levels.
64. Completion data provided by East Suffolk Council shows that between 2011/12 and

2021/22, 18.1% of development was Affordable Housing. Table 4-1 shows that in 2011 Affordable Housing accounted for 18.9% of dwellings, meaning that the balance of market and affordable dwellings likely remains very similar in the present day as in 2011.

65. 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 Aldringham-cum-Thorpe the private rented sector declined by 24.0% in that period compared to 82.4% growth nationally. This uncharacteristic decline in the private rented sector between 2001 and 2011 may be due to the prevalence of holiday lets in the NA, with owner occupiers opting to rent their properties as holiday lets as opposed to longer term lettings.
66. This may shift in the future. The Steering Group suggest that there may be an increase in longer term private rentals (as opposed to holiday lets) during the plan period due to employment opportunities at Sizewell C creating the need for employee accommodation.

**Table 4-1: Tenure (households) in Aldringham-cum-Thorpe, 2011**

Tenure	Aldringham-cum-Thorpe	East Suffolk	England
Owned	68.1%	71.3%	63.3%
Shared ownership	0.8%	0.4%	0.8%
Social rented	18.1%	12.7%	17.7%
Private rented	9.7%	14.2%	16.8%

Sources: Census 2011, AECOM Calculations

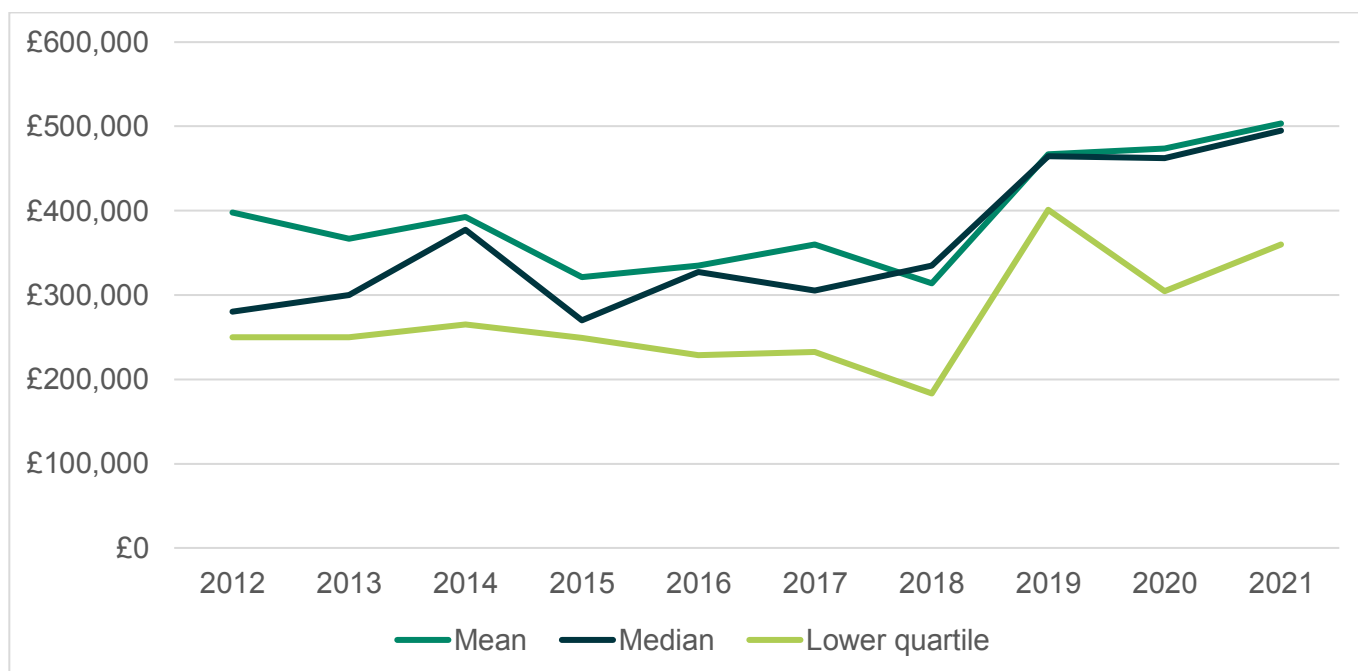
## Affordability

### House prices

67. 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.
68. Figure 4-1 looks at the average and lower quartile house prices in Aldringham-cum-Thorpe based on sales price data published by the Land Registry. It shows that between 2012 and 2021 house prices rose in the NA, with significant year-on-year fluctuations. The mean generally remained above the median due to the former capturing the average of all house prices, high and low, whilst the latter is the middle value when the prices are ordered from high to low. Between 2012 and 2021, the median house price increased by 76.8%, peaking in 2021 at £495,000.
69. Lower quartile house prices experienced less significant fluctuation year on year, peaking in 2019 at £401,125. This measure experienced overall growth of 44.0%,

reaching a 2021 lower quartile house price of £360,000.

**Figure 4-1: House prices by quartile in Aldringham-cum-Thorpe, 2012-2021**



Source: Land Registry PPD

70. Table 4-3 breaks down house prices by type, presenting the median within each type. It shows that the most significant growth was in flat prices, at 149.2% growth between 2012 and 2021. However, the highest house prices were generally detached, with the exception of terraced prices in 2021. There was house price fluctuation across all categories, likely due to relatively small sample sizes, with factors such as the size, condition, and location of properties having an impact on house prices.

**Table 4-3: Median house prices by type in Aldringham-cum-Thorpe, 2012-2021**

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£315,000	£326,250	£371,250	£263,500	£372,500	£395,000	£390,000	£500,000	£475,000	£500,000	58.7%
Semi-detached	£565,000	-	£263,750	£260,000	£300,000	£210,000	£305,000	£245,000	£257,000	£315,000	-44.2%
Terraced	£270,000	£308,000	£415,000	£380,625	£163,550	£444,000	-	£465,000	-	£600,000	122.2%
Flats	£157,500	£250,000	£265,000	£317,500	£158,000	£129,500	£145,000	-	£260,000	£392,500	149.2%
<b>All Types</b>	<b>£280,000</b>	<b>£300,000</b>	<b>£377,500</b>	<b>£270,000</b>	<b>£327,500</b>	<b>£305,000</b>	<b>£335,000</b>	<b>£465,000</b>	<b>£462,500</b>	<b>£495,000</b>	<b>76.8%</b>

Source: Land Registry PPD

## Income

71. 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.

72. 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 locally was £37,400 in 2018. A map of the area to which this data applies is provided in Appendix A.

73. 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. East Suffolk's gross individual lower quartile annual earnings were £15,288 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £30,576.
74. 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**

75. 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.
76. AECOM has determined thresholds for the income required in Aldringham-cum-Thorpe 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.
77. 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. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives.
78. The mortgage multiplier is particularly variable, with multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants.
79. The percentage of income to be spent on rent also varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption.
80. While larger mortgages and higher rents may be feasible for individuals, this creates vulnerability to changing economic circumstances and may not be a possibility for many people with the most acute housing needs. Different assumptions would, however, alter the picture of affordability that emerges here. This is another reason to interpret the findings with a degree of flexibility.

81. Table 4-4 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.

82. 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 4-4: Affordability thresholds in Aldringham-cum-Thorpe (income required, £)**

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £37,400	Affordable on LQ earnings (single earner)? £15,288	Affordable on LQ earnings (2 earners)? £30,576
<b>Market Housing</b>						
Median House Price	£445,500	-	£127,286	No	No	No
NA New Build LQ House Price (2021)	£277,875	-	£79,393	No	No	No
LQ/Entry-level House Price	£324,000	-	£92,571	No	No	No
LA New Build Median House Price	£267,750	-	£76,500	No	No	No
Average Market Rent	-	£13,789	£45,962	No	No	No
Entry-level Market Rent	-	£8,679	£28,930	Yes	No	Yes
<b>Affordable Home Ownership</b>						
First Homes (-30%)	£194,513	-	£55,575	No	No	No
First Homes (-40%)	£166,725	-	£47,636	No	No	No
First Homes (-50%)	£138,938	-	£39,696	No	No	No
Shared Ownership (50%)	£138,938	£3,859	£52,561	No	No	No
Shared Ownership (25%)	£69,469	£5,789	£39,145	No	No	No
Shared Ownership (10%)	£27,788	£6,947	£31,096	Yes	No	Marginal
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£5,620	£18,713	Yes	No	Yes
Social Rent	-	£4,855	£16,166	Yes	Marginal	Yes

Source: AECOM Calculations

83. 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**

84. 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 240.3% higher than the current average.
85. Private renting is generally only affordable to higher earners, although households on mean incomes and made up of two lower quartile earners can afford entry-level 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**

86. There is a very large group of households in Aldringham-cum-Thorpe who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £28,930 per year (at which point entry-level rents become affordable) and £92,517 (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.
87. 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.
88. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. At all discount levels First Homes are not accessible to households on mean incomes in Aldringham-cum-Thorpe. It is therefore recommended that First Homes are delivered at a 50% discount in the NA, making the product affordable to households earning between £39,696 and £80,000 (the income cap for First Homes eligibility), increasing access to home ownership significantly.
89. Table 4-5 shows the discount required for First Homes to be affordable to three income groups. The cost of a typical First Home is calculated using the 2021 new build lower quartile house price in the NA, as outlined in the Appendix. It is also worth considering the discounts required for some additional price benchmarks. The table above uses the NA new build lower quartile house price as this reflects the local market and accounts for the price premium usually associated with newly built housing. However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, as well as median and entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

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

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA Median House Price	71%	88%	76%
NA Entry-Level House Price	60%	83%	67%
LA Median New Build House Price	51%	80%	60%

Source: Land Registry PPD; ONS MSOA total household income

90. Shared ownership appears to be more affordable, with shared ownership at 10% equity which is accessible to households on mean incomes and potentially households with two lower quartile earners. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.<sup>10</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 shared ownership at higher equity shares and First Homes) for those who can afford them.
91. 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.
92. The income required to access Rent to Buy, a product designed to allow residents to transition from renting to ownership by allowing a discount on the market rent to be used to save a deposit, is assumed to be the same as that required to afford market rents. On that basis, First Homes at 50% discount and shared ownership at 25% and 10% equity are more affordable options.
93. 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

<sup>10</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>.

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.

94. In conclusion, all of these products would provide value 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 50% discount) may provide a better long-term investment to those who can afford to access it.

### **Affordable rented housing**

95. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner are only marginally able to afford socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
96. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Aldringham-cum-Thorpe 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 means 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.

### **Tourist industry workers**

97. In addition to the affordability benchmarks discussed above, for Aldringham-cum-Thorpe it is also important to consider the tourist industry, with the Steering Group highlighting that a significant proportion of the population work in the tourist sector and cannot afford to live in the parish. The Annual Survey of Hours and Earnings (ASHE) breaks down earnings data into industries and regions. It is considered that the following benchmarks would be suitable to represent the tourist industry in Aldringham-cum-Thorpe:
- East of England – Leisure, travel, and related personal service occupations; and
  - East of England – Customer service occupations.
98. The mean gross earnings for these industries in the East of England in 2021 was £16,040 and £18,577 respectively, with an average between these of £17,309. If this was doubled to a 2-person earning household the mean earnings for tourist workers in the NA would be £34,617. This is below the overall mean household income noted above of £37,400 for Aldringham-cum-Thorpe. When considering lower quartile earnings, data is only

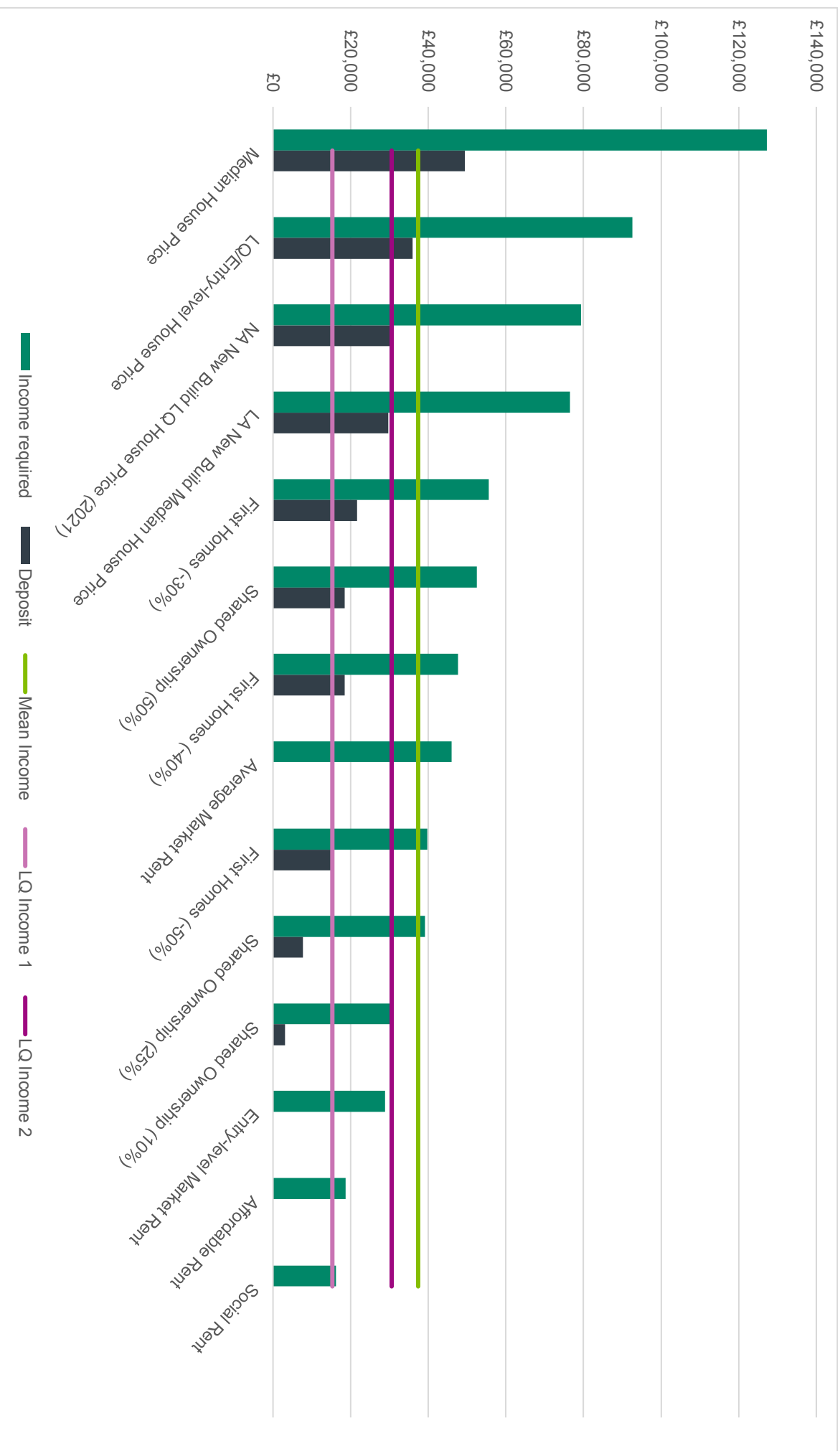
available for 'customer service occupations' and so this is considered to represent the tourist sector earnings. The lower quartile earnings for one individual is £11,582, doubled to £23,164 for a 2-person household. As with the mean, both of these figures are below the lower quartile earnings used in Table 4-4 (which represent all job sectors at local authority level).

99. Overall, despite households working in industries linked to the tourist sector in the East of England tending to have lower earnings than the overall earnings for Aldringham-cum-Thorpe used in the affordability analysis, this has little impact in terms of accessibility to different tenures of housing. For example, taking a 2-person mean earning household in the tourist sector, they are expected to be able to afford the same products (entry level market rent and shared ownership at 10% equity) as mean earning households overall. There is greater disparity when looking at lower quartile earners, with households made up of two lower quartile earners in Table 4-4 able to afford entry level market rents and shared ownership at 10% (marginally). Housing working in the tourist sector specifically according to this analysis are only able to afford social and affordable rents. Single lower quartile earners in the tourist sector are unable to afford even the smallest socially rented units.
100. Although this additional analysis shows that it is likely that individuals or households working in sectors related to the tourist industry in the NA have lower earnings than Aldringham-cum-Thorpe's population generally, the affordability challenges here are already severe. Therefore, no recommendations further to those discussed above for households generally are outlined in this Housing Needs Assessment for those working in the tourist industry. The Steering Group may wish to make further provision for tourist industry workers in the NA in policy, such as through the prioritisation of key workers for First Homes (although even at a 50% discount these will likely be out of reach to those working in the tourist industry). First Homes policy outlines that "the definition of a key worker should be determined locally and could be any person who works in any profession that is considered essential for the functioning of a local area"<sup>11</sup> and so the Steering Group may be able to make a case that tourist workers are essential to the local economy in the NA despite not being traditionally understood as 'key workers'.
101. East Suffolk Council recommend the Steering Group investigate the feasibility of collecting further evidence (in addition to this Housing Needs Assessment) on tourist industry workers to understand the issues faced by both employees and businesses.
102. It is also worth noting that the employment makeup of the NA may alter with the development of Sizewell C nuclear power station a few miles north of the NA.

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<sup>11</sup> <https://www.gov.uk/guidance/first-homes> paragraph 008

**Figure 4-2: Affordability thresholds in Aldringham-cum-Thorpe, income required (additional cost of deposit in black)**



Source: AECOM Calculations

## Affordable housing- quantity needed

103. The starting point for understanding the need for affordable housing in Aldringham-cum-Thorpe is the relevant Strategic Housing Market Assessment (SHMA). A SHMA was undertaken in 2017, the Ipswich & Waveney Housing Market Areas SHMA Part 1<sup>12</sup> and Part 2<sup>13</sup>, which was then partially updated in 2019<sup>14</sup>. Because the 2017 SHMA is relatively dated, and the 2019 update provides scenarios based on both 2014- and 2016-based population projections, AECOM have modelled their own Affordable Housing estimates for Aldringham-cum-Thorpe specifically.
104. In Table 4-6 we have calculated, using PPG as a starting point,<sup>15</sup> an estimate of the total need for affordable rented housing in Aldringham-cum-Thorpe over the Plan period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. 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.
105. It should also be noted that figures in Table 4-6 are largely dependent on information provided by East Suffolk in its capacity as manager of the local housing waiting list. This information indicates that at the time of the HNA there was one household on the Housing Register for Aldringham-cum-Thorpe with a local connection to the NA. It is worth noting that the Steering Group believe there is additional hidden need in the NA, with households struggling to get onto the Housing Register, so the figure of 1 household may be an underestimate. Also, as noted above, the Housing Register information provided by East Suffolk Council shows households with a local connection to the NA only, and so does not consider the potential demand (which could be higher) for social/affordable rented housing from households without a local connection that may wish to live in the NA.
106. It is also interesting to look at recent demand for social/affordable rented dwellings in Aldringham-cum-Thorpe. Recent dwellings available for relet in the NA have had the following bids:
- 1-bedroom dwelling in Aldringham – 52 bids;
  - 1-bedroom dwelling in Aldringham – 55 bids; and
  - 3-bedroom dwelling in Thorpeness – 54 bids.

This shows that there is wider demand for social/affordable rented dwellings in the NA.

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<sup>12</sup> Available at: [Ipswich-and-Waveney-Housing-Market-Areas-Strategic-Housing-Market-Assessment-Part-1.pdf](https://www.eastsuffolk.gov.uk/sites/default/files/2019/09/Ipswich-and-Waveney-Housing-Market-Areas-Strategic-Housing-Market-Assessment-Part-1.pdf) (eastsuffolk.gov.uk)

<sup>13</sup> Available at: [SHMA Update proposed chapter structure](https://www.midsuffolk.gov.uk/sites/default/files/2019/09/SHMA-Update-proposed-chapter-structure.pdf) (midsuffolk.gov.uk)

<sup>14</sup> Available at: [SHMA-Part-2-update-2019.pdf](https://www.eastsuffolk.gov.uk/sites/default/files/2019/09/SHMA-Part-2-update-2019.pdf) (eastsuffolk.gov.uk)

<sup>15</sup> Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

107. The table shows that there is currently 1 household with a local connection to Aldringham-cum-Thorpe unable to access affordable rented homes suitable to their needs. The table also suggests that, over the Plan period, 10.2 additional households in the Neighbourhood Area will fall into need, producing a total surplus of affordable rented homes of 1.5 dwellings per annum.
108. This result may initially be surprising since there is understood to be a current backlog of need. The reason for the affordable rented housing need being met over the long-term with the presumed existing stock, is that model uses an estimated rate of turnover of stock of 3%. Therefore, of the 77 (rounded from 76.8) units of affordable rented accommodation estimated to be existing currently, it can be expected that around 2.3 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 plan period to produce an annualised figure.
109. An important caveat to this finding is that there is clearly demand for social/affordable rented dwellings in the NA, demonstrated by the number of bids on a property when it becomes available. Although these households do not necessarily have a local connection to the NA, it is interesting to note. Whilst it may be possible to address localised needs through the existing stock, new social/affordable rented housing may be required to continue to provide homes for households in acute need living elsewhere in the LPA.
110. A further caveat worth emphasising 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. For example, the household with a local connection to the NA on the Housing Register currently requires a level access shower, which some relets which come available may not have.
111. As such, it may be appropriate for Aldringham-cum-Thorpe to encourage the delivery of some affordable rented housing, with the understanding even if this would meet all of the localised need, it may also help to meet needs from elsewhere in the local authority. Consideration of the Council's approach to allocating housing based on local connection will need to be considered and addressed and the NA's wider strategic role in the delivery of Affordable Housing should be discussed with the LPA.

**Table 4-6: Estimate of need for Affordable Housing for rent in Aldringham-cum-Thorpe**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current households in need	1.0	Aldringham-cum-Thorpe households on the East Suffolk Housing Register waiting list
1.2 Per annum	<b>0.1</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	50.3	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	20.4%	(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	76.8	2011 Census social rented occupancy + LA % increase.
2.2.2 Number of private renters on housing benefits	8.9	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	10.2	Step 2.1 x Step 2.2.
2.4 Per annum	<b>0.7</b>	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) %	3.0%	Assumed proportion of stock re-let each year.
3.2 Supply of social/affordable re-lets (including transfers)	<b>2.3</b>	Step 3.1 x NA social rented stock (2.2.1).
<b>NET SURPLUS OF RENTED UNITS PER ANNUM</b>		
Overall surplus per annum	<b>-1.5</b>	Step 1.2 + Step 2.4 - Step 3.2
Overall surplus over the plan period	<b>-21.0</b>	(Step 1.2 + Step 2.4) - Step 3.2 x plan period

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.

112. Turning now to Affordable Housing providing a route to home ownership, Table 4-7 estimates the potential demand in Aldringham-cum-Thorpe. This model aims to estimate the number of households that 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.

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

also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.<sup>16</sup> No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.

114. The result of the calculation is 2.1 households per annum who may be interested in affordable home ownership (or 29.0 for the entirety of the Plan period).
115. 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.
116. 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.

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<sup>16</sup> <http://www.ipsos-mori-generations.com/housing.html>

**Table 4-7: Estimate of the potential demand for affordable housing for sale in Aldringham-cum-Thorpe**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in parish	46.3	Census 2011 number of renters x national % increase to 2018.
1.2 Percentage renters on housing benefit in LA	19.3%	% of renters in 2018 on housing benefit (Suffolk Coastal).
1.3 Number of renters on housing benefits in parish	8.9	Step 1.1 x Step 1.2.
1.4 Current need (households)	28.1	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. <sup>17</sup>
1.5 Per annum	<b>2.0</b>	Step 1.4 divided by plan period.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	50.3	East Suffolk household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	7.6%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	3.8	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	<b>0.3</b>	Step 2.3 divided by plan period.
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	4.5	Number of shared ownership homes in parish (Census 2011 + East Suffolk new build to 2018/19 pro rated to NA).
3.2 Supply - intermediate resales	<b>0.2</b>	Step 3.1 x 5% (assumed rate of resale).
<b>NET SHORTFALL PER ANNUM</b>		
Overall shortfall per annum	<b>2.1</b>	(Step 1.5 + Step 2.4) - Step 3.2.
Overall shortfall over the plan period	<b>29.0</b>	(Step 1.4 + Step 2.3) – Step 3.2 * plan period

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.

117. 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

<sup>17</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.

greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).

118. 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.

## **Additional SHMA findings**

119. The Ipswich & Waveney Housing Market Areas SHMA outlines the following which relates to Suffolk Coastal:

- From 2001 to 2016, Suffolk Coastal always had the highest house prices compared to Babergh, Ipswich, Mid Suffolk, the county of Suffolk, and the national average.
- Affordability in Suffolk Coastal between 2010 and 2015 worsened at a faster rate than nationally.

## **Affordable Housing policy guidance**

120. East Suffolk's adopted policy on this subject Policy SCLP5.10 (Affordable Housing on Residential Development) requires 1/3 of all new housing to be affordable. Given that Affordable Housing made up just 18.1% of new housing in Aldringham-cum-Thorpe over the last decade according to East Suffolk completions figures, it is understood that this target is not usually met on sites in the NA. It may also be that developments in this time (such as infill development) have been too small to meet the threshold at which Affordable Housing policy applies.
121. 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 emphasising 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.
122. 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 outlined in the adopted Local Plan. This indicates that 50% of Affordable Housing should be for social/affordable rent, 25% shared ownership, and 25% for discounted home ownership. The HNA can supply more localised 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 Aldringham-cum-Thorpe specifically.
123. 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 the need for social/affordable rented dwellings in Aldringham-cum-Thorpe

would be met over the plan period, and that there is a need for 29.0 units of affordable home ownership in this time. Despite this, both forms of Affordable Housing would be valuable in meeting the needs of people on various incomes.

- 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.

Because the NA has already fulfilled its housing requirement for the plan period, it is assumed that there will be no delivery of Affordable Housing in Aldringham-cum-Thorpe.

If any infill or windfall housing was to come forward in the plan period, it is expected that this would be below the threshold of 10 dwellings at which Affordable Housing delivery applies.

As it is reasonable to assume the delivery of Affordable Housing will be limited, the delivery of some social/affordable rented housing in the NA should take place. The adopted Local Plan guideline of 50/50 may be an appropriate starting point.

- C. Government policy (e.g. 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 East Suffolk, where 1/3 of all housing should be affordable, 30% of Affordable Housing should be for affordable ownership. This complies with the guideline tenure split sought in the Local Plan.

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 Aldringham-cum-Thorpe would prejudice the provision of social/affordable rented homes.

- D. Local Plan policy:** As noted above, the adopted Local Plan seeks a tenure split of 50% social/affordable rent, 25% shared ownership, and 25% discounted market housing (which could be interpreted as First Homes).

- 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 an issue in East Suffolk.

National policy dictates that 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 relevant Local

Plan, with any remaining units allocated to other tenure products in the relative proportions set out in the Local Plan.

AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. If this was done in East Suffolk, the remaining 75% of the affordable housing provision would then be apportioned 50% to affordable rent and 50% to affordable home ownership. If this approach is taken, all other things being equal, it would reduce the provision of rented forms of affordable housing since it would effectively protect the provision of other forms of affordable home ownership alongside First Homes. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.

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 Aldringham-cum-Thorpe:** In 2011 there was a significant proportion of Affordable Housing in the NA compared to the wider local authority area, with 18.9% of households living in Affordable Housing in Aldringham-cum-Thorpe compared to 13.1% of households across East Suffolk. It is unknown how many of these dwellings may have been lost through schemes such as Right to Buy and Right to Acquire as well as demolition.

Between 2011/12 and 2021/22, there were 73 completions in the NA, of which 18.1% were affordable. This means that as of 2021/22 it is assumed that 18.7% of households live in Affordable Housing in Aldringham-cum-Thorpe, although the exact split between social/affordable rent and affordable home ownership is unknown. This is very slightly lower than the proportion in 2011, suggesting 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 Aldringham-cum-Thorpe 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.
124. On the basis of the considerations above, Table 4-8 proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
  125. This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here. Despite the need for social/affordable rented housing estimated to be met over the plan period, the severe affordability challenges in the NA and the low expected level of delivery means that there should still be the delivery of affordable rented products if any eligible housing does come forward. The Local Plan guideline mix of 50% rented to 50% ownership appears to offer a suitable benchmark, which also complies with the various minimum requirements mandated nationally.
  126. Within affordable home ownership, it is recommended that First Homes are delivered in line with national policy, at 25% of Affordable Housing delivery. It is suggested, subject to viability, that First Homes are delivered at a 50% discount, making them accessible to the greatest number of households. It is recommended that 20% of Affordable Housing is delivered as shared ownership as at 10% equity this is the most affordable tenure product locally, accessible to households on mean incomes and households with two lower quartile earners. Rent to Buy is included at a 5% share to provide variety and for households with little or no savings for a deposit.
  127. 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.
  128. 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 East Suffolk Council to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
  129. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of

affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

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

<b>Tenure</b>	<b>Indicative mix</b>	<b>Considerations and uncertainties</b>
<b>Routes to home ownership, of which</b>	<b>50%</b>	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	20%	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	5%	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>50%</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**

### **Current dwelling stock**

130. In 2011 68.1% of households owned their own home in Aldringham-cum-Thorpe, a greater proportion than England (63.3%) but a smaller proportion than across the local authority area (71.3%). The private rented sector in the NA was notably much smaller than nationally, potentially due to second home ownership and short term holiday lets in the NA. The proportion of households living in Affordable Housing in the NA was above the proportion across East Suffolk. The proportion of social/affordable rented dwellings was also above national levels. Completion data provided by East Suffolk Council shows that between 2011/12 and 2021/22, 18.1% of development was Affordable Housing.

131. Between 2012 and 2021 house prices rose in the NA, with significant fluctuation. The median house price increased by 76.8%, peaking in 2021 at £495,000. The lower quartile house price peaked in 2019 at £401,125. It experienced overall growth of 44.0%, with a 2021 lower quartile house price of £360,000.

### **Affordability**

132. 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. Private renting is generally only affordable to higher earners, although households on mean incomes and made up of two lower quartile earners can afford entry-level rental thresholds.
133. Turning to affordable home ownership, it is recommended that First Homes are delivered at a 50% discount in the NA, making the product affordable to households earning between £39,696 and £80,000 (the income cap for First Homes eligibility), increasing access to home ownership significantly. Shared ownership appears to be more affordable, with shared ownership at 10% equity which is accessible to households on mean incomes and potentially households with two lower quartile earners.
134. Affordable rented housing is generally affordable to households with two lower earners depending on their household size. However, households with a single lower earner are only marginally able to afford socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
135. Despite households working in industries linked to the tourist sector in the East of England tending to have lower earnings than the overall earnings for Aldringham-cum-Thorpe used in the affordability analysis, this has little impact in terms of accessibility to different tenures of housing. For example, taking a 2-person mean earning household in the tourist sector, they are expected to be able to afford the same products (entry level market rent and shared ownership at 10% equity) as mean earning households overall. There is greater disparity when looking at lower quartile earners, with households made up of two lower quartile earners in Table 4-4 able to afford entry level market rents and shared ownership at 10% (marginally). Households working in the tourist sector specifically are only able to afford social and affordable rents. Single lower quartile earners in the tourist sector are unable to afford even the smallest socially rented units.

### **Affordable housing need**

136. This study estimates that the need for social/affordable rented dwellings in Aldringham-cum-Thorpe would be met over the plan period, and that there is a need for 29.0 units of affordable home ownership in this time. Despite this, both forms of Affordable Housing would be valuable in meeting the needs of people on various incomes.

137. AECOM suggests an indicative mix of Affordable Housing, suggesting an appropriate split between affordable rented housing and affordable home ownership options. The indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here. Despite the need for social/affordable rented housing estimated to be met over the plan period, the severe affordability challenges in the NA and the low expected level of delivery means that there should still be the delivery of affordable rented products. The Local Plan guideline mix of 50% rented to 50% ownership appears to offer a suitable benchmark, which also complies with the various minimum requirements mandated nationally.
138. Within affordable home ownership, it is recommended that First Homes are delivered in line with national policy, at 25% of Affordable Housing delivery. It is suggested, subject to viability, that First Homes are delivered at a 50% discount. It is recommended that 20% of Affordable Housing is delivered as shared ownership as at 10% equity, and Rent to Buy is included at a 5% share to provide variety and for households with little or no savings for a deposit.
139. 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 be met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites) to be explored. If the group consider exceeding the Local Plan policy requirement in the neighbourhood plan then it must be noted 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 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.
140. 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.

## 5. RQ 2: Type and Size

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

### Introduction

141. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Aldringham-cum-Thorpe 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.
142. 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 evidence in this section, particularly the indicative 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

143. 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.
144. 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.
145. 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.
146. 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.

147. 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 Aldringham-cum-Thorpe, Valuation Office Agency (VOA) data has been used to update the type and size mix of housing in the NA as East Suffolk Council were unable to provide a complete breakdown within the completions data. The smallest area VOA data is available is at LSOA level, with LSOA E01030152 being the most appropriate proxy for the NA, though it covers a slightly wider area. Because the areas do not align exactly, percentages as opposed to raw figures have been used.

## Dwelling type

148. Table 5-1 shows that in 2011 the greatest proportion of dwellings by far were detached, at 49.0%, followed by semi-detached dwellings. Unfortunately the changes between 2011 and 2021 cannot be fully understood because the Census data counts bungalows within each of the other categories whilst VOA counts them independently. This explains the apparent decline in detached and semi-detached dwellings between 2011 and 2021.
149. Looking to 2021, the greatest proportion of dwellings were bungalows, at 33.1% of dwellings, potentially a feature leading to the large older population in Aldringham-cum-Thorpe. The proportion of detached dwellings was also significant, at 31.0%. the proportion of terraced dwellings in the NA fell from 20.4% to 13.1% between 2011 and 2021, suggesting that development in this time was detached, semi-detached, or bungalows.

**Table 5-1: Accommodation type, Aldringham-cum-Thorpe, 2011 and 2021**

Dwelling type	2011 (Census)	2021 (VOA)
Bungalow	-	33.1%
Flat	6.7%	6.2%
Terrace	20.4%	13.1%
Semi-detached	23.8%	14.5%
Detached	49.0%	31.0%
Unknown/other	-	2.1%

Source: ONS 2011, VOA 2021, AECOM Calculations

150. East Suffolk Council only recorded the type of dwelling completions in Aldringham-cum Thorpe between 2015/16 and 2021/22 meaning that these incomplete figures cannot be used to update the 2011 Census stock. However, they do give an indication of recent completions. This showed that in this time 83.3% of completions were of houses, 11.7% flats, and 5.0% bungalows. This indicates growth in the proportion of flats that is not necessarily reflected in

Table 5-1.

151. Table 5-2 compares the dwelling type mix with the wider local authority area and country. It shows that there was a significantly greater proportion of bungalows in the NA than across East Suffolk and especially nationally. The proportion of detached dwellings was also higher than the comparator areas. The proportion of both semi-detached and terraced dwellings in Aldringham-cum-Thorpe, likely more affordable for local people, was well below levels across the local authority area and the country. The proportion of flats was also small although this is not uncommon in rural areas.

**Table 5-2: Accommodation type, various geographies, 2021**

Dwelling type	Aldringham-cum-Thorpe	East Suffolk	England
Bungalow	33.1%	21.5%	9.2%
Flat	6.2%	10.5%	23.7%
Terrace	13.1%	23.3%	26.1%
Semi-detached	14.5%	18.7%	23.7%
Detached	31.0%	24.0%	15.8%
Unknown/other	2.1%	1.9%	1.4%

Source: VOA 2021, AECOM Calculations

## Dwelling size

152. Turning to dwelling size, in 2011 the greatest proportion of dwellings were 3-bedroom, at 42.1%, followed by 2-bedroom at 21.4%. Looking to 2021, the proportion of mid-sized (3-bedroom) dwellings grew to 46.4%. The proportion of 2-bedroom and 4-bedroom dwellings remained relatively stable although the proportion of the smallest dwellings dropped to just 4.3% of the mix. On the other hand, the proportion of the largest 5+ bedroom dwellings grew between 2011 and 2021 from 7.4% to 9.3% of dwellings.

**Table 5-3: Dwelling size (bedrooms), Aldringham-cum-Thorpe, 2011 and 2021**

Number of bedrooms	2011 (Census)	2021 (VOA)
Studio	0.5%	-
1	9.2%	4.3%
2	21.4%	21.4%
3	42.1%	46.4%
4	19.4%	18.6%
5+	7.4%	9.3%

Source: ONS 2011, VOA 2021, AECOM Calculations

153. As with dwelling type, East Suffolk Council only recorded the size of dwelling completions in Aldringham-cum-Thorpe between 2015/16 and 2021/22, meaning that these figures cannot be used to update the 2011 Census stock but are a useful indicator of recent supply. In this time, development in the NA was split as follows:

- 11.7% 1-bedroom;

- 40.0% 2-bedroom;
- 35.0% 3-bedroom;
- 11.7% 4-bedroom; and
- 1.7% 5-bedroom.

This suggests that more recent development has been focussed on smaller and mid-sized dwellings suitable for young families, first time buyers, or older persons looking to downsize.

154. As with the dwelling types, it is useful to look at the breakdown of dwelling sizes in comparison with the wider local authority area and country. Table 5-4 shows that the proportion of mid-sized 3-bedroom dwellings in Aldringham-cum-Thorpe was slightly above both local authority and national levels. The proportion of larger 4+ bedroom dwellings in the NA was also well above the levels in the comparator areas. On the other hand, the proportion of smaller 1-bedroom and 2-bedroom dwellings, especially the former, was well below the proportions for East Suffolk and England.

**Table 5-4: Dwelling size (bedrooms), various geographies, 2021**

Number of bedrooms	Aldringham-cum-Thorpe	East Suffolk	England
1	4.3%	8.2%	12.6%
2	21.4%	26.6%	28.4%
3	46.4%	45.2%	43.0%
4	18.6%	15.4%	12.1%
5+	9.3%	4.2%	3.3%

Source: VOA 2021, AECOM Calculations

## Age and household composition

155. Having established the current stock profile of Aldringham-cum-Thorpe 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

156. Table 5-5 shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. This shows that in 2011 the greatest proportion of the population were aged 65-84, at 34.3% of the population, followed by those aged 45-64, at 30.3% of the population. There were notably very few people aged 16-24, suggesting a lack of young people in the NA. Looking to 2020, the proportion of the population aged 65+ increased significantly, from 41.5% to 49.5%. The proportion of young people aged 16-24 rose very slightly in this time whilst the proportion of those aged 25-64 fell. Overall, this shows that there is a large older population in Aldringham-cum-Thorpe, with significant aging between 2011 and 2020.

157. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2020 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.
158. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2020 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

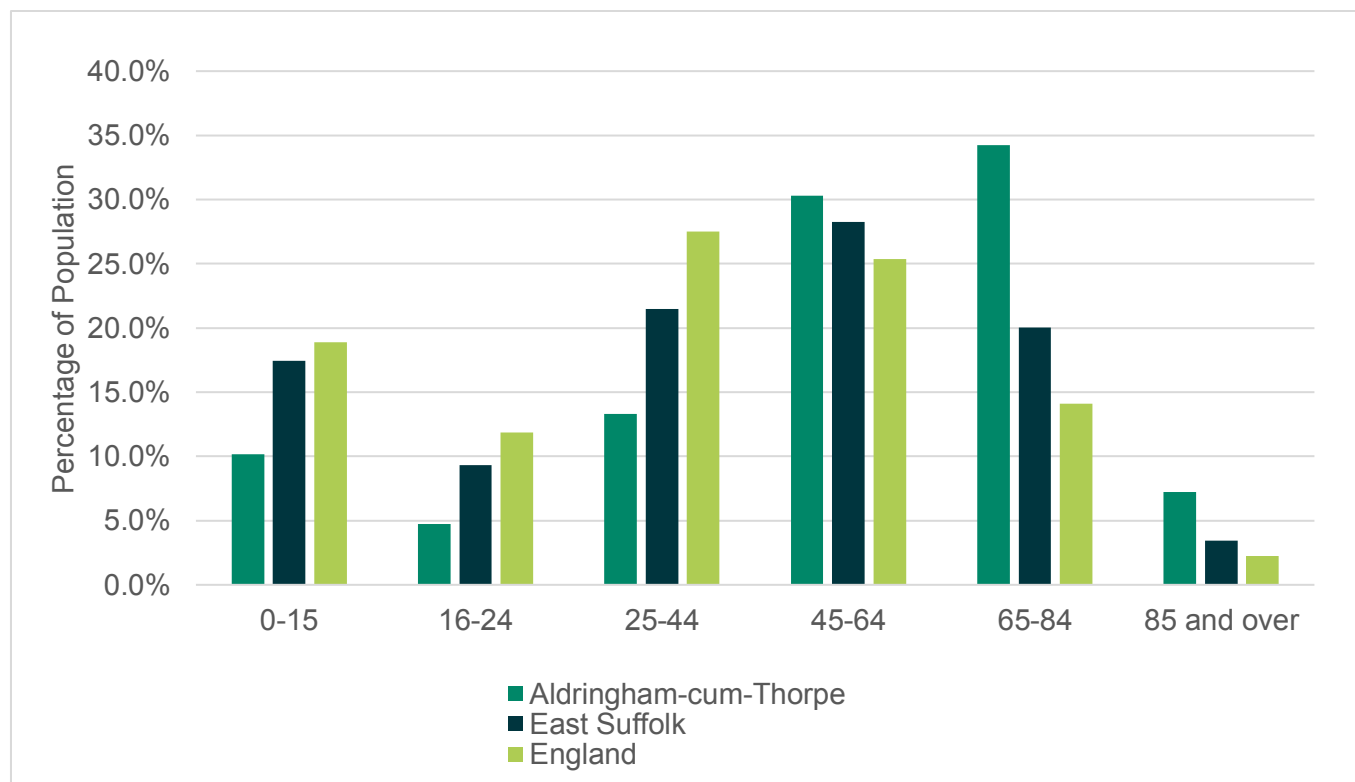
**Table 5-5: Age structure of Aldringham-cum-Thorpe population, 2011 and 2020**

Age group	2011 (Census)		2020 (ONS, estimated)	
	Count	Percentage	Count	Percentage
0-15	77	10.1%	74	9.3%
16-24	36	4.7%	47	5.9%
25-44	101	13.3%	79	9.9%
45-64	230	30.3%	201	25.3%
65-84	260	34.3%	323	40.7%
85 and over	55	7.2%	70	8.8%
Total	759	-	794	-

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

159. 2021 Census data has begun to be released, with current information limited to population statistics at national and local authority level. It is currently not expected that this data at a parish level will be released until 2023. However, the local authority level data can provide some insight into how Aldringham-cum-Thorpe has changed over the last decade. The mid-2020 population estimates for Aldringham-cum-Thorpe show that the population in the NA is expected to have grown by 4.6% between 2011 and 2020 whilst 2021 Census data shows that the East Suffolk population grew by 2.6% between 2011 and 2021. This indicates that the population of Aldringham-cum-Thorpe has grown slightly more rapidly than the population of the wider local authority area, or that the population estimates were overly optimistic.
160. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-1 (using 2011 Census data) shows that the proportion of the population aged 44 and under in Aldringham-cum-Thorpe was significantly below the proportion across both East Suffolk and the country. The proportion of the population aged 45+ in the NA was well above the comparator areas. This was most notable in the 65-84 age bracket, with 34.3% of the NA population falling into this age category, compared to 20.0% across East Suffolk, and 14.1% nationally. This suggests more significant aging in Aldringham-cum-Thorpe.

**Figure 5-1: Age structure in Aldringham-cum-Thorpe, 2011**



Source: ONS 2011, AECOM Calculations

## Household composition

161. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Table 5-6 shows that a significantly higher proportion of households in Aldringham-cum-Thorpe were single person households than East Suffolk and England, at 39.1%, 32.3%, and 30.1% respectively. 27.1% of households in the NA were single persons aged 66 and over, again significantly higher than the comparator areas, suggesting an older population in the NA than both the local authority area and the country. The greatest proportion of households in Aldringham-cum-Thorpe fall within this category.
162. Because of the large proportion of single person households in the NA, there was a smaller proportion of family households than the comparator areas. The greatest proportion of family households were aged 66 and over, at 24.9% of total households, again well above the levels for both East Suffolk and England. The proportion of households in the NA with dependent children was approximately 16.1 percentage points below the national average, suggesting a distinct lack of families with children in Aldringham-cum-Thorpe in 2021.
163. It is also interesting to note the changes in households between 2011 and 2021. In this time the proportion of single person households grew by 5.7% whilst the proportion across East Suffolk fell by 12.4%. There was also a notable increase of households with no children of 29.9%, whilst this category grew by just 6.3%

across East Suffolk. Another category of note is families aged 65/66<sup>18</sup> and over declined by 36.0% in the NA.

**Table 5-6: Household composition, Aldringham-cum-Thorpe, 2021**

Household composition		Aldringham-cum-Thorpe	East Suffolk	England
<b>One person household</b>	<b>Total</b>	<b>39.1%</b>	<b>32.3%</b>	<b>30.1%</b>
	Aged 66 and over	27.1%	17.2%	12.8%
	Other	11.9%	15.1%	17.3%
<b>One family only</b>	<b>Total</b>	<b>59.0%</b>	<b>63.8%</b>	<b>63.0%</b>
	All aged 66 and over	24.9%	14.6%	9.2%
	With no children	16.7%	17.9%	16.8%
	With dependent children	9.7%	21.4%	25.8%
	With non-dependent children <sup>19</sup>	7.5%	9.6%	10.5%
	Other	0.2%	0.3%	0.8%
<b>Other household types</b>	<b>Total</b>	<b>2.0%</b>	<b>3.9%</b>	<b>6.9%</b>

Source: ONS 2011, AECOM Calculations

## Occupancy ratings

164. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA and is explored in Table 5-7. 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.

165. Under-occupancy is common in Aldringham-cum-Thorpe, with 84.7% of households living in a dwelling with at least one extra bedroom compared to the household size. This is most common in family households aged 65+ (92.2% under-occupancy) and family households under 65 with no children (97.7% under-occupancy). This indicates that the largest dwellings in the NA are not necessarily occupied households with the most family members, but by households with the most wealth or by older persons that have been unable or unwilling to downsize into smaller properties.

<sup>18</sup> In 2011 this category was referred to as 65 and over. In 2021 it is referred to as 66 and over.

<sup>19</sup> Refers to households containing children who are older than 18 e.g students or young working people living at home.

166. There is also some over-occupancy in the NA, with this occurring in 5.0% of family households with dependent children, suggesting some overcrowding. This could be due to some family households being unable to afford or access larger dwellings. Approximately 14.3% of households overall lived in a dwelling with the suitable number of bedrooms for the size of the household in the NA in 2011.

**Table 5-7: Occupancy rating by age in Aldringham-cum-Thorpe, 2011**

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	64.1%	28.1%	7.8%	0.0%
Single person 65+	49.5%	28.6%	21.9%	0.0%
Family under 65 - no children	85.1%	12.6%	2.3%	0.0%
Family under 65 - dependent children	22.5%	45.0%	27.5%	5.0%
Family under 65 - adult children	21.7%	60.9%	17.4%	0.0%
Single person under 65	60.7%	26.2%	13.1%	0.0%
All households	56.4%	28.3%	14.3%	1.0%

Source: ONS 2011, AECOM Calculations

## Dwelling mix determined by life-stage modelling

### Indicative future dwelling size mix

167. 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 Aldringham-cum-Thorpe 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.

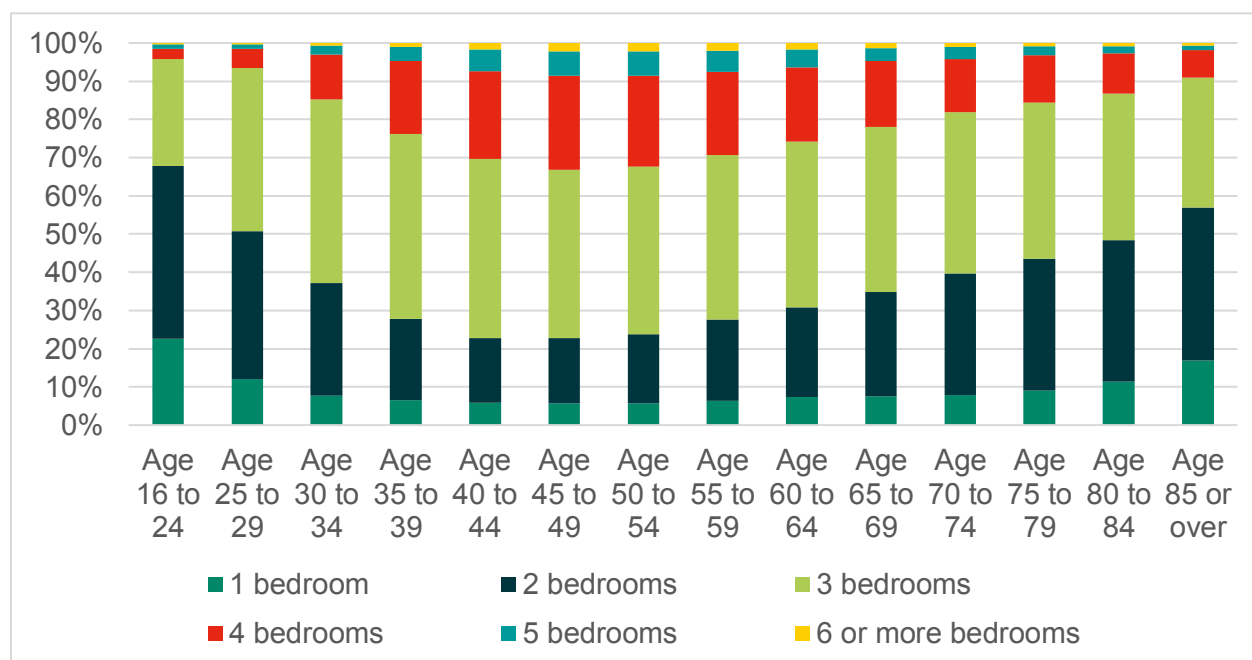
168. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more 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.

169. 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.

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

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

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



Source: ONS 2011, AECOM Calculations

172. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Aldringham-cum-Thorpe households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-8 makes clear that population growth can be expected to be driven by the oldest households, with households with a household reference person aged 65 and over expected to increase by 74%. Households with a household reference person aged 65 and over are expected to account for 65.9% of households in 2036, compared to accounting for 52.0% in 2011. This is indicative of a significantly aging population. The proportion of households aged 55 to 64 is also expected to increase, by approximately 6%. The proportion of households in the younger age categories are all expected to decrease, further reflecting a continually aging population in Aldringham-cum-Thorpe.

**Table 5-8: Projected distribution of households by age of HRP, Aldringham-cum-Thorpe**

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	2	18	82	86	204
2036	2	17	74	91	355
% change 2011-2036	-14%	-3%	-10%	6%	74%

Source: AECOM Calculations

173. The final result of this exercise is presented in Table 5-9. The model suggests that in 2036 the NA should have a greater proportion of 2-bedroom dwellings whilst there should be decreases in the proportion of dwellings in each of the

other size categories. In order to reach the indicative mix of housing it is suggested that housing is delivered across all size categories except the largest 5+ bedroom dwellings. The greatest proportion, at 49.0%, should be delivered as 2-bedroom dwellings, followed by mid-sized 3-bedroom dwellings. It is also suggested that a small proportion of 1-bedroom and 4-bedroom dwellings are delivered.

**Table 5-9: Indicative dwelling size mix to 2036, Aldringham-cum-Thorpe**

<b>Number of bedrooms</b>	<b>Current mix (2011)</b>	<b>Indicative mix (2036)</b>	<b>Balance of new housing to reach indicative mix</b>
1 bedroom	9.2%	9.0%	8.2%
2 bedrooms	21.4%	29.5%	49.0%
3 bedrooms	42.1%	41.6%	38.5%
4 bedrooms	19.4%	15.3%	4.3%
5 or more bedrooms	7.4%	4.6%	0.0%

Source: AECOM Calculations

174. 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.
175. The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing 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.
176. 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. However, 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. There may therefore be a justification to continue supplying larger homes because a different kind of larger home is needed to accommodate growing families with less buying power.
177. 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.

## Conclusions- Type and Size

178. 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.

### Current dwelling mix

179. In 2011 the greatest proportion of dwellings in the NA were detached (49.0%), followed by semi-detached dwellings. There was a significant proportion of bungalows in 2021 (33.1%), as well as a high proportion of detached dwellings. The proportion of terraced dwellings fell from 20.4% to 13.1% between 2011 and 2021. In 2021 there was a significantly greater proportion of bungalows in the NA than across East Suffolk and the country. The proportion of detached dwellings was also higher than the comparator areas.

180. Turning to dwelling size, in 2011 the greatest proportion of dwellings were 3-bedroom, at 42.1%, followed by 2-bedroom at 21.4%. Looking to 2021, the proportion of mid-sized dwellings grew to 46.4%. The proportion of the largest 5+ bedroom dwellings also grew, from 7.4% to 9.3% of dwellings. In 2021 the proportion of mid-sized 3-bedroom dwellings in Aldringham-cum-Thorpe was slightly above both local authority and national levels. The proportion of larger 4+ bedroom dwellings in the NA was also well above the levels in the comparator areas. On the other hand, the proportion of smaller 1-bedroom and 2-bedroom dwellings, especially the former, was significantly lower.

### Demographics

181. In 2011 the greatest proportion of the population in Aldringham-cum-Thorpe were aged 65-84, followed by those aged 45-64. There were notably very few people aged 16-24, highlighting the lack of young people in the NA. Looking to 2020, the proportion of the population aged 65+ increased significantly and proportion of young people aged 16-24 rose very slightly. The proportion of the population aged 44 and under in Aldringham-cum-Thorpe was significantly below the proportion across both East Suffolk and the country in 2011. The proportion of the population aged 45+ in the NA was well above the comparator areas. This was most notable in the 65-84 age bracket, with 34.3% of the NA population falling into this age category, 20.0% across East Suffolk, and 14.1% nationally.

182. Population growth within the plan period can be expected to be driven by the oldest households, with households with a household reference person aged 65 and over expected to increase by 74%. These households are expected to

account for 65.9% of households in 2036, compared to accounting for 52.0% in 2011.

183. A significantly higher proportion of households in Aldringham-cum-Thorpe were single person households in 2021 when compared to East Suffolk and England. 27.1% of households in the NA were single persons aged 66 and over, again significantly higher than the comparator areas, suggesting an older population in the NA than both the local authority area and the country. The greatest proportion of households in Aldringham-cum-Thorpe fall within this category. Because of the proportion of single person households in the NA, there was a smaller proportion of family households than the comparator areas. The greatest proportion of family households were aged 66 and over, at 24.9% of total households, again well above the levels for both East Suffolk and England.
184. Under-occupancy is common in Aldringham-cum-Thorpe, with 84.7% of households living in a dwelling with at least one extra bedroom compared to the household size. This is most common in family households aged 65+ and family households under 65 with no children. This indicates that the largest dwellings in the NA are not necessarily occupied by households with the most family members, but by households with the most wealth or by older persons that have been unable or unwilling to downsize into smaller properties.

### **Future size mix**

185. AECOM modelling suggests an indicative mix of housing that would be suitable for Aldringham-cum-Thorpe in 2036. In order to reach the indicative mix it is suggested that housing is delivered across all size categories except the largest 5+ bedroom dwellings. The greatest proportion, at 49.0%, should be delivered as 2-bedroom dwellings, followed by mid-sized 3-bedroom dwellings. It is also suggested that a small proportion of 1-bedroom and 4-bedroom dwellings are delivered.
186. 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. For example, if the Steering Group conduct further research on key workers related to the tourist industry for the Neighbourhood Plan, this may impact the housing mix they wish to take forward.

## 6. RQ 3: Second Homes

***RQ 3: What is the scale and potential impact of the second home sector on the Aldringham-cum-Thorpe housing market, and how might this be addressed through policy?***

### Introduction

187. Neighbourhood Plan policies controlling second home ownership are typically evidenced by demonstrating a high or rapidly increasing rate of second home ownership within a context of acute affordability challenges and/or serious constraints in the availability of overall housing.
188. The existence of second or holiday homes is not necessarily a problem in and of itself. It becomes a problem when it creates intense competition for local home buyers (or renters), inflates prices, or reduces the resident population to the extent that local services, employment, and community vitality are impacted.
189. Aldringham-cum-Thorpe clearly exhibits these wider challenges, with fairly extreme affordability issues, as demonstrated in Chapter 4, and no further delivery of housing expected in the plan period.
190. This section of the HNA gathers the limited available data on the rate of second home ownership in Aldringham-cum-Thorpe that may be used to support policy decisions in this area.

### Second and Holiday Homes Data

191. Before looking at second home ownership levels in the NA, it is important to understand the levels of second home ownership, and specifically holiday lets, across the country. According to the English Housing Survey 2018-2019, 2.4 million households in England reported having at least 1 additional residence, with 772,000 of these second homes (including homes primarily used as holiday homes, holiday lets, or working away from home). It was also noted that 57% of second homes were in the UK. Therefore, it could be estimated in 2018/19 that there were at least 440,040 second homes in the UK from households in England, assuming each of 772,000 households above had just 1 additional home.
192. The impact of this nationally is more simply understood as a percentage of all dwellings. There were an estimated 28.9 million dwellings in the UK in 2019<sup>20</sup>, meaning that second homes (of which the households that owned them lived in England) in the UK accounted for around 1.5% of total dwellings. The UK second home ownership levels would of course be higher than this when also taking into account second homes owned by households in Wales, Scotland, and Northern Ireland.

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<sup>20</sup> Collated dwelling stock data from GOV.UK, GOV.WALES, National Records of Scotland, and Northern Ireland Department of Finance.

193. Turning to the NA specifically, Aldringham-cum-Thorpe contained 392 households and 623 dwellings in 2011, implying that there were 231 dwellings (or 'household spaces') with no usual resident household. 37.1% of dwellings therefore had no usual residents.
194. For comparison, the rate of dwellings that had no usual residents across East Suffolk as a whole in 2011 was 7.5%, significantly below Aldringham-cum-Thorpe. This may be due to the coastal location of the NA its popularity, particularly Thorpeness, for holidaymakers.
195. For England, the rate was 4.0%. It is worth noting that across the country (or even the local authority area), dwellings will be empty for different reasons (including being uninhabitable), not just second home ownership. Due to the location of the NA it is assumed that the majority of dwellings without usual residents are second homes, either personal or for holiday let.
196. Another way of gauging the number of holiday homes is to look at the number of properties paying business rates (instead of council tax) in that category. This data is correct to the time of writing but has a number of limitations:
- Most importantly, it only gives an indication of the number of commercially rented holiday homes. A holiday let needs to be available for rent 140 days of the year to reach the threshold for business rates. So only the third subcategory of second/holiday homes below would be captured:
    - Second homes that are never rented and only used by the owner;
    - Holiday homes used by the owner primarily, but also available to rent for part of the year (under 140 days) or rented out informally;
    - Holiday homes with a stronger commercial purpose, available to rent more than 140 days per year.
  - In January 2022 the Government tightened the rules on second homes and business rates. This means that as well as being available for rent for at least 140 days a year, from April 2023, second homeowners will have to prove that holiday lets are being rented out for a minimum of 70 days a year to access small business rates relief<sup>21</sup>.
  - It is likely that the holiday homes counted in the business rates data would also be captured as dwellings with no usual residents in the Census, since owners of second homes, including those rented out for holiday lets, are obliged to fill in a Census return. This indicator is therefore only useful for context and for any indication it may give of growth over time.
197. AECOM undertook research based on the number of properties in the NA registered for business rates, specifically self-catering holiday units. This was undertaken by individually searching the postcodes of the parish and as of October 2022 gave a figure of 102 commercial holiday lets. This, as expected, is below the overall number of empty dwellings in 2011 (231) outlined above as this just takes into account commercial holiday lets and not those rented out for

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<sup>21</sup> Available here: <https://www.gov.uk/government/news/gove-closes-tax-loophole-on-second-homes>

- shorter periods of time or those that are used as personal second homes. It should be noted that the figure of 102 relates only to residential dwellings being used for holiday lets and excludes B&Bs, guesthouses, hotels, and campsites.
198. In order to estimate the overall levels of second home ownership in the NA, not just those eligible for business rates, the difference between the number of households and the number of dwellings in the NA needs to be considered. Based on the 2011 Census data and the housing completions data provided by East Suffolk, it is assumed there were 696 dwellings in Aldringham-cum-Thorpe in 2021/22. 2021 Census data shows that there were 402 households in Aldringham-cum-Thorpe in 2021. If in 2021/22 there were 696 dwellings and 402 households in the NA then this implies that there were 294 dwellings (or 'household spaces') with no usual resident household. 42.2% of dwellings therefore had no usual residents and could be assumed to be second homes. This is a slight increase on the proportion of second homes in 2011, which accounted for 37.1% of all dwellings.
199. This estimate of growth requires a caveat. The rate of change in the number of holiday home properties liable for business rates likely expresses the degree of growth in the number of holiday homes overall to some extent, but it might equally express a change in the intensity with which the current holiday homes are let throughout the year (for instance as a result of the introduction of sites like Airbnb).
200. The data cannot reflect on any trends in the number of second homes that are not let out or not enough to meet the business rates threshold. However, the Steering Group noted that post Covid some households have moved more permanently (often from London) to their second homes due to the ability to work from home. Whilst these are not always the primary residence, occupancy seems to have increased. A further change that may occur during the plan period is the switch from holiday lets to more longer terms lets as Sizewell C nuclear power station is developed just north of the parish, with the need for accommodation for employees. This may reduce the proportion of holiday lets in the NA (and increase the private rented sector, although there would be increased competition for houses for locals).
201. It is clear that with such high levels of second home ownership in the NA, and the demand for second homes, this has had an adverse effect on affordability for local people. It may be worth assessing here the difference in potential income between private landlords and holiday lets in Aldringham-cum-Thorpe. In order to undertake this comparison, the number of whole property holiday lets available for a week rental in peak holiday season (July and August) 2023 was established from holiday rental site Airbnb<sup>22</sup>. At this time there were 72 entire property lets available. There is the caveat with this finding that not all holiday lets will be listed on this site, and that some high demand properties may already be fully booked for summer 2023 and therefore not listed. It was then determined the average letting price, which could then be compared to the

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<sup>22</sup> Search of properties as of 10<sup>th</sup> January 2022

average rental price of private rented properties in Aldringham-cum-Thorpe. This process is outlined below:

- Average nightly cost of Aldringham-cum-Thorpe holiday lets (July/August 2023) from Airbnb properties = £320
- Average weekly cost of above = £320 \* 7 = £2,242
- Average monthly cost of above = £2,242 \* 4 = £8,969
- Average monthly cost of private rented dwelling in the NA<sup>23</sup> = £1,149

202. These calculations show that if a holiday let was rented back-to-back, as it could be at least in the summer months, the income (exclusive of any related costs) associated with the holiday let would be 680.6% greater than associated with longer term private rental. This may go some way to explain the dominance of holiday lets in the NA.

203. The impact on the private rental sector in Aldringham-cum-Thorpe can also be seen to an extent, with the proportion of households living in the private rental sector in the NA falling by 24.0% between 2001 and 2011, compared to increases of 60.0% across East Suffolk and of 82.4% nationally. Although dated figures, these may demonstrate the increase in holiday rentals reducing the provision of private rented housing in the NA. This in turn would have a detrimental impact on affordability as demand may outweigh the available supply.

204. Although the potential income difference is clear to see above, there are other factors to be taken into consideration. These include the fact that holiday lets may not be occupied for the whole year, as well as running and maintenance costs (which would be associated with both holiday lets and private rentals), and the greater amount of work potentially required with holiday lets in terms of weekly cleaning and booking administration.

## Policy Considerations

205. It is not only Aldringham-cum-Thorpe within East Suffolk that has housing challenges relating to second home ownership. Southwold faces even more extreme challenges than the NA due to the prevalence of second home ownership and commercial holiday lets. It was estimated in 2015 that just 43% of dwellings were primary residences. It was further estimated that 22% of dwellings were holiday lets and 35% second homes<sup>24</sup>.

206. The Southwold Neighbourhood Plan, made in February 2022, outlines a number of ways to tackle housing affordability issues linked to high demand for second homes. This includes using community led housing as a vehicle to ensure Affordable Housing is delivered in perpetuity, without the risk of Right to Acquire or fully staircasing shared ownership properties leading to Affordable Housing becoming second homes in the future.

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<sup>23</sup> As of 20<sup>th</sup> December 2021 – covering the private rented sector proxy area discussed in the Appendix.

<sup>24</sup> Southwold Neighbourhood Plan - <https://www.eastsuffolk.gov.uk/assets/Planning/Neighbourhood-Planning/Designated-Neighbourhood-Areas/Southwold/Southwold-Neighbourhood-Plan.pdf>

207. The Neighbourhood Plan also includes a 'Principal Residence Requirement' (Policy SWD4) which outlines that proposals for new housing would only be supported where both first and future occupation is restricted in perpetuity to ensure that each new dwelling is occupied only as a Principal Residence. This would protect any new dwellings from becoming second homes or holiday lets, increasing the proportion of households living full-time in the town. Policies such as those outlined in the Southwold Neighbourhood Plan may be appropriate for Aldringham-cum-Thorpe if desired by the Steering Group.
208. The affordability evidence establishes a clear context of poor and worsening affordability in Aldringham-cum-Thorpe that prevents local people from moving to homes better suited to their needs within the neighbourhood and prevents younger households without significant financial help from accessing suitable housing.
209. It is not possible to establish a precise causal link between second home ownership and declining affordability because rising prices and declining affordability is affected by other factors such as economic growth at the national level. However, given the scale of second home ownership in the NA, AECOM suggest that it is highly likely that the second homes market is a factor in the price in prices and declining affordability in the area. Furthermore, there are substantial financial incentives to let properties to holiday makers rather than long term tenants in the private rented sector. The private rented sector in the NA is small and is likely constrained by the growth of the holiday let and second home market. In the context where new housing development is limited, all other things being equal, the expansion of second homes and holiday lets will reduce the availability of housing for households wishing to live in the area. Reduced availability (or supply) when demand is the same or growing, leads to increased prices and rents.
210. AECOM suggest this may be a reason to apply a Principal Residence Policy or similar in the NA. As this policy is developed, if new data becomes available (e.g. additional data sources quantifying levels of second home ownership), the group may wish to refine the policy to adapt to any changes in the scale of the market.

## **Conclusions- Second homes**

211. This section of the HNA considers the current extent of second home ownership in Aldringham-cum-Thorpe and related trends.
212. In 2011, Aldringham-cum-Thorpe contained 392 households and 623 dwellings, implying that there were 231 dwellings with no usual resident household. This means that 37.1% of dwellings had no usual residents, compared to 7.5% across East Suffolk and around 4.0% nationally.
213. When looking at holiday lets eligible for business rates specifically, it is estimated that in October 2022 there were 102 commercial holiday lets. Based on estimates of 2021/22 housing stock and 2021 Census household data, it is estimated that there are currently around 294 dwellings with no usual resident household, a significant increase on 2011. This means that 42.2% of dwellings therefore had

no usual residents and could be assumed to be second homes, a considerable proportion of the dwelling stock.

214. The Steering Group noted that post Covid some households have moved more permanently (often from London) to their second homes due to the ability to work from home. Whilst these are not always the primary residence, occupancy seems to have increased. A further change that may occur during the plan period is the switch from holiday lets to more longer term lets as Sizewell C nuclear power station is developed just north of the parish, with the need for accommodation for employees. This may reduce the proportion of holiday lets in the NA (and increase the private rented sector, although there would be increased competition for houses for locals).
215. The demand for second homes in the NA is likely to have an adverse effect on affordability for local people. There is a clear difference in the potential income for owners between the private rented sector and holiday lets identified in the NA. The calculated average monthly cost of a holiday let in Aldringham-cum-Thorpe is £8,969 compared to the average monthly cost of a private rented dwelling of £1,149. If a holiday let was rented back-to-back, as it is assumed it would be in the summer months, the income (exclusive of any related costs) associated with the holiday let could be up to six times greater than associated with longer term private rental. This highlights a clear incentive for property owners to rent their properties as holiday lets as opposed to in the private rented sector, even when the additional costs and vacancy periods associated with holiday lets are factored in.
216. AECOM suggest the evidence presented in this Chapter may be a reason to apply a Principal Residence Policy or similar in the NA. As this policy is developed, if new data becomes available (e.g. additional data sources quantifying levels of second home ownership), the group may wish to refine the policy to adapt to any changes in the scale of the market. It is also recommended that the group discuss any potential policies relating to second homes with the local authority.
217. It is not possible to establish a precise causal link between second home ownership and declining affordability because rising prices and declining affordability is affected by other factors such as economic growth at the national level. However, given the scale of second home ownership in the NA, AECOM suggest that it is likely that the second homes market is a factor in the rise in prices and declining affordability in the area. The private rented sector in the NA is very small and is likely constrained by the growth of the holiday let and second home market. In the context where new housing development is limited, all other things being equal, the expansion of second homes and holiday lets will reduce the availability of housing for households wishing to live in the area.

## 7. Next Steps

### Recommendations for next steps

218. This Neighbourhood Plan housing needs assessment aims to provide Aldringham-cum-Thorpe 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 East Suffolk Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:

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

219. 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.

220. 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, East Suffolk Council, or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

221. 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.

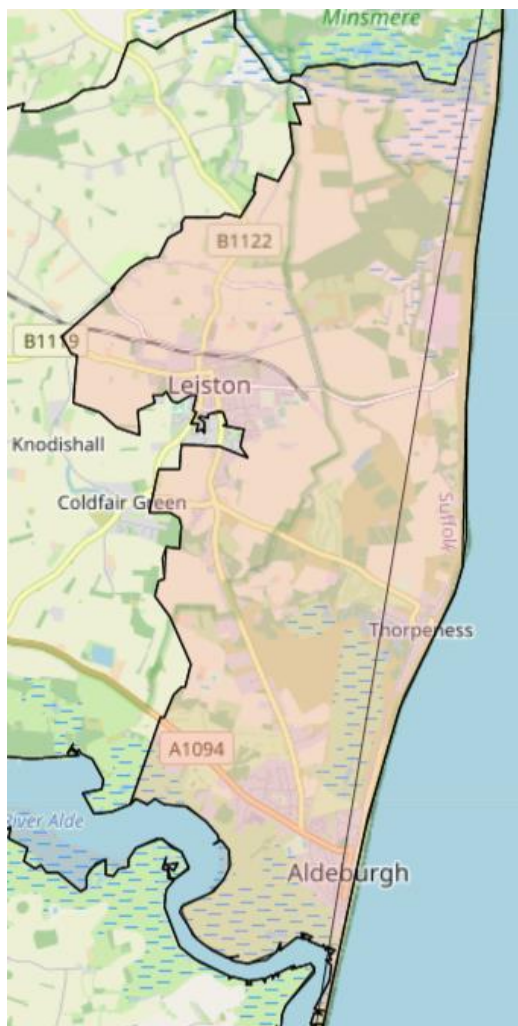
# Appendix A : Calculation of Affordability Thresholds

## A.1 Assessment geography

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

223. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Area. In the case of Aldringham-cum-Thorpe, it is considered that MSOA E02006290 is the closest realistic proxy for the Neighbourhood Area boundary when looking at income data, and as such, this is the assessment geography that has been selected. A map of MSOA E02006290 appears in Figure A-1.

**Figure A-1: MSOA E02006290 used as a best-fit geographical proxy for the Neighbourhood Area**



Source: ONS

## A.2 Market housing

224. Market housing is not subsidised and tends to be primarily accessible to people on higher incomes.
225. 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

226. 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.
227. 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 Aldringham-cum-Thorpe, 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.
228. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2021) = £495,000;
  - Purchase deposit at 10% of value = £49,500;
  - Value of dwelling for mortgage purposes = £445,500;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £127,286.
229. 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 2021 was £360,000, and the purchase threshold is therefore £92,571.
230. It is also 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 16 sales of new build properties in the NA in 2021. The lower quartile house price of these transactions was £308,750, with a purchase threshold of £79,393. This price used as the benchmark used for the likely cost of affordable home ownership products (calculated later in the Appendix).

231. In order to provide a comparison with the wider local authority area, it is helpful to also look at the cost of new build housing across East Suffolk in 2021. The median cost of new build dwellings in East Suffolk was £297,500, with a purchase threshold of £76,500. This is significantly lower than the new build median house price in Aldringham-cum-Thorpe of £347,500.

## **ii) Private Rented Sector (PRS)**

232. 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.

233. 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.

234. The property website Rightmove.co.uk shows rental values for property in the Neighbourhood Area. The best available data is derived from properties available for rent specifically within Aldringham-cum-Thorpe.

235. According to Rightmove.co.uk, there were 18 properties for rent at the time of search in October 2022, with an average monthly rent of £1,149. There were 4 one-bed and two-bed properties listed, with an average price of £723 per calendar month.

236. The calculation for the private rent income threshold for entry-level (1-bedroom and 2-bedroom) dwellings is as follows:

- Annual rent = £723 x 12 = £8,679;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £28,930.

237. The calculation is repeated for the overall average to give an income threshold of £45,962.

## **A.3 Affordable Housing**

238. 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

239. 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.
240. 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 Aldringham-cum-Thorpe. In this case, the data for Suffolk Coastal is the most recent and so this is used for both Table A-1 and Table A-2 as opposed to data for East Suffolk. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Suffolk Coastal in the Table A-1.
241. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

**Table A-1: Social rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£79.12	£91.00	£100.98	£113.38	£93.36
Annual average	£4,114	£4,732	£5,251	£5,896	£4,855
Income needed	£13,700	£15,758	£17,486	£19,633	£16,166

Source: Homes England, AECOM Calculations

## ii) Affordable rent

242. 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).
243. 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%.
244. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Suffolk Coastal. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.

245. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 66.1% 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	£88.69	£110.40	£124.81	£149.62	£108.07
Annual average	£4,612	£5,741	£6,490	£7,780	£5,620
Income needed	£15,358	£19,117	£21,612	£25,908	£18,713

Source: Homes England, AECOM Calculations

### iii) Affordable home ownership

246. 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.

247. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that “where housing development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of 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

248. 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.

249. The starting point for these calculations is therefore the average cost of new build entry-level housing in the NA noted above of £308,750.

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

- Value of a new home (NA new build entry level house price 2021) = £308,750;
- Discounted by 30% = £216,125;
- Purchase deposit at 10% of value = £21,613;

- Value of dwelling for mortgage purposes = £194,513;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £55,575.
251. 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 £47,636 and £39,696 respectively.
252. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible. The discounted prices are all also below the £250,000 cap.
253. 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 £1,750 per sq. m<sup>25</sup>) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Aldringham-cum-Thorpe.

### **Shared ownership**

254. 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'.
255. 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.
256. To determine the affordability of shared ownership, calculations are again based on the average cost 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).
257. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £308,750 is £77,188;

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<sup>25</sup> It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - <https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/>

- A 10% deposit of £7,719 is deducted, leaving a mortgage value of £69,469;
- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £19,848;
- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £231,563;
- The estimated annual rent at 2.5% of the unsold value is £5,789;
- This requires an income of £19,297 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £39,145 (£19,848 plus £19,297).

258. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £31,096 and £52,561 respectively.

259. All of the income thresholds are below the £80,000 for eligible households.

### **Rent to Buy**

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

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

261. 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.

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

# Appendix B : Housing Needs Assessment Glossary

## **Adoption**

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

## **Affordability**

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

## **Affordability Ratio**

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

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

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

- a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).
- b) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.
- c) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and

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

### **Affordable rented housing**

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods<sup>26</sup>.

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

A type of housing which is generally for people aged 55 and over and active older people. 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>27</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.

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<sup>26</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>27</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

## **Co-living**

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

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

Housing development, provision and management that is led by the community is very often driven by a need to secure affordable housing for local people in the belief that housing that comes through the planning system may be neither the right tenure or price-point to be attractive or affordable to local people. The principal 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>28</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>29</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 older 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.

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<sup>28</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>29</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)

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

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

## **Fair Share**

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

## **First Homes**

First Homes is another form of discounted market housing which will provide a discount of at least 30% on the price of new homes, introduced in 2021. 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>30</sup>, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

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

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

## **Neighbourhood plan**

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

## **Older People**

People over retirement age, including the active, newly-retired through to very frail older people, 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

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<sup>30</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

### **Planning Condition**

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

### **Planning Obligation**

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

### **Purchase Threshold**

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

### **Proportionate and Robust Evidence**

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

### **Private Rented**

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

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

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

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

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

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

## **Rightsizing**

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

## **Rural Exception Sites**

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

## **Shared Ownership**

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

## **Sheltered Housing<sup>31</sup>**

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

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<sup>31</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

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

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

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

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

### **Specialist Housing for Older People**

Specialist housing for Older People, sometimes known as specialist accommodation for older people, 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>32</sup>

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<sup>32</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

