

PLANNING COMMITTEE ADDENDUM

2.00PM, THURSDAY, 17 SEPTEMBER 2020

VIRTUAL VIA SKYPE

Background Document – Hove Park Housing Needs Assessment

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ADDENDUM

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A wide-angle photograph of Hove Park, showing a large green lawn with several people playing soccer. In the background, there are trees and some buildings under a clear sky. A large blue diagonal shape covers the bottom half of the image, serving as a background for the title.

Hove Park Housing Needs Assessment (HNA)

July 2020

Quality information

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 It is a 'snapshot' in time and may become superseded by more recent information.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 If any party can demonstrate that any of the evidence presented herein is inaccurate or out of date, such evidence can be presented to the Qualifying Body at the consultation stage.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

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List of acronyms used in the text:

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
LPA	Brighton and Hove City Council
HNA	Housing Needs Assessment
HNF	Housing Need Figure
Housing LIN	Housing Learning and Improvement Network
NA	Hove Park Neighbourhood Area
HRP	Household Reference Person
LHN	Local Housing Need
LPA	Local Planning Authority
LQAR	Lower Quartile Affordability Ratio
LSOA	Lower layer Super Output Area
LTHPD	Long-Term Health Problem or Disability
MAR	Median Affordability Ratio
MH	Market Housing
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
MSOA	Middle layer Super Output Area
NA	Neighbourhood (Plan) Area
NDO	Neighbourhood Development Order
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

1. Executive Summary

1.1 Tenure and Affordability

1. In terms of the current tenure profile of the neighbourhood, a majority of Hove Park's population own their homes, which is a much higher percentage than its comparator geographies. This is followed by private rent and social rent, both of which are less common in the NA than in the LPA and England as a whole. However, there is little to no social rent in the NA, especially when contrasted with the Brighton and Hove as a whole. While shared ownership is low on a regional and national level both, it is especially low in the NA.
2. Between 2001 and 2011, we found that (i) shared ownership tenures decreased by 53.3% over the period and (ii) that private rents increased by 55%. Social renting also decreased over the same period. Overall, there seems to have been a significant growth in private renting, which is similar to regional and national trends.
3. Furthermore, between 2009-2018, overall house prices in the NA grew by 74.0%. There was a significant growth in the percentage of flats (73.8%), followed closely by a growth in the percentage of terraced homes (71.3%). Semi-detached homes increased by 67.5% and detached homes increased by 48.7% over the same period.
4. In order 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. Purchase thresholds denote the standard household income needed to access mortgage products, and income thresholds denote the maximum share of a family's income that should be spent on accommodation costs. The income required to afford the different tenures is benchmarked against three measurements of household income set out above. These are the average total household income for the MSOAs at £57,450 and the lower quartile gross earnings for Brighton and Hove for single-earners at £13,536 and dual-earning households at £27,072.
5. Taking into consideration the affordability thresholds set out, it is apparent that the income required to buy an average market home for sale is higher than those on median household incomes can afford. The income required to buy an average entry-level home for sale is similarly higher for those on lower quartile household incomes.
6. Furthermore, for those on median incomes, none of the discounted market sale products offer a viable option based on the current discounts available. With regards to shared ownership, each of offered tenures were similarly inaccessible. In terms of affordable renting, both affordable rent and social rent products are affordable to those on average incomes. However, affordable rents are inaccessible to those on lower quartile household incomes, even when two members may be earning. Social rent, however, can be accessed by households on lower quartile incomes, but only when there are two earning members contributing to the household. The inability of those on lower quartile earnings to afford entry-level market rents, affordable rent and social rent suggests that these tenures might not extend accessible housing options to those on lower quartile household incomes, unless there are two members that are earning, or additional subsidy (eg housing benefit) is provided.
7. This HNA provides estimates of the need for affordable housing in the NA. A pro-rating exercise of the need for affordable rented housing identified in the Brighton and Hove OAN study estimates that the NA needs 33 affordable homes for rent per annum or 330 over the plan period. Between 2015-2020, there were 0 re-lets in the neighbourhood area since there is very little social housing in the NA (approximately 10 council properties within the neighbourhood area).
8. Additionally, we identified around 43.6 households per annum who may be interested in affordable home ownership (436 over the plan period). It is important to note that the majority of these households live in the private rented sector and do not lack housing, but would prefer to own rather than rent.
9. Based on our analysis, we recommend an indicative tenure split of 60/40 (affordable housing for rent/ affordable home ownership). This takes account of the urgent needs of households who need affordable housing for rent and the fact that there is very limited supply locally which suggests policy makers are likely to want to prioritise the provision of this tenure. Evidence on the affordability of different affordable home ownership products suggest that discounted market homes (including proposed First Homes at a 30% discount) would not extend home ownership in this area to households on average incomes. A discount of 50- 60% would be required to extend home ownership to those on median incomes. Shared ownership options (shares 25-50%) similarly do not extend home ownership to those on average incomes. However, the extent to which different products are prioritised, will depend on the wider considerations (e.g. viability) and emerging Government requirements.

1.2 Type and Size

10. This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site-specific factors which may justify a particular dwelling mix.
11. In terms of dwelling type and size, the 2011 Census shows that there were 3,968 households in Hove Park, living in 1,727 detached houses, 1,384 semi-detached, 287 terraced houses, and 671 flats. Compared with the LPA, Hove Park is characterised by a higher total percentage of whole houses and a lower total percentage of flats.
12. The housing stock in Hove Park is characterised by a relatively high number of medium to large-sized homes—homes with between five to seven rooms appear to be the most popular. Homes with six rooms are the most common.
13. In terms of demographic change, the analysis suggests that Hove Park has both a high number of individuals between the ages of 0-15 and individuals between the ages of 25-64. Similarly, there is a higher number of individuals aged between 45-64 in the neighbourhood area than in Brighton and Hove and England. Furthermore, our analysis determined that the population of individuals aged between 25-44 in Hove Park is only marginally greater than the population in the same age band in Brighton and Hove. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001, the NA population has seen an overall increase in the number of individuals between the ages of 0-24 and decline in the number of individuals between the ages of 25-44.
14. In assessing Census data on household composition, Hove Park differs from the LPA in that there are fewer one-person households and a high number of one-family households. Of the 69.9% of family households in the NA, 33% of the families have dependent children. Only 10.5% of these households comprise of individuals aged 65 and above, indicating that most households are young families with children. Compared to its wider geographies, Hove Park has the highest percentage of family households and the lowest percentage of one person households.
15. Furthermore, it is relevant to consider rates of change in this indicator during the period between Censuses. Between 2001 and 2011, the main changes in household composition were that the overall number of family households with children (non-dependent and dependent both) increased by 34.8% whilst the total percentage of family households with members aged 65 and above decreased by 15.4%. This change is consistent with the profile of the neighbourhood area as one with a young population with families.
16. The result of the life-stage modelling exercise in this HNA shows that, in terms of demographic change, new development might involve focusing on smaller properties (1 and 2 bedrooms) rather than larger.
17. This model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some larger dwellings. The provision of larger homes should not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the neighbourhood plan may be used to influence the size mix of housing coming forward, the neighbourhood planners should consider how to increase options for smaller homes in order to increase the choice of properties in the area.

2. Context

2.1 Local context

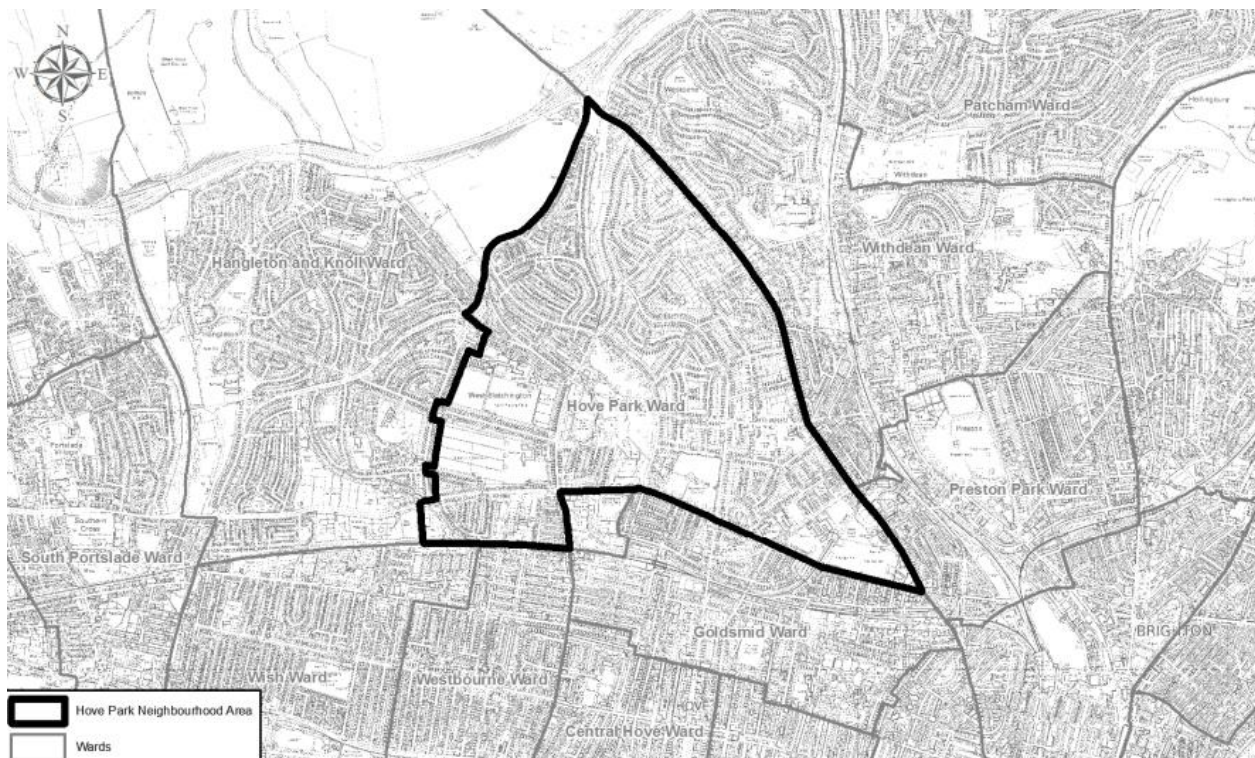
19. Hove Park is a Neighbourhood Plan area located in Brighton and Hove, in the South-East of England. The Neighbourhood Area (NA) boundary was designated in March 2014, following a public consultation between 22 April and 17 June 2014. While the application for the initial sought-after area was refused, a smaller area was designated as Hove Park Neighbourhood Plan in 2015¹. As per the 2011 Census, the Neighbourhood Plan area had a total of 10,302 residents. The designated NA is thus a slightly smaller than Hove Park Ward.
20. A description of the Park located within the NA that gives an idea of the spatial context is contained within the Neighbourhood's official website²:

"Hove Park is popular with local residents, dog walkers and runners. The park features a mix of large areas of open grass, mature trees, flower beds and recreational facilities including a miniature railway."
21. The proposed Neighbourhood Plan period starts in 2020 and extends to 2030, therefore comprising a planning period of 10 years.
22. For Census purposes, the Neighbourhood Plan area is made up, like the rest of England, of various statistical units called Output Areas (OAs). For the purpose of this HNA, we have created a 'best-fit' boundary consisting of one MSOA, one LSOA and four OAs, which have been used throughout as a statistical proxy for the NA boundary and which can be interrogated for data from both the 2001 and the 2011 Censuses:
 - MSOA E02003497
 - LSOA E01016981
 - OA E00085756
 - OA E00085757
 - OA E00085759
 - OA E00086759
23. A map of the Plan area appears below in Figure 2.1.

¹ Available at <https://www.brighton-hove.gov.uk/sites/brighton-hove.gov.uk/files/HPNF%20decision%20notice%20July%202015%20final.pdf>

² Available at <https://www.brighton-hove.gov.uk/content/leisure-and-libraries/parks-and-green-spaces/hove-park>

Figure 2-1: Map of the Hove Park Neighbourhood Plan area³



³ Available at <https://www.brighton-hove.gov.uk/sites/brighton-hove.gov.uk/files/Hove%20Park%20map%20designated%20version%20180914.pdf>

2.2 Planning policy context

25. In line with the Basic Conditions⁴ of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies.⁵ Consequently, the relevant elements of the Local Plan are reviewed as part of this Housing Needs Assessment (HNA).
26. Published in March 2014, the Brighton and Hove City Local Plan provides the “overarching strategy for emerging neighbourhood plans.” The City Plan Part One replaced the previous adopted local plan (2005) and several policies that originated in the previous document. A summary of the key policies relevant to the aims of this HNA have been outlined in Table 2-2 below.
27. The Council is currently in the process of developing The Brighton and Hove City Local Plan Part Two, which will support the implementation and delivery of the Local Plan Part One. It provides development management policies and various site allocations. In July 2018, a draft version of this plan was made available and key policies from this plan have been covered in Table 2-3.
28. In the case of Hove Park, the relevant local planning context is set out in Table 2-2 and 2-3 below.

2.2.1 Policies in the adopted local plan⁶

Table 2-2: Summary of Brighton and Hove City Council adopted policies having relevance to Hove Park Neighbourhood Plan Housing Needs Assessment

Policy	Source	Provisions
CP1: Housing Delivery	Brighton and Hove City Local Plan Part One (2016)	This policy sets out plans for i) the scale of future housing provision, ii) distribution of new housing and iii) managing the rate of housing delivery. The policy states that at least 13,200 new homes will be built by the end of the planning period.
CP14: Housing Density	Brighton and Hove City Local Plan Part One (2016)	This policy states that residential development should be of an appropriate density that suits the neighbourhood. It further states that developments of higher or lower densities will be permitted only in exceptional cases. On average, developments are expected to “make full, efficient and sustainable use of the land available”, new residential developments will be expected to deliver a minimum of 50 dwellings per hectare.
CP19: Housing Mix	Brighton and Hove City Local Plan Part One (2016)	This policy further builds upon Policy CP1 to ensure an appropriate mix of housing (in terms of tenure, type, size) is delivered across the city.

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

⁵ However, this does not affect the potential for the evidence base underpinning the emerging local plan to inform or form part of the evidence base for the neighbourhood plan.

⁶ Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

Policy	Source	Provisions
CP20: Affordable Housing	Brighton and Hove City Local Plan Part One (2016)	This policy states that on sites of 5 or more dwellings, the council will provide affordable housing. It also sets the following affordable housing targets: i) 40% onsite affordable housing provision on sites of 15 (net) dwellings or more (net dwellings), ii) 30% onsite affordable housing provision on sites of between 10 and 14 (net) dwellings and iii) 20% affordable housing on sites of between 5 and 9 (net) dwellings.
CP21: Student Housing and Housing in Multiple Occupation	Brighton and Hove City Local Plan Part One (2016)	This policy states how the council will respond to increasing housing needs of students. The primary message here is that the council will work alongside two universities and various other education providers to provide purpose-built accommodation.

Source: [<https://www.brighton-hove.gov.uk/content/planning/planning-policy/city-plan-part-one>]

2.2.2 Policies in the emerging local plan⁷

Table 2-3: Summary of Brighton and Hove City Council emerging policies having relevance to Hove Park Neighbourhood Plan Housing Needs Assessment⁸

Policy	Source	Provisions
DM1: Housing Quality, Choice and Mix	Brighton and Hove City Local Plan Part Two (2018)	This policy states that the council will provide an array of housing choices, that is, developments will be asked to provide a mix of high-quality homes with a range of options in terms of type, size and tenure.
DM2: Retained Housing and Residential Accommodation	Brighton and Hove City Local Plan Part Two (2018)	This policy ensures there isn't a loss on any existing residential developments in the city, stating that planning applications that could lead to a loss of any residential space will be rejected.
DM3: Residential conversions and the retention of smaller buildings.	Brighton and Hove City Local Plan Part Two (2018)	This policy aims to maintain a diverse housing mix in the city, thereby stating that planning permissions for the conversion of buildings into smaller units will be permitted, provided the specified criteria is met.
DM4: Housing and Accommodation for Older People	Brighton and Hove City Local Plan Part Two (2018)	This policy states that the council will provide a sufficient quantity and mix of housing for the elderly.
DM5: Supported Accommodation – Specialist and Vulnerable Needs	Brighton and Hove City Local Plan Part Two (2018)	This policy states that the council will ensure an appropriate supply of housing that meets the requirements of those with specialist needs.

⁷ Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

⁸ Available at: <https://www.brighton-hove.gov.uk/sites/brighton-hove.gov.uk/files/Draft%20CPP2%20Post%20Committee%20with%20Covers.pdf>

Policy	Source	Provisions
DM6: Build to Rent Housing	Brighton and Hove City Local Plan Part Two (2018)	This policy sets out the criteria to be met for the construction of built-to-rent housing.
DM7: Houses in Multiple Occupations	Brighton and Hove City Local Plan Part Two (2018)	This policy states that planning permissions for the conversion of houses in multiple occupations to self-contained family homes will be approved.
DM8: Purpose Built Student Accommodation	Brighton and Hove City Local Plan Part Two (2018)	This policy lists areas reserved for the construction of student allocation.
DM9: Community Facilities	Brighton and Hove City Local Plan Part Two (2018)	This policy states that planning permission will be granted for certain types of community facilities, provided certain criteria is met. It also states that developments where community facilities might be lost will only be granted under exceptional circumstances.

Source: <https://www.brighton-hove.gov.uk/content/planning/planning-policy/city-plan-part-two>

Quantity of housing to provide

29. The NPPF 2019 requires, through paragraphs 65 and 66, Local Authorities to provide neighbourhood groups with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
30. Brighton and Hove has fulfilled that requirement by providing Hove Park with a figure of 0 dwellings to be accommodated within the Neighbourhood Plan area by the end of the Plan period, a minimum target that the neighbourhood planners may wish to exceed.
31. Given that the NPPF requirement has already been fulfilled, the question of how many houses to plan for has been answered. It is therefore outside the scope of this Housing Needs Assessment. The issue of quantity has been excluded from the Research Questions (see Chapter 3 below).

3. Approach

3.1 Research Questions

- 32. Research Questions abbreviated to 'RQ;' are formulated at the start of the project through discussion with the neighbourhood group. They serve to direct the research and provide the structure for the HNA.
- 33. The RQs relevant to this study, as discussed and agreed with Hove Park, are set out below.

3.1.1 Tenure and Affordability

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

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

3.1.2 Type and Size

- 36. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community.
- 37. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.

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

3.2 Relevant Data

3.2.1 Local authority evidence base

38. It is appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point.
39. For the purpose of this HNA, data from Brighton and Hove City Council's own evidence base to support their housing policies has been considered applicable and relevant unless it conflicts with more locally specific and/or more recently-produced evidence. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the Neighbourhood Plan area and has been referenced as appropriate.

3.2.2 Other relevant data

40. In addition to the Brighton and Hove evidence base, we have assessed other evidence to ensure our study is robust for the purposes of developing policy at the NP level and is locally specific. This includes data from both Census 2001 and 2011, as well as from a wide range of other data sources, including:
 - Land Registry data on prices paid for housing within the local market;
 - Population and household projections produced by the Office of National Statistics (ONS);
 - Information on current property asking prices, for housing for sale or rent, from [home.co.uk](https://www.home.co.uk);
 - Valuation Office Agency (VOA) data on local housing stock by dwelling type;

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?

4.1 Introduction

41. This section examines the tenure of dwellings in the current stock and recent supply. It then considers the affordability of housing within the area to local households. Drawing on existing evidence and AECOM's estimates for the neighbourhood area, this section quantifies the need for affordable housing within the NA. This includes Affordable Housing for rent (typically social or affordable rents) and Affordable Housing to buy. The scale of need for these homes can justify policies that guide new developments to provide Affordable Housing.⁹

4.2 Definitions

42. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
43. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. AH comprises those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms of AH designed to offer affordable routes to home ownership.¹⁰
44. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership (broadening the definition of AH which had previously referred only to social and intermediate housing to include a range of low-cost housing opportunities for those aspiring to own a home). The Government has proposed to introduce First Homes to provide at least a 30% discount on new market housing for sale. However, the NPPF and Homes England funding for Affordable Housing recognises the important role of affordable rent tenures for those unable to afford home ownership.

4.3 Current tenure profile

45. The current tenure pattern is a key characteristic of the local neighbourhood area. Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing. Table 4-1 below presents Census data from 2011; this table shows the distribution of how households occupy their homes within Hove Park, compared to the rest of Brighton and Hove and England.
46. As seen in Table 4-1 below, 83.3% of Hove Park's population own their homes, which is a much higher percentage than its comparator geographies. This is followed by private rent and then, social rent, both of which are less common in the NA than in the LPA and England as a whole. However, there is limited social renting in the NA, especially when contrasted with the Brighton and Hove as a whole. While shared ownership is low on a regional and national level both, it is especially low in the NA.

⁹ PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹⁰ NPPF 2019.

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

Tenure	Hove Park	Brighton and Hove	England
Owned; total	83.3%	53.3%	63.3%
Shared ownership	0.2%	0.9%	0.8%
Social rented; total	1.4%	15.0%	17.7%
Private rented; total	14.1%	29.6%	16.8%

Sources: Census 2011, AECOM Calculations

47. In Table 4-2, we note the changes in tenure during the intercensal period. The two most significant changes were that (i) shared ownership tenures decreased by 53.3% over the period and (ii) that private rents increased by 55%. Social rents also decreased over the same period. Overall, there seems to have been a significant growth in private renting, which is similar to regional and national trends. The decreases in shared ownership and social rent are unique to Hove Park, since the both these tenures increased in the NAs wider geographies.

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

Tenure	Hove Park	Brighton and Hove	England
Owned; total	-0.9%	-7.4%	-0.6%
Shared ownership	-53.3%	63.5%	30.0%
Social rented; total	-31.3%	8.3%	-0.9%
Private rented; total	55.1%	53.7%	82.4%

Sources: Censuses 2001 and 2011, AECOM Calculations

4.4 Affordability

48. Having reviewed the tenure of the existing housing stock in Hove Park, this report assesses the affordability of homes to those living in the Neighbourhood Plan area.
49. The following analysis considers house prices and rents in the neighbourhood area and whether these are affordable to local households on the basis of their incomes or earnings. Poor or worsening affordability of homes to rent or buy can indicate the need to provide Affordable Housing.

4.4.1 House prices

50. In line with PPG¹¹, we have considered evidence of affordability by looking specifically at the relationship between lower quartile house prices and incomes, as expressed in the Lower Quartile Affordability Ratio¹² (LQAR) and the Median Affordability Ratio¹³ (MAR). While this is a relatively crude measure of affordability, as it does not take account of the cost of servicing mortgage debt, it is a useful basic measure for benchmarking affordability changes over time and between different geographies. Further, PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.¹⁴ Entry-level properties are typically those with one or two bedrooms – either flats or houses.
51. Figure 4-1 on the following page looks at selected measures of house prices in Hove Park. It shows that mean house prices increased slightly till 2011, then experienced a drop in the same year. In 2012, there was sharp growth in mean house prices. This growth then declined from 2013 to 2014, before stabilising until 2016. Between 2016 and 2018, there was another period of growth. Median prices remained more stable than mean prices, experiencing a steady increase over the time period. Median prices mirrored mean price growth 2012 onwards, experiencing steady growth, rather than sharp increases. Lower quartile prices remained stable, experiencing a low level of growth between 2012 and 2014. LQ prices remained stable between 2014 and 2015 and experienced a decrease between 2015 and 2016. Prices experienced a sharp rise in the following year, before declining between 2017 and 2018. Overall, the pattern has been a steady increase in prices over the last 10 years.

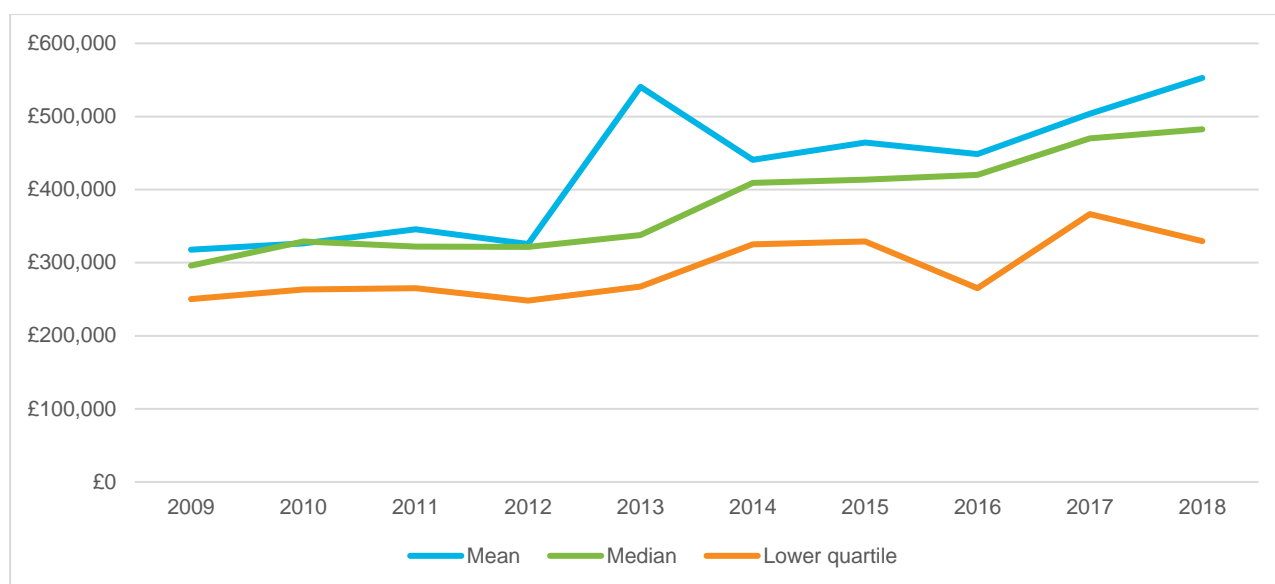
¹¹ See Paragraph: 021 Reference ID: 2a-021-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹² See Glossary in Appendix.

¹³ See Glossary in Appendix.

¹⁴ See Paragraph: 021 Reference ID: 2a-021-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

Figure 4-1: House prices by quartile in Hove Park between 2009 and 2018



Source: Land Registry PPD

52. overall house prices have grown by 74.0%. There was a significant growth in the percentage of flats (73.8%), followed closely by a growth in the percentage of terraced homes (71.3%). Semi-detached homes increased by 67.5% and detached homes increased by 48.7% over the same period.
53. **Table 4-3** below breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). It shows that overall house prices have grown by 74.0%. There was a significant growth in the percentage of flats (73.8%), followed closely by a growth in the percentage of terraced homes (71.3%). Semi-detached homes increased by 67.5% and detached homes increased by 48.7% over the same period.

Table 4-3: House prices by type in Hove Park, 2009-2018, 000's

Type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Growth
Detached	£520k	£445k	£534k	£443k	£634k	£733k	£760k	£780k	£813k	£774k	48.7%
Semi-detached	£310k		£333k	£349k	£352k	£454k	£451k	£453k	£534k	£520k	67.5%
Terraced	£282k	£318k	£302k	£330k	£318k	£380k	£426k	£435k	£458k	£485k	71.3%
Flats	£163k	£167k	£248k	£201k	£224k	£228k	£270k	£281k	£295k	£284k	73.8%
All Types	£318k	£326k	£346k	£325k	£540k	£441k	£464k	£449k	£504k	£553k	74.0%

Source: Land Registry PPD

4.4.2 Income

54. 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.
55. The first source is locally specific but limited to the average total household income. This is derived from the average household income estimates published by ONS¹⁵ at the level of the Middle-layer Super Output Area (MSOA)¹⁶. In the case of Hove Park, the MSOA's most suitable for use as a proxy for the Neighbourhood Plan area boundary are E02003501 and E02003497. Further details on the extent of this MSOA, including a map, and why it was selected as a proxy for the Neighbourhood Plan area, are set out in Appendix A.

¹⁵Available at

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/smallareaincomeestimatesformiddlelayersuperoutputareasenglandandwales>

¹⁶ An MSOA is a statistical area defined for Census purposes. For further information on MSOA's, see

<https://www.ons.gov.uk/methodology/geography/ukgeographies/censusgeography>

56. The average total annual income across the MSOA in 2018 was £57,450. This figure is typically used by mortgage lenders to assess a household's ability to afford to borrow.¹⁷
57. The second source of data is Lower Quartile (LQ) average earnings. This is helpful for understanding affordability challenges among those with lower than average earnings. However, this data relates to individual earnings and whilst this is an accurate representation of household incomes where households have one earner, it does not represent household income where there are two people earning. It is also only available at the District level.
58. It is derived from ONS annual estimates of paid hours worked and earnings for UK employees (full and part time) to local authority level. Although 2019 provisional data has been published, the revised 2018 data is considered more robust and is therefore used here.
59. Brighton and Hove's gross LQ weekly earnings for 2018 was £260, or approximately £13,536 per year. This is the LQ income before taxes (or benefits) for individual earners and so only correlates with the measure of household incomes above for single-person households. To estimate the income of LQ-earning households with two earners, the annual income is doubled, to £27,072

4.4.3 Affordability Thresholds

60. In order to gain a clearer understanding of local affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds. Purchase thresholds denote the standard household income needed to access mortgage products, and income thresholds denote the maximum share of a family's income that should be spent on accommodation costs.
61. AECOM has determined thresholds for the income required to buy a home in the open market (average and entry-level prices), and the income required to afford private rents and the range of Affordable Housing tenures as set out in NPPF. These calculations are detailed in Appendix A. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. The discounted price of affordable home ownership products is based on mean average house prices since these more closely reflect the price of new build homes in the neighbourhood area.
62. Table 4-4 shows the cost of different tenures and the annual income required to support these costs within Hove Park. The income required column is the annual income needed to support ongoing housing costs but does not reflect the cost of a deposit (which we have assumed to be 10% of the value to be purchased) or the possibility that households able to access market housing for purchase may already hold equity from an existing property.

¹⁷ Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

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

Tenure	Mortgage Value	Rent	Income required	Affordable on mean incomes? £57,450	Affordable on LQ 1 incomes? £13,536	Affordable on LQ 2 incomes? £27,072
Market Housing						
Median House Price	£434,250	-	£124,071	No	No	No
LA New Build Mean House Price	£285,271		£81,506	No	No	No
LQ/Entry-level House Price	£296,438	-	£84,696	No	No	No
Average Market Rent	-	£15,612	£51,988	Yes	No	No
Entry-level Market Rent	-	£16,032	£53,387	Yes	No	No
Affordable Home Ownership						
Discounted Market Sale (-20%)	£386,000	-	£99,257	No	No	No
Discounted Market Sale (-30%)	£337,750	-	£86,850	No	No	No
Discounted Market Sale (-40%)	£289,500	-	£74,443	No	No	No
Shared Ownership (50%)	£62,036	£20,084	£82,120	No	No	No
Shared Ownership (25%)	£31,018	£30,126	£61,144	No	No	No
Affordable Rented Housing						
Affordable Rent	-	£8,272	£27,545	Yes	No	No
Social Rent	-	£5,632	£18,753	Yes	No	Yes

Source: AECOM Calculations

63. The income required to afford the different tenures is then benchmarked, in Figure 4-2 against three measurements of household income set out above. These are the average total household income for the MSOAs at £57,450 and the lower quartile gross earnings for Brighton and Hove for single-earners at £13,536 and dual-earning households at £27,072.
64. Households with incomes between £51,988 and £84,696 are able to afford to rent in the market but not to buy in the market. These households may require tenures that provide an affordable route to home ownership. The following further observations in relation to discounted market products can be made:
- Whether discounted market sale is affordable will depend whether properties are priced in relation to average, new build or entry level homes so developers will view discounts differently. New build homes are often more expensive than properties for sale in the second-hand stock, though in this case they are closer to existing entry-level homes.
 - Discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000.¹⁸ This cost excludes any land value or developer profit.
 - The income required to access Rent to Buy is the same as that required to afford market rents - £51,988 in this case. Compared to the (higher) costs of shared ownership and discounted market housing, Rent to Buy is likely to represent one of the more affordable routes to home ownership.
 - It is important to caveat that the Neighbourhood Plan is limited in its ability to control or influence the level of discount achieved on market sale properties. The LPA should have a role here, and it may be useful for the neighbourhood group to discuss this issue with them, given that extremely high discounts appear to be necessary to make relevant products meaningfully affordable to local people.

¹⁸ This estimate is included for illustration purposes. £1,500 build cost per sq m is a reasonable estimate of current costs (mid 2020); 70 sq m for a 2 bedroom property is consistent with the Government's Nationally Described Space Standards

65. Taking into consideration the affordability thresholds set out above, it is apparent that the income required to buy an average market home for sale is higher than mean household incomes. The income required to buy an average entry-level home for sale is similarly higher than lower quartile household incomes.
66. Table 4-4 shows that households with incomes between £53,387 and £84,696 are able to rent in the market but unable to buy. These households may need affordable home ownership options. There are a range of affordable routes to home ownership tenures, i.e. those aimed at households unable to afford to buy in the market. For those on mean incomes, none of the discounted market sale products offer a viable option. Similarly, discounted market sale products are unaffordable to those on LQ incomes. Table 4-5 presents the range of discounts that can be offered. From Table 4-5 it is clear that a discount of higher than 50% would need to be offered in order for households on median incomes to be able to afford the products.

Table 4-5: Discounted Market Sale, Hove Park

Discount	20%	30%	40%	50%
Discounted value	£386,000	£337,750	£289,500	£241,250
10% Purchase deposit	£38,600	£33,775	£28,950	£24,125
Value for mortgage	£347,400	£303,975	£260,550	£217,125
Purchase Threshold	£99,257	£86,850	£74,443	£62,036

Source: AECOM Calculations

67. With regards to shared ownership, each of the tenures considered are similarly inaccessible. It is important to note that affordable home ownership properties are priced in Table 4.4 on the basis of median house prices in the NA. This is used as a proxy for the price of new build housing, which is typically substantially higher than LQ prices. However, it may be possible for developers to build smaller flats and houses at lower prices than the median price in the NA. This exercise illustrates the importance of the pricing of new affordable home ownership properties. In order for these homes to genuinely extend home ownership to households who cannot afford to buy, they need to be priced below the price of LQ/ entry level homes. In practice, the starting price of new build housing is typically significantly higher than the LQ price. As such, discounts on new build homes need to be very substantial before they can compete with LQ properties in the existing stock and extend home ownership opportunities.
68. In terms of affordable rented housing, both affordable rent and social rent products are affordable to those on average incomes. However, affordable rents are inaccessible to those on lower quartile household incomes alone, even when two members may be earning. It is likely that these households rely on housing benefit to access affordable housing. Social rent, however, can be accessed by households on lower quartile incomes, but only when there are two earning members contributing to the household. The inability of those on lower quartile earnings to afford entry-level market rents, affordable rent and social rent suggests that these tenures might not extend accessible housing options to those on lower quartile household incomes, unless there are two members that are earning, or additional subsidy is provided.
69. The Government's proposed First Homes product would provide a minimum discount of 30% on new homes. New build prices are not available at the neighbourhood level because the number of transactions is too low. However, median average prices provide a reasonable proxy for the price of new homes. In Hove Park, a 30% discount on average prices would be sufficient to extend home ownership to households on median incomes.
70. Table 4-6 shows what discounts are required in order for properties to be affordable to households on average incomes. It is evident that the discount required to afford entry level sales prices is 32%, which means that new build homes (discounted with reference to entry-level existing prices) could be just about affordable.

Table 4-6: % Discount on Sale Price Required for Households on Mean Incomes to Afford

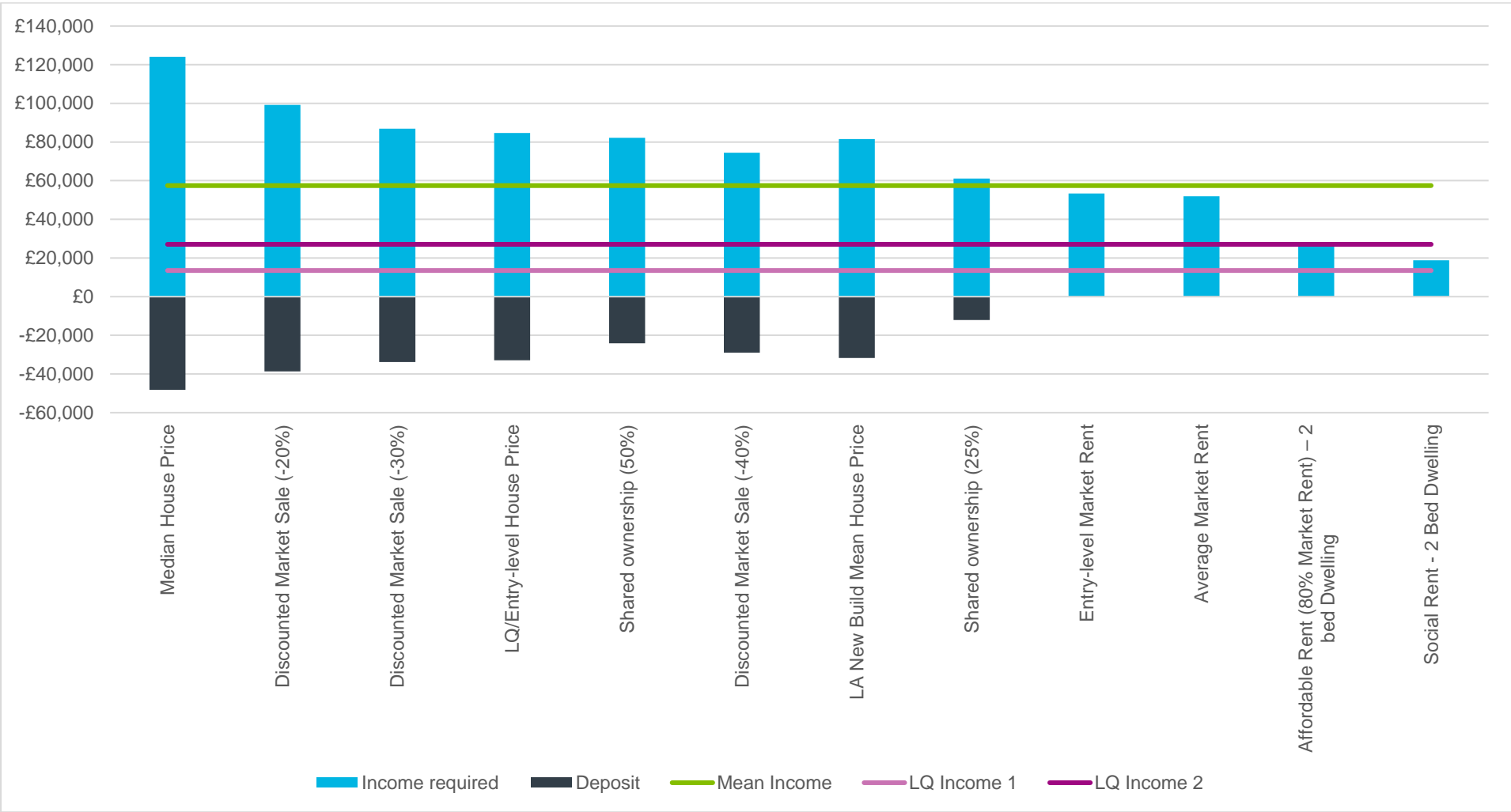
Mean household income in NA:	£57,450
Tenure/ product:	Discount on sale price required:
- Market sale (Average)	54%
- New build market sale (Average for LA)	30%
- Entry level sale (LQ)	32%

Source: Land Registry PPD; ONS MSOA total household income

71. Government policy aimed at tackling the housing crisis continues to attach high priority on helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership.¹⁹.

¹⁹ See the White Paper 'Fixing Our Broken Housing Market', at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf

Figure 4-2: Affordability thresholds in Hove Park (income required, £)



Source: AECOM Calculations

4.5 Affordable housing- quantity needed

72. The starting point for understanding the need for affordable housing in Hove Park is the relevant Strategic Housing Market Assessment (SHMA). A SHMA was undertaken for Brighton and Hove in 2012, as part of the Coastal West Sussex SHMA. This study estimates the need for affordable housing in the District based on analysis of the Council's waiting list and analysis of other data sets in line with Planning Practice Guidance at the time.
73. However, since this SHMA is dated, we turned to the estimate of affordable housing needs found in the Brighton and Hove OAN study (undertaken by GL Hearn in 2015). This study identified a need of 2,120 homes per year. If this figure is pro-rated to Hove Park based on its fair share of the population (1.56% of the LPA's population), this equates to 33 homes per annum or 330 homes over the plan period.
74. However, this figure primarily identifies the need for affordable housing for households who are unable to afford to rent in the market. However, there is an additional group of households who can afford to rent but cannot afford to buy and would prefer to do so. AECOM has estimated the scale of this group in Figure 4-6.
75. Figure 4-6 estimates potential demand for affordable home ownership products within Hove Park. This estimate broadly counts households living in the private rented sector (PRS) who are not on housing benefit and new households likely to form over the plan period who are likely to enter the private rented sector (but not require housing benefit). The model aims to estimate the number of households who can rent but can't buy based on their incomes. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model discounts 25% of these households, assuming a proportion will be renting out of choice. This leaves around 43.6 household per annum who may be interested in affordable home ownership (436 over the plan period).
76. It is important to keep in mind that the households identified in the estimate in Figure 4-6 are, by and large, adequately housed in the private rented sector. They do not lack their own housing but would prefer to buy rather than rent.
77. There is no policy or legal obligation on the part either of the Local Authority or neighbourhood planners to meet affordable housing needs in full, either within or outside the Neighbourhood Plan area, though there are tools available to neighbourhood planners that can help ensure that it is met to a greater extent if resources permit (eg the ability to allocate sites for affordable housing).
78. It is also important to remember that even after the Hove Park, or indeed any other, Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need and the management of the housing waiting list all remain the responsibility of the local authority rather than neighbourhood planners.
79. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can meet affordable housing need, unless there is a specific policy on the housing supply-side (e.g. the identification of one or more housing exception sites over and above those required by the Local Plan).

Table 4-7: Estimate of the potential demand for affordable housing for sale in Hove Park

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in NA	682.6	Census 2011 number of renters x national % increase to 2018
1.2 Percentage renters on housing benefit in LA	20.1%	% of renters in 2018 on housing benefit (based on LA proportion)
1.3 Number of renters on housing benefits in NA	137.2	1.1 x 1.2
1.4 Current need (households)	409.0	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	40.9	1.4/ plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	482.2	LA household projections for plan period (2014 based) pro-rated to NA
2.2 % of households unable to buy but able to rent	10.1%	Current % of households in PRS
2.3 Total newly arising need	48.6	2.1 x 2.2
2.4 Total newly arising need per annum	3.7	2.3/ plan period
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	21.6	Number of shared ownership homes in NA (Census 2011 + new build to 2018/19)
3.2 Supply - intermediate resales	1.1	3.1 x 5% (assume rate of re-sale)
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Shortfall (per annum)	43.6	Shortfall = (Step 1.5 + Step 2.4) – 3.2

Source: AECOM model, using Census 2011, English Housing Survey 2018, CLG 2014 based household projections and net additions to affordable housing stock. Figures may not sum due to rounding.

4.5.1 Affordable Housing Policies in Hove Park

80. The Neighbourhood Plan may wish to develop policies in relation to the delivery of Affordable Housing within Hove Park. Brighton and Hove's Local Plan policy in relation to Affordable Housing states that on sites of 5 or more dwellings, the council will provide affordable housing. It also sets the following affordable housing targets: i) 40% onsite affordable housing provision on sites of 15 (net) dwellings or more (net dwellings), ii) 30% onsite affordable housing provision on sites of between 10 and 14 (net) dwellings and iii) 20% affordable housing on sites of between 5 and 9 (net) dwellings. This policy would apply in Hove Park, subject to sites coming forward for development with 5 or more dwellings.
81. The neighbourhood group may wish to develop policies on the mix of Affordable Housing delivered in Hove Park. It is not the role of the HNA to develop policy, as there are a wider set of factors which apply and need to be considered by the neighbourhood planners. However, the following evidence and considerations may be used as a starting point in the development of policy. On the balance of the evidence in this HNA, AECOM set out a judgement on the starting point for an appropriate tenure mix in Hove Park.
 - A. Evidence of need for Affordable Housing: A pro-rating exercise of the need for affordable rented housing identified in the Brighton and Hove OAN study estimates that the NA needs 33 affordable homes for rent per annum or 330 over the plan period. Additionally, with regards to affordable housing for sale, AECOM's estimate identified the potential demand for 436 homes for sale over the plan period (43.6 per annum). The relationship between these two estimates in percentage terms is roughly 43% rented and 57% ownership. As per our analysis, households in the NA might be able to buy, especially when presented sufficient discounts, Rent-to-Buy or shared ownership tenure options. Thus, whilst some may be interested in and eligible for affordable home ownership, they may have other options and are not in acute housing need.
 - B. Can Affordable Housing needs be met in full? There is no HRF for the NA so it is not possible to determine whether likely affordable housing delivery will be sufficient to meet the needs identified here. However, given the scale of needs identified, it is unlikely that any new housing supply will be able to meet these needs in full. Given that affordable housing needs are unlikely to be met in full through new housing development, there is a need to prioritise what is delivered. It is likely that priority is given to affordable rented accommodation as this meets acute needs. However, this report identified substantial potential demand for affordable home

ownership products, so the needs of households who can afford to rent but cannot afford to buy should also be taken into consideration.

- C. Government policy (e.g. NPPF) requirements: current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. LPA policy provides the following targets: i) 40% onsite affordable housing provision on sites of 15 (net) dwellings or more (net dwellings), ii) 30% onsite affordable housing provision on sites of between 10 and 14 (net) dwellings and iii) 20% affordable housing on sites of between 5 and 9 (net) dwellings. This means that on sites of between 5 and 9 dwellings, at least 50% of Affordable Housing would need to be routes to home ownership in order for such products to total more than 10% of all housing. Next, on sites of between 10 and 14 dwellings, at least 33.33% of Affordable Housing would need to be routes to home ownership for in order for such products to total more than 10% of all housing. Finally, on sites of between 15 or more dwellings, at least 25% of Affordable Housing would need to be routes to home ownership in order for such products to total more than 10% of all housing.

It is worth noting that the Government is currently consulting on the introduction of First Homes (to provide at least 30% discount on new build home prices). Proposals include the requirement to provide 40, 60 or 80% of Affordable Housing as First Homes.²⁰ The outcome of this consultation and the policy which emerges may shape the provision of different forms of Affordable Housing on new development sites, prioritising the provision of discounted market sale homes. The neighbourhood group will need to keep this emerging policy in mind when developing its Neighbourhood Plan policies.

If Government indeed requires 40-80% of all affordable housing delivered through new market led developments as First Homes this would potentially impact on the ability of Hove Park to accommodate those with acute needs within the area (including those in need of affordable housing for rent). Therefore, it is recommended that consideration is also given to alternative mechanisms capable of helping to meet local need, where appropriate (i.e. rural/entry-level exception sites or community led housing etc.). However, the group should note that the First Homes product has not been formally implemented and should monitor the outcomes of the Government consultation closely.

- D. Local Plan policy: The Local Plan does not provide a tenure mix. While the Brighton and Hove OAN Study similarly does not provide a tenure mix, it does provide a size mix to inform strategic council-wide policies, advising that local development areas should take the nature and character of each individual site into consideration before applying the strategic mix (see Figure 4-3 below).

Figure 4-3: Strategic Mix, Brighton and Hove 2014-30 (GL Hearn Study, 2015)

	1-bed	2-bed	3-bed	4+ bed
Market	15%	35%	35%	15%
Affordable	40-45%	30-35%	15-20%	5-10%
All dwellings	25%	35%	30%	10%

Source: GL Hearn Brighton and Hove OAN Study, 2015²¹

- E. Viability: HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Council's adopted/emerging Local Plan and it is acknowledged that this may affect the provision of affordable housing and/or the mix of tenures provided.
- F. 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 group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
- G. Existing tenure mix in Hove Park: There is very little social housing in the NA. As seen in the section above, the number of relets between 2015-2020 was 0, while the overall need for affordable housing for rent was identified as 15 (14.73) per year. Our analysis found that in the intercensal period (i) shared ownership tenures

²⁰https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/864265/First_Homes_consultation_document.pdf

²¹ Available at: [<https://www.brighton-hove.gov.uk/sites/brighton-hove.gov.uk/files/GL%20Hearn%20HSG%20OAN%20Rprt%20%20Jun%202015.pdf>]

- decreased by 53.3% over the period and (ii) that private renting increased by 55%. The very little social rent in the NA, compounded with a re-let rate of 0 and an annual need of 33 p.a. would indicate a need for more affordable housing for rent within the neighbourhood. This suggests that some provision of Affordable Housing would offer a wider choice of homes for residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.
- H. Views of registered providers: it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in this area.
- I. Wider policy objectives: the neighbourhood group may wish to take account of broader policy objectives for Hove Park and/or the wider District. These could include, but are not restricted to, policies to attract younger households, families or working age people to the Neighbourhood Area. These wider considerations may influence the mix of Affordable Housing provided.
82. Figure 4-7 provides an indicative tenure split which could be delivered within the NA based on the considerations above. Where the neighbourhood planners wish to develop policy that requires a different mix to that set out in the Local Plan, it is important that they liaise with the LPA to gather more detailed income and viability information, and to ensure that departures from the district-level policy context have the LPA's support. Another option 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.
83. Figure 4-7 provides a broad split, based on the evidence in this report and AECOM's judgement on the balance of wider factors. Evidence on the affordability of different affordable home ownership products suggest that discounted market homes (including proposed First Homes at a 30% discount) would not extend home ownership to those on average incomes. Our analysis demonstrated that the discount would need to be around 50-60% to ensure these products are affordable to those on average incomes. If substantial discounts can be provided, this product has the potential to extend home ownership to those currently unable to afford to buy and should therefore be considered as an important part of the affordable housing mix.
84. Shared ownership options (shares 25-50%) when priced in relation to new build homes (using average prices as a proxy) similarly do not extend home ownership to those on average or lower quartile incomes in this area. However, the affordability of shared ownership properties may be improved through the provision of smaller homes, though this may not be a suitable option for all households.
85. Given the increase in the proportion of private renters in the NA, AECOM also suggests that the group consider whether Rent-to-Buy might be a suitable product in this area. Rent to Buy offers households the opportunity to rent in the PRS (at a discount) whilst saving towards a deposit to purchase the home after a defined period. This product has the potential to extend home ownership to those households who are unable to buy because they have insufficient savings.
86. Given the high potential demand for affordable housing for sale in the NA, affordable housing for sale is likely to be an important component of affordable housing supply in the NA. However, the extent to which different products are prioritised, will depend on the wider considerations (e.g. viability) and emerging Government requirements. AECOM provides an indicative mix in Table 4-7.
87. AECOM cannot provide guidance on the appropriate share of social/affordable rented homes as this will depend on the level of funding available to housing associations which will determine at what level rents can be set.

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

Routes to home ownership, of which	40%
Discounted market sale	15%
Shared ownership	15%
Rent to buy	10%
Affordable Housing for rent, of which	60%
Social rent	To be confirmed by RPs
Affordable rent	To be confirmed by RPs

Source: AECOM indicative split based on evidence in this report and considerations set out in paragraph 75

4.6 Conclusions- Tenure and Affordability

88. In terms of the current tenure profile of the neighbourhood, we found that a majority of Hove Park's population own their homes, which is a much higher percentage than its comparator geographies. This is followed by private rent and then, social rent, both of which are less popular in the NA than in the LPA and England as a whole. However, there is little to no social rent in the NA, especially when contrasted with the Brighton and Hove as a whole. While shared ownership is low on a regional and national level both, it is especially low in the NA.
89. Between 2001 and 2011, we found that (i) shared ownership tenures decreased by 53.3% over the period and (ii) that private rents increased by 55%. Social rents also decreased over the same period. Overall, there seems to have been a significant growth in private renting, which is similar to regional and national trends.
90. Furthermore, between 2009-2018, overall house prices in the NA grew by 74.0%. There was a significant growth in the percentage of flats (73.8%), followed closely by a growth in the percentage of terraced homes (71.3%). Semi-detached homes increased by 67.5% and detached homes increased by 48.7% over the same period.
91. In order to gain a clearer understanding of local affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds. Purchase thresholds denote the standard household income needed to access mortgage products, and income thresholds denote the maximum share of a family's income that should be spent on accommodation costs. The income required to afford the different tenures is benchmarked against three measurements of household income set out above. These are the average total household income for the MSOAs at £57,450 and the lower quartile gross earnings for Brighton and Hove for single-earners at £13,536 and dual-earning households at £27,072.
92. Taking into consideration the affordability thresholds set out, it is apparent that the income required to buy an average market home for sale is higher than those on median household incomes. The income required to buy an average entry-level home for sale is similarly higher for those on lower quartile household incomes.
93. Furthermore, for those on median incomes, none of the discounted market sale products offer a viable option unless substantial discounts are applied (between 50-60% of the new build price). With regards to shared ownership, each of offered tenures were similarly inaccessible based on assumed prices. In terms of affordable renting, both affordable rent and social rent products are affordable to those on average incomes. However, affordable rents are inaccessible to those on lower quartile household incomes, even when two members may be earning. Social rent, however, can be accessed by households on lower quartile incomes, but only when there are two earning members contributing to the household. The inability of those on lower quartile earnings to afford entry-level market rents, affordable rent and social rent suggests that these tenures might not extend accessible housing options to those on lower quartile household incomes, unless there are two members that are earning, or additional subsidy (eg housing benefit) is provided.
94. In terms of affordable housing in the NA, AECOM's estimate identified the potential demand for 436 homes for sale over the plan period. As per our analysis, households in the NA might be able to buy, especially when presented sufficient discounts, Rent-to-Buy or shared ownership tenure options. Thus, whilst some may be interested in and eligible for affordable home ownership, they may have other options and are not in housing need.
95. A pro-rating exercise of the need for affordable rented housing identified in the Brighton and Hove OAN study estimates that the NA needs 33 affordable homes for rent per annum or 330 over the plan period. Between 2015-2020, there were no re-lets in the neighbourhood area since there is very little social housing in the NA—as per the LPA, there are approximately 10 council properties within the neighbourhood area.
96. Based on our analysis, we recommend an indicative tenure split of 60/40 (affordable housing for rent/ affordable home ownership)—evidence on the affordability of different affordable home ownership products suggest that discounted market homes (including proposed First Homes at a 30% discount) would not extend home ownership in this area. A discount of 50-60% would be required to extend home ownership to those on median incomes. Shared ownership options (shares 25-50%) similarly do not extend home ownership to households on average incomes. However, the extent to which different products are prioritised, will depend on the wider considerations (e.g. viability) and emerging Government requirements.

5. RQ 2: Type and Size

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

5.1 Introduction

97. The Hove Park Neighbourhood Plan may include policies informed by evidence on what sizes and types of housing would be best suited to the local community. These policies could help ensure that future developments give local people options within the housing market at all stages of life.
98. PPG recommends a consideration of the existing housing provision and its suitability, having regard to demographic shifts in age and household composition, to address future, as well as current community need. For this reason, we firstly consider the type and size of the existing housing stock in Hove Park. Demographic shifts in age and household composition will then be considered. Finally, the future demand for housing by size and type is determined by the way different household types currently occupy their dwellings in the LPA, and then applying demographic projections of how the Neighbourhood Plan area population is likely to change by the end of the Plan period.

5.2 Existing types and sizes

5.2.1 Background and definitions

99. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household ‘consumption’ of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth, income, and age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.
100. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require and would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture to demographics, household type and size.
101. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, ‘dwelling sizes’ can be translated as follows²²:
- 1 room = bedsit
 - 2 rooms = flat/house with one bedroom and a reception room/kitchen
 - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
 - 4 rooms = flat/house with 2-bedroom, one reception room and one kitchen
 - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
 - 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen
 - 7+ rooms = house with 4 or more bedrooms
102. It is also useful to clarify the Census terminology around dwellings and household spaces. These can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people’s accommodation is self-contained.²³ As such, all dwellings are classified into either “shared” or “unshared” dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.
103. The key measure of whether a dwelling is shared or unshared relates to the Census’ definition of a household. A household is defined as “One person living alone or a group of people (not necessarily related) living at the same

²² At <https://www.nomisweb.co.uk/census/2011/qs407ew>

²³ At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

address who share cooking facilities and share a living room or sitting room or dining area.”²⁴ On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

5.2.2 Dwelling type

104. The 2011 Census shows that there were 3,968 households in Hove Park, living in 1,727 detached houses, 1,384 semi-detached, 287 terraced houses, and 671 flats. Compared with the LPA, Hove Park is characterised by a higher total percentage of whole houses and a lower total percentage of flats. As seen Table 5-1 below, Hove has a higher percentage of detached houses than both of its comparator geographies. Terraced houses are the least popular type of house in Hove Park—detached and semi-detached houses make up the bulk of homes found in the neighbourhood area. As compared to both Brighton and Hove and England, Hove Park has a lower percentage of flats, of which flats in commercial buildings are the least common.

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

Dwelling type		Hove Park	Brighton and Hove	England
Whole house or bungalow	Detached	42.5%	10.4%	22.4%
	Semi-detached	34.1%	19.4%	31.2%
	Terraced	7.1%	20.9%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	11.7%	25.5%	16.4%
	Parts of a converted or shared house	4.1%	23.7%	3.8%
	In commercial building	0.8%	2.0%	1.0%

Source: ONS 2011, AECOM Calculations

5.2.3 Dwelling size

105. Table 5-2 below sets out the distribution of the number of rooms by household space. The housing stock in Hove Park is characterised by a relatively high number of medium to large-sized homes—homes with between five-seven rooms appear to be the most popular. Homes with six rooms are the most common. Compared to Brighton and Hove, Hove Park has a smaller stock of small homes, that is, homes with between 1-3 rooms. Brighton and Hove has a higher percentage of homes with four rooms, while Hove Park has a much higher percentage of homes with between 5-7 rooms. The NA also has a higher percentage of larger homes than its comparator—Brighton and Hove has only 6.9% of homes with 8-9 rooms, whilst Hove Park has 26.4% of homes of the same kind.

Table 5-2: Number of rooms per household in Hove Park, 2011

Number of Rooms	Hove Park	Brighton and Hove
1 Room	0.4%	2.6%
2 Rooms	1.0%	7.1%
3 Rooms	4.8%	18.9%
4 Rooms	11.6%	24.7%
5 Rooms	15.0%	19.0%
6 Rooms	22.6%	13.9%
7 Rooms	18.2%	7.0%
8 Rooms or more	13.3%	3.8%
9 Rooms or more	13.1%	3.1%

Source: ONS 2011, AECOM Calculations

106. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. The main change from the 2001 Census findings is that number of homes with five rooms declined by 9.8% and homes with six rooms declined by 11.7%. However, it is likely this is only a marginal change given the base—the stock of five-room homes declined from 662 in 2001 to 597 in 2011. Similarly, six-room homes declined from 1015 in 2001 to 896 in 2011. The greatest increase was seen in the stock of while the stock of eight-room homes. Between

²⁴ Ibid.

2001-2011, this increased by 292. Additionally, during this period there was also an increase in the number of homes with one-room—however, the actual change was only incremental. Between 2001-2011, the actual stock of one-room homes increased by three.

Table 5-3: Rates of change in number of rooms per household in Hove Park, 2001-2011

Number of Rooms	Hove Park	Brighton and Hove	England
1 Room	25.0%	9.5%	-5.2%
2 Rooms	0.0%	30.8%	24.2%
3 Rooms	9.8%	13.9%	20.4%
4 Rooms	0.0%	0.4%	3.5%
5 Rooms	-9.8%	-2.5%	-1.8%
6 Rooms	-11.7%	0.5%	2.1%
7 Rooms	8.7%	14.0%	17.9%
8 Rooms or more	27.7%	18.4%	29.8%

Source: ONS 2001-2011, AECOM Calculations

107. Returning to the most recent Census data, it is also useful to compare the figures for number of rooms with figures for the number of bedrooms for each household.

109. Table below summarises the proportion of households occupying each size of home in terms of the number of

108. Bedrooms	Hove Park		Brighton and Hove		England	
All categories: Number of bedrooms	3,968	100.0%	121,540	100.0%	22,063,368	100.0%
No bedrooms	3	0.1%	719	0.6%	54,938	0.2%
1 bedroom	205	5.2%	31,244	25.7%	2,593,893	11.8%
2 bedrooms	614	15.5%	39,169	32.2%	6,145,083	27.9%
3 bedrooms	1,452	36.6%	32,461	26.7%	9,088,213	41.2%
4 bedrooms	1,183	29.8%	12,970	10.7%	3,166,531	14.4%
5 or more bedrooms	511	12.9%	4,977	4.1%	1,014,710	4.6%

bedrooms. This data shows that there is a high stock of homes with 3-4 bedrooms while there is a relatively low number of one-two bedroom homes. Contrasted with the Brighton and Hove, Hove Park has a higher percentage of three-bedroom homes. This is consistent with the profile outlined above, where it was established the NA has a high stock of medium to large sized homes. It thus follows that 3-4 rooms in homes with 6 rooms or more will likely be bedrooms.

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

Bedrooms	Hove Park		Brighton and Hove		England	
All categories: Number of bedrooms	3,968	100.0%	121,540	100.0%	22,063,368	100.0%
No bedrooms	3	0.1%	719	0.6%	54,938	0.2%
1 bedroom	205	5.2%	31,244	25.7%	2,593,893	11.8%
2 bedrooms	614	15.5%	39,169	32.2%	6,145,083	27.9%
3 bedrooms	1,452	36.6%	32,461	26.7%	9,088,213	41.2%
4 bedrooms	1,183	29.8%	12,970	10.7%	3,166,531	14.4%
5 or more bedrooms	511	12.9%	4,977	4.1%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

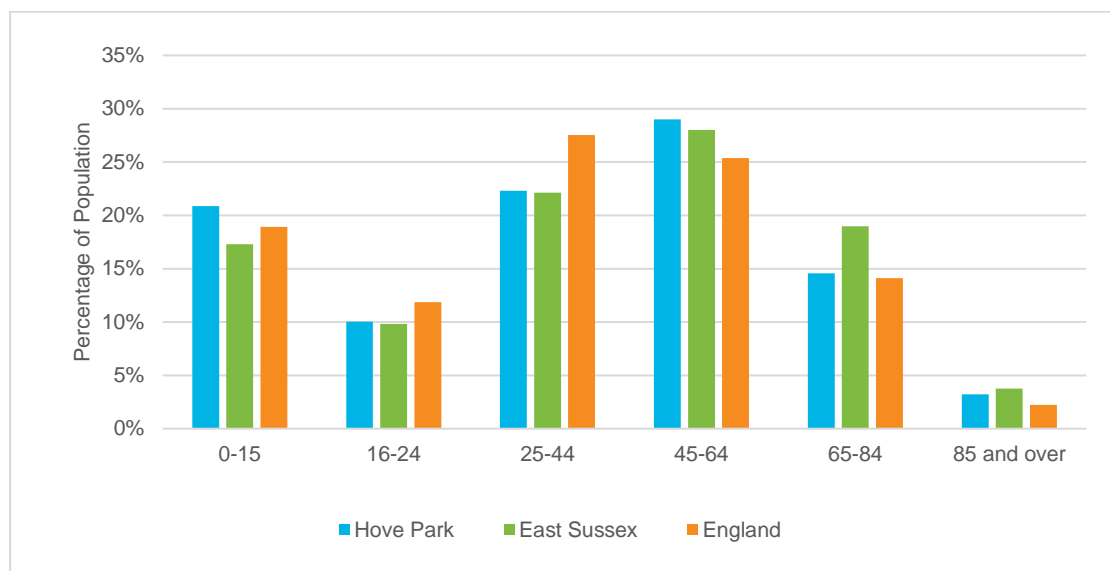
5.3 Household composition and age structure

110. Having established the current stock profile of Hove Park and identified recent changes in its composition, the evidence assembled below examines the composition and age structure of households in the 2011 Census and in future years. Through a consideration of the types of households projected to form over the Neighbourhood Plan period, and the mix of age groups suggested by demographic projections, it is possible to consider the type and size of housing needed in the Neighbourhood Plan area by the end of the planning period.

5.3.1 Age structure

111. The 2011 Census data reveals that Hove Park has a relatively young population, reflected in both a high number of individuals between the ages of 0-15 and individuals between the ages of 25-64. As seen in figure 5.1 below, Hove Park has a larger population of those aged between 0-15 than its wider geographies. Similarly, there is a higher number of individuals aged between 45-64 in the neighbourhood area than in Brighton and Hove and England. Furthermore, the population of individuals aged between 25-44 in Hove Park is only marginally greater than the population in the same age band in Brighton and Hove.

Figure 5-1: Age structure in Hove Park, 2011



Source: ONS 2011, AECOM Calculations

112. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001 the NA population has seen an overall increase in the number of individuals between the ages of 0-24 and decline in the number of individuals between the ages of 25-44. This is a higher decrease than Brighton and Hove, where the population of the same age band similarly declined, but only by 2.7%. However, this is only a change of a roughly 200 people—the population in this age group changed from 2,449 in 2001 to 2,298 in 2011. Between 2001 and 2011, the population of individuals between the ages of 45-64 increased by almost 16%—while this increase is slightly lower than the increase in the LPA, these rates are higher than the increase in England as a whole. Based on the rate of change, Hove Park has a high overall population of young people, despite experiencing a small decrease in the age band 25-44 (see Table 5-2 below).

Table 5-2: Rate of change in the age structure of Hove Park population, 2001-2011

Age group	Hove Park	Brighton and Hove	England
0-15	9.7%	-1.9%	1.2%
16-24	8.1%	22.8%	17.2%
25-44	-6.2%	-2.7%	1.4%
45-64	15.9%	17.7%	15.2%
65-84	-1.9%	5.6%	9.1%
85 and over	6.4%	12.3%	23.7%

Source: ONS 2001-2011, AECOM Calculations

5.3.2 Household composition

113. Household composition (i.e the mix of adults and children in a dwelling) is a critical factor in driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.

114. In assessing Census data on household composition, we see that Hove Park differs from the LPA in that there are fewer one-person households and a high number of one-family households. Of the 69.9% of one-family households in the NA,

33% of the families have dependant children. Only 10.5% of these households comprise of individuals aged 65 and above, indicating that most households are young families with children. Compared to its wider geographies, Hove Park has the highest percentage of one family households and the lowest percentage of one person households.

115. Note that non-dependent children refer to households in which adult children are living at home, or students still call their primary residence despite living for most of the year near to university. The presence of higher numbers of households with non-dependent children can often indicate poor affordability of entry-level homes in an area as many such young people may wish to move out and form their own households if they were financially able.

Table 5-3: Household composition (by household), Hove Park, 2011

		Hove Park	Brighton and Hove	England
One person household	Total	22.9%	32.8%	30.2%
	Aged 65 and over	12.0%	16.2%	12.4%
	Other	10.9%	16.5%	17.9%
One family only	Total	69.9%	61.2%	61.8%
	All aged 65 and over	10.5%	11.1%	8.1%
	With no children	16.7%	18.2%	17.6%
	With dependent children	33.0%	23.5%	26.5%
	All children Non-Dependent	9.7%	8.4%	9.6%
Other household types	Total	7.2%	6.1%	8.0%

Source: ONS 2011, AECOM Calculations

116. Again, it is relevant to consider rates of change in this indicator during the period between Censuses. Between 2001 and 2011, the main changes in household composition were that the overall number of family households with children (non-dependent and dependent both) increased by 34.8% whilst the total percentage of family households with members aged 65 and above decreased by 15.4%. This change is consistent with the profile of the neighbourhood area as one with a young population with families. With regards to one person households, the percentage of individuals aged 65 and over similarly decreased by 13% while the percentage of younger single households rose by 12.2%. This is indicative of that part of the population between the ages of 25-64 that do not have a family or of young people that choose to live alone (see Table 5-4).

Table 5-4: Rates of change in household composition, Hove Park, 2001-2011

		Percentage change, 2001-2011		
Household type		Hove Park	Brighton and Hove	England
One person household	Total	-2.6%	9.0%	8.4%
	Aged 65 and over	-13.0%	-8.4%	-7.3%
	Other	12.2%	34.0%	22.7%
One family only	Total	4.1%	6.0%	5.4%
	All aged 65 and over	-15.4%	-7.0%	-2.0%
	With no children	-2.5%	9.7%	7.1%
	With dependent children	10.7%	4.3%	5.0%
	All children non-dependent	24.1%	25.2%	10.6%
Other household types	Total	15.7%	27.1%	28.9%

Source: ONS 2001-2011, AECOM Calculations

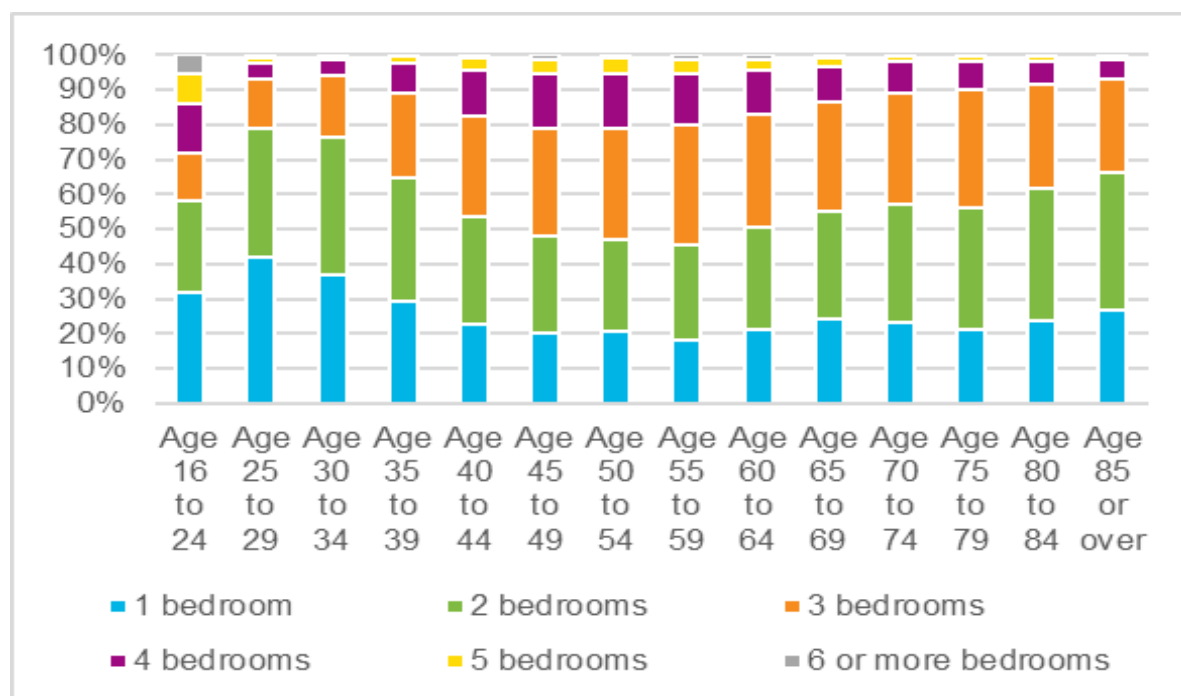
5.4 Dwelling mix determined by life-stage modelling

117. Recognising the fact that households of different ages may have different housing needs, the housing mix needed to meet demographic change by the end of the Plan period is estimated by an approach based on current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in households aged under 24 will lead to an increase in the need for the type of housing currently occupied by households of that age. It is important to keep in mind that this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income

and wealth, other than in an indirect way through the propensity of households to occupy more or less space than they 'need'. This approach also embeds existing patterns of occupancy which may or may not be desirable. This is particularly important to keep in mind in areas where housing affordability has worsened because it means that many households are forced to occupy less space than they need or want.

118. However, no data on housing size occupation by age of the Household Reference Person (HRP- a more modern term for 'head of household') is available at neighbourhood level. For this reason, LPA-level data needs to be used as the closest proxy.
119. Figure 5-1 below sets out the relationship in the 2011 Census at LPA level between the age of the HRP and the size of dwelling occupied. This provides the starting point for determining the most appropriate dwelling size mix by the end of the Neighbourhood Plan period. The data shows that two-bedroom dwellings are the most common type of dwelling seen across 7 out of the 11 age bands. It is the most popular size of housing amongst residents between the ages of 30-45. Older populations, that is, individuals 70 and above, similarly are more likely to live in two-bedroom dwellings. In the case of the younger populations, e.g. the age band 25-29, one-bedroom dwellings are most common. Dwellings with six or more bedrooms are largely uncommon — individuals that live in these very large dwellings predominately fall into the age band 16-24, indicating these could be flat-shares or housing rented by students or young people that choose to live together (in houses of multiple occupation).

Figure 5-1: Age of household reference person by dwelling size in Hove Park, 2011



Source: ONS 2011, AECOM Calculations

120. Household projections provided by MHCLG are used to understand the future distribution of households by the age of the HRP. Again, this data is only available at the LPA level and for the years 2014 and 2039. Therefore, the distribution of households by the age of the HRP would be estimated, i.e. the end of the Neighbourhood Plan period (red in the table). The data is presented in Table 5-5 below.

Table 5-5: Projected distribution of households by age of HRP, Hove Park

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	7,564	21,415	50,696	16,824	25,041
2014	7,465	21,030	51,458	17,049	28,041
2030	7,907	20,720	53,600	22,551	41,172
2039	8,115	20,573	54,608	25,140	47,351

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

121. It is then necessary to extrapolate from this LPA-level data an estimate of the corresponding change in the age structure of the population in Hove Park. To do so, the percentage increase expected for each group across the age bands derived from the data presented above was mapped to the population of Hove Park. The results of this calculation are detailed in Table 5-6 below:

Table 5-6: Projected distribution of households by age of HRP, Hove Park

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	44	254	1,761	753	1,156
2014	43	249	1,787	763	1,294
2031	46	246	1,862	1,009	1,901

Source: AECOM Calculations

122. To complement the two stages in Table 5-7 below sets out the distribution of dwellings of different sizes according to the age of the HRP as they appeared in Census 2011. This provides the basis for a modelled estimate of the proportion of dwelling sizes that will be occupied by each age band across Brighton and Hove by the end of the plan period.

Table 5-7: Age of household reference person to size, grouped, Brighton and Hove, Census 2011

Size	Age of HRP 16 to 24	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
1 bedroom	31.8%	39.1%	23.4%	19.9%	23.9%
2 bedrooms	26.5%	38.5%	30.4%	28.1%	35.0%
3 bedrooms	13.4%	15.9%	28.9%	33.4%	31.0%
4 bedrooms	14.5%	4.8%	12.9%	13.6%	8.0%
5+ bedrooms	13.8%	1.7%	4.3%	5.0%	2.1%

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

123. Finally, having established the likelihood shown by households at different life-stages towards dwellings of different sizes, and the approximate number of households in Brighton and Hove and Hove Park falling into each of these stages by the end of the Plan period in 2031, it is possible to estimate how the housing stock might evolve in terms of size over the Neighbourhood Plan period in response to demographic change (see Table 5-8 below).
124. The table takes in turn each projected age group in 2031, estimating how many of the households in that age bracket will want or need to occupy each size of dwelling. This is repeated for each age bracket and added together to arrive at an estimation of what proportion of each size of dwelling will be required overall.

Table 5-8: Likely dwelling size distribution in Hove Park by the end of the Plan period, based on modelled household life-stages (totals may not sum due to rounding)

Size	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total Households requiring dwelling size
Pop	46	246	1,862	1,009	1,901	-
1 bedroom	15	96	435	201	454	1,201
2 bedrooms	12	95	566	284	665	1,622
3 bedrooms	6	39	539	337	589	1,510
4 bedrooms	7	12	241	137	152	549
5+ bedrooms	6	4	81	50	40	181

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

125. It is now possible to compare the 2011 housing mix in terms of size with the projected requirement based on the estimates set out in Table 5-8 above modelling the change in the age structure of the population in Hove Park.
126. Table 5-9 below indicates that, by 2031, the size distribution of dwellings should be as follows: planners should focus

on delivering more small-medium size homes, ranging from one to three-bedroom homes—about 86% of all homes delivered should be one-three-bedroom homes, with 32% of that share being two-bedroom homes. There appears to be a sufficient stock of homes with five-bedrooms or more and thus, only 2.6% of homes delivered in the future should be large.

Table 5-9: 2011 housing sizes compared to likely distribution at end of Plan period, Hove Park

Number of bedrooms		2011	2031	
1 bedroom	205	5.2%	1,201	23.7%
2 bedrooms	614	15.5%	1,622	32.0%
3 bedrooms	1,452	36.6%	1,510	29.8%
4 bedrooms	1,183	29.8%	549	10.8%
5 or more bedrooms	511	12.9%	181	3.6%
Total households	3,968	100.0%	5,064	100.0%

Source: Census 2011, AECOM Calculations

127. Table 5-10 below sets out the estimated misalignment between future demand for housing, based on the modelled preferences of households at different life-stages, and the current stock available in the Neighbourhood Plan area.

Table 5-10: Future potential misalignments of supply and demand for housing, Hove Park

Number of bedrooms	2011	2031	Change to housing mix	Recommended split
1 bedroom	205	1,201	996	48.3%
2 bedrooms	614	1,622	1,008	48.9%
3 bedrooms	1,452	1,510	58	2.8%
4 bedrooms	1,183	549	-634	0.0%
5 or more bedrooms	511	181	-330	0.0%

Source: AECOM Calculations

128. The interim result of the life-stage modelling exercise shows that, in terms of demographic change, new development might involve the following share of dwelling sizes: 48.3% of as 1 bedroom, 48.9% as two bedrooms, 2.8% as three bedrooms, 0% as four bedrooms and 0% as 5 or more bedrooms.
129. Note that the changes to the housing mix given above for four- and five or more-bedroom dwellings are negative numbers. Because in light of the national and local housing shortage, it is rarely advisable or practicable to remove dwellings from the available stock, as would otherwise be suggested here for dwellings with three or more bedrooms, we have instead set the recommended split at 0% rather than a negative number, and rebalanced the other sizes as percentages of the additional dwellings they represent in total. In other words, the interim results of the life-stage modelling suggest that there will be no need for further 4-5-bedroom dwellings over the Neighbourhood Plan period. It is important to stress that there may be other good reasons to provide a particular size or type of dwelling in the NA, for example the need to improve the mix of homes in a particular location, improving choice or meeting needs in the wider housing market area.
130. This model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some larger dwellings. The provision of larger homes should not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the neighbourhood plan may be used to influence the size mix of housing coming forward, the neighbourhood planners should consider how to increase options for smaller homes. It is, however, worth noting that Hove Park plays an important role in the wider market—since the city centre is dominated by smaller homes, the NA provides an option for those looking for larger homes in a market dominated by smaller dwellings.
131. Note that only the percentage mix in the right-hand column is relevant to the purposes of this HNA and the neighbourhood planning process. The actual numbers of dwellings required to adjust the size mix do not reflect that actual quantity of housing needed in the NA and are simply a step in the calculation necessary to produce a percentage split. As a general point, this dwelling mix in percentage terms stands alone from the overall quantity of housing needed or allocated over the Plan period, and could equally apply to windfall development, allocations beyond the plan period, or any other source of housing supply.

5.5 Conclusions- Type and Size

132. This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site-specific factors which may justify a particular dwelling mix.
133. In terms of dwelling type and size, the 2011 Census shows that there were 3,968 households in Hove Park, living in 1,727 detached houses, 1,384 semi-detached, 287 terraced houses, and 671 flats. Compared with the LPA, Hove Park is characterised by a higher total percentage of whole houses and a lower total percentage of flats.
134. The housing stock in Hove Park is characterised by a relatively high number of medium to large-sized homes—homes with between five to seven rooms appear to be the most popular. Homes with six rooms are the most common.
135. In terms of demographic change, the analysis suggests that Hove Park has both a high number of individuals between the ages of 0-15 and individuals between the ages of 25-64. Similarly, there is a higher number of individuals aged between 45-64 in the neighbourhood area than in Brighton and Hove and England. Furthermore, our analysis determined that the population of individuals aged between 25-44 in Hove Park is only marginally greater than the population in the same age band in Brighton and Hove. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001, the NA population has seen an overall increase in the number of individuals between the ages of 0-24 and decline in the number of individuals between the ages of 25-44.
136. In assessing Census data on household composition, Hove Park differs from the LPA in that there are fewer one-person households and a high number of one-family households. Of the 69.9% of family households in the NA, 33% of the families have dependent children. Only 10.5% of these households comprise of individuals aged 65 and above, indicating that most households are young families with children. Compared to its wider geographies, Hove Park has the highest percentage of family households and the lowest percentage of one person households.
137. Furthermore, it is relevant to consider rates of change in this indicator during the period between Censuses. Between 2001 and 2011, the main changes in household composition were that the overall number of family households with children (non-dependent and dependent both) increased by 34.8% whilst the total percentage of family households with members aged 65 and above decreased by 15.4%. This change is consistent with the profile of the neighbourhood area as one with a young population with families.
138. The result of the life-stage modelling exercise in this HNA shows that, in terms of demographic change, new development might involve focusing on smaller properties (1 and 2 bedrooms) rather than larger.
139. This model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some larger dwellings. The provision of larger homes should not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the neighbourhood plan may be used to influence the size mix of housing coming forward, the neighbourhood planners should consider how to increase options for smaller homes. Furthermore, It is, however, worth noting that Hove Park plays an important role in the wider market—since the city center is dominated by smaller homes, the NA provides an option for those looking for larger homes in a market dominated by smaller dwellings.

6. Conclusions

6.1 Overview

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

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

Issue	Source(s) (see Chapter 3)	Summary of evidence and data assessed	Conclusions and recommendations
Housing tenure and affordability	Chapter 4	<p>In terms of the current tenure profile of the neighbourhood, we found that a majority of Hove Park's population own their homes, which is a much higher percentage than its comparator geographies. This is followed by private rent and then, social rent, both of which are less popular in the NA than in the LPA and England as a whole. However, there is little to no social rent in the NA, especially when contrasted with the Brighton and Hove as a whole. While shared ownership is low on a regional and national level both, it is especially low in the NA.</p> <p>Between 2001 and 2011, we found that (i) shared ownership tenures decreased by 53.3% over the period and (ii) that private rents increased by 55%. Social rents also decreased over the same period. Overall, there seems to have been a significant growth in private renting, which is similar to regional and national trends.</p> <p>Taking into consideration the affordability thresholds set out, it is apparent that the income required to buy an average market home for sale is higher than those on median household incomes. The income required to buy an average entry-level home for sale is similarly higher for those on lower quartile household incomes.</p>	<p>Our analysis found that for those on median incomes, discounted market sale products do not offer a viable option. With regards to shared ownership, each of offered tenures were similarly inaccessible. In terms of affordable renting, both affordable rent and social rent products are affordable to those on average incomes and to those on lower quartile incomes, where two members are earning. The inability of those on lower quartile earnings to afford entry-level market rents, affordable rent and social rent suggests that these tenures might not extend accessible housing options to those on lower quartile household incomes, unless there are two members that are earning, or additional subsidy is provided.</p> <p>Using a pro-rating exercise of the need for affordable rented housing identified in the Brighton and Hove OAN study, we identified need for about households in 33 Hove Park unable to access affordable rented homes suitable to their needs. Additionally, we identified roughly 43.6 households per annum who may be interested in affordable home ownership (436 over the plan period). Based on our analysis, we suggest an indicative tenure split of 60/40 (affordable housing for rent/affordable home ownership).</p>

Issue	Source(s) (see Chapter 3)	Summary of evidence and data assessed	Conclusions and recommendations
Housing type and size	Chapter 5	<p>In terms of dwelling type and size, the 2011 Census shows that there were 3,968 households in Hove Park, living in 1,727 detached houses, 1,384 semi-detached, 287 terraced houses, and 671 flats. Compared with the LPA, Hove Park is characterised by a higher total percentage of whole houses and a lower total percentage of flats.</p> <p>The housing stock in Hove Park is characterised by a relatively high number of medium to large-sized homes—homes with between five-seven rooms appear to be the most popular. Homes with six rooms are the most common.</p> <p>In terms of demographic change, the analysis suggests that Hove Park has both a high number of individuals between the ages of 0-15 and individuals between the ages of 25-64. Similarly, there is a higher number of individuals aged between 45-64 in the neighbourhood area than in Brighton and Hove and England. Furthermore, our analysis determined that the population of individuals aged between 25-44 in Hove Park is only marginally greater than the population in the same age band in Brighton and Hove. In terms of the changing age structure of the Neighbourhood Plan area population, census data shows that since 2001 NA population has seen an overall increase in the number of individuals between the ages of 0-24 and decline in the number of individuals between the ages of 25-44.</p>	<p>It is relevant to consider rates of change in this indicator during the period between Censuses. Between 2001 and 2011, the main changes in household composition were that the overall number of one family households with children (non-dependent and dependent both) increased by 34.8% whilst the total percentage of one family households with members aged 65 and above decreased by 15.4%. This change is consistent with the profile of the neighbourhood area as one with a young population with families.</p> <p>The result of the life-stage modelling exercise in this HNA shows that, in terms of demographic change, new development might involve focusing on smaller properties (1 and 2 bedrooms) rather than larger.</p> <p>This model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some larger dwellings. It is, however, worth noting that Hove Park plays an important role in the wider market—since the city centre is dominated by smaller homes, the NA provides an option for those looking for larger homes in a market dominated by smaller dwellings.</p>

6.2 Recommendations for next steps

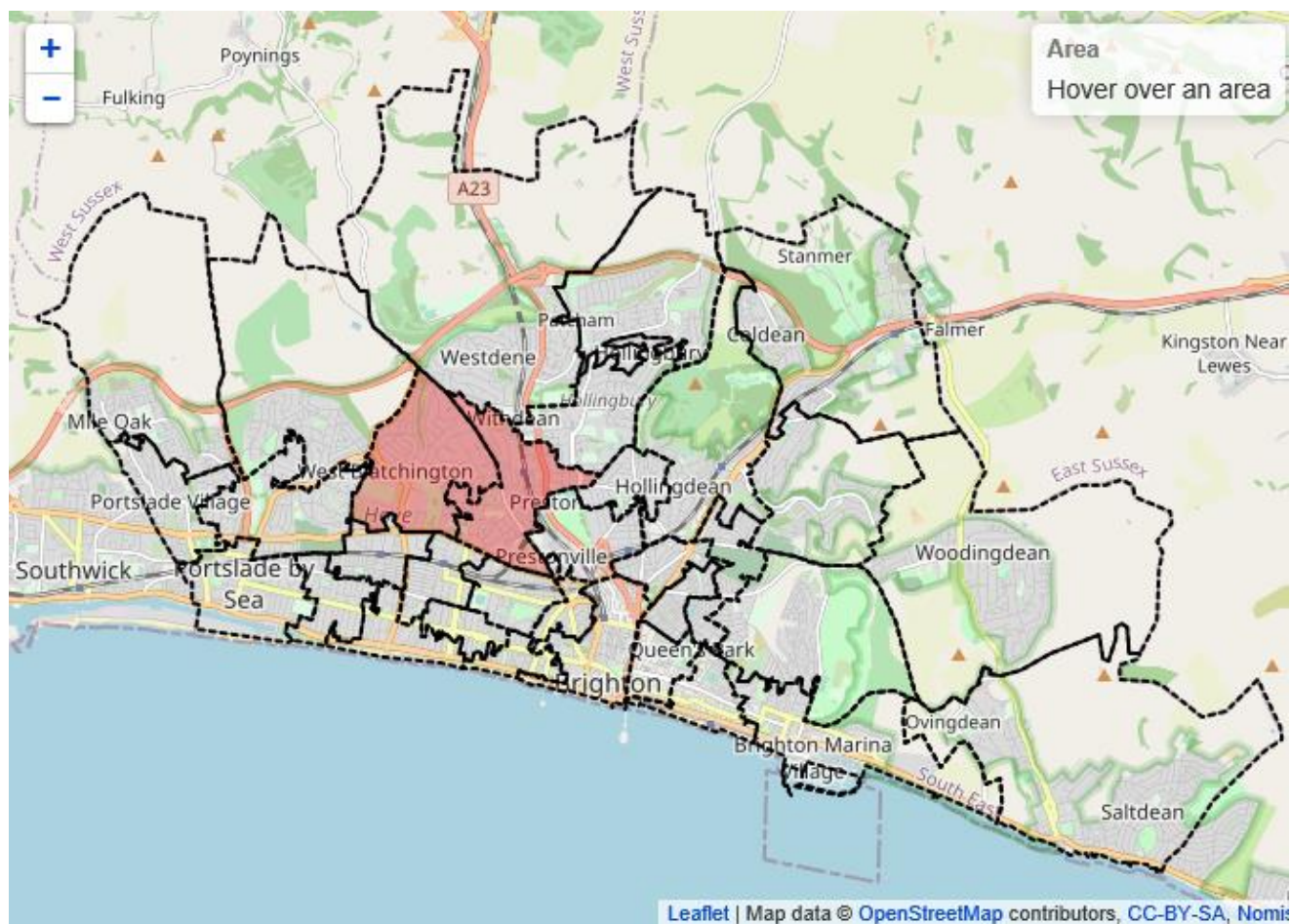
141. This Neighbourhood Plan housing needs assessment aims to provide Hove Park with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with Brighton and Hove with a view to agreeing and formulating draft housing policies, bearing the following in mind:
- All Neighbourhood Planning Basic Conditions, but in particular the following: Condition A, namely that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
 - The views of Hove Park – in particular in relation to the quantity of housing that should be planned for;
 - The views of local residents;
 - The views of other relevant local stakeholders, including housing developers and estate agents;
 - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Brighton and Hove, including but not limited to the Strategic Housing Land Availability Assessment (SHLAA);
 - The recommendations and findings of this study; and
 - The impact of the Government's Standard Methodology on calculating housing need for Brighton and Hove and the neighbourhood plan areas within it.
142. 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.
143. 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, Brighton and Hove or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
144. 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

145. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.
146. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Hove Park, it is considered that MSOAs E2003497 and E2003501 are the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of the MSOAs appears below in Figure 6-1.

Figure 6-1: MSOAs used as a best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

A.2 Market housing

147. Market dwellings are accessible to people on higher incomes. Choices in the housing market are driven principally by spending power, life stage, and personal taste.
148. The operation of the housing market is, in most circumstances, the best means of addressing the demand for different types of housing for sale. For this reason, it is important that planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand, because this is the principal way equilibrium is achieved in the market and thus house price growth kept in check.
149. In this sense, the notion of development viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of

resources for infrastructure improvements.

150. To determine affordability in market housing, the assessment considers two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

i) Market sales

151. 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.
152. To produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first-time buyer) should be taken into account. However, this data is not available for Hove Park. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.
153. The value of an entry-level dwelling is considered the best representation of the segment of market housing most likely to be accessible to those on lower incomes.²⁵ The value of an entry level dwelling used here is the lower quartile average house price from sales data from Land Registry over the year 2018.
154. The calculation is therefore:
- Value of an 'entry level dwelling' = £329,375;
 - Purchase deposit = £32,938 @10% of value;
 - Value of dwelling for mortgage purposes = £296,438;
 - Loan to income ratio = value of dwelling for mortgage purposes divided by 3.5;
 - **Purchase threshold = £84,696.**

ii) Private Rented Sector (PRS)

155. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. Households are deemed able to afford a private rented property if the lower quartile private rent does not exceed 25% of gross household income for households with incomes of less than £40,000 per annum, or 30% of gross household income for households with incomes of more than £40,000 per annum.
156. It is assumed that lower quartile private rent equates to the average rent paid in the Neighbourhood Plan area for a two-bedroom dwelling (enough living space for two or three individuals). In order to be in conformity with the Government guidance on overcrowding,²⁶ such a home would require three habitable rooms (a flat or house with two bedrooms).
157. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within the BN3 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.
158. According to [home.co.uk](https://www.home.co.uk), there are 164 two-bed properties currently listed for rent across the NA, with an average price of £1,336 per calendar month.
159. It is possible to derive from this data the estimated income threshold for private rental sector dwellings in the Neighbourhood Plan area; the calculation is therefore:
- Annual rent = £16,036;
 - Multiplied by 4 (so that no more than 25% of income is spent on rent) = £53,387;

²⁵ 'Entry-level dwelling' can be understood to comprise a property that costs the average value of dwellings falling into the lower quartile of house prices in the Neighbourhood Plan area, as set out in the Tenure and Affordability chapter above.

²⁶ This is based on the concept of the 'room standard', which indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room). See: http://england.shelter.org.uk/housing_advice/repairs/overcrowding

- **Income threshold (private rental sector) = £53,387**

160. The NPPF 2018 acknowledges that build-to-rent dwellings have a role to play in providing affordable market homes and may meet affordable housing need where they include a component of affordable private rent.

A.3 Affordable Housing

161. There are a range of tenures that constitute the definition of Affordable Housing within the 2019 NPPF: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership.

162. This variety of tenures reflects an ambition by the Government to provide a pathway to home ownership for more households, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide affordable housing into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay.

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

i) Social rent

164. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on low incomes and is subject to strict eligibility criteria.

165. 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 Hove Park. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Brighton and Hove in the table below.

166. To determine the income needed, it is assumed that no more than 25% of income should be spent on rent.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent PCM	£98.13	£109.89	£117.97	£131.43	£108.30
Annual average	1,270	1,647	1,109	147	4,310
Income needed	£16,992	£19,029	£20,428	£22,758	£18,753

Source: Homes England, AECOM Calculations

ii) Affordable rent

167. Affordable rent is controlled at no more than 80% of the local market rent. As demonstrated in this report, the annual entry-level rent in Hove Park is £1,336. In the event of a 20% reduction in rent to £1068, the income threshold would reduce to an estimated **£4,275**. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000). Even an 80% discount on the market rent may not be sufficient to ensure that households can afford it, particularly when they are dependent on benefits. RPs 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%.

iii) Intermediate tenures

168. Intermediate housing includes homes for sale and rent provided at a cost above social rent, but below market levels, subject to the criteria in the affordable housing definition above. They can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing.

Discounted market sale

169. In paragraph 64 of the NPPF 2019, the Government introduces a recommendation that "where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership".

170. Whether to treat discounted market sale homes as affordable housing or not depends on whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% or other discount levels would bring them within reach of people currently unable to access market housing for purchase.
171. To provide a conservative assessment of the suitability of discounted market sale homes, it is appropriate to apply the value we have estimated for an entry-level dwelling, namely £329,375.
172. Applying a discount of 20% provides an approximate selling price of £386,000. Allowing for a 10% deposit further reduces the value of the property to £347,400. The income threshold at a loan to income ratio of 3.5 is £99,257.
173. In practice, developers are likely to price discounted market homes in relation to new build prices. When these are discounted by 20% they may not offer any discount on entry level prices in the existing dwelling stock.

Shared ownership

174. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied by 'staircasing'. Generally, staircasing will be upward, thereby increasing the share owned over time.
175. 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.
176. To determine the affordability of shared ownership, calculations are based on the lower quartile house price of £482,500.²⁷ The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 25% of the income on rent (as for the income threshold for the private rental sector).
177. A 25% equity share of £482,500 is £120,625, from which a 10% deposit of £12,063 is deducted. The mortgage value of £108,563 is then divided by 3.5. To secure a mortgage of £108,563, an annual income of £31,018 is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £361,875. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £9,047 and requires an income of £30,126 (multiplied by 4 so that no more than 25% of income is spent on rent). Therefore, an income of around **£61,144** (£31,018 + £30,126) is required to afford a 25% shared equity purchase of an entry-level home. The same calculations were undertaken for equity shares of 50% and 75%, producing income thresholds of £82,120 and £103,096 respectively.

²⁷ It is important to note that this is based on new build sales only. The current shared ownership models are only available for new build homes, with the assumed cost therefore differing from the cost of open market housing, which also includes property re-sale.

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods²⁸.

Age-Restricted General Market Housing

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

²⁸ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard²⁹

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

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order³⁰

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)³¹

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

Equity Loans/Shared Equity

An equity loan which acts as a second charge on a property. For example, a household buys a £200,000 property with a 10% equity loan (£20,000). They pay a small amount for the loan and when the property is sold e.g. for £250,000 the lender

²⁹ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

³⁰ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

³¹ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

receives 10% of the sale cost (£25,000). Some equity loans were available for the purchase of existing stock. The current scheme is to assist people to buy new build.

Extra Care Housing or Housing-With-Care

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

Fair Share

'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.

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 years³², i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

³² See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing³³

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

³³ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.³⁴

³⁴ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

