

# Longhoughton, Boulmer & Howick

Housing Needs Assessment (HNA)

July 2024

## Quality information

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## List of acronyms used in the text:

HMA	Housing Market Area
HNA	Housing Needs Assessment
HRF	Housing Requirement Figure (the total number of homes the NA is expected to plan for, usually supplied by LPAs)
HLIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LA	Local Authority
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LPC	Longhoughton Parish Council
LPA	Local Planning Authority
LSOA	Lower Layer Super Output Area
MHCLG	Ministry for Housing, Communities and Local Government
MSOA	Middle Layer Super Output Area
NA	Neighbourhood (Plan) Area
NCC	Northumberland County Council
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
OA	Output Area
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

# 1. Executive Summary

- 1.1 Longhoughton Parish is a Neighbourhood Area (NA) located in the county of Northumberland. The NA boundary covers the area administered by Longhoughton Parish Council.
- 1.2 It should be noted that since 2011, small changes have been made to the Parish boundary. As a result, it has not been possible to recreate the NA boundary exactly using Census Output Areas (OAs). The OAs used to recreate the NA are explained in further detail (with a map) in Appendix A. This means that the 2021 Census data used throughout the report relates to a slightly smaller area than the NA. Census data in the tables throughout the report is therefore represented as percentages rather than raw figures. It should be noted however that the boundary change only caused two dwellings to move from Craster Parish to Longhoughton. The data is still considered robust, with the overall characteristics of the NA still reflected when using this proxy area.
- 1.3 The 2021 Census total number of dwellings in the NA is 661. Northumberland County Council have provided completions data which shows that 71 dwellings have been completed in the NA between April 2011 and March 2023. Of these completions, 10 were delivered as Affordable Housing, representing 14.1% of total completions. As of 2023, there are 8 outstanding commitments in the NA.
- 1.4 This HNA is consistent with the National Planning Policy Framework (2023) and Planning Practice Guidance. The Government recently published a new NPPF for consultation in July 2023. Whilst the approach in this HNA is consistent with existing guidance, the HNA may need to be reviewed after the introduction of any new NPPF.
- 1.5 This Executive Summary details the conclusions of each chapter of this Housing Needs Assessment (HNA), addressing each of the themes agreed with the Parish Council at the outset of the research.

## Conclusions- Tenure and Affordability

### Current tenure profile

- 1.6 The NA has lower proportions of owner occupation (56%) and social renting (9%) than the Northumberland and England averages. In turn, there is a significantly higher proportion of private rented dwellings in the NA (34.8%) than those wider geographies. This is the case despite a decline in the proportion of people renting privately between 2011 and 2021 and 25% growth in home ownership over the same period.
- 1.7 This high level of private rentals is influenced by the strong presence of the RAF in the area, which provides accommodation for personnel in the Parish, primarily in the form of rented housing. The size of this segment of the market in 2024 was stated by the RAF as 184 dwellings. However, of these, around 29 homes have been let on the private market. This means it can be estimated that 155 homes are in use for RAF or other armed forces personnel.

## Affordability

- 1.8 The median house price, which is the middle number when you sort the data from smallest to largest has increased by 96.1% between 2014 and 2023, from £228,750 to £448,500. The lower quartile has increased by 78.0% between 2014 and 2023, increasing from £158,000 to £281,250. This significant recent uptick in prices presents additional affordability challenges for those with the lowest incomes.
- 1.9 It appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income 140.0% higher than the current average.
- 1.10 Private renting is generally only affordable to average earners, although households made up of two lower quartile earners appear able to afford entry-level rented dwellings. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.
- 1.11 The high proportion of RAF exclusive properties may be exerting upward pressure on the price of market housing by reducing the available supply of housing for non-RAF personnel.
- 1.12 This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. A 40% discount is suitable here. It is also worth noting that our estimates are based on 2023 prices, which reflect recent spikes in house prices and these may not be sustained long term or may be an anomaly. Therefore, in practice these products might be more affordable than they appear here.
- 1.13 Shared ownership appears to be more affordable than First Homes but is broadly accessible to the same groups. In 2021, the Government announced that the minimum equity share for shared ownership will fall to 10% of the property value.<sup>1</sup> If this is delivered in the NA, it will make shared ownership easier to access for more people. If Rent to Buy is offered at a discount to entry level rents, this would expand this route to home ownership to households with two lower quartile earners.
- 1.14 Affordable rented housing is generally affordable to all income groups depending on their household size (average earning households are unlikely to be eligible). Individuals will, if unable to secure a social rented dwelling, require additional subsidy through Housing Benefit to access housing.

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

## **The need for Affordable Housing**

1.15 AECOM estimates the need for 1.3 affordable rented homes per annum in the NA, equating to a total of 15.1 over the plan period and potential demand for 3.7 affordable home ownership dwellings per annum in the NA, equating to a total of 43.9 over the plan period. There is always uncertainty surrounding such estimates. In this instance, the need for affordable rented housing includes those in lower priority bands who may not be considered to technically have a housing need, while the estimated potential demand for affordable ownership reflects an arbitrary estimate of the share of renters who will in fact not want to buy due to preference and their RAF employment – which may have a greater or lesser impact on demand than assumed here.

### **Affordable Housing policy**

1.16 Northumberland's adopted policy on this subject (HOU6) requires 15% of new housing on major sites of 30 or more dwellings in this medium value area to be affordable, based on developments providing the 15% level of affordable housing required by Policy HOU6. If more than 15% affordable housing is provided, then there is scope for greater flexibility in the tenure mix proportions. The balance between rented tenures and routes to home ownership is specified as 33% affordable rent and 67% affordable ownership. The HNA evidence supports maintaining this tenure mix within Longhoughton.

## **Conclusions- Type and Size**

### **The current housing mix**

1.17 The current mix of dwelling type in the NA is predominantly composed of semi-detached (39.0%), detached (34.0%) and terraced properties (26.0%). Flats make up a much smaller proportion of dwellings in the neighbourhood area, accounting for 0.9%. The dwelling type split is roughly the same in the NA in 2021 as it was in 2011.

1.18 In 2021 3-bedroom properties account for the largest proportion of properties (39.6%), followed by 4+ bedrooms (33.4%) and 2-bedroom properties (24.3%). 1-bedroom properties make up the smallest proportion of dwellings in the NA (2.7%). Between 2011 and 2021, the proportion of 4+ bedroom dwellings has increased from 28.4% to 33.4% and the proportion of 2-bedroom properties has increased slightly from 24.1% to 24.3%.

### **Population characteristics**

1.19 Census data shows a large decrease in population between 2011 and 2021, by 15.1% from 1,960 to 1,664. This may be because Longhoughton has a large amount of second homes and the Census was completed during the Covid-19 pandemic, when people were not residing in the NA.

1.20 In Longhoughton there is a lower proportion of one person households (23.1%) compared to both Northumberland (32.8%) and England (30.1%). Family households with dependent children outnumber those with no children to a lesser extent in the NA compared to both the county and national averages.



- 1.21 85.6% of NA households are under-occupied by at least one bedroom, whilst 51.4% are under-occupied by at least two bedrooms. This is particularly the case for families under 65 with no children, older couples and single person households. Larger housing is not necessarily being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or able to move to smaller properties. There is limited overcrowding in the NA, with 1.1% of families with dependent children over-occupying their homes.

### **Future population and size needs**

- 1.22 Population growth can be expected to be driven by the oldest households, with a 61.0% increase expected in the 65 and over age group. This is the only age group expected to grow in size during the plan period, with no growth expected in those aged 55 to 64 and a decrease in those aged 24 and under, 25 to 34 and 35 to 54.
- 1.23 In order to reach the suggested indicative housing mix by the end of the plan period, priority should be given to 2-bedroom properties (49.5%), followed by 3-bedroom properties (32.7%) and 1-bedroom properties (17.8%). The modelling suggests that limited priority should be given to 4 and 5+ bedroom properties. The modelling exercise suggests a diversification away from a large current mix, with an emphasis on 1-3-bedroom properties to widen choice overall.
- 1.24 This may, however, be adjusted to allow for greater choice within the new homes that come forward (i.e. some continued provision of 4+ bedroom homes), and to seek more 3 bedroom homes and fewer 1-2 bedroom homes than the model suggests to retain existing density patterns and character.
- 1.25 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 specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors.

## **Conclusions- Specialist Housing for Older People**

- 1.26 There are no units of specialist accommodation in the NA at present, according to housingcare.org.
- 1.27 In 2021, 9.4% of the population in the NA were aged 75+. This proportion is expected to increase to 14.0% by the end of the plan period in 2036.
- 1.28 The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
- 1.29 These two methods of estimating the future need in Longhoughton produce a range of 22 to 26 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby

assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.

- 1.30 The majority of specialist housing needed in the NA would be market housing (17) whilst a smaller proportion of affordable units would be required (9). This is due to the majority of people aged 55-75 currently living in market housing and therefore not eligible for social rented housing. There is a lean towards the need for adapted, sheltered or retirement living, 16 dwellings, compared to the need for 10 units of housing with care.
- 1.31 Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Planning groups is to promote high standards of accessibility and adaptability in new developments.
- 1.32 The current adopted Local Plan policy HOU11 provides explicit encouragement for development to accommodate specific groups such as older people. It states that 20% of all new market housing and 50% of all new affordable ownership housing should meet national standards for accessibility and adaptability (Category M4(2)). As noted above, the main unmet need in the NA is for market housing. This can be satisfied by making sure as much new specialist housing as possible is accessible and adaptable for people with lower support needs.
- 1.33 It is considered that Longhoughton's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from Longhoughton entirely within the Neighbourhood Area boundary. If more appropriate to deliver specialist housing in a 'hub and spoke' model, Alnwick may be considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Area.

## Conclusions- Second homes

- 1.34 This section of the HNA considers the extent of second home ownership in Longhoughton and related trends.
- 1.35 In 2021 Longhoughton contained 663 households and 773 dwellings, implying that there were 110 dwellings with no usual resident households. This means that 14.2% of dwellings had no usual resident, compared to 7.7% across Northumberland and 6.0% nationally. Northumberland County Council's own data shows 26 second homes in the NA, accounting for 3.4% of all dwellings.
- 1.36 Looking at changes since 2011, at this time there were 63 dwellings with no usual resident household, accounting for 8.5% of dwellings. There has, therefore, been significant growth in this metric in the past decade – though this may also reflect the timing of the 2021 Census during the Covid pandemic.
- 1.37 Research was undertaken on the number of properties in the NA registered for business rates, specifically self-catering holiday units. As of April 2024, this gave a figure of 51

commercial holiday lets. This accounts for 46.4% of the empty dwellings in 2021 noted above, with the remaining likely holiday lets available for less than 140 days a year or second homes for personal/friends and family use. Northumberland County Council's own data shows 34 commercial holiday lets in the NA, 4.2% of all dwellings.

- 1.38 Northumberland County Council note that a number of unoccupied homes in the NA may simply be vacant, rather than used for other purposes, meaning that AECOM calculations may be lower in practice. It may well be that the number of household spaces with no usual residents are influenced by the RAF private rented accommodation in the parish (vacancies or RAF personnel not living there at the time of the Census).
- 1.39 Using research into holiday lets available in June/July/August on Airbnb, it was found that there were 12 entire property lets available, with an average nightly cost of £202. If a holiday let was rented back-to-back, as it could be in the summer months, the income (exclusive of related costs) associated with the holiday let would be more than 5.5 greater than that associated with longer term private rental.
- 1.40 Although the potential income difference is clear to see, there are other factors to be taken into consideration. These include the fact that holiday lets may not be occupied for the whole year, as well as running and maintenance costs (which would be associated with both holiday lets and private rentals), and the greater amount of work potentially required with holiday lets in terms of weekly cleaning and booking administration.
- 1.41 It is not possible to establish a precise causal link between second home ownership and declining affordability because rising prices and declining affordability is affected by other factors such as economic growth at the national level. Reduced availability (or supply) when demand is the same or growing, leads to increased prices and rents.
- 1.42 Boulmer is a ward located within the NA. The Parish Council have highlighted to AECOM that Boulmer has an issue in relation to the high amount of second home properties in the ward. The evidence gathered in this Chapter shows that Longhoughton does not meet the Local Plan threshold of 20% of dwellings with no usual resident, at which new dwellings would be required to be for principal residence. The proportion of dwellings with no usual resident in Longhoughton is 14.2%, and this may include a number of properties that are vacant for other reasons. NCC's data suggests lower rates of both second home ownership and holiday letting than are estimated here. However, within Boulmer Ward, concentrations of both second homes and holiday lets are understood to be far higher than the parish as a whole. AECOM has replicated the Parish Council's analysis to corroborate the finding that over 20% of homes in the ward are registered for business rates as commercial holiday lets. It has not been possible to replicate the count of second homes due to a lack of relevant data. However, on holiday lets alone Boulmer Ward appears to exceed the 20% threshold applied by NCC. That threshold is understood to apply to whole parishes, but this evidence, together with that gathered by the Parish Council, may justify pursuing a Neighbourhood Plan policy for Boulmer Ward specifically.

## 2. Context

### Local context

- 2.1 Longhoughton Parish is a Neighbourhood Area (NA) located in the unitary authority of Northumberland. The NA boundary is the same as the parish boundary and was designated in August 2021.
- 2.2 The Neighbourhood Plan is envisaged to start in 2024 and extend to 2036, therefore covering a period of 12 years. The evidence supplied in this report will look forward to the Plan end date of 2036, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
- 2.3 The Neighbourhood Area is primarily rural in nature, with the residential area focussed in the centre of the NA. The study area is connected to Alnwick via the A1068 and Newcastle via the A1069 and the A1. The closest train station to the NA is Alnmouth approximately 4.5km southwest. Co-Op food shop, two cafes, a community and sports centre and Longhoughton Primary School are located within the NA. The nearest dentist, GP surgery, post office and secondary school are located outside of the NA. The population of the Parish is located in three rural villages; Longhoughton which is the largest village, Boulmer which lies on the coast, and Howick. All contain a mixture of properties and tenure except Howick where most properties are rented.
- 2.4 The NA contains RAF Boulmer, an RAF station housing approximately 1,000 service, civilian and contracted personnel<sup>2</sup>. A large proportion of Longhoughton's housing outside this station is exclusively rented privately to RAF personnel and their families. The Longhoughton Housing Needs Survey (2019) states that 7.3% of respondents lived in accommodation provided by their employer, the majority of which were people living in RAF accommodation. In 2024, it is understood that the RAF own 184 dwellings in Longhoughton, of which 29 are placed on the private rental market for non-personnel due to vacancies.

### The NA boundary and key statistics

- 2.5 For Census purposes, the NA is made up, like the rest of England, of statistical units called Output Areas (OAs). It should be noted that since 2011, small changes have been

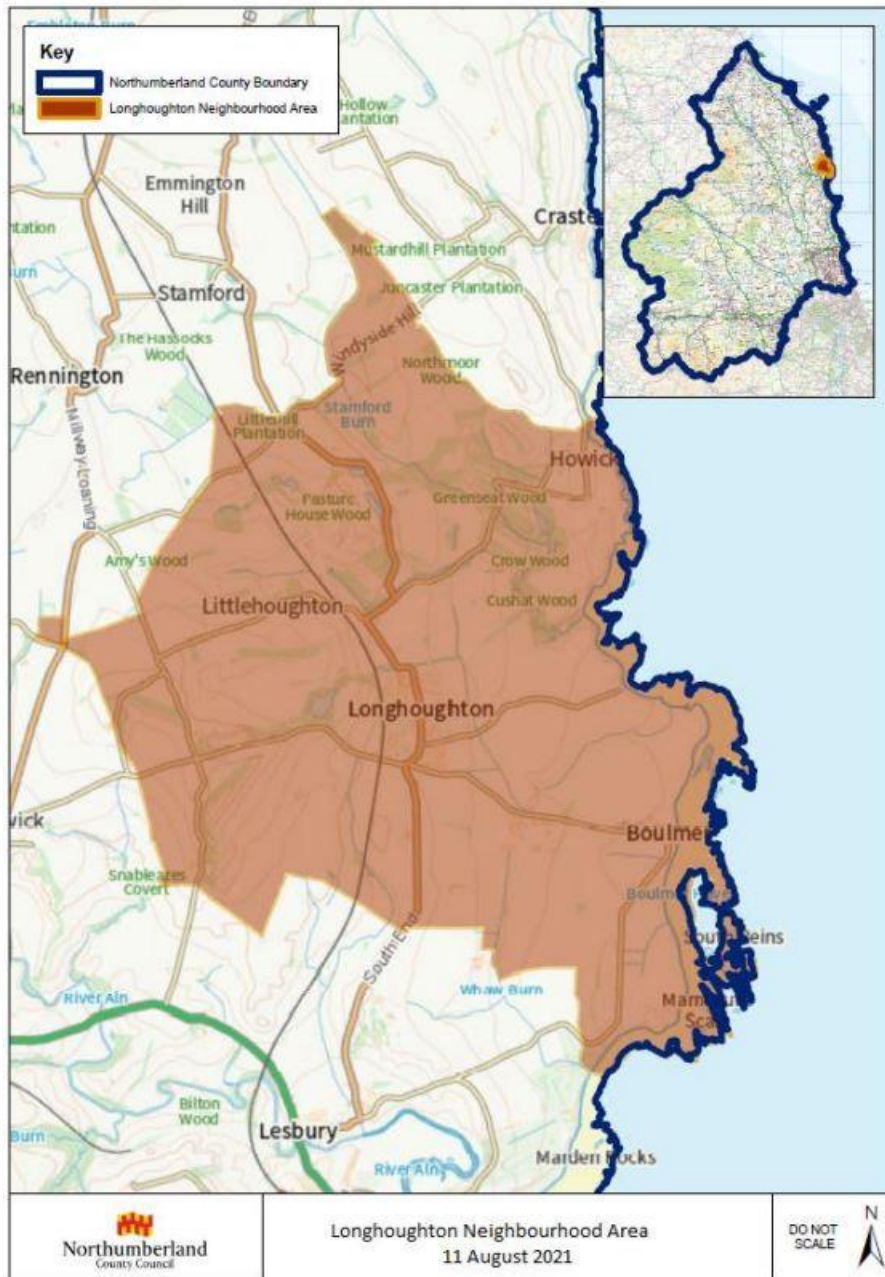
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<sup>2</sup> [RAF Boulmer | Royal Air Force \(mod.uk\)](https://www.mod.uk/RAF/Boulmer)

made to the Parish boundary. As a result, it has not been possible to recreate the NA boundary exactly using Census Output Areas (OAs). The OAs used to recreate the NA are explained in further detail (with a map) in Appendix A.

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

**Figure 1: Map of the Longhoughton Neighbourhood Area**



Source: Northumberland County Council<sup>3</sup>

2.7 As noted above, changes to the parish boundary between the 2011 and 2021 Census mean it has not been possible to recreate the NA boundary exactly using Census Output Areas (OAs). Consequently, the 2021 Census data presented throughout the report relates to a slightly smaller area than the NA, excluding a small section in the northeast

<sup>3</sup> Available at [Longhoughton-NP-Map-revised-2021.pdf \(northumberland.gov.uk\)](https://www.northumberland.gov.uk/Longhoughton-NP-Map-revised-2021.pdf)

of the NA. Census data in the tables throughout the report is therefore represented as percentages rather than raw figures. It should be noted however that the boundary change only caused two dwellings to move from Craster Parish to Longhoughton. The data is still considered robust, with the overall characteristics of the NA still reflected when using this proxy area.

- 2.8 At the time of the 2011 Census the NA was home to 1,960 residents, formed into 675 households and occupying 738 dwellings. The 2021 Census indicates population decline of around 296 individuals (or 15.1%) since 2011, recording a total of 1,664 residents and 663 households. The average household size fell from 2.90 to 2.50. The large decrease in population between 2011 and 2021 may be because Longhoughton has a large amount of second homes, particularly in Boulmer, and the Census was completed during the Covid-19 pandemic, when people were not residing in the NA. This may also be because the 2021 boundary is slightly smaller than the 2011 boundary, therefore potentially capturing fewer people and households. Local knowledge indicates the total number of dwellings in the NA to be closer to 800 – indicating the presence of further vacant homes and holiday lets.
- 2.9 Northumberland County Council have provided completions data which shows that 75 dwellings have been completed in the NA since 2011, 74 of which have been completed since April 2016 (the beginning of the Northumberland Local Plan period). Of these completions, 10 were delivered as Affordable Housing.

## The housing market area context

- 2.10 Whilst this Housing Needs Assessment (HNA) focuses on Longhoughton NA it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas.
- 2.11 In the case of Longhoughton, the NA sits within a housing market area which covers Northumberland County.<sup>[1]</sup> This means that when households who live in this authority area move home, the vast majority stay within this geography. The housing market area also has links to other neighbouring areas however, including Newcastle-upon-Tyne.
- 2.12 At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Longhoughton, are closely linked to other areas. Changes in need or demand in settlements nearby is likely to impact on the neighbourhood.
- 2.13 In summary, Longhoughton functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (Northumberland County Council), it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have

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<sup>[1]</sup> Northumberland County Council Strategic Housing Market Assessment (2018)



a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood plays within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

## Planning policy context

2.14 Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.<sup>4</sup> In the case of Northumberland, the relevant adopted Local Plan consists of:

2.15 The Northumberland Local Plan 2016 – 2036 (adopted March 2022)

2.16 A detailed breakdown of the Local Plan policies relevant to housing need is provided in Appendix B. Here, it is worth summarising the most important points of the adopted Local Plan:

- Local Plan Policy HOU2 identifies an overall housing target of 17,700 net additional dwellings for the county, at an annual average of 885 dwellings per annum;
- In Policy STP1 Longhoughton is designated as a Service Village. The policy supports the development of a proportionate level of housing growth in Service Villages, as the focus for investment in rural areas and to support the provision and retention of local services and facilities;
- Policy HOU3 requires the designated Longhoughton neighbourhood plan area to deliver a minimum 88 net additional dwellings over the plan period of 2016-2036;
- Policy HOU6 requires major housing development of 30 or more dwellings to provide 15.0% affordable housing (developments of 10-29 dwellings are exempt due to viability considerations). The suggested tenure mix within Affordable Housing is 33% affordable homes to rent and 67% affordable home ownership;
- Policy HOU11 sets out an expectation that 20% of new open market dwellings and 50% of affordable dwellings will be required to meet or exceed the enhanced accessibility and adaptability housing standards in compliance with Requirement M4(2) of the Building Regulations (or any equivalent successor standards).

## Quantity of housing to provide

2.17 The NPPF 2023 (paragraphs 67 and 68) requires LPAs to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.

2.18 Northumberland County Council has fulfilled that requirement by providing Longhoughton Parish Council with a minimum housing requirement figure of 88 dwellings to be accommodated within the NA by the end of the Plan period. This figure is outlined in Policy HOU3 of the Local Plan. As stated previously, 74 dwellings have

<sup>4</sup> A description of the Basic Conditions of Neighbourhood Planning is available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

been completed since the start of the Northumberland Local Plan period, meaning that the remaining residual requirement amounts to a further 14 dwellings over the remaining 12 years of the plan period.

## 3. Objectives and approach

### Objectives

3.1 This HNA is structured according to a number of themes or topics that were agreed at the outset of the research with Longhoughton Parish Council. These themes are broadly aligned with the kinds of housing policy areas available to neighbourhood plans, and each will form a distinct chapter of this report. The sub-sections below give a brief overview of the objectives of each chapter.

### Affordability and Affordable Housing

3.2 Neighbourhood plans may include policies that influence the scale of Affordable Housing provision and the mix of different tenures and products provided through new housing development.

3.3 This chapter has three aims, each given its own sub-section:

- To establish the existing **tenure** of homes within the NA at present (owner occupied, private rented, social/affordable rented, shared ownership);
- To examine the **affordability** of different tenures by considering house prices, rents, local incomes and earnings; and
- To estimate the scale of **need** for Affordable Housing, including the need for those who cannot afford to rent and those who cannot afford to buy.

3.4 The evidence gathered here can be used to justify planning policies in the Neighbourhood Plan, but it is likely that other supporting evidence may be needed, for example on viability. Local Plans typically include policies on Affordable Housing and whilst the Neighbourhood Plan must be in general conformity with these strategic policies, there is scope for Neighbourhood Plan policies to adopt some local variety where this is supported by the evidence.

### Type and Size

3.5 It is common for neighbourhood plans to include policies that influence what form new housing should take in terms of type and size. This requires evidence of what local people need.



3.6 The focus of this chapter is to identify relevant trends and potential gaps in the market that can be used to justify planning policies. It has three aims, each given its own sub-section:

- To establish what **mix** of housing exists in the NA at present;
- To describe relevant characteristics of the local **population**; and
- To look to the **future**, considering how the population is likely to evolve and what mix of homes would be most appropriate to build.

3.7 In addition to the direction of travel revealed by statistics, a variety of reasons sit behind people's housing choices that are less easy to predict, including wealth, accessibility requirements and personal preference. The conclusions and recommendations given here are sufficient for justifying planning policies but are not definitive. It is also appropriate to take into account other factors and evidence if desired.

## Specialist Housing for Older People

3.8 It may be appropriate for neighbourhood plans in areas with aging populations to include policies relating to specialist housing for older persons.

3.9 This chapter supplements the demographic evidence relating to Type and Size, including the potential demand for downsizing, to consider the quantity and characteristics of need for housing for older people with some form of additional care. Its approach is as follows:

- To review the **current provision** of specialist housing in the NA;
- To estimate the **potential demand** for this form of accommodation with reference to the projected growth in the older population and current rates of mobility limitation; and
- To discuss the potential for meeting this need through adaptations to the mainstream stock and other **additional considerations**.

3.10 This element of the HNA recognises that the majority of older people will live in the mainstream housing stock and that there is no single way to meet their needs. It may also be inappropriate to focus excessively on the needs of one group or to promote a specialist scheme in a location that lacks adequate services. These issues will be drawn out.

## Second Homes

3.11 This chapter considers the potential scale of second homes ownership, including commercial holiday lets, in the NA. The approach is as follows:

- To estimate the **current level** of second home ownership (including commercial holiday lets);
- To estimate the **financial incentive** for home owners to use their properties for commercial holiday lets as opposed to long term private rentals; and
- To discuss the potential **policy options** relating to second homes in the NA.

## Approach

3.12 This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the neighbourhood plan level. This includes data from the 2021 and 2011 Censuses and a range of other data sources, including:

- ONS population and household projections for future years;
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from [Home.co.uk](https://www.home.co.uk);
- Local Authority housing waiting list data; and
- Northumberland County Council Strategic Market Housing Assessment (2018).

3.13 Data from the 2021 Census continues to be released. At present, the available data covers population, households, tenure, and dwelling stock characteristics. Some data at the localised level, including parishes, will not be available until later in 2024, as well as some data comparing numerous variables. As such, neighbourhood level HNAs will draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census and Valuation Office Agency data.

## 4. Affordability and Affordable Housing

### Introduction

- 4.1 Neighbourhood plans may include policies that influence the scale of Affordable Housing provision and the mix of different tenures and products provided through new housing development.
- 4.2 This chapter has three aims, each given its own sub-section:
- To establish the existing **tenure** of homes within the NA at present (owner occupied, private rented, social/affordable rented, shared ownership);
  - To examine the **affordability** of different tenures by considering house prices, rents, local incomes and earnings; and
  - To estimate the scale of **need** for Affordable Housing, including the need for those who cannot afford to rent and those who cannot afford to buy.
- 4.3 The evidence gathered here can be used to justify planning policies in the Neighbourhood Plan, but it is likely that other supporting evidence may be needed, for example on viability. Local Plans typically include policies on Affordable Housing and whilst the Neighbourhood Plan must conform with these policies, there is scope for Neighbourhood Plan policies to adopt some local variety where this is supported by the evidence.
- 4.4 This HNA is consistent with the National Planning Policy Framework (2023) and Planning Practice Guidance. The Government recently published a new NPPF for consultation in July 2023. Whilst the approach in this HNA is consistent with existing guidance, the HNA may need to be reviewed after the introduction of any new NPPF.

### Definitions

- 4.5 This section uses a range of technical terms which are useful to define at the outset:
- **Tenure** refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership).
  - **Affordability** refers to the relationship between the cost of housing to buy or rent and the incomes and earnings of households.
  - The definition of **Affordable Housing** is set out in the NPPF 2023 (Annex 2) as 'Housing for sale or rent, for those whose needs are not met by the market...' We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF (Annex 2). A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.

- A range of affordable home ownership opportunities are included in the Government's definition of Affordable Housing, to meet the needs of those aspiring to own a home. As part of this, the Government has introduced a new product called First Homes, although this is not yet reflected in Annex 2 of the NPPF.<sup>5</sup>
- **First Homes** is a new product and expected to be an important part of the strategy for improving access to home ownership. Its key features are explained in greater detail in Appendix C.

## Current tenure profile

- 4.6 The current tenure profile is a key feature of the Neighbourhood Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.
- 4.7 Table 4-1 presents data on tenure in Longhoughton compared with Northumberland and England from the 2021 Census. The NA has a lower proportion of owned properties (55.7%) compared to both Northumberland (65.2%) and England (61.3%). There is also a lower proportion of shared ownership properties (0.3%) compared to Northumberland (0.5%) and England (1.0%), and a lower proportion of socially rented properties in the NA (9.2%) compared to Northumberland (17.8%) and England (17.1%). There is a correspondingly much higher proportion of private rented dwellings in the NA (34.8%) compared to Northumberland (16.5%) and England (20.6%). This high level of private renting is influenced by the strong presence of the RAF in the area, which provides accommodation for personnel in the Parish primarily in the form of rented homes.

**Table 4-1: Tenure (households) in Longhoughton, 2021**

Tenure	Longhoughton	Northumberland	England
Owned	55.7%	65.2%	61.3%
Shared ownership	0.3%	0.5%	1.0%
Social rented	9.2%	17.8%	17.1%
Private rented	34.8%	16.5%	20.6%

Sources: Census 2021, AECOM Calculations

- 4.8 It is also worth comparing how the tenure mix has changed in the last ten years, using the 2011 Census (see Table 4-2). Between 2011 and 2021, there has been a 25.1% increase in the number of people who own their home in the NA, increasing from 295 households to 369. The proportion of people who own their homes through shared ownership has increased by 100.0%, although this is a numerical increase of 1 household to 2 households. The proportion of people socially renting in the NA has decreased by 32.2% between 2011 and 2021, whilst the proportion of people private renting in the NA has decreased by 13.5%. Completions data provided by Northumberland County Council shows that since 2021, there have been 7 completions

<sup>5</sup> The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

in the NA (and therefore not reflected in the Census table above), all of which are market housing.

**Table 4-2: Tenure change (households) in Longhoughton, 2011-2021**

Tenure	2011	2021	% change
Owned	295	369	+25.1%
Shared ownership	1	2	+100.0%
Social rented	90	61	-32.2%
Private rented	267	231	-13.5%

Sources: Census 2021 and 2011, AECOM Calculations

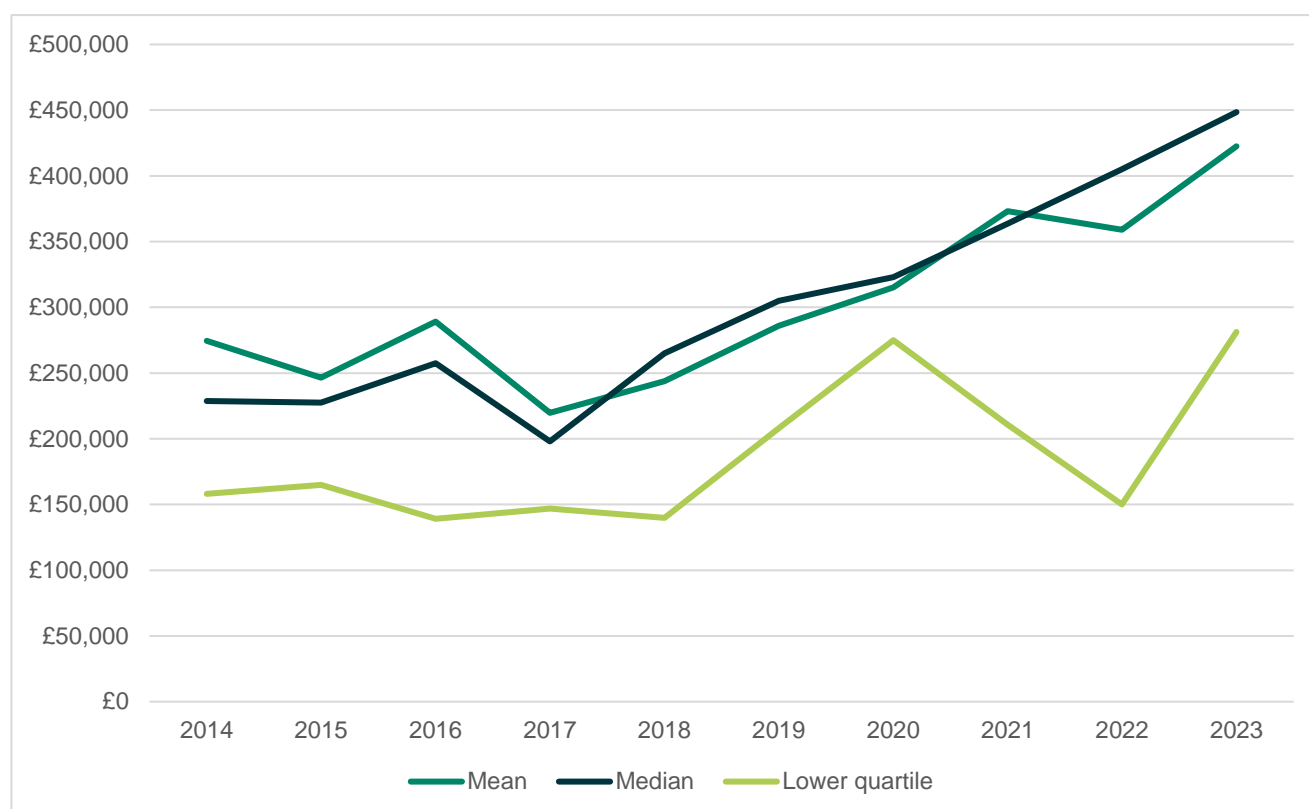
## Affordability

### House prices

- 4.9 House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.
- 4.10 Figure 4-1 looks at the average and lower quartile house prices in Longhoughton based on sales price data published by the Land Registry.
- 4.11 The median, which is the middle number when you sort the data from smallest to largest has increased by 96.1% between 2014 and 2023, from £228,750 to £448,500. The median steadily increased between 2014 and 2016, before decreasing in 2017 and steadily increasing between 2017 and 2023.
- 4.12 The mean captures the average of all the house prices, both high and low, the few outlying data points on the high end can cause the mean to increase, making it higher than the median, however this is not the case in Longhoughton. The mean has followed roughly the same pattern as the median, albeit a decline was witnessed in 2022. The mean has increased by 53.9% between 2014 and 2023, increasing from £274,484 to £422,500. In small areas such as this NA, average prices may sometimes fluctuate significantly because of the mix of homes sold in any year which can affect the average, e.g. if sales are dominated by larger, or smaller homes in a specific year.
- 4.13 The lower quartile is the middle figure of the lowest 50% of prices and a good representation of entry-level housing. The lower quartile has increased by 78.0% between 2014 and 2023, increasing from £158,000 to £281,250. This presents additional affordability challenges for those with the lowest incomes. The lower quartile price decreased steadily between 2014 and 2018, before increasing to £275,000 in 2020, decreasing again between 2020 and 2022 and then increasing rapidly to a peak of £281,250 in 2023.

4.14 House prices in the NA are higher than that in the LA. The mean house price in the NA is 39.9% higher than Northumberland, whilst the median is 59.3% higher and the lower quartile price is 59.1% higher. This suggests that the NA is a high-value area for the county, although the overall average is also influenced by the high proportion of larger housing in the NA.

**Figure 4-1: House prices by quartile in Longhoughton, 2014-2023**



Source: Land Registry PPD

4.15 Table 4-3 breaks down house prices by type, presenting the median within each type. It shows that between 2014 and 2023, detached properties have seen the largest increase in median house price within the NA (35.7% over 10 years), followed by a 32.1% increase in the median house price of semi-detached dwellings between 2014 and 2023. Terraced properties have seen a much smaller 3.1% median price increase between the same time period. There have not been enough sales of flats throughout the 10-year period to calculate the growth in median price. The overall average growth of 96% exceeds each of the individual growth rates by type because it reflects a different mix of types – i.e. there are more detached homes within the 2023 average than terraced homes, leading to a higher overall average.

**Table 4-3: Median house prices by type in Longhoughton, 2014-2023**

Type	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Growth
Detached	£338k	£301k	£325k	£320k	£325k	£313k	£351k	£420k	£431k	£459k	35.7%
Semi-detached	£210k	£176k	£126k	£174k	£150k	£208k	£193k	£201k	£160k	£278k	32.1%
Terraced	£160k	£161k	£137k	£118k	£125k	£158k	£163k	£128k	£146k	£165k	3.1%
Flats	-	-	-	-	-	£154k	-	-	-	-	-
<b>All Types</b>	<b>£229k</b>	<b>£228k</b>	<b>£258k</b>	<b>£198k</b>	<b>£265k</b>	<b>£305k</b>	<b>£323k</b>	<b>£364k</b>	<b>£405k</b>	<b>£449k</b>	96.1%

Source: Land Registry PPD

## Income

4.16 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.

4.17 The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income locally was £48,000 in 2020 (the most recent year for this dataset). Discussion about the area to which this data applies is provided in Appendix A.

4.18 The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. Northumberland's gross individual lower quartile annual earnings were £19,125 in 2023. To estimate the income of households with two lower quartile earners, this figure is doubled to £38,250.

4.19 It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

## Affordability Thresholds

4.20 To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.

4.21 AECOM has determined thresholds for the income required in Longhoughton to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix C.

4.22 The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed

that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives. This is discussed in more detail at the start of Appendix C.

4.23 Table 4-4 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

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

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £48,000	Affordable on LQ earnings (single earner)? £19,125	Affordable on LQ earnings (2 earners)? £38,250
<b>Market Housing</b>						
Median House Price	£403,650	-	<b>£115,329</b>	No	No	No
Estimated NA New Build Entry-Level House Price	£273,264	-	<b>£78,076</b>	No	No	No
LQ/Entry-level House Price	£253,125	-	<b>£72,321</b>	No	No	No
LA New Build Median House Price	£238,496	-	<b>£68,142</b>	No	No	No
Average Market Rent	-	£12,000	<b>£40,000</b>	Yes	No	No
Entry-level Market Rent	-	£8,376	<b>£27,920</b>	Yes	No	Yes
<b>Affordable Home Ownership</b>						
First Homes (-30%)	£191,285	-	<b>£54,653</b>	No	No	No
First Homes (-40%)	£163,959	-	<b>£46,845</b>	Yes	No	No
First Homes (-50%)	£136,632	-	<b>£39,038</b>	Yes	No	Marginal
Shared Ownership (50%)	£136,632	£3,795	<b>£51,689</b>	No	No	No
Shared Ownership (25%)	£68,316	£5,693	<b>£38,496</b>	Yes	No	Marginal
Shared Ownership (10%)	£27,326	£6,832	<b>£30,580</b>	Yes	No	Yes
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£5,007	<b>£16,672</b>	Yes	Yes	Yes
Social Rent	-	£3,962	<b>£13,195</b>	Yes	Yes	Yes

Source: AECOM Calculations

4.24 Before considering each tenure category in turn, it is important to stress that these affordability thresholds have been calculated to give an indication of the costs of various tenures to inform Neighbourhood Plan policy choices. These figures rely on existing data and assumptions, and it is not possible to estimate every possible permutation. The income figures also disguise a large degree of variation. For simplicity the analysis below speaks in terms of tenure products being 'affordable' or 'not affordable' for different



groups, but individual circumstances and the location, condition and other factors of specific properties in each category have a large impact. These conclusions should therefore be interpreted flexibly.

### **Market housing for purchase and rent**

- 4.25 Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income 140.0% higher than the current average.
- 4.26 Private renting is generally only affordable to average earners. Households made up of two lower quartile earners cannot afford the given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.
- 4.27 The high proportion of RAF occupied properties may be distorting the prices of market housing: the reduced stock theoretically increases demand for the remaining available homes, which in turn may cause prices to rise. It is understood that some unoccupied RAF houses have already been placed into the private rental market in Longhoughton due to vacancies. If this continues, greater supply may begin to reach a closer balance with demand from non-RAF households.

### **Affordable home ownership**

- 4.28 There is a relatively large group of households in Longhoughton who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £27,920 per year (at which point entry-level rents become affordable) and £72,321 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
- 4.29 First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.
- 4.30 This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. As shown in Table 4-4 First Homes with a 40% or 50% discount level are affordable for average earners in the NA. As such, a 40% discount would be suitable here. Further, households with two lower quartile earners, who have access to a larger deposit, might be able to access First Homes with a 50% discount, as their household income (£38,250) is marginally below the income threshold required (£39,038), as show in Table 4-4. It is also worth noting that our estimates are based on 2023 prices, which reflect recent spikes in house prices and these may not be sustained long term or may be an anomaly. Therefore, in practice these products might be more affordable than they appear here.

- 4.31 It is important to note that this evidence based on affordability does not provide a complete picture: evidence about the financial viability of development is also relevant. The question is whether demanding higher discount levels on First Homes will create a financial burden on developers that leads them to argue either that the discount level is not feasible or that the total amount of Affordable Housing may need to be decreased. This could effectively sacrifice the provision of affordable rented housing to provide a more attractive First Homes product. The issue of development viability is a specialist matter involving analysis of land values and build costs that is outside the scope of this assessment. If the Parish Council intend to set a higher First Homes discount level than that set at county level, further discussions with the LPA are advised.
- 4.32 Shared ownership appears to be more affordable than First Homes but is broadly accessible to the same groups. In 2021, the Government announced that the minimum equity share for shared ownership will fall to 10% of the property value.<sup>6</sup> If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
- 4.33 Rent to Buy provides households with the option to rent at a discount whilst saving for a deposit to buy their property within a set period (usually within 7 years). The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. However, affordability to local households would depend on how rents are set. If Rent to Buy is offered at a discount to *entry level* rents, this would expand this route to home ownership quite significantly, to double lower quartile income groups. However, discounts on *average* rents would make Rent to Buy affordability, in terms of the household income required, comparable to Shared Ownership. However, for some households, the availability of a deposit rather than income level per se is the key barrier to accessing home ownership. Rent to Buy may therefore offer a useful product to meet the needs of some households.
- 4.34 These three affordable home ownership products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not:
- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
  - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
  - Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a

<sup>6</sup> The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.

- Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

### **Affordable rented housing**

- 4.35 Affordable rents set out in the table above are substantially below market rents. Whilst affordable rents can be set at up to 80% of market rents, in many locations Registered Providers (housing associations) set them to ensure that they are affordable to those claiming housing benefit, i.e. at or below Local Housing Allowance levels. This means that they are in practice below 80% of market levels. In the NA affordable rents are approximately 60.0% of market levels.
- 4.36 Affordable rented housing is generally affordable to all income groups depending on their household size (average earning households are unlikely to be eligible). Individuals will, if unable to secure a social rented dwelling, require additional subsidy through Housing Benefit to access housing.
- 4.37 The evidence in this chapter suggests that the affordable rented sector performs a vital function in Longhoughton as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This means that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

## Estimates of the need for Affordable Housing

- 4.38 This section seeks to quantify the long-term potential need for Affordable Housing, which should be considered separately for affordable rented housing and affordable routes to ownership. The appropriate approach is taken based on the evidence available at Local Authority and NA scale.
- 4.39 A SHMA was undertaken for Northumberland in 2018 which estimates the need for Affordable Housing across the county. As this study is relatively dated, AECOM has calculated the need for Affordable Housing in Longhoughton specifically below. It should be recognised that parish level assessments of affordable housing can somewhat over-estimate the local level of need. If HNAs were done for all parishes in a local authority area, their cumulative affordable housing needs may exceed overall countywide affordable housing need (as indicated by the SHMA).

### AECOM Estimates

- 4.40 AECOM estimates the need for 1.3 affordable rented homes per annum in the NA, equating to a total of 15.1 over the plan period. The estimate and assumptions used are detailed in Appendix D and summarised in Table 4-5 below. This need is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents. Many on the Housing Register will also often take up affordable home ownership options instead of necessarily needing affordable rented accommodation, such that there will be a degree of overlap in the needs of these different tenure groups (ie. the affordable rented and affordable home ownership calculations should not be regarded as being mutually exclusive).
- 4.41 Northumberland County Council also emphasise that the need for affordable rented housing is derived from inputs to the county's Homefinder Housing Register waiting list. It should be recognised that the large proportion of entrants categorised as Band 3 (included in the calculation here) are not technically in need of affordable housing and are likely to be already adequately housed. People on the register can also bid for properties all across the country, so the number of bids is not directly representative of the level of need in any area. In practice, therefore, need may be lower than estimated here.
- 4.42 It is worth noting that data provided by NCC shows that there are currently 2 properties advertised for affordable rent in the NA, with 305 bids for these properties. This shows a need for affordable rented properties in the NA.

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

Component of need or supply in the AECOM estimate	Per annum
Current need	2.2
Newly arising need	0.9
Supply	1.8
<b>Net shortfall</b>	<b>1.3</b>

Source: AECOM model summary of estimates. Full estimate included in Appendix D

4.43 AECOM estimate potential demand for 3.7 affordable home ownership dwellings per annum in the NA, equating to a total of 43.9 over the Neighbourhood Plan period. The estimate and assumptions used is detailed in Appendix D and summarised in Table 4-6 below.

4.44 It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

4.45 Following discussions with Northumberland County Council regarding the number of RAF rented dwellings in the NA, the percentage of people discounted from the calculation because they are assumed to be renting by choice has been increased from the standard assumption of 25% to 70%. It is considered more appropriate to identify the numbers of privately rented RAF dwellings in the parish as a proportion of all privately rented dwellings, rather than assuming a notional figure. 231 (34.8%) of the total dwellings in the parish were privately rented at the time of the Census 2021. The total 184 RAF-owned dwellings (assuming all were privately-rented) equated to 79.7% of the 231 privately-rented dwellings. When excluding the 29 marketed for renting to non-RAF personnel, this would still mean 155 RAF-rented dwellings which would equate to 67.1% of all privately rented dwellings in the parish. This can be seen in section 1.4 of Table D-2 in Appendix D.

**Table 4-6: Estimate of need for Affordable Housing for sale in Longhoughton**

Component of need or supply in the AECOM estimate	Per annum
Current need	3.5
Newly arising need	0.2
Supply	0.1
<b>Net shortfall</b>	<b>3.7</b>

Source: AECOM model summary of estimates. Full estimate included in Appendix D

## **Additional evidence of Affordable Housing needs**

4.46 The Longhoughton Housing Needs Survey (2019) states that, of those households expressing a housing need, buying on the open market was the preferred option (56.2%), followed by 34.4% preferring to buy on the open market with a discount. 31.2% indicated a desire for affordable rented homes from the Local Authority, whilst 15.6% expressed a desire for affordable rented homes from a housing association. 18.7% expressed a desire to rent from a private landlord. This indicates robust demand for both rented and ownership forms of Affordable Housing.

## **Affordable Housing policies in Neighbourhood Plans**

4.47 This section outlines a common Neighbourhood Plan policy level around the tenure mix of affordable housing, provides a recommendation and summarises relevant considerations.

### **Application of Local Plan policies**

4.48 Northumberland's adopted policy on this subject HOU6 requires 15% of new housing on major sites of 30 or more dwellings in this medium value area to be affordable. Completions data provided by Northumberland County Council shows that over the last decade 14.1% of completions have been Affordable Housing.

4.49 The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable. Changing or influencing the overall proportion of housing that must be affordable is uncommon in Neighbourhood Plans and would demand a high standard of evidence to depart from the Local Plan. If this is of interest, it should first be discussed with the LPA to ensure their support and to determine what additional evidence (e.g. about development viability) would be needed.

4.50 How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is specified as an indicative mix of 33% affordable rent and 67% affordable ownership in the Local Plan based on developments providing the 15% level of affordable housing required in medium value areas by Policy HOU6, in order to ensure schemes satisfy the NPPF requirement for at least 10.0% of the total homes are for affordable home ownership tenures. NCC note that if more than 15% affordable housing is provided, then there is scope for greater flexibility in the tenure mix proportions whilst still satisfying the NPPF requirement.

### **Affordable Housing at Neighbourhood level**

4.51 The HNA can provide more localised evidence and this may be used to support Neighbourhood Plan policies. This section suggests an Affordable Housing

tenure mix that might be suitable for Longhoughton on the basis of identified housing need and a range of other considerations detailed in Appendix D.

- 4.52 This indicative mix is chiefly a response to the Policy HOU6 of the Local Plan which sets out that the balance between rented tenures and routes to home ownership should be 33% affordable rent and 67% affordable ownership, based on developments providing the 15% level of affordable housing required by Policy HOU6. As stated previously, if more than 15% affordable housing is provided, then there is scope for greater flexibility in the tenure mix proportions. This appears appropriate in Longhoughton based on the estimates of need and demand above, affordability calculations, and the relative lack of Affordable Housing in the NA at present.
- 4.53 25% of the affordable homes has been indicatively allocated to First Homes to reflect national policy. In the interests of diversity and maximising choice, and because shared ownership appears to be slightly more affordable in the NA, a further 32% is allocated to shared ownership rather than more First Homes. Rent to Buy has been indicatively allocated 10% as it is affordable to average income earners in the NA and may offer a useful product to meet the needs of some households.
- 4.54 Where the Parish Council wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with Northumberland County Council to determine what additional evidence (notably about development viability) may be needed, and to ensure that departures from the local policy context have their support.

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

<b>Tenure</b>	<b>Indicative mix</b>	<b>Considerations and uncertainties</b>
<b>Routes to home ownership, of which</b>	<b>67%</b>	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	32%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	10%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
<b>Affordable Housing for rent, of which</b>	<b>33%</b>	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

## Conclusions- Tenure and Affordability

### Current tenure profile

- 4.55 The NA has lower proportions of owner occupation (56%) and social renting (9%) than the Northumberland and England averages. In turn, there is a significantly higher proportion of private rented dwellings in the NA (34.8%) than those wider geographies. This is the case despite a decline in the proportion of people renting privately between 2011 and 2021 and 25% growth in home ownership over the same period.
- 4.56 This high level of private rentals is influenced by the strong presence of the RAF in the area, which provides accommodation for personnel in the Parish, primarily in the form of rented housing. The size of this segment of the market in 2024 was stated by the RAF as 184 dwellings. However, of these, around 29 homes have been let on the private market. This means it can be estimated that 155 homes are in use for RAF or other armed forces personnel.



## Affordability

- 4.57 The median house price, which is the middle number when you sort the data from smallest to largest has increased by 96.1% between 2014 and 2023, from £228,750 to £448,500. The lower quartile has increased by 78.0% between 2014 and 2023, increasing from £158,000 to £281,250. This significant recent uptick in prices presents additional affordability challenges for those with the lowest incomes.
- 4.58 It appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income 140.0% higher than the current average.
- 4.59 Private renting is generally only affordable to average earners, although households made up of two lower quartile earners appear able to afford entry-level rented dwellings. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.
- 4.60 The high proportion of RAF exclusive properties may be exerting upward pressure on the price of market housing by reducing the available supply of housing for non-RAF personnel.
- 4.61 This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. As shown in Table 4-4 First Homes with a 40% or 50% discount level are affordable for average earners in the NA. As such, a 40% discount is suitable here. It is also worth noting that our estimates are based on 2023 prices, which reflect recent spikes in house prices and these may not be sustained long term or may be an anomaly. Therefore, in practice these products might be more affordable than they appear here.
- 4.62 Shared ownership appears to be more affordable than First Homes but is broadly accessible to the same groups. In 2021, the Government announced that the minimum equity share for shared ownership will fall to 10% of the property value.<sup>7</sup> If this is delivered in the NA, it will make shared ownership easier to access for more people. If Rent to Buy is offered at a discount to entry level rents, this would expand this route to home ownership to households with two lower quartile earners.
- 4.63 Affordable rented housing is generally affordable to all income groups depending on their household size (average earning households are unlikely to be eligible).

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<sup>7</sup> The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

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

### **The need for Affordable Housing**

4.64 AECOM estimates the need for 1.3 affordable rented homes per annum in Longhoughton, equating to a total of 15.1 over the plan period and potential demand for 3.7 affordable home ownership dwellings per annum in Longhoughton, equating to a total of 43.9 over the plan period. There is always uncertainty surrounding such estimates. In this instance, the need for affordable rented housing includes those in lower priority bands who may not be considered to technically have a housing need, while the estimated potential demand for affordable ownership reflects an arbitrary estimate of the share of renters who will in fact not want to buy due to preference and their RAF employment – which may have a greater or lesser impact on demand than assumed here.

### **Affordable Housing policy**

4.65 Northumberland's adopted policy on this subject (HOU6) requires 15% of new housing on major sites of 30 or more dwellings in this medium value area to be affordable, based on developments providing the 15% level of affordable housing required by Policy HOU6. If more than 15% affordable housing is provided, then there is scope for greater flexibility in the tenure mix proportions. The balance between rented tenures and routes to home ownership is specified as 33% affordable rent and 67% affordable ownership. The HNA evidence supports maintaining this tenure mix within Longhoughton.

4.66 Table 4-8 summarises Longhoughton's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation, and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plans for more housing (and therefore more affordable housing) than the local plan, or if the group decides to influence the tenure mix in other ways), or as a result of site-specific constraints.

4.67 Table 4-8 assumes that the Local Plan target of 15% affordable homes will be met on site in the NA. However, the size threshold for this requirement is high (sites of 30 dwellings or more), and may not be exceeded by the kinds of schemes likely to come forward in the NA in the near-term (for example, if all the residual requirement of 14 homes came forward on a single site, this would not reach the threshold at which Affordable Housing is required).

**Table 4-8: Estimated delivery of Affordable Housing in Longhoughton**

	<b>Step in Estimation</b>	<b>Expected delivery</b>
A	Residual housing requirement figure (housing requirement figure of 88 minus 74 completions to date)	14
B	Affordable housing quota (%) in LPA's Local Plan	15%
C	Potential total Affordable Housing in NA (A x B)	2.1
D	Rented % (e.g. social/ affordable rented)	33%
E	Rented number (C x D)	0.7
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	67%
G	Affordable home ownership number (C x F)	1.4

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

4.68 This expected level of delivery does not meet the quantity of demand identified in estimates of the need for affordable housing. Therefore, the recommendation is that the policy requirement be met wherever possible, and for further avenues for delivering greater quantities of Affordable Housing (such as exception sites) to be explored.

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

## 5. Type and Size

### Introduction

- 5.1 It is common for neighbourhood plans to include policies that influence what form new housing should take in terms of type and size. This requires evidence of what local people need.
- 5.2 This can be done using statistics to identify relevant trends and potential gaps in the market. That is the focus of this chapter of the HNA. The evidence gathered here can be used to justify planning policies either on its own or in combination with survey results expressing the specific wants and concerns of local residents. It will also build up a picture of the population and existing range of homes that may provide useful context for the neighbourhood plan.
- 5.3 This chapter has three aims, each given its own sub-section:
- To establish what **mix** of housing exists in the NA at present;
  - To describe characteristics of the local **population** that are relevant to housing need; and
  - To look to the **future**, considering how the population is likely to evolve and what mix of homes would be most appropriate to build.
- 5.4 It is important to keep in mind that housing need is not an exact science. To get from a set of facts about the population to an ideal mix of homes requires making assumptions. For example, there are clear patterns about what size of home families tend to live in at different stages of life. However, a variety of other reasons sit behind people's housing choices that are less easy to predict, including wealth, accessibility requirements and personal preference. Some trends can also change rapidly over time, such as the increasing preference for home working.
- 5.5 The conclusions and recommendations given here are therefore not definitive. Rather, they are what the statistics suggest future needs will look like based on current trends. This is sufficient for justifying planning policies, but it is also appropriate to take into account other factors and evidence if desired.

### Definitions

- **Dwelling type:** whether a home is detached, semi-detached, terraced, a flat, bungalow or other type. Which a household chooses to occupy tends to be more about wealth and preference than a specific need.
- **Dwelling size:** how many rooms or bedrooms a home contains. While this could also mean floor area or number of storeys, the number of bedrooms is most reliably recorded in housing statistics. Bedroom numbers are also closely linked to family size and life stage.

- **Household:** a unit of people who live together, commonly a family, couple or single person. Not all dwellings contain a household, including properties that are vacant and second homes, so the number of dwellings and the number of households in an area is usually different.
- **Household composition:** the specific combination of adults and children who form a household. The Census offers a number of categories, for example distinguishing between families with children who are dependent or non-dependent (i.e. adults). 'Other' households in the Census include house-sharers, groups of students, and multi-family households.
- **Household life stage:** the age of the lead member of a household – usually the oldest adult, or what used to be called the 'head of household'. Life stage is correlated with dwelling size as well as wealth.
- **Housing mix:** the range of home sizes and types in an area.
- **Over- and under-occupancy:** the degree to which the size and composition of a household lines up with the number of bedrooms in their home. If there are more bedrooms than the household would be expected to need, the home is considered under-occupied, and vice versa.

## The current housing mix

5.6 This section establishes the current housing mix of Longhoughton, highlighting recent changes to it and comparing the mix to wider averages.

### Dwelling type

- 5.7 Table 5-1 below shows that the current mix of dwelling types in Longhoughton is predominantly made up of semi-detached (39.0%), detached (34.0%) and terraced properties (26.0%). Flats make up a much smaller proportion of dwellings in the neighbourhood area, accounting for 0.9%. Whilst some recent changes have taken place, for example an increase in the proportion of detached properties and a decrease in the proportion of flats, it can be seen that the dwelling type split is roughly the same in Longhoughton in 2021 as it was in 2011.
- 5.8 Large proportions of detached and semi-detached properties present affordability challenges in the NA, as larger properties are likely to be unaffordable to average income households, and in particular lower quartile earners.
- 5.9 Census data does not capture bungalows as a separate category. However, Valuation Office Agency (VOA) does provide data on bungalows and shows that 22.1% of dwellings in the NA are bungalows, compared to 15.1% in Northumberland and 9.2% in England. This may be linked to the NA's older population profile, explored later in this chapter.

**Table 5-1: Accommodation type, Longhoughton, 2011-2021**

Type	2011	2021
Detached	29.5%	34.0%
Semi-detached	38.8%	39.0%
Terrace	26.7%	26.0%
Flat	4.2%	0.9%

Source: ONS 2021 and 2011, VOA 2021, AECOM Calculations

5.10 Table 5-2 compares the NA mix to wider benchmarks. It shows that in Longhoughton, there is a larger proportion of detached, semi-detached and terraced properties compared to Northumberland and England. As a result, there is a significantly smaller proportion of flats in the NA compared to county and national averages.

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

Type	Longhoughton	Northumberland	England
Detached	34.0%	27.2%	22.9%
Semi-detached	39.0%	36.1%	31.5%
Terrace	26.0%	25.7%	23.0%
Flat	0.9%	10.7%	22.2%

Source: Census 2021, AECOM Calculations

## Dwelling size

5.11 Table 5-3 below presents the current housing mix in terms of size. It shows that in 2021 3-bedroom properties account for the largest proportion of properties (39.6%), followed by 4+ bedrooms (33.4%) and 2-bedroom properties (24.3%). 1-bedroom properties make up the smallest proportion of dwellings in the NA (2.7%), aligned with the absence of flats established above. The table also shows that between 2011 and 2021, the proportion of 4+ bedroom dwellings has increased from 28.4% to 33.4% and the proportion of 2-bedroom properties has increased slightly from 24.1% to 24.3%. As a result, the proportion of 1-bedroom and 3-bedroom properties has decreased. Completions data since 2021 shows a small number of completions of 2-bedroom and 4-bedroom dwellings.

**Table 5-3: Dwelling size (bedrooms), Longhoughton, 2011-2021**

Number of bedrooms	2011	2021
1	6.4%	2.7%
2	24.1%	24.3%
3	41.0%	39.6%
4+	28.4%	33.4%

Source: ONS 2021 and 2011, AECOM Calculations

5.12 Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country. Table 5-4 shows that Longhoughton has a significantly higher proportion of 4+ bedroom properties (33.4%) compared to Northumberland (21.8%) and England (21.1%). The proportion of 1 and 2-bedroom properties in the NA is low compared to

Northumberland and England. The proportion of 3+ bedroom properties in the NA is lower than Northumberland but similar to England.

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

Number of bedrooms	Longhoughton	Northumberland	England
1	2.7%	7.2%	11.6%
2	24.3%	28.1%	27.3%
3	39.6%	42.9%	40.0%
4+	33.4%	21.8%	21.1%

Source: Census 2021, AECOM Calculations

## Population characteristics

5.13 This section examines key characteristics of the local population that have a bearing on what housing might be needed in future years. Where available, recent data is used. However, for some information it is necessary to fall back on the 2011 Census.

### Age

5.14 Table 5-5 shows the most recent age structure of the NA population, alongside 2011 Census figures. It can be seen that in 2021, the largest proportion of the population in Longhoughton is aged 45-64 (32.3%), followed by 25-44 (21.4%) and 65-84 (17.2%).

5.15 Table 5-5 shows that between 2011 and 2021, there has been a decrease in the number of people aged 0-14 (-39.1%), 15-24 (-29.8%) and 25-44 (-45.1%). On the other hand, there has been a 43.8% increase in those aged 45-64, 25.4% increase in those aged 65-84 and a 191.7% increase in those aged 85 and over. This pattern would suggest a strong trend toward ageing in the Longhoughton population.

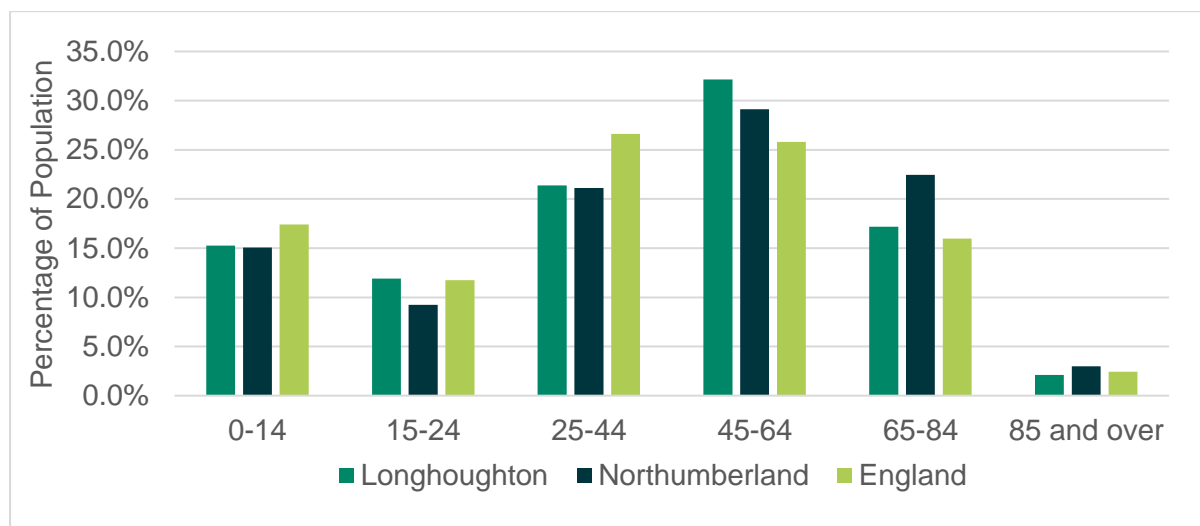
5.16 It should be noted that the Census data below shows a large decrease in population between 2011 and 2021, by 15.1% from 1,960 to 1,664. This may be because Longhoughton has a large amount of second homes and the Census could have been completed during the Covid-19 pandemic, when people were not in the NA. This could also be due to the small change in boundary between 2011 and 2021.

**Table 5-5: Age structure of Longhoughton, 2011 and 2021**

Age group	2011 (Census)		2021 (Census)		Change
0-14	417	21.3%	254	15.3%	-39.1%
15-24	282	14.4%	198	11.9%	-29.8%
25-44	649	33.1%	356	21.4%	-45.1%
45-64	372	19.0%	535	32.2%	+43.8%
65-84	228	11.6%	286	17.2%	+25.4%
85 and over	12	0.6%	35	2.1%	+191.7%
Total	1,960	100.0%	1,664	100.0%	-15.1%

Source: ONS 2011, ONS 2021, AECOM Calculations

5.17 For context, it is useful to look at the NA population structure alongside that of the county and country. Figure 5-1 (using 2021 Census data) shows that there is a similar proportion of people aged 0-14 and 25-44 in the NA and Northumberland, though both are lower than the national average. There is a higher proportion of people aged 15-24 in the NA compared to Northumberland, potentially as a result of the life-stage of RAF personnel who generally tend to be younger, and are likely to be replaced by people of a similar age over time rather than remaining and ageing naturally. The 45-64 age group accounts for a higher proportion of residents in the NA than both Northumberland and England, but Northumberland has higher shares of people in the older age brackets. It can be concluded that Northumberland has a generally older population than the NA, but the large 45-64 cohort in Longhoughton may be expected to translate into faster ageing in the parish in future years.

**Figure 5-1: Age structure in Longhoughton, 2021**

Source: ONS 2021, AECOM Calculations

## Household composition and occupancy

5.18 Household composition (the combination and relationships of adults and children in a dwelling) is an important factor in the kinds of housing needed over the Neighbourhood Plan period. Table 5-6 shows that in Longhoughton there is a lower proportion of one person households (23.1%) compared to both Northumberland (32.8%) and England (30.1%). There is a higher proportion of



one family only households (75.1%) compared to Northumberland (64.5%) and England (63.1%). One family households with no children and with dependent children account for a higher proportion in the NA compared to both the county and national averages, but families with children outnumber those without to a lower extent in the NA. There is a lower proportion of non-dependent (adult) children in the NA compared to the county and national averages.

**Table 5-6: Household composition, Longhoughton, 2021**

Household composition		Longhoughton	Northumberland	England
One person household	Total	23.1%	32.8%	30.1%
	Aged 66 and over	11.0%	15.6%	12.8%
	Other	12.1%	17.2%	17.3%
One family only	Total	75.1%	64.5%	63.1%
	All aged 66 and over	11.0%	12.7%	9.2%
	With no children	26.4%	19.0%	16.8%
	With dependent children	27.0%	22.2%	25.8%
	With non-dependent children <sup>8</sup>	8.3%	10.1%	10.5%
Other household types	Total	1.8%	2.7%	6.9%

Source: ONS 2021, AECOM Calculations

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

5.20 Table 5-7 shows that in Longhoughton 85.6% of all households are under-occupied by at least one bedroom, whilst 51.4% are under-occupied by at least two bedrooms. Whilst under-occupancy is high across all household types, it is particularly high in families under 65 with no children, older families and single person households. As is common in most neighbourhoods across England, larger housing isn't being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen

<sup>8</sup> Refers to households containing children who are older than 18 e.g students or young working people living at home.

or able to move to smaller properties. People may also be over-occupying their homes by using bedrooms for offices if they work from home.

- 5.21 There is some over-occupancy (overcrowding) in the NA, with 1.1% of families under 65 with dependent children over-occupying their homes. This provides an indicator of acute housing needs amongst some family households in Longhoughton.

**Table 5-7: Occupancy rating by age in Longhoughton, 2021**

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 66+	74.1%	17.6%	8.2%	0.0%
Single person 66+	44.0%	49.3%	6.7%	0.0%
Family under 66 - no children	83.3%	15.5%	1.1%	0.0%
Family under 66 - dependent children	23.6%	43.8%	31.5%	1.1%
Family under 66 - adult children	33.9%	37.5%	28.6%	0.0%
Single person under 66	43.8%	52.5%	3.8%	0.0%
All households	51.4%	34.2%	14.0%	0.3%

Source: ONS 2021, AECOM Calculations

- 5.22 As noted in the introduction to this chapter, the life stage of households is strongly correlated with the size of home they tend to occupy. Figure 5-2 sets out this relationship for Northumberland in 2011 (because this data is not available at smaller scales). The graph shows how the youngest households tend to occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

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

Source: ONS 2011, AECOM Calculations

## Future population and size needs

5.23 This section projects the future age profile of the population in Longhoughton at the end of the Neighbourhood Plan period and then estimates the mix of dwelling sizes they may need.

### Age

5.24 The result of applying Local Authority level household projections to the age profile of Longhoughton households in 2011 is shown in Table 5-8. This makes clear that population growth can be expected to be driven by the oldest households, with a 61% increase expected in the 65 and over age group. This is the only age group expected to grow in size during the plan period, with no growth expected in those aged 55 to 64 and a decrease in all groups aged under 54.

**Table 5-8: Projected age of households, Longhoughton, 2011 - 2036**

Year	24 and under	25 to 34	35 to 54	55 to 64	65 and over
2011	13	112	307	80	163
2036	10	106	273	80	263
% change 2011-2036	-21%	-6%	-11%	0%	+61%

Source: AECOM Calculations

5.25 The demographic change discussed above can be translated into an ideal mix of dwelling sizes. This is achieved through a model that maps the dwelling size

preferences by life stage shown earlier (in Figure 5-2) onto the projected age profile for the NA in Table 5-8 immediately above. The resulting ‘ideal’ future mix of dwelling sizes can then be compared to the current stock of housing to identify how future development might best fill the gaps.

- 5.26 This approach has limitations, in that it embeds existing size preferences and does not anticipate changes in what people want from their homes. As such, it is appropriate for the results to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is appropriate for the purpose of drafting neighbourhood plan policies.
- 5.27 The result of this exercise is presented in Table 5-9. It suggests that in order to reach the suggested indicative housing mix by the end of the plan period, priority should be given to 2-bedroom properties (49.5%), followed by 3-bedroom properties (32.7%) and 1-bedroom properties (17.8%). The modelling suggests that limited priority should be given to 4 and 5+ bedroom properties. The modelling exercise suggests a diversification away from the large current mix to widen choice overall. Properties in these size categories could be delivered in the form of bungalows if this aligns with community preferences.
- 5.28 The present lack of 1-2-bedroom homes may be the case for good reasons, such as the existing patterns of housing density that reflect the character of the Parish. It may therefore be considered inappropriate to focus as heavily on the presently unusual 1-bedroom category as the model suggests. If large numbers of flats are not considered a welcome proposition in the parish, the Neighbourhood Plan might blend the suggested proportions of 1 and 2-bedroom homes into a combined 1-2-bedroom category, allowing for greater flexibility.
- 5.29 The model also suggests that no further properties with 4 or more bedrooms are needed, chiefly because they are so abundant at present. In theory, if sufficient smaller homes (and specialist housing for older people – see subsequent chapter) are built, some of the households currently occupying larger homes will be able to downsize and thereby release larger homes for growing families. However, if a target for 0% 4+ bedroom homes is seen as overly rigid, insufficiently diverse or not able to serve the needs of people looking for larger new housing, this share could be increased by a moderate amount.

**Table 5-9: Suggested dwelling size mix to 2036, Longhoughton**

Number of bedrooms	Current mix (2011)	Suggested mix (2036)	Balance of new housing to reach suggested mix
1	5.9%	8.3%	17.8%
2	24.1%	30.1%	49.5%
3	41.0%	43.0%	32.7%
4	22.2%	14.3%	0.0%
5+	6.2%	4.3%	0.0%

Source: AECOM Calculations

5.30 The following points sense-check the results of the model against other evidence and suggest ways to interpret them when thinking about policy options.

- The Longhoughton Housing Needs Survey (2019) states that the largest demand in the NA is for 2-bedroom bungalows, followed by two-bedroom houses. Demand was also expressed for three-bedroom bungalows and houses, and four-bedroom houses.
- The Longhoughton Housing Needs Survey (2019) also states that 18.1% of respondents indicated that their home was not suitable for their household's needs over the next five years. Of this 18.1%, 21.0% of respondents stated that their home was not suitable due to their growing family, whilst 17.0% stated they needed to downsize due to children leaving home, and 8.0% stated they were children in need of their own property unable to leave their family home. These findings generally point toward demand for smaller and less expensive homes
- The SHMA outlines a size mix for the County which roughly aligns with the suggested dwelling mix outlined in Table 5-9. Both mixes suggest that focus should be on delivering smaller dwellings.

**Table 5-10: SHMA suggested dwelling size mix to 2022, Northumberland**

Dwellings Size	Percentage	Grouped percentage (AECOM Calculations)
House 1-2 bedroom	8.1%	58.8%
Flat 1-2 bedroom	21.7%	
Bungalow 1-2 bedroom	29.0%	
House 3 bedroom	26.6%	36.4%
Flat 3+ bedroom	0.7%	
Bungalow 3+ bedroom	9.1%	
House 4+ bedroom	3.5%	3.5%
Other	1.3%	1.3%
Total	100.0%	100.0%

Source: Northumberland County Council SHMA 2018 & AECOM Calculations

- The findings of the SHMA may justify rebalancing the HNA recommendation if this is in line with the objectives of the community, for example seeking fewer 1 bedroom and more 2 bedroom homes. This could justify following the

potential adjustments outlined above – namely, to reduce the emphasis the HNA model gives to 1-bedroom homes and allow for some further delivery of 2-bedroom properties.

- More broadly it is important that the mix of new housing is balanced in and of itself (in addition to creating greater balance in the housing stock overall). As such, it may reasonably be considered that the complete absence of 4+ bedroom homes in the recommended size mix is inappropriately constricting. Allowing for a limited proportion of larger homes may be appropriate if this is in line with the objectives of the community.
- The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets.
- Continuing to provide smaller homes with fewer bedrooms would help to address this situation, although it should be considered whether large numbers of 1–2-bedroom homes are suitable given the area's character and current density.
- To best meet the needs of the growing cohort of older households expected to be present by the end of the Plan period, it should also be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility.
- Variety should be sought within the mid-sized homes that are built in future to attract both newly forming households on lower budgets and older households with equity from their existing larger homes. While the number of bedrooms required may be similar, other preferences and levels of purchasing power could be very different. Facilitating downsizing among older households may also release those larger homes for use by families who need more bedrooms if the existing stock of larger homes is sufficiently affordable. That said, people also have sentimental attachments to existing homes or see them as nest eggs for children, meaning that downsizing is not a preference for everyone.

## Tenure

5.31 The recommendation discussed immediately above applies to all housing in the NA over the Plan period. This is considered proportionate for devising policy at neighbourhood scale. However, in practice different size mixes may be appropriate for market housing and Affordable Housing. While this distinction may not be appropriate to make in Neighbourhood Plan policy, since Local Authorities tend to define the precise mix of Affordable Housing required on applicable sites, it is worth thinking through the factors at play.

5.32 Generally speaking, the size mix needed within affordable tenures, particularly affordable and social rent, is smaller than the size mix of market housing. This is because there tend to be higher proportions of single people and couples in need

of affordable rented housing, and they are likely to be eligible only for 1 or 2 bedroom properties. In contrast, people buying their own homes tend to want more space than they technically 'need', such as spare rooms for guests, home working or other uses. This fact is established in the data on under-occupancy presented earlier in this chapter.

5.33 There are three key sources of information for thinking through the size needs of different categories. These are:

- The relevant SHMA or LHNA for the Local Authority, which will (usually) set out the projected need by size within each tenure over the long-term. In this case, the SHMA does not set out the need by tenure.
- The waiting list for affordable rented housing, kept by the Local Authority. This provides a more current snapshot of the size needs of applicant households. As this changes over time, individual planning applications can be decided in ways that meet evolving needs. In this case, relevant data could not be provided by the LPA.
- Any relevant household survey or consultation work in the NA can also highlight any specific gaps in the market within particular segments of the population. The Longhoughton Housing Needs Survey (2019) states that of households expressing a housing need, buying on the open market was the preferred option (56.2%), followed by 34.4% preferring to buy on the open market with a discount. 31.2% indicated a desire for affordable rented homes from the Local Authority, whilst 15.6% expressed a desire for affordable rented homes from a housing association. 18.7% expressed a desire to rent from a private landlord. These views about general tenure preferences cannot be cross-referenced with size preferences to identify any particular gaps in the market (e.g. for larger affordable rented homes).

5.34 To summarise, the overall size mix recommendation presented above applies generally to new housing in the NA. Within this mix, Affordable Housing might require a greater weighting towards smaller sizes while market homes focus on mid-sized homes and some larger options. It is not necessary (and is potentially not appropriate) for Neighbourhood Plans to be prescriptive about the size mix within different tenures, but a range of data sources exist that indicate a direction of travel, which Local Planning Authorities will draw upon when determining applications, and which it is possible for the neighbourhood planners to monitor.

## Type

5.35 Planning policy also tends to be less prescriptive about the mix of dwelling types that are needed than the mix of home sizes. This is because the choice to occupy a terraced rather than a detached home, for example, is primarily a matter of wealth, personal preference, and the amount of outdoor space or other features sought than 'need' in the strict sense. This stands in contrast to the matter of dwelling size, where it can be more clearly established that a household with a certain number of members, closely correlated with age, requires a particular number of bedrooms.

- 5.36 The key distinctions when it comes to dwelling type are between flats and houses and, to a lesser extent, bungalows, each of which tend to appeal to occupants with different life circumstances. However, it remains difficult to generalise about this, particularly when drawing on demographic evidence.
- 5.37 The benefits of delivering a certain blend of dwelling types are more closely related to affordability, which is clearly established as an issue in Longhoughton, and which favours more dense options (e.g. terraces and flats). This imperative to improve affordability is often in conflict with matters of character, which in rural areas tend to favour lower density options that blend in with the existing built environment. This is particularly relevant in the case of flats, a large block of which may not be a welcome proposition in the NA. That said, it is possible to deliver flats in the form of low-rise maisonettes that resemble terraces from street level, which can counter this issue.
- 5.38 In summary, there is a balance to be struck between, on the one hand, improving affordability and choice in the market by encouraging flats and terraces, and, on the other hand, preserving the distinctive character and other features that residents like about the NA today. How far the Neighbourhood Plan should guide on this issue, and in what direction, is a policy decision for the Parish Council and community to consider.

## Conclusions- Type and Size

### The current housing mix

- 5.39 The current mix of dwelling type in Longhoughton is predominantly composed of semi-detached (39.0%), detached (34.0%) and terraced properties (26.0%). Flats make up a much smaller proportion of dwellings in the neighbourhood area, accounting for 0.9%. The dwelling type split is roughly the same in Longhoughton in 2021 as it was in 2011.
- 5.40 In 2021 3-bedroom properties account for the largest proportion of properties (39.6%), followed by 4+ bedrooms (33.4%) and 2-bedroom properties (24.3%). 1-bedroom properties make up the smallest proportion of dwellings in the NA (2.7%). Between 2011 and 2021, the proportion of 4+ bedroom dwellings has increased from 28.4% to 33.4% and the proportion of 2-bedroom properties has increased slightly from 24.1% to 24.3%.

### Population characteristics

- 5.41 The Census data below shows a large decrease in population between 2011 and 2021, by 15.1% from 1,960 to 1,664. This may be because Longhoughton has a large amount of second homes and the Census could have been completed during the Covid-19 pandemic, when people were not resident in the NA.
- 5.42 In Longhoughton there is a lower proportion of one person households (23.1%) compared to both Northumberland (32.8%) and England (30.1%). Family households dependent children outnumber those with no children to a lesser extent in the NA compared to both the county and national averages.



5.43 85.6% of NA households are under-occupied by at least one bedroom, whilst 51.4% are under-occupied by at least two bedrooms. This is particularly the case for families under 65 with no children, older couples and single person households. Larger housing is not necessarily being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or able to move to smaller properties. There is limited overcrowding in the NA, with 1.1% of families with dependent children over-occupying their homes.

### **Future population and size needs**

5.44 Population growth can be expected to be driven by the oldest households, with a 61.0% increase expected in the 65 and over age group. This is the only age group expected to grow in size during the plan period, with no growth expected in those aged 55 to 64 and a decrease in those aged 24 and under, 25 to 34 and 35 to 54.

5.45 In order to reach the suggested indicative housing mix by the end of the plan period, priority should be given to 2-bedroom properties (49.5%), followed by 3-bedroom properties (32.7%) and 1-bedroom properties (17.8%). The modelling suggest that limited priority should be given to 4 and 5+ bedroom properties. The modelling exercise suggests a diversification away from a large current mix, with an emphasis on 1-3-bedroom properties to widen choice overall.

5.46 This may, however, be adjusted to allow for greater choice within the new homes that come forward (i.e. some continued provision of 4+ bedroom homes), and to seek more 3 bedroom homes and fewer 1-2 bedroom homes than the model suggests to retain existing density patterns and character.

5.47 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 specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors.

## 6. Specialist housing for older people

### Introduction

6.1 It is relatively common for neighbourhood plans in areas with aging populations to include policies relating to specialist housing for older people. This chapter considers in detail the specialist housing needs of older people in Longhoughton. It focuses on specialist forms of provision but recognises that the majority of older people will live in the mainstream housing stock. The approach is as follows:

- To review the **current provision** of specialist housing in the NA;
- To estimate the **potential demand** for this form of accommodation with reference to the projected growth in the older population and current rates of mobility limitation; and
- To discuss the potential for meeting this need through adaptations to the mainstream stock and other **additional considerations**.

6.2 Because of the wide variation in the level of support needed, as well as the financial capabilities of those affected, the estimates of need presented here should be viewed with caution – as an idea of the broad scale of potential need rather than an obligatory target that must be met.

6.3 It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as opposed to the projected new households which form the baseline for estimating housing need overall.<sup>9</sup>

6.4 This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).<sup>10</sup> Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for older people) are largely beyond the scope of this research. However, it is possible to estimate the likely need for residential and nursing care over the Neighbourhood Plan period.

6.5 The distinction between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required. C3 specialist accommodation is typically self-contained with its own front door, made available on an individual basis with support provided in

<sup>9</sup> See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

<sup>10</sup> For a full description of Planning Use Classes, please refer to [https://www.planningportal.co.uk/info/200130/common\\_projects/9/change\\_of\\_use](https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use)

the home or not at all if the resident does not require it, and offered for sale or rent on the open market.

## Definitions

- **Older people:** people over retirement age, ranging from the active newly retired to the very frail elderly. Their housing needs tend to encompass accessible and adaptable general needs housing as well as the full spectrum of retirement and specialised housing offering additional care.
- **Specialist housing for older people:** a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups. This could include residential institutions, 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.
- **Sheltered Housing<sup>11</sup>:** self-contained flats or bungalows where all the residents are older people. Schemes on the whole provide independent, self-contained homes, either to rent or buy. Properties in most schemes have features like raised electric sockets, lowered worktops, walk-in showers, and so on, as well as being linked to an emergency alarm service. Some will be designed to accommodate wheelchair users. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, guest flats and gardens.
- **Extra Care Housing:** housing which usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required. Residents are able to live independently with 24-hour access to support services and staff, and meals are often also available. 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.
- **Category M4(2):** accessible and adaptable dwellings.
- **Category M4(3):** wheelchair user dwellings.

## Specialist housing for older people

6.6 There are no units of specialist accommodation in the NA at present, according to housingcare.org. It is relevant to note that the national average for England is 136 units per 1,000 of the 75+ population<sup>12</sup>, so provision in the NA is significantly lower than the national average.

6.7 The 2021 Census indicates that at this time there were 156 individuals aged 75 or over in Longhoughton.

<sup>11</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

<sup>12</sup> Table 22, 'More Choice Greater Voice' (2008), published by Housing LIN for CLG and the Care Services Improvement Partnership

## Demographic characteristics

- 6.8 The starting point for estimating the need for specialist housing for older people is to project how the overall number of older people in Longhoughton is likely to change in future. This is calculated by extrapolating population projections from the ONS Sub-National Population Projections for Northumberland. The results are set out in Table 6-1, which shows that in 2021, 9.4% of the population in the NA were aged 75+. This proportion is expected to increase to 14.0% by the end of the plan period in 2036.
- 6.9 A key assumption for the estimate given at the end of this section is that the older people living in the NA currently are already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture). As such, the growth in the older population rather than the total at the end of the Plan period is the key output of this calculation.
- 6.10 The Longhoughton Housing Needs Survey (2019) states that 18.1% of respondents indicated that their home was not suitable for their household's needs over the next five years. Of this 18.1%, 42.0% stated this was due to health issues and ageing, whilst 17.0% stated that they needed to downsize due to children leaving home.

**Table 6-1: Modelled projection of older population in Longhoughton by end of Plan period**

Age group	2021		2036	
	Longhoughton	Northumberland	Longhoughton	Northumberland
All ages	1,664	320,568	1,745	336,147
75+	156	35,990	244	56,286
%	9.4%	11.2%	14.0%	16.7%

Source: ONS SNPP 2020, AECOM Calculations

- 6.11 The next step is to consider the need for different tenures of dwelling for older people. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.
- 6.12 The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2036. The top row in Table 6-2 outlines the tenure mix among households aged 55-75 at Local Authority level, which indicates that the majority of people (75.1%) aged 55-75 in the county own their property, of which 53.2% own it outright and 21.9% own their property through a mortgage or shared ownership. 24.9% of people in

this age group rent their property, of which 15.8% live in social rented properties and 7.6% in private rented properties. 1.5% live rent free.

- 6.13 The expected growth in the 75+ population in the NA is 88 additional individuals by the end of the plan period. This can be converted into 63 households based on the average number of people per household aged 75+ at Local Authority scale. Multiplying this figure by the percentages of 55-75 year olds occupying each tenure gives a breakdown of which tenures Longhoughton households are likely to need in 2036, and is shown in the bottom row of Table 6-2.

**Table 6-2: Tenure of households aged 55-75 in Northumberland (2011) and projected aged 75+ in Longhoughton (2040)**

	All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
<b>Northumberland (2011 mix)</b>	<b>75.1%</b>	53.2%	21.9%	<b>24.9%</b>	15.8%	7.6%	1.5%
<b>Longhoughton (2036)</b>	<b>47</b>	34	14	<b>16</b>	10	5	1

Source: Census 2011

- 6.14 It is also important to consider rates of disability by tenure. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector. Table E-2 in Appendix E presents this data for Longhoughton from the 2011 Census.

## **Future needs for specialist accommodation and adaptations**

- 6.15 Based on the evidence outlined above, the number of households falling into potential need for specialist accommodation over the Plan period is calculated to be 26.
- 6.16 AECOM's modelling, summarised in Table 6-3, is based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.
- 6.17 Table 6-3 shows that the majority of specialist housing needed in the NA would be market housing (17) whilst a smaller proportion of affordable units would be

required (9). This is due to the majority of people aged 55-75 currently living in market housing and therefore not being eligible for social rented housing. There is a lean towards the need for adapted, sheltered or retirement living, 16 dwellings, compared to the need for 10 units of housing with care.

**Table 6-3: AECOM estimate of specialist housing for older people need in Longhoughton by the end of the Plan period**

Type	Affordable	Market	Total
Housing with care	4	6	10
Adaptations, sheltered, or retirement living	5	11	16
<b>Total</b>	<b>9</b>	<b>17</b>	<b>26</b>

Source: Census 2011, AECOM Calculations

6.18 It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the simplest and widely used models estimating for the housing needs of older people. Table E-3 in Appendix E reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. Applying those assumptions to the growth in the older population of Longhoughton results in a total of 22 specialist dwellings that might be required to the end of the Plan period. This is set out in Table 6-4.

**Table 6-4: HLIN estimate of specialist housing for older people need in Longhoughton by the end of the Plan period**

Type	Affordable	Market	Total
Housing with care	3	3	6
Adaptations, sheltered, or retirement living	5	11	16
<b>Total</b>	<b>8</b>	<b>14</b>	<b>22</b>

Source: Housing LIN, AECOM calculations

## Further considerations

6.19 The above estimates suggest that potential need for specialist accommodation could be in the range of 22-26 units over the Neighbourhood Plan period. However, it may not be possible or appropriate to deliver this scale of new accommodation. It is proportionally high in relation to the overall housing delivery expectation in the NA, and therefore should not necessarily be prioritised to the exclusion of other groups, such as those in need of Affordable Housing.

6.20 In addition, specialist housing for older people should only be provided in sustainable, accessible locations that offer services and facilities, public transport options, and the necessary workforce of carers and others.

- 6.21 Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist older persons housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
- 6.22 It is considered that Longhoughton's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from Longhoughton entirely within the Neighbourhood Area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of Longhoughton, Alnwick is considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Area (i.e. to be the hub in the hub-and-spoke model).
- 6.23 It is also important to emphasise that the potential need for specialist housing for older people overlaps with the need for care home bedspaces and the need for adaptations to mainstream housing. These topics are considered in the sections below.

## Care homes

- 6.24 Residential and nursing care homes are not defined as housing because they do not provide self-contained accommodation where an older person can live independently. Care home accommodation is defined as institutional accommodation rather than housing.
- 6.25 However, residents of care homes may be similar in terms of their care and support needs as those living in specialist housing, or even mainstream housing with appropriate care and support delivered in their homes. There may be some scope for older people who would otherwise have been accommodated in care homes to meet their needs within specialist or mainstream housing if sufficient appropriate accommodation can be provided. Nevertheless, there is likely to be continued need for care home accommodation to meet more acute and severe needs, and to offer choice to some older people and their families about how they are cared for and supported.
- 6.26 Given the overlap between people who might enter care home accommodation and those who might take up specialist housing or care and support in their own home if available, estimates of the future need for care home accommodation, as with estimates of the need for specialist housing above, are uncertain and depend on both local and national policies, delivery, and the appetite of private developers.
- 6.27 AECOM has estimated the likely need for care home accommodation over the plan period, based on the HLIN SHOP toolkit prevalence rates for residential and nursing care homes for older people (aged 75+). This estimate applied the

prevalence rates in the 'More Choice, Greater Voice' 2008 report which informed the development of the HLIN toolkit. This report suggested that 65 residential care beds per 1,000 people aged 75+ was an appropriate rate. For nursing care beds this is an extra 45 care beds per 1,000 people aged 75+. Based on these rates, applied to the growth in the older population for consistency with the calculations above, it is estimated that in 2036 there would be a need for 5.2 residential care beds and 3.6 nursing care beds in the NA.

6.28 It is important to note that as these estimates relate to care homes (or the population in institutions) rather than independent housing, these figures are in addition to the overall need for housing in the NA. However, as discussed in this section, some of the need for care home beds might be met by independent housing accommodation and vice versa.

## The Role of Mainstream Housing

6.29 The majority of older people live in mainstream housing and will continue to do so all of their lives. Based on the estimated number of older people and the current lack of specialist housing, all of the Longhoughton population aged 75 and over likely live in the mainstream housing stock<sup>13</sup>.

6.30 It is not possible to be precise about how well older people are accommodated within mainstream housing, in terms of whether their accommodation is suitable to their needs and whether adequate care or support is provided within the home when they need.

6.31 However, given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another key avenue to addressing those with relevant needs is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with Northumberland.

6.32 It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide. Government is considering mandating M4(2) on newly erected dwellings<sup>14</sup>, although changes to Building Regulations have not yet been made.

6.33 The current adopted Local Plan policy HOU11 provides explicit encouragement for development to accommodate specific groups such as older people. It states that 20% of all new market housing and 50% of all new affordable ownership housing should meet national standards for accessibility and adaptability (Category M4(2)). It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and

<sup>13</sup> 156 over 75s in 2021, of which 0 are accommodated in specialist housing and a further 0 in care homes, leaving 156 people living in mainstream housing. This is approximate since some people in specialist housing and care homes will be under the age of 75.

<sup>14</sup> See [Raising accessibility standards for new homes: summary of consultation responses and government response](https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes) - GOV.UK ([www.gov.uk](https://www.gov.uk))



accessibility for new housing and so discussions with the LPA are advised if this is a key priority.

- 6.34 The proportion of new housing that might accommodate those using wheelchairs is harder to define at small scales. Typically, at Local Authority scale, this might be set with reference to the proportion of Affordable Housing applicants in the Local Authority area falling into this category or to wider data from surveys and other sources where available.
- 6.35 Table 6-5 sets out the proportion of wheelchair users in England as a whole, either using a wheelchair all of the time (0.6% of the population) or part of the time (3% of the population). As a crude estimate, these percentages are applied to the expected level of housing delivery for Longhoughton to suggest the number that might be encouraged to be wheelchair friendly or adaptable. This would imply a potential need for 1-3 wheelchair accessible dwellings over the Plan period. It is worth noting that these national figures are for all age categories, not just older persons, although it is likely that a significant proportion of households using a wheelchair will be older persons.

**Table 6-5: Wheelchair use Nationally Applied to Longhoughton**

	Percentage in England	% applied to NA housing requirement figure (88 to end of plan period)
Households using wheelchair all the time	0.6%	0.53
Households using wheelchair either indoors or outdoors	3.0%	2.64

*Source: Survey of English Housing 2018/19*

## Conclusions- Specialist Housing for Older People

- 6.36 There are no units of specialist accommodation in the NA at present, according to [housingcare.org](http://housingcare.org).
- 6.37 In 2021, 9.4% of the population in the NA were aged 75+. This proportion is expected to increase to 14.0% by the end of the plan period in 2036.
- 6.38 The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
- 6.39 These two methods of estimating the future need in Longhoughton produce a range of 22 to 26 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.

- 6.40 The majority of specialist housing needed in the NA would be market housing (17) whilst a smaller proportion of affordable units would be required (9). This is due to the majority of people aged 55-75 currently living in market housing and therefore not eligible for social rented housing. There is a lean towards the need for adapted, sheltered or retirement living, 16 dwellings, compared to the need for 10 units of housing with care.
- 6.41 Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Planning groups is to promote high standards of accessibility and adaptability in new developments.
- 6.42 The current adopted Local Plan policy HOU11 provides explicit encouragement for development to accommodate specific groups such as older people. It states that 20% of all new market housing and 50% of all new affordable ownership housing should meet national standards for accessibility and adaptability (Category M4(2)). As noted above, the main unmet need in the NA is for market housing. This can be satisfied by making sure as much new specialist housing as possible is accessible and adaptable for people with lower support needs.
- 6.43 It is considered that Longhoughton's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from Longhoughton entirely within the Neighbourhood Area boundary. If more appropriate to deliver specialist housing in a 'hub and spoke' model, Alnwick may be considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Area.

## 7. Second Homes

### Introduction

- 7.1 Neighbourhood Plan policies controlling second home ownership are typically evidenced by demonstrating a high or rapidly increasing rate of second home ownership within a context of acute affordability challenges and/or serious constraints in the availability of overall housing.
- 7.2 The existence of second or holiday homes is not necessarily a problem in and of itself. It becomes a problem when it creates intense competition for local home buyers (or renters), inflates prices, or reduces the resident population to the extent that local services, employment, and community vitality are impacted.
- 7.3 Longhoughton clearly exhibits these wider challenges, with fairly severe affordability issues, as demonstrated in Chapter 4.
- 7.4 This section of the HNA gathers the limited available data on the rate of second home ownership in Longhoughton that may be used to support policy decisions in this area. The approach is as follows:
  - To estimate the **current level** of second home ownership (including commercial holiday lets);
  - To estimate the **financial incentive** for home owners to use their properties for commercial holiday lets as opposed to long term private rentals; and
  - To discuss the potential **policy options** relating to second homes in the NA.
- 7.5 The Northumberland Local Plan explains that the county is a popular location for people to establish second and holiday homes. This means that high concentrations of such accommodation have arisen in certain parts of the county, including the north Northumberland Coast. As a result, the local plan includes a policy, HOU10, to restrict new market dwellings in parishes identified as having 20% or more household spaces with no permanent residents, to be occupied as a principal residence, secured through planning condition or legal agreement.

### National Data

- 7.6 Before looking at second home ownership levels in the NA, it is important to understand the levels of second home ownership, and specifically holiday lets, across the country. According to the English Housing Survey 2018-2019, 2.4 million households in England reported having at least 1 additional residence, with 772,000 of these second homes (including homes primarily used as holiday homes, holiday lets, or working away from home). It was also noted that 57% of second homes were in the UK. Therefore, it could be estimated in 2018/19 that there were at least 440,040 second homes in the UK from households in England, assuming each of 772,000 households above had just 1 additional home.

- 7.7 The impact of this nationally is more simply understood as a percentage of all dwellings. There were an estimated 28.9 million dwellings in the UK in 2019<sup>15</sup>, meaning that second homes (of which the households that owned them lived in England) in the UK accounted for around 1.5% of total dwellings. The UK second home ownership levels would of course be higher than this when also taking into account second homes owned by households in Wales, Scotland, and Northern Ireland.
- 7.8 According to 2021 Census, 3,026,678 people in England had a second address (somewhere they stay for more than 30 days a year). 76.4% (2,311,039) of these people had a second address within the UK.
- 7.9 14.2% (429,134) of the total second addresses were categorised as holiday homes. It should be noted that this data will not capture holiday homes that are stayed in for less than 30 days a year, it includes people with holiday homes outside the UK, and as it is counted as people with a second address and not households, it may involve some double counting of holiday homes.

## Second Homes and Holiday Lets in Longhoughton

- 7.10 Turning to the NA specifically, Longhoughton contained 675 households and 738 dwellings in 2011, implying that there were 63 dwellings (or 'household spaces') with no usual resident household (8.5% of dwellings).
- 7.11 Looking to 2021, at this time the NA contained 663 households and 773 dwellings, implying 110 dwellings (or 'household spaces') with no usual resident, accounting for 14.2% of all dwellings. This is a clear increase from 2011, though it may in part reflect the timing of the 2021 Census during the pandemic. Note that Northumberland County Council's own data (based on Council Tax reporting) shows 26 second homes in the NA, accounting for 3.4% of all dwellings.
- 7.12 For comparison, the rate of dwellings that had no usual resident across Northumberland as a whole in 2021 was 7.7%, lower than Longhoughton.
- 7.13 For England, the rate was 6.0%. It is worth noting that across the country (or even the local authority area), dwellings will be empty for different reasons (including being uninhabitable), not just second home ownership. Due to the location of the NA it is assumed that the majority of dwellings without usual residents are second homes, either personal or for holiday let.
- 7.14 Northumberland County Council specifically note that a number of unoccupied homes in the NA may simply be vacant, rather than used for other purposes, meaning that AECOM calculations may be lower in practice. It may well be that the number of household spaces with no usual residents is also influenced by the RAF private rented accommodation in the parish (vacancies or RAF personnel not living there at the time of the Census).

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<sup>15</sup> Collated dwelling stock data from GOV.UK, GOV.WALES, National Records of Scotland, and Northern Ireland Department of Finance.

7.15 Another way of gauging the number of holiday lets is to look at the number of properties paying business rates (instead of council tax) in that category. Second (and holiday homes) pay council tax, whereas holiday lets pay business rates.

7.16 Business rates data presented below is correct to the time of writing based on a search using NA postcodes conducted by AECOM in Spring 2024, but has a number of limitations:

- Most importantly, it only gives an indication of the number of commercially rented holiday homes. A holiday let needs to be available for rent 140 days of the year to reach the threshold for business rates. So only the third subcategory of second/holiday homes below would be captured:
  - Second homes that are never rented and only used by the owner;
  - Holiday homes used by the owner primarily, but also available to rent for part of the year (under 140 days) or rented out informally;
  - Holiday homes with a stronger commercial purpose, available to rent more than 140 days per year.
- In January 2022 the Government tightened the rules on second homes and business rates. This means that as well as being available for rent for at least 140 days a year, from April 2023, second homeowners will have to prove that holiday lets are being rented out for a minimum of 70 days a year to access small business rates relief<sup>16</sup>.
- It is likely that the holiday homes counted in the business rates data would also be captured as dwellings with no usual residents in the Census, since owners of second homes, including those rented out for holiday lets, are obliged to fill in a Census return. This indicator is therefore only useful for context and to show the potential size of the tourist sector as opposed to personal-use second homes.

7.17 Research was undertaken on the number of properties in the NA registered for business rates, specifically self-catering holiday units. As of 2024, this gave a figure of 51 commercial holiday lets. This accounts for 46.4% of the dwellings with no usual resident in 2021 noted above, with the remainder likely to be holiday lets available for fewer than 140 days a year or second homes for personal or friends and family use. Note that Northumberland County Council's own data reflecting properties registered for business rates shows 34 commercial holiday lets in the NA, 4.2% of all dwellings. NCC's count of second homes and holiday lets are both below the figures produced by AECOM.

7.18 It is clear that with relatively high levels of second home ownership in the NA, and the demand for second homes, that this has may have had an adverse effect on affordability for local people. It may be worth assessing here the difference in potential income between private landlords and holiday lets in Longhoughton. In order to undertake this comparison, the number of whole property holiday lets available for a week rental in peak holiday season (June/July/August) 2024 was

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<sup>16</sup> Available here: <https://www.gov.uk/government/news/gove-closes-tax-loophole-on-second-homes>

established from holiday rental site Airbnb<sup>17</sup>. The average letting price was then determined, which could then be compared to the average rental price of private rented properties in Longhoughton. It should be noted that not all holiday lets are listed on Airbnb. This process is outlined below:

- Average nightly cost of Longhoughton holiday let (June/July/August 2024) from Airbnb properties = £202
- Average weekly cost of above =  $£202 * 7 = £1,416$
- Average monthly cost of above =  $£1,416 * 4 = £5,665$
- Average monthly cost of private rented dwelling in the NA = £1,000

7.19 These calculations show that if a holiday let was rented back-to-back, as it could be in the summer months, the income (exclusive of any related costs) associated with the holiday let could potentially be more than 5.5x greater than associated with longer term private rental. This may go some way to explain the high proportion of holiday lets in the NA. The impact on the private rental sector in Longhoughton can also be seen to an extent, with the number of households living in the private rental sector in the NA decreasing by 13.5% between 2011 and 2021, with landlords potentially favouring holiday lets to long term rentals. This in turn would have a detrimental impact on affordability as demand may outweigh the available supply.

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

7.21 It is not possible to establish a precise causal link between second home ownership and declining affordability because rising prices and declining affordability is affected by other factors such as economic growth at the national level. However, given the scale of second home ownership in the NA, AECOM suggest that it is highly likely that the second homes market is a factor in the rise in prices and declining affordability in the area.

7.22 In the Spring 2024 budget it was announced that in April 2025 the Furnished Holiday Lettings (FHL) tax scheme will be abolished, removing the tax advantage for holiday lets over long-term residential lets. Although the impacts of this are currently unknown, it may lead to landlords converting furnished holiday lets into longer term residential lets or selling properties.

## **Boulmer Ward**

7.23 It is understood from work undertaken as part of the preparation for the Neighbourhood Plan that, while the proportion of household spaces with no usual residents in the parish as a whole does not meet the 20% threshold included in

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<sup>17</sup> Search of properties as of 17<sup>th</sup> April 2024

local plan policy HOU10, the concentration of second homes and holiday lets in Boulmer Ward specifically represents a high proportion.

- 7.24 The Parish Council conducted an analysis for the ward in March 2024. This shows 84 properties in total within the ward, of which 12 (14.0%) were identified as second homes and 20 (24.0%) as holiday lets. 50 of the properties analysed (60.0%) were occupied full time. This shows that Boulmer Ward has a potentially high amount of second homes.
- 7.25 There is limited secondary data available to verify this analysis because the Census and other sources used for the NA as a whole above are not able to be disaggregated down to the scale of electoral wards, and it is not within the scope of this study to conduct primary data gathering. However, it is possible to gauge the number of holiday lets as was conducted for the NA as a whole by looking at the number of properties paying business rates (instead of council tax) in that category within Boulmer Ward specifically.
- 7.26 Research was undertaken on the number of properties in Boulmer registered for business rates, specifically self-catering holiday units, using the datasets available on NCC's website. As of July 2024, this gave a figure of 19 commercial holiday lets. This means that 22.6% of the dwellings in Boulmer are registered as commercial holiday lets. This figure corroborates the equivalent finding produced by the Parish Council earlier in 2024.
- 7.27 As noted above, AECOM was not able to replicate the analysis for second homes with the available data, although AECOM see no reason to doubt the Parish Council figure for second homes based on the accuracy of the figure for holiday lets. NCC council tax data, if available at the relevant scale, may help to corroborate the former estimate. Note that the business rates data also showed 18 caravans available in Boulmer for holiday lets, although this cannot be included in the overall count because caravans would not normally be owner-occupied.
- 7.28 As a result, the Parish Council may wish to work with the Local Planning Authority to produce a policy which would restrict new housing developments to principal residence housing in Boulmer Ward, given that the current policy applies only to whole parishes.

## Policy Considerations

- 7.29 It is not only Longhoughton within Northumberland that has housing challenges relating to second home ownership. The adopted Northumberland Local Plan (Policy HOU10) outlines that in parishes with *'20% or more household spaces with no usual resident, new market dwellings will only be supported where first and future occupation is restricted in perpetuity to ensure that each new dwelling is occupied only as a principal residence'*.
- 7.30 The evidence gathered in this Chapter shows that Longhoughton does not meet this threshold, with 14.2% of dwellings in 2021 having no usual resident.

- 7.31 As stated previously, Longhoughton as a parish falls under the 20% threshold for household spaces with no usual residents. However, the ward of Boulmer does have a high proportion of second and holiday homes. Therefore, the Parish Council may wish to work with the Local Planning Authority to produce a policy which would restrict new housing developments to principal residence housing in Boulmer.

## Conclusions- Second homes

- 7.32 This section of the HNA considers the extent of second home ownership in Longhoughton and related trends.
- 7.33 In 2021 Longhoughton contained 663 households and 773 dwellings, implying that there were 110 dwellings with no usual resident households. This means that 14.2% of dwellings had no usual resident, compared to 7.7% across Northumberland and 6.0% nationally. Northumberland County Council's own data shows 26 second homes in the NA, accounting for 3.4% of all dwellings.
- 7.34 Looking at changes since 2011, at this time there were 63 dwellings with no usual resident household, accounting for 8.5% of dwellings. There has, therefore, been significant growth in this metric in the past decade – though this may also reflect the timing of the 2021 Census during the Covid pandemic.
- 7.35 Research was undertaken on the number of properties in the NA registered for business rates, specifically self-catering holiday units. As of April 2024, this gave a figure of 51 commercial holiday lets. This accounts for 46.4% of the empty dwellings in 2021 noted above, with the remaining likely holiday lets available for less than 140 days a year or second homes for personal/friends and family use. Northumberland County Council's own data shows 34 commercial holiday lets in the NA, 4.2% of all dwellings.
- 7.36 Northumberland County Council note that a number of unoccupied homes in the NA may simply be vacant, rather than used for other purposes, meaning that AECOM calculations may be lower in practice. It may well be that the number of household spaces with no usual residents are influenced by the RAF private rented accommodation in the parish (vacancies or RAF personnel not living there at the time of the Census).
- 7.37 Using research into holiday lets available in June/July/August on Airbnb, it was found that there were 12 entire property lets available, with an average nightly cost of £202. If a holiday let was rented back-to-back, as it could be in the summer months, the income (exclusive of related costs) associated with the holiday let would be more than 5.5 greater than that associated with longer term private rental.
- 7.38 Although the potential income difference is clear to see, there are other factors to be taken into consideration. These include the fact that holiday lets may not be occupied for the whole year, as well as running and maintenance costs (which would be associated with both holiday lets and private rentals), and the greater



amount of work potentially required with holiday lets in terms of weekly cleaning and booking administration.

- 7.39 It is not possible to establish a precise causal link between second home ownership and declining affordability because rising prices and declining affordability is affected by other factors such as economic growth at the national level. Reduced availability (or supply) when demand is the same or growing, leads to increased prices and rents.
- 7.40 The evidence gathered in this Chapter shows that Longhoughton does not meet the Local Plan threshold of 20% of dwellings with no usual resident, at which new dwellings would be required to be for principal residence. The proportion of dwellings with no usual resident in Longhoughton is 14.2%, and this may include a number of properties that are vacant for other reasons. NCC's data suggests lower rates of both second home ownership and holiday letting than are estimated here.
- 7.41 However, within Boulmer Ward, concentrations of both second homes and holiday lets are understood to be far higher than the parish as a whole. AECOM has replicated the Parish Council's analysis to corroborate the finding that over 20% of homes in the ward are registered for business rates as commercial holiday lets. It has not been possible to replicate the count of second homes due to a lack of relevant data. However, on holiday lets alone Boulmer Ward appears to exceed the 20% threshold applied by NCC. That threshold is understood to apply to whole parishes, but this evidence, together with that gathered by the Parish Council, may justify pursuing a Neighbourhood Plan policy for Boulmer Ward specifically.

## 8. Next Steps

### Recommendations for next steps

- 8.1 This Neighbourhood Plan housing needs assessment aims to provide the Parish Council 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 NCC with a view to refining draft housing policies, bearing the following in mind:
- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
  - The views of Northumberland County Council;
  - The views of local residents;
  - The views of other relevant local stakeholders, including housing developers and estate agents; and
  - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Northumberland County Council.
- 8.2 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.
- 8.3 Bearing this in mind, it is recommended that the Parish Council should monitor carefully strategies and documents with an impact on housing policy produced by the Government, NCC or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
- 8.4 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 : Assessment geography

- A.1 For Census purposes, the whole of England is divided into statistical units of similar population size called Output Areas (OAs) and their larger equivalents. OAs are the smallest units. They make up Lower Layer Super Output Areas (LSOAs), which in turn make up Middle Layer Super Output Areas (MSOAs).
- A.2 As noted in the main body of the report, between the 2011 and 2021 Census there were changes to the parish boundary of Longhoughton, meaning that it is not possible to create the designated NA boundary exactly using Census Output Areas (OAs). The closest available proxy for the NA boundary using Census OAs is the whole LSOA with the code number E01027367. A map of this area is presented below.

**Figure A-1: Map of the study area for Longhoughton**

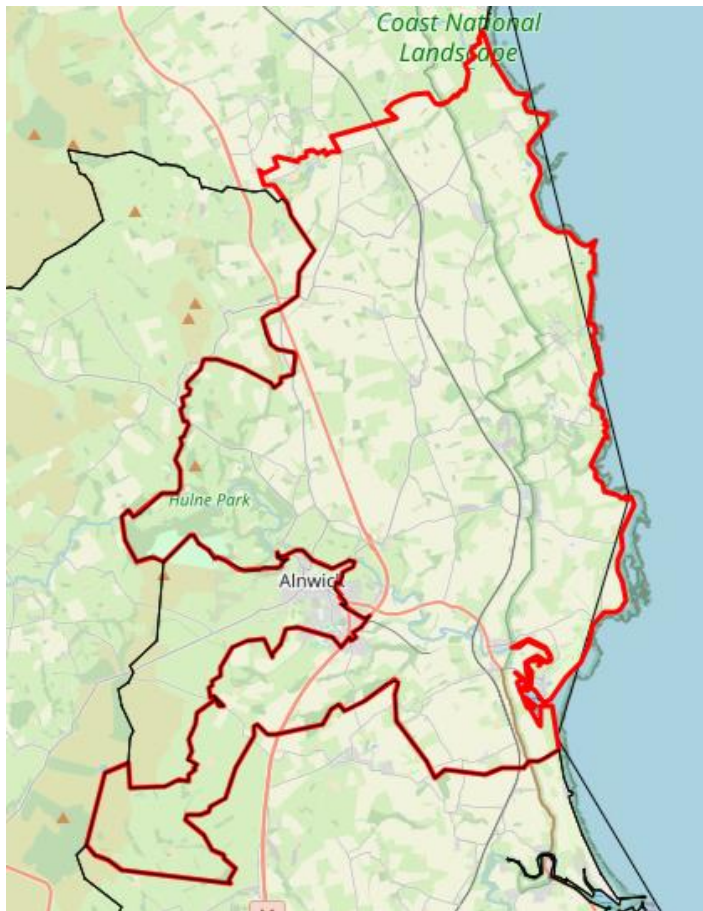


Source: NOMIS

- A.3 Many other datasets besides the Census itself make use of OAs, but not necessarily down to the same level of detail. For example, Valuation Office Agency (VOA) data, which can be used to understand the type and size mix of housing, is only available down to the scale of LSOAs. Given that the proxy area for the NA is a whole LSOA, the same geography can be used for VOA data.
- A.4 Finally, as noted in the analysis of affordability in the main body of the report, household income data for small areas is only provided down to the scale of MSOAs. The relevant MSOA, in which the NA is located and which will need to serve as a proxy for it, is:

- E02005702

**Figure A-2 MSOA which covers Longhoughton**



Source: NOMIS

# Appendix B : Local Plan context

## Policies in the adopted local plan

B.1 Table B-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Longhoughton.

**Table B-1: Summary of relevant adopted policies in the Northumberland Local Plan 2016-2036**

Policy	Provisions
Policy STP 1	<p>To deliver sustainable development which enhances the vitality of communities across Northumberland, supports economic growth, and which conserves and enhances the County's unique environmental assets:</p> <p>The service villages of ... Longhoughton ... will provide for a proportionate level of housing and be the focus for investment in rural areas, to support the provision and retention of local retail, services and facilities.</p>
Policy STP 3	<p>In applying the presumption in favour of sustainable development in Northumberland, and to deliver against economic, social and environmental objectives development proposals will be expected to adhere to the following principals where appropriate:</p> <ul style="list-style-type: none"> <li>- Provide a type and mix of homes to meet local housing need, and increase choice in the local housing market</li> </ul>
Policy HOU 2	<p>The delivery of new open market and affordable dwellings in a range of tenures, types and sizes will be supported where it is consistent with relevant strategies and targets.</p> <p>The housing requirement for Northumberland over the plan period 2016-2036 is for at least 17,700 net additional dwellings, at an annual average of 885 dwellings per annum.</p>
Policy HOU 3	<p>Designated neighbourhood areas should provide for the following minimum housing requirements to help meet Northumberland's overall housing requirements set out in Policy HOU 2.</p> <p>Longhoughton – 88 dwellings (minimum housing requirement 2016 – 2036)</p>
Policy HOU 5	<p>A range of good quality, energy-efficient homes, including affordable homes, will be provided to deliver a more balanced mix of tenures and housing types and sizes, alongside supported specialist housing for older and vulnerable people. Development proposals will be assessed according to how well they contribute to meeting the needs and aspirations of those</p>

Policy	Provisions
	<p>living in and seeking to move to Northumberland, as identified in the most up-to-date Strategic Housing Market Assessment, a local housing needs assessment and/or other evidence of local housing needs verified by the Council.</p>
Policy HOU 6	<p>To deliver affordable homes for sale or rent to meet the identified needs of those not otherwise met by the market, 'major' development proposals of 10 or more units or 0.5 hectares or more (or proposals for five units or more in the Northumberland Coast Area of Outstanding Natural Beauty), will be expected to provide on-site affordable housing (or where robustly justified make an equivalent financial contribution in lieu to support off-site provision).</p> <ul style="list-style-type: none"> <li>- within medium value areas (where Longhoughton is located) - 15% affordable (except developments of 10 or more, but less than 30 dwellings which are exempt from making an affordable housing contribution)</li> </ul> <p>The tenures and dwelling types of the affordable homes will be negotiable within reason on a site-by-site basis, but should reflect the following indicative tenure split:</p> <ul style="list-style-type: none"> <li>- within medium value areas - 33% affordable homes to rent and 67% affordable home ownership</li> </ul>
Policy HOU 10	<p>Within Parishes identified in the most up-to-date Census as having 20% or more household spaces with no usual (i.e. permanent) residents, new market dwellings will only be supported where first and future occupation is restricted in perpetuity to ensure that each new dwelling is occupied only as a 'principal residence'. This restriction will be secured through a planning condition or Section 106 agreement.</p>
Policy HOU 11	<p>Housing and other residential accommodation which meets the changing needs of older people and vulnerable needs groups and which supports residents' desires to live securely and independently in their own homes and communities over their lifetimes will be delivered wherever possible, including by:</p> <ol style="list-style-type: none"> <li>a) Supporting the adaptation of existing homes and the provision of new adaptable homes, including bungalows, level-access flats and sheltered 'extra care' accommodation, located in accessible and sustainable central locations well-served by local health, leisure, education and transport facilities;</li> <li>b) Supporting and facilitating the provision of integrated sheltered residential retirement and 'extra care' accommodation with support for older people and vulnerable adults as part of creating balanced and</li> </ol>

Policy	Provisions
	<p>sustainable communities to meet identified priority needs in Main Towns and Service Centres;</p> <p>c) Supporting and enabling the provision of Use Class C2 residential care and nursing home accommodation options for those older and vulnerable people with physical disabilities and other needs who are unable to live independently, where justified by a specialist housing needs assessment.</p> <p>To ensure that new homes are accessible and adaptable to meet the needs of residents now and in the future, 20% of new open market dwellings and 50% of affordable dwellings will be required to meet or exceed the enhanced accessibility and adaptability housing standards in compliance with Requirement M4(2) of the Building Regulations (or any equivalent successor standards).</p>

*Source: Northumberland County Council*



## Appendix C : Affordability calculations

- C.1 This section outlines how the affordability thresholds discussed in the Affordability and Affordable Housing have been calculated.

### Market housing

- C.2 Market housing is not subsidised and tends to be primarily accessible to people on higher incomes.

#### i) Market sales

- C.3 The starting point for calculating the affordability of a dwelling for sale 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. In practice this can be highly variable. Multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants.
- C.4 To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Longhoughton, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.
- C.5 The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2023) = £448,500;
  - Purchase deposit at 10% of value = £44,850;
  - Value of dwelling for mortgage purposes = £403,650;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £115,329.
- C.6 The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2023 was £281,250, and the purchase threshold is therefore £72,321.
- C.7 It is also worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records no sales of new build properties in the NA in



2022. Though there were too few recent sales in the NA to determine an accurate average, it is important to understand the likely cost of new housing because new housing is where the Neighbourhood Plan has most influence, and is the appropriate benchmark for understanding the costs of affordable home ownership tenures (considered below).

- C.8 Therefore an estimate has been calculated by determining the uplift between all house prices in 2023 across Northumberland and new build house prices in 2023 in the same area. This percentage uplift (or 'new build premium') is then applied to the 2023 lower quartile house price in the NA to give an estimated NA new build entry-level house price of £303,627 and purchase threshold of £78,076. In this case, an 8.0% uplift has been applied which reflects the new build premium for terraced houses.
- C.9 In order to provide a comparison with the wider local authority area, it is helpful to also look at the cost of new build housing across Northumberland in 2023. The median cost of new build dwellings in Northumberland was £264,995, with a purchase threshold of £68,142.
- C.10 Such price points are perhaps unlikely to be achievable in the NA given that the median home value in Longhoughton in 2023 was 54% higher than the median for the wider county – hence the need to calculate the estimate outlined above.

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

- C.11 It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income. The percentage of income to be spent on rent before the property is considered affordable varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption.
- C.12 This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
- C.13 The property website Home.co.uk shows rental values for property in the Neighbourhood Area. The best available data is derived from properties available for rent within the NE66 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.

- C.14 According to home.co.uk, there were 7 properties for rent at the time of search in April 2024, with an average monthly rent of £1,000. There were 2 two-bed properties listed, with an average price of £698 per calendar month.
- C.15 The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
- Annual rent = £698 x 12 = £8,376;
  - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £27,920.
- C.16 The calculation is repeated for the overall average to give an income threshold of £40,000.

## Affordable Housing

- C.17 There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2023: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. The new First Homes were introduced in 2021 but is not yet included in the NPPF. Each of the affordable housing tenures are considered below.

### i) Social rent

- C.18 Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.
- C.19 To determine social rent levels, data and statistical return from Homes England is used. This data is only available at Local Authority scale so must act as a proxy for Longhoughton. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Northumberland in Table C-1.
- C.20 To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

**Table C-1: Social rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£68.49	£75.24	£81.87	£91.28	£76.20
Annual average	£3,561	£3,912	£4,257	£4,747	£3,962
Income needed	£11,860	£13,029	£14,177	£15,806	£13,195

Source: Homes England, AECOM Calculations

## i) Affordable rent

- C.21 Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).
- C.22 Even a 20% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit.
- C.23 Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Northumberland. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
- C.24 Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are indeed around 60% (59.6%) of market rates.

**Table C-2: Affordable rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£85.84	£95.34	£104.30	£115.03	£96.28
Annual average	£4,464	£4,958	£5,424	£5,982	£5,007
Income needed	£14,864	£16,509	£18,061	£19,919	£16,672

Source: Homes England, AECOM Calculations

## i) Affordable home ownership

- C.25 Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are discounted market housing (a subset of which is the new First Homes product), shared ownership, and Rent to Buy. These are considered in turn below.

C.26 In paragraph 66 of the NPPF 2023, the Government introduces a recommendation that “where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership.” There are exemptions to this requirement, including where:

- The provision would exceed the level of affordable housing required in an area;
- The provision would significantly prejudice the ability to meet the identified affordable housing needs of specific groups;
- A proposed development provides solely Build to Rent homes;
- A proposed development provides specialist accommodation for a group of people with specific needs (such as purpose built accommodation for students or the elderly);
- The development is proposed to be developed by people who wish to build or commission their own homes; or
- The proposed development is exclusively for affordable housing, a community-led development exception site, or a rural exception site.

### **First Homes**

C.27 Because First Homes are a new tenure product, it is worth explaining some of their key features:

- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
- The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
- After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;
- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
- They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
- In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents.
- 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream

housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.

- C.28 The starting point for considering whether First Homes are affordable is the estimated cost of new build entry-level housing in the NA noted above of £303,627.
- C.29 For the minimum discount of 30% the purchase threshold can be calculated as follows:
- Value of a new home = £303,627;
  - Discounted by 30% = £212,539;
  - Purchase deposit at 10% of value = £21,254;
  - Value of dwelling for mortgage purposes = £191,285;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £54,653.
- C.30 The income thresholds analysis in the Affordability and Affordable Housing chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £46,845 and £39,038 respectively.
- C.31 All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible. If any of the discounted prices are above £250,000 they would also fail to meet the criteria. In this case all of the discounted prices are below £250,000. Therefore, either a greater discount is justified, developers would need to bring the price down, or smaller or lower value properties would need to be delivered than our assumed benchmark.
- C.32 Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m<sup>18</sup>) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Longhoughton.
- C.33 Table C-3 shows the discount required for First Homes to be affordable to the three income groups. The cost of a typical First Home is calculated using an estimate for new build entry-level housing in the NA. However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, as well as median and entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

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<sup>18</sup> It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - <https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/>

**Table C-3: Discount on sale price required for households to afford First Homes**

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA median house price	58%	83%	67%
NA estimated new build entry-level house price	39%	76%	51%
NA entry-level house price	34%	74%	47%
LA median new build house price	30%	72%	44%

Source: Land Registry PPD; ONS MSOA total household income

### Shared ownership

- C.34 Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rent payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.
- C.35 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.
- C.36 To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
- C.37 The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £303,627 is £75,907;
  - A 10% deposit of £7,591 is deducted, leaving a mortgage value of £68,316;
  - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £19,519;
  - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £227,720;
  - The estimated annual rent at 2.5% of the unsold value is £5,693;

- This requires an income of £18,977 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £38,496 (£19,519 plus £18,977).

C.38 The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £30,580 and £51,689 respectively.

C.39 All income thresholds are below the £80,000 cap for eligible households.

### **Rent to Buy**

C.40 Rent to Buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent, which is intended to be used to build up a deposit to eventually purchase the home. It is therefore estimated to cost the same as private rents – the difference being that the occupant builds up savings with a portion of the rent.

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

C.41 The Help to Buy Equity Loan is not an affordable housing tenure but allows households to afford market housing through a loan provided by the government. With a Help to Buy Equity Loan the government lends up to 20% (40% in London) of the cost of a newly built home. The household must pay a deposit of 5% or more and arrange a mortgage of 25% or more to make up the rest. Buyers are not charged interest on the 20% loan for the first five years of owning the home.

C.42 It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.

# Appendix D : Affordable Housing need and policy

## Affordable Housing estimates

- D.1 In Table D-1 AECOM has calculated, using PPG as a starting point,<sup>19</sup> an estimate of the total need for affordable rented housing in Longhoughton over the Plan period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence available. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out here are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.
- D.2 It should also be noted that figures in Table D-1 are largely dependent on information provided by Northumberland County Council in its capacity as manager of the local housing waiting list.

**Table D-1: Estimate of need for Affordable Housing for rent in Longhoughton**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current households in need	26.0	Latest waiting list data for Longhoughton provided by NCC.
1.2 Per annum	<b>2.2</b>	Step 1.1 divided by the plan period to produce an annualised figure.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	45.5	MHCLG 2018-based household projections for the LA between start and end of plan period. % increase applied to NA.
2.2 Proportion of new households unable to rent in the market	24.2%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA.
2.2.1 Current number of social renters in NA	61.0	2021 Census social rented occupancy
2.2.2 Number of private renters on housing benefits	89.4	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	11.0	Step 2.1 x Step 2.2.
2.4 Per annum	<b>0.9</b>	Step 2.3 divided by plan period.
<b>STAGE 3: TURNOVER OF AFFORDABLE HOUSING</b>		
3.1 Supply of social/affordable re-lets (including transfers) %	3.0%	Assumed proportion of stock re-let each year.
3.2 Supply of social/affordable re-lets (including transfers)	<b>1.8</b>	Step 3.1 x NA social rented stock (2.2.1).

<sup>19</sup> Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>



<b>NET SHORTFALL OF RENTED UNITS PER ANNUM</b>		
Overall shortfall per annum	<b>1.3</b>	Step 1.2 + Step 2.4 - Step 3.2
Overall shortfall over the plan period	<b>15.1</b>	(Step 1.1 + Step 2.3) - Step 3.2 * plan period

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

- D.3 Turning to Affordable Housing providing a route to home ownership, Table D-2 estimates the potential demand in Longhoughton. This model aims to estimate the number of households that might wish to own their own home but cannot afford to. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.
- D.4 There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.<sup>20</sup> No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.
- D.5 Following discussions with Northumberland County Council regarding the number of RAF rented dwellings in the NA, the percentage of people assumed to be rented by choice has been inflated from the standard figure of 25% to 70%. This can be seen in section 1.4 of Table D-2.

**Table D-2: Estimate of the potential demand for affordable housing for sale in Longhoughton**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in NA	231.0	Census 2021 private rented occupancy.
1.2 Percentage renters on housing benefit in LA	38.7%	% of renters in 2021 on Housing Benefit / Universal Credit with housing entitlement
1.3 Number of renters on housing benefits in the NA	89.4	Step 1.1 x Step 1.2.
1.4 Current need (households)	42.5	Current renters minus those on housing benefit and minus 70% assumed to rent by choice. <sup>21</sup> The

<sup>20</sup> <http://www.ipsos-mori-generations.com/housing.html>

<sup>21</sup> The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, based on national level polls which consistently reveal that most households who prefer home ownership eg <http://www.ipsos-mori-generations.com/housing.html> and informed by our experience across numerous neighbourhood level HNAs. The assumption is based on the fact that some households choose to rent at certain stages in their life (e.g. when young, when needing

		standard here is to subtract 25% assumed to rent by choice. However, this has been inflated to 70% to account for the number of RAF rented dwellings in the NA.
1.5 Per annum	<b>3.5</b>	Step 1.4 divided by plan period.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	45.5	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	6.1%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	2.8	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	<b>0.2</b>	Step 2.3 divided by plan period.
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	2.0	Number of shared ownership homes in the NA (Census 2021).
3.2 Supply - intermediate resales	<b>0.1</b>	Step 3.1 x 5% (assumed rate of re-sale).
<b>NET SHORTFALL PER ANNUM</b>		
Overall shortfall per annum	<b>3.7</b>	(Step 1.5 + Step 2.4) - Step 3.2.
Overall shortfall over the plan period	<b>43.9</b>	(Step 1.4 + Step 2.3) - Step 3.2 * number of years to end of plan period

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

- D.6 There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).
- D.7 It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.

## Affordable housing policy

- D.8 The following table reviews the relevant factors in developing a policy on the Affordable Housing tenure mix, which inform the recommendation given in the main body of the report.

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flexibility in employment market, or when new migrants move into an area). While most households prefer the added security and independence of owning their own home, private renting is nevertheless a tenure of choice at a certain points in many households' journey through the housing market. The actual percentage of preference will differ between areas, being higher in large metropolitan areas with younger households and more new migrants, but lower in other areas. 25% is used as a reasonable proxy and for consistency across HNAs and similar assumptions are used in some larger scale assessments such as LHNAs and SHMAs. If the neighbourhood planning group feel this is not an appropriate assumption in their particular locality they could use the results of a local residents survey to refine or confirm this calculation.

**Table D-3: Wider considerations in developing Affordable Housing mix policy**

Consideration	Local Evidence
<p><b>A. Evidence of need for Affordable Housing:</b></p> <p>The need for affordable rent and affordable home ownership is not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.</p>	<p>This HNA suggests that the NA requires around 1 unit of affordable rented housing and 4 units of affordable home ownership homes per annum over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.</p> <p>The relationship between these figures suggests that affordable home ownership housing should be prioritized over affordable rented dwellings if future growth is capable of meeting needs in full (see below).</p>
<p><b>B. Can Affordable Housing needs be met in full?</b></p> <p>How far the more urgently needed affordable rented housing should be prioritized in the tenure mix depends on the quantity of overall housing delivery expected.</p>	<p>If the Local Plan target of 15% were achieved on every site, assuming the delivery of the NA's housing requirement for 88 homes overall, up to 14 affordable homes might be expected in the NA over Plan period.</p> <p>This level of potential affordable housing delivery would not be sufficient to meet all of the need identified. As such, it may be appropriate to prioritise more acute needs for affordable rented housing.</p>
<p><b>C. Government policy (eg NPPF) requirements:</b></p> <p>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.</p>	<p>For 10% of all housing to be affordable ownership in Longhoughton, where 15% of all housing should be affordable, 66% of Affordable Housing should be for affordable ownership. This does comply with the guideline tenure split sought in the Local Plan.</p>
<p><b>D. Local Plan policy:</b></p>	<p>The adopted Local Plan seeks a tenure split of 33% affordable rent and 67% affordable home ownership.</p>
<p><b>E. First Homes policy:</b></p> <p>The Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on</p>	<p>This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was</p>

<p>new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.</p> <p>After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the Local Plan. The remaining units should then be allocated to other tenure products in the relative proportions set out in the Local Plan.</p> <p>AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.</p>	<p>proposed to be more than 75% of Affordable Housing. This will not impact on the LA in question given box D below.</p>
<p><b>F. Viability:</b></p>	<p>HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.</p>
<p><b>G. Funding:</b></p> <p>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.</p>	<p>The Parish Council may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.</p>

<p><b>H. Existing tenure mix in Longhoughton:</b></p> <p>The current stock of homes in an area, in terms of balance between ownership, rented and affordable provision may be a consideration in the mix of tenures provided on new development sites.</p>	<p>There is limited Affordable Housing (either to rent or for sale) within the NA at present. In 2021, 0.3% of properties are shared ownership and 9.2% are socially rented. This highlights significant gaps in the market for both products.</p>
<p><b>I. Views of registered providers:</b></p>	<p>It is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the NA. The funding arrangements available to housing associations will determine rent levels.</p>
<p><b>J. Wider policy objectives:</b></p>	<p>The Parish Council may wish to take account of broader policy objectives for Longhoughton and/or the wider county. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.</p>

# Appendix E : Specialist housing for older people

## Background data tables

Table E-1: Existing specialist housing supply, Longhoughton

	Name	Description	Dwellings	Tenure	Type
1	-	-	-	-	-

Source: <http://www.housingcare.org>

Table E-2: Tenure and mobility limitations of those aged 65+ in Longhoughton, 2011 (65+ is the closest proxy for 75+ in this data)

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
<b>All categories</b>	42	17.6%	66	27.6%	131	54.8%
<b><i>Owned Total</i></b>	16	12.4%	31	24.0%	82	63.6%
Owned outright	13	12.1%	24	22.4%	70	65.4%
Owned (mortgage) or shared ownership	3	13.6%	7	31.8%	12	54.5%
<b><i>Rented Total</i></b>	26	23.6%	35	31.8%	49	44.5%
Social rented	13	26.0%	15	30.0%	22	44.0%
Private rented or living rent free	13	21.7%	20	33.3%	27	45.0%

Source: DC3408EW Health status

## HLIN calculations

**Table E-3: Recommended provision of specialist housing for older people from the HLIN SHOP toolkit**

FORM OF PROVISION	ESTIMATE OF DEMAND PER THOUSAND OF THE RELEVANT 75+ POPULATION
Conventional sheltered housing to rent	60
Leasehold sheltered housing	120
Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) <sup>36</sup>	20
Extra care housing for rent	15
Extra care housing for sale	30
Housing based provision for dementia	6

Source: *Housing LIN SHOP Toolkit*

E.1 As Table 6-1 in the main report shows, Longhoughton is forecast to see an increase of 88 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent =  $60 \times 0.088 = 5$
- Leasehold sheltered housing =  $120 \times 0.088 = 11$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) =  $20 \times 0.088 = 1.76$
- Extra care housing for rent =  $15 \times 0.088 = 1.32$
- Extra care housing for sale =  $30 \times 0.088 = 2.64$
- Housing based provision for dementia =  $6 \times 0.088 = 0.53$

# Appendix F : Housing Needs Assessment Glossary

## **Adoption**

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

## **Affordability**

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

## **Affordability Ratio**

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

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

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

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

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

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



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

### **Affordable rented housing**

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods<sup>22</sup>.

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

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

### **Annual Monitoring Report**

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

### **Basic Conditions**

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

### **Backlog need**

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

### **Bedroom Standard<sup>23</sup>**

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

<sup>22</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

<sup>23</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

## **Co-living**

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

## **Community-led developments (NPPF definition)**

A development instigated and taken forward by a not-for-profit organisation set up and run primarily for the purpose of meeting the housing needs of its members and the wider local community, rather than being a primarily commercial enterprise. The organisation is created, managed, and democratically controlled by its members. It may take any one of the various legal forms including a community land trust, housing co-operative, and community benefit society. Membership of the organisation is open to all beneficiaries and prospective beneficiaries of that organisation. The organisation should own, manage, or steward the homes in a manner consistent with its purpose, for example through a mutually supported arrangement with a Registered Provider of Social Housing. The benefits of the development to the specified community should be clearly defined and consideration given to how these benefits can be protected over time, including in the event of the organisation being wound up.

## **Community Right to Build Order<sup>24</sup>**

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

## **Concealed Families (Census definition)<sup>25</sup>**

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

## **Equity Loans/Shared Equity**

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

<sup>24</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>25</sup> See [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)

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

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

## **Fair Share**

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

## **First Homes**

First Homes is another form of discounted market housing which will provide a discount of at least 30% on the price of new homes, introduced in 2021. These homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments will be required to provide 25% of Affordable Housing as First Homes. A more detailed explanation of First Homes and its implications is provided in the main body of the HNA.

## **Habitable Rooms**

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

## **Household Reference Person (HRP)**

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

## **Housing Market Area**

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

The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning

authorities should work with all the other constituent authorities under the duty to cooperate.

## **Housing Needs**

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

## **Housing Needs Assessment**

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

## **Housing Products**

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

## **Housing Size (Census Definition)**

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

## **Housing Type (Census Definition)**

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

## **Housing Tenure (Census Definition)**

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

## **Income Threshold**

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

## **Intercensal Period**

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

### **Intermediate Housing**

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

### **Life Stage modelling**

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

### **Life-time Homes**

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

### **Life-time Neighbourhoods**

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

### **Local Development Order**

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

### **Local Enterprise Partnership**

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

### **Local housing need (NPPF definition)**

The number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing

strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 60 of this Framework).

### **Local Planning Authority**

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

### **Local Plan**

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

### **Lower Quartile**

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

### **Lower Quartile Affordability Ratio**

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

### **Market Housing**

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

### **Mean (Average)**

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

### **Median**

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

### **Median Affordability Ratio**

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

## **Mortgage Ratio**

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years<sup>26</sup>, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

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

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

## **Neighbourhood plan**

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

## **Older People**

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

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

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

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<sup>26</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

## **Overcrowding**

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

## **Planning Condition**

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

## **Planning Obligation**

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

## **Purchase Threshold**

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

## **Proportionate and Robust Evidence**

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

## **Private Rented**

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

## **Retirement Living or Sheltered Housing**

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



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

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

## **Rightsizing**

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

## **Rural Exception Sites**

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

## **Shared Ownership**

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

## **Sheltered Housing<sup>27</sup>**

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

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<sup>27</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

'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 Older People**

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

### **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>28</sup>

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<sup>28</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

