

# Boulmer, Howick and Longhoughton Housing Needs Assessment (HNA)

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## Quality information

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

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

# 1. Executive Summary

## 1.1 Introduction

1. Longhoughton in Northumberland commissioned from Locality a Housing Needs Assessment (HNA) to inform their emerging Neighbourhood Plan. In consultation with the neighbourhood planning group, we developed three research questions (RQs) for the HNA to answer. The RQs serve to direct our research into the key neighbourhood-level issues and provide the structure for the study.

## 1.2 Research Questions

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

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

**RQ 3: What mechanisms are available and/or could be applied to maximise the provision of new homes that are provided for people and households with a genuine local connection to the Neighbourhood Plan area?**

## 1.3 Findings of RQ 1: Tenure and Affordability and the Need for Affordable Housing

2. The rate of private renting is significantly high in Longhoughton, more than double the local and national averages. This is attributed to the high proportion of RAF exclusive rentals. The proportion of social rented households is lower in Longhoughton, whilst the shared ownership sector is very limited.
3. The income required to buy an average market home is higher than those on median household incomes can afford. Likewise, the income required to buy an average entry-level home is also higher than those on median household incomes can afford. These prices may be distorted by the high proportion of RAF exclusive properties as a reduced stock can increase demand, which in turn will cause prices to raise.
4. Discounted market homes (including 30% discount First Homes) would offer little scope to extend home ownership to median income households. A 40% discount may therefore be more appropriate.
5. The purchase threshold for shared ownership at the 50 % and 25% level appears sufficient for those on mean income to be able to afford such a property. The rent to buy tenure may also be a viable option as the average rental prices in Longhoughton appear affordable to those on mean incomes.
6. Affordable and social rent appear to be the most affordable tenures for those on lower earnings. However, LQ households may be able to privately rent using housing benefit.
7. The SHMA identifies an annual need for 151 additional affordable homes, equivalent to 17% of the County's overall requirement, recommending a 50:50 split between affordable homes to rent and affordable home ownership. The emerging Local Plan applies a value area-based approach to seek to meet the overall need identified in the SHMA. Longhoughton is identified as a medium value area, requiring 15% affordable housing, with a tenure split of 33% affordable homes to rent to 67% affordable home ownership.
8. The neighbourhood group may wish to consider identifying exception sites specifically for affordable housing to enable a more substantial provision of Affordable Housing.
9. Our calculations suggest eight households are unable to access affordable rented homes. It is, however suggested that natural turnover in the existing social rented stock is likely sufficient to accommodate newly arising need. We do not recommend, however, halting the provision of affordable housing for rent altogether as need can change during a long planning period.
10. We calculated a need for 89 affordable homes for sale. This exceeds the overall HRF. It is unlikely that the Neighbourhood Plan will be able to accommodate this figure, however. The households identified in the calculation are generally adequately housed in the private rented sector. The potential demand identified is therefore aspirational and doesn't have to be met.

11. Our calculations suggest there is a greater need to provide affordable routes to ownership compared to affordable homes for rent. This aligns with the tenure split required by Policy HOU 6. It is recommended that Longhoughton should seek to maintain the emerging policy tenure split which boosts the requirement for affordable housing for sale, whilst retaining a 'future-proofed' proportion of affordable housing for rent.
12. The new RAF housing allowance scheme could free up existing RAF stock. Placing unoccupied RAF houses on the private market may lead to lower house prices as supply begins to match demand.

## 1.4 Findings of RQ 2: Type and Size

13. Longhoughton is characterised by higher proportions of detached and semi-detached dwellings, and a lower proportion of terraced dwellings and flats. The SHMA Update notes a particular need to provide level-access housing (including flats with lift access), expressed in a high need for bungalow accommodation. This recommendation aligns with the Longhoughton Housing Needs Survey which suggested a need for more accessible housing accommodation, identifying a particular demand for two-bedroom bungalows.
14. Longhoughton appears to have an adequate number of bungalows. However, there may be an overabundance of larger bungalows in Longhoughton which may not be best suited to meet the needs of older people who wish to downsize.
15. Longhoughton is characterised by a greater proportion of larger properties when compared to Northumberland. Five room properties are the most common dwelling size in both Longhoughton and Northumberland. The total proportion of large dwellings (5 rooms+) in Longhoughton is 76.9%, contrasting with the 70.8% figure found in Northumberland. At the same time, the total proportion of small properties in the NA is 23.1%, compared to 29.2% in the wider County. Longhoughton Village appears to have a lower proportion of smaller properties (1– 4 rooms) and a higher proportion of larger properties (5+ rooms) compared to the rest of the NP area.
16. During the intercensal period all dwelling sizes in Longhoughton increased, except for four-room dwellings which experienced a decline. The main change in Longhoughton since 2001 is the significant growth in two-room dwellings, contrasting with the decline seen in Northumberland. Likewise, the provision of one room dwellings increased by 66.7%, again contrasting with the decline seen at the local level. However, these figures reflect relatively small sample sizes. Perhaps more significant is the increase in eight or more room dwellings, which grew significantly in Longhoughton by 115.3%.
17. Looking at size in terms of number of bedrooms, the data further emphasises the fact that dwellings in Longhoughton are generally larger than those across Northumberland and England as a whole. Longhoughton has a significantly higher proportion of 4 or more-bedroom dwellings (28.4%) compared to Northumberland (19.5%). Correspondingly, Northumberland has a lower proportion of 1 – 3-bedroom dwellings.
18. In terms of demographics, the analysis suggests that Longhoughton has a younger population when compared to the national and local levels. Longhoughton has higher proportions in the 0-15, 16-24 and 25-44 age groups compared to Northumberland, whilst Northumberland has higher proportions in the 45-64, 65-84 and 85+ age bands. The 25-44 age band represents the single largest age group in Longhoughton, with 10% more people in this age group compared to Northumberland. This young population is likely driven by the life-stage of RAF personnel who generally tend to be younger. As of May 2020, RAF personnel make up approximately 19% of all households in the parish.
19. In terms of the changing age structure, Census data shows that since 2001 Longhoughton has experienced growth in all age groups, except for the 85 and over group which experienced no change. This differs from Northumberland, which has seen a decline in the 0-15 and 25-44 age bands, and a significant increase in the 85 and over age band. The 16-24 age group experienced the largest rate of growth in Longhoughton, at a significantly higher rate than local and national levels. This aligns with the finding that Longhoughton has a relatively younger population.
20. In assessing Census data on household composition, we see that Longhoughton has a higher proportion of family households, with correspondingly fewer people living alone or in other household types (such as shared accommodation). Of those families, there are significantly more with dependent children compared to the local and national levels, reflecting the younger age profile of Longhoughton.
21. Between 2001 and 2011, the proportion of one family households in Longhoughton increased at a significantly greater rate than Northumberland and England. Within this household type, families with all children non-dependent grew at a much higher rate compared to the local and national level. This may suggest that young people can't afford entry-level homes in an area. Longhoughton also experienced a greater increase in one person households. The proportion of those aged over 65 within one person households increased in Longhoughton, contrasting with the decline seen at the local and national levels.



22. The results of the life-stage modelling suggest that by 2036, the size distribution of dwellings should be more focused on one to three-bedroom dwellings, with four or more bedroom properties expected to be in less demand. These results align with the preceding chapter, which established the need for more affordable homes, which tend to be smaller dwellings. This finding also generally aligns with the SHMA Update, which indicates that the majority of the need in Northumberland is expected to be for two-bedroom (39.7%), followed by three-bedroom (36.6%) and one-bedroom homes (20.1%), with a much smaller need for larger dwellings of four-or-more bedrooms (3.5%).
23. It is noted, however, whilst our analysis suggests there is a need for smaller dwellings, it is not primarily demographic change that is driving this shift. Rather, it is the present supply of larger homes that requires rebalancing if the preferences for dwellings of various sizes at district level are to be reflected in Longhoughton's future mix.
24. Whilst the focus should be on smaller dwellings (especially affordable smaller homes), we recognise there may also be good reasons to deliver larger properties as part of a housing mix strategy in the district as a whole. We therefore recommend that a degree of flexibility is applied, to allow a broad mix of housing, including all sizes of dwellings.

## 1.5 Findings of RQ 3: Securing a Local Connection

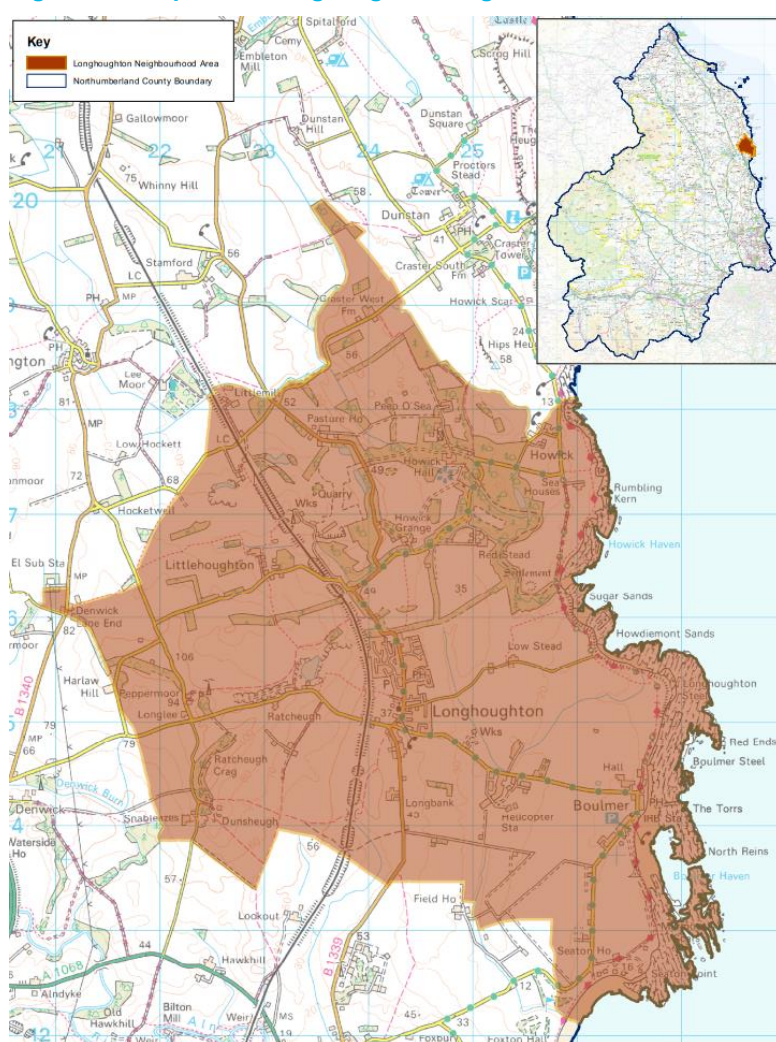
25. In the case of Longhoughton, the current policy applied by Northumberland is Policy S6 from the adopted Alnwick District LDF Core Strategy, while the emerging Local Plan applies Policy HOU 7 in relation to small-scale rural exception sites. These policies seek to address pressing affordable housing needs of rural communities. Both policies include measures to secure this housing in perpetuity for households with a local connection, either through the use of planning conditions or Section 106 agreements.
26. Regarding second/holiday homes, the emerging Policy HOU 10 applies a principal residency restriction to all new market dwellings, in parishes where 20% or more of household spaces are identified as having no usual residents. In Longhoughton only 8.5% of all household spaces. The principal residency restriction will therefore not apply to new market dwellings in Longhoughton Parish
27. It appears that the local connection test is already being applied at Longhoughton, in regards to small-scale rural exception sites. However, there is potential for the parish council to enter into dialogue with Northumberland to establish any opportunities for the system to be improved.
28. If evidence supporting a need for improvement exists, then a policy in the neighbourhood plan could, for example, state that the parish council will work closely with Northumberland to maximise the provision of housing to those with a local connection, including, where appropriate, through relevant improvements to the existing allocations system.
29. Another effective mechanism open to the parish council to ensure that additional housing is provided to those with a local connection (either instead of or alongside work on the local connection test) is on the supply side. Exception sites (either entry-level or rural) are the key tool in this regard.
30. Neighbourhood plans may identify and support both types of exception site, even if they are not identified in an adopted Local Plan, subject to the agreement of the LPA and relevant policy constraints applying to the site in question. If a suitable exception site can be identified where the land is already owned by the Parish Council and/or a community land trust and is free of policy restrictions on development, this enhances the ability of the parish council to retain control of when the site is delivered, its size, and the quantity, type and tenure of the housing to be developed.
31. However, as indicated by the term 'exception site', such sites should be promoted only in response to a clearly identified need arising from a local community which cannot otherwise be met.
32. Local income data suggests the average market home for sale is out of reach for those on median household incomes. Likewise, the income required to buy an average entry-level home for sale is also higher than those on median household incomes can afford and therefore well out of the price range of those on lower quartile household earnings. Those on the lowest household incomes are unable to afford homes in Longhoughton with the exception of social rent and affordable rent homes.
33. The relative unaffordability in Longhoughton indicates that there may be potential for the parish council to designate an entry-level or a rural exception site in an appropriate location within the parish where development is not restricted, based on the local income evidence.
34. Whilst the restriction on second/holiday homes doesn't apply to the parish, the high level of second/holiday homes in Boulmer may justify further discussions between the parish council and the Northumberland County Council on how best to approach this matter.

## 2. Context

### 2.1 Local context

35. Longhoughton is a Neighbourhood Plan area located in the Unitary Authority of Northumberland (Northumberland County Council), North East England. The Neighbourhood Area (NA) boundary was designated in 26<sup>th</sup> October 2018, comprising the Civil Parish of Longhoughton. The proposed Neighbourhood Plan covers the same time period as the emerging Northumberland Local Plan, starting in 2016 and extending to 2036, therefore comprising a planning period of 20 years.
36. The Parish includes the villages of Boulmer, Howick and Longhoughton. Longhoughton village (the largest of the three settlements) is considered by the Northumberland Local Plan as a service village for Howick and Boulmer. Approximately half of the Parish is within the Northumberland Coast Area of Outstanding Natural Beauty (AONB).
37. The statistics show that in the 2011 Census the Neighbourhood Plan area had a total of 1,960 residents. A map of the Plan area appears below in Figure 2.1.

**Figure 2-1: Map of the Longhoughton Neighbourhood Plan area**



*Source: Longhoughton Parish Council*

38. The nearest town, Alnwick, is located 7 kilometres to the south west of Longhoughton village. Longhoughton is within a five-minute drive of the A1 which provides connections throughout Northumberland and beyond.
39. The Parish also contains RAF Boulmer, an RAF station housing approximately 1,000 service, civilian and contracted

personnel<sup>1</sup>. Longhoughton contains a large proportion of housing outside this station which is exclusively rented privately to RAF personnel and their families. The Parish Council note that the RAF own 184 houses in Longhoughton. Over the past three years, due to a number of these houses being unoccupied, the RAF have placed 35 of the properties into the private rental market. This leaves 149 properties exclusively occupied by RAF personnel.

40. The Parish Council have also expressed concerns regarding the impact of second/holiday homes, particularly in the coastal village of Boulmer. Data provided by Longhoughton Parish Council suggests 37.5% of properties at Boulmer are second homes or holiday lets<sup>2</sup>. The Parish Council suggest this is having an impact on local people who cannot afford to purchase properties in Boulmer.
41. In May 2019, Longhoughton Parish Council commissioned Community Action Northumberland (CAN) to undertake a Local Housing Needs Survey for the Longhoughton parish<sup>3</sup>. The Local Housing Needs Survey was designed to provide the parish council with information that would help them assess the wider housing needs of the community. As such, it contains a number of relevant findings regarding housing need within the Neighbourhood Plan area and has been referenced as appropriate throughout this Housing Needs Assessment (HNA) report.
42. The HNA report is structured around research questions, formulated at the start of the project through discussion with the parish council. The research questions deal with the following themes: tenure and affordability, type and size, and securing a local connection. More details on the research questions can be found in section 3 of this report.
43. The parish council are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

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<sup>1</sup> Source: <https://www.raf.mod.uk/our-organisation/stations/raf-boulmer/>

<sup>2</sup> Source: Longhoughton Parish Property Analysis Summary May 2020. Provided by Longhoughton Parish Council.

<sup>3</sup> The Longhoughton Housing Needs Survey was distributed to all 710 households within the parish of Longhoughton. A total of 199 completed questionnaires were returned, representing a response rate of 28%.

## 2.2 Planning policy context

44. In line with the Basic Conditions<sup>4</sup> of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies.<sup>5</sup> Consequently, the relevant elements of the Local Plan have been reviewed as part of this Housing Needs Assessment (HNA).
45. In the case of Longhoughton, the relevant local planning context is as follows:
46. The current Local Plan comprises the Alnwick District Local Development Framework (LDF) Core Strategy (October 2007)<sup>6</sup> and the 'saved' policies from Alnwick District Wide Local Plan (April 1997)<sup>7</sup>.
47. Northumberland have produced a new draft Local Plan, the Northumberland Local Plan 2016 – 2036<sup>8</sup>, to replace the existing Local Plan. Following a period of public consultation, the draft Local Plan (published January 2019) was submitted to the Secretary of State for Independent Examination on 29 May 2019 and is currently undergoing examination. This draft, and submitted, Local Plan will therefore be reviewed as part of this HNA, given its advanced stage of development, alongside the adopted Local Plan.

### 2.2.1 Policies in the adopted local plan<sup>9</sup>

48. The table below includes the policies within the adopted Local Plan that are considered relevant for this HNA. Note: no relevant saved policies have been identified:

**Table 2-2: Summary of adopted policies from the Alnwick Core Strategy having relevance to Longhoughton Neighbourhood Plan Housing Needs Assessment**

Policy	Provisions
Policy S1 Location and scale of new development	This policy sets out the settlement hierarchy. Longhoughton is identified as a Sustainable Village Centre. – a settlement with public transport and a strong service base usually comprising school, shop, post office, pub, church, community hall, sports and recreation facilities and where development will be well-related to the scale and function of the settlement. Boulmer is identified as a Local Needs Centre - a settlement with limited services, or which are peripherally located in relation to employment and transport. Development in these centres will be restricted to that satisfying local needs only. The rest of the parish including Howick falls within the open countryside category, where development is generally limited to the reuse of existing buildings.
Policy S4 The phased release of housing land	Provision has been made for 1,645 additional dwellings between 2004 and 2021. This policy sets out the phased district allocation of additional dwellings. Of the overall allocation 24% will be provided in Sustainable Village Centres.
Policy S5 Housing density	Proposals for new build housing will be required to have a minimum site density of 30 dwellings per hectare. In rural areas, lower densities may be considered.

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

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

<sup>6</sup> Available at <https://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Planning-and-Building/planning%20policy/Consolidated%20Planning%20Policy%20Framework/Section%20A/Part%201%20-%20Adopted%20Statutory%20DPDs/4.%20Alnwick/Alnwick-District-LDF-Core-Strategy.pdf>

<sup>7</sup> Available at <https://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Planning-and-Building/planning%20policy/Local%20Plan/Northumberland-Local-Plan-Reg-19-Publication-Draft-January-2019-Web-PDF-Version.pdf>

<sup>8</sup> Available at <https://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Planning-and-Building/planning%20policy/Local%20Plan/Northumberland-Local-Plan-Reg-19-Publication-Draft-January-2019-Web-PDF-Version.pdf>

<sup>9</sup> Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

Policy	Provisions
Policy S6 Provision of affordable housing	<p>On all housing sites three units or more or 0.1 hectares or more in settlements below 3000 population, developers/applicants will be required to provide an appropriate element of affordable housing within the site, where a need for such housing exists.</p> <p>The target proportion is 35% of the total number of units.</p> <p>In the secondary, sustainable and local needs centres (which includes Longhoughton), exceptions sites to provide 100% affordable housing will be considered when supported by an up to date Housing Needs Survey with data collected within the previous 12 months. This must demonstrate that the housing need cannot be met in any other way. Development of exception sites should provide social housing for rent, housing on a shared equity basis (equity capped at 80%) or housing for sale.</p> <p>The housing provided in pursuit of this policy must be available to people in local housing need. The council will ensure that any planning permission granted is subject to appropriate conditions and/or planning obligations. This includes restricting to people in local housing need for which the council will exercise priority nomination rights.</p>

## 2.2.2 Policies in the emerging local plan<sup>10</sup>

49. The table below includes the policies within the emerging Local Plan that are considered relevant for this HNA:

**Table 2-3: Summary of Northumberland emerging policies having relevance to Longhoughton Neighbourhood Plan Housing Needs Assessment**

Policy	Provisions
Policy STP 1 Spatial strategy (Strategic Policy)	<p>In order to enable the Local Plan to better control the location of development, settlement boundaries are proposed for all Main Towns, Service Centres and Service Villages. Longhoughton is identified as a 'Service Village'. The role of a Service Village is to 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> <p>In order to support sustainable development in settlements not identified as Main Towns, Service Centres or Service Villages, small scale sustainable development, subject to a number of criteria, will be supported. Community support will need to be demonstrated if major development is to be permitted in these smaller settlements. A smaller settlement is defined as a cluster of dwellings and associated buildings which has a recognised name and identity, a definable village centre, and a church or other community building.</p> <p>Development in the open countryside will be restricted and need to demonstrate that it meets a policy test. The open countryside is defined as:</p> <ul style="list-style-type: none"> <li>Land beyond settlement boundaries,</li> <li>Land not within, or immediately adjacent to the built-up form of settlements where limits are not defined</li> </ul>
Policy STP 3 Principles of sustainable development (Strategic Policy)	<p>The policy sets out a number of principles which development proposals will be expected to adhere to including: Provide a type and mix of housing to meet local housing need, including meeting the needs of an ageing population.</p>
Policy HOU 2 Provision of new residential development (Strategic Policy)	<p>This policy sets out the delivery of new open market and affordable dwellings in a range of tenures, types and sizes will be supported.</p> <p>The housing requirement for Northumberland is set out as a minimum of 17,700 net additional dwellings over the plan period (2016-2036), at an annual average 885 dwellings per annum.</p>
Policy HOU 3 Housing requirements for neighbourhood plan areas (Strategic Policy)	<p>This policy sets out indicative minimum housing requirements for neighbourhood plan areas. Longhoughton has a minimum housing requirement of 88 dwellings between 2016 – 2036.</p>

<sup>10</sup> Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.



Policy	Provisions
Policy HOU 5 Housing types and mix	This policy promotes a more balanced mix of tenures and housing types and sizes, alongside supported specialist housing for older and vulnerable people. Community-led housing, including individual and group self-build and custom-housebuilding, will also be supported and facilitated.
Policy HOU 6 Affordable housing provision (Strategic Policy)	<p>This policy sets out that all '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 make an equivalent financial contribution towards off-site provision) in accordance with the housing viability value areas.</p> <p>The policies maps indicate that Longhoughton is a medium value area, requiring 15% affordable housing allocation.</p> <p>The affordable provision will be expected to reflect the following general tenure split (while ensuring at least 10% of the total number of homes on the site are for affordable home ownership products, unless NPPF exceptions apply) in accordance with the housing viability value areas</p> <p>For medium value areas this is 33% affordable homes to rent and 67% affordable home ownership.</p>
Policy HOU 7 Exception sites	<p>This policy sets out the criteria for the development and management of entry-level and rural exception sites. Entry level sites relate to first-time buyers/renters, supporting development of unallocated land, adjacent to existing settlements, for housing to provide wholly for entry-level homes offering one or more types of affordable housing, unless the need for such homes is already met within the local authority area. Entry-level exception sites will not be permitted within the Green Belt, Northumberland's AONBs, or where they would compromise protected environmental designations.</p> <p>Rural exception sites seek to address pressing affordable housing needs of rural communities, specifically for the purposes of providing affordable housing in perpetuity for households who are either current local residents or have an existing family or employment connection (e.g. essential local workers) to the particular area. Some market homes may be allowed on rural exception Sites where it is clearly shown to be essential to support the delivery of the affordable element. Any market homes element will be restricted to occupation as a principal residence only.</p>
Policy HOU 10 Second and holiday homes	To help sustain the vitality of communities, in parishes where 20% or more of household spaces are identified in the latest Census as having no usual (i.e. permanent) residents, a principal residency restriction will be applied to all new market dwellings, which will be secured through a Section 106 agreement.
Policy HOU 11 Homes for older and vulnerable people (Strategic Policy)	Wherever possible, housing will be delivered to meets the needs of older people and vulnerable needs groups, supporting residents' desires to live independently in their own homes and communities. Accommodation to meet the needs of those who are made homeless, refugees and asylum seekers will be supported where an evidenced need for such accommodation is identified.

### 2.2.3 Quantity of housing to provide

50. The NPPF 2018 requires, through paragraphs 65 and 66, Local Authorities to provide neighbourhood groups with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
51. Northumberland County Council has fulfilled that requirement by providing Longhoughton with an indicative figure of 88 dwellings to be accommodated within the Neighbourhood Plan area by the end of the Plan period.<sup>11</sup>
52. Given that the NPPF requirement has already been fulfilled, the question of how many houses to plan for has been answered. It is therefore outside the scope of this Housing Needs Assessment. The issue of quantity has been excluded from the Research Questions (see Chapter 3 below).
53. AECOM is aware that the neighbourhood group is seeking further evidence from Northumberland County Council to understand whether the 88 figure reflects the future needs for the Parish, given a large proportion of this allocation has already been taken up this early into the twenty-year plan period. AECOM recommend the neighbourhood group discuss this directly with Northumberland County, rather than interrogating the figure through this Housing Needs Assessment, which can only proceed on the basis of the indicative housing quantity provided.

<sup>11</sup> As confirmed by Policy HOU 3 in the Northumberland Local Plan 2016 – 2036.

### 3. Approach

#### 3.1 Research Questions

54. Research questions, abbreviated to 'RQ,' are formulated at the start of the project through discussion with the neighbourhood group. They serve to direct the research and provide the structure for the HNA.
55. The RQs relevant to this study, as discussed and agreed with Longhoughton Parish Council, are set out below.

##### 3.1.1 Tenure and Affordability

56. The parish council would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
57. This evidence will allow the parish council to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing (as per the government/planning definition) for those who may be currently priced out of the market.

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

##### 3.1.2 Type and Size

58. The parish council is seeking to determine what size and type of housing would be best suited to the local community. The neighbourhood group recognises there is a need to provide adequate housing to retain young people within the area as well as fulfilling the needs of the elderly population.
59. The aim of this research question is to provide the parish council with evidence on the types and sizes of housing needed by the local community. This will help to shape future development so that it better reflects what residents need.

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

##### 3.1.3 Securing a Local Connection

60. The parish council is keen to ensure that, to the extent permissible by relevant legislation and the planning system, housing can be provided to households in need that can demonstrate a genuine local connection to the Neighbourhood Plan area; for example, who already live there, who work there, or who have family connections to it. As such, AECOM has considered this issue as one of the RQs.

***RQ 3: What mechanisms are available and/or could be applied to maximise the provision of new homes that are provided for people and households with a genuine local connection to the Neighbourhood Plan area?***

### 3.2 Relevant Data

#### 3.2.1 Local authority evidence base

61. It is appropriate for the parish council to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As Longhoughton Neighbourhood Area is located within Northumberland County Council's planning area, we therefore turned to the relevant Strategic Housing Market Assessment (SHMA), which comprises two parts: Northumberland Strategic Housing Market Assessment 2015 (published October 2015) and Partial SHMA Update 2018 (published June 2018).
62. For the purpose of this HNA, data from Northumberland County Council's own evidence base to support their housing policies has been considered applicable and relevant unless it conflicts with more locally specific and/or more recently-produced evidence. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the Neighbourhood Plan area and has been referenced as appropriate.

### 3.2.2 Other relevant data

63. In addition to the Northumberland Local Plan evidence base, we have assessed other evidence to ensure our study is robust for the purposes of developing policy at the NP level and is locally specific. This includes data from both Census 2001 and 2011, as well as from a wide range of other data sources, including:

- Land Registry data on prices paid for housing within the local market;
- Population and household projections produced by the Office of National Statistics (ONS);
- Information on current property asking prices, for housing for sale or rent, from [home.co.uk](https://www.home.co.uk);
- Valuation Office Agency (VOA) data on local housing stock by dwelling type;
- The Housing Learning and Improvement Network (LIN)'s SHOP@ tool for estimating the need for differing types of specialist dwellings for older people; and
- Neighbourhood-level survey and consultation work giving further detail. In the case of Longhoughton, this comprises the Community Action Northumberland (CAN) Longhoughton Housing Needs Survey July 2019 and Longhoughton Parish Property Analysis Summary May 2020<sup>12</sup>.

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<sup>12</sup> Provided by Longhoughton Parish Council..



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

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

### 4.1 Introduction

64. This section examines the tenure of dwellings in the current stock and recent supply. It then considers the affordability of housing within the area to local households. Drawing on existing evidence and AECOM's estimates for the neighbourhood area, this section quantifies the need for affordable housing within the NA. This includes Affordable Housing for rent (typically social or affordable rents) and Affordable Housing to buy. The scale of need for these homes can justify policies that guide new developments to provide Affordable Housing.<sup>13</sup>

### 4.2 Definitions

65. Tenure refers to the legal arrangements in place that enable a household to live in its home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable it to live in its home.
66. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. AH comprises those forms of housing tenure that fall within the UK Government's definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms of AH designed to offer affordable routes to home ownership.<sup>14</sup>
67. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership (by broadening the definition of AH, which had previously referred only to social and intermediate housing, to include a range of other low-cost housing opportunities for those aspiring to own a home). The Government has proposed to introduce First Homes to provide at least a 30% discount on new market housing for sale. However, the NPPF and Homes England funding for Affordable Housing recognises the important role of affordable rent tenures for those unable to afford home ownership.

### 4.3 Current tenure profile

68. The current tenure pattern is a key characteristic of the local neighbourhood area. Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing. Table 4-1 overleaf presents Census data from 2011; this table shows the distribution of how households occupy their homes within Longhoughton, compared to the rest of Northumberland and England.
69. As seen at higher level geographies, home ownership represents the single largest tenure in Longhoughton. However, the rate of home ownership is significantly lower in the parish when compared to the levels in Northumberland and across England. Accordingly, the rate of private renting is significantly higher, more than double the individual local and national averages. This high level of private rentals is influenced by the strong presence of the RAF in the area, who provide accommodation for their personnel in the Parish. In Table 4-1 we've split Longhoughton's private rented tenure into homes associated with the RAF and those not. We see that most of the private rented sector is dominated by homes which are exclusively for RAF personnel. The proportion of market private rentals in Longhoughton is 12.3%, slightly lower than the private rented total for Northumberland of 13.3%. At the same time, the proportion of social rented households is lower in Longhoughton compared to Northumberland and England. The Shared Ownership sector is very limited in Longhoughton, with just one household (0.1%) living in a Shared Ownership tenure at the time of the Census.

<sup>13</sup> PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

<sup>14</sup> NPPF 2019.

**Table 4-1: Tenure (households) in Longhoughton, 2011<sup>15</sup>**

Tenure		Longhoughton	Northumberland	England
Owned; total		43.7%	65.8%	63.3%
Shared ownership		0.1%	0.4%	0.8%
Social rented; total		13.3%	18.7%	17.7%
Private rented	Total	39.6%	13.3%	16.8%
	RAF	27.3%		
	Non-RAF	12.3%		

Sources: Census 2011, AECOM calculations, Longhoughton Parish Data

70. In Table 4-2, we note the changes in tenure during the intercensal period. The most striking change in the NA is seen in the private rented tenure, which increased by 164.4%, with a lesser but still significant 93% increase experienced in the same tenure across Northumberland. Total ownership also saw a significant increase of 84.4%, compared to the lower growth of 4.6% experienced in the County. Meanwhile, social rented experienced a more modest growth of 7.1% in Longhoughton, contrasting with the decline at the County level.

**Table 4-2: Rates of tenure change in Longhoughton, 2001-2011**

Tenure	Longhoughton	Northumberland	England
Owned; total	84.4%	4.6%	-0.6%
Shared ownership	0.0%	-0.2%	30.0%
Social rented; total	7.1%	-8.2%	-0.9%
Private rented; total	164.4%	93.0%	82.4%

Sources: Censuses 2001 and 2011, AECOM calculations

71. In Table 4-3 we've replicated data from the Longhoughton Parish Property Analysis Summary. Significantly, the table shows that Boulmer has a far lower rate of full-time occupied households compared to the other wards in the parish. This can be attributed to Boulmer's higher proportion of second homes and holiday lets, which when combined equal 37.5% of all households in the ward.

**Table 4-3 Longhoughton parish property analysis summary**

Household Type	Longhoughton Ward		Boulmer Ward		Howick Ward		Parish totals	
Property Numbers	636	100.00%	80	100.00%	80	100%	796	100%
Occupied Full time	609	95.75%	49	61.25%	69	86.25%	727	91.3%
Second homes	12	1.89%	10	12.5%	0	0%	22	2.8%
Holiday Lets	14	2.20%	20	25%	10	12.5%	44	5.5%
Unoccupied	1	0.16%	1	1.25%	1	1.25%	3	0.4%

Source: Longhoughton Parish Property Analysis Summary May 2020

## 4.4 Affordability

72. Having reviewed the tenure of the existing housing stock in Longhoughton, this report now assesses the affordability of homes to those living in the Neighbourhood Plan area.
73. The following analysis considers house prices and rents in the neighbourhood area and whether these are affordable

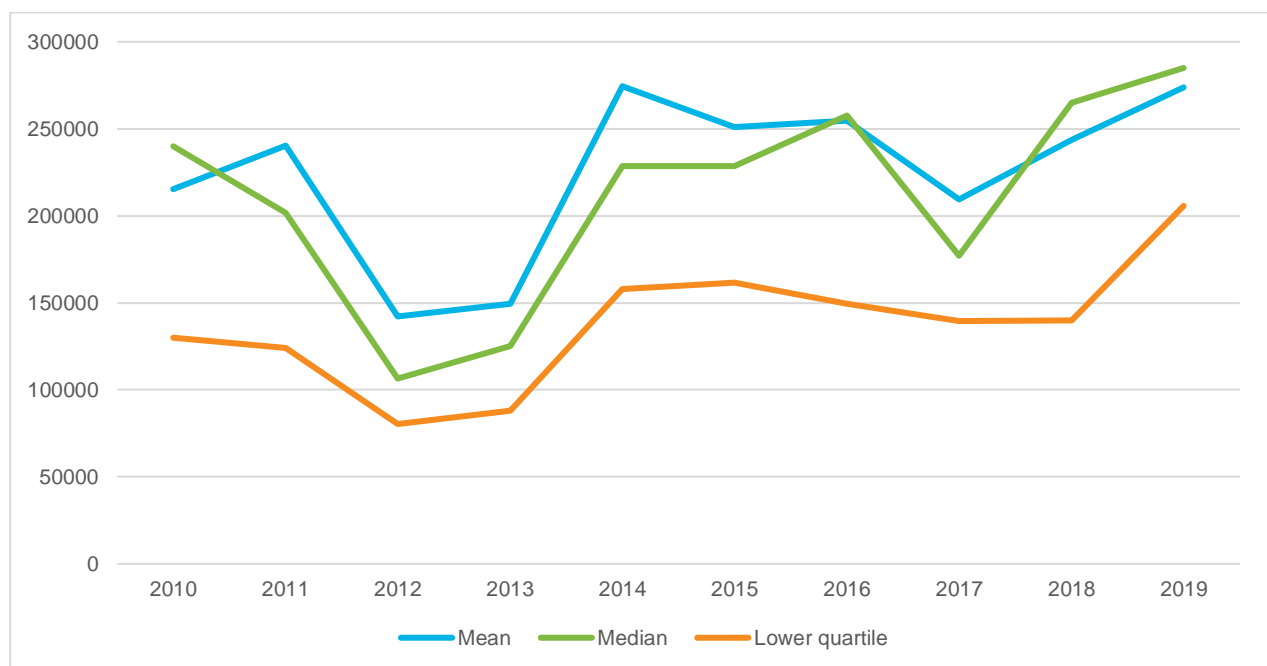
<sup>15</sup> Data for the individual tenure types is sourced from the 2011 Census. The RAF housing data is sourced from Longhoughton Parish who state the RAF own 184 houses in Longhoughton. This table assumes the RAF housing number of 184 number was also correct in 2011. The parish council note that as of May 2020, 35 RAF properties were put on the private rental market due to being unoccupied. This leaves 149 properties exclusively occupied by RAF personnel.

to local households on the basis of their incomes or earnings. Poor or worsening affordability or homes to rent or buy can indicate the need to provide net additional Affordable Housing locally.

#### 4.4.1 House prices

74. 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.
75. In line with government guidance in the PPG<sup>16</sup>, we have considered evidence of affordability by looking specifically at the relationship between house prices and incomes, as expressed in the Lower Quartile Affordability Ratio<sup>17</sup> (LQAR) and the Median Affordability Ratio<sup>18</sup> (MAR). While this is a relatively crude measure of affordability, as it does not take account of the cost of servicing mortgage debt, it is a useful basic measure for benchmarking affordability changes over time and between different geographies. Further, the PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.<sup>19</sup> Entry-level properties are typically those with one or two bedrooms – either flats or houses.
76. Figure 4-1 below looks at selected measures of house prices in Longhoughton. It shows that whilst there has been an overall increase, there have been considerable fluctuations in house prices over the ten-year period. House prices were at their lowest point in 2012 as seen by the decrease in the mean, median and lower quartile house prices. Median and lower quartile prices peaked in 2019. Mean house prices peaked in 2014; however, by 2019 the mean prices had reached a similar level to the 2014 peak.

**Figure 4-1: House prices by quartile in Longhoughton between 2010 and 2019**



Source: Land Registry Price Paid Data (PPD)

77. Table 4-4 overleaf breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). It shows that semi-detached housing experienced the highest price growth over the period, followed by detached and

<sup>16</sup> See Paragraph: 021 Reference ID: 2a-021-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

<sup>17</sup> See Glossary in Appendix.

<sup>18</sup> See Glossary in Appendix.

<sup>19</sup> See Paragraph: 021 Reference ID: 2a-021-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

then terraced housing, which experienced a more moderate growth. In terms of flats, only one transaction was recorded over the entire period (in 2019). This is perhaps unsurprising, as this housing type is uncommon within a rural parish setting.

**Table 4-4: House prices by type in Longhoughton, 2008-2017, 000's**

Type	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Growth
Detached	£284,167	£315,822	£239,167	£231,357	£403,444	£315,306	£343,532	£304,400	£329,871	£341,534	20.2%
Semi-detached	£171,667	£109,667	£166,350	£130,833	£210,000	£176,250	£136,000	£183,325	£157,315	£219,522	27.9%
Terraced	£144,725	£96,500	£85,642	£110,792	£164,868	£159,428	£125,833	£129,644	£175,500	£157,786	9.0%
Flats	-	-	-	-	-	-	-	-	-	£154,000	N/A
<b>All Types</b>	<b>£215,300</b>	<b>£240,314</b>	<b>£142,186</b>	<b>£149,360</b>	<b>£274,484</b>	<b>£250,904</b>	<b>£254,519</b>	<b>£209,368</b>	<b>£243,753</b>	<b>£273,853</b>	<b>27.2%</b>

Source: Land Registry PPD

#### 4.4.2 Income

78. 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.
79. The first source is locally specific but limited to the average total household income and the median net annual household income before housing costs (or take-home pay). This is the average household income estimates published by ONS<sup>20</sup> at the level of the Middle-layer Super Output Area (MSOA)<sup>21</sup>. In the case of Longhoughton the MSOA most suitable for use as a proxy for the Neighbourhood Plan area boundary is known as Northumberland 004 (E02005702). Further details on the extent of this MSOA, including a map, and why it was selected as a proxy for the Neighbourhood Plan area, are set out in Appendix A.
80. The average total household income before housing costs (equalised) across Northumberland 004 (E02005702) in 2018 was £43,900. The latter figure is typically used by mortgage lenders to assess a household's ability to borrow money.<sup>22</sup>
81. The second source of data is Lower Quartile (LQ) average earnings. This is helpful for understanding affordability challenges among those with lower than average earnings. However, this data relates to individual earnings and whilst this is an accurate representation of household incomes where households have just one earner, it does not represent household income where there are two people earning. It is also only available at the District level and so less locally-specific.
82. LQ earnings are derived from ONS annual estimates of paid hours worked and earnings for UK employees at local authority level. The average gross LQ annual individual earnings for relevant households in Northumberland 2018 was £10,442 per year. This is the LQ income before taxes (or benefits) for individual earners and so only correlates with the measure of household incomes above for single-person households. To estimate the income of LQ-earning households with two earners, the annual income is doubled, to £20,884.

#### 4.4.3 Affordability Thresholds

83. In order to gain a clearer understanding of local affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds'. Purchase thresholds denote the standard

<sup>20</sup>Available at

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/smallareamodelbasedincomeestimates/financialyearending2016>

<sup>21</sup> An MSOA is a statistical geographical area defined for Census purposes. For further information on MSOAs, see

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

<sup>22</sup> Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

household income needed to access mortgage products, and income thresholds denote the maximum share of a family's income that should be spent on accommodation costs.

84. AECOM has determined thresholds for the income required to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in NPPF. These calculations are detailed in Appendix A. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income.
85. Table 4-5 shows the cost of different tenures and the annual income required to support these costs in Longhoughton. The 'income required' column sets out the annual income needed to support ongoing housing costs, but does not reflect the cost of a deposit (which we have assumed to be 10% of the value to be purchased) or the possibility that households able to access market housing for purchase may already hold equity from an existing property.

**Table 4-5: Affordability thresholds in Longhoughton (income required, £)**

<i><b>Tenure</b></i>	<i><b>Mortgage Value</b></i>	<i><b>Rent</b></i>	<i><b>Income required</b></i>
<b>Market Housing</b>			
Median House Price	£256,500	-	<b>£73,286</b>
LA New Build Mean House Price	£211,313	-	<b>£60,375</b>
LQ/Entry-level House Price	£185,164	-	<b>£52,904</b>
Average Market Rent	-	£6,816	<b>£22,720</b>
Entry-level Market Rent	-	£6,276	<b>£20,920</b>
<b>Affordable Home Ownership</b>			
Discounted Market Sale (-20%)	£228,000	-	<b>£58,629</b>
Discounted Market Sale (-30%)	£199,500	-	<b>£51,300</b>
Discounted Market Sale (-40%)	£171,000	-	<b>£43,971</b>
Shared Ownership (50%)	£26,452	£8,572	<b>£35,024</b>
Shared Ownership (25%)	£13,226	£12,859	<b>£26,085</b>
<b>Affordable Rented Housing</b>			
Affordable Rent	-	£5,002	<b>£16,675</b>
Social Rent	-	£3,962	<b>£13,208</b>

Source: AECOM calculations

86. The incomes required to afford the different tenures are then benchmarked in Figure 4-2 against the two measurements of household income set out above. These are the average total household income for MSOA Northumberland 004 (E02005702) at £43,900 and the lower quartile gross earnings for Northumberland at £10,442 for single earners and £20,884 for dual-earning households.
87. Taking into consideration the affordability thresholds set out above, it is apparent that the income required to buy an average market home for sale is higher than those on median household incomes can afford. Likewise, the income required to buy an average entry-level home for sale is also higher than those on median household incomes can afford. Entry-level homes are therefore well out of the price range of those on lower quartile household earnings.
88. The high proportion of RAF exclusive properties may be distorting the prices of market housing, the reduced stock can increase demand, which in turn will cause prices to raise. The parish council understands that the RAF are trialing a new scheme for personnel, offering a financial allowance to RAF families letting them make their own decisions in the housing market rather than renting an allocated house. This approach would allow RAF families to avail of housing beyond the parish, freeing up the existing RAF stock. As previously noted, unoccupied RAF houses have already been placed into the private rental market in Longhoughton. If this continued the increasing supply may begin to match demand, resulting in overall lower house prices.
89. Turning to properties for purchase through affordable routes to home ownership tenures, i.e. those aimed at households unable to afford to buy in the market, the purchase threshold is sufficient to meet their needs of those on mean incomes for the shared ownership at the 50 and 25% level tenures.

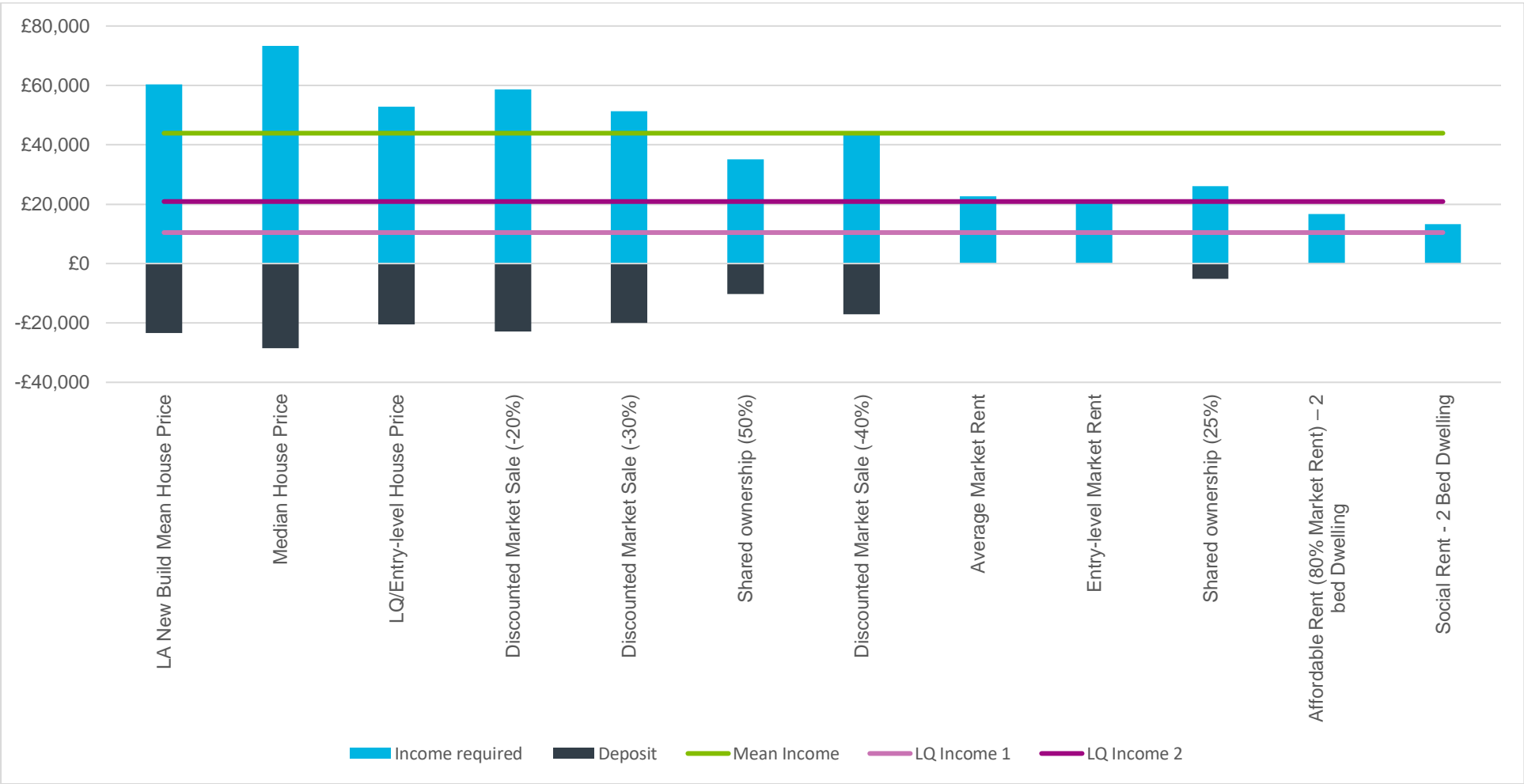
90. The Government's proposed First Homes product would provide a minimum discount of 30% on new homes. New build prices are not available at the neighbourhood level in Longhoughton because the number of transactions is too low. However, median average prices provide a reasonable proxy for the price of new homes. In Longhoughton a 30% discount on average prices would not be sufficient to extend home ownership to households on median incomes. A 40% discount on average prices may be more appropriate as the income required to access these homes is essentially the same as the average total household income for the MSOA.
91. The rent-to-buy tenure, which enables a household to save a proportion of their rent as a deposit to eventually buy the property, is only affordable where average rental prices are affordable. In Longhoughton, this is generally the case, so rent-to-buy may be a viable option.
92. Discounted market homes are largely unaffordable to those on LQ earnings, suggesting that affordable rent and social rent tenures may be more appropriate to meet the needs of those on lower earnings (though there seems to be a lack of social rented dwellings in Longhoughton at present).
93. Households where two people have LQ earnings may be able to afford entry level rents, as the affordability threshold is similar to the average earnings for two person LQ households. It's important to caveat, however, that the lower quartile earning data does not reflect housing benefits or other forms of financial assistance. For this reason, it is possible that many lower quartile households would also be able to meet their housing needs by privately renting rooms in shared dwellings, using housing benefit to afford that rent.
94. Government policy aimed at tackling the housing crisis continues to attach a high priority to helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership<sup>23</sup>. In the case of Longhoughton, the figure overleaf suggests that the most appropriate tenure to help implement this policy goal locally would be shared ownership, since discounted market housing appears to be largely unaffordable to those on median incomes.

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<sup>23</sup> See the White Paper 'Fixing Our Broken Housing Market', at

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/590464/Fixing\\_our\\_broken\\_housing\\_market\\_-\\_print\\_ready\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf)

Figure 4-2: Affordability thresholds in Longhoughton (income required, £) [ensure you use most up to date excel/table for this chart]



Source: AECOM calculations



## 4.5 Affordable housing- quantity needed

95. The starting point for understanding the need for affordable housing in Longhoughton is the relevant Strategic Housing Market Assessment (SHMA). A SHMA was undertaken for Northumberland County Council in October 2015 and updated in June 2018. The 2018 study estimates the need for affordable housing in the District based on a multi-method approach, comprising: a review of secondary data such as 2011 Census and house price data; interviews with estate agents; consideration of latest housing growth options; and analysis of local housing need and affordable housing requirements.
96. The 2018 SHMA identifies the need for 151 additional affordable homes each year in Northumberland over the five year period 2017-22, which is equivalent to 17% of the County's overall 885 per annum housing requirement<sup>24</sup>.
97. The SHMA references the Northumberland Countywide Housing Needs Survey 2012 which suggested a 67% affordable rented and 33% intermediate tenure split based on household preferences. Considering this finding alongside the current planning policy focus on providing affordable home ownership units<sup>25</sup>, the SHMA Update ultimately recommends a 50:50 split between affordable homes to rent and affordable home ownership products across Northumberland.
98. When the SHMA figures are applied on a pro-rata basis to Longhoughton based on its fair share of the population (0.62% of the LPA), this equates to 1 home per annum (0.94 rounded) or 19 homes (18.72 rounded) over the Neighbourhood Plan period 2016 - 2036. However, applying pro-rata County level estimates of affordable housing need to rural areas presents problems in practice. This is because the County level figures are likely to represent higher needs in the urban areas of the County where there is a large social housing stock and larger numbers of households living in the private rented sector on housing benefit. Both of these factors tend to generate higher needs. By contrast, in rural areas such as Longhoughton Parish the lack of social housing means there is little or no need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing or more private rented housing available). This means it is difficult to identify a need for social/affordable rented housing within Longhoughton.
99. Turning to the emerging Local Plan, it recognises, alongside housing need, that the viability of delivering affordable housing should be considered when setting local plan targets. The emerging Local Plan acknowledges that in some areas of the County market developments may not be able to viably deliver the 17% affordable housing provision identified in the SHMA, whilst higher rates may be achievable in higher value areas. Taking into account the evidenced differences in development viability in different parts of the County, Policy HOU 6 of the emerging Local Plan applies a value area-based approach to achieve the overall need. The policies maps indicates that Longhoughton is a medium value area, requiring 15% affordable housing allocation.
100. The emerging Local Plan references the County's success in bringing forward discounted market value homes for sale. As such, it is anticipated that this will continue to be the primary form of affordable home ownership in Northumberland in the coming years, particularly in lower value parts of the County. Recognising this while still meeting the need for rented affordable housing, as previously mentioned, the SHMA recommends an equal 50:50 split between affordable homes to rent and affordable home ownership products. Policy HOU 6 therefore applies the value-area-based approach in seeking to achieve this balanced overall outcome in enabling the delivery of appropriate affordable housing products.
101. Within medium value areas (such as Longhoughton), the affordable provision will be expected to reflect the following general tenure split - 33% affordable homes to rent and 67% affordable home ownership.
102. In Table 4-6 and Table 4-7 below we have calculated, using PPG as a starting point,<sup>26</sup> an estimate of the total need for affordable housing for rent and sale 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 we have available to us. For example, Census 2011 data is increasingly out-of-date. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out in Table 4-6 and Table 4-7 are considered a reasonable basis for understanding and planning for neighbourhood-level

<sup>24</sup> This figure takes into account an affordable homes forecast to come forward on planning permissions over a 5 year period. If these commitments are excluded, the imbalance is 374 per annum, equating to 42% of the County's requirement.

<sup>25</sup> NPPF paragraph 64 "Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership..."

<sup>26</sup> Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>



affordable housing need, particularly given that the results of Census 2021 will likely not be available until 2022 at the earliest.

103. Table 4-6 shows that there are currently about eight (rounded) households in Longhoughton unable to access affordable rented homes suitable to their needs. Note that the overall shortfall per annum is a negative number. This suggests that natural turnover in the existing social rented stock is likely to be sufficient to accommodate newly arising need based on current evidence. However, we would never recommend halting the provision of affordable housing for rent altogether because need can change during a long planning period for various reasons, such as an economic downturn.

**Table 4-6 Estimate of the potential demand for social/affordable rent needed in Longhoughton over the Plan period**

Stage and Step in Calculation		Total	Description
<b>STAGE 1: CURRENT NEED</b>			
1.1	Current households in need	7.9	Latest waiting list data available from MHCLG Local authority housing statistics data return (households in priority need), applied pro rata to the NA.
1.2	Per annum	<b>0.4</b>	Step 1.1 divided by the plan period
<b>STAGE 2: NEWLY ARISING NEED</b>			
2.1	New household formation	44.7	MHCLG 2014-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	17.4%	(Step 1.1 + Step 2.2.1 + Step 2.2.2) divided by number of households in NA
2.2.1	Current number of social renters in NA	91	2011 Census + LA-level % increase (MHCLG, Live Table 100)
2.2.2	Number of private renters on housing benefits	22	Housing benefit caseload May 2018. Applied pro rata to NA.
2.3	New households unable to rent	8	Step 2.1 * Step 2.2
2.4	Per annum	<b>0.4</b>	Step 2.3 divided by plan period
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>			
3.1	Supply of social/affordable re-lets (including transfers) %	3%	Assumed proportion of stock re-let each year
3.2	Supply of social/affordable re-lets (including transfers)	2.7	Step 3.1 x NA social rented stock (Step 2.2.1)
<b>NET SHORTFALL (OR SURPLUS) PER ANNUM</b>			
Overall shortfall per annum		<b>-1.95</b>	Shortfall = (Step 1.2 + Step 2.4) – Step 3.2

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

104. Table 4-7 estimates potential demand for affordable home ownership products in Longhoughton. This estimate broadly counts households living in the private rented sector (PRS) who are not on housing benefit and new households likely to form over the plan period who are likely to enter the private rented sector (but not require housing benefit). The model aims to estimate the number of households who can rent but can't buy on the basis of their incomes. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model discounts 25% of these households, assuming a proportion will be renting out of choice. This leaves around nine (rounded) households per annum who may be interested in affordable home ownership (thus 89 over the plan period).
105. This figure exceeds the overall housing allocation for Longhoughton as identified in the emerging Local Plan. It is therefore unlikely that the Neighbourhood Plan will be able to accommodate the Affordable Housing identified here. It is important to keep in mind that the households identified in the estimate in Table 4-7 are, by and large, adequately housed in the private rented sector. They do not lack their own housing but would prefer to buy rather than rent. The potential demand identified in Table 4-7 is therefore aspirational and doesn't have to be met.
106. It is important to state that the need for Affordable Housing identified in this HNA is an estimate and does not form part of the Local Plan requirements. There is no policy or legal obligation on the part either of the Local Authority or the parish council to meet affordable housing needs in full, either within or outside the Neighbourhood Plan area, though

there are tools available to the parish council that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate 'exception' sites for affordable housing).

107. It is also important to remember that even after the Longhoughton, or indeed any other, Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need and the management of the housing waiting list all remain the responsibility of the local authority rather than the parish council.
108. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can meet affordable housing need, unless there is a specific policy on the housing supply-side (e.g. the identification of one or more housing exception sites over and above those required by the Local Plan).

**Table 4-7 Estimate of the potential demand for affordable housing for sale in Longhoughton**

Stage and Step in Calculation		Total	Description
<b>STAGE 1: CURRENT NEED</b>			
1.1	Current number of renters in NA	325.5	Census 2011 number of renters x national % increase to 2018
1.2	Percentage renters on housing benefit in LA	31.6%	% of renters in 2018 on housing benefit (based on LA proportion)
1.3	Number of renters on housing benefits in NA	102.8	Step 1.1 x Step 1.2
1.4	Current need (households)	167.0	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5	Per annum	<b>8.4</b>	Step 1.4/ plan period
<b>STAGE 2: NEWLY ARISING NEED</b>			
2.1	New household formation	44.7	LA household projections for plan period (2014 based) applied on a pro-rata basis to NA
2.2	% of households unable to buy but able to rent	24.8%	Current % of households in PRS
2.3	Total newly arising need	11.1	Step 2.1 x Step 2.2
2.4	Total newly arising need per annum	<b>0.9</b>	Step 2.3/ plan period
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>			
3.1	Supply of affordable housing	5.4	Number of shared ownership homes in NA (Census 2011 + new build to 2018/19)
3.2	Supply - intermediate resales	<b>0.3</b>	Step 3.1 x 5% (assume rate of re-sale)
<b>NET SHORTFALL (OR SURPLUS) PER ANNUM</b>			
	<b>Shortfall (per annum)</b>	<b>8.9</b>	<b>Shortfall = (Step 1.5 + Step 2.4) – Step 3.2</b>
	<b>Total NA need for Affordable Housing for sale in Longhoughton over the Plan period</b>	<b>89</b>	

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

#### 4.5.1 Affordable Housing Policies in Longhoughton

109. The Neighbourhood Plan may wish to develop policies in relation to the delivery of Affordable Housing within Longhoughton. Within medium value areas, Northumberland's emerging Local Plan policy HOU 6 requires 15% of all new homes to be delivered as Affordable Housing on major sites of 10 or more dwellings or 0.5 hectares or more (or proposals for five units or more in the Northumberland Coast Area of Outstanding Natural Beauty).
110. On small scale developments, such as those expected to come forward over the plan period, only small numbers of affordable homes are likely to be delivered through the application of this policy. For this reason, the neighbourhood group may wish to consider identifying sites specifically for the provision of affordable housing. This would enable more substantial provision of Affordable Housing.
111. The neighbourhood group may wish to develop policies on the mix of Affordable Housing delivered in Longhoughton. It is not the role of the HNA to develop policy, as it is only an evidence base document, and there are a wider set of factors which apply to be considered by the parish council. However, the following evidence and considerations may be used as a starting point in the development of policy. On the balance of the evidence in this HNA, AECOM sets out a judgement on the starting point for an appropriate tenure mix in Longhoughton.

- A. **Evidence of need for Affordable Housing:** AECOM's estimate of the potential demand for affordable home ownership options suggest there may be a need for Affordable Housing in Longhoughton to address the aspirations of households who can rent but can't buy. AECOM's estimate identified a potential demand for 89 homes over the plan period. In terms of Longhoughton's need for social/affordable rented housing, our calculations produce a negative figure. This suggests the existing social rented stock is likely to be sufficient to accommodate newly arising need.
- B. **Can Affordable Housing needs be met in full?** The HRF for the NA is 88. This level of housing delivery would not allow affordable housing needs to be met in full, as the identified need here exceeds the HRF. This suggests some form of prioritisation will be required. In most cases, Councils will wish to prioritise the delivery of social/affordable rented homes to meet acute needs. However, it's clear that Northumberland wish to prioritise affordable home ownership over social/affordable rented in Longhoughton, as the policy requirement for medium value areas (which includes Longhoughton) provides the following tenure split - 33% affordable homes to rent and 67% social/affordable rented homes.
- C. **Government policy (e.g. NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. There is no evidence that going beyond the 10% threshold in Longhoughton would prejudice the provision of affordable rented homes, given the recommended 33/67 tenure split set out in the emerging Local Policy.
- D. **Emerging policy:** the Government is currently consulting on the introduction of First Homes (to provide at least 30% discount on new build home prices). Proposals include the requirement to provide 40, 60 or 80% of Affordable Housing as First Homes.<sup>27</sup> The outcome of this consultation and the policy which emerges may shape the provision of different forms of Affordable Housing on new development sites, prioritising the provision of discounted market sale homes. The neighbourhood group will need to keep this emerging policy in mind when developing its Neighbourhood Plan policies.
- E. **Local Plan policy:** Northumberland's emerging Local Plan requires a tenure mix of 33% rented and 67% intermediate housing within medium value areas such as Longhoughton.
- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site specific level. Viability issues are recognised, however, in the Council's emerging Local Plan and it is acknowledged that this may affect the provision of affordable housing and/or the mix of tenures provided.
- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what is appropriate to provide at a particular point in time or on any one site. The neighbourhood group may wish to keep this in mind so that it can take up any opportunities to secure funding if such sites become available.
- H. **Existing tenure mix in Longhoughton:** Census evidence suggests there is a limited supply of social rental properties and virtually no shared ownership tenures in Longhoughton. This suggests that some provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.
- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in this area. Some housing associations may be reluctant to take on small numbers of homes in rural areas because of the extra cost involved in managing this stock. However, there may be specialist providers who are willing to provide this housing and so the delivery of social/affordable rented homes should not be ruled out if it is an objective of the neighbourhood group and supported by the Council.
- J. **Wider policy objectives:** the neighbourhood group may wish to take account of broader policy objectives for Longhoughton and/or the wider District. These could include, but are not restricted to, policies to attract younger households, families or working age people to the Neighbourhood Area. These wider considerations may influence the mix of Affordable Housing provided.

<sup>27</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/864265/First\\_Homes\\_consultation\\_document.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/864265/First_Homes_consultation_document.pdf)

## 4.6 Tenure Split within Affordable Housing

112. In terms of the most appropriate mix of tenures within affordable housing, it is important to reference Northumberland's emerging affordable housing policy. Policy HOU 6 recommends the following tenure split for medium value areas- 33% affordable homes to rent and 67% social/affordable rented homes. As previously stated, this policy applies a value-area-based approach to achieve an overall countywide balanced 50:50 split, as recommended in the SHMA.
113. Our calculations in Table 4-6 and Table 4-7 suggest that in Longhoughton there is a greater need to provide affordable routes to ownership compared to affordable homes for rent. This aligns with the tenure split for medium value areas as set out in Policy HOU 6. Therefore, the emerging Local Plan tenure split, which boosts the requirement for affordable housing for sale, but retains a 'future-proofed' portion of supply of affordable housing for rent, would appear to be appropriate.
114. Where the parish council wish to develop policy that requires a different mix to that set out in the Local Plan, it is important that they liaise with the LPA to gather more detailed income and viability information, and to ensure that departures from the county-level policy context have the LPA's support. Another option is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-size circumstances in addition to this evidence.
115. In Table 4-8 below, we take forward the emerging Local Plan tenure split and further break it down into its component parts based on the analysis of affordability thresholds (presented in Figure 4-2). The tenure split of the component parts should be considered a guideline for the ideal mix of tenures to be delivered within the NA, based on the evidence in this report and AECOM's judgement on the balance of wider factors.
116. Evidence on the affordability of different affordable home ownership products suggests that discounted market homes (including proposed First Homes at a 30% discount) would have relatively little scope to extend home ownership to those households on median incomes in Longhoughton. As previously set out, a 40% discount may be more appropriate as the income required to access these homes is essentially the same as the average total household income for the MSOA. Similarly, the purchase threshold is sufficient to meet the needs of those on mean incomes when it comes to shared ownership at the 50 and 25% level. The extent to which different products are prioritised will depend on wider considerations (e.g. viability) and emerging Government requirements.
117. If Government requires 40-80% of all affordable housing delivered through new market led developments as First Homes this would impact on the ability of Longhoughton to accommodate those with acute needs within the area (including those in need of affordable housing for rent). Therefore, it is recommended that consideration is also given to alternative mechanisms capable of helping to meet local need, where appropriate (i.e. rural/entry-level exception sites or community led housing etc.). However, the group should note that the First Homes product has not been formally implemented and should monitor the outcomes of the Government consultation closely.
118. AECOM cannot provide guidance on the appropriate share of social/affordable rented homes to provide as this will depend on the level of funding available to housing associations, which will determine at what level rents can be set. Registered providers (RPs, e.g. housing associations) may be reluctant to deliver small numbers of homes where there are ongoing management costs involved. For this reason, the proportion of rented homes which can be secured may depend on the willingness of local housing associations to maintain and manage small numbers of homes.

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

<b>Routes to home ownership, of which</b>	<b>67%</b>
Discounted market sale	10%
Shared ownership	22%
Rent to buy	35%
<b>Affordable Housing for rent, of which</b>	<b>33%</b>
Social rent	To be confirmed by Registered Providers
Affordable rent	To be confirmed by Registered Providers

Source: AECOM calculations

## 4.7 Conclusions- Tenure and Affordability

119. Home ownership represents the single largest tenure in Longhoughton, albeit at a significantly lower level when compared to Northumberland and England. Accordingly, the rate of private renting is significantly higher in the parish, more than double the individual local and national averages. This high level of private rental is influenced by the strong presence of the RAF in the area, who provide accommodation for their personnel in the Parish. The proportion of social rented households is lower compared to higher level geographies. The shared ownership sector is very limited in Longhoughton, with just one household (0.1%) living in a shared ownership household at the time of the Census.
120. During the intercensal period, private rented households increased by 164.4%, with a lesser but still significant 93% increase experienced in Northumberland. Total ownership also saw a significant increase of 84.4%, compared to the lesser growth of 4.6% experienced in Northumberland. Meanwhile, social rented experienced a more modest growth of 7.1% in Longhoughton contrasting with the decline at the County level.
121. Boulmer is shown to have a far lower rate of full-time occupied households compared to the other wards in the parish. This can be attributed to Boulmer's higher proportion of second homes and holiday lets, which when combined equal 37.5% of all households in the ward.
122. There has been an overall increase in house prices in Longhoughton over the ten-year assessment period, albeit with considerable fluctuations. House prices were at their lowest point in 2012. Median and lower quartile prices peaked in 2019. Mean house prices peaked in 2014; however, by 2019 mean prices had reached a similar level to their 2014 peak. Semi-detached dwellings experienced the highest price growth over the period, followed by detached and then terraced properties, which experienced a more moderate growth. In terms of flats, only one transaction was recorded over the entire period.
123. It is apparent that the income required to buy an average market home for sale is higher than those on median household incomes can afford. Likewise, the income required to buy an average entry-level home for sale is also higher than those on median household incomes can afford. Entry-level homes are therefore well out of the price range of those on lower quartile household earnings.
124. The high proportion of RAF exclusive properties may be distorting the prices of market housing. The parish council understands that the RAF are trialing a new scheme for personnel, offering a financial housing allowance to RAF. This approach would allow RAF families to avail of housing beyond the parish, freeing up the existing RAF stock. Unoccupied RAF houses have already been placed into the private rental market in Longhoughton. If this continued the increasing supply may begin to match demand, resulting in overall lower house prices.
125. Evidence on the affordability of different affordable home ownership products suggest that discounted market homes (including proposed First Homes at a 30% discount) would offer relatively little scope to extend home ownership to those households on median incomes in Longhoughton. A 40% discount may be more appropriate, as the income required to access these homes is essentially the same as the average total household income for the MSOA.
126. Turning to shared ownership at the 50 and 25% level, the purchase threshold identified here appears sufficient to meet their needs of those on mean incomes. The rent-to-buy tenure may also be a viable option as the average rental prices in Longhoughton appear affordable to those on mean incomes.
127. Discounted market homes are largely unaffordable to those on LQ earnings, suggesting that affordable rent and social rent tenures may be more appropriate to meet the needs of those on lower earnings (though social rented dwellings appear limited in Longhoughton at present). Households where two people have LQ earnings may be able to afford entry level rents. It is important to caveat, however, that the lower quartile earning data does not reflect housing benefits or other forms of financial assistance. It is possible therefore that many LQ households would also be able to meet their housing needs in privately rented rooms using housing benefit.
128. The 2018 SHMA identifies an annual need for 151 additional affordable homes in Northumberland between 2017-22, which is equivalent to 17% of the County's overall 885 per annum housing requirement. The SHMA Update recommends a 50:50 split between affordable homes to rent and affordable home ownership products across Northumberland.
129. The emerging Local Plan acknowledges that in some areas of the County market developments may not be able to viably deliver the 17% affordable housing provision. Policy HOU 6 of the emerging Local Plan applies a value area-based approach to achieve the overall need. Longhoughton is identified as a medium value area, requiring 15% affordable housing allocation. Policy HOU 6 also applies the value-area-based approach to the affordable tenure split, seeking to achieve an overall countywide balanced 50:50 split, as recommended in the SHMA. The following tenure



split is expected in medium value areas like Longhoughton - 33% affordable homes to rent and 67% affordable home ownership.

130. Within medium value areas, emerging policy HOU 6 requires 15% of all new homes to be delivered as Affordable Housing on major sites of 10 or more dwellings or 0.5 hectares or more (or proposals for five units or more in the AONB).
131. On small scale developments, such as those expected to come forward over the plan period, only small numbers of affordable homes are likely to be delivered through the application of this policy. For this reason, the neighbourhood group may wish to consider identifying sites specifically for the provision of affordable housing. This would enable more substantial provision of Affordable Housing.
132. Our calculations show that there are currently about eight (rounded) households in Longhoughton unable to access affordable rented homes suitable to their needs. It's suggested that natural turnover in the existing social rented stock is likely to be sufficient to accommodate newly arising need based on current evidence. However, we don't recommend halting the provision of affordable housing for rent altogether, because need can change over the Neighbourhood Plan period.
133. We calculated a need for 89 affordable homes for sale over the plan period. This exceeds the overall housing need identified in the emerging Local Plan. It is therefore unlikely that the Neighbourhood Plan will be able to accommodate in full the affordable housing identified here. The households identified here are generally adequately housed in the private rented sector. They do not lack their own housing but would prefer to buy rather than to rent. The potential demand identified is therefore aspirational and doesn't have to be met.
134. AECOM's estimate of the need for affordable housing suggests there is a greater need to provide affordable routes to ownership compared to affordable homes for rent. This aligns with the tenure split for medium value areas as set out by Policy HOU 6. It is recommended that the Parish Council should seek to maintain the emerging policy tenure split which boosts the requirement for affordable housing for sale, whilst retaining a 'future-proofed' portion of supply of affordable housing for rent.
135. Where the parish council wish to develop policy that requires a different mix to that set out in the Local Plan, it is important that they liaise with the LPA to gather more detailed income and viability information, and to ensure that departures from the county-level policy context have the LPA's support.
136. Table 4-9 applies the Local Plan's affordable housing policies to estimate Longhoughton's position in terms of 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 precise quantities of affordable housing for rent and sale that would be delivered if the tenure split proposed in this HNA were rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may well differ, either as a result of policy measures taken in the neighbourhood plan (e.g. if the group plan for more housing (including more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways, or as a result of site-specific constraints).

**Table 4-9: Estimated delivery of Affordable Housing in Longhoughton**

A	Housing requirement figure	88
B	Affordable housing quota (%) in LPA's Local Plan	15%
C	Potential total Affordable Housing in NA (A x B)	13 (rounded)
D	Rented % (e.g. social/ affordable rented)	33%
E	Rented number (C x D)	4 (rounded)
F	Discounted market homes % (e.g. First Homes)	67%
G	Discounted market homes number (C x F)	9 (rounded)

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

## 5. RQ 2: Type and Size

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

### 5.1 Introduction

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

### 5.2 Existing types and sizes

#### 5.2.1 Background and definitions

139. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household ‘consumption’ of housing (in terms of size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth, income, and age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.
140. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require and would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture from demographics, household type and size.
141. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, ‘dwelling sizes’ can be translated as follows<sup>28</sup>:
- 1 room = bedsit
  - 2 rooms = flat/house with one bedroom and a reception room/kitchen
  - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
  - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
  - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
  - 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen
  - 7+ rooms = house with 4 or more bedrooms
142. It is also useful to clarify the Census terminology around dwellings and household spaces. This can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people’s accommodation is self-contained.<sup>29</sup> As such, all dwellings are classified into either “shared” or “unshared” dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.
143. The key measure of whether a dwelling is shared or unshared relates to the Census definition of a household. A

<sup>28</sup> At <https://www.nomisweb.co.uk/census/2011/qs407ew>

<sup>29</sup> At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

household is defined as “One person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area.”<sup>30</sup> On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

### 5.2.2 Dwelling type

144. The 2011 Census shows that there were 738 households in Longhoughton, living in 218 detached houses, 286 semi-detached, 197 terraced houses, and 31 flats. Compared with the LPA, Longhoughton is characterised by higher proportions of detached and semi-detached dwellings, and a lower proportion of terraced dwellings (see Table 5-1 below). Longhoughton also has a smaller proportion of flats. As previously explained, this is unsurprising because this housing type is generally uncommon within a rural parish setting.

**Table 5-1: Accommodation type (households), Longhoughton 2011**

Dwelling type		Longhoughton	Northumberland	England
Whole house or bungalow	Detached	29.5%	25.2%	22.4%
	Semi-detached	38.8%	35.3%	31.2%
	Terraced	26.7%	28.1%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	3.4%	8.6%	16.4%
	Parts of a converted or shared house	0.5%	1.7%	3.8%
	In commercial building	0.3%	0.8%	1.0%

Source: ONS 2011, AECOM calculations

### 5.2.3 Specific housing types

145. A strong theme emerged from the Longhoughton Housing Needs Survey around the need to adjust housing accommodation as people grow older. This was often associated with access issues including the use of stairs. The neighbourhood group considers that bungalows can play an important role in meeting the current and future needs of older people and people with accessibility needs. The Longhoughton Housing Needs Survey also identified the greatest demand for two-bedroom bungalows (13 preferences in total) out of all housing types and sizes.
146. As the ONS Census data does not capture bungalows as a distinct type, we have used Valuation Office Agency data to investigate their prevalence in Longhoughton. The result is presented in Table 5-2 overleaf. The data shows that Longhoughton has a significantly higher proportion of bungalows compared to Northumberland. Two-bedroom bungalows are the most common size in Longhoughton, followed by three-bedroom and four bedroom or larger, respectively. One-bedroom bungalows are the only size more prevalent at the county level (excluding bungalows of unknown size). Longhoughton has less than half the proportion of one-bedroom bungalows when compared to Northumberland.
147. The data suggests that Longhoughton has an adequate number of bungalows when compared to the county level. However, there may be an overabundance of larger bungalows in Longhoughton which may not be best suited to meet the needs of older people who wish to downsize. Likewise, the absence of one-bedroom bungalows suggests there may be a need for much smaller bungalows to meet the needs of those living alone.

<sup>30</sup> Ibid.



**Table 5-2: Number of bungalows by property size, 2018**

	Longhoughton (numbers)	Longhoughton (%)	Northumberland (numbers)	Northumberland (%)
1 bedroom	20	6.1%	8,340	17.6%
2 bedrooms	170	51.5%	21,340	45.1%
3 bedrooms	100	30.3%	13,460	28.5%
4 bedrooms +	40	12.1%	4,110	8.7%
Unknown	0	0.0%	30	0.1%
<b>Total</b>	<b>330</b>	<b>46.5%</b>	<b>47,280</b>	<b>31.0%</b>
<b>Total properties</b>	<b>710</b>	<b>100%</b>	<b>152,580</b>	<b>100%</b>

Source: Valuation Office Agency, Council tax: stock of properties, 2018, Table CTSOP3.0 & CTSOP3.1

#### 5.2.4 Dwelling size

148. Table 5-3 below sets out the distribution of the number of rooms by household space. The housing stock in Longhoughton is characterised by a greater proportion of larger properties when compared to Northumberland. Five room dwellings have the greatest share of any other size dwelling in both Longhoughton and Northumberland. The total proportion of large dwellings (5 rooms+) in Longhoughton is 76.9%, contrasting with the 70.8% figure found in Northumberland. By contrast, the total proportion of small properties in the NA is 23.1%, compared to 29.2% in the wider County.

**Table 5-3: Number of rooms per household in Longhoughton, 2011**

Number of Rooms	2011	2011
	Longhoughton	Northumberland
1 Room	0.7%	0.2%
2 Rooms	2.2%	1.2%
3 Rooms	4.3%	7.3%
4 Rooms	15.9%	20.6%
5 Rooms	24.9%	25.2%
6 Rooms	18.4%	19.6%
7 Rooms	10.7%	10.9%
8 Rooms	10.1%	7.3%
9 Rooms or more	12.9%	7.8%

Source: ONS 2011, AECOM calculations

149. As previously noted, the NP area includes the villages of Longhoughton, Boulmer and Howick. The NP group acknowledge different development patterns across these three villages. Table 5-4 overleaf sets out the distribution of the number of rooms by household space across the NP area. Such data is available at the Output Area<sup>31</sup> level but not at the level of individual settlements within the NP area. A combination of three Output Areas known as E00139250, E00139251 and E00139252 have been used as a proxy for Longhoughton Village. Output Area E00139253 has been used to represent the wider NP area which includes Boulmer and Howick.

150. We can see from this analysis that Longhoughton Village has a lower proportion of small properties (1– 4 rooms) and a higher proportion of large properties (5+ rooms) compared to the rest of the NP area.

<sup>31</sup> An Output Area is the smallest geographic sub-division used for Census purposes.

**Table 5-4: Number of rooms comparison between Longhoughton village and remaining NP area, 2011**

Number of Rooms	2011 Longhoughton Village	2011 Remaining NP Area
1 Room	0.7%	0.2%
2 Rooms	2.2%	1.2%
3 Rooms	4.3%	7.3%
4 Rooms	15.9%	20.6%
5 Rooms	24.9%	25.2%
6 Rooms	18.4%	19.6%
7 Rooms	10.7%	10.9%
8 Rooms	10.1%	7.3%
9 Rooms or more	12.9%	7.8%

Source: ONS 2011, AECOM calculations

151. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. The table shows that in Longhoughton all dwelling sizes increased over this period, except four-room dwellings, which experienced a decline. The main change in Longhoughton since 2001 is the significant growth in two-room dwellings, contrasting with the decline seen in Northumberland. Likewise, one room dwellings increased by 66.7%, again contrasting with the decline seen at the local level. This would appear a discrepancy with the earlier finding that Longhoughton is characterised by a greater proportion of larger properties. However, these figures are result of relatively small sample sizes, with the number of one-room dwellings increasing from three to five, and two-room dwellings increasing from five to fifteen. Perhaps more noteworthy is the increase in eight or more room dwellings, which grew significantly in Longhoughton by 115.3% (representing an increase from 72 to 155 dwellings).

**Table 5-5: Rates of change in number of rooms per household in Longhoughton, 2001-2011**

Number of Rooms	Longhoughton	Northumberland	England
1 Room	66.7%	-38.6%	-5.2%
2 Rooms	200.0%	-18.7%	24.2%
3 Rooms	31.8%	7.2%	20.4%
4 Rooms	-8.5%	-2.4%	3.5%
5 Rooms	9.8%	-1.6%	-1.8%
6 Rooms	20.4%	3.2%	2.1%
7 Rooms	35.8%	20.6%	17.9%
8 Rooms or more	115.3%	35.6%	29.8%

Source: ONS 2001-2011, AECOM calculations

152. Returning to the most recent Census data, it is also useful to compare the figures for number of rooms with figures for the number of bedrooms for each household. Table 5-6 overleaf summarises the proportion of households occupying each size of home in terms of their number of bedrooms. This data further emphasises the fact that dwellings in Longhoughton are generally larger than those across Northumberland and England as a whole. Longhoughton has a significantly higher proportion of 4 or more-bedroom dwellings (28.4%) compared to Northumberland (19.5%). Correspondingly, Northumberland has a lower proportion of 1 – 3-bedroom dwellings.

**Table 5-6: Number of bedrooms in household spaces in Longhoughton, 2011**

Bedrooms	Longhoughton		Northumberland		England	
<b>All categories: no. of bedrooms</b>	<b>675</b>	<b>100.0%</b>	<b>138,534</b>	<b>100.0%</b>	<b>22,063,368</b>	<b>100.0%</b>
No. bedrooms	3	0.4%	220	0.2%	54,938	0.2%
1 bedroom	40	5.9%	10,772	7.8%	2,593,893	11.8%
2 bedrooms	163	24.1%	40,698	29.4%	6,145,083	27.9%
3 bedrooms	277	41.0%	59,864	43.2%	9,088,213	41.2%
4 bedrooms	150	22.2%	20,701	14.9%	3,166,531	14.4%
5 or more bedrooms	42	6.2%	6,279	4.5%	1,014,710	4.6%

Source: ONS 2011, AECOM calculations

### 5.3 SHMA findings

153. The Northumberland SHMA Update indicates that the majority of the need across the county is expected to be for two-bedroom (39.7%) and three-bedroom properties (36.6%), together with some one-bedroom homes (20.1%). There is a lesser need for larger dwellings of four or more bedrooms (3.5%). This aligns with the Census findings for Longhoughton, which suggests there is an adequate supply of larger dwellings.
154. Regarding dwelling type, the SHMA Update suggests a broad split of 38.2% houses, 38.1% bungalows, 22.4% flats and 1.3% other types (for instance self/custom build and specialist accommodation). The SHMA Update notes a particular need to provide level access housing (including flats with lift access), expressed in a high need for bungalow accommodation. It is suggested this reflects the rapidly ageing population of Northumberland; over the plan period the number of households with a Household Reference Person aged under 60 is expected to fall by 9,270 while households headed by someone aged 60 and over is expected to increase by 19,790. This recommendation aligns with the Longhoughton Housing Needs Survey, which suggested a need for more accessible housing accommodation, identifying a particular demand for two-bedroom bungalows.

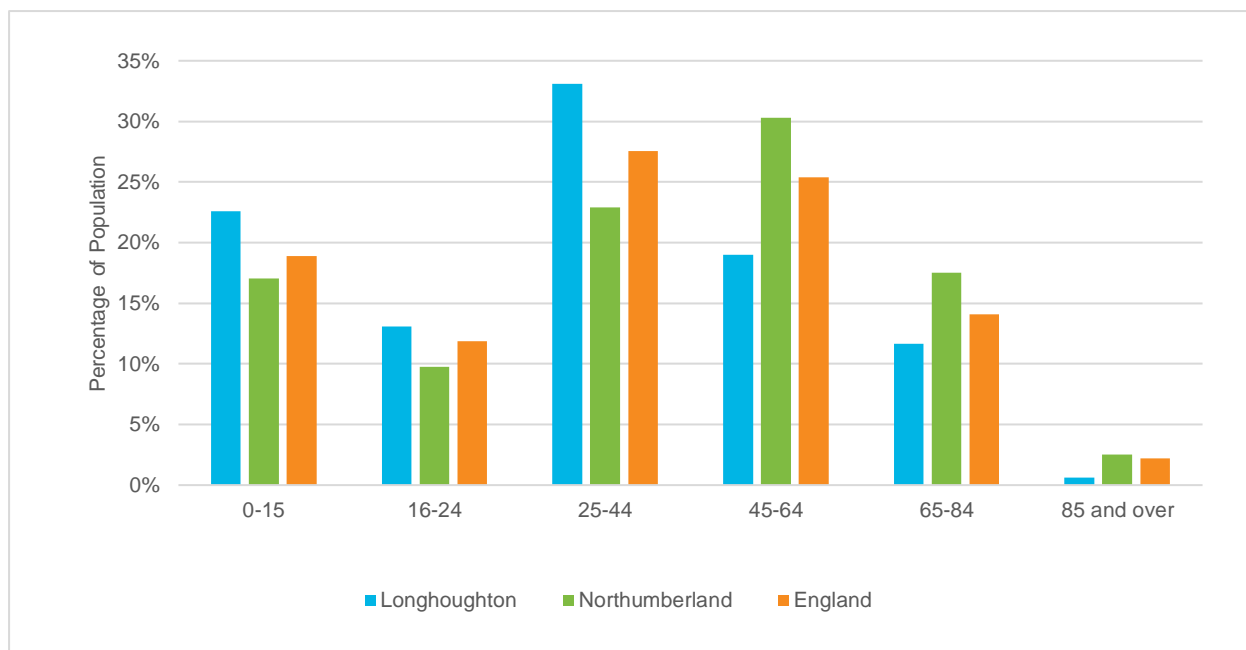
### 5.4 Household composition and age structure

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

#### 5.4.1 Age structure

156. The 2011 Census data reveals that Longhoughton has a younger population when compared to the national and local averages (see Figure 5-1 overleaf). Longhoughton has higher proportions in 0-15, 16-24 and 25-44 age groups compared to Northumberland, whilst Northumberland has higher proportions in the 45-64, 65-84 and 85+ age bands. The 25-44 age band represents the single largest age group in Longhoughton, with 10% more people in this age group compared to Northumberland. This young population is likely driven by the life-stage of RAF personnel who generally tend to be younger. As of May 2020, RAF personnel make up approximately 19% of all households in the parish<sup>32</sup>.

<sup>32</sup> Longhoughton Parish Property Analysis Summary May 2020

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

Source: ONS 2011, AECOM calculations

157. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001 the NA population has experienced growth in all age groups, except for the 85 and over group which experienced no change (see Table 5-7 below). This differs from Northumberland, which has seen a decline in the 0-15 and 25-44 age bands, and a significant increase in the 85 and over age band. The 16-24 age group experienced the largest rate of growth in Longhoughton, at a significantly higher rate than local and national levels. This aligns with the finding that Longhoughton has a relatively younger population.

**Table 5-7: Rate of change in the age structure of the Longhoughton population, 2001-2011**

Age group	Longhoughton	Northumberland	England
0-15	40.2%	-7.0%	1.2%
16-24	86.9%	7.1%	17.2%
25-44	14.7%	-12.1%	1.4%
45-64	43.1%	13.7%	15.2%
65-84	51.0%	15.0%	9.1%
85 and over	0.0%	34.6%	23.7%

Source: ONS 2001-2011, AECOM calculations

#### 5.4.2 Household composition

158. Household composition (i.e. the mix of adults and children in a dwelling) is a critical factor in driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Relevant data is presented in Table 5-8 overleaf.
159. In assessing Census data on household composition, we see that Longhoughton has a higher proportion of family households than both wider areas, with correspondingly fewer people living alone or in other household types (such as shared accommodation). Of these families, there are significantly more with dependent children compared to the local and national levels, reflecting the younger age profile of the parish.
160. Note that 'non-dependent children' refer to households in which adult children are living at home, or those that students still call their primary residence despite living for most of the year near to university. However, the presence of this

category can often indicate the relative unaffordability of entry-level homes in an area, as many such young people may wish to move out and form their own households if they were financially able.

**Table 5-8: Household composition (by household), Longhoughton, 2011**

Household composition		Longhoughton	Northumberland	England
One person household	<b>Total</b>	<b>20.0%</b>	<b>29.9%</b>	<b>30.2%</b>
	Aged 65 and over	9.9%	14.0%	12.4%
	Other	10.1%	15.9%	17.9%
One family only	<b>Total</b>	<b>77.2%</b>	<b>66.3%</b>	<b>61.8%</b>
	All aged 65 and over	8.9%	10.3%	8.1%
	With no children	22.4%	21.0%	17.6%
	With dependent children	38.1%	24.9%	26.5%
	All children Non-Dependent <sup>33</sup>	7.9%	10.1%	9.6%
Other household types	<b>Total</b>	<b>2.8%</b>	<b>3.8%</b>	<b>8.0%</b>

Source: ONS 2011, AECOM calculations

161. Again, it is relevant to consider rates of change in this indicator during the period between Censuses. Between 2001 and 2011, the proportion of one family households in Longhoughton increased at a significantly greater rate than across Northumberland and England (see Table 5-9). Within this household type, families with all children non-dependent grew at a much higher rate compared to the local and national level. As set out previously, this may suggest that young people can't afford entry-level homes in the local area.
162. Longhoughton also experienced a greater increase in one person households. The proportion of those aged over 65 within one person households increased in Longhoughton, contrasting with the decline seen at the local and national levels. Likewise, there was also a growth in the 65 and over age group for one family households in Longhoughton. Other household types (such as multi-family and shared households) also increased in Longhoughton, albeit at a much lower rate than both wider geographies.

**Table 5-9: Rates of change in household composition, Longhoughton, 2001-2011**

Household type		Percentage change, 2001-2011		
		Longhoughton	Northumberland	England
One person household	<b>Total</b>	16.4%	9.4%	8.4%
	Aged 65 and over	3.1%	-4.3%	-7.3%
	Other	33.3%	25.3%	22.7%
One family only	<b>Total</b>	31.6%	4.1%	5.4%
	All aged 65 and over	36.4%	7.4%	-2.0%
	With no children	23.8%	11.4%	7.1%
	With dependent children	33.2%	-3.2%	5.0%
	All children non-dependent	43.2%	6.2%	10.6%
Other household types	<b>Total</b>	5.6%	12.0%	28.9%

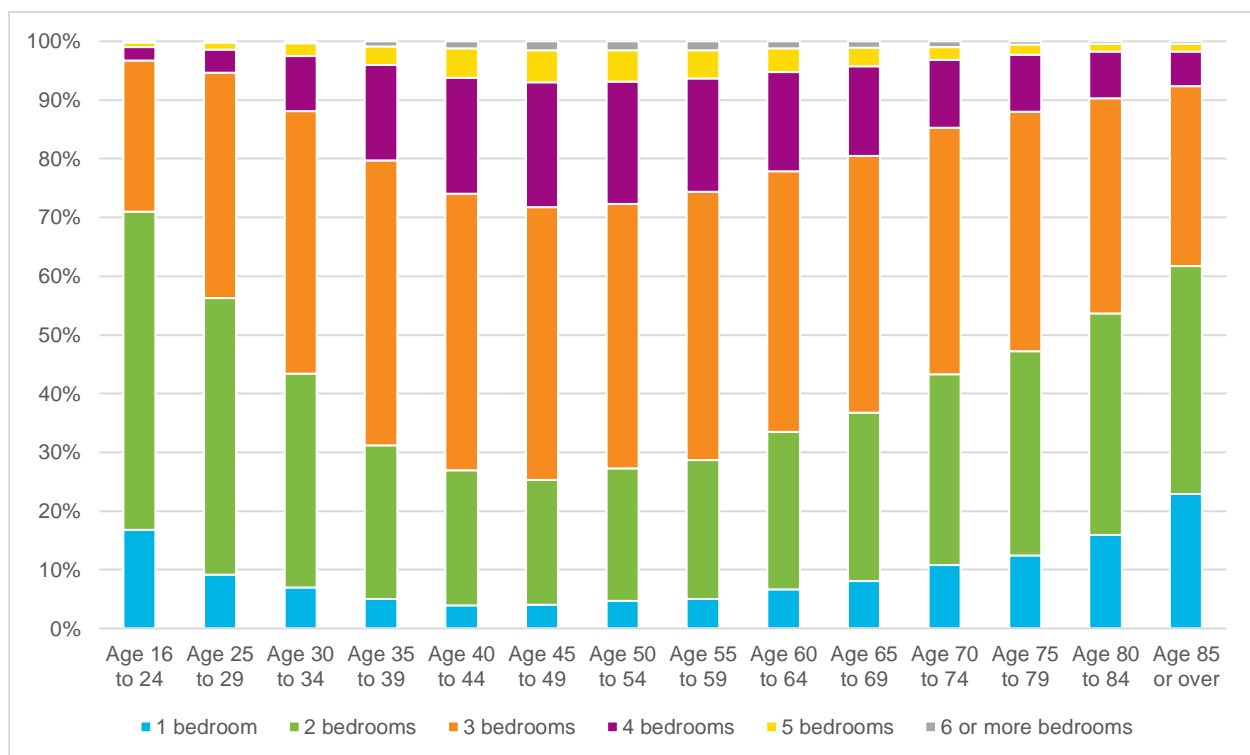
Source: ONS 2001-2011, AECOM calculations

<sup>33</sup> Refers to households containing children who are older than 18 e.g. students or young working people living at home.

## 5.5 Dwelling mix determined by life-stage modelling

163. Recognising the fact that households of different ages may have different housing needs, this section of the HNA estimates the housing mix needed to meet demographic change by the end of the Plan period through an approach based on the reasonable assumption that current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in households aged under 24 will lead to an increase in the need for the type of housing currently occupied by households of that age.
164. It is important to keep in mind that this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the propensity of households to occupy more or less space than they ‘need’. This approach also embeds existing patterns of occupancy which may or may not be desirable. This is particularly important to keep in mind in areas where housing affordability has worsened, because it means that many households are forced to occupy less space than they need or want.
165. However, no data on housing size occupation by age of the Household Reference Person (HRP- a more modern term for ‘head of household’) is available at neighbourhood level. For this reason, LPA-level data needs to be used as the closest proxy.
166. Figure 5-2 below sets out the relationship in the 2011 Census at LPA level between the age of the HRP and the size of dwelling occupied. This provides the starting point for determining the most appropriate dwelling size mix by the end of the Neighbourhood Plan period. The data shows that while a majority of households under the age of 30 live in one- or two-bedroom dwellings, the proportion of households occupying these smaller dwellings declines as households age. Smaller dwellings begin to gradually increase in the 50-54 age group, continuing until they are again occupied by more than half of households from the 80-84 age band onwards.

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



Source: ONS 2011, AECOM calculations

167. Household projections provided by MHCLG are then used to understand the future distribution of households by the age of the HRP. Again, this data is only available at the Northumberland LPA level and for the years 2014 and 2039. Therefore, what the distribution of households by the age of the HRP would be in 2036 is estimated, i.e. the end of the Neighbourhood Plan period (red text). The data is presented overleaf in Table 5-10.

**Table 5-10: Projected distribution of households by age of HRP, Northumberland**

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	3,595	14,614	51,006	27,449	41,870
2014	4,033	14,276	47,718	26,801	47,408
2036	4,163	12,430	42,763	23,308	68,518
2039	4,181	12,178	42,088	22,832	71,396

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

168. It is then necessary to extrapolate from this LPA-level data an estimate of the corresponding change in the age structure of the population in Longhoughton. To do so, the percentage increase expected for each group across Northumberland, derived from the data presented above, was mapped to the population of Longhoughton. The results of this calculation are detailed in Table 5-11 below:

**Table 5-11: Projected distribution of households by age of HRP, Longhoughton**

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	13	112	307	80	163
2014	15	109	287	78	185
2036	15	95	257	68	267
% change 2011-2036	16%	-15%	-16%	-15%	64%

Source: AECOM calculations

169. To complement the two stages above, Table 5-12 below sets out the distribution of dwellings of different sizes according to the age of the HRP as they appeared in Census 2011. This provides the basis for a modelled estimate of the proportion of dwelling sizes that will be occupied by each age band across Northumberland by the end of the plan period.

**Table 5-12: Age of household reference person to size, grouped, Northumberland, Census 2011**

Size	Age of HRP 16 to 24	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
1 bedroom	16.8%	7.9%	4.4%	5.8%	12.9%
2 bedrooms	54.1%	41.0%	23.0%	25.3%	33.6%
3 bedrooms	25.8%	42.0%	46.6%	45.0%	39.8%
4 bedrooms	2.3%	7.0%	19.8%	18.1%	10.8%
5+ bedrooms	0.9%	2.0%	6.2%	5.8%	2.9%

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

170. Finally, having established the preferences shown by households at different life stages towards dwellings of different sizes, and the approximate number of households in Northumberland and Longhoughton falling into each of these stages by the end of the Plan period in 2036, it is possible to estimate how the housing stock might evolve in terms of size over the Neighbourhood Plan period in response to demographic change (see Table 5-13 overleaf).
171. The table takes in turn each projected age group in 2036, estimating how many of the households in that age bracket will want or need to occupy each size of dwelling. This is repeated for each age bracket and added together to arrive at an estimate of what proportion of each size of dwelling will be required overall.



**Table 5-13: Likely dwelling size distribution in Longhoughton by the end of the Plan period, based on modelled household life-stages (totals may not sum due to rounding)**

Size	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total households requiring dwelling sizes
Households (2036)	15	95	257	68	267	-
1 bedroom	3	8	11	4	34	<b>60</b>
2 bedrooms	8	39	59	17	90	<b>213</b>
3 bedrooms	4	40	120	31	106	<b>301</b>
4 bedrooms	0	7	51	12	29	<b>99</b>
5+ bedrooms	0	2	16	4	8	<b>30</b>

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

172. It is now possible to compare the 2011 housing mix in terms of size with the projected requirement based on the estimates set out in Table 5-13 above modelling the change in the age structure of the population in Longhoughton.
173. Table 5-14 below indicates that, by 2036, the size distribution of dwellings should be more focused on the smaller end of the size spectrum than it is currently, with the proportions of homes with one to three bedrooms needing to increase on the basis of demographic changes and the proportions of homes with four or more bedrooms expected to be in lower demand. It is important to note however that it is not primarily demographic change that is driving the shift toward smaller dwellings. Rather, it is the present supply of larger homes that requires rebalancing if the preferences for dwellings of various sizes visible at district level are to be reflected in Longhoughton's future mix.

**Table 5-14: 2011 housing sizes compared to likely distribution at end of Plan period, Longhoughton**

Number of bedrooms	2011		2036	
1 bedroom	40	5.9%	60	8.5%
2 bedrooms	163	24.1%	213	30.4%
3 bedrooms	277	41.0%	301	42.8%
4 bedrooms	150	22.2%	99	14.1%
5 or more bedrooms	42	6.2%	30	4.2%
Total households	<b>675</b>	<b>100.0%</b>	<b>702</b>	<b>100.0%</b>

Source: Census 2011, AECOM calculations

174. Table 5-15 below sets out the estimated misalignment between future demand for housing, based on the modelled preferences of households at different life stages, and the current stock available in the Neighbourhood Plan area.

**Table 5-15: Future potential misalignments of supply and demand for housing, Longhoughton**

Number of bedrooms	2011	2036	Change to housing mix	Recommended split
1 bedroom	40	60	20	21.0%
2 bedrooms	163	213	50	53.8%
3 bedrooms	277	301	24	25.2%
4 bedrooms	150	99	-51	0.0%
5 or more bedrooms	42	30	-12	0.0%

Source: AECOM calculations

175. Note that the changes to the housing mix given above for four bedrooms and five or more bedroom dwellings are negative numbers. Because, in light of the national and local housing shortage, it is rarely advisable or practicable to

remove dwellings from the available stock, as would otherwise be suggested here for dwellings with three or more bedrooms, we have instead set the recommended split at 0% rather than a negative number, and rebalanced the other sizes as percentages of the additional dwellings they represent in total. In other words, the interim results of the life-stage modelling suggest that there will be no need for further four-bedroom and five or more bedroom dwellings over the Neighbourhood Plan period.

176. The results of this exercise suggest that, to accommodate the changing age structure of the population, over half of new homes should have two bedrooms, with the remaining dwellings split between one- and three-bedroom homes. The model indicates that no further dwellings with four or more bedrooms are required.
177. However, this recommendation should be applied with a degree of flexibility because it may not be reasonable or possible in practice strictly to limit the provision of dwellings with four or more bedrooms, and in fact, such a restriction has the potential to negatively impact the viability of sites that could help to deliver Affordable Housing or other community priorities. It should also be noted that this report is concerned with demand in the sense of need rather than in the sense of the preferences of potential occupants, which will likely include demand for larger homes. There may also be good reasons to deliver larger properties in the NA as part of a wider housing mix strategy across the district as a whole
178. This finding also generally aligns with the SHMA Update, which indicates that the majority of the need in Northumberland is expected to be for two-bedroom (39.7%), followed by three-bedroom (36.6%) and one-bedroom homes (20.1%), with a much smaller need for larger dwellings of four or more bedrooms (3.5%).
179. Note that only the percentage mix in the right-hand column is relevant to the purposes of this HNA and the neighbourhood planning process. The actual numbers of dwellings required to adjust the size mix do not reflect the actual quantity of housing needed in the NA and are simply a step in the calculation necessary to produce a percentage split. As a general point, this dwelling mix, in percentage terms, stands alone from the overall quantity of housing needed or allocated over the Plan period, and could equally apply to windfall development, allocations beyond the plan period, or any other source of housing supply.

### 5.5.1 Adjustment of model results

180. However, it is important to caveat the result of this model, because it is based on past trends and existing supply. Future supply, not just demographic profile, can influence occupancy patterns. For instance, it may be that the construction of attractive options for older households, e.g. bungalows, could enable some older people to downsize whilst remaining in their existing community, but in the absence of such accommodation, these older households will remain in their larger family sized homes. For this reason, it is useful to verify the results with respect to occupancy trends at the national level (England and Wales) which evens out any particular local bias. This would give the following split (Table 5-16):

**Table 5-16: Nationally-adjusted future potential misalignments of supply and demand for housing, Longhoughton**

Number of bedrooms	2011	2036	Change to housing mix	Recommended split
1 bedroom	40	84	44	46.3%
2 bedrooms	163	197	34	36.0%
3 bedrooms	277	294	17	17.7%
4 bedrooms	150	97	-53	0.0%
5 or more bedrooms	42	30	-12	0.0%

Source: AECOM calculations

181. A direct comparison between the two recommended splits above (based first on District occupation patterns and second on national occupation patterns) is given in Table 5-17 overleaf.

**Table 5-17: District-based and nationally-adjusted recommended housing size mixes compared, Longhoughton**

Number of bedrooms	District-based mix	Nationally-adjusted figure
1 bedroom	21.0%	46.3%
2 bedrooms	53.8%	36.0%
3 bedrooms	25.2%	17.7%
4 or more bedrooms	0.0%	0.0%

Source: AECOM calculations

182. This recommended split implies a much higher requirement for one-bedroom properties and a lower requirement for two and three bedroom dwellings when nationally adjusted. This is explained by the fact that the occupation of smaller one-bedroom properties is much higher in cities and other large settlements captured in the national data than in the occupation patterns of the District, which is generally rural and hence where homes tend to be larger. Therefore, the substantial demand for smaller properties identified earlier may have been inflated by a lack of one to three bedroom dwellings. Providing more of these will supply smaller family homes for younger households and enable older households to downsize.
183. The nationally adjusted results here should not, however, replace the initial findings above, but are nevertheless worth bearing in mind when planning for future development, and justify applying the recommended dwelling mix in Table 5-15 with a degree of flexibility. The district-based mix is likely to be more representative of housing need in Longhoughton, given its more localised approach and the general characteristics of the district.

## 5.6 Conclusions- Type and Size

184. This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site-specific factors which may justify a particular dwelling mix.
185. Longhoughton is characterised by higher proportions of detached and semi-detached dwellings, and a lower proportion of terraced dwellings and flats. The SHMA Update notes a particular need to provide level-access housing (including flats with lift access), expressed in a high need for bungalow accommodation. This recommendation aligns with the Longhoughton Housing Needs Survey which suggested a need for more accessible housing accommodation, identifying a particular demand for two-bedroom bungalows.
186. The data shows that Longhoughton appears to have an adequate number of bungalows when compared to Northumberland. However, there may be an overabundance of larger bungalows in Longhoughton which may not be best suited to meet the needs of older people who wish to downsize.
187. Longhoughton is characterised by a greater proportion of larger properties when compared to Northumberland. Five room properties are the most common dwelling size in both Longhoughton and Northumberland. The total proportion of large dwellings (5 rooms+) in Longhoughton is 76.9%, contrasting with the 70.8% figure found in Northumberland. At the same time, the total proportion of small properties in the NA is 23.1%, compared to 29.2% in the wider County. Longhoughton Village appears to have a lower proportion of smaller properties (1– 4 rooms) and a higher proportion of larger properties (5+ rooms) compared to the rest of the NP area.
188. During the intercensal period all dwelling sizes in Longhoughton increased, except for four-room dwellings which experienced a decline. The main change in Longhoughton since 2001 is the significant growth in two-room dwellings, contrasting with the decline seen in Northumberland. Likewise, the provision of one room dwellings increased by 66.7%, again contrasting with the decline seen at the local level. However, these figures reflect relatively small sample sizes. Perhaps more significant is the increase in eight or more room dwellings, which grew significantly in Longhoughton by 115.3%.
189. Looking at size in terms of number of bedrooms, the data further emphasises the fact that dwellings in Longhoughton are generally larger than those across Northumberland and England as a whole. Longhoughton has a significantly higher proportion of 4 or more-bedroom dwellings (28.4%) compared to Northumberland (19.5%). Correspondingly, Northumberland has a lower proportion of 1 – 3-bedroom dwellings.

190. In terms of demographics, the analysis suggests that Longhoughton has a younger population when compared to the national and local levels. Longhoughton has higher proportions in the 0-15, 16-24 and 25-44 age groups compared to Northumberland, whilst Northumberland has higher proportions in the 45-64, 65-84 and 85+ age bands. The 25-44 age band represents the single largest age group in Longhoughton, with 10% more people in this age group compared to Northumberland. This young population is likely driven by the life-stage of RAF personnel who generally tend to be younger. As of May 2020, RAF personnel make up approximately 19% of all households in the parish.
191. In terms of the changing age structure, Census data shows that since 2001 Longhoughton has experienced growth in all age groups, except for the 85 and over group which experienced no change. This differs from Northumberland, which has seen a decline in the 0-15 and 25-44 age bands, and a significant increase in the 85 and over age band. The 16-24 age group experienced the largest rate of growth in Longhoughton, at a significantly higher rate than local and national levels. This aligns with the finding that Longhoughton has a relatively younger population.
192. In assessing Census data on household composition, we see that Longhoughton has a higher proportion of family households, with correspondingly fewer people living alone or in other household types (such as shared accommodation). Of those families, there are significantly more with dependent children compared to the local and national levels, reflecting the younger age profile of Longhoughton.
193. Between 2001 and 2011, the proportion of one family households in Longhoughton increased at a significantly greater rate than Northumberland and England. Within this household type, families with all children non-dependent grew at a much higher rate compared to the local and national level. This may suggest that young people can't afford entry-level homes in an area. Longhoughton also experienced a greater increase in one person households. The proportion of those aged over 65 within one person households increased in Longhoughton, contrasting with the decline seen at the local and national levels.
194. The results of the life-stage modelling suggest that by 2036, the size distribution of dwellings should be more focused on one to three-bedroom dwellings, with four or more bedroom properties expected to be in less demand. These results align with the preceding chapter, which established the need for more affordable homes, which tend to be smaller dwellings. This finding also generally aligns with the SHMA Update, which indicates that the majority of the need in Northumberland is expected to be for two-bedroom (39.7%), followed by three-bedroom (36.6%) and one-bedroom homes (20.1%), with a much smaller need for larger dwellings of four-or-more bedrooms (3.5%).
195. It is noted, however, whilst our analysis suggests there is a need for smaller dwellings, it is not primarily demographic change that is driving this shift. Rather, it is the present supply of larger homes that requires rebalancing if the preferences for dwellings of various sizes at district level are to be reflected in Longhoughton's future mix.
196. This report is concerned with demand in the sense of need rather than in the sense of the preferences of potential occupants, which will likely include demand for larger homes. Whilst the focus should be on smaller dwellings (especially affordable smaller homes), we recognise there may also be good reasons to deliver larger properties in the NA as part of a housing mix strategy in the district as a whole. We therefore recommend that a degree of flexibility is applied, to allow a broad mix of housing, including all sizes of dwellings.

## 6. RQ 3: Securing a Local Connection

**RQ 3: What mechanisms are available and/or could be applied to maximise the provision of new homes that are provided for people and households with a genuine local connection to the Neighbourhood Plan area?**

### 6.1 Introduction

197. The parish council is keen to ensure that, to the extent permissible by relevant legislation and the planning system, housing can be provided to households in need that can demonstrate a genuine local connection to Longhoughton; for example, who already live there, who work there, or who have family connections to it. The parish council have also expressed concerns regarding the impact of second/holiday homes, particularly in the coastal village of Boulmer. The parish council suggest local people are being priced out of the market as second/holiday homes push house prices beyond the reach of locals. These issues are explored in detail in this chapter.

### 6.2 Existing policy

198. The starting point for exploring the potential to apply policies or mechanisms at Neighbourhood Plan level seeking to maximise the proportion of newly built homes secured for local people with a genuine connection to the NA is a review of relevant local and national policy on this issue.

#### 6.2.1 Market housing

199. It should be noted that no test of local connection is normally applied at any level of the planning system, either in national or local policy, to market housing. In other words, it is not possible in law or policy to require a local connection for occupants of homes being offered on the open market for purchase by owner-occupiers, or for Build-to-Rent if the tenure will be market rent (i.e. the private rental sector rather than any of the affordable rent tenures).

200. National policy does, however, permit some market housing to be offered only to certain sections of the market. For example, NPPF paragraph 79 permits new isolated homes in the open countryside where there is an essential need for rural worker(s), including worker(s) taking majority control of a farm business, to live permanently at or near their place of work.

201. Many other examples exist in planning law of occupancy conditions, i.e. where market housing is permitted in circumstances where it otherwise would not be, subject to the housing being occupied by a specific type of worker or resident. However, this is not the same as requiring a local connection, because there is no guarantee that, for example, a rural worker or a farmer would always be able to prove a local connection.

202. In cases such as these, where market housing is provided on condition of restricted occupancy, the condition is normally secured through a legally-binding planning agreement (usually referred to as a Section 106 condition)<sup>34</sup> which requires the occupancy condition to be applied in perpetuity. This means the dwellings provided can legally never be sold unconditionally on the open market.

#### 6.2.2 Affordable housing

203. Many, if not most, local authorities already apply a local connection test as part of their housing allocation policy for Social Rented and other forms of Affordable Housing. They were given the power to do this under Section 199 of the Housing Act 1996<sup>35</sup>. The Act defines a “local connection” as being either the place of normal residence (current or previous), the place of employment, a place with family connections or a place offering the ability to meet special circumstances.

204. The National Custom and Self Build Association (NACSBA)<sup>36</sup> provides further useful detail on the power of local authorities in this regard. It is important to note there is no obligation for local authorities to apply such a policy, and, as such, they have significant discretion on how they use this power.

<sup>34</sup> Further information on planning obligations, including Section 106 agreements, is available at <https://www.gov.uk/guidance/planning-obligations>

<sup>35</sup> Available at <https://www.legislation.gov.uk/ukpga/1996/52/contents>

<sup>36</sup> <http://righttobuildtoolkit.org.uk/briefing-notes/local-connection-issues/#>

205. Another, related, mechanism used by many local authorities is the Local Lettings Plan. Local Lettings Plans are agreed plans for the allocation and letting of homes within an agreed community/location or across a type of property and may also use a local connection test. The stated aim is to ensure the provision of balanced, mixed communities.
206. Local lettings plans may be applied on a per-scheme basis and can apply to both rented and owner-occupied forms of affordable housing (e.g. shared ownership). The Chartered Institute of Housing (CIH) provides useful guidance for local authorities establishing (or being encouraged to establish) a local lettings policy or plan, which suggests that proposals should set out clear objectives backed up by evidence. It outlines how the proposals should achieve those objectives, as well as the need for any impact assessments and evidence of consultation with local people on the proposals<sup>37</sup>.

### 6.2.3 Implications for neighbourhood plans

207. In light of the various powers available to them, it is important to note that, where a local authority already applies a local connection test to affordable housing, seeking or looking to encourage such a policy within a Neighbourhood Plan has the potential to put it in conflict with Local Plan policies (which is to be avoided, in line with the Basic Conditions of Neighbourhood Planning). This is because the local authority may well resist the application of constraints, additional obligations and/or alternative mechanisms, considering that this could negatively affect its ability to address housing need at the district level.
208. This reflects the fact that even after a Neighbourhood Plan is adopted, the assessment of need for affordable housing, its allocation to those in need and the management of the housing waiting list all remain the responsibility of the local authority rather than the parish council.
209. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can manage or direct affordable housing need, including through the application of a local connection test.

### 6.2.4 Northumberland policy on local connection and second/holiday homes

210. In the case of Longhoughton, the current relevant policy applied by Northumberland is Policy S6 from the adopted Alnwick District LDF Core Strategy. This policy sets out that in the secondary, sustainable and local needs centres, exceptions sites to provide 100% affordable housing will be considered when supported by an up to date Housing Needs Survey with data collected within the previous 12 months.
211. It must also be demonstrated that the housing need cannot be met in any other way. These exception sites should provide social housing for rent, housing on a shared equity basis (equity capped at 80%) or housing for sale. Proposals which only involve a discounted initial price or are dependent on cross subsidy elements from general market housing on the site will not be acceptable.
212. The housing provided in pursuit of this policy must be available to people in local housing need at an affordable cost for the life of the property, where this can be achieved. These developments will be subject to appropriate planning conditions / obligations to ensure that initial and subsequent occupancy is restricted to people in local housing need, for whom the council will exercise priority nomination rights.
213. The emerging Local Plan applies Policy HOU 7, which sets out the criteria for the development and management of entry-level and rural exception sites. Entry level sites relate to first-time buyers/renters, supporting development of unallocated land, adjacent to existing settlements, to provide only entry-level homes offering one or more types of affordable housing, unless the need for such homes is already met within the local authority area.
214. Interestingly, this policy doesn't specifically state that these Entry-level Exception Sites should be restricted to people in local housing need. This policy does, however, require rural exception sites to provide affordable housing in perpetuity for households who are either current local residents or have an existing family or employment connection (e.g. essential local workers) to the particular area. The affordable housing will be secured in perpetuity through a Section 106 agreement. Some market homes may be allowed on rural exception sites, but only where it is clearly shown to be essential to support the delivery of the affordable element. Any market homes element will be restricted to occupation as a principal residence only.
215. The emerging Local Plan also acknowledges that Northumberland is a popular location for people to establish second and holiday homes due to its attractive rural environment and beautiful coastline. The emerging plan goes on to state

<sup>37</sup>See <http://www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/Allocations%20and%20Local%20Flexibility.pdf>

whilst second/holiday homes can provide some economic benefits, the lack of permanent occupation can adversely impact the social fabric of communities due to diminished support and demand for local facilities. To help sustain the vitality of communities, the emerging plan applies Policy HOU 10, which includes a principal residency restriction to all new market dwellings, in parishes where 20% or more of household spaces are identified in the latest Census as having no usual (i.e. permanent) residents. This restriction will be secured through a Section 106 agreement.

216. Table 6-1 sets out the type of household spaces within the parish of Longhoughton. The table shows that 8.5% of all household spaces in Longhoughton have no usual residents, falling below the 20% threshold set out by Policy HOU 10 of the emerging Local Plan. The principal residency restriction will therefore not apply to new market dwellings in Longhoughton Parish.

**Table 6-1: Household spaces, Longhoughton**

Household Spaces	Longhoughton No.	Longhoughton %
Household spaces with at least one usual resident	675	91.5%
Household spaces with no usual residents	63	8.5%
All categories: Household spaces	738	100%

Source: Census 2011 QS417EW - Household spaces

## 6.3 Potential neighbourhood plan response

### 6.3.1 Developing a new or improving an existing local connection test

217. As such, it appears that the local connection test is being applied to rural exception sites. There is potential for the parish council to enter into dialogue with Northumberland County Council to explore any opportunities for the local connection system to be improved, based on any evidence such as, for example:

- specific cases where someone with a legitimate local connection was not allocated a dwelling in Longhoughton; and/or
- there are no Local Lettings Plans based on local connection within Longhoughton, but there is evidenced potential for this mechanism to be applied in future; and/or
- specific evidence that waiting list times for affordable housing in Longhoughton are unreasonably long for those with a legitimate local connection; and/or
- a household survey commissioned as part of neighbourhood plan preparation captures additional detail on local income levels and concealment, which may suggest that the need for affordable housing is significantly in excess of the number of households actually on Northumberland County Council's waiting list.

218. If such evidence exists, then a policy in the neighbourhood plan could, for example, state that the parish council will work closely with Northumberland County Council to maximise the provision of housing to those with a local connection, including, where appropriate, through relevant improvements to the existing allocations system.

219. The advantage of such a policy would be that it would have much less potential to be in conflict with Northumberland County Council's own aims (and indeed would provide important support to them), and thus pass the Basic Conditions of Neighbourhood Planning.

### 6.3.2 Developing a new a principal residency restriction policy

220. Whilst the restriction on second/holiday homes doesn't apply to the parish, the high level of second/holiday homes in Boulmer in particular may justify further discussions between the parish council and the Northumberland County Council on how best to approach this matter.

### 6.3.3 Boosting the supply of affordable housing

221. Another effective mechanism open to the parish council to ensure that sufficient housing is provided to those with a local connection (either instead of or alongside work on the local connection test) is on the supply side. This involves



boosting the local supply of affordable housing to maximise the chances of those with a local connection being allocated an affordable home in the Neighbourhood Plan area. Exception sites are the key tool in this regard.

222. The NPPF supports two kinds of exception sites. The first of these are entry-level exception sites (suitable for first time buyers (or those looking to rent their first home), as set out in paragraph 71. Such sites should be on land which is not already allocated for housing and should comprise entry-level homes that offer one or more types of affordable housing (as per the NPPF definition), and be adjacent to existing settlements and proportionate in size to them. The size restriction is defined as not larger than one hectare or exceeding 5% of the size of the existing settlement.
223. Entry-level exception sites should not be permitted in National Parks (or within the Broads Authority), Areas of Outstanding Natural Beauty or land designated as Green Belt. Therefore, if a site is to be considered in Longhoughton, it will need to be outside the AONB land in the Parish.
224. The second type of exception site supported by the NPPF is known as a rural exception site, as set out in paragraph 77, and defined in the NPPF glossary as 'small sites used for affordable housing in perpetuity where sites would not normally be used for housing'. Such sites can only be provided in rural areas and should be located where housing will enhance or maintain the vitality of rural communities, especially where this will support local services. Whilst the emerging policy restricts entry-level exception sites in the AONB, the same doesn't appear to apply to rural exception sites. Therefore, rural exception sites should be permissible in the AONB which covers a large portion of the Parish, subject to other policy considerations.
225. Where there are groups of smaller settlements, development in one village may support services in a village nearby. The NPPF further states that rural exception sites should 'address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection.'
226. A proportion of market homes may be allowed on the rural exception site at the local planning authority's discretion, for example where essential to enable the delivery of affordable units without grant funding.
227. Therefore, to summarise, exception sites permit development on small sites adjoining villages and towns, often with relatively low land value, to provide for significant quantities of affordable housing, while minimising the policy or viability barriers that such sites would face if delivered by the private market. Entry-level exception sites are restricted in the AONB, this restriction doesn't appear to apply to Rural Exception sites.
228. Neighbourhood plans may identify and support both types of exception site, even if they are not identified in an adopted Local Plan, subject to the agreement of the LPA. If a suitable exception site can be identified in a location outside restrictive policy designations, and where the land is already owned by the Parish Council and/or a community land trust, so much the better, as it means that the parish council can retain control of when the site is delivered, its size, and the quantity, type and tenure of the housing to be provided.
229. However, as indicated by the term 'exception site', such sites should be promoted only in response to a clearly identified need arising from a local community which cannot otherwise be met.
230. Local income data suggests the average market home for sale is out of reach for those on median household incomes. Likewise, the income required to buy an average entry-level home for sale is also higher than those on median household incomes can afford and therefore well out of the price range of those on lower quartile household earnings. Those on the lowest household incomes are unable to afford any homes in Longhoughton with the exception of social rent and affordable rent homes.
231. The relative unaffordability levels in Longhoughton indicates that there may be potential for the parish council to designate an entry-level or a rural exception site, based on the local income data.

## 6.4 Conclusions- Securing a Local Connection

232. The starting point for exploring the potential to apply policies or mechanisms at Neighbourhood Plan level seeking to maximise the proportion of newly built homes secured for local people with a genuine connection to the NA is a review of relevant local and national policy on this issue.
233. No test of local connection is normally applied at any level of the planning system, either in national or local policy, to market housing. National policy does, however, permit some market housing to be offered only to certain sections of the market. For example, NPPF paragraph 79 permits new isolated homes in the open countryside where there is an essential need for rural workers to live at or near their place of work.

234. However, for affordable housing, many, if not most, local authorities already apply a local connection test as part of their housing allocation policy. A “local connection” is defined as being either the place of normal residence (current or previous), the place of employment, a place with family connections or a place offering the ability to meet special circumstances.
235. In light of the various powers available to them, therefore, it is important to note that, where a local authority already applies a local connection test to affordable housing, seeking or looking to encourage such a policy within a Neighbourhood Plan has the potential to put it in conflict with Local Plan policies (which is to be avoided, in line with the Basic Conditions of neighbourhood planning).
236. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can manage or direct affordable housing need, including through the application of a local connection test.
237. In the case of Longhoughton, the current policy applied by Northumberland is Policy S6 from the adopted Alnwick District LDF Core Strategy, while the emerging Local Plan applies Policy HOU 7 in relation to small-scale rural exception sites. These policies seek to address pressing affordable housing needs of rural communities. Both policies include measures to secure this housing in perpetuity for households with a local connection, either through the use of planning conditions or Section 106 agreements.
238. Regarding second/holiday homes, the emerging Policy HOU 10 applies a principal residency restriction to all new market dwellings, in parishes where 20% or more of household spaces are identified as having no usual residents. In Longhoughton only 8.5% of all household spaces. The principal residency restriction will therefore not apply to new market dwellings in Longhoughton Parish
239. It appears that the local connection test is already being applied at Longhoughton, in regards to small-scale rural exception sites. However, there is potential for the parish council to enter into dialogue with Northumberland to establish any opportunities for the system to be improved.
240. If evidence supporting a need for improvement exists, then a policy in the neighbourhood plan could, for example, state that the parish council will work closely with Northumberland to maximise the provision of housing to those with a local connection, including, where appropriate, through relevant improvements to the existing allocations system.
241. Another effective mechanism open to the parish council to ensure that additional housing is provided to those with a local connection (either instead of or alongside work on the local connection test) is on the supply side. Exception sites (either entry-level or rural) are the key tool in this regard.
242. Neighbourhood plans may identify and support both types of exception site, even if they are not identified in an adopted Local Plan, subject to the agreement of the LPA and relevant policy constraints applying to the site in question. If a suitable exception site can be identified where the land is already owned by the Parish Council and/or a community land trust and is free of policy restrictions on development, this enhances the ability of the parish council to retain control of when the site is delivered, its size, and the quantity, type and tenure of the housing to be developed.
243. However, as indicated by the term ‘exception site’, such sites should be promoted only in response to a clearly identified need arising from a local community which cannot otherwise be met.
244. Local income data suggests the average market home for sale is out of reach for those on median household incomes. Likewise, the income required to buy an average entry-level home for sale is also higher than those on median household incomes can afford and therefore well out of the price range of those on lower quartile household earnings. Those on the lowest household incomes are unable to afford homes in Longhoughton with the exception of social rent and affordable rent homes.
245. The relative unaffordability in Longhoughton indicates that there may be potential for the parish council to designate an entry-level or a rural exception site in an appropriate location within the parish where development is not restricted, based on the local income evidence.
246. Whilst the restriction on second/holiday homes doesn’t apply to the parish, the high level of second/holiday homes in Boulmer may justify further discussions between the parish council and the Northumberland County Council on how best to approach this matter.

## 7. Conclusions

### 7.1 Overview

247. Table 7-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment for Longhoughton, based on the evidence reviewed and analysed.

**Table 7-1: Summary of study findings specific to Longhoughton with a potential impact on Neighbourhood Plan housing policies**

Issue	Source(s) (see Chapter 3)	Summary of evidence and data assessed	Conclusions and recommendations
Housing tenure and affordability	AECOM calculations, Census 2001 and 2011, SHMA, Land Registry PPD, Draft Local Plan 2016 – 2036 (January 2019), Longhoughton Parish Property Analysis Summary May 2020 .	<p>The rate of private renting is significantly high in Longhoughton, more than double the local and national averages. This is attributed to the high proportion of RAF exclusive rentals. The proportion of social rented households is lower in Longhoughton, whilst the shared ownership sector is very limited.</p> <p>The income required to buy an average market home is higher than those on median household incomes can afford. Likewise, the income required to buy an average entry-level home is also higher than those on median household incomes can afford. These prices may be distorted by the high proportion of RAF exclusive properties as a reduced stock can increase demand, which in turn will cause prices to raise.</p> <p>Discounted market homes (including 30% discount First Homes) would offer little scope to extend home ownership to median income households. A 40% discount may therefore be more appropriate.</p> <p>The purchase threshold for shared ownership at the 50 % and 25% level appears sufficient for those on mean income to be able to afford such a property. The rent to buy tenure may also be a viable option as the average rental prices in Longhoughton appear affordable to those on mean incomes.</p> <p>Affordable and social rent appear to be the most affordable tenures for those on lower earnings. However, LQ households may be able to privately rent using housing benefit.</p> <p>The SHMA identifies an annual need for 151 additional affordable homes, equivalent to 17% of the County's overall requirement, recommending a 50:50 split between affordable homes to rent and affordable home ownership. The emerging Local Plan applies a value area-based approach to seek to meet the overall need identified in the SHMA. Longhoughton is identified as a medium value area, requiring 15% affordable housing, with a tenure split of 33% affordable homes to rent to 67% affordable home ownership.</p>	<p>The neighbourhood group may wish to consider identifying exception sites specifically for affordable housing to enable a more substantial provision of Affordable Housing.</p> <p>Our calculations suggest eight households are unable to access affordable rented homes. It is, however suggested that natural turnover in the existing social rented stock is likely sufficient to accommodate newly arising need. We do not recommend, however, halting the provision of affordable housing for rent altogether as need can change during a long planning period.</p> <p>We calculated a need for 89 affordable homes for sale. This exceeds the overall HRF. It is unlikely that the Neighbourhood Plan will be able to accommodate this figure, however. The households identified in the calculation are generally adequately housed in the private rented sector. The potential demand identified is therefore aspirational and doesn't have to be met.</p> <p>Our calculations suggest there is a greater need to provide affordable routes to ownership compared to affordable homes for rent. This aligns with the tenure split required by Policy HOU 6. It is recommended that Longhoughton should seek to maintain the emerging policy tenure split which boosts the requirement for affordable housing for sale, whilst retaining a 'future-proofed' proportion of affordable housing for rent.</p> <p>The new RAF housing allowance scheme could free up existing RAF stock. Placing unoccupied RAF houses on the private market may lead to lower house prices as supply begins to match demand.</p>

Issue	Source(s) (see Chapter 3)	Summary of evidence and data assessed	Conclusions and recommendations
Housing type and size	<p>AECOM calculations, ONS 2001-2011, ONS 2011, Valuation Office Agency, SHMA, Housing Market Model, MHCLG 2014-based household projections, Longhoughton Housing Needs Survey Longhoughton Parish Property Analysis Summary May 2020 .</p>	<p>Longhoughton is characterised by higher proportions of detached and semi-detached dwellings. Longhoughton also has generally larger properties. During the intercensal period, there was an increase in all dwelling sizes in Longhoughton, except for four-room dwellings which experienced a decline. Between 2001-2011, the number of dwellings with eight or more rooms increased significantly in Longhoughton by 115.3%.</p> <p>Looking at size in terms of number of bedrooms, the data further emphasises the fact that dwellings in Longhoughton are generally larger than those across Northumberland and England as a whole. Longhoughton has a significantly higher proportion of 4 or more-bedroom dwellings (28.4%) compared to Northumberland (19.5%). Correspondingly, Northumberland has a lower proportion of 1 – 3-bedroom dwellings.</p> <p>In terms of demographics, the analysis suggests that Longhoughton has a younger population when compared to the national and local levels. The 25-44 age band represents the single largest age group in Longhoughton, with 10% more people in this age group compared to Northumberland. This young population is likely driven by the life-stage of RAF personnel who generally tend to be younger. As of May 2020, RAF personnel make up approximately 19% of all households in the parish.</p> <p>Between 2001-2011 Longhoughton experienced growth in all age groups, except for the 85 and over group which experience no change. The 16-24 age group experienced the largest rate of growth in Longhoughton, at a significantly higher rate than local and national levels.</p> <p>Longhoughton has a high proportion of family households. Of those families, there are significantly more with dependent children compared to the local and national levels, reflecting the younger age profile of Longhoughton.</p> <p>The proportion of one family households in Longhoughton has significantly increased. Families with all children non-dependent grew at a much higher rate compared to the local and national level. This may suggest that young people can't afford entry-level homes in the area.</p>	<p>The results of the life-stage modelling suggest by 2036, the size distribution of dwellings should be more focused on one to three-bedroom dwellings, with four or more bedrooms expected to be in less demand. These results align with the preceding chapter which established the need for more affordable homes, which logically tend to be smaller dwellings.</p> <p>This finding also generally aligns with the SHMA Update conclusions.</p> <p>Whilst our analysis suggests there is a need for smaller dwellings, it is not primarily demographic change that is driving this shift. Rather, it is the present supply of larger homes that requires rebalancing if the preferences for dwellings of various sizes apparent at district level are to be reflected in Longhoughton's future mix.</p> <p>This report is concerned with demand in the sense of need rather than in the sense of the preferences of potential occupants, which will likely include demand for larger homes. Whilst the focus should be on smaller dwellings (especially affordable smaller homes), we recognise there may also be good reasons to deliver larger properties in the NA as part of a housing mix strategy across the district as a whole.</p> <p>We therefore recommend a degree of flexibility, to allow a broad mix of housing sizes and types to be provided.</p>

Issue	Source(s) (see Chapter 3)	Summary of evidence and data assessed	Conclusions and recommendations
Securing a Local Connection	Alnwick District Local Development Framework (LDF) Core Strategy (October 2007), Draft Northumberland Local Plan 2016 – 2036 (January 2019), Census 2011, Longhoughton Parish Property Analysis Summary May 2020	<p>In the case of Longhoughton, the current policy applied by Northumberland is Policy S6 from the adopted Alnwick District LDF Core Strategy, while the emerging Local Plan applies Policy HOU 7 in relation to small-scale rural exception sites. These policies seek to address pressing affordable housing needs of rural communities. Both policies include measures to secure this housing in perpetuity for households with a local connection, either through the use of planning conditions or Section 106 agreements.</p> <p>The parish council have suggested second/holiday homes, particularly in the coastal village of Boulmer, are pushing house prices beyond the reach of locals.</p> <p>Regarding second/holiday homes, the emerging Policy HOU 10 applies a principal residency restriction to all new market dwellings, in parishes where 20% or more of household spaces are identified as having no usual residents. In Longhoughton only 8.5% of all household spaces. The principal residency restriction will therefore not apply to new market dwellings in Longhoughton Parish</p>	<p>It appears that the local connection test is already being applied at Longhoughton in relation to small-scale rural exception sites. However, there is potential for the parish council to enter into dialogue with Northumberland to establish any opportunities for the system to be improved.</p> <p>Neighbourhood plans may identify and support both types of exception site, even if they are not identified in an adopted Local Plan, subject to the agreement of the LPA and to relevant local policy restrictions such as AONBs.</p> <p>The relative unaffordability of housing in Longhoughton indicates that there may be potential for the parish council to designate an entry-level or a rural exception site in an appropriate location, based on the local income data.</p> <p>The high level of second/holiday homes in Boulmer may justify further discussions between the parish council and the Northumberland County Council on how best to approach this matter.</p>

## 7.2 Recommendations for next steps

248. This Neighbourhood Plan housing needs assessment aims to provide Longhoughton parish council with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the parish council should, as a next step, discuss its contents and conclusions with Northumberland County Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:

- All Neighbourhood Planning Basic Conditions, but in particular the following: Condition A, namely that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
- The views of Northumberland County Council – in particular in relation to the quantity of affordable housing that should be planned for;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers and estate agents;
- The numerous supply-side considerations, including local environmental and policy constraints, the location and characteristics of suitable land, and any capacity work carried out by Northumberland, including but not limited to the Strategic Housing Land Availability Assessment (SHLAA); and
- The impact of the Government's Standard Methodology on calculating housing need for Northumberland and the neighbourhood plan areas within it.

249. 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.

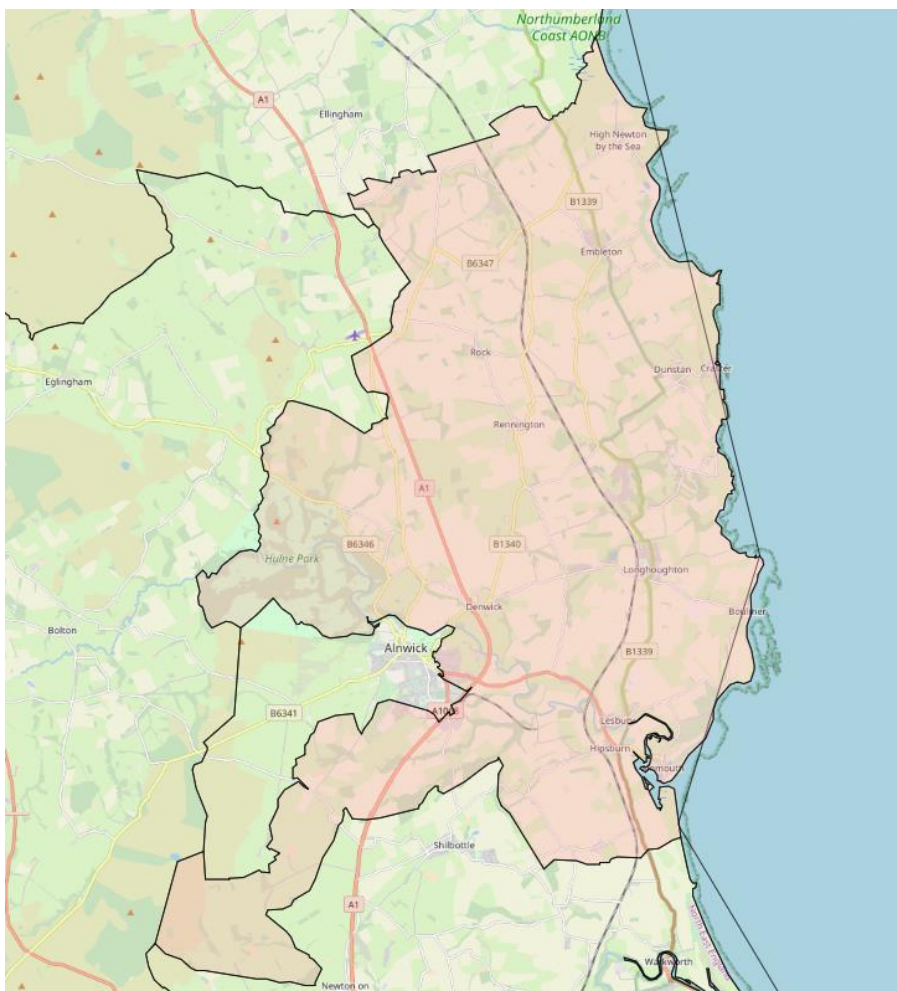
250. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Northumberland or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
251. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

## Appendix A : Calculation of Affordability Thresholds

### A.1 Assessment geography

252. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.
253. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Longhoughton, it is considered that MSOA Northumberland 004 [E02005702] is the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of Northumberland 004 appears below in Figure 7-1. This MSOA was chosen as it overlaps with the entire extent of the Neighbourhood Plan area.

**Figure 7-1: MSOA [Northumberland 004] used as a best-fit geographical proxy for the Neighbourhood Plan area**



Source: ONS

### A.2 Market housing

254. Market dwellings are accessible to people on higher incomes. Choices in the housing market are driven principally by spending power, life stage, and personal taste.
255. The operation of the housing market is, in most circumstances, the best means of addressing the demand for different types of housing for sale. For this reason, it is important that planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand, because this is the principal way equilibrium is achieved in the market and thus house price growth kept in check.



256. In this sense, the notion of development viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.
257. To determine affordability in market housing, the assessment considers two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

### i) Market sales

258. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.
259. To produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first-time buyer) should be taken into account. However, this data is not available for Longhoughton. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.
260. The value of an entry-level dwelling is considered the best proxy for the segment of market housing most likely to be accessible to those on lower incomes.<sup>38</sup> The value of an entry level dwelling used here is the lower quartile average house price from sales data from Land Registry over the year 2018.
261. The calculation is therefore:
- Value of an 'entry level dwelling' = £205,738;
  - Purchase deposit = £20,574 @10% of value;
  - Value of dwelling for mortgage purposes = £185,164;
  - Loan to income ratio = value of dwelling for mortgage purposes divided by 3.5;
  - **Purchase threshold = £52,904.**

### ii) Private Rented Sector (PRS)

262. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. Households are deemed able to afford a private rented property if the lower quartile private rent does not exceed 30% of gross household income. The property website [home.co.uk](http://home.co.uk) shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within the 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.

#### Entry-level Market Rent

263. It is assumed that lower quartile private rent equates to the average rent paid in the Neighbourhood Plan area for a two-bedroom dwelling (enough living space for two or three individuals). In order to be in conformity with the Government guidance on overcrowding,<sup>39</sup> such a home would require three habitable rooms (a flat or house with two bedrooms).
264. According to [home.co.uk](http://home.co.uk), there are 5 two-bed properties currently listed for rent across NE66, with an average price of £523 per calendar month.
265. It is possible to derive from this data the estimated income threshold for private rental sector dwellings in the Neighbourhood Plan area; the calculation is therefore:
- Annual rent = £523 x 12 = £6,276;

<sup>38</sup> 'Entry-level dwelling' can be understood to comprise a property that costs the average value of dwellings falling into the lower quartile of house prices in the Neighbourhood Plan area, as set out in the Tenure and Affordability chapter above.

<sup>39</sup> This is based on the concept of the 'room standard', which indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room). See: [http://england.shelter.org.uk/housing\\_advice/repairs/overcrowding](http://england.shelter.org.uk/housing_advice/repairs/overcrowding)

- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = £20,920;
- **Income threshold (private rental sector) = £20,920.**

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

#### Average Market Rent

267. According to [home.co.uk](http://home.co.uk), there is a total of 15 properties currently listed for rent across NE66, with an average price of £568 per calendar month.

268. It is possible to derive from this data the estimated income threshold for private rental sector dwellings in the Neighbourhood Plan area; the calculation is therefore:

- Annual rent = £568 x 12 = £8,976;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = £22,720;
- **Income threshold (private rental sector) = £22,720.**

### A.3 Affordable Housing

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

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

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

#### i) Social rent

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

273. To determine social rent levels, data and statistical returns from Homes England are used. This data is only available at the LPA level 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 the table below.

274. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This HNA uses two bedroom homes in the main report tables to illustrate the affordability of this tenure. These homes are a good proxy for affordability in this tenure as they are typically the most numerous property size.

**Table A-1: Social rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent PCM	£68.49	£75.24	£81.87	£91.27	£76.20
Annual average rent	£3,561	£3,912	£4,257	£4,746	£3,962
Income needed	£11,872	£13,042	£14,191	£15,820	£13,208

Source: Homes England, AECOM calculations

#### ii) Affordable rent

275. Affordable rent is controlled at no more than 80% of the local market rent. As demonstrated in this report, the annual entry-level rent in Longhoughton is £6,276. In the event of a 20% reduction in rent to £5,021, the income threshold would reduce to an estimated **£20,083**. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit

the total received in all benefits to working age households is £20,000). Even an 80% discount on the market rent may not be sufficient to ensure that households can afford it, particularly when they are dependent on benefits. RPs in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.

### iii) Intermediate tenures

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

#### Discounted Market Homes

277. In paragraph 64 of the NPPF 2019, the Government introduces a recommendation that “*where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership*”.
278. Whether to treat discounted market sale homes as affordable housing or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to access market housing for purchase.
279. Applying a discount of 20% provides an approximate selling price of £228,000 (20% discount on median average prices of £285,000). Allowing for a 10% deposit further reduces the value of the property to £205,200. The income threshold at a loan to income ratio of 3.5 is **£58,629**.
280. In practice, developers are likely to price these homes in relation to new build prices, particularly in locations where discounting in relation to entry level prices may not make these homes viable to develop in relation to build costs. When new build prices are discounted by 20% they may not offer any discount on entry level prices.
281. The Government is consulting on proposals to introduce First Homes which would provide a minimum discount of 30% on new market homes for eligible households. The same calculation as above has been undertaken, applying a discount of 30%, to produce an income threshold of **£51,300**.

#### Shared ownership

282. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied by 'staircasing'. Generally, staircasing will be upward, thereby increasing the share owned over time.
283. 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.
284. To determine the affordability of shared ownership, calculations are based on the lower quartile house price of £205,738.<sup>40</sup> The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
285. A 25% equity share of £205,738 is £51,434, from which a 10% deposit of £5,143 is deducted. The mortgage value of £46,291 (£51,434 - £5,143) is then divided by 3.5. To secure a mortgage of £46,291, an annual income of £13,256 (£46,291/3.5) is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £213,750. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £5,344 and requires an income of £12,859 (multiplied by 3.33 so that no more than 25% of income is spent on rent). Therefore, an income of around **£26,085** (£13,256 + £12,859) is required to afford a 25%

<sup>40</sup> It is important to note that this is based on new build sales only. The current shared ownership models are only available for new build homes, with the assumed cost therefore differing from the cost of open market housing, which also includes property re-sale.

shared equity purchase of an entry-level home. The same calculations were undertaken for equity shares of 50% and 75%, producing income thresholds of £35,024 and £43,964 respectively.

## Appendix B : Housing Needs Assessment Glossary

### Adoption

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

### Affordability

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

### Affordability Ratio

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

### Affordable Housing (NPPF Definition)

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

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

b) Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

c) 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.

d) 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>41</sup>.

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

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

### **Annual Monitoring Report**

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

### **Basic Conditions**

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

### **Backlog need**

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

### **Bedroom Standard<sup>42</sup>**

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

### **Co-living**

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

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

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

### **Community Right to Build Order<sup>43</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>44</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.

<sup>41</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>42</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

<sup>43</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>44</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)

A single person cannot be a concealed family; therefore, one elderly parent living with their adult child and family or an adult child returning to the parental home is not a concealed family; the latter are reported in an ONS analysis on increasing numbers of young adults living with parents.

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

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

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

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

### **Fair Share**

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

### **First Homes**

The Government is consulting on the introduction of First Homes as a new form of discounted market homes which will be provided at least 30% discount on new homes. The intention is that these homes are available to first time buyers as a priority, but other households will be eligible depending on agreed criteria. New developments may be required to provide a proportion of Affordable Housing as First Homes (40-80%).

### **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, such as Starter Homes, the Government's flagship 'housing product'.

## **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>45</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 the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs.

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

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

## **Overcrowding**

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

## **Planning Condition**

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

## **Planning Obligation**

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

## **Purchase Threshold**

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

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<sup>45</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

## **Proportionate and Robust Evidence**

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

## **Private Rented**

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

## **Retirement Living or Sheltered Housing**

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

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

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

## **Rightsizing**

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

## **Rural Exception Sites**

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

## **Shared Ownership**

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

## **Sheltered Housing<sup>46</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 'manager' or 'warden', either living on-site or nearby, whose job is

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<sup>46</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

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

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

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

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

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

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

### **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>47</sup>

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<sup>47</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

