

# Broomhaugh and Riding

Housing Needs Assessment (HNA)

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## Quality information

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

HNA Housing Needs Assessment

HRF Housing Requirement Figure (the total number of homes the NA is expected to plan for, usually supplied by LPAs)

HLIN Housing Learning and Improvement Network

HRP Household Reference Person

LHN Local Housing Need

LPA Local Planning Authority

MHCLG Ministry for Housing, Communities and Local Government (formerly DCLG)

NA Neighbourhood (Plan) Area

NP Neighbourhood Plan

NPPF National Planning Policy Framework

ONS Office for National Statistics

PPG Planning Practice Guidance

PRS Private Rented Sector

RQ Research Question

SHMA Strategic Housing Market Assessment

VOA Valuation Office Agency

# 1. Executive Summary

- 1.1 The Executive Summary states the main findings of the HNA, focussed on the themes of tenure and affordability, type and size, and specialist housing for older people. These are detailed in chapters 4-6 and summarised in the concluding chapter 7.

## Tenure and Affordability

- 1.2 Broomhaugh and Riding has a notably higher proportion of home owners and an especially lower proportion of social rented households than locally or nationally. The proportion of owned properties at 85.3% is approximately 20 percentage points greater than both the Northumberland average and the average across England. Secondly, the proportion of social rented properties is relatively low, at 2.9%, which is nearly 16 percentage points below the local average and national average. Furthermore, the proportion of private rented households are also relatively underrepresented, at 9.3% compared to around 13.3% in Northumberland, and 16.8% in England.
- 1.3 While there is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally, it is still interesting to observe the changes recorded between the 2001 and 2011 Census: in Broomhaugh and Riding the private rented sector expanded by 100% in that period, a rate of growth that exceeded the local and national growth rates. However, this change is from a relatively low base: between 2001 and 2011, the number of private rented homes increased from 19 to 38. Another notable change was the increase in home ownership over the same period. The percentage of home ownership increased by 19.7%. The number of homes in this category increased from 160 to 407 over the decade.
- 1.4 In terms of house prices, mean prices in Broomhaugh and Riding increased by 33.4% over the period, while the median price increased by 24.4% over time and the lower quartile price increased by 9.9% over the time period. Because the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end cause the mean to increase, making it higher than the median.
- 1.5 Broken down by type, land registry data shows that detached homes are currently the most expensive housing type in the parish, at a mean price of £460,800. Compared to detached homes, semi-detached homes are considerably cheaper at a mean sale price of £309,250. Terraced homes are less affordable than semi-detached homes at a mean sale price of £375,000 at the end of 2020. Furthermore, the increase in price for terraced homes is notable, as this housing type experienced an increase of 145% over the past 10 years. In summary, terraced homes have experienced the strongest price growth in Broomhaugh and Riding, although detached homes remain by far the highest value type of property.
- 1.6 By benchmarking the incomes required to afford the different tenures in the neighbourhood area, we determined the following:
- The income required to buy an average market home for sale is more than what would be expected to be available to those on average household incomes. The income required to buy an average entry-level home for sale is also more than the average

income of those on lower quartile household incomes.

- Private renting is generally only affordable to average earners. While households on mean incomes, as well as households with two lower quartile earners can afford market rents, single earner households made up of one lower quartile earners cannot afford the given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.
  - There is a relatively large group of households in Broomhaugh and Riding who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £19,360 per year (at which point entry-level rents become affordable) and £64,286 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
  - In terms of accessing the First Homes discounts, none of the discounts offered would be affordable to local residents. A discount of 50% might be accessible to some households on mean incomes, or those with additional support. However, in order for mean income earners to be able to access discounted market sales, a discount of over 50% would be required. AECOM's findings show that in order to access a median priced home, households on mean income would require a discount of 51%, single earner households on lower quartile earnings would require a discount of 85%, and dual-earners would need a discount of 71%.
  - Social and affordable rents are affordable to those on mean households incomes but are not accessible options for single earner households on lower quartile incomes. Households with two lower quartile earners can afford social and affordable rent, but are unable to access any other tenures, including any of the routes to affordable home ownership. Moreover, households in which there is only one lower quartile earner appear unable to afford any tenures at all. Many such households will, if unable to secure a small social rented dwelling, need to live in a room in a shared house (if they are single households) and/or will require additional subsidy through Housing Benefit to access housing.
- 1.7 When calculations presented in the SHMA (2018) are pro-rated to Broomhaugh and Riding based on its share of the population (0.3% of the LPA's population as of mid-2019), the neighbourhood area can be assumed to have a need for 0.5 units of affordable rented housing per year, which totals to 8 homes over the neighbourhood plan period. In terms of the affordable housing for sale requirement, AECOM calculations found there may be around 2 households per annum who may be interested in affordable home ownership (or 25.6 for the entirety of the Plan period).
- 1.8 These estimates consider only the unconstrained needs of the existing population of Broomhaugh and Riding. Northumberland County Council have noted that there remain strategic questions about where affordable housing would be most appropriately located across the county to maximise access to services and minimize living costs for occupants. These wider strategic considerations are beyond the scope of this study, but are worth noting. How to balance such factors against the imperative



to serve the needs of local people within their existing community and improve choice, is a consideration for the Group and County Council.

- 1.9 Broomhaugh and Riding has a high potential demand for both affordable homes to rent and affordable home ownership. The Local Plan guideline mix of 60% affordable homes to rent and 40% home ownership offers flexibility in the mix of affordable housing provided. Based on the needs identified for the neighbourhood area, the tenure mix follows the mix set out in the Local Plan and suggests a 60/40 split.
- 1.10 Within this mix, 25% should be delivered as First Homes, following national policy. Since shared ownership appears to be the most affordable and helpful option locally, this product should represent 25% of the tenure mix, while rent-to-buy should comprise 10% of the mix.

## Type and Size

- 1.11 This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.
- 1.12 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.
- 1.13 With regards to housing typology, Broomhaugh and Riding tends to be characterized by a high proportion of detached, semi-detached and terraced homes. According to VOA (2020) data, within LSOA<sup>1</sup> E1027594 (where the parish is located) 36.9% of the housing stock is detached, 23.8% is semi-detached and 10.7% is terraced.
- 1.14 The most notable underrepresentation is flats, which form around 7% of the housing stock. The percentage of flats in the parish is much lower than in Northumberland and England as a whole, while the percentages of detached homes in the parish are much higher than in either regional or national geographies.
- 1.15 In terms of dwelling size, the housing stock in Broomhaugh and Riding is characterised as having a high number of homes with four or more bedrooms, and a relatively low number of studio homes or homes with one-two bedrooms. In 2011, the parish had a low number one and two-bedroom homes and had a high number of homes with over four bedrooms. In 2020, VOA data shows the wider LSOA area had a similarly high number of homes with over four bedrooms.
- 1.16 In terms of demographics, the parish has a large population of individuals between the ages of 45-84. The percentage of individuals in this demographic group was higher in the parish than in both wider geographies. Furthermore, Broomhaugh and Riding has

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<sup>1</sup> Lower Super Output Area

the lowest percentage of residents in the category of individuals below the age of 25, while England had the highest percentage of individuals in this group.

- 1.17 In terms of household composition, differs from Northumberland in that there are fewer one person households and more one family households in the neighbourhood area. Further breaking down these categories, Broomhaugh and Riding notably has more families aged 65 and over than Northumberland, and fewer families with dependant children. Compared to Northumberland, Broomhaugh and Riding has a similar proportion of families without children.
- 1.18 Compared to England, Broomhaugh and Riding has more one family households and fewer one person household types. Note that non-dependent children refer to households in which adult children are living at home, or students still call their primary residence despite living for most of the year near to university. Though 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. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. While the data is quite old at this point, it is interesting to observe that this category grew by 47.8% between 2001 and 2011 in the parish – while the Northumberland average decreased by 3.2% over the same period.
- 1.19 The results of a life-stage modelling exercise indicates that, by 2036, in demographic terms, there is a need to increase the proportion of smaller (1 and 2 bedroom homes) in the neighbourhood area. An increase in the number of 1 and 2 bedroom properties could help to provide alternatives for younger people without children and older residents wishing to downsize.

## **Specialist Housing for Older People**

- 1.20 The starting point for determining the need for specialist housing (housing with care) in the neighbourhood is establishing the current supply of specialist homes. Setting a radius of 1 mile, we found there is currently only one specialist home located within the Parish. Note that this does not include care homes which are not defined as housing.
- 1.21 Broomhaugh and Riding has a current population of 173 people aged 75 and over (ONS 2019), and our calculations show that the population of this group is expected to increase to 313 people by the end of this year. This means there is a potential need for specialist housing with some form of additional care for older people.
- 1.22 This need can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
- 1.23 These two methods of estimating the future need in Broomhaugh and Riding produce a range of 26 to 38 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
- 1.24 It is important to note that the scale of need for specialist accommodation heavily depends on the amount of accessible/adapted mainstream housing in Broomhaugh

and Riding currently – or how far this can successfully be achieved in future. Note that there is no accurate secondary data on this. If the neighbourhood plan were to be particularly ambitious in requiring high standards of accessibility and adaptability, there is arguably less need to deliver specialist accommodation.

- 1.25 Policy HOU 11 in the Local Plan requires a proportion of new housing to meet the higher M4(2) accessibility /adaptability standards. However, given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Plan is therefore to require standards of accessibility and adaptability in new development to be met at more ambitious levels than those mandated in the Local Plan, and to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged the Neighbourhood Plan may have less influence over changes to the existing stock).
- 1.26 It is relatively common for Local and Neighbourhood Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide, and the localised evidence gathered here would further justify this. The proportion of new housing that might accommodate those using wheelchairs (and requiring M4(3) wheelchair accessible properties) might be set with reference to the proportion of affordable housing applicants falling into this category and/or evidence from a household survey.
- 1.27 While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
- so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctors surgeries, on foot;
  - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
  - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
- 1.28 Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or neighbourhood areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
- 1.29 It is considered that Broomhaugh and Riding's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from the parish entirely within the neighbourhood area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of Broomhaugh and Riding, Corbridge can be considered as having the potential to accommodate the specialist housing need arising from the neighbourhood area (i.e. to be the hub in the hub-and-spoke model). If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the neighbourhood area itself would not overlap.

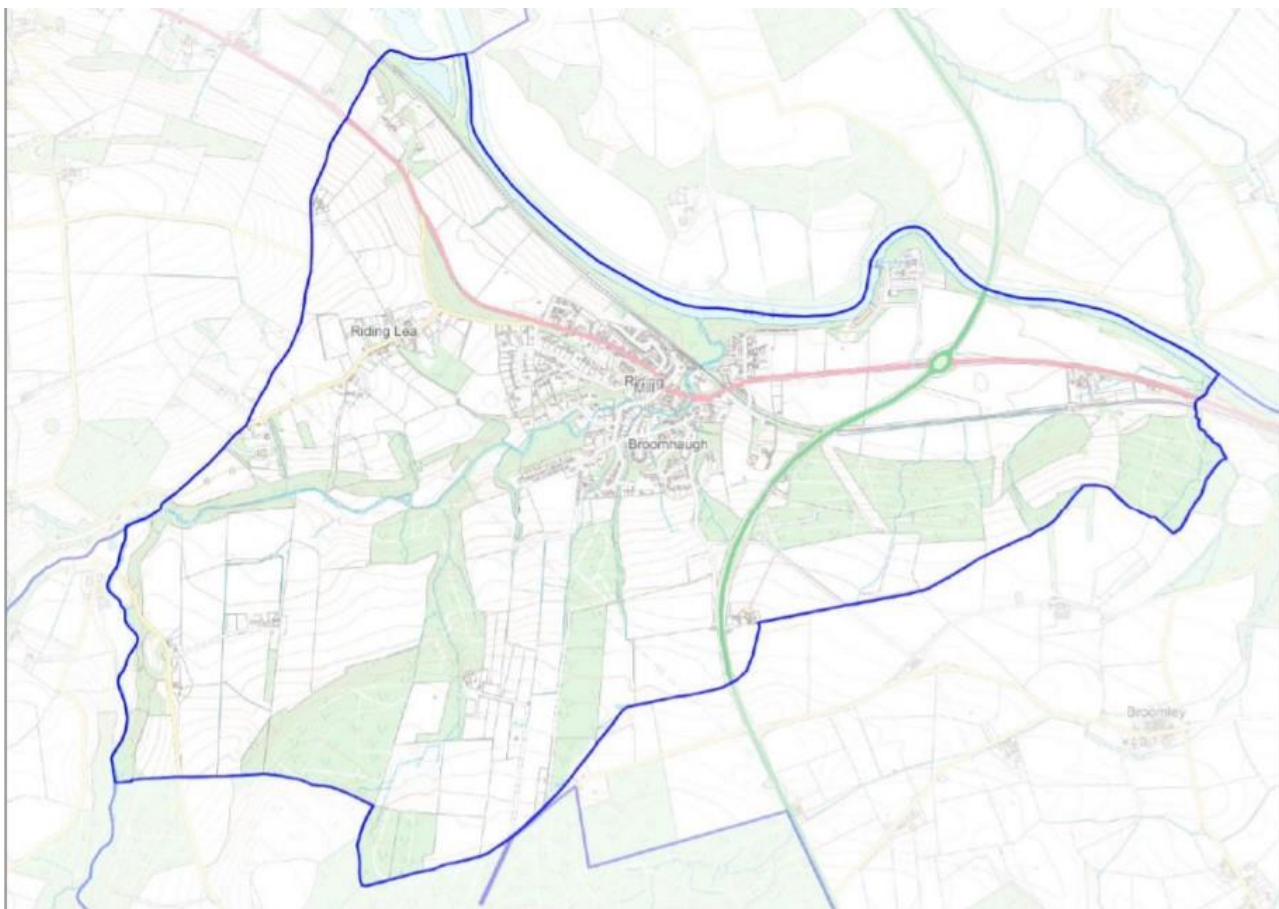
- 1.30 Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

## 2. Context

### Local context

- 2.1 Broomhaugh and Riding is a neighbourhood area located in Northumberland. The neighbourhood area comprises the boundary of Broomhaugh and Riding parish and was designated on 21 October 2020. The proposed Neighbourhood Plan period starts in 2022 and extends to 2038 therefore comprising a planning period of 16 years.
- 2.2 Broomhaugh and Riding is located to the south of the River Tyne and is between Hexham and Newcastle. The parish includes two villages, Riding Mill and Broomhaugh, and is located adjacent to the A695 road. The parish has a number of local amenities and attractions including a number of sporting clubs, a pub, a play park, and a number of walking routes. In terms of transport connections, the parish is served by the Riding Mill train station on the Newcastle-Carlisle Line and is connected to Newcastle and the A1 by a number of roads including the A695 which passes through the village, and the A68.
- 2.3 The statistics show that in the 2011 Census the neighbourhood area had a total of 966 residents.
- 2.4 A map of the Plan area appears below in Figure 2.1.

**Figure 2-1: Map of the Broomhaugh and Riding neighbourhood area<sup>2</sup>**



<sup>2</sup> Available at: <https://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Planning-and-Building/planning%20policy/Neighbourhood%20Planning/Broomhaugh-Riding-NA-Designation-Decision.pdf>

- 2.5 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.

## Planning policy context

- 2.6 Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.<sup>3</sup> In the case of Broomhaugh and Riding, the relevant context is as follows:
- 2.7 On May 29, 2019, the Secretary of State for Housing, Communities and Local Government received the Northumberland Local Plan, to review. Reviewers concluded that while the draft plan as submitted is not sound, it is likely that it may be made sound by adjustments.
- 2.8 In the absence of the Northumberland Local Plan, we have determined the relevant local planning context comprises the Tracked changes Local Plan Draft, published in 2021.
- 2.9 The emerging Northumberland Local Plan identifies the settlement of Riding Mill/ Broomhaugh as a third tier service village, which will provide for a proportionate level of housing and be the focus for investment in rural areas, to support the provision and retention of local retail, services and facilities.

## Policies in the emerging local plan

- 2.10 Table 2-2 below summarises emerging Local Plan policies relevant to housing need and delivery in Broomhaugh and Riding.

**Table 2-2: Summary of relevant adopted policies in the Northumberland Local Plan<sup>4</sup>**

Policy	Document	Provisions
<b>Policy STP 1: Spatial strategy (Strategic Policy)</b>	Local Plan (Tracked changes Draft 2021)	This policy commits to delivering sustainable development in Northumberland with the aim of supporting economic growth, enhancing the vitality of communities, and conserving the County's environmental assets. The Service Village of Riding Mill/ Broomhaugh will be a focus of housing provision and investment in rural areas, which will support the supply and retention of local services and facilities.
<b>Policy HOU 2: Provision of new residential development</b>	Local Plan (Tracked changes Draft 2021)	This policy presents the countywide housing requirement policy for Northumberland of a minimum 17,700 net additional dwellings over the plan period 2016-2036 (equivalent to an annual average of 885pa). There are presently no allocations for Broomhaugh.
<b>Policy HOU 3: Housing Requirements for neighbourhood areas</b>	Local Plan (Tracked changes Draft 2021)	This policy sets out the housing requirement for designated neighbourhood areas. There are presently no requirements identified for the Broomhaugh and Riding parish.

<sup>3</sup> A description of the Basic Conditions of Neighbourhood Planning is available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

<sup>4</sup> Tracked changes Draft Northumberland Local Plan (2021): available at <https://northumberland-consult.objective.co.uk/portal/planning/localplan/main-mods>

<b>Policy HOU 5:</b> Housing types and mix	Local (Tracked changes Draft 2021)	Plan	This policy sets out that a range of good quality, energy-efficient homes, including affordable homes, will be provided to deliver a more balanced mix of tenures and housing types and sizes, alongside supported specialist housing for older and vulnerable people. Development proposals will be assessed according to how well they contribute to meeting the needs and aspirations of those living in and seeking to move to Northumberland, as identified in the most up-to-date Strategic Housing Market Assessment or local housing needs assessment.
<b>Policy HOU 6:</b> Affordable housing provision (Strategic Policy)	Local (Tracked changes Draft 2021)	Plan	This policy states that major development proposals of 10-or-more units or 0.5 hectares or will be expected to make the following affordable housing provision: c. within highest value areas - 30% affordable. Additionally, the affordable provision will be expected to reflect the following general tenure split: within high value areas - 67% affordable homes to rent and 33% affordable home ownership.
<b>Policy HOU 7:</b> <b>Exception sites</b>	Local (Tracked changes Draft 2021)	Plan	This policy permits the development of entry-level, rural, self-built and market housing Exception Sites within sites that are not allocated for housing adjacent to an existing settlement under sets of corresponding conditions, such as the justification through evidence in an up-to-date local housing needs assessment.
<b>Policy HOU 11:</b> Homes for older and vulnerable people (Strategic Policy)	Local (Tracked changes Draft 2021)	Plan	This policy states that residential accommodation must meet the changing needs of older and vulnerable groups through: a. adapting existing homes; b. providing sheltered residential retirement and 'extra care' accommodation; c. providing Use Class C2 residential care accommodation for dependent people including those with physical disabilities. To ensure new homes are accessible and adaptable to the present and future needs, the plan requires that 20% of new open market dwellings and 50% of affordable dwellings meet or exceed the enhanced accessibility and adaptability housing standards in compliance with Requirement M4(2) of the Building Regulations.

## Quantity of housing to provide

- 2.11 The NPPF 2021 (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
- 2.12 Northumberland County Council confirmed that the breakdown of the Policy HOU 2 housing requirements has meant that there is no residual need for the Broomhaugh and Riding parish to allocate any additional land for housing development over-and-above existing planning permissions. Existing planning permissions showed that in addition to 3 completions in the parish in the first 4 years of the plan period 2016-19, there were outstanding permitted commitments for a further 11 net additional dwellings in the parish.



## 3. Approach

### Research Questions

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

#### Tenure and Affordability

- 3.2 The neighbourhood planning group would like to understand the needs 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.
- 3.3 This evidence will allow Broomhaugh and Riding to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.
- 3.4 The neighbourhood planners are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

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

#### Type and Size

- 3.5 The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community.
- 3.6 The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.
- 3.7 While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.
- 3.8 Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

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

## Specialist Housing for Older People

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

***RQ 3: What provision should be made for specialist housing for older people over the Neighbourhood Plan period?***

## Relevant Data

3.10 This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census and a range of other data sources, including:

- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
- ONS population and household projections for future years;
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from Home.co.uk;
- Local Authority housing waiting list data; and
- Strategic Housing Market Assessment (SHMA) (Update 2018)

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

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

***RQ1: What Affordable Housing (eg social housing, affordable rented, shared ownership, discounted market sale, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?***

### Introduction

- 4.1 This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
- 4.2 Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
- 4.3 The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. As part of this effort, the Government has recently introduced a new product called First Homes.<sup>5</sup>
- 4.4 Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:
- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
  - The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
  - After the discount is applied the initial sale price must not exceed £250,000, and lower caps can be set locally;
  - Purchasers must be first-time buyers with an income less than £80,000, and First Homes can be prioritised for local people and/or key workers;
  - They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;

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

- In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents.
- 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.

### **Current tenure profile**

4.5 The current tenure profile is a key feature of the Neighbourhood Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.

4.6

- 4.7 Table 4-1 below presents data on tenure in Broomhaugh and Riding compared with Northumberland and England from the 2011 Census, which is the most recent available source of this information.
- 4.8 Broomhaugh and Riding has a notably higher proportion of home ownership and an especially lower proportion of social rented households than is either locally or nationally typical. The proportion of owned properties at 85.3% is approximately 20 percentage points greater than both the Northumberland average and the average across England. Secondly, the proportion of social rented properties is relatively low, at 2.9%, which is nearly 16 percentage points below the local average and national average. Furthermore, the proportion of private rented households are also relatively underrepresented, at 9.3% compared to around 13.3% in Northumberland, and 16.8% in England.
- 4.9 There is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the changes recorded between the 2001 and 2011 Census: in Broomhaugh and Riding the private rented sector expanded by 100% in that period, a rate of growth that exceeded the local and national growth rates. However, this change is from a relatively low base: between 2001 and 2011, the number of private rented homes increased from 22 to 38. Another notable change was the increase in home ownership over the same period. The percentage of home ownership increased by 19.7%. The number of homes in this category increased from 340 to 407 over the decade.

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

Tenure	Broomhaugh and Riding	Northumberland	England	Diff.
Owned; total	85.3%	65.8%	63.3%	<b>19.4%</b>
Shared ownership	0.0%	0.4%	0.8%	<b>-0.4%</b>
Social rented; total	2.9%	18.7%	17.7%	<b>-15.7%</b>
Private rented; total	9.3%	13.3%	16.8%	<b>-4.0%</b>

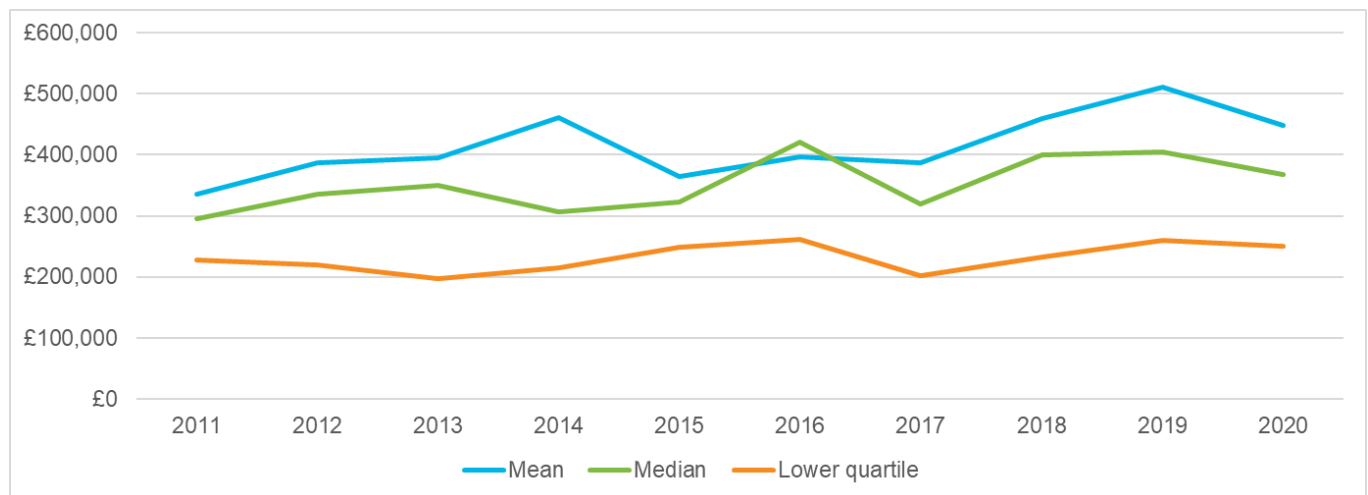
Sources: Census 2011, AECOM Calculations

## Affordability

### House prices

- 4.10 House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.
- 4.11 Figure 4-1 below looks at selected measures of house prices in Broomhaugh and Riding. It shows that mean prices increased by 33.4% over the period, while the median price increased by 24.4% over time and the lower quartile price increased by 9.9% over the time period. Because the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end cause the mean to increase, making it higher than the median.
- 4.12 Between 2011 and 2020, median prices increased in a relatively steady manner, experiencing a spike between 2015-2017. This period was followed by a drop in prices but prices increased quickly, before stabilising over 2018-2019. Lower quartile prices followed a similar trend, but experienced a less drastic change between 2015-2017.
- 4.13 At the end of 2020, the mean price was £447,962, the median price was £367,000, while the lower quartile price was £250,000.

**Figure 4-1: House prices by quartile in Broomhaugh and Riding, 2011-2020**



Source: Land Registry PPD

4.14 Table 4-2 below breaks down house prices by type. It shows that house prices have risen slightly between 2010 and 2019 at 20%. In terms of house prices by type, detached homes are the most expensive at a mean price of £460,800 but have seen a moderate decline in prices between 2014 and 2020. In 2014, for instance, the cost of detached homes was £727,500, and at the end of 2020, the cost has declined to £460,800. Compared to detached homes, semi-detached homes are considerably cheaper at a mean sale price of £309,250. Terraced homes, by comparison, are less affordable at a mean sale price of £375,000 at the end of 2020. The increase in price for terraced homes is notable, as they experienced an increase of 145% over the past 10 years.

4.15 There have been insufficient sales of flats to accurately record a trajectory of flat prices, however, using available data, it is possible to say the prices of flats increased by 3.8% over the time period.

4.16 In summary, terraced homes are seeing the strongest price growth in Broomhaugh and Riding, although detached homes remain by far the highest value type of property.

**Table 4-2: House prices by type in Broomhaugh and Riding, 2011-2020**

Type	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Growth
Detached	£384k	£489k	£540k	£727k	£446k	£450k	£379k	£505k	£408k	£460k	20.0%
Semi-detached	£260k	£291k	£206k	£251k	£212k	£329k	£263k	£259k	£263k	£309k	18.9%
Terraced		£153k	£159k	£499k	£344k	£245k	£245k	£301k	£525k	£375k	145.1%
Flats	£100k					£103k	£75k		£110k	£103k	3.8%
<b>All Types</b>	<b>£336k</b>	<b>£387k</b>	<b>£395k</b>	<b>£461k</b>	<b>£365k</b>	<b>£397k</b>	<b>£387k</b>	<b>£460k</b>	<b>£510k</b>	<b>£448k</b>	<b>33.4%</b>

Source: Land Registry PPD

## Income

4.17 Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.

4.18 The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of

lower earners). The average total household income before housing costs locally was £45,800 in 2018. A map of the area to which this data applies is provided in Appendix A.

- 4.19 The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. Northumberland's gross individual lower quartile annual earnings were £13,729 (2018). To estimate the income of households with two lower quartile earners, this figure is doubled to £27,458.
- 4.20 It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

## **Affordability Thresholds**

- 4.21 To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.
- 4.22 AECOM has determined thresholds for the income required in Broomhaugh and Riding to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.
- 4.23 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.
- 4.24 Table 4-3 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.
- 4.25 The same information is presented as a graph in Figure 4-2 on a subsequent page, with selected measures from the table presented for clarity.



**Table 4-3: Affordability thresholds in Broomhaugh and Riding (income required, £)**

Tenure	Mortgage Value	Rent	Income required	Affordable on mean incomes? £45,800	Affordable on LQ 1 incomes? £13,729	Affordable on LQ 2 incomes? £27,458
<b>Market Housing</b>						
Median House Price	£330,300	-	<b>£94,371</b>	No	No	No
LA New Build Mean House Price	£195,506		<b>£55,859</b>	No	No	No
LQ/Entry-level House Price	£225,000	-	<b>£64,286</b>	No	No	No
Average Market Rent	-	£7,656	<b>£25,520</b>	Yes	No	Yes
Entry-level Market Rent	-	£5,808	<b>£19,360</b>	Yes	No	Yes
<b>Affordable Home Ownership</b>						
First Homes (-30%)	£231,310	-	<b>£66,060</b>	No	No	No
First Homes (-40%)	£198,180	-	<b>£56,623</b>	No	No	No
First Homes (-50%)	£165,150	-	<b>£47,186</b>	No	No	No
Shared Ownership (50%)	£165,150	£4,588	<b>£62,477</b>	No	No	No
Shared Ownership (25%)	£82,575	£6,881	<b>£46,530</b>	No	No	No
Shared Ownership (10%)	£33,030	£8,258	<b>£36,962</b>	Yes	No	No
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£5,007	<b>£20,026</b>	Yes	No	Yes
Social Rent	-	£3,962	<b>£15,850</b>	Yes	No	Yes

Source: AECOM Calculations

4.26 Before considering each tenure category in turn, it is important to stress that these affordability thresholds have been calculated to give a sufficiently robust indication of the costs of various tenures to inform Neighbourhood Plan policy choices. These figures rely on existing data and assumptions, and it is not possible to estimate every possible permutation. The income figures also disguise a large degree of variation. For simplicity the analysis below speaks in terms of tenure products being 'affordable' or 'not affordable' for different groups, but individual circumstances and the location, condition and other factors of specific properties in each category have a large impact. These conclusions should therefore be interpreted flexibly.

### Market housing for purchase and rent

4.27 Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income of £97,371, which is nearly double than the current average income.

4.28 Private renting is generally only affordable to average earners. While households on mean incomes, as well as households with two lower quartile earners can afford market rents, single earner households made up of one lower quartile earners cannot afford the given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has

repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

### **Affordable home ownership**

- 4.29 There is a relatively large group of households in Broomhaugh and Riding who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £19,360 per year (at which point entry-level rents become affordable) and £64,286 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
- 4.30 First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.
- 4.31 This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Based on the findings of Table 4-4, none of the discounts offered would be affordable to local residents. A discount of 50% might be accessible to some households on mean incomes, or those with additional support. However, in order for mean income earners to be able to access discounted market sales, a discount of over 50% would be required. As Table 4-5 below shows, in order to access a median priced home, households on mean income would require a discount of 51%, single earner households on lower quartile incomes would require a discount of 85%, and dual-earners would need a discount of 71%.
- 4.32 It is important to note that discounts of higher levels will have an effect on viability, and therefore delivery of sites. Although, if it is a policy such high discounts should lower land prices to maintain viability, which may dissuade landowners from selling land for development.
- 4.33 In order to elaborate on the argument presented above, Table 4-4 shows the discount required for First Homes to be affordable to the three income groups. Because it is not possible to estimate the cost of a typical First Home due to a lack of data on new build entry-level house prices in the NA, it is worth considering the discounts required for some additional price benchmarks. The table above uses median house prices in the NA as the best proxy for the cost of a newly built entry-level home in the area, because this reflects the local market and accounts for the price premium usually associated with newly built housing (which would bring the price closer to the price of median existing homes than existing entry-level homes). However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, and of entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

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

<b>Tenure/ product:</b>	<b>Mean Income</b>	<b>LQ Income 1</b>	<b>LQ Income 2</b>
NA Median House Price	<b>51%</b>	<b>85%</b>	<b>71%</b>
LA New Build Mean House Price	<b>18%</b>	<b>75%</b>	<b>51%</b>
NA Entry-level House Price	<b>29%</b>	<b>79%</b>	<b>57%</b>

*Source: Land Registry PPD; ONS MSOA total household income*

- 4.34 Shared ownership appears to be relatively more affordable than First Homes, since a 10% share (recently introduced by Government) would be accessible to households with mean average incomes. The incomes required to access 25% and 50% shares, for instance, are lower than the incomes required to access the various discounted market sales. While both these products are generally accessible to the same groups, the slight differences in income required might mean shared ownership products might be more accessible to those purchasing homes with additional subsidy or support, such as dual-earning households on lower quartile incomes. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.<sup>6</sup> If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
- 4.35 The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view.
- 4.36 The income required to access rent to buy is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are less affordable options.
- 4.37 These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.
- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
  - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
  - Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.

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

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

4.38 In conclusion, all of these products would provide valuable to different segments of the local population, with shared ownership at a lower than 25% equity share potentially allowing lower earning households to get a foot on the housing ladder, while rent to buy is helpful to those with little or no savings for a deposit, and First Homes (especially at 50% discount) may provide a better long-term investment to those who can afford to access it.

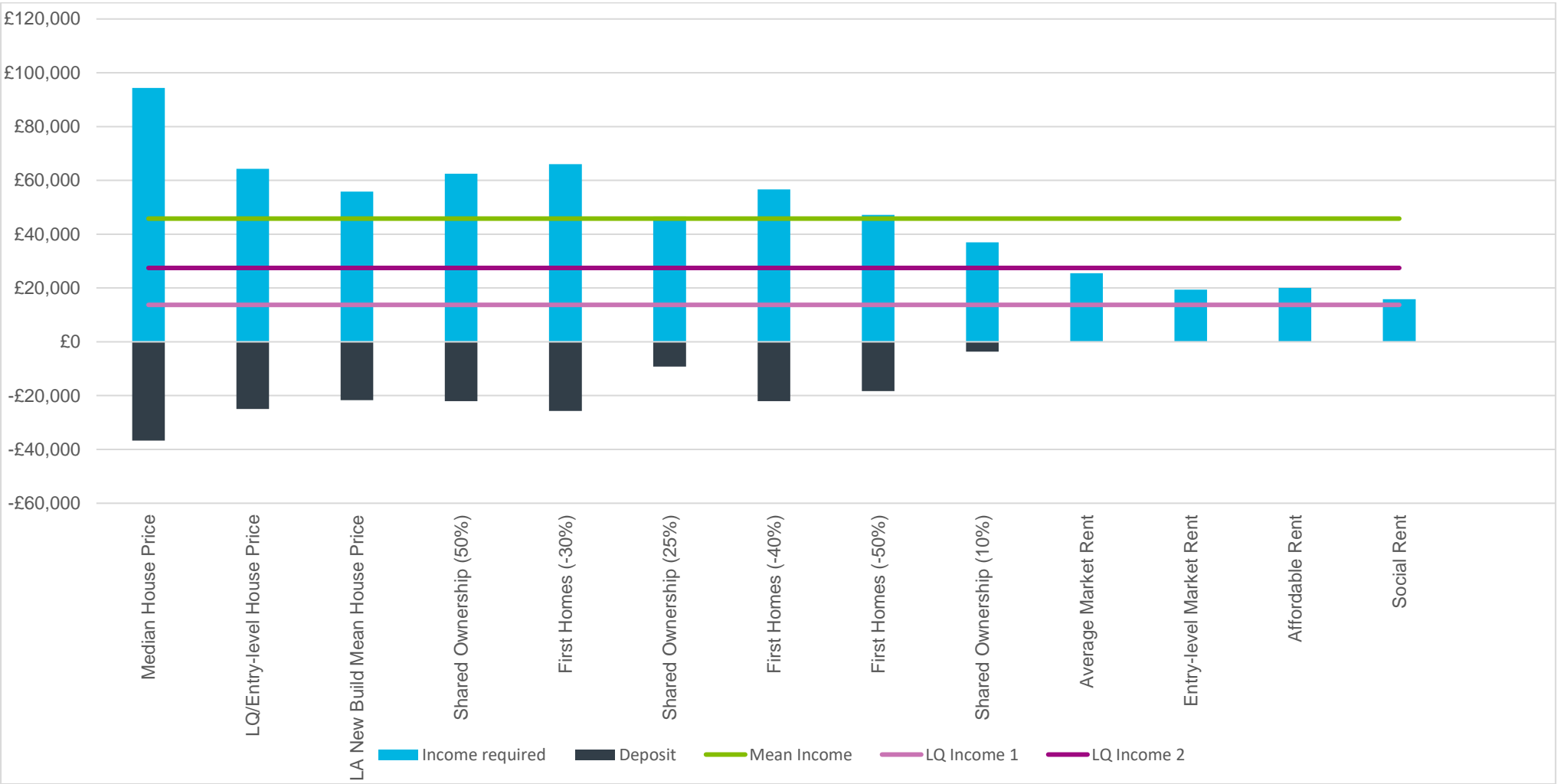
4.39 In general, for Broomhaugh and Riding, rent-to-buy and shared ownership products would extend home ownership to more groups and should be prioritised in the tenure mix. Discounted market sales would also be a useful option for some households, especially those earning above average incomes, and should also be included in the tenure mix, but the Parish Council would benefit from placing an emphasis on rent-to-buy and shared ownership based on these findings. It must be noted that rent-to-buy and shared ownership are registered provider (RP) tenures which require a willing RP developer.

### **Affordable rented housing**

4.40 Social and affordable rents are affordable to those on mean incomes but are not accessible options for single earner households on lower quartile incomes. Households with two lower quartile earners can afford social and affordable rent, but are unable to access any other tenures, including any of the routes to affordable home ownership. Moreover, households in which there is only one lower quartile earner appear unable to afford any tenures at all. Many such individuals will, if unable to secure a small social rented dwelling, need to live in a room in a shared house using housing benefit or will require additional subsidy through Housing Benefit to access housing. Alternatively, registered Providers and/or community-led developments could offer mechanisms to provide affordable rented homes at genuinely affordable levels.

4.41 The evidence in this chapter suggests that the affordable rented sector performs a vital function in Broomhaugh and Riding as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This means that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

Figure 4-2: Affordability thresholds in Broomhaugh and Riding, income required (additional cost of deposit in black)



Source: AECOM Calculations

## Affordable housing- quantity needed

- 4.42 The starting point for understanding the need for affordable housing in Broomhaugh and Riding is the relevant Strategic Housing Market Assessment (SHMA). A SHMA was undertaken for Northumberland County Council in June 2018.<sup>7</sup> This study estimates the need for affordable housing in the County based on analysis of the Council's waiting list and analysis of other data sets in line with Planning Practice Guidance at the time.
- 4.43 The SHMA identifies the need for 151 net additional affordable homes each year over the 5-year period 2017-2022 over-and-above those committed through then existing permissions (374pa gross need over that period). While this need is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents. A small proportion of these households may be able to afford shared ownership because in some cases it is more affordable than market rents, especially when available at a share of 25%. Despite this, the SHMA recommends a 50:50 split between affordable/social rented and affordable home ownership, recognising the national drive for enabling home ownership and the NPPF requirements (paragraph 65).
- 4.44 When the SHMA figures are pro-rated to Northumberland based on its fair share of the population (0.3% of the LPA's population), this equates to 0.5 homes per annum (predominately for social/affordable rent) or roughly 7 homes over the Neighbourhood Plan period [2022- 2036].
- 4.45 However, pro-rating County level estimates of affordable housing need to rural areas presents problems in practice. 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 PRS on housing benefit. Both of these factors tend to generate higher needs. By contrast, in rural villages like Riding Mill, the lack of social housing means there is no need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). This means it is difficult to identify need for social/affordable rented housing.
- 4.46 It is also useful to contextualise the calculations presented above with data provided by the LPA. Table 4-5 shows the number of dwelling completions in Broomhaugh parish between 2009-2020.

**Table 4-5: Dwelling Completions, Broomhaugh and Riding Parish (2009-2021)**

Year	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021
Number of completions	0	3	-1	1	1	1	1	0	2	1	0	1

*Source: Northumberland County Council*

<sup>7</sup> Northumberland County Council – Strategic Housing Market Assessment (June 2018), available at: <https://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Planning-and-Building/planning%20policy/Studies%20and%20Evidence%20Reports/Housing%20Studies/2.%20SHMA/NCC-SHMA-June-2018.pdf>

- 4.47 The LPA also provide that there are currently 11 applicants on 'Homefinder', the council's register. Additionally, less than 5 of these applicants are in Band 2R or above. According to the LPA's Common Allocation Policy, Band 2R refers to those applications that are in reasonable preference categories, but do not have an urgent need for housing.<sup>8</sup>
- 4.48 Turning now to Affordable Housing providing a route to home ownership, Table 4-6 below estimates the potential demand in Broomhaugh and Riding. This model aims to estimate the number of households might wish to own their own home but cannot afford to – the 'can rent, can't buy' group described in the previous section. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.
- 4.49 There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.<sup>9</sup> No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.
- 4.50 The result of the calculation is roughly 2 households per annum who may be interested in affordable home ownership (or 25.6 for the entirety of the Plan period).
- 4.51 Again this assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal because of the lack of shared ownership in the NA currently.
- 4.52 It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

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<sup>8</sup> <sup>8</sup> Note the council operates a Local Lettings policy, available here:

<https://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Housing/985-Common-Allocation-Policy-Issue-5.pdf>

<sup>9</sup> <http://www.ipsos-mori-generations.com/housing.html>

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

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in NA	46.3	Census 2011 number of renters * national % increase to 2018
1.2 Percentage renters on housing benefit in LA	31.6%	% of renters in 2018 on housing benefit
1.3 Number of renters on housing benefits in NA	14.6	Step 1.1 * Step 1.2
1.4 Current need (households)	23.8	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	1.7	Step 1.4 divided by plan period
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	33.3	LA household projections for plan period (2018 based) pro rated to NA
2.2 % of households unable to buy but able to rent	5.5%	(Step 1.4 + Step 3.1) divided by number of households in NA estimated in 2020
2.3 Total newly arising need	1.8	Step 2.1 * Step 2.2
2.4 Total newly arising need per annum	0.1	Step 2.3 divided by plan period
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	-	Number of shared ownership homes in NA (Census 2011 + LA new build to 2018/19 pro rated to NA)
3.2 Supply - intermediate resales	-	Step 3.1 * 5% (assume rate of re-sale)
<b>NET SHORTFALL (OR SURPLUS) PER ANNUM</b>		
Overall shortfall (or surplus) per annum	1.8	(Step 1.5 + Step 2.4) - Step 3.2
Overall shortfall (or surplus) over the plan period	25.6	(Step 1.4 + Step 2.3) - Step 3.2 * number of years to end of plan period

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

4.53 There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a



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

- 4.54 It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.

i) Affordable Housing policy guidance

- 4.55 Northumberland's Local Plan policy in relation to Affordable Housing delivery requires 30% of all new homes on sites of 10 dwellings or more or 0.5 hectares or more to be delivered as Affordable Housing [Policy HOU 6: Affordable Housing provision (Strategic Policy)] within highest value Areas. Policy HOU 6 also sets out that tenure mix for high value areas should be 67% affordable homes to rent and 33% affordable home ownership. This policy would apply in Broomhaugh and Riding, subject to sites coming forward for development with 10 or more dwellings or on sites of 0.5 hectares or more.

- 4.56 It is also worth noting that recognising the success of discounted market sales in the county, the Local Plan expects this tenure to be the largest delivered percentage in Northumberland. Based on this finding, while still recognising the need for rented affordable housing, the SHMA recommends an equal 50/50 split between affordable housing to rent and for sale.

- 4.57 The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.

- 4.58 How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is specified under Policy HOU 6 in the Local Plan, as mentioned above. The HNA can supply more localized evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Broomhaugh and Riding specifically.

- 4.59 The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:

**A. Evidence of need for Affordable Housing:** This study estimates that Broomhaugh and Riding requires roughly 7 units of affordable rented housing and 26 units of affordable home ownership over the Plan period.

The relationship between these figures suggests that roughly 21% of Affordable Housing should be rented and 79% should offer a route to ownership.

As per the emerging Local Plan policy HOU 6, 67% of affordable dwellings in highest value Housing Viability Value Areas should come

forward as affordable housing for rent and 33% as affordable housing for sale.

This option is available to the group, as Policy HOU 6 also states that the tenures of affordable homes **will be negotiable within reason on a site-by-site basis** to ensure local housing needs are reflected, as evidenced by the local housing needs assessment.

- B. Can Affordable Housing needs be met in full?** How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected. Since Broomhaugh and Riding does not have a HRF, it is not possible to comment on whether the affordable housing needs will be met in full.

It is worth noting here that if planned developments come forward in the form of small infill developments, those schemes are unlikely to be large enough to meet the threshold of 10 dwellings, above which the Affordable Housing policy applies. If that is the case, the potential delivery of Affordable Housing is likely to be low. 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, considerations can differ in rural areas and subject to other considerations.

- C. Government policy (e.g. NPPF) requirements:** current NPPF policy requires at least 10% of the homes on major housing sites to be for affordable home ownership. Within the Broomhaugh and Riding parish (a highest value area requiring a minimum 30% affordable housing), for at least 10% of the total homes to be affordable home ownership 33% of the 30% requirement should be affordable. This leaves 67% of the 30% requirement to be affordable/social rented. There is flexibility for the affordable home ownership proportion to be higher with the affordable/social rented proportion conversely slightly lower, while developments could voluntarily provide more than 30% as affordable housing.
- D. Local Plan policy:** As noted above, Northumberland's emerging Local Plan requires a tenure mix of 67% affordable homes to rent and 33% affordable home ownership in highest value areas, while the SHMA suggests a 50/50 split. However, this is subject to negotiation with sufficient evidence.
- E. First Homes policy:** the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.

This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent.

As the Local Plan policy requirement is for a minimum 30% of homes to be affordable, and the NPPF requires at least 10% of the total number of homes on any site should be for affordable home ownership, with 25% of the affordable homes to be First Homes, the residual scope for providing other forms of affordable home ownership products (for example, DMV or shared ownership) and further residual potential for affordable/social rented homes in line with policy tenure split guidelines will depend on the scale of the development proposed.

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
- H. **Existing tenure mix in Broomhaugh and Riding:** Evidence suggests there is limited Affordable Housing for sale within Broomhaugh Riding at present. This suggests that some provision of Affordable Housing for sale would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.
- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.
- J. **Wider policy objectives:** the neighbourhood planning group may wish to take account of broader policy objectives for Broomhaugh and Riding and/or the wider county. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.

4.60 Based on the findings presented in this chapter, Broomhaugh and Riding has a high demand for both affordable homes to rent and affordable home ownership options.

4.61 As noted in the sections above, while the County's policy requires 67% of affordable dwellings in highest value Housing Viability Value Areas as affordable homes to rent and 33% as affordable housing for sale. The tenure

split suggested in this HNA thus follows the recommendation set out in the Local Plan, and proposes a 60/40 tenure split.

- 4.62 Since shared ownership appears to be the most affordable option locally, this product should represent 25% of the affordable housing tenure mix. Furthermore, since rent-to-buy can also extend home ownership to certain groups, it is advised this tenure comprise 10% of the mix. Finally, in the case of First Homes, while our calculations show a 51% discount would be required for this product to offer home ownership to households on average incomes, it is important to consider that First Homes will extend home ownership to several groups, such as those households receiving extra support or where there might be two above-average income earners, for instance. National policy requires 25% of affordable housing to be delivered as First Homes. The evidence in this report suggests that discounts of 50% will need to be provided if this product is to extend home ownership to those on average incomes.
- 4.63 This affordable housing tenure mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.
- 4.64 Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with Northumberland County Council to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support. It is recognised that in this case the scope for flexibility may be limited within the context of NPPF and First Home requirements together with the viability testing undertaken by Northumberland County Council. The recommendation here considers only what would appear to be optimal given the needs identified. The next stage would be to apply viability, policy and other factors.
- 4.65 Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

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

<b>Tenure</b>	<b>Indicative mix</b>	<b>Considerations and uncertainties</b>
<b>Routes to home ownership, of which</b>	<b>60%</b>	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	25%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to buy	10%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
<b>Affordable Housing for rent, of which</b>	<b>40%</b>	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

*Source: AECOM calculations*

## Conclusions- Tenure and Affordability

- 4.66 In terms of the neighbourhood's tenure profile, Broomhaugh Riding has a notably higher proportion of home ownership and an especially lower proportion of social rented households than is either locally or nationally typical. The proportion of owned properties at 85.3% is approximately 20% greater than both the Northumberland average and the average across England. Secondly, the proportion of social rented properties is relatively low, at 2.9%, which is nearly 16 percentage points below the local average and national average. Furthermore, the proportion of private rented households are also relatively underrepresented, at 9.3% compared to around 13.3% in Northumberland, and 16.8% in England.
- 4.67 While there is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally, it is still interesting to observe the changes recorded between the 2001 and 2011 Census: in Broomhaugh and Riding the private rented sector expanded by 100% in that period, a rate of growth that exceeded the local and national growth rates. However, this change is from a relatively low base: between 2001 and 2011, the number of private rented homes increased from 19 to 38. Another notable change was the increase in home ownership over the same period. The percentage of home ownership increased by 19.7%. The number of homes in this category increased from 160 to 407 over the decade.
- 4.68 In terms of house prices, mean prices in Broomhaugh and Riding increased by 33.4% over the period, while the median price increased by 24.4% over time and the lower quartile price increased by 9.9% over the time period. Because the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end cause the mean to increase, making it higher than the median.
- 4.69 Broken down by type, land registry data shows that detached homes are currently the most expensive housing type in the parish, at a mean price of £460,800. Compared to detached homes, semi-detached homes are considerably cheaper at a mean sale price of £309,250. Terraced homes are less affordable than semi-detached homes at a mean sale price of £375,000 at the end of 2020. Furthermore, the increase in price for terraced homes is notable, as this housing type experienced an increase of 145% over the past 10 years. In summary, terraced homes have experienced the strongest price growth in Broomhaugh and Riding, although detached homes remain by far the highest value type of property.
- 4.70 By benchmarking the incomes required to afford the different tenures in the neighbourhood area, we determined the following:
- The income required to buy an average market home for sale is more than what would be expected to be available to those on average household incomes. The income required to buy an average entry-level home for sale is also more than the average income of those on lower quartile household incomes.
  - Private renting is generally only affordable to average earners. While households on mean incomes, as well as households with two lower quartile earners can afford market rents, single earner households made up of one

lower quartile earners cannot afford the given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

- There is a relatively large group of households in Broomhaugh and Riding who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £19,360 per year (at which point entry-level rents become affordable) and £64,286 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
- In terms of accessing the First Homes discounts, none of the discounts offered would be affordable to local residents. A discount of 50% might be accessible to some households on mean incomes, or those with additional support. However, in order for mean income earners to be able to access discounted market sales, a discount of over 50% would be required. AECOM's findings show that in order to access a median priced home, households on mean income would require a discount of 51%, single earner households on lower quartile incomes would require a discount of 85%, and dual-earners would need a discount of 71%.
- Social and affordable rents are affordable to those on mean incomes but are not accessible options for single earner households on lower quartile incomes. Households with two lower quartile earners can afford social and affordable rent, but are unable to access any other tenures, including any of the routes to affordable home ownership. Moreover, households in which there is only one lower quartile earner appear unable to afford any tenures at all. Many such individuals will, if unable to secure a small social rented dwelling, need to live in a room in a shared house using housing benefit or will require additional subsidy through Housing Benefit to access housing.

4.71 When calculations presented in the SHMA (2018) are pro-rated to Broomhaugh and Riding based on its share of the population (0.3% of the LPA's population as of mid-2019), the neighbourhood area can be assumed to have a need for 0.5 units of affordable rented housing per year, which totals to 8 homes over the neighbourhood plan period. In terms of the affordable housing for sale requirement, AECOM calculations found there may be roughly 2 households per annum who may be interested in affordable home ownership (or 25.6 for the entirety of the Plan period).

4.72 We thus concluded that Broomhaugh and Riding has a high demand for both affordable homes to rent and affordable home ownership options. The Local Plan guideline mix of 67% affordable homes to rent and 33% home ownership offers flexibility in the mix of affordable housing provided. Based on the needs identified for the neighbourhood area, the tenure mix follows the mix set out in the Local Plan and suggests a 60/40 split.

4.73 Within this mix, 25% should be delivered as First Homes, following national policy. Since shared ownership appears to be the most affordable and helpful

option locally, this product should represent 25% of the tenure mix, while rent-to-buy should comprise 10% of the 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?***

### Introduction

- 5.1 The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Broomhaugh and Riding in terms of type and size, as well as some of the population characteristics that tend to influence housing needs. From this, it is possible to develop an understanding of what sort of housing would be appropriate going forward.
- 5.2 It is worth emphasising that this evidence assumes that existing demographic and occupation patterns will persist into the future. It can therefore be thought of as the baseline or default scenario, into which the community may wish to intervene – for example to attract a different or more balanced demographic. The recommendations in this chapter, particularly the final suggested size mix, are a starting point that may be adjusted in light of other community objectives and primary evidence.

### Existing types and sizes

#### Background and definitions

- 5.3 Before beginning to explore issues of dwelling type and size, it is important to note that the demand for housing by size and type tends to be determined primarily by wealth – with those having more buying power choosing to occupy larger homes, and often preferring detached properties to denser types, such as flats.
- 5.4 This study is concerned primarily with need rather than demand. Need for homes of different sizes is chiefly determined by the number of people occupying the home. In the strict sense, there is no ‘need’ for dwellings of any particular type, other than the specific needs of those with certain disabilities for level access properties, for example.
- 5.5 The best proxy for the number of people in a household is age or ‘life stage’, with younger and then older households tending to have one or two people, and those in between these poles more likely to have larger families including children. Life stage is therefore a main indicator considered here for the size of housing needed. But it is worth pointing out that wealth is also correlated with age, so it is not possible to attain a pure view of what is needed from the secondary data alone.
- 5.6 It is also useful to clarify the terminology around dwellings and households. Dwellings are counted in the Census by combining address information with Census returns on whether people’s accommodation is self-contained. As such, all dwellings are classified as either shared or unshared dwellings. Households are groups of people who live together as a coherent unit (such as a family), and a dwelling is shared where there is more than one household occupying it (e.g. two families or a group of individual students). Hence, there is usually a

different number of households and dwellings in any given area. The number of dwellings can also exceed that of households in areas with large numbers of holiday or second homes, and due to the number of vacant dwellings.

- 5.7 As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. For some aspects, such as the size mix of homes, adding together Census figures and completions data for the intervening period is highly accurate. For others, such as the type mix of homes, this method is not available and Valuation Office Agency (VOA) must be used. The most appropriate combination of approaches is used in this section.

## Dwelling type

- 5.8 This section presents a data from an array of sources, ranging from VOA to Census (2011) data such that a wide and detailed picture of the neighbourhood's existing mix can be presented. While VOA data is the primary source of information, Census 2011 data is also presented, but this unfortunately cannot be used to fully understand the changes between 2011 and 2020 because Census data counts bungalows within each of the other categories rather than independently (hence the apparent decline in the number of semi-detached properties), and because the Census data relates to a slightly larger proxy area. Note also that VOA data is rounded to the nearest 10 in each dwelling category.
- 5.9 Furthermore, VOA data relates to LSOA E1027594: Northumberland 039C. This is a larger area than the parish itself, however, given the low density of housing within the wide LSOA, VOA data has been used to present a more up-to-date image of the area's housing needs. We acknowledge this is data does not just include the parish's data but can be indicative of general trends in the area.

**Table 5-1a: Accommodation type, Broomhaugh and Riding, 2020**

Dwelling type	2020 (VOA)
Bungalow	180
Flat	60
Terrace	90
Semi-detached	200
Detached	310
Unknown/other	0
Total	840

**Table 5-1b: Accommodation type, Broomhaugh and Riding, Census 2011**

Dwelling type		Broomhaugh and Riding
	All	427
Whole house or bungalow	Detached	250
	Semi-detached	97
	Terraced	52
Flat, maisonette or apartment	Purpose-built block of flats or tenement	14
	Parts of a converted or shared house	8
	In commercial building	5

Source: ONS 2011, VOA 2020, AECOM Calculations

- 5.10 Table 5-1a and 5-1b show how accommodation types in the parish varied in 2020 and 2011, respectively. In 2011, the parish had a large number of bungalows and flats, a moderate number of terraced homes, and a relatively low number of detached and semi-detached homes. Compared to VOA data from 2020, these trends appear to have shifted. In 2020, the LSOA area had a larger percentage of semi-detached and terraced homes than observed in 2011, as well as a relatively lower number of bungalows and flats. The numbers of terraced homes were roughly the same, that is, 97 homes in 2011 within the parish boundaries, and 90 in the LSOA region in 2020.
- 5.11 It is now relevant to compare the local mix with the wider county and country. The table below uses VOA data to compare the local area with Northumberland and England as a whole.
- 5.12 From Table 5-2, it is clear that the percentage of detached homes and bungalows are the highest in the LSOA area, compared to its wider geographies. Compared to Northumberland and England, the parish area has a lower percentage of terraced homes, and flats. The percentage of semi-detached homes in the area are the same as in England (23.8%), however, in both geographies, this percentage is lower than in Northumberland.

**Table 5-2: Accommodation type, various geographies, VOA 2020**

Dwelling type	Broomhaugh and Riding (LSOA E1027594)	Northumberland	England
Bungalow	21.4%	15.3%	9.4%
Flat	7.1%	11.6%	23.0%
Terrace	10.7%	26.6%	26.4%
Semi-detached	23.8%	27.7%	23.8%
Detached	36.9%	18.4%	15.9%
Unknown/other	0.0%	0.4%	1.4%

Source: VOA 2020, AECOM Calculations

5.13 Table 5-3 below shows Census 2011 data for Broomhaugh Riding parish. This table is useful because it helps bolster the VOA data for LSOA E1027594 above, as the general trends presented above are broadly consistent with the table below.

**Table 5-3: Accommodation type, Broomhaugh and Riding, 2011**

Dwelling type		Broomhaugh and Riding	Northumberland	England
Whole house or bungalow	Detached	58.5%	25.2%	22.4%
	Semi-detached	22.7%	35.3%	31.2%
	Terraced	12.2%	28.1%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	3.3%	8.6%	16.4%
	Parts of a converted or shared house	1.9%	1.7%	3.8%
	In commercial building	1.2%	0.8%	1.0%

Source: ONS 2011, AECOM Calculations

## Dwelling size

5.14 While the VOA data helpfully shows changes that have been made to existing homes (i.e. extensions and the subdivision of rooms) that the other method overlooks (because the 2011 Census mix is effectively frozen at that point in time), it is in other respects less accurate. The VOA data is rounded to the nearest ten for each dwelling category, records a number of properties with an unknown number of rooms, and the newest data available is for 2020 – which misses any homes completed in the last year.

5.15 Similar to the manner in which VOA data was approached in the sections above, Table 5-4 presents a comparison of data on dwelling size, presents 2011 Census data and VOA data from 2020.

5.16 As per the table below, in 2011, Broomhaugh and Riding had a low number one and two-bedroom homes and had a high number of homes with over four bedrooms. In 2020, VOA data shows the wider LSOA area had a similarly high number of homes with over four bedrooms.

**Table 5-4: Dwelling size (bedrooms), Broomhaugh and Riding, 2011 and 2020**

Number of bedrooms	2011 (Census)	2020 (VOA)
Studio	0	-
1	19	30
2	57	180
3	140	290
4+	191	330
Unknown	-	0
Total	x	830

Source: ONS 2011, VOA 2020, AECOM Calculations

5.17 Again it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider county and country. This data shows that in 2020, the Broomhaugh and Riding area had a higher percentage of homes with four or more bedrooms relative to its wider geographies, and a lower percentage of one-two and three bedroom homes compared to Northumberland and England.

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

Number of bedrooms	Broomhaugh and Riding (LSOA)	Northumberland	England
1	3.6%	7.8%	12.2%
2	21.7%	30.7%	28.1%
3	34.9%	43.6%	43.6%
4+	39.8%	17.9%	15.4%

Source: VOA 2020, AECOM Calculations

5.18 Census data (2011) is available to contextualise the VOA data presented above. Table 5-6 presents this information. This data shows that in 2011, four-bedroom homes made up the greatest percentage of homes in the parish, followed by three bedroom homes. This trend is similar to what has been highlighted above, especially when considering the numbers of four and five bedroom homes together.

**Table 5-6: Number of bedrooms in household spaces in Broomhaugh and Riding, 2011**

Bedrooms	Broomhaugh and Riding		Northumberland		England	
All Households	407	100.0 %	138,534	100.0 %	22,063,368	100.0 %
No bedrooms	0	0.0%	220	0.2%	54,938	0.2%
1 bedroom	19	4.7%	10,772	7.8%	2,593,893	11.8%
2 bedrooms	57	14.0%	40,698	29.4%	6,145,083	27.9%
3 bedrooms	140	34.4%	59,864	43.2%	9,088,213	41.2%
4 bedrooms	119	29.2%	20,701	14.9%	3,166,531	14.4%
5 or more bedrooms	72	17.7%	6,279	4.5%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

## Age and household composition

5.19 Having established the current stock profile of Broomhaugh Riding parish and identified recent changes to it, the evidence gathered below examines the composition and age structure of households living in the NA. Many of these indicators have a bearing on what housing might be needed in future years.

### Age structure

5.20 Table 5-7 below shows the most recent estimated age structure of the NA population, alongside 2011 Census figures.

5.21 It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2019 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

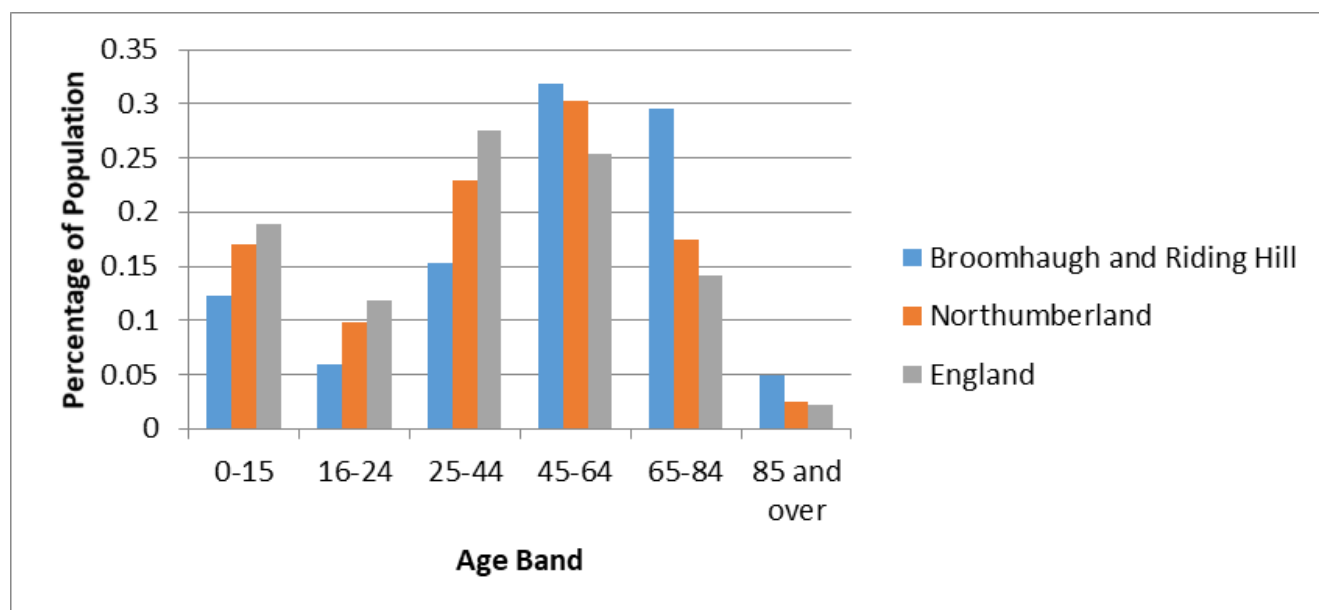
**Table 5-7: Age structure of Broomhaugh and Riding population, 2011 and 2019**

Age group	2011 (Census)		2019 (ONS, estimated)	
0-15	119	12%	145	14.8%
16-24	58	6%	49	5.0%
25-44	148	15%	142	14.5%
45-64	307	32%	269	27.5%
65-84	286	30%	326	33.3%
85 and over	48	5%	48	4.9%
Total	966	100%	979	100%

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

5.22 For context, it is useful to look at the parish population structure alongside that of the county and country. Figure 5-1 below (using 2011 Census data) shows that in 2011, the parish area had a large population of individuals between the ages of 45-84. The percentage of individuals in this demographic group was higher in the parish than in both wider geographies. Furthermore, of all three geographies, Broomhaugh Riding parish has the lowest percentage of residents in the category of individuals below the age of 25, while England had the highest percentage of individuals in these groups.

Figure 5-1: Age structure, 2011



*Source: ONS 2011, AECOM Calculations*

## Household composition

- 5.23 Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.
- 5.24 In assessing Census data on household composition, we see that Broomhaugh and Riding differs from the LA in that there are fewer one person households (Table 5-8). Further breaking down these categories, Broomhaugh and Riding notably has more households aged all 65 and over than Northumberland, and fewer families with dependent children.
- 5.25 In comparison with England, Broomhaugh and Riding has more one person households. Note that non-dependent children refer to households in which adult children are living at home, or students still call their primary residence despite living for most of the year near to university. Though 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.
- 5.26 A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. While the data is quite old at this point, it is interesting to observe that this category grew by 47.8% between 2001 and 2011 in the parish – while the county average decreased by 3.2% over the same period.

**Table 5-8: Household composition, Broomhaugh and Riding, 2011**

Household type		Broomhaugh and Riding	Northumberland	England
One person household	<b>Total</b>	<b>21.6%</b>	<b>29.9%</b>	<b>30.2%</b>
	Aged 65 and over	11.8%	14.0%	12.4%
	Other	9.8%	15.9%	17.9%
One family only	<b>Total</b>	<b>73.2%</b>	<b>66.3%</b>	<b>61.8%</b>
	All aged 65 and over	23.3%	10.3%	8.1%
	With no children	22.4%	21.0%	17.6%
	With dependent children	16.7%	24.9%	26.5%
	All children Non-Dependent	10.8%	10.1%	9.6%
Other household types	<b>Total</b>	<b>5.2%</b>	<b>3.8%</b>	<b>8.0%</b>

Source: ONS 2011, AECOM Calculations



## Dwelling mix determined by life-stage modelling

### Suggested future dwelling size mix

5.27 As noted above, there is a strong link between the life stage of a household and the size of dwelling that household can be expected to need. The final part of this chapter presents the results of a model that aims to estimate the dwelling size needs of the parish at the end of the Neighbourhood Plan period. The steps involved in this model are not presented in full, but can be summarised – along with the underpinning assumptions and some limitations – as follows:

- The starting point is the age distribution of Broomhaugh and Riding households in 2011.
  - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
  - As noted above, household life stages are not estimated annually, so the older Census data must be used.
- This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows for an estimate of how the parish population might evolve in future.
  - ONS household projections are produced every two years but are only available at Local Authority level. The growth rates are therefore applied to the 2011 starting household age profile of the NA.
- Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1 bedroom homes as opposed to 2, 3 or 4 bedroom homes). This data is mapped to the distribution of the projected NA population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.
  - This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.
  - The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further speculative assumptions into the model.

- Finally, this ‘ideal’ future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.
  - The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results.

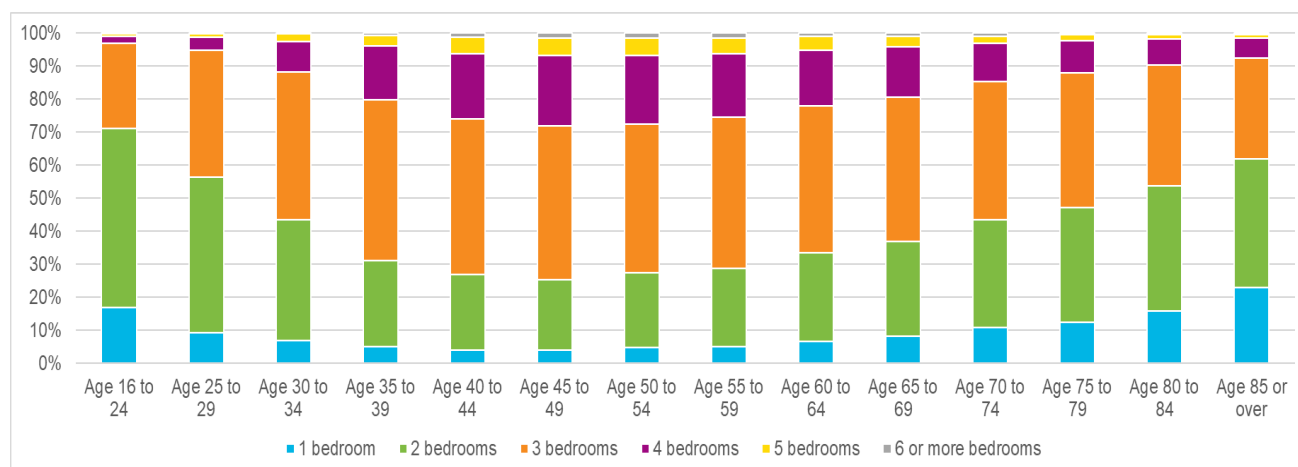
5.28 It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they ‘need’. It also does not anticipate changes in how people may wish to occupy their homes in response to social and technological change.

5.29 The approach therefore embeds existing patterns of occupancy which may or may not be desirable. As such, it is appropriate for the result of this model to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is considered entirely appropriate for the purpose of drafting neighbourhood plan policy.

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

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

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



Source: ONS 2011, AECOM Calculations

5.32 The second dataset of note is the result of applying Local Authority level household projections to the age profile of Broomhaugh and Riding households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-9 below makes clear that population growth can be expected to be driven by the oldest households, with 61% of the percentage change coming from an increase in the projected total of this group. Furthermore, the population of those under 24 is expected to shrink by the end of the plan period.

**Table 5-93: Projected distribution of households by age of HRP, Broomhaugh and Riding**

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	1	14	114	99	179
2036	1	13	101	99	288
% change 2011-end of Plan period	-21%	-6%	-11%	0%	61%

Source: AECOM Calculations

- 5.33 The final result of this exercise is presented in Table 5-10 below. The model suggests that by 2036, the size distribution of dwellings should better reflect local needs with a more even distribution of households by number of bedrooms. This means that ideally, smaller (1 and 2 bedroom) properties should increase in proportion, with fewer larger homes required to meet these demographic changes. The increases in 1 and 2 bedroom properties will help to provide alternatives for younger people without children and older residents wishing to downsize.

**Table 5-10: Suggested dwelling size mix to 2036, Broomhaugh and Riding**

Number of bedrooms	Current mix (2011)	Target mix (2036)	Balance of new housing to reach target mix
1 bedroom	4.7%	9.7%	15.1%
2 bedrooms	14.0%	30.1%	48.0%
3 bedrooms	34.4%	42.3%	36.9%
4 bedrooms	29.2%	13.9%	0.0%
5 or more bedrooms	17.7%	4.1%	0.0%

Source: AECOM Calculations

**Table 5-11: Type and Size Mix, SHMA (2018)**

Table 3.1 Net affordable need 2017/18 to 2021/22		
Number of bedrooms	Net need	%
1	100	66.2
2	38	25.2
3	4	2.6
4 or more	9	6.0
Total	151	100.0

Source: Northumberland SHMA (2018)

- 5.34 The recommendations from Table 5-10 are also largely consistent with the recommendations from the SHMA. As shown in Table 5-11 above, there is widespread need for 1 and 2-bedroom homes in the LPA.
- 5.35 It is also relevant to note that the LPA has provided AECOM with 'demand data' from Homefinder which relates to affordable rented housing. There were 5 properties advertised during the last 5 years, all of which were 1-bedroom bungalows. According to this data, between August 2016-2021, there was an average of 23 bids per property (a total of 116 bidders) in the Parish, however, by looking at the location of the bidders, it was determined that 90% of bidders were from outside the Parish. Thus, while there is a need for one-two bedroom homes within the Parish itself, the wider geography is also characterised as having a need for one-bedroom homes.

- 5.36 It is essential to caveat these findings by stating it is never advisable to restrict future housing delivery to selected size categories only. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population.
- 5.37 For example, the young starter families and downsizing older households mentioned above may both need 'mid-sized' homes, but are likely to have extremely different requirements and degrees of purchasing power. There is limited scope for Neighbourhood Planning policy to influence the more detailed characteristics of new housing, but additional guidance and prioritisation could be informed by further primary research.
- 5.38 The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide smaller homes with fewer bedrooms would help to address this situation.
- 5.39 To best meet the needs of the large cohort of older households expected to be present by the end of the Plan period, it should be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms.
- 5.40 More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to smaller homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

## Conclusions- Type and Size

- 5.41 This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.
- 5.42 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.
- 5.43 With regards to housing typology, Broomhaugh and Riding tends to be characterized by a high proportion of detached, semi-detached and terraced homes. According to VOA (2020) data, within LSOA E1027594, where the parish is located, 36.9% of the housing stock is detached, while 23.8% is semi-detached and 10.7% is terraced.
- 5.44 The most notable underrepresentation is flats, which form roughly 7% of the housing stock. The percentage of flats in the parish is much lower than in Northumberland and England as a whole, while the percentages of detached homes in the parish are much higher than in either comparator geography.
- 5.45 In terms of dwelling size, the housing stock in Broomhaugh and Riding is characterised as having a high number of homes with four or more bedrooms, and a relatively low number of studio homes or homes with one or two bedrooms. In 2011, the parish had a low number one and two-bedroom homes and had a high number of homes with over four bedrooms., and in 2020, VOA data shows the wider LSOA area had a similarly high number of homes with over four bedrooms.
- 5.46 In terms of demographics, the parish has a large population of individuals between the ages of 45-84. The percentage of individuals in this demographic group was higher in the parish than in both wider geographies. Furthermore, compared to Northumberland and England, Broomhaugh and Riding parish has the lowest percentage of residents in the category of individuals below the age of 25, while England had the highest percentage of individuals in these groups.
- 5.47 In terms of household composition, Broomhaugh and Riding differs from Northumberland in that there are fewer one person households in the neighbourhood area than Northumberland as a whole. Further breaking down these categories, Broomhaugh and Riding notably has more families aged all 65 and over than Northumberland, and substantially fewer families with dependent children. Compared to Northumberland, Broomhaugh and Riding has a similar proportion of families without children (essentially couples under the age of 65).

- 5.48 Compared to England, Broomhaugh and Riding has more one family households. Note that non-dependent children refer to households in which adult children are living at home, or students still call their primary residence despite living for most of the year near to university. Though 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. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. While the data is quite old at this point, it is interesting to observe that this category grew by 47.8% between 2001 and 2011 in the parish – while the Northumberland average decreased by 3.2% over the same period.
- 5.49 The results of a life-stage modelling exercise indicates that, by 2036, the size distribution of dwellings should better reflect local needs with a more even distribution of households by number of bedrooms. This means that ideally, 1 and 2 bedroom properties should be prioritised through new development. The increases in 1 and 2 bedroom properties will help to provide alternatives for younger people without children and older residents wishing to downsize.

## 6. RQ 3: Specialist housing for older people

***RQ 3: What provision should be made for specialist housing for older and disabled people over the Neighbourhood Plan period?***

### Introduction

- 6.1 This chapter considers in detail the specialist housing needs of older and disabled people in Broomhaugh. The level of care associated with specialist housing products can vary widely, and is broadly categorised, in descending order from highest to lowest care level, as follows
- Specialist schemes that have 24-hour onsite care and support, typically including onsite catering (e.g. extra care, flexicare, and enhanced care);
  - Specialist housing that is designed with the relevant group in mind. This may be suitable for receiving care or support, but this is not typically provided onsite or at all times of day (e.g. sheltered housing); and
  - Mainstream housing that is adapted or capable of adaptation so that the inhabitant can live independently and care or support can be provided in the home.
- 6.2 People experience ageing differently. Much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age while others may need support and care much earlier in their lives. Some will be interested in moving to a suitable home closer to services while for others ageing independently in place will be key to their wellbeing.
- 6.3 Because of the wide variation in the level of support needed, as well as the financial capabilities of those affected, the estimates of need presented here should be viewed with caution – as an idea of the broad scale of potential need rather than an obligatory target that must be met.
- 6.4 Northumberland County Council's identified needs for accommodation for older and vulnerable people in Policy HOU 11 of the draft Local Plan, which is informed by the Council's Extra Care and Supported Housing Strategy.<sup>10</sup>
- 6.5 The specialist housing needs of older people (75+) are assessed below using two methods. The first is a tenure-led projection, based on rates of mobility limitation among this age group and the tenure of housing they currently occupy. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network (HLIN) Strategic Housing for Older People (SHOP) tool,<sup>11</sup> which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.
- 6.6 It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be

<sup>10</sup> Available at <https://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Health-and-social-care/Care%20support%20for%20adults/Extra-Care-and-Supported-Housing-Strategy-NCC-2018-v3.pdf>

<sup>11</sup> Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>



calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for estimating housing need overall.<sup>12</sup>

- 6.7 This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).<sup>13</sup> Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for the elderly) are not within the scope of this research. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required.

### Current supply of specialist housing for older people

- 6.8 When determining an estimate of the need for specialist dwellings, it is necessary first to take account of current supply. Information on the current stock is collated manually using the search function on the Elderly Accommodation Counsel's Website: <http://www.housingcare.org>.
- 6.9 Table 6-1 below shows there is currently no specialist accommodation in the NA at present, but that there is one care home within one mile of the parish (see Table 6-1).
- 6.10 ONS 2019 population estimates suggest that there are currently around 173 individuals aged 75 or over in Broomhaugh and Riding. This suggests that current provision is in the region of 177 units per 1,000 of the 75+ population (a common measure of specialist housing supply).

**Table 6-1: Existing care homes for the elderly in Broomhaugh and Riding**

	Name	Description	Bed spaces	Tenure	Type
1	Wentworth Grange Residential Hotel for Elderly	Wentworth Grange is a privately owned care home with nursing. It is registered for a maximum of 51 service users, and provides care for those affected by dementia, Alzheimer's, or any physical disabilities.	51 single rooms	Private rent	Care home with nursing

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

<sup>12</sup> See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

<sup>13</sup> For a full description of Planning Use Classes, please refer to [https://www.planningportal.co.uk/info/200130/common\\_projects/9/change\\_of\\_use](https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use)

## Tenure-led projections

- 6.11 Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across Northumberland, as this is the most recent and smallest geography for which tenure by age bracket data is available.
- 6.12 The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2036. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.
- 6.13 According to a high percentage of 55-75 year-olds are home owners. 24.9% of such households rent, with the vast majority of these in social rather than private rented housing.
- 6.14 **Table 6-2** below, a high percentage of 55-75 year-olds are home owners. 24.9% of such households rent, with the vast majority of these in social rather than private rented housing.

**Table 6-2: Tenure of households aged 55-75 in Northumberland, 2011**

All owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living rent free
<b>75.1%</b>	53.2%	21.9%	<b>24.9%</b>	15.8%	7.6%	1.5%

Source: Census 2011

- 6.15 The next step is to project how the overall number of older people in Broomhaugh and Riding is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for Northumberland at the end of the Plan period. The figure must be extrapolated from the Local Authority level data because such projections are not available at neighbourhood level. The results are set out in Table 6-3 below.
- 6.16 This calculation indicates that those aged 75+ will constitute roughly 30.5% of the population of Broomhaugh and Riding in 2038 – a much higher proportion than for Northumberland.

**Table 6-3: Modelled projection of elderly population in Broomhaugh and Riding by end of Plan period**

Age group	2011		2036	
	Broomhaugh and Riding (Census)	Northumberland (Census)	Broomhaugh and Riding (AECOM Calculation)	Northumberland (ONS SNPP 2014)
All ages	966	316,028	1,027	336,147
75+	161	28,938	313	56,286
%	16.7%	9.2%	30.5%	16.7%

Source: ONS SNPP 2018, AECOM Calculations

- 6.17 A key assumption for the next stages of the calculation is that the older people living in the NA currently are already suitably accommodated, either because have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture).
- 6.18 The people whose needs are the focus of the subsequent analysis are therefore the additional 152 (313 – 161) individuals expected to join the 75+ age group by the end of the Plan period. This figure should also be converted into households with reference to the average number of people per household with a life stage of 75+ in Northumberland in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 28,938 individuals aged 75+ and 20,291 households headed by a person in that age group. The average household size is therefore 1.43, and the projected growth of 151 people in Broomhaugh can be estimated to be formed into around roughly 106 households.
- 6.19 The next step is to multiply this figure by the percentages of 55-75 year olds occupying each tenure (shown in the table above). This is set out in

6.20 Table **6-4** below. This provides a breakdown of which tenures those households are likely to need.

**Table 6-4: Projected tenure of households aged 75+ in Broomhaugh and Riding to the end of the Plan period**

<b>Owned</b>	<b>Owned outright</b>	<b>Owned with a mortgage or loan or Shared Ownership</b>	<b>All Rented</b>	<b>Social rented</b>	<b>Private rented</b>	<b>Living rent free</b>
<b>80</b>	<b>57</b>	<b>23</b>	<b>27</b>	<b>17</b>	<b>8</b>	<b>2</b>

*Source: Census 2011, ONS SNPP 2018, AECOM Calculations*

6.21 Next, rates of disability by tenure are considered. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector. Table 6-5 below presents this data for Broomhaugh and Riding from the 2011 Census. Note that the closest proxy for the 75+ age group in the Census is the 65+ age group.

**Table 6-5: Tenure and mobility limitations of those aged 65+ in Broomhaugh and Riding, 2011**

Tenure	All categories: Long-term health problem or disability	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories: Tenure	925	42	4.5%	114	12.3%	769	83.1%
Owned or shared ownership: Total	810	35	4.3%	99	12.2%	676	83.5%
Owned: Owned outright	413	28	6.8%	65	15.7%	320	77.5%
Owned: Owned with a mortgage or loan or shared ownership	397	7	1.8%	34	8.6%	356	89.7%
Rented or living rent free: Total	115	7	6.1%	15	13.0%	93	80.9%
Rented: Social rented	20	3	15.0 %	6	30.0%	11	55.0%
Rented: Private rented or living rent free	95	4	4.2%	9	9.5%	82	86.3%

*Source: DC3408EW Health status*

- 6.22 It is now possible to multiply the projected number of 75+ households occupying each tenure by the rates of mobility limitation for that tenure to arrive at the final tenure-led estimate for specialist housing needs. Focusing on the group whose day-to-day activities are limited a lot, the number of households falling into potential need for specialist accommodation over the Plan period is 3.4 ( $80 \times 4.3\%$ ) for owner occupiers, and 1.64 ( $27 \times 6.1\%$ ) for renters, which gives a total of roughly 5 new specialist homes in total. The total number of specialist homes needed, however, includes the needs of those with severe and less severe mobility limitations.
- 6.23 These findings are set out in the table below, based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

**Table 6-6: AECOM estimate of specialist housing need in Broomhaugh and Riding by the end of the Plan period**

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	<i>Multiply the number of people across all rented (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) housing by the percent in that tenure who have day to day activity limitations limited a lot.</i>	<i>Multiply the number of people across all owned housing by the percent in that tenure who have day to day activity limitations limited a lot.</i>	<b>7</b>
	2	5	
Adaptations, sheltered, or retirement living	<i>Multiply the number of people across all rented housing by the percent who have day to day activity limitations limited a little.</i>	<i>Multiply the number of people across all owned housing by the percent in that tenure who have day to day activity limitations limited a little.</i>	<b>19</b>
	5	14	
<b>Total</b>	<b>7</b>	<b>19</b>	<b>26</b>

Source: Census 2011, AECOM Calculations

## Housing LIN-recommended provision

6.24 It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the most simple and widely used models estimating for the housing needs of older people. Table 6-7 below reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the Plan period, and how these should be split into the different tenures.

**Table 6-7: Recommended provision of specialist housing for older people from the SHOP toolkit**

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

*Source: Housing LIN SHOP Toolkit*

6.25 As



6.26 Table **6-3** shows, Broomhaugh and Riding is forecast to see an increase of 152 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent =  $60 \times .152 = 9.12$
- Leasehold sheltered housing =  $120 \times .152 = 18.24$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) =  $20 \times .152 = 3.04$
- Extra care housing for rent =  $15 \times .152 = 2.28$
- Extra care housing for sale =  $30 \times .152 = 4.56$
- Housing based provision for dementia =  $6 \times .152 = 0.912$

6.27 This produces an overall total of 38 specialist dwellings which might be required by the end of the plan period.

6.28 Table 6-8 below sets out the HLIN recommendations in the same format as

6.29 Table 6- above. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates.

**Table 6-8: HLIN estimate of specialist housing need in Broomhaugh and Riding by the end of the Plan period**

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	<i>Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia</i>	<i>Includes: enhanced sheltered housing for sale + extra care housing for sale</i>	<b>11</b>
	4.72	6.09	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	<b>27</b>
	9	18	
<b>Total</b>	<b>14</b>	<b>24</b>	<b>38</b>

Source: Housing LIN, AECOM calculations

## Conclusions- Specialist Housing for the Older People

- 6.30 The starting point for determining the need for specialist housing in the neighbourhood is establishing the current supply of specialist homes. There are no specialist housing schemes in the area but there is one care home providing nursing.
- 6.31 Broomhaugh and Riding has a current population of 173 people (ONS 2019), and our calculations show that the population of this group is expected to increase to 313 people by the end of this year. This means there is a potential need for specialist housing with some form of additional care for older people. This need can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
- 6.32 These two methods of estimating the future need in Broomhaugh and Riding produce a range of 26 to 38 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
- 6.33 It is important to note that the scale of need for specialist accommodation heavily depends on the amount of accessible/adapted mainstream housing in Broomhaugh and Riding currently – or how far this can successfully be achieved in future. Note that there is no accurate secondary data on this. If the neighbourhood plan were to be particularly ambitious in requiring high

standards of accessibility and adaptability, there is arguably less need to deliver specialist accommodation. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Plan is therefore to require standards of accessibility and adaptability in new development to be met at more ambitious levels than those mandated in the Local Plan, and to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged the Neighbourhood Plan may have less influence over changes to the existing stock).

- 6.34 It is relatively common for Local and Neighbourhood Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide, and the localised evidence gathered here would further justify this. Policy HOU 11 of the draft Local Plan will introduce the optional higher M4(2) accessibility/adaptability standards of the Building Regulations, with 20% of new market homes and 50% of new affordable homes being required to satisfy this higher standard. There is unlikely to be much scope for neighbourhood areas to adopt even higher standards through NP policies, unless similarly in-depth viability analysis was done to justify it. While the viability evidence showed no justification to introduce higher M4(3) wheelchair accessibility/adaptability standard.
- 6.35 While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
- so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
  - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
  - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
- 6.36 Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or neighbourhood areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
- 6.37 It is considered that Broomhaugh and Riding's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from Broomhaugh and Riding entirely within the neighbourhood area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of Broomhaugh and Riding, the nearby Service Centre of Corbridge can be considered as having the potential to accommodate the specialist housing need arising from the neighbourhood area (i.e. to be the hub in the hub-and-spoke model), alongside the higher order Main Towns of Prudhoe and Hexham. If this were to take place, then the number of specialist dwellings to

be provided and the overall dwellings target for the neighbourhood area itself would not overlap.

- 6.38 Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

## 7. Conclusions

### Overview

7.1 **Error! Reference source not found.** below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

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

Issue	Summary of evidence and data assessed	Conclusions and recommendations
<b>Housing Tenure and Affordability</b>	<p>Broomhaugh and Riding has a notably higher proportion of home ownership and an especially lower proportion of social rented households than is either locally or nationally typical.</p> <p>The proportion of owned properties at 85.3% is approximately 20% greater than both the Northumberland average and the average across England. Secondly, the proportion of social rented properties is relatively low, at 2.9%, which is nearly 16 percentage points below the local average and national average.</p> <p>Furthermore, the proportion of private rented households are also relatively underrepresented, at 9.3% compared to around 13.3% in Northumberland, and 16.8% in England.</p>	<p>The income required to buy an average market home for sale is more than what would be expected to be available to those on average household incomes. The income required to buy an average entry-level home for sale is also more than the average income of those on lower quartile household incomes. Private renting is generally only affordable to average earners.</p> <p>While households on mean incomes, as well as households with two lower quartile earners can afford market rents, single earner households made up of one lower quartile earners cannot afford the given rental thresholds. In terms of accessing the First Homes discounts, none of the discounts offered would be affordable to local residents. A discount of 50% might be accessible</p>

	<p>In terms of house prices, mean prices in Broomhaugh and Riding increased by 33.4% over the period, while the median price increased by 24.4% over time and the lower quartile price increased by 9.9% over the time period. Because the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end cause the mean to increase, making it higher than the median.</p> <p>Broken down by type, land registry data shows that detached homes are currently the most expensive housing type in the parish, at a mean price of £460,800. Compared to detached homes, semi-detached homes are considerably cheaper at a mean sale price of £309,250. Terraced homes are less affordable than semi-detached homes at a mean sale price of £375,000 at the end of 2020.</p> <p>Furthermore, the increase in price for terraced homes is notable, as this housing type experienced an increase of 145% over the past 10 years. In summary, terraced homes have experienced the strongest price growth in Broomhaugh and Riding, although detached homes remain by far the highest value type of property.</p>	<p>to some households on mean incomes, or those with additional support.</p> <p>However, in order for mean income earners to be able to access discounted market sales, a discount of over 50% would be required. AECOM's findings show that in order to access a median priced home, households on mean income would require a discount of 51%, single earner households on lower quartile incomes would require a discount of 85%, and dual-earners would need a discount of 71%.</p> <p>Social and affordable rents are affordable to those on mean incomes but are not accessible options for single earner households on lower quartile incomes. Households with two lower quartile earners can afford social and affordable rent, but are unable to access any other tenures, including any of the routes to affordable home ownership. Moreover, households in which there is only one lower quartile earner appear unable to afford any tenures at all.</p> <p>Broomhaugh and Riding has a high demand for affordable home ownership options and relatively low need for affordable rented housing. However, while the need for affordable rented housing is fairly low in the neighbourhood area, there is still a small number of households that might require affordable housing for rent provision. Based on the needs on the neighbourhood area, the suggested tenure mix follows the mix set out in the Local Plan and suggests a 60/40 split.</p>
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<b>Housing Type and Size</b>	<p>With regards to housing typology, Broomhaugh and Riding tends to be characterized by a high proportion of detached, semi-detached and terraced homes. According to VOA (2020) data, within LSOA E1027594 (where the parish is located) 36.9% of the housing stock is detached, 23.8% is semi-detached and 10.7% is terraced.</p> <p>The most notable underrepresentation is flats, which form roughly 7% of the housing stock. The percentage of flats in the parish is much lower than in Northumberland and England as a whole, while the percentages of detached homes in the parish are much higher than in either comparator geography.</p> <p>In terms of dwelling size, the housing stock in Broomhaugh and Riding is characterised as having a high number of homes with four or more bedrooms, and a relatively low number of studio homes or homes with one-two bedrooms. In 2011, Broomhaugh and Riding had a low number one and two-bedroom homes and had a high number of homes with over four bedrooms. In 2020, VOA data shows the wider LSOA area had a similarly high number of homes with over four bedrooms.</p> <p>In terms of demographics, the parish has a large population of individuals between the ages of 45-84. The percentage of individuals in this demographic group was higher in the parish than in both wider geographies. Furthermore, compared to Northumberland and England, Broomhaugh and Riding parish has the lowest percentage of residents</p>	<p>The results of a life-stage modelling exercise indicates that, by 2036, the size distribution of dwellings should better reflect local needs with a more even distribution of households by number of bedrooms. This means that ideally, 3-bedroom properties should reduce from 42% to 36.9%, with increases in 1 bedroom from 9.7% to 15.1%, 2 bedrooms from 30% to 48%, and 4 bedrooms should reduce from 13.9% to 0.0%. The increases in 1 and 2 bedroom properties will help to provide alternatives for younger people without children and older residents wishing to downsize.</p>
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	<p>in the category of individuals below the age of 25, while England had the highest percentage of individuals in these groups.</p> <p>In terms of household composition, Broomhaugh and Riding differs from Northumberland in that there are fewer one person households and more one family households in the neighbourhood area. Further breaking down these categories, Broomhaugh and Riding notably has more families aged all 65 and over than Northumberland, and fewer families with dependent children. Compared to Northumberland, Broomhaugh and Riding has a similar proportion of families without children.</p> <p>Compared to England, Broomhaugh and Riding has more one family households and fewer one person household types. Note that non-dependent children refer to households in which adult children are living at home, or students still call their primary residence despite living for most of the year near to university. Though 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. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. While the data is quite old at this point, it is interesting to observe that this category grew by 47.8% between 2001 and 2011 in the parish – while</p>	
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	the Northumberland average decreased by 3.2% over the same period.	
<b>Specialist housing for older people</b>	<p>The starting point for determining the need for specialist housing in the neighbourhood is establishing the current supply of specialist homes. Setting a radius of 1 mile, we found there is currently only one specialist home located within the Parish.</p> <p>Broomhaugh and Riding has a current population of 173 people (ONS 2019), and our calculations show that the population of this group is expected to increase to 313 people by the end of this year. This means there is a potential need for specialist housing with some form of additional care for older people.</p>	<p>This need can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.</p> <p>These two methods of estimating the future need in Broomhaugh and Riding produce a range of 26 to 38 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.</p> <p>It is important to note that the scale of need for specialist accommodation heavily depends on the amount of accessible/adapted mainstream housing in Broomhaugh and Riding currently – or how far this can successfully be achieved in future. Note that there is no accurate secondary data on this. If the neighbourhood plan were to be particularly ambitious in requiring high standards of accessibility and adaptability, there is arguably less need to deliver specialist accommodation.</p>

## Recommendations for next steps

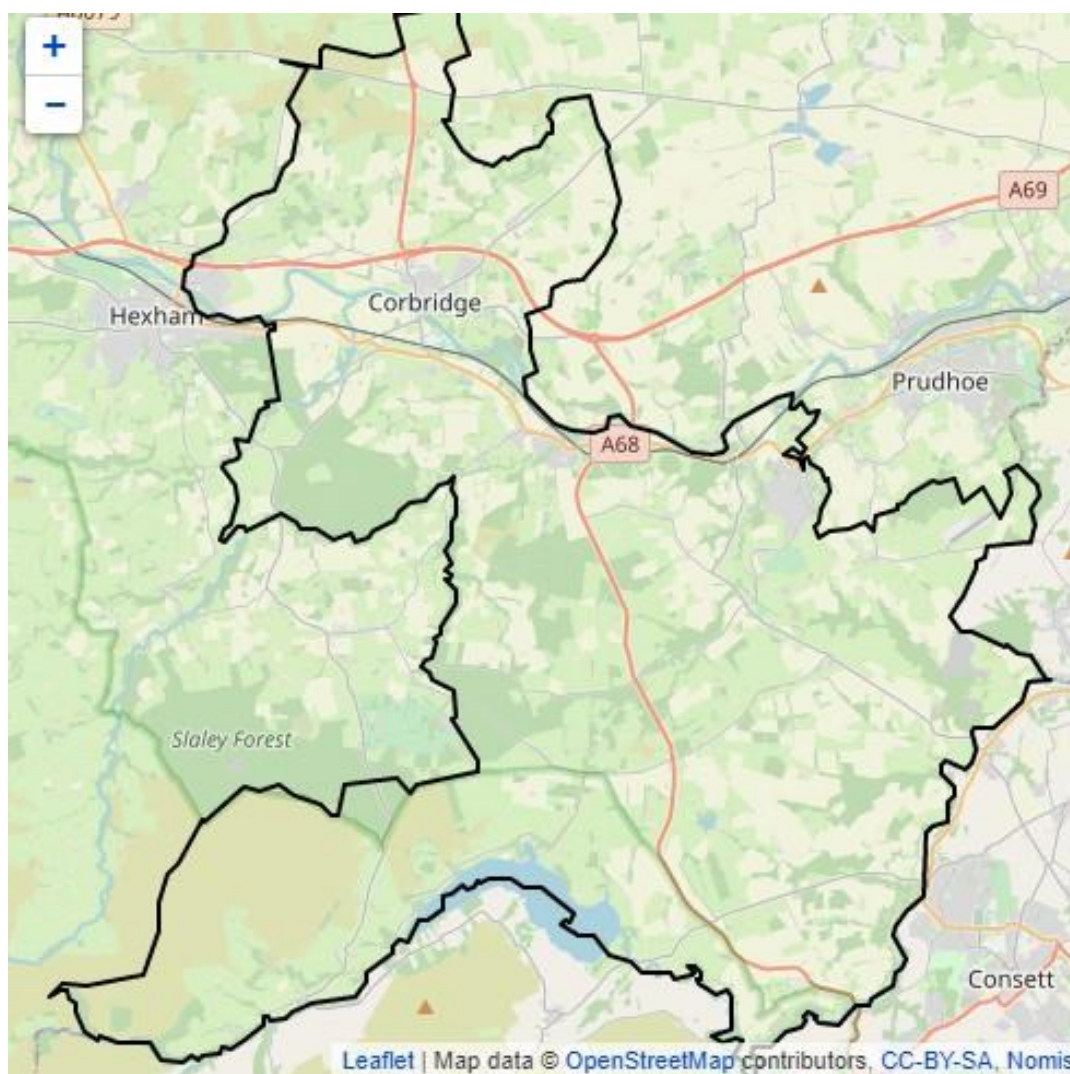
- 7.2 This Neighbourhood Plan housing needs assessment aims to provide Broomhaugh and Riding Parish Council with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with 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 Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
  - The views of Northumberland County Council;
  - The views of local residents;
  - The views of other relevant local stakeholders, including housing developers and estate agents; and
  - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Northumberland County Council.
- 7.3 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.
- 7.4 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 County Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
- 7.5 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

1. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the neighbourhood area. Such data is available at MSOA level but not at the level of neighbourhood areas.
2. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the neighbourhood area. In the case of Broomhaugh and Riding, it is considered that MSOA E02005732 is the closest realistic proxy for the neighbourhood area boundary, and as such, this is the assessment geography that has been selected. A map of MSOA E02005732 appears below in Figure A-1.

**Figure A-1: MSOA E02005732 used as a best-fit geographical proxy for the neighbourhood area**



Source: ONS

## A.2 Market housing

3. Market housing is not subsidised, and tends to be primarily accessible to people on higher incomes.
4. To determine affordability in market housing, this assessment considers two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

### i) Market sales

5. 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.
6. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Broomhaugh and Riding, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.
7. The calculation for the purchase threshold for market housing is as follows:
  - Value of a median NA house price (2020) = £367,000
  - Purchase deposit at 10% of value = £36,700
  - Value of dwelling for mortgage purposes = £330,300
  - Divided by loan to income ratio of 3.5 = purchase threshold of £94,371
8. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2020 was £225,000, and the purchase threshold is therefore £64,286.
9. Finally, it is worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records sales of 13 new build properties in the NA in 2020. Detached homes were key in this category—in the neighbourhood area, most new builds were detached homes and this produced an average cost of £70,000.

## ii) Private Rented Sector (PRS)

10. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.
11. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
12. The property website Rightmove shows rental values for property in the neighbourhood area. The best available data is derived from properties available for rent within a 5 mile radius of Broomhaugh, 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.
13. According to Rightmove, there were 10 properties for rent at the time of search in with an average monthly rent of £638. There were 8 two-bed properties listed, with an average price of \$484 per calendar month.
14. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
  - Annual rent = £5808 x 12 = £19,360
  - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £19,360
15. The calculation is repeated for the overall average to give an income threshold of £25,520.

## A.3 Affordable Housing

16. There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2021: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. More recently, a new product called First Homes has been introduced in 2021. Each of the affordable housing tenures are considered below.

### i) Social rent

17. Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market

rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.

18. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Broomhaugh and Riding. 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.
19. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

**Table A-1: Social rent levels (£)**

<b>Size</b>	<b>1 bed</b>	<b>2 beds</b>	<b>3 beds</b>	<b>4 beds</b>	<b>All</b>
Average Social Rent per week	£68.47	£75.24	£81.87	£91.27	£76.20
<b>Annual average</b>	<b>£3,560</b>	<b>£3,912</b>	<b>£4,257</b>	<b>£4,746</b>	<b>£3,962</b>
<b>Income needed</b>	<b>£14,242</b>	<b>£15,650</b>	<b>£17,029</b>	<b>£18,984</b>	<b>£15,850</b>

*Source: Homes England, AECOM Calculations*

## ii) Affordable rent

20. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).
21. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.
22. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Northumberland. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
23. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in Broomhaugh and Riding are actually closer to 22% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

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

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£85.84	£95.34	£104.30	£115.03	£96.28
<b>Annual average</b>	<b>£4,464</b>	<b>£4,958</b>	<b>£5,424</b>	<b>£5,982</b>	<b>£5,007</b>
<b>Income needed</b>	<b>£17,855</b>	<b>£19,831</b>	<b>£21,694</b>	<b>£23,926</b>	<b>£20,026</b>

Source: Homes England, AECOM Calculations



### iii) Affordable home ownership

24. Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are discounted market housing (a subset of which is the new First Homes product), shared ownership, and rent to buy. These are considered in turn below.
25. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that First Homes affordable home ownership tenure will likely replace the Start Homes category in the current NPPF.

#### First Homes

26. Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to buy market housing.
27. The starting point for these calculations is therefore the estimated cost of new build housing in Northumberland, noted above as £367,000.
28. For the minimum discount of 30% the purchase threshold can be calculated as follows:
  - Value of a new home (LA average) = £367,000
  - Discounted by 30% = £256,900
  - Purchase deposit at 10% of value = £25,690
  - Value of dwelling for mortgage purposes = £231,210
  - Divided by loan to income ratio of 3.5 = purchase threshold of £66,060
29. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £56,623 and £47,186 respectively.
30. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.
31. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000. This cost

excludes any land value or developer profit. This would not appear to be an issue in Broomhaugh and Riding.

### **Shared ownership**

32. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.
33. 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.
34. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
35. The affordability threshold for a 25% equity share is calculated as follows:
  - A 25% equity share of £367,000 is £91,750
  - A 10% deposit of £9,175 is deducted, leaving a mortgage value of £82,575
  - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £23,593
  - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £275,250
  - The estimated annual rent at 2.5% of the unsold value is £6,881
  - This requires an income of £22,937 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
  - The total income required is £46,530 (£23,593 plus £22,937.5).
36. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £36,962 and £62,477 respectively. As mentioned above, these thresholds are below the £80,000 cap for eligible households.

### **Rent to buy**

37. Rent to buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent to build up a deposit to eventually purchase the home. It is therefore estimated to cost the same as private rents – the difference being that the occupant builds up equity in the property with a portion of the rent, but this portion is still a monthly outgoing for the occupant.

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

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

# Appendix B : Housing Needs Assessment Glossary

## **Adoption**

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

## **Affordability**

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

## **Affordability Ratio**

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

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

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

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

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

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

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

### **Affordable rented housing**

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods<sup>14</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.

### **Basic Conditions**

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

### **Backlog need**

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

### **Bedroom Standard<sup>15</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

<sup>14</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>15</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

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>16</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>17</sup>**

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

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

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

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

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

### **Fair Share**

'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**

<sup>16</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>17</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)

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

## **Habitable Rooms**

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

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

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

## **Housing Market Area**

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

The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate.

## **Housing Needs**

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

## **Housing Needs Assessment**

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

## **Housing Products**

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

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

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

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

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

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

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

### **Income Threshold**

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

### **Intercensal Period**

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

### **Intermediate Housing**

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

### **Life Stage modelling**

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

### **Life-time Homes**

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



## **Life-time Neighbourhoods**

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

## **Local Development Order**

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

## **Local Enterprise Partnership**

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

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

The number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 60 of this Framework).

## **Local Planning Authority**

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

## **Local Plan**

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

## **Lower Quartile**

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

## **Lower Quartile Affordability Ratio**

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

## **Market Housing**

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

### **Mean (Average)**

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

### **Median**

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

### **Median Affordability Ratio**

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

### **Mortgage Ratio**

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years<sup>18</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

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<sup>18</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

the same. 175,434 output areas were created from the 2001 Census data, each containing a minimum of 100 persons with an average of 300 persons. Lower Super Output Areas consist of higher geographies of between 1,000-1,500 persons (made up of a number of individual Output Areas) and Middle Super Output Areas are higher than this, containing between 5,000 and 7,200 people, and made up of individual Lower Layer Super Output Areas. Some statistics are only available down to Middle Layer Super Output Area level, meaning that they are not available for individual Output Areas or parishes.

### **Overcrowding**

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

### **Planning Condition**

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

### **Planning Obligation**

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

### **Purchase Threshold**

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

### **Proportionate and Robust Evidence**

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

### **Private Rented**

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

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

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

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

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

### **Rightsizing**

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

### **Rural Exception Sites**

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

### **Shared Ownership**

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

### **Sheltered Housing<sup>19</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

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<sup>19</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

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

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

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

A Strategic Housing Market Assessment (SHMA) is a document prepared by one or more local planning authorities to assess their housing needs under the 2012 version of the NPPF, usually across administrative boundaries to encompass the whole housing market area. The NPPF makes clear that SMAs 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 SMAs 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>20</sup>

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<sup>20</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

