

Elmstead

Housing Needs Assessment (HNA)

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Quality information

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List of acronyms used in the text:

DLUHC	Department for Levelling Up, Housing, and Communities (formerly Ministry for Housing, Communities and Local Government (MHCLG))
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
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
OAN	Objectively Assessed Housing Need Study
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment
TDC	Tendring District Council
VOA	Valuation Office Agency

1. Executive Summary

1. The Office for National Statistics (ONS) mid-2019 population estimate for Elmstead parish is 1,916, showing a slightly increase of 61 since the 2011 Census.
2. There has been some development in Elmstead since 2011, with Tendring District Council providing completions data from 2011/2012 to 2020/2021 which showed 78 new dwellings built up to March 2021. This data was not broken down into market and affordable, so the quantity of affordable housing delivered in this time period is unknown. The total quantity of dwellings in the NA is estimated to be 891. It is worth noting that since 2015, according to the data provided by Elmstead Parish Council's Neighbourhood Planning Steering Group, planning applications for roughly 389 dwellings have been approved in the parish, indicating potential significant future development in the NA. Roughly 62 dwellings of the approved applications have been identified by the group as completed, many of which will be included in the Council's completions data, and developments totalling 299 dwellings are thought to have started on site.

Conclusions- Tenure and Affordability

Current Dwelling Stock

3. The current tenure profile of Elmstead, from the 2011 Census, shows that levels of home ownership in Elmstead and Tendring District, at 78.4% and 73.7% of households respectively owning their own homes, are greater than those for England as a whole, at 63.3% of households. There is a clear lack of Affordable Housing, both for rent and for sale, in the NA, with significantly fewer households in social rented or shared ownership properties than across England. The same trend, although to a lesser extent, is also reflected in Tendring.
4. There was a steady increase in house prices in Elmstead, across all average measures, from 2011 to 2017. House prices then increased more rapidly, peaking in 2018 before decreasing to 2020. The median price peaked in 2018, at £347,500, with the subsequent decrease making the median house price for 2020 £280,000. From 2011 to 2020 there was a 56.7% increase in median house prices, higher than for lower quartile house prices which grew by 45.0% in the same time period. The largest area of growth was in the prices of detached properties, with an increase of 71.3% from 2011 to 2020 compared to 43.5% growth in the price of detached properties nationally. Overall, house prices in the NA increased by 56.7%, higher than overall house price growth between 2011 and 2020 across England.

Affordability

5. Looking at market affordability, local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. Private renting is generally only affordable to higher earners, inaccessible even to those on mean incomes. Those on mean incomes are the only group

that can afford entry-level rent.

6. When looking at affordable home ownership, some models are more affordable than even the private rented market in Elmstead, meaning that there is the potential for households that are unable to currently rent or buy market homes to be able to buy through affordable home ownership models. At 40% and 50% discounts, First Homes are accessible to those on mean income, but they remain inaccessible to those on lower quartile incomes, regardless of whether this is one or two. It is recommended that First Homes are within the parish are at a 40% discount as these are affordable to those on mean incomes. There is no need to increase the discount to 50% as it does not provide any additional groups access to this tenure so maintaining the 40% discount helps to ensure viability.
7. Shared ownership appears to be similarly affordable than First Homes and is broadly accessible to the same groups at 25% and 10% equity. While the income threshold for a 10% equity shared ownership home is lower and would require a smaller deposit, 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.
8. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units.

Affordable Housing Need

9. In terms of the need for affordable rented housing in the NA, the current estimated backlog of need for the NA, based on data provided by Tendring District Council, is 8 households. Taking this into account along with newly arising need and turnover of existing stock, it is estimated that the total need for affordable rented homes in the plan period is 4.9. However, it would be better to frontload any future affordable rented provision to meet the needs of those already on the Housing Register as opposed to 'spreading them out' over the plan period.
10. Turning to Affordable Housing providing a route to home ownership, the model aims to estimate the number of households might wish to own their own home but cannot afford to. The result of the calculation is 3.3 households per annum who may be interested in affordable home ownership (or 36.9 for the entirety of the Plan period). The community are currently taking a proactive approach to meeting their Affordable Housing need despite an overall housing figure of 0. They are considering using a Community Development Order to develop a Village Hall site solely for First Homes, which would work towards meeting the shortfall of Affordable Housing for sale in the NA.
11. This HNA proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy. Due to the LPA housing requirement of 0, Table 4-7 proposes mixes based on two different scenarios. The first scenario is based on if a market development were to come forward, with affordable housing delivered on sites delivering 11 or more dwellings based on the emerging Local Plan. The second scenario is based on a wholly affordable site, such as a rural exception site, meaning that there would likely be greater delivery of affordable housing, therefore altering the mix as it allows for

increased delivery of affordable home ownership products.

12. The first indicative mix, based on standard development, suggests that the majority of development, 70%, is for affordable/social rented dwellings, even though the greater demand was identified for affordable ownership. This is chiefly a response to the fact that it is expected that the delivery of Affordable Housing will be lower than the needs identified here. In this context, affordable rented tenures should be prioritised. Affordable rented dwellings are also suggested to be prioritised because of the severe affordability problems in the NA, with Table 4-3 showing that households on two lower-quartile incomes are only able to afford affordable rented products. A high percentage will also help to address the backlog of need reflected in the waiting list early in the plan period. The remaining 30% is suggested for affordable routes to home ownership at 25% First Homes (at 40% discount) and 5% shared ownership (at 25% equity).
13. The second indicative mix, based on a wholly affordable site, suggests that a greater proportion of affordable housing for sale to help address the high predicted demand in the NA. It is suggested that affordable and social rented housing accounts for 45% in order to address some of the backlog early in the plan period as opposed to just the need the model suggests per annum or by the end of the plan period. The suggested 55% affordable routes to home ownership is broken down as 25% First Homes (at 40% discount) and 30% shared ownership (at 25% equity). These mixes should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J, and in particular the views and objectives of the community.
14. Due to the LPA housing requirement being 0 for Elmstead, AECOM cannot predict the number of affordable dwellings that would be provided in the Neighbourhood Plan area based on the percentage of affordable housing to be provided through local policy and the recommendations made in this chapter. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.

Conclusions- Type and Size

15. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.

Current Dwelling Stock

16. In 2021 there was a high proportion of bungalows, at 36.4% of all dwellings, potentially highlighting the demand for such housing in the NA. The 2011 Census data shows that

Elmstead is dominated by detached and semi-detached dwellings, with these accounting for 81.8% of the stock. This suggests that the majority of dwellings are likely to be larger and more expensive, with limited options for smaller households with less buying power. Both Elmstead and Tendring have a much higher proportion of bungalows than England. The proportion of detached dwellings is also higher in the NA and the District than England. There is a significantly lower proportion of flats and terraced dwellings in the NA than both Tendring and nationwide.

17. In terms of dwelling size, in 2011 the NA was dominated by larger homes, with 46.5% of dwellings being 3-bedrooms. As before, this was compared to the national and wider District picture. This, as expected, showed that the proportion of 1-bedroom dwellings in the NA is significantly lower than both the District and England, whilst the proportion of 4+ bedroom dwellings is higher than both of these, emphasising the imbalance in the NA.

Demographics

18. Between 2011 and mid-2019, the most recent estimated age structure of the NA population, there was a slight increase in the overall population of 61 people. The proportions of people in each age group remained relatively stable between 2011 and 2019, with a slightly higher proportion of the population estimated to falling into the 65-84 age group. To offset this there is a slight decline in the proportion of people aged 25-44 in the NA between 2011 and 2019. Comparing this to the wider District and England as a whole, the population structure of Elmstead and Tendring show relatively similar trends, though ageing is slightly more apparent in the District than the NA.
19. There are fewer one person households in Elmstead than Tendring and England, but the proportion of one-person households aged 65 and over is significantly higher than England at 16.6% for Elmstead and 12.4% nationally. The figure is higher again for Tendring District as 18.6% of households are one-person households aged 65 and over. As seen with one-person households, one family households with all residents aged 65 and over is high in the NA at 14.9% compared to just 8.1% across England.
20. In relation to over and under-occupancy, 79% of people in Elmstead lived in a home with at least one extra bedroom, indicating high levels of under-occupancy. Under-occupancy is often common with older people and this is reflected in Elmstead, with 90% of people aged 65 and over under-occupying and 88% of people aged 50-64 under-occupying. This may suggest that the larger housing isn't being occupied by households with the most family members, but by people with the most wealth or by older people who have not chosen or been able to move to smaller properties.

Future Recommendations

21. The HNA model suggests that the target mix in for housing in the NA in 2033 has a higher proportion of 1-bedroom and 2-bedroom dwellings than the 2011 mix. In order to achieve the target mix outlined in the report, it is suggested that the balance of new housing is heavily weighted towards smaller dwellings, with new developments suggested to be made up of 89.2% 1-bedroom and 2-bedroom dwellings. To reduce the proportion of 3-bedroom and 5-bedroom dwellings, it is suggested there is no further development of

these properties. Despite this, it is not advisable to restrict future housing delivery to selected size categories only and this is only a starting point for addressing the needs of the future population.

22. Variety should be sought within 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 but it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied in the parish. There may therefore be a justification to continue supplying larger homes despite their abundance because a different kind of larger home is needed to accommodate growing families with less buying power.

Community Opinion

23. It is also important to take into consideration the needs and wants identified by the community. Elmstead Parish Council Neighbourhood Planning Steering Group undertook a household survey, some of which focussed on housing. The outcome of the community consultation aligns to an extent with the suggested dwelling mix, with the community identifying the need for 1-bedroom and 2-bedroom homes as 'very important', and the AECOM calculations suggesting that in order to reach the target mix of housing for the end of the plan period, 89.2% of new development should be made up of 1-bedroom and 2-bedroom dwellings. As suggested above though, it is important not to completely exclude certain dwelling types based on these recommendations so that 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 provided represents a starting point for further thought and consultation.

2. Context

Local context

24. Elmstead is a Neighbourhood Plan area located in Tendring District, Essex. The Neighbourhood Area (NA) boundary aligns with the designated parish boundary for Elmstead and was designated in November 2020. Throughout this report, 'Elmstead' will be used to refer to the entire NA, unless specified to mean Elmstead village or Elmstead Market village.
25. The proposed Neighbourhood Plan period starts in 2022 and extends to 2033, therefore comprising a planning period of 11 years. This Neighbourhood Plan (NP) end date is in line with the end of the proposed plan period of Tendring's emerging Local Plan. The evidence supplied in this report will look forward to the Plan end date of 2033, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
26. Elmstead is located in the Tendring District of Essex in the East of England. The modern village centre of the NA, Elmstead Market, is 5-6 miles east of Colchester, 3-4 miles north-east of Wivenhoe, and around 11 miles north-west of the coastal town Clacton-on-Sea. Tendring is a coastal district, with the south and the east of the District bordering the North Sea. It is bordered to the north by Babergh District in Suffolk and to the east by Colchester Borough, Essex. Elmstead Parish also borders Colchester Borough, with the proposed Tendring/Colchester Borders Garden Community due to be created on the edge of the parish, with the potential for around 9,000 new homes. The main road through the parish, the A133, runs from Colchester to Clacton.

The NA boundary and data sources

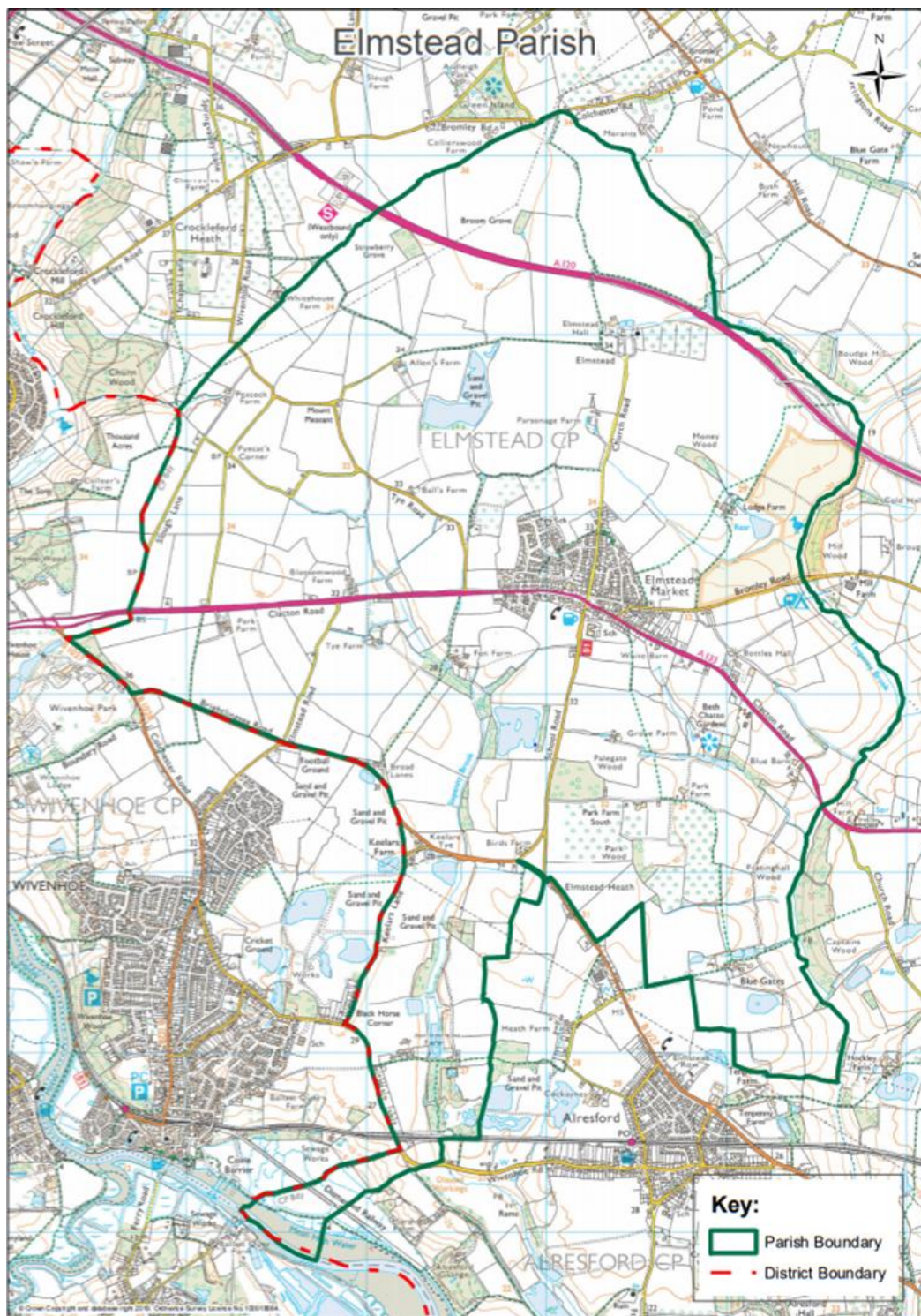
27. For Census purposes, the Neighbourhood Plan area is made up, like the rest of England, of statistical units called Output Areas. Data for the NA was captured from both the 2011 and 2001 Census using a combination of a Lower Super Output Area (LSOA) and Output Areas (OAs). The Plan area equates to the following LSOA and OAs, which have been used throughout as a statistical proxy for the NA boundary:
- Lower Super Output Area – E01022052
 - Output Area – E00112035 (referred to as 22UNHW0002 in the 2001 Census)
 - Output Area – E00112040 (referred to as 22UNHW0007 in the 2001 Census)
28. However, not all data sources helpful for assessing housing needs can be interrogated to this level of detail.
29. Office for National Statistics (ONS) data on incomes in small areas is only available down to Medium Super Output Area scale (MSOA – this is 2 levels above Output Areas, and 1 level above Lower Super Output Areas). The MSOA which encompasses the NA for Elmstead is E02004577. This area covers Elmstead in the south, Great Bromley and Little Bromley to the east, and Ardleigh to the north. This area will serve as a proxy area when considering local income levels.

30. For Valuation Office Agency (VOA) data on the current stock of housing, the lowest unit of analysis is Lower Super Output Areas. Due to having a combination of an LSOA and additional OAs, the closest proxy for this data source is derived by combining the figures for two LSOAs. The first of these is completely within the NA, E01022052, and the other includes part of the NA and part of Great Bromley parish, E01022051. These two areas are considered a reasonably proxy for the NA and are used to compare the breakdown of current housing stock with the 2011 Census and with Tendring District Council and England. The Local Planning Authority (LPA), Tendring District Council, provided completions data for 2011/2012 to 2020/2021 which is also considered but is not broken down into bedrooms or types of housing.
31. Where houses prices from the Land Registry are cited, these figures are accurate to the NA and no proxy needs to be used. When determining private rented costs in the NA, the CO7 postcode proxy area was used to give an overview of private rental prices in the area.

Headline population and housing statistics

32. The statistics show that in the 2011 Census the NA had a total of 1,855 residents, formed into 783 households and occupying 813 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2019 population estimate for Elmstead is 1,916 – indicating population growth of around 61 individuals since 2011. It is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count. Based on the completions data provided by the LPA, the overall amount of new development that has taken place in the NA since the 2011 Census totals 78 dwellings, broadly aligning with the population change mentioned above.
33. It is worth noting that the 2016 Objectively Assessed Housing Need Study (OAN) for Braintree, Chelmsford, Colchester, and Tendring identified that some demographic projections for Tendring were distorted by UPC (Unattributable Population Change) following the 2011 Census. Despite this, the 2011 Census and more recent ONS projections remain the most robust and up-to-date information we have for the NA, Tendring District, and England as so these figures have been used in the HNA.
34. A map of the Plan area appears below in Figure 2-1.

Figure 2-1: Map of the Elmstead Neighbourhood Plan area¹



Source: Tendring District Council

¹ Available at https://www.tendringdc.gov.uk/sites/default/files/documents/planning/Planning_Policy/Elmstead/Elmstead%20Neighbourhood%20Plan%20Area.pdf

Planning policy context

35. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.² In the case of Elmstead, the relevant adopted Local Plan for Tendring District Council consists of:
36. The Tendring District Council Local Plan 2007³ which was adopted in December 2007. This document is now significantly out of date and is in the process of being replaced by the emerging Local Plan. As the emerging Local Plan progresses, the weight shifts from the adopted to the emerging Plan.
37. Elements of the Tendring District Council Local Plan 2007 have been superseded by the new Local Plan. The 2013-2033 Local Plan for Tendring is split into two parts. The first part, the Tendring District Local Plan 2013-2033 and Beyond: North Essex Authorities' Shared Strategic Section 1 Plan⁴ was adopted in January 2021, meaning that elements of the Tendring District Council Local Plan 2007 which are covered in Section 1 are superseded by this. Section 1 is also shared by Braintree District Council and Colchester Borough Council and tackles strategic cross-boundary policies and allocations. All 3 councils share an identical Section 1 and underwent a joint consultation.
38. The Section 2 Local Plan is currently emerging and covers Tendring-specific policies. The Publication Draft Local Plan (2017)⁵ was submitted to the Planning Inspectorate in October 2017 and is the latest version of the Section 2 available. This document covers both Section 1 and Section 2. However, in the emerging local plan table, Section 1 has been omitted due to this already being adopted. It therefore just covers Section 2 of the Publication Draft which will become the Tendring District Local Plan 2013-2033 and Beyond.
39. Although Section 2 may still be subject to some changes, the HNA takes into account the policies of the adopted Tendring District Local Plan 2013-2033 and Beyond: North Essex Authorities' Shared Strategic Section 1 Plan and the emerging Section 2 as they are the most up to date and the plan period of the Elmstead NP is intended to coincide with the Local Plan period to 2033.

Policies in the adopted local plan

40. Table 2-1 and Table 2-2 below summarise adopted Local Plan policies that are relevant to housing need and delivery in Elmstead.

² 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>

³ Available at

<https://www.tendringdc.gov.uk/sites/default/files/documents/planning/planning%20policy/Tendring%20District%20Local%20Plan%202007.pdf>

⁴ Available at

https://www.tendringdc.gov.uk/sites/default/files/documents/planning/Planning_Policy/Section_1/Tendring%20District%20Local%20Plan%202013-2033%20and%20Beyond%20-%20Section%201.pdf

⁵ Available at

https://www.tendringdc.gov.uk/sites/default/files/documents/planning/Planning_Policy/SDTDC_001%20Tendring%20Local%20Plan%20October%202017.pdf

Table 2-1: Summary of relevant adopted policies in the Tendring District Council Local Plan 2007

Policy	Provisions
QL1 – Spatial Strategy	<p>The spatial strategy for Tendring outlines that most new development will be concentrated in the larger urban areas of Clacton and Harwich. In the smaller towns and villages, limited development consistent with local community needs will be permitted.</p> <p>The spatial strategy splits Tendring District into ‘Towns’ and ‘Villages’ with Elmstead Market classified as a Village.</p>
ER31 – Town Centre Hierarchy and Uses	<p>Town centres are classified in the Local Plan as:</p> <ul style="list-style-type: none"> • Major Town Centres • Town Centres • Local Centres <p>Clacton Road, Elmstead Market is classified as a Local Centre. Development proposals which adversely affect the vitality, viability and the urban or rural regeneration objectives associated with each centre will not be permitted.</p>
HG1 – Housing Provision	<p>Provision is made for a net dwelling stock increase of 6,250 dwellings in Tendring District in the period 1st April 1996 to 31st March 2011.</p> <p><i>This figure is superseded by Tendring District Local Plan 2013-2033 and Beyond: North Essex Authorities’ Shared Strategic Section 1 Plan (adopted January 2021).</i></p> <p>A recycling target of 80% of the Plan’s provision between 2004 and 2011 is proposed on previously developed land.</p>
HG3 – Residential Development within Defined Settlements	<p>Within the defined development boundaries of towns and villages, residential development will be permitted provided it satisfies amenity, design, density, environmental, highway, local housing needs and sustainability criteria, as appropriate, and can take place without material harm to the character of the local area.</p>
HG3a – Mixed Communities	<p>New Residential development should achieve mixed communities. This will be secured by developers being required to provide a mix of house types, sizes and tenures, in order to meet the needs of all sectors of housing demand from within the community.</p>

Policy	Provisions
HG4 – Affordable Housing in New Developments	<p>The Council will expect 40% of new dwellings to be made available in the form of affordable housing to be normally provided on site, in the following cases:</p> <ul style="list-style-type: none"> • In settlements of over 3,000 population: housing developments for 15 or more dwellings or residential sites of 0.5 hectares or more; • In settlements with a population of 3,000 or fewer: housing developments which have the potential for 5 or more dwellings or residential sites of 0.15 hectares or more; and • In respect of sites falling below the relevant site-size threshold where demonstrated to form part of a more substantial development that would, in total, be above that threshold. <p>‘Affordable Housing’ in the context of Tendring District means housing available in perpetuity to meet the housing needs of people in the District who cannot otherwise afford to buy or rent their own home at prevailing local open market prices or rents.</p>
HG5 – Local Needs Affordable Housing Outside Village Development Boundaries	<p>Exceptionally, Affordable Housing may be permitted on small sites adjoining those existing rural communities where such development can be demonstrated to meet a particular proven local need that cannot be met in any other way. For those rural communities where settlement development boundaries are defined, sites should abut that boundary. In settlements without defined development boundaries, sites should abut the largest concentration of housing in the settlement. The general justification for exception schemes is the district wide housing needs survey. Local evidence will need to be demonstrated of a shortage of affordable housing, offering long term security of tenure.</p> <p>The proposal must include detailed and up to date evidence of local need for affordable housing within the “designated area”, proved to the satisfaction of the District Council.</p> <p>The proposal shall cater exclusively for local needs. No mixed developments involving any open market housing or other speculative element will be acceptable.</p>
HG6 – Dwelling Size and Type	<p>To reflect the identified needs of the local community and to create diversity in design terms, an appropriate mix of dwelling sizes and type will be sought in housing developments of 10 or more dwellings or residential sites of 0.3 hectare or more, taking into account local circumstances and site characteristics.</p>

Policy	Provisions
	Without prejudice to the requirement for affordable housing, developments with a uniform dwelling mix may be appropriate for sheltered or supported housing.

Source: Tendring District Council Local Plan 2007 (adopted December 2007)

Table 2-2: Summary of relevant adopted policies in the Tendring District Local Plan 2013-2033 and Beyond: North Essex Authorities’ Shared Strategic Section 1 Plan

Policy	Provisions
SP3 – Spatial Strategy for North Essex	<p>Existing settlements will be the principal focus for additional growth across the North Essex Authorities area within the Local Plan period. Development will be accommodated within or adjoining settlements according to their scale, sustainability and existing role both within each individual district and, where relevant, across the wider strategic area.</p> <p>As part of the sustainable strategy for growth, the Tendring / Colchester Borders Garden Community will be developed and delivered at the broad location shown on Key Diagram 10.2 and on the Colchester and Tendring Local Plans Policies Maps. This new community will provide a strategic location for homes and employment within the Plan period in North Essex.</p>
SP4 – Meeting Housing Needs	<p>The local planning authorities will identify sufficient deliverable sites, developable sites and/or broad locations for their respective plan period, to meet housing requirements and will incorporate additional provision to ensure flexibility and choice and competition for land.</p> <p>Each authority will maintain a sufficient supply of deliverable sites to provide for at least five years’ worth of housing, plus an appropriate buffer in accordance with national policy, and will work proactively with applicants to bring forward sites that accord with the overall spatial strategy and relevant policies in the plan.</p> <p>Tendring District Council’s minimum housing requirement for the plan period 2013-2033 is 11,000, equating to 550 per annum.</p>

Source: Tendring District Local Plan 2013-2033 and Beyond: North Essex Authorities’ Shared Strategic Section 1 Plan (adopted January 2021)

Policies in the emerging local plan

41. Table 2-3 below summarises emerging Local Plan policies that are relevant to housing need and delivery in Elmstead.

Table 2-3: Summary of relevant emerging policies in the Tendring District Local Plan 2013-2033 and Beyond – Publication Draft

Policy	Provisions
SPL1 – Managing Growth	<p>The settlement hierarchy for Tendring is as follows:</p> <ul style="list-style-type: none"> • Strategic Urban Settlements • Smaller Urban Settlements • Rural Service Centres • Smaller Rural Settlements <p>Elmstead Market is classified as a Rural Service Centre.</p> <p>Outside of the policy (3.2.1.3), the emerging Local Plan describes ‘Rural Service Centres’ as settlements with opportunity for smaller scale growth. Some of the villages identified with accommodate a modest increase in housing stock, where appropriate, within the plan period.</p>
SPL2 – Settlement Development Boundaries	<p>Within Settlement Development Boundaries, there will be a general presumption in favour of new development subject to detailed consideration against other relevant Local Plan policies and any approved Neighbourhood Plans.</p> <p>Outside of Settlement Development Boundaries, the Council will consider any planning application in relation to the Settlement Hierarchy and any other relevant policies in this plan</p>
LP1 – Housing Supply	<p>The Council will deliver a minimum new home increase of 11,000 (net) between 1st April 2013 and 31st March 2033. This will be delivered through:</p> <ul style="list-style-type: none"> • Net dwelling completions 2013-2017 – 1,374 • Large sites with planning consents – 4,779 • Small sites with planning consents – 1,399 • Strategic allocations (mixed use) – 2,230 • Strategic allocations (housing) – 464 • Medium sized allocations – 505 • Tendring Colchester Borders Garden Community – 1,250 <p>This gives a total of 12,001.</p>

Policy	Provisions
LP2 – Housing Choice	<p>The Council will work to deliver a mix of dwelling types, sizes, and tenure within the housing growth proposed for the District.</p> <p>On development of 11 or more (net) dwellings, the Council will expect to see a mix of dwelling size, type, and tenure that broadly reflects the housing need identified in the latest SHMA unless there are specific housing mix requirements for a particular site.</p> <p>The Council will support the development of bungalows, retirement complexes, extra care housing, independent living, starter homes, self-build, and other forms of residential accommodation aimed at meeting the future needs of older and disabled residents as well as family housing.</p>
LP5 – Affordable and Council Housing	<p>For development proposals outside of the Tendring Colchester Borders Garden Community, involving the creation of 11 or more (net) homes, the Council will expect 30% of new dwellings (including conversions) to be made available to Tendring District Council or its nominated partner(s) to acquire at proportionate discounted value for use as affordable or council housing.</p> <p>As an alternative, the Council will accept a minimum of 10% of new dwellings as above, with a financial contribution towards the construction or acquisition of property for use as council housing equivalent to delivering the remainder of the 30% requirement.</p> <p>No single group of council houses will exceed ten dwellings and there should be no noticeable difference in the appearance or quality between dwellings to be sold on the open market and those to be acquired and managed by the Council or its nominated partner(s).</p>
LP6 – Rural Exception Sites	<p>Council Housing and other forms of affordable housing may be permitted on sites adjoining the Settlement Development Boundaries of ‘Rural Service Centre’ or ‘Smaller Rural Settlement’, as defined by the spatial hierarchy, as an exception to normal settlement policy to meet a specific identified local need that cannot be otherwise met.</p> <p>Applicants must demonstrate a shortage of council/affordable housing, where provision would offer long term security of tenure to existing residents within the relevant Parish needing separate accommodation in the area and other persons with strong local connections within the Parish in terms of employment or longstanding family, or previous residence links and who require accommodation in the area.</p>

Policy	Provisions
	The criteria which would need to be met is further outlined in Policy LP6.
LP7 – Self-Build and Custom-Built Homes	The Council will encourage the provision of opportunities for constructing Self-Build and Custom-Built Homes as part of the mix of housing on large residential developments and the one-for-one replacement of an existing dwelling, of any size, in the countryside outside of settlement development boundaries with a single unit of Self-Build Housing.

Source: Tendring District Local Plan 2013-2033 and Beyond – Publication Draft (2017)

Quantity of housing to provide

42. 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.
43. Tendring District Council has fulfilled that requirement by providing Elmstead with a definitive figure of 0 dwellings to be accommodated within the Neighbourhood Plan area by the end of the Plan period.⁶ This figure was given to the group by the LPA due to the volume of speculative development that has taken place already in the NA and the plans for the Colchester Tendring Borders Garden Community which could see 9,000 homes bordering the parish. Tendring District Council therefore feels that the need in Elmstead has been met. The group are still interested in the mix required for any new housing that does take place moving forward, as well as the potential affordable housing need.
44. It is worth noting here that data provided by Tendring District Council shows that between 2011/2012 and 2020/2021, there were 78 dwelling completions, with the majority of these taking place in 2017/2018 (36) and 2018/2019 (21). This data is not broken down into the type of dwelling or size of dwelling, so VOA data is relied on for the 'Type & Size' section of this report. A further 12 housing association properties (8 affordable rent and 4 shared ownership) were delivered in the NA in summer 2021.
45. Elmstead Parish Council's Neighbourhood Planning Steering Group also provided data they have been collecting on approved planning applications in the parish since 2015. Since 2015, according to the data provided, planning applications for roughly 389 dwellings have been approved in the parish, indicating potential significant future development in the NA. Roughly 62 dwellings of the approved applications have been identified by the group as completed, and developments totalling 299 dwellings are thought to have started on site. According to the local authority completions data provided by Tendring District Council, 76 dwellings have been completed in the NA between 2015/2016 and 2020/2021, meaning that some of those which had started on site may now be completed dwellings. The data provided here by the Elmstead Parish Council

⁶ As confirmed in inception meeting with Elmstead Parish Council's Neighbourhood Planning Steering Group, September 2021

Neighbourhood Planning Steering Group is not included in AECOM's calculations in this HNA but it is worth noting here for context.

3. Approach

Research Questions

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

Tenure and Affordability

47. The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.

48. This evidence will allow Elmstead 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.

49. 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

50. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. The group are aware of an aging population in the NA and are interested in the potential need for properties for those downsizing, without looking at specialist older persons housing.

51. 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.

52. 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.

53. 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?

Relevant Data

54. 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
- Objectively Assessed Housing Need Study – November 2016 Update⁷ (Tendring District Council, Braintree District Council, Colchester Borough Council, and Chelmsford City Council). Note that this SHMA is considered relatively dated and is therefore drawn on to a lesser degree.
- Strategic Housing Market Assessment Update 2015⁸ (Tendring District Council, Braintree District Council, Colchester Borough Council, and Chelmsford City Council). Note again that this SHMA is considered relatively dated and is therefore drawn on to a lesser degree.

55. 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.

⁷ Available at https://www.tendringdc.gov.uk/sites/default/files/documents/planning/Planning_Policy/Final%20Mid%20Essex%20SHMA%20update%20-%20Nov%202016.pdf

⁸ Available at https://www.tendringdc.gov.uk/sites/default/files/documents/planning/Planning_Policy/SHMA%20Pt2%208th%20Jan%202016%20FINAL%20%282%29.pdf

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

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

Introduction

56. 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.

57. 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.

58. 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.⁹

59. 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 (or £420,000 in Greater London), and lower caps can be set locally;

⁹ 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>.

- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
- They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
- In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents.
- 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.

Current tenure profile

60. The current tenure profile is a key feature of the Neighbourhood Plan 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.
61. Table 4-1 below presents data on tenure in Elmstead compared with Tendring and England from the 2011 Census, which is the most recent available source of this information.
62. Levels of home ownership in Elmstead and Tendring are greater than those in England, at 78.4% and 73.7% of households respectively owning their own homes, compared to 63.3% households in England as a whole. The private rented sector in Elmstead is also smaller than both England and the Tendring District area. There is a clear lack of Affordable Housing, both for rent and for sale, in the NA, with significantly fewer households in social rented or shared ownership properties than across England. The same trend, although to a lesser extent, is also reflected in Tendring.
63. The completions data provided by Tendring District Council does not break the new dwellings between 2011/2012 and 2020/2021 into market and affordable, meaning that the present-day proportion of affordable housing is unknown. There is also no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Elmstead the private rented sector expanded by 84.0% in that period, a rate of growth that is just below the national average

of 82.4% growth. There was also a 29.1% decrease in social rented housing in the NA, significantly more than the decrease in Tendring (6.9%) and England as a whole (0.9%).

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

Tenure	Elmstead	Tendring	England
Owned; total	78.4%	73.7%	63.3%
Shared ownership	0.1%	0.4%	0.8%
Social rented; total	7.8%	8.4%	17.7%
Private rented; total	11.7%	16.2%	16.8%

Sources: Census 2011, AECOM Calculations

Community Opinion

64. It is important to take into consideration the needs and wants identified by the community. Elmstead Parish Council Neighbourhood Planning Steering Group undertook a household survey, some of which focussed on housing. Residents were asked to rank the options for future housing, with 1 as the highest priority for the community. The order of the types of housing ranked with a 1 was:
- The overwhelming majority ranked ‘Open Market’ as the highest priority
 - Community owned and rented (at less than 80% market rate)
 - Self-build (at market land values)
 - Housing association rented (at 80% of market rate) and shared ownership – these appeared to have equal ranking
 - Privately rented (at market rate)
65. Residents also provided comments on potential future housing in the NA. A significant number of comments focussed on the need for affordable housing in Elmstead, with 34 comments explicitly mentioning affordable housing, and more implying the need. There was a clear emphasis on family housing, housing for young people to help them remain in the NA, and opportunities for downsizing for the older population. There was some variety in opinions on housing for older people, with some respondents believing that there are already plenty of bungalows and sheltered housing units for the older population, whilst others believe more accommodation suitable for older people is required. Some comments also suggested a variety of housing so as not to discourage anyone from living in the NA, in line with AECOM suggestions that no size dwelling, whatever the recommended mix, should be inhibited completely. There were a few comments opposed to any new housing, but these were limited.

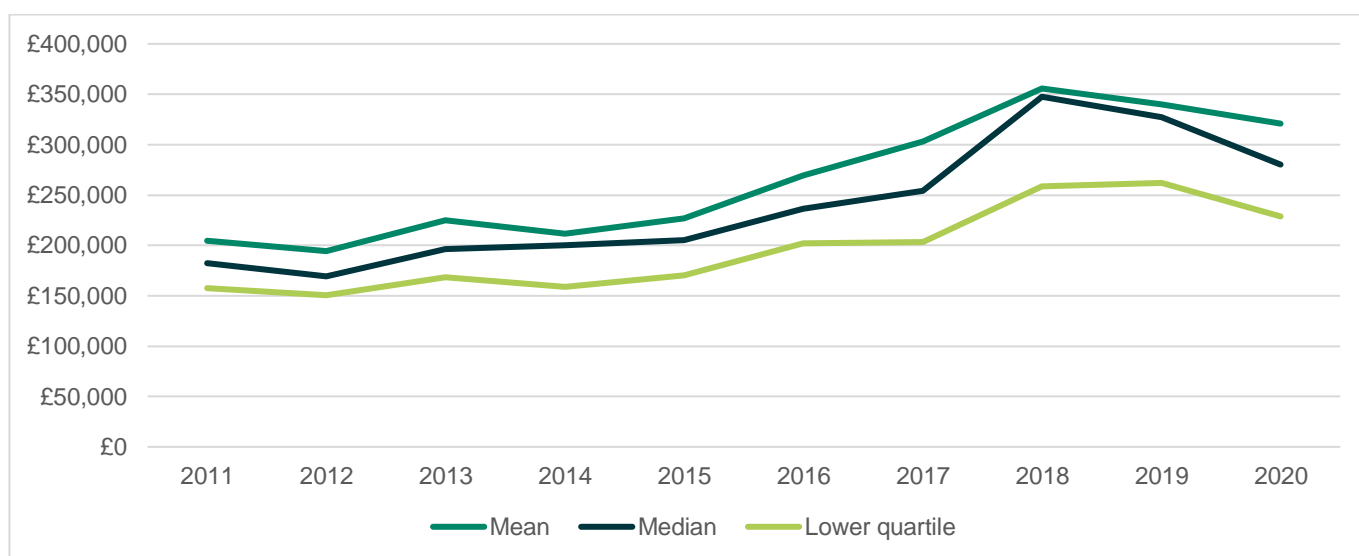
Affordability

House prices

66. 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.

67. Figure 4-1 below looks at selected measures of house prices in Elmstead. It shows that there was a steady increase in house prices in Elmstead, across all average measures, from 2011 to 2017. House prices then increased more rapidly, peaking in 2018 before decreasing to 2020. The median, which is the middle number when you sort the data from smallest to largest, house price peaked in 2018, at £347,500, with the subsequent decrease meaning the median house price for 2020 is £280,000. From 2011 to 2020 there was a 56.7% increase in median house prices, higher than for lower quartile house prices which grew by 45.0% in the same time period.

Figure 4-1: House prices by quartile in Elmstead, 2011-2020



Source: Land Registry PPD

68. Table 4-2 below breaks down house prices by type. It shows that the largest area of growth was in the prices of detached properties, with an increase of 71.3% from 2011 to 2020. Nationally, the largest area of growth was seen in terraced properties with a 46.1% price increase, and the smallest price increase in the same period was in detached properties, with 43.5% growth. Overall, house prices in the NA increased by 56.7%, higher than overall house price growth of c.45.0% between 2011 and 2020 across England. There was a slight drop in house prices across detached, semi-detached, and terraced properties in 2014, before increasing again in 2015. Detached house prices peaked in 2017 whilst terraced house prices increased by around £20,000 in 2018 before dropping to previous levels again. Flat prices, although with limited data, have remained relatively

stable between 2018 and 2020. For detached and semi-detached properties in 2020, house prices in the NA were higher than nationally whilst for terraced properties and flats, the England average was higher.

Table 4-2: House prices by type in Elmstead, 2011-2020

Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Growth
Detached	£245,550	£268,750	286,700	£263,394	£301,350	£350,962	£440,917	£420,393	£389,653	£420,678	71.3%
Semi-detached	£192,636	£168,099	£210,500	£191,038	£208,281	£232,192	£244,643	£267,385	£290,438	£290,714	50.9%
Terraced	£118,750	£138,667	£166,125	£154,940	£161,614	£197,830	£165,056	£186,375	£166,500	£163,333	37.5%
Flats	£102,500	-	£108,500	£130,000	-	-	-	£142,000	£145,000	£142,000	38.5%
All Types	£204,771	£194,291	£224,592	£211,871	£226,585	£269,519	£303,179	£355,711	£340,124	£320,803	56.7%

Source: Land Registry PPD

Income

69. 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.

70. 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 £43,300 in 2018. A map of the area to which this data applies is provided in Appendix A.

71. 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. Tendring District Council's gross individual lower quartile annual earnings were £11,634 in 2018. To estimate the income of households with two lower quartile earners, this figure is doubled to £23,268.

72. 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

73. 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.

74. AECOM has determined thresholds for the income required in Elmstead 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.

75. 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.

76. 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.

77. 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 Elmstead (income required, £)

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £43,300	Affordable on LQ earnings (single earner)? £11,634	Affordable on LQ earnings (2 earners)? £23,268
Market Housing						
Median House Price	£303,750	-	£86,786	No	No	No
NA New Build Average House Price	£244,168	-	£69,762	No	No	No
LQ/Entry-level House Price	£205,875	-	£58,821	No	No	No
Average Market Rent	-	£15,300	£51,000	No	No	No
Entry-level Market Rent	-	£10,812	£36,040	Yes	No	No
Affordable Home Ownership						
First Homes (-30%)	£170,918	-	£48,834	No	No	No
First Homes (-40%)	£146,501	-	£41,857	Yes	No	No
First Homes (-50%)	£122,084	-	£34,881	Yes	No	No
Shared Ownership (50%)	£122,084	£3,391	£46,185	No	No	No
Shared Ownership (25%)	£61,042	£5,087	£34,397	Yes	No	No
Shared Ownership (10%)	£34,417	£6,104	£27,324	Yes	No	No
Affordable Rented Housing						
Affordable Rent	-	£6,282	£20,918	Yes	No	Yes
Social Rent	-	£5,882	£19,586	Yes	No	Yes

Source: AECOM Calculations

78. 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

79. 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 just over double the current average.

80. Private renting is generally only affordable to higher earners. Households made up of one or two lower quartile earners cannot afford the given rental thresholds and those on mean incomes can only afford entry-level rent. 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. It is also still unlikely that one or two lower quartile earners would be able to afford entry level rents.

Affordable home ownership

81. When looking at affordable home ownership, some models are more affordable than even the private rented market in Elmstead, meaning that there is the potential for households that are unable to currently rent or buy to be able to buy through affordable home ownership models if these are delivered locally.

82. 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.

83. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. At a 30% discount First Homes is not affordable for households on mean incomes or on lower quartile incomes. At 40% and 50% discounts, First Homes are accessible to those on mean income, but they remain inaccessible to those on lower quartile incomes, regardless of whether there are one or two earners in the household. It is recommended that First Homes are within the parish are sought at a 40% discount as these are affordable to those on mean incomes. There is no need to increase the discount to 50% as it does not provide any additional groups access to this tenure so maintaining the 40% discount helps to ensure viability.

84. Table 4-4 below shows the discount required for First Homes to be affordable to the three income groups, based on alternative ways of benchmarking the starting price. This

reinforces that as First Homes are calculated using the estimated NA new build house price, a 40% discount makes them affordable to those on mean incomes, but that a discount significantly over 50% would be required to make them accessible to those on one or two lower quartile incomes. 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

Tenure/product	Mean Income	LQ Income x1	LQ Income x2
NA Median house price	50%	87%	73%
Estimated NA New build average house price	38%	83%	67%
NA Entry-level house price	26%	80%	60%

Source: Land Registry PPD; ONS MSOA total household income

85. Shared ownership appears to be similarly affordable than First Homes and is broadly accessible to the same groups at 25% and 10% equity. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.¹⁰ If this is delivered in the NA, it will not make shared ownership easier to access for more people. While the income threshold for a 10% equity shared ownership home is lower and would require a smaller deposit, 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.
86. 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.
87. 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 more affordable options.
88. 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 occupants 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.

¹⁰ 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/hws48>.

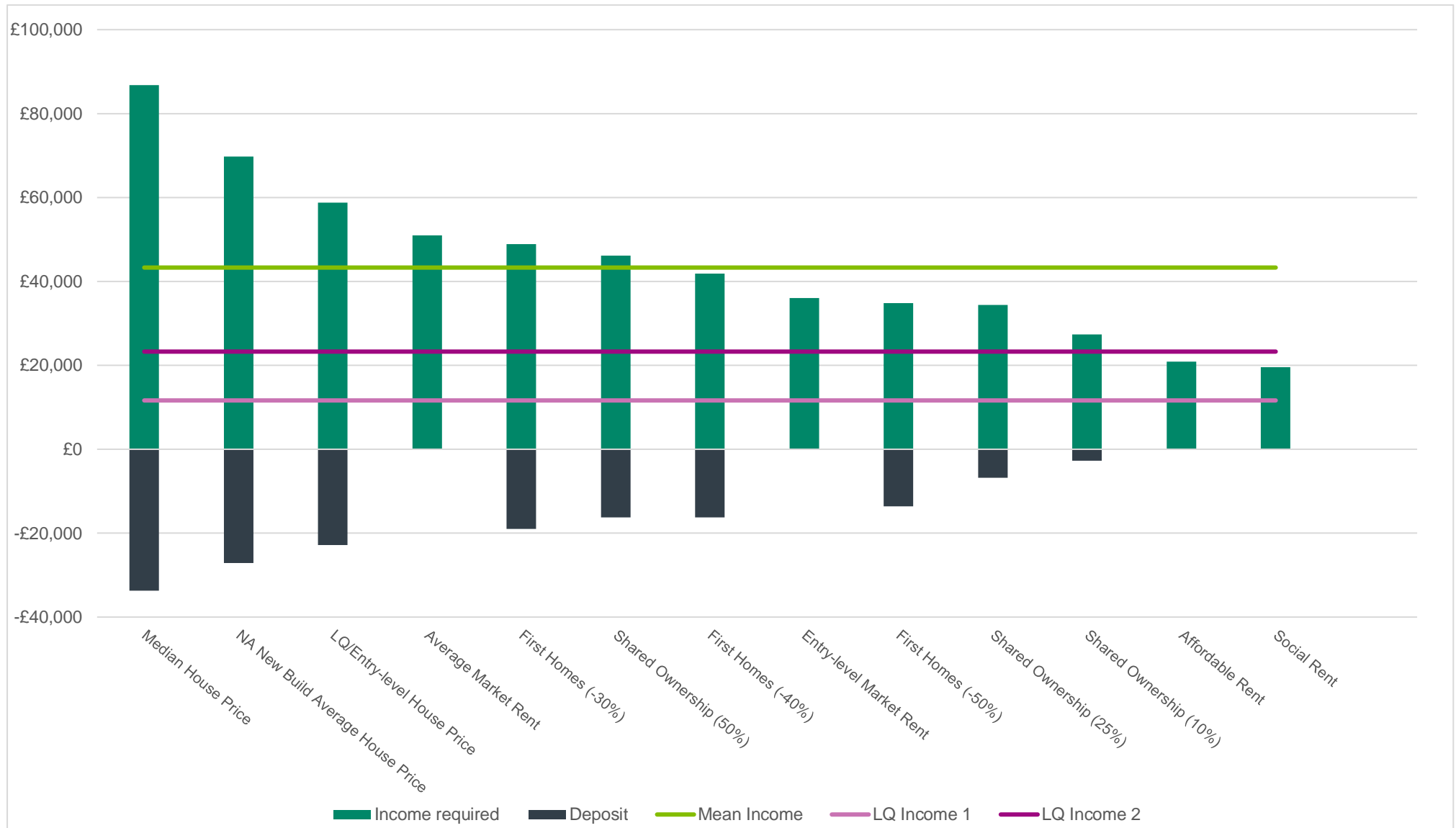
- Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly 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.
- 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.

89. In conclusion, these products would provide valuable within the NA for those on mean incomes, with all of the affordable home ownership options (except Rent to Buy) requiring a smaller income than average market rents, and some options a smaller income than entry-level market rents. Shared ownership at a 25% equity share potentially allows those on mean incomes to get a foot on the housing ladder, with a 10% equity share accessible to the same group but potentially an alternative option for those with very little savings for a deposit. First Homes (at a 40% discount) may provide a better long-term investment to those on mean incomes who can afford to access it. Households on one or two lower quartile incomes are unable to access any affordable home ownership options.

Affordable rented housing

90. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling, require additional subsidy through Housing Benefit to access housing.
91. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Elmstead 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 mean 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 Elmstead, income required (additional cost of deposit in black)



Source: AECOM Calculations

Affordable housing- quantity needed

92. The starting point for understanding the need for affordable housing in Elmstead is the relevant Strategic Housing Market Assessment (SHMA). An Objectively Assessed Housing Need Study (OAN) was undertaken in November 2016, following on from the SHMA which was undertaken for Tendring District Council, Braintree District Council, Colchester Borough Council, and Chelmsford City Council jointly in 2015. This study estimates the need for affordable housing in the District based on analysis of the Council's waiting list and analysis of other data sets in line with Planning Practice Guidance at the time.

93. The OAN provides an objective assessment of housing need for the housing market area covering Braintree, Chelmsford, Colchester, and Tendring. The key relevant findings of the 2016 OAN are outlined below. This is now relatively dated and therefore only little weighting should be applied to the findings.

- In terms of migration, Tendring's strongest link is with Colchester. There are also strong links in the housing market area with London, with Tendring receiving a large flow of inward migration from Havering, Barking & Dagenham, Enfield, and Waltham Forest.
- Tendring had the highest unemployment rate of the housing market area districts and is the least accessible to London. This made the housing market especially vulnerable in the recession.
- The study found that official demographic projections were severely distorted by UPC and therefore provided no useful evidence on housing need. An external demographer was commissioned to review the evidence and provide a new demographic starting point.
- Due to London's land supply falling short of its projected housing need, authorities in this housing market area may need to help accommodate the cross-boundary need. It is suggested that if the Greater London Authority's (GLA) view of future housing need is correct, there would be an insignificant uplift to this housing market area's housing need.
- The best assessment of housing need (all need, not just affordable) for Tendring over the plan period (2013-2037) was 550 dwellings per annum.

94. The key relevant findings of the 2015 SHMA relating to affordable housing quantity are outlined below. This SHMA is considered relatively dated and therefore only little weighting should be applied to the findings.

- The affordable housing need annually for Tendring was established to be 151 between 2013 and 2037, 27.3% of the annual projected household growth. This converts to 163 dwellings per annum. The report suggests that the Council should pursue an overall affordable housing target of 30%.
- As of the time of the SHMA, there were 14,046 households in unsuitable housing or lacking their own housing in the housing market area. Most commonly, this unsuitability is due to overcrowding.

95. Due to this SHMA and the OAN being relatively old, more current data has been used, some of which was provided by Tendring District Council.
96. In Table 4-5 below we have calculated, using PPG as a starting point,¹¹ an estimate of the total need for affordable rented housing in Elmstead over the Plan period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. For example, Census 2011 data is increasingly out-of-date. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out here are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.
97. It should also be noted that figures in Table 4-5 are largely dependent on information provided by Tendring District Council in its capacity as manager of the local housing waiting list. The current backlog of need is 8.0 households for Elmstead Market, assumed to be a reasonable estimate for the whole parish of Elmstead. The current number of social renters in the parish is recorded as 54, in line with the data provided by Tendring District Council. It is thought that this figure just includes the affordable rented housing in Elmstead Market. However, this is a reasonable estimate for the whole Elmstead parish due to the fact that in 2011, both Elmstead Market village and Elmstead parish had 61 social tenant households, suggesting that all of the social housing in the NA is within the village. It is worth noting the decrease in social housing from 61 in 2011 to 54 in 2021, likely due to occupants purchasing their social rented homes through the Right to Buy scheme. This is in line with trends for the NA, with 86 dwellings in the social rented sector for Elmstead parish in 2001.
98. The table shows that there are currently about 8 households in Elmstead unable to access affordable rented homes suitable to their needs. The table also suggests that, over the Plan period, 14.7 additional households in the Neighbourhood Plan area will fall into need, producing total need for affordable rented homes of 4.9 in the plan period.
99. An important caveat to this finding is that, as shown above, there are more households currently in need in the NA than the total need for the plan period. This is due to the assumed 3% relet rate of the social housing stock and so this would account for some of the existing and newly arising need. However, to 'spread them out' over the Plan period is not favourable to the individuals involved. In practice, it would be better to frontload any future affordable rented provision to meet those needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock. A further caveat worth emphasizing is that one unit of Affordable Housing does not necessarily service one household worth of need, since the unit might have 2 bedrooms while the applicant household might require 4 bedrooms, may be located in an inappropriate location, or be otherwise unsuitable.

¹¹ Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

100. As such, it is recommended that Elmstead considers encouraging the delivery of more affordable rented housing early in the Plan period, with the understanding that if this results in oversupply in future years, the vacancies created when existing occupants leave their properties may need to satisfy new need from elsewhere in the district.

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

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current households in need	8.0	Data provided by Tendring District Council for Elmstead Market. This figure is the most accurate we have for the NA.
1.2 Per annum	0.7	Step 1.1 divided by the plan period to produce an annualised figure.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	98.4	DLUHC 2018-based household projections for the LA between start and end of plan period. % increase applied to NA.
2.2 Proportion of new households unable to rent in the market	14.9%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA.
2.2.1 Current number of social renters in parish	54.0	Figure provided by Tendring District Council for Elmstead Market.
2.2.2 Number of private renters on housing benefits	67.3	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	14.7	Step 2.1 x Step 2.2.
2.4 Per annum	1.3	Step 2.3 divided by plan period.
STAGE 3: TURNOVER OF AFFORDABLE HOUSING		
3.1 Supply of social/affordable re-lets (including transfers) %	3.0%	Assumed proportion of stock re-let each year.
3.2 Supply of social/affordable re-lets (including transfers)	1.6	Step 3.1 x NA social rented stock (2.2.1).
NET SHORTFALL (OR SURPLUS) OF RENTED UNITS PER ANNUM		
Overall shortfall per annum	0.4	Step 1.2 + Step 2.4 - Step 3.2
Overall shortfall over the plan period	4.9	(Step 1.1 + Step 2.3) – Step 3.2 * plan period

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

101. Turning now to Affordable Housing providing a route to home ownership, Table 4-6 below estimates the potential demand in Elmstead. 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.

102. 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.¹² No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.
103. The result of the calculation is 3.3 households per annum who may be interested in affordable home ownership (or 36.9 for the entirety of the Plan period).
104. 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.
105. 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.

¹² <http://www.ipsos-mori-generations.com/housing.html>

Table 4-6: Estimate of the potential demand for affordable housing for sale in Elmstead

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in parish	112.1	Census 2011 number of renters x national % increase to 2018.
1.2 Percentage renters on housing benefit in LA	60.0%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	67.3	Step 1.1 x Step 1.2.
1.4 Current need (households)	33.6	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. ¹³
1.5 Per annum	3.1	Step 1.4 divided by plan period.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	98.4	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	4.0%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	4.0	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	0.3	Step 2.3 divided by plan period.
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	1.2	Number of shared ownership homes in parish (Census 2011 + LA new build to 2018/19 pro-rated to NA).
3.2 Supply - intermediate resales	0.1	Step 3.1 x 5% (assumed rate of resale).
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Overall shortfall per annum	3.3	(Step 1.5 + Step 2.4) - Step 3.2.
Overall shortfall over the plan period	36.9	(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, DLUHC 2018 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency.

¹³ The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, based on national level polls which consistently reveal that most households who prefer home ownership e.g. <http://www.ipsos-mori-generations.com/housing.html> and informed by our experience across numerous neighbourhood level HNAs. The assumption is based on the fact that some households choose to rent at certain stages in their life (e.g. when young, when needing flexibility in employment market, or when new migrants move into an area). While most households prefer the added security and independence of owning their own home, private renting is nevertheless a tenure of choice at a certain points in many households' journey through the housing market. The actual percentage of preference will differ between areas, being higher in large metropolitan areas with younger households and more new migrants, but lower in other areas. 25% is used as a reasonable proxy and for consistency across HNAs and similar assumptions are used in some larger scale assessments such as LHNAs and SHMAs. If the neighbourhood planning group feel this is not an appropriate assumption in their particular locality they could use the results of a local residents survey to refine or confirm this calculation.

106. 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).
107. It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.

Additional OAN/SHMA findings

108. The OAN and SHMA cover the housing market area including Braintree, Chelmsford, Colchester, and Tendring. The key relevant findings relating to tenure and affordability of the 2016 OAN are outlined below.
- House prices in the 10 years to 2012 show little variation between the districts, with a 70% increase in Tendring between 2002 and 2012. This is the joint greatest growth alongside Maldon.
 - In Q4 2014 and Q1 2016 (the only time periods shown), the mean house prices for Tendring were the lowest of the housing market area and also below the East of England and England figures.
 - In most years, all of the authorities in the housing market area had worse affordability than England.
 - It was considered that Tendring had relatively good affordability when compared to the regional average, but a higher ratio than the national average.
109. The key relevant findings of the 2015 SHMA relating to tenure are outlined below. The SHMA information on affordability is superseded by the OAN above. This SHMA is considered relatively dated and therefore only little weighting should be applied to the findings.
- The SHMA found that 35.1% of householders in the housing market area were owner occupiers, above national and regional averages. Conversely, the number of households in the social rented sector was below the regional and national average. Within the housing market area, Tendring had by far the largest level of owner occupiers with no mortgage and a very small social rented stock.
 - The findings suggest that the tenure profile in 2037 should comprise of almost two-thirds owner-occupied dwellings, just over 20% private rented homes, 0.6% shared ownership, and just under 15% social/affordable rented accommodation. This of course does not take into account the requirements surrounding the new First Homes model. The SHMA also outlines the tenures of dwellings required to be delivered to achieve this mix

(see SHMA page 47). This is not outlined here as this data is considerably date and this HNA brings the figures up to date and projects to the end of the neighbourhood plan period, providing recommendations for future housing.

Affordable Housing policy guidance

110. Tendring District Council's emerging policy on this subject Policy LP5 – Affordable and Council Housing, requires 30% of all new housing to be affordable on sites of 11 or more dwellings.
111. 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.
112. 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 left as a matter to be informed by the latest evidence. 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 Elmstead specifically.
113. 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 Elmstead requires roughly 4.9 units of affordable rented housing and 36.9 units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.

The relationship between these figures suggests that 11.7% of Affordable Housing should be rented and 88.3% should offer a route to ownership. However, as noted above, these figures are not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.

If the quantity of new housing overall were unlimited, 12% to 88% may be an appropriate affordable tenure mix. However, this is not likely and also not strictly necessary.

- 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.

If the emerging Local Plan target of 30% (outside of the Tendring Colchester Borders Garden Community) were achieved on every site, no

affordable homes would be expected in the NA due to the housing requirement of 0. The expected delivery is therefore not sufficient to satisfy the total potential demand for Affordable Housing identified here. This does not necessarily mean that no Affordable Housing will be brought forward over the plan period, as discussed below.

As discussed previously, Elmstead Parish Council's Neighbourhood Planning Steering Group have collected data on planning applications in the parish since 2015. Of the roughly 299 dwellings that have been identified by the group as having started on site, the majority are being brought forward on sites of more than 11 dwellings, meaning that some Affordable Housing is likely to be brought forward. The figures for Affordable Housing are not confirmed but if the overall amount of housing planned remained the same as indicated in the group's documents, and the Local Plan 30% target used, up to 87 affordable dwellings could be brought forward through these schemes). However, it may not be that all of these dwellings are delivered on site, that they completed before the data analysed in this report and so are already recorded in completions data, or that the target is not met on all of the sites. The HNA model therefore does not include these affordable dwellings in the stock when calculating future need.

An alternative method of bringing forward Affordable Housing despite the LPA housing requirement of 0 could be through infill sites. Infill sites are often small and in Elmstead, would likely be for fewer dwellings than the 11-dwelling threshold for the Affordable Housing requirement. Due to the limited potential for Affordable Housing to come forward through infill sites, the group are interested in lowering the LPA threshold for Affordable Housing in Elmstead to 5 dwellings. This is in line with the NPPF 2021 as Elmstead is a designated rural area and would be a way to make it more possible for Elmstead to meet their Affordable Housing needs.

Due to the housing requirement of 0 and the current Affordable Housing threshold of 11 dwellings, development over the LPA requirement may need to be delivered, potentially on wholly affordable developments such as rural exception sites. The community are currently considering undertaking a Community Development Order to develop an old Village Hall site within the settlement boundary of the parish to boost Affordable Housing supply in the NA. This is planned to be a wholly affordable site, specifically First Homes, and so would work towards meeting the shortfall of Affordable Housing for sale identified in Table 4-6.

There is no rented/ownership guideline mix in the emerging Local Plan to offer an appropriate benchmark for the split between affordable rented housing and affordable routes to home ownership. AECOM have provided some recommendations below.

- C. **Government policy (e.g. NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership.

For 10% of all housing to be affordable ownership in Tendring, where 30% of all housing should be affordable, it is not stated what proportion of Affordable Housing should be for affordable ownership. In order for the 10% affordable home ownership requirement to be met, 1/3 of all affordable housing in the NA would need to be for affordable home ownership. Due to not stating a specific split in the emerging Local Plan, it both complies, through it being possible to meet the 10% NPPF requirement, and does not, as it is not required that this proportion of affordable housing is for home ownership. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA, meeting the 10% threshold in Elmstead would not likely prejudice the provision of much needed affordable rented homes.

- D. **Local Plan policy:** As noted above, the adopted Local Plan does not seek a specific tenure split.
- E. **First Homes policy:** the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.

This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. This is not an issue in the local authority area as the split of affordable housing for rent and for sale is not specified in the emerging Local Plan.

After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the Local Plan. The remaining units should then be allocated to other tenure products in the relative proportions set out in the Local Plan.

This guidance generally applies to district-level policy, and there may still be potential for a neighbourhood plan tenure mix to deviate from how the other tenures are rebalanced if appropriate.

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning

group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.

- H. **Existing tenure mix in Elmstead:** As of 2011, 0.1% of dwellings in Tendring were shared ownership, below both the District and England. Additionally, only 7.8% of housing was social rented, similar to Tendring's 8.4%, but well below the national figure of 17.7%. The completions data provided by Tendring District Council does not break the new dwellings between 2011/2012 and 2020/2021 into market and affordable, meaning that the present-day proportion of affordable housing is unknown. This suggests that some provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.
- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in 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 Elmstead and/or the wider district. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.
114. On the basis of the considerations above, Table 4-7 below proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy. Due to the LPA housing requirement of 0, the table proposes mixes based on two different scenarios. The first scenario is based on if a market development were to come forward, with affordable housing delivered on sites delivering 11 or more dwellings based on the emerging Local Plan. As discussed above, there are potentially a number of developments over 11 dwellings which have started on site in the NA, but the split of affordable housing on these sites is unknown and so could not be used as a benchmark for potential future development. The second scenario is based on a wholly affordable site, such as a rural exception site, meaning that there would likely be greater delivery of affordable housing, therefore altering the mix as it allows for increased delivery of affordable home ownership products.
115. The first indicative mix, based on standard development, suggests that the majority of development, 70%, is for affordable/social rented dwellings, even though the greater demand was identified for affordable ownership. This is chiefly a response to the fact that it is expected that the delivery of Affordable Housing will be lower than the needs identified here. In this context, affordable rented tenures should be prioritised. Affordable rented dwellings are also suggested to be prioritised because of the severe affordability problems in the NA, with Table

4-3 showing that households on two lower-quartile incomes are only able to afford affordable rented products. A high percentage will also help to address the backlog of need reflected in the waiting list early in the plan period. The remaining 30% is suggested for affordable routes to home ownership in the following breakdown:

- 25% First Homes
- 5% Shared Ownership

The allocation of First Homes is in line with the minimum requirement in all developments. It is suggested that the discount on First Homes is 40% as this makes them available to mean income households. Increasing the discount to 50% is not necessary because it does not make it accessible to any further groups. The remaining 5% should be allocated to shared ownership (at 25% equity), not only to maximise choice, but also because this requires a lower income than First Homes at 40% and would also require a smaller deposit. It is however still only accessible to households on mean incomes. Rent to buy does not feature in the recommended mix as it was considered the least affordable tenure locally, not accessible to any groups. The affordable home ownership options suggested above are considered cheaper than average market rents, with shared ownership at 25% equity cheaper than entry-level rents.

116. The second indicative mix, based on a wholly affordable site, suggests that a greater proportion of affordable housing for sale to help address the high predicted demand in the NA. A site consisting of mainly Affordable Housing may be more financially viable with a greater proportion of home ownership produced than rented, and also still allows for the rented provision to be catered for. It is suggested that affordable and social rented housing accounts for 45% in order to address some of the backlog early in the plan period as opposed to just the need the model suggests per annum or by the end of the plan period. The suggested 55% affordable routes to home ownership is broken down as follows:

- 25% First Homes
- 30% Shared Ownership

The allocation of First Homes is in line with the minimum requirement in all developments. As above, it is suggested that the discount on First Homes is 40%. The remaining 30% should be allocated to shared ownership (at 25% equity), not only to maximise choice, but also because this requires a lower income than First Homes at 40% and would also require a smaller deposit. It is also a more affordable option than both average market rents and entry-level rents in the NA. It is however still only accessible to households on mean incomes. Rent to buy does not feature in the recommended mix as it was considered the least affordable tenure locally, not accessible to any groups.

117. These mixes 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.

118. 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 Tendring District Council to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
119. 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)

Tenure	Indicative mix (standard development)	Indicative mix (wholly affordable)	Considerations and uncertainties
Routes to home ownership, of which	30%	55%	
First Homes	25%	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	5%	30%	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	0%	0%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	70%	45%	
Social rent	To be set by Registered Providers	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	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

Conclusions- Tenure and Affordability

Current Dwelling Stock

120. The current tenure profile of Elmstead, from the 2011 Census, shows that levels of home ownership in Elmstead and Tendring District, at 78.4% and 73.7% of households respectively owning their own homes, are greater than those for England as a whole, at 63.3% of households. There is a clear lack of Affordable Housing, both for rent and for sale, in the NA, with significantly fewer households in social rented or shared ownership properties than across England. The same trend, although to a lesser extent, is also reflected in Tendring.
121. There was a steady increase in house prices in Elmstead, across all average measures, from 2011 to 2017. House prices then increased more rapidly, peaking in 2018 before decreasing to 2020. The median price peaked in 2018, at £347,500, with the subsequent decrease making the median house price for 2020 £280,000. From 2011 to 2020 there was a 56.7% increase in median house prices, higher than for lower quartile house prices which grew by 45.0% in the same time period. The largest area of growth was in the prices of detached properties, with an increase of 71.3% from 2011 to 2020 compared to 43.5% growth in the price of detached properties nationally. Overall, house prices in the NA increased by 56.7%, higher than overall house price growth between 2011 and 2020 across England.

Affordability

122. Looking at market affordability, local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. Private renting is generally only affordable to higher earners, inaccessible even to those on mean incomes. Those on mean incomes are the only group that can afford entry-level rent.
123. When looking at affordable home ownership, some models are more affordable than even the private rented market in Elmstead, meaning that there is the potential for households that are unable to currently rent or buy market homes to be able to buy through affordable home ownership models. At 40% and 50% discounts, First Homes are accessible to those on mean income, but they remain inaccessible to those on lower quartile incomes, regardless of whether this is one or two. It is recommended that First Homes are within the parish are at a 40% discount as these are affordable to those on mean incomes. There is no need to increase the discount to 50% as it does not provide any additional groups access to this tenure so maintaining the 40% discount helps to ensure viability.
124. Shared ownership appears to be similarly affordable than First Homes and is broadly accessible to the same groups at 25% and 10% equity. While the income threshold for a 10% equity shared ownership home is lower and would require a smaller deposit, 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.

125. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units.

Affordable Housing Need

126. In terms of the need for affordable rented housing in the NA, the current estimated backlog of need for the NA, based on data provided by Tendring District Council, is 8 households. Taking this into account along with newly arising need and turnover of existing stock, it is estimated that the total need for affordable rented homes in the plan period is 4.9. However, it would be better to frontload any future affordable rented provision to meet the needs of those already on the Housing Register as opposed to 'spreading them out' over the plan period.
127. Turning to Affordable Housing providing a route to home ownership, the model aims to estimate the number of households might wish to own their own home but cannot afford to. The result of the calculation is 3.3 households per annum who may be interested in affordable home ownership (or 36.9 for the entirety of the Plan period). The community are currently taking a proactive approach to meeting their Affordable Housing need despite an overall housing figure of 0. They are considering using a Community Development Order to develop a Village Hall site solely for First Homes, which would work towards meeting the shortfall of Affordable Housing for sale in the NA.
128. This HNA proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy. Due to the LPA housing requirement of 0, Table 4-7 proposes mixes based on two different scenarios. The first scenario is based on if a market development were to come forward, with affordable housing delivered on sites delivering 11 or more dwellings based on the emerging Local Plan. The second scenario is based on a wholly affordable site, such as a rural exception site, meaning that there would likely be greater delivery of affordable housing, therefore altering the mix as it allows for increased delivery of affordable home ownership products.
129. The first indicative mix, based on standard development, suggests that the majority of development, 70%, is for affordable/social rented dwellings, even though the greater demand was identified for affordable ownership. This is chiefly a response to the fact that it is expected that the delivery of Affordable Housing will be lower than the needs identified here. In this context, affordable rented tenures should be prioritised. Affordable rented dwellings are also suggested to be prioritised because of the severe affordability problems in the NA, with Table 4-3 showing that households on two lower-quartile incomes are only able to afford affordable rented products. A high percentage will also help to address the backlog of need reflected in the waiting list early in the plan period. The remaining 30% is suggested for affordable routes to home ownership at 25% First Homes (at 40% discount) and 5% shared ownership (at 25% equity).
130. The second indicative mix, based on a wholly affordable site, suggests that a

greater proportion of affordable housing for sale to help address the high predicted demand in the NA. It is suggested that affordable and social rented housing accounts for 45% in order to address some of the backlog early in the plan period as opposed to just the need the model suggests per annum or by the end of the plan period. The suggested 55% affordable routes to home ownership is broken down as 25% First Homes (at 40% discount) and 30% shared ownership (at 25% equity). These mixes should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J, and in particular the views and objectives of the community.

131. Due to the LPA housing requirement being 0 for Elmstead, AECOM cannot predict the number of affordable dwellings that would be provided in the Neighbourhood Plan area based on the percentage of affordable housing to be provided through local policy and the recommendations made in this chapter. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.

5. RQ 2: Type and Size

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

Introduction

132. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Elmstead 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.
133. 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

134. 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.
135. 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.
136. 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.
137. 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.

138. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. The most appropriate combination of approaches is used in this section. Tendring District Council have been able to provide completions data for the NA from 2011/2012 to 2020/2021 but this is not broken down into sizes or types. Therefore, this completions data will be the most accurate figure for total housing in the NA to present day, but VOA data will be used to determine the breakdown of types and sizes of dwelling. VOA data is only available at MSOA and LSOA levels, not at parish level. Therefore, a proxy area which is slightly bigger than the NA has had to be used for VOA data. The data will be a combination of VOA data for LSOA E01022052, which covers most of Elmstead Market village, and LSOA E01022051 which encompasses the rest of the NA, as well as part of Great Bromley parish in the north-east.

Dwelling type

139. Table 5-1 shows the breakdown of dwelling types in the NA in 2011 and in 2021. As discussed above, the 2021 VOA data used is for a proxy area of two combined LSOAs. This is considered good enough to represent the mix in the NA, even if it is not a perfect match in terms of actual numbers.
140. Table 5-1 shows that in 2021 there was a high proportion of bungalows, at 36.4% of all dwellings, potentially highlighting the demand for such housing in the NA, which has a greater proportion of older people than nationally (see Figure 5-1). This unfortunately cannot be compared with the levels of bungalows in 2011 as the Census data counts bungalows within each of the other categories rather than independently (hence the apparent decline in the number of semi-detached properties – this is significant in the NA, perhaps suggesting there was a significant proportion of semi-detached bungalows in 2011). The table below also shows that there was a decline in the proportion of detached dwellings, from 42.8% to 29.5%, in the NA. Again, this decline is likely due to the reclassification of properties into bungalows in the VOA data. Note also that VOA data is rounded to the nearest 10 in each dwelling category. The 2011 Census data shows that Elmstead is dominated by detached and semi-detached dwellings, with these accounting for 81.8% of the stock. This suggests that the majority of dwellings are likely to be larger and more expensive, with limited options for smaller households with less buying power. This is unlikely to have changed significantly to present day, but this isn't as clear in the VOA data due to the inclusion of bungalows as a separate category.

Table 5-1: Accommodation type, Elmstead, 2011 and 2021

Dwelling type	2011 (Census)	2021 (VOA)
Bungalow	-	36.4%
Flat	7.0%	5.3%
Terrace	11.1%	6.8%
Semi-detached	39.0%	21.2%
Detached	42.8%	29.5%
Unknown/other	-	0.8%

Source: ONS 2011, VOA 2021, AECOM Calculations

141. Table 5-2 shows the 2021 VOA data for dwelling type in the NA compared to Tendring District and England as a whole. It shows that both Elmstead and Tendring have a much higher proportion of bungalows than England. The proportion of detached dwellings is also higher in the NA and the District than England, with 16.0% in England compared to 29.5% in the NA. There is a significantly lower proportion of flats and terraced dwellings in the NA than both Tendring and nationwide.

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

Dwelling type	Elmstead	Tendring	England
Bungalow	36.4%	30.9%	9.4%
Flat	5.3%	16.8%	23.2%
Terrace	6.8%	12.4%	26.3%
Semi-detached	21.2%	18.7%	23.8%
Detached	29.5%	19.2%	16.0%
Unknown/other	0.8%	1.9%	1.4%

Source: VOA 2021, AECOM Calculations

Dwelling size

142. Table 5-3 shows that the dwelling size in 2011 in the NA was dominated by larger homes, with 46.5% of dwellings being 3-bedroom properties. This slightly decreased according to VOA data in 2021 to 42.4%, though still by far the highest category. The proportion of 2-bedroom dwellings and 4+ bedroom dwellings also grew between 2011 and 2021, to 32.6% and 21.2% of the dwelling size mix respectively. The proportion of 1-bedroom properties, which was already very low at 5.1% in 2011, fell to 3.8% in 2021, highlighting the predominance of mid-size and larger dwellings in recent development in the NA.
143. While the VOA data helpfully shows changes that have been made to existing homes (i.e. extensions and the subdivision of rooms), it is in other respects less accurate than LPA completions data. The VOA data is rounded to the nearest ten for each dwelling category and records a number of properties with an unknown number of rooms.

Table 5-3: Dwelling size (bedrooms), Elmstead, 2011 and 2021

Number of bedrooms	2011 (Census)	2021 (VOA)
Studio	-	-
1	5.1%	3.8%
2	29.6%	32.6%
3	46.5%	42.4%
4+	18.8%	21.2%
Unknown	-	0.0%

Source: ONS 2011, VOA 2021, AECOM Calculations

144. Comparing the dwelling size in the NA in 2021 to Tendring and England gives an indication of whether the dwelling sizes in Elmstead are representative of the national picture, and of the whole District area. Table 5-4 confirms that the proportion of 1-bedroom dwellings in the NA is significantly lower than both the District and England. It also shows that the proportion of 4+ bedroom dwellings is higher than both of these. The proportion of 2-bedroom dwellings is lower than Tendring, but higher than England, and the proportion of 3-bedroom dwellings is in line with the national proportions. This table suggests that compared to the District and England, there is a weighting in the NA towards the large 4+ bedroom dwellings, and a distinct lack of small 1-bedroom dwellings.

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

Number of bedrooms	Elmstead	Tendring	England
1	3.8%	9.1%	12.3%
2	32.6%	38.6%	28.1%
3	42.4%	38.0%	43.4%
4+	21.2%	13.8%	15.5%
Unknown	0.0%	0.5%	0.6%

Source: VOA 2021, AECOM Calculations

Age and household composition

145. Having established the current stock profile of Elmstead 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

146. Table 5-5 below shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. It shows that there has been a slight increase in the overall population of 61 people. The proportions of people in each age group remains relatively stable between 2011 and 2019, with a slightly higher proportion of the population estimated to fall into the 65-84 age group. To offset this there is a slight decline in the proportion of people aged 25-44 in the NA between 2011 and 2019.

147. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2019 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.
148. 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.

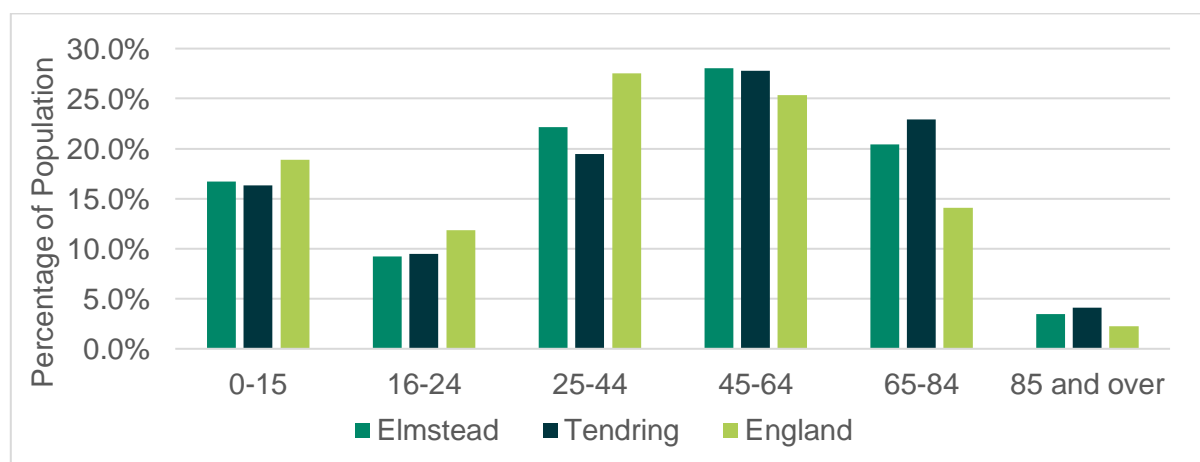
Table 5-5: Age structure of Elmstead population, 2011 and 2019

Age group	2011 (Census)		2019 (ONS, estimated)	
0-15	310	16.7%	335	17.5%
16-24	171	9.2%	172	9.0%
25-44	411	22.2%	362	18.9%
45-64	520	28.0%	546	28.5%
65-84	379	20.4%	428	22.3%
85 and over	64	3.5%	73	3.8%
Total	1,855		1,916	

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

149. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-1 below (using 2011 Census data) shows that Elmstead and Tendring show relatively similar trends. Both Elmstead and Tendring have a smaller proportion of the population aged 0-44 than England as a whole, and a higher percentage of the population aged 45-85 and over. This indicates an older population in Tendring District and within the NA. Elmstead does have higher proportions of the population than Tendring aged 25-44 and lower for 65-84 and over, suggesting that whilst both the NA and District have older populations, ageing is more apparent at District level.

Figure 5-1: Age structure in Elmstead, 2011



Source: ONS 2011, AECOM Calculations

Household composition

150. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Table 5-6 shows that there are fewer one person households in Elmstead than Tendring and England, but the proportion of one-person households aged 65 and over is significantly higher than England at 16.6% for Elmstead and 12.4% nationally. The figure is higher for Tendring District at 18.6% of all households.
151. There are more one family only households in Elmstead than Tendring and England by 5-6%. As seen with one-person households, families aged 65 and over are more common at 14.9% compared with England at just 8.1%. There is a slightly higher proportion of households with no children in Elmstead and slightly lower proportion for those with dependent children or non-dependent children. (Non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. These figures are relatively similar to the District and country.)
152. Note that there was a marked decrease (28.1%) in the proportion of households with non-dependent children from 2001 to 2011 whilst there was an increase of around 10% in both Tendring and England. This suggests that there were fewer households with adult children living at home in 2011 than in 2001, which could suggest better affordability of housing in 2011 than 2001 or could just reflect demographic changes in the population.

Table 5-6: Household composition, Elmstead, 2011

Household composition		Elmstead	Tendring	England
One-person household	Total	27.3%	33.1%	30.2%
	Aged 65 and over	16.6%	18.6%	12.4%
	Other	10.7%	14.5%	17.9%
One family only	Total	67.9%	62.0%	61.8%
	All aged 65 and over	14.9%	13.5%	8.1%
	With no children	19.3%	17.6%	17.6%
	With dependent children	24.9%	21.7%	26.5%
	All children Non-Dependent ¹⁴	8.8%	9.1%	9.6%
Other household types	Total	4.7%	5.0%	8.0%

Source: ONS 2011, AECOM Calculations

¹⁴ Refers to households containing children who are older than 18 e.g. students or young working people living at home.

Occupancy ratings

153. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.
154. Census data on occupancy rating is only provided down to MSOA level. So, for the purpose of this analysis, the NA is represented by MSOA E02004577. 79% of people in Elmstead and the surrounding area lived in a home with at least one extra bedroom or two extra bedrooms, indicating high levels of under-occupancy. Under-occupancy is often common with older people and this is reflected in Elmstead, with 90% of people aged 65 and over under-occupying and 88% of people aged 50-64 under-occupying. This may suggest that the larger housing isn't being occupied by households with the most family members, but by people with the most wealth or by older people who have not chosen or been able to move to smaller properties. Only 18% of people are occupying a property with the correct number of bedrooms for their family size and composition.

Table 5-7: Occupancy rating by age in Elmstead, 2011

Age group	+2 rating	+1 rating	0 rating	-1 rating
0-15	28%	43%	25%	4%
16-49	34%	39%	22%	4%
50-64	58%	30%	11%	2%
65 and over	52%	38%	10%	1%
All ages	42%	37%	18%	3%

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

Dwelling mix determined by life-stage modelling

Suggested future dwelling size mix

155. 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 Elmstead 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.

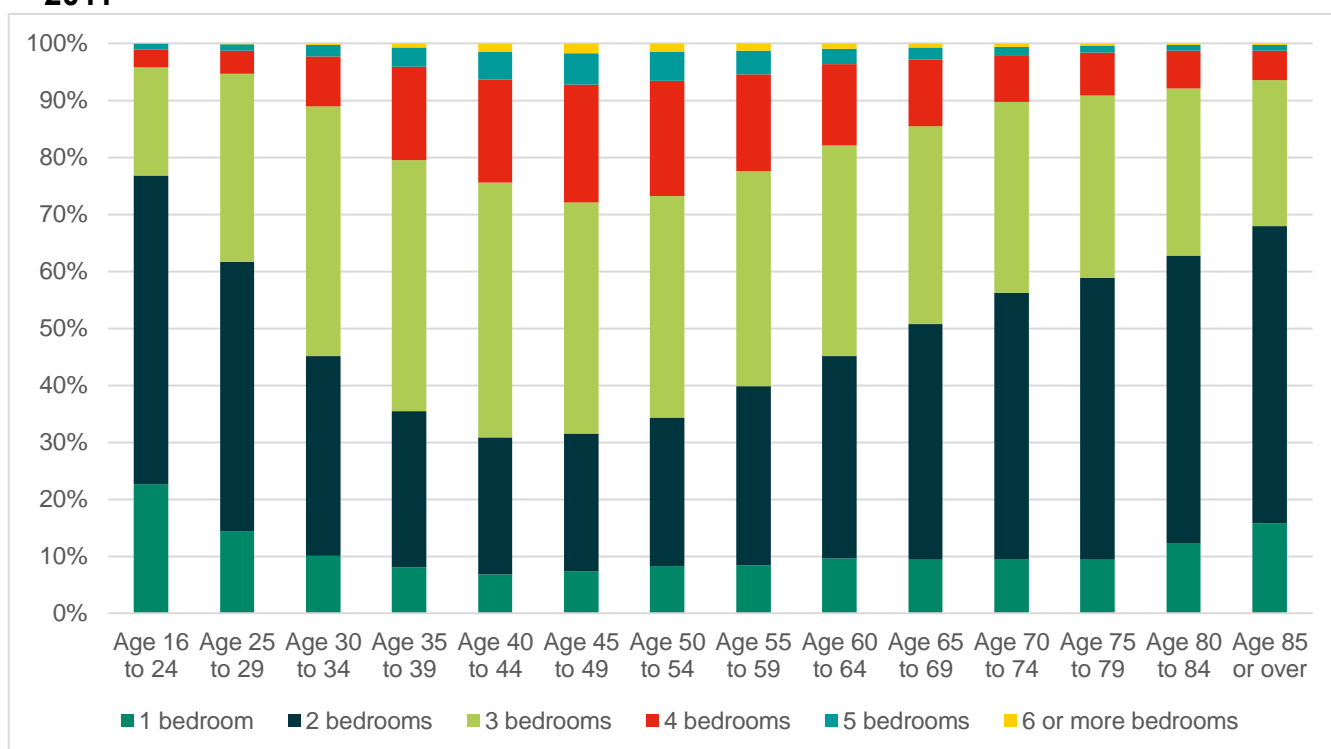
- As noted above, household life stages are not estimated annually, so the older Census data must be used.
 - This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows 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.
156. 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.
157. 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.

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

159. The first, given as Figure 5-2 below, sets out the relationship between household life stage and dwelling size for Tendring District Council 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. Households with a household reference person aged 45-49 have the highest proportion of 4+ bedroom housing than any other age category. As expected, households with a household reference person aged 16-24 occupy the highest proportion of 1-bedroom dwellings compared to other age categories, followed by households with a household reference person aged 85 or over.

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



Source: ONS 2011, AECOM Calculations

160. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Elmstead households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-8 below makes clear that population growth can be expected to be driven by the oldest households, with the greatest growth expected to be in households with a household reference person aged 65 and over, at 46%. Growth is expected in all categories except for households with a household reference person aged 24 and under. Whilst the most significant change is projected in the oldest age category, there is also significant change projected between 2011 and 2033 for

households with a household reference person aged 25 to 34 (29%) and 55 to 64 (10%).

Table 5-8: Projected distribution of households by age of HRP, Elmstead

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	15	51	272	150	295
2033	15	66	276	164	432
% change 2011-2033	-2%	29%	2%	10%	46%

Source: AECOM Calculations

161. The final result of this exercise is presented in Table 5-9 below. The model suggests that the target mix in 2033 has a higher proportion of 1-bedroom and 2-bedroom dwellings than the current 2011 mix. The target mix also has a smaller proportion of 3-bedroom and 5-bedroom properties required than exist already, with an almost stable proportion of 4-bedroom dwellings suggested.
162. In order to achieve this target mix, it is suggested that the balance of new housing is heavily weighted towards smaller dwellings, with almost 90% of new developments suggested to be made up of 1-2 bedroom dwellings. To reduce the proportion of 3-bedroom and 5-bedroom dwellings, it is suggested there is no further development of these properties.

Table 5-9: Suggested dwelling size mix to 2033, Elmstead

Number of bedrooms	Current mix (2011)	Target mix (2033)	Balance of new housing to reach target mix
1 bedroom	5.1%	9.9%	26.0%
2 bedrooms	29.6%	38.3%	63.2%
3 bedrooms	46.5%	35.8%	0.0%
4 bedrooms	12.1%	12.4%	10.8%
5 or more bedrooms	6.6%	3.6%	0.0%

Source: AECOM Calculations

163. 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.
164. For example, downsizing older households and young people leaving home or new starter families may both need smaller or mid-sized homes, but are likely to have extremely different requirements and degrees of purchasing power. Similarly, with the larger 4-bedroom households, new migrating households or those with previous equity will have greater buying power than large lower

income families that may require the same size dwelling. Variety should therefore be sought within the sizes in terms of tenure and affordability to ensure the appropriate size dwellings are accessible to all households. 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.

165. Some primary research has been undertaken by Elmstead Parish Council Neighbourhood Planning Steering Group to identify the needs and wants of the community in relation to a number of topics, including housing. One of the key questions asked residents to identify what they felt to be the highest priority for the size of home to be planned for. 1-bedroom and 2-bedroom homes and specialist homes for the elderly were ranked the most under 'very important', whilst under category of 'important', 2-bedroom and 3-bedroom homes were most commonly voted for, suggesting a locally identified need for small to mid-sized homes.
166. The preceding chapter found that affordability is a serious 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.
167. To best meet the needs of the 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 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. This may require continued provision of 3-bedroom homes, contrary to the output of the model above. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms.
168. That said, it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied in the parish. Reducing the issue of dwelling size to a number of bedrooms is potentially unhelpful in this case. There may be a strong justification to continue supplying larger homes despite their abundance because a different kind of larger home is needed to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix, but is among the good reasons not to inhibit any size of dwelling entirely.
169. 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. It

therefore may not be sensible to eliminate any size housing from future developments. The evidence in this section represents a starting point for further thought and consultation.

The OAN/SHMA findings

170. The OAN and SHMA cover the housing market area including Braintree, Chelmsford, Colchester, and Tendring. There are no key findings relevant to this HNA regarding the type and size of housing outlined in the 2016 OAN. The key relevant findings of the 2015 SHMA relating to type and size are outlined below. This SHMA is considered relatively dated and therefore only little weighting should be applied to the findings.

- The SHMA suggests that of the future owner-occupied properties, 42.2% should be 3-bedroom properties, 32.4% should be 2-bedroom, 18.5% should have 4+ bedrooms, and 6.9% should have 1-bedroom. A similar analysis is undertaken for the private rented sector. As discussed above, this data is considered out of date and AECOM's calculations and recommendations may be considered more appropriate for the present-day situation and for projecting to the end of the neighbourhood plan period. This also gives the recommendations for a much wider area than the NA, and as has been established above, the NA current dwelling mix does not necessarily align with the wider District.

Conclusions- Type and Size

171. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.

Current Dwelling Stock

172. In 2021 there was a high proportion of bungalows, at 36.4% of all dwellings, potentially highlighting the demand for such housing in the NA. The 2011 Census data shows that Elmstead is dominated by detached and semi-detached dwellings, with these accounting for 81.8% of the stock. This suggests that the majority of dwellings are likely to be larger and more expensive, with limited options for smaller households with less buying power. Both Elmstead and Tendring have a much higher proportion of bungalows than England. The proportion of detached dwellings is also higher in the NA and the District than England. There is a significantly lower proportion of flats and terraced dwellings in the NA than both Tendring and nationwide.

173. In terms of dwelling size, in 2011 the NA was dominated by larger homes, with 46.5% of dwellings being 3-bedrooms. As before, this was compared to the national and wider District picture. This, as expected, showed that the proportion of 1-bedroom dwellings in the NA is significantly lower than both the District and England, whilst the proportion of 4+ bedroom dwellings is higher than both of these, emphasising the imbalance in the NA.

Demographics

174. Between 2011 and mid-2019, the most recent estimated age structure of the NA population, there was a slight increase in the overall population of 61 people. The proportions of people in each age group remained relatively stable between 2011 and 2019, with a slightly higher proportion of the population estimated to falling into the 65-84 age group. To offset this there is a slight decline in the proportion of people aged 25-44 in the NA between 2011 and 2019. Comparing this to the wider District and England as a whole, the population structure of Elmstead and Tendring show relatively similar trends, though ageing is slightly more apparent in the District than the NA.

175. There are fewer one person households in Elmstead than Tendring and England, but the proportion of one-person households aged 65 and over is significantly higher than England at 16.6% for Elmstead and 12.4% nationally. The figure is higher again for Tendring District as 18.6% of households are one-person households aged 65 and over. As seen with one-person households, one family households with all residents aged 65 and over is high in the NA at 14.9% compared to just 8.1% across England.

176. In relation to over and under-occupancy, 79% of people in Elmstead lived in a home with at least one extra bedroom, indicating high levels of under-occupancy. Under-occupancy is often common with older people and this is reflected in Elmstead, with 90% of people aged 65 and over under-occupying and 88% of people aged 50-64 under-occupying. This may suggest that the larger housing isn't being occupied by households with the most family members, but by people with the most wealth or by older people who have not chosen or been able to move to smaller properties.

Future Recommendations

177. The HNA model suggests that the target mix in for housing in the NA in 2033 has a higher proportion of 1-bedroom and 2-bedroom dwellings than the 2011 mix. In order to achieve the target mix outlined in the report, it is suggested that the balance of new housing is heavily weighted towards smaller dwellings, with new developments suggested to be made up of 89.2% 1-bedroom and 2-bedroom dwellings. To reduce the proportion of 3-bedroom and 5-bedroom dwellings, it is suggested there is no further development of these properties. Despite this, it is not advisable to restrict future housing delivery to selected size categories only and this is only a starting point for addressing the needs of the future population.

178. Variety should be sought within 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 but it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied in the parish. There may therefore be a justification to continue supplying larger homes despite their abundance because a different kind of larger home is needed to accommodate growing families with less buying power.

Community Opinion

179. It is also important to take into consideration the needs and wants identified by the community. Elmstead Parish Council Neighbourhood Planning Steering Group undertook a household survey, some of which focussed on housing. The outcome of the community consultation aligns to an extent with the suggested dwelling mix, with the community identifying the need for 1-bedroom and 2-bedroom homes as 'very important', and the AECOM calculations suggesting that in order to reach the target mix of housing for the end of the plan period, 89.2% of new development should be made up of 1-bedroom and 2-bedroom dwellings. As suggested above though, it is important not to completely exclude certain dwelling types based on these recommendations so that 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 provided represents a starting point for further thought and consultation.

6. Conclusions

Overview

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

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

Issue	Summary of evidence and data assessed	Conclusions and recommendations
<p>Quantity of affordable housing to plan for</p>	<p>Due to the SHMA and the OAN for Tendring being relatively old, more current data has been used, some of which was provided by Tendring District Council. An estimate was made of the total need for affordable rented housing in Elmstead over the Plan period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. It should also be noted that figures in Table 4-5 are largely dependent on information provided by Tendring District Council in its capacity as manager of the local housing waiting list.</p> <p>The current backlog of need is 8.0 households for Elmstead Market, assumed to be a reasonable estimate for the whole parish of Elmstead. The current number of social renters in the parish is recorded as 54, in line with the data provided by Tendring District Council. It is thought that this figure just includes the affordable rented housing in Elmstead Market.</p>	<p>There are currently about 8 households in Elmstead unable to access affordable rented homes suitable to their needs. It is suggested that, over the Plan period, 14.7 additional households in the NA will fall into need, producing total need for affordable rented homes of 4.9 in the plan period. There are more households currently in need in the NA than the total need for the plan period. This is due to the assumed 3% relet rate of the social housing stock and so this would account for some of the existing and newly arising need. However, to 'spread them out' over the Plan period is not favourable to the individuals involved. In practice, it would be better to frontload any future affordable rented provision to meet those needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock.</p> <p>Turning to Affordable Housing as a route to home ownership, the result of the calculation is 3.3 households per annum who may be interested in affordable home</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
	<p>However, this is a reasonable estimate for the whole Elmstead parish due to the fact that in 2011, both Elmstead Market village and Elmstead parish had 61 social tenant households, suggesting that all of the social housing in the NA is within the village. It is worth noting the decrease in social housing from 61 in 2011 to 54 in 2021. This is in line with trends for the NA, with 86 dwellings in the social rented sector for Elmstead parish in 2001.</p> <p>Turning now to Affordable Housing providing a route to home ownership, Table 4-6 estimates the potential demand in Elmstead. 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.</p>	<p>ownership (or 36.9 for the entirety of the Plan period). 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.</p>
<p>Housing tenure and affordability</p>	<p>The current tenure profile of Elmstead, from the 2011 Census, shows that levels of home ownership in Elmstead and Tendring District, at 78.4% and 73.7% of households respectively owning their own homes, are greater than those for England as a whole, at 63.3% of households. There is a clear lack of Affordable Housing, both for rent and for sale, in the NA, with significantly fewer households in social rented or shared ownership properties than across England. The same</p>	<p>This HNA proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy. Due to the LPA housing requirement of 0, Table 4-7 proposes mixes based on two different scenarios. The first scenario is based on if a market development were to come forward, with affordable housing delivered on sites delivering 11 or more dwellings based on the emerging Local Plan. The second scenario is based on a wholly affordable site, such as a rural exception site, meaning that there would likely be</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
	<p>trend, although to a lesser extent, is also reflected in Tendring.</p> <p>There was a steady increase in house prices in Elmstead, across all average measures, from 2011 to 2017. House prices then increased more rapidly, peaking in 2018 before decreasing to 2020. The median price peaked in 2018, at £347,500, with the subsequent decrease making the median house price for 2020 £280,000. From 2011 to 2020 there was a 56.7% increase in median house prices. The largest area of growth was in the prices of detached properties, with an increase of 71.3% from 2011 to 2020 compared to 43.5% growth in the price of detached properties nationally.</p> <p>Local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Private renting is generally only affordable to higher earners, inaccessible even to those on mean incomes. Those on mean incomes are the only group that can afford entry-level rent. When looking at affordable home ownership, some models are more affordable than even the private rented market in Elmstead, meaning that there is the potential for households</p>	<p>greater delivery of affordable housing, therefore altering the mix as it allows for increased delivery of affordable home ownership products.</p> <p>The first indicative mix, based on standard development, suggests that the majority of development, 70%, is for affordable/social rented dwellings, in response to the fact that it is expected that the delivery of Affordable Housing will be lower than the needs identified. In this context, affordable rented tenures should be prioritised. The remaining 30% is suggested for affordable routes to home ownership at 25% First Homes (at 40% discount) and 5% shared ownership (at 25% equity).</p> <p>The second indicative mix, based on a wholly affordable site, suggests that a greater proportion of affordable housing for sale to help address the high predicted demand in the NA. It is suggested that affordable and social rented housing accounts for 45% in order to address some of the backlog early in the plan period as opposed to just the need the model suggests per annum or by the end of the plan period. The suggested 55% affordable routes to home ownership is broken down as 25% First Homes (at 40% discount) and 30% shared ownership (at 25% equity).</p> <p>These mixes should be viewed as a starting point, based primarily on</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
	<p>that are unable to currently rent or buy market homes to be able to buy through affordable home ownership models. Shared ownership appears to be similarly affordable than First Homes and is broadly accessible to the same groups at 25% and 10% equity. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units.</p>	<p>secondary evidence, which should be reconsidered in light of considerations F to J, and in particular the views and objectives of the community.</p>
<p>Housing and size type</p>	<p>In 2021 there was a high proportion of bungalows in the NA, at 36.4% of all dwellings, potentially highlighting the demand for such housing in Elmstead. The 2011 Census data shows that Elmstead is dominated by detached and semi-detached dwellings, with these accounting for 81.8% of the stock. This suggests that the majority of dwellings are likely to be larger and more expensive, with limited options for smaller households with less buying power. Both Elmstead and Tendring have a much higher proportion of bungalows than England. The proportion of detached dwellings is also higher in the NA and the District than</p>	<p>The HNA model suggests that the target mix in for housing in the NA in 2033 has a higher proportion of 1-bedroom and 2-bedroom dwellings than the 2011 mix. In order to achieve the target mix outlined in the report, it is suggested that the balance of new housing is heavily weighted towards smaller dwellings, with new developments suggested to be made up of 89.2% 1-bedroom and 2-bedroom dwellings. To reduce the proportion of 3-bedroom and 5-bedroom dwellings, it is suggested there is no further development of these properties. Despite this, it is not advisable to restrict future housing delivery to selected size categories only and this is only a starting point for addressing the</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
	<p>England. There is a significantly lower proportion of flats and terraced dwellings in the NA than both Tendring and nationwide.</p> <p>In terms of dwelling size, in 2011 the NA was dominated by larger homes, with 46.5% of dwellings being 3-bedrooms. As before, this was compared to the national and wider District picture. This, as expected, showed that the proportion of 1-bedroom dwellings in the NA is significantly lower than both the District and England, whilst the proportion of 4+ bedroom dwellings is higher than both of these, emphasising the imbalance in the NA.</p> <p>Between 2011 and mid-2019, the most recent estimated age structure of the NA population, there was a slight increase in the overall population of 61 people. The proportions of people in each age group remained relatively stable between 2011 and 2019, with a slightly higher proportion of the population estimated to falling into the 65-84 age group. To offset this there is a slight decline in the proportion of people aged 25-44 in the NA between 2011 and 2019. Comparing this to the wider District and England as a whole, the population structure of Elmstead and Tendring show</p>	<p>needs of the future population.</p> <p>It is also important to take into consideration the needs and wants identified by the community. Elmstead Parish Council Neighbourhood Planning Steering Group undertook a household survey, some of which focussed on housing. The outcome of the community consultation aligns to an extent with the suggested dwelling mix, with the community identifying the need for 1-bedroom and 2-bedroom homes as 'very important', and the AECOM calculations suggesting that in order to reach the target mix of housing for the end of the plan period, 89.2% of new development should be made up of 1-bedroom and 2-bedroom dwellings. As suggested above though, it is important not to completely exclude certain dwelling types based on these recommendations so that 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 provided represents a starting point for further thought and consultation.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
	<p>relatively similar trends, though ageing is slightly more apparent in the District than the NA.</p> <p>When looking at over and under-occupancy, this is most common with older people and this is reflected in Elmstead, with 90% of people aged 65 and over under-occupying and 88% of people aged 50-64 under-occupying. This may suggest that the larger housing isn't being occupied by households with the most family members, but by people with the most wealth or by older people who have not chosen or been able to move to smaller properties.</p>	<p>Variety should be sought within 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 but it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied in the parish. There may therefore be a justification to continue supplying larger homes despite their abundance because a different kind of larger home is needed to accommodate growing families with less buying power.</p>

Recommendations for next steps

181. This Neighbourhood Plan housing needs assessment aims to provide Elmstead 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 Tendring District 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 Tendring District 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 Tendring District Council.

182. 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.

183. 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, Tendring District Council, or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
184. 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.

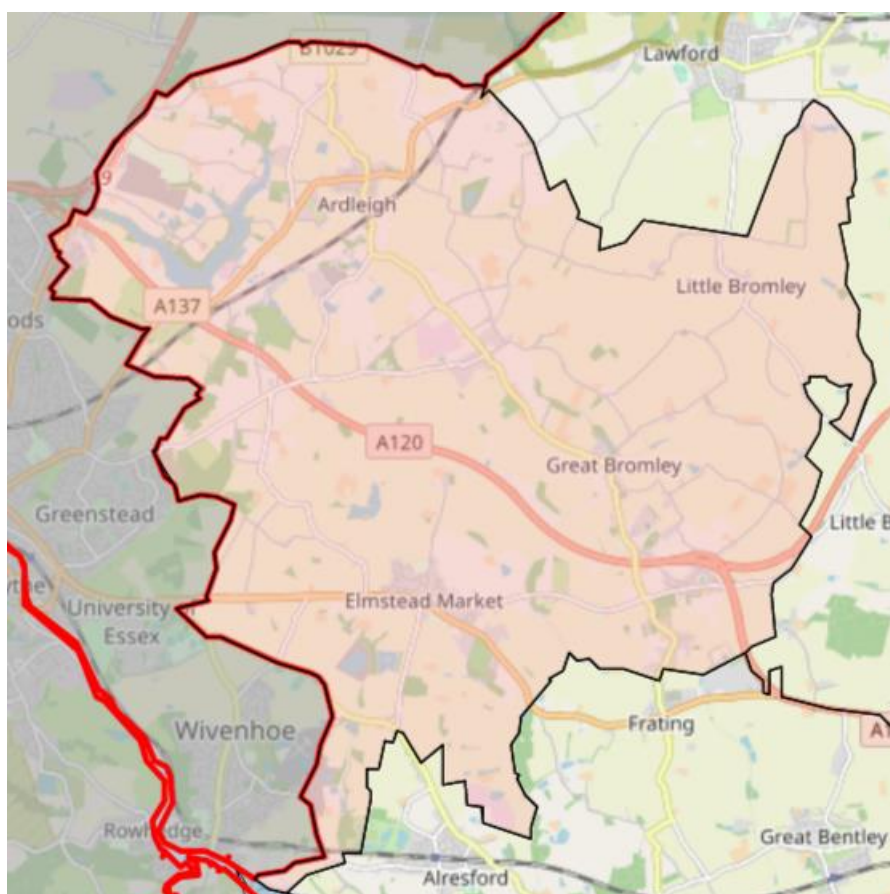
Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

185. As noted in the Tenure and Affordability chapter above, income data is available at MSOA level but not at the level of neighbourhood plan areas.

186. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Elmstead, it is considered that MSOA E02004577 is the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of it appears below in Figure A-1.

Figure A-1: MSOA E02004577 used as a best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

A.2 Market housing

187. Market housing is not subsidised and tends to be primarily accessible to people on higher incomes.
188. 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

189. 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.
190. 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 Elmstead, 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.
191. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2020) = £280,000 ;
 - Purchase deposit at 10% of value = £28,000;
 - Value of dwelling for mortgage purposes = £252,000;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £72,000.
192. 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 £228,750, and the purchase threshold is therefore £58,821.
193. 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 1 sale of new build properties in the NA in 2020. The sample here was too small so an estimate has been calculated using LA new build house prices. The uplift between LA house prices and LA new build house prices was calculated to be an average of 18.6% across all property types. This percentage uplift was then applied to the NA entry-level (lower quartile)

house price to give a figure for estimating new build house prices within Elmstead. The figure therefore being used for the NA new build house price is £271,298, giving a purchase threshold of £69,762.

ii) Private Rented Sector (PRS)

194. 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.
195. 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.
196. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within the CO7 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.
197. According to [home.co.uk](https://www.home.co.uk), there were 32 properties for rent at the time of search in October 2021, with an average monthly rent of £1,275. There were 11 two-bed properties listed, with an average price of £901 per calendar month.
198. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
- Annual rent = £901 x 12 = £10,812;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £36,040.
199. The calculation is repeated for the overall average to give an income threshold of £51,000.

A.3 Affordable Housing

200. 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

201. 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.
202. 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 Elmstead. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Tendring District Council in the table below.
203. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	144.85	103.65	110.89	125.19	113.11
Annual average	7,532	5,390	5,766	6,510	5,882
Income needed	25,082	17,948	19,202	21,678	19,586

Source: Homes England, AECOM Calculations

ii) Affordable rent

204. 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).
205. 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%.
206. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Tendring District Council. Again, it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.

207. Comparing this result with the average 2-bedroom annual private rent above indicates that affordable rents in the NA are actually 78.6% of market rates rather 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	97.16	116.40	135.83	175.88	120.80
Annual average	5,052	6,053	7,063	9,146	6,282
Income needed	16,824	20,156	23,520	30,455	20,918

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

208. 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.

209. 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 the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

First Homes

210. 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.

211. The starting point for these calculations is therefore the estimated cost of new build housing in Elmstead, calculated using the uplift between Tendring District Council house prices and new build house prices. This percentage was then applied to entry level house prices in the NA to give an estimated new build housing cost. For Elmstead this is, as noted above, £271,298.

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

- Value of a new home (estimated NA average) = £271,298;
- Discounted by 30% = £189,909;

- Purchase deposit at 10% of value = £18,991;
- Value of dwelling for mortgage purposes = £170,918;
- Divided by loan to income ratio of 3.5 = purchase threshold of £48,834.

213. 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 £41,857 and £34,881 respectively.

214. All of the income thresholds calculated here for First Homes are below the cap of £80,000, above which households are not eligible. All of the discounted prices are also below £250,000, meaning that they meet the criteria.

215. 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 Elmstead.

Shared ownership

216. 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'.

217. 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.

218. 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).

219. The affordability threshold for a 25% equity share is calculated as follows:

- A 25% equity share of £271,298 is £67,825;
- A 10% deposit of £6,782 is deducted, leaving a mortgage value of £61,042;

- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £17,441;
- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £203,474;
- The estimated annual rent at 2.5% of the unsold value is £5,087;
- This requires an income of £16,956.13 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £34,397.13 (£17,441 plus £16,956.13).

220. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £27,324 and £46,185 respectively.

221. The income thresholds are all below the £80,000 cap for eligible households (even at 75% equity shares).

Rent to buy

222. Rent to buy is a relatively new and less common tenure, which through subsidy allows the occupant to save to build up a deposit to eventually purchase the home. Homes are made available to rent with a shorthold tenancy at a reduced rate of 80% of local market rents and occupants can make an outright offer or enter a part rent part buy scheme at any point within the lease. Typically lease periods vary between 6 months and 5 years, depending on the property and the LA.

Help to Buy (Equity Loan)

223. 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.

224. 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 methods¹⁵.

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard¹⁶

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.

¹⁵ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

¹⁶ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

Co-living

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

Community Led Housing/Community Land Trusts

Housing development, provision and management that is led by the community is very often driven by a need to secure affordable housing for local people in the belief that housing that comes through the planning system may be neither the right tenure or price-point to be attractive or affordable to local people. The 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 Order¹⁷

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)¹⁸

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.

¹⁷ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

¹⁸ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

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 years¹⁹, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

¹⁹ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

Overcrowding

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

Housing for older people which usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable

residents to live independently. This can include 24 hour on-site assistance (alarm) and a warden or house manager.

Residential Care Homes and Nursing Homes

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

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

Housing where a purchaser part buys and part rents from a housing association or local authority. Typical purchase share is between 25% and 75%, 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 Housing²⁰

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 bedrooled. 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

²⁰ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.²¹

²¹ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

